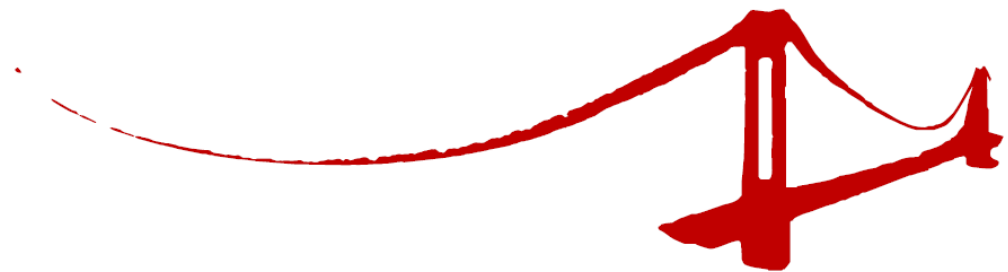


European Embedded Value 2008

23rd July 2009



▪ European Embedded Value analysis

- Watson Wyatt certification
- Methodological appendix
- Statistical appendix
- Glossary



Executive summary

EEV evolution in 2008		
Value of In-force Business (VIF)	1,405.4	+6.1%
European Embedded Value (EEV ⁽¹⁾)	2,191.8	+13.0%
Return on Embedded Value (RoEV)	9.4%	+2.3p.p
Value added by new business	226.3	+44.7%
New business margin	5.5%	+1.3p.p

Million Euros

These results reflect mainly:

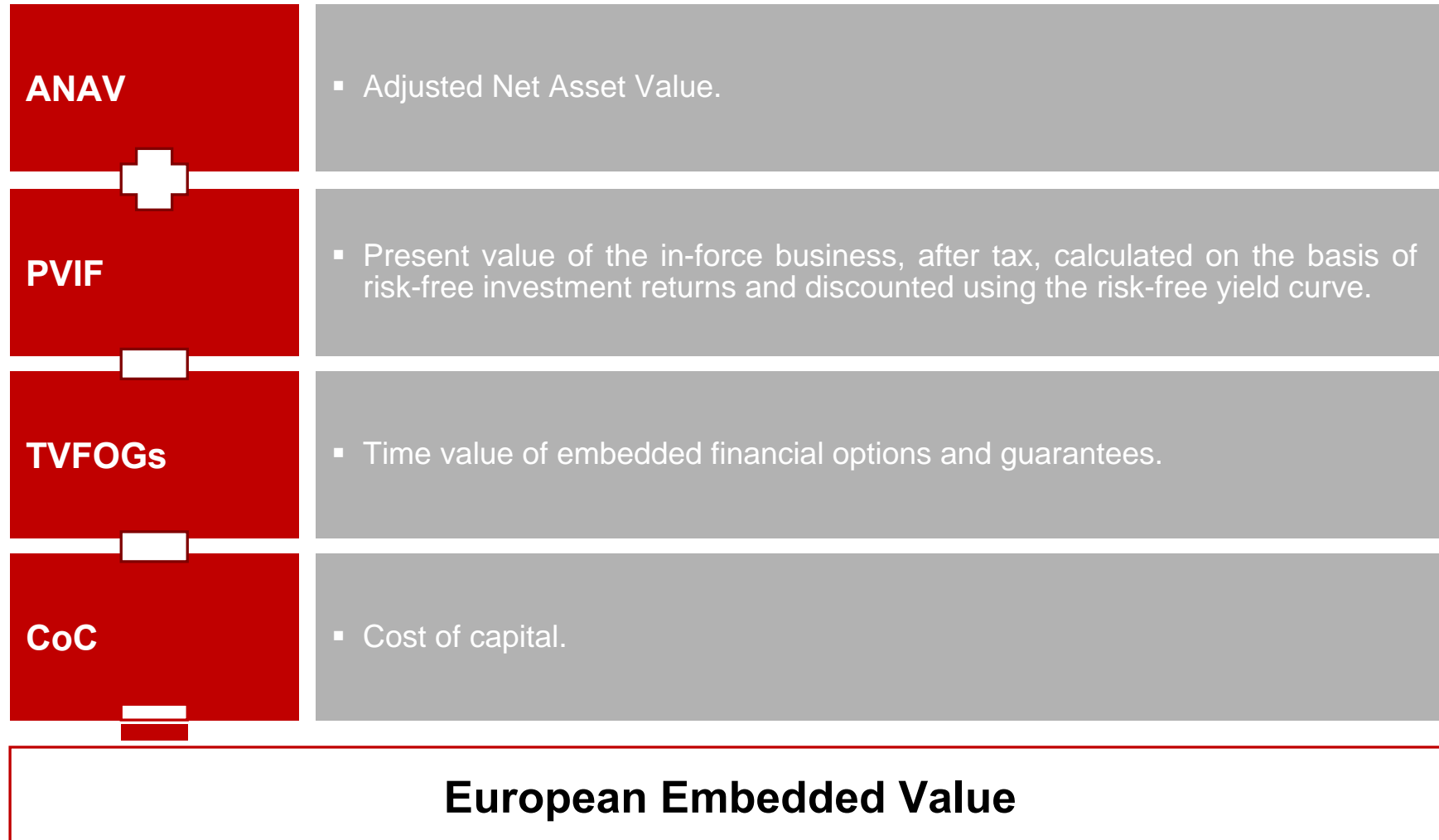
- A greater weight of Life-Protection insurance
- The inclusion of UNIÓN DUERO VIDA and DUERO PENSIONES into the scope of consolidation
- A new distribution agreement signed by MAPFRE VERA CRUZ, which mitigates to a significant extent the effect of the depreciation of the Brazilian Real
- Sales focus on shorter duration products

Watson Wyatt has acted as advisor in the preparation of the figures shown herein and has also verified their compliance with the EEVP⁽²⁾.

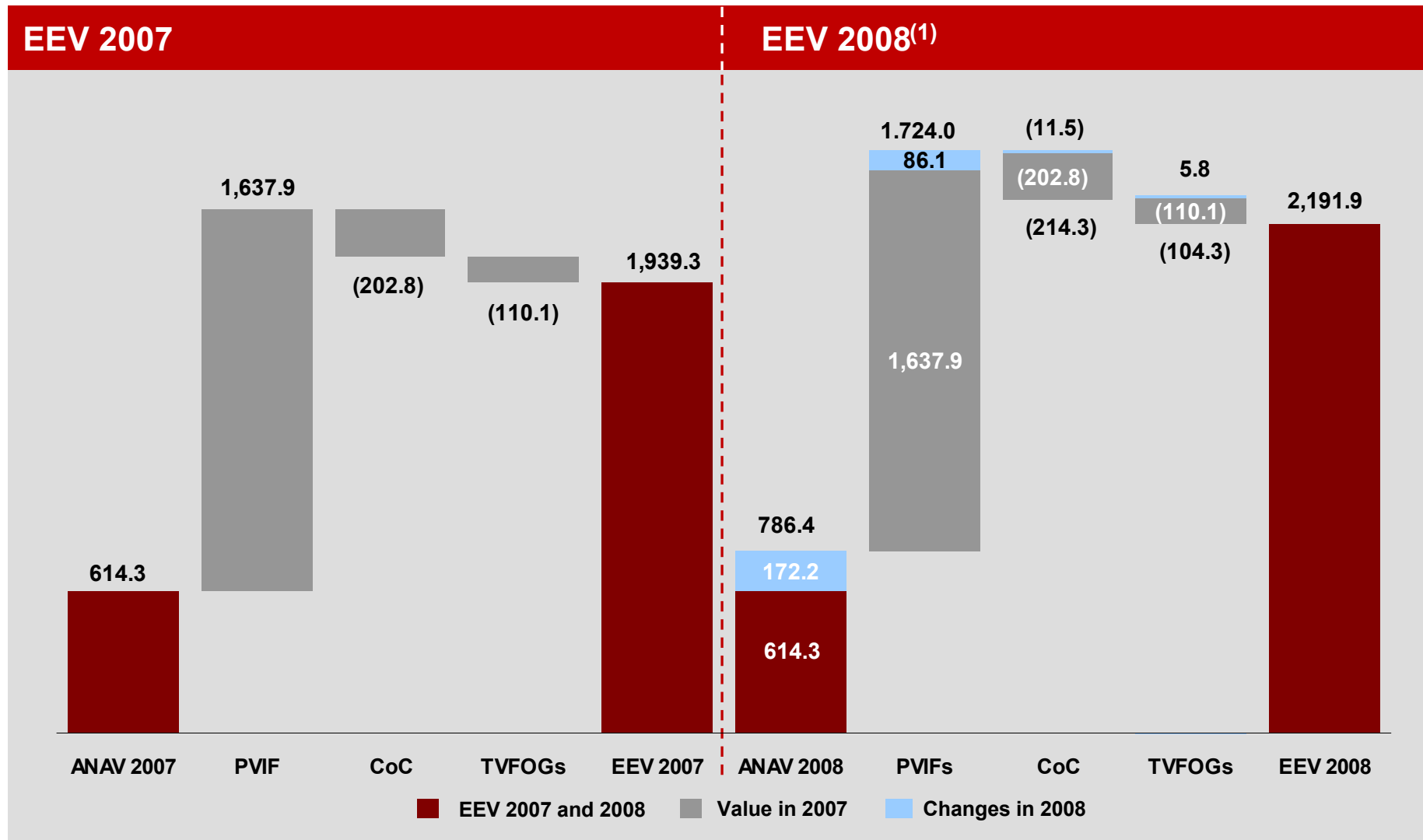
- 1) "European Embedded Value Principles" ("EEVP"). Further details on the share of minority interests are provided on slides 6,7 and 38 of this document.
- 2) As per the certification letters contained in the Appendix.



EEV components



EEV components and their variation in 2008



1) Aggregate EEV for the covered businesses, with no adjustment for the share of minority interests in their respective VIFs. Additional information on which is provided on slides 7 and 38 of this document

Million Euros



Breakdown of 2008 EEV⁽¹⁾

By business line			
	€ mill.	%	Var. %
Adjusted Net Asset Value⁽²⁾	786.4	35.9%	28.0%
Net PVIF⁽³⁾ - Life Assurance⁽⁴⁾	1,170.8	53.4%	15.5%
- PVIF	1,370.3	62.5%	14.0%
- CoC	(199.5)	-9.1%	6.0%
Net PVIF⁽³⁾ - Investment Funds	147.7	6.7%	-27.9%
- PVIF	150.7	6.9%	-27.6%
- CoC	(3.0)	-0.1%	-11.2%
Net PVIF⁽³⁾ - Pension Funds	191.2	8.7%	-11.7%
- PVIF	203.0	9.3%	-10.9%
- CoC	(11.8)	-0.5%	5.9%
TVFOGs	(104.3)	-4.8%	-5.3%
EEV 2008	2,191.8	100.0%	13.0%
Initial capital used to calculate the CoC⁽⁵⁾	733.1	---	-3.0%
			2007: 755.7

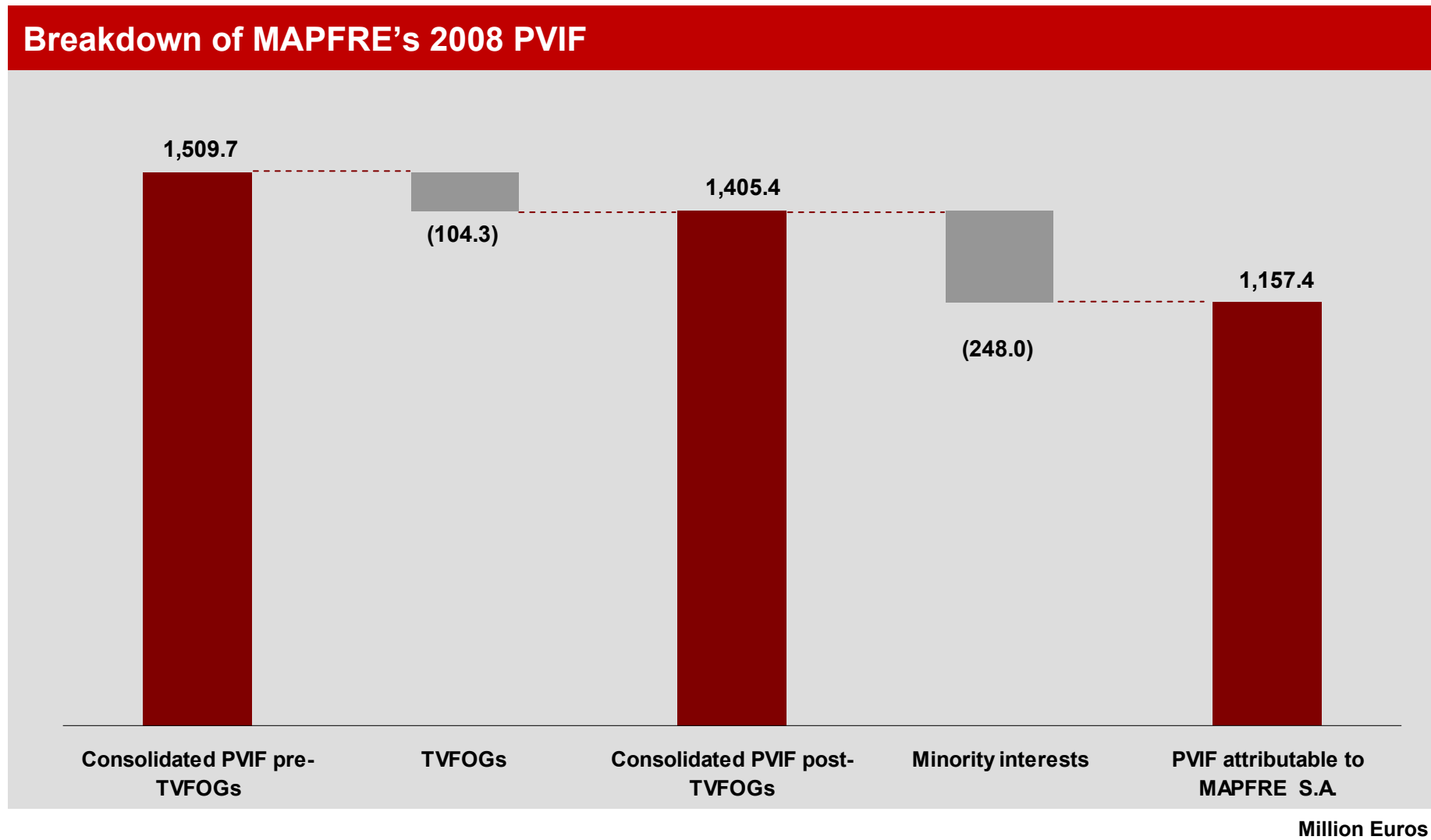
By distribution channel			
	€ mill.	%	Var. %
Adjusted Net Asset Value	786.4	35.9%	28.0%
Net PVIF - Spanish agents' channel	898.6	41.0%	-5.3%
- PVIF	1,030.5	47.0%	-4.3%
- CoC	(131.9)	-6.0%	3.5%
Net PVIF - Caja Madrid channel	188.5	8.6%	1.0%
- PVIF	242.1	11.0%	-1.5%
- CoC	(53.6)	-2.4%	-9.2%
Net PVIF - other Spanish bancassurance channels	293.5	13.4%	67.4%
- PVIF	312.7	14.3%	68.5%
- CoC	(19.2)	-0.9%	86.3%
Net PVIF - MAPFRE VERACRUZ VIDA	129.1	5.9%	4.2%
- PVIF	138.8	6.3%	6.8%
- CoC	(9.7)	-0.4%	61.2%
TVFOGs	(104.3)	-4.8%	-5.3%
EEV 2007	2,191.8	100.0%	13.0%
Initial capital used to calculate the CoC⁽⁴⁾	733.1	---	-3.0%

Million Euros

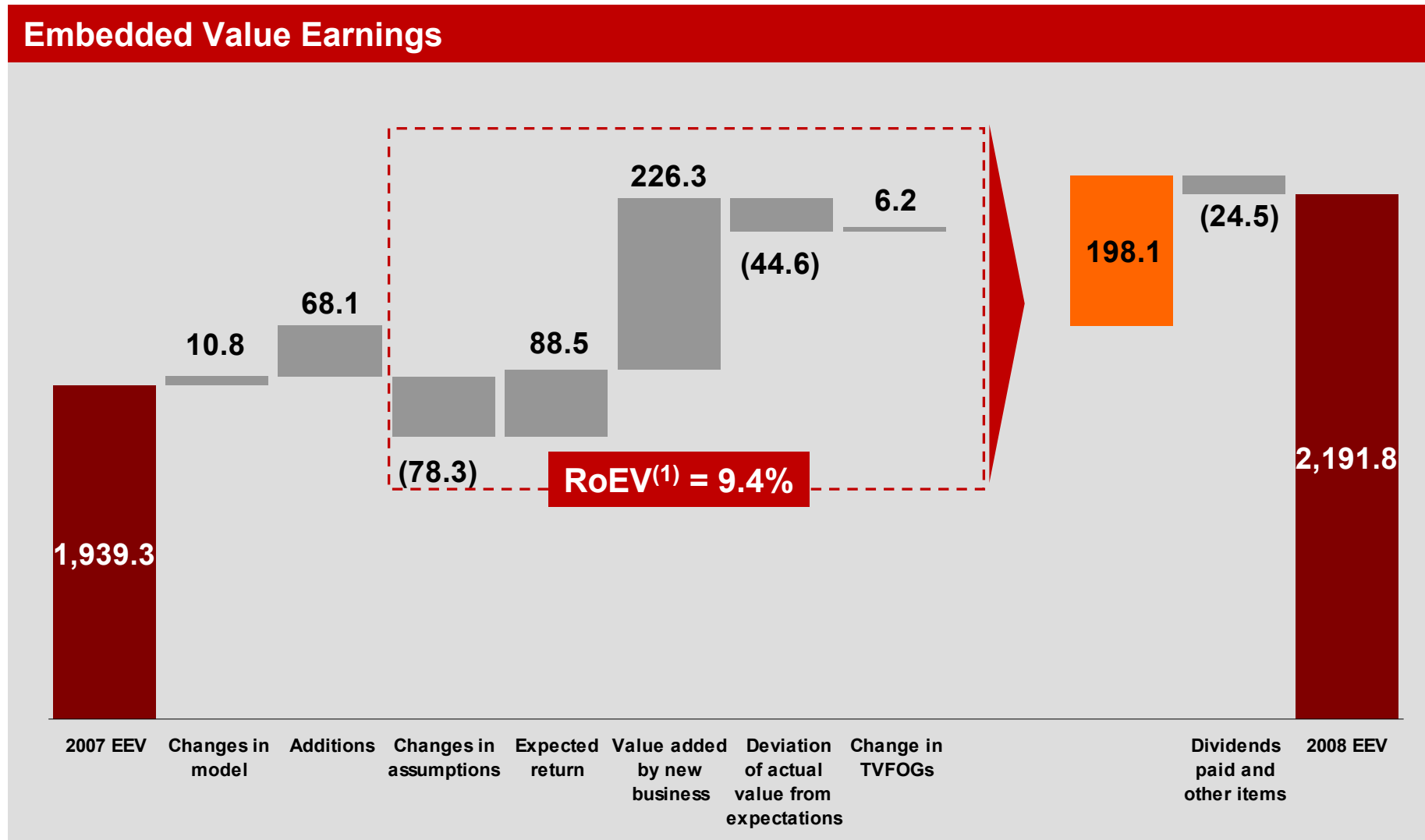
- 1) The EEV of MAPFRE VIDA was calculated by Consultora MAPFRE VIDA and certified by Watson Wyatt; the EEV of the rest of the businesses has been calculated partly by Watson Wyatt and partly by Consultora MAPFRE VIDA. The certification letters are shown in the Appendix. Aggregate figures with no adjustment for the share of VIF corresponding to the minority interests (see pages 7 and 38)
- 2) Adjusted Net Asset value = MAPFRE VIDA pro forma + MAPFRE VERA CRUZ.
- 3) PVIF = Present Value of In-Force business, calculated using a risk-free rate
- 4) Includes the in-force values of the Life assurance and Accidental Death insurance businesses
- 5) EEV calculations based on an amount of capital equal to 100% of the required minimum as at 31/12/2008



Minority interests in 2008 PVIF



Value added in 2008 (aggregate figures)



1) Return on Embedded Value = Value added in the year / Embedded Value, adjusted for model changes. The effect of the inclusion of the Life assurance and Pensions businesses of CAJA DUERO was not considered in the calculation of the RoEV

Million Euros



Analysis of the main variations in EEV

- The increase in the embedded value reflects primarily the following:

Change	Description
Additions	<ul style="list-style-type: none"> ▪ Includes the PVIF and the ANAV of UNIÓN DUERO VIDA and DUERO PENSIONES (the value of new business is included in the corresponding item)
Model changes	<ul style="list-style-type: none"> ▪ Net positive effect arising from the changes in the way fees and the loss ratio are projected
Financial assumptions	<ul style="list-style-type: none"> ▪ Reflects primarily: <ul style="list-style-type: none"> – the effect of the fall in interest rates, which includes a positive impact of €123.7 million due to the application of lower discount rates, and a negative amount of €55.8 million due to the decrease in expected financial revenues – higher lapse rate assumptions, especially in the mutual and pension funds businesses, whose effect amounted to -€87.5 million – the depreciation of the Brazilian Real, with an impact of -€49.6 million – higher mortality rates, with a total effect of -€14.3 million

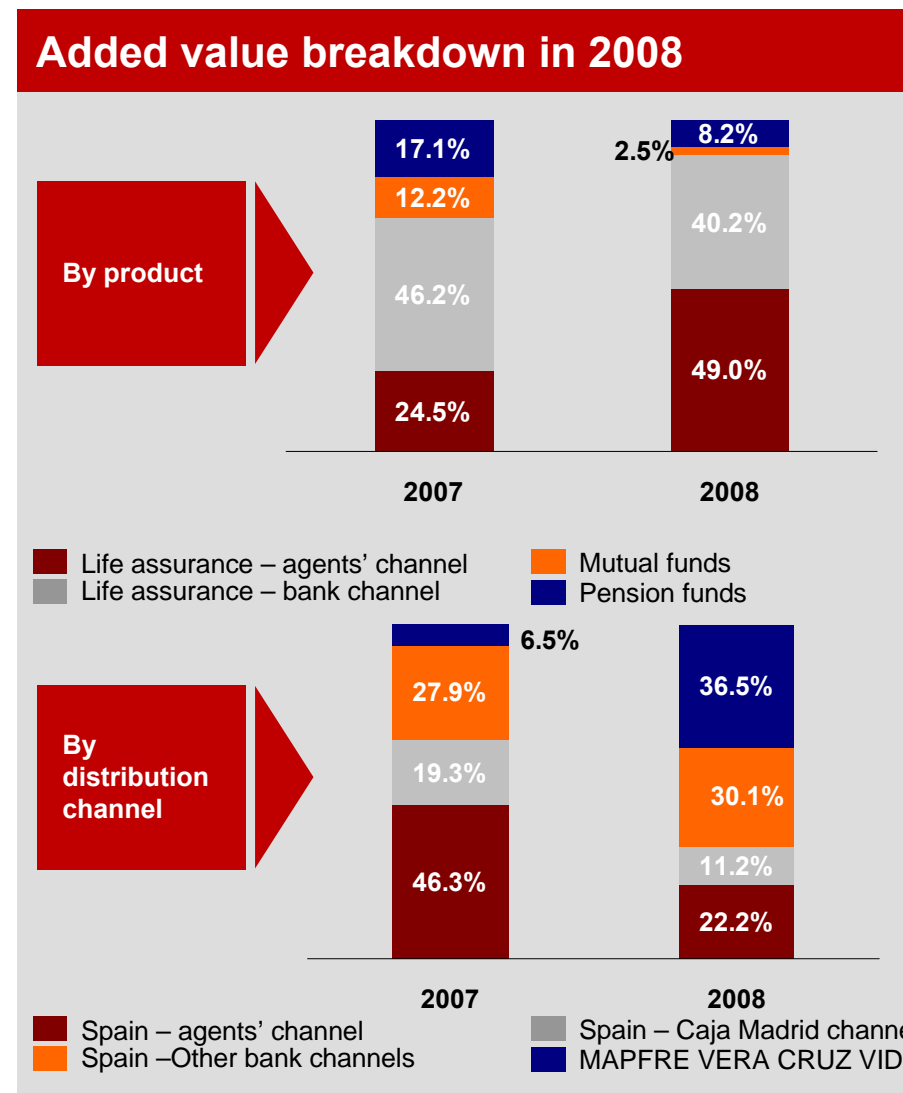
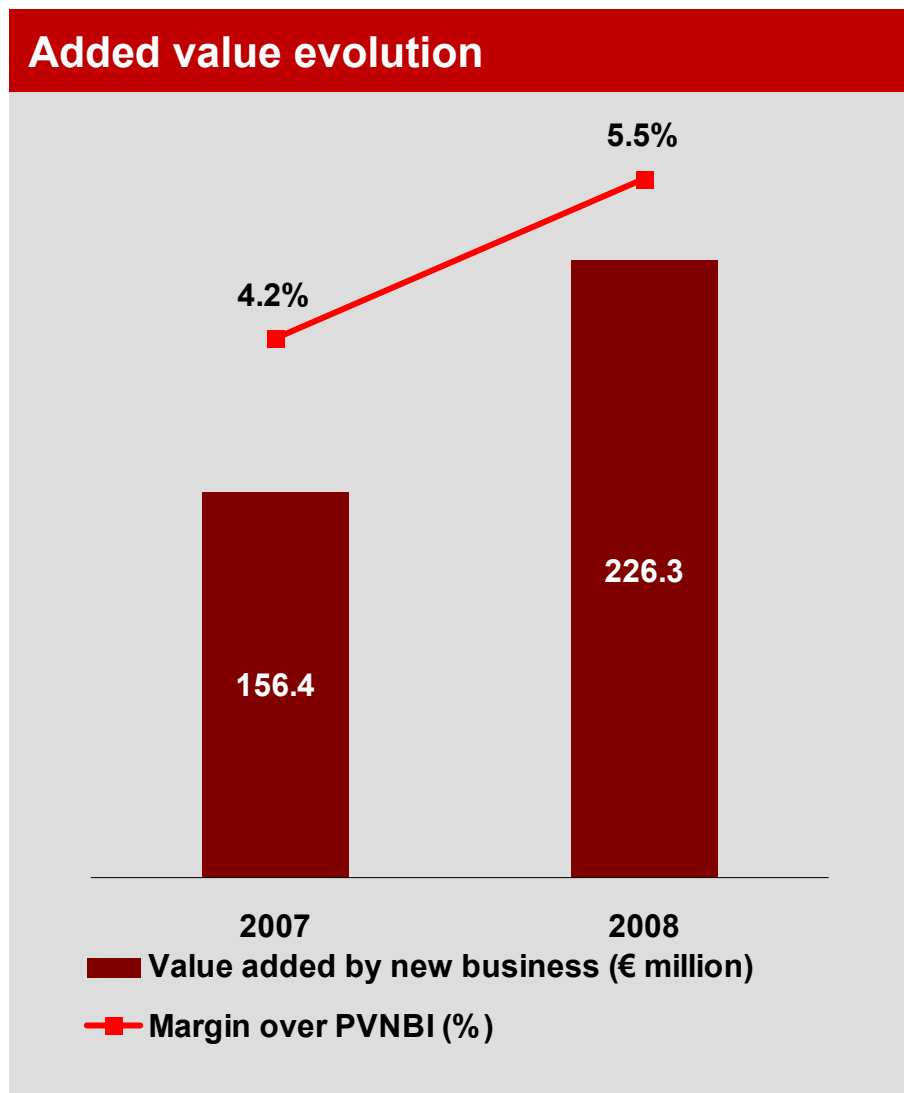
Million Euros



Analysis of the main variations in EEV(cont'd)

Change	Description
Expected return	<ul style="list-style-type: none"> Includes primarily the positive impact of the unwind of the discount rate, which amounted to €50 million, and the actual after-tax investment return on the beginning-of-the-year adjusted net asset value, net of the cost of capital
Deviation of actual value from expectations	<ul style="list-style-type: none"> Includes, among others, the effect of the depreciation of the Brazilian Real, which amounted to -€49,5 million
TVFOGs	<ul style="list-style-type: none"> The time value of financial options has decreased due to a lower weight of equities in the investment portfolio

Value added by new business



Analysis of the main variations in the value added by new business

The increase in the value added by new business reflects:

1	A new distribution agreement signed by VERA CRUZ VIDA E PREVIDÊNCIA, which contributed €81.6 million to the value added by new business and was also the main reason for the margin increase	▲
2	A significant increase in the contribution from the new bancassurance agreements, which include the Life assurance and pension funds businesses of CAJA DUERO	▲
3	A decrease in the agents channel in Spain, mainly due to a lower demand of mutual and pension funds	▼
4	Lower contribution from the CAJA MADRID channel, primarily due to lower sales volumes	▼

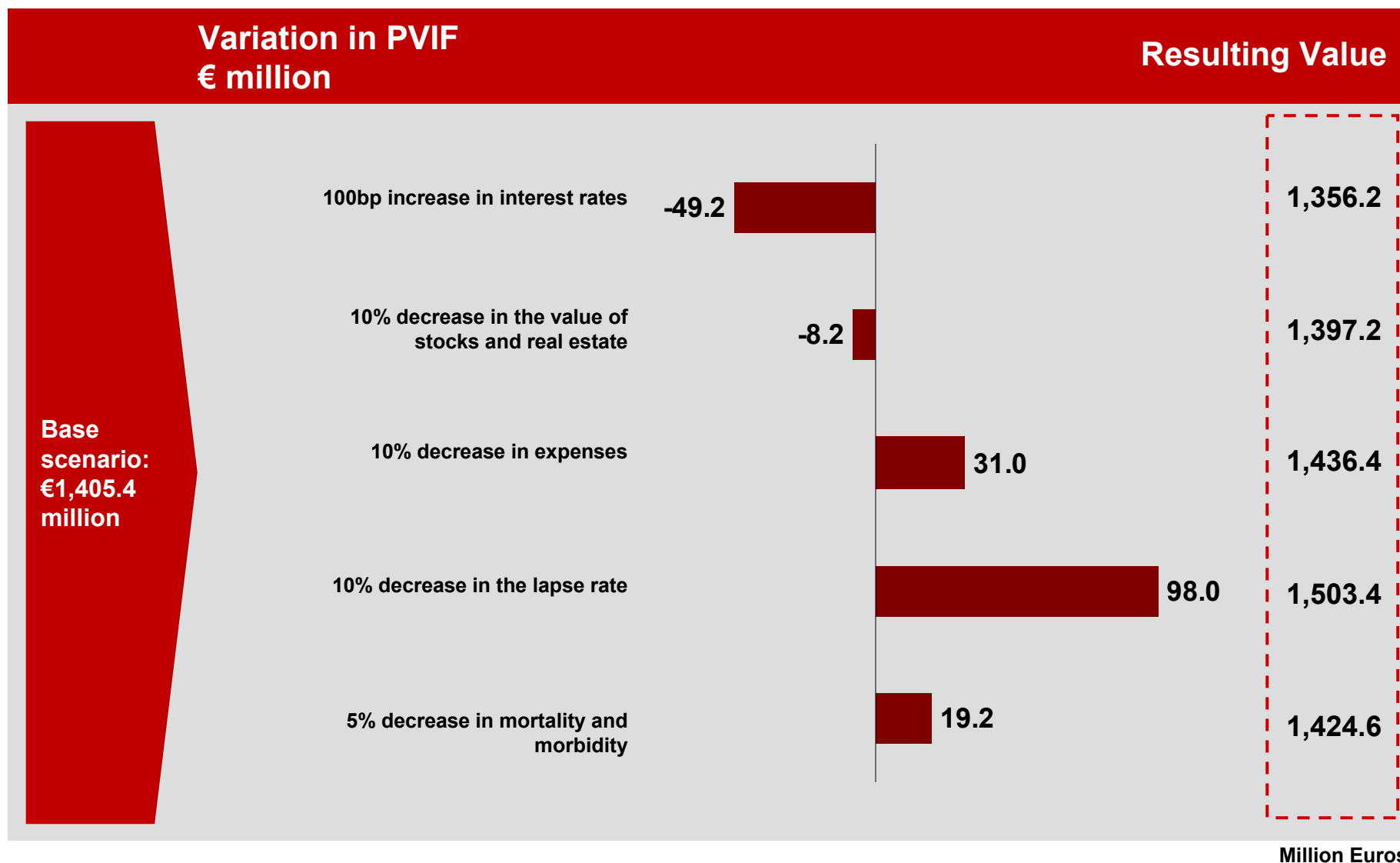


Analysis of the main variations in the value added by new business (contd.)

5	A higher relative weight of Life-Protection products	▲
6	A reduction of investment returns of Life-Savings products, partially offset by a lower discount rate	▼
7	Customer preference for more conservative products with shorter maturities	▼



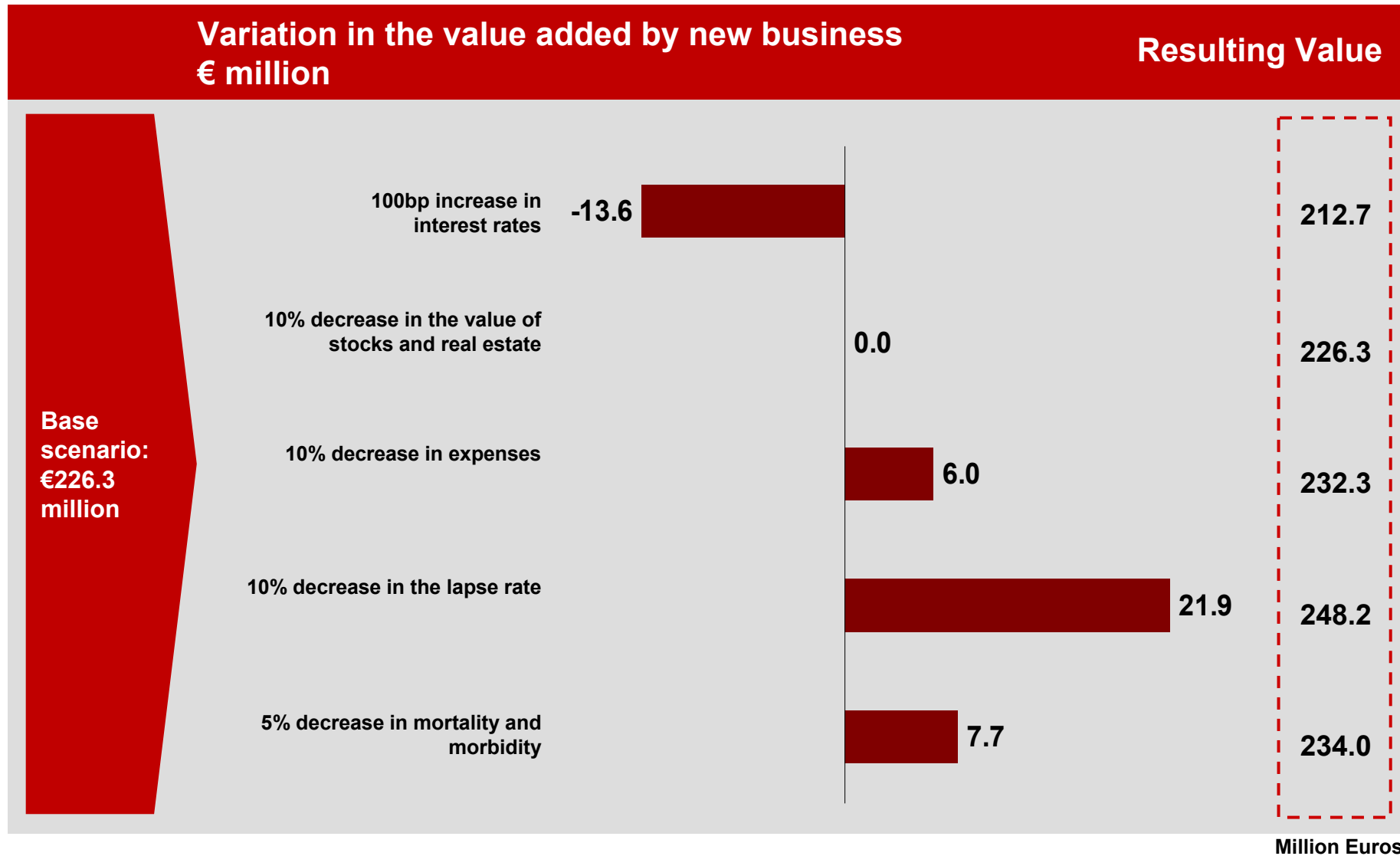
Sensitivity analysis of the value of in-force business⁽¹⁾



1) PVIF - TVFOGs – CoC



Sensitivity analysis of the value added by new business



- European Embedded Value analysis

- **Watson Wyatt certification**

- Methodological appendix

- Statistical appendix

- Glossary



Watson Wyatt certification – MAPFRE VIDA



22 July 2009

Mapfre, S.A.
Carretera de Pozuelo 52
Edificio 1
28220 Majadahonda (Madrid)

Dear Sirs,

Letter of certification - Embedded value of Mapfre Vida as at 31 December 2008

- 1 Mapfre, S.A. has appointed Watson Wyatt Insurance Consulting, S.A. ("Watson Wyatt") to provide an actuarial certification on the calculation of the embedded value ("EV") as at 31 December 2008 of Mapfre Vida, S.A. de Seguros y Reaseguros sobre la Vida Humana ("Mapfre Vida") and its subsidiaries. The EV results have been prepared to comply with the European Embedded Value Principles and Guidance issued by the CFO Forum in May 2004 (the "EEV Principles").

Scope

 - 2 The scope of our work has been to certify the calculation as at 31 December 2008 on an EEV Principles basis of the following components:
 - a. The adjusted consolidated net assets of:
 - Mapfre Vida;
 - and its share in subsidiaries:
 - Mapfre Caja Madrid Vida, S.A de Seguros y Reaseguros ("Mapfre Caja Madrid Vida");
 - Mapfre Inversión S.V., S.A., consisting of Mapfre Inversión Dos, S.G.L.L.C., S.A. and Mapfre Vida Pensiones, E.G.F.P., S.A. ("Mapfre Inversión y Pensiones"); and
 - Bankinter Seguros de Vida, SA de Seguros y Reaseguros ("Bankinter Vida").
 - b. The value of in-force business of Mapfre Vida, Mapfre Caja Madrid Vida and Mapfre Inversión y Pensiones. The covered business includes the life insurance, accidental death, mutual fund and pension fund business. The value of in-force business reported in this letter does not include the business of Bankinter Vida.
 - 3 The adjusted consolidated net shareholders' assets as well as the value of 100% of the in-force business of Mapfre Vida, Mapfre Caja Madrid Vida and Mapfre Inversión y Pensiones have been calculated by Consultora Actuarial y de Pensiones Mapfre Vida, S.A. ("Consultora Mapfre Vida"). Watson Wyatt has carried out a review of these values of Mapfre Vida, Mapfre Caja Madrid Vida and Mapfre Inversión y Pensiones with respect to the following:
 - The methodology used to calculate the adjusted consolidated net shareholders' assets and its validation against the information in the annual accounts.



- The methodology used to calculate the value of in-force business. This included reasonableness checks to product level projections and reviewing the validation of the modelling against the accounts and liability schedules.
 - The bases and assumptions used to calculate the value of in-force business. In addition, sample checks that the assumptions have been applied correctly and reasonableness tests have been carried out, including reasonableness checks on the results of the sensitivities of the EV and value of new business to changes in assumptions.
 - The methodology used to analyse the change in value of in-force business over the year including the split of embedded value earnings into its various components.
- 4 For the purpose of carrying out our work, we have been provided with calculations carried out by Consultora Mapfre Vida and with supporting data. The assumptions on which the calculations have been based have been discussed with Consultora Mapfre Vida and are based upon information provided by them.
 - 5 We have relied upon the accuracy and completeness, without any independent verification, of the supporting information we have been provided with during the course of our work, although we have reviewed it for reasonableness and consistency.
 - 6 Our work and this letter are subject to the reliances and limitations contained in paragraphs 15 to 20 of this letter. The work is based on information received up to and including 16 July 2009.

Embedded value at 31 December 2008

- 7 On the assumptions made, the embedded value of 100% of the life insurance, accidental death, mutual fund and pension fund business of Mapfre Vida and its subsidiaries, excluding the value of in-force business of Bankinter Vida, as at 31 December 2008 is:

Table 1: Embedded value as at 31 December 2007 and 2008 (thousand euros)

	2007	2008
Adjusted consolidated net assets ⁽¹⁾	450,499	653,247
Value of in-force business ⁽²⁾	1,031,474	988,652
Embedded value	1,481,973	1,641,899

(1) Net of the share held by external partners

(2) Gross of the share held by external partners and excluding Bankinter Vida's business

- 8 The values shown in Table 1 assume taxation on future statutory profits of 30%. These values are net of the annual cost of holding a level of capital which in the 2008 valuation has been assumed equal to 4% of 100% of the minimum legal requirement.
 - 9 The adjusted consolidated net assets shown in Table 1 are equal to the consolidated statutory net assets of Mapfre Vida and its subsidiaries, adjusted by taking into account the market value of assets and by deducting unamortised acquisition expenses, goodwill, donations and dividends not considered in the statutory net assets, all after tax.
- Embedded value earnings in 2008**
- 10 Embedded value earnings are defined in this letter as the change in embedded value during the year.

2



Watson Wyatt certification – MAPFRE VIDA (contd.)



11 The embedded value earnings were analysed as follows:

Table 2: Analysis of embedded value earnings in 2008 (thousand euros)

	2008
Changes in the model	7,036
Changes in assumptions	(20,763)
Expected return	81,571
Value added by new business ⁽¹⁾	75,660
Variance between actual and expected experience	10,496
Changes in the TVFOGs	5,945
Embedded value earnings	159,946

(1) Value at the end of year 2008.

Assumptions

12 The principal assumptions used in the calculation of the embedded values are set out below:

- New money pre-tax investment returns, before investment expenses, have been based on Euroswap yields at the valuation date without any investment spreads. Book investment returns on existing assets continue to apply until assets reach their maturity or are sold, without adjusting the asset cash flows for any differences between the market yield of the existing assets and the discount rate used to calculate the value of in-force business.
- The value of in-force business has been calculated by discounting at the Euroswap curve as at the valuation date.
- The time value of financial options and guarantees has been calculated using a stochastic model with 1000 scenarios consistent with the market prices of swaptions as at 31 December 2008.
- The cost of capital has been calculated assuming an annual cost equal to 4% of 100% of the minimum legal requirement.
- To derive the expense assumptions used in the 2008 calculation, actual management expenses in 2008 assigned to the life insurance, accidental death, mutual fund and pension fund business, with the exception of non-recurrent expenses, have been fully allocated to different product lines and, within each line, between expenses related to the acquisition of new business and those related to the maintenance of in-force business.
- Maintenance expenses, expressed in euros per policy, have been assumed to increase at 2.5% per annum inflation rate.
- Salesforce commissions have been assumed to continue in the future at the scales existing at each respective valuation date.
- Life policyholder profit participation rates and product charges, as well as mutual fund and pension fund commission rates, have been assumed to continue in the future at the levels existing at each respective valuation date.
- Mortality, lapse and other discontinuance assumptions have been based on internal studies of recent operating experience and, where appropriate, on industry experience.

3



- It has been assumed that there will be no change in the methods and bases used to calculate technical reserves and surrender values, except for the future strengthening of the group and individual annuity and endowment mathematical reserves required to satisfy Spanish regulations.

Sensitivities

13 Consultora Mapfre Vida has prepared calculations of the sensitivity of the value of in-force business and new business contribution to various changes in assumptions. The results are summarised in Table 3.

Table 3: Summary of sensitivities (thousand euros)

	Change in the value of in-force business	Change in new business contribution
100bp increase in interest rates	(29,325)	(5,707)
10% decrease in equity and property values	(8,210)	0
10% decrease in expenses	20,837	3,026
10% decrease in the lapse rate	77,709	16,130
5% decrease in mortality and morbidity	6,874	2,762

Conclusions

14 In our opinion:

- The methodology adopted to determine the value of in-force business complies with the EEV Principles;
- The assumptions made in the determination of the value of in-force business comply with the EEV Principles; and
- The presentation of the movement in the value of in-force business and the sensitivities of the value of in-force business and the new business contribution is reasonable based on Principle 12 of the EEV Principles.

Reliances and limitations

- The review was conducted on behalf of Mapfre, S.A. and designed according to the terms and requirements of the Directors of Mapfre, S.A. Watson Wyatt does not assume responsibility to anyone other than Mapfre, S.A. for any decisions taken based on this letter of certification.
- In carrying out our review we have relied without independent verification upon the accuracy and completeness of the data and information provided to us, both in written and oral form, by Consultora Mapfre Vida and Mapfre Vida and its subsidiaries and the Directors of Mapfre, S.A. know of no other information or data which ought to have been made available to Watson Wyatt that would materially affect the opinion set out herein.
- Reliance has been placed upon, but not limited to, information regarding historic annual reports and accounts, life insurance and mutual and pension fund product characteristics and charges, asset allocations by product line, asset values, expense analyses, salesforce commission scales, internal claim and discontinuance studies, levels of in-force premiums, number of policies,

4



Watson Wyatt certification – MAPFRE VIDA (contd.)

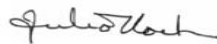


technical reserves, mutual and pension funds by product, terms of reinsurance agreements, electronic policy data bases, cash flow projections by product, analyses of movement and analyses of sensitivities.

- 18 We have not attempted to assess the suitability, quality or value of the assets of Mapfre Vida and its subsidiaries or to provide any warranty as to the adequacy of the technical reserves. We have also not investigated any claims against Mapfre Vida or its subsidiaries other than those made by policyholders or fund participants under the normal terms of insurance, mutual fund or pension fund business. In particular, no account has been taken of liabilities in respect of pension entitlements, service contracts, leases and breaches of legislation, regulatory rules or guidance.
- 19 Assumptions are made about future experience, including economic and investment experience, tax, expenses, lapse rates, mortality and reinsurance. These assumptions have been made on the basis of reasonable estimates. However, actual future experience is likely to differ from these assumptions, due to random fluctuations, changes in the operating environment and other factors. Such variations in experience could have a significant effect on the results and conclusions of this letter. No warranty is given by Watson Wyatt that the assumptions made in this letter will be reflected in actual experience.
- 20 The calculation carried out by Consultora Mapfre Vida does not consider possible financial implications arising from the introduction of new regulatory reporting requirements which may, for example, increase the level of capital support required to sustain the business or constrain the way in which the assets are invested.

Yours sincerely

Julio Koch



Felipe Gómez Rojas



Watson Wyatt certification – aggregate of Other Bank Channels in Spain



22 July 2009

Mapfre, S.A.
Carretera de Pozuelo 52
Edificio 1
28220 Majadahonda (Madrid)

Dear Sirs,

Letter of certification – Aggregated embedded value of Bankinter Vida, CCM Vida y Pensiones, Unión Duero Vida and Duero Pensiones as at 31 December 2008

1 Mapfre, S.A. has appointed Watson Wyatt Insurance Consulting (Spain), S.A. ("Watson Wyatt") to provide an actuarial certification on the calculation of the embedded value ("EV") as at 31 December 2008 of 100% of the life insurance and pension fund business of Bankinter Seguros de Vida, S.A. de Seguros y Reaseguros ("Bankinter Vida"), CCM Vida y Pensiones S.A. de Seguros y Reaseguros ("CCM Vida y Pensiones") and Unión del Duero, Compañía de Seguros de Vida, S.A. ("Unión Duero Vida") and Duero Pensiones, entidad gestora de fondos de pensiones, S.A. ("Duero Pensiones"). The EV results of each company have been prepared to comply with the European Embedded Value Principles and Guidance issued by the CFO Forum in May 2004 (the "EEV Principles").

Scope

- 2 The scope of our work has been to certify the calculation as at 31 December 2008 on an EEV Principles basis of the following components:
- The adjusted net assets of Bankinter Vida, CCM Vida y Pensiones, Unión Duero Vida and Duero Pensiones as at 31 December 2008;
 - The value of in-force business of Bankinter Vida, CCM Vida y Pensiones, Unión Duero Vida and Duero Pensiones as at 31 December 2008.
- 3 The adjusted net shareholders' assets and the value of the in-force business of CCM Vida y Pensiones, as well as the value of in-force business and the value of new business of the new products of Bankinter Vida introduced in 2008, have been calculated by Consultora Actuarial y de Pensiones Mapfre Vida, S.A. ("Consultora Mapfre Vida"). Watson Wyatt has carried out a review of these values of Bankinter Vida and CCM Vida y Pensiones with respect to the following:
- The methodology used to calculate the adjusted consolidated net shareholders' assets and its validation against the information in the annual accounts.
 - The methodology used to calculate the value of in-force business. This included reasonableness checks to product level projections and reviewing the validation of the modelling against the accounts and liability schedules.
 - The bases and assumptions used to calculate the value of in-force business. In addition, sample checks that the assumptions have been applied correctly and reasonableness tests



have been carried out, including reasonableness checks on the results of the sensitivities of the EV and value of new business to changes in assumptions.

- The methodology used to analyse the change in value of in-force business over the year including the split of embedded value earnings into its various components.
- 4 For the purpose of carrying out our work, we have been provided with calculations carried out by Consultora Mapfre Vida and with supporting data. The assumptions on which the calculations have been based have been discussed with Consultora Mapfre Vida and are based upon information provided by them.
- 5 The scope of our work also includes the calculation of the embedded value of the life and pension business of Bankinter Vida, Unión Duero Vida and Duero Pensiones as at 31 December 2008. We have also performed sensitivities on the value of in-force business and on the value of new business for changes in assumptions. For Bankinter Vida, we have also analysed the movement in the value of in-force business over the year, including the determination of the components of the embedded value earnings.
- 6 We have relied upon the accuracy of this supporting information without verification, although we have reviewed it for reasonableness and consistency.
- 7 Our work and this letter are subject to the reliance and limitations contained in paragraphs 16 to 21 of this letter. The work is based on information received up to and including 15 July 2009.

Embedded value as at 31 December 2008

- 8 On the assumptions made, the aggregated embedded value of 100% of the life insurance and pension fund business of Bankinter Vida, CCM Vida y Pensiones, Unión Duero Vida and Duero Pensiones as at 31 December 2008 was calculated to be:

Table 1: Embedded value as at 31 December 2008 (thousand euros)

	2008
Aggregated adjusted net assets	143,423
Aggregated value of in-force business	287,632
Embedded value	431,055

- 9 The values shown in Table 1 assume taxation on future statutory profits of 30%, and are net of the cost of double taxation on a level of capital equal to 100% of the minimum legal solvency requirement for CCM Vida y Pensiones and of an annual cost of capital of 4% of the minimum legal solvency requirement for Bankinter Vida, Unión Duero Vida and Duero Pensiones.
- 10 The aggregated adjusted net assets shown in Table 1 are equal to the sum of the statutory net assets of Bankinter Vida, CCM Vida y Pensiones, Unión Duero Vida and Duero Pensiones adjusted by taking into account the market value of assets.

Embedded value earnings in 2008

- 11 Embedded value earnings are defined in this letter as the change in embedded value during the year.

2



Watson Wyatt certification – aggregate of Other Bank Channels in Spain (contd.)



- 12 The embedded value earnings were analysed as follows:

Table 2: Analysis of embedded value earnings in 2008 (thousand euros)

	2008
Changes in the model ⁽¹⁾	128,964
Changes in assumptions	(5,720)
Expected return	8,573
Value added by new business ⁽²⁾	67,886
Variance between actual and expected experience ⁽³⁾	(20,572)
Changes in the TVFOGs	294
Embedded value earnings	179,425

(1) Includes the effect of the incorporation of Unión Duero Vida and Duero Pensiones in the EEV, excluding the value of new business which is considered in the component "Value added by new business".

(2) Value at the end of year 2008.

(3) Includes dividends of 11,392 thousand euros paid by Bankinter Vida during 2008.

Assumptions

- 13 The principal assumptions used in the calculation of the embedded value and of the value of new business are set out below:

- New money pre-tax investment returns, before investment expenses, have been based on Euroswap yields at the valuation date without any investment spreads. Book investment returns on existing assets continue to apply until assets reach their maturity or are sold, without adjusting the asset cash flows for any differences between the market yield of the existing assets and the discount rate used to calculate the value of in-force business.
- The value of in-force business has been calculated by discounting at the Euroswap curve as at the valuation date.
- The time value of financial options and guarantees has been calculated using a stochastic model with 1000 scenarios consistent with the market prices of swaptions as at 31 December 2008.
- The cost of capital for CCM Vida y Pensiones has been calculated assuming that the level of capital held is equal to 100% of the minimum legal solvency requirement, and that the assets backing the required capital earn pre-tax investment returns based on Euroswap yields at the valuation date without any investment spreads.
- The cost of capital for Bankinter Vida, Unión Duero Vida and Duero Pensiones has been calculated assuming an annual cost of 4% of a level of capital equal to 100% of the legal requirement.
- To derive the expense assumptions, actual 2008 management expenses assigned to the life insurance and pension fund business, have been fully allocated to different product lines and, within each line, between expenses related to the acquisition of new business and those related to the maintenance of in-force business.
- Maintenance expenses, expressed in euros per policy, have been assumed to increase at a 2.5% per annum inflation rate.

3



- Salesforce commissions have been assumed to continue in the future at the scales existing at the valuation date.
- Life policyholder profit participation rates and product charges, as well as pension fund commission rates, have been assumed to continue in the future at the levels existing at the valuation date.
- Mortality, lapse and other discontinuance assumptions have been based on internal studies of recent Bankinter Vida, CCM Vida y Pensiones, Unión Duero Vida and Duero Pensiones operating experience and, where appropriate, on industry experience.
- It has been assumed that there will be no change in the methods and bases used to calculate technical reserves and surrender values.

Sensitivities

- 14 We have performed calculations of the sensitivity of the value of in-force business and new business to various changes in assumptions. The results are summarised in Table 3.

Table 3: Summary of sensitivities (thousand euros)

	Change in the value of in-force business	Change in new business contribution
100bp increase in interest rates	(17,656)	(4,591)
10% decrease in equity and property values	(13)	0
10% decrease in maintenance expenses	7,220	1,889
10% decrease in the lapse rate	19,722	5,577
5% decrease in mortality and morbidity	8,154	2,695

Conclusions

- 15 In our opinion:
- a. The methodology adopted to determine the value of in-force business complies with the EEV Principles;
 - b. The assumptions made in the determination of the value of in-force business comply with the EEV Principles; and
 - c. The presentation of the movement in the value of in-force business and the sensitivities of the value of in-force business and the new business contribution is reasonable based on Principle 12 of the EEV Principles.

Reliances and limitations

- 16 The work was conducted on behalf of Mapfre, S.A. and designed according to the terms and requirements of the Directors of Mapfre, S.A. Watson Wyatt does not assume responsibility to anyone other than Mapfre, S.A. for any decisions taken based on this letter of certification.
- 17 In carrying out our work we have relied without independent verification upon the accuracy and completeness of the data and information provided to us, both in written and oral form, by Bankinter Vida, CCM Vida y Pensiones, Unión Duero Vida and Duero Pensiones, and the

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Watson Wyatt certification – aggregate of Other Bank Channels in Spain (contd.)



Directors of Mapfre, S.A know of no other information or data which ought to have been made available to Watson Wyatt that would materially affect the opinion set out herein.

- 18 Reliance has been placed upon, but not limited to, information regarding historic annual reports and accounts, life insurance and pension fund product characteristics and charges, asset allocations by product line, asset values, expense analyses, salesforce commission scales, internal claim and discontinuance studies; levels of in-force premiums, number of policies, technical reserves, pension funds by product, terms of reinsurance agreements, and electronic policy data bases; cash flow projections by product, analyses of movement; analyses of sensitivities.
- 19 We have not attempted to assess the suitability, quality or value of the assets of Bankinter Vida, CCM Vida y Pensiones, Unión Duero Vida and Duero Pensiones or to provide any warranty as to the adequacy of the technical reserves. We have also not investigated any claims against Bankinter Vida, CCM Vida y Pensiones, Unión Duero Vida and Duero Pensiones other than those made by policyholders or fund participants under the normal terms of insurance or pension fund business. In particular, no account has been taken of liabilities in respect of pension entitlements, service contracts, leases and breaches of legislation, regulatory rules or guidance.
- 20 Assumptions are made about future experience, including economic and investment experience, tax, expenses, lapse rates, mortality and reinsurance. These assumptions have been made on the basis of reasonable estimates. However, actual future experience is likely to differ from these assumptions, due to random fluctuations, changes in the operating environment and other factors. Such variations in experience could have a significant effect on the results and conclusions of this letter. No warranty is given by Watson Wyatt that the assumptions made in this letter will be reflected in actual experience.
- 21 The calculation carried out by Watson Wyatt does not consider possible financial implications arising from the introduction of new regulatory reporting requirements which may, for example, increase the level of capital support required to sustain the business or constrain the way in which the assets are invested.

Yours sincerely

Julio Koch

Felipe Gómez Rojas



Watson Wyatt certification– MAPFRE VERA CRUZ VIDA E PREVIDÊNCIA



22 July 2009

Mapfre, S.A.
Carretera de Pozuelo 52
Edificio 1
28220 Majadahonda (Madrid)

Dear Sirs,

Letter of certification - Embedded value of Mapfre Vera Cruz Vida e Previdência as at 31 December 2008

1 Mapfre, S.A. has appointed Watson Wyatt Worldwide ("Watson Wyatt") to calculate the embedded value ("EV") as at 31 December 2008, of 100% of the life insurance business of Mapfre Vera Cruz Vida e Previdência S.A. ("Mapfre Vera Cruz"). The EV results have been prepared to comply with the European Embedded Value Principles and Guidance issued by the CFO Forum in May 2004 (the "EEV Principles").

Scope

2 The scope of our work was to provide an estimate of the following components of the appraisal value of the life business of Mapfre Vera Cruz as at 31 December 2008:

- The adjusted net assets as at 31 December 2008;
- The value of in-force business as at 31 December 2008.

3 We have relied upon the accuracy of this supporting information without verification, although we have reviewed it for reasonableness and consistency.

4 Our work and this letter are subject to the reliances and limitations contained in paragraphs 13 to 18 of this letter. The work is based on information received up to and including 9 July 2009.

Embedded value as at 31 December 2008

5 On the assumptions made, the embedded value of 100% of the life insurance business of Mapfre Vera Cruz as at 31 December 2008 was calculated to be:

Table 1: Embedded value as at 31 December 2008 (thousand euros)

	2008
Adjusted net assets	115,158
Value of in-force business	129,130
Embedded value	244,288

6 The values shown in Table 1 assume taxation on future statutory profits of 40%, and are net of an annual cost of capital of 4% of the minimum legal solvency requirement.

7 The adjusted net assets shown in Table 1 are equal to the statutory net assets of Mapfre Vera Cruz, adjusted by taking into account the market value of assets deducting intangible assets.



Embedded value earnings in 2008

8 Embedded value earnings are defined in this letter as the change in embedded value during the year.

9 The embedded value earnings were analysed as follows:

Table 2: Analysis of embedded value earnings in 2008 (thousand euros)

	2008
Changes in the model	(15,136)
Changes in assumptions ⁽¹⁾	(51,845)
Expected return	13,668
Value added by new business ⁽²⁾	82,716
Variance between actual and expected experience ⁽³⁾	(51,261)
Changes in the TVFOGs	0
Embedded value earnings	(21,858)

(1) Includes the effect of the change in the exchange rate between the Brazilian real and the euro, of (49,523) thousand euros.

(2) Value at the end of year 2008.

(3) Includes dividends allocated in 2008 for Mapfre Vera Cruz, of 5,559 thousand euros.

Assumptions

10 The principal assumptions used in the calculation of the embedded value and of the value of new business are set out below:

- New money pre-tax investment returns, before investment expenses, have been based on the Brazilian swap curve at the valuation date without any investment spreads. Book investment returns on existing assets continue to apply until assets reach their maturity or are sold, without adjusting the asset cash flows for any differences between the market yield of the existing assets and the discount rate used to calculate the value of in-force business.
- The value of in-force business has been calculated by discounting at the Brazilian swap curve as at the valuation date.
- The cost of capital has been calculated assuming an annual cost of 4% of a level of capital equal to 100% of the minimum legal requirement. For savings products, a 1% on funds legal requirement was assumed.
- To derive the expense assumptions, actual 2008 management expenses, have been fully allocated to different product lines and, within each line, between expenses related to the acquisition of new business and those related to the maintenance of in-force business.
- Maintenance expenses, expressed in euros per policy, have been assumed to increase at a 4.5% per annum inflation rate.
- Salesforce commissions have been assumed to continue in the future at the scales existing at the valuation date.
- Life policyholder profit participation rates and product charges, as well as commission rates, have been assumed to continue in the future at the levels existing at the valuation date.



Watson Wyatt certification– MAPFRE VERA CRUZ VIDA E PREVIDÊNCIA (contd.)



- Mortality, lapse and other discontinuance assumptions have been based on internal studies of recent Mapfre Vera Cruz operating experience.
- It has been assumed that there will be no change in the methods and bases used to calculate technical reserves and surrender values.

Sensitivities

- 11 We have performed calculations of the sensitivity of the value of in-force business and new business to various changes in assumptions. The results are summarised in Table 3.

Table 3: Summary of sensitivities (thousand euros)

	Change in the value of in-force business	Change in new business contribution
100bp increase in interest rates	(2,256)	(3,278)
10% decrease in equity and property values	0	0
10% decrease in maintenance expenses	2,935	1,099
10% decrease in the lapse rate	606	167
5% decrease in mortality and morbidity	4,191	2,196

Conclusions

- 12 In our opinion:
- The methodology adopted to determine the value of in-force business complies with the EEV Principles;
 - The assumptions made in the determination of the value of in-force business comply with the EEV Principles; and
 - The presentation of the movement in the value of in-force business and the sensitivities of the value of in-force business and the new business contribution is reasonable based on Principle 12 of the EEV Principles.

Reliances and limitations

- 13 The review was conducted on behalf of Mapfre, S.A. and designed according to the terms and requirements of the Directors of Mapfre, S.A. Watson Wyatt does not assume responsibility to anyone other than Mapfre, S.A. for any decisions taken based on this letter of certification.
- 14 In carrying out our work we have relied without independent verification upon the accuracy and completeness of the data and information provided to us, both in written and oral form, by Mapfre Vera Cruz and the Directors of Mapfre, S.A. know of no other information or data which ought to have been made available to Watson Wyatt that would materially affect the opinion set out herein.
- 15 Reliance has been placed upon, but not limited to, information regarding historic annual reports and accounts, life insurance and pension fund product characteristics and charges, asset allocations by product line, asset values, expense analyses, levels of in-force premiums, number

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of policies, technical reserves, pension funds by product, terms of reinsurance agreements, and electronic policy data bases.

- 16 We have not attempted to assess the suitability, quality or value of the assets of Mapfre Vera Cruz or to provide any warranty as to the adequacy of the technical reserves. We have also not investigated any claims against Mapfre Vera Cruz other than those made by policyholders or fund participants under the normal terms of insurance or pension fund business. In particular, no account has been taken of liabilities in respect of pension entitlements, service contracts, leases and breaches of legislation, regulatory rules or guidance.
- 17 Assumptions are made about future experience, including economic and investment experience, tax, expenses, lapse rates, mortality and reinsurance. These assumptions have been made on the basis of reasonable estimates. However, actual future experience is likely to differ from these assumptions, due to random fluctuations, changes in the operating environment and other factors. Such variations in experience could have a significant effect on the results and conclusions of this letter. No warranty is given by Watson Wyatt that the assumptions made in this letter will be reflected in actual experience.
- 18 The calculation carried out by Watson Wyatt does not consider possible financial implications arising from the introduction of new regulatory reporting requirements which may, for example, increase the level of capital support required to sustain the business or constrain the way in which the assets are invested.

Yours sincerely

Julio Koch

Felipe Gómez Rojas

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Covered business

- The embedded value was calculated for the following blocks of business:
 - Life assurance (including complementary) and accidental death insurance businesses of MAPFRE VIDA, sold through the agents channel, both in Spain and in Portugal
 - Life assurance (including complementary) and accidental death insurance businesses of MAPFRE-CAJA MADRID VIDA
 - Life assurance (including complementary), accidental death insurance and pension funds businesses of CCM VIDA Y PENSIONES, BANKINTER SEGUROS DE VIDA, UNIÓN DUERO VIDA and DUERO PENSIONES
 - Mutual funds and pension funds businesses of MAPFRE INVERSIÓN S.V., S.A., MAPFRE INVERSIÓN DOS, S.G.I.I.C., S.A. and MAPFRE VIDA PENSIONES, E.G.F.P., S.A. de Seguros, S.A. ("MAPFRE INVERSIÓN Y PENSIONES")
 - Life assurance business of MAPFRE VERA CRUZ



Methodology

- The consolidated embedded value of the Life assurance, accidental death insurance, mutual funds and pension funds businesses includes the adjusted net asset value and the value of in-force business, defined as follows:
 - Embedded value = Adjusted Net Asset Value + Value of the In-Force Business
 - Adjusted Net Asset Value (ANAV) = Shareholders' equity at market value, adjusted to obtain the economic value of capital
 - Value of the In-Force Business = PVIF – TVFOGs – CoC

- A bottom-up approach was followed to comply with EEVP, valuing separately each component of risk in the business, since it was deemed that this methodology provides the most transparent information about shareholder value, better quantifies the risk in each product, differentiating between in-force and new business and is independent from the subjective choice of a set of financial return assumptions

- **Adjusted Net Asset Value:**
 - The Adjusted Net Asset Value or "ANAV" is equal to shareholders' equity as defined under the new local GAAP (which came into effect from 31/12/2008) and which is aligned with IFRS, adjusted for: committed donations and dividends; goodwill; deferred expenses; and any other item needed to calculate the economic capital

- **Present Value of In-force Business:**
 - The Present Value of In-force Business or "PVIF" is determined as the present value of future statutory profits which are expected to be generated from the existing business in force at the valuation date, after tax, calculated on the basis of risk-free investment returns and discounted using the risk-free yield curve. PVIF includes the intrinsic value of financial options and guarantees granted to the insured



Methodology (contd.)

▪ TVFOGs:

- Under EEVP, FOGs (Financial Options and Guarantees) are defined as those features of the covered business that imply the existence of significant guarantees on the amount or the nature of the benefits payable to policyholders, or options to vary such benefits, which can be exercised at the discretion of the policyholder and whose potential value is driven by changes in financial variables.
- The cost of FOGs is valued through the measurement of two different elements:
 - intrinsic value: the cost of FOGs under existing conditions at the valuation date.
 - time value: the change in the cost of FOGs that can result from potential changes in policyholder's benefits that may occur throughout the life of the policy.
- The intrinsic value of FOGs is already recognised implicitly in the calculation of the PVIF. It is therefore necessary to include the additional cost arising from the time value of FOGs (TVFOGs).
- TVFOGs was calculated for the main FOGs in the covered life business. Specifically, the calculation focussed on the TVFOGs corresponding to the guaranteed interest rate in with-profits products.
- The calculation of TVFOGs assumed the realisation of gains/losses on equity and property investments to:
 - minimise the impact of profit sharing on the Company's results; and
 - keep the asset mix close to its breakdown as at 31 December 2008
- TVFOGs is based on a 1,000 stochastic simulations of market-consistent financial assumptions and is equal to the difference between the value of in-force business calculated under a deterministic approach and the average value of the in-force business calculated stochastically.



Methodology (contd.)

- **PVIF – TVFOG:**
 - The difference between these two components yields the “risk-neutral” value of the in-force business, which is equal to the value of said business adjusted for financial risks.

- **CoC:**
 - In line with market practices, the CoC used in the calculation of the 2008 EEV was measured by applying a 4% fixed rate to the minimum required solvency margin.
 - It provides an indication of the cost of the required capital including the capital needed to cover financial and non-financial risks. Non-financial risks are not considered in any other part of the calculation of the EEV.



Methodology (contd.)

▪ With-profits business:

- MAPFRE's with-profits in-force business comprises products with the following features that are common in the Spanish insurance market:
 - A minimum return guarantee, ranging between 2.25% and 6% in the case of MAPFRE.
 - A profit-sharing mechanism defined as: $X\%$ of (Financial return – minimum guaranteed return – expense loadings) on the average mathematical reserve, which cannot be negative under any circumstance. $X\%$ varies by product, although it is equal to 90% in most cases. Financial returns and their volatility depend on the book returns of the assets backing the product and is subject to some degree of discretion by management, including, for instance, decisions on the realisation of gains/losses and on the asset mix.

- The combination of a minimum return guarantee and a profit-sharing mechanism that cannot yield negative results generates asymmetric flows for shareholders and, as a consequence, a positive time value of FOGs.



Methodology (contd.)

▪ Look through EEVP:

- In order to assign correctly revenues and expenses to the businesses that generate them and measure the value of each block of business more consistently with its economic reality, the following adjustments were made:
 - Mutual funds (not linked to Life assurance) and pension fund businesses, as well as a part of the accidental death business, are sold through the distribution network of MAPFRE VIDA. The income statement of MAPFRE VIDA shows its total expenses with no adjustment for the service referred to above. The values of the aforementioned mutual funds, pension funds and accidental death businesses have been adjusted in order to include the expenses (other than commissions) incurred by the aforesaid MAPFRE VIDA distribution network in connection with the effort of selling the said businesses.
 - The assets of the Life assurance business are managed by MAPFRE INVERSIÓN Y PENSIONES. The income statement of MAPFRE INVERSIÓN Y PENSIONES shows its total expenses with no adjustment for the service referred to above. The value of the aforementioned Life assurance business has been adjusted in order to include the asset management expenses incurred by MAPFRE INVERSIÓN Y PENSIONES in said business.



Methodology (contd.)

▪ Value added by new business:

- In Life assurance, new business is defined as single, extraordinary and regular premiums written in the year, as well as extraordinary contributions to existing policies. In the mutual funds business, new business is defined as new contributions. In the pension funds business, new business is defined as single, extraordinary and regular contributions from new participants, as well as extraordinary contributions from existing participants.
- The value added by new business is the value of in-force added by new business in the period, net of acquisition expenses, TVFOGs and CoC, valued at year-end using the assumptions applicable at that point in time.



Assumptions⁽¹⁾

	2008 EEV	2007 EEV
Discount rate	Euroswap zero-coupon curve as at 31/12/2008	Euroswap zero-coupon curve as at 31/12/2007
	1 year 2.55%	1 year 4.70%
	5 years 3.25%	5 years 4.56%
	10 years 3.74%	10 years 4.72%
	15 years 3.92%	15 years 4.86%
	20 years 3.88%	20 years 4.91%
Financial returns		
-Existing assets	Book returns until maturity	Book returns until maturity
-Reinvestment yield	Based on the euroswap zero-coupon curve as at 31/12/2008	Based on the euroswap zero-coupon curve as at 31/12/2007
Maintenance expenses	<ul style="list-style-type: none"> – Based on internal analyses – Expressed in euros per policy – Indexed to a 2.5% inflation 	<ul style="list-style-type: none"> – Based on internal analyses – Expressed in euros per policy – Indexed to a 2.5% inflation
Fees and commissions	In line with the existing fee structure	In line with the existing fee structure
Mortality, disability Surrenders and turnovers	Tables based on the company's own experience	Tables based on the company's own experience
Cost of capital		
Reference capital	100% of the minimum solvency margin	100% of the minimum solvency margin
Annual cost	4% p.a.	4% p.a.
Tax rate	30%	30%
Stochastic asset model (TVFOGs)	Market-consistent as at 31/12/2008	Market-consistent as at 31/12/2007

1) The assumptions described in this slide are specific for the covered business in Spain. In the case of MAPFRE VERA CRUZ specific assumptions for the Brazilian market were used, the most significant of which was the local currency swap curve and expenses indexed to a 4.5% inflation



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Value added by new business

Breakdown by business line						
	PVNBI ⁽¹⁾		VNB ⁽²⁾		VNB/PVNBI	
	2008	2007	2008	2007	2008	2007
Life assurance:	2,931.0	2,240.7	201.9	110.5	6.9%	4.9%
- Agents channel	1,649.6	891.5	110.9	38.3	6.7%	4.3%
- Bank channel	1,281.4	1,349.2	91.0	72.2	7.1%	5.4%
Mutual Funds	513.7	781.8	5.7	19.1	1.1%	2.4%
Pension Funds	675.9	669.5	18.7	26.8	2.8%	4.0%
- Agents channel	427.7	544.4	16.4	25.2	3.8%	4.6%
- Bank channel	248.2	125.1	2.3	1.6	0.9%	1.3%
TOTAL	4,120.5	3,692.0	226.3	156.4	5.5%	4.2%

Breakdown by distribution channel						
	PVNBI ⁽¹⁾		VNB ⁽²⁾		VNB/PVNBI	
	2008	2007	2008	2007	2008	2007
Spain	3,385.2	3,394.1	143.6	146.2	4.2%	4.3%
- Agents channel	1,855.6	1,919.8	50.3	72.3	2.7%	3.8%
- Caja Madrid channels	818.5	985.4	25.4	30.2	3.1%	3.1%
- Other bancassurance	711.1	488.9	67.9	43.6	9.6%	8.9%
VERA CRUZ VIDA	735.3	297.8	82.7	10.2	11.2%	3.4%
TOTAL	4,120.5	3,692.0	226.3	156.4	5.5%	4.3%

Million Euros

1) Present Value of New Business Income.

2) Value added by new business.

Statistical appendix

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Breakdown of 2008 EEV between ANAV and value of in-force business⁽¹⁾

	ANAV	Value of In-force business ⁽¹⁾	TOTAL
2007 EEV	614.3	1,324.9	1,939.3
Changes in assumptions	-28.1	-50.3	-78.3
Expected return	222.6	-134.1	88.5
Value added by new business	-87.3	313.6	226.3
Deviation of actual value from expectations	76.5	-121.1	-44.6
Change in the TVFOGs	0.0	6.2	6.2
Value added in 2008	183.7	14.4	198.1
Changes in the model	0.0	10.8	10.8
Acquisitions ⁽²⁾	12.9	55.3	68.1
Dividends paid and other items	-24.5	0.0	-24.5
2008 EEV	786.4	1,405.4	2,191.8
			Million Euros
RoEV⁽³⁾	29.9%	0.0%	9.4%

- 1) PVIF - TVFOGs – CoC
- 2) Effect of the integration of UNIÓN DUERO VIDA and DUERO PENSIONES in EEV excluding the value of new business, which is included in the “Value added by new business” line
- 3) Return on Embedded Value = Value added in the year / Embedded Value, adjusted for model changes. The effect of the inclusion of the Life assurance and Pensions businesses of CAJA DUERO was not considered in the calculation of the RoEV



Breakdown of the sensitivity analysis

Sensitivity of the value of in-force business

	MAPFRE VIDA ⁽¹⁾	Bank channels - Other	MAPFRE VERA CRUZ VIDA
Impact of:			
- 100bp increase in interest rates	-29.3	-17.6	-2.3
- 10% decrease in equity and property values	-8.2	0.0	0.0
- 10% decrease in expenses	20.8	7.3	2.9
- 10% decrease in the lapse rate	77.7	19.7	0.6
- 5% decrease in mortality and morbidity	6.9	8.1	4.2

Sensitivity of the value added by new business

	MAPFRE VIDA	Bank channels - Other	MAPFRE VERA CRUZ VIDA
Impact of:			
- 100bp increase in interest rates	-5.7	-4.6	-3.3
- 10% decrease in equity and property values	0.0	0.0	0.0
- 10% decrease in expenses	3.0	1.9	1.1
- 10% decrease in the lapse rate	16.1	5.6	0.2
- 5% decrease in mortality and morbidity	2.8	2.7	2.2

Million Euros

1) Includes the value of in-force business of MAPFRE-CAJA MADRID VIDA gross of minority interests and excludes that of BANKINTER VIDA



MAPFRE VIDA: IFRS adjustments and reconciliation to adjusted net asset value



Consolidated net assets for MAPFRE VIDA as at 31/12/08 (Previous local GAAP)	797.9
Consolidated net assets for MAPFRE VIDA as at 31/12/08 (New local GAAP)	852.2
Unrealised gains	-18.6
- of which: property	6.4
- of which: financial assets	-25.0
Donations and dividends	0.0
Goodwill	-181.5
Acquisition costs net of taxes	0.0
Other	1.1
Adjusted consolidated net assets for MAPFRE VIDA as at 31/12/08⁽¹⁾	653.2

Million Euros

1) Amount used in embedded value calculations.



Units and operating companies included in the 2008 EEV



MAPFRE VIDA ⁽¹⁾			OTHER BANK CHANNELS ⁽²⁾		
	2007	2008		2007	2008
Adjusted Net Asset Value	450.5	653.2	Adjusted Net Asset Value	82.1	143.4
Net PVIF - Life Assurance	751.7	784.2	Net PVIF - Life Assurance	144.5	261.0
- PVIF	931.7	964.0	- PVIF	148.3	272.5
- CoC	(179.9)	(179.8)	- CoC	(3.8)	(11.4)
Net PVIF - Investment Funds	198.2	144.1	Net PVIF - Investment Funds	0.0	0.0
- PVIF	200.2	145.7	- PVIF	0.0	0.0
- CoC	(2.0)	(1.6)	- CoC	0.0	0.0
Net PVIF- Pension Funds	185.8	158.7	Net PVIF- Pension Funds	30.8	32.5
- PVIF	190.5	162.8	- PVIF	37.3	40.2
- CoC	(4.7)	(4.1)	- CoC	(6.5)	(7.7)
TVFOGs	(104.3)	(98.4)	TVFOGs	(5.8)	(5.9)
EEV	1,482.0	1,641.8	EEV	251.6	431.1
Initial capital used to calculate the CoC	623.1	602.5	Initial capital used to calculate the CoC	84.1	95.4

Million Euros

1) Excluding BANKINTER VIDA's PVIF and including the PVIF of MAPFRE-CAJA MADRID VIDA.

2) BANKINTER VIDA + CCM VIDA y PENSIONES + UNIÓN DUERO VIDA + DUERO PENSIONES. Aggregate data.



Units and operating companies included in the 2008 EEV



MAPFRE VERA CRUZ VIDA E PREVIDÊNCIA

Exchange rate at year end	2007	2008	Constant exchange rate	2007	2008
Adjusted Net Asset Value	142.2	115.2	Adjusted Net Asset Value	114.1	115.2
Net PVIF - Life Assurance	117.4	125.6	Net PVIF - Life Assurance	94.2	125.6
- PVIF	121.9	133.8	- PVIF	97.8	133.8
- CoC	(4.5)	(8.2)	- CoC	(3.6)	(8.2)
Net PVIF - Investment Funds	6.6	3.6	Net PVIF - Investment Funds	5.3	3.6
- PVIF	8.1	5.0	- PVIF	6.5	5.0
- CoC	(1.5)	(1.4)	- CoC	(1.2)	(1.4)
Net PVIF- Pension Funds	0.0	0.0	Net PVIF- Pension Funds	0.0	0.0
- PVIF	0.0	0.0	- PVIF	0.0	0.0
- CoC	0.0	0.0	- CoC	0.0	0.0
TVFOGs	0.0	0.0	TVFOGs	0.0	0.0
EEV	266.1	244.3	EEV	213.6	244.3
Initial capital used to calculate the CoC	48.5	35.1			

Million Euros



Share of the parent company in the EEV

	MAPFRE stake	Controlling Shareholder	Minorities
ANAV			
MAPFRE VIDA pro forma	100.0%	671.3	0.0
MAPFRE VERA CRUZ VIDA E PREVIDÊNCIA	87.6%	100.9	14.3
AGGREGATE TOTAL		772.2	14.3
VIF			
MAPFRE VIDA - AGENTS CHANNEL	100.0%	898.6	0.0
MAPFRE VIDA - CAJA MADRID CHANNEL	51.0%	96.1	92.3
OTHER BANK CHANNELS IN SPAIN ⁽¹⁾	50.0%	146.8	146.8
MAPFRE VERA CRUZ VIDA E PREVIDÊNCIA	87.6%	113.1	16.0
AGGREGATE TOTAL		1,254.6	255.1
TVFOGS			
MAPFRE VIDA - AGENTS CHANNEL	100.0%	-89.9	0.0
MAPFRE VIDA - CAJA MADRID CHANNEL	51.0%	-4.3	-4.2
OTHER BANK CHANNELS IN SPAIN ⁽¹⁾	50.0%	-2.9	-2.9
MAPFRE VERA CRUZ VIDA E PREVIDÊNCIA	87.6%	0.0	0.0
AGGREGATE TOTAL		-97.2	-7.1
AGGREGATE 2008 EEV		1,929.6	262.3

1) Includes BANKINTER VIDA, CCM VIDA Y PENSIONES, UNION DUERO VIDA and DUERO PENSIONES

Million euros



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Glossary

- The **European Embedded Value Principles** or “**EEVP**” are the principles that establish the methodology that must be applied in order to calculate the European Embedded Value. The EEVP were agreed upon by the CFOs of the multinational European insurers belonging to the “CFO Forum” in order to increase the comparability and transparency of the embedded value calculations carried out by insurance companies. The document that contains the EEVP can be obtained at the following Internet address: www.cfoforum.nl.
- The **Adjusted Net Asset Value** or “**ANAV**” is equal to shareholders’ equity as defined under Spanish GAAP (PGC) adjusted for: unrealised gains or losses belonging to shareholders; committed donations and dividends; goodwill; deferred expenses; and any other item needed to calculate the economic capital.
- **Financial Options and Guarantees** or “**FOGs**” are those features of the covered business that imply the existence of significant guarantees on the amount or the nature of the benefits payable to policyholders, or options to vary such benefits, which can be exercised at the discretion of the policyholder and whose potential value is driven by changes in financial variables.
- The **Value of an Option** is composed by two elements: the **Intrinsic Value** and the **Time Value**. In the case of a call option, the intrinsic value is equal to the difference between the price of the underlying asset and the strike price of the option (in the case of a put option the order of the difference is inverted). The intrinsic value cannot be less than zero. The time value is equal to the difference between the total value and the intrinsic value and it is ascribed to the potential for benefits under the option to increase in value prior to expiry.
- The **Present Value of In-force Business** or “**PVIF**” is determined as the present value of future statutory profits which are expected to be generated from the existing business in force at the valuation date, after tax, calculated on the basis of risk-free investment returns and discounted using the risk-free yield curve. PVIF includes the intrinsic value of financial options and guarantees granted to the insured.



Glossary

- The **Cost of Capital** or “**CoC**” is equal to the difference between the amount of required capital and the present value of future releases, allowing for future investment return, of that capital. The CoC used in the calculation of the 2008 EEV was measured on the basis of an amount of capital equal to 100% of the minimum regulatory requirement.
- The **Value of In-force Business** or “**VIF**” is equal to: $PVIF - \text{Time Value of FOGs (“TVFOGs”)} - \text{CoC}$.
- The **European Embedded Value** or “**EEV**” is the embedded value obtained calculated in accordance with “European Embedded Value Principles”. EEV is equal to: $ANAV + VIF$.
- **Embedded value earnings** are defined as the change in embedded value during the period, including dividends paid and excluding capital injections, and provide a measure of the economic performance during the year.
- **Changes in Assumptions** are changes in the future experience assumed in the calculation of the present value of in-force business, including economic, expense, lapse, and mortality assumptions.
- The **Expected Return on the Beginning of the Year Embedded Value** is equal to the actual after-tax investment return on the beginning-of-the-year adjusted net asset value less the cost of capital, plus the return, at the discount rate, on the beginning-of-the-year value of the in-force business and capital.
- **Deviation of Actual Value from Expectations** arise from the variance between the actual experience during the year and the assumed experience used to calculate the beginning-of-the-year embedded value.
- The **Return on Embedded Value** or “**RoEV**” is obtained by dividing the value added in the year by the embedded value at the close of the previous year.



Glossary

- **New Business** is defined as: in the case of Life assurance, single, extraordinary and regular premiums from policies written in the year, as well as extraordinary contributions to existing policies; in the case of Mutual Funds, new contributions; in the case of Pension Funds, single, extraordinary and regular contributions from new participants, as well as extraordinary contributions from existing participants.
- The **Present Value of New Business Income** or “**PVNBI**” corresponds to: in the case of Life assurance, the present value of received and expected premiums from new business; in the case of Mutual Funds, contributions received in the year; and in the case of Pension Funds, contributions received in the year and expected from new business.
- The **Value added by New Business** or “**VNB**” is the value of in-force added by new business in the period, net of acquisition expenses, TVFOGs and CoC, valued at year-end using the assumptions applicable at that point in time.



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