

SUMMARY
OF ANNUAL REPORT

2014

Design:
TAU Diseño
www.taudesign.com

Printing:
Monterreina

Depósito legal: M-7767-2015



SUMMARY OF
ANNUAL REPORT

2014

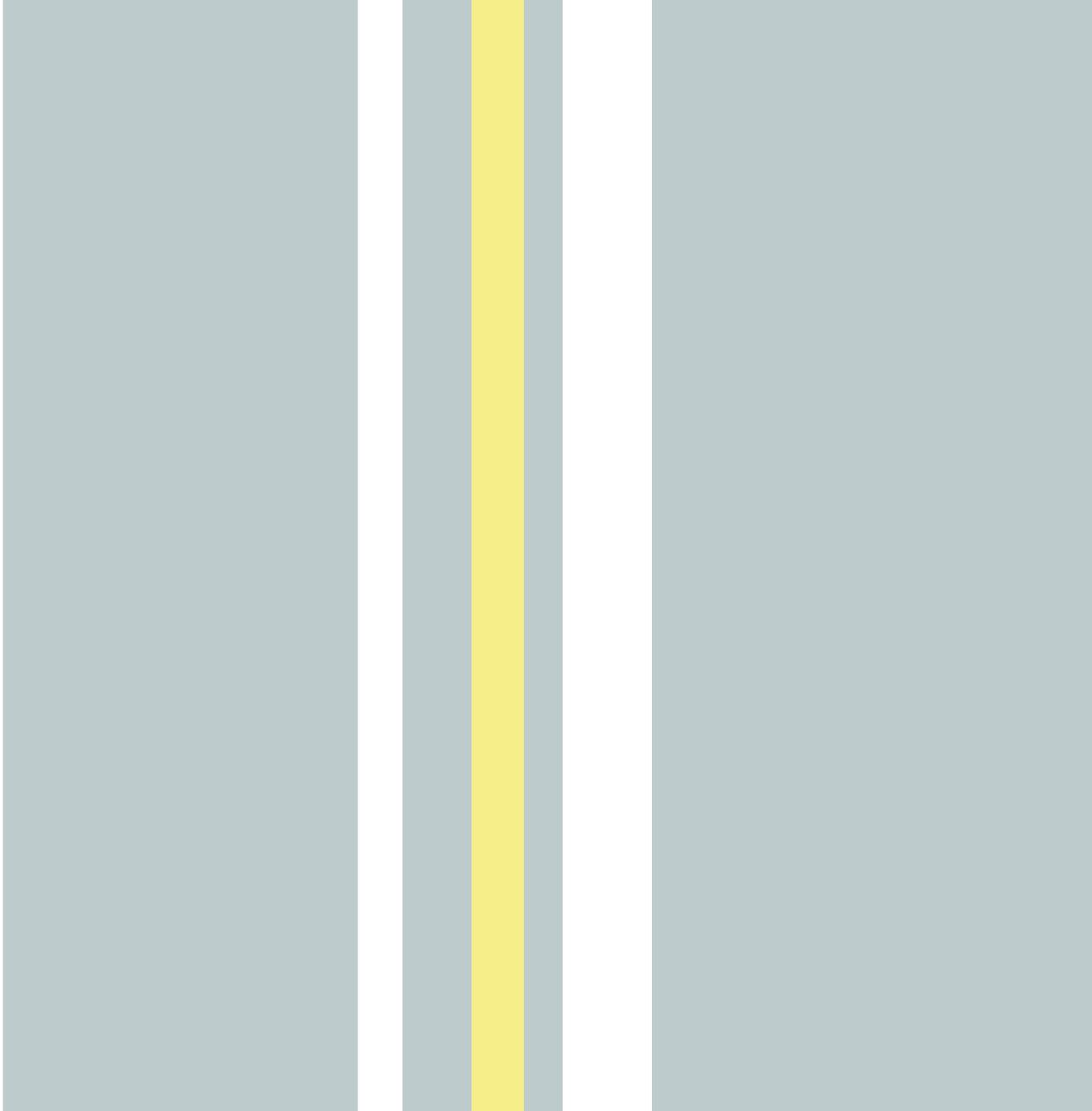


TABLE OF CONTENTS

1. Governing bodies	5
2. Letter to shareholders	6
3. Key figures	8
4. General information	11
5. Significant events in the year	20
6. Business performance	23
7. Employees	27
8. Social Responsibility	29
9. Financial contribution to society	31
10. Business Units, Territorial Areas and Regional Areas	32
11. Historical information	33
12. Proposed resolutions	34



1. Governing bodies

BOARD OF DIRECTORS		STEERING COMMITTEE	APPOINTMENTS AND REMUNERATION COMMITTEE	AUDIT COMMITTEE	RISK AND COMPLIANCE COMMITTEE
CHAIRMAN AND CEO	Antonio Huertas Mejías	<i>Chairman</i>			
FIRST VICE CHAIRMAN	Esteban Tejera Montalvo	<i>First Vice Chairman</i>			
SECOND VICE CHAIRMAN	Francisco Vallejo Vallejo	<i>Second Vice Chairman</i>	<i>Member</i>		<i>Chairman</i>
THIRD VICE CHAIRMAN	Antonio Núñez Tovar	<i>Member</i>			
FOURTH VICE CHAIRMAN	Ignacio Baeza Gómez	<i>Member</i>			
BOARD MEMBERS	Rafael Beca Borrego				
	Adriana Casademont i Ruhí		<i>Member</i>		
	Rafael Casas Gutiérrez	<i>Member</i>			
	Georg Daschner				
	Rafael Fontoira Suris				
	Luis Hernando de Larramendi Martínez	<i>Member</i>	<i>Member</i>		
	Luis Iturbe Sanz de Madrid		<i>Chairman</i>	<i>Chairman</i>	<i>Member</i>
	Andrés Jiménez Herradón			<i>Member</i>	
	Alberto Manzano Martos				
	Rafael Márquez Osorio	<i>Member</i>			<i>Member</i>
	Antonio Miguel-Romero de Olano			<i>Member</i>	<i>Member</i>
	Catalina Miñarro Brugarolas	<i>Member</i>		<i>Member</i>	
	Alfonso Rebuelta Badías		<i>Member</i>		
	Matías Salvá Bennasar				
SECRETARY	Ángel L. Dávila Bermejo	<i>Secretary</i>	<i>Secretary</i>	<i>Secretary</i>	

Composition of the governing bodies resulting from the resolutions expected to be adopted on March 13, 2015.

HONORARY CHAIRMEN
Julio Castelo Matrán
José Manuel Martínez Martínez



2. Letter to shareholders

In this regard, in 2013 a new organizational structure was approved which came into effect on January 1 2014. This includes the creation of nine Corporate Areas, four Business Units, three Territorial Areas, and seven Regional Areas. The purpose of this is to facilitate:

- decentralized management within a common framework of action that guarantees the local implementation of policies established for the whole Group; and

- the dissemination of best practices and reinforcement of innovation in the design and launch of new products and services.

During the financial year, the Group implemented a number of initiatives to strengthen its multichannel distribution capacity. These included:

- the new global agreement, announced in January, by which MAPFRE, on February 1, became the exclusive provider of Life and Non-Life insurance products for the entire BANKIA commercial network. The agreement involved the restructuring of the bancassurance business with this financial institution through new distribution agreements with the operator BANKIA MEDIACIÓN, and the contributions to the current life insurance endeavor among BANKIA and MAPFRE, BANKIA MAPFRE VIDA, from the ASEVAL business and LAIETANA VIDA.

- the agreement with the British insurer DIRECT LINE GROUP, announced on September 25, through which MAPFRE would acquire its automobile insurance subsidiaries in Italy and Germany for €550 million. This transaction is part of MAPFRE's firm commitment to direct online insurance and allows it to strengthen its presence in Europe, by integrating two profitable and established companies, leaders in the direct insurance market and with high growth and value creation potential.

- 686 new points of sale, reaching a total of 15,008 branches worldwide, as well as a 16.2 percent increase in the number of brokers, to 79,289 for all the territorial areas.

It should be pointed out that on February 20, the Standard & Poor's agency announced that, following the review conducted for the issuer with the new methodology for classifications over the reference country's rating, it decided to place MAPFRE RE and MAPFRE GLOBAL RISKS financial strength rating three levels above the rating for the Kingdom of Spain, while improving the MAPFRE S.A. issuer rating to one notch above that of the sovereign. Subsequently, on May 30, the agency made it public that, as the result of Spain's improved credit rating review, it was increasing MAPFRE S.A.'s credit rating to "BBB+" and MAPFRE RE and MAPFRE GLOBAL RISKS' financial strength classification to "A", with outlook stable in all three cases. As such, MAPFRE became the Spanish business group with the highest classification and the only financial group in the world with ratings three levels above that of its own country. Standard & Poor's based its decision on the strength of MAPFRE's competitive position, buttressed by its diversification in terms of geography and business.

MAPFRE and its subsidiaries continued to receive awards and accolades for their business performance, the quality of the services provided to clients and responsibility toward employees and society in 2014. It is worth mentioning the inclusion of our shares in the Dow Jones Sustainability World, Dow Jones Sustainability Europe, FTSE4Good and FTSE4Good Ibex indices, which evaluate the performance of listed companies in terms of sustainable development and respect for human rights. Meanwhile, the U.S. magazine FORTUNE has once again included MAPFRE among the 500 largest companies in the world.

Dear Shareholder,

In 2014, our Group conducted its activity in an environment in which, on the one hand, saw the consolidation of the recovery of the Spanish economy, and on the other, one in which doubts increased regarding the development of other European and Latin American economies. Meanwhile, the performance of financial markets has been marked by a sharp decline in interest rates in the Eurozone and in other developed economies, and by the beginning of an appreciation phase for the U.S. dollar.

In this context, MAPFRE has achieved:

- consolidated leadership in Spain, forging ahead with international diversification;

- an increased number of premiums in the majority of business lines and countries, in which the contribution of Life insurance and Spain's return to the path of growth have been especially significant, and

- significantly increased results and dividends.

MAIN ACTIVITIES

In recent years MAPFRE has undertaken a profound reorganization of its internal structures with a view to simplifying those structures and adapting them to the new challenges currently facing the Group.

KEY FACTS AND FIGURES

The excellent overall results of our subsidiaries are reflected in the following figures:

— Total consolidated revenues grew by 1.8 percent to reach €26,366.7 million. Of that amount, €22,400.9 million came from premiums, which increased by 2.6 percent. By territorial area:

> premiums issued and accepted in the IBERIA Territorial Area grew to €7,455.7 million, an increase of 1.5 percent. It is worth noting the return to growth demonstrated by all the main Non-Life insurance businesses, especially the Automobile business, the significant contribution of the bancaassurance channel in Life-Savings insurance and the notable growth of the acquisition of investment and pension funds in the agency channel.

> premiums from the LATAM Territorial Area increased by 3.8 percent, reaching €9,627.6 million. There was strong growth in local currency in most countries as a result of the commercial drive during the year; in Brazil, this was accompanied by the increasing contribution of the BANCO DO BRASIL network, mainly in Life insurance.

> businesses integrated within the INTERNATIONAL Territorial Area recorded premium volume of €3,491.1 million, up by 4.8 percent. Growth in Non-Life insurance in the United States and Turkey was notable, as well as the rise in the Life premiums figure in Malta and the favorable development of MAPFRE ASISTENCIA in Continental Europe, China and Australia.

> MAPFRE RE and its subsidiaries reported consolidated premiums of €3,343.3 million, an increase of 2.8 percent, arising from new business in the Life insurance line.

— Life insurance, pension fund and investment fund assets under management increased by 21.4 percent, exceeding €40,000 million for the first time.

— Net consolidated profit increased to €845.1 million, a rise of 6.9 percent.

— Earnings per share increased from €0.26 to €0.27.

— Lastly, consolidated net equity stood at €11,469.4 million, compared to €9,893.7 million in 2013. €2,316.7 million of this corresponds to holdings of minority shareholders in subsidiary companies. Consolidated shareholders' equity increased to €2.97 per share at the end of 2014, compared to €2.54 as at December 31, 2013.

OUR SHARE PRICE

The performance of the stock market in 2014 was driven by doubts about the growth level of European economies and developing countries, expectations about the actions of the main central banks and interest rate movements. In this environment, our share price fell 9.6 percent to €2.81. During this period, the Spanish stock market index IBEX 35 recorded a 3.7 percent increase, while the Dow Jones STOXX Insurance index revalued by 9.8 percent.

DIVIDENDS

MAPFRE's objectives include maintaining a dividend policy in line with growth in its earnings. In this respect the Board of Directors has agreed to:

— pay an interim dividend against the 2014 results of €0.06 per share, taking the total dividend payout in 2014 to €0.14 per share; and

— propose at the Annual General Meeting a final dividend of €0.08 gross per share,

which represents a 7.7 percent increase in the dividend against the results for the year.

During the year, MAPFRE S.A. shareholders received dividends of €431.1 million, 16.7 percent up on the previous fiscal year.

I would like to end this letter by expressly thanking our shareholders, our clients, the supervisory bodies, and generally everyone who has expressed their confidence and support in us throughout the year. I would also like to take this opportunity to express my gratitude to all of MAPFRE's human resources teams (directors, executives, employees, delegates, agents and associates), whose efforts and activities helped us to achieve these excellent results.

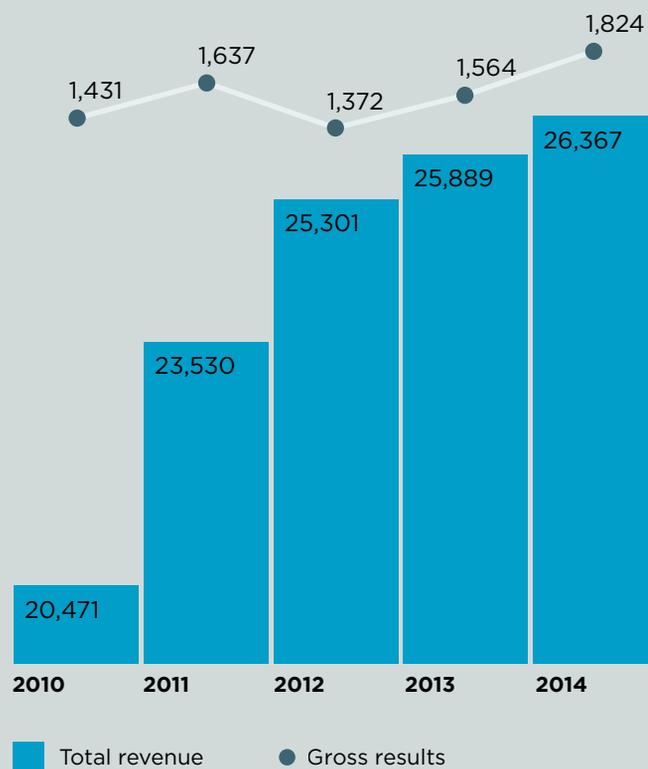
Sincerely,



ANTONIO HUERTAS
CHAIRMAN AND CEO

3. Key figures

REVENUES AND RESULTS
FIGURES IN MILLIONS OF EUROS



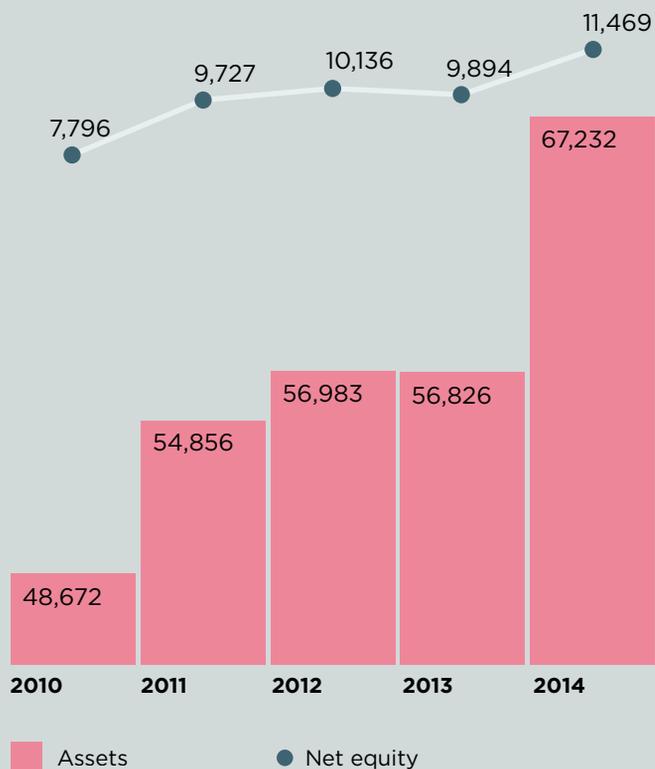
INCOME STATEMENT

Income statement	2010	2011	2012	2013	2014
Total revenue	20,471	23,530	25,301	25,889	26,367
Written and accepted premiums	16,973	19,600	21,580	21,836	22,401
Non-Life	12,768	14,473	15,479	16,278	16,409
Life	4,205	5,128	6,101	5,558	5,992
Non-Life business result	1,223	1,164	1,237	1,150	1,259
Life business result	368	541	415	499	718
Results from other activities	(160)	(68)	(280)	(85)	(153)
Results before tax	1,431	1,637	1,372	1,564	1,824
Net result	934	963	666	791	845
Third party funds managed in Life assurance	28,119	29,312	31,035	33,614	40,818

FIGURES IN MILLIONS OF EUROS

ASSETS AND NET EQUITY

FIGURES IN MILLIONS OF EUROS



BALANCE SHEET

Balance sheet	2010	2011	2012	2013	2014
PROPERTY, FINANCIAL INVESTMENTS AND CASH	35,205	37,951	39,764	40,375	48,673
Property (including for own use)	2,469	2,503	2,414	2,331	2,392
Stocks and investment funds	1,528	2,085	1,874	2,165	2,434
Fixed income	26,696	29,264	31,239	31,200	39,010
Other investments (includes unit-linked)	3,015	2,845	3,219	3,516	3,648
Treasury	1,497	1,254	1,018	1,163	1,189
TECHNICAL PROVISIONS	33,462	36,451	37,976	38,743	46,445
Provision for unearned premiums	5,886	7,065	7,265	7,021	7,604
Provision for life insurance	17,933	18,623	19,906	21,018	27,385
Provision for outstanding claims	7,348	8,286	8,119	7,800	8,579
Other provisions (includes unit-linked)	2,295	2,477	2,686	2,903	2,876
EQUITY	7,796	9,727	10,136	9,894	11,469
Capital and reserves	6,542	7,043	7,810	7,833	9,153
Minority interests	1,254	2,684	2,326	2,060	2,317
TOTAL ASSETS	48,672	54,856	56,983	56,826	67,232

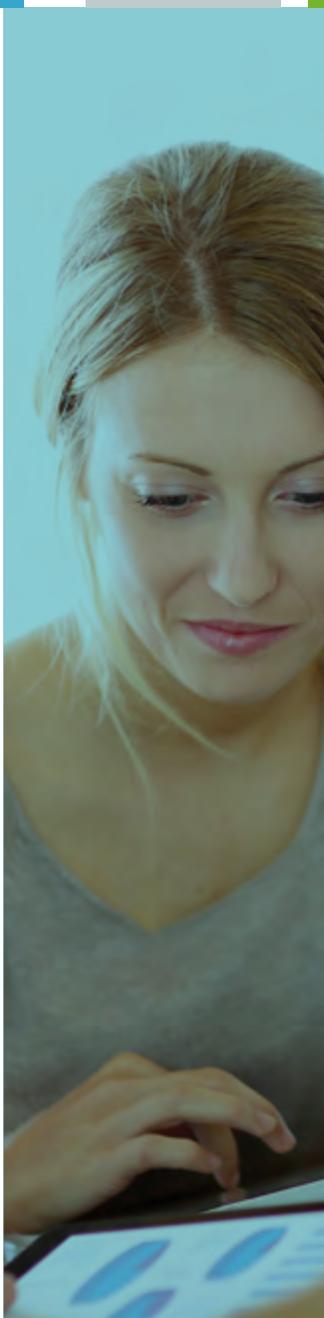
FIGURES IN MILLIONS OF EUROS

INTERNATIONAL PRESENCE AND GEOGRAPHICAL DISTRIBUTION OF BUSINESS

	2013	2014
Number of countries in which present	47	49
Average number of employees	34,146	34,973
IBERIA	9,289	9,243
LATAM	17,427	17,860
INTERNATIONAL	7,121	7,551
MAPFRE RE	309	319
Number of offices	14,322	15,008
IBERIA	6,458	7,010
LATAM	7,589	7,710
INTERNATIONAL	275	288
Regional distribution of business by premium		
IBERIA	32%	31%
LATAM	40%	40%
INTERNATIONAL	14%	15%
MAPFRE RE	14%	14%

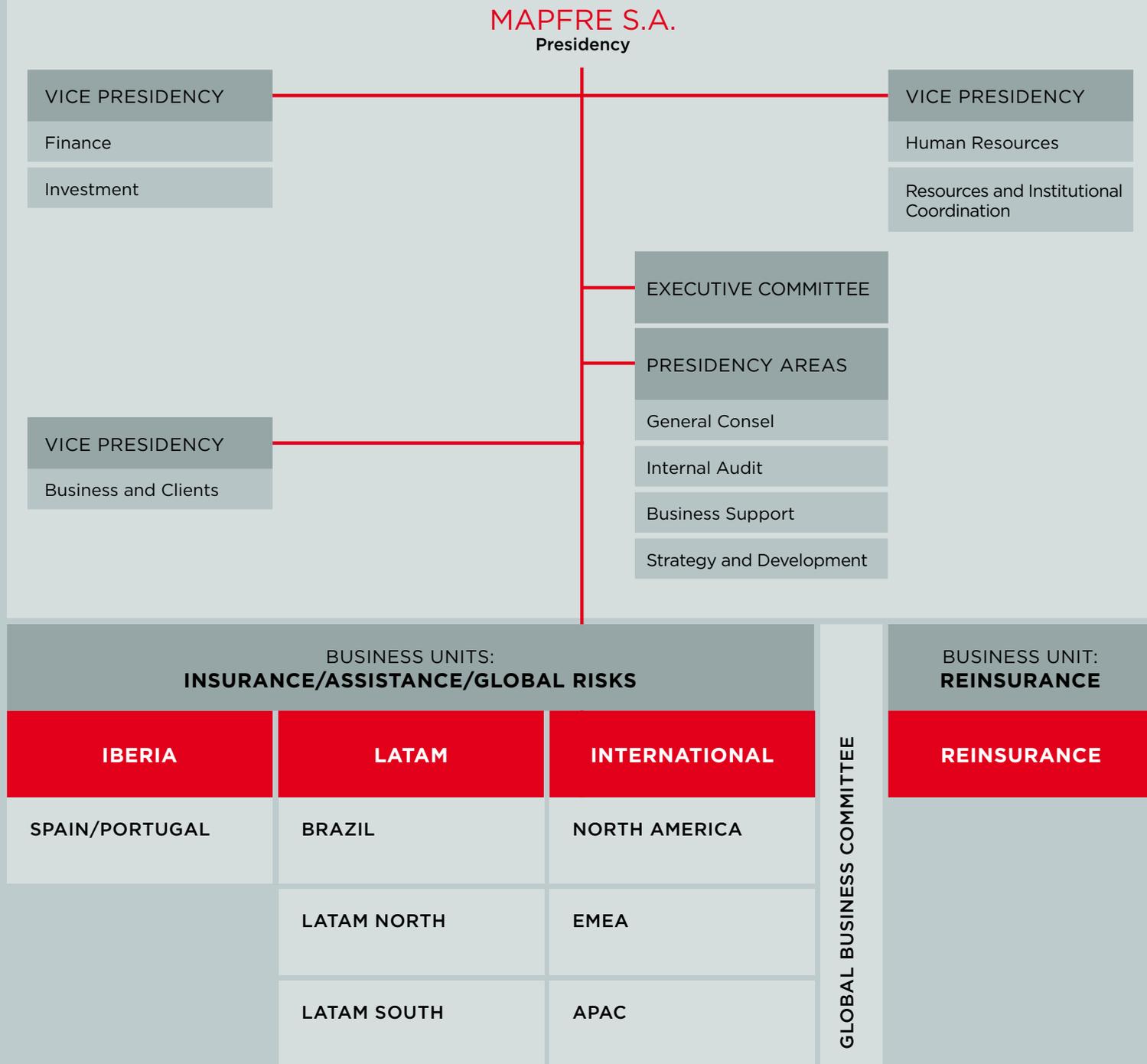
MARKET SHARES

	2013	2014
Spain (premiums)		
Automobiles	20.5%	20.6%
Health	5.8%	5.9%
Other Non-Life	16.3%	16.1%
Life	9.6%	10.6%
Total	12.7%	13.1%
Spain Life (technical provisions)	11.3%	12.3%
Latin America (non-life premiums)	9.5%	n.a.



4. General information

ORGANIZATIONAL CHART

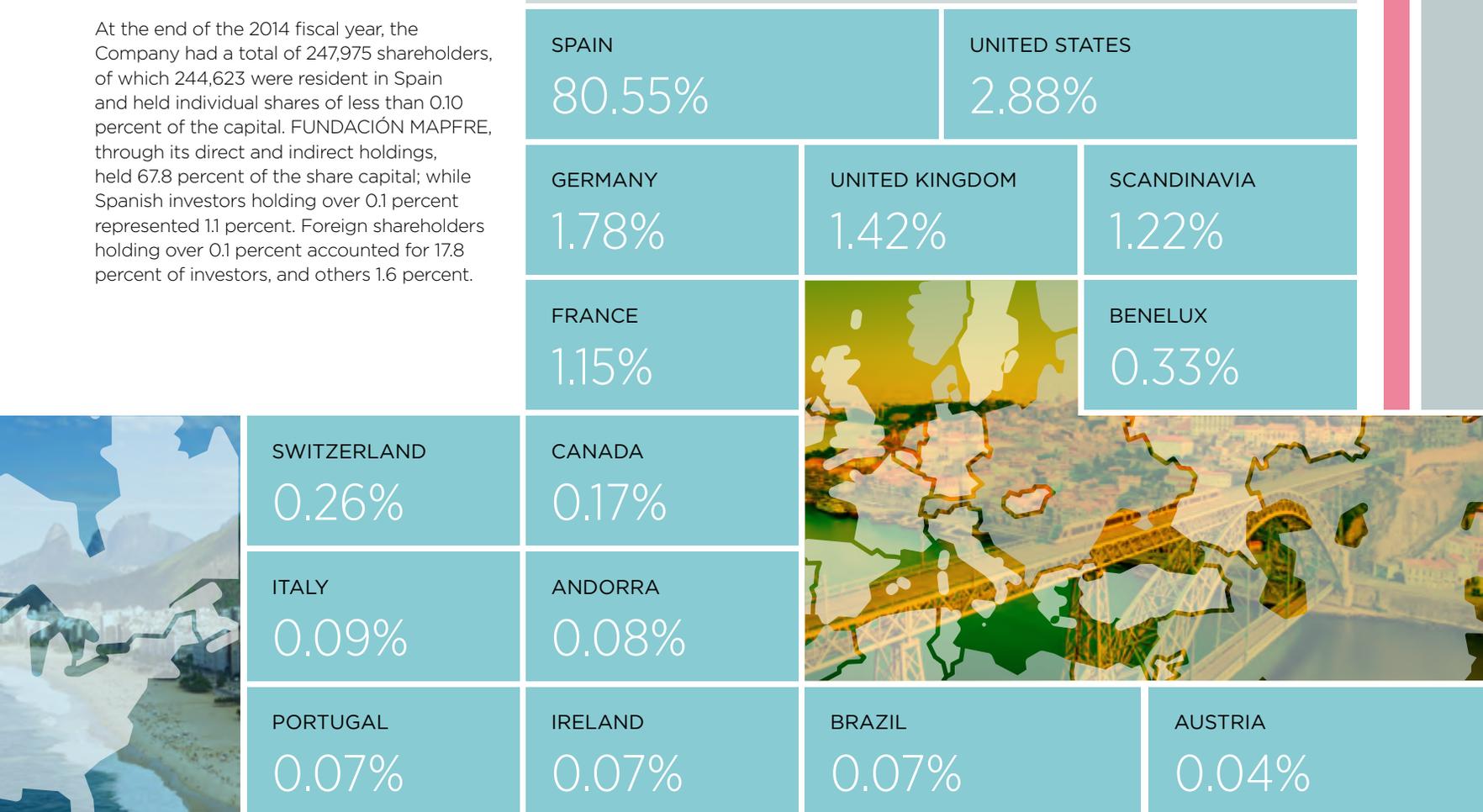


Organizational chart on the date of issue of the Annual Report 2014.

SHAREHOLDER STRUCTURE

At the end of the 2014 fiscal year, the Company had a total of 247,975 shareholders, of which 244,623 were resident in Spain and held individual shares of less than 0.10 percent of the capital. FUNDACIÓN MAPFRE, through its direct and indirect holdings, held 67.8 percent of the share capital; while Spanish investors holding over 0.1 percent represented 1.1 percent. Foreign shareholders holding over 0.1 percent accounted for 17.8 percent of investors, and others 1.6 percent.

The table below outlines the shareholder breakdown by country:

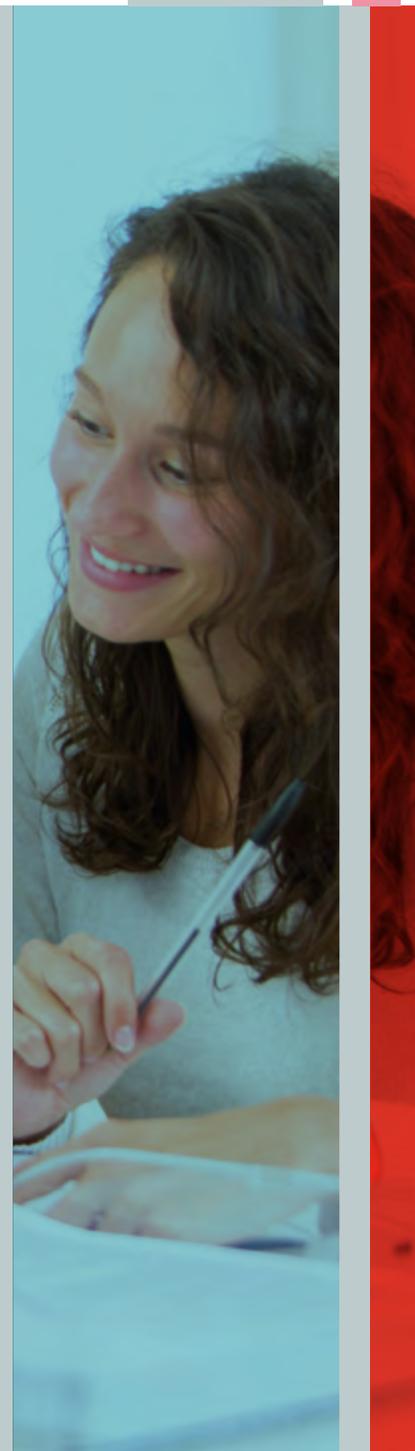


Shareholder structure	2014		2013	
	%	number	%	number
CARTERA MAPFRE	67.7	1	67.7	1
Other MAPFRE companies	0.08	2	0.04	2
Investors with stakes over 0.1%				
Spanish	1.1	7	3.8	5
Other countries	17.8	22	17.7	26
Investors with stakes of less than 0.1%				
Spanish	11.7	244,623	9.3	263,435
Other countries	1.6	3,320	1.5	3,515
TOTAL	100	247,975	100	266,984

RATINGS

The credit ratings given by the main agencies at the end of the last two years are as follows:

STANDARD & POOR'S		
AGENCY	2014	2013
MAPFRE S.A. (Debt issuer rating)	BBB+ Outlook stable	BBB- Under review
MAPFRE S.A. (Subordinated debt €700 million)	BBB- Outlook stable	BB
MAPFRE GLOBAL RISKS (Financial strength rating)	A Outlook stable	BBB+ Under review
MAPFRE RE (Financial strength rating)	A Outlook stable	BBB+ Under review
A.M. BEST		
AGENCY	2014	2013
MAPFRE RE (Financial strength rating)	A Outlook stable	A Outlook negative
MAPFRE GLOBAL RISKS (Financial strength rating)	A Outlook stable	A Outlook negative
MOODY'S		
AGENCY	2014	2013
MAPFRE GLOBAL RISKS (Financial strength rating)	Baa1 Outlook positive	Baa2 Outlook stable
MAPFRE ASISTENCIA (Financial strength rating)	Baa1 Outlook positive	Baa2 Outlook stable



ESTABLISHMENT

5,524
COMPANY-OWNED
OFFICES

9,484
BANCASSURANCE
OFFICES



- > DIRECT INSURANCE
- > ASSISTANCE
- > GLOBAL RISKS
- > REINSURANCE

LATAM			
BRAZIL			
Brazil	>	>>	>>>
LATAM NORTH			
Costa Rica	>	Honduras	>>
Dominican Rep.	>>	Mexico	>>>>
El Salvador	>>	Nicaragua	>>
Guatemala	>>	Panama	>>
LATAM SOUTH			
Argentina	>>	Paraguay	>
Chile	>>	Peru	>>
Colombia	>>	Uruguay	>>
Ecuador	>>	Venezuela	>>>

MAPFRE operates in 49 countries through its 259 subsidiaries. At the end of 2014, MAPFRE had 5,524 company-owned offices worldwide, including 3,069 in Spain and 2,087 in Latin America. The company also distributes its products through 9,484 branches of banking institutions and other outlets that sell MAPFRE insurance through

partnership agreements. The network comprises more than 79,000 agents and brokers, of which around 5,600 operate in the United States and more than 24,700 in Brazil.

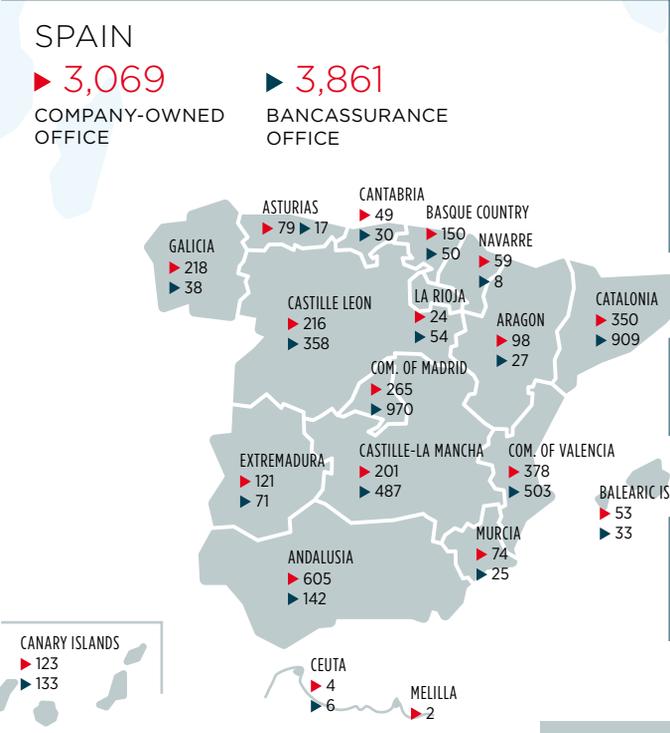
In insurance activities, MAPFRE leads the Spanish market and is the tenth largest

insurance company in Europe. It is present in all Latin American countries (a region where it ranks second in insurance groups and is the leader in Non-Life insurance) and also in the U.S. (where it is one of the country's 20 largest Automobile insurance companies), as well as Australia, China, the Philippines, France, Indonesia, Ireland, Malta, Portugal, the United Kingdom and Turkey.

In the Assistance field, MAPFRE operates in 45 countries and is the sector's third largest company worldwide. Moreover, the Group's professional reinsurance company (MAPFRE RE) ranks among the top 15 reinsurance entities worldwide and does business around the globe through 18 offices and two subsidiary companies. The Group's specialized company MAPFRE GLOBAL RISKS manages global insurance programs.



APAC



SPAIN

▶ 3,069

COMPANY-OWNED OFFICE

▶ 3,861

BANCASSURANCE OFFICE

IBERIA	
Spain	> >>
Portugal	> >>>

INTERNATIONAL

EMEA	
Algeria	>
Bahrain	>
Belgium	> >
Egypt	>
France	>>>
Germany	>>>
Greece	>
Hungary	>
Ireland	>
Italy	>>>
Jordan	>
Luxembourg	>
Malta	>>
Russia	>
Sweden	>
Tunisia	>
Turkey	>>
U.A.E	>
United Kingdom	>>>

NORTH AMERICA

Canada	> >
Puerto Rico	>>
USA	>>>

APAC

Australia	>
China	> >
Hong Kong	>
India	>
Japan	>
Malaysia	>
Philippines	>>>
Taiwan	>

MARKETING CHANNELS

MAPFRE has the most extensive distribution network in the Spanish insurance industry, and one of the largest in Latin America. MAPFRE is determined to maintain its own networks in the countries where it operates, which is compatible with the use of other distribution channels. Some of the key features behind the success of MAPFRE's business model include its client focus, global product supply and adaptation to the legal and commercial nature of each market.

As of year-end 2014, MAPFRE's global distribution network included 15,008 offices. The network breaks down as follows:

Offices	2014	2013
IBERIA		
DIRECT AND SUBOFFICES	3,149	3,185
Bancassurance	3,861	3,273
Subtotal IBERIA	7,010	6,458
LATAM		
DIRECT AND SUBOFFICES	2,087	2,086
Bancassurance	5,623	5,503
Subtotal LATAM	7,710	7,589
INTERNATIONAL		
DIRECT AND SUBOFFICES	288	275
Subtotal INTERNATIONAL	288	275
TOTAL OFFICES	15,008	14,322

At the close of the financial year, MAPFRE's presence in Spain stands apart, with 3,069 offices, as well as Brazil, which has 931 offices, and Mexico, with 431 offices.

Overall, MAPFRE's global network facilitated the collaboration of over 79,000 partners in 2014, including agents, representatives and brokers. The breakdown of these partners is shown in the table below:

Commercial network	2014	2013
IBERIA		
Agents	10,999	11,149
Delegates	2,697	2,618
Brokers	5,038	3,710
Subtotal IBERIA	18,734	17,477
LATAM		
Agents	12,599	11,318
Delegates	6,161	4,585
Brokers	33,459	26,763
Subtotal LATAM	52,219	42,666
INTERNATIONAL		
Agents	6,742	6,430
Delegates	197	95
Brokers	1,397	1,539
Subtotal INTERNATIONAL	8,336	8,064
TOTAL COMMERCIAL NETWORK	79,289	68,207

MAPFRE's own distribution networks are supplemented by the distribution capabilities facilitated by its agreements with various entities, particularly with regards to bancassurance, (BANKIA, BANKINTER, BANCO CASTILLA-LA MANCHA-as the successor to the banking and para-banking activity of CCM MADRID- BANCO DE CAJA ESPAÑA DE INVERSIONES SALAMANCA Y SORIA -as the successor to the banking and para-banking activity of CAJA DUERO-, CATALUNYA BANC -as the successor to the banking and para-banking activity of

-CAIXA CATALUNYA, CAIXA D'ESTALVIS DE TARRAGONA and CAIXA D'ESTALVIS DE MANRESA-, BANCO DO BRAZIL, BHD LEON and BANK OF VALETTA, among others). MAPFRE distributed its products in 2014 through 9,484 bancassurance offices, 3,861 in Spain, 5,493 in Brazil, and 130 in the Dominican Republic). MAPFRE also has 2,364 distribution agreements, including a significant proportion with financial institutions (200), automobile dealerships (2,043) and shopping centers and service providers (89).



STOCK MARKET PERFORMANCE

THE MAPFRE SHARE

The table below shows basic data concerning MAPFRE's shares as at the end of the 2014 fiscal year:

NUMBER OF SHARES OUTSTANDING

3,079,553,273

fully subscribed and paid up.

FACE VALUE OF EACH SHARE

€0.1

SHARE CLASS

- Common, represented by book entries. All outstanding shares carry identical voting and dividend rights.

MAIN STOCK MARKET INDEX MEMBERSHIP

- IBEX 35;
- Dow Jones STOXX Insurance;
- MSCI Spain;
- FTSE All-World Developed Europe;
- FTSE4Good (*) y FTSE4Good IBEX(*)

STOCK EXCHANGE LISTINGS

- Madrid and Barcelona Stock Exchange (Continuous Market).

ISIN CODE

- ES0124244E34



The table below shows MAPFRE's share price performance during the last five years compared to two key benchmark indices (the IBEX 35 and the Dow Jones STOXX Insurance indices):

	1 year	3 years	5 years
MAPFRE	(9.6%)	14.6%	(3.9%)
DJ STOXX Insurance	9.8%	88.0%	65.5%
IBEX 35	3.7%	20.0%	(13.9%)

The trend in MAPFRE's earnings per share (EPS) during the same five-year period was as follows:

	2014	2013	2012	2011	2010
EPS (euros)	0.27	0.26	0.22	0.32	0.31
Change	3.8%	18.2%	(31.3%)	3.2%	(6.1%)

During the 2014 fiscal year, MAPFRE, S.A. shares were traded for 255 days on the Continuous Market, with a frequency index of 100 percent. 2,986,558,095 securities were underwritten, compared to 2,480,589,582 in the previous year, reflecting an increase of 20.4 percent. The effective value of these transactions rose to €8,813.8 million, compared to €6,695.9 million in 2013, an increase of 31.6 percent.

At year-end of 2014, ten Spanish and international investment banks had "Buy" recommendations for the Company's shares, compared to six who held "Hold" recommendations, while four had the stock on their "Sell" lists.

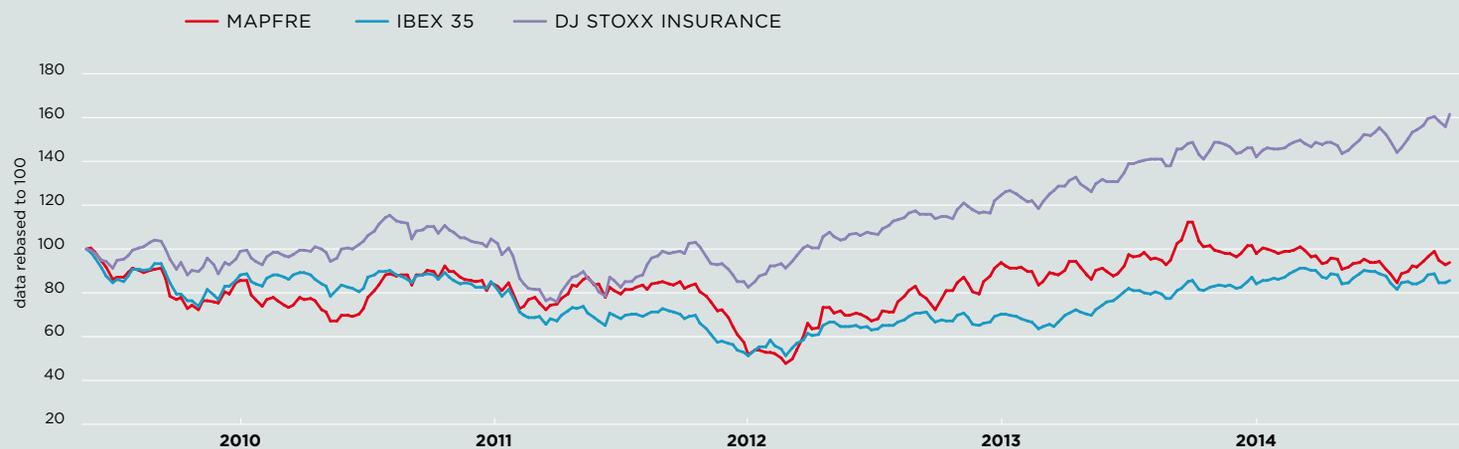
* Indices which assess the performance of companies based on their actions in upholding and supporting sustainable development and human rights.

Stock market performance	2010	2011	2012	2013	2014
Market Cap. as per December 31 (millions of euros)	6,259.3	7,560.3	7,129.2	9,586.6	8,662.8
Number of shares outstanding *	3,012,154,351	3,079,553,273	3,079,553,273	3,079,553,273	3,079,553,273
P/E ratio	6.7	7.9	10.7	12.1	10.3
Adjusted earnings per share (euros)*	0.31	0.32	0.22	0.26	0.27
Price / Book value	0.96	1.07	0.91	1.22	0.95
Dividend per share (euros)*	0.15	0.15	0.12	0.12	0.14
Dividend yield (%)	6.3	5.9	6.1	4.4	4.7
Average number of shares traded*	7,796,816	9,581,223	9,459,267	9,727,802	11,711,993
Average daily effective value (millions of euros)	18.67	24.48	18.51	26.26	34.56

(*) Increases in the number of shares are due to capital increases in 2009, 2010 and 2011.

Earnings and dividends per share are calculated using an adjustment factor and the number of average weighted shares, pursuant to the provisions of IFRS 33.

MAPFRE / IBEX 35 / DJ STOXX INSURANCE *market performance 2010 - 2014*



DIVIDENDS

One of MAPFRE's main goals is to generate value and suitable shareholder remuneration. Therefore, in October the Board of Directors deemed it appropriate to pay an interim dividend, against the 2014 results of €0.06 per share, taking the total dividend payout in 2014 to €0.14 per share, the same amount as in the previous year.

In 2014, the total dividend payout increased to €431.1 million, a 16.7 percent increase on the previous fiscal year. Another highlight is that, since the current economic and financial crisis began in 2007, MAPFRE has increased the amount allocated to dividends by 72.2 percent.

The total proposed dividend against the 2014 earnings has been increased to €0.14 gross per share, which includes the final dividend of €0.08 gross per share to be proposed at the Annual General Meeting. This dividend has a payout ratio (percentage of net earnings that is distributed in the form of dividends) of 51 percent.

The trend in dividend payments and the dividend yield, calculated based on average share prices, is set out below:

	2014	2013	2012	2011	2010
Dividend (euros)	0.14	0.12	0.12	0.15	0.15
Dividend return	4.7%	4.4%	6.1%	5.9%	6.3%

SOLVENCY MARGIN

The solvency margin reflects the sufficiency of uncommitted equity to cover minimum regulatory requirements.

The Group's solvency margin in the financial years 2014 and 2013 amounted to €10,349.40 million and €9,344.54 million, respectively. These figures exceeded the required minimum (€3,996.40 million and €3,790.98 million, respectively) by 2.59 times in 2014 and by 2.46 times in 2013.

MANAGEMENT RATIOS

The combined ratio measures the relationship between management expenses and costs from claims in a year against premiums for the same period. In 2014, this ratio was at 95.7 percent, which was an improvement on the previous year, thanks to a significant decrease in the expense ratio in Brazil and in reinsurance.

The following table shows the main management ratios:

	EXPENSES ⁽¹⁾		CLAIMS RATIO ⁽²⁾		COMBINED ⁽³⁾	
	2014	2013	2014	2013	2014	2013
IBERIA	21.1%	20.6%	74.0%	72.0%	95.1%	92.6%
LATAM NORTH	35.4%	31.1%	59.6%	63.3%	95.0%	94.4%
LATAM SOUTH	33.3%	32.4%	65.5%	67.3%	98.8%	99.7%
BRAZIL	32.9%	39.1%	60.2%	56.7%	93.1%	95.8%
EMEA	27.1%	30.3%	68.4%	69.4%	95.5%	99.7%
NORTH AMERICA	27.6%	27.6%	74.4%	72.8%	102.0%	100.4%
APAC	27.5%	31.0%	65.3%	72.0%	92.8%	103.0%
MAPFRE RE	28.6%	31.4%	64.5%	65.1%	93.1%	96.5%
MAPFRE S.A.	27.7%	29.1%	68.0%	67.0%	95.7%	96.1%

(1) (Operating expenses net of reinsurance + profit sharing and returned premiums - other technical revenues + other technical expenses) / Premiums booked net of reinsurance. Figures relating to Non-Life insurance.

(2) (Claims ratio for the year net of reinsurance + change in other technical provisions) / Premiums booked net of reinsurance. Figures relating to Non-Life insurance.

(3) Combined ratio = Cost ratio + Claims ratio. Figures relating to Non-Life insurance.

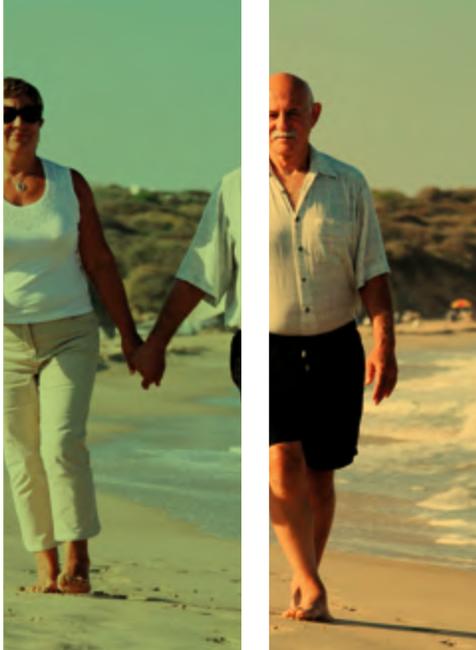
ROE

Return on equity (ROE) represents the relationship between net profit attributable to the parent company (deducting the share of external partners) and average own funds: this stood at 10 percent in 2013 (10.1 percent).

This progress includes:

- The increase in net profit, driven by the growth of the business, the stability of the combined ratio and the strength of financial results.
- The growth in shareholders' equity, favored by the results for that year, the strong increase in the value of the investment portfolio in Spain, resulting from the fall in the risk premium and the positive effect of conversion differences.

5. Significant events in the year



JANUARY

JANUARY 9

MAPFRE Chairman and CEO, Antonio Huertas, chosen as one of the five most highly rated executives on the IBEX35 for his business management by FORBES magazine.

MAPFRE declared a leader in online positioning and reputation, according to the Insurance Companies 2.0 report compiled by the consultancy firm Porter Novelli.

JANUARY 10

MAPFRE launches GARANTÍA 18, a five-year, single-premium insurance product offering a minimum annual effective interest rate of 3.36 percent.

JANUARY 16

MAPFRE launches “Horizontes”, an advertising campaign designed to convey MAPFRE’s new positioning as the most trusted global insurance company.

MAPFRE opens a new Automobile Center in Valencia.

JANUARY 20

MAPFRE VIDA launches GARANTÍA 13, a single-premium savings insurance product linked to the 3-month Euribor.

JANUARY 29

MAPFRE receives the KPMG-EI Confidential Award for its internationalization process.

JANUARY 31

MAPFRE and BANKIA sign a new global bancassurance agreement that includes the acquisition by MAPFRE of 51 percent of ASEVAL and LAIETANA VIDA and 100 percent of LAIETANA SEGUROS GENERALES.

FEBRUARY

FEBRUARY 11

MAPFRE presents the Group’s results for 2013, with revenues exceeding €25,889 million (up 2.3 percent) and net attributable profits of €790.5 million (up 18.7 percent).

FEBRUARY 17

MAPFRE launches TRIPLE ACCIÓN 4X5, a single-premium savings insurance product linked to the stock market performance of TELEFÓNICA, BANCO DE SANTANDER and REPSOL.

FEBRUARY 19

GENEL SERVIS opens a new Automobile Center in Istanbul.

FEBRUARY 21

Standard & Poor’s upgrades MAPFRE S.A.’s rating to BBB, with outlook stable, making it the business Group with the highest rating in Spain.

FEBRUARY 27

MIDDLESEA and its Life subsidiary open a new office and an Automobile Center in Birkirkara (Malta).

FEBRUARY 28

FORTUNE magazine ranks MAPFRE as the world’s fifteenth most admired insurance group.

MARCH

MARCH 3

MAPFRE Vice Chairman Esteban Tejera joins the Spanish Insurance Compensation Consortium as a member of its Board of Directors.

MARCH 7

MAPFRE INVERSIÓN tops the ranking in profits of securities companies in 2013, according to the Spanish National Securities and Exchange Commission.



MARCH 10

EMC CORPORATION certifies MAPFRE as a Center of Excellence in the application of products and services for business content management.

MARCH 14

The Annual General Meeting of MAPFRE approves the Group's financial statements and the proposal for the distribution of a total dividend of €0.13 per share against 2013 earnings, which represents an 18 percent increase on the previous year.

MAPFRE opens a new Automobile Center in León.

MARCH 19

MAPFRE launches PUENTE GARANTÍA 4, a guaranteed investment fund linked to the performance of the STOXX Europe 600.

MARCH 20

MAPFRE opens a new Polyclinic in Seville.

APRIL

APRIL 3

MAPFRE gains 56 positions in the ranking of global companies with the most valuable brands and is among the top 10 Spanish companies in this respect, according to the Brand Finance Global consultancy firm.

APRIL 11

The MAPFRE RENTA LARGO pension scheme is recognized as the best in its category (global fixed income) in 2013 by EXPANSIÓN and ALLFUNDS BANK.

APRIL 29

GENEL SERVIS opens a new Automobile Center in Istanbul.

MAY

MAY 6

MAPFRE chooses KPMG as the company's new auditor.

MAY 8

The Great Place to Work consultancy firm includes MAPFRE on the list of "Best Workplaces 2014" in Spain,

among companies with more than 1,000 employees.

MAY 9

MAPFRE moves up 23 positions on the "Forbes List" to number 376 among the most valuable companies in the world and remains among the "Top Ten" Spanish companies included on this list.

MAY 14

The Corporate Reputation Business Monitor (MERCOS) 2014 ranks MAPFRE among the ten companies with the best reputation in Spain.

MAY 30

Standard & Poor's upgrades MAPFRE S.A.'s credit rating to "BBB+", with outlook stable.

JUNE

JUNE 2

Advice Strategic Consultants ranks MAPFRE among the strategic companies regarded as essential for contributing to Spain's economic growth.

JUNE 10

MAPFRE presents its financial innovation strategy to a delegation of the European Financial Management Association (EFMA).

JUNE 11

MAPFRE launches GLOBAL EXPAT, the company's first global product, a Health insurance solution targeted at expatriate workers.

JULY

JULY 1

Setting up of the Association for the Development of Client Experience, a meeting point, knowledge exchange forum and client experience observatory of which MAPFRE SPAIN is a founding partner.

JULY 3

MAPFRE starts operating in the Automobile and Home insurance business in Pennsylvania, (United States).

MAPFRE BRAZIL obtains the ISO 14001 Environmental Management certificate,

becoming the first insurance entity in Brazil to obtain this international distinction.

For the second straight year, MAPFRE ranks 13 on the Great Place to Work list and remains one of the best multinationals to work for in Latin America.

JULY 14

The Ministry of Industry, Energy and Tourism recognizes MAPFRE as one of the pioneering companies in the registration of .es domains.

MAPFRE receives the AENOR Certificate for its Health services provision in Spain.

JULY 24

Standard & Poor's upgrades the rating of MAPFRE RE and MAPFRE GLOBAL RISKS to "A", with outlook stable.

AUGUST

AUGUST 12

INERCO acquires the ITSEMAP subsidiaries in Brazil, Mexico and Portugal.

AUGUST 13

InsureandGo, the MAPFRE ASISTENCIA subsidiary specializing in the sale of online travel insurance, wins the Gold Award for its ONE TRIP BARE ESSENTIALS policy in Australia.

AUGUST 20

MAPFRE recognized as one of the companies with the greatest brand impact in the Spanish market by the Higher Institute for Internet Development (ISDI) and ACCSOS.

SEPTEMBER

SEPTEMBER 1

MAPFRE starts operating in the Life insurance business in the United States.

SEPTEMBER 10

MAPFRE ranks ninth among the best companies to work for, and tops the insurance industry ranking in Spain, according to ACTUALIDAD ECONÓMICA magazine.

SEPTEMBER 12

MAPFRE RE rises to 14th place in the ranking of the main reinsurance companies according to the ratings agency A.M. BEST.

SEPTEMBER 15

MAPFRE MEXICO tops a ranking of the companies with the best reputation in the insurance industry, according to the Corporate Reputation Business Monitor (MERCOS).

SEPTEMBER 19

MAPFRE RE rises to 15th place in the "Global Reinsurance Highlights 2014" ranking of reinsurance companies by net premiums, published by the ratings agency Standard & Poor's.

SEPTEMBER 23

MAPFRE joins the Spanish Green Growth Group to fight climate change.

SEPTEMBER 25

MAPFRE announces the agreement on its acquisition of the direct Automobile insurance companies, DIRECT LINE Italy and DIRECT LINE Germany, for €550 million.

MAPFRE launches TRIPLE ACCIÓN INDEX, a savings insurance product linked to the stock market performance of TELEFÓNICA, BANCO DE SANTANDER and REPSOL.

SEPTEMBER 29

MAPFRE receives the Duque de Ahumada Award for Excellence in Corporate Security.

OCTOBER

OCTOBER 1

MAPFRE affirms its membership of the new Spanish Chamber of Commerce.

OCTOBER 3

MAPFRE Chairman and CEO Antonio Huertas participates in the 25th Plenary Assembly of the Latin American Business Council (CEAL), which met in Spain for the first time.

OCTOBER 9

MAPFRE ASISTENCIA opens new offices in Lyon and launches InsureandGo in France.

OCTOBER 12

MAPFRE and FUNDACIÓN MAPFRE receive the Civil Guard Silver Cross of Merit.

OCTOBER 13

MAPFRE receives the award for the Best Customer Experience Strategy from the Association for the Development of Client Experience (DEC).

For the third straight year, the UN Progress Report rates MAPFRE as an "Advanced Level" company for Social Responsibility issues.

OCTOBER 21

BB MAPFRE launches a project in Brazil to sell insurance in vending machines and department stores.

OCTOBER 28

MAPFRE GLOBAL RISKS expands its offering in Specialty Lines, (special insurance for risks that are unusual in terms of their size or complexity).

OCTOBER 30

Partnership agreement to offer insurance to those affiliated with the Chinese Association in Spain.

MAPFRE PERU features on the list of the top three insurance companies with the best reputation in the Corporate Reputation Business Monitor (MERCOS).

NOVEMBER

NOVEMBER 4

MAPFRE ASISTENCIA wins the Segurador Brasil Award in the service provider category.

NOVEMBER 5

MAPFRE's Board of Directors resolves to pay a 2014 interim dividend of €0.06 per share.

MAPFRE's Board of Directors approves changes to move toward a new structure more appropriate to its global dimension, effective as of January 1, 2015.

NOVEMBER 6

BB MAPFRE receives the Valor Carreira Award for its people management from VALOR ECONÓMICO magazine.

NOVEMBER 13

InsureandGo recognized by PLIMSOLL PUBLISHING LIMITED with the "Outstanding Company" award in the United Kingdom.

MAPFRE opens a new dental clinic in Madrid.

NOVEMBER 21

MAPFRE Chairman and CEO Antonio Huertas recognized as "Entrepreneur of the Year 2014" by the Brazilian-Spanish Chamber of Commerce.

DECEMBER

DECEMBER 9

The Corporate Technology and Processes Division receives an honorable mention in the Excellence in Innovation category at the KAIZEN LEAN awards, which recognize continuous improvement in Process Optimization, increased productivity and cost savings.

DECEMBER 15

The company's entry into the Health insurance business in Brazil is announced.

DECEMBER 18

MAPFRE ECUADOR tops the list of insurance companies in the country's Corporate Reputation Business Monitor (MERCOS).

6. Business performance

REVENUE ON OPERATIONS AND FUNDS UNDER MANAGEMENT

The premiums issued and accepted by the grouping of Territorial Areas and the Reinsurance Business Unit that make up the Group increased during the 2014 financial year to €23,917.7 million, a 3.1 percent increase. Consolidated premiums totaled €22,400.9 million, an increase of 2.6 percent. Total operational revenues were €27,216 million, including 849.3 million in new gross contributions to pension funds. The revenue mentioned is distributed by activity type as follows:

	2014	2013	% 14/13
Written and accepted premiums	22,400.9	21,835.6	2.6%
Financial revenue	3,405.4	3,288.1	3.6%
- Revenue from non-insurance companies and others	560.4	765.6	(26.8%)
Subtotal consolidated revenue	26,366.7	25,889.3	1.8%
Gross contributions to pension funds ⁽¹⁾	849.3	677.0	25.5%
TOTAL OPERATING REVENUES	27,216.0	26,566.3	2.4%

Figures in millions of Euros

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

The consolidated revenue for the 2014 year presents figures 1.8 percent better than those from the previous year and includes:

- the increase in the numbers for premiums in the majority of business lines and countries, the contribution of Life insurance and Spain's return to the path of growth being of particular significance; and
- the enhanced financial revenues from Brazil, LATAM SOUTH and MAPFRE RE.

The table below shows funds under management in Life and Saving products:

	2014	2013	% 14/13
Life technical provisions ⁽¹⁾	30,615.1	24,391.9	25.5%
Pension funds	5,788.8	5,372.2	7.8%
Mutual funds and portfolios under management	4,413.6	3,850.0	14.6%
TOTAL	40,817.5	33,614.1	21.4%

Figures in millions of Euros

(1) Includes all technical provisions of life insurance companies and provisions in Life insurance from multi-branch insurance companies.

The variation in funds under management was driven mainly by the Spanish and Latin American business and reflects the growth in Life Assurance, the recovery in the market value of investments and the increase in volumes of new business in mutual and pension funds. Furthermore, in 2014 the technical reserves of ASEVAL and LAIETANA VIDA were consolidated.

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 13.6%.

RESULTS

Net profit attributable to the parent company (discounting external partners) reached the amount of €845.1 million, an increment of 6.9 percent. This is broken down in the following table, by origin and composition of the result:

	2014	2013	% 14/13
NON-LIFE INSURANCE AND REINSURANCE			
Written and accepted premiums	16,409.4	16,277.7	0.8%
Premiums earned net of ceded and retroceded reinsurance	13,227.4	13,229.4	0.0%
Net claims ratio and variation in other technical provisions	(8,994.5)	(8,868.5)	1.4%
Operating costs net of reinsurance	(3,618.1)	(3,790.7)	(4.6%)
Other technical revenue and expenses	(51.9)	(60.8)	(14.6%)
Technical Results	562.9	509.4	10.5%
Net financial and other non-technical revenue	769.2	684.3	12.4%
NON-LIFE BUSINESS EARNINGS	1,332.1	1,193.7	11.6%
LIFE INSURANCE AND REINSURANCE			
Written and accepted premiums	5,991.5	5,557.8	7.8%
Premiums earned net of ceded and retroceded reinsurance	5,230.8	4,772.6	9.6%
Net claims ratio and variation in other technical provisions	(4,838.5)	(4,331.1)	11.7%
Operating costs net of reinsurance	(1,143.8)	(1,029.8)	11.1%
Other technical revenue and expenses	(11.6)	5.4	-
Technical Results	(763.1)	(582.9)	30.9%
Net financial and other non-technical revenue	1,376.5	965.1	42.6%
Unrealized capital gains (losses) on Unit Linked investments	104.4	116.7	(10.5%)
LIFE BUSINESS EARNINGS	717.8	498.9	43.9%
OTHER ACTIVITIES			
Operating revenue	455.0	536.7	(15.2%)
Operating expenses	(476.4)	(543.1)	(12.3%)
Other revenue and expenses	(131.1)	(79.0)	(65.9%)
RESULTS FROM OTHER ACTIVITIES	(152.5)	(85.4)	(78.6%)
Result on restatement of financial accounts	(73.5)	(43.3)	69.7%
Pre-tax earnings	1,824.0	1,563.9	16.6%
Tax on earnings	(500.0)	(372.4)	34.3%
Earnings after tax	1,323.9	1,191.5	11.1%
Result after tax from discontinued operations	(0.5)	(1.7)	(70.6%)
Result for the financial year	1,323.4	1,189.8	11.2%
Earnings attributable to external partners	(478.3)	(399.3)	19.8%
RESULT ATTRIBUTABLE TO THE CONTROLLING COMPANY	845.1	790.5	6.9%

Figures in millions of Euros

The breakdown of the profit by Regional Areas is shown below:

Regional Area	2014
IBERIA	431.8
BRAZIL	143.5
LATAM SOUTH	93.6
NORTHAMERICA	70.2
EMEA	56.5
LATAM NORTH	59.1
APAC	6.9
REGIONAL AREAS TOTAL	861.6
MAPFRE RE	141.5
HOLDINGS AND ELIMINATIONS	(158.0)
TOTAL	845.1

Figures in millions of euros

INVESTMENTS AND LIQUID ASSETS

The book value of investments and liquid assets as at December 31, 2014 was €48,673.1 million, a 20.6% increase over the previous year. The following table shows their breakdown and percentage distribution:

	2014	% of total	2013	% of total
Risk-free investments	3,275.8	6.7%	3,388.1	8.4%
- Treasury	1,188.6	2.4%	1,162.8	2.9%
- Investments on account of policyholders	2,087.2	4.2%	2,225.3	5.5%
Real estate investments	2,392.0	4.9%	2,330.9	5.8%
- Property for own use	1,165.7	2.4%	1,082.0	2.7%
- Other real estate investments	1,226.3	2.5%	1,248.9	3.1%
Financial investments	41,951.4	86.2%	33,833.1	83.8%
- Shares	1,377.1	2.8%	1,317.3	3.3%
- Fixed income	39,010.4	80.1%	31,200.0	77.3%
- Mutual funds	1,057.2	2.2%	848.1	2.1%
- Other financial investments	506.7	1.0%	467.7	1.2%
Other investments	1,053.9	2.2%	822.7	2.0%
- Investments in investee companies	233.6	0.5%	192.0	0.5%
- Deposits established for accepted reinsurance	473.0	1.0%	343.3	0.9%
- Hedging derivatives	0.0	0.0%	0.0	0.0%
- Other	347.3	0.7%	287.4	0.7%
GENERAL TOTAL	48,673.1	100.0%	40,374.8	100.0%

Figures in millions of euros

The real-estate investments shown in the above table do not include tacit capital gains, which at year-end stood at €909.1 million, based on valuations by independent experts.

FINANCING OPERATIONS

The main changes in the sources of the Group's finance during 2014 were:

– agreement of a new revolving credit facility syndicated credit of €1 billion, maturing in December 2019.

– cancellation of the existing revolving credit facility syndicated credit of €750 million, maturing in June 2018.

Overall, the Group's consolidated financial and subordinated debt showed a net increase of €63 million in the year.

As part of the acquisition of 50 percent of the insurance and pension divisions of CATALUNYACAIXA, this entity granted the Group finance of, at year-end 2014, €59.1 million.

Interest payments on debt with financial institutions and debentures in circulation increased to €99.1 million (€100.6 million in 2013), down 1.5 percent.

PROFITABILITY AND NET EQUITY

Consolidated net equity stood at €11,469.4 million, compared to €9,893.7 million in 2013. €2,316.7 million of this corresponds to holdings of minority shareholders in subsidiaries. Consolidated shareholders' equity per share stood at €2.97 at year-end 2014 (€2.54 at 12/31/2013).

Changes in net equity during the year are shown in the table below:

	Shareholders' Equity	Minority Interests	2014	2013
BALANCE AT 31/12 OF THE PREVIOUS YEAR	7,833.5	2,060.2	9,893.7	10,136.3
Income and expenses directly recognized in net assets				
For investments available for sale	2,346.0	497.6	2,843.6	872.1
For conversion differences	143.3	15.1	158.4	(837.5)
For shadow accounting of provisions	(1,684.3)	(451.3)	(2,135.6)	(690.0)
Other	4.3	(0.1)	4.2	2.3
TOTAL	809.3	61.3	870.6	(653.1)
Earnings in the period	845.1	478.3	1,323.4	1,189.8
Distribution of earnings from the previous year	(246.4)	(281.1)	(527.5)	(581.1)
Interim dividend for current year	(184.8)	(78.2)	(263.0)	(217.0)
Other changes in net assets	96.0	76.2	172.2	18.8
CLOSING BALANCE FOR PERIOD	9,152.7	2,316.7	11,469.4	9,893.7

Figures in million of euros

Changes to net equity include:

- results for the year;
- the strong increase in the value of the portfolio in Spain resulting from the fall in the risk premium, largely absorbed by tactical accounting;
- the mainly positive effect of the revaluation of the USD, which enabled offsetting the negative effect of applying the SICAD 1 exchange rate for the Venezuelan bolivar, from June 2014;
- the final dividend approved by the Annual General Meeting and paid in June and dividends paid by subsidiaries to external partners;
- the interim dividend of MAPFRE, S.A. which was paid in December and interim dividends shared between the subsidiaries with external partners.
- the incorporation of ASEVAL, LAIETANA VIDA and LAIETANA SEGUROS GENERALES as of November 1, 2014.

ACQUISITIONS, PROJECTS AND DISPOSALS

The following transactions took place during the year:

- New global agreement for bancassurance with BANKIA.

In January, an agreement was announced by which MAPFRE became the exclusive provider of life and non-life insurance products for BANKIA and by which BANKIA, as of February 1, began distributing MAPFRE products in its entire commercial network.

This has also involved the restructuring of the bancassurance business through new distribution agreements for Life and Non-Life insurance with bancassurance operator BANKIA MEDIACIÓN, as well as the contribution to the current joint Life insurance company of BANKIA and MAPFRE from the business of ASEVAL and LAIETANA VIDA.

- Acquisition of DIRECT LINE subsidiaries in Italy and Germany.

On September 25, an agreement with British insurer DIRECT LINE GROUP was announced through which MAPFRE would acquire its Automobile insurance subsidiaries in Italy and Germany for €550 million.

This transaction is part of MAPFRE's firm commitment to direct online insurance, which allows it to strengthen its presence in Europe.

- Increase of MAPFRE FAMILIAR's holding in FUNESPAÑA, S.A.

On December 29, MAPFRE FAMILIAR announced an increase in its holding in FUNESPAÑA, S.A. of approximately 17.2 percent, giving it 81 percent voting rights.

MAPFRE FAMILIAR intends to make a public takeover bid to exclude all FUNESPAÑA, S.A. shares from the Spanish stock exchanges it trades on.

7. Employees

MAPFRE promotes a work environment based on trust and mutual commitment, which allows for the professional and personal development of all its employees and which is stable and secure and free of offense, exploitation of any nature, intimidation, assault and discrimination. It has a Code of Ethics and Conduct which must be observed by everyone in the company, irrespective of their activity or geographical location.

The purpose of the human resources policies is to strengthen employee commitment to the MAPFRE values and to develop people with global skills and abilities.

STRUCTURE

37,053 people work at MAPFRE, distributed in the following way:

Organizational structure	2014		2013	
	Men	Women	Men	Women
CORPORATE AREAS AND CS⁽¹⁾	945	674	900	651
IBERIA	4,579	4,676	4,619	4,564
LATAM	7,804	10,250	7,785	10,040
CS	3	4	12	12
LATAM NORTH	1,726	1,711	1,731	1,693
LATAM SOUTH	3,279	3,518	3,250	3,412
BRAZIL	2,796	5,017	2,792	4,923
INTERNATIONAL	3,257	4,548	3,007	4,398
CS	9	8	7	4
NORTH AMERICA	1,345	2,510	1,472	2,686
EMEA	1,489	1,461	1,130	1,194
APAC	414	569	398	514
REINSURANCE	165	155	166	150
TOTALS	16,750	20,303	16,477	19,803

(1) Central Services (CS)

Average staff age is 37.6 and average length of employment is 8.5 years.

EMPLOYMENT POLICY

Permanent employment is preferred over temporary, in the search for stable environments and continuous working relationships. The percentage of permanent hires during 2014 was 96.4 percent.

MAPFRE expressly condemns child exploitation and forced labor and respects the legislation concerning recruiting ages in all countries in which it operates, provided that such legislation is not contrary to that established in the International Labor Organization (ILO) agreements on child labor.

DIVERSITY, INCLUSION AND EQUAL OPPORTUNITIES

MAPFRE values the diversity of everyone who forms part of the company in every country it operates in. Different generational, cultural and gender characteristics enrich the company, contributing to its growth and increasing innovation and creativity.

MAPFRE promotes a suitable work environment that respects and values diversity without any form of discrimination on the ground of gender, race, ideology, religion, sexual orientation, age, disability or any other physical, personal or social condition.

37,053 people of 61 nationalities work at MAPFRE. This great cultural diversity allows MAPFRE to count on the talent it needs to develop, with innovative people sharing differing points of view.

MAPFRE is also committed to incorporating employees with disabilities into its workforce, promoting their professional and personal development and their quality of life. The Global Disability Program was continued in 2014, being implemented in 22 countries. At present, 409 employees with disabilities work at MAPFRE.

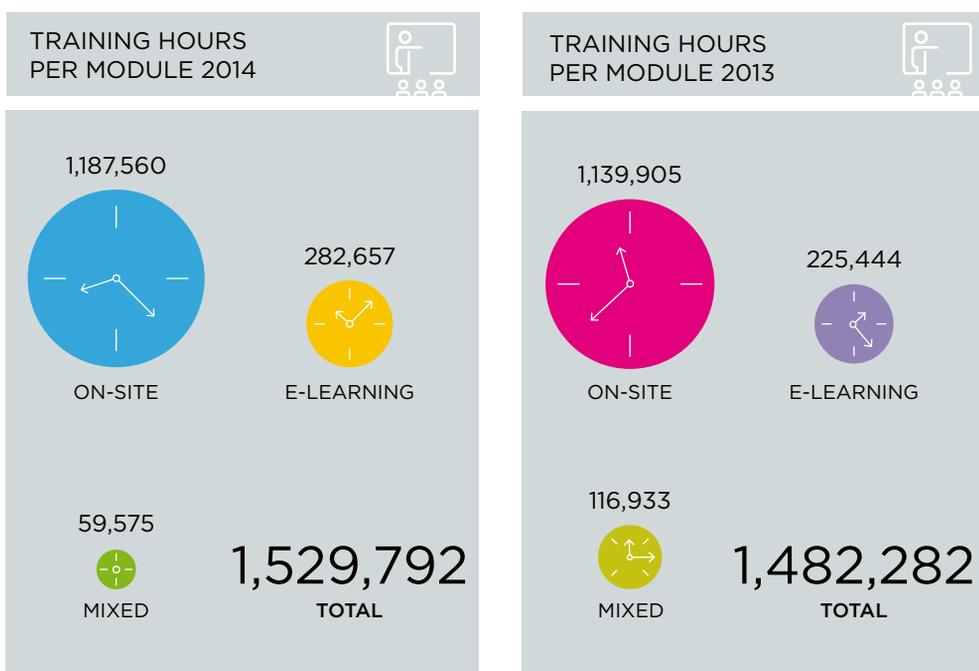
36.8 percent of employees with management positions are women, a 2 percent increase over the last few years, and 57.7 percent of new employees are women.

TRAINING

MAPFRE has a Global Training Model, developed by the Corporate University, with an on-site campus (in Madrid, Spain), on-site classrooms throughout the country, and a virtual campus (eCampus), which provides e-learning training in every country and provides spaces to share knowledge.

The catalog of training contents has more than 300 online courses, with 74 percent being technical and the remaining 26 percent related to culture, policy and skills and languages.

In 2014 the Group invested €15.9 million in training, which is equivalent to 1 percent of remuneration, an increase of 21.6 percent over the last three years.



WORK-LIFE BALANCE

MAPFRE promotes the professional and personal development of its employees and considers their overall development as positive and essential, for both themselves and the company. The company therefore has an active and structured work-life balance policy for all employees, which increases satisfaction and employee commitment.

The table below outlines the number of employees benefiting from these measures in 2014:

Work-life balance initiatives	Number of beneficiant employees
Flexi-time arrangements	11,057
Part-time arrangements	4,414
Shorter workdays	3,924
Tele-working	167
Paid and unpaid leave	14,253
Sabbatical on study/personal grounds	468
Employee reintegration program following a protracted leave of absence	13

CORPORATE VOLUNTEERING

Corporate volunteer work is becoming one of the corporate programs having the greatest impact on society, where the spirit of solidarity of MAPFRE stakeholders is channeled, with employees being the main participants, through social activities

coordinated by the company, and where the initiatives proposed by the workers have great relevance. Through volunteer work, employees can improve the quality of life of other people, and include their families as participants in this initiative.

In 2014, 513 social and environmental activities were carried out, investing 1.7 million hours and benefiting more than 743,000 underprivileged people or people at risk of social exclusion.

8. Social Responsibility

MAPFRE defines its Social Responsibility as a “voluntary and strategic commitment that entails attempting to achieve business targets while complying strictly with its legal and contractual obligations, applying non-discriminatory principles to stakeholder dealings and contributing to meeting the current and future needs of society.”

To sustainably fulfill this commitment and its business goals, MAPFRE requires the involvement of its stakeholders, especially from those listed in its mission. Taking into account MAPFRE’s worldwide implementation, eight types of corporate stakeholders have been identified, as a reference to develop the local maps.

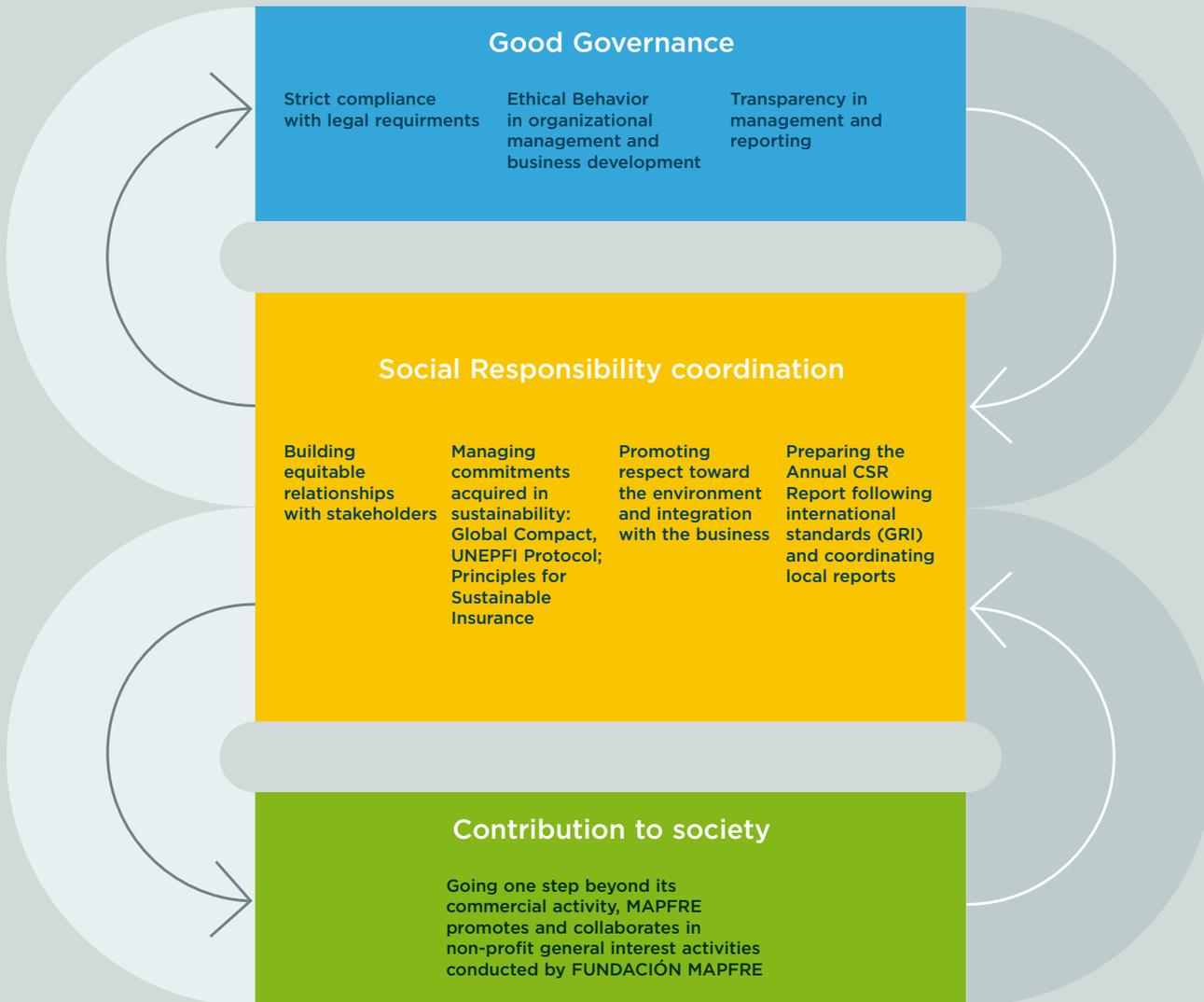
The stakeholders’ involvement and commitment to the company is achieved by building trusting relationships that facilitate knowledge of and solutions to their expectations by developing communication channels and tools to aid interaction and dialogue.

The Social Responsibility policy establishes our commitment to act with all stakeholders, and the MAPFRE values (solvency, integrity, vocation for service, innovation for leadership and a committed team) determine how our internal areas develop this relationship.

Corporate Stakeholders



Furthermore, MAPFRE has a Social Responsibility model, in line with the organization's strategy, which is based on three fundamental pillars: Good Governance, Coordination of Social Responsibility and Contribution to Society, which goes further than its commercial activity.



The socially responsible focus of the activities is executed by meeting the acquired international commitments and the behavioral policies, rules and protocols approved by the organization, as well as efficient risk management - financial and non-financial - that include environmental,

social and governance risks (ESG). This enables MAPFRE to act under the due diligence principle to prevent, detect and eradicate irregular behavior, whatever its nature, which could have a negative effect on the company and on the environment in which it operates.

MAPFRE is an organization that, beyond its business commitments, contributes to the economic and social progress of the countries in which it operates and to improving the well-being of people. For MAPFRE, society is a stakeholder that is recognized in the company's mission.

9. Financial contribution to society

Insurance activities generates direct economic value through the constant flow of the transactions that are conducted (premium payments, service payments, investment management), which have an effect on the different aspects related to the economic and social development of the environment in which the company operates.

Below is information about MAPFRE's financial contribution to society.

Item	2014	2013	%14/13
Paid-for services ⁽¹⁾	13,885.6	13,293.0	4.5%
Payments to providers ⁽²⁾	4,259.3	4,087.0	4.2%
Activity subtotal	18,144.9	17,380.0	4.4%
Dividends	431.1	369.6	16.7%
Shareholders subtotal	431.1	369.6	16.7%
Direct net payment to the Spanish Tax Authority	556.4	548.8	1.4%
Social Security	230.9	226.7	1.9%
PA Subtotal	787.3	775.5	1.5%
Wages and Salaries	1,089.7	972.1	12.1%
Social benefits ⁽³⁾	196.0	175.4	11.7%
Employees subtotal	1,285.7	1,147.5	12.0%
TOTAL	20,649.0	19,672.6	5.0%

Figures in millions of euros

(1) Accepted reinsurance and direct insurance paid-for services.

(2) Amount invoiced to insurance companies.

(3) Life and health insurance, social benefits systems, insurance discounts, continuity and birth awards, children's education and loans.

While working in insurance, the organization assumed commitments from insured parties in exchange for resources management, which were invested principally in financial in assets.

Below is the information relating to the company as an institutional investor.

Item	2014	2013	%14/13
TOTAL INVESTMENTS	48,673.1	40,374.8	20.6%
Financial investments	41,951.4	33,833.1	24.0%
Fixed income	39,010.4	31,200.0	25.0%
- Issued by governments	27,017.6	21,640.0	24.9%
- Other fixed-income securities	11,992.8	9,560.0	25.4%
Other financial investments	2,941.0	2,633.1	11.7%
Real Estate Investments	1,226.3	1,248.9	(1.8%)
Other investments	5,495.4	5,292.8	3.8%

Figures in millions of euros

Item	2014	2013	%14/13
THIRD PARTY LIFE FUNDS UNDER MANAGEMENT⁽¹⁾	40,817.5	33,614.1	21.4%

Figures in millions of euros

(1) Technical provisions for Life, pension funds, investment funds and managed portfolios.

10. Business Units, Territorial Areas and Regional Areas

From January 1, 2014, the business activities of MAPFRE were conducted through four Business Units (Insurance; Assistance, Services and Specialty Risks; Global Risks and Reinsurance); three territorial areas (IBERIA, LATAM and INTERNATIONAL) and seven regional areas (IBERIA (Spain and Portugal), LATAM NORTH, LATAM SOUTH, BRAZIL, NORTH AMERICA, EMEA (Europe, Middle East and Africa) and APAC (Asia

-Pacific), in line with organization chart included in this report.

All the Business Units, except the Reinsurance Unit, are organized according to the Regional Areas of MAPFRE that make up the planning, support and supervisory geographical units for all Business Units in the region. The main outlines of the business are presented below:

Item	TOTAL REVENUE			TOTAL EXPENSES		
	2014	2013	% Variation	2014	2013	% Variation
IBERIA	9,444.0	9,475.0	(0.3%)	(8,732.6)	(8,895.5)	(1.8%)
LATAM	10,588.4	10,189.8	3.9%	(9,618.8)	(9,414.2)	2.2%
INTERNATIONAL	3,955.9	3,847.9	2.8%	(3,764.1)	(3,630.8)	3.7%
MAPFRE RE	3,903.0	3,726.1	4.7%	(3,702.8)	(3,570.8)	3.7%
TOTAL	27,891.3	27,238.8	2.4%	(25,818.3)	(25,511.3)	1.2%

Millions of euros

Premium	2014	2013	% Variation 14/13	Earnings A.T.M.	2014	2013	% Variation 14/13
IBERIA	7,455.7	7,346.2	1.5%	IBERIA	431.8	350.0	23.4%
BRAZIL	5,553.1	5,195.1	6.9%	BRAZIL	143.5	154.6	(7.2%)
LATAM NORTH	1,211.1	1,091.2	11.0%	LATAM NORTH	59.1	43.6	35.6%
LATAM SOUTH	2,863.4	2,985.8	(4.1%)	LATAM SOUTH	93.6	123.7	(24.3%)
NORTH AMERICA	2,105.1	2,014.0	4.5%	NORTH AMERICA	70.2	108.0	(35.0%)
EMEA	1,285.3	1,230.6	4.4%	EMEA	56.5	41.4	36.5%
APAC	100.7	86.3	16.7%	APAC	6.9	0.7	---
MAPFRE RE	3,343.3	3,253.7	2.8%	MAPFRE RE	141.5	108.8	30.1%

Millions of euros

Millions of euros

Item	RESULTS					
	PRE-TAX AND MINORITY INTERESTS			AFTER TAX AND MINORITY INTERESTS		
	2014	2013	% Variación	2014	2013	% Variación
IBERIA	711.4	579.5	22.7%	431.8	350.0	23.4%
LATAM	969.6	775.6	25.0%	296.2	321.9	(8.0%)
INTERNATIONAL	191.8	217.1	(11.7%)	133.6	150.1	(11.0%)
MAPFRE RE	200.3	155.3	29.0%	141.5	108.8	30.1%
TOTAL	2,073.1	1,727.5	20.0%	1,003.1	930.8	7.7%

Millions of euros

Item	COMBINED RATIO GROSS REINSURANCE *		Item	NUMBER AVERAGE EMPLOYEES	
	2014	2013		2014	2013
IBERIA	95.1%	92.6%	IBERIA	9,243	9,289
LATAM	95.2%	96.9%	LATAM	17,860	17,427
INTERNATIONAL	99.6%	100.2%	INTERNATIONAL	7,551	7,121
MAPFRE RE	93.1%	96.5%	MAPFRE RE	319	309

(*) Over earned premiums

11. Historical information



Years	Revenue	Assets Managed	Gross Profit	Number of Employees
1983	142	268	7	1,204
1986	434	706	20	2,323
1989	1,214	1,989	49	3,869
1992	2,419	3,769	37	5,528
1995	3,249	6,879	203	11,292
1998	4,546	9,669	178	15,219
2001	8,933	19,276	316	16,756
2004	10,756	31,482	847	19,920
2005	12,189	36,552	872	24,967
2006	13,234	38,988	1,156	28,091
2007	14,866	44,820	1,366	30,615
2008	17,711	47,759	1,383	34,603
2009	18,830	49,573	1,446	35,225
2010	20,471	56,471	1,431	36,744
2011	23,530	62,585	1,637	34,390
2012	25,301	64,632	1,372	35,586
2013	25,889	66,048	1,564	36,280
2014	26,367	77,434	1,824	37,053

Figures in millions of euros, except employees



12. Proposed resolutions

Resolutions proposed for the General and Extraordinary Annual Meeting of MAPFRE, S.A. to be held on March 13 2015.

1. To approve the individual, consolidated, and Annual Accounts for the financial year 2014.

2. To approve the distribution of 2014 results proposed by the Board of Directors, and thus to distribute a total dividend of €0.14 gross per share to shares number 1 to 3,079,553,273, both inclusive. Part of this dividend, the sum of €0.06 gross per share, was paid out in advance following a resolution passed by the Board of Directors on November 4, 2014 and the rest, up to the agreed total of €0.08 gross per share, will be paid on a date to be determined by the Board of Directors, during the period from May 1 to June 30, 2015.

3. To approve the Board of Directors' management during 2014.

4. To reelect for a further four years the director Antonio Núñez Tovar, as executive director.

5. To reelect for a further four years the director Luis Hernando de Larramendi Martínez, as nominee director.

6. To reelect for a further four years the director Alberto Manzano Martos, as nominee director.

7. To reelect for a further four years the director Antonio Miguel-Romero de Olano, as nominee director.

8. To reelect for a further four years the director Alfonso Rebuelta Badías, as nominee director.

These reelection proposals were approved in a report from the Appointments and Remuneration Committee and shall be deemed approved, if applicable, notwithstanding compliance with by-laws and standards of good governance.



9. To ratify the appointment of board member Georg Daschner, appointed by the Board of Directors on February 10, 2015, via the co-option procedure, and reelect him for a period of four years, as an independent board member.

Said proposal has been brought before the Board of Directors, through the Appointments and Remuneration Committee and shall be deemed approved, if applicable, notwithstanding compliance with bylaws and standards of good governance.

10. To modify article 3 of the Corporate Bylaws, which shall read as follows:

The Company has been established for an indeterminate amount of time.

11. To modify article 4 of the Corporate Bylaws, for the purpose of deleting the second paragraph, which shall read as follows:

Its registered address shall be Majadahonda (Madrid), Carretera de Pozuelo, number 52. The Board of Directors has the authority to change this address within the city. A change to an address outside the city is subject to agreement at a General Meeting.

12. To modify article 7 of the Corporate Bylaws, for the purpose of including a second paragraph, which shall read as follows:

The shares shall be represented via annotations in the account, which shall be governed by the regulatory rules of the stock market and other applicable provisions. The transfer of the shares, which shall be free, shall take place via balance sheet transfer. The registration of the transfer in the Accounting Registry in favor of the receiving party will be valid for the same effects as the tradition of titles. The Company shall recognize as shareholder the person that legally appears in the

documentation of the Accounting Registry, in which the successive transfers of shares and the constitution of real rights for the same shall be recorded.

13. To modify article 9 of the Corporate Bylaws, which shall read as follows:

It is the highest governing body of the Company, and operates according to Law, Corporate Bylaws and Rules of the General Assembly. Resolutions adopted according to the provisions indicated above are binding upon all shareholders, including those absent and not in agreement.

14. To amend the second paragraph of the article 11 of the Corporate Bylaws, which shall read as follows:

Those shareholders with a minimum of 1,000 shares who have registered their shares in the Stock Ledger at least five days prior to the holding of the meeting. The agreements shall be adopted by a simple majority of votes of shareholders present or represented at the meeting, understanding the agreement as having been adopted when it receives more votes in favor than against, except in those cases when the Law or the Articles demand a qualified favorable vote. Each share confers a right to one vote.

15. To modify article 13 of the Corporate Bylaws, which shall read as follows:

The Board of Directors is the body charged with directing, administrating, and representing the Company, and operates according to Law, Corporate Bylaws and its internal Rules. It has full powers of representation, disposition and management, and its acts are binding on the company, with no further limitation than the express powers of the Annual General Meeting according to the Law and with these Articles. In particular, it has the power to decide the participation of the Company in the promotion and constitution of other trading companies, in Spain or overseas,

whatever the business purpose and participation that they are going to have within the Company.

It can create Steering Committees and Sub-Steering Committees within itself to better carry out its duties, as well as delegate all or some of its powers on its members, and grant powers to any person it deems appropriate to appoint, subject to any exceptions and limits indicated by Law.

It sets the rules for the Committees and Sub-Committees and the Executive Committee, defines their powers and appoints and divides their members freely, except for the members whose positions inherently place them in the Committees.

16. To modify article 14 of the Corporate Bylaws, which shall read as follows:

It comprises no less than five and no more than 20 members. The General Meeting determines the number of Board Members, either directly or indirectly.

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

They cannot be members of the Board of Directors, who have meaningful stock options or provide professional services to competing businesses for the Company or of any entity within the Group, or that work as employees, directors, or administrators of the same, unless they grant express authorization from the Board of Directors.

The Company shall take out a third-party liability insurance policy for the Directors according to adapted market standards, as necessary, to the circumstances of the Company.

17. To modify article 15 of the Corporate Bylaws, which shall read as follows:

The Board of Directors shall elect a Chairman and one or two Vice Chairmen from among its members, and one or several Managing Directors. They shall also elect a Secretary and one or two Vice Secretaries, who need not comply with the condition of being Board Members.

The Chairman of the Board of Directors represents the Company, convenes, presides over and guides the Board of Directors, and exercises the other duties that are assigned to him or her by Law, the Articles, the Rules of the General Meeting and the Rules of the Board of Directors sessions.

The Vice Chairmen, according to the order established by their Nomination, replace the Chairman in case of absence, illness or express delegation by the same. In the absence of such, they will be replaced by the eldest Director.

The Secretary signs in the name of the Chairman the calls for the General Meeting and for the Board, composes the meeting minutes, takes care of the minutes books at the official address, extends the necessary certifications and exercise all other duties as assigned by Law, the Statutes, the Rules of the General Assembly and the Rules of the Board of Directors. In case of his or her absence, the Vice Secretary shall act, and in his or her absence, the youngest Director amongst those present.

The Board of Directors shall determine at all times which of the charges defined above shall entail executive responsibilities, as well as their interrelationship when they are more than one.

Notwithstanding the above, the Board of Directors shall appoint a General Manager who will perform, as subordinate to a higher position as determined on a

case-by-case basis, as executive manager of the Company in the operational area assigned to each one of them.

All persons who perform the executive duties to which this article refers must provide their services to the Company exclusively, even if they share their dedication with other entities within their group and with the foundations linked to the same.

The Board of Directors, with the abstention of the Executive Directors, shall name a Supervisor from amongst the Independent Advisors, who is particularly empowered to request the Board of Directors to be convened or the inclusion of new points in the order of the day from a Board meeting already convened, coordinate and bring together the non-executive directors and direct, as required, the periodical evaluation of the Chairman of the Board of Directors.

18. To amend the first and second paragraph of article 16 of the Corporate Bylaws, which shall read as follows:

The nomination and removal of Directors can be carried out by the General Meeting at any time. The Board may provisionally request via co-optation to fill in anticipated empty positions, as they occur, according to legally established terms.

Board Members complete a four-year term and can be reelected until they reach the age of 70, at which point they must tender their corresponding resignation.

19. To modify article 17 of the Corporate Bylaws, which shall read as follows:

The post of Director is remunerated.

The remuneration of the Board Members, due to their position, shall receive a fixed amount for belonging to the Board of Directors and, as needed, the Steering Committee and Sub-Steering Committee,

which may be higher for people with positions on the Board or that hold the position of Chairman of the Steering Committee or Sub-Steering Committee. This remuneration may be complemented with other non-monetary remuneration (life insurance or health, discounts on products sold by companies in the MAPFRE Group, etc.) who were established generally for the Company's staff.

The maximum value of the annual remuneration of the Directors for their holding said positions shall be fixed by the General Meeting and will be distributed by the Board of Directors in such a way that they decide, taking into account the criteria indicated in the above paragraph.

The Directors that hold executive duties within the Company or in its Group are excluded from the remunerative system established in the previous paragraphs and shall have the right to receive payment solely for providing said executive duties. Said payment shall be set by the Board of Directors and shall be broken down in the corresponding contract between the company and the executive directors, which must be approved by the Board of Directors.

Remuneration comprising the delivery of shares, share options or other share-indexed instruments, payments indexed to the company's performance, subject to requirements as established by law at all times, should be confined to Directors carrying out executive duties.

Regardless of the remuneration established in the previous paragraphs, the Board Members will be compensated for their travel expenses, travel time and other expenses they occur in order to attend the meetings of the Company or for the performance of their duties.

In all events, the remuneration for the Directors shall be adjusted to levels stipulated

in the remuneration policy for the Directors, approved by the General Assembly, according to legally established conditions.

20. To amend the first and second paragraph of article 18 of the Corporate Bylaws, which shall read as follows:

The Board of Directors shall hold as many meetings as necessary to decide on issues under its scope; those that have been submitted by the Chairman, by other governing bodies of the Company or by any of the Board Members, and to obtain information and, when appropriate, authorize the main issues handled and the main resolutions adopted by the Steering and Sub-Steering Committees.

Meetings are convened by the Chairman, or by the person substituting him or her according to the provisions of these Articles, on his/her own initiative or at the request of the Supervisor or three Directors. The announcement of the meeting may be made by letter, email, fax or any other means that allows it to be received at least three days beforehand, unless, in the opinion of the Chairman, there are emergency reasons, in which case a meeting may be called with a minimum of twenty-four hours' notice. The Board of Directors shall be duly convened when half plus one of its members are present or represented. Meetings without prior notification will be valid when all, or at least two-thirds of all Committee members are present and have agreed to hold the meeting.

21. To amend the first and second paragraph of article 20 of the Corporate Bylaws, which shall read as follows:

The Committee is the delegate body of the Board of Directors in charge of senior management and permanent oversight of the strategic and operational aspects of the Company and its subsidiaries, and with making any decisions necessary to operate

properly, all subject to the powers the Board delegates to it at all times.

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

22. To modify article 23 of the Corporate Bylaws, for the purpose of deleting the second paragraph, which shall read as follows:

In accordance with provisions in article 13 of these Articles, the Board of Directors may create its own Steering and Sub-Steering Committees, with the duties and rules that are considered necessary in each case.

23. To modify article 24 of the Corporate Bylaws, which shall read as follows:

The Audit Committee is made up of a minimum of three and a maximum of five Directors, all of which shall be non-executive, and two of which, at least, must be Independent Directors, and one of them shall be designated in view of his or her knowledge and experience in accounting matters, auditing or both. Its Chairman shall be an Independent Director and must be substituted in this position every four years, only to be re-elected to the post one year after leaving that position. The Secretary shall be a member of the Board of Directors, and may designate a Vice Secretary, a position which need not comply with the condition of being Board Member.

This Committee shall have the following responsibilities:

a) To report to the General Meeting regarding the issues that arise in their area of responsibility.

b) To supervise the efficacy of the internal control of the Company, internal audit and risk management systems, including fiscal systems, as well as debating with the External Auditor regarding any significant weaknesses in the internal control system detected when carrying out audits.

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

d) To bring before the Board of Directors, for its submission to the Annual General Meeting, the proposals for the selection, nomination, re-election and substitution of the External Auditor as well as the conditions of his/her hiring and regularly gather from him information regarding the auditing plan and its execution, in addition to preserving his or her independence in the performance of his or her duties.

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

f) To release on an annual basis, prior to the publication of the accounts audit report, a report expressing an opinion concerning the independence of the External Auditor.

This report must contain, regardless, the evaluation of the provision of additional services to which the above makes reference, individually considered and jointly, apart from those concerning legal audits and in relation to the independent status or with the regulatory statutes for auditing.

g) Report, previously, to the Board of Directors regarding all issues covered by Law, in these Articles and in the Rules of the Board of Directors, and in particular about the financial information that the Company must make public periodically, about the creation or acquisition of shares in companies for special purposes or with their legal address in countries or regions that have their consideration in tax havens, and regarding operations with linked parties.

24. To modify article 26 of the Corporate Bylaws, which shall read as follows:

The members of the governing bodies and the directors of the Company and its subsidiaries can only be shareholders of the businesses or companies in which the Company has direct or indirectly a significant economic participation, with express authorization from the Board of Directors or anyone that the same designates to that effect, and according to the limits and rules that are approved to that end by the Annual General Meeting. In the case of companies listed on the Stock Market, said authorization will not be necessary, but the following rules will be applied:

— *Every Director or Manager cannot be a direct or indirect holder of shares in a larger amount than one per thousand of the shares in circulation. However, when a company accesses the market quotation, the Directors or Managers that at that time were holders of shares in a number greater than that indicated above may keep them on an exceptional basis, although they*

may not acquire new shares until their shareholding proportion conforms to the limits established in this article.

— *The Directors or Managers who hold shares must inform the body that the Board of Directors designates to that effect the operations of purchase and sale that are carried out within the seven days following the execution of the same.*

The conditions established in this article shall not be considered to have been breached in the case of Directors of a Company that have been designated specifically due to the fact that they are partners in the same.

25. To modify article 27 of the Corporate Bylaws, for the purpose of deleting the reference to article 34, which shall read as follows:

The Board of Directors shall take particular care that in no case the funds and assets that make up the estates of the Company and its subsidiaries are applied directly or indirectly to ideological or political ends, or to any other purpose other than its own ends or business objectives; with the only exception being the contributions of limited quantity that are directed to benefits, charities or social purposes with the business dimension of the Group.

26. To modify article 31 of the Corporate Bylaws, for the purpose of deleting the second paragraph, which shall read as follows:

The company's financial year starts on January 1 and ends on December 31 every year.

27. To modify the first paragraph of article 33 of the Corporate Bylaws, for the purpose of deleting the reference to article 34, which shall read as follows:

Net profits shall be assigned, firstly, to the creation of legal reserves, secondly to the shareholders as is their due and, if anything remains, to new accounts or to the creation of voluntary reserves.

28. To modify article 32 of the Corporate Bylaws, for the purpose of modifying the last paragraph, which shall read as follows:

The company shall wind up in the cases set by Law or when decided by the Annual General Meeting The General Meeting itself shall decide on how to handle the liquidations, by appointing one or several Liquidators (always an odd number). This appointment shall end the powers of the Board of Directors. In the liquidation of the Company, the provisions of the legislation in force concerning limited liability companies and other applicable provisions shall be taken into account.

29. To delete Chapters 3 (Steering Committee) and 5 (Senior Executive Positions), and Chapters 22, 29, 30 and 34 of the Corporate Bylaws.

30. To renumber articles 20, 21, 23, 24, 25, 26, 27, 28, 31, 32, 33, 33 sub, 35 and 36 of the Corporate Bylaws, which will become articles 21, 25, 20, 22, 26, 27, 28, 29, 30, 31, 32, 33, 34 and 35, respectively, and Chapter 6 (Steering Sub-Committees) of Title III, which becomes Chapter 3(Steering Committees and Sub-Steering Committees).

31. To introduce four new sections in the new Chapter 3 (Steering Committees and Sub-Steering Committees) of Title III of the Corporate Bylaws with titles "1st Section. Steering Committee", "2nd Section. Audit Committee", "3rd Section. Appointments and Remuneration Committee" and "4th Section. Commission for Risks and Compliance "that will make up the new articles 21, 22, 23 and 24 articles, respectively.

32. To introduce a new article, article 23, in the Corporate Bylaws, which shall read as follows:

The Appointments and Remuneration Committee will be made up of a minimum of three and a maximum of five Directors, all of whom shall not be executives and two of which, at least, must be Independent Directors. These Committee's Chairman shall be an Independent Director. The Secretary of the Commission shall be a member of the Board of Directors, and may designate a Vice Secretary, a position which need not comply with the condition of being Board Member.

This Committee shall have the following responsibilities:

a) *To evaluate the balance of skills, knowledge and experience required on the Board of Directors, defining the duties and responsibilities required of the candidates to fill each vacancy accordingly, and decide the time and dedication necessary for them to properly perform their duties.*

b) *Establish an objective of representation for the less-represented sex in the Board of Directors and create orientations regarding how to reach said objective.*

c) *To bring before the Board of Directors the proposals for naming the Independent Directors for designation or for co-optation or for the submission of its decision to the General Assembly, as well as the proposals for their re-election or separation for those reasons, and report on said cases regarding the proposals that affect the remaining directors.*

d) *Report regarding the proposals for nomination and separation of top executives and the core conditions for their contracts.*



e) Examine and organize, the succession of the Chairman of the Board of Directors and, as necessary, put proposals to the Board for an orderly, well-planned succession.

f) Propose to the Board of Directors the remuneration policy for directors and for general managers or for those who carry out their duties of senior management under the direct dependence of the Board, of the Steering Committee or the Managing Directors, as well as individual remuneration and the other conditions of the contracts for the executive directors, ensuring their enforcement.

g) Propose to the Board of Directors the candidates for the nomination of the Patrons of FUNDACIÓN MAPFRE, whose designation corresponds to the Company.

h) Authorize the nomination of the External Directors of the remaining companies of the Group.

33. To introduce a new article, article 24, in the Corporate Bylaws, which shall read as follows:

The Risks and Compliance Committee shall be made up of a minimum of three and a maximum of five members, all of them non-executives. The Board of Directors shall designate the Chairman as well as a Secretary, and if needed, a Vice Secretary for the Commission, positions which need not comply with the condition of being Board Member.

This Committee shall have the following responsibilities:

a) *To support and advise the Board of Directors in the definition and evaluation of the policies of risk for the Group and in the determination of the propensity to risk and the risk strategy.*

b) *Assist the Board of Directors in the oversight of the application of the risk strategy.*

c) *To come to know and evaluate the methods and tools for risk management, carrying out the follow-up on the models applied in terms of results and validation.*

d) *Oversight for the application of rules for good governance established at all times.*

e) *Supervise the compliance of internal and external rules, and in particular, the internal codes of conduct, for the rules and procedures of prevention of money laundering and financing terrorism, as well as formulating proposals for its improvement.*

f) *Supervise the adoption of actions and measures that are the result of reports or actions for inspection of administrative authorities for supervision and control.*

34. To approve new Regulations for the Annual General Meeting of the company, which shall be drafted in detail in the report formulated to those effects by the Board of Directors, and that substitutes in its entirety that which is currently valid, approved on March 6, 2004.

35. To approve, to the effects of provisions in article 217.3 of Legislation governing Capital Companies, the amount of 4 million Euros as a maximum value for annual remuneration for the entirety of directors for the performance of those duties. Said amount shall be applied to fiscal year 2015 and shall remain valid, in terms provided by law, in the case that the Annual General Meeting does not approve its modification.

36. To countersign the Annual Report regarding Remuneration of the Directors that is submitted, in an advisory capacity, to the General Meeting, with the favorable report of the Appointments and Remuneration Committee.

37. To appoint the firm KPMG Auditors, S.L. as the Company's accounts auditor, both for Individual Annual Accounts and for Consolidated Accounts, for an initial three-year period, i.e. for financial years 2015, 2016, and 2017, although this appointment may be revoked at the Annual General Meeting before the end of said period should there be grounds to do so.

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

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

40. To thank those involved in overseeing the company for their loyalty and hard work during this financial year.



ANNUAL REPORT
2014



SOCIAL
RESPONSIBILITY
ANNUAL REPORT
2014

www.mapfre.com