Audit Report on MAPFRE, S.A. and subsidiaries

(Together with the consolidated annual accounts and consolidated directors' report of MAPFRE, S.A. and subsidiaries for the year ended 31 December 2020)

(Translation from the originals in Spanish. In the event of discrepancy, the Spanish-language versions prevails)

KPMG Auditores, S.L.
Paseo de la Castellana, 259 C
28046 Madrid

Independent Auditor's Report on the Consolidated Annual Accounts

(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

To the Shareholders of MAPFRE, S.A.

Report on the Consolidated Annual Accounts

Opinion

We have audited the consolidated annual accounts of MAPFRE, S.A. ("the Parent") and subsidiaries (the "Group"), which comprise the balance sheet at December 31, 2020, the income statement, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows and the notes to the financial statements, all consolidated, for the year then ended.

In our opinion, the accompanying consolidated annual accounts give a true and fair view, in all material respects, of the equity and financial position of the Group as at 31 December 2020 and of its financial performance and cash flows, all consolidated, for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS-EU) and other provisions of the financial reporting framework applicable in Spain.

Basis for Opinion

We conducted our audit in accordance with prevailing legislation regulating the audit of accounts in Spain. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Annual Accounts section of our report.

We are independent of the Group in accordance with the ethical requirements, including those regarding independence, that are relevant to our audit of the consolidated annual accounts in Spain pursuant to the legislation regulating the audit of accounts. We have not provided any non-audit services, nor have any situations or circumstances arisen which, under the aforementioned regulations, have affected the required independence such that this has been compromised.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Entered into the Spanish Official Register of Auditors with number S0702, and the Spanish Institute of Registered Auditors' list of companies with reference No. 10.
Reg. Mer Madrid, T. 11.961, F. 90, Sec. 8, H. M -188.007, Inscrip. 9
Tax identification number (NIF): B-78510153

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the consolidated annual accounts of the current period. These matters were addressed in the context of our audit of the consolidated annual accounts as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of mathematical provisions for direct insurance and reinsurance accepted (18,046.1 million of Euros) See notes 5.15 and 6.13 of the notes to the consolidated annual accounts	
Key audit matter	*How the issue was addressed in our audit*
The Group calculates mathematical provisions for commitments with its policyholders, including some very long-term. Estimating mathematical provisions requires the use of actuarial calculations and methods that employ key assumptions involving a high degree of judgement and uncertainty, among which are the future evolution of mortality, morbidity, administration costs, interest rates, etc. In addition, the IFRS-EU require that the adequacy of insurance contract liabilities be tested, including life insurance liabilities, in order to determine whether sufficient provision has been made on the basis of projected future cash flows associated with contracts in force, taking into account the most up-to-date assumptions available. These tests also require the use of actuarial methods, where the assumptions used have a significant impact. Due to the significance of the amount It is worth pointing out the reclassification as of December 2020 of the mathematical provisions of the bancassurance business with Bankia to the Non Current Assets Held For Sale caption (refer to note 6.9). The use of inadequate assumptions in actuarial methods can have a significant impact on the consolidated annual accounts, therefore it has been considered a key audit matter.	Our audit approach included testing the design and implementation of key controls established by the Group in the process of estimating mathematical provisions, including controls on the definition of key assumptions and on the completeness and accuracy of the data bases used when estimating these provisions. Our substantive procedures in relation to the mathematical provisions, which were carried out in collaboration with our actuarial specialists and for representative samples of contracts selected based on our risk assessment and their significance, consisted primarily of the following: Testing the completeness and accuracy of the data bases used in the actuarial calculations. Based on our knowledge and experience of the sector, we assessed the reasonableness of the actuarial models and the assumptions used in calculating the mathematical provisions, comparing them to best actuarial practices, regulatory requirements and market trends. Additionally, we perform recalculations and reasonability analysis over the amounts accounted for, considering the economic and technical conditions of the insurance contracts and those established in prevailing legislation. The procedures above mentioned were also performed over the mathematical provisions of the bancassurance business of Bankia, having also reviewed as of December 2020 the proper classification to the liabilities linked to non-current assets held for sale caption. We also assessed the adequacy of the information disclosed in the consolidated annual accounts regarding the mathematical provisions, considering the requirements of IFRS-EU.

Valuation of the provision for non-life direct insurance and reinsurance accepted claims (10,279.1 million of Euros) See notes 5.15 and 6.13 of the notes to the consolidated annual accounts.	
Key audit matter	*How the issue was addressed in our audit*
The Group recognises the provision for non-life insurance claims to cover the estimated cost of events occurring up to the closing date. Estimating this provision is complex and requires actuarial methods and calculations based on judgement and significant assumptions, particularly for those lines of business where the claim settlement period can be very long, such as in motor, liability, fire, aviation and transport. When valuing the claims provision, estimates are used on a case-by-case basis, as well as actuarial projection methods based on past information and assumptions on their future evolution. These estimates include assumptions related to the amount of the expected settlement and claim payment patterns, and due to their nature, and this year in particular due to the COVID-19 impact (refer to note 6.26), there is a significant degree of uncertainty, and a change in assumptions could significantly impact the consolidated annual accounts, therefore it has been considered a key audit matter.	Our audit procedures included testing the design and implementation of key controls established by the Group in the process of estimating the claims provision, including controls on the definition of key assumptions, as well as on the completeness and accuracy of the data bases used when estimating these provisions. Our substantive procedures in relation to the claims provision, which were carried out in collaboration with our actuarial specialists and for a representative sample of lines of business selected based on our risk assessment and their significance, consisted primarily of the following: • Testing the completeness and accuracy of the data bases used in the actuarial calculations. • Based on our knowledge and experience of the sector, we assessed the reasonableness of the actuarial models and the assumptions used in calculating the claims provision, comparing them to best actuarial practices, regulatory requirements, market assumptions and historical trends. • We estimated the claims provision and, based on our experience, determined a range for assessing its reasonableness. We also assessed the adequacy of the information disclosed in the annual accounts on the provisions for non-life insurance claims, considering the requirements of IFRS-EU.

Valuation of financial instruments not quoted on active markets and recognized at fair value (8,779.1 million of Euros) See notes 5.5, 5.6, 6.4 and 6.5 of the notes to the consolidated annual accounts.	
Key audit matter	*How the issue was addressed in our audit*
The classification of the financial instruments in the different existing portfolios in the applicable financial standards determines the criteria to be applied in their subsequent valuation. The majority of the MAPFRE Group's financial instruments are valued using market prices in active markets. Nonetheless, where there is no quoted price in an active market, the fair value of financial instruments is determined using valuation techniques that consider factors such as non-observable market inputs or complex valuation models that require a high degree of judgement. Changes in the assumptions considered, market events or new regulations can also have a significant impact on valuation. We have considered that there is a significant inherent risk associated with the valuation of financial instruments accounted for at fair value and that are classified hierarchically for valuation purposes by the Group as financial instruments at level 3 (use of some significant input information that is not based on observable market data) and level 2 (significant input information based on directly or indirectly observable market data), in both cases, by the use of complex valuation models, which has been considered a key audit matter .	Our audit approach included assessing the key controls linked to the processes of valuing financial instrument portfolios and performing substantive testing thereon. In collaboration with our specialists in financial instruments, we selected representative samples of the population of the Group's financial instruments, for which its adequate valuation was evaluated, through the performance of various substantive procedures, which included the recalculation of fair value and the evaluation of the reasonableness of the market data used in the valuation models. Additionally, we assessed whether the information disclosed in the consolidated annual accounts on financial instruments adequately reflects the Group's exposure to the risk of valuing financial instruments, and whether it complies with the disclosure requirements of IFRS-EU.

Valuation of goodwill and portfolio acquisition costs (1,979.5 million of Euros) See notes 5.1 and 6.1 of the notes to the consolidated annual accounts.	
Key audit matter	*How the issue was addressed in our audit*
The Group has recognised significant goodwill and portfolio acquisition costs from the acquisition of entities or businesses. Valuing these assets requires determination of the cash-generating units (CGUs), the calculation of carrying amount of each CGU, the estimation of the recoverable amount and the identification of facts that may determine the existence of impairment indicators in subsequent closings. Determining the recoverable amount of each CGU includes among other issues, financial projections that consider assumptions about macroeconomic developments, internal circumstances of the entity and competitors, discount rates or future business performance. The Group performs at least on an annual basis for goodwill, or when indications of impairment are identified for both goodwill and registered portfolio acquisition costs, an evaluation to determine if there is impairment in these assets. In this sense, our assessment has focused mainly on goodwill and portfolio acquisition costs of the most significance and those whose estimated recoverable value is closer to the carrying amount of the net assets. It is also worth pointing out the impairment loss registered for three CGU amounting 134.8 million euros. Given the complexity of the estimates and the use of assumptions that, in general, include uncertainty and judgment, we consider that the valuation of goodwill and portfolio acquisition costs has a significant inherent risk associated and, therefore, has been considered as a key audit matter.	Our audit procedures included testing the design and implementation of key controls established by the Group in the process of identifying CGUs, evaluating impairment indicators, having financial projections approved by the Management and defining the assumptions and calculation methods used to estimate the recoverable amount of CGUs. Based on our knowledge and experience, we assessed the reasonableness of the methods used by the Group to estimate the recoverable amounts of CGUs, considering IFRS-EU and best market practices. Our substantive procedures, which were performed for a sample of CGUs, including the most relevant ones, have consisted, basically, in the following: • Evaluating the existence of goodwill and portfolio acquisition cost impairment indicators considering external and internal factors such as macroeconomic indicators, sector expectations, the financial performance of CGUs and management's expectations, including potencial impacts of COVID-19 in said factors. • In collaboration with our valuation specialists, analysing the discount and growth rates used by the Group to estimate the recoverable amount of CGUs. • Assessing the reasonableness of the financial projections prepared by management, comparing them to the historical financial information of the CGUs, to business plans approved by the Group and to market expectations in the sectors in which they operate. • Performing a sensitivity analysis of the key assumptions and financial projections used to estimate the recoverable amount of CGUs. We also assessed the adequacy of the information disclosed in the annual accounts on goodwill and portfolio acquisition costs, considering the requirements of IFRS-EU.

Other Information. Consolidated Directors' Report

Other information solely comprises the 2020 consolidated directors' report, the preparation of which is the responsibility of the Parent's Directors and which does not form an integral part of the consolidated annual accounts.

Our audit opinion on the consolidated annual accounts does not encompass the consolidated director´s report. Our responsibility regarding the information contained in the consolidated director´s report, in conformity with prevailing audit regulations in Spain, entails:

a) Checking only that the consolidated non-financial information statement and certain information included in the Corporate Governance Report, to which the Audit Law refers, was provided as stipulated by applicable regulations and, if not, disclose this fact.

b) Assessing and reporting on the consistency of the remaining information included in the consolidated director´s report with the consolidated financial statements, based on the knowledge of the Group obtained during the audit, in addition to evaluating and reporting on whether the content and presentation of this part of the consolidated director´s report are in conformity with applicable regulations. If, based on the work we have performed, we conclude that there are material misstatements, we are required to disclose this fact.

Based on the work performed, as described in the preceding paragraphs, we have verified that the information referred to in paragraph a) above is provided as stipulated by applicable regulations and that the remaining information contained in the consolidated director´s report is consistent with that disclosed in the consolidated annual accounts for 2020 and its content and presentation are in accordance with applicable regulations.

Directors' and Audit and Compliance Committee's Responsibility for the Consolidated Annual Accounts

The Parent's directors are responsible for the preparation of the accompanying consolidated annual accounts in such a way that they give a true and fair view of the consolidated equity, consolidated financial position and consolidated financial performance of the Group in accordance with IFRS-EU and other provisions of the financial reporting framework applicable to the Group in Spain, and for such internal control as they determine is necessary to enable the preparation of consolidated annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated annual accounts, the Parent's directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Parent's audit and compliance committee is responsible for overseeing the preparation and presentation of the consolidated annual accounts.

Auditor's Responsibilities for the Audit of the Consolidated Annual Accounts_

Our objectives are to obtain reasonable assurance about whether the consolidated annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with prevailing legislation regulating the audit of accounts in Spain will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence economic decisions of users taken on the basis of these consolidated annual accounts.

As part of an audit in accordance with prevailing legislation regulating the audit of accounts in Spain, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Parent's directors.
- Conclude on the appropriateness of the Parent's directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated annual accounts, including the disclosures, and whether the consolidated annual accounts represent the underlying transactions and events in a manner that achieves a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated annual accounts. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the audit and compliance committee of the Parent regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Parent's audit and compliance committee with a statement that we have complied with the applicable ethical requirements, including those regarding independence, and to communicate with them all matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated to the audit and compliance committee of the Parent, we determine those that were of most significance in the audit of the consolidated annual accounts of the current period and which are therefore the key audit matters.

We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

European single electronic format

We have examined the digital files of the European single electronic format (ESEF) of MAPFRE, S.A. and subsidiaries for the 2020 financial year, which include the XHTML file containing the consolidated financial statements for the year, and the XBRL files as labeled by the entity, which will form part of the annual financial report.

The directors of MAPFRE, S.A. are responsible for submitting the annual financial report for the 2020 financial year, in accordance with the formatting and mark-up requirements set out in Delegated Regulation EU 2019/815 of 17 December 2018 of the European Commission (hereinafter referred to as the ESEF Regulation).

Our responsibility consists of examining the digital files prepared by the directors of the parent company, in accordance with prevailing audit regulations in Spain. These standards require that we plan and perform our audit procedures to obtain reasonable assurance about whether the contents of the consolidated financial statements included in the aforementioned digital files correspond in their entirety to those of the consolidated financial statements that we have audited, and whether the consolidated financial statements and the aforementioned files have been formatted and marked up, in all material respects, in accordance with the ESEF Regulation.

In our opinion, the digital files examined correspond in their entirety to the audited consolidated financial statements, which are presented and have been marked up, in all material respects, in accordance with the ESEF Regulation

Additional Report to the Audit and Compliance Committee of the Parent

The opinion expressed in this report is consistent with our additional report to the Parent's audit and compliance committee dated 10 February 2021.

Contract Period

We were appointed as auditor of the Group by the shareholders at the ordinary general meeting on 9 March 2018 for a period of 3 years, from the year ended 31 December 2018.

Previously, we had been appointed as auditors by the shareholders of MAPFRE, S.A. for a period of 3 years, and have been auditing uninterrupted the Group's consolidated Annual Accounts since the year ended 31 December 2015.

KPMG Auditores, S.L.
On the Spanish Official Register of
Auditors ("ROAC") with No. S0702

(*Signed on original in Spanish*)

Jorge Segovia Delgado

On the Spanish Official Register of Auditors ("ROAC") with No. 21903

10 February 2021

CONSOLIDATED ANNUAL ACCOUNTS

AND

CONSOLIDATED MANAGEMENT REPORT

2020

MAPFRE S.A.

CONSOLIDATED ANNUAL ACCOUNTS

2020

MAPFRE S.A.

CONSOLIDATED ANNUAL ACCOUNTS 2020

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A) CONSOLIDATED BALANCE SHEET AS ON DECEMBER 31, 2020 AND 2019

	ASSETS	Notes	2020	2019
A)	**INTANGIBLE ASSETS**	**6.1**	**2,780.1**	**3,300.1**
I.	Goodwill	6.1	1,409.8	1,773.2
II.	Other intangible assets	6.1	1,370.3	1,526.9
B)	**PROPERTY, PLANT AND EQUIPMENT**	**6.2**	**1,279.3**	**1,377.1**
I.	Real estate for own use	6.2	1,040.4	1,111.6
II.	Other property, plant and equipment	6.2	238.9	265.5
C)	**INVESTMENTS**		**38,931.4**	**47,363.3**
I.	Real estate investments	6.2	1,199.5	1,323.4
II.	Financial investments			
	1. Held-to-maturity portfolio	6.4	1,584.4	1,973.4
	2. Available-for-sale portfolio	6.4	30,100.7	37,085.2
	3. Trading portfolio	6.4	4,826.0	5,937.3
III.	Investments recorded by applying the equity method		336.4	207.8
IV.	Deposits established for accepted reinsurance		652.2	543.7
V.	Other investments		232.2	292.5
D)	**INVESTMENTS ON BEHALF OF LIFE INSURANCE POLICYHOLDERS BEARING THE INVESTMENT RISK**	**6.5**	**2,502.4**	**2,510.2**
E)	**INVENTORIES**		**49.5**	**60.5**
F)	**PARTICIPATION OF REINSURANCE IN TECHNICAL PROVISIONS**	**6.13**	**5,378.6**	**6,386.1**
G)	**DEFERRED TAX ASSETS**	**6.20**	**221.7**	**307.0**
H)	**RECEIVABLES**	**6.6**	**5,359.1**	**6,069.4**
I.	Receivables on direct insurance and co-insurance operations	6.6	3,477.3	3,945.1
II.	Receivables on reinsurance operations	6.6	1,012.2	934.3
III.	Tax receivables			
	1. Tax on profits receivable	6.20	181.6	245.5
	2. Other tax receivables		149.9	163.7
IV.	Corporate and other receivables	6.6	538.1	780.8
V.	Shareholders' called capital		—	—
I)	**CASH**		**2,418.9**	**2,537.5**
J)	**ACCRUAL ADJUSTMENTS**	**5.11**	**1,908.7**	**2,217.3**
K)	**OTHER ASSETS**		**163.4**	**117.2**
L)	**NON-CURRENT ASSETS HELD FOR SALE AND FROM DISCONTINUED OPERATIONS**	**6.9**	**8,159.5**	**264.2**
TOTAL ASSETS			**69,152.6**	**72,509.9**

Figures in millions of euros

The English version is a translation of the original in Spanish for information purposes only. In case of discrepancy, the Spanish version shall prevail.

A) CONSOLIDATED BALANCE SHEET AS ON DECEMBER 31, 2020 AND 2019

	EQUITY AND LIABILITIES	Notes	2020	2019
A)	**EQUITY**	**6.10**	**9,837.8**	**10,106.1**
I.	Paid-up capital	6.10	308.0	308.0
II.	Share premium		1,506.7	1,506.7
III.	Reserves		7,057.2	6,915.6
IV.	Interim dividend	4.2	(154.0)	(184.8)
V.	Treasury Stock	6.10	(63.4)	(63.8)
VI.	Result for the period attributable to controlling company	4.1	526.5	609.2
VII.	Other equity instruments	6.21	—	—
VIII.	Valuation change adjustments	6.10	1,270.7	1,003.7
IX.	Currency conversion differences	6.22	(1,915.7)	(1,240.2)
	Equity attributable to the controlling company's shareholders		8,536.0	8,854.4
	Non-controlling interests		1,301.8	1,251.7
B)	**SUBORDINATED LIABILITIES**	**6.11**	**1,121.6**	**1,121.1**
C)	**TECHNICAL PROVISIONS**	**6.13**	**39,190.2**	**48,521.4**
I.	Provisions for unearned premiums and unexpired risks	6.13	7,195.3	8,243.3
II.	Provisions for life insurance	6.13	19,588.9	26,584.1
III.	Provision for outstanding claims	6.13	11,210.5	12,624.1
IV.	Other technical provisions	6.13	1,195.5	1,069.9
D)	**TECHNICAL PROVISIONS FOR LIFE INSURANCE WHERE POLICYHOLDERS BEAR THE INVESTMENT RISK**	**6.13**	**2,502.4**	**2,510.2**
E)	**PROVISIONS FOR RISKS AND EXPENSES**	**6.14**	**582.6**	**709.3**
F)	**DEPOSITS RECEIVED ON CEDED AND RETROCEDED REINSURANCE**	**6.15**	**71.6**	**68.1**
G)	**DEFERRED TAX LIABILITIES**	**6.20**	**670.6**	**703.1**
H)	**DEBT**	**6.16**	**7,593.4**	**8,319.0**
I.	Issue of debentures and other negotiable securities	6.12	1,005.6	1,004.8
II.	Due to credit institutions	6.12	866.4	847.8
III.	Other financial liabilities	6.12	1,596.7	1,913.1
IV.	Due on direct insurance and co-insurance operations		951.0	928.1
V.	Due on reinsurance operations	6.16	1,305.9	1,541.1
VI.	Tax liabilities			
	1. Tax on profits to be paid	6.20	58.5	101.2
	2. Other tax liabilities	6.16	246.6	358.2
VII.	Other debts	6.16	1,562.7	1,624.7
I)	**ACCRUAL ADJUSTMENTS**	**5.11**	**318.6**	**315.9**
J)	**LIABILITIES LINKED TO NON-CURRENT ASSETS HELD FOR SALE AND FROM DISCONTINUED OPERATIONS**	**6.9**	**7,263.9**	**135.8**
TOTAL EQUITY AND LIABILITIES			**69,152.6**	**72,509.9**

Figures in millions of euros

The English version is a translation of the original in Spanish for information purposes only. In case of discrepancy, the Spanish version shall prevail.

B) CONSOLIDATED STATEMENT OF INCOME AND COMPREHENSIVE INCOME FOR YEARS ENDING DECEMBER 31, 2020 AND 2019

B.1) CONSOLIDATED INCOME STATEMENT

ITEM	Notes	2020	2019
I. REVENUE FROM INSURANCE BUSINESS			
1. Premiums earned, net			
a) Written premiums, direct insurance	7.A.2	16,767.3	19,538.8
b) Premiums from accepted reinsurance	7.A.2	3,714.9	3,505.2
c) Premiums from ceded reinsurance	6.19	(3,648.4)	(4,137.4)
d) Variations in provisions for unearned premiums and unexpired risks			
Direct insurance	6.13	179.1	(402.5)
Accepted reinsurance	6.13	(130.6)	281.9
Ceded reinsurance	6.19	(180.8)	386.9
2. Share in profits from equity-accounted companies		6.9	8.0
3. Revenue from investments			
a) From operations	6.17	2,059.2	2,763.2
b) From equity	6.17	167.1	231.1
4. Gains on investments on behalf of life insurance policyholders bearing the investment risk	6.5	137.8	233.0
5. Other technical revenue		66.2	68.6
6. Other non-technical revenue		61.8	60.5
7. Positive foreign exchange differences	6.22	2,042.9	1,589.2
8. Reversal of the asset impairment provision	6.7	27.6	28.3
TOTAL REVENUE FROM INSURANCE BUSINESS		**21,271.0**	**24,154.8**
II. EXPENSES FROM INSURANCE BUSINESS			
1. Incurred claims for the year, net			
a) Claims paid and variation in provision for claims, net			
Direct insurance	5.15	(10,667.8)	(12,584.1)
Accepted reinsurance	5.15	(2,288.6)	(2,721.5)
Ceded reinsurance	6.19	1,835.4	2,475.6
b) Claims-related expenses	6.18	(775.3)	(814.5)
2. Variation in other technical provisions, net	5.15	341.8	(1,009.1)
3. Profit sharing and returned premiums		(50.1)	(46.0)
4. Net operating expenses			
a) Acquisition expenses	6.18	(4,610.2)	(5,020.1)
b) Administration expenses	6.18	(746.8)	(723.9)
c) Commissions and participation in reinsurance	6.19	669.9	635.8
5. Share in losses from equity-accounted companies		(1.8)	—
6. Investment expenses			
a) From operations	6.17	(799.4)	(711.4)
b) From equity and financial accounts	6.17	(51.0)	(81.2)
7. Losses on investments on behalf of life insurance policyholders bearing the investment risk	6.5	(210.1)	(54.9)
8. Other technical expenses	6.18	(205.0)	(155.1)
9. Other non-technical expenses	6.18	(145.7)	(165.2)
10. Negative foreign exchange differences	6.22	(2,018.5)	(1,589.5)
11. Allowance to the asset impairment provision	6.7	(210.9)	(55.9)
TOTAL EXPENSES FROM INSURANCE BUSINESS		**(19,934.1)**	**(22,621.0)**
RESULT FROM THE INSURANCE BUSINESS		**1,336.9**	**1,533.8**
III. OTHER ACTIVITIES			
1. Operating revenue		295.3	385.3
2. Operating expenses	6.18	(437.0)	(515.7)
3. Net financial income			
a) Financial income	6.17	59.5	47.7
b) Financial expenses	6.17	(94.6)	(88.2)
4. Results from non-controlling interests			
a) Share in profits from equity-accounted companies		7.0	4.5
b) Share in losses from equity-accounted companies		—	—
5. Reversal of asset impairment provision	6.7	5.9	9.0
6. Allowance to the asset impairment provision	6.7	(40.6)	(75.4)
7. Result from the disposal of non-current assets classified as held for sale, not included in discontinued operations		—	—
RESULT FROM OTHER ACTIVITIES		**(204.5)**	**(232.8)**
IV. RESULT ON RESTATEMENT OF FINANCIAL ACCOUNTS	**3.3**	**(13.9)**	**(21.7)**
V. RESULT BEFORE TAX FROM ONGOING OPERATIONS		**1,118.5**	**1,279.3**
VI. TAX ON PROFIT FROM ONGOING OPERATIONS	**6.20**	**(297.8)**	**(324.0)**
VII. RESULT AFTER TAX FROM ONGOING OPERATIONS		**820.7**	**955.3**
VIII. RESULT AFTER TAX FROM DISCONTINUED OPERATIONS		**—**	**—**
IX. RESULT FOR THE PERIOD		**820.7**	**955.3**
1. Attributable to non-controlling interests	6.25	294.1	346.0
2. Attributable to the controlling company	4.1	526.5	609.2

Figures in millions of euros

Earnings per share (Euros)			
Basic	4.1	0.17	0.20
Diluted	4.1	0.17	0.20

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B.2) CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

ITEM	NOTES	2020	2019
A) CONSOLIDATED RESULT FOR THE YEAR		820.7	955.3
B) OTHER COMPREHENSIVE INCOME – HEADINGS NOT RECLASSIFIED TO RESULTS		—	—
C) OTHER COMPREHENSIVE INCOME – HEADINGS THAT CAN BE RECLASSIFIED SUBSEQUENT TO RESULTS		(593.0)	767.9
1. Financial assets available for sale	**6.4**		
a) Valuation gains (losses)		820.9	2,519.9
b) Amounts transferred to the income statement		(120.4)	(440.2)
c) Other reclassifications		(0.8)	0.1
2. Currency conversion differences	**2.4 & 6.22**		
a) Valuation gains (losses)		(843.2)	18.4
b) Amounts transferred to the income statement		(0.2)	0.3
c) Other reclassifications		0.2	1.0
3. Shadow accounting			
a) Valuation gains (losses)	**6.13**	(402.8)	(1,353.0)
b) Amounts transferred to the income statement		45.5	258.3
c) Other reclassifications		—	—
4. Equity-accounted entities			
a) Valuation gains (losses)		(0.6)	—
b) Amounts transferred to the income statement		—	0.1
c) Other reclassifications		—	—
5. Other recognized revenue and expenses		(8.0)	(5.1)
6. Tax on profits		(83.6)	(231.9)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR (A+B+C)		227.7	1,723.2
1. Attributable to the controlling company		118.0	1,345.5
2. Attributable to non-controlling interests		109.7	377.7

Figures in millions of euros

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C) CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS ON DECEMBER 31, 2020 AND 2019

ITEM	NOTES	EQUITY ATTRIBUTABLE TO CONTROLLING COMPANY									NON-CONTROLLING INTERESTS	TOTAL EQUITY
		SHAREHOLDERS' EQUITY										
		SHARE CAPITAL	SHARE PREMIUM	RESERVES	INTERIM DIVIDEND	TREASURY STOCK	RESULT FOR THE YEAR ATTRIBUTABLE TO CONTROLLING COMPANY	OTHER EQUITY INSTRUMENTS	VALUATION CHANGE ADJUSTMENTS	CURRENCY CONVERSION DIFFERENCES		
OPENING BALANCE AS ON JANUARY 1, 2019		**308.0**	**1,506.7**	**6,323.6**	**(184.8)**	**(48.3)**	**528.9**	**4.5**	**293.1**	**(737.9)**	**1,203.8**	**9,197.6**
1. Changes in accounting policies	2.4	—	—	519.6	—	—	—	—	—	(528.0)	(4.7)	(13.1)
2. Correction of errors		—	—	—	—	—	—	—	—	—	—	—
ADJUSTED BALANCE AS ON JANUARY 1, 2019		**308.0**	**1,506.7**	**6,843.2**	**(184.8)**	**(48.3)**	**528.9**	**4.5**	**293.1**	**(1,265.9)**	**1,199.1**	**9,184.5**
I. TOTAL COMPREHENSIVE REVENUE (EXPENSES)		**—**	**—**	**—**	**—**	**—**	**609.2**	**—**	**710.6**	**25.7**	**377.7**	**1,723.2**
II. OPERATIONS WITH THE CONTROLLING COMPANY'S SHAREHOLDERS AND NON-CONTROLLING INTERESTS		**—**	**—**	**(260.8)**	**(184.8)**	**(15.6)**	**—**	**—**	**—**	**—**	**(332.9)**	**(794.1)**
1. Capital increases (decreases)		—	—	—	—	—	—	—	—	—	2.1	2.1
2. Distribution of dividends	4.5 & 6.25	—	—	(261.6)	(184.8)	—	—	—	—	—	(401.2)	(847.6)
3. Increases (decreases) from business combinations	6.24	—	—	—	—	—	—	—	—	—	61.8	61.8
4. Other operations with the controlling company's shareholders and non-		—	—	(0.1)	—	—	—	—	—	—	4.4	4.3
5. Operations with treasury stock and own shares	6.10	—	—	0.9	—	(15.6)	—	—	—	—	—	(14.7)
III. OTHER VARIATIONS IN EQUITY		**—**	**—**	**333.2**	**184.8**	**—**	**(528.9)**	**(4.5)**	**—**	**—**	**7.9**	**(7.5)**
1. Transfers among equity items		—	—	344.1	184.8	—	(528.9)	—	—	—	—	—
2. Other variations		—	—	(10.9)	—	—	—	(4.5)	—	—	7.9	(7.5)
CLOSING BALANCE AS ON DECEMBER 31, 2019		**308.0**	**1,506.7**	**6,915.6**	**(184.8)**	**(63.8)**	**609.2**	**—**	**1,003.7**	**(1,240.2)**	**1,251.7**	**10,106.1**

Figures in millions of euros

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ITEM	NOTES	EQUITY ATTRIBUTABLE TO CONTROLLING COMPANY									NON-CONTROLLING INTERESTS	TOTAL EQUITY
		SHAREHOLDERS' EQUITY										
		SHARE CAPITAL	SHARE PREMIUM	RESERVES	INTERIM DIVIDEND	TREASURY STOCK	RESULT FOR THE YEAR ATTRIBUTABLE TO CONTROLLING COMPANY	OTHER EQUITY INSTRUMENTS	VALUATION CHANGE ADJUSTMENTS	CURRENCY CONVERSION DIFFERENCES		
OPENING BALANCE AS ON JANUARY 1, 2020		**308.0**	**1,506.7**	**6,915.6**	**(184.8)**	**(63.8)**	**609.2**	**—**	**1,003.7**	**(1,240.2)**	**1,251.7**	**10,106.1**
1. Changes in accounting policies		—	—	—	—	—	—	—	—	—	—	—
2. Correction of errors		—	—	—	—	—	—	—	—	—	—	—
ADJUSTED BALANCE AS ON JANUARY 1, 2020		**308.0**	**1,506.7**	**6,915.6**	**(184.8)**	**(63.8)**	**609.2**	**—**	**1,003.7**	**(1,240.2)**	**1,251.7**	**10,106.1**
I. TOTAL COMPREHENSIVE REVENUE (EXPENSES)		**—**	**—**	**—**	**—**	**—**	**526.5**	**—**	**267.0**	**(675.5)**	**109.7**	**227.7**
II. OPERATIONS WITH THE CONTROLLING COMPANY'S SHAREHOLDERS AND NON-CONTROLLING INTERESTS		**—**	**—**	**(261.7)**	**(154.0)**	**0.4**	**—**	**—**	**—**	**—**	**(65.0)**	**(480.3)**
1. Capital increases (decreases)		—	—	—	—	—	—	—	—	—	8.3	8.3
2. Distribution of dividends	4.2 & 6.25	—	—	(261.6)	(154.0)	—	—	—	—	—	(244.0)	(659.6)
3. Increases (decreases) from business combinations	6.24	—	—	—	—	—	—	—	—	—	116.1	116.1
4. Other operations with the controlling company's shareholders and non-		—	—	—	—	—	—	—	—	—	54.6	54.6
5. Operations with treasury stock and own shares	6.10	—	—	(0.1)	—	0.4	—	—	—	—	—	0.3
III. OTHER VARIATIONS IN EQUITY		**—**	**—**	**403.3**	**184.8**	**—**	**(609.2)**	**—**	**—**	**—**	**5.4**	**(15.7)**
1. Transfers among equity items		—	—	424.4	184.8	—	(609.2)	—	—	—	—	—
2. Other variations		—	—	(21.1)	—	—	—	—	—	—	5.4	(15.7)
CLOSING BALANCE AS ON DECEMBER 31, 2020		**308.0**	**1,506.7**	**7,057.2**	**(154.0)**	**(63.4)**	**526.5**	**—**	**1,270.7**	**(1,915.7)**	**1,301.8**	**9,837.8**

Figures in millions of euros

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D) CONSOLIDATED CASH FLOW STATEMENT FOR YEARS ENDING DECEMBER 31, 2020 AND 2019

ITEM	NOTES	2020	2019
1. Insurance activity:		**48.6**	**642.2**
Cash received from insurance activity		21,865.6	25,380.4
Cash payments from insurance activity		(21,817.0)	(24,738.2)
2. Other operating activities:		**(346.2)**	**(248.0)**
Cash received from other operating activities		360.4	400.0
Cash payments from other operating activities		(706.6)	(648.0)
3. Receipt (payment) of income tax		**(298.4)**	**(430.8)**
NET CASH FLOWS FROM OPERATING ACTIVITIES		**(596.0)**	**(36.6)**
1. Proceeds from investment activities:		**22,548.7**	**23,985.2**
Property, plant and equipment		66.3	8.3
Real estate investments		22.3	35.5
Intangible fixed assets		0.4	1.2
Financial instruments		19,393.0	20,038.1
Equity instruments		1,941.2	2,659.8
Controlled companies and other business units	6.8	50.3	17.4
Interest collected		959.9	1,071.1
Dividends collected		68.8	120.9
Other proceeds related to investment activities		46.5	32.9
2. Payments from investment activities:		**(21,369.5)**	**(22,918.2)**
Property, plant and equipment	6.2	(42.9)	(69.5)
Real estate investments	6.2	(25.6)	(12.8)
Intangible fixed assets		(245.5)	(202.1)
Financial instruments		(18,747.9)	(19,303.6)
Equity instruments		(2,192.8)	(3,131.2)
Controlled companies and other business units	6.8 & 6.24	(83.4)	(175.8)
Other payments related to investment activities		(31.4)	(23.2)
NET CASH FLOWS FROM INVESTMENT ACTIVITIES		**1,179.2**	**1,067.0**
1. Proceeds from financing activities		**703.2**	**819.2**
Subordinated liabilities		—	—
Proceeds from issuing of equity instruments and capital increases		8.2	2.1
Proceeds from sale of treasury stock	6.10	0.3	4.2
Other proceeds related to financing activities		694.7	812.9
2. Payments from financing activities		**(1,273.2)**	**(1,511.7)**
Dividends paid to shareholders		(658.4)	(844.1)
Interest paid		(73.6)	(69.8)
Subordinated liabilities		—	—
Payments on return of shareholders' contributions		—	—
Purchase of treasury stock	6.10	—	(18.9)
Other payments related to financing activities	6.8	(541.2)	(578.9)
NET CASH FLOW FROM FINANCING ACTIVITIES		**(570.0)**	**(692.5)**
Conversion differences in cash flow and cash balances		**(131.7)**	**(1.9)**
NET INCREASE(DECREASE) IN CASH FLOW		**(118.5)**	**336.0**
OPENING CASH BALANCE		**2,537.5**	**2,201.4**
CLOSING CASH BALANCE		**2,418.9**	**2,537.5**

Figures in millions of euros

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E) FINANCIAL INFORMATION BY SEGMENT - CONSOLIDATED INCOME STATEMENT FOR YEAR ENDING DECEMBER 31, 2020

	ITEM	IBERIA	LATAM NORTH	LATAM SOUTH	BRAZIL	NORTH AMERICA
I.	**REVENUE FROM INSURANCE BUSINESS**					
1	Premiums earned, net					
	a) Written premiums, direct insurance	6,979.1	1,564.9	1,443.1	3,085.4	2,060.8
	b) Premiums from accepted reinsurance	19.8	9.7	7.4	—	37.0
	c) Premiums from ceded reinsurance	(889.5)	(449.8)	(683.0)	(602.9)	(552.3)
	d) Variations in provisions for unearned premiums and unexpired risks, net					
	Direct insurance	(6.2)	229.8	(19.4)	(207.7)	76.9
	Accepted reinsurance	(1.8)	0.5	(0.9)	—	2.2
	Ceded reinsurance	7.7	(235.8)	10.4	53.8	(11.4)
2	Share in profits from equity-accounted companies	6.8	—	—	—	—
3	Revenues from investments					
	From operations	1,272.9	70.9	133.5	138.8	72.5
	From equity	66.4	10.3	9.1	3.5	58.4
4	Unrealized gains on investments on behalf of life insurance policyholders bearing the investment risk	104.7	9.4	0.1	23.2	—
5	Other technical revenue	26.2	1.1	25.8	0.1	10.2
6	Other non-technical revenue	55.7	0.4	1.5	0.2	—
7	Positive foreign exchange differences	18.4	21.6	6.6	15.4	—
8	Reversal of the asset impairment provision	12.0	—	15.6	—	—
	TOTAL REVENUE FROM INSURANCE BUSINESS	**7,672.4**	**1,233.0**	**949.8**	**2,509.6**	**1,754.4**
II.	**EXPENSES FROM INSURANCE BUSINESS**					
1	Incurred claims for the financial year, net					
	a) Claims paid and variation in provision for outstanding claims, net					
	Direct insurance	(5,583.1)	(872.1)	(725.0)	(1,277.4)	(1,162.8)
	Accepted reinsurance	(10.4)	(8.3)	(0.5)	—	(10.4)
	Ceded reinsurance	657.5	222.3	334.1	321.0	293.0
	b) Claims-related expenses	(387.6)	(18.1)	(32.1)	(46.3)	(167.6)
2	Variation in other technical provisions, net	613.6	(95.0)	(51.6)	(89.4)	(0.4)
3	Profit sharing and returned premiums	(33.0)	(14.2)	—	(0.8)	—
4	Net operating expenses					
	a) Acquisition expenses	(1,193.8)	(273.1)	(345.8)	(919.9)	(495.4)
	b) Administration expenses	(155.1)	(67.7)	(53.3)	(137.0)	(183.5)
	c) Commissions and participation in reinsurance	161.0	68.4	84.2	73.3	141.8
5	Share in losses from equity-accounted companies	(22.7)	—	—	—	—
6	Investment expenses					
	a) From operations	(502.7)	(22.7)	(12.7)	(51.2)	(22.1)
	b) From equity and financial accounts	(39.2)	(0.9)	(1.6)	—	(8.7)
7	Unrealized losses on investments on account of life insurance policyholders bearing investment risk	(194.9)	(1.0)	—	(14.2)	—
8	Other technical expenses	(138.7)	(14.2)	(23.6)	(0.9)	—
9	Other non-technical expenses	(128.7)	(0.8)	(2.9)	(0.1)	(8.6)
10	Negative foreign exchange differences	(26.6)	(19.0)	(10.7)	—	—
11	Allowance to the asset impairment provision	(14.3)	—	(17.2)	—	(32.7)
	TOTAL EXPENSES FROM INSURANCE BUSINESS	**(6,998.6)**	**(1,116.5)**	**(858.6)**	**(2,142.9)**	**(1,657.3)**
	RESULT FROM THE INSURANCE BUSINESS	**673.8**	**116.4**	**91.2**	**366.7**	**97.2**
III.	**OTHER ACTIVITIES**					
1	Operating revenue	234.5	8.9	8.1	8.8	0.9
2	Operating expenses	(205.3)	(8.2)	(7.2)	(11.4)	(3.3)
3	Net financial income					
	a) Financial income	10.5	1.3	1.3	6.8	0.1
	b) Financial expenses	(2.7)	(3.9)	(0.1)	(1.4)	(0.1)
4	Result from non-controlling interests					
	a) Share in profits from equity-accounted companies	—	—	—	—	—
	b) Share in losses from equity-accounted companies	—	—	—	—	—
5	Reversal of asset impairment provision	1.3	—	—	—	—
6	Allowance to the asset impairment provision	(2.0)	—	—	—	—
7	Result from the disposal of non-current assets classified as held for sale, not included in discontinued operations	—	—	—	—	—
	RESULT FROM OTHER ACTIVITIES	**36.4**	**(1.9)**	**2.1**	**2.8**	**(2.4)**
IV.	**RESULT ON RESTATEMENT OF FINANCIAL ACCOUNTS**	**—**	**—**	**(8.7)**	**—**	**—**
V.	**RESULT BEFORE TAX FROM ONGOING OPERATIONS**	**710.2**	**114.5**	**84.6**	**369.5**	**94.8**
VI.	**TAX ON PROFIT FROM ONGOING OPERATIONS**	**(163.7)**	**(29.0)**	**(20.8)**	**(100.1)**	**(18.5)**
VII.	**RESULT AFTER TAX FROM ONGOING OPERATIONS**	**546.5**	**85.5**	**63.9**	**269.4**	**76.3**
VIII.	**RESULT AFTER TAX FROM DISCONTINUED OPERATIONS**	**—**	**—**	**—**	**—**	**—**
IX.	**RESULT FOR THE PERIOD**	**546.5**	**85.5**	**63.9**	**269.4**	**76.3**
1	Attributable to non-controlling interests	93.2	15.8	5.3	167.9	—
2	Attributable to the controlling company	453.3	69.7	58.5	101.5	76.3

Figures in millions of euros

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E) FINANCIAL INFORMATION BY SEGMENT - CONSOLIDATED INCOME STATEMENT FOR YEAR ENDING DECEMBER 31, 2020

ITEM	EURASIA	ASISTENCIA	GLOBAL RISKS	REINSURANCE	CORPORATE AREAS AND CONSOLIDATION ADJUSTMENTS	TOTAL
I. REVENUE FROM INSURANCE BUSINESS						
1 Premiums earned, net						
a) Written premiums, direct insurance	1,462.1	165.5	—	—	6.3	16,767.3
b) Premiums from accepted reinsurance	21.3	453.4	1,255.8	4,430.7	(2,520.2)	3,714.9
c) Premiums from ceded reinsurance	(406.2)	(170.0)	(1,048.7)	(1,364.4)	2,518.4	(3,648.4)
d) Variations in provisions for unearned premiums and unexpired risks, net						
Direct insurance	34.7	75.4	—	—	(4.4)	179.1
Accepted reinsurance	1.0	5.3	(29.9)	(112.1)	5.1	(130.6)
Ceded reinsurance	(15.0)	(26.7)	28.6	11.5	(3.9)	(180.8)
2 Share in profits from equity-accounted companies	0.6	—	—	—	(0.5)	6.9
3 Revenues from investments						
From operations	199.3	6.8	16.1	155.7	(7.2)	2,059.2
From equity	21.0	—	—	0.1	(1.7)	167.1
4 Unrealized gains on investments on behalf of life insurance policyholders bearing the investment risk	0.5	—	—	—	(0.1)	137.8
5 Other technical revenue	2.9	—	—	0.1	(0.2)	66.2
6 Other non-technical revenue	3.9	—	—	0.1	—	61.8
7 Positive foreign exchange differences	25.8	0.2	1,530.0	412.9	12.1	2,042.9
8 Reversal of the asset impairment provision	—	—	0.3	(0.3)	—	27.6
TOTAL REVENUE FROM INSURANCE BUSINESS	**1,351.9**	**509.9**	**1,752.2**	**3,534.2**	**3.6**	**21,271.0**
II. EXPENSES FROM INSURANCE BUSINESS						
1 Incurred claims for the financial year, net						
a) Claims paid and variation in provision for outstanding claims, net						
Direct insurance	(964.7)	(80.0)	—	—	(3.0)	(10,667.8)
Accepted reinsurance	(16.7)	(178.9)	(732.8)	(2,755.8)	1,425.1	(2,288.6)
Ceded reinsurance	175.6	62.7	587.1	606.8	(1,424.7)	1,835.4
b) Claims-related expenses	(48.4)	(73.9)	—	(0.8)	(0.4)	(775.3)
2 Variation in other technical provisions, net	(38.0)	—	—	2.6	—	341.8
3 Profit sharing and returned premiums	(2.2)	—	—	—	—	(50.1)
4 Net operating expenses						
a) Acquisition expenses	(310.7)	(262.3)	(136.0)	(1,212.1)	538.9	(4,610.2)
b) Administration expenses	(119.0)	(19.5)	—	(17.3)	5.6	(746.8)
c) Commissions and participation in reinsurance	194.6	71.2	90.1	324.6	(539.1)	669.9
5 Share in losses from equity-accounted companies	—	—	—	—	20.9	(1.8)
6 Investment expenses						
a) From operations	(121.0)	(2.5)	(8.7)	(58.6)	2.7	(799.4)
b) From equity and financial accounts	(0.2)	—	—	(0.4)	(0.1)	(51.0)
7 Unrealized losses on investments on account of life insurance policyholders bearing investment risk	—	—	—	—	—	(210.1)
8 Other technical expenses	(10.8)	(14.4)	(0.3)	(2.3)	0.1	(205.0)
9 Other non-technical expenses	(3.9)	—	—	(7.9)	7.3	(145.7)
10 Negative foreign exchange differences	(14.8)	(3.2)	(1,531.4)	(410.2)	(2.7)	(2,018.5)
11 Allowance to the asset impairment provision	(11.3)	—	—	(0.6)	(134.8)	(210.9)
TOTAL EXPENSES FROM INSURANCE BUSINESS	**(1,291.5)**	**(500.6)**	**(1,732.0)**	**(3,531.9)**	**(104.3)**	**(19,934.1)**
RESULT FROM THE INSURANCE BUSINESS	**60.5**	**9.3**	**20.2**	**2.3**	**(100.7)**	**1,336.9**
III. OTHER ACTIVITIES						
1 Operating revenue	2.0	90.7	—	—	(58.7)	295.3
2 Operating expenses	(2.8)	(121.1)	—	—	(77.7)	(437.0)
3 Net financial income						
a) Financial income	0.1	6.6	—	—	32.9	59.5
b) Financial expenses	—	(7.5)	—	—	(79.0)	(94.6)
4 Result from non-controlling interests						
a) Share in profits from equity-accounted companies	—	—	—	—	6.9	6.9
b) Share in losses from equity-accounted companies	—	—	—	—	—	—
5 Reversal of asset impairment provision	—	—	—	—	4.6	5.9
6 Allowance to the asset impairment provision	—	—	—	—	(38.6)	(40.6)
7 Result from the disposal of non-current assets classified as held for sale, not included in discontinued operations	—	—	—	—	—	—
RESULT FROM OTHER ACTIVITIES	**(0.7)**	**(31.3)**	**—**	**—**	**(209.5)**	**(204.5)**
IV. RESULT ON RESTATEMENT OF FINANCIAL ACCOUNTS	**—**	**(0.5)**	**—**	**—**	**(4.7)**	**(13.9)**
V. RESULT BEFORE TAX FROM ONGOING OPERATIONS	**59.8**	**(22.6)**	**20.2**	**2.3**	**(314.9)**	**1,118.5**
VI. TAX ON PROFIT FROM ONGOING OPERATIONS	**(17.5)**	**3.9**	**(5.0)**	**(0.6)**	**53.5**	**(297.8)**
VII. RESULT AFTER TAX FROM ONGOING OPERATIONS	**42.3**	**(18.6)**	**15.1**	**1.7**	**(261.4)**	**820.7**
VIII RESULT AFTER TAX FROM DISCONTINUED OPERATIONS	**—**	**—**	**—**	**—**	**—**	**—**
IX. RESULT FOR THE PERIOD	**42.3**	**(18.6)**	**15.1**	**1.7**	**(261.4)**	**820.7**
1 Attributable to non-controlling interests	11.2	2.0	—	—	(1.3)	294.1
2 Attributable to the controlling company	31.1	(20.6)	15.1	1.7	(260.2)	526.5

Figures in millions of euros

The English version is a translation of the original in Spanish for information purposes only. In case of discrepancy, the Spanish version shall prevail.

E) FINANCIAL INFORMATION BY SEGMENT - CONSOLIDATED INCOME STATEMENT FOR YEAR ENDING DECEMBER 31, 2019

	ITEM	IBERIA	LATAM NORTH	LATAM SOUTH	BRAZIL	NORTH AMERICA
I.	**REVENUE FROM INSURANCE BUSINESS**					
1	Premiums earned, net					
	a) Written premiums, direct insurance	7,709.2	1,945.8	1,739.2	3,977.5	2,307.2
	b) Premiums from accepted reinsurance	8.5	27.3	33.0	—	24.6
	c) Premiums from ceded reinsurance	(969.8)	(989.1)	(935.1)	(616.6)	(629.0)
	d) Variations in provisions for unearned premiums and unexpired risks, net					
	Direct insurance	(8.5)	(263.8)	(240.7)	(138.4)	77.6
	Accepted reinsurance	1.8	(0.6)	(0.7)	—	(1.0)
	Ceded reinsurance	131.1	255.0	235.9	(4.9)	71.4
2	Share in profits from equity-accounted companies	13.0	—	—	—	—
3	Revenues from investments					
	From operations	1,606.7	78.4	65.3	240.1	98.3
	From equity	93.5	11.6	10.8	7.9	58.3
4	Unrealized gains on investments on behalf of life insurance policyholders bearing the investment risk	166.9	6.3	0.4	53.4	—
5	Other technical revenue	24.7	0.1	0.6	—	12.8
6	Other non-technical revenue	55.5	0.5	0.2	0.1	—
7	Positive foreign exchange differences	11.6	12.1	15.5	—	—
8	Reversal of the asset impairment provision	11.3	—	—	—	—
	TOTAL REVENUE FROM INSURANCE BUSINESS	**8,855.4**	**1,083.7**	**924.4**	**3,519.2**	**2,020.0**
II.	**EXPENSES FROM INSURANCE BUSINESS**					
1	Incurred claims for the financial year, net					
	a) Claims paid and variation in provision for outstanding claims, net					
	Direct insurance	(6,031.9)	(651.6)	(1,002.0)	(1,963.4)	(1,451.2)
	Accepted reinsurance	(13.6)	(13.5)	(6.6)	—	(19.7)
	Ceded reinsurance	687.2	107.3	505.0	577.7	313.3
	b) Claims-related expenses	(392.4)	(15.5)	(13.4)	(60.5)	(169.1)
2	Variation in other technical provisions, net	(415.9)	(75.2)	(31.3)	(158.2)	(0.3)
3	Profit sharing and returned premiums	(27.4)	(11.9)	(8.6)	(2.5)	—
4	Net operating expenses					
	a) Acquisition expenses	(1,155.8)	(283.1)	(263.0)	(1,253.3)	(578.7)
	b) Administration expenses	(152.7)	(63.5)	(73.5)	(180.5)	(115.9)
	c) Commissions and participation in reinsurance	132.3	69.1	70.8	97.8	152.4
5	Share in losses from equity-accounted companies	—	—	—	—	—
6	Investment expenses					
	a) From operations	(454.8)	(17.1)	(14.1)	(83.1)	(13.5)
	b) From equity and financial accounts	(71.8)	(1.0)	(0.7)	—	(3.6)
7	Unrealized losses on investments on account of life insurance policyholders bearing investment risk	(54.7)	(0.3)	—	—	—
8	Other technical expenses	(84.6)	(15.0)	(8.1)	(1.7)	—
9	Other non-technical expenses	(131.5)	(0.6)	(0.3)	(1.9)	(8.6)
10	Negative foreign exchange differences	(9.8)	(12.3)	(20.5)	(5.6)	—
11	Allowance to the asset impairment provision	(17.7)	—	—	—	(15.9)
	TOTAL EXPENSES FROM INSURANCE BUSINESS	**(8,195.2)**	**(984.0)**	**(866.2)**	**(3,035.2)**	**(1,910.8)**
	RESULT FROM THE INSURANCE BUSINESS	**660.2**	**99.7**	**58.3**	**484.0**	**109.2**
III.	**OTHER ACTIVITIES**					
1	Operating revenue	297.9	10.2	10.0	9.6	1.3
2	Operating expenses	(265.5)	(9.7)	(10.9)	(23.9)	(3.6)
3	Net financial income					
	a) Financial income	11.7	0.4	0.2	8.1	0.1
	b) Financial expenses	(2.5)	—	0.1	(1.5)	(0.1)
4	Result from non-controlling interests					
	a) Share in profits from equity-accounted companies	0.1	—	—	—	—
	b) Share in losses from equity-accounted companies	—	—	—	—	—
5	Reversal of asset impairment provision	2.3	—	—	—	—
6	Allowance to the asset impairment provision	(2.4)	—	—	—	—
7	Result from the disposal of non-current assets classified as held for sale, not included in discontinued operations	—	—	—	—	—
	RESULT FROM OTHER ACTIVITIES	**41.7**	**0.8**	**(0.6)**	**(7.7)**	**(2.3)**
IV.	**RESULT ON RESTATEMENT OF FINANCIAL ACCOUNTS**	**—**	**—**	**—**	**—**	**—**
V.	**RESULT BEFORE TAX FROM ONGOING OPERATIONS**	**701.9**	**100.5**	**57.7**	**476.4**	**106.9**
VI.	**TAX ON PROFIT FROM ONGOING OPERATIONS**	**(121.6)**	**(24.9)**	**(14.4)**	**(149.7)**	**(28.2)**
VII.	**RESULT AFTER TAX FROM ONGOING OPERATIONS**	**580.3**	**75.6**	**43.2**	**326.7**	**78.6**
VIII.	**RESULT AFTER TAX FROM DISCONTINUED OPERATIONS**	**—**	**—**	**—**	**—**	**—**
IX.	**RESULT FOR THE PERIOD**	**580.3**	**75.6**	**43.2**	**326.7**	**78.6**
1	Attributable to non-controlling interests	82.5	12.5	9.5	229.7	—
2	Attributable to the controlling company	497.8	63.1	33.8	97.0	78.6

Figures in millions of euros

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E) FINANCIAL INFORMATION BY SEGMENT - CONSOLIDATED INCOME STATEMENT FOR YEAR ENDING DECEMBER 31, 2019

	ITEM	EURASIA	MAPFRE ASISTENCIA	MAPFRE GLOBAL RISKS	MAPFRE RE	CORPORATE AREAS AND CONSOLIDATION ADJUSTMENTS	TOTAL
I.	**REVENUE FROM INSURANCE BUSINESS**						
1	Premiums earned, net						
	a) Written premiums, direct insurance	1,666.9	333.7	—	—	6.8	19,538.8
	b) Premiums from accepted reinsurance	28.7	527.3	1,060.1	4,520.4	(2,696.8)	3,505.2
	c) Premiums from ceded reinsurance	(458.6)	(240.9)	(883.8)	(1,379.5)	2,693.8	(4,137.4)
	d) Variations in provisions for unearned premiums and unexpired risks, net						
	Direct insurance	(43.4)	(21.1)	—	—	(4.1)	(402.5)
	Accepted reinsurance	0.2	17.2	59.1	(110.0)	316.9	281.9
	Ceded reinsurance	58.1	13.4	(43.1)	221.0	(313.9)	386.9
2	Share in profits from equity-accounted companies	0.4	—	—	—	(5.3)	8.0
3	Revenues from investments						
	From operations	335.3	6.8	23.1	184.3	(5.2)	2,763.2
	From equity	36.6	—	—	15.9	(2.7)	231.1
4	Unrealized gains on investments on behalf of life insurance policyholders bearing the investment risk	8.0	—	—	—	(1.6)	233.0
5	Other technical revenue	8.0	—	—	—	(0.3)	68.6
6	Other non-technical revenue	0.5	—	—	1.1	0.8	60.5
7	Positive foreign exchange differences	14.2	0.2	1,014.1	505.2	15.5	1,589.2
8	Reversal of the asset impairment provision	—	—	—	—	—	28.3
	TOTAL REVENUE FROM INSURANCE BUSINESS	**1,654.6**	**636.7**	**1,229.6**	**3,958.4**	**4.1**	**24,154.8**
II.	EXPENSES FROM INSURANCE BUSINESS						
1	Incurred claims for the financial year, net						
	a) Claims paid and variation in provision for outstanding claims, net						
	Direct insurance	(1,070.5)	(135.9)	—	—	(19.4)	(12,584.1)
	Accepted reinsurance	(36.3)	(243.4)	(782.5)	(3,194.8)	1,582.7	(2,721.5)
	Ceded reinsurance	171.6	83.8	617.0	749.8	(1,565.5)	2,475.6
	b) Claims-related expenses	(45.7)	(96.1)	—	(0.1)	(0.6)	(814.5)
2	Variation in other technical provisions, net	(273.6)	—	—	1.3	1.5	(1,009.1)
3	Profit sharing and returned premiums	(4.0)	—	—	—	—	(45.9)
4	Net operating expenses						
	a) Acquisition expenses	(326.5)	(302.2)	(130.1)	(1,086.4)	481.1	(5,020.1)
	b) Administration expenses	(116.5)	(23.6)	(1.9)	(14.4)	4.9	(723.9)
	c) Commissions and participation in reinsurance	169.4	88.2	59.8	265.2	(479.7)	635.8
5	Share in losses from equity-accounted companies	—	—	—	—	—	—
6	Investment expenses						
	a) From operations	(67.0)	(1.3)	(5.7)	(47.6)	2.5	(711.4)
	b) From equity and financial accounts	(0.2)	—	—	(3.6)	(0.1)	(81.2)
7	Unrealized losses on investments on account of life	—	—	—	—	—	(54.9)
8	Other technical expenses	(6.5)	(21.3)	—	(2.8)	(0.4)	(155.1)
9	Other non-technical expenses	(4.0)	—	—	(9.3)	(7.3)	(165.2)
10	Negative foreign exchange differences	(9.5)	0.4	(1,012.1)	(513.0)	(4.1)	(1,589.5)
11	Allowance to the asset impairment provision	(4.3)	—	0.2	(0.4)	(0.3)	(55.9)
	TOTAL EXPENSES FROM INSURANCE BUSINESS	**(1,623.5)**	**(651.5)**	**(1,255.2)**	**(3,856.1)**	**(4.6)**	**(22,621.0)**
	RESULT FROM THE INSURANCE BUSINESS	**31.1**	**(14.8)**	**(25.6)**	**102.4**	**(0.5)**	**1,533.8**
III.	**OTHER ACTIVITIES**						
1	Operating revenue	3.0	117.8	—	—	(67.2)	385.3
2	Operating expenses	(2.8)	(129.0)	—	—	(71.8)	(515.7)
3	Net financial income						
	a) Financial income	0.4	4.9	—	—	20.5	47.7
	b) Financial expenses	(0.3)	(2.7)	—	—	(79.7)	(88.2)
4	Result from non-controlling interests						
	a) Share in profits from equity-accounted companies	—	—	—	—	4.3	4.5
	b) Share in losses from equity-accounted companies	—	—	—	—	—	—
5	Reversal of asset impairment provision	—	—	—	—	6.8	9.0
6	Allowance to the asset impairment provision	—	(65.6)	—	—	(7.4)	(75.4)
7	Result from the disposal of non-current assets classified as held for sale, not included in discontinued operations	—	—	—	—	—	—
	RESULT FROM OTHER ACTIVITIES	**0.3**	**(74.6)**	**—**	**—**	**(194.5)**	**(232.8)**
IV.	**RESULT ON RESTATEMENT OF FINANCIAL ACCOUNTS**	**—**	**(0.7)**	**—**	**—**	**(10.1)**	**(21.6)**
V.	**RESULT BEFORE TAX FROM ONGOING OPERATIONS**	**31.4**	**(90.1)**	**(25.6)**	**102.4**	**(205.0)**	**1,279.3**
VI.	**TAX ON PROFIT FROM ONGOING OPERATIONS**	**(6.6)**	**3.9**	**6.4**	**(25.6)**	**41.0**	**(324.0)**
VII.	**RESULT AFTER TAX FROM ONGOING OPERATIONS**	**24.8**	**(86.3)**	**(19.2)**	**76.7**	**(164.0)**	**955.3**
VIII.	**RESULT AFTER TAX FROM DISCONTINUED OPERATIONS**	**—**	**—**	**—**	**—**	**—**	**—**
IX.	**RESULT FOR THE PERIOD**	**24.8**	**(86.3)**	**(19.2)**	**76.7**	**(164.0)**	**955.3**
1	Attributable to non-controlling interests	9.8	1.7	—	—	2.7	346.0
2	Attributable to the controlling company	15.1	(88.0)	(19.2)	76.7	(166.7)	609.2

Figures in millions of euros

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F) SUPPLEMENTARY FINANCIAL INFORMATION BY PRODUCT AND GEOGRAPHICAL AREA

1. CONSOLIDATED ORDINARY REVENUES FROM EXTERNAL CLIENTS IN FINANCIAL YEARS ENDING DECEMBER 31, 2020 AND 2019

The breakdown of consolidated ordinary revenues, by product and country, in line with the segments broken down in Note 2.2, is as follows:

1.a) Information by product

Products	2020	2019
Life	3,818.8	4,891.1
Automobile	5,601.3	6,639.1
Homeowners and commercial risks	2,339.9	2,467.4
Health	1,289.6	1,069.5
Accidents	198.0	235.4
Other Non-Life	4,110.2	4,904.8
Reinsurance	5,686.5	5,581.6
Other Activities	823.9	899.9
Consolidation adjustments	(3,090.7)	(3,259.6)
TOTAL	**20,777.5**	**23,429.3**

Figures in millions of euros

1.b) Information by country

Geographic Area / Countries	2020	2019
IBERIA		
Spain	7,096.6	7,880.3
Portugal	136.8	135.4
LATAM NORTH		
Mexico	779.6	1,334.4
Panama	212.2	223.0
Other	591.7	425.9
LATAM SOUTH		
Argentina	146.3	179.9
Chile	311.6	276.0
Colombia	295.7	383.5
Peru	507.3	551.7
Other	197.8	218.4
BRAZIL	**3,094.1**	**3,987.2**
NORTH AMERICA		
United States of America	1,743.3	1,950.0
Puerto Rico	355.5	383.0
EURASIA		
Italy	392.0	470.9
Malta	346.0	358.5
Turkey	326.2	450.1
Other	421.3	419.0
MAPFRE ASISTENCIA	**709.6**	**978.8**
MAPFRE GLOBAL RISKS	**1,255.8**	**1,060.1**
MAPFRE RE	**4,430.7**	**4,520.4**
CORPORATE AREAS AND CONSOLIDATION ADJUSTMENTS	**(2,572.6)**	**(2,757.2)**
TOTAL	**20,777.5**	**23,429.3**

Figures in millions of euros

Direct insurance and accepted reinsurance premiums, as well as operating revenues from non-insurance activities are considered as ordinary revenues

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2. NON-CURRENT ASSETS AT DECEMBER 31, 2020 AND 2019

The breakdown of non-current assets in line with the segments broken down in Note 2.2, is as follows:

Geographic Area / Countries	2020	2019
IBERIA		
Spain	9,868.9	1,941.3
Portugal	25.1	22.6
LATAM NORTH		
Mexico	132.2	150.3
Panama	48.3	57.1
Other	56.1	44.4
LATAM SOUTH		
Argentina	25.9	32.8
Chile	20.5	24.4
Colombia	32.7	41.9
Peru	90.1	187.7
Other	23.1	20.2
BRAZIL	**524.8**	**748.5**
NORTH AMERICA		
United States of America	248.0	380.3
Puerto Rico	55.2	58.9
EURASIA		
Italy	71.3	57.0
Malta	217.6	208.8
Turkey	32.4	45.9
Other	45.4	44.6
MAPFRE ASISTENCIA	**90.4**	**102.6**
MAPFRE GLOBAL RISKS	**—**	**—**
MAPFRE RE	**66.6**	**103.1**
CORPORATE AREAS AND CONSOLIDATION ADJUSTMENTS	**847.2**	**749.7**
TOTAL	**12,521.5**	**5,022.0**

Figures in millions of euros

Non-current assets include intangible fixed assets other than goodwill and portfolio acquisition expenses, property, plant and equipment, real estate investments, inventories, tax receivables, corporate and other receivables, other assets, and non-current assets held for sale and from discontinued operations, with information in Note 6.9 herein regarding the latter. The increase in non-current assets in Spain is primarily due to the reclassification to Non-current assets held for sale of the assets tied to the Bankia bancassurance business (Note 6.9).

No client contributes, on an individual basis, more than 10 percent of the Group's ordinary revenues.

G) CONSOLIDATED ANNUAL REPORT

1. GENERAL INFORMATION REGARDING THE COMPANY AND ITS ACTIVITIES

MAPFRE S.A. (hereinafter the "controlling company") is a listed public limited company and parent of a number of controlled companies engaged in insurance activity in its various lines of business, both Life and Non-Life, finance, securities investment, and services.

MAPFRE S.A. is a subsidiary of CARTERA MAPFRE, S.L. Single-Member Company (hereinafter, CARTERA MAPFRE), fully controlled by Fundación MAPFRE.

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

The controlling company was incorporated in Spain and has its registered office in Majadahonda (Madrid), Carretera de Pozuelo 52.

In 2020, the MAPFRE Group business activities were carried out through the organizational structure comprising four Business Units (Insurance, Assistance, Global Risks and Reinsurance), three Territories (IBERIA, LATAM and INTERNATIONAL); and six Regional Areas (Spain and Portugal, Brazil, LATAM North (Mexico and the Central America subregion and Dominican Republic), LATAM South, North America, and EURASIA (Europe, Middle East, Africa and Asia-Pacific). As of January 1, 2021, the Territories are eliminated and Group business activities are carried out through the abovementioned Business Units and Regional Areas.

The Insurance Business Unit is organized according to the regional areas of MAPFRE, which comprise the geographical units that plan, support and supervise in the region.

The Reinsurance and Global Risks business comprise the legal entity MAPFRE RE.

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The activity of the various Business Units is complemented by the Corporate Areas (Internal Audit, Strategy and M&A, Finance and Resources, Investment, Business and Clients, Operations, People and Organization, External Relations and Communications, General Counsel and Legal Affairs, Business Support and IT and Processes) which have global responsibilities for all the Group's companies worldwide regarding the development, implementation, and monitoring of global, regional and local corporate policies.

MAPFRE pushes for multi-channel distribution, adapting its commercial structure to the different legislations in which it operates.

The focus on the client, the global product offer, and the adaptation to the legal and commercial particularities of each of the markets in which it is present are some of the key factors of success of the company's business model.

The individual and consolidated annual accounts were prepared by the Board of Directors on February 10, 2020 and are expected to be approved by the Annual General Meeting. Spanish regulations provide for the possibility of modifying the consolidated annual accounts if they are not approved by the aforementioned sovereign body.

2. BASIS OF PRESENTATION OF THE CONSOLIDATED ANNUAL ACCOUNTS

2.1. BASIS OF PRESENTATION

The Group's consolidated annual accounts were prepared in accordance with the International Financial Reporting Standards as adopted by the European Union (EU-IFRS), with all companies having carried out the requisite standardization adjustments.

The consolidated annual accounts have been prepared on the cost model basis, except for financial assets available for sale, financial assets for trading and derivative instruments, which are recorded at their fair value.

There was no early application of the rules and interpretations which, having been approved by the European Commission, had not entered into force at the close of 2020. However, had there been any, their early adoption would not have affected the Group's financial situation and results, with the exception of what is indicated in Note 2.5 below.

The figures presented in the Consolidated Annual Accounts have been rounded for ease of reporting. Therefore, the totals of the rows or columns may not coincide with the arithmetic sums of the amounts included therein.

2.2. FINANCIAL INFORMATION BY SEGMENT

Section E) of the consolidated annual accounts contains the financial information broken down by operating segment, which is aligned with the Group organizational structure and with the information provided to Management and to the market.

The organizational structure identifies the following operating segments based on the activities of the Business Units:

- INSURANCE
  - IBERIA
  - BRAZIL
  - LATAM NORTH
  - LATAM SOUTH
  - NORTH AMERICA
  - EURASIA
- ASSISTANCE
- GLOBAL RISKS
- REINSURANCE

Revenues and expenses from the Insurance business also include complementary activities relating to asset and real estate management, and from medical services, assistance, funeral services, technology services, and others. The operating segment corresponding to the Insurance Unit presents its information according to the structure of the Group's regional areas and taking into account the quantitative thresholds established in prevailing regulations.

The operating segments corresponding to the Assistance, Global Risks and Reinsurance Business Units include insurance and reinsurance activity, regardless of the geographic location.

Transactions between segments are recorded at fair value and eliminated in the consolidation process.

The amounts shown under "Corporate Areas and consolidation adjustments" include expenses for services rendered by the Corporate Areas and the adjustments made on consolidation.

The Consolidated Management Report contains additional information on business performance and characteristics.

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2.3. FINANCIAL INFORMATION BY PRODUCT AND GEOGRAPHIC AREA

Section F) of the consolidated annual accounts contains supplementary financial information broken down by product and geographical area.

The information by product is presented for the main activity lines, which are:

- Life
- Automobile
- Homeowners and commercial risks
- Health
- Accidents
- Other Non-Life
- Reinsurance
- Other Activities

The information shown for each geographic area is broken down by the main countries comprising the Group's regional areas, as indicated in Note 1 herein.

2.4. CHANGES IN ACCOUNTING POLICIES, CHANGES IN ESTIMATES AND ERRORS

• Hyperinflationary economies

Until 2019, the Group accounting policy for recording operations in hyperinflationary economies consisted of recording in Reserves both the revaluation of the non-monetary items and the currency conversion differences generated from the conversion to euros of the restated financial statements of subsidiaries in these countries.

While this accounting criteria was accepted by market regulators in previous years, the International Financial Reporting Interpretations Committee (IFRIC) concluded in March 2020 that the above-described policy must be revised. As such, the Group has proceeded to modify its accounting policy, in line with IFRIC criteria, recording both effects in Currency conversion differences.

Said change on the accounting policy has had the following impact:

- Reclassification as of January 1, 2019, of 528.0 million euros from Reserves to Currency conversion differences.

- Restatement of the comparative figures from the previous year, causing the balances for Reserves and Currency conversion differences from said year to differ from those corresponding to the balance sheet produced in 2019 by 538.0 million euros, with the corresponding effect on the Consolidated Income Statement from the movement during the year.

• Leasing

As a result of EU-IFRS 16 "Leases" entering into force on January 1, 2019, there was a change in accounting policy that year, with implications mainly in the leasing contracts in which the Group is the lessee. In line with the transitory provision of the regulation, the Group adopted the modified retrospective approach, recognizing the accumulated effect net of taxes as a negative adjustment on the reserves and on-controlling interests balances, for the amounts of 8.4 and 4.7 million euros, respectively.

• Errors

No significant errors have been detected in the consolidated accounts from previous years.

2.5. COMPARISON OF INFORMATION

With the exception of the reclassification of all assets and liabilities from the bancassurance business with Bankia to the heading Non-current assets held for sale and to the associated Liabilities heading discussed in Note 6.9, there are no other reasons preventing the consolidated annual accounts of this reporting period from being compared with those of the previous period, as they have been prepared in line with the international standards approved by the European Commission and which were in force at the close of the year.

Therefore, with the aim of improving the presentation and comprehension of the Consolidated Statement of Comprehensive Income, and in line with International Accounting Standards (IAS) number 1, the format of said Statement was modified, simplifying the information regarding tax effects and the attributable result of non-controlling interests.

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At the date when these annual accounts were prepared, the following information is noteworthy:

- The Group is making progress with the analysis of the potentially significant impact of IFRS 17 "Insurance Contracts", which is expected to be applicable to reporting periods beginning on or after January 1, 2023, and which was approved by the International Accounting Standards Board (IASB), and has not yet been adopted by the European Union. The impact is expected to be significant.

- In relation to EU-IFRS 9 "Financial instruments", which is also expected to have a significant impact, and the modification of EU-IFRS 4 "Insurance Contracts", which will apply to reporting periods beginning on or after January 1, 2018, the Group, by virtue of the provisions set out in the latter standard, has made use of the temporary deferral approach from the application of IFRS 9 for companies operating primarily in insurance activity (more than 90 percent of liabilities are related to insurance activity). Said temporary deferral is applicable until reporting periods beginning on or after January 1, 2023, on which date the new IFRS 17 "Insurance Contracts" will enter into force.

With the aim of analyzing potential impacts from the application of EU-IFRS 9 "Financial instruments" and to improve the comparability of the information between companies that are applying said regulation and those that have opted for deferral, the modification of EU-IFRS 4 "Insurance Contracts" requires the inclusion of certain information related to flows from financial assets recorded at amortized cost or recorded as assets available for sale. Considering the above, the Group has analyzed the fixed income assets classified in the headings "Held to maturity portfolio" and "Available for sale portfolio", with the detailed information required for the annual accounts given in Note 6.4. "Financial Investments".

The Group shall adopt, upon their entry into force, all other applicable standards, amendments and interpretations. The initial application of such is not expected to have a significant impact on the Group's financial situation or result.

2.6. CHANGES IN THE SCOPE OF CONSOLIDATION

The companies that were included in the scope of consolidation are listed in Annex 1, along with all the other changes to said scope.

Annex 2 includes the main companies of the Group, with their equity and results information.

The result for the period arising from the loss of control in controlled companies is insignificant (these losses of control are described in Annex 1).

The overall effect on the Group's consolidated equity, financial position and results in 2020 and 2019 derived from other changes in the scope of consolidation with respect to the preceding year is described in the corresponding notes of the consolidated annual report.

2.7. ACCOUNTING JUDGMENTS AND ESTIMATES

In the preparation of the consolidated annual accounts under EU-IFRS, the controlling company's Board of Directors has made judgments and estimates based on assumptions about the future and uncertainties that basically refer to:

- The technical provisions (Note 6.13).

- Impairment losses on certain assets (Notes 6.1, 6.2 and 6.4).

- The calculation of provisions for risks and expenses (Note 6.14).

- The actuarial calculation of post-employment remuneration-related commitments and liabilities (Note 6.21).

- The useful life of intangible assets and of property, plant & equipment items (Notes 5.3 and 6.1).

- The fair value of certain non-listed assets (Note 6.4).

- The fair value of assets and liabilities from lease contracts (Note 6.3).

The estimates and assumptions used are reviewed regularly and are based on past experience and other factors that may have been deemed more reasonable in each instance. If these reviews lead to changes in estimates in a given period, their effect shall be applied during that period and, where relevant, in subsequent periods.

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3. CONSOLIDATION

3.1. CONTROLLED COMPANIES, ASSOCIATED UNDERTAKINGS AND JOINT ARRANGEMENTS

The controlled companies, associated undertakings and joint arrangements included in the consolidation are listed, indicating the integration method, in the table of acquisitions of controlled companies attached as Annex 1 to the consolidated annual report.

Companies are configured as controlled companies when the controlling company holds power over the investee entity, has exposure or rights to variable returns, and has the capacity to influence those returns through the power exercised in the entities. Controlled companies are consolidated from the date when the Group acquires control, and are excluded from the consolidation on the date when it ceases to have such control.

In controlled companies where 50 percent or less of the economic rights are held, the classification as "controlled company" is based on the provisions set out in the shareholder agreements, which can contemplate the following scenarios:

- The administration of the companies is carried out by a Board of Directors, which is responsible for their operating and financial strategies as well as their administration and management, and for overseeing their financial and operating policies, among others. In these cases the Board of Directors is made up of an even number of members and the chairman is always appointed at the recommendation of MAPFRE. The chairman has the casting vote, therefore exercising control over the company.

- MAPFRE is granted the power to appoint and revoke the CEO, Finance Manager, Actuarial Manager, and any other key personnel for the management and control of the company.

- The political rights established do not coincide with the economic rights, which means that MAPFRE has the majority of the voting rights in the Annual General Shareholders' Meeting. Additionally, in these cases the Board of Directors is made up of an even number of members and in the event of a tie one of the directors appointed at the recommendation of MAPFRE has the casting vote.

Non-controlling interests in controlled companies acquired since January 1, 2004 are recorded at the fair value of the percentage of purchased net assets identifiable at the acquisition date. Those acquisitions made prior to the abovementioned date were recorded at the percentage of purchased net assets at the date of the first consolidation.

Non-controlling interests are shown in consolidated equity separately from the equity attributable to the controlling company shareholders. Non-controlling interests of controlled companies in the consolidated results for the period (and in the total comprehensive consolidated result for the period) are also shown separately in the consolidated income statement (consolidated statement of comprehensive income).

Associated undertakings are companies in which the controlling company exercises a significant influence but which are neither controlled companies nor joint arrangements.

Significant influence is understood as the power to intervene in decisions on financial and operating policies of the investee company, but without controlling or jointly controlling these policies, presuming that there is significant influence when, either directly or indirectly through its controlled companies, at least 20 percent of the voting rights of the investee company is owned.

Interests in associated undertakings are consolidated by the equity method, including, in the value of interests, the net goodwill identified at the date of acquisition.

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 record additional losses, unless obligations have been incurred or payments have been made on behalf of the associated undertaking.

To determine if an investee company is controlled or associated, the purpose and design of the investee company have been taken into account to ascertain the relevant activities, the way that decisions are taken on these activities, who has the current capacity to direct these activities and who receives their financial returns. The potential voting rights held and exercisable such as purchase options on shares, debt instruments convertible into shares or other instruments giving the controlling company the possibility to increase their voting rights have also been considered.

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

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A joint arrangement is classified as a joint venture when the parties have rights to the net assets, in which case their acquisitions are recorded in the consolidated annual accounts using the equity-accounted method.

A joint arrangement is classified as a joint operation when the parties have rights to the net assets and obligations for the liabilities, in which case their interests are recorded in the consolidated annual accounts using the proportionate consolidation method.

The financial statements of the controlled companies, associated undertakings and joint arrangements used for the consolidation correspond to the years ending December 31,2020 and 2019.

3.2. MUTUAL FUNDS

Mutual funds managed by Group companies in which the participation is greater than 20 percent.

3.3. CONVERSION OF ANNUAL ACCOUNTS OF FOREIGN COMPANIES INCLUDED IN THE CONSOLIDATION

The functional and presentation currency of the MAPFRE Group is the euro. Accordingly, the balances and operations of Group companies with a different functional currency are translated into euros using the closing exchange rate for balance sheet balances and the average exchange rate weighted for the volume of operations, for transactions.

The exchange differences resulting from applying the aforementioned procedure, as well as those arising from the conversion of loans and other foreign currency hedging instruments for investments in foreign activities, are presented as a separate component in the "Consolidated Statement of Other Comprehensive Income" and are shown under equity in the "Currency conversion differences" account, deducting the part of the difference that corresponds to non-controlling interests.

Goodwill and fair value adjustments of assets and liabilities arising from the acquisition of Group companies whose presentation currency is not the euro are treated as assets and liabilities of overseas activities. As such, they are stated in the functional currency of the overseas undertaking and translated at the closing exchange rate.

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Hyperinflationary economies

The financial statements of the companies registered in countries with a high inflation rate or hyperinflationary economies are adjusted or restated for the effects of changes in prices before their conversion into euros. Adjustments for inflation are performed in line with IAS 29 "Financial reporting in hyperinflationary economies".

The Group accounting policy for recording operations in hyperinflationary economies consists of recording in Currency conversion differences both the revaluation of non-monetary items and the currency conversion differences generated from the conversion to euros of the restated financial statements of subsidiaries in these countries.

The amounts recognized in Currency conversion differences in the last two years from these effects are the following:

Item	Balance 12.31.18	Variation 2019	Balance 12.31.19	Variation 2020	Balance 12.31.20
Restatement for inflation	542.8	22.0	564.8	17.7	582.5
Currency conversion differences	(1,070.8)	(32.0)	(1,102.8)	(24.8)	(1,127.6)
Net	**(528.0)**	**(10.0)**	**(538.0)**	**(7.1)**	**(545.1)**

Figures in millions of euros

The following chart gives details about other data related to the conversion of the annual accounts from companies operating in hyperinflationary economies:

Country	Inflation (%)		Exchange rate (units of currency per euro)		Results from restatement		Equity	
	2020	2019	2020	2019	2020	2019	2020	2019
Argentina	36	54	103	67	(9.2)	(11.6)	54.9	49.1
Venezuela	1,512	5,790	2,427,941	150,636	(4.7)	(10.1)	6.9	6.3
Total					**(13.9)**	**(21.6)**	**61.8**	**55.5**

Figures in millions of euros

Regarding the exchange rate shown for Venezuela (the Sovereign bolivar), given that there is not reliable official information, both at the close of 2020 and 2019, for the consolidation of the financial statements, an exchange rate based on the estimated inflation in the country has been considered.

The results of the restatement are included in the Consolidated Income Statement and represent the loss of purchasing power of the net monetary assets from inflation.

Adjustments to the opening balance

The adjustments to opening balance columns in the different tables of the consolidated annual report include the variations that occurred as a result of applying a different conversion exchange rate to the figures for overseas subsidiaries.

The variations in the technical provisions shown in the consolidated income statement differ from those obtained from the difference between the previous balances on the consolidated balance sheets for this year and the previous year as a result of applying a different conversion exchange rate to the figures for overseas subsidiaries.

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4. EARNINGS PER SHARE AND DIVIDENDS

4.1. EARNINGS PER SHARE

The calculation of the basic earnings per share—which matches the diluted gains per share, since there is no ordinary potential share—is shown below:

Item	2020	2019
Net profit attributable to controlling company's shareholders (million euros)	526.5	609.2
Weighted average number of ordinary shares outstanding (million)	3,049.2	3,051.9
Basic earnings per share (euros)	**17.3**	**20.0**

4.2. DIVIDENDS

The breakdown of the dividends paid by the controlling company in the last two years is shown below:

Item	Total dividend (million euros)		Dividend per share (euro cents)	
	2020	2019	2020	2019
Interim dividend	154.0	184.8	5.05	6.06
Final dividend	230.8	261.6	7.57	8.58
TOTAL	**384.8**	**446.4**	**12.62**	**14.64**

The dividends per share indicated in the table above correspond to the amount for all outstanding shares, at the date of payment of the dividend (to December 31, 2020 in the case of the final dividend of this year).

The total dividend for 2020 was proposed by the Board of Directors and is pending approval by the Ordinary Annual General Meeting.

The planned dividend payout complies with the requirements and limitations that are set out in the legal regulations and the corporate bylaws, and is based on an exhaustive and reflexive analysis of the Group situation, without compromising its future solvency or the protection of policyholders' and clients' interests, and is carried out in the context of the supervisory recommendations in this respect.

In 2020 the controlling company distributed an interim dividend equivalent to a total amount of 153,988,000.62 euros, which is recorded in equity under the heading "Interim dividend". The liquidity statement prepared by the Board of Directors for the distribution is shown below.

Item	Date of Resolution 10/30/2020
Cash available on date of the resolution	**5.4**
Increases in cash forecast within one year	**695.1**
(+) From expected current collection transactions	469.6
(+) From financial transactions	225.5
Decreases in cash forecast within one year	**(384.6)**
(-) From expected current payment transactions	(110.8)
(-) From expected financial transactions	(273.8)
Cash available within one year	**315.9**

Figures in millions of euros

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5. ACCOUNTING POLICIES

The accounting policies applied to the following entries are indicated below:

5.1. INTANGIBLE ASSETS

GOODWILL

Goodwill on merger

This represents the excess of cost paid on a business combination over the fair value of the identifiable assets and liabilities at the date of the merger.

Consolidation differences

- Goodwill on consolidation

This represents the excess net acquisition costs paid over the fair value of the interest in the equity of the controlled company at the date of acquisition, except for acquisitions realized before January 1, 2004, which correspond to goodwill net of amortization recorded in line with Spanish legislation in force at the time. In the case of acquisitions of stakes in the controlled company from non-controlling interests subsequent to the initial one, the controlling company recognizes this excess as a lower amount of reserves.

- Negative consolidation difference

Where the value of the identifiable assets acquired less the value of accepted liabilities is higher than the acquisition cost, this difference is recorded as revenue in the consolidated income statement.

Goodwill impairment

After its initial recognition and allocation to a cash-generating unit, its possible loss in value is assessed at least once a year. When the recoverable amount of said cash generating unit is below the net book value, the corresponding loss in value is recognized immediately in the consolidated income statement.

OTHER INTANGIBLE ASSETS

Other intangible assets from an independent acquisition

Intangible assets acquired from third parties in a market operation are valued at cost. If their useful life is finite they are amortized based on that life and, if their useful life is indefinite, the value impairment tests are undertaken at least once a year.

Internally-generated intangible assets

Research expenses are directly recognized on the consolidated income statement for the year in which they are incurred. Development expenses are recorded as an asset when their probability, feasibility and future recoverability can be reasonably ensured. They are valued by the disbursements made.

The capitalized development expenses are amortized during the period in which revenues or yields are expected to be obtained without prejudice to the valuation that would be made if impairment occurs.

Amortization of limited useful life intangible assets

- Portfolio acquisition costs

These costs are amortized over the life of the portfolios, in a maximum period of 30 years, and depending on their cancellation.

- Other intangible assets

These are amortized based on their limited useful life following a linear method. The amortization has been recorded as "Provision for amortization" in the expense account by nature.

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. The combinations are recorded by applying the acquisition method.

On the acquisition date, which is when control of the acquired business or company is obtained, the goodwill, the identifiable assets acquired, the liabilities assumed, and any non-controlling interest in the acquire are recognized separately.

Goodwill represents the excess of cost, including deferred payments, whether certain or contingent, over the net amount on the date of acquisition of the identifiable assets acquired and the liabilities assumed. In line with the provisions under EU-IFRS 3, the Group has chosen not to increase goodwill in proportion to non-controlling interests.

Initially, the identifiable assets and liabilities assumed are recorded at fair value on the acquisition date. Any acquisition-related costs incurred by the acquirer are recognized as an expense in the period in which they are incurred, except in the case of any costs incurred in issuing debt or shares.

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Subsequently, the acquiring company measures the assets acquired, liabilities assumed and equity instruments issued in the business combination in line with the valuation rules applied to those items, according to their nature.

In business combinations carried out in stages, on the date on which control of the acquisition is obtained, the controlling company once again measures its previously held interests in the acquiree's equity at their acquisition-date fair value and recognizes any resulting gain or loss in the consolidated income statement. Likewise, any valuation change adjustments pending allocation to the result for the period are transferred to the consolidated income statement.

When the valuation process necessary to apply the acquisition method cannot be concluded on the closing date of the fiscal year, annual accounts are prepared with provisional data. These values are adjusted within the necessary period to complete the initial accounting, which period shall never exceed one year from the date of acquisition.

When the business combinations have been recognized in the accounts, any modifications to contingent payments are recorded, for combinations undertaken on or after January 1, 2010, in the consolidated income statement; combinations undertaken earlier are recorded as a change in the business combination cost.

5.3. PROPERTY, PLANT AND EQUIPMENT AND REAL ESTATE INVESTMENTS

Property, plant and equipment and real estate investment are valued at their net acquisition cost minus their accumulated amortization and, if applicable, accumulated losses due to impairment.

Investments classified as real estate investments are those non-current real estate assets intended to obtain rental income, gains or both.

Costs incurred after their acquisition are recognized as an asset only when the future financial profits related to them are likely to revert to the Group and the cost of the item may be accurately determined. All other expenses associated with maintenance and repair are charged to the consolidated income statement during the year in which they are incurred.

The depreciation of these elements is calculated linearly based on the cost of acquisition of the asset, less its residual value and the value of the land according the following periods of useful life:

ITEM GROUP	YEARS	ANNUAL RATIO
Buildings and other structures	50-25	2%-4%
Vehicles	6.25	16%
Furniture	10	0.1
Fittings	20-10	5%-10%
Data processing equipment	4	25%

The residual value and the useful life of assets are reviewed and adjusted if necessary at the close of each year.

These assets are written off in the accounts when they are transferred or when future economic profit derived from their continuous use is not expected to be obtained. The gains or losses resulting from writing the aforementioned elements off are included on the consolidated income statement.

5.4. LEASING

The Company considers that a contract constitutes, or contains, a lease when it entails the right to control the use of a specified asset for a certain period of time in exchange for compensation.

The leases in which inherent all risks and benefits of the leased property are transferred to the lessee are classified as financial leases.

Leases in which the lessor maintains a significant part of the risks and benefits derived from ownership of an underlying asset are classified as operating leases.

At the date of application of EU-IFRS16 "Leases", the Group adopted the practical solution of not evaluating whether or not a contract is or contains a lease.

Lease term

The lease term is determined according to the non-cancellable period, bearing in mind as well the periods covered with the option of extending or cancelling the lease when there is reasonable certainty that the lessee will exercise this option.

Should there be a change during the non-cancellable period of a lease, the term of said lease will be revised.

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Recognition and measurement

As a lessee, the Group recognizes at the date the lease enters into force a right-of-use asset and a lease liability, in line with the payments established in the contract and its estimated term. The initial measurement of the asset is made at cost, and that of the liability is made at the present value of future payments discounted at the incremental interest rate for the debt for said lease.

Subsequently, the right-of-use asset will be measured at cost minus amortization and the accumulated losses for the impairment in value, and adjusted where necessary by new measurement of the liability. In the case of contract review, the liability will be newly measured, discounting the modified lease payments.

The result for the period will recognize amortizations expenses and interest on the liability, and where relevant the variable lease payments not included in the initial measurement.

As a lessor, the Group recognizes the assets it holds as financial leases for the amount equal to the net lease investment measured using the implicit interest for the lease, and presenting them as a caption pending collection. Subsequently, financial income is recognized during the lease term, recording a constant periodic return on net investment. For operation leases, income from payments for the lease are recognized linearly or through another systematic method if it is more representative.

Exemptions

The Group, as a lessee, applies the exemptions contemplated to not include short-term contracts (by underlying asset class) as leases, and for those in which the underlying asset has limited value (contract by contract), recognizing lease payments as expenses linearly for the lease term, or through another systematic method if it is more representative.

5.5. FINANCIAL INVESTMENTS

Recognition

Financial assets traded on secondary securities markets are generally recognized on the settlement date.

Classification

Financial investments are classified in the following portfolios:

- Held-to-maturity portfolio

  This includes the securities for which there is the intention and proven financial capacity to hold them until their maturity.

- Available-for-sale portfolio

  This includes debt securities not classified in other portfolios and the capital instruments of companies that are not controlled, associated or joint arrangements and that are not included in the "Trading portfolio".

- Trading portfolio

  This includes financial assets originating or acquired with the objective of selling them in the short term, that are part of a portfolio of financial instruments identified and managed together for which there is proof of recent actions to obtain gains in the short term.

  Derivative instruments not assigned to a hedging operation and hybrid financial assets completely valued at their fair value are also part of this portfolio.

  In hybrid financial assets that simultaneously include a main contract and a financial derivative, these two components are separated and treated independently for the purpose of classifying and valuing them. When this separation is not possible, they are valued at their fair value.

Valuation

In their initial recognition on the balance sheet, all financial investments are recognized at the fair value of the provided remuneration plus, in the case of financial investments not classified in the "trading portfolio", the transaction costs that are directly attributable to their acquisition. Fair value is the price that would be received for the sale of a financial asset through a transaction ordered between market participants on the date of valuation.

Subsequently, financial investments are measured at their fair value without deducting any transaction cost that may be incurred due to their sale or any form of disposition, with the following exceptions:

a. Financial investments included in the "held-to-maturity portfolio", which are measured at their amortized cost using the effective interest rate method.

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b. Financial assets that are capital instruments whose fair value cannot be reliably estimated, as well as derivatives that are underlying for these instruments and that are settled by providing them, and that are measured at cost.

The fair value measurement of financial investments included in the available-for-sale portfolio and the trading portfolio are classified according to the levels of the variables used in their valuation:

- Level 1. Quoted price: Unadjusted price quoted in active markets.

- Level 2. Observable data: Prices quoted in active markets for instruments similar to the one being valued or other valuation techniques in which all the significant variables are based on observable market data. The valuation is made via a model that discounts future financial flows, including the reimbursement value, using a rate curve with two main components:

    - Zero coupon swap curve of the currency of the issuance, which is considered to be the best approximation to the risk-free interest rate.

    - Spread of the additional risk, which will be the spread added to or subtracted from the zero coupon swap curve that reflects the risks inherent to the issuance being valued, such as credit, liquidity or optionality risk.

- Level 3. Other valuations: Variables specific to each case. For these purposes, it is possible to distinguish between:

    - Equity assets, where in general the realizable value is estimated according to the individual characteristics of the asset.

    - Fixed-income assets with complex future flow structures (interest rates linked to financial variables, with caps and/or floors) and one or more early redemptions, and in which the issuer has no similar issuances on the market or any unquoted issuances from an issuer with no similar issuances. In these cases, the assets are usually valued by requesting a valuation from a benchmark third party.

Impairment

The book value of financial investments is corrected under the consolidated income statement when there is objective evidence that an event which entails a negative impact on its future cash flows has occurred or in any other circumstance that would indicate the inability to recover the investment cost of the financial instrument. The amount of losses due to impairment is equal to the difference between its book value and the current value of its future estimated cash flows.

For fixed-income securities in which there is a defaulted interest and/or principal, the potential loss is estimated according to the situation of the issuer. For all other fixed-income securities, an analysis is undertaken based on their credit quality and the degree of solvency of the issues, proceeding to record the impairment if the risk of non-payment is considered to be likely.

For equity instruments, an individual analysis of the investments is undertaken to determine whether or not impairment has occurred. Furthermore, impairment is considered to have occurred when there are prolonged (18 months) or significant (40 percent) decreases in market value in terms of its cost.

The amount of estimated losses due to impairment is recognized on the consolidated income statement, also including any reduction of the fair value of the investments previously recognized in "Valuation change adjustments". The reversal is recognized in the consolidated income statement, except for in the case of equity instruments. In this case, the valuation adjustment recorded in prior years is not recognized in the income statement, but rather any increase in value is taken directly to equity.

For financial swaps of flow exchanges, the amounts accrued for main operations are recognized, posting the resulting amount of the flows under the headings "Other financial liabilities" or "Corporate and other receivables", as applicable.

5.6. INVESTMENTS ON BEHALF OF LIFE INSURANCE POLICYHOLDERS BEARING THE INVESTMENT RISK

These are made in fixed-income securities, equities and mutual funds which are measured at the acquisition cost when they are underwritten or purchased. The acquisition cost is adjusted as greater or lower value of the investment, as applicable, according to its fair value at the close of the period, determined as follows:

- Equities: at their market value (Level 1).

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- Fixed-income securities: at the market value if this is representative (Level 1); if this is not the case, by restating the future flows, including the redemption value (Level 2).

- Mutual funds holdings: at their net asset value (Level 1).

Revaluations and depreciations of these assets are recorded as revenues or expenses in the consolidated income statement corresponding to the segment of the insurance unit.

5.7. IMPAIRMENT OF OTHER ASSETS

At the close of each financial year the Group assesses whether there are any signs that the asset items may have suffered a loss in value. If there are such signs, the recoverable value of the asset is estimated.

For assets that are not fit for use and intangible assets with an indefinite useful life, the recoverable value is estimated whether or not there are signs of impairment.

If the book value exceeds the recoverable amount, a loss is recognized for this excess, reducing the book value of the asset to its recoverable amount.

If there is an increase of the recoverable value of an asset other than the goodwill, the previously recognized loss due to impairment is reversed, increasing the book value of the asset to its recoverable value. This increase never exceeds the book value net of amortization that would have been recorded if an impairment loss had not been recognized in previous years. The reversal is recognized in the consolidated income statement, unless the asset has already been revalued against "Valuation change adjustments", in which case the reversal is treated as a revaluation increase. After this reversal, the amortization cost is adjusted in the following periods.

5.8. INVENTORIES

Inventories, which include mainly parcels of land, are recognized at the lower amount between their net acquisition cost and their net realizable value.

5.9. RECEIVABLES

These assets are generally valued using the amortized cost, calculated according to the effective interest rate method, deducting, if applicable, the provisions for losses due to noted impairment in value.

For receivables with a maturity exceeding one year and where the parties have not expressly agreed on the applicable interest, the receivables are discounted by taking the current market interest rate for public debt securities with the same or similar maturity as the receivables as the implicit financial interest, without prejudice to taking into account the relevant risk premium.

When there is objective evidence that a loss was incurred due to impairment, the corresponding provision is constituted for the amount estimated not to be recoverable. This amount is equivalent to the difference between the book value of the asset and the current value of the future cash flows, discounted at the original effective interest rate of the financial asset, and the loss is recognized on the year's consolidated income statement.

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 insurance premium accrued in the period which, based on past experience, is unlikely to be collected, taking into account the impact of reinsurance.

The impairment is recognized in the consolidated income statement as an overall amount according to the age of the premiums pending collection, or on an individual basis where dictated by the circumstances and status of receivables.

Receivables for claim recoveries are only capitalized when their realization is considered as certain.

5.10. CASH

Cash consists of cash (cash in hand and bank deposits) and cash equivalents, which correspond to highly liquid short-term investments (maximum three months) that can be easily converted into fixed amounts of cash and are subject to insignificant risk of change in value.

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5.11. ACCRUAL ADJUSTMENTS

Under this heading of the asset, what are basically included are commissions and other acquisition expenses corresponding to the accrued premiums that can be allocated to the period between the close date and the end of coverage of the contracts. The expenses are allocated to the results actually incurred in the period in accordance with the limit stipulated in the technical conditions.

At the same time, under this liability heading, commissions and other acquisition expenses for the ceded reinsurance that have to be allocated to the year or following years in accordance with the coverage period of the ceded policies are included.

5.12. NON-CURRENT ASSETS HELD FOR SALE AND ASSOCIATED LIABILITIES

These are generally valued, if applicable, at the lower amount between their book value and fair value, deducting sale costs. These costs are understood as marginal costs directly attributable to the disposal, excluding, if applicable, financial costs and tax on profit expenses.

Non-current assets classified as held-for-sale are not amortized and losses due to the impairment of their book value are recognized on the consolidated income statement. Likewise, if a recovery of the value occurs this is recognized on the consolidated income statement up to an amount equal to the impairment loss previously recognized.

5.13. TREASURY STOCK

Treasury stock is measured at cost of acquisition and recognized in equity. Expenses incurred in acquisition are recognized in equity as a decrease in the value of reserves.

All transactions performed with treasury stock are recognized in equity as a change in the value of shareholders' equity.

5.14. FINANCIAL LIABILITIES AND SUBORDINATED LIABILITIES

Financial liabilities classified as held-for-trading

In their initial recognition, these are recorded at the gross amount received, allocating transaction costs directly to results. Subsequently, they are recorded at fair value, allocating changes to the income statement.

Other financial liabilities

In their initial recognition on the balance sheet, they are recorded at fair value, which is the net amount received, deducting transaction costs which are directly attributed to the issuance of the financial liability, like commissions, formalization costs, taxes, fees, etc.... Subsequently, these liabilities are measured at their amortized cost, applying the effective interest rate for financial liabilities.

5.15. INSURANCE OPERATIONS

A) PREMIUMS

Direct insurance

Premiums from the Non-Life business and Life annual renewable contracts are recognized as revenues throughout the validity of the contracts, in accordance with the period of time elapsed, and accrued by means of the allowance to the provision for unearned premiums.

Premiums from the long-term Life business, whether single premiums or regular premiums, are recognized when the right to collection by the contract issuer arises.

Ceded reinsurance

These are recorded in accordance with underwritten reinsurance contracts and under the same criteria as those used for direct insurance.

Accepted and retroceded reinsurance

These are posted based on the accounts received from the ceding companies and additionally, in retroceded reinsurance operations, signed retrocession contracts are considered.

Co-insurance

These are recorded in line with the accounts received from the opening company and the participation in contracts underwritten.

B) TECHNICAL PROVISIONS

The main assumptions and methods used to establish the provisions are described below.

a. Direct insurance of companies belonging to the European Economic Area

Provision for unearned premiums

This is calculated on a policy-by-policy basis and reflects the insurance premium accrued during the period subject to allocation to future periods, less the security surcharge.

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Provision for unexpired risks

This is calculated on an individual business line basis and supplements the provision for unearned premiums for the amount in which this provision does not sufficiently reflect the valuation of risks and expenses to be covered, corresponding to the coverage period not elapsed at the closing date.

For the Automobile line, this provision has been calculated taking into account all the guarantees covered with the products marketed by the different companies.

Provisions for Life insurance

- In Life insurance policies with a coverage period equal to or less than one year, the provision for unearned premiums is calculated on a policy-by-policy basis and reflects the insurance premium accrued in the period subject to allocation to future periods.

- When this provision is not sufficient, the provision for unexpired risks is calculated to cover the valuation of risks and expenses to be covered, corresponding to the coverage period not elapsed at the closing date for the financial year.

- In Life insurance policies with a coverage period exceeding one year, the mathematical provision 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 period, 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 when the contracts are issued, as specified in the technical conditions 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 provision would be changed.

  Written policies that contain a profit sharing clause in force at the close of each period share, pro rata to their mathematical provisions or technical results and as specifically laid down in each contract, in the net yields obtained from the investments allocated to covering these provisions. The amount resulting from this profit sharing is recorded as a greater amount than the technical provisions.

- This consolidated balance sheet heading also includes the provision for profit sharing and for premium returns, which includes the amount of profits accrued in favor of policyholders, insured persons or beneficiaries and the premiums that must be reimbursed to policyholders or insured persons.

Provision for outstanding claims

This represents the estimated appraisals of the pending liabilities arising from the claims occurring prior to the close of the period, less any advance payments already made. It includes the appraisals of claims pending settlement or payment and pending reporting, as well as the internal and external expenses involved in the settlement of claims; in the Life insurance business, it also includes maturities and redemptions pending payment. The calculations take into account any additional provisions for deviations in the appraisals of long-tail claims.

Other technical provisions

The most significant provision included under this heading is the "Funeral 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 Funeral insurance provision is calculated using methods based on Group capitalization, with a financial-actuarial restatement being made of projected flows of premiums and expected claims up to the expiration of the collective insurance.

Technical provisions for Life insurance where policyholders bear the investment risk

The provisions for Life insurance where the contract stipulates that the investment risk will be fully borne by the policyholder have been calculated on a policy-by-policy basis and are measured according to the assets specifically allocated to determine the value of the rights.

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b. Direct insurance of companies outside the European Economic Area

Technical provisions are calculated in line with 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 shown in the financial statements, in which case they are adapted to the controlling company's criteria.

Life insurance provisions have been calculated in line with the operating assumptions, mortality tables and technical interest rate commonly used in the industry 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 written reinsurance agreements and under the same criteria as those used for direct insurance.

d. Accepted reinsurance

Provision for unearned premiums

Reinsurance operations are recorded based on the accounts received from the ceding companies and the provision for unearned premiums is estimated by provisioning the recorded unearned premium according to the average period of policy coverage.

The acquisition expenses communicated by the ceding companies are accrued and included in the consolidated balance sheet under the heading "Accrual adjustment" of the asset, with these expenses corresponding to those actually incurred in the period. When the cedants do not communicate the acquisition expense amounts, they are accrued risk by risk for the facultative proportional reinsurance and globally 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 in which this provision does not sufficiently reflect the valuation of risks and expenses to be covered corresponding to the coverage period not elapsed at the closing date.

Provision for outstanding claims

Provisions for outstanding claims are provided for the amounts communicated by the cedant or, in the lack thereof, for the withheld deposits, and include, where necessary based on available historic information, additional provisions for claims that were incurred but not reported (IBNR) as well as for deviations of the existing ones based on own experience. The final expected cost is estimated and provisioned based on experience and through the use of actuarial methods.

e. Retroceded reinsurance

Retroceded reinsurance operations and their corresponding technical provisions are recorded using the same criteria as those used for accepted reinsurance and according to the signed retrocession contracts.

f. Liability adequacy test

The recorded technical provisions are usually subject to a reasonability test for the purpose of determining their adequacy on the basis of projections of all future cash flows of current contracts, taking into account the temporary value of the money and using assumptions (economic, biometric, etc.), in line with the experience of each company. If the result of this test indicates the inadequacy of the provisions, they are adjusted and charged to the results for the period.

g. Shadow accounting

In order to mitigate the accounting asymmetries arising from applying different valuation methods for assets and liabilities, and to reflect the effect of profit sharing of the insured persons, EU-IFRS allow "shadow accounting", which means that losses or gains in the allocated assets are recognized when measuring technical provisions, up to the limit of the amounts assumed by the policyholder.

C) OTHER ASSETS AND LIABILITIES DERIVED FROM INSURANCE AND REINSURANCE CONTRACTS

a. Deposit components in insurance contracts

Some Life insurance contracts contain both an insurance component and a deposit component. The two components are not measured separately because all the rights and obligations arising from the deposit component are recognized.

b. Embedded derivatives in insurance contracts

Some Life insurance contracts contain embedded derivatives, essentially consisting of guaranteed redemption values and maturity values. Embedded derivatives are not measured separately from the main insurance contract because they fulfill the conditions to be classified as insurance contracts, and their embedded value is therefore measured jointly with the main contract, pursuant to EU-IFRS 4.

c. Insurance contracts acquired in business combinations or portfolio transfers

Insurance contracts acquired in business combinations or portfolio transfers are recognized on the balance sheet as follows:

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C.1) The liabilities arising from the insurance contracts are recorded pursuant to EU-IFRS 4.

C.2) An intangible asset is recorded, representing the difference between:

- The fair value of the rights acquired and all the other assumed contractual obligations, and
- The amount described in Section C.1) above.

This intangible asset is amortized in accordance with the policies in force at the time of the purchase and the future generation of profits from them.

D) CLAIMS

The estimated cost of claims, both from the Life and Non-Life business, is recognized on the date of their occurrence and includes all necessary expenses to be incurred up to the settlement of the claim.

The best estimate of the cost of IBNR claims prior to the end of each financial period, based on past experience, are reported through the IBNR provision.

Payments of claims are made against the previously recognized provision.

Claims corresponding to accepted reinsurance are recorded in line with the accounts received from the ceding companies, estimating the final expected cost. In the case of ceded and retroceded reinsurance, they are recorded according to the underwritten reinsurance contracts and under the same criteria used for the direct insurance and accepted reinsurance, respectively.

E) MOST SIGNIFICANT ASSUMPTIONS AND OTHER SOURCES FOR ESTIMATING UNCERTAINTIES

For assets, liabilities, revenues and expenses related to insurance contracts, as a general rule, the assumptions used are those that were made when issuing these contracts, as specified in the technical conditions.

In general, the estimates and assumptions used are reviewed regularly and are based on past experience and other factors that might have been deemed more reasonable. If these reviews lead to changes in estimates in a given period, their effect shall be applied during that period and, as the case may be, in subsequent periods.

The main assumption is based on the behavior and development of the claims, using their frequency and costs in recent years. Likewise, estimates and assumptions about interest rates and foreign currency exchange, delays in paying claims and any other external factor that could affect the estimates are taken into account.

For liabilities, assumptions are based on the best possible estimate when issuing the contracts, and if an insufficiency became evident, the provisions required to cover it would be constituted.

F) IMPAIRMENT

When there is objective evidence that a loss was incurred due to impairment of the assets derived from insurance and reinsurance contracts, the general valuation criterion indicated in Note 5.9. Receivables is applied.

5.16. PROVISIONS FOR RISKS AND EXPENSES

These are recognized when there is a current obligation (whether legal or implicit) as a result of a past event and a reliable estimate of the obligation amount can be made.

If it is highly likely that part or all of a provision will be reimbursed, the reimbursement is recognized as a separate asset.

5.17. DEBT

Valuations are generally carried out at the amortized cost using the effective interest rate method.

For debts with a maturity exceeding one year and when the parties have not expressly agreed on the applicable interest, they are discounted by taking the interest in force in the market for public debt securities with the same or similar term as the maturity of the debts as the implicit financial interest, without prejudice to taking into account the relevant risk premium.

5.18. GENERAL CRITERION FOR REVENUES AND EXPENSES

Recognition of revenue from non-insurance activities is made when the promised goods or services are transferred to a customer, in line with the contract between them, considering that a good or service has been transferred when the client obtains control of it (be it over a period of time or in a specific moment). The amount recognized corresponds to the amount of the consideration the company is entitled to for the transfer of the goods or services.

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5.19 REMUNERATION FOR EMPLOYEES

Remuneration for employees may be short-term, post-employment benefits, compensation for termination, other medium and long-term remuneration, and share-based payments.

a. Short-term remuneration

These are posted according to the services provided by employees on an accrual basis.

b. Post-employment benefits

These consist of defined contribution plans and defined benefit plans, as well as life insurance covering death between the ages of 65 and 77.

Defined contribution plans

These are plans in which the company in question makes pre-determined contributions to a separate company (whether linked to the Group or external) and has no legal or implicit obligation to make any additional contributions in the event of an insufficiency of assets to honor the payment of benefits. The amount of benefits to be received by employees is determined by the contributions made plus the yield obtained by the investments in which the fund was materialized.

Defined benefit plans

These are plans in which the benefits to be received by employees at the moment of their retirement, are normally set according to factors like remuneration.

The liability recognized on the balance sheet for defined benefit pension plans is equal to the current value of the obligation for benefits defined on the balance sheet date less, where applicable, the fair value of the assets set aside for the plan.

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

Actuarial gains and losses are recorded in equity accounts.

c. Compensation for termination

This is recognized as a liability and expense when there is evidence of an agreement to rescind the work relationship before the normal date of employee retirement or when there is an offer to encourage voluntary rescission of the contracts.

d. Other medium and long-term remuneration and share-based payments

Other long-term remunerations besides those described in the preceding paragraphs and referring specifically to the reward for years of service or time with the company, are recorded in line with the aforementioned principles. The only exceptions are the cost of past services, which is recognized immediately and recorded as an offsetting entry under the heading "Provisions for risks and expenses", and actuarial gains and losses which are recorded on the consolidated income statement.

Incentive plans

In 2019 a medium-term incentive plan was approved for certain members of the MAPFRE executive team. The plan is extraordinary, non-cumulative and multi-year, commencing January 1, 2019 and ending March 31, 2022, with payment of part of the incentives deferred to the period 2023-2025. The payment of incentives is dependent on fulfilling certain corporate and individual objectives, as well as remaining in the Group's employment. The incentives will be paid partly in cash (50 percent) and partly in MAPFRE S.A. shares (50 percent), and payment is subject to malus or clawback clauses.

At the close of each year, the fulfillment of objectives are evaluated and the amount accrued is recorded in the consolidated income statement under a liability heading for the part of the remuneration paid in cash and under an equity heading for the part corresponding to equity instruments. The valuation of the part of the incentive paid in MAPFRE S.A. shares takes into account the fair value of the equity instruments assigned at the transfer date, based on the terms and conditions of the plan.

Each year, until the vesting date, the number of equity instruments included in the calculation of the transaction amount is adjusted. No additional adjustments are made after the vesting date.

In 2019, the previous medium-term incentive plan approved in 2016 was partially liquidated, with the part of the payment deferred to the 2020-2022 period pending.

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5.20. REVENUES AND EXPENSES FROM INVESTMENTS

These are classified in line with the designation of the investments they come from; as operating expenses if they are assigned to cover technical provisions, or as equity if they are related to the materialization of shareholders' equity.

Changes in fair value are recorded according to the portfolio in which financial investments are classified:

a. Trading portfolio

Recorded directly in the consolidated income statement distinguishing between the part attributable to yields, which are recognized as interest or, if applicable, as dividends, and the part that is recorded as realized and unrealized results.

b. Held-to-maturity portfolio

Recorded when the financial instrument is disposed of and in case of impairment.

c. Available-for-sale portfolio

Recognized directly in the company's equity until it is written off or impairment occurs, at which time they are recorded in the consolidated income statement.

In all cases, the interest of financial instruments is recorded on the consolidated income statement by applying the effective interest rate method.

5.21. RECLASSIFICATION OF EXPENSES BY DESTINATION AND ALLOCATION TO ACTIVITY SEGMENTS

The criteria to follow for reclassifying expenses by destination are mainly based on the position held by each of the employees, distributing their direct and indirect cost according to this position.

For expenses directly or indirectly related to personnel, individual studies are undertaken, allocating them to the destination according to the position held for these expenses.

The established destinations are as follows:

- Claims-related expenses
- Expenses 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 different segments, according to the Business Unit or Regional Area in which the activity originated:

5.22. TRANSACTIONS AND BALANCES IN FOREIGN CURRENCY

With the exception of reinsurance activities, transactions in foreign currencies are translated into each Group company's functional currency at the exchange rate in force on the transaction date.

Reinsurance operations in foreign currency are recorded at the exchange rate established at the beginning of each quarter of the year. Subsequently, at the end of each quarter, they are all treated as one operation, being converted at the exchange rate in force at the time and recording the resulting difference on the consolidated income statement.

At year end, the existing balances in foreign currencies are translated at the exchange rate of the functional currency prevailing on that date, and all exchange differences are recorded in the consolidated income statement, the only exception being those which are directly allocated to "Foreign exchange conversion differences", i.e. those arising from the monetary items that form part of the net investment in a foreign operation and from the non-monetary ones measured at fair value, where changes in value are directly recognized in equity.

5.23. TAX ON PROFITS

Tax on profits is treated as an expense in the year and is recorded as such in the consolidated income statement, including both the tax charge for the current tax and the effect corresponding to the movement in deferred tax.

In order to determine this, the balance sheet method is followed, whereby the corresponding assets and deferred tax liabilities necessary to correct the effect of temporary differences are recorded. These are differences that may exist between the book amount of an asset or liability and its valuation for tax purposes.

Temporary differences may be "Taxable temporary differences", which result in higher tax payments in the future and which generally entail the recognition of a deferred tax liability; or "Deductible temporary differences", which result in lower tax payments in the future and, to the extent in which it is returnable, the registration of a deferred tax asset.

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Meanwhile, tax on profits related to items where modifications in their value are directly recognized in equity is not allocated to the consolidated income statement but to equity, and the changes in value are recorded net of the tax effect.

a. Recognition of deferred tax liabilities

The Group recognizes deferred tax liabilities in all cases except those in which:

- They arise from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that does not affect the accounting result or the taxable income on the date of the transaction.
- They correspond to differences relating to investments in controlled, associated or joint arrangement companies over which the Group controls the moment of reversal and it is not probable that a reversal occurs in the foreseeable future.

b. Recognition of deferred tax assets

The Group recognizes deferred tax assets as long as:

- It is probable that there are sufficient future taxable profits to offset them. However, those assets that arise from the initial recognition of assets or liabilities in a transaction that is not a business combination and that does not affect the accounting result or the taxable income on the date of the transaction are not recognized.
- They correspond to temporary differences relating to investments in controlled, associated or joint arrangement companies to the extent that the temporary differences revert in the foreseeable future and positive future taxable profits are expected to be generated to offset the differences.

c. Compensation

The Group only offsets assets and liabilities from tax on profits if there is a legal right to do so according to the tax authorities and it intends to liquidate debts coming from its net value or realize assets and liquidate debts simultaneously.

d. Deferred tax asset and liability valuation

The deferred tax assets and liabilities are valued by the tax rates applicable in the period in which assets are expected to be realized or liabilities paid.

The Group reviews the book value of the deferred tax assets and liabilities at the close of the period, and evaluates if conditions are fulfilled for recognizing deferred tax assets that had not previously been recognized.

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6. BREAKDOWN OF FINANCIAL STATEMENTS

6.1. INTANGIBLE ASSETS

The following tables show the movements under this heading in the last two years:

2020

Item	Opening balance	Adjustments to the opening balance	Changes to the scope	Additions or provisions	Disposals, cancellations or reductions	Closing balance
COST						
GOODWILL	2,102.5	(109.3)	(68.1)	—	(76.6)	1,848.5
OTHER INTANGIBLE FIXED ASSETS						
Portfolio acquisition expenses	1,406.9	(239.5)	(87.0)	—	—	1,080.5
Software	1,253.1	(111.3)	1.7	164.6	(73.1)	1,234.9
Other	243.8	(9.3)	(51.2)	271.3	(72.9)	381.7
TOTAL COST	**5,006.4**	**(469.3)**	**(204.7)**	**435.9**	**(222.7)**	**4,545.6**
CUMULATIVE AMORTIZATION						
OTHER INTANGIBLE FIXED ASSETS						
Portfolio acquisition expenses	(559.3)	83.5	48.2	(66.0)	—	(493.5)
Software	(765.5)	70.2	0.1	(121.8)	37.1	(780.0)
Other	(41.7)	5.0	—	(2.8)	3.5	(36.0)
TOTAL CUMULATIVE AMORTIZATION	**(1,366.4)**	**158.7**	**48.3**	**(190.5)**	**40.6**	**(1,309.4)**
IMPAIRMENT						
GOODWILL	(329.3)	18.1	—	(127.5)	—	(438.7)
OTHER INTANGIBLE ASSETS						
Portfolio acquisition expenses	(10.4)	0.4	—	(7.3)	—	(17.3)
Software	(0.1)	—	—	(32.4)	32.5	—
Other	(0.1)	—	—	—	—	(0.1)
TOTAL IMPAIRMENT	**(339.9)**	**18.5**	**—**	**(167.2)**	**32.5**	**(456.1)**
TOTAL GOODWILL	**1,773.2**	**(91.2)**	**(68.1)**	**(127.5)**	**(76.6)**	**1,409.8**
TOTAL OTHER INTANGIBLE ASSETS	**1,526.9**	**(201.0)**	**(88.3)**	**205.7**	**(73.0)**	**1,370.3**
TOTAL INTANGIBLE ASSETS	**3,300.1**	**(292.2)**	**(156.4)**	**78.2**	**(149.6)**	**2,780.1**

Figures in millions of euros

The amounts shown as changes in scope in 2020 are mainly the result of the reclassification to Non-current assets held for sale of the intangible assets tied to the bancassurance business with Bankia (Note 6.9) and to the acquisition of the participation in the companies MAPFRE SALUD ARS and MAPFRE SANTANDER PORTUGAL (Note 6.24).

The additions in the year in Other intangible assets are primarily a result of the final assignation of the acquisition price of the participation in Santander Mapfre Seguros y Reaseguros S.A. (hereinafter SANTANDER MAPFRE) carried out in 2019 (Note 6.24), also included in the above table as Goodwill disposals.

The additions in the year in Software mainly correspond to the writedown in the United States in relation to technology updates in the transactional information systems software.

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2019

Item	Opening balance	Adjustments to the opening balance	Changes to the scope	Additions or provisions	Disposals, cancellations or reductions	Closing balance
COST						
GOODWILL	1,951.4	20.5	132.3	—	(1.7)	2,102.5
OTHER INTANGIBLE FIXED ASSETS						
Portfolio acquisition expenses	1,346.3	(10.8)	71.4	—	—	1,406.9
Software	1,141.8	(0.5)	—	123.3	(11.5)	1,253.1
Other	134.6	(0.4)	6.8	123.4	(20.6)	243.8
TOTAL COST	**4,574.2**	**8.8**	**210.5**	**246.7**	**(33.8)**	**5,006.4**
CUMULATIVE AMORTIZATION						
OTHER INTANGIBLE FIXED ASSETS						
Portfolio acquisition expenses	(487.6)	4.3	—	(76.0)	—	(559.3)
Software	(702.0)	5.4	—	(75.3)	6.3	(765.5)
Other	(39.4)	(0.3)	—	(2.0)	0.1	(41.7)
TOTAL CUMULATIVE AMORTIZATION	**(1,228.9)**	**9.4**	**—**	**(153.3)**	**6.3**	**(1,366.4)**
IMPAIRMENT						
GOODWILL	(262.3)	(3.1)	—	(65.6)	1.7	(329.3)
OTHER INTANGIBLE ASSETS						
Portfolio acquisition expenses	(10.4)	—	—	—	—	(10.4)
Software	(0.1)	—	—	—	—	(0.1)
Other	(0.1)	—	—	—	—	(0.1)
TOTAL IMPAIRMENT	**(272.9)**	**(3.1)**	**—**	**(65.6)**	**1.7**	**(339.9)**
TOTAL GOODWILL	**1,689.0**	**17.5**	**132.3**	**(65.6)**	**—**	**1,773.2**
TOTAL OTHER INTANGIBLE ASSETS	**1,383.3**	**(2.3)**	**78.2**	**93.4**	**(25.8)**	**1,526.9**
TOTAL INTANGIBLE ASSETS	**3,072.4**	**15.2**	**210.5**	**27.8**	**(25.8)**	**3,300.1**

Figures in millions of euros

The amounts shown as changes in scope in 2019 were primarily the result of shareholding acquisitions in the companies: Caja Granada Vida, Compañía de Seguros y Reaseguros, S.A. (hereinafter CAJA GRANADA VIDA), CajaMurcia Vida y Pensiones de Seguros y Reaseguros, S.A. (hereinafter CAJAMURCIA VIDA), and SANTANDER MAPFRE (Note 6.24).

The main additions in Other intangible assets correspond to:

a. The fixed commission that was paid upon novation in January 2019 of the agency contract for an undefined duration for the exclusive distribution of Non-Life insurance in the whole of the BMN network belonging to Bankia, for the amount of 51.4 million euros.

b. The payment of 24.8 million euros for the exclusivity agreement, for an undefined time period, for sale of all MAPFRE Mexico insurance products in the Actinver channel.

Intangible assets with an indefinite useful life

The useful life of the following intangible assets is considered indefinite since these assets are expected to contribute to future revenues for the Group indefinitely:

Item	Book value	
	12/31/2020	12/31/2019
Goodwill on consolidation	1,403.9	1,763.2
Goodwill on merger	5.9	10.0
Other intangible assets	21.7	76.2

Figures in millions of euros

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

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- **Goodwill**

Cash-generating unit	Business and Geographic Area	Gross amount at source		Initial	2019		Initial	2020		Initial
		Millions in original currency	Currency	12.31.2018	Entries/ (write-offs)	Net impairment for the period	12.31.2019	Entries/ (write-offs)	Net impairment for the period	12.31.2020
Goodwill on consolidation										
MAPFRE VIDA	Life insurance (Spain)	258.4	EUR	212.6	—	—	212.6	—	—	212.6
GLOBAL RISKS	Insurance for Companies	40.8	EUR	40.2	—	—	40.2	—	—	40.2
GRUPO CORPORATIVO, L.M.L.	Non-Life Insurance (Mexico)	407.9	MXN	18.1	1.1	—	19.2	(2.5)	—	16.8
BRIKELL FINANCIAL SERVICES	Travel assistance (USA)	19.6	USD	16.2	0.4	(16.6)	—	—	—	—
MAPFRE WARRANTY	Extended Warranty	11.4	EUR	11.1	—	—	11.1	—	—	11.1
BB MAPFRE PARTICIPAÇOES	Insurance (Brazil)	350.3	BRL	78.8	(1.2)	—	77.6	(22.4)	—	55.2
ABRAXAS	Travel assistance (United Kingdom)	11.3	GBP	12.5	0.3	(12.8)	—	—	—	—
MAPFRE SIGORTA	Insurance (Turkey)	156.8	TRY	25.8	(2.3)	—	23.5	(3.9)	(19.6)	—
BANKINTER VIDA	Life insurance (Spain)	160.5	EUR	160.5	—	—	160.5	—	—	160.5
CCM VIDA Y PENSIONES	Life and Pensions insurance (Spain)	81.3	EUR	81.3	—	—	81.3	—	—	81.3
MAPFRE USA	Non-Life Insurance (USA)	882.4	USD	636.9	13.7	—	650.7	(53.3)	—	597.3
MAPFRE AMERICA CENTRAL	Insurance (Central America)	9.0	PAB	7.8	0.2	—	8.0	(0.7)	—	7.4
INSURANCE AND GO	Insurance (United Kingdom)	31.4	GBP	35.0	0.6	(35.6)	—	—	—	—
CENTURY AUTOMOTIVE	Insurance and reinsurance (USA)	24.9	USD	21.7	0.5	—	22.2	(1.8)	—	20.3
BANKINTER SEGUROS GENERALES	Non-Life Insurance (Spain)	12.5	EUR	12.5	—	—	12.5	—	—	12.5
BANKIA MAPFRE VIDA SOCIEDAD DE SEGUROS Y REASEGUROS S.A.	Life insurance (Spain)	18.7	EUR	18.7	—	—	18.7	(18.7)	—	—
FUNESPAÑA	Funeral services (Spain)	17.9	EUR	17.9	—	—	17.9	—	—	17.9
VERTI VERSICHERUNG AG	Non-Life insurance (Germany)	125.5	EUR	125.5	—	—	125.5	—	—	125.5
VERTI ASSICURAZIONI S.P.A.	Non-Life Insurance (Italy)	101.3	EUR	46.7	—	—	46.7	—	(46.7)	—
PT ASURANSI BINA DANA ARTA TBK (ABDA)	Insurance (Indonesia)	1,384,263.8	IDR	61.2	4.0	—	65.2	(4.0)	(61.2)	—
CAJA GRANADA VIDA	Life insurance (Spain)	32.1	EUR	—	32.1	—	32.1	(32.1)	—	—
CAJAMURCIA VIDA	Life insurance (Spain)	23.7	EUR	—	23.7	—	23.7	(23.7)	—	—
SANTANDER MAPFRE	Non-Life Insurance (Spain)	76.6	EUR	—	76.6	—	76.6	(76.6)	—	—
MAPFRE SANTANDER PORTUGAL	Non-Life Insurance (Portugal)	9.7	EUR	—	—	—	—	9.7	—	9.7
Other	—			38.1	0.2	(0.6)	37.8	(2.0)	—	35.7
TOTAL GOODWILL ON CONSOLIDATION				**1,679.0**	**149.8**	**(65.6)**	**1,763.2**	**(231.8)**	**(127.5)**	**1,403.9**
Goodwill on merger										
BANKINTER VIDA (branch in Portugal)	Life and Pensions insurance (Portugal)	5.3	EUR	5.3	—	—	5.3	—	—	5.3
Other	—			4.7	—	—	4.7	(4.1)	—	0.6
TOTAL GOODWILL ON MERGER				**10.0**	**—**	**—**	**10.0**	**(4.1)**	**—**	**5.9**
TOTAL GOODWILL				**1,689.0**	**149.8**	**(65.6)**	**1,773.2**	**(236.0)**	**(127.5)**	**1,409.8**
Goodwill in associated and multi-group undertakings										
SALVADOR CAETANO AUTO (SGPS), S.A.	Services (Portugal)	11.3	EUR	11.3	—	—	11.3	—	—	11.3
PUY DU FOU ESPAÑA, S.A.	Activities and theme parks	4.6	EUR	—	4.6	—	4.6	—	—	4.6
SOLUNION SEGUROS DE CREDITO, S.A.	Insurance (Spain)	12.9	EUR	12.9	—	—	12.9	—	—	12.9
Other	—			5.1	(0.3)	—	4.8	(3.2)	—	1.6
TOTAL GOODWILL IN ASSOCIATED AND MULTI-GROUP UNDERTAKINGS (EQUITY-ACCOUNTED) (*)				**29.3**	**4.2**	**—**	**33.5**	**(3.2)**	**—**	**30.3**

Figures in millions of euros

(*) Goodwill related to acquisitions of associated and multigroup entities is included as the higher of the investment values recorded in accounting via the equity method

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- **Portfolio acquisition expenses**

Cash-generating unit	Business and Geographic Area	Gross amount at source		Initial	2019		Initial	2020		Initial
		Millions in original currency	Currency	12/31/2018	Entries/ (write-offs)	Amortization and net impairment for the period	12/31/2019	Entries/ (write-offs)	Amortization and net impairment for the period	12/31/2020
BANKINTER VIDA	Life and Pensions insurance (Spain and Portugal)	200.9	EUR	127.9	—	(10.1)	117.8	—	(9.9)	107.9
BANKIA MAPFRE VIDA SOCIEDAD DE SEGUROS Y REASEGUROS S.A.	Life insurance (Spain)	89.6	EUR	56.4	—	(6.1)	50.3	(44.8)	(5.5)	—
CCM VIDA Y PENSIONES	Life and Pensions insurance (Spain)	82.6	EUR	39.5	—	(4.0)	35.5	—	(3.9)	31.6
BB MAPFRE PARTICIPAÇOES	Life Insurance (Brazil)	3,461.4	BRL	544.3	(7.3)	(32.4)	504.6	(144.1)	(24.9)	335.6
MAPFRE SIGORTA	Insurance (Turkey)	95.4	TRY	3.5	(0.3)	(0.6)	2.6	(0.4)	(2.2)	—
MAPFRE FINISTERRE	Non-Life Insurance (Spain)	87.9	EUR	37.7	—	(2.5)	35.3	—	(2.4)	32.9
VERTI VERSICHERUNG AG	Non-Life insurance (Germany)	23.5	EUR	14.7	—	(3.3)	11.4	—	(2.6)	8.7
PT ASURANSI BINA DANA ARTA TBK(ABDA)	Insurance (Indonesia)	481,941.5	IDR	15.8	0.9	(6.6)	10.1	(0.6)	(9.5)	—
CAJA GRANADA VIDA	Life insurance (Spain)	30.5	EUR	—	30.5	(3.8)	26.7	(23.9)	(2.9)	—
CAJAMURCIA VIDA	Life insurance (Spain)	41.0	EUR	—	41.0	(4.3)	36.7	(33.0)	(3.6)	—
MAPFRE SALUD ARS	Life Insurance (Dominican Republic)	3,740.1	DOP	—	—	—	—	52.9	(3.8)	49.1
Other	—	—		8.6	0.2	(2.3)	6.5	(0.4)	(2.1)	4.0
TOTAL PORTFOLIO ACQUISITION EXPENSES				**848.4**	**64.9**	**(76.0)**	**837.3**	**(194.3)**	**(73.2)**	**569.7**

Figures in millions of euros

The book value, net of any impairment, of each of the goodwill and portfolio acquisition expense items described above, and of the net assets associated with each cash-generating unit, is equal to or lower than the amount recoverable from the cash-generating unit to which they are allocated. The following table shows the recoverable value of the cash-generating units to which the main intangible assets are allocted at the close of the last two periods:

Cash-generating unit	Contrast value		Recoverable value	
	2020	2019	2020	2019
MAPFRE VIDA	2,030.8	1,875.1	4,595.3	6,118.2
BB MAPFRE PARTICIPAÇOES	160.8	230.6	1,168.7	1,442.5
BANKINTER VIDA (Spain)	230.4	260.4	445.7	754.9
CCM VIDA Y PENSIONES	135.5	147.9	159.6	254.3
MAPFRE USA	1,705.8	1,763.6	2,070.5	2,524.7
VERTI VERSICHERUNG AG	307.0	301.2	309.2	436.2

Figures in millions of euros

The calculation of the recoverable value of the cash-generating units takes into account the degree of economic development of the country in which the units operate as well as the degree of development of the insurance industry, measured by its weight in the country Gross Domestic Product, and other variables such as market share, projected performance of the commercial network, MAPFRE's past experience in the markets where the cash-generating units are present, etc.

The discount rate (ke) and perpetuity growth rate (g), as defined below, are also taken into account:

1. Discount rate (ke) = Risk-free rate of the country + (β * Risk premium of the equity market)

2. Perpetuity growth rate (g): calculated according the long-term inflation projection issued by the International Monetary Fund (IMF)

The country risk rate usually corresponds to the actual yield of the 10-year Treasury bonds in local currency issued in the country in which the cash-generating unit operates, increased by the risk premium of the equity market estimated for the insurance industry. The market risk premium for the insurance industry is calculated by modulating the generic premium for the equity market by the Beta ratio for listed insurance companies compared with the region in which the cash-generating unit operates.

Exceptionally, in 2020, as a result of the uncertainty generated by COVID-19, risk premiums, and subsequently discount rates, have increased by an amount that oscillates between 0.4 and 3.1 percent depending on the business and country

The risk-free rate applied varied between -0.6 percent and 12.5 percent in 2020, and between -0.2 and 12.0 percent in 2019.

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As a supplement for estimating the discount (ke) and perpetuity growth (g) rates applied to the different cash-generating units analyzed, the external projections of international organizations and other benchmark entities in the field of company ratings are used.

The discount rates obtained as such applied to the discounted cash flows were used to calculate the recoverable value of the main cash-generating units are as follows:

Cash-generating unit	2020	2019
MAPFRE USA	5.9%	6.5%
MAPFRE VIDA, BANKINTER VIDA (Spain) and CCM VIDA Y PENSIONES	7.7%	5.4%
BB MAPFRE PARTICIPAÇOES	10.6%	10.1%
MAPFRE SIGORTA	17.7%	16.9%
VERTI ASSICURAZIONI S.P.A.	7.0%	6.3%
VERTI VERSICHERUNG AG	5.0%	4.3%
PT ASURANSI BINA DANA ARTA TBK (ABDA)	10.8%	10.7%

The rates used to calculate the recoverable value of the cash-generating units are after taxes, as they are applied to cash flows that are also net of tax effects.

The estimated perpetuity growth rates (g) applicable to the different cash-generating units are based on the long-term inflation projections included in the World Economic Outlook Database published by the International Monetary Fund. Said long-term inflation projections and the perpetuity growth rates set on them, for the markets in which the main cash-generating units operate, are as follows:

Country	Long-term inflation forecast		Perpetuity growth rate (g)	
	2020	2019	2020	2019
Spain	1.6%	1.8%	1.6%	1.8%
United States	2.2%	2.3%	2.2%	2.3%
Turkey	11.0%	11.0%	11.5%	11.5%
Brazil	3.3%	3.5%	3.8%	4.0%
Italy	1.2%	1.5%	1.2%	1.5%
Germany	1.7%	2.1%	1.7%	2.1%
Indonesia	3.0%	3.0%	3.5%	3.5%

Meanwhile, at least once a year each Group company analyzes the assumptions used to estimate future cash flows and updates them pursuant to actual results and past experience. In general, the cash flow projections for the first five years consider growth rates based on past experience, while in subsequent years the residual value is calculated, establishing perpetual revenues based on the cash flows of the last period of the estimates, with a perpetuity growth rate calculated as described above. Exceptionally, in 2019 and prior in Brazil, Indonesia and Italy, a time horizon of longer than five years was considered, in line with the duration of the agreements with Banco do Brasil in the case of the former, and with the businesses being recent acquisitions still in development in the case of Indonesia, and the reorganization from the Italy branch transformation plan. In 2020, as a result of the uncertainty generated by COVID-19, the time horizon considered in Indonesia and Italy has been the standard five years, with only Brazil considering a greater time horizon.

The most relevant hypotheses used to determine cash flows from the main cash-generating units are as follows:

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Cash-generating unit	Average growth (1)		Average net result growth		Average capital requirement ratio (2)	
	2020	2019	2020	2019	2020	2019
MAPFRE USA	1.94%	0.22%	5.48%	13.37%	15.98%	15.02%
MAPFRE VIDA	(1.01)%	(0.04)%	(0.96)%	(0.41)%	3.36%	4.17%
BANKINTER VIDA	2.46%	2.73%	1.96%	2.43%	0.46%	0.83%
CCM VIDA Y PENSIONES	(2.29)%	(1.15)%	0.58%	3.40%	2.18%	2.41%
BB MAPFRE PARTICIPAÇOES	13.41%	10.82%	16.14%	11.18%	10.29%	10.81%
MAPFRE SIGORTA	15.17%	11.17%	11.31%	32.09%	30.26%	29.43%
VERTI ASSICURAZIONI S.P.A.	(4.11)%	2.56%	(25.89)%	20.45%	57.33%	45.71%
VERTI VERSICHERUNG AG	4.95%	6.07%	5.38%	8.12%	24.05%	31.28%
PT ASURANSI BINA DANA ARTA TBK (ABDA)	9.60%	7.39%	3.40%	24.76%	51.02%	35.00%

(1) Premium growth for Non-Life business and managed assets for business with a large Life Savings component
(2) Premium ratio for Non-Life business and managed assets for business with a large Life Savings component

The ratios described above correspond to the average of the years comprising the time horizon of the projections (generally 5 years, with the indicated exceptions of BB MAPFRE PARTICIPAÇOES, and of VERTI ASSICURAZIONI, and ABDA in 2019).

In the event of reasonable variations in any of the key assumptions, the book value is unlikely to be significantly higher than the recoverable value of the cash-generating units.

Specifically, the studies conducted for the main cash-generating units analyzed reveal the following sensitivity ranges in the event of unfavorable variations in the key assumptions:

- An increase of 1 percentage point in the discount rate applied to each cash-generating unit would imply reductions in the recoverable values of between 7.1 and 20.7 percent in 2020, and between 10.6 and 31.8 percent in 2019, which would only impact cash-generating units with a tighter margin, without the effect on any of those units being significant for the Group equity or financial situation. This same conclusion is reached if longer-term issuances (30 years for currencies and countries that have these issuances) are used as the risk free rate instead of the 10-year Government Bond.

- A decrease of 0.25 percentage points in the perpetuity growth rate applied to each cash-generating unit would imply reductions in the recoverable values of between 1.2 and 3.9 percent in 2020, and between 1.3 and 6.6 percent in 2019, which would not imply a relevant fall below the book value attributed to any of the units, and as such an impairment has not been provisioned.

If the analysis of the possible impairment of goodwill reveals a recoverable value below the book value, an individual study is conducted of all the key assumptions that have led to this situation, also taking into consideration the sensitivity ranges for calculating their impact.

The impairment loss recorded in 2020 from goodwill and portfolio acquisition expenses for MAPFRE SIGORTA, VERTI ASSICURAZIONI and ABDA, for a total amount of 127.5 and 7.3 million euros, respectively, originates in the uncertainty and negative development of macroeconomic data as a result of COVID-19, which has led to:

- An increase in the discount rates applied to projected cash flows for the above-mentioned businesses, as a result of the increase in the generic risk premium considered.

- Moderation in medium and long-term growth expectations for the above businesses, with the subsequent effect on the updated result projections.

- A reduction in the time horizon considered for estimating cash flow to five years, used in the residual life calculation for VERTI ASSICURAZIONI S.P.A. and ABDA businesses.

The impairment loss recorded in 2019 from goodwill for MAPFRE ABRAXAS, INSURE & GO and BRICKEL FINANCIAL SERVICES, for the total amount of 65.0 million euros, originated in the lower expectations of future profit in the assistance and travel insurance business in the United Kingdom, as a result of a complex socioeconomic environment and the foreseeable slow-down of the economy from uncertainty surrounding Brexit, as well as the reduction of unprofitable business in the United States and Canada.

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6.2. PROPERTY, PLANT AND EQUIPMENT AND REAL ESTATE INVESTMENTS

Property, plant and equipment

The following tables show the movements under this heading in the last two years:

2020

Item	Opening balance	Adjustments to the opening balance	Changes to the scope	Additions or provisions	Disposals, cancellations or reductions	Closing balance	Market value
COST							
REAL ESTATE FOR OWN USE							
Land and natural resources	34.2	(6.4)	0.9	1.2	(1.0)	29.0	89.2
Buildings and other structures	1,038.6	(34.6)	6.5	16.0	(18.7)	1,007.8	1,077.5
Lease right of use	328.2	(26.1)	0.6	37.2	(8.4)	331.5	247.8
OTHER PROPERTY, PLANT AND EQUIPMENT							
Vehicles	31.8	(4.3)	0.3	2.7	(2.0)	28.6	9.0
Furniture and fittings	496.5	(20.7)	4.0	26.5	(18.6)	487.7	145.7
Other property, plant and equipment	255.9	(32.7)	(0.1)	23.1	(15.5)	230.8	75.9
Advances and fixed assets in progress	6.6	(0.2)	—	9.2	(12.2)	3.4	8.0
Lease right of use	3.3	3.3	—	3.9	(0.5)	10.0	5.4
TOTAL COST	**2,195.2**	**(121.6)**	**12.2**	**119.9**	**(76.7)**	**2,128.9**	**1,658.6**
CUMULATIVE DEPRECIATION							
REAL ESTATE FOR OWN USE	(279.4)	7.5	(1.3)	(49.8)	0.9	(322.1)	—
OTHER FIXED ASSETS	(526.6)	39.9	(3.0)	(58.4)	28.5	(519.6)	—
TOTAL CUMULATIVE DEPRECIATION	**(806.0)**	**47.4**	**(4.3)**	**(108.2)**	**29.4**	**(841.7)**	**—**
IMPAIRMENT							
REAL ESTATE FOR OWN USE							
Land and natural resources	—	—	—	(0.5)	0.5	—	—
Buildings and other structures	(10.0)	—	—	(0.5)	4.7	(5.9)	—
OTHER FIXED ASSETS							
Other property, plant and equipment	(2.0)	—	—	—	—	(2.0)	—
TOTAL IMPAIRMENT	**(12.0)**	**—**	**—**	**(1.0)**	**5.1**	**(7.9)**	**—**
TOTAL REAL ESTATE FOR OWN USE	**1,111.6**	**(59.6)**	**6.8**	**3.7**	**(22.1)**	**1,040.4**	**1,414.5**
TOTAL OTHER FIXED ASSETS	**265.5**	**(14.6)**	**1.2**	**7.0**	**(20.2)**	**238.9**	**244.1**
TOTAL PROPERTY, PLANT & EQUIPMENT	**1,377.1**	**(74.2)**	**7.9**	**10.7**	**(42.3)**	**1,279.3**	**1,658.6**

Figures in millions of euros

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2019

Item	Opening balance	Adjustments to the opening balance	Changes to the scope	Additions or provisions	Disposals, cancellations or reductions	Closing balance	Market value
COST							
REAL ESTATE FOR OWN USE							
Land and natural resources	46.9	2.5	—	1.6	(16.8)	34.2	85.1
Buildings and other structures	1,035.5	0.1	—	17.6	(14.7)	1,038.6	1,145.0
Lease right of use	—	—	—	328.2	—	328.2	285.1
OTHER PROPERTY, PLANT AND EQUIPMENT							
Vehicles	31.4	(0.1)	—	4.0	(3.5)	31.8	10.9
Furniture and fittings	470.1	(4.0)	—	51.0	(20.7)	496.5	159.4
Other property, plant and equipment	262.8	1.4	—	16.6	(24.8)	255.9	87.2
Advances and fixed assets in progress	9.8	(0.3)	—	10.3	(13.3)	6.6	6.6
Lease right of use	—	—	—	3.3	—	3.3	1.4
TOTAL COST	**1,856.5**	**(0.3)**	**—**	**432.6**	**(93.7)**	**2,195.2**	**1,780.6**
CUMULATIVE DEPRECIATION							
REAL ESTATE FOR OWN USE	(218.3)	(0.8)	—	(62.5)	2.2	(279.4)	—
OTHER FIXED ASSETS	(512.4)	3.1	—	(58.0)	40.6	(526.6)	—
TOTAL CUMULATIVE DEPRECIATION	**(730.8)**	**2.4**	**—**	**(120.4)**	**42.8**	**(806.0)**	**—**
IMPAIRMENT							
REAL ESTATE FOR OWN USE							
Land and natural resources	—	—	—	—	—	—	—
Buildings and other structures	(11.4)	—	—	(2.1)	3.5	(10.0)	—
OTHER FIXED ASSETS							
Other fixed assets	(2.0)	—	—	—	—	(2.0)	—
TOTAL IMPAIRMENT	**(13.4)**	**—**	**—**	**(2.1)**	**3.5**	**(12.0)**	**—**
TOTAL REAL ESTATE FOR OWN USE	**852.7**	**1.9**	**—**	**282.8**	**(25.8)**	**1,111.6**	**1,515.1**
TOTAL OTHER FIXED ASSETS	**259.7**	**0.2**	**—**	**27.2**	**(21.6)**	**265.5**	**265.5**
TOTAL PROPERTY, PLANT & EQUIPMENT	**1,112.3**	**2.1**	**—**	**310.0**	**(47.3)**	**1,377.1**	**1,780.6**

Figures in millions of euros

The amounts shown as changes in scope in 2019 are primarily the result of the reclassification in the accounting policy regarding leases, explained in Notes 2.4, 5.4 and 6.3.

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Real estate investment

The following tables show the movements under this heading in the last two years:

2020

Item	Opening balance	Adjustments to the opening balance	Changes to the scope	Additions or provisions	Disposals, cancellations or reductions	Closing balance	Market value
COST							
INVESTMENT IN REAL ESTATE							
Land and natural resources	518.2	(2.4)	(1.2)	80.6	(190.5)	404.7	270.7
Buildings and other structures	1,343.0	(15.1)	(52.2)	78.2	(76.3)	1,277.6	1,428.0
TOTAL COST	**1,861.2**	**(17.5)**	**(53.4)**	**158.9**	**(266.8)**	**1,682.3**	**1,698.7**
CUMULATIVE DEPRECIATION							
INVESTMENT IN REAL ESTATE	(295.1)	1.7	12.1	(21.9)	5.0	(298.2)	—
TOTAL CUMULATIVE DEPRECIATION	**(295.1)**	**1.7**	**12.1**	**(21.9)**	**5.0**	**(298.2)**	**—**
IMPAIRMENT							
INVESTMENT IN REAL ESTATE							
Land and natural resources	(197.0)	—	0.1	(20.8)	79.0	(138.7)	—
Buildings and other structures	(45.7)	0.3	2.0	(2.8)	0.4	(45.9)	—
TOTAL IMPAIRMENT	**(242.7)**	**0.3**	**2.1**	**(23.6)**	**79.4**	**(184.6)**	**—**
TOTAL REAL ESTATE INVESTMENT	**1,323.4**	**(15.5)**	**(39.2)**	**113.4**	**(182.5)**	**1,199.5**	**1,698.7**

Figures in millions of euros

The amounts recorded as changes in scope in 2020 primarily come from the sale of 100 percent of the shares of MAQUAVIT INMUEBLES.

The disposals of the year mainly include the reclassification to Non-current assets held for sale of MAPFRE INMUEBLES land with a sale agreement signed December 31, 2020 (Note 6.9).

The disposals for the year for Buildings and other structures mainly includes the sale of an office building in Boston (USA) which generated a pre-tax gain of 19.6 million US dollars (17.1 million euros).

The amounts recorded as additions for land impairments come from the provision made in 2020 as a result of the review of the value of the most relevant land intended for residential development in Spain, from the fall in economic activity caused by COVID-19.

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2019

Item	Opening balance	Adjustments to the opening balance	Changes to the scope	Additions or provisions	Disposals, cancellations or reductions	Closing balance	Market value
COST							
INVESTMENT IN REAL ESTATE							
Land and natural resources	597.2	0.6	—	—	(79.6)	518.2	363.3
Buildings and other structures	1,176.7	4.8	—	182.3	(20.8)	1,343.0	1,424.1
TOTAL COST	**1,773.8**	**5.4**	**—**	**182.4**	**(100.4)**	**1,861.2**	**1,787.4**
CUMULATIVE DEPRECIATION							
INVESTMENT IN REAL ESTATE	(281.7)	(0.1)	—	(18.6)	5.3	(295.1)	—
TOTAL CUMULATIVE DEPRECIATION	**(281.7)**	**(0.1)**	**—**	**(18.6)**	**5.3**	**(295.1)**	**—**
IMPAIRMENT							
INVESTMENT IN REAL ESTATE							
Land and natural resources	(203.2)	—	—	(1.8)	8.0	(197.0)	—
Buildings and other structures	(45.4)	(0.2)	—	(2.6)	2.4	(45.7)	—
TOTAL IMPAIRMENT	**(248.5)**	**(0.2)**	**—**	**(4.4)**	**10.4**	**(242.7)**	**—**
TOTAL REAL ESTATE INVESTMENT	**1,243.6**	**5.0**	**—**	**159.5**	**(84.7)**	**1,323.4**	**1,787.4**

Figures in millions of euros

The main additions in 2019 correspond to real estate acquired by the real estate investment fund Stable Income European Real Estate Fund (SIEREF) in the course of its regular course of activity.

Impairment losses for the year are recorded in the "Allowance to the asset impairment provision" and the reversal under "Reversal of the asset impairment provision" in the consolidated income statement.

The market value of real estate investment and of real estate for own use basically represents the value determined by an independent appraiser that uses appraisal techniques based on the variables observed in the market (Level 2).

The appraisal methods commonly used are the cost method, the comparison method, the future rental income method and the abbreviated residual method, depending on the characteristics of the asset being appraised.

Moreover, most real estate corresponds to assets assigned to technical provisions and valuations are performed on a regular basis, as established for valuation reviews by the supervisory bodies of insurance activities.

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Revenues and expenses derived from real estate investments in 2020 and 2019 are shown in the table below:

Item	Type of investment							
	Operating investment		Equity		Other Activities		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
Revenue from real estate investment								
From rentals	43.2	48.1	0.9	1.5	14.2	15.6	58.3	65.2
Other	0.4	1.5	0.1	—	1.8	1.9	2.3	3.3
Gains on disposals	17.7	9.3	16.3	0.4	—	2.7	34.0	12.3
Total revenue from real estate investment	**61.3**	**58.8**	**17.3**	**1.9**	**16.0**	**20.1**	**94.6**	**80.9**
Expenses from real estate investment								
Direct operating expenses	19.1	21.9	—	—	0.5	0.6	19.6	22.5
Other expenses	5.3	2.8	—	0.2	7.1	8.5	12.4	11.4
Losses on disposals	18.0	5.3	—	—	—	—	18.0	5.3
Total expenses from real estate investment	**42.4**	**29.9**	**—**	**0.2**	**7.6**	**9.1**	**50.1**	**39.2**

Figures in millions of euros

6.3. LEASING

The information regarding lease contracts for 2020 and 2019 have been prepared in line with EU-IFRS 16, the regulation in effect as of January 1, 2019.

The Group is the lessee of right-of-use property and other intangible assets. These lease terms have an average duration of between 5 and 18 years, without renewal clauses stipulated in the agreements. There is no restriction on the lessee whatsoever regarding the prerogative to sign these leases.

The financial statements at the close of 2020 and 2019 include the following amounts:

Item	Real estate for own use		Other fixed assets		Total	
	2020	2019	2020	2019	2020	2019
ASSET						
Right-of-use (net book value)	247.8	285.1	4.8	1.4	252.5	286.5
LIABILITY						
Other financial liabilities (payment obligations)	269.2	309.7	5.0	5.7	274.2	315.4
INCOME STATEMENT						
Depreciation	(42.1)	(43.1)	(3.3)	(1.9)	(45.4)	(45.0)
Interest expenses	(14.3)	(16.9)	(0.6)	(0.4)	(15.0)	(17.2)

Figures in millions of euros

The English version is a translation of the original in Spanish for information purposes only. In case of discrepancy, the Spanish version shall prevail.

Expenses from interests are recorded in the consolidated income statement in the headings "operating investment expenses" for the insurance business and "financial expenses" for other activities. The expenses for depreciation recorded are reclassified by purpose in line with the criteria indicated in note 5.21.

Expenses for short-term leases or leases with underlying assets with little value, not included in the above chart, stand at 26.7 million euros at the close of the 2020 financial year (35.1 million euros in 2019).

Total payments for the period reached 67.0 million euros at the close of 2020 (59.8 million euros in 2019).

The future minimum payments for non-cancellable leases at the close of 2020 and 2019, not considering the financial discount, are as follows:

Item	Real estate for own use		Other fixed assets		Total	
	2020	2019	2020	2019	2020	2019
Less than one year	48.0	56.0	1.4	3.2	49.4	59.2
More than one year but less than five	138.4	166.4	1.0	3.2	139.4	169.5
More than five years	158.3	200.1	0.1	—	158.4	200.1
TOTAL	**344.8**	**422.5**	**2.5**	**6.4**	**347.2**	**428.8**

Figures in millions of euros

The rate applied for calculating debt follows a methodology based on interest rate curves by country and currency, applied individually.

The average weighted rate for real estate and other fixed assets reached 4.7 and 8.1 percent, respectively (5.2 and 8.8 percent in 2019).

The Group has made use of the application deferral of EU-IFRS 16 for those short term lease contracts and/or those containing underlying assets with little value.

The Group is lessor of operating leases covering real estate. These lease terms have an average duration of 7.6 years, without renewal clauses stipulated in the agreements. There is no restriction on the lessee whatsoever regarding the prerogative to sign these leases.

The following chart shows the amounts corresponding to operating lease contract as a lessor at the close of the last two years:

Type of assets	Net book value	
	2020	2019
Real estate investments	839.1	765.1

Figures in millions of euros

Payments from operating leases for the last two years is as follows:

Item	2020	2019
Less than one year	54.2	55.6
More than one year but less than five	149.6	147.3
More than five years	78.3	98.5
TOTAL	**282.1**	**301.4**

Figures in millions of euros

The English version is a translation of the original in Spanish for information purposes only. In case of discrepancy, the Spanish version shall prevail.

6.4. FINANCIAL INVESTMENTS

At December 31, 2020 and 2019 the composition of financial investments was as follows:

Item	Book value	
	2020	2019
HELD-TO-MATURITY PORTFOLIO		
Fixed income	1,556.9	1,949.7
Other investments	27.4	23.7
TOTAL HELD TO MATURITY PORTFOLIO	**1,584.4**	**1,973.4**
AVAILABLE-FOR-SALE PORTFOLIO		
Shares	1,890.3	2,021.1
Fixed income	27,759.1	34,312.4
Mutual Funds	431.8	726.0
Other	19.6	25.8
TOTAL AVAILABLE FOR SALE PORTFOLIO	**30,100.7**	**37,085.2**
TRADING PORTFOLIO		
Derivatives (not for hedging):		
Financial swaps	501.4	494.5
Options	1.1	—
Other investments:		
Shares	804.7	739.9
Fixed income	2,215.7	3,181.6
Mutual Funds	982.8	1,100.1
Hybrids	315.5	392.7
Deposits	—	0.4
Other	5.0	28.0
TOTAL TRADING PORTFOLIO	**4,826.0**	**5,937.3**

Figures in millions of euros

The fall in financial investments in 2020 is mainly due to the reclassification to Non-current assets held for sale of financial investments from the bancassurance business with Bankia, for the amount of 7.4 billion euros (Note 6.9).

The process for the valuation of financial assets is as follows:

a. When the asset is acquired, it is assigned to a specific portfolio (held-to-maturity, available for sale, or trading) depending on the characteristics of the liabilities to which it is going to be assigned and on the local and international legislation on accounting and insurance.

b. The accounting nature of the portfolios dictates the type of valuation performed. However, at least once a month all assets are valued against the market using the valuation methods mentioned in Note 5.5 "Financial investments" (Level 1, Level 2 and Level 3).

c. The valuations are performed directly by the Group's companies, although in some countries an independent financial institution carries them out in line with the local regulations.

The valuation policy is decided by the Investment Committees and/or Risk Committees, and is reviewed at least once a quarter.

Furthermore, the MAPFRE S.A. Executive Committee analyzes the value of all investments, gains and losses on a regular basis.

With regard to the sensitivity of fair value measurements, changes in the non-observable variables used in the aforementioned individual valuations would not significantly alter the fair value obtained.

Quoted prices are monitored and verified on a regular basis in order to decide whether any transfers between levels are required:

1. If the quotation source for a particular asset is no longer representative, it is transferred from Level 1 to Level 2.

2. Assets are transferred from Levels 2 and 3 to Level 1 if a reasonable quotation source is verified.

3. Assets are transferred to Level 3 when there are no longer any observable market data.

SPPI Test

At the close of 2020 and 2019, the Group carried out an analysis of fixed-income securities classified in the held to maturity and available for sale portfolios, with the aim of determining which securities receive cash flows solely from payments of principal and interest, i.e. if they pass the SPPI test.

The results of said analysis is shown below, with a breakdown of Book and Fair values at December 31, 2020 and 2019, and the variation of the fair value during said periods.

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Result	Book Value		Fair value			
			Amount		Variation	
	2020	2019	2020	2019	2020	2019
Pass SPPI test	28,505.0	35,317.5	28,643.0	35,521.0	1,634.6	1,897.8
Do not pass SPPI test	811.0	944.6	825.9	945.3	29.7	46.8
Total	**29,316.0**	**36,262.1**	**29,468.9**	**36,466.3**	**1,664.3**	**1,944.6**

Figures in millions of euros

Additionally, the following chart provides a breakdown of the credit rating of the financial assets that pass the SPPI test:

Rating	Amount passing SPPI test			
	Book value		Fair value	
	2020	2019	2020	2019
AAA	2,309.8	2,076.9	2,398.7	2,176.3
AA	2,978.9	2,993.6	2,974.6	2,994.5
A	14,529.7	20,265.8	14,527.1	20,265.8
BBB	6,597.8	7,971.0	6,614.4	7,983.1
BB OR LESS	1,561.5	1,427.9	1,600.7	1,520.0
NO CREDIT RATING	527.4	582.4	527.5	581.3
Total	28,505.0	35,317.5	28,643.0	35,521.0

Figures in millions of euros

Held-to-maturity portfolio

The investments allocated to the held-to-maturity portfolio at December 31, 2020 and 2019 are shown below:

Item	Book value		Fair value						Revenue from interest		Impairment			
			Level 1. Quotation price		Level 2. Observable data		Level 3. Other measurements				Recorded loss		Reversal gains	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Fixed income	1,556.9	1,949.7	1,516.4	1,943.9	152.3	167.2	41.1	42.9	152.2	177.3	—	—	—	—
Other investments	27.4	23.7	20.2	15.5	0.1	0.2	7.1	8.0	2.0	3.1	—	—	—	—
TOTAL	**1,584.4**	**1,973.4**	**1,536.6**	**1,959.4**	**152.4**	**167.4**	**48.2**	**50.8**	**154.2**	**180.4**	**—**	**—**	**—**	**—**

Figures in millions of euros

In relation to Level 3 financial assets in the held-to-maturity portfolio, no significant transactions were carried out in 2020 and 2019.

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Available-for-sale portfolio

The investments allocated to the available-for-sale portfolio, at December 31, 2020 and 2019 are shown below:

Item	Book value (fair value)								Impairment			
	Level 1. Quotation price		Level 2. Observable data		Level 3. Other measurements		Total		Recorded loss		Reversal gains	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Shares	1,819.1	1,956.1	71.0	62.6	0.2	2.5	1,890.3	2,021.1	(5.6)	(1.9)	—	—
Fixed income	21,530.6	28,594.6	6,224.0	5,708.8	4.5	9.0	27,759.1	34,312.4	(4.3)	(11.5)	—	—
Mutual Funds	212.7	381.9	36.9	37.3	182.2	306.9	431.8	726.0	(4.5)	(0.3)	—	—
Other	19.6	25.8	—	—	—	—	19.6	25.8	—	—	—	—
TOTAL	**23,581.9**	**30,958.3**	**6,332.0**	**5,808.7**	**186.9**	**318.3**	**30,100.7**	**37,085.2**	**(14.4)**	**(13.6)**	**—**	**—**

Figures in millions of euros

The valuation adjustments of portfolio investments, including the bancassurance business with Bankia reclassified to Non-current assets held for sale, amounted to 6.2 and 5.5 billion euros at December 31, 2020 and 2019 respectively, which have been recorded net of the tax effect on equity.

Transfers to the consolidated income statement of valuation adjustments of portfolio investments in previous years, undertaken during 2020 and 2019, amount to 120.4 and 440.2 million euros, respectively.

In 2020 and 2019, there were asset transfers from Levels 1 to Level 2 for the amount of 1.4 billion and 873.0 million euros, respectively.

There were no variations in valuation techniques at Levels 2 and 3.

A reconciliation of the opening and closing balances at the close of period for Level 3 financial assets in the available-for-sale portfolio is shown below:

Available-for-sale portfolio	Equity instruments and mutual funds		Debt securities		Other financial assets		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
Opening balance	**309.3**	**113.7**	**9.0**	**13.6**	**—**	**—**	**318.3**	**127.3**
Acquisitions	157.7	225.8	1.6	8.6	—	—	159.3	234.4
Disposals	(25.0)	(30.3)	(1.7)	(8.6)	—	—	(26.6)	(38.9)
Transfer from Level 1 or 2	—	—	—	—	—	—	—	—
Transfer to Level 1 or 2	—	—	—	—	—	—	—	—
Amortization	—	—	—	—	—	—	—	—
Gains and losses	1.5	2.4	(4.3)	(4.5)	—	—	(2.7)	(2.1)
Other	(261.2)	(2.2)	(0.1)	—	—	—	(261.4)	(2.3)
Closing balance	**182.3**	**309.3**	**4.5**	**9.0**	**—**	**—**	**186.9**	**318.3**

Figures in millions of euros

At the close of 2020 and 2019, the impairment analyses performed for each security in the equity portfolios concluded that there was no significant impairment, or any signs of such, in any of the investments measured at their stock market quoted price as none of the objective situations determining this eventuality had occurred.

With respect to investments in unlisted assets, in 2020 and 2019, losses of 4.3 million euros were for the SAREB convertible bonds recognized in each year. No provisions were made during the periods 2020 and 2019 for significant impairment to investments in unquoted assets analyzed individually.

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At the close of 2020 and 2019, the Group had fixed-income assets as guarantees for financial swap operations with a market value of 585.3 and 496.5 million euros, respectively. These financial assets are classified in the available-for-sale portfolio. At the close of these years, the guaranteed assets amounted to 555.1 and 516.9 million euros, respectively. In both cases the guarantee matures on a daily basis, at which time a new guarantee is established or the existing guarantee is maintained or canceled. The existence of these guarantees mitigated the counterparty risk (CVA/DVA) on a large portion of the Group's derivatives.Trading portfolio

The investments allocated to the trading portfolio at December 31, 2020 and 2019 are shown below:

Item	Book value (fair value)							
	Level 1. Quotation price		Level 2. Observable data		Level 3. Other measurements		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
Derivatives (not for hedging)								
Financial swaps	—	—	501.4	494.5	—	—	501.4	494.5
Options	—	—	1.1	—	—	—	1.1	—
TOTAL DERIVATIVES (NOT FOR HEDGING)	**—**	**—**	**502.5**	**494.5**	**—**	**—**	**502.5**	**494.5**
Other investments								
Shares	800.4	738.6	—	0.1	4.3	1.3	804.7	739.9
Fixed income	1,779.9	2,610.7	435.7	570.9	—	—	2,215.7	3,181.6
Mutual Funds	884.6	1,058.9	90.0	41.2	8.2	—	982.8	1,100.1
Hybrids	45.3	93.8	270.2	298.9	—	—	315.5	392.7
Deposits	—	0.4	—	—	—	—	—	0.4
Other	3.6	—	1.3	1.1	—	26.9	5.0	28.0
TOTAL OTHER INVESTMENTS	**3,513.9**	**4,502.4**	**797.2**	**912.2**	**12.5**	**28.2**	**4,323.6**	**5,442.8**
TOTAL TRADING PORTFOLIO	**3,513.9**	**4,502.4**	**1,299.7**	**1,406.7**	**12.5**	**28.2**	**4,826.0**	**5,937.3**

Figures in millions of euros

During 2020 and 2019 no significant transactions were carried out involving Level 3 financial assets held for trading, and no transfers were made from/to this level.

Gains and losses recognized in the 2020 and 2019 results are as follows:

Item	Gains (Losses) allocated to results			
	Unrealized		Realized	
	2020	2019	2020	2019
Derivatives (not for hedging)				
Financial swaps	14.2	(4.8)	—	14.8
Options	—	—	(0.5)	(0.8)
TOTAL DERIVATIVES (NOT FOR HEDGING)	**14.2**	**(4.8)**	**(0.5)**	**14.0**
Other investments				
Shares	23.3	64.1	(4.9)	18.3
Fixed income	10.5	44.9	12.6	19.7
Mutual Funds	36.1	76.6	(6.3)	20.6
Hybrids	(2.1)	17.4	—	—
Deposits	—	—	—	—
Other	(5.8)	0.4	(1.0)	(6.0)
TOTAL OTHER INVESTMENTS	**62.0**	**203.5**	**0.3**	**52.6**
TOTAL TRADING PORTFOLIO	**76.2**	**198.7**	**(0.1)**	**66.5**

Figures in millions of euros

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The main derivative instruments correspond to financial swaps of certain or predefined flows in which a Group company assumes the obligation to pay certain fixed or predefined amounts, usually stated in euros. The sum of 501.4 million euros was recorded in the trading portfolio for this item in 2020 (494.5 million euros in 2019).

Note 7 "Risk Management" provides a breakdown of the maturity of fixed-income securities.

6.5. INVESTMENTS ON BEHALF OF LIFE INSURANCE POLICYHOLDERS BEARING THE INVESTMENT RISK

The following table shows the breakdown for the "Investments on behalf of Life insurance policyholders bearing investment risk" heading at December 31, 2020 and 2019:

Item	Book value (fair value)								Earnings			
	Level 1. Quotation price		Level 2. Observable data		Level 3. Other measurements		Total		Unrealized		Realized	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Shares	590.0	670.6	14.3	—	—	—	604.2	670.6	(107.8)	11.4	0.3	—
Fixed income	198.7	262.3	933.2	563.0	—	—	1,131.9	825.3	3.6	63.0	11.3	21.2
Mutual funds holdings	765.7	1,014.3	0.6	—	—	—	766.3	1,014.3	19.5	45.3	0.9	37.4
TOTAL	**1,554.4**	**1,947.2**	**948.0**	**563.0**	**—**	**—**	**2,502.4**	**2,510.2**	**(84.7)**	**119.6**	**12.4**	**58.5**

Figures in millions of euros

In the balance of "Mutual funds", the amount of Group company majority shareholdings in mutual funds linked to Life insurance where the policyholder bears the investment risk is included, for a total of 321.6 and 295.4 million euros to December 31, 2020 and 2019, respectively. The breakdown of the assets this appears in is the following:

Item	2020	2019
Fixed income	101.1	193.2
Mutual funds	185.3	83.9
Other	35.2	18.4
TOTAL	**321.6**	**295.4**

Figures in millions of euros

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6.6. RECEIVABLES

The breakdown of the "Receivables" heading at December 31, 2020 and 2019, as well as impairment losses and gains on reversals recorded in the last two years are as follows:

Item	Gross amount		Impairment		Net balance on balance sheet		Impairment			
							Recorded losses		Reversal gains	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Receivables on direct insurance and co-insurance operations	3,524.4	4,002.3	(47.1)	(57.2)	3,477.3	3,945.1	(14.5)	(11.3)	6.7	7.0
Receivables on reinsurance operations	1,047.8	971.8	(35.5)	(37.4)	1,012.2	934.3	(16.1)	(16.4)	15.6	15.9
Tax receivables	331.5	409.2	—	—	331.5	409.2	—	—	—	—
Corporate and other receivables	557.1	798.4	(19.0)	(17.6)	538.1	780.8	(2.8)	(10.5)	1.4	2.4
TOTAL	**5,460.7**	**6,181.6**	**(101.6)**	**(112.2)**	**5,359.2**	**6,069.4**	**(33.4)**	**(38.2)**	**23.6**	**25.3**

Figures in millions of euros

The heading "Receivables on direct insurance and co-insurance operations" includes premiums pending collection from policyholders and mediators, while the heading "Receivables on reinsurance operations" includes outstanding balances from ceded, retroceded and accepted reinsurance operations.

The breakdown for the "Corporate and other receivables" heading at the close of the last two years is as follows:

Corporate and other receivables	Amount	
	2020	2019
Debtors of sales or provision of services	94.1	95.6
Receivables for claim recovery (including collaboration agreements with other insurance companies)	39.4	19.5
Advance payment of policies (Life insurance)	20.5	28.5
Legal deposits	269.8	376.1
Receivables with Public Administrations	11.6	3.0
Balance receivables from personnel	28.2	25.4
Other debtors	74.6	232.8
TOTAL	**538.1**	**780.8**

Figures in millions of euros

Impairment is calculated and, where necessary, recognized, as described in the accounting policy 5.9 "Receivables" in this annual report.

The balances included in the "Receivables" heading do not accrue interest and generally their liquidation is executed the following year.

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6.7 ASSET IMPAIRMENT

The following tables show asset impairment for the last two periods:

2020

Impairment in:	Opening balance	Adjustments to the opening balance	Changes to the scope	Recorded in results		Write-off of asset	Closing
				Increase	Decrease		
Intangible assets	**339.9**	**(18.5)**	**—**	**167.2**	**—**	**(32.5)**	**456.0**
I. Goodwill	329.3	(18.1)	—	127.5	—	—	438.7
II. Other intangible assets	10.6	(0.4)	—	39.7	—	(32.5)	17.3
Property, plant and equipment	**12.0**	**—**	**—**	**1.0**	**(2.7)**	**(2.4)**	**7.9**
I. Real estate for own use	10.0	—	—	1.0	(2.7)	(2.4)	5.8
II. Other property, plant and equipment	2.0	—	—	—	—	—	2.0
Investments	**354.6**	**(0.3)**	**(2.1)**	**38.1**	**(6.2)**	**(82.7)**	**301.3**
I. Real estate investments	242.7	(0.3)	(2.1)	23.6	(6.2)	(73.2)	184.6
II. Financial investments							
-Held-to-maturity portfolio	—	—	—	—	—	—	—
- Available-for-sale portfolio	93.2	—	—	14.4	—	(1.7)	105.9
-Trading portfolio	—	—	—	—	—	—	—
III. Investments recorded by applying the equity method	10.1	—	—	—	—	—	10.1
IV. Deposits established for accepted reinsurance	—	—	—	—	—	—	—
V. Other investments	8.6	—	—	0.1	—	(7.9)	0.8
Inventories	**80.8**	**—**	**—**	**11.9**	**(0.9)**	**—**	**91.7**
Receivables	**112.2**	**(18.5)**	**—**	**33.4**	**(23.6)**	**(1.8)**	**101.6**
I. Receivables on direct insurance and co-insurance operations	57.2	(16.5)	—	14.5	(6.7)	(1.4)	47.1
II. Receivables on reinsurance operations	37.4	(2.0)	—	16.1	(15.6)	(0.5)	35.5
III. Tax receivables	—	—	—	—	—	—	—
IV. Social security and other receivables	17.6	—	—	2.8	(1.4)	—	19.0
Other assets	**—**	**0.1**	**—**	**—**	**—**	**—**	**0.1**
TOTAL IMPAIRMENT	**899.5**	**(37.3)**	**(2.1)**	**251.5**	**(33.5)**	**(119.5)**	**958.6**

Figures in millions of euros

2019

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	**272.9**	**3.1**	**—**	**65.6**	**—**	**(1.7)**	**339.9**
I. Goodwill	262.3	3.1	—	65.6	—	(1.7)	329.3
II. Other intangible assets	10.6	—	—	—	—	—	10.6
Property, plant and equipment	**13.4**	**—**	**—**	**2.1**	**(3.5)**	**—**	**12.0**
I. Real estat for own use	11.4	—	—	2.1	(3.5)	—	10.0
II. Other property, plant and equipment	2.0	—	—	—	—	—	2.0
Investments	**395.1**	**(0.6)**	**—**	**24.2**	**(7.2)**	**(56.8)**	**354.6**
I. Real estate investments	248.5	0.2	—	4.4	(7.2)	(3.2)	242.7
II. Financial investments	—	—	—	—	—	—	—
-Held-to-maturity portfolio	—	—	—	—	—	—	—
- Available-for-sale portfolio	108.9	(0.8)	—	13.6	—	(28.5)	93.2
-Trading portfolio	—	—	—	—	—	—	—
III. Investments recorded by applying the equity method	18.6	—	—	—	—	(8.5)	10.1
IV. Deposits established for accepted reinsurance	—	—	—	—	—	—	—
V. Other investments	19.0	—	—	6.3	—	(16.6)	8.6
Inventories	**80.8**	**—**	**—**	**1.2**	**(1.2)**	**—**	**80.8**
Receivables	**119.3**	**3.0**	**—**	**38.2**	**(25.3)**	**(23.0)**	**112.2**
I. Receivables on direct insurance and co-insurance operations	65.2	(1.8)	—	11.3	(7.0)	(10.5)	57.2
II. Receivables on reinsurance operations	36.2	4.6	—	16.4	(15.9)	(3.9)	37.4
III. Tax receivables	—	—	—	—	—	—	—
IV. Corporate and other receivables	17.9	0.3	—	10.5	(2.4)	(8.6)	17.6
Other assets	**—**	**—**	**—**	**—**	**—**	**—**	**—**
TOTAL IMPAIRMENT	**881.5**	**5.5**	**—**	**131.3**	**(37.3)**	**(81.5)**	**899.5**

Figures in millions of euros

The English version is a translation of the original in Spanish for information purposes only. In case of discrepancy, the Spanish version shall prevail.

6.8. CASH FLOW

Expenditure

During 2020 and 2019 several disbursements were made related to investments in Group companies and the acquisition of businesses. The most significant acquisitions were as follows:

Acquiring company	Details of acquisition			
	Company	Percentage	Activity	Amount disbursed
2020				
MAPFRE SEGUROS GERAIS	MAPFRE SANTANDER PORTUGAL	50.01%	Insurance	14.4
MAPFRE DOMINICANA	MAPFRE SALUD ARS	51.00%	Insurance	36.2
2019				
MAPFRE VIDA	CAJA GRANADA VIDA	51.00%	Insurance	61.8
MAPFRE VIDA	CAJAMURCIA VIDA	51.00%	Insurance	48.6
MAPFRE ESPAÑA	SANTANDER MAPFRE	50.01%	Insurance	82.3

Figures in millions of euros

The aforementioned investments were financed using shareholders' equity and bank loans.

On October 27, 2020, the sale of 100 percent of the shares of MAQUAVIT INMUEBLES, for the consideration of 50.3 million euros, was formalized and payment was received in full at said date. This sale generated a gain of 14.1 million euros.

Commitments

Non-controlling interests of the MAPFRE RE subsidiary have a put option on the shares of this company. If exercised, MAPFRE S.A. or a Group company would have to acquire the shares from the selling non-controlling shareholder. The purchase price for the MAPFRE RE shares will be calculated using the previously agreed formula. At December 31, 2020 and 2019, considering the variables included in the aforementioned formula, the commitment assumed by the Group if this option were exercised would amount to a total of approximately 110.3 and 108.8 million euros, respectively.

No significant non-monetary transactions related to investment and financing activities have been excluded from the cash flow statement.

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6.9. NON-CURRENT ASSETS HELD FOR SALE, ASSOCIATED LIABILITIES AND DISCONTINUED OPERATIONS

At December 31, 2020 and 2019 the main non-current assets held for sale, discontinued operations and associated liabilities were as follows:

Item	Non-current assets classified as held-for-sale		Discontinued operations		Total	
	2020	2019	2020	2018	2020	2019
Assets						
Intangible assets	281.4	50.8	—	—	281.4	50.8
Property, plant and equipment	65.2	63.5	—	—	65.2	63.5
Investments	7,656.0	80.1	—	—	7,656.0	80.1
Credits	24.2	7.7	—	—	24.2	7.7
Cash	83.7	28.3	—	—	83.7	28.3
Other assets	49.0	33.8	—	—	49.0	33.8
Total assets	**8,159.5**	**264.2**	**—**	**—**	**8,159.5**	**264.2**
Related liabilities						
Technical provisions	6,599.6	69.0	—	—	6,599.6	69.0
Provision for risks and expenses	—	1.6	—	—	—	1.6
Deferred tax liabilities	48.4	1.2	—	—	48.4	1.2
Other debts	615.9	64.1	—	—	615.9	64.1
Total liabilities	**7,263.9**	**135.8**	**—**	**—**	**7,263.9**	**135.8**

Figures in millions of euros

Non-current assets classified as held-for-sale and associated liabilities

The following is a description of the key transactions that generated assets and liabilities included in the above chart.

2020

- Bancassurance business with Bankia

In September, the Boards of Directors of Bankia and Caixabank approved the merger project for the two entities, which will be carried out via the absorption of Bankia by Caixabank. In line with the public information, all legal and regulatory aspects are expected to be completed during the first quarter of 2021.

MAPFRE and Bankia have an contract-bound exclusive bancassurance alliance.

Bankia's absorption by Caixabank will activate the application of the Bankia change of control clause. The change of control gives the unaffected party - MAPFRE - the right to exercise an exit option. The contract itself establishes all the steps to determine the exit value.

At December 31, 2020, the merger of BANKIA MAPFRE VIDA and the entities CAJA GRANADA VIDA and CAJAMURCIA VIDA was completed.

The Life business is managed through the Bankia MAPFRE Vida entity. The following chart shows the key economic figures for this entity, included in the Iberia segment:

Item	2020	2019 (1)	Δ%
Written premiums	178.9	267.3	(33.1)%
Result before tax	167.5	138.1	21.3 %
Attributable result	125.8	103.9	21.1 %
Shareholders' equity	482.8	399.2	21.0 %
Financial investments	7,429.4	7,813.0	(4.9)%
Technical provisions	6,599.6	7,059.1	(6.5)%

Figures in millions of euros

(1) The 2019 information is pro-forma for comparison, taking into account the above-mentioned fusion

The Non-Life business is managed and recorded via the entity MAPFRE ESPAÑA.

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In 2020, written Life and Non-Life premiums contributed from Bankia reached 392.0 million euros and imply 1.9 percent of total MAPFRE Group premiums. As such, at December 31, 2020, Valuation change adjustments includes 58.1 million euros from the Bankia bancassurance business.

- Sale of INDUSTRIAL RE

On December 15, the Group received a binding offer for the entity INDUSTRIAL RE, a company that has not had relevant activity for several years. This transaction is currently in the process of obtaining the corresponding administrative authorizations, and is expected to take place during 2021.

At December 31, 2020 INDUSTRIAL RE assets classified as held for sale and associated liabilities reached 35.1 and 7.7 million euros, respectively.

- Sale of Rastreator and Preminen

This past December 29, Admiral Group Plc announced the sale of Penguin Portals Group and the comparison site Preminen to RVU. Penguin Portal Group holds control of the online price comparison site Rastreator.

MAPFRE Group continues to hold 25 percent of Rastreator and 50 percent of Preminen, which are included in this transaction. The value of this transaction will be paid in cash. This operation is subject to the corresponding administrative authorizations and is expected to take place in the first half of 2021.

At December 31, 2020, the assets from Rastreator and Preminen classified as held for sale reached 8.0 and 7.7 million euros, respectively.

- Sale of MAPFRE INMUEBLES land

In December 2020, MAPFRE INMUEBLES signed an agreement for the sale of land intended for residential development, with said sale expected to be carried out in 2021. At December 31, 2020, the net accounting value of land classified as held for sale reached 106.5 million euros.

- Funeral service business in Spain

In 2019, MAPFRE España and Santa Lucia S.A. signed a strategic alliance for the joint development of their respective funeral service businesses in Spain. The result of this alliance will be a leading group in the Spanish funeral business market, with direct and indirect access to 100 percent of the territory.

Once the definitive valuations are set, currently underway, it has been agreed that MAPFRE, through its subsidiary FUNESPAÑA, will own 25 percent of the share capital and Santa Lucía the remaining 75 percent.

While relevant authorizations are still pending, the non-current assets held for sale and the associated liabilities from the businesses contributed to this alliance reached 202.8 and 69.0 million euros, respectively, at the close of 2020; and 193.1 and 65.9 million euros, respectively, at the close of 2019.

2019

In addition to the alliance with Santa Lucia S.A. mentioned above, in 2019, the assets and liabilities included in the previous table were generated by the following operation:

- Cession of long-term Complementary High-Risk Workers' Compensation Insurance in Peru

This has implied, in 2020, the transfer of assets and liabilities linked to this insurance, valued at 69.0 million euros, at December 31, 2019.

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6.10. EQUITY

Share capital

The share capital is recorded by the face value of disbursed shares or whose disbursement was demanded.

The controlling company's share capital at December 31, 2020 and 2019 was represented by 3,079,553,273 shares, with a face value of 0.10 euros each, fully subscribed and paid-up. All shares carry identical voting and dividend rights.

The Annual General Meeting of March 9, 2018 authorized the directors of the controlling company to increase the capital up to a maximum of 153,977,663.65 euros, equivalent to 50 percent of the share capital at the time. This authorization was granted for a period of five years. Furthermore, the directors were authorized to issue analogous fixed-income securities or debentures, convertible or not, for a maximum amount of 2 billion euros.

CARTERA MAPFRE directly held 69.7 and 67.6 percent of the share capital at December 31, 2020 and 2019, respectively.

All shares representing the share capital of the controlling company are admitted to official trading on the Madrid and Barcelona stock markets.

Treasury Stock

In 2020, 203,905 shares were given to directors of subsidiaries as part of variable remuneration schemes (1,839,387 in 2019), for the amount of 0.3 million euros (4.6 million in 2019). The difference between the price at which the shares were given to directors and their acquisition price, which reached (0.1) million euros in 2020 and 0.9 million euros in 2019 was included in the "Reserves" heading. Additionally, in 2019, 7,897,336 shares of treasury stock were bought on the market for the amount of 19.3 million euros. December 31, 2020 and 2019, the controlling company owned 30,285,934 and 30,489,839 treasury stock respectively, representing 0.98 and 0.99 percent of the capital, for the amount of 63.4 and 63.8 million euros, respectively.

At December 31, 2020 and 2019, no other Group company held shares in the controlling company.

Valuation change adjustments

This includes the equity reserves arising as a consequence of revenues and expenses recognized in each year which, pursuant to IFRS, must be recorded in the Group's equity accounts.

The following table shows the nature of the "Valuation change adjustments" recorded under that Equity heading at the close of the last two financial years:

Item	Amount	
	2020	2019
Fixed income		
Capital gains	5,396.6	4,791.1
Capital losses	(1,523.9)	(1,987.0)
Equity and Mutual Funds		
Capital gains	276.5	795.2
Capital losses	-63.3	(18.6)
Shadow accounting	-2,787.0	(2,558.9)
Other adjustments	-28.1	(18.1)
TOTAL	**1,270.7**	**1,003.7**

Figures in millions of euros

Restrictions on the availability of reserves

The heading "Reserves" includes the controlling company's legal reserve, amounting to 61.6 million euros at December 31, 2020 and 2019, which may not be distributed to shareholders, except in the event of the controlling company's liquidation, and may only be used to offset potential losses. The same restriction applies to the legal reserves established by the subsidiaries and reflected in their balance sheets.

There are no other restrictions on the availability of reserves for any significant amount, except for those described in the section regarding "Tax incentives" in Note 6.20.

Capital management

Capital management is focused on ensuring stability and maintaining adequate remuneration, which are achieved through robust solvency margins, financial flexibility, the generation of cash flows, and the creation of value for shareholders.

Managed capital refers to the shareholders' equity permitted by the regulations currently in force and other management models used. The Group Solvency ratio offers great stability, backed by a high level of diversification and strict asset and liability management and investment policies.

In line with the Group's risk appetite, which corresponds to the level of risk that the Group is prepared to assume to attain its business objectives without any significant deviations (even in adverse circumstances), each business unit operates according to a series of risk tolerance levels based on the capital assigned.

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MAPFRE has an internal capitalization and dividend policy that is designed to provide the business units with the capital necessary to cover the risks that have been assumed, all in a rational and objective way.

The volume of dividends for distribution is established in line with the estimated results and shareholders' equity. If actual performance deviates from the estimates made, the assigned capital is revised.

Remuneration for shareholders is linked to the Group's profits, solvency, liquidity and investment plans, as well as shareholders' expectations.

As a general rule, the Board of Directors recommends a distribution of dividends to the Annual General Meeting based on between 50 percent and 65 percent of the result for the period attributable to the controlling company in its consolidated annual accounts.

The risk estimates and assignment of capital to each business unit are described in Note 7 of the annual report, "RISK MANAGEMENT".

The items that form part of the Group's available equity conform to the requirements of current regulations.

6.11. SUBORDINATED LIABILITIES

At December 31, 2020 and 2019, the balance of this account included the amortized cost of the subordinated debt issued by the controlling company, corresponding to the issuances in September 2018 and March 2017. The most relevant terms and conditions of these are described below:

Terms and Conditions	Issuance	
	September 2018	March 2017
Nominal amount	500.0	600.0
Issue date	9/7/2018	3/31/2017
Maturity	9/7/2048	3/31/2047
First call option	9/7/2028	3/31/2027
Interest rate		
- Until 1st call option	4.125%	4.375%
- After 1st call option	Euribor 3M + 4,30%	Euribor 3M + 4,543%
Listing	AIAF market	AIAF market
Rating	BBB-	BBB
Accrued unpaid interest at December 31, 2020 and 2019	6.5	19.8
Price at close of period		
-2020	116.3%	116.6%
-2019	117.9%	117.7%

Figures in millions of euros

Both issuances, issued under Spanish jurisdiction, contemplate:

a. Redemption in special cases: due to reform or modification of tax regulations, non-classification as issuer's own funds, and change in treatment granted by the credit rating agencies.

b. Interest deferral, where the issuer is obligated to defer interest payment should any Solvency Capital Requirement or Minimum Capital Requirement breach exist, or should the Relevant Regulator prohibit the issuer from making interest payments, or should the issuer be unable to meet regularly its due and payable liabilities.

6.12. FINANCIAL LIABILITIES

The following table shows the fair value breakdown of the financial liabilities:

Item	Book value		Fair value	
	2020	2019	2020	2019
Issue of debentures and other negotiable securities	1,005.6	1,004.8	1,088.1	1,087.2
Due to credit institutions	866.4	847.8	866.4	847.8
Other financial liabilities	1,596.7	1,913.1	1,594.4	1,903.4
TOTAL	**3,468.7**	**3,765.7**	**3,548.9**	**3,838.4**

Figures in millions of euros

At December 31, 2020 and 2019 the fair value of the issue of debentures and other negotiable securities corresponded to the quoted price at the close of the period (Level 1), including the accrued interest.

Issuance of debentures and other negotiable securities

At December 31, 2020 and 2019 the balance of this account included the amortized cost of the simple debentures issued by MAPFRE S.A. The most relevant terms and conditions governing issuing activity are described below.

a. Issue type: simple debentures represented by book entries

b. Nominal amount: 1 billion euros

c. Issuance date: May 19, 2016

d. Issuance period: 10 years

e. Maturity: May 19, 2026

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f. Redemption: single payment on maturity and at par, with no expense for the holder

g. Listing: Fixed-income AIAF market

h. Coupon: annual fixed 1.625 percent, payable on the anniversaries of the issue date up to and including the end maturity date

i. Issue rating: A-

The accrued interest outstanding at December 31, 2020 and 2019 amounted to 10.1 million euros. At December 31, 2020 and 2019 the securities were listed at 109.8 percent and 107.7 percent of their face value, respectively.

Debt payable to lending institutions

The breakdown of the amounts due to credit institutions at December 31, 2020 and 2019 is shown below:

Class of debt	Book value		Average interest rate %		Guarantees granted	
	2020	2019	2020	2019	2020	2019
Finance lease	0.1	0.2	5.96	5.16	—	—
Credits	611.9	639.8	0.49	0.52	—	—
Loans	254.4	161.6	0.87	0.53	—	—
Other	—	46.2	—	1.00	—	—
TOTAL	**866.4**	**847.8**	**—**	**—**	**—**	**—**

Figures in millions of euros

- Credits

At December 31, 2020 and 2019 the main line of credit was as follows:

Bank	Maturity	Limit		Drawn down	
		2020	2019	2020	2019
MAPFRE, S.A.	02.26.2025	1,000.0	1,000.0	600.0	610.0
TOTAL		**1,000.0**	**1,000.0**	**600.0**	**610.0**

Figures in millions of euros

The line of credit indicated above is a syndicated loan granted by a group of ten banking companies and which accrues interest at a rate pegged to market variables and in 2018, was novated, modifying the conditions and extending its maturity. Among the conditions modified, it is worth pointing out that it became sustainable financing, also linking its interest to the Group sustainability parameters.

- Loans

The breakdown of the main loans in force at December 31, 2020 and 2019 is as follows:

Bank	Period	Amount	
		2020	2019
MAPFRE VIDA	04.01.2026	110.0	110.0
MAPFRE ESPAÑA	02.21.2024	51.0	51.0
MAPFRE DOMINICANA	03.11.2027	28.9	—
TOTAL		**189.9**	**161.0**

Figures in millions of euros

The MAPFRE VIDA and MAPFRE ESPAÑA loans accrue an interest rate linked to the Euribor, amortizing via flat, annual payments, the first being made two years from the date of the formalization of the loan in 2019.

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The MAPFRE DOMINICANA loan accrues an interest rate linked to market variables and to Group sustainability parameters, amortizing via flat quarterly payments.

Other financial liabilities

The heading "Other financial liabilities" includes the outstanding amount for financial obligations not included in any other items. The following table shows the breakdown at December 31, 2020 and 2019:

Other financial liabilities	Amount	
	2020	2019
Financial liabilities held for trading	5.5	471.1
Other financial liabilities measured at fair value with changes in P&L	529.4	498.9
Non-controlling interests in mutual funds (Note 3.2)	708.9	584.1
Financial liabilities from leases (Note 6.3)	273.1	315.4
Other financial liabilities	79.9	43.6
TOTAL	**1,596.7**	**1,913.1**

Figures in millions of euros

The fall in Financial liabilities held for sale in 2020 is primarily due to the reclassification to Non-current liabilities held for sale of the liabilities from the bancassurance business with Bankia, for the amount of 480.7 million euros (Note 6.9).

Additionally, there is a line of credit granted by CARTERA MAPFRE with a limit of 400.0 million euros, accruing interest at a variable rate linked to the quarterly Euribor, which matures September 10, 2021, and is renewable for successive annual periods. In 2020 and 2019, no drawdowns have been made on this loan.

At December 31, 2020 and 2019 the fair value of these liabilities did not differ significantly from their book value.

Regarding the fair value level, the fair value measurements of these liabilities are classified at Level 2, with the exception of the balance of "Non-controlling interests in mutual funds", valued at liquid value (mostly Level 1).

In 2020 and 2019 no financial liabilities were transferred between Levels 1, 2 and 3. Items are transferred between levels when they no longer meet the criteria for classification under a given level but meet those of one of the other levels. No adjustments were made for own credit risk in connection with the financial liabilities deriving from financial swap transactions, given that they are cash flow exchange operations whose current net value leads to a balance in favor of the counterparty. In any event, the application of adjustments for own credit risk in these transactions would not have a material effect on the income statement or on the company's equity.

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6.13. TECHNICAL PROVISIONS

1. Breakdown of the composition of technical provisions

The following table shows the balance composition of each of the technical provisions listed on the balance sheet of the last two years.

Item	Direct insurance		Accepted reinsurance		Ceded and retroceded reinsurance	
	2020	2019	2020	2019	2020	2019
Provisions for Non-Life unearned premiums and unexpired risks						
1.1 Provision for unearned premiums	6,253.8	7,255.6	915.7	949.6	1,582.0	2,010.4
1.2 Provision for unexpired risks	25.9	38.1	—	—	—	—
Life insurance provisions						
2.1 Provisions for unearned premiums and unexpired risks						
2.1.1. Provision for unearned premiums	1,194.8	1,419.9	328.2	239.3	16.0	6.5
2.1.2. Provision for unexpired risks	19.8	24.9	—	—	—	—
2.2 Mathematical reserves	17,976.9	24,826.2	69.2	73.9	39.6	50.5
Provisions for outstanding claims						
3.1 Pending settlement or payment	7,514.3	8,691.1	2,458.8	2,441.0	3,404.6	3,890.9
3.2 Claims incurred but not reported (IBNR)	1,000.6	1,206.8	97.3	106.1	311.1	400.8
3.3 For claim settlement internal expenses	136.1	176.8	3.4	2.3	22.6	22.1
Other technical provisions						
4.1 Burial	1,117.9	1,002.2	—	—	2.2	1.5
4.2 Other	77.6	67.8	—	—	0.5	3.3
TOTAL	**35,317.6**	**44,709.3**	**3,872.5**	**3,812.1**	**5,378.6**	**6,386.1**

Figures in millions of euros

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2. Movement of each of the technical provisions

2.1. Provisions for unearned premiums, unexpired risks, claims, profit-sharing and other technical provisions

a. DIRECT INSURANCE AND ACCEPTED REINSURANCE

2020

Item	Opening balance	Adjustments to the opening balance	Changes to the scope	Provisions	Reversals	Closing balance
Provisions for Non-Life unearned premiums and unexpired risks						
1.1 Provision for unearned premiums	8,205.2	(713.8)	(5.7)	8,965.8	(9,282.0)	7,169.5
1.2 Provision for unexpired risks	38.1	(0.7)	(0.1)	13.8	(25.2)	25.9
Life insurance provisions						
2.1 Provisions for unearned premiums and unexpired risks						
2.1.1. Provision for unearned premiums	1,659.1	(374.3)	(40.4)	2,067.8	(1,789.2)	1,523.0
2.1.2. Provision for unexpired risks	24.9	(5.3)	(0.2)	4.2	(3.7)	19.8
2.2 Mathematical provisions	24,900.1	(204.2)	(6,208.5)	2,195.2	(2,636.6)	18,046.1
2.3 Provision for profit sharing	—	—	—	—	—	—
Provisions for outstanding claims						
3.1 Life Direct Insurance	1,292.6	(188.5)	(263.5)	1,067.5	(976.7)	931.4
3.2 Non-Life Direct Insurance	8,782.1	(829.0)	24.9	6,649.3	(6,907.7)	7,719.7
3.3 Accepted reinsurance	2,549.3	(73.0)	—	4,613.8	(4,530.7)	2,559.4
Other technical provisions	1,069.9	(5.5)	(2.8)	1,176.4	(1,042.5)	1,195.5
TOTAL	**48,521.4**	**(2,394.4)**	**(6,496.3)**	**26,753.8**	**(27,194.4)**	**39,190.2**

Figures in millions of euros

The amounts reflected as changes in scope in 2020 primarily come from the reclassification of Liabilities associated with non-current assets held for sale of the technical provisions of the bancassurance business with Bankia (Note 6.9).

2019

Item	Opening balance	Adjustments to the opening balance	Changes to the scope	Provisions	Reversals	Closing balance
Provisions for Non-Life unearned premiums and unexpired risks						
1.1 Provision for unearned premiums	7,902.3	67.1	0.3	8,188.6	(7,953.0)	8,205.2
1.2 Provision for unexpired risks	49.1	2.7	—	11.9	(25.7)	38.1
Life insurance provisions						
2.1 Provisions for unearned premiums and unexpired risks						
2.1.1. Provision for unearned premiums	1,759.1	(7.1)	11.2	2,411.8	(2,515.8)	1,659.1
2.1.2. Provision for unexpired risks	25.8	(3.7)	—	7.7	(4.9)	24.9
2.2 Mathematical provisions	23,053.7	(73.9)	265.2	3,963.2	(2,308.0)	24,900.1
Provisions for outstanding claims						
3.1 Life Direct Insurance	1,155.0	(7.0)	21.8	2,388.8	(2,266.0)	1,292.6
3.2 Non-Life Direct Insurance	9,095.0	(49.5)	0.1	9,182.7	(9,446.2)	8,782.1
3.3 Accepted reinsurance	2,464.2	95.3	—	4,567.7	(4,577.8)	2,549.3
Other technical provisions	977.1	—	—	1,058.4	(965.6)	1,069.9
TOTAL	**46,481.2**	**24.0**	**298.5**	**31,780.7**	**(30,063.0)**	**48,521.4**

Figures in millions of euros

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The amounts of the provisions and reversals of technical provisions shown in the tables above are recorded in headings "Changes in provisions for unearned premiums and unexpired risks" "Claims paid and variation in provision for claims, net", and "Variation in other technical provision" on the consolidated income statement.

b. CEDED AND RETROCEDED REINSURANCE

2020

Item	Opening balance	Adjustments to the opening balance	Changes to the scope	Additions	Reversals	Closing balance
Provision for unearned premiums	2,010.4	(243.7)	(0.2)	2,805.0	(2,989.5)	1,582.0
Provisions for Life insurance	57.0	(4.5)	(0.7)	56.1	(52.3)	55.6
Provision for outstanding claims	4,313.9	(479.6)	(3.1)	5,658.7	(5,751.5)	3,738.4
Other technical provisions	4.8	(2.9)	—	0.7	—	2.6
TOTAL	**6,386.0**	**(730.7)**	**(4.0)**	**8,520.5**	**(8,793.3)**	**5,378.6**

Figures in millions of euros

2019

Item	Opening balance	Adjustments to the opening balance	Change to the scope	Additions	Reversals	Closing balance
Provision for unearned premiums	1,522.7	100.7	0.1	3,834.7	(3,447.8)	2,010.4
Provisions for Life insurance	56.0	(0.1)	1.1	87.0	(86.9)	57.0
Provision for outstanding claims	4,303.1	82.7	2.9	10,223.1	(10,297.9)	4,313.9
Other technical provisions	1.5	2.8	—	0.5	—	4.8
TOTAL	**5,883.2**	**186.2**	**4.1**	**14,145.3**	**(13,832.7)**	**6,386.0**

Figures in millions of euros

2.2. Mathematical provisions

Item	Direct insurance and accepted reinsurance		Ceded and retroceded reinsurance	
	2020	2019	2020	2019
Mathematical provisions at beginning of year	**24,900.1**	**23,053.7**	**50.5**	**50.3**
Adjustments to the opening balance	(204.2)	(73.9)	(10.5)	0.8
Business combinations	—	265.2	—	0.5
Premiums	1,335.5	1,689.2	2.6	0.1
Technical interests and related investment yields	452.5	908.9	3.8	2.2
Claim payments/collections	(2,636.6)	(2,308.0)	(6.5)	(3.0)
Provision adequacy test	—	—	—	—
Shadow accounting adjustments	402.8	1,353.1	—	—
Other	4.4	12.0	0.2	(0.3)
Deconsolidation (balance of provision on deconsolidation date)	(6,208.5)	—	(0.5)	—
Mathematical provisions at end of year	**18,046.1**	**24,900.1**	**39.6**	**50.5**

Figures in millions of euros

The exit from scope in 2020 is entirely a result of the previously mentioned reclassification of the mathematical provisions from the bancassurance business with Bankia.

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2.3. Burial provision

Item	Direct insurance and accepted reinsurance	
	2020	2019
Provisions at beginning of year	1,002.2	909.9
Adjustments to the opening balance	—	—
Consolidation (balance of provision on consolidation date)	—	—
Premiums	94.9	97.1
Technical interest	25.0	9.5
Claim payments	(14.5)	(10.6)
Provision adequacy test	—	—
Other	10.3	(3.6)
Deconsolidation (balance of provision on deconsolidation date)	—	—
Provisions at end of year	**1,117.9**	**1,002.2**

Figures in millions of euros

The increase in technical interest compared to the previous year is mainly due to the fall in benchmark rates in Spain, from 0.98 percent in 2019 to 0.59 percent in 2020.

3. Other information

3.1. Technical provisions for Life insurance where policyholders bear the investment risk

Item	Direct insurance and accepted reinsurance	
	2020	2019
Provision at beginning of year	2,510.2	2,242.5
Adjustments to the opening balance	(177.5)	(7.2)
Consolidation (balance of provision on consolidation date)	—	12.9
Premiums	603.3	856.9
Payment of claims	(250.1)	(807.5)
Asset valuation changes	(106.5)	211.0
Other	(9.5)	1.7
Deconsolidation (balance of provision on deconsolidation date)	(67.5)	—
Provision at end of year	**2,502.4**	**2,510.2**

Figures in millions of euros

3.2. Provision for unexpired risks

The provision for unexpired risks has been made by the Group's insurance companies in line with the criteria explained in Note 5.15.

3.3. Information related to Life insurance

No additional provisions for Life insurance deriving from the liability adequacy test were necessary.

The characteristics of the main Life insurance types sold by the Group's companies in 2020 and 2019 are listed below.

The English version is a translation of the original in Spanish for information purposes only. In case of discrepancy, the Spanish version shall prevail.

- Spain

Format	Coverage	Biometric tables		Technical	Profit sharing	
		First order	Second order		Amount	Distribution
MAPFRE VIDA						
Single premium group insurance contracts, with and without profit sharing:						
- Mod. 342. Group annuity	Longevity	PERM/F-2000P	% PER2012 COL ORDER 2	2.28%	—	MAPFRE network
- Mod. 308. Group Flexinvida with interest and premium reimbursement	Longevity / Death	PASEM 2010	PASEM2019 COL ORDER 2 (%MEN, %WOMEN)	2.49%	2.7	MAPFRE network
- Mod. 517. Group Flexinvida without reimbursement single premium	Longevity	PER2012 COL ORDEN1	PASEM2019 COL ORDER 2 (%MEN, %WOMEN)	1.29%	0.1	MAPFRE network
Single or regular premium, individual insurance contracts, where the policyholder bears the investment risk:						
- Mod. 447. Dividendo Vida II	Longevity / Death	PASEM 2010 MEN	PASEM2019 IND ORDER 2 (%MEN, %WOMEN)	—%	—	MAPFRE network
- Mod. 502. Seguro Puente Garantía	Longevity / Death	PASEM 2010 MEN	PASEM2019 IND ORDER 2 (%MEN, %WOMEN)	—%	—	MAPFRE network
BANKINTER SEGUROS DE VIDA						
Single premium individual contracts without profit sharing - B629	Annuity insurance with counterinsurance	85% PASEM 2010	% PERP12	1.36%	—	Bank channel
Single premium individual contracts without profit sharing - Riesgo B3000/Riesgo B664	Life Protection insurance	95% - 94% PASEM2010	% PASEM19	0,00% - 2,00%	—	Bank channel
Single premium individual contracts without profit sharing - B284	Life Protection insurance	100% GK95	% PASEM19	2.00%	—	Bank channel
Regular or single premium individual contracts with profit sharing Ahorro 3649	Guaranteed Savings insurance	PASEF 2010	% PASEM19 I2	0.05%	0.2	Bank channel
Regular or single premium individual contracts with profit sharing Ahorro 3678	Guaranteed Savings insurance	PASEF 2010	% PASEM19 I2	0.05%	0.3	Bank channel
Regular premium individual contracts without profit sharing. Ahorro 3715	Life Protection insurance	GKM80	% PASEM19 I2	—%	—	Bank channel

(*)The second order tables in which use is indicted in % is because they are based on own experience.

The first order Biometric Tables used for "Pricing" in 2021 will be the new tables published in the Resolution from the General Directorate for Insurance and Pension Funds on December 17, 2020, regarding the mortality and longevity tables to be used by insurance and reinsurance companies.

Life-Protection insurance uses the PASEM 2020 tables (Rel and Non R), and for Longevity insurance, depending on the type of business, own experience tables or PER 2020 (Ind. and Col.) are used.

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The first order Biometric Tables used for the calculation of "Provisions" are tables based on the company's own experience, in those businesses in which there is sufficient data. Where there is not sufficient data, the new published tables are used. In any case, if the tables originally used in "Pricing" are more conservative, these same tables are used for the provision.

The Group is making use of the transitional period for adaptation of provisions to the new tables. These tables are considered sufficient based on the analysis of the Group's own experience. The additional provision to be made as a result of this adaptation is 14.2 million euros, which is immaterial on the Group equity and results. This provision will be adapted in the next four years against results, as shown in the following chart:

Annual close	2020	2021	2022	2023	2024
Provision	0%	25%	50%	75%	100%

In all cases the tables currently used by the Group are sufficient, based on the analysis of own experience, either because the tariff tables are still sufficient or because said tables have been reinforced in recent years according to the requirements in force, without relevant changes in the year.

The analysis of the Group own experience tables were based on the historic archives of the policies in force and the claims from the subsidiaries, and in the case of the Annuity business the National Death Index consultations.

The period of reference used was 2015-2019, and the technical surcharge applied are the same as those included in the published first order tables.

The second order Biometric Tables used for solvency calculations are based on the company's own experience in each type of business. The data sources and reference periods are generally the same as those indicated the preceding paragraph. These tables are "best estimates" and do not include charges for uncertainty or risks.

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- Other countries

Format	Coverage	Biometric tables	Technical interest	Profit sharing	
				Amount	Distribution
COMPANHIA DE SEGUROS ALIANÇA DO BRASIL					
Ouro vida / Ouro vida revisado / BB seguro vida	Death / Disability	AT-49	—	—	Bank channel
Ouro vida 2000 / Ouro vida grupo especial / Ouro vida estilo / BB seguro vida mulher / Other individual Life products	Death / Disability	AT-83	—	—	Bank channel
Other group Life products / Credit Life	Death / Disability	AT-83 and AT-49	—	—	Bank channel / broker
MAPFRE MSV LIFE					
Without profit sharing	Death	61.1% AMC00	Variable	—	Bank channel / broker
With profit sharing	Longevity / Death	—	Variable	18.5	Bank channel / broker
Unit-linked	Longevity / Death	63.5% AMC00	Variable	—	Bank channel / broker
MAPFRE COLOMBIA VIDA					
Pensiones Ley 100	Longevity / Death /Funeral Assistance	Male/Female annuitants mortality tables (RV08) - Colombian disability mortality table (MI85)	—	—	MAPFRE network
Disability and Longevity Annuity	Death / Disability / Temporary Disability / Funeral Assistance	Male/Female annuitants mortality tables (RV08) - Colombian disability mortality table (MI85)	—	—	MAPFRE network

3.4. Progression of claims

The following table shows the progression of claims related to Non-Life direct insurance since the year of occurrence until the close of 2020 and 2019. It also shows the breakdown per year of occurrence of the provision for outstanding claims related to this insurance for the two periods.

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2020

Year of occurrence of claims	Item	Year of occurrence	Trends in claim costs in the years after 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 years later
2010 and previous	Pending provision	7,514.7	3,844.1	2,325.3	1,450.6	951.5	695.3	548.2	460.7	509.2	359.5	293.3
	Cumulative payments	44,827.1	49,056.2	50,374.9	51,248.5	51,724.3	51,983.5	52,201.4	52,339.6	52,470.6	52,628.5	52,710.1
	TOTAL COST	**52,341.8**	**52,900.3**	**52,700.2**	**52,699.2**	**52,675.8**	**52,678.7**	**52,749.6**	**52,800.3**	**52,979.8**	**52,988.0**	**53,003.4**
2011	Pending provision	2,016.3	703.9	438.5	279.9	205.3	148.1	119.7	109.7	73.6	63.9	
	Cumulative payments	4,402.7	5,724.1	6,035.4	6,201.0	6,281.7	6,369.0	6,383.2	6,433.8	6,455.2	6,465.2	
	TOTAL COST	**6,419.0**	**6,427.9**	**6,474.0**	**6,480.9**	**6,487.0**	**6,517.1**	**6,502.9**	**6,543.4**	**6,528.8**	**6,529.1**	
2012	Pending provision	2,157.9	739.9	431.8	288.1	223.5	170.6	148.4	97.0	80.5		
	Cumulative payments	4,139.8	5,494.0	5,823.1	5,987.5	6,095.8	6,155.9	6,195.5	6,232.4	6,229.9		
	TOTAL COST	**6,297.6**	**6,233.9**	**6,254.9**	**6,275.6**	**6,319.3**	**6,326.5**	**6,343.9**	**6,329.4**	**6,310.4**		
2013	Pending provision	2,221.7	789.9	478.3	311.9	223.4	186.4	136.6	100.6			
	Cumulative payments	4,355.2	5,777.5	6,141.7	6,335.3	6,417.8	6,488.1	6,549.3	6,549.3			
	TOTAL COST	**6,576.9**	**6,567.4**	**6,620.0**	**6,647.2**	**6,641.2**	**6,674.5**	**6,685.9**	**6,650.0**			
2014	Pending provision	2,331.5	883.8	498.1	340.4	266.0	197.3	133.9				
	Cumulative payments	4,601.6	6,139.3	6,500.6	6,656.7	6,771.4	6,860.1	6,937.9				
	TOTAL COST	**6,933.0**	**7,023.0**	**6,998.6**	**6,997.2**	**7,037.3**	**7,057.3**	**7,071.7**				
2015	Pending provision	2,462.1	958.1	684.9	464.7	293.1	220.5					
	Cumulative payments	4,944.9	6,469.9	6,781.8	7,012.1	7,204.6	7,288.6					
	TOTAL COST	**7,407.0**	**7,428.0**	**7,466.6**	**7,476.7**	**7,497.7**	**7,509.0**					
2016	Pending provision	2,607.9	1,222.9	826.4	460.0	325.8						
	Cumulative payments	4,934.4	6,561.6	7,005.8	7,314.4	7,466.9						
	TOTAL COST	**7,542.3**	**7,784.5**	**7,832.2**	**7,774.4**	**7,792.7**						
2017	Pending provision	3,630.6	2,051.6	1,274.5	883.5							
	Cumulative payments	5,190.8	7,703.6	8,490.0	8,899.3							
	TOTAL COST	**8,821.5**	**9,755.3**	**9,764.5**	**9,782.8**							
2018	Pending provision	3,853.3	2,158.2	1,668.4								
	Cumulative payments	5,303.3	7,349.6	7,889.6								
	TOTAL COST	**9,156.6**	**9,507.8**	**9,557.9**								
2019	Pending provision	2,952.8	1,203.9									
	Cumulative payments	5,246.1	6,906.2									
	TOTAL COST	**8,199.0**	**8,110.1**									
2020	Pending provision	2,745.6										
	Cumulative payments	4,627.9										
	TOTAL COST	**7,373.4**										

Figures in millions of euros

December 31, 2020

Item	Year of occurrence											
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010 and previous	Total
Provision for outstanding claims Non-Life direct insurance	2,745.6	1,203.9	1,668.4	883.5	325.8	220.5	133.9	100.6	80.5	63.9	293.3	7,719.7

Figures in millions of euros

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2019

Year of occurrence of claims	Item	Year of occurrence	Trends in claim costs in the years after 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 years later
2009 and previous	Pending provision	7,965.8	3,598.6	2,187.4	1,388.9	968.2	628.1	500.9	406.3	372.7	423.4	309.0
	Cumulative payments	40,672.4	44,604.8	45,797.2	46,533.6	46,992.0	47,259.4	47,389.9	47,529.3	47,617.4	47,776.2	47,876.6
	TOTAL COST	**48,638.2**	**48,203.4**	**47,984.6**	**47,922.5**	**47,960.2**	**47,887.5**	**47,890.8**	**47,935.5**	**47,990.1**	**48,199.6**	**48,185.6**
2010	Pending provision	2,491.9	905.5	515.3	291.4	194.7	148.0	117.9	87.4	79.6	62.7	
	Cumulative payments	4,780.9	6,313.4	6,668.7	6,924.5	7,026.0	7,087.8	7,169.8	7,191.6	7,220.7	7,252.5	
	TOTAL COST	**7,272.8**	**7,218.9**	**7,184.0**	**7,215.9**	**7,220.7**	**7,235.8**	**7,287.7**	**7,279.0**	**7,300.3**	**7,315.1**	
2011	Pending provision	2,137.2	745.7	474.7	301.7	225.6	163.1	127.9	115.4	82.6		
	Cumulative payments	4,717.0	6,126.4	6,458.4	6,637.0	6,724.5	6,820.7	6,854.3	6,892.6	6,940.2		
	TOTAL COST	**6,854.2**	**6,872.1**	**6,933.1**	**6,938.7**	**6,950.0**	**6,983.8**	**6,982.2**	**7,008.0**	**7,022.8**		
2012	Pending provision	2,311.0	792.3	460.4	312.9	243.5	183.0	157.5	107.6			
	Cumulative payments	4,401.6	5,864.5	6,219.5	6,394.6	6,511.5	6,574.9	6,618.9	6,667.9			
	TOTAL COST	**6,712.7**	**6,656.8**	**6,679.9**	**6,707.5**	**6,755.1**	**6,757.9**	**6,776.4**	**6,775.5**			
2013	Pending provision	2,404.3	860.0	522.4	338.2	234.3	191.5	151.7				
	Cumulative payments	4,657.8	6,211.8	6,610.7	6,827.9	6,917.1	6,994.3	7,059.1				
	TOTAL COST	**7,062.1**	**7,071.8**	**7,133.0**	**7,166.1**	**7,151.3**	**7,185.8**	**7,210.9**				
2014	Pending provision	2,539.5	961.1	546.9	357.2	276.9	228.2					
	Cumulative payments	4,963.3	6,661.7	7,045.8	7,215.9	7,341.5	7,434.9					
	TOTAL COST	**7,502.7**	**7,622.9**	**7,592.7**	**7,573.1**	**7,618.4**	**7,663.2**					
2015	Pending provision	2,688.7	1,043.6	729.5	472.9	326.0						
	Cumulative payments	5,341.9	7,038.5	7,369.7	7,621.5	7,814.3						
	TOTAL COST	**8,030.7**	**8,082.2**	**8,099.2**	**8,094.4**	**8,140.3**						
2016	Pending provision	2,862.2	1,309.6	822.0	531.6							
	Cumulative payments	5,290.8	7,063.0	7,541.3	7,864.5							
	TOTAL COST	**8,153.0**	**8,372.6**	**8,363.3**	**8,396.1**							
2017	Pending provision	3,908.6	2,167.5	1,376.9								
	Cumulative payments	5,512.9	8,259.6	9,081.3								
	TOTAL COST	**9,421.5**	**10,427.1**	**10,458.2**								
2018	Pending provision	4,211.7	2,351.2									
	Cumulative payments	5,710.5	7,849.6									
	TOTAL COST	**9,922.2**	**10,200.8**									
2019	Pending provision	3,254.6										
	Cumulative payments	5,334.7										
	TOTAL COST	**8,589.3**										

Figures in millions of euros

The increase in 2019 of the total cost of claims occurring in 2018 comes primarily from the a claim at a hydroelectric dam in Colombia, fully allocated to reinsurance.

December 31, 2019

Item	Year of occurrence											
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009 and previous	Total
Provision for outstanding claims Non-Life direct insurance	3,254.6	2,351.2	1,376.9	531.6	326.0	228.2	151.7	107.6	82.6	62.7	309.0	8,782.1

Figures in millions of euros

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As shown in the tables above, the overall percentage of claims attributable to ceded reinsurance is 26.3 percent and 28.0 percent for 2020 and 2019, respectively.

Information about the progression in accepted reinsurance claims per year of occurrence is not provided since as a general rule the ceding companies use accounting methods other than the year of occurrence. In accordance with the studies undertaken for accepted reinsurance, the technical provisions are adequate.

6.14. PROVISIONS FOR RISKS AND EXPENSES

The following tables show the movements of provisions for risks and expenses in the last two years.

2020

Item	Opening balance	Adjustments to the opening balance	Changes to the scope	Inflows		Outflows		Closing balance
				Allocated provisions	Increased value on discount	Applied provisions	Reversed provisions	
Provision for tax to be paid	316.3	(89.3)	(0.1)	2.7	2.9	(4.1)	(4.3)	224.1
Provision for payments of liquidation agreements	14.2	(0.3)	—	9.5	—	(9.6)	—	13.8
Provisions for restructuring	10.5	—	—	25.1	—	(10.0)	—	25.6
Other provisions for staff-related commitments	220.6	(5.8)	(0.8)	191.7	0.1	(187.7)	(0.1)	218.0
Other provisions	147.7	(22.0)	—	44.8	3.7	(57.9)	(15.1)	101.1
TOTAL	**709.3**	**(117.4)**	**(0.9)**	**273.7**	**6.6**	**(269.3)**	**(19.5)**	**582.6**

Figures in millions of euros

2019

Item	Opening balance	Adjustments to the opening balance	Changes to the scope	Inflows		Outflows		Closing balance
				Allocated provisions	Increased value on discount	Applied provisions	Reversed provisions	
Provision for tax to be paid	312.7	(4.8)	—	5.3	8.1	(5.0)	—	316.3
payments of liquidation	21.3	(0.1)	—	10.0	—	(15.1)	(1.9)	14.2
Provisions for restructuring	3.7	—	—	10.5	—	(3.7)	—	10.5
Other provisions for staff-related commitments	200.9	1.5	—	114.3	0.4	(96.1)	(0.4)	220.6
Other provisions	102.9	(6.1)	—	94.8	3.4	(42.3)	(5.0)	147.7
TOTAL	**641.5**	**(9.5)**	**—**	**235.0**	**11.9**	**(162.2)**	**(7.3)**	**709.3**

Figures in millions of euros

The provisions for risks and expenses include the estimated amounts of tax debts, settlement agreement payments, restructuring, employee incentives and others derived from the activities and inherent risks of the Group companies, which will be paid in the coming years.

The estimates of the amount provided and the period in which the provisions will be liquidated are affected by uncertainties regarding the ruling on filed appeals and performance of other parameters. It was not necessary to design assumptions regarding future events in order to determine the value of the provision. Potential provision reimbursement is not expected.

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Provision for taxes

This heading includes, at December 31, 2020 and 2019, tax liabilities amounting to 214.6 and 310.8 million euros, respectively, related to the tax contingencies that the Brazilian insurance companies have with the tax authorities in that country, which are being discussed on a judicial and administrative level. These contingencies primarily refer to the taxes known as COFINS (tax contribution used to fund social security) amounting to 197.4 million euros (273.9 million euros at December 31, 2019) and the PIS (Social Integration Program) amounting to 4.4 million euros (6.1 million euros at December 31, 2019). These contingencies have arisen due to discrepancies in the interpretation by the Brazilian government and the business sector regarding the justification of applying said taxes to the companies' turnover.

From said discussion, the Group is currently involved in legal proceedings with the tax authorities in Brazil in connection with the enforceability of the aforementioned COFINS and PIS taxes, regarding non-operating financial income, for the amounts of 121.7 and 166.6 million Brazilian reals at December 31, 2020 and 2019, respectively. Given the current uncertainty in case law regarding whether the PIS and COFINS calculation base should be extended to include non-operating financial income, as well as the existence of a ruling by the "Procuradoria Geral da Fazenda (the Brazilian General Attorney's Office for the National Treasury) that is favorable to the insurance companies, both the Group and its advisors classify the risk of loss as possible.

Further, the current proceedings are currently ongoing in Brazil:

- Appeal contesting the 45.1 million euro liquidation, with regard to an inspection initiated by the tax authorities against BRASILSEG COMPANHIA DE SEGUROS, relating to 2014 corporate taxes, questioning the extension applied to revenue from Agricultural insurance operations.
- Appeal regarding the inspection initiated by the tax administration against BRASILVEÍCULOS COMPANHIA DE SEGUROS (absorbed in 2019 by MAPFRE SEGUROS GERAIS), relating to corporate tax corresponding to the years 2014 to 2016, questioning the deductibility of certain expenses and incentives for the sales network, as well as the amortization of the goodwill generated in a corporate restructuring prior to MAPFRE's agreement with Banco do Brasil. The owed taxes included in the inspection for said concepts reaches 71.9 million euros, which, if settled unfavorably would trigger the application of the compensation clause set out in the agreements signed with Banco do Brasil.

Both appeals were heard in the court of first instance (BRASILSEG unfavorable and BRASILVEÍCULOS partially favorable) and are awaiting sentencing in the second administrative level. Both the Group and its advisors classify the risk of loss as possible in both cases.

Other provisions

This heading includes, for 2020 and 2019, the contingent payments arising from business combinations, which include the variable part of the price of the business combination that directly depends on the achievement of certain targets linked to the performance of each of the businesses acquired, amounting to 25.3 million euros at the close of 2020 (24.4 million euros in 2019).

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At each reporting date, the amount of contingent payments with the interest established in the contract is updated in the financial statements, and their permanence is analyzed according to fulfillment of the business plan. Payment would occur if the business plan were fulfilled, as of the reference date for the calculation of the Embedded Value, for the financial statements closed at December 31, 2020, in line with the contracts signed with the sellers in each business combination.

6.15. DEPOSITS RECEIVED ON CEDED AND RETROCEDED REINSURANCE

Deposits on ceded and retroceded reinsurance represent guarantees received from reinsurers in line with the reinsurance coverage contracts entered into pursuant to usual business practices. These deposits accrue interest to be paid and the average renewal period is usually quarterly. The liquidation of the aforementioned interest is performed quarterly.

6.16. DEBT

The balances included in the headings "Due on direct insurance and co-insurance operations", "Due on reinsurance operations", "Tax liabilities" and "Other debts" do not accrue payable interest and generally their liquidation is performed in the following year.

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6.17. REVENUES AND EXPENSES FROM INVESTMENTS

The breakdown of revenues and expenses from investments for financial years 2020 and 2019 is shown below:

Revenues from investments

Item	Revenues from investments from: Operations		Equity		Financial revenues from other activities		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
REVENUES FROM INTEREST, DIVIDENDS AND SIMILAR								
Real estate investment								
Rentals	43.2	48.1	0.9	1.5	14.2	15.6	58.3	65.2
Other	0.4	1.5	0.1	—	1.8	1.9	2.3	3.3
Revenues from the held-to-maturity portfolio								
Fixed income	149.0	173.5	1.2	1.9	2.0	1.9	152.2	177.3
Other investments	1.9	2.9	0.1	0.2	—	—	2.0	3.1
Revenue from the available-for-sale portfolio:	1,019.9	1,115.6	62.2	71.0	2.8	2.7	1,084.9	1,189.3
Revenue from the trading portfolio:	245.3	342.0	0.3	1.0	3.3	6.7	248.8	349.7
Other financial returns	100.5	167.6	26.9	37.0	27.2	6.7	154.5	211.2
TOTAL REVENUE	**1,560.1**	**1,851.2**	**91.8**	**112.7**	**51.2**	**35.3**	**1,703.0**	**1,999.1**
REALIZED AND UNREALIZED GAINS								
Net realized gains:								
Real estate investment	17.7	9.3	16.3	0.4	—	2.7	34.0	12.3
Held-to-maturity portfolio financial investments	—	—	—	—	—	—	—	—
Financial investments available for sale portfolio	300.5	577.2	28.8	42.2	2.1	6.3	331.3	625.6
Financial investments trading portfolio	60.3	107.2	3.6	10.6	0.1	0.3	64.0	118.1
Other	—	0.4	—	6.4	0.1	—	0.1	6.8
Unrealized gains:								
Increase in fair value of the trading portfolio and earnings from derivatives	114.8	208.9	26.7	58.9	0.7	0.1	142.1	268.0
Other	5.8	9.0	—	—	5.4	3.0	11.2	12.0
TOTAL GAINS	**499.2**	**912.1**	**75.3**	**118.5**	**8.3**	**12.3**	**582.7**	**1,042.8**
TOTAL REVENUES FROM INVESTMENT	**2,059.2**	**2,763.2**	**167.1**	**231.1**	**59.5**	**47.7**	**2,285.7**	**3,042.0**

Figures in millions of euros

The increase in other financial returns from other activities comes from the gain obtained from the sale of MAQUAVIT INMUEBLES, for the amount of 14.1 million euros.

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Expenses from investments

Item	Expenses from investments from:				Financial expenses from other activities		Total	
	Operations		Equity					
	2020	2019	2020	2019	2020	2019	2020	2019
FINANCIAL EXPENSES								
Real estate investment								
Direct operational expenses	19.1	21.9	—	—	0.5	0.6	19.6	22.5
Other expenses	5.3	2.8	—	0.2	7.1	8.5	12.4	11.4
Expenses from held-to-maturity portfolio								
Fixed income	6.8	3.8	—	—	—	—	6.8	3.8
Other investments	0.4	0.7	—	—	0.1	—	0.5	0.7
Expenses from the available for sale portfolio	152.8	145.4	18.4	48.1	—	0.4	171.2	193.8
Expenses from the trading portfolio:	132.8	157.4	0.7	—	—	—	133.5	157.4
Other financial expenses	119.2	165.7	5.6	3.0	84.9	77.5	209.8	246.2
TOTAL EXPENSES	**436.4**	**497.5**	**24.8**	**51.3**	**92.6**	**87.0**	**553.8**	**635.8**
REALIZED AND UNREALIZED LOSSES								
Net realized losses								
Real estate investment	18.0	5.3	—	—	—	—	18.0	5.3
Financial investments available for sale portfolio	223.6	108.4	8.6	5.6	1.4	0.3	233.5	114.3
Financial investments trading portfolio	57.0	48.4	7.1	2.3	—	0.9	64.1	51.6
Other	7.5	4.3	0.6	0.1	0.2	—	8.2	4.4
Unrealized losses								
Decrease in fair value of trading portfolio and losses in derivatives	55.9	47.4	10.0	21.9	—	—	66.0	69.3
Other	0.9	0.1	—	—	0.4	0.1	1.3	0.2
TOTAL LOSSES	**362.9**	**213.9**	**26.2**	**29.9**	**2.0**	**1.2**	**391.1**	**245.0**
TOTAL EXPENSES FROM INVESTMENT	**799.4**	**711.4**	**51.0**	**81.2**	**94.6**	**88.2**	**945.0**	**880.8**

Figures in millions of euros

A large part of profits and losses, both realized and unrealized, correspond to assets related to mathematical provisions (see Note 6.13), and as such both effects are compensated on the income statement.

The expenses arising from investment portfolios mainly stem from financial swaps related to insurance operations.

6.18. OPERATING EXPENSES

A breakdown of net operating expenses by purpose and nature, for the last two financial years, is shown below.

Operating expenses by purpose

Item	2020	2019
Claims-related expenses	775.3	814.5
Acquisition expenses	4,610.2	5,020.1
Administration expenses	746.8	723.9
Expenses from investments	850.4	792.6
Other technical expenses	205.0	155.1
Other non-technical expenses	145.7	165.2
Operating expenses from other activities	437.0	515.7
TOTAL	**7,770.4**	**8,187.2**

Figures in millions of euros

Operating expenses by nature

Item	2020	2019
Commissions and other portfolio expenses	3,668.3	3,957.1
Personnel expenses	1,696.8	1,761.4
External services		
- Leasing (shops and buildings)	26.7	35.1
- Repairs and upkeep (shops and buildings)	70.0	79.4
- Leasing and repairs (computer equipment)	36.3	33.8
- Leasing and repairs (computer applications)	164.5	159.3
- Other services (computer applications)	221.4	222.0
- Supplies (communications)	37.6	30.7
- Advertising and marketing	126.3	172.4
- Public relations	22.6	48.2
- Independent professional services	206.8	180.6
- Other services	331.9	361.3
Taxes	150.0	185.1
Provision for amortization	320.6	330.4
Expenses posted directly to purpose	690.5	630.6
TOTAL	**7,770.4**	**8,187.2**

Figures in millions of euros

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The income statement reflects expenses by purpose, i.e., based on the function the expenses fulfill in the operational cycle of the insurance activity (claims-related expenses, the acquisition of insurance contracts, administration, investments or other technical items).

Expenses are initially recognized according to their nature, and are reclassified according to their purpose in those cases in which the nature and purpose are not the same. The reclassification performed in the following subject headings is as follows:

1. Claims-related expenses. Includes expenses for personnel assigned to claims management, amortization and depreciation of fixed assets assigned to this activity, fees paid for claims management and expenses incurred for other services necessary for processing claims.

2. Net operating expenses. Included in this heading are:

- Acquisition expenses. Includes commissions, expenses for personnel assigned to production, amortization and depreciation of fixed assets assigned to this activity, expenses for analyzing and processing policy applications and formalizations, as well as advertising, publicity and commercial organization expenses directly related to the acquisition of insurance contracts.

- Administration expenses. These primarily include expenses for personnel assigned to these functions and amortization and depreciation of fixed assets assigned to this activity, as well as expenses deriving from contentious matters related to premiums, from processing refunds and from ceded and accepted reinsurance.

- Commissions and participations in reinsurance. Includes compensation from reinsurers to the ceding companies for acquisition and administration expenses incurred by the latter, as well as their participation in the profits of the reinsurer.

3. Investment expenses. Includes expenses for personnel assigned to managing investments, charges to amortization and depreciation allowance for fixed assets assigned to this activity, and other internal and external expenses for managing investments, with external expenses including fees, commissions and brokerage fees accrued.

   Expenses from investments are classified as from operations or from equity depending on whether they derive from investments corresponding to technical provisions (operating investments) or from investments corresponding to the company's equity (equity investments).

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6.19. RESULT FROM CEDED AND RETROCEDED REINSURANCE

The result from ceded and retroceded reinsurance for years 2020 and 2019 is the following:

Item	Non-Life		Life		Total	
	2020	2019	2020	2019	2020	2019
Premiums	(3,458.4)	(3,959.6)	(190.0)	(177.8)	(3,648.4)	(4,137.4)
Change in the provision for unearned premiums and unexpired risks	(184.5)	386.3	3.7	0.6	(180.8)	386.9
Claims paid and change in the provision for claims	1,723.4	2,371.1	112.0	104.5	1,835.4	2,475.6
Change in mathematical provision and other technical provisions	—	—	(14.4)	(2.2)	(14.4)	(2.2)
Participation of reinsurance in commissions and expenses	630.1	600.7	39.8	35.1	669.9	635.8
Result of ceded and retroceded reinsurance	**(1,289.4)**	**(601.5)**	**(48.8)**	**(39.8)**	**(1,338.2)**	**(641.2)**

Figures in millions of euros

The decrease in "Claims paid and change in the provision for claims" in 2020 for ceded and retroceded reinsurance is fundamentally due to the increase last year in the provision for the claim in a hydroelectric dam in Colombia, fully allocated to reinsurance, which occurred in 2018 (see note 6.13).

6.20. FISCAL SITUATION

Fiscal consolidation regulations

- Tax on profits

Since the financial year 1985, some of the consolidated companies with registered offices in Spain have been included for corporate tax purposes in Fiscal Group 9/85. This Group is made up of the controlling company and those of its subsidiaries that are eligible for this tax regime. A list of the main subsidiaries included in this fiscal Group in 2020 is provided in Annex 2 of this report.

- Value Added Tax

Since the financial year 2010, and for the purposes of value added tax, some of the consolidated companies with registered offices in Spain have been included in the VAT Group 87/10. This Group comprises MAPFRE S.A. as the controlling company and those of its controlled companies that agreed to join the Group when it was created. A list of the main subsidiaries that form part of this Group in 2020 is provided in Annex 2 of this report.

Components of tax on profits expenses and reconciliation of the accounting profit with the tax cost for ongoing activities

The main components of the tax on profits expenses from ongoing activities and the reconciliation between the tax on profits expenses and the result of multiplying the accounting profit by the applicable tax rate for the financial years ending December 31, 2020 and 2019 are shown below. The Group has reconciled the amounts by aggregating reconciliations made separately using the national rates of each country.

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Item	Amount 2020	2019
Tax expense		
Result before taxes from ongoing operations	1,118.5	1,279.3
25 percent of result before taxes from ongoing operations	279.6	319.8
Tax effect of the permanent differences	(58.4)	(22.4)
Tax incentive for the financial year	(36.8)	(20.2)
Tax effect of tax rates other than 25 percent	118.1	72.7
Total expense from current tax originating in the financial year	302.5	349.9
Expense from current tax originating in previous years	10.8	(25.8)
Receivables from negative taxable income not recognized from previous periods, deductions pending application or temporary differences	(15.5)	—
TOTAL TAX EXPENSES OF ONGOING OPERATIONS	**297.7**	**324.0**
Tax on profits to be paid		
Withholdings and advance payments	(367.0)	(427.3)
Temporary differences and currency conversion differences	26.3	22.0
Tax receivables and incentives applied, registered in previous years	(37.1)	(13.2)
Tax on earnings for discontinued operations	—	—
TOTAL TAX ON PROFITS TO BE PAID (RECEIVABLE) ORIGINATING IN THE YEAR	**(80.1)**	**(94.5)**
Tax on profits receivable from previous financial years	**(43.1)**	**(49.8)**
NET TOTAL TAX ON PROFITS TO BE PAID (RECEIVABLE)	**(123.1)**	**(144.3)**

Figures in millions of euros

Deferred tax assets and liabilities

At December 31, 2020 and 2019 deferred tax assets and liabilities were shown on the consolidated balance sheet for the net amount corresponding to each of the Group's tax-paying companies. They currently stand as follows:

Item	2020	2019
Deferred tax assets	221.7	307.0
Deferred tax liabilities	(670.6)	(703.1)
Asset (Liability) net	**(448.9)**	**(396.1)**

Figures in millions of euros

In addition to the deferred tax assets recorded in 2020 and 2019, shown in the above table, there are other deferred tax assets deriving from tax loss carryforwards pending offset, amounting to 22.7 and 29.7 million euros, respectively. These assets were not recognized, in accordance with the criteria established under EU-IFRS.

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The following tables show the movements in the net balance of deferred taxes in the financial years 2020 and 2019, with a breakdown of the amounts related to items directly debited or credited to equity accounts in each financial year.

2020

Item	Opening balance	Adjustments to the opening balance	Changes to the scope	From		Settled	Closing balance
				Results	Equity		
Portfolio acquisition expenses and other intangibles	(254.4)	55.1	10.9	14.8	(51.1)	—	(224.7)
Valuation difference in financial investments	(1,526.8)	(24.1)	414.2	29.3	(195.7)	—	(1,303.1)
Other comprehensive revenue and expenses	(12.2)	(2.8)	—	(0.3)	—	0.3	(15.1)
Valuation difference in mathematical provisions by shadow accounting	1,133.4	26.7	(387.9)	(11.4)	93.8	—	854.6
Stabilization and catastrophe provision	(174.6)	5.5	—	(10.8)	—	28.5	(151.5)
Other technical provisions	63.9	(3.3)	(0.4)	(6.4)	—	—	53.8
Tax receivables on negative taxable income	261.3	(63.4)	—	19.0	—	(29.3)	187.6
Receivables on tax incentives	11.5	(0.2)	—	48.7	—	(42.2)	17.9
Pension supplements and other staff-related commitments	55.7	—	(0.2)	5.7	—	(1.0)	60.1
Provisions for uncollected premiums	19.7	(2.0)	(0.1)	5.5	—	(5.4)	17.7
Provisions for liabilities and others	51.6	(3.2)	0.1	16.4	—	(8.2)	56.6
IFRS 16 application	6.0	(0.7)	1.0	(0.9)	—	—	5.4
Other items	(31.2)	(9.8)	(2.6)	43.5	—	(8.2)	(8.2)
TOTAL	**(396.1)**	**(22.3)**	**35.0**	**153.0**	**(153.0)**	**(65.5)**	**(448.9)**

Figures in millions of euros

The amount recorded in the year in the heading for "Portfolio acquisition expenses and other intangibles" coming from the equity is a result of the assignation of the final acquisition price of the stake in SANTANDER MAPFRE carried out in 2019 (Note 4.24)

2019

Item	Opening balance	Adjustments to the opening balance	Changes to the scope	From		Settled	Closing balance
				Results	Equity		
Portfolio acquisition expenses and other intangibles	(264.4)	8.1	(17.9)	19.8	—	—	(254.4)
Valuation difference in financial investments	(1,016.1)	(8.5)	(1.9)	108.8	(609.2)	—	(1,526.8)
Other comprehensive revenue and expenses	(17.4)	(0.1)	—	5.0	—	0.2	(12.2)
Valuation difference in mathematical provisions by shadow accounting	867.8	(3.1)	—	(64.6)	333.3	—	1,133.4
Stabilization and catastrophe provision	(168.1)	4.7	—	(19.6)	—	8.3	(174.6)
Other technical provisions	72.7	0.9	0.4	(10.2)	—	—	63.9
Tax receivables on negative taxable income	221.1	(13.9)	—	67.3	—	(13.2)	261.3
Receivables on tax incentives	12.0	—	—	20.2	—	(20.6)	11.5
Pension supplements and other staff-related commitments	48.1	1.9	—	7.9	—	(2.2)	55.7
Provisions for uncollected premiums	19.0	0.4	—	7.2	—	(6.9)	19.7
Provisions for liabilities and others	43.8	0.9	—	10.9	—	(4.1)	51.6
IFRS 16 application	—	—	—	1.1	4.9	—	6.0
Other items	15.8	(4.8)	—	(39.6)	—	(2.6)	(31.2)
TOTAL	**(165.7)**	**(13.3)**	**(19.2)**	**114.2**	**(271.0)**	**(41.1)**	**(396.1)**

Figures in millions of euros

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At the close of 2020, deferred tax assets and liabilities maturing in less than 12 months amounted to 45.0 and 40.3 million euros, respectively (54.4 and 50.3 million euros, respectively, in 2019).

Tax loss carryforwards

The tax loss carryforwards pending offset in fully consolidated companies at the close of the last two periods is shown below:

Year generated	Tax loss carryforwards				Deferred tax assets			
	Applied in the financial year		Pending application		Amount recognized		Amount not recognized	
	2020	2019	2020	2019	2020	2019	2020	2019
2012 and previous	3.0	0.7	14.9	21.2	0.8	—	2.1	4.4
2013	15.7	11.8	156.0	240.2	59.4	93.0	2.0	1.9
2014	—	5.8	10.1	12.3	—	0.1	2.2	2.6
2015	5.0	3.8	16.1	26.7	0.5	5.8	4.3	2.5
2016	4.4	5.1	124.6	162.5	35.7	47.7	2.5	4.3
2017	50.7	8.3	38.8	116.7	7.3	25.6	2.5	8.5
2018	17.4	14.8	193.9	252.8	57.4	77.9	2.8	3.9
2019	—	—	58.2	60.7	11.1	11.3	0.9	1.7
2020	—	—	79.0	—	15.4	—	3.4	—
Total	**96.2**	**50.3**	**691.6**	**893.1**	**187.5**	**261.3**	**22.7**	**29.7**

Figures in millions of euros

Assets recognized in relation to deferred taxes on tax loss carryforwards pending offset in consolidated companies represent 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 tax incentives of the companies consolidated by global integration for 2020 and 2019 are as follows:

Module	Amount applied in the financial year		Amount pending application		Amount not recorded	
	2020	2019	2020	2019	2020	2019
Double taxation deduction	9.1	6.6	0.8	—	0.8	—
Job creation	—	—	—	—	—	—
Other	33.0	14.1	17.9	23.5	—	12.0
Total	**42.2**	**20.6**	**18.7**	**23.5**	**0.8**	**12.0**

Figures in millions of euros

The consolidated tax group no. 9/85 made use in previous years of the reduction from capitalization reserve contemplated in Article 25 of the Corporate Income Tax Act 27/2014, giving rise to a decrease in the consolidated tax payable each year. To enjoy this tax benefit, there must be an increase in shareholders' equity in the period and this increase must be maintained for a period of five years, and a reserve must be created equivalent to the amount of the reduction, equivalent to at least 10 percent of said increase and which will be restricted for the same five-year period.

The breakdown of increases in shareholders' equity and allocated reserves in the last periods, subject to maintenance requirement, is as follows:

Year	Increase in Shareholders' Equity	Restricted reserve
2015	324.9	35.0
2016	94.7	12.0
2017	18.6	1.9

Figures in millions of euros

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Verification by tax authorities

In Spain in 2019 and 2020, checks and verifications begun in 2017 are still being carried out regarding Fiscal Group number 9/85, affecting MAPFRE, S.A. as the controlling company and MAPFRE ESPAÑA, MAPFRE VIDA, MAPFRE INTERNACIONAL, MAPFRE RE, MAPFRE ASISTENCIA, MAPFRE GLOBAL RISKS, and other Group subsidiaries regarding Corporate Tax for the financial years 2013 to 2016, and other taxes from the financial years 2014 to 2016.

As a result of above-mentioned activities, acts of partial conformity have been signed regarding retentions and income against Personal Income Tax (IRPF in Spanish), the liquidations of which are deposited at the date of preparation of the annual accounts. Regarding the acts signed in partial disagreement, the liquidations are being contested before the Economic-Administrative Court (TEAC).

Regarding Corporate tax for 2013 to 2016, acts of agreement and disagreement were signed on March 11, 2020. The acts of agreement, the liquidation of which is deposited with Hacienda Publica at December 31, 2020, have notable deductions for double taxation, in line with Article 30.6 of Royal Decree 4/2004, which approved the Recast Text of the Corporate Tax Law (in force in 2013 and 2014), and Transitory Disposition n. 23 of Law 27/2014 Regarding Corporate Tax (in force in 2015), as well as the regulation of non-deductible provisions that revert to subsequent years. As for the acts of disagreement, they primarily refer to the deductibility of certain personnel expenses, of the technical provision for claims and stabilization reserve, the deduction for technological innovation expenses and the repercussions for subsidiaries of canons from the the use of the MAPFRE brand. On May 30, 2020, allegations were made against the acts of disagreement, which have been denied by the Large Contributors Central Delegation Technical Office, which decisions haves been appealed before the TEAC).

Regarding Value Added tax in 2014 to 2016, On June 3, 2020, acts of agreement were signed n reference to the application of the pro-rata rule for the Group of Entities (REGE) number 87/2010, of which MAPFRE, S.A. is the controlling company, and they were paid, at the date of preparation of the annual accounts, and an act of disagreement regarding the impact of canons for the use of the MAPFRE brand has been appealed before TEAC.

Regarding fiscal debt being disputed resulting from the above mentioned verification activity, MAPFRE considers, based on the criteria of its fiscal advisors, that there are solid defense arguments in the administrative and legal proceedings, and therefore has not made specific provisions for this concept.

In accordance with current legislation, the statements made for the different taxes may not be considered final until they have been inspected by the tax authorities or until the statute of limitations has passed (four years for Spanish companies).

At December 31, 2020 the view of the Directors and advisors of the consolidated companies regarding the possibility of tax liabilities arising and significantly affecting the financial position of the consolidated companies was remote.

6.21 REMUNERATION FOR EMPLOYEES AND ASSOCIATED RETIRED EMPLOYEES

Personnel expenses

The personnel expenses breakdown for the last two years is shown in the table below:

Item	Amount	
	2020	2019
Short-term remuneration		
Wages and salaries	1,215.9	1,251.1
Social security	240.8	257.0
Other remuneration	130.2	153.6
Post-employment benefits	36.2	38.2
Other long-term remuneration	3.9	8.8
Termination payments	69.8	52.7
TOTAL	**1,696.8**	**1,761.4**

Main post-employment benefits

Defined benefit plans

The commitments from defined benefit plans still on the balance sheet correspond exclusively to retired employees. The most relevant of the plans are instrumented through insurance policies, are measured pursuant to the provisions described in the accounting policies.

In relation to the amounts recognized on the balance sheet, the obligations regarding defined benefit plans amounted to 41.8 and 43.5 million euros at December 31, 2020 and 2019, respectively, fully externalized through written policies with MAPFRE VIDA. Consequently, no assets allocated to these plans are recognized and the liability recognized on the consolidated balance sheet is recorded under the heading "Provisions for life insurance".

There are also obligations relating to pension commitments, externalized through allocated insurance policies, amounting to 11.8 and 12.1 million euros at December 31, 2020 and 2019, respectively. These amounts coincide with the value of the assets allocated to the plan.

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The main actuarial hypothesis used at the close of the last two years have been the following: PERM/F-2000 mortality tables, annual CPI of 3 percent in both years, with identical discount rates and expected returns of the related assets as the products have matched flows.

The net effect on equity and results of the actuarial loss and gains, interest expenses and return of the assets allocated to the plan is null, as the amounts corresponding to commitments and the assets allocated to the plan or reimbursement right are netted.

Other post-employment benefits

In 2020 and 2019 the personnel expenses correspond to Life insurance covering death between ages 65 and 77, amounting to 2.1 and 1.5 million euros, respectively.

Other medium-term remuneration and share-based payments

In 2019, the Board of Directors approved a new medium-term incentive plan valued and recognized in the consolidated income statement in line with the valuation rule in Note 5.19 "Personnel expenses". No amounts for this concept were provisioned, as the established objectives were not reached.

In 2019 the previous medium-term incentive plan approved in 2016 was partially cancelled, with payment of 0.7 million euros in cash and 0.4 million euros in equity instruments pending until the 2020-2022 period, which are included in liabilities and equity, respectively, at December 31, 2020 (1.1 and 1.2 million euros, respectively, at December 31. 2019).

Number of employees

The following table shows the average number and final number of employees for the last two years, classified by category and gender, and distributed by segment.

Average number of employees:

2020

Segment	Board of Directors and Executive Management		Senior Management		Advisors		Associates		Total	
	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women
IBERIA	6	—	1,177	590	2,892	2,832	650	1,884	4,725	5,306
LATAM NORTH	7	3	334	363	806	920	457	663	1,604	1,949
LATAM SOUTH	7	2	421	353	1,087	988	592	716	2,107	2,059
BRAZIL	3	—	309	208	1,078	1,784	592	1,312	1,982	3,304
NORTH AMERICA	4	—	272	282	616	961	176	572	1,068	1,815
EURASIA	4	—	271	242	729	802	365	616	1,369	1,660
ASISTENCIA	—	1	431	263	470	459	856	1,382	1,757	2,105
GLOBAL RISKS	1	—	24	20	52	64	3	17	80	101
REINSURANCE	2	—	70	36	153	161	9	30	234	227
CORPORATE AREAS	19	4	207	105	395	291	17	77	638	477
Average total number of employees	**53**	**10**	**3,516**	**2,462**	**8,278**	**9,262**	**3,717**	**7,269**	**15,564**	**19,003**

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2019

Segment	Board of Directors and Executive Management		Senior Management		Advisors		Associates		Total	
	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women
IBERIA	6	—	1,154	535	2,763	2,617	665	1,873	4,588	5,025
LATAM NORTH	5	3	295	278	769	785	295	441	1,364	1,507
LATAM SOUTH	7	2	417	303	1,168	1,085	573	773	2,165	2,163
BRAZIL	3	—	313	223	1,074	1,727	609	1,346	1,999	3,296
NORTH AMERICA	3	—	285	302	632	1,014	200	647	1,120	1,963
EURASIA	6	1	284	240	774	833	387	688	1,451	1,762
ASISTENCIA	—	2	391	236	544	541	1,045	1,715	1,980	2,494
GLOBAL RISKS	1	—	35	21	69	74	4	19	109	114
REINSURANCE	2	—	65	34	144	148	8	37	219	219
CORPORATE AREAS	21	4	212	99	384	282	21	84	638	469
Average total number of employees	**54**	**12**	**3,451**	**2,271**	**8,321**	**9,106**	**3,807**	**7,623**	**15,633**	**19,012**

Number of employees at the end of the year:

2020

Segment	Board of Directors and Executive Management		Senior Management		Advisors		Associates		Total	
	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women
IBERIA	6	—	1,174	592	2,866	2,838	647	1,878	4,693	5,308
LATAM NORTH	7	3	327	357	794	920	431	634	1,559	1,914
LATAM SOUTH	7	2	414	340	1,056	955	574	703	2,051	2,000
BRAZIL	2	—	310	205	1,075	1,362	523	1,630	1,910	3,197
NORTH AMERICA	4	—	274	273	614	943	155	555	1,047	1,771
EURASIA	4	1	258	231	719	791	361	616	1,342	1,639
ASISTENCIA	—	2	403	253	431	439	765	1,256	1,599	1,950
GLOBAL RISKS	1	—	24	21	52	63	2	17	79	101
REINSURANCE	2	—	68	36	154	161	9	29	233	226
CORPORATE AREAS	18	4	208	105	396	290	13	77	635	476
Total number of employees	**51**	**12**	**3,460**	**2,413**	**8,157**	**8,762**	**3,480**	**7,395**	**15,148**	**18,582**

2019

Segment	Board of Directors and Executive Management		Senior Management		Advisors		Associates		Total	
	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women
IBERIA	6	—	1,154	544	2,768	2,644	670	1,874	4,598	5,062
LATAM NORTH	5	3	311	286	746	781	291	431	1,353	1,501
LATAM SOUTH	7	2	435	343	1,107	1,019	556	746	2,105	2,110
BRAZIL	3	—	317	235	1,017	1,680	687	1,435	2,024	3,350
NORTH AMERICA	4	—	281	289	623	962	192	639	1,100	1,890
EURASIA	6	1	274	237	764	857	365	599	1,409	1,694
ASISTENCIA	—	2	422	279	510	482	1,002	1,652	1,934	2,415
GLOBAL RISKS	1	—	33	24	61	67	2	18	97	109
REINSURANCE	2	—	67	33	147	157	8	36	224	226
CORPORATE AREAS	20	4	216	100	390	291	21	81	647	476
Total number of employees	**54**	**12**	**3,510**	**2,370**	**8,133**	**8,940**	**3,794**	**7,511**	**15,491**	**18,833**

The following table shows the number of employees in Spain with a degree of disability equal to or higher than 33 percent at the close of the last two years and the average during those years, indicating the categories to which they belong:

Item	2020		2019	
	Year-end close	Average	Year-end close	Average
Senior Management	16	16	14	13
Advisors	104	103	100	98
Associates	92	92	89	90
Total	**212**	**211**	**203**	**201**

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6.22. EARNINGS ON FOREIGN EXCHANGE DIFFERENCES

Foreign exchange gains other than those arising from financial instruments measured at fair value, allocated to the consolidated income statement, amounted to 2.0 and 1.6 billion euros in 2020 and 2019, respectively.

Negative foreign exchange differences other than those arising from financial instruments measured at fair value, allocated to the consolidated income statement, amounted to 2.0 and 1.6 billion euros in 2020 and 2019, respectively.

The settlement of the currency conversion differences recognized in equity at the beginning and end of the year in 2020 and 2019 is shown below.

Description	Amount	
	2020	2019
FOREIGN EXCHANGE DIFFERENCES AT THE BEGINNING OF THE YEAR	**(1,240.2)**	**(1,265.9)**
Net foreign exchange differences on valuation of non-monetary items	(0.9)	0.4
Net foreign exchange differences on conversion of financial statements	(674.6)	25.3
FOREIGN EXCHANGE DIFFERENCES AT THE END OF THE YEAR	**(1,915.7)**	**(1,240.2)**

Figures in millions of euros

At December 31, 2020 and 2019 the net foreign exchange differences arising from the translation into euros of the financial statements of those Group companies whose functional currency is not the euro were as follows:

Company/Subgroup	Geographic Area	Currency conversion differences					
		Gains		Losses		Net	
		2020	2019	2020	2019	2020	2019
Companies consolidated by global integration:							
MAPFRE RE	Europe, America and rest of world	22.7	22.5	(46.5)	(29.5)	(23.8)	(7.0)
MAPFRE INTERNACIONAL	Europe, America and rest of world	300.0	488.3	(2,071.5)	(1,616.4)	(1,771.5)	(1,128.1)
OTHER	—	25.9	29.0	(128.7)	(117.4)	(102.8)	(88.4)
TOTAL		**348.6**	**539.8**	**(2,246.7)**	**(1,763.2)**	**(1,898.1)**	**(1,223.5)**

Figures in millions of euros

6.23. CONTINGENT ASSETS AND LIABILITIES

At the end of 2020 and 2019, and at the time of preparing these consolidated annual accounts, there was no evidence of the existence of contingent assets and liabilities for significant amounts, other than those disclosed in these notes.

6.24. BUSINESS COMBINATIONS

In February 2020, MAPFRE reached an agreement with the León BHD Financial Center by means of which the Spanish company acquired 51 percent of the Health insurance company, ARS Palic, which has changed its name to MAPFRE Salud ARS (a benchmark in the Dominican health market with more than 900,000 clients), with the León BHD Financial Center maintaining the remaining 49 percent. With this transaction, MAPFRE consolidates its position as one of the top insurers in the Dominican Republic, with close to 350 million euros in premiums a year.

In June 2020, MAPFRE and Banco Santander reached an agreement to jointly distribute Non-Life insurance products in Portugal, with the acquisition of 50.01 percent of the existing company, Popular Seguros, by the MAPFRE subsidiary in Portugal. The agreement implies signing a contract for the exclusive distribution of new business of certain Non-Life products (Auto, Multirisk SME and TPL insurance) through the bank's network in Portugal, until December 31, 2037. This agreement is reinforced with the acquisition of 100 percent of a run-off Life Protection portfolio currently owned by Santander Totta Seguros.

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In 2019, MAPFRE and Bankia reached an agreement to restructure their bancassurance alliance, through the acquisition of 51 percent of the share capital of the insurance entities CAJA GRANADA VIDA, and CAJAMURCIA VIDA (absorbed in 2020 by BANKIA MAPFRE VIDA) for a total consideration of 110.3 million euros, with the aim of notably increasing MAPFRE Life insurance distribution in the southeast of Spain. Additionally, in 2019, 50.01 percent of the company SANTANDER MAPFRE was acquired for a consideration of 82.3 million euros, which makes it possible to exclusively distribute Auto, Commercial Multirisk, SME Multirisk and TPL insurance in the Banco Santander network in Spain. The final assignation of the acquisition price of these business combinations carried out in 2019 took place in 2020.

The table below shows the fair value of the identifiable assets and liabilities related to the acquisition of these businesses:

ITEM	2020		2019		
	MAPFRE SALUD ARS	MAPFRE SANTANDER PORTUGAL	CAJA GRANADA VIDA	CAJAMURCIA VIDA	SANTANDER MAPFRE
ASSETS					
Portfolio acquisition expenses and other intangibles	65.5	—	26.7	38.6	211.0
Investments	47.8	—	235.7	127.4	11.3
Deferred tax assets	0.5	0.1	5.2	1.0	—
Participation of reinsurance in technical provisions	—	0.9	2.1	2.0	—
Receivables	8.0	0.8	0.5	0.4	—
Cash	8.9	13.3	4.5	12.3	—
Other assets	15.0	—	0.4	0.7	—
TOTAL ASSETS	**145.7**	**15.0**	**275.1**	**182.4**	**222.4**
LIABILITIES					
Technical provisions	44.0	4.4	193.4	118.0	—
Deferred tax liabilities	17.0	—	12.9	11.0	51.1
Debt	7.5	0.7	9.7	4.0	6.8
Other Liabilities	6.3	0.6	0.9	0.5	—
TOTAL LIABILITIES	**74.8**	**5.6**	**216.8**	**133.6**	**57.9**
Fair value of net assets	70.9	9.4	58.2	48.8	164.5
Interest acquired	51.00%	50.01%	51.00%	51.00%	50.01%
Fair value of the percentage of net assets acquired	36.2	4.7	29.7	24.9	82.3
First consolidation difference	—	9.7	32.1	23.7	—
Business combination costs	**36.2**	**14.4**	**61.8**	**48.6**	**82.3**

Figures in millions of euros

The fair values of the MAPFRE SANTANDER PORTUGAL business combinations are provisional as the adequate identification and determination of such is currently being studied, based on projections that are under review.

The above stated fair values differ from the book values of the company prior to the combination, mainly due to portfolio acquisition expenses and corresponding deferred tax liabilities, which are not recorded on their books.

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The amounts defined for the business combinations in 2019 differ from the provisional amounts recorded in that year, from the final acquisition price being assigned in 2020. The main differences have been from the combination of SANTANDER MAPFRE, and has implied an increase in value of the intangible assets (exclusive distribution agreement in the Santander network in Spain) for 204.2 million euros, as well as the deferred tax liaibilities and non-controlling interests for 51.1 and 76.6 million euros, respectively. With this, the difference compared to the first consolidation has been reduced to zero. As the impact of these differences on the Controlling company's results and shareholders' equity is null, the 2019 comparitive figures have not been restated.

The acquisition costs of all the combinations in 2020 and 2019 have been met in full, and at December 31, 2020 and 2019 there were no outstanding amounts pending payment.

The expenses directly attributable to the above mentioned combinations, corresponding to independent professional, legal and financial advisory fees, were not material and were recorded as expenses in the consolidated income statement.

The aforementioned combinations acquired this year were incorporated into the consolidated group on January 1, 2020; for the entities CAJA GRANADA VIDA and CAJAMURCIA VIDA, March 1, 2019; and June 30, 2019 for SANTANDER MAPFRE. In 2020 and 2019, said business combinations contributed the following amounts to Group premiums and the attributable result of the Controlling company:

- 2020. The business combinations from this year contributed 196.6 million euros to premiums and 5.8 million euros to the net result.
- 2019. The business combinations from this year contributed 28.2 million euros to premiums and 3.6 million euros to the net result. If these combinations had taken place at the beginning of the year, they would have contributed 37.5 million euros to the Group's premiums, and 4.7 million euros to the net result attributable to the controlling Company the year.

The business combinations with an insignificant cost that took place during 2020 and 2019 are listed in Annex 1.

6.25. TRANSACTIONS WITH RELATED PARTIES

All transactions with related parties have been conducted under market conditions.

In addition to the transactions described in the other notes accompanying the consolidated annual accounts, the balances and transactions between Group companies are explained below.

Operations with Group companies

The operations conducted between Group companies, with a zero effect on results because they have been eliminated in the consolidation process, are shown below:

Item	2020	2019
Received/provided services and other expenses/revenue	539.8	499.7
Expenses/revenue from real estate investment	23.5	24.2
Expenses/revenues from investments and financial accounts	25.8	23.4
Dividends distributed	1,134.7	1,668.7

Figures in millions of euros

Reinsurance and co-insurance operations

Reinsurance and co-insurance activities conducted between Group companies, which have been eliminated in the consolidation process, are shown below:

Item	2020	2019
Ceded/accepted premiums	2,560.9	2,741.7
Benefits and services	1,527.7	1,536.2
Changes in technical provisions	5.8	319.2
Commissions	541.7	481.3

Figures in millions of euros

The following table shows the balances with reinsurers and ceding companies, deposits given, and technical provisions on reinsurance activities with Group companies, all of which have been eliminated in the consolidation process:

Item	2020	2019
Receivables and payables	286.2	320.1
Deposits	57.8	56.7
Technical provisions	3,020.3	3,113.4

Figures in millions of euros

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Information related to controlled companies

The following table shows the dividends distributed by the controlled companies with significant non-controlling interests and the result for the period of these individually considered companies (prior to intercompany eliminations), attributable to the non-controlling interests:

Controlled company	Dividends distributed				Earnings attributable to non-controlling interests	
	Controlling company		Non-controlling company			
	2020	2019	2020	2019	2020	2019
BB MAPFRE PARTICIPAÇOES, S.A.	47.9	90.2	144.6	270.4	144.5	284.7
BANKINTER SEGUROS DE VIDA, S.A.	48.5	12.2	48.5	12.2	29.2	30.4
BANKIA MAPFRE VIDA, S.A. DE SEGUROS Y REASEGUROS	26.0	54.6	25.0	52.5	61.6	47.4
CAJA CASTILLA LA MANCHA VIDA Y PENSIONES, S.A.	9.9	12.0	9.9	12.0	9.2	8.7
MAPFRE PERÚ VIDA, COMPAÑÍA DE SEGUROS, S.A.	7.4	9.2	3.3	4.5	5.3	5.9
MAPFRE RE COMPAÑÍA DE REASEGUROS, S.A.	—	67.9	—	4.9	0.7	3.3
M.S.V. LIFE P.L.C.	—	17.6	—	17.6	7.9	9.1

Figures in millions of euros

In March 2019, administrative authorization was received to carry out the business restructuring operation for MAPFRE GLOBAL RISKS, by means of which:

- The purely insurance and reinsurance activities of MAPFRE GLOBAL RISKS, along with the assets and liabilities related to them, were transferred to MAPFRE ESPAÑA and MAPFRE RE, respectively.
- An entity was created that will continue with MAPFRE GLOBAL RISK's activity of analysis and underwriting of large industrial and commercial risks, and it acts on behalf of MAPFRE ESPAÑA and MAPFRE RE.

• Balance sheet

The execution of this restructuring has not had a significant impact on the consolidated financial statements of the Group.

The key figures for controlled companies and significant joint arrangements related to insurance activities are shown below:

Entity	Investments		Credits		Total assets		Equity		Technical Provisions	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Controlled company										
MAPFRE VIDA SOCIEDAD ANÓNIMA DE SEGUROS Y REASEGUROS SOBRE LA VIDA HUMANA	14,064.1	13,866.8	208.5	192.3	16,637.7	16,217.0	1,534.0	1,414.3	12,567.8	12,509.4
MAPFRE ESPAÑA COMPAÑÍA DE SEGUROS Y REASEGUROS S.A.	6,367.7	6,192.2	886.4	851.5	9,663.2	9,560.1	2,575.0	2,486.6	5,812.0	5,783.4
MAPFRE RE COMPAÑÍA DE REASEGUROS, S.A.	4,720.6	4,467.2	813.5	846.6	8,601.4	8,467.4	1,726.6	1,696.4	5,924.8	5,864.1
M.S.V. LIFE P.L.C.	2,281.0	2,244.4	1.2	2.2	2,563.6	2,497.1	161.3	147.3	2,249.0	2,202.0
BANKINTER SEGUROS DE VIDA, S.A.	1,800.8	1,820.3	37.7	32.9	2,126.2	2,110.8	130.2	169.7	1,383.7	1,371.6
THE COMMERCE INSURANCE COMPANY	1,347.3	1,327.8	325.3	415.7	2,358.6	2,570.6	783.5	765.6	1,302.9	1,547.3
COMPANHIA DE SEGUROS ALIANÇADO BRASIL, S.A.	1,063.1	1,473.1	805.9	746.8	2,548.4	3,024.2	243.8	278.5	1,656.9	2,035.3
Subtotal controlled companies	**31,644.6**	**37,565.1**	**3,078.5**	**2,685.3**	**44,499.1**	**49,543.6**	**7,154.4**	**6,526.9**	**30,897.1**	**36,477.9**
Joint Arrangement										
SOLUNION SEGUROS DE CREDITO S.A.	79.7	79.8	70.3	80.7	472.4	439.1	118.8	121.0	241.2	204.0
Subtotal Joint Arrangements	**79.7**	**79.8**	**70.3**	**80.7**	**472.4**	**439.1**	**118.8**	**121.0**	**241.2**	**204.0**

Figures in millions of euros

The English version is a translation of the original in Spanish for information purposes only. In case of discrepancy, the Spanish version shall prevail.

- Income statement

Entity	Revenue				Results					
	From insurance business		Totals		From insurance business		From operations		From global account	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Controlled company										
MAPFRE VIDA SOCIEDAD ANÓNIMA DE SEGUROS Y REASEGUROS SOBRE LA VIDA HUMANA	2,094.9	2,786.4	2,118.0	2,808.9	210.7	202.6	206.8	224.5	241.0	297.8
MAPFRE ESPAÑA COMPAÑÍA DE SEGUROS Y REASEGUROS S.A.	4,569.1	4,659.3	5,347.7	5,412.3	349.4	320.2	266.3	244.2	365.6	552.7
MAPFRE RE COMPAÑÍA DE REASEGUROS, S.A.	5,103.0	4,999.8	7,366.5	6,829.7	15.1	70.2	10.9	52.4	30.4	134.5
M.S.V. LIFE P.L.C.	436.9	564.9	440.5	568.8	15.0	14.5	10.3	11.8	10.3	11.8
BANKINTER SEGUROS DE VIDA, S.A.	341.1	476.2	353.0	486.0	78.4	81.4	58.4	60.8	57.5	63.8
THE COMMERCE INSURANCE COMPANY	1,014.4	1,195.5	1,350.8	1,579.4	95.5	46.3	76.4	36.2	76.4	36.2
COMPANHIA DE SEGUROS ALIANÇADO BRASIL, S.A.	1,213.4	1,539.2	1,673.1	2,035.6	310.9	446.1	231.1	314.2	228.7	312.5
Subtotal controlled companies	**14,772.8**	**15,805.2**	**18,649.6**	**18,925.6**	**1,075.0**	**1,263.8**	**860.2**	**1,004.6**	**1,009.9**	**1,472.7**
Joint Arrangement										
SOLUNION SEGUROS DE CREDITO S.A.	33.1	37.0	254.8	244.0	11.8	16.2	6.2	7.8	3.4	8.9
Subtotal Joint Arrangements	**33.1**	**37.0**	**254.8**	**244.0**	**11.8**	**16.2**	**6.2**	**7.8**	**3.4**	**8.9**

Figures in millions of euros

The key figures for controlled companies and significant joint arrangements related to non-insurance activities are shown below:

- Balance sheet

Entity	Current assets		Total assets		Equity		Current liabilities	
	2020	2019	2020	2019	2020	2019	2020	2019
Controlled company								
FUNESPAÑA, S.A.	213.4	202.6	214.6	204.0	132.3	127.8	77.4	73.0
MAPFRE INMUEBLES, S.G.A.	151.6	54.0	625.6	650.4	478.2	501.4	146.5	148.6
MAPFRE INVERSIÓN SOCIEDAD DE VALORES S.A.	63.7	64.4	196.5	222.3	144.1	169.8	46.7	45.8
MAPFRE TECH	33.5	37.1	78.4	73.1	18.8	18.1	52.0	45.8
Subtotal controlled companies	**462.2**	**358.1**	**1,115.1**	**1,149.8**	**773.4**	**817.1**	**322.6**	**313.2**

Figures in millions of euros

- Income statement

Entity	Revenue		Earnings			
			From operations		From overall account	
	2020	2019	2020	2019	2020	2019
Controlled company						
FUNESPAÑA, S.A.	77.6	78.1	5.5	6.1	5.5	6.1
MAPFRE INMUEBLES, S.G.A.	20.5	25.0	(23.2)	5.4	(23.2)	5.4
MAPFRE INVERSIÓN SOCIEDAD DE VALORES S.A.	83.5	83.4	36.1	37.2	37.6	40.9
MAPFRE TECH	199.2	193.1	0.8	(2.6)	0.8	(2.6)
Subtotal controlled companies	**380.8**	**379.6**	**19.2**	**46.1**	**20.7**	**49.8**

Figures in millions of euros

Information relating to joint arrangements and associated undertakings

In 2020 and 2019 MAPFRE PARTICIPACIONES and MAPFRE GLOBAL RISKS did not receive any dividends from SOLUNION.

The cost and fair value of the shareholding in the SOLUNION joint venture at the close of the year were 37.1 and 59.4 million euros, respectively (37.1 and 60.5 million euros respectively in 2019).

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The following table contains the supplementary information for the joint ventures:

Joint Arrangement	Cash and cash equivalents		Financial liabilities		Repayment		Interest				Expenses or income after tax on profit	
							Revenue		Expenses			
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
SOLUNION SEGUROS DE CREDITO S.A.	10.4	7.2	—	—	0.6	3.3	1.8	2.6	1.5	1.7	(3.3)	(2.8)
TOTAL	**10.4**	**7.2**	**—**	**—**	**0.6**	**3.3**	**1.8**	**2.6**	**1.5**	**1.7**	**(3.3)**	**(2.8)**

Figures in millions of euros

The information relating to the key figures of the most relevant associated undertakings is included in Annex 2 of the annual report.

Remuneration of key management personnel

- Board of Directors and other steering Committees

The following table shows the paid remuneration received in the last two years by members of the Board of Directors of the controlling company:

Item	Amount	
	2020	2019
Short-term remuneration		
Salary	2.6	2.6
Short-term variable remuneration	2.2	2.0
Fixed allowance	2.8	2.8
Travel allowance	—	0.1
Other items	0.2	0.1
Medium-term variable remuneration	—	1.3
TOTAL REMUNERATION	**7.8**	**8.7**
Other remuneration		
Life insurance	0.1	0.1

Figures in million euros

The basic remuneration for external directors consists of an annual fixed amount for membership to the Board of Directors, which was 110,000 euros in 2020 and 2019. The Vice-Chairman-Coordinating Director had a fixed annual allowance of 220,000 euros in 2020 and 2019. The members of the Steering Committee received 10,000 euros in 2020 and 2019 and also have a travel, subsistence and accommodation allowance of 3,000 euros. Said amount reached 68,000 euros in the case of the Chair of the Audit and Compliance Committee in 2020 and 2019, and 60,000 euros in the case of people who chair other Steering Committees in 2020 and 2019. Other members of the Audit and Compliance Committee received 48,000 euros in 2020 and 2019, and other members of other sub-steering committees received 39,000 euros in 2020 and 2019.

Members of the Boards of Directors of Spanish insurance companies receive a fixed allowance of 48,000 euros in 2020 and 2019. The external vice-chairmen of the Boards of Directors of Spanish companies received 59,000 euros in 2020 and 2019. Members of Management Committees received 11,000 euros in 2020 and 2019.

Life insurance is also established in case of death, with an insured capital of 150,253 euros, as well as some of the staff benefits like medical insurance.

Executive directors (who are deemed to be executives of the controlling company as well as those who perform executive functions in other MAPFRE GROUP companies) receive the remuneration established in their contracts, which includes a fixed salary, incentives with varying amounts linked to results, life and disability insurance, and other general benefits established for the Group's staff. They also receive certain pension supplements for retirement, externalized through a life insurance policy. All of these payments are in line with the compensation policy established by the Group for its senior managers, whether or not they are directors. In 2020 and 2019, contributions to defined benefit plans amounted to 4.6 million euros each year, recognized as expenses for the year, with the accumulated rights reaching 32.1 and 26.8 million euros at December 31 2020 and 2019, respectively.

Executive directors do not receive the fixed amount established for external directors.

Regarding variable short-term remuneration accrued in the current and previous years, in 2020 3.3 million euros are pending payment (3.1 million euros in 2019).

On February 11, 2020, the Board of Directors of MAPFRE S.A. approved, for a key group in the company, an additional short-term component for 2020 tied to both the Return on Equity (ROE) and the Global Non-Life Combined Ratio for the year, for the amount of 0.6 million euros, proposed by the Appointments and Remuneration Committee.

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The basic remuneration for external directors is approved by the Annual General Meeting at the recommendation of the Board of Directors and in keeping with the report drawn up by the Appointments and Remuneration Committee. The amount of the contractual remuneration for executive directors and the fixed allowance for membership to the Boards or Steering Committees are approved by the Board of Directors, subject to a report by the committee.

- Senior Management

Remuneration paid in the last two years is shown below:

Item	Amount	
	2020	2019
No. of senior management members	9	8
Fixed remuneration	2.6	2.2
Variable remuneration	1.5	1.3
Other concepts	0.3	0.2
TOTAL REMUNERATION	**4.4**	**3.7**
Life insurance	0.04	0.03

Figures in million euros

Additionally, an expense of 1.3 million euros was recorded in 2020 (1.1 million euros in 2019) as a contribution to defined benefit plans, with the accumulated rights reaching the amount of 8.8 and 6.9 million euros at December 31, 2020 and 2019, respectively.

Regarding short-term variable remuneration accrued in the current and previous years, at the close of 2020, 2.3 million euros are pending payment (1.8 million euros in 2019).

On February 11, 2020, the Board of Directors of MAPFRE S.A. approved, for a key group in the company, an additional short-term component for 2020 tied to both the Return on Equity (ROE) and the Global Non-Life Combined Ratio for the year, for the amount of 0.6 million euros, proposed by the Appointments and Remuneration Committee

6.26. COVID-19

2020 is marked by the coronavirus (COVID-19) outbreak. This health crisis was declared a pandemic by the WHO, and its spread, along with the measures aimed at containing and mitigating its effects, has caused a slowdown of economic activity, the final impact of which is difficult to quantify. In these circumstances, from the very beginning, MAPFRE carried out several initiatives focused on two main priorities: guaranteeing the health and safety of all its collaborators, and ensuring business continuity in a way that makes it possible to continue to provide the highest quality service to our clients. The most relevant activity was:

- The roll out of our business continuity plan in all countries and units, adapting it to the special nature of the COVID-19 crisis, with nearly 90 percent of employees worldwide working from home, and guaranteeing essential services (tow trucks, repair shops, home repairs, medical centers, funeral homes...).

- The evaluation of the risks that have emerged from the crisis and adoption of a strategy aimed at protecting our balance sheet, especially the investment portfolio, and preserving the Group's capital position, ensuring we have the liquidity and financing necessary to neutralize any financial tension, especially in operations in emerging countries.

- The mobilization of resources and transfer of funds to the economy, through aid and additional financing for agents, direct providers and clients, with a special focus on the self-employed and SMEs.

The coronavirus crisis has implied a strong reduction in worldwide economic activity as a result of the confinement of the population, with an important impact on business volume and the company's results, increased volatility in the financial markets and strong currency depreciation in emerging countries.

Impacts on the Consolidated Income Statement

The following is a breakdown of the most relevant impacts on Group results, as a result of COVID-19:

The English version is a translation of the original in Spanish for information purposes only. In case of discrepancy, the Spanish version shall prevail.

Written premiums

As a result of the confinement of the population, there has been a reduction in new insurance policies being issued, which has caused a fall in written premiums, with a relevant impact on the Auto, Life Savings and Travel Assistance lines. However, this fall was partially offset by growth in issuing in Health. At December 31, 2020 premiums were down 11.1 percent, with a big impact on the Auto business, which went down 15.6 percent. This decline is explained both by lower car sales as well as by very relevant currency depreciation in various countries where MAPFRE operates.

In Spain, support measures for clients were adopted, including the noteworthy premium discount for SMEs and the self-employed, the accumulated amount of which reached 55.5 million euros at the close of the year. In the United States, a financial assistance program was also established for clients, equivalent to 15 percent of the monthly premium and effective in April and May. This program had a total impact of 31.8 million euros on premiums, and was applied in all states where MAPFRE USA has Retail Auto business. Additionally, several countries in Latin America recorded premium returns or extensions in insurance coverage periods for an accumulated amount of 7.6 million euros.

Losses

Non-Life reported claims have significantly gone down in Auto, due to the reduction in the use of vehicles, and in Health, from the postponement of non-urgent treatment and surgery during the health crisis. On the other hand, there has been a relevant increase in Burial, in line with the increase in deaths.

Accumulated direct losses reported and incurred at the close of the year s a result of claims directly allocated to COVID-19 is as follows:

Lines	Amount
Health	58.8
Burial	30.0
Life Protection	83.5
Travel Assistance (Travel insurance)	23.2
Other lines (Homeowners, Multirisk...)	13.7
IBNR	44.1
TOTAL INSURANCE	**253.3**
Accepted Reinsurance	113.4
TOTAL	**366.7**

figures in million euros

The line of business with the greatest impact is accepted reinsurance, underwritten by the Reinsurance Unit. Gross accepted reinsurance losses at December 31, 2020 reached 113.4 million euros, which primarily correspond to business interruption coverage.

MAPFRE has adopted measures to adapt IBNR reserves with the aim of recognizing the economic impact from clients' delays in reporting claims as a result of the mobility limitations on the population. The amount of these reserves reached 44.1 million euros and primarily affects the Health line.

Expenses

MAPFRE has mobilized resources and adopted measures aimed at guaranteeing the protection of its staff against the COVID-19 pandemic, as well as ensuring business continuity. The incurred expenses related to these measures reached 30.4 million euros at the close of the year.

Results

The previously mentioned effects on premiums, losses and expenses have had a relevant impact on Group consolidated results, with a relevant effect on the combined ratio of the following lines:

Lines	Combined Ratio		
	2020	2019	Variation
Auto	91.7 %	100.5 %	-8,8 p.p.
Health & Accident	94.1 %	98.5 %	-4,4 p.p.
General P&C	95.0 %	89.0 %	6,0 p.p.
Burial	112.1 %	96.3 %	15,8 p.p.
Travel Assistance	102.3 %	102.9 %	-0,6 p.p.
Life Protection	85.4 %	84.2 %	1,2 p.p.

As can be seen, there has been a relevant decline in the combined ratio in the Auto and Health lines, due, respectively, to the lower use of vehicles from confinement, and to the postponement of non-urgent treatment and surgery. On the other hand, there has been a significant increase in the combined ratio in the Burial line, from the increase in mortality from the coronavirus, as well as in the General P&C line from the increase in Homeowners and Condominium claims.

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Economic effects on the Group Consolidated Balance Sheet and Solvency

From the very beginning, MAPFRE adopted a strategy aimed at protecting its balance sheet and its insurance entities' solvency. To this end, the necessary liquidity and appropriate financing were made available to Group insurance companies to neutralize any financial tension, especially MAPFRE companies in emerging countries. As a result, throughout the year, the Group has maintained high levels of liquidity in all its entities, having handled quickly and appropriately payment obligations with clients, providers and real estate lessors (none of the Group companies have negotiated modifications in leases). There have been no relevant changes in credit ratings for the Group financial investment portfolio (see Note 7, Credit risk), and there has been no evidence of relevant delays in premium payments from clients or collections from reinsurers, nor of the recoverability of deferred tax assets.

However, at the close of the year, indications have been identified of impairment in some Group intangible assets associated with insurance operations in Italy, Indonesia and Turkey, which have implied attributable losses for the controlling Company from goodwill and portfolio acquisition expenses of 127.5 and 4.1 million euros, respectively (Note 6.1).

The Group's shareholders' equity has been primarily impacted by the strong depreciation of the currencies in several Latin American countries, the Turkish lira, and the US dollar. The negative impact of this effect on the Group's consolidated shareholders' equity to December 31, 2020 reached 675.5 million euros, with a significant part of this coming from the coronavirus crisis.

MAPFRE updated the calculation of its Solvency II position to September 30, 2020, following the request from the Directorate General for Insurance, and in line with EIOPA's (the European Insurance Supervisory Authority) recommendations. This solvency position update implies the estimation, in the first nine months of 2020, of both the solvency capital requirement (SCR), which is usually calculated on an annual basis, as well as the eligible own funds (EOF), which are usually calculated on a quarterly basis. Despite the impact of the crisis, the Solvency II ratio is within the tolerance limits set by the Board of Directors, which has a lower limit of 175 percent, which is proof of the solidity and resilience of MAPFRE's balance sheet, as well as its continued management capacity.

6.27. EVENTS SUBSEQUENT TO CLOSING

- **Abante Agreement**

On January 22, 2021 MAPFRE and Abante agreed that MAPFRE increasing its stake in Abante by 10 percent of the share capital take place immediately, via capital increase. In the agreement signed between the two partners in July 2019, a three-year period had been stipulated for this option; MAPFRE has decided to implement it in advance, precisely because of the good progress of the alliance. With this operation, MAPFRE has increased its stake in Abante capital to 18.77 percent.

- **Weather-related event**

At the beginning of January, large areas of the interior of the Iberian peninsula were affected by heavy snow and an intense cold wave (storm Filomena) which are considered historic due to the the amount of snow accumulated, with historic depth, and minimum temperatures lower than historic records since their existence in several meteorological observatories. As a result, claims are being filed for the weight of the snow on roofs, structures, etc, leaks from the melting water, damage caused by fallen trees, freezing, and third party liability. All of this has led to the government of Spain to declare the central and northern communities of the peninsula a catastrophic area. The damage is causing there to be a very high number of claims to date, in the retail sector (Homeowners and Condominiums), the corporate sector, and third party liability. Based on the first assessments performed, this loss event is expected to have an impact for MAPFRE Group, net of taxes, of between 20 and 25 million euros.

7. RISK MANAGEMENT

The Board of Directors of MAPFRE S.A. establishes the risk level that the Group would be ready to assume to attain its business objectives with no significant deviations, even in adverse situations. That level, which establishes limits and sub-limits per risk type, configures the MAPFRE Group's risk appetite.

MAPFRE's structure is based on Units and Companies that are highly autonomous insofar as their management. The governing and management bodies of the Group approve the Units' and Companies' lines of action regarding continuous risk management and supervision through indicators and risk exposure ratios.

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To guarantee the effective administration of risks, the Group has developed a series of policies. The Risk Management policy establishes a framework for risk management and, at the same time, for the development of policies regarding specific risks. These are:

a. They establish general guidelines, basic principles and a general framework of action for the type of risk, ensuring coherent application within the Group.

b. Assign responsibilities and define strategies, processes and procedures regarding the information needed to identify, measure, monitor, manage and notify about the risks referred to.

c. Establish reporting chains of command and communication responsibilities of the risk supervisor.

The Group Risk Management Area handles all significant aspects related to risk management corresponding to the Group as well as relevant aspects of the different legal undertakings belonging to it, establishing benchmark directives and criteria to be taken on, with any adaptations necessary, by the risk areas of the individual undertakings.

The Governing Bodies receive information relating to the quantification of the main risks to which the Group is exposed and the capital resources available to cover them, as well as information relating to compliance with the established risk appetite limits.

Assigned capital is established in general based on estimates based on the budgets for the following year and it is periodically reviewed throughout the year in line with the development of risks in order to ensure compliance with the established risk appetite limits.

Exposure to the types of risk coming from the Group financial instruments and insurance contracts, as well as the processes and methods used for their management and measurement are explained in sections A), B), C) and D) of this Note.

A. INSURANCE RISK

1. Sensitivity to insurance risk

This sensitivity analysis measures the effect on capital fluctuations upward and downward of the determining factors of insurance risk (number of insured risks, average premium value, frequency and cost of claims). One measure of the sensitivity to the Non-Life insurance risk is the impact that a 1 percentage point change in the combined ratio would have on the annual results and, consequently, on equity. The following table shows this effect and the volatility index of the ratio, calculated according to the standard deviation in a five-year time horizon:

Business Units	Impact on results of 1% variation in the combined ratio		Combined ratio volatility index
	2020	2019	
Insurance			
- IBERIA	33.7	34.7	1.75%
- LATAM	20.3	24.7	3.05%
- INTERNATIONAL	18.8	20.7	2.10%
Reinsurance	18.9	18.2	2.68%
Assistance	4.1	6.0	2.03%
Global Risks	1.5	1.4	21.04%
CONSOLIDATED	**93.2**	**100.1**	**0.24%**

Figures in millions of euros

In the case of the Life business, MAPFRE uses the standard formula to measure and manage the conditioning factors of insurance risk with the standard formula, which contemplates the following aspects:

- Mortality
- Morbidity
- Revision
- Expenses
- Lapse
- Catastrophe

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Based on the sensitivity analysis carried out regarding the main technical variables (mortality, disability, expenses and lapses) in the Group's main Life insurers, there are no relevant deviations from Life insurance provisions and, therefore, from the own funds of these entities or the Group.

Adequate allocation of technical provisions is one of the basic principles of the Group's insurance management. The technical provisions are calculated by the companies' actuarial teams and the amounts are validated by an independent party that did not participate in the calculation. The establishment of technical provisions is regulated by a specific policy.

The main actuarial methodologies considered to be adequate, applicable and relevant for the calculation of technical provisions under Solvency II for MAPFRE Group are:

• For Non-Life insurance:

- Combinations of generally accepted deterministic methods to determine the ultimate loss ratio based on the selection of factors to determine average cost and frequency.
- Stochastic methods to determine the loss ratio assuming a probability distribution function.

• For Life insurance:

- Policy by policy calculation of the current expected value of acquired commitments based on existing statistical information regarding mortality, longevity, disability, etc.
- Projections based on groupings of homogenous policies or 'model points' where the policy by policy cash flow calculations are disproportionate in relation to the nature and complexity of the company's risks, as long as the projection does not distort the results obtained.
- Stochastic calculations, where relevant, to recognize the temporary value of the options and guarantees.

2. Concentrations of insurance risk

The Group has a high degree of insurance risk diversification since it operates in virtually all insurance lines in Spain and has a wide presence in the international markets.

The Group has implemented a system of procedures and limits which allows it to control the level of concentrated insurance risk.

It is standard practice to use reinsurance contracts to mitigate the insurance risk arising from the concentration or accumulation of guarantees exceeding the maximum acceptance levels.

2.a) Premiums by risk

The following tables show the breakdown for the last two years of written direct insurance and accepted reinsurance premiums classified according to the type of business underwritten:

2020

Item	Accepted reinsurance				Direct insurance				
		Non-Life				Other risks			
	Life	Catastrophe risk	Other risks	Total	Catastrophe risk	Life	Non-Life		Total
							Automobile	Other	
Written premiums, direct insurance	—	—	—	—	467.7	3,813.9	5,542.9	6,942.9	16,767.3
Premiums from accepted reinsurance	553.7	333.7	2,827.5	3,714.9	—	—	—	—	—

Figures in millions of euros

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2019

Item	Accepted reinsurance				Direct insurance				
	Non-Life				Other risks				
	Life	Catastrophe risk	Other risks	Total	Catastrophe risk	Life	Non-Life		Total
							Automobile	Other	
Written premiums, direct insurance	—	—	—	—	351.6	4,877.7	6,565.6	7,743.8	19,538.8
Premiums from accepted reinsurance	593.7	266.9	2,644.5	3,505.2	—	—	—	—	—

Figures in millions of euros

2.b) Premiums by product and segment

The following tables show premiums issued for direct insurance and accepted reinsurance by product and segment, in the last two years:

2020

Product	IBERIA	LATAM NORTH	LATAM SOUTH	BRAZIL	NORTH AMERICA	EURASIA	ASISTENCIA	GLOBAL RISKS	REINSURANCE	CORPORATE AREAS AND CONSOLIDATION ADJUSTMENTS	Total
Life	1,676.9	424.1	226.3	1,209.5	2.3	279.7	—	—	—	0.1	3,818.8
Automobile	2,234.6	230.7	345.4	443.5	1,350.7	928.0	68.0	—	—	(67.6)	5,533.3
Homeowners and commercial risks	1,013.4	118.6	184.3	322.7	626.7	84.4	—	—	—	(10.1)	2,339.9
Health	611.7	443.3	72.7	0.4	48.5	111.4	—	—	—	1.6	1,289.6
Accident	103.0	12.6	75.0	—	1.7	5.7	—	—	—	0.1	198.0
Other Non-Life	1,359.3	345.4	546.8	1,109.3	68.0	74.2	551.0	—	—	(330.4)	3,723.6
Reinsurance	—	—	—	—	—	—	—	1,255.8	4,430.7	(2,107.5)	3,579.0
TOTAL	**6,998.9**	**1,574.6**	**1,450.5**	**3,085.4**	**2,097.9**	**1,483.4**	**618.9**	**1,255.8**	**4,430.7**	**(2,514.0)**	**20,482.2**

Figures in millions of euros

2019

Product	IBERIA	LATAM NORTH	LATAM SOUTH	BRAZIL	NORTH AMERICA	EURASIA	ASISTENCIA	GLOBAL RISKS	REINSURANCE	CORPORATE AREAS AND CONSOLIDATION ADJUSTMENTS	Total
Life	2,425.1	425.4	241.3	1,502.5	4.4	292.3	—	—	—	0.1	4,891.1
Automobile	2,313.6	298.6	427.9	842.7	1,550.5	1,101.6	103.8	—	—	(103.4)	6,535.3
Homeowners and commercial risks	973.1	119.1	195.4	426.9	666.0	86.7	—	—	—	0.3	2,467.4
Health	580.3	230.3	75.8	0.9	54.3	126.2	—	—	—	1.7	1,069.6
Accident	111.9	18.1	95.3	—	2.0	8.0	—	—	—	0.1	235.4
Other Non-Life	1,313.7	881.5	561.0	1,204.5	54.7	80.8	757.2	—	—	(375.8)	4,477.6
Reinsurance	—	—	—	—	—	—	—	1,060.1	4,520.4	(2,212.8)	3,367.7
TOTAL	**7,717.8**	**1,973.1**	**1,596.7**	**3,977.5**	**2,331.7**	**1,695.5**	**861.0**	**1,060.1**	**4,520.4**	**(2,690.0)**	**23,043.9**

Figures in millions of euros

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2.c) Premiums by currency

The following tables show the breakdown for the last two years of written direct insurance premiums.

Currency	Financial Year	
	2020	2019
Euro	8,000.5	8,878.0
US dollar	3,439.6	4,148.0
Brazilian real	3,085.4	3,977.5
Mexican peso	534.8	633.3
Argentine peso	99.9	128.4
Venezuelan bolivar	5.8	4.2
Turkish lira	230.5	340.8
Colombian peso	238.7	276.5
Chilean peso	136.9	134.7
Pound sterling	125.6	249.7
Peruvian sol	290.3	284.7
Indonesian rupiah	34.7	48.9
Other currencies	544.8	434.1
TOTAL	**16,767.3**	**19,538.8**

Figures in millions of euros

3. Claims

Section 3.4 of Note 6.13 of the annual report, "Technical Provisions", offers information about the progression of claims.

B. CREDIT RISK

1. Credit risk arising from reinsurance contracts

The following table shows the breakdown of receivables against reinsurers in the last two years:

Ceded and retroceded reinsurance	Book value	
	2020	2019
· Provision for Life insurance	55.6	57.0
· Provision for outstanding claims	3,738.4	4,313.9
· Other technical provisions	2.6	4.8
· Receivables on ceded and retroceded reinsurance transactions	394.4	390.5
· Due on ceded and retroceded reinsurance transactions	(690.1)	(868.9)
TOTAL NET POSITION	**3,500.9**	**3,897.3**

Figures in millions of euros

The following table shows the breakdown of credits against reinsurers based on the financial solvency margin:

Rating	Book value	
	2020	2019
AAA	1,166.9	1,244.1
AA	994.1	1,009.4
A	363.6	574.5
BBB	317.4	294.8
BB OR LESS	82.4	125.5
WITHOUT CREDIT RATING	576.4	649.1
TOTAL NET POSITION	**3,500.9**	**3,897.3**

Figures in millions of euros

The following table shows the type and amount of the guarantees granted by reinsurers in the last two years:

Type of surety	Amount	
	2020	2019
Letters of credit	2.0	1.1
Guarantees	—	—
Pledging of assets	—	—
Other guarantees	17.0	16.6
TOTAL	**19.1**	**17.7**

Figures in millions of euros

The balances corresponding to receivables on direct insurance and co-insurance operations amounted to 3.5 and 4.0 billion euros at December 31, 2020 and 2019, respectively. Estimated losses due to impairment are recorded in the income statement as specified in accounting policy 5.9.

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2. Credit risk arising from other financial instruments

The breakdown for the last two years of the portfolio of fixed-income securities, hybrid securities, deposits and cash, based on the payment capacity of issuers of fixed-income securities and financial institutions, is shown below:

Credit rating	Book value							
	Held-to-maturity portfolio		Available-for-sale portfolio		Trading portfolio		Cash	
	2020	2019	2020	2019	2020	2019	2020	2019
AAA	1,107.2	1,462.9	3,081.4	2,322.7	788.4	1,896.6	177.7	142.7
AA	47.6	46.3	3,164.4	3,169.6	316.4	225.1	173.1	240.9
A	184.7	33.9	14,761.9	20,743.0	456.1	499.7	1,208.1	1,212.2
BBB	29.6	211.4	6,223.1	7,421.1	848.5	817.6	546.5	631.1
BB OR LESS	42.8	79.9	257.8	256.9	25.2	22.5	83.8	98.9
WITHOUT CREDIT RATING	145.2	115.2	270.5	399.1	96.5	113.3	229.8	211.7
TOTAL	**1,556.9**	**1,949.7**	**27,759.1**	**34,312.4**	**2,531.2**	**3,574.7**	**2,418.9**	**2,537.5**

Figures in millions of euros

3. Fixed-income securities in default

There were no fixed-income securities in default for significant amounts at December 31, 2020 and 2019.

4. Receivables

The following table shows the composition of the receivables heading at December 31, 2020 and 2019, as well as impairment losses, gains on recorded impairment reversals, and received amounts for guarantees in the last two years:

Item	Net balance on balance sheet		Impairment				Guarantees Received	
			Recorded losses		Reversal gains			
	2020	2019	2020	2019	2020	2019	2020	2019
Receivables on direct insurance and co-insurance operations	3,477.3	3,945.1	(14.5)	(11.3)	6.7	7.0	—	—
Receivables on reinsurance operations	1,012.2	934.3	(16.1)	(16.4)	15.6	15.9	—	—
Tax receivables	331.5	409.2	—	—	—	—	—	—
Corporate and other receivables	538.1	780.8	(2.8)	(10.5)	1.4	2.4	—	—
TOTAL	**5,359.2**	**6,069.4**	**(33.4)**	**(38.2)**	**23.6**	**25.3**	**—**	**—**

Figures in millions of euros

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C. LIQUIDITY RISK

With respect to liquidity risk, MAPFRE has a Liquidity Risk Management Policy and an Asset and Liability Management Policy, which together comprise the benchmark framework for acting in this regard. In MAPFRE, the general practice is based on maintaining sufficient cash balances to comfortably cover the commitments arising from its obligations to insured parties and creditors. Thus, at December 31, 2020, the cash and cash equivalent balance amounted to 2.4 billion euros (2.5 billion euros the previous year), equivalent to 6.2 percent of total financial investments and cash (5.3 percent at the close of 2019).

For Life and Savings insurance, the investment criteria applied consists in matching the maturities of investments with obligations entered into under the terms of insurance contracts in order to mitigate the long-term liquidity risk. In addition, most fixed-income investments have an investment grade and are traded in organized markets, providing ample capacity to act against potential liquidity stress.

Assets with maturity exceeding one year are described in the "Interest rate risk" section.

Lastly, MAPFRE's low level of debt as regards shareholders' equity, combined with the amount not drawn down from the syndicated loan taken out by the controlling company, provides additional liquidity through financing operations. Note 6.12 "Financial liabilities" provides information on the Group's debt with credit institutions and its other financial liabilities.

1. Liquidity risk arising from insurance contracts

The table below shows the estimated schedule of disbursements for insurance liabilities recorded at December 31, 2020 and 2019 (non-financial discount amounts).

2020

Item	Estimated cash outflows in years							Total
	2021	2022	2023	2024	2025	2026 to 2030	Subsequent	
Provisions for Life insurance	2,491.4	1,625.3	1,392.1	1,212.1	1,100.7	4,286.1	7,094.5	19,202.1
Provision for outstanding claims	5,135.0	2,301.5	1,116.3	738.4	492.7	890.0	536.5	11,210.5
Other technical provisions	100.6	40.0	40.6	41.0	42.0	223.2	708.1	1,195.5
Due on direct insurance and coinsurance operations	894.4	17.8	10.9	8.1	4.6	9.3	5.8	951.0
Due on reinsurance operations	1,277.0	9.7	5.7	4.0	2.3	4.6	2.8	1,305.9
TOTAL	**9,898.4**	**3,994.3**	**2,565.6**	**2,003.5**	**1,642.3**	**5,413.2**	**8,347.7**	**33,864.9**

Figures in millions of euros

2019

Item	Estimated cash outflows in years							Total
	2020	2021	2022	2023	2024	2025 to 2029	Subsequent	
Provisions for Life insurance	2,934.9	2,143.4	2,040.9	1,709.0	1,583.4	6,447.2	10,085.3	26,944.0
Provision for outstanding claims	5,762.9	2,519.0	1,361.7	769.3	523.5	1,071.5	616.2	12,624.1
Other technical provisions	87.3	41.6	39.6	40.8	41.6	224.5	594.5	1,069.9
Due on direct insurance and coinsurance operations	879.9	14.7	11.2	6.0	4.2	7.4	4.6	928.1
Due on reinsurance operations	1,501.4	11.1	8.4	4.6	3.1	5.5	6.9	1,541.1
TOTAL	**11,166.5**	**4,729.7**	**3,461.7**	**2,529.7**	**2,155.8**	**7,756.1**	**11,307.6**	**43,107.1**

Figures in millions of euros

2. Liquidity risk arising from subordinated liabilities and financial liabilities

The breakdown for the last two years of disbursement maturities for subordinated and financial liabilities, excluding the financial discount, is shown below:

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2020

Item	Maturity in						Total
	2021	2022	2023	2024	2025	Subsequent	
Subordinated liabilities	46.9	46.9	46.9	46.9	46.9	1,214.4	1,448.8
Issue of debentures and other negotiable securities	16.3	16.3	16.3	16.3	16.3	1,016.3	1,097.5
Due to credit institutions	53.8	39.9	39.8	48.7	636.4	66.0	884.5
Other financial liabilities (excluding for trading, others at fair value and w/o maturity)	603.2	1.0	1.0	0.9	0.2	3.0	609.2
TOTAL	**720.1**	**104.0**	**103.9**	**112.7**	**699.7**	**2,299.6**	**4,040.0**

Figures in millions of euros

2019

Item	Maturity in						Total
	2020	2021	2022	2023	2024	Subsequent	
Subordinated liabilities	46.9	46.9	46.9	46.9	46.9	1,261.3	1,495.7
Issue of debentures and other negotiable securities	16.3	16.3	16.3	16.3	16.3	1,032.5	1,113.8
Due to credit institutions	62.1	32.9	32.8	32.8	642.8	52.9	856.2
Other financial liabilities (excluding for trading, others at fair value and w/o maturity)	532.7	1.2	1.4	1.1	0.9	7.1	544.3
TOTAL	**658.0**	**97.2**	**97.3**	**96.9**	**706.8**	**2,353.7**	**4,009.9**

Figures in millions of euros

D. MARKET RISK

The MAPFRE Risk Management Area carries out resilience and sensitivity tests regarding the impact of financial variables from the market on its solvency position.

The Group's Investment Area regularly conducts analyses of the 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 VaR, or value at risk, for equity instruments.

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1. Interest rate risk

The following tables show the significant information of the last two years regarding the level of exposure to interest rate risk of the financial assets and liabilities:

Portfolio	Amount of assets exposed to interest rate risk at fair value					
	Fixed interest rate		Not exposed to risk		Total	
	2020	2019	2020	2019	2020	2019
To maturity	1,470.9	1,830.4	113.4	143.0	1,584.4	1,973.4
Available for sale	25,317.9	31,452.4	4,782.8	5,632.8	30,100.7	37,085.2
Trading	4,048.3	4,748.7	777.7	1,188.6	4,826.0	5,937.3
TOTAL	**30,837.1**	**38,031.5**	**5,674.0**	**6,964.4**	**36,511.1**	**44,995.9**

Figures in millions of euros

The assets with a fixed interest rate include the immunized portfolios, which amounted to16.5 and 16.5 billion euros at December 31, 2020 and 2019 respectively, thus reducing the interest rate risk.

Item	Amount of liabilities exposed to interest rate risk at fair value					
	Fixed interest rate		Not exposed to risk		Total	
	2020	2019	2020	2019	2020	2019
Subordinated liabilities	1,121.6	1,121.1	—	—	1,121.6	1,121.1
Issue of debentures and other negotiable securities	1,005.6	1,004.8	—	—	1,005.6	1,004.8
Due to credit institutions	72.4	28.4	794.0	819.4	866.4	847.8
Other financial liabilities	828.2	735.2	768.5	1,177.9	1,596.7	1,913.1
TOTAL	**3,027.9**	**2,889.5**	**1,562.5**	**1,997.3**	**4,590.4**	**4,886.8**

Figures in millions of euros

The English version is a translation of the original in Spanish for information purposes only. In case of discrepancy, the Spanish version shall prevail.

The following tables show the breakdown of financial investments by maturity for 2020 and 2019.

December 31, 2020

Item	Closing balance	Maturity in: 1 year	2 years	3 years	4 years	5 Years	Subsequent or without maturity
HELD TO MATURITY PORTFOLIO							
Fixed income	1,556.9	262.8	289.1	212.0	103.8	60.4	628.8
Other investments	27.4	18.9	0.9	—	0.3	0.1	7.3
TOTAL HELD TO MATURITY PORTFOLIO	**1,584.4**	**281.7**	**290.0**	**212.0**	**104.0**	**60.4**	**636.1**
AVAILABLE FOR SALE PORTFOLIO							
Fixed income	27,759.1	1,716.2	2,167.8	2,291.0	2,284.9	2,342.2	16,957.0
Other investments	19.6	11.6	1.2	0.8	1.0	0.3	4.8
TOTAL AVAILABLE FOR SALE PORTFOLIO	**27,778.7**	**1,727.8**	**2,169.0**	**2,291.8**	**2,286.0**	**2,342.4**	**16,961.7**
TRADING PORTFOLIO							
Financial swaps	501.4	(93.1)	(164.0)	(108.8)	(139.6)	(139.6)	1,146.5
Options	1.0	0.3	—	—	—	—	0.8
Fixed income	2,215.7	739.7	175.7	194.3	167.8	197.8	740.4
Hybrids	315.5	114.8	70.1	65.3	—	3.6	61.8
Deposits	—	—	—	—	—	—	—
TOTAL TRADING PORTFOLIO	**3,033.6**	**761.7**	**81.8**	**150.8**	**28.2**	**61.8**	**1,949.4**

Figures in millions of euros

December 31, 2019

Item	Closing balance	Maturity in: 1 year	2 years	3 years	4 years	5 Years	Subsequent or without maturity
HELD TO MATURITY PORTFOLIO							
Fixed income	1,949.7	343.6	163.9	295.4	179.0	93.4	874.4
Other investments	23.7	14.6	1.3	0.2	—	0.1	7.6
TOTAL HELD TO MATURITY PORTFOLIO	**1,973.4**	**358.1**	**165.2**	**295.6**	**179.0**	**93.5**	**882.0**
AVAILABLE FOR SALE PORTFOLIO							
Fixed income	34,312.4	2,335.6	2,157.3	2,933.4	2,781.7	3,649.9	20,454.4
Other investments	25.8	10.8	4.8	1.4	0.9	5.9	1.9
TOTAL AVAILABLE FOR SALE PORTFOLIO	**34,338.1**	**2,346.3**	**2,162.2**	**2,934.9**	**2,782.7**	**3,655.8**	**20,456.3**
TRADING PORTFOLIO							
Financial swaps	494.5	(128.9)	(72.3)	(145.0)	(77.5)	(107.0)	1,025.2
Options	—	—	—	—	—	—	—
Fixed income	3,181.6	1,425.6	282.4	288.6	122.8	232.1	830.2
Hybrids	392.7	109.0	129.4	122.9	—	4.3	27.1
Deposits	0.4	—	—	—	—	—	0.4
TOTAL TRADING PORTFOLIO	**4,069.2**	**1,405.8**	**339.4**	**266.5**	**45.2**	**129.5**	**1,882.8**

Figures in millions of euros

The average interest rate and modified duration of fixed-income investments in 2020 and 2019 are shown below:

Item	2020	2019
Average interest rate (%)	3.34	3.68
Modified duration (%)	7.55	7.26

The modified duration reflects the sensitivity of the value of the assets to movements in interest rates and represents an approximation of the percentage variation that the value of financial assets would experience for every percentage point (100 bp) of variation of interest rates.

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The balances included in the "Receivables" heading under the assets on the balance sheet and in the "Due on direct insurance and co-insurance operations", "Due on reinsurance operations", "Tax liabilities" and "Other debts" accounts under the liabilities on the balance sheet do not accrue interest and they are usually settled the following year. Liabilities with a maturity exceeding one year are covered in the section "Liquidity risk arising from subordinated liabilities and financial liabilities".

2. Exchange rate risk

The following table shows the breakdown of assets and liabilities regarding the currencies in which they are recorded at the end of the last two years.

Currency	Assets		Liabilities		Net Total	
	2020	2019	2020	2019	2020	2019
Euro	43,021.6	42,783.7	39,292.4	39,072.5	3,729.2	3,711.2
US dollar	12,877.0	14,069.0	9,496.3	10,705.4	3,380.7	3,363.6
Mexican peso	1,212.1	1,307.2	899.6	980.4	312.6	326.8
Brazilian real	6,195.5	8,196.1	4,968.1	6,618.7	1,227.4	1,577.5
Turkish lira	523.4	815.3	508.5	709.3	14.9	106.0
Chilean peso	348.6	349.0	271.6	218.7	77.0	130.3
Venezuelan sovereign bolivar	13.0	14.7	12.5	5.1	0.5	9.6
Argentine peso	246.8	276.1	160.5	214.5	86.4	61.5
Colombian peso	1,367.1	1,478.6	1,247.4	1,397.5	119.7	81.0
Pound sterling	587.0	646.3	468.2	521.6	118.8	124.7
Canadian dollar	86.6	59.4	20.9	14.8	65.8	44.7
Philippine peso	103.7	105.1	78.1	77.5	25.7	27.7
Peruvian sol	746.0	742.3	594.5	556.3	151.5	185.9
Indonesian rupiah	148.9	242.8	69.0	89.2	80.0	153.5
Other currencies	1,675.3	1,424.6	1,227.6	1,222.5	447.7	202.1
TOTAL	**69,152.6**	**72,509.9**	**59,314.8**	**62,403.9**	**9,837.8**	**10,106.0**

Figures in millions of euros

The sensitivity of the Group's equity to changes in euro exchange rates against the different currencies in which assets are stated is determined by the net total amount shown in the previous table, having deducted the amount for the non-monetary items. Similarly, the effect of these exchange rate variations on the Group's future results is determined by the volume of earnings obtained in each currency. In this regard, Annex 1 provides a breakdown of the country in which the operations of each Group company are located, and Annex 2 provides the result obtained by the most relevant companies in the Group.

3. Stock market risk

The VaR or value at risk (maximum variation expected in a one-year time horizon and at a confidence level of 99 percent) of equities and mutual funds exposed to stock market risk amounted to 1.4 billion and 721.0 million euros at December 31, 2020 and 2019, respectively.

4. Property risk

At December 31, 2020 the Group had property assets representing approximately 5.0 percent of total investments and cash (4.5 percent at December 31, 2019), of which approximately 46.4 percent corresponds to its own offices (45.7 percent at December 31, 2019). This equity serves the dual function of providing administrative and sales support as well as generating revenues from investments and diversifying investments. The breakdown of these property assets is shown in the following table:

Item	Net book value		Market value	
	2020	2019	2020	2019
Real estate investments	1,199.5	1,323.4	1,698.7	1,787.4
Real estate for own use	1,040.4	1,111.6	1,414.5	1,515.1
TOTAL	**2,239.9**	**2,435.0**	**3,113.2**	**3,302.5**

Figures in millions of euros

Unrealized gains would offset a fall in the price of the properties equivalent to approximately 28.1 percent of their market value at the close of 2020 (26.3 percent at the close of 2019).

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8. OTHER INFORMATION

8.1. INFORMATION RELATED TO THE GOVERNING BODY

In the last two years, there have not been any conflicts of interest, either direct or indirect, between the directors or the people connected to them and the Group.

In the last two years, the controlling company's directors did not carry out any operations with the controlling company itself or with any other Group company either outside the scope of the companies' ordinary trading activities or outside normal market conditions.

The insurance premium paid on behalf of the administrators for damages liability was 0.8 million euros in 2020 and 2019, in each year.

8.2. FEES EARNED BY THE AUDITORS

The annual accounts of the controlling company and of the main Group companies for the financial year 2020 have been audited by the firm KPMG, with the main exception of the subsidiaries with registered offices in Indonesia and Paraguay, whose auditors are PKF and AYCA, respectively.

The remuneration accrued by the main auditor is shown below. It is deemed that these fees do not compromise the independence of the auditors.

Item	Amount	
	2020	2019
Audit services	7.5	7.7
Other verification services	1.5	1.6
Tax services	—	—
Other services	0.1	—
Total services of main auditor	**9.1**	**9.3**

Figures in millions of euros

The abovementioned amounts include those paid to the company KPMG Auditores, S.L. to the Group in 2019 for the amount of 2.4 million euros for audit services (2.3 million euros in 2019) and 0.7 million euros for Other verification services (0.6 million in 2019).

These include, most notably, other required reviews (by regulation or requirement of external partners), as well as services regarding regulatory compliance, the most relevant of which are those corresponding to the review of the Solvency Reports (0.4 million euros).

Other entities associated with KPMG International (KPMG Asesores, S.L.) have invoiced 0.1 million euros corresponding to a Due Diligence service, and 0.1 million euros for an independent review of the Non Financial Information Report.

Fees related to account auditing services provided by auditors other than the main auditor amounted to 0.1 million euros in 2020 and 2019, in each year.

8.3. ENVIRONMENTAL INFORMATION

The Group companies do not have any environment-related item in the last two financial years that might be significant or specifically included in these consolidated annual accounts.

8.4. INFORMATION ON AVERAGE PROVIDER PAYMENT PERIOD

Details of the payments made by the Group's fully consolidated Spanish companies to providers in the financial years 2020 and 2019:

Item	Days	
	2020	2019
Average provider payment period	5.7	5.4
Ratio of paid operations	5.3	5.2
Ratio of operations pending payment	30.4	24.8

Item	Million euros	
	2020	2019
Total payments made	1,581.0	1,989.0
Total pending payments exceeding the maximum statutory term	21.9	20.4

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APPENDIX 1: SUBSIDIARIES, ASSOCIATED UNDERTAKINGS AND JOINT VENTURE AT DECEMBER 31, 2020 AND 2019

Name	Address	Participation in Capital			Consolidation method	Integration method for Solvency
		Holder	Percentage 2020	Percentage 2019		
IBERIA						
MAPFRE ESPAÑA COMPAÑÍA DE SEGUROS Y REASEGUROS S.A.	Ctra. Pozuelo, 50. Majadahonda. Madrid (España)	MAPFRE, S.A. MAPFRE PARTICIPACIONES, S.A.	83.5168 16.4825	83.5168 16.4825	(A)	(1)
CLUB MAPFRE, S.A.	Ctra. Pozuelo, 50. Majadahonda. Madrid (España)	MAPFRE ESPAÑA, S.A. MAPFRE AUTOMOCIÓN S.A.U	99.9875 0.0125	99.9875 0.0125	(A)	(1)
CENTRO DE EXPERIMENTACIÓN Y SEGURIDAD VIAL MAPFRE, S.A.	Ctra.Valladolid, km 1 Ávila (España)	MAPFRE ESPAÑA, S.A. MAPFRE, S.A.	99.9982 0.0018	99.9982 0.0018	(A)	(1)
MAPFRE AUTOMOCIÓN S.A.U	Ctra. Pozuelo, 50. Majadahonda. Madrid (España)	MAPFRE ESPAÑA, S.A.	100.0000	100.0000	(A)	(1)
VERTI ASEGURADORA, COMPAÑÍA DE SEGUROS Y REASEGUROS, S.A	Ctra. Pozuelo, 52. Majadahonda. Madrid (España)	MAPFRE ESPAÑA, S.A. CLUB MAPFRE, S.A.	99.9991 0.0009	99.9991 0.0009	(A)	(1)
VERTI MEDIACION SOCIEDAD DE AGENCIA DE VALORES VINCULADA, S.L.	Doctor esquerdo, 138 Madrid (España)	VERTI ASEGURADORA S.A. CLUB MAPFRE, S.A.	98.0000 2.0000	0.0000 0.0000	(G)(A)	(G)(1)
RASTREATOR.COM LTD	Greyfriars House Greyfriars Road Cardiff Cardiff. South Wales CF10 3AL (Reino Unido)	MAPFRE ESPAÑA, S.A.	25.0000	25.0000	(C)	(3)
MAPFRE CONSULTORES DE SEGUROS Y REASEGUROS, S.A.	Ctra. Pozuelo, 50. Majadahonda. Madrid (España)	MAPFRE ESPAÑA, S.A. MAPFRE, S.A.	50.0000 50.0000	50.0000 50.0000	(A)	(1)
MULTISERVICIOS MAPFRE MULTIMAP, S.A.	Ctra. Pozuelo, 52. Majadahonda. Madrid (España)	MAPFRE ESPAÑA, S.A. CENTROS MÉDICOS S.A.	97.5000 2.5000	97.5000 2.5000	(A)	(1)
FUNESPAÑA, S.A.	C/ Doctor Esquerdo, 138 5º Madrid (España)	MAPFRE ESPAÑA, S.A.	99.7760	99.7711	(A)	(1)
FUNESPAÑA DOS, S.L.	C/ Doctor Esquerdo, 138 5º Madrid (España)	FUNESPAÑA, S.A.	100.0000	0.0000	(G)(A)	(G)(1)
POMPES FÚNEBRES DOMINGO, S.L.	C/ Mercaderes, 5 Bajo Tortosa. Tarragona (España)	FUNESPAÑA, S.A. FUNESPAÑA DOS, S.L.	0.0000 100.0000	75.0000	(A)	(1)
SERVICIOS FUNERARIOS FUNEMADRID, S.A.U.	C/ Doctor Esquerdo, 138 5º Plta Madrid (España)	FUNESPAÑA, S.A. FUNESPAÑA DOS, S.L.	0.0000 100.0000	100.0000	(A)	(1)
CEMENTERIO JARDÍN DE ALCALA DE HENARES, S.A.	Carretera de Pastrana,Km 3 Alcala de Henares. Madrid (España)	FUNEMADRID	49.0000	49.0000	(C)	(3)
EMPRESA MIXTA SERVEIS MUNICIPALS DE TARRAGONA, S.L.	Carretera Villa de Valencia, 2 Tarragona (España)	FUNESPAÑA, S.A. FUNESPAÑA DOS, S.L.	0.0000 49.0000	49.0000	(C)	(3)
CEMENTERIO PARQUE ANDUJAR, S.A.	C/ Cementerio, 4 Andujar. Jaén (España)	FUNESPAÑA, S.A. FUNESPAÑA DOS, S.L.	0.0000 72.8200	72.8200	(A)	(1)
SERVICIOS FUNERARIOS DE ZARAGOZA, S.L.	C/ Doctor Esquerdo, 138 5º Plta Madrid (España)	FUNESPAÑA, S.A. FUNESPAÑA DOS, S.L.	0.0000 70.0000	70.0000	(A)	(1)
GAB MANAGEMENT & CONSULTING, S.R.L. (Liquidated in 2020)	C/ Coso, 66 2ºC Zaragoza (España)	FUNESPAÑA, S.A.	0.0000	77.6000	(H)	(H)
TANATORIUM ZRT	Joseph Krt, 49 Budapest (Hungría)	FUNESPAÑA, S.A.	100.0000	100.0000	(A)	(1)
INICIATIVAS ALCAÉSAR, S.L.	C / Viena, 2 1º A Cáceres (España)	FUNESPAÑA, S.A. FUNESPAÑA DOS, S.L.	0.0000 40.0000	40.0000	(C)	(3)

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APPENDIX 1: SUBSIDIARIES, ASSOCIATED UNDERTAKINGS AND JOINT VENTURE AT DECEMBER 31, 2020 AND 2019

Name	Address	Participation in Capital			Consolidation method	Integration method for Solvency
		Holder	Percentage 2020	Percentage 2019		
SALZILLO SERVICIOS FUNERARIOS, S.L.	C/ Doctor Esquerdo, 138 5º Plta Madrid (España)	FUNESPAÑA, S.A.	0.0000	45.0000	(C)	(1)
		FUNESPAÑA DOS, S.L.	45.0000			
DE MENA SERVICIOS FUNERARIOS, S.L.	C/ Doctor Esquerdo, 138 5º Plta Madrid (España)	FUNESPAÑA, S.A.	0.0000	70.0000	(A)	(1)
		FUNESPAÑA DOS, S.L.	70.0000			
ISABELO ALVAREZ MAYORGA, S.A.	Carretera Ávila - Valladiolid Km 08 Ávila (España)	FUNESPAÑA, S.A.	0.0000	50.0000	(C)	(3)
		FUNESPAÑA DOS, S.L.	50.0000			
SERVICIOS FUNERARIOS DEL NERVIÓN, S.L.	Alameda de Recalde 10 Bilbao (España)	FUNESPAÑA, S.A.	0.0000	50.0000	(C)	(3)
		FUNESPAÑA DOS, S.L.	50.0000			
NUEVO TANATORIO, S.L.	Avenida Hermanos Bou, 251 Castellón (España)	FUNESPAÑA, S.A.	0.0000	50.0000	(C)	(3)
		FUNESPAÑA DOS, S.L.	50.0000			
SERVICIOS FUNERARIOS LA CARIDAD, S.L.	Carretera Sanlúcar - Trebujena Km 1,5 Sanlúcar de Barrameda. Cádiz (España)	FUNESPAÑA, S.A.	0.0000	50.0000	(C)	(3)
		FUNESPAÑA DOS, S.L.	50.0000			
TANATORIO DE ÉCIJA, S.L.	C / Camino del Valle Écija. Sevilla (España)	FUNESPAÑA, S.A.	0.0000	33.3300	(C)	(3)
		FUNESPAÑA DOS, S.L.	33.3300			
TANATORIO SE-30 SEVILLA, S.L.	C/ San Juan Bosco, 58 Zaragoza (España)	FUNESPAÑA, S.A.	0.0000	10.0000	(C)	(3)
		FUNESPAÑA DOS, S.L.	10.0000			
ALL FUNERAL SERVICES, S.L.	C/ Doctor Esquerdo, 138 5º Plta Madrid (España)	FUNESPAÑA, S.A.	100.0000	100.0000	(A)	(1)
FUNESPAÑA CHILE, S.A.	Santiago de Chile (Chile)	FUNESPAÑA, S.A.	50.0000	50.0000	(B)	(9)
FUNEUROPA CHILE, S.A.	Santiago de Chile (Chile)	FUNESPAÑA, S.A.	50.0000	50.0000	(B)	(9)
FUNERARIAS REUNIDAS DEL BIERZO, S.A.	C/ Doctor Esquerdo, 138 5º Plta Madrid (España)	FUNESPAÑA, S.A.	0.0000	85.8200	(A)	(1)
		FUNESPAÑA DOS, S.L.	85.8200			
SERVICIOS FUNERARIOS LUCEM S.L.	C/ La Costera número 20, Polígono Industrial Bovalar 46970 Alaquás. Valencia (España)	FUNESPAÑA, S.A.	0.0000	50.0000	(C)	(3)
		FUNESPAÑA DOS, S.L.	50.0000			
FUNERARIA SAN VICENTE, S.L.	C/ Restauración, número 2-bajo, Polígono Industrial y de Servicios "Matallana" 41440-Lora del Río. Sevilla (España)	FUNESPAÑA, S.A.	0.0000	50.0000	(C)	(3)
		FUNESPAÑA DOS, S.L.	50.0000			
INVERSIONES FUNERARIAS ANDALUZAS, S.L.	C/Torredonjimeno s/n Martos. Jaén (España)	FUNESPAÑA, S.A.	0.0000	33.3300	(F)(C)	(F)(3)
		FUNESPAÑA DOS, S.L.	33.3300			
FUNERARIA ALIANZA CANARIA, S.L.	Luis Doreste Silva, 18B 35004 Las Palmas de Gran Canaria (España)	FUNESPAÑA, S.A.	0.0000	100.0000	(F)(A)	(F)(1)
		FUNESPAÑA DOS, S.L.	100.0000			
MEDISEMAP, AGENCIA DE SEGUROS, S.L.	Ctra. Pozuelo, 52. Majadahonda Madrid (España)	MAPFRE ESPAÑA, S.A.	66.6667	66.6667	(A)	(1)
		MAPFRE VIDA, S.A.	33.3333	33.3333		
CENTROS MÉDICOS MAPFRE, S.A.	Ctra. Pozuelo, 50. Majadahonda. Madrid (España)	MAPFRE ESPAÑA, S.A.	100.0000	100.0000	(A)	(1)
MAPFRE VIDEO Y COMUNICACIÓN S.A.	Ctra. Pozuelo, 50. Majadahonda Madrid (España)	MAPFRE ESPAÑA, S.A.	75.0000	75.0000	(A)	(1)
		MAPFRE VIDA, S.A.	25.0000	25.0000		
BANKINTER SEGUROS GENERALES, CíA DE SEGUROS Y REASEGUROS S.A.	Paseo de la Castellana, 29 Madrid (España)	MAPFRE ESPAÑA, S.A.	50.1000	50.1000	(A)	(1)
AUDATEX ESPAÑA, S.A.	Av de Barajas, 34 Parque Empresarial Omega 28108 Alcobendas. Madrid	MAPFRE ESPAÑA, S.A.	12.5000	12.5000	(C)	(3)

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Name	Address	Participation in Capital			Consolidation method	Integration method for Solvency
		Holder	Percentage 2020	Percentage 2019		
TECNOLOGÍAS DE LA INFORMACIÓN Y REDES PARA LAS ENTIDADES ASEGURADORAS, S.A	C/ García Paredes, 55 Madrid (España)	MAPFRE ESPAÑA, S.A.	22.9506	22.9506	(C)	(3)
MAPFRE QUINGDAO ENTERPRISE MANAGEMENT CONSULTING LIMITED COMPANY	Qingdao (Chlna)	MAPFRE ESPAÑA, S.A.	100.0000	100.0000	(A)	(1)
AGROSEGURO	C/ Gobelas, 23 Madrid (España)	MAPFRE ESPAÑA, S.A.	19.8100	19.8900	(C)	(3)
SALVADOR CAETANO AUTO (SGPS), S.A.	Avenida Vasco da Gama 14-10 4430-247 Vila Nova de Gaia (Portugal)	MAPFRE ESPAÑA, S.A.	24.6100	24.6100	(C)	(3)
SALUD DIGITAL MAPFRE S.A.	Ctra. Pozuelo, 50. Majadahonda Madrid (España)	MAPFRE ESPAÑA, S.A. CENTROS MÉDICOS MAPFRE, S.A	97.5000 2.5000	97.5000 2.5000	(A)	(1)
PUY DU FOU ESPAÑA,S.A.	C/ Cuesta de Carlos V, 9 45001 Toledo (España)	MAPFRE ESPAÑA, S.A.	19.3810	19.3810	(C)	(3)
SANTANDER MAPFRE SEGUROS Y REASEGUROS S.A	Ctra. Pozuelo, 50. Majadahonda Madrid (España)	MAPFRE ESPAÑA, S.A.	50.0100	50.0100	(F)(A)	(F)(1)
MAPFRE INMUEBLES, S.G.A.	Ctra. Pozuelo, 52 Majadahonda Madrid (España)	MAPFRE ESPAÑA, S.A. MAPFRE, S.A. MAPFRE VIDA, S.A.	82.9732 9.9979 7.0279	82.9732 9.9979 7.0279	(A)	(1)
DESARROLLOS URBANOS CIC. S.A.	Ctra. Pozuelo, 52. Majadahonda Madrid (España)	MAPFRE INMUEBLES, S.G.A. MAPFRE, S.A.	99.9216 0.0784	99.9216 0.0784	(A)	(1)
SERVICIOS INMOBILIARIOS MAPFRE S.A.	Ctra. Pozuelo, 52. Majadahonda Madrid (España)	MAPFRE INMUEBLES, S.G.A. DESARROLLOS URBANOS CIC. S.A	99.9000 0.1000	99.9000 0.1000	(A)	(1)
INMO ALEMANIA GESTIÓN DE ACTIVOS INMOBILIARIOS, S.L.	Pso. de la Castellana, 24 (Madrid) España	MAPFRE ESPAÑA, S.A.	20.0000	20.0000	(C)	(3)
MAPFRE TECH, S.A.	Ctra. Pozuelo, 52 Majadahonda Madrid (España)	MAPFRE ESPAÑA, S.A. MAPFRE VIDA, S.A. MAPFRE RE, S.A. MAPFRE ASISTENCIA, S.A. MAPFRE INTERNACIONAL, S.A. MAPFRE INVERSIÓN, S.A. MAPFRE, S.A.	65.1574 11.6834 0.8002 1.5684 20.0000 0.0160 0.7746	65.1574 11.6834 0.8002 1.5684 20.0000 0.0160 0.7746	(A)	(1)
MAPFRE SEGUROS GERAIS S.A.	Rua Doutor António Loureiro Borges, 9, Algés (Portugal)	MAPFRE ESPAÑA, S.A. MAPFRE GLOBAL RISK, S.A.	100.0000	100.0000	(A)	(1)
MAPFRE PORTUGAL SEGUROS DE VIDA S.A.	Rua Doutor António Loureiro Borges, 9, Algés (Portugal)	MAPFRE SEGUROS GERAIS S.A.	100.0000	100.0000	(A)	(1)
MAPFRE SANTANDER PORTUGAL COMPANHIA DE SEGUROS, S.A.	Rua Doutor António Loureiro Borges, 9, Algés (Portugal)	MAPFRE SEGUROS GERAIS S.A.	50.0100	0.0000	(G)(A)	(G)(1)
MAPFRE VIDA SOCIEDAD ANÓNIMA DE SEGUROS Y REASEGUROS SOBRE LA VIDA HUMANA	Carretera de Pozuelo, 50. (28222) Majadahonda. Madrid (España)	MAPFRE, S.A.	99.9225	99.9199	(A)	(1)
CONSULTORA ACTUARIAL Y DE PENSIONES MAPFRE VIDA S.A.	Carretera de Pozuelo, 50 (28222) Majadahonda Madrid (España)	MAPFRE VIDA, S.A. MAPFRE, S.A.	99.9339 0.0661	99.9339 0.0661	(A)	(1)
GESTIÓN MODA SHOPPING S.A.	Avda.General Perón,40 Madrid (España)	MAPFRE VIDA, S.A. MAPFRE, S.A.	99.8215 0.1785	99.8215 0.1785	(A)	(1)

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APPENDIX 1: SUBSIDIARIES, ASSOCIATED UNDERTAKINGS AND JOINT VENTURE AT DECEMBER 31, 2020 AND 2019

Name	Address	Participation in Capital			Consolidation method	Integration method for Solvency
		Holder	Percentage 2020	Percentage 2019		
MAPFRE INVERSIÓN SOCIEDAD DE VALORES S.A.	Carretera de Pozuelo, 50-1, M-4. 2º Planta Módulo Sur. (28222) Majadahonda Madrid (España)	MAPFRE VIDA, S.A.	99.9991	99.9991	(A)	(4)
		MAPFRE, S.A.	0.0009	0.0009		
MAPFRE ASSET MANAGEMENT, S.G.I.I.C., S.A	Carretera de Pozuelo, 50-1, M-4. 2º Planta Módulo Norte. (28222) Majadahonda. Madrid (España)	MAPFRE INVERSIÓN, S.A.	99.9853	99.9853	(A)	(4)
		MAPFRE, S.A.	0.0147	0.0147		
MAPFRE VIDA PENSIONES, ENTIDAD GESTORA DE FONDOS DE PENSIONES S.A.	Carretera de Pozuelo, 50-1, M-4. 2º Planta Módulo Norte. Madrid (España)	MAPFRE INVERSIÓN, S.A.	99.9971	99.9971	(A)	(4)
		MAPFRE, S.A.	0.0029	0.0029		
BANKIA MAPFRE VIDA, S.A. DE SEGUROS Y REASEGUROS	Ctra. Pozuelo, 50 28222 (Majadahonda) Madrid (España)	MAPFRE VIDA, S.A.	51.0000	51.0000	(A)	(1)
MIRACETI S.A.	Carretera de Pozuelo, 50 28222 (Majadahonda) Madrid (España)	MAPFRE VIDA, S.A.	99.9991	99.9991	(A)	(1)
		MAPFRE, S.A.	0.0009	0.0009		
BANKINTER SEGUROS DE VIDA, S.A. DE SEGUROS Y REASEGUROS	Avda. Bruselas, 12 Alcobendas. Madrid (España)	MAPFRE VIDA, S.A.	50.0000	50.0000	(A)	(1)
CAJA CASTILLA LA MANCHA VIDA Y PENSIONES, S.A.	C/ Carretería, 5 Cuenca (España)	MAPFRE VIDA, S.A.	50.0000	50.0000	(A)	(1)
CAJA GRANADA VIDA, COMPAÑÍA DE SEGUROS Y REASGUROS S.A. (Merger in 2020 with Bankia Mapfre Vida)	Ctra. Pozuelo, 50. Majadahonda Madrid (España)	MAPFRE VIDA, S.A.	0.0000	51.0000	(H)	(H)
CAJAMURCIA VIDA, COMPAÑIA DE SEGUROS Y REASEGUROS, S.A. (Merger in 2020 with Bankia Mapfre Vida)	Ctra. Pozuelo, 50. Majadahonda Madrid (España)	MAPFRE VIDA, S.A.	0.0000	51.0000	(H)	(H)
MAPFRE AM- GOOD GOVERNANCE	60, avenue J.F. Kennedy L-1855 Luxembourg Grand Duchy of Luxembourg	MAPFRE VIDA, S.A.	35.1459	39.4976	(A)	(9)
		OTHER GROUP COMPANIES	39.9306	32.7567		
MAPFRE AM- IBERIAN EQUITIES	60, avenue J.F. Kennedy L-1855 Luxembourg Grand Duchy of Luxembourg	MAPFRE VIDA, S.A.	60.8408	62.0743	(A)	(9)
		OTHER GROUP COMPANIES	28.5132	21.1911		
MAPFRE AM-EUROPEAN EQUITIES	60, avenue J.F. Kennedy L-1855 Luxembourg Grand Duchy of Luxembourg	MAPFRE VIDA, S.A.	69.2616	59.2353	(A)	(9)
		OTHER GROUP COMPANIES	22.6746	30.0941		
MAPFRE AM-MULTI ASSET STRATEGY	60, avenue J.F. Kennedy L-1855 Luxembourg Grand Duchy of Luxembourg	MAPFRE ESPAÑA, S.A.	41.6139	41.6139	(A)	(9)
		MAPFRE RE, S.A.	43.5891	43.5891		
		OTHER GROUP COMPANIES	14.7970	14.7970		
FONDMAPFRE ELECCION DECIDIDA	Ctra. Pozuelo, 50. Majadahonda Madrid (España)	MAPFRE VIDA, S.A.	41.6354	39.9917	(A)	(9)
		OTHER GROUP COMPANIES	14.1661	14.1711		
FONDMAPFRE ELECCION MODERADA	Ctra. Pozuelo, 50. Majadahonda Madrid (España)	MAPFRE VIDA, S.A.	46.8965	47.1962	(A)	(9)
		OTHER GROUP COMPANIES	3.5363	3.8513		

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APPENDIX 1: SUBSIDIARIES, ASSOCIATED UNDERTAKINGS AND JOINT VENTURE AT DECEMBER 31, 2020 AND 2019

Name	Address	Holder	Participation in Capital Percentage 2020	2019	Consolidation method	Integration method for Solvency
FONDMAPFRE ELECCION PRUDENTE	Ctra. Pozuelo, 50. Majadahonda Madrid (España)	MAPFRE VIDA, S.A.	54.5839	53.2904	(A)	(9)
		OTHER GROUP COMPANIES	2.3995	2.5858		
FONDMAPFRE BOLSA AMERICA	Ctra. Pozuelo, 50. Majadahonda Madrid (España)	MAPFRE VIDA, S.A.	26.0686	25.2414	(A)	(9)
		MAPFRE ESPAÑA, S.A.	22.9088	21.7388		
		OTHER GROUP COMPANIES	23.5396	23.1283		
FONDMAPFRE RENTA DÓLAR	Ctra. Pozuelo, 50. Majadahonda Madrid (España)	MAPFRE RE, S.A.	23.8561	19.7353	(A)	(9)
		MAPFRE ESPAÑA, S.A.	23.7576	19.6538		
		OTHER GROUP COMPANIES	21.9601	28.4332		
FONDMAPFRE GLOBAL F.I.	Ctra. Pozuelo, 50. Majadahonda Madrid (España)	MAPFRE VIDA, S.A.	39.8869	36.9426	(A)	(9)
		OTHER GROUP COMPANIES	5.6999	8.2548		
FONDMAPFRE BOLSA MIXTO F.I.	Ctra. Pozuelo, 50. Majadahonda Madrid (España)	MAPFRE VIDA, S.A.	57.3166	54.9320	(A)	(9)
		OTHER GROUP COMPANIES	5.7612	5.6224		
FONDMAPFRE BOLSA EUROPA F.I	Ctra. Pozuelo, 50. Majadahonda Madrid (España)	MAPFRE VIDA, S.A.	12.2512	16.2085	(A)	(9)
		MAPFRE RE, S.A.	21.5788	21.5721		
		OTHER GROUP COMPANIES	31.0829	34.2339		
FONDMAPFRE BLUE CHIPS, F.I.	Ctra. Pozuelo, 50. Majadahonda Madrid (España)	MAPFRE VIDA, S.A.	100.0000	100.0000	(A)	(9)
MAPFRE AM- SHORT TERM EURO I	60, avenue J.F. Kennedy L-1855 Luxembourg Grand Duchy of Luxembourg	MAPFRE ESPAÑA, S.A.	35.0585	39.5452	(A)	(9)
		MAPFRE RE, S.A.	30.9254	27.9984		
		OTHER GROUP COMPANIES	4.3498	5.5979		
FONDMAPFRE GARANTIA, F.I	Ctra. Pozuelo, 50. Majadahonda Madrid (España)	MAPFRE VIDA, S.A.	99.9990	99.9990	(F)(A)	(F)(9)
FONDMAPFRE GARANTIA II, F.I	Ctra. Pozuelo, 50. Majadahonda Madrid (España)	MAPFRE VIDA, S.A.	99.9971	99.9971	(F)(A)	(F)(9)
STABLE INCOME EUROPEAN REAL ESTATE FUND	60, avenue J.F. Kennedy L-1855 Luxembourg Grand Duchy of Luxembourg	MAPFRE ESPAÑA, S.A.	21.7000	25.8097	(F)(A)	(F)(9)
		MAPFRE RE, S.A.	20.8100	21.8305		
		OTHER GROUP COMPANIES	15.9900	19.8153		
MAPFRE AM-BEHAVORIAL FUND I	60, avenue J.F. Kennedy L-1855 Luxembourg Grand Duchy of Luxembourg	MAPFRE RE, S.A.	25.7672	23.0369	(F)(A)	(F)(9)
		OTHER GROUP COMPANIES	26.8929	22.2789		
MAPFRE AM-INCLUSION RESPONSABLE	60, avenue J.F. Kennedy L-1855 Luxembourg Grand Duchy of Luxembourg	MAPFRE ESPAÑA, S.A.	17.3322	42.4496	(F)(A)	(F)(9)
		MAPFRE RE, S.A.	24.0224	34.4592		
		OTHER GROUP COMPANIES	50.7728	22.9728		
MAPFRE AM-US FORGOTTEN VALUE	60, avenue J.F. Kennedy L-1855 Luxembourg Grand Duchy of Luxembourg	MAPFRE ESPAÑA, S.A.	44.3765	44.9995	(F)(A)	(F)(9)
		MAPFRE RE, S.A.	20.4195	20.9997		
		OTHER GROUP COMPANIES	18.6369	19.1664		
MAPFRE AM CAPITAL RESPONSABLE	60, avenue J.F. Kennedy L-1855 Luxembourg Grand Duchy of Luxembourg	MAPFRE AM INVESTMENT	4.1002	0.0000	(G)(A)	(G)(9)
		MAPFRE INVERSION, S..A.	3.3933	0.0000		
		OTHER GROUP COMPANIES	33.1958	0.0000		

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MAPFRE AM GLOBAL BOND FUND	60, avenue J.F. Kennedy L-1855 Luxembourg Grand Duchy of Luxembourg	MAPFRE VIDA, S.A.	45.4957	0.0000	(G)(A)	(G)(9)
		MAPFRE ESPAÑA, S.A.	14.3550	0.0000		
		OTHER GROUP COMPANIES	20.1954	0.0000		
SWISSLIFE SPPICAV	60, avenue J.F. Kennedy L-1855 Luxembourg Grand Duchy of Luxembourg	MAPFRE ESPAÑA, S.A.	15.0675	0.0000	(G)(A)	(G)(9)
		MAPFRE RE, S.A.	17.0497	0.0000		
		OTHER GROUP COMPANIES	17.8828	0.0000		
OLIFAN INMO 18 OPCI	60, avenue J.F. Kennedy L-1855 Luxembourg Grand Duchy of Luxembourg	MAPFRE ESPAÑA, S.A.	32.8562	0.0000	(G)(A)	(G)(9)
		MAPFRE RE, S.A.	40.9394	0.0000		
		OTHER GROUP COMPANIES	7.3344	0.0000		
MAPFRE INFRAESTRUCTURAS FCR	Ctra. Pozuelo, 50. Majadahonda Madrid (España)	MAPFRE ESPAÑA, S.A.	8.0654	0.0000	(G)(C)	(G)(3)
		MAPFRE RE, S.A.	9.3366			
		OTHER GROUP COMPANIES	4.5148			
MAPFRE PRIVATE EQUITY I FCR	Ctra. Pozuelo, 50. Majadahonda Madrid (España)	MAPFRE ESPAÑA, S.A.	28.0800	0.0000	(G)(A)	(G)(9)
		MAPFRE RE, S.A.	35.7600	0.0000		
		OTHER GROUP COMPANIES	14.6400	0.0000		
	BRAZIL					
MAPFRE SEGUROS GERAIS S.A.	Avd.Naçoes Unidas, 11711 16. Andar Brooklin São Paulo. (Brasil)	MAPFRE PARTICIPAÇOES, S.A.	100.0000	100.0000	(A)	(7)
MAPFRE VERA CRUZ CONSULTORIA E ADMINISTRACAO DE FUNDOS LTDA.	Avd.Naçoes Unidas, 11711 16. Andar Brooklin São Paulo (Brasil)	MAPFRE BRASIL PARTICIPAÇOES, S.A.	100.0000	100.0000	(A)	(1)
BB MAPFRE PARTICIPAÇOES, S.A.	Avd.Naçoes Unidas, 11711 16. Andar Brooklin São Paulo (Brasil)	MAPFRE BRASIL PARTICIPAÇOES, S.A.	25,0100(*)	25,0100(*)	(A)	(1)
MAPFRE CAPITALIZAÇAO S.A.	Avd.Naçoes Unidas, 11711 16. Andar Brooklin São Paulo (Brasil)	MAPFRE PARTICIPAÇOES, S.A.	100.0000	100.0000	(A)	(1)
MAPFRE SERVIÇOS S.A (Absorbed by MAPFRE SEGUROS GERAIS, S.A. in 2020)	Avd.Mamoré 989, 3º Andar Allphaville Centro Industrial e Empresarial São Paulo (Brasil)	MAPFRE SEGUROS GERAIS, S.A.	0.0000	100.0000	(H)	(H)
MAPFRE PARTICIPAÇOES, S.A.	Avd.Naçoes Unidas, 11711 16. Andar Brooklin São Paulo (Brasil)	MAPFRE BRASIL PARTICIPAÇOES, S.A.	100.0000	100.0000	(A)	(1)
MAPFRE BRASIL PARTICIPAÇOES, S.A.	Avd.Naçoes Unidas, 11711 16. Andar Brooklin São Paulo (Brasil)	MAPFRE INTERNACIONAL, S.A.	99.1700	99.1700	(A)	(1)
		MAPFRE INVESTMENT S.A.	0.8300	0.8300		
MAPFRE VIDA S.A.	Avd.Naçoes Unidas, 11711 16. Andar Brooklin São Paulo (Brasil)	MAPFRE PARTICIPAÇOES, S.A.	100.0000	100.0000	(A)	(7)
MAPFRE INVESTIMENTOS LTDA.	Avd.Naçoes Unidas, 11711 16. Andar Brooklin São Paulo (Brasil)	MAPFRE INVESTIMENTOS E PARTICIPACOES SA	99.9900	99.9900	(A)	(9)
		MAPFRE BRASIL PARTICIPACOES S.A	0.1000	0.1000		

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		Holder	Percentage 2020	Percentage 2019		
MAPFRE PREVIDENCIA S.A.	Avda.Mª Coelho Aguiar 215 Jardim São Luis | Bloco F - 2º andar, São Paulo (Brasil)	MAPFRE PARTICIPAÇOES, S.A.	100.0000	100.0000	(A)	(7)
MAPFRE INVESTIMENTOS E PARTICIPAÇOES, S.A.	Avd.Naçoes Unidas, 11711 17. Andar Brooklin São Paulo (Brasil)	MAPFRE BRASIL PARTICIPAÇOES, S.A.	100.0000	100.0000	(A)	(1)
ALIANÇA DO BRASIL SEGUROS, S.A.	R.Manuel da Nobrega, 12809. Andar, Rio de Janeiro Sao Paulo (Brasil)	BB MAPFRE PARTICIPAÇOES S.A.	100.0000	100.0000	(A)	(7)
BRASILSEG COMPANHIA DE SEGUROS S.A.	R.Senador Dantas, 105 29 parte, 30 e 31. Andares. São Paulo-SP (Brasil)	BB MAPFRE PARTICIPAÇOES S.A.	100.0000	100.0000	(A)	(7)
MAC INVESTIMENTOS S.A	Avenida das Nações Unidas, 12.495 11º Andar Brooklin São Paulo-SP (Brasil)	MAPFRE INVESTIMENTOS E PARTICIPAÇOES SA	100.0000	100.0000	(A)	(1)
MAPFRE SAUDE LTDA	Avenida das Nações Unidas, 12.495 11º Andar Brooklin São Paulo-SP (Brasil)	MAPFRE BRASIL PARTICIPAÇOES, S.A.	99.9900	99.9900	(A)	(1)
PROTENSEG CORRETORA DE SEGUROS LTDA	Avenida das Nações Unidas, 12.495 11º Andar Brooklin São Paulo-SP (Brasil)	MAPFRE BRASIL PARTICIPAÇOES, S.A.	100.0000	100.0000	(A)	(1)
	LATAM NORTH					
MAPFRE TENEDORA DE ACC, S.A.	Costa del Este, diagonal al Business Park Panamá (Panamá)	MAPFRE AMERICA CENTRAL, S.A.	100.0000	100.0000	(A)	-9
MAPFRE AMERICA CENTRAL S.A	Costa del Este, diagonal al Business Park Panamá (Panamá)	MAPFRE INTERNACIONAL, S.A.	99.9000	99.9000	(A)	(1)
MAPFRE SEGUROS HONDURAS S.A.	Avenida Berlín y Calle Viena, piso 7 Lomas del Guijarro Sur. Edificio Plaza Azul Tegucigalpa, M.D.C. (Honduras)	MAPFRE TENEDORA DE ACC, S.A. MAPFRE AMERICA CENTRAL, S.A.	73.2569 25.1031	73.2569 25.1031	(A)	(9)
MAPFRE PANAMÁ S.A.	Costa del Este, diagonal al Business Park Panamá (Panamá)	MAPFRE AMERICA CENTRAL, S.A.	99.3772	99.3772	(A)	(1)
MAPFRE SEGUROS EL SALVADOR, S.A.	Alameda Roosevelt, 3107 Nivel 7 San Salvador (El Salvador)	MAPFRE AMERICA CENTRAL, S.A.	78.1065	78.1065	(A)	(9)
INMOBILIARIA AMERICANA S.A.	Alameda Roosevelt, 31-07 San Salvador (El Salvador)	MAPFRE AMERICA CENTRAL, S.A.	78.9000	78.9000	(A)	(9)
MAPFRE SEGUROS COSTA RICA S.A.	Barrio Tournón, Edificio Alvasa, 2do. Piso Diagonal al Periódico La República en interseción con Ctra de Guapiles (Ruta 32) San José (Costa Rica)	MAPFRE TENEDORA DE ACC, S.A.	100.0000	100.0000	(A)	(9)
MAPFRE SEGUROS GUATEMALA S.A.	5a Avenida 5-55 Zona 14 Europlaza Europlaza Torre 4 Nivel 16 y PH. Ciudad de Guatemala(Guatemala)	MAPFRE TENEDORA DE ACC, S.A.	100.0000	100.0000	(A)	(9)

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MAPFRE SEGUROS NICARAGUA S.A.	Edificio Invercasa, 1er. Piso Managua (Nicaragua)	MAPFRE TENEDORA DE ACC, S.A.	100.0000	100.0000	(A)	(9)
MAPFRE DOMINICANA S.A.	Ave Abraham Lincoln, 952 esq. José Amado Soler Ensanche Piantini, Santo Domingo (República Dominicana)	MAPFRE INTERNACIONAL, S.A. CREDIPRIMAS, S.A.	99.9999 0.0001	99.9999 0.0001	(A)	(9)
MAPFRE BHD COMPAÑÍA DE SEGUROS, S.A.	Ave Abraham Lincoln, 952 esq. José Amado Soler Ensanche Piantini, Santo Domingo (República Dominicana)	MAPFRE DOMINICANA S.A.	51.0000	51.0000	(A)	(9)
CREDIPRIMAS, S.A.	Ave Abraham Lincoln, 952 esq. José Amado Soler Ensanche Piantini, Santo Domingo (República Dominicana)	MAPFRE BHD COMPAÑÍA DE SEGUROS S.A.	100.0000	100.0000	(A)	(9)
MAPFRE SALUD ARS	Av. 27 de Febrero No. 50. Edificio ARS Palic, Urb. El Vergel, Santo Domingo (República Dominicana)	MAPFRE DOMINICANA S.A.	51.0000	0.0000	(G)(A)	(G)(9)
MAPFRE MÉXICO S.A.	Avenida Paseo de la Reforma 243 Colonia Cuauhtémoc Delegación Cuauhtémoc. Distrito Federal C.P. 06500 (México)	MAPFRE INTERNACIONAL, S.A. GRUPO CORPORATIVO LML S.A.	55.6602 44.3398	55.6602 44.3398	(A)	(7)
GRUPO CORPORATIVO LML S.A. DE C.V.	Avenida Paseo de la Reforma 243 Colonia Cuauhtémoc Delegación Cuauhtémoc. Distrito Federal C.P. 06500 (México),	MAPFRE INTERNACIONAL, S.A.	100.0000	100.0000	(A)	(1)
MAPFRE UNIDAD DE SERVICIOS S.A. DE C.V.	Avenida Paseo de la Reforma 243 Colonia Cuauhtémoc Delegación Cuauhtémoc. Distrito Federal C.P. 06500	MAPFRE MÉXICO S.A.	99.9982	99.9982	(A)	(7)
MAPFRE DEFENSA LEGAL S.A. DE C.V.	Avenida Paseo de la Reforma 243 Colonia Cuauhtémoc Delegación Cuauhtémoc. Distrito Federal C.P. 06500 (México)	MAPFRE MÉXICO S.A.	100.0000	100.0000	(A)	(7)
MAPFRE TEPEYAC INC.	109 Este San Ysidro Blvd No. 65 San Isidro California, EEUU	MAPFRE MÉXICO S.A.	100.0000	100.0000	(A)	(7)
MAPFRE SERVICIOS MEXICANOS S.A.	Avenida Paseo de la Reforma 243 Colonia Cuauhtémoc Delegación Cuauhtémoc. Distrito Federal C.P. 06500 (México)	MAPFRE MÉXICO S.A.	99.9900	99.9900	(A)	(7)
CESVI MÉXICO, S.A.	Calle 1 Sur No. 101 Parque Industrial Toluca 2000 Toluca. Estado de México (Mexico)	MAPFRE MÉXICO S.A.	16.6700	16.6700	(D)	(9)
MAPFRE FIANZAS S.A.	Avenida Paseo de la Reforma 243 Colonia Cuauhtémoc Delegación Cuauhtémoc. Distrito Federal C.P. 06500 (México)	MAPFRE MÉXICO S.A.	100.0000	100.0000	(A)	(7)
LATAM SOUTH						
MAPFRE ARGENTINA HOLDING S.A.	Avda. Juana Manso, 205 C 1107CBE Puerto Madero Buenos Aires (Argentina)	MAPFRE INTERNACIONAL, S.A. APOINT S.A.	100.0000 0.0000	99.9997 0.0003	(A)	(1)
MAPFRE ARGENTINA SEGUROS S.A.	Avda. Juana Manso, 205 C 1107CBE Puerto Madero Buenos Aires (Argentina)	MAPFRE ARGENTINA HOLDING S.A.	99.9988	99.9988	(A)	(1)
CLUB MAPFRE ARGENTINA S.A.	Avda. Juana Manso, 205 C 1107CBE Puerto Madero Buenos Aires (Argentina)	MAPFRE ARGENTINA HOLDING S.A.	97.0000 3.0000	97.0000 3.0000	(A)	(1)

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APPENDIX 1: SUBSIDIARIES, ASSOCIATED UNDERTAKINGS AND JOINT VENTURE AT DECEMBER 31, 2020 AND 2019

Name	Address	Participation in Capital			Consolidation method	Integration method for Solvency
		Holder	Percentage 2020	Percentage 2019		
MAPFRE ARGENTINA SEGUROS DE VIDA S.A.	Avda. Juana Manso, 205 C 1107CBE Puerto Madero Buenos Aires (Argentina)	MAPFRE INTERNACIONAL, S.A. MAPFRE ARGENTINA HOLDING S.A.	64.0000 36.0000	64.0000 36.0000	(A)	(9)
CESVI ARGENTINA, S.A.	Calle 9 y 17. Parque Ind.Pilar Buenos Aires (Argentina)	MAPFRE ARGENTINA SEGUROS S.A.	60.6400	60.6400	(A)	(1)
MAPFRE CHILE SEGUROS S.A.	Isidora Goyenechea 3520 p 16 Las Condes Santiago de Chile (Chile)	MAPFRE INTERNACIONAL, S.A.	100.0000	100.0000	(A)	(1)
MAPFRE CHILE ASESORÍAS, S.A	Isidora Goyenechea 3520 p 16 Las Condes Santiago de Chile (Chile)	MAPFRE CHILE SEGUROS S.A. MAPFRE INTERNACIONAL, S.A.	99.9999 0.0001	99.9999 0.0001	(A)	(1)
MAPFRE COMPAÑÍA DE SEGUROS GENERALES DE CHILE S.A.	Isidora Goyenechea 3520 p 16 Las Condes Santiago de Chile (Chile)	MAPFRE CHILE SEGUROS S.A. MAPFRE CHILE ASESORÍAS, S.A	87.2900 12.7100	87.2900 12.7100	(A)	(1)
MAPFRE CHILE VIDA, S.A.	Isidora Goyenechea 3520 p 16 Las Condes Santiago de Chile (Chile)	MAPFRE INTERNACIONAL, S.A.	100.0000	100.0000	(A)	(9)
MAPFRE COMPAÑÍA DE SEGUROS DE VIDA DE CHILE S.A.	Isidora Goyenechea 3520 p 16 Las Condes Santiago de Chile (Chile)	MAPFRE CHILE VIDA S.A. MAPFRE INTERNACIONAL, S.A.	99.9968 0.0032	99.9968 0.0032	(A)	(9)
MAPFRE SEGUROS GENERALES DE COLOMBIA S.A.	Carrera, 14, nº 96-34 Santa Fé de Bogotá (Colombia)	MAPFRE INTERNACIONAL, S.A. APOINT S.A. MAPFRE COLOMBIA VIDA SEGUROS S.A.	93.7178 6.2768 0.0021	93.7178 6.2768 0.0021	(A)	(1)
CREDIMAPFRE S.A.	Carrera, 14, nº 96-34 Santa Fé de Bogotá (Colombia)	MAPFRE SEGUROS GENERALES DE COLOMBIA S.A.	100.0000	100.0000	(A)	(1)
MAPFRE COLOMBIA VIDA SEGUROS S.A.	Carrera, 14, nº 96-34 Santa Fé de Bogotá (Colombia)	MAPFRE INTERNACIONAL, S.A. APOINT S.A.	94.3541 5.6459	94.3541 5.6459	(A)	(1)
CESVI COLOMBIA, S.A.	Carrera 87, Num.15-87 Santa Fé de Bogotá(Colombia)	MAPFRE SEGUROS GENERALES DE COLOMBIA S.A. MAPFRE COLOMBIA VIDA SEGUROS S.A.	67.7723 0.0000	5.4434 62.3309	(A)	(1)
MAPFRE SERVICIOS EXEQUIALES SAS	Carrera, 14, nº 96-34 Santa Fé de Bogotá (Colombia)	CREDIMAPFRE S.A.	100.0000	100.0000	(A)	(1)
MAPFRE ATLAS COMPAÑÍA DE SEGUROS, S.A.	Kennedy e Norte, Justino Cornejo y Avda, Luis Orrantia. Edificio Torres Atlas Guayaquil (Ecuador)	MAPFRE INTERNACIONAL, S.A.	60.0000	60.0000	(A)	(9)
MAPFRE PARAGUAY COMPAÑÍA DE SEGUROS S.A.	Av.Mariscal López, 910 Asunción (Paraguay)	MAPFRE INTERNACIONAL, S.A.	89.5400	89.5400	(A)	(9)
MAPFRE PERÚ COMPAÑÍA DE SEGUROS Y REASEGUROS S.A.	Av.Veintiocho de Julio, 873 Miraflores- Lima 18 (Perú)	MAPFRE INTERNACIONAL, S.A.	99.2900	99.2900	(A)	(1)
MAPFRE PERÚ ENTIDAD PRESTADORA DE SALUD	Av.Veintiocho de Julio, 873 Miraflores- Lima 18 (Perú)	MAPFRE INTERNACIONAL, S.A. MAPFRE PERU CIA. SEGUROS Y REASEGUROS S.A.	98.5900 1.4100	98.5900 1.4100	(A)	(9)
MAPFRE PERÚ VIDA, COMPAÑÍA DE SEGUROS Y REASEGUROS, S.A.	Av.Veintiocho de Julio, 873 Miraflores- Lima 18 (Perú)	MAPFRE INTERNACIONAL, S.A.	67.4071	67.4071	(A)	(1)
CORPORACIÓN FUNERARIA, S.A.	Av.Veintiocho de Julio, 873 Miraflores- Lima 18 (Perú)	MAPFRE PERÚ VIDA S.A.	100.0000	100.0000	(A)	(1)

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APPENDIX 1: SUBSIDIARIES, ASSOCIATED UNDERTAKINGS AND JOINT VENTURE AT DECEMBER 31, 2020 AND 2019

Name	Address	Participation in Capital			Consolidation method	Integration method for Solvency
		Holder	Percentage 2020	Percentage 2019		
APOINT S.A.	Col. 993 Piso 3 Montevideo (Uruguay)	MAPFRE INTERNACIONAL, S.A.	100.0000	100.0000	(A)	(9)
MAPFRE URUGUAY SEGUROS S.A.	Juncal 1385 piso 2 Montevideo (Uruguay)	MAPFRE INTERNACIONAL, S.A.	100.0000	100.0000	(A)	(9)
MAPFRE LA SEGURIDAD C.A. DE SEGUROS	Avenida Francisco de Miranda, Torre Financiera Caracas, piso 14, Urbanización La Castellana. Chacao, Estado Miranda (Venezuela)	MAPFRE INTERNACIONAL, S.A.	99.5159	99.5159	(A)	(9)
CENTRO DE FORMACION PROFESIONAL SEGUROS LA SEGURIDAD C.A.	Avenida Francisco de Miranda, Torre Financiera Caracas, piso 14, Urbanización La Castellana. Chacao, Estado Miranda (Venezuela)	MAPFRE LA SEGURIDAD C.A. DE SEGUROS	100.0000	100.0000	(A)	(9)
INVERSORA SEGURIDAD-FINANCIADORA DE PRIMAS, C.A.	Avenida Francisco de Miranda, Torre Financiera Caracas, piso 14, Urbanización La Castellana. Chacao, Estado Miranda (Venezuela)	MAPFRE LA SEGURIDAD C.A. DE SEGUROS	100.0000	100.0000	(A)	(9)
CLUB MAPFRE S.A.	Avenida Francisco de Miranda, Torre Financiera Caracas, piso 14, Urbanización La Castellana. Chacao, Estado Miranda (Venezuela)	MAPFRE LA SEGURIDAD C.A. DE SEGUROS	100.0000	100.0000	(A)	(9)
AUTOMOTRIZ MULTISERVICAR-VENEZUELA, C.A.	Avenida Francisco de Miranda, Torre Financiera Caracas, piso 14, Urbanización La Castellana. Chacao, Estado Miranda (Venezuela)	MAPFRE LA SEGURIDAD C.A. DE SEGUROS	97.0000	97.0000	(A)	(9)
AMA-ASISTENCIA MEDICA ADMINISTRADA, C.A.	Avenida Francisco de Miranda, Torre Financiera Caracas, piso 14, Urbanización La Castellana. Chacao, Estado Miranda (Venezuela)	MAPFRE INTERNACIONAL, S.A.	99.7000	99.7000	(A)	(9)
UNIDAD EDUCATIVA D.R FERNANDO BRAVO PEREZ CA	Avenida Francisco de Miranda, Torre Financiera Caracas, piso 14, Urbanización La Castellana. Chacao, Estado Miranda (Venezuela)	MAPFRE LA SEGURIDAD C.A. DE SEGUROS	99.7000	99.7000	(A)	(9)
	NORTH AMERICA					
MAPFRE INSURANCE COMPANY OF FLORIDA	5959 Blue Lagoon Drive, Suite 400, Miami (E.E.U.U)	COMMERCE INSURANCE	100.0000	100.0000	(A)	(7)
MAPFRE INSURANCE COMPANY	100 Campus Drive New Jersey 07932-2007 (E.E.U.U.])	COMMERCE INSURANCE	100.0000	100.0000	(A)	(7)
MAPFRE INTERMEDIARIES	5959 Blue Lagoon Drive, Suite 400, Miami (E.E.U.U)	COMMERCE INSURANCE	100.0000	100.0000	(A)	(7)
MAPFRE USA CORPORATION INC	211 Main Street, Webster, MA 01570 (EE.UU.)	MAPFRE INTERNACIONAL, S.A.	100.0000	100.0000	(A)	(1)
THE COMMERCE INSURANCE COMPANY	211 Main Street, Webster, MA 01570 (EE.UU.)	MAPFRE USA CORPORATION	100.0000	100.0000	(A)	(7)
THE CITATION INSURANCE COMPANY	211 Main Street, Webster, MA 01570 (EE.UU.)	MAPFRE USA CORPORATION	100.0000	100.0000	(A)	(7)
MAPFRE TECH USA CORPORATION	211 Main Street, Webster, MA 01570 (EE.UU.)	MAPFRE USA CORPORATION	100.0000	100.0000	(A)	(7)

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APPENDIX 1: SUBSIDIARIES, ASSOCIATED UNDERTAKINGS AND JOINT VENTURE AT DECEMBER 31, 2020 AND 2019

Name	Address	Participation in Capital			Consolidation method	Integration method for Solvency
		Holder	Percentage			
			2020	2019		
ACIC HOLDINGS COMPANY, INC.	215 Main Street, Webster, MA 01570 (EE.UU.)	MAPFRE USA CORPORATION	100.0000	100.0000	(A)	(1)
AMERICAN COMMERCE INSURANCE COMPANY	3590 Twin Creeks Drive, Columbus, OH 43204 (EE.UU.)	ACIC HOLDINGS	100.0000	100.0000	(A)	(7)
MM REAL ESTATE, LLC	Blue Lagoon, Drive Suite, 200 Miami (E.E.U.U)	COMMERCE INSURANCE	100.0000	100.0000	(A)	(7)
THE COMMERCE WEST INSURANCE COMPANY	4301 Hacienda Drive, Suite 200, Pleasanton, CA 94588 (EE.UU.)	ACIC HOLDINGS	100.0000	100.0000	(A)	(7)
BIGELOW & OLD WORCESTER, LLC	211 Main Street, Webster, MA 01570 (EE.UU.)	COMMERCE INSURANCE	100.0000	100.0000	(A)	(1)
BFC HOLDING CORPORATION	211 Main Street, Webster, MA 01570 (EE.UU.)	MAPFRE USA CORPORATION	100.0000	100.0000	(A)	(1)
VERTI INSURANCE COMPANY	211 Main St, Webster, MA 01570 (EE.UU)	MAPFRE USA CORPORATION	100.0000	100.0000	(A)	(7)
MAPFRE PRAICO CORPORATION	Urb. Tres Monjitas Industrial 297 Avda.Carlos Chardón Hato Rey San Juan (Puerto Rico)	MAPFRE INTERNACIONAL, S.A.	100.0000	100.0000	(A)	(1)
MAPFRE PRAICO INSURANCE COMPANY	Urb. Tres Monjitas Industrial 297 Avda.Carlos Chardón Hato Rey San Juan (Puerto Rico)	MAPFRE PRAICO CORPORATION	100.0000	100.0000	(A)	(1)
MAPFRE PAN AMERICAN INSURANCE COMPANY	Urb. Tres Monjitas Industrial 297 Avda.Carlos Chardón Hato Rey San Juan (Puerto Rico)	MAPFRE PRAICO CORPORATION	100.0000	100.0000	(A)	(1)
MAPFRE INSURANCE AGENCY OF PUERTO RICO, INC.	Urb. Tres Monjitas Industrial 297 Avda.Carlos Chardón Hato Rey San Juan (Puerto Rico)	MAPFRE PRAICO CORPORATION	100.0000	100.0000	(A)	(1)
MAPFRE FINANCE OF PUERTO RICO CORP.	Urb. Tres Monjitas Industrial 297 Avda.Carlos Chardón Hato Rey San Juan (Puerto Rico)	MAPFRE PRAICO CORPORATION	100.0000	100.0000	(A)	(1)
MAPFRE LIFE INSURANCE COMPANY OF PUERTO RICO	Urb. Tres Monjitas Industrial 297 Avda.Carlos Chardón Hato Rey San Juan (Puerto Rico)	MAPFRE PRAICO CORPORATION	100.0000	100.0000	(A)	(1)
MAPFRE SOLUTIONS, INC	Urb. Tres Monjitas Industrial 297 Avda.Carlos Chardón Hato Rey San Juan (Puerto Rico)	MAPFRE PRAICO CORPORATION	100.0000	100.0000	(A)	(1)
MULTISERVICAR INC	Calle Celestial Esq. Joaquina Bo. Cangrejo Arriba Carolina (Puerto Rico)	MAPFRE PRAICO CORPORATION	100.0000	100.0000	(A)	(1)
EURASIA						
VERTI VERSICHERUNG AG	Rheinstraße 7a 14513 Teltow (Alemania)	MAPFRE INTERNACIONAL, S.A.	100.0000	100.0000	(A)	(1)
VERTI ASSICURIZIONI S.P.A.	Via Alessandro Volta, 16 20093 Cologno Monzese MI (Italia)	MAPFRE INTERNACIONAL, S.A.	100.0000	100.0000	(A)	(1)
MAPFRE MIDDLESEA P.L.C.	Middle Sea House Floriana JTL, 16 (Malta)	MAPFRE INTERNACIONAL, S.A.	54.5627	54.5627	(A)	(1)

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Name	Address	Participation in Capital – Holder	Percentage 2020	Percentage 2019	Consolidation method	Integration method for Solvency
MAPFRE M.S.V. LIFE P.L.C.	Middle Sea House Floriana FRN 9010 (Malta)	MAPFRE MIDDLESEA INSURANCE P.L.C.	50.0000	50.0000	(A)	(1)
BEE INSURANCE MANAGEMENT LTD	4th Floor Development House st.Anne Street Floriana FRN 9010 (Malta)	MAPFRE MIDDLESEA INSURANCE P.L.C.	100.0000	100.0000	(A)	(1)
GROWTH INVESTMENTS LIMITED	Pjazza Papa Giovanni XXIII, Floriana, FRN 1420,(Malta)	MAPFRE M.S.V. LIFE P.L.C.	100.0000	100.0000	(A)	(4)
CHURCH WARF PROPERTIES	Middle Sea House, St Publius Street Floriana FRN 1442 (Malta)	MAPFRE MIDDLESEA INSURANCE P.L.C.	50.0000	50.0000	(B)	(9)
		MAPFRE M.S.V. LIFE P.L.C.	50.0000	50.0000		
EURO GLOBE HOLDINGS LIMITED	Middle Sea House, St Publius Street Floriana FRN 1442 (Malta)	MAPFRE MIDDLESEA INSURANCE P.L.C.	100.0000	100.0000	(B)	(9)
EUROMED RISKS SOLUTIONS LIMITED	4th Floor Development House st.Anne Street Floriana FRN 9010 (Malta)	BEE INSURANCE MANAGEMENT LTD	100.0000	100.0000	(A)	(1)
MAPFRE SIGORTA, A.S.	Yenişehir Mah. Irmak Cad. No:11. 34435 Salipazari Istanbul (Turquía)	MAPFRE INTERNACIONAL, S.A.	99.7450	99.7450	(A)	(1)
MAPFRE YASAM SIGORTA, A.S.	Yenişehir Mah. Irmak Cad. No:11. 24/25 Salipazari Estambul (Turquía)	MAPFRE SIGORTA, A.S.	99.7778	99.5000	(A)	(1)
GENEL SERVIS YEDEK PARCA DAGITIM TICARET A.S.	Çevreyolu Caddesi No.2 34020 Bayrampaşa Estambul (Turquía)	MAPFRE SIGORTA, A.S.	51.0000	51.0000	(A)	(1)
MAPFRE INSULAR INSURANCE CORPORATION	Acacia Ave Mandrigal Business Park Ayala Alabarg MuntinlupaCity (Filipinas)	MAPFRE INTERNACIONAL, S.A.	74.9384	74.9384	(A)	(9)
PT ASURANSI BINA DANA ARTA TBK	Plaza ABDA 27 Th floor Jl. Jend. Sudirman Kav. 59 JAKARTE 12190 (Indonesia)	MAPFRE INTERNACIONAL, S.A.	62.3264	62.3264	(A)	(9)
ASSISTANCE						
MAPFRE ASISTENCIA COMPAÑÍA INTERNACIONAL DE SEGUROS Y REASEGUROS, S.A.	Ctra. Pozuelo, 52 Majadahonda Madrid (España)	MAPFRE, S.A. MAPFRE ESPAÑA, S.A.	99.9970 0.0030	99.9970 0.0030	(A)	(1)
IBERO ASISTENCIA, S.A.	Edifício Europa, Av. José Malhoa, 16 F, 7º, 1070-159 Lisboa, (Portugal)	MAPFRE ASISTENCIA, S.A.	100.0000	100.0000	(A)	(1)
MAPFRE ASSISTENCIA LTDA	Alameda Rio Negro 503, 24º andar, sala 2414 Barueri/SP, CEP 06454-000 São Paulo (Brasil)	MAPFRE ASISTENCIA, S.A. MAPFRE BRASIL PARTICIPAÇOES, S.A.	99.9990 0.0010	99.9990 0.0010	(A)	(1)
MAPFRE SOLUTIONS DO BRASIL LTDA (Merger wtih MAPFRE ASSISTENCIA LTDA. in 2020)	Alameda Mamore 989. Alphaville Barueri São Paulo (Brasil)	MAPFRE ASSISTENCIA LTDA IBEROASISTENCIA S.A	0.0000 0.0000	99.9990 0.0010	(H)	(H)
AFRIQUE ASSISTANCE, S.A.	Immeuble Tamayouz, 4éme Etage, 1082 Centre Urbain Nord Tunis 1002 (Túnez)	MAPFRE ASISTENCIA, S.A.	49.0000	49.0000	(A)	(1)

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		Holder	Percentage 2020	Percentage 2019		
SERVICIOS GENERALES VENEASISTENCIA, S.A.	4ta transversal de Motecristo, Edificio Axxa, Planta Baja, Los Dos Caminos, Caracas, (Venezuela)	MAPFRE ASISTENCIA, S.A. MAPFRE RE, S.A.	99.9980 0.0020	99.9980 0.0020	(A)	(1)
ANDIASISTENCIA COMPAÑÍA DE ASISTENCIA DE LOS ANDES, S.A.S	Carrera 14 N 96 -34 Piso 2 Bogotá (Colombia)	MAPFRE ASISTENCIA, S.A. IBEROASISTENCIA S.A.	98.0900 1.9100	98.0900 1.9100	(A)	(1)
FEDERAL ASSIST COMPANY	7300 Corporate Center Drive, Suite 601 Miami Florida 33126 (U.S.A.)	MAPFRE ASSISTANCE USA INC.	100.0000	100.0000	(A)	(1)
IBEROASISTENCIA, ARGENTINA S.A.	Lavalle 344/346/348, PB y 3º Ciudad de Buenos Aires (Argentina)	MAPFRE ASISTENCIA, S.A. IBEROASISTENCIA S.A.	98.4200 1.5800	98.4200 1.5800	(A)	(1)
SUR ASISTENCIA, S.A.	Av.Apoquindo 4499 Santiago de Chile (Chile)	MAPFRE ASISTENCIA, S.A. IBEROASISTENCIA S.A.	99.0000 1.0000	99.0000 1.0000	(A)	(1)
IBEROASISTENCIA, S.A.	Ctra, Pozuelo, 52 Majadahonda. Madrid (España)	MAPFRE ASISTENCIA, S.A. MAPFRE ESPAÑA, S.A.	99.9300 0.0700	99.9300 0.0700	(A)	(1)
IRELAND ASSIST, LTD	22-26 Prospect Hill Galway (Irlanda)	MAPFRE ASISTENCIA, S.A.	100.0000	100.0000	(A)	(1)
GULF ASSIST, B.S.C.	Manama Centre Building Manama (Barhrain)	MAPFRE ASISTENCIA, S.A.	74.6250	74.6250	(A)	(1)
INSURE AND GO	1 Victoria Street, Bristol Bridge Bristol BS1 6AA (Reino Unido)	MAPFRE ASISTENCIA, S.A.	100.0000	100.0000	(A)	(1)
INSURE AND GO AUSTRALIA	Suite4 Level 1, 19 Harris Street, Pyrmont NSW 2009 Sydney, NSW 2000 (Australia)	MAPFRE ASISTENCIA, S.A.	100.0000	100.0000	(A)	(1)
TRAVEL CLAIMS SERVICES LIMITED	1 Victoria Street, Bristol Bridge Bristol BS1 6AA (Reino Unido)	INSURANCE AND GO	100.0000	100.0000	(A)	(1)
EUROSOS ASSISTANCE, S.A.	473 Messogion Avenue 15343 Agia Paraskevi. Atenas (Grecia)	IBEROASISTENCIA S.A. MAPFRE ASISTENCIA, S.A.	0.5000 99.5000	0.5000 99.5000	(A)	(1)
CARIBE ASISTENCIA, S.A.	Avda. Tiradentes Esq.Pres. González. Edif.La Cumbre. Ens. Naco.Domingo (República Dominicana)	MAPFRE ASISTENCIA, S.A.	83.5823	83.5823	(A)	(1)

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ECUASISTENCIA, S.A.	Avda.Doce de Octubre, N42 -562 N42 -562 y Luis Cordero Quito (Ecuador)	MAPFRE ASISTENCIA, S.A. ANDIASISTENCIA S.A.	99.2600 0.7399	99.2600 0.7399	(A)	(1)
CONSULTING DE SOLUCIONES Y TECNOLOGÍAS SIAM, S.A.	Ctra, Pozuelo, 52 Majadahonda. Madrid (España)	MAPFRE ASISTENCIA, S.A. IBEROASISTENCIA S.A.	99.9259 0.0741	99.9259 0.0741	(A)	(1)
PERÚ ASISTENCIA, S.A.	Av. 28 de Julio No. 873 URB. Leuro Lima - Miraflores Lima (Perú)	MAPFRE ASISTENCIA, S.A. IBEROASISTENCIA S.A.	99.9856 0.0144	99.9856 0.0144	(A)	(1)
MÉXICO ASISTENCIA, S.A.	Av. Insurgentes Sur no.2453 Piso 15, Col. Tizapán San Angel Deleg. Alvaro Obregon. Col. Tizapán San Angel Deleg. Alvaro Obregón. C.P. 01090 México D.F. (México)	MAPFRE ASISTENCIA, S.A.	99.9998	99.9998	(A)	(1)
ALLMAP ASSIST GESELLSCHAFT FUR BEISTANDSLEISTUNGEN MBH (Dissolved in 2020)	Im Rosengarten, 256 61118 Bal Vilbel (Alemania)	MAPFRE ASISTENCIA, S.A. IBEROASISTENCIA S.A.	0.0000 0.0000	99.9500 0.0500	(H)	(H)
PANAMÁ ASISTENCIA, S.A.	Costa del Este – Avenida la Rotonda, Torre GMT, Piso 1 – Edificio Mapfre Ciudad de Panamá (Panamá)	MAPFRE ASISTENCIA, S.A.	84.0000	84.0000	(A)	(1)
TUR ASSIST, LTD.	19 Mayıs Cd.İsmet Öztürk Sk.Şişli Plaza Ofis Blokları E Blok B-2 Şişli Estambul (Turquía)	MAPFRE ASISTENCIA, S.A. IBEROASISTENCIA S.A.	99.6500 0.3500	99.6500 0.3500	(A)	(1)
URUGUAY ASISTENCIA,S.A.	Plaza Cagancha 1335, oficina 901 Montevideo (Uruguay)	MAPFRE ASISTENCIA, S.A. IBEROASISTENCIA S.A.	97.9000 2.1000	97.9000 2.1000	(A)	(1)
QUETZAL ASISTENCIA, S.A.	8a. Ave. 3-80 Zona 14 Edificio La Rambla II nivel 5 Of. 5-2 (Guatemala)	MAPFRE ASISTENCIA, S.A.	99.9920	99.9920	(A)	(1)
EL SALVADOR ASISTENCIA, S.A.	Alameda Roosevelt No. 3107 Edificio La Centro Americana, Nivel 7. San Salvador (El Salvador)	MAPFRE ASISTENCIA, S.A. IBEROASISTENCIA S.A.	99.9900 0.0100	99.9900 0.0100	(A)	(1)
LLC MAPFRE WARRANTY (Dissolved in 2020)	Denisovskiy Pereulok 26 105005, Moscú (Rusia)	MAPFRE ASISTENCIA, S.A.	0.0000	100.0000	(H)	(H)
NICASSIST, S.A.	Edificio Invercasa, Torre II, 5to. piso, modulo # 501 Managua, (Nicaragua)	MAPFRE ASISTENCIA, S.A.	100.0000	100.0000	(A)	(1)
BENELUX ASSIST, S.A. (Dissolved in 2020)	Rue de Treves, 45 Bruselas, (Bélgica)	MAPFRE ASISTENCIA, S.A.	0.0000	100.0000	(H)	(H)
MAPFRE WARRANTY S.P.A.	Strada Trossi 66 13971 Verrone (Italia)	MAPFRE ASISTENCIA, S.A.	100.0000	100.0000	(A)	(1)
MAPFRE WARRANTIES	Route des Trois Cantons 11 18399 Windhoj (Luxemburgo)	MAPFRE WARRANTY S.P.A.	100.0000	100.0000	(A)	(1)
NORASSIST, INC D/B/A ROAD CANADA	2445 Eagle Steet North Cambridge. ON N3H 4R7, (Canadá)	MAPFRE ASISTENCIA, S.A.	100.0000	100.0000	(A)	(1)

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APPENDIX 1: SUBSIDIARIES, ASSOCIATED UNDERTAKINGS AND JOINT VENTURE AT DECEMBER 31, 2020 AND 2019

Name	Address	Participation in Capital – Holder	Percentage 2020	Percentage 2019	Consolidation method	Integration method for Solvency
D/B/A ROAD AMERICA MOTOR CLUB	7300 Corporate Center Drive, Suite 601 Miami Florida 33126 (E.E.U.U.)	MAPFRE ASISTENCIA, S.A.	100.0000	100.0000	(A)	(1)
ROAD CHINA ASSISTANCE Co, LTD	Suite 603, Zhongyu Plaza, A6 Gongti North Road, Chaoyang District, Beijing, PR (China)	MAPFRE ASISTENCIA, S.A.	100.0000	100.0000	(A)	(1)
MAPFRE ABRAXAS SOFTWARE, LTD	9, Blenheim Court Beaufort Park Almondsbury, Bristol BS32 4NE (Reino Unido)	MAPFRE ASISTENCIA, S.A.	100.0000	100.0000	(A)	(1)
ABRAXAS INSURANCE	1 Victoria Street, Bristol Bridge Bristol BS1 6AA (Reino Unido)	MAPFRE ABRAXAS SOFTWARE, LTD	100.0000	100.0000	(A)	(1)
MAPFRE WARRANTY UK LIMITED	1 Victoria Street, Bristol Bridge Bristol BS1 6AA (Reino Unido)	MAPFRE ABRAXAS SOFTWARE, LTD	100.0000	100.0000	(A)	(1)
HOME 3	1 Victoria Street, Bristol Bridge Bristol BS1 6AA (Reino Unido)	MAPFRE ABRAXAS SOFTWARE, LTD	100.0000	100.0000	(A)	(1)
INDIA ROADSIDE ASSISTANCE PRIVATE LIMITED	602, Thawar Apartment, Opp. Heena Residency Main Carter Road, Kasturba Rd, Borivali (East), Mumbai 400066-Maharashtra (India)	MAPFRE ASISTENCIA, S.A. IBEROASISTENCIA S.A.	99.6300 0.3700	99.6300 0.3700	(A)	(1)
ARABA ASSIST FOR LOGISTIC SERVICES	Abdel Hamid Sharaf Street, The plenary Center, Bldg. No. 74, 2nd floor P.O. Box 5906 Amman 11953 - (Jordania)	MAPFRE ASISTENCIA, S.A.	100.0000	100.0000	(A)	(1)
ROADSIDE ASSIST ALGERIE SPA	45, Rue des Freres Adessalami 5eme étage. Vieux Kouba. Alger 16050 (Argelia)	MAPFRE ASISTENCIA, S.A. IBEROASISTENCIA S.A. CONSULTING SOL.Y TEC. SIAM S.A.	60.3000 0.4000 0.3000	60.3000 0.4000 0.3000	(A)	(1)
NILE ASSIST	18th Floor, Apartment No. 1804 of Holiday Inn Maadi Hotel building Comeish Maadi Cairo - (Egipto)	MAPFRE ASISTENCIA, S.A. IBEROASISTENCIA S.A. CONSULTING SOL.Y TEC. SIAM S.A.	98.0000 1.0000 1.0000	98.0000 1.0000 1.0000	(A)	(1)
MAPFRE ASISTENCIA LIMITED (Dissolved in 2020)	RM 1101-02 8 Jordan Road Yaumatei, Kowloon (Hong Kong)	MAPFRE ASISTENCIA, S.A.	0.0000	100.0000	(H)	(H)
MAPFRE ASISTENCIA COMPANY LIMITED	3F. No.43, Sec.1, Min-sheng E. Rd. Zhongshan District Taipei City 104 - (Taiwan)	MAPFRE ASISTENCIA, S.A.	100.0000	100.0000	(A)	(1)
MIDDLESEA ASSIST LIMITED	18ª, Europa Centre, John Lopez Str Floriana, FRN 1400, (Malta)	MAPFRE ASISTENCIA, S.A. MIDDLESEA INSURANCE P.L.C.	51.0000 49.0000	51.0000 49.0000	(A)	(1)
INSURE & GO INSURANCE SERVICES USA CORP.	7300 Corporate Center Drive, Suite 601 Miami, FL 33126 (E.E.U.U.)	MAPFRE ASSISTANCE USA INC	100.0000	100.0000	(A)	(1)
MAPFRE ASSISTANCE USA INC.	7300 Corporate Center Drive, Suite 601 Miami, FL 33126 (E.E.U.U.)	MAPFRE ASISTENCIA, S.A.	100.0000	100.0000	(A)	(1)
MAPFRE WARRANTY CORPORATION OF FLORIDA	5959 Blue Lagoon Drive, Suite 400 Miami, FL 33126 (E.E.U.U.)	MAPFRE ASSISTANCE USA INC	100.0000	100.0000	(A)	(1)
CENTURY AUTOMOTIVE SERVICES COMPANY	6565 Americas Parkway NE. Suite 1000. Albuquerque NM 87110 (E.E.U.U.)	MAPFRE ASSISTANCE USA INC	100.0000	100.0000	(A)	(1)

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Name	Address	Participation in Capital – Holder	Percentage 2020	Percentage 2019	Consolidation method	Integration method for Solvency
PT MAPFRE ABDA ASSISTANCE	Plaza Kelapa Gading (Ruko Inkopal) Blok A, nº 9 Jalan. Raya Boulevard Barat Kelapa Gading 14240 Jakarta Utara (Indonesia)	MAPFRE ASISTENCIA, S.A. PT ASURANSI BINA DANA ARTA TBK	51.0000 49.0000	51.0000 49.0000	(A)	(1)
PARAGUAY ASISTENCIA CIA. DE SERVICIOS S.A.	Av.Mariscal López, 930 Asunción (Paraguay)	MAPFRE ASISTENCIA, S.A. IBEROASISTENCIA S.A.	98.9500 1.0500	98.9500 1.0500	(A)	(1)
REINSURANCE						
MAPFRE RE COMPAÑÍA DE REASEGUROS, S.A.	Paseo de Recoletos, 25 Madrid (España)	MAPFRE, S.A. MAPFRE ESPAÑA, S.A.	93.7719 0.0003	93.7719 0.0003	(A)	(1)
MAPFRE CHILE REASEGUROS, S.A.	Avda.Apoquindo, 4499 Santiago de Chile (Chile)	MAPFRE RE, S.A.	99.9900	99.9900	(A)	(1)
CAJA REASEGURADORA DE CHILE S.A.	Avda.Apoquindo, 4499 Santiago de Chile (Chile)	MAPFRE CHILE REASEGUROS S.A.	99.8467	99.8467	(A)	(1)
C R ARGENTINA, S.A.	Bouchard 547 piso 14 Buenos Aires (Argentina)	MAPFRE CHILE REASEGUROS S.A.	99.9960	99.9960	(A)	(1)
MAPFRE RE DO BRASIL COMPAÑÍA DE REASEGUROS S.A.	Rua Olimpiadas, 242,5º andar conjunto 52 Vila Olimpia; São Paulo (Brasil)	MAPFRE RE, S.A. MAPFRE ASSISTENCIA LTDA	99.9999 0.0001	99.9999 0.0001	(A)	(1)
MAPFRE RE ESCRITORIO DE REPRESENTACION COMPAÑÍA DE REASEGUROS	Rua Olimpiadas, 242,5º andar conjunto 52 Vila Olimpia; São Paulo (Brasil)	MAPFRE RE, S.A. MAPFRE RE DO BRASIL S.A.	99.9999 0.0001	99.9999 0.0001	(B)	(9)
INMOBILIARIA PRESIDENTE FIGUEROA ALCORTA, S.A.	Bouchard 547 piso 14 B. Aires (Argentina)	MAPFRE RE, S.A.	99.9985	99.9985	(B)	(9)
MAPFRE MANDATOS Y SERVICIOS, S.A.	Bouchard 547 piso 14 B. Aires (Argentina)	MAPFRE RE, S.A. MAPFRE ARGENTINA HOLDING	95.0000 5.0000	95.0000 5.0000	(B)	(9)
REINSURANCE MANAGAMENT INC.	100 Campus Drive 07932 New Jersey (E.E.U.U.)	MAPFRE RE, S.A.	100.0000	100.0000	(A)	(1)
MAPFRE EURO BONDS FUND	Ctra. Pozuelo, 50. Majadahonda (Madrid)	MAPFRE RE, S.A.	100.0000	100.0000	(A)	(1)
MAPFRE RE VERMONT CORPORATION	122 Cherry Tree Hill Road 05651 East Montpelier Vermont (E.E.U.U.)	MAPFRE RE, S.A.	100.0000	100.0000	(A)	(1)
RISK MED SOLUTIONS, S.L.	Paseo de Recoletos, 25 Madrid (España)	MAPFRE RE, S.A.	100.0000	100.0000	(F)(A)	(F)(1)
OTHER						
MAPFRE INTERNACIONAL S.A.	Ctra. Pozuelo, 52. Majadahonda. Madrid (España)	MAPFRE, S.A.	100.0000	100.0000	(A)	(1)
MAQUAVIT INMUEBLES, S.L. (Sold in 2020)	Ctra. Pozuelo, 52. Majadahonda. Madrid (España)	MAPFRE, S.A.	0.0000	100.0000	(H)	(1)
PROVITAE CENTROS ASISTENCIALES S.L. (Dissolved in 2020)	C/ Fuencarral, 123 Madrid (España)	MAQUAVIT INMUEBLES, S.L.	0.0000	50.0000	(H)	(3)
MAPFRE INVESTMENT S.A. (In 2019 FANCY INVESTMENT S.A.)	Avda. 18 de Julio, 841 Montevideo (Uruguay)	MAPFRE, S.A.	100.0000	100.0000	(A)	(1)
PREMINEN PRICE COMPARISON HOLDINGS LIMITED	Ty Admiral, David Street, Cardiff, CF10 2EH (Reino Unido)	MAPFRE, S.A.	50.0000	50.0000	(E)	(9)

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APPENDIX 1: SUBSIDIARIES, ASSOCIATED UNDERTAKINGS AND JOINT VENTURE AT DECEMBER 31, 2020 AND 2019

Name	Address	Participation in Capital			Consolidation method	Integration method for Solvency
		Holder	Percentage			
			2020	2019		
MAPFRE AM INVESTMENT HOLDING, S.A.	Ctra. Pozuelo, 52. Majadahonda. Madrid (España)	MAPFRE, S.A.	100.0000	100.0000	(A)	(1)
LA FINANCIERE RESPONSABLE	52, rue dePonthieu 75008 Paris (Francia)	MAPFRE AM INVESTMENT HOLDING, S.A.	24.9500	24.9500	(C)	(4)
STABLE INCOME REAL STATE FUN GP S.A.R.I.	15, rue Bender L-1229 (Luxemburgo)	MAPFRE AM INVESTMENT HOLDING, S.A.	100.0000	100.0000	(A)	(1)
MAPFRE GLOBAL RISK AGENCIA DE SUSCRIPCION	Ctra. Pozuelo, 52. Majadahonda. Madrid (España)	MAPFRE, S.A.	100.0000	100.0000	(A)	(1)
MAPFRE PARTICIPACIONES, S.A.	Ctra. Pozuelo, 52. Majadahonda. Madrid (España)	MAPFRE, S.A.	100.0000	100.0000	(A)	(1)
INDUSTRIAL RE S.A.	23, Avenue Monterey L-2163 (Luxemburgo)	MAPFRE PARTICIPACIONES, S.A.	100.0000	100.0000	(A)	(1)
SOLUNION SEGUROS DE CREDITO S.A.	Avda.General Perón,40 Madrid (España)	MAPFRE PARTICIPACIONES, S.A.	50.0000	50.0000	(E)	(3)

CONSOLIDATION METHOD OR PROCEDURE

(A) Subsidiaries consolidated by global integration

(B) Subsidiaries excluded from consolidation

(C) Equity-accounted associated and investee companies

(D) Associated and investee companies excluded from consolidation

(E) Joint ventures consolidated using the equity method

(F) Companies added to the scope of consolidation in 2019

(G) Companies added to the scope of consolidation in 2020

(H) Companies removed from the scope of consolidation in 2020

INTEGRATION METHOD FOR SOLVENCY CALCULATION

(1) Full consolidation

(3) Adjusted equity-accounting

(4) Sectorial standards

(7) Local standards

(9) Exclusion from the scope of group supervision, pursuant to article 214 of Directive 2009/138/EC

(*) MAPFRE holds the majority voting rights in the Annual General Shareholders' Meeting

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APPENDIX 2. FINANCIAL INFORMATION FOR MAIN COMPANIES AT DECEMBER 31, 2020

Name	Effective tax rate	Activity	Year-end figures (thousand euros)			
			Assets	Equity	Revenue	Result for the year
IBERIA						
MAPFRE ESPAÑA COMPAÑÍA DE SEGUROS Y REASEGUROS S.A.	25% (1)(2)	Insurance and reinsurance	9,663,218	2,575,003	5,347,713	266,323
VERTI ASEGURADORA, COMPAÑIA DE SEGUROS Y REASEGUROS, S.A	25% (1)(2)	Insurance and reinsurance	182,227	80,484	90,264	9,136
FUNESPAÑA, S.A.	25% (1)	Burial services	88,203	86,422	1,203	906
FUNESPAÑA DOS, S.A.	25% (1)	Burial services	122,672	87,443	20,412	1,171
MAPFRE VIDEO Y COMUNICACIÓN S.A.	25% (1)	Asset Management	91,376	75,574	9,006	1,721
SALVADOR CAETANO AUTO (SGPS), S	25 %	Agents and	348,800	348,800	17,070	17,070
MAPFRE INMUEBLES, S.G.A.	25% (1)	Real Estate	625,619	478,149	20,544	(23,215)
MAPFRE TECH, S.A.	25% (1)(2)	IT	78,382	18,845	199,236	779
MAPFRE SEGUROS GERAIS S.A.	25 %	Insurance and reinsurance	282,620	103,358	107,944	5,807
MAPFRE PORTUGAL SEGUROS DE VIDA S.A.	25 %	Insurance	332,809	50,209	48,390	2,885
MAPFRE VIDA SOCIEDAD ANÓNIMA DE SEGUROS Y REASEGUROS SOBRE LA VIDA HUMANA	25% (1)(2)	Insurance and reinsurance	16,637,687	1,534,008	2,118,038	206,832
MAPFRE INVERSIÓN SOCIEDAD DE VALORES S.A.	25% (1)(2)	Investment company	196,451	144,099	83,465	36,099
BANKIA MAPFRE VIDA, S.A. DE SEGUROS Y REASEGUROS	25% (2)	Insurance and reinsurance	7,669,229	482,814	606,343	125,750
BANKINTER SEGUROS DE VIDA, S.A.	25%(2)	Insurance	2,126,170	130,145	352,969	58,417
CAJA CASTILLA LA MANCHA VIDA Y PENSIONES, S.A.	25%(2)	Insurance	867,881	73,624	80,780	18,393
BRAZIL						
MAPFRE SEGUROS GERAIS S.A.	45 %	Insurance	1,943,241	424,978	1,212,246	37,702
MAPFRE VIDA S.A.	45 %	Insurance	173,606	75,621	146,047	5,836
MAPFRE PREVIDENCIA S.A.	45 %	Insurance	517,904	26,810	119,159	330
ALIANÇA DO BRASIL SEGUROS, S.A.	45 %	Insurance	138,411	27,802	115,281	7,706
BRASILSEG COMPANHIA DE SEGUROS S.A.	45 %	Insurance	2,548,413	243,778	1,673,130	231,104
LATAM NORTh						

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Name	Effective tax rate	Activity	Year-end figures (thousand euros) Assets	Equity	Revenue	Result for the year
MAPFRE SEGUROS HONDURAS S.A.	30 %	Insurance	131,683	29,458	76,541	3,927
MAPFRE PANAMÁ S.A.	25 %	Insurance	320,098	89,980	249,478	11,473
MAPFRE SEGUROS EL SALVADOR, S.A.	25 %	Insurance	92,735	22,761	75,051	3,439
MAPFRE SEGUROS GUATEMALA S.A.	25 %	Insurance	75,458	23,652	80,849	5,723
MAPFRE BHD COMPAÑÍA DE SEGUROS, S.A.	27 %	Insurance	206,743	57,952	148,255	17,786
MAPFRE SALUD ARS	27 %	Insurance	94,279	35,421	201,700	15,324
MAPFRE MEXICO S.A.	30 %	Insurance	1,450,446	212,885	829,273	29,624
LATAM SOUTH						
MAPFRE ARGENTINA SEGUROS S.A.	35 %	Insurance	197,027	42,700	190,424	6,197
MAPFRE COMPAÑÍA DE SEGUROS GENERALES DE CHILE S.A.	27 %	Insurance	589,082	68,292	304,549	3,901
MAPFRE SEGUROS GENERALES DE COLOMBIA S.A.	33 %	Insurance	1,503,515	133,093	232,029	11,137
MAPFRE COLOMBIA VIDA SEGUROS S.A.	33 %	Insurance	876,816	61,306	134,789	(1,156)
MAPFRE PARAGUAY COMPAÑÍA DE SEGUROS S.A.	10 %	Insurance	92,074	37,713	65,887	8,092
MAPFRE PERÚ COMPAÑÍA DE SEGUROS Y REASEGUROS S.A.	30 %	Insurance and reinsurance	580,035	108,776	308,207	15,402
MAPFRE PERÚ VIDA, COMPAÑÍA DE SEGUROS Y REASEGUROS, S.A.	30 %	Insurance	439,650	96,074	214,535	16,319
MAPFRE URUGUAY SEGUROS S.A.	25 %	Insurance	144,023	26,335	99,596	4,710
NORTH AMERICA						
MAPFRE INSURANCE COMPANY OF FLORIDA	21 %	Insurance	77,859	27,940	46,974	4,091
THE COMMERCE INSURANCE COMPANY	21 %	Insurance	2,358,588	783,539	1,350,818	76,367
THE CITATION INSURANCE COMPANY	21 %	Insurance	178,534	70,555	92,035	6,068
AMERICAN COMMERCE INSURANCE COMPANY	21 %	Insurance	299,931	117,605	177,573	8,352
THE COMMERCE WEST INSURANCE COMPANY	21 %	IT	154,226	60,296	92,185	7,634
MAPFRE PRAICO INSURANCE COMPANY	20 %	Insurance	837,025	161,528	294,804	(4,914)
MAPFRE PAN AMERICAN INSURANCE COMPANY	20 %	Insurance	86,134	28,198	42,318	139
EURASIA						

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Name	Effective tax rate	Activity	Year-end figures (thousand euros) Assets	Equity	Revenue	Result for the year
VERTI VERSICHERUNG AG	20 %	Insurance	702,593	175,615	370,952	9,701
VERTI ASSICURIZIONI S.P.A.	27.5 %	Insurance	1,353,330	325,853	400,236	897
MAPFRE MIDDLESEA P.L.C.	35 %	Insurance	136,411	33,080	76,276	3,946
MAPFRE M.S.V. LIFE P.L.C.	35 %	Insurance	2,563,591	161,316	440,522	10,282
MAPFRE SIGORTA, A.S.	22 %	Insurance	530,401	99,550	371,715	16,461
MAPFRE INSULAR INSURANCE CORPORATION	30 %	Insurance	81,104	27,134	26,707	229
PT ASURANSI BINA DANA ARTA TBK	25 %	Insurance	143,978	78,849	43,105	8,022
ASSISTANCE						
MAPFRE ASISTENCIA COMPAÑÍA INTERNACIONAL DE SEGUROS Y REASEGUROS, S.A.	25% (1)(2)	Insurance and reinsurance	608,953	163,272	295,155	(9,343)
CENTURY AUTOMOTIVE SERVICES COMPANY	21 %	Special risks	280,382	15,914	186,034	1,912
REINSURANCE						
MAPFRE RE COMPAÑÍA DE REASEGUROS, S.A.	25% (1)(2)	Reinsurance	8,601,370	1,726,578	7,366,475	10,924
CAJA REASEGURADORA DE CHILE S.A.	27 %	Reinsurance	104,646	16,547	6,098	999
MAPFRE RE DO BRASIL COMPAÑÍA DE REASEGUROS S.A.	45 %	Insurance and reinsurance	244,070	31,410	133,855	3,190
MAPFRE RE VERMONT CORPORATION	21 %	Insurance and reinsurance	344,249	55,325	294,505	2,205
OTHER						
SOLUNION SEGUROS DE CREDITO S.A.	25 %	Insurance and reinsurance	414,316	110,445	220,757	4,941

TAX GROUP

(1) Company belonging to Tax Group 9/85

(2) Company belonging to VAT Group 87/10

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CONSOLIDATED MANAGEMENT REPORT

YEAR 2020

MAPFRE S.A.

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CONSOLIDATED MANAGEMENT REPORT 2020

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The content of this Consolidated Management Report (hereinafter "the Report") was prepared in accordance with the recommendations set out in the "Guide for the preparation of management reports by listed companies" published by the Spanish National Securities and Exchange Commission (the "CNMV").

The Alternative Performance Measures (APM) used in this report, which correspond to those financial measures that are used but not defined or explained in the applicable financial information framework, can be consulted at the following web page: https://www.mapfre.com/en/financial-information/

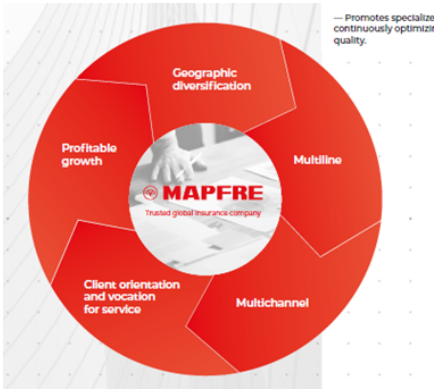
Some of the figures included in this Report have been rounded. Therefore, discrepancies may occur in the tables between the totals and the amounts listed due to this rounding.

ORGANIZATION OVERVIEW

BUSINESS MODEL

The vision of MAPFRE is to be THE MOST TRUSTED GLOBAL INSURANCE COMPANY, a concept that refers not only to its geographic presence but also to the wide range of insurance and reinsurance products and services that it promotes worldwide. It aims to become a leader in the markets in which it operates, through its proprietary and differentiated business model, based on transformation and innovation. It is designed to achieve profitable growth with a clear and decisive focus on the client (both private and corporate), a multi-channel approach and a firm vocation for service.

The influx of new insurance business models – insurtech – based on digital tools is causing a veritable revolution in the sector, and MAPFRE is acting swiftly in order to offer all its stakeholders value experiences. The business model that MAPFRE has adopted is not focused solely on financial results, but also on the social sphere.



Accordingly, MAPFRE:

- Is firmly committed to growth, both in terms of business volume and geographic development, generating suitable and sufficient profitability from its activities.
- Manages its business in an efficient manner and constantly improves productivity, reducing structural costs continuously in order to enhance its competitiveness.
- Professionally manages the risks it assumes, ensuring sustainable growth and results.
- Steers its development by diversifying its portfolio of insurance, reinsurance and service businesses as a means of boosting growth and minimizing risks.
- Deploys a global management model with ample capacity for local implementation, ensuring an appropriate balance between corporate involvement and business development in each country.
- Makes its resources available to the entire organization, thus harnessing the synergies derived from sharing talent, processes and tools.
- Promotes specialized management as a means of continuously optimizing results and enhancing service quality.

The Missions is to be a multinational team that strives tirelessly to improve our services and ensure the best possible relationships with our clients, distributors, providers, shareholders and society in general

This commitment to continuous improvement is underpinned by the following values, which assist in executing the mission and achieving the company's vision:

-Solvency: financial strength with sustainable outcomes over time and full capacity to meet all its obligations with stakeholders.

-Integrity: ethical conduct as a core element in how everyone (executives, employees, agents and collaborators) behaves, with a socially responsible focus on all long-term activities and commitments.

-Vocation for service: the constant quest for excellence in the pursuit of its activities and a continuous focus on building strong relationships with clients.

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-Innovation for leadership: differentiation as a key requirement to drive constant growth and improvement, using technology to service the different businesses and their objectives.

-Committed team: full engagement of employees, executives, agents and other collaborators with the MAPFRE project and continuous development of the team's skills and abilities.

ORGANIZATIONAL STRUCTURE AND GOOD GOVERNANCE

A. ORGANIZATIONAL STRUCTURE

MAPFRE is a multinational company chiefly devoted to insurance and reinsurance activities, and operates in 44 countries worldwide.

The Group's parent company is the holding company MAPFRE S.A., the shares of which are listed on the Madrid and Barcelona stock exchanges and, as at the close of the period, formed part of the IBEX 35, IBEX Top Dividend, MSCI World SMID Cap Index, FTSE All-World, FTSE Developed Europe, FTSE4Good, FTSE4Good IBEX, Dow Jones Sustainability World, Euronext Vigeo Europe 120, Euronext Vigeo Eurozone 120 and Ethibel Sustainability Index-Excellence Europe.

MAPFRE S.A. is a subsidiary of CARTERA MAPFRE, S.L. Sociedad Unipersonal, which is fully controlled by Fundación MAPFRE.

During 2020, the Group pursued its business activities through an organizational structure made up of four Business Units (Insurance, Assistance, Global Risks and Reinsurance); three Territorial Areas (IBERIA, LATAM and INTERNATIONAL); and six Regional Areas (Iberia (Spain and Portugal), Brazil, LATAM North (Mexico, Central America and the Dominican Republic), LATAM South, North America and EURASIA (Europe, Middle East, Africa and Asia-Pacific). As of January 1, 2021, the Territorial Areas ceased to exist and the Group's business activities are carried out through the Business Units and Regional Areas indicated above.

The Insurance Business Unit is organized in line with the MAPFRE Regional Areas, which are the geographic units that plan, support and oversee the region.

The Reinsurance and Global Risks units are integrated within MAPFRE RE.

The activities of the various Business Units are supplemented by those of the Corporate Areas (Internal Audit, Strategy and M&A, Finance and Resources, Investments, Business and Clients, Operations, People and Organization, External Relations and Communication, General Counsel and Legal Affairs, Business Support, IT and Processes), which have global competences for all MAPFRE companies in the world in terms of the development, implementation and monitoring of global, regional and local corporate policies.

The fact that the different MAPFRE companies belong to a business group implies, without prejudice to their legal autonomy, that they form an integral part of an organic structure that regulates their interrelations, the coordination of their activities and the oversight of the controlled companies by the controlling companies and, in the final instance, by the parent company.

The MAPFRE S.A. Board of Directors is the senior management and supervisory body for the entire Group. It features a Steering Committee that acts within all of its powers, except those which cannot be ceded by law, bylaws or the regulations of the Board of Directors, and three delegate committees (Audit and Compliance, Appointments and Remuneration, and Risks).

The Executive Committee is the body that exercises direct supervision over management of the Business Units and coordinates the various Areas and Units in the Group. The Transformation and Innovation Committee reports to the Executive Committee and has decision-making powers in relation to all transformation and innovation initiatives within MAPFRE.

Likewise, the Global Business Committee is in charge of analyzing the development of the Group's insurance and services businesses worldwide, compliance with the established plans, and proposing related corrective or improvement actions.

The management, coordination and supervision of the activity of the Units and Areas is carried out, according to their respective scope of action, by the Local, Regional and Business Unit Management Committees, as well as by the Executive Committee.

Each of the subsidiary companies has its own governing bodies, in which the structure and complexity depend on the importance of their activities and any legal provisions that may be applicable. They usually have a Board of Directors and, depending on the importance of their activities, a Management Committee as well. In the case of shell or very small companies, these bodies are replaced by two administrators.

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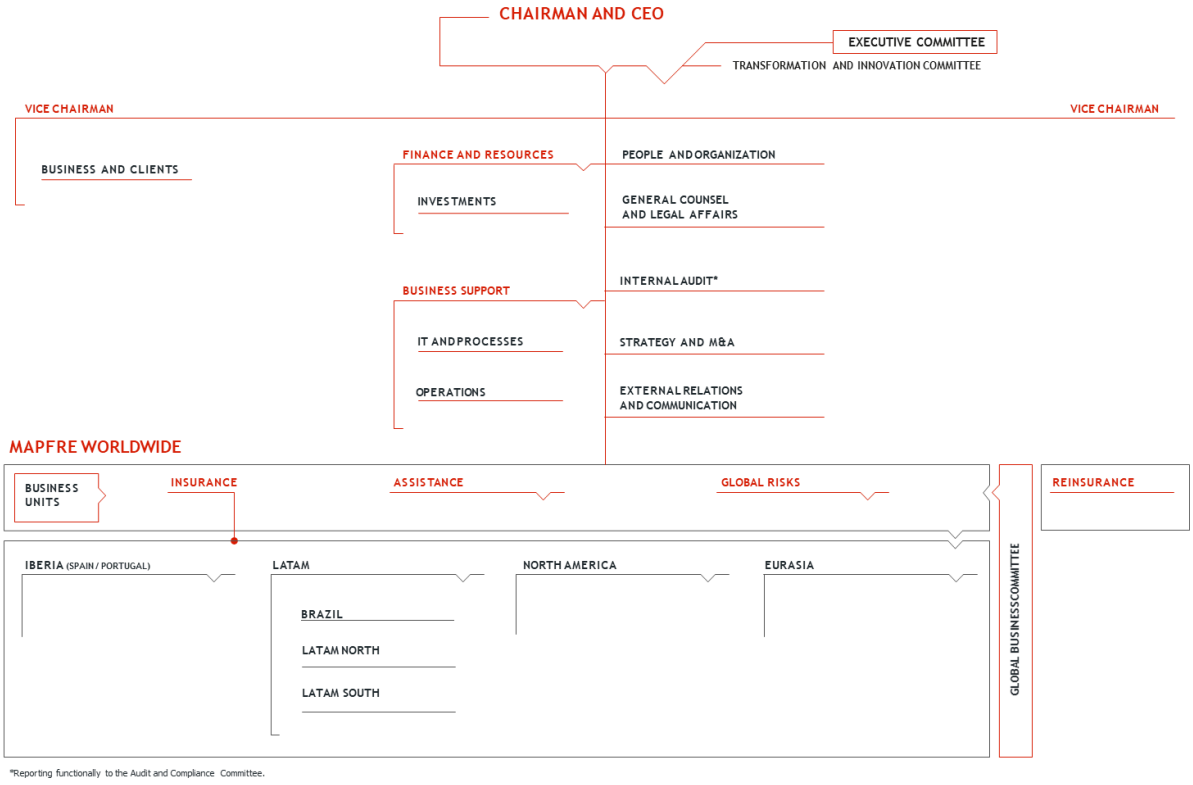
The Group's current organizational chart is as follows:



B. GOOD GOVERNANCE

MAPFRE has constantly and decidedly striven from the start to adopt the best corporate governance practices. MAPFRE's good governance practices are oriented toward creating sustained financial and social value over the long-term. The company's objective is to ensure financial stability and safeguard the interests of shareholders, while maximizing the positive impact on society as a whole.

MAPFRE is governed by the Recast Text of the Spanish Companies Act and has a series of Institutional, Business and Organizational Principles in place that have been approved by the Board of Directors of MAPFRE S.A., which, together with its Bylaws and the Board of Directors' Regulations, define the structure, composition and functions of each of its governing bodies and make up the minimum mandatory compliance framework for all of the companies in the MAPFRE Group and their respective governing bodies. In addition, MAPFRE's governance system is supplemented by a group of corporate policies[1].

MAPFRE complies fully with 90.62 percent, and fully or partially with 96.87 percent, of the recommendations set out in the CNMV Good Governance Code for listed companies at December 31, 2020.

[1]Institutional, Business and Organizational Principles of the MAPFRE Group and other corporate regulations are available on the Company's website (www.mapfre.com).

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The Annual Corporate Governance Report 2020 offers a detailed explanation of the structure of MAPFRE's governance system and its operation in practice[2], providing the minimum content established by Article 540 of the Recast Text of the Spanish Companies Act.

OPERATIONAL FRAMEWORK

During the financial year, the Group's activities were developed through its Business Units.

The Insurance Business Unit was organized in 2020 following the structure of Territorial and Regional Areas: the IBERIA Territorial Area coincides with the Iberia Regional Area, which is made up of Spain and Portugal. The LATAM Territorial Area is subdivided into the Regional Areas of Brazil, LATAM North (Costa Rica, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama and the Dominican Republic) and LATAM South (Argentina, Colombia, Chile, Ecuador, Paraguay, Peru , Uruguay and Venezuela). The INTERNATIONAL Territorial Area is made up of the Regional Areas of North America (Canada, United States and Puerto Rico), and EURASIA (group operations in Europe -except Spain and Portugal-, Middle East, Africa, Australia, China, Philippines, Indonesia, Japan, Malaysia and Singapore).

As of January 1, 2021, the Territorial Areas are abolished and the Insurance Business Unit is organized following the structure of the Regional Areas indicated above.

The MAPFRE distribution network is the largest in the Spanish insurance industry and one of the largest belonging to a financial group in Latin America.

MAPFRE is committed to multichannel distribution and is adapting its sales structure to the legislation governing the different countries in which it operates.

Some of the key features behind the success of its business model include its client orientation, global product offering and adaptation to the legal and commercial nature of each market.

Some of the key features behind the success of its business model include its client focus, global product offering and adaptation to the legal and commercial nature of each market.

At the end of 2020, MAPFRE's global distribution network consisted of XX 16,196 offices.

The breakdown is shown below:

OFFICES	2020	2019
IBERIA		
Direct and Delegate	3,160	3,136
Bancassurance	6,590	2,519
Subtotal IBERIA	**9,750**	**5,655**
LATAM		
Direct and Delegate	1,314	1,419
Bancassurance	4,631	5,354
Subtotal LATAM	**5,945**	**6,773**
INTERNATIONAL		
Direct and Delegate	459	555
Bancassurance	42	41
Subtotal INTERNATIONAL	**501**	**596**
TOTAL OFFICES	**16,196**	**13,024**

Figures in million euros

At fiscal year-end, MAPFRE's presence in Spain consisted of 3,052 offices, while Brazil had 557 offices and Turkey, 367.

In 2020, more than 82,000 intermediaries, including agents, delegates and brokers, collaborated in product distribution. The following table shows the breakdown of this group:

SALES NETWORK	2020	2019
IBERIA		
Agents	9,612	10,231
Delegates	2,834	2,791
Brokers	5,012	4,541
Subtotal IBERIA	**17,458**	**17,563**
LATAM		
Agents	16,031	13,623
Delegates	3,913	3,824
Brokers	34,176	34,737
Subtotal LATAM	**54,120**	**52,184**
INTERNATIONAL		
Agents	8,156	7,212
Delegates	186	198
Brokers	2,256	2,082
Subtotal INTERNATIONAL	**10,598**	**9,492**
TOTAL SALES NETWORK	**82,176**	**79,239**

[2] For further information, please consult the Annual Corporate Governance Report 2019, which forms an integral part of this Consolidated Management Report.

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MAPFRE's own distribution networks are supplemented by the distribution capabilities provided for under agreements with various companies, most notably with regard to bancassurance Bankia, (a partnership currently being evaluated due to the absorption of Bankia by CaixaBank), Banco Santander, Bankinter, CCM, Banco do Brasil, BHD Leon and Bank of Valleta, among others). MAPFRE distributed its products in 2020 through 11,263 bancassurance offices (4,370 in Brazil, 6,590 in Spain, 205 in the Dominican Republic and 42 in Malta).

Within the insurance business, MAPFRE is the largest Spanish insurer in the world, with 13.93 percent of the Non-Life insurance and 6.94 percent of the Life insurance markets in Spain. It is the 11th largest insurer in Europe and is present in nearly every country in Latin America, where it is the leading Non-Life insurance group, with a market share of 7.5 percent (according to the figures for 2019, the latest available).Furthermore, the Group's reinsurance company (MAPFRE RE) occupies position 16 in the global reinsurance ranking[3].

BUSINESS PERFORMANCE AND RESULTS

ECONOMIC CONTEXT AND DEVELOPMENT OF INSURANCE MARKETS

Economic context

In 2020, the COVID-19 pandemic negatively impacted the world's economies to a greater or lesser extent depending on the rate of infection in each country and the restriction measures adopted by the different governments.

The world economy in 2020 contracted an estimated 4.4 percent. The gross domestic product (GDP) of the advanced economies went down 5.1 percent, with the United States showing an estimated fall of 3.5 percent and the Eurozone of 7.3 percent. Emerging economies did not escape the slow-down, with Mexico contracting an estimated 9.0 percent and Brazil 4.7 percent. China was one of the first economies to recover, at least, from the first wave of contagion, and managed to grow an estimated 1.5 percent in 2020, although for 2021 the large growth expectations (from the base effect) could be affected by resurgences of the illness in various regions of the country.

Restrictions imposed in many countries in the form of lockdowns and social distancing measures initially damaged most economic activities and, after the relaxation of such measures in the third quarter, sectors with greater contact between people, such as hospitality, catering and travel, to varying degrees.

Economic activity in the fourth quarter of 2020 was affected by new restrictions resulting from the second wave of infections in Europe and the United States, although the fall will be less than the second quarter because in general interrupting business activity not related to hospitality, leisure and entertainment, and tourism has been avoided.

In an attempt to minimize structural damage to the economy, governments have established stimulus packages, especially to cover temporary redundancies and to prevent them from becoming permanent, and have provided credit lines and guarantees to companies. In many countries, the government even joined the shareholding of companies that had national strategic interest, to guarantee their continued existence in the midst of a profound recession. Similarly, in some countries there were temporary tax cuts, and in others, aid plans with fiscal spending policies.

In a highly synchronized global effort, central banks all over the world have responded with significant benchmark rate cuts and, in some cases, with quantitative easing programs through government or large corporate bond purchases. The result of these grand scale actions can be seen in the growth of the world money supply. This growth is expected to be sustained, both by continuing central banks' monetary aid programs as well as fiscal easing policies that will also extend for at least five years.

This notable monetary expansion is already stimulating a debate about whether certain inflationary factors could be strengthened in the coming quarters. They might not imply a significant increase in general inflation indices, at least as long as employment and salaries remain low, but they would produce certain asset price inflation, part of which can already be seen.

A more detailed analysis of the most important markets in which MAPFRE operates is presented hereafter.

Eurozone

In 2020, the Eurozone suffered an estimated 7.3 percent GDP contraction. Inflation closed the year in negative numbers (-0.3 percent, in December), thanks in large part to the lower energy and transport prices, while food and beverage inflation was positive.

[3] Source: S&P Global Ratings

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The European Central Bank (ECB), at its meeting in December, announced an additional 500 billion euros for the pandemic emergency purchase program, bringing the total to 1,850 billion euros. The European Union established a 750 billion-euro Recovery Plan to deal with the damage caused by the pandemic (NextGenEU), consisting in loans and direct aid, and which complement the new and larger European budget (Multinannual Financial Framework) of 1,074 billion euros, for a total of 1,824 billion euros. Further, in 2020, in addition to the pandemic and the fiscal and monetary measures to alleviate it, the European Union has had to move forward with Brexit negotiations, about which an agreement was finally reached in extremis.

The Euro Stoxx 50 Index closed the year with a fall of 5.1 percent to 3,553 points, due to the economic crisis, and the very composition of the European indices, where banks, airlines and energy companies have the greatest weight.

Spain

The Spanish economy contracted an estimated 11.3 percent in 2020, one of the largest contractions in developed economies. There were two main factors – first, the severity of the restrictions imposed in April and May, and second, the economy's great dependence not only on foreign tourism but also on hospitality.

A 6.1 percent recovery is expected for 2021, leaving GDP levels still below those of 2019. It is important to point out that the activation of the ERTE (temporary unemployment) mechanism and credit lines and guarantees have prevented the fall from being even greater. As such, 2021 will be a key year for the Spanish economy, where it will become clear which companies and business were able to survive in a context of reduced mobility and lower in-person spending.

Final inflation numbers for 2020 were negative (-0.5 percent). Unemployment went up to 16.4 percent (November).

The IBEX 35 Index fell by 15.5 percent in the year, ending at 8,074 points, hurt by banks, communications, energy and tourism-related companies.

United States

The United States economy fell an estimated 3.5 percent in 2020. Closings and restrictions have varied greatly from state to state. The government has activated extraordinary stimulus packages, including direct checks to households, which led to a strong recovery in retail sales and car sales recovering up to 90 percent of the regular activity. Leading activity indicators recovered significantly from minimums, but have still not returned to pre-crisis levels.

Inflation stood at 1.4 percent in December, but with great disparity in the different components.

The Federal Reserve has left interest rates stable at 0-0.25 percent since March, after two cuts, and has focused its policy on asset purchases, which have reached record proportions.

The dollar closed the year at 0.82 euros, depreciating 8.2 percent against the euro.

The S&P500 index closed the year with an increase of 16.3 percent, reaching 3,756 points, driven by technology companies.

Brazil

The Brazilian economy contracted an estimated 4.7 percent in 2020, with significant falls in both consumption and investment. The Brazilian government activated an important aid program for families (the so-called "coronavoucher") for the amount of 322 billion reales (4.5 percent of the GDP). This aid, along with lower mobility restrictions compared to other countries, have led to a lower fall in the Brazilian economy than in other countries.

Inflation in Brazil is on the rise and the Brazilian real depreciated 29 percent against the dollar in 2020, closing the year at 5.20 BRL/USD, supported in part by real negative interest rates and the increase in the money supply.

Regarding the stock market, the BOVESPA index closed the year at 119,017 points, with an increase of 2.9 percent in local currency in the year.

Mexico

Mexico has experienced one of the largest economic downturns in Latin America, and in general in the emerging world, with an estimated contraction of 9.0 percent in 2020.

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The Mexican economy already had problems before the beginning of the recession from the pandemic, with a downward trend in investment levels, which got worse in 2020 with the fall in spending and exports. Additionally, the very weak fiscal stimulus response marked a significant difference in economic performance in 2020 between this economy and, for example, that of Brazil, which is a difference that may be seen in the dynamism of economic recovery in 2021.

Inflation stood at around 3.2 percent at the close of 2020, and the official interest rate at 4.25 percent, putting the real interest rates in positive territory. This will be favorable for the currency, which has been recovering after it hit lows in March. The Bank of Mexico, which lowered interest rates 300 basis points in 2020, is expected to maintain this for 2021, unless additional inflationary pressure arises.

The exchange rate has recovered substantially since lows of 25.35 MXN/USD in March, but closed the year depreciating 5.2 percent to 19.91 MXN/USD. On the other hand, the Mexican Stock Exchange went up 1.2 percent in the year in local currency.

Turkey

The Turkish economy grew 1.2 percent in 2020, as the spread of the pandemic occurred later than in other regions of the world. Therefore, performance in the first quarter was barely affected, and in the following quarters the impact was lower than that in Western European economies. However, toward the end of the year the number of cases began to go up, and looking toward the coming quarters, the containment measures and vaccine roll out will need to be monitored.

Inflation closed 2020 at 12 percent, appearing to show rigidity in reducing further. The Central Bank lowered interest rates in the first half of the year, but began raising them again in September, due to inflationary pressure and currency weakness, to 15 percent at the end of the year.

The Turkish lira depreciated 25 percent over the course of the year, reaching 7.44 TRY/USD at the end of the year.The BIST30 stock index in Istanbul went up 17.8 percent in local currency in the year.

Development of Insurance Markets

Spanish market[4]

The Spanish insurance market reported a premium volume of 58.85 billion euros in December 2020, down 8.3 percent year on year. The economic standstill caused by the implementation of lockdown and social distancing measures to contain the spread of the COVID-19 pandemic has certainly affected this performance, with a heavy decline in Life premiums (-20.8 percent) and a slight increase in Non-Life premiums (1.1 percent).

Item	2020	2019	% Var. 20/19
Life	21,804	27,523	-20.8%
Non-Life	37,046	36,652	1.1%
TOTAL Direct Insurance	**58,850**	**64,176**	**-8.3%**

Figures in million euros

Among the main lines, Health saw the biggest increase (up 5.0 percent), aided by a growing aversion to health risk caused by the very nature of the crisis. Meanwhile, Multirisk insurance growth slowed during the year, but gained 3.1 percent in the reference period, with growth reported across all insurance modalities. The segment hardest hit by the slump in economic activity and mobility limitations has been Automobiles, which posted a 2.0 percent decline in premium income to December 2020.

Item	2020	2019	% Var. 20/19
Automobile	11,091	11,312	-2.0%
Health	9,383	8,936	5.0%
Multirisk	7,753	7,521	3.1%
Other Non-Life lines	8,819	8,883	-0.7%
TOTAL NON-LIFE	**37,046**	**36,652**	**1.1%**

Figures in million euros

4 Source: ICEA

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Item	TOTAL NON-LIFE		AUTOMOBILE		MULTIRISK		HEALTH	
	Sep 2020	Sep 2019	Sep 2020	Sep 2019	Sep 2020	Sep 2019	Sep 2020	Sep 2019
Loss ratio	66.5%	70.1%	65.4%	75.8%	62.6%	60.7%	75.6%	79.5%
Expense ratio	23.4%	22.1%	22.2%	18.9%	32.0%	31.2%	13.0%	12.5%
Combined ratio	89.9%	92.3%	87.6%	94.7%	94.6%	91.9%	88.5%	92.0%

As mentioned above, technical provisions for the Life business saw a slight decline of 0.5 percent at December 2020. By modality, available figures for September 2020 showed that provisions were up 2.9 percent in Life Protection and down 1.0 percent in Life savings, despite growth in certain products such as Unit-linked (up 5.5 percent) and SIALP (up 2.6 percent).

The Life business generated 21.80 billion euros in income, down 20.8 percent on 2019. The Life Savings segment, which had been struggling even before the onset of the pandemic, reported a significant decline of 25.1 percent. Life Protection premiums gradually declined throughout the year, dipping from positive growth of 6.7 percent growth in January 2020 to a drop of 0.7 percent at year-end. However, managed savings in the Life business continued to show resilience to reach 193.8 billion euros, revealing a slight downturn of -0.5 percent.

With data as of September 2020, the Non-Life combined ratio has improved by 2.4 percentage points (pp) compared to September 2019, with a significant decrease of 7.1 pp in the Automobile line. The combined ratio also improved in Health (-3.5 pp), while it increased by 2.7 pp in Multiperil insurance. This significant improvement in the technical profitability of Non-Life insurance is due to the decrease in claims (-3.7 pp), since the expense ratio swelled by 1.3 pp, with increases in the three lines analyzed.

The volume of assets in pension plans amounted to 118.5 billion euros in December 2020, which represents a rise of 1.8 percent compared to the previous year, with an increase of 2.7 percent in the individual system, which accumulates the most assets, which offset the fall in the employment (-0.1 percent) and associated (-3.7 percent) systems. Regarding profitability, the corrections in the fourth quarter have made it possible for pension plans to present positive returns in all terms, with an average 0.7 percent in the last year, and very positive prospects for the long- and medium-term, with an average annual return of 3.42 percent at 25 years and 3.38 percent at 10 years.

With regard to investment funds, the growth in equity experienced in December 2020 has led to this reaching 276.5 billion euros at the end of the year, a figure similar to that of December 2019, meaning it recovered the adjustment that occurred in the first quarter of the year.

Item	2020	2019	% Var. 20/19
Life insurance	193,826	194,786	-0.5%
Mutual funds	276,497	276,629	—%
Pension funds	118,523	116,419	1.8%
TOTAL	**588,846**	**587,834**	**0.2%**

Figures in million euros

Latin American markets

According to the latest data published by the Latin American supervisory bodies for 2020, the effects of the economic contraction resulting from the lockdown and social distancing measures implemented to limit the spread of the pandemic have been inconsistent in the insurance markets of Latin America. A total of 11 of the 18 countries analyzed have shown increases in their premium revenue in nominal terms and in local currency, with a more positive performance of the Non-Life segment. This grew in most markets, except for Costa Rica, Ecuador, Honduras, Mexico, Panama and Peru. The automobile line is the most affected by the crisis caused by the pandemic, with declines in virtually all markets except for Argentina, Puerto Rico and Uruguay. In contrast, Health has grown in virtually all markets due to the effect of the above-mentioned increase in risk aversion in terms of health.

COUNTRY	DATE	NON-LIFE	LIFE	TOTAL
Argentina	Jun 2020	73.3%	60.7%	71.8%
Brazil	Nov. 2020	1.8%	-2.3%	-0.8%
Chile	Sept. 2020	5.6%	-28.1%	-14.8%
Colombia	Oct. 2020	2.0%	-2.7%	0.5%
Mexico	Sept. 2020	-1.8%	0.5%	-0.7%
Peru	Nov. 2020	1.2%	-5.0%	-1.6%
Puerto Rico	Jun 2020	7.1%	-17.0%	4.6%

Source: MAPFRE Economic Research, using data from the supervisors in each country.

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Premiums in Brazil, the largest market in the region, registered a slight decrease of 0.8 percent as of November 2020, with a slight increase of 1.8 percent in Non-Life, which did not offset the decrease in Life (down 2.3 percent). The Non-Life segment recovered from the falls shown in the first two quarters of the year, while Life, which grew by 11.9 percent in March, showed a changing behavior: it decreased by 5.7percent in June, before recovering in part in September without reaching positive growth (-0.2 percent), and fell once again in November by 2.3 percent. The performance of the Vida Gerador de Benefícios Livres (VGBL) insurance, which accounts for 73 percent of the Life premiums, influenced this behavior.

As the region's second largest market, Mexico recovered slightly from the declines shown in the second quarter, but not enough to have premium growth, with a fall of 0.7 percent for the total market as on September 2020. This was the result of a 1.8 percent decline in Non-Life and a 0.5 percent increase in Life. The decline in Non-Life premiums came about as a result of the renewal of the PEMEX comprehensive insurance policy in 2019, which is multi-year in duration (24 months).

Regarding the major decline in the Life insurance business in Chile, it should be noted that this is mainly due to the collapse of annuities, which lost 54 percent compared to September 2019. By contrast, Non-Life insurance grew by 5.6 percent, with a significant increase in Fire insurance and allied lines of 39.1 percent, and 6.7 percent in Health. With regard to the extraordinary increase recorded by the insurance industry in Argentina, an average inflation of 47.2 percent in June of 2020 must be taken into account.

Other markets

United States[5]

Property and Casualty direct insurance premiums written increased by 2.1 percent in the first half of 2020, with increases in personal and commercial lines, in the latter case influenced by the price increase.

With regard to Automobile insurance, revenues from third-party liability premiums declined, mainly due to the effects of measures to deal with the pandemic, and increased in terms of damage to own vehicle. For its part, the Life segment also performed positively, with a significant increase in premiums in deposit-type contracts (35 percent) and a 6 percent decrease in annuities. Finally, Health segment premiums grew by 7.8 percent thanks to the boost from Medicare and Medicaid.

Turkey

According to data from the Turkish Insurance Association, in the third quarter of 2020, the premium volume issued on the Turkish insurance market registered a nominal increase of 23.5 percent compared to the same period in 2019, with a remarkable increase of 54.2 percent in Life, a segment that accumulated 21 percent of the premiums, and 17.3 percent in Non-Life. It should be noted that the average inflation in the first nine months of the year was 11.8 percent.

In addition to the pandemic, Turkey also had two earthquakes to contend with in 2020, one with a magnitude of 6.5 on January 24 that shook the eastern Turkish province of Elazığ, and another with a magnitude of 7.0 on October 30 which affected the Turkish coast of the Aegean Sea and the nearby Greek islands. The earthquake triggered a tsunami that flooded the coastal district of Seferihisar (Turkey) and the port of Samos (Greece). The country was also affected by severe flooding in the summer months.

[5] Information obtained from the semi-annual reports of the National Association of Insurance Commissioners (NAIC) for the Property & Casualty, Life and Accident, and Health segments

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BUSINESS PERFORMANCE

Revenues on operations

ITEM	DECEMBER 2020	DECEMBER 2019	Δ %
Total written and accepted premiums	20,482.2	23,043.9	-11.1%
Financial income from investments	2,437.3	3,287.5	-25.9%
Revenue from non-insurance entities and other revenue	2,499.7	2,140.8	16.8%
Total consolidated revenues	25,419.1	28,472.2	-10.7%

Figures in million euros

The Group's consolidated revenue reached 25.4 billion euros, with a decrease of 10.7 percent, mainly due to the fall in written premiums and lower financial income.

Premiums from direct insurance and accepted reinsurance, which represent a fundamental part of revenue, reached 20.5 billion euros, with a decrease of 11.1 percent, due in part to the effects on new business from the confinement of the population from COVID-19, and to the strong depreciation of the main currencies.

At constant exchange rates, and eliminating the effect on premiums from the two-year PEMEX policy (502.9 million dollars) that was issued in 2019, premiums would have only fallen 2.2 percent.

In the case of Spain, the 430.3 million euro reduction in financial income is due, on one hand, to the fall in realized gains and lower yields, and on the other hand, to the absence of two large operations carried out in the previous year, which were not repeated in 2020.

In the case of Brazil, the fall in financial income of 137.3 million euros is due to a decrease in the income from returns on financial investments as a result of the fall in interest rates, in addition to the effect of currency depreciation.

Finally, other revenue, which mostly includes non-insurance activity and non-technical revenue, went up 16.8 percent, primarily from the increase in positive foreign exchange differences.

Earnings

The chart below gives a summary of the consolidated income statement as on December 2020, showing the various elements of MAPFRE's earnings and the comparison with the same period of the previous year.

ITEM	DECEMBER 2020	DECEMBER 2019	Δ %
I. REVENUE FROM INSURANCE BUSINESS	**21,271.0**	**24,154.8**	**-11.9%**
1. Premiums earned, net	16,701.6	19,172.9	
2. Revenue from investments	2,370.9	3,235.4	
3. Positive currency differences	2,042.9	1,589.2	
4. Other revenues	155.5	157.3	
II. INSURANCE BUSINESS EXPENSES	**(19,934.2)**	**(22,621.1)**	**11.9%**
1. Incurred claims for the year, net	(11,604.7)	(14,699.5)	
2. Net operating expenses	(4,687.1)	(5,108.3)	
3. Investment expenses	(1,062.3)	(847.5)	
4. Negative currency differences	(2,018.5)	(1,589.5)	
5. Other expenses and impairment	(561.6)	(376.3)	
RESULT FROM THE INSURANCE BUSINESS	**1,336.8**	**1,533.7**	**-12.8%**
III. OTHER ACTIVITIES	(204.5)	(232.9)	
IV. RESULT ON RESTATEMENT OF FINANCIAL ACCOUNTS	(13.9)	(21.6)	
V. RESULT BEFORE TAXES	**1,118.4**	**1,279.2**	**-12.6%**
VI. TAX ON PROFITS	(297.7)	(323.9)	
VII. RESULT AFTER TAX	**820.7**	**955.3**	**-14.1%**
VIII. RESULT AFTER TAX FROM DISCONTINUED OPERATIONS	—	—	
IX. RESULT FOR THE FINANCIAL YEAR	**820.7**	**955.3**	**-14.1%**
1. Attributable to non-controlling interests	294.1	346.0	
2. Attributable to the controlling company	**526.5**	**609.2**	**-13.6%**

Figures in million euros

Lower earned premiums to December come from the decrease in written premiums and the strong depreciation of some of the main currencies.

The fall in the heading for revenue from investments comes from lower income from financial investment returns due to the fall in rates, lower dividend payments and realized gains, as well as from the effect of currency depreciation.

The increase in the heading for exchange rate differences is symmetrically reflected in the heading for exchange rate losses.

The insurance business result reached over 1.3 billion euros, which is 12.8 percent less than the same period the previous year. An important part of this fall is explained by the extraordinary goodwill and intangible asset write-off for attributable amount of 131.6 million euros.

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Non-Life insurance business results reached 873.3 million euros, with a decrease of 5.0 percent compared to the same period the previous year. It is important to point out the that Non-Life technical result improved thanks to the lower Auto and Health claims, offsetting the increase in losses in lines with COVID-19-related claims and lower financial income.

MAPFRE ESPAÑA continues to be the largest contributor to Group profits. Further, the positive rate of contribution to earnings from Non-Life businesses in local currency in BRAZIL is noteworthy. The UNITED STATES, LATAM NORTH and LATAM SOUTH improved significantly despite unfavorable currency development. The UNITED STATES showed strong results growth, primarily due to the absence of weather-related events and the fall in claims frequency. EURASIA showed positive Non-Life business results that are much higher than the same period the previous year.

The effects of the confinement of the population because of the COVID-19 crisis have had an asymmetrical impact to date. It has had a positive effect on losses in Auto and Health in several countries – Spain, USA and Turkey – and a negative effect in general on the Commercial Multi-Risk and Burial lines.

The result of Reinsurance and of the Global Risks Unit was impacted by the effect of the earthquakes in Puerto Rico, the direct incurred losses from claims directly attributable to COVID-19, and in general by the negative development of large accepted reinsurance claims.

The Life technical-financial result reached 463.5 million euros, a 24.5 percent decrease compared to the same period the previous year. This decline is primarily due to Brazil, which shows a deterioration in this line from the Life Protection business coming from the bank channel, from the increase in claims as well as from the currency effect.

The result from other activities contributed a loss of 204.5 million euros. In 2019, a 75.6 million euro extraordinary provision was included in this heading, from goodwill write-offs and for restructuring expenses for various MAPFRE ASISTENCIA subsidiaries.

The result before taxes stands at more than 1.1 billion euros, 12.6 percent less than the same period the previous year.

Tax on profits reached 297.7 million euros, with an 8.1 percent reduction compared to the close of the same period the previous year.

The accumulated attributable result to December 2020 reached 526.5 million euros, falling 13.6 percent.

Balance sheet

ITEM	DECEMBER 2020	DECEMBER 2019	Δ %
Goodwill	1,409.8	1,773.2	-20.5%
Other intangible assets	1,370.3	1,526.9	-10.3%
Other fixed assets	238.9	265.5	-10.0%
Cash	2,418.9	2,537.5	-4.7%
Real estate	2,239.9	2,435.0	-8.0%
Financial investments	36,511.1	44,995.9	-18.9%
Other investments	1,220.8	1,044.1	16.9%
Unit-Linked investments	2,502.4	2,510.2	-0.3%
Participation of reinsurance in technical provisions	5,378.6	6,386.1	-15.8%
Receivables on insurance and reinsurance operations	4,489.5	4,879.4	-8.0%
Deferred taxes	221.7	307.0	-27.8%
Assets held for sale	8,159.5	264.2	0.0%
Other assets	2,991.2	3,585.0	-16.6%
TOTAL ASSETS	**69,152.6**	**72,509.9**	**-4.6%**
Equity attributable to the Controlling company	8,536.0	8,854.3	-3.6%
Non-controlling interests	1,301.8	1,251.7	4.0%
Equity	**9,837.8**	**10,106.0**	**-2.7%**
Financial debt	2,993.6	2,973.7	0.7%
Technical provisions	41,692.6	51,031.6	-18.3%
Provisions for risks and expenses	582.6	709.3	-17.9%
Debt due on insurance and reinsurance operations	2,256.9	2,469.1	-8.6%
Deferred taxes	670.6	703.1	-4.6%
Liabilities held for sale	7,263.9	135.9	0.0%
Other liabilities	3,854.7	4,381.2	-12.0%
TOTAL LIABILITIES	**69,152.6**	**72,509.9**	**-4.6%**

Figures in million euros

Total assets reached 69.2 billion euros at December 2020 and fell 4.6 percent compared to the close of the previous year. The most relevant changes are analyzed below:

1. The depreciation of the main currencies in LATAM, the US dollar and the Turkish lira has a significant effect on the Group's balance sheet, and explains a large part of the variations at the close of December 2020.

2. The fall in the heading for Goodwill is in part a result of the extraordinary goodwill write-off for the amount of 127.5 million euros.

3. The inclusion of the insurer MAPFRE Salud ARS in the Dominican Republic in the consolidation scope has implied the incorporation of 68.8 million euros in financial investments and 47.6 million euros in technical provisions, and has also implied recording an intangible asset (VOBA) of 49.1 million euros.

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4. To December 31, 2020, the heading for assets held for sale reached 8.2 billion euros. In 2020, the following Group companies/operations have been reclassified in accounting to the heading "Assets held for sale":

   - Bankia MAPFRE Vida
   - Industrial RE
   - Rastreator and Preminen
   - MAPFRE Inmuebles' land for sale

   Of these operations, the most relevant is Bankia MAPFRE Vida, the assets of which reach 7.7 billion euros.

5. The fall in the headings for Financial Investments and Technical Provisions comes primarily from the reclassification of the assets and liabilities from the Bankia MAPFRE Vida operation to held for sale, for the amount of 7.4 and 6.6 billion euros, respectively.

6. The changes in the headings for Assets and Liabilities from insurance and reinsurance operations are a result of the business management process itself

Managed funds

The following charts show the performance of managed savings, including both technical provisions of Life insurance companies, and the Life provisions of multiline insurance companies, which are presented in the Group's consolidated balance sheet.

In addition to the Life insurance operations, MAPFRE manages its clients' savings through pension and mutual funds.

Managed savings

The following chart shows the details of and changes in managed savings, which includes both items:

ITEM	DECEMBER 2020	DECEMBER 2019	Δ %
Life technical provisons	22,500.7	30,547.9	(26)%
Pension funds	5,754.9	5,479.1	5%
Mutual funds and other	4,533.8	4,636.1	(2)%
Subtotal	**32,789.3**	**40,663.0**	**(19)%**

Figures in million euros

The variation in managed savings in relation to December of last year reflects the growth of Life technical provisions, , as a result of the reclassification in accounting of technical provisions from Bankia MAPFRE Vida to liabilities tied to assets held for sale.

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Assets under management

The following chart reflects the performance of assets under management, which includes the total Group investment portfolio as well as pension and mutual funds:

ITEM	DECEMBER 2020	DECEMBER 2019	Δ %
Investment portfolio	44,893.2	53,522.7	-16.12%
Pension funds	5,754.9	5,479.1	5.03%
Mutual funds and other	4,533.8	4,636.1	-2.21%
TOTAL	**55,181.8**	**63,637.8**	**-13.29%**

Figures in million euros

Return on shareholders' equity (ROE)

Return on equity (ROE), which represents the relationship between net profit attributable to the parent company (deducting the share of non-controlling interests) and average shareholders' equity, was 6.1 percent (7.2 percent in 2019).

Management ratios

The combined ratio measures the impact on premiums of management costs and the loss ratio for the period. In 2020 and 2019 this ratio stood at 94.8 percent and 97.6 percent, respectively. The accompanying table shows the evolution of the main management ratios by business unit.

Key indicators

	EXPENSE RATIO(1)		LOSS RATIO(2)		COMBINED RATIO(3)	
	2020	2019	2020	2019	2020	2019
IBERIA	22.8%	21.2%	69.1%	73.1%	92.0%	94.4%
LATAM NORTH	26.6%	31.2%	63.8%	63.5%	90.5%	94.7%
LATAM SOUTH	38.4%	36.8%	55.5%	63.2%	93.9%	100.0%
BRAZIL	36.6%	37.0%	51.1%	55.1%	87.6%	92.2%
NORTH AMERICA	32.6%	28.5%	65.1%	71.8%	97.7%	100.4%
EURASIA	27.0%	26.1%	71.9%	80.0%	98.9%	106.1%
MAPFRE RE	30.5%	30.5%	70.1%	70.5%	100.6%	101.0%
Reinsurance	31.2%	30.0%	70.0%	69.3%	101.2%	99.2%
Global Risks	22.5%	37.5%	70.8%	86.0%	93.3%	123.5%
MAPFRE ASISTENCIA	44.7%	41.1%	53.7%	62.2%	98.4%	103.3%
MAPFRE S.A.	**29.1%**	**28.6%**	**65.6%**	**69.0%**	**94.8%**	**97.6%**

1. (Operating expenses, net of reinsurance – other technical revenues + other technical expenses) / Allocated premiums, net of reinsurance. Figures refer to Non-Life insurance.
2. (Incurred claims for the period, net of reinsurance + variation in other technical provisions + profit sharing and returned premiums) / Allocated premiums, net of reinsurance. Figures refer to Non-Life insurance.
3. Combined ratio = expense ratio + loss ratio. Figures refer to Non-Life insurance.

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Information by Business Unit

MAPFRE structures its business through the following Business Units: Insurance, Reinsurance, Global Risks and Assistance. The Reinsurance and Global Risks Units are integrated into MAPFRE RE.

The accompanying chart shows the premiums, attributable result, and Non-Life combined ratio for each Business Unit:

Key figures

AREA / BUSINESS UNIT	Premiums			Attributable result			Combined ratio	
	DECEMBER 2020	DECEMBER 2019	Δ %	DECEMBER 2020	DECEMBER 2019	Δ %	DECEMBER 2020	DECEMBER 2019
IBERIA	6,998.9	7,717.8	-9.3%	453.3	497.8	-8.9%	92.0%	94.4%
LATAM	6,110.5	7,547.3	-19.0%	229.7	214.9	6.9%	89.8%	94.4%
INTERNATIONAL	3,581.3	4,027.3	-11.1%	107.4	93.7	14.6%	98.1%	102.3%
TOTAL INSURANCE	**16,690.7**	**19,292.4**	**-13.5%**	**790.5**	**806.4**	**-2.0%**	**92.9%**	**96.5%**
REINSURANCE AND GLOBAL RISKS	5,686.5	5,580.5	1.9%	16.9	57.5	-70.7%	100.6%	101.0%
ASSISTANCE	618.9	861.0	-28.1%	(20.6)	(88.0)	76.6%	98.4%	103.3%
Holdings and consolidation adjustments	(2,513.9)	(2,690.0)	6.5%	(260.2)	(166.7)	-56.1%	---	---
MAPFRE S.A.	**20,482.2**	**23,043.9**	**-11.1%**	**526.5**	**609.2**	**-13.6%**	**94.8%**	**97.6%**

Figures in million euros
(*) For comparison purposes, the 2018 data includes Global Risks.

Insurance companies

IBERIA

IBERIA encompasses the business activities of MAPFRE ESPAÑA and its subsidiary in Portugal, as well as the Life business managed by MAPFRE VIDA and its bancassurance subsidiaries.

Information by country

REGION / COUNTRY	Premiums			Attributable result			Combined ratio (current period)	
	DECEMBER 2020	DECEMBER 2019	Δ %	DECEMBER 2020	DECEMBER 2019	Δ %	DECEMBER 2020	DECEMBER 2019
IBERIA	**6,998.9**	**7,717.8**	**-9.3%**	**453.3**	**497.8**	**-8.9%**	**92.0%**	**94.4%**
SPAIN*	6,862.1	7,582.3	-9.5%	445.2	488.7	-8.9%	91.9%	94.4%
PORTUGAL	136.8	135.4	1.0%	8.1	9.1	-10.6%	95.4%	95.9%

Figures in million euros
Verti Spain's premiums totaled 84.4 million euros (+ 6 percent). The net result amounts to 9.1 million euros (against -1.6 million euros in 2019).

Premiums in IBERIA fell 9.3 percent. Non-Life premiums grew 0.6 percent and reflect the positive development of the Health, Condominiums, Homeowners and Commercial business.

Life premiums went down 30.9 percent, primarily due to the low interest rate environment which complicates selling savings insurance policies, where there is a 755.0 million euros fall in premiums, from the cancellation of the sale of certain products.

Regarding the SANTANDER MAPFRE operation, written premiums at the close of December 2020 reached 18.5 million euros.

MAPFRE ESPAÑA adopted client support measures amounting to 55.5 million euros through the application of premium discounts on renewal for the self-employed and SMEs, corresponding to the period of inactivity from the COVID-19 crisis.

Evolution of the result

IBERIA's pre-tax results reached 710.2 million euros, which implies a 1.2 percent increase compared to 2019.

IBERIA's attributable result reached 453.3 million euros with a decline of 8.9 percent compared to the same period the previous year.

The technical result of Non-Life business is very positive and maintains an excellent combined ratio, which to December 2020 stood at 92.0 percent. The effects of the confinement of the Spanish population from COVID-19 have had an asymmetrical effect, with a positive effect on losses in Auto and Health, and a negative effect on the Commercial Multi-Risk and Burial lines.

The Life business technical-financial result shows positive development primarily due to the favorable performance of the result from MAPFRE VIDA and Bankia MAPFRE Vida.

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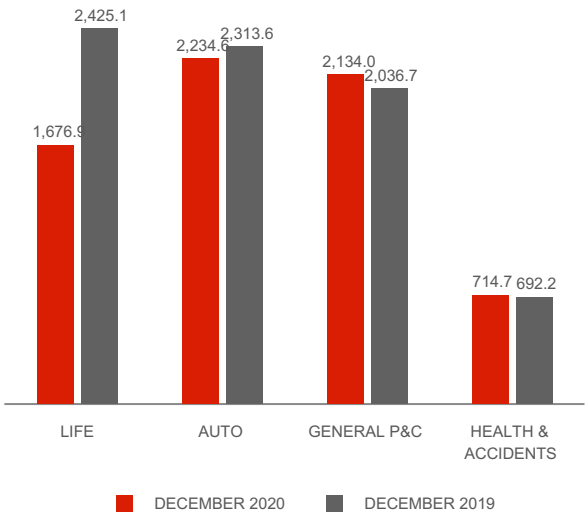
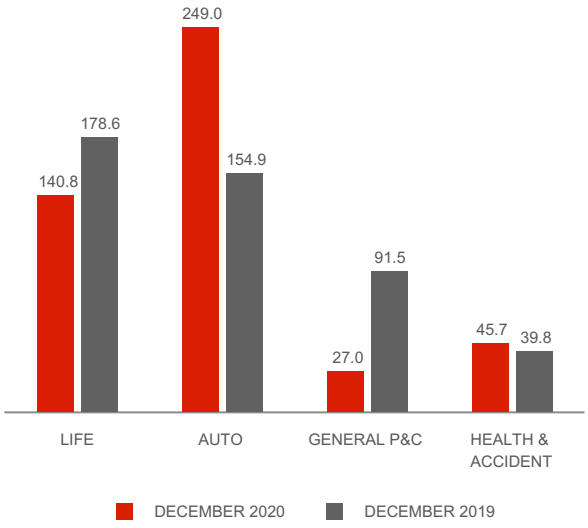
At the close of December 2020, 57.8 million euros in financial gains, net of losses, were recorded (117.7 million as of December 2019).

Written premiums in key lines



Figures in million euros

Earnings



Figures in million euros

The market shares in Spain* and Portugal as at December and September of 2020, respectively, are shown here:

SPAIN	Dec-20	Dec-19
Automobile	19.60%	20.00%
Health	6.50%	6.50%
Other Non-Life	14.40%	14.20%
Total Non-Life	**13.90%**	**14.10%**
Total Life	**6.90%**	**7.90%**
TOTAL	**11.30%**	**11.40%**

* Estimated market shares, using data published by ICEA, which only takes into account direct insurance written premiums.

PORTUGAL	Sep 2020	Sep 2019
Automobile	2.20%	2.20%
Total Non-Life	**1.90%**	**2.00%**
Total Life	**0.80%**	**0.50%**
TOTAL	**1.50%**	**1.10%**

Source: Portuguese Association of Insurance Companies

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LATAM

LATAM includes the LATAM North, LATAM South and Brazil Regional Areas.

Information by region

REGION	Premiums			Attributable result			Combined ratio (current period)	
	DECEMBER 2020	DECEMBER 2019	Δ %	DECEMBER 2020	DECEMBER 2019	Δ %	DECEMBER 2020	DECEMBER 2019
BRAZIL	3,085.4	3,977.5	-22.4%	101.5	97.0	4.6%	87.6%	92.2%
LATAM NORTH	1,574.6	1,973.1	-20.2%	69.7	63.1	10.4%	90.5%	94.7%
LATAM SOUTH	1,450.5	1,596.7	-9.2%	58.5	54.8	6.8%	93.9%	100.0%

Figures in million euros

In Brazil, written premiums fell 22.4 percent in euros, while in Brazilian reals they showed 5.1 percent growth. The fall in issuing in euros is due to the 26.2 percent depreciation of the real compared to the last year.

The development of the attributable result in Brazil at the close of December 2020 has been very satisfactory, reaching 101.5 million euros and 4.6 percent growth. The increase in the result comes from the notable improvement in the Auto result compared to the previous year, with the combined ratio going from 107.5 to 100.2 percent, as a result of the fall in claims from the lower use of vehicles, due to the restrictions on movement from the COVID-19 crisis.

In LATAM North, premiums went down 20.2 percent compared to the same period the previous year, due primarily to booking in June 2019 the two-year PEMEX policy, for the amount of 502.9 million dollars, and to currency depreciation in the region. Eliminating the effect of this policy, premiums in the region would have grown 3.4 percent. This growth is mainly due to positive performance in the Dominican Republic (145.3 percent growth in local currency) from the incorporation of MAPFRE Salud ARS and the growth in Guatemala (8.1 percent in local currency) and El Salvador (3.2 percent in local currency).

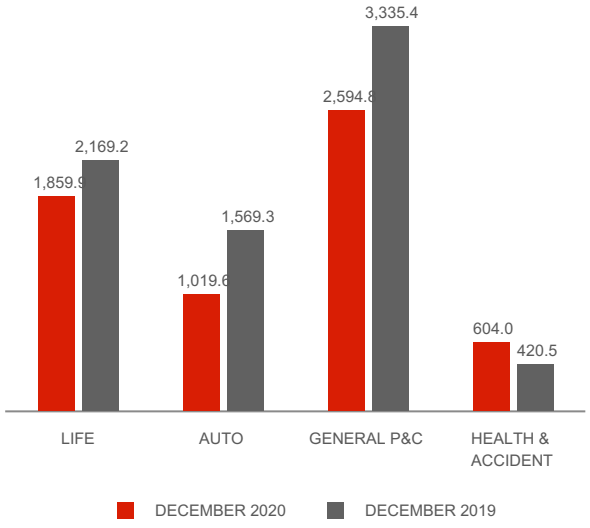
From the beginning of 2020, the acquired company MAPFRE Salud ARS in the Dominican Republic was included in the consolidation scope. Accumulated to December, premiums contributed by this company to the consolidated Group reached 193.6 million euros.

There was an important improvement in results in the LATAM NORTH region, supported by the favorable development of business in Mexico. This region increased its results by 10.4 percent, going from a combined ratio of 94.7 percent to 90.5 percent, on the back of the solid performance of the P&C (General Insurance and Industrial Risks), Automobile and Health businesses, thanks to a significant decrease in claims in these lines.

In LATAM South, in general, issuing in local currency grew at a good rate in several countries in the region: Argentina (26.1 percent), Uruguay (17.3 percent), and Chile (27.4 percent), while Peru, Colombia, Paraguay and Ecuador went down.

To the close of December 2020, LATAM SOUTH had an attributable result of 58.5 million euros, with a 6.8 percent improvement. The Non-Life combined ratio stands at 93.9 percent, lower than the same period the previous year, due to favorable development of losses in Auto and Health.

Written premiums in key lines



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The following table shows market shares for direct Non-Life insurance in the main countries in the region:

COUNTRY	Ranking (at Dec-2018)	Market share (1)	Market share date
Argentina	17	2.00%	jun-20
Brazil	2	12.60%	nov-20
Chile	7	6.80%	sep-20
Colombia	7	4.70%	oct-20
Honduras	3	16.80%	sep-20
Mexico	4	4.10%	sep-20
Panama	3	17.40%	sep-20
Peru	3	17.10%	nov-20
Dominican Republic	4	10.70%	sep-20

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

Source: MAPFRE Economic Research, using data from the supervisors in each country.

INTERNATIONAL

This territorial area comprises the North America and EURASIA Regional Areas.

Information by region

REGION	Premiums			Attributable result			Combined ratio (current period)	
	DECEMBER 2020	DECEMBER 2019	Δ %	DECEMBER 2020	DECEMBER 2019	Δ %	DECEMBER 2020	DECEMBER 2019
NORTH AMERICA	2,097.9	2,331.7	-10.0%	76.3	78.6	-3.0%	97.7%	100.4%
EURASIA	1,483.4	1,695.5	-12.5%	31.1	15.1	106.3%	98.9%	106.1%

Figures in million euros

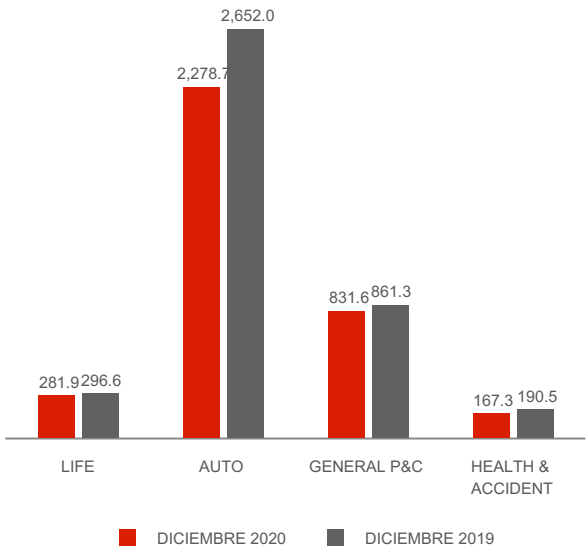
At the close of December, premiums in NORTH AMERICA registered a 10.0 percent decrease. Written premiums in dollars in NORTH AMERICA is 7.9 percent lower compared to the same period the previous year. Lower issuing in the United States is a consequence of the still slow process of commercial reactivation after the strict measures of technical control implemented in the last two years, as well as the impact of the measures restricting personal movement from the COVID-19 crisis.

The result in NORTH AMERICA to December 31, 2020 shows negative development compared to the same date the previous year, reaching 76.3 million euros, 3.0 percent lower than the same period the previous year, though it is important to highlight the improvement in the underwriting result and the reduction in the loss ratio in Auto from a decline in frequency from the lower use of vehicles, with he combined ratio down from 104.0 to 96.0 percent

At the close of December, premiums in EURASIA registered a fall of 12.5 percent with a decline in all countries, with the exception of Germany, which grew 5.4 percent.

At the close of December 2020, EURASIA presents an attributable result of 31.1 million euros, which is a relevant improvement compared to the previous year.

Written premiums in key lines



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MAPFRE's market shares in the INTERNATIONAL Territorial Area are shown below, as per the most recently available data for each country.

In the state of Massachusetts (USA), the market shares were as follows:

LINE	MASSACHUSETTS	
	Dec-18	Dec-17
Automobile	20.6%	22.0%
Total Non-Life	**10.8%**	**11.5%**
Total Life	**0.0%**	**0.0%**
TOTAL	**3.1%**	**3.3%**

Source: MAPFRE Economic Research, using data from the supervisors in each country

In Puerto Rico:

LINE	PUERTO RICO	
	Dec-18	Dec-17
Automobile	12.5%	14.6%
Non-Life (w/o Health)	15.7%	16.7%
Total Non-Life	**3.1%**	**3.5%**
Total Life	**0.3%**	**0.3%**
TOTAL	**2.8%**	**3.2%**

Source: MAPFRE Economic Research, using data from the supervisors in each country.

In the EURASIA region:

LINE	GERMANY		ITALY		MALTA		TURKEY	
	Dec-18	Dec-17	Sep 2019	Sep 2018	Dec-18	Dec-17	Sep 2019	Sep 2018
Automobile	1.2%	1.2%	2.4%	3.0%	35.8%	36.2%	2.6%	4.7%
Total Non-Life	**0.3%**	**0.3%**	**1.2%**	**1.5%**	**33.1%**	**33.5%**	**4.1%**	**5.2%**
Total Life	**—%**	**—%**	**—%**	**—%**	**76.1%**	**78.4%**	**0.4%**	**0.4%**
TOTAL	**0.2%**	**0.2%**	**0.3%**	**0.4%**	**60.4%**	**63.3%**	**3.3%**	**4.4%**

Source: MAPFRE Economic Research, using data from the supervisors in each country.

LINE	PHILIPPINES	
	Dec-18	Dec-17
Automobile	3.0%	3.0%
Total Non-Life	**2.0%**	**2.0%**
Total Life	**—%**	**—%**
TOTAL	**5.0%**	**5.0%**

Source: MAPFRE Economic Research, using data from the supervisors in each country

MAPFRE RE

MAPFRE RE is a global reinsurer and is the professional reinsurer of the MAPFRE Group.

MAPFRE RE offers reinsurance services and capacities, providing all kinds of solutions for reinsurance treaties and facultative reinsurance, in all Life and Non-Life lines.

MAPFRE RE also encompasses the Global Risks Unit, which is the specialized unit within the MAPFRE Group for managing global insurance programs for large multinationals (policies that cover aviation, nuclear power, energy, civil liability, fire, engineering and transport for example).

The key data relating to MAPFRE RE is presented here.

Key figures

ITEM	DECEMBER 2020	DECEMBER 2019	Δ %
Gross written and accepted premiums	**5,686.52**	**5,580.49**	**1.9%**
- Non-Life	5,132.87	4,986.75	2.9%
- Life	553.65	593.74	-6.8%
Net premiums earned	**3,171.58**	**3,444.28**	**-7.9%**
Gross result	**22.51**	**76.73**	**-70.7%**
Tax on profits	(5.66)	(19.22)	—%
Attributable net result	**16.85**	**57.50**	**-70.7%**
Combined ratio	**100.6%**	**101.0%**	**-0.4p.p.**
Expense ratio	30.5%	30.5%	0.0p.p.
Loss ratio	70.1%	70.5%	-0.4p.p.

Figures in million euros

ITEM	DECEMBER 2020	DECEMBER 2019	Δ %
Gross written and accepted premiums	**5,686.5**	**5,580.5**	**1.9%**
Reinsurance Business	4,430.7	4,520.4	-2.0%
Global Risks Business	1,255.8	1,060.1	18.5%
Attributable net result	**16.9**	**57.5**	**-70.7%**
Reinsurance Business	1.7	76.7	-97.8%
Global Risks Business	15.1	(19.2)	178.7%
Combined ratio	**100.6%**	**101.0%**	**-0.4p.p.**
Reinsurance Business	101.2%	99.2%	2.0p.p.
Global Risks Business	93.3%	123.5%	-30.3p.p.
Expense ratio	**30.5%**	**30.5%**	**0.0p.p.**
Reinsurance Business	31.2%	30.0%	1.2p.p.
Global Risks Business	22.5%	37.5%	-15.1p.p.
Loss ratio	**70.1%**	**70.5%**	**-0.4p.p.**
Reinsurance Business	70.0%	69.3%	0.8p.p.
Global Risks Business	70.8%	86.0%	-15.2p.p.

Figures in million euros
(*)2018 Global Risks data restated for comparison effect.

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Total written premiums in MAPFRE RE went up 1.9 percent compared to the same period the previous year.

Written premiums from the Reinsurance business reached 4.4 billion euros, which is a reduction of 2.0 percent compared to the previous year, essentially as a result of the depreciation of the majority of currencies against the euro.

Written premiums from the Global Risks Unit, integrated in MAPFRE RE, reached 1.3 billion euros, representing 18.5 percent more than the previous period, as a result of an increase in tariffs.

Composition of premiums

The breakdown of premium weight distribution to December 2020 is as follows:

ITEM	%	ITEM	%
By Type of business:		**By Ceding company:**	
Proportional	61.8%	MAPFRE	48.5%
Non-proportional	12.6%	Other	51.5%
Facultative	25.6%		
By Region:	—%	**By Insurance Lines:**	
IBERIA	18.9%	Property	40.7%
EURASIA	42.8%	Life & Accident	13.4%
LATAM	24.6%	Motor	16.7%
NORTH AMERICA	13.8%	Global Risks business	22.1%
		Transport	2.8%
		Other	4.3%

MAPFRE RE's net result at the close of December 2020 had a profit of 16.9 million euros. The reduction is primarily a result of losses from the earthquakes that occurred in Puerto Rico, which have had an attributable net impact of 39.3 million euros to December, and from the direct incurred losses from the claims directly related to COVID-19, for an attributable net amount of 79.8 million euros.

At the close of December 2020, 21.4 million euros of financial gains, net of financial losses, were recorded (60.2 million euros to December 2019).

There has, once again, been a high loss frequency (specifically in 2019, the typhoons in Japan; in 2020, the succession of various mid-sized catastrophic events in the United States and the explosion in the port of Beirut).

The attributable result of Global Risks business reports profits of 15.1 million euros. To December 2020, the earthquakes in Puerto Rico have had an impact of 7.5 million euros, net of taxes and minorities, on the Global Risks Unit.

The combined ratio of the Reinsurance business stands at 101.2 percent, while the combined ratio for the Global Risks business stands at 93.3 percent. It is important to point out the 15.1 percentage point reduction in the expense ratio in the Global Risks business, due to the increase in reinsurance commissions charged, from to changes in the ceding structure.

MAPFRE ASISTENCIA

MAPFRE ASISTENCIA specializes in travel assistance, roadside assistance, and other specialty risks of the Group.

Key figures

ITEM	DECEMBER 2020	DECEMBER 2019	Δ %
Operating revenue	**709.63**	**978.79**	**-27.50%**
- Gross written and accepted premiums	618.94	861.03	-28.12%
- Other revenue	90.69	117.77	-22.99%
Net premiums earned	**502.84**	**629.66**	**-20.14%**
Result from other business activities	**(31.30)**	**(74.64)**	**58.07%**
Gross result	**(22.59)**	**(90.15)**	**74.94%**
Tax on profits	3.96	3.89	—%
Non-controlling interests	(1.97)	(1.73)	—%
Attributable net result	**(20.60)**	**(87.99)**	**76.59%**
Combined ratio	**98.44%**	**103.33%**	**-4.ур.р**
Expense ratio	44.75%	41.13%	3.6p.p.
Loss ratio	53.69%	62.19%	-8.5p.p

Figures in million euros

Premiums reached 618.9 million euros in MAPFRE ASISTENCIA, a decrease of 28.1 percent compared to the same period the previous year. At the close of December, Travel Insurance premium revenue from InsureandGo in the United Kingdom, Ireland and Australia was strongly impacted, with a reduction in business volume of 57 percent after the general shut-down of global tourism.

At the close of December, MAPFRE ASISTENCIA recorded a negative attributable result of 20.6 million euros.

2019 was impacted by an extraordinary provision of 75.6 million euros before taxes for goodwill writedowns and for restructuring expenses for various MAPFRE ASISTENCIA subsidiaries.

The loss in 2020 is concentrated in Travel Insurance, from the strong impact on losses from trip cancellation coverage, stemming from flight cancellations by airlines as a result of COVID-19. The tourism sector and the Assistance companies are experiencing an unprecedented crisis that has not spared the InsureandGo operations (UK, Australia and Ireland).

In the framework of the MAPFRE ASISTENCIA strategic restructuring that began in 2016, the following transactions were closed in 2020:

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- MAPFRE ABRAXAS operations in the United Kingdom - which implies the liquidation of the specialty risks business line.

- ROAD AMERICA operations in the United States, after the sale of its business portfolio.

Further, approval was received to initiate the closing process of ROAD CHINA operations

At the close of 2020, tax credits were recognized deriving from accumulated losses in the MAPFRE ABRAXAS and ROAD AMERICA entities for the amount of 13.7 million euros, and a provision of 10.1 million euros pre-tax was recorded for the expenses expected for the close of ROAD CHINA operations, which will start at the beginning of 2021.

SIGNIFICANT ECONOMIC AND CORPORATE EVENTS

Significant economic events.

Coronavirus crisis (COVID-19)

Context: coronavirus crisis (COVID-19)

The year 2020 was marked by the outbreak of the coronavirus (COVID-19). The WHO declared the crisis a pandemic. Its spread, together with the measures aimed at containing and mitigating its effects, has led to a slowdown in economic activity for which the final impact is difficult to quantify. Under these circumstances, MAPFRE developed a set of actions from the outset that were guided by two main priorities: to ensure the health safety of the entire workforce and to ensure the continuity of operations in a way that would maintain the level of service to clients. The most significant measures taken were:

- Activation of the business continuity plan in all countries and units, adapting it to the uniqueness of the COVID-19 crisis, with about 90 percent of employees worldwide working remotely, and maintaining essential services (roadside recovery, repair shops, home repairs, medical centers, funeral homes, etc.).

- Assessment of the risks arising from the crisis and adoption of a strategy to protect the balance sheet, especially investments, and to preserve the Group's capital, with the necessary liquidity and financing to neutralize any monetary stress, especially in operations in emerging countries.

- Mobilization of resources and transfer of funds to the economy, through the granting of additional aid and financing to agents, direct providers and clients, particularly focused on the self-employed and SME sector.

The coronavirus crisis led to a sharp decline in global economic activity as a result of lockdown restrictions. The impact of the health and economic crisis has had a significant impact on turnover and corporate results, and caused a sharp fall in financial markets and a marked depreciation of currencies in several emerging countries.

Most significant economic impacts on MAPFRE in relation to the income statement.

The following is a breakdown of the most significant impacts on the Group's results arising from the coronavirus crisis (COVID-19):

Written premiums

As a result of the lockdown, fewer new insurance policies were taken out, which led to a fall in issuing premiums. This had a significant effect on the Automobile, Life Savings and Burial lines. However, this fall was partially offset by the growth of issuing in other lines such as Homeowners, Communities, Industrial Risk and Business Insurance. As on December 31, premiums had decreased by 11.1 percent, with a large impact on the Automobile business which fell by 15.6 percent. This fall is explained both by the reduced sale of vehicles and by the very significant depreciation of currencies in several countries where MAPFRE operates.

In addition, measures were taken in Spain to support insured persons, including the discount in premiums for SMEs and self-employed persons which cumulatively amounted to 55.5 million euros at the end of December 2020. A financial assistance program for insured persons was also launched in the United States in April and May, equivalent to 15 percent of the monthly premium. To date, this program has had a total impact of 31.8 million euros on premiums, and has been applied in all states where MAPFRE USA underwrites the Private Automobile business line. In addition, in several Latin American countries premium refunds were registered or extensions granted to insurance coverage periods, amounting to a total of 7.6 million euros.

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Loss experience

The declared Non-Life loss experience reduced significantly in the Automobile line, due to the decrease in the use of vehicles, and in the Health line, owing to the postponement of non-emergency consultations, treatments and surgeries in the context of the health crisis. Conversely, there was a significant increase in the loss ratio in the Burial line, in line with the increase in deaths.

The direct declared loss ratio incurred as a result of claims directly attributable to COVID-19, accumulated by business line as on September 2020, is outlined in the accompanying table.

Line	Amount
HEALTH	58.8
BURIAL	30.0
LIFE PROTECTION	83.5
TRAVEL ASSISTANCE (Travel insurance)	23.2
OTHER LINES (Homeowner, Multirisk)	13.7
IBNR	44.1
TOTAL INSURANCE	**253.3**
ACCEPTED REINSURANCE	113.4
TOTAL ACCUMULATED	**366.7**

Figures in million euros

The business line most heavily impacted by the direct declared loss ratio resulting from COVID-19-related claims was accepted reinsurance for business underwritten by the Reinsurance and Global Risks business units. The gross loss ratio of accepted reinsurance amounted to 113.4 million euros as on December 31, mainly corresponding to the business interruption coverage.

In addition, the MAPFRE Group adopted measures aimed at adapting the reserves of claims incurred but not reported (IBNR), in order to recognize the economic impact of the delay of insured persons in reporting claims resulting from the lockdown. The amount of same totals 44.1 million euros, and mainly affects the Health business line.

COVID-19 expenses

MAPFRE has mobilized resources and adopted aid measures aimed at guaranteeing the protection of personnel against the COVID-19 pandemic, as well as ensuring business continuity. The accumulated amount of expenses incurred in the Group associated with these measures has amounted to 30.4 million euros at the end of December 2020.

Combined Ratio

The aforementioned effects on premiums, claims and expenses have had a relevant impact on the combined ratio of the following lines.

Line of business	Combined Ratio		
	2020	2019	Var. %
AUTOMOBILE	91.7%	100.5%	-8.8 p.p.
HEALTH AND ACCIDENT	94.1%	98.5%	-4.4 p.p.
GENERAL P&C	95.0%	89.0%	6.0 p.p.
BURIAL	112.1%	96.3%	15.8 p.p.
TRAVEL ASSISTANCE	102.3%	102.9%	-0.6 p.p.
LIFE PROTECTION	85.4%	84.2%	1.2 p.p.

As can be seen, there has been a significant drop in the combined ratio of the Automobile and Health lines as of December 2020 due, respectively, to the lower use of vehicles due to confinement measures and the postponement of non-urgent consultations, treatments and surgeries, in comparison with the same date last year, and in the opposite direction, a significant increase in the combined ratio of the Burial line, due to the increase in mortality arising from the coronavirus, as well as in the General P&C line due to the increase in damages in the Home and Condominiums.

Economic effects on MAPFRE's balance sheet and on its solvency.

Impacts on Goodwill and Other Intangible Assets

Within the framework of strategic planning, the Group has updated its business projections, considering the macroeconomic environment and other risk factors in the current context of the COVID-19 crisis, which could affect the insurance business in the future.

In relation to the valuation of Goodwill and Other Intangible Assets, the content of the ESMA (European Securities and Markets Authority) public note of October 28, 2020 has been taken into account and related to the annual financial information of issuers of values.

Consequently, the assumptions and hypotheses applied in the valuation of the Goodwill and Intangible Assets have been modified and that, mainly, have focused on:

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a. Moderation of medium and long-term expectations of profit growth (free cash flow) in the countries most exposed to the crisis derived from COVID-19.

b. Increase in risk premiums that are part of the flow discount rates, based on publications by independent experts made at the end of 2020.

This update of projections has led to a total deterioration, of an extraordinary nature, of the goodwill of the direct insurance operations in Italy, Indonesia and Turkey for an attributable amount of 127.5 million euros and of the portfolio acquisition expenses (VOBA) pending amortization, for an attributed amount of 4.1 million euros.

Company Company (Country)	Goodwill impairment	VOBA impairment	Total impairment
Verti Insurance (Italy)	46.7	---	46.7
Genel Sigorta (Turkey)	19.6	1.4	21.0
ABDA Seguros (Indonesia)	61.2	2.7	63.9
Total	**127.5**	**4.1**	**131.6**

Figures in million euros

As a result of this extraordinary provision made in 2020, the goodwill and portfolio acquisition expenses (VOBA) of these companies were fully impaired as at the end of 2020. This impairment of goodwill has no effect on the cash generated by the Group in the 2020 financial year, nor does it affect its financial strength and flexibility, or the capital models that support the current ratings and the Group's high level of solvency. and its subsidiaries, thus maintaining its significant dividend-generating capacity.

In addition, the Group has recorded an extraordinary impairment of 32.4 million euros in its legacy computer applications in the United States, once the implementation of the new software has been completed.

Impacts on other items of the balance sheet and Solvency

From the outset, MAPFRE adopted a strategy aimed at protecting its balance sheet and the solvency of its insurance companies, especially financial investments. To this end, the necessary liquidity and adequate financing were made available to neutralize any monetary tension in the Group's insurance companies, particularly the operations of MAPFRE companies in emerging countries.

As a result, throughout the pandemic the Group maintained high levels of liquidity in all its companies, having responded in time and correctly to payment obligations with insured persons and providers. There is no evidence of significant delays in the collection of premiums to insured persons and in receivables to reinsurers. Furthermore, no significant impairment in the Group's intangible assets was identified during this period.

The financial investment portfolio available for sale as at December was up 503.4 million euros as a result of the increase in the market value of the securities included in this portfolio, due to the positive performance of fixed income and the recovery of the equity markets in the fourth quarter of 2020. An individual review of fixed income securities was carried out, and no evidence of impairment in the value of fixed income securities has been identified to date.

As of December 31, deriving from the fall in economic activity, the valuation of investments in the most significant development land holdings was revised. As a result, a provision has been recorded at the end of December 2020, allocated to June, for a total amount of 27.9 million euros, a figure that is equivalent to approximately 7.3 percent of the book value of the aforementioned land.

The Group's equity was mainly affected by the strong depreciation of the currencies of several Latin American countries, the Turkish lira during the year and the dollar in the fourth quarter. The negative impact of this effect on the Group's attributable equity as of December 2020 amounts to 675.5 million euros, a significant part of which is derived from the coronavirus crisis.

MAPFRE updated the calculation of its Solvency II position as of September 30, 2020 following the request of the General Directorate of Insurance and Pension Funds, and within the framework of the recommendations of EIOPA, the European insurance supervisory authority.

This update of the solvency position supposes the estimation in these first nine months of 2020, both of the mandatory solvency capital requirement, which is usually carried out annually, and of the eligible own funds, which are calculated quarterly.

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The Solvency II ratio stood at 180.2 percent, which shows an improvement of three percentage points compared to March, a time of greatest punishment in the markets as a result of COVID-19 and a decrease of three points compared to June, Mainly as a consequence of the effect of the dividend on account of results for the year 2020 approved on October 30 for the amount of 154 million euros. MAPFRE remains within the tolerance threshold set by the Board of Directors, the lower range of which is the 175 percent Solvency margin, despite the impact of the crisis. These data reflect the great strength and resilience of MAPFRE's balance sheet, as well as its ongoing management capacity.

Current status of MAPFRE operations

MAPFRE's conduct during the COVID-19 crisis was focused on two top priorities:

- Ensuring the health safety of the entire workforce.
- Ensuring continuity of operations to maintain the level of service to clients.

From the outset, the health and safety of MAPFRE Group employees and collaborators was the top priority, such that, from the first weeks of the pandemic's impact, practically all Group companies already began to operate remotely on mass. Subsequently, as the crisis started to ease in some geographical areas, there was a partial, gradual, orderly and prudent return to the facilities in those countries where the situation caused by COVID-19 made it possible. This took place following a model based on incremental waves and always in accordance with the instructions of the health authorities of each country.

In terms of pandemic crisis management, despite the impact of the pandemic and the restrictions on mobility imposed in many countries, MAPFRE's subsidiaries maintained the continuity of their operations and have continued to provide service to clients in all locations where the Group is present, always meeting both its commitment to clients and the regulations in force in each country at any given time.

It has already been possible to recover virtually all sales activity in the main markets where MAPFRE operates. As of December 31, the percentages of personnel who carried out their work in person in the main markets in which MAPFRE maintains operations were as follows: Spain 65 percent, Brazil 68 percent and the United States 23 percent, due to severe limitations in face-to-face activity in the state of Massachusetts. It is important to highlight that in all countries, strict prevention and control measures are being maintained in view of the growing concern associated with outbreaks and eventual changes in trend that may occur.

Future outlook

The economic outlook reflected very significant declines in world GDP in 2020, with a partial recovery in 2021, although this is still marked by a great uncertainty in indicators, and this applies to the insurance and reinsurance market.

The future outlook is truly uncertain, as the lockdown process and economic slowdown will produce a decline in premium revenue. In this regard, Automobile insurance premiums may suffer a significant reduction in new business due to reduced sales of vehicles. As for Health insurance, it could benefit from a higher premium volume, given that in crisis situations people try to seek supplementary health coverage. With regard to Life Protection insurance, its behavior will be largely associated with the pace of consumption and the evolution of credit. Life Savings insurance will deepen its decline due to the current situation of interest rates, which will remain at low levels for a long time.

The wide range between the forecasts is indicative of the high level of uncertainty affecting all sectors of activity, including the insurer. The high uncertainty affects the spending, contracting and investment decisions of households and companies, which is detrimental to the development of the insurance sector, although some lines of business continue to show great resistance, particularly health insurance. The effectiveness of vaccination campaigns to achieve immunity that at least avoids saturation of health systems, until reaching group immunity, will be a key element for a recovery that will be uneven, due to the deficiencies in the health infrastructure and the problems logistics for the distribution of the vaccine presented by some countries, especially emerging economies.

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It is currently not possible to make a certain estimate of the potential future effects of the crisis on the Group's business volume, financial situation and solvency. However, the strength of MAPFRE's balance sheet, its high levels of capital and solvency, and its liquidity position and availability of additional financing allow us to conclude that the impacts would be, where appropriate, limited, and there are no doubts about MAPFRE's ability to continue as a going concern.

Catastrophic events

The result for the period was hampered due to the earthquakes in Puerto Rico in January and May. The earthquake in early January was the third largest in intensity to have affected this island since records began. The total net retained effect of both earthquakes for the Group amounted to 67.7 million euros, namely 28.4 million euros for MAPFRE Puerto Rico and 31.8 and 7.5 million euros for the Reinsurance and Global Risks units, respectively.

Cyberattack

On August 14, MAPFRE detected a malfunction in its computer systems. Following the established procedures, the technology and security teams commenced an investigation and detected that malware, specifically ransomware, had infiltrated its systems, which affected part of the servers and systems in Spain. From the outset, the protocols set out in the business continuity plan were activated, with the priority being to protect information and block any possible attempts by third parties to access the company's systems, as well as to guarantee the delivery of the service to clients and providers.

As an additional precaution, to prevent the spread of malware to the rest of the network, several segments of the network were isolated and systems were shut down until the extent of the attack was known, which involved a temporary reduction in some services.

The main activity affected was that of MAPFRE in Spain, although it should be noted that the attack did not affect data backup. Service to clients was maintained at all times thanks to the alternative procedures provided, and things were virtually back to normal by the end of August. In line with MAPFRE's commitments to transparency, from the outset this cyberattack was communicated through all internal and external channels of the company, as well as to the Insurance Supervisor.

The MAPFRE Group has an insurance policy that covers damage and loss of profits resulting from these types of events; damage is therefore limited by the terms of the policy. As on December 2020, MAPFRE was still in the process of evaluating the cost of the damage and, where applicable, the loss of earnings.

Significant corporate aspects

Restructuring of operations

Reorganizing VERTI Italy as a branch office

The management of MAPFRE S.A. and the pertinent Group companies agreed to convert VERTI Italy into a branch of VERTI Spain. Due to the prolongation of the regulatory authorization process and the uncertainty that this situation could generate in the strategic planning of the company, MAPFRE decided not to reorganize VERTI Italy as a branch office.

MAPFRE ASISTENCIA reorganization

As part of the strategic reorganization of MAPFRE ASISTENCIA, which began in 2016, the closure of MAPFRE ABRAXAS operations in the United Kingdom is under way. This involves the liquidation of the specialty risk business line and of ROAD AMERICA's operations in the United States following the sale of its business portfolio.

Likewise, the Group continues to analyze the future viability of certain operations that are impacted by the current COVID-19 crisis, especially those related to the Travel Assistance line, whose continuity in the Group could be conditioned by this fact.

Finally, the Group decided at the end of 2020 not to continue its roadside assistance operations in China.

MAPFRE USA reorganization

The Group decided to discontinue its insurance operations in the states of Arizona and Pennsylvania (with the exception of the VERTI USA business), proceeding with the non-renewal of policies upon maturity.

In addition, the Group has considered its operation in the state of Florida as non-strategic, and is currently in the process of evaluating different alternatives, the materialization of which is expected in 2021.

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Business development. Acquisitions and disposals.

MAPFRE acquires 51 percent of the Dominican health insurance company, ARS Palic

In the first quarter of 2020, MAPFRE reached an agreement with the León BHD Financial Center with the Spanish company acquiring 51 percent of the health insurance company ARS Palic. The León BHD Financial Center holds the remaining 49 percent. Both companies are already partners in MAPFRE BHD Seguros, which offers various asset-risk protection plans throughout its own offices and the network of the León BHD Financial Center, the largest financial company in the Dominican Republic.

The acquisition of the stake came to 40.1 million US dollars and was financed by a seven-year bank loan of 38 million US dollars.

MAPFRE and Banco Santander reach an agreement to distribute Non-Life insurance in Portugal

In June, MAPFRE and Banco Santander reached an agreement to jointly distribute Non-Life insurance products in Portugal, based on the acquisition of 50.01 percent of the existing company, Popular Seguros, by MAPFRE's subsidiary in Portugal. The agreement entails the signing of a contract for the exclusive distribution of new business of certain Non-Life products (Automobile insurance, SME Multirisk and Third-Party Liability insurance) through the bank's network of offices in Portugal, up until December 31, 2037. Alongside this agreement, 100 percent of a runoff Life Protection insurance portfolio currently owned by Santander Totta Seguros was acquired.

Sale of the Annuities portfolio in Chile

The Group companies MAPFRE Chile Vida and Caja Reaseguradora de Chile had annuities portfolios in runoff, as this activity was not a strategic business of MAPFRE in Chile.

On April 29, the Group received a binding offer that pursued a transaction based on the valuation of these portfolios as on March 31, which would involve the transfer of assets and liabilities amounting to approximately 115 million euros.

This offer was combined for the Annuities portfolios of MAPFRE Chile Vida and Caja Reaseguradora de Chile and was subject, among other requirements, to the acceptance of Caja Reaseguradora's ceding companies and 80 percent of the insured parties of MAPFRE Chile Vida. As on December 31, the execution of this operation was suspended due to the difficulties in obtaining the aforementioned acceptances from the ceding companies.

Bankia-CaixaBank merger

In December, the Annual General Meetings of Bankia and CaixaBank approved the merger of the two companies, which will be implemented through the merger by absorption of Bankia by CaixaBank. According to public information, all legal and regulatory aspects are expected to be completed during the first quarter of 2021.

MAPFRE and Bankia have a partnership with an exclusive contract in bancassurance. The takeover of Bankia by CaixaBank would determine the application of the Bankia contract change of control clause, which would give the unaffected party, MAPFRE, the right to exercise an option to withdraw. The contract itself provides for all procedures for determining the exit value.

As of December 31, 2020, the merger of BANKIA MAPFRE VIDA and the entities Caja Granada Vida and Caja Murcia Vida has been completed.

The Life business is managed through the entity BANKIA MAPFRE VIDA, in which MAPFRE owns 51 percent of the shares. The main financial figures relating to this company are detailed in the accompanying table.

ITEM	2020	2019*	Var. %
Written premiums	178.9	267.3	-33.1%
Result before tax	167.5	138.1	21.3%
Result after tax	125.8	103.9	21.1%
Shareholders' equity	482.8	399.2	21.0%
Financial Investments	7,429.4	7,813.0	-4.9%
Technical provisions	6,599.6	7,059.1	-6.5%

Figures in million euros

*The information for December 2019 is proforma for comparative purposes, assuming the aforementioned merger.

Furthermore, the Non-Life business is managed and registered through MAPFRE ESPAÑA.

At the end of December, the Life and Non-Life written premiums contributed by Bankia amounted to 392.0 million euros and represented 1.9 percent of the MAPFRE Group's total premiums.

Sale of MAQUAVIT INMUEBLES

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On October 27, the sale of 100 percent of the shares of MAQUAVIT INMUEBLES was formalized for an amount of 50.3 million euros, fully collected on that date. This company was a holder of real estate assets intended for the provision of services to the elderly, and was not considered a strategic asset for MAPFRE. The sale generated an extraordinary capital gain of 14.1 million euros.

Sale of Industrial RE

On December 15, the Group received a binding offer for Industrial RE, a company that had not engaged in any relevant activity for several years. This transaction is in the process of obtaining the corresponding administrative authorizations.

Sale of Rastreator and Preminen

On December 29, Admiral Group plc announced the sale of Penguin Portals Group and the price comparison engine Preminen to RVU. Penguin Portal Group controls Rastreator, the online price comparison engine.

The MAPFRE Group holds a 25 percent stake in Rastreator and a 50 percent stake in Preminen, which are part of this transaction. The value of this transaction will be paid in cash. This transaction is subject to obtaining the corresponding administrative authorizations and is expected to materialize in the first half of 2021.

ISSUES RELATING TO THE ENVIRONMENT, SECURITY AND EMPLOYEES

Environment

MAPFRE is committed to environmentally sustainable development, most notably the fight against climate change. Its determination to play a relevant part in these issues requires a short-, medium- and long-term strategy, for which it is constantly analyzing the climate scenario and the global context.

The Group has an Environmental Policy that was approved by the Board of Directors of MAPFRE S.A., which was deployed in all Group companies.

In a context of designing ambitious green reconstruction plans, in 2020 and after the successful completion of the Corporate Plan for Energy Efficiency and Climate Change 2014-2020, MAPFRE has worked on the definition of its new Corporate Environmental Footprint Plan 2030, which will reflect its commitment to achieve more sustainable and resilient activity, and will serve as the MAPFRE Group's adaptation mechanism to a low-carbon economy.

The Corporate Environmental Footprint Plan includes, in addition to issues associated with the carbon footprint and climate change, water management, the circular economy and green purchasing, as well as other emerging risks such as natural capital and biodiversity. It also includes cross-cutting and facilitating aspects such as construction and sustainable mobility.

In parallel and in line with this new Plan, MAPFRE updated its strategic model, based on an integrated management system that can be certified under various ISO standards, to include all aspects associated with sustainability related to the environment, energy, greenhouse gas emissions and the circular economy. The model enables plans and programs to be defined, minimizing the risks identified and paving the way to exploiting the opportunities that arise.

In terms of environmental aspects, ISO 14001 certifications have been issued to date to 39 headquarters of Group companies in Spain, Mexico, Colombia, Puerto Rico, Paraguay, Portugal, Argentina, Chile and Peru, to which can be added the 22 headquarter buildings located in Spain with energy management certification ISO 50001.

The expansion of the scope of ISO 14064 continues to progress, and the carbon footprint inventories of Group companies located in Spain, Brazil, Mexico, Italy, Puerto Rico, Colombia, Portugal, and Turkey have been verified.

With regard to climate change mitigation and adaptation, the implementation continued of the actions defined in the Sustainability Plan 2019–2021. This Plan defines the short-term action strategy and encompasses the objective of neutrality in greenhouse gas emissions (GHG) generated by MAPFRE in Spain and Portugal in 2021. The actions carried out will also prepare the Group for its objective of carbon neutrality by 2030.

Work has continued to analyze the adoption of recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) of the Financial Stability Board (FSB) in order to determine the financial impact of climate change. As part of this, MAPFRE, along with other global insurers and reinsurers, is a member of the UNEP-FI Working Group. The main objective of this group is to analyze scenarios that can develop financial models and metrics to adequately estimate the possible implications of climate change on business. Throughout 2020, this Working Group has focused on understanding the potential change of the climate threat according to different scenarios and time scales.

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In addition, and in the current context, the circular economy is proving to be a necessary solution to the economic and climate crisis, making companies more competitive and resilient. In this area, MAPFRE is the first insurer to sign the Pact for a Circular Economy and thus undertakes to meet the commitments provided for in this initiative, which seek to drive, support, promote and disseminate the transition to a circular economy.

In addition, MAPFRE participates in a Natural Capital Working Group of the Spanish Group for Green Growth and the Biodiversity Foundation, in which companies from different sectors share experiences and difficulties and seek solutions regarding the integration of Natural Capital into their businesses and projects, using the Natural Capital Protocol as a guide.

Security

Work continued throughout 2020 on achieving a secure environment in which MAPFRE can pursue its everyday activities through the protection of tangible and intangible assets, including services offered to clients in accordance with the provisions of the Corporate Security and Privacy Policy approved by the MAPFRE S.A. Board of Directors on December 13, 2018.

All of this took place in a highly demanding environment, in a year in which there was an event of very high impact on a global level, namely, the pandemic caused by COVID-19. In this sense, the Business Continuity Plans and the Governance Model defined for crisis management provided some of the key elements on which business activity was maintained with sufficient normality. The existence of clearly established procedures, as well as previously tested ones, proved to be very useful for managing events of this magnitude, allowing the possible impact on business activities to be reduced and guaranteeing the operational resilience of the MAPFRE Group and the services it provides.

Regarding protection against cyber risks, the widespread lockdown due to COVID-19 forced the mass implementation of various forms of remote working, which meant extending access routes to the computer resources of MAPFRE, with the consequent need to set up additional technical and organizational measures so that this could be carried out securely.

MAPFRE enabled secure remote connection means for the Group's employees and collaborators at a global level, anticipating the start of the lockdown in many countries and ensuring that more than 90 percent of the workforce could work from their homes, without causing any interruption whatsoever to the provision of services. In addition, employees and collaborators needed to be made more aware of cybersecurity, due to the increased risk of being the victim of an attack as a result of the remote working situation and also the abundance of malicious links related to information about the pandemic.

Cybersecurity and operational resilience capabilities deployed were also tested by another very high-impact event this year: the cyberattack that hit MAPFRE companies in Spain. In relation to this attack, there are two points worth noting regarding the actions carried out by MAPFRE. The first is transparency in its communications: it reported the incident publicly in the first 24 hours and to clients, partners, markets and the competent authorities. The second is the diligence in its response: it activated the Business Continuity Plans within minutes and executed the appropriate incident response plans.

The actions carried out made it possible to limit and repel the attack, isolate, protect and recover the systems and rapidly restore service to the clients, minimizing the impact on them. At the same time, specific measures were taken to eliminate any possibility of attackers' persistence in our systems, as well as to strengthen early detection capabilities against new intrusion attempts by attackers.

As a culmination of all this, a catalog of improvements and lessons learned has been developed that will strengthen our current cybersecurity model in all our companies, and this implementation has been articulated through a plan to strengthen cybersecurity. This will lead to a significant increase in the investment in cybersecurity at the MAPFRE Group and will allow for the accelerated deployment of the technical, human and operational measures for improvement identified.

Also in relation to the resilience of Operations, in addition to the activation of the above-mentioned Business Continuity Plans, which incorporate the lessons learned, it is worth noting that AENOR certified the ISO 22301 Business Continuity Management Systems of MAPFRE Portugal BANKIA MAPFRE VIDA and MAPFRE's Global SOC[6] (CCG-CERT). This certification joins the ISO 9001 and 27001 certifications already held by this Center, MAPFRE's Global SOC, and from which

[6] SOC = Security Operations Center

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monitoring and response to cyber-incidents is coordinated globally.

The new ISO 22301 certifications mentioned above are in addition to those already obtained in previous years by MAPFRE INVERSIÓN, MAPFRE GLOBAL RISKS, MAPFRE RE, MAPFRE VIDA and MAPFRE ESPAÑA. These certifications provide a framework for increasing the resilience of the organization, enabling an effective response that safeguards the interests of its key stakeholders, as well as its main critical processes and activities, capabilities that have been tested and proven effective in the real-world situations described above throughout 2020.

With regard to Data Protection and Privacy, the situation created by the COVID-19 pandemic has led to multiple decisions by European regulators. These mainly pertain to the processing of health data, which has had to be analyzed and considered in order to ensure that the design of all processes related to managing this crisis complied at all times with the applicable data protection and privacy regulations.

In addition, work continued on the automation and optimization of the processes related to compliance with the General Data Protection Regulation (GDPR), as well as on adapting to new decisions made by Regulators.

Different lines of activity were also launched, taking advantage of existing synergies between the GDPR (related to the adaptation of the various MAPFRE companies) and local regulations that have been emerging. Significant projects include the adaptation to the Brazilian Data Protection Act (LGPD), which finally came into force in September 2020, and the Panama Personal Data Protection Act, the entry into force of which is scheduled for March 2021.

With regard to the protection of people, the pandemic situation has required strong collaboration between the various areas with responsibilities in this field, with the objective of establishing and implementing the protective measures required to protect the health of employees and collaborators, from when they enter the facilities until they leave. In this regard, to guarantee this and to contribute to the perception of safety by the people who access the facilities, MAPFRE has certified through AENOR the COVID-19 protocols applied at its facilities in Spain and Portugal.

In turn, the lower occupancy rates of facilities have required an increased monitoring of the events that occur within them, such as improving the interpretation and quality of responses, prioritizing interventions and ensuring that people and facilities have the same protection as they would within a normal occupancy setting.

MAPFRE continues its commitment to talent and delivering continuously more specialized training to its workforce so they can perform to the best of their abilities in an increasingly complex and challenging environment, further exacerbated in the 2020 fiscal year. Consequently, the number of professional certifications in security- and privacy-related areas held by personnel working in these fields in MAPFRE surpassed 400 in 2020.

Employees

The accompanying chart shows the headcount at the end of 2020, compared with the headcount for the previous fiscal year.

CATEGORIES	TOTAL NUMBER	
	2020	2019
BOARD DIRECTORS (*)	18	18
EXECUTIVES	45	48
SENIOR MANAGEMENT	1,622	1,627
MANAGERS	4,251	4,253
ADVISORS	16,919	17,073
ASSOCIATES	10,875	11,305
TOTAL	**33,730**	**34,324**

Executive board directors of Spanish companies.

The Corporate People and Organization Area supports the business in its transformation and is in charge of adapting the organization to new social requirements, utilizing new technologies and digital solutions to do so. It is also responsible for identifying and retaining the talent required by the company, as well as employee development. It performs those tasks in a flexible, inclusive and diverse work environment that promotes collaboration and innovation.

People management is particularly important in a global company such as MAPFRE, and is based on three key pillars: the continuous challenge of talent, promoting and driving diversity, and the inclusion, transformation and organization of the work environment in the face of the digital challenge. This is all in line with a new way of working, making the employee experience the key focus of all processes.

The continuing challenge to seek talent is key to MAPFRE, and its main objectives are as follows:

- To identify short- and medium-term profile needs;
- To establish internal talent processes for mobility and employee development;
- To establish development plans and career plans for all employees.

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For the past four years, MAPFRE has had an internal talent identification and development program in operation, called MAPFRE Global Talent Network.

Ensuring management succession is critical for all companies. That's why MAPFRE's succession plans for senior management in all countries are identified continuously.

The Promotion, Selection and Mobility Policy encourages professional development opportunities for employees in order to increase their employability, their professional satisfaction and their commitment to the company.

In 2020, 4,360 employees had internal opportunities for mobility, of which 45 were geographical. A total of 15 countries received employees and 19 countries offered employees this opportunity.

A total of 37 percent of selection processes were covered by internal mobility.

The situation created by the pandemic led to the transformation of all training plans worldwide, replacing on-site programs with digital programs.

Technical training is key to MAPFRE. As such, the deployment of technical knowledge continued to develop and was reinforced in 2020 by leader experts in each area and function.

In 2020, 966,335 hours of training were delivered to 370,577 registered participants.

MAPFRE continues to develop its leaders, helping them adapt to a new digital, transparent, strategic and knowledge-based leadership model founded on strong ethics and values.

The Eureka knowledge platform already has more than 1,250 knowledge items stored on it and more than 1,100 leaders across all countries have been identified. Sharing knowledge on a daily basis is an important driver of company development.

The Compensation Policy is intended to set appropriate remuneration levels for each function and job position and for performance by professionals, and serves as a source of motivation and satisfaction for staff, thus encouraging them to reach their objectives and deliver on MAPFRE's strategy. The policy guarantees equality and external competitiveness in each market and forms part of the in-house development of employees. Two digital platforms were implemented in 2020, which gave a significant boost to meeting the objectives of this Compensation Policy: a platform for the diagnosis and management of remuneration and another for the allocation of awards both by the company and among employees.

MAPFRE has a global Diversity and Equal Opportunities Policy based on the individuality of all persons, on the recognition of their diversity and on eliminating any discriminatory conduct.

With regard to gender diversity, MAPFRE undertakes to ensure that by 2021, 45 percent of the managerial vacancies that arise in the company will be filled by women. As such, the company has started to take steps to ensure that all selection and mobility processes for managerial positions will require action to promote the representation of women. In 2020, 46.3 percent of managerial vacancies were filled by women.

Functional diversity includes championing the integration of people with disabilities in the workplace. To that end, MAPFRE is committed to ensuring that 3 percent of its workforce is made up of people with disabilities by 2021. Since 2015, the Group has had a Corporate Disability Program in place that has been implemented in every country, which includes measures to promote integration and a culture of awareness. In 2020, 3.3 percent of the workforce was comprised of people with some form of disability.

MAPFRE operates worldwide and has employees of 89 nationalities, which brings great cultural diversity to the Group, provides the talent the business needs and facilitates the cognitive intelligence of employees to be pooled.

Work continues on developing the global strategic initiative DIGITAL CHALLENGE, so as to continue managing the change required by the organization and to adapt to the latest social and business needs. This is achieved through learning new skills and collaborative tools, developing more dynamic and flexible structures and tailoring the employee experience to continue supporting their professional growth and talent development, adapting the processes to employees' needs.

The objective of Digital Workplace is to make our employees' day-to-day easier, knowing that not everyone has the same collaboration needs since there are employees who work only on processes, some who work on projects and others who work partly on processes and projects. We are also aware that each group has different device and connectivity requirements. It is a change in the work culture that brings together tools and ways of working.

The experience measurement model used was consolidated in 2020, based on three types of measurements that give us agility in implementing improvement actions:

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- eNPS® survey, Employee experience life cycle analysis (transactional eNPS®), Perceived quality of human resources index.

- The eNPS® survey, which is conducted twice a year, provides indicators on RECOMMENDATION, SATISFACTION and ENGAGEMENT, among others

- Relational eNPS® (Employee net promoter score): measures the likelihood that employees will recommend MAPFRE as a company to work for. In 2020 this was measured in 13 countries, and in 98 percent of the workforce in which the measurement was taken the results were very good or excellent.

Employee Satisfaction Index (ESI): measures employee satisfaction through the assessment of 10 elements: Knowledge of objectives, Pride in work carried out, Recognition for work carried out, Contribution to the company, Receipt of high-quality feedback, Opportunities for development, Collaboration, Working tools, Care for people, Pride in the social footprint. In 2020, the result was 73 percent.

In 2020, the People app, a new information, communication and management channel aimed at employees, was established in Spain and implemented in Mexico, Brazil and Turkey. Currently downloaded by 9,478 users, this tool lets employees receive notifications, access their payslips, request medical appointments, report leave and vacations, access relevant news and information about their workplace, enroll in volunteer activities, reserve spaces and activate COVID radar functionality to ensure social distancing and tracking.

The Human Rights Policy guarantees the right to freedom of opinion, information and expression, respecting the diversity of opinions in the company and promoting dialog and communication, as well as the right to a safe and healthy working environment in which any display of harassment and violent or offensive behavior toward the rights and dignity of people is rejected. The Group expressly opposes, and does not tolerate, any harassment in the workplace, regardless of who the victim or perpetrator is. This commitment must be complied with in all relationships between employees, and in those relationships between employees and providers, clients, collaborators and other stakeholders, and it also extends to all the organizations with which MAPFRE works.

The objective of the Policy on Health, Well-being and Prevention of Occupational Risks is to protect and promote a safe and healthy workplace and improve the health of our employees and their families, both in and outside the workplace.

To facilitate well-being and work-life balance, MAPFRE offers its employees a wide range of company benefits, which accounted for an investment of 160.8 million euros in 2020.

From the outset, MAPFRE was aware of the impact that COVID-19 could generate, and under the governance of the Corporate Crisis Committee it quickly deployed its contingency plans, making the health of employees its top priority. This is why the first step to be implemented swiftly in all countries was remote working and reducing the density of occupancy in all buildings.

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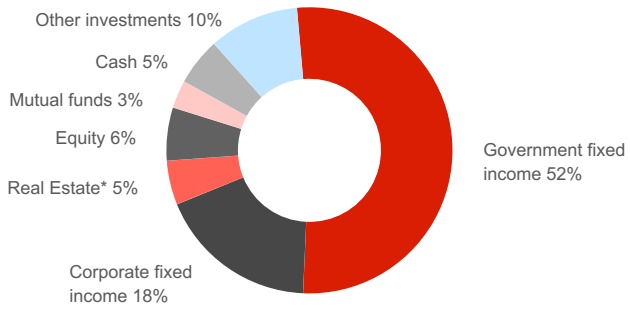
LIQUIDITY AND CAPITAL RESOURCES

INVESTMENTS AND LIQUID FUNDS

Details of the investment portfolio* by type of assets, as of December 31, for the last two financial years is shown below.



ITEM	DECEMBER 2020	DECEMBER 2019	Δ %
Government fixed income	23,396.0	30,088.8	-22.2%
Corporate fixed income	8,135.7	9,354.9	-13.0%
Real Estate*	2,239.9	2,435.0	-8.0%
Equity	2,694.9	2,761.0	-2.4%
Mutual funds	1,414.6	1,826.1	-22.5%
Cash	2,418.9	2,537.5	-4.7%
Other investments	4,593.1	4,519.4	1.6%
TOTAL	**44,893.2**	**53,522.7**	**-16.1%**

Figures in million euros
*"Real Estate" includes both investment property and real estate for proprietary use (at acquisition price).

A breakdown of the Fixed Income portfolio by geographical area and asset type follows:

Corporate with collateral	Government	Total Corporate Debt	Total
Spain*	12,761.1	1,595.8	14,357.0
Rest of Europe	4,401.2	3,317.5	7,718.7
United States	1,523.9	2,110.2	3,634.1
Brazil	2,244.7	1.9	2,246.6
Latin America - Other	1,697.1	742.4	2,439.5
Other countries	767.9	368.0	1,135.8
TOTAL	**23,396.0**	**8,135.7**	**31,531.7**

Figures in million euros

Four different types of portfolios are managed within the investment portfolio:

- Those that aim for a strict immunization from the obligations derived from insurance contracts, and which minimize interest rate risk, through matching adjustments, by means of immunization techniques based on matching cash flow or duration.
- Portfolios that cover unit-linked policies composed of assets for which the risk is borne by policyholders.
- Conditioned actively management portfolios that aim to exceed the guaranteed return and achieve the highest return for the policyholders within prudential parameters, such as portfolios with profit sharing.
- Actively open-management portfolios where active management is only conditioned by legal rules and internal risk limits.

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Below is a breakdown of actively managed Fixed Income portfolios:

	Market Value	Accounting Yield	Market Yield	Modified Duration
Non Life (IBERIA + MAPFRE RE)				
31.03.2020	6,849.3	1.9%	1.1%	8.03%
31.12.2019	7,271.9	2.0%	0.8%	8.25%
30.09.2019	7,485.6	1.9%	0.5%	8.18%
30.06.2019	7,403.2	2.0%	0.7%	8.06%
31.03.2019	7,007.3	2.0%	1.1%	7.12%
Life (IBERIA)				
31.03.2020	6,584.5	3.5%	0.7%	6.81%
31.12.2019	6,821.6	3.5%	0.3%	6.89%
30.09.2019	6,871.9	3.6%	0.1%	7.03%
30.06.2019	6,740.3	3.7%	0.3%	7.01%
31.03.2019	6,389.1	3.7%	0.7%	6.68%

Figures in million euros

As of December 31, 2020, the free active management portfolios of IBERIA and MAPFRE RE had unrealized capital gains in shares and investment funds amounting to 15 million euros (-84.7 million euros at the end of the third quarter).

Real estate

In 2020, the real estate activity of the MAPFRE Group was determined, like other performance areas, by the COVID-19 pandemic and its economic and social consequences.

Following COVID-19, the real estate market changed dramatically in a short space of time. Offices had to be repositioned, offering services rather than spaces. Coworking firms and old business centers are suffering in light of the circumstances, but in the medium-term, new opportunities shall open up to offices according to flexible ways of working. The sector is going digital at full speed. Large corporate headquarters are at risk, as they are more susceptible to outbreaks or disasters.

The sales sector is being severely hit, especially street-level stores, while online distribution has accelerated—a trend that will continue in the future. Many premises are being converted into housing or coworking spaces. Shopping malls are now a mix of entertainment and shopping, with falling profits. The tourism sector has been badly hit by low occupancy rates. This results in cash flow problems, a decrease in the value of assets and consequently of the companies. The duration of the crisis will be a key factor in determining its future.

By contrast, the logistics and distribution subsector is rising exponentially, as is the supermarket and pharmacy subsector. This is the result of operational requirements following COVID-19, and last-mile warehouses, logistics hubs and new low-density distribution channels are all appearing.

Housing under development has stagnated in light of the likely rise in defaults. Conversely, rental housing demand is increasing as an alternative to buying, and many institutional investors are positioning themselves in operations with a certain critical mass. In short, the market changes quickly and tries to adapt to the needs of the public.

Alongside underlying trends, the real estate market immediately declined after the lockdown was declared, with closed transactions in both sales and rentals collapsing. The most affected tenants have required financial assistance from landlords.

Supply in the segments targeted by MAPFRE is low, so capitalization rates remain relatively low and unit prices have not undergone large fluctuations so far. The sector faces the 2021–2022 biennium with uncertainty and most operators expect value adjustments, although these will be very different depending on the asset and location.

In this context, the MAPFRE Group strategy for real estate investments, both direct and through mutual funds, followed similar guidelines as the previous year. It focused on office buildings, central eurozone areas, profitable assets, top-rate tenants and long-term contracts; ultimately on assets with high price stability and resilience to crisis scenarios. In parallel, there has been fresh momentum for divestment in non-strategic assets, mainly commercial land and premises, as well as buildings that have completed their investment cycle or that do not fit into the Group's operational needs.

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In 2020, one of our investment vehicles purchased two buildings, one in Luxembourg and the other in the United Kingdom, for a total amount of 109 million euros; the same fund has negotiated another transaction in Germany fot 65 million euros, to be formalized shortly. Similarly, an agreement was reached for the exchange of shares in assets in Italy (where MAPFRE acquires), and in Spain the market value of the assets to be exchanged came to 199 million euros. In total, the investment carried out in the year, including works, amounted to 118 million euros. One aspect that has been afforded particular attention for several years is the adaptation of buildings renovated to international sustainability standards.

It is worth noting the launch of an infrastructure investment line to diversify portfolio options, with the creation of a vehicle in collaboration with world-class specialists and open to other institutions and private investors. The investment committed on December 31, 2020 amounted to 103 million euros.

In terms of divestments, also of note is the sale for 50.3 million euros of MAQUAVIT INMUEBLES S.L.U., a holding company for social health assets (nursing homes), an activity in which MAPFRE ceased operations in 2011. There was also an agreement with a rental housing developer, whereby MAPFRE granted a land purchase option in the Community of Madrid with a strike price of 106.5 million euros, which can accommodate 75 thousand square meters of construction.

As for the impact of the social health crisis on asset valuation, our exposure in Paris and Germany evolved favorably and valuations did not fall. In Spain, it was deemed appropriate to allocate impairment provisions for the solar and land portfolio for 27.9 million euros.

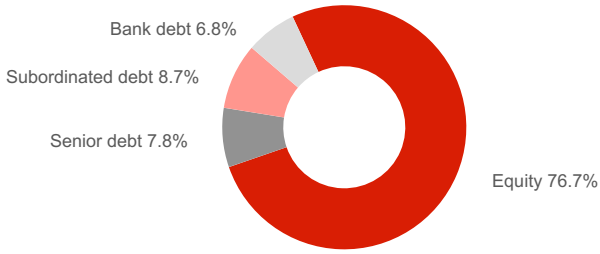
In terms of equity management, the average occupancy rate of properties leased to third parties was 91.4 percent and the return on their appraisal value was 4.2 percent. It should be noted that this last indicator has been undermined by the measures taken to support tenants affected by COVID-19, such as agreements to write off and postpone rents, especially in Spain.

At the end of the 2020 financial year, MAPFRE's real estate investments at market value amounted to 3.11 billion euros, with a net book value equivalent to 5.0 percent of total investments.

CAPITAL RESOURCES

Capital structure

The accompanying chart shows the composition of the capital structure at the close of 2020



Capital structure reached 12.8 billion euros, of which 76 percent corresponds to equity. The Group leverage ratio is 23.3 percent, a 0.6 percentage point increase compared to the close of 2019.

Debt instruments and leverage ratios

The following chart shows the evolution of the Group's debt instruments and leverage ratios:

ITEM	DECEMBER 2020	DECEMBER 2019
Total Equity	**9,837.8**	**10,106.0**
Total debt	**2,993.6**	**2,973.7**
- of which: senior debt - 5/2026	1,005.6	1,004.8
- of which: subordinated debt - 3/2047 (First Call 3/2027)	618.0	617.8
- of which: subordinated debt - 9/2048 (First Call 9/2028)	503.6	503.3
- of which: syndicated credit facility - 02/2025 (€ 1,000 M)	600.0	610.0
- of which: bank debt	266.4	237.8
Earnings before tax	1,118.4	1,279.2
Financial expenses	82.4	78.5
Earnings before tax & financial expenses	**1,200.8**	**1,357.7**
RATIOS		
Leverage	**23.3%**	**22.7%**
Equity / Debt	**3.3**	**3.4**
Earnings before tax & financial expenses / financial expenses (x)	**14.6**	**17.3**

Figures in million euros

Equity developments

Consolidated equity amounted to 9.8 billion euros at December 31, 2020, as compared to 10.1 billion euros at December 31, 2019. To December 31, 2020, 1.3 billion euros correspond to non-controlling interests' shares in subsidiaries, primarily financial entities in Spain and Brazil with which MAPFRE has bancassurance agreements. Consolidated equity attributable to the controlling Company per share was 2.77 euros at December 31, 2020 (2.87 euros at December 31, 2019).

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The accompanying chart shows changes in equity attributable to the controlling Company in the period:

ITEM	DECEMBER 2020	DECEMBER 2019
BALANCE AT 12/31 PREVIOUS YEAR	**8,854.3**	**7,993.8**
Changes in accounting standards	—	(8.0)
Additions and deductions recognized directly in equity	—	—
Financial assets available for sale	503.4	1,435.1
Currency conversion differences	(675.5)	35.7
Shadow accounting	(228.1)	(719.6)
Other	(8.3)	(4.9)
TOTAL	**(408.5)**	**738.3**
Result for the period	526.5	609.2
Dividends	(415.6)	(446.7)
Other changes in net equity	(20.7)	(40.3)
BALANCE AS AT PERIOD END	**8,536.0**	**8,854.3**

Figures in million euros

Equity attributable to the controlling Company at the close of December 2020 includes:

- An increase of 503.4 million euros in the market value of the financial assets available for sale portfolio, as a result of the increase in market value of the assets included in this portfolio, due to the positive development of the fixed income and equity markets in the fourth quarter of 2020, partially offset by shadow accounting for the negative amount of 228.1 million euros.
- A fall of 675.5 million euros from currency conversion differences, due to the depreciation of all currencies against the euro.
- Profits to December 2020.
- A reduction of 415.6 million euros, from the final dividend against the 2019 financial year, and the interim dividend for 2020, paid on June 25 and December 22, 2020, respectively.

The breakdown of equity attributable to the controlling Company is as follows:

ITEM	DECEMBER 2020	DECEMBER 2019
Capital, retained earnings and reserves	**9,244.4**	**9,154.7**
Treasury stock and other adjustments	-74.3	-66.4
Net capital gains	**1,281.6**	**1,006.3**
Unrealised gains (Available for sale portfolio)	4,068.6	3,565.2
Shadow accounting (Gains allocated to provisions)	-2,787.0	-2,558.9
Currency conversion differences	-1,915.7	-1,240.2
Attributable equity	**8,536.0**	**8,854.3**

Figures in million euros

The financial statements of the companies registered in countries with high inflation rates or hyperinflationary economies are adjusted or restated for the effects of the changes in prices before they are converted to euros. The Group accounting policy for recording operations in hyperinflationary economies, until the close of the 2019 accounting year, consisted of recording in Reserves the accounting effects of both the adjustment for inflation as well as the currency conversion differences generated from the conversion to euros of the restated financial statements of subsidiaries in these countries.

While this criteria was accepted by market regulators in previous years, in response to a recently opened request, the IFRIC (International Financial Reporting Interpretations Committee) considered this above mentioned policy to be in need of review.

As a result, the Group proceeded to change the criteria at the quarterly close of March 2020, and adopted one of the criteria proposed by the IFRIC, therefore recording the accounting effects from inflation adjustments and from currency conversion differences in Equity, with both recycled in P&L.

The adoption of the new accounting treatment led to the reclassification of the net amount of the effects of restatement for inflation and currency conversion to the Equity heading for "Currency Conversion Differences".

The amounts included in the last two years from these effects are shown in the accompanying table.

ITEM	2020	Var 2020	2019
Restatement for inflation	582.5	17.7	564.8
Currency conversion differences	(1,127.6)	(24.8)	(1,102.8)
Net	**(545.1)**	**(7.1)**	**(538.0)**

Figures in million euros

SOLVENCY II

The Solvency II ratio for MAPFRE Group stood at 180.2 percent at September 2020, compared to 183.8 percent at the close of June 2020, including transitional measures. This ratio would be 167.2 percent, excluding the effects of these measures. Eligible Own Funds reached 8.6 billion euros in the same period, of which 86.0 percent are high quality funds (Tier 1).

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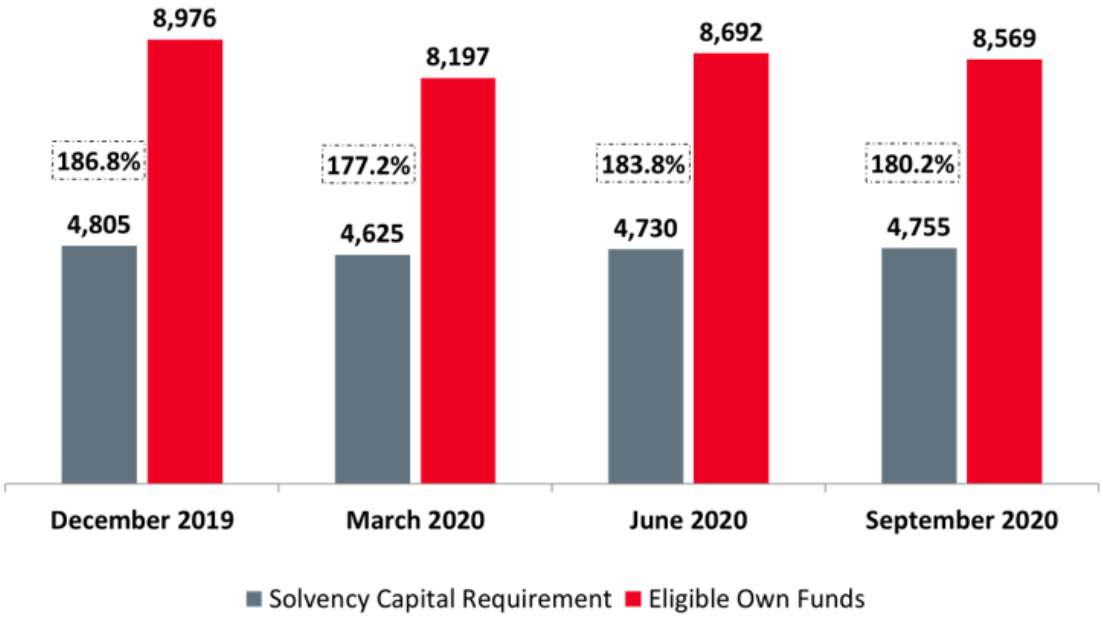
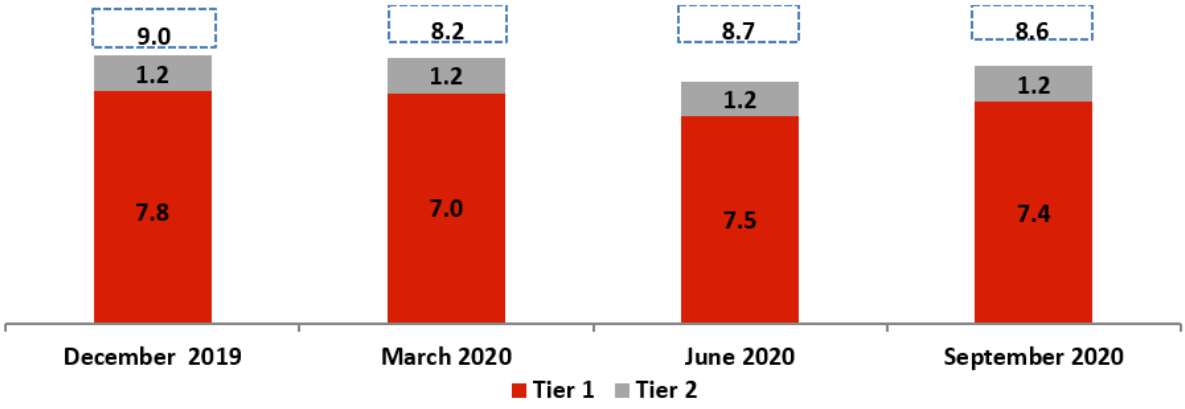
The ratio maintains great solidity and stability, backed by high diversification and strict investment and ALM policies, as can be seen in the charts below.

Solvency margin breakdown (Solvency II)



Figures in millions of euros

As a result of the extraordinary situation of the COVID-19 pandemic, the insurance supervisor requested a quarterly recalculation of the SCR throughout 2020, allowing estimates in the calculation.



Figures in billions of euros

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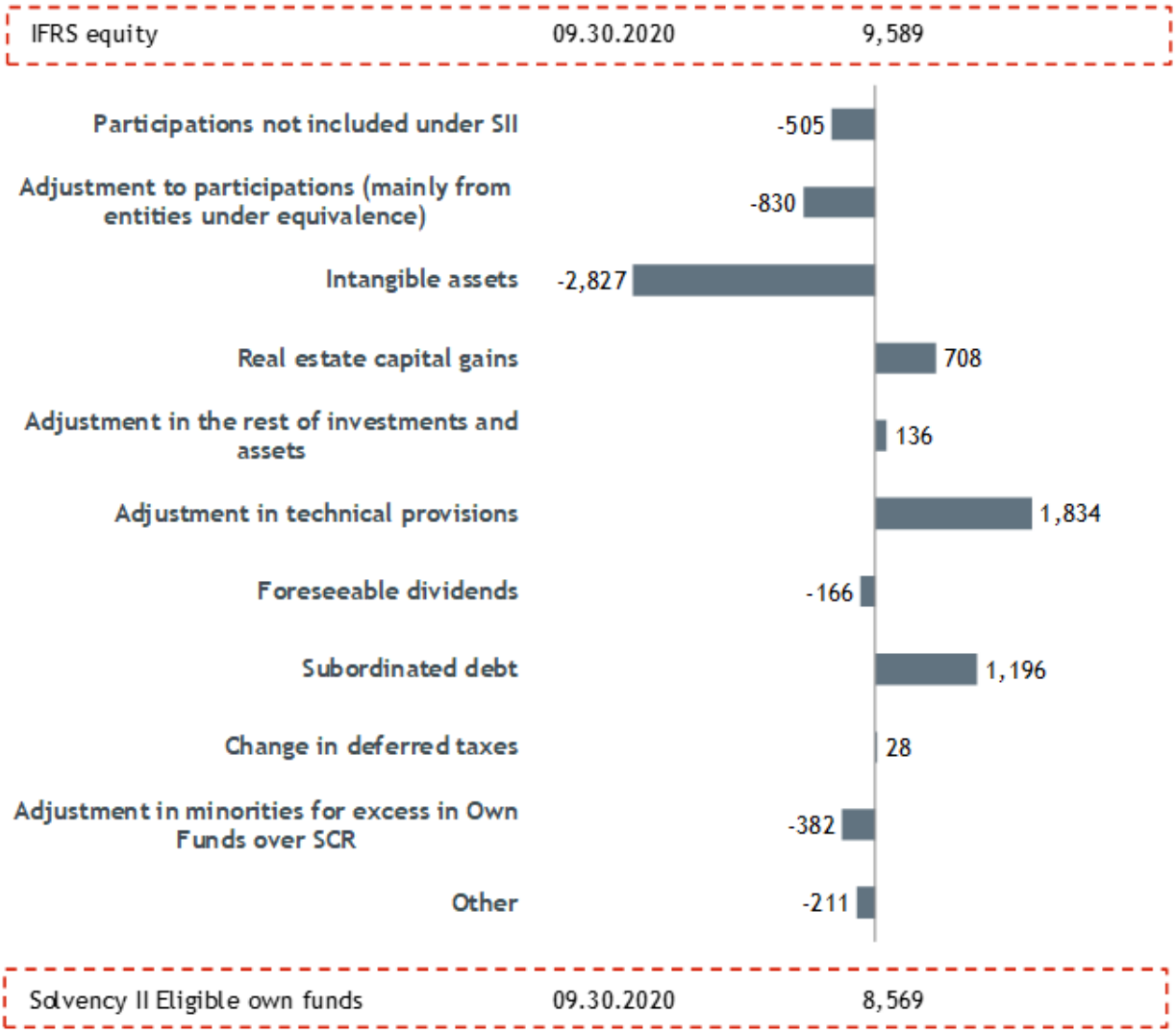
Impact of transitional measures and matching and volatility adjustments

Ratio to 09/30/2020	180.2%
Impact of transitional for technical provisions	-12.9%
Impact of equity transitional	-0.2%
Total ratio without transitionals	**167.2%**

Ratio to 09/30/2020	180.2%
Impact of matching adjustment	5.7%
Impact of volatility adjustment	-1.4%
Total ratio without matching and volatility adjustments	**184.6%**

IFRS and Solvency II Capital Reconciliation



Figures in millions of euros

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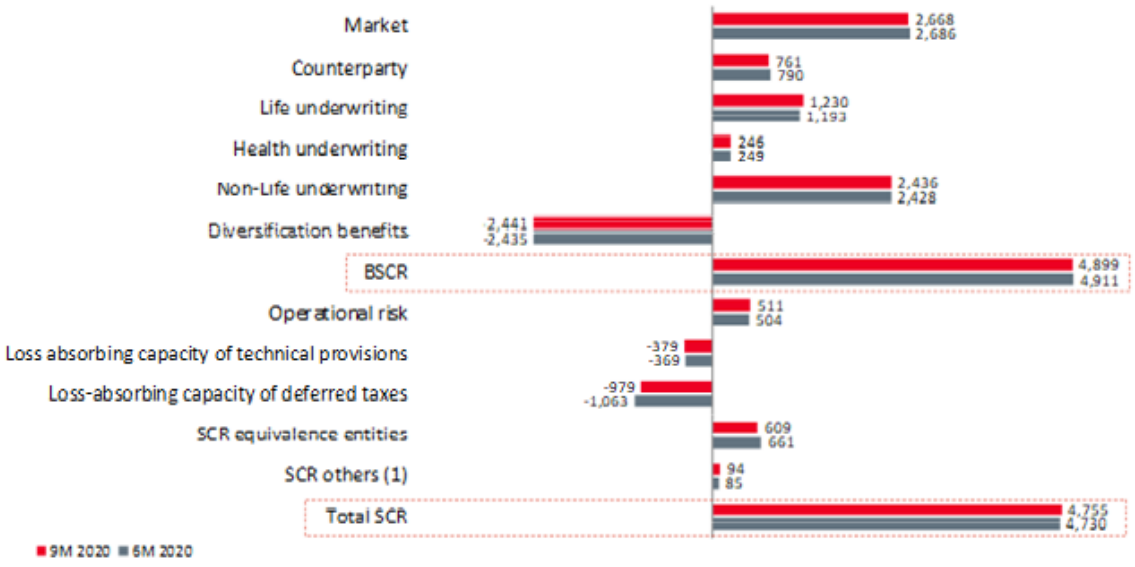
Breakdown of Solvency Capital Requirement (SCR)

The SCR for the last two quarters calculated for September and June 2020 is indicated below.



(1) Includes other financial sectors, non-controlled participations and residual undertakings.

Figures in million euros

Regulatory aspects in progress

Currently, MAPFRE has two initiatives in progress related to aspects of Solvency II, focused on obtaining a better estimate of its risks:

a. Application of the diversification benefit in calculating risk for Life portfolios valued under the matching adjustment.

b. Internal longevity model. In 2019, approval was received from the local Supervisor for the use of the internal longevity risk model in the MAPFRE VIDA unit. The process for the use of this model to calculate Group solvency has been initiated.

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The following table shows the impact on the Solvency Ratio II of the approval of these measures by the Supervisor, based on figures as on September 30, 2020:

	09/30/2020
Solvency II ratio	**180.2%**
Matching adjustment - diversification	12.3%
Internal model for longevity risk	10.0%
Solvency II ratio (pro-forma, combined impact)	**197.2%**

Effect of the BANKIA MAPFRE VIDA exit from the consolidation scope of the MAPFRE Group

In the event of BANKIA MAPFRE VIDA's exit from the consolidation scope of the MAPFRE Group and assuming the maintenance of equity after said exit, the Group's solvency position would improve by approximately 5 percentage points.

ANALYSIS OF CONTRACTUAL OPERATIONS AND OFF-BALANCE SHEET OPERATIONS

At the fiscal year-end, MAPFRE had the following formal agreements for the development and distribution of insurance products in Spain with different companies, some of which have undergone, or are currently immersed in, processes related to the restructuring of the banking system:

- Agreement with Bankia, S.A. in relation to the strategic partnership begun in 1998 with its predecessor Caja de Ahorros y Monte de Piedad de Madrid. The contract was redrafted in 2014 to include a new agreement for the exclusive distribution of MAPFRE Life and Non-Life insurance through the entire Bankia sales network (hereinafter the "Agreement") and the continued joint participation in BANKIA MAPFRE VIDA (previously called MAPFRE-CAJA MADRID VIDA), which specializes in marketing Life insurance through the aforementioned sales network. The Agreement involved the restructuring of the bancassurance business and included an assurbanking agreement through which MAPFRE distributes Bankia financial products using its sales network.

  The Agreement also involved the acquisition in 2014 of 51 percent of shares in Aseval and Laietana Vida and 100 percent of shares in Laietana Generales, for an overall price of 151.7 million euros.

  The final economic value of the Agreement will depend on the future level of compliance with the agreed Business Plan.

  In addition, an agreement was reached in 2019 with MAPFRE VIDA acquiring 51 percent of Caja Granada Vida and Cajamurcia Vida y Pensiones for a total price of 110.3 million euros.

  This agreement also extended the scope of activity of the current partnership for general P&C in the Non-Life line to the BANCO MARE NOSTRUM network.

  In the month of December, the Annual General Meetings of Bankia and CaixaBank approved the merger of the two companies.

  The change of control of Bankia gives MAPFRE the right to exercise an option to withdraw from its partnership according to the contract procedures for calculating the exit value.

- Agreement with Banco Castilla-La Mancha S.A. (as the successor to the banking and para-banking activity of Caja Castilla-La Mancha) for the exclusive distribution of personal insurance and pension schemes of the jointly owned company CCM VIDA Y PENSIONES (of which MAPFRE owns 50 percent) through the company's network.

  The acquisition price for the shares was 112 million euros in cash, plus additional payments to be made in 2012 and 2021. In 2012, the amount of 4.5 million euros was paid to Caja de Ahorros Castilla-La Mancha (now Banco Castilla-La Mancha) and at the fiscal year-end there was a provision for possible payments of 24.4 million euros.

- Agreement with Bankinter S.A. for the exclusive distribution of Life and Accident insurance and pension schemes of the jointly owned company BANKINTER SEGUROS DE VIDA (of which MAPFRE owns 50 percent), through the bank's sales network.

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The acquisition price for the shares was 197.2 million euros in cash, plus two payments of 20 million euros each plus interest to be paid, in light of the degree of compliance with the Business Plan, in the fifth and tenth year of said plan. In 2012, the degree of compliance with the Business Plan led to payment of the first additional amount, namely 24.2 million euros. As the long-term objectives were not achieved, the provision set up for an amount of 29 million euros was canceled during the first quarter of 2017.

On April 1, 2016 BANKINTER SEGUROS DE VIDA, owned 50–50 by Bankinter and MAPFRE, purchased the insurance business of Barclays Vida y Pensiones in Portugal for the sum of 75 million euros.

- Agreement with Bankinter, S.A. for the exclusive distribution of general and business insurance (excluding Automobile, Travel assistance and Homeowners insurance) of the jointly owned company BANKINTER SEGUROS GENERALES (of which MAPFRE owns 50.1 percent), through the bank's sales network.

  The acquisition price of the shares was 12 million euros in cash (in addition to the payment of 3 million euros for the purchase of shares on December 27, 2011), plus an additional 3 million euros to be paid in the event of full compliance with the "December 2012 Business Plan" by the end of 2015. This additional price has not accrued due to non-compliance with this Business Plan.

- Agreement with Banco Santander S.A. for the exclusive distribution of certain Non-Life products. In January 2019, an agreement was reached whereby MAPFRE ESPAÑA would acquire from Banco Santander 50.01 percent of a newly established company to sell automobile insurance, multirisk commercial, multirisk SME and third-party liability insurance exclusively via its Banco Santander network in Spain, for a term until December 31, 2037. The remaining 49.99 percent of said company's capital still belongs to Banco Santander, through its subsidiary Santander Seguros.

  The operation, which amounted to 82.2 million euros, came to a close in June 2019 upon receiving the approval of the corresponding authorities. The company is now operational.

- Agreement with Santa Lucía S.A., an insurance and reinsurance company for the joint development of their respective funeral businesses in Spain. In June 2019, MAPFRE and Santa Lucía formalized a strategic partnership for the joint development of their respective funeral businesses in Spain, contributing the funeral business that they own in Spain of their companies Albia and FUNESPAÑA.

  The preliminary value of assets contributed to the partnership is 322.5 million euros, pending final adjustments that are to be completed on the effective date of conclusion of the transaction.

  Once the final values are set, it was agreed that MAPFRE will hold 25 percent of the share capital through its subsidiary FUNESPAÑA, and Santa Lucía the remaining 75 percent, for which payment will be made in cash between the parties for the amount required to reach the indicated swap.

  The implementation of the partnership is pending approval by the Spanish National Commission on Markets and Competition, which decided to analyze the merger in more depth (second-phase analysis).

The restructuring of the strategic partnership with Banco Do Brasil began in 2018. The result of this restructuring was that commencing November 30, 2018, MAPFRE held 100 percent (previously 50 percent) of all of the business (Life and Non-Life) generated by the agency channel, and the automobile and large-risk businesses that are distributed through the bank channel. It also maintains its current share (25 percent) in BB MAPFRE, which incorporates homeowners insurance from the bank channel into its business.

In addition, MAPFRE and Euler Hermes have a strategic partnership in place to jointly develop the surety and credit insurance business in Spain, Portugal and Latin America. Under this agreement, both companies hold a 50 percent stake in a joint venture called Solunion, integrating the businesses of both groups in the aforementioned markets. Solunion covers risks in countries all around the world and has an international network of risk analysts located in more than 50 countries, who continuously monitor the situation regarding the risks of their insured, in addition to an extensive distribution network in countries where it is present.

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Lastly, the non-controlling shareholders of MAPFRE RE have a put option on the shares of this company. If exercised, MAPFRE or a MAPFRE Group company would have to acquire the shares from the selling non-controlling shareholder. The purchase price for the MAPFRE RE shares will be calculated using the previously agreed formula. As on December 31, 2020, based on the variables included in the aforementioned formula, the commitment assumed by MAPFRE if this option were exercised would amount to a total of approximately 110 million euros.

MAIN RISKS AND UNCERTAINTIES

MAPFRE's risk management system (RMS) is based on the integrated management of each and every business process and the alignment of risk levels to the defined strategic objectives.

PANDEMIC (COVID-19) AND CYBER RISKS

The outbreak of the coronavirus pandemic (COVID-19) and its spread worldwide throughout 2020 has affected virtually all sectors of the economy, including the insurance sector, which has not escaped the global economic downturn.

Pandemic impacts can be classified as first- and second-order impacts. First-order would include those arising from both a spike in the loss experience in certain business lines (such as burial or death insurance), as well as the increased spending needed to implement business continuity plans to ensure the safety of employees and the provision of quality services to insured parties and clients.

Second-order impacts would mainly include rising equity volatility, falling interest rates and public budgetary tensions caused by financial aid measures, alongside a sharp fall in tax revenues. In the short-term, the turbulence in financial markets has had a greater impact than the increase in claims caused by the actual pandemic.

In the insurance sector, the lockdown measures imposed have adversely and unequally affected the objective of premium growth in various lines. The reduction in activity also resulted in a lower loss ratio in some business lines, such as Automobiles. Throughout the year, a gradual return to normal of the loss ratio has been taking place.

While the news on the development of COVID-19 vaccines is positive, it is expected that economic activity will take several fiscal years to reach pre-crisis levels.

The Group faces the above risks and uncertainties with high levels of solvency and a wide margin over regulatory requirements, which will allow the most adverse effects that may emerge to be weathered. This also enables the necessary steps to be taken for the Group to fulfill its role of providing coverage and protection to clients. In turn, a strategic line is maintained based on:

- Technical rigor in risk underwriting and claims management, and a lower expense level than the market average;
- Conservative policy in investment management;
- Maintaining a reasonable level of indebtedness and liquid assets, which mitigates potential liquidity and debt refinancing problems under adverse conditions.

Finally, the pandemic has added a special dimension to cyber risks. The accelerated and mass adoption of web-based technology to ensure continuity of service, the general increased vulnerability of domestic equipment and the significant increase in the use of technology by all actors has facilitated exposure and accelerated the digital transformation of companies.

FINANCIAL AND CREDIT RISK

Market and interest rate risks

A significant part of the results and assets is subject to financial market fluctuations. These changes in market prices may reduce the value of or revenues deriving from the investment portfolio, which in turn may have a negative impact on the Group's financial situation and consolidated results.

Prudent selection of financial assets with adequate characteristics to cover the obligations assumed is the principal measure for mitigating the possible adverse effects of variations in market prices.

MAPFRE mitigates its exposure to market and interest rate risks by means of a prudent investment policy characterized by a high proportion of investment-grade, fixed income securities. Investments in fixed income securities represented 86.3 percent of the entire financial investment portfolio in 2020 (88.7 percent in 2019). Investments in equities and mutual funds had a limited weight in the balance sheet, accounting for approximately 11.2 percent of total financial investments in 2020 (10.2 percent in 2019).

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During 2020, various markets have continued to see historically low interest rates, a trend that is expected to carry on into 2020. This influences consumer behavior and may affect the savings business in particular.

Revenues from MAPFRE's Life insurance and asset management operations are directly related to the value of the assets managed (whether fixed income or equities), which means that a fall in markets could have a negative impact on these revenues.

Exchange rate risk

Changes in the value of the euro against other currencies affect the value of the Group's assets and liabilities, and, therefore, its equity, operating results and cash flows. The currency conversion differences recorded in own funds attributable to the controlling company resulted in the positive/ negative acknowledgment of 675.5 million euros in 2020 (against a positive result of 25.7 million euros in 2019).

In 2020, in response to the pandemic situation, sector supervisors have established restrictions to allow dividends to be paid. MAPFRE has a sufficient capital and liquidity buffer to support the decision not to suspend the distribution of profits, although there has been a reduction with the objective of strengthening own funds while maintaining shareholder remuneration. This decision is also based on a thorough and reflective analysis of the situation, does not compromise either the future solvency or the protection of the interests of insurance policyholders and insured persons, and is made in the context of supervisors' recommendations on this matter. However, it should be noted that the prolongation of the health crises and resulting economic crises could lead to the future adoption of restrictions on dividend payments and restrictive exchange control policies by the governments of the countries in which MAPFRE operates.

Turning to technical provisions for operations abroad, the Group generally applies a policy of investing in assets denominated in the same currency as the commitments acquired by the insurer, thereby mitigating the exposure to exchange rate risk.

Credit risk

Returns on investments are also sensitive to changes in the general economic conditions, including variations in the general credit rating of debt security issuers. Accordingly, the value of a fixed income instrument may be reduced by changes to the credit rating or insolvency of the issuer. There are similar risks in exposures to insurance, reinsurance and banking counterparties.

Exposure to credit risk is mitigated through a policy based on the prudent selection of security issuers and counterparties on the basis of their solvency, seeking i) an elevated degree of geographic correspondence between issuers of assets and the commitments assumed; ii) maintenance of an appropriate level of diversification; and iii) securing, if necessary, guarantees, collateral and other additional coverages.

The credit risk management policy establishes limits by issuer in line with the risk profile of the counterparty or of the investment instrument, as well as exposure limits related to the counterparty's rating.

OPERATIONAL RISKS

Regulatory risk

The Group works in a complex environment under increasing regulatory pressure, not only in the insurance sector, but also in matters of technology, corporate governance or corporate criminal responsibility, among others.

Insurance companies are subject to special laws and regulations in the countries where they operate, and various local authorities are responsible for ensuring compliance therewith. Taking into account the financial or economic conditions, some of these authorities are considering strengthening the regulatory requirements with the purpose of preventing future crises or ensuring the stability of the companies under their supervision.

Legislative changes can (i) involve a risk if the Group is unable to adapt to them or (ii) affect the operations of the Group to the extent that the supervisory authorities have broad administrative control over various aspects of the insurance business. This control may affect premium amounts, marketing and sales practices, the distribution of profits among policyholders and shareholders, advertising, license agreements, policy models, solvency, capital requirements and permitted investments. Changes in taxation may affect the benefits of certain products marketed by the company or its subsidiaries that currently enjoy favorable tax treatment.

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ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) RISKS

MAPFRE permanently analyzes those factors that, should they materialize, may have an impact on the business. In this analysis, environmental, social and governance (ESG) factors are taken into account, in that they allow for additional information to be obtained on social movements and transformations, stakeholder and market expectations that affect the organization.

The analysis of these ESG factors, and how they may affect the business in the short-, medium- and long-term, will determine their relationship and inclusion in the typology of risks established by the company and in the adoption of prevention and mitigation measures.

The Integration Framework for ESG aspects includes, among other elements, different aspects related to the underwriting and investment processes.

The Group has an Underwriting Policy in place, approved by the MAPFRE S.A. Board of Directors, applicable to all insurance and reinsurance companies.

It also has a Global Business Committee and an Underwriting Policy Committee in place that, among other functions, is responsible for the correct application of said Policy, and analyzes and proposes operating exclusion rules on ESG matters. In addition, when underwriting global risks, MAPFRE has in place an internal ESG assessment model that considers the ESG risk exposure of a company with the ESG risk exposure of the countries and sectors in which said company is exposed and a reputational risk analysis as part of the decision-making process.

In relation to investment processes, in 2017, MAPFRE signed up to the Principles for Responsible Investment of the United Nations Organization (PRI) and established the Group's framework of action in terms of Socially Responsible Investment (SRI), which focuses on those key aspects that must accompany the organization in the scope, implementation, integration process of ESG aspects, and which are complemented by those determined in each case.

The United Nations SRI principles coexist with the obligation assumed as a custodian of clients' savings and investments and maintaining the solidity of the balance sheet. Therefore, criteria of prudence are applied in investment, the creation of long-term value is sought, and ESG factors are incorporated in a complementary way to traditional information.

MAPFRE has an Investment Risk Committee in place that periodically analyzes the composition of portfolios, their ESG assessment, any controversies that may arise and the application of the approved exclusion grounds.

The Corporate Investment Area is responsible for ensuring that the principles of responsible investment established are complied with in the organization and for reporting annually to the Sustainability Committee on compliance with same.

ADDITIONAL INFORMATION

Note 7, "Risk Management," of the Consolidated Annual Report includes detailed information about the different types of risk that affect the Group.

SIGNIFICANT EVENTS AFTER THE FISCAL YEAR-END

- On January 8 and 9, large areas in the interior of the Spanish peninsula were affected by heavy snow and a cold wave, which can undoubtedly be considered historic, from the Filomena storm. To date, there is a relevant number of claims. Based on the assessments performed and considering reinsurance protection, this event is expected to have an impact for MAPFRE Group, net of taxes, of between 20 and 25 million euros.

- On January 22, 2021 MAPFRE and Abante agreed that MAPFRE increasing its stake in Abante by 10 percent take place immediately, via capital increase. In the agreement signed between the two partners in July 2019, a three-year period had been stipulated for this option; MAPFRE has decided to implement it in advance, precisely because of the good progress of the alliance.

  With this transaction, the stake in Abante will reach 18.77 percent.

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INFORMATION ON EXPECTED PERFORMANCE

OUTLOOK

Nine months after the COVID-19 pandemic was announced, it has proven to be exactly the disruptive long-trailing event that it was feared it would become. The appearance of this black swan has generated an unprecedented shock across the global economy that has resulted in a sharp decline in levels of business. It has been characterized as totally unique due to its exogenous, global and unpredictable nature. It is a self-inflicted external shock resulting from preeminently health-based decisions and measures (i.e., lockdown and social distancing), which have led to disrupted activity through restrictions on social interactions within both developed and emerging economies.

The shock will have all sorts of effects on the performance of the global economy. Firstly, we have seen direct effects on supply and demand, which have led to a slump in business and expectations as to how things will pan out (due to high levels of uncertainty). Secondly, and depending on the extent to which social lockdown measures are enforced, we will see a deterioration in the income of market agents and growing pessimism within the industry and among consumers, with both groups having to cope with growing liquidity problems.

And, finally, the third effect is a long-term phenomenon known as the "new normal" resulting from the incomplete and asymmetrical recovery that lies ahead, which may spark sovereign and financial solvency problems, distortions in the price of assets, reduced long-term growth potential (lower physical capital, human capital and productivity) and high levels of public debt, among other aspects.

It is a truly global shock as at the height of this crisis more than 90 percent of the world's economies simultaneously reported a decline in GDP. The effects and speed of the recovery, however, will be asymmetric, and will hinge on the productive structure of each country and the specific economic and health vulnerabilities of each system.

In terms of GDP, the shock will trigger a major correction in the baseline scenario (around 4.4 percent down in 2020), with significant differences between regions. It will also raise levels of unemployment globally (the International Monetary Fund estimates that 400 million jobs will be lost) while widening the poverty gap. In terms of disposable income, the expectation is for a widespread reduction of the increased levels of prosperity amassed by the middle classes since the start of the millennium, especially in Latin America.

In terms of financial effects, the shock may involve current-account financing problems across many emerging markets by exerting pressure on their exchange rates and depleting their reserves. It may also distort the price of many safe-haven assets (gold, sovereign bonds, etc.) and may alter international investment preferences by virtue of a growing crowding out effect. Further, the shock will be conducive to an environment of financial volatility and fragility, distorting the proper functioning of the markets due to the effects of the crisis itself and also because of the measures undertaken by governments and central banks to keep it under control.

Lastly, the very nature of this economic crisis means that uncertainty is high (as can be seen in the confidence level of producers and consumers) and the situation has also affected the perception of global risk and regional derivatives (VIX equity index and EMBI emerging market bonds market). This phenomenon is noticeable in the management of global portfolios and in the mass migration of flows we have witnessed since the onset of the pandemic, in line with the rise in the emerging risk premium, which has altered net portfolio inflows in key countries for financing the current account.

Risk aversion currently remains high, although it has eased, and financing flows stand at the level reported in April, with further impairment having now largely been halted thanks to the actions undertaken by central banks in developed countries.

Furthermore, in addition to this uncertainty, it is also possible that new risks will appear that we are currently unaware of, but which may be caused by the interaction of pre-existing risks and the crisis triggered by the COVID-19 pandemic.

Given this sequence of events, we can split the chronology of the pandemic into in two phases.

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The first phase was one of containment (during the second and third quarters of 2020), which was initially characterized by social distancing and lockdown measures. During this phase, shocks affected global value chains, there was limited demand—especially for services—and high uncertainty, leading to increases in the savings rate and a fall in consumption.

However, as restrictions eased and monetary and fiscal economic policy began to show the effects, the situation improved to the point where, in general, the initial forecasts for economic growth in 2020 were upgraded and some level of optimism returned.

The second phase is about transition (extending from the last quarter of 2020 and lasting throughout 2021), during which the world will have to contend with a second wave of infections, prompting an increase in the number of coronavirus cases and a consequent return of restrictions. This will have a mixed bag of effects on global activity, depending on the sector or industry concerned, and renewed levels of pessimism among consumers and producers alike. During this phase, there will be less monetary and fiscal leeway for applying public policies, making positive surprises a less likely prospect as we move forward.

Thus, the long-term horizon will be dominated by three elements that will characterize the "new normal" of the global economy: (i) substantially higher levels of debt; (ii) lower long-term economic growth; and (iii) less input by the market and more input by governments and central banks.

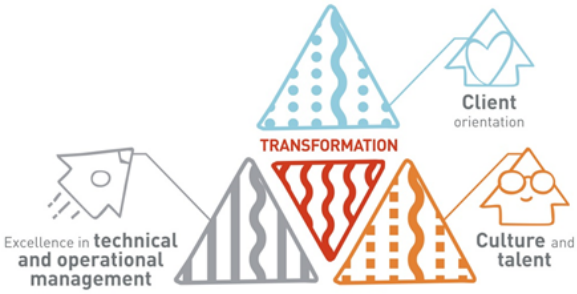
By 2021, however, a rebound in global economic growth is expected to prompt a business improvement of around 5.2 percent, albeit with substantial differences across countries and regions. Growth within emerging markets is expected to be around 6.0 percent, while growth in developed countries should be closer to 3.8 percent.

This is the baseline scenario, although uncertainty arising from the management of the pandemic, and existing and emerging risks, could lead to a more adverse scenario.

STRATEGIC PLANNING

At MAPFRE, we are transforming ourselves to grow profitably. Digitization, innovation and commitment to society are key to this change. To remain a competitive and sustainable company, **transformation is evident in everything we do**. It is transversal and acts as a true accelerator in all areas of the company.

The Group's strategy is endowed with a philosophical framework comprising the Mission, Vision and Values, and is structured around three pillars that respond to the change agenda that has been established:



Within the framework of the strategic pillars, we have defined a series of objectives and indicators that make up our Strategy Map, as well as a portfolio of initiatives that will enable us to achieve these objectives.

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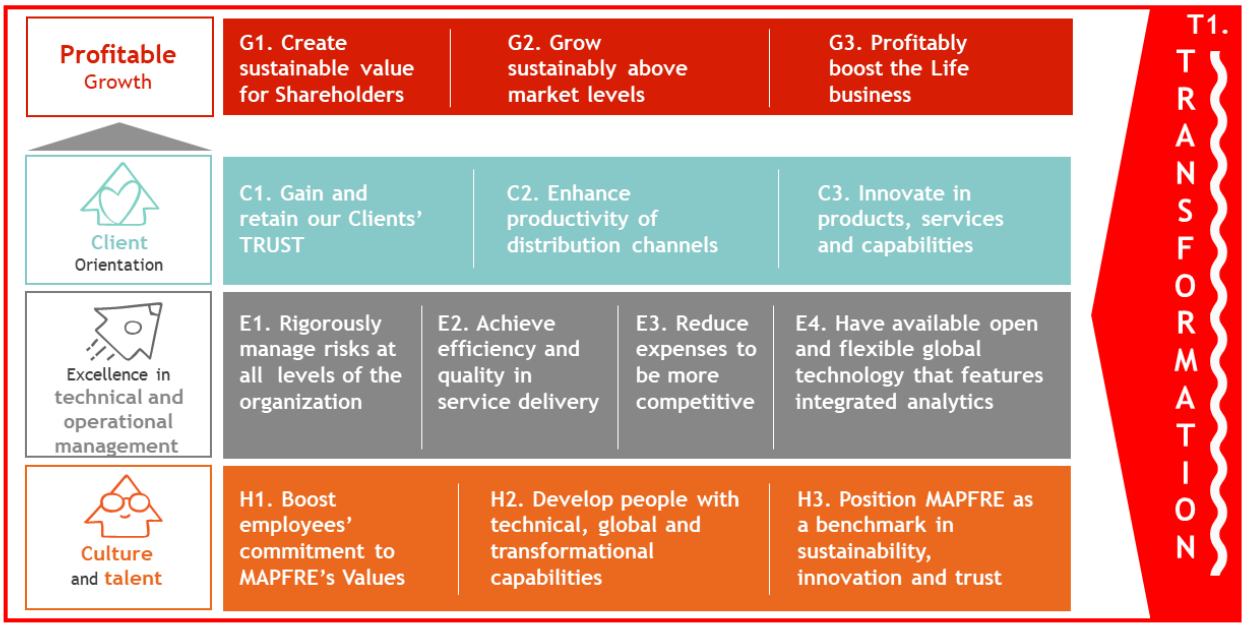
Strategy map



Strategic Plan Initiatives

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The second year of the **Strategic Plan 2019–2021 "Transforming ourselves to grow and be profitable"** was a year in which the health crisis conditioned the global economic, political, and social environment, and will continue to do so in the near future. The trends reflected in various market studies concur that we are facing an economic recession, that there will be an evolution in consumption habits driven by an increase in digitization, as well as greater awareness surrounding the impact that individuals, governments and companies have on the environment and how our social contribution must be greater in order to improve the environment and quality of life of those around us.

Based on these reflections, we firmly believe that the objectives and initiatives defined in the current plan will help us face this highly uncertain environment.

The main advances during 2020 in the objectives and initiatives that promote each of the pillars of the plan were:

Profitable growth

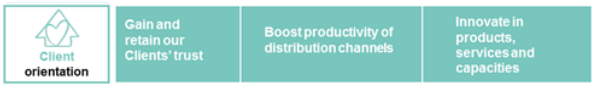
The Group's income statement shows that this has not been an easy year for profitable growth. However, all of our operations have worked hard throughout 2020 to continue to make progress toward the objectives we have in this regard.

We have a number of indicators to measure the progress of each of these objectives. This report highlights the progress of those we have published:

- ROE: 7.6 percent (excluding goodwill writedown)
- Revenue: 25.42 billion euros

Client orientation

The objectives in this pillar are:



Data on public objectives in this pillar:

- Percentage of Non-Life businesses with NPS® above market average: 82.3 percent

Excellence in technical and operational management

The objectives in this pillar are:

Data on public objectives in this pillar:

- Combined Non-Life ratio: 94.8 percent

Culture and talent

The objectives in this pillar are:

Data on public objectives in this pillar in 2020:

- Culture and Talent index: 84.1 percent
- Percentage of vacancies in managerial positions filled by women: 46.3 percent
- Percentage of workforce with disabilities: 3.3 percent

Future prospects for the Strategic Plan 2019-2021

For 2021, we have decided to maintain the Strategic Plan's objectives and initiatives. However, to adapt to the complex current environment, we have carried out a prioritization exercise by selecting three projects from each of the seven corporate strategic initiatives, and selecting the countries in which they will be implemented initially. This prioritization aims to accelerate transformation, streamline implementation and generate best practices for growth and profitability.

Regarding the objectives for the next three years, during 2021, and as part of the methodology established in the Strategy Review and Management Group, we will carry out a profound reflection process that will allow us to define the Strategic Plan for the period 2022–2024.

R&D+i ACTIVITIES

INNOVATION

At MAPFRE, innovation is one of the main levers for generating differentiated value propositions for clients. The lines of action are both strategic and disruptive, covering the entire cycle from brainstorming and contact with insurtech companies to the practical implementation, as ever keeping the client at the center of the process.

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MAPFRE also protects its clients through road safety and experimentation, in this case through CESVIMAP, a technology center of global reference for the design, assurance, use, maintenance, repair and recycling of vehicles and other mobility solutions for goods and people.

Its lines of action are technological research on the reduction of the accident rate, the definition of more efficient repair processes, reducing their cost and environmental impact, new products and services focusing on Usage-Based Insurance (UBI), Advanced Driver Assistance Systems (ADAS) in combination with crash tests and progress in assessing new risks and needs associated with electric vehicles.

In 2020, MAPFRE undertook multiple initiatives in its different lines of action, notably the launch of the third call for acceleration and adoption in insur_space with more than 400 startups, that of the first collaboration in the field of innovation and entrepreneurship with universities (IE Tech Lab) and 12 new Venture Capital investments in startups, in addition to the eight in 2019.

In this way, the Group is offering solutions and proposals to clients that take advantage of the latest technologies, such as the Internet of Things (Leakbot), artificial intelligence applied to images, text and voice (damage assessment using images, verbatim analysis, claim automation), Blockchain (digital identity, B3i consortium for reinsurance) and next-generation products and services (on-demand insurance, on/off policies).

DIGITAL TRANSFORMATION

MAPFRE operates in digital business across four business lines (MAPFRE.COM, VERTI, INSURE&GO and SAVIA), following a structured, client-centric strategy in each of them. The main actions carried out in this year were as follows:

- Digital Marketing: we continued to identify our clients' needs and to have a presence where they seek us, as well as offering new ways to engage with them. We have therefore analyzed new ways of searching for products and services through voice, image and video in the digital arena, and have evolved in our use and generation of data and customization of the client's digital journey. This year, a digital marketing shared service center model was successfully implemented in several countries, which has allowed them to increase their capabilities.

- Sales and retention: in 2020 the change in digital design through the MAPFRE and VERTI brands began, starting with the launch of the new graphic design and the structure of the sales portals, as well as the change of their technological platform. To increase online pricing and sales capabilities, as well as adapting to client needs and preferences, the design and development of pricing and sales processes through chatbots and voice assistants was completed, and online pricing and sales capabilities have expanded. The drive toward digital customer ratio optimization (CRO) also continued, focusing on simplifying the digital processes offered to clients.

- Digital data: advanced predictive models for optimizing and automating digital sales and marketing activities have been developed through the use of Big Data. These models enable real-time decision-making in the processes of attracting and converting clients digitally.

- Marketplaces: clients are increasing their use of these types of platforms, and more than half of B2C sales worldwide are now taking place in marketplaces, with an upward trend. For this reason, since 2018 we have been present in Spain through an agreement with Amazon, and this year there have been specific activities in Italy and Germany for advertising on Amazon. Further progress has been made in agreements with other marketplaces, such as MercadoLibre in Brazil.

- Price comparison sites: a new corporate asset has been developed to improve business profitability through real-time dynamic pricing and subscription management. It works to increase the level of user agility in the technical management of their tasks.

QUALITY

The MAPFRE Quality Observatory is responsible for measuring the quality perceived and delivered, and conducts client surveys in every country where the Group operates. These surveys cover all lines of insurance and assistance services, and are conducted every six months. This is performed by analyzing the Net Promoter Score (NPS®) to evaluate client satisfaction and critical client touchpoints. Recommendations are then drawn up regarding the main areas that could be improved.

The reports drawn up by the Quality Observatory provide data on the client experience, assisting with the decision-making process in the different business areas.

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In 2020, the 11th relational NPS® measurement wave was carried out, involving a representative sample of MAPFRE's portfolio. This wave, with over 800,000 respondents, involved 18 countries and business lines and covered 74.9 percent of the total private Non-Life premiums of the Group.

As part of this study, each year the Observatory measures the client experience level of MAPFRE's major competitors in each country and business line. Approximately 80 companies are analyzed around the world. This analysis reveals that the objective set for 2020 was met, namely, to obtain an NPS® from MAPFRE's clients greater than the average NPS® of competitors analyzed, in excess of 82.3 percent of the premium volume measured.

To complement these measurements of relational NPS®, the Quality Observatory defined a Global Model for transactional NPS®, which allows MAPFRE to find out, in real time, a client's perceptions after interacting with us. This model is currently already in place in Brazil and Spain, and was launched in the USA, Puerto Rico, Mexico, Peru and Chile throughout 2020.

Likewise, in 2020 the Quality Observatory carried out the third measurement on the experience of internal clients (iNPS®) and on the assignors and brokers for the reinsurance services provided by MAPFRE RE.

ACQUISITION AND DISPOSAL OF TREASURY STOCK

Following the publication on January 13, 2020 of the Press Release of the Spanish National Securities and Exchange Commission (the CNMV), rescinding the criteria on discretionary treasury stock transactions from 2013, the Board of Directors of the company, at its meeting on February 11, 2020, agreed to abolish the company's Treasury Stock Policy. Accordingly, hereinafter, the transactions for the sale of MAPFRE S.A. shares, where appropriate, will be in accordance with the provisions of the Market Abuse Regulation and Circular 1/2017 of the CNMV.

During fiscal year 2020, no MAPFRE S.A. shares were purchased and 203,905 shares, representing 0.0066 percent of the capital, amounting to 286,299.74 euros, were issued to directors of subsidiaries as part of their variable remuneration.

In the previous year, 7,897,336 treasury stocks were bought and 1,839,387 treasury stocks were issued to directors of subsidiaries as part of their variable remuneration, resulting in a net increase of 0.1967 percent of the capital, amounting to 15,585,821.85 euros. As on December 31, 2020 and 2019, the total balance of treasury stock was 30,285,934 and 30,489,839 respectively, representing 0.9835 percent and 0.9901 percent of equity, in the amount of 63,408,631.35 and 63,835,547.24 euros, respectively.

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OTHER RELEVANT INFORMATION

THE MAPFRE SHARE

The table below shows the key information relating to MAPFRE shares at the 2020 fiscal year-end.

Number of shares outstanding	3,079,553,273 fully underwritten and paid up
Face value of each share	0.1 euros
Share class	Common, represented by book entries. All outstanding shares carry identical voting and dividend rights
Stock exchange listings	Madrid and Barcelona Stock Exchanges (continuous market)
Principales índices bursátiles en los que se incluye la acción	IBEX 35; IBEX Top Dividend MSCI World SMID Cap Index FTSE All-World; FTSE Developed Europe FTSE4Good(1); FTSE4Good IBEX(1) DJSI World(1) Euronext Vigeo Europe 120(1); Euronext Vigeo Eurozone 120(1) Ethibel Sustainability Index - Excellence Europe(1)
Código ISIN	ES0124244E34

(1) Indices that measure the outcome of a company's actions to uphold and support sustainable development and human rights.

In 2020, MAPFRE S.A. shares traded for 257 days on the continuous market. According to data published by the Spanish stock market operator (BME), an average of 7,395,047 shares were traded daily on this platform compared to 5,128,636 in 2019, an increase of 44.19 percent. The effective average daily transaction value was 12.3 million euros, compared to 12.9 million euros in the previous year, a decrease of 4.65 percent.

At the end of 2020, a total of 16 analysis institutions followed share performance, of which 56 percent recommended "buying" the company's shares, compared with 25 percent of recommendations to "maintain" and 19 percent to "sell."

VALUE AND RETURN

The share price performance is shown in the following table, compared to two key benchmark indices (the IBEX 35 and the sectorial STOXX Europe 600 Insurance and IBEX 35 Bancos indices):

	1 YEAR	3 YEARS	5 YEARS
MAPFRE	-32.5%	-40.5%	-31.1%
STOXX Europe 600 Insurance	-13.5%	-3.2%	-2.2%
IBEX 35	-15.5%	-19.6%	-15.4%
IBEX 35 Banks	-27.3%	-49.9%	-46.7%

MAPFRE's earnings per share (EPS) during the same period are shown below:

	2020	2019	2018	2017	2016
EPS (euros)	0.17	0.20	0.17	0.23	0.25
Var. %	-13.6%	15.2%	-24.5%	-9.7%	9.4%

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SHAREHOLDER STRUCTURE AND REMUNERATION

At the end of fiscal year 2020, Fundación MAPFRE held 69.8 percent of the company's shares, excluding treasury stock, which represented 0.98 percent of the shareholder structure. Spanish institutional shareholders accounted for 3.9 percent and institutional shareholders in other countries 15 percent. The remaining 10.2 percent is held by non-institutional shareholders.

The dividend policy establishes that shareholder remuneration must be linked to the company's earnings, solvency, liquidity and investment plans, and also aligned with the interests of all its shareholders. Among the objectives set for the three-year period 2019–2021 are to create sustainable value and to adequately remunerate shareholders.

On December 22, 2020, the interim dividend charged to 2020 profits was paid at 0.05 euros per share before tax, after the amount corresponding to treasury stock had been applied to the remaining shares on a proportional basis. The total dividend paid out in the year was 0.14 euros per share, giving a total remuneration of 415.7 million euros.

The final dividend for fiscal year 2020 to be proposed at the Annual General Meeting is 0.075 euros per share before tax. Consequently, the total dividend against the results for 2020 amounts to 0.125 euros per share before tax, representing a payout ratio of 73.1 percent.

Dividend payments and the dividend yield, calculated on an average share price basis, are indicated below.

	2020	2019	2018	2017	2016
DIVIDEND PER SHARE (euros)	0.135	0.145	0.145	0.145	0.130
DIVIDEND YIELD	8.1%	5.7%	5.5%	4.9%	5.8%

CREDIT RATING MANAGEMENT

In April, Moody's ratified MAPFRE ASISTENCIA's rating as "A2" with a stable outlook. During the first quarter, MAPFRE requested the withdrawal of this same rating, which finally occurred in June.

During fiscal year 2020, the main rating agencies affirmed the credit situation of MAPFRE S.A. and its main subsidiaries:

a. S&P affirmed the credit ratings of MAPFRE S.A. and the financial strength of MAPFRE RE.

b. Fitch confirmed the credit ratings of MAPFRE S.A. and the financial strength of MAPFRE ASISTENCIA, MAPFRE BHD COMPAÑÍA DE SEGUROS and MAPFRE SIGORTA A.S.

c. A.M. Best confirmed the financial strength of MAPFRE RE, MAPFRE ESPAÑA, MAPFRE U.S.A. Group, MAPFRE PRAICO, MAPFRE MEXICO and MAPFRE PANAMA.

The current status of credit ratings of the companies headquartered in Spain and the main companies headquartered outside of Spain is provided in the accompanying table.

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Companies resident in Spain	S&P	Fitch	A.M. Best
MAPFRE S.A. - Issuer	A- (Stable)	A- (Stable)	-
MAPFRE S.A. - Senior debt	A-	BBB+	-
MAPFRE S.A. - Subordinated debt	BBB	BBB-	-
Financial Strength			
MAPFRE RE	A+ (Stable)	-	A (Stable)
MAPFRE ESPAÑA	-	-	A (Stable)
MAPFRE ASISTENCIA	-	A+ (Estable)	-

Companies not resident in Spain	S&P	Fitch	A.M. Best
Financial Strength			
MAPFRE SIGORTA A.S. (Tutkey)	-	AA+ tur (Stable)	-
MAPFRE SEGUROS GENERALES DE COLOMBIA	-	AA col (Stable)	-
MAPFRE BHD COMPAÑÍA DE SEGUROS (Dominican Republic)	-	AAA dom (Stable)	-
MAPFRE U.S.A. Group	-	-	A (Stable)
MAPFRE PRAICO (Puerto Rico)	-	-	A (Stable)
MAPFRE MÉXICO	-	-	A (Stable)
MAPFRE PANAMÁ	-	-	A (Stable)

TRANSPARENCY PLAN

In 2020, the new corporate website was launched, featuring a more modern design and with the objective of becoming a transversal communication platform. On the website, both informative and editorial content are combined in an active and conscious manner in order to inform society of the identity, strategy and attributes by which MAPFRE wishes to be recognized.

In order to disseminate the company's activities across different fields, raise awareness and interact with different interest groups, the meetings and interventions of managers have been posted and promoted on various social networks and channels (Twitter, Instagram, Facebook and YouTube, among others).

With regard to pre-contractual and contractual information, once the documentation has been posted in the "Information of interest" section of the mapfre.es website, which is kept up to date at all times, personalized electronic notifications are sent to clients including a link to the website. The Life area continues to progress along the same line, allowing customized electronic notifications to be sent as well.

In addition, the website has been updated to include other information to be made available to or considered to be of interest to clients, such as solvency reports, personal data protection information, anti-money laundering information or even the option to obtain the income tax withholding certificate for natural persons online.

In addition, the corporate Intranet is the internal communication channel for employees, where there are areas available for each of the Group's companies. There is an area called "Organization chart and appointments," where employees can view MAPFRE's organization chart and the most senior representatives and the governing bodies, and stay current on any appointments arising in the companies and countries.

The People Space of the Intranet is constantly evolving and updated. This space covers global and local content and news on people management of interest to employees, presenting the content in a structured way to facilitate easy navigation that enhances the user experience.

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In addition to global content, the Intranet also has specific areas for each company and area of the Group, making it easy to communicate information of interest to employees in their immediate work area. The Intranet also has a specific area related to the company's strategy, covering all the reference information on the Strategic Plan, from Vision, Mission and Values to the pillars and strategic initiatives. The creative area uses videos and infographics to provide both global information and key points of the strategy in every region, country, business unit and corporate area.

The #askMAPFRE initiative was launched during lockdown. This enabled hundreds of employees worldwide to ask questions on the Intranet on anything related to how the company was tackling the COVID-19 situation, and the role of people and teams.

The MAPFRE People app was also launched, a new communication channel to make life easier for employees by optimizing and reducing the time of their dealings with the company. The app has a wide range of features and personalized content, such as requesting vacations, leave or medical appointments, accessing vacancies, gaining immediate feedback, receiving alerts, accessing quick learning or the latest news. This app has been downloaded by 9,478 people.

In addition, this year a tool for managing and reserving physical spaces has been incorporated into the People app, as well as the MAPFRE COVID RADAR application, which guarantees the appropriate social distancing measures and automates contact tracing. The ultimate aim of these measures is to control the COVID-19 pandemic.

Throughout the year, the support communities have continued to grow on the Intranet, with a total of 310 active communities in which 10,815 employees participate.

As part of the Digital Challenge strategic initiative, momentum is being given to the new ways of working with technological tools, which enable work to take place in an open, transparent and collaborative way. The new Global Hybrid Remote Working Model has been approved and the MAPFRE Corporate Digital Disconnection Policy has been approved and published.

All employees have access to a knowledge platform, eureka, in all three corporate languages, including over 1,250 knowledge entries. Employees can search for reports and studies, best practices, use cases and links of interest through the search center and can contribute anything they consider important to share. They can also find contact references for each of the knowledge entries.

In terms of attracting and managing talent, 2020 saw the consolidation of the new global selection and mobility system in the majority of the Group's companies.

Employees have career plans based on job position and personal development plans, which are communicated individually. They are involved in the process by being invited to make a proposal for their development plan, and are provided with the necessary help to guide them throughout.

A 360° feedback model is available worldwide for all employees, with continuous feedback on objectives, activities and conduct, not only between supervisors and collaborators, but also between internal peers and clients. A total of 39,591 individual objectives were set in 2020, 126,897 activities were established and 38,288 feedback actions were performed.

Plans have been made to give employees public acknowledgment for their work and achievements in relation to the new behaviors and habits of the organization (be agile, collaborate and innovate), as well as other specific plans. These plans have been widely welcomed by employees.

The Group's global learning management tool can be used to manage on-site and online training for all employees around the world. Furthermore, it also helps promote the "self-learning" feature, a space where each employee can access MAPFRE's catalog of training content. Its design and its capacity to adapt and be flexible have allowed us to adapt in an agile and effective way to the situation created by COVID-19, guaranteeing the training and learning of MAPFRE personnel worldwide.

Through its social network profiles on Facebook, Instagram, Twitter, LinkedIn and YouTube, MAPFRE also communicates and interacts with its employees.

There is also a corporate magazine (*The World of MAPFRE*), the digital edition of which was refreshed in 2020 with the aim of modernizing its design and encouraging interaction, both with employees and with the general public. This magazine is published quarterly and is distributed worldwide, reporting on the news and the situation of the company.

With a view to ensuring ongoing comprehensive monitoring of the processes that impact the commitment and development of employees, in 2020 the Culture and Talent index was evaluated again. This is an internal indicator that covers employee satisfaction (Employee Satisfaction Index, ESI), turnover and the seniority of employees, in addition to functional mobility, the percentage of employees with assigned development plans and the internal promotion rate for managerial positions.

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In 2020, a model to measure the employee experience, which enables a more in-depth analysis on a continuous basis, has continued to be applied. This model is based on three types of measurements:

- Relational eNPS®: measures how likely employees are to recommend MAPFRE as a company to work for.
- Employee life cycle: model for analyzing the different life cycle touchpoints of employees, which involves creating focus groups and questionnaires through which employees' experiences in their interactions are measured at each different stage of their journey: recruitment, reception, performance evaluation, recognition, mobility and changes, among others.
- Perceived Human Resource Quality index: a perceived quality survey that analyzes how employees perceive the quality of service provided by the Human Resources areas.

ECONOMIC CONTRIBUTION TO SOCIETY

Insurance activities generate direct economic value through the constant flow of transactions (premium payments, benefit payments, investment management, etc.), which have an effect on the different aspects of economic and social development in the environment in which the company operates.

Of the consolidated revenues of 25.42 billion euros generated in the period (28.47 billion euros in 2019), MAPFRE made economic contributions to society in general via multiple payment types, which are detailed in the accompanying table.

Item	2020	2019	%20/19
Benefits paid [1]	13,731.7	16,120.2	-14.8%
Payments to providers [2]	7,335.9	7,761.6	-5.5%
Wages and salaries, and other [3]	1,456.0	1,504.4	-3.2%
Activity subtotal	**22,523.6**	**25,386.2**	**-11.3%**
Dividendos [4]	658.4	844.1	-22.0%
Shareholders subtotal	**658.4**	**844.1**	**-22.0%**
Net income tax payment	298.4	430.8	-30.7%
Social security	240.8	257.0	-6.3%
Public administrations subtotal	**539.2**	**687.8**	**-21.6%**
Interest paid	73.6	69.8	5.4%
Financing subtotal	**73.6**	**69.8**	**5.4%**
Total	**23,794.8**	**26,987.8**	**-11.8%**

Figures in million euros

(1) Benefits paid and related expenses of direct insurance and accepted reinsurance.

(2) Includes payment of commissions and other activity services.

(3) Wages and salaries amounted to 1,215.9 million euros in 2019 (1,251.1 million euros in 2019).

(4) Dividend payments made during the fiscal year.

Furthermore, in its capacity as an insurer, the company makes commitments to its insured in exchange for the management of resources that are invested in assets, particularly financial assets. The following table shows information about the company as an institutional investor at the close of the last two fiscal years.

Item	2020	2019	%20/19
THIRD-PARTY FUNDS UNDER MANAGEMENT [5]	**34,250.6**	**40,663.0**	**-0.2**
TOTAL INVESTMENTS	**38,931.4**	**47,363.4**	**-0.2**
Financial investments	**36,511.1**	**44,995.9**	**-0.2**
Fixed income	31,531.7	39,443.7	-0.2
- Issued by governments	23,396.0	30,088.8	-0.2
- Other fixed income securities	8,135.7	9,354.9	-0.1
Other financial investments	4,979.4	5,552.2	-0.1
Real estate investments [6]	**1,199.5**	**1,323.4**	**-0.1**
Other investments	**1,220.8**	**1,044.1**	**0.2**

Figures in million euros

(5) Technical provisions for Life, pension funds, mutual funds and managed portfolios, before shadow accounting adjustments.

(6) Excluding real estate for own use.

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PROVIDER PAYMENT TERMS

Details of the payments made by the Group's fully consolidated Spanish companies to providers in the fiscal years 2020 and 2019 are shown below.

Item	Days	
	2020	2019
Average provider payment period	5.7	5.4
Ratio of paid operations	5.3	5.2
Ratio of operations pending payment	30.4	24.8

Item	Figures in million euros	
	2020	2019
Total payments made	1,581.0	1,989.0
Total pending payments exceeding the maximum statutory term	21.9	20.4

Figures in million euros

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OTHER INFORMATION

The content corresponding to the Non-Financial Information Statement, which is reflected in the MAPFRE Integrated Report, is part of this Consolidated Management Report and meets the reporting requirements established by Law 11/2018 of December 28.

The following table provides an overview of the content in the Non-Financial Information Statement mentioned above:

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STATEMENT OF CONSOLIDATED NON-FINANCIAL INFORMATION

	Index of contents of Law 11/2018	GRI reporting standards (See Table of Contents GRI in Section 6 of the MAPFRE Integrated Report 2020)
General information		
General	A brief description of the business model that includes its operating environment, organization and structure	GRI 102-2
		GRI 102-7
	Markets served	GRI 102-3
		GRI 102-4
		GRI 102-6
	Organizational objectives and strategies	GRI 102-14
	Main factors and trends that may affect the company's future evolution	GRI 102-14
		GRI 102-15
	Reporting framework	GRI 102-54
	Principle of Materiality	GRI 102-46
		GRI 102-47

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Issues relating to the environment		
	Management approach: description and results of the policies related to these issues as well as the main risks related to these issues associated with the group's activities	GRI 102-15
		GRI 103-2
Detailed general information	Detailed information on the current and foreseeable effects of the company's activities on the environment and, where appropriate, health and safety	GRI 102-15
	Environmental assessment or certification procedures	GRI 103-2
	Resources devoted to the prevention of environmental risks	GRI 103-2
	Application of the principle of precaution	GRI 102-11
	Quantity of provisions and guarantees for environmental risks	GRI 103-2
Pollution	Measures to prevent, reduce or repair emissions that seriously affect the environment; taking into account any form of air pollution specific to an activity, including noise and light pollution	GRI 103-2
Circular economy and waste prevention and management	Prevention, recycling and reuse measures and other forms of recovery and disposal of waste	GRI 103-2
		GRI 306-1
		GRI 306-3 (2020)
		GRI 306-4 (2020) for Sections a,e
		GRI 306-5 (2020) for Sections a,e
	Actions to combat food waste	GRI 103-2
Sustainable use of resources	Water consumption and water supply according to local limitations	GRI 303-5 (Version 2018) for Sections a, d
	Consumption of raw materials and measures taken to improve the efficiency of use	GRI 301-1
	Direct and indirect consumption of energy	GRI 302-1
		GRI 302-3
	Measures taken to improve energy efficiency	GRI 103,2
		GRI 302-4
	Use of renewable energies	GRI 302-1 for Sections a,b,e,f,g
Climate change	Greenhouse gas emissions generated as a result of the company's activities, including the use of the goods and services it produces	GRI 305-1
		GRI 305-2
		GRI 305-3
		GRI 305-4
	Measures taken to adapt to the consequences of climate change	GRI 103-2
		GRI 201-2
	Voluntary medium- and long-term reduction targets for reducing greenhouse gas emissions and the means implemented for this purpose	GRI 305-5
Biodiversity protection	Measures taken to preserve or restore biodiversity	GRI 304-3
	Impacts caused by activities or operations in protected areas	GRI 304-1
		GRI 304-2

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Issues relating to society and employees		
	Management approach: description and results of the policies related to these issues as well as the main risks related to these issues related to the group's activities	GRI 102-15
		GRI 103-2
Employment	Total number and distribution of employees by country, gender, age and professional category	GRI 102-8
		GRI 405-1
	Total number and distribution of employment contract modalities and annual average of permanent contracts, temporary contracts and part-time contracts by sex, age and professional classification	GRI 102-8
	Number of terminations by gender, age and professional classification	GRI 103-2
		GRI 401-1
	Average remuneration and its evolution broken down by gender, age and professional classification or equal value	GRI 103-2
		GRI 405-2 for Section a
	Pay gap, remuneration for equal or average jobs in society	GRI 103-2
		GRI 405-2
	Average remuneration of directors and executives, including variable remuneration, allowances, indemnities, payment to long-term savings pension systems and any other amounts, broken down by sex	GRI 103-2
		GRI 405-3
	Implementation of work disconnection policies	GRI 103-2
	Employees with disabilities	GRI 405-1
Work organization	Organization of working time	GRI 103-2
	Number of hours of absenteeism	GRI 405-9 (Version GRI 2018)
	Measures aimed at facilitating a work-life balance and encouraging both parents to adopt such measures	GRI 103-2
		GRI 401-3
Health and safety	Occupational health and safety conditions	GRI 103-2
		GRI 403-1 (Version 2018)
		GRI 403-2 (Version 2018)
		GRI 403-3 (Version 2018)
		GRI 403-4 (Version 2018)
	Workplace accidents, in particular the frequency and severity of same, broken down by sex	GRI 403-9
		GRI 403-10 (Version 2018) for Sections a, e
Social relations	Organization of social dialog, including procedures for informing, consulting and negotiating with personnel	GRI 103-2
	Percentage of employees covered by collective bargaining agreements by country	GRI 102-41
	The balance of collective agreements, particularly in the field of health and safety at work	GRI 403-4 (Version 2018)
Training	Policies implemented in the field of training	GRI 103-2
		GRI 404-2
	Total number of training hours by professional classification	GRI 404-1
Universal accessibility	Universal accessibility for people with disabilities	GRI 103-2
Equality	Measures taken to promote equal treatment and equal opportunities for women and men	GRI 103-2
	Measures adopted to promote employment, protocols against sexual and gender harassment	GRI 103-2
	Policy against all forms of discrimination and, where appropriate, diversity management	GRI 103-2

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Information on respect for Human Rights		
	Management approach: description and results of the policies related to these issues as well as the main risks related to these issues related to the group's activities	GRI 102-15
		GRI 103-2
Human Rights	Application of due diligence procedures in the field of human rights, prevention of the risks of human rights violations and, where appropriate, measures to mitigate, manage and repair possible abuses committed	GRI 102-16
		GRI 102-17
	Complaints about cases of Human Rights violations	GRI 103-2
		GRI 406-1
	Measures implemented to promote and comply with the provisions of the fundamental ILO conventions related to respect for freedom of association and the right to collective bargaining; the elimination of discrimination in employment and occupation; the elimination of forced or compulsory labor; the effective abolition of child labor	GRI 103-2
		GRI 407-1
		GRI 408-1
		GRI 409-1

Information on fighting corruption and bribery		
	Management approach: description and results of the policies related to these issues as well as the main risks related to these issues related to the group's activities	GRI 102-15
		GRI 103-2
Corruption and bribery	Measures taken to prevent corruption and bribery	GRI 103-2
		GRI 102-16
		GRI 102-17
		GRI 205-2
		GRI 205-3
	Measures taken to combat money laundering	GRI 103-2
		GRI 102-16
		GRI 102-17
		GRI 205-2
		GRI 205-3
	Association or sponsorship actions	GRI 102-13
		GRI 201-1 for Section a
		GRI 415-1

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Information about the Company		
	Management approach: description and results of the policies related to these issues as well as the main risks related to these issues related to the group's activities	GRI 102-15
		GRI 103-2
The company's commitment to sustainable development	Impact of the company's activity on employment and local development	GRI 103-2
		GRI 203-2
		GRI 204-1
	Impact of the company's activity on local populations and the territory	GRI 411-1
		GRI 413-1
		GRI 413-2
	Relationships maintained with local community actors and the modalities of dialog engaged in	GRI 102-43
		GRI 413-1
	Contributions to foundations or non-profit organizations	GRI 103-2
		GRI 201-1 for Sections a.ii
Subcontracting and providers	Inclusion of social, gender equality and environmental issues in the procurement policy	GRI 103-2
	Consideration of social and environmental responsibility in relationships with providers and subcontractors	GRI 102-9
		GRI 308-1
		GRI 414-1
	Supervision systems and audit and the results of same	GRI 102-9
		GRI 308-2
		GRI 414-2
Consumers	Measures taken for the health and safety of consumers	GRI 103-2
		GRI 416-1
	System for processing complaints and grievances received and resolution of same	GRI 103-2
		GRI 418-1
Tax information	Profits generated by country	GRI 103-2
		GRI 207-4 (Version 2019) doe Sections a, b, vi, c
	Tax on profits paid	GRI 103-2
		GRI 207-4 (Version 2019) doe Sections a, b, viii, c
		GRI 201-1 for Sections a.i
	Public subsidies received	GRI 201-4

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ANNUAL CORPORATE GOVERNANCE REPORT

The company's Annual Corporate Governance Report, issued pursuant to the provisions of Article 49.4 of the Spanish Code of Commerce can be found below.

The English version is a translation of the original in Spanish for information purposes only. In case of discrepancy, the Spanish version shall prevail.

ISSUER'S IDENTITY DATA

End date of the reference fiscal year:	12/31/2020
Tax ID:	A08055741

Company Name:

MAPFRE S.A.

Registered office:

CARRETERA DE POZUELO A MAJADAHONDA, 52 EDIF.1 (MAJADAHONDA) MADRID

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A. OWNERSHIP STRUCTURE

A.1. Complete the following table on the company's share capital:

Date of last modification	Share capital (€)	Number of shares	Number of voting rights
07/01/2011	307,955,327.30	3,079,553,273	3,079,553,273

Indicate if there are different kinds of shares with different rights associated with them:

[ ] Yes
[√] No

A.2. State the direct and indirect holders of substantial interests in the company at the close of the fiscal year, excluding board directors:

Name or company name of the shareholder	% voting rights attributed to the shares		% voting rights through financial instruments		% total voting rights
	Direct	Indirect	Direct	Indirect	
FUNDACIÓN MAPFRE	0.00	69.80	0.00	0.00	69.80

Detail of indirect interests:

Name or company name of the indirect holder	Name or company name of the direct holder	% voting rights attributed to the shares	% voting rights through financial instruments	% total voting rights
FUNDACIÓN MAPFRE	CARTERA MAPFRE, S.L. SINGLE-MEMBER COMPANY	69.69	0.00	69.69
FUNDACIÓN MAPFRE	FUNDACIÓN CANARIA MAPFRE GUANARTEME	0.11	0.00	0.11

State any significant modifications in the shareholding structure that have occurred during the fiscal year:

Most significant modifications

In 2020, a total of 64,307,958 treasury stocks were added to the participation of CARTERA MAPFRE, S.L.U., representing 2.09 percent of capital and amounting to €101,267,741.

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

Name or company name of the board director	% voting rights attributed to shares		% voting rights through financial instruments		% total voting rights	% voting rights that may be transferred through financial instruments	
	Direct	Indirect	Direct	Indirect		Direct	Indirect
MR. ANTONIO HUERTAS MEJÍAS	0.02	0.00	0.00	0.00	0.02	0.00	0.00
MR. IGNACIO BAEZA GÓMEZ	0.01	0.00	0.00	0.00	0.01	0.00	0.00
MS. CATALINA MIÑARRO BRUGAROLAS	0.00	0.00	0.00	0.00	0.00	0.00	0.00
MR. JOSÉ MANUEL INCHAUSTI PÉREZ	0.00	0.00	0.00	0.00	0.00	0.00	0.00
MR. JOSÉ ANTONIO COLOMER GUIU	0.00	0.00	0.00	0.00	0.00	0.00	0.00
MS. ANA ISABEL FERNÁNDEZ ÁLVAREZ	0.00	0.00	0.00	0.00	0.00	0.00	0.00
MS. MARÍA LETICIA DE FREITAS COSTA	0.00	0.00	0.00	0.00	0.00	0.00	0.00
MS. ROSA MARÍA GARCÍA GARCÍA	0.00	0.00	0.00	0.00	0.00	0.00	0.00
MR. ANTONIO GÓMEZ CIRIA	0.00	0.00	0.00	0.00	0.00	0.00	0.00
MR. LUIS HERNANDO DE LARRAMENDI MARTÍNEZ	0.00	0.06	0.00	0.00	0.06	0.00	0.00
MR. FRANCISCO JOSÉ MARCO ORENES	0.00	0.00	0.00	0.00	0.00	0.00	0.00
MR. FERNANDO MATA VERDEJO	0.00	0.00	0.00	0.00	0.00	0.00	0.00
MR. ANTONIO MIGUEL-ROMERO DE OLANO	0.00	0.00	0.00	0.00	0.00	0.00	0.00
MS. MARÍA DEL PILAR PERALES VISCASILLAS	0.00	0.00	0.00	0.00	0.00	0.00	0.00

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Name or company name of the board director	% voting rights attributed to shares		% voting rights through financial instruments		% total voting rights	% voting rights that may be transferred through financial instruments	
	Direct	Indirect	Direct	Indirect		Direct	Indirect
MR. ALFONSO REBUELTA BADÍAS	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Total % of voting rights held by the Board of Directors	0.09

Detail of indirect interests:

Name or company name of the board director	Name or company name of the direct holder	% voting rights attributed to shares	% voting rights through financial instruments	% total voting rights	% voting rights that may be transferred through financial instruments
No data					

A.4. Where applicable, list any family, commercial, contractual or corporate relationships between holders of significant interests, insofar as the company is aware of them, unless they are of little relevance or due to ordinary commercial traffic and exchange, excluding those reported in section A.6:

Related name or company name	Type of Relationship	Brief description
No data		

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

Related name or company name	Type of Relationship	Brief description
No data		

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A.6. Describe the relationships, unless they are barely relevant for both parties, that exist between the significant shareholders or those represented on the board and the board directors, or their representatives, in the case of legal company administrators.

Explain, as the case may be, how significant shareholders are represented. Specifically, those board directors who have been appointed on behalf of significant shareholders, those whose appointment would have been promoted by significant shareholders, or who are linked to significant shareholders and/or companies of their group, explaining the nature of such relationships, shall be indicated. Notably, where appropriate, the existence, identity and position of board members, or representatives of directors, of the listed company, who are, in turn, members of the administrative body, or their representatives, in companies that hold significant participations of the listed company or in entities of the group of said significant shareholders shall be indicated.

Name or company name of the related director or representative	Name or company name of the affiliated significant shareholder	Company name of the significant shareholder group	Description of the relationship/position
MR. LUIS HERNANDO DE LARRAMENDI MARTÍNEZ	CARTERA MAPFRE, S.L. SOCIEDAD UNIPERSONAL	CARTERA MAPFRE, S.L. SOCIEDAD UNIPERSONAL	Appointed board director as proposed by the significant shareholder
MR. ANTONIO MIGUEL-ROMERO DE OLANO	CARTERA MAPFRE, S.L. SOCIEDAD UNIPERSONAL	CARTERA MAPFRE, S.L. SOCIEDAD UNIPERSONAL	Appointed board director as proposed by the significant shareholder
MR. ALFONSO REBUELTA BADÍAS	CARTERA MAPFRE, S.L. SOCIEDAD UNIPERSONAL	CARTERA MAPFRE, S.L. SOCIEDAD UNIPERSONAL	Appointed board director as proposed by the significant shareholder
MR. ANTONIO HUERTAS MEJÍAS	CARTERA MAPFRE, S.L. SOCIEDAD UNIPERSONAL	CARTERA MAPFRE, S.L. SOCIEDAD UNIPERSONAL	Chairman of the Board of Directors of CARTERA MAPFRE, S.L. SOCIEDAD UNIPERSONAL
MR. IGNACIO BAEZA GÓMEZ	CARTERA MAPFRE, S.L. SOCIEDAD UNIPERSONAL	CARTERA MAPFRE, S.L. SOCIEDAD UNIPERSONAL	Director of CARTERA MAPFRE, S.L. SOCIEDAD UNIPERSONAL
MR. JOSÉ MANUEL INCHAUSTI PÉREZ	CARTERA MAPFRE, S.L. SOCIEDAD UNIPERSONAL	CARTERA MAPFRE, S.L. SOCIEDAD UNIPERSONAL	Director of CARTERA MAPFRE, S.L. SOCIEDAD UNIPERSONAL
MR. FERNANDO MATA VERDEJO	CARTERA MAPFRE, S.L. SOCIEDAD UNIPERSONAL	CARTERA MAPFRE, S.L. SOCIEDAD UNIPERSONAL	Director of CARTERA MAPFRE, S.L. SOCIEDAD UNIPERSONAL

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A.7. Indicate if any shareholder agreements have been disclosed to the company that affect it under Articles 530 and 531 of the Companies Act. Where applicable, briefly describe them and list the shareholders bound by such agreement:

[ ] Yes
[√] No

Indicate whether the company knows of the existence of concerted actions among its shareholders. If so, describe them briefly:

[ ] Yes
[√] No

If there have been any modifications or terminations of said pacts or agreements or concerted actions during the fiscal year, indicate this expressly.

A.8. Indicate whether any person or organization exercises or may exercise control over the company pursuant to Article 5 of the Securities Market Act. If so, identify them:

[√] Yes
[ ] No

Name or company name
FUNDACIÓN MAPFRE

A.9. Complete the following tables regarding the company's treasury stock:

As at the closing date of the fiscal year:

Number of direct shares	Number of shares shares(*)	% total of share capital
30,285,934		0.98

(*) Through:

Name or company name of the direct holder of the shares	Number of direct shares
No data	

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A.10. Describe the terms and conditions of the current General Meeting authorization to the Board of Directors to issue, buy back or transfer treasury stock.

The Board of Directors is currently authorized by the shareholders at the General Meeting to increase the company's share capital once or several times by up to a maximum of €153,977,663.65, equivalent to 50 percent of the share capital. The duration of the authorization is five years calculated from the date of the resolution, passed on March 9, 2018.

The Board of Directors is currently authorized by the shareholders at the Annual General Meeting to allow the company to proceed, directly or through subsidiaries, to the derivative acquisition of treasury stock, subject to the following limits and requirements:

a) Schemes: Acquisition by sale or by any other transaction inter vivos for good and valuable consideration, of shares free of any liens or encumbrances.

b) Maximum number of shares to be acquired: Shares whose face value, added to the face value of the shares already owned by the company and its subsidiaries, does not exceed 10 percent of the share capital of MAPFRE S.A.

c) Minimum and maximum purchase price: 90 percent and 110 percent, respectively, of their market value on the date of acquisition.

d) Duration of the authorization: Five years calculated from the date of the resolution, passed on March 11, 2016. The shares purchased may be fully or partially used: (i) for disposal or amortization, (ii) delivery to workers, employees or administrators of the company or its group whenever there is a recognized right to do so directly or as a result of exercising call option rights held thereby as provided for in the last paragraph of Article 146, section 1, letter a) of the Recast Text of the Companies Act, and (iii) reinvestment plans involving dividends or similar instruments.

A.11. Estimated floating capital:

	%
Estimated floating capital	29.13

A.12. Indicate whether there are any restrictions (statutory, legal or otherwise) on the transfer of securities and/or any restriction on the right to vote. Particularly, the existence of any type of restrictions that may make it difficult to take control of the company through the acquisition of its shares in the market shall be communicated, as well as those authorization or prior notice systems that, over the acquisitions or transfers of financial instruments of the company, are applicable by sectoral regulations.

[ ] Yes
[√] No

A.13. Indicate whether the General Meeting has approved measures to counteract a public acquisition bid, pursuant to Law 6/2007.

[ ] Yes
[√] No

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

A.14. Indicate whether the company has issued securities that are not traded on a regulated EU market.

[ ] Yes
[√] No

If so, indicate the different kinds of shares and, for each kind of shares, the rights and obligations conferred:

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B. GENERAL MEETING

B.1. Indicate and, where applicable, give details, about 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.

[ ] Yes
[V] No

B.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:

[V] Yes
No

	Reinforced majority different from that established in Article 201.2 of the Companies Act for the cases cited in Article 194.1 of the Companies Act	Other cases of reinforced majority
% established by the company for adopting agreements	0.00	50.01

Article 201 of the Spanish Companies Law establishes that, to adopt the agreements referred to in Article 194, if the present or represented capital exceeds 50 percent, it will be enough for the agreement to be adopted by absolute majority. However, the favorable vote of two thirds of the capital present or represented at the meeting will be required when at the second call there are shareholders who represent 25 percent or more of the share capital with voting rights without reaching fifty percent. At the second call, a minimum of 25 percent of capital is required.

Pursuant to the provisions of Article 26 of the Corporate Bylaws, the amendment of the provisions of Title IV "Protection of the Company's General Interest" (Articles 26 to 29) can only be amended by a resolution approved with the votes in favor of more than 50 percent of the share capital at the Extraordinary Annual General Meeting specifically called for this purpose.

B.3. Indicate the rules applicable to amendment of the company bylaws. In particular, indicate the majorities established for the amendment of the bylaws, as well as, where applicable, the rules established for protection of the partner's rights in the amendment of the bylaws.

There are no particularities other than those established in the legislation in force for amendment of the company bylaws, except for the amendment of Articles 26 to 29 (Title IV- Protection of the Company's General Interest). As stated in the previous paragraph B.2, a resolution adopted with the favorable vote of more than 50 percent of share capital at the Extraordinary General Meeting called for that purpose is necessary.

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B.4. Give attendance data on the Annual General Meetings held during the fiscal year to which this report refers and those from the two previous fiscal years:

Date of board meeting	Attendance data				
	% physical presence	% in representation	% remote voting		Total
			Electronic vote	Others	
03/09/2018	68.73	13.10	0.00	0.24	82.07
Of which floating capital	1.26	13.10	0.00	0.24	14.60
03/08/2019	68.64	12.69	0.00	1.05	82.38
Of which floating capital	0.12	12.69	0.00	1.05	13.86
03/13/2020	68.67	17.51	0.01	0.66	86.85
Of which floating capital	0.05	17.41	0.01	0.66	18.13

B.5. Indicate whether at the General Meetings held during the fiscal year there has been any item on the agenda that, for whatever reason, has not been approved by the shareholders:

[ ] Yes
[√] No

B.6. Indicate if there are any statutory restrictions that establish a minimum number of shares required to attend the general meeting, or to vote remotely:

[√] Yes
No

Number of shares required to attend the Annual General Meeting	1,000
Number of shares required to vote remotely	1

B.7. Indicate whether it has been established that certain decisions, other than those established by law, involving an acquisition, transfer, contribution to another company of essential assets or other similar corporate operations, must be submitted for approval by the general meeting of shareholders.

[ ] Yes
[√] No

B.8. Indicate the address and method of access to the company's website, to the information on corporate governance and other information on General Meetings that must be available to shareholders through the company's website.

Access is as follows: www.mapfre.com Section titled Shareholders and Investors.

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C. GOVERNANCE STRUCTURE OF THE COMPANY

C.1. Board of Directors

C.1.1 Maximum and minimum number of board directors foreseen in the bylaws and the number set out by the Annual General Meeting:

Maximum number of directors	20
Minimum number of directors	5
Number of board directors set by the Annual General Meeting	15

C.1.2 Complete the following table on the board members:

Name or company name of the board director	Representative	Category of the director	Position on the Board	Date of first appointment	Date of last appointment	Election procedure
MR. ANTONIO HUERTAS MEJÍAS		Executive	CHAIRMAN AND CEO	12/29/2006	03/09/2018	ANNUAL GENERAL MEETING RESOLUTION
MR. IGNACIO BAEZA GÓMEZ		Executive	FIRST VICE CHAIRMAN	08/03/2008	03/13/2020	ANNUAL GENERAL MEETING RESOLUTION
MS. CATALINA MIÑARRO BRUGAROLAS		Independent	SECOND VICE CHAIRWOMAN	30/10/2013	03/09/2018	ANNUAL GENERAL MEETING RESOLUTION
MR. JOSÉ MANUEL INCHAUSTI PÉREZ		Executive	THIRD VICE CHAIRMAN	18/07/2018	03/08/2019	ANNUAL GENERAL MEETING RESOLUTION
MR. JOSÉ ANTONIO COLOMER GUIU		Independent	DIRECTOR	02/09/2016	03/13/2020	ANNUAL GENERAL MEETING RESOLUTION
MS. ANA ISABEL FERNÁNDEZ ÁLVAREZ		Independent	DIRECTOR	07/26/2016	03/10/2017	ANNUAL GENERAL MEETING RESOLUTION

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Name or company name of the board director	Representative	Category of the director	Position on the Board	Date of first appointment	Date of last appointment	Election procedure
MS. MARÍA LETICIA DE FREITAS COSTA		Independent	DIRECTOR	07/23/2015	03/13/2020	ANNUAL GENERAL MEETING RESOLUTION
MS. ROSA MARÍA GARCÍA GARCÍA		Independent	DIRECTOR	09/26/2019	03/13/2020	ANNUAL GENERAL MEETING RESOLUTION
MR. ANTONIO GÓMEZ CIRIA		Independent	DIRECTOR	01/01/2019	03/08/2019	ANNUAL GENERAL MEETING RESOLUTION
MR. LUIS HERNANDO DE LARRAMENDI MARTÍNEZ		Nominee	DIRECTOR	04/17/1999	03/08/2019	ANNUAL GENERAL MEETING RESOLUTION
MR. FRANCISCO JOSÉ MARCO ORENES		Executive	DIRECTOR	03/10/2017	03/10/2017	ANNUAL GENERAL MEETING RESOLUTION
MR. FERNANDO MATA VERDEJO		Executive	DIRECTOR	01/01/2017	03/10/2017	ANNUAL GENERAL MEETING RESOLUTION
MR. ANTONIO MIGUEL-ROMERO DE OLANO		Nominee	DIRECTOR	04/17/1999	03/08/2019	ANNUAL GENERAL MEETING RESOLUTION
MS. MARÍA DEL PILAR PERALES VISCASILLAS		Independent	DIRECTOR	01/01/2018	03/09/2018	ANNUAL GENERAL MEETING RESOLUTION
MR. ALFONSO REBUELTA BADÍAS		Nominee	DIRECTOR	04/17/1999	03/08/2019	ANNUAL GENERAL MEETING RESOLUTION

Total number of directors	15

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Indicate the changes that, whether due to resignation or a decision of the general meeting, that have taken place in the board of directors during the reporting period:

Name or company name of the board director	Category of the board director on termination	Date of last appointment	Termination date	Specialized committees of which he was a member	Indicate whether the change occurred before the end of the mandate
No data					

C.1.3 Complete the following tables on the Board members and their different kinds of directorship:

EXECUTIVE DIRECTORS		
Name or company name of the board director	Position within company organization	Profile
MR. ANTONIO HUERTAS MEJÍAS	CHAIRMAN AND CEO	Holds a law degree from the University of Salamanca. Has occupied, among others, the positions of Chairman and CEO of MAPFRE Florida and MAPFRE Puerto Rico, General Manager of MAPFRE Mutualidad, Chairman of MAPFRE Familiar and Third Vice-Chairman of MAPFRE. For more information on the current positions please see sections A.6, C.1.10 and C.2.1.
MR. IGNACIO BAEZA GÓMEZ	FIRST VICE CHAIRMAN	Degree in Economics from the Complutense University of Madrid. He has spent a large part of his professional career at MAPFRE, holding several senior executive positions since he joined the company. For more information on the current positions please see sections A.6, C.1.10 and C.2.1.
MR. JOSÉ MANUEL INCHAUSTI PÉREZ	THIRD VICE CHAIRMAN	Law Degree by the Complutense University of Madrid and Senior Management Program by IESE. He has spent a large part of his professional career at MAPFRE, holding several senior executive positions since he joined the company. He has been the Iberia CEO since 2015. For more information on the current positions, please see sections A.6 and C.1.10.
MR. FRANCISCO JOSÉ MARCO ORENES	GROUP CHIEF BUSINESS SUPPORT OFFICER	Has a degree in Medicine and Surgery from the University of Murcia. He is a specialist in Geriatrics from the University of Murcia and in Nutrition from the University of Granada and he has a Masters Degree in Company Administration from the IDAE. He has held various senior management positions at MAPFRE since joining. He is the General Manager of the Business Support Corporate Area since 2015. For more information on the current positions please see sections C.1.10.
MR. FERNANDO MATA VERDEJO	CHIEF FINANCIAL OFFICER	Degree in Economics from the Complutense University of Madrid. He has spent a large part of his professional career at MAPFRE, holding various senior management positions since joining. CFO of the Corporate Finance and Resources Area since 2017. For more information on the current positions please see sections A.6 and C.1.10.

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Total number of executive directors	5
% of total board	33.33

Independent external directors		
Name or company name of the board director	Name or denomination of the significant shareholder whom he/she represents or who has suggested his/her appointment	Profile
MR. LUIS HERNANDO DE LARRAMENDI MARTÍNEZ	CARTERA MAPFRE S.L. SINGLE-MEMBER COMPANY	A Law graduate from the Complutense University of Madrid, Official Industrial and Intellectual Property Agent in Spain and European Patent Agent. He was a member and board member of Elzaburu, S.L.P. until 2016 and is a member of the International Association for the Protection of Intellectual Property. For more information on the current positions please see sections A.6, C.1.10 and C.2.1.
MR. ANTONIO MIGUEL-ROMERO DE OLANO	CARTERA MAPFRE S.L. SINGLE-MEMBER COMPANY	Agricultural Engineer from the Polytechnic University of Madrid and Master's in Business Administration (MBA) at Madrid's Instituto de Empresa. Since 1986 and until 2005, he held the position of deputy risk manager at FIAT Financiera. For more information on the current positions please see sections A.6, C.1.10 and C.2.1.
MR. ALFONSO REBUELTA BADÍAS	CARTERA MAPFRE S.L. SINGLE-MEMBER COMPANY	Is a graduate in Business Sciences from Pontificia Comillas University and also holds a Masters in Business Administration (MBA) from the University of Colombia (New York). He was Vice Chairman for JP Morgan, Vice Chairman of Citibank until 1991, partner at Heidrick & Struggles and consultant partner at Asset Executive. He is a partner at Signium International since 2004. For more information on the current positions please see sections A.6, C.1.10 and C.2.1.

Total number of nominee directors	3
% of total board	20.00

Independent external directors	
Name or company name of the board director	Profile
MS. CATALINA MIÑARRO BRUGAROLAS	DEGREE IN LAW. STATE ATTORNEY ON LEAVE OF ABSENCE. For more information on the current positions, please see sections C.1.10 and C.2.1.
MR. JOSÉ ANTONIO COLOMER GUIU	Business Administration Degree (ESADE School of Business Management and Administration - Barcelona). For more information on the current positions, please see sections C.1.10 and C.2.1.

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Independent external directors	
Name or company name of the board director	Profile
MS. ANA ISABEL FERNÁNDEZ ÁLVAREZ	DEGREE AND DOCTORATE IN ECONOMICS AND BUSINESS FROM THE UNIVERSITY OF OVIEDO. Member of the Joint Committee on Corporate Reporting of the European Securities and Markets Authority, General Director of CUNEF and Member of the Banco de Sabadell Foundation Board of Trustees. She is also a Professor of Financial Economics at the University of Oviedo and Professor of Finances at CUNEF. For more information on the current positions, please see sections C.1.10 and C.2.1.
MS. MARÍA LETICIA DE FREITAS COSTA	Holds a degree in Product Engineering and a Master's Degree in Business Administration (MBA). Manager of the INSPER Center for Strategic Research and a partner at Prada Assessoria. For more information on the current positions please see sections C.1.10.
MS. ROSA MARÍA GARCÍA GARCÍA	She has a degree in Mathematics from the Autonomous University of Madrid. She has been non-executive Chair of the SIEMENS GAMESA Board of Directors, Chair and CEO of SIEMENS SPAIN. She is a member of the Board of Directors of Tubacex, S.A. and Sener Grupo de Ingeniería, S.A. For more information on the current positions, please see sections C.1.10 and C.2.1.
MR. ANTONIO GÓMEZ CIRIA	A graduate in Economic and Business Sciences and in Mathematical Sciences from the Complutense University of Madrid who holds an Executive MBA from the IESE. Among other things, he is a member of the Board of Directors of Red Eléctrica Corporación, S.A. and Chairman of its Audit Committee and a member of the Advisory Board of Experts on Accounting and Financial Information of the General Council of the College of Economists. For more information on the current positions, please see sections C.1.10 and C.2.1.
MS. MARÍA DEL PILAR PERALES VISCASILLAS	Law degree by the Autonomous University of Madrid and PhD in law by the Carlos III University of Madrid. Professor of mercantile law at the Carlos III University of Madrid. For more information on the current positions, please see sections C.1.10 and C.2.1.

Total number of independent directors	7
% of total board	46.67

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Indicate whether any board director classified as independent receives from the company, or from its Group, any amount or earning for an item other than the board director's remuneration, or maintains or has maintained, during last fiscal year a business relationship with the company or with any company from its Group, whether on his behalf or as a significant shareholder, board director or senior management member of a company that maintains or has maintained such a relationship.

If so, include a reasoned statement from the Board on the reasons why it considers that this director may perform his functions as an independent director.

Name or company name of the board director	Relationship description	Reasoned statement
MS. ROSA MARÍA GARCÍA GARCÍA	The independent Director Rosa María García García is a member of MAPFRE's Technology, Innovation and Transformation Advisory Council, a position she has held since her appointment on September 25, 2020 and for which she receives an attendance fee of €5,000 per meeting. The amount accrued in 2020 for her period in the position totals €5,000.	The Company considers that the duties of Rosa María García García as member of MAPFRE's Technology, Innovation and Transformation Advisory Council do not involve any incompatibility and do not affect the director's independence in any way given that: (i) the remuneration received cannot be considered significant; and (ii) it does not involve dedication that may significantly affect her obligations as an independent director of the Company.

OTHER EXTERNAL DIRECTORS			
Identify other external board directors and explain in detail the reasons for which they cannot be considered nominee or independent board directors, as well as their affiliations with the company, its management or its shareholders:			
Name or company name of the board director	Reasons	Company, executive or shareholder with whom holds the affiliation	Profile
No data			

Total number of external directors	N/R
% of total board	N/R

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

Name or company name of the board director	Date of change	Previous category	Current category
No data			

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C.1.4 Complete the following table with information relating to the number of female board directors at the closure of the last four fiscal years, as well as the category of these female board directors:

	Number of directors				% of the total of each type of director			
	Fiscal year 2020	Fiscal year 2019	Fiscal year 2018	Fiscal year 2017	Fiscal year 2020	Fiscal year 2019	Fiscal year 2018	Fiscal year 2017
Executives					0.00	0.00	0.00	0.00
Nominees					0.00	0.00	0.00	0.00
Independent	5	5	4	4	71.43	71.43	66.67	66.67
Other External					0.00	0.00	0.00	0.00
Total	5	5	4	4	33.33	33.33	28.57	26.67

C.1.5 Indicate whether the company has diversity policies regarding the Board of Directors with regard to issues such as age, gender, disability, or professional training and experience. Small- and medium-sized companies, in accordance with the definition established in the Account Audit Law, shall have to inform, at least, of the policy they have established regarding gender diversity.

[√] Yes
[ ] No
[ ] Partial policies

If yes, please describe such diversity policies, their objectives, the measures and the way in which they have been implemented and their results in the fiscal year. The specific measures adopted by the Board of Directors and the Appointments and Remuneration Committee should also be indicated in order to achieve a balanced and diverse presence of directors.

Should the company not apply a diversity policy, please explain the reasons why.

Description of the policies, objectives, measures and manner in which they have been applied, as well as the results obtained

The MAPFRE Group Institutional, Business and Organizational Principles, approved by the Board of Directors of MAPFRE on June 24, 2015 expressly state that the Board of Directors of MAPFRE will develop a plan for filling vacancies that ensures the candidates' suitability based on their competences and professional and geographic origins, and on the sufficient presence of members of both sexes.

Similarly, it is established that the competent bodies of Group companies will ensure that, when vacancies arise, equal opportunities are guaranteed for candidates regardless of their gender, and they must seek to achieve an effective presence of directors of both genders.

Further, MAPFRE's Director Selection Policy that states that the candidate selection process will favor a diversity of knowledge, experience, age and gender, and that the aim should be for the number of female directors to represent at least 30% and should total, by the end of 2022, at least 40% of the total members of the Board of Directors. Since the appointment in 2019 of Rosa María García García as an independent board director, the percentage of women's representation on the Board of Directors is 33%.

The Board of Directors is comprised of fifteen members who, as a whole, possess knowledge, qualifications and experience in the following areas: insurance and financial markets, business strategy and company model, governance systems, financial and actuarial analysis, regulatory framework, audit/accounting, sustainability, strategic consulting, law/tax, technology and digital transformation, industry, health, human resources and teaching and research. In 2020, the Appointments and Remuneration Committee approved the Competency Matrix of the Board of Directors of MAPFRE, which defines the skills and knowledge of its members.

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Currently five of the fifteen members of the Board of Directors are women and the majority participate in the specific committees of the Board and/or have a key role: i) Ms. Catalina Miñarro Brugarolas is the 2nd Vice Chair of the Board of Directors and the Steering Committee, Chair of the Appointments and Remuneration Committee and independent Lead board director; ii) Ms. Ana Isabel Fernández Álvarez is a member of the Audit and Compliance Committee and the Risk Committee; iii) Ms. Rosa María García García is a member of the Appointments and Remuneration Committee; and iv) Ms. María del Pilar Perales Viscasillas is a member of the Audit and Compliance Committee.

Geographic and cultural diversity is also visible at Board level, with two nationalities represented: Spanish and Brazilian.

C.1.6 **Explain the measures which, where applicable, the Appointments Committee has agreed so that the procedure for filling Board vacancies has no implicit bias against women candidates, and the company makes a conscious effort to include women with the target professional profile among potential candidates for Board seats, and which makes it possible achieve a balanced presence of women and men. Also indicate if these measures include that working towards the company having a significant number of women senior executives:**

Explanation of the measures

The Appointments and Remuneration Committee ensures that the candidate selection process promotes diversity of knowledge, experience, age and gender.

In particular, in order to promote gender equality in the composition of the Board of Directors, efforts will be made to ensure that female directors constitute at least thirty percent (and will be increased before the end of 2022 to at least forty percent) of all members the Board of Directors.

In 2015, the Appointments and Remuneration Committee approved a renewal plan for the Board of Directors establishing the steps to follow in the period 2015-2020 to adapt the structure of the Board of Directors to the new legal requirements and recommendations contained in the Code of Good Governance of the National Securities and Exchange Commission.

For the three-year period 2019-2021, MAPFRE has publicly committed ensuring that at least 45 percent of annual vacancies in managerial positions are filled with women by 2021. In 2020, the percent was 40.9 and the percent of women in executive positions has amounted to 30.9 percent.

When, in spite of the measures which, where applicable, have been adopted, there are few or no female board directors or senior executives, explain the reasons that justify this.

Explanation of the reasons

Not applicable

C.1.7 **Explain the conclusions of the Appointments Committee on the verification of compliance aimed at promoting an appropriate composition of the board of directors.**

MAPFRE's Board of Directors Selection Policy aims to ensure that the proposals for nomination and re-election of board directors are based on a preliminary analysis of the needs of the Board of Directors, and to promote a diversity of knowledge, experiences and gender on the Board.

Throughout the year, the Appointments and Remuneration Committee has carried out a constant analysis of the structure, size and composition of the Board and of the principles and objectives established in the Board of Directors Selection Policy and in the renewal plan, which have already been described in sections C.1.5 and C.1.6 above, all based on the needs of the company, regulatory requirements and best corporate governance practices.

Specifically, the Appointments and Remuneration Committee verified compliance with the Director Selection Policy in 2020 as part of the preparation of the proposals for re-election of Mr. Ignacio Baeza Gómez, Mr. José Antonio Colomer Guiu, Ms. María Leticia de Freitas Costa and Ms. Rosa María García García.

In addition, at the proposal of the Appointments and Remuneration Committee, the Director Selection Policy was amended to expressly include the commitment that the number of female directors should represent at least thirty percent and reach, by the end of 2022, at least forty percent of the total members of the Board of Directors.

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As indicated in section C.1.6 above, with the appointment in 2019 of Ms. Rosa María García García as an independent board director, the objective set in the aforementioned policy (to get the number of female board directors to represent at least thirty percent of the total members of the Board of Directors in 2020) was reached. In accordance with the provisions of the Director Selection Policy, this participation will be maintained or increased, depending on the suitability of the proposed candidates.

C.1.8 Explain, where applicable, the reasons why nominee directors have been appointed at the behest of shareholders whose shareholding is less than 3 percent of the capital:

Name or company name of the affiliated	Justification
No data	

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:

[ ] Yes
[√] No

C.1.9 Indicate, if any, the powers delegated by the Board of Directors on directors or committees of the Board:

Name or company name of the director or committee	Brief description
STEERING COMMITTEE	The Steering Committee is the delegate body of the Board of Directors for senior management and permanent oversight of the ordinary business affairs of the Company and its subsidiaries in strategic and operational matters, and for the adoption of any decisions necessary for its proper operation. It has general decision-making powers, having been delegated with all the powers of the Board of Directors except for those that may not be delegated by law, by the Corporate Bylaws or in the Regulations of the Board of Directors. It may delegate to any of its members the necessary powers for the final adoption of decisions previously discussed by the Committee, and for the implementation of the agreements it adopts.

C.1.10 Identify, where applicable, any members of the Board holding posts as board directors, representatives of board directors or managers in other companies that are part of the listed company of the group:

Name or company name of the board director	Company name of the Group company	Position	Do they have executive functions?
MR. ANTONIO HUERTAS MEJÍAS	MAPFRE INTERNACIONAL , S.A.	CHAIRMAN AND CEO	NO
MR. IGNACIO BAEZA GÓMEZ	MAPFRE INTERNACIONAL , S.A.	DIRECTOR	NO
MR. IGNACIO BAEZA GÓMEZ	MAPFRE ASISTENCIA, COMPAÑÍA INTERNACIONAL DE	CHAIRMAN	NO

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Name or company name of the board director	Company name of the Group company	Position	Do they have executive functions?
	SEGUROS Y REASEGUROS, S.A.		
MR. IGNACIO BAEZA GÓMEZ	MAPFRE PARTICIPATIONS, S.A.U.	DIRECTOR	NO
MS. CATALINA MIÑARRO BRUGAROLAS	MAPFRE ESPAÑA, COMPAÑÍA DE SEGUROS Y REASEGUROS, S.A.	DIRECTOR	NO
MS. CATALINA MIÑARRO BRUGAROLAS	MAPFRE VIDA SOCIEDAD ANÓNIMA DE SEGUROS Y RESASEGUROS SOBRE LA VIDA HUMANA	DIRECTOR	NO
MS. CATALINA MIÑARRO BRUGAROLAS	MAPFRE INTERNACIONAL , S.A.	DIRECTOR	NO
MR. JOSÉ MANUEL INCHAUSTI PÉREZ	MAPFRE ESPAÑA, COMPAÑÍA DE SEGUROS Y REASEGUROS, S.A.	FIRST VICE CHAIRMAN MANAGING DIRECTOR	YES
MR. JOSÉ MANUEL INCHAUSTI PÉREZ	MAPFRE VIDA SOCIEDAD ANÓNIMA DE SEGUROS Y RESASEGUROS SOBRE LA VIDA HUMANA	DIRECTOR	NO
MR. JOSÉ MANUEL INCHAUSTI PÉREZ	MAPFRE INTERNACIONAL , S.A.	DIRECTOR	NO
MR. JOSÉ MANUEL INCHAUSTI PÉREZ	MAPFRE GLOBAL RISKS AGENCIA DE SUSCRIPCIÓN S.A.	DIRECTOR	NO
MR. JOSÉ MANUEL INCHAUSTI PÉREZ	MAPFRE RE COMPAÑÍA DE REASEGUROS, S.A.	DIRECTOR	NO
MR. JOSÉ MANUEL INCHAUSTI PÉREZ	MAPFRE SEGUROS GERAIS	CHAIRMAN	NO
MR. JOSÉ MANUEL INCHAUSTI PÉREZ	VERTI ASEGURADORA, COMPAÑÍA DE SEGUROS Y REASEGUROS, S.A.	DIRECTOR	NO
MR. JOSÉ MANUEL INCHAUSTI PÉREZ	SANTANDER MAPFRE SEGUROS Y REASEGUROS, S.A.	CHAIRMAN	NO
MR. JOSÉ ANTONIO COLOMER GUIU	MAPFRE ESPAÑA, COMPAÑÍA DE SEGUROS Y REASEGUROS, S.A.	DIRECTOR	NO
MR. JOSÉ ANTONIO COLOMER GUIU	MAPFRE VIDA SOCIEDAD ANÓNIMA DE SEGUROS Y	DIRECTOR	NO

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Name or company name of the board director	Company name of the Group company	Position	Do they have executive functions?
	RESASEGUROS SOBRE LA VIDA HUMANA		
MS. ANA ISABEL FERNÁNDEZ ÁLVAREZ	MAPFRE RE COMPAÑÍA DE REASEGUROS, S.A.	DIRECTOR	NO
MS. ANA ISABEL FERNÁNDEZ ÁLVAREZ	MAPFRE GLOBAL RISKS AGENCIA DE SUSCRIPCIÓN S.A.	DIRECTOR	NO
MS. MARÍA LETICIA DE FREITAS COSTA	MAPFRE PARTICIPAÇOES S.A.	CHAIRWOMAN	NO
MS. MARÍA LETICIA DE FREITAS COSTA	BB MAPFRE PARTICIPAÇOES, S.A.	DIRECTOR	NO
MS. ROSA MARÍA GARCÍA GARCÍA	MAPFRE ESPAÑA, COMPAÑÍA DE SEGUROS Y REASEGUROS, S.A.	DIRECTOR	NO
MS. ROSA MARÍA GARCÍA GARCÍA	MAPFRE VIDA SOCIEDAD ANÓNIMA DE SEGUROS Y RESASEGUROS SOBRE LA VIDA HUMANA	DIRECTOR	NO
MR. ANTONIO GÓMEZ CIRIA	MAPFRE ESPAÑA, COMPAÑÍA DE SEGUROS Y REASEGUROS, S.A.	DIRECTOR	NO
MR. ANTONIO GÓMEZ CIRIA	MAPFRE RE COMPAÑÍA DE REASEGUROS, S.A.	DIRECTOR	NO
MR. ANTONIO GÓMEZ CIRIA	MAPFRE VIDA SOCIEDAD ANÓNIMA DE SEGUROS Y RESASEGUROS SOBRE LA VIDA HUMANA	DIRECTOR	NO
MR. LUIS HERNANDO DE LARRAMENDI MARTÍNEZ	MAPFRE INTERNACIONAL , S.A.	DIRECTOR	NO
MR. LUIS HERNANDO DE LARRAMENDI MARTÍNEZ	MAPFRE VIDA SOCIEDAD ANÓNIMA DE SEGUROS Y RESASEGUROS SOBRE LA VIDA HUMANA	SECOND VICE CHAIRMAN	NO
MR. LUIS HERNANDO DE LARRAMENDI MARTÍNEZ	MAPFRE ESPAÑA, COMPAÑÍA DE SEGUROS Y REASEGUROS, S.A.	SECOND VICE CHAIRMAN	NO
MR. FRANCISCO JOSÉ MARCO ORENES	FUNESPAÑA, S.A.	CHAIRMAN	NO
MR. FRANCISCO JOSÉ MARCO ORENES	MAPFRE INTERNACIONAL , S.A.	DIRECTOR	NO

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Name or company name of the board director	Company name of the Group company	Position	Do they have executive functions?
MR. FRANCISCO JOSÉ MARCO ORENES	MAPFRE GLOBAL RISKS AGENCIA DE SUSCRIPCIÓN S.A.	CHAIRMAN	NO
MR. FERNANDO MATA VERDEJO	MAPFRE ESPAÑA, COMPAÑÍA DE SEGUROS Y REASEGUROS, S.A.	DIRECTOR	NO
MR. FERNANDO MATA VERDEJO	MAPFRE INTERNACIONAL , S.A.	DIRECTOR	NO
MR. FERNANDO MATA VERDEJO	MAPFRE VIDA SOCIEDAD ANÓNIMA DE SEGUROS Y RESASEGUROS SOBRE LA VIDA HUMANA	DIRECTOR	NO
MR. FERNANDO MATA VERDEJO	MAPFRE PARTICIPACIONES, S.A.U.	DIRECTOR	NO
MR. FERNANDO MATA VERDEJO	MAPFRE INMUEBLES S.G.A. S.A.	DIRECTOR	NO
MR. ANTONIO MIGUEL-ROMERO DE OLANO	MAPFRE ASISTENCIA COMPAÑÍA INTERNACIONAL DE SEGUROS Y REASEGUROS, S.A.	DIRECTOR	NO
MR. ANTONIO MIGUEL-ROMERO DE OLANO	MAPFRE ESPAÑA, COMPAÑÍA DE SEGUROS Y REASEGUROS, S.A.	DIRECTOR	NO
MR. ANTONIO MIGUEL-ROMERO DE OLANO	MAPFRE VIDA SOCIEDAD ANÓNIMA DE SEGUROS Y RESASEGUROS SOBRE LA VIDA HUMANA	DIRECTOR	NO
MS. MARÍA DEL PILAR PERALES VISCASILLAS	MAPFRE ASISTENCIA COMPAÑÍA INTERNACIONAL DE SEGUROS Y REASEGUROS, S.A.	VICE CHAIR	NO
MS. MARÍA DEL PILAR PERALES VISCASILLAS	MAPFRE GLOBAL RISKS AGENCIA DE SUSCRIPCIÓN S.A.	DIRECTOR	NO
MR. ALFONSO REBUELTA BADÍAS	MAPFRE GLOBAL RISKS AGENCIA DE SUSCRIPCIÓN S.A.	VICE CHAIRMAN	NO
MR. ALFONSO REBUELTA BADÍAS	MAPFRE INTERNACIONAL, S.A.	DIRECTOR	NO

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Name or company name of the board director	Company name of the Group company	Position	Do they have executive functions?
MR. JOSÉ MANUEL INCHAUSTI PÉREZ	VERTI MEDIACIÓN, SOCIEDAD DE AGENCIA DE SEGUROS VINCULADA, S.L.	DIRECTOR	NO

C.1.11 Detail, where appropriate, the board directors or representatives of legal persons of their company, who are members of the board of directors or representatives of legal persons of other companies listed on regulated markets other than their group, which have been notified to the company:

Name or company name of the board director	Company name of the listed company	Position
MS. CATALINA MIÑARRO BRUGAROLAS	ACS, ACTIVIDADES DE CONSTRUCCIÓN Y SERVICIOS, S.A.	DIRECTOR
MS. ROSA MARÍA GARCÍA GARCÍA	TUBACEX, S.A.	DIRECTOR
MR. ANTONIO GÓMEZ CIRIA	RED ELÉCTRICA CORPORACIÓN, S.A.	DIRECTOR

C.1.12 Indicate and, if applicable, explain if the company has established rules on the maximum number of boards of companies in which its board directors can be part, identifying, where appropriate, where it is regulated:

[v] Yes
[ ] No

Explanation of the rules and identification of the document where it is regulated
According to Article 4 of the MAPFRE Regulation of the Board of Directors, no director can simultaneously be a member of more than five Boards of Directors of companies that do not form part of the Group, except for personal or family companies.

C.1.13 Indicate the amounts of the items related to the overall remuneration of the following board of directors:

Remuneration accrued in the financial year in favor of the Board of Directors (thousands of euros)	9,733
Amount corresponding to the rights accumulated by current directors regarding pensions (thousands of euros)	32,055
Amount corresponding to the rights accumulated by former directors regarding pensions (thousands of euros)	

C.1.14 Identify those executive management members who are not also executive board directors, and indicate the total remuneration earned by them during the fiscal year:

Name or company name	Position(s)
MR. ÁNGEL LUIS DÁVILA BERMEJO	GENERAL COUNSEL - GROUP CHIEF LEGAL OFFICER
MS. MARÍA LUISA GORDILLO GUTIÉRREZ	GROUP CHIEF INTERNAL AUDIT OFFICER
MR. JOSÉ LUIS JIMÉNEZ GUAJARDO-FAJARDO	GROUP CHIEF INVESTMENT OFFICER

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Name or company name	Position(s)
MS. EVA PIERA ROJO	GROUP CHIEF EXTERNAL RELATIONS AND COMMUNICATION OFFICER
MS. MARÍA ELENA SANZ ISLA	GROUP CHIEF PEOPLE OFFICER
MR. JOSÉ MANUEL CORRAL VÁZQUEZ	GROUP CHIEF BUSINESS AND CLIENTS OFFICER
MR. JOSÉ LUIS GURTUBAY FRANCIA	GROUP CHIEF STRATEGY AND M&A OFFICER
MR. JOSÉ ANTONIO ARIAS BERMÚDEZ	GROUP CHIEF OPERATIONS OFFICER AND CHIEF INNOVATION OFFICER
MR. FELIPE COSTA DA SILVEIRA NASCIMENTO	DEPUTY GENERAL MANAGER OF THE CORPORATE IT AND PROCESSES DEPARTMENT

Number of women in senior management	3
Percentage of total members of senior management	33.33

Total remuneration of senior management (in thousands of euros)	5,674

C.1.15 Indicate whether during the fiscal year there has been any change in the board regulations:

[V] Yes
No

Description of amendments

The Board of Directors, at its meeting on December 21, 2020, approved the following amendments to the Regulations of the Board of Directors:

- Amendment of Article 10.1 to change the competences of the Audit and Compliance Committee in relation to non-financial information, policies and systems in internal control and the reporting of irregularities.

- Amendment of Article 23.1 to adapt the references to privileged information and other significant information to the terms set out in prevailing legislation.

- Amendment of Article 24.1 to adapt the references to privileged information and other significant information to the terms set out in prevailing legislation; and of section 3 of the same article to adapt the working to the provisions of recommendation 2 of the Code of Good Governance of Listed Companies.

C.1.16 Indicate procedures for selection, appointment, re-election and removal of directors. List the competent bodies, the procedures to be followed and the criteria to be employed in each procedure.

The persons to whom the position of board director of MAPFRE S.A. or of a subsidiary company is offered must make a prior, true and full statement of their personal, family, professional or business circumstances, specially stating: (i) the persons or companies that have, with respect to him/her, the status of related persons in accordance with the provisions of the current legislation; (ii) any circumstances that could entail any incompatibility in accordance with the laws, the Bylaws and the Regulations of the Board of Directors, or a situation of conflict of interest; (iii) his/her remaining professional obligations, in case they could interfere with the dedication required for the position; (iv) criminal cases in which he/she appears as the defendant or prosecuted party; and (v) any other event or situation that affects him/her and that may be relevant for his/her performance as a Board director. This declaration must be made on the form provided for such purposes by MAPFRE, and shall include an express acceptance of the regulations set out in the corporate bylaws and other internal regulations, as well as in current legislation.

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

Specifically, people cannot be members of the Board of Directors if they hold significant shares in, or provide professional services to, competing businesses of the Company or of any company of the Group, or if they work as employees, managers, or administrators of them, unless they are granted express authorization from the Board of Directors.

- Proposals for the appointment or reappointment of independent directors must be preceded by a proposal from the Appointments and Remuneration Committee. The proposed reappointment of such directors must include a performance evaluation of their positions by directors during the previous mandate and, where appropriate, of the positions performed by candidates on the Board, taking into account or assessing the amount and quality of the work done by them, and their commitment to the position.

- The formulation of proposals for appointment or reappointment by the Board of Directors must be preceded:

a) In the case of Nominee Directors, by a suitable proposal of the shareholder backing their appointment or reappointment.

b) In the case of Executive Directors, as well as the Secretary, whether or not a director, by a suitable proposal from the Chairman of the Board.

Both types of proposals must also be preceded by the corresponding report from the Appointments and Remuneration Committee.

- The proposed reappointment of nominee and executive directors must be subject to a prior report issued by the Appointments and Remuneration Committee, which must include a performance evaluation of their positions by directors during the previous mandate and, where appropriate, of the positions performed by candidates on the Board, taking into account or assessing the amount and quality of the work done by them, and their commitment to the position.

In any case, the proposals for appointment and reappointment of Board Directors must be accompanied by an explanatory report from the Board which assesses the responsibility, experience and merits of the candidate.

The Board of Directors shall not propose to the Annual General Meeting that any independent board director be removed from office before the end of the term for which the board director has been elected unless the Board of Directors considers, based on a report from the Appointments and Remuneration Committee, that there are grounds for doing so. In particular, the removal proposal shall be deemed justified when the Board Director has failed to comply with the duties inherent to the position, has not complied with any requirement set forth for Independent Board Directors, or has incurred in an insuperable conflict of interest according to the provisions of current legislation.

C.1.17 **Explain how the annual assessment of the Board has led to significant changes in its international organization and in the procedures that apply to its activities:**

Description of amendments

In 2019, the Board of Directors agreed to hire Deloitte Legal S.L.P. as an external advisor to evaluate the functioning of the Board and its committees as well as the Chairman of the Board. The following measures were adopted by MAPFRE in 2020 to apply the result of the 2019 evaluation:

- Appointment of Ms. Rosa María García García as a voting member of the Appointments and Remuneration Committee.

- Approval by the Appointments and Remuneration Committee of the Competency Matrix of the Board of Directors, which defines the skills and knowledge of its members.

- Approval by the Board of Directors, at the proposal of the Appointments and Remuneration Committee, of the Succession Plan of the Chairman of the Board of Directors of MAPFRE.

In financial year 2020, the Board of Directors carried out an assessment of the quality of its work and the operation of its Committee and Steering Committees without the advisory of an external consultant.

The annual self-assessment of the Board of Directors has put a special focus on those key aspects with respect to which the directors expressed interest in previous assessments. In particular, the following aspects have been analyzed: composition and structure of the Board of Directors and its delegate bodies and the running of the meetings.

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Describe the assessment process and the areas assessed by the Board of Directors with the assistance, where applicable, by an external consultant, regarding the operation and composition of the board and its committees and any other area or aspect that has been subject to assessment.

Description of the assessment process and assessment areas

In accordance with the provisions of the Regulations of the Board of Directors of MAPFRE, the Board undertakes an annual assessment of the quality of its work, the performance of the Chairman based on the report drawn up for this purpose by the Appointments and Remuneration Committee, and the operation of its Committees and Steering Committee. Where appropriate, it proposes an action plan to correct any deficiencies detected.

During the first half of 2021 the Steering Committee and the Audit and Compliance, Appointments and Remuneration, and Risk Committees will prepare their respective self-assessment reports on their composition and operations during 2020.

Likewise, the Board of Directors will assess its own composition and operations during 2020 as well as those of its Committees and Steering Committees based on the aforementioned reports.

C.1.18 Itemize, in those financial years in which the assessment was carried out with an external consultant, the business relationships that the consultant or any company of its group maintains with the company or any company of its group.

Not applicable

C.1.19 Indicate the circumstances under which directors are obliged to resign.

In accordance with the corporate bylaws, the Board of Directors Regulation and the MAPFRE Group's Institutional, Business and Organizational Principles, all members of the Board of Directors will formally resign their post at the age of 70. The Chairman, Vice Chairmen and directors who perform executive functions, and the secretary of the Board must retire from office on reaching 65 years of age or, on any earlier date according to the terms and conditions of their respective contracts, submitting the corresponding resignations, but they may continue as members of the Board without any executive duties for a maximum of five years in the same conditions as external nominee directors.

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

a) Whenever they are removed from the executive office associated with their appointment as members of these governing bodies.

b) Should they become subject to any disqualification or prohibition laid down under 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 a serious warning from the Audit and Compliance Committee due to infringement of their obligations as directors.

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. When such events or circumstances are well-known or public, the Appointments and Remuneration Committee, by agreement of the majority of its members, may request the resignation of the affected director.

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

Resignation from these positions must be formally tendered in a letter addressed to all members of the Board of Directors.
Directors who, at the time of their appointment, do not hold any executive position or perform any executive functions in the company, or in another Group company, will not be able to perform any executives functions unless they first resign their directorship, even though they may subsequently remain eligible for the position.

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.

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MAPFRE's independent directors must also tender their resignation when they have held office for 12 years in a row.

C.1.20 Are reinforced majorities required, aside from legal majorities, for any type of resolution?

[ ] Yes
[√] No

If so, describe the differences.

C.1.21 Explain whether there are specific requirements, other than those regarding board directors, to be appointed chairman of the board.

[√] Yes
[ ] No

Requirements description

In accordance with the provisions of Article 5 of the Regulations of the MAPFRE Board of Directors, the position of Chairman must go to an executive director who has the status of most senior management representative, and such a designation requires the favorable vote of two thirds of the members of the Board of Directors.

C.1.22 Indicate whether the bylaws or the Board regulations establish any age limit for directors:

[√] Yes
[ ] No

	Age limit
Chairman	65
Managing Director	65
Board Director	70

C.1.23 Indicate whether the bylaws or the Board's regulations establish a limited mandate or other stricter requirements than those legally provided for independent directors, other than that established in the regulations:

[ ] Yes
[√] No

C.1.24 Indicate whether the bylaws or the regulations of the board of directors establish specific regulations for delegating votes on the board of directors in favor of other board directors, how to do it, and in particular, the maximum number of delegations a board director may have, as well as whether any limit has been established regarding the categories in which it is possible to delegate, beyond the limits imposed by legislation. If so, describe such regulations briefly.

There are no specific regulations for delegating votes on the Board of Directors.

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C.1.25 Indicate the number of meetings the Board of Directors has held during the financial year. Where applicable, indicate how many times the Board has met without the Chairman in attendance. In calculating this number, attendance shall mean proxies given with specific instructions.

Number of board meetings	11
Number of board meetings not attended by the Chairman	0

Indicate the number of meetings held by the Lead Director with the rest of the directors, without the assistance or representation of any executive director:

Number of meetings	0

Indicate the number of meetings the Board's different Committees have held during the financial year.

Number of meetings of the STEERING COMMITTEE	2
Number of meetings of the AUDIT AND COMPLIANCE COMMITTEE	12
Number of meetings of the APPOINTMENTS AND REMUNERATION COMMITTEE	8
Number of meetings of the RISK COMMITTEE	9

C.1.26 Indicate the number of meetings the Board of Directors has held during the financial year and the attendance information of its members:

Number of meetings with in-person attendance of at least 80 percent of board directors	11
% attendance over total votes during the year	100.00
Number of meetings with in-person attendance, or representations made with specific instructions, from all board directors	11
% votes cast with in-person attendance and representations made with specific instructions, of the total number of votes during the year	100.00

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C.1.27 Indicate whether the individual and consolidated annual accounts presented to the board for formulation were certified beforehand:

[v] Yes
[ ] No

Where applicable, identify the person(s) who certified the individual and consolidated annual accounts to be drawn up by the board:

Name	Position
MR. FERNANDO MATA VERDEJO	CHIEF FINANCIAL OFFICER
MS. MARÍA LUISA GORDILLO GUTIÉRREZ	GROUP CHIEF INTERNAL AUDIT OFFICER
MR. CARLOS BARAHONA TORRIJOS	ASSISTANT GENERAL MANAGER OF CONTROL AND FINANCIAL INFORMATION

C.1.28 Explain any mechanisms put in place by the board of directors to ensure that the financial statements the board of directors submits to the annual general meeting are drawn up in accordance with accounting regulations.

The company has Corporate Finance and Resources, General Counsel and Internal Audit Areas to oversee all aspects of the annual accounts, as well as the MAPFRE Audit and Compliance Committee, which is a delegate body that was created by the Board for this purpose and granted supervisory powers in 2000.

According to Article 23 of the Regulations of the Board of Directors of MAPFRE, the Financial Statements submitted to the Board of Directors in order to be authorized for issue shall be previously certified with regard to their accuracy and integrity by the most senior management representative of the Company – or, as the case may be, by the consolidated group – by the corresponding Group Chief Internal Audit Officer and by the manager responsible for the preparation of the aforementioned Statements.

In addition, Article 25 of the Regulation of the Board of Directors of MAPFRE provide that the Board of Directors must always draw up the annual accounts so that the External Auditor has no reservations or provisos regarding them. Nonetheless, when the Board considers that it must maintain its criteria, the Chairman of the Audit and Compliance Committee will publicly explain the content and scope of the discrepancies that may have led to these reservations or provisos.

C.1.29 Is the Board secretary a director?

[ ] Yes
[v] No

If the secretary does not have the status of director, complete the following table:

Name or company name of the secretary	Representative
MR. ÁNGEL LUIS DÁVILA BERMEJO	

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C.1.30 Indicate the specific mechanisms established by the company to preserve the independence of the external auditors, as well as, if any, the mechanisms to preserve the independence of the financial analysts, the investment banks and the rating agencies, including how they have implemented the legal provisions in practice.

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 Board of Directors Regulations, which set out the following criteria in respect of the relationship with external auditors:

- The relationship of the Board of Directors with the company's external auditor shall be maintained through the Audit and Compliance Committee.

- The Board of Directors shall refrain from hiring any auditing firms that receive or that will receive annual fees from the Group, where the amount for all items exceeds 5 percent of its total annual revenue; and it shall report, in the annual public documentation, the total fees that the Group paid the External Auditor for the various services it provided.

Apart from the Audit and Compliance Committee's powers and functions as specified in the bylaws and the Board of Directors 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 and Compliance Committee assesses 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.

Furthermore, the Audit and Compliance Committee verifies the independence of the external auditor in relation to the Company and its subsidiaries, receiving from it the declaration of its independence and issuing the Committee the corresponding report on the independence of the auditor.

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

C.1.31 Indicate whether the company changed its external auditor during the financial year. If so, identify the incoming and outgoing auditors:

[ ] Yes
[v] No

If there were disagreements with the outgoing auditor, explain the grounds.

[ ] Yes
[v] No

C.1.32 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 that the above amount represents of the total fees charged to the company and/or its group:

[v] Yes
[ ] No

	Company	Group Companies	Total
Amount for work other than audit (thousands of euros)	174	1,397	1,571

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	Company	Group Companies	Total
Amount from jobs other than audit/Amount audit jobs (in %)	34.00	20.01	20.96

C.1.33 Indicate whether the audit report on the annual financial statements for the previous fiscal year contained exceptions. If any, indicate the reasons given to the shareholders at the Annual General Meeting by the Chairman of the Audit Committee to explain the content and scope of said exceptions.

[ ] Yes
[√] No

C.1.34 Indicate the number of fiscal years during which the current audit firm has been continuously performing the audit of the individual and/or consolidated annual accounts of the company. Indicate the percentage of the number of fiscal years audited by the current auditing firm to the total number of fiscal years in which the annual financial statements have been audited:

	Individual	Consolidated
Number of financial years running	6	6

	Individual	Consolidated
Number of fiscal years audited by current audit firm/number of fiscal years the company or its group has been audited (in percentage).	19.99	19.99

C.1.35 Indicate and, where applicable, give details on the existence of a procedure for board directors to obtain the information they need to prepare the meetings of the management bodies in sufficient time:

[√] Yes
[ ] No

Details of the procedure

In accordance with the provisions of the Regulations of the Board of Directors, the meeting shall always include the agenda, which shall be established by the Chairman, and shall be accompanied by the appropriate information on the matters to be discussed, and duly prepared.

The agenda will be circulated to all members at least five days in advance of the meeting and will specifically state those items that are for information purposes and those that require a Board resolution. The documentation will be circulated among members at least three days ahead of the meeting, to allow for due analysis and study of the same by directors.

The Chairman of the Board of Directors, as the person responsible for the effective operation thereof, shall take the necessary measures to ensure that the Directors receive sufficient information in advance of the meeting on the items on the agenda.

In addition, Directors are vested with the broadest powers to obtain information on any aspect of the Company, to examine their books, records, documents and other background on social operations. This right to information is extended to the Group companies to the extent necessary to enable the effective performance of their duties by the board directors.

This aspect is subject to a specific analysis by the Board of Directors of the Company in its annual self-evaluation session.

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C.1.36 Indicate and, where applicable, give details on whether the company has established rules obliging board directors to inform and, where applicable, to resign when situations arise that affect them, whether related or not to their conduct in the company that may harm the company's credit and reputation:

[√] Yes
[ ] No

Explain the rules

The directors must place their office(s) at the disposal of the Board of Directors, both as directors and any other position they might hold on any Committee or Steering Committees thereof, and formalize any resignation, should the Board deem it necessary, in the following cases:

- Whenever they are removed from the executive office associated with their appointment as a member of these governing bodies.

- Should they become subject to any disqualification or prohibition laid down under law.

- 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.

- If they receive a serious warning from the Audit and Compliance Committee due to infringement of their obligations as directors.

- When they are affected by circumstances that might harm the company's credit or reputation or place its interests at risk were they to remain on these governing bodies. When such events or circumstances are well-known or public, the Appointments and Remuneration Committee, by agreement of the majority of its members, may request the resignation of the affected director.

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

C.1.37 Indicate, unless special circumstances have arisen that have been recorded in minutes, if the board has been informed or otherwise become aware any situation affecting a board member related or not to their conduct in the company that might harm the company's name and reputation:

[ ] Yes
[√] No

C.1.38 List the significant resolutions adopted by the company and that take effect, are amended or conclude in the event of a change in control of the company on account of a public takeover bid, and its effects.

There are no significant resolutions adopted by the company and that take effect, are amended or conclude in the event of a change in control of the company on account of a public takeover bid.

C.1.39 Identify individually, when referring to board directors, and in aggregate form in all other cases and indicate, in detail, resolutions between the company and its administrative and management positions or employees that provide indemnification, guarantee clauses or shielding, when they resign or are dismissed unfairly or if the contractual relationship is terminated on the occasion of a public invitation to tender or other transactions.

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Beneficiary type	Description of the resolution
N/R	The term of the contracts of the executive directors is related to their time as an executive director. Removal from this position entails the lifting of the suspension of the relationship prior to the appointment as such. Executive board directors must have an exclusive relationship with the company, and there are no contractual conditions relating to post-contractual non-competition agreements or continuity of service. Early termination of the previous relationship, except when there is good cause for dismissal, entails indemnification under the terms established by the workers' statute in relation to unfair dismissal. In the event of early termination by decision of the company, the company must inform the board director of their removal three (3) months prior to the date of termination. Contracts governing the prior relationship establish the termination of this relationship as January 1 of the year after which the board director reaches the age of 60, unless annual extensions are implemented at the initiative of the company until the date on which the executive reaches the age of 65, as a maximum. There are no clauses related to hiring bonuses.

Indicate whether, other than the cases stipulated in the regulations, these contracts have to be communicated and/or approved by the bodies of the company or its group. If so, specify the procedures, foreseen assumptions and the nature of the bodies responsible for approving or communicating them:

	Board of Directors	General Meeting
Body authorizing the clauses	√	

	Yes	No
Is the General Meeting informed of the clauses?		√

C.2. Board of Directors' Committees

C.2.1 List all the Board of Directors' committees, their members and the percentage of executive, nominee, independent and other external directors that compose them:

STEERING COMMITTEE		
Name	Position	Category
MR. ANTONIO HUERTAS MEJÍAS	CHAIRMAN AND CEO	Executive
MR. IGNACIO BAEZA GÓMEZ	VICE CHAIRMAN	Executive
MS. CATALINA MIÑARRO BRUGAROLAS	VICE CHAIRWOMAN	Independent
MR. JOSÉ ANTONIO COLOMER GUIU	MEMBER	Independent
MR. LUIS HERNANDO DE LARRAMENDI MARTÍNEZ	MEMBER	Nominee
MR. ANTONIO MIGUEL-ROMERO DE OLANO	MEMBER	Nominee

% of executive directors	33.33
% of nominee directors	33.33

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% of independent directors	33.33
% of other external board directors	0.00

Explain the functions delegated or attributed to this committee other than those already described in section C.1.9. Likewise, describe the organization and operation procedures and rules thereof. For each of these functions, indicate its most important actions during the fiscal year and how it has performed each of the functions attributed to it in practice, whether according to the law, the bylaws or other corporate agreements.

It is the delegate body of the Board of Directors, responsible for the executive management and permanent oversight of the strategic and operational aspects of the company's ordinary business affairs and those of its subsidiaries. It also makes any decisions necessary for proper operation.

It has the general capacity of decision and has been expressly delegated all the powers that correspond to the Board of Directors, except for those that may not be delegated by legal imperative or, where applicable, by express provision in the Corporate Bylaws or in the Regulations of the Board of Directors of MAPFRE S.A.

A maximum of ten members, all members of the Board of Directors. Its Chairman, First and Second Vice Chairmen and secretary will automatically be members of the Board. Members must be appointed with a favorable vote from two-thirds of the members of the Board of Directors.

During the 2020 fiscal year, the Steering Committee was responsible for being familiar with the economic information of the Company and its Group, being familiar with the activity of the Ethics Committee, authorizing the Group's corporate actions, being familiar with relationships with official bodies and the main litigation affecting the Group's companies, and being familiar with the purchase of MAPFRE shares by members of governing and management bodies, among other things.

AUDIT AND COMPLIANCE COMMITTEE		
Name	Position	Category
MS. ANA ISABEL FERNÁNDEZ ÁLVAREZ	CHAIR	Independent
MR. JOSÉ ANTONIO COLOMER GUIU	MEMBER	Independent
MR. ANTONIO MIGUEL-ROMERO DE OLANO	MEMBER	Nominee
MS. MARÍA DEL PILAR PERALES VISCASILLAS	MEMBER	Independent

% of executive directors	0.00
% of nominee directors	25.00
% of independent directors	75.00
% of other external board directors	0.00

Explain the functions, including, as the case may be, those additional to those legally provided, that this committee has attributed, and describe the procedures and rules of organization and operation thereof. For each of these functions, indicate its most important actions during the fiscal year and how it has performed in practice each of the functions attributed to it, whether in the law, in the bylaws or other corporate agreements.

The Audit and Compliance Committee has the following responsibilities:

a) To apprise the Annual General Meeting of matters that are the responsibility of the Committee and, in particular, regarding the results of the audit, explaining how the committee has contributed to the integrity of the financial and non-financial information and role that the Committee had in said process.

b) To oversee the efficacy of internal controls at the Company, internal audits and financial and non-financial risk control and management systems, as well as discussing with the External Auditor any significant weaknesses identified in the internal control system in the course of audits, without undermining the latter's

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independence. Recommendations or proposals to this end may be presented to the Board of Directors, where applicable, together with the corresponding term for monitoring them.

c) To oversee the process for drawing up and presenting the mandatory financial and non-financial information, and to present recommendations or proposals to the Board of Directors with a view to safeguarding its integrity.

d) To bring before the Board of Directors the proposals for the selection, appointment, reelection and substitution of the External Auditor, being accountable both for the selection process, as contemplated in the corresponding legislation currently in force, and for the conditions of their hiring, and to regularly gather from them information relating to the audit plan and its execution, while preserving their independence in the performance of their functions.

e) To establish appropriate relationships with the External Auditor in order to receive information concerning those issues that may jeopardize their independence, so that they may be examined by the Committee, and any other issues relating to the accounts auditing process, and where appropriate, authorizations for services other than those prohibited in the terms contemplated in the corresponding legislation currently in force for auditing accounts, for the regime of independence, as well as other communications envisaged in account audit legislation and auditing standards. In any case, 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 detailed and individualized information concerning the additional services of any type rendered and those professional fees received corresponding to these companies by said External Auditor, or by the people or companies linked to them in accordance with the provisions of the audit legislation in force.

f) To issue a yearly report, prior to the publication of the accounts audit report, expressing an opinion concerning whether the independence of the External Auditor has been compromised. This report in any case must contain, the reasoned evaluation of the provision of each and every one of the additional services to which the above letter 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 account auditing activity.

g) To ensure that, as far as possible, the External Auditor of the Group takes responsibility for auditing all the companies belonging to it.

h) To ensure the independence and efficacy of the Internal Audit function; to propose the selection, appointment, reelection and removal of its most senior management, as well as its annual budget, and the plan for the annual internal audit work; to receive regular information on its activities; and to check that C-Suite takes the conclusions and recommendations of its reports into account.

i) To give prior notification to the Board of Directors on all matters stipulated by Law, the Bylaws or this Regulation.

j) To establish and oversee a mechanism that allows employees and other people related to the company, such as board directors, shareholders, providers, contractors or subcontractors, to communicate potentially significant irregularities related to the company that they observe within the company or its Group, including financial and accounting irregularities, or those of any other nature. This mechanism must guarantee confidentiality and, in any case, envision situations where communications can be made anonymously, respecting the rights of the whistleblower and the accused party.

k) To ensure in general that the internal control policies and systems established are effectively implemented in practice.

l) To verify the application of the established good governance regulations at all times.

m) To oversee compliance with internal and external regulations, especially with internal codes of conduct, regulations and procedures for the prevention of money laundering and financing terrorism, as well as making proposals for their improvement.

n) To oversee the adoption of initiatives and measures resulting from inspection reports or actions taken by administrative authorities responsible for supervision and control.

n) Any other responsibilities which may be assigned by the Board of Directors or attributed to it in the Regulations of the said body. [THE

INFORMATION IN THIS SECTION CONTINUES IN SECTION H.1 OF THIS REPORT]

To identify the members of the audit committee that have been appointed taking into account their knowledge and experience in accounting, auditing or both and report on the date of appointment of the Chairman of this committee in such position.

Names of experienced board directors	MS. ANA ISABEL FERNÁNDEZ ÁLVAREZ/MR. JOSÉ ANTONIO COLOMER GUIU/MR. ANTONIO MIGUEL-ROMERO DE OLANO

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Data of appointment of the Chairman in the position	08/18/2019

APPOINTMENTS AND REMUNERATION COMMITTEE		
Name	Position	Category
MS. CATALINA MIÑARRO BRUGAROLAS	CHAIRWOMAN	Independent
MR. JOSÉ ANTONIO COLOMER GUIU	MEMBER	Independent
MS. ROSA MARÍA GARCÍA GARCÍA	MEMBER	Independent
MR. LUIS HERNANDO DE LARRAMENDI MARTÍNEZ	MEMBER	Nominee
MR. ALFONSO REBUELTA BADÍAS	MEMBER	Nominee

% of executive directors	0.00
% of nominee directors	40.00
% of independent directors	60.00
% of other external board directors	0.00

Explain the functions, including, as the case may be, those additional to those legally provided, that this committee has attributed, and describe the procedures and rules of organization and operation thereof. For each of these functions, indicate its most important actions during the fiscal year and how it has performed in practice each of the functions attributed to it, whether in the law, in the bylaws or other corporate agreements.

The Appointments and Remuneration Committee is the delegate body of the Board of Directors for the coordinated development of appointment and remuneration policy regarding the directors and senior management of the Group.

It has the following responsibilities:

a) To evaluate the balance of skills, knowledge and experience required on the Board, defining the functions and capabilities required of the candidates to fill each vacancy accordingly and deciding the time and dedication necessary for them to properly perform their functions.

b) To establish a representation target for the gender least represented on the Board of Directors and to draw up guidelines on how to achieve this target.

c) To bring before the Board of Directors the appointment proposals of Independent Board Directors for them to be designated by co-opting or for them to be subject to the decision of the Annual General Meeting, as well as proposals for reappointment or removal, and to report on cases related to proposals that affect the remaining Board Directors.

d) To notify proposals for the appointment and termination of senior managers and their basic contractual conditions.

e) To examine and organize the succession of the Chairman of the Board, and where appropriate, to make the corresponding proposals to the Board so that this succession is orderly and well-planned.

f) To propose to the Board of Directors the remuneration policy for Board Directors and general managers or anyone who performs C-Suite functions under the direct control of the Board, the Steering Committee or the Managing Directors, as well as individual remuneration and other conditions of the contracts of Executive Board Directors, ensuring their enforcement.

g) To propose to the Board of Directors the candidates for FUNDACIÓN MAPFRE Trustees whose appointment is the responsibility of the Company.

h) To authorize the appointment of external directors in the other Group companies.

The Committee is made up of a minimum of three and a maximum of five Directors, all of whom must be non-executive, and at least two of whom must be Independent Directors. The Chair must be an Independent Director. The Secretary of the Board of Directors will also be the Secretary of the Committee.

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In 2020, the Appointments and Remuneration Committee was responsible for, among other things, reporting on the appointments and removals of board directors and executives, reporting on the Chairman's actions during fiscal year 2019, bringing before the Board of Directors the re-election proposals concerning the independent board directors, proposing to the Board of Directors the Compensation Policy of board directors for the period 2020-2022 and the Succession Plan of the Chairman of the Board of Directors, approving the Competency Matrix of the Board of Directors, approving the salary remuneration of Senior Management for 2020, authorizing the granting of pension commitments, approving the granting of management contracts and proposing to the Board of Directors candidates for the appointment of Trustees of FUNDACIÓN MAPFRE.

For more information, please check the Report on the Composition and Functioning of the Committee during fiscal year 2020, available on the Company's website, which is made available to shareholders for the General Meeting.

RISK COMMITTEE		
Name	Position	Category
MR. JOSÉ ANTONIO COLOMER GUIU	CHAIRMAN	Independent
MS. ANA ISABEL FERNÁNDEZ ÁLVAREZ	MEMBER	Independent
MR. ANTONIO GÓMEZ CIRIA	MEMBER	Independent
MR. ANTONIO MIGUEL-ROMERO DE OLANO	MEMBER	Nominee

% of executive directors	0.00
% of nominee directors	25.00
% of independent directors	75.00
% of other external board directors	0.00

Explain the functions delegated or attributed to this committee other than those already described in section C.1.9. Likewise, describe the organization and operation procedures and rules thereof. For each of these functions, indicate its most important actions during the fiscal year and how it has performed each of the functions attributed to it in practice, whether according to the law, the bylaws or other corporate agreements.

This delegate body of the Board of Directors supports and advises the Board on the definition and evaluation of the Group's risk management policies and on the determination of susceptibility to risk and the risk strategy.

It has the following functions:

a) To provide support and advice to the Board of Directors in the definition and evaluation of the risk policies of the Group and in the determination of the susceptibility to risk and the risk strategy.

b) To assist the Board of Directors in overseeing the application of the risk strategy.

c) To be familiar with and assess the risk management methods and tools, monitoring the models applied regarding results and validation.

The Committee will be made up of a minimum of three and a maximum of five members, all of whom must be non-executive, and at least two of whom must be independent directors. The chairman must be an Independent Director. The Board of Directors must designate a Secretary, a position which need not be filled by a Director. The Senior Director who oversees the Group's risk area will attend the Committee as a guest.

During fiscal year 2020, the Risk Committee was responsible, among other things, for the review of the solvency position of the Company and its subsidiaries, for the review of the policies approved by the Company in the framework of Solvency II, and for the determination of risk propensity and risk strategy.

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C.2.2 Complete the following table with information related to the number of board directors who have belonged to Board of Directors' Committees at the closing of the last four fiscal years:

	Number of directors							
	Fiscal year 2020		Fiscal year 2019		Fiscal year 2018		Fiscal year 2017	
	Number	%	Number	%	Number	%	Number	%
STEERING COMMITTEE	1	16.67	1	16.67	1	16.67	1	12.50
AUDIT AND COMPLIANCE COMMITTEE	2	50.00	2	50.00	2	50.00	2	40.00
APPOINTMENTS AND REMUNERATION COMMITTEE	2	40.00	1	25.00	1	25.00	2	50.00
RISK COMMITTEE	1	25.00	1	25.00	1	25.00	1	20.00

C.2.3 Indicate, where applicable, the existence of regulations for the board committees, where they can be consulted and any amendments made to them during the fiscal year. Indicate whether an annual report on the activities of each committee has been drawn up voluntarily.

STEERING COMMITTEE

The regulation of the Steering Committee is included in the company's bylaws (Article 21) and in the Board Regulations (Articles 9 and 13). These documents, as well as the composition of the Committee, are always available for consultation on the company's website, www.mapfre.com.

No changes have been made to the operating system of the Steering Committee.

The Steering Committee submitted a report on its own functioning to the Board of Directors in fiscal year 2020. AUDIT AND COMPLIANCE COMMITTEE

The regulation of the Audit and Compliance Committee is included in the company's bylaws (Article 22) and in the Board Regulations (Articles 10 and 13). These documents, as well as the composition of the Committee, are always available for consultation on the company's website, www.mapfre.com.

In 2020, an amendment was made to Article 10.1 to change the competences of the Audit and Compliance Committee in relation to non-financial information, policies and systems in internal control and the reporting of irregularities.

The Audit and Compliance Committee submitted a report on its functioning in fiscal year 2020 to the Board of Directors.

APPOINTMENTS AND REMUNERATION COMMITTEE

The regulation of the Appointments and Remuneration Committee is included in the company's bylaws (Article 23) and in the Board Regulations (Articles 11 and 13). These documents, as well as the composition of the Committee, are always available for consultation on the company's website, www.mapfre.com.

No changes have been made to the operating system of the Appointments and Remuneration Committee.

The Appointments and Remuneration Committee submitted a report on the functioning of the Appointments and Remuneration Committee for fiscal year 2020 to the Board of Directors.

RISK COMMITTEE

The regulation of the Risk Committee is included in the company's bylaws (Article 24) and in the Board Regulations (Articles 12 and 13). These documents, as well as the composition of the Committee, are always available for consultation on the company's website, www.mapfre.com.

No changes have been made to the operating system of the Risk Committee.

The Risk Committee is expected to submit a report on the functioning of the Risk Committee for fiscal year 2020 to the Board of Directors.

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D. RELATED-PARTY TRANSACTIONS AND INTRA-GROUP TRANSACTIONS

D.1. Explain, where applicable, the procedure and competent bodies for approving related-party and intra-group transactions.

MAPFRE has a policy for managing conflicts of interest and related-party transactions with significant shareholders and senior representative or management positions, which regulates the procedure to be followed in relation to related-party transactions.

The Board of Directors shall be familiar with the transactions conducted by the Company, directly and indirectly, with Board Directors, with significant shareholders or shareholders represented on the Board of Directors, or with persons related to them, and these transactions shall require authorization by the Board of Directors, after receiving a report from the Audit and Compliance Committee, unless they are transactions that are part of the normal or ordinary activities of the parties concerned, which are undertaken under normal market conditions and for amounts that are insignificant or irrelevant to the Company

Significant shareholders, board directors and senior management must inform the secretary of the Board of Directors of MAPFRE in writing regarding any transaction that they or individuals associated with them (in this last case, whenever the affected person is aware of it) intend to conduct with MAPFRE or with any other company of its Group and which constitutes a related-party transaction subject to authorization by the Board of Directors.

The notification must include sufficient information on the aspects of the transaction to make it possible for MAPFRE to properly identify it.

D.2. List any significant transactions between the company or its Group companies and the company's significant shareholders which are relevant due to their amount or subject matter:

Name or company name of the significant shareholder	Name or company name of the company or Group company	Nature of the relationship	Type of transaction	Amount (thousands of euros)
CARTERA MAPFRE, S.L. SINGLE-MEMBER COMPANY	MAPFRE S.A.	Corporate	Dividends and other profits distributed	282,353

D.3. List the transactions between the company or Group companies and the company's associates or executives which are relevant due to their amount or subject matter.

Name or company name of the managers or directors	Name or company name of the company or Group company	Link	Nature of the transaction	Amount (thousands of euros)
No data				N/R

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D.4. Report on the significant transactions in which the company has engaged with other companies belonging to the same group, as long as they are not eliminated in the process of drawing up the consolidated financial statements and are not part of the company's usual trade with respect to its purpose and conditions.

In any case, report any intra-group transaction carried out with companies established in countries or territories which have the consideration of tax haven:

Company name of the Group company	Brief description of the transaction	Amount (thousands of euros)
No data		N/R

D.5. Detail the significant operations carried out between the company or Group companies and other related parties, which have not been informed in the previous sections.

Company name of the related party	Brief description of the transaction	Amount (thousands of euros)
No data		N/R

D.6. List the mechanisms in place to detect, determine and resolve possible conflicts of interest between the company and/or its Group, and its board directors, executives 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.

Additionally, the internal code of conduct and the policy for managing conflicts of interest and related transactions with significant shareholders and senior representative or management positions regulate the special obligations relating to potential conflicts of interest.

The Board of Directors has the final decision on these issues. 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 director. The director in question must refrain from attending or participating in these decisions.

D.7. Indicate whether the company is controlled by another entity within the meaning of Article 42 of the Commerce Code, listed or otherwise, and has directly or through its subsidiaries, a business relationship with said entity or any of its subsidiaries (other than those of the listed company) or if it undertakes activities related to those of any of them.

[ ] Yes
[√] No

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E. RISK CONTROL AND MANAGEMENT SYSTEMS

E.1. Explain the scope of the Risk Control and Management System of the company, including taxation:

The MAPFRE Group has a Risk Management System (RMS) based on the continuous and integrated management of each of the business processes and on the suitability of the level of risk to the established strategic objectives, consolidating said management by area, business unit, activities, subsidiaries, geographical areas and corporate support areas.

The different types of risks have been grouped under four areas, or categories, as described below:

- Insurance Activity Risks: This groups together, separately for Life and Non-Life, the risk of premium shortfalls and insufficient technical and catastrophe provisions.

- Financial and Credit Risks: This includes interest rate, liquidity, exchange rate and credit risks.

- Strategic and Corporate Governance Risks: This includes business ethics and corporate governance risks as well as risks related to the organizational structure, alliances, mergers and acquisitions derived from the regulatory environment, including those of a tax nature, and competition risks.

- Operational Risks: This includes possible losses arising from the unsuitability or malfunction of internal processes, staff or systems, or arising from external events (not including risks arising from strategic decisions or reputational risk).

Operational Risks include the risk of non-compliance that includes the risk of material financial sanctions and losses as a result of non-compliance with internal and external laws, regulations and standards, as well as the risks of fiscal non-compliance (risks of discrepancies in the interpretation of tax regulations and the determination of market prices between related companies).

E.2. Identify the bodies of the company which are responsible for the preparation and implementation of the system for the control and management of risks, including of a tax nature:

The internal control and risk management systems are integrated into the organizational structure of the Group according to the three-lines-of-defense model, so that all the Property line of the organization are assigned responsibilities for compliance with the control and risk management objectives.

The Board of Directors is ultimately responsible for guaranteeing the effectiveness of the internal control and risk management systems. It is its sole competence to determine the general policies and strategies, and in particular the policy for the identification, management and control of risks, including fiscal risks, and the supervision of internal information and control systems.

The Steering Committee is the delegate body of the Board of Directors for the executive management and permanent supervision of the ordinary management of the company and its subsidiaries in its strategic and operational aspects, and acts with all its powers except those that are not delegable by legal imperative or, where appropriate, by express provision in the Company Bylaws or in the Regulations for the Board of Directors of MAPFRE S.A.

The Risk Committee has the following functions:

- To support and advise the Board of Directors on the definition and evaluation of the risk policies of the Group and on the determination of the susceptibility to risk and the risk strategy.

- To assist the Board of Directors in overseeing the implementation of the risk strategy.

- To be familiar with and assess the risk management methods and tools, monitoring the models applied regarding results and validation.

The Audit and Compliance Committee is the delegate body of the Board of Directors with the responsibility of overseeing the effectiveness of internal control, internal audit and the risk management systems; monitoring the development and presentation of financial and non-financial information, establishing appropriate relationships with the External Auditor; monitoring the implementation of good governance standards; and monitoring compliance with internal and external regulations, in particular internal codes of conduct and the rules and procedures for the prevention of money laundering and financing of terrorism.

E.3. List the main risks, including tax risks and, to the extent that they are significant, those derived from corruption (understood within the scope of Royal Decree Law 18/2017), which may impact the achievement of business objectives:

1. Insurance Activity Risk

The organization of MAPFRE, specializing in various business lines, requires them to be highly autonomous in the management of their business, in particular in terms of underwriting and tariff fixing, as well as the indemnification or provision of services in case of incident.

The adequacy of premiums and provisions are an element of special importance in insurance management. Technical provisions are estimated by the actuarial teams of the different companies and their amount is validated by an independent party that did not participate in the calculation. The relevance of

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the personal damage business in MAPFRE, with a rapid settlement of claims, as well as the low importance of long-term insured risks (such as asbestos or professional liability) are mitigating elements of the risk of inadequacy of technical provisions.

MAPFRE operates in countries highly prone to disasters (earthquakes, hurricanes, etc.), which calls for special treatment of these types of risk. Exposed companies have access to specialized catastrophic exposure analyses, which are generally prepared by independent experts, which estimate the scope of losses should a catastrophic event occur. Underwriting catastrophic risks is undertaken based on this information and the economic capital available to the underwriting company. Where appropriate, the equity exposure to these types of risk is mitigated by taking out specific reinsurance coverage.

In this regard, it is important to highlight the contribution of MAPFRE RE, which brings to the management of the Group its long experience in the market of catastrophic risks, determining annually the global catastrophic capacity by territory and establishing the maximum underwriting capabilities per risk and event. MAPFRE RE also has risk retrocession protection programs to cover deviations or increases in the catastrophic loss ratio in different territories.

MAPFRE's policy regarding reinsurance risk is to transfer business to reinsurers of proven financial capacity that meet the credit quality conditions set out in the MAPFRE Group's Reinsurance Policy. Business is ceded to other reinsurers on an exceptional basis after an internal analysis verifying the possession of a solvency margin equivalent to the aforementioned classification or if adequate guarantees are provided.

2. Financial and Credit Risks

MAPFRE mitigates its exposure to this type of risk by means of a prudent investment policy characterized by a high proportion of investment-grade fixed income securities.

Four different types of portfolios are managed within the investment portfolio:

- Those that seek strict immunization from the obligations deriving from insurance contracts.

- Portfolios that cover unit-linked policies made up of assets whose risk is assumed by the policyholders.

- Those that look to exceed the guaranteed return and achieve the highest return for the policyholders within prudential parameters, such as portfolios with profit sharing.

- Open-management portfolios where the active management is only conditioned by legal rules and internal risk limits.

In the first case, the immunized portfolios minimize the interest rate risk through immunization techniques based on the matching of flows or durations.

In the second case, portfolios that cover the unit-linked policies are made up of financial instruments whose risk is assumed by the policyholders.

A certain degree of market risk is accepted in the remaining portfolios, as set out below:

- The variable of interest rate risk management is the modified duration that is conditional on the limits established in the Investment Plan.

- Exposure to the exchange rate risk is minimized in the case of insurance liabilities. The Transferable Security and Real Estate Investment Plan establishes the maximum net position limit in currencies that can be adopted in asset management.

- Investments in shares are subject to a maximum limit of the investment portfolio.

- 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 past volatility and correlations.

With regard to credit risk, the policy is based on applying criteria of prudence in line with the issuer's solvency and seeking a high degree of geographical correspondence between the issuers of the assets and the commitments.

Thus, limits are established according to the risk profile of the counterparty or the investment instrument and in relation to the solvency of the counterparty, and there is a system for monitoring and reporting the exposure to credit risk.

The Security Committee also reviews the main exposures to insurance and reinsurance counterparties.

[INFORMATION IN THIS SECTION CONTINUES IN SECTION H.1 OF THIS REPORT]

E.4. Identify whether the company has a tolerance levels for risks, including tax risks:

The Risk Appetite Policy of the MAPFRE Group, approved by the Board of Directors of MAPFRE S.A., establishes the risk level that the Group would be ready to assume to attain its business objectives with no relevant deviations, even in adverse situations. That level, which defines limits and sub-limits per risk type, constitutes the MAPFRE Group's Risk Appetite.

As one of its risk management objectives, the MAPFRE Group strives to maintain an amount of eligible own funds at the consolidated level which is equivalent to a target solvency ratio of 200 percent of the solvency capital required under Solvency II, with a tolerance of 25 percentage points. A secondary risk management objective is to maintain a sufficient level of economic capital at the consolidated level to meet its obligations in accordance with a rating of "A" or higher, or its equivalent.

The prospective capital required of the insurance and reinsurance subsidiaries is generally determined pursuant to an estimation based on the budgets for the following fiscal year, and it is reviewed on a regular basis during the course of the year in line with risk trends.

For metrics that quantify the aggregate risks of the MAPFRE Group, tolerance levels are established and risk exposure is monitored through a measurement scale based on the distance of the risk level from its maximum limit: i) green zone: risk that can be assumed and maintained without restrictions; ii) yellow zone: risk that has reached a sufficient level of exposure and that requires monitoring and control measures; and iii) red zone: risk that exceeds the maximum tolerance and that requires the immediate adoption of control and mitigation measures to return to below the limit.

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The Governing Bodies receive information relating to the quantification of the main risks to which the Group is exposed and the capital resources available to cover them, as well as information relating to compliance with the established Risk Appetite limits and other specific risk policies.

E.5. Indicate the risks, including tax risks, which have arisen during the fiscal year: :

The sharp decline in economic activity due to the coronavirus pandemic (COVID-19) has resulted in an 11.1-percent drop in terms of premiums being issued, with a significant effect on the Automobiles, Life Savings and Travel Assistance — most notably in Automobiles, which decreased by 15.6 percent (due to lower vehicle sales and the substantial currency depreciation in a number of the countries where MAPFRE operates). This fall, however, has been partially offset by the growth of issuing in Healthcare line.

In addition, it is important to highlight the discount measures amounting to 55.5 million euros for the self-employed and SMEs in Spain, in addition to the financial assistance program for all states where MAPFRE USA underwrites Private Automobile business that had a total impact on premiums of 31.8 million euros (equivalent to 15 percent of the monthly premium). Moreover, in several Latin American countries, premium refunds and insurance coverage term extensions were recorded for an accumulated amount of 7.6 million euros.

The Non-Life reported loss ratio has gone down significantly in Automobiles (due to reduced vehicle usage) and Health lines (due to non-urgent surgeries, treatments and appointments being postponed during the health crisis). However, there has been a significant increase in the Life and Burials sectors, in line with the increase in deaths. Furthermore, gross accepted reinsurance, which reached 113.4 million euros, had the greatest impact, primarily due to business interruption coverage. Of the latter amount, 70.1 million euros are attributable to the Property line, and comes from claims filed by cedents, concentrated almost entirely in certain business interruption coverage in Europe (above all in Germany, France, the United Kingdom and Switzerland).

On August 14, MAPFRE detected a malfunction due to ransomware in its IT systems that affected part of the servers and equipment in Spain. The service was almost entirely normalized by the end of August. The protocols established in the business continuity plan were followed to protect information and block any possible attempt by third parties to access the company's systems, to guarantee service provision to clients and providers and prevent the malware spreading to the rest of the network. As various segments of the network had been isolated and systems shut down to confirm the extent of the attack, there was a temporary deterioration of some services, mainly MAPFRE in Spain, though it is important to point out that the attack did not affect any backup information. In line with MAPFRE's commitment to transparency, this cyber attack was announced right away through all of the Group's internal and external channels, as well as to the Insurance Supervisor. As of December 2020, MAPFRE is in the stage of assessing the damage costs, but considering the contract's insurance coverage, its economic impact would in no case exceed 5 million euros.

Between January 19 and 24, Storm Gloria had a significant impact in Spain, especially along the entire east coast and the Balearic Islands. The storm involved a cost of 13.6 million euros for the Group, of which 11.3 million were for MAPFRE ESPAÑA and 2.3 for the reinsurance unit.

On January 7, a magnitude 6.4 earthquake struck Puerto Rico. On May 2, the island suffered a magnitude 5.4 earthquake as an aftershock to the previous earthquake. The total net retained effect of both earthquakes for the Group reached 93.6 million euros, of which 35.9 million euros corresponded to MAPFRE PUERTO RICO and 45.2 and 12.5 million euros, respectively, to the Reinsurance and Global Risks units.

E.6. Explain the response and supervision plans for the main company risks, including fiscal risks, as well as the procedures followed by the company to ensure that the board of directors responds to the new challenges that arise:

The integration of internal control and risk management systems into the organizational structure is performed under the three-lines-of-defense model, assigning responsibilities regarding compliance with the internal control and risk management objectives according to the said model:

1) A first line of defense consisting of employees, management, and the business and supporting operating areas that are responsible for maintaining effective control over the activities carried out as an inherent part of their day-to-day work. Therefore, they assume the risks and are responsible for designing and applying the control mechanisms that are necessary to mitigate the risks associated with the processes that they carry out and to ensure that they do not exceed established limits.

2) A second line of defense integrated by the key functions of risk, actuarial and compliance management and other insurance functions, which guarantee the operation of the internal control and risk management systems.

3) A third line of defense consisting of Internal Audit, which carries out the independent assessment of the suitability, adequacy and effectiveness of the internal control and risk management systems, communicating any deficiencies to the parties responsible for applying the corrective measures in a timely manner, including senior management positions and governing bodies, as the case may be.

To ensure effective control and management of risks, MAPFRE has a written policy on Internal Control and has developed a set of risk management policies in which (i) the different types of risk faced are identified and (ii) the risk appetite considered acceptable, the measures envisaged to mitigate the impact of the identified risks and the information and internal control systems to be used in relation to them are established.

The Risk Management Teams of the companies coordinate the set of strategies, processes and procedures necessary to identify, measure, monitor, manage and continuously notify the risks to which the entity is or may be exposed, as well as their interdependencies.

The General Counsel and Corporate Legal Affairs Area offers the Governing Bodies and the different Corporate Areas and Business Units legal, fiscal and corporate governance advice; and actively defends the interest of the Group in these matters, both in the processes of application of current regulations and in the elaboration and processing of new provisions. Likewise, through the Corporate Tax Advisory Department, this corporate area has information regarding the tax risks detected in each country.

In any case, the actions to adopt regarding the risks identified are decided by the Board of Directors, which is informed immediately of any risk which:

- Depending on how it evolves, may exceed the established risk limits.

- May lead to losses equal to or in excess of the established risk limits.

- May endanger compliance with the solvency requirements or the continuity of the Group's operation.

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The Group Risk Office provides assistance and advises the Governing Bodies, Executive Chairman and executive management of the Group within the scope of their powers and informs the Governing Bodies on the level of exposure to the different risks, taking into consideration their interdependencies, and compliance with the limits established.

The foregoing includes the internal risk and solvency assessment of the Group, as well as the reports requested by the Governing Bodies on certain risk areas.

In addition, the Group promotes different procedures for the identification and assessment of risks and controls that involve the main areas and departments, showing a comprehensive and complete view of all the risks intrinsic to the business and identifying those risks that may be faced by the company throughout the period set out in its business plan.

Likewise, the Group companies promote the preparation and reporting to the respective Governing Bodies of the periodic reports of monitoring of operational risks, which include, among others, risk control reports and periodic reports of monitoring of incidents and operational risk events.

At the operational level, the MAPFRE Group also has the following key actions:

- The MAPFRE Group has a Corporate Business Continuity Model developed by the Corporate Security Office, the ultimate aim of which is to be able to provide a timely and effective response should a high-impact incident occur, therefore minimizing the damage caused. The model adopts the form of contingency plans that include recovery strategies for each process based on the criticality of the process and situation and the availability of the elements affected (employees, buildings, technology and providers).

- The Corporate Anti-Fraud Plan, also coordinated by the Corporate Security Office, which establishes the response and lines of action of the Group in the fight against fraud in all its aspects (prevention, detection, investigation and prosecution), as well as the measures to minimize their effects in the most efficient way possible.

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F. INTERNAL RISK CONTROL AND MANAGEMENT SYSTEMS IN RELATION TO THE FINANCIAL REPORTING PROCESS (ICFR)

Describe the mechanisms that comprise control systems and risk management in relation to the company's procedure for the issuing of financial information (ICFR).

F.1. Control environment of the company

Report on the following, indicating the main characteristics:

F.1.1 Which bodies and/or functions are responsible for: (i) the existence and maintenance of an adequate and effective ICFR; (ii) its implementation; and (iii) its supervision.

The MAPFRE Internal Control System takes the form of a set of continuous processes for which the MAPFRE S.A. Board of Directors is ultimately responsible. The Board is assisted by the Executive Committee and the executive teams of the different units, companies, corporate areas and other departments as regards the implementation, update and monitoring of the tasks and processes related to compliance with the objectives of the Internal Control System. For its development in the organization, MAPFRE's Internal Control System is based on the model of three lines of defense. This was reflected in the last update to the Group's Internal Control Policy, approved by the Board of Directors on December 13, 2019.

The Regulation of the Board of Directors, which was amended and approved on December 21, 2020 includes the functions and responsibilities of the Board of Directors, the Steering Committee and other Board committees (Audit and Compliance, Appointments and Remuneration, and Risk).

The Board of Directors delegates ordinary management to the Steering Committee and Executive Management, and retains the approval of risk control and management policies and the approval of the periodic monitoring of both internal information and control systems, such as the financial, non-financial and corporate information to be published owing to its status as a listed company.

The Executive Committee is the body which, under mandate from the Board of Directors, exercises direct supervision over management of the Business Units and Corporate Areas and guarantees they take coordinated action.

In addition, the Audit and Compliance Committee, in its capacity as the delegate body of the Board of Directors, has the responsibility to oversee the process of preparing and presenting the mandatory financial information, and to submit recommendations or proposals aimed at safeguarding its integrity to the Board of Directors.

In addition, the Audit and Compliance Committee has the responsibilities of monitoring the effectiveness of internal control, internal audit and risk management systems, as well as discussing any significant weaknesses of the internal control system identified in the course of the audit with the External Auditor, all without undermining its independence, and reporting in advance to the Board of Directors, particularly on the financial information that the Company is required to make available periodically.

The "Internal Audit Policy of the MAPFRE Group," approved by the Board of Directors of MAPFRE S.A. on December 13, 2019, and the "Internal Audit Regulations," updated and approved by the Audit and Compliance Committee on October 29, 2020, include the main supervisory activities of the Internal Control System, carried out by the Audit and Compliance Committee through the Corporate Internal Audit Area and detailed in section F.5.1 of this document.

F.1.2 Whether there are, particularly relative to the procedure for the preparation of financial information, the following items:

- Departments and/or mechanisms in charge of: (i) the design and review of the organizational structure; (ii) the clear definition of lines of responsibility and authority, with an appropriate distribution of tasks and functions; and (iii) ensuring the existence of sufficient procedures for correct dissemination in the company:

The regulation on the Institutional, Business and Organizational Principles of the MAPFRE Group, approved by the Board of Directors of MAPFRE S.A. at its meeting on June 24, 2015 and amended on February 7, 2017 with effect from March 10, 2017, is the minimum mandatory framework for all the companies making up MAPFRE and their respective governing bodies.

The Board of Directors reviews and authorizes the Group's organizational structure and approves the lines of responsibility and authority based on the organizational structure defined. In the 2020 fiscal year, a new Management Organization Chart was approved by the Executive Committee on September 7 and by the Board of Directors on September 8, 2020, with the changes becoming effective from January 1, 2021.

The distribution of functions and definition of scopes of activity/authority and of hierarchical levels are undertaken in line with the Organizational Structure Manual approved by the Corporate People and Organization Area.

Concordance between the organization of positions and the hierarchical structure is essential because it maps functions to roles and responsibilities, ensuring that business activities are conducted properly.

The Corporate Finance and Resources Area establishes the accounting policies and standards applicable to the Group and is responsible for the coordination between the various Business Units and Corporate Areas in relation to the consolidated financial information preparation procedure.

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- **Code of conduct, approval body, degree of diffusion and instruction, principles and values included (indicating if there are specific mentions to the registry of operations and preparation of financial information), body entrusted with analyzing noncompliance and recommending corrective measures and sanctions:**

The Code of Ethics and Conduct was approved by the Board of Directors on July 25, 2019, replacing the one previously approved in 2017.

It aims to reflect corporate values and the basic principles that should guide the conduct of MAPFRE and its staff.
During 2020, the new Code of Ethics and Conduct online course was designed to make the new Code of Ethics and Conduct known to all employees and it will be available from January 2021.
Because of the above, there was no specific training in the Code of Ethics and Conduct in 2020, but this Code is public on both the Intranet and website of the Group, and can be consulted by anyone. It is available on the open self-learning platform.

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

To guarantee application of the Code, as well as supervision and control of its compliance, the Ethics Committee is entrusted with ensuring its compliance and analyzing and resolving any complaints lodged as a result of its violation. Any employee who has a query about the application of the Code, or who observes a situation that might involve a breach or violation of any of the principles and rules of ethics or conduct, must report it to the Ethics Committee, which acts within the scope of its advisory functions or resolves any complaints that may arise regarding breaches of the Code.

Queries and complaints to the Ethics Committee can be communicated by post, by email or through the Whistleblower Channel with direct access through the Group's internal portal and the corporate website of MAPFRE (www.mapfre.com). The operation of this channel is set out in the Code of Ethics and Conduct.

Every year, the Ethics Committee reports to the Steering Committee on the activities carried out during the fiscal year.

- **Whistleblower channel that allows employees to report financial and accounting irregularities to the audit committee, in addition to possible breaches of the code of conduct and irregular activities in the organization, indicating whether any of the information reported is confidential:**

In addition to the Query and Whistleblower Channel to the Ethics Committee described in the previous section, there is the Financial and Accounting Whistleblower Channel, which allows all employees of the MAPFRE Group, as well as its directors, shareholders, suppliers, contractors and subcontractors to communicate to the Audit and Compliance Committee any financial and accounting irregularities of potential importance that may be found within the company or its Group in a confidential, and optionally anonymous, manner. To channel complaints, an electronic mailbox has been set up which is accessible both from www.mapfre.com/CDF, and alternatively, by writing to a predetermined address.

The rules for the operation of the MAPFRE Group's Financial and Accounting Whistleblower Channel were updated and approved by the Audit and Compliance Committee at its meeting on December 17, 2020. These regulations are published both on the MAPFRE Group's Intranet or internal portal, and on www.mapfre.com/CDF.

The Audit and Compliance Committee receives the complaints and reviews and resolves them by addressing each one as it deems appropriate. In order to perform its functions properly, it relies on assistance from General Counsel and the Corporate Internal Audit Area.

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

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

General Counsel issues an annual report for the Audit and Compliance Committee outlining the activities conducted through the Whistleblower Channel and the final result of the complaints made.

- **Regular training and refresher programs for staff involved in the preparation and review of financial information, as well as evaluation of the ICFR, covering at least the accounting rules, audit, internal control and risk management.**

MAPFRE has a Corporate University and a Global Training Model implemented globally. All the training actions designed and deployed are associated with the strategic needs of the business.

MAPFRE has set a goal so that in 2020 78 percent of the training effort worldwide will have technical and sales content and programs. This area of technical knowledge contains financial training, which is channeled through the School of Finance, the purpose of which is to provide all professionals in all financial areas of MAPFRE with knowledge of risk management, management control and accounting, to improve their competitivity within this function.

In 2020, MAPFRE organized several training programs in Spain on financial, risk and internal control issues, representing a total of 8,401.29 training hours delivered to 16,362 participants.

The most relevant training actions in this area are detailed below:

Financial advice to clients: Financial certification is legally required for representatives advising clients on investment matters. This training adds great value to the MAPFRE sales network by providing cutting-edge, complete and practical knowledge that will significantly help sales efforts related with

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savings and investments. The program of studies includes 280 hours and the degree obtained allows holders to give Financial Advice to clients according to the Markets in Financial Instruments Directive (MIFID II) and the Spanish National Securities and Exchange Commission (CNMV). MAPFRE ESPAÑA has two different financial institutions, as the CNMV demands: For employees, the training provider is the Fundación de Estudios Financieros (Financial Studies Foundation, FEF) and the certifier is the Instituto Español de Analistas Financieros (Spanish Institute of Financial Analysts, IEAF), which examines and therefore issues official certification; for self-employed representatives, the training provider is Santander Financial Institute (SANFI) and the certifier is Bolsas y Mercados Españoles (Spanish Exchanges and Markets, BME), which examines and issues official certification. As of the end of 2020, 751 employees and 888 self-employed representatives have been certified.

In the e-learning training program, it is worth mentioning the Internal Control course available in the three corporate languages, which was renewed during 2019. By its nature, internal control involves everyone, regardless of the position they hold in the organization. This course therefore provides all MAPFRE employees with basic information on the objectives and principles underlying the common framework of the Internal Control System, the governing bodies responsible for its proper functioning and supervision, as well as practical examples of how the set of internal control actions are implemented in the organization using the three lines of defense model. As at December 31, 2020, 16,206 employees have completed this at the GLOBAL level since the launch of the updated course in 2019.

MAPFRE also offers an e-learning course on the Regulatory Compliance Function, the purpose of which is to make this function, its objectives and responsibilities known, as well as the importance acquired by the implementation thereof in organizations to minimize the risk of legal and regulatory non-compliance to which they are exposed. At the close of 2020, 1,079 employees had undertaken this program since it was launched in 2015.

In 2017, a 45-minute e-learning course was developed on the Solvency II regulations, aimed at all employees around the world who perform their functions in the Risk, Financial, Actuarial, Compliance and Audit Areas. This program is available in Spanish and English. At the close of 2020, 909 employees have completed this program since it was launched in 2017.

In 2020, training actions within the basic accounting program were developed, and self-learning training courses were made available on financial tools such as the "RE21 tool," and the "SAP tool" that has migrated to the new S/4 HANA FI system, and several related webinar sessions were held. All these activities were aimed at employees in the administration and finance function of Spanish-speaking entities.

In 2020, two Internal Audit programs were also developed in virtual format: "Technological Positioning for IT Auditors" and "Program for Auditors of Spanish and Portuguese Entities," which were completed by 28 and 73 internal auditors, respectively, with the aim of providing all professionals in MAPFRE audit areas around the world with the knowledge necessary to carry out the function, as well as to share established management tools and best practices.

F.2. Financial information risk assessment.

Report on at least the following:

F.2.1 The main characteristics of the risk identification process, including error or fraud risks, in relation to:

- Whether the process exists and is documented.

MAPFRE has a Risk Management System (hereinafter, RMS) that applies to Group companies, in accordance with the internal regulations of each of the risk categories considered.

The description of the RMS is included in Section E. Risk Control and Management Systems of this Corporate Governance Report.

Specifically with regard to the Risk Control model, risk factors are identified for each of the processes that the Group considers key processes, always including one relating to the registration and accounting of operations with an economic or accounting impact.

These risk factors are associated with the key figures for the main items in financial statements. In this process of identifying the key figures, quantitative and qualitative factors (complexity of transactions, risk of fraud and other aspects) were considered.

These risk factors are evaluated by the areas and departments of the companies during the development of the risk control activities that, among other aspects, allow: i) the identification of risks through specific questionnaires on controls and risks, ii) finding out about the risk factors that have been relevant so far and iii) the adoption of corrective measures in those cases, where necessary.

- The procedure covers all financial information objectives (existence and occurrence; integrity; assessment; presentation, breakdown and comparability; and rights and obligations), whether it is updated and how frequently.

Identifying the risks that cover the objectives of existence and occurrence, integrity, assessment, presentation, breakdown and comparability, and the rights and obligations of financial information is materialized through the process of preparing the quarterly questionnaire of internal controls over financial reporting.

The purpose of this procedure is to identify and verify that controls are implemented during the process of preparing the financial information, to create documentary evidence of the controls carried out by the company relating to Cash and Investment, Consolidation, Accounting and Tax processes, as well as of the result of its application, and acting as an internal communication channel to share the relevant information related to the issuance of financial information.

The Internal Accounting Control Associate Management is responsible for periodically reviewing and updating the ICFR procedure, as well as the questionnaire established to ensure the reliability of the financial information. This procedure was last reviewed in the first quarter of 2018 and remains in force.

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- Existence of a procedure for identifying the consolidation scope, bearing in mind, inter alia, the possible existence of complex corporate structures, instrumental companies or those with a special purpose:

The MAPFRE Consolidation Manual, prepared by the Corporate Finance and Resources Area, describes the process for identifying the scope of consolidation, which encompasses all the companies of the Group and is updated on a monthly basis.

The Consolidation Supervisor of each Subgroup receives details from the Consolidation Associate Management of the companies included in the scope of consolidation with the percentages of direct and indirect participation and the method of consolidation that applies. Any modification to the information provided must be reported to the Consolidation Associate Management, which will make a decision on the modification after analyzing the reasons given.

The functional structure and the tasks assigned to the process supervisors are reflected in the Consolidation Manual.

- Whether the procedure takes into account the effects of other risk types (operational, technological, financial, legal, fiscal, reputational, environmental, etc.) insofar as they affect financial statements:

Risk control takes into account the different types of operational, technological, financial, legal, reputational and environmental risks, as well as the risks inherent to the insurance and reinsurance business.

In this process, each risk factor, where appropriate, is linked to the section of the financial statements that would be affected if the potential risk became a reality, the main sections being: premiums, provisions, financial returns, acquisition expenses, administration expenses and benefit expenses.

Risk control is promoted in the Group, both in Spain and abroad, through the Riskm@p computer application, which is developed internally by MAPFRE and which aids in the creation of company Risk Maps. These maps analyze the significance and probability of occurrence of different risks. The management model is based on a dynamic analysis by processes, in which the managers of each area or department identify and assess the potential risks that affect business and support processes, as well as key economic figures, among other aspects, by completing self-evaluation questionnaires.

- Which of the company's governing bodies oversees the process?

The Audit and Compliance Committee is assigned, among other tasks, the responsibility for reviewing the effectiveness of the Company's internal control and risk identification and management systems, an ongoing task undertaken throughout the year through the work carried out by Internal Audit.

Regarding the ICFR report prepared by the Financial Department, External Audit reviews and analyzes its contents, issuing its own report on the consistency or incidents of the information that could impact it.

The ICFR report, alongside the report prepared by External Audit, is supervised by the Audit and Compliance Committee prior to its approval by the Board of Directors.

F.3. Control activities

Indicate whether at least the following are in place and describe the main characteristics:

F.3.1 Procedures for reviewing and authorizing financial information and the description of the ICFR, to be published in stock markets, indicating who is responsible for them, as well as descriptive documentation of the flows of activities and controls (including those related to fraud risk) of the various types of transactions that may materially affect the financial statements, including the accounting closing procedure and the specific review of the relevant judgments, estimates, valuations and projections.

The financial reports on the annual accounts, and biannual and quarterly information prepared by the Corporate Finance and Resources Area are submitted to the Audit and Compliance Committee first and then to the Board of Directors.

The Procedures and Supervision Associate Management requests that those responsible for the financial information of the main entities of the Group sign the internal "Representation Letter" that guarantees that the financial information reported for the purposes of preparing the biannual summary information and the annual consolidated accounts of the MAPFRE Group have been prepared in accordance with the accounting regulations set out in the MAPFRE Group's Consolidation Manual.

The closing calendar, prepared by the Procedures and Supervision Associate Management, lists the main activities of the process of consolidating and preparing the annual and biannual accounts and the corresponding controls, providing deadlines for compliance.

The different Group companies report financial information through their assigned supervisors, which the Corporate Finance and Resources Area consolidates to prepare the reports. During the consolidation process, controls are in place to detect any errors liable to significantly affect the financial statements.

The Audit and Compliance Committee verifies the following information:

- The management report and individual and consolidated annual accounts of MAPFRE S.A. and its subsidiaries.
- The report on the limited review of the consolidated abridged interim financial statements of MAPFRE S.A. corresponding to the intermediate period ending on June 30 of each fiscal year.
- The Integrated Report, which follows the guidelines and recommendations of the International Integrated Reporting Framework.
- Report on the Solvency and Financial Condition of the MAPFRE Group and its subsidiaries that conduct insurance and reinsurance activities

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located in Spain.

- The information that MAPFRE S.A. sends to the Spanish National Securities and Exchange Commission (the "CNMV") every quarter.

The following information is presented to the Audit and Compliance Committee:

- The internal control system reports on the assessment of Spanish insurance and reinsurance companies of the MAPFRE Group prepared by the Corporate Internal Audit Area.
- Solvency and Financial Condition Reports (SFCR) of the various Spanish insurers and reinsurers of the MAPFRE Group.
- The Solvency and Financial Condition Report (SFCR), the Periodic Monitoring Report (RSR) and Annual Quantitative Information (QRTs), all related to the MAPFRE Group.

The Internal Accounting Control Associate Management (Corporate Finance and Resources Area) is responsible for implementing the quarterly completion of the questionnaire on internal controls of financial information in the Group's various companies; reviewing the quality of the information reported and monitoring the description of the documentary evidence of the activities and controls carried out in relation to the main financial reporting processes described in section F.2. of this report; and evaluating the control coverage indicators according to the figures defined in the ICFR procedure.

The control activities are executed through the risk control process, which is implemented by the Operational Risk and Internal Control Associate Management, which is dependent on the Group Risk Office. The departmental and area supervisors prepare internal control manuals and other descriptive documents, which contain procedures, activities and the parties involved in them, identifying the associated risks and the controls for mitigating them, including those related to fraud risk and the accounting close process. The knowledge and documentation of controls allows those responsible for the various areas and departments of MAPFRE companies to evaluate the effectiveness of the established controls, to find out if the relevant risks that have been identified are sufficiently controlled and take the necessary corrective measures.

Regarding the judgments and estimates, the Board of Directors makes them based on assumptions on the future and about uncertainties that are related mainly to technical provisions; impairment losses on certain assets; the calculation of provisions for risks and expenses; the actuarial calculation of liabilities and commitments for post-employment remuneration; the useful life of intangible assets and tangible fixed assets; the fair value of certain unlisted assets; and the fair value of assets and liabilities derived from lease contracts.

The estimates and assumptions used are included in the accounting close instructions, are reviewed regularly, and are based on historical experience and on other factors that may be considered more reasonable at the time. If the review leads to changes in estimates in a given period, their effect is applied during that period and, if applicable, in subsequent periods.

F.3.2 Internal control policies and procedures for information systems (inter alia, safe access, change control, operation, operational continuity and separation of functions) that concern the company's relevant procedures in relation to the preparation and publication of financial information.

The Corporate Security Office (DCS), which until July 18, 2018 reported to the Corporate Resources and Institutional Coordination Area, became dependent from that date on the Corporate Business Support Area, which is managed by the Group Chief Business Support Officer. These changes were approved by the Board of Directors of MAPFRE S.A. on June 18, 2018. The DCS acts directly on the regulations regarding data security.

In particular, the measures established are specified in a Documentary Data Security System (SDSI) or Regulatory Body for Data Security (CNSI), which derives from the Master Plan for Security and Environment and the Corporate Security and Privacy Policy, both documents whose latest update was approved by the Board of Directors of MAPFRE S.A. at its meeting held on December 13, 2018. In this version, these documents have been adapted to the new regulatory requirements, mainly regarding the General Data Protection Regulations (GDPR), and the creation of the Privacy and Data Protection Committee as the delegate body of the Security and Environment Committee, and as a support body of the Crisis and Business Continuity Committee.

These security controls and procedures established on information systems can be classified as: preventive, detective and reactive, and result in the development and dissemination of standards, the establishment of design security, the monitoring of networks and systems, the review of measures and controls implemented, and the ability to respond to possible security incidents that may occur.

Among other aspects, the Data Security Regulations set out the following: information systems must be tracked and monitored through inventory procedures to identify the resources and the information that they contain; verification of the identity of the people who use them; and the use of passwords in keeping with the password strength criteria laid down in the regulations, which help maintain the appropriate separation of functions.

Likewise, MAPFRE provides continuous Training and Awareness to its employees in this area, among others, through an e-learning Security course developed and integrated in the Corporate University platform, whose purpose is to raise awareness and train employees in this area, making them aware of its objectives and responsibilities and the importance that this acquires in organizations for minimizing risks and fulfilling their responsibilities in this regard.

To facilitate compliance with the responsibilities and commitments established in the Data Security Regulations, MAPFRE has a General Control Center (which acts as a Computer Emergency Response Team (CERT) and belongs to the international network known as FIRST or Forum of Incident Response and Security Teams). This center monitors activity in the networks and in the Group's information systems, and is the body responsible for responding to potential security incidents. This body holds certifications issued by AENOR regarding compliance with ISO 9001 (Quality), ISO 27001 (Information Security) and ISO 22301 (Business Continuity) standards.

Additionally, every year the Corporate Security Office implements a calendar of security checks to verify the security controls in place and discover any vulnerabilities in the information systems.

Both the Corporate Security and Privacy Policy and the Security and Environment Governance Model, and the rules and standards of the Data Security Regulatory Body, are published on the Global Intranet in order to enable access to all employees.
In addition, the Group has a Corporate Business Continuity Model consisting of a Policy, a Governance Framework and a Business Continuity Methodology that define the framework and the necessary actions to be taken to ensure the correct development of the operation before the materialization of a high impact incident, so that the damage caused is minimized.

Every two years, the Corporate Internal Audit Area verifies the proper functioning of the Internal Control System of the main IT Systems whose scope

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is the general controls of information technology (IT), the IT control environment, and the application controls. In those years where no specific review is carried out, the identified action plans are monitored and their status is reviewed.

F.3.3 Internal control policies and procedures designed to supervise the management of activities subcontracted to third parties, as well as those aspects of evaluation, calculation or valuation entrusted to independent experts, which may have a material effect on financial statements.

All services subcontracted to third parties are articulated through specific contracts, and the contracting units or areas directly supervise the providers, except in the case of exceptional services (that are not recurring over time), of reduced amount, duration and lesser importance, which are processed through the system based on the provider's offer.

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

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

The Corporate Procurement and Resources Division is developing a project to be deployed in the countries of the Procurement and Contracting Services Global Model (already present in 17 countries), which includes different categories, including the category corresponding to services of independent professionals, which includes services with a possible financial impact derived from the evaluation, calculation or valuation assigned.

The technology tool for managing, controlling, and monitoring hiring has been SAP SRM (SAP Supplier Relationship Management) since 2012. In 2018, SAP decided to change its strategy and announced that it would discontinue SRM from 2025, relying on ARIBA as a tool for the management of providers, procurement and contracting.

In response to this situation, in 2019 MAPFRE decided, after studying the leading tools on the market, to rely on ARIBA as a procurement tool, mainly because of its native integration with the financial modules of MAPFRE that are found in SAP, S/4 HANA, because of its permanent updating feature, and its ability to automate processes and collaborate electronically with providers.

In 2019 and 2020, work was undertaken to define the new Global Procurement Model of MAPFRE in ARIBA, and the companies based fiscally in Spain (except MAPFRE Asistencia) will be completely migrated to the new platform in April 2021.

From that date, international deployment of ARIBA will begin, during which the different countries and organizations will gradually migrate to the new platform in a project that will last five years. Having a common first-rank tool like ARIBA will allow MAPFRE in different countries to carry out procurement operations locally in a decentralized way, but with common rules and procedures and centralized control and monitoring from the Corporate Procurement and Resources Division, in addition to allowing global recruitment when deemed necessary.

In implementing this plan, in 2013 the Steering Committee approved the Procurement Regulations which contain the principles and basic criteria for the procurement of goods and services by all Group companies, irrespective of their geographic location and type of business. A Procurement Procedure is also defined and approved internally that completes the Procurement Regulations, which were updated during 2017 and which entered into force on January 1, 2018. Both documents were reviewed and updated in January 2019 according to recommendations provided by Internal Audit and based on experience gained in the years since they were approved.
Additionally, each organization or country that has been given the ability to negotiate contracts, by having enough agency, must develop a specific procedure to regulate its hiring, always respecting and in compliance with the minimum criteria established in the Procurement Regulations and General Procedure.

In general, providers are approved and contracted by the Procurement and Resources Division, and once the contract has been formalized, it is the requester who ensures that the service is provided correctly and in compliance with current legislation.

Notwithstanding the foregoing, in cases where the services of outsourced independent professionals have to be treated with special confidentiality (M&A), it is the area itself that directly hires and supervises the service, although minimal information to document the hiring, as established in the Procedure for Sensitive Hiring, must be registered in the system and submitted for periodic control by Internal Audit.

Currently, the main providers with which MAPFRE contracts recurrently (with annual billing of more than thirty thousand euros) are approved on the basis of financial, fiscal, operational and business criteria, regulatory compliance and sustainability to ensure that MAPFRE hires solvent and first-ranked providers. The aim is that all recurrent providers or providers of particular relevance to the MAPFRE Group are approved as set out in the Procurement Procedure.

F.4. Information and Communication

Indicate whether at least the following are in place and describe the main characteristics:

F.4.1 A specific function responsible for defining, keeping accounting policies up-to-date (accounting policies area or department) and resolving queries or disputes derived from their interpretation, maintaining continuous communication with those responsible for operations in the organization, as well as an updated manual of accounting policies that is communicated to the units through which the company operates.

The Accounting Regulations Associate Management, which reports to the Corporate Finance and Resources Area, is entrusted, among other things, with updating accounting policies and applicable rules that concern the Group's financial information, and for resolving consultations and disputes deriving from the interpretation thereof.

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It also maintains a close and fluid relationship with the financial divisions of the different companies and with the Corporate Areas, to which it communicates formally established accounting procedures and rules.

With regard to the preparation of financial information, General Counsel and the Corporate Finance and Resources Area issued memos containing instructions and updates on applicable regulations. In addition, financial supervisors have specific models and instructions for preparing financial information, using the Accounting Models and the Consolidation Manual (which includes applicable accounting standards and policies), which are updated annually.

The subsidiaries of the Group receive the information about the applicable procedures and standards through the parent entities of the Subgroups, which in turn receive the instructions directly from the Accounting Regulations Associate Management and the Procedures and Supervision Associate Management.

The Procedures and Supervision Associate Management updates the individual and consolidated Annual Accounting Models used by the various Group companies, which include accounting policies and breakdowns of information to be presented.

The Consolidation Associate Management of the Corporate Finance and Resources Area specifies the instructions on accounting policies and breakdowns for preparation of the Group's consolidated information using the Consolidation Manual.

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

In addition, the Implementation of New Standards Division, in collaboration with the Accounting Regulations Associate Management, both dependent on the Corporate Finance and Resources Area, are responsible for analyzing the impact, development and implementation of the new accounting standards that will be applied in the MAPFRE Group.

F.4.2 **Mechanisms for the capture and preparation of financial information with standard formats, for application and use by all units of the company or the Group, that support the main financial statements and notes, as well as information provided on the ICFR.**

The financial information of the MAPFRE Group companies is managed through the corporate consolidation application, a tool that constitutes a centralized database (common single data repository). This application has been programmed to automatically execute the consolidation entries and process controls, which guarantees that the criteria set out in the consolidation manual are applied uniformly to all the automatic entries and minimizes the likelihood of errors.

Within the procedure for preparing financial information, the consolidation certificates constitute the channel of communication about the information required in the consolidation procedure or in the preparation of consolidated financial statements. The certificates are reviewed and updated at least once a year.

Based on the information contained in the consolidation certificates and following the Accounting Models prepared by the Procedures and Supervision Associate Management, the Consolidation Associate Management prepares the consolidated annual accounts and other financial statements.

The Internal Accounting Control Associate Management is responsible for the preparation of the report on the ICFR. To do this, it identifies the areas involved in the financial information preparation process, sends them instructions on how to complete the report, and at least once a year asks them to update the support documentation for the actions performed.

F.5. Oversight of the system's operation

Report on the following, indicating the main characteristics:

F.5.1 **The supervision activities of the ICFR conducted by the Audit Committee and whether the company has an internal audit function that includes supporting the committee in its supervision of the internal control system, including the ICFR. Additionally, the scope of the ICFR evaluation carried out during the fiscal year and the procedure by which the person in charge of carrying out the evaluation communicates their results will be reported, as well as information about whether the company has an action plan detailing the possible corrective measures, and if its impact on financial information has been considered.**

MAPFRE S.A. has a Corporate Internal Audit Area composed of five Audit Divisions specialized in different matters and functions: Technical Area, Quality and Procedures Office, Coordination and Relationship with External Auditors, Continuous Audit and Financial Audit. In turn, the Corporate Area is structured into six Internal Audit Services located in Spain (Seguros Iberia; Seguros Latam; Seguros Internacional; Reaseguro-Global Risks; Asistencia; and Tecnologías de la Información) and 27 internal audit units and departments abroad, which are fully independent and review and evaluate the adequacy and correct operation of the Group's processes, as well as the Internal Control System.

The structure of MAPFRE's Corporate Internal Audit Area depends functionally on the Board of Directors of MAPFRE S.A. through the Audit and Compliance Committee (Delegate Body of the Board) and on the Chairman in particular.

The directors of the audit departments and units depend (functionally and hierarchically) on the Group Chief Internal Audit Officer.

The Audit and Compliance Committee supervises the financial information described in the previous Section F.3.1 of this report, and also approves the Internal Audit Plan and monitors it on a quarterly basis.

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The Audit Plan outlines the supervisory work that the Corporate Internal Audit Area will carry out during the next fiscal year, the content and scope of which are established in terms of the risks identified, requests received and experience itself. The plan is managed uniformly through a single Group-wide technological platform that allows the information to be processed in line with the access levels established for the different responsibilities. The 2020 Internal Audit Plan was approved by the Audit and Compliance Committee in the session held on Monday, February 10, 2020.

In the "Internal Audit Policy of the MAPFRE Group" approved by the Board of Directors of MAPFRE S.A. on December 13, 2019, and in the "Internal Audit Statute," updated and approved by the Audit and Compliance Committee on October 29, 2020, it is established that the Corporate Internal Audit Area has the role of monitoring the suitability and effectiveness of the Internal Control System. To carry out this function, the Corporate Internal Audit Area follows an internal methodology based on assessments of the audits carried out in the last three fiscal years, review of internal IT control and compliance with the recommendations. This methodology was previously approved by the Audit and Compliance Committee and the result of its application is described in the Internal Control System Assessment Report. Whenever appropriate, individual recommendations are made to the company with a view to improving the Internal Control System and then the Audit and Compliance Committee monitors their compliance.

Every year the Audit and Compliance Committee analyzes the assessments and any recommendations issued by the Corporate Internal Audit Area on the Internal Control System (which includes those from the ICFR).

The Corporate Internal Audit Area assesses the performance of the Internal Control System for the main IT systems, as indicated in section F.3.2 above.

Additionally, the Corporate Internal Audit Area carries out a check on the work carried out throughout the year in relation to the ICFR.

Likewise, as part of the audit procedures performed to validate the annual financial statements, the external auditor issues a memorandum of recommendations after his/her interim visit, which is presented to the Audit and Compliance Committee.

F.5.2 Whether there is a procedure for discussion whereby the account auditor (pursuant to the provisions of the NTAs), the internal audit function and other experts can notify the executive management and the audit committee or company executives of any significant weaknesses in internal control identified during procedures to review the annual accounts or others that have been entrusted to them. Also indicate whether there is an action plan that endeavors to correct or mitigate the weaknesses observed.

The previous section F.5.1 indicates the procedure used by the Corporate Internal Audit Area to report assessments of aspects relating to internal control.

Communication with the external auditor is very frequent and fluid in the MAPFRE Group. Both at the beginning, during and at completion of work to review the company's annual accounts by the external auditors, planning, follow-up and coordination meetings are held and attended by the external auditors, internal auditors, General Counsel and the Corporate Finance and Resources Area. Additionally, on completion of the work a meeting is held with the Group Chief Internal Audit Officer to discuss the results and conclusions discussed. The external auditor attends the Audit and Compliance Committee when the agenda includes topics regarding the review of the annual and half-yearly accounts, their preliminary review, and whenever required on account of other issues.

F.6. Other relevant information

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

F.7. External auditor report

Indicate:

F.7.1 Whether the ICFR information sent to the markets has been reviewed by the external auditor. If so, the company should attach the relevant report as an annex. Otherwise, state the reasons.

The ICFR information has been reviewed by the external auditor, whose report is attached as an annex.

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G. DEGREE OF COMPLIANCE WITH CORPORATE GOVERNANCE RECOMMENDATIONS

Indicate the extent to which the company follows the recommendations of the Code of Good Governance for listed companies.

In the event that any recommendation is not followed or is partially followed, a detailed explanation of the reasons should be included so that shareholders, investors and the market in general have enough information to assess the conduct of the company. No general explanations will be accepted.

1. The bylaws of listed companies should not place a maximum limit on the votes that can be cast by a single shareholder, or impose other obstacles to the takeover of the company by purchasing their shares on the market.

   Complies [X] Explain [ ]

2. When the company is controlled by another entity within the meaning of Article 42 of the Commerce Code, listed or otherwise, and has directly or through its subsidiaries, a business relationship with said entity or any of its subsidiaries (other than those of the listed company) or if it undertakes activities related to those of any of them, it makes accurate public disclosure of these regarding:

   a) The respective areas of activity and possible business relations between the Company or its subsidiaries on the one hand and the parent company or its subsidiaries on the other.

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

   Complies [ ] Complies in part [ ] Explain [ ] Not applicable [X]

3. During the Annual General Meeting, in addition to broadcasting the annual corporate governance report, the chairman of the board of directors must inform the shareholders verbally, in sufficient detail, of the most relevant corporate governance aspects of the company and, in particular:

   a) The changes that have occurred since the last Ordinary General Meeting.

   b) The specific reasons why the company does not follow any of the recommendations of the Corporate Governance Code and, if applicable, the alternative rules that it applies on these matters.

   Complies [X] Complies in part [ ] Explain [ ]

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4. The company shall define and promote a new policy on communication and contact with shareholders and institutional investors as part of their engagement with the company, and with proxy advisors that is fully respectful of the rules against market abuse and treats all shareholders in the same position equally. The company shall make this policy public through its website, including information relating to the way in which it has been put into practice and identifying the interlocutors or those responsible for this happening.

   And, without prejudice to legal obligations regarding the dissemination of privileged information and other regulated information, the company also has a general policy regarding the disclosure of financial and non-financial information and corporate information through the channels it deems appropriate (mass media, social media or other channels) that helps maximize the dissemination and quality of the information available to the market, investors and other stakeholders.

   Complies [X] Complies in part [ ] Explain [ ]

5. At the General Meeting, the Board of Directors shall not put forward a proposal for delegating powers to issue shares or convertible values excluding the right of first refusal, for more than 20 percent of the capital at the time of delegation.

   When the Board of Directors approves any issuance of shares or convertible bonds, excluding the right of first refusal, the company shall publish the reports on this exclusion, referred to by corporate legislation, on its website immediately.

   Complies [X] Complies in part [ ] Explain [ ]

6. The listed companies that prepare the reports indicated below, whether on a mandatory or voluntary basis, shall publish them on their website with sufficient notice before the Annual General Meeting is held, even if their distribution is not mandatory:

   a) Report on the independence of the auditor.

   b) Report on the operation of the Audit Committee and the Appointments and Remuneration Committee.

   c) Report of the Audit Committee on related operations.

   Complies [X] Complies in part [ ] Explain [ ]

7. The company shall broadcast the Annual General Meeting live on its website.

   And the company has mechanisms in place that allow for proxy voting and remote voting by telematic means and even, as a highly capitalized company and to the extent that this is proportionate, attendance and active participation in the General Meeting.

   Complies [X] Complies in part [ ] Explain [ ]

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8. The audit committee ensures that the financial statements the board of directors submits to the annual general meeting are drawn up in accordance with accounting regulations. And where the auditor has included in their audit report any exception, the chairman of the audit committee clearly explains in the general meeting the audit committee's opinion on its content and scope, and makes a summary of that opinion available to shareholders at the time of publication of the call of the meeting, along with the board's other proposals and reports.

Complies [X] Complies in part [ ] Explain [ ]

9. On its website, the company shall make publicly and permanently available the requirements and procedures that it shall accept to support the ownership of shares, the right to attend the Annual General Meeting and voting or proxy voting.

These requirements and procedures shall promote attendance and the exercising of rights of the shareholders and must be applied in a non-discriminatory manner.

Complies [X] Complies in part [ ] Explain [ ]

10. When, prior to the Annual General Meeting, any entitled shareholder has exercised the right to complete the agenda or present new proposals for resolution, the company:

a) Shall immediately broadcast these new and additional proposals for resolution.

b) Shall publicize the model attendance card or proxy or distance vote form with the necessary modifications so that they can vote on the new points in the agenda and proposed alternatives for resolution in the same terms as those proposed by the board of directors.

c) Shall submit all of those points and proposed alternatives to voting and apply the same voting rules as those set by the Board of Directors, including, in particular, the presumptions or inferences on how to vote.

d) Following the Annual General Meeting, it shall communicate the breakdown of the vote on those additional points or proposed alternatives.

Complies [ ] Complies in part [ ] Explain [ ] Not applicable [X]

11. If the company plans to pay attendance premiums for the Annual General Meeting, it shall establish a general policy on those premiums previously and this policy must be permanent.

Complies [X] Complies in part [ ] Explain [ ] Not applicable [ ]

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12. The Board of Directors shall perform its functions with a unified purpose and independent judgment, treat all shareholders in the same position equally and be guided by corporate interest, understood as a profitable business that is sustainable in the long term and that promotes the continuation and maximization of the economic value of the company.

In the pursuit of corporate interest, in addition to compliance with the laws and regulations and a behavior based on good faith, ethics and in compliance with the commonly accepted uses and best practices, it shall seek to reconcile, as appropriate, corporate interest with the legitimate interests of its employees, providers, clients and those of the other stakeholders that may be affected, as well as the impact of the company's activities on the community as a whole and the environment.

Complies [X] Complies in part [ ] Explain [ ]

13. The board of directors shall be of the required size to permit its efficient and participatory operation, meaning that it is advisable for it to comprise between five and 15 members.

Complies [X] Explain [ ]

14. The board of directors approves a policy aimed at promoting an appropriate composition of the board of directors and:

a) It is specific and verifiable.

b) It ensures that the appointment or reappointment proposals are based on a prior analysis of the required competencies of the board of directors;

c) It promotes diversity of knowledge, experience, age and gender. For these purposes, working toward the company having a significant number of female senior executives is deemed to promote gender diversity.

The results of the prior analysis of the required competencies of the board of directors shall be included in the explanatory report of the appointments committee that is published when the Annual General Meeting is called, to which the ratification, appointment or reappointment of each board director is submitted.

The appointments committee shall verify the compliance with this board policy annually and shall inform on this in the annual corporate governance report.

Complies [X] Complies in part [ ] Explain [ ]

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15. The nominee and independent directors shall constitute a large majority of the Board of Directors, and the number of executive directors should be the minimum required to deal with the complexity of the corporate group and reflect the percentage of shares held in the company by the executive directors.

And the number of female board directors will account for at least 40% of members of the board of directors by the end of 2022 and thereafter, and remain above 30% until then.

Complies [X] Complies in part [ ] Explain [ ]

16. The percentage of nominee directors of the total number of non-executive directors should not be greater than the ratio between the company capital represented by these directors and the rest of the capital.

This criterion can be relaxed:

a) In large cap companies where there are few equity stakes that are legally considered as significant.

b) In companies with a plurality of shareholders represented on the Board of Directors who are not related.

Complies [X] Explain [ ]

17. Independent directors should account for at least half of the total number of directors.

However, when the company is not high cap, or when, even though it is, it has one or several shareholders acting in unison controlling more than 30 percent of the share capital, the number of independent directors should represent at least a third of all directors.

Complies [X] Explain [ ]

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

a) Professional and biographical profile.

b) Other boards to which they belong, whether or not listed companies, as well as other paid activities performed, whatever their nature.

c) An indication as to whether the directorship is executive, indicating 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 his/her first and subsequent appointments as a company director, as well as later reappointments.

e) Company shares, and share options, of those which are held.

Complies [X] Complies in part [ ] Explain [ ]

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19. The annual corporate governance report, following verification by the appointments committee, shall disclose the reasons for the appointment of nominee board directors at the behest of shareholders controlling less than three percent 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 appointed for a nominee directorship.

Complies [ ] Complies in part [ ] Explain [ ] Not applicable [X]

20. Nominee directors must resign when the shareholders they represent transfer 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.

Complies [ ] Complies in part [ ] Explain [ ] Not applicable [X]

21. 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 of Directors, based on a report from the Appointments Committee. In particular, it must be understood that there is just cause when the director takes on new positions or contracts new obligations that prevent him/her from devoting the necessary time to the performance of the functions of a director, fails to comply with the work inherent to his/her position or is involved in any of the circumstances that cause the loss of his/her independent status, in accordance with that established in applicable legislation.

The removal of independent directors can also be proposed as a result of public takeover bid, merger or similar corporate actions that cause changes in the capital structure of the company, when these changes in the structure of the Board of Directors are supported by the proportionality criteria, indicated in recommendation 16.

Complies [X] Explain [ ]

The English is a translation of the original in Spanish for information purposes only. In case of discrepancy, the Spanish version shall prevail.

22. Companies shall establish rules obliging board directors to inform the board of directors of any circumstance that might undermine the organization's name or reputation, tendering their resignation when situations arise affecting them that are related or not to their conduct in the company, with particular mention of any criminal charges brought against them and the progress of any subsequent proceedings.

And companies shall examine the case as soon as possible and decide, following a report from the appointments and remuneration committee, whether or not to take any measures such as the opening of an internal investigation, request the resignation of the director or propose their removal if the board has been informed or otherwise become aware of any of the situations mentioned in the preceding paragraph. Companies shall inform on such matters in the annual corporate governance report unless special circumstances exist that would justify their omission, where such circumstances should be recorded in the minutes. This is without prejudice to the information the company must disclose, if appropriate, when adopting due measures.

Complies [X] Complies in part [ ] Explain [ ]

23. The directors should clearly express their opposition when they consider that a resolution submitted to the Board of Directors may go against the corporate interest. In particular, independent board directors and other board directors unaffected by the potential conflict of interest should challenge any decision that could go against the interests of shareholders lacking representation in the board of directors.

When the board of directors adopts important or reiterated resolutions on issues about which a board director has expressed serious reservations, it must draw the pertinent conclusions. If chosen to resign, the reasons for this must be set out in the letter referred to in the following recommendation.

This recommendation should also apply to the secretary of the Board of Directors, even if the secretary is not a director.

Complies [X] Complies in part [ ] Explain [ ] Not applicable [ ]

24. When a board director leaves their position prior to the end of their term of office, he/she should adequately explain the reasons for their resignation or,
in the case of non-executive directors, their opinion of the reasons for the removal by the general meeting in a letter to all the members of the board of directors.

And the company shall publish as soon as possible the resignation, including sufficient explanation of the reasons or circumstances cited by the board director, without prejudice to provision of due explanations in the annual corporate governance report, in so far as the matter is significant to investors.

Complies [X] Complies in part [ ] Explain [ ] Not applicable [ ]

The English is a translation of the original in Spanish for information purposes only. In case of discrepancy, the Spanish version shall prevail.

25. The appointments committee must ensure that non-executive board directors have sufficient time available to perform their functions correctly.

The Board regulations establish the maximum number of company directorships that can form part of their directors.

Complies [X] Complies in part [ ] Explain [ ]

26. The board of directors should meet with the necessary frequency to perform its functions properly, and at least eight times a year, following the schedule of dates and matters established at the beginning of the fiscal year, to which each board director may propose the addition of other items individually.

Complies [X] Complies in part [ ] Explain [ ]

27. Board directors should keep their absences to a bare minimum. Absences should be quantified in the annual corporate governance report. When they have to be absent, they should delegate their representation with instructions.

Complies [X] Complies in part [ ] Explain [ ]

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

Complies [X] Complies in part [ ] Explain [ ] Not applicable [ ]

29. The company must establish the appropriate channels for the directors to obtain precise advice for the fulfillment of their functions, including, if the circumstances demand it, external advice at the company's expense.

Complies [X] Complies in part [ ] Explain [ ]

30. Irrespective of the knowledge demanded of the directors to perform their functions, companies also offer refresher programs, when the circumstances so advise.

Complies [X] Explain [ ] Not applicable [ ]

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31. The agenda of the sessions must clearly indicate the points about which the Board of Directors must make a decision or a resolution that enables the directors to study or previously obtain the information required for this to take place.

When, in exceptional circumstances, as a matter of urgency, the board director wishes to submit decisions or resolutions that are not part of the agenda to the board of directors, prior and express consent must be obtained from the directors present, which must be duly recorded in the minutes.

Complies [X] Complies in part [ ] Explain [ ]

32. The board directors must be informed periodically on the transactions of the shareholders and the opinions that the significant shareholders, investors and ratings agencies have on the company and group.

Complies [X] Complies in part [ ] Explain [ ]

33. The chairman, as the person responsible for the effective functioning of the board of directors, in addition to exercising the functions that he has been legally and statutorily assigned, must prepare and submit to the board of directors a program of dates and matters to be discussed; organize and coordinate the periodic evaluation of the board, as well as, where appropriate, that of the company's chief executive; and must be responsible for the management of the board and the effectiveness of its operation; and must ensure that sufficient discussion time is devoted to strategic issues, and agree and review refresher programs for each board director, when the circumstances so dictate.

Complies [X] Complies in part [ ] Explain [ ]

34. When there is a lead director, the bylaws or regulations of the Board of Directors, as well as the powers that are legally entitled, he/she is assigned the following: to chair the Board of Directors in the absence of the Chairman and Vice Chairmen, if applicable, voice the concerns of the non-executive directors, maintain contact with investors and shareholders to be aware of their points of view in order to form an opinion on their concerns, particularly in relation to the corporate governance of the company, and coordinate the succession of the chairman.

Complies [ ] Complies in part [X] Explains [ ] Not applicable [ ]

The company complies with the entire recommendation, except with respect to assigning the lead director with the power to chair the Board of Directors in the absence of the Chairman, to maintain contact with investors and shareholders, and to coordinate the succession of the Chairman. The Regulations of the Board of Directors assigns the Lead Director the powers to request the Board of Directors to be convened, or the inclusion of new points in the agenda from a Board meeting already convened, coordinate and bring together the non-executive directors and, if required, direct the periodic evaluation of the Chairman of the Board of Directors.

In accordance with the Board of Directors Regulations, in the absence of the Chairman and Vice Chairmen, the oldest director is called upon to chair the meeting. However, the Lead Director is also the Second Vice Chair of the Board and, accordingly, is entrusted with chairing meetings in the absence of the Chairman and the First Vice Chairman.

With respect to relationships with shareholders and investors, Article 21 of the Board of Directors Regulations establishes that the Board of Directors is responsible for establishing and supervising appropriate communications and relations mechanisms with shareholders and investors, establishing the pertinent communications channels in the Policy for Communication of Financial, Non-Financial and Corporate Information with Shareholders, Institutional Investors and Proxy Advisors. The company considers that this configuration ensures better and more efficient coordination of the company's relationships with its investors and shareholders.

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Finally, the Board of Directors' Regulations assign the Appointments and Remuneration Committee the power to examine and organize the succession of the Chairman of the Board, as established in Article 529 of the Companies Act.

35. The secretary of the Board of Directors should in particular ensure that Board of Directors has the recommendations on good governance at hand during its actions and decisions applicable to the company. These are contained in this Code of Good Governance.

Complies [X] Explain [ ]

36. The board of directors should evaluate and adopt an action plan in full once a year, if applicable, that corrects the weaknesses detected, in relation to:

a) The quality and efficiency of the operational aspects of the board of directors.

b) The operational aspects and composition of its committees.

c) The diversity in the composition and responsibilities of the Board of Directors.

d) The performance of the Chairman of the Board of Directors and the chief executive of the company.

e) The performance and contribution of each director, paying special attention to those responsible for the different board committees.

The various committees are evaluated on the basis of the report that they present to the Board of Directors, and for the latter, on the report presented to the Appointments Committee.

Every three years, the board of directors shall be assisted by an external advisor to perform the evaluation, the independence of whom shall be verified by the appointments committee.

The business relationships maintained by the advisor or any company in its group with the company or any company in its Group must be indicated in the Annual Corporate Governance Report.

The process and the areas evaluated must be described in the Annual Corporate Governance Report.

Complies [X] Complies in part [ ] Explain [ ]

37. When there is an executive committee, there must be at least two non-executive members, at least one of whom should be independent; and its secretary should be the secretary of the board of directors.

Complies [X] Complies in part [ ] Explain [ ] Not applicable [ ]

38. The Board of Directors should be kept fully informed of the matters discussed and resolutions adopted by the Executive Committee. To this end, all members of the Board of Directors should receive a copy of the Executive Committee's minutes.

Complies [X] Complies in part [ ] Explain [ ] Not applicable [ ]

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39. Members of the audit committee, particularly its chairman, should be appointed with regard to their financial and non-financial knowledge and experience in accounting, auditing and risk management matters.

Complies [X] Complies in part [ ] Explain [ ]

40. Under the supervision of the Audit Committee, there should be a unit that assumes the internal audit function that ensures the proper performance of the information and internal control systems, and functionally operates under the non-executive director of the Board or the Audit Committee.

Complies [X] Complies in part [ ] Explain [ ]

41. The head of the unit handling the internal audit function should present an annual work program to the audit committee, for approval by this committee or the board, inform it directly of any incidents or scope limitations arising during its implementation, the results and monitoring of its recommendations, and submit an activities report at the end of each year.

Complies [X] Complies in part [ ] Explain [ ] Not applicable [ ]

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42. In addition to the provisions of the law, the Audit Committee has the following functions:

1. In relation to the information and internal control systems:

a) To monitor and evaluate the preparation process and the integrity of the financial and non-financial information, as well as the control and management systems for financial and non-financial risks related to the company and, where appropriate, to the group – including operating, technological, legal, social, environmental, political and reputational risks or those related to corruption – reviewing compliance with regulatory requirements, the accurate demarcation of the consolidation perimeter, and the correct application of accounting principles.

b) To monitor the independence of the unit handling the internal audit function; propose the selection, appointment and removal of the head of the internal audit service; propose the service's budget; approve or make a proposal for approval to the board of the priorities and annual work program of the internal audit unit, ensuring that it focuses primarily on the main risks the company is exposed to (including reputational risk); receive regular report-backs on its activities; and verify that senior management are acting on the findings and recommendations of its reports.

c) To establish and supervise a mechanism that allows employees and other persons related to the company, such as directors, shareholders, suppliers, contractors or subcontractors, to report irregularities of potential significance, including financial and accounting irregularities, or those of any other nature, related to the company, that they notice within the company or its group. This mechanism must guarantee confidentiality and enable communications to be made anonymously, respecting the rights of both the complainant and the accused party.

d) To ensure in general that the internal control policies and systems established are effectively implemented in practice.

2. With respect to the external auditor:

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

b) To ensure that the remuneration of the external auditor for his/her work does not compromise his/her quality or independence.

c) To ensure that the company notifies any change of external auditor through the CNMV, accompanied by a statement of any disagreements arising with the outgoing auditor and the reasons for the same.

d) To ensure that the external auditor holds an annual plenary meeting of the Board of Directors to inform them about the work performed, the accounting situation and any risks to the company.

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

Complies [X] Complies in part [ ] Explain [ ]

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43. The Audit Committee can summon any company employee or executive, even ordering their appearance without the presence of another executive.

Complies [X] Complies in part [ ] Explain [ ]

44. The audit committee must be informed of any corporate and structural modifications which the company plans to make so that, in advance of the next board of directors meeting, the committee can analyze these modifications and draw up a report about any economic conditions and accounting impact, particularly as regards the proposed exchange ratio.

Complies [X] Complies in part [ ] Explain [ ] Not applicable [ ]

45. Risk control and management policy should identify or establish at least:

a) The different types of financial and non-financial risk the company is exposed to (including operational, technological, financial, legal, social, environmental, political and reputational risks, and risks relating to corruption), with the inclusion under financial or economic risks of contingent liabilities and other off-balance-sheet risks.

b) A risk control and management model based on different levels, of which a specialized risk committee will form part when sector regulations provide or the company deems it appropriate.

c) The level of risk that the company considers acceptable.

d) The measures established to mitigate the impact of the risks identified, should they materialize.

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

Complies [X] Complies in part [ ] Explain [ ]

46. Under the direct supervision of the Audit Committee, or, if applicable, a specialized committee of the Board of Directors, there should be an internal risk control and management function performed by a unit or department within the company that is expressly assigned the following functions:

a) To ensure that the risk control and management systems function properly and, in particular, that they identify, manage and quantify all the significant risks that affect the company.

b) To actively participate in the development of the risk strategy and important decisions regarding its management.

c) Ensure that the risk control and management systems are mitigating risks effectively in the frame of the policy drawn up by the board of directors.

Complies [X] Complies in part [ ] Explain [ ]

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47. The members appointed to the Appointments and Remuneration Committee—or the Appointments Committee and Remuneration Committee if separate—must have the knowledge, skills and experience appropriate for the functions that they are called to fulfill. The majority of these members should be independent directors.

Complies [X] Complies in part [ ] Explain [ ]

48. The large cap companies have a separate Appointments Committee and a Remuneration Committee.

Complies [ ] Explain [X] Not applicable [ ]

The company considers the issues regarding appointments and remuneration to be closely related, and it is therefore seen as appropriate for them to be analyzed by the same committee.

49. The appointments and remuneration committee must consult with the chairman of the board of directors and the chief executive, particularly with respect to matters relating to executive board directors.

Any Board member may ask the Appointments Committee to take into consideration any candidates he/she deems suitable to fill a director vacancy.

Complies [X] Complies in part [ ] Explain [ ]

50. The Remuneration Committee must perform its functions independently and, in addition to the functions assigned by law, the following ones:

a) To propose the basic conditions for the contracts of the top executives to the Board of Directors.

b) To check compliance with the remuneration policy set by the company.

c) To periodically review the compensation policy applicable to directors and top executives, including remuneration systems with shares and their application, as well as to guarantee that individual remuneration is proportional to that paid to the rest of the directors and top executives of the company.

d) To ensure that possible conflicts of interest do not compromise the independence of the external advice provided to the committee.

e) To check the information on remuneration of board directors and top executives contained in the different corporate documents, included in the annual report on the remuneration of board directors.

Complies [X] Complies in part [ ] Explain [ ]

51. The Remuneration Committee must consult with the company Chairman and CEO, especially with respect to matters related to executive directors and senior managers.

Complies [X] Complies in part [ ] Explain [ ]

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52. The rules governing the composition and operation of the supervision and control committees must be included in the regulations of the board of directors and be consistent with those applicable to legally obliged committees in line with the previous recommendations, including:

a) They are formed exclusively of non-executive directors, with a majority of independent directors.

b) Their chairmen are independent directors.

c) The board should appoint the members of such committees with regard to the knowledge, skills and experience of its directors and each committee's terms of reference; discuss their proposals and reports; and provide report-backs on their activities and work at the first board plenary following each committee meeting.

d) The committees may engage external advice when it is considered necessary for the performance of their functions.

e) Minutes must be taken at their meetings and made available to all directors.

Complies [X] Complies in part [ ] Explain [ ] Not applicable [ ]

53. The task of supervising compliance with the policies and rules of the company in the environmental, social and corporate governance areas, and internal rules of conduct, should be assigned to one board committee or split between several, which could be the audit committee, the nomination committee, a committee specialized in sustainability or corporate social responsibility, or a dedicated committee established by the board under its powers of self-organization. Such a committee should be made up solely of non-executive directors, the majority being independent and specifically assigned the following minimum functions.

Complies [ ] Complies in part [X] Explain [ ]

The Audit and Compliance Committee of MAPFRE is expressly responsible for monitoring compliance with the Company's policies and rules in corporate governance and with the internal codes of conduct.

With regard to monitoring of compliance with policies in rules in environmental and social matters, the company has a Corporate Sustainability Committee. This permanent internal body has executive functions and is responsible, among other things, for approving the Sustainability strategy and proposing specific actions, objectives and deadlines. In accordance with the Corporate Social Responsibility Policy, this Committee reports annually to the MAPFRE S.A. Board of Directors and/or to the delegate body of this that is competent in this respect, on the degree of compliance with the Corporate Sustainability Policy and Strategy.

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54. The minimum functions referred to in the previous recommendation are as follows:

a) To monitor compliance with the company's internal codes of conduct and corporate governance rules, and ensure that the corporate culture is aligned with its purpose and values.

b) To monitor the implementation of the general policy regarding the disclosure of economic-financial, non-financial and corporate information, as well as communication with shareholders and investors, proxy advisors and other stakeholders. Similarly, the way in which the entity communicates and relates with small and medium-sized shareholders should be monitored.

c) To periodically evaluate and review the company's corporate governance system and environmental and social policy, in order to confirm that they fulfilling their mission to promote the corporate interest and catering, as appropriate, to the legitimate interests of other stakeholders.

d) To ensure that the company's environmental and social practices are in accordance with the established strategy and policy.

e) To oversee and evaluate the relational processes with other stakeholders.

Complies [ ] Complies in part [X] Explain [ ]

Functions a) and c) are under the express responsibility of the Audit and Compliance Committee, where function c) relates to the periodic evaluation and review of the corporate governance system.

As indicated in recommendation 34), the Board of Directors itself is responsible for establishing and supervising appropriate communication mechanisms and relations with shareholders and investors and, therefore, it performs the indicated functions b) and e).

Lastly, as indicated in recommendation 53 above, the Corporate Sustainability performs functions c) and d) in environmental and social matters. In addition, the Board of Directors is responsible for determining the Company's Corporate Social Responsibility Policy, in accordance with Article 2 of the Regulations of the Board of Directors.

55. Environmental and social sustainability policies should identify and include at least:

a) The principles, commitments, objectives and strategy regarding shareholders, employees, clients, suppliers, social welfare issues, the environment, diversity, fiscal responsibility, respect for human rights and the prevention of corruption and other illegal conducts

b) The methods or systems for monitoring compliance with policies, associated risks and their management.

c) The mechanisms for overseeing non-financial risk, including that related to ethical aspects and business conduct.

d) Channels of communication, participation and dialog with stakeholders.

e) Responsible communication practices that prevent the manipulation of information and protect honor and integrity.

Complies [X] Complies in part [ ] Explain [ ]

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56. The remuneration of directors must be sufficient to attract and retain board directors from the desired profile and reward the commitment, qualification and responsibility demanded by the position, but not so high that the independence of criteria for non-executive board directors is compromised.

Complies [X] Explain [ ]

57. The executive directors must receive the variable remuneration relating to the performance of the company and their individual performance, as well as remuneration in the form of shares, options or rights on shares and instruments referenced to the share value and long-term saving systems such as pension plans, retirement systems or other social protection systems.

The delivery of shares shall be considered as remuneration for non-executive directors on condition that the shares are held for the duration of the directorship. This does not apply to the shares that a director needs to transfer, if necessary, to meet the costs related to their acquisition.

Complies [X] Complies in part [ ] Explain [ ]

58. In the case of variable remuneration, the compensation policies must include the limits and specific technical safeguards to ensure that the remuneration reflects the professional performance of the beneficiaries and not simply the general progress of the markets, the company sector or similar circumstances.

In particular, the variable components of the remuneration:

a) Are linked to performance criteria that are predetermined and measureable, and these criteria must take into account the risk accepted for achieving a result.

b) Promote the sustainability of the company and include non-financial criteria that are suitable for creating long-term value, such as compliance with the internal rules and procedures of the company and its policies for risk control and management.

c) These are established on the basis of a balance between the fulfillment of short-, medium- and long-term objectives that allow remuneration of performance for continued performance over a sufficient period of time for its contribution to the sustainable creation of value to be appreciated, so that the elements of measurement of that performance do not revolve solely around specific, occasional or extraordinary events.

Complies [X] Complies in part [ ] Explain [ ] Not applicable [ ]

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59. The payment of the variable components of remuneration is subject to sufficient verification that previously established performance, or other, conditions have been effectively met. Entities should include in their annual directors' remuneration report the criteria relating to the time required and methods for such verification, depending on the nature and characteristics of each variable component.

Additionally, entities should consider establishing a reduction clause ('malus') based on deferral for a sufficient period of the payment of part of the variable components that implies total or partial loss of this remuneration in the event that prior to the time of payment an event occurs that makes this advisable.

Complies [X] Complies in part [ ] Explain [ ] Not applicable [ ]

60. Remuneration linked to the company's results takes into account any reservations that are mentioned in the external auditor's report and may compromise the results.

Complies [X] Complies in part [ ] Explain [ ] Not applicable [ ]

61. A significant percentage of the variable remuneration of the executive board directors is linked to the delivery of shares or financial instruments referenced to the share value.

Complies [X] Complies in part [ ] Explain [ ] Not applicable [ ]

62. Following the award of shares, options or financial instruments corresponding to the remuneration schemes, executive directors should not be able to transfer their ownership or exercise them until a period of at least three years has elapsed.

Except for the case in which the director maintains, at the time of the transfer or exercise, a net economic exposure to the variation in the price of the shares for a market value equivalent to an amount of at least twice his or her fixed annual remuneration through the ownership of shares, options or other
financial instruments.

The foregoing shall not apply to the shares that the director needs to dispose of to meet the costs related to their acquisition or, upon favorable assessment of the nomination and remuneration committee to address an extraordinary situation.

Complies [ ] Complies in part [ ] Explain [X] Not applicable [ ]

In 2019, the Board of Directors of MAPFRE S.A., at the behest of the Appointments and Remuneration Committee, approved the Medium-Term Incentives Plan 2019-2021, which is extraordinary, non-binding and multi-annual. The period of evaluation of the degree of attainment of the objectives of the Plan runs from January 1, 2019 to December 31, 2021, where the executive directors take part in their capacity as senior executives.

The incentive will partly be paid in cash and partly by means of MAPFRE S.A. shares. The receipt of 60 percent of the incentive by each executive board director will be deferred for a period of three years, in thirds, with 50 percent of the deferred part paid in cash and the remaining 50 percent in shares. The Plan includes the obligation for the shares to be kept for a maximum period of two years, starting from the payment date.

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63. The contractual agreements include a clause that allows the company to demand re-payment of variable components of remuneration when payment has not been adjusted to the performance conditions or when it has been awarded on the basis of data which is subsequently shown to be incorrect.

Complies [X] Complies in part [ ] Explain [ ] Not applicable [ ]

64. Termination payments should not exceed a fixed amount equivalent to two years of the director's total annual remuneration and should not be paid until the company confirms that he or she has met the predetermined criteria for receiving them.

For the purposes of this recommendation, payments for contractual termination include any payments whose accrual or payment obligation arises as a consequence of or on the occasion of the termination of the contractual relationship that linked the director with the company, including previously unvested amounts for long-term savings schemes and the amounts paid under post-contractual non-compete agreements.

Complies [ ] Complies in part [X] Explains [ ] Not applicable [ ]

For external directors, there is no compensation for leaving the position.

Regarding executive directors, leaving the position means lifting the suspension of the relationship prior to the appointment as executive director.

The early termination of the previous relationship (prior, in all cases, to the approval of the Code of Good Governance for listed companies), except when there is good cause for dismissal, implies indemnification under the terms established by the workers' statute in relation to unfair dismissal.

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H. OTHER USEFUL INFORMATION

1. If there is any relevant aspect regarding corporate governance in the company or in the Group companies that has not been covered in the remaining sections of this report, but that should be included in order to provide more complete and explanatory information about the structure and governance practices of the company or Group, please provide a brief explanation here.

2. This section may also include any other relevant information, clarification or detail related to previous sections of the report so long as they are relevant and not repetitive.

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

3. The company may also indicate if it has voluntarily adhered to other codes of ethical principles or best practices, international, sectoral or of another scope. If applicable, the code in question and the date of accession will be identified. In particular, it shall mention whether it has adhered to the Code of Best Taxation Practices, dated July 20, 2010.

CONTINUATION OF SECTION C.2.1

Audit and Compliance Committee

The Committee is made up of a minimum of three and a maximum of five members, all of which must be non-executive, and the majority of which must be independent directors, one of which must be designated based on his or her knowledge and experience in the area of accounting or auditing or both. Overall, the members of the Committee should have the pertinent technical knowledge in relation to the company's sector of activity. Its Chairman must be an Independent Board Director and they must be substituted in this position every four years, and may be reelected to the position one year after leaving it. The secretary of this Committee will be the secretary to the Board of Directors. The Internal Audit General Manager of the Group shall attend the meetings as a guest.

In 2020 the Audit and Compliance Committee was responsible for, among other things, issuing an opinion on the Annual Accounts for fiscal year 2019, supervising the efficacy of the Company's internal control, supervising the information of the Company and its Group in the framework of Solvency II, supervising the internal audit and the risk management systems of the Company and the Group, reporting on transactions with significant shareholders and senior management, approving extra fees from the External Auditor, reporting on the relationship with the External Auditor, being familiar with appointments in Internal Audit and being familiar with the quarterly financial information presented to the National Securities and Exchange Commission, and ensuring the correct application within the company and Group of the good governance rules and external and internal regulations.

For more information, please check the Report on the Composition and Functioning of the Committee during fiscal year 2020, available on the Company's website, which is made available to shareholders for the General Meeting.

CONTINUATION OF SECTION E.3

3. Strategic and Corporate Governance Risks

The ethical principles applied to business management, whose strict application is considered as the most effective action to mitigate this type of risk, have been a constant in MAPFRE and are part of its bylaws and daily work.

MAPFRE's global dimension and its presence in markets with very different corporate governance regulations suggest the need for basic regulations that contain the institutional and governance principles applicable to all of them. In order to standardize the business culture, the Board of Directors of MAPFRE S.A., on June 24, 2015, approved the "Institutional, Business and Organizational Principles of the MAPFRE Group" which, along with the Code of Ethics and Conduct and the Policy of Corporate Governance constitute the minimum framework binding on all companies that make up MAPFRE and their respective governing bodies.

Together with the foregoing, also of note are the Corporate Fiscal Policy, the Corporate Social Responsibility Policy, the Internal Code of Conduct relating to listed securities issued by MAPFRE, and the Policy of Conflicts of Interest and Operations Linked to Significant Shareholders and Senior Roles of Representation and Management.

To reinforce the strict application of the ethical principles of business management and the corporate values set forth in these standards, MAPFRE has a corporate structure and executive organization that is determined by high and rigorous control and supervision at all levels: local, regional and global.

To ensure compliance and monitoring of any possible irregularities, MAPFRE has established two channels for consultation and communication of complaints, which are accessible to employees:

- Financial and Accounting Whistleblower Channel, through which MAPFRE Group employees, as well as board directors, shareholders, providers, contractors and subcontractors can confidentially and, if they wish, anonymously report any potentially significant financial and accounting irregularities observed within the company or its Group to the Audit and Compliance Committee of MAPFRE S.A.

- Ethical queries and complaints. The Code of Ethics specifies three communication channels: via the website, which can be accessed in Spanish, English, Portuguese and Turkish by employees and providers; by post; or by email. To guarantee confidentiality, the secretary of the Ethics Committee receives queries and complaints directly.

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During 2020, the Ethics Committee has received, through the different channels, 3 complaints that were analyzed and dismissed by the Ethics Committee. No complaints have been received by suppliers. The Audit and Compliance Committee did not receive any complaints through the above channels.

Following the publication in October 2019 in some digital news media about a complaint of alleged irregular actions by MAPFRE in Brazil in 2009/2010 in relation to its alliance with Banco do Brasil, an exhaustive internal investigation process was initiated, which has now concluded without producing any evidence or indication that could prove any irregularity. Additionally, despite the time that has elapsed since first publication, the Company has not received any additional related notification, nor has it received any notification or request from the competent administrative or judicial authorities in relation to the aforementioned alleged actions.

Additionally, the Criminal Risk Prevention Model approved in April 2017 by the Board of Directors of MAPFRE S.A. establishes the basis of the Criminal Risk Prevention System adopted by MAPFRE, providing the organization with a supervisory model to prevent the commission of crimes that may be attributed to the companies. This model is used to raise awareness on the types of criminal risks to which entities are exposed, and to establish the methodology for the management and evaluation of the controls implemented to prevent or mitigate potential crimes. The Criminal Risk Prevention Model applies to MAPFRE's legal representatives, its associates, its executives, its employees and all the other persons who are under the authority or control of the above-mentioned persons or who work in their area of management, supervision, vigilance or control.

4. Operational Risks

Operational risks are identified and assessed through the risk control model, which is based on a dynamic analysis of each company process by process, in which the managers of each area or department assess the potential risks that affect their activities and the effectiveness of the controls related to each process. This control is conducted using risk self-evaluation questionnaires, internal control manuals, inventory of controls associated with risks, assessment of their effectiveness, and the corrective measures in place to mitigate or reduce the risks and/or improve the control environment.

With respect to tax risks, the performance of the Group in the field of taxation has always been dominated by compliance with current tax legislation in the territories in which it operates, which constitutes a practical application of the institutional principle of ethically and socially responsible taxation. The risks are handled internally in each jurisdiction by the Administration and Tax Affairs departments, subcontracting tax consulting services with the leading companies in the sector whenever required.

***

Since July 22, 2010, the company has adhered to and complies with the Code of Best Taxation Practices approved and sponsored by the Forum for Large Companies and the Spanish Tax Agency.

This annual report on corporate governance was approved by the company's Board of Directors at its meeting of:

[02/10/2021]

Indicate whether any board directors voted against the report or abstained.

[ ] Yes
[v] No

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MAPFRE, S.A.

Auditor's Report on the "Information concerning the System of Internal Control over Financial Reporting (ICFR)" of MAPFRE, S.A. for 2020

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

KPMG Auditores, S.L.
Paseo de la Castellana, 259 C
28046 Madrid

Auditor's Report on the "Information concerning the System of Internal Control over Financial Reporting (ICFR)" of MAPFRE, S.A. for 2020

(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

To the Directors of MAPFRE, S.A.

As requested by the Board of Directors of MAPFRE, S.A. (the "Company") and in accordance with our proposal letter dated 3rd February 2021, we have applied certain procedures to the "Information concerning the ICFR" attached in section F of the Annual Corporate Governance Report of MAPFRE, S.A. for 2020, which summarises the Company's internal control procedures for annual financial reporting.

Directors are responsible for adopting appropriate measures to reasonably ensure the implementation, maintenance and oversight of an adequate system of internal control, the development of improvements to that system and the preparation and definition of the content of the information concerning the ICFR attached.

In this respect, it should be borne in mind that irrespective of the quality of the design and operation of the internal control system adopted by the Company in relation to annual financial reporting, the system may only provide reasonable, but not absolute assurance in relation to the objectives pursued, due to the limitations inherent in any internal control system.

In the course of our audit work on the annual accounts and in accordance with Technical Auditing Standards, our evaluation of the Company's internal control was solely aimed at enabling us to establish the scope, nature and timing of the audit procedures on the Company's annual accounts. Consequently, the scope of our evaluation of the internal control, performed for the purposes of the audit of accounts, was not sufficient to enable us to issue a specific opinion on the efficiency of this internal control over regulated annual financial reporting.

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Paseo de la Castellana, 259C 28046 Madrid

Entered into the Spanish Official Register of Auditors with number S0702, and the Spanish Institute of Registered Auditors' list of companies with reference No. 10.
Reg. Mer Madrid, T. 11.961, F. 90, Sec. 8, H. M -188.007, Inscrip. 9
Tax identification number (NIF): B-78510153

For the purposes of issuing this report, we have applied only the specific procedures described below and set out in the Guidelines for preparing the auditor's report on the information on the system of internal control over financial reporting of listed entities, published on the website of the Spanish National Securities Market Commission (CNMV), which defines the work to be performed, the minimum scope of the work and the content of this report. As the scope of the work resulting from these procedures is in any event limited and substantially less than that of an audit or review of the internal control system, we do not express an opinion on its effectiveness or design or operational efficiency, with respect to the Company's annual financial reporting for 2020 described in the attached Information concerning the ICFR. Consequently, had additional procedures other than those defined in the aforementioned Guidelines been applied, or an audit or review been performed of the internal control system in relation to regulated annual financial reporting, other events or matters could have been identified, which would have been reported to you.

Moreover, as this special engagement does not constitute an audit of accounts nor is it subject to prevailing legislation regulating the audit of accounts in Spain, we do not express an audit opinion in the terms envisaged in such legislation.

The procedures applied were as follows:

1. Reading and understanding of the information prepared by the Company in relation to the ICFR – disclosures included in the directors' report – and evaluation of whether it covers all the information required, taking into account the minimum content described in Section F, concerning the description of the ICFR, the Annual Corporate Governance Report model set out in Spanish National Securities Market Commission (CNMV) Circular 5/2013 of 12 June 2013, subsequently amended by CNMV Circular 7/2015 of 22 December 2015, CNMV Circular 2/2018 of 12 June 2018 and Circular 1/2020 of 6 October 2020 (hereinafter, the CNMV Circulars).
2. Inquiries of personnel responsible for preparing the information detailed in point 1 above in order to: (i) gain an understanding of the preparation process; (ii) obtain information that allows us to assess whether the terminology used conforms to the definitions contained in the reference framework; (iii) obtain information on whether the control procedures described are in place and operational in the Company.
3. Review of explanatory documentation supporting the information detailed in point 1 above, and which will mainly include that made directly available to those responsible for preparing the descriptive information on the ICFR. This documentation includes reports prepared by internal audit, senior management and other internal or external specialists supporting the audit committee.
4. Comparison of the information detailed in point 1 above with the understanding of the Company's ICFR gained as a result of the procedures performed within the framework of the audit work on the annual accounts.
5. Reading of the minutes of the meetings of the Board of Directors, Audit and Compliance Committee and other committees of the Company for the purposes of assessing the consistency of the matters discussed at these meetings in relation to the ICFR with the information detailed in point 1 above.
6. Procurement of a representation letter concerning the work performed, duly signed by those responsible for preparing and drawing up the information detailed in point 1 above.

As a result of the procedures applied to the Information concerning the ICFR, no inconsistencies or incidents have come to light that could affect it.

This report has been prepared exclusively in the context of the requirements established in article 540 of the Revised Spanish Companies Act and the CNMV Circulars for the purposes of the description of the ICFR in Annual Corporate Governance Reports.

KPMG Auditores, S.L.

(Signed on original in Spanish)
Jorge Segovia Delgado

The Consolidated Annual Accounts for MAPFRE S.A., on the preceding pages xx to xx herein, and the Consolidated Management Report on the preceding pages xx to xx herein, corresponding to financial year 2020, were ratified by the Board of Directors at its meeting held on February 10, 2021. The Board Members declare that, as far as they are aware, the aforementioned accounts have been prepared in accordance with the applicable accounting principles and offer a true and fair view of the equity, financial situation, and results of the Company and the companies comprising the consolidation as a whole. Likewise, the Management Report includes a true and fair analysis of the development of the results and of the position of the Company and the Group, and broadly informs, along with the Consolidated Annual Report, of the risks and uncertainties they face.

Mr. Antonio Huertas Mejías Chairman	Mr. Antonio Gómez Ciria Member
Mr. Ignacio Baeza Gómez 1st Vice Chairman	Mr. Luis Hernando de Larramendi Martínez Member
Ms. Catalina Miñarro Brugarolas 2nd Vice Chairman	Mr. Francisco J. Marco Orenes Member
Mr. José Manuel Inchausti Pérez 3rd Vice Chairman	Mr. Fernando Mata Verdejo Member
Mr. José Antonio Colomer Guiu Member	Mr. Antonio Miguel-Romero de Olano Member
Ms. María Leticia de Freitas Costa Member	Ms. Pilar Perales Viscasillas Member
Ms. Ana Isabel Fernández Alvarez Member	D. Alfonso Rebuelta Badías Member
Ms. Rosa M.ª García García Member	D. Ángel Luis Dávila Bermejo Secretary and Non-Member

DILIGENCE to establish, in line with articles 253.2 of the Companies Act and 366.1.2 of the Mercantile Registry Regulations, that the Company's Consolidated Annual Accounts corresponding to 2020 have been endorsed by all members of the Board of Directors but have not been signed by any of them, neither in writing nor electronically, in all cases, due to material impossibility, given that the Board meeting at which the Consolidated Annual Accounts and Management Report were presented was held via videoconference, as a result of the restrictions deriving from the declaration of the state of alarm in the entire country of Spain in Royal Decree 956/2020, of November 3, and subsequent regulations.

In Madrid, on February 10, 2021.

Ángel Luis Dávila Bermejo – Secretary of the Board of Directors

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INTEGRATED REPORT 2020

MAPFRE

INTEGRATED REPORT 2020

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1. LETTER FROM THE CHAIRMAN AND CEO

Dear Friends,

Publicly quoted and supervised companies, such as MAPFRE, live life constantly under the watchful eye of our stakeholders and, above all, that of national and international supervisors who periodically verify our activity and confront us with theoretical and extreme scenarios in order to validate our present and future solvency. These are exercises in transparency with which we feel most comfortable, because we fully understand that sustainability is inextricably linked to the business model and the ability to continuously add value and meet our commitments, not only today, but also, and above all, in the medium- and long-term. But it has been this past year, 2020 - the year of the pandemic, as history will remember it - which has really tested the strength of a company that has had to manage, globally and practically simultaneously in most of the 44 markets in which it operates, COVID-19, the dramatic and continuous number of deaths that, at the time of writing this letter, already exceeds 2.2 million around the world, the months-long economic paralysis and the severe crisis that has arisen in the wake of the pandemic. Nobody was able to predict the magnitude of what happened and therefore, nobody was fully prepared to deal with what happened. But what everyone agrees on is that those companies and institutions that have best reacted to the pandemic are those that started out from a solid financial base, with sustainable business models, and advanced digital transformation processes embedded within all their structures, as was the case with MAPFRE. From the outset, we decided to combat COVID-19 on three fronts: protecting our employees, collaborators and clients; protecting our present and future business, while maintaining and meeting our commitments to clients, and protecting society, especially in those countries where economic and socio-sanitary needs have been greatest.

In this report, we offer extensive and diverse information on what has been done in the face of the pandemic, the measures we have adopted and how it has impacted our business, both directly, through claims, and indirectly, due to the shutdown of the global economy. We also explain how in August we had to counter a ransomware cyberattack, probably the most extensive attack of its kind to target a Spanish company. While continuing to attend to our policyholders, we were able to restore full operational capacity to our clients within 15 days, thanks once again, to the fact that we are a technologically prepared company and we had envisaged this scenario in our Crisis and Business Continuity Plan. From the first notification that we were under attack, containment measures were immediately deployed to limit the threat and to then repel it. Our commitment as a transparent company led us to make the entire process public, which, in the long-run, far from damaging our reputation, was valued publicly as a decision consistent with a unified business strategy.

The financial and economic information pertaining to the 2020 fiscal year must be evaluated and understood within this context, which, in addition to COVID-19, has been marked by a prudent decision taken as the year was closing, and in line with all pertinent national and international recommendations, particularly those sent by the European Securities and Markets Authority (ESMA) and by the European supervisor (EIOPA), in relation to the strengthening of the balance sheet. This involved the complete writedown of goodwill from our operations in Italy, Turkey and Indonesia, and it must be stressed that this decision, which also aligns with the profitable growth strategy of these countries, was taken on the basis of prudence. Excluding this writedown and the extraordinary cost of the earthquakes in Puerto Rico, recurring earnings for 2020 would have been on a par with those of the previous period, a year without a pandemic.

The net result amounts to 527 million euros, a large part of which, 388 million euros, was produced in the second part of the year, when economies began to reopen, at which point the decisions taken during the first few months of the year were confirmed as effective and it was found that MAPFRE had a solid, solvent and resilient governance model in place, even as it faced the onslaught of a pandemic.

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In 2020, we have obtained solid contributions to Group earnings from our three main markets, Spain, Brazil and the United States. And our insurance business continues growing in practically all markets around the world. For its part, MAPFRE RE, which includes the reinsurance business and MAPFRE Global Risks, also closed out the year in positive territory, recording earnings of 17 million euros, despite the fact that it was the MAPFRE business most affected by pandemic-related claims, with an impact of 80 million euros. COVID-19 also penalized the Assistance business, closely connected to travel and tourism, one of the sectors most starkly devastated by the virus. In short, reading the annual report for the year confirms that MAPFRE is a company with the capacity to create value despite the complexity of the environment in which it finds itself.

COVID-19 did not break our commitment to shareholders either: our dividend, although prudent, is always in cash and comes with one of the highest payouts on the Spanish stock market. Over the course of 2020, MAPFRE disbursed 416 million euros in dividend payments, delivering a much-needed injection of capital to help weather the terrible economic and social effects produced by the pandemic, unemployment being chief among them. Your company's solidity and solvency facilitates this, and only the caution urged by all supervisors leads us to propose a remuneration on earnings against the 2020 results of 12.5 cents per share, just two cents less than that of previous years, which represents a return of more than 8 percent on the average stock price, giving, as I said, one of the highest yields on the market.

All of this is possible while we maintain an excellent financial-equity and solvency position, with very slight variations in their values as a result of the COVID-19 crisis. As such, equity exceeds 8.54 billion euros, down 3.6 percent, and the Solvency II ratio stands at 180.2 percent, 6.6 percentage points lower, and the debt ratio stands at 23.3 percent, having risen 0.6 percentage points. Moreover, all of the ratings agencies reaffirmed their financial strength ratings for MAPFRE over the course of 2020.

Dear shareholder, the confidence you place in MAPFRE should be rewarded not only with a financial dividend, but with a social one too, through rigorously ethical behavior and transparent relationships with all stakeholders.

At this point, dear reader, I invite you to delve into other indicators that reflect the company's capacity and performance over the past year, in spite of such adverse external conditions. For example, we continue to innovate in products and services, and the MAPFRE Open Innovation initiatives have already produced benefits for close to one million clients in five countries.

The quality indicators have also been met: MAPFRE's NPS®, a scoring methodology that measures customer satisfaction by comparing it with 80 other insurers in the world, places us once again above the average of our competitors.

The pandemic has not prevented us from moving forward with #PlayingOurPart, the motto underlying our ambitious Sustainability Plan, which we continue to deploy globally across its three inherent dimensions: environmental, social and governance. We remain committed to the United Nations Global Compact and the United Nations 2030 Agenda Sustainable Development Goals (SDGs). Our strategy for the environment and climate change, the circular economy, talent management, digital transformation, agingnomics, our focus on socially responsible investments, the social footprint we produce...these are all territories where MAPFRE, together with all our stakeholders, can and wishes to be a relevant actor in the ongoing process of social, economic and cultural transformation of our world, and that is exactly what we are doing.

To conclude this point, I would like to refer to employment, which, as the dramatic figures we are seeing bear testament to, is the worst-performing indicator in most countries. In line with our public commitment on the issue, MAPFRE has not made any adjustments to its workforce due to COVID-19. Our average workforce for the year is practically the same as in 2019, and we have continued to advance in our diversity, inclusion and work-life balance commitments, recently incorporating the right to digital disconnection, now established in Spain.

2021 is the last year of our Strategic Plan, a plan that did not foresee a pandemic when it was designed. We continue working tirelessly to see it through to the best of our abilities, with the same vigor and determination as when embarked on it. The commitment to profitable growth and the creation of value continues to be a priority, and we can observe that the decisions taken at all times have proven to be the right ones, despite the fact that, as I said at the beginning, no one was prepared for what came after the month of March last year.

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MAPFRE S.A.

On my behalf and on behalf of the Board of Directors, we would like to express our sincere condolences to all those who have lost someone during this pandemic, especially our stakeholders. 2020 is now behind us, and in the year unfolding before us we can see a light in the form of vaccines that simultaneously urges us not to let our guard down and to look to the future with renewed optimism. MAPFRE's business model is solid and sustainable, and the pandemic will not change the company's roadmap because the figures for the last months of the year past confirm that we are moving in the right direction and that we can, and will, continue to aspire to deliver a powerful financial dividend for all of you as shareholders, and an enormous social dividend for society as a whole.

Antonio Huertas

Chairman and CEO of MAPFRE

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2. MAPFRE GROUP

2.1. About us

2.1.1. Main activity

We are a multinational group that has been operating since 1933, primarily in the insurance and reinsurance sectors, offering global solutions to protect individuals, professionals and companies from risk by providing them with robust responses to manage their present and future needs. We have a global presence, operating in more than 40 countries, with a corporate structure adapted to the evolution of our businesses and the needs of our clients worldwide.

We are the world's leading Spanish insurer, the largest multinational insurance company in Latin America and we hold relevant positions and/or leadership positions in most of the countries in which we operate.

We offer people a complete personal lines insurance program that is adapted to the different countries where we do business, through a wide insurance offering, including Life, Health, Accident, General P&C (homeowners, automobile, third-party liability, family, etc.), Savings and Investment, Retirement, Burial, Travel and Lifestyle policies.

We help professionals, entrepreneurs, the self-employed and small companies develop their commercial undertakings, offering a broad portfolio of products and services that enable them to concentrate on their professional activity (with solutions for vehicles, third-party liability and assets, agriculture and livestock, commercial establishments, etc.), while also insuring their personal risks (accidents, health, Life, retirement, savings and investments).

We have specific solutions for small and medium-sized enterprises as well as large corporations, with a range of products and services adapted to the activity of each organization, at local, national and global level, and tailored to the management model of each client, with products for Vehicles, Third-Party Liability and General P&C, Engineering and Construction, Hulls and Aviation, Goods Transportation, Agribusiness, Surety and Credit, Group Health, Accident, Life and Retirement Insurance, among others.

We offer reinsurance programs that complement insurance activity.

We develop our own networks in the countries in which we operate, which are compatible with other distribution channels, in order to customize the service we offer clients and to contribute to job creation and activity in each market. MAPFRE's own networks are supplemented by its distribution capacity as a result of the signing of agreements with different companies, notably its bancassurance agreements, but also including those with other financial companies, automobile dealerships, shopping malls and service companies, etc.

Present in 44 countries	
Revenues 25.42 billion euros	33,730 employees
Shareholders' equity 8.54 billion euros	82,176 intermediaries
Attributable result 527 million euros	16,196 offices

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2.1.2. Mission, vision and values

We work with the Mission to constantly make progress with our service and improve our relationship with clients, distributors, providers, shareholders and society in general

Our Vision is to become **THE MOST TRUSTED GLOBAL INSURANCE COMPANY** of all our clients worldwide, through a global presence and a wide range of insurance, reinsurance products and services. We aim to become a leader in the markets in which we operates, through its sustainable, proprietary and differentiated business model, based on transformation and innovation. It is designed to achieve profitable growth with clear and decisive focus on the client, both private and corporate, creating relationships based on equity and transparency, with a multi-channel approach and a firm vocation for service.

Our commitment to constant improvement is supported by the following Values, which help us develop the company's Mission and achieve its Vision:

- Solvency: financial strength with sustainable outcomes over time and full capacity to meet all its obligations with stakeholders.
- Integrity: ethical conduct as a core element in how everyone (executives, employees, agents and collaborators) behaves, with a socially responsible focus on all long-term activities and commitments.
- Vocation for service: the constant quest for excellence in the pursuit of its activities and a continuous focus on building strong relationships with clients.
- Innovation for leadership: differentiation as a key requirement to drive constant growth and improvement, using technology to service the different businesses and their objectives.
- Committed team: full engagement of employees, senior executives, agents and other collaborators with the MAPFRE project and continuous development of the team's skills and abilities.

Our business model promotes profitable growth and is geared toward contributing to the social development of the countries in which we operate.

Accordingly, MAPFRE:

- Is firmly committed to growth, both in terms of business volume and geographic development, generating suitable and sufficient profitability from its activities.
- Manages its business in an efficient manner and constantly improves productivity, reducing structural costs continuously in order to enhance its competitiveness.
- Professionally manages the risks it assumes, ensuring sustainable growth and results.
- Steers its development by diversifying its portfolio of insurance, reinsurance and service businesses as a means of boosting growth and minimizing risks.
- Deploys a global management model with ample capacity for local implementation, ensuring an appropriate balance between corporate involvement and business development in each country.
- Makes its resources available to the entire organization, thus harnessing the synergies derived from sharing talent, processes and tools.
- Promotes specialized management as a means of continuously optimizing results and enhancing service quality.

2.1.3. Geographic footprint (Deployment)

MAPFRE is a global company principally engaged in insurance and reinsurance activities in 44 countries around the world through 216 companies.

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2.1.4. Brand and reputation

Corporate identity and the way we are perceived by society are key differentiating elements for the positioning and business strategy of the company. The crisis produced by the pandemic has sharpened the transformation of consumers toward an environment in which they demand more in their purchasing or investment decisions. Current clients no longer make decisions based only on the quality or price of the goods or services they purchase. Increasingly, what are referred to as a company's intangibles - their values, their commitment, their contribution and social footprint, among other variable - play a role too. As such, the brand must be a true reflection of the company it represents.

At MAPFRE, the positioning of our brand is defined based on our own business strategy, our vision, mission and values. In line with our vision, trust is the most important concept. MAPFRE has deployed a narrative centered on values, attitudes, and social actions that have allowed us to demonstrate our social and sustainable commitment in a way that is consistent with our strategy and our values, especially by reinforcing trust as the core of our brand image. We have endowed this concept of trust with content that adds value to the company, with a general and coherent idea, but which can be adapted to the local particularities of each market. Content is therefore developed on the basis of a continuous listening to the client, through advertising, communication and sponsorship actions linked to the values of the company. We seek to increase awareness and improve perception of these values on the part of our clients and society in general in all the markets we operate in.

As a result of our efforts, in 2020, MAPFRE climbed 10 places and improved by 1.4 points its position in the ranking of the strongest brands in the world, carried out by the Brand Finance consultancy. This ranking positions it as the 7th strongest insurance brand in the world. Furthermore, Brand Finance highlights MAPFRE as a solid brand and recognizes its solvency and liquidity situation.

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In the study carried out by Kantar BrandZ, MAPFRE is ranked 18th in the listing of the most valuable companies in Spain, and also obtains the highest ranking given by consumers (5/5). This study also highlights the work and sensitivity of the company during the COVID-19 crisis and underlines the Group's commitment to maintaining employment. MAPFRE is the 8th strongest Spanish brand in the BRANDBETA Brand Finance index, and the first in the ranking of insurance companies. This analysis refers to the position of brands in the minds of consumers, consciousness and perception. MAPFRE will be one of the 10 most sought-after Spanish brands in 2020-21, as per a study that analyzed 18 sectors, 13 of which are led by a Spanish brand, with MAPFRE being an industry leader.

Reputation as we understand it refers to the perception of the company by all stakeholders. It is the strategic indicator of reputational relevance, reflecting MAPFRE's reputation among its clients, employees and the general public, and is created ad hoc for the company. In 2020, MAPFRE continued to maintain a good reputation, which is synonymous with trust and respect and improvement over the previous year. Furthermore, MAPFRE's reputation model also makes it possible to measure the perception that society has of its main brand attributes, where it is worth highlighting the good ratings obtained in attributes such as digital experience (analyzed for the first time this year), credibility and integrity.

In 2020, the Corporate Reputation Business Monitor (MERCO) placed MAPFRE in Spain among the 10 companies with the best reputation and number one in the insurance sector.

In addition, in Argentina, Ecuador, Mexico, Panama, Peru, Portugal and Uruguay, the company is among the 100 best companies, in some countries as a leader in the sector. Furthermore, in MERCO Talento, MAPFRE in Spain ranks 10th, being the first in its sector for yet another year, and in Peru and Argentina it remains among the 100 best-valued companies in this classification.

Furthermore, according to the ranking developed by MERCO of the companies with the greatest social commitment/responsibility during the pandemic, MAPFRE is among the 20 companies in Spain that have shown the greatest commitment and responsibility in this situation and also leads the ranking for the insurance sector.

As the pandemic has continued, reputation experts have recognized MAPFRE for generating the least possible inconveniences for its stakeholders and collectives. Furthermore, among the general public, at global level, those who are aware of the initiatives carried out, mostly clients, have evaluated MAPFRE's reputation highly.

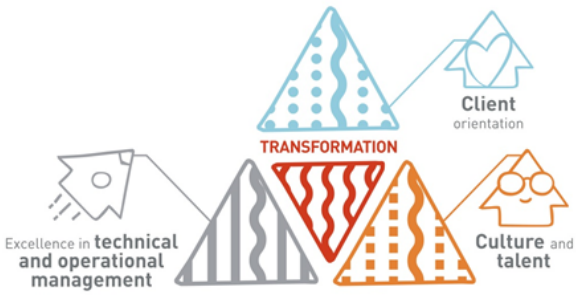
In relation to its Human Resources practices, MAPFRE has been certified as a Top Employer in Spain. Furthermore, MAPFRE S.A. holds the distinctive "Equality in the Company" seal, granted by the Ministry of Health, Social Services and Equality of Spain, after an extensive evaluation of all equality measures, and the MAPFRE Group in in Spain maintains the certification as a Family-friendly Company.

2.2. Strategy

2.2.1. Strategic Plan

At MAPFRE, we are transforming ourselves to grow profitably. Digitization, innovation and commitment to society are key to this change. To remain a competitive and sustainable company, **transformation is evident in everything we do**. It is transversal and acts as a true accelerator in all areas of the company.

The Group's strategy features a philosophical framework comprising the Mission, Vision and Values, and is structured around three pillars that respond to the change agenda that have been set down:



Client orientation:

Our team is client oriented. We are committed to a competitive model, which puts clients at the center of everything we do, with the aim of offering an optimal experience at every moment of contact with MAPFRE. We want to know, understand and enhance customer loyalty, increase productivity in all our channels and innovate in products, services and experiences for our clients.

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Excellence in technical and operational management:

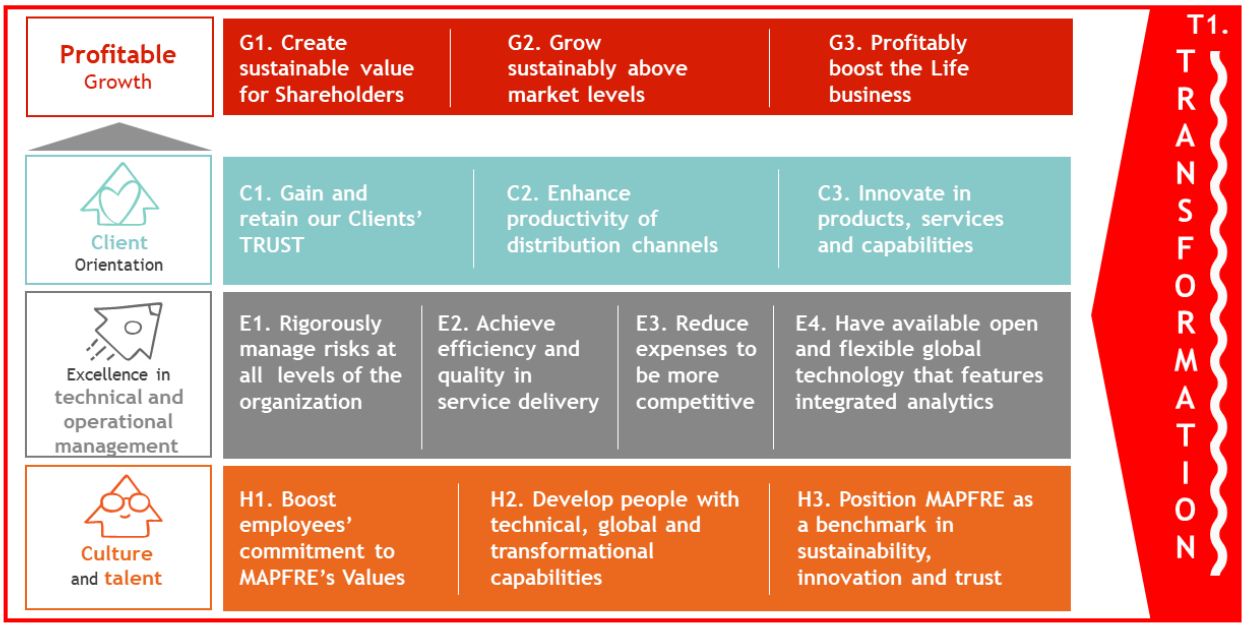
We work hard to improve our efficiency, adapting our structure to offer an excellent service, with a global, flexible and open technology that enables us to increase our competitiveness.

Culture and Talent:

Strengthening the commitment of everyone working at MAPFRE, we wish to continue adapting to changes with new skills that allow us to tackle future challenges. We continue striving to be a benchmark in terms of sustainability. MAPFRE is committed to sustainable development and especially to the fight against climate change.

Within the framework of the strategic pillars, we have defined a series of objectives and indicators that comprise our Strategic Map and a portfolio of initiatives that will facilitate the achievement of those objectives.

Strategy map



Strategic plan initiatives

The English version is a translation of the original in Spanish for information purposes only. In case of discrepancy, the Spanish version shall prevail.

Progress with the plan in 2020 and future outlook

Progress with the plan in 2020

The second year of the **Strategic Plan 2019–2021 "Transforming ourselves to grow and be profitable"** was a year in which the health crisis conditioned the global economic, political, and social environment, and will continue to do so in the near future. The trends reflected in various market studies concur that we are facing an economic recession, that there will be an evolution in consumption habits driven by an increase in digitization, as well as greater awareness surrounding the impact that individuals, governments and companies have on the environment and how our social contribution must be greater in order to improve the environment and quality of life of those around us.

Based on these reflections, we firmly believe that the objectives and initiatives defined in the current plan will help us face this highly uncertain environment.

The main developments during 2020 in the objectives and initiatives that drive each of the plan's pillars were:

Profitable growth

The Group's income statement shows that this has not been an easy year for profitable growth. However, all of our operations have worked hard throughout 2020 to continue to make progress toward the objectives we have in this perspective:

We have a number of indicators to measure the progress of each of these objectives. This report highlights the progress of those we have published:

–ROE: 7.6 percent (excluding goodwill writedown)

–Revenue: 25.42 billion euros

Client orientation

The objectives for this pillar are:

Data on public objectives in this pillar:

–Percentage of Non-Life businesses with an NPS® above market average: 82.3 percent

In order to accelerate the achievement of the objectives in this pillar throughout 2020, we have continued to work on the following initiatives:

- **Focus on the client:** Through this initiative we are adapting our sales offering and value proposition, our operations, structure and technology, to offer a better quality customer experience. In 2020, the group's effort focused mainly on the implementation and deployment of actions in the countries to promote improvements in the Customer Experience. It is worth highlighting the activation of strategies in response to listening to the Voice of the Customer at the main life cycle and relationship touchpoints, as well as the implementation of plans to improve customer data. Additionally, the Corporate Governance Standard for Customer Relationships was been approved.

- **Digital Business Plan:** Through this initiative, we aim to develop Digital Business with a focus on profitability in the various different operations. Throughout 2020, the development and implementation of strategies and tools to improve the attraction, conversion and retention of digital clients has continued, as has the evolution of client knowledge through digital data management. Work also continues to optimize the technical management of Digital Business for VERTI, INSURE&GO and MAPFRE.COM brands and to expand distribution agreements.

- **SAM 3.0 (MAPFRE Automobile Insurance 3.0):** The main objective of this initiative is to develop capacities in the field of new automobile mobility. In the period just ended, capacities were developed and solutions provided in areas such as the incorporation of driving aids into the pricing models, proposals for pay per use according to driving styles and differentiated offers for electric vehicles, among other actions. Additionally, functionalities are being developed in the environment of on/off insurance, cybersecurity for connected vehicles and the development of integrated platforms for mobility and safe driving.

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- **Life:** The objective of this strategic initiative is to promote the development of the Group's Life and pensions business. During 2020, more than 70 projects were defined and executed in different countries, among which are the development of Life technology platforms in Spain, Latin America and Malta, and the construction of a corporate Life operating model. From the point of view of products and tools, the promotion of employee benefit programs, Life risk products with assistance services and the development of self-directed tools and financial needs analysis stand out.

Excellence in technical and operational management

The objectives for this pillar are:

Data on public objectives in this pillar:

–Non-Life combined ratio: 94.8 percent

To speed up changes to this pillar, investments have been made in a number of initiatives:

- **Global operational efficiency model:** Work is ongoing that is focused on improving productivity and reducing operational costs while ensuring quality for clients. Processes that are more homogeneous, more integrated into common technology solutions and advances in self-direction, shared service centers, and automation have generated positive results in terms of performance, digitization and flexibility to deliver immediate responses in a year marked by the challenges of the COVID-19 pandemic.

- **Advanced Analytics:** With this initiative, we want to transform the way we approach the business using knowledge and data intelligence. During 2020, the Initiative continued to advance in the development and implementation of a greater number of advanced analytics models, including ones for the detection of fraud in claims, detection of risks impede safe driving, optimization of the call center staff and optimization of customer retention arguments. The big data and advanced analytics technological platform has been implemented in Spain, the United States and Brazil, which allows for the automation of models. The advanced analytics structure has also been created in Germany.

Culture and talent

The objectives for this pillar are:

Data on public objectives in this pillar in 2020 (staff from Banco de Brasil and MAPFRE Salud ARS in the Dominican Republic are excluded):

–Culture and talent index: 84.1 percent.

–Percentage of vacancies for managerial positions filled by women: 46.3 percent.

–Percentage of workforce with a disability: 3.3 percent.

The initiative that primarily drives the development of this pillar is Digital Challenge.

In 2020, we launched the Digital Challenge II where we continue on this path of learning and building upon what we have achieved so far. This initiative aims to continue managing the change required by the organization to adapt to the latest social and business needs, through learning new skills, developing more dynamic and flexible structures, and tailoring the employee experience to continue supporting the professional growth and talent development of everyone who works at MAPFRE.

We want to provide our employees with the tools and knowledge they need so that they can take charge of their professional development, to help them be more efficient and agile in their day-to-day work and so that they have the opportunity to work on both their own and transversal projects.

In Digital Challenge II we are working along three main lines:

- Digital workplace: Providing the digital tools required for agile and collaborative working, for time management and teamwork.

- Dynamic structures: Creating more flexible structures that allow us to adapt more quickly, to train in new knowledge so that we are versatile and to advance our work through projects.

- Employee experience: Tailoring the way in which we interact with each employee.

Thanks to Digital Challenge II, we are an even more agile and flexible company and are able to adapt to the requirements of business and society, especially in 2020, a year marked by the COVID-19 pandemic.

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Future prospects for the Strategic Plan 2019–2021

For 2021, we have decided to maintain the Strategic Plan's objectives and initiatives. However, to adapt to the complex current environment, we have carried out a prioritization exercise by selecting three projects from each of the seven corporate strategic initiatives, and selecting the countries in which they will initially be implemented. This prioritization aims to accelerate transformation, streamline implementation and generate best practices for growth and profitability.

Regarding the objectives for the next three years, during 2021, and as part of the methodology established in the Strategy Review and Management Group, we will carry out a deep reflection process that will allow us to define the Strategic Plan for the period 2022–2024.

2.2.2. Sustainability

MAPFRE is a company that has been working with a strong social commitment for more than 85 years, pursuing a business model oriented toward sustainable development, focusing on the present and looking forward to the future.

The company's sustainability model, published on the corporate website, is aligned with MAPFRE's vision, mission and values, with the Institutional and Business Principles and with its strategy; and its very design contemplates the basic pillars of sustainability — environmental, social and governance — along with profitable and sustainable growth.

Governance model for sustainability

MAPFRE has a Corporate Social Responsibility Policy in place, approved by the Board of Directors of MAPFRE S.A. on July 23, 2015, which establishes the reference framework that allows all MAPFRE Group companies to develop and promote socially responsible behavior, irrespective of whether it is related to conventional or digital business. The effective application of this policy and the monitoring and control of its actions are followed up by the Group's Sustainability Committee.

MAPFRE assumes the highest level of government approval and monitoring of the Sustainability Strategy. The company has a Corporate Sustainability Committee in place, the members of which are appointed by the Executive Committee. This committee, positioned at the highest executive level, is responsible for proposing the Group's sustainability strategy to the Board of Directors, promoting the development of the plan and addressing matters relevant to the group in this area, among other obligations. In 2019, it met three times to discuss, among other matters, the follow-up to the Sustainability Plan 2019–2021, to propose to the appropriate governing bodies of MAPFRE the approval of the Human Rights Policy and Anti-Corruption Policy and to create the MAPFRE Sustainable Finance Observatory.

Moreover, it has a Group Sustainability Office, responsible for operations and coordination. This office participates in different internal committees such as the Risk Management Committee of MAPFRE Asset Management and work groups such as the one created regarding circular economy and the 2030 Agenda.

Sustainability strategy

The Sustainability Plan 2019–2021, approved by the Board of Directors, is our roadmap to sustainability and focuses on the major global and social challenges we face: climate change, the circular economy, inclusion and talent, financial and insurance education, the aging economy and the UN Agenda 2030.

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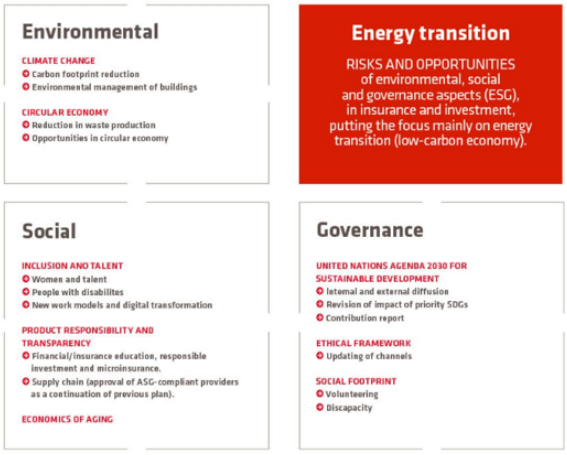

The plan includes specific lines of work with actions for its development, the people responsible for carrying them out, the scope of action and indicators for its monitoring. In addition to corporate areas, business units and countries, members of the Corporate Sustainability Committee also serve as sponsors in different lines of work. The development and implementation of the plan is reported twice a year to the Board of Directors.

The Plan has been progressing continuously and has already been 74 percent implemented , with a compliance level of 93 percent of the targets set for 2020.

Key Milestones of the Sustainability Plan

ENVIRONMENTAL

Climate change

MAPFRE prepared its Environmental Footprint Plan, with the aim of, among other things, establishing a new roadmap to carry out the public objective of carbon neutrality by 2020 in Spain and Portugal and in the rest of the Group by 2030

Since the beginning of the plan in 2019, eight countries have been incorporated with the carbon footprint calculation certified through ISO 14.064. Five buildings certified with ISO 14.001 for environmental management have been added, and the expansion of ISO 50.001 for energy efficiency has been increased with five new buildings.

Circular economy

MAPFRE signed the Circular Economy Pact in Spain and an another agreement was signed with the Spanish Chamber of Commerce to launch the Competitiveness and Sustainability project in SMEs together with Always On.

SOCIAL

Inclusion and talent

MAPFRE reaches 46.3% of vacancies for job positions of responsibility covered by women and 30.9% of managerial job positions held by women.

MAPFRE reaches 3.3% of its workforce comprising people with a disability.

The MAPFRE Observatory of Sustainable Finance is created, with the launch of a series of meetings with academic institutions, such as the "Sustainability: a key factor in economic and social development" seminar with the Universidad Loyola in Seville.

The Observatory holds the I Sustainable Finance Annual Forum.

Product responsibility and transparency

The MAPFRE AM Capital Responsable and MAPFRE AM Inclusión Responsible funds are granted the French ISR Label, created and endorsed by the French Ministry of Finance, being the first Spanish fund manager to receive this accolade for some of its investment funds.

MAPFRE Economics publishes the Financial Inclusion in Insurance study; which presents a conceptual analysis, drawn from international experience, of the way in which microinsurance can contribute to financial inclusion and, with thereby boost the possibility that a very broad swathe of society can access higher levels of overall financial well-being.

The ESG provider approval model was deployed in Spain, the USA and Mexico, approving a total of 2,937 providers in the automobile and homeowners lines to date.

Economics of aging

The Aging Project in Spain was carried out throughout the year to define action plans for veteran employees. Eight focus groups were completed, as was a survey in which 2,353 employees participated. Action plans will be defined and executed in 2021.

GOVERNANCE

United Nations Agenda 2030 for Sustainable Development

MAPFRE concluded the review of its priority Sustainable Development Goals (SDGs), as well as the review of the goals and measurement indicators, establishing a new map of priority SDGs for the Group. (See Section 4.6.)

MAPFRE contributed to the dissemination of the 2030 Agenda with more than 341 internal and external communication actions, participating in specific forums, and helping to spread the word on the promotional campaign organized by the Spanish Network of the United Nations Global Compact on social networks.

Ethical framework

A new online course was prepared on MAPFRE's Code of Ethics and Conduct, available to employees from January 2021.

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Monitoring of public sustainability commitments

PUBLIC COMMITMENT	PROGRESS AND COMPLIANCE
45 percent of vacancies for managerial positions will be filled by women.	At the end of 2020, this commitment was been exceeded by 46.3 percent.
3 percent of the workforce will be made up of people with a disability.	This commitment is currently at 3.3 percent, above the level forecast.
MAPFRE's facilities in Spain and Portugal will be carbon neutral by 2021.	In Spain and Portugal, we continue to make progress with the neutrality plan for our carbon footprint. We are working on the consumption of renewable energy, sustainable mobility, waste management and circular economy. This has facilitated positive progress in terms of our footprint and has enabled us to work on offset plans that will be ready to compensate for the remaining footprint by the end of 2021.
No investment will be made in utility companies that generate 30 percent or more of their revenue from coal-produced energy.	In 2020, investments were in line with this commitment. For more information, please see Chapter 5: Investment
No insurance cover will be provided for the construction of new coal-powered electric plants or the operation of new coal mines.	In 2020, we fulfilled this commitment completely. For more information, please see Chapter 5: Public commitment on carbon.

Relevant facts in sustainability

- MAPFRE was included in *The Sustainability Yearbook 2020*, published by S&P Global in collaboration with RobecoSAM, in recognition of its achievements in terms of sustainability.
- For the third consecutive year, MAPFRE featured on the Dow Jones Sustainability World Index.
- MAPFRE celebrated 14 years featuring in the FTSE4Good sustainability index.
- MAPFRE held a Sustainable Annual General Meeting for the first time, becoming the first insurer in Spain and the fifth company in the IBEX 35 to obtain ISO 20121 certification — a voluntary international standard that recognizes sustainable event management.
- MAPFRE adopted the Women's Empowerment Principles established by UN Women and signed up to the United Nations Standards of Conduct for Business in relation to LGBTI equality.
- MAPFRE was part of the Executive Committee of the Spanish Network of the United Nations Global Compact.
- The MAPFRE Sustainable Finance Observatory was created, the first MAPFRE Inclusión Responsable award was presented, and the first forum on sustainable finance was organized.
- MAPFRE signed up to the Diversity Charter.

  MAPFRE is the first Spanish insurer to join the Circular Economy Pact.
- In 2020, MAPFRE was included in the Euronext Vigeo Europe 120, Euronext Vigeo Eurozone 120 and Ethibel Sustainability Index Excellence Europe.

Sustainability training

MAPFRE has two specific online courses available related to sustainability:

- "A walk through Corporate Social Responsibility", launched in 2018, through which a total of 8,065 employees have been trained over the years.
- "MAPFRE and the Environment", launched in 2017, through which a total of 17,027 employees have been trained over the years.

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The Global Intranet and the MAPFRE blog also offer employees access to specific information, news and events related to sustainability.

2.3. Shareholder and Functional structure

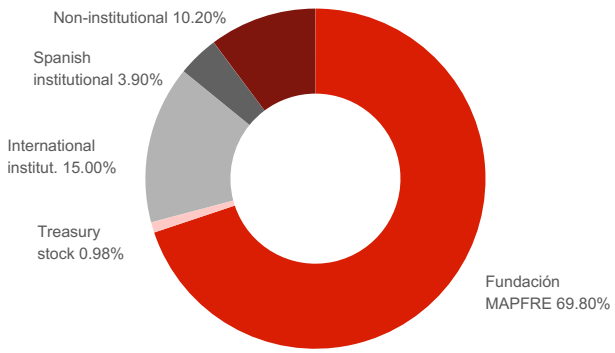
2.3.1. Shareholder structure

The Group's parent company is the holding company MAPFRE S.A., the shares of which are listed on the Madrid and Barcelona stock exchanges and are part of the IBEX 35, IBEX Top Dividend, MSCI World SMID Cap Index, FTSE All-World, FTSE Developed Europe, FTSE4Good, FTSE4Good IBEX, Dow Jones Sustainability World Index, Euronext Vigeo Europe 120, Euronext Vigeo Eurozone 120 and Ethibel Sustainability Index Excellence Europe.

The majority of the shares in MAPFRE S.A. are owned by Fundación MAPFRE, which owns 69.8 percent of the share capital, which guarantees its independence and institutional stability. Fundación MAPFRE engages in activities of general interest in the fields of Social Action, Insurance and Social Protection, Culture, Accident Prevention and Road Safety, and Health Promotion.

At fiscal year-end, MAPFRE S.A. owned 30,285,934 treasury stocks, representing 0.9835 percent of the capital.

Sharehloder composition



2.3.2. Functional structure

During 2020, the Group pursued its business activities through an organizational structure made up of four Business Units (Insurance, Assistance, Global Risks and Reinsurance); three Territorial Areas (IBERIA, LATAM and INTERNATIONAL); and six Regional Areas (Iberia (Spain and Portugal), Brazil, LATAM North (Mexico, Central America and the Dominican Republic), LATAM South, North America and EURASIA (Europe, Middle East, Africa and Asia-Pacific). As of January 1, 2021, the Territorial Areas ceased to exist and the Group's business activities are carried out through the Business Units and Regional Areas indicated above.

The Insurance Business Unit is organized in line with the Regional Areas, which are the geographic units that plan, support and oversee the region. The Reinsurance and Global Risks units are integrated within MAPFRE RE.

The activities of the various Business Units are supplemented by those of the Corporate Areas (Internal Audit, Strategy and M&A, Finance and Resources, Investments, Business and Clients, Operations, People and Organization, External Relations and Communication, General Counsel and Legal Affairs, Business Support, IT and Processes), which have global competences for all MAPFRE companies in the world in terms of the development, implementation and monitoring of global, regional and local corporate policies.

The Group has changed its structure in recent years in order to adapt to the strategic challenges facing a company of its global size and presence.

The Group's current organizational chart is shown in the accompanying diagram.

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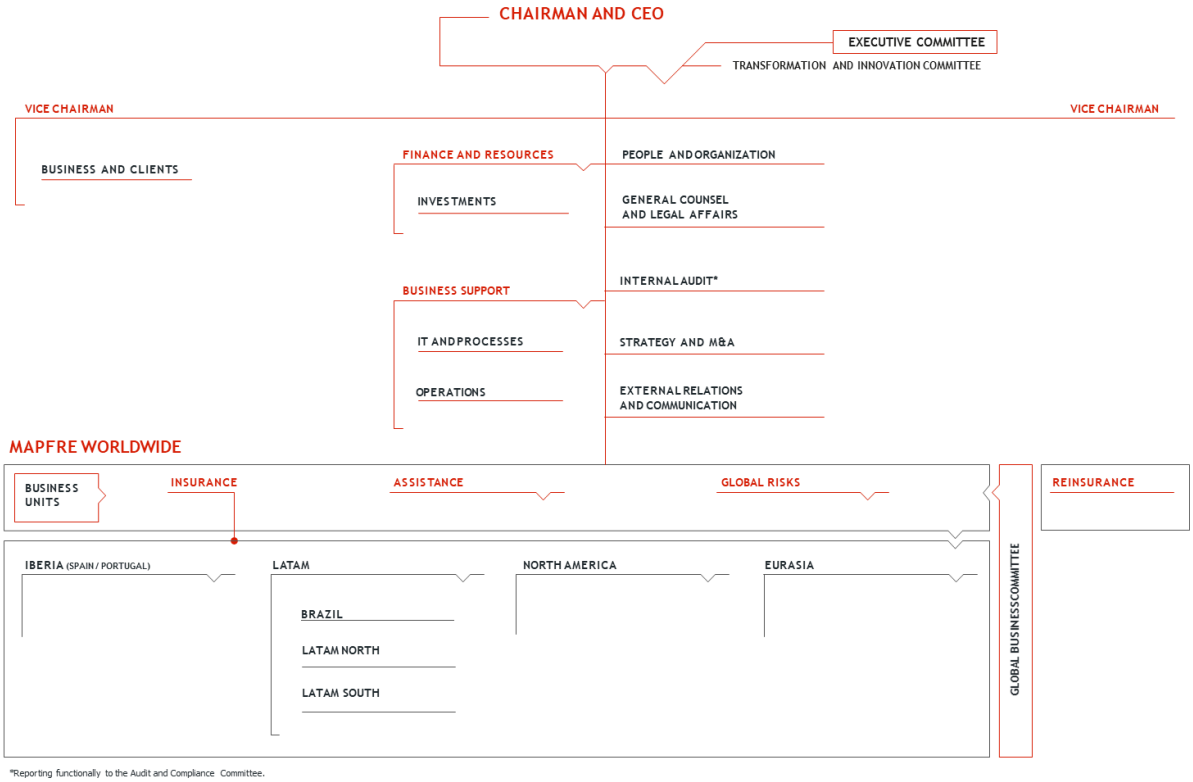

2.4. Good Governance

2.4.1. Corporate Governance system

Corporate governance

The Annual General Meeting is the most senior governing body, while the Board of Directors is responsible for steering, administering and representing the Company, holding full powers of representation, disposition and management. Its actions are binding on the company, with no further limitation than the express powers of the Annual General Meeting in accordance with the law and the corporate bylaws.

The Board is the Company's main decision-making and supervisory body, and is also the supervisory body of all subsidiary companies, while day-to-day management is carried out by the Company's management and executive bodies and by the relevant corporate bodies of the aforementioned subsidiary companies.

The Board of Directors has a Steering Committee in place that acts as a delegate body on its behalf and with all of its powers, except those that cannot be ceded by law or, where applicable, if expressly prohibited by the corporate bylaws or the Regulations of the Board of Directors.

The Board of Directors also has three additional Delegate Committees:

–Audit and Compliance Committee.

–Appointments and Remuneration Committee.

–Risk Committee.

The functions and composition of the governing bodies are as follows:

Steering Committee

The Steering Committee's functions are the senior management and oversight of the day-to-day operations and strategies of the Company and its subsidiaries. It comprises a maximum of ten members, all of whom are also members of the Board of Directors.

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Audit and Compliance Committee

The Audit Committee's functions include reporting to the Annual General Meeting on any issues that arise in relation to matters within its remit, overseeing the efficiency of internal control and the process for preparing and presenting financial and non financial information, submitting proposals to the Board of Directors for the appointment of an external auditor and building an appropriate relationship with the latter, and ensuring the independence and efficiency of the Internal Audit function. It is also the body responsible for supervising the proper application of good governance standards and external and internal regulations at the Company and the Group. It comprises a minimum of three and a maximum of five directors, all non-executive and most of them independent directors.

Appointments and Remuneration Committee

The Appointments and Remuneration Committee coordinates the implementation of the assignment and remuneration policy for Directors and Senior Executives of the Group. It comprises a minimum of three and a maximum of five directors, all non-executive and at least two of whom are independent directors.

Risk Committee

This committee provides support and advisory services to the Board of Directors in defining and evaluating risk management policies and in determining risk appetite and risk strategy. It comprises a minimum of three and a maximum of five directors, all non-executive and at least two of whom are independent directors.

The composition of the governing bodies resulting from the agreements that are expected to be adopted on March 12, 2021 is as follows:

Board of Directors	Steering Committee	Appointments and Remuneration Committee	Audit and Compliance Committee	Risk Committee
Chairman				
Antonio Huertas Mejías[1]	Chairman			
First Vice Chairman				
Ignacio Baeza Gómez[1]	First Vice Chairman			
Second Vice Chairwoman				
Catalina Miñarro Brugarolas[3]	Second Vice Chairwoman	Chairwoman		
Third Vice Chairman				
José Manuel Inchausti Pérez[1]				
Members				
José Antonio Colomer Guiu[3]	Member	Member	Member	Chairman
Ana Isabel Fernández Álvarez[3]			Chairwoman	Member
Maria Leticia de Freitas Costa[3]				
Rosa María García García[3]		Member		
Antonio Gómez Ciria[3]				Member
Luis Hernando de Larramendi Martínez[2]	Member	Member		
Francisco José Marco Orenes[1]				
Fernando Mata Verdejo[1]				
Antonio Miguel-Romero de Olano[2]	Member		Member	Member
Pilar Perales Viscasillas[3]			Member	
Alfonso Rebuelta Badías[2]		Member		
Secretary				
Angel L. Dávila Bermejo	Secretary	Secretary	Secretary	
Jaime Álvarez de las Asturias Bohorques Rumeu				Secretary

(1) Executive board directors
(2) Nominee external board directors
(3) Independent external board directors

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Honorary Chairmen
Julio Castelo Matrán
José Manuel Martínez Martínez

Executive Committee
Chairman
Antonio Huertas Mejías
First Vice Chairman
Ignacio Baeza Gómez
Vice Chairman
José Manuel Inchausti Pérez
Members
Alfredo Castelo Marín
Francisco José Marco Orenes
Jesús Martínez Castellanos
Fernando Mata Verdejo
Eduardo Pérez de Lema
Fernando Pérez-Serrabona García
Elena Sanz Isla
Jaime Tamayo Ibáñez
Member-Secretary
Angel L. Dávila Bermejo

Diversity and experience

The Board of Directors of MAPFRE S.A. approved the Director Selection Policy on July 23, 2015, having been amended for the last time on December 21, 2020. This policy states that the selection process will promote the diversity of knowledge, experience, age and gender. The policy also states that efforts will be made to ensure that female directors shall represent at least 30 percent (and will be increased before the end of 2022 to at least 40 percent) of all members the Board of Directors.

As on the date of this Report, the number of women on the Company's Board of Directors represents 33 percent of all members. Most participate in Board committees and/or have a significant role:

- Catalina Miñarro Brugarolas: Second Vice Chairwoman of the Board of Directors and of the Steering Committee, Chairwoman of the Appointments and Remuneration Committee and independent coordinating director.
- Ana Isabel Fernández Álvarez: Chairwoman of the Audit and Compliance Committee and member of the Risk Committee.
- Rosa María García García: member of the Appointments and Remuneration Committee.
- Pilar Perales Viscasillas: member of the Audit and Compliance Committee.

ITEM	2020	2019	2018	2017
% of women over Board total	33.30%	33.30%	28.60%	26.70%

The composition of the Steering Committee and the various Delegate Committees of the Board of Directors by gender as on December 31, 2020 is presented below.

ITEM	Steering Committee		Audit and Compliance Committee		Appointments and Remuneration Committee		Risk Committee	
	M	W	M	W	M	W	M	W
Number of Board Directors	5	1	2	2	3	2	3	1
% of total	83.30%	16.70%	50.00%	50.00%	60.00%	40.00%	75.00%	25.00%

M: Men, W: Women

Geographic and cultural diversity is also visible at Board level, with two nationalities represented: Spanish and Brazilian.

In accordance with the provisions of the MAPFRE S.A. Board of Directors Regulations, candidate selection will include an evaluation of the competences, knowledge and the experience necessary to hold a seat on the Board of Directors.

The Board currently consists of 15 members who, as a whole, possess knowledge, qualifications and experience relating, among others, to the following areas: insurance and financial markets, business strategy and business models, governance systems, financial and actuarial analysis and regulatory framework.

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MAPFRE S.A.

Other Corporate Governance indicators:

ITEM	2020	2019	2018	2017
Quorum for Annual General Meeting	86.85%	82.38%	82.07%	83.20%
Board Directors	15	15	14	15
- Men	10	10	10	11
- Women	5	5	4	4
Executive board directors	5	5	5	5
Independent external board directors	7	7	6	6
Nominee external board directors	3	3	3	4
Board meetings	11	10	10	10
Steering Committee meetings	2	5	5	3
Audit and Compliance Committee meetings[1]	11	10	14	11
Appointments and Remuneration Committee meetings[2]	5	6	5	7
Risk Committee meetings	9	6	6	5

Data in numbers

1. Regardless of the meetings mentioned, the Committee adopted agreements by written procedure, without a meeting, by means of a circular dated July 2, 2020.
2. Regardless of the mentioned meetings, the Committee adopted agreements by written procedure, without a meeting, by means of circulars dated February 18, May 20 and June 24.

The remuneration of directors is determined in accordance with the provisions of regulations applicable to corporations, the corporate bylaws and regulations of the company's Board of Directors, and the decisions adopted by the Annual General Meeting.

The total remuneration of the Board of Directors of the company during fiscal year 2020 was as follows:

ITEM	2020
Number of Directors	15
Accrued remuneration in the Company	7,709
Accrued remuneration in Group companies	2,024
TOTAL	**9,733**
Contributions to savings systems with vested rights and as an amount of accumulated funds	1,493

Figures in thousand euros

In order to comply with the legal requirements for remunerating directors and to continue adhering to corporate governance best practices regarding remuneration, the Regulations of the Board of Directors govern the areas related to remuneration of the Board of Directors and the Appointments and Remuneration Committee.

The Ordinary Annual General Meeting of March 13, 2020 approved the Compensation Policy for Directors for the 2020–2022 period, effective as on January 1, 2020. This policy includes the various components of the directors' remuneration package, which have been established based on the following general principles and foundations:

–Prioritization of the creation of value and profitability in the medium- and long-term over short-term results.

–Reasonable proportion between the Company's economic situation and the market standards of comparable companies.

–Alignment with the sales and risk management strategy, risk profile, objectives, and risk management practices.

–Appropriate and efficient risk management within the established risk tolerance limits.

–Attraction and retention of talent.

–Appropriate compensation for dedication, qualification and responsibility.

–Appropriate proportion of fixed and variable components, avoiding excessive reliance on variable components.

–Deferred payment of a significant portion of the variable remuneration.

–Possibility of ex-post adjustments to the variable remuneration.

–Avoidance of conflicts of interest.

The remuneration system differentiates between external directors and executive directors:

A) External Board Directors

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External directors receive a fixed amount as basic remuneration for their membership on the Board of Directors and, as applicable, on the Steering Committee and Delegate Committees, which may be higher for those who occupy positions on the Board or chair its Delegate Committees. Members of the Steering Committee also receive a travel, subsistence and accommodation allowance for attending its meetings. This remuneration shall be supplemented with other non-monetary benefits (Life or illness insurance, discounts on products sold by MAPFRE Group companies), which are established for the company's personnel in general.

B) Executive Directors

Executive directors do not receive the fixed amount established for external directors. The remuneration of Directors for carrying out their executive functions is determined according to said functions, levels of responsibility and professional profile, in accordance with the criteria governing the remuneration of MAPFRE Group senior executives and according to the stipulations of their respective contracts.

Executive directors are entitled to the allowances or social benefits established for Company personnel in general, as stipulated in the collective bargaining agreement signed by MAPFRE.

Only executive directors receive variable remuneration, of which there are two types:

(i) Short-term variable remuneration system based mainly on an annual component linked to the Company's consolidated net profit and, in addition, another component linked to the fulfillment of specific objectives established by the Board of Directors. This remuneration is always paid in cash.

(ii) Medium- and long-term variable remuneration, which corresponds to a medium-term incentive plan of an extraordinary and multi-annual nature that cannot be consolidated. The evaluation period for the degree of achievement of Plan objectives extends from January 1, 2019 until December 31, 2021, with deferred payment of incentives in the period 2023–2025 for some of its beneficiaries, which include executive directors in their capacity as senior management.

The payment of incentives is subject to the fulfillment of the Plan objectives and remaining within the Group, under the terms set out in that Plan. The Plan consists of a cash incentive and a stock incentive in MAPFRE S.A., and is subject to reduction and recovery clauses.

In relation to the establishment of an appropriate balance between fixed and variable components of remuneration, the MAPFRE compensation policy for the rest of the workforce includes a variable structure that is calculated as a percentage of total remuneration and is paid according to the degree to which employees have achieved their objectives. The weight of the variable remuneration is determined by the position held within the organization, increasing in line with the level of responsibility and the impact of employees' professional activities within the Company.

Personnel categories that may have a material impact on the Company's risk profile have a variable remuneration system linked to the achievement of objectives directly connected to strategic plans that is also subject to deferral rules. The Group's Institutional, Business and Organizational Principles determine its actions as a company and contribute to the sustainability of the business conducted in every country in which it operates. These principles are embedded in the company through its core values (solvency, integrity, vocation for service, innovation for leadership and committed team) and implemented through adherence to its international and local commitments as well as to the policies, standards and action protocols adopted by the organization. All of this enables the company to act in accordance with the due diligence principle, thereby preventing, detecting and eradicating irregular conduct, whatever its nature, which could have a negative impact on the company and on the environment in which it operates.

The company has a set of policies, regulations, procedures, protocols and other reference documents in place, both corporate and local in nature, which serve as a guide to determine the behavior that is expected of all those who work for or collaborate with MAPFRE.

MAPFRE also publishes the policies on its website (www.mapfre.com), making them available to all stakeholders. (See Note 1, Section 6.3).

For more information on the organizational structure and good governance, please consult the Consolidated Management Report.

2.4.2. Ethical behavior: main compliance and prevention measures

Prevention measures

The English version is a translation of the original in Spanish for information purposes only. In case of discrepancy, the Spanish version shall prevail.

MAPFRE's anti-corruption framework: MAPFRE has a zero-tolerance policy for corruption and bribery.

As such, in addition to the Code of Ethics and Conduct, the company has a Crime Prevention Model and a specific Anti-Corruption Policy approved by the Board of Directors on December 21, 2020, which specifies and develops the commitment to reject corruption in all its forms, including extortion and bribery.

This policy also sets out the performance standards and framework for preventing and detecting corrupt practices in MAPFRE's activities in any of the countries where it is present. (See Note 1, Section 6.3)

In 2020, a total of 38,312 registered attendees received 38,603 hours of training in subjects included in MAPFRE's anti-corruption framework.

Code of Ethics and Conduct: The Code of Ethics and Conduct takes its inspiration from the Institutional, Business and Organizational Principles of the Group and reflects the corporate values and basic principles that should guide the actions of its people, in everyday work and in their relationships with other stakeholders. This code is public and is available to all employees on the corporate Intranet.

MAPFRE has an Ethics Committee in place that ensures implementation of the code as well as the supervision and control of compliance with same. This committee in turn reports to the Steering Committee annually on its activities, and is responsible for promotional functions, disseminating the code of ethics to its main stakeholders and training employees. During the year, a new online course was prepared and will be operational in the first quarter of 2021.

The Code also establishes different communication channels for ethical inquiries and complaints for employees, managers and members of the Group companies' management bodies, as well as for providers, contractors and other people who have a professional relationship with MAPFRE. Complaints and queries are received directly by the secretary of the Ethics Committee, guaranteeing they remain confidential.

During the 2020 fiscal year, the Ethics Committee registered a total of three complaints through the different complaints channels. None were received from providers.

Human Rights: MAPFRE recognizes the importance of human rights, which is why its protection is enshrined in the Group's internal regulations, approved at the highest level of the organization. The issue of human rights is expressly reflected in MAPFRE's institutional, organizational and business principles, the Code of Ethics and Conduct, the Corporate Social Responsibility Policy and the Human Rights Policy adopted by the Board of Directors on December 21, 2020.

This new policy sets specific commitments in relation to employees, providers, business partners and clients. MAPFRE is committed to guiding its conduct on the basis of the following principles:

–To reject discriminatory practices or those that undermine the dignity of individuals on the basis of their age, gender, marital status, nationality, religion, disability, race or ethnicity, or any other personal circumstance.

–To reject child labor and forced or compulsory labor.

–To respect the freedom of union, association and collective bargaining.

–To implement supervisory and control procedures that enable the detection, with due diligence, of any possible situations that risk violating human rights and the introduction of mechanisms to prevent and mitigate these risks.

This commitment is reinforced by the signing of various principles and adherence to a number of United Nations-led human rights initiatives: Global Compact and the Ten Guiding Principles; Principles for Sustainable Insurance (PSI); Principles of Responsible Investment (PRI); Women's Empowerment Principles (WEPs); and the Standards of Conduct for Business in relation to LGBTI rights.

In addition, respect for human rights is present in each of the Sustainable Development Goals (SDGs) of the UN 2030 Agenda, to which MAPFRE has publicly committed itself.

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In 2020, the company did not receive any complaints regarding human rights violations and continued to train employees and raise awareness among providers. Specifically, 3,354 service providers and 379 security providers, representing 90 percent of the total for this category, were trained in this matter. Since 2019, 11,528 employees them have been trained in the area of human rights.

For more information on the measures taken in relation to Human Rights, please see Section 6.3 Note 2 of this report.

Protection of employees from moral and sexual harassment in the workplace: MAPFRE rejects any show of workplace harassment, and any other behavior that is violent or offensive to the rights and dignity of people, whenever these situations contaminate the workplace, have negative effects on health, well-being, confidence, dignity and the performance of those who suffer from the same.

MAPFRE has mechanisms in place in every country where it is present to help prevent harassment situations, and where they should they arise, it also has suitable procedures for dealing with and rectifying the problem.

During this period, the following incidents were recorded:

- 10 complaints of harassment in the Group, which were processed through the planned internal procedure, and four complaints related to discrimination.
- In all cases of alleged harassment, no evidence of harassment was verified.
- In cases of discrimination, two of the complaints were closed, without identifying discrimination, and the remaining two are still pending resolution.

All training team members have received specific training on this matter.

Prevention of money laundering and financing terrorism: MAPFRE has a manual in place that is accessible to employees through the Intranet, which includes the internal prevention and communication policies and procedures and the control bodies established in the Group, as well as the catalogs of operations that may be related to money laundering or the financing of terrorism for insurance companies and for investment services companies.

In 2020, 8,852 employees received 11,937 hours of training, taking the cumulative total over the last two years to 17,206 employees and 32,877 hours.

Fraud prevention: The Group has developed an anti-fraud technological platform for the detection, prevention and analysis of fraud in different business and support processes. In addition, it has an operational model in place to combat fraud that includes the definition of the necessary structures and most optimal functions, the design of specific processes and procedures for this matter, the definition of policies and regulations, as well as the design of the indicators map (both operational and risk). In 2020, 1,779 employees received 3,229 hours of training, taking the cumulative total of the last two years to 11,239 employees and 15,019 hours.

The Financial and Accounting Whistleblower Channel: The Financial and Accounting Whistleblower Channel that allows Group employees, as well as directors, shareholders, providers, contractors and subcontractors to inform the Audit and Compliance Committee of MAPFRE S.A. of potentially significant financial and accounting irregularities that are reported within the company or its Group. This can be done confidentially and, optionally anonymously. No complaints were received in 2020.

Grievances and complaints: MAPFRE ensures that its clients in any country around the globe where it operates in direct insurance have an internal channel to defend their rights arising from the policies they take out. The company preserves clients' trust by making good on the commitment to give them the best possible attention and promoting the internal implementation of bodies to protect clients' rights. Please see Note 3 of Section 6.3 for more information on the grievances and complaints received by MAPFRE in 2020.

Control measures: the internal control model

MAPFRE has an Internal Control policy in place that was approved by the Board of Directors. The Group's Internal Control System involves tasks and actions present in all the organization's businesses and, accordingly, they are fully integrated into its organizational structure.

Due to its very nature, MAPFRE's Internal Control involves all personnel, regardless of their role; overall, they contribute to providing a reasonable assurance that established objectives will be reached, most notably related to:

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- Operational objectives: Effectiveness and efficiency of operations, differentiating those which are internal from the insurance activity (mainly underwriting, claims, reinsurance, and investment) as well as supporting operations and functions (human resources, administration, finances, sales, legal, technology, etc.).

- Information objectives: Reliability (financial and non-financial, internal and external) of information regarding opportunity or transparency, among others.

- Compliance objectives: Compliance with applicable laws and regulations.

The Internal Control System is integrated into the organizational structure under the three lines of defense model by assigning compliance responsibilities to internal control objectives in line with the model:

A first line of defense consisting of employees, management, and the business and supporting operating areas, which are responsible for maintaining effective control over the activities carried out as an inherent part of their day-to-day work. Therefore, they assume the risks and are responsible for designing and applying the control mechanisms that are necessary to mitigate the risks associated with the processes that they carry out and to ensure that the risks do not exceed the established limits.

The second line of defense is integrated by the key Risk Management, Actuarial and Compliance functions, which oversee the functioning of internal control.

A third line of defense, consisting of Internal Audit, performs independent assessments of the suitability, adequacy and effectiveness of the Internal Control System and notifies of potential shortcomings as required to the parties responsible for applying corrective measures, including directors and the governing bodies, as appropriate.

The organization of the Group has three independent functions: Risk Management, Compliance and Internal Audit. They report directly to the Board of Directors or Delegate Bodies, thereby ensuring the effective functioning of the internal control model.

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3 Milestones and key data

3.1. Regulatory framework and global context

3.1.1. Regulatory framework

The insurance and reinsurance business is a regulated activity in the European Union and in the other countries in which MAPFRE operates. The regulatory framework is reasonably homogeneous in the various different countries, with some convergence in the capital and risk-based management aspects occurring in recent years, especially following the introduction of Solvency II legislation in the EU.

Similarly, although to a lesser extent due to its lesser relevance to the Group, the regulation on the distribution of financial products has undergone significant regulatory development in recent years in the European framework, the most significant market for MAPFRE in these products.

The Group is also subject to regulations on capital markets, both within the European framework and in other countries, as both the shares of MAPFRE S.A. and certain debt issuances by said company are traded in official markets. Furthermore, the shares of subsidiaries in Indonesia and Malta are also subject to the laws of these countries. This situation requires the Group to prepare and publish financial information under the International Financial Reporting Standards (IFRS), regardless of the commercial and insurance regulations in force in each country and binds each subsidiary within its jurisdiction.

Furthermore, the Group's own activity determines that other regulatory requirements are relevant, highlighting, among others, labor regulations, data protection regulations and the defense of consumer rights.

3.1.2. Insurance and economic environment

World economic growth in 2021 is estimated to be in a range between 5.2 percent (base scenario) and 0.9 percent (stressed scenario), after an estimated drop in 2020 of around 4.4 percent, representing a virtually unprecedented contraction as a result of the COVID-19 pandemic.

The wide range of the forecast for global growth in 2021 is indicative of the high level of uncertainty affecting all sectors of activity, including the insurance sector, although in this case to a lesser extent than other sectors directly linked to travel, as tourism or proximity services.

The good news regarding vaccines, however, is being offset by new outbreaks of the disease, which put pressure on health systems and force new measures with partial closures and restrictions on mobility.

The return to growth in the third quarter of 2020, after the partial reopening of economic activity, was clouded in the last quarter as a result of the new closures, much more limited than those experienced when the pandemic broke out, but which increase uncertainty and affect spending, purchasing and investment decisions of households and companies, which undermines the development of the insurance sector.

The effectiveness of vaccination campaigns to achieve immunity that at least avoids the collapse of health systems until reaching herd immunity will be a key element to economic recovery, which will be uneven, due to the deficiencies in health infrastructure and resources. logistical problems for the distribution of vaccines in some countries, especially emerging economies.

The intervention of central banks at a global level with lowering of interest rates and quantitative expansion measures through bond acquisition programs (both sovereign and corporate), is crucial and continues to provide stability to the financial markets, in which insurance companies are one of the major institutional investors, while they have allowed governments, households and companies to continue to finance themselves at reduced costs.

However, the fiscal measures adopted are substantially increasing the deficits and country debt levels, which represents an important limit for those economies without sufficient fiscal space and additional debt capacity, a problem that affects to a great extent emerging countries, in some of which the deterioration of the public accounts is causing depreciation in exchange rate and inflationary tensions.

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MAPFRE S.A.

The forecasts on the evolution of macroeconomic data for the main markets where MAPFRE operates are as follows:

ITEM	BRAZIL		SPAIN		UNITED STATES		MEXICO		TURKEY	
	2020 (E)	2021 (P)	2020 (E)	2021 (P)	2020 (E)	2021 (P)	2020 (E)	2021 (P)	2020 (E)	2021 (P)
GDP (% YoY, average)	(4.7)%	3.2%	(11.3)%	6.1%	(3.5)%	3.9%	(9.0)%	3.4%	1.2%	2.8%
CPI (% YoY, average)	3.5%	3.4%	(0.6)%	1.1%	1.1%	1.8%	3.6%	2.6%	13.3%	10.8%
Unemployment (% EAP*, average)	13.8%	12.3%	16.6%	17.9%	6.7%	6.2%	5.0%	5.2%	13.1%	12.7%
Official interest rate	2.0%	1.8%	0%	0%	0.3%	0.3%	4.3%	3.0%	16.0%	13.8%
Population	213.3	214.7	47.6	47.9	330.4	332.1	129.6	130.9	84.7	85.3

Source: MAPFRE Economic Research. Data 2020 estimated (E) and 2021 forecasted (F)

*EAP = Economically Active Population

The insurance industry has shown some resilience to the effects of the abrupt and deep drop in economic activity, supported by the compensation produced by the countercyclical behavior of certain lines of business compared to others that, on the contrary, have been strongly affected by the crisis.

Thus, the drop in activity has negatively affected the segments most linked to the economic cycle, while accommodative monetary policies and the movement towards liquidity positions by families have done so in the insurance business linked to savings, especially in developed markets.

The Non-Life ratios in the main markets where MAPFRE operates performed as followsevolution:

	COMBINED RATIO (Market)				ROE
COUNTRY	Loss Ratio	Expense Ratio	Total	Date	2019
Brazil	40.7 %	47.1 %	87.8 %	Sept-19	20.4 %
Spain	66.5 %	23.4 %	89.9 %	Sept-19	10.9 %
United States	71.1 %	27.2 %	98.4 %	Dec-18	9.0 %
Mexico	73.7 %	28.9 %	102.6 %	Sept-19	24.7 %
Turkey	68.7 %	27.5 %	96.2 %	Sept-19	26.6 %

Source: MAPFRE Economics

The combined ratio in Brazil and Mexico includes Non-Life and Life

The situation caused by the pandemic has highlighted the importance of insuring against catastrophic risks, whatever their origin, as long as there are coverage available in the market, and has put pressure on reinsurance prices in a market in which, due to the low frequency of this type of event, it tends to lose the notion of real risk and demand and prices fall.

Therefore, an increase in reinsurance prices is to be expected in the next renewals. In this sense, EIOPA has warned in its latest financial stability report that this price increase may make it difficult to access coverage and an increase in the insurance gap, with the consequent risk associated with this protection gap.

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3.2. MAPFRE key figures

3.2.1. Key figures

ITEM	DECEMBER 2020	DECEMBER 2019	Var.% 19/18
RESULTS			
Revenues	25,419.1	28,472.2	-10.7%
Written and accepted premiums	20,482.2	23,043.9	-11.1%
- Non-Life	16,109.8	17,559.1	-8.3%
- Life	4,372.4	5,484.8	-20.3%
Attributable net result	526.5	609.2	-13.6%
Non-Life Loss Ratio	65.6%	69.0%	-3,4 p.p
Non-Life Expense Ratio	29.1%	28.6%	0,5 p.p
Non-Life Combined Ratio	94.8%	97.6%	-2,9 p.p
Earnings per share (euros)	0.17	0.20	-13.6%
BALANCE SHEET			
Total assets	69,152.6	72,509.9	-4.6%
Assets under management	55,181.8	63,637.8	-13.3%
Shareholders' equity	8,536.0	8,854.3	-3.6%
Debt	2,994.2	2,973.7	0.7%
ROE	6.1%	7.2%	-1,2 p.p
EMPLOYEES AT THE CLOSE OF THE PERIOD			
Total	33,730	34,324	-1.7%
- Spain	11,332	11,032	2.7%
- Other countries	22,398	23,292	-3.8%
THE MAPFRE SHARE			
Market capitalization	4,905.7	7,267.7	-32.5%
Share price (euros)	1.59	2.36	-32.6%

ITEM	SEPTEMBER 2020	DECEMBER 2019	Var.% 20/19
SOLVENCY			
Solvency ratio	180.2%	186.8%	-6,6 p.p

Figures in million euros

The Group's consolidated revenues reached 25.42 billion euros, a decrease of 10.7 percent, mainly as a result of reduced issuing of premiums and lower financial income.

Direct insurance and accepted reinsurance premiums, which represent the majority of revenues, amounted to 20.48 billion euros, a decrease of 11.1 percent, due, in part, to the effects on new production of the lockdown of the population because of COVID-19 and strong depreciation of the main currencies.

If the exchange rates had remained constant and discounting the effect on premiums of the PEMEX policy (502.9 million dollars), which was underwritten in 2019 and has a duration of two years, premiums would have had only fallen by 2.2 percent.

The attributable earnings accumulated to December 2020 amounted to 526.5 million euros, showing a fall of 13.6 percent.

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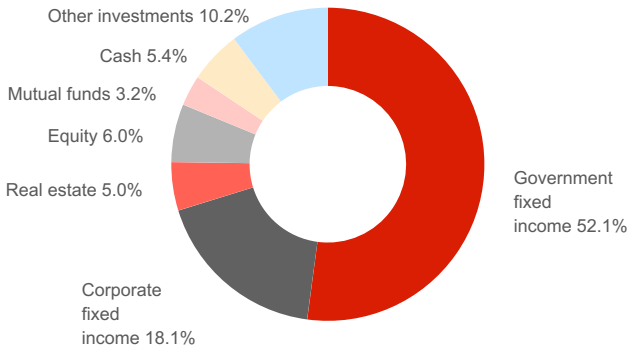
Details of the investment portfolio by asset type is shown in the accompanying graphic:



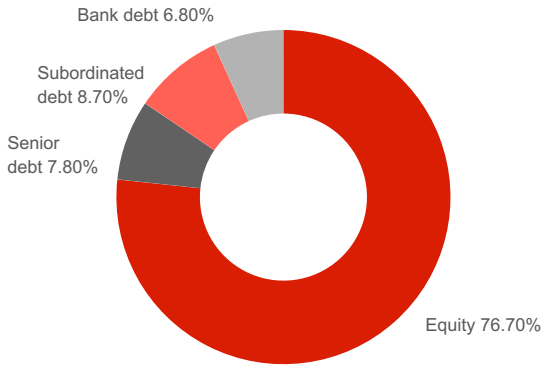
*"Real Estate" includes both investment property and real estate for own use

The breakdown of the Fixed Income portfolio by geographic area and by asset type is as follows:

ITEM	Government	Corporate Debt	Total
Spain	12,761.1	1,595.8	14,357.0
Rest of Europe	4,401.2	3,317.5	7,718.7
United States	1,523.9	2,110.2	3,634.1
Brazil	2,244.7	1.9	2,246.6
Latin America - Other	1,697.1	742.4	2,439.5
Other countries	767.9	368.0	1,135.8
TOTAL	**23,396.0**	**8,135.7**	**31,531.7**

Figures in million euros

Capital structure



The capital structure amounts to 12.83 billion euros, of which 76.7 percent corresponds to equity.

Consolidated equity reached 9.84 billion euros as of December 31, 2020, compared to 10.11 billion euros as of December 31, 2019. Of that amount, 1.3 billion euros correspond to the participation of minority shareholders in the subsidiaries, mainly financial companies in Spain and Brazil that MAPFRE has bancassurance agreements with. The equity attributable to the consolidated parent company per share was 2.77 euros at December 31, 2020 (2.87 euros at December 31, 2019).

The Group debt ratio is 23.3 percent, up 0.6 percentage points compared to the end of 2019.

Solvency and capitalization levels

The MAPFRE Group Solvency II ratio stood at 180.2 percent as of September 2020, compared to 183.8 percent at the end of June 2020, including transitory measures. Excluding the effects of these measures, this ratio would be 167.2 percent. Eligible own funds reached 8.57 billion euros during the same period, of which 86.0 percent are high quality funds (Level 1).

The ratio maintains great strength and stability, supported by high diversification and strict investment and asset and liability management policies, as shown in the accompanying table.

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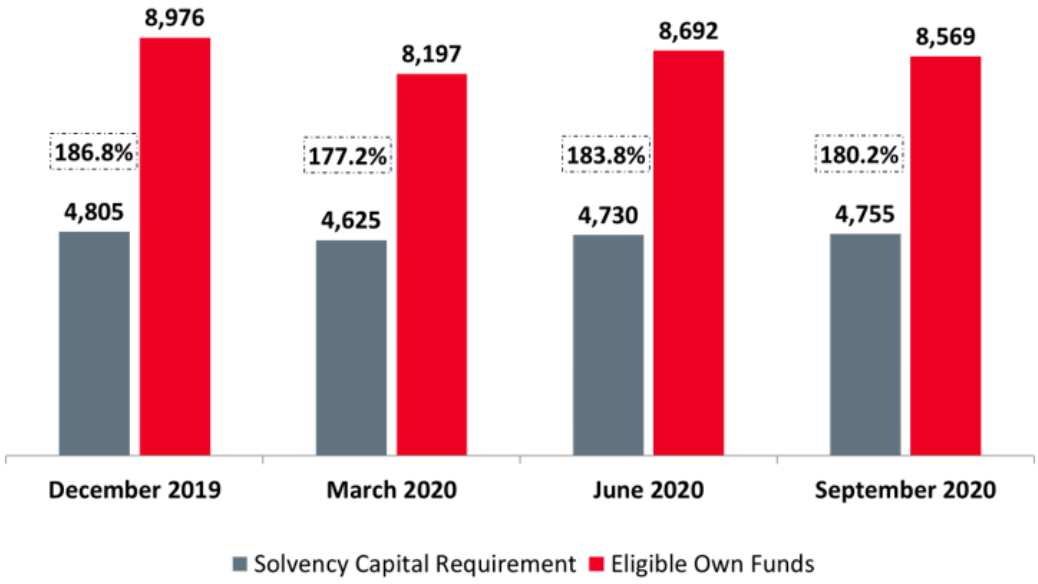

Figures in millions of euros

THE MAPFRE SHARE.

PERFORMANCE / MAPFRE SHARE	
RESULT FOR THE PERIOD ATTRIBUTABLE TO THE CONTROLLING COMPANY	526.5
Earnings per share (euros)	0.17

Figures in million euros except for Earnings per share

ITEM	31/12/2019
Total outstanding shares	3,079,553,273.0
Market capitalization (million euros)	4,905.7
Share price (euros)	1.6
Book value per share (euros)	2.8
Price / Book value	0.6
Dividend per share (last 12	0.1
Nominal share price (euros)	0.1

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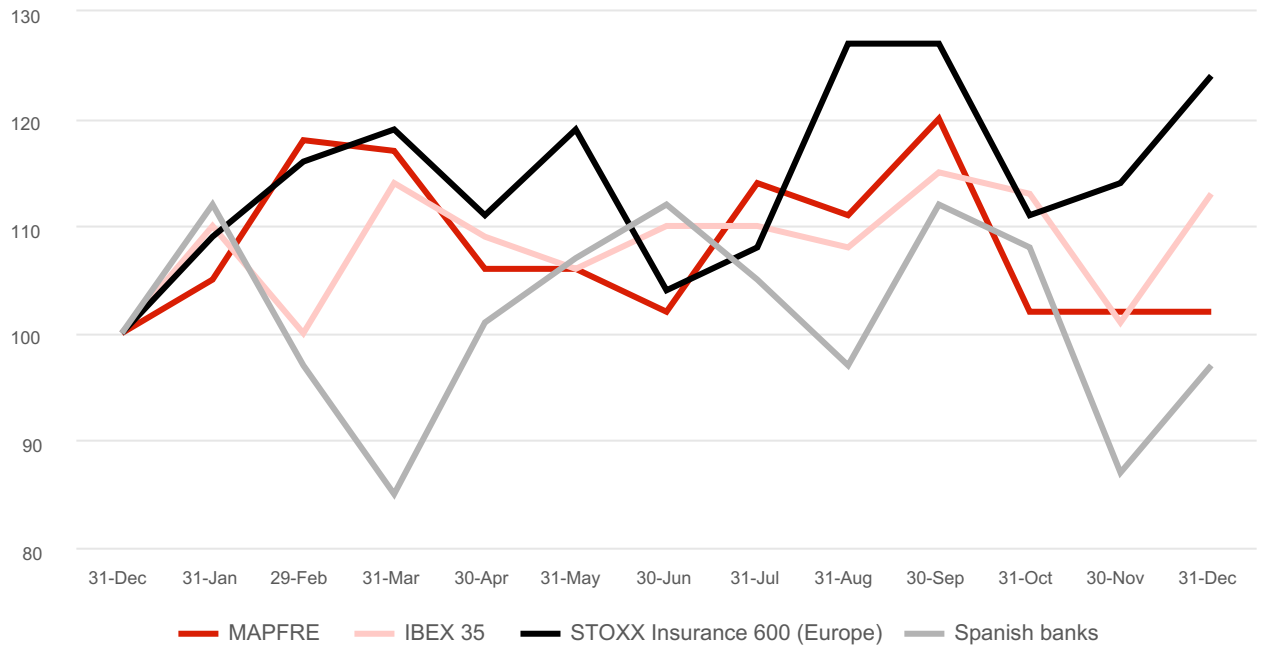
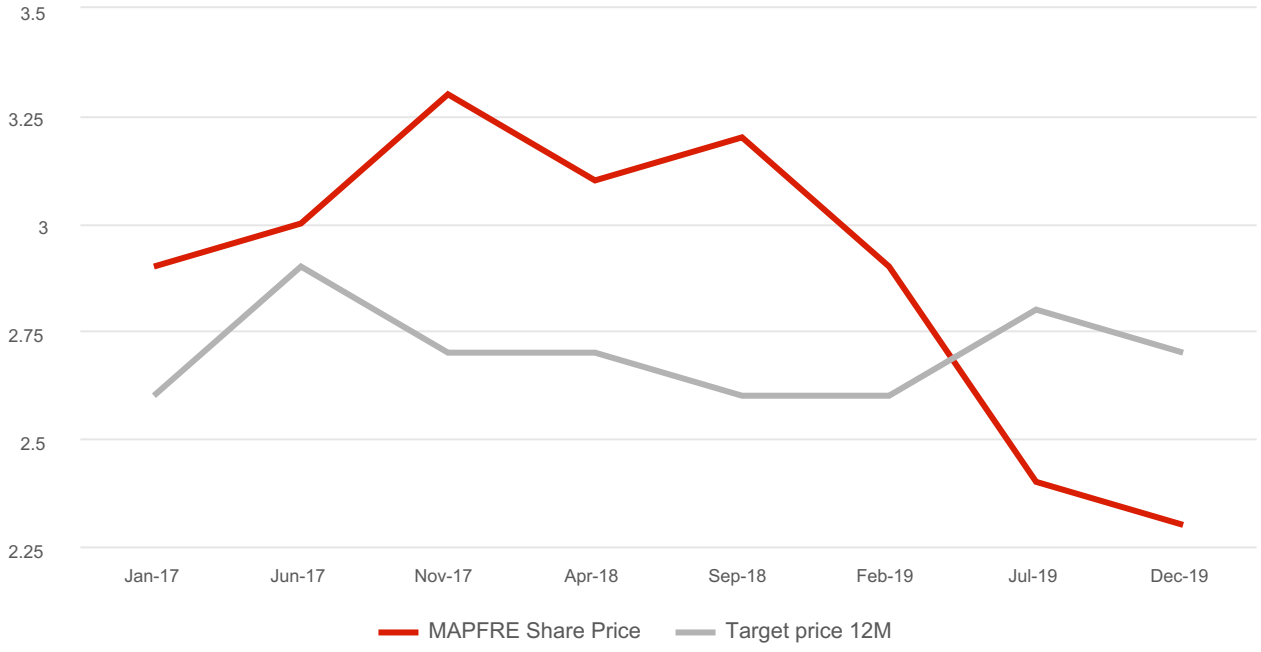
The accompanying charts show information regarding the MAPFRE share and its performance for 2020.



Source: Bloomberg and own calculations

Spanish banks: the six Spanish banks with the largest market capitalization

Target price (average provided by analysts) and quote: January 1, 2017 – December 31, 2020:



Source: Bloomberg

Dividend and payout

On December 22, the interim dividend against the results for the 2020 financial year of 0.0505 euros gross per share was paid, after having applied the amount corresponding to treasury shares to the remaining shares in a proportional manner.

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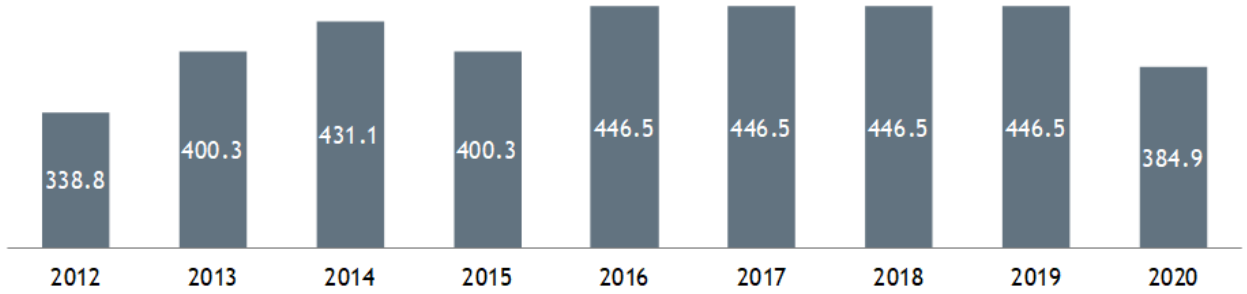
MAPFRE S.A.

Dividends paid against earnings (in million euros):



	2012	2013	2014	2015	2016	2017	2018	2019	2020
Earnings per share (euros)	0.22	0.26	0.27	0.23	0.25	0.23	0.17	0.20	0.17
Dividend per share (euros)	0.11	0.13	0.14	0.13	0.145	0.145	0.145	0.145	0.125
Payout (%)	50.9%	50.6%	51.0%	56.5%	57.6%	63.7%	84.4%	73.3%	73.1%

Figures in million euros

The dividend that is proposed to the Annual General Meeting as a final dividend for fiscal year 2020 is 0.075 euros gross per share. Therefore, the total dividend charged to the results of the 2020 financial year amounts to 0.125 euros gross per share, which represents a payout ratio of 73.1 percent.

MAPFRE S.A. and its subsidiaries are rated by the main ratings agencies. These agencies were selected on the basis of their international presence, their relevance for the insurance industry and capital markets, and for their level of experience.

The most significant credit ratings currently granted by the main ratings agencies are listed next.

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MAPFRE S.A.

Companies resident in Spain	S&P	Fitch	A.M. Best
MAPFRE S.A. - Issuer	A- (Stable)	A- (Stable)	-
MAPFRE S.A. - Senior debt	A-	BBB+	-
MAPFRE S.A. - Subordinated debt	BBB	BBB-	-
Financial Strength			
MAPFRE RE	A+ (Stable)	-	A (Stable)
MAPFRE ESPAÑA	-	-	A (Stable)
MAPFRE ASISTENCIA	-	A+ (Estable)	-
Companies not resident in Spain	**S&P**	**Fitch**	**A.M. Best**
Financial Strength			
MAPFRE SIGORTA A.S. (Tutkey)	-	AA+ tur (Stable)	-
MAPFRE SEGUROS GENERALES DE COLOMBIA	-	AA col (Stable)	-
MAPFRE BHD COMPAÑÍA DE SEGUROS (Dominican Republic)	-	AAA dom (Stable)	-
MAPFRE U.S.A. Group	-	-	A (Stable)
MAPFRE PRAICO (Puerto Rico)	-	-	A (Stable)
MAPFRE MÉXICO	-	-	A (Stable)
MAPFRE PANAMÁ	-	-	A (Stable)

3.2.2. Business Units information

The Non-Life combined ratios, premiums and attributable results by business unit are detailed next.

Key figures

	PREMIUMS		ATTRIBUTABLE RESULT		COMBINED RATIO	
	DECEMBER 2020	Var. % 20/19	DECEMBER 2020	Var. % 20/19	DECEMBER 2020	DECEMBER 2019
IBERIA	6,998.9	(9.3)%	453.3	(8.9)%	92.0%	94.4%
LATAM	6,110.5	(19.0)%	229.7	6.9%	89.8%	94.4%
INTERNATIONAL	3,581.3	(11.1)%	107.4	14.6%	98.1%	102.3%
TOTAL INSURANCE	**16,690.7**	**(13.5)%**	**790.5**	**(2.0)%**	**92.9%**	**96.5%**
REINSURANCE AND GLOBAL RISKS*	5,686.5	1.9%	16.9	(70.7)%	100.6%	101.0%
ASISTENCIA	618.9	(28.1)%	(20.6)	76.6%	98.4%	103.3%
Holding, eliminations and other	(2,513.9)	6.5%	(260.2)	(56.1)%	---	---
MAPFRE S.A.	**20,482.2**	**(11.1)%**	**526.5**	**(13.6)%**	**94.8%**	**97.6%**

Figures in million euros

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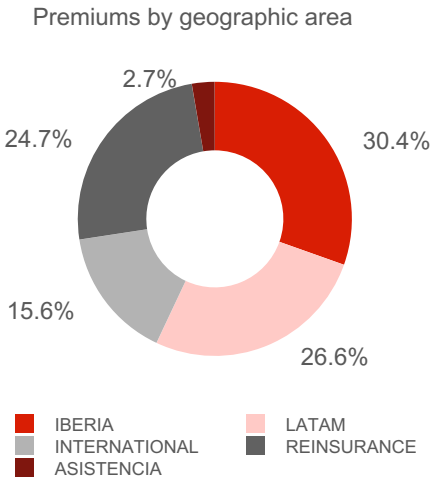

INSURANCE UNIT

IBERIA

IBERIA encompasses the business activities of MAPFRE ESPAÑA and its subsidiary in Portugal, as well as the Life business managed by MAPFRE VIDA and its bancassurance subsidiaries. It represents 30 percent of the total premiums of the Group.

Information by country

	PREMIUMS		ATTRIBUTABLE RESULT		COMBINED RATIO	
	DECEMBER 2020	Var. % 20/19	DECEMBER 2020	Var. % 20/19	DECEMBER 2020	DECEMBER 2019
IBERIA	**6,998.9**	**-9.3%**	**453.3**	**-8.9%**	**92.0%**	**94.4%**
SPAIN	6,862.1	-9.5%	445.2	-8.9%	91.9%	94.4%
PORTUGAL	136.8	1.0%	8.1	-10.6%	95.4%	95.9%

Figures in million euros

Spain is MAPFRE's main market in terms of contribution to the business.

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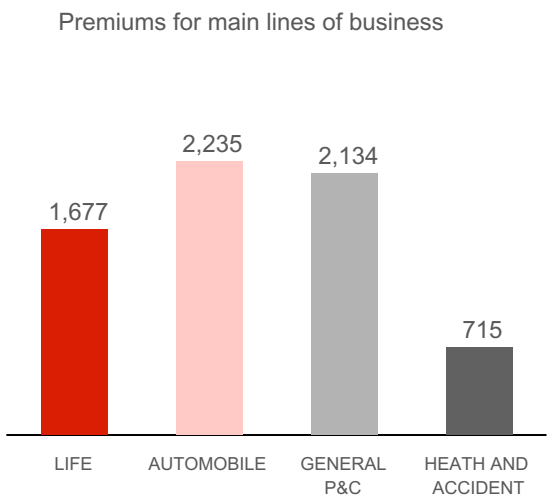
MAPFRE S.A.

In 2019, MAPFRE ESPAÑA continued to lead the Non-Life insurance rankings in 2020, maintaining its position as a benchmark insurance company in Spain.



Iberia leverages the support and strength of its integrated sales network made up of 9,750 offices and 17,458 intermediaries.

MAPFRE maintains a prominent position in the Direct Insurance market, growing for ten consecutive quarters above the market in Spain, leading most of the lines in which it operates.

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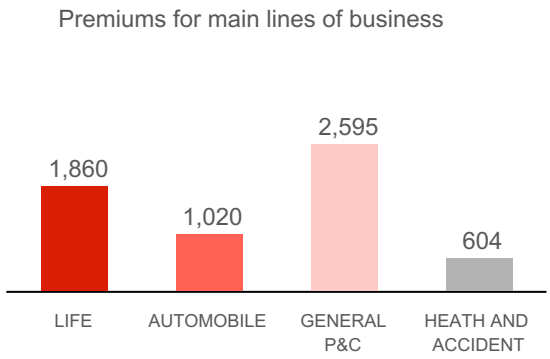
LATAM comprises the regional areas of Brazil, LATAM North and LATAM South and represents 26.6 percent of total Group premiums.

Information by region

	PREMIUMS		ATTRIBUTABLE RESULT		COMBINED RATIO	
	DECEMBER 2020	Var. % 20/19	DECEMBER 2020	Var. % 20/19	DECEMBER 2020	DECEMBER 2019
BRAZIL	3,085.4	(22.4)%	101.5	4.6%	87.6%	92.2%
LATAM NORTH	1,574.6	(20.2)%	69.7	10.4%	90.5%	94.7%
LATAM SOUTH	1,450.5	(9.2)%	58.5	6.8%	93.9%	100.0%

Figures in million euros



Figures in million euros

MAPFRE is the leading insurer by market share, with 7.5 percent of the Non-Life segment in Latin Amercia.

Performance for main lines of business

	PREMIUMS		ATTRIBUTABLE RESULT	
	DECEMBER 2020	Var.% 20/19	DECEMBER 2020	Var.% 20/19
LIFE	1,209.5	(19.5)%	31.3	(38.6)%
AUTOMOBILE	443.5	(47.4)%	14.8	178.9%
GENERAL P&C	1,431.9	(12.1)%	43.8	(34.3)%

Figures in million euros

Brazil

This regional area encompasses insurance activity in Brazil.

Brazil represents 13.4 percent of the total premiums of the Group, and is the second largest market for MAPFRE based on contribution to business.

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LATAM North

This includes operations in Mexico and the sub-region of Central America and the Dominican Republic, which includes Panama, the Dominican Republic, Honduras, Guatemala, Costa Rica, El Salvador and Nicaragua. LATAM North represents 6.8 percent of the Group's total premium volume.

Performance of key countries

	PREMIUMS		ATTRIBUTABLE RESULT		COMBINED RATIO	
	DECEMBER 2020	Var. % 20/19	DECEMBER 2020	Var. % 20/19	DECEMBER 2020	DECEMBER 2019
MEXICO	771.2	(41.8)%	31.0	23.6%	92.2%	98.1%
PANAMA	324.8	117.4%	12.6	7.6%	90.8%	86.2%
DOMINICAN REPUBLIC	212.2	(4.8)%	10.5	50.2%	89.2%	95.4%
HONDURAS	72.7	(8.0)%	3.9	(37.3)%	83.1%	87.1%
GUATEMALA	77.8	4.8%	5.7	(9.3)%	84.9%	87.5%

Figures in million euros

LATAM South

This regional area encompasses business activities in Peru, Colombia, Argentina, Chile, Uruguay, Paraguay and Ecuador, and contributes 6.3 percent of total premium volume.

Performance of key countries

	PREMIUMS		ATTRIBUTABLE RESULT		COMBINED RATIO	
	DECEMBER 2020	Var. % 20/19	DECEMBER 2020	Var. % 20/19	DECEMBER 2020	DECEMBER 2019
COLOMBIA	293.0	(22.9)%	9.8	87.3%	96.8%	99.6%
PERU	507.3	(8.0)%	26.2	(10.3)%	88.5%	97.2%
ARGENTINA	140.8	(17.5)%	6.9	40.8%	102.0%	107.2%
CHILE	311.6	12.9%	4.1	(26.5)%	98.7%	104.7%
URUGUAY	91.4	(2.6)%	4.7	27.6%	94.1%	95.1%
PARAGUAY	60.0	(13.7)%	7.2	4.7%	88.0%	90.8%

Figures in million euros

INTERNATIONAL

INTERNATIONAL comprises North America and EURASIA, and represents 15.6 percent of the Group's total premiums.

Information by region

	PREMIUMS		ATTRIBUTABLE RESULT		COMBINED RATIO	
	DECEMBER 2020	Var. % 20/19	DECEMBER 2020	Var. % 20/19	DECEMBER 2020	DECEMBER 2019
NORTH AMERICA	2,097.9	(10.0)%	76.3	(3.0)%	97.7%	100.4%
EURASIA	1,483.4	(12.5)%	31.1	106.3%	98.9%	106.1%

Figures in million euros

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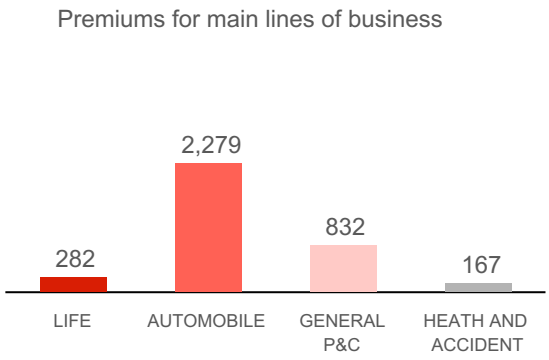

Figures in million euros

North America

This regional area has its headquarters in Webster, MA (USA) and encompasses operations in the United States and Puerto Rico, which represent 9.1 percent of the Group's total premiums.

Performance of key countries

	PREMIUMS		ATTRIBUTABLE RESULT		COMBINED RATIO	
	DECEMBER 2020	Var. % 20/19	DECEMBER 2020	Var. % 20/19	DECEMBER 2020	DECEMBER 2019
UNITED STATES	1,743.3	(10.6)%	78.1	36.6%	96.6%	101.8%
PUERTO RICO	354.6	(7.1)%	(1.8)	(108.4)%	104.6%	90.5%

Figures in million euros

The main regional market is the United States. MAPFRE holds a strong position on the Northeast coast, especially in Massachusetts, where it is the leading provider of automobile, homeowners and commercial lines insurance.

EURASIA

This regional area includes Italy, Germany, Turkey, Malta, Indonesia and the Philippines, and it contributes 6.5 percent of total Group premium volume.

Performance of key countries

	PREMIUMS		ATTRIBUTABLE RESULT		COMBINED RATIO	
	DECEMBER 2020	Var. % 20/19	DECEMBER 2020	Var. % 20/19	DECEMBER 2020	DECEMBER 2019
TURKEY	325.4	(27.4)%	16.2	125.8%	103.1%	113.5%
ITALY	392.0	(16.8)%	0.9	158.3%	99.8%	106.0%
GERMANY	361.3	5.4%	6.1	5.3%	97.9%	98.7%
MALTA	344.7	(3.5)%	4.9	0.4%	85.7%	90.3%
PHILIPPINES	25.3	(7.8)%	0.2	122.7%	101.7%	112.4%
INDONESIA	34.7	(29.1)%	3.2	---	94.1%	107.9%

Figures in million euros

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MAPFRE S.A.
ASSISTANCE UNIT

This unit specializes in travel assistance, roadside assistance, and other Group specialty risks. It operates in 36 countries. MAPFRE ASISTENCIA contributes 2.7 percent of total Group premiums.

MAPFRE ASISTENCIA covers all assistance needs of travelers, their companions and their luggage, before, during and after each trip, anywhere in the world.

Key figures

	DECEMBER 2020	Var.% 20/19
Operational revenues	**709.6**	**(27.5)%**
- Written and accepted premiums	618.9	(28.1)%
- Other income	90.7	(23.0)%
Attributable net result	**(20.6)**	**76.6%**

Figures in million euros

REINSURANCE AND GLOBAL RISKS UNITS

MAPFRE RE is a global reinsurer and is the professional reinsurer of the MAPFRE Group. It offers reinsurance services and capacities, providing all kinds of solutions for reinsurance agreements and facultative reinsurance, in all Life and Non-Life lines.

Premiums from this business unit represented 24.7 percent of the Group's total in the past financial year.

Key figures

	DECEMBER 2020	Var.% 20/19
Written and accepted premiums	**5,686.5**	**1.9%**
- Non-Life	5,132.9	2.9%
- Life	553.6	(6.8)%
Attibutable net result	**16.9**	**(70.7)%**

Figures in million euros

Breakdown of premium distribution to December 2019 is as follows:

ITEM	%
By type of business:	
Pro-rata	61.8%
Non-proportional	12.6%
Facultative	25.6%
By region:	
IBERIA	18.9%
EURASIA	42.8%
LATAM	24.6%
NORTH AMERICA	13.8%

	DECEMBER 2020	Var.% 20/19
Written and accepted premiums	**5,686.5**	**1.9%**
Reinsurance business	4,430.7	(2.0)%
Global Risks business	1,255.8	18.5%
Net attributable result	**16.9**	**(70.7)%**
Reinsurance business	1.7	(97.8)%
Global Risks business	15.1	178.7%
Combined ratio	**100.6%**	**-0,4 p.p.**
Reinsurance business	101.2%	2,0 p.p.
Global Risks business	93.3%	-30,3 p.p.
Expense ratio	**30.5%**	**0,0 p.p.**
Reinsurance business	31.2%	1,2 p.p.
Global Risks business	22.5%	-15,1 p.p.
Loss ratio	**70.1%**	**-0,4 p.p.**
Reinsurance business	70.0%	0,8 p.p.
Global Risks business	70.8%	-15,2 p.p.

Figures in million euros

ITEM	%
By Ceding compnay:	
MAPFRE	48.5%
Other cedents	51.5%
By line:	
General P&C	40.7%
Life and Accident	13.4%
Automobile	16.7%
Global Risks Business	22.1%
Transport	2.8%
Other Lines	4.3%

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3.2.3. Relevant facts occurring in the period and impacting key figures

Of the most relevant events in 2020, the following are most notable:

Significant economic aspects

Catastrophic events
The result for the period is hindered by the impact of the earthquakes that hit Puerto Rico in January and May. The total net retained effect of both earthquakes for the Group amounts to 93.6 million euros, 35.9 million of which corresponds to MAPFRE Puerto Rico and 45.2 and 12.5 million to the Reinsurance and Global Risks Units.

Coronavirus crisis (COVID-19)
The year 2020 was marked by the emergence of the coronavirus (COVID-19). This pandemic and its spread, together with the measures aimed at containing and mitigating its effects, caused a slowdown in economic activity, the final impact of which is difficult to quantify.

The most relevant impacts deriving from COVID-19 produced in the results of the MAPFRE Group at the end of the year are shown below:

- An 11 percent drop in premiums, with a significant impact on the automobile business, which decreased by 15.6 percent.
- Declared direct losses of 366.7 million euros, the greatest impact being on accepted reinsurance (113.4 million euros) mainly due to business interruption coverage.
- Expenses of 30.4 million euros for resources and assistance measures aimed at ensuring the protection of personnel.

As of September 30, 2020, an update of the Group's solvency ratio was carried out, which stood at 180.2 percent, within the tolerance range set down by the Board of Directors, the lower end of which is 175 percent. These data reflect the great strength and resilience of MAPFRE's balance sheet, as well as its ongoing management capacity.

Cyberattack
On August 14, MAPFRE's technology and security equipment detected a malfunction in part of the servers and equipment in Spain, as a result of ransomware that managed to infiltrate the computer systems.

From the outset, the protocols provided for in the business continuity plan were activated, several segments of the network were isolated and the systems were powered down until the scope of the attack was confirmed. The main activity affected was MAPFRE's activity in Spain, but client service was maintained at all times, thanks to the alternative procedures established.

The MAPFRE Group has an insurance policy in place that covers damage and loss of earnings resulting from these types of events; damage is therefore limited by the terms of the policy.

Restructuring of operations

Reorganizing VERTI Italy as a branch office
The competent bodies of MAPFRE S.A. have agreed to cease reorganizing VERTI Italy as a branch office, due to the protracted nature of the regulatory authorization process and the uncertainty that this situation could create with the company's strategic planning.

MAPFRE ASISTENCIA reorganization
The closure of MAPFRE ABRAXAS operations in the United Kingdom is underway, which entails the cessation of the specialty risks business line and of ROAD AMERICA's operations in the United States, following the sale of its business portfolio.

MAPFRE USA reorganization
The Group decided to discontinue its insurance operations in the states of Arizona and Pennsylvania (with the exception of the VERTI USA business), proceeding with the non-renewal of policies upon maturity. In addition, the Group has considered its operation in the state of Florida as non-strategic, and is currently in the process of evaluating different alternatives, the materialization of which is expected in 2021.

Business development. Acquisitions and disposals.

MAPFRE acquires 51 percent of the Dominican health insurance company, ARS Palic
In the first quarter of 2020, MAPFRE reached an agreement with Centro Financiero BHD León to acquire 51 percent of Health insurer, ARS Palic, for 40.1 million US dollars.

The acquisition of the stake was made for an amount of 40.1 million dollars, and was financed through a seven-year bank loan of 38 million dollars.

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MAPFRE and Banco Santander reach an agreement to distribute Non-Life insurance in Portugal

In June, MAPFRE and Banco Santander reached an agreement to jointly distribute Non-Life insurance products in Portugal, based on the acquisition of 50.01 percent of the existing company, Popular Seguros, by MAPFRE's subsidiary in Portugal.

Sale of the annuities portfolio in Chile

In April 2020, a binding offer was received for the run-off annuities portfolios of MAPFRE Chile Vida and Caja Reaseguradora de Chile, which would involve the transfer of assets and liabilities amounting to approximately 115 million euros. The execution of this operation has been suspended due to difficulties in obtaining approval from the ceding companies of Caja Reaseguradora de Chile and from MAPFRE Chile Vida policyholders.

Bankia-Caixabank merger

In the month of December, the Annual General Meetings of Bankia and Caixabank approved the merger of the two companies.

MAPFRE and Bankia have a partnership with an exclusive contract and the takeover of Bankia by Caixabank would determine the application of the contract clause for a change of control in Bankia. MAPFRE is therefore granted the right to exercise the option to withdraw. The contract itself provides for the procedures for determining the withdraw value.

As of December 31, 2020, the merger of Bankia MAPFRE Vida and the entities Caja Granada Vida and Caja Murcia Vida had been completed. The Life business is managed through Bankia MAPFRE Vida, of which the MAPFRE Group owns 51 percent of the shares.

At the end of December, the Life and Non-Life written premiums contributed by Bankia amounted to 392.0 million euros and represented 1.9 percent of the MAPFRE Group's total premiums.

Sale of MAQUAVIT INMUEBLES S.L.U.

In October, the sale of 100 percent of the shares of MAQUAVIT INMUEBLES was formalized for an amount of 50.3 million euros. This company was a holder of real estate assets intended for the provision of services to the elderly, and was not considered a strategic asset for MAPFRE. The sale generated a gross capital gain of 14.1 million euros.

Sale of Industrial RE

In December, the Group received a binding offer for the entity Industrial RE, a company that had not engaged in any significant trading activity for several years. This transaction is in the process of receiving the corresponding administrative authorizations.

Sale of Ratreator and Preminen

In December of 2020, Admiral Group plc announced the sale of Penguin Portals Group and price comparison engine Preminen. Penguin Portal Group control the online price comparison engine Rastreator.

The MAPFRE Group holds a 25 percent stake in Rastreator and a 50 percent stake in Preminen, which is part of this transaction. This transaction is in the process of receiving the corresponding administrative authorizations, expected within the first six months of 2021.

3.3. Risk management

Given the global nature of the Group, adequate risk management and organizational flexibility are vital. MAPFRE has internal control processes and an effective risk management system that complies with local regulations and promotes actions for risk governance, the identification of emerging risks, the training and dissemination of the risk culture in the organization. This risk management system is based on the continuous and integrated management of each and every one of the business processes and on the adaptation of the level of risk to the strategic objectives. This management is consolidated by area, business unit, activities, subsidiaries, geographical areas and support areas in the corporate sphere.

To ensure effective risk management, a set of risk management policies have been developed that assign responsibilities, establish general guidelines, basic principles and the framework for action for each type of risk, ensuring a consistent application in the Group member entities.

The Board of Directors of MAPFRE S.A. establishes the level of risk that the Group is willing to assume in order to carry out its business objectives without significant deviations, even in adverse situations. This level, articulated in its limits and sub-limits by type of risk, shapes the MAPFRE Group's risk appetite. The governing bodies receive at least quarterly information regarding the quantification of the main risks to which the Group is exposed and the capital resources available to face them, as well as information regarding compliance with the limits. fixed on risk appetite.

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The assigned capital is generally set in an estimate based on the evolution of risks in the budgets for the following year and is periodically reviewed throughout the year.

MAPFRE's structure is based on units and companies with a high degree of autonomy in their management. The Group's governing and management bodies approve the lines of action of the units and companies in risk management matters and permanently supervise their exposure to risk through indicators and ratios.

The corporate risk department sets guidelines and reference criteria, deals with all significant aspects related to risk management, setting guidelines and reference criteria, which are assumed by the risk areas of the individual entities with the adaptations that may be required. necessary.

In addition to the quantitative treatment of risks, the main areas or departments of the Group's entities assess the risks that could pose a threat to the fulfillment of its business plan, its rating objectives or regulatory capital, or could prevent maintaining continuously the level of capitalization. The risks that have been identified that may have a more relevant impact in the future are:

- The uncertainty derived from the health crisis caused by COVID-19 and its impact, both on the evolution of the economy and on the valuation of financial markets.
- The widening of credit spreads on sovereign debt, mainly on Spanish public debt.
- The maintenance of low interest rates derived from the lax monetary policies of the central banks.

Among the emerging risks that may materialize more severely in the coming years are:

- Cyber attacks/cyber risks. Although this risk is already materializing, it is considered as emergent insofar as it is possible that with the increasing use of technology, impacts not seen so far are caused. To mitigate this risk, among other measures, a security reconfiguration plan and a security technical review plan have been defined and are being implemented. In addition, a cyber risk policy has been contracted to compensate for the financial impacts that this event could cause. For more information, please see Section 6.3, Note 4 on cybersecurity and data privacy.
- Increase in natural catastrophes as a consequence of climate change. It is possible that as a consequence of climate change there will be an unusual concentration of catastrophic claims or extreme weather events that could cause an increase in claims as well as the resources and capacities necessary for their management. This risk is managed based on a technical rigor in the underwriting (highlighting the selection of risks, the control of accumulations and the adequacy of the rates, and an adequate policy regarding the dispersion of risks through reinsurance). In addition, MAPFRE RE assumes the advice and placement of reinsurance protections, and in the retrocession of the Group's catastrophic and severity risks. The Group also has specialized analyzes of catastrophic exposure, generally carried out by independent experts, which estimate the extent of the losses in the event of a catastrophic event and periodically carry out stress tests and analysis of scenarios in which it is deepened that this risk could have for the Group. (See Chapter 5, Committed to the Environment.)

For more information on the company's risk types, its exposure and mitigation techniques, MAPFRE S.A.'s Solvency and Financial Condition Report can be consulted on the corporate website and also in Note 7, Risk Management, of the Consolidated Annual Accounts of MAPFRE S.A. 2020.

Analysis of environmental, social and governance (ESG) challenges as risks and opportunities

The governing bodies receive at least quarterly information regarding the quantification of the main risks to which the Group is exposed and the capital resources available to face them, as well as information regarding compliance with the limits. fixed on risk appetite.

As already explained in the previous section, MAPFRE permanently analyzes those factors that, if they materialize, may or could have an impact on the business. In this analysis, ESG factors are taken into account, since they allow additional information to be obtained on social movements and transformations, stakeholder expectations and also the market that affect the organization.

Based on the analysis of these ESG factors, and how they may affect the business in the short, medium and long term, their relationship and inclusion in the type of risks established by the company and in the adoption of prevention and mitigation measures will be determined.

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The table below shows how some of these ESG factors analyzed may affect the business, and how the Group is addressing these issues. This table has been updated, also taking into account the result of the review of the MAPFRE 2020 materiality report, which can be found in section 6.2 of this report.

ESG topics		How might they affect the business?	Monitoring and mitigation techniques, and reference information within MAPFRE
Environmental topics	Adaptation to and mitigation of climate change;	· The climate variable can affect insurance and reinsurance underwriting. Related to underwriting risk.	· Section 5: Committed to the environment
	Carbon footprint, natural resources; waste management.	· Greater regulation on both a local and regional level. Related to risk of non-compliance.	· Section 6.2: Materiality
		· Increased social protection. Related to reputational risk.	

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ESG topics		How might they affect the business?	Monitoring and mitigation techniques, and reference information within MAPFRE
Social topics:	Demographic changes: longevity, mortality and demographic challenges	· That affect the Life/health business. Related to underwriting risk.	· Section 4.2: Protecting the client
		· May affect the internal management of companies: delayed retirement age, aging of the workforce, etc. Related to operational risk.	· Section 4.4: Developing employees
			· People & Organization Report 2020. mapfre.com
			· Statement of Financial Condition Report (SFCR) on the corporate website, and Note 7, Risk management, of MAPFRE's Consolidated Annual Accounts 2020.
	Equality, diversity and non-discrimination in the company	· Greater regulation on both a local and regional level. Related to risk of non-compliance.	· Section 4.2: Protecting the client
		· Affects the public commitments made by the company. Related to corporate governance risk and reputational risk.	· Section 4.4: Developing employees
		· Regulation proliferation. Related to legal risk or risk of non-compliance.	· People & Organization Report 2020. mapfre.com
			· Section 6.2: Materiality
	Health-related security: health and security	· Protection of clients and insureds. Related to operational risk and underwriting risk.	· Section 3.2: Economic and insurance context: COVID-19
		· Protection of employees. Related to operational risk.	· Section 4.1: MAPFRE and COVID-19
		· Protection of the business. Related to operational risk and underwriting risk.	
	Cybersecurity and data privacy	· Protection of the business against cyberattacks. Related to operational risks and reputational risk.	· Statement of Financial Condition Report (SFCR) on the corporate website, and Note 7, Risk management, of MAPFRE's Consolidated Annual Accounts 2020.
		· Security and protection of clients, employees and providers. Related to operational risk and reputational risk.	· Section 3.3: Risk management: emerging risks
			· Note 4, Cybersecurity, security and data protection

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MAPFRE S.A.

ESG topics		How might they affect the business?	Monitoring and mitigation techniques, and reference information within MAPFRE
Corporate governance topics	Business ethics: corruption and internal fraud	· Regulation proliferation. Related to legal risk, risk of non-compliance, strategic risk and corporate governance	· Section 2.4.2: Ethical behavior: main compliance and prevention measures
		· Related to the company's accident prevention systems and to employees.	· Statement of Financial Condition Report (SFCR) on the corporate website, and Note 7, Risk management, of MAPFRE's Consolidated Annual Accounts 2020.
		May lead to economic loss for the company, sanctions and loss of reputation	· Section 6.2: Materiality

Framework for the Integration of environmental, social and governance (ESG) aspects in MAPFRE underwriting and investment processes

In relation to underwriting, MAPFRE has a Underwriting Policy, approved by the MAPFRE SA Board of Directors, applicable to all insurance and reinsurance companies. It also has a Global Business Committee and a Group Underwriting Policies committee that, among other functions, is in charge of the correct application of the underwriting policy and that analyzes and proposes operating exclusion rules on ESG matters. (See section 5, Integration of the climate change variable in the business.) In addition, for underwriting global risks, MAPFRE has an internal ESG evaluation model that considers the exposure to ESG risk of a company with the exposure to ESG risk in the countries and sectors in which the company has been exposed and the analysis of reputational risk.

In relation to MAPFRE's investment processes in 2017, MAPFRE adhered to the principles of Responsible Investment of the United Nations Organization (PRI) and established the Group's framework of action in terms of socially responsible investment (SRI), which focuses in those key aspects that have to accompany the organization in the scope, implementation, integration process of ESG aspects, and that are complemented by those determined in each case.

The United Nations SRI principles coexist with the obligation assumed by the company as custodian of customer savings and investments and the solidity of its own balance sheet; For this reason, criteria of prudence are applied in the investment, it seeks the creation of long-term value and incorporates ESG factors in a complementary way to traditional information.

MAPFRE has its own ESG analysis framework that is periodically reviewed to incorporate best practices in this area. It also has a qualified SRI working group and, in addition, it has an Investment Risk Committee, which periodically analyzes the composition of the portfolios, their ESG evaluation, analyzes the controversies that may arise and the application of the approved exclusion causes. by MAPFRE. (See Section 5, Integration of the climate change variable in the business.)

The Corporate Investment Area is responsible for ensuring that the principles of responsible investment established are complied with in the organization and for reporting annually on their compliance to the Sustainability Committee, of which the head of the aforementioned area is a part.

In relation to SRI strategies, MAPFRE is in favor of applying integration as a priority, although it does not rule out the use of other types of strategies such as exclusion, engagement, best–in–class or proxy voting strategies.

Furthermore, in 2019 MAPFRE assumed a strategy of exclusion in its investments in relation to coal (See Section 5, Integration of the climate change variable in the business.)

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4. COMMITTED TO STAKEHOLDERS

Profitable growth, the objective of the current Strategic Plan, cannot be understood solely from a financial point of view. We are a committed company that also aspires to create value for all stakeholders with whom we interact. This wide-ranging social commitment in all the countries we operate in is amply reflected in the enormous progress in reputation indicators registered in 2020, the year marked by the effects of the pandemic.

4.1 MAPFRE AND COVID-19

As a global insurance company, MAPFRE started to act against COVID-19 in late 2019, making its first decisions as soon as the epidemic was detected in Asia. From that moment, we were acting regionally and locally following the geographical evolution of the virus, until it exploded so virulently, firstly in Europe and then in the Americas.

The company has always acted against COVID-19 with three objectives in mind:

- To protect our employees, collaborators and clients.

- To protect the company, its solvency and take decisions to limit the economic impact of the pandemic, thereby ensuring a rapid recovery of the company during the exit from the crisis.

- To protect and help society in all countries where MAPFRE is active.

In this regard, the initiatives developed by MAPFRE since the outset of the current health crisis have arisen from a transversal strategy focused on the specific needs of its stakeholders. Efforts have been made through these initiatives to help reduce the impact of the crisis on each of the stakeholders and, where possible, to be part of the solution to its present and future problems. Throughout 2020, MAPFRE mobilized approximately 200 million euros to help fight the pandemic and alleviate its effects on the economy and employment, protecting its employees, supporting its clients and providers and assisting the health systems in nearly 30 countries.

In order to respond to the crisis with a Corporate Social Responsibility strategy that impacted through so many lines of action and on interest groups with such diverse needs, it was essential for the company's business areas to be highly involved. These business areas had to integrate responsible management into the activity of each department. An example of this coordination and agility is the assistance plan for SMEs and the self-employed implemented in Spain by MAPFRE. The plan aimed to support both clients and providers by contributing 60 million euros that impacted 742,000 SMEs and self-employed individuals and that also allocated 55 million euros to pay invoices in advance to more than 7,000 of the company's providers—repairers, tow-truck operators, taxi drivers and other providers—who were forced to stop or reduce their activity because of COVID-19.

The first initiative that MAPFRE launched to fight COVID-19 was to put in place the necessary means to ensure that all workers whose activity did not require their presence in their workplace could work from home. The advances made in the company's digitization process made it possible for 90 percent of MAPFRE employees worldwide to work remotely within a matter of weeks, so as to reduce the risk of contagion and guarantee customer service. The digitization process that we have been working on for years as a strategic initiative for the group was key to the success of this and allowed us to reduce the risk for our employees, who are a key element for MAPFRE, as are their families.

The deployment of protection plans against COVID-19 has been certified in Spain by AENOR with more than 350 company facilities being recognized as "MAPFRE Insurance Spaces." This certification guarantees the correct application of all health, technical, organizational, labor and safety measures, adapted by MAPFRE and embodied in different protocols with the aim of not only complying with the current legislation but also achieving the first of the objectives that have been guiding the conduct of our company since the beginning of this pandemic, which is the protection of its employees, clients and collaborators.

In addition, the company also used digital media to offer the general public free online medical consultations if they had possible symptoms associated with COVID-19 and also for other health-related issues through Savia, its digital health platform. Since the State of Emergency began, Savia has treated nearly 50,000 people, regardless of whether they were clients of the company, free of charge for issues related to this pandemic.

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4.2. PROTECTING THE CLIENT

The client is the focus of all MAPFRE interventions and the Client Experience is the basic pillar that has marked the transformation of all business processes.

Key data on clients and intermediaries

Quantitative information on private clients clients and companies

CLIENTS	2020
PRIVATE	28,453,252
CORPORATE	998,973
Total	29,452,225

Quantitative information on intermediaries and offices

OFFICES	Number
DIRECT	721
DELEGATE	4,212
BANCASSURANCE	11,263
Total	4,933

INTERMEDIARIES	Number
IBERIA	17,458
LATAM	54,120
INTERNATIONAL	10,598
Total	82,176

In 2020, MAPFRE consolidated its position as a customer-centric company, responding to the needs of clients during the current complex situation in which the habits and preferences regarding the relationship with the company have changed.

More than 300 actions were launched across the Group to help clients deal with the consequences of COVID-19. These actions include economic measures in terms of payment flexibility, premium payments, adapting coverages and offering discounts, coverage of hospital and medical expenses, as well as renewal efforts with both proactive and reactive measures. And the campaign launched by MAPFRE ESPAÑA - "Héroes de Familia", (Family Heroes) - a new offering entailing discounts and advantages to all members of the family unit, was extremely active.

The company also intensified communications with clients through more direct and personalized messages. Digital capabilities were made available to clients for different services, especially claims management, which ensured continuity of service.

Not all clients are the same however, so MAPFRE has adapted its value proposition in line with the opinions we actively listen to regarding the relationship with the client. For MAPFRE, client satisfaction is key and we continuously carry out measurements using the NPS® market indicator, which is monitored and evaluated from the highest level of the company.

Putting the client at the center involves transformations in people, processes, technology and the way business is carried out. This process has accelerated greatly this year, precisely because of the company's willingness to adapt its obsession with serving the client.

Our products

MAPFRE has a wide portfolio of products and services, to cover every need that private clients or companies have, in the countries where it operates. Each of the products is adapted to the market and legislation where it is distributed, so the same insurance product or service may vary, depending on the local characteristics.

- Insurance for private clients
  - Automobile insurance.

Automobile insurance offers different coverage modalities, ranging from third-party liability to an all-risk policy, which covers the own damage to the vehicle. The offer covers all types of vehicle from automobiles to motorcycles and trucks. For the management and resolution of automobile claims, MAPFRE has a wide network of providers and collaborating companies, such as repair shops, assessors, tow trucks, attorneys, etc. in all the countries in which it is present.

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MAPFRE is putting the main trends in auto insurance worldwide into practice, such as a premium payment based on driving style, distance traveled or driving assistance systems; insurance for electric vehicles and insurance for personal mobility vehicles.

– Homeowners insurance

There are several types of homeowner policies, from the basic policy covering essential housing risks to a comprehensive policy in which the insured risks are much broader. Among the new developments we have been working on regarding homeowners insurance are coverages for the repair of appliances, a DIY service, computer assistance and devices that detect water leaks.

– Health insurance

Health insurance is often a complement to public health. With this type of insurance, the insured person can access private medical services acquired in the policy in the event of an illness or accident. The type of health insurance includes reimbursement of medical expenses insurance, healthcare assistance, compensation insurance, dental insurance and serious illness insurance, with MAPFRE having an extensive network of health care providers.

The new trends in health insurance are health checks to detect risk factors, video consultations and the digitization of healthcare services.

– Life insurance

MAPFRE strategically drives this line of business in more than 22 countries and therefore has a wide range of insurance solutions with a focus on protecting families from death or other adverse events to supporting individual retirement savings or other client-defined goals.

Therefore, we have solutions that are globally classified into Life protection insurance, savings insurance and mixed insurance. MAPFRE also provides its clients with specific pension plan solutions that complement the public pension systems.

MAPFRE is developing: coverages that complete the protection of our policyholders against contingencies that occur in everyday family life, added-value services linked to healthy habits and health care and personalized counseling, proactively adapting products and solutions to the family life cycle.

– Mutual funds

In some countries, the MAPFRE Group manages and markets mutual funds as a financial instrument that is complementary to the management of its clients' savings and investments.

– Other insurance for individuals

MAPFRE also offers a portfolio of products that adapts to the different life circumstances of individuals, completing its offer with Condominium Insurance, Travel Insurance, Burial Insurance, Pet Insurance, Personal Accident Insurance and Recreational Boat Insurance, among others.

• Insurance for businesses

MAPFRE has different insurance products to guarantee the risks that business activities are exposed to, offering coverage within a wide range of products for commerce, small and medium-sized companies and the self-employed or independent professional.

Furthermore, MAPFRE has a Business Unit specialized in high industrial risk, accompanying its clients in programs with a global scope.

– Commercial insurance:

A product aimed at commerce and micro-enterprises, designed to protect economic activity against the material damage that its assets may suffer, as well as third-party liability in the scope of its activity.

– Business multirisk insurance:

This product range provides protection for the various assets that belong to companies as well as their income statement. They are designed especially for small and medium-sized companies and in industries ranging from manufacturing to public and private services.

In addition, MAPFRE has other products for the company such as Transport and Aviation (both for goods and ship hulls), Construction and Assembly, Business Interruption, Machine Breakdown, Credit and Surety, Agricultural Operations and Automobile Fleets, among others.

Notable examples of new trends around the commercial lines client include advice via a systematized detection of needs process and coverage for drones, cyber risks and parametrics.

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Moreover, the companies also have protection needs for their employees and collaborators. In this sense, MAPFRE's offer covers a complete range of products and services for these groups such as Life and Disability, Health, Accidents, Burials, Company Pension Commitments, International Employee Benefit Programs, in addition to other Collective Life Savings Insurance products.

In conclusion, it is important to highlight the insurance and services of our Assistance Unit, related to areas such as roadside assistance, travel, health, homeowners, vehicles and the protection of purchases and goods.

Innovation in products and services

MAPFRE has a long history as an innovative company. Innovation is in its DNA and is one of its main levers for generating differentiated value propositions for clients. The lines of action are both strategic and disruptive, covering the whole cycle from the idea and contact with the insurtech companies to the practical implementation keeping the client at the center of the process, as always.

MAPFRE also protects its clients through experimentation and road safety, in this case through CESVIMAP, a global benchmark technology center for the design, assurance, use, maintenance, repair and recycling of vehicles and other mobility solutions for goods and people. Its lines of action are technological research aimed toward reducing the accident rate, defining more efficient repair processes, reducing their cost and environmental impact as well as new products and services based on Usage-Based Insurance (UBI), Advanced Driver Assistance Systems (ADAS) that aid drivers in combination with crash tests and advances in the assessment of new risks and needs associated with the electric vehicle.

In 2020, MAPFRE undertook various initiatives in its different lines of action, highlights of which include the launch of the third call for acceleration and adoption in insur_space with more than 250 startups, the first collaboration in the field of innovation and entrepreneurship with universities (IE Tech Lab) and 12 new Venture Capital investments in startups, in addition to the eight carried out in 2019.

In this way, the Group is bringing its clients solutions and proposals that take advantage of the latest technologies, such as Internet of Things, artificial intelligence applied images, text and voice (image damage assessment, verbatim analysis, claims automation), Blockchain (digital identity, B3i consortium for reinsurance) and next-generation products and services (On Demand insurance, On/Off policies).

2020 data table:

–Number of clients benefiting from MAPFRE Open Innovation products and services up to now: 422,565

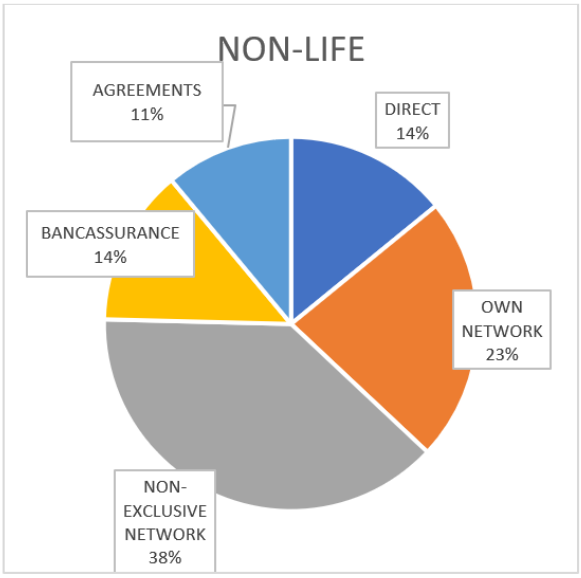
–39 MAPFRE Open Innovation initiatives

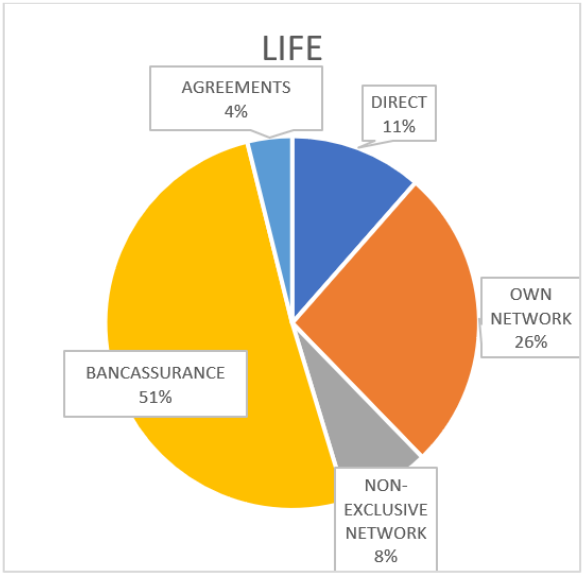
–Initiatives reaching clients in five countries.

Distribution channels

MAPFRE is committed to multi-channel distribution and it is evident that there is a balance with the five types of "distributor client" that are managed for its proper management: direct, exclusive agency networks, non-exclusive agency networks, bancassurance and distribution agreements.

Distribution agreements mix





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This mix differs substantially in each country, in that it adapts to the most advantageous conditions to develop activity in each market.

In recent years, we have systematized the management models of exclusive networks, bancassurance, non-exclusive networks, large accounts, direct and delegated offices and automobile manufacturers.

- **Exclusive networks**

These networks, the benchmark distributor in Spain, have developed greatly in Turkey, LATAM North and LATAM South, where significant growth in business volume and active agents has been recorded. In countries where exclusive distribution is not common, progress has been made in linking non-exclusive networks. Brazil and the United States are the most significant examples.

- **Non-exclusive networks**

There is great potential for growth with the external network, so it is important to understand their needs and the capabilities that these intermediaries need. Not only is it a matter of setting business goals, we also need to deliver a unique client experience and value proposition that fits with their expectations.

In 2020, work has been done to improve relationships with them, which has allowed us to increase the degree of reuse of best practices and successful experiences. This makes it possible to:

- Be more agile and efficient in the use of our sales resources.
- Give greater visibility to the quality of production.
- Have a homogeneous vision of the delivered business.
- And all of this while adapting to the circumstances of each country.

- **Bancassurance**

The most notable existing agreements are those of Banco de Santander, Bankinter and Bankia (alliance under review due to merger of Bankia and Caixa-Bank) in Spain, Banco do Brasil in Brazil, Bank of Valletta in Malta, Actinver in Mexico and BHD in the Dominican Republic. This year, we have embarked on a project aimed at refocusing all our bancassurance sales teams in the different MAPFRE subsidiaries with the intention of adapting to the growing complexity of this distributor.

- **Distribution agreements**

MAPFRE manages numerous agreements through which it significantly expands its distribution capacity, offering distinctive value propositions and high quality to its distributor clients. In this area, MAPFRE continues to develop and deepen its business relationships with automobile manufacturers and dealers, retailers and shopping malls, utilities, among others.

- **Omnichannel in client relationships**

MAPFRE offers its clients contact methods that complement its extensive network of offices and agents, always seeking to adapt to their needs and preferences.

Digital channels are a major means of attracting and contacting clients. Due to the specificity and need for advice of many insurance products, a large number of clients start their sales contact online but prefer to make their decision supported by a contact center consultant, a sales representative or an agent.

In 2020, we defined and expanded the ROPO (Research online/Purchase off-line) care model and solutions that enable us to offer an advanced service and an appropriate omnichannel experience to clients who start their purchase digitally and end their purchase in the Contact Center and in the Sales Network.

Fifty-two Contact Centers receive and initiate telephone, chat and email communications that cover all stages of the client relationship. These contacts are managed according to quality of care criteria that are homogeneous at the global level.

2020 data table by territory:

TERRITORY	NO. OF INTERACTIONS 2020
IBERIA	19,150,312
LATAM	23,880,787
INTERNATIONAL	22,430,321
Total	65,461,420

TERRITORIAL UNIT	% COMPLIANCE WITH SERVICE LEVEL KPIS
IBERIA	92%
LATAM	90%
INTERNATIONAL	91%
Total	91%

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The growing digitization of the company is leading clients to contact MAPFRE through channels other than the telephone. The Group is responding to this client demand by enabling chats, webchats and general query mailboxes that in 2020 accounted for 12 percent of contacts.

The COVID-19 pandemic has led to a change throughout the months of lockdown in each country in the typical client relationship with MAPFRE, given the inability to go to the face-to-face channels (offices and agents), with part of the service demand shifting to the Contact Centers. Since the pandemic also affected the operational reality of these Centers, the Group positively resolved the situation by enabling technological and organizational solutions for remote working with 88.6 percent of the employees who work as Contact Center Agents attending to clients from their homes.

To respond to customer needs and guarantee the best possible service, the Group has the following service centers distributed in the different countries where it operates.

Service centers

Service center	No.	Countr
MAPFRE-owned claims handling and rapid payment centers	95	13
MAPFRE-owned automobile service centers	56	3
Automobile diagnostic units	7	4
Repair shops operating under signed agreements for vehicle repair	10,466	25
MAPFRE-owned repair shops	10	3
Own health care polyclincs	22	3
Clinics operating under signed agreements	15,224	16
Own dental clinics	2	1
Corporate business management centers	15	5
Research and development centers	6	6

- **Client self-direction**

The growing digitization of society means that certain clients now prefer to manage their relationship with MAPFRE through websites, smartphone apps etc.

In line with the above, in 2020, the Group strongly committed itself to creating a self-directed ecosystem that allows clients who so wish to interact 24/7 on all functionalities and devices, including providing information directly tailored to their interests and needs, receiving personalized communications and integrating the various remote channels such as phone, chat and webchat. Proof of this is MAPFRE's growing volume of digital transactions with its clients.

In 2020, Digital Consumer Client transactions totaled 56 million.

Digital business

MAPFRE operates digitally through four lines of business (MAPFRE.COM, VERTI, INSURE&GO and SAVIA). Each one has a structured strategy with a focus on the client. The main actions carried out this year are as follows:

- **Digital marketing:** We continued to identify the needs of our clients and to be present wherever they look for us, as well as offering them new ways to keep in touch. This is why we analyzed new ways of searching for products and services through voice, image and video in the digital field and we have evolved in the use and generation of data and personalization of the customer's digital journey. This year, a model for a digital marketing shared services center was successfully implemented for several countries, which has increased their capabilities.

- **Sales and retention:** In 2020, the digital design change began with the MAPFRE and Verti brands with the launch of the new graphic line and structure of the sales portals, as well as the change in their technological platform. To increase our online pricing and contracting capabilities, as well as to adapt to the needs and preferences of our clients, the design and development of pricing and sales processes through the use of chatbots and voice assistants has been completed and online pricing and sales capabilities have been expanded. Finally, we continue to drive Conversion Rate Optimization (CRO), focused on simplifying the digital processes offered to clients.

- **Digital data:** Advanced analytics models have been developed for optimizing and automating digital sales and marketing actions through the use of big data. These models enable real-time decision-making in the process of attracting and converting clients digitally.

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- **Marketplaces:** Clients are using these types of platforms more and more and more than half of B2C sales worldwide are now taking place within marketplaces, with this trend set to continue. That is why the company has had a presence on Amazon in Spain since 2018, and this year there were specific actions in Italy and Germany related to advertising on Amazon. Progress has also been made in agreements with other marketplaces, such as MercadoLibre in Brazil.

- **Price comparison sites:** A new corporate asset has been developed to improve business profitability through dynamic pricing and real-time underwriting management, aiming to boost users' agility levels in managing the technical aspects of the business.

Provision of services and volume of managed cases.

The MAPFRE value proposition is concerned with the direct provision of services related to repairs, replacements or customer service, thus ensuring the speed and quality of the service to which MAPFRE has committed when it comes to its clients. To this end, the Group works with more than 127,000 service or specific providers (those who render benefits deriving from insurance contracts or services offered by MAPFRE'S insurance companies or their subsidiaries to their clients).

Given the importance of service providers to customer service, a specific management model is in place that is based on the application of general principles of client orientation, optimizing contact and categorizing the provider according to the value they bring to the client in their intervention, reflected in four groups: Known, Recommended, Recommended+, Ambassador. (See infographic in Section 4.5, Provider category defined by MAPFRE and mutual commitments).

2020 data table by territory:

	IBERIA	LATAM	INTERNATIONAL
PREFERRED NETWORK (1)	8,395	7,630	8,083
AMBASSADORS (2)	37.4%	2.3%,	1.1%
BENEFITS LEVEL (3)	99.9%	87.3%	71%

(1) Number of providers categorized as "RECOMMENDED", "RECOMMENDED+" or "AMBASSADOR" (Auto and Homeowners)

(2) % of providers categorized as AMBASSADORS out of Preferred Network total (Auto and Homeowner)

(3) % of payments to Auto Repair Shops out of total payments made (indemnities plus payments to repair shops, excluding writeoffs, thefts and fire)

Taking into account these service benefits, and the cases in which it is necessary to financially compensate clients for the materialization of the covered events, MAPFRE disbursed 6.25 billion euros in 2020.

2020 data by territory:

	BENEFITS PAID (*) in million euros
IBERIA	2,596
LATAM	1,786
INTERNATIONAL	1,868
Total	6,251

(*) Amounts paid through Direct Insurance to private clients

The COVID-19 pandemic has led to temporary changes in the usual dynamics of the benefits that clients have required from MAPFRE; during the respective lockdown periods in each country, car-related incidents generally went down, while the number of burial benefits (burial and Life) went up. The Group has responded by keeping claim handling standards at previous levels and by providing additional facilities to its clients for their management.

Customer satisfaction

Key data for 2020:

–Percentage of businesses with NPS® above market average: 82.3 percent.

–Measured business ratio (MAPFRE Personal lines client) 74.9 percent.

To evaluate the quality perceived by clients, the MAPFRE Quality Observatory applies a global model for measuring the MAPFRE client experience, the aims of which allow us:

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–To constantly be aware of the quality perceived by the client in the different countries and businesses, using a consistent methodology.

–To identify those aspects that most impact the client experience, so that it can be improved.

–To provide countries with a tool to help them define and implement initiatives, assigning the most appropriate priority level.

–To set goals for improvement and to maintain our position as the benchmark insurer in terms of client experience across all countries and lines.

The MAPFRE Quality Observatory is responsible for measuring the quality perceived and delivered and conducts client surveys in every country where the Group operates. These surveys cover all lines of insurance and assistance services and are conducted every six months. This is done by analyzing the Net Promoter Score (NPS®) to evaluate client satisfaction and critical client touchpoints, and recommendations are drawn up regarding the main areas that could be improved.

The reports drawn up by the Quality Observatory provide data on the client experience, assisting with the decision-making process in the different business areas.

In 2020, the 11th NPS® relational measurement wave was carried out, involving a representative sample of MAPFRE's portfolio. These waves, with over 800,000 respondents spread across 18 countries and lines of business that represent 74.9 percent of total Non-Life Group premiums.

As part of this study, the Observatory measures each year the client experience level of MAPFRE's major competitors in each country/line of business. Approximately 80 companies are analyzed around the world. This analysis reveals that the objective set for 2020 was met, namely, to obtain an NPS® from MAPFRE's clients that was greater than the average NPS® of competitors analyzed, in excess of 82.3 percent of the premium volume measured.

To complement these measurements of relational NPS®, the Quality Observatory defined a Global Model for transactional NPS®, which allows MAPFRE to find out a client's perception in real time after interacting with us. This model was already in place in Brazil and Spain and has been launched in the USA, Puerto Rico, Mexico, Peru and Chile during 2020.

Likewise, in 2020 the Quality Observatory carried out the third measurement on the experience of internal clients (iNPS®) and on the assignors and brokers for the reinsurance services provided by MAPFRE RE.

MAPFRE dedicates 218 people, a significant number of employees, to the monitoring and control of quality throughout the world and various companies hold quality certifications, the renewal of which requires maintaining high standards in customer service.

MAPFRE is ISO 9001 certified in Brazil, Spain and Turkey. MAPFRE ASISTENCIA holds the same quality certification in Algeria, Argentina, Brazil, Chile, China, Colombia, Ecuador, the Philippines, Italy, Jordan, Mexico, Paraguay, the Dominican Republic and Tunisia.

4.3. CREATING VALUE FOR THE SHAREHOLDER

In the current environment and in the digital transformation strategic framework, MAPFRE has quickly adapted to virtual formats to maintain contact with its investors, shareholders and analysts. In 2020, the Company's first virtual roadshows were held and the C-Suite has been actively involved in the conferences, meetings and presentations of results that have taken place throughout the year. Initiatives developed in 2020 include:

a. The holding of the first virtual roadshow with institutional investors after the publication of the results for the first quarter, led by the President & CEO of the Company.

b. The holding of the first virtual roadshow with private shareholders in December 2020, led by the CFO of the Company.

c. In addition, numerous virtual meetings with investors and analysts were held throughout the year and the Company participated in 12 conferences organized by financial institutions Virtually all of them took place online.

d. In the framework of "MAPFRE Shareholders, a unique value" plan, two in-person meetings were held at the beginning of the year in Madrid to explain to shareholders the business performance and to answer their questions and comments.

e. Quarterly publication of the infographic and interactive newsletter on the website with up-to-date information on MAPFRE, results and main corporate news.

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f. Continuous improvement of the information offered in the "Shareholders and Investors" section of the corporate website with the inclusion of an alert service in the Investor's Agenda that allows them to receive notifications of upcoming events and the addition of expanded information regarding the MAPFRE Action, as well as details on analysts' coverage.

g. In addition, our shareholders and investors have various communication channels at their disposal, allowing them to maintain regular contact with the Company, both through the corporate website and specific telephone lines and email addresses.

Summary of the communication activity with shareholders, investors and analysts in 2020:

Relationship channel	No. of interactions
Shareholder telephone number (toll-free in Spain)	1,388 queries
Mailbox set up on corporate website and email addresses (IR@mapfre.com and oficinadelaccionista@mapfre.com)	816 communications
Electronic shareholder forum	145 visits 108 unique visits

Relationship channel	No. of actions	No. of participants
Conferences, meetings and interaction with investors	123	210
Meetings and interaction with analysts	164	200
Meetings with shareholders	3	212
TOTAL	290	622

Loyalty program

Within the "MAPFRE Shareholder, a unique value" plan we are committed to strengthening the relationship with this stakeholder. For this reason, in addition to the dividend, the payout[7] and permanent communication with our shareholders, we have the MAPFRE teCuidamos Accionista loyalty program in place, which in collaboration with Club MAPFRE allows shareholders owning at least 1,000 shares to benefit from the advantages of this program, among others, which provides a wide variety of offers and services related to:

- Day-to-day saving made easy.
- Services in tax, health, automobile and home matters.
- MAPFRE culture and leisure offers.
- Up-to-date and immediate information on MAPFRE.
- Access to news about MAPFRE and promotions for shareholders.

Sustainable finance: thinking about the shareholder, the company and society

Sustainable finance is gaining more prominence as part of the quest to deliver a more sustainable economy, seeking to have a positive impact on the environment and society, without losing out on profitability, and creating value in the medium- and long-term for shareholders.

This implies incorporating sustainability factors into investment decisions the company makes and also with regard to loans it may take out:

- MAPFRE has two sustainable loans in place, which, in addition to the company's credit rating, take into account the evolution of sustainability parameters, as accredited by an independent third party specialized in environmental, social and governance analysis (ESG), when setting the interest rate.
- Since MAPFRE signed up to the United Nations Principles for Responsible Investment, the company, in addition to investing in a sustainable manner, applying sustainability and profitability criteria (see Sections 3.3 and 5 of this report), has launched a range of sustainable products, mainly investment funds.

In 2020, MAPFRE launched the Fondo Compromiso Sanitario (Health Commitment Fund), which attracted our clients to invest their savings in the financing of a specific health project centered around the COVID-19 crisis. Also launched was the MAPFRE Infraestructuras FCR fund, which invests in renewable energies, among other assets. (See Section 5.1. MAPFRE's Commitment to Climate Change.)

[7] More information on the dividend and payout is available in Chapter 3.2.1 Main figures: The MAPFRE share

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These funds are incorporated into MAPFRE's current sustainably responsible investing (SRI) product offering, which includes the Inclusión Responsable Fund (which invests in companies especially committed to hiring people with disabilities), the Capital Responsable Fund (which tracks companies using a strategy focused on following ESG criteria), and the MAPFRE Good Governance Fund, which invests in companies abiding by good corporate governance.

4.4. DEVELOPING EMPLOYEES

MAPFRE is a company of opportunities; it is diverse and inclusive and has the best professionals to serve its clients and conduct business. Our people are committed and talented. Employee management is particularly relevant in a global company such as MAPFRE, which is present worldwide and has employees from 89 countries. This management goes hand in hand with business as it undergoes transformation, enhancing its employees' commitment to the company's values and contributing to the development of technical, global and transformational skills.

Some of the most relevant aspects of this management include:

- Integrating all generations of employees who work together within the company, harnessing each person's knowledge.
- Using new technologies and social networks for employee development.
- Communication and transparency with employees, so that they feel part of MAPFRE's strategy, objectives and culture.
- Planning for professional careers and continuous training.
- A firm commitment to the occupational and geographic mobility of employees to ensure that the organization has versatile global teams in place.

This aspect is complemented by the *People and Organization Report 2020*, verified and published on the corporate website.

For the purposes of the 2020 report, the data corresponding to MAPFRE Salud ARS in the Dominican Republic only consolidates the data of employees required under Law 11/2018.

Total workforce	2020	2019
Workforce at December	**33,730**	**34,324**
Average workforce	**34,567**	**34,645**

44.9% **55.1%**

Total number of employees by type of employment contract (permanent or temporary) and by gender

BUSINESS UNIT	PERMANENT		TEMPORARY		TOTAL	
	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN
CORPORATE AREAS	622	452	2	7	**624**	**459**
INSURANCE	12,415	15,568	198	278	**12,613**	**15,846**
ASISTENCIA	1,485	1,774	114	176	**1,599**	**1,950**
GLOBAL RISKS	79	100	—	1	**79**	**101**
REINSURANCE	231	223	2	3	**233**	**226**
TOTAL	**14,832**	**18,117**	**316**	**465**	**15,148**	**18,582**

Data as at year-end. Averages are excluded because they are not deemed significant for the Group.

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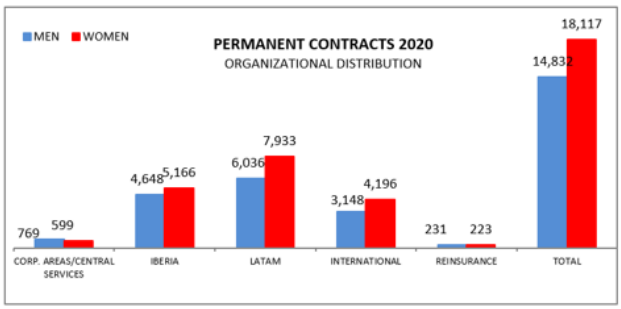

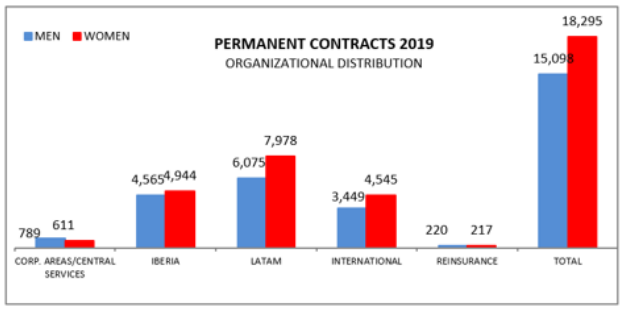

Data as at year-end. Averages are excluded because they are not deemed significant for the Group.

Total number of employees by employment contract/gender (in line with the MAPFRE Group structure: Regions, Business Units and Central Services)

ORGANIZATIONAL DISTRIBUTION	PERMANENT		TEMPORARY		TOTAL	
	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN
CORP. AREAS/CTRL. SERVICES	769	599	2	8	**771**	**607**
IBERIA	4,648	5,166	83	188	**4,731**	**5,354**
LATAM	6,036	7,933	107	102	**6,143**	**8,035**
INTERNAT.	3,148	4,196	122	164	**3,270**	**4,360**
REINSURANCE	231	223	2	3	**233**	**226**
TOTAL	**14,832**	**18,117**	**316**	**465**	**15,148**	**18,582**

Data as at year-end. Averages are excluded because they are not deemed significant for the Group.

Total number of employees by type of employment contract (full-time or part-time) and by gender

BUSINESS UNIT	PERMANENT		TEMPORARY		TOTAL	
	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN
CORPORATE AREAS	624	457	—	2	**624**	**459**
INSURANCE	12,268	14,268	345	1,578	**12,613**	**15,846**
ASISTENCIA	1,461	1,598	138	352	**1,599**	**1,950**
GLOBAL RISKS	79	100	—	1	**79**	**101**
REINSURANCE	233	221	—	5	**233**	**226**
TOTAL	**14,665**	**16,644**	**483**	**1,938**	**15,148**	**18,582**

Data as at year-end. Averages are excluded because they are not deemed significant for the Group.

Type of contract, by gender, age and professional category

JOB POSITION	CONTRACT TYPE	BABY BOOMERS		GENERATION X		GENERATION Y		GENERATION Z		VETERANS		TOTALS
		MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	
C-SUITE	PERM.	—	—	30	3	15	9	—	—	—	—	57
	TEMP.	—	—	—	—	—	—	—	—	—	—	—
SENIOR MANAGEMENT	PERM.	5	1	385	110	614	330	112	61	—	1	1,619
	TEMP.	—	—	1	3	1	1	1	2	—	—	9
MIDDLE MANAGERS	PERM.	7	3	521	293	1,214	1,071	577	513	19	19	4,237
	TEMP.	—	—	3	—	—	1	6	4	—	—	14
ADVISORS	PERM.	29	33	1,411	1,069	3,242	3,784	2,878	3,126	489	617	16,678
	TEMP.	—	—	2	2	14	17	64	84	28	30	241
ASSOCIATES	PERM.	26	35	418	700	907	2,393	1,309	2,644	624	1,302	10,358
	TEMP.	—	1	1	4	27	38	106	167	62	111	517
TOTALS		**67**	**73**	**2,772**	**2,184**	**6,034**	**7,644**	**5,053**	**6,601**	**1,222**	**2,080**	**33,730**

Veterans (until 1955)
Baby Boomers (from 1956 to 1967)
Generation X (from 1968 to 1981)
Generation Y (from 1982 to 1993)
Generation Z (from 1994)

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New additions, average age, average seniority, unwanted Group turnover by gender

	2020		2019	
	M	W	M	W
New hires	42.50%	57.50%	41.70%	58.30%
Average age	42.1	40.2	41.5	39.5
Average seniority	12.2	10.9	11.6	10.3
Unwanted turnover (*)	5.00%	4.90%	7.30%	8.20%
Total turnover	11.90%	12.10%	16.00%	17.90%

(*) Unwanted turnover is calculated using the following formula: voluntary resignations/average headcount. Considering the size of the Group, the level is considered low.

DIVERSITY AND INCLUSION

MAPFRE has a Global Diversity and Equal Opportunity Policy in place, approved by MAPFRE's Board of Directors on July 23, 2015, has been publicly committed to both gender diversity and functional diversity for the past three years.

For the three-year period 2019–2021, MAPFRE has publicly committed to ensure that at least 45 percent of annual vacancies in managerial positions are filled by women by 2021.

In 2020, the result was 46.3 percent.

	2020	2019
Percentage of women in managerial positions	40.9%	40.1%
Number of women in managerial positions	2,425	2,382
Percentage of women in senior management positions	30.9%	30.0%
Number of women in senior management positions	510*	508

*These data do not include Banco do Brasil or MAPFRE Salud ARS in the Dominican Republic, those companies that do not form part of the BSC indicators.

For the past three years, MAPFRE has been publicly committed to ensuring that a minimum percentage of people with disabilities work at the company. The commitment is to ensure that 3 percent of the workforce is comprised of people with disabilities by 2021.

	2020		2019	
	No.	%	No.	%
People with a disability on the workforce	1,025	3.3	938	2.9

Banco do Brasil and MAPFRE Salud ARS workforce data excluded.

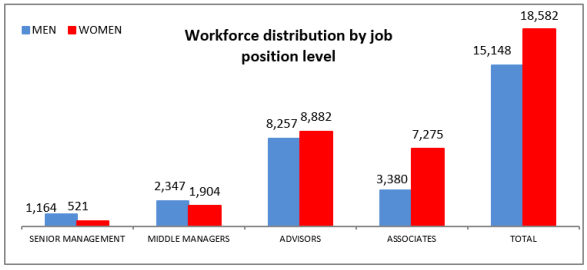
At MAPFRE, we have different generations working together with different values, expectations and motivations, and the challenge from a company perspective is to create an inclusive culture and facilitate transferring knowledge between generations, recognize and harness their strengths and capabilities so that each generation contributes as best they can, and implement work models that meet different generations' needs.

Year 2020

Gender diversity

- 57.5 percent of new hires within the workforce were women.
- 84 women hold C-Suite positions or positions on Boards of Directors. The MAPFRE S.A. Board of Directors includes five women among its members, representing 33.3 percent of its members as on December 31, 2020. **Through the director selection policy, MAPFRE is committed to the Board being composed of at least 40 percent women from 2022 onward.**
- 26 percent of employees in managerial positions classed as "Top Management" are women, and 42 percent of employees in positions classed as "Junior Management" are women.
- Women hold 41.4 percent of managerial positions in business areas.
- There are networks in place in Mexico, the United States, Brazil, Turkey and Spain to foster women's leadership. These create inclusive spaces for dialog and are designed to promote initiatives related to gender diversity.

Coverage of gender diversity across the entire workforce.



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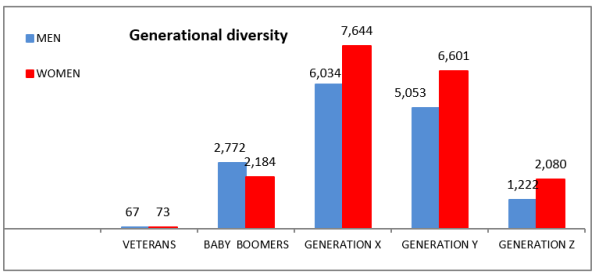
Cultural diversity

- 89 nationalities

International mobility enabled 45 employees to relocate to another country in 2020. These employees originate from 19 countries and have been posted to 15 countries.

A total of 79.5 percent of the senior management and executives who work at the Group's companies are native to the country in which said companies operate.



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The Ageing Project, the purpose of which is to work on specific programs for senior workers, addresses three key areas: professional development, employee experience and social protection.

Traditional and reverse mentoring, which promotes a development process between different generations. The mentoring plan involved 154 mentors and 246 mentees over the course of this year.

Functional diversity

Awareness:

- 235 employees trained through the e-learning course on disabilities in 2020.
- 38 volunteer activities involving people with disabilities.
- 121 discussions and awareness activities in development training programs.
- 52 reports on the Intranet.

Workplace integration actions:

- 39 people with disabilities joined the workforce in 2020.
- 15 people with disabilities interned at MAPFRE.
- Donations totaled 223,395 euros
- Promotion of indirect employment through contracts with special employment centers or similar companies totaling 175,371 euros.

TALENT, SELECTION AND DEVELOPMENT

MAPFRE has a Promotion, Selection and Mobility Policy in place, which was approved on July 23, 2015. This policy manages talent by promoting the professional development of all employees and their present and future employability.

Talent development is a basic pillar of MAPFRE's operations, and there are three main objectives:

- To identify short-, medium- and long-term professional profile needs.
- To establish internal talent processes for mobility and employee development.
- To establish development plans and professional career plans for all employees.

Talent and development plans

For the past four years, MAPFRE has had an internal talent identification and development program called the MAPFRE Global Talent Network.

Around the world, 4,991 employees have been identified as part of the MAPFRE Global Talent Network. 4,779 individual development plans have been established with 6,888 development actions.

Unwanted turnover of members in this plan was 1.9 in 2020 and 2.9 in 2019.

What's more, 5,240 employees around the world are included in career plans, including:

- Career plan for sales representatives: 2,226 employees
- Career plan for underwriters: 650 employees
- Career plan for actuaries
- Complete with all career plans

Succession plans

MAPFRE continuously identifies succession plans for the senior management of all countries in order to ensure managerial replacement.

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During this year, in order to ensure coverage of a core profile for our business, a plan has been implemented to fill managerial positions under the technical professional profile at a global level that includes an international career plan for developing future management profiles, called the Technical Managers Plan.

In our industry, technical knowledge of the business is critical. We operate in a complex environment where agility and the right response are key to reaching our clients. We want our employees and managers to always be able to give the best response and, as such, we have defined a plan specifically aimed at employees in the field of technical insurance. The plan seeks to offer options for development to this group through training and international mobility plans to prepare employees to assume the role of technical director wherever the company so needs. The plan is supplemented by a specific local talent development program, which begins from the junior levels of the technical function and better prepares them to become sound insurance professionals. This plan begins its global implementation in 2021.

External recruitment plan

- A digital profile recruitment campaign involving the following activities:
  - A social network campaign, "MAPFRE: the employer you never knew you wanted" has been rolled out to attract the profiles of: digital marketing, SEM, SEO and performance, cybersecurity, innovation, Data Scientist & BI, UX Designer, CX, CRM and Digital Developers and data architect, Engineer & Big Data.
  - A site has been set up on which 786 leads for these profiles have been collected.
- 48,574 candidates interested in working with us have registered on the Work at MAPFRE site.
- Employees have nominated 942 candidates through the referral system.
- Our LinkedIn page increased from 282,708 followers to 401,024.

Global Internship Plan

MAPFRE's company education connection is basic and the Global Scholarship Plan, which has 310 agreements with universities, business schools and institutions, forms an important part of our development plans. In 2020, due to the pandemic, 471 students have been interning in various areas and 25 countries, compared to the usual scholarships seen in other years, which totaled 1,179 in 2019.

Functional and geographical mobility

Mobility remains key in employee development and employability. In 2020, 13.66 percent of the workforce benefited from some form of mobility, totaling 4,360 employees:

- Of total managerial movements, 91.6 percent were filled internally.
- Out of the 3,022 vacancies advertised, 37 percent were filled through internal mobility, and 20 percent involved a promotion.
- Through geographic mobility, namely international careers, global mobility and temporary transfers, 15 countries were able to benefit from the services of professionals from 19 other countries. Currently, 251 managers and employees are working outside of their country of origin.

Learning model

MAPFRE's commitment to its employees' training is reflected in its Code of Ethics and Conduct, as well as in several of its policies, including its Promotion, Selection and Mobility Policy and its Diversity and Equal Opportunities Policy.

MAPFRE promotes employee learning through the Corporate University, focusing on strategy and business objectives.

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In addition to mandatory employee training, which includes all training content that provides the basic skills required for daily work (such as content related to legal requirements, occupational risk prevention, global policies and culture), MAPFRE invests in other training content that is provided to improve the skills of employees in their respective roles and functions (technical, commercial, sales techniques, digital skills, leadership, professional development, and certifications, among others.

Since 2014, the Corporate University has deployed all learning actions globally through its 17 Schools, 12 Learning Rooms and an innoLAB. It is in operation in all countries where MAPFRE operates, providing training in the three corporate languages and five local languages.

TECHNICAL KNOWLEDGE SCHOOLS	
SCHOOLS	**ROOMS**
Insurance School	Life Room
	Business Room
	Digital Business Room
	Automobile Room
	Assets Room
	Health Room
	Assistance Room
Sales and Business Development School	Sales Room
	Clients Room
Reinsurance School	
Operations School	
Actuarial School	
Finance School	Investments Room
Strategy School	
Technology and Processes School	
Auditing School	
Human Resources School	
Legal School	
Digital Technical Knowledge Room	
CROSS-DISCIPLINARY SCHOOLS	
Skills School	
Culture school	
Global Policy School	
Language School	
Leadership School	
Professional Development School	
InnoLab	
Director's Room	

Some relevant information:

- During this year, training was provided to 100 percent of the workforce through 966,335 hours of training, representing an average of 28.6 hours of training per employee.

	HOURS OF TRAINING	
	MEN	**WOMEN**
EXECUTIVES	26,216	14,309
MIDDLE MANAGERS	73,929	52,553
ADVISORS	263,821	267,585
ASSOCIATES	78,650	189,279
TOTAL	**442,616**	**523,719**

- A total of 92 global technical and transversal development programs were carried out.
- A total of 7,232,392 euros were invested, an average of 214.4 euros per employee. Investment in training has declined in recent years due to the increased use of virtual courses and training for in-house professionals. However, the number of hours and people trained increases year on year.
- Training has been given on the MAPFRE new behaviors and habits through the programs Culture in a Digital World and MAPFRE Habits in a Digital World. Specifically, 10,912 employees completed the online program between 2019 and 2020, and 22,285 employees have completed face-to-face training.
- Technical sales training represented 86.8 percent of the total training provided and is fully aligned with business needs.

The transfer of knowledge in the workplace is assessed taking into account the effective use of the knowledge, skills, abilities and attitudes learned as a result of the training initiatives completed. This evaluation is carried out by those responsible for the training received by their employees. Worldwide in 2020, 8,363 questionnaires were completed by those responsible for attending these programs, and the percentage of responses with an assessment of at least four out of six in the degree of knowledge application to the job position was 80.1 percent.

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Self-learning, which is implemented globally at MAPFRE, offers training content to employees through open catalogs that allow them to design their own learning path. In 2020, over 80,000 self-enrollments were recorded for over 500 available training resources. The percentage of self-enrollments has grown by 77.8 percent compared to the previous year.

Training in 2020 was marked by the COVID-19 pandemic, and the company quickly adapted its learning strategy so that training could be entirely virtual during this period.

Mentoring programs

Development of the mentoring program, both traditional and inverse, continued throughout 2020 as a form of development, collaboration and transmission of knowledge among teams. Mentoring not only promotes development but also transmits the company culture and collaborative, respectful and accepting behavior.

- Traditional mentoring, where the mentor (the senior partner) transfers their knowledge, experience and culture to the mentee (junior partner). There were 118 mentors and 155 mentees in 2020.
- Inverse mentoring, where the mentor (junior digital partner) supports the mentee (senior partner) in developing digital skills, using technological tools and collaborative platforms, knowledge of digital trends and using social networks. There were 36 mentors and 91 mentees in 2020.

Knowledge management

MAPFRE has a knowledge management technology platform called Eureka, which is implemented globally and can be accessed by all employees to share knowledge and best practices. It is an active platform that enables knowledge from throughout the entire organization to come together in one space. There are currently more than 1,100 knowledge references and more than 1,250 knowledge items shared across all of the company's knowledge areas.

Culture and talent index

MAPFRE internally measures the Culture and Talent Index, which consists of six variables, three of which are related to culture and engagement and three to talent and development. The Culture and Talent Index stood at 84.1 percent compared to 80.8 percent in 2019. This table shows the development of these variables and the index in 2019 and 2020:

Culture*	2019	2020
Employee Satisfaction Index:	68.1	72.8
Employee turnover:	15.4%	9.1%
Length of service:	12.9 years	13.63 years

Talent*	2019	2020
Career plan and development	14.7 %	12.7 %
Functional mobility	42.7 %	46.2 %
Internal promotion	79.8 %	91.0 %

(*) Countries: Spain, Brazil, United States, Germany, Italy, Turkey, Peru, México, Puerto Rico.

TRANSFORMATION AND ORGANIZATION

The Digital Challenge

The Digital Challenge strategic initiative was created at MAPFRE in mid-2017 to bolster the transformation and change that the organizations need to adapt to new digital requirements; this involves a flexible working environment with tools that facilitate collaborative working, the development of digital profiles and new forms of leadership. This project involved work along four main lines:

A flexible working environment

- 57.3 percent of the workforce benefits from flexible working hours
- More than 20,000 employees working in open, collaborative spaces
- More than 26,000 employees using Office 365 tools
- Ability for more than 90 percent of the workforce to work remotely

Collaborative work and knowledge management

- More than 1,250 knowledge items contributed to Eureka, a shared space made available to connect all employees and share knowledge.
- More than 1,100 experts identified
- 310 communities on the Global Intranet, in which 10,815 employees collaborate
- 26,130 employees use the Teams collaboration tool

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- A global digital training program on digital culture and behavior used by more than 98 percent of employees. These behaviors and habits are now present in our day-to-day operations and we are evaluated in terms of them.
- A global digital skills learning program.

New forms of remuneration and recognition.

- 27,803 evaluated annually using a 360º evaluation.
- 126,897 activities communicated.
- 19,916 people included in a recognition program.

MAPFRE People App

- The app is implemented in Spain, Brazil, Turkey and Mexico.
- 9,478 employees have downloaded the People app.

The Digital Challenge has proved to be a key part of this transformation as it enabled the company to successfully prepare for working from home during the pandemic by developing new ways to work in digital and collaborative environments.

Digital Challenge II 2020–2021

In 2020, Digital Challenge has evolved to continue managing change through learning new skills, developing more dynamic and flexible structures and personalizing the employee experience.

Digital Challenge II will allow the company to increase productivity, agility and commitment, working on the productivity scenarios offered by collaborative tools, on managing our capacity and on flexible structures, versatile job positions and project management. And, vitally, MAPFRE will be adapting processes to employees' needs by developing the employee experience, so that they can make the most of their time and increase the scope of their opportunities within the organization.

REMUNERATION AND RECOGNITION

This MAPFRE Compensation Policy contains and guarantees the principles of equality and non-discrimination, and establishes adequate remuneration according to role/job position, based on the merit, technical knowledge, professional skills and performance of each person. The company designs its remuneration policy with the following principles:

a. Transparency, in that it should be understood by all persons for which it is intended.

b. A competitive and flexible structure that can be adapted to different groups and market circumstances.

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The Compensation Policy also promotes appropriate and efficient risk management by discouraging both the acceptance of risks that exceed the company's tolerance limits and conflicts of interest. This policy therefore serves to motivate and satisfy, enabling objectives to be achieved and the strategy to be met within the framework of the company's long-term interests. It specifically addresses the remuneration of the company's management groups, and those with special impact on the company's risk profile. The remuneration components included in the policy are fixed remuneration, variable remuneration/ incentives, recognition programs, social benefits and supplements. Variable remuneration in its different modalities—annual compensation for objectives, medium- and long-term incentives, commissions and bonuses—is of particular importance.

This year, 28,804 people are working within annual variable remuneration systems, representing 85 percent of the global workforce.

The assignment and settlement of the annual variable remuneration is carried out through the management by objectives model, globally implemented, which determines the weight of the different categories of objectives for each job position level. In this way, it is possible to align each person with the strategic objectives, those of MAPFRE as a whole, or of their region or country, assigning an increasing weight of this type of objectives in line with the responsibility of the job position, and giving in the in the case of technical and administrative teams, a greater weight related to the specific functions through which they contribute to the general objectives.

	GROUP OBJECTIVES				
JOB POSITION LEVEL	GLOBAL RESULT	CORP. AREA / BUSINESS UNIT / TERRITORY / REGION	COUNTRY / COMPANY / CORPORATE DEPARTMENTS	AREA / DEPARTMENT	INDIVIDUAL OBJECTIVES
CHAIRMAN AND CEO	100%				
EXECUTIVE COMMITTEE	60%	40%			
C-SUITE	40%	30%	30%		
COUNTRY CEO	20%	20%	60%		
SENIOR MANAGEMENT	10%	10%	40%	40%	
MIDDLE MANAGERS	5%	5%	30%	60%	
ADVISORS AND ASSOCIATES	5%	5%	10%	20%	60%

Bonuses per project

In 2020, 355 people were assigned a per-project bonus (several of whom are involved in projects related to platform integration and new digital systems), to promote the company's transformation.

Recognition plan

In 2020, 19,916 employees from 25 countries participated in recognition programs. The Recognition Programs are an element of the remuneration structure that formally recognize employees' contribution toward implementing the strategy, and reward any contributions made in terms of quality, dissemination of the MAPFRE culture and values, and innovation.

Pay gap

A methodology for calculating the pay gap was defined and applied in 2018, having been verified by the consultant Ernst & Young (EY), which calculates two types of gap: the gross gap and the adjusted gap. The terms 'Gender pay gap' and 'Equal pay gap' are used, respectively.

The gender pay gap is calculated as follows:

$$\text{GENDER PAY GAP} = \frac{\text{MEDIAN SALARY MEN} - \text{MEDIAN SALARY WOMEN}}{\text{MEDIAN SALARY MEN}}$$

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The most precise measure is one in which the detail can be obtained by homogeneous comparable groups: the equal pay gap. Three factors that have a direct impact on remuneration —job position level, family and seniority—are taken into account to calculate this. These three factors create comparison groups or clusters with which people are grouped with the same criteria for comparison purposes. The formula for calculating this type of gap is:

$$\text{EQUAL PAY GAP} = \sum_{n=1}^{N} \left(\frac{\text{GENDER PAY GAP IN EACH CLUSTER} * \text{NUMBER OF EMPLOYEES IN THE CLUSTER}}{\text{TOTAL NUMBER OF EMPLOYEES ANALYZED}} \right)$$

Clusters are established locally based on these factors. If a pay gap is determined when these calculations are made, an action plan will be established. The Corporate People and Organization Area is currently working on an action plan that includes a series of recommendations to remedy pay gap situations.

There follows a breakdown of the equal pay gap in fixed remuneration in the main countries.

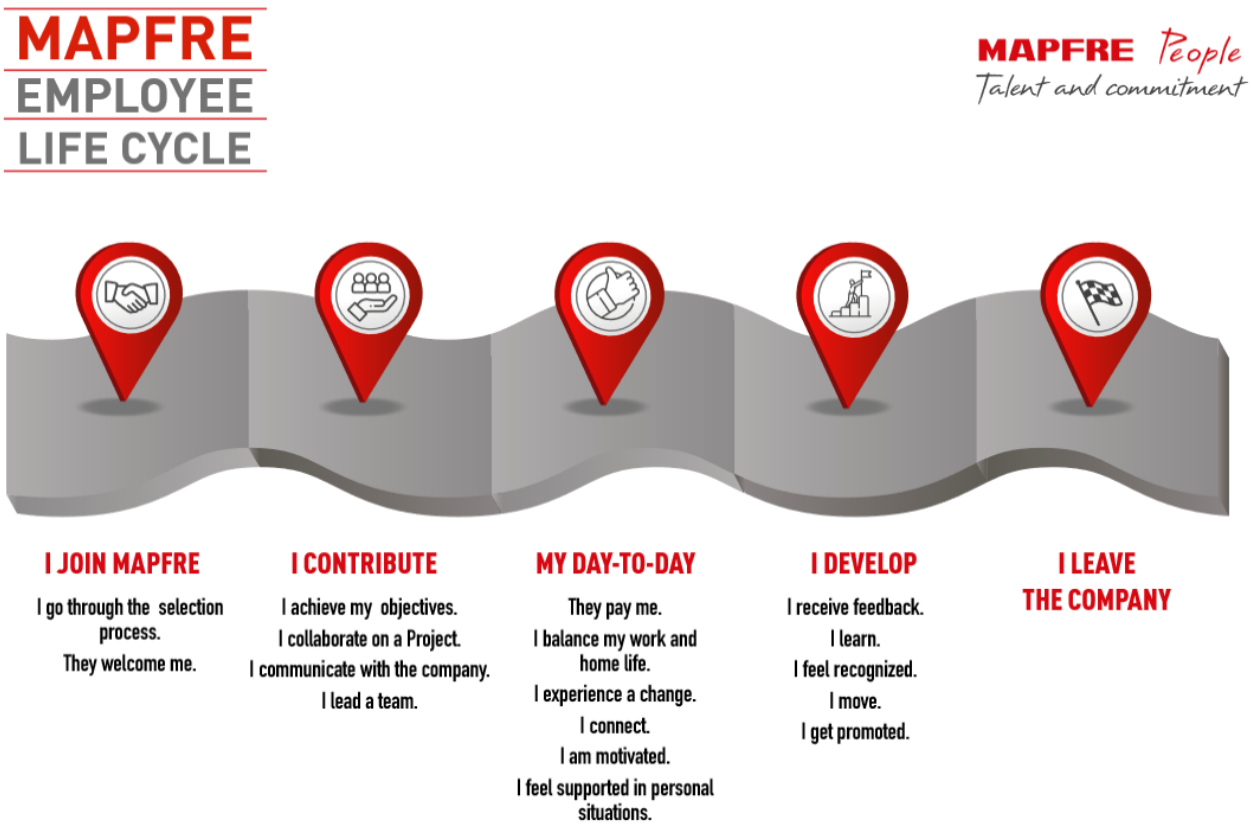
COUNTRY	EQUAL PAY GAP
Spain	5.66%
Brazil	5.14%
Peru	-4.93%
Turkey	-1.90%
Italy	-1.37%
Germany	3.47%

The adjusted global gap in fixed remuneration for the Group, as calculated for 92 percent of the workforce, is 3.18 percent.

(Please see Note 8 for more information on average remuneration.)

EMPLOYEE EXPERIENCE

The MAPFRE employee experience management model covers both the design of an employee journey (employee life cycle), identifying the different touch points of employee interaction with the company from before the employee joins the company until the time they leave, and also the continuous measurement of employee satisfaction and commitment.



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In 2020, the MAPFRE Employee Experience Continuous Listening and Measurement model was fully implemented, which can be used to monitor employees' experiences and make decisions that positively impact their day-to-day work based on qualitative and quantitative data.

This model is set up as a new people management process, and takes into account these three touch points:

Measuring recommendation, satisfaction and engagement

- Company recommendation: Relational eNPS®: this is how likely employees are to recommend MAPFRE as a company to work for. This was measured in 13 countries in 2020. Of the total workforce measured, 98 percent is in countries that have a very good or excellent Employee Net Promoter Score.

Level-1 and level-2 root causes: the main reasons why an employee recommends MAPFRE to a lesser or greater extent as a company to work for. The following stand out as reasons for a higher recommendation:

The conditions and benefits that MAPFRE offers us:	
Stability	The implementation of the company's values on a day-to-day basis
Work-life balance	The ability to grow professionally

- Leader Index. This measures the likelihood of employees recommending their supervisors. In 2020, on a recommendation scale from 0 to 10, 61 percent of employees gave a score of 9 or 10.
- Engagement: Employee Satisfaction Index: measures employee engagement through assessing the following 10 elements: knowledge of objectives, pride in work carried out, recognition for work carried out, contribution to the company, receipt of quality feedback, opportunities for development, collaboration, work tools, care for people, pride in the social footprint. This measurement applies to more than 75 percent of employees.

  Elements that impact employee engagement:

  - Knowledge of objectives
  - Pride in work carried out
  - Recognition for work carried out
  - Contribution to the company
  - Receipt of quality feedback
  - Opportunities for development
  - Collaboration
  - Work tools
  - Care for people
  - Pride in the social footprint

In 2020, the commitment rate was 73, which corresponds to the percentage of employees who have scored the ten variables analyzed with an average of 8, 9 or 10.

Engagement level by gender	
Men	75%
Women	71%

Engagement index by age group	
25 or under	76%
26 to 37	73%
38 to 49	72%
50 to 64	74%
65 or over	82%

Engagement index by job position	
Associates	71%
Advisors	71%
Middle managers	80%
Senior Management	86%

Employee journey

The MAPFRE Employee Journey consists of 18 moments of truth measured through:

- Focus groups with groups of employees that make up a representative sample of the workforce and focus groups with groups of employees that make up a sample of specific groups (e.g. young people, senior profiles, strategic profiles, expatriates, new hires, those who have been recently promoted, etc.). The latter groups will work on moments of truth when they may need a different experience than the whole employee group.

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- Transactional eNPS® questionnaires. This measurement is made through short questionnaires that are managed with the Qualtrics tool implemented this year at MAPFRE.

Human Resources Management Quality

The Perceived Quality Index is obtained via an assessment survey that is sent to all MAPFRE employees around the world and assesses the quality of service offered to employees by the Human Resources departments and the ability of our people management to change and adapt to the needs of the company and its employees. In 2020, the perceived quality index was 7.9 out of 10.

Thanks to the information obtained from these measurements, MAPFRE can optimize its resources by prioritizing improvement actions focused on the aspects that correlate more strongly with employee satisfaction and therefore productivity.

Employee Legal Representatives

MAPFRE maintains a permanent and direct dialog with its employees, reporting information on all relevant aspects, listening to their opinions and requesting their active participation through various different channels, such as employee legal representatives.

The percentage of the workforce represented by employee legal representatives is 56.54 percent. Please note that in countries such as Germany, Algeria, Brazil, Spain, France, Italy, Uruguay and Venezuela, in excess of 98 percent of MAPFRE's workforce are represented in this way in these countries.

Since collective bargaining is not structured in the same way in every country, MAPFRE does not have a collective agreement applicable across several countries as it does not meet the legal or social conditions or the conditions regarding the type of business or sector that would enable its implementation. MAPFRE therefore has 19,624 employees covered by collective agreements in 12 countries.

However, it should be noted that MAPFRE's workforce covered by collective agreement in the countries listed below is significant:

Country	% of employees working under collective bargaining agreements
Brazil	100 %
Spain	100 %
Greece	100 %
Italy	100 %
Uruguay	100 %
Venezuela	100 %
France	95%
Portugal	85 %
Argentina	78%
Malta	58%

The relationship between the company and the employees' legal representatives is fostered through the following channels:

- Under company participation bodies with the employees' legal representatives and formal committees.
- Periodic meetings agreed by both parties.
- Direct contact via phone or email.

Similarly, employees' legal representatives communicate with employees through specific email accounts or Intranet spaces, visits to work centers and meeting or assembly spaces that the company makes available for communication and dialog with employees.

In 2020, the main collective bargaining agreements reached with employee legal representatives were: (i) in Spain, of the 19 agreements reached, the agreement on the right to digital disconnection, the agreement on trade union rights and the agreements on labor and health measures related to COVID-19 adopted in the various entities are notable; (ii) in Germany, of the 25 agreements reached, agreements on data protection for employees, agreements on working time and workday management, and agreements on health measures related to COVID-19 are notable; (iii) in Argentina, the salary revision agreements for 2020 are notable; (iv) in Peru, the Collective Agreement for 2020; (v) and in Venezuela, of the 8 total agreements reached with employee legal representatives, the agreements regarding improvements to the coverage of employee policies are notable.

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Digital Disconnection

As part of the digital transformation, MAPFRE has moved toward more flexible work organization models that improve proximity to clients while improving talent uptake and retention as well as promoting a work-life balance. However, this new work organization and the possibility of always being connected can blur the boundaries of working time and can sometimes cause work-specific issues to interfere with people's ability to enjoy their free time. MAPFRE has therefore approved the Digital Disconnection Policy for MAPFRE Employees, which establishes a culture of respect for others' time. The policy expressly recognizes employees' right to disconnect from work and communication tools provided by the company outside the working day by establishing express measures to exercise said right. Such measures regulate hours in which communications should not be sent or expected to be responded to unless there are exceptional justified circumstances, as well as guidelines for planning and holding meetings. In order to ensure proper implementation and to promote a culture conducive to rest, the policy is supplemented by a change management plan in addition to training resources related to disconnection and rest, reasonable use of technology and awareness-raising in respect of personal rest time.

Work-life balance measures	No. of employees benefiting
Flexible work schedule	19,324
Part-time work arrangements	2,381
Reduced workday	753
Teleworking	1,316
Paid and unpaid leave	13,224
· Parental leave	654
· Maternity leave	822
Sabbaticals for study/family purposes	35
Employee reintegration program following a protracted leave of absence	159

Type of social benefit	Percentage of employees who enjoyed social benefits from among the entitled employees
Health insurance	94.30%
Retirement/Life insurance systems	96.50%
Insurance discounts	69.20%
Length of service awards	24.50%
Educational grants for the children of employees	35.60%
Newborn child bonus	6.00%
Loans	14.70%

All benefits are offered regardless of whether employees are on permanent or temporary contracts. The amount allocated to social benefits in 2020 totaled 160.8 million euros.

Aid was also made available to employees for special situations, normally resulting from health problems. The amount of this aid totaled 557,870 euros in 2020. Financial aid has also been granted to retired employees in the amount of 732,037 euros, of which 710,339 euros are bonuses on retiree health insurance.

MAPFRE has a Health and Well-Being Policy and an Occupational Risk Prevention Policy in place, approved by the MAPFRE S.A. Board of Directors on July 23, 2015, the general principles of which are:

1. Achieving a healthy working environment that provides well-being and allows all employees to carry out their work in the best physical, mental and social conditions.

2. Achieving an optimal level of occupational safety, beyond mere compliance with regulations in the area of prevention of occupational risk.

MAPFRE also adopts a prevention model through which workers may actively participate in everything that might affect their health and safety at work, for which there are legally established representation channels. A total of 27,736 employees, or 82.2 percent of the workforce, are represented on joint management-employee health and safety committees, which have been set up to help in monitoring and advising on this matter. Some of the main issues discussed in these committees are:

- Evacuation and emergency control plans.
- Frequency and content of medical examinations for employees.
- Occupational health and safety management systems.

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- Return after long-term casualties.
- Specific studies of job positions.
- Health surveillance plans.
- Performing occupational risk assessments in the workplace.
- Analysis of labor casualties and absenteeism.

MAPFRE has a healthy company model that systematizes the actions to be carried out in terms of promoting both physical and mental health, in the work environment as well as in our employees' personal and family lives. The model considers five areas in which the company can work in terms of health: workplace, personal environment, health promotion, nutrition and physical activity, and mental well-being. The MAPFRE health promotion strategy involves working on the main causes of death and illness around the world, which according to the WHO and other international organizations essentially means intervening for the prevention of non-communicable diseases and for psychological-emotional well-being.

Of those who employees who enjoyed maternity and paternity leave, 80.7 percent of women and 92.8 percent of men returned to work. Out of the 1,397 individuals who took maternity and paternity leave in 2019, 1,267 remained in the workforce, giving a retention rate[8] of 90.7 per

Absenteeism data

	2020	
	Men	Women
WORK-RELATED ACCIDENT FREQUENCY RATE	14.88	12.44
OCCUPATIONAL ILLNESS FREQUENCY RATE	0.54	0.22
INCIDENCE RATE OF OCCUPATIONAL ILLNESSES	12.82	5.32
INCIDENCE RATE OF WORK-RELATED ACCIDENTS	352.48	297.66
RATE OF LOST DAYS	0.62	0.36
EMPLOYMENT ABSENTEEISM RATE	0.06	0.04
FREQUENCY INDEX	2.27	1.9
SEVERITY INDEX	0.08	0.05
DEATHS FROM WORK-RELATED ACCIDENTS	—	—
DEATHS FROM OCCUPATIONAL ILLNESS	—	—
NO.OF WORK-RELATED ACCIDENTS	55	56
NO. OF OCCUPATIONAL ILLNESSES	2	1
NO. OF HOURS LOST THROUGH ABSENTEEISM DUE TO NON-WORKPLACE ACCIDENTS AND COMMON ILLNESSES	468,724	1,219,308

See Note 9 of this report for information on calculation methodology. Includes relevant COVID-19 data.

MAPFRE's objective is to improve annually based on 2019.

Year	Absenteeism rate (% of days lost over total no. of days)	% of employees forming basis of calculation
2019	3.07	100
2020	2.72	100

7.3 hours a day and 248 days/year per employee are considered in these calculations.

One of the key factors in the healthy company model is training in health and healthy habits, and prevention of work-related risks. In this regard, in this fiscal year:

- Employees received a total of 34,357 hours of specific training.

For more information on the activities carried out within the Group, see the MAPFRE People and Organization Report 2020.

[8] Retention rate: (total number of employees retained 12 months after returning from parental leave/total number of employees who return after parental leave during the reporting period) *100

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Health and protection first and foremost

From the outset, MAPFRE was aware of the impact that COVID-19 pandemic could cause, and under the governance of the Corporate Crisis Committee, it quickly deployed its contingency plans, making employees' health its top priority.

Health, accident prevention and occupational procedures and protocols included the following:

- Occupational Health Action Protocol to ensure the best preventive and protective measures against COVID-19 for workers returning to their work centers.
- Occupational Risk Prevention Action Protocol to be taken into consideration when business is back to normal at MAPFRE work centers.

The first of the measures resulting from these protocols and which was implemented expeditiously in all countries was working remotely and reducing the density of occupation in all buildings, with the aim of preventing infection.

At the same time, and in order to reduce the risk of transmission, measures were identified and implemented for the most vulnerable groups, information on the disease and its symptoms was disseminated and prophylactic measures were introduced, as were other measures such as the travel ban.

ACTIONS AIMED AT REDUCING THE RISK OF TRANSMISSION	ACTIONS TO SUPPORT AFFECTED EMPLOYEES PRIOR TO LOCKDOWN
>Sending vulnerable people home. >Implementing prophylactic and social distancing measures > Increased distance between employees via remote working or increasing distance between areas > Information about the disease and symptoms, and supporting directions from the country's health authorities > Awareness campaigns regarding hygiene practices, such as hand washing posters. > Review of cleaning protocols for communal services, meeting rooms and restrooms	> Prioritizing remote working for particularly sensitive personnel > Managing medical questions, uncertainty, concerns, fear of contagion, through different channels > Action protocol in the event of infection: case concept, close contact, casual contact, information and multi-channel monitoring (email, telephone) > Establishing quarantines, whether preventive or mandatory. >Informing employees about the procedure: face-to-face talks

ACTIONS TO SUPPORT EMPLOYEES AND THEIR FAMILIES DURING LOCKDOWN	SOME LOCAL ACTIONS
>Medical advice > Psychological advice > Health information through different channels > Psycho-emotional well-being program "Employee Assistance" > Intellectual/social welfare programs with the help of constant communication through different channels > Physical well-being programs, training, healthy food, > Financial well-being, as payroll has been managed as normal	> Creating mailboxes and health platforms > Consultations or chats with doctors and specialists in Venezuela, Turkey, Brazil, the United States, Panama or Mexico. > Helplines in Germany with "RehaAktiv" > Information from institutions that provide psychological services, such as Mexico, Argentina or Puerto Rico. >Virtual talks/meetings with employees to find out, first-hand, how they and their families are, how they feel, how they can be helped, how to work remotely and use the tools available, etc., both by Human Resources teams (with examples such as the Philippines, Argentina, Honduras, Chile, Malta and Turkey), and by CEOs, such as in Brazil, Spain, Panama ("Share a coffee with your CEO"), the Dominican Republic ("A cup of coffee with the CEO"), El Salvador, Puerto Rico and Malta. Or sending personal emails to employees from the CEO, such as in Malta and Portugal

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A different way of working

The development of the Digital Challenge initiative and the work done within this initiative meant that everything was ready within a few days so that employees could work from home and drastically reduce the occupancy density in all buildings, thus preventing infection while maintaining service for our clients.

The rollout of the collaborative working model and collaborative tools has meant it has been possible to keep up to date and stay informed, coordinated and connected.

Up to 90 percent of the global workforce has been working remotely during these months.

ACTION TAKEN TO SUPPORT REMOTE WORKING

> A basic guide was provided for people who were working remotely for the first time, so that supervisors could share it with their employees.
> A website containing reference information on Office 365 collaborative working tools was shared.
> A series of guidelines was defined on how to lead remotely as a reminder of the behaviors our leaders must have in their relationship with their teams and in organizing and monitoring work and meeting goals.
> Guidance was provided to the teams to help with coordinating short-term tasks and objectives.

Flexible labor relations

In the area of labor relations, each country has established a special system to allow striking a balance between completing workdays and employees' personal and family needs. This system aims to be flexible during what is a complicated situation for everyone, and relies on the individual responsibility of each employee to manage their own work.

FLEXIBLE WORKING AND WORK-LIFE BALANCE

> Flexibility in completing workdays to facilitate a work-life balance for employees.
> Freedom for employees to organize their work according to their needs.
> Creating specific time slots and leave to meet crisis-related needs.
> Specific initiatives taken with managers to promote the use of flexibility by teams.
> Initiatives to identify areas that may be overloaded and areas that may have talent available to lend support where needed

EMPLOYEE LEGAL REPRESENTATIVES

>Dialog, information and continuous negotiation with employee labor representatives.
> Establishing new communication channels and new ways of working using technology that speeds up the relationship.
> Recognition and satisfaction by unions of the work carried out by the company.

Communication with employees: closer than ever

From the outset, a great effort was made to ensure that employees were informed of the actions and measures taken by the company and to make the necessary recommendations in each of the phases. Communication initially focused on reporting on actions related to health, remote working and business continuity, and then started to include content on day-to-day work issues for the company and employees. In recent months, nearly a hundred pieces of content have been posted on our Intranet, including daily news, infographics, videos and articles, and a site titled "More united than ever" has also been created containing all the information published on COVID-19. What's more, through our cellphone People app, more than 60 pieces of content have been disseminated to the more than 8,000 employees who have this application (which was already available in Spain, and has also been implemented in Brazil, Turkey and Mexico over the past few months).

#askMAPFRE

In order to be as close as possible to employees and to be able to resolve their queries directly and transparently, the Chairman and CEO of MAPFRE and the Group Chief People Officer established weekly communication for employees answering questions from employees around the world about how the company was addressing the coronavirus crisis, the immense work being done by the Group's teams and people, as well as the challenges we face as a company, society and individuals.

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MAPFRE S.A.
And caring, before anything else

Actions have been taken to support employees and their families, with psychological counseling available to more than 80 percent of employees around the world; and the promotion of social and family activities in each of the countries.

ACTION TAKEN TO FACILITATE LOCKDOWN AT HOME FOR EMPLOYEES AND THEIR FAMILIES

> Tips, entertainment tools, psychological help etc.
> Sites containing information, guides and tips for employees.
> Psychological help for employees and their dependents.

MAPFRE VOLUNTEERS

> Financial support for food banks.
> Telephone assistance for elderly people living alone.
> Sending virtual letters of encouragement to the elderly in nursing homes, children admitted to hospitals and their families
> Volunteering aimed at people with disabilities that promotes the social inclusion of people with intellectual disabilities. Volunteers exchange letters with them (at least twice a month).
> Volunteering aimed at young people at risk of social exclusion: assistance in accessing the labor market. Resume preparation, interviews, cover letters, career-related information.
> Volunteering aimed at children at risk of exclusion, virtual workshops for children (crafts, dance classes, cookie and cupcake workshops and tutoring etc.)
> Volunteering aimed at adults over 65 to help them learn how to use new technologies (FaceTime, Whatsapp, Houseparty, Skype, etc.) to address lockdown periods and reduce the digital divide between the elderly and the rest of society.

To support local human resources areas and align with crisis management and employee communication, a kit containing guidelines and practical materials for adapting to the health threat posed by the COVID-19 virus was sent to all countries on a weekly basis.

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4.5. GENERATING BUSINESS FOR PROVIDERS

MAPFRE's aim is to ensure ethical and socially responsible conduct on the part of all parties providing a service, either to the Group or directly to clients, while at the same time maintaining an adequate level of quality in the service delivery and high standards of internal control at all stages of the process.
To achieve this, it has a procurement standard in place that was designed to establish economic, environmental, social and governance criteria as well as mandatory compliance principles that must be respected in all contracts drawn up on behalf of the company.

The Group Code of Ethics and Conduct includes a specific section for providers and collaborating companies that defines the framework within which the relationship develops.

The Group works with more than 140,000 providers, making a distinction between service providers (those who perform services and assistance as per insurance or service contracts offered by the Group's insurance companies or its subsidiaries to clients) and support or general providers (those whose end client is any of the MAPFRE Group companies for activities such as management, supply, consulting firms, printers, etc.).

The following table shows the breakdown by the number of providers and the total payments made in 2020:

	IBERIA		LATAM		INTERNATIONAL	
	No. of providers	Cost (€m)	No. of providers	Cost (€m)	No. of providers	Cost (€m)
Of services (specific)	71,620	1,498	27,177	607	28,504	413
Of support (general)	3,327	257	7,525	282	5,508	306

To strengthen the relationship with providers and provide a better customer service, MAPFRE supplies various materials, training dossiers, operating procedures, tools and online and on-site courses for providers, in order to facilitate them as they go about their work and to keep them updated regarding diverse topics such as regulatory changes, technological developments and other relevant topics in the area of sustainability.

Operational Management Model for Service Providers

The service providers are, in most cases, the image of MAPFRE that the client will see and interact with. Given its importance, the company has a Provider Management Operating Model developed under the strategic initiative of "Providers as Brand Ambassadors".

The model is based on the application of general principles, which are: client orientation, optimization of contact with the client, vocation for service, cost optimization and Corporate Social Responsibility.

A common contribution system is established that involves continuous feedback regarding the commitments between MAPFRE and the provider, such that any increase in the relationships in the model results in the establishment of new commitments by both parties. These commitments allow different categories of providers to be established, depending on the degree of connection, the maximum exponent of which is the "Brand Ambassador," who are considered an extension of the company, being able to assume, in part, the functions of MAPFRE in the provision of services.

Brand Ambassadors are fully committed to MAPFRE by participating in the economic model, prescribing the MAPFRE brand, modeling the company's image and contributing their knowledge to the design of new products and services.

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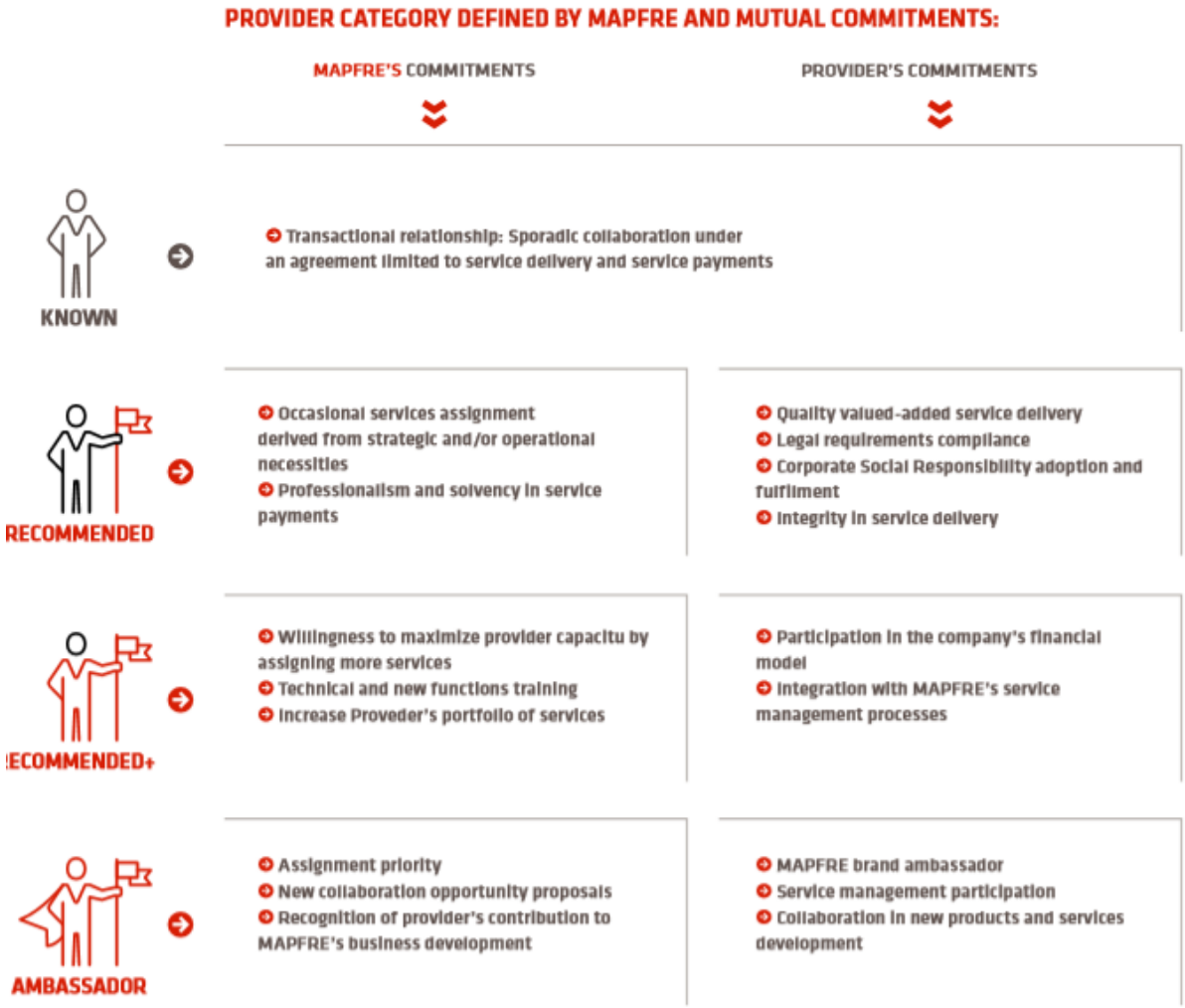

In 2020, work was done on the evolution of the Brand Ambassador project to an operational model, as well as on monitoring the main efficiency, cost and quality indicators in the 24 countries where the project is deployed.

Sustainable management of providers

Responsible and sustainable provider management is one of the company's priorities in terms of sustainability.

A comprehensive treatment of provider management processes involves taking the necessary measures, both in training and in control and supervision to ensure that the sustainability practices carried out by the providers are aligned with those of MAPFRE and that they meet the standards defined by the company.

Due to their relationship with MAPFRE and the service that they provide to clients, the service providers are the most strategic and therefore the ESG approval project that relates to them is explicitly included in the Sustainability Plan 2019–2021.

A Human Rights awareness campaign is also being promoted and they are being educated on the SDGs and the material shared regarding them. This falls within the Group's commitment to the 2030 Agenda.

To achieve this, the following objectives were defined for Spain, Brazil, the United States, Mexico and Colombia in 2021:

- To consolidate the model of the sustainable management of providers to the homeowners and automobiles lines, selecting providers that have a more significant link with MAPFRE ("Brand Ambassador", "Recommended" and "Recommended+" categories).
- To ensure awareness of Human Rights for 75 percent of providers who meet the Group ESG criteria. This training is provided by the United Nations Global Compact Spanish Network.
- To raise awareness of the United Nations 2030 Agenda for sustainable development, among at least 50 percent of approved providers.

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The sustainable management of support providers is being carried out as the corporate tool for consolidating and homogenizing information is being implemented. In 2020, the tool that enables the approval was launched in Spain, Mexico, Argentina, Honduras and Paraguay. More countries, such as the United States, Brazil and Puerto Rico, among others, are expected to be included in the next two years.

ESG approval process

This accreditation involves a monitoring and control process that begins with the initial analysis of provider sustainability practices. This analysis is performed using a specific questionnaire that includes the following risk factors:

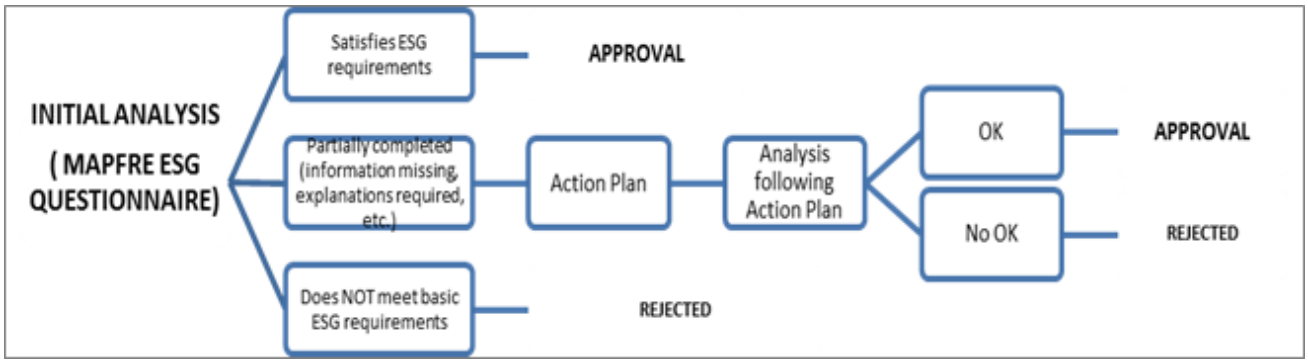
- Occupational safety and employee health.
- Human Rights: child and forced labor, basic worker rights, etc.
- Environmental practices and sanctions.
- Inclusion, diversity and non-discrimination.

Based on the responses that providers give to the questionnaire, the process continues with the following steps:

- If all the criteria are correct, the ESG will be approved.
- Otherwise, an action plan is proposed to reverse the situation.

This system makes it possible to establish a risk map and include mitigation measures through the action plans.

ESG APPROVAL PROCESS



Results for 2020

Approval of service providers

In 2020, the approval was carried out in Spain and the United States. In 2019, it was launched in Mexico and Colombia. In 2021, plans are being made to organize it in Brazil, thus meeting the objective set out in the Sustainability Plan 2019–2021.

Since the start of the project in 2019, 3,315 providers have participated in the project, of which 3,158 have been approved and 156 are still in the process of obtaining approval.

The most relevant data, by participating country, include:

- Spain: included in the approval process are providers who perform more than 80 percent of the services provided in the automobile and property lines (workshops, windshield repair shops, tow trucks, rent a car and home repairs).
- United States: including 100 percent of Massachusetts repair shops in the approval process. They represent 100 percent of the Ambassadors and Recommended (+) categories.

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- Mexico: one hundred percent of the providers in the Brand Ambassadors, Recommended (+) and Recommended categories, who perform more than 86 percent of the services provided for the repair shops and windshield repair shops, have been included in the approval process.

- Colombia: one hundred percent of the automobile and property providers in the Ambassadors, Recommended (+) and Recommended categories, who represent more than 65 percent of the services provided in these lines (repair shops, tow trucks and home repairs), have been included in the approval process.

Of all the providers approved in 2020, 92.76 percent completed awareness-raising programs in the subject of Human Rights.

ESG approval of support providers

In Spain, a total of 800 support providers were approved in 2020, which represents more than 60 percent of the total amount invoiced. Furthermore, in line with the international expansion plan of the approval model, it is expected that next year the model will be consolidated in Argentina, Honduras, Mexico and Paraguay.

4.6. SOCIAL FOOTPRINT, SHARED VALUE

SOCIAL FOOTPRINT: contribution to sustainable development

Insurance is an engine of economic development and social cohesion, so our activity as a Group is closely linked to what the United Nations' 2030 Agenda and its development objectives represent. An Agenda that puts prosperity, the protection of the planet and people as essential axes of sustainable development and also achieves the inclusive objective of leaving no one behind.

Therefore, since its adoption in 2015, MAPFRE has had a line of work dedicated to this Agenda in all its sustainability plans.

This past year, we have focused on:

a. Promoting the Agenda and its Sustainable Development Goals (SDGs) to society as a whole. Over the course of 2020, a total of 109 Intranet content and 232 corporate website and social media publications were published.

b. Revising MAPFRE's priority SDGs map, as well as the targets and monitoring indicators.

MAPFRE focuses on seven objectives and is aware that the Group's indirect contribution is much greater due to the interrelationship among the SDGs.

New corporate SDG map at MAPFRE

Direct, indirect and potential impacts have been identified during the SDG corporate map review process. The overall goals have been adapted to the company's environment and the most appropriate monitoring indicators are being reviewed to measure MAPFRE's contribution to each. This exercise will help us to increase the level of detail of information made available to our stakeholders. To do this, we are aiming to publish a specific report on the contribution to the SDGs by 2021. Please see Note 2 relating to the impact that MAPFRE's priority SDGs have on the United Nations Global Compact Principles.

MAPFRE volunteering

One of the most recognizable characteristics of MAPFRE's commitment among the general public is that we are people who care for people. In particular, this understanding of our activity reaches the most vulnerable groups through our Corporate Volunteering program, which is integrated into the Human Resources and Sustainability strategy and is aligned with the 2030 Agenda's 17 Sustainable Development Goals. We have a steering and monitoring body in place, the Corporate Volunteering Committee.

We are MAPFRE people who are ready to help and who are the heart and soul of the company, we are **#PlayingOurPart** through a vocation for service, which is one of the values that best defines us.

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Identifying the role of MAPFRE and the impact that the development, promotion and implementation of corporate volunteering has on society is a challenge for the company, and a challenge to value the transformative impact generated by the actions carried out in all the countries we operate in. As such, during 2020, we worked on designing our own methodology, which will help us measure the social impact of our corporate volunteering actions and their contribution to the goals of the SDGs. The methodology will be integrated into the volunteering website and will allow us to monitor the impact of MAPFRE's corporate volunteering on each of the SDG goals.

The global corporate volunteering program that we run through Fundación MAPFRE sets down the basic lines of action for volunteer development in the various countries. These lines of action are as follows: Nutrition, Health, Education, Environment, Emergency Assistance and Solidarity and their objectives are:

a. To contribute to improving the well-being of disadvantaged people and society in general.

b. To nurture relationships between MAPFRE and the community in which it operates, whereby MAPFRE presents itself and acts as a collaborator in the well-being system.

c. To reinforce MAPFRE's internal values and strengthen a participatory culture.

d. To facilitate the participation of employees and their families in volunteering actions as a way of generating a culture that is sensitive to social needs and respect for diversity and people in need.

e. To promote among the participants the acquisition of competences transferable to the fields of personal and professional life, such as problem solving, initiative, communication, negotiation, teamwork, leadership, interpersonal relations, flexibility, empathy, optimism and learning.

Throughout 2020, more than 4,750 volunteers, including employees and family members, took part in the more than 950 activities that were conducted worldwide on education, nutrition, health, emergency assistance. These actions directly impacted more than 150,000 people. More than 12 percent of the global workforce has had volunteering experience.

Every year, MAPFRE organizes MAPFRE Volunteering Day with a global activity. In 2020, the global activity was "United Against Hunger," which contributes directly to SDG 2, "Zero Hunger." More than 750 volunteers from 23 countries participated in 138 nutrition-related activities. Through this volunteering action, more than 15,000 people benefited from the provision of more than 13 tons of food.

In relation to our volunteering program, in Spain, we have renewed the AENOR certificate for the management of this volunteering program.

Solidarity Euro/Dollar: Stronger Together

JUNTOS + SUMAMOS

Employees particiapte in other social projects such as the "Solidarity Euro" program in Spain and the "Together We Give" initiative in the United States. This initiative offers employees the opportunity to donate one euro/dollar per month from their paycheck to a non-profit project of their choice, with the commitment that, for every euro/dollar donated, MAPFRE donates another.

€uro solidario MAPFRE

In Spain, since its launch in 2017, Solidarity Euro has raised more than 479,000 euros. In 2017, this money benefited the Debra Piel de Mariposa Association and the Society of Saint Vincent de Paul. In 2018, funds went to the Fundación Cris and ASION, both of which are involved in the fight against childhood cancer. During 2020, employees contributed their solidarity euro to the Bobath Foundation, an organization that takes care of children and young people who suffer from cerebral palsy and the Spanish Rett Syndrome Association, which treats a disorder in the neurological development of children that mainly affects girls, and hinders their psychomotor skills, their mental and social development and their communication skills. Together we raised 132,380 euros over the course of 2020, thanks to the more than 5,500 employees who have been part of the initiative since its inception.

Every year, employees choose to which associations they want the amount collected to be donated. Currently, almost 50 percent of the workforce collaborates each month with this project, which makes a great difference to society, helping those who need it most. The projects selected by employees for 2021 are The Purple Warrior Association and the Ana Carolina Díez Mahou Foundation.

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Organizations benefiting from Euro Solidario

TOGETHER WE GIVE +

In the United States, the projects that benefited from this initiative in 2020 were Shine Initiative and Sejourner, with each organization receiving more than 16,400 dollars each. During the year, more than 800 employees participated in this program and MAPFRE matched the amount donated by the employees, taking the total to more than 32,800 euros. The project chosen by our employees in the United States for 2021 is Feeding America, an organization that aims to alleviate the effects of hunger in the country.

One euro never produced so much! Together, We Do More!

Our footprint

Here we present MAPFRE's most notable impacts for 2020, in relation to its social, economic and environmental footprint and how they link up with the priority SDGs.

Social footprint

Direct/indirect employment

- 32,949 percent of employees with a fixed contract
- More than 140,000 providers with whom MAPFRE maintains a sales and services relationship.
- 92.76 percent of providers approved with ESG criteria have been trained in Human Rights and 92.61 percent in the United Nations 2030 Agenda.
- 82,176 agents, delegates and brokers work with MAPFRE.

Opportunities for young people

- 310 agreements with universities, business schools and university institutions.
- 471 students have completed internships in the Group across 25 countries during the year.

Diversity

- 55.1 percent of the current workforce is female and 40.9 percent of the positions of responsibility are held by women.
- 3.3 percent of employees with disabilities are part of the workforce.
- 223,395 euros have been invested in actions related to workplace inclusion.
- 175,371 euros in contracts with special employment centers or similar companies.
- Employees of 89 nationalities are part of the Group as well as five generations (Veterans, Baby Boomers and Generations X, Y and Z) live and work together at MAPFRE.
- 154 mentors and 246 mentees are part of the global program of traditional and reverse mentoring that promotes a process of knowledge development and exchange between generations.

Flexibility and work-life balance

- 57.3 percent of employees enjoy flexible working hours.
- 1,476 percent of employees enjoy parental leave.

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MAPFRE S.A.

- A Right to Digital Disconnection was approved for MAPFRE workers.
- 90 percent percent of employees have the possibility of technological mobility (working remotely).
- 1,316 employees work remotely.
- 37 percent of vacancies published were filled through internal mobility processes, with 20 percent of those cases representing a promotion.
- 160.8 million euros have been invested in social benefits for employees.

Health and well-being

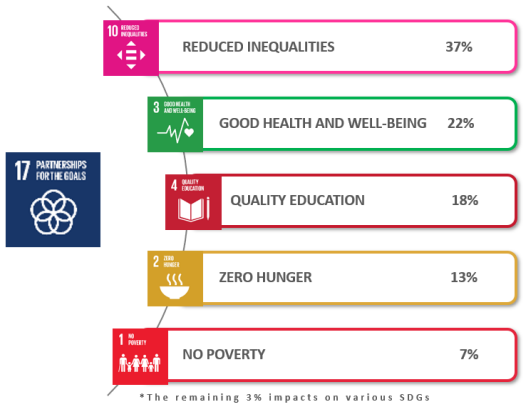
- 34,357 hours dedicated to the training of employees in Health and Well-Being.
- 82.2 percent of the workforce is represented on joint employee-management committees.
- 50,000 people, both clients and non-clients, were treated free of charge, since the beginning of the COVID-19 pandemic, through the digital health platform SAVIA, for health consultations related to the pandemic.

Innovation

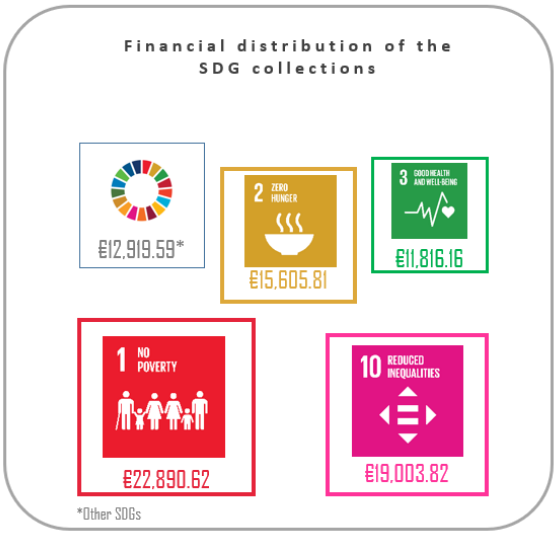
- 39 new MAPFRE Open Innovation initiatives in five countries.
- 422,565 clients for the new products and services developed through MAPFRE Open Innovation initiatives.
- 400 startups participated in the third call for acceleration and adoption in MAPFRE's insur_space.
- 12 new Venture Capital investments in start-ups.
- 6 CESVIMAP research and development centers in 6 countries (Spain, Argentina, Brazil, Colombia, Mexico and France).

Volunteering

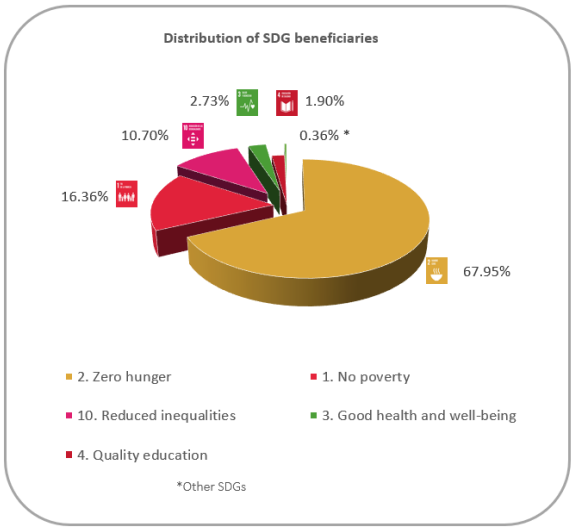
GLOBAL IMPACT OF 2020 VOLUNTEERING ACTIONS ON THE SDGS*



VOLUNTEERING PROGRAM DONATIONS



DIRECT BENEFICIARIES OF THE VOLUNTEERING PROGRAM



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Economic footprint

Insurance activity generates a direct economic impact through the constant flow of transactions carried out and the payment of taxes.

The main transactions carried out, from which the following figures have been extracted are as follows:

ITEM	2020
Benefits paid [1]	13,731.7
Payments to providers [2]	7,335.9
Wages and salaries, and other [3]	1,456.0
Activity subtotal	**22,523.6**
Dividends [4]	658.4
Shareholders subtotal	**658.4**
Net income tax payment	298.4
Social security	240.8
Public administrations subtotal	**539.2**
Interest paid	73.6
Financing subtotal	**73.6**
Total	**23,794.8**

ITEM	2020
Third-party funds under management [5]	34,250.6
Total investments	**38,931.4**
Financial investments	36,511.1
Fixed income	31,531.7
- Issued by governments	23,396.0
- Other fixed-income securities	8,135.7
Other financial investments	4,979.4
Real estate investments [6]	1,199.5
Other investments	1,220.8

Figures in million euros

1. Benefits paid and related expenses of direct insurance and accepted reinsurance.
2. Includes payment of commissions and other activity services.
3. Wages and salaries amounted to 1,215.9 million euros in 2019 (1,251.1 million euros in 2019).
4. Dividend payments made during the fiscal year.
5. Technical provisions for Life, pension funds, mutual funds and managed portfolios, before shadow accounting adjustments.
6. Excluding real estate for own use.

Net taxes on earnings by country_

COUNTRY	2020
IBERIA	**-174.8**
SPAIN	-171.8
PORTUGAL	-3.0
BRAZIL	**-120.3**
LATAM NORTH	**-10.5**
MEXICO	-3.6
PANAMA	—
DOMINICAN REPUBLIC	-6.0
EL SALVADOR	—
HONDURAS	-1.0
GUATEMALA	0.4
COSTA RICA	—
NICARAGUA	-0.3
LATAM SOUTH	**-14.3**
COLOMBIA	-5.0
ARGENTINA	-3.9
CHILE	-0.2
PERU	0.8
URUGUAY	-1.9
PARAGUAY	-4.0
ECUADOR	—

COUNTRY	2020
NORTH AMERICA	**-23.9**
UNITED STATES	-23.7
PUERTO RICO	-0.2
EURASIA	**-6.8**
TURKEY	-3.4
MALTA	-1.1
GERMANY	-0.2
ITALY	—
PHILIPPINES	—
INDONESIA	-2.0
CHINA	—
TOTAL INSURANCE	**-350.6**
ASISTENCIA	**-10.8**
MAPFRE RE	**-6.6**
HOLDING, ELIMINATIONS AND OTHER	69.6
MAPFRE VENEZUELA	—
MAPFRE S.A.	**-298.4**

Figures in million euros

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Corporation taxes paid
(Effective rate)

Geographic area	2020
IBERIA	23.0%
LATAM North	25.3%
LATAM South	24.6%
Brazil	27.1%
North America	19.5%
Reinsurance	26.1%
Total for MAPFRE GROUP	**26.6%**

Sustainable finance and responsible investment

- Responsible investment funds in 2020:
  - Inclusión Responsable Fund, which invests in companies especially committed to hiring people with disabilities.
  - Capital Responsable Fund, which invests in companies with a strategy focused on following ESG criteria.
  - MAPFRE Good Governance Fund, which invests in companies with good corporate governance.
  - The MAPFRE Group participates in the solidarity fund of more than 38 million euros, promoted through UNESPA, to provide free insurance for health care workers fighting the coronavirus.
  - The Mexican Association of Insurance Institutions (AMIS), of which MAPFRE is a member, has created the Health Sector Solidarity Support Coverage to provide protection for the families of one of the groups most at risk due to the pandemic.
- Contribution to the SDGs: in 2020 MAPFRE expanded the methodology for measuring the impact of portfolios on the Sustainable Development Goals to its balance sheet portfolios. Previously, in 2019, this methodology had been developed with the University of Siena and applied to one of its innovative funds. In 2020, the results of the same applied to balance sheets were presented, being the only insurer in the world to do so so far. Along the same lines, work has continued throughout the year to expand the methodology and integrate it with the rest of the tools used in investing with ESG criteria.
- Insurance financial education: in 2020, MAPFRE launched the MAPFRE Sustainable Finance Observatory, an initiative that aims to bring together and disseminate knowledge of sustainable finance, as well as transfer it from the academic world to society. This observatory, advised by a council of academics, constitutes an intersection between research institutes, companies and the general public. As such, its activities include conferences and seminars, both for research and dissemination, and publications with the same objective. Notable among these events is the holding of an annual forum to review the year, and in which the MAPFRE Inclusión Responsable award is presented, which is handed out in line with the MAPFRE Inclusión Responsable fund methodology and which has been described in previous reports. In 2020, five sessions were held in different universities, as well as the first edition of the forum, despite the difficulties presented by the pandemic.

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Environmental footprint

Environment-related certifications

- 12,351 employees under ISO 14001 environmental certificate.
- 7,405 employees under ISO 50001 energy management certificate.
- 21,922 employees under verification of the ISO 14064 carbon footprint.
- 11 international venues have sustainable construction certification.
- Management system in accordance with AENOR's ISO 20121 standard, which certified the 2020 Annual General Meeting as a sustainable event.

Carbon footprint

- Environmental commitments in this area and monitoring indicators. (See Section 2.2.2 and Chapter 5.)
- Monitoring details of the environmental and carbon footprint indicators. (See Note 10.)
- 300,621 policies with free environmental liability coverage.
- 81,589 policies issued with aspects of environmental coverage.
- Diversity of products and services with environmental coverage. (See note 11.)

Circular economy

- 1,694 out-of-commission vehicles were treated.
- 48,784 parts were recovered from out-of-commission vehicles.

Biodiversity and terrestrial ecosystems

- MAPFRE is part of different working groups, including the Biodiversity and SDG Working Group of the Spanish Green Growth Group.
- 4 hectares reforested in the Doñana National Park, one of them, last year 2020.

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5. COMMITTED TO THE ENVIRONMENT

CLIMATE CHANGE action strategy

Climate change is one of the great challenges of our time, and the term "climate emergency" is used to reflect both its magnitude and the need to act urgently on adaptation and mitigation measures. The scientific consensus places us at a decisive moment if we want to avoid irreversible changes in important ecosystems and the planet's climate system.

With the objective of being an active player in this necessary and urgent transformation toward a low carbon economy, MAPFRE defines its strategy to combat climate change through the following levers:

1. **Integration of the climate change variable within the business**, by incorporating the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) in financial planning, as well as including environmental, social and governance (ESG) aspects in the decision-making processes regarding investment, underwriting and defining low carbon products.

2. **Decreasing the group's environmental footprint** by rigorously and completely measuring it and establishing carbon neutrality objectives, among others.

3. **Promotion of the circular economy**, minimizing waste production from activity and positioning the company as an agent of change in the transition to this type of economy, by promoting products and services and supporting companies specialized in the sector.

4. **Biodiversity preservation**, raising awareness and supporting initiatives to protect the ecosystems that are most sensitive to the effects of climate change.

Integration of the climate change variable within the business

The company is currently working on adapting the financial planning to climate change, both from a risk and an opportunity approach and according to the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) set up by the Financial Stability Board (FSB). For this reason, MAPFRE, along with other global insurers and reinsurers, is part of the UNEP-FI Working Group. The main objective of this United Nations group is to analyze scenarios that allow metrics and financial models to be developed to adequately estimate the possible implications of climate change on business.

The activity of this Working Group began in mid-2018 and will conclude in the first quarter of 2021 with the publication of its results, which will be adapted and incorporated into the Group's internal processes.

In addition, MAPFRE has been part of the Carbon Footprinting Working Group, promoted by the CRO Forum, which in May 2020 published the Methodology for calculating the carbon footprint of risks underwritten by insurance and reinsurance companies that can serve as an industry standard.

MAPFRE demonstrates its commitment through the creation and promotion of products and services with environmental content. For more information, please see Note 11 of this report.

Underwriting large risks

For underwriting global risks, MAPFRE has developed an internal ESG evaluation model that is based on specialized tools, evaluating and quantifying the environmental, social and governance impact of the activity carried out by a Business Group in the countries where it operates. The model assigns a reputational risk level to the Business Group, which is linked to the level of authorization required to underwrite the operation. The approval of the Management Committee of the Major Risks Unit may be required and, where appropriate, the additional authorization of the CEO. If the operation is authorized, a risk mitigation plan may be required.

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Public commitment regarding coal

Since 2019, MAPFRE has undertaken a public commitment regarding coal (2019–2021) to not insure the construction of new power generation plants using coal or the development of new coal mines. Case-by-case exceptions may be made and assessed taking into account the company's internal environmental, social and governance analysis systems. In addition, criteria such as the state of development of the country in line with the UN classification, the country's dependence on coal and the consideration of renewable or low coal-content alternatives will be included in the evaluation.

During this fiscal year, MAPFRE has not approved any exceptions to the commitment made in terms of coal.

In addition, MAPFRE is progressing its activity toward the transition to a low carbon economy, accompanying our companies and clients in their decarbonization processes.

Therefore, MAPFRE has approved the following commitments, which will apply from 2021:

- Infrastructure

As of 2021, MAPFRE will not ensure the construction of new infrastructures that exclusively serve the construction and / or operation of a thermal coal mine or coal thermal power plants.

- Oil and Gas

TAR SANDS (Tar sands, also known as tar sands, oil sands, oil sands or oil sands)

MAPFRE will not underwrite any new project related to the extraction or transportation of tar sands.

MAPFRE undertakes that by 2030, its portfolio will not have any insurance projects related to the extraction or transportation of tar sands.

- Projects in the Arctic (offshore /onshore)

MAPFRE will not insure new offshore / onshore projects to be developed in the Arctic for the extraction of gas or oil and their transportation.

- Coal

Not insuring companies in which 30% of their income comes from energy produced from thermal coal

Not insuring companies with energy expansion plans of more than 2 GigaWatts (GW) based on thermal coal

Failure to insure new mining companies that obtain 30% or more of their income from the extraction and / or annual production of thermal coal greater than 20 million tons.

In the case of reinsurance, these commitments would apply only to the facultative business.

- Decarbonization of our insurance portfolio

In 2030, MAPFRE will no longer have insurance programs in its portfolio related to coal-fired electricity generation plants or the exploitation of thermal coal mines in Europe, from companies that have not implemented commitments with the energy transition and decarbonization. As of 2040, this commitment will also be applied in the rest of the world, in the countries in which MAPFRE operates.

These commitments have been fully transferred to the Subscription Policy for the specific acceptances of these risks, applying to the entire Group as of 2021.

Natural disasters

Taking action during natural disasters requires an appropriate forecast of these events and a correct assessment of the losses they can cause, both of which are essential to manage an insurance company. The economic impact that the company will have to absorb as well as the response that it will be able to give its clients depend on this, and management of this action is inherent in its operations.

The Reinsurance Unit is entrusted with various tasks related to exposure control and catastrophic risk management of the Group, as well as providing adequate reinsurance coverage to each of the companies individually and the Group as a whole.

MAPFRE's framework of catastrophic risk management includes several functions:

- Accumulation control: addressing all catastrophic exposures that the companies face and that may be affected by a natural disaster.
- Modeling of catastrophic risks: knowing all the information about exposures, estimating probabilistic loss scenarios to calculate the possible financial impact of natural disasters.
- Design of reinsurance protections: appropriate to cover the risks that MAPFRE does not wish to retain and to ensure that catastrophic events do not compromise the Group's solvency or liquidity.

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- To monitor and manage credit risk: that the Group is exposed to through reinsurance placements, as well as the liquidity risk that it could be exposed to.

- Contingency plans: in the event of a catastrophic event, MAPFRE's ability to continue serving its clients becomes critical. This is why business continuity plans are developed, implemented, tested and updated to ensure, in addition to the personal safety of the teams and collaborators, MAPFRE's ability to recover effectively and efficiently from these serious contingencies, thus meeting its obligations to its clients and other stakeholders.

To carry out these actions, MAPFRE has specific capabilities that allow a consistent and adequate response to requirements at any time and anywhere. The activation of the plans makes it possible for each company to resume its operations in a period of time that does not compromise its continuity and that allows the services required by its clients to be provided, making these operations resilient.

To learn about the economic impact caused by natural catastrophes, please refer to Section 3.2.3 of this report and the 2020 Consolidated Management Report.

Investment

We extend the philosophy of socially responsible investment to the Group's entire balance sheet.

In 2019, we made a commitment not to invest in electricity companies that earn over 30 percent of their revenue from coal-produced energy. In line with this commitment, we do not invest in companies with plans for energy expansion of more than 3 gigawatts (GW) based on coal. We are also not investing in mining companies that obtain 30 percent or more of their revenue from the mining or production of more than 20 million tons of thermal coal per year.

In addition, MAPFRE is advancing the development of its strategic alliance with Abante by launching the MAPFRE Infraestructuras FCR fund from Macquarie Infrastructure and Real Assets (MIRA). Both MAPFRE and Abante will work together with MIRA to select the most appropriate investments within the universe of strategies currently held by the Australian management company, ranging from renewable energy and transport to communications, public services and waste management

Decreasing the group's environmental footprint

Contributing to decreasing greenhouse gas (GHG) emissions generated by the organization in its business is a key element of its actions concerning environmental responsibility.
In 2020 MAPFRE successfully completed its Strategic Plan for Energy Efficiency and Climate Change 2014–2020[9], which established a commitment to reduce the Group's tons of CO2e by 20 percent from the 2013 baseline (9,924 MtCO2eq; 14,710,519 kWh; scopes 1+2+3).

The lines of action taken during these last six years have meant that, as at the close of 2019, the Group's CO2eq tonnage (27,803 MtCO2e) has been reduced by 56 percent since the baseline was established in 2013[10].

Following the implementation of this Plan, MAPFRE is now working on the new **Corporate Environmental Footprint Plan**, which will include the following main aspects:

1.- Energy efficiency and sustainable buildings

2.- Carbon footprint

3.- Sustainable mobility

4.- Water management

5.- Circular economy

6.- Green purchasing

7.- Natural capital management and biodiversity

The short-term action strategy will comply with the environmental lines established in the **Sustainability Plan 2019–2021, such as the objective of neutral GHG emissions generated by MAPFRE in Spain and Portugal in 2021**. It will serve to prepare the Group for the target of carbon neutrality by 2030.

In addition, MAPFRE has an Environmental Policy in place that was approved by the Board of Directors of MAPFRE S.A. and updated on December 13, 2018, which is implemented in all Group companies. It also has an integrated management model in place, which is called SIGMAYEc3 and which identifies risks and helps define specific action plans to prevent and minimize the company's impact on the environment, thus complying with the precautionary principle.

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[9] 2013 Baseline Scope: countries included: Spain, Argentina, Brazil, Chile, Colombia, USA, Mexico, Puerto Rico and Turkey. Categories included: Scope 1 (natural gas, building diesel, fuel for company vehicles); Scope 2 (electricity); Scope 3 (paper consumption, emissions avoided thanks to recycling paper and company travel).
[10] The percentage of reduction in 2020 is not taken into consideration due to the impact of COVID-19 on the data.

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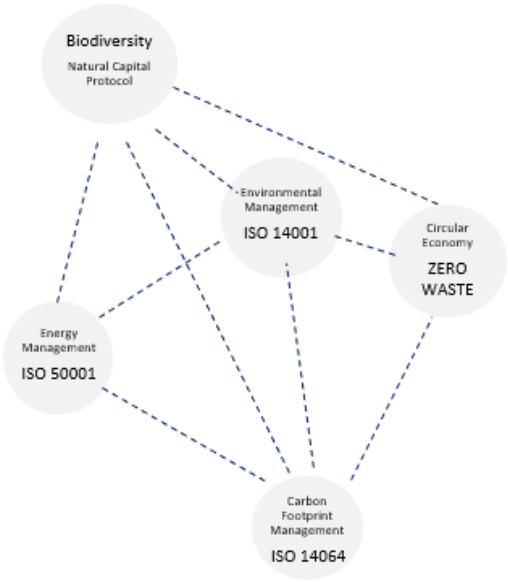
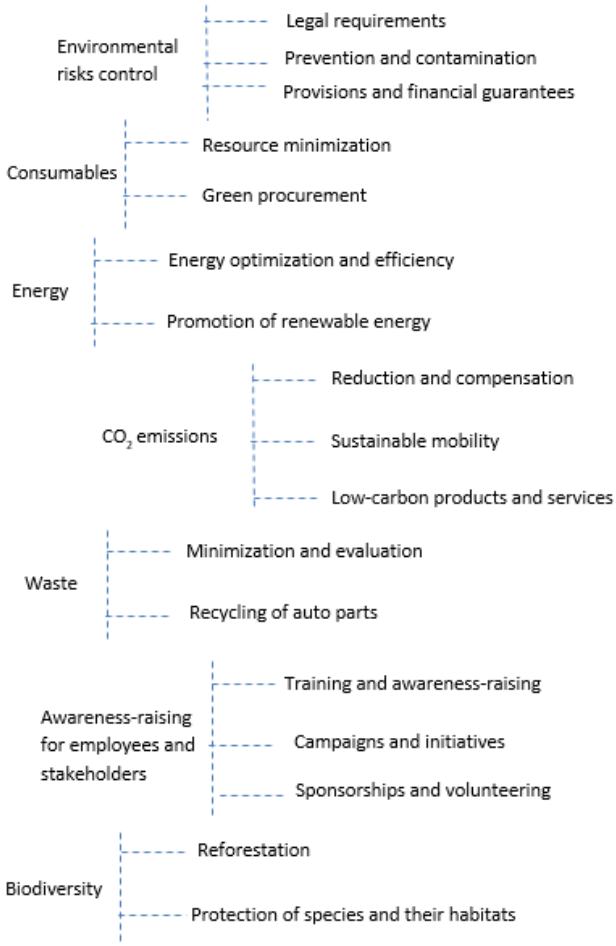
Environmental Strategic Model

SIGMAYEc[3]



Principal Management areas



The solidity of the management system and its evolution in these years are a guarantee of success, since its transversal design allows the environmental management of corporate processes in a coordinated and transparent way, ensuring the evolution in the process of continuous improvement and with scope to all the activities carried out by the Group in the countries where it operates. All actions in this area are verified annually by accredited third parties, following the main reference standards.

The following graphic shows the degree of progress of system implementation

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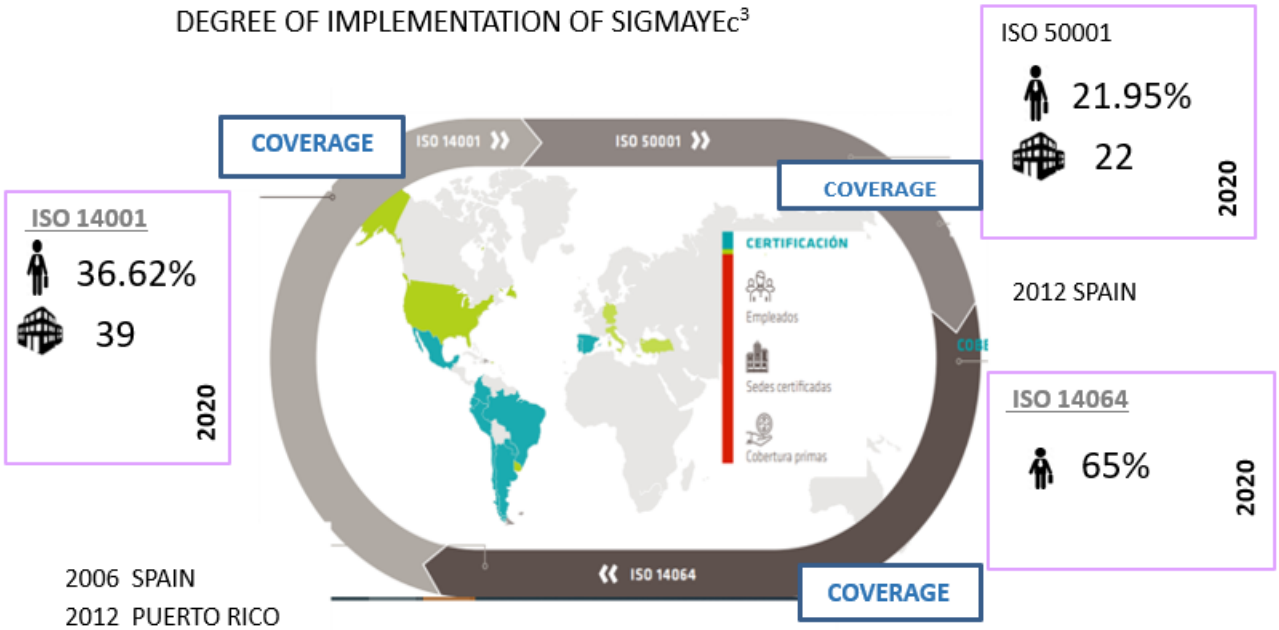
DEGREE OF IMPLEMENTATION OF SIGMAYEc³



2006 SPAIN
2012 PUERTO RICO
COLOMBIA
2014 BRAZIL
MEXICO
2015 PARAGUAY
PORTUGAL
2016 ARGENTINA
CHILE
2019 TURKEY
2020 PERU

2015 SPAIN
2016 PUERTO RICO
COLOMBIA
2017 PORTUGAL
2018 ITALY
PERU*
2019 MEXICO
2020 BRAZIL
TURKEY

*Peru did not form part of the scope of ISO 14064 in 2020.

SIGMAYEc³ OBJECTIVES 2021

	2021 Horizon
Employees working in ISO 14001 certified headquarters	15,178 employees (45%)
Energy consumption ISO 50001	9,525 employees (28.2%)
Employee verification Carbon footprint ISO 14064	26,823 (84.1%)
Reduction in waste management	2,560 (7.4%)

Environmental milestones 2020

Strategic Plan for Energy Efficiency and Climate Change:

Energy:

- Installation of photovoltaic panels at the Group's headquarters (Spain) that have generated in 2020: 393,244 kWh, which is equivalent to 5.53 percent percent of self-consumption at the Headquarters, which is added to the self-consumed energy at the Sant Cugat headquarters (Spain), Mexico and the Dominican Republic.
- Estimated savings of 30 percent in energy consumption, through the comprehensive reform of facilities with energy efficiency criteria in two headquarters buildings in Spain.
- Campaigns to adapt the comfort temperature of air conditioning in buildings, for greater energy efficiency: Warm Biz campaign in Spain (to save energy consumption for air conditioning in winter) and Cool Biz campaign in Mexico and Argentina (to save energy air conditioning energy consumption in summer)

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- Renewal of heating and hot water boilers for others with greater energy efficiency and more optimal performance, in five headquarters buildings in Spain.

- Expansion of the Energy Management System and definition of objectives to improve energy efficiency, in the facilities within the scope of the system, in Spain. For example, renovation of cold generating equipment at the Tenerife headquarters with a forecast of savings of 110,374 kWh/year, which represents a saving of 75 percent in air conditioning consumption.

Emissions:

- Purchase of renewable electricity with guarantees of origin in Portugal, which avoided the emission of 38.42 TmCO_2e which, together with the energy consumed in Spain, is equivalent to an 63 percent purchase of green energy globally.

- Change in air conditioning systems to low-carbon technological solutions: gradual elimination of diesel through migration to heat pumps and natural gas, which means an estimated 54.14 TmCO_2e avoided.

Sustainable mobility:

- In Mexico, throughout 2020, the fleet from service vehicles to insured vehicles has been changed to hybrid vehicles and 51 eco vehicles have been introduced, representing an annual saving of 80 TmCO_2e.

- The providers network in Spain features 25 hybrid tow-trucks and 34 workshop vehicles that are either 100 percent electric or LPG.

Sustainable construction:

- 11 international headquarters with sustainable construction certification.

- In 2020, 29 percent of the surface area of the main office buildings owned by MAPFRE are certified with sustainability seals.

Environmental Expansion Plan:

Water:

- Reuse and recycling of water (Mexico headquarters building), control of water use and consumption together with the definition of reduction objectives and implementation of technological advances to achieve a rational use of water consumption in the countries where the group operates (Chile, Colombia, Spain, United States, Mexico, Nicaragua, Peru, Portugal, Puerto Rico, Turkey), especially in those countries with water stress (Chile, Mexico, Spain, Turkey, Portugal and Italy).

- Awareness campaigns to achieve a more efficient and responsible use of sanitary water in offices and buildings by employees.

Training and awareness:

- Environmental training for 2,346 employees in 2020

- MAPFRE has participated in numerous work groups on diverse topics such as climate change, sustainable mobility, circular economy, biodiversity and SDG through the Spanish Green Growth Group, in GreenWeekend events held in Spain and in the working groups of CONAMA (National Congress Environment).

Resource Management and Optimization Plan:

Circular Economy:

- The consumption of 250 tons of paper has been avoided thanks to using biometric electronic signatures in 2020, avoiding the emission of 218.69 TmCO_2eq in Spain and Portugal.

- Reuse of 41 percent of the total managed IT equipment waste, which has avoided 42.19 TmCO_2eq.

- Donation of 13,485kg of computer equipment

- Management of 3,015 tons of waste globally, of which 2,525 tons have undergone recovery processes: recovery, recycling or energy production, representing 83.7 percent of the total.

- Treatment of 34,596 out-of-commission vehicles, from which a total of 132,589 parts were recovered for reuse.

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For more detailed information on the environmental performance indicators, please see Note 10 of this report.

Promotion of the circular economy

MAPFRE understands the transition to a circular economy as a transversal commitment. Therefore, we have integrated this management model into the development of our activity, emphasizing the use of sustainable materials, promoting the responsible consumption of resources through optimal management of the waste we produce, promoting the transparency of processes, raising knowledge and awareness among citizens and carrying out projects aimed at promoting the importance of moving toward a circular economy system.

MAPFRE was the first insurer to sign the Pact for a Circular Economy. This commitment comes at the behest of the Ministry of Ecological Transition and Demographic Challenge (MITECO) in Spain and aims to involve the main economic and social agents across the country in the evolution toward a new economic model.

MAPFRE and the Spanish Chamber of Commerce have signed a collaboration agreement to provide SMEs with advice, training, technological support and information, with the aim of improving the competitiveness and sustainability of the business sector in Spain.

Thanks to this collaboration through the **Competitiveness and Sustainability Project for SMEs**, services that provide added value will be offered to assist with the calculation and reduction of a company's carbon footprint. They will also be shown how to improve energy efficiency and boost their participation in the circular economy, as well as achieving the accreditation seal from the Ministry of Ecological Transition that will qualify SMEs as companies committed to the environment.

In order to produce a diagnosis that allows us to continue advancing toward a circular economy model, MAPFRE, together with the study service of the Spanish Chamber of Commerce and the Sustainability Observatory, is conducting an analysis of the degree implementation of the circular economy among independent business owners and SMEs that make up the main economic group of Spain's business community, where the aim is to propose the analysis of causal patterns that help companies to advance in developing a more circular business model.

Regarding waste management, MAPFRE continues to implement actions to reduce the generation of same, promoting reuse, extending the useful life, segregating the different waste elements at source, recycling to increase value and waste transformation into new resources, thereby reducing landfill deposits and tangentially optimizing logistics and vehicle loading, gradually approaching the zero waste management model.

In this regard, the MAPFRE Group companies have their own Waste Reduction Plans, with the following highlights:

- **Plastics-free MAPFRE project**, eliminating single-use plastic and reducing or eliminating packaging, such as the design of the Welcome Pack without plastic in Spain, the replacement of plastic with biodegradable materials in Puerto Rico and the replacement of hygienic plastic bags in Germany.

- **ECORAEE project**, where we highlight countries like Spain, Mexico and Brazil that prioritize donating computer equipment that are no longer used professionally by MAPFRE to non-profit organizations, the preparation for reuse and encouraging and promoting recycling.

- **Reuse and recycling programs**: Highlights include cellphone, eyeglasses and battery collection campaigns for reuse in countries such as Puerto Rico and Spain, MAPFRE USA's recycling program, the MAPFRE Recicla Plan in Brazil, the separation and reuse plan in Costa Rica, as well as projects related to the environmental management of the printing of documents that are being carried out by all countries, especially emphasizing the implementation of electronic signatures in the insurance business.

- **Employee awareness programs**, through campaigns, competitions, courses, communication for the transition to digital processes and so on. Initiatives such as "Bottles of Love" stand out in MAPFRE Colombia for the recovery of plastic containers; the activity called "Your art, Our planet" in MAPFRE Honduras, to raise awareness of the importance of caring for the environment without leaving home; the recycling of plastic badges and buttons in MAPFRE Peru, which features a social aspect too, in that the funds collected go to purchasing special bandages used to combat the wounds and/or blisters suffered by the Niños de Cristal.

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- **Zero Waste Plan in Spain:** Zero Waste is a management model that guarantees the recovery of the waste generated, thus avoiding sending it to landfill. Among the actions are:
    - The inclusion of circular economy criteria in tender documents for bid processes related to logistics providers and and waste handlers
    - The adaptation of the management of solid urban waste at MAPFRE's headquarter's, in order to achieve Zero Waste Certification in 2021.

CESVIMAP: success story in circular economy

CESVIMAP, MAPFRE's automobile and mobility research, experimentation and training center, is one of the best examples of the circular economy in action in the Group.

Together with vehicle manufacturers, CESVIMAP contributes to more respectful designs, proposing recycled and recyclable materials and components that make vehicles more efficient. It also advocates for lighter vehicles, with the aim of reducing CO2 emissions into the atmosphere.

A second stage in the life of the vehicle is its maintenance in the repair shop, and here CESVIMAP proposes designing sustainable vehicle repair methodologies that create added value. As such, work processes need to minimize environmental impact: containers, fluids, sanding dust, filters, paint, etc. have to be stored and treated properly. CESVIMAP also proposes the repair of plastic and metallic materials (ferrous and non-ferrous) etc. in order to reduce the manufacture of new parts, transportation and disposal of same.

When the vehicle reaches the end of its useful life, CesviRecambios, CESVIMAP's authorized treatment center, gives thousands of parts from written off vehicle a second life. Undamaged parts can be used in the repair of another vehicle: whole engines, starters, gearboxes, alternators, doors, hoods, gates, radiators, electric fans, headlights, lights, seats, bumpers extend their usefulness in the life cycle. Dangerous components such as batteries and catalysts and all vehicle fluids are also properly decontaminated and all reusable materials in the car are recovered.

Adequate waste management of PPE for COVID-19

The health crisis has led to a change in waste management due to the increase in this non-recyclable waste, which is ultimately managed by burial in a landfill or incineration.

In order to recover the usual waste management in accordance with the Plan for the transition to a new normal, MAPFRE in Spain is carrying out a procedure for the correct waste management of PPE, both in offices and in our healthcare assistance centers. This does not hinder the segregation of waste at source and its subsequent recycling.

Biodiversity preservation and natural capital

Although MAPFRE work centers are not located in protected or cataloged spaces of high diversity, the development of the company's activity depends directly on and directly impacts natural capital, which includes both biodiversity and the services provided by ecosystems, as well as natural resources (water, energy, fuels, etc.)

MAPFRE's commitment to the preservation of biological diversity is included within the scope of the Group Environment Plan, and in 2015, MAPFRE joined the Biodiversity Pact of the Spanish Business and Biodiversity Initiative, under the slogan "Without biodiversity, there is no economic diversity." MAPFRE believes that biological diversity is of common interest to humanity, given its importance for life on the planet, social well-being and economic development.

Over the course of 2020, within the scope of the in-force Energy Efficiency and Climate Change Plan, the following actions were carried out:

- Reforestation of one hectare of land in the Doñana National Park in Spain, through the initiative 100 Empresas por los Bosques (100 Companies for the Forest), bringing the total number of hectares of forest in this nature reserve that MAPFRE has recovered to four.
- We have helped to protect the elephant species through the Preservation of Species and its Habitat initiative in collaboration with the NGO WWF Spain, which promotes the protection of a species in danger of extinction, as well as carrying out conservation/restoration tasks of the habitats of the selected species.

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- We support the bird park and petting zoo in Teltow (Germany), which was seriously threatened with insolvency due to the closure caused by the pandemic. With the collaboration of MAPFRE, the supply of food for the animals and the continuous employment of the care staff will be ensured.

- We collaborate with the non-profit organization Para La Naturaleza with the purpose of promoting biodiversity conservation in Puerto Rico.

In addition, this year is notable for the "Seeds for Change" initiative: This campaign, launched on social media, is part of #PlayingOurPart, aimed at getting people to take action, with the common goal of protecting the planet and building a present and a future for everyone. For each digital seed, in the form of advice that is shared, seeds are donated to a physical reforestation, and the result is that 3,658 trees of the Pinus pinea and Juniperus oxycedrus species were planted in lands of great ecological value located in the town of Caleruega (in the province of Burgos).

MAPFRE is making progress in terms of biodiversity, for which reason it is participating in the Natural Capital Working Group created by the Spanish Group for Green Growth and the Biodiversity Foundation, using the Natural Capital Protocol as a guide.

MAPFRE has also participated in the "Countmitment: Natural Capital to improve information and environmental performance" project, which aims to test the economic and technical feasibility of a tool that will allow companies to apply the Natural Capital Protocol and obtain a qualitative and/or monetary value from their impacts and dependencies of Natural Capital.

6. ADDITIONAL INFORMATION

6.1. Bases of preparation and presentation of the report

About this report

Integrated Report

This Report has been prepared in accordance with the Comprehensive option of the GRI Standards, the GRI financial sector endorsement (whose content index is attached as an Annex to this Report) and the recommendations of the information framework published by the International Council of the Integrated Report (IIRC).

Furthermore, the Report meets the reporting requirements established by Directive 2014/95/EU as regards the disclosure of non-financial and diversity information, as well as its respective transpositions in Spain (Law 11/2018 of December 28) and Italy (Legislative Decree No. 254/16 NFI). It also includes the information required from the Consolidated Non-Financial Information Statement, which forms part of the Consolidated Management Report of MAPFRE S.A.

The Consolidated Annual Accounts and Management Report have been taken into consideration, which is public information and may be consulted in full on MAPFRE's corporate website.

The Report offers a complete overview of MAPFRE, its deployment, business model, the challenges and risks faced, and its performance regarding social, environmental, economic and governance aspects. It constitutes a first approximation to the creation of financial and social value that has allowed progress to continue and to establish a better relationship between the business model and the effect on the resources referred to.

This report was analyzed by the company's Audit and Compliance Committee and drafted and ratified by the MAPFRE S.A. Board of Directors, at its meeting held on February 10, 2021.

Scope of information

The Integrated Report covers MAPFRE S.A. and its subsidiaries and investee companies, and has taken into consideration the scope of information established in the reports used as the basis for its preparation.

The Alternative Performance Measures (APMs) used in the Report, which refer to financial measures not defined or specified in the applicable financial reporting framework, can be found on our website at the following address:

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MAPFRE S.A.
https://www.mapfre.com/en/financial-information/

Some of the figures included in this Report have been rounded. Therefore, discrepancies may occur in the tables between the totals and the amounts listed due to this rounding.

Materiality, relevance and inclusiveness.

This Integrated Report includes all information pertinent to MAPFRE and its stakeholders. In 2020, and due to the pandemic, the materiality study of the previous year was reviewed, taking as a basis different international benchmark reports that analyze the impact of the pandemic on global challenges, as well as the company's internal analyzes. (See Section 6.2. of this report.)

The relevant topics in the environmental, social and governance field are described in the material issues and information contained in this Integrated Report.

Furthermore, disclosures on certain issues are not included in this Report. They can be found in their entirety in:

- In section 6.3 "Notes on additional information" of this same Report.
- Consolidated Annual Accounts, Consolidated Management Report; (published on the corporate website at www.mapfre.com).
- Annual Report of Fundación MAPFRE. (Published on the website www.fundacionmapfre.org).
- Annual Corporate Governance Report (published on the corporate website at www.mapfre.com).
- Annual Report on Remuneration of Board Directors of listed companies (published on the corporate website at www.mapfre.com).
- MAPFRE People and Organization 2020 report. www.mapfre.com.

Responsiveness

In addition to providing information that is of relevance to MAPFRE's stakeholders, the Report responds to the observations conveyed to the organization by these stakeholders throughout the course of the year. However, anyone interested in consulting or completing the information provided in this Report can contact MAPFRE by means of the following:

- The Group Sustainability Office: responsabilidadsocial@mapfre.com
- The Corporate External Relations and Communication Area: comunicacion@mapfre.com
- Environment Management: medioambiente@mapfre.com
- Investor Relations: relacionesconinversores@mapfre.com
- MAPFRE's corporate website: www.mapfre.com

External verification:

The qualitative and quantitative data of the indicators respond to the new GRI standards and have been verified externally by the firm KPMG Asesores S.L., including the data submitted for the activities of MAPFRE ASISTENCIA, MAPFRE GLOBAL RISKS, MAPFRE RE and MAPFRE Seguros carried out in Germany, Brazil, Colombia, Spain, USA, Italy, Mexico, Peru and Turkey that together represent 99.37 percent of the Group's business volume.

In addition, a limited review of the data provided by the rest of the MAPFRE companies has been carried out.

Balance

The Report reflects positive aspects of the organization's performance, and when results fall short of initial expectations this under-performance is noted in the corresponding headings.

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6.2. Materiality

This year's materiality process has been conditioned by the circumstances we are experiencing due to the pandemic. In recent months, we have seen how experts have analyzed the impact of COVID-19 in relation to the most significant global challenges. For this reason, in order to carry out the review of the MAPFRE 2020 materiality study, we considered postponing the consultation with stakeholders as has been done annually and taking as a reference some of the global reports published to date. The main reason for postponing the consultation is due to the difficulty of organizing it in the 13 countries that are part of the scope, ensuring a sufficient level of participation in the study.
In 2021, should circumstances permit, MAPFRE will submit the topics analyzed this year for consultation with its stakeholders, as well as any others that may be relevant in the course of the coming year.

The 2020 materiality process was developed in the following phases:

Phase 1. Analysis and identification of relevant issues according to the following reference sources:

- External sources: 'WEF GOVID-19 Risks Outlook, A Preliminary Mapping and it's Implications"; "Comprehensive United Nations Response to COVID-19, Relevant Issues for COVID-19 Reconstruction"; "KPMG: A New Reality in Insurance? Macro Trends global in the insurance industry".
- Internal sources of the company: "Seven opportunities for innovation at MAPFRE"; "Analysis of the economic and financial environment and market trends that may impact the Group's strategy" presented at the Strategy workshops in June 2020.

The different topics identified have been grouped under the following headings:

- Health concerns (management and public-private cooperation)
- Economic recession/crisis
- Inequality (countries and citizens)
- Employment in the new reality (protection, telework, etc.)
- Digitization
- Privacy and cybersecurity
- Climate change
- Confidence crisis in institutions (reduction of freedoms due to the pandemic)

Phase 2. Review of the material, relevant, impact and non-material topics of the MAPFRE 2019 materiality study and the reference topics identified in the previous phase. The topics of the previous phase have been validated, with the 18 key topics for the 2019 study, taking into account the relevance they represent for the aforementioned studies, as well as the influence they may have for MAPFRE..

The materiality matrix for MAPFRE 2020 is shown below:

CORPORATE MATERIALITY MATRIX

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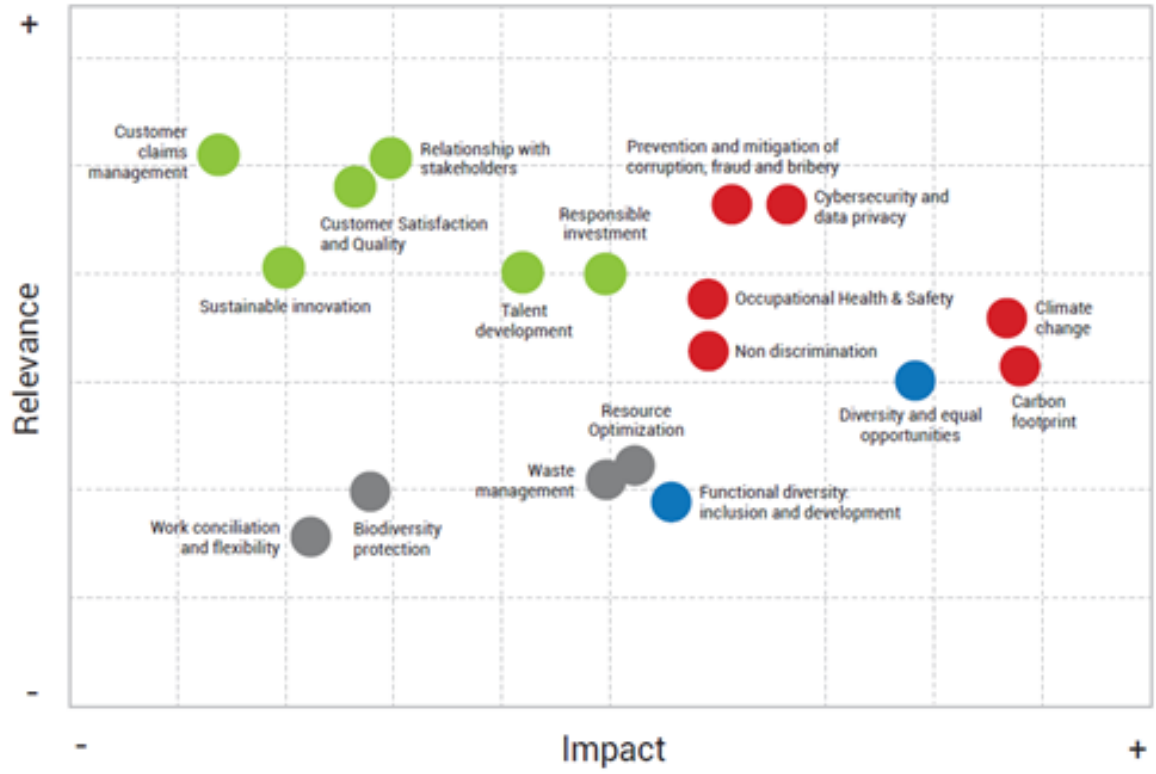

Categories

Material · Impact · Relevance · No material

Material Issues	
Relevance Ranking	**Impact Ranking**
Prevention and mitigation of corruption, fraud and bribery	Carbon footprint
Cybersecurity and data privacy	Climate change
Occupational health and safety	Cybersecurity and data privacy
Climate change	Prevention and mitigation of corruption, fraud and bribery
Non-discrimination	Non-discrimination
Carbon footprint	Occupational health and safety

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Material Issue	Location in report	Connection with Group strategy (Section 2.2.1)
Prevention and mitigation of corruption, fraud and bribery	2.4.2 Ethical behavior: main compliance and prevention measures Note 2 – Global Compact Principles and MAPFRE's compliance and prevention measures in relation to Human Rights	Strategic pillar: Excellence in technical and operational management Strategic objectives: E.1 and E.2
Cybersecurity and data privacy	3.3 Risk management Note 4 - Cybersecurity, security and data protection	Strategic pillar: Excellence in technical and operational management Strategic objectives: E.1
Occupational health and safety	4.4 Developing employees - Employee experience Note 9 - Workplace accidents: method of calculation	Strategic pillar: Culture and Talent
Non-discrimination	2.4.2. Ethical behavior: main compliance and prevention measures 4.4 Developing employees - Diversity and inclusion	Strategic pillar: Culture and Talent Strategic objectives: H1 and H2
Climate change	5. Committed to the environment Note 10 - Environmental indicators Note 11 - Environmental products and services	Strategic pillar: Culture and Talent Strategic objectives: H3
Carbon footprint	5. Committed to the environment Note 10 - Environmental indicators Note 11 - Environmental products and services	Strategic pillar: Culture and Talent Strategic objectives: H3

Significant changes from the 2020 matrix

It should be noted that the issues that MAPFRE identified as material in 2019 remain as such, although their scoring has risen in both relevance and impact. This shows the consistency of the internal model for analysis and identification of issues related to sustainability.

The most significant change refers to the consideration of issues related to labor flexibility as being of impact, seeing as how in 2019 it was listed as non-material. One of the effects of this pandemic has been the acceleration in the implementation of measures such as remote working to guarantee both business continuity and occupational health and safety.

To ensure the return to "normality", the company is applying different measures that safeguard the health and safety of employees, among them, flexible work measures such as the rotation of teams in remote work and the approval, in addition, of right to digital disconnection policy.

Topics under observation:

- **Economic recession/crisis:** According to the World Bank, the health crisis generated by COVID-19 has caused the deepest global recession in decades. Although the economic outlook for the next few years is still uncertain, a slow economic recovery is expected, conditional on the effectiveness of managing the health crisis. What has happened in 2020 will lead us in the coming years to a new normal that poses challenges in all aspects of sustainability (economic, social, environmental and governance), which societies will have to face and take steps to deal with. For these reasons, for MAPFRE, monitoring the behavior of the economy and its impact on our sector of operation is a key factor that affects our strategic priorities and the issues that we have defined as material but is not included as a specific factor in the matrix of materiality.

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- **Biodiversity / Natural Capital:** There are a million species in danger of extinction in the world and the rates of disappearance are accelerating at an unprecedented rate as a result of human activity. Different studies and organizations show the relationship between these processes and the spread of infectious diseases such as COVID-19. Mechanisms that lead to declining populations of wild species, such as loss of biodiversity, also facilitate greater transmission of viruses from animals to humans, with these diseases being referred to as zoonotic diseases. As a consequence, animals are sharing their viruses with us, and these actions, simultaneously, threaten the survival of the species and increase the risk of contagion. According to the World Economic Forum, an emerging risk has been identified in numerous years of progress being lost as a result of delayed or insufficient investment in infrastructure adaptation, withdrawal of previous commitments and weaker climate activism. This would give way to a vicious cycle of continuous environmental degradation, loss of biodiversity and new outbreaks of zoonotic infectious diseases.

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6.3. Notes on additional information

2.4. GOOD GOVERNANCE

Note 1 - Corporate policies that the company has published on its website:

- Dividend Policy
- Corporate Governance Policy
- Corporate Tax Policy
- Policy for managing conflicts of interest and operations linked to significant shareholders and senior representative and senior management posts
- Directors Selection Policy
- Policy for communicating with shareholders, institutional investors and proxy advisors and for communicating economic-financial, non-financial and corporate information
- Policy on Attendance Allowances
- Corporate Social Responsibility Policy
- Diversity and Equal Opportunities Policy
- Promotion, Selection and Mobility Policy
- Policy on Health, Well-Being and Occupational Risk Prevention
- Respect for People Policy
- Human Rights Policy
- Anti-Corruption Policy
- Security and Privacy Policy
- Environment Policy
- Business Continuity Policy
- Code of Best Tax Practices
- Criminal risk prevention model

The company also has a Sustainable Events standard.

Code of Ethics and Conduct

Updated in July 2019, the Code of Ethics and Conduct is inspired by the Group's Institutional, Business and Organizational Principles and reflects the corporate values and basic principles that should guide the actions of its people in everyday work and in their relationships with stakeholders. This code covers the following aspects:

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Principles of ethical, transparent and socially responsible behavior

> Compliance with current legislation
> Respect for and protection of human rights
> Social responsibility
> Respect for the environment
> Confidentiality of information and personal data protection
> Corporate brand, image and reputation
> Intellectual and industrial property

Code of conduct in relations with and among employees

> Respect for people
> Equal opportunities and non-discrimination
> Work-life balance
> Commitment and cooperation in the workplace, efficiency and professional development
> Health, well-being and risk prevention
> Resources and equipment for pursuing professional activities

Code of conduct in relations with third parties

> Client relations
> Shareholder information
> Relations with providers and collaborating companies
> Relations with competitors
> Relations with governments and authorities
> Relations with partners
> Gifts and hospitality
> Conflicts of interest
> Anti-Corruption, bribery
> Transparency of information
> Prevention of money laundering and financing terrorism

Compliance with the Code of Ethics and Conduct

> Ethics Committee (composition and competences)
> Query and whistleblower communication channels (operating framework)

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Note 2 - Global Compact Principles and MAPFRE's human rights prevention and enforcement (human rights) measures

In line with the United Nations Principles of Business and Human Rights, the following table shows the organization's commitment to the Ten Global Compact Principles and to human rights, as well as to the main prevention and mitigation measures, and the claim and repair mechanisms.

	Global Compact Principles	MAPFRE's public commitment to Human Rights	Prevention and Mitigation (due diligence)	Complaint and redress mechanisms
Human Rights	**Principle 1** "Companies must support and respect the protection of internationally proclaimed human rights under their sphere of influence."	· Institutional, Organizational and Business Principles · Code of Ethics and Conduct (express reference) · Corporate Social Responsibility Policy (Policy of action and commitment of the organization with Human Rights) · Social commitments 2019 - 2021, assumed at the General Shareholders' Meeting held in 2019: 45% of vacancies in positions of responsibility held by women; 3% of the workforce with people with disabilities Adherence to: · United Nations Global Compact · Principles for Responsible Investment (PRI) of the United Nations · Paris Pledge for Action · UNEPFI Principles for Sustainability in Insurance (PSI) Commitment to the United Nations 2030 Agenda and its development goals (SDG) · MAPFRE signs the adherence to the UN Women Principles and adheres to the United Nations Standards of Conduct for Companies on the matter LGBTI Diversity Charter	Systems for the prevention and evaluation of internal risks and those derived from our activity: · Impact self-assessment - Guide for the implementation of the United Nations Guiding Principles on Business and Human Rights, prepared by the Spanish Global Compact Network. MAPFRE Materiality Survey (Detects Internal risks and risks derived from the activity) · Environmental, social and governance (ESG) analysis report on underwriting and investments RepRisk report, to assess and monitor ESG risks of business conduct related, among others, to human rights Engagement survey · Performance evaluation · Development plans Internal and external reputation surveys · Healthy Company Model (occupational risk assessments: safety, hygiene and ergonomics, psychosocial risks, medical examinations, epidemiological studies, etc) Internal, control and compliance audits · Channel for Financial and Accounting Complaints accessible to employees. Channels for ethical complaints derived from non-compliance with the Code of Ethics and Conduct, available to employees and suppliers · Channels and specific means for the protection of rights and the management of customer complaints. · Internal systems and procedures established to detect situations of corruption, fraud prevention and money laundering prevention Environmental management system (SIGMAYE) · Homologation of suppliers with environmental, social and governance (ESG) criteria, which include aspects related to human rights, non-discrimination and compliance with environmental and labor regulations Permanent dialogue with interest groups and the legal representation of workers	· Corporate Ethics Committee. · Ethical complaints channel for employees/collaborators and providers · Whistleblower channels for employees · Complaints and grievance channels for clients · Harassment protocol for employees · Human Resources Departments · Employee legal representatives · Corporate Sustainability Committee
	Principle 2 "Businesses must ensure that their businesses are not complicit in human rights violations."			
Labor Standards	**Principle 3** "Businesses must uphold freedom of association and effectively recognize the right to collective bargaining."			
	Principle 4 "Businesses must uphold the elimination of all forms of forced and compulsory labor."			
	Principle 5 "Businesses must uphold the eradication of child labor"			
	Principle 6 "Businesses must uphold the elimination of discrimination with respect to employment and jobs."			
Environment	**Principle 7** "Businesses must maintain a precautionary approach that favors the environment"			
	Principle 8 "Businesses must encourage initiatives that promote greater environmental responsibility."			
	Principle 9 "Businesses must encourage the development and promotion of environmentally friendly technologies"			
Anti-corruption	**Principle 10** "Businesses must work against corruption in all its forms, including extortion and bribery."			

As set out in the Group's Human Rights Policy, MAPFRE's commitment in this regard is inspired by the following international declarations and standards:

- The United Nations Universal Declaration of Human Rights.

- The Ten Principles of the UN Global Compact.

- The United Nations Guiding Principles on Business and Human Rights.

- The OECD Guidelines for Multinational Enterprises.

- The UN Women's Empowerment Principles.

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- UN Standards of Conduct for Business: Tackling Discrimination against LGBTI people.

- The principles and rights set out in the main conventions of the International Labor Organization (ILO).

- The ILO Declaration on Fundamental Principles and Rights at Work.

- The Principles for Sustainable Insurance (PSI).

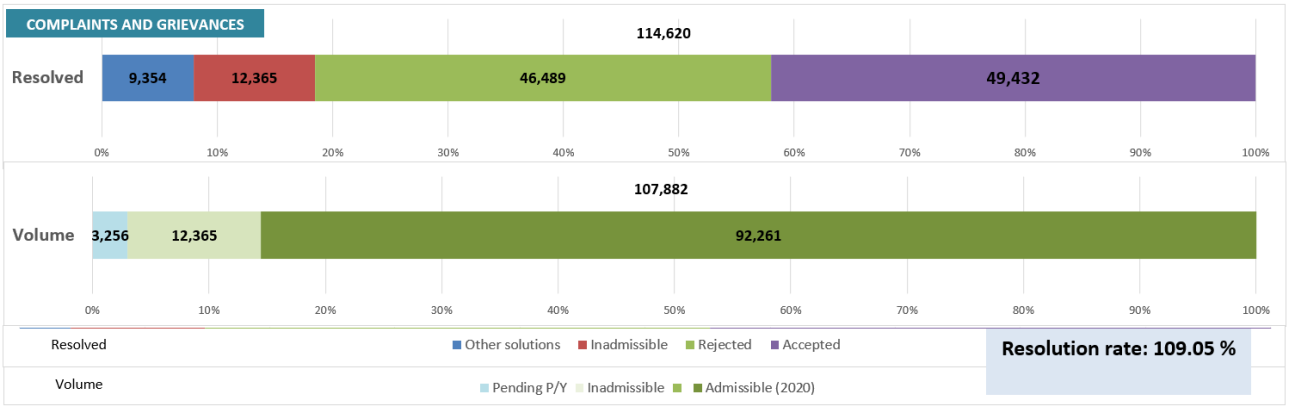
- United Nations Principles for Responsible Investment (PRI)

Note 3 - Grievances and complaints

Information related to grievances and complaints has been incorporated into the 360° client data internal reporting and operational model. There is a specific repository in place to store all details relating to grievances and complaints along with all other client interactions. The most relevant data includes: details of the request initiated by the client, the contact method, the primary reason behind the notification, the policy to which it refers (if applicable), the status of the grievance or complaint and the date it was raised.

In Spain, MAPFRE has an Insured Party Defense Counsel in place, a pioneering institution created in 1984, alongside a Complaints Division, which has been operational since 2003. The latter is the body in charge of processing and resolving grievances and complaints made by users against the Group companies that adhere to the Client Defense Regulations.

The main figures regarding grievances and complaints processed in the Group in 2020 are as follows.



The number of grievances and complaints resolved is greater than the volume received during the fiscal year because it includes those cases still pending from the previous years and older cases that were reopened.

3.3. RISK MANAGEMENT

Note 4 - Cybersecurity, security and data protection

Cybersecurity

In a context marked by companies' and individuals' critical dependence on information systems and communications and the issue of technological disruption, which impacts on a large part of the areas that comprise our Company, MAPFRE views cybersecurity as a key factor and a priority, and has identified that the following are in critical need of protection:

- Information relating to third parties (clients, employees and other stakeholders) that is provided by said third parties so that they may be provided with the contracted services when needed
- The information owned by MAPFRE that gives it a competitive advantage and/or brand value
- The technological systems and the information that support the company's business processes

To achieve this protection, MAPFRE articulates its action in the area of cybersecurity through a series of strategic lines, which are also aimed at helping to ensure resilient operations:

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Protection against cyber risks	• Evaluation and improvement of cyberattack prevention, detection and response mechanisms, including those that may occur in cloud computing environments. • Continuous development of mechanisms to protect information systems and communication networks. • Evaluation and improvement of disaster recovery mechanisms. • Third-party risk management.
Proactive Privacy	• Timely conformity with privacy regulations applicable in the different areas where we operate. • Centralization and concentration of capacities at the Corporate Office for Privacy and Data Protection (OCPPD).
Culture of Cybersecurity and Privacy	• Actions that raise knowledge and awareness. • Educational and training activities for employees and intermediaries. • Encourage achieving recognized certifications in terms of security, privacy and data protection.
Cybersecurity and Privacy from the Start	• Integrating cybersecurity and privacy in the life cycle of new company initiatives, ensuring protection by design and default, including analyzing the impact on privacy of new procedures and the corresponding implementation of controls and measures. • Evaluating cybersecurity and privacy in processes covering the procurement of technology solutions and the contracting of technology services.
Promoting collaboration, both through public-private partnerships and private-private partnerships	• Through participating in sectoral and institutional initiatives that contribute to greater and better knowledge and responsiveness against this type of risk. • Being part of collaborative associations and networks on cybersecurity matters, such as FIRST and CSIRT.es.

The lines of action include protecting information when gathered, transmitted, stored or processed, and these lines of action make it possible to exercise diligence when establishing preventive measures and detecting and responding to cyberattacks or business interruption incidents.

They also include mechanisms intended to provide early identification and to monitor and respond to essential external factors that may necessitate modification in the protection needs of various assets:

- Cyber threats, with increasingly lower barriers for hackers, the more frequent emergence of systemic vulnerabilities and/or "zero-day" and advanced attacks. In 2020, the context of mass remote working as a result of the near-global lockdown caused by COVID-19, has acted as a catalyst for cyber threats, making the threat particularly intense in this fiscal year.
- Regulatory or legislative changes, such as the Brazilian Data Protection Law or new security, privacy or data protection laws in the various countries in which MAPFRE operates, as well as the growing demand and requirements of large clients that MAPFRE services, related to protecting information in general and clients' personal data in particular.
- Business initiatives associated with the need for agility and the use of new technological trends involved in the transformation of companies.

In the event that a cyber risk materializes, the MAPFRE Group has specific insurance protection in this regard, aimed at reducing the possible economic impact that may occur.

Furthermore, MAPFRE makes use of its cybersecurity capacities to generate added value in business terms through efforts such as process digitalization, harnessing the capabilities of electronic signatures, the fight against fraud or defining and underwriting of cyber risk insurance products.

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In order to respond to the identified needs and meet the established objectives, MAPFRE has advanced capabilities that are aimed at increasing the company's digital resilience thanks to the Corporate Security Office. These capacities include:

- Highly specialized and accredited personnel (MAPFRE staff collectively hold a total of 186 personal certifications in cybersecurity and privacy, with more than 100 employees dedicated exclusively to these disciplines), responsible for identifying, defining, designing and, where appropriate, implementing and operating the various security controls and the technological tools intended to protect the company's digital assets, as well as incorporating requirements, controls and functionality in the cybersecurity area (including privacy) within the company's new initiatives.

- Specific monitoring, detection and protection technologies covering security incidents that have been integrated into the corporate technology platform.

- Tools, methodologies and specialists continually reviewing and evaluating the company's level of Cybersecurity, covering all assets and participants involved (Information Systems, people, etc.) and identifying deficiencies and lack of control in a timely manner.

- A General Control Center (CCG-CERT), integrated into the FIRST network and the CSIRT.es group, which receives alerts of global threats and attacks for 24/7 monitoring of both the information contained in the technology platform operated by MAPFRE and of the information it owns that is accessible via third-party systems, acting as a Global SOC and thereby enabling the early detection of any cyber incidents and providing a swift response to them. The CCG-CERT is certified in the ISO 9001, ISO 27001 and ISO 22301 standards.

- Incident and crisis situation response plans, which are subject to constant and systematic updating. In this regard, work was performed throughout 2020 to incorporate the lessons learned from both the COVID-19 crisis and the cyberattack crisis suffered by the companies located in Spain in August into the plans.

These capacities are articulated in a cybersecurity action model that is integrated within the corporate security model, based on risk management and the comprehensive protection of tangible and intangible assets, by establishing measures that include elements that interact with said assets (people, information systems, facilities and processes).

In the 2020 fiscal year, the mass implementation of remote working has led to the expansion of access routes to MAPFRE's computing resources, with the consequent need to enable technical and organizational measures that would allow remote working to be carried out in secure manner. Furthermore, cybersecurity awareness efforts have been intensified, due to the increased risk of being the victim of an attack as a result of the remote working situation and also the abundance of malicious links related to information about the pandemic. The level of awareness of different groups of employees has been tested by carrying out simulated attacks of different kinds.

Specifically, in relation to protecting the privacy of the data entrusted to it by clients and other stakeholders, MAPFRE has a Corporate Data Protection and Privacy Committee, a corporate Data Protection Officer and a specific area within the Corporate Security Office that is responsible for ensuring compliance with existing regulations regarding privacy and personal data protection. In this regard, throughout 2020 we have worked on:

- Automating and optimizing the processes associated with compliance with the European Data Protection Regulations.

- Adaptation of MAPFRE companies to the new regulations on the matter arising in the countries where it operates, such as Brazil or Panama, as well as to the successive pronouncements of the control authorities of the respective countries.

- Analyzing the many pronouncements issued by regulators (especially European regulators) as a result of the pandemic, with the aim of ensuring, from a design perspective, that all processes related to managing this crisis were adhered to at all times, along with any privacy and data protection regulations that were applicable.

- Consolidation of the Corporate Office for Privacy and Data Protection (OCPPD), whose mission is to be the point of reference for all activities relating to privacy and data protection in the MAPFRE Group, providing a single comprehensive view, encouraging uniformity in all processes and criteria relating to this matter, improving the efficiency of same.

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With regard to privacy, and in compliance with the provisions of the European Data Protection Regulations, two very minor incidents were reported in 2020 to the Supervisory Authorities of the countries in which it operates.

Furthermore, as a remarkable fact and also as evidence of the Group's resilience, it is worth noting the cyberattack suffered in Spain, whereby MAPFRE acted with both transparency, communicating the incident publicly within 24 hours, and with diligence, reacting immediately to the attack and executing the Business Continuity Plan, which allowed the attack to be contained and countered by isolating, protecting and recovering systems and quickly restoring service to clients.

Protection of people, privacy and resilience

MAPFRE focuses its security-related activities on protecting its employees and facilities, on safeguarding the information and privacy of its clients, employees and other stakeholders, and on the resilience of its operations and the services it provides.

- Employees are protected by providing a secure work environment by implementing and maintaining protection measures at its installation starting from the project phase; providing self-protection plans at work centers; designing and implementing specific measures for travel and relocation (particularly to risky regions), including training measures; and direct and specialized assistance when risk or crisis situations arise. During 2020, the global pandemic caused by COVID-19 has required strong collaboration between the various areas responsible for protecting individuals, with the objective of establishing and implementing the measures required to protect the health of employees and collaborators, from when they enter the facilities until they leave. As such, in order to help people who access its facilities feel safe, MAPFRE's anti-COVID-19 protocols have been certified by AENOR to be applied in the company's locations in Spain and Portugal.

- The commitment to privacy and data security related to clients, employees, providers and other stakeholders is implemented through aspects such as setting high standards of compliance with data privacy and protection regulations. To achieve this, various measures are applied to guarantee alignment with principles related to processing ("legality, loyalty and transparency," "limitation of purpose," "minimization of data," "accuracy," "integrity and confidentiality" and "proactive responsibility"), and so responding to the trust placed in MAPFRE by clients, employees, shareholders and other interest groups. Work continued throughout 2020 on the lines aimed at enhancing the automation and optimization of the processes related to GDPR compliance. Different lines of activity were also launched, harnessing, wherever possible, the existing synergies between GDPR, thus allowing MAPFRE to adapt to local regulations that have been emerging. These include the adaptation to the Brazilian Data Protection Act (LGPD), which finally came into force in September 2020, and the Panama Personal Data Protection Act, which is scheduled to enter into force in March 2021.

Finally, the situation created by the COVID-19 pandemic has resulted in multiple decisions by European regulators. These mainly pertain to the processing of health data, which has had to be analyzed and incorporated in order to ensure that the design of all processes related to managing this crisis complied at all times with the applicable data protection and privacy regulations.

- In terms of availability, business continuity solutions are designed and implemented to prevent disruption to the services provided to clients in the event of serious contingencies, thus contributing to the resiliency of business operations and services provided. Notably, in 2020, AENOR granted the ISO 22301 Certification to the Business Continuity Management Systems of MAPFRE CCG-CERT (the body responsible for monitoring and responding to incidents and which acts as a global SOC), of MAPFRE PORTUGAL and of BANKIA MAPFRE VIDA, adding to the certifications obtained in previous years by MAPFRE INVERSIÓN, GLOBAL RISKS, MAPFRE RE, MAPFRE VIDA and the MAPFRE ESPAÑA Benefits and Operations Areas.

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The capacities deployed with regard to business continuity have been tested in this fiscal year by two events with an extremely high impact (the global health crisis caused by COVID-19 and the cyberattack suffered by the company in Spain). In both cases, we managed to maintain or rapidly recover the services provided to our clients, demonstrating the MAPFRE Group's operational resilience.

MAPFRE also has procedures, tools and highly specialized personnel in place to ensure that the new initiatives and corporate information systems have built-in security criteria from the outset, designed to minimize risks, protect data privacy and increase incident detection and response capabilities.

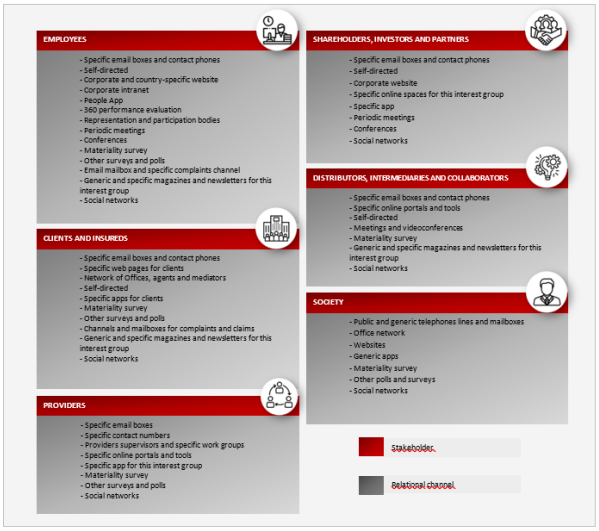
4. COMMITTED TO STAKEHOLDERS

Note 5 - Stakeholders

MAPFRE's strategy with the various stakeholders has already been addressed by the very definition of MAPFRE's mission and vision, the objective being to create long-term relationships of trust based on commitment and dialog and developed from integrity, responsibility and transparency, thereby contributing to the creation of a sustainable value model pursued by the group, and acting in accordance with the provisions of the MAPFRE Code of Ethics and Conduct and the MAPFRE Corporate Social Responsibility Policy.

Stakeholder groups

Main relational channels for stakeholders



Chapter 4 of this report is dedicated to highlighting the most relevant aspects of management with the stakeholders, employees, clients and insured parties, distributors, intermediaries and collaborators, providers and shareholders.

With respect to governments and authorities, MAPFRE conducts its business activities in full compliance with the current regulations of the countries in which it operates, acting in accordance with the Group's Code of Ethics and Conduct, as well as with the company's anti-corruption policy.

In 2019, MAPFRE formalized its registration in the European Union Transparency Register with the objective of promoting transparency and openness in interaction with European Community institutions, enabling it to participate in the decision-making and public-policy-making process and ultimately contribute to boosting trust in public institutions.

MAPFRE collaborates and participates in business and industry organizations, helping it to obtain a more comprehensive and global view of the environment in which the insurance industry operates, its impacts, risks and opportunities, and the key factors in an increasingly complex and interconnected economic and social reality.

The main business and industry associations, foundations, chambers of commerce, and other non-profit organizations through which the MAPFRE Group conducts its institutional activities are the following:

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Cámara de Comercio de España	SPAIN
Confederación Española de Organizaciones Empresariales (CEOE)	
Unión Española de Entidades Aseguradoras y Reaseguradoras (UNESPA)	
Fundación de Estudios de Economía Aplicada (FEDEA)	
Investigación Cooperativa entre Entidades Aseguradoras y Fondos de Pensiones (ICEA)	
Asociación de Instituciones de Inversión Colectiva y Fondos de Pensiones (INVERCO)	
Fundación Instituto para el Desarrollo e Integración de la Sanidad (IDIS)	
Asociación de Trabajadores Autónomos (ATA)	
Confederación Española de Asociaciones de Jóvenes Empresarios (CEAJE)	
Consejo Empresarial Alianza por Iberoamérica (CEAPI)	
Fundación Iberoamericana Empresarial (FIE)	
Cámara de Comercio Brasil-España	
Cámara de Comercio de EE.UU. en España	
Asociación Empresarial España-Asean (ASEMPEA)	
Cámara Comercio Hispano-Turca	
Federação Nacional de Capitalização (FENACAP)	BRAZIL
Federação Nacional de Previdência Privada e Vida (FENAPREVI)	
Federação Nacional das Empresas de Resseguros (FENABER)	
Federação Nacional de Seguros Gerais (FENSEG)	
Asociación Mexicana de Instituciones de Seguros (AMIS)	MEXICO
Massachusetts Insurance Federation Inc.	USA
Ohio Insurance Institute	
Insurance Association of Connecticut	
American Property Casualty Insurance Association	
Puerto Rico Association of Insurance Companies	PUERTO RICO
Puerto Rico's Chamber of Commerce	
Insurance Association of Turkey - TSB	TURKEY
Istanbul Ticaret Odasi (Cámara de Comercio de Estambul)	
Associazione Nazionale fra le Imprese Assicuratrici	ITALY
Gesamtverband der Deutschen Versicherungswirtschaft (Asociación Alemana de Seguros)	GERMANY
Industrie - und Handelskammertag (Cámara de Comercio e Industria)	

Additionally, MAPFRE is a partner of the following sector organizations at the European and global levels:

- Institute of International Finance
- CRO Forum
- Pan-European Insurance Forum
- The Geneva Association
- European Financial Services Roundtable
- International Insurance Society
- Global Reinsurance Forum
- The European CFO Forum

Spending on contributions to the aforementioned sectoral and institutional entities was approximately 3.09 million euros in 2020, the most notable of which include (based on contribution amounts): the European CFO Forum (122,000 euros), The Geneva Association (92,601 euros) Institute of International Finance (35,944 euros).

Total contributions made to the chambers of commerce in the various different countries amount to 259,886 euros.

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Note 6 - Social products and services

Products with high social content

These are products with basic coverage (Burial, Homeowners, Life etc.) that are adapted to very specific local necessities, with reduced premiums, which provide cover for personal risks of various collectives and also contribute to developing an insurance culture.

COUNTRY	LINE	TYPE OF PRODUCT OR SERVICE	% OF TOTAL PREMIUMS	% OF TOTAL LINE VOLUME	NO. OF BENEFICIARIES
IBERIA TERRITORIAL AREA					
Spain	Hospitalization and health	Health Choice: healthcare assistance insurance that guarantees primary care and basic diagnosis tests at approved centers. For any other medical assistance the insured party may require, discounted prices payable by private patients are offered at recommended clinics.	0.05	0.05	1,716.00
		Tú eliges: Out-of-hospital care insurance in an arranged medical group, with co-payment. With very competitive premiums, this product is aimed at young people who want to take out their first health insurance product at an affordable price.	0.01	0.01	372
	Other activities	Essential burial: SUD funeral product, based on a natural rate adapted to clients who want to keep their funeral insurance but are experiencing financial difficulties.	3.00	3.00	246,573
	Life-Savings	Sustainable mixed BK: Mixed Equity Pension Plan. Investing in World Equities with the following minimums and maximums: minimum of 50% of total and up to a maximum of 75% of total. The rest of the Pension Fund exposure may be in global fixed income assets, treasury, deposits or derivatives. The investment is made directly in these assets or by investing in derivative financial instruments whose underlying asset is any of those previously mentioned. Regarding equities, investments are made in shares of companies that belong to one of the main sustainability indices in the market, or that have a relevant valuation in ESG criteria by one of the main market providers. Fixed income investments will be in public debt of OECD countries or supranational entities, favoring investment in bonds with ESG criteria.	4.60	4.60	399
	Microinsurance linked to microcredit. BANKIA MAPFRE VIDA. This is a single-premium fixed term Life-Protection insurance that guarantees the cancellation of the linked microcredit, with the limit of the insured capital of the insurance according to the conditions contained in the policy. This microinsurance has a distinct social character, since its main objective is to protect the interests of entrepreneurs without sufficient resources.				
LATAM TERRITORIAL AREA					

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COUNTRY	LINE	TYPE OF PRODUCT OR SERVICE	% OF TOTAL PREMIUMS	% OF TOTAL LINE VOLUME	NO. OF BENEFICIARIES
Brazil	Microinsurance	Residential microinsurance: social inclusion insurance, given the low value of the premium and the coverage offered, which provides support to the insured in the event of an	0.43	100.00	248,958
	Life	Protected telephone account program: protection in vulnerable situations. Financial protection insurance with coverage for the payment of telephone bills in the event of unemployment, disability, etc. in a way that protects customers in vulnerable situations.	0.02	0.14	45,623
		Crediamigo de Microcredit Program: designed to promote economic growth and with coverage for death and funeral assistance, in addition to four monthly draws for the lottery with capitalization.	0.11	0.72	211,788
		Life protection and reward: microinsurance that combines the protection of the insured with monthly drawdowns. Marketed by MAPFRE in association with Casas Bahía.	0.59	3.89	727,026
		Agroamigo: product that promotes economic growth and is aimed at micro-entrepreneurs in the informal or formal sectors of the economy in rural areas.	0.02	0.11	45,820
		Proteção Financeira: credit protection products for people with low income, which guarantees the payment of debts when buying consumer goods.	0.54	3.56	687,579
		People microinsurance: insurance that protects clients who go to the Correspondent Banking Agency to make loans or make bill payments.	0.05	0.33	14,897
	Other activities	Educational insurance: protects basic and essential needs of the population. Insurance designed to protect the student while under the responsibility of the school and coverage intended for the financial responsibility of the student.	0.51	3.39	1,390,931
Colombia	Accident	Personal accident insurance with cancer coverage: protection for the insured who takes out the insurance, in the event of a first diagnosis of cancer or accidental death.	0.10	3.00	20,290
		Personal accidents with coverage for serious illnesses: protection for the insured in the event of the first diagnosis of serious illnesses such as Alzheimer's, Parkinson's, paralysis, chronic kidney failure, cancer, heart attack, among others. In addition, it covers organ transplantation due to accident or illness, 50% advance for in situ cancer diagnosis and accidental death.	0.10	3.00	8,695

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COUNTRY	LINE	TYPE OF PRODUCT OR SERVICE	% OF TOTAL PREMIUMS	% OF TOTAL LINE VOLUME	NO. OF BENEFICIARIES
Dominican Republic	Hospitalization and health	Assistance program for entrepreneurs and SME credit card clients of Banco BHD León: set of services or assistance designed to help the insured's business, including plumbing, electricity, locksmith services, legal assistance.	0.36	0.36	208
		Male cancer coverage for Banco BHD Leon credit card clients that guarantees the delivery to the insured of the nominal capital in the event of a prostate cancer diagnosis for the first time.	1.61	17.89	31,051
		Assistance granted to the insured for having the Banco BHD León Woman credit card: assistance at home, while travelling and legal, medical emergencies on national and international trips and personal assistant.	0.90	9.99	29,279
		Educational Insurance coverage due to death: due to the death or total and permanent disability of the insured, the company will pay the agreed insured sum to the educational center that certifies the enrollment of the insured's children.	0.32	3.54	7,009
Mexico	Life-Savings	My future with you: product aimed at relatives or guardians of people with disabilities. In the event of death, the insured sum taken out is delivered to the beneficiaries and during the premium payment term, the benefit of comprehensive care services (assistance) is provided without charge.	nd	nd	nd
INTERNATIONAL TERRITORIAL AREA					
Philippines	Accident	SOS care protect: An insurance solution in collaboration with SOS Children's Villages with very low premiums that provides unlimited coverage of telephone medical consultations for up to four dependents. In addition, it includes reimbursement for personal accident, accidental hospitalization and the heart to have a social impact by improving the lives of orphans under the care of SOS Children's Villages.	0.06	1.80	7,455

4.4. DEVELOPING EMPLOYEES

Note 7 – New hires and employee departures in 2020 and dismissals by job position level.

New hires and employee departures

Reason for new hire	2020	2019
Merger or acquisition	679	66
External recruitment	2,464	4,247
Return after leave of absence	6	132
Return from international posting	79	6
Temporary contract	322	437

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Reason for departure	2020	2019
Transfer	—	143
Voluntary	1,703	2,708
Dismissal	1,813	2,385
Leave of absence	101	153
Retirement	102	103
Early retirement	17	7
Death	27	13
Disability	36	28
Termination of temporary contract	344	412

Terminations by job position level, gender and age in 2020

	VETERANS			BABY BOOMERS			GENERATION X			GENERATION Y			GENERATION Z		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
SENIOR MANAGEMENT	2	—	**2**	19	4	**23**	23	17	**40**	2	4	**6**	—	—	**—**
MIDDLE MANAGERS	2	—	**2**	18	10	**28**	24	30	**54**	19	13	**32**	—	—	**—**
ADVISORS	5	—	**5**	105	38	**143**	133	139	**272**	119	120	**239**	23	14	**37**
ASSOCIATES	4	5	**9**	29	51	**80**	75	153	**228**	151	261	**412**	84	117	**201**
TOTAL	**13**	**5**	**18**	**171**	**103**	**274**	**255**	**339**	**594**	**291**	**398**	**689**	**107**	**131**	**238**

New hires

ORGANIZATIONAL DISTRIBUTION	JOB POSITION LEVEL	VETERANS		BABY BOOMERS		GENERATION X		GENERATION Y		GENERATION Z		TOTAL
		MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	
CORP. AREAS / CENTRAL SERVICES	SENIOR MGMT.											
	MIDDLE MANAGERS								1	1	1	3
	ADVISORS			1		4	5	14	9			33
	ASSOCIATES						1	1	1		2	5
IBERIA	SENIOR MGMT.							1				1
	MIDDLE MANAGERS						2					2
	ADVISORS			25	32	83	117	137	176	43	49	662
	ASSOCIATES			3		7	39	30	117	19	43	258
LATAM	SENIOR MGMT.					2	4	2				8
	MIDDLE MANAGERS			0	1	3	3	5	3	1		16
	ADVISORS			1	3	16	18	81	78	46	40	283
	ASSOCIATES			2	0	23	12	113	62	86	99	397
INTERNATIONAL	SENIOR MGMT.					4		3	1			8
	MIDDLE MANAGERS			1	1	8	4	6	2			22
	ADVISORS			16	3	34	25	57	54	26	33	248
	ASSOCIATES		1	5	14	26	39	44	100	62	102	393
REINSURANCE	SENIOR MGMT.											
	MIDDLE MANAGERS											
	ADVISORS					1	2	7	4	2		16
	ASSOCIATES										1	1
TOTAL		0	1	54	54	211	271	501	608	286	370	2356

All staff represented except Brazil, Turkey and Indonesia (INSURANCE) and the company from the Dominican Republic (MAPFRE Salud ARS)

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Total staff turnover

ORGANIZATIONAL DISTRIBUTION	JOB POSITION LEVEL	VETERANS		BABY BOOMERS		GENERATION X		GENERATION Y		GENERATION Z		TOTAL
		MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	
CORP. AREAS / CENTRAL SERVICES	SENIOR MGMT.			7.1 %	9.1 %	4.9 %						4.7 %
	MIDDLE MANAGERS			12.5 %			3.7 %		8.3 %			3.1 %
	ADVISORS	50.0 %		3.0 %	2.0 %	1.7 %	0.9 %	6.8 %	9.7 %	11.1 %	20.0 %	3.9 %
	ASSOCIATES			61.5 %	3.1 %		5.4 %	66.7 %	37.5 %			13.9 %
IBERIA	SENIOR MGMT.			2.6 %		1.5 %	3.6 %	25.0 %				2.4 %
	MIDDLE MANAGERS			6.2 %	3.9 %	1.4 %	2.4 %	1.8 %	3.2 %			3.1 %
	ADVISORS	40.0 %	33.3 %	8.2 %	4.7 %	1.9 %	2.1 %	9.0 %	18.4 %	40.0 %	26.8 %	5.4 %
	ASSOCIATES	100.0 %	66.7 %	6.3 %	5.0 %	5.3 %	3.6 %	15.0 %	10.5 %	36.4 %	46.6 %	8.2 %
LATAM	SENIOR MGMT.	100.0 %		10.1 %	12.0 %	6.7 %	6.7 %	3.8 %	7.4 %			7.6 %
	MIDDLE MANAGERS			1.9 %	4.3 %	4.9 %	6.1 %	15.2 %	11.3 %	16.7 %		8.5 %
	ADVISORS	33.3 %		10.1 %	9.9 %	10.4 %	13.8 %	13.0 %	13.5 %	18.0 %	12.8 %	13.0 %
	ASSOCIATES	11.1 %		10.1 %	14.9 %	14.6 %	6.7 %	21.1 %	25.2 %	29.1 %	32.9 %	19.2 %
INTERNATIONAL	SENIOR MGMT.	100.0 %	100.0 %	13.9 %	5.6 %	12.7 %	10.7 %	17.9 %	7.1 %			13.8 %
	MIDDLE MANAGERS		125.0 %	8.8 %	17.0 %	15.7 %	13.9 %	12.8 %	21.2 %	100.0 %		15.5 %
	ADVISORS	64.7 %	37.0 %	12.4 %	11.9 %	13.8 %	9.4 %	17.7 %	18.2 %	30.9 %	16.4 %	15.3 %
	ASSOCIATES	37.5 %	35.5 %	18.3 %	18.2 %	13.4 %	18.5 %	30.0 %	32.0 %	64.0 %	44.7 %	28.6 %
REINSURANCE	SENIOR MGMT.											
	MIDDLE MANAGERS			20.0 %								2.7 %
	ADVISORS			8.0 %		3.1 %	6.1 %	100.0 %	100.0 %		33.3 %	11.7 %
	ASSOCIATES				12.5 %		5.6 %					1.4 %
TOTAL		48.6 %	38.6 %	8.5 %	8.8 %	6.2 %	6.3 %	15.7 %	17.5 %	33.6 %	29.7 %	12.0 %

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Voluntary staff turnover

ORGANIZATIONAL DISTRIBUTION	JOB POSITION LEVEL	VETERANS		BABY BOOMERS		GENERATION X		GENERATION Y		GENERATION Z		TOTAL
		MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	
CORP. AREAS / CENTRAL SERVICES	SENIOR MGMT.			1.4 %								0.5 %
	MIDDLE MANAGERS						3.7 %	— %				1.0 %
	ADVISORS					0.9 %		3.8 %	3.5 %	11.1 %	10.0 %	1.5 %
	ASSOCIATES											— %
IBERIA	SENIOR MGMT.					0.8 %						0.3 %
	MIDDLE MANAGERS			0.8 %		0.6 %	0.5 %	3.6 %				0.7 %
	ADVISORS			0.4 %	0.3 %	0.7 %	0.7 %	5.6 %	5.9 %	15.6 %	10.7 %	1.5 %
	ASSOCIATES			0.4 %		1.8 %	0.5 %	3.8 %	1.4 %	3.0 %	13.8 %	1.3 %
LATAM	SENIOR MGMT.			2.9 %		1.0 %	0.8 %	3.8 %				1.4 %
	MIDDLE MANAGERS					1.6 %	2.3 %	7.1 %	6.7 %	16.7 %		3.8 %
	ADVISORS			0.8 %	3.7 %	4.0 %	6.1 %	7.2 %	7.1 %	10.6 %	8.1 %	6.5 %
	ASSOCIATES					4.1 %	1.3 %	7.5 %	8.4 %	9.1 %	9.6 %	5.8 %
INTERNATIONAL	SENIOR MGMT.			1.3 %	2.8 %	5.9 %	2.7 %	14.3 %				4.2 %
	MIDDLE MANAGERS			1.3 %	3.0 %	8.1 %	5.2 %	7.3 %	17.6 %	100.0 %		7.0 %
	ADVISORS	5.9 %		4.0 %	4.0 %	7.1 %	6.0 %	12.1 %	12.7 %	25.8 %	13.9 %	9.0 %
	ASSOCIATES	12.5 %	9.7 %	6.1 %	6.8 %	5.2 %	8.4 %	17.8 %	20.0 %	34.8 %	30.0 %	15.7 %
REINSURANCE	SENIOR MGMT.											— %
	MIDDLE MANAGERS											— %
	ADVISORS			4.0 %		1.5 %	1.5 %	100.0 %	133.3 %		16.7 %	5.6 %
	ASSOCIATES											— %
TOTAL		2.8 %	3.6 %	1.0 %	2.0 %	2.5 %	2.3 %	8.3 %	8.0 %	16.6 %	14.7 %	5.0 %

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Average remuneration and its evolution, broken down by gender, age and professional classification:

AVERAGE REMUNERATION IN SPAIN (figures in euros)

AGE AND JOB POSITION LEVEL	2020 No. OF PEOPLE		AVERAGE FIXED REMUNERATION	
	M	W	M	W
VETERANS				
SENIOR MANAGEMENT	3		131,296	
MIDDLE MANAGERS	0		0	
ADVISORS	5	3	110,437	43,843
ASSOCIATES AND SUPPORT PERSONNEL		1		*
BABY BOOMERS				
SENIOR MANAGEMENT	231	39	135,767	105,877
MIDDLE MANAGERS	359	125	60,842	55,926
ADVISORS	991	588	49,008	40,855
ASSOCIATES AND SUPPORT PERSONNEL	223	286	37,006	34,780
GENERATION X				
SENIOR MANAGEMENT	215	97	99,168	90,496
MIDDLE MANAGERS	549	392	46,766	44,399
ADVISORS	1,739	1,981	38,684	34,369
ASSOCIATES AND SUPPORT PERSONNEL	269	1,092	30,249	29,055
GENERATION Y				
SENIOR MANAGEMENT	19	7	79,943	74,443
MIDDLE MANAGERS	83	64	38,045	36,645
ADVISORS	552	583	30,288	29,006
ASSOCIATES AND SUPPORT PERSONNEL	123	487	22,178	22,055
GENERATION Z				
ADVISORS	54	67	21,645	21,722
ASSOCIATES AND SUPPORT PERSONNEL	37	65	18,453	18,151
ADMINISTRATIVOS Y PERSONAL DE APOYO	37	65	18,453	18,151

AGE AND JOB POSITION LEVEL	2019 No. OF PEOPLE		AVERAGE FIXED REMUNERATION	
	M	W	M	W
VETERANS				
SENIOR MANAGEMENT	3		129,996	
MIDDLE MANAGERS				
ADVISORS	8	4	91,272	48,050
ASSOCIATES AND SUPPORT PERSONNEL	4	3	41,103	29,791
BABY BOOMERS				
SENIOR MANAGEMENT	233	39	135,534	105,060
MIDDLE MANAGERS	397	126	61,266	55,262
ADVISORS	1,033	590	48,908	41,356
ASSOCIATES AND SUPPORT PERSONNEL	245	296	36,885	34,420
GENERATION X				
SENIOR MANAGEMENT	209	94	100,534	89,744
MIDDLE MANAGERS	545	365	47,509	44,912
ADVISORS	1,692	1,917	38,598	34,418
ASSOCIATES AND SUPPORT PERSONNEL	280	1,109	29,568	28,771
GENERATION Y				
SENIOR MANAGEMENT	15	5	81,310	73,378
MIDDLE MANAGERS	56	51	44,970	37,513
ADVISORS	471	490	31,097	29,742
ASSOCIATES AND SUPPORT PERSONNEL	122	479	21,557	21,304
GENERATION Z				
ADVISORS	34	39	21,943	22,388
ASSOCIATES AND SUPPORT PERSONNEL	31	47	17,598	17,527

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Average fixed remuneration by country, job position level and gender: figures in local currency

COUNTRY	MANAGEMENT AND MIDDLE MANAGEMENT		ADVISORS		ASSOCIATES	
	Men	Women	Men	Women	Men	Women
GERMANY	91,512	72,794	50,933	44,226	31,685	31,998
ALGERIA ASISTENCIA	4,804,312	1,515,568	1,428,861	1,082,802	714,136	682,490
ARGENTINA ASISTENCIA	4,286,730	3,632,719	835,996	759,510	568,069	590,598
ARGENTINA	2,504,433	2,786,856	1,301,984	1,293,258	877,003	1,028,444
AUSTRALIA ASISTENCIA	329,882		57,748	68,000		65,534
BAHRAIN ASISTENCIA	13,440	*	*		5,394	*
BRAZIL ASISTENCIA	650,278	465,419	56,409	58,316	22,403	25,881
BRAZIL	206,394	188,720	73,680	64,810	22,387	20,824
CANADA ASISTENCIA		*	*		33,540	31,878
CHILE ASISTENCIA	105,043,424	113,931,416	14,031,588	16,626,206	9,618,143	8,890,149
CHILE	50,577,458	42,709,266	19,935,512	20,030,842	9,876,459	11,467,286
CHINA ASISTENCIA	847,231	818,472	124,844	122,483	57,019	54,293
COLOMBIA ASISTENCIA	386,112,170	319,748,100	45,948,049	56,805,139	22,669,288	21,541,262
COLOMBIA	108,471,619	98,801,255	38,418,185	35,205,202	19,328,626	21,301,573
COSTA RICA	24,990,553	21,780,909	8,305,677	6,572,262	*	4,716,000
ECUADOR ASISTENCIA	91,247	79,080	9,716	9,760	6,350	6,329
ECUADOR	43,548	28,091	11,947	13,654	9,404	9,461
EL SALVADOR ASISTENCIA	51,935	10,200	7,460	8,097	*	4,786
EL SALVADOR	45,253	45,126	15,664	16,855	9,005	9,128
UNITED ARAB EMIRATES ASISTENCIA	933,491			*		*
SPAIN	72,117	55,405	40,191	34,328	30,368	27,770
UNITED STATES OF AMERICA ASISTENCIA	245,385	184,981	43,053	39,184	41,531	38,182
UNITED STATES OF AMERICA	137,145	115,137	78,148	68,499	38,521	41,138
PHILIPPINES ASISTENCIA	2,583,391	1,798,318	366,681	303,271	*	297,830
PHILIPPINES	1,578,737	1,846,740	610,515	667,197	359,681	358,599
GREECE ASISTENCIA	72,252	73,338	25,824	25,733	16,404	13,250
GUATEMALA ASISTENCIA	434,233		89,333	80,570	46,081	45,251
GUATEMALA	399,020	297,785	128,338	98,274	55,508	57,326
HONDURAS ASISTENCIA	*	952,994	140,621	*	112,182	125,594
HONDURAS	1,095,986	874,066	327,468	292,754	205,439	209,129
HUNGARY ASISTENCIA	*	*		*	*	*
INDONESIA ASISTENCIA	707,337,293	*	*		56,780,570	60,338,138
INDONESIA	340,718,000	481,532,434	82,457,141	82,478,068	59,206,000	63,038,686
IRELAND ASISTENCIA	161,214	99,025	36,963	35,259	24,019	23,645
ITALY ASISTENCIA	141,617	111,325	27,446	27,646	21,996	21,408
ITALY	66,072	57,255	42,528	40,702	27,169	29,229
JORDAN ASISTENCIA	63,386	32,319	8,830	8,248	6,402	6,793
MALTA ASISTENCIA	75,491	22,314	*		14,458	14,930
MALTA	67,545	50,286	29,078	24,062	16,794	17,352
MEXICO ASISTENCIA	1,512,912	1,018,536	152,063	160,172	75,723	75,315
MEXICO	972,912	727,540	294,614	330,756	147,570	200,225
NICARAGUA ASISTENCIA	1,012,368	*	205,862	*	*	124,128
NICARAGUA	1,009,650	1,360,454	321,535	270,025	176,556	181,800
PANAMA ASISTENCIA	93,236	80,574	17,989	15,642	9,851	10,205
PANAMA	74,831	49,895	19,199	16,140	11,309	11,248

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PARAGUAY ASISTENCIA			*			
PARAGUAY	184,522,435	155,575,467	61,039,576	62,315,265	37,053,100	43,185,786
PERU	185,089	96,213	54,523	40,390	21,583	27,694
PORTUGAL ASISTENCIA	109,671	78,991	17,486	18,848	15,589	14,091
PORTUGAL	49,775	39,854	24,600	22,740	18,178	17,886
PUERTO RICO	95,259	68,966	40,605	37,170	21,634	23,323
UK ASISTENCIA	123,363	279,363	23,216	21,194	18,011	18,484
DOMINICAN REPUBLIC ASISTENCIA	685,418	3,290,971	504,429	345,131	271,683	246,643
DOMINICAN REPUBLICA	2,343,799	1,639,571	785,574	649,427	355,278	360,443
TUNISIA ASISTENCIA	124,794	67,979	13,306	17,043	10,371	10,051
TURKEY ASISTENCIA	344,895	525,784	68,395	87,728	46,858	43,174
TURKEY	311,251	258,758	113,479	109,289	55,102	58,320
URUGUAY ASISTENCIA	5,115,421	2,068,674	516,304	578,013	445,486	336,159
URUGUAY	3,143,973	2,761,109	1,946,728	1,551,808	1,140,550	1,215,505
VENEZUELA ASISTENCIA	285,622,387	231,234,136	47,876,708	39,278,012	31,380,578	30,901,728
VENEZUELA	222,256,716	186,419,964	90,522,479	90,691,926	72,429,340	78,604,345

The countries reflected in the table correspond to 99% of the workforce, excluding the employees of BANCO DO BRASIL and MAPFRE Salud ARS.

* For data protection and confidentiality, in those countries where there are two or less men or women in a given group, the information is not published.

Average remuneration of Board Directors and Executives, including variable remuneration, allowances, compensation, payment of long-term savings provision systems, by gender. Executives in Spain by gender and age: figures in euros

Spain executives by gender and age: figures in local currency.

AGE GROUP	2020* No. OF PEOPLE		AVERAGE REMUNERATION	
	MEN	WOMEN	MEN	WOMEN
VETERANS	3		158,624	
BABY BOOMERS	226	39	215,243	167,455
GENERATION X	215	97	156,972	138,507
GENERATION Y	19	7	102,154	95,968

*This table includes information on the main executives of the Group worldwide based in Spain. It includes all persons with the MANAGEMENT position level, excluding the directors of MAPFRE S.A., for whom the relevant information is presented in the Annual Report on the Remuneration of Directors of listed public companies, published on the corporate website www.mapfre.com and in Note 6.25 of the Consolidated Annual Accounts.

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MAPFRE S.A.

Executives by gender and country: figures in local currency.

COUNTRY	2020			
	MEN	AVERAGE MEN'S REMUNERATION	WOMEN	AVERAGE WOMEN'S REMUNERATION
GERMANY	8	185,950	1	*
ALGERIA ASISTENCIA	5	4,804,312		
ARGENTINA ASISTENCIA	4	3,222,090	5	2,589,678
ARGENTINA	24	4,397,902	14	5,443,595
AUSTRALIA ASISTENCIA	1	*		
BRAZIL ASISTENCIA	8	538,674	1	*
BRAZIL	50	518,014	26	486,080
CANADA ASISTENCIA	0		2	*
CHILE ASISTENCIA	6	76,748,747	1	*
CHILE	21	79,997,656	9	91,701,464
CHINA ASISTENCIA	3	687,307	3	575,820
COLOMBIA ASISTENCIA	4	321,402,000	3	175,816,000
COLOMBIA	10	300,853,620	11	253,764,086
COSTA RICA	2	*		
ECUADOR ASISTENCIA	3	76,533	1	*
ECUADOR	2	*	4	86,079
EL SALVADOR ASISTENCIA	3	45,935	0	
EL SALVADOR	8	69,890	4	87,955
UNITED ARAB EMIRATES ASISTENCIA	2	*	0	
UNITED STATES OF AMERICA ASISTENCIA	10	158,938	3	115,179
UNITED STATES OF AMERICA	58	304,586	39	228,035
PHILIPPINES ASISTENCIA	3	2,583,391	4	1,798,318
PHILIPPINES	5	4,402,048	12	3,659,013
GREECE ASISTENCIA	3	72,252	1	*
GUATEMALA ASISTENCIA	3	434,233	0	
GUATEMALA	6	1,082,213	2	*
HONDURAS ASISTENCIA	2	*	1	*
HONDURAS	5	1,790,925	8	1,424,738
HUNGARY	1	*	0	
INDONESIA ASISTENCIA	2	*	0	
INDONESIA	31	621,826,645	21	1,036,117,464
IRELAND ASISTENCIA	3	101,952	1	*
ITALY ASISTENCIA	6	93,218	2	*
ITALY	3	202,013	3	134,045
JORDAN ASISTENCIA	5	40,215	1	*
MALTA ASISTENCIA	2	*	0	
MALTA	16	104,518	7	99,967
MEXICO ASISTENCIA	10	1,236,470	5	742,280
MEXICO	33	3,015,364	15	2,047,170
NICARAGUA ASISTENCIA	2	*	2	*
NICARAGUA	3	2,426,455	6	3,332,410
PANAMA ASISTENCIA	1	*	2	*
PANAMA	15	163,722	16	96,673
PARAGUAY	9	354,606,889	9	257,723,889
PERU	60	409,039	17	228,673
PORTUGAL ASISTENCIA	3	67,821	3	48,134

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PORTUGAL	13	109,325	4	89,331
PUERTO RICO	25	192,064	18	129,315
UK ASISTENCIA	9	67,813	4	67,500
DOMINICAN REPUBLIC ASISTENCIA			4	2,580,204
DOMINICAN REPUBLIC	12	5,070,511	6	4,501,512
TUNISIA ASISTENCIA	4	104,582	6	46,100
TURKEY ASISTENCIA	8	238,910	7	400,536
TURKEY	30	555,422	29	426,524
URUGUAY ASISTENCIA	3	4,096,227	1	*
URUGUAY	5	5,897,616	1	*
VENEZUELA ASISTENCIA	3	204,984,533	1	*
VENEZUELA	14	412,163,597	8	419,338,080

* For data protection and confidentiality, in those countries where there are two or less men or women in a given group, the information is not published.

Average fixed remuneration by country and generation: figures in local currency

	VETERANS	BABY BOOMERS	GENERATION X	GENERATION Y	GENERATION Z
GERMANY	*	49,398	48,320	42,286	26,754
ALGERIA ASISTENCIA		*	2,394,725	1,063,700	579,714
ARGENTINA ASISTENCIA	*	1,607,337	1,463,823	654,796	582,663
ARGENTINA SEGUROS	1,341,100	1,700,828	1,642,696	1,318,447	881,383
AUSTRALIA ASISTENCIA	*	*	114,372	75,634	49,777
BAHRAIN ASISTENCIA			14,942	5,370	*
BRAZIL ASISTENCIA	*	152,257	156,613	55,684	25,077
BRAZIL	93,464	96,161	96,648	59,243	27,722
CANADA ASISTENCIA		32,986	66,880	32,500	32,760
CHILE ASISTENCIA	*	34,968,454	15,129,536	12,421,986	9,954,982
CHILE		32,337,530	26,572,341	20,608,938	14,430,713
CHINA ASISTENCIA			288,667	112,713	52,374
COLOMBIA ASISTENCIA		84,444,587	67,978,317	32,656,259	35,464,733
COLOMBIA SEGUROS	*	78,279,808	57,016,745	33,616,946	20,646,864
COSTA RICA SEGUROS		*	20,057,380	9,125,009	6,561,417
ECUADOR ASISTENCIA		4,944	14,917	8,687	6,618
ECUADOR SEGUROS		29,962	22,265	13,282	9,308
EL SALVADOR ASISTENCIA			19,876	9,057	5,386
EL SALVADOR SEGUROS		28,969	30,352	13,115	7,508
UNITED ARAB EMIRATES ASISTENCIA			232,824	*	
SPAIN	92,178	54,579	39,217	28,489	20,187
USA ASISTENCIA	52,614	69,376	63,836	50,317	33,594
USA	67,135	85,975	80,911	60,036	41,335
PHILIPPINES ASISTENCIA			1,440,330	362,313	215,325
PHILIPPINES		1,152,985	1,374,843	601,776	315,775
GREECE ASISTENCIA		18,244	20,201	15,199	*
GUATEMALA ASISTENCIA			*	89,217	52,915
GUATEMALA SEGUROS		317,225	265,792	103,283	52,628
HONDURAS ASISTENCIA		*	297,492	182,154	100,144
HONDURAS SEGUROS		621,767	614,925	274,181	214,020

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HUNGARY ASISTENCIA			9,773,280	6,960,000	
INDONESIA ASISTENCIA			*	81,050,018	58,036,911
INDONESIA		484,383,920	173,673,660	94,264,552	61,136,600
IRELAND ASISTENCIA		49,266	32,720	30,597	22,106
ITALY ASISTENCIA		46,761	30,939	24,188	20,564
ITALIA SEGUROS		39,930	38,005	34,055	30,667
JORDAN ASISTENCIA			18,946	12,278	5,829
MALTA ASISTENCIA		15,909	18,012	22,139	14,905
MALTA SEGUROS	*	51,202	40,658	27,960	20,410
MEXICO ASISTENCIA		115,528	341,478	178,020	100,681
MEXICO	*	857,805	492,912	326,500	231,887
NICARAGUA ASISTENCIA		*	539,049	217,459	146,534
NICARAGUA SEGUROS		994,618	802,462	339,790	176,773
PANAMA ASISTENCIA		*	24,081	14,376	9,531
PANAMA	*	50,261	34,903	19,979	12,119
PARAGUAY ASISTENCIA				*	
PARAGUAY		*	167,204,593	73,394,777	40,400,957
PERÚ SEGUROS	59,563	86,254	72,973	41,031	26,713
PORTUGAL ASISTENCIA		22,882	24,580	13,733	*
PORTUGAL	*	35,271	26,387	20,639	15,875
PUERTO RICO SEGUROS	49,503	55,125	43,115	31,753	23,505
UK ASISTENCIA	20,193	32,503	32,193	23,768	18,015
DOMINICAN REPUBLIC ASISTENCIA		1,923,674	646,017	364,202	272,212
DOMINICAN REPUBLIC		1,659,860	1,374,905	609,629	420,353
TUNISIA ASISTENCIA		96,138	22,258	12,196	
TURKEY ASISTENCIA	*	229,832	108,547	59,135	45,016
TURKEY		278,028	172,045	102,986	69,277
URUGUAY ASISTENCIA			1,625,756	504,063	251,146
URUGUAY SEGUROS		3,258,460	2,094,437	1,518,728	879,065
VENEZUELA ASISTENCIA		*	50,381,645	60,725,764	33,086,000
VENEZUELA SEGUROS	121,455,072	155,972,703	139,037,026	98,749,871	82,849,033

The countries reflected in the table correspond to 99% of the workforce, excluding employees of BANCO DO BRASIL and MAPFRE Salud ARS

* For data protection and confidentiality, in those countries where there are two or less men or women in a given group, the information is not published.

Work practice indicators: remuneration equality

COUNTRY	Management	Middle Management		Advisors and Associates
	(Fixed remuneration only)	(Fixed remuneration only)	(Fixed remuneration + Variable remuneration)	(Fixed remuneration only)
GERMANY	1.12	0.9	0.87	0.85
ALGERIA ASISTENCIA		0.781	0.782	0.856
ARGENTINA ASISTENCIA	0.804	0.98	0.971	0.986
ARGENTINA	1.171	0.938	0.937	1.014
AUSTRALIA ASISTENCIA		0.83	0.757	1.087
BAHRAIN ASISTENCIA		1.845	2.162	0.797
BRAZIL ASISTENCIA		1.06	1.025	0.728
BRAZIL	0.953	0.986	0.938	0.724

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CANADA ASISTENCIA				0.875
CHILE ASISTENCIA	2.094	0.609	0.574	0.94
CHILE	1.107	1.007	1.019	0.928
CHINA ASISTENCIA	1.035	1.206	1.137	0.775
COLOMBIA ASISTENCIA	0.655	1.959	2.05	1.037
COLOMBIA	0.894	0.939	0.986	0.864
COSTA RICA	0.651	1.282	1.244	0.792
ECUADOR ASISTENCIA	0.77	1.289	1.474	0.972
ECUADOR	0.79	0.825	0.755	1.047
EL SALVADOR ASISTENCIA		1.533	2.121	1.021
EL SALVADOR	1.229	1.093	1.087	0.917
SPAIN	0.836	0.899	0.824	0.826
USA ASISTENCIA	0.796	0.95	0.917	0.859
USA	0.879	0.927	0.921	0.816
PHILIPPINES ASISTENCIA	0.696	0.704	0.678	1.065
PHILIPPINES	0.853	1.048	1.034	0.928
GREECE ASISTENCIA	1.015	0.968	0.981	0.87
GUATEMALA ASISTENCIA				0.863
GUATEMALA	0.873	0.951	0.953	0.837
HONDURAS ASISTENCIA	2.04	1.181	1.134	1.041
HONDURAS	0.867	0.731	0.724	0.941
HUNGARY ASISTENCIA		0.546	0.531	1.587
INDONESIA ASISTENCIA		0.635	0.576	1.02
INDONESIA	1.098	1.244	1.262	0.981
IRELAND ASISTENCIA	0.638	0.676	0.575	0.974
ITALY ASISTENCIA	0.781	0.735	0.632	0.924
ITALY	0.72	0.901	0.871	0.94
JORDAN ASISTENCIA	0.437	0.636	0.584	1.013
MALTA ASISTENCIA		0.811	0.78	0.91
MALTA	1.008	0.806	0.803	0.85
MEXICO ASISTENCIA	0.661	0.982	0.991	0.962
MEXICO	0.737	0.915	0.912	1.1
NICARAGUA ASISTENCIA	2.953			0.787
NICARAGUA	0.974	1.025	1.019	0.843
PANAMA ASISTENCIA	0.86	0.826	0.863	0.986
PANAMA SEGUROS	0.686	0.783	0.775	0.883
PARAGUAY	0.642	0.951	0.915	1.047
PERU	0.682	0.861	0.853	0.915
PORTUGAL ASISTENCIA	0.671	0.643	0.503	0.889
PORTUGAL	1.183	0.903	0.786	0.88
PUERTO RICO	0.801	0.858	0.839	0.886
UK ASISTENCIA	1.208	0.74	0.749	0.918
DOMINICAN REPUBLIC ASISTENCIA		0.734	0.816	0.893
DOMINICAN REPUBLIC	0.942	0.794	0.828	0.887
TUNISIA ASISTENCIA	0.441	1.233	1.21	1.108
TURKEY ASISTENCIA	1.411	1.08	1.073	0.961
TURKEY	0.825	1.022	1.024	0.961
URUGUAY ASISTENCIA	0.349	0.617	0.57	0.605
URUGUAY	0.854	1.015	1.014	0.775

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VENEZUELA ASISTENCIA	0.764	0.925	0.866	0.879
VENEZUELA	1.017	0.952	0.941	1.007

The countries reflected in the table correspond to 99% of the workforce, excluding employees of BANCO DO BRASIL and MAPFRE Salud ARS.

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Ratios of standard entry level wage by gender compared to local minimum wage

MAPFRE applies the principle of equal opportunities and non-discrimination to all selection, promotion and mobility processes, with the professional capability, worth, merits and aptitudes of the candidates being used as the criteria taken into account for objective selection.

At MAPFRE, the ratio of standard entry level wage is established by level and the nature of the function to be performed, and does not differ by gender.

Normally, the ratio of the standard entry level wage is determined by a collective bargaining agreement (related to sectors or companies). In countries where there is a local minimum wage, MAPFRE's entry level wage is generally higher. For example, in Spain, where the Group is headquartered, the quotient is 1.27.

Annual total compensation ratio

This ratio is calculated for the employees of the Iberia territorial area located in Spain, as the place where the company's headquarters are located. This does not include the corporate areas or business units (MAPFRE RE, MAPFRE GLOBAL RISKS AND MAPFRE ASISTENCIA), as the relationship between the total annual compensation (fixed remuneration plus target variable remuneration) of the company's highest paid individual and the median annual total compensation (fixed remuneration plus target variable remuneration) of all employees using full-time annual pay, excluding the highest paid individual. The resulting data is considered reasonable taking the current workforce structure into account.

The total annual compensation ratio in Spain is 20.51. The Iberia territorial area in Spain represents 29.17 percent of the Group's workforce.

Percentage increase in annual total compensation ratio

The ratio of the percentage increase in total annual compensation in Spain is -0.51. The variation in the ratio on the increase in annual compensation responds to the salary composition of the profiles incorporated in relation to rotation, and not to changes in the compensation policy. The data for homogeneous workforce is 0.80.

This ratio is calculated for employees of the Iberia territory located in Spain, as the place where the company's headquarters are located, not including corporate areas or business units (MAPFRE RE, MAPFRE GLOBAL RISKS AND MAPFRE ASISTENCIA), such as the relationship between the increase in total annual compensation (fixed compensation plus target variable compensation) of the highest paid person in the Company and the percentage increase in the median total annual compensation (fixed remuneration plus target variable remuneration) of all employees, using full-time annualized remuneration, excluding the best paid person. The Iberia territory in Spain represents 29.17 percent of the Group's workforce.

Note 9 – Work-related accident data: calculation method

In 2020, work was carried out to homogenize accident data on a global level, strictly adhering to GRI 403.

The formulas used to calculate these indices were:

- **ACCIDENT FREQUENCY RATE**: Represents the number of accidents with leave occurring during the workday for every one million hours worked.
- **OCCUPATIONAL ILLNESSES FREQUENCY RATE**: Represents the number of occupational illnesses with leave occurring for every one million hours worked.
- **INCIDENCE RATE OF OCCUPATIONAL ILLNESSES**: Represents the number of occupational illnesses resulting in an absence per 100,000 workers.
- **INCIDENCE RATE OF WORK-RELATED ACCIDENTS**: Represents the number of work-related accidents resulting in an absence per 100,000 workers.

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- **RATE OF LOST DAYS**: Represents the number of days lost for every 1,000 hours worked.

- **EMPLOYMENT ABSENTEEISM RATE**: Refers to the number of days lost in the period in question in relation to the total days listed by the workforce in the same period, indicating how many days have been lost in every 100.

- **FREQUENCY INDEX**: Represents the number of accidents for every one million hours worked.

- **SEVERITY INDEX**: Represents the number of days lost for every 1,000 hours worked.

- **DEATHS FROM WORK-RELATED ACCIDENTS**: Represents the number of deaths resulting from a work-related accident for every one million hours worked.

- **DEATHS FROM OCCUPATIONAL ILLNESS**: Represents the number of deaths resulting from an occupational illness for every one million hours worked.

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5. COMMITTED TO THE ENVIRONMENT

Note 10: Environmental indicators

Table I. Environmental context

	UNITS	2020	2019	2018
Employees working under environmental reporting (Integrated Report)*	employees	31,906	32,256	33,177
	%	94.59	93.98	93.75
Employees working under environmental management certification (ISO 14001)	employees	12,351	11,759	11,589
	%	36.62	34.26	32.75
Employees working under energy management certification (ISO 50001)	employees	7,405	6,730	6,588
	%	21.95	19.61	18.62
Employees working under carbon footprint verification (ISO 14064)	employees	21,922	16,945	15,546
	%	64.99	49.37	43.65
Premium volume managed under SIGMAYEc3 in relation to total premiums	%	80.64	64.18	78.30

* Data from Spain, Argentina, Brazil, Chile, Colombia, USA, Italy, Mexico, Puerto Rico, Turkey, Costa Rica, El Salvador, Nicaragua, Honduras, Panama, Guatemala, Ecuador, Dominican Republic, Paraguay, Uruguay, Peru, Venezuela, Portugal, Philippines, Malta and Germany.

Table II. SIGMAYE Control

	GRI	UNITS	2020	2019	2018
Environmental diagnosis and inspections	FS9	Units	3	20	5
Internal environmental audits	FS9	Units	50	50	39
Environmental certification audits	FS9	Units	30	28	29
Assets subject to environmental controls	FS9	%	36.62%	34.26%	32.75%

Environmental compliance: In relation to environmental fines, there was no record of having received any fine in 2020.

Resources devoted to environmental risk prevention: €622,102.14.

The MAPFRE Group (in Europe and Brazil) has public liability insurance with specific coverage for the management of its environmental risks due to pollution (€300,000 - €10 million) and environmental responsibility (€300,000), as established by state legislation.

Table III. Carbon footprint broken down by scope

The following greenhouse gases are reported for the three scopes falling within the GHG Protocol and ISO 14064: CO2, CH4, N2O, HFCS, PFCS, SF6 and NF3. MAPFRE's methodology for calculating its carbon footprint is carried out through financial control. This calculation applies emission factors of the generation mix for the corresponding country and the latest available information: DEFRA, International Energy Agency, GHG Protocol.

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	GRI	UNITS	2020	2019	2018
Carbon footprint (GHG emissions)					
Scope 1	305-1 305-5	TmCO2eq	8,400.45	11,669	10,330
Scope 2 (market-based)	305-1 305-5	TmCO2eq	11,197.17	14,307	16,215
Scope 2 (location-based)	305-1 305-5	TmCO2eq	25,037.22	35,601	35,900
Scope 3	305-1 305-5	TmCO2eq	22,281.93	33,049	26,435
Total GHG emissions (market-based)	305-1 305-5	TmCO2eq	41,879.55	59,025	52,980
Carbon footprint indicators					
Emissions per employee	305-4	TmCO2eq/ employee	1.31	1.83	1.59
Emissions per premium	305-4	TmCO2eq/ premium (€'000)	2.07	2.61	2.78

*Data for Spain, Argentina, Brazil, Chile, Colombia, USA, Italy, Mexico, Puerto Rico, Turkey, Costa Rica, El Salvador, Nicaragua, Honduras, Panama, Guatemala, Ecuador, Dominican Republic, Paraguay, Uruguay, Peru, Venezuela, Portugal, Philippines, Malta and Germany.

2020: Data for Spain, Argentina, Brazil, Chile, Colombia, USA, Italy, Mexico, Puerto Rico, Turkey, Costa Rica, El Salvador, Nicaragua, Honduras, Panama, Guatemala, Dominican Republic, Paraguay, Uruguay, Peru, Venezuela, Portugal, Malta and Germany. (In 2020, the data for Scope 3 do not include paper consumption in the USA.)

Table IV. Breakdown of carbon footprint and categories included in different scopes

	GRI	UNITS	2020	2019	2018
Scope 1		**TmCO2eq**	**8,400.45**	**11,669**	**10,330**
Natural gas	302-1 302-4	TmCO2eq	2,060.88	3,154.40	2,604.10
	305-1	m3	1,072,477.62	1,491,727	1,293,571
Fuels in fixed installations	302-1 302-4	TmCO2eq	1038.49	792.86	1,135.33
	305-1	L	477,093	292,469	368,709
Refrigerant gases	302-1 302-4	TmCO2eq	1,742.74	2854.96	1058.79
	305-1	Kg	1,016.59	1489.58	536
Fuels in own vehicles	302-1 302-4	TmCO2eq	3558.34	4,866.87	5,531.85
	305-1	l	1,475,009	2,003,907	2,319,928
Scope 2		**TmCO2eq**	**11,197**	**14,307**	**16,215**
Electricity	302-1 302-4 305-2	GWh	91.44	108.19	113.41
Scope 3		**TmCO2eq**	**22,281.93**	**33,049**	**26,435**
Business travel	302-4	TmCO2eq	2,815.89	9,447.77	6,976.85
(air, train and bus)	305-3	Km	15,904,503	43,167,836	53,428,757
Business travel	302-4	TmCO2eq	844.47	1,461.04	1,594.31
(vehicles)	305-3	Km	4,926,910	8,249,786	8,825,915

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Paper consumption*	302-4 305-3	TmCO2eq	2,376.39	1,633.32	1526.79
Paper waste	302-4 305-3	TmCO2eq	10.07	19.84	18.07
Toner use	302-4 305-3 -2	TmCO2eq	69.43	91.26	87.39
Toner waste	302-4 305-3	TmCO2eq	86.44	117.41	131.15
Fluorescent waste	302-4 305-3	TmCO2eq	0.23	0.34	0.51
Commuting	302-4 305-3	TmCO2eq	16,079.01	20277.83	16,044.38

Natural gas, fuel in buildings, refrigerant gases, fuel in own vehicles, electricity consumption, paper consumption, paper waste, toner consumption, toner waste, fluorescent waste:

2018-2019: Data for Spain, Argentina, Brazil, Chile, Colombia, USA, Italy, Mexico, Puerto Rico, Turkey, Costa Rica, El Salvador, Nicaragua, Honduras, Panama, Guatemala, Ecuador, Dominican Republic, Paraguay, Uruguay, Peru, Venezuela, Portugal, Philippines, Malta and Germany.
2020: Data for Spain, Argentina, Brazil, Chile, Colombia, USA, Italy, Mexico, Puerto Rico, Turkey, Costa Rica, El Salvador, Nicaragua, Honduras, Panama, Guatemala, Dominican Republic, Paraguay, Uruguay, Peru, Venezuela, Portugal, Malta and Germany. *In 2020, the data for Scope 3 do not include paper consumption in the USA.

Business travel (air, train and bus)

2018: Data from Spain, Argentina, Brazil, Chile, Peru, USA, Puerto Rico, Portugal, Turkey, Mexico, Costa Rica, Nicaragua, Dominican Republic, Uruguay and Malta.

2019: Data from Spain, Argentina, Brazil, Chile, Peru, USA, Puerto Rico, Portugal, Turkey, Mexico, Dominican Republic, Uruguay and Germany.

2020: Data for Spain, Germany, Argentina, Brazil, Chile, USA, Italy, Mexico, Peru, Portugal, Puerto Rico, Dominican Republic and Turkey

Business travel (vehicles)

2018, 2019: Data from Spain

2020: Data from Spain, Argentina and Portugal.

Commuting

2018: Spain, Colombia, Portugal and Puerto Rico

2019: Spain, Colombia, Portugal, Puerto Rico and Mexico

2020: Spain, Brazil, Colombia, Mexico, Portugal, Puerto Rico and Turkey

Table V. Consumption of resources

	GRI	UNITS	2020	2019	2018
ENERGY					
Total energy consumption	302-1 302-4	GWh	122.44	148.89	155.96
Natural gas consumption	302-1 302-4	GWh	11.52	16.49	13.88
Fuel consumption fixed installations	302-1 302-4	GWh	4.26	2.83	4.55
Fuel consumption of mobile installations	302-1 302-4	GWh	15.22	20.64	24.12
Consumption of conventional electricity	302-1 302-4	GWh	33.92	42.66	47.71
Consumption of renewable energy	302-1 302-4	GWh	57.52	66.27	65.70

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Energy consumption/ employee	302-3	kWh / employee year	3,838	4,616	3,919
Energy consumption/ premium	302-3	KWh/premium (thousand euros)	6.05	6.59	6.87

2018, 2019: Data for Spain, Argentina, Brazil, Chile, Colombia, USA, Italy, Mexico, Puerto Rico, Turkey, Costa Rica, El Salvador, Nicaragua, Honduras, Panama, Guatemala, Ecuador, Dominican Republic, Paraguay, Uruguay, Peru, Venezuela, Portugal, Philippines, Malta and Germany.

2020: Data for Spain, Argentina, Brazil, Chile, Colombia, USA, Italy, Mexico, Puerto Rico, Turkey, Costa Rica, El Salvador, Nicaragua, Honduras, Panama, Guatemala, Dominican Republic, Paraguay, Uruguay, Peru, Venezuela, Portugal, Malta and Germany.

WASTE					
Recycling*	**GRI**	**MT**	**2,524.63**	**3,397.84**	**3,099.58**
Paper	306-2	MT	427.40	929.05	844.95
Toner and cartridges	306-2	MT	7.23	9.61	10.26
Electrical appliances	306-2	MT	44.80	33.14	66.61
Donated electrical appliances	306-2	MT	13.49	16.24	13.07
Batteries	306-2	MT	1.57	1.69	1.58
IT support	306-2	MT	1.55	0.14	2.71
Mobile phones	306-2	MT	0.14	0.30	0.09
Bulbs and fluorescent lamps	306-2	MT	1.54	2.26	4.34
Expired medicines	306-2	MT	0.37	0.09	1.07
X-rays	306-2	MT	1,215.81	1,699.14	1,696.74
Workshops and maintenance	306-2	MT	765.74	706.09	457.96
Urban	**306-2**	**MT**	**490.04**	**1,282.74**	**527.07**
Landfill	306-2	MT	476.65	1,241.85	500.68
Urban	306-2	MT	8.98	3.57	2.40
Sanitary waste	306-2	MT	0.14	0.09	0.20
Workshops and maintenance	306-2	MT	4	36.66	23.11
Other	306-2	MT	0.26	0.66	0.89
Total waste generated	**306-2**	**MT**	**3,014.66**	**4,680.58**	**3,626.65**

2018, 2019: Data for Spain, Argentina, Brazil, Chile, Colombia, USA, Italy, Mexico, Puerto Rico, Turkey, Costa Rica, El Salvador, Nicaragua, Honduras, Panama, Guatemala, Ecuador, Dominican Republic, Paraguay, Uruguay, Peru, Venezuela, Portugal, Philippines, Malta and Germany.
2020: Data for Spain, Argentina, Brazil, Chile, Colombia, USA, Italy, Mexico, Puerto Rico, Turkey, Costa Rica, El Salvador, Nicaragua, Honduras, Panama, Guatemala, Dominican Republic, Paraguay, Uruguay, Peru, Venezuela, Portugal, Malta and Germany.
* Includes recycling and waste evaluation operations.

WATER*					
Total water consumption	303-5	m3	660,626	711,795	665,874
Water consumption per employee	303-5	m3 / employee	20.71	22.07	19.93

2018-2019: Data for Spain, Argentina, Brazil, Chile, Colombia, USA, Italy, Mexico, Puerto Rico, Turkey, Costa Rica, El Salvador, Nicaragua, Honduras, Panama, Guatemala, Ecuador, Dominican Republic, Uruguay, Paraguay, Peru, Venezuela, Portugal, Philippines, Malta and Germany.

2020: Data for Spain, Argentina, Brazil, Chile, Colombia, USA, Italy, Mexico, Puerto Rico, Turkey, Costa Rica, El Salvador, Nicaragua, Honduras, Panama, Guatemala, Dominican Republic, Paraguay, Uruguay, Peru , Venezuela, Portugal, Malta and Germany.
* Consumption of water from the public network in line with local limitations.

PAPER					
Total paper use	301-1	MT	2,583	1,878	1,818
Paper use with label	301-1	MT	391	1,269	1,359

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2018, 2019: Data from Spain, Argentina, Brazil, Chile, Colombia, USA, Italy, Mexico, Puerto Rico, Turkey, Costa Rica, El Salvador, Nicaragua, Honduras, Panama, Guatemala, Ecuador, Dominican Republic, Paraguay , Uruguay, Peru, Venezuela, Portugal, the Philippines, Malta and Germany.
2020: Data from Spain, Argentina, Brazil, Chile, Colombia, Italy, Mexico, Puerto Rico, Turkey, Costa Rica, El Salvador, Nicaragua, Honduras, Panama, Guatemala, Dominican Republic, Paraguay, Uruguay, Peru, Venezuela, Portugal, Philippines, Malta and Germany.

TONER					
Toner consumption	301-1	Units	7,352	9,628	9,220

2018,2019: Data for Spain.
2020: Data for Spain, Argentina, Brazil, Chile, Colombia, USA, Italy, Mexico, Puerto Rico, Turkey, Costa Rica, El Salvador, Nicaragua, Honduras, Panama, Guatemala, Dominican Republic, Paraguay, Uruguay, Peru , Venezuela, Portugal, Philippines, Malta and Germany.

Note 11 - Environmental products and services

Underwriting of renewable energy

- 58,063.73 MW wind
- 11,937.50 MW solar
- 18,800,781.04 million euros insured premiums

Green Policy

- 60,441 low-emission vehicles insured
- 25,655,753 million euros insured premium

Out-of-use vehicles (OUV)

- 1,694 out-of-commission vehicles
- 48,784 parts recovered

Environmental liability

- 300,621 policies with free coverage
- 1,095,764 million euros insured premium

Sustainable mobility

- 25 hybrid tow-trucks
- 34 electric vehicles

Underwriting crops and sustainable forests

- 252,276.20 insured hectares
- 138 climate insurance policies
- 178,001.71 euros insured premiums

Overall, 81,589 policies covering environment-related aspects were issued in 2020, representing a premium volume of more than 60.9 million euros, which represents 0.3 percent of the Group's total premiums.

Environmental products and services				
Product/Service		**2020**	**2019**	**2018**
Environmental risk coverages	No. of policies	81,589	59,771	57,357
Insurance for sustainable projects	Net premiums (euros)	60,983,177.19	57,889,070	56,479,313
Environmental and energy-saving services	Revenue (euros)	378,203.45	306,531	408,517

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In the case of environmental and energy services, some are directly associated with insurance policy benefits. Proof of this is that, in 2020, the MAPFRE provider network has 34 fully electric or LPG mobile recharging vehicles to provide roadside assistance for electric cars. These assistance vehicles are equipped with a generator that can recharge cars anywhere, anytime. As a result, this service reduces the carbon footprint, preventing assistance tow-trucks from traveling to the breakdown location and towing the vehicle back to a charging station.

MAPFRE is also encouraging its providers to renew their tow truck fleets with hybrid vehicles, and there are already 25 light hybrid tow-trucks available for roadside assistance.

Other services are related to research on repairs for vehicles involved in accidents, conducted at the Road Safety Experimentation Centers (CESVI) in Spain and the Americas, which contributes to the reduced consumption of pollutants such as paint and solvents and helps minimize the environmental impact of vehicle repairs.

CESVIMAP, through CESVI RECAMBIOS, manages out-of-use vehicles. A total of 1,694 out-of-commission vehicles were processed in Spain in 2020, from which 48,784 spare parts and components were recovered for reuse.

The accompanying table shows the main environment-related insurance products and services.

Country	Type of product or service	% of total premiums	% of line total	No. of insureds
IBERIA TERRITORIAL AREA				
Spain	Green policy: comprehensive pay-per-use insurance for electric, hybrid and eco-friendly vehicles.	0.13	0.14	5,008
	P&C and third-party liability insurance: product for solar farms and photovoltaic power stations, wind farms and co-generation plants.	0.09	5.93	1,898
	Environmental liability cover in general third-party liability policies and multirisk policies: covers policyholder liability for damage caused due to environmental pollution.	0.013	0.86	300,621
	Forest: mass forest fire cover.	0.004	1.79	160
	Sustainable mobility - electric scooters: a third-party liability coverage possibility is offered for those vehicles that enhance people's sustainable mobility.	0.08	0.001	27,471
Portugal	Environmental liability: covers the cost of repairs due to accidents or an imminent threat, damage to wildlife and habitats, water and land pollution.	0.32	7.06	815
EURASIA REGIONAL AREA				
Germany	Low emissions car policy.	5.9	5.9	48,628
	Electric and hybrid car policy.	0.7	0.8	6,805
LATAM TERRITORIAL AREA				

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Country	Type of product or service	% of total premiums	% of line total	No. of insureds
Brazil	Environmental third-party liability: total risk insurance; namely, the insurance company guarantees the payment of damages up to the value of the maximum compensation limit. This insurance consists of basic coverage, mandatory requirements and additional coverage, as well as optional rent.	0.04	1.36	145
	Wreck disposal: policy for pleasure and general aviation craft that provides compensation to policyholders to recover damaged property and minimize environmental harm.	0.03	2.95	323
	Residential microinsurance: the plans feature the assistance of ecological disposal, which allows the insureds to send their old/ broken furniture or appliances to a company that specializes in the correct disposal of these materials.	0.43	100	248,958
	Extended warranty for domestic appliances: there are a number of goods that are characterized as "Troca Certa". These are small products and appliances that, due to their repair cost, are simply exchanged, and these products are then collected from the insureds. These defective/broken products are sent to a company that ensures the materials and electronic components are disposed of correctly, ensuring that there is no impact on the environment.	0.32	18.92	1,173,617
	Smart residential / disposal: the insurer will send a professional to dispose of furniture, electronic equipment and appliances, in line with current sustainability practices and regulations. The removal of furniture and electronic equipment and appliances must take place within the insured's residence.	0.17	8.96	7,460
Mexico	Safe gas station: insurance that includes public liability coverage against contamination.	0.18	0.53	1,581
Colombia	Transportation of dangerous goods and hydrocarbons: this coverage is extended to cover third-party liability and defense expenses, in line with the decrees of Law 1609 of 2002 (hydrocarbons company), 4299 of 2005 (truck owners), 321 of 1999 and Law 1333 of 2009.	100	0.63	12
	Climate insurance: insurance that protects agricultural and livestock producers against the effects of natural events on their crops. This provides coverage for natural events such as drought or flooding, frost, strong wind, landslide, hail, avalanche and fire.	0.003	0.3	138
INTERNATIONAL TERRITORIAL AREA				
Puerto Rico	MCS-90: transportation policy that covers repairing damage resulting from contamination due to leaks of hazardous products.	0.04	0.18	250
GLOBAL BUSINESSES				
Damage and third-party liability policy: insurance that covers the different phases (design, construction, commissioning and operation) of large renewable energy thermosolar plants and wind farms.				
These products are marketed by MAPFRE GLOBAL RISKS.				
Wind farms		0.05	0.94	11
Solar energy		0.01	0.22	8

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6.4. Table of contents GRI

Data responding to GRI Indicators and the requirements established by Directive 2014/95 EUA on the disclosure of non-financial and diversity information, as well as its respective transpositions in Spain (Law 11/2018 of December 28) and in Italy (Legislative Decree 254/16 NFI) was obtained through Sygris, the Group's social responsibility data-management tool.

Standard and Content GRI	PAGE No.(P.) / INFORMATION	Other references
GRI 101. Foundation 2016		
GRI 102. General contents 2016		
1. Organizational profile		
102-1. Name of the organization	MAPFRE	
102-2. Activities, brands, products, and services	2.1 About us 2.3 Functional structure 3.2 MAPFRE key figures 4.1 Protecting the customer. Our products 6.3 Note 6 - Social products and services 6.3 Note 11 - Environmental products and services	SDG 8,9,11
102-3. Location of headquarters	2. MAPFRE Group P.7 Madrid (Spain)	
102-4. Location of operations	2.1 About us: Geographic footprint	
102-5. Ownership and legal form	2.3 Shareholder and functional structure	
102-6. Markets served	2.1 About us: Geographic footprint 3.2 MAPFRE key figures	SDG 8,17
102-7. Scale of the organization	2.1 About us: Geographic footprint, main activity 3.2 MAPFRE key figures	SDG 8,17
102-8. Information on employees and other workers	4.4 Developing employees: Workforce data/diversity and inclusion	SDG 8,10
102-9. Supply chain	4.5 Generating business for providers	SDG 8
102-10. Significant changes to the organization and its supply chain	3.2 MAPFRE key economic data – Relevant events 4.5 Generating business for suppliers	
102-11. Precautionary principle or approach	2.4.2. Ethical Behavior: main prevention and compliance measures 3.3 Risk management. 5 Committed to the environment 6.1 Bases of preparation and presentation of the report	SDG 13
102-12. External initiatives	2.2 Strategy - Sustainability: relevant events Web mapfre.com – International Commitments	SDG 16,17 Principles 1-10 of the Global Compact
102-13. Membership of associations	6.3 Note 5 - Stakeholders Web mapfre.com – International commitments	SDG 17
2. Strategy		
102-14. Statement from senior management decision-makers	1. Letter from the chairman and CEO. P.4 2.4.1. Corporate governance system	
102-15. Key impacts, risks, and opportunities	2.1 About us: Mission, vision and values 3.1 Regulatory framework and global environment 3.3 Risk management 6.2 Materiality	Principles 1-10 of the Global Compact SDG 8,17
3. Integrity and ethics		

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Standard and Content GRI	PAGE No.(P.) / INFORMATION	Other references
102-16. Values, principles, standards, and norms of behavior	2.1 About us: Mission, vision and values 2.4 Good governance 2.4.2. Ethical Behavior: main prevention and compliance measures	Principles 1-10 of the Global Compact SDG 8,17
102-17. Mechanisms for advice and concerns about ethics	2.4.2. Ethical Behavior: main prevention and compliance measures 6.3 Note 2 – Principles of the Global Compact and MAPFRE prevention and compliance measures in the field of Human Rights https://www.mapfre.com/en/ethical-behavior/	ODS 16 y 17 Principios 1-10 Pacto Mundial
4. Governance		
102-18. Governance structure	2.4 Good Governance - 2.4.1 Corporate Governance System 2.2 Strategy - Sustainability	SDG 16
102-19. Delegating authority	2.4 Good Governance - 2.4.1 Corporate Governance System 2.2 Strategy - Sustainability Section C.2.1. of the Annual Corporate Governance Report (ACGR).	Principles 1-10 of the Global Compact
102-20. Executive-level responsibility for economic, environmental, and social topics	2.2 Strategy – Sustainability 2.4 Good Governance - 2.4.1 Corporate Governance System Section C.2.1. of the Annual Corporate Governance Report (ACGR)	Principles 1-10 of the Global Compact
102-21. Consulting stakeholders on economic, environmental, and social topics	6.2 Materiality	Principles 1-10 of the Global Compact SDG 16
102-22. Composition of the highest governance body and its committees	2.4 Good Governance - 2.4.1 Corporate Governance System	SDG 5,16
102-23. Chair of the highest governance body	2.4 Good Governance - 2.4.1 Corporate Governance System	SDG 16
102-24. Nominating and selecting the highest governance body	Sections C.1.16., C.1.5. and C.1.6. of the Annual Corporate Governance Report (ACGR)	SDG 5,16
102-25. Conflicts of interest	Section D.6. and A.1. to A.8. of the Annual Corporate Governance Report (ACGR)	SDG 16
102-26. Role of highest governance body in setting purpose, values, and strategy	2.4.1. Corporate governance system Section C.2.1. of the Annual Corporate Governance Report (ACGR). Title I, Chapter II of the Regulations of the MAPFRE Board of Directors: "Functions and Responsibilities of the Board"	SDG 16, 17
102-27. Collective knowledge of highest governance body	Sections C.1.5. and C.1.35. of the Annual Corporate Governance Report (ACGR)	
102-28. Evaluating the highest governance body's performance	Section C.1.17. of the Annual Corporate Governance Report (ACGR). Given its relevance, we refer to the Board of Directors Regulation from MAPFRE and published on the corporate website. Title I. Board of Directors and Title II. Committees and Steering Committees.	SDG 16
102-29. Identifying and managing economic, environmental, and social impacts	3.3 Risk management 6.2 Materiality Sections E.1., E.2. and F.1. of the Annual Corporate Governance Report (ACGR) Given its relevance, we refer to the Board of Directors Regulation published on the corporate website. Chapter IV: Risk and Compliance Committee	Principles 1-10 of the Global Compact SDG 16

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Standard and Content GRI	PAGE No.(P.) / INFORMATION	Other references
102-30. Effectiveness of risk management processes	3.3 Risk management Sections E.2. and E.6. of the Annual Corporate Governance Report (ACGR) Given its relevance, we refer to the Board of Directors Regulation published on the corporate website. Chapter IV: Risk and Compliance Committee	Principles 1-10 of the Global Compact
102-31. Review of economic, environmental, and social topics	3.3 Risk management 6.2 Materiality Section E.1. of the ACGR. of the Annual Corporate Governance Report (ACGR) Given its relevance, we refer to the Board of Directors Regulation published on the corporate website. Chapter IV: Risk and Compliance Committee	Principles 1-10 of the Global Compact
102-32. Highest governance body's role in sustainability reporting	6.1 Bases of preparation and presentation of the report Section C.2.1. and G, Recommendation 53 of the Annual Corporate Governance Report (ACGR) Given its relevance, we refer to the Board of Directors Regulation published on the corporate website. Title I Chapter I: Duties and Responsibilities of the Board	Principles 1-10 of the Global Compact
102-33. Communicating critical concerns	2.4.2. Ethical Behavior: main compliance and prevention measures 6.3 Note 3 – Grievances and complaints https://www.mapfre.com/en/ethical-behavior/	
102-34. Nature and total number of critical concerns	Given its relevance, we refer to the Regulations of the Board of Directors, a document approved in January 2016 and published on the corporate website. Title I Chapter I: Duties and Responsibilities of the Board	Principles 1-10 of the Global Compact
102-35. Remuneration policies	4.4 Developing employees - Remuneration and recognition	Principles 1, 2, 3, 4, 6 and 10 of the Global Compact
102-36. Process for determining remuneration	6.3 Note 1 - Corporate policies that the Company has published in its website	SDG 16
102-37. Stakeholders' involvement in remuneration	Annual report on directors' remuneration - https://www.mapfre.com/en/general-meeting/	
102-38. Annual total compensation ratio	6.3 Note 8 - Remuneration data	Principles 1, 2, 3, 4, 6 and 10 of the Global Compact
102-39. Percentage increase in annual total compensation ratio	6.3 Note 8 - Remuneration data	Principles 1,2, 3, 4,6 and 10 of the Global Compact
5. Participation of stakeholders		
102-40. List of stakeholder groups	6.3 Note 5 - Stakeholders Stakeholders - https://www.mapfre.com/en/our-stakeholders/	Principles 1-10 of the Global Compact
102-41. Collective bargaining agreements	4.4 Employee experience: Employee legal representative 6.3 Note 5 - Stakeholders Stakeholders - https://www.mapfre.com/en/our-stakeholders/	Principles 1, 2, 3, 4, 6 and 10 of the Global Compact SDG 18
102-42. Identifying and selecting stakeholders	6.3 Note 5 - Stakeholders Stakeholders - https://www.mapfre.com/en/our-stakeholders/	

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Standard and Content GRI	PAGE No.(P.) / INFORMATION	Other references
102-43. Approach to stakeholder engagement	6.2 Materiality 4.4 Employee experience: Employee legal representative	Principles 1-10 of the Global Compact
102-44. Key topics and concerns raised	6.2 Materiality 4.4 Employee experience: Employee legal representative	Principles 1-10 of the Global Compact
6. Practices for drawing up reports		
102-45. Companies included in the consolidated financial statements	6.1 Bases of preparation and presentation of the report Report 2020 - https://www.mapfre.com/en/financial-information/	
102-46. Defining report content and topic Boundaries	6.1 Bases of preparation and presentation of the report	
102-47. List of material topics	6.2 Materiality	Principles 1-10 of the Global Compact
102-48. Restatements of information	6.1 Bases of preparation and presentation of the report 6.4 External verification report	
102-49. Changes in reporting	6.1 Bases of preparation and presentation of the report 6.4 External verification report	
102-50. Reporting period	6.1 Bases of preparation and presentation of the report	
102-51. Date of most recent report	6.1 Bases of preparation and presentation of the report Date of latest report - https://www.mapfre.com/en/annual-reports/	
102-52. Reporting cycle	Annual	
102-53. Contact point for questions regarding the report	6.1 Bases of preparation and presentation of the report	
102-54. Claims of reporting in accordance with the GRI Standards		
102-55. GRI content index	6.4 GRI content index	
102-56. External assurance	6.4 External verification report	
GRI 103 – Focus on management 2016		
103-1 Explanation of the material topic and its Boundary	6.2 Materiality 3.3 Risk Management: Analysis of ESG challenges as risks and opportunities	Principles 1-10 of the Global Compact SDG 16
103-2 The management approach and its components	2.2 Strategy: Strategic plan	
103-3 Evaluation of the management approach	6.2 Materiality 3.3 Risk Management: Analysis of ESG challenges as risks and opportunities 2.2 Strategy: Strategic plan	
GRI 201. Economic performance 2016		
201-1 Direct economic value generated and distributed	3.2 MAPFRE key figures 4.6 Social footprint, shared value Consolidated Annual Resport - https://www.mapfre.com/en/general-meeting/	Principles 1-10 of the Global Compact SDG 1,2,5,7,8 and 9

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Standard and Content GRI	PAGE No.(P.) / INFORMATION	Other references
201-2-Financial implications and other risks and opportunities due to climate change	3.3 Risk Management: Analysis of ESG challenges as risks and opportunities 5 Committed to the environment: Climate change action strategy 6.3 Note 6 - Social products and services 6.3 Note 11 - Environmental products and services Consolidated Annual Resport - https://www.mapfre.com/en/general-meeting/	Principles 7, 8 and 9 of the Global Compact SDG 13
201-3- Defined benefit plan obligations and other retirement plans **201-4- Financial assistance received from government**	4.4 Developing employees: Work-life balance and wellbeing / Remuneration and recognition The public subventions received do not represent a significant amount as a percentage of Group total revenues	Principles 1, 6 and 10 of the Global Compact
GRI 202. Market presence 2016		
202-1 Ratios of standard entry level wage by gender compared to local minimum wage	6.3 Note 8 - Remuneration data	SDG 8
202-2 Proportion of senior management hired from the local community	4.4 Developing employees – Functional and geographic mobility	SDG 8
GRI 203: Indirect Economic Impacts		
203-2 Significant indirect economic impacts	3.2 Key figures - Relevant events that occurred during the year 3.3 Risk management 6.3 Note 6 - Social products and services 6.3 Note 11 - Environmental products and services	ODS 1, 8
GRI 204. Acquisition practices 2016		
204-1 Proportion of spending on local providers	4.5 Generating business for providers	Principle 10 of the Global Compact SDG 1,5, 8
GRI 205. Anti-Corruption 2016 - Material - Related to the material topic of prevention and mitigation of corruption, fraud and bribery		
205-1- Operations assessed for risks related to corruption	2.4.2 Ethical behavior: Main compliance and prevention measures 3.3 Risk management	Principle 10 of the Global Compact SDG 16
205-2- Communication and training about anti-corruption policies and procedures	6.4 Note 2 – Principles of the Global Compact and MAPFRE prevention and compliance measures in the field of Human Rights	
205-3- Confirmed incidents of corruption and actions taken	In 2020, there were no significant corruption cases in the Group and, in those detected, all of low relevance, the internal control mechanisms functioned correctly, facilitating the detection of same and the application of the corresponding measures	
GRI 206. Anti-Corruption 2016 - Material - Related to the material topic of prevention and mitigation of corruption, fraud and bribery		
206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	In 2020, no legal actions were taken for anti-competitive behavior, anti-trust, and monopoly practices.	Principle 10 of the Global Compact SDG 16
GRI 207. Taxation 2019		
207-1- Fiscal Approach (Version 2019)	Note 1 - Corporate policies that the Company has published on its website - Fiscal Policy Section E - Risk Management and Control Systems - of the 2020 Annual Corporate Governance Report (ACGR)	Principle 10 of the Global Compact SDG 8,10 and 16

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Standard and Content GRI	PAGE No.(P.) / INFORMATION	Other references
207-2- Fiscal Governance, Control and Risk Management (Version 2019)	2.4.2. Ethical behavior: Main compliance and prevention measures - Financial and Accounting Whistleblower Channel Section E - Risk Management and Control Systems - of the 2020 Annual Corporate Governance Report (ACGR)	
207-3- Stakeholder participation and management of tax concerns (Version 2019)	6.2 Materiality 6.3 Note 1 - Corporate policies that the Company has published in its website - Taxation Policy 6.3 Note 1 - Corporate policies that the Company has published in its website	
207-4- Country-by-country reporting (Version 2019): For the following paragraphs: a, b.i, b.ii, b.iii, b.vi, b.viii, c	4.6 Social footprint, shared value: Economic footprint Annex I - Table of subsidiaries, associated companies and joint businesses of the Annual Accounts and Consolidated Management Report 2020	
GRI 301. 2016 Materials		
301-1 Materials used by weight or volume	6.3 Note 10 – Environmental indicators / paper / toner	Principles 7, 8 and 9 of the Global Compact SDG 8, 12
GRI 302. Energy 2016 - Material - Related to Climate Change and Carbon Footprint		
302-1- Energy consumption within the organization	6.3 Note 10 – Environmental indicators	Principles 7, 8 and 9 of the Global Compact SDG 7, 8, 12 and 13
302-3- Energy intensity	6.3 Note 10 – Environmental indicators	Principles 7, 8 and 9 of the Global Compact SDG 7, 8, 12 and 13
302-4- Reduction of energy consumption	6.3 Note 10 – Environmental indicators	Principles 7, 8 and 9 of the Global Compact SDG 7, 8, 12 and 13
GRI 303. Water 2018		
303-5 – Water consumption	6.3 Note 10 – Environmental indicators	Principles 7, 8 and 9 of the Global Compact SDG 6
GRI 304. Biodiversity 2016		
304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	5 Committed to the environment. Preservation of biodiversity and natural capital	Principles 7, 8 and 9 of the Global Compact
GRI 305. Emissions 2016 - Material - Related to Climate Change and Carbon Footprint		
305-1 Direct (Scope 1) GHG emissions	6.3 Note 10 - Environmental indicators	Principles 7, 8 and 9 of the Global Compact SDG 2,3,12,13, 14 and 15
305-2 Energy indirect (Scope 2) GHG emissions		
305-3- Other indirect (Scope 3) GHG emissions		
305-4 GHG emissions intensity		
305-5 Reduction of GHG emissions	5 Committed to the environment: Climate change action strategy 6.3 Note 10 - Environmental idicators	Principles 7, 8 and 9 of the Global Compact SDG 13, 14, 15
GRI 306. Effluents and waste 2016		
306-2- Wastes by type and disposal method	6.3 Note 10 - Environmental indicators	Principles 7, 8 and 9 of the Global Compact SDG 3, 6 and 12
306-3- Significant spills	During 2020 no spill or leak with a significant impact was recorded in the establishments and facilities where MAPFRE carries out its activity	Principles 7, 8 and 9 of the Global Compact SDG 3,6,12,14 and 15

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Standard and Content GRI	PAGE No.(P.) / INFORMATION	Other references
306-5 Water bodies affected by water discharges and/or runoff	The activity carried out by MAPFRE is mainly administrative and, by its nature, has a low environmental impact. This year no significant impacts have been identified in this area	Principles 7, 8 and 9 of the Global Compact SDG 6, 15
GRI 307. Environmental compliance 2016		
307-1 Non-compliance with environmental laws and regulations	The company does not have any record of having received a significant environmental fine in 2019.	Principles 7, 8, 9 and 10 of the Global Compact SDG 16
GRI 308. Provider environmental evaluation 2016		
308-1. New providers that were screened using environmental criteria	4.5 Generating business for providers	Principles 7, 8, 9 and 10 of the Global Compact
308-2- Negative environmental impacts in the supply chain and actions taken		Principles 7, 8, 9 and 10 of the Global Compact
GRI 401. Employment 2016		
401-1 - New employee hires and employee turnover	4.2 Developing employees – General data 6.3 Note 7 – New hires and departures For more information, see the People and Organization 2020 report	Principles 1,2,3,6 and 10 of the Global Compact SDG 5, 8 and 10
401-2- Benefits provided to full-time employees that are not provided to temporary or part-time employees	4.2 Developing employees - Employee Experience Para más información, ver informe "Personas y Organización 2019"	SDG 3, 5 and 8
401-3 Parental leave	4.2 Developing employees – Employee experience For more information see People and Organization 2020 report	Principles 1, 2, 3, 6 and 10 of the Global Compact SDG 5,8
GRI 402. Labor/Management Relations 2016		
402-1 - Minimum notice periods regarding operational changes	4.4 Employee experience: Employee legal representatives	Principles 1, 2, 3, and 6 of the Global Compact SDG 8
GRI 403. Occupational health and safety 2018 - Material - Related to material issue Security and Workplace Health		

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Standard and Content GRI	PAGE No.(P.) / INFORMATION	Other references
403-1 - Occupational health and safety management system	4.2 Developing employees – Employee experience	Principles 1,2,3 and 6 of the Global Compact SDG 3, 8
403-2 – Hazard identification, risk assesment, and incident investigation		Principles 1,2,3, 4 and 6 of the Global Compact SDG 3, 8
403-3 Occupational health services		Principles 1,2,3, 4 and 6 of the Global Compact SDG 3, 8
403-4 - Worker participation, consultation, and communication on occupational health and safety		Principles 1,2,3, 4 and 6 of the Global Compact SDG 3, 8
403-5 Worker training on occupational health and safety		Principles 1,2,3, 4 and 6 of the Global Compact SDG 3, 8
403-6 Promotion of worker health		Principles 1,2,3, 4 and 6 of the Global Compact SDG 3, 8
403-7- Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	4.5 Generating business for providers	Principles 1,2,3, 4 and 6 of the Global Compact SDG 3, 8
403-8 Workers covered by an occupational health and safety management system	4.2 Developing employees – Employee experience For more information, see the People and Organization 2020 report	Principles 1,2,3, 4 and 6 of the Global Compact SDG 3, 8
403-9 Work-related injuries	4.2 Developing employees – Employee experience For more information, see the People and Organization 2020 report	Principles 1,2,3, 4 and 6 of the Global Compact SDG 3, 8
403-10 Work-related ill health	4.2 Developing employees – Employee experience For more information, see the People and Organization 2020 report	Principles 1,2,3, 4 and 6 of the Global Compact SDG 3, 8
GRI 404. Training 2016		
404-1 - Average hours of training per year per employee	4.2 Developing employees – Talent, Selection and Development For more information, see the People and Organization 2020 report	Principles 1, 2, 3, 4, 6 and 8 of the Global Compact SDG 4,5 and 8
404-2 Programs for upgrading employee skills and transition assistance programs	4.2 Developing employees – Talent, Selection and Development For more information, see the People and Organization 2020 report	Principles 1, 2, 3, 4, 6 and 8 of the Global Compact SDG 8

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Standard and Content GRI	PAGE No.(P.) / INFORMATION	Other references
404-3 - Percentage of employees receiving regular performance and career development reviews	4.2 Developing employees – Talent, Selection and Development / Management Model / Remuneration and recognition / Employee experience For more information, see the People and Organization 2020 report	Principles 1, 2, 3, 4, 6 and 8 of the Global Compact SDG 5,8 and 10
GRI 405. Diversity and equal opportunities 2016 - Material - Related to material issue of Non-discrimination		
405-1- Diversity of governance bodies and employees	2.4 Good governance: Corporate Governance System - Diversity and experience 4.2 Developing employees – Diversity For more information, see the People and Organization 2020 report	Principles 1, 2, 3, 4 and 6 of the Global Compact SDG 5,8
405-2 – Ratio of basic salary and remuneration of women to men	4.2 Developing employees – Diversity management / Remuneration and recognition 6.3 Note 8 – Remuneration information For more information, see the People and Organization 2020 report	Principles 1, 2, 3, 4 and 6 of the Global Compact SDG 5, 8 and 10
GRI 406. Non-discrimination 2016 - Related to material issue of Non-discrimination		
406-1 – Incidents of discrimination and corrective actions taken	2.4.2 Ethical Behavior: Main compliance and prevention measures. 6.3 Note 2 – Principles of the Global Compact and MAPFRE prevention and compliance measures in the field of Human Rights	Principles 1, 2, 3, 4, 6 and 10 of the Global Compact SDG 5,8 and 16
GRI 407. Freedom of association and collective bargaining 2016		
407-1- Operations and providers in which the right to freedom of association and collective bargaining may be at risk	2.4.2 Ethical Behavior: Main compliance and prevention measures. 4.2 Developing employees – Employee experience 4.5 Generating business for providers 6.3 Note 2 – Principles of the Global Compact and MAPFRE prevention and compliance measures in the field of Human Rights	Principles 1, 2, 3, 4, 6 and 10 of the Global Compact SDG 8
GRI 408.Child labor 2016		
408-1 Operations and providers at significant risk for incidents of child labor	2.4.2 Ethical Behavior: Main compliance and prevention measures. 4.2 Developing employees 4.2 Developing employees – Employee experience 6.3 Note 2 – Principles of the Global Compact and MAPFRE prevention and compliance measures in the field of Human Rights	Principles 1, 2, 3, 5, 6 and 10 of the Global Compact SDG 8, 16
GRI 409. Forced or compulsory labor 2016		
409-1 Operations and providers at significant for incidents of forced or compulsory labor	2.4.2 Ethical Behavior: Main compliance and prevention measures. 4.2 Developing employees 4.5 Generating business for providers 6.3 Note 2 – Principles of the Global Compact and MAPFRE prevention and compliance measures in the field of Human Rights	Principles 1, 2, 3, 4, 6 and 10 of the Global Compact SDG 8
GRI 410. Security practices 2016		

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Standard and Content GRI	PAGE No.(P.) / INFORMATION	Other references
410-1 Security personnel trained in human rights policies or procedures	2.4.2 Ethical Behavior: Main compliance and prevention measures. 6.3 Note 2 – Principles of the Global Compact and MAPFRE prevention and compliance measures in the field of Human Rights	Principles 1, 2, 3, and 10 of the Global Compact SDG 16
GRI 411. Rights of indigenous peoples 2016		
411 - 1 Incidents of violations involving rights of indigenous peoples	2.4.2 Ethical Behavior: Main compliance and prevention measures. 6.3 Note 2 – Principles of the Global Compact and MAPFRE prevention and compliance measures in the field of Human Rights There is no record of any incidents of violations involving rights of indigenous people	Principles 1, 2, 3, and 10 of the Global Compact SDG 2
GRI 412. Human Rights Assessments 2016		
412-1 Operations that have been subject to human rights reviews or impact assessments	2.4.2 Ethical Behavior: Main compliance and prevention measures. 6.2 Materiality 6.3 Note 1 - Corporate policies that the Company has published on its website 6.3 Note 2 – Principles of the Global Compact and MAPFRE prevention and compliance measures in the field of Human Rights	Principles 1-10 of the Global Compact
412-2 Employee training on human rights policies or procedures	2.4.2 Ethical Behavior: Main compliance and prevention measures. 6.3 Note 1 - Corporate policies that the Company has published on its website 6.3 Note 2 – Principles of the Global Compact and MAPFRE prevention and compliance measures in the field of Human Rights	Principles 1-10 of the Global Compact
412-3 Significant investment agreements and contracts that include human rights clauses	2.4.2 Ethical Behavior: Main compliance and prevention measures. 4.5 Generating business for providers 6.2 Materiality 6.3 Note 2 – Principles of the Global Compact and MAPFRE prevention and compliance measures in the field of Human Rights 6.3 Note 1 - Corporate policies that the Company has published on its website	Principles 1,2,3,4,5,6,7 and 10 of the Global Compact
GRI 413. Local communities 2016		
413-1 Operations with local community engagement, impact assessments and development programs	4.2 Developing employees 4.6 Social footprint, shared value - Volunteering 6.3 Note 2 – Principles of the Global Compact and MAPFRE prevention and compliance measures in the field of Human Rights www.fundacionmapfre.org	Principles 1, 2, 3, 4, 5, 6, 7 and 10 of the Global Compact
413-2 Operations with significant actual and potential negative impacts on local communities	4.2 Developing employees 4.6 Social footprint, shared value - Volunteering 6.3 Note 2 – Principles of the Global Compact and MAPFRE prevention and compliance measures in the field of Human Rights www.fundacionmapfre.org	Principles 1, 2, 3, 4, 5, 6, 7 and 10 of the Global Compact SDG 1, 2
GRI 414. Provider Social Assessment 2016		

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Standard and Content GRI	PAGE No.(P.) / INFORMATION	Other references
414-1 New providers that were screened using social criteria	4.5 Generating business for providers	Principles 1-10 of the Global Compact SDG 5, 8 and 16
414-2 Negative social impacts in the supply chain and actions taken	2.4.2 Ethical Behavior: Main compliance and prevention measures. 4.5 Generating business for providers	 SDG 5, 8 and 16
GRI 415. Public policies 2016		
415-1 Political contributions	2.4.2 Ethical Behavior: Main compliance and prevention measures. 6.3 Note 5 - Stakeholders Institutional, Business and Organizational Principles of the MAPFRE Group - https://www.mapfre.com/en/corporate-governance/	Principle 10 of the Global Compact SDG 16
GRI 417. Marketing y etiquetado 2016		
417-1 Requirements for product and service information and labeling	4.2 Protecting the client Varies according to local legislation.	 ODS 12
417-2 Incidents of non-compliance concerning product and service information and labeling	2.4.2 Ethical Behavior: Main compliance and prevention measures.	Principle 10 of the Global Compact SDG 16
417-3 Incidents of non-compliance concerning marketing communications	No significant cases of non-compliance with regulations or voluntary codes assumed by the Company were reported in 2020	Principle 10 of the Global Compact SDG 16
GRI 418. Client privacy 2016		
418-1 Substantiated complaints concerning breaches of client privacy and losses of client data	6.3 Note 4 Cybersecurity, security and data privacy	Principles 1, 2, 3, and 10 of the Global Compact SDG 16
GRI 419. Environmental compliance 2016		
419-1 Non-compliance with laws and regulations in the social and economic area	2.4.2 Ethical Behavior: Main compliance and prevention measures.	Principles 1, 2, 3, and 10 of the Global Compact SDG 16

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GRI FINANCE SUPPLEMENT INDICATORS		
GRI Indicators		Page / Information
Impact of products and services		
FS1	Policies with specific environmental and social components applied to business lines.	2.2 Sustainability strategy 2.4 Good governance. Corporate Governance System. 4.1 MAPFRE and COVID-19 4.3 Developing people 5. Committed to the environment 6.3 Note 6 – Social products and services 6.3 Note 11 - Environmental products and services
FS2	Procedures for assessing and screening environmental and social risks in business lines.	2.4 Good governance. Corporate Governance System 3.3 Risk management 5. Committed to the environment 6.3 Note 6 – Social products and services 6.3 Note 11 - Environmental products and services
FS3	Processes for monitoring clients' implementation of and compliance with environmental and social requirements included in agreements or transactions with customers.	2.4 Good governance. Corporate Governance System. 3.3 Risk management 4.2 Protecting the client 5. Committed to the environment 6.3 Note 6 – Social products and services 6.3 Note 11 - Environmental products and services
FS4	Process(es) for improving staff competency to implement the environmental and social policies and procedures as applied to business lines.	2.2.2. Sustainability strategy 2.4 Good governance. Corporate Governance System. 3.3 Risk management 4.3 Developing people 5. Committed to the environment
FS5	Interactions with clients, investors and business partners regarding environmental and social risks and opportunities.	3.3 Risk management 5. Committed to the environment 6.2 Materiality.
Product portfolio		
FS6	Percentage of the portfolio for each business line by specific region, size and sector.	3.2 MAPFRE key figures. Information by business unit. 4.2 Protecting the client
FS7	Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by objective.	6.3 Note 6 – Social products and services 6.3 Note 11 - Environmental products and services
FS8	Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by objective.	

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Auditing		
FS9	Coverage and frequency of audits to assess implementation of environmental and social policies and risk assessment procedures.	6.1 Bases of preparation and presentation of the report. 6.3 Note 10 – Environmental indicators.
Active ownership		
FS10	Percentage and number of companies held in the institution's portfolio with which the reporting organization has interacted on environmental or social issues.	This information was not available as of the close of this report. 4.3 Creating shareholder value - SRI
FS11	Percentage of assets subject to positive and negative environmental or social screening.	
Community		
FS13	Access points in low-populated or economically disadvantaged areas by type.	6.3 Note 6 – Social products and services 6.3. Note 11 - Environmental products and services See MAPFRE Economics report "Financial inclusion in insurance" - https://www.mapfre.com/informes/ Annual Report of Fundación MAPFRE 2020
FS14	Initiatives to improve access for disadvantaged groups to financial services	
Customer health and safety - Material - Related to the material topic of Cybersecurity and Data Privacy		
FS15	Policies for the design and sale of financial products and services in a reasonable and fair manner	2.2 Sustainability Strategy 4.1. MAPFRE and COVID-19 6.3 Note 6 – Social products and services 6.3 Note 11 - Environmental products and services
Marketing communications		
FS16	Initiatives to improve literacy and financial education according to the beneficiary type	4.6 Social footprint, shared value Annual Report of Fundación MAPFRE 2020

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6.5. Correspondence of GRI content and non-financial information status (Law 11/2018 of December 28)

INDEX OF CONTENTS OF LAW 11/2018		
Information requested by the Law 11/2018	Reporting criterion: Selected GRI (Version 2016 unless otherwise noted)	Page or section of the report where the requirement of Law 11/2018 is met
GENERAL INFORMATION		
A brief description of the business model that includes its operating environment, organization, and structure	GRI 102-2 GRI 102-7	2.1 About Us 2.3 Shareholder and functional structure 2.4.1 Corporate Governance System 3.2 MAPFRE key figures
Markets in which we operate	GRI 102-3 GRI 102-4 GRI 102-6	2.1.3 Geographical footprint (deployment) 3.2.2 Information on business units
Organizational objectives and strategies	GRI 102-14	2.2 Strategy
Major factors and trends that may affect future evolution	GRI 102-14 GRI 102-15	3.1 Regulatory framework and global environment 3.2 MAPFRE key figures 3.3 Risk management
Reporting framework used	GRI 102-54	6.1 Bases of preparation and presentation of the report
Materiality principle	GRI 102-46 GRI 102-47	6.1 Bases of preparation and presentation of the report 6.2 Materiality
ISSUES RELATING TO THE ENVIRONMENT		
Management focus: Description and results of policies relating to these issues as well as the main risks related to these issues associated with the activities of the group	GRI 102-15 GRI 103-2	3.3 Risk Management 5. Committed to the environment
DETAILED GENERAL INFORMATION		
Detailed information on the current and foreseeable effects of the company's activities on the environment and, where appropriate, health and safety	GRI 102-15	3.3 Risk Management 5. Committed to the environment
Environmental assessment or certification procedures	GRI 103-2	5 Committed to the environment 6.3 Note 10 - Environmental indicators
Resources dedicated to the prevention of environmental risks	GRI 103-2	3.3 Risk Management 5. Committed to the environment 6.3 Note 10 - Environmental indicators
Application of the precautionary principle	GRI 102-11	5 Committed to the environment
Quantity of provisions and guarantees against environmental risks	GRI 103-2	3.3 Risk Management 5. Committed to the environment 6.3 Note 10 - Environmental indicators
POLLUTION		
Measures to prevent, reduce or repair emissions that seriously affect the environment; taking into account any form of activity-specific air pollution, including noise and light pollution	GRI 103-2	5 Committed to the environment 6.3 Note 10 - Environmental indicators
CIRCULAR ECONOMY AND WASTE PREVENTION AND MANAGEMENT		

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	GRI 103-2	5 Committed to the environment
	GRI 306-2	6.3 Note 10 - Environmental indicators
Measures for prevention, recycling, reuse, other forms of recovery and disposal of waste	GRI 306-3 (2020)	
	GRI 306-4 (2020) for Sections a, e	
	GRI 306-5 (2020) for Sections a, e	
Measures to fight food waste	GRI 103-2	5 Committed to the environment
SUSTAINABLE USE OF RESOURCES		
Water consumption and water supply in accordance with local limitations	GRI 303-5 (GRI Version 2018) for Sections a, d	5 Committed to the environment 6.3 Note 10 - Environmental indicators
Consumption of raw materials and measures taken to improve the efficiency of use	GRI 301-1	5 Committed to the environment 6.3 Note 10 - Environmental indicators
Direct and indirect energy consumption	GRI 302-1	5 Committed to the environment
	GRI 302-3	6.3 Note 10 - Environmental indicators
Measures taken to improve energy efficiency	GRI 103-2	5 Committed to the environment
	GRI 302-4	6.3 Note 10 - Environmental indicators
Use of renewable energy	GRI 302-1 for Sections a, b, e, f, g	5 Committed to the environment 6.3 Note 10 - Environmental indicators
CLIMATE CHANGE		
Greenhouse gas emissions generated as a result of the company's activities, including the use of the goods and services it produces	GRI 305-1	5 Committed to the environment
	GRI 305-2	6.3 Note 10 - Environmental indicators
	GRI 305-3	
	GRI 305-4	
Measures taken to adapt to the consequences of climate change	GRI 103-2	5 Committed to the environment
	GRI 201-2	6.3 Note 10 - Environmental indicators
Voluntarily established reduction targets in the medium and long term to reduce greenhouse gas emissions and the means implemented for this purpose	GRI 305-5	5 Committed to the environment 6.3 Note 10 - Environmental indicators
BIODIVERSITY PROTECTION		
Measures taken to preserve or restore biodiversity	GRI 304-3	5 Committed to the environment 6.3 Note 10 - Environmental indicators
Impacts caused by activities or operations in protected areas	GRI 304-1	5 Committed to the environment
	GRI 304-2	6.3 Note 10 - Environmental indicators 6.3 Note 11 - Environmental products
ISSUES RELATING TO SOCIETY AND EMPLOYEES		
Management focus: Description and results of policies relating to these issues as well as the main risks related to these issues associated with the activities of the group	GRI 102-15	4.4 Developing employees
	GRI 103-2	
EMPLOYMENT		
Total number and distribution of employees by country, sex, age and professional classification	GRI 102-8	4.4 Developing employees
	GRI 405-1	
Total number and distribution of labor contract modalities and annual average of indefinite contracts, temporary contracts and part-time contracts by sex, age and professional classification	GRI 102-8	4.4 Developing employees 6.3 Note 7 - New hires and departures 2020 by job position level

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	GRI 103-2	4.4 Developing employees
Number of layoffs by sex, age and professional classification	GRI 401-1	6.3 Note 7 - New hires and departures 2020 by job position level
Average remuneration and trends by sex, age and professional classification or similar value	GRI 103-2	4.4 Developing employees - Remuneration and recognition
	GRI 405-2 for Section a	6.3 Note 8 - Compensation information
Pay gap, remuneration of equal work or average across society	GRI 103-2	4.4 Developing employees - Remuneration and recognition
	GRI 405-2	6.3 Note 8 - Compensation information
Average remuneration of directors and managers, including variable remuneration, allowances, compensation, payment to long-term savings systems and any other earnings, by sex	GRI 103-2	4.4 Developing employees - Remuneration and recognition
	GRI 405-3	6.3 Note 8 - Compensation information
Implementation of work disconnection policies	GRI 103-2	4.4 Developing employees - Work-life balance and well-being
Number of employees with disabilities	GRI 405-1	4.4 Developing employees - Diversity and inclusion
WORK ORGANIZATION		
Organization of working time	GRI 103-2	4.4 Developing employees
Number of absentee hours	GRI 403-9 (GRI Version 2018)	4.4 Developing employees - Work-life balance and well-being
		6.3 Note 9 – Work-related accident data
Measures to facilitate the enjoyment of a work-life balance and encourage the corresponding exercise of these by both	GRI 103-2	4.4 Developing employees - Work-life balance and well-being
	GRI 401-3	
HEALTH AND SAFETY		
Occupational health and safety conditions	GRI 103-2	4.4 Developing employees - Work-life balance and well-being
	GRI 403-1 (GRI version 2018)	6.3 Note 9 - Work-related accident data
	GRI 403-2 (GRI version 2018)	
	GRI 403-3 (GRI version 2018)	
	GRI 403-7 (GRI version 2018)	
Accidents at work, in particular the frequency and severity of same, as well as occupational illnesses, by sex	GRI 403-9	4.4 Developing employees - Work-life balance and well-being
	GRI 403-10 (GRI version 2018) for Sections a, e	6.3 Note 9 - Work-related accident data
SOCIAL RELATIONS		
Organization of social dialog including procedures for informing, consulting and negotiating with employees	GRI 103-2	4.4 Developing employees – Employee legal representatives
Percentage of employees covered by collective agreement by country	GRI 102-41	4.4 Developing employees - Employee legal representatives
Balance of collective agreements, particularly in the field of health and safety at work	GRI 403-4 (GRI Version 2018)	4.4 Developing employees - Employee legal representatives
TRAINING		
Policies implemented in the field of training	GRI 103-2	4.4 Developing employees - Talent, Selection and Development
	GRI 404-2	
Total number of training hours broken down by professional classification	GRI 404-1	4.4 Developing employees - Talent, Selection and Development
UNIVERSAL ACCESSIBILITY		

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Universal accessibility for people with disabilities	GRI 103-2	4.4 Developing employees - Diversity and inclusion
EQUALITY		
Measures taken to promote equal treatment and opportunities between women and men	GRI 103-2	4.4 Developing employees - Diversity and inclusion
Equality plans, measures taken to promote employment, protocols against sexual and gender-based harassment	GRI 103-2	4.4 Developing employees - Diversity and inclusion
Policy against all forms of discrimination and, where appropriate, diversity management	GRI 103-2	4.4 Developing employees - Diversity and inclusion
INFORMATION ON RESPECT FOR HUMAN RIGHTS		
Management approach: Description and results of policies relating to these issues as well as the main risks related to these issues associated with the activities of the group	GRI 102-15 GRI 103-2	2.4.2. Ethical behavior: Main compliance and prevention measures - Human Rights
APPLICATION OF DUE DILIGENCE PROCEDURES		
Implementation of due diligence procedures in the field of Human Rights and prevention of the risk of Human Rights violations and, where appropriate, measures to mitigate, manage and redress possible abuses	GRI 102-16 GRI 102-17	2.4.2. Ethical behavior: Main compliance and prevention measures - Human Rights 6.3 Note 2 - Principles of the Global Compact and MAPFRE prevention and compliance measures in the field of Human Rights
Complaints of instances of Human Rights violations	GRI 103-2 GRI 406-1	2.4.2. Ethical behavior: Main compliance and prevention measures
Measures taken to promote and comply with the provisions of the ILO's fundamental conventions relating to respect for freedom of association and the right to collective bargaining; the elimination of employment and occupational discrimination; the elimination of forced or compulsory labor; the effective abolition of child labor	GRI 103-2 GRI 407-1 GRI 408-1 GRI 409-1	2.4.2. Ethical behavior: Main compliance and prevention measures - Human Rights 6.3 Note 2 - Principles of the Global Compact and MAPFRE prevention and compliance measures in the field of Human Rights
INFORMATION ON FIGHTING CORRUPTION AND BRIBERY		
Management approach: Description and results of policies relating to these issues as well as the main risks related to these issues associated with the activities of the group	GRI 102-15 GRI 103-2	2.4.2. Ethical behavior: Main compliance and prevention measures
Measures taken to prevent corruption and bribery	GRI 103-2 GRI 102-16 GRI 102-17 GRI 205-2 GRI 205-3	2.4.2. Ethical behavior: Main compliance and prevention measures
Measures to combat money laundering	GRI 103-2 GRI 102-16 GRI 102-17 GRI 205-2 GRI 205-3	2.4.2. Ethical behavior: Main compliance and prevention measures
Partnership or sponsorship actions	GRI 102-13 GRI 201-1 for Section a GRI 415-1	2.4.2. Ethical behavior: Main compliance and prevention measures 6.3 Note 5 - Stakeholders
COMPANY OVERVIEW		

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Management approach: Description and results of policies relating to these issues as well as the main risks related to these issues associated with the activities of the group	GRI 102-15 GRI 103-2	2.2.2 Sustainability 2.4.2. Ethical behavior: Main compliance and prevention measures
THE COMPANY'S COMMITMENT TO SUSTAINABLE DEVELOPMENT		
The impact of the company's activities on local employment and development	GRI 103-2 GRI 203-2 GRI 204-1	2.2.2 Sustainability 4.6 Social footprint, shared value
The impact of the company's activities on local and national populations	GRI 413-1 GRI 413-2 GRI 411-1	2.2.2 Sustainability 4.6 Social footprint, shared value
Relationships maintained with local community actors and the modalities of dialog with these	GRI 102-43 GRI 413-1 GRI 103-2	2.2.2 Sustainability 4.6 Social footprint, shared value 2.4.2. Ethical behavior: Main compliance and prevention measures
Contributions to foundations and non-profit organizations	GRI 201-1: for Section a.ii	6.3 Note 5 - Stakeholders
SUBCONTRACTING AND PROVIDERS		
Inclusion of social, gender equality and environmental issues in the procurement policy	GRI 103-2	4.5 Generating business for providers
Consideration of social and environmental responsibility in our relationships with suppliers and subcontractors	GRI 102-9 GRI 308-1 GRI 414-1	4.5 Generating business for providers
Supervision and audit systems and results thereof	GRI 102-9 GRI 308-2 GRI 414-2	4.5 Generating business for providers
CONSUMERS		
Consumer health and safety measures	GRI 103-2 GRI 416-1	2.2.2 Sustainability 4.2 Protecting the client
Complaint systems, complaints received and resolution of complaints	GRI 103-2 GRI 418-1	2.4.2. Ethical behavior: Main compliance and prevention measures 4.2 Protecting the client 6.3 Note 3 – Grievances and complaints
TAX INFORMATION		
Profits generated by country	GRI 103-2 GRI 207-4 (Version 2019): for Sections a, b.vi, c	4.6 Social footprint, shared value - Economic footprint 6.3 Note 1 - Corporate policies that the Company has published on its website
Taxes on profits paid	GRI 103-2 GRI 207-4 (Version 2019) GRI 201-1: for Section a.i GRI 207-4 (Version 2019): for Sections a, b.viii, c	4.6 Social footprint, shared value - Economic footprint 6.3 Note 1 - Corporate policies that the Company has published on its website
Public subsidies received	GRI 201-4	4.6 Social footprint, shared value - Economic footprint 6.3. Note 5 - Stakeholders

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28046 Madrid

Independent Assurance Report on the Integrated Report of MAPFRE, S.A. and subsidiaries for 2020

(Free translation from the original in Spanish.
In case of discrepancy, the Spanish language version prevails.)

To the shareholders of MAPFRE, S.A.:

We have been engaged by MAPFRE, S.A. management to perform a limited assurance review of the accompanying Integrated Report for the year ended 31 December 2020 of MAPFRE, S.A. (hereinafter, the Parent) and subsidiaries (hereinafter, the Group), prepared in accordance with the Sustainability Reporting Standards of the Global Reporting Initiative (GRI Standards),in its comprehensive option and with the Financial Sector Supplement (hereinafter, the Report).

In addition, pursuant to article 49 of the Spanish Code of Commerce, we have performed a limited assurance review to verify that the Consolidated Non-Financial Information Statement (hereinafter NFIS) for the year ended 31 December 2020, of MAPFRE, S.A included in the Report, has been prepared in accordance with the contents required by prevailing mercantile legislation.

The Report includes additional information to that required by GRI standards in its comprehensive option and prevailing mercantile legislation governing non-financial information that has not been the subject of our assurance engagement. In this regard, our work was limited only to providing assurance on the information contained in the "GRI Content Index" and "Correspondence of GRI content and non-financial information status" of the accompanying Report.

Directors´ and Management responsibilities

Management of the Parent is responsible for the preparation of the Report in accordance with the GRI Standards in its comprehensive option, in accordance with each subject area in the "GRI Content Index" of the aforementioned Report.

The Board of Directors of the Parent is responsible for the contents and the authorization for issue of the NFIS which has been prepared in accordance with the contents required by prevailing mercantile legislation and selected GRI Standards, in accordance with each subject area in the table "Correspondence of GRI content and non-financial information status" of the aforementioned Report.

This responsibility also encompasses the design, implementation and maintenance of internal control deemed necessary to ensure that the Report is free from material misstatement, whether due to fraud or error.

The directors of the Parent are also responsible for defining, implementing, adapting and maintaining the management systems from which the information necessary for preparing the Report was obtained.

KPMG Asesores S.L., a limited liability Spanish company and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.
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N.I.F. B-82498650

Our Independence and quality control

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including international independence standards) issued by the International Ethics Standards Board for Accountants (IESBA), which is based on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies International Standard on Quality Control 1 (ISQC1) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The engagement team was comprised of professionals specialised in reviews of non-financial information and, specifically, in information on economic, social and environmental performance.

Our responsibility

Our responsibility is to express our conclusions in an independent limited assurance report based on the work performed.

We conducted our review engagement in accordance with the requirements of the Revised International Standard on Assurance Engagements 3000, "Assurance Engagements other than Audits or Reviews of Historical Financial Information" (ISAE 3000 Revised), issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC), and with the Performance Guide on assurance engagements on the Non-Financial Information Statement issued by the Spanish Institute of Registered Auditors (ICJCE).

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement, and consequently, the level of assurance provided is also lower.

Our work consisted of making inquiries of management, as well as of the different units and areas of the Group that participated in the preparation of the Report, in the review of the processes for compiling and validating the information presented in the Report and in the application of certain analytical procedures and sample review testing described below:

- Meetings with the Group personnel to gain an understanding of the business model, policies and management approaches applied, the principal risks related to these matters and to obtain the information necessary for the external review.
- Analysis of the scope, relevance and completeness of the content of the Report based on the materiality analysis performed by the Group and described in the section "6.2 Materiality" considering the content required by prevailing mercantile legislation.
- Analysis of the processes for compiling and validating the data presented in the Report for 2020.
- Review of the information relating to the risks, policies and management approaches applied in relation to the material aspects presented in the Report for 2020.
- Corroboration, through sample testing, of the information relative to the content of the Report for 2020 and whether it has been adequately compiled based on data provided by the information sources.

- Procurement of a representation letter from the Directors and management.

Conclusion

Based on the assurance procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that:

a.) The Integrated Report of MAPFRE, S.A. and subsidiaries for the year ended 31 December 2020 has not been prepared, in all material respects, in accordance with the GRI Standards, in its comprehensive option, and the Financial Sectorial Supplement, as described in point 102-54 of the GRI content index.

b.) The NFIS of MAPFRE, S.A. and subsidiaries for the year ended 31 December 2020 has not been prepared, in all material respects, in accordance with the contents included in prevailing mercantile legislation and with the GRI Standards selected, in accordance with each subject area in the table "Correspondence of GRI content and non-financial information status" of the Report.

Use and distribution

In accordance with the terms of our engagement, this Independent Assurance Report has been prepared for MAPFRE, S.A. in relation to its Integrated Report 2020 and for no other purpose or in any other context.

In relation to the Consolidated NFIS, this report has been prepared in response to the requirement established in prevailing mercantile legislation in Spain, and thus may not be suitable for other purposes and jurisdictions.

KPMG Asesores, S.L.

(Signed on original in Spanish)

Patricia Reverter Guillot

10 February 2021

The Integrated Report for MAPFRE S.A., corresponding to financial year 2020, on the preceding pages xx to xx herein, and which includes the non-financial information that is included in the Consolidated Management Report, was endorsed by the Board of Directors at its meeting held on February 10, 2021.

Mr. Antonio Huertas Mejías Chairman	Mr. Antonio Gómez Ciria Member
Mr. Ignacio Baeza Gómez 1st Vice Chairman	Mr. Luis Hernando de Larramendi Martínez Member
Ms. Catalina Miñarro Brugarolas 2nd Vice Chairman	Mr. Francisco J. Marco Orenes Member
Mr. José Manuel Inchausti Pérez 3rd Vice Chairman	Mr. Fernando Mata Verdejo Member
Mr. José Antonio Colomer Guiu Member	Mr. Antonio Miguel-Romero de Olano Member
Ms. María Leticia de Freitas Costa Member	Ms. Pilar Perales Viscasillas Member
Ms. Ana Isabel Fernández Alvarez Member	D. Alfonso Rebuelta Badías Member
Ms. Rosa M.ª García García Member	D. Ángel Luis Dávila Bermejo Secretary and Non-Member

DILIGENCE to establish, in line with articles 253.2 of the Companies Act and 366.1.2 of the Mercantile Registry Regulations, that the Company's Integrated Report corresponding to 2020 have been endorsed by all members of the Board of Directors but have not been signed by any of them, neither in writing nor electronically, in all cases, due to material impossibility, given that the Board meeting at which the Integrated Report was presented was held via videoconference, as a result of the restrictions deriving from the declaration of the state of alarm in the entire country of Spain in Royal Decree 956/2020, of November 3, and subsequent regulations.

In Madrid, on February 10, 2021.
Ángel Luis Dávila Bermejo – Secretary of the Board of Directors
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