



ANNUAL REPORT 2010

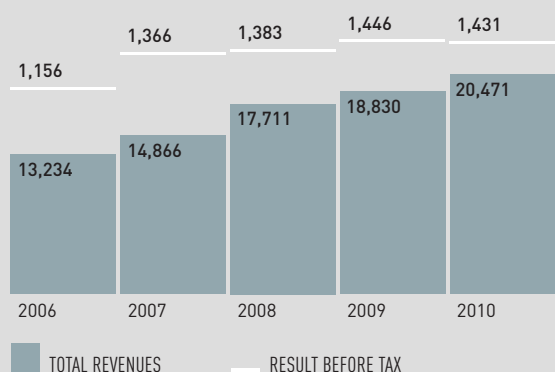
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- Annual Consolidated Financial Statements and Management Report
- Subsidiary Companies

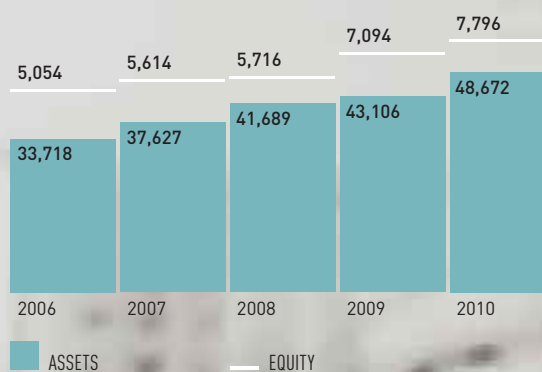


MAPFRE Group*: key data

REVENUES AND RESULTS *million euros*



ASSETS AND EQUITY *million euros*



INCOME STATEMENT

	2006	2007	2008	2009	2010
Total revenues	13,234	14,866	17,711	18,830	20,471
Written and accepted premiums	10,933	12,311	14,305	15,607	16,973
Non-life	8,453	9,293	10,891	11,900	12,768
Life	2,480	3,018	3,414	3,707	4,205
Result of the Non-life business	920	1,104	1,199	1,149	1,223
Result of the Life business	171	204	265	324	368
Result of Other business activities	65	57	(80)	(27)	(160)
Result before tax	1,156	1,366	1,383	1,446	1,431
Net result	610	731	901	927	934
Third party Life assurance managed funds	20,536	24,149	23,293	24,131	28,119

FIGURES IN MILLION EUROS

MANAGEMENT RATIOS

	2006	2007	2008	2009	2010
Non-life					
Loss ratio, net of reinsurance	69.0%	68.0%	68.8%	70.8%	70.6%
Expense ratio, net of reinsurance	24.9%	24.6%	25.1%	24.9%	25.2%
Combined ratio, net of reinsurance	93.9%	92.6%	93.9%	95.7%	95.8%
Life					
Net operating expenses / Reserves (MAPFRE VIDA)	0.89%	0.88%	0.92%	1.16%	1.07%
Return on equity	16.1%	17.5%	19.5%	16.7%	14.7%

BALANCE SHEET

	2006	2007	2008	2009	2010
REAL ESTATE, INVESTMENTES AND CASH	26,617	29,137	31,148	31,705	35,205
Real estate (including property for own use)	1,588	1,760	1,849	1,914	2,469
Equities and mutual funds	2,333	2,447	1,468	1,083	1,528
Fixed income	20,169	21,764	24,206	25,772	26,696
Other investments (including unit linked)	1,105	1,526	2,210	2,075	3,015
Cash	1,422	1,639	1,415	861	1,497
TECHNICAL RESERVES	24,027	26,781	28,857	29,767	33,462
Unearned premium reserve	3,854	4,308	4,882	5,626	5,886
Life assurance reserves	14,826	16,222	16,195	16,455	17,933
Claims reserves	4,733	5,476	6,409	6,383	7,348
Other reserves (including unit linked)	614	776	1,371	1,303	2,295
EQUITY	5,054	5,614	5,716	7,094	7,796
Shareholders' capital and reserves	4,026	4,331	4,902	6,166	6,542
Minority interests	1,028	1,283	814	928	1,254
TOTAL ASSETS	33,718	37,627	41,689	43,106	48,672

FIGURES IN MILLION EUROS

(*) MAPFRE S.A. proforma in 2006

MAPFRE Group: key data (continued)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	2009	2010
BALANCE AS AT 1 JANUARY	5,716	7,094
Results and expenses recognised directly in equity		
From investments available for sale	462	(1,073)
From translation differences	16	232
From application of shadow accounting to Life reserves	(89)	584
TOTAL	389	(258)
Distribution of result for the year	1,036	1,064
Distribution of result of previous year	(237)	(274)
Other changes in equity	190	170
BALANCE AS AT 31 DECEMBER	7,094	7,796

FIGURES IN MILLION EUROS

GEOGRAPHICAL BREAKDOWN AND PRESENCE	2006	2007	2008	2009	2010
No. of countries in which the Group is present	39	43	45	43	43
Total number of employees	28,006	30,615	34,603	35,225	36,744
Spain	15,725	16,671	16,838	17,153	16,680
Other countries	12,281	13,944	17,765	18,072	20,064
Number of branches	4,712	5,458	5,789	5,806	5,351
Spain	2,910	3,090	3,243	3,278	3,226
América - direct insurance	1,665	1,890	2,002	1,980	1,972
Other countries	137	478	544	548	153
Geographical breakdown of premiums					
Spain	65%	64%	55%	49%	41%
América - direct insurance	22%	24%	24%	26%	28%
Other countries	13%	12%	21%	25%	31%

MARKET SHARES	2006	2007	2008	2009	2010
Spain (premiums)					
Motor	20.4%	20.5%	20.6%	20.1%	20.5%
Health	7.8%	7.8%	7.9%	8.1%	6.3%
Other Non-life	18.1%	18.2%	18.2%	17.2%	17.4%
Life	8.3%	10.3%	9.7%	9.0%	12.8%
Total	13.5%	14.4%	13.9%	13.0%	14.7%
Spain (Life technical reserves)	10.3%	11.4%	11.4%	10.7%	12.3%
Latin America (Non-life premiums)	6.2%	6.1%	6.9%	7.9%	n.a.

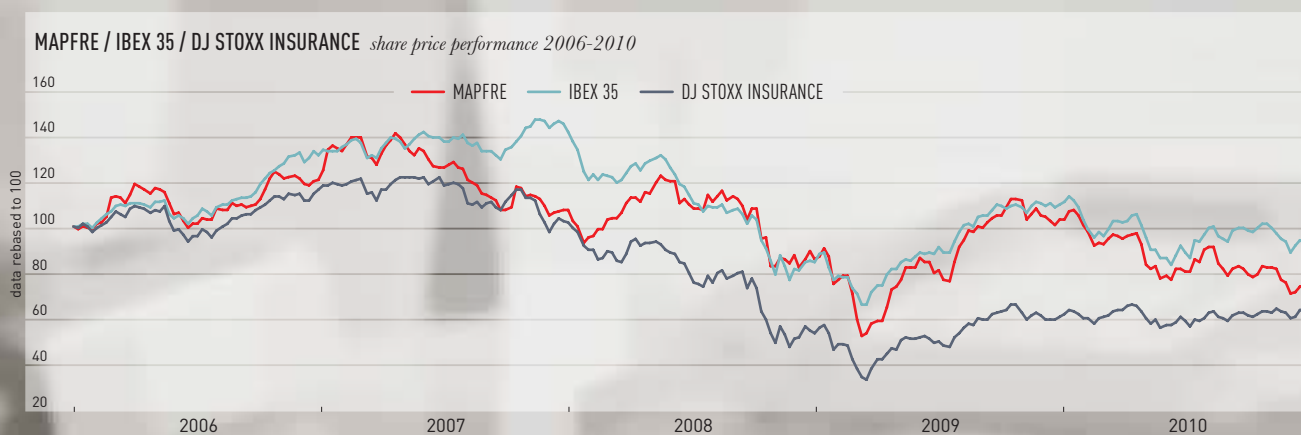
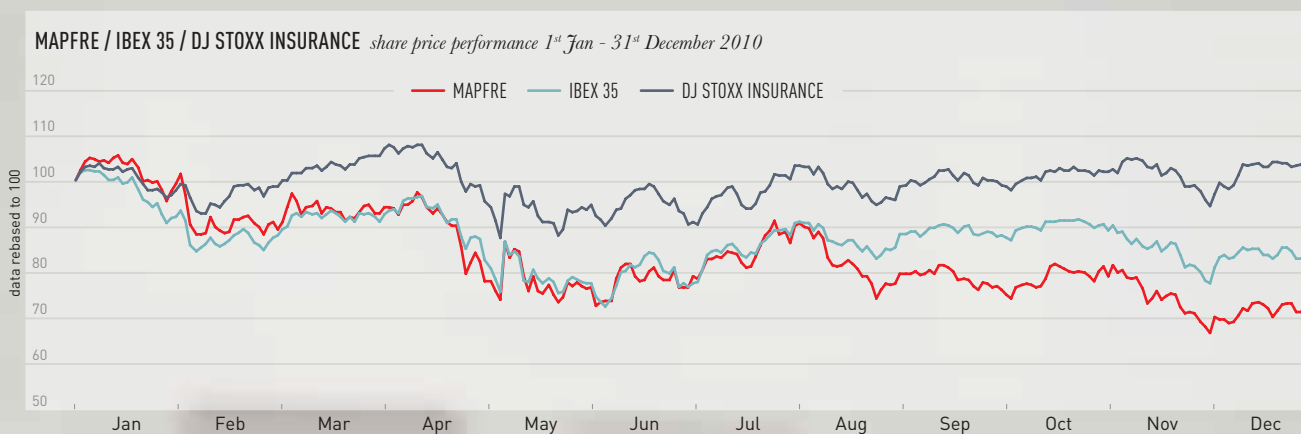
RATINGS	AGENCY	2009	2010
MAPFRE S.A. - Debt issuer rating	STANDARD & POOR'S	A+	A+
Financial strength rating			
MAPFRE RE	STANDARD & POOR'S	AA	AA
MAPFRE RE	AM BEST	A+	A+
MAPFRE GLOBAL RISKS	STANDARD & POOR'S	AA	AA
MAPFRE GLOBAL RISKS	MOODY'S	Aa3	Aa3
MAPFRE ASISTENCIA	MOODY'S	A 1	A 1

Share information

SHAREHOLDER STRUCTURE	2008		2009		2010	
	%	Number	%	Number	%	Number
CARTERA MAPFRE	63.9	1	64.2	1	64.4	1
Other MAPFRE entities	0.03	3	0.03	2	0.04	3
Investors holding 0.1% or more						
Spanish	16.0	5	16.0	6	15.9	6
Foreign	10.3	21	10.3	23	9.0	21
Investors holding less than 0.1%						
Spanish	7.1	481,582	7.1	417,539	8.4	380,259
Foreign	2.7	6,530	2.4	5,570	2.3	5,116
TOTAL	100	488,142	100	423,141	100	385,406

STOCK MARKET INFORMATION	2006	2007	2008	2009	2010
Market Capitalisation as at 31 December (million Euros)	4,085.2	6,848.7	6,587.6	8,554.8	6,259.3
Number of shares in issue*	1,194,503,530	2,275,324,163	2,744,832,287	2,922,709,779	3,012,154,351
PE Ratio	12.4	9.4	7.3	9.2	6.7
Adjusted earnings per share (Euros)*	0.28	0.32	0.33	0.33	0.31
Price / Book value	1.75	1.58	1.34	1.39	0.96
Dividend per share (Euros)*	0.07	0.11	0.14	0.15	0.15
Dividend yield (%)	2.2	3.1	4.7	6.3	6.3
Average daily volume of shares traded*	5,078,395	7,769,398	9,234,024	6,933,551	7,796,816
Average daily value traded (million Euros)	15.64	27.55	27.48	16.66	18.67

(*) The increase in the number of shares is due to the capital increases carried out in 2007, 2008, 2009 and 2010, and the 5-for-1 share split carried out in October 2006. Earnings and dividends per share were calculated using an adjustment factor and the weighted number of shares, in compliance with IAS 33. Figures for 2007, 2008, 2009 and 2010 correspond to MAPFRE S.A. under its new structure, where all the Group's activities are integrated in the quoted company.



Operating units & businesses: premiums, revenues and results

PREMIUMS	MILLION EUROS			% VARIATION	
	2008	2009	2010	09/08	10/09
DIRECT INSURANCE SPAIN					
MAPFRE FAMILIAR	4,216	4,072	4,005	(3.4%)	(1.6%)
LIFE ASSURANCE OP. UNIT	2,500	2,567	2,717	2.7%	5.8%
MAPFRE EMPRESAS	836	666	683	(20.3%)	2.4%
TOTAL PREMIUMS SPAIN	7,552	7,306	7,405	(3.3%)	1.4%
INTERNATIONAL DIRECT INSURANCE	4,727	5,946	7,039	25.8%	18.4%
MAPFRE AMÉRICA	3,608	4,305	5,156	19.3%	19.7%
MAPFRE INTERNACIONAL	1,119	1,641	1,884	46.6%	14.8%
GLOBAL BUSINESSES	2,858	3,249	3,693	13.7%	13.7%
REINSURANCE	1,779	2,054	2,372	15.5%	15.5%
ASSISTANCE	302	357	411	18.4%	15.1%
MAPFRE GLOBAL RISKS	777	838	910	7.8%	8.6%
TOTAL PREMIUMS ABROAD	7,585	9,195	10,732	21.2%	16.7%
TOTAL GROUP	14,305	15,607	16,973	9.1%	8.8%

TOTAL REVENUES	MILLION EUROS			% VARIATION	
	2008	2009	2010	09/08	10/09
DIRECT INSURANCE SPAIN	9,829	9,308	9,483	(5.3%)	1.9%
MAPFRE FAMILIAR	4,924	4,738	4,669	(3.8%)	(1.5%)
LIFE ASSURANCE OP. UNIT	3,966	3,788	4,021	(4.5%)	6.1%
MAPFRE EMPRESAS	939	782	794	(16.7%)	1.5%
OTHER ENTITIES	180	185	68	3.0%	(63.0%)
TOTAL PREMIUMS SPAIN	10,008	9,493	9,552	(5.1%)	0.6%
INTERNATIONAL DIRECT INSURANCE	5,334	6,603	7,834	23.8%	18.6%
MAPFRE AMÉRICA	3,999	4,738	5,696	18.5%	20.2%
MAPFRE INTERNACIONAL	1,335	1,865	2,138	39.7%	14.6%
GLOBAL BUSINESSES	3,393	3,720	4,414	9.6%	18.7%
REINSURANCE	2,098	2,326	2,825	10.8%	21.5%
ASSISTANCE	450	495	570	10.0%	15.1%
MAPFRE GLOBAL RISKS	844	899	1,019	6.4%	13.4%
TOTAL PREMIUMS ABROAD	8,727	10,323	12,248	18.3%	18.7%
TOTAL GROUP	17,711	18,830	20,471	6.3%	8.7%

RESULT AFTER TAXES AND MINORITIES	MILLION EUROS			% VARIATION	
	2008	2009	2010	09/08	10/09
DIRECT INSURANCE SPAIN	755.6	615.3	642.4	(18.6%)	4.4%
MAPFRE FAMILIAR	503.9	430.8	412.8	(14.5%)	(4.2%)
LIFE ASSURANCE OP. UNIT	148.8	125.2	135.1	(15.9%)	7.9%
MAPFRE EMPRESAS	102.9	59.3	94.5	(42.3%)	59.3%
OTHER ENTITIES	(32.0)	(64.0)	(79.3)	-	23.8%
TOTAL PREMIUMS SPAIN	723.6	551.3	563.1	(23.8%)	2.1%
INTERNATIONAL DIRECT INSURANCE	168.7	229.4	317.6	36.0%	38.5%
MAPFRE AMÉRICA	113.5	113.4	214.6	(0.1%)	89.2%
MAPFRE INTERNACIONAL	55.2	116.0	103.0	110.1%	(11.2%)
GLOBAL BUSINESSES	126.6	146.1	166.3	15.4%	13.8%
REINSURANCE	104.2	112.5	124.2	8.0%	10.4%
ASSISTANCE	10.8	16.3	20.6	50.9%	26.2%
MAPFRE GLOBAL RISKS	11.6	17.3	21.5	49.2%	24.0%
TOTAL PREMIUMS ABROAD	295.3	375.5	483.9	27.1%	28.9%
MAPFRE	900.7	926.8	933.5	2.9%	0.7%

Operating units & businesses: other information

EQUITY	MILLION EUROS			% VARIATION	
	2008	2009	2010	09/08	10/09
DIRECT INSURANCE SPAIN					
MAPFRE FAMILIAR	1,326.9	1,375.9	1,407.9	3.7%	2.3%
LIFE ASSURANCE OP. UNIT	956.0	1,148.5	1,228.6	20.1%	7.0%
MAPFRE EMPRESAS ⁽¹⁾	478.9	530.8	249.2	10.8%	-
MAPFRE INMUEBLES	111.7	96.7	714.1	(13.4%)	-
INTERNATIONAL DIRECT INSURANCE					
MAPFRE AMÉRICA	1,122.1	1,465.3	1,740.9	30.6%	18.8%
MAPFRE INTERNACIONAL	1,947.9	2,099.7	2,306.3	7.8%	9.8%
GLOBAL BUSINESSES					
REINSURANCE	742.8	839.7	848.4	13.0%	1.0%
ASSISTANCE	123.8	138.3	159.7	11.7%	15.5%
MAPFRE GLOBAL RISKS	-	-	422.6	-	-
TOTAL GROUP	5,716.4	7,093.8	7,795.8	24.1%	9.9%

(1) In 2008 and 2009 MAPFRE EMPRESAS includes MAPFRE GLOBAL RISKS

MANAGEMENT RATIOS	COMBINED RATIO (NET OF REINSURANCE)		
	2008	2009	2010
Non-life			
DIRECT INSURANCE SPAIN			
MAPFRE FAMILIAR	88.8%	90.7%	91.4%
MAPFRE EMPRESAS	82.8%	93.7%	86.8%
INTERNATIONAL DIRECT INSURANCE			
MAPFRE AMÉRICA	103.7%	103.9%	101.3%
MAPFRE INTERNACIONAL	98.6%	98.9%	100.5%
GLOBAL BUSINESSES			
REINSURANCE	95.5%	93.5%	95.7%
ASSISTANCE	93.4%	91.2%	91.6%
MAPFRE GLOBAL RISKS	107.3%	98.1%	106.1%
MAPFRE	93.9%	95.7%	95.8%
Life			
LIFE ASSURANCE OP. UNIT ⁽¹⁾	0.92%	1.16%	1.07%

(1) Ratio of expenses to funds under management.

ROE	2008	2009	2010
	DIRECT INSURANCE SPAIN		
MAPFRE FAMILIAR	37.2%	32.4%	30.7%
LIFE ASSURANCE OP. UNIT	16.9%	14.6%	16.2%
MAPFRE EMPRESAS ⁽¹⁾	23.3%	15.3%	32.9%
INTERNATIONAL DIRECT INSURANCE			
MAPFRE AMÉRICA	10.2%	9.2%	14.4%
MAPFRE INTERNACIONAL	4.9%	5.9%	4.8%
GLOBAL BUSINESSES			
REINSURANCE	14.2%	14.2%	14.7%
ASSISTANCE	9.3%	12.8%	14.2%
MAPFRE GLOBAL RISKS ⁽¹⁾	-	-	5.3%
MAPFRE	19.5%	16.7%	14.7%

(1) In 2008 and 2009 MAPFRE EMPRESAS includes MAPFRE GLOBAL RISKS.

AVERAGE NUMBER OF EMPLOYEES				% VARIATION	
	2008	2009	2010	09/08	10/09
DIRECT INSURANCE SPAIN					
MAPFRE FAMILIAR	8,293	8,377	8,149	1.0%	(2.7%)
LIFE ASSURANCE OP. UNIT	789	766	851	(2.9%)	11.1%
MAPFRE EMPRESAS ⁽¹⁾	1,663	1,559	855	-	-
INTERNATIONAL DIRECT INSURANCE					
MAPFRE AMÉRICA	10,206	10,479	11,705	2.7%	11.7%
MAPFRE INT'L. UNIT	3,321	3,317	3,398	(0.1%)	2.4%
GLOBAL BUSINESSES					
REINSURANCE	269	282	283	4.8%	0.4%
ASSISTANCE	3,520	3,780	4,361	7.4%	15.4%
MAPFRE GLOBAL RISKS ⁽¹⁾	-	-	610	-	-
TOTAL GROUP	32,927	34,326	35,704	4.2%	4.0%

(1) In 2008 and 2009 MAPFRE EMPRESAS includes MAPFRE GLOBAL RISKS.

MAPFRE Group key data. Historical evolution

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

FIGURES IN MILLION EUROS, EXCEPT EMPLOYEES

Evolution direct insurance in Spain ^[1]

Years	GROSS WRITTEN PREMIUMS		CLAIMS ^[2]		Market share (%)	No. of Employees
	Amount	Variation (%)	Number	Value		
1933	11	-	-	1	0.51	n.a.
1934	22	97	11,627	13	0.97	n.a.
1935	30	35	14,309	16	1.31	n.a.
1940	34	11	21,272	22	0.92	n.a.
1945	82	142	23,824	50	1.1	n.a.
1950	125	54	35,681	84	0.81	n.a.
1955	199	59	29,644	149	0.76	106
1960	477	139	25,193	225	0.83	125
1965	1,958	311	37,204	795	1.45	309
1970	4,405	125	59,938	2,608	1.78	561
1975	17,772	303	106,357	7,386	2.95	894
1980	67,301	279	175,610	32,040	4.14	987
1985	188,940	181	313,627	92,297	5.92	1,591
1990	762,017	303	773,725	378,866	7.44	3,308
1995	1,717,025	125	1,478,690	892,485	9.75	5,031
1996	1,826,854	6	1,765,939	927,608	9.57	5,335
1997	1,887,232	3	2,082,761	978,880	9.67	5,436
1998	2,039,979	8	2,326,077	1,039,907	9.69	5,727
1999	2,321,722	14	2,704,864	1,209,206	9.77	5,948
2000	3,816,084	64	3,846,180	2,032,365	10.39	6,376
2001	5,390,719	41	5,025,035	3,274,425	13.00	7,039
2002	5,614,656	4	5,663,558	3,317,072	13.57	7,677
2003	5,819,615	4	6,411,566	4,054,456	14.02	8,230
2004	6,385,386	10	7,144,385	4,663,376	14.12	8,649
2005	6,910,222	8	7,464,928	4,964,230	14.19	8,801
2006	7,083,299	3	18,799,533	4,994,243	13.45	9,138
2007	7,888,708	10	20,529,210	5,627,313	14.38	9,609
2008	8,181,881	4	20,011,134	6,625,322	13.86	10,035
2009	7,786,484	(5)	22,285,007	6,380,507	13.00	10,473
2010	8,454,930	8	20,847,378	8,454,714	14.71	10,182

THOUSANDS EUROS

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

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

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HONORARY CHAIRMAN

Mr. Julio Castelo Matrán

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

Composition of the governing bodies resulting from the proposals which are foreseen to be adopted on 5th March 2011.

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Letter to shareholders

Dear shareholders

As was the case the previous year, 2010 has been marked by a difficult environment in the Spanish insurance and financial markets. Despite this situation, our Group has once again managed to achieve highly positive results, with a growth in both revenues and profits, together with an additional reinforcement of its equity capital. This has enabled us to consolidate our position within the Spanish market, where our share has increased from 13% to 14.7% according to the initial estimates made by ICEA. The situation has also been positive in Latin America, where we have managed to consolidate our position as the leading non-Life insurance company. 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 markets, which have contributed approximately 60% of the premiums and over 40% of the profits of the Group's insurance business.
- The recovery of sales in Spain, with the remarkable increase of 0.8% in Motor insurance, versus a 1% decline in the overall market (source: ICEA).
- The intensification of the diversification strategy of distribution channels.
- The excellent performance of the technical results, despite the effects of the earthquake in Chile, the largest disaster ever supported by MAPFRE in its corporate history.
- The prudent investment and financing strategy of the Group, which has translated into high financial income, one of the highest solvency margins in the European insurance industry and a new reduction in the level of leverage.



MR. JOSÉ MANUEL MARTÍNEZ CHAIRMAN

Main activities

Throughout the year, the Group has implemented a number of initiatives designed to strengthen its strategic position and to increase its growth opportunities. It is worth highlighting two actions taken designed to rationalise the Group structure, by concentrating its activity in insurance, reinsurance and complementary financial business, thus eliminating other business activities of a lesser strategic interest and to boost management efficiency:

— A new operational structure has been approved, comprising of three Divisions (Direct Insurance Spain, International Direct Insurance and Global Businesses), and six Corporate Areas (General Secretariat, Internal Auditing, Financial Area, Investments, Resources & Procurement and Technologies & Procedures). This new structure, which is designed to increase the coordination and synergies in the performance and management of its activities, helps MAPFRE effectively advance in its configuration as a multinational Group.

— Real estate activities in Spain have been reorganised, by centralising the business of ownership and management of third party rented properties in the specialised entity MAPFRE INMUEBLES SOCIEDAD DE GESTIÓN DE ACTIVOS S.A, and to suspend real estate development activities.

MAPFRE has traditionally paid a great deal of attention to the development of distribution channels in addition to the branch network. 2010 has been a particularly productive year in this regard, with the following highlights:

— The bancassurance agreement reached with CATALUNYACAIXA, leading to the acquisition of 50% of the insurance and pensions subsidiaries of this financial institution.

— The acquisition of INSURE AND GO, a leading company in Internet sales of travel insurance in the United Kingdom, with a customer base of over two million tourists.

— The launch of VERTI, the new direct sales insurance company specialising in Motor and Homeowner insurance, fundamentally operating via the Internet and telephone.

These operations are in addition to the agreements reached in 2009 with Grupo Mundial, which helped us create the leading insurance group in Central America, and with Banco do Brasil, which is at an advanced stage of development and will significantly boost our business in Brazil in 2011.

As part of the aforementioned decision to concentrate the Group's activities in the insurance and reinsurance businesses, it is also worth highlight the agreement reached between MAPFRE and CAJA MADRID for the sale of the company MAPFRE QUAVITAE to Grupo SAR.

MAPFRE and its subsidiaries have continued to receive in 2010 many awards and acknowledgements of its business performance, the quality of service given to its customers and the responsibility shown towards its employees and Society at large. It is worth mentioning the inclusion of our shares in the Dow Jones Sustainability World and Dow Jones Sustainability Europe indices, which evaluate the performance of listed companies in terms of sustainable development and respect for Human Rights. On the other hand, Reactions magazine – part of the Euromoney group – has chosen us for the fifth year running as the Best Insurer in Latin America and our company was ranked 278th in the table of the 500 largest companies in the World, as published by Fortune magazine of the USA, having risen 37 positions versus the previous year.

Key figures

The Group's consolidated equity increased 9.9% in 2010 to €7,795.8 million. This positive performance basically reflects the good results of our subsidiaries, highlighted by the following data:

- Premiums increased 9.9% to €18,137 million, while consolidated total income rose 8.7% to €20,470.8 million. By lines of business:
 - Direct insurance premiums in Spain totalled €7,404.9 million, up 1.4%, mirroring the recovery in sales.
 - International direct insurance premiums rose 18.4% to €7,039.1 million, thanks to the generalised growth of premiums, the addition of the operations of GRUPO MUNDIAL and FINIBANCO VIDA (Portugal), and the appreciation of the US dollar and the Turkish lira. At the end of 2010, these businesses accounted for 43.2% of total aggregate premiums, compared to 36% in 2009.
 - The global businesses (Reinsurance, Assistance and Global Risks) reported a premium volume of €3,693 million, 13.7% higher, most noteworthy being the upturn in accepted reinsurance business.
- Assets under management in Life Assurance, pension funds and mutual funds increased 16.5%.
- Consolidated net results totalled €933.5 million. Earnings per share went from €32.54 cents to €31.36 cents, dropping slightly due to the capital increases undertaken in the year.

Our share price

The stock market's performance was marked by volatility. In this context, our share price fell by 29% in 2010 to €2.078. During this period, the DJ STOXX INSURANCE sector index gained 2%, while the Spanish stock market index, the IBEX 35, declined 17.4%.

Dividends

Throughout 2010 our company paid a final dividend for 2009 (€8 cents per share), offering shareholders the chance to reinvest in newly issued shares, through a capital increase with pre-emptive rights, which had a very positive take-up, contributing €179.6 million of new shareholders' equity; and an interim dividend for 2010 of €7 cents per share, in cash.

The Board of Directors proposes to the Annual General Meeting the payment of a 2010 final dividend of €8 cents per share.

Outlook

The expansion of World economic activity is expected to slow down slightly in 2011 although, in contrast with the year before, growth will be more homogeneous by geographical areas. No significant improvements are expected in unemployment rates, while moderate inflation rates are expected.

The main focus of uncertainty will continue to be the Eurozone peripheral countries. Doubts as to the capacity of their economies to significantly reduce their public deficits and level of debt will continue to generate high levels of volatility in the sovereign bond markets, which will be reflected in the rest of the financial markets. This will force the Eurozone to continue to face budgetary cuts, such as the reduction of the weight of the public sector, the reform of pension systems and modifications in the areas of employment.

In contrast with the central banks of other developed economies, that have adopted much more aggressive policies, the European Central Bank continues to act within the boundaries set by monetary orthodoxy, although it is expected to keep interest rates very low. Nevertheless, the turbulence felt in the euro sovereign debt markets is having a different impact on monetary stimuli, as interest rates in effect in each country are different according to their risk premiums. This means that, with one same monetary policy and equal expectations in terms of initiatives from monetary authorities, leads to much higher interest rates in countries with lesser growth than in those with greater economic activity, which is the opposite of what is being sought.

In financial year 2011 we can reasonably expect Spain to come out of the recession, but growth rates will be very feeble and thus not translate into a significant drop in unemployment. The main expansion factor in our country will continue to be external demand, given that domestic demand is expected to continue to be weak, due to the ongoing impact on household consumption of the high rate of unemployment and a more restrictive fiscal policy, while business investment will not experience significant growth in light of the surplus production capacity.

The governing bodies of MAPFRE consider that, within the aforementioned domestic and international environment, the Group has the capacity to continue to grow and to suitably remunerate its shareholders, thanks to:

- The increasing international diversification of its activities;
- The strong growth potential of new acquisitions and collaboration agreements mentioned herein, particularly that derived from the agreement with Banco do Brasil.
- The consolidation of the branch and bancassurance networks and the development of alternative distribution channels;
- Prudent risk management.
- Financial strength of the Group.

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

Sincerely,

JOSÉ MANUEL MARTÍNEZ
CHAIRMAN





3

General information

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

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

MAPFRE has a solid position on the Spanish Insurance market and a significant international presence. At the end of 2010, it ranked sixth in Non-Life Insurance in Europe, and first in the Latin American market.

In 2000, MAPFRE forged an important strategic alliance with CAJA MADRID, the parent company of Spain's fourth largest financial group, the key goal being to fully harness the potential of the two group's sales networks in the distribution of insurance and financial products.

Presence

MAPFRE operates in a total of 43 countries through 251 companies. At the end of 2010, it had 5,351 branches throughout the world, of which 3,226 were located in Spain, and 1,972 in Latin America; it also distributes its products through 6,124 bank branches and another 25,866 points of sale that sell the Group's policies under collaboration agreements; and has a network of almost 70,000 agents and brokers, 6,000 of which were based in the United States.

In the direct insurance business, MAPFRE leads the Spanish market and is present in all the Latin American markets (a region where it is the leader in non-life insurance). In the USA, Portugal, Turkey and the Philippines. In the assistance segment, it operates in 40 countries. The Group also has a professional reinsurance provider (MAPFRE RE) that ranks 14th in the world reinsurance league, and which operates worldwide thanks to three subsidiaries and 15 representative offices.

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

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

● ● ● ●	Bahrain
● ● ● ●	United Arab Emirates
● ● ● ●	China
○ ● ● ●	Philippines
● ● ● ●	India
● ● ● ●	Jordan

● ● ● ●	Algeria
● ● ● ●	Egypt
● ● ● ●	Libya
● ● ● ●	Tunisia

TOTAL BRANCHES	5,351
TOTAL BANCASSURANCE BRANCHES	6,124

○ DIRECT INSURANCE	● ASSISTANCE	● GLOBAL RISKS	● REINSURANCE
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Ratings

Standard & Poor's

Entity	2010	2009
MAPFRE S.A. (Debt Issuer Rating)	A+ Negative outlook	A+ Stable outlook
MAPFRE S.A. (B275 Mn Senior Debt)	A+ Negative outlook	A+ Stable outlook
MAPFRE S.A. (D700 Mn subordinated debt)	A- Negative outlook	A- Stable outlook
MAPFRE GLOBAL RISKS (Financial strength rating)	AA Negative outlook	AA Stable outlook
MAPFRE RE (Financial strength rating)	AA Negative outlook	AA Stable outlook
THE COMMERCE GROUP (Financial strength rating)	A Stable outlook	A Stable outlook
THE COMMERCE GROUP (US\$300 Mn Senior Debt)	BBB	BBB

Moody's

Entity	2010	2009
MAPFRE GLOBAL RISKS (Financial strength rating)	Aa3 Negative outlook	Aa3 Negative outlook
MAPFRE ASISTENCIA (Financial strength rating)	A1 Negative outlook	A1 Negative outlook
MAPFRE ARGENTINA SEGUROS (Financial strength rating)	Ba3 Stable outlook	Ba3 Stable outlook
MAPFRE ARGENTINA SEGUROS DE VIDA (Financial strength rating)	Ba3 Stable outlook	Ba3 Stable outlook
MAPFRE ARGENTINA A.R.T. (Financial strength rating)	Ba3 Stable outlook	Ba3 Stable outlook
THE COMMERCE GROUP (US\$300 Mn Senior Debt)	Withdrawn	Baa2

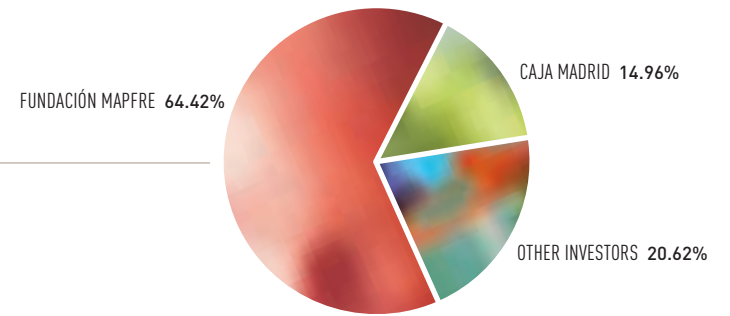
A.M. Best

Entity	2010	2009
MAPFRE RE (Financial strength rating)	A+ Negative outlook	A+ Negative outlook
MAPFRE PRAICO (Financial strength rating)	A (Excellent) Stable outlook	A (Excellent) Stable outlook
MAPFRE TEPEYAC (Financial strength rating)	A- (Excellent) Stable outlook	A- (Excellent) Stable outlook
THE COMMERCE GROUP (Financial strength rating)	A+ Negative outlook	A+ Negative outlook
THE COMMERCE GROUP (US\$300 Mn Senior Debt)	a-	a-

Fitch

Entity	2010	2009
ASEGURADORA MUNDIAL S.A. (Financial strength rating)	AA- (GTM) Stable outlook	—
MAPFRE BHD (Financial strength rating)	A- (DOM)	A- (DOM)
MAPFRE SEGUROS GENERALES DE COLOMBIA S.A. (Financial strength rating)	AA (COL) Stable outlook	—
MAPFRE COLOMBIA VIDA SEGUROS S.A. (Financial strength rating)	AA (COL) Stable outlook	—
MAPFRE LA CENTROAMERICANA (Financial strength rating)	AA (SLV) Stable outlook	AA (SLV) Stable outlook
TÜRKIYE GENEL SİGORTA (Financial strength rating)	AA (TUR) Stable outlook	AA (TUR) Stable outlook

Shareholder structure



Organisation chart 2010

MAPFRE S.A.

- GENERAL SECRETARIAT
- INTERNAL AUDIT
- FINANCIAL AREA
- INVESTMENTS
- RESOURCES & PROCUREMENT
- TECHNOLOGIES & PROCEDURES

DIRECT INSURANCE SPAIN

MAPFRE FAMILIAR
100%

MAPFRE VIDA
100%

MAPFRE EMPRESAS
100%

INTERNATIONAL DIRECT INSURANCE

MAPFRE AMÉRICA
88.9%

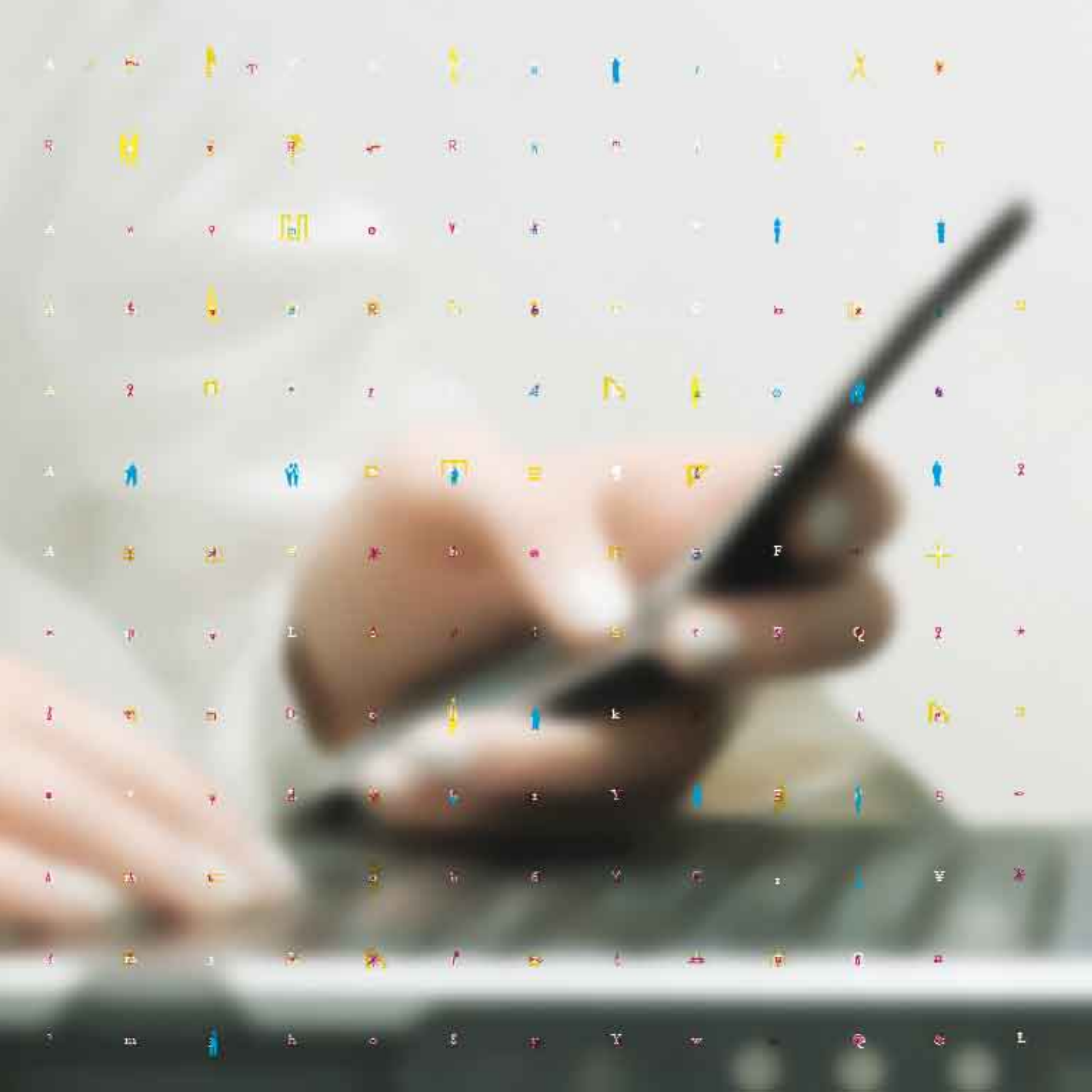
MAPFRE INTERNACIONAL
87.5%

GLOBAL BUSINESSES

MAPFRE RE
91.5%

MAPFRE ASISTENCIA
100%

MAPFRE GLOBAL RISKS
100%



4

Significant events of the year

JANUARY

01

4th January

MAPFRE acquires 50 per cent of Portuguese insurer FINIBANCO Vida.

7th January

Completion of the organisational and operational restructuring process of the Group's various Corporate insurance businesses, designed to define the scope of action of MAPFRE GLOBAL RISKS and MAPFRE EMPRESAS.

12th January

MAPFRE extends the ISO 14001 Environmental Certification issued by the entity Det Norske Veritas (DNV) to eight new buildings, thus recognising the optimisation of environmental risk management.

14th January

MAPFRE FAMILIAR and BBVA AutoRenting enter into an agreement to launch a new vehicle leasing product in which the BBVA subsidiary assumes the financial management and the risk, whereas MAPFRE's commercial network is responsible for the distribution, servicing and insurance.

19th January

MAPFRE VIDA releases a new single premium savings insurance policy offering guaranteed capital and profits linked to relevant stocks listed on European exchanges.

28th January

MAPFRE signs an agreement with CTT-CORREIOS de Portugal for the distribution of insurance products, both Life and Non-life, using this Portuguese institution's network.

FEBRUARY

02

2nd February

MAPFRE URUGUAY opens its new head offices, located in the Ciudad Vieja district of Montevideo.

4th February

MAPFRE presents 2010 results with attributable net profit of €926.8 million.

5th February

The Spanish Association for Standardisation and Certification (AENOR) awards the ISO 9001:2008 certification to customer service and management via the 24 hour customer telephone service of MAPFRE (C@C24).

9th February

MAPFRE FAMILIAR is awarded the Fundación Konecra prize for the "Best Accessibility Practices" in the Business category, for its development of a communication system in providing roadside

assistance and home insurance to hearing impaired persons.

10th February

The rating agency Standard & Poor's confirms the AA rating of MAPFRE GLOBAL RISKS, and identifies this institution as a "core business" of the MAPFRE Group.

24th February

MAPFRE ASISTENCIA enters into an agreement with PROTECTIVE LIFE INSURANCE COMPANY, for the joint development and marketing of warranty extension programmes for manufacturers and distributors of cars and other related products, outside of the United States and Canada.

MARCH

03

1st March

MAPFRE VIDA launches FONDMAPFRE GARANTIZADO 004 into the market, an investment fund that offers guaranteed capital and returns linked to the performance of four European stock indices.

5th March

CAIXA CATALUNYA and MAPFRE enter into an agreement for the joint development of the Insurance and Pension Plan business of the savings bank, whereby MAPFRE will acquire 50 per 100 of the insurance subsidiaries (ASCAT VIDA and ASCAT SEGUROS GENERALES).

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

2001

- MAPFRE strengthens its position in Burial insurance in Spain through the acquisition of FINISTERRE.
- Mr. José Manuel Martínez becomes Chairman of SISTEMA MAPFRE, replacing Mr. Julio Castelo.
- MAPFRE VIDA ends the year as the largest insurance company in Spain by volume of premiums.
- Direct insurance premiums in Spain exceed €5,000 million.
- MAPFRE insures over 4 million vehicles in Spain.

2002

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

2003

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

6th March

MAPFRE's Annual General Meeting approves the Group accounts and dividends for 2009.

8th March

The readers of INVERSIÓN magazine choose MAPFRE's Y-CAR product for young people as the best insurance product of the year.

10th March

The French fund rating agency FUNDCLASS selects the FONDMAPFRE RENTA LARGO FI investment funds as the best in its class (Long term Euro fixed income) at its annual awards Gran Prix 2010 EUROFONDS FUNDCLASS, that each year select the best investment funds in Spain, France, Italy, Luxembourg and the Netherlands.

17th March

MAPFRE ranks fourteenth in FORTUNE Magazine's World Non-life insurance ranking table 2010 of the Most Admired Companies in the World.

29th March

MAPFRE receives for the second year running the "Top RH-ADVB" award from the Association of Sales and Marketing Managers of Brazil, on this occasion for a programme designed to increase employee motivation and satisfaction levels.

31st March

MAPFRE ASISTENCIA's subsidiary in the United Kingdom is recognised for the second year running as Company of the Year in the Motoring Industry by the

UK Institute of Transport Management, for its excellent contribution towards the "recovery of the car industry".

APRIL

04

5th April

MAPFRE is the insurance company most highly rated by the media, and the most renowned among the industry press, according to a KAR (Key Audience Research) study in 2009, carried out by the Ipsos consultancy in Spain.

13th April

MAPFRE continues to rank tenth among the most valued companies in the Merco 2010 Report, having obtained 347 points more than the previous edition. MAPFRE's Chairman, Mr. José Manuel Martínez, rises four positions in the classification of most highly rated business leaders, now ranking fifteenth.

15th April

MAPFRE ASISTENCIA obtains the authorisation from the Ministry of the Economy and Taxation to operate in the sector "Other damages to assets", enabling it to offer new Special Risk cover.

16th April

MAPFRE opens a new Car Service Centre in Alcorcón (Madrid), offering a vehicle repair management service that is unique in Spain.

22nd April

MAPFRE ASISTENCIA opens its new London headquarters.

MAY

05

5th May

• MAPFRE inaugurates its new offices for Castellón and Valencia Norte, that also house the Centre for Vehicle Appraisal and a direct commercial office.

• MAPFRE and BANCO DO BRASIL formalise a strategic alliance designed to develop the insurance market in this Latin American country.

• MAPFRE's subsidiary in Mexico is recognised for the second year running as a "Model Company in Gender Equality" by the National Institute of Women (INMUJERES).

11th May

MAPFRE receives ten awards in the XVI Sectorial Competition of Fraud Detection of ICEA (Cooperative Investigation among Insurance Institutions), where it is acknowledged as the most participative and celebrated company in this edition.

12th May

MAPFRE ranks 49th among the most renowned companies according to a study carried out by the Reputation Institute (RI), which measures this variable for the first time in Spain, and which analyses aspects such as trust, admiration and respect of consumers towards companies.

- 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.

2005

- The insurance premiums of SISTEMA MAPFRE exceed €10,000 million.
- The market capitalisation of CORPORACIÓN MAPFRE exceeds €3,000 million.
- SISTEMA MAPFRE manages funds worth over €30,000 million.
- The Board of Directors of SEPI awards CLINISAS to MAPFRE CAJA SALUD.
- MAPFRE acquires a majority shareholding in NOSSA CAIXA SEGUROS E PREVIDENCIA, a Brazilian Life and Pensions Insurer.

- SISTEMA MAPFRE employs over 20,000 staff.
- MAPFRE becomes the leading insurance group by volume of premiums in Non-life in Latin America.
- All foundations that operate in Spain are merged into FUNDACIÓN MAPFRE.

13th May

MAPFRE VIDA launches RENTA SELECCIÓN, an insurance policy that provides guaranteed life annuity and cover in the event of death.

20th May

MAPFRE ARGENTINA, for the sixth year running, receives the Prestige Award granted by the Centre of Studies of Public Opinion (CEOP), together with the TV channel América 2. The award recognises the efforts made by companies in promoting social values in their organisations.

24th May

MAPFRE and CITROËN ESPAÑA sign an agreement to develop a "green insurance policy" for electrical, hybrid and other vehicles with CO2 emissions below 120 gr/Km.

27th May

MAPFRE's subsidiary in Puerto Rico is awarded the prize of Company of the Year 2009 in the insurance sector by the Official Spanish Chamber of Commerce in this country.

JUNE

06

2nd June

MAPFRE's Chairman in Brazil, Mr. Antonio Cassio dos Santos, receives for the fourth year running the Executive Value Award in the insurance industry class.

3rd June

The MAPFRE Call Centre in Portugal is voted as country's second best Contact Centre in 2010 by the Portuguese Association of Contact Centres (APCC).

8th June

MAPFRE receives the Aster Award for Best Business Trajectory from the ESIC Business Marketing School, in recognition of the company's achievements throughout its history.

9th June

MAPFRE begins sales of FONDMAPFRE GARANTIZADO 007, a four year investment fund with profitability linked to the performance of four European stock indices in the sectors of telecommunications, energy, industrial and insurance.

15th June

MAPFRE's subsidiary in Argentina is recognised as the most prestigious company in the insurance industry in the Merco 2009 Report – Corporate Reputation Monitor - , in the first edition of this study carried out in this country.

17th June

MAPFRE PARAGUAY is included for the first time in the list of the 100 Best Companies to work for in Latin America in 2010, carried out by the Great Place to Work Institute in this region, and is voted for the second year running the second best company to work for in Paraguay.

18th June

MAPFRE achieves sixth place in the table of Largest Non-life Insurance Groups in Europe 2009, as published by the Institute of Insurance Sciences of FUNDACIÓN MAPFRE.

18th June

The capital increase approved by MAPFRE's Board of Directors on 20th May 2010, in order to offer shareholders the chance to reinvest the final dividend for 2009 in new shares, is successfully completed.

29th June

MAPFRE FAMILIAR receives the Best Insurer in the Dental Sector award, as part of the Dentistry Awards presented by Spanish Publishers Associates.

JULY

07

5th July

MAPFRE ranks seventh in the table of largest companies in Spain by turnover, according to the ranking prepared by INVERSIÓN magazine.

7th July

MAPFRE shares issued as a result of the capital increase approved by the Board of Directors on 20th May 2010 start trading on the Madrid and Barcelona Stock Exchanges.

8th July

MAPFRE USA opens a regional office in the town of Garden City (New York), to provide services to the states of New York and New Jersey.

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 "FTSE 4 Good" Social Responsibility index.

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.

9th July

- MAPFRE advances almost 40 places, reaching 357 in the list of the 500 largest companies in the World by revenue, as published by FORTUNE magazine of the USA.

- MAPFRE receives an award from the Spanish Cancer Research Association of the Balearic Islands (AECC) for the work carried out since 2009 on the dissemination of a colon cancer awareness and prevention campaign, as well as for its collaboration with this organisation.

13th July

MAPFRE ranks nineteenth in the list of most popular companies to work for, according to the Merco People Report 2009 (Corporate Reputation Monitor), and continues to be the favourite insurance company to work for.

14th July

MAPFRE keeps its position as member of the FTSE4Good and FTSE4Good IBEX indices, which assess the performance of companies in regard to sustainable development and respect for human rights.

20th July

MAPFRE is the fifth most transparent privately owned company from an information disclosure perspective, and the second in the financial sector, according to the 30th edition of the table prepared by the newspaper EL NUEVO LUNES.

29th July

MAPFRE strengthens its funeral service business in Spain with the acquisition of 52.8% of eight funeral homes in various towns in Navarra, and having started construction of another in Isla Cristina (Huelva).

AUGUST

09

11th August

MAPFRE's Motor insurance in Portugal is distinguished by the Portuguese Consumer Protection Association.

16th August

MAPFRE ASISTENCIA's and RENAULT's subsidiaries in Russia sign a deal for the sale of Mechanical Warranty cover as part of the Second Hand Vehicle programme which the automobile company has implemented in 18 Russian cities.

24th August

MAPFRE QUAVITAE, a subsidiary of the Group dedicated to services for the elderly, obtains the UNE 158401 and 158301 certifications from AENOR for the quality of the Home Telephone Assistance and Home Help services.

SEPTEMBER

09

1st September

MAPFRE VIDA launches the single premium savings policy Confianza 4.5%, which offers both a guaranteed return over one year, and an additional

return over four years linked to the appreciation of the US Dollar against the Euro.

6th September

MAPFRE is nineteenth among the most sought after companies to work for in Brazil, according to the Great Place to Work Institute. This is the second year running in which MAPFRE appears in this table.

10th September

MAPFRE becomes part of the Dow Jones Sustainability (DJSI) index, which means international backing for its corporate social responsibility policy and makes it the only Spanish insurance company included in this indicator.

14th September

MAPFRE COLOMBIA ranks third in the Merco table of Best Companies to Work for in Colombia and its Chairman, Ms. Victoria Bejarano, advances six positions with regard to the previous year's classification, reaching 66th position in the Merco Leaders 2010 Table.

17th September

MAPFRE opens a new medical centre in A Coruña to provide health care to all citizens in the region.

20th September

MAPFRE maintains its position as member of the FTSE4Good IBEX index, which assesses the performance of companies in favour of sustainable development and good corporate governance.

2009

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

- Memorandum of understanding signed with Banco do Brasil.
- Agreement to jointly develop insurance activities with GRUPO MUNDIAL (Panama).

2010

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

22nd September

MAPFRE receives the Latin American Award for Corporate Responsibility 2010 from the Social Ecumenical Forum.

24th September

The rating agencies Standard & Poor's and Moody's confirm their ratings for MAPFRE GLOBAL RISKS.

27th September

MAPFRE MÉXICO continues to be one of the best companies to work for in the country for the third year running, according to the Great Place to Work Institute. On this occasion, MAPFRE MÉXICO has risen by fourteen positions, now ranking 21st.

OCTOBER

10

1st October

MAPFRE and CATALUNYACAIXA formalise the bancassurance agreement whereby MAPFRE acquires 50 per 100 of the insurance subsidiaries of Life and Pensions and Non-life of this Savings Bank.

7th October

MAPFRE is chosen Best Direct Insurance Company in Latin America by REACTIONS magazines for the fifth year running, and the CEO of MAPFRE AMÉRICA, Mr. Rafael Casas, Best CEO in the Emerging Markets category.

8th October

MAPFRE VIDA starts selling FONDMAPFRE GARANTIZADO 011, with returns linked to the performance of four European stock indices in the industries of telecommunications, basic services, banking and technology.

25th October

MAPFRE ASISTENCIA acquires the company INSURE AND GO, British leader in the online travel insurance market.

27th October

The strategic model of overall security implemented in MAPFRE is considered to be a success case by GARTNER, world renowned independent analyst in information technology.

28th October

- The Board of Directors of MAPFRE approves a broad renewal of operational and management structures of the Group, effective as of 1st January 2011, designed to bring them into line with the Group's development, thus seeking to achieve multinational integration, maximum efficiency and a reduction in coordination expenses.

- MAPFRE's First Vice- Chairman, Mr. Alberto Manzano, is presented with the Silver Caravel, an award presented every year by the Association of Latin American Press Correspondents to persons or institutions who, like MAPFRE, have influenced relations between Spain and Latin America in a significant way.

- The Board of Directors of MAPFRE agrees to pay out an interim dividend of €0.07 per share, taking the total dividend to be paid out in 2010 to €0.15 per share.

NOVEMBER

11

2nd November

MAPFRE opens a new Appraisal and Fast Payment Centre in Guadalajara, where insured individuals may refer any matters relating to vehicle repair.

4th November

MAPFRE VIDA starts selling the new pension plan MAPFRE RENTA LARGO, which invests all the capital in fixed income securities.

24th November

MAPFRE opens in Barcelona a 24 hour call centre (CAC 24) to provide specific support in Catalan to the CATALUNYACAIXA branch network regarding the management of car insurance policies.

DECEMBER

12

1st December

MAPFRE's subsidiary in Brazil ranks 19th in the list of 100 Best Companies to Work For prepared by ÉPOCA magazine, and becomes part of the group of "150 Best Companies to Work For" according to VOCÊ S/A EXAME magazine. It also features in the group of "150 Best Companies in People Management and Corporate Practices" published by the GESTAO & RH publishing house.

2nd December

MAPFRE and CAJA MADRID enter into an agreement with the SAR Group for the latter to purchase QUAVITAE.

14th December

MAPFRE incorporates a new company specialising in direct sales, VERTI, for the distribution of Motor and Homeowner insurance via the internet and telephone.

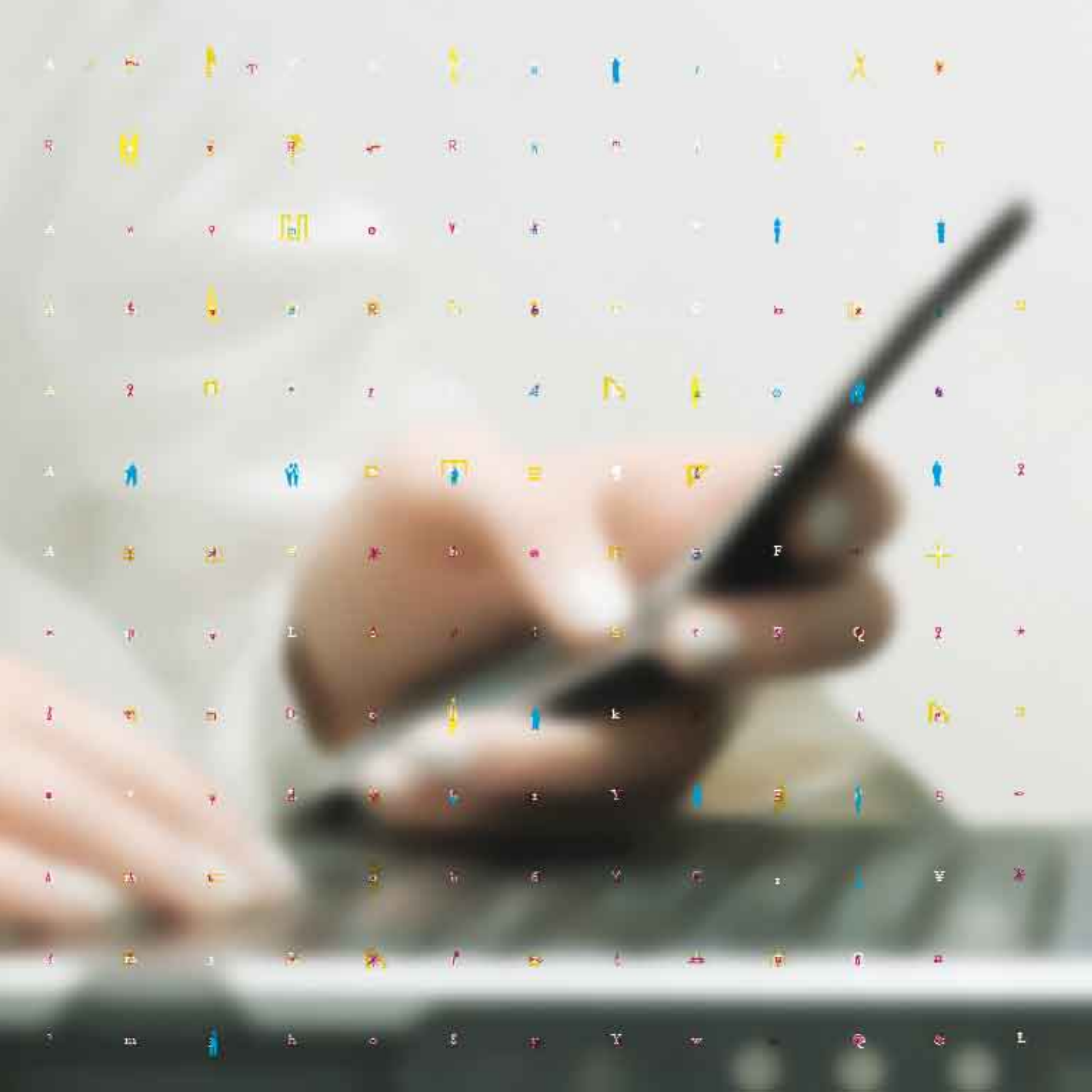
15th December

MAPFRE's subsidiary in Paraguay is chosen for the second year running one of the Best Companies to Work For in the country, by the Great Place to Work Institute, and ranks fourth

20th December

- MAPFRE opens a medical centre in Lima (Peru), its first in the country.

- GESMAP, the funeral services subsidiary of MAPFRE, and FUNESPAÑA agree to merge.



5

Consolidated management report

Economic context

One of the major features of 2010 was the consolidation of the global economic recovery, the financial crisis resulting from massive sales of sovereign debt of the most vulnerable economies in the Eurozone, the instability of foreign exchange markets, and the approval of the new Basel III regulations applicable to the banking sector as from 2013.

The emergence from one of the deepest recessions since World War II has continued to strengthen, although at a milder pace in the latter half of the year. The strong increase of manufacturing production and World trade volumes have been the forces behind the recovery, whereas low consumer sentiment levels, together with a decline of household income and wealth, have dampened consumer spending in developed economies. Household spending, however, has continued at a steady rate in many emerging regions, where investment has fostered job creation. This dynamic economic development has drawn investment flows towards these countries and has boosted their currencies upward, which are artificially depreciated in order to achieve high economic growth rates in the foreign sector.

In parallel, the central banks of the major developed economies have stood firm besides their monetary easing policies, aiming to prevent a false start in the emergence from the crisis during the process of gradual withdrawal of fiscal stimuli. In light of the little leeway afforded by benchmark interest rates near zero, monetary authorities in the United Kingdom, USA and Japan have resorted to unconventional measures when signs of weakness flared up in their economies. The second round of asset purchases by the Federal Reserve in USA caused a serious depreciation of the US Dollar and generated strong international tension. Conversely, in Europe we have witnessed a lower sensitivity on the part of the European Central Bank in terms of additional monetary easing.

Financial stability suffered a few setbacks throughout the year. In the first half of the year, doubts about the sustainability of the recovery, in light of a few signs of cooling in the USA and China, together with the introduction of fiscal tightening plans simultaneously in many European countries, generated uncertainty on the strength of the global cycle. In this context, growing mistrust regarding the solvency of the most vulnerable economies in the Eurozone led to fire sales of sovereign debt of these countries, which ended up leading to systemic risk since banks and sovereign debtors found it hard to access financial markets. At first it was Greece that suffered most severely, then Ireland was at the heart of all the turmoil, and in both cases this spread to other countries in southern Europe.

The results of the stress tests that European banks underwent midway through the year largely contributed to easing market tension, by showing that recapitalisation requirements were limited. Spain, the only country that had the



virtual entirety of its financial system undergo the stress tests, is the European banking system with the lowest government funding requirements since the onset of the crisis. The disclosure of the outcome of the stress tests, the fiscal consolidation plan, structural reforms, and the restructuring of the Spanish savings banks sector signalled a turning point towards an enhancement of the conditions in which Spanish issuers access capital markets. However, forecasts of a slow recovery and the lack of cohesion among the countries in the Eurozone have triggered new crisis episodes in the sovereign debt markets of peripheral countries in the Eurozone.

On the other hand, the approval of the new Basel III regulations, which will apply to the banking sector starting in 2013, will require banks to have more capital and more adequate liquidity levels, allowing them to face periods of crisis with a sounder foundation.

Despite the achievements throughout the year, most developed economies and some of the emerging economies have substantial challenges ahead before they

will be able to attain a solid, sustained growth. Among these challenges are the needs to reinforce household balance sheets, to stabilise and reduce the high public debt levels, and to reform and clean up the financial sector.

In this situation, financial assets developed along diverging lines. Stock markets had a mixed performance—the exchanges of healthier economies developed better, with greater growth prospects or benefiting from more active stimulus policies on the part of the monetary authorities. Fixed income markets featured a process of declining interest rates in the major geographic regions (USA, Eurozone and the UK), as measured by risk free assets. In the Eurozone, the most salient development was the harsh treatment afforded to short term notes and bonds issued by residents in the so-called peripheral countries, regardless of whether they were public sector or corporate issuers, which led to a very substantial rise in their yields.

The economic trend in insurance markets

Spanish market¹

According to preliminary estimates, the total volume of direct insurance premiums written in 2010 amounted to €57,466 million, broken down as follows by lines of business:

LINE OF BUSINESS	2010	2009	% Chg. 10/09
Life	25,732	28,119	(8.5%)
Non-life	31,734	31,664	0.2%
TOTAL DIRECT INSURANCE	57,466	59,783	(3.9%)

FIGURES IN €MILLION

Non-life insurance policies accounted for 55.2% of the total volume of premiums. In absolute terms, Motor Insurance continues to be the largest line by volume, albeit with a negative growth rate, due to the stiff competition coupled with the downturn in new car sales that was already seen in 2009. The table below shows the total estimated volume of Non-life insurance premiums broken down by lines of business, and the change with respect to the previous year:

	2010	2009	% Chg. 10/09
Motor	11,526	11,642	(1.0%)
Health	6,399	6,134	4.3%
Multi-peril	6,242	6,053	3.1%
Other Non-life	7,567	7,835	(3.4%)
TOTAL NON-LIFE	31,734	31,664	0.2%

FIGURES IN €MILLION



Mr. José Manuel Martínez analyses the sector's situation at the 46th Annual Seminar of the International Insurance Society (ISS) held in Madrid

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

	2010	2009	2008	2007	2006
Motor	36.3%	36.7%	38.0%	39.5%	40.6%
Health	20.2%	19.2%	18.0%	17.0%	16.3%
Multi-peril	19.7%	19.3%	18.1%	17.2%	16.8%
Other Non-Life	23.8%	24.7%	25.9%	26.3%	26.3%

Based on the figures at the end of September, the technical result worsened again, following the same trend as in the two previous years. 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	
	30.09.10	30.09.09	30.09.10	30.09.09	30.09.10	30.09.09	30.09.10	30.09.09
Loss ratio	73.2%	72.5%	80.5%	79.0%	67.6%	63.7%	84.1%	84.0%
Expense ratio	20.8%	21.1%	17.0%	17.7%	30.3%	31.0%	10.6%	10.4%
Combined ratio	94.0%	93.6%	97.5%	96.7%	97.9%	94.7%	94.7%	94.4%

The volume of managed Life savings, represented by technical reserves, was €146,500 million, a 1.9% rise with respect to the previous year.

1) Source: ICEA and INVERCO.

Most developed economies and some of the emerging economies have substantial challenges ahead before they will be able to attain a solid, sustained growth.

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

	2010	2009	% Chg. 10/09
Life Assurance	146,500	143,790	1.9%
Mutual Funds	211,068	225,633	(6.5%)
Pension Funds	84,757	84,920	(0.2%)
TOTAL	442,345	453,252	(2.6%)

FIGURES IN €MILLION

Latin american markets²

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

COUNTRY	Date	Non-life	Life	Total
Argentina	30/06/2010	25.4%	2.8%	21.0%
Brazil	30/11/2010	14.5%	19.7%	17.2%
Colombia	30/09/2010	8.5%	13.5%	10.5%
Chile	30/09/2010	15.9%	28.5%	23.3%
Dominican Republic	30/11/2010	6.1%	2.8%	5.6%
Ecuador	30/09/2010	12.7%	21.0%	14.0%
Mexico	30/09/2010	(6.4%)	6.5%	(0.7%)
Paraguay	30/06/2010	13.6%	27.6%	14.8%
Peru	30/11/2010	5.7%	58.8%	24.2%
Puerto Rico	30/09/2010	8.4%	(8.1%)	7.0%
El Salvador	30/09/2010	(1.7%)	0.5%	(0.9%)
Uruguay	30/09/2010	10.3%	17.0%	11.8%
Venezuela	30/11/2010	n.a.	n.a.	12.6%

Generally, the following trends may be observed:

- The overall premium volume stated in euros grew due to the significant appreciation of local currencies and the high growth rates in major countries, with the notable exception of Venezuela (-35% in Euros).
- Non-life insurance grew in most countries, with strong increases in Argentina –as a result of historically high new automobile sales and an increase in the contracting and benefits in Accident and Workers' Compensation insurance policies– and also in Brazil due to the growth of the economy and the marketing of more affordable products. These increases, together with the above-mentioned currency appreciations, made it possible to offset the fall in business volumes in Mexico –caused by the biennial nature of the policy with the oil company Pemex,



The EL PAIS newspaper profiled ten large companies in Spain, including MAPFRE.

which is due to be renewed in 2011 and without which the market would have grown by 3.8%– and in Venezuela, due to the economic crisis and the strong devaluation of the Bolivar.

— Life insurance increased significantly, mainly thanks to business development in Brazil –as a result of the growth of the economy and strong demand of the VGBL⁴ product, which benefits from attractive tax incentives– and in Chile, due to the strong hike in welfare (retirement and income) insurance policies, boosted by the economic recovery and greater stability of financial markets.

Other markets

In the USA, based on market estimates as at September, there was a slight improvement in Non-life insurance, which rose by 0.6% compared to a 4.8% contraction in the same period of the previous year. This improvement takes in the positive effects of recovering economic activity and rises in the rates applied to retail insurance products (+5% in Motor insurance and +2.5% in Home insurance), which offset the effect of the price decline in Commercial insurance policies arising from strong competition. Meanwhile, Life assurance and Health insurance improved substantially, growing by 2.6% to the same date (compared to -9.1% in 2009) as a result of increasing demand, thanks to the economic recovery that allowed the negative effect of high unemployment rates to be absorbed.

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.



Left: 3rd Meeting of entities within the International Direct Insurance Division, held in Mexico.

Right: Mr. Alberto Manzano received the Silver Caravel award from the Latin American Association of Press Reporters.

In Portugal, based on figures at the end of November 2010, a strong market recovery can be noticed, growing by 16.4% compared to the 3.9% contraction in the same period of the previous year. The increase came from Life assurance, which grew by 22.9%, due to the substantial rise in the demand of guaranteed products, especially “capitalização” and “PPR” products. On the other hand, Non-life insurance basically stagnated, growing by a mere 0.7%, due to the effect of the economic crisis and strong price competition.

In Turkey, using figures as at the end of September 2010, the market recorded a 12.1% growth, but it should be borne in mind that inflation grew at an estimated 9 per cent. Non-life insurance rose by 11.4 per cent, and it was affected by strong competition in Fire and Motor insurance. Meanwhile, Life assurance performed better, growing by 16.2 per cent, mainly as a result of products linked to bank lending.

Reinsurance market

The market will have to face a number of challenges including the low rate of return on investments, a technical account which will be lower than in previous years due to competition in prices and in terms and conditions. Also a decline in turnover as a result of higher retention by insurance companies, and the difficulty for claim reserves to be adjusted favourably year after year due to higher inflation, among other reasons. All of the foregoing will take place in an environment in which important business growth in emerging markets does not suffice to offset the effects of the crisis affecting more developed markets.

Excess capital in the reinsurance market will likely lead to returns of idle capital to the shareholders, via capital reductions or the payment of an extraordinary dividend, and it is also likely that mergers and acquisitions of reinsurance companies will continue to be witnessed, as well as shifts of location of reinsurance companies from Bermuda to other countries, mainly Switzerland, and to Lloyd’s of London, taking advantage of the Central Fund umbrella and the flow of business in the London market.

In this situation, reinsurance companies should take the appropriate and definitive steps to implement the regulations arising from the Solvency II Directive, which will lead to more volatile earnings, and this, added to a greater or lesser occurrence and intensity of catastrophes, will determine a greater or lesser harshening of conditions and prices.

Business development

Operating revenues and funds under management

Direct insurance and accepted reinsurance premiums written by the Group’s subsidiaries amounted to €18,137.0 million in 2010, a 9.9% increase. Consolidated premiums totalled €16,973.1 million, an 8.8% rise. Total operating revenues reached €20,801.6 million, including €330.8 million of new gross contributions

to pension funds. The breakdown of these revenues by business line is shown in the following table⁵:

	2010	2009	% 10/09
Direct Insurance Spain	9,551.6	9,502.8	0.5%
- Gross written and accepted premiums	7,404.9	7,305.8	1.4%
- Income from investments	1,625.6	1,576.6	3.1%
- Non-insurance companies' revenues and other	521.1	620.4	[16.0%]
International Direct Insurance	7,834.3	6,603.1	18.6%
- Gross written and accepted premiums	7,039.1	5,946.3	18.4%
- Income from investments	731.0	593.0	23.3%
- Non-insurance companies' revenues and other	64.2	63.8	0.6%
Global Businesses	4,413.8	3,719.4	18.7%
- Gross written and accepted premiums	3,693.0	3,249.2	13.7%
- Income from investments	552.9	323.2	71.1%
- Non-insurance companies' revenues and other	167.9	147.0	14.2%
Parent company	564.8	935.6	[39.6%]
TOTAL REVENUES	22,364.5	20,760.9	7.7%
Consolidation adjustments and other companies	(1,893.7)	(1,930.5)	[1.9%]
TOTAL CONSOLIDATED REVENUES	20,470.8	18,830.4	8.7%
Gross contributions to pension funds	330.8	377.3	[12.3%]
TOTAL REVENUES FROM OPERATIONS	20,801.6	19,207.7	8.3%

FIGURES IN MILLION EUROS

In 2010, the total consolidated revenues exceeded the figures for the previous year on the back of the dynamism of the international direct insurance and reinsurance businesses, the recovery of sales in Spain and larger financial revenues.

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

	2010	2009	% 10/09
Life assurance technical reserves	20,319.8	17,663.1	15.0%
Pension funds	5,193.1	3,781.4	37.3%
Mutual funds and managed portfolios	2,605.7	2,686.0	[3.0%]
TOTAL	28,118.6	24,130.5	16.5%

FIGURES IN MILLION EUROS

The variation in funds under management is mainly due to the consolidation of the insurance operations of CATALUNYACAIXA, the winning of Life-Savings business in Spain through the bancassurance channel, the development of Life Assurance abroad, and the consolidation of FINIBANCO VIDA (Portugal).

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 20.3%.

⁵ MAPFRE GLOBAL RISKS' figures are included in Global Businesses in both years.

Direct Insurance in Spain

Direct insurance and accepted reinsurance premiums written by the Group's direct insurance companies operating in Spain reached €7,404.9 million, to which €330.8 million of new gross contributions to pension funds must be added, with the following breakdown by company:

	2010	2009	% 10/09
MAPFRE FAMILIAR	4,005.4	4,071.9	(1.6%)
MAPFRE EMPRESAS	682.6	666.4	2.4%
NON-LIFE INSURANCE IN SPAIN	4,688.0	4,738.3	(1.1%)
LIFE SAVINGS	2,320.6	2,210.4	5.0%
Agents channel	973.5	1,215.9	[19.9%]
Bank channel - CAJA MADRID	821.8	573.1	43.4%
Bank channel - Other ⁽¹⁾	525.3	421.4	24.7%
LIFE PROTECTION	396.3	357.1	11.0%
Agents channel	147.6	149.6	[1.4%]
Bank channel - CAJA MADRID	141.5	130.5	8.4%
Bank channel - Other ⁽¹⁾	107.2	77.0	39.1%
LIFE ASSURANCE IN SPAIN	2,716.9	2,567.5	5.8%
TOTAL PREMIUMS	7,404.9	7,305.8	1.4%
Gross contributions to pension funds	330.8	377.3	[12.3%]

FIGURES IN MILLION EUROS

⁽¹⁾ Includes BANKINTER VIDA, CCM VIDA Y PENSIONES and UNIÓN DUERO VIDA as well as the insurance operations of CATALUNYACAIXA (the latter consolidated as from 30.9.10). MAPFRE VIDA's branch in Portugal, whose business was transferred to MAPFRE INTERNACIONAL in January 2010, is included in the latter for both years.

The 1.6% decrease in premiums at MAPFRE FAMILIAR reflects the deliberate cancellation of recurrently loss-making group health policies with some civil servants' mutual purchasing associations. Excluding the effect of this, the growth would have been 1.5%, reflecting:

- a 0.8% increase in Motor insurance, versus a 1.5% contraction for the rest of the sector, thanks to the segmentation and loyalty campaigns implemented in the year. At the end of the period, MAPFRE insured 5,856,075 vehicles in Spain, equivalent to a net increase of 56,434 units over the previous year;

- the good performance of Home insurance (+5.2%);

- a 3.3% rise in Health, Accident and Burial segment, thanks to the strength of the Health line, which grows 7.8% (excluding the business from the civil servants' mutual purchasing associations), compared to 6.5% for the rest of the sector.

The growth in premiums at MAPFRE EMPRESAS reflects the implementation of several sales campaigns, the success of which has allowed to face the drop in demand resulting from the economic crisis.

In 2010, the total consolidated revenues exceeded the figures for the previous year on the back of the dynamism of the international direct insurance and reinsurance businesses, the recovery of sales in Spain and larger financial revenues.

The increase in issuance at the LIFE ASSURANCE OPERATING UNIT is a result of the consolidation of the insurance operations of CATALUNYACAIXA in the last quarter of the year, the increase in issuance through the bancassurance channel, and the good development of Life-Protection insurance, which has grown 11%.

The following table shows the breakdown of written and accepted premiums by insurance lines for 2009 and 2010, together with the corresponding market shares (provisional figures for 2010):

	2010	2009	% Var.	MARKET SHARES ⁽¹⁾	
				2010	2009
Motor	2,367.4	2,348.5	0.8%	20.5%	20.1%
Health	400.8	499.3	(19.7%)	6.3%	8.1%
Other - Non-Life	1,919.8	1,890.5	1.6%	17.4%	17.2%
TOTAL NON-LIFE	4,688.0	4,738.3	(1.1%)	16.3%	16.5%
Life Protection	396.3	357.1	11.0%		
Life Savings	2,320.6	2,210.4	5.0%		
TOTAL LIFE	2,716.9	2,567.5	5.8%	12.8%	9.0%
TOTAL	7,404.9	7,305.8	1.4%	14.7%	13.0%

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 in both years.



2010 Annual General Meeting of shareholders.

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

	AGENTS AND OTHER CHANNELS			BANK CHANNEL			TOTAL		
	2010	2009	Var. %	2010	2009	Var. %	2010	2009	Var. %
LIFE ASSURANCE OP. UNIT ⁽¹⁾	1,121.1	1,260.0	(11.0%)	1,595.8	1,202.0	32.8%	2,716.9	2,462.0	10.4%
MAPFRE FAMILIAR	3,805.5	3,888.0	(2.1%)	199.9	183.9	8.7%	4,005.4	4,071.9	(1.6%)
MAPFRE EMPRESAS ⁽²⁾	672.2	655.8	2.5%	10.4	10.6	(1.9%)	682.6	666.4	2.4%
NON-LIFE	4,477.7	4,543.8	(1.5%)	210.3	194.5	8.1%	4,688.0	4,738.3	(1.1%)
LIFE ⁽¹⁾									
Large corporate operations							0.0	105.5	-
TOTAL	5,598.8	5,803.8	(3.5%)	1,806.1	1,396.5	29.3%	7,404.9	7,305.8	1.4%

FIGURES IN MILLION EUROS

(1) Includes MAPFRE VIDA and its subsidiaries, CCM VIDA Y PENSIONES, UNIÓN DUERO VIDA and the insurance operations of CATALUNYACAIXA [the latter consolidated as from 30.9.10].

(2) As of 2010, MAPFRE GLOBAL RISKS, previously part of MAPFRE EMPRESAS, is included in the international business. For comparison purposes, figures have been adjusted for both years.

The volume of premiums issued through the CAJA MADRID network in 2010 amounted to €1,164.4 million, a 29.7% increase, mainly due to the good performance of issuance in Life Assurance. Sales of CAJA MADRID banking products (loans and deposits) contributed by the MAPFRE network stood at €1,973.2 million, a 22.4% decrease.

Total revenues from investments for direct insurance companies operating in Spain increased 3.1%, and amounted to €1,625.6 million compared to €1,576.6 million in 2009.

Other revenues from the companies operating primarily in Spain amounted to €521.1 million, a decrease of 16.0% over the previous year. Their breakdown by company is shown in the following table:

	2010	2009	% 10/09
MAPFRE FAMILIAR	311.6	293.7	6.1%
MAPFRE INVERSIÓN and subsidiaries	85.0	83.7	1.6%
MAPFRE INMUEBLES	65.6	56.9	15.3%
MAPFRE QUAVITAE	0.9	134.7	(99.3%)
Other entities	58.0	51.4	12.8%
TOTAL	521.1	620.4	(16.0%)

FIGURES IN MILLION EUROS

The aforementioned decrease in revenues reflects the reclassification of the business of MAPFRE QUAVITAE as a discontinued operation, pursuant to the agreement reached with the SAR Group for the sale thereof. Excluding this reclassification, the revenues from the companies operating primarily in Spain would have amounted to €660.5 million, a 6.5% increase over the previous year.

The non-insurance activities of MAPFRE FAMILIAR contributed revenues of €311.6 million, an increase of 6.1%.

The subsidiaries that operate in stockbroking, as well as mutual and pension fund management, which are grouped under MAPFRE INVERSIÓN, obtained revenues of €85.0 million, a 1.6% rise versus 2009. The volume of assets in mutual funds and managed portfolios stood at €2,605.7 million, equivalent to a 3.0% decrease. At the end of the year, assets managed in pension funds amounted to €1,581.2 million, a decrease of 3.3%.



Mr. José Manuel Martínez and Mr. Rodrigo Rato at MAPFRE's 2010 Annual General Meeting of Shareholders.

International direct insurance

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

	2010	2009	% 10/09
Life	1,200.8	953.5	25.9%
MAPFRE AMÉRICA	1,128.1	909.7	24.0%
MAPFRE INTERNACIONAL	72.7	43.8	66.0%
Non-life	5,838.3	4,992.8	16.9%
MAPFRE AMÉRICA	4,027.5	3,395.7	18.6%
MAPFRE INTERNACIONAL	1,810.8	1,597.1	13.4%
TOTAL PREMIUMS	7,039.1	5,946.3	18.4%

FIGURES IN MILLION EUROS

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

	2010	2009	% Var
Motor	2,932.2	2,583.9	13.5%
Health and accidents	844.0	738.6	14.3%
Life & Burial	1,190.6	953.0	24.9%
Other lines	2,072.3	1,670.8	24.0%
TOTAL	7,039.1	5,946.3	18.4%

FIGURES IN MILLION EUROS

The premiums growth at MAPFRE AMÉRICA reflects:

- growth across the region, especially in the General Insurance, Motor and Life lines;
- the consolidation of the insurance operations of GRUPO MUNDIAL, which contribute €146.9 million as at 31.12.2010.

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

COUNTRY	PREMIUMS (LIFE AND NON-LIFE)			Local Currency % 10/09
	2010	2009	% 10/09	
BRAZIL	2,106.6	1,644.5	28.1%	8.1%
VENEZUELA	619.7	855.4	[27.6%]	36.5%
MEXICO	500.4	379.7	31.8%	16.5%
ARGENTINA	458.6	402.1	14.1%	13.1%
COLOMBIA	382.2	251.8	51.8%	26.0%
PUERTO RICO	310.7	287.1	8.2%	2.0%
CHILE	210.6	138.0	52.6%	32.4%
CENTRAL AMERICA	187.5	38.5	—	—
PERU	189.6	144.5	31.2%	16.4%
OTHER COUNTRIES ⁽¹⁾	189.7	163.8	15.8%	—
MAPFRE AMÉRICA	5,155.6	4,305.4	19.7%	

FIGURES IN MILLION EUROS

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

According to 2009 figures, the latest available, MAPFRE once again ranked as the largest Non-life insurer in Latin America, with a 7.9% market share in the countries and regions in which it operates. The following table shows the Non-life Direct Insurance market shares in the various countries:

COUNTRY	MARKET SHARES ⁽¹⁾
Argentina	8.4%
Brazil	8.3%
Chile	9.2%
Colombia	6.5%
Ecuador	4.2%
El Salvador	16.0%
Mexico	4.8%
Paraguay ⁽²⁾	25.8%
Peru	13.6%
Puerto Rico	12.7%
Dominican Republic	15.2%
Uruguay	5.7%
Venezuela	7.9%

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

(2) Total market share (Life and Non-life).

The insurance subsidiaries of MAPFRE INTERNACIONAL obtained total premiums of €1,883.5 million, with a 14.8% increase due to:

- the increase in issuance in the USA and Turkey, as a result of rate rises and the accomplishment of expansion plans;
- the appreciation of the US dollar and the Turkish Lira;
- and the consolidation of FINIBANCO VIDA (Portugal), which contributed €25.3 million.

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

COUNTRY	PREMIUMS (LIFE AND NON-LIFE)			Local currency % 10/09
	2010	2009	% 10/09	
USA	1,420.7	1,263.8	12.4%	6.5%
TURKEY	266.0	212.8	25.0%	15.3%
PORTUGAL	168.9	141.1	19.7%	19.7%
PHILIPPINES	27.9	23.2	20.3%	7.5%
MAPFRE INTERNACIONAL	1,883.5	1,640.9	14.8%	

FIGURES IN MILLION EUROS

The total revenues from the investments of the international direct insurance companies amount to €731.0 million, a 23.3% increase.

Global businesses

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

	2010	2009	% 10/09
MAPFRE GLOBAL RISKS	910.4	838.4	8.6%
MAPFRE RE	2,371.6	2,053.7	15.5%
MAPFRE ASISTENCIA	411.0	357.1	15.1%
TOTAL PREMIUMS	3,693.0	3,249.2	13.7%

FIGURES IN MILLION EUROS

MAPFRE GLOBAL RISKS achieved a premium volume of €910.4 million, an 8.6% increase. This performance reflects the development of the international business and the strong growth of the Fire and Property Damage lines, which offset the effects of the adaptation of the Credit and Surety business to the new market scenario.

In the accepted reinsurance business, MAPFRE RE and its subsidiaries recorded consolidated premiums of €2,371.6 million (€2,053.7 million in 2009). The 15.5% increase reflects the winning of new business, quota increases in existing



contracts, larger cessions from the Group's international subsidiaries, the growth in Life Assurance and Personal lines, as well as the Euro's weakness versus other currencies (at constant exchange rates, growth would have amounted to 10%). Net written premiums amounted to €1,603.6 million, representing a retention rate of 67.6% (68.2% in the previous year).

The total revenues (premiums and income from the sale of services) at MAPFRE ASISTENCIA and its subsidiaries reached €556.6 million, a 15.0% increase over the same period of the previous year. Of these, €411.0 million corresponded to written and accepted premiums, with a 15.1% increase, and €145.7 million to revenues from services, a 15.0% rise.

Total revenues from investments from Global Businesses amount to €552.9 million, representing a 71.1% increase compared to the previous year.

Management ratios

In Non-life lines, the consolidated combined ratio was 95.8%, reflecting the good performance of the loss ratio at MAPFRE AMÉRICA and of Non-life insurance in Spain, which has offset the impact of Chile's earthquake, the largest loss in MAPFRE's history. The development of the main management ratios is shown in the following table:



MAPFRE sponsored the 17th insurance sector symposium entitled "The future of insurance in Spain: keys in moments of change".

COMPANY	RATIOS					
	EXPENSE RATIO ⁽¹⁾		LOSS RATIO ⁽²⁾		COMBINED RATIO ⁽³⁾	
	2010	2009	2010	2009	2010	2009
MAPFRE S.A. consolidated	25.2%	24.9%	70.6%	70.8%	95.8%	95.7%
Direct Insurance Spain	18.8%	18.5%	72.1%	72.6%	90.9%	91.1%
MAPFRE FAMILIAR	18.3%	17.3%	73.1%	73.4%	91.4%	90.7%
MAPFRE EMPRESAS	23.0%	27.1%	63.8%	66.6%	86.8%	93.7%
LIFE ASSURANCE OP. UNIT ⁽⁴⁾	1.07%	1.16%				
International Direct Insurance	31.2%	31.4%	69.8%	71.0%	101.0%	102.3%
MAPFRE AMÉRICA	33.3%	33.2%	67.9%	70.7%	101.3%	103.9%
MAPFRE INTERNACIONAL	26.1%	27.3%	74.4%	71.6%	100.5%	98.9%
Global Businesses	28.3%	28.8%	68.0%	64.8%	96.2%	93.6%
MAPFRE GLOBAL RISKS	25.3%	23.3%	80.8%	74.8%	106.1%	98.1%
MAPFRE RE	29.2%	29.9%	66.5%	63.6%	95.7%	93.5%
MAPFRE ASISTENCIA	26.4%	27.3%	65.3%	63.9%	91.6%	91.2%

(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 of 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 €933.5 million, a 0.7% increase. The following table shows the sources and breakdown of results:

	2010	2009	Var. %
NON-LIFE INSURANCE AND REINSURANCE			
Gross written and accepted premiums	12,767.9	11,900.3	7.3%
Premiums earned, net of ceded and retroceded reinsurance	10,882.6	10,242.4	6.3%
Net claims incurred and variation in other technical provisions	(7,680.0)	(7,244.0)	6.0%
Operating expenses, net of reinsurance	(2,711.9)	(2,486.3)	9.1%
Other technical income and expenses	(36.0)	(67.7)	(46.8%)
Technical Result	454.7	444.4	2.3%
Net fin'l. income and other non-technical income and expenses	783.3	723.5	8.3%
RESULT OF NON-LIFE BUSINESS	1,238.0	1,167.9	6.0%
LIFE ASSURANCE AND REINSURANCE			
Gross written and accepted premiums	4,205.2	3,706.5	13.5%
Premiums earned, net of ceded and retroceded reinsurance	3,940.4	3,471.8	13.5%
Net claims incurred and variation in other technical reserves	(3,834.1)	(3,455.3)	11.0%
Operating expenses, net of reinsurance	(658.0)	(549.4)	19.8%
Other technical income and expenses	(1.3)	(3.6)	(63.9%)
Technical Result	(553.0)	(536.5)	3.1%
Net fin'l. income and other non-technical income and expenses	922.5	834.3	10.6%
Unrealised gains and losses in Unit-Linked products	(1.7)	26.2	-
RESULT OF LIFE BUSINESS	367.8	324.0	13.5%
OTHER BUSINESS ACTIVITIES			
Operating revenues	438.2	532.5	(17.7%)
Operating expenses	(418.1)	(488.4)	(14.4%)
Other revenues and expenses	(179.8)	(71.3)	-
RESULTS FROM OTHER BUSINESS ACTIVITIES	(159.7)	(27.2)	-
Result on restatement of financial accounts	(15.1)	(18.5)	-
Result before tax and minority interests	1,431.0	1,446.2	(1.1%)
Taxes	(367.4)	(407.8)	(9.9%)
Result after tax	1,063.6	1,038.4	2.4%
Result after tax from discontinued operations	0.1	(2.3)	-
Result for the year	1,063.7	1,036.1	2.7%
Result attributable to minority shareholders	(130.1)	(109.2)	19.1%
Result attributable to the controlling Company	933.5	926.8	0.7%

FIGURES IN MILLION EUROS

The result attributable to the parent company includes for both years a series of extraordinary items. Excluding these, the result would have grown 11.4%.

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

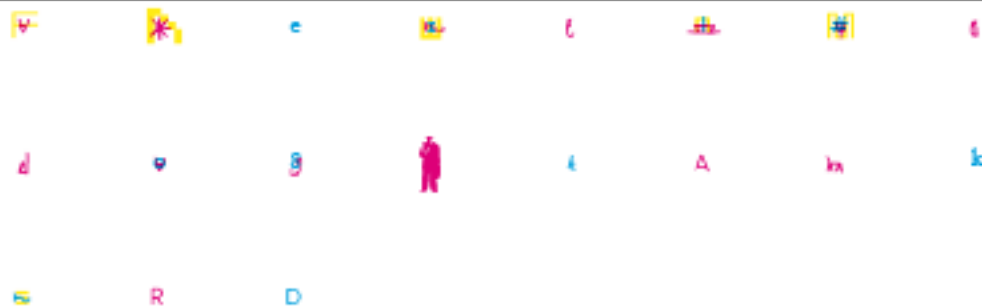
	Net Result	Minority interests	Contribution to consolidated result 2010	Contribution to consolidated result 2009
Direct Insurance Spain	642.4		642.4	615.3
LIFE ASSURANCE OP. UNIT ⁽¹⁾	135.1		135.1	125.2
MAPFRE FAMILIAR	412.8		412.8	430.8
MAPFRE EMPRESAS	94.5		94.5	59.3
Internacional Direct Insurance	317.6		280.9	202.4
MAPFRE AMERICA	214.6	(23.9)	190.7	100.8
MAPFRE INTERNACIONAL	103.0	(12.8)	90.2	101.6
Global Businesses	166.3		155.7	136.6
MAPFRE GLOBAL RISKS	21.5		21.5	17.4
MAPFRE RE	124.2	(10.6)	113.6	102.9
MAPFRE ASISTENCIA	20.6		20.6	16.3
Other activities	(21.5)		(79.3)	(64.1)
MAPFRE INMUEBLES	(22.4)		(22.4)	(13.3)
MAPFRE QUAVITAE	0.9	(0.4)	0.5	(1.8)
BANCO DE S.F. CAJA MADRID - MAPFRE			(57.4)	(49.0)
Other companies and consolidation adjustments			(66.2)	36.6
MAPFRE S.A.			933.5	926.8

FIGURES IN MILLION EUROS

¹⁾ Includes MAPFRE VIDA and its subsidiaries, CCM VIDA Y PENSIONES, UNIÓN DUERO VIDA, DUERO PENSIONES, as well as the insurance operations of CATALUNYACAIXA (the latter consolidated as from 30.9.10).

MAPFRE and GRUPO MUNDIAL presented the new company in Panama.





Investments and liquid assets

The book value of investments and liquid assets as at 31 December 2010 was €35,204.6 million, an 11.0% increase over the previous year. The following table shows their breakdown and percentage distribution:

	2010	% over total	2009	% over total
Risk-free investments	3,214.1	9.1%	1,659.8	5.2%
- Cash	1,497.4	4.3%	861.1	2.7%
- Unit-linked investments	1,716.7	4.8%	798.7	2.5%
Real Estate Investments	2,468.8	7.0%	1,913.9	6.0%
- Buildings for own use	1,001.7	2.8%	1,055.5	3.3%
- Other Real Estate investments	1,467.1	4.2%	858.4	2.7%
Financial investments	28,678.7	81.5%	27,268.1	86.0%
- Shares	942.2	2.7%	554.9	1.8%
- Fixed income	26,695.5	75.8%	25,772.3	81.3%
- Mutual funds	585.9	1.7%	527.9	1.7%
- Other financial investments	455.1	1.3%	413.0	1.3%
Other investments	843.0	2.4%	863.4	2.7%
- Investments in associated companies	400.3	1.1%	429.2	1.4%
- Accepted reinsurance deposits	234.0	0.7%	202.6	0.6%
- Hedging derivatives	38.6	0.1%	0.0	0.0%
- Other	170.1	0.5%	231.6	0.7%
TOTAL	35,204.6	100.0%	31,705.2	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 €1,418.4 million at year end, according to valuations performed by independent surveyors.

Funding operations

The main variations in the funding sources of the Group in 2010 were the following:

— A capital increase with pre-emptive subscription right totalling €179.6 million⁶, carried out in execution of the scrip dividend plan approved by the Board of Directors of the Company. As a result of this capital increase, 89,444,572 new shares were issued, so that the total number of outstanding shares reached 3,012,154,351.

— Drawdown of credit facilities for a total net amount of €201 million, including a new syndicated “revolving credit facility” loan of €500 million maturing in 2013, which was arranged in 2010.

— Reimbursements of credit facilities drawn on by subsidiaries for a total amount of €29.6 million.

⁶ Before taxes, duties and expense.

Overall, the balance of financial and subordinated debts of the Group at consolidated level has experienced a net increase of €59.5 million during the year.

As part of the 50% acquisition of the Insurance and Pension operations of CATALUNYACAIXA, said company has granted the Group a loan of €266.5 million.

Payments on interests arising from debts with financial institutions and securities in issue amounted to €86.1 million (€94.6 million in 2009), a 9.0% decrease.

Balance Sheet

The following table shows the consolidated balance sheet:

	2010	2009
ASSETS		
Goodwill	2,258.4	1,643.9
Fixed assets	399.3	480.6
Cash & equivalents	1,497.4	861.1
Investments & real estate	33,707.2	30,844.1
Participation of reinsurance in technical reserves	3,092.6	2,484.1
Other assets	7,717.4	6,792.0
TOTAL ASSETS	48,672.3	43,105.8
LIABILITIES		
Shareholders' Equity	6,541.9	6,165.7
Minority interests	1,253.9	928.1
Financial & subordinated debt	2,122.1	2,062.6
Technical reserves	33,461.9	29,767.1
- Life assurance reserves ¹⁾	19,649.8	17,253.5
- Other technical reserves	13,812.1	12,513.6
Reserves for risks and expenses	713.2	405.0
Other liabilities	4,579.3	3,777.3
TOTAL LIABILITIES	48,672.3	43,105.8

FIGURES IN MILLION EUROS

¹⁾ Includes unit-linked reserves.

Total assets under management, including mutual and pension funds, amounted to €56,471.1 million (€49,573.2 million at the end of the previous year), a 13.9% increase.

The management of securities investments continues to be done with prudence, both in terms of credit risk and in terms of stock markets.

Shareholders' equity and returns

The net consolidated equity stood at €7,795.8 million, compared to €7,093.8 million in 2009. Of said amount, €1,253.9 million corresponded to minority interests in subsidiaries. Consolidated shareholders' equity per share amounted to €2.17 at the end of 2010 (€2.11 as at 31.12.2009).

On 8th February 2010 the Company purchased 700,336 shares of treasury stock, for a consideration of €1,981,178; said shares were sold during the year, recording a reduction in equity amounting to €384,070.

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

	2010	2009
BALANCE AS AT PRIOR YEAR END	7,093.8	5,716.4
Additions and deductions accounted for directly in equity		
Investments available for sale	(1,073.3)	461.9
Translation adjustments	231.6	16.4
Shadow accounting	584.0	(89.5)
TOTAL	(257.7)	388.8
Result for the period	1,063.7	1,036.1
Distribution of previous year's result	(274.4)	(237.1)
Interim dividend for the year	(210.9)	(252.2)
Other items	381.3	441.8
BALANCE AS AT PERIOD END	7,795.8	7,093.8

FIGURES IN MILLION EUROS

Equity shows an increase of €702.0 million during 2010, which reflects:

- the result for the year;
- the negative impact of volatility in the financial markets on the value of the investments, partly offset by the application of shadow accounting;
- positive translation differences, mainly as a result of the appreciation of the US Dollar and most of the Latin American currencies;
- "other items", which include primarily the incorporation of minority interests in the insurance operations of CATALUNYACAIXA as well as the funds obtained through the scrip dividend plan implemented in the first quarter, which contributed €179.6 million (before duties, taxes and expenses) to shareholders' equity.

The return on equity (ROE), defined as the ratio between the net profit attributable to the parent company (after minority interests) and its average shareholders' equity, was 14.7% (16.7% in 2009).

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

	2010			2009
	Average equity	Net result	ROE % ⁽¹⁾	ROE % ⁽¹⁾
MAPFRE FAMILIAR	1,346.8	412.8	30.7%	32.4%
LIFE ASSURANCE OP. UNIT	832.5	135.1	16.2%	14.6%
MAPFRE EMPRESAS	286.9	94.5	32.9%	–
MAPFRE AMÉRICA	1,493.5	214.6	14.4%	9.2%
MAPFRE INTERNACIONAL	2,168.4	103.0	4.8%	5.9%
MAPFRE GLOBAL RISKS	406.5	21.5	5.3%	–
MAPFRE RE	844.0	124.2	14.7%	14.2%
ASSISTANCE	145.3	20.6	14.2%	12.8%
MAPFRE S.A. (CONSOLIDATED)	6,353.8	933.5	14.7%	16.7%

FIGURES IN MILLION EUROS

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

Main activities in the year

Acquisitions, projects and disposals

The following transactions took place during the year:

- Agreement with CATALUNYACAIXA, whereby MAPFRE VIDA and MAPFRE FAMILIAR acquired a 50% holding in the insurance and pension affiliates of that financial entity, valued at €549.6 million.
- Acquisition by MAPFRE INTERNACIONAL of an additional 10% holding in the share capital of MAPFRE GENEL SIGORTA, at a price of €35.2 million. Following this transaction, the holding in that affiliate amounts to 99.75 per cent.
- Acquisition by MAPFRE ASISTENCIA of a 100% holding in the share capital of INSURE AND GO, company focused on the sale of Travel and other types of insurance (mainly Home and Motor insurance) in the UK, after paying €31.3 million.

The investments mentioned above were funded using the available surplus cash, via the use of credit facilities and, in the agreement with CATALUNYACAIXA, by means of financing granted by that entity.

Independently of these transactions, in May 2010 an agreement was entered into with BANCO DO BRASIL to establish a strategic alliance in the Life, General and Motor insurance businesses. At year end the procedures were underway to obtain the mandatory authorisations for the corporate operations to take place. This alliance will allow a consolidation of both partners in the industry, as well



MAPFRE signs a bancassurance agreement with CAIXA CATALUNYA, CAIXA MANRESA and CAIXA TARRAGONA.

as establish one of the most important insurance groups in Brazil, with a market share of 16% –the leading insurer in personal insurance and the second one in multiperil insurance.

The MAPFRE Group, on the other hand, decided to rearrange the property structure and management of its real estate business, by transforming MAPFRE INMUEBLES S.A. into an Asset Management Company (“Sociedad de Gestión de Activos”). The guidelines of the approved rearrangement are the following:

- Suspension of the real estate development activity;
- Real estate rented from third parties, valued at €524.9 million, is contributed to MAPFRE INMUEBLES;
- Reduction of MAPFRE INMUEBLES’ debt with banking institutions, via the contribution of €253.3 million in cash.

Both the real estate asset and cash contributions had taken place at year-end.

Other projects

On 3rd December 2010 an agreement was announced between MAPFRE and CAJA MADRID, on the one hand, and SAR Group, on the other, for the disposal of MAPFRE QUAVITAE. This transaction fits within MAPFRE’s strategy of focusing its activities on insurance and reinsurance and other related businesses.

On 20th December 2010, the merger project between FUNESPAÑA and GESMAP was signed, the latter company being a fully-owned subsidiary of MAPFRE FAMILIAR. The merger will consist of the takeover of GESMAP by FUNESPAÑA.

As a result of this transaction, MAPFRE FAMILIAR’s holding in FUNESPAÑA will amount to approximately 45.12% of the latter’s share capital. As a result, MAPFRE FAMILIAR is scheduled to make a public takeover bid for the compulsory acquisition of all of the shares of FUNESPAÑA.

Investments

The management of securities investments continues to be done with prudence, both in terms of credit risk and in terms of stock markets. The solvency or creditworthiness of investments in fixed income remains very high: assets with a credit rating of AA or higher represent 70% of the total, while assets issued or backed by European Union Member States represent 33%. As far as stock market risk is concerned, equity positions represent only 6% of the financial assets in non-immune portfolios, while all of these positions contain unrealised capital gains of €121 million.

The interest rate risk of Life assurance portfolios remains at very low levels. 94% 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 the portfolios related to Non-life insurance there has been a reduction of the modified duration in the latter part of the year, in light of expectations of a possible tightening of interest rates, with the year ending with a level of 4.9%.

Real estate investments continued along the same lines as the previous year, with a few disinvestments and very selective investments in quality assets, particularly seeking security in long-term lease agreements.

The balance of real estate investments at year end (€2,468.8 million) represented 7% of total investments, and 12% of non-immunised investments. Of that balance,

€1,001.66 million (40.5 per cent) correspond to properties used by the Group, and the remaining 59.5% (€1,467.14 million) to properties that are for lease or for sale, which at year-end these had a weighted average occupancy index of 60 per cent.

Among the transactions carried out in 2010, the most salient were the sale of the building located on Avenida General Perón no. 38 in Madrid, for €113.5 million, to the Consorcio de Compensación de Seguros [Insurance Relief Pool]; the purchase of the building where the corporate headquarters of Mercedes Benz España are located, for an amount of €27.25 million, with an initial net yield of 6%; and the beginning of the construction of a new 11,241 sq. m building at the corporate complex in Majadahonda (Madrid), which will enable this to house the central services of virtually all of the Group's entities, with the exception of MAPFRE RE, which will remain at its historic location on Paseo de Recoletos no. 25 in Madrid.

On the other hand, an investment commitment in the GLL Pan European Fund amounting to €40 million was formalised, due to be paid between 2011 and 2013.

The income generated by the buildings leased to third parties amounted to €52.4.



Mr. Alberto Manzano
at the 17th edition of the
Insurance Week Seminar.

Human resources

The chart below shows the headcount at the end of 2010, compared with the headcount for the previous financial year.

CATEGORIES	NUMBER					
	SPAIN		OTHER COUNTRIES		TOTAL	
	2010	2009	2010	2009	2010	2009
EXECUTIVES	450	391	754	631	1,197	1,022
MANAGERS	1,489	1,977	2,490	2,209	3,966	4,186
TECHNICIANS	6,521	8,996	8,282	8,319	14,836	17,315
CLERICAL STAFF	8,220	5,789	8,538	6,913	16,745	12,702
TOTAL	16,680	17,153	20,064	18,072	36,744	35,225

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

Marketing channels

MAPFRE's distribution network remains the largest in the insurance industry in Spain, and 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 focus, the overall product offering and the adaptation to the legal and trade peculiarities of each of the markets in which it is present are some of the key features behind the success of MAPFRE'S business model.

MAPFRE's global network at year-end 2010 comprised 11,475 branches, of which 8,149 are located in Spain and 3,326 are abroad. The composition of the network is as follows:

OFFICES	2010	2009
Direct Insurance Spain		
MAPFRE Branches	3,226	3,278
Own branches*	478	485
Delegated branches	2,748	2,793
Bancassurance	4,923	3,840
TOTAL IN SPAIN	8,149	7,118
International Direct Insurance		
MAPFRE Branches	2,065	2,468
Own branches	652	642
Delegated branches	1,413	1,826
Bancassurance	1,201	1,310
Global Businesses		
Own branches	42	42
Representative branches	18	18
TOTAL ABROAD	3,326	3,838
TOTAL BRANCHES	11,475	10,956

* Include 48 specific Life assurance offices.

MAPFRE's own branch network is complemented with the distribution capacity provided by agreements with various institutions, especially bank assurance agreements.



Mr. José Manuel Martínez at the financial gatherings held at the Universidad Internacional Menéndez Pelayo.



MAPFRE hosted the 8th Meeting of Heads of Communications of the Geneva Association.

With respect to the number of branches overseas shown in the table above, it is worth highlighting MAPFRE's strong presence in Latin America, where it had 1,972 branches at year end. The reduction in the number of delegated branches in the International Direct Insurance Division stemmed from a legislative change that led to the disappearance of Delegates in Turkey.

Altogether, in 2010 MAPFRE's global network facilitated the collaboration of 69,975 mediators, including agents and insurance brokers. This group breaks down as displayed in the following table:

SALES NETWORK	2010	2009
Direct Insurance Spain		
Own Agents	14,068	18,417
Delegates	2,731	2,777
Brokers	5,527	3,703
TOTAL IN SPAIN	22,326	24,897
International Direct Insurance		
Own Agents	19,271	13,804
Delegates	2,433	3,354
Brokers	25,945	25,799
TOTAL ABROAD	47,649	42,957
TOTAL SALES NETWORK	69,975	67,854

MAPFRE's own branch network is complemented with the distribution capacity provided by agreements with various institutions, especially bank assurance agreements (CAJA MADRID, BANKINTER, CCM, CAJA DUERO, CATALUNYACAIXA, NOSSA CAIXA, BANCO HIPOTECARIO DOMINICANO and FINIBANCO). Specifically, MAPFRE distributed its products in 2010 through

4,923 bank assurance offices in Spain and 1,201 abroad. This latter figure will increase very significantly in 2011 following the agreement signed with BANCO DO BRASIL (4,669 offices). The Group also has 1,876 distribution agreements (968 with garages and car dealers, 119 with banks and financial entities and 789 other agreements), representing 25,866 points of sale.

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

During 2010 further progress was made in developing the different components of the Internal Control System: Control Environment, Strategic Plans, Risk Management, Control, Reporting and Communication Activities, and Supervision.

Since one of the basic principles of the Internal Control System is the responsibility of all the employees in this matter, there has been an intensification of the initiatives for the disclosure of the main policies and internal regulations via the Group's intranet, and the training actions for the career development and the permanent building of skills of its executives and employees.

Also, work has continued in the field of risk management, both via the quarterly preparation of the fixed factor capital model and via Riskmap, in the drawing up



Left: MAPFRE is ranked first among multiline insurance companies on the Internet, according to the 10th Sector Report carried out by CapGemini.

Right: Presentation of the official MAPFRE Spanish tennis teams.

of Risk Maps, the establishment of corrective measures to mitigate or reduce the various risks that are detected, and the identification of the control activities carried out in the major processes.

Strategic planning

In January 2011, the Board of Directors of MAPFRE S.A. approved the new Strategic Plans of each Unit, which establish the goals and main Action Plans in accordance with the provisions of the Group's Strategic Plan for years 2010-2012.

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 affiliates had five Internal Audit Services (IAS) in Spain, and fourteen Internal Audit Units (IAU) located in the main countries in Latin America, and in Turkey, the Philippines, Portugal and the United States, all of which are coordinated by the Group Audit Area.

During 2010 a total 984 audits were conducted, of which 372 dealt with the Central Services, 171 had to do with the Regional Organisation and 100 with subsidiaries, 231 were special task audits and 110 were systems audits; and 17,768 hours were dedicated to training internal auditors—this represents an average 122 hours per auditor each year.

Furthermore, the Internal Audit Area reviewed the Company's Management Reports and Annual Accounts for 2010, 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.

On 22nd December 2010, the Audit Committee of MAPFRE, S.A. approved the new Internal Audit structure, tailored to the Group's new operating structure that entered into force on 1st January 2011.

Technologies and procedures

During 2010 the milestones were reached in terms of the implementation of TRON21, the new integrated insurance management system, completing its entry into production for Credit insurance, and advances were made, according to schedule, in the tasks and tests guaranteeing the implementation of the same, in the first quarter of 2011, for Health insurance, which will allow the Group's Non-life insurance business in Spain to have a single, complete management system next year.

This activity was compatible with the development of other strategic projects, among which the following are the most salient:

- Commencement of the project for the construction of a new primary and modular data processing centre, meeting the size and reliability requirements that will apply to the Group in Spain over the next 15-20 years. It will be used exclusively by MAPFRE, and it will have two symmetrical modules nearby with full operational backup capacity.
- Passing and certification of two contingency tests at the Data Processing Centre in Avila, safeguarding the databases, critical applications for the business, systems and their configuration.
- Creation of the Business Intelligence (BI) Portal, as the sole point of access to all the BI Solutions, with information available for each of the entities.
- Migration to the open environment of the TRON21 batch processes, and rationalisation of the storage.

- Consolidation of the User Assistance Service (SAU in the Spanish acronym) as a high performance help desk, meeting all the established quality and performance targets.
- Commencement of the integration of MAPFRE ASISTENCIA telephone centres in Europe and America within the corporate call centre structure.
- I.T. development for the “Te Cuidamos” (We Take Care of You) customer loyalty program and the “Auto Puerta a Puerta” (Car Door to Door) service for MAPFRE FAMILIAR, as well as for 13 new bank assurance products and 5 new products for the MAPFRE VIDA agency channel.
- Implementation of several functions in the TRON21 Features project.
- Entry into production of the ‘Customer File’ program and of the database recording the communications between MAPFRE and its insured, with over one million contacts. Both projects represent important advancements towards the attainment of a full multi-channel operation.
- Implementation of novel projects on the Internet (The Web in the Web, Generation Young, Virtual Assistant, etc.), and leadership in the natural positioning in search engines and the Web 2.0.
- Execution of fifteen new implementations of ERP SAP, taking the number of installations handled by the Administration Processes Competence Centre to 84 in 37 countries.
- Implementation and intensive use of the Employee Expenses application by over 9,500 employees, as well as the incorporation of the automated corporate credit card management and the online reservation of travel facilities. On the other hand, the ‘Digital Invoice’ application has allowed the fully automated handling of 32,000 electronic invoices and 54,500 digitised invoices.

On the other hand, there was a centralised comprehensive management, with significant economies of scale, of the contracting of equipment and licences, and the rendering of services by communication operators and technology development suppliers, with master agreements and global operators.

Safety and the environment

Throughout 2010, MAPFRE continued working on the protection of its corporate assets, with an approach based on prudent risk management and on the optimisation of the investment/protection ratio. Accordingly, particular care is taken in respect of the protection of our customers’ data, in compensation for the trust deposited in our company.

The corporate quest for leadership continues to show in MAPFRE’s comprehensive security model, which continued to consolidate and spread internationally throughout the year. The defined model, the start-up of the same and the operational implementation at the General Control Centre (GCC) set MAPFRE at the forefront of security practices, as mentioned by the independent analysts Gartner Group in a case study on this matter.

Another aspect that was particularly catered for during the year was increasing efficiency, by means of cost reductions and the optimisation of internal processes, which was compensated in the form of tax relief totalling over €7 million, as a substantial part of the projects were classified as R&D&I activities.

In the field of the environment and energy, the Environmental Action Plan was launched for our international entities, with activities in Argentina, Brazil, Colombia, Mexico and Puerto Rico. The extension of the Environmental and Energy Management System continued, maintaining the ISO 14001 environmental certificate in 22 buildings, and implementing the Energy Management System according to the EN 16001 European standard at the corporate headquarters in Majadahonda and the MAPFRE Tower in Barcelona.



Left: The Donostia International Physics Center pays tribute to MAPFRE for its support of scientific investigation.

Right: Opening of the International Book Fair in Madrid, sponsored by MAPFRE.



Communication, advertising and corporate image

The Group in 2010 continued to pay special attention to maintaining an external communication policy based on transparency and on the collaboration with the media to supplement the important task carried out by the latter. The following actions should be noted in this regard:

- 278 interviews were arranged with the Media, 374 press releases were issued, 476 information queries and 225 financial information questionnaires were answered, and 37 events were organized.
- Edition of MAPFRE institutional presentation brochures, in the prestige and abridged versions for international distribution, in Spanish, English and Portuguese; business insertions for Spain organised by the Regional Autonomous Communities, to be distributed together with the institutional brochures. MAPFRE RE institutional presentation brochure.
- Development of a new Press Room in a Web 2.0 environment in order to permanently attend to the media.

Along the same lines, the following internal communication actions are worth highlighting:

- Four editions and a separate special edition of EL MUNDO DE MAPFRE, the institutional magazine, were published, as were ten editions of RED MAPFRE, a magazine oriented to the Sales Network staff.
- Posting of 488 major news items on the Internal Portal, revamped to allow the publication of up to four news items a day.

Advertising activities continue focusing on sports sponsorship (Tennis, Sailing, Basketball, Gymnastics and Motorcycling), with special focus on the tennis player Rafael Nadal, as a representative of the business values that are characteristics of MAPFRE (effort, international projection and good performance), using the slogan “MAPFRE no hay más que una” [“There’s only one MAPFRE”], which was present in the media virtually throughout the entire year. The effects were borne out by the Brand Image Survey (Omnibus survey conducted by ICEA 1st wave 2010), which reflected unaided awareness of the MAPFRE brand by 70% of the population, aided awareness of the brand by 97% of the population, and campaign recall by more than 81% of respondents. In addition the permanent survey conducted by the IOPE, showed a 50%-plus increase in mentions of the MAPFRE brand, which not only tops the insurance industry in this regard, but also ranks among the top 40 most mentioned brands of all fields.



The sailing ship sponsored by MAPFRE in the Barcelona World Race.



MAPFRE magazines.

External audit

The Annual Accounts of the Company and main Group entities for 2010 were audited by Ernst & Young, with the main exception of the subsidiary in Paraguay, which were audited by PriceWaterhouseCoopers.

The External Auditors were paid €7,072,727 in 2010 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 €6,979,445 corresponding to the main auditor. Furthermore, the main auditor received payments of €214,149 for services related with the audit of the annual accounts and an additional amount of €507,847 for other complementary services. Neither of the latter two payments is deemed to compromise the independence of the auditors.



Prospects

The estimates for the growth of global economic activity in the year 2011 show a slight slowdown, although, unlike last year, growth will be more homogeneous across the various geographical regions. Forecasts for unemployment do not signal significant improvements; and, as far as prices are concerned, very low inflation rates are expected.

The main source of uncertainty for the current year will continue to be the peripheral countries in the Eurozone. Doubts on the capacity of these economies to significantly reduce their budget deficit and their debt levels will continue to cause high volatility in sovereign debt markets, and this will affect the rest of the financial markets. In order to face market pressure, the peripheral economies in the Eurozone will continue to carry out budget cuts and longer-term reforms, such as the reduction of the weight of the public sector, the reform of the pension systems or labour market reforms.

Unlike the other central banks of the major developed economies, which have adopted much more aggressive policies, the European Central Bank continues to proceed within the limits of monetary orthodoxy, and it is expected that the BCE will keep its benchmark rate at very low levels.

However, the turmoil in the Euro sovereign debt markets is causing a deficient transmission of monetary stimuli, since the interest rates in force in each State differ depending on their risk premium. The result of this is that, with the same monetary policy and the same expectations regarding the action taken by the monetary authority, in countries that grow less the credit rates are much higher than those of more dynamic countries, just the opposite of what would be most convenient.

In the year 2011 it is reasonable to expect that Spain will emerge from the recession, but growth rates will be weak and will not allow the unemployment rate to be significantly reduced. The main growth factor in Spain will continue to be foreign demand, because domestic demand will remain weak—household consumption will continue to be hampered by the high unemployment rate and a more stringent fiscal policy, and business investment cannot grow at very high rates considering the excess production capacity.

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

- The increasing international diversification of its activities.
- The attractive development opportunities arising from the new acquisitions and collaboration agreements.

- The consolidation of the agency and bankassurance networks, together with the development of alternative distribution channels.

- Prudent risk management.

- Its financial strength.

Other information

The following year-end information is included in the Management Report pursuant to the provisions of section 116.b of the Stock Market Act:

a) The share capital is represented by 3,012,154,351 fully subscribed and paid-in shares of a single class, each with a par value of 0.10 euros. All the shares confer the same voting and dividend rights and are listed on the Madrid and Barcelona stock exchanges on the electronic market.

b) There are no share transfer restrictions.

c) FUNDACIÓN MAPFRE has an indirect shareholding of 64.42% in MAPFRE, S.A., formed by the direct shareholdings owned by CARTERA MAPFRE, S.L. (64.40%) and INSTITUTO TECNOLÓGICO DE SEGURIDAD MAPFRE, S.A. (0.02%). Both of these companies are fully-owned by the Foundation.

d) CAJA DE AHORROS Y MONTE DE PIEDAD DE MADRID has an indirect shareholding of 14.96%, through the company CAJA MADRID CIBELES S.A., which it fully owns.

e) There are no voting right restrictions.

f) On 5th February 2008, CARTERA MAPFRE and CAJA MADRID signed a shareholders' agreement that has been made public pursuant to current regulations and has been deposited at the Mercantile Registry.

g) The rules applicable to the appointment and replacement of the Board members, in addition to the general rules stipulated in current regulations, are set forth in articles 14 and 16 of the Corporate Bylaws, in chapters II and III of the Code of Good Governance of MAPFRE and in articles 3 and 9 of the Regulations of the Board of Directors⁷.

Regarding the amendment of the Corporate Bylaws, in addition to the rules in force in general, it must be stated that, pursuant to the provisions of article 25 of the Corporate Bylaws, the statutory provisions set forth under Title IV "Protection of the General Interest of the Company" (articles 25 to 30) may only be amended by a resolution of an Extraordinary General Meeting called for this purpose, approved with the votes in favour of more than fifty % of the share capital.

⁷) Regarding the rules applicable to the appointment and replacement of the Board members, please refer to sections B.1.19 and B.1.20 of the Mapfre Annual Corporate Governance Report attached to this report.

h) The Company's executive directors have been granted general powers of attorney in accordance with their managerial duties, these powers having been previously listed in the "List of Powers for General Powers of Attorney" approved by the Board of Directors and fully registered at the Madrid Mercantile Registry, where full details of each of the representatives and their specific powers are also listed.

The individual members of the Board of Directors are not empowered to issue or buy back the Company's shares.

i) No formalized agreements exist that will enter into force, be modified or conclude in the event of a change of control of the company as a result of a takeover bid.

j) No agreements exist between the company and its board members, management officials or employees that stipulate indemnities when the latter resign or if the employment relationship comes to an end as a result of a takeover bid. Compensation for unjustified dismissal is established by referral to article 56, 1, a) of the Workers' Statute.

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
28-06-2010	301,215,435.10	3,012,154,351	3,012,154,351

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	1,940,477,045	64.422
CAJA DE AHORROS Y MONTE PIEDAD DE MADRID	0	450,712,593	14.963

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	1,939,840,608	64.400
CAJA DE AHORROS Y MONTE PIEDAD DE MADRID	CAJA MADRID CIBELES, S.A.	450,712,593	14.963

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. JOSÉ MANUEL MARTÍNEZ MARTÍNEZ	220,361	0	0.007
MR. ALBERTO MANZANO MARTOS	87,901	0	0.003
MR. FRANCISCO RUIZ RISUEÑO	73	0	0.000
MR. ANDRÉS JIMÉNEZ HERRADÓN	23,973	0	0.001
MR. ALFONSO REBUELTA BADIÁS	44,346	0	0.002
MR. ANTONIO HUERTAS MEJIAS	181,385	0	0.006
MR. ANTONIO MIGUEL ROMERO DE OLANO	30,325	2,242	0.001
MR. ESTEBAN TEJERA MONTALVO	23	0	0.000
MR. FILOMENO MIRA CANDEL	150,288	0	0.005
MRS. FRANCISCA MARTÍN TABERNO	23	0	0.000
MR. FRANCISCO VALLEJO VALLEJO	100,000	0	0.003
MR. IGNACIO BAEZA GÓMEZ	77,684	0	0.003
MR. JOSÉ ANTONIO MORAL SANTÍN	0	0	0.000
MR. LUIS HERNANDO DE LARRAMENDI MARTÍNEZ	13,179	23	0.000
MR. LUIS ITURBE SANZ DE MADRID	33,945	0	0.001
MR. MANUEL JESÚS LAGARES CALVO	18,097	0	0.001
MR. MATÍAS SALVÁ BENNASAR	299,491	418,653	0.024
MR. RAFAEL BECA BORREGO	0	452,760	0.015
MR. RAFAEL FONTOIRA SURIS	23	0	0.000
MR. RAFAEL MÁRQUEZ OSORIO	68,058	0	0.002
MR. RODRIGO DE RATO FIGAREDO	50	0	0.000
MR. SANTIAGO GAYARRE BERMEJO	7,218	0	0.000
MR. SEBASTIÁN HOMET DUPRÁ	0	0	0.000

Name or company name of the indirect holder of the shares	Through: Name or company name of the direct holder of the shares	Number of direct voting rights	% of the total voting rights
MR. RAFAEL BECA BORREGO	BEBORSIL, S.L.	452,576	0.015
MR. MATÍAS SALVÁ BENNASAR	MUFTI, S.L.	251,770	0.008
MR. MATÍAS SALVÁ BENNASAR	MRS. ISABEL SALVÁ ROSELLÓ	55,156	0.002
MR. MATÍAS SALVÁ BENNASAR	MRS. MARGARITA ROSELLÓ BARBERÁ	56,571	0.002
MR. MATÍAS SALVÁ BENNASAR	MRS. MARTA SALVÁ ROSELLÓ	55,156	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			0.074

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

CAJA DE AHORROS Y MONTE PIEDAD DE MADRID.

Type of relationship:

Corporate

Brief description:

CAJA MADRID CIBELES, S.A. HOLDS SHARES IN THE FOLLOWING SUBSIDIARIES OF MAPFRE, S.A.: 10.35% IN MAPFRE AMERICA, S.A.; 12.5% IN MAPFRE INTERNACIONAL, S.A. AND 49% IN MAPFRE CAJA MADRID VIDA., S.A. AND A MAJORITY SHAREHOLDING IN BANCO DE SERVICIOS FINANCIEROS CAJA MADRID - MAPFRE., S.A., WHERE MAPFRE, S.A. HAS A 48.97% INTEREST.

Name or company name of related person

CAJA MADRID CIBELES, 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.A. 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
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List significant changes occurring during the year, pursuant to Royal Decree 1362/2007:

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

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

- Modes: 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 authorisation: five years calculated from the date of the resolution, passed on 6th March 2010.

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. JOSÉ MANUEL MARTÍNEZ MARTÍNEZ		CHAIRMAN	28/05/1987	26/03/2007	VOTE AT AGM
MR. ALBERTO MANZANO MARTOS		1ST VICE-CHAIRMAN	28/05/1987	26/03/2007	VOTE AT AGM
MR. FRANCISCO RUIZ RISUEÑO		2ND VICE-CHAIRMAN	12/03/2003	26/03/2007	VOTE AT AGM
MR. ANDRÉS JIMÉNEZ HERRADÓN		3RD VICE-CHAIRMAN	29/12/2006	06/03/2010	VOTE AT AGM
MR. ALFONSO REBUERTA BADIÁS		DIRECTOR	17/04/1999	26/03/2007	VOTE AT AGM
MR. ANTONIO HUERTAS MEJÍAS		DIRECTOR	29/12/2006	06/03/2010	VOTE AT AGM
MR. ANTONIO MIGUEL ROMERO DE OLANO		DIRECTOR	17/04/1999	26/03/2007	VOTE AT AGM
MR. ESTEBAN TEJERA MONTALVO		DIRECTOR	08/03/2008	08/03/2008	VOTE AT AGM
MR. FILOMENO MIRA CANDEL		DIRECTOR	27/06/1981	06/03/2010	VOTE AT AGM
MS. FRANCISCA MARTÍN TABERNERO		DIRECTOR	29/12/2006	06/03/2010	VOTE AT AGM
MR. FRANCISCO VALLEJO VALLEJO		DIRECTOR	29/12/2006	06/03/2010	VOTE AT AGM
MR. IGNACIO BAEZA GÓMEZ		DIRECTOR	08/03/2008	08/03/2008	VOTE AT AGM
MR. JOSÉ ANTONIO MORAL SANTÍN		DIRECTOR	08/03/2008	08/03/2008	VOTE AT AGM
MR. LUIS HERNANDO DE LARRAMENDI MARTÍNEZ		DIRECTOR	17/04/1999	26/03/2007	VOTE AT AGM
MR. LUIS ITURBE SANZ DE MADRID		DIRECTOR	06/03/2004	08/03/2008	VOTE AT AGM
MR. MANUEL JESÚS LAGARES CALVO		DIRECTOR	17/04/1999	26/03/2007	VOTE AT AGM
MR. MATÍAS SALVÁ BENNASAR		DIRECTOR	29/12/2006	06/03/2010	VOTE AT AGM
MR. RAFAEL BECA BORREGO		DIRECTOR	29/12/2006	29/12/2010	VOTE AT AGM
MR. RAFAEL FONTOIRA SURIS		DIRECTOR	29/12/2006	06/03/2010	VOTE AT AGM
MR. RAFAEL MÁRQUEZ OSORIO		DIRECTOR	29/12/2006	29/12/2010	VOTE AT AGM
MR. RODRIGO DE RATO FIGAREDO		DIRECTOR	06/03/2010	06/03/2010	VOTE AT AGM
MR. SANTIAGO GAYARRE BERMEJO		DIRECTOR	12/05/1989	07/03/2009	VOTE AT AGM
MR. SEBASTIÁN HOMET DUPRÁ		DIRECTOR	29/12/2006	06/03/2010	VOTE AT AGM

Total number of Directors 23

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. MIGUEL BLES DE LA PARRA	NOMINEE	06/03/2010
MR. JOSÉ MANUEL GONZÁLEZ PORRO	EXECUTIVE	31/12/2010

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

EXECUTIVE DIRECTORS

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

Total number of executive directors 6
% of total directors 26,087

EXTERNAL NOMINEE DIRECTORS

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

Total number of nominee directors	10
% of total directors	43,478

INDEPENDENT EXTERNAL DIRECTORS

Name of director (person or company)	Profile
MS. FRANCISCA MARTÍN TABERNEO	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.
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. MANUEL JESÚS LAGARES CALVO	PH.D IN ECONOMIC SCIENCE. PROFESSOR OF PUBLIC FINANCE AND INLAND REVENUE INSPECTOR (ON LEAVE).
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 FARMING 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	7
% of total directors	30,435

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:

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

Indicate whether formal petitions for a seat on the board have been ignored from shareholders whose holding is equal to or higher than others at whose behest nominee directors were appointed. Where applicable, explain why these petitions have been ignored:

NO

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

YES

Name of director	Reason for standing down
MR. JOSÉ MANUEL GONZÁLEZ PORRO	RESIGNATION BY MUTUAL AGREEMENT FROM MAPFRE AND RESIGNATION FROM HIS POST ON THE BOARD PURSUANT TO THE PROVISIONS OF MAPFRE'S CODE OF GOOD GOVERNANCE. EXPLAINED VERBALLY TO THE BOARD IN PLENARY SESSION AND PRIOR LETTER TO CHAIRMAN OF THE BOARD.
MR. MIGUEL BLESA DE LA PARRA	REMOVAL FROM THE PRESIDENCY OF THE SHAREHOLDER WHO PROPOSED HIS APPOINTMENT . EXPLAINED VERBALLY TO THE BOARD IN PLENARY SESSION AND PRIOR LETTER TO SECRETARY 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. ALBERTO MANZANO MARTOS	MAPFRE INMUEBLES, S.A.	VICE-CHAIRMAN
MR. ALBERTO MANZANO MARTOS	MAPFRE INVERSIÓN, SOCIEDAD DE VALORES, S.A.	CHAIRMAN
MR. FRANCISCO RUIZ RISUEÑO	CCM VIDA Y PENSIONES, S.A.	DIRECTOR
MR. FRANCISCO RUIZ RISUEÑO	MAPFRE FAMILIAR, S.A.	VICE-CHAIRMAN
MR. FRANCISCO RUIZ RISUEÑO	MAPFRE RE, COMPAÑÍA DE REASEGUROS, S.A.	DIRECTOR
MR. FRANCISCO RUIZ RISUEÑO	MAPFRE VIDA, S.A. DE SEGUROS Y REASEGUROS	DIRECTOR
MR. ANDRÉS JIMÉNEZ HERRADÓN	MAPFRE AMÉRICA, S.A.	CHAIRMAN
MR. ANDRÉS JIMÉNEZ HERRADÓN	MAPFRE FAMILIAR, S.A.	DIRECTOR
MR. ANDRÉS JIMÉNEZ HERRADÓN	MAPFRE GLOBAL RISKS, S.A.	CHAIRMAN
MR. ANDRÉS JIMÉNEZ HERRADÓN	MAPFRE INTERNACIONAL, S.A.	CHAIRMAN
MR. ANDRÉS JIMÉNEZ HERRADÓN	MAPFRE RE, COMPAÑÍA DE REASEGUROS, S.A.	CHAIRMAN
MR. ANDRÉS JIMÉNEZ HERRADÓN	THE COMMERCE GROUP. INC	CHAIRMAN
MR. ALFONSO REBUelta BADIÁS	BANCO DE SERVICIOS FINANCIEROS CAJA MADRID – MAPFRE, S.A.	DIRECTOR
MR. ALFONSO REBUelta BADIÁS	MAPFRE AMÉRICA, S.A.	DIRECTOR
MR. ALFONSO REBUelta BADIÁS	MAPFRE GLOBAL RISKS, S.A.	VICE-CHAIRMAN
MR. ALFONSO REBUelta BADIÁS	MAPFRE INTERNACIONAL, S.A.	DIRECTOR
MR. ANTONIO HUERTAS MEJÍAS	ASCAT SEGUROS GENERALES, S.A. DE SEGUROS Y REASEGUROS	DIRECTOR
MR. ANTONIO HUERTAS MEJÍAS	ASCAT VIDA, S.A. INSURANCE AND REINSURANCE	DIRECTOR
MR. ANTONIO HUERTAS MEJÍAS	CAIXA MANRESA VIDA, S.A.	DIRECTOR
MR. ANTONIO HUERTAS MEJÍAS	CAIXA TARRAGONA VIDA, S.A.	DIRECTOR
MR. ANTONIO HUERTAS MEJÍAS	MAPFRE FAMILIAR, S.A.	CHAIRMAN
MR. ANTONIO HUERTAS MEJÍAS	MAPFRE INFORMÁTICA A.I.E.	ADMINISTRATOR
MR. ANTONIO HUERTAS MEJÍAS	MAPFRE INTERNACIONAL, S.A.	DIRECTOR
MR. ANTONIO HUERTAS MEJÍAS	MAPFRE INTERNET, S.A.	DIRECTOR
MR. ANTONIO HUERTAS MEJÍAS	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 RISKS, S.A.	DIRECTOR
MR. ANTONIO MIGUEL-ROMERO DE OLANO	MAPFRE INMUEBLES, S.A.	DIRECTOR
MR. ANTONIO MIGUEL-ROMERO DE OLANO	MAPFRE VIDA, S.A. DE SEGUROS Y REASEGUROS	DIRECTOR
MR. ESTEBAN TEJERA MONTALVO	MAPFRE AMÉRICA, S.A.	DIRECTOR
MR. ESTEBAN TEJERA MONTALVO	MAPFRE ASISTENCIA, CIA INTERNACIONAL DE SEGUROS Y REASEGUROS, S.A.	DIRECTOR
MR. ESTEBAN TEJERA MONTALVO	MAPFRE CAUCIÓN Y CRÉDITO, COMPAÑÍA INTERNACIONAL DE SEGUROS Y REASEGUROS, S.A.	DIRECTOR
MR. ESTEBAN TEJERA MONTALVO	MAPFRE FAMILIAR, S.A.	DIRECTOR
MR. ESTEBAN TEJERA MONTALVO	MAPFRE GLOBAL RISKS, S.A.	DIRECTOR
MR. ESTEBAN TEJERA MONTALVO	MAPFRE INTERNACIONAL, S.A.	DIRECTOR
MR. ESTEBAN TEJERA MONTALVO	MAPFRE INVERSIÓN, SOCIEDAD DE VALORES, S.A.	DIRECTOR
MR. ESTEBAN TEJERA MONTALVO	MAPFRE VIDA, S.A. DE SEGUROS Y REASEGUROS	VICE-CHAIRMAN
MR. ESTEBAN TEJERA MONTALVO	THE COMMERCE GROUP. INC	DIRECTOR
MR. FILOMENO MIRA CANDEL	MAPFRE INTERNACIONAL, S.A.	DIRECTOR
MR. FILOMENO MIRA CANDEL	MAPFRE VIDA, S.A. DE SEGUROS Y REASEGUROS	DIRECTOR
MS. FRANCISCA MARTÍN TABERNERO	DUERO PENSIONES EGFP	DIRECTOR
MS. FRANCISCA MARTÍN TABERNERO	MAPFRE VIDA, S.A. DE SEGUROS Y REASEGUROS	DIRECTOR
MS. FRANCISCA MARTÍN TABERNERO	UNIÓN DEL DUERO COMPAÑÍA DE SEGUROS DE VIDA, S.A.	DIRECTOR

Name of director (person or company)	Name of the group's company	Post
MR. FRANCISCO VALLEJO VALLEJO	MAPFRE FAMILIAR, S.A.	DIRECTOR
MR. FRANCISCO VALLEJO VALLEJO	MAPFRE SEGUROS DE EMPRESAS, S.A.	DIRECTOR
MR. IGNACIO BAEZA GÓMEZ	ASCAT SEGUROS GENERALES, S.A. DE SEGUROS Y REASEGUROS	CHAIRMAN
MR. IGNACIO BAEZA GÓMEZ	ASCAT VIDA, S.A. INSURANCE AND REINSURANCE	CHAIRMAN
MR. IGNACIO BAEZA GÓMEZ	CAIXA MANRESA VIDA, S.A.	CHAIRMAN
MR. IGNACIO BAEZA GÓMEZ	CAIXA TARRAGONA VIDA, S.A.	CHAIRMAN
MR. IGNACIO BAEZA GÓMEZ	CCM VIDA Y PENSIONES, S.A.	CHAIRMAN
MR. IGNACIO BAEZA GÓMEZ	DUERO PENSIONES EGFP	VICE-CHAIRMAN – CHIEF EXECUTIVE OFFICER
MR. IGNACIO BAEZA GÓMEZ	MAPFRE FAMILIAR, S.A.	DIRECTOR
MR. IGNACIO BAEZA GÓMEZ	MAPFRE INTERNACIONAL, S.A.	DIRECTOR
MR. IGNACIO BAEZA GÓMEZ	MAPFRE INVERSIÓN DOS S.G.I.I.C., S.A.	DIRECTOR
MR. IGNACIO BAEZA GÓMEZ	MAPFRE VIDA PENSIONES ENTIDAD GESTORA DE FONDOS DE PENSIONES, S.A.	DIRECTOR
MR. IGNACIO BAEZA GÓMEZ	MAPFRE VIDA, S.A. DE SEGUROS Y REASEGUROS	CHAIRMAN
MR. IGNACIO BAEZA GÓMEZ	UNIÓN DEL DUERO COMPAÑÍA DE SEGUROS DE VIDA, S.A.	VICE-CHAIRMAN – CHIEF EXECUTIVE OFFICER
MR. LUIS HERNANDO DE LARRAMENDI MARTÍNEZ	MAPFRE INTERNACIONAL, S.A.	DIRECTOR
MR. LUIS HERNANDO DE LARRAMENDI MARTÍNEZ	MAPFRE VIDA, S.A. DE SEGUROS Y REASEGUROS	VICE-CHAIRMAN
MR. MANUEL JESÚS LAGARES CALVO	MAPFRE INVERSIÓN, SOCIEDAD DE VALORES, S.A.	DIRECTOR
MR. MANUEL JESÚS LAGARES CALVO	MAPFRE VIDA, S.A. DE SEGUROS Y REASEGUROS	DIRECTOR
MR. MATÍAS SALVÁ BENNASAR	MAPFRE FAMILIAR, S.A.	DIRECTOR
MR. MATÍAS SALVÁ BENNASAR	MAPFRE GLOBAL RISKS, S.A.	DIRECTOR
MR. MATÍAS SALVÁ BENNASAR	MAPFRE RE, COMPAÑÍA DE REASEGUROS, S.A.	VICE-CHAIRMAN
MR. RAFAEL BECA BORREGO	MAPFRE AMÉRICA, S.A.	VICE-CHAIRMAN
MR. RAFAEL FONTOIRA SURIS	MAPFRE INMUEBLES, S.A.	VICE-CHAIRMAN
MR. RAFAEL FONTOIRA SURIS	MAPFRE VIDA, S.A. DE SEGUROS Y REASEGUROS	DIRECTOR
MR. RAFAEL MÁRQUEZ OSORIO	MAPFRE AMÉRICA, S.A.	DIRECTOR
MR. SANTIAGO GAYARRE BERMEJO	MAPFRE PARAGUAY, S.A.	DIRECTOR
MR. SANTIAGO GAYARRE BERMEJO	MAPFRE SEGUROS DE EMPRESAS, S.A.	DIRECTOR
MR. SANTIAGO GAYARRE BERMEJO	MAPFRE VIDA, S.A. DE SEGUROS Y REASEGUROS	DIRECTOR
MR. SEBASTIÁN HOMET DUPRÁ	MAPFRE AMÉRICA, S.A.	DIRECTOR
MR. SEBASTIÁN HOMET DUPRÁ	MAPFRE INVERSIÓN, SOCIEDAD DE VALORES, 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:

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	2,428
Variable remuneration	2,098
Per diem	614
Bylaw perquisites	0
Share and other financial options	0
Others	5,277
TOTAL:	10,417

Other benefits	Figures in €000's
Advances	0
Loans granted	0
Funds and pension funds: Contributions	18
Funds and pension funds: Contractual obligations	0
Life insurance premiums	3,915
Guarantees constituted by the company for the directors	0

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

Remuneration item	Figures in €000's
Fixed remuneration	967
Variable remuneration	969
Per diem	235
Bylaw perquisites	0
Share and other financial options	0
Others	810
TOTAL:	2,981

Other benefits	Figures in €000's
Advances	0
Loans granted	0
Funds and pension funds: Contributions	16
Funds and pension funds: Contractual obligations	0
Life insurance premiums	5,791
Guarantees constituted by the company for the directors	0

c) Total remuneration by type of directorship:

Type of directorship	By company	By group
Executive	9,088	1,605
Nominee Directors	830	942
Independent External	499	434
Other External Directors	0	0
TOTAL	10,417	2,981

d) Regarding the attributable profit of the dominant company:

Total remuneration of all directors (€k)	13,398
Total remuneration all directors/attributable profit of dominant company (expressed as a %)	1.4

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

Name or company name	Post
MR. JOSÉ MANUEL MURIES NAVARRO	DIRECTOR GENERAL, INTERNAL AUDIT
MR. RICARDO BLANCO MARTÍNEZ	DIRECTOR GENERAL MAPFRE, S.A.

Total remuneration senior management (€k)	1,362
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B.1.13 Identify in aggregate terms whether there are ring-fence or guarantee clauses for cases of dismissal or changes of control in favour of the senior management, including executive directors, in the company or in its group. Indicate whether these contracts must be disclosed and/or approved by the company or group governance bodies:

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

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

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

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

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

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

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

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

At the proposal of the CEO, the appointment and possible severance of senior managers, and 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 2011, increases of 1.4% (1% consolidating and 0.4% 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 2011 no significant changes are expected to be made to the Company's remuneration policy. For information on the remuneration policy applied in 2010, see sections B.1.11 and B.1.14 of this report.

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

Role of the Remuneration Committee

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

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

Has external consultancy been used?

Identity of external consultants

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

Name of director (person or company)	Company name of the substantial shareholder	Post
MR. JOSÉ MANUEL MARTÍNEZ MARTÍNEZ	CARTERA MAPFRE, S.L. SOCIEDAD UNIPERSONAL	CHAIRMAN
MR. JOSÉ MANUEL MARTÍNEZ MARTÍNEZ	CAJA MADRID CIBELES, S.A.	DIRECTOR
MR. ALBERTO MANZANO MARTOS	CARTERA MAPFRE, S.L. SOCIEDAD UNIPERSONAL	DIRECTOR
MR. ANDRÉS JIMÉNEZ HERRADÓN	CARTERA MAPFRE, S.L. SOCIEDAD UNIPERSONAL	DIRECTOR
MR. ANTONIO HUERTAS MEJÍAS	CARTERA MAPFRE, S.L. SOCIEDAD UNIPERSONAL	DIRECTOR
MR. JOSÉ ANTONIO MORAL SANTÍN	CAJA MADRID CIBELES, S.A.	DIRECTOR
MR. RODRIGO DE RATO Y FIGAREDO	CAJA MADRID CIBELES, S.A.	CHAIRMAN

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

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

NO

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.

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

70

Age limit for managing director

65

Age limit for director

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	8
Number of board meetings not attended by the chairman	0

Indicate the number of meetings the board's different committees have held during the year.

Number of Executive or Delegated Committee meetings	11
Number of Audit Committee meetings	6
Number of Appointments & Remuneration committee meetings	7
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	5
% of number of non-attendances to total votes during the year	2,604

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

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

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

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

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

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

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

B.1.33 Is the company secretary a director?

YES

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

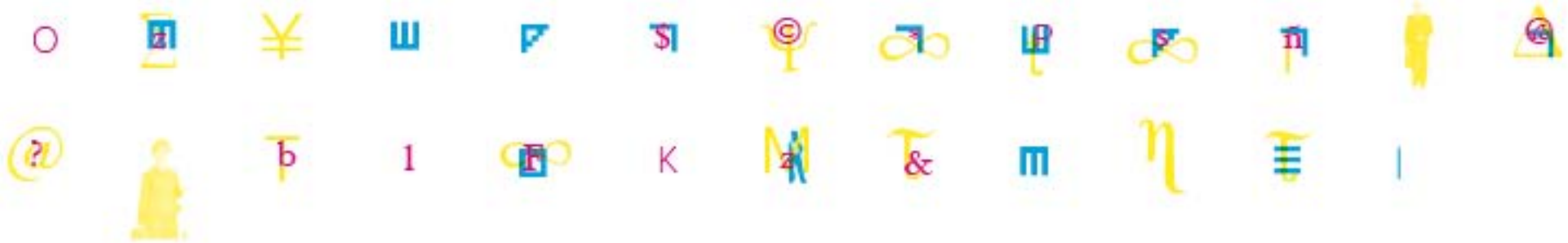
According to section Article 15 of the Bylaws and article 2 of the Board Regulations, the Board of Directors is responsible for appointing and removing the Secretary, following a report from the Appointments and Remuneration Committee.

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)	89	633	722
Amount of work other than audit / total amount billed by the audit firm (%)	11.856	9.107	9.370

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	21	21

	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	BBVA	0.000	---
MR. ALBERTO MANZANO MARTOS	ACS	0.000	---
MR. ALBERTO MANZANO MARTOS	ALILANZ	0.000	---
MR. ALBERTO MANZANO MARTOS	BNP PARIBAS	0.000	---
MR. ALBERTO MANZANO MARTOS	BSCH	0.000	---
MR. ALBERTO MANZANO MARTOS	BANCO ESPAÑOL DE CRÉDITO	0.000	---
MR. ANTONIO MIGUEL-ROMERO OLANO	BSCH	0.000	---
MR. ANTONIO MIGUEL-ROMERO OLANO	BBVA	0.000	---
MR. FILOMENO MIRA CANDEL	ALLIANZ	0.000	---
MR. FILOMENO MIRA CANDEL	MÜNCHENER RUCK	0.000	---
MR. FRANCISCO VALLEJO VALLEJO	BANCO URQUIJO, S.A.	0.000	CHAIRMAN
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:

- That it is not necessary for the reasonable exercise of the duties entrusted to the directors.
- That the cost is unreasonable bearing in mind the importance of the problem and the company's assets and revenues.
- 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
Should remain / Should not remain	

B.2. Board of Directors' Committees

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

EXECUTIVE OR STEERING COMMITTEE

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

AUDIT COMMITTEE

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

APPOINTMENTS AND REMUNERATION COMMITTEE

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

COMPLIANCE COMMITTEE

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

B.2.2 Mark with a cross the duties 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 coordinated development of the appointment and remuneration policy of Senior Representative and Management Officers of MAPFRE, even though these powers are attributed by law and the bylaws to the Company's representative and management bodies.

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

Name of Committee

EXECUTIVE OR STEERING COMMITTEE

Brief description

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

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

Name of Committee

AUDIT COMMITTEE

Brief description

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

- To verify that the Annual Accounts, and the half-yearly and quarterly financial statements and other financial information that must be filed with regulatory or supervisory bodies are true, complete and sufficient; that they have been issued according to the accounting rules and criteria in force internally as laid down by the MAPFRE General Secretariat, and that they are provided on time and with the correct content.
- To submit proposals to the Board of Directors for submission to the Annual General Meeting regarding the appointment of an External Auditor for the company, and to be given information on his conduct in office and about any matter or circumstance that might affect his/her independence..
- To supervise the functioning of the Internal Auditing Department, for which purpose it may have unrestricted access to its plans, work results and to follow-up recommendations and suggestions from external and internal auditors.
- To be acquainted with the company's financial information and internal control process, and to make any observations or recommendations it may deem pertinent for the purposes of improving it.
- To inform the Shareholders in General Meeting about any matter that falls within its jurisdiction.
- To issue an annual report on its duties and the activities performed during the financial year, for submission to the Annual General Meeting.

Name of Committee

COMPLIANCE COMMITTEE

Brief description

This is the Board Committee responsible for overseeing the correct application of the code of good governance that must rule in the company.

These duties are performed without prejudice to any legal and bylaw powers attributed to the company's representation and management bodies.

The Committee monitors the application of the code of good governance in force from time to time and it may, if pertinent, propose any measures to improve the same and to update them, whenever necessary.

The Compliance Committee has four members, all of whom are non-executive directors. Its Chairman will automatically be the 2nd Vice-Chairman of the Board of Directors.

The Committee may appoint a Minutes Secretary who will be elected from the members of the MAPFRE Legal Department Head Office.

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

Name of Committee

APPOINTMENTS AND REMUNERATION COMMITTEE

Brief description

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

Name of Committee

EXECUTIVE OR STEERING COMMITTEE

Brief description

COORDINATION AND SUPERVISION OF STRATEGIC AND OPERATIONAL ASPECTS OF THE ORDINARY BUSINESS AFFAIRS OF THE COMPANY AND ITS SUBSIDIARIES

Name of Committee

AUDIT COMMITTEE

Brief description

VERIFY FINANCIAL INFORMATION, PROPOSAL TO APPOINT EXTERNAL AUDITOR AND SUPERVISION OF INTERNAL AUDIT

Name of Committee

COMPLIANCE COMMITTEE

Brief description

SUPERVISION OF THE CORRECT APPLICATION OF THE CODE OF GOOD GOVERNANCE IN FORCE IN THE COMPANY

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

Name of Committee

APPOINTMENTS AND REMUNERATION COMMITTEE

Brief description

Provided for in the Bylaws and regulated in the Board Regulations.

They are available on the company's website, www.mapfre.com, in the public records of the Spanish Securities Exchange Commission (CNMV), and at the Madrid Companies Registry.

Since 2008, the company publishes an annual report on its remuneration policy, which is put to the vote, on a consultative basis and as a separate point on the agenda, at the AGM.

Name of Committee

EXECUTIVE OR STEERING COMMITTEE

Brief description

Regulated in the bylaws and in the Board Regulations.

They are available on the company's website, www.mapfre.com, in the public records of the Spanish Securities Exchange Commission (CNMV), and at the Madrid Companies Registry.

Name of Committee

AUDIT COMMITTEE

Brief description

Regulated in the bylaws and in the Board Regulations.

They are available on the company's website, www.mapfre.com, in the public records of the Spanish Securities Exchange Commission (CNMV), and at the Madrid Companies Registry.

Five years ago, the Audit Committee began publishing an annual report on its activities, which is made available to shareholders at the AGM.

Name of Committee

COMPLIANCE COMMITTEE

Brief description

Provided for in the Bylaws and regulated in the Board Regulations.

They are available on the company's website, www.mapfre.com, in the public records of the Spanish Securities Exchange Commission (CNMV), and at the Madrid Companies Registry.

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

If not, explain the composition of the executive committee

The Steering Committee is an executive management body, and therefore consists of executive directors (majority) and external nominee directors.

C. Related-party transactions

C.1 State whether the board in plenary session has reserved the powers to approve, on the basis of a favourable report from the 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?

NO

Identify listed subsidiaries:

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: It groups, separately for Life and Non Life, risks arising from inadequacy of premiums, adequacy of technical provisions and reinsurance.

- Strategic and corporate governance risks: Includes the corporate ethics and corporate governance risks, and risks on organisational structure, alliances, mergers and acquisitions, regulatory and, lastly, competition risks.

Centralisation of the risk management system

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

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

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

Broadly speaking, decisions regarding the subscription of insurable risks and re-insurance coverage are highly de-centralised at the Units. Operational Risk-related issues are handled centrally although responsibility for their implementation and monitoring is delegated to the Units. The management of Strategic and Corporate Governance risks is highly centralised. Financial risks are managed centrally through the Group's Investments Area.

Estimation of risks and capital

MAPFRE has an internal capitalisation and dividend policy that is designed to provide the Units with the capital necessary in cover the risks that have been assumed, all in a rational and objective way. 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 Units require a level of capitalisation that exceeds the level described in this general rule, either because they operate in a different countries with different legal requirements, or because they are rated and therefore are subject to higher financial solvency requirements. In these cases, the MAPFRE Steering Committee sets the level of capitalisation on an individual basis.

Operational risks

Operational Risks are identified and evaluated with Riskmap, 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.

Riskmap 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, Issue, Claims / Claims payments, Administrative Management, Commercial Activities, Human Resources, Commissions, Co-insurance / Re-insurance, Technical Reserves, Investments, I.T. Systems, and customer 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 not covering long term liability commitments, the variable in the management of the interest rate risk is the modified duration; at present, the said magnitude must stand between 3% and 7%.
- Exposure to exchange rate risk is minimised in the case of insurance liabilities. Exposure to this type of risk may not exceed a fixed percentage of the excess of assets qualified for the cover.
- Investment in equities is subject to a maximum limit of the investment portfolio, as well as to concentration limits per country and sector.

— 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

MAPFRE's organization, based on Units specializing in the different lines of business, involves these Units enjoying a significant degree of autonomy in running their business, especially when it comes to subscribing risks and deciding tariffs, as well as the compensation or provision of service in the event of a claim. Premium adequacy is a particularly important element, and its determination is supported by specific computer applications.

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

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

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

EARTHQUAKE IN CHILE.

Operation of the control systems

The Group's losses at consolidated level have been limited to €150 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 and risk analysis, measurement and control and internal control.

Name of the Committee or Body

BOARD OF DIRECTORS AND STEERING COMMITTEE

Description of duties

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

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

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

E. AGM

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

NO

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

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

YES

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

Describe the differences

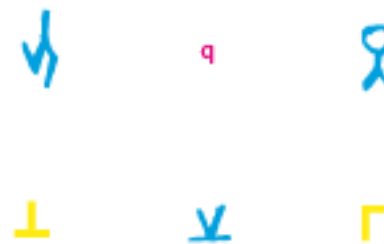
Pursuant to the provisions of Article 25 of the company by-laws, the amendment of the provisions of Title IV "Protection of the Company's General Interest" (Articles 25 to 30) can only be amended by a resolution approved with the votes in favour of more than fifty per cent of the share capital at the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

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

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

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

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



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

YES

Details of the measures

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

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

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

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

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

Attendance figures

Date of AGM	% shareholders present	Attendance figures			Total
		% attending by proxy	E-voting	% voting remotely Others	
06/03/2010	0.170	80.390	0.000	0.000	80.560

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 6th March 2010, the resolutions listed below were passed by a majority. 1 shareholder, holding 2,235 shares (0.000076% of the share capital) voted against the resolutions, except for the ratification of the appointment of a director, which was approved unanimously.

- Approval of the individual and consolidated Annual Accounts for financial year 2009.
- Approval of corporate management during 2009.
- Re-election for another four-year period of the directors Mr. Rafael Fontoira Suris, Mr. Sebastián Homet Duprá, Mr. Antonio Huertas Mejías, Mr. Andre Jiménez Herradón, Mrs. Francisca Martín Tabernero, Mr. Filomeno Mira Candel, Mr. Matías Salvá Bennasar and Mr. Francisco Vallejo Vallejo, without prejudice to the fulfilment of the statutory requirements and the corporate governance rules.
- Re-election for another four-year period of the directors Mr. Rafael Beca Borrego and Mr. Rafael Márquez Osorio, taking force from 29th December 2010, the date on which their current term of office expires.
- Ratify the appointment of the director Mr. Rodrigo de Rato y Figaredo, made

by the Board of Directors on 6th March 2010 to fill the vacancy produced by the resignation of Mr. Miguel Blesa de la Parra, and elect him for a four-year period.

— Approval of the distribution of earnings proposed by the Board of Directors, and therefore distribute a total dividend of €0.15 gross per share to shares numbers 1 to 2,863,410,355, each inclusive, and of €0.08 gross per share to shares numbers 2,863,410,356 to 2,922,709,779, each inclusive. Part of this dividend, in the sum of €0.07 gross per share, was anticipated to shares numbers 1 to 2,863,410,355 by way of a resolution of the Board of Directors passed on 26th October 2009, and the rest, up to the total agreed, that is to say, €0.08 gross per share to all shares, numbers 1 to 2,922,709,779, each inclusive, will be paid between 20th April and 20th June 2010.

— Authorization of the Board of Directors so that, pursuant to the provisions of section 153 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 146,135,488.95 euros, equivalent to 50% of the share capital.

— Request that the shares that the company issues as a result of the share capital increase carried out by the Board of Directors under the authorization referred to in the preceding paragraph be listed for trading on the Stock Exchange.

— Authorization of the Board of Directors so that, pursuant to section 75 and related sections of Revised Text of the Spanish Corporations Act, the Company can proceed, directly or through subsidiaries, to the derivative acquisition of treasury shares whose face value, added to the face value of the shares already owned by the Company and its subsidiaries, does not exceed 10% of the share capital of MAPFRE, S.A. and during a term of eighteen months calculated from the date of this resolution.

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

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

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

YES

Number of shares necessary to attend the AGM	1,500
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E.10 Indicate and explain the policies pursued by the company with reference to proxy voting at the AGM

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

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

NO

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

Access is as follows: www.mapfre.com

General information
Shareholders and Investors.

F. Degree of compliance with corporate governance recommendations.

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

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

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

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

a) The type of activity they engage in, and any business dealings between them, as well as between the subsidiary and other group companies;

b) The mechanisms in place to resolve possible conflicts of interest.

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

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

a) The transformation of listed companies into holding companies through the process of subsidiarisation, subsidiaries, reallocating core activities to subsidiaries that were previously carried out by the holding company, even though the holding company retains full control of the subsidiaries;

b) Any acquisition or disposal of key operating assets that would effectively alter the company's corporate purpose;

c) Operations that effectively entail the company's liquidation.

- Complies

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

- Complies

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

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

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

- See section: E.8
- Complies

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

- See section: E.4
- Complies

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

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

- Complies

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

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

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

b) The following decisions

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

→ See sections: B.1.14.

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

→ See section: B.1.14.

- iii) The financial information that the Company, as a publicly traded company, must disclose periodically.
- iv) Investments and/or transactions of any kind, whose high value or special characteristics make them strategic, unless the AGM is charged with approving them;
- v) The creation or acquisition of shares in special-purpose entities or entities domiciled in countries or territories considered tax havens, and any other transactions or operations of an analogous nature whose complexity could undermine the Group's transparency.

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

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

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

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

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

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

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

- See section: B1.1
- 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 A3
- Explain

Even though the shareholders that appoint the nominee directors (10) represent almost 79% of the share capital, there is a large number of independent directors (7).

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 (7) or minority nominee directors (2).

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

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

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

- a) The procedure for filling board vacancies has no implicit bias against women candidates;
- b) The company makes a conscious effort to include women with the target profile among the candidates for board seats.

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

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

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

- See section: B.1.42
- Complies

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

- See section: B.1.21
- Complies in part

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

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

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

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

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

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

- See section: B1.34
- 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: B1.29
- 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

The two directors who have resigned this financial year have explained their decisions verbally to the Board at plenary sessions and both have sent prior letters, the first director to the Secretary to the Board and the second director to the Chairman of the Board of Directors.

Mr. Blesa resigned after he was removed from the Chairmanship of the shareholder that proposed his appointment.

Mr. González Porro resigned from MAPFRE by mutual agreement and has resigned from his post on the Board pursuant to the provisions of section 2.B a) of chapter III of the Code of Good Governance.

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: B1.15
- 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 identify any external advisors engaged.

- See section: B1.16
- 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.

- Explain

The information on remuneration which is supplied in aggregate form by director categories, but broken down in a sufficiently explanatory way.

The company shares the opinion that the AGM must maintain suitable oversight of Board Members' remuneration, but considers that such oversight can be exercised effectively globally or by homogeneous groups of Board Members. In the Company's opinion, individual details, which may afford an advantage with a view to transparency, poses more disadvantages than such advantages.

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

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

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

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

- Complies

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

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

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

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

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

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

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

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

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

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

- Complies

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

- Complies

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

- Complies

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

- Complies

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

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

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

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

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

- See section: D
- Complies

50. The Audit committee's role should be:

1. With respect to internal control and reporting systems:

a) To supervise the process of drawing up the financial information and its integrity for the company and its group, reviewing compliance with regulatory requirements, suitable scope of the consolidation perimeter and the correct application of accounting principles.

b) To periodically review the systems of internal risk management and oversight to ensure the main risks are identified, managed and sufficiently well known.

c) To ensure the independence and efficacy of the internal audit. To propose the selection, appointment, re-election and severance of the internal audit officer. To propose the budget for the internal audit service. To receive periodic information on their activities; and to check that the senior management takes the conclusions and recommendations of their reports into account.

d) To establish and supervise a mechanism that enables employees to confidentially and, if this is deemed appropriate, anonymously communicate irregularities they notice within the company that may be of potential importance, especially financial and accounting irregularities.

2. With respect to the external auditor:

a) To put to the Board the proposals for selection, appointment, re-election and substitution of the external auditor and the terms and conditions of engagement.

b) To receive regular information from the external auditor on the auditor's office plan and the outcome of its execution, verifying that the senior management takes due note of its recommendations.

c) To ensure the independence of the external auditor, to which end:

i) The company should notify any change of auditor to the CNMV as a significant event, accompanied by a statement of any disagreements arising with the outgoing auditor and the reasons for the same.

ii) Also to ensure that the company and the external auditor respect prevailing standards on the provision of services other than auditing, the limits on concentration of the auditor's business and, in general, other standards established to guarantee auditors' independence;

iii) Should the external auditor resign, to examine the circumstances leading to the resignation.

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

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

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

– Complies

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

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

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

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

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

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

→ See section: B.1.38
– Complies

54. 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).

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

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

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

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

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

→ See section: B.2.3
– Complies

56. The appointments & remuneration committee shall consult with the company chairman and the chief executive officer with respect to matters related to executive directors.

Any board member may suggest directorship candidates to the appointment committee for its consideration.

– Complies

57. The appointments committee should have the following duties in addition to those stated in earlier recommendations:

a) Propose to the Board of Directors:

- i) The policy for directors' and senior managers' remuneration;
- ii) The individual remuneration and other contractual conditions of executive directors.
- iii) The core conditions for senior officer employment contracts.

b) Oversee compliance with the remuneration policy set by the company.

→ See sections: B.1.14, B.2.3

– Complies

58. The appointments & remuneration committee shall consult with the company chairman and the chief executive officer, especially with respect to matters related to executive directors and senior managers.

– Complies

G. Other information of interest

List and explain below the contents of any relevant principles or aspects of corporate governance applied by the company that have not been covered by this report.

This section may include any other relevant information, clarification or detail related to previous sections of the report.

Specifically indicate whether the company is subject to corporate governance legislation from any country other than Spain and, if so, include the compulsory information to be provided when different from that required by this report.

The company adheres to and complies with the contents of the Code of Good Fiscal Practices approved and promoted by the Forum of Corporations and the Spanish Tax Office.

Binding definition of independent director.

Indicate whether any of the independent directors has or has had any relationship with the company, its significant shareholders and/or its executives which, if sufficiently significant, would have meant that the director could not be considered independent under the definition given in section 5 of the unified code of good governance:

NO

Date and signature:

This annual report on corporate governance has been approved by the Company's board of directors on 02/02/2011

Indicate whether any members have voted against or abstained with respect to the approval of this report.

NO

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Annual consolidated financial statements 2010

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A) Consolidated balance sheet as at 31 December 2010 and 2009

ASSETS	NOTES	2010	2009
A) INTANGIBLE ASSETS	6.1	3,156.03	2,121.04
I. Goodwill	6.1	2,258.39	1,643.85
II. Other intangible assets	6.1	897.64	477.19
B) PROPERTY, PLANT AND EQUIPMENT	6.2	1,400.93	1,536.19
I. Property for own use	6.2	1,001.66	1,055.55
II. Other property, plant and equipment	6.2	399.27	480.64
C) INVESTMENTS		30,988.77	28,989.94
I. Investments in property	6.2	1,467.14	858.43
II. Financial investments			
1. Portfolio held to maturity	6.4	1,108.70	924.28
2. Portfolio available for sale	6.4	26,392.10	25,118.15
3. Trading portfolio	6.4	1,177.90	1,225.65
III. Investments recorded applying the equity method	3.1	400.26	429.24
IV. Deposits established for accepted reinsurance		234.00	202.63
V. Other investments		208.67	231.56
D) INVESTMENTS ON ACCOUNT OF LIFE POLICYHOLDERS BEARING THE INVESTMENT RISK	6.5	1,716.73	798.68
E) INVENTORIES	6.6	129.77	654.92
F) PARTICIPATION OF REINSURANCE IN TECHNICAL PROVISIONS	6.14	3,092.60	2,484.12
G) DEFERRED TAX ASSETS	6.21	969.90	711.83
H) CREDITS & RECEIVABLES	6.7	4,133.11	3,610.10
I. Credits on direct insurance and coinsurance operations	6.7	2,732.80	2,453.01
II. Credits on reinsurance operations	6.7	718.66	493.67
III. Tax credits			
1. Tax on profits to be collected	6.21	28.67	24.58
2. Other tax credits		187.38	54.89
IV. Corporate and other credits	6.7	465.60	583.95
V. Shareholders, called capital		-	-
I) CASH AND BANK	6.9	1,497.41	861.07
J) ACCRUAL ADJUSTMENTS	5.12	1,347.43	1,223.97
K) OTHER ASSETS		146.82	109.84
L) NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS	6.10	92.81	4.15
TOTAL ASSETS		48,672.31	43,105.85

FIGURES IN MILLION EUROS

LIABILITIES AND EQUITY	NOTES	2010	2009
A) EQUITY	6.11	7,795.81	7,093.75
I. Share capital	6.11	301.21	292.26
II. Share premium reserve, other reserves and interim dividends	6.11	5,501.12	4,916.18
III. Treasury stock		-	-
IV. RETAINED EARNINGS	4.1	933.54	926.85
V. Other equity instruments		-	-
VI. Valuation adjustment reserves		(260.37)	160.05
VII. Translation differences	6.23	66.38	(129.65)
Equity attributable to the controlling Company's shareholders		6,541.88	6,165.69
Minority interests		1,253.93	928.06
B) SUBORDINATED LIABILITIES	6.12	610.07	620.69
C) TECHNICAL PROVISIONS	6.14	31,745.16	28,968.46
I. Provisions for unearned premiums and for risks in progress	6.14	5,895.78	5,625.77
II. Provisions for life assurance	6.14	17,933.03	16,454.79
III. Provisions for outstanding claims	6.14	7,347.64	6,382.72
IV. Other technical provisions	6.14	568.71	505.18
D) TECHNICAL PROVISIONS FOR LIFE ASSURANCE WHERE POLICYHOLDERS BEAR THE INVESTMENT RISK	6.14	1,716.73	798.68
E) PROVISIONS FOR RISKS AND EXPENSES	6.15	713.22	404.95
F) DEPOSITS RECEIVED ON CEDED AND RETROCEDED REINSURANCE	6.16	107.48	126.22
G) DEFERRED TAX LIABILITIES	6.21	1,096.31	870.25
H) DEBT	6.17	4,575.29	3,932.02
I. Issuance of debentures and other negotiable securities	6.13	433.50	428.01
II. Due to credit institutions	6.13	1,078.56	1,013.93
III. Other financial liabilities	6.13	252.14	309.87
IV. Due on direct insurance and coinsurance operations	6.17	695.74	690.70
V. Due on reinsurance operations	6.17	695.81	394.29
VI. Tax payable			
1. Tax on profits to be paid	6.21	128.30	158.39
2. Other tax debts		334.38	199.83
VII. Other debts	6.17	956.86	737.00
I) ACCRUAL ADJUSTMENTS	5.12	281.36	288.92
J) LIABILITIES LINKED TO NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS	6.10	30.88	1.91
TOTAL LIABILITIES AND EQUITY		48,672.31	43,105.85

FIGURES IN MILLION EUROS

B) Consolidated statement of comprehensive income for years ended 31 December 2010 and 2009

B.1 Consolidated income statement

CONCEPT	NOTES	2010	2009
I. REVENUES FROM INSURANCE BUSINESS			
1. Insurance premiums, net			
a) Written premiums, direct insurance	7.2	14,974.32	13,824.29
b) Premiums from accepted reinsurance	7.2	1,998.81	1,782.50
c) Premiums from ceded reinsurance	6.20	(1,795.10)	(1,638.55)
d) Variation in provisions for premiums and risks in progress, net			
Direct insurance	6.14	(228.95)	(177.14)
Accepted reinsurance	6.14	(162.05)	(119.14)
Ceded reinsurance	6.20	35.94	42.23
2. Profits from companies recorded by the equity method		10.52	7.89
3. Income from investments			
a) From operations	6.18	2,016.41	2,005.07
b) From equity	6.18	267.27	201.95
4. Unrealised gains in investments on account of life policyholders bearing the investment risk		93.55	65.46
5. Other technical revenues		49.74	39.95
6. Other non technical revenues		57.66	78.87
7. Positive translation differences	6.23	461.96	179.49
8. Reversal of the asset impairment provision	6.8	6.30	4.82
TOTAL REVENUES FROM INSURANCE BUSINESS		17,786.38	16,297.69
II. EXPENSES FROM INSURANCE BUSINESS			
1. Claims, net			
a) Claims paid and variation in provision for claims, net			
Direct insurance	5.15	(11,024.97)	(10,031.78)
Accepted reinsurance	5.15	(1,595.06)	(1,033.06)
Ceded reinsurance	6.20	2,017.33	795.91
b) Claims related expenses	5.15	(597.77)	(579.05)
2. Variation in other technical provisions, net	5.15	(313.69)	148.62
3. Profit sharing and returned premiums		(51.25)	(28.90)
4. Net operating expenses	6.19		
a) Acquisition expenses		(2,953.49)	(2,540.36)
b) Administration expenses		(603.62)	(682.87)
c) Commissions and participation in reinsurance	6.20	238.44	216.44
5. Sharing in losses from companies recorded by the equity method		(15.89)	(11.43)
6. Expenses from investments			
a) From operations	6.18	(470.59)	(588.66)
b) From equity and financial accounts	6.18	(89.14)	(80.71)
7. Unrealised losses in investments on account of life policyholders bearing the investment risk		(95.27)	(39.36)
8. Other technical expenses		(86.88)	(111.28)
9. Other non technical expenses		(95.13)	(33.22)
10. Negative translation differences	6.23	(422.27)	(184.12)
11. Allowance to the asset impairment provision	6.8	(21.31)	(22.02)
TOTAL EXPENSES FROM INSURANCE BUSINESS		(16,180.56)	(14,805.85)
RESULT OF THE INSURANCE BUSINESS		1,605.82	1,491.84
III. OTHER ACTIVITIES			
1. Operating revenues		438.18	532.51

CONCEPT	NOTES	2010	2009
2. Operating expenses	6.19	(418.10)	(488.44)
3. Net financial revenues			
a) Financial revenues	6.18	39.89	95.56
b) Financial expenses	6.18	(119.79)	(98.88)
4. Results from minority interests			
a) Profits from companies recorded by the equity method		0.35	0.50
b) Losses from companies recorded by the equity method		(57.31)	(49.02)
5. Reversal of asset impairment provision	6.8	55.87	11.53
6. Allowance to the asset impairment provision	6.8	(98.80)	(30.93)
7. Result from the disposal of non current assets classified as held for sale, not included in discontinued operations		–	–
RESULT FROM OTHER ACTIVITIES		(159.71)	(27.17)
IV. RESULT ON RESTATEMENT OF FINANCIAL ACCOUNTS	3.2	(15.07)	(18.50)
IV. RESULT BEFORE TAX FROM ONGOING OPERATIONS		1,431.04	1,446.17
V. TAX ON PROFIT FROM ONGOING OPERATIONS	6.21	(367.44)	(407.77)
VI. RESULT AFTER TAX FROM ONGOING OPERATIONS		1,063.60	1,038.40
VII. RESULT AFTER TAX FROM DISCONTINUED OPERATIONS	6.10	0.06	(2.33)
VIII. RESULT FOR THE YEAR		1,063.66	1,036.07
1. Attributable to minority shareholders		(130.12)	(109.22)
2. Attributable to the controlling Company	4.1	933.54	926.85
FIGURES IN MILLION EUROS			
Basic and diluted gains per share (euros)	4.1	0.31	0.33

B.2 Consolidated statement of recognised income and expense

CONCEPT	GROSS AMOUNT		TAX ON PROFITS		ATTRIBUTABLE TO MINORITY INTERESTS		ATTRIBUTABLE TO THE CONTROLLING COMPANY	
	2010	2009	2010	2009	2010	2009	2010	2009
A) CONSOLIDATED RESULT IN THE YEAR	1,431.10	1,443.84	(367.44)	(407.77)	(130.12)	(109.22)	933.54	926.85
B) OTHER RECOGNISED INCOME (EXPENSE)	(385.99)	536.95	154.13	(139.37)	7.47	(32.86)	(224.39)	364.72
1. Financial assets available for sale	(1,497.91)	624.85	424.63	(162.91)	206.52	(40.07)	(866.76)	421.87
a) Valuation gains (losses).	(1,468.15)	692.07	444.99	(208.59)				
b) Amounts transferred to the income statement.	38.16	(34.84)	(20.36)	35.12				
c) Other reclassifications	(67.92)	(32.38)	–	10.56				
2. Translation differences	232.47	20.97	(0.87)	(4.61)	(35.57)	(1.42)	196.03	14.94
a) Valuation gains (losses)	233.25	21.22	(0.87)	(4.61)				
b) Amounts transferred to the income statement	–	–	–	–				
c) Other reclassifications	(0.78)	(0.25)	–	–				
3. Shadow accounting	834.12	(127.79)	(250.16)	38.34	(157.97)	11.00	425.99	(78.45)
a) Valuation gains (losses)	828.45	(154.68)	(248.46)	46.41				
b) Amounts transferred to the income statement	5.67	26.89	(1.70)	(8.07)				
4. Entities measured by the equity method	21.19	20.15	(12.22)	(10.56)	(2.82)	(2.78)	6.15	6.81
a) Valuation gains (losses)	21.20	(12.53)	(12.22)	–				
b) Amounts transferred to the income statement.	–	0.05	–	–				
c) Other reclassifications	(0.01)	32.63	–	(10.56)				
5. Other recognised income and expense	24.14	(1.23)	(7.25)	0.37	(2.69)	0.41	14.20	(0.45)
TOTALS	1,045.11	1,980.79	(213.31)	(547.14)	(122.65)	(142.08)	709.15	1,291.57
FIGURES IN MILLION EUROS								

C) Consolidated statement of changes in equity as at 31 December 2010 and 2009

CONCEPT	EQUITY ATTRIBUTABLE TO THE CONTROLLING SHAREHOLDER				MINORITY INTERESTS	TOTAL NET EQUITY
	OWN FUNDS			VALUATION AND CURRENCY TRANSLATION ADJUSTMENTS		
	SHARE CAPITAL	SHARE PREMIUM, RESERVES AND INTERIM DIVIDEND	RESULT ATTRIBUTED TO THE CONTROLLING COMPANY			
OPENING BALANCE AS AT 1 JANUARY 2009	274,48	4.116,04	900,69	(389,03)	814,19	5.716,37
I. Changes in accounting policies	-	-	-	-	-	-
II. Correction of errors	-	-	-	-	-	-
BALANCE AS AT 1 JANUARY 2007, RESTATED	274,48	4.116,04	900,69	(389,03)	814,19	5.716,37
I. TOTAL RECOGNISED REVENUES (EXPENSES)	-	-	926,85	364,72	142,08	1.433,65
II. TRANSACTIONS WITH CONTROLLING COMPANY'S AND MINORITY SHAREHOLDERS	17,78	(137,31)	-	-	(42,57)	(162,10)
1. Capital increases (decreases) (Note 6.11)	17,78	300,22	-	-	-	318,00
2. Dividend pay-out (Note 4.2)	-	(420,03)	-	-	(51,76)	(471,79)
3. Increases (decreases) from business combinations	-	-	-	-	31,33	31,33
4. Other transactions with controlling Company's and minority shareholders (Note 6.11)	-	(17,50)	-	-	(22,14)	(39,64)
III. OTHER VARIATIONS IN EQUITY	-	937,45	(900,69)	54,71	14,36	105,83
1. Transfers among equity items	-	840,06	(900,69)	60,63	-	-
2. Other variations (Note 3.2)	-	97,39	-	(5,92)	14,36	105,83
CLOSING BALANCE AS AT 31 DECEMBER 2009	292,26	4.916,18	926,85	30,40	928,06	7.093,75
OPENING BALANCE AS AT 1 JANUARY 2010	292,26	4.916,18	926,85	30,40	928,06	7.093,75
1. Changes in accounting policies	-	-	-	-	-	-
2. Correction of errors	-	-	-	-	-	-
RESTATED OPENING BALANCE	292,26	4.916,18	926,85	30,40	928,06	7.093,75
I. TOTAL RECOGNISED REVENUES (EXPENSES)	-	-	933,54	(224,39)	122,65	831,80
II. TRANSACTIONS WITH CONTROLLING COMPANY'S AND MINORITY SHAREHOLDERS	8,95	(279,20)	-	-	199,29	(70,96)
1. Capital increases (decreases) (Note 6.11)	8,95	169,24	-	-	-	178,19
2. Dividend pay-out (Note 4.2)	-	(444,67)	-	-	(40,63)	(485,30)
3. Increases (Decreases) from business combinations	-	-	-	-	260,58	260,58
4. Other transactions with controlling Company's and minority shareholders	-	(3,77)	-	-	(20,66)	(24,43)
III. OTHER VARIATIONS IN EQUITY	-	864,14	(926,85)	-	3,93	(58,78)
1. Transfers among equity items	-	926,85	(926,85)	-	-	-
2. Other variations (Note 3.2 and 6.13)	-	(62,71)	-	-	3,93	(58,78)
CLOSING BALANCE AS AT 31 DECEMBER 2010	301,21	5.501,12	933,54	(193,99)	1.253,93	7.795,81

FIGURES IN MILLION EUROS

D) Consolidated cash flow statement for years ended 31 December 2010 and 2009

CONCEPT	2010	2009
1. Insurance activities:	1,038.46	7.80
Cash received from insurance activities	17,035.86	16,492.43
Cash payments from insurance activities	(15,997.40)	(16,484.63)
2. Other operating activities	15.72	(195.92)
Cash received from other operating activities	400.36	919.72
Cash payments from other operating activities	(384.64)	(1,115.64)
3. Payment/receipt of corporation tax	(348.30)	(303.10)
NET CASH FLOWS FROM OPERATING ACTIVITIES	705.88	(491.22)
1. Proceeds from investment activities:	10,126.59	9,396.92
Plant and equipment	17.67	161.10
Investments in property	174.10	180.84
Intangible fixed assets	4.03	2.45
Financial instruments	7,306.57	6,649.06
Shareholdings	67.42	325.43
Dependent companies and other business units	401.87	80.30
Interest collected	994.50	905.91
Dividends collected	134.38	144.79
Other receipts related to investment activities	1,026.05	947.04
2. Payments from investment activities:	(9,807.05)	(8,332.83)
Plant and equipment	(137.88)	(112.52)
Investments in property	(52.01)	(77.01)
Intangible fixed assets	(100.28)	(52.82)
Financial instruments	(7,561.14)	(6,737.53)
Shareholdings	(195.10)	(126.61)
Dependent companies and other business units	(631.87)	(115.48)
Other payments related to investment activities	(1,128.77)	(1,110.86)
NET CASH FLOWS FROM INVESTMENT ACTIVITIES	319.54	1,064.09
1. Proceeds from financing activities:	897.15	955.68
Debenture bonds	-	-
Proceeds from issuance of equity instruments and capital increases	211.13	318.00
Proceeds from sale of treasury stock	1.60	-
Other proceeds related to financing activities	684.42	637.68
2. Payments from financing activities:	(1,315.19)	(2,081.87)
Dividends paid to shareholders	(510.46)	(465.81)
Interests paid	(95.34)	(100.06)
Debenture bonds	-	(49.16)
Payments on return of shareholders' contributions	-	-
Purchase of treasury stock	(1.98)	-
Other proceeds related to financing activities	(707.41)	(1,466.84)
NET CASH FLOW EFFECT OF FINANCING ACTIVITIES	(418.04)	(1,126.19)
NET INCREASE/(DECREASE) IN CASH FLOW	28.96	(0.68)
Translation differences in cash flow and cash balances	636.34	(554.00)
OPENING CASH BALANCE	861.07	1,415.07
CLOSING CASH BALANCE	1,497.41	861.07

FIGURES IN MILLION EUROS

E) Financial information by segments - Consolidated balance sheet as at 31 December 2010 and 2009

ASSETS	DIRECT INSURANCE					
	LIFE		MOTOR		OTHERS NON LIFE	
	2010	2009	2010	2009	2010	2009
A) INTANGIBLE ASSETS	1,530.32	528.64	894.46	665.03	335.34	318.46
I. Goodwill	877.52	255.12	737.04	564.00	269.95	238.83
II. Other intangible assets	652.80	273.52	157.42	101.03	65.39	79.63
B) PROPERTY, PLANT AND EQUIPMENT	97.45	67.12	582.09	586.43	357.16	300.74
I. Property for own use	72.78	42.86	449.66	461.21	264.51	174.74
II. Other property, plant and equipment	24.67	24.26	132.43	125.22	92.65	126.00
C) INVESTMENTS	19,823.84	17,473.41	6,070.34	4,599.64	7,245.49	4,717.70
I. Investment property	202.82	186.05	219.48	320.87	128.50	459.91
II. Financial investments						
1. Portfolio held to maturity	585.25	468.02	211.04	172.33	318.13	290.92
2. Portfolio available for sale	17,226.72	15,886.79	3,878.61	3,762.81	2,966.39	3,344.61
3. Trading portfolio	494.41	816.15	213.88	135.36	417.70	272.44
III. Investments recorded applying the equity method	5.39	16.24	7.42	96.55	24.52	308.68
IV. Deposits established for accepted reinsurance	-	-	-	0.05	12.99	8.82
V. Other investments	1,309.25	100.16	1,539.83	111.67	3,377.26	32.32
D) INVESTMENTS ON ACCOUNT OF LIFE POLICYHOLDERS BEARING THE INVESTMENT RISK	1,716.73	798.68	-	-	-	-
E) INVENTORIES	-	-	-	-	-	-
F) PARTICIPATION OF REINSURANCE IN TECHNICAL PROVISIONS	132.15	81.77	332.76	187.14	3,116.36	2,424.89
G) DEFERRED TAX ASSETS	534.41	386.35	215.24	183.29	181.88	110.53
H) CREDITS AND RECEIVABLES	505.02	435.65	1,286.49	1,234.20	2,113.15	1,746.12
I. Receivables on direct insurance and coinsurance operations	356.34	357.71	1,118.20	1,003.91	1,258.26	1,091.39
II. Receivables on reinsurance operations	33.08	15.17	52.86	44.46	460.74	324.05
III. Tax credits	75.94	7.55	9.01	28.38	44.28	31.71
IV. Corporate and other credits	39.66	55.22	106.42	157.45	349.87	298.97
V. Shareholders, called capital	-	-	-	-	-	-
I) CASH AND BANKS	631.35	262.45	363.43	243.12	448.20	293.69
J) ACCRUAL ADJUSTMENTS	179.38	153.46	463.57	415.06	529.71	456.80
K) OTHER ASSETS	15.09	3.48	40.97	38.66	43.87	36.11
L) NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS	-	-	24.75	0.07	-	0.02
TOTAL ASSETS BY SEGMENTS	25,165.74	20,191.01	10,274.10	8,152.64	14,371.16	10,405.06

FIGURES IN MILLION EUROS

REINSURANCE		OTHER ACTIVITIES		CONSOLIDATION ADJUSTMENTS		TOTAL	
2010	2009	2010	2009	2010	2009	2010	2009
6.06	6.38	398.90	83.52	(9.05)	519.01	3,156.03	2,121.04
-	-	382.67	52.64	(8.79)	533.26	2,258.39	1,643.85
6.06	6.38	16.23	30.88	(0.26)	(14.25)	897.64	477.19
53.61	45.80	242.46	274.25	68.16	261.85	1,400.93	1,536.19
43.86	35.59	102.69	97.13	68.16	244.02	1,001.66	1,055.55
9.75	10.21	139.77	177.12	-	17.83	399.27	480.64
2,633.52	2,420.75	12,474.94	9,103.92	(17,259.36)	(9,325.48)	30,988.77	28,989.94
34.89	31.08	986.68	93.95	(105.23)	(233.43)	1,467.14	858.43
1.28	0.46	23.73	26.64	(30.73)	(34.09)	1,108.70	924.28
2,062.32	1,910.90	324.56	258.16	(66.47)	(45.12)	26,392.10	25,118.15
43.27	29.36	8.76	-	(0.12)	(27.66)	1,177.90	1,225.65
13.71	13.03	(20.56)	18.80	369.78	(24.06)	400.26	429.24
334.75	329.36	-	-	(113.82)	(135.60)	234.00	202.63
143.30	106.56	11,151.80	8,706.37	(17,312.77)	(8,825.52)	208.67	231.56
-	-	-	-	-	-	1,716.73	798.68
-	-	129.77	654.92	-	-	129.77	654.92
966.48	603.74	-	-	(1,455.15)	(813.42)	3,092.60	2,484.12
34.10	12.49	56.16	63.24	(51.89)	(44.07)	969.90	711.83
337.94	304.05	282.35	217.13	(391.84)	(327.05)	4,133.11	3,610.10
-	-	-	-	-	-	2,732.80	2,453.01
299.71	274.88	-	-	(127.73)	(164.89)	718.66	493.67
18.48	8.91	68.34	12.93	-	(10.01)	216.05	79.47
19.75	20.26	214.01	204.20	(264.11)	(152.15)	465.60	583.95
-	-	-	-	-	-	-	-
161.71	112.89	212.34	262.25	(319.62)	(313.33)	1,497.41	861.07
169.77	167.32	10.03	26.00	(5.03)	5.33	1,347.43	1,223.97
2.32	0.86	241.54	137.23	(196.97)	(106.50)	146.82	109.84
-	-	82.56	4.06	(14.50)	-	92.81	4.15
4,365.51	3,674.28	14,131.05	10,826.52	(19,635.25)	(10,143.66)	48,672.31	43,105.85

E) Financial information by segments - Consolidated balance sheet as at 31 December 2010 and 2009

LIABILITIES AND EQUITY	DIRECT INSURANCE					
	LIFE		MOTOR		OTHERS NON LIFE	
	2010	2009	2010	2009	2010	2009
A) EQUITY	3,030.57	1,450.95	4,613.68	2,593.29	4,431.06	2,409.78
I. Share capital	581.85	363.31	814.31	1,664.81	1,987.93	1,257.13
II. Reserves	1,973.68	689.54	3,093.54	404.85	2,132.67	1,191.82
III. Treasury stock	-	-	-	-	-	-
IV. Valuation adjustment reserves	210.10	148.71	398.55	523.38	427.45	186.70
V. Translation differences	-	-	-	-	-	-
VI. Retained earnings	(53.84)	31.83	260.26	(60.10)	(138.85)	(242.14)
Equity attributable to the controlling Company's shareholders	2,711.79	1,233.39	4,566.66	2,532.94	4,409.20	2,393.51
Minority interests	318.78	217.56	47.02	60.35	21.86	16.27
B) SUBORDINATED LIABILITIES	-	-	-	-	-	10.00
C) TECHNICAL PROVISIONS	18,269.44	16,740.90	4,602.87	4,377.83	7,350.20	6,319.28
I. Provisions for unearned premiums and for risks in progress	23.33	22.20	2,449.80	2,340.61	2,618.51	2,512.18
II. Provisions for life assurance	17,583.95	16,226.61	63.81	4.79	122.35	91.97
III. Provisions for outstanding claims	614.88	455.06	2,087.82	2,032.13	4,115.03	3,273.92
IV. Other technical provisions	47.28	37.03	1.44	0.30	494.31	441.21
D) TECHNICAL PROVISIONS FOR LIFE ASSURANCE POLICIES WHERE THE INVESTMENT RISK IS BORNE BY THE POLICYHOLDERS	1,716.73	798.68	-	-	-	-
E) PROVISIONS FOR RISKS AND EXPENSES	363.96	75.20	171.27	149.13	160.61	127.79
F) DEPOSITS RECEIVED ON CEDED AND RETROCEDED REINSURANCE	30.81	25.19	10.73	11.66	100.94	120.62
G) DEFERRED TAX LIABILITIES	688.84	459.77	133.28	165.84	226.84	153.73
H) DEBT	1,057.79	637.02	707.69	822.87	1,951.55	1,108.33
I. Issuance of debenture bonds and other negotiable securities	-	-	-	115.77	149.83	26.97
II. Due to credit institutions	4.48	3.55	31.54	32.17	32.86	49.40
III. Other financial liabilities	245.13	293.76	0.74	1.17	4.14	0.21
IV. Due on direct insurance and coinsurance operations	117.97	113.39	277.81	269.52	299.97	307.79
V. Due on reinsurance operations	32.16	14.52	76.18	48.28	566.20	371.91
VI. Tax payable	68.10	70.23	26.06	91.75	227.24	114.61
VII. Other debts	589.95	141.57	295.36	264.21	671.31	237.44
I) ACCRUAL ADJUSTMENTS	7.60	3.30	34.58	32.02	149.96	155.53
J) LIABILITIES LINKED TO NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS	-	-	-	-	-	-
TOTAL LIABILITIES AND EQUITY BY SEGMENTS	25,165.74	20,191.01	10,274.10	8,152.64	14,371.16	10,405.06

FIGURES IN MILLION EUROS

REINSURANCE		OTHER ACTIVITIES		CONSOLIDATION ADJUSTMENTS		TOTAL	
2010	2009	2010	2009	2010	2009	2010	2009
977.02	915.24	11,004.25	7,721.74	(16,260.77)	(7,997.25)	7,795.81	7,093.75
314.77	256.17	3,486.52	937.61	(6,884.17)	(4,186.77)	301.21	292.26
591.23	530.03	7,073.09	6,118.60	(9,363.09)	(4,018.66)	5,501.12	4,916.18
-	-	-	-	-	-	-	-
132.52	123.91	446.03	687.52	(681.11)	(743.37)	933.54	926.85
-	-	-	-	-	-	-	-
(71.58)	(4.45)	6.09	(25.88)	(196.07)	331.14	(193.99)	30.40
966.94	905.66	11,011.73	7,717.85	(17,124.44)	(8,617.67)	6,541.88	6,165.69
10.08	9.58	(7.48)	3.89	863.67	620.41	1,253.93	928.06
-	-	610.07	610.69	-	-	610.07	620.69
2,975.35	2,349.72	-	-	(1,452.70)	(819.27)	31,745.16	28,968.46
1,229.58	1,134.64	-	-	(425.44)	(383.86)	5,895.78	5,625.77
175.68	137.27	-	-	(12.76)	(5.85)	17,933.03	16,454.79
1,544.04	1,051.17	-	-	(1,014.13)	(429.56)	7,347.64	6,382.72
26.05	26.64	-	-	(0.37)	-	568.71	505.18
-	-	-	-	-	-	1,716.73	798.68
2.21	4.46	86.16	107.60	(70.99)	(59.23)	713.22	404.95
78.82	104.35	-	-	(113.82)	(135.60)	107.48	126.22
3.37	32.38	42.26	33.12	1.72	25.41	1,096.31	870.25
234.62	173.68	2,355.48	2,347.80	(1,731.84)	(1,157.68)	4,575.29	3,932.02
-	-	283.67	285.27	-	-	433.50	428.01
-	-	1,009.68	928.81	-	-	1,078.56	1,013.93
0.04	0.12	335.75	324.87	(333.66)	(310.26)	252.14	309.87
-	-	-	-	-	-	695.74	690.70
148.95	124.47	-	-	(127.68)	(164.89)	695.81	394.29
20.46	17.18	132.60	71.55	(11.78)	(7.10)	462.68	358.22
65.17	31.91	593.78	737.30	(1,258.71)	(675.43)	956.86	737.00
94.12	94.45	1.95	3.66	(6.85)	(0.04)	281.36	288.92
-	-	30.88	1.91	-	-	30.88	1.91
4,365.51	3,674.28	14,131.05	10,826.52	(19,635.25)	(10,143.66)	48,672.31	43,105.85

E) Financial information by segments - Consolidated income statement for years

CONCEPT	DIRECT INSURANCE					
	LIFE		MOTOR		OTHERS NON LIFE	
	2010	2009	2010	2009	2010	2009
I. REVENUES FROM INSURANCE BUSINESS						
1. Insurance premiums, net						
a) Written premiums, direct insurance	3,920.41	3,530.54	5,111.67	4,894.20	5,942.23	5,315.34
b) Premiums from accepted reinsurance	–	–	11.76	18.24	504.51	344.50
c) Premiums from ceded reinsurance	(191.24)	(137.69)	(160.58)	(121.37)	(1,840.54)	(1,600.23)
d) Variation in provisions for premiums and risks in progress, net						
Direct insurance	30.60	(62.46)	(115.82)	56.24	(143.73)	(163.20)
Accepted reinsurance	(0.53)	–	1.82	16.94	(41.76)	(42.65)
Ceded reinsurance	(0.42)	0.76	13.50	(6.69)	33.39	51.35
2. Profits from companies recorded by the equity method	2.99	–	7.52	7.74	2.18	1.88
3. Income from investments						
a) From operations	1,194.29	1,158.57	358.49	389.31	370.35	346.57
b) From equity	79.93	36.79	101.55	70.09	153.96	73.73
4. Unrealised gains in investments on account of life policyholders bearing the investment risk	106.78	65.46	–	–	–	–
5. Other technical revenues	12.42	6.89	16.42	6.57	45.16	26.48
6. Other non technical revenues	32.42	30.15	2.97	91.62	124.67	79.60
7. Positive translation differences	25.84	3.91	3.48	6.82	112.44	21.13
8. Reversal of the asset impairment provision	0.76	–	2.87	2.96	26.06	15.37
TOTAL REVENUES FROM INSURANCE BUSINESS	5,214.25	4,632.92	5,355.65	5,432.67	5,288.92	4,469.87
II. EXPENSES FROM INSURANCE BUSINESS						
1. Claims, net						
a) Claims paid and variation in provision for claims, net						
Direct insurance	(3,524.94)	(3,609.73)	(3,360.46)	(3,275.06)	(4,141.29)	(3,103.38)
Accepted reinsurance	–	0.02	(6.38)	(19.20)	(614.44)	(202.66)
Ceded reinsurance	108.01	76.97	72.34	54.12	1,996.44	828.04
b) Claims related expenses	(15.78)	(9.78)	(314.90)	(318.23)	(222.06)	(207.54)
2. Variation in other technical provisions, net	(276.98)	187.24	4.72	2.62	(39.87)	(39.10)
3. Profit sharing and returned premiums	(47.98)	(24.08)	(0.01)	–	(2.28)	(4.17)
4. Net operating expenses						
a) Acquisition expenses	(505.28)	(394.69)	(884.52)	(785.73)	(1,218.09)	(1,012.67)
b) Administration expenses	(113.80)	(133.13)	(228.52)	(270.40)	(248.23)	(258.99)
c) Commissions and participation in reinsurance	50.34	34.33	18.33	17.20	254.03	220.52
5. Losses from companies recorded by the equity method	(0.46)	–	–	–	(9.14)	(8.12)
6. Expenses from investments						
a) From operations	(318.50)	(359.67)	(61.18)	(89.28)	(66.86)	(87.53)
b) From equity and financial accounts	(32.29)	(20.66)	(21.68)	(30.61)	(48.74)	(31.97)
7. Unrealised losses in investments on account of life policyholders bearing the investment risk	(95.27)	(39.36)	–	–	–	–
8. Other technical expenses	(12.84)	(9.81)	2.11	(5.08)	(98.03)	(92.78)
9. Other non technical expenses	(25.83)	(16.43)	(5.34)	(2.20)	(164.12)	(123.91)
10. Negative translation differences	(30.14)	(3.62)	(11.25)	(4.27)	(63.78)	(24.16)
11. Allowance to the asset impairment provision	(0.28)	(0.31)	(6.95)	(12.03)	(15.74)	(23.43)
TOTAL EXPENSES FROM INSURANCE BUSINESS	(4,842.02)	(4,322.71)	(4,803.69)	(4,738.15)	(4,702.20)	(4,171.85)
RESULT OF THE INSURANCE BUSINESS	372.23	310.21	551.96	694.52	586.72	298.02

FIGURES IN MILLION EUROS

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REINSURANCE		OTHER ACTIVITIES		CONSOLIDATION ADJUSTMENTS		TOTAL	
2010	2009	2010	2009	2010	2009	2010	2009
0.01	(0.01)	-	-	-	84.22	14,974.32	13,824.29
2,666.27	2,317.41	-	-	(1,183.73)	(897.65)	1,998.81	1,782.50
(787.23)	(673.05)	-	-	1,184.49	893.79	(1,795.10)	(1,638.55)
-	-	-	-	-	(7.72)	(228.95)	(177.14)
(127.35)	(100.49)	-	-	5.77	7.06	(162.05)	(119.14)
(4.78)	3.53	-	-	(5.75)	(6.72)	35.94	42.23
0.26	0.06	-	-	(2.43)	(1.79)	10.52	7.89
120.95	118.12	-	-	(27.67)	(7.50)	2,016.41	2,005.07
10.48	14.41	-	-	(78.65)	6.93	267.27	201.95
-	-	-	-	(13.23)	-	93.55	65.46
-	0.01	-	-	(24.26)	-	49.74	39.95
6.20	2.43	-	-	(108.60)	(124.93)	57.66	78.87
320.20	144.12	-	-	-	3.51	461.96	179.49
0.65	0.96	-	-	(24.04)	(14.47)	6.30	4.82
2,205.66	1,827.50	-	-	(278.10)	(65.27)	17,786.38	16,297.69
1.72	0.68	-	-	-	(44.29)	(11,024.97)	(10,031.78)
(2,015.38)	(1,306.46)	-	-	1,041.14	495.24	1,595.06	(1,033.06)
881.67	330.60	-	-	(1,041.13)	(493.82)	2,017.33	795.91
(52.03)	(42.82)	-	-	7.00	(0.68)	(597.77)	(579.05)
(1.56)	(2.14)	-	-	-	-	(313.69)	148.62
(0.64)	(0.58)	-	-	(0.34)	(0.07)	(51.25)	(28.90)
(586.06)	(522.14)	-	-	240.46	174.87	(2,953.49)	(2,540.36)
(23.27)	(23.77)	-	-	10.20	3.42	(603.62)	(682.87)
145.15	125.28	-	-	(229.41)	(180.89)	238.44	216.44
(0.13)	(0.02)	-	-	(6.16)	(3.29)	(15.89)	(11.43)
(28.13)	(44.94)	-	-	4.08	(7.24)	(470.59)	(588.66)
(3.57)	(1.20)	-	-	17.14	3.73	(89.14)	(80.71)
-	-	-	-	-	-	(95.27)	(39.36)
(2.41)	(2.53)	-	-	24.29	(1.08)	(86.88)	(111.28)
(3.89)	(4.37)	-	-	104.05	113.69	(95.13)	(33.22)
(317.05)	(149.05)	-	-	(0.05)	(3.02)	(422.27)	(184.12)
-	-	-	-	1.66	13.75	(21.31)	(22.02)
(2,005.58)	(1,643.46)	-	-	172.93	70.32	(16,180.56)	(14,805.85)
200.08	184.04	-	-	(105.17)	5.05	1,605.82	1,491.84

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CONCEPT	DIRECT INSURANCE					
	LIFE		MOTOR		OTHERS NON LIFE	
	2010	2009	2010	2009	2010	2009
III. OTHER ACTIVITIES						
1. Operating revenues	-	-	-	-	-	-
2. Operating expenses	-	-	-	-	-	-
3. Net financial revenues						
a) Financial revenue	-	-	-	-	-	-
b) Financial expenses	-	-	-	-	-	-
4. Results from minority interests						
a) Profits from companies recorded by the equity method	-	-	-	-	-	-
b) Losses from companies recorded by the equity method	-	-	-	-	-	-
5. Reversal of asset impairment provision	-	-	-	-	-	-
6. Allowance to the asset impairment provision	-	-	-	-	-	-
7. Result from the disposal of non current assets classified as held for sale, not included in discontinued operations	-	-	-	-	-	-
RESULT FROM OTHER ACTIVITIES	-	-	-	-	-	-
IV. RESULT ON RESTATEMENT OF FINANCIAL ACCOUNTS	-	-	-	-	-	-
V. RESULT BEFORE TAX FROM ONGOING OPERATIONS	372.23	310.21	551.96	694.52	586.72	298.02
VI. TAX ON PROFIT FROM ONGOING OPERATIONS	(74.95)	(92.62)	(133.89)	(138.83)	(138.23)	(109.62)
VII. RESULT AFTER TAX FROM ONGOING OPERATIONS	297.28	217.59	418.07	555.69	448.49	188.40
VIII. RESULT AFTER TAX FROM DISCONTINUED OPERATIONS	-	-	-	-	-	-
IX. RESULT FOR THE YEAR	297.28	217.59	418.07	555.69	448.49	188.40
1. Attributable to minority shareholders	(87.18)	(68.88)	(19.52)	(32.31)	(21.04)	(1.70)
2. Attributable to the controlling company	210.10	148.71	398.55	523.38	427.45	186.70

FIGURES IN MILLION EUROS

REINSURANCE		OTHER ACTIVITIES		CONSOLIDATION ADJUSTMENTS		TOTAL	
2010	2009	2010	2009	2010	2009	2010	2009
-	-	961.19	836.40	(523.01)	(303.89)	438.18	532.51
-	-	(852.42)	(834.60)	434.32	346.16	(418.10)	(488.44)
-	-	484.03	911.76	(444.14)	(816.20)	39.89	95.56
-	-	(126.98)	(248.41)	7.19	149.53	(119.79)	(98.88)
-	-	-	1.24	0.35	(0.74)	0.35	0.50
-	-	-	(0.01)	(57.31)	(49.01)	(57.31)	(49.02)
-	-	57.88	11.53	(2.01)	-	55.87	11.53
-	-	(127.63)	(27.21)	28.83	(3.72)	(98.80)	(30.93)
-	-	-	-	-	-	-	-
-	-	396.07	650.70	(555.78)	(677.87)	(159.71)	(27.17)
-	-	-	-	(15.07)	(18.50)	(15.07)	(18.50)
200.08	184.04	396.07	650.70	(676.02)	(691.32)	1,431.04	1,446.17
(56.49)	(50.42)	41.57	39.58	(5.45)	(55.86)	(367.44)	(407.77)
143.59	133.62	437.64	690.28	(681.47)	(747.18)	1,063.60	1,038.40
(0.10)	(0.18)	0.14	(2.15)	0.02	-	0.06	(2.33)
143.49	133.44	437.78	688.13	(681.45)	(747.18)	1,063.66	1,036.07
(10.97)	(9.53)	8.25	(0.61)	0.34	3.81	(130.12)	(109.22)
132.52	123.91	446.03	687.52	(681.11)	(743.37)	933.54	926.85

F) Financial information by geographical areas

1. Consolidated ordinary revenues from external clients in financial years ended 31st December 2010 and 2009

GEOGRAPHICAL AREA	2010	2009
I. Spain	8,662.57	8,579.06
II. United States of America	1,894.31	1,708.54
III. Brazil	2,151.97	1,747.38
IV. Mexico	524.96	415.95
V. Venezuela	406.06	990.67
VI. Colombia	438.74	313.46
VII. Argentina	506.17	443.24
VIII. Turkey	358.07	279.33
IX. Chile	248.34	195.00
X. Other Countries	2,220.12	1,466.67
TOTAL	17,411.31	16,139.30

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 2010 and 2009

GEOGRAPHICAL AREA	2010	2009
I. Spain	3,134.33	2,999.98
II. United States of America	212.36	248.17
III. Brazil	226.06	190.77
IV. Mexico	86.61	120.10
V. Venezuela	72.37	61.07
VI. Colombia	23.76	29.65
VII. Argentina	41.57	58.58
VIII. Turkey	44.13	45.83
IX. Chile	63.60	54.57
X. Other Countries	218.93	174.22
TOTAL	4,123.72	3,982.94

FIGURES IN MILLION EUROS

There is no client contributing, on an individual basis, more than 10% of the Group's ordinary revenues.

G) Consolidated annual report

1. General overview on the company and its activity

MAPFRE, S.A. (hereinafter the "controlling Company" or "MAPFRE") is a listed public limited company, parent of a number of controlled companies engaged in insurance in its various branches, both Life and Non Life, finance, securities and real estate investment, and services.

MAPFRE, S.A. is a subsidiary of CARTERA MAPFRE, S.L., Sociedad Unipersonal (hereinafter CARTERA MAPFRE), which is 100% controlled by FUNDACIÓN MAPFRE.

The scope of activity of the controlling Company and its subsidiaries (hereinafter the "Group" or "MAPFRE GROUP") includes the Spanish territory, European Economic Area countries, and other countries.

The controlling Company was incorporated in Spain and has its registered office in Madrid, Paseo de Recoletos, 25.

In Spain, the MAPFRE GROUP is structured as follows:

a) Central Services

These concentrate the technical and administrative functions of insurance management, the creation of new products, the preparation and development of marketing campaigns, as well as the provision of new commercial distribution networks for territorial offices.

b) MAPFRE NETWORK

The extensive and growing territorial network of the MAPFRE GROUP (MAPFRE NETWORK) is divided into thirty-nine geographical divisions known as management centres, from which the marketing, operational and administrative activities are coordinated and promoted.

The MAPFRE NETWORK consists of the following:

- Direct offices: these are staffed by MAPFRE NETWORK employees and essentially carry out marketing tasks, issue policies, attend to the public, and provide support to the agents' network.
- Delegations: MAPFRE GROUP offices serviced by a fully captive agent; they engage almost all the time in selling the MAPFRE GROUP's products.
- Agents: the MAPFRE GROUP has a high number of commission agents, who act as brokers in the writing of transactions by virtue of cooperation agreements.

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 financial statements on 2nd February 2011. 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 2010 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 property services, securities and real estate asset management, services of attention to the elderly, assistance, etc. In order to identify the operating segments, attention has been paid to the main activities and insurance lines under the Group's management, taking also into account the quantitative thresholds laid down in the regulations.

The Consolidated Management Report provides additional information on the evolution and characteristics of the business.

2.3. Financial information by geographical areas

Section F) of the consolidated annual statements includes financial information by geographical areas.

The established geographical areas are: Spain, United States of America, Brazil, Mexico, Venezuela, Colombia, Argentina, Turkey, Chile and Other Countries.

2.4. Changes in accounting policies, changes in estimates and errors

Except as described in Note 2.5, the application of the new Rules and interpretations applicable from 1st January 2010 has had no effect on the Group's accounting policies, financial position or results.

2.5. Comparison of information

There are no reasons preventing the comparison of the consolidated annual statements of the current financial year with those of the preceding one.

Listed below are the most important new regulations and interpretations applicable from 1st January 2010, whose application has not had any effect

on the Group's financial position or results, and that introduce new accounting standards prospectively:

– IFRS 3 "Business combinations (Revised)". The changes that it introduces affect the measurement of the non-controlling interests, the recognition of transaction costs, the recognition of contingent liabilities and step acquisitions.

– IAS 27 " Consolidated and Separate Financial Statements (Amended). The changes mainly affect the recording of changes in the ownership interest of a subsidiary and the distribution of the losses incurred by the subsidiary.

2.6. Changes in the scope of consolidation

Appendix 1 identifies the companies that were incorporated into the consolidation scope in 2009 and 2010, together with details on their equity and results. In addition, Appendix 1 provides a detail of other changes occurred in the consolidation scope.

The overall effect of these changes on the consolidable group's equity, financial situation and results in 2010 and 2009 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 risks and expenses.
- The actuarial calculation of liabilities and post-employment remuneration related commitments.
- The useful life of intangible assets and of tangible fixed asset items.
- The fair value of certain non-listed assets.

Estimates and assumptions used are regularly reviewed and are based on the historical experience and other factors that may have been considered as more reasonable from time to time. If a change in the estimates took place in a given period as a consequence of these reviews, its effect would apply to that period and, if applicable, to subsequent periods.

3. Consolidation

3.1. Subsidiaries, associated undertakings and joint ventures

Subsidiaries, associated undertakings and joint ventures included in the consolidation are identified and their details given in the table of shareholdings forming an integral part of the consolidated report as Appendix 1. The said appendix provides a breakdown of the joint ventures included by the proportionate consolidation method.

The configuration of companies as controlled companies is determined by the controlling Company holding a majority of the voting rights, directly or through subsidiaries, or, even if not holding half of the said rights, if the controlling

Company is able to manage the said companies' financial and operating policies in order to obtain profits from their activities. Controlled companies are consolidated from the date when the Group acquires control, and are excluded from the consolidation on the date when it ceases in such control; therefore, the results relating to the part of the financial year while the said entities belong to the Group are included in the financial statements.

Associated undertakings are those where the controlling Company exercises a significant influence, albeit they are neither controlled companies nor joint ventures.

Significant influence means the power of intervening in the investee company's decisions on financial and operating policies, however without achieving control or joint control over the said policies. A significant influence is assumed to be exercised when the Company holds, either directly or indirectly through its controlled companies, at least 20% in the investee company's voting rights.

Shareholdings in associated undertakings are consolidated by the equity method, including within the value of the shareholding the net goodwill identified on the acquisition date.

When the Group's participation in the losses of an associated undertaking is equal to or higher than the book value of its stake, including any unsecured receivable, the Group does not register additional losses, unless obligations have been incurred or payments have been made on behalf of the associated undertaking.

In order to determine if an investee is a controlled or associated undertaking, account has been taken of both the potential voting rights held and liable of exercise, and the call options on shares, debt instruments convertible into shares or other instruments entailing the possibility of increasing or reducing voting rights.

A joint venture is considered to exist when two or more entities undertake an economic activity subject to shared control and regulated by means of a contractual agreement.

Excluded from being considered as controlled companies, associated undertakings and joint ventures are the investments made in trust funds and similar undertakings.

The financial statements of controlled companies, associated undertakings and joint ventures used for the consolidation are those relating to the financial year closed as at 31st December 2010 and 2009.

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 information in hyperinflationary economies". For the financial years 2010 and 2009 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 2010 and 2009 amounts to €15.07 and €18.50 million, respectively. This restatement has entailed an increase of €24.86 and €51.84 million in the Group's equity as at 31st December 2010 and 2009, 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	2010	2009
Net profit attributable to the controlling Company's shareholders (million €)	933.54	926.85
Weighted average number of ordinary shares in issue (million)	2,976.84	2,847.86
Basic earnings per share (Euros)	0.31	0.33

The weighted average number of ordinary shares in issue in financial years 2010 and 2009 is affected by the capital increases in the said years as described in Note 6.11.0 por las ampliaciones de capital de dichos ejercicios descritas en la Nota 6.11.

4.2. Dividends

The breakdown of the controlling Company's dividends in the last two financial years is as follows:

ITEM	TOTAL DIVIDEND (IN MILLION EUROS)		DIVIDEND PER SHARE (IN EUROS)	
	2010	2009	2010	2009
Interim dividend	210.85	200.44	0.07	0.07
Additional dividend	240.97	233.82	0.08	0.08
TOTAL	451.82	434.26	0.15	0.15

The total dividend for financial year 2010 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 2010, the controlling Company has distributed an interim dividend for a total amount of €210,850,804.57, 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 27-10-2010
Cash available on the date of the resolution	17.11
Increases in cash forecast within one year	1,019.30
(+) From expected current collection transactions	577.20
(+) From financial transactions	442.10
Decreases in cash forecast within one year	(456.00)
(-) From expected current payment transactions	(45.00)
(-) From expected financial transactions	(411.00)
Cash available within one year	580.41

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 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 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 1st January 2004, where it corresponds to the

goodwill, net of depreciation, recorded pursuant to the Spanish regulations applying on the said date. In the case of acquisition of stakes in the controlled company from minority shareholders subsequently to the initial one, the controlling Company has decided to recognise the said excess as a lower amount of reserves.

IMPAIRMENT OF GOODWILL

After its initial recognition and allocation to a cash generating unit, its possible loss in value is measured at least once a year. When the recoverable value of the said cash generating unit is lower than its net book value, the corresponding loss in value is immediately recognised in the consolidated income statement, and generally no loss is recognised for individual assets not having experienced any impairment.

OTHER INTANGIBLE ASSETS

- **Intangible assets arising from an independent acquisition**

Intangible assets acquired from third parties in a market transaction are valued at cost. If their useful life is finite they are amortised according to it and, if they have an indefinite useful life, they are tested for impairment at least on an annual basis.

- **Intangible assets internally generated**

Research expenses are recognised directly in the income statement in the year when they are incurred. Development expenses are recorded as an asset when their probability, feasibility and future recoverability may be reasonably ensured, and are carried at cost.

Capitalised development expenses are amortised over the period in which revenues or yields are expected to be obtained, without prejudice to the valuation that would be made if impairment occurred.

- **Intangible assets acquired by exchange of assets**

Intangible assets acquired are generally recognised at the fair value of the asset given in exchange.

5.2. Business combinations

The controlling company identifies a business combination when the assets acquired and the liabilities assumed in a transaction constitute a business. Business combinations are accounted for by applying the purchase method.

On the acquisition date, which is the time that control of the acquired business or entity is obtained, the acquirer separately recognises the goodwill, the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquiree.

Goodwill represents the excess of the transferred consideration the net amount on the date of acquisition of the identifiable assets acquired and the liabilities assumed. In acquisitions made from 1st January 2010, and according to the provisions of the new IFRS 3 regulation, 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. From 1st January 2010, 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 the controlling company again measures its previously held interests in the acquiree's equity at their acquisition-date fair value and recognises any resulting gain or loss in its income and expense.

When the business combinations have been accounted for, any modifications to contingent payments are recognised, for combinations undertaken from 1st January 2010, in the consolidated income statement and, for combinations undertaken earlier, as a change in goodwill.

5.3. Property, plant and equipment and investment property

Property, plant and equipment, and investment property are carried at cost less accumulated depreciation 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 elements 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.

ASSESSMENT

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 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.

The fair value of the financial derivatives included in the "Trading portfolio" is taken to be their daily price on the list or the present value of future cash flows if the former is not available.

The book value of financial investments is adjusted by debiting the consolidated income statement when there is objective evidence of an event having occurred that has a negative impact on its future cash flows or on any other circumstance evidencing that the investment cost of an equity instrument is not recoverable. The objective evidence of the impairment is determined on an individual basis for all types of financial instruments.

The amount of impairment losses is equal to the difference between their book value and the present value of their estimated future cash flows. In the case of equity instruments, an individual analysis of investments is carried out in order to determine if they are impaired. In addition, a sign of impairment is deemed to exist

when the market value shows an extended decline (18 months) or a significant decline (40%) with respect to its cost. The amount of estimated impairment losses is recognised in the consolidated income statement, including, in addition, any reduction in the fair value of investments previously recognised under "Valuation adjustment reserves".

In the case of financial swaps of exchange of flows, the amounts accrued by the main transactions are recognised, with the amount resulting from flows being accounted for under "Other financial liabilities" or "Corporate and other credits", as the case may be.

5.6. Hedging transactions

Hedging derivatives are recorded, as they case may be pursuant to their valuation, under the headings of "Other investments" or "Other financial liabilities".

Hedging derivatives are considered those that efficiently eliminate the risks of variations in fair value, alterations in cash flows or variations in the value of the net investment in businesses abroad.

Derivatives for hedging purposes are carried at fair value.

FAIR VALUE HEDGE

The profit or loss arising from the valuation of the hedging instrument and the covered item is recognised in the consolidated income statement, in all cases.

5.7. Investments on account of life assurance policyholders bearing the investment risk

Investments on account of life policyholders bearing the investment risk are made in securities trust funds and are valued at cost or at subscription or purchase price. The said acquisition cost is adjusted as greater or lower value of the investment, as applicable, according to the net asset value at the closing of the financial year. Revaluations and depreciations of these assets are accounted for as a credit or debit to the consolidated income statement of the Life direct insurance business segment.

5.8. Asset impairment

At the closing of each financial year, the Group assesses if there are signs that the asset item may have suffered a loss in value. If there is any such indication, their recoverable value is estimated.

For assets that are not in conditions of use and for intangible assets with an indefinite useful life, the recoverable value is estimated independently of the existence or otherwise of signs of impairment.

If the book value exceeds the recoverable value, a loss for such excess is recognised, reducing the book value of the asset until it coincides with the recoverable value.

If there is an increase in the recoverable value of an asset other than the goodwill, the previously recognised loss due to impairment is reversed, increasing the book

value of the asset up to its recoverable value. This increase never exceeds the book value net of amortisation that would be accounted for had no impairment loss been recognised in previous years. The reversal is recognised in the consolidated income statement, unless the asset has been already subject to revaluation against "Valuation adjustment reserves", in which case the reversal is treated as a revaluation increase. After this reversal, the amortisation expense is adjusted in the following periods.

5.9. Inventories

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. Credits and receivables

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, loans 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 legal tender 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.

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) OTHER ASSETS AND LIABILITIES ARISING FROM INSURANCE AND REINSURANCE CONTRACTS

a) Deposit components in insurance contracts

Some Life assurance contracts contain both an insurance component and a deposit component. These two components are not valued separately, since all the rights and obligations arising from the deposit component are recognised.

b) Embedded derivatives in insurance contracts

Some Life assurance contracts contain embedded derivatives, essentially consisting of guaranteed redemption values and maturity values. The embedded derivative is not valued separately from the main insurance contract because it meets the conditions to be classified as an insurance contract, with their embedded value being valued jointly with the main contract pursuant to IFRS 4.

c) Insurance contracts acquired in business combinations or portfolio transfers

Insurance contracts acquired in a business combination or portfolio transfer are stated at fair value and recognised in the balance sheet as follows:

- a) the liabilities arising from the insurance contracts are accounted for pursuant to IFRS 4;
- b) an intangible asset is accounted for, representing the difference between:
 - the fair value of the rights acquired and the rest of assumed contractual obligations, and
 - the amount described in section a) above.

This intangible asset is amortised by the straight line method according to the estimated life of the contracts.

d) Capitalisation of acquisition fees and expenses

Acquisition fees and expenses directly related to new production sales are not capitalised in any case, being taken to the consolidated income statement in the financial year when they are incurred.

C) 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 insurance premium accrued during the year which is imputable to future financial years, after deducting the security surcharge.

PROVISION FOR UNEXPIRED RISKS

The provision for unexpired 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.

RESERVE 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 addition, in the Life Assurance business, it includes maturities and redemptions pending payment. In the Spanish companies, its calculation is made including, if applicable, additional provisions for the deviation in the valuation of claims subject to long handling periods.

OTHER TECHNICAL RESERVES

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 UNEXPIRED 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 reserves are recorded following the same criteria as for accepted reinsurance and according to the retrocession agreements entered into.

f) Liabilities adequacy test

Technical provisions existing in the books are periodically submitted to a reasonability test in order to determine their adequacy on the basis of the projections of all future cash flows of existing contracts. Recorded provisions are adjusted against the results of the financial year if it becomes evident that they are inadequate, as a consequence of the test.

g) Shadow accounting

In order to mitigate the accounting asymmetries arising from applying different valuation methods for assets and liabilities, IFRS allow the so-called "shadow accounting", in such a way that unrealised losses or gains in the relevant assets are recognised in the valuation of technical reserves, up to the limit of the amounts assumed by the policyholder.

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 reserves 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 has been incurred, the general valuation criterion mentioned in Note 5.10 is applied. Loans.

5.16. Provisions for liabilities and charges

Provisions are recognised when the present obligation (either actual or construed) exists as a result of a past event and a reliable estimate of the amount of the obligation may be made.

When a provision is expected to be recovered, partly or fully, the reimbursement is recognised as a separate asset.

5.17. Debts

The valuation of the items included under the heading "Debt" is generally made at amortised cost, using the effective interest rate method.

In the case of debt with maturity beyond one year, if the parties have not expressly agreed the applicable interest rate, debts are discounted taking as implicit financial interest that in force in the public debt market for securities with the same or similar term to the maturity of the debts, without prejudice to taking into account the relevant risk premium.

5.18. General criterion on revenues and expenses

The general principle applicable to the recognition of revenues and expenses is the accrual criterion, pursuant to which the allocation of revenues and expenses is made according to the actual flow of goods and services represented by them, irrespectively of the date of the monetary or financial flow arising from them.

5.19. Remuneration to staff

Remuneration to staff may be short term, post-employment benefits, termination payments, share-based payments and other long term types.

A) SHORT TERM REMUNERATION

This is recorded according to the services provided by employees, on an accrual basis.

B) POST-EMPLOYMENT BENEFITS

It essentially consists of defined contribution plans and defined benefit plans.

Defined contribution plans

These are post-employment benefit plans in which the entity involved makes pre-determined contributions to a separate entity (whether related or alien to the Group) and has no legal or implicit obligation of making additional contributions, should there be an insufficiency of assets to honour the payment of benefits. Therefore, the obligation solely consists of making the contribution that is agreed to a fund, and the amount of benefits to be received by employees is determined by the contributions made plus the return obtained on the investments where the fund is materialised.

Defined benefit plans

These are post-employment benefit plans differing from those with defined contribution.

The liability recognised in the balance sheet in relation to defined benefit pension plans, recorded under the mathematical reserves heading, is equal to the present value of the defined benefit obligation on the balance sheet date, deducting, if applicable, the fair value of the assets allocated to the plan.

The obligation on the defined benefit is determined separately for each plan, using the actuarial valuation method of projected credit unit.

Actuarial losses and gains arising are debited or credited to the consolidated income statement in the financial year when they take place.

The defined benefit plan obligations left on the balance sheet only correspond to retired members of staff.

C) TERMINATION PAYMENTS

Termination payments are recognised as a liability and as an expense when there is a demonstrable intention of termination of the labour relationship before the normal retirement date of employees, or when there is an offer to encourage the voluntary termination of labour contracts.

D) SHARE-BASED PAYMENTS

Cash-settled share-based payments are measured when the transaction originates, following an option-appraisal method. The measured cost is charged to the income statement as a personnel expense over the employee's vesting period, while a liability in favour of the employee is 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 reserves or they materialise shareholders' equity, respectively.

Revenues and expenses from financial investments are accounted for according to the portfolio in which they are classified, pursuant to the following criteria:

A) TRADING PORTFOLIO

Changes in fair value are directly accounted for in the income statement, differentiating the portion attributable to yields, which is recorded as interest or, if applicable, as dividends, and the portion that is recorded as realised and unrealised results.

B) PORTFOLIO HELD TO MATURITY

Changes in fair value are recognised when the financial instrument is disposed of and in case of impairment.

C) PORTFOLIO AVAILABLE FOR SALE

Changes in fair value are recognised directly in the company's equity until the financial asset is written off or impairment is perceived, at which time they are recorded in the income statement.

In all cases, the interest from financial instruments is recorded in the consolidated income statement using the effective interest rate method.

5.21. Reclassification of expenses by final nature and allocation to activity segments

The criteria followed for the reclassification of expenses according to their final nature are mainly based on the function fulfilled by each employee, with their direct and indirect cost being distributed pursuant to the said function.

As regards expenses not directly or indirectly related to staff, individual studies are carried out, and they are allocated according to the function fulfilled by the said expenses.

The established destinations are as follows:

- Expenses to be allocated to benefits
- Expenses to be allocated to investments
- Other technical expenses
- Other non technical expenses
- Acquisition expenses
- Administration expenses
- Operating expenses from other activities

Expenses have been allocated to the following segments, according to the business line having originated them:

- Life Direct insurance
- Motor direct insurance
- Others 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 2010

ITEM	Opening balance	Adjustments to the opening balance	Changes to the scope	Additions or appropriations	Disposals, cancellations or reductions	Closing balance
COST						
GOODWILL	1,682.60	67.52	572.03	-	(15.56)	2,306.59
OTHER INTANGIBLE ASSETS						
Portfolio acquisition expenses	364.13	40.02	357.08	-	-	761.23
Software	262.03	25.04	8.06	36.76	(2.97)	328.92
Others	47.99	4.29	3.85	49.42	(20.62)	84.93
TOTAL COST	2,356.75	136.87	941.02	86.18	(39.15)	3,481.67
CUMULATIVE DEPRECIATION						
OTHER INTANGIBLE ASSETS						
Portfolio acquisition expenses	(42.75)	(2.72)	(0.81)	(23.74)	-	(70.02)
Software	(136.28)	(16.41)	(4.72)	(29.87)	3.99	(183.29)
Others	(17.89)	(3.64)	(1.38)	(1.97)	2.65	(22.23)
TOTAL CUMULATIVE DEPRECIATION	(196.92)	(22.77)	(6.91)	(55.58)	6.64	(275.54)
IMPAIRMENT						
GOODWILL	(38.75)	0.58	-	(10.03)	-	(48.20)
OTHER INTANGIBLE ASSETS						
Portfolio acquisition expenses	-	-	-	-	-	-
Software	-	-	-	(0.03)	-	(0.03)
Others	(0.04)	-	-	(1.83)	-	(1.87)
TOTAL IMPAIRMENT	(38.79)	0.58	-	(11.89)	-	(50.10)
TOTAL GOODWILL	1,643.85	68.10	572.03	(10.03)	(15.56)	2,258.39
TOTAL OTHER INTANGIBLE ASSETS	477.19	46.58	362.08	28.74	(16.95)	897.64
TOTAL INTANGIBLE ASSETS	2,121.04	114.68	934.11	18.71	(32.51)	3,156.03

FIGURES IN MILLION EUROS

The amounts shown as changes in the scope of financial year 2010 mainly arise from the acquisition of interests in the entities ASCAT VIDA S.A. DE SEGUROS Y REASEGUROS (hereinafter, ASCAT VIDA), ASCAT SEGUROS GENERALES S.A. DE SEGUROS Y REASEGUROS (hereinafter, ASCAT SEGUROS GENERALES), CAIXA TARRAGONA VIDA S.A. D'ASSEGURANCES I REASSEGURANCES (hereinafter, CAIXA TARRAGONA VIDA), CAIXA MANRESA VIDA S.A. COMPANYYA D'ASSEGURANCES (hereinafter, CAIXA MANRESA VIDA) and INSURE AND GO, whose goodwill amount to €337.94; €97.62; €54.57; €40.12 and €31.30 million, respectively; and the portfolio acquisition expenses of ASCAT VIDA and CAIXA MANRESA VIDA amount to €328.36 and €23.49 million, respectively.

The adjustments to the opening balance of goodwill mainly stem from exchange differences in goodwill in foreign currencies (COMMERCE, GENEL SIGORTA, MAPFRE NOSSA CAIXA VIDA E PREVIDENCIA, S.A. and others of smaller amounts).

Financial year 2009

ITEM	Opening balance	Adjustments to the opening balance	Changes to the scope	Additions or appropriations	Disposals, cancellations or reductions	Closing balance
COST						
GOODWILL	1,636.32	14.60	31.73	-	(0.05)	1,682.60
OTHER INTANGIBLE ASSETS						
Portfolio acquisition expenses	368.36	(4.23)	-	-	-	364.13
Software	219.83	14.40	0.26	42.52	(14.98)	262.03
Others	26.69	(13.97)	9.46	29.93	(4.12)	47.99
TOTAL COST	2,251.20	10.80	41.45	72.45	(19.15)	2,356.75
CUMULATIVE DEPRECIATION						
OTHER INTANGIBLE ASSETS						
Portfolio acquisition expenses	(23.36)	(0.90)	-	(18.49)	-	(42.75)
Software	(112.36)	(4.85)	(0.01)	(24.13)	5.07	(136.28)
Others	(15.55)	(1.25)	(0.04)	(3.12)	2.07	(17.89)
TOTAL CUMULATIVE DEPRECIATION	(151.27)	(7.00)	(0.05)	(45.74)	7.14	(196.92)
IMPAIRMENT						
GOODWILL	(35.03)	-	-	(3.72)	-	(38.75)
OTHER INTANGIBLE ASSETS						
Portfolio acquisition expenses	-	-	-	-	-	-
Software	-	-	-	-	-	-
Others	(0.04)	-	-	-	-	(0.04)
TOTAL IMPAIRMENT	(35.07)	-	-	(3.72)	-	(38.79)
TOTAL GOODWILL	1,601.29	14.60	31.73	(3.72)	(0.05)	1,643.85
TOTAL OTHER INTANGIBLE ASSETS	463.57	(10.80)	9.67	26.71	(11.96)	477.19
TOTAL INTANGIBLE ASSETS	2,064.86	3.80	41.40	22.99	(12.01)	2,121.04

FIGURES IN MILLION EUROS

The amounts shown as changes in the scope of financial year 2009 mainly arise from the acquisition of interests in the entities ASEGURADORA MUNDIAL and MUNDIAL DESARROLLO, whose goodwill amounts to €21.46 million and €3.03 million, respectively.

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)	Amortisation rate (annual)
Software	4	25%
Rights of use of administrative concessions	57	1.75%

The amortisation of intangible assets with finite useful life has been recorded in the expenses account "Amortisation 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	
	31/12/2010	31/12/2009
Goodwill in consolidation	2,142.11	1,525.77
Goodwill on merger	116.28	118.08

FIGURES IN MILLION EUROS

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

CONCEPTO	Cash generating unit	Balance 31.12.2008	FINANCIAL YEAR 2009		Balance 31.12.2009	FINANCIAL YEAR 2010		Balance 31.12.2010
			Entries/ (cancellations)	Impairment in the period		Entries/ (cancellations)	Impairment in the period	
Goodwill in consolidation								
MAPFRE VIDA	Life Assurance (Spain)	212.57	-	-	212.57	-	-	212.57
MAPFRE GLOBAL RISKS	Business insurance	40.17	-	-	40.17	-	-	40.17
GRUPO CORPORATIVO LML	Non-Life Insurance (Mexico)	22.26	-	-	22.26	3.20	-	25.46
BRICKELL FINANCIAL SERVICES	Travel Assistance (U.S.A.)	17.65	-	-	17.65	1.38	-	19.03
MAPFRE AMERICA	Non-Life Insurance (America)	30.50	-	-	30.50	-	-	30.50
MAPFRE WARRANTY	Coverage Extension	11.08	-	-	11.08	-	-	11.08
MAPFRE NOSSA CAIXA	Life Assurance (Brazil)	68.41	20.09	-	88.50	11.72	-	100.22
ABRAXAS	Travel Assistance (UK)	16.62	-	-	16.62	0.53	(0.66)	16.49
GENES SIGORTA	Insurance (Turkey)	72.91	(0.12)	-	72.79	3.00	-	75.79
BANKINTER VIDA	Life Assurance (Spain)	160.45	-	-	160.45	-	-	160.45
CCM VIDA Y PENSIONES	Life Assurance and Pensions (Spain)	90.51	-	-	90.51	-	-	90.51
COMMERCE	Non-Life Insurance (U.S.A.)	618.33	(5.80)	-	612.53	47.86	-	660.39
DUERO VIDA	Life Assurance (Spain)	70.12	-	-	70.12	-	-	70.12
DUERO PENSIONES	Pension fund manager (Spain)	13.38	-	-	13.38	-	-	13.38
ASEGURADORA MUNDIAL	Insurance (Central America)	-	21.46	-	21.46	(14.74)	-	6.72
ASCAT VIDA	Life Assurance (Spain)	-	-	-	-	337.94	-	337.94
ASCAT SEGUROS GENERALES	General Insurance (Spain)	-	-	-	-	97.62	-	97.62
CAIXA TARRAGONA VIDA	Life Assurance (Spain)	-	-	-	-	54.57	-	54.57
CAIXA MANRESA VIDA	Life Assurance (Spain)	-	-	-	-	40.12	-	40.12
INSURE AND GO	Insurance (UK)	-	-	-	-	31.30	-	31.30
Others	-	38.25	10.65	(3.72)	45.18	10.31	(7.81)	47.68
TOTAL GOODWILL ON CONSOLIDATION		1,483.21	46.28	(3.72)	1,525.77	624.81	(8.47)	2,142.11
Goodwill on merger								
MAPFRE FINISTERRE	Death insurance (Spain)	87.93	-	-	87.93	-	-	87.93
ASEICA	Medical assistance (Canary Islands)	12.73	-	-	12.73	-	-	12.73
Others	-	17.42	-	-	17.42	(0.82)	(0.98)	15.62
TOTAL MERGER GOODWILL		118.08	-	-	118.08	(0.82)	(0.98)	116.28
TOTAL GOODWILL		1,601.29	46.28	(3.72)	1,643.85	623.99	(9.45)	2,258.39
Goodwill in associated undertakings								
IBERICAR	Services (Spain)	10.29	-	-	10.29	-	-	10.29
MIDDLESEA INSURANCE	Insurance (Southern Europe)	6.00	-	-	6.00	-	(1.40)	4.60
Others	-	1.39	-	-	1.39	3.47	-	4.86
TOTAL GOODWILL IN ASSOCIATED UNDERTAKINGS (EQUITY METHOD) (*)		17.68	-	-	17.68	3.47	(1.40)	19.75

FIGURES IN MILLION EUROS

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

The goodwill of ASEGURADORA MUNDIAL was cancelled following the final assignment of the purchase price.

The book value, net of any impairment, of each of the above described goodwill items is, in all cases, equal to or lower than the amount recoverable from the cash generating unit to which they are allocated, which has been determined according to its use value, calculated on the basis of cash flow projections.

The discount rate applied to the said projections is based on the interest rates of the geographical market where each cash-generating unit operates, which ranges, after tax, between 3.82% and 11.75% in 2010 and between 2.65% and 8.96% in 2009, and to which a risk premium has been added according to the unit's type of activity.

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

GOODWILL	DISCOUNT RATE AFTER TAX	
	2010	2009
COMMERCE	6.97%	7.14%
MAPFRE VIDA, BANKINTER VIDA, CCM VIDA Y PENSIONES, DUERO VIDA AND DUERO PENSIONES	7.32%	6.27%
MAPFRE GLOBAL RISKS	8.32%	7.27%
MAPFRE NOSSA CAIXA	16.75%	12.46%
MAPFRE FINISTERRE	9.00%	9.00%
GENES SIGORTA	11.69%	13.96%

Projections corresponding to the first five years take into account growth rates of the flows based on historical experience, while for the following years constant flows are considered.

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 2010

ITEM	Opening balance	Adjustments to the opening balance	Changes to the scope	Additions or appropriations	Disposals, cancellations or reductions	Closing balance	Market capitalisation
COST							
PROPERTY FOR OWN USE							
Land and natural resources	133.23	15.75	0.68	0.89	(41.46)	109.09	148.25
Buildings and other structures	1,048.69	61.20	5.18	61.57	(128.62)	1,048.02	1,548.05
OTHER TANGIBLE FIXED ASSETS							
Vehicles	251.15	2.82	0.47	48.87	(89.22)	214.09	130.73
Furniture and fittings	426.45	6.31	1.93	16.57	(33.45)	417.81	213.91
Other tangible fixed assets	203.16	-	5.93	25.71	(40.35)	194.45	76.01
Advances and fixed assets in progress	1.39	(0.03)	-	2.18	(1.31)	2.23	2.14
TOTAL COST	2,064.07	86.05	14.19	155.79	(334.41)	1,985.69	2,119.09
CUMULATIVE DEPRECIATION							
PROPERTY FOR OWN USE	(124.15)	(11.39)	(1.49)	(26.01)	10.19	(152.85)	-
OTHER TANGIBLE FIXED ASSETS	(394.42)	(3.62)	(7.30)	(75.49)	54.79	(426.04)	-
TOTAL CUMULATIVE DEPRECIATION	(518.57)	(15.01)	(8.79)	(101.50)	64.98	(578.89)	-
IMPAIRMENT							
PROPERTY FOR OWN USE							
Land and natural resources	-	-	-	-	-	-	-
Buildings and other structures	(2.22)	0.18	-	(0.56)	-	(2.60)	-
OTHER TANGIBLE FIXED ASSETS							
Vehicles	(1.92)	-	-	(0.80)	2.72	-	-
Furniture and fittings	(1.76)	1.69	-	-	-	(0.07)	-
Other tangible fixed assets	(3.41)	0.21	-	-	-	(3.20)	-
TOTAL IMPAIRMENT	(9.31)	2.08	-	(1.36)	2.72	(5.87)	-
TOTAL PROPERTY FOR OWN USE	1,055.55	65.74	4.37	35.89	(159.89)	1,001.66	1,696.30
TOTAL OTHER PROPERTY, PLANT & EQUIPMENT	480.64	7.38	1.03	17.04	(106.82)	399.27	422.79
TOTAL PROPERTY, PLANT & EQUIPMENT	1,536.19	73.12	5.40	52.93	(266.71)	1,400.93	2,119.09

FIGURES IN MILLION EUROS

Financial year 2009

ITEM	Opening balance	Adjustments to the opening balance	Changes to the scope	Additions or appropriations	Disposals, cancellations or reductions	Closing balance	Market capitalisation
COST							
PROPERTY FOR OWN USE							
Land and natural resources	86.45	0.51	4.39	62.95	(21.07)	133.23	173.99
Buildings and other structures	925.45	1.35	16.57	165.53	(60.21)	1,048.69	1,612.54
OTHER TANGIBLE FIXED ASSETS							
Vehicles	163.90	3.17	118.28	68.53	(102.73)	251.15	156.19
Furniture and fittings	390.97	6.99	0.94	40.76	(13.21)	426.45	213.74
Other tangible fixed assets	157.25	5.34	–	61.35	(20.78)	203.16	109.29
Advances and fixed assets in progress	1.42	(0.62)	0.09	1.06	(0.56)	1.39	1.42
TOTAL COST	1,725.44	16.74	140.27	400.18	(218.56)	2,064.07	2,267.17
CUMULATIVE DEPRECIATION							
PROPERTY FOR OWN USE	(93.07)	(10.25)	(1.93)	(19.87)	0.97	(124.15)	–
OTHER TANGIBLE FIXED ASSETS	(334.75)	(10.36)	(35.72)	(59.35)	45.76	(394.42)	–
TOTAL CUMULATIVE DEPRECIATION	(427.82)	(20.61)	(37.65)	(79.22)	46.73	(518.57)	–
IMPAIRMENT							
PROPERTY FOR OWN USE							
Land and natural resources	–	–	–	–	–	–	–
Buildings and other structures	(0.33)	(0.20)	–	(2.00)	0.31	(2.22)	–
OTHER TANGIBLE FIXED ASSETS							
Vehicles	(0.48)	0.01	–	(1.45)	–	(1.92)	–
Furniture and fittings	(1.35)	0.09	–	(0.58)	0.08	(1.76)	–
Other tangible fixed assets	(3.22)	(0.19)	–	–	–	(3.41)	–
TOTAL IMPAIRMENT	(5.38)	(0.29)	–	(4.03)	0.39	(9.31)	–
TOTAL PROPERTY FOR OWN USE	918.50	(8.59)	19.03	206.61	(80.00)	1,055.55	1,786.53
TOTAL OTHER PROPERTY, PLANT & EQUIPMENT	373.74	4.43	83.59	110.32	(91.44)	480.64	480.64
TOTAL PROPERTY, PLANT & EQUIPMENT	1,292.24	(4.16)	102.62	316.93	(171.44)	1,536.19	2,267.17

FIGURES IN MILLION EUROS

The main additions in 2009 principally arise from transfers and from the purchase of buildings by MAPFRE FAMILIAR.

The fully amortised cost of tangible fixed assets as at 31st December 2010 and 2009 amounts to €107.73 million and €130.95 million, respectively.

Impairment losses amount to €1.36 million and €4.03 million for financial years 2010 and 2009, respectively, and reversals amount to €2.72 million and €0.39 million. These amounts are included in the headings “Allocation to the asset impairment provision” and “Reversal of the asset impairment provision” in the consolidated income statement.

INVESTMENT PROPERTY

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

Financial year 2010

ITEM	Opening balance	Adjustments to the opening balance	Changes to the scope	Additions or appropriations	Disposals, cancellations or reductions	Closing balance	Market capitalisation
COST							
INVESTMENT PROPERTY							
Land and natural resources	118.14	(1.74)	9.12	548.45	(1.18)	672.79	850.67
Buildings and other structures	957.29	15.86	17.90	144.94	(43.16)	1,092.83	1,340.26
OTHER INVESTMENT PROPERTY	-	-	-	-	-	-	-
TOTAL COST	1,075.43	14.12	27.02	693.39	(44.34)	1,765.62	2,190.93
CUMULATIVE DEPRECIATION							
INVESTMENT PROPERTY	(206.73)	(5.13)	(0.30)	(19.37)	7.77	(223.76)	-
TOTAL CUMULATIVE DEPRECIATION	(206.73)	(5.13)	(0.30)	(19.37)	7.77	(223.76)	
IMPAIRMENT							
INVESTMENT PROPERTY							
Land and natural resources	-	-	-	(60.23)	0.31	(59.92)	-
Buildings and other structures	(10.27)	(1.10)	-	(3.43)	-	(14.80)	-
TOTAL IMPAIRMENT	(10.27)	(1.10)	-	(63.66)	0.31	(74.72)	-
TOTAL INVESTMENT PROPERTY	858.43	7.89	26.72	610.36	(36.26)	1,467.14	2,190.93

FIGURES IN MILLION EUROS

The main receipts in financial year 2010 relate to transfers from the inventory account, amounting to €574.87 million, after MAPFRE INMUEBLES was converted into an Asset Management Company.

The main cancellation in the financial year 2010, amounting to €25.60 million, related to the sale to third parties of the building located at Avenida de General Perón, 38 in Madrid, which generated a realisation gain of €87.90 million.

Financial year 2009

ITEM	Opening balance	Adjustments to the opening balance	Changes to the scope	Additions or appropriations	Disposals, cancellations or reductions	Closing balance	Market capitalisation
COST							
INVESTMENT PROPERTY							
Land and natural resources	103.51	1.35	3.52	11.12	(1.36)	118.14	205.76
Buildings and other structures	1,038.67	4.62	13.80	120.77	(220.57)	957.29	1,525.17
TOTAL COST	1,142.18	5.97	17.32	131.89	(221.93)	1,075.43	1,730.93
CUMULATIVE DEPRECIATION							
INVESTMENT PROPERTY	(203.25)	(1.28)	(1.10)	(22.67)	21.57	(206.73)	-
TOTAL CUMULATIVE DEPRECIATION	(203.25)	(1.28)	(1.10)	(22.67)	21.57	(206.73)	-
IMPAIRMENT							
INVESTMENT PROPERTY							
Buildings and other structures	(8.19)	(0.38)	-	(1.70)	-	(10.27)	-
TOTAL IMPAIRMENT	(8.19)	(0.38)	-	(1.70)	-	(10.27)	-
TOTAL INVESTMENT PROPERTY	930.74	4.31	16.22	107.52	(200.36)	858.43	1,730.93

FIGURES IN MILLION EUROS

Changes in the scope in year 2009 arise from the incorporation of the entity ASEGURADORA MUNDIAL.

Other movements in 2009 are mainly due to transfers and to the sale of two office buildings in Madrid.

The market value of investment property corresponds with the appraisal value determined by the Directorate General for Insurance and Pension Funds or by the authorised independent appraisal entity.

The impairment loss occurred in the year is registered in the account "Allowance to the asset impairment provision" and the reversal under "Reversal of the asset impairment provision" of the consolidated income statement.

Revenues and expenses arising from investment property in financial years 2010 and 2009 are shown in the following table.

ITEM	Investments							
	OPERATING INVESTMENTS		EQUITY INVESTMENTS		INVESTMENTS IN OTHER ACTIVITIES		TOTAL	
	2010	2009	2010	2009	2010	2009	2010	2009
Revenues from investment property								
From rentals	61.18	78.24	3.80	5.24	1.71	8.79	66.69	92.27
Others	-	15.20	-	0.21	-	-	-	15.41
Gains on disposals	84.81	64.25	7.15	11.15	-	8.55	91.96	83.95
TOTAL REVENUES FROM INVESTMENT PROPERTY	145.99	157.69	10.95	16.60	1.71	17.34	158.65	191.63
Expenses from investment property								
Direct operating expenses	40.67	48.15	1.47	2.30	-	-	42.14	50.45
Other expenses	11.44	10.90	3.34	3.20	3.57	5.02	18.35	19.12
Losses on disposals	3.30	2.12	0.91	1.29	-	-	4.21	3.41
TOTAL EXPENSES FROM INVESTMENT PROPERTY	55.41	61.17	5.72	6.79	3.57	5.02	64.70	72.98

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	
	2010	2009	2010	2009	2010	2009
	Investment property	854.27	740.29	25	25	15

FIGURES IN MILLION EUROS

As at 31st December, minimum future collections from the last two years, to be received from non-cancellable operating leases are as follows:

ITEM	2010	2009
Less than one year	58.17	68.80
More than one year but less than five	175.40	235.52
More than five years	116.02	218.85
TOTAL	349.59	523.17

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 term of 5 years, without the leases stipulating any renewal clauses. 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	2010	2009
Less than one year	24.74	24.53
More than one year but less than five	98.43	100.58
More than five years	-	-
TOTAL	123.17	125.11

FIGURES IN MILLION EUROS

There are no contingent payments registered as expense in financial years 2010 and 2009.

6.4. Financial investments

As at 31st December 2010 and 2009, financial investments break down as follows:

ITEM	BOOK VALUE	
	2010	2009
PORTFOLIO HELD TO MATURITY		
Fixed-income	1,070.92	890.33
Other investments	37.78	33.95
TOTAL PORTFOLIO HELD TO MATURITY	1,108.70	924.28
PORTFOLIO AVAILABLE FOR SALE		
Shares	730.56	554.86
Fixed-income	24,732.74	23,773.45
Mutual funds	544.88	527.90
Others	383.92	261.94
TOTAL PORTFOLIO AVAILABLE FOR SALE	26,392.10	25,118.15
TRADING PORTFOLIO		
Derivatives (non hedging):		
Financial swaps	0.53	3.24
Options	12.66	11.23
Other investments:		
Shares	211.63	0.03
Fixed-income	891.87	1,108.51
Mutual funds	41.04	26.61
Others	20.17	76.03
TOTAL TRADING PORTFOLIO	1,177.90	1,225.65

FIGURES IN MILLION EUROS

PORTFOLIO HELD TO MATURITY

The portfolio held to maturity, as at 31st December 2010 and 2009, breaks down as follows:

ITEM	BOOK VALUE (DEPRECIATED COST)		FAIR VALUE		INTEREST INCOME		Impairment			
	2010	2009	2010	2009	2010	2009	RECORDED LOSS		REVERSAL GAINS	
							2010	2009	2010	2009
Fixed-income securities	1,070.92	890.33	1,067.93	890.33	159.58	101.50	-	-	-	-
Other investments	37.78	33.95	35.34	24.95	77.29	7.17	-	3.40	-	-
TOTAL	1,108.70	924.28	1,103.27	915.28	236.87	108.67	-	3.40	-	-

FIGURES IN MILLION EUROS

PORTFOLIO AVAILABLE FOR SALE

A breakdown is given below of investments allocated to the portfolio available for sale, as at 31st December 2010 and 2009:

ITEM	Market capitalisation (book value)						Total book value (fair value)		Impairment			
	LIST PRICE		OBSERVABLE DATA		OTHER MEASUREMENTS		2010	2009	RECORDED LOSS		REVERSAL GAINS	
	2010	2009	2010	2009	2010	2009			2010	2009	2010	2009
Shares	614.34	554.76	-	-	116.22	0.10	730.56	554.86	(32.51)	-	0.97	0.01
Fixed income securities	23,104.78	22,238.54	1,592.44	1,440.31	35.52	94.60	24,732.74	23,773.45	(3.21)	(9.43)	4.33	1.28
Mutual Funds	544.88	527.90	-	-	-	-	544.88	527.90	-	-	-	0.96
Others	263.64	128.80	119.08	117.89	1.20	15.25	383.92	261.94	(0.63)	-	-	-
TOTAL	24,527.64	23,450.00	1,711.52	1,558.20	152.94	109.95	26,392.10	25,118.15	(36.35)	(9.43)	5.30	2.25

FIGURES IN MILLION EUROS

For the purposes of the details shown in the table above, the market value has been calculated paying attention to:

- List value: listed prices on active markets for the same instrument as measured.
- Observable data: listed prices on active markets for instruments similar to the one measured here or other valuation techniques where all significant variables are based on observable market data.
- Other measurements: valuation techniques where some of the significant variables is/are not based on market data.

Valuation adjustments in the portfolio investments amount to (€939.84) and €558.07 million as at 31st December 2010 and 2009 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 2010 and 2009, amount to (€38.16) and €34.84 million, respectively.

TRADING PORTFOLIO

The following table details the investments allocated to the trading portfolio as at 31st December 2010 and 2009:

ITEM	Market capitalisation (book value)						Total book value (fair value)		Impairment			
	LIST PRICE		OBSERVABLE DATA		OTHER MEASUREMENTS		2010	2009	RECORDED LOSS		REVERSAL GAINS	
	2010	2009	2010	2009	2010	2009			2010	2009	2010	2009
Derivatives (non hedging)												
Financial swaps	0.53	3.24	-	-	-	-	0.53	3.24	30.42	(2.19)	-	-
Options	12.66	11.23	-	-	-	-	12.66	11.23	0.02	(2.25)	0.01	-
TOTAL DERIVATIVES (NOT FOR HEDGING)	13.19	14.47	-	-	-	-	13.19	14.47	30.44	(4.44)	0.01	-
Other investments												
Shares	211.63	0.03	-	-	-	-	211.63	0.03	(2.00)	-	-	-
Fixed income	891.87	1,108.51	-	-	-	-	891.87	1,108.51	(18.93)	1.19	(0.22)	13.21
Mutual funds	41.04	26.61	-	-	-	-	41.04	26.61	-	0.04	0.06	0.67
Others	20.17	76.03	-	-	-	-	20.17	76.03	-	-	-	-
TOTAL OTHER INVESTMENTS	1,164.71	1,211.18	-	-	-	-	1,164.71	1,211.18	(20.93)	1.23	(0.16)	13.88
TOTAL TRADING PORTFOLIO	1,177.90	1,225.65	-	-	-	-	1,177.90	1,225.65	9.51	(3.21)	(0.15)	13.88

FIGURES IN MILLION EUROS

The fixed income investments of the trading portfolio include €4.31 million and €6.44 million as at 31st December 2010 and 2009, respectively, corresponding to monetary assets and government debt sold temporarily, with a non-optional repurchase agreement.

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 1st December 2010 and 2009:

ITEM	Book value (fair value)		Results			
	2010	2009	UNREALISED		REALISED	
			2010	2009	2010	2009
Fixed income	672.44	481.80	(7.83)	11.96	-	-
Mutual fund holdings	1,044.29	316.88	6.62	17.81	(0.51)	(3.67)
TOTAL	1,716.73	798.68	(1.21)	29.77	(0.51)	(3.67)

FIGURES IN MILLION EUROS

6.6. Stocks

The following tables show the changes in the inventories item in the last two financial years:

Financial year 2010

ITEM	Opening balance	Adjustments to the opening balance	Changes to the scope	Receipts	Payments	Impairment (Allocation)/ Reversal	Closing balance
Land	536.60	-	-	1.46	(464.60)	35.07	108.53
Finished buildings	31.81	-	-	2.83	(37.62)	2.98	-
Other finished products	0.52	-	-	-	-	-	0.52
Developments and works in progress	80.74	-	-	3.15	(75.10)	6.93	15.72
Raw materials	5.25	-	-	0.27	(0.52)	-	5.00
TOTAL	654.92	-	-	7.71	(577.84)	44.98	129.77

FIGURES IN MILLION EUROS

Financial year 2009

ITEM	Opening balance	Adjustments to the opening balance	Changes to the scope	Receipts	Payments	Impairment (Allocation)/ Reversal	Closing balance
Land	578.75	-	-	38.66	(67.91)	(12.90)	536.60
Finished buildings	8.97	-	-	48.64	(22.82)	(2.98)	31.81
Other finished products	0.52	-	-	-	-	-	0.52
Developments and works in progress	93.54	-	-	24.64	(39.28)	1.84	80.74
Raw materials	5.27	-	0.03	1.37	(1.42)	-	5.25
TOTAL	687.05	-	0.03	113.31	(131.43)	(14.04)	654.92

FIGURES IN MILLION EUROS

The payments in financial year 2010 include €574.87 million of transfers to property investments after MAPFRE INMUEBLES became an Asset Management Company.

Receipts correspond to purchases of land and property developments in which MAPFRE INMUEBLES engaged until it was converted.

Capitalised interest costs in financial years 2010 and 2009 amounted to €2.81 million and €4.06 million, respectively. The capitalisation rate used in years 2010 and 2009 to determine the interest costs eligible for capitalisation was 2.83% and 3.80%, respectively.

6.7. Credits

The following table lists the credits as at 31st December 2010 and 2009; 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			
	2010	2009	2010	2009	2010	2009	RECORDED LOSSES		REVERSAL GAINS	
							2010	2009	2010	2009
Receivables on direct insurance and co-insurance transactions	2,793.61	2,502.80	(60.81)	(49.79)	2,732.80	2,453.01	(2.14)	(3.11)	4.99	1.34
Credits on reinsurance operations	720.42	495.11	(1.76)	(1.44)	718.66	493.67	-	(0.32)	0.12	-
Tax Credits	216.05	79.47	-	-	216.05	79.47	-	-	-	-
Corporate and other credits	470.42	587.18	(4.82)	(3.23)	465.60	583.95	(4.71)	(0.44)	3.75	0.86
TOTAL	4,200.50	3,664.56	(67.39)	(54.46)	4,133.11	3,610.10	(6.85)	(3.87)	8.86	2.20

DATOS EN MILLONES DE 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 2010

IMPAIRMENT IN:	Opening balance	Adjustments to the opening balance	Changes to the scope	RECORDED IN RESULTS		Write-off of asset	Closing balance
				Increase	Decrease		
Intangible assets	38.79	(0.58)	-	11.89	-	-	50.10
I. Goodwill	38.75	(0.58)	-	10.03	-	-	48.20
II. Other intangible assets	0.04	-	-	1.86	-	-	1.90
Property, plant and equipment	9.31	(2.08)	-	1.36	(2.72)	-	5.87
I. Property for own use	2.22	(0.18)	-	0.56	-	-	2.60
II. Other property, plant and equipment	7.09	(1.90)	-	0.80	(2.72)	-	3.27
Investments	90.84	4.98	14.65	100.01	(5.61)	(29.28)	175.59
I. Investment property	10.27	1.10	-	63.66	(0.31)	-	74.72
II. Financial investments							
Portfolio held to maturity	3.40	-	-	-	-	(3.40)	-
Portfolio available for sale	72.57	3.88	0.27	36.35	(5.30)	(23.57)	84.20
Trading portfolio	2.29	-	-	-	-	-	2.29
III. Investments recorded by the equity method	2.31	-	-	-	-	(2.31)	-
IV. Deposits established for accepted reinsurance	-	-	-	-	-	-	-
V. Other investments	-	-	14.38	-	-	-	14.38
Stocks	59.44	(0.19)	-	-	(44.98)	-	14.27
Loans	54.46	15.40	-	6.85	(8.86)	(0.46)	67.39
I. Receivables on direct insurance and co-insurance transactions	49.79	14.33	-	2.14	(4.99)	(0.46)	60.81
II. Credits on reinsurance operations	1.44	0.44	-	-	(0.12)	-	1.76
III. Tax Credits	-	-	-	-	-	-	-
IV. Corporate and other credits	3.23	0.63	-	4.71	(3.75)	-	4.82
Other assets	0.01	-	-	-	-	-	0.01
TOTAL IMPAIRMENT	252.85	17.53	14.65	120.11	(62.17)	(29.74)	313.23

FIGURES IN MILLION EUROS

Financial year 2009

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	35.07	-	-	3.72	-	-	38.79
I. Goodwill	35.03	-	-	3.72	-	-	38.75
II. Other intangible assets	0.04	-	-	-	-	-	0.04
Property, plant and equipment	5.38	0.29	-	4.03	(0.39)	-	9.31
I. Property for own use	0.33	0.20	-	2.00	(0.31)	-	2.22
II. Other property, plant and equipment	5.05	0.09	-	2.03	(0.08)	-	7.09
Investments	74.07	13.18	-	15.59	(2.25)	(9.75)	90.84
I. Investment property	8.19	0.38	-	1.70	-	-	10.27
II. Financial investments							
Portfolio held to maturity	-	-	-	3.40	-	-	3.40
Portfolio available for sale	52.59	12.80	-	9.43	(2.25)	-	72.57
Trading portfolio	2.29	-	-	-	-	-	2.29
III. Investments recorded by the equity method	1.25	-	-	1.06	-	-	2.31
IV. Deposits established for accepted reinsurance	-	-	-	-	-	-	-
V. Other investments	9.75	-	-	-	-	(9.75)	-
Stocks	45.40	(0.19)	-	25.74	(11.51)	-	59.44
Loans	61.08	-	-	3.87	(2.20)	(8.29)	54.46
I. Receivables on direct insurance and co-insurance transactions	56.31	-	-	3.11	(1.34)	(8.29)	49.79
II. Credits on reinsurance operations	1.12	-	-	0.32	-	-	1.44
III. Tax Credits	-	-	-	-	-	-	-
IV. Corporate and other credits	3.65	-	-	0.44	(0.86)	-	3.23
Other assets	0.01	-	-	-	-	-	0.01
TOTAL IMPAIRMENT	221.01	13.28	-	52.95	(16.35)	(18.04)	252.85

FIGURES IN MILLION EUROS

6.9. Cash and banks

During financial years 2010 and 2009, 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 2010				
MAPFRE VIDA	ASCAT VIDA	50.00%	Life Assurance - Spain	210.00
MAPFRE FAMILIAR	ASCAT SEGUROS GENERALES	50.01%	General Insurance - Spain	35.97
MAPFRE VIDA	CAIXA TARRAGONA VIDA	50.00%	Life Assurance - Spain	20.00
MAPFRE VIDA	CAIXA MANRESA VIDA	50.00%	Life Assurance - Spain	21.00
MAPFRE ASISTENCIA	INSURE AND GO	100.00%	Insurance - UK	31.30
MAPFRE INTERNACIONAL	GENES SIGORTA	9.75%	Insurance - Turkey	35.21
Financial year 2009				
MAPFRE AMERICA	ASEGURADORA MUNDIAL	56.65%	Insurance - Panama	44.35
MAPFRE AMERICA	MUNDIAL DESARROLLO	57.06%	Insurance - Panama	24.40
MAPFRE INTERNACIONAL	GENEL SIGORTA	10.00%	Insurance - Turkey	30.12

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Investments in financial year 2010 were financed with the available cash surplus, by drawing down on credit facilities and, in the case of life and general insurance operations in Spain, by financing granted by the selling financial institutions. Investments in financial year 2009 were financed with own funds.

There are no significant monetary transactions related to investment and funding activities excluded from the cash flow statements.

6.10. Non current assets classified as held for sale, related liabilities and discontinued operations

The main types of non-current assets classified as held for sale and of discontinued activities, as well as their related liabilities as at 31st December 2010 and 2009, are as follows:

ITEM	NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE		DISCONTINUED OPERATIONS		TOTAL	
	2010	2009	2010	2009	2010	2009
Assets						
Intangible assets	–	0.97	5.84	–	5.84	0.97
Property, plant and equipment	31.01	0.56	25.58	–	56.59	0.56
Other assets	–	2.62	30.38	–	30.38	2.62
TOTAL ASSETS	31.01	4.15	61.80	–	92.81	4.15
Related liabilities	0.96	1.91	29.92	–	30.88	1.91

FIGURES IN MILLION EUROS

The assets and liabilities described relate to the "Other activities" segment, and mainly refer to the services for the elderly provided by MAPFRE QUAVITAE, for which a sale agreement has been reached with third parties.

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

During financial years 2010 and 2009, these assets have generated total revenues of €148.41 million and €132.51 million, respectively, and net results of €0.06 million and (€2.49) million, respectively. Net cash flows generated by these assets in the same periods amounted to (€2.54) million and (€1.63) million, respectively.

6.11. Total equity

SHARE CAPITAL

Share capital is recorded as the face value of shares fully paid-up or the payment of which has been called.

The controlling Company's share capital as at 31st December 2010 is represented by 3,012,154,351 shares (2,922,709,779 shares as at 31st December 2009) with a nominal value of €0.10 each, fully subscribed and paid-up. All the shares confer the same voting and dividend rights.

CARTERA MAPFRE holds 64.40% and 64.19% in the share capital as at 31st December 2010 and 2009, respectively; and CAJA MADRID CIBELES, S.A. holds 14.96% and 14.94% as at 31st December 2010 and 2009, respectively.

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

As at 31st December 2010 and 2009, there is no Group company holding shares in the controlling Company.

CAPITAL INCREASES CARRIED OUT DURING FINANCIAL YEARS 2009 AND 2010

The capital increase expenses, amounting, net of the tax effect, to €1.42 million and €2.37 million in 2010 and 2009, respectively, are deducted from the heading "Share premium, reserves and interim dividend".

As part of the possibility given to the controlling Company's shareholders of reinvesting the dividend collected in MAPFRE shares, the following capital increases have been carried out:

a) 14th April 2009

Issue of 118,578,068 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 1,410%, namely, at €1.41 each, of which €0.10 represents their nominal value and the remaining €1.31 was allocated to the legal reserve until reaching 20% of the share capital, and the residual amount to voluntary reserves.

b) 10th December 2009

Issue of 59,299,424 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 2,583%, namely, at €2.583 each, of which €0.10 represents their nominal value and the remaining €2.483 were allocated to the legal reserve until reaching 20% of the share capital, and the residual amount to voluntary reserves.

c) 23rd June 2010

Issue of 89,444,572 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 2,008%,

namely, at €2.008 each, of which €0.10 represents their nominal value and the remaining €1.908 were allocated to the legal reserve until reaching 20% of the share capital, and the residual amount to voluntary reserves.

VALUATION CHANGE ADJUSTMENTS

It includes the equity reserves arising as a consequence of revenues and expenses recognised in each year, which, pursuant to IFRS, must be directly recorded in the Group's equity accounts.

RESTRICTIONS ON THE AVAILABILITY OF RESERVES

- The "Share premium and reserves" item includes the legal reserve, amounting to €60.24 million and €58.45 million as at 31st December 2010 and 2009, respectively, which may not be distributed among shareholders, except in the event of winding-up of the controlling Company, and may be used only to offset potential losses.

The same restriction applies to the legal reserves established by the subsidiaries in their balance sheets.

- This item also includes the reserve on redenomination of the share capital to Euros amounting to €0.15 million, of a non-distributable nature, pursuant to the provisions of section 28 of Act 46/1998.
- There is no other restriction on the availability of reserves for any significant amount.

CAPITAL MANAGEMENT

MAPFRE has an internal capitalisation and dividend policy that is designed to provide the Units with the capital necessary 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 unit are detailed in Note 7 of the "RISK MANAGEMENT" report.

The items forming part of the Group's uncommitted equity conform to the requirements of current regulations.

The Group's solvency margin in financial years 2010 and 2009 amounts to €8,281.30 million and €7,695.26 million, respectively. These figures exceed the required minimum (which amounts to €2,898.77 million and €2,701.88 million, respectively) by 2.86 times in 2010 and by 2.85 times in 2009.

6.12. Subordinated liabilities

As at 31st December 2010 and 2009, 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.
- Nominal amount: €700 million
- Number of securities: 14,000.
- Nominal per security: €50,000
- Issue date: 24th July 2007.
- Maturity: 24th July 2037.
- First repayment option: 24th July 2017.
- Repayment in special cases: due to reform or modification of tax regulations, failure to qualify as the issuer's shareholders funds, and change in the treatment afforded by Credit Rating Agencies.
- Interest from issuance until the exercise date of the first repayment option: 5.921% per annum, payable on 24th July of each year.
- Interest from the date of exercise of the first repayment option: variable rate equal to 3-month Euribor plus 2.05%, payable quarterly.
- Deferral of interest: the issuer will have discretion to defer the payment of interest if this exceeds the profit available for distribution and if the issuer has not made any payment or repaid/repurchased any shares or securities issued pari passu with or ranking below the debentures.
- Settlement of deferred interest: the issuer will be bound to pay deferred interest when it resumes regular payment of interest of debentures, makes an early repayment of the debentures or makes payments or repurchases of any shares or securities ranking below the debentures.
- Priority order: they are subordinated to all ordinary creditors, these understood as all those that in the rank of priority stand before subordinated creditors in the event of the issuer's winding up.
- Listing: AIAF
- Law: Spanish.
- Rating of issue: A- (Standard & Poor's).

During the financial year 2009, 1,971 securities were purchased on the market, for a nominal amount of €98.55 million, which generated a pre-tax profit of €53.76 million. As at 31st December 2010 and 2009, the total number of securities purchased on the market amounted to 2,206.

Interest accrued pending payment as at 31st December 2010 and 2009 amounts to €15.31 million in both years. The fair value of the subordinated liabilities does not significantly deviate from its book value as at 31st December 2010.

6.13. Financial liabilities

The following table shows the fair value of financial liabilities:

ITEM	BOOK VALUE		FAIR VALUE	
	2010	2009	2010	2009
Issue of debentures and other negotiable securities	433.50	428.01	444.98	440.05
Due to credit institutions	1,078.56	1,013.93	1,078.56	1,017.37
Other financial liabilities	252.14	309.87	252.14	303.42
TOTAL	1,764.20	1,751.81	1,775.68	1,760.84

FIGURES IN MILLION EUROS

ISSUE OF DEBENTURES AND OTHER NEGOTIABLE SECURITIES

As at 31st December 2010 and 2009, the balance of this account includes the fair value of the debentures issued by MAPFRE, S.A. and COMMERCE, net of the fair value of the securities purchased on the market. The most significant terms and conditions of both issues are shown below:

a) MAPFRE, S.A.

- Nature of the issue: simple debentures represented by book entries.
- Total amount: €275 million
- Number of securities: 2,750.
- Nominal per security: €100,000
- Issue Date: 12th July 2001
- Term: 10 years.
- Maturity: 12th July 2011.
- Redemption: In a lump sum at maturity, at par, free of expenses for holders.
- List: AIAF Fixed Security Market
- Coupon: 6.02% per annum, payable on the anniversaries of the issuance date until the final maturity date inclusive.
- Rating of issue: AA-(Standard & Poor's).

Interest accrued pending payment as at 31st December 2010 and 2009 amounts to €7.80 million in both years.

On 28th February 2002, an interest rate swap was agreed on the total amount of the issue, restructured on 23rd June 2003, whereby the controlling Company receives on an annual basis an amount equivalent to 6.02% up to the final maturity of the issue, and undertakes to pay the 6 month Euribor plus 1.62%, with the maximum limit of 6.02% per annum. This swap, the cover of which is not efficient, is recorded under "Other Investments" at fair value for an amount of €8.73 million and €15.72 million as at 31st December 2010 and 2009, respectively.

b) COMMERCE

- Nature of the issue: simple debentures.
- Total amount: USD 300 million.
- Number of securities: 300,000.
- Nominal per security: USD 1,000.
- Issue Date: 9th December 2003
- Term: 10 years.
- Maturity: 9th December 2013.
- Redemption: In a lump sum at maturity, at par, free of expenses for holders.

- List: TRACE (Trade Reporting and Compliance Engine™)
- Coupon: 5.95% fixed payable in half-yearly periods on days 9th June and 9th December.
- Rating of issue: Moody's Baa2; S & P BBB; Fitch A-.

DUE TO CREDIT INSTITUTIONS

The amounts owed to credit institutions as at 31st December 2010 and 2009 break down as follows:

CLASS OF DEBT	BOOK VALUE		AVERAGE INTEREST RATE		SECURITY GIVEN	
	2010	2009	2010	2009	2010	2009
Financial lease	2.16	1.71	13.54%	7.47%	-	-
Credit facilities	811.79	697.24	1.24%	2.01%	-	-
Loans	236.78	258.52	4.56%	4.07%	-	-
Others	27.83	56.46	7.00%	-	-	-
TOTAL	1,078.56	1,013.93	-	-	-	-

FIGURES IN MILLION EUROS

As at 31st December 2010 and 2009, this borrowing heading includes the amount drawn down under several credit facilities, the main ones being as follows:

BANK	MATURITY	INTEREST RATE	LIMIT		DRAWN DOWN	
			2010	2009	2010	2009
Société Générale	18.06.2014	Euribor + 0.14	500.00	500.00	500.00	500.00
Caja Madrid	21.05.2013	Euribor + 0.95	500.00	-	201.00	-
Caja Madrid	03.04.2012	Euribor + 1.50	64.00	150.00	-	16.86
BBVA	15.06.2010	Euribor + 0.60	-	100.00	-	100.00
TOTAL			1,064.00	750.00	701.00	616.86

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Société Générale and Caja Madrid are the agent banks of the mentioned credit facilities, which are syndicated with other entities.

OTHER FINANCIAL LIABILITIES

"Other financial liabilities" includes the amount of other payment obligations of a financial nature, not included in other items, in particular the following:

- Temporary assignment of assets with non optional repurchase agreement, for the amount of €1.29 and €6.44 million as at 31st December 2010 and 2009, respectively.
- Interest rate swaps linked to Life assurance transactions, for the amount of €102.77 and 230.48 million as at 31st December 2010 and 2009, respectively.
- Obligation to purchase up to a maximum of 35% of the shares of MAPFRE MUNDIAL HOLDING, S.A., for the amount of €82.13 million. This amount has been booked in the financial year 2010, reducing the shareholders' equity accounts.

6.14. Technical provisions

1. DETAIL OF THE TECHNICAL RESERVES BALANCES

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

ITEM	DIRECT INSURANCE		ACCEPTED REINSURANCE		CEDED AND RETROCEDED REINSURANCE	
	2010	2009	2010	2009	2010	2009
Provisions for unearned premiums and for risks in progress Non-Life						
1.1 Provision for unearned premiums	4,897.69	4,742.52	988.25	873.29	974.67	830.30
1.2 Reserve for risks in progress	8.92	8.59	0.92	1.37	-	-
Life Assurance Provisions						
2.1 Provisions for unearned premiums and for risks in progress						
2.1.1. Provision for unearned premiums	375.90	175.89	95.08	51.50	33.01	107.17
2.1.2. Provision for current risks	0.23	0.53	-	-	-	-
2.2. Mathematical reserves	17,359.41	16,141.10	65.42	52.32	13.60	47.29
2.3. Provisions for profit sharing	36.99	33.45	-	-	-	-
Provisions for claims						
3.1. Pending settlement or payment	5,017.73	4,285.64	1,158.40	889.32	1,894.98	1,256.55
3.2. Claims incurred but unreported (IBNR)	1,002.28	1,033.53	55.43	51.78	149.06	235.41
3.3. For claim settlement internal expenses	112.26	121.37	1.54	1.08	13.21	5.88
Other technical reserves						
4.1. Deaths	444.46	405.16	-	-	-	-
4.2. Rest	98.20	73.38	26.05	26.64	14.07	1.52
TOTAL	29,354.07	27,021.16	2,391.09	1,947.30	3,092.60	2,484.12

FIGURES IN MILLION EUROS

2. CHANGES IN EACH TECHNICAL RESERVE

2.1. Provisions for unearned premiums, for risks in progress, for claims, for profit sharing, and other technical reserves

A) DIRECT INSURANCE AND ACCEPTED REINSURANCE

Financial year 2010

ITEM	Opening balance	Adjustments to the opening balance	Changes to the scope	Provisions	Applications	Closing balance
Provisions for unearned premiums and for risks in progress Non-Life						
1.1 Provision for unearned premiums	5,615.81	76.40	9.25	5,932.30	(5,747.82)	5,885.94
1.2 Reserve for risks in progress	9.96	0.13	6.58	6.33	(13.16)	9.84
Life Assurance Provisions						
2.1 Provisions for unearned premiums and for risks in progress						
2.1.1. Provision for unearned premiums	227.39	24.97	4.97	551.07	(337.42)	470.98
2.1.2. Provision for current risks	0.53	-	-	0.23	(0.53)	0.23
2.2. Mathematical reserves	16,193.42	108.83	2,778.16	2,408.60	(4,064.18)	17,424.83
2.3 Provision for profit sharing	33.45	(0.81)	0.34	35.09	(31.08)	36.99
Provisions for claims						
3.1 Direct insurance Life	414.15	1.28	61.97	608.56	(471.08)	614.88
3.2 Direct insurance Non Life	5,026.39	186.13	38.13	5,434.77	(5,168.03)	5,517.39
3.3 Accepted reinsurance	942.18	12.57	0.32	1,215.35	(955.05)	1,215.37
Other technical reserves	505.18	31.50	0.19	523.84	(492.00)	568.71
TOTAL	28,968.46	441.00	2,899.91	16,716.14	(17,280.35)	31,745.16

FIGURES IN MILLION EUROS

Financial year 2009

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	5,280.85	86.02	25.55	6,982.42	(6,759.03)	5,615.81
1.2 Reserve for risks in progress	5.02	5.16	0.01	9.96	(10.19)	9.96
Life Assurance Provisions						
2.1 Provisions for unearned premiums and for risks in progress						
2.1.1. Provision for unearned premiums	153.94	17.25	-	290.33	(234.13)	227.39
2.1.2. Provision for current risks	63.18	-	-	0.53	(63.18)	0.53
2.2. Mathematical reserves	15,976.96	138.19	70.49	2,793.92	(2,786.14)	16,193.42
2.3 Provision for profit sharing	1.14	-	-	33.45	(1.14)	33.45
Provisions for claims						
3.1 Direct insurance Life	286.50	8.49	-	837.59	(718.43)	414.15
3.2 Direct insurance Non Life	5,212.63	57.58	22.09	4,970.86	(5,236.77)	5,026.39
3.3 Accepted reinsurance	909.73	18.58	-	957.72	(943.85)	942.18
Other technical reserves	494.85	29.11	-	433.66	(452.44)	505.18
TOTAL	28,384.80	360.38	118.14	17,310.44	(17,205.30)	28,968.46

FIGURES IN MILLION EUROS

B) CEDED AND RETROCEDED REINSURANCE

Financial year 2010

ITEM	Opening balance	Adjustments to the opening balance	Changes to the scope	Provisions	Applications	Closing balance
Provision for unearned premiums	830.30	101.01	7.42	970.50	(934.56)	974.67
Provision for Life assurance	154.46	14.87	3.53	47.02	(173.27)	46.61
Provision for claims	1,497.84	113.37	11.81	2,115.30	(1,681.07)	2,057.25
Other technical reserves	1.52	-	0.47	14.07	(1.99)	14.07
TOTAL	2,484.12	229.25	23.23	3,146.89	(2,790.89)	3,092.60

FIGURES IN MILLION EUROS

Financial year 2009

ITEM	Opening balance	Adjustments to the opening balance	Changes to the scope	Provisions	Applications	Closing balance
Provision for unearned premiums	780.06	4.32	3.69	1,226.82	(1,184.59)	830.30
Provision for Life assurance	83.79	12.12	12.92	141.54	(95.91)	154.46
Provision for claims	1,701.90	(25.25)	1.85	1,795.17	(1,975.83)	1,497.84
Other technical reserves	0.05	0.01	-	1.52	(0.06)	1.52
TOTAL	2,565.80	(8.80)	18.46	3,165.05	(3,256.39)	2,484.12

FIGURES IN MILLION EUROS

2.2. Mathematical reserve

ITEM	DIRECT INSURANCE AND ACCEPTED REINSURANCE		CEDED AND RETROCEDED REINSURANCE	
	2010	2009	2010	2009
Mathematical reserve at beginning of year	16,193.42	15,976.96	47.29	30.07
Adjustments to the opening balance	108.83	138.19	1.93	1.44
Consolidation (balance of reserve on consolidation date)	2,778.16	70.49	-	12.92
Premiums	2,059.81	2,113.86	14.36	8.25
Technical interest	331.39	460.74	-	1.40
Allocated to profit sharing	14.80	19.31	-	-
Claim payments/collections	(3,138.44)	(2,786.14)	(1.57)	(4.09)
Reserve adequacy test	2.60	-	-	-
Shadow accounting adjustments	(828.45)	169.55	(15.99)	(0.01)
Others	(97.29)	30.46	(32.42)	(2.69)
Deconsolidation (balance of reserve on deconsolidation date)	-	-	-	-
MATHEMATICAL RESERVE AT END OF YEAR	17,424.83	16,193.42	13.60	47.29

FIGURES IN MILLION EUROS

2.3. Burial insurance provision

ITEM	DIRECT INSURANCE AND ACCEPTED REINSURANCE	
	2010	2009
RESERVE AT BEGINNING OF YEAR	405.16	374.02
Adjustments to the opening balance	-	-
Consolidation (balance of reserve on consolidation date)	-	-
Premiums	118.44	126.52
Technical interest	18.74	16.61
Claim payments	(81.57)	(96.06)
Reserve adequacy test	-	-
Others	(16.31)	(15.93)
Deconsolidation (balance of reserve on deconsolidation date)	-	-
RESERVE AT END OF YEAR	444.46	405.16

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	
	2010	2009
RESERVE AT BEGINNING OF YEAR	798.68	472.42
Adjustments to the opening balance	77.07	-
Consolidation (balance of reserve on consolidation date)	4.25	-
Premiums	1,052.75	461.95
Payment of claims	(253.70)	(158.44)
Asset valuation changes	32.48	26.10
Recognised losses from reserve adequacy test	-	-
Others	5.20	(3.35)
Deconsolidation (balance of reserve on deconsolidation date)	-	-
RESERVE AT END OF YEAR	1,716.73	798.68

FIGURES IN MILLION EUROS

3.2. Reserve for risks in progress

The reserve for current risks in progress has been allocated by the Group's insurance companies according to the principles stated in Note 5.15.

3.3. Information on Life Assurance

No additional reserve for life 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 2010 and 2009. Some of the types shown below include the GKM80 tables, which are used in all cases only for products with a risk item.

TECHNICAL CONDITIONS AT MAPFRE VIDA

METHODS	COVERAGE	TABLES	TECHNICAL INTEREST	PROFIT SHARING	
				Amount	Method of distribution
Individual contracts, with regular premium, with profit sharing:					
- Combined insurance with regular premium	(1)	GK-95	5.37%	3.07	(5)
- Life with counterinsurance, regular premium	(2)	GK-95	4.61%	2.56	(5)
Individual contracts, single premium, without profit sharing:					
- Survival with or without premium counterinsurance	(3)	GR-95/ GK-95 (6)	4.09% (4)	-	-
- Life with single premium	(7)	GK-95	3.61% (4)	-	-
Individual contracts, single premium unit linked:					
- Combined, single premium	(8)	GK-95	2.55%	-	-
Collective contracts, renewable risk:					
- Death	(9)	GK-95	2.56% (4)	15.84	(10)
Collective annuity contracts, single premium:					
- Survival with profit sharing and without counterinsurance	(3)	PERM/ F-2000 P/C	5.17% (4)	-	(11)
- Survival without profit sharing and without counterinsurance	(3)	PERM/ F-2000 P/C	4.30% (4)	-	-

FIGURES IN MILLION EUROS

(1) In case of life, an amount of capital at maturity is guaranteed, as well as appreciation of capital allocated by profit sharing. In case of death, a capital is guaranteed consisting of the sum of the net premiums paid until the insured person's death, capitalised at the technical interest (according to products) per full elapsed years, plus the net premiums forecast from the date of death until maturity of the contract. In addition, the mathematical reserve of the "bonuses" assigned in profit sharing is guaranteed.

(2) In case of life, an amount of capital at maturity is guaranteed, as well as appreciation of capital allocated by profit sharing. In case of death, a capital is

guaranteed consisting of the sum of the net premiums paid until the insured person's death, capitalised at the technical interest (according to products) per full elapsed years. In addition, the mathematical reserve of the "bonuses" assigned in profit sharing is guaranteed.

(3) Temporary and life survival annuities, with or without of premium counterinsurance

(4) Floating interest rates are applied according to the Technical Note, abiding by the provisions of Royal Decree 2486/1998, approving the Regulations on Organisation and Supervision of Private Insurance, and of Order EHA/3598/2008.

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

(6) Mortality table GK-95 is applied for annuities with a premium counterinsurance exceeding the single premium paid, while mortality table GR-95 is used for annuities without premium counterinsurance or with counterinsurance less than the single premium paid.

(7) If the insured person is still alive on the date established in the special terms, the capital assured for this guarantee is paid. In the event of the insured person's death, the amount of the capital assured for this guarantee is paid to the beneficiaries designated in accordance with the provisions set forth in the policy.

(8) If the insured person is still alive on the date established in the special terms, a sum insured is paid together with an additional sum in line with fulfilment of a condition related to the performance of an index. 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.

(9) Annual renewable temporary insurance, in the case of death the payment of a sum and/or annuity is guaranteed.

(10) Technical profit sharing (due to low claim experience), paid on issue of invoices.

(11) The distribution of profit sharing is instrumented in deferred annuity policies without reimbursement of reserves.

TECHNICAL CONDITIONS OF MAPFRE-CAJA MADRID VIDA

METHODS	COVERAGE	TABLES	TECHNICAL INTEREST	PROFIT SHARING	
				Amount	Method of distribution
Individual contracts, with regular premium, with profit sharing:					
- Combined insurance	(1)	GRM/F-95	4.25%	-	-
- Combined insurance	(2)	GRM/F-95	3.59%	-	-
- Combined insurance	(3)	GKM/F-95	3.28%	-	-
- Combined insurance	(4)	GKM/F-95	3.25%	-	-
- Combined insurance	(5)	GKM/F-95	(11)	-	-
Collective contracts, multi-year and complementary risks with technical profit sharing:					
- Risk insurance	(6)	GK-95	2.00%	21.42	(12)
- Annuity insurance	(6)	GR-95 and PER-95	3.64%	-	-
- Risk insurance	(7)	GK-95	2.00%	1.04	(13)
Collective contracts, single premium with profit sharing:					
- Annuity insurance	(8)	GR-95 and PERM 2000	2.45%	1.49%	(14)
Collective contracts, single premium without profit sharing:					
- Annuity insurance	(9)	GR-95	2.26%	-	-
- Annuity insurance	(10)	GR-95	5.45%	-	-

FIGURES IN MILLION EUROS

(1) The insurance policy guarantees payment of a constant annuity while the insured person lives and, should he/she die during the first year of validity of the insurance policy, the return of the premium paid. If death occurs after the first year, the return of the premium is guaranteed plus the lower of 2% of the premium and €1,202.02.

(2) The insurance policy guarantees payment of a constant annuity while the insured person lives and, should he/she die during the first year of validity of the insurance policy, the return of the premium paid. If death occurs after the first year, the return of the premium is guaranteed plus the lower of 3% of the premium and €6,010.12.

(3) The insurance policy guarantees payment of a constant annuity while the insured person lives and, should he/she die during the first year of validity of the insurance policy, the return of the premium paid. If death occurs after the first year, the guaranteed amount will depend on the choice made by the policyholder: the premium plus the lower of 3% of the premium and € 6,010. With the possibility of the technical interest rate being revised after 3.5 or 10 years.

(4) The insurance policy guarantees payment of a constant annuity while the insured person lives and, should he/she die during the first year of validity of the insurance policy, the return of the premium paid. If death occurs after the first year, the guaranteed amount will depend on the choice made by the policyholder: the premium plus the lower of 5% of the premium and €6,010, 85% of the premium or 75% of the premium.

(5) Insurance policy in which the policyholder assumes the investment risk, after deducting the management expenses and the costs of the insured amounts at risk will be tied to aliquot parts (units of accounts) of a portfolio of financial assets owned by the insurer, perfectly identified and allocated to this type of insurance. Therefore the economic rights of the insurance will be determined at all times by the market value of the units of account of the portfolio of financial assets assigned to the policy.

(6) Collective multi-year insurance guaranteeing payment of annuities to the appointed beneficiaries in the event any of the following contingencies occur: death, absolute and permanent disability, total or major disability of the insured person.

(7) Collective multi-year insurance guaranteeing payment of capitals to the appointed beneficiaries in the event any of the following contingencies occur: death, absolute and permanent disability, total or major disability of the insured person.

(8) Group, pension scheme annuity life assurance in which, in return for a single premium from the policyholder, the insurer promises to pay an annuity of the kind selected by the policyholder: lifetime or limited annuity, defined, constant or variable, etc.

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

(10) Group insurance that instruments pension commitments and guarantees the payment of an annuity for the retirement, disablement, orphanhood and widowhood benefit.

(11) No interest rate applies to savings cover since it is a unit-linked product. In death cover, the technical interest rate used is 2%.

(12) 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.

(13) 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.

(14) Financial and technical profit sharing that is distributed among policyholders in proportion to the weighted average of their mathematical provisions during the financial year.

TECHNICAL CONDITIONS AT ASCAT VIDA

METHODS	COVERAGE	TABLES	TECHNICAL INTEREST (WEIGHTED AVERAGE)	PROFIT SHARING	
				Amount	Method of distribution
Individual contracts, with regular premium, with profit sharing:					
- Combined insurance	(1)	GKM-80/ GKF-80	0.50%	2.10	(5)
- Combined insurance	(1)	GKM-80/ GKF-80	2.00%	-	(5)
Individual contracts, regular/single premium, without profit sharing:					
- Combined insurance	(2)	GKM-80/ GKF-80	1.00% - 4.00% (7)	-	-
Individual contracts, single premium, without profit sharing:					
- Survival with premium counterinsurance	(3)	GRM-95/ GRF-95	1.75% - 5.00% (7)	-	-
Collective contracts, single/regular premium with profit sharing:					
- Survival	(4)	GRM-95/ GRF-95	2.60% - 6.00% (7)	0.46	(6)

FIGURES IN MILLION EUROS

(1) The guaranteed saving plan is a saving/retirement product, 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 natural half-year. In case of death of the insured person, the policy guarantees a capital in addition to the mathematical provision.

(2) The insured retirement plan is a long-term insurance product in which the main guarantee is retirement. Subject to the same tax and liquidity regulations as pension schemes.

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

(4) Mainly relates to lifetime survivor annuities of the policies contracted by CatalunyaCaixa to cover the pension commitments specified in the collective bargaining agreement, mainly for retired personnel.

(5) Distribution of the profit sharing is instrumentalised by increasing the mathematical provision.

(6) Distribution of the profit sharing is instrumentalised by premium return.

(7) The technical interest rate depends on the date that the policy is taken out.

TECHNICAL CONDITIONS AT BANKINTER VIDA

METHODS	Coverage	Tables	Technical
- Counterinsurance insurance	(4)	GK-95	3.08% (5)
- Combined insurance	(1)	GR-95	5.97% (2)
- Combined insurance	(3)	GKM-80 / GK-95	(7)
- Combined insurance	(3)	GK-95	(7)
- Death insurance	(6)	GK-80 / GK-95	2.21%

(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 the mathematical reserve plus additional capital.

(4) 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-linked product.

TECHNICAL CONDITIONS AT CCM VIDA Y PENSIONES

METHODS	COVERAGE	TABLES	TECHNICAL INTEREST	PROFIT SHARING	
				Amount	Method of distribution
Collective contracts treated individually, single premium with profit sharing:					
- Combined insurance CJO2	(1)	GRM/F-80	4.00%	-	(2)
- Combined insurance CEO4	(1)	GRM/F-95	2.00%	0.63	(2)
- Combined insurance PPA	(3)	GKM/F-95	1.50%	0.54	(2)
- Combined insurance ACO2	(4)	GKM/F-80	1.75%	0.22	(2)
Collective contracts treated individually, single premium without profit sharing:					
- Survival PVI1	(5)	GRM/F-95	3.89%	-	-
- Combined insurance UL02	(6)	GKM/F-95	(7)	-	-
- Combined insurance UL03	(6)	GKM/F-95	(7)	-	-
- Survival RFE1	(8)	GRM/F-95	4.61%	-	-

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.

(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, the fund may be redeemed as an annuity or in a lump sum. 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.

(5) Constant for life annuity, albeit its amount may vary after each interest rate revision, payable quarterly in arrears, pursuant to the periodicity established by the client while the insured person is alive. In case of the insured person's death, the beneficiaries under the policy will receive a capital equivalent to 102% of premiums paid.

(6) Single premium saving-investment insurance in which the policyholder assumes the risk of the investment. If the insured person is alive on the maturity date, the beneficiaries of the policy will receive an amount that matches the result of multiplying the number of account units allocated to the policy times their net asset value on the maturity date of the insurance policy. If the insured person dies before the maturity date, the beneficiaries of the policy will receive a capital consisting of the sum of:

– An amount coinciding with the result of multiplying the number of account units allocated to the policy times their net asset value on the date when the loss is reported.

– An additional capital amounting to 1% of the single premium. In any case, this additional capital will not exceed the established ceiling of €10,000.

Additionally, if the insured person dies as a consequence of an accident before maturity, the beneficiaries under the policy will receive an insured capital for 49% of the single premium. In any case, it will not exceed the established ceiling of €50,000.

(7) Unit-linked life assurance.

(8) Temporary and for life annuities corresponding to the defined contributions of the pension plan of the employees of Caja de Ahorros de Castilla La Mancha.

TECHNICAL CONDITIONS AT DUERO VIDA

METHODS	COVERAGE	TABLES	TECHNICAL INTEREST	PROFIT SHARING	
				Amount	Method of distribution
Individual death insurance, regular premium, without profit sharing	(1), (2), (3), (4), (5), (6) and (7)	GK-95	2.00%	-	-
Individual insurance, combined, single premium, without profit sharing	(8) and (9)	GK-95	2.00%	-	-
Individual insurance, combined, regular premium, without profit sharing	(10) and (11)	GK-80	4.50%	-	-
Individual insurance, combined, regular premium, without profit sharing	(10) and (11)	GK-95	2.00% - 3.75%	-	-
Individual insurance, combined, regular premium, with profit sharing	(12), (13), (14) and (15)	GRM-95	2.00%	0.56	(20)
Individual survival insurance, single premium, without profit sharing	(16) and (7)	GR-95	2.00% - 4.00%	-	-
Individual insurance, combined, regular premium, without profit sharing	(18) and (19)	GK-95	2.00% - 4.65%	-	-

FIGURES IN MILLION EUROS

(1) Death due to any reason: Payment of the guaranteed capital is guaranteed upon the Insured person's death, if it occurs within the period provided for in the policy.

(2) Total and permanent professional disability: Payment of the guaranteed capital is guaranteed for the event that the insured person becomes affected by total and permanent professional disability due to an event occurred during the validity of the policy and with the disability declared in the said period or within the year subsequent to the expiry of the policy.

(3) Total permanent disability: Payment of the guaranteed capital is guaranteed for the event that the insured person becomes affected by absolute and permanent disability due to an event occurred during the validity of the policy and with the disability declared in the said period or within the year subsequent to the expiry of the policy.

(4) Accidental death: Payment of the additional capital to that of the main insurance is guaranteed in the event the insured person dies as a consequence of an accident occurred during the validity of the policy and provided that death takes place in the said period or within the year subsequent to the expiry of the policy.

(5) Death from driving accident: Payment of the additional capital is guaranteed, equal to the complementary insurance of death from accident occurred during the validity of the policy and provided that death takes place in the said period or within the year subsequent to the expiry of the policy.

(6) Serious illnesses: The insured person will receive the capital established in the particular conditions of the policy when the said person or any of his/her children (natural or legally adopted) and with ages between 2 and 16 years is diagnosed with any of the illnesses or has undergone any of the covered operations, provided that the said diagnosis or operation is made by a legally authorised physician.

(7) Domestic and international medical insurance: The provision of the covered medical services is guaranteed to users provided that the said services are requested during the validity of the contract.

(8) Survival: In case of the insured person's survival upon the expiry of the insurance policy, the insurer will pay the beneficiary the sum of a guaranteed minimum capital and of an additional sum, provided that on the final observation date, the average of the official closing prices of the shares that form the basket of securities established in the terms and conditions, are higher than their official closing price on the initial observation date.

(9) Death: If the insured person dies for any reason throughout the term of the insurance policy, the insurer will pay the stated beneficiary a capital equivalent to 105% of the guaranteed minimum capital for the survival cover.

(10) Survival: In the event of the insured person's survival upon maturity of the contract, the total cumulative balance as at the said date.

(11) Death: In case of the insured person's death during the validity of the insurance policy, the total cumulative balance as at the date of death plus an additional capital that will be defined in all cases in the particular conditions or the individual insurance certificate.

(12) Survival: The final guaranteed capital as determined in the particular conditions at the expiry of the insurance policy, when the insured person lives on the said date, plus any revaluation that might correspond according to the profit sharing clause.

(13) Insured party's death: Payment is guaranteed to the policyholder of a capital equivalent to the amount of the premiums paid by the policyholder until then, excluding those paid by the insurer in the cases of death or permanent disability of the policyholder as per sections (14) and (15), provided that the said death or disability occurs during the validity of the policy.

(14) Death of policyholder: If the policyholder dies before the expiry of the insurance policy, the insurer undertakes to maintain in place the values guaranteed by the contract as if the premium or premiums accrued from the date of death until expiry of the insurance policy had been paid.

(15) Policyholder's absolute and permanent disability: In the event of the policyholder's absolute and permanent disability prior to expiry of the insurance, the insurer undertakes to exempt the policyholder from payment of future insurance premiums, without prejudice to its maintaining in place the values guaranteed by the contract as if the premium or premiums had been paid.

(16) Survival: In case of the insured person's survival, the latter will receive an annuity for life on the dates, with the form of payment and for the amount that are laid down in the particular conditions of the contract.

(17) Death: If the insured person dies during the validity of the insurance policy, the insurer will pay the stated beneficiary the capital determined for this concept in the particular conditions as at the insured person's death.

(18) Survival: When the Insured person reaches retirement, the Insurer undertakes to pay the beneficiary the total cumulative balance as at that date.

(19) Death: In case of the insured person's death during the validity of the insurance policy, the insurer will pay the beneficiary the total cumulative balance as of the date of death plus an additional capital. The additional capital will be 10% of the total cumulative balance at the end of the month prior to the date of death, with a minimum of €1,000 and a maximum of €10,000.

(20) Increase of the guaranteed benefit.

TECHNICAL CONDITIONS AT MAPFRE AMÉRICA

The MAPFRE AMÉRICA group companies operate in their respective markets with both individual and collective contracts, with regular and/or single premiums, and with or without profit sharing. Contractual covers vary according to the conditions of the markets where they operate, including life and death insurance, combined insurance, for life annuities, death and burial, etc.

In the Brazilian company VERA CRUZ VIDA E PREVIDENCIA, its technical interest rate reaches a maximum of 6%. For some so-called "planos de previdencia" contracts, there is a "financial surplus" clause, whereby the distribution is calculated of a part of the return obtained by the assets allocated to the contracts and a technical reserve is established with the said name.

The companies MAPFRE CHILE VIDA and MAPFRE PERÚ VIDA sell for life annuity insurance at a technical interest rate that varies according to market conditions, although calculated with financial flow matching techniques that ensure the long term profitability of the operation.

At the company MAPFRE COLOMBIA VIDA, the distribution of profit sharing of some death and combined insurance policies is instrumented in deferred capital insurance policies with reimbursement of single premium reserves.

3.4. Evolution of claims

The table below shows the evolution of claims for Non Life direct insurance from the year of occurrence until the end of financial years 2010 and 2009; it also shows the detail per year of occurrence of the provision for claims under this insurance at the closing of these years.

Financial year 2010

YEAR OF CLAIM EVENT	ITEM	EVOLUTION OF THE COST OF CLAIMS IN THE YEARS SUBSEQUENT TO YEAR OF OCCURRENCE										
		Year of occurrence	1 year later	2 years later	3 years later	4 years later	5 years later	6 years later	7 years later	8 years later	9 years later	More than 9 later
2000 y anteriores	Outstanding provision	2,229.29	851.18	564.47	404.79	319.76	259.47	235.67	214.40	161.18	130.84	130.70
	Cumulative payments	8,377.41	8,626.32	8,916.11	9,065.91	9,192.95	9,256.08	9,278.13	9,323.73	9,354.86	9,426.13	9,448.27
	Total cost	10,606.70	9,477.50	9,480.58	9,470.70	9,512.71	9,515.55	9,513.80	9,538.13	9,516.04	9,556.97	9,578.97
2001	Outstanding provision	1,183.98	505.29	303.02	197.34	145.51	107.97	85.00	67.20	51.02	49.82	
	Cumulative payments	1,938.98	2,609.45	2,796.42	2,898.86	2,952.00	2,987.90	3,015.46	3,041.10	3,047.94	3,050.62	
	Total cost	3,122.96	3,114.74	3,099.44	3,096.20	3,097.51	3,095.87	3,100.46	3,108.30	3,098.96	3,100.44	
2002	Outstanding provision	1,399.79	551.90	334.39	219.51	160.63	99.78	78.70	49.17	31.97		
	Cumulative payments	2,211.46	3,016.38	3,226.30	3,337.18	3,401.33	3,450.66	3,486.49	3,495.35	3,501.95		
	Total cost	3,611.25	3,568.28	3,560.69	3,556.69	3,561.96	3,550.44	3,565.19	3,544.52	3,533.92		
2003	Outstanding provision	1,703.93	655.25	385.38	266.54	176.08	132.74	83.69	57.22			
	Cumulative payments	2,569.09	3,529.75	3,783.63	3,895.76	3,974.95	4,032.83	4,057.20	4,069.35			
	Total cost	4,273.02	4,185.00	4,169.01	4,162.30	4,151.03	4,165.57	4,140.89	4,126.57			
2004	Outstanding provision	1,853.10	761.40	473.86	321.74	188.84	121.93	82.55				
	Cumulative payments	2,720.69	3,699.24	3,940.99	4,074.99	4,178.00	4,258.38	4,247.67				
	Total cost	4,573.79	4,460.64	4,414.85	4,396.73	4,366.84	4,380.31	4,330.22				
2005	Outstanding provision	2,173.12	894.51	526.13	344.79	196.34	146.51					
	Cumulative payments	3,104.95	4,224.70	4,489.12	4,693.80	4,880.51	4,884.82					
	Total cost	5,278.07	5,119.21	5,015.25	5,038.59	5,076.85	5,031.33					
2006	Outstanding provision	2,222.76	943.69	608.14	319.64	235.50						
	Cumulative payments	3,236.37	4,354.17	4,636.44	4,980.09	5,007.48						
	Total cost	5,459.13	5,297.86	5,244.58	5,299.73	5,242.98						
2007	Outstanding provision	2,529.08	970.02	608.84	389.11							
	Cumulative payments	3,613.84	4,953.31	5,396.85	5,537.31							
	Total cost	6,142.92	5,923.33	6,005.69	5,926.42							
2008	Outstanding provision	2,614.05	1,015.19	609.46								
	Cumulative payments	4,174.99	5,708.90	5,999.59								
	Total cost	6,789.04	6,724.09	6,609.05								
2009	Outstanding provision	2,390.02	861.37									
	Cumulative payments	4,671.16	5,835.36									
	Total cost	7,061.18	6,696.73									
2010	Outstanding provision	2,923.18										
	Pagos acumulados	5,120.73										
	Total coste	8,043.91										

FIGURES IN MILLION EUROS

31st December 2009

ITEM	YEAR OF OCCURRENCE												Total
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000 y anteriores		
Provision for claims Non Life direct insurance	2,923.18	861.37	609.46	389.11	235.50	146.51	82.55	57.22	31.97	49.82	130.70	5,517.39	

FIGURES IN MILLION EUROS

Financial year 2009

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
1999 and previous	Outstanding provision	1,277.36	848.51	552.20	398.77	284.05	239.78	200.72	174.57	169.03	123.49	129.29
	Cumulative payments	5,504.01	6,065.31	6,329.32	6,483.29	6,577.57	6,658.32	6,694.58	6,716.93	6,768.10	6,784.00	6,806.76
	Total cost	6,781.37	6,913.82	6,881.52	6,882.06	6,861.62	6,898.10	6,895.30	6,891.50	6,937.13	6,907.49	6,936.05
2000	Outstanding provision	1,006.65	391.76	240.33	140.48	98.67	73.90	63.76	47.29	29.83	22.01	
	Cumulative payments	1,494.27	2,088.84	2,240.06	2,326.01	2,372.25	2,405.93	2,423.99	2,437.65	2,446.88	2,460.12	
	Total cost	2,500.92	2,480.60	2,480.39	2,466.49	2,470.92	2,479.83	2,487.75	2,484.94	2,476.71	2,482.13	
2001	Outstanding provision	1,155.81	484.85	291.09	187.42	136.87	103.83	73.48	57.40	29.60		
	Cumulative payments	1,944.06	2,619.66	2,804.77	2,906.18	2,958.77	2,996.37	3,025.38	3,039.64	3,060.99		
	Total cost	3,099.87	3,104.51	3,095.86	3,093.60	3,095.64	3,100.20	3,098.86	3,097.04	3,090.59		
2002	Outstanding provision	1,373.79	545.09	327.40	216.47	159.46	108.85	73.62	50.35			
	Cumulative payments	2,178.78	2,988.27	3,198.24	3,306.88	3,369.83	3,410.41	3,424.22	3,459.06			
	Total cost	3,552.57	3,533.36	3,525.64	3,523.35	3,529.29	3,519.26	3,497.84	3,509.41			
2003	Outstanding provision	1,699.15	649.69	387.39	269.81	173.98	135.76	82.37				
	Cumulative payments	2,582.26	3,561.93	3,817.96	3,906.55	3,991.49	4,031.50	4,047.83				
	Total cost	4,281.41	4,211.62	4,205.35	4,176.36	4,165.47	4,167.26	4,130.20				
2004	Outstanding provision	1,875.50	767.27	485.04	294.52	195.30	132.03					
	Cumulative payments	2,664.86	3,652.42	3,892.38	4,011.74	4,091.27	4,094.18					
	Total cost	4,540.36	4,419.69	4,377.42	4,306.26	4,286.57	4,226.21					
2005	Outstanding provision	2,166.59	872.27	594.26	316.26	210.37						
	Cumulative payments	3,082.14	4,193.85	4,434.39	4,587.13	4,620.02						
	Total cost	5,248.73	5,066.12	5,028.65	4,903.39	4,830.39						
2006	Outstanding provision	2,262.98	1,022.10	534.94	321.72							
	Cumulative payments	3,224.66	4,353.49	4,657.32	4,728.79							
	Total cost	5,487.64	5,375.59	5,192.26	5,050.51							
2007	Outstanding provision	2,542.37	954.80	613.04								
	Cumulative payments	3,559.42	4,931.30	5,186.67								
	Total cost	6,101.79	5,886.10	5,799.71								
2008	Outstanding provision	2,652.99	1,035.99									
	Cumulative payments	4,084.66	5,394.22									
	Total cost	6,737.65	6,430.21									
2009	Outstanding provision	2,399.62										
	Cumulative payments	4,978.38										
	Total cost	7,378.00										

FIGURES IN MILLION EUROS

31st December 2009

ITEM	YEAR OF OCCURRENCE											Total
	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999 and previous	
Provision for claims Non Life direct insurance	2,399.62	1,035.99	613.04	321.72	210.37	132.03	82.37	50.35	29.60	22.01	129.29	5,026.39

FIGURES IN MILLION EUROS

The percentage subject to be allocated to ceded reinsurance of the claims shown in the preceding tables amounts overall to 25.47% and 13.37% in financial years 2010 and 2009, 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 2010

ITEM	Opening balance	Adjustments to the opening balance	Transfers	Changes in scope	RECEIPTS		PAYMENTS		Closing balance
					Allocated provisions	Increased value on discount	Applied provisions	Reversed provisions	
Provision for taxes	139.74	0.37	61.30	-	68.34	-	(19.53)	-	250.22
Reserve for payments of liquidation agreements	21.08	-	-	-	0.29	-	(1.32)	-	20.05
Provisions for restructuring	13.08	-	-	-	10.85	0.50	(15.15)	-	9.28
Other provisions on staff related commitments	69.39	3.21	-	-	3.74	-	(6.21)	-	70.13
Other provisions	161.66	0.74	(61.30)	235.33	29.23	8.68	(10.54)	(0.26)	363.54
TOTAL	404.95	4.32	-	235.33	112.45	9.18	(52.75)	(0.26)	713.22

FIGURES IN MILLION EUROS

Financial year 2009

ITEM	Opening balance	Adjustments to the opening balance	Changes in scope	RECEIPTS		PAYMENTS		Closing balance
				Allocated provisions	Increased value on discount	Applied provisions	Reversed provisions	
Provision for taxes	127.95	1.76	-	1.62	10.01	(1.60)	-	139.74
Reserve for payments of liquidation agreements	30.43	0.06	-	7.88	0.08	(17.37)	-	21.08
Provisions for restructuring	14.35	-	-	10.93	-	(12.20)	-	13.08
Other provisions on staff related commitments	52.30	(1.50)	-	61.88	1.33	(44.60)	(0.02)	69.39
Other provisions	91.49	23.54	-	124.32	0.79	(70.98)	(7.50)	161.66
TOTAL	316.52	23.86	-	206.63	12.21	(146.75)	(7.52)	404.95

FIGURES IN MILLION EUROS

The provisions for liabilities and include the estimated amounts of tax debts, settlement treaty payments, restructuring payments, staff incentives, and others arising from the activities and liabilities inherent thereto of the Group's companies, which will be settled over the coming years, in addition to contingent payments arising from business combinations made in 2010 and preceding years, amounting to €346.13 and €102.12 million as at 31st December 2010 and 2009, respectively. The estimation of the allocated amount or of the timeframe when the provision will be liquidated is affected by uncertainties on the resolution of filed appeals and the evolution of other parameters. The preparation of assumptions on future events in order to determine the value of the provision has not been necessary.

6.16. Deposits received on ceded and retroceded reinsurance

Deposits on ceded and retroceded reinsurance represent guarantees given to reinsurers according to the reinsurance coverage contracts entered into pursuant to usual business practices. The said deposits accrue interest to be paid and the average rollover period is quarterly, in general. This interest is settled quarterly.

6.17. Debts

The balances included under the heading of debt on direct insurance transactions and coinsurance, on reinsurance transactions, tax debt and other debts do not accrue any interest to be paid and, generally, are settled in the following financial year.

6.18. Revenues and expenses from investments

The detail of revenues and expenses from investments for financial years 2010 and 2009 is shown below:

REVENUES FROM INVESTMENTS

ITEM	REVENUES FROM INVESTMENTS:				FINANCIAL REVENUES FROM OTHER ACTIVITIES		TOTAL	
	OPERATIONS		ASSETS		2010	2009	2010	2009
	2010	2009	2010	2009				
REVENUES FROM INTEREST, DIVIDENDS AND SIMILAR								
Investment property								
Rentals	61.18	78.24	3.80	5.24	1.71	8.79	66.69	92.27
Others	-	15.20	-	0.21	-	-	-	15.41
Revenues from portfolio held to maturity								
Fixed-income	121.63	77.52	37.82	23.82	0.13	0.16	159.58	101.50
Other investments	45.05	5.23	31.99	1.94	0.25	-	77.29	7.17
Revenues from portfolio available for sale	1,105.49	1,234.75	89.08	106.30	8.14	4.15	1,202.71	1,345.20
Revenues from the trading portfolio	260.41	213.32	35.17	21.68	-	-	295.58	235.00
Other financial returns	77.42	36.88	21.32	11.77	22.45	70.60	121.19	119.25
TOTAL INCOME	1,671.18	1,661.14	219.18	170.96	32.68	83.70	1,923.04	1,915.80
REALISED AND UNREALISED GAINS								
Net realised gains:								
Investment property	84.81	64.25	7.15	11.15	-	8.55	91.96	83.95
Financial investments portfolio held to maturity	-	3.12	-	-	-	-	-	3.12
Financial investments portfolio available for sale	225.91	246.44	40.74	17.80	7.20	3.31	273.85	267.55
Financial investments trading portfolio	0.50	13.88	0.09	-	-	-	0.59	13.88
Other	0.55	12.36	0.04	2.04	0.01	-	0.60	14.40
Unrealised gains:								
Increase in fair value of the trading portfolio and gains in derivatives	32.01	3.88	-	-	-	-	32.01	3.88
Other	1.45	-	0.07	-	-	-	1.52	-
TOTAL GAINS	345.23	343.93	48.09	30.99	7.21	11.86	400.53	386.78
TOTAL REVENUES FROM INVESTMENTS	2,016.41	2,005.07	267.27	201.95	39.89	95.56	2,323.57	2,302.58

FIGURES IN MILLION EUROS

EXPENSES FROM INVESTMENT

ITEM	EXPENSES FROM INVESTMENTS:				FINANCIAL EXPENSES FROM OTHER ACTIVITIES		TOTAL	
	OPERATIONS		ASSETS		2010	2009	2010	2009
	2010	2009	2010	2009				
FINANCIAL CHARGES								
Investment property								
Direct operating expenses	40.67	48.15	1.47	2.30	-	-	42.14	50.45
Other expenses	11.44	10.90	3.34	3.20	3.57	5.02	18.35	19.12
Expenses from portfolio held to maturity								
Fixed-income	3.54	26.98	0.74	7.10	0.06	-	4.34	34.08
Other investments	-	1.51	-	0.38	-	-	-	1.89
Expenses from portfolio available for sale	84.10	121.71	43.13	32.15	0.05	0.76	127.28	154.62
Expenses from the trading portfolio	129.37	154.86	0.23	7.66	-	-	129.60	162.52
Other financial charges	42.59	14.29	19.19	13.01	115.03	90.08	176.81	117.38
TOTAL EXPENSES	311.71	378.40	68.10	65.80	118.71	95.86	498.52	540.06
REALISED AND UNREALISED LOSSES								
Net realised losses								
Investment property	3.30	2.12	0.91	1.29	-	-	4.21	3.41
Financial investments portfolio held to maturity	-	0.01	-	-	-	-	-	0.01
Financial investments portfolio available for sale	131.44	176.12	19.26	13.55	1.08	3.02	151.78	192.69
Financial investments trading portfolio	0.63	-	0.26	-	-	-	0.89	-
Other	0.43	0.76	0.61	0.03	-	-	1.04	0.79
Unrealised losses								
Decrease in fair value of trading portfolio and losses in derivatives	23.08	26.03	-	-	-	-	23.08	26.03
Other	-	5.22	-	0.04	-	-	-	5.26
TOTAL LOSSES	158.88	210.26	21.04	14.91	1.08	3.02	181.00	228.19
TOTAL EXPENSES FROM INVESTMENTS	470.59	588.66	89.14	80.71	119.79	98.88	679.52	768.25

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	
	2010	2009
Personnel expenses	1,388.38	1,179.67
Depreciation charges	176.45	147.64
TOTAL	1,564.83	1,327.31

FIGURES IN MILLION EUROS

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

ITEM	AMOUNT	
	2010	2009
Direct insurance		
a) Life	24.77	17.90
b) Motor	53.70	47.59
c) Others	41.74	39.95
Reinsurance		
a) Life	0.77	3.59
b) Non-Life	5.28	1.70
Other activities	50.19	36.91
TOTAL	176.45	147.64

FIGURES IN MILLION EUROS

6.20. Result of ceded and retroceded reinsurance

The result of ceded and retroceded reinsurance transactions in financial years 2010 and 2009 is shown below:

ITEM	NON-LIFE		LIFE		TOTAL	
	2010	2009	2010	2009	2010	2009
Premiums	(1,516.28)	(1,477.27)	(278.82)	(161.28)	(1,795.10)	(1,638.55)
Change in the reserve for unearned premiums and for risks in progress	32.45	42.48	3.49	(0.25)	35.94	42.23
Claims paid and change in the provision for claims	1,872.28	702.52	145.05	93.39	2,017.33	795.91
Change in mathematical reserve and other technical reserves	14.71	1.46	4.38	4.15	19.09	5.61
Participation of reinsurance in fees and expenses	158.29	178.57	80.15	37.87	238.44	216.44
RESULT OF CEDED AND RETROCEDED REINSURANCE	561.45	(552.24)	(45.75)	(26.12)	515.70	(578.36)

DATOS EN MILLONES DE EUROS

6.21. Tax position

TAX CONSOLIDATION REGIME

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 2010 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 2010 and 2009, 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 2010	Financial year 2009
Tax expense		
Pre-tax profit of continuing operations	1,431.04	1,446.17
30% of the pre-tax profit of continuing operations	429.31	433.85
Tax effect of the permanent differences	(5.34)	(12.50)
Tax incentive for the financial year	(28.71)	(9.14)
Tax effect of tax rates other than 30%	(3.02)	16.33
Total expense from current tax originating in the financial year	392.24	428.54
Expense from current tax originating in previous years	0.56	(18.50)
Credits from negative tax bases not recognised from previous periods, deductions pending application or temporary differences	(25.36)	(2.27)
TOTAL TAX EXPENSE OF ONGOING OPERATIONS	367.44	407.77
Corporate income tax payable		
Taxes withheld and payments on account	(220.64)	(222.57)
Temporary differences	(46.07)	(48.26)
Tax credits and incentives applied, registered in previous years	-	(2.58)
Corporation tax on discontinued operations	(1.10)	(0.55)
NET CORPORATE INCOME TAX PAYABLE	99.63	133.81

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 2010 and 2009 in deferred tax assets, detailing their amount in relation to items directly debited or credited to equity accounts in each financial year.

Financial year 2010

ITEM	Opening balance	Adjustments to the opening balance	Changes to the scope	FROM		Retirements	Closing balance
				Results	Assets		
Measurement difference in financial investments	197.55	4.84	-	(12.09)	326.05	(12.52)	503.83
Measurement difference of mathematical provisions:							
Adaptation to new tables	2.79	-	-	(0.51)	-	-	2.28
By shadow accounting	188.26	-	-	(0.93)	(113.52)	(0.81)	73.00
Measurement difference in the provision for burial insurance	5.21	-	-	-	-	-	5.21
Tax credits on negative tax bases	21.54	0.62	3.50	25.36	-	(19.35)	31.67
Credits on tax incentives	-	-	-	28.71	-	(21.79)	6.92
Pension complements and other staff related commitments	84.37	-	-	3.79	-	(2.59)	85.57
Reserves for uncollected premiums	12.91	0.04	-	4.90	-	(2.36)	15.49
Sale of property developments pending delivery	0.02	-	-	7.44	-	(7.42)	0.04
Provisions for liabilities and others	49.85	0.07	-	18.31	-	(9.51)	58.72
Technical reserve for benefits	94.94	5.29	-	4.84	-	(20.74)	84.33
Other items	54.39	9.67	-	44.56	-	(5.78)	102.84
TOTAL	711.83	20.53	3.50	124.38	212.53	(102.87)	969.90

FIGURES IN MILLION EUROS

Financial year 2009

ITEM	Opening balance	Adjustments to the opening balance	Changes to the scope	FROM		Retirements	Closing balance
				Results	Assets		
Measurement difference in financial investments	119.49	-	-	14.20	63.86	-	197.55
Measurement difference of mathematical provisions:							
Adaptation to new tables	3.03	-	-	(0.24)	-	-	2.79
By shadow accounting	128.23	-	-	9.16	50.87	-	188.26
Measurement difference in the provision for burial insurance	6.88	-	-	-	-	(1.67)	5.21
Tax credits on negative tax bases	27.35	-	-	11.53	-	(17.34)	21.54
Credits on tax incentives	2.58	-	-	26.96	-	(29.54)	-
Pension complements and other staff related commitments	89.32	15.76	-	4.73	-	(25.44)	84.37
Reserves for uncollected premiums	12.91	(0.13)	-	8.00	-	(7.87)	12.91
Sale of property developments pending delivery	0.22	-	-	(0.20)	-	-	0.02
Provisions for liabilities and others	44.02	0.27	-	9.59	-	(4.03)	49.85
Technical reserve for benefits	106.00	(2.95)	-	(7.92)	-	(0.19)	94.94
Other items	45.59	7.09	-	25.44	-	(23.73)	54.39
TOTAL	585.62	20.04	-	101.25	114.73	(109.81)	711.83

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 2010 and 2009, amount to €981.42 million and €748.71 million, respectively.

Of the total amount of deferred tax assets, the balance sheet and the equity or results accounts include €969.90 million as at 31st December 2010 and €711.83 million as at 31st December 2009.

The remaining deferred tax assets accumulated as at 31st December 2010 and 2009, which amount to €11.52 million and €36.88 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 2010 and 2009

Financial year 2010

ITEM	Opening balance	Adjustments to the opening balance	Changes to the scope	FROM		Retirements	Closing balance
				Results	Assets		
Measurement difference in financial investments	442.77	24.44	–	8.27	(118.94)	(8.75)	347.79
Measurement difference in mathematical provisions by shadow accounting	24.91	–	–	0.77	134.94	(15.26)	145.36
Stabilization and catastrophe provision	160.47	11.46	–	26.85	–	–	198.78
Portfolio acquisition expenses and other acquisition expenses	187.69	17.76	106.88	(7.12)	–	–	305.21
Exchange differences in non-monetary items	4.76	–	–	–	5.24	–	10.00
Other recognised income and expense	–	–	–	–	7.25	–	7.25
Others	49.65	2.41	–	87.61	–	(57.75)	81.92
TOTAL	870.25	56.07	106.88	116.38	28.49	(81.76)	1,096.31

FIGURES IN MILLION EUROS

Financial year 2009

ITEM	Opening balance	Adjustments to the opening balance	Changes to the scope	FROM		Retirements	Closing balance
				Results	Assets		
Measurement difference in financial investments	199.74	2.06	–	(20.92)	272.45	(10.56)	442.77
Measurement difference in mathematical provisions by shadow accounting	3.22	–	–	17.23	4.46	–	24.91
Embedded derivatives	0.23	–	–	(0.07)	–	–	0.16
Stabilization and catastrophe provision	134.46	–	–	27.75	–	(1.74)	160.47
Portfolio acquisition expenses and other acquisition expenses	194.78	(1.54)	–	(5.55)	–	–	187.69
Exchange differences in non-monetary items	–	–	–	–	4.76	–	4.76
Others	49.11	(5.95)	–	45.47	–	(39.14)	49.49
TOTAL	581.54	(5.43)	–	63.91	281.67	(51.44)	870.25

FIGURES IN MILLION EUROS

The balance of "Others" includes the deferred tax liability arising from the amortisation expense of goodwill at non resident entities, amounting to €34.52 million and €22.50 million as at 31st December 2010 and 2009, respectively.

The full amount of deferred tax liabilities of fully consolidated companies as a consequence of cumulative timing differences as at 31st December 2010 and 2009 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	
		2009	2010	2009	2010	2010	2009	2010	2009
2003	2018	-	17.74	-	-	-	-	-	-
2004	2019	-	25.91	-	-	-	-	-	-
2005	2020	13.08	10.67	26.87	39.95	5.61	8.59	2.45	3.39
2006	2021	3.69	0.21	7.61	11.30	1.87	2.98	0.41	0.41
2007	2022	1.60	1.49	0.22	1.82	-	0.23	0.07	0.32
2008	2023	36.00	1.79	74.80	110.80	17.57	7.54	4.87	25.70
2009	2024	10.13	-	20.72	30.85	4.85	2.20	1.37	7.06
2010	2025	-	-	13.76	-	1.77	-	2.35	-
TOTAL		64.50	57.81	143.98	194.72	31.67	21.54	11.52	36.88

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 2010 and 2009 is as follows:

TYPE	AMOUNT APPLIED IN THE FINANCIAL YEAR		AMOUNT PENDING APPLICATION		AMOUNT NOT RECORDED		DEADLINE FOR THEIR APPLICATION
	2010	2009	2010	2009	2010	2009	
Double taxation deduction	48.69	17.82	3.68	-	-	-	-
Others	21.79	11.72	6.92	-	-	-	-
TOTAL	70.48	29.54	10.60	-	-	-	-

FIGURES IN MILLION EUROS

VERIFICATION BY THE TAX AUTHORITIES

Pursuant to current legislation, the tax returns filed for the different taxes cannot be considered definitive until they have been inspected by the tax authorities or until the prescription period (four years for Spanish companies) has elapsed.

As at 31st December 2010, fully consolidated companies have open to inspection all the taxes to which they are subject corresponding to the maximum prescription period in each of the countries where they operate. In the opinion of the Group's advisers, the likelihood of fiscal liabilities affecting significantly consolidated companies' financial position as at 31st December 2010 is remote.

The MAPFRE GROUP's most important tax assessments for corporation tax, withholdings on capital gains and personal income tax and others for financial years 1989 to 2001 amount to €24.9 million, most of which relate to short term temporary differences. Appeals with the relevant authorities have been lodged

with respect to all these tax assessments and they are pending resolution at year end. In the opinion of the Group's advisers, the likelihood of significant unrecorded fiscal liabilities emerging for this reason is remote.

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	
	2010	2009
Short term remuneration		
Wages and salaries	935.81	840.57
Social Security	249.62	236.36
Other remuneration	156.48	79.25
Post-employment benefits		
Defined contribution commitments	28.02	11.74
Defined benefit commitments	-	1.28
Other long term remuneration	0.07	0.36
Termination payments	20.68	8.16
Share-based payments	(2.30)	1.95
TOTAL	1,388.38	1,179.67

FIGURES IN MILLION EUROS

POST-EMPLOYMENT BENEFITS

A. Description of the defined benefit plans in force

The defined benefit plans in force, all of which are instrumented through insurance policies, are valued pursuant to the provisions detailed in the accounting policies, and are those where the benefit is determined according to end salaries, with a benefit paid as a for life annuity, subject to review according to the annual consumer price index (CPI).

In 2009, the commitments related to defined benefit plans were cancelled and the defined benefit plans corresponding to all working staff enjoying the said entitlement were liquidated and replaced by defined contribution plans. In the settlement process, the affected members assigned their rights under the defined benefit system, which were terminated, the entities exercised the redemption right established for this event and compensated each relevant member with a figure equivalent to the amount of his/her cumulative rights as at the liquidation date.

B. Amounts recognised in the Balance Sheet

There are defined benefit plan-related obligations amounting to €62.46 million and €64.46 million, respectively, as at 31st December 2010 and 2009, 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 €14.27 million and €14.49 million as at 31st December 2010 and 2009, 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	2010	2009
PRESENT VALUE OF OBLIGATION AS AT 1ST JANUARY	78.95	191.91
Cost of services in the year under review	-	2.65
Interest cost	3.18	5.74
Contributions made by plan members	-	-
Actuarial losses and gains	0.65	(1.96)
Modifications due to exchange rate changes	-	-
Benefits paid	(4.73)	(25.42)
Cost of past services	-	-
Business combinations	-	-
Reductions	-	-
Liquidations	-	(92.59)
Other items	(1.32)	(1.38)
PRESENT VALUE AS AT 31ST DECEMBER	76.73	78.95

FIGURES IN MILLION EUROS

The amount shown under "Liquidations" in 2009 relates to the cancellation of the defined benefit plan-related commitments. The plans of this kind of all working staff enjoying the said entitlement were liquidated and replaced by defined contribution plans.

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 in the last two financial years.

ITEM	2010	2009
VALUE OF ASSETS ALLOCATED TO THE PLAN AS AT 1ST JANUARY	14.49	14.87
Expected return from assets allocated to the plan	0.58	0.60
Actuarial losses and gains	-	-
Modifications due to exchange rate changes	-	-
Contributions made by the employer	-	-
Contributions made by plan members	-	-
Benefits paid	(0.75)	(0.76)
Liquidations	(0.05)	(0.22)
VALUE OF ASSETS ALLOCATED TO THE PLAN AS AT 31ST DECEMBER	14.27	14.49

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 2010 and 2009.

ITEM	2010	2009
Cost of services in the year under review	-	2.65
Interest cost	3.18	5.74
Expected return from assets allocated to the plan	(3.18)	(5.78)
Actuarial losses and gains	-	(1.33)
Cost of past services recognised in the year	-	-
Other items	0.24	-
TOTAL EXPENSE RECOGNISED IN THE INCOME STATEMENT	0.24	1.28

FIGURES IN MILLION EUROS

D. Returns

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 €3.18 million and €7.05 million in 2010 and 2009, respectively.

E. Assumptions

The main actuarial assumptions used on the closing date are as follows:

ITEM	2010	2009
DEMOGRAPHICAL ASSUMPTIONS		
Mortality tables	-	-
Survival tables	PERM/F-2000	PERM/F-2000
FINANCIAL ASSUMPTIONS		
Discount rate	4.25%	4.07%
Average annual salary increase	-	-
Average annual CPI	3%	3%
Expected return from allocated assets	4.25%	4.07%

F. Estimates

Contributions to the defined benefit plans in financial year 2011 are not envisaged.

SHARE-BASED PAYMENTS

The controlling Company's Extraordinary Shareholders Meeting, held on 4th July 2007, approved the incentive plan linked to the value of the shares for the MAPFRE Group's officers as described below:

- Formula: Each unit holder is granted the right to receive in cash the amount resulting from multiplying the number of MAPFRE, S.A. shares that are theoretically allocated by the difference between the simple arithmetic mean of the closing price of the stock market sessions of the 30 business days prior to the reporting date for the year and the simple arithmetic mean of the closing price during the stock market sessions corresponding to the 30 business days immediately before the date of inclusion in the plan. Nevertheless, in the initial group of members, this reference was replaced with the closing share price of 31st December 2006, which was €3.42 per share.
- Exercise of the right: The right can be exercised as to a maximum of 30% during the month of January of the fourth year, a maximum of 30% during the month of January of the seventh year, and the remainder during the month of January of the tenth year. All of the rights that are granted must be exercised no later than the last day of the third period mentioned above.

The number of reference shares taken into account to the effects of calculation of the remuneration amounted to 8,260,235 shares in 2010 and to 8,698,831 shares in 2009, with the exercise price being, as mentioned above, of €3.42 per share.

There was one cancellation during the financial years 2010 and 2009, because one of the plan's members no longer formed part of the staff on the option exercise date, as required under the provisions of the plan.

To arrive at the fair value of the options that are granted, an appraisal model based on binomial trees was applied, considering the following parameters:

- The risk-free interest rate was deemed to be the zero coupon rate arising from the euro IRS yield curve at the option maturity term.
- Dividend yield: that resulting from the dividends paid against the latest financial year closed (2009) and the closing share price of financial year 2010.
- The volatility of the underlying asset was determined by the performance of the MAPFRE share price during the year 2010.

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 (€2.30) million and € 1.95 million in 2010 and 2009, 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 2010 and 2009, the market value of the said equity swaps, amounting to €7.88 million and €2.64 million, respectively, is included under "Other financial liabilities", with the variation in the year being recorded in the consolidated income statement.

NUMBER OF EMPLOYEES

The following table shows the number of employees at the end of the last two financial years, classified by categories and sex, and distributed by geographical segments.

GEOGRAPHICAL AREA	Executives				Clerical Staff				Sales Staff				Others				Total			
	MEN		WOMEN		MEN		WOMEN		MEN		WOMEN		MEN		WOMEN		MEN		WOMEN	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
Spain	1,158	1,343	421	506	1,105	1,877	6,263	7,519	1,357	1,699	728	982	2,474	1,310	2,635	1,142	6,094	6,229	10,047	10,149
United States of America	239	240	240	245	547	418	1,588	1,366	72	–	97	4	388	258	471	238	1,246	916	2,396	1,853
Brazil	213	200	107	83	362	312	781	579	268	264	419	386	621	748	524	572	1,464	1,524	1,831	1,620
Mexico	130	64	64	21	164	161	117	125	132	153	246	246	616	478	356	296	1,042	856	783	688
Venezuela	68	36	54	17	245	186	431	246	39	93	83	183	249	410	241	375	601	725	809	821
Colombia	68	34	46	21	81	80	91	90	31	47	121	136	250	241	235	216	430	402	493	463
Argentina	149	41	49	7	325	302	535	584	316	362	232	226	532	651	329	327	1,322	1,356	1,145	1,144
Turkey	47	44	26	22	61	60	136	133	47	30	55	28	73	58	83	75	228	192	300	258
Chile	35	23	17	11	123	131	340	348	54	43	95	98	117	134	84	91	329	331	536	548
Other countries	792	288	515	152	662	659	1,018	947	408	321	386	384	539	881	288	619	2,401	2,149	2,207	2,102
AVERAGE TOTAL NUMBER OF EMPLOYEES	2,899	2,313	1,539	1,085	3,675	4,186	11,300	11,937	2,724	3,012	2,462	2,673	5,859	5,169	5,246	3,951	15,157	14,680	20,547	19,646

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 €461.96 million and €179.49 million in financial years 2010 and 2009, respectively.

Exchange losses other than those arising from financial instruments measured at fair value, allocated to the consolidated income statement, amount to €422.27 million and €184.12 million in financial years 2010 and 2009, respectively.

The reconciliation of the translation differences recognised in equity at the beginning and the end of the year, in 2010 and 2009, is shown below.

DESCRIPTION	AMOUNT	
	2010	2009
EXCHANGE DIFFERENCES AT THE BEGINNING OF THE YEAR	(129.65)	(144.59)
Net exchange differences on valuation of non-monetary items	5.12	4.69
Net exchange differences on translation of financial statements	190.91	10.25
EXCHANGE DIFFERENCES AT THE END OF THE YEAR	66.38	(129.65)

FIGURES IN MILLION EUROS

As at 31st December 2010 and 2009, 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	
		2010	2009	2010	2009	2010	2009
Fully consolidated companies:							
MAPFRE RE	Europe, America and rest of the world	1.13	-	(8.87)	(24.80)	(7.74)	(24.80)
MAPFRE AMERICA	America	79.05	12.68	(82.45)	(68.72)	(3.40)	(56.04)
MAPFRE INTERNACIONAL	Europe, America and rest of the world	131.95	17.91	(53.08)	(55.38)	78.87	(37.47)
OTHER	-	1.32	7.54	(7.50)	(17.38)	(6.18)	(9.84)
Companies recorded by the equity method	-	-	-	-	(1.21)	-	(1.21)
TOTAL		213.45	38.13	(151.90)	(167.49)	61.55	(129.36)

FIGURES IN MILLION EUROS

6.24. Contingent assets and liabilities

At the end of financial years 2010 and 2009, and until the date of issue of the financial statements, there was no evidence of the existence of contingent assets and liabilities for significant amounts.

6.25. Business combinations

TRANSACTIONED DURING FINANCIAL YEARS 2010 AND 2009

During financial years 2010 and 2009 several shareholding interests were acquired, the most significant ones being the stakes in ASCAT VIDA, ASCAT SEGUROS GENERALES, CAIXA TARRAGONA VIDA, CAIXA MANRESA VIDA and INSURE AND GO in 2010 and ASEGURADORA MUNDIAL and MUNDIAL DESARROLLO in 2009. The fair value of the identifiable assets and liabilities on the acquisition of the said interests is as follows:

ITEM	FINANCIAL YEAR 2010				FINANCIAL YEAR 2009		
	ASCAT VIDA	ASCAT SEGUROS GENERALES	CAIXA TARRAGONA VIDA	CAIXA MANRESA VIDA	INSURE AND GO	ASEGURADORA MUNDIAL	MUNDIAL DESARROLLO
ASSETS							
Portfolio acquisition expenses	328.36	-	-	23.49	-	-	-
Other intangible assets	0.04	0.43	-	0.44	2.30	1.63	7.80
Property, plant and equipment	0.08	-	-	-	0.30	3.73	0.67
Investments	2,462.98	24.66	4.20	42.51	-	104.06	27.65
Loans	196.26	7.20	0.48	1.81	1.90	37.54	32.44
Cash and banks	247.29	1.11	3.70	36.22	2.53	17.13	2.84
Other assets	13.59	10.69	1.34	0.73	8.77	20.57	7.54
TOTAL ASSETS	3,248.60	44.09	9.72	105.20	15.80	184.66	78.94
LIABILITIES							
Technical provisions	2,603.89	19.08	1.66	65.62	-	99.87	18.27
Debts	16.16	6.72	0.97	1.10	15.80	44.38	20.67
Other liabilities	169.04	1.93	0.04	7.77	-	-	2.55
TOTAL LIABILITIES	2,789.09	27.73	2.67	74.49	-	144.25	41.49
Fair value of the net assets	459.51	16.36	7.05	30.71	-	40.41	37.45
Interest purchased	50.00%	50.01%	50.00%	50.00%	100.00%	56.65%	57.06%
Fair value of the percentage of purchased net assets	229.76	8.18	3.53	15.36	-	22.89	21.37
Goodwill	337.94	97.62	54.57	40.12	31.30	21.46	3.03
NET ACQUISITION COSTS	567.70	105.80	58.10	55.48	31.30	44.35	24.40

FIGURES IN MILLION EUROS

The above stated fair values differ from the values in the accounts of the entities prior to the combination, mainly due to portfolio acquisition expenses, which are not recorded on their books.

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

The costs directly attributable to the combinations for the financial year 2010, as independent professional, legal and financial advisory fees, for a total amount of €2.42 million, have been charged as expense to the consolidated income statement.

These interests acquired in the financial year 2010 were added to the scope of consolidation on 30th September, and contributed €195.46 million to the Group's premiums and €9.09 million euros to net profit. If said combinations had been carried out at the beginning of the year, they would have contributed €853.18 to the Group's premiums and €24.86 million to net profit.

Other business combinations with a lower cost, carried out during financial year 2010, were NUEVO TANATORIO, S.L., FUNERARIA CRESPO, TANATORIO SAN ALBERTO and FINIBANCO VIDA; and during the financial year 2009 were FINLOG-ALUGUER E COMERCIO DE AUTOMOVEIS, S.A.; AZUL CENTROS RESIDENCIALES, S.A. AND SERVICIOS FUNERARIOS DEL NERVIÓN, S.L (See Appendix 1).

BUSINESS COMBINATIONS IN PROGRESS

In May 2010, an agreement was signed with BANCO DO BRASIL to set up a strategic alliance in the personal, general insurance and motor lines. At the end of the year, the necessary steps were being taken to obtain the authorisations required to complete the corporate transactions. This alliance will consolidate the partners' joint position in the sector and will give rise to one of the leading insurance groups in Brazil, with a market share of 16%, which will rank number 1 in personal insurance and number 2 in property insurance.

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	
	2010	2009	2010	2009
Received/provided services and other expenses/revenues	501.45	426.55	518.48	427.47
Expenses/revenues from investment property	18.31	21.42	19.84	22.80
Expenses/revenues from investments and financial accounts	21.01	19.06	22.09	30.48
Dividends distributed	-	-	905.58	982.63
TOTAL	540.77	467.03	1,465.99	1,463.38

FIGURES IN MILLION EUROS

REINSURANCE AND COINSURANCE TRANSACTIONS

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

ITEM	AMOUNT	
	2010	2009
Ceded/accepted premiums	1,234.81	960.23
Features	790.31	529.47
Changes in technical reserves	15.07	28.11
Fees	243.43	188.25

FIGURES IN MILLION EUROS

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

ITEM	ACCEPTED REINSURANCE		CEDED REINSURANCE	
	2010	2009	2010	2009
Credits and debts	(126.72)	(164.89)	126.72	164.89
Deposits	113.82	135.60	(113.82)	(135.60)
Technical provisions	(1,437.41)	(802.73)	1,437.41	802.73
TOTAL	(1,450.31)	(832.02)	1,450.31	832.02

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	
	2010	2009
Short term remuneration		
Wages	6.46	6.30
Fixed allowances	2.16	2.09
Attendance fees	0.85	0.88
Life Assurance	0.13	0.12
Post-employment remuneration		
Defined benefit	-	0.75
Defined contribution	9.57	6.90
Share-based payments	(0.57)	0.45
TOTAL	18.60	17.49

FIGURES IN MILLION EUROS

External directors' basic remuneration consists of a fixed annual allowance for their Board membership, which amounted to €43,171 in 2010 and 2009. 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 €4,317 in 2010 and 2009, for attending the Steering Committee; and €3,778 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 in the event of retirement, in the form of defined contributions plans, externalised through a life assurance policy, all according to the remuneration policy established by the Group for its senior managerial staff, whether or not they are directors.

These complements were materialised in defined benefit plans that were liquidated in 2009 and replaced with defined contribution plans, as described in note 6.22 of the annual report. Key managerial staff has received, as a compensation arising from the said liquidation, the amount of €35.18 million against the cumulative redemption values as at the liquidation date, and therefore the said compensation has not represented any expense for the Group in the year. Executive directors earn an allowance for attending Steering Committee meetings, which amounted to €4,317 in 2010 and 2009, as well as, when applicable, a fixed remuneration as Chairmen of the Regional Board. Irrespective of this, in the financial year 2010, other expenses for indemnities and other non-recurrent items amounting to €4.54 million were incurred.

The basic remuneration package of external directors is approved by the Annual General Meeting at the proposal of the Board of Directors and pursuant to the report issued by the Nomination and Remuneration Committee. The remuneration

of executive directors, attendance fees of the external members of Steering Committees and Delegated Committees and the fixed allowance for the chairmanship of Regional Boards are approved by the Board of Directors, pursuant to the report issued by the said Committee.

7. Risk management

Risk management goals, policies, and processes

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

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

Centralisation of the Risk Management System

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

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

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

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

of Strategic and Corporate Governance risks is highly centralised. Financial risks are managed centrally through the Group's Investments Area.

Estimation of Risks and Capital

MAPFRE has an internal capitalisation and dividend policy that is designed to provide the Units with the capital necessary to 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 insurance-activity risks. In addition, the level of capital assigned to each Unit may never be less than the statutory minimum capital required at any given time, plus a margin of 10%.

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

Certain units require a capitalisation level higher than that arising from the above described general rule, either because they operate in countries having different legal requirements, or because they are subject to higher financial solvency rules because of their rating. In 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.

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, Issue, Claims / Claims payments, Administrative Management, Commercial Activities, Human Resources, Commissions, Co-insurance / Re-insurance, Technical Reserves, Investments, I.T. Systems, and customer service.

Financial risks

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

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

- In the portfolios not covering long term liability commitments, the interest rate risk management variable is the modified term; at present, this must be between 3% and 7%.
- Exposure to exchange rate risk is minimised in the case of insurance liabilities. Exposure to this type of risk may not exceed a fixed percentage of assets qualified for the cover.
- Investment in equities is subject to a maximum limit of the investment portfolio, as well as to concentration limits per country and sector.
- 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 Units and Companies specialising in various business lines, requires them to be highly autonomous in the management of their business, in particular in the underwriting of risks and tariff fixing, as well as the indemnities or provision of services in the case of occurrences. Premium adequacy is an item of particular importance, and its determination is supported by specific computer applications.

The processing of claims payments, as well as the adequacy of provisions, is a basic principle of insurance management. The technical reserves are estimated by the actuarial teams from the different Units and Companies, and their adequacy is ratified by reports from independent experts in those companies where this is required. The preponderance of the personal injuries business at MAPFRE, with fast settlement of claims, as well as the scarce significance of insured long-tail risks, such as asbestos or professional liability, are factors that mitigate this kind of risk.

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

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

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.

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
	2010	2009	
Direct Insurance Spain			
Businesses	3.72	3.71	2.8%
Households	29.26	29.92	0.8%
Direct Insurance International			
America	18.89	16.54	0.9%
International	11.16	11.05	0.6%
Global Businesses			
Reinsurance	9.09	8.29	1.5%
Assistance	2.46	2.24	0.9%
Global Risks	1.70	1.30	7.5%
CONSOLIDATED	80.88	73.54	1.1%

FIGURES IN MILLION EUROS

For the Life activity, the sensitivity level is shown according to the results from the calculation of the embedded value, which has been made pursuant to the principles and methodology laid down in the so-called "European Embedded Value". The embedded value is obtained by adding to the adjusted equity the present value of the future profits of the managed portfolio (Life and fund management) and deducting the present value of options and guarantees granted to policyholders and the cost of the required regulatory capital.

The methodology to calculate the embedded value is based on the assessment of each business risk component separately and differentiating between the existing portfolio and the new business attracted during the year. The different components of the embedded value have been calculated as follows:

- Adjusted equity: this is calculated adjusting book equity, measured pursuant to the Chart of Accounts for Insurance Companies, for unrealised capital gains and losses, and decreasing its value in the amount of goodwill, deferred expenses and dividends and donations approved but pending payment.
- Present value of the portfolio's future profits: this is calculated by discounting future profits after taxes of the policies portfolio at present value as at the valuation date on the basis of risk-free rates, and including an estimate of the embedded value of options and financial guarantees granted to policyholders.
- Temporary value of the options and guarantees granted to policyholders: this is the change in the cost of the said options and guarantees that may result from any potential modifications that may take place in the benefits in favour of policyholders throughout the life of the policy. It is estimated by simulating the economic scenarios consistent with different market situations.
- Cost of required capital: this is an estimate of the cost of required capital, including that necessary to cover both financial and non financial risks. In line with market practices, the cost of capital used in the calculation of embedded value as at 31st December 2009 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 2009 and 2008 (figures for 2010 are not available at the date of issuing the consolidated annual accounts). The figures for the financial year 2009 do not include the business of MAPFRE VERACRUZ VIDA.

ITEM	2009	2008	% change
Adjusted equity	700.2	786.4	(11.0%)
Present value of future profits	1,718.7	1,724.0	(0.3%)
Present value of options and guarantees granted to policyholders	(37.3)	(104.3)	(64.2%)
Cost of regulatory required capital	(202.9)	(214.3)	(5.3%)
TOTAL EMBEDDED VALUE	2,178.7	2,191.8	(0.6%)

FIGURES IN MILLION EUROS

The variables to which embedded value is most sensitive in 2009 are as follows:

- A 100 basis points increase in interest rates, which would reduce the embedded value by €83.2 million in the existing portfolio and by €15.7 million in new business.
- A 10% reduction in the decline in the portfolio, which would increase the embedded value by €107 million in the existing portfolio and by €28.8 million in new business.

The Direct Insurance International companies that operate in the Life line, other than MAPFRE VERACRUZ, essentially operate in risk modalities, albeit without significant volumes of business.

2. Concentration of insurance risk

MAPFRE counts on a high degree of insurance risk diversification since it operates in virtually all insurance lines in Spain and has a strong presence in the international markets.

The Group has in place procedure and limit systems allowing it to control the level of concentration of the insurance risk.

It is usual practice to use reinsurance contracts to mitigate the insurance risk arising from concentration or accumulation of guarantees exceeding the maximum acceptance levels.

2.A) PREMIUM INCOME PER RISK

The following tables break down the premiums written for direct insurance and accepted reinsurance classified according to the type of business underwritten in the last two financial years:

Financial year 2010

ITEM	Accepted reinsurance					Direct insurance			
	LIFE	Non-Life		TOTAL	CATASTROPHE RISK	LIFE	Other risks		TOTAL
		CATASTROPHE RISK	OTHER RISKS				NON-LIFE		
							Motor	Others	
Premiums issued direct insurance	-	-	-	-	67.66	3,920.41	5,111.67	5,874.58	14,974.32
Reinsurance premiums accepted	284.77	385.32	1,328.72	1,998.81	-	-	-	-	-

FIGURES IN MILLION EUROS

Financial year 2009

ITEM	Accepted reinsurance					Direct insurance			
	LIFE	Non-Life		TOTAL	CATASTROPHE RISK	LIFE	Other risks		TOTAL
		CATASTROPHE RISK	OTHER RISKS				NON-LIFE		
							Motor	Others	
Premiums issued direct insurance	-	-	-	-	103.82	3,530.54	4,893.15	5,296.78	13,824.29
Reinsurance premiums accepted	175.93	527.48	1,079.09	1,782.50	-	-	-	-	-

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 2010

GEOGRAPHICAL AREA	DIRECT INSURANCE			Reinsurance	Total
	Life	Motor	Other Non-Life		
Spain	2,719.59	2,367.35	2,965.77	71.54	8,124.25
United States of America	–	1,209.28	512.65	137.40	1,859.33
Brazil	694.72	792.57	657.59	30.32	2,175.20
Mexico	77.15	133.50	255.97	124.43	591.05
Venezuela	5.45	234.68	379.53	99.73	719.39
Colombia	208.66	45.17	135.67	68.87	458.37
Argentina	27.92	109.85	320.85	62.85	521.47
Turkey	6.44	108.83	147.75	64.41	327.43
Chile	3.65	31.27	184.63	63.40	282.95
Other countries	176.83	90.93	615.64	1,030.29	1,913.69
TOTAL	3,920.41	5,123.43	6,176.05	1,753.24	16,973.13

FIGURES IN MILLION EUROS

Financial year 2009

GEOGRAPHICAL AREA	DIRECT INSURANCE			Reinsurance	Total
	Life	Motor	Other Non-Life		
Spain	2,615.31	2,348.47	3,194.64	49.35	8,207.77
United States of America	–	1,098.51	452.39	125.99	1,676.89
Brazil	646.04	562.33	454.30	81.21	1,743.88
Mexico	40.62	150.43	143.69	74.85	409.59
Venezuela	6.99	394.23	452.76	136.17	990.15
Colombia	124.75	41.20	84.60	58.52	309.07
Argentina	22.72	106.91	266.61	46.65	442.89
Turkey	5.54	83.36	123.86	42.28	255.04
Chile	2.28	27.55	109.10	45.36	184.29
Other countries	66.29	141.56	320.26	859.11	1,387.22
TOTAL	3,530.54	4,954.55	5,602.21	1,519.49	15,606.79

DATOS EN MILLONES DE 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	
	2010	2009
Euros	7,956.42	7,874.09
US Dollar	2,023.10	1,961.19
Brazilian real	2,115.15	1,659.75
Mexican peso	496.45	286.23
Argentine peso	458.62	402.05
Venezuelan Bolivar	619.66	838.13
Turkish lira	230.13	179.44
Colombian peso	389.49	237.56
Chilean peso	219.54	145.98
Other currencies	465.76	239.87
TOTAL	14,974.32	13,824.29

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) CREDIT 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	
	2010	2009
Provision for Life assurance	46.61	154.46
Provision for claims	2,057.25	1,497.84
Other technical reserves	14.07	1.52
Credits on ceded and retroceded reinsurance transactions	251.28	194.57
Debts on ceded and retroceded reinsurance transactions	(450.14)	(287.92)
TOTAL NET POSITION	1,919.07	1,560.47

FIGURES IN MILLION EUROS

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

RATING	BOOK VALUE	
	2010	2009
AAA	30.32	17.92
AA	746.48	646.47
A	730.76	518.67
BBB	171.81	158.29
BB or lower	20.59	17.71
No credit rating	219.11	201.41
TOTAL NET POSITION	1,919.07	1,560.47

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	
	2010	2009
Letters of credit	3.73	126.58
Guarantees	37.33	-
Pledging of assets	-	-
Other guarantees	411.83	360.29
TOTAL	452.89	486.87

FIGURES IN MILLION EUROS

The balances corresponding to credits from direct insurance and coinsurance transactions amount to €2,732.80 million and €2,453.01 million as at 31st December 2010 and 2009, respectively. The estimated impairment loss is shown in the income statement as stated under accounting policy 5.10.

2. Credit risk arising from other financial instruments

A breakdown is shown below of the fixed-income securities portfolio according to the credit rating of fixed-income issuers and of financial entities, respectively, during the last two years:

CREDIT RATING OF THE ISSUERS	Book value							
	PORTFOLIO HELD TO MATURITY		PORTFOLIO AVAILABLE FOR SALE		TRADING PORTFOLIO		CASH AND BANKS	
	2010	2009	2010	2009	2010	2009	2010	2009
AAA	785.48	526.81	5,325.80	8,960.39	631.15	838.96	235.21	124.46
AA	48.42	94.27	11,479.56	7,262.79	37.41	44.81	298.86	202.34
A	46.69	23.76	6,220.51	6,171.86	63.26	7.48	774.77	373.67
BBB	60.31	14.98	1,068.07	816.32	48.47	2.71	64.82	93.93
BB or lower	58.87	216.95	526.83	486.82	47.13	17.21	62.46	36.05
No credit rating	71.15	13.56	111.97	75.27	64.45	197.34	61.29	30.62
TOTAL	1,070.92	890.33	24,732.74	23,773.45	891.87	1,108.51	1,497.41	861.07

FIGURES IN MILLION EUROS

3. Fixed-income securities in default

The following table shows the age of fixed-income securities in default in the last two years:

AGE	2010	2009
1 to 3 months	0.48	2.77
3 to 6 months	0.93	0.31
6 to 9 months	-	7.15
9 to 12 months	1.33	2.11
12 to 24 months	9.13	0.40
More than 24 months	10.17	13.34
TOTAL	22.04	26.08

FIGURES IN MILLION EUROS

4. Credit and receivables

The following table breaks down the credits and receivables as at 31st December 2010 and 2009, 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	
	2010	2009	RECORDED LOSSES		REVERSAL GAINS		2010	2009
			2010	2009	2010	2009		
Receivables on direct insurance and co-insurance transactions	2,732.80	2,453.01	(2.14)	(3.11)	4.99	1.34	37.28	-
Credit on reinsurance transactions	718.66	493.67	-	(0.32)	0.12	-	-	-
Tax Credits	216.05	79.47	-	-	-	-	-	-
Corporate and other credits	465.60	583.95	(4.71)	(0.44)	3.75	0.86	-	-
TOTAL	4,133.11	3,610.10	(6.85)	(3.87)	8.86	2.20	37.28	-

FIGURES IN MILLION EUROS

C) LIQUIDITY RISK

As regards liquidity risk, MAPFRE's policy is based on maintaining cash balances sufficient to cover any contingency arising from its obligations vis-à-vis insured parties and creditors. Thus, as at 31st December 2010, the cash and cash equivalent balance amounted to €1,497.41 million (€861.07 million in the preceding year), equivalent to 4.96% of total financial investments and cash. For life and savings insurance, the investment policy preferably applied consists of matching the maturities of investments with obligations entered into under insurance contracts, in order to mitigate the exposure to this type of risk. In addition, most fixed-income investments enjoy high credit ratings and are traded in organised markets, this providing a large capacity of action in view of potential liquidity strains.

Assets with maturities exceeding one year are detailed in the section "Interest rate risks".

In addition, MAPFRE S.A. has in place credit facilities, not fully drawn down, which may be used at the Group's discretion.

1. Liquidity risk arising from insurance contracts

The estimated maturities of liabilities under insurance contracts recorded as at 31st December 2010 and 2009 are as follows:

Financial year 2010

ITEM	CASH OUTFLOWS ESTIMATED IN YEAR							Closing balance
	2011	2012	2013	2014	2015	2016 a 2020	Subsequent	
Reserve for life assurance	2,564.34	1,668.46	1,378.66	1,388.06	1,115.25	4,218.09	5,600.17	17,933.03
Provision for claims	4,154.75	1,123.56	538.41	309.22	150.67	224.21	846.82	7,347.64
Other technical reserves	112.63	14.22	13.56	12.75	12.92	57.18	345.45	568.71
Due on direct insurance and reinsurance transactions	685.93	9.81	-	-	-	-	-	695.74
Due on re-insurance transactions	692.33	3.43	0.05	-	-	-	-	695.81
TOTAL	8,209.98	2,819.48	1,930.68	1,710.03	1,278.84	4,499.48	6,792.44	27,240.93

FIGURES IN MILLION EUROS

Financial year 2009

ITEM	CASH OUTFLOWS ESTIMATED IN YEAR							Closing balance
	2011	2012	2013	2014	2015	2016 a 2020	Subsequent	
Reserve for life assurance	2,725.58	1,493.87	1,358.86	1,083.18	1,035.41	3,740.84	5,017.05	16,454.79
Provision for claims	3,678.04	1,051.73	493.03	315.57	174.67	227.81	441.87	6,382.72
Other technical reserves	33.45	18.26	16.75	16.21	16.28	72.78	331.45	505.18
Due on direct insurance and reinsurance transactions	656.51	20.62	6.20	4.14	2.22	0.98	0.03	690.70
Due on re-insurance transactions	382.46	2.33	2.32	2.37	2.37	2.36	0.08	394.29
TOTAL	7,476.04	2,586.81	1,877.16	1,421.47	1,230.95	4,044.77	5,790.48	24,427.68

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 2010

ITEM	MATURITY IN:						Total
	2011	2012	2013	2014	2015	Subsequent	
Subordinated liabilities	34.92	34.92	34.92	34.92	34.92	659.53	834.13
Issuance of debentures and other negotiable securities	300.81	9.26	164.90	-	-	-	474.97
Due to credit institutions	266.36	19.00	278.60	509.20	4.53	46.45	1,124.14
Other financial liabilities	109.35	20.18	160.99	2.88	0.27	4.72	298.39
TOTAL	711.44	83.36	639.41	547.00	39.72	710.70	2,731.63

FIGURES IN MILLION EUROS

Financial year 2009

ITEM	MATURITY IN:						Total
	2010	2011	2012	2013	2014	Subsequent	
Subordinated liabilities	44.92	34.92	34.92	34.92	34.92	694.45	879.05
Issuance of debentures and other negotiable securities	25.51	300.51	8.96	159.52	-	-	494.50
Due to credit institutions	296.83	184.66	34.19	16.81	515.25	28.43	1,076.17
Other financial liabilities	108.00	74.21	161.37	6.85	29.63	694.09	1,074.15
TOTAL	475.26	594.30	239.44	218.10	579.80	1,416.97	3,523.87

FIGURES IN MILLION EUROS

D) MARKET RISK

MAPFRE's Investment Department regularly conducts different analyses of sensitivity of the investment portfolio's value to market risk. Among others, the most usual indicators are the modified duration, for fixed-income securities, and the Value at Risk (VaR) for equity instruments.

1. Interest rate risk

The tables below show the significant information for the last year regarding the level of exposure to interest rate risk of the financial assets and liabilities:

PORTFOLIO	Amount of assets exposed to interest rate risk in fair value					
	FIXED INTEREST RATE		NOT EXPOSED TO RISK		TOTAL	
	2010	2009	2010	2009	2010	2009
Held to maturity	1,092.23	669.42	16.47	254.86	1,108.70	924.28
Available for sale	19,297.56	22,269.46	7,094.54	2,848.69	26,392.10	25,118.15
Trading	869.79	1,162.66	308.11	62.99	1,177.90	1,225.65
TOTAL	21,259.58	24,101.54	7,419.12	3,166.54	28,678.70	27,268.08

FIGURES IN MILLION EUROS

ITEM	Amount of liabilities exposed to interest rate risk in fair value					
	FIXED INTEREST RATE		NOT EXPOSED TO RISK		TOTAL	
	2010	2009	2010	2009	2010	2009
Subordinated liabilities	610.07	610.69	–	10.00	610.07	620.69
Issuance of debentures and other negotiable securities	433.50	428.01	–	–	433.50	428.01
Due to credit institutions	129.17	150.55	949.39	863.38	1,078.56	1,013.93
Other financial liabilities	10.34	78.34	241.80	231.53	252.14	309.87
TOTAL	1,183.08	1,267.59	1,191.19	1,104.91	2,374.27	2,372.50

FIGURES IN MILLION EUROS

The following tables break down the financial investments by maturities, average interest rate and modified duration, for the financial years 2010 and 2009:

31st December 2010

ITEM	Closing balance	MATURITY IN:						Average interest rate %	Modified term %
		1 year	2 years	3 years	4 years	5 years	Subsequent or without maturity		
PORTFOLIO HELD TO MATURITY									
Fixed-income	1,070.92	94.84	97.85	32.97	184.02	61.93	599.31	8.76	3.42
Other investments	37.78	16.36	-	-	-	-	21.42	1.51	-
TOTAL PORTFOLIO HELD TO MATURITY	1,108.70	111.20	97.85	32.97	184.02	61.93	620.73	-	-
PORTFOLIO AVAILABLE FOR SALE									
Fixed-income	24,732.74	2,052.11	2,020.88	2,317.46	2,686.07	1,864.44	13,791.78	4.40	5.91
Other investments	383.92	227.53	0.50	2.00	1.80	0.84	151.25	3.85	6.65
TOTAL PORTFOLIO AVAILABLE FOR SALE	25,116.66	2,279.64	2,021.38	2,319.46	2,687.87	1,865.28	13,943.03	-	-
TRADING PORTFOLIO									
Financial swaps	0.53	0.01	-	0.52	-	-	-	-	-
Options	12.66	0.67	5.73	0.08	6.18	-	-	-	-
Fixed-income securities	891.87	370.45	121.05	104.82	73.82	65.25	156.48	7.79	4.20
Others	20.17	14.74	3.63	-	-	-	1.80	0.21	1.07
TOTAL TRADING PORTFOLIO	925.23	385.87	130.41	105.42	80.00	65.25	158.28	-	-

FIGURES IN MILLION EUROS

31st December 2009

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	890.33	271.59	14.78	126.85	15.91	82.33	378.87	8.79	3.80
Other investments	33.95	22.27	0.30	-	0.03	-	11.35	2.00	-
TOTAL PORTFOLIO HELD TO MATURITY	924.28	293.86	15.08	126.85	15.94	82.33	390.22	-	-
PORTFOLIO AVAILABLE FOR SALE									
Fixed-income	23,773.45	2,394.75	1,773.18	1,816.73	1,832.13	2,930.38	13,026.28	4.18	5.85
Other investments	261.94	77.86	0.01	-	-	0.01	184.06	1.86	-
TOTAL PORTFOLIO AVAILABLE FOR SALE	24,035.39	2,472.61	1,773.19	1,816.73	1,832.13	2,930.39	13,210.34	-	-
TRADING PORTFOLIO									
Financial swaps	3.24	3.22	0.02	-	-	-	-	0.70	0.26
Options	11.23	3.22	0.03	4.79	-	3.19	-	-	-
Fixed-income securities	1,108.51	686.01	35.91	119.12	16.78	28.47	222.22	8.80	3.80
Others	76.03	73.34	-	-	-	-	2.69	1.72	-
TOTAL TRADING PORTFOLIO	1,199.01	765.79	35.96	123.91	16.78	31.66	224.91	-	-

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		LIABILITIES		NET TOTAL	
	2010	2009	2010	2009	2010	2009
Euros	35,512.50	31,617.33	30,435.60	28,028.14	5,076.90	3,589.19
US DOLLAR	5,274.47	4,796.88	3,551.00	2,902.34	1,723.47	1,894.54
Mexican peso	628.79	580.46	563.80	442.93	64.99	137.53
Brazilian real	3,455.27	2,950.27	2,955.41	2,250.95	499.86	699.32
Turkish lira	612.61	593.47	281.87	272.77	330.74	320.70
Chilean peso	855.62	343.61	778.29	292.86	77.33	50.75
Venezuelan Bolivar	408.94	572.00	322.04	450.87	86.90	121.13
Argentine peso	330.11	385.03	381.24	343.29	(51.13)	41.74
Colombian peso	536.57	409.76	586.11	382.21	(49.54)	27.55
Pound sterling	207.38	141.59	177.51	114.58	29.87	27.01
Canadian dollar	38.72	36.06	17.60	14.47	21.12	21.59
Philippine Peso	59.42	42.21	38.52	26.02	20.90	16.19
Peruvian sol	173.75	144.09	141.24	93.27	32.51	50.82
Other currencies	578.16	493.09	646.27	397.40	(68.11)	95.69
TOTAL	48,672.31	43,105.85	40,876.50	36,012.10	7,795.81	7,093.75

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 following table shows the book value of equity securities and trust funds exposed to market risk and the Value at Risk (VaR) (maximum variation expected over a one year time horizon and for a 99% confidence level), for the last two years:

PORTFOLIO	BOOK VALUE		VAR	
	2010	2009	2010	2009
Available for sale	1,275.44	1,082.76	327.22	355.18
Trading	252.67	26.64	64.82	8.74
TOTAL	1,528.11	1,109.40	392.04	363.92

FIGURES IN MILLION EUROS

4. Property risk

MAPFRE has property assets representing approximately 7.01% of total investments and cash, of which approximately 40.57% corresponds to own offices. These assets perform a twofold function of providing administration and sales support, as well as generating financial revenues and diversifying investments. The property is broken down in the following table:

ITEM	NET BOOK VALUE		MARKET CAPITALISATION	
	2010	2009	2010	2009
Investment property	1,467.14	858.43	2,190.93	1,730.93
Property for own use	1,001.66	1,055.55	1,696.30	1,786.53
TOTAL	2,468.80	1,913.98	3,887.23	3,517.46

FIGURES IN MILLION EUROS

Unrealised property gains would offset a fall in the price of properties equivalent to approximately 36.49% of their market value.

8. Other information

8.1. Information regarding the Board of Directors

During the year, the controlling Company's directors did not carry out any transaction with the controlling Company itself or with any other Group company outside the scope of the companies' ordinary trading activities, nor under non market conditions.

On that date, the controlling Company's directors holding their office at year-end did not own shares in the capital of companies that have the same, a similar or a supplementary kind of activity to that of the company, nor did they engage, either on their own or another party's account, in activities that are the same, similar or supplementary to the Company's corporate purpose, with the exceptions listed below:

DIRECTOR	Company	Number of shares/stocks	Position/Function
Mr. Alberto Manzano Martos	ACS	2,915	-
	Allianz SE	50	-
	BBVA	8,980	-
	BNP PARIBAS	605	-
	BANCO ESPAÑOL DE CRÉDITO	4,974	-
	BANCO SANTANDER	12,861	-
Mr. Antonio Miguel-Romero Olano	BANCO SANTANDER	171	-
	BBVA	1,062	-
Mr. Francisco Vallejo Vallejo	Banco Urquijo, SBP, S.A.	-	CEO
	COMPAÑÍA ESPAÑOLA DE SEGUROS DE CRÉDITO A LA EXPORTACIÓN (CESCE)	-	Director
Mr. Filomeno Mira Candel	Allianz SE	400	-
	Munchener	300	-

The following table details the shares in MAPFRE S.A. that the controlling Company's Directors in office at year-end held as at 31st December 2010, as well as the Boards of Directors of MAPFRE GROUP entities of which they were members on the said date.

DIRECTOR	MAPFRE GROUP	
	Companies in which they are Board Members	Number of shares of MAPFRE S.A.
Mr. José Manuel Martínez Martínez	-	220,361
Mr. Ignacio Baeza Gómez	MAPFRE VIDA; MAPFRE VIDA PENSIONES, E.G.F.P.; MAPFRE FAMILIAR; MAPFRE INTERNACIONAL; CCM VIDA Y PENSIONES; MAPFRE INVERSION DOS S.G.I.I.C.; DUERO PENSIONES; DUERO VIDA; ASCAT VIDA; ASCAT SEGUROS GENERALES; CAIXA MANRESA VIDA; CAIXA TARRAGONA VIDA.	77,684
Mr. Rafael Beca Borrego	MAPFRE AMERICA;	452,760
Mr. Rodrigo de Rato and Figaredo	-	50
Mr. Rafael Fontoira Suris	MAPFRE INMUEBLES; MAPFRE VIDA	23
Mr. Santiago Gayarre Bermejo	MAPFRE VIDA; MAPFRE PARAGUAY; MAPFRE SEGUROS DE EMPRESAS	7,218
Mr. Luis Hernando de Larramendi Martínez	MAPFRE VIDA; MAPFRE INTERNACIONAL	13,202
Mr. Sebastián Homet Duprá	MAPFRE AMERICA; MAPFRE INVERSIÓN SOCIEDAD DE VALORES	-
Mr. Antonio Huertas Mejias	MAPFRE FAMILIAR; MAPFRE INTERNACIONAL; MAPFRE VIDA; MAPFRE INTERNET; MAPFRE INFORMÁTICA, A.I.E.; ASCAT VIDA; ASCAT SEGUROS GENERALES; CAIXA MANRESA VIDA; CAIXA TARRAGONA VIDA.	181,385
Mr. Luis Iturbe Sanz de Madrid	MAPFRE INVERSIÓN SOCIEDAD DE VALORES	33,945
Mr. Andrés Jiménez Herradón	MAPFRE RE; MAPFRE AMERICA; MAPFRE INTERNACIONAL; MAPFRE FAMILIAR; THE COMMERCE GROUP, INC; MAPFRE GLOBAL RISKS	23,973
Mr. Manuel Jesús Lagares Calvo	MAPFRE VIDA; MAPFRE INVERSIÓN SOCIEDAD DE VALORES.	18,097
Mr. Alberto Manzano Martos	MAPFRE INMUEBLES; MAPFRE INVERSIÓN SOCIEDAD DE VALORES	87,901
Mr. Rafael Márquez Osorio	MAPFRE AMERICA	68,058
Mrs. Francisca Martín Tabernero	MAPFRE VIDA; DUERO PENSIONES; DUERO VIDA	23
Mr. Antonio Miguel-Romero de Olano	MAPFRE INMUEBLES; MAPFRE VIDA; MAPFRE ASISTENCIA; MAPFRE GLOBAL RISKS	32,567
Mr. Filomeno Mira Candel	MAPFRE VIDA; MAPFRE INTERNACIONAL	150,288
Mr. Alfonso Rebuella Badiás	MAPFRE AMERICA; BANCO SERVICIOS FINANCIEROS CAJA MADRID-MAPFRE; MAPFRE INTERNACIONAL; MAPFRE GLOBAL RISKS	44,346
Mr. Francisco Ruiz Risueño	MAPFRE VIDA; MAPFRE RE; MAPFRE FAMILIAR; CCM VIDA Y PENSIONES	73
Mr. Matías Salvá Benassar	MAPFRE FAMILIAR; MAPFRE RE; MAPFRE GLOBAL RISKS	718,144
	MAPFRE AMÉRICA; MAPFRE FAMILIAR; MAPFRE VIDA; MAPFRE GLOBAL RISKS; MAPFRE ASISTENCIA; MAPFRE CAUCIÓN Y CRÉDITO; MAPFRE INTERNACIONAL; MAPFRE INVERSIÓN SOCIEDAD DE VALORES; THE COMMERCE GROUP INC.	23
Mr. Esteban Tejera Montalvo	MAPFRE AMERICA; MAPFRE FAMILIAR; MAPFRE VIDA; MAPFRE GLOBAL RISKS; MAPFRE ASISTENCIA; MAPFRE CAUCIÓN Y CRÉDITO; MAPFRE INTERNACIONAL; MAPFRE INVERSIÓN SOCIEDAD DE VALORES; THE COMMERCE GROUP INC.	23
Mr. Francisco Vallejo Vallejo	MAPFRE FAMILIAR; MAPFRE SEGUROS DE EMPRESAS	100,000

8.2. External auditors' fees

The annual accounts of the MAPFRE GROUP and the main companies forming part of it, for financial year 2010, have been audited by the firm Ernst & Young, mainly except for those of the subsidiary in Paraguay, which are audited by PriceWaterhouseCoopers.

The fees charged by the External Auditors in the financial year 2010 for auditing the annual accounts and for the limited review of the consolidated interim statements as at 30th June amount to €7,072,727 (€6,316,899 in 2009), of which €6,979,445 (€5,968,409 in 2009) correspond to the main auditor. The main auditor also charged an additional €214,149 (€190,001 in 2009) for audit related services and €507,847 (€735,469 in 2009) for other complementary services provided. These amounts are not considered to jeopardise the auditor's independence.

8.3. Environmental information

The Group companies do not have any environmental related item that might be significant or specifically included in the present consolidated financial statements.

8.4. Others

At the end of the year, payment of trade accounts payable that had been deferred more than 85 days amounted to €1.23 million.

9. Additional Note for English translation

These financial statements are presented by applying the International reporting standards adopted by the European Union (IFRS – EU). Consequently certain accounting principles applied by the Company may not conform to generally accepted accounting principles in other countries.

In addition, this document is a free translation of the consolidated accounts originally issued in Spanish. In the event of any discrepancy, the Spanish language version prevails.

Subsidiaries, associated undertakings and joint ventures (appendix 1)

NAME	REGISTERED OFFICE	EFFECTIVE TAX RATE	ACTIVITY	HOLDER	SHAREHOLDING	
					% IN SHARE CAPITAL	
		2010	2009			
DIRECT INSURANCE SPAIN						
FAMILIAR						
MAPFRE FAMILIAR COMPAÑÍA DE SEGUROS Y REASEGUROS S.A.	Ctra. Pozuelo, 52. Majadahonda. (Madrid) Spain	30.00% (1)	Insurance and reinsurance	- MAPFRE SA	99.9993	99.9993
MAPFRE RENTING DE VEHICULOS, S.A.	Ctra. Pozuelo, 52. Majadahonda. (Madrid) Spain	(1)	Financial	- MAPFRE FAMILIAR - MAPFRE SA	99.9833 0.0167	99.9833 0.0167
CLUB MAPFRE, S.A.	Ctra. Pozuelo, 52. Majadahonda. (Madrid) Spain	(1)	Services	- MAPFRE FAMILIAR - MAPFRE RENTING	99.9875 0.0125	99.9875 0.0125
CENTRO DE EXPERIMENTACIÓN Y SEGURIDAD VIAL MAPFRE, S.A.	Ctra. Valladolid, km 1 (Ávila) Spain	30.00% (1)	Research, training and advisory	- MAPFRE FAMILIAR - MAPFRE SA	99.9982 0.0018	99.9999 0.0001
MAPFRE MULTICENTRO DEL AUTOMÓVIL, S.A.	Crta. De Pamplona a Zaragoza Polígono Ind. Cordovilla (Navarra) Spain	(1)	Services	- MAPFRE FAMILIAR	99.9900	99.9900
ASCAT SEGUROS GENERALES	C/ Roure nº6y8 Pol.Ind.Más Mateu El Prat de Llobregat (Barcelona) Spain	30.00%	Insurance and reinsurance	- MAPFRE FAMILIAR	50.0100	-
MULTISERVICAR CENTRO, S.A (merged in 2010 with TINERFEÑA DE SERVICIOS)	Crta. Antigua de Ajalvir s/n (Alcalá de Henares) Spain	(1)	Research, training and advisory	- MAPFRE FAMILIAR	-	100.0000
MULTISERVICAR ASTURIAS, S.A.(merged in 2010 with TINERFEÑA DE SERVICIOS)	C/ Gil de Jaz, 10 (Oviedo) Spain	(1)	Research, training and advisory	- MAPFRE FAMILIAR	-	100.0000
MULTISERVICAR AVILA, S.A.(merged in 2010 with TINERFEÑA DE SERVICIOS)	Crta de Valladolid km 1 (Ávila) Spain	(1)	Research, training and advisory	- MAPFRE FAMILIAR	-	100.0000
MULTISERVICAR M., S.A. (merged in 2010 with TINERFEÑA DE SERVICIOS)	C/ Arcipreste de Hita, 4. Majadahonda (Madrid) Spain	(1)	Research, training and advisory	- MAPFRE FAMILIAR	-	100.0000
CESVI ARGENTINA, S.A.	Calle 9 y 17. Parque Ind.Pilar-Buenos Aires (Argentina)	-	Research, training and advisory	- MAPFRE ARGENTINA SEGUROS - MAPFRE FAMILIAR	6.5600 49.7107	4.3700 49.7000
CESVI BRASIL S.A. CENTRO DE EXPERIMENTAÇÃO E SEGURANÇA VIARIA	Rua Amador Aguiar, 700-City Empresarial - Sao Paulo (Brazil)	-	Research, training and advisory	- MAPFRE FAMILIAR	100.0000	100.0000
CESVI COLOMBIA, S.A.	Carrera 87, Num.15-87 Santa Fé de Bogotá(Colombia)	30.00%	Research, training and advisory	- MAPFRE SEGUROS GENERALES DE COLOMBIA - MAPFRE FAMILIAR	3.6400 63.9491	3.6400 63.9991
IBERICAR, SOCIEDAD IBÉRICA DEL AUTOMÓVIL, S.A.	Ctra. Pozuelo, 52. Majadahonda. (Madrid) Spain	30.00%	Services	- MAPFRE FAMILIAR	49.0000	49.0000
AUTOMOCIÓN PENINSULAR INMUEBLES, S.A.	Ctra. Pozuelo, 52. Majadahonda. (Madrid) Spain	-	Real Estate	- MAPFRE FAMILIAR	50.0000	50.0000
VERTI ASEGURADORA, COMPAÑÍA DE SEGUROS Y REASEGUROS S.A. (in 2009 IBERIRENT IBÉRICA DE ALQUILER, S.A.)	Ctra. Pozuelo, 52. Majadahonda. (Madrid) Spain	(1)	Services	- MAPFRE FAMILIAR - CLUB MAPFRE	99.9970 0.0030	99.0000 1.0000
SERVICIOS AUXILIARES MVA	C/ del Gremis 8, Polig. Vara de Quart, (Valencia) Spain	(1)	Assets holdings and marketing of fuels	- MAPFRE FAMILIAR	100.0000	100.0000
MULTISERVICAR VALENCIA, S.A.(merged in 2010 with TINERFEÑA DE SERVICIOS)	C/ del Gremis 8, Polig. Vara de Quart, (Valencia) Spain	-	Repair and maintenance of motor vehicles	- 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	100.0000
MAPFRE FAMILIAR SERVICIOS DIGITALES (in 2009 ARAGON GRAF, S.A.U)	Ctra. Pozuelo, 52. Majadahonda. (Madrid) Spain	30.00% (1)	Graphic arts	- MAPFRE FAMILIAR	100.0000	100.0000
VIAJES MUTUA VALENCIANA AUTOMOVILISTA, S.A.	C/ del Gremis 8, Polig. Vara de Quart, (Valencia) Spain	-	Travel agency	- MAPFRE FAMILIAR	100.0000	100.0000
LAURIA 5, CORREDURIA DE SEGUROS, S.L.	C/ del Gremis 8, Polig. Vara de Quart, (Valencia) Spain	28.60% (1)	Insurance brokerage	- MAPFRE FAMILIAR	100.0000	100.0000

FINANCIAL YEAR END FIGURES										
ASSETS		EQUITY		REVENUES		RESULTS IN FINANCIAL YEAR		METHOD OR PROCEDURE		
2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	
5,846,733	5,765,260	1,332,786	1,294,842	4,409,007	4,077,509	432,043	439,149	(A)		(A)
57,330	88,593	4,260	1,978	19,594	31,079	1,283	(3,080)	(A)		(A)
7,211	9,147	4,037	4,567	11,429	12,687	980	691	(A)		(A)
18,954	18,883	17,606	17,423	12,612	12,121	979	846	(A)		(A)
13,935	14,560	13,650	14,299	5,871	8,012	(639)	(455)	(A)		(A)
41,488	-	16,614	-	8,056	-	291	-	(A) (G)		(A)
-	743	-	517	-	4,402	-	223	(H)		(A)
-	54	-	53	-	-	-	(4)	(H)		(A)
-	344	-	250	-	1,063	-	66	(H)		(A)
-	292	-	291	-	3	-	3	(H)		(A)
3,975	3,830	3,524	4,138	5,976	4,560	498	802	(C)		(C)
4,819	4,848	4,212	4,066	3,226	4,297	(304)	(282)	(A)		(A)
4,915	6,413	4,563	6,167	1,598	1,678	(13)	63	(A)		(A)
368,412	350,080	99,196	73,832	357,475	333,909	(9,070)	(4,334)	(C)		(C)
14	63	14	62	-	-	-	-	(A)		(A)
16,650	-	13,864	-	-	-	(6,198)	-	(A)		(A)
1,052	1,038	939	998	-	3,101	(59)	557	(A)		(A)
-	503	-	(888)	-	1,781	-	(1,183)	(H)		(A)
666	659	666	659	(1)	-	7	(65)	(A)		(A)
840	625	744	532	52	2	(284)	(211)	(A)		(A)
98	99	98	99	-	-	(1)	(2)	(A)		(A)
150	144	144	136	13	27	8	14	(A)		(A)

NAME	REGISTERED OFFICE	EFFECTIVE TAX RATE	ACTIVITY	HOLDER	SHAREHOLDING	
					% IN SHARE CAPITAL	
					2010	2009
DISEÑO URBANO, S.L.	Avda. Juan XXIII 64 (Valencia)	-	Property development agency	- MAPFRE FAMILIAR	50.0000	50.0000
ESPACIOS AVANZADOS DEL MEDITERRANEO, S.L.	C/ Siete S/N, Alboraya (Valencia) Spain	30.00%	Property building and development	- MAPFRE FAMILIAR	22.4992	22.4992
HABITUSER, S.L.	Fuente San Luis Mayor15-21(Valencia)	-	Property development	- MAPFRE FAMILIAR	-	7.3394
SERVICIOS COMERCIALES Y ENERGÉTICOS DE BENIDORM, S.L.	Avda. Juan XXIII 64 (Valencia) Spain	-	Services	- MAPFRE FAMILIAR	50.0000	50.0000
RASTREATOR.COM LTD	C/ Juan Hurtado de Mendoza,17 28036 (Madrid) Spain	-	-	- MAPFRE FAMILIAR	25.0000	25.0000
MAPFRE CONSULTORES DE SEGUROS Y REASEGUROS, S.A.	Paseo de Recoletos, 25 (Madrid) Spain	30.00% (1)	Advisory and management services	- MAPFRE FAMILIAR - MAPFRE SA	50.0000 50.0000	50.0000 50.0000
SEGESYMED S.L., SOCIEDAD UNIPERSONAL (merged in 2010 with CLÍNICA CASTELLÓ)	Ctra. Pozuelo, 50. Majadahonda. (Madrid) Spain	- (1)	Medical and surgical assistance	- MAPFRE FAMILIAR	-	100.0000 99.9521
MULTISERVICIOS MAPFRE MULTIMAP, S.A.	Ctra. Pozuelo, 50. Majadahonda (Madrid) Spain	30.00% (1)	Real estate services	- MAPFRE FAMILIAR - CLÍNICA CASTELLÓ - SEGESYMED	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	51.0000	51.0000
GESTORA DE ACTIVOS FUNERARIOS GESMAP, S.A.	Paseo de Recoletos ,23 (Madrid) Spain	30.00% (1)	Undertaker services	- MAPFRE FAMILIAR - SEGESYMED	100.0000	99.9521 0.0479
FUNESPAÑA, S.A.	C/ Suflí, 4. (Almería) Spain	30.00%	Undertaker services	- MAPFRE FAMILIAR	27.2800	-
NUEVO TANATORIO, S.L.	Avda. Hermanos Bou, 251. (Castellón) Spain	30.00%	Undertaker services	- GESMAP	50.0000	-
FUNERARIA CRESPO, S.L.	C/ Bautista Riera, 19 ; Burjasot. (Valencia) Spain	30.00%	Undertaker services	- GESMAP	100.0000	-
TANATORIO SAN ALBERTO, S.A.	C/ Ermitagaña 2; Pamplona. (Navarra) Spain	30.00%	Undertaker services	- GESMAP	52.8236	-
SALZILLO SERVICIOS FUNERARIOS, S.L.	C/ Historiador Torres Fontes s/n (Murcia)Spain	30.00% (1)	Undertaker services	- GESMAP	100.0000	100.0000
DE MENA SERVICIOS FUNERARIOS, S.L.	Crta. Pozuelo, 50. Majadahonda. (Madrid) Spain	30.00%	Undertaker services	- GESMAP	70.0000	70.0000
SERVICIOS FUNERARIOS SANTA MARIA LA REAL, S.L.	Calle Miguel Astrain, 11 (Pamplona) Spain	--	Undertaker services	- GESMAP	-	50.0000
SERVICIOS FUNERARIOS LA CARIDAD, S.L.	C/ Banda Playa, 74, San Lúcar de Barrameda (Cádiz) Spain	30.00%	Undertaker services	- GESMAP	42.0000	42.0000
SERVICIOS FUNERARIOS DEL NERVION, S.L.	C/ Alameda de Recalde, 10. (Bilbao)Spain	30.00%	Undertaker services	- GESMAP	50.0000	50.0000
ISABELO ALVAREZ MAYORGA, S.A.	Crta. Ávila-Valladolid km 0,8. (Ávila) Spain	30.00%	Undertaker services	- GESMAP	50.0000	50.0000
FUNERARIA HISPALENSE, S.L.	Avda. Ramón y Cajal, 1 Dos Hermanas (Sevilla) Spain	30.00%	Undertaker services	- GESMAP	50.0000	50.0000
TANATORIO DE ECIJA, S.L.	C/ Arfe, 13 (Córdoba) Spain	0.3	Undertaker services	- GESMAP	25.0000	25.0000
TANATORIO Y CEMENTERIO DE SANLÚCAR, S.L.	C/ Cuesta de Belén Palacio (Sanlúcar de Barrameda) Spain	30.00%	Undertaker services	- LA CARIDAD	75.0000	75.0000
SERVICIOS FUNERARIOS FUNENESIS, S.L.	Plaza Profesor Tamarit Olmos, 16. (Valencia) Spain	30.00%	Undertaker services	- GESMAP	-	50.0000
TINERFEÑA DE SERVICIOS DE TECNOLOGÍA E INNOVACIÓN PARA EL AUTOMÓVIL, S.A.	Subida de Mayorazgo (Santa Cruz de Tenerife) Spain	30.00% (1)	Motor technology and innovation services	- MAPFRE FAMILIAR	100.0000	100.0000
MEDISEMAP, AGENCIA DE SEGUROS, S.L.	C/ Doctor Huarte, 1 (Pamplona) Spain	30.00% (1)	Insurance agency	- MAPFRE FAMILIAR - MAPFRE SEGUROS DE EMPRESAS - MAPFRE VIDA - MAPFRE GLOBAL RISKS	33.3334 33.3333 33.3333 -	33.3334 - 33.3333 33.3333
IGUALSERVICIOS HUESCA, S.L. (merged in 2010 with CLÍNICA CASTELLÓ)	C/ Cabestany, 6 (Huesca) Spain	-- (1)	Medical services	- MAPFRE FAMILIAR	-	100.0000
HOSCLIMAP, S.A. (merged in 2010 with CLÍNICA CASTELLÓ)	C/ Llodio s/n (Madrid) Spain	-- (1)	Medical services	- MAPFRE FAMILIAR - MAPFRE SA	- -	99.9989 0.0011
CENTROS MÉDICOS ISLAS CANARIAS,S.A. (merged in 2010 with CLÍNICA CASTELLÓ)	Rafael Cabrera, 22 (Las Palmas de Gran Canaria)Spain	-- (1)	Medical services	- MAPFRE FAMILIAR	-	100.0000
CLÍNICA CASTELLÓ, S.A.	C/ Castello 56 (Madrid) Spain	(1)	Medical services	- MAPFRE FAMILIAR	100.0000	100.0000

FINANCIAL YEAR END FIGURES											
ASSETS		EQUITY		REVENUES		RESULTS IN FINANCIAL YEAR		METHOD OR PROCEDURE			
2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
1,670	1,670	(246)	(180)	-	-	(1)	-	(A)	(A)		
2,976	3,144	866	832	145	-	10	5	(C)	(C)		
-	7,638	-	(212)	-	-	-	(219)	(H)	(C)		
218	219	217	217	-	-	-	-	(A)	(A)		
-	-	-	-	-	-	-	-	(C)	(D)		
2,145	2,208	322	2,070	222	460	64	212	(A)	(A)		
-	631	-	411	-	220	-	(2,046)	(H)	(A)		
7,437	6,440	6,472	5,137	39,345	35,695	1,335	1,704	(A)	(A)		
99,042	98,973	10,048	8,205	91,055	48,854	1,474	954	(A)	(F)		
21,598	12,608	18,389	8,910	5,048	2,835	665	536	(A)	(A)		
n/d	-	n/d	-	n/d	-	n/d	-	(G)	-		
1,398	-	890	-	1,898	-	294	-	(G)	-		
178	-	97	-	408	-	63	-	(G)	-		
3,641	-	3,265	-	1,499	-	93	-	(G)	-		
618	647	511	503	857	894	9	11	(A)	(A)		
589	616	535	536	659	658	83	93	(A)	(A)		
-	-	-	-	-	-	-	-	(H)	(D)		
1,319	1,200	1,229	1,136	733	424	114	33	(E)	(C)		
234	166	212	117	736	390	136	110	(E)	(C)		
2,262	2,343	494	469	1,266	946	20	41	(E)	(C)		
98	107	86	93	248	203	---	5	(E)	(C)		
3,548	3,633	1,548	623	652	168	84	(47)	(E)	(C)		
7,161	-	714	-	548	-	(117)	-	(A)	(A)		
-	2,013	-	667	-	1,807	-	118	(H)	(C)		
5,952	5,341	4,338	4,637	7,042	1,665	(223)	(290)	(A)	(A)		
691	245	595	34	109	5,790	(433)	13	(B)	(C)		
-	892	-	738	-	1,301	-	(121)	(H)	(A)		
-	15,493	-	1,640	-	10,167	-	(12,612)	(H)	(A)		
-	2,193	-	2,128	-	550	-	(180)	(H)	(A)		
33,939	15,117	16,135	14,409	10,402	4,739	(3,847)	(1,848)	(A)	(A)		

NAME	REGISTERED OFFICE	EFFECTIVE TAX RATE	ACTIVITY	HOLDER	SHAREHOLDING	
					% IN SHARE CAPITAL	
					2010	2009
CENTRO MÉDICO MAPFRE, S.L. (merged in 2010 with CLÍNICA CASTELLÓ)	Paseo de Recoletos, 29 (Madrid) Spain	– (1)	Medical services	– MAPFRE FAMILIAR	–	100.0000
MAPFRE VIDEO Y COMUNICACIÓN S.A.	Ctra. Pozuelo, 50. Majadahonda (Madrid) Spain	0.00% (1)	Asset management	– MAPFRE VIDA – MAPFRE SEGUROS DE EMPRESAS – MAPFRE GLOBAL RISKS – MAPFRE FAMILIAR	25.0000 25.0000 – 50.0000	25.0000 – 25.0000 50.0000
VIDA						
MAPFRE VIDA SOCIEDAD ANÓNIMA DE SEGUROS Y REASEGUROS SOBRE LA VIDA HUMANA	Avda.General Perón,40 (Madrid) Spain	17.77% (1)	Insurance and reinsurance	– MAPFRE SA	99.8891	99.8883
CONSULTORA ACTUARIAL Y DE PENSIONES MAPFRE VIDA S.A.	Avda.General Perón,40 (Madrid) Spain	30.00% (1)	Consulting	– MAPFRE VIDA – MAPFRE SA	99.9339 0.0661	99.9339 0.0661
GESTION MODA SHOPPING S.A.	Avda.General Perón,40 (Madrid) Spain	29.76% (1)	Management of shopping centres	– 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	21.59% (1)	Securities broker-dealer firm	– MAPFRE VIDA – MAPFRE SA	99.9991 0.0009	99.9991 0.0009
MAPFRE INVERSIÓN DOS SOCIEDAD GESTORA DE INSTITUCIONES DE INVERSIÓN COLECTIVA S.A.	Avda.General Perón,40 (Madrid) Spain	30.29% (1)	UCITS management firm	– MAPFRE INVERSIÓN – MAPFRE SA	99.9853 0.0147	99.9853 0.0147
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	30.02%	Insurance	– MAPFRE SA	50.0000	50.0000
DUERO PENSIONES ENTIDAD GESTORA DE FONDOS DE PENSIONES, S.A.	Pº de la Castellana, 167 (Madrid) Spain	29.94%	Pension fund administration	– MAPFRE SA	50.0000	50.0000
MAPFRE CAJA MADRID VIDA, S.A.	Avda.General Perón,40 (Madrid) Spain	29.87%	Financial	– MAPFRE VIDA	51.0000	51.0000
ASCAT VIDA	Calle Roble, 6 - 8; Prat del Llobregat (Barcelona) Spain	30.00%	Insurance	– MAPFRE VIDA	50.0000	–
CAIXA MANRESA VIDA	Paseig de Pere III, 24; Manresa (Barcelona) Spain	0.00%	Insurance	– MAPFRE VIDA	50.0000	–
CAIXA TARRAGONA VIDA	C/ Higiní Anglés 5 (Tarragona) Spain	0.00%	Insurance	– MAPFRE VIDA	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	30.05%	Insurance	– MAPFRE VIDA	50.0000	50.0000
CAJA CASTILLA LA MANCHA VIDA Y PENSIONES, S.A.	C/ Carretería, 5 (Cuenca) Spain	29.96%	Insurance	– MAPFRE SA	50.0000	50.0000
EMPRESAS						
MAPFRE SEGUROS DE EMPRESA	Ctra. Pozuelo, 52. Majadahonda. (Madrid) Spain	28.38% (1)	Financial	– MAPFRE GLOBAL RISKS – MAPFRE SA	99.9970 0.0030	100.0000 –
MAPFRE SERVICIOS DE PREVENCIÓN S.L.	C/ Hernandez Lazaro 29 (Madrid) Spain	30.15% (1)	Medical services	– MAPFRE SEGUROS DE EMPRESAS – MAPFRE GLOBAL RISKS	100.0000 –	– 100.0000
SERVICIOS DE PERITACIÓN MAPFRE S.A.	C/ Manuel Silvela, 15 (Madrid) Spain	36.33% (1)	Services	– MAPFRE SEGUROS DE EMPRESAS – MAPFRE CAUCIÓN Y CRÉDITO – MAPFRE GLOBAL RISKS	96.0000 4.0000 –	– 4.0000 96.0000
MAPFRE SERVICIOS MARÍTIMOS, COMISARIADO Y LIQUIDACIÓN DE AVERÍAS S.A.	Avda.Sabino Arana,4 (Bilbao) Spain	27.77%	Loss adjusters	– MAPFRE SEGUROS DE EMPRESAS – MAPFRE SA – MAPFRE GLOBAL RISKS	99.9600 0.0400 –	– 0.0400 99.9600
INTERNATIONAL DIRECT INSURANCE						
MAPFRE AMÉRICA						
MAPFRE AMÉRICA S.A.	Ctra. Pozuelo, 52. Majadahonda. (Madrid) Spain	30.00% (1)	Holding	– MAPFRE SA – MAPFRE FAMILIAR	88.8621 0.0001	88.8621 0.0001

FINANCIAL YEAR END FIGURES										
ASSETS		EQUITY		REVENUES		RESULTS IN FINANCIAL YEAR		METHOD OR PROCEDURE		
2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	
-	723	-	629	-	779	-	(201)	(H)	(A)	
63,895	62,691	63,636	62,111	4,095	3,815	1,550	1,263	(A)	(A)	
10,824,882	10,132,238	495,045	561,010	1,852,082	2,098,621	80,705	94,495	(A)	(A)	
1,885	1,787	1,831	1,741	254	278	91	116	(A)	(A)	
1,026	879	756	697	1,395	1,390	59	85	(A)	(A)	
166,765	153,804	141,433	122,570	74,237	59,046	30,430	24,966	(A)	(A)	
41,866	40,357	35,248	33,399	34,947	33,762	1,671	1,475	(A)	(A)	
68,239	69,950	65,036	64,008	28,722	27,621	3,065	13,213	(A)	(A)	
558,051	553,964	47,390	52,484	149,375	210,904	12,398	9,091	(A)	(A)	
8,688	24,409	7,852	8,232	8,055	8,185	751	1,091	(A)	(A)	
4,981,462	5,203,983	246,717	247,735	1,236,777	980,324	50,839	49,683	(A)	(A)	
2,712,864	-	222,104	-	199,972	-	11,243	-	(A) (G)	-	
79,409	-	14,590	-	5,576	-	(257)	-	(A) (G)	-	
9,660	-	6,999	-	1,094	-	(62)	-	(A) (G)	-	
40,635	44,163	39,224	42,958	2,843	3,036	938	941	(A)	-	
507,809	558,414	44,608	43,118	196,907	296,999	21,525	17,125	(A)	(A)	
811,736	918,408	53,698	56,193	278,115	142,164	14,835	12,918	(A)	(A)	
2,068,673	9,113	289,275	9,112	614,912	37	93,599	18	(A)	(A)	
6,621	7,656	2,935	2,745	15,447	16,571	190	(1,257)	(A)	(A)	
3,060	2,314	1,796	1,441	4,491	4,679	368	290	(A)	(A)	
1,712	1,699	1,712	1,699	34	39	13	14	(A)	(A)	
1,239,678	1,168,146	1,081,039	1,037,691	71,134	47,231	43,348	144,725	(A)	(A)	

NAME	REGISTERED OFFICE	EFFECTIVE TAX RATE	ACTIVITY	HOLDER	SHAREHOLDING	
					% IN SHARE CAPITAL	
					2010	2009
ARGENTINA						
MAPFRE ARGENTINA HOLDING S.A.	Avda. Juana Manso, 205 C 1107CBE Puerto Madero Buenos Aires (Argentina)	35.00%	Holding	- MAPFRE AMÉRICA	100.0000	100.0000
MAPFRE ARGENTINA SEGUROS S.A.	Avda. Juana Manso, 205 C 1107CBE Puerto Madero Buenos Aires (Argentina)	35.00%	Insurance	- MAPFRE ARGENTINA HOLDING	99.9988	99.9988
ACONCAGUA SEGUROS DE RETIRO S.A.	Lavalle, 348 Buenos Aires (Argentina)	35.00%	Insurance	- MAPFRE ARGENTINA HOLDING - MAPFRE ARGENTINA SEGUROS	23.5688 76.4312	23.5688 76.4312
SURASSUR S.A.	Lavalle, 348 Buenos Aires (Argentina)	35.00%	Insurance brokerage	- MAPFRE ARGENTINA HOLDING	100.0000	100.0000
MAPFRE ARGENTINA A.R.T.	Avda. Juana Manso, 205 C 1107CBE Puerto Madero Buenos Aires (Argentina)	35.00%	Worker's accident insurance	- MAPFRE ARGENTINA HOLDING - MAPFRE ARGENTINA SEGUROS	99.0279 0.9721	97.0000 3.0000
MAPFRE SALUD S.A.	Avda. Juana Manso, 205 C 1107CBE Puerto Madero Buenos Aires (Argentina)	35.00%	Insurance	- MAPFRE ARGENTINA HOLDING - MAPFRE ARGENTINA ART - MAPFRE ARGENTINA VIDA	99.4286 0.2857 0.2857	95.0000 2.5000 2.5000
CLUB MAPFRE ARGENTINA	Avda. Juana Manso, 205 C 1107CBE Puerto Madero Buenos Aires (Argentina)	35.00%	Service provider	- MAPFRE ARGENTINA HOLDING - MAPFRE ARGENTINA VIDA	96.0747 3.9253	97.9700 2.0300
MAPFRE ARGENTINA SEGUROS DE VIDA S.A.	Avda. Juana Manso, 205 C 1107CBE Puerto Madero Buenos Aires (Argentina)	35.00%	Insurance	- MAPFRE AMÉRICA - MAPFRE ARGENTINA HOLDING	80.0000 20.0000	80.0000 20.0000
BRAZIL						
MAPFRE VERA CRUZ SEGURADORA S.A.	Avd.Nações Unidas, 11711 16. Andar Brooklin Sao Paulo (Brazil)	40.00%	Insurance	- CLUBE MAPFRE DO BRASIL - MAPFRE AMÉRICA	9.7826 90.2174	9.7830 90.2174
MAPFRE VERA CRUZ CONSULTORIA TECNICA E ADMINISTRAÇÃO DE FUNDOS LTDA.	Avd.Nações Unidas, 11711 16. Andar Brooklin Sao Paulo (Brazil)	40.00%	Fund administration	- MAPFRE VERA CRUZ VIDA E PREVIDENCIA	100.0000	100.0000
GVH PARTICIPAÇÕES E EMPRESARIOS LTDA	Avd.Nações Unidas, 11711 16. Andar Brooklin Sao Paulo (Brazil)	40.00%	Service provider	- MAPFRE VERA CRUZ SEGURADORA	100.0000	100.0000
MAPFRE CAPITALIZAÇÃO	Avd.Nações Unidas, 11711 16. Andar Brooklin Sao Paulo (Brazil)	40.00%	Capitalización	- MAPFRE VERA CRUZ SEGURADORA	100.0000	100.0000
VIDA SEGURADORA	Rua Araujo Porto Alegre, 36 3 Andar, Rio de Janeiro (Brazil)	40.00%	Life assurance	- GVH PARTICIPAÇÕES E EMPRESARIOS - MAPFRE VERA CRUZ SEGURADORA	92.0791 7.9209	92.0800 7.9200
MAPFRE ASSISTENCIA	Avd.Nações Unidas, 11711 16. Andar Brooklin Sao Paulo (Brazil)	40.00%	Life assurance	- MAPFRE VERA CRUZ SEGURADORA	100.0000	-
MAPFRE S H 1	Avd.Nações Unidas, 11711 16. Andar Brooklin Sao Paulo (Brazil)	40.00%	Life assurance	- CLUBE MAPFRE DO BRASIL	100.0000	-
MAPFRE S H 2	Avd.Nações Unidas, 11711 16. Andar Brooklin Sao Paulo (Brazil)	40.00%	Life assurance	- CLUBE MAPFRE DO BRASIL	100.0000	-
MAPFRE S H 3	Avd.Nações Unidas, 11711 16. Andar Brooklin Sao Paulo (Brazil)	40.00%	Life assurance	- CLUBE MAPFRE DO BRASIL	100.0000	-
MAPFRE RISCOS ESPECIAIS SEGURADORA S.A.	Avd.Nações Unidas, 11711 16. Andar Brooklin Sao Paulo (Brazil)	40.00%	Insurance	- MAPFRE VERA CRUZ SEGURADORA	100.0000	100.0000
CLUBE MAPFRE DO BRASIL LTDA.	Avda. dos Autonomistas, 701 Vila- Yara - Osasco SP CEP 06020-000(Brazil)	34.00%	Advisory	- MAPFRE AMÉRICA - MAPFRE SA	99.4857 0.5143	99.4857 0.5143
MAPFRE NOSSA CAIXA VIDA E PREVIDENCIA, S.A.	Al. Santos, 415, 7 ardar Sao Paulo (Brazil)	40.00%	Insurance	- MAPFRE PARTICIPAÇÕES	51.0000	51.0000
DETECTAR DESENVOLVIMENTO DE TECNICAS PARA TRANSFÉRENCIAS ES ADMINISTRAÇÃO DE RISCOS LTDA.	Avd.Nações Unidas, 11711 16. Andar Brooklin Sao Paulo (Brazil)	34.00%	Risk management	- MAPFRE VERA CRUZ SEGURADORA	100.0000	100.0000

FINANCIAL YEAR END FIGURES										
ASSETS		EQUITY		REVENUES		RESULTS IN FINANCIAL YEAR		METHOD OR PROCEDURE		
2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	
76,432	56,407	68,162	46,587	1,080	359	(4,888)	(1,280)	(A)	(A)	
264,171	293,999	40,802	36,816	174,099	178,527	4,977	633	(A)	(A)	
-	-	-	-	-	-	-	-	(A)	(C)	
596	517	118	(29)	682	2,127	(314)	(525)	(A)	(A)	
165,317	96,700	36,879	19,717	189,419	144,261	3,703	(290)	(A)	(A)	
303	1,308	251	610	5,328	1,413	(436)	(272)	(A)	(A)	
561	1,072	222	348	4,711	24	(137)	24	(A)	(A)	
32,084	28,689	6,372	7,883	31,019	26,161	(629)	2,114	(A)	(A)	
1,911,694	1,447,943	545,740	421,157	1,133,354	774,167	57,399	39,613	(A)	(A)	
23,936	21,973	22,862	21,037	3,203	1,802	12	189	(A)	(A)	
21,429	106,853	21,429	100,472	6	17,360	3	17,198	(A)	(A)	
12,968	10,243	8,679	6,382	13,009	2,203	1,452	1,098	(A)	(A)	
87,394	38,777	58,446	20,420	43,827	27,493	27,294	2,301	(A)	(A)	
90	-	90	-	-	-	-	-	(G)	-	
90	-	90	-	-	-	-	-	(G)	-	
90	-	90	-	-	-	-	-	(G)	-	
90	-	90	-	-	-	-	-	(G)	-	
106,475	84,906	55,920	41,853	105,321	74,349	11,607	11,474	(A)	(A)	
22,586	18,577	19,858	15,225	22,286	12,190	2,405	(300)	(A)	(A)	
459,274	408,744	94,873	40,208	226,985	202,981	48,824	41,770	(A)	(A)	
2,348	2,051	2,216	1,957	383	250	(18)	(207)	(A)	(A)	

NAME	REGISTERED OFFICE	EFFECTIVE TAX RATE	ACTIVITY	HOLDER	SHAREHOLDING	
					% IN SHARE CAPITAL	
					2010	2009
MAPFRE PARTICIPAÇÕES LTDA	Avd.Nações Unidas, 11711 16. Andar Brooklin Sao Paulo (Brazil)	40.00%	Securities broker-dealer firm	- MAPFRE VERA CRUZ SEGURADORA	100.0000	100.0000
MAPFRE VERA CRUZ VIDA E PREVIDENCIA	Avd.Nações Unidas, 11711 16. Andar Brooklin Sao Paulo (Brazil)	40.00%	Insurance	- MAPFRE AMÉRICA - MAPFRE VERA CRUZ SEGURADORA - FANCY INVESTMENT	86.3279 9.8996 3.7508	86.3279 9.8996 3.7508
MAPFRE DISTRIBUIDORA DE TÍTULOS E VALORES MOBILIARIOS, S.A.	Avd.Nações Unidas, 11711 16. Andar Brooklin Sao Paulo (Brazil)	40.00%	Securities distribution	- MAPFRE VERA CRUZ VIDA E PREVIDENCIA	100.0000	100.0000
MAPFRE SEGURADORA DE GARANTÍA E CRÉDITO S.A.	Avda.Mª Coelho Aguiar 215 Sao Paulo (Brazil)	40.00%	Insurance	- MAPFRE VERA CRUZ VIDA E PREVIDENCIA - MAPFRE AMÉRICA CAUCIÓN Y CRÉDITO	100.0000 -	- 100.0000
MAPFRE SEGURADORA DE CRÉDITO A LA EXPORTACIÓN S.A.	Avda.Mª Coelho Aguiar 215 Sao Paulo (Brazil)	40.00%	Insurance	- MAPFRE SEGURADORA DE GARANTÍA E CRÉDITO	100.0000	99.9900
CENTRAL AMERICA						
MAPFRE AMÉRICA CENTRAL (in 2009 MUNDIAL DESARROLLO)	Costa del Este, diagonal al Business Park Panama (Panama)	30.00%	Insurance	- MAPFRE MUNDIAL HOLDING - MAPFRE AMÉRICA	100.0000	57.0600 57.0600
MAPFRE MUNDIAL HOLDING S.A.	Costa del Este, diagonal al Business Park Panama (Panama)	30.00%	Insurance	- MAPFRE AMÉRICA	65.0000	-
MAPFRE HONDURAS	Avenida Berlin y Calle Viena, piso 7 Lomas del Guijarro Sur Edificio Plaza Azul Tegucigalpa, M.D.C. (Honduras)	30.00%	Insurance	- MAPFRE AMÉRICA CENTRAL - MAPFRE MUNDIAL HOLDING	73.0000 25.0780	- -
MAPFRE PANAMÁ (in 2009 ASEGURADORA MUNDIAL)	Costa del Este, diagonal al Business Park Panama (Panama)	30.00%	Insurance	- MAPFRE MUNDIAL HOLDING - MAPFRE AMÉRICA	99.2800	- 56.6490
MAPFRE LA CENTRO AMERICANA S.A.	Alameda Roosevelt, 31-07 San Salvador (El Salvador)	14.00%	Insurance	- MAPFRE AMÉRICA - MAPFRE MUNDIAL HOLDING	72.9201	- 72.8853
INMOBILIARIA AMERICANA S.A.	Alameda Roosevelt, 31-07 San Salvador (El Salvador)	14.00%	Real Estate	- MAPFRE AMÉRICA - MAPFRE MUNDIAL HOLDING	78.8559	- 78.8559
MAPFRE COSTA RICA	Barrio Tournón, Edificio Alvasa, 2do. Piso Diagonal al Periodico La República en intersección con Ctra de Guapiles (Ruta 32) San José (Costa Rica)	30.00%	Insurance	- MAPFRE AMÉRICA CENTRAL	100.0000	-
MAPFRE GUATEMALA	5a Avenida 5-55 Zona 14 Europlaza Europlaza Torre 4 Nivel 16 y PH. Ciudad de Guatemala (Guatemala)	31.00%	Insurance	- MAPFRE AMÉRICA CENTRAL	99.9000	-
MAPFRE NICARAGUA	Edificio Invercasa, 1er. Piso Managua (Nicaragua)	30.00%	Insurance	- MAPFRE AMÉRICA CENTRAL	100.0000	-
CHILE						
MAPFRE CHILE SEGUROS S.A.	Isidoro Goyenechea 3520 p 16 Las Condes Santiago de Chile (Chile)	17.00%	Holding	- MAPFRE AMÉRICA - MAPFRE CHILE REASEGUROS	99.9937 0.0042	99.9937 0.0042
EUROAMÉRICA ASESORÍAS GENERALES S.A.	Isidoro Goyenechea 3520 p 16 Las Condes Santiago de Chile (Chile)	17.00%	Investment firm	- MAPFRE CHILE SEGUROS	100.0000	100.0000
MAPFRE COMPAÑÍA DE SEGUROS GENERALES DE CHILE S.A.	Isidoro Goyenechea 3520 p 16 Las Condes Santiago de Chile (Chile)	17.00%	Insurance	- MAPFRE CHILE SEGUROS - EUROAMÉRICA ASESORÍAS	81.4200 18.5800	77.5100 22.4900
MAPFRE CHILE VIDA, S.A.	Isidoro Goyenechea 3520 p 16 Las Condes Santiago de Chile (Chile)	17.00%	Holding	- MAPFRE AMÉRICA	100.0000	100.0000
MAPFRE COMPAÑÍA DE SEGUROS DE VIDA DE CHILE	Isidoro Goyenechea 3520 p 16 Las Condes Santiago de Chile (Chile)	17.00%	Insurance	- MAPFRE CHILE VIDA	100.0000	100.0000
INVERSIONES MAPFRE CHILE LIMITADA	C/ Teatinos 280 Santiago de Chile (Chile)	-	Real Estate	- MAPFRE AMERICA - MAPFRE CHILE SEGUROS	99.9900 0.0100	99.9900 0.0100
COLOMBIA						
MAPFRE SEGUROS GENERALES DE COLOMBIA S.A.	Carrera, 14, nº 96-34 Santa Fé de Bogotá (Colombia)	34.00%	Insurance	- MAPFRE AMÉRICA - APOINT	94.2294 5.7623	94.2294 5.7623
CREDIMAPFRE	Carrera, 14, nº 96-34 Santa Fé de Bogotá (Colombia)	34.00%	Real estate	- GESTIMAP - MAPFRE SEGUROS GENERALES DE COLOMBIA	5.0854 94.9144	5.0854 94.9144

FINANCIAL YEAR END FIGURES										
ASSETS		EQUITY		REVENUES		RESULTS IN FINANCIAL YEAR		METHOD OR PROCEDURE		
2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	
123,603	106,853	123,592	100,472	39	17,360	(448)	17,198	(A)	(A)	
1,181,068	869,943	255,892	190,079	618,992	454,277	31,598	23,814	(A)	(A)	
17,409	8,910	12,588	5,443	14,505	9,294	6,422	4,148	(A)	(A)	
47,454	43,116	16,855	14,499	13,421	16,256	434	963	(A)	(A)	
9,258	10,213	8,425	6,990	875	1,341	509	517	(A)	(A)	
43,091	36,775	33,045	33,700	1,169	330	(3,258)	(1,081)	(A)	(A)(F)	
163,291	-	163,291	-	-	-	-	-	(A) (G)	-	
24,734	-	6,713	-	14,070	-	(589)	-	(A)	-	
176,235	181,044	44,923	40,526	63,102	60,176	3,525	6,707	(A)	(A)(F)	
47,612	45,270	13,706	11,757	23,450	20,913	1,849	1,635	(A)	(A)	
5,861	5,603	5,416	4,918	517	493	102	83	(A)	(A)	
6,153	-	5,060	-	1,921	-	(2,173)	-	(A)	-	
31,783	-	12,087	-	17,534	-	378	-	(A)	-	
8,189	-	3,835	-	4,124	-	571	-	(A)	-	
37,422	200,023	37,418	22,770	58	106	(18)	(35)	(A)	(A)	
6,122	5,068	6,122	4,798	-	-	(2)	250	(A)	(A)	
696,575	198,575	31,670	21,293	75,490	57,958	(4,025)	1,083	(A)	(A)	
1,654	2,836	501	223	0	-	(148)	(108)	(A)	(A)	
56,045	42,872	3,312	2,836	4,307	3,132	(189)	(285)	(A)	(A)	
30,453	25,246	28,401	23,031	2,458	2,137	1,442	1,230	(A)	(A)	
203,817	141,530	41,529	20,080	79,323	197,252	4,695	-	(A)	(A)	
6,312	7,971	4,476	4,495	771	1	(214)	-	(A)	(A)	

NAME	REGISTERED OFFICE	EFFECTIVE TAX RATE	ACTIVITY	HOLDER	SHAREHOLDING	
					% IN SHARE CAPITAL	
					2010	2009
GESTIMAP S.A.	Carrera, 14, nº 96-34 Santa Fé de Bogotá (Colombia)	34.00%	Vehicle spare parts information	- MAPFRE SEGUROS GENERALES DE COLOMBIA	92.5888	92.5888
				- CREDIMAPFRE	7.4107	7.4107
AUTOMOTORES CAPITAL LTDA	Carrera, 14, nº 96-34 Santa Fé de Bogotá (Colombia)	34.00%	Repair, purchase and sale of vehicles	- CREDIMAPFRE	100.0000	100.0000
MAPFRE COLOMBIA VIDA S.A.	Carrera, 14, nº 96-34 Santa Fé de Bogotá (Colombia)	34.00%	Insurance	- MAPFRE AMÉRICA	94.2853	94.2853
				- APOINT	5.7146	5.7146
				- MAPFRE SEGUROS GENERALES DE COLOMBIA	0.0001	0.0001
ECUADOR						
MAPFRE ATLAS COMPAÑÍA DE SEGUROS, S.A.	Kennedy e Norte, Justino Cornejo y Avda. Luis Orrantía. Edificio Torres Atlas Guayaquil (Ecuador)	25.00%	Insurance	- MAPFRE AMÉRICA	60.0000	58.2000
MEXICO						
MAPFRE TEPEYAC S.A.	Av.Magnocentro 5 Col.C.San Fernando Huixquilucan (Mexico)	28.00%	Insurance	- MAPFRE AMÉRICA - GRUPO CORPORATIVO LML	55.6602 44.3398	55.6602 44.3398
GRUPO CORPORATIVO LML S.A. DE C.V.	Av.Magnocentro 5 Col.C.San Fernando Huixquilucan (Mexico)	28.00%	Holding	- MAPFRE AMÉRICA	100.0000	100.0000
UNIDAD MÓVIL DE DIAGNÓSTICO S.A.	Av.Magnocentro 5 Col.C.San Fernando Huixquilucan (Mexico)	28.00%	Medical services	- MAPFRE TEPEYAC	99.9982	99.9982
ASSET DEFENSA LEGAL MEXICANA S.A. DE C.V.	Prado Sur, 230 Col. Lomas Chapultepec Mexico DF(Mexico)	28.00%	Legal advisory servoces	- MAPFRE TEPEYAC	78.8145	78.8145
TEPEYAC INC.	109 Este San Ysidro Blvd #65 San Isidro-California (USA.)	30.00%	Car insurance for tourists	- MAPFRE TEPEYAC	100.0000	100.0000
TEPEYAC ASESORES	Av.Magnocentro 5 Col.C.San Fernando Huixquilucan (Mexico)	30.00%	Fund admnistration	- MAPFRE AMÉRICA - MAPFRE TEPEYAC	51.0000 16.0000	51.0000 16.0000
CESVI MÉXICO, S.A.	Calle 1 Sur nº 101 Parque Ind. Toluca 2000 Toluca (Mexico)	28.00%	Research centre	- MAPFRE TEPEYAC	13.9500	13.9500
PARAGUAY						
MAPFRE PARAGUAY COMPAÑÍA DE SEGUROS S.A.	Av.Mariscal López, 910 Asunción (Paraguay)	10.00%	Insurance	- MAPFRE AMÉRICA	89.5400	89.5400
PERU						
MAPFRE PERÚ COMPAÑÍA DE SEGUROS Y REASEGUROS	Av.Veintiocho de Julio, 873 Miraflores- Lima 18 (Peru)	30.00%	Insurance and reinsurance	- MAPFRE AMÉRICA	99.2376	99.2376
MAPFRE PERÚ ENTIDAD PRESTADORA DE SALUD	Av.Veintiocho de Julio, 873 Miraflores- Lima 18 (Peru)	30.00%	Medical assistance	- MAPFRE AMÉRICA	98.5900	98.5900
MAPFRE PERÚ VIDA, COMPAÑÍA DE SEGUROS, S.A.	Av.Veintiocho de Julio, 873 Miraflores- Lima 18 (Peru)	30.00%	Insurance	- MAPFRE AMÉRICA	67.2725	67.2725
CORPORACIÓN FINISTERRE, S.A.	Av.Veintiocho de Julio, 873 Miraflores- Lima 18 (Peru)	30.00%	Undertaker services	- MAPFRE PERÚ VIDA	100.0000	100.0000
PUERTO RICO						
MAPFRE PRAICO CORPORATION	Urb. Tres Monjitas Industrial 297 Avda.Carlos Chardón Hato RE.Y. San Juan (Puerto Rico)	0.00%	Insurance	- MAPFRE AMÉRICA	100.0000	100.0000
MAPFRE PRAICO INSURANCE COMPANY	Urb. Tres Monjitas Industrial 297 Avda.Carlos Chardón Hato RE.Y. San Juan (Puerto Rico)	17.00%	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)	3.00%	Insurance	- MAPFRE PRAICO INSURANCE	100.0000	100.0000
MAPFRE PAN AMERICAN INSURANCE COMPANY	Urb. Tres Monjitas Industrial 297 Avda.Carlos Chardón Hato RE.Y. San Juan (Puerto Rico)	1.00%	Insurance	- MAPFRE PRAICO CORPORATION	100.0000	100.0000

FINANCIAL YEAR END FIGURES										
ASSETS		EQUITY		REVENUES		RESULTS IN FINANCIAL YEAR		METHOD OR PROCEDURE		
2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	
-	-	-	-	-	-	-	-	(B)	(A)	
-	-	-	-	-	-	-	-	(B)	(B)	
382,982	216,064	25,451	16,371	161,345	172,359	882	3,725	(A)	(A)	
16,616	14,195	7,304	6,173	11,089	25,939	562	886	(A)	(A)	
770,253	594,552	164,791	131,421	366,280	290,282	18,879	699	(A)	(A)	
31,661	27,694	31,661	19,284	7	9	(9)	1,479	(A)	(A)	
1,453	1,321	283	257	5,658	5,144	69	63	(A)	(A)	
553	503	428	389	2,526	2,296	43	39	(A)	(A)	
-	-	-	-	-	-	-	-	(A)	(A)	
-	376	-	268	-	8	-	4	(A)	(A)	
	4,097		3,217		3,635		74	(D)	(D)	
43,625	32,946	16,116	11,302	28,760	21,738	3,516	2,361	(A)	(A)	
202,457	115,931	37,422	26,794	91,972	104,401	6,569	3,577	(A)	(A)	
3,008	1,547	1,157	539	9,896	4,753	545	(89)	(A)	(A)	
174,994	121,364	33,182	14,370	58,564	35,393	5,347	2,562	(A)	(A)	
3,449	3,060	3,332	2,958	5,219	3,894	18	(154)	(A)	(A)	
220,923	194,397	218,781	210,005	21,961	26,695	16,604	24,414	(A)	(A)	
399,677	358,132	174,108	175,639	192,675	179,131	18,853	15,110	(A)	(A)	
77,749	74,322	20,913	24,915	28,212	27,558	2,389	3,113	(A)	(A)	
17,459	18,596	7,568	11,909	4,852	4,575	475	688	(A)	(A)	

NAME	REGISTERED OFFICE	EFFECTIVE TAX RATE	ACTIVITY	HOLDER	SHAREHOLDING	
					2010	2009
MAPFRE INSURANCE AGENCY OF PUERTO RICO, INC.	Urb. Tres Monjitas Industrial 297 Avda. Carlos Chardón Hato RE.Y. San Juan (Puerto Rico)	0.00%	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)	4.00%	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)	18.00%	Insurance	- MAPFRE PRAICO CORPORATION	100.0000	100.0000
BALDRICH & ASSOCIATES INC. (merged in 2010 with MAPFRE INSURANCE AGENCY OF PUERTO RICO)	Urb. Tres Monjitas Industrial 297 Avda. Carlos Chardón Hato RE.Y. San Juan (Puerto Rico)	-	Insurance brokerage	- MAPFRE PRAICO CORPORATION	-	100.0000
AUTO GUARD INC.	Urb. Tres Monjitas Industrial 297 Avda. Carlos Chardón Hato RE.Y. San Juan (Puerto Rico)	0.00%	Extended warranty contracts	- MAPFRE PRAICO CORPORATION	100.0000	100.0000
CLUB MAPFRE DEL AUTOMOVIL, INC.	Urb. Tres Monjitas Industrial 297 Avda. Carlos Chardón Hato RE.Y. San Juan (Puerto Rico)	0.00%	Anti theft protection	- MAPFRE PRAICO CORPORATION	100.0000	100.0000
DOMINICAN REPUBLIC						
MAPFRE DOMINICANA S.A.	Avd. Pedro H. Ureña, 150 esq. A. Lincoln. La Esperilla Santo Domingo (Dominican Republic)	25.00%	Securities broker-dealer firm	- MAPFRE AMÉRICA	99.9991	99.9991
MAPFRE BHD COMPAÑÍA DE SEGUROS, S.A.	Avda. Abraham Lincoln, 952 (Dominican Republic)	25.00%	Insurance	- MAPFRE DOMINICANA	51.0000	51.0000
CREDI PRIMAS, S.A.	Dominican Republic	25.00%	Policy financing	- MAPFRE BHD	100.0000	100.0000
URUGUAY						
MAPFRE URUGUAY S.A.	Bulevar Artigas, 459 Montevideo (Uruguay)	25.00%	Insurance	- MAPFRE AMÉRICA	100.0000	100.0000
APOINT S.A.	Col. 993 Piso 3 Montevideo (Uruguay)	-	Financial	- MAPFRE AMÉRICA	100.0000	100.0000
REAL URUGUAYA DE SEGUROS	Avda. 18 de Julio, 988 Montevideo (Uruguay)	25.00%	Insurance	- MAPFRE AMÉRICA	100.0000	100.0000
VENEZUELA						
MAPFRE LA SEGURIDAD S.A.	Calle 3ª Parcela 9 Edif. Seg. La Seguridad Caracas(Venezuela)	17.00%	Insurance and reinsurance	- MAPFRE AMÉRICA	99.5159	99.5159
CEFOPROSEG C.A.	Calle 3ª Parcela 9 Edif. Seg. La Seguridad Caracas(Venezuela)	17.00%	Training	- MAPFRE LA SEGURIDAD	100.0000	100.0000
INVERSORA SEGURIDAD C.A.	Calle 3ª Parcela 9 Edif. Seg. La Seguridad Caracas(Venezuela)	17.00%	Policy financing	- MAPFRE LA SEGURIDAD	100.0000	100.0000
CLUB MAPFRE S.A.	Calle 3ª Parcela 9 Edif. Seg. La Seguridad Caracas(Venezuela)	17.00%	Service provider	- MAPFRE LA SEGURIDAD	100.0000	100.0000
INMOBILIARIA 96 C.A.	Calle 3ª Parcela 9 Edif. Seg. La Seguridad Caracas(Venezuela)	17.00%	Real Estate	- MAPFRE LA SEGURIDAD	-	100.0000
AUTOMOTRIZ MULTISERVICAR, C.A.	Calle 3ª Parcela 9 Edif. Seg. La Seguridad Caracas(Venezuela)	17.00%	Vehicle repair workshops	- MAPFRE LA SEGURIDAD	99.7000	99.7000
ESTACIONAMIENTOS EL CHORRO	Calle 3ª Parcela 9 Edif. Seg. La Seguridad Caracas(Venezuela)	17.00%	Real estate administration	- MAPFRE LA SEGURIDAD	-	100.0000
INTERNACIONAL						
MAPFRE INTERNACIONAL S.A	Paseo de Recoletos, 25 (Madrid) Spain	30.00% (1)	Holding	- MAPFRE SA	87.5000	87.5000
TÜRKIYE GENEL SIGORTA, A.S.	Meclisi Mebusan CAD.25, 34433 Salipazari Istanbul (Turkey)	20.00%	Insurance	- MAPFRE INTERNACIONAL	99.7450	90.0000
GENEL YASAM SIGORTA, A.S.	Meclisi Mebusan CAD.23, 34433 Salipazari Istanbul (Turkey)	20.00%	Insurance	- GENEL SIGORTA	100.0000	100.0000

FINANCIAL YEAR END FIGURES										
ASSETS		EQUITY		REVENUES		RESULTS IN FINANCIAL YEAR		METHOD OR PROCEDURE		
2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	
2,072	404	125	(54)	4	1	90	211	(A)	(A)	
3,959	3,094	2,295	2,203	530	443	198	299	(A)	(A)	
67,159	62,666	21,477	21,945	120,220	114,876	2,565	10,950	(A)	(A)	
-	2,194	-	72	-	10	-	57	(H)	(A)	
13,388	10,384	(642)	(450)	4,031	2,894	(142)	(621)	(A)	(A)	
9,352	834	1,275	220	-	6	(90)	(16)	(A)	(A)	
18,359	16,482	18,354	16,982	2,268	1,968	2,262	1,964	(A)	(A)	
81,131	76,409	21,593	17,754	50,691	149,019	-	4,368	(A)	(A)	
822	415	171	139	81	30	29	-	(A)	(A)(F)	
27,113	18,102	5,704	4,942	15,462	13,751	304	(488)	(A)	(A)	
234	4,313	201	3,192	-	-	(2)	(17)	(A)	(A)	
31,797	25,398	2,624	124	17,766	10,172	1,754	569	(A)	(A)	
518,064	346,148	213,893	177,731	632,520	967,030	61,106	16,617	(A)	(A)	
35	4	(199)	2	(92)	-	(92)	(163)	(A)	(A)	
97,995	189,701	96,222	177,362	42,142	52,049	(4,268)	19,851	(A)	(A)	
194	339	188	367	(43)	32	(43)	(31)	(A)	(A)	
-	4	-	-	-	-	-	-	(H)	(A)	
1,502	1,999	1,309	2,219	1,402	1,317	(161)	(635)	(A)	(A)	
-	4	-	4	-	-	-	-	(H)	(A)	
2,211,206	2,149,576	2,140,644	2,070,254	99,258	91,026	68,764	68,409	(A)	(A)	
439,906	424,338	235,833	234,090	178,486	156,611	24,143	30,161	(A)	(A)	
74,233	117,574	18,777	15,966	57,613	52,920	(890)	(624)	(A)	(A)	

NAME	REGISTERED OFFICE	EFFECTIVE TAX RATE	ACTIVITY	HOLDER	SHAREHOLDING	
					% IN SHARE CAPITAL	
					2010	2009
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 0.0003 0.0003 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	-
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	31.0773	30.7934
MAPFRE INSULAR INSURANCE CORPORATION	Acacia Ave Mandrigal Business Park Ayala Alabarg, Muntinlupa City (Filipinas)	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 (in 2009 THE COMMERCE GROUP, INC.)	211 Main Street, Webster, MA 01570 (USA)	40.00%	Insurance	- 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
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
STATE-WIDE INSURANCE COMPANY	20 Main Street Hempstead, NY 11550 (USA)	40.00%	Insurance	- ACIC HOLDINGS	100.0000	100.0000
GLOBAL BUSINESSES						
GLOBAL RISKS						
MAPFRE GLOBAL RISKS (in 2009 MAPFRE EMPRESAS SOCIEDAD ANÓNIMA DE SEGUROS Y REASEGUROS)	Ctra. Pozuelo, 52. Majadahonda. (Madrid) Spain	2.93% (1)	Insurance	- MAPFRE SA - MAPFRE FAMILIAR	99.9976 0.0006	99.9982 0.0006
ITSEMAP SERVICIOS TECNOLÓGICOS MAPFRE, S.A.	Paseo de Recoletos, 25 (Madrid) Spain	25.00% (1)	Technology services	- MAPFRE GLOBAL RISKS - MAPFRE RE - MAPFRE SA	60.0000 39.9752 0.0248	60.0000 39.9752 0.0248
ITSEMAP MÉXICO, S.A.	Porfirio Diaz, 102 Col.Nochebuena Mexico D.F. (Mexico)	28.00%	Technology services	- ITSEMAP Services TECNOLÓGICOS	99.9998	99.9998
ITSEMAP PORTUGAL, LTDA	Rua Castillo, 52 Lisboa (Portugal)	10.00%	Technology services	- ITSEMAP Services TECNOLÓGICOS	99.9857	99.9857
ITSEMAP CHILE, S.A.	Apoquindo, 4499 Santiago (Chile)	-	Technology services	- ITSEMAP Services TECNOLÓGICOS - INVERSIONES IBÉRICAS	75.0000 25.0000	75.0000 25.0000
ITSEMAP BRASIL, LTDA	Rua Sao Carlos do Pinhal, 696 Sao Paulo (Brazil)	31.00%	Technology services	- ITSEMAP Services TECNOLÓGICOS - MAPFRE RE DO BRASIL	99.9792 0.0208	99.9792 0.0208

FINANCIAL YEAR END FIGURES										
ASSETS		EQUITY		REVENUES		RESULTS IN FINANCIAL YEAR		METHOD OR PROCEDURE		
2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	
218,113	229,266	54,946	60,310	89,904	90,629	2,702	3,484	(A)		(A)
182,300	-	5,655	-	50,468	-	1,606	-	(A)	(G)	-
95,941	-	6,613	-	28,819	-	1,519	-	(A)	(G)	-
136,812	104,374	50,262	15,199	15,385	17,495	5,616	(20,959)	(C)		(C)
58,838	43,880	25,348	20,069	21,132	17,379	3,595	2,782	(A)		(A)
53,737	49,478	26,063	23,762	28,133	17,647	1,023	1,854	(A)		(A)
28,342	27,610	21,847	23,586	2,964	1,337	(369)	1,937	(A)		(A)
138	111	138	88	-	-	47	3	(A)		(A)
1,247,453	1,162,912	1,047,919	906,227	91,534	3,877	84,388	(5,819)	(A)		(A)
1,954,243	1,969,561	780,975	895,505	1,097,834	951,943	83,706	70,891	(A)		(A)
209,323	202,699	93,255	96,067	122,975	107,904	8,323	7,174	(A)		(A)
256,013	212,478	256,013	212,119	19,595	-	19,596	(14)	(A)		(A)
234,196	230,582	112,078	115,133	118,255	102,353	8,451	6,915	(A)		(A)
8,241	8,128	8,012	7,775	728	666	(86)	18	(A)		(A)
111,325	109,099	55,646	55,528	54,561	47,999	5,355	4,338	(A)		(A)
84,552	80,946	47,189	48,329	41,710	35,477	4,276	3,116	(A)		(A)
2,840,609	3,951,240	397,216	502,413	412,132	1,534,440	119,241	87,123	(A)		(A)
3,677	4,082	3,059	3,055	3,224	3,989	3	48	(A)		(A)
707	598	566	419	868	850	33	81	(A)		(A)
855	911	388	371	825	907	17	(70)	(A)		(A)
41	35	42	37	-	1	(1)	1	(A)		(A)
1,646	1,383	1,332	1,020	3,441	2,938	94	97	(A)		(A)

NAME	REGISTERED OFFICE	EFFECTIVE TAX RATE	ACTIVITY	HOLDER	SHAREHOLDING	
					% IN SHARE CAPITAL	
					2010	2009
SERVIFINANZAS, S.A. SOCIEDAD UNIPERSONAL	Avda.General Perón,40 (Madrid) Spain	30.00% (1)	Financial	- MAPFRE GLOBAL RISKS	100.0000	100.0000
INDUSTRIAL RE MUSINI S.A.	6B Route de Trèves, Senningerberg (Luxembourg)	30.00%	Reinsurance	- MAPFRE GLOBAL RISKS	100.0000	100.0000
MAPFRE CAUCIÓN Y CRÉDITO COMPAÑÍA INTERNACIONAL DE SEGUROS Y REASEGUROS S.A.	Avda.General Perón,40 (Madrid) Spain	3.54% (1)	Insurance and reinsurance	- MAPFRE GLOBAL RISKS - MAPFRE Services MARÍTIMOS	99.9960 0.0040	99.9960 0.0040
MAPFRE AMÉRICA CAUCIÓN S.A.	Avda.General Perón,40 (Madrid) Spain	1.56% (1)	Holding	- MAPFRE CAUCIÓN Y CRÉDITO - MAPFRE GLOBAL RISKS	99.9947 0.0053	99.9960 0.0040
MAPFRE FIANZAS S.A.	Avda. Magnocentro, 5 Col. C. San Fernando Huixquilucan (Mexico)	-	Insurance	- MAPFRE AMÉRICA CAUCIÓN Y CRÉDITO - MAPFRE TEPEYAC	99.9800 0.0200	99.9800 0.0200
MAPFRE SERVICIOS DE CAUCIÓN S.A.	Avda.General Perón,40 (Madrid) Spain	- (1)	Services	- MAPFRE CAUCIÓN Y CRÉDITO - MAPFRE SA	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 - INVERSIONES IBÉRICAS	99.9923 0.0777	99.9923 0.077
COMPAÑÍA DE SEGUROS DE CRÉDITOS COMERCIALES S.A.	Carrera 64 nº149 A-30 Medellín (Colombia)	44.20%	Insurance	- MAPFRE AMÉRICA CAUCIÓN Y CRÉDITO - MAPFRE SA - MAPFRE COLOMBIA - MAPFRE COLOMBIA VIDA	94.8937 4.7872 0.1064 0.1064	94.8937 4.7872 0.1064 0.1064
MAPFRE SEGUROS DE CRÉDITO S.A.	Avda. Magnocentro, 5 Col. C. San Fernando Huixquilucan (Mexico)	10.85%	Insurance	- MAPFRE AMÉRICA CAUCIÓN Y CRÉDITO - MAPFRE TEPEYAC	99.9800 0.0200	99.9800 0.0200
REINSURANCE						
MAPFRE RE COMPAÑÍA DE REASEGUROS, S.A.	Paseo de Recoletos, 25 (Madrid) Spain	30.00% (1)	Reinsurance	- MAPFRE SA - MAPFRE FAMILIAR	91.5288 0.0003	91.5288 0.0003
COMPAGNIE INTERNATIONALE D'ASSURANCES ET REASSURANCES (C.I.A.R.) SOCIÉTÉ ANONIMÉ	45, Rue de Treves Bruselas (Belgium)	34.00%	Insurance and reinsurance	- MAPFRE RE - MAPLUX REINSURANCE	99.9900 0.0100	99.9900 0.0100
MAPFRE CHILE REASEGUROS, S.A.	Avda.Apoquindo, 4499 Santiago de Chile (Chile)	17.00%	Reinsurance	- MAPFRE RE - INVERSIONES IBÉRICAS	99.9932 0.0068	99.9932 0.0068
INVERSIONES IBÉRICAS, L.T.D.A.	Avda.Apoquindo, 4499 Santiago de Chile (Chile)	17.00%	Financial and real estate	- MAPFRE RE - MAPFRE CHILE REASEGUROS	99.9899 0.0101	99.9899 0.0101
CAJA REASEGURADORA DE CHILE S.A.	Avda.Apoquindo, 4499 Santiago de Chile (Chile)	17.00%	Reinsurance	- MAPFRE CHILE REASEGUROS	99.8467	99.8467
INMOBILIARIA COSTA DE MONTEMAR, S.A.	Avda.Apoquindo, 4499 Santiago de Chile (Chile)	17.00%	Real Estate	- INVERSIONES IBÉRICAS	31.4400	31.4400
CAJA RE ARGENTINA, S.A.	Bouchar 547 piso 14 Buenos Aires (Argentina)	35.00%	Advisory services	- INVERSIONES IBÉRICAS	99.9960	99.9960
MAPFRE RE DO BRASIL COMPAÑÍA DE REASEGUROS	Rua Olimpiadas ,242,5º andar,conjunto 52 Vila Olimpia; Sao Paulo (Brazil)	15.00%	Consulting	- MAPFRE RE - ITSEMAP DO BRASIL	99.9999 0.0001	99.9999 0.0001
MAPFRE RE COMPAÑÍA DE REASEGUROS	Rua Olimpiadas ,242,5º andar,conjunto 52 Vila Olimpia; Sao Paulo (Brazil)	15.00%	Reinsurance	- MAPFRE RE - MAPFRE RE DO BRASIL	99.9999 0.0001	- -
ADMINISTRADORA DE PROPIEDADES S.A. COMERCIAL Y TURISMO S.A.	Napoleón 3096 Santiago (Chile)	17.00%	Real Estate	- INVERSIONES IBÉRICAS	31.2900	31.2900
INMOBILIARIA PRESIDENTE FIGUEROA ALCORTA, S.A.	Napoleón 3096 Santiago (Chile)	17.00%	Real Estate	- INVERSIONES IBÉRICAS	31.2000	31.2000
INMOBILIARIA PRESIDENTE FIGUEROA ALCORTA, S.A.	Bouchar 547 piso 14 B. Aires (Argentina)	35.00%	Real Estate	- MAPFRE RE	99.9985	99.9985
INMOBILIARIA TIRILLUCA S.A.	Avda. Apoquindo, 4499 Santiago de Chile (Chile)	17.00%	Real Estate	- INVERSIONES IBÉRICAS - MAPFRE CHILE REASEGUROS	- 43.7500	43.7500 -
MAPFRE MANDATOS Y SERVICIOS, S.A.	Bouchar 547 piso 14 B. Aires (Argentina)	35.00%	Services	- MAPFRE RE - CAJA REASEGURADORA DE ARGENTINA	95.0000 5.0000	95.0000 5.0000
REINSURANCE MANAGAMENT INC.	100 Campus Drive New Jersey 07932-2007 (USA.))	35.00%	Services	- MAPFRE RE	100.0000	100.0000
MAPLUX REINSURANCE COMPANY LTD	E Building Immeuble C6,Parc d'Activile Syrdall Munsbanch (Luxembourg)	-	Reinsurance	- MAPFRE SA	100.0000	100.0000

FINANCIAL YEAR END FIGURES										
ASSETS		EQUITY		REVENUES		RESULTS IN FINANCIAL YEAR		METHOD OR PROCEDURE		
2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	
481	479	478	460	32	126	18	86	(A)	(A)	
38,029	41,610	21,297	21,343	2,281	5,894	1,901	(2,897)	(A)	(A)	
195,199	241,071	27,516	19,282	79,919	101,098	10,421	(4,666)	(A)	(A)	
15,923	24,872	16,224	24,832	4,585	3,795	5,745	3,010	(A)	(A)	
6,908	4,919	3,519	2,811	3,839	2,459	184	(450)	(A)	(A)	
171	171	171	171	1	2	(1)	1	(A)	(A)	
23,837	25,377	6,330	5,158	10,230	9,131	337	(1,836)	(A)	(A)	
17,791	21,495	8,168	6,780	8,461	10,437	674	1,089	(A)	(A)	
4,493	4,915	2,795	2,308	994	1,057	156	(234)	(A)	(A)	
3,799,183	2,503,306	792,907	778,383	1,884,024	2,272,522	119,425	128,394	(A)	(A)	
12,528	14,904	9,088	9,060	929	1,339	567	525	(A)	(A)	
124,296	97,927	55,068	43,325	7,084	6,566	979	2,001	(A)	(A)	
17,158	18,224	15,790	18,051	954	594	(115)	58	(A)	(A)	
103,832	85,109	40,124	32,251	5,908	4,857	1,724	1,384	(A)	(A)	
25,357	20,614	25,347	20,464	1,800	1,837	816	231	(C)	(C)	
128	117	102	94	6	11	5	3	(A)	(A)	
198,979	118,835	40,503	30,818	40,446	18,030	3,290	1,244	(A)	(A)	
47	-	47	-	-	-	-	-	(B)	-	
564	704	238	117	1,639	1,720	97	(94)	(C)	(C)	
560	247	159	(8)	1,148	547	168	35	(C)	(C)	
7	8	7	8	-	-	-	-	(B)	(A)	
12,412	10,914	12,274	10,503	27	42	(328)	(71)	(C)	(C)	
197	176	98	91	1,039	837	5	8	(B)	(C)	
748	740	16	14	-	-	-	-	(A)	(A)	
29,803	31,087	3,584	4,084	1,652	1,495	(151)	(20)	(A)	(A)	

NAME	REGISTERED OFFICE	EFFECTIVE TAX RATE	ACTIVITY	HOLDER	SHAREHOLDING	
					% IN SHARE CAPITAL	
					2010	2009
ASISTENCIA						
MAPFRE ASISTENCIA COMPAÑÍA	Sor Ángela de la Cruz, 6	30.00%	Insurance and reinsurance	- MAPFRE SA	99.9970	99.9970
INTERNACIONAL DE SEGUROS Y REASEGUROS, S.A.	(Madrid) Spain	(1)		- MAPFRE FAMILIAR	0.0030	0.0030
IBERO ASISTENCIA, S.A.	Avda. Liberdade, 40 Lisboa (Portugal)	0.275	Travel assistance	- MAPFRE ASISTENCIA	100.0000	100.0000
BRASIL ASISTENCIA S/A	Ed.Crystal Tower, Alameda Mamore 989. Alphaville Sao Paulo (Brazil)	34.00%	Travel assistance	- MAPFRE ASISTENCIA	99.9990	99.9990
MAPFRE WARRANTY BRASIL LTDA	Ed.Crystal Tower, Alameda Mamore 989. Alphaville Sao Paulo (Brazil)	34.00%	Travel assistance	- BRASIL ASISTENCIA	99.9900	-
AFRIQUE ASSISTANCE, S.A.	16, Rue Dr.Alphonse Laverning, 1002 (Tunisia)	35.00%	Travel assistance	- MAPFRE ASISTENCIA	49.0000	49.0000
VEASISTENCIA, 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, 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	35.00% (1)	Travel assistance	- MAPFRE ASISTENCIA - MAPFRE FAMILIAR	99.9300 0.0700	99.9300 0.0700
IRELAND ASSIST, LTD	22-26 Prospect Hill Galway (Irlanda)	12.50%	Travel assistance	- MAPFRE ASISTENCIA	100.0000	100.0000
GULF ASSIST, B.S.C.	Manama Centre Building Manama (Barhrain)	-	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	-
INSURE AND GO AUSTRALIA	SWAAB Attorneys, Level 1, 20 Hunter Street, Sydney, NSW 2000 (Australia)	28.00%	Travel assistance	- INSURANCE AND GO	100.0000	-
TRAVEL CLAIMS SERVICIOS LIMITED	Maitland House, Warrior Square, Southend-on-Sea, Essex SS1 2JY, (United Kingdom)	28.00%	Travel assistance	- INSURANCE AND GO	100.0000	-
INSURE AND GO AUSTRALASIA	Maitland House, Warrior Square, Southend-on-Sea, Essex SS1 2JY, (United Kingdom)	28.00%	Travel assistance	- INSURANCE AND GO	100.0000	-
CIG SERVICIOS LIMITES	Maitland House, Warrior Square, Southend-on-Sea, Essex SS1 2JY, (United Kingdom)	28.00%	Travel assistance	- INSURANCE AND GO	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 Psychico. 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	72.7130	59.9490
ECUASISTENCIA, S.A.	Avda.Doce de Octubre, 1942 Quito (Ecuador)	25.00%	Travel assistance	- MAPFRE ASISTENCIA - ANDIASISTENCIA	94.5400 5.4600	50.0000 50.0000

FINANCIAL YEAR END FIGURES										
ASSETS		EQUITY		REVENUES		RESULTS IN FINANCIAL YEAR		METHOD OR PROCEDURE		
2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	
395,427	335,778	144,070	120,426	217,280	253,097	18,892	12,211	(A)		(A)
527	491	311	264	1,018	927	19	50	(A)		(A)
20,263	15,641	9,264	10,203	44,555	35,652	3,418	2,814	(A)		(A)
680	-	4	-	21	-	(323)	-	(B)		-
2,841	2,612	1,845	2,087	2,118	3,607	440	506	(A)		(A)
3,911	4,465	2,269	3,084	3,656	5,407	898	1,011	(A)		(A)
3,937	3,976	1,285	1,769	9,530	7,413	(271)	156	(A)		(A)
3,754	3,357	1,415	1,743	10,947	8,726	(78)	(9)	(A)		(A)
8,041	7,307	3,514	5,966	19,091	15,924	193	65	(A)		(A)
8,154	7,921	3,520	2,924	15,613	15,013	243	1,033	(A)		(A)
7,920	7,893	1,964	1,873	5,704	5,588	90	98	(A)		(A)
5,792	1,978	1,495	1,508	1,597	1,816	110	195	(A)		(A)
6,129	7,273	3,301	4,799	4,216	6,997	1,361	2,043	(A)		(A)
3,436	-	(4,143)	-	4,743	-	429	-	(A) (G)		-
65	-	(26)	-	98	-	(15)	-	(A) (G)		-
688	-	448	-	329	-	(39)	-	(A) (G)		-
-	-	-	-	-	-	-	-	(A) (G)		-
-	-	-	-	-	-	-	-	(A) (G)		-
587	-	311	-	277	-	77	-	(A)		(A)
1,644	1,326	(353)	(118)	2,193	2,563	260	(492)	(A)		(A)
1,590	1,960	1,199	1,908	1,623	1,642	259	272	(A)		(A)
1,813	1,124	778	768	4,922	3,782	60	83	(A)		(A)

NAME	REGISTERED OFFICE	EFFECTIVE TAX RATE	ACTIVITY	HOLDER	SHAREHOLDING	
					% IN SHARE CAPITAL	
					2010	2009
CONSULTING DE SOLUCIONES Y TECNOLOGÍAS SIAM, S.A.	Sor Ángela de la Cruz, 6 (Madrid) Spain	30.00% (1)	Consulting	- MAPFRE ASISTENCIA - IBEROASISTENCIA	99.9259	99.9259
					0.0741	0.0741
PERÚ ASISTENCIA, S.A.	Tarata 160-9ª -Miraflores Lima (Peru)	30.00%	Travel assistance	- MAPFRE ASISTENCIA - IBEROASISTENCIA	99.8639	99.8639
					0.1361	0.1361
IBEROASISTENCIA INTERNACIONAL	Sor Ángela de la Cruz, 6 (Madrid) Spain	30.00% (1)	Travel agency	- MAPFRE ASISTENCIA - IBEROASISTENCIA	99.7600	99.7600
					0.2400	0.2400
VIAJES MAPFRE CCI, S.L.	Sor Ángela de la Cruz, 6 (Madrid) Spain	30.00%	Travel tour operator	- MAPFRE ASISTENCIA	100.0000	100.0000
MÉXICO 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	99.9500
					0.0500	0.0500
PANAMÁ ASISTENCIA, S.A.	Calle 50 local 9 D, piso 9 Panama, Bella Vista (Panama)	30.00%	Travel assistance	- MAPFRE ASISTENCIA	58.0000	58.0000
TUR ASSIST, LTD.	Hakki Yeten Caddesi Dogu is Merkezi 17/2 (Turkey)	30.00%	Travel assistance	- MAPFRE ASISTENCIA - IBEROASISTENCIA	91.6667	91.6667
					8.3333	8.3333
URUGUAY ASISTENCIA,S.A.	Rincón, 487 of.610 Montevideo (Uruguay)	30.00%	Travel assistance	- MAPFRE ASISTENCIA - IBEROASISTENCIA	94.8165	94.8165
					5.1835	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	99.9900
					0.0100	0.0100
LLC MAPFRE WARRANTY	Denisovskiy Pereulok 26 105005, Moscú (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 (Italia)	37.25%	Warranty extension	- MAPFRE ASISTENCIA - IBEROASISTENCIA	99.9900	99.9900
					0.0100	0.0100
ALLIANCE OPTIMALE, S.L.R.	Zac de la Donniere, 8 69970 Marenes (France)	33.00%	Warranty of vehicles	- MAPFRE WARRANTY	100.0000	100.0000
MAPFRE WARRANTIES	Route des Trois Cantons 11 l- 18399 Windhoj (Luxembourg)	-	Warranty of vehicles	- MAPFRE WARRANTY	100.0000	100.0000
NORASIST, INC D/B/A ROAD CANADA	1930 Yonge S.T. Suite 1028 Toronto, Ontario M4S 1Z4 (Canadá)	30.00%	Travel assistance	- MAPFRE ASISTENCIA	100.0000	100.0000
BRICKELL FINANCIAL SERVICIOS MOTOR CLUB INC.	7300 Corporate Center Drive, Suite 601 Miami Florida 33126 (USA.)	37.30%	Travel assistance	- MAPFRE ASISTENCIA	100.0000	100.0000
ROAD CHINA ASSISTANCE Co, LTD	Jianguolu Chaoyang District, Beijing, PR (China)	30.00%	Travel assistance	- MAPFRE ASISTENCIA	100.0000	100.0000
MAPFRE ABRAXAS SOFTWARE, LTD	9, Blenheim Court Beaufort Park Almondsbury, Bristol BS32 4NE (United Kingdom)	28.00%	Pecuniary losses	- MAPFRE ASISTENCIA	100.0000	100.0000

FINANCIAL YEAR END FIGURES											
ASSETS		EQUITY		REVENUES		RESULTS IN FINANCIAL YEAR		METHOD OR PROCEDURE			
2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
6,140	5,784	6,140	5,784	55	-	350	-	(B)		(A)	
822	671	547	446	1,182	757	167	79	(A)		(A)	
4,615	4,341	4,524	4,248	-	-	276	195	(A)		(A)	
19	21	(222)	(220)	-	-	(2)	(188)	(A)		(A)	
12,134	10,780	4,995	5,345	28,643	23,704	1,745	1,678	(A)		(A)	
53	73	53	73	-	-	(15)	(10)	(B)		(B)	
1,126	2,104	568	939	1,855	2,243	32	260	(A)		(A)	
4,107	2,967	644	1,449	36,132	26,430	117	(75)	(A)		(A)	
1,738	1,547	862	693	5,188	3,823	391	130	(A)		(A)	
(135)	-	(135)	(52)	-	-	18	-	(B)		(B)	
-	178	-	178	-	-	13	(130)	(B)		(B)	
366	510	155	386	1,459	1,468	(19)	172	(A)		(A)	
274	248	(167)	20	366	391	(92)	(120)	(A)		(A)	
388	255	359	251	114	-	(429)	-	(A)		(A)	
140	98	4	98	262	-	(24)	16	(A)		(B)	
4,467	3,961	2,997	3,001	9,713	9,793	693	726	(A)		(A)	
26,276	29,272	6,564	7,612	29,877	28,412	3,516	4,174	(A)		(A)	
695	-	216	-	505	-	127	-	(A)		(A)	
31	-	(9)	-	13	-	(4)	-	(A)		(A)	
1,076	643	462	376	2,946	2,219	50	51	(A)		(A)	
12,607	11,289	7,065	6,248	45,205	37,619	752	611	(A)		(A)	
2,107	980	(878)	(726)	2,697	2,148	(89)	72	(A)		(A)	
2,903	4,476	2,129	4,053	-	12,176	-	929	(A)		(A)	

NAME	REGISTERED OFFICE	EFFECTIVE TAX RATE	ACTIVITY	HOLDER	SHAREHOLDING	
					% IN SHARE CAPITAL	
					2010	2009
ABRAXAS INSURANCE	9, Blenheim Court Beaufort Park Almondsbury, Bristol BS32 4NE (United Kingdom)	28.00%	Pecuniary losses	- MAPFRE ABRAXAS	100.0000	-
MAPFRE ABRAXAS UK, LTD	9, Blenheim Court Beaufort Park Almondsbury, Bristol BS32 4NE (United Kingdom)	28.00%	Pecuniary losses	- MAPFRE ABRAXAS	100.0000	-
HOME 3	(United Kingdom)	0.00%		- MAPFRE ABRAXAS	50.0000	50.0000
CENTRO INTERNACIONAL DE SERVICIOS Y ASISTENCIA, S.A.	Edificio Biotec Plaza Local 010 Ruta 8 Km 17,500 Montevideo (Uruguay)	30.00%	Call Center	- MAPFRE ASISTENCIA	100.0000	100.0000
INDIA ROADSIDE ASSISTANCE PRIVATE LIMITED	4th Floor Dinasty Business Park Building Andheri Kurla Road Mumbai Maharashtra (India)	34.00%	Travel assistance	- MAPFRE ASISTENCIA - IBEROASISTENCIA	99.6300 0.3700	99.6300 0.3700
ARABA ASSIST FOR LOGISTIC SERVICIOS	Wafi Al-Tal Street; Al-Otoum Commercial complex, Bldg no. 98. 4th floor, office no. (405) Amman (Jordan)	25.00%	Travel assistance	- MAPFRE ASISTENCIA	100.0000	100.0000
ROADSIDE ASSIST ALGERIE SPA	57, Rue des Freres Adessalami 3eme étage. Vieux Kouba. Alger (Algeria)	40.00%	Travel assistance	- MAPFRE ASISTENCIA - IBEROASISTENCIA - IBEROCONSULTING	60.3000 0.4000 0.3000	60.3000 0.4000 0.3000
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
LIB ASSIST	Shohadaa El-Sahitt, Nuffleyeen P.o. Box 72166 Tripoli. (Libia)	35.00%	Travel assistance	- MAPFRE ASISTENCIA	51.0000	51.0000
OTHER ACTIVITIES						
REAL ESTATE						
MAPFRE INMUEBLES, S.A.	Avda. General Perón, 38 (Madrid) Spain	30.00% (1)	Real Estate	- MAPFRE FAMILIAR - MAPFRE SEGUROS DE EMPRESAS - MAPFRE SA - MAPFRE VIDA - MAPFRE GLOBAL RISKS - MAPFRE CAUCIÓN Y CRÉDITO	47.0254 25.0227 9.8696 6.5894 5.7802 5.7104	- - 99.9806 - - -
INMO Germany 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.	Avda. General Perón, 38 (Madrid) Spain	30.00% (1)	Real estate services	- MAPFRE INMUEBLES - MAPFRE SA	89.9216 0.0784	89.9216 0.0784
SERVICIOS INMOBILIARIOS MAPFRE S.A.	Avda. General Perón, 38 (Madrid) Spain	26.00% (1)	Real Estate	- MAPFRE INMUEBLES - DESARROLLOS URBANOS	99.9000 0.1000	99.9000 0.1000
INMOBILIARIA MAPINVER S.A.	Avda. General Perón, 38 (Madrid) Spain	30.00%	Real Estate	- MAPFRE INMUEBLES	50.0000	50.0000
MAQUAVIT INMUEBLES, S.L.	Ctra. Pozuelo, 52. Majadahonda. (Madrid) Spain	-	Real Estate	- MAPFRE SA	100.0000	-
INMOBILIARIA BRAVO UREÑA S.L.	Juan Bravo, 3 (Madrid) Spain	30.00%	Real Estate	- MAPFRE INMUEBLES	-	50.0000
SERVICES FOR THE ELDERLY						
MAPFRE QUAVITAE S.A.	C/ Francisco de Rojas, 8 (Madrid) Spain	30.00%	Assistance services	- MAPFRE SA - MAPFRE FAMILIAR	46.0733 10.7651	46.0733 10.7651
QUAVITAE BIZI-KALITATE S.L.	C/ Teodoro González de Zárate,14 (Vitoria) Spain	28.00%	Services for the elderly	- MAPFRE QUAVITAE	99.9900	99.9900
AZUL CENTROS RESIDENCIALES S.A.	C/ Francisco de Rojas, 8 (Madrid) Spain	30.00%	Services for the elderly	- MAPFRE QUAVITAE	100.0000	100.0000
PROVITAE CENTROS ASISTENCIALES S.L.	C/ Fuencarral, 123 (Madrid) Spain	30.00%	Services for the elderly	- MAPFRE QUAVITAE	50.0000	50.0000

FINANCIAL YEAR END FIGURES										
ASSETS		EQUITY		REVENUES		RESULTS IN FINANCIAL YEAR		METHOD OR PROCEDURE		
2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	
5,346	-	887	-	12,399	-	888	-	(A)	(G)	-
844	-	142	-	150	-	(24)	-	(A)	(G)	-
595	977	239	522	391	-	(980)	(420)	(B)		(B)
540	399	336	252	1,470	1,040	22	(15)	(A)		(A)
2,268	1,267	698	525	571	197	(660)	(725)	(A)		(A)
615	661	424	492	226	47	(74)	(41)	(A)		(A)
1,572	1,145	821	649	710	657	235	251	(A)		(A)
180	213	(24)	147	180	-	(102)	-	(A)		(A)
143	413	125	308	97	-	(135)	(171)	(A)		(A)
1,037,124	593,538	713,375	96,386	66,326	56,919	(22,233)	(13,093)	(A)		(A)
-	-	-	-	-	-	-	-	(C)		(C)
120,241	116,216	623	590	49	14	34	9	(A)		(A)
622	753	364	517	1,629	1,854	4	157	(A)		(A)
21,127	20,140	3,620	3,102	-	1	(461)	(383)	(E)		(E)
4	-	4	-	-	-	-	-	(A)	(G)	-
-	152	-	148	-	1	-	1	(B)		(E)
97,248	97,782	45,400	41,950	131,327	124,492	3,522	(2,434)	(A)		(A)
24,527	24,109	6,470	7,352	13,487	14,284	(869)	(366)	(A)		(A)
4,450	4,703	556	625	2,403	1,765	(70)	(326)	(A)		(A)
8,205	8,216	6,568	6,589	-	-	(21)	(54)	(E)		(E)

NAME	REGISTERED OFFICE	EFFECTIVE TAX RATE	ACTIVITY	SHAREHOLDING		
				HOLDER	% IN SHARE CAPITAL	
					2010	2009
BIOINGENIERIA ARAGONESA, S.L.	C/ Francisco de Rojas, 8 (Madrid) Spain	30.00%	Technology for the elderly	- MAPFRE FAMILIAR - MAPFRE QUAVITAE - QUAVITAE BIZI-KALIT.	40.0000 30.0000 30.0000	40.0000 30.0000 30.0000
BANKING AND FINANCE						
BANCO DE SERVICIOS FINANCIEROS CAJA MADRID-MAPFRE, S.A.	Ctra. Pozuelo, 52. Majadahonda. (Madrid) Spain	-	Banking	- MAPFRE SA	48.9684	48.9840
FANCY INVESTMENT S.A..	Avda. 18 de Julio, 841 Montevideo (Uruguay)	-	Financial	- MAPFRE SA	100.0000	100.0000
OTHER						
CENTRO INTERNACIONAL DE FORMACIÓN DE DIRECTIVOS S.A.	Ctra. Nacional I, km 32,500 (San Agustín de Guadalix) Spain	- (1)	Training	- MAPFRE SA	100.0000	100.0000
MAPFRE SERVICIOS DE INFORMÁTICA S.A.	Ctra. Pozuelo, 52. Majadahonda. (Madrid) Spain	30.00% (1)	Research, training and advisory	- MAPFRE INTERNET - MAPFRE SA - MAPFRE FAMILIAR	100.0000 - -	- 95.8333 4.1667
MAPFRE INTERNET S.A.	Ctra. Pozuelo, 52. Majadahonda. (Madrid) Spain	- (1)	IT	- MAPFRE FAMILIAR - MAPFRE VIDA - MAPFRE ASISTENCIA - MAPFRE CAUCIÓN Y CRÉDITO - MAPFRE RE - MAPFRE SA - MAPFRE GLOBAL RISKS - MAPFRE SEGUROS DE EMPRESAS	78.5000 15.0000 2.0000 1.2500 1.0000 1.0000 0.6250 0.6250	78.5000 15.0000 2.0000 1.2500 1.0000 1.0000 1.2500 -
MAPFRE INFORMÁTICA A.I.E.	Ctra. Pozuelo, 52. Majadahonda. (Madrid) Spain	-	IT	- MAPFRE FAMILIAR - MAPFRE GLOBAL RISKS - MAPFRE SEGUROS DE EMPRESAS - MAPFRE VIDA - MAPFRE RE - MAPFRE ASISTENCIA - MAPFRE CAUCIÓN Y CRÉDITO - MAPFRE AMÉRICA - MAPFRE INVERSIÓN - MAPFRE SA	78.7000 5.2500 5.2500 5.0000 1.0000 1.0000 2.5000 0.6000 0.5000 0.2000	78.7000 10.5000 - 5.0000 1.0000 1.0000 2.5000 0.6000 0.5000 0.2000
MAPFRE SOFT S.A.	Ctra. Pozuelo, 52. Majadahonda. (Madrid) Spain	30.00%	IT	- MAPFRE AMÉRICA - MAPFRE FAMILIAR	99.9991 0.0009	99.9991 0.0009

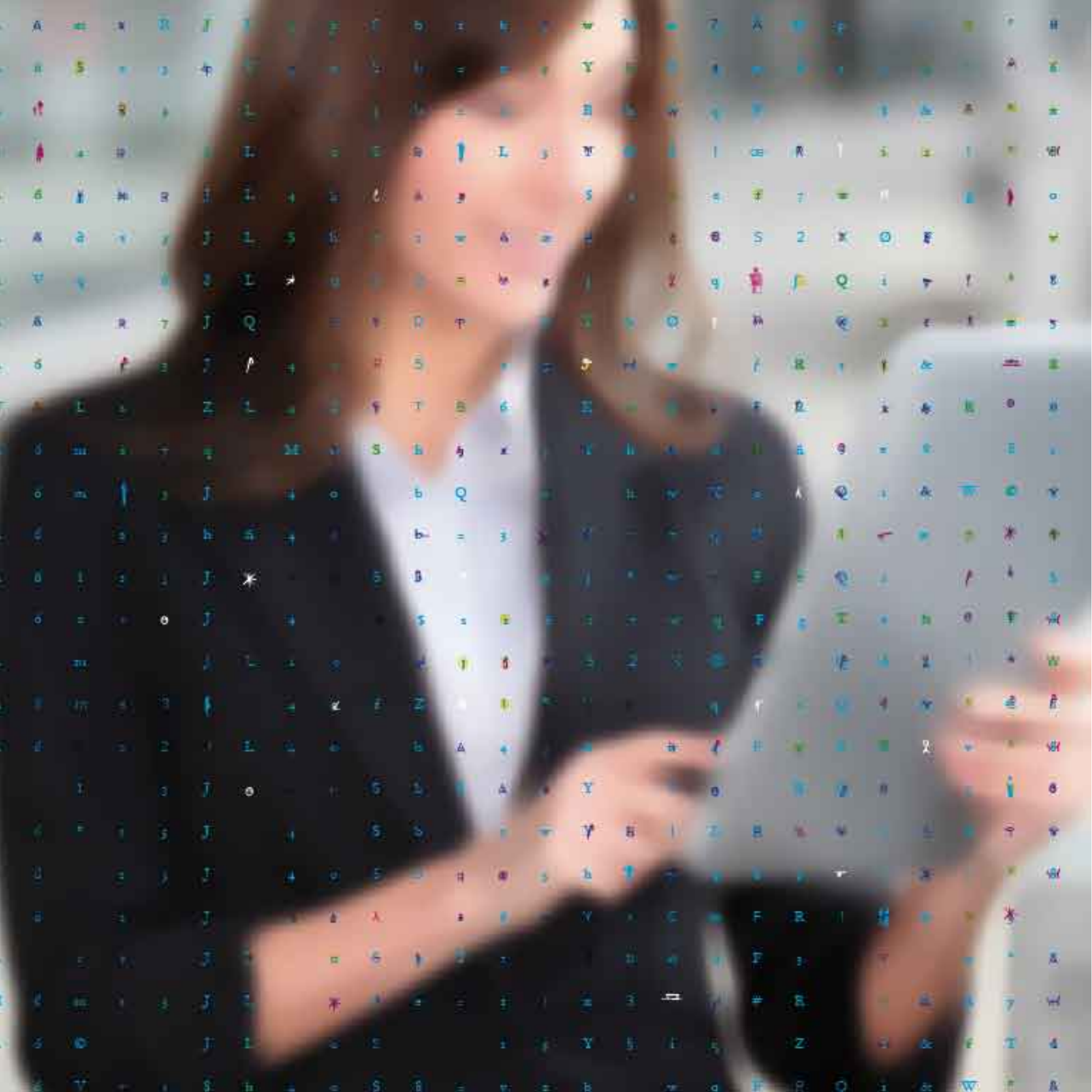
CONSOLIDATION METHOD OR PROCEDURE

- (A) Fully consolidated subsidiaries
- (B) Subsidiaries excluded from consolidation
- (C) Associated and investee undertakings consolidated by the equity method
- (D) Associated and investee undertakings excluded from consolidation
- (E) Joint ventures consolidated by proportional integration
- (F) Companies joining the consolidation perimeter in 2009
- (G) Companies joining the consolidation perimeter in 2010
- (H) Companies exiting the consolidation perimeter in 2010

TAX GROUP

- (1) Company forming part of Tax Group 9/85

FINANCIAL YEAR END FIGURES										
ASSETS		EQUITY		REVENUES		RESULTS IN FINANCIAL YEAR		METHOD OR PROCEDURE		
2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	
1,400	4,101	(1,785)	624	789	2,217	(2,369)	(1,040)	(A)	(A)	
6,113,353	6,659,631	321,502	392,898	388,705	486,515	(117,177)	(99,959)	(C)	(C)	
7,493	8,385	7,320	8,212	-	892	-	892	(A)	(A)	
-	-	-	-	-	-	-	-	(A)	(A)	
	10,860		3,072		16,839		82	(H)	(A)	
18,866	6,075	3,312	3,231	23,968	6,159	108	93	(A)	(A)	
40,724	38,462	1,000	1,000	194,966	138,144	-	-	(A)	(A)	
2,918	4,829	7,625	2,026	-	7,505	7,625	(306)	(A)	(A)	



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Audit Report for the Annual Consolidated Financial Statements



Ernst & Young, S.L.
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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, 2010, 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 1 to the accompanying consolidated annual accounts, the directors are responsible for the preparation of the Group's annual accounts in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union, and other provisions in the regulatory framework applicable to the Group. Our responsibility is to express an opinion on the aforementioned consolidated annual accounts taken as a whole, based upon work performed in accordance with prevailing audit regulations in Spain, which require the examination, through the performance of selective tests, of the evidence supporting the consolidated annual accounts, and the evaluation of whether their presentation, the accounting principles and criteria applied and the estimates made are in agreement with the applicable regulatory framework for financial information.

In our opinion, the accompanying 2010 consolidated annual accounts give a true and fair view, in all material respects, of the consolidated equity and consolidated financial position of MAPFRE, S.A. and its subsidiaries at December 31, 2010, 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 2010 consolidated management report contains such explanations as the Parent Company's directors consider appropriate concerning the situation of MAPFRE, S.A. and its subsidiaries, the evolution of its business and other matters; however, it is not an integral part of the consolidated annual accounts. We have checked that the accounting information included in the aforementioned consolidated management report agrees with the 2010 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.

Original in the original issued in Spanish language

Alfredo Martínez Cabra

February 3, 2011

Ernst & Young Global Limited
Ernst & Young Global Limited
Ernst & Young Global Limited
Ernst & Young Global Limited

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Subsidiary companies

MAPFRE conducts its business activities through various Operating Units with spheres of operation defined on a specialization or regional basis; as displayed in the organizational chart included in this report, which since 1st January 2011 are structured into three Operating Divisions:

Direct Insurance Spain

International Direct Insurance

Global Businesses

The following pages contain summarized information about the activities performed and the results obtained in 2010 by the various Operating Units

MAPFRE FAMILIAR and its dependent companies

BOARD OF DIRECTORS		Steering Committee	Compliance Committee
CHAIRMAN	Mr. Ignacio Baeza Gómez	Chairman	
FIRST VICE-CHAIRMAN	Mr. Francisco Marco Orenes	First Vice-Chairman	
SECOND VICE-CHAIRMAN	Mr. Francisco Ruiz Risueño	Second Vice-Chairman	Chairman
MEMBERS	Mr. Juan José Almagro García		
	Mr. Alfonso Balduque Álvarez ¹		
	Mr. Pedro Bedia Pérez ²		
	Mr. Miguel Blesa de la Parra		
	Ms. M ^a Jesús Fernández Antón		Member
	Mr. Antonio Huertas Mejías	Member	
	Mr. José Manuel Inchausti Pérez	Member	
	Mr. Andrés Jiménez Herradón		
	Mr. Alberto Manzano Martos		
	Mr. Antonio Núñez Tovar	Member	
	Mr. Esteban Pedrayes Larrauri	Member	
	Mr. Matías Salvá Bennasar		Member
	Mr. Fernando Sobrini Aburto ³		
	Mr. Domingo Sugranyes Bickel		Member
	Mr. Esteban Tejera Montalvo	Member	
Mr. Francisco Vallejo Vallejo	Member	Member	
SECRETARY	Mr. Rafael Estévez Comas	Secretary	

Composition of governing body on the date of preparation of this annual report

(1) In representation of PACÍN, S.L.

(2) In representation of MEDIACIÓN Y DIAGNÓSTICOS, S.A.

(3) In representation of VALORACIÓN Y CONTROL, S.L.

MAPFRE FAMILIAR's activities have continued focusing on the three major strategic goals (profitability and growth, customer loyalty and innovation as key factors in customer focus, and efficiency by taking advantage of synergies).



Y-CAR policy was chosen as the best insurance product of the year by the readers of the "Inversión" magazine.



Opening of the new service Centre for Motor vehicles in the Parque Oeste de Alcorcón retail park (Madrid).

The lines of insurance in which MAPFRE FAMILIAR operates did not escape the effects of the economic recession, having felt the negative performance of industries in which activity has experienced a sharp drop, such as car sales, construction and trade.

In this context, MAPFRE FAMILIAR ended the year with premiums totalling €4,005.4 million, a decline of 1.6% compared to 2009, a net result of €412.8 million and a combined ratio of 91.4%.

This downturn was mainly due to the decision made by the Entity to not renew the agreements with MUFACE and ISFAS in 2010 and following years, in light of the highly negative financial results. Excluding the effect of this decision, the increase in premiums would have been 1.3%.

Main activities

MAPFRE FAMILIAR's activities have continued focusing on the three major strategic goals (profitability and growth, customer loyalty and innovation as key factors in customer focus, and efficiency by taking advantage of synergies), without relinquishing the specialisation principle that has always been one of MAPFRE'S features.

In line with these strategies, 2010 witnessed the acquisition of a majority shareholding in ASCAT Seguros Generales S.A, the insurance subsidiary of CATALUNYACAIXA, together with an exclusive insurance distribution agreement via this financial group's more than 1,000 branches, mainly operating in the Catalonia region.

In 2010 the subsidiary SEGUROS BESAFE, COMPAÑÍA DE SEGUROS Y REASEGUROS, S.A, was created with the aim of having a presence in the Internet and telephone distribution of insurance products, with a philosophy and image in line with such channels, albeit maintaining a respectful relationship with its own branch channel (MAPFRE network), as well as quality standards and customer service that are the hallmark of MAPFRE; the aim

thereof is to consolidate and increase the share in the retail insurance market in Spain, in order to reach a segment of individuals whose profile is much more suited to telematic sales channels than those of direct face-to-face sales.

On 13th December 2010, BESAFE obtained the authorisation from the "Dirección General de Seguros y Fondos de Pensiones" and on 28th December 2010 it changed its corporate name to VERTI ASEGURADORA COMPAÑÍA DE SEGUROS Y REASEGUROS, S.A. which began operations in January 2011.

With regard to other activities carried out during 2010, the following are worth highlighting:

Motor

In a strongly competitive environment, with a significant decline in average premiums in the sector, MAPFRE FAMILIAR has maintained its market leadership position with a share of 20.5%, 1,008,313 new policies and over 5.8 million insured vehicles. The technical profit obtained in 2010 (€365.8 million), was 6.3% up on the previous year, thanks to a combined ratio of 91.5%, 0.2 percentage points lower than in 2009.

2010 also saw the ongoing implementation of the Y-CAR product, the first pay-as-you-go insurance programme in Spain, specifically designed for young drivers between the ages of 18-30. The "Auto Puerta a Puerta" service, begun as a pilot programme in 2009, has been consolidated during the year, offering vehicle repair benefits and warranties for damaged vehicles to a larger number of customers in seventeen provinces. Additionally, a new logistics model for broken down cars was implemented, with important technological innovations and improved customer service.

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 drop in the number of complaints and excellent results in fraud prevention. 2010 also saw the development

of several technological projects designed to improve service to insured customers, such as sending text messages informing on the status of payment processing, and efficiency, such as the automation of certain processes and technological improvements in the tools used for loss adjustment.

During the year, a total of 2,761,770 claims for Property Damages were processed, of which 95% were resolved, with the rejection of 21,827 claims accounting for savings of €42.2 million; 388,120 for Bodily Injury Claims, of which 70% were resolved, with 77,902 friendly settlements designed to speed up indemnity payments; 305,910 for Legal Defence, of which 80% were resolved; and 1,487,275 for travel assistance.

Property

Growth rates above those of the market were achieved in this segment, thus maintaining the leading position within the Multirisk class, with a market share of 13.5% and over 2.8 million homes insured. The technical profit increased to €115.5 million (27.6% less than in the previous year) with a combined ratio of 89.8%, higher than that for 2009.

2010 saw the launch of the insurance for Owners of Residential Buildings, in response to market demand, and a repairs service for Homeowners insurance policyholders has been included.

During 2010, 1,512,342 claims have been declared, which accounts for a 13.9% increase on the year before. This increase is mostly due to the enormous number of claims as a result of adverse weather conditions, especially during the first half, leading to 153,499 claims of this type, accounting for a 19.7% increase over 2009, with a total valuation of €49.4 million. Two significant meteorological events (Floora and Xinthya) generated 20% of claims for weather-related damages.

In total, 1,766,130 claims were handled by the Property line, with a 14.3% increase over 2009.

Special attention has continued to be paid to improving the technical management of claims, which has enabled the average cost per claim to be contained, an



Presentation of VERTI, MAPFRE's new motor and homeowner direct insurance company.

improvement of results in terms of total amounts recovered and greater activity in fraud prevention. At the same time, specific initiatives have been implemented, designed to improve the level of quality perceived by customers, as well as ongoing efforts to promote customer loyalty and technological developments such as websites for the network of lawyers and loss adjusters.

Health, Accident and Burial

Excluding the business arising from the non-renewal of policies with MUFACE and ISFAS, the premiums for this line also witnessed an above market increase (0.1%), especially in the more profitable products, which has enabled MAPFRE FAMILIAR to remain in first place in the rankings of Subsidies and Indemnity, and Reimbursement of Medical Expenses; the number of insured families amounted to 420,114, the combined ratio of 93.3%, with a technical profit of €102.2 million.

In 2010, the products "Indemnización Temporal Total Esencial" and Modular Accident Insurance Policy were launched in order to continue to offer quality coverage at a lower price. Furthermore, the gait-biomechanics analysis has been added as new coverage in health and expense reimbursement insurance.

During 2010 the "Salud 4" brand and the creation of a proprietary website were launched, to boost the sales of medical services of the Group's centres by extending the healthcare offering to new customers, especially private patients and other insurance companies.

With regard to claims, over 11.7 million of healthcare claims have been processed – 11% more than in 2009 – mainly due to the increase in collective policy customers. However, there have been no significant changes in the average cost per claim.

The policy of continuous improvement in the control and management capacity of healthcare providers has continued, with an increase of over 54% compared to 2009



MAPFRE FAMILIAR participated in the Sorolla Forum about insurance distribution.

in the electronic billing ratio of clinics and hospitals, with an automation rate for 2010 of over 32%, compared to that of 21% attained in 2009.

In the Burial line, customer service has been reinforced by developing a loyalty programme for service providers, who play a crucial role in organising the funeral services. The number of insured customers in this line totals 2,557,675.

Customer Assistance

The C@C24, a customer service centre that caters for customer of both MAPFRE FAMILIAR and MAPFRE EMPRESAS, handled 10.8 million incoming calls and 5.7 million outgoing calls during 2010, in addition to 220,000 contacts via the Internet and 3,814,007 transactions. In 2010, the Telephone Customer Services area obtained the ISO 9001:2008 Quality Management System certification, as well as the IQNet certificate, which is the international recognition of the certification. Towards the end of the year, and as part of the strategic agreements reached with CATALUNYACAIXA, new offices of the C@C24 were opened in Barcelona to provide customer service in Catalan.

The customer loyalty strategy has been further reinforced via the programme known as "Te Cuidamos", having contacted over 6.5 million customers and achieved an improvement in customer affiliation and a significant reduction in the attrition rate. In this regard, a specific programme of "Te Cuidamos" for MAPFRE employees has been implemented.

Commercial activities directed towards attracting new policies have been distributed in bimonthly campaigns, with good acceptance from the sales teams and particularly significant results in Motor, Burial and Collective Health Insurance policies.

Information systems and technology

During 2010 many initiatives have been developed to improve customer-orientation and efficiency. Likewise, significant projects designed to improve customer loyalty have been implemented: discounts for integrity, insurance cheque, "Te Cuidamos" and others. The technological platform used by the car loss adjusters has also been consolidated and improved, enhanced by a complete system designed to improve the logistics of vehicle transport. Furthermore, the adaptations and connections between systems that are required to issue MAPFRE policies from CATALUNYACAIXA have also been implemented.

On the other hand, progress has been made in the development of the single claims payment system and in the integration of Health within the Tron21 environment. The migration of Tron21 to the new open architecture environments has also been completed.

Lastly, consolidation of the Business Intelligence (BI) solutions has continued, enabling the entity to obtain relevant information on a daily basis, and having extended this type of solution to the claims settlement and technical area. Significant progress has been made in the stability and availability of the computer systems, having achieved 99.7% of available operational time.



*Left: MAPFRE FAMILIAR, main sponsor of the Spanish Padel Federation (FEP) and its national teams.
Right: New sponsorship agreement with Mr Angel Nieto.*

Non-insurance subsidiaries and associated companies

MAPFRE FAMILIAR's structure of non-insurance subsidiaries and business interests reflects its strategy of optimising the provision of services to customers by adding services other than those of a strictly insurance nature. In total, these companies have obtained revenues €460 million.

Motor

MAPFRE's road safety centre (CESVIMAP) managed to satisfactorily achieve many of its goals in 2010. Its activities include training courses for loss adjusters and the development of method and time studies for application in objective valuations of car bodywork repairs and paint jobs. The scrapped vehicle processing centre, CESVI RECAMBIOS, decontaminated and recycled over 2,300 vehicles. In 2010 CESVIMAP generated revenues of €12.1 million, and a pre-tax profit of €1.3 million.

In 2010, all the vehicle repair activities were integrated into one single company (ESTIAUTO) and the new management software "Spiga+" was rolled out in all of them. MAPFRE continues operating in the new and used car sale business through the companies IBERICAR and MULTICENTRO.

Property

The sale of the home repairs and refurbishment service has continued via the subsidiaries MULTIMAP and AGRADA.



*Left: Opening of the 4th Health Clinic in A Coruña
Right: MAPFRE FAMILIAR, recognised as the best insurance company in the dental care sector by Spanish Publishers Associates.*



The Authorised Centre for Treatment of Disused Vehicles, CESVI RECAMBIOS, dismantled its 20,000th vehicle.

Health, Accident and Burial

2010 saw the completion of the integration process of all Hospital Centres under one company, achieving a better optimisation of resources and an improvement in the services to customers. A new Salud 4 Hospital in A Coruña was opened during the last quarter, with 1,500 square metres and 18 consultation rooms; equipped with the best technology and means required to offer the best health care in most medical specialties.

On the other hand, the funeral and burial services have continued to expand, both through organic growth in the GESMAP subsidiary, as well as through the acquisition of a significant interest in FUNESPAÑA.

Outlook

The future strategy of MAPFRE FAMILIAR will continue to be based on three pillars: profitability and growth, customer loyalty, and efficiency. The initiatives rolled out in 2010 will be consolidated during 2011, and new actions will be launched to bolster MAPFRE's leadership:

- Promotion of the multichannel structure via VERTI's internet and telephone sales operation, and optimisation of the various bancassurance agreements.
- Increase the offer of value added services for Motor, with the opening of new service centres, the extension of the "Door to Door" service to all cities with over 50,000 inhabitants, and the launch of the product for fleet "Repair and Maintenance Management".
- Strengthening of the customer loyalty strategy and segmentation by insurance needs (families, self-employed, small businesses, etc.).
- Improvement of internal efficiency through process homogenisation and unification (progressing towards single transaction and information systems), and increased cost control and information.
- Optimisation of the structure of productive assets.

INCOME STATEMENT IFRS	2010	2009	Var. % 10/09
DIRECT INSURANCE AND ACCEPTED REINSURANCE			
Gross written and accepted premiums	4,005.4	4,071.9	(1.6%)
Gross earned premiums	4,026.4	4,155.7	(3.1%)
Claims (includes claims related expenses)	(2,931.9)	(3,047.4)	(3.8%)
Operating expenses and other technical expenses	(728.7)	(723.9)	0.7%
RESULT OF DIRECT INSURANCE AND ACCEPTED REINSURANCE	365.8	384.4	(4.8%)
CEDED AND RETROCEDED REINSURANCE			
Premiums and variation in unearned premium reserve	(74.5)	(78.2)	(4.7%)
Claims paid and variation in provision for claims	38.9	49.3	(21.1%)
Comissions and participation in reinsurance	18.0	19.0	(5.3%)
RESULT OF CEDED AND RETROCEDED REINSURANCE	(17.6)	(9.9)	77.8%
Other technical revenues and expenses	(11.3)	0.7	
LIFE AND NON-LIFE TECHNICAL RESULT	336.9	375.2	(10.2%)
Net income from investments	256.2	230.9	11.0%
Unrealised gains and losses on investments			
Other non-technical revenues and expenses	(36.6)	2.2	
Result of minority interests	(5.9)	(3.2)	84.4%
LIFE AND NON-LIFE RESULT	550.6	605.1	(9.0%)
OTHER ACTIVITIES			
Operating revenues	212.4	163.5	29.9%
Operating expenses	(207.6)	(178.5)	16.3%
Net income from investments and other income	2.2	(1.3)	269.2%
Result of minority interests		0.1	
RESULT OF OTHER ACTIVITIES	7.0	(16.2)	143.2%
RESULT BEFORE TAX AND MINORITIES	557.6	588.9	(5.3%)
Tax on profits	(140.8)	(156.8)	(10.2%)
Result after tax from ongoing operations	(2.3)		
RESULT AFTER TAX	414.5	432.1	(4.1%)
Attributable to minority shareholders	(1.7)	(1.3)	30.8%
RESULT AFTER TAX AND MINORITY SHAREHOLDERS	412.8	430.8	(4.2%)

MILLION EUROS

NON-LIFE RATIOS	2010	2009
Claims ratio of direct insurance	73.1%	73.4%
Expense ratio of direct insurance	18.3%	17.3%
Combined ratio, net of reinsurance	91.4%	90.7%

GROSS WRITTEN AND ACCEPTED PREMIUMS	2010	2009	Var. % 10/09
Homowner	578.8	542.4	6.7%
Burial	257.4	248.7	3.5%
Motor	2,367.4	2,348.5	0.8%
Condominium	151.6	148.7	2.0%
Shop premises	120.5	122.7	(1.8%)
Accident	90.1	99.5	(9.4%)
Pecuniary losses	4.7	8.7	(46.0%)
Other	434.9	552.7	(21.3%)
TOTAL	4,005.4	4,071.9	(1.6%)

MILLION EUROS

BALANCE SHEET KEY FIGURES (IFRS)	2010	2009	Var. % 10/09
Investments and cash	3,761.1	3,732.5	0.8%
Total assets	6,117.4	6,042.6	1.2%
Shareholders equity	1,407.9	1,375.9	2.3%
ROE	30.7%	32.4%	(5.4%)

MILLION EUROS

SOLVENCY AND COVERAGE OF TECHNICAL RESERVES	2010	2009	Var. % 10/09
Technical reserves requiring coverage	3,407.3	3,437.6	(0.9%)
Excess of eligible assets over reserves	923.5	1,114.5	(17.1%)
Minimum solvency margin	670.9	656.1	2.3%
Solvency margin	1,431.8	1,693.2	(15.5%)

MILLION EUROS

OTHER INFORMATION	2010	2009	Var. % 10/09
Average number of employees	8,149	8,377	(2.7%)
Policies in force at year end (thousands)	10,822	10,350	4.6%
Claims handled during the year (thousands)	4,943.1	4,948.3	(0.1%)
Claims settled during the year (thousands)	4,347.3	4,357.9	(0.2%)



“Viaja Seguro”, an innovative project launched by MAPFRE and CAJA MADRID aimed at selling travel insurance at Terminal 4 (T4) Barajas Airport (Madrid).

DIRECT INSURANCE SPAIN

MAPFRE VIDA and its dependent companies, CCM VIDA Y PENSIONES, UNIÓN DUERO VIDA and DUERO PENSIONES

BOARD OF DIRECTORS		Steering Committee	Compliance Committee
CHAIRMAN	Mr. Ignacio Baeza Gómez	Chairman	
FIRST VICE-CHAIRMAN	Mr. Esteban Tejera Montalvo	First Vice-Chairman	
SECOND VICE-CHAIRMAN	Mr. Luís Hernando de Larramendi y Martínez	Second Vice-Chairman	Chairman
CHIEF EXECUTIVE OFFICER	Mr. Juan Fernández Palacios	Member	
MEMBERS	Mr. Miguel Ángel Almazán Manzano	Member	
	Mr. José Barbosa Hernández		
	Mr. Rafael Fontoira Suris		Member
	Mr. Santiago Gayarre Bermejo		
	Mr. Rafael Galarraga Solores		
	Mr. Lucas Hernández Pérez		
	Mr. Antonio Huertas Mejías	Member	
	Mr. Manuel Jesús Lagares Calvo	Member	Member
	Ms. Francisca Martín Tabernero		Member
	Mr. Antonio Miguel-Romero de Olano		
	Mr. Filomeno Mira Candel		
	Mr. Fernando Moreno Marcos		
	Mr. Matías Amat Roca ¹		
	Mr. Jesús Martínez Castellanos		
Mr. Francisco Ruiz Risueño	Member	Member	
SECRETARY	Mr. Luis María Polo Rodríguez	Secretary	
	Ms. M ^a Luisa Linares Palacios		Secretary

Composition of governing body on the date of preparation of this annual report.

(1) In representation of PARTICIPACIONES Y CARTERA DE INVERSIÓN, S.L.

The Life and Savings Unit of MAPFRE has once again overcome the problems that have affected most of the financial institutions in our economic environment.

Although 2010 has been a year of recovery and growth for emerging economies, uncertainty and volatility have been rampant in the financial markets of advanced economies, especially in Europe. The Spanish economy still awaits recovery; the increase in the risk premium of the country's sovereign debt has led to the highest difference ever with regard to the German debt, whereas the Ibex-35 declined 17.4%, in sharp contrast with the rises experienced by the majority of the principal stock markets. In this complex economic and financial context, on the Spanish market:

- The volume of savings managed in the Life assurance business, represented by technical provisions, rose 1.9%, to €146,500 million, despite the 8.5% fall in the volume of issued premiums.
- The volume of mutual fund and money market fund assets totalled €138,080 million, implying a year-on-year drop of €25,164 million.
- The volume of pension fund assets declined to €84,757 million, €163 million down on 2009, representing a fall of 0.2%.

The Life and Savings Unit of MAPFRE has once again overcome the problems that have affected most of the financial institutions in our economic environment, and has achieved much better numbers than the market, both in terms of an increase in issuance and technical provisions in Life, and also in terms of assets under management in mutual and pension funds. This has been possible thanks to the effort made by the Agency Network and the good performance of the bancassurance agreements reached with BANKINTER, CAJA CASTILLA LA MANCHA and CAJADUERO, to which CATALUNYACAIXA has been added in 2010.

Main activities

New products

As in previous years, intense activity in innovation and new product releases for the Agency Network has taken place throughout 2010. A new product has been launched in Life protection insurance with additional guarantees in the event of permanent disability due to accident (TempoVida), and a number of nutritional and health advisory services via the "Life Quality Programme"; in Life savings insurance there have been two new savings products (Seguro Triple Acción and Seguro Confianza 4.5%) and a new annuity scheme (Seguro Renta Selección); three new guaranteed equity mutual funds have been launched (FondMapfre Garantizado 004, 007 and 011); and a new long term fixed income fund (Mapfre Renta a largo) has been also launched by the pension fund unit.

Three new unit-linked policies have been launched for the Bancassurance Network with innovative profitability formulae. In this regard it is worth highlighting the product launched at Caja Madrid (Seguro Líderes Europeos Caja Madrid), which offers a high return linked to the performance of top level stocks and shares, with the possibility of early redemption, with the guarantee of being able to recover 100% of the investment.

Sales initiatives

During 2010 sales efforts once again focused on boosting sales of non-linked risk insurance policies, in line with the strategy applied since the start of the credit crunch, as well as in the sale of unit linked products in their different formats, and concentrating on selling products to senior citizens via various annuity formats. The various initiatives carried out have resulted in premiums €2,716.9 million, with a 5.8% increase over the year before and technical provisions €17,816.9 million, a rise of 11.7%.

MAPFRE VIDA celebrated the Gala of Bridges coinciding with its annual convention.



Left: Seminar concerning the distribution of Life assurance organised by the Instituto de Fomento Empresarial (IFE) in Madrid. Right: At the 17th Insurance Sector Symposium.





MAPFRE VIDA participated in various conferences about private pensions.

In mutual funds, the strategy was based on the sale of equity guaranteed funds, achieving total assets under management of €1,932.3 million, a decline of 12.1%, which is much lower than that of 15.1% experienced by the market as a whole. In terms of pension funds, the sale of transfers of external funds has been encouraged throughout the year, as well as contributions from new participants and existing clients from other insured funds and pension plans, according to each customer's age and profile. The assets under management therein totalled €5,193.1 million at the end of the year, with a growth of 37.3%.

Technical management

This area of activity has focused on the development of a broad spectrum of new products launched in 2010, 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.

Information systems and technology

In 2010, the "Plan Evolucionaria" has begun two important initiatives geared towards the revamping of the technological platform that underpins the management of the business: the "Plan de Ahorro Individual", supported by DB2 technology, and the "Plan de Migración HP3000", the commencement of the project to reduce technological environments.

Progress has also been made in the definition of an Internet development strategy to boost the relationship with current and prospective customers, and special emphasis has been placed on the process "Analysis of the LIFE Customer", in order to advance in customer knowledge as a means to identify business opportunities and optimise commercial efforts.

Lastly, the company has carried out the developments required to support the operation and launch of the new products, both in the Agency Network and in the Banking Network, making inroads in the efficient support of the management of other business interests.

Subsidiaries and other business interests

MAPFRE INVERSIÓN and its subsidiaries have contributed towards the positive development of the Unit with a total of €4,186.9 million in managed funds, and a result before tax of €47 million.

The premiums written by the bancassurance business interests have risen to a total of €1,595.8 million, accounting for 58.7% of the Unit's issuance. The assets under management of insurance products and pension funds totalled €12,352.4 million, with a contribution of €56.1 million to the Unit's results after tax and minority interests.

Outlook

The Unit's sales strategy will continue during 2011 to increase sales of protection insurance quite significantly, as well as the uptake of end client savings via pension plans. Structured unit-linked equity income savings products and the sale of annuities for the senior citizen segment will also be encouraged.

Signing of agreement with CAIXA CATALUNYA.



INCOME STATEMENT IFRS	2010	2009	Var. % 10/09
DIRECT INSURANCE AND ACCEPTED REINSURANCE			
Gross written and accepted premiums	2,716.9	2,567.5	5.8%
Gross earned premiums	2,709.4	2,559.4	5.9%
Claims (includes claims related expenses)	(2,990.7)	(3,033.7)	(1.4%)
Operating expenses and other technical expenses	(258.3)	(72.3)	257.4%
RESULT OF DIRECT INSURANCE AND ACCEPTED REINSURANCE	(539.6)	(546.7)	(1.3%)
CEDED AND RETROCEDED REINSURANCE			
Premiums and variation in unearned premium reserve	(88.1)	(72.7)	21.2%
Claims paid and variation in provision for claims	41.7	43.7	(4.5%)
Commissions and participation in reinsurance	35.8	17.6	103.1%
RESULT OF CEDED AND RETROCEDED REINSURANCE	(10.6)	(11.4)	(7.0%)
Other technical revenues and expenses	(6.9)	(8.3)	(17.5%)
LIFE AND NON-LIFE TECHNICAL RESULT	(557.0)	(566.3)	(1.6%)
Net income from investments	754.0	723.0	4.3%
Unrealised gains and losses on investments	11.7	24.9	(52.9%)
Other non-technical revenues and expenses	(1.9)	4.0	(147.7%)
Result of minority interests	0.0	0.0	
LIFE AND NON-LIFE RESULT	206.8	185.5	11.5%
OTHER ACTIVITIES			
Operating revenues	103.2	95.0	8.7%
Operating expenses	(54.0)	(51.7)	4.4%
Net income from investments and other income	6.7	8.3	(18.5%)
Result of minority interests	0.4	0.3	9.1%
RESULT OF OTHER ACTIVITIES	56.3	51.9	8.6%
RESULT BEFORE TAX AND MINORITIES	263.1	237.4	10.8%
Tax on profits	(75.8)	(69.5)	9.1%
Result after tax from ongoing operations	0.0	0.0	
RESULT AFTER TAX	187.3	167.9	11.6%
Attributable to minority shareholders	(52.2)	(42.8)	22.1%
RESULT AFTER TAX AND MINORITY SHAREHOLDERS	135.1	125.2	8.0%

MILLION EUROS

EXPENSE RATIOS	2010	2009
Net operating expenses / average third party funds under management	1.07%	1.16%

GROSS WRITTEN AND ACCEPTD PREMIUMS	2010	2009	Var. % 10/09
Premiums issued by Agents' network	996.9	1,080.0	(7.7%)
Premiums issued by Bank channel	1,595.8	1,202.0	32.8%
Premiums issued centrally	124.2	285.5	(56.5%)
TOTAL	2,716.9	2,567.5	5.8%

MILLION EUROS

KEY FIGURES (IFRS)	2010	2009	Var. % 10/09
Funds under management (third party)	25,615.8	22,423.4	14.2%
Investments and cash	18,711.8	16,906.3	10.7%
Total assets	20,684.4	17,879.4	15.7%
Equity	1,228.6	1,148.5	7.0%
ROE	16.2%	14.6%	11.2%

MILLION EUROS

SOLVENCY AND COVERAGE OF TECHNICAL RESERVES	2010	2009	Var. % 10/09
Technical reserves requiring coverage	17,897.7	15,305.8	16.9%
Excess of eligible assets over reserves	1,029.5	1,381.1	(25.5%)
Minimum solvency margin	764.2	664.7	15.0%
Solvency margin	1,240.1	1,230.9	0.7%

MILLION EUROS

OTHER INFORMATION	2010	2009	Var. % 10/09
Average number of employees	851	766	11.1%
Policies in force at year end (thousands)	2,577	2,063	25.9%
Persons assured at year end (thousands)	4,324	3,267	26.9%



The FONDMAPFRE RENTA LARGO FI was chosen as the best in class at the Gran Prix 2010 EUROFONDS FUNDCLASS annual awards.

DIRECT INSURANCE SPAIN

MAPFRE SEGUROS DE EMPRESAS and its dependent companies

BOARD OF DIRECTORS		Steering Committee	Compliance Committee
CHAIRMAN	Mr. Esteban Pedrayes Larrauri	Chairman	
FIRST VICE-CHAIRMAN	Mr. Antonio Núñez Tovar	First Vice-Chairman	
SECOND VICE-CHAIRMAN	Mr. Francisco Vallejo Vallejo	Second Vice-Chairman	Chairman
MEMBERS	Mr. Ángel Alonso Batres		
	Mr. Alfredo Castelo Marín		
	Mr. Rafael Galarraga Solares		
	Mr. Santiago Gayarre Bermejo		
	Mr. Francisco José Marco Orenes	Member	
	Mr. Juan Martín Queralt	Member	
	Mr. Ignacio Miguel-Romero de Olano	Member	Member
	Mr. Tomás Pérez Ruiz		
	Mr. Eduardo Rodríguez Piedrabuena		Member
	MEDIACIÓN Y DIAGNÓSTICOS, S.A. (represented by Mr. Guillermo Marcos Guerrero)		
	PARTICIPACIONES Y CARTERA DE INVERSIÓN, S.L. (represented by Ms. Mercedes Rojo Izquierdo)		
VALORACIÓN Y CONTROL, S.L. (represented by Mr. Ignacio Soria Vidal)			
SECRETARY	Mr. Francisco Javier Bergamín Serrano	Secretary	

Composition of governing body on the date of preparation of this annual report.

MAPFRE SEGUROS DE EMPRESAS ended another financial year with favourable results, due to the good technical criteria in underwriting and moderate claims experience levels.



*Agreement with
MADRID
LEASING.*



*Convention
in Malta.*

2010 saw a further decline in industrial risk premium rates, prolonging and harshening the “soft” market cycle for another year, due to competition triggered by low claims experience and the good results of latter years, as well as by the current economic crisis.

Meanwhile, the volume of insured risks in the market is declining as businesses shut down, leading to increased competition, and particularly affecting the construction sector which plays a significant part in the Entity’s activity.

Despite this, MAPFRE SEGUROS DE EMPRESAS ended another financial year with favourable results, due to the good technical criteria in underwriting and moderate claims experience levels. The objectives laid out in the Unit’s Strategic Plan have been met satisfactorily, with nearly all business lines having achieved the required profit levels.

Main activities

New products

During 2010, the Company continued developing new products and tailoring existing ones to the various marketing channels. In this regard, specific products associated with relevant commercial campaigns (Plan E, Agricultural Policy, Harvesting Machines) have been adapted; modifications have also been introduced in the Business Insurance Policy, adapting the conditions of cover and fee criteria, with a broader range of products related to Goods Insurance for Shipping Companies, a new Policy for Car Repair Workshops, a leasing-based policy for Machinery Breakdowns, a Contingency Policy to cover the grounding of fishing fleets due to weather conditions, a new Warranty Extension insurance policy for household white goods, and a Multi-Year Policy in various lines of business classes for the best covers.



Sales initiatives

The activities carried out in 2009 have progressed and been consolidated: Company Business Management Centres; development of new products for the CAJA MADRID network, such as the policy associated with leasing operations; insurance policies offered to vehicle repair workshops, along with a range of management and prevention services tailored to their specific risk profiles; direct links with the business banking branches of CAJA MADRID to encourage sales action and achieve better penetration of the insurance needs of these customers; participation with ‘own’ stand at various specialised trade fairs and congresses; and sponsorship of various prestigious events. On the other hand, the “Plan Recupera” has been set in motion, geared towards renewing the insurance of former clients with good claims histories, and “Plan Polígonos”, focused on a sales effort to offer our products in industrial estates.



Technical management and customer services

The provision of technical services for customers has continued via the service companies MAPFRE SERVICIOS DE PERITACIÓN and MAPFRE SERVICIOS DE PREVENCIÓN, as added value to the insurance offering, and as a support for development plans in specific business sectors; the year has seen the consolidation of the concentration of the technical structures into Regional Management Centres, designed to provide support to the commercial organisation in the fields of underwriting, issuance and claims processing, enabling us to further decentralise decision-making so as to improve efficiency and provide a more customer-oriented service; and a new structure has been introduced at Central Services level with a clear customer orientation.

Information systems and technology

The activity during 2010 has mainly centred on the implementation of the Lapses and Cancellations System; developing tools for speeding up the production processes (tariff calculators in particular), and for analysing claims experience; and evolving business intelligence solutions for tracking and supervising the business.

Subsidiaries and other business interests

MAPFRE SERVICIOS DE PERITACIÓN (SERMAP) has fared very well, consolidating its services portfolio; and MAPFRE SERVICIOS DE PREVENCIÓN continues to consolidate its position in the market as Spain's second-largest private operator.

Outlook

In 2011, the business' performance is likely to be conditioned by the following factors:

- A further reduction in the volume of premiums due to the economic slowdown, which will imply less business activity, lower construction activity and less demand for capital goods.
- Continuing soft market in the industrial risks segment, with stiff competition and falling prices.
- Tendency for claim experience to worsen due to the fall in premium volumes.

Despite this, its solid position in the market means that MAPFRE SEGUROS DE EMPRESAS is prudently optimistic about the coming years, when it expects to obtain increases higher than the sector as a whole, with a larger retention of business and a boost in the levels of efficiency by lowering management expense ratios. This, together with a stable claims experience remaining at prudent levels, should lead to improving results.



MAPFRE EMPRESAS sponsors the first Master in Management and Administration of Agrofood Companies.

INCOME STATEMENT IFRS	2010	2009	Var. % 10/09
DIRECT INSURANCE AND ACCEPTED REINSURANCE			
Gross written and accepted premiums	682.6	666.4	2.4%
Gross earned premiums	701.9	724.5	(3.1%)
Claims (includes claims related expenses)	(396.9)	(436.6)	(9.1%)
Operating expenses and other technical expenses	(152.8)	(181.6)	(15.9%)
RESULT OF DIRECT INSURANCE AND ACCEPTED REINSURANCE	152.2	106.3	43.2%
CEDED AND RETROCEDED REINSURANCE			
Premiums and variation in unearned premium reserve	(182.2)	(185.7)	(1.9%)
Claims paid and variation in provision for claims	65.5	78.2	(16.3%)
Commissions and participation in reinsurance	48.1	50.2	(4.1%)
RESULT OF CEDED AND RETROCEDED REINSURANCE	(68.6)	(57.3)	19.8%
Other technical revenues and expenses	(14.6)	(14.9)	(1.7%)
LIFE AND NON-LIFE TECHNICAL RESULT	68.9	34.2	101.5%
Net income from investments	63.9	56.5	13.1%
Unrealised gains and losses on investments	0.0	0.0	-
Other non-technical revenues and expenses	1.8	1.4	-
Result of minority interests	0.0	0.0	-
LIFE AND NON-LIFE RESULT	134.6	92.2	46.0%
OTHER ACTIVITIES			
Operating revenues	16.0	16.1	(0.6%)
Operating expenses	(18.7)	(22.0)	(15.2%)
Net income from investments and other income	0.0	0.2	-
Result of minority interests	0.0	0.0	-
RESULT OF OTHER ACTIVITIES	(2.7)	(5.7)	(52.6%)
RESULT BEFORE TAX AND MINORITIES	131.9	86.5	52.5%
Tax on profits	(37.4)	(27.2)	37.5%
Result after tax from ongoing operations	0.0	0.0	-
RESULT AFTER TAX	94.5	59.3	59.4%
Attributable to minority shareholders	0.0	0.0	-
RESULT AFTER TAX AND MINORITY SHAREHOLDERS	94.5	59.3	59.4%

MILLION EUROS

NON-LIFE RATIOS	2010	2009
Claims ratio of direct insurance	63.8%	66.6%
Expense ratio of direct insurance	23.0%	27.1%
Combined ratio, net of reinsurance	86.8%	93.7%

GROSS WRITTEN AND ACCEPTED PREMIUMS	2010	2009	Var. % 10/09
Agricultural	128.6	124.3	3.5%
Fire - Property damage	169.8	162.2	4.7%
Third party liability	258.1	244.4	5.6%
Engineering	66.0	76.4	(13.6%)
Transport	60.1	59.1	1.7%
TOTAL	682.6	666.4	2.4%

MILLION EUROS

BALANCE SHEET KEY FIGURES (IFRS)	2010	2009	Var. % 10/09
Investments and cash	78.1	82.6	(5.4%)
Total assets	2,033.6	1,985.0	2.4%
Shareholders equity	249.2	360.7	(30.9%)
ROE	32.9%	-	-

MILLION EUROS

SOLVENCY AND COVERAGE OF TECHNICAL RESERVES	2010	2009	Var. % 10/09
Technical reserves requiring coverage	1,223.6	1,225.3	(0.1%)
Excess of eligible assets over reserves	13.3	183.1	(92.7%)
Minimum solvency margin	108.1	112.2	(3.7%)
Solvency margin	235.5	332.1	(29.1%)

MILLION EUROS

OTHER INFORMATION	2010	2009	Var. % 10/09
Average number of employees	855	928	(7.9%)
Claims handled during the year	166,113	173,193	(4.1%)
Speed of settlement of claims	71.7%	71.3%	0.6%
Contribution of Agricultural insurance to co-insurance (€ million)	148.7	147.5	0.8%

MAPFRE AMÉRICA and its dependent companies

BOARD OF DIRECTORS		Steering Committee	Compliance Committee
CHAIRMAN	Mr. Andrés Jiménez Herradón	Chairman	
FIRST VICE-CHAIRMAN AND CHIEF EXECUTIVE OFFICER	Mr. Rafael Casas Gutiérrez	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. Francisco Bravo García		
	Mr. Antonio Eraso Campuzano		Member
	Mr. José M ^a García Alonso		Member
	Mr. Luis M ^a González Llano		
	Mr. Sebastián Homet Duprá		
	Mr. Alberto Manzano Martos		
	Mr. Rafael Márquez Osorio		
	Mr. José Antonio Moral Santín ¹		
	Mr. Antonio Núñez Tovar	Member	
	Mr. Mariano Pérez Claver ²		
	Mr. Alfonso Reuelta Badías	Member	Member
	Mr. Esteban Tejera Montalvo		
Mr. Francesco Vanni d'Archirafi			
SECRETARY	Mr. Claudio Ramos Rodríguez	Secretary	

Composition of governing bodies resulting from the proposals which shall be submitted to the AGM.

(1) In representation of Mediación y Diagnósticos, S.A.

(2) In representation of Corporación Financiera Caja de Madrid, S.A.

In the highly active environment of the regional economy of Latin America, MAPFRE AMÉRICA and its subsidiaries have performed satisfactorily in 2010, enabling it to rank for the fifth consecutive year as the region's leading Non-Life insurance company.



Signing of agreement with Banco do Brasil.



Mr. Antonio Cassio, Chairman of MAPFRE in Brazil, received the award of "Ejecutivo de Valor".

In the highly active environment of the regional economy of Latin America, MAPFRE AMÉRICA and its subsidiaries have performed satisfactorily in 2010, enabling it to rank for the fifth consecutive year as the region's leading Non-Life insurance company and to increase its market penetration to 7.9%.

The Unit's consolidated written premiums totalled €5,155.6 million in 2010, up 19.7% on 2009, mainly due to the excellent levels of growth reported by the subsidiaries in Brazil (28.1%), Mexico (31.8%), Chile (52.5%), Colombia (51.8%) and Peru (31.2%).

Consolidated pre-tax earnings totalled €321.7 million, a 51.4% increase on the previous year; and the result after tax and minorities amounted to €214.6 million, 89.3% higher than the figure obtained in the previous financial year.

These figures are a direct result of the strength of the Branch and Agents' networks; the solvency, specialization and development of the distribution channels; the product diversification; the ongoing improvements to the technical management; and the high quality customer care that policyholders receive.

Main activities

New products and types of cover

2010 was marked by a strong drive to offer customers a wide range of new products, types of cover and services, of which the following are most noteworthy:

- Launch of new health insurance policies (Argentina, Colombia, Mexico, Peru and Puerto Rico), and other casualty insurance for private customers in the Motor, Household, Individual Life, Burial and Personal Accident lines. (Argentina, Colombia, Ecuador, Mexico, Peru, Puerto Rico and Dominican Republic).
- Consolidation of the cooperation agreement with MAPFRE GLOBAL RISKS for the coverage of global corporate risks, in the five countries in which this project was implemented (Argentina, Brazil, Colombia, Chile and Mexico), and the extension of the agreement to a further thirteen countries. Currently these operations carry out business in the eighteen countries in Latin America where MAPFRE has a presence in direct insurance, having attained in 2010 a total premium volume of over US Dollars 300 million.
- Implementation, in collaboration with MAPFRE ASISTENCIA, of the Mechanical Warranty business in all its various forms (new vehicles, second-hand vehicles and i-warranty), both via distribution agreements with car dealerships and directly with manufacturers.
- New coverage and services in Motor insurance for attracting and retaining customers with growth potential (mechanical warranties for cars, motorcycles, taxicabs, trucks, fleets, etc.).



Sales initiatives

The main initiatives begun in 2010 have been the implementation of procedures to help weigh-up and make decisions to optimise sales efforts; and the extension of alternative distribution channels by entering into affinity agreements with large hypermarket chains, retail chains, banks and savings banks, car dealers, public service companies, etc, for the distribution of products via their branch networks and premises. In addition, new distribution channels with high short term potential are being considered, such as Internet and social networks. In some countries, efforts have been focused on projects oriented directly at the customer (loyalty schemes, benefit assessment and granting techniques; service quality plans; transforming "call centers" into "contact centers", etc...).

For the third year running, an institutional advertising campaign on cable TV channels was launched, in all the countries where such channels exist; and the development of proprietary sales networks in Central America is now under way following the agreement with the GRUPO MUNDIAL, which has provided MAPFRE with a broad presence throughout this region.

Worth noting is the increase in production via alternative distribution channels, especially the distribution agreements with commercial partners with an increase in premiums of 65%, and car dealerships with a 36% increase in premium volumes.

Information systems and technology

Among the main activities carried out in 2010 in this region, it is worth noting the launch of a new tariffs for vehicles in Argentina, Brazil, Colombia, Mexico and Venezuela with the aid of the Pretium rating system, recently installed in many subsidiaries; the constant extension and optimisation of the technical supplier network (car workshops, loss adjusters, roadside assistance, hospitals) in most of the countries: the implementation of new local solutions for the purchase of vehicle parts; the opening of new global car service centres in Brazil; the extension of policy holder customer services, both in these centres and in 24 hour SI-24 telephone hotline services: the improvement of the automatic portfolio renewal processes, through the optimisation of operational-administrative management procedures; the development of customer and agency loyalty programmes; the continuous improvement of websites and virtual offices of MAPFRE in each country; and the development of policy quoting and issuing modules that are accessible via mobile phones and web pages in Mexico, Colombia, Chile and Venezuela.

Information systems and technology

— Work has continued on the implementation and development of new functions of the IT corporate information system TRONADOR; and specific solutions are being implemented for strategic marketing (NEXT) in Peru and Colombia.

— Progress has been made in implementing 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 subsidiaries in Brazil have already been transferred to these centres and the migration thereto of the Puerto Rico subsidiaries is currently under way.

— The development of a BPM technology-based system has now been completed, aimed at helping the subsidiaries to improve the management and automation of the sales activity of the branch network.

Outlook

With the exception of some countries such as Chile, whose activity will benefit from reconstruction efforts following the 2010 earthquake, it is expected that the economic slowdown of 2011 will affect the entire region, and South America in particular. Despite this, the estimates of MAPFRE AMÉRICA for this year include a significant increase in income, due to the new business coming from Brazil and positive contributions made by all subsidiaries to consolidated results; and work will continue in developing 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.

New headquarters in Montevideo for MAPFRE URUGUAY.



INCOME STATEMENT IFRS	2010	2009	Var. % 10/09
DIRECT INSURANCE AND ACCEPTED REINSURANCE			
Gross written and accepted premiums	5,155.6	4,305.4	19.7%
Gross earned premiums	4,952.0	4,033.4	22.8%
Claims (includes claims related expenses)	(3,607.8)	(2,549.6)	41.5%
Operating expenses and other technical expenses	(1,756.3)	(1,187.3)	47.9%
RESULT OF DIRECT INSURANCE AND ACCEPTED REINSURANCE	(412.1)	296.4	(239.0%)
CEDED AND RETROCEDED REINSURANCE			
Premiums and variation in unearned premium reserve	(961.5)	(706.9)	36.0%
Claims paid and variation in provision for claims	1,214.7	293.1	314.5%
Commissions and participation in reinsurance	124.0	90.5	37.0%
RESULT OF CEDED AND RETROCEDED REINSURANCE	377.2	(323.3)	216.7%
Other technical revenues and expenses	(3.2)	(34.7)	(90.7%)
LIFE AND NON-LIFE TECHNICAL RESULT	(38.1)	(61.6)	(38.1%)
Net income from investments	364.2	263.2	38.4%
Unrealised gains and losses on investments	-	-	-
Other non-technical revenues and expenses	(4.4)	10.9	(140.4%)
Result of minority interests	0.0	-	-
LIFE AND NON-LIFE RESULT	321.7	212.5	51.4%
RESULT OF OTHER ACTIVITIES	(0.2)	-	-
RESULT BEFORE TAX AND MINORITIES	321.5	212.5	51.3%
Tax on profits	(79.2)	(73.8)	7.3%
Result after tax from ongoing operations	-	-	-
RESULT AFTER TAX	242.3	138.7	74.7%
Attributable to minority shareholders	(27.7)	(25.3)	9.5%
RESULT AFTER TAX AND MINORITY SHAREHOLDERS	214.6	113.4	89.3%

MILLION EUROS

NON-LIFE RATIOS	2010	2009
Claims ratio of direct insurance	67.9%	70.7%
Expense ratio of direct insurance	33.3%	33.2%
Combined ratio, net of reinsurance	101.3%	103.9%



MAPFRE MEXICO places the first stone of the MAPFRE Tower.

GROSS WRITTEN AND ACCEPTED PREMIUMS	2010	2009	Var. % 10/09
BRAZIL	2,106.6	1,644.5	28.1%
MEXICO	500.4	379.7	31.8%
PUERTO RICO	310.7	287.1	8.2%
VENEZUELA	619.7	855.4	(27.6%)
ARGENTINA	458.6	402.1	14.1%
CHILE	210.6	138.0	52.5%
COLOMBIA	382.2	251.8	51.8%
PERU	189.6	144.5	31.2%
PARAGUAY	40.4	29.9	35.2%
URUGUAY	43.3	35.4	22.5%
DOMINICAN REPUBLIC	75.5	72.6	4.0%
ECUADOR	30.4	25.9	17.5%
EL SALVADOR	40.7	38.5	5.7%
PANAMA	90.0	0.0	-
GUATEMALA	24.3	0.0	-
HONDURAS	25.1	0.0	-
COSTA RICA	0.6	0.0	-
NICARAGUA	6.8	0.0	-
TOTAL	5,155.6	4,305.4	19.7%

MILLION EUROS

BALANCE SHEET KEY FIGURES (IFRS)	2010	2009	Var. % 10/09
Investments and cash (*)	4,314.7	3,447.2	25.2%
Total assets	8,330.7	6,449.4	29.2%
Shareholders equity	1,740.9	1,465.3	18.8%
ROE	14.4%	9.2%	56.0%

(*) Includes "Investments on account of life assurance policyholders bearing the investment risk" totalling B689.9 million and B479.4 million in 2010 and 2009, respectively.

SOLVENCY AND COVERAGE OF TECHNICAL RESERVES	2010	2009	Var. % 10/09
Technical reserves requiring coverage	4,421.9	3,257.5	35.7%
Excess of eligible assets over reserves	711.1	489.2	45.4%
Minimum solvency margin (consolidated)	819.2	662.6	23.6%
Solvency margin (consolidated)	1,284.5	997.7	28.7%

MILLION EUROS

OTHER INFORMATION	2010	2009	Var. % 10/09
Average number of employees	11,705	10,479	11.7%

INTERNATIONAL DIRECT INSURANCE

MAPFRE INTERNACIONAL and its dependent companies

BOARD OF DIRECTORS		Compliance Committee
CHAIRMAN	Mr. Andrés Jiménez Herradón	
FIRST VICE-CHAIRMAN	Mr. Gregorio Robles Morchón	Chairman
CHIEF EXECUTIVE OFFICER	Mr. Javier Fernández-Cid Plañiol	
MEMBERS	Mr. Ignacio Baeza Gómez	
	Mr. Ricardo Blanco Martínez	
	Mr. Victor Bultó Millet	
	Mr. Rafael Casas Gutiérrez	
	Mr. Antonio Eraso Campuzano	
	Mr. José Manuel Fernández Norniella ¹	
	Mr. Luis Hernando de Larramendi Martínez	Member
	Mr. Antonio Huertas Mejías	
	Mr. Alberto Manzano Martos	
	Mr. Filomeno Mira Candel	
	Mr. Alfonso Rebuelta Badías	Member
	Mr. Domingo Sugranyes Bickel	
	Mr. Esteban Tejera Montalvo	
Mr. Virgilio Zapatero Gómez ²		
SECRETARY AND MEMBER	Mr. Claudio Ramos Rodríguez	

Composition of governing bodies resulting from the proposals which shall be submitted to the AGM.

(1) In representation of Valoración y Control, S.L.

(2) In representation of Mediación y Diagnósticos, S.A.

2010 has seen the ongoing development and use of proprietary tools and processes designed to establish the necessary reporting channels and the periodic monitoring of the management of subsidiaries.

MAPFRE INTERNACIONAL's business has developed in an environment of very feeble economic recovery, with strong price competition in the various markets in which the subsidiaries currently operate. The declining interest rates and ensuing diminished profitability of investments, is nevertheless steering insurers towards becoming aware of the importance of obtaining technical profitability from underwriting activity.

In keeping with the goals set in the strategic plan, MAPFRE INTERNACIONAL has sought to strengthen the management of its subsidiaries, particularly focusing on the latest incorporations (Turkey and the United States), and on identifying acquisition opportunities or agreements with other operators in markets deemed to be strategic (countries in which MAPFRE is already present, EU Mediterranean region and Eastern Europe).

The volume of premiums of €1,883.5 million represents a 14.8% increase versus 2009, and the consolidated result after tax and minorities totalled €103 million, 11.1% lower than last year, mainly as a result of the writedown in the value of the shareholding in the Italian insurer Cattolica for a net amount of €24.2 million. Likewise, the figures reflect the incidence of bad weather at the start of the year, which has affected several of our markets, the deregulation of motor insurance in the State of Massachusetts, and the decline in interest rates. The normalisation of the financial markets has led to capital gains in the investment portfolios and the recovery of a large part of available tax credits from previous years.

Main activities

2010 has seen the ongoing development and use of proprietary tools and processes designed to establish the necessary reporting channels and the periodic monitoring of the management of subsidiaries. Efforts have likewise focused on the development of software programs to be applied to the new subsidiaries, and on the use of management processes in response to the operating needs detected.

The business of FINIBANCO VIDA, in which an interest of 50% was acquired at the end of 2009, and the collaboration agreement with FINIBANCO have developed

satisfactorily throughout 2010. However, this agreement will be affected by the change of management control of FINIBANCO which has been recently taken over by MONTEPIO GERAL.

In terms of corporate development, analysis has continued of investment opportunities, which have not materialised either because they do not fit in with our strategic plans or because the price expectations were not considered justified.

Subsidiaries and other business interests

— MAPFRE USA CORP (the new name of The Commerce Group in the United States) has kept its leadership position in 2010 in the Motor and Home insurance lines in Massachusetts, with market shares of 29% and 10%, respectively. Premium volume totalled €1,420.7 million, up 12.4%, and the pre-tax result of €133.5 million was 3.3% higher. The combined ratio reached 100.6% (compared to 97.8% in 2009) mainly due to adverse weather conditions suffered during the year.

The work carried out in integration into the MAPFRE Group's systems and processes have continued according to plan, with activities in the areas of Accounting Information and Management, Investments, Technology, Internal Audit and Control, and Human Resources. Progress has also been made in the coordination of insurance operations at a national level by means of establishing product and pricing standardisation processes and coordinated marketing, underwriting and claims handling activities.

— MAPFRE GENEL SIGORTA (Turkey) achieved premiums of €266 million, a 25% increase over the year before, and a pre-tax profit of €26.9 million. The company ranks tenth in the market, with a share of 3.59%.

2010 has seen the continued introduction of the Group's IT system, which is already operational for underwriting, which is due to be completed during the first quarter of 2011. In 2010 the company opened five new regional offices (in Izmir, Samsun, Kayseri, Konya and Gaziantep) in accordance with its geographical expansion plan.

In September MAPFRE INTERNACIONAL increased its holding in this company to 99.745%.

— MAPFRE SEGUROS GERAIS (Portugal) achieved premiums in 2010 of €168.9 million, with a 19.7% growth over the previous year and pre-tax results of €6.8 million, a 12.4% increase. The entity is the thirteenth largest insurer in the country with a market share of 2.4%.

On 1st January 2010 saw its new subsidiary, MAPFRE PORTUGAL SEGUROS DE VIDA, commence operations, which has taken over the business previously handled by the subsidiary of MAPFRE VIDA.

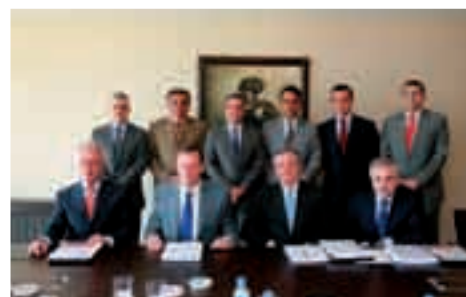
In addition, and also as of the start of the year, the entity now manages and has integrated the operations of its subsidiary FINIBANCO VIDA, having obtained premiums of €25.3 million and a net profit of €2 million.



Meeting of the Executive Committee of MAPFRE USA.



*MAPFRE USA opens
its regional office on New York.*



*Board meeting of
MAPFRE GENEL
SIGORTA held in Istanbul.*

— MAPFRE INSULAR (Philippines) has reported premiums of ₱27.9 million, a 20.1% increase, and results before taxes of ₱4.2 million, a 26.1% rise over the previous year.

The company, the tenth largest in the market by Non-life revenues, continues to reinforce its image as a specialist in Motor and Homeowner insurance lines, continues to develop its agency network and to foster sales agreements with local partners.

Worth mentioning are the agreements reached this year with Banco del Oro Insurance Brokers, the largest insurance broker in the country, and with the car leasing subsidiary of the Bank of the Philippine Islands, the second largest banking institution in the country. These agreement came into effect in November and shall be fully operational in 2011.

— MIDDLESEA INSURANCE (Malta), in which MAPFRE INTERNACIONAL has a holding of 31.08%, has generated net losses of €9.5 million, which still reflects the losses of the last quarter of 2009 from the Italian subsidiary Progress, currently under liquidation. During the first three quarters of 2010 it has reported premiums totalling €27.6 million, with a net result of €4.8 million.

Outlook

Business is expected to keep on developing in 2011 in an environment of stiff competition, although the low interest rates should lead the sector to a gradual pursuit of improved technical returns. In this respect, it is expected that earnings in 2011 will show the results of the efforts carried out in the fields of operations and management, although the US Dollar exchange rate may continue to have an influence on results.

The Company will continue to support the operations of its subsidiaries and encourage agreements with local partners in the various markets, and shall continue to study acquisition opportunities in the markets defined as strategic.

INCOME STATEMENT IFRS	2010	2009	Var. % 10/09
DIRECT INSURANCE AND ACCEPTED REINSURANCE			
Gross written and accepted premiums	1,883.5	1,640.9	14.8%
Gross earned premiums	1,824.0	1,634.6	11.6%
Claims (includes claims related expenses)	(1,306.9)	(1,156.1)	13.0%
Operating expenses and other technical expenses	(455.5)	(424.3)	7.4%
RESULT OF DIRECT INSURANCE AND ACCEPTED REINSURANCE	61.6	54.2	13.6%
CEDED AND RETROCEDED REINSURANCE			
Premiums and variation in unearned premium reserve	(160.8)	(151.3)	6.2%
Claims paid and variation in provision for claims	53.6	80.6	(33.5%)
Commissions and participation in reinsurance	25.4	27.5	(7.9%)
RESULT OF CEDED AND RETROCEDED REINSURANCE	(81.8)	(43.2)	89.3%
Other technical revenues and expenses	9.4	(2.1)	544.1%
LIFE AND NON-LIFE TECHNICAL RESULT	(10.8)	8.9	(221.7%)
Net income from investments	177.5	153.4	15.7%
Unrealised gains and losses on investments	(0.5)	1.2	(144.0%)
Other non-technical revenues and expenses	(4.9)	1.8	(365.5%)
Result of minority interests	(0.4)	(0.3)	50.0%
LIFE AND NON-LIFE RESULT	160.8	165.0	(2.5%)
OTHER ACTIVITIES			
Operating revenues	0.0	0.0	164.3%
Operating expenses	(7.4)	(5.4)	37.3%
Net income from investments and other income	(35.2)	0.6	
Result of minority interests		0.0	
RESULT OF OTHER ACTIVITIES	(42.6)	(4.7)	801.3%
RESULT BEFORE TAX AND MINORITIES	118.3	160.3	(26.2%)
Tax on profits	(11.4)	(37.4)	(69.5%)
Result after tax from ongoing operations		0.0	
RESULT AFTER TAX	106.9	122.9	(13.0%)
Attributable to minority shareholders	(3.9)	(6.9)	(44.4%)
RESULT AFTER TAX AND MINORITY SHAREHOLDERS	103.0	116.0	(11.1%)

MILLION EUROS

NON-LIFE RATIOS	2010	2009
Claims ratio of direct insurance	74.4%	71.6%
Expense ratio of direct insurance	26.1%	27.3%
Combined ratio, net of reinsurance	100.5%	98.9%

GROSS WRITTEN AND ACCEPTED PREMIUMS	2010	2009	Var. % 10/09
PORTUGAL	168.9	141.1	19.7%
TURKEY	266.0	212.8	25.0%
USA	1,420.7	1,263.8	12.4%
PHILIPPINES	27.9	23.2	20.1%
TOTAL	1,883.5	1,640.9	14.8%

MILLION EUROS

(1) Includes MAPFRE INTERNACIONAL, MAPFRE USA CORP., MAPFRE GENEL SIGORTA, MAPFRE SEGUROS GERAIS and MAPFRE INSULAR (Data for 2009 includes the branch of MAPFRE VIDA in Portugal)

BALANCE SHEET KEY FIGURES (IFRS)	2010	2009	Var. % 10/09
Investments and cash	2,773.0	2,503.3	10.8%
Total assets	4,823.3	4,372.3	10.3%
Shareholders equity	2,306.3	2,099.7	9.8%
ROE	4.8%	5.9%	(18.6%)

MILLION EUROS

SOLVENCY AND COVERAGE OF TECHNICAL RESERVES	2010	2009	Var. % 10/09
Technical reserves requiring coverage	1,929.8	1,572.1	22.8%
Excess of eligible assets over reserves	731.0	706.1	3.5%
Minimum solvency margin (consolidated)	284.2	273.4	3.9%
Solvency margin	2,329.2	2,125.7	9.6%

MILLION EUROS

OTHER INFORMATION	2010	2009	Var. % 10/09
Average number of employees	3,398	3,317	2.4%

GLOBAL BUSINESSES

MAPFRE RE and its dependent companies

BOARD OF DIRECTORS		Steering Committee	Compliance Committee
CHAIRMAN	Mr. Andrés Jiménez Herradón		
VICE-CHAIRMAN	Mr. Matías Salvá Bennasar	Vice-Chairman	Chairman
CHIEF EXECUTIVE OFFICER	Mr. Pedro de Macedo Coutinho de Almeida	Chairman	
MEMBERS	Mr. Ángel Alonso Batres		
	Mr. Ricardo Blanco Martínez		
	Mr. José Carlos Contreras Gómez ¹		
	Mr. Arturo Fernández Álvarez ²		
	Mr. Javier Fernández-Cid Plañiol	Member	
	Mr. Lorenzo Garagorri Olavarrieta		
	Mr. Philippe Hebeisen (Vaudoise Assurances Holding)		
	Mr. Pedro López Solanes	Member	
	Mr. J. David Moore (Shelter Mutual Insurance Company)		
	Mr. Juan Antonio Pardo Ortiz		
	Mr. Claudio Ramos Rodríguez	Member	
	Mr. Ermanno Rho (Società Cattolica di Assicurazione)		
	Mr. Gregorio Robles Morchón		Member
	Mr. Francisco Ruiz Risueño		Member
	Mr. Rafael Senén García		
	Mr. Domingo Sugranyes Bickel	Member	
Mr. Michael H. Tripp (Ecclesiastical Insurance Office)			
SECRETARY	Mr. Miguel Gómez Bermúdez	Secretary	

Composition of governing body on the date of preparation of this annual report.

(1) In representation of PARTICIPACIONES Y CARTERA DE INVERSIÓN, S.L.

(2) In representation of MEDIACIÓN Y DIAGNÓSTICOS, S.A.

MAPFRE RE has achieved a result above that reported for the previous year, as well as significant growth in written premiums and revenues.

In spite of the high level of catastrophic claims that occurred during the first half of the year, MAPFRE RE has achieved a result above that reported for the previous year, as well as significant growth in written premiums and revenues, which has enabled it to continue its consolidation as a leading international reinsurance company.

During the first half of the year a sharp increase in catastrophic events took place, such as the earthquakes in Chile and New Zealand which, added to other catastrophic events, have adversely affected the technical result of a large number of reinsurers, an effect partially offset by better financial results, all within an environment of stiff competition, due to the financial strength of reinsurance companies.

Main activities

— The deregulation of the reinsurance market in Brazil has been positive for MAPFRE RE. The two platforms in place to cater for the business in this country - MAPFRE RE (reinsurance company authorised to operate in April 2010) and MAPFRE RE DO BRASIL (local reinsurance company) - have enabled joint management of operations this year, paying special attention to compliance with the strict local regulations, catering for the development of the Group's insurance entities and developing profitable business operations with the rest of the market.

— In September 2010, MAPFRE RE's Board of Directors approved the opening of a new branch in Paris, which shall be up and running in 2011. This new branch, specialising in Life and Personal lines, will help broaden the entity's direct presence in this important market, and will boost the development of the business within the European market.

— MAPFRE RE has further reinforced its team with highly qualified technical personnel, both at the head office and at its branches, in order to serve its customers more efficiently; and it has made progress in the generational takeover process, which has affected this year the Management Centres in Bogotá, London and Brussels.

— The Company has continued to pay special attention to the technical services provided to its customers, with initiatives such as the inclusion in the web page of the MARESEL rating program for the Life lines in English; the seminars on personal and agricultural risk, attended by representatives from fourteen countries; the holding in Madrid of the 3rd International Seminar, attended by representatives from eighteen countries; and the technical training seminars given by ITSEMAP in twelve countries, attended by 345 people. In addition, the Trébol magazine has a new, more attractive design and is now available online via the MAPFRE RE web page.

— The Company has had its excellent ratings with the main rating agencies confirmed: Standard and Poor's has maintained its AA rating, with a negative outlook, in line with the sovereign rating; and A.M. Best has maintained the A+ rating with a negative outlook. MAPFRE RE ranks 14th in the world rankings of reinsurers



MAPFRE RE at the 7th Reinsurance Symposium in Cologne (Germany).

as published by: S&P (based on net premiums) and A.M. Best (based on gross premiums). This shows the market's confidence in the Company's solvency and the quality of its management.

— The earthquakes that took place during the first half of the year in Chile and New Zealand – causing significant material damage which, in the case of Chile, exceeded US Dollars 10,000 million – have represented for MAPFRE RE a net reinsurance cost of €151.3 million, including the cost of reinstatement of coverage.

Subsidiaries and other business interests

The Chilean subsidiaries INVERSIONES IBÉRICAS and MAPFRE CHILE REASEGUROS have obtained revenues of €8 million, and a result before tax of €0.9 million; while their equity amounted to €70.9 million at year end.

MAPFRE RE DO BRASIL reported in 2010 revenues of €95.9 million, a premium volume of €88.5 million, and results before taxes of €6.7 million; while equity totalled €40.5 million.

Outlook

MAPFRE RE begins 2011 with excellent financial strength, which will enable the company to continue its prudent process of expansion in a market which is forecast to be highly competitive.

The market will face several challenges, such a reduced return on investment, technical results that will be lower than that of previous years due to the competition in tariffs and conditions, a reduction in business volumes due to higher retention by the insurers, and the difficulty for claims reserves to be adjusted favourably every year due, among other reasons, to the rise in inflation; all the above will take place in an environment in which the significant business growth experienced in the emerging markets will prove insufficient to offset the effects of the crisis affecting the more developed markets.

In this context, reinsurance companies must take the appropriate and definitive steps to implement the Solvency II regulations, which will lead to greater volatility in results, to which the occurrence of catastrophes must be added which, depending upon the intensity and frequency thereof, will determine to a greater or lesser degree the tightening of conditions and prices.

Its financial strength, its professionalism and its credibility with customers and brokers, renders MAPFRE RE in a good position to successfully face the challenges that lie ahead.

INCOME STATEMENT IFRS	2010	2009	Var. % 10/09
DIRECT INSURANCE AND ACCEPTED REINSURANCE			
Gross written and accepted premiums	2,371.6	2,053.7	15.5%
Gross earned premiums	2,252.7	1,961.3	14.9%
Claims (includes claims related expenses)	(1,854.5)	(1,164.6)	59.2%
Operating expenses and other technical expenses	(564.5)	(501.2)	12.6%
RESULT OF DIRECT INSURANCE AND ACCEPTED REINSURANCE	(166.3)	295.4	(156.3)%
CEDED AND RETROCEDED REINSURANCE			
Premiums and variation in unearned premium reserve	(772.8)	(650.1)	18.9%
Claims paid and variation in provision for claims	869.1	321.3	170.5%
Commissions and participation in reinsurance	138.7	115.2	20.4%
RESULT OF CEDED AND RETROCEDED REINSURANCE	234.9	(213.6)	210.0%
Other technical revenues and expenses	(0.8)	(1.0)	(17.7)%
LIFE AND NON-LIFE TECHNICAL RESULT	67.9	80.8	(16.0)%
Net income from investments	103.0	79.9	28.9%
Unrealised gains and losses on investments	0.0	0.0	-
Other non-technical revenues and expenses	2.4	(1.9)	226.7%
Result of minority interests	0.2	0.0	-
LIFE AND NON-LIFE RESULT	173.5	158.9	9.2%
RESULT OF OTHER ACTIVITIES	0.0	0.0	-
RESULT BEFORE TAX AND MINORITIES	173.5	158.9	9.2%
Tax on profits	(49.3)	(46.4)	6.1%
Result after tax from ongoing operations	0.0	0.0	-
RESULT AFTER TAX	124.2	112.5	10.4%
Attributable to minority shareholders	0.0	0.0	-
RESULT AFTER TAX AND MINORITY SHAREHOLDERS	124.2	112.5	10.4%

MILLION EUROS



*Presentation of the report
“The Spanish insurance
market in 2009”.*

NON-LIFE RATIOS	2010	2009
Claims ratio of direct insurance	66.5%	63.6%
Expense ratio of direct insurance	29.2%	29.9%
Combined ratio, net of reinsurance	95.7%	93.5%

GROSS WRITTEN AND ACCEPTED PREMIUMS	2010	2009	Var. % 10/09
Non-life	2,086.9	1,877.8	11.1%
Life	284.7	175.9	61.8%
TOTAL	2,371.6	2,053.7	15.5%

MILLION EUROS

BALANCE SHEET KEY FIGURES (IFRS)	2010	2009	Var. % 10/09
Investments and cash	2,267.7	2,082.5	8.9%
Total assets	4,087.9	3,476.0	17.6%
Shareholders equity	848.4	839.7	1.0%
ROE	14.7%	14.2%	3.4%

MILLION EUROS

SOLVENCY AND COVERAGE OF TECHNICAL RESERVES	2010	2009	Var. % 10/09
Technical reserves requiring coverage	2,712.3	2,154.9	25.9%
Excess of eligible assets over reserves	535.7	490.9	9.1%
Minimum solvency margin	347.9	316.9	9.8%
Solvency margin	841.7	790.8	6.4%

MILLION EUROS

OTHER INFORMATION	2010	2009	Var. % 10/09
Average number of employees	283	282	0.4%
% commissions / gross accepted reinsurance premiums	26.3%	26.9%	(2.2%)
% internal expenses / gross accepted premiums	1.4%	1.8%	(22.2%)

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
CHIEF EXECUTIVE DIRECTOR GENERAL	Mr. Nikos Antimissaris	Member	
MEMBERS	Mr. Javier Álvarez Oblanca	Member	Member
	Mr. Francisco Bravo García		
	Mr. Rafael Casas Gutiérrez		
	Mr. Javier Fernández Cid	Member	
	Mr. Gerardo Hernández de Lugo		
	Mr. Augusto Huéscar Martínez	Member	Member
	Mr. Pedro De Macedo Coutinho de Almeida		
	Mr. Antonio Núñez Tovar	Member	
	Mr. Juan Antonio Pardo Ortiz		
	Mr. Esteban Tejera Montalvo		
	PARTICIPACIONES Y CARTERA DE INVERSIÓN, S.L. Represented by Ms. Enequina Álvarez Gayol		
	VALORACIÓN Y CONTROL, S.L. Represented by Ms. Mercedes de la Merced Monge		
SECRETARY	Mr. Félix Mansilla Arcos	Secretary	
	Ms. M ^a Luisa Linares Palacios		Secretary

Composition of governing body on the date of preparation of this annual report.



Acquisition of InsureandGo, British online leader of travel insurance.

This Unit performed very well in 2010, with revenues of €570 million, compared to €495 million in 2009; results before taxes of €31.2 million, 23% more than the previous year; and a net result of €20.6 million, an increase of 26%.

In accordance with the guidelines set forth in the Unit's strategic plan, special attention has been paid to increasing the profitability for the shareholder, having achieved an ROE of 14.2%; and to sustainably increase the volume and margin of operations, by developing products, channels and customer profiles with greater margins; to balancing the contribution to the results of the various geographical areas and business lines; to designing efficient processes that help to improve services and cut management costs; and to further analyse international expansion opportunities.

Main activities

New products

A Warranty Extension product has been launched for second hand vehicles designed to be sold over the telephone to the private customer, initially in Europe; the Travel Insurance product has been revamped with coverage against natural catastrophes, in the United Kingdom, and with civil liability cover, in Latin America; payment protection products have been developed for financial institutions in various geographical areas: and a broad range of new coverages has been defined to complete the offering of roadside vehicle assistance, able to be adapted to the specific characteristics of the various markets and customer types.

Sales initiatives

2010 has witnessed an ambitious redefinition of the commercial structures by function, by customer and by industry, along with the recruitment of new executives and a broad training plan for the resulting teams; activity has increased in the sale of Travel Insurance through agreements with professional groups, intermediaries, travel agencies (tour operators and retail), and large airline companies, generating increased revenues in the Latin American markets

and commencing operations in other countries; new distribution networks have been developed for motor related products, sold via car dealers in Germany, China, Brazil and Russia; a new boost has been given to sales of the warranty extension product geared to car manufacturers, with contracts signed in various countries and geographical regions; and new significant contracts have been reached with North American insurance companies, both for assistance to private vehicles and the provision of services associated with claims management, with great future potential in this market.

Technical management and customer service

In this scope of activity, it is worth mentioning the development of a new management policy for suppliers of roadside assistance, which shall be applied gradually, enabling the extension of the most successful best practices to new operations; the installation of contact centre management tools in new units, helping with activity planning and improvements in the efficiency and service provided to the end customer; the development of a tool enabling the automated request for services via top-of-the-range mobile telephones; the creation of an underwriting group in the technical area to attend exclusively to requests for quotation of complex or new products, aiming to reduce customer response times and generate a common know-how platform; and the ongoing policy of obtaining ISO 9001 certifications, which have already been awarded to fifteen group companies.

Information systems and technology

Among the projects carried out in this area of activity, of note are the definition of the criteria of the New Systems Plan of MAPFRE ASISTENCIA, which will inform on the general aspects of action by this Unit in this area; the migration of new facilities to the corporate data processing centres (Miami and Avila) for which, on the other hand, mutual back-up processes have been implemented; the implementation of several applications, such as that of the brokered sale of travel insurance over the web (E-Traveller) or the Unit's corporate "intranet";



*MAPFRE
ASISTENCIA opens
its new office in London.*

with strategic alliances whenever appropriate and optimising the profitability of the more traditional products: and in Europe, by consolidating the most recent operations focused on mechanical warranty products and boosting the development of Travel Insurance. On the other hand, the aim will be to introduce distribution over the Internet into the largest possible number of markets.

From an in-house perspective, special emphasis will be placed on Human Resources development, implementing talent detection and management programmes and encouraging corporate projects; on extending the strategic planning methodology, which during the first couple of years has become consolidated at a central level and has already been implemented in seventeen business units; in terms of internal control, on the security of operations and contingency solutions; and on the search for internal synergies that help to boost margins.

and the development of a new version of the special risk product management application, with many additional functions mainly developed as a result of the experience of MAPFRE ABRAXAS in the United Kingdom, and which opens the door to new international sales methods in the future.

International activities

October 2010 saw the acquisition of the company INSURE & GO, British market leader in the distribution of Internet travel insurance to the end user and which has a subsidiary in Australia. In addition, throughout the year new commercial offices of ROAD CHINA ASSISTANCE have been opened in Taiwan and Hong Kong, which will provide a new impetus to the development of operations in the Far East, and negotiations are under way to open a subsidiary in Japan, with a highly prestigious local partner.

Outlook

The Unit plans to continue in 2011 the strategic line established in recent years, with a marked emphasis on commercial expansion, without relinquishing the achievement of increasing operating margins.

The cornerstones of future growth will be the consolidation of the commercial areas that have been reinforced in 2010, an ambitious project designed to increase MAPFRE ASISTENCIA's brand awareness and its most emblematic brands within the markets in which it is present, and the ongoing cooperation with other MAPFRE companies abroad.

From a geographical perspective, activity will be increased in the Asia Pacific region, supported by the new branches and focused both on assistance and mechanical warranty products: in North America, by exploiting the possibilities of the assistance insurance market and introducing other products with a greater margins, such as the various types of Warranty Insurance or Travel Insurance; in the main markets in Latin America, by developing products for Pecuniary Losses,

The Unit plans to continue in 2011 the strategic line established in recent years, with a marked emphasis on commercial expansion, without relinquishing the achievement of increasing operating margins.

INCOME STATEMENT IFRS	2010	2009	Var. % 10/09
DIRECT INSURANCE AND ACCEPTED REINSURANCE			
Gross written and accepted premiums	411.0	357.1	15.1%
Gross earned premiums	385.6	334.5	15.3%
Claims (includes claims related expenses)	(245.6)	(208.5)	17.8%
Operating expenses and other technical expenses	(107.7)	(96.7)	11.4%
RESULT OF DIRECT INSURANCE AND ACCEPTED REINSURANCE	32.4	29.4	10.2%
CEDED AND RETROCEDED REINSURANCE			
Premiums and variation in unearned premium reserve	(33.5)	(30.1)	11.0%
Claims paid and variation in provision for claims	15.8	14.0	13.0%
Commissions and participation in reinsurance	17.4	16.2	7.6%
RESULT OF CEDED AND RETROCEDED REINSURANCE	(0.3)	0.0	0.0%
Other technical revenues and expenses	(2.7)	(2.5)	6.0%
LIFE AND NON-LIFE TECHNICAL RESULT	29.5	26.9	9.6%
Net income from investments	2.3	0.7	215.1%
Unrealised gains and losses on investments	0.0	0.0	
Other non-technical revenues and expenses	(0.1)	(0.1)	33.3%
Result of minority interests	0.0	0.0	
LIFE AND NON-LIFE RESULT	31.7	27.6	15.0%
OTHER ACTIVITIES			
Operating revenues	145.7	126.8	14.9%
Operating expenses	(146.7)	(128.8)	13.8%
Net income from investments and other income	0.2	0.1	77.8%
Result of minority interests	0.3	0.0	
RESULT OF OTHER ACTIVITIES	(0.5)	(2.0)	[73.7%]
RESULT BEFORE TAX AND MINORITIES	31.2	25.6	21.9%
Tax on profits	(9.4)	(6.7)	40.1%
Result after tax from ongoing operations	(0.2)	(1.3)	
RESULT AFTER TAX	21.5	17.6	22.5%
Attributable to minority shareholders	(0.9)	(1.2)	(27.6%)
RESULT AFTER TAX AND MINORITY SHAREHOLDERS	20.6	16.3	26.2%

MILLION EUROS

NON-LIFE RATIOS	2010	2009
Claims ratio of direct insurance	65.3%	63.9%
Expense ratio of direct insurance	26.4%	27.3%
Combined ratio, net of reinsurance	91.6%	91.2%

DETAILS OF REVENUES BY BUSINESS AREAS	2010	2009	Var. % 10/09
Insurance and services (premiums)	424.5	368.4	15.2%
Insurance and services (other revenues)	145.7	126.8	14.9%
Travel	0.0	0.0	
TOTAL	570.1	495.1	15.1%

MILLION EUROS

DETAILS OF REVENUES BY GEOGRAPHICAL AREAS	2010	2009	Var. % 10/09
Spain	35.9	24.9	44.2%
Other countries of the EU	259.9	216.2	20.2%
Americas	243.8	224.6	8.6%
Rest of the World	30.4	29.4	3.6%
TOTAL	570.1	495.1	15.1%

MILLION EUROS

BALANCE SHEET KEY FIGURES (IFRS)	2010	2009	Var. % 10/09
Investments and cash	99.8	99.1	0.7%
Total assets	487.6	414.5	17.6%
Shareholders equity	159.7	138.3	15.5%
ROE	14.2%	12.8%	11.3%

MILLION EUROS

SOLVENCY AND COVERAGE OF TECHNICAL RESERVES	2010	2009	Var. % 10/09
Technical reserves requiring coverage	67.4	51.7	30.5%
Excess of eligible assets over reserves	7.2	6.1	18.7%
Minimum solvency margin	37.6	32.6	15.3%
Solvency margin	144.1	134.5	7.1%

MILLION EUROS

OTHER INFORMATION	2010	2009	Var. % 10/09
Average number of employees	4,361	3,780	15.4%
Claims handled during the year (thousands)	5,366	4,975	7.9%
Persons assured at year end (million)	74.7	72.0	3.8%

MAPFRE GLOBAL RISKS and its dependent companies

BOARD OF DIRECTORS		Steering Committee	Compliance Committee
CHAIRMAN	Mr. Andrés Jiménez Herradón		
VICE-CHAIRMAN	Mr. Alfonso Rebuelta Badías	Vice-Chairman	Chairman
CHIEF EXECUTIVE OFFICER	Mr. Alfredo Castelo Marín	Chairman	
MEMBERS	Mr. Rafael Casas Gutiérrez	Member	
	Mr. Pedro de Macedo Coutinho de Almeida	Member	
	Mr. Javier Fernández-Cid Plañiol	Member	
	Mr. Pedro López Solanes		
	Mr. Antonio Miguel-Romero de Olano		Member
	Mr. Esteban Pedrayes Larrauri		
	Mr. Matías Salvá Bennasar		Member
	Mr. Esteban Tejera Montalvo		
SECRETARY	Ms. Rocío Peña Echarri	Secretary	

Composition of governing body on the date of preparation of this annual report.



Left: MAPFRE GLOBAL RISKS presents its project in Brazil.

Right: Presentation by MAPFRE GLOBAL RISKS in Colombia.

2010 has been the second year of operations for MAPFRE GLOBAL RISKS which, in these past two years, has achieved:

- Good business development, mainly in Latin America and in the branches in Europe, which has enabled it to expand in terms of size and geographical diversification.
- A satisfactory and well-received project implementation at a general level in the markets that have been tackled.
- A highly positive degree of collaboration with the various companies of the MAPFRE Group which participate in this project.

In a market environment characterised by a very deteriorated economic situation and prevailing uncertainty, MAPFRE GLOBAL RISKS has managed to end the year on a positive note, with significant growth in premium volumes, thanks to the heightened activity of the international operations. From a profitability perspective, the 2010 results have been affected by the earthquake in Chile, although the historical return on investment of the business continues to be good. The confirmation of the excellent ratings awarded by S&P (AA) and Moody's (Aa3) are also worth highlighting.

Main activities

New products

MAPFRE GLOBAL RISKS has kept up a relevant degree of activity in the adaptation of the covers offered to the needs of customers in the new markets in which it has begun to operate.

Sales initiatives

Among the initiatives carried out during the year, the following are worth highlighting:

- Broadening of the geographical scope to include all countries in which MAPFRE is present with direct insurance companies (except for the USA), thus MAPFRE GLOBAL RISKS currently operates in twenty-five markets.
- Incorporation into the project of the subsidiaries of MAPFRE MUNDIAL, in Central America.
- Visits by MAPFRE GLOBAL RISKS professionals to the various markets (Turkey, Portugal, Brazil, Colombia, Peru, Chile, Argentina and Mexico).
- Internationalisation of the Advisory Committee, with the incorporation of SONAE and VOLKSWAGEN.
- Participation in the international forums for risk managers of large multinational companies.

Technical management and customer services

The Company has revised its underwriting policy and improved the structure of its reinsurance treaties in order to adapt them to the new businesses and markets to which it is addressing its product offering; it has implemented a new system to control catastrophic accumulations and has reinforced its claims management structure in order to adapt it to the increasing centralisation of its activity and the requirements of international business development, which has enabled an adequate management of significant claims such as those arising from the Chile earthquake.

Information systems and technology

The year's efforts have mainly concentrated on the completion of the technological development of the subsidiary MAPFRE CAUCION Y CREDITO, where a new credit management application was implemented, and on the stabilisation of the new underwriting, claims and reinsurance applications of MAPFRE GLOBAL RISKS. Additionally, important developments in "business intelligence" tools have taken place in order to improve and develop management information systems.

MAPFRE GLOBAL RISKS has managed to end the year on a positive note, with significant growth in premium volumes, thanks to the heightened activity of the international operations.



Participation at the 17th AGER symposium.



Meeting of the International Advisory Board.

International activities

Relevant events throughout the year include the beginning of underwriting operations with local customers in Ecuador, El Salvador, Paraguay, Peru, Puerto Rico, the Dominican Republic, Uruguay, Venezuela and The Philippines; the significant number of Latin American multinationals visiting the central services of MAPFRE GLOBAL RISKS on their "road shows" throughout Europe; and the considerable growth of its representative offices in Cologne, London and Paris, and aviation risks through the GLOBAL AEROSPACE pool.

Subsidiaries and other business interests

In a mature and highly competitive market which has suffered, during the last two years, the biggest crisis seen in decades, the subsidiary MAPFRE CAUCION Y CREDITO has attained very satisfactory claims ratios, having ended 2010 with positive results due to the steps taken in previous years to restructure the portfolio and return to a technical equilibrium. It has revised and updated its product range to cater for the upswing in sales activity, such as the launch of the "XL policy".

Likewise, it has implemented an ambitious commercial plan in collaboration with Red MAPFRE, it has begun a project to develop complementary services (sale of commercial reports and recovery of bad debts), it has adjusted the financial terms of its policies and risks to the new economic situation and has increased the degree of autonomy at the Regional Management Centres in terms of underwriting, in order to improve efficiency and provide better and faster customer service through greater decentralisation of decision-making.

In the framework of the new model for developing and supervising the Group's Credit and Surety businesses, the subsidiary that specialises in this business in Brazil has been transferred to MAPFRE AMÉRICA, and there are plans to complete this process with the transfer of the subsidiaries in Chile, Colombia and Mexico.

ITSEMAP kept up its activity in Spain along with the notable development of its subsidiaries abroad, and has gradually evolved towards a concentration of risk verification services and claims handling support adapted 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.



MAPFRE GLOBAL RISKS sponsored and participated in the 2nd International Brokerslink Conference.

Outlook

The economic situation in Spain in 2011 will still be affected by the economic downturn, with all its implications: decreased business activity, lower demand for capital goods, stiffer competition due to market contraction, and lower interest rates which restrict the financial return on investments. Nevertheless, the steady penetration of international markets that is under way should enable us to weather the uncertainties looming over the Spanish market.

All in all, the solid market position of MAPFRE GLOBAL RISKS and its subsidiaries means that it is prudently optimistic about the coming years, when it expects to obtain increases in premiums 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. All of this, combined with the maintaining of the claim experience at prudent levels, should lead the Company to obtain improving results.

INCOME STATEMENT IFRS	2010	2009	Var. % 10/09
DIRECT INSURANCE AND ACCEPTED REINSURANCE			
Gross written and accepted premiums	910.4	838.4	8.6%
Gross earned premiums	893.0	794.6	12.4%
Claims (includes claims related expenses)	(939.2)	(540.7)	73.7%
Operating expenses and other technical expenses	(113.6)	(96.5)	17.7%
RESULT OF DIRECT INSURANCE AND ACCEPTED REINSURANCE	(159.9)	157.3	(201.6%)
CEDED AND RETROCEDED REINSURANCE			
Premiums and variation in unearned premium reserve	(649.6)	(608.8)	6.7%
Claims paid and variation in provision for claims	742.5	401.8	84.8%
Comissions and participation in reinsurance	59.6	61.7	(3.4%)
RESULT OF CEDED AND RETROCEDED REINSURANCE	152.5	(145.3)	205.0%
Other technical revenues and expenses	(7.5)	(8.5)	(11.6%)
LIFE AND NON-LIFE TECHNICAL RESULT	(14.9)	3.5	(523.5%)
Net income from investments	40.3	20.0	101.6%
Unrealised gains and losses on investments	0.0	0.0	
Other non-technical revenues and expenses	2.4	2.0	16.0%
Result of minority interests	0.0	0.0	
LIFE AND NON-LIFE RESULT	27.8	25.5	8.9%
OTHER ACTIVITIES			
Operating revenues	7.5	7.9	(4.6%)
Operating expenses	(8.0)	(8.3)	(4.6%)
Net income from investments and other income	0.0	0.0	
Result of minority interests	0.0	0.0	
RESULT OF OTHER ACTIVITIES	(0.5)	(0.5)	
RESULT BEFORE TAX AND MINORITIES	27.3	25.0	9.1%
Tax on profits	(5.8)	(7.6)	(24.0%)
Result after tax from ongoing operations	0.0	0.0	
RESULT AFTER TAX	21.5	17.5	23.4%
Attributable to minority shareholders	0.0	(0.1)	
RESULT AFTER TAX AND MINORITY SHAREHOLDERS	21.5	17.3	24.1%

MILLION EUROS

NON-LIFE RATIOS	2010	2009
Claims ratio of direct insurance	80.8%	74.8%
Expense ratio of direct insurance	25.3%	23.3%
Combined ratio, net of reinsurance	106.1%	98.1%

GROSS WRITTEN AND ACCEPTED PREMIUMS	2010	2009	Var. % 10/09
Fire - Property damage	465.4	365.0	27.5%
Motor - otehr guarantees	5.2	7.9	(34.2%)
Third party liability	87.0	84.6	2.8%
Engineering	67.0	63.6	5.4%
Transport	196.3	200.0	(1.8%)
Credit	73.8	100.3	(26.4%)
Surety	15.7	17.0	(7.8%)
TOTAL	910.4	838.4	8.6%

MILLION EUROS

BALANCE SHEET KEY FIGURES (IFRS)	2010	2009	Var. % 10/09
Investments and cash	803.3	710.5	13.0%
Total assets	3,077.3	2,451.2	25.5%
Shareholders equity	422.6	390.4	8.2%
ROE	5.3		

MILLION EUROS

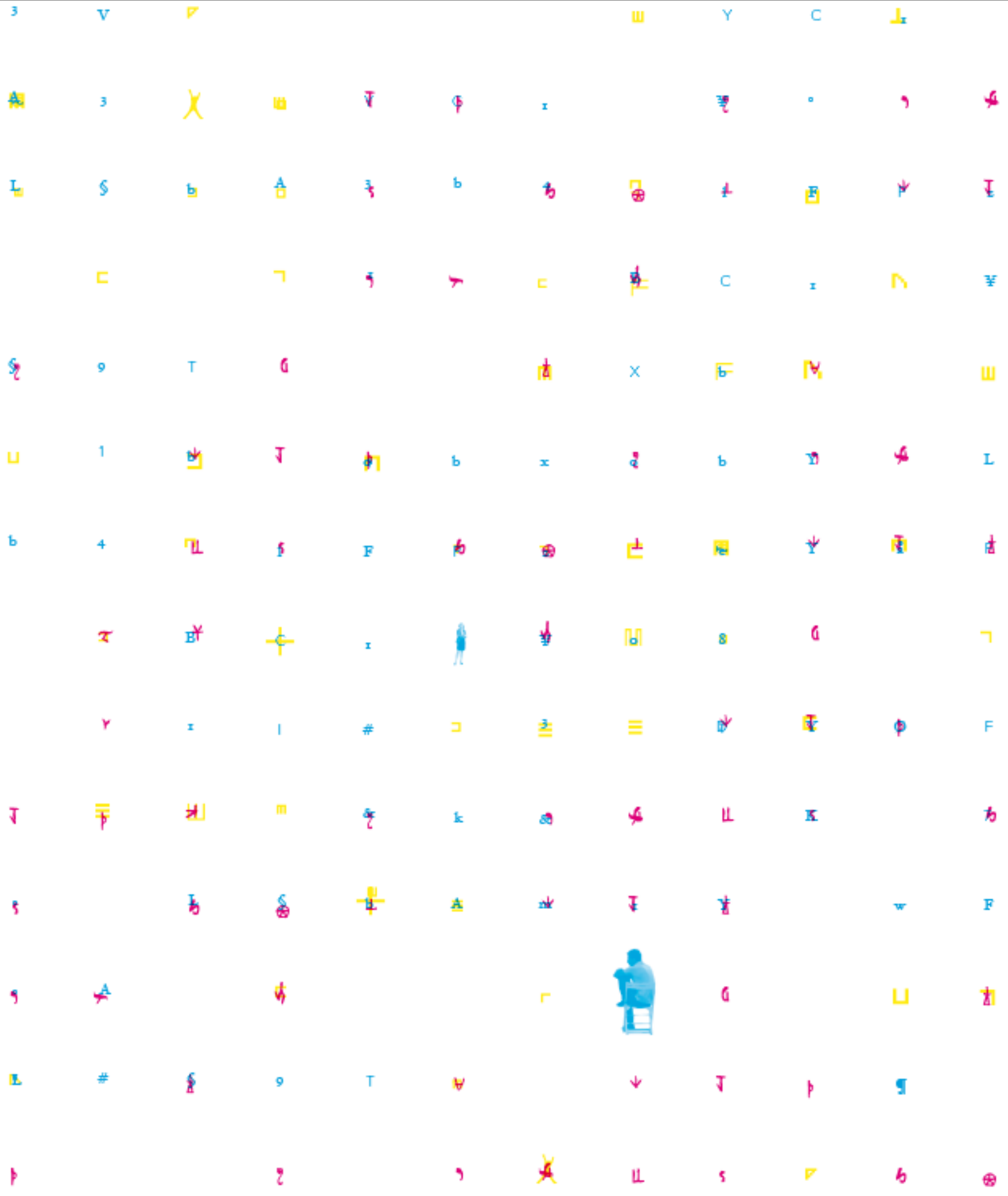
SOLVENCY AND COVERAGE OF TECHNICAL RESERVES	2010	2009	Var. % 10/09
Technical reserves requiring coverage	2,011.1	1,635.9	22.9%
Excess of eligible assets over reserves	152.4	107.6	41.7%
Minimum solvency margin	85.1	73.3	16.1%
Solvency margin	383.1	370.8	3.3%

MILLION EUROS

OTHER INFORMATION	2010	2009	Var. % 10/09
Average number of employees	610	631	(3.3%)
Policies in force at year end (thousands)	8,431	7,634	10.4%
Claims handled during the year	57,963	167,008	(65.3%)
Speed of settlement of claims	54.7	61.3	(10.8%)



New Year at the new office in Cologne (Germany).





9

Proposed resolutions

- Approval of the individual and consolidated Annual Accounts for financial year 2010.
- Approval of the Board of Directors' management during financial year 2010.
- Re-election for another four-year period of Director Mr. José Manuel Martínez Martínez.
- Re-election for another four-year period of Director Mr. Alberto Manzano Martos.
- Re-election for another four-year period of Director Mr. Francisco Ruiz Risueño.
- Re-election for another four-year period of Director Mr. Luis Hernando de Larramendi Martínez.
- Re-election for another four-year period of Director Mr. Manuel Jesús Lagares Calvo.
- Re-election for another four-year period of Director Mr. Antonio Miguel-Romero de Olano.
- Re-election for another four-year period of Director Mr. Alfonso Rebuelta Badías.
- Appointment as Director, for a four-year period, of Mr. Antonio Núñez Tovar.

This proposed re-elections and appointments have received the backing 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.

- To approve the distribution of earnings proposed by the Board of Directors, and accordingly distribute a total dividend of €0.15 gross per share to shares numbers 1 to 3,012,154,351, both inclusive. Part of this dividend, in the sum of €0.07 gross per share, was paid out following a resolution passed by the Board of Directors on 27th October 2010, and the rest, up to the agreed total of €0.08 gross per share, shall be paid on a date to be determined by the Board of Directors, within the period from 1st May 2011 to 30th June 2011.
- To authorise the Board of Directors so that it may, pursuant to section 297 of the Modified Text of the Spanish Companies Act, during the five years following the date of this resolution, increase the share capital once or several times by up to a maximum of €150,607,717.55, equivalent to 50% of the share capital. 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 section 506 of the Modified Text of the 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 6th March 2010.

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 Modified Text of the Spanish Companies 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 authorisation referred to in the preceding paragraph be listed for trading on the Stock Exchange, pursuant to Article 27 b) of the Stock Exchange Regulations, as worded in Royal Decree 1,536/81, and in the same terms and conditions as provided for under the said Article. It is explicitly agreed that, in the event of a subsequent application to exclude the shares from being listed, such decision will be made with the same formalities, and in this case the interests of the shareholders who did not vote for or opposed the resolution, will be guaranteed. The passing of a decision to officially allow listing will amount to a declaration to abide by any rules that may be in force or that may be laid down in the future relating to Securities and Stock Markets, and especially those referring to trading, listing and delisting.

- To authorise the Board of Directors so that, pursuant to the provisions of section 146 and related sections of the Modified Text of the Spanish Companies Act, the Company may proceed, directly or through affiliates, 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 affiliates, 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 6th March 2010.

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 Modified Text of the Spanish Companies Act.

— To endorse the report on the Directors' remuneration policy that is submitted to the Annual General Meeting for consultation purposes.

Said report on the Directors' remuneration policy has been reported on favourably by the Appointments and Remuneration Committee.

— To extend the appointment of Ernst & Young, S.L. as the Company's Accounts Audit firm, both for the Individual Annual Accounts and for the Consolidated Accounts for a new one-year period, that is, for financial year 2011, 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:

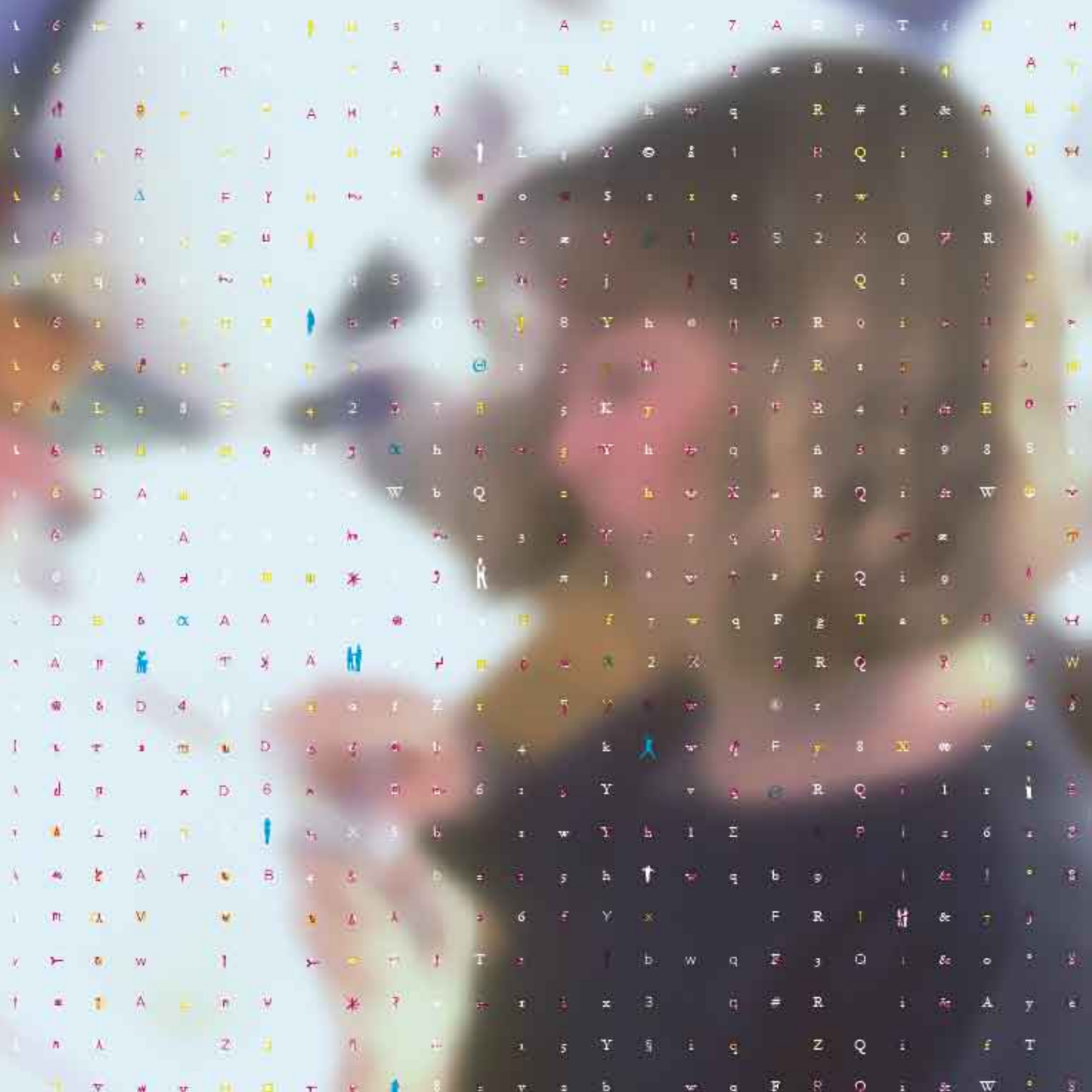
a) Complete, in general terms, the preceding resolutions in any matters necessary for them to be valid and enforceable.

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

— Delegate the broadest powers in favour of the Chairman of the Board of Directors, Mr. José Manuel Martínez Martínez, to the First Vice-Chairman and to the Secretary of the Board, so that they may individually execute the preceding resolutions and record them as a public deed insofar as it is necessary, amending them in accordance with any observations made by the Registrar of Companies when assessing them and which ought to be accepted by the empowered parties.

— To authorise 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.



10

Acknowledgements and special mentions

Since the date of the previous annual report, 84 MAPFRE employees have concluded or are about to reach the end of their active working life, as well as the following senior managers:

— **Mr. Alberto Manzano Martos**, who joined MAPFRE in 1965, and successively or simultaneously held, among others, the position of Director of Legal Services, Director General of the company CRÉDITO Y PREVISIÓN Credit Cooperative, and Secretary General and Vice Chairman of the Group. He is currently the First Vice Chairman of the Board of Directors of MAPFRE S.A., of its Standing Committee and of the Appointment and Remuneration Committee, as well as Chairman of the Andalusia Territorial Council. He is also the Chairman of the Institutional Control Commission, the Third Vice Chairman of the Trust and the Chairman of the Cultural Institute of FUNDACIÓN MAPFRE, and he will continue to hold office in all of these.

— **Mr. Juan José Almagro García**, who joined MAPFRE in 1972, and successively held, among others, the position of Claims Manager of the Andalusia Sub-headquarters, Director of the Province of Granada, Technical & Sales Director at MAPFRE MUTUALIDAD, Director of Motor insurance at the Central Territorial Area, Secretary and Legal Director of MAPFRE SEGUROS GENERALES, Head of the Human Resources Unit, and Director General of Communication and Corporate Responsibility.

— **Mr. Ricardo Blanco Martínez**, who joined MAPFRE in 1988, and successively held, among others, the position of Director General of MAPFRE PENSIONES, Associate Director General and Managing Director of CORPORACIÓN MAPFRE, Managing Director of MAPFRE AMÉRICA and MAPFRE AMÉRICA VIDA, and Director General of MAPFRE S.A.

— **Mr. Julián Rivero Merchán**, who joined MAPFRE in 1971, and successively held, among others, the position of Administrative Manager of the Technical Department of MAPFRE SERVICIOS DE REASEGURO, Technical Director of Reinsurance, Associate Director of CORPORACIÓN MAPFRE, Deputy Director General de MAPFRE RE, and Associate Director General of MAPFRE RE.

— **Mr. Arturo Chevalier del Río**, who joined MAPFRE in 1997, within the CAJAMADRID insurance area, and successively held, among others, the position of Sales Director of the CAJAMADRID Insurance Business, Associate Business Director of CAJASALUD, Director General of MAPFRE CAJASALUD, and Associate Director General of MAPFRE FAMILIAR.

— **Mr. José Antonio Carro del Castillo**, who in 1975 joined MUSINI, an entity integrated in the Group in 2003, where he successively held the positions of Director General of the Large Risks Division of MAPFRE EMPRESAS, and Director General of Planning and Development of MAPFRE GLOBAL RISKS.

— **Mr. Julián Salcedo Gómez**, who joined MAPFRE in 1990, and successively held, among others, the position of Financial Director, Associate Director General and Director General of MAPFRE INMUEBLES.

— **Mr. Juan Travesedo Colón de Carvajal**, who joined MAPFRE in 1997, and successively held, among others, the position of the position of Security Director, and Deputy Director General of Security and the Environment.

— **Mr. Juan Buenestado García**, who joined MAPFRE in 1974, and successively held, among others, the position of Administrative Director, General Comptroller, Deputy Director General and Associate Director General of MAPFRE AGROPECUARIA.

The following executives, on the other hand, are no longer rendering their services for the Group:

— **Mr. José Manuel González Porro**, who joined MAPFRE in 1988, and successively or simultaneously held, among others, the position of Director of Tax Consultancy at SISTEMA MAPFRE, Director General of Legal Affairs of SISTEMA MAPFRE, Company Secretary of the Group and Secretary and Member of the Board of Directors of MAPFRE, S.A. and its Standing Committee. He has also been a Member of several Management Committees and Governing Bodies of a number of Group entities.

— **Ms. María Presentación Ataz Orihuela**, who joined MAPFRE in 1992, and successively or simultaneously held, among others, the position of Deputy Director of the Legal Counsel at SISTEMA MAPFRE, Director of the Legal Service at UNIDAD DE VIDA and Director of the Group's Legal Counsel. She has also been Secretary to a number of Boards of Directors and Executive Committees.

Finally, the following have ceased as Board Members of the regional areas: Mr. Antonio Alba Puente (Northwest), Mr. Sergio Alonso Reyes (Canaries), Mr. Emilio Cano Cedrán (Southeast), Mr. Francisco Del Rio Sanz (Catalonia), Mr. Luis García Pastor (North), Mr. José Antonio Garrido Martínez (North), Mr. Juan Antonio González González (Castille), Mr. José Emilio Jimeno Chueca (Madrid), Mr. Antonio Jover Albert (Southeast), Mr. Felipe Merino Inajara (Catalonia), Mr. Abilio Portolés Litago (North), Mr. José Domingo Posada González (Northeast), Mr. Carlos Rodríguez Fernández (Castille), Mr. Antonio Ruiz Casabán (Levante) and Mr. Luis Serrano Acebes (Castille).

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, fifteen employees have passed away, seven of them in Spain (Ms. M^{ra} Teresa Monsonis Muñoz, Mr. Jorge Granados Romero, Ms. Concepción María Pérez Machin, Ms. Catalina Romero Pérez, Ms. Esperanza Martínez Alonso, Ms. Elsa Muñoz Acosta and Mr. Jose Joaquín Tineo Solvas) and eight abroad (Mr. Joseph Delpha -MAPFRE USA-, Mr. Rolando Chiapoco and Mr. Raymond Ordóñez -MAPFRE Insular-, Ms. Silvana Alejandra López -MAPFRE Argentina-, Mr. Raúl Henrique Blanco -MAPFRE Brazil-, Mr. David Morales -MAPFRE Mexico-, Mr. Emilio Barrios -MAPFRE Peru-, Mr. Omar Prado -MAPFRE Panama-).

MAPFRE would like to take this opportunity to express its sincerest condolences to the relatives of the deceased.

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