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Paris, 9th January 2008**

A snapshot of MAPFRE

Deepening of the alliance with Caja Madrid

Strategic overview



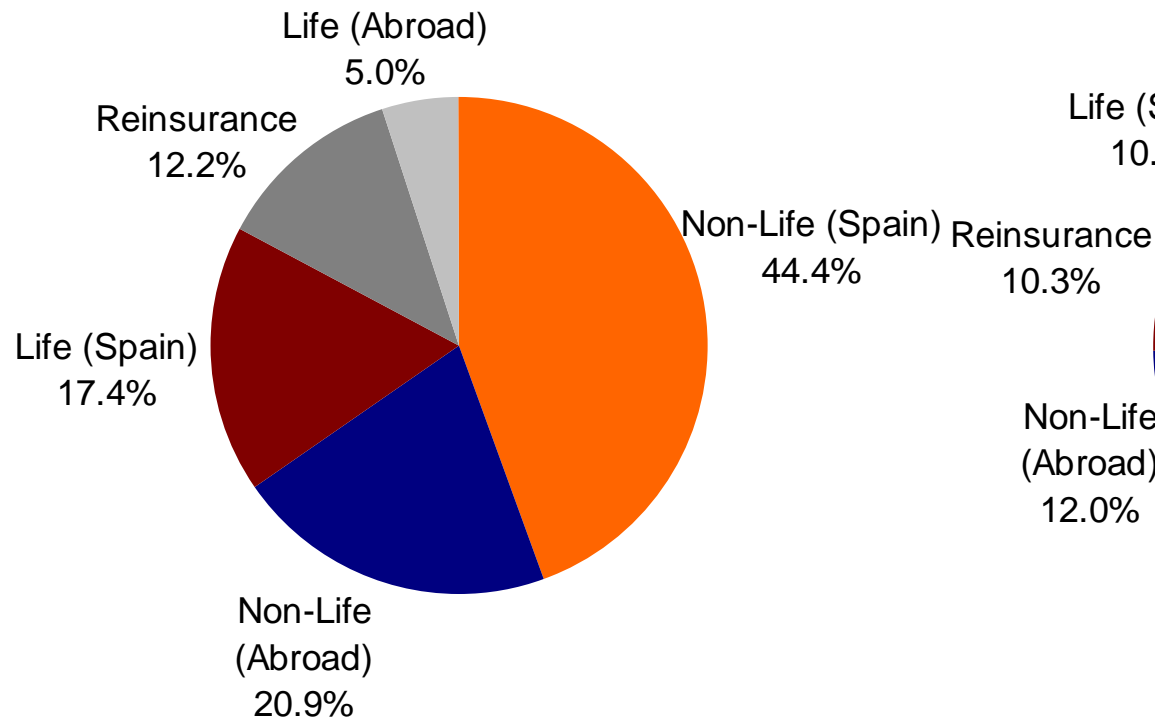
MAPFRE at a glance

- MAPFRE is an independent Spanish group which carries out activities in the fields of insurance, reinsurance and services primarily in Spain, Europe and the Americas.
- It has a direct presence in 40 countries across various business lines, which has consistently provided increasing and diversified results:
 - Spain's leading insurance group, with the strongest brand name, the widest distribution network and market shares of 17.4% in Non-Life insurance premiums and 8.3% in Life assurance premiums (2006 figures);
 - Largest Non-life insurer in Latin America, with a 6.2% market share, and 3rd largest overall, with a 4.5% market share (2006 figures).
- Recently announced acquisitions will further consolidate MAPFRE's position as a Top 10 Non-life insurer in Europe.
- At year-end 2006, MAPFRE recorded premium volume of €10.9 bn, third-party funds under management of €20.5 bn and a pretax profit of €1.2 bn.



Breakdown of premiums and profits by business line – 9M 07

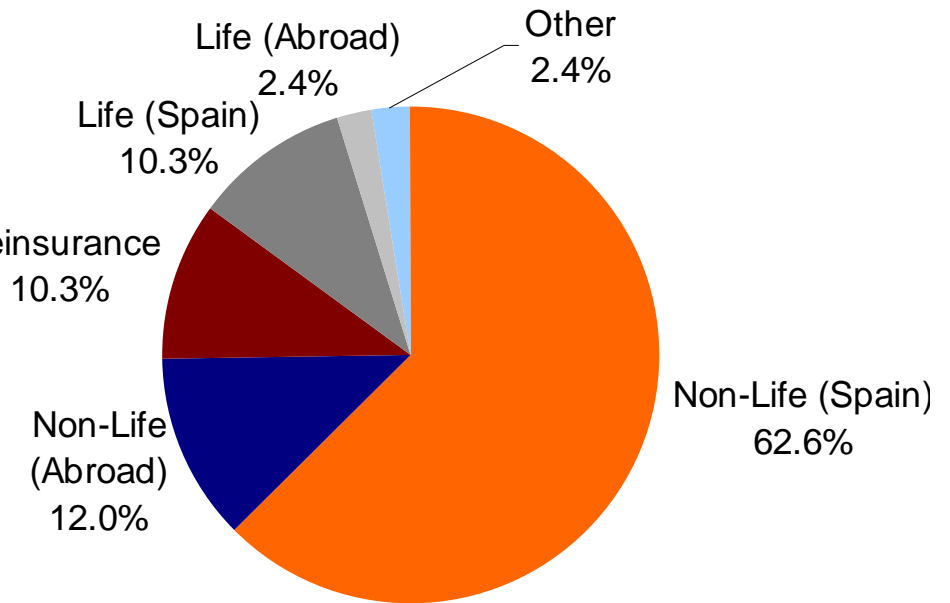
Premiums⁽¹⁾



€9,367.7 million

+11.8%

Profits⁽²⁾



€505.2 million

+10.6%

(1) Aggregated figures for MAPFRE

(2) Result after tax and minority interests. Consolidated figures for MAPFRE



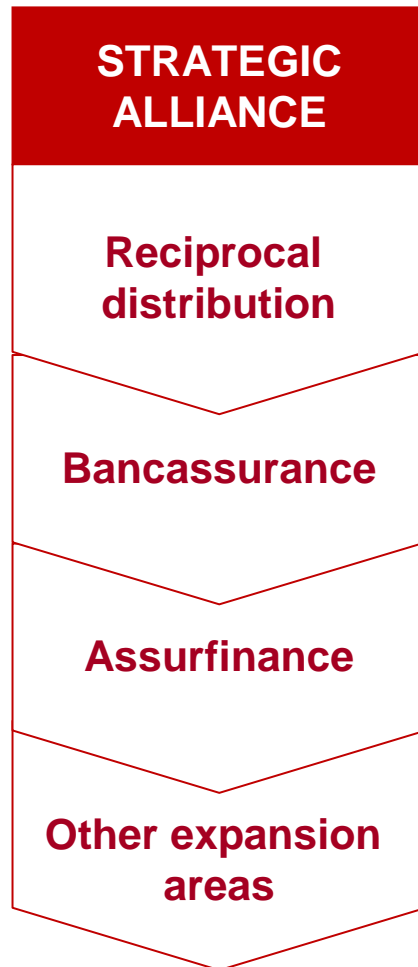
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Overview of the current status of the alliance between MAPFRE and CAJA MADRID



- MAPFRE and CAJA MADRID maintain a strategic alliance since the year 2000.
- A distribution agreement is in place: MAPFRE has the exclusive right to distribute insurance products through CAJA MADRID's network, and CAJA MADRID to distribute banking products through MAPFRE's network.
- CAJA MADRID has a 49% shareholding in MAPFRE – CAJA MADRID HOLDING (MCMH), which owns MAPFRE's Spanish Life, General, Health and Commercial insurance subsidiaries.
- MAPFRE owns 49% of a bank majority-owned by CAJA MADRID (BANCO DE SERVICIOS FINANCIEROS CAJA MADRID – MAPFRE) and 30% of its asset management and brokerage subsidiaries (GESMADRID, CAJA MADRID BOLSA and CAJA MADRID PENSIONES).
- Additionally, CAJA MADRID has stakes in MAPFRE's holding companies for the Latin American business (MAPFRE AMÉRICA and MAPFRE AMÉRICA VIDA), as well as in its Services for the Elderly subsidiary (MAPFRE QUAVITAE).

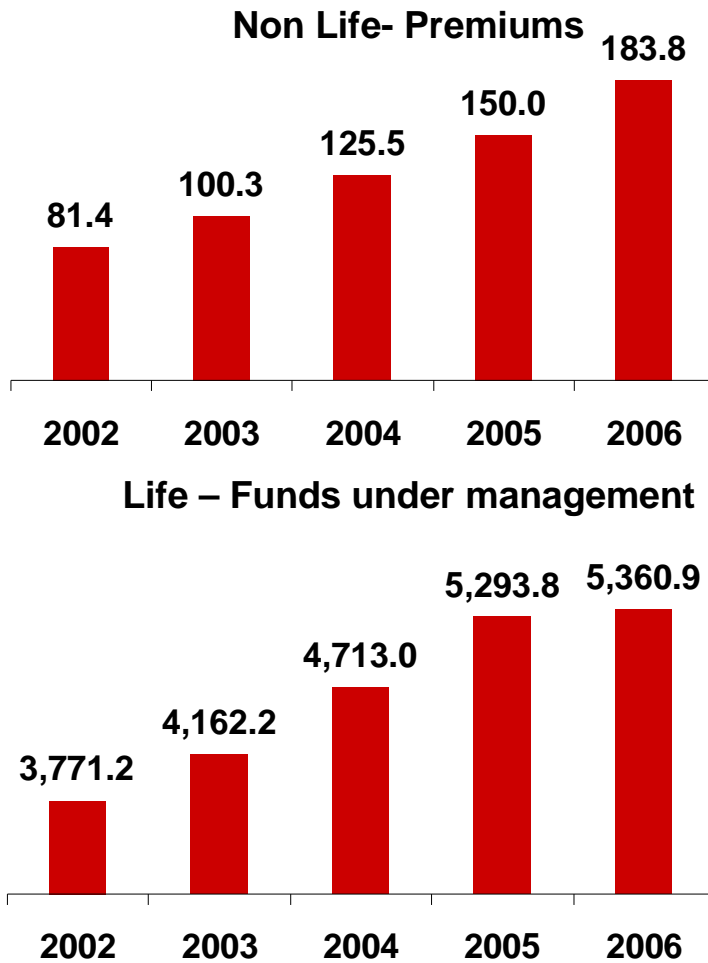
The results of the alliance in terms of growth and profitability have been outstanding



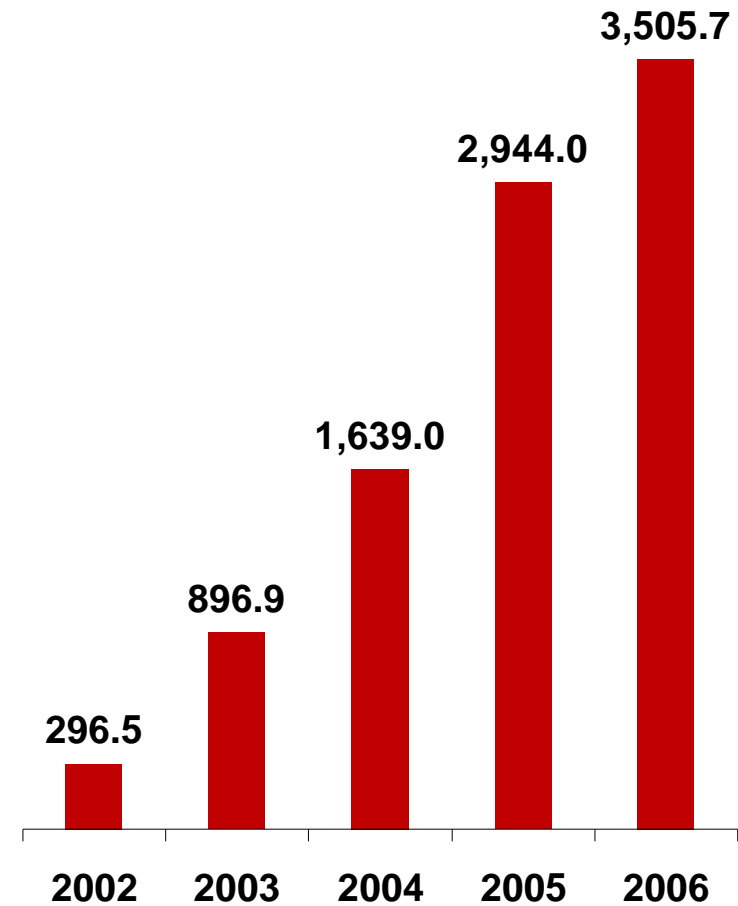
The performance of the MAPFRE-CAJA MADRID alliance has been outstanding



MAPFRE products sold through the CAJA MADRID network



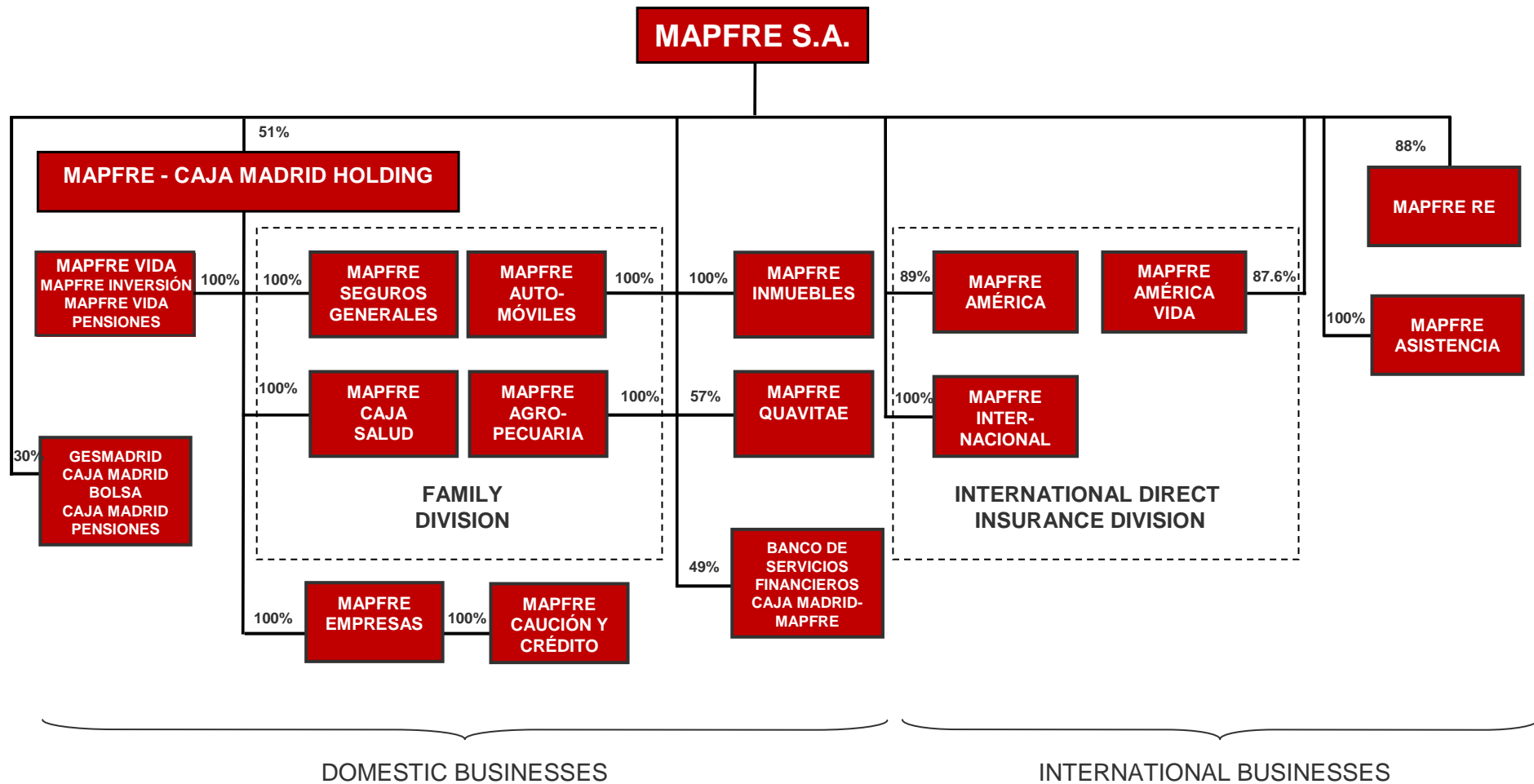
CAJA MADRID's products originated by MAPFRE's network



Figures in million euros



Current organisational chart

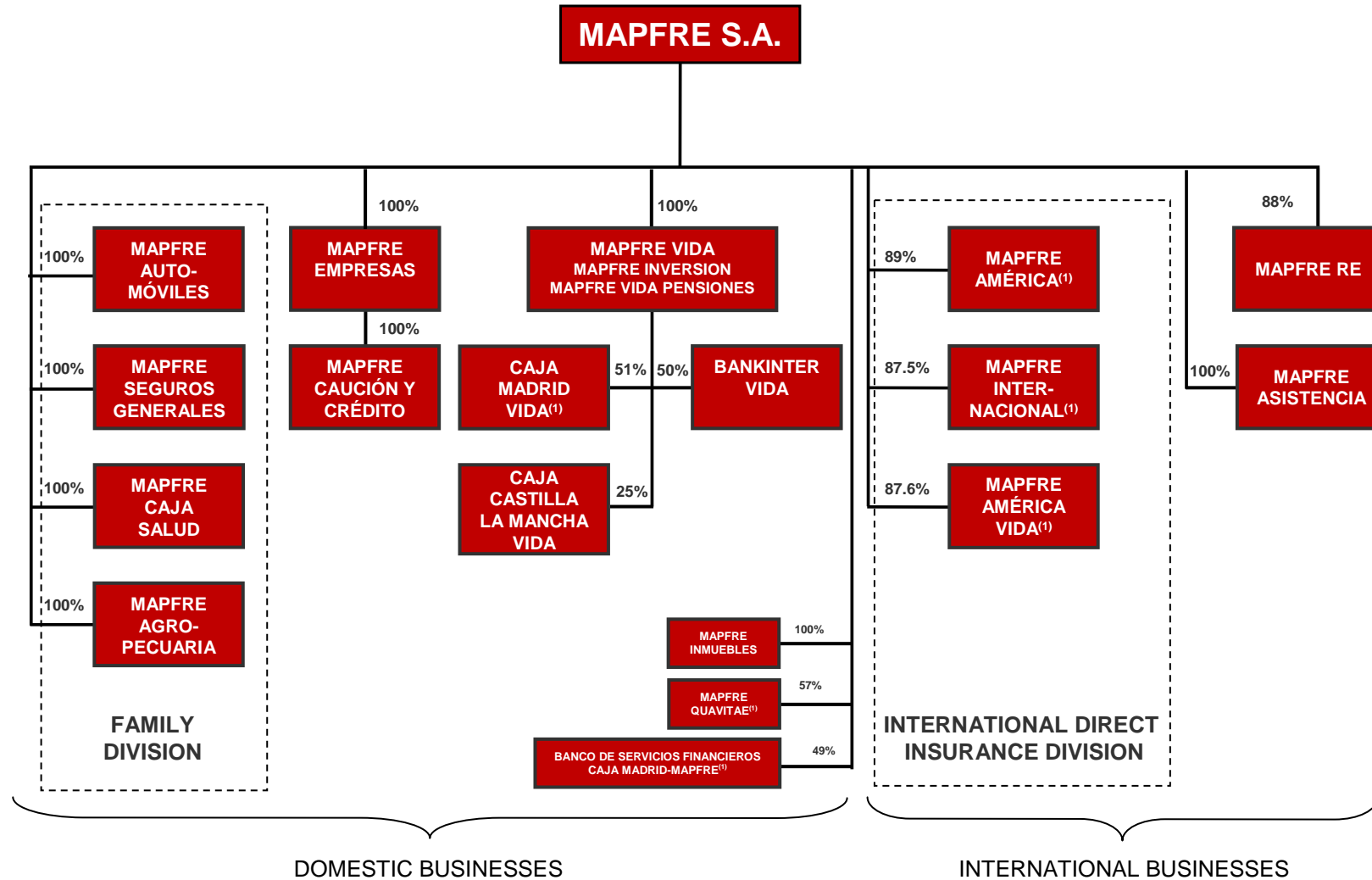


Reorganisation of the alliance between MAPFRE and CAJA MADRID

- MAPFRE and CAJA MADRID have announced on 17/12/2007 an agreement to reorganise the structure of their alliance.
- Under the new structure, MAPFRE-CAJA MADRID HOLDING will be incorporated into MAPFRE S.A., which will thus become the owner of all the assets and stakes currently held by such holding company.
- In exchange, CAJA MADRID will receive:
 - a 15% stake in MAPFRE S.A.;
 - a 49% stake in a new company (CAJA MADRID VIDA) managed by MAPFRE that will be created to distribute Life assurance through CAJA MADRID's network;
 - a 12.5% stake in MAPFRE INTERNACIONAL, the holding company for MAPFRE's international business outside of Latin America .
 - the 30% stakes that MAPFRE currently has in CAJA MADRID's asset management and brokerage subsidiaries.
- CAJA MADRID will keep its stakes in MAPFRE's Latin American holding companies, while MAPFRE will maintain its stake in BANCO DE SERVICIOS FINANCIEROS CAJA MADRID-MAPFRE.



Expected new organisational chart



1) Subsidiaries in which CAJA MADRID has a stake
Deepening of the alliance with Caja Madrid



Business and governance effects of the reorganisation of the alliance between MAPFRE and CAJA MADRID



Exclusive distribution

- The exclusive distribution agreement between both groups will continue.

CAJA MADRID as MAPFRE's strategic partner

- CAJA MADRID will retain its position as a strategic partner of MAPFRE, with the rights and responsibilities derived from its status as a shareholder, except for the following commitments that will be included in the Framework Agreement and will also translate into a Shareholders' Agreement:
 - CAJA MADRID will be able to hold at any moment the level of shareholding it deems appropriate, without any detriment to the validity of the alliance, nor the distribution agreements between both groups; this notwithstanding, the express consent of both groups will be required to exceed 15%.
 - As long as CAJA MADRID remains as a shareholder in MAPFRE S.A., it will have the right to nominate two representatives to MAPFRE S.A.'s Board of Directors, and two/three representatives to the Boards of MAPFRE GROUP's main subsidiaries.



Financial effects of the reorganisation of the alliance between MAPFRE and CAJA MADRID

Valuation

- The exchange ratio reflects a balanced valuation of the assets to be transferred.

Ad hoc capital increase

- Two ad hoc capital increases will be carried out as part of the agreed transaction:
 - A 15% stake in MAPFRE S.A., through the delivery of 401.5 million new shares, which MAPFRE S.A. will issue.
 - A 12.5% stake MAPFRE INTERNACIONAL, subject to the prior contribution to said company of the shareholding in GENEL SIGORTA and of MAPFRE's entire stake in CATTOLICA.

Accretive transaction

- The agreed transaction will be EPS accretive from the outset.



Summary of the benefits of the new structure

Increased transparency

- Simpler organisational setup.
- Reinforcement of the bancassurance and assurfinance model successfully applied to date.
- CAJA MADRID's stake in MAPFRE will align its interests with MAPFRE's other shareholders.
- After the capital increase, FUNDACIÓN MAPFRE's stake in MAPFRE S.A. will slightly exceed 63%.

Enhanced management effectiveness

- MAPFRE will be able to extract larger synergies from its FAMILY DIVISION.
- Single reporting line for the management teams of MAPFRE's subsidiaries.
- CAJA MADRID will focus on Life bancassurance products.

Improved shareholders' position

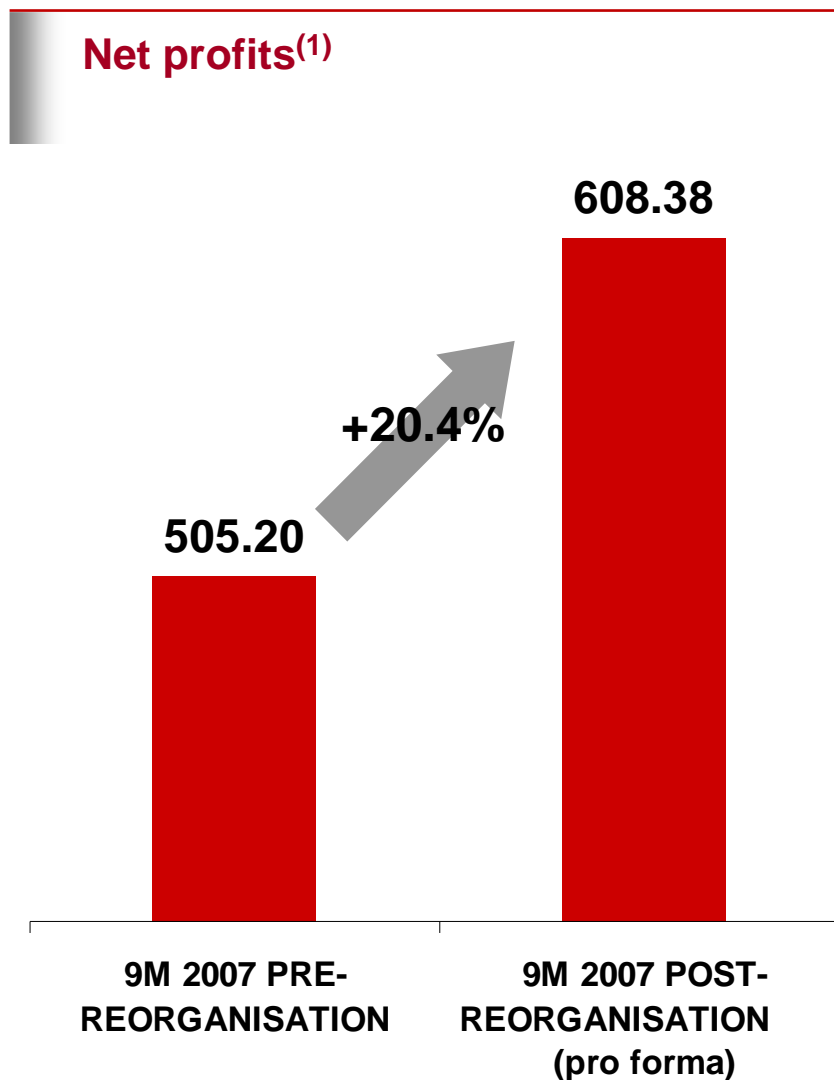
- Instant EPS accretion.
- Access to 100% of the results of the Spanish subsidiaries.

Increased financial flexibility

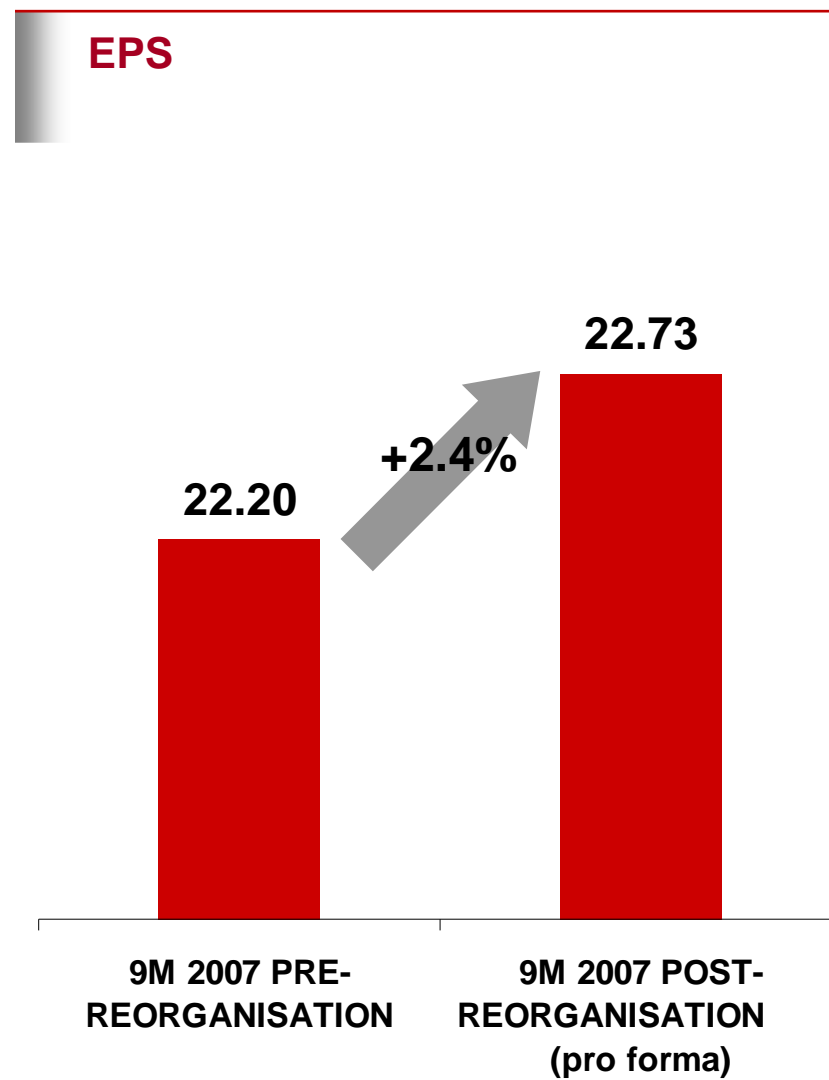
- Stronger weight in the net result of activities with recurring profits and strong cash flow generation.
- Lower gearing.



Positive impact on profits



Figures in million euros



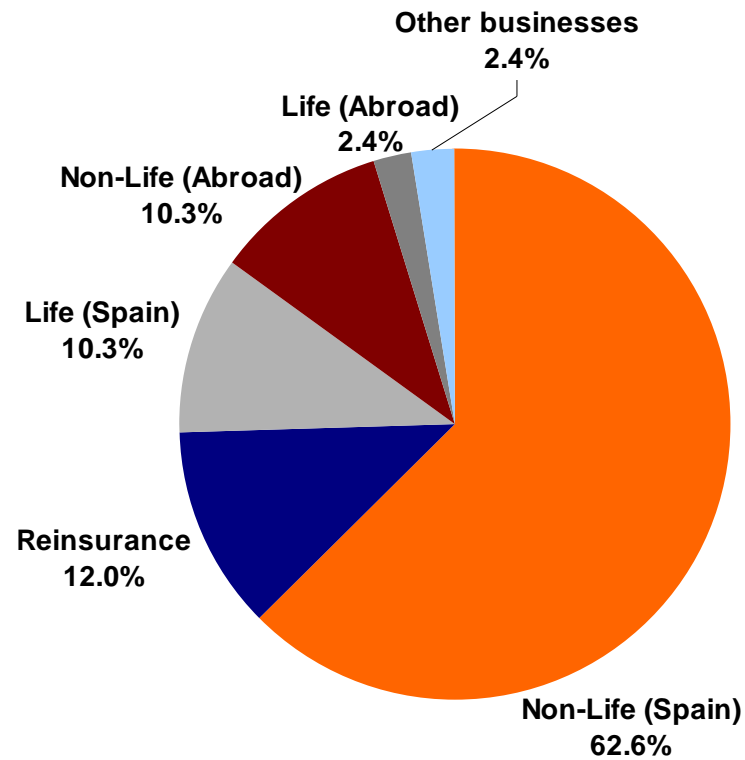
Figures in euro cents

1) Result after tax and minority interests
Deepening of the alliance with Caja Madrid



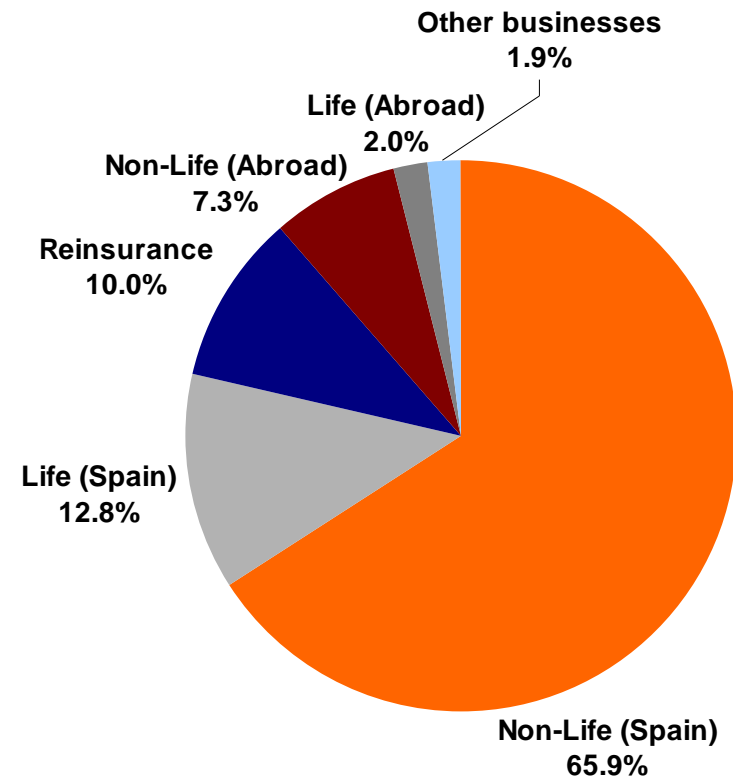
Breakdown of the net attributable profit⁽¹⁾

Current



€505.2 million

Pro forma



€608.4 million

1) Result after tax and minority interests. As at September 2007



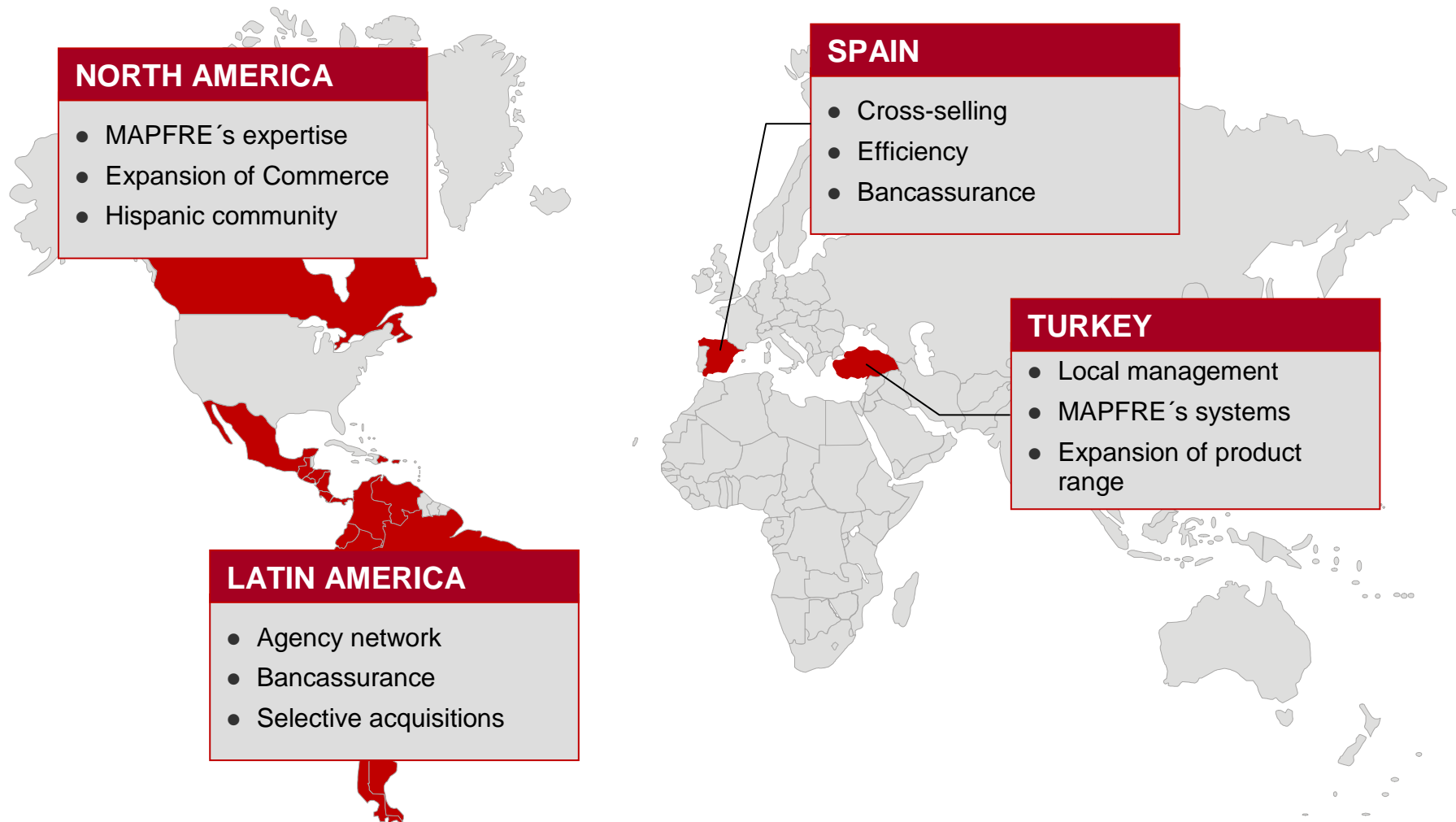
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Overview of MAPFRE's strategic drivers



Strategy for the Spanish business

- Reduce the expense ratio
- Achieve higher levels of cross-selling
- Strengthen bancassurance distribution through the development of existing agreements, as well as potential new partnerships



Strategy for the Latin American business

- Leverage the exclusive distribution network, aiming to achieve:
 - Growing sales volumes
 - Lower combined ratios
 - Greater brand awareness
 - Better customer service
- Strengthen bancassurance distribution
- Analyse possible acquisition opportunities, particularly in countries with greater growth potential such as Mexico and Brazil



Strategy for the North American business

- MAPFRE's strategy for North America is contingent on the successful completion of the acquisition of Commerce Insurance Group (CGI)
- Upon completion, MAPFRE would retain CGI's management team and together both groups would design a cautious organic growth strategy, initially focussing on:
 - Business expansion in and outside of Massachusetts.
 - Design of dedicated products and services for the Hispanic community.
 - The deployment of MAPFRE's expertise in personal lines products, IT and in reinsurance .
 - Cost savings from discontinuation of listing (estimated at about \$7mn/year).
- Commerce's operations will remain in Massachusetts.



Strategy for the Turkish business

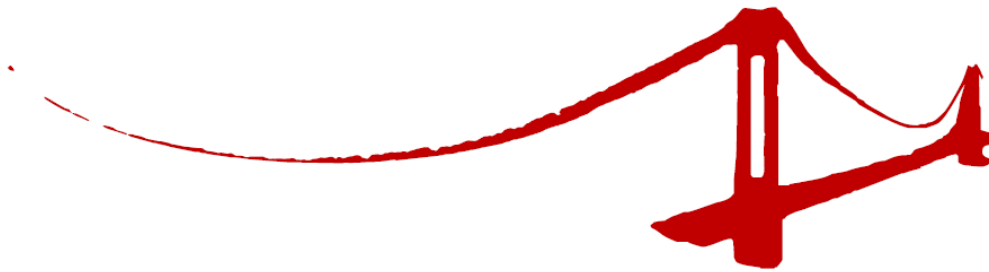
- Maintain the existing management team
- Deploy management control and IT systems used by MAPFRE in its international operations
- Add new covers to existing products and expanding the range offered to customers
- Reinforce the existing distribution network and analyse the possibility of adding new channels



External growth strategy

- MAPFRE has recently announced an agreement to acquire US insurer Commerce Group, Inc. (“Commerce”). Once completed, this will be the largest investment in the Group’s history.
- The acquisition of Commerce is in addition to a series of acquisitions, JVs and agreements announced over the last twelve months, which have considerably enhanced MAPFRE’s global reach and competitive position.
- MAPFRE INTERNACIONAL will now focus on consolidating its new business activities.
- Additional bancassurance JVs and acquisitions are possible in those countries where MAPFRE already has a presence, if:
 - They increase MAPFRE’s coverage of unexploited or underdeveloped market segments
 - Their growth and profitability can be enhanced by MAPFRE’s expertise.
 - They are expected to become accretive or value-additive within a short period.





Thank you!

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MAPFRE does not undertake to update or revise periodically the content of this document.

