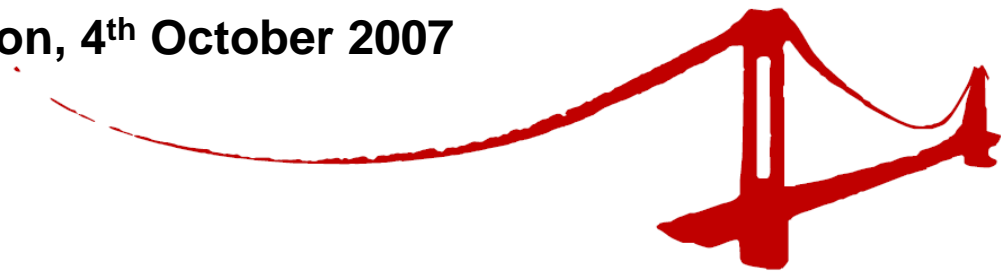


Putting risk into perspective

**Esteban Tejera
General Manager**

**Luigi Lubelli
Finance Director**

**Merrill Lynch Banking & Insurance CEO Conference
"Delivering Growth in a Riskier World"
London, 4th October 2007**



Disclaimer

This document is purely informative. Its content does not constitute, nor can it be interpreted as, an offer or an invitation to sell, exchange or buy, and it is not binding on the issuer in any way. The information about the plans of the Company, its evolution, its results and its dividends represents a simple forecast whose formulation does not represent a guarantee with respect to the future performance of the Company or the achievement of its targets or estimated results. The recipients of this information must be aware that the preparation of these forecasts is based on assumptions and estimates, which are subject to a high degree of uncertainty, and that, due to multiple factors, future results may differ materially from expected results. Among such factors, the following are worth highlighting: the evolution of the insurance market and of the economic environment in general in those countries where the Company operates; changes in the legal framework; changes in monetary policy; circumstances which may affect the competitiveness of insurance products and services; changes in the underlying tendencies on which the mortality and morbidity tables used in Life and Health insurance are based; frequency and severity of claims insured, with respect to reinsurance and general insurance, as well as to life insurance; variations in interest rates and exchange rates; risks associated with the use of derivative instruments; the impact of future acquisitions.

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



A snapshot of MAPFRE

Risk related to the present environment

Our opportunities

Summing up



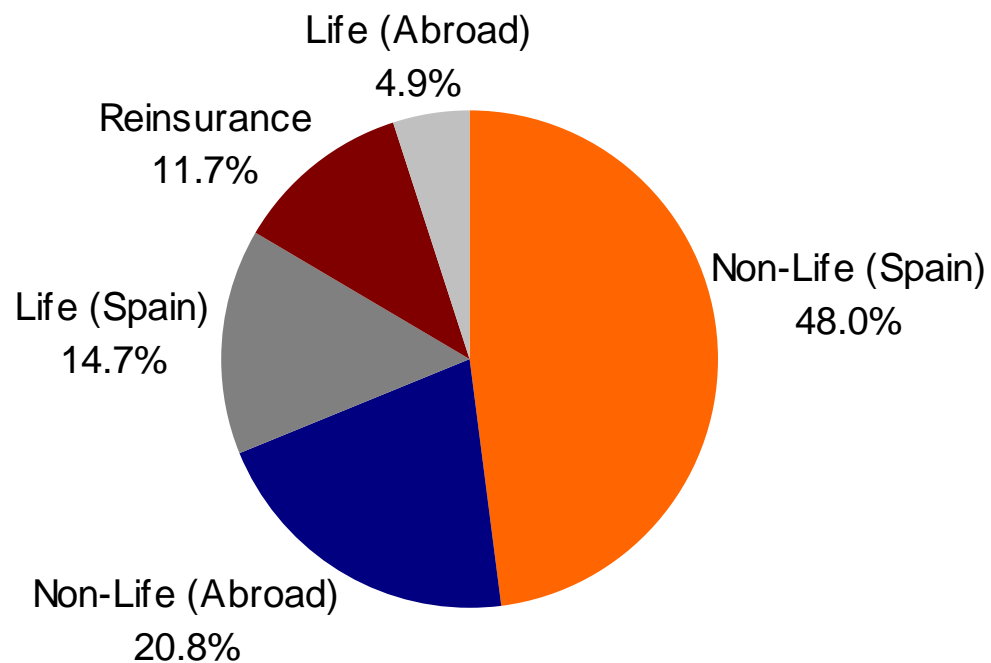
MAPFRE at a glance

- MAPFRE is an independent Spanish group which carries out activities in the fields of insurance, reinsurance, financial services, property development and services primarily in Spain, Europe and Latin America.
- It has 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 6.1% market share and 4th largest overall, with a 4.3% market share (2005 figures).
- Recent acquisitions will further increase the level of diversification and consolidate MAPFRE's position as a Top 10 Non-life insurer in Europe:
 - 5th largest Motor insurer in Italy;
 - 6th largest Motor insurer in Turkey.
- 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 – 1H07

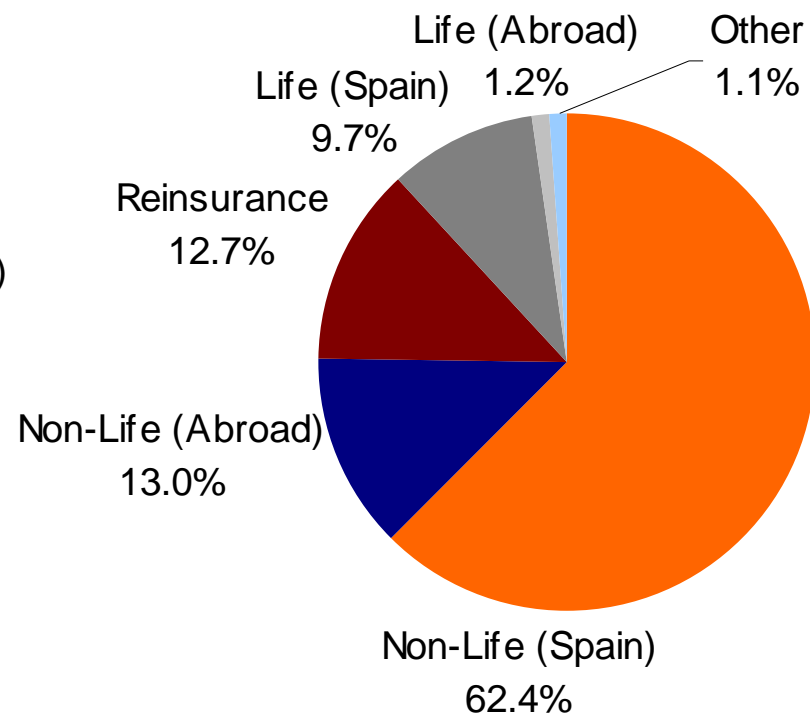
Premiums⁽¹⁾



€6,376.9 million

+6.7%

Profits⁽²⁾



€335.6 million

+11.7%

(1) Aggregated figures for MAPFRE

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



A snapshot of MAPFRE

Risk related to the present environment

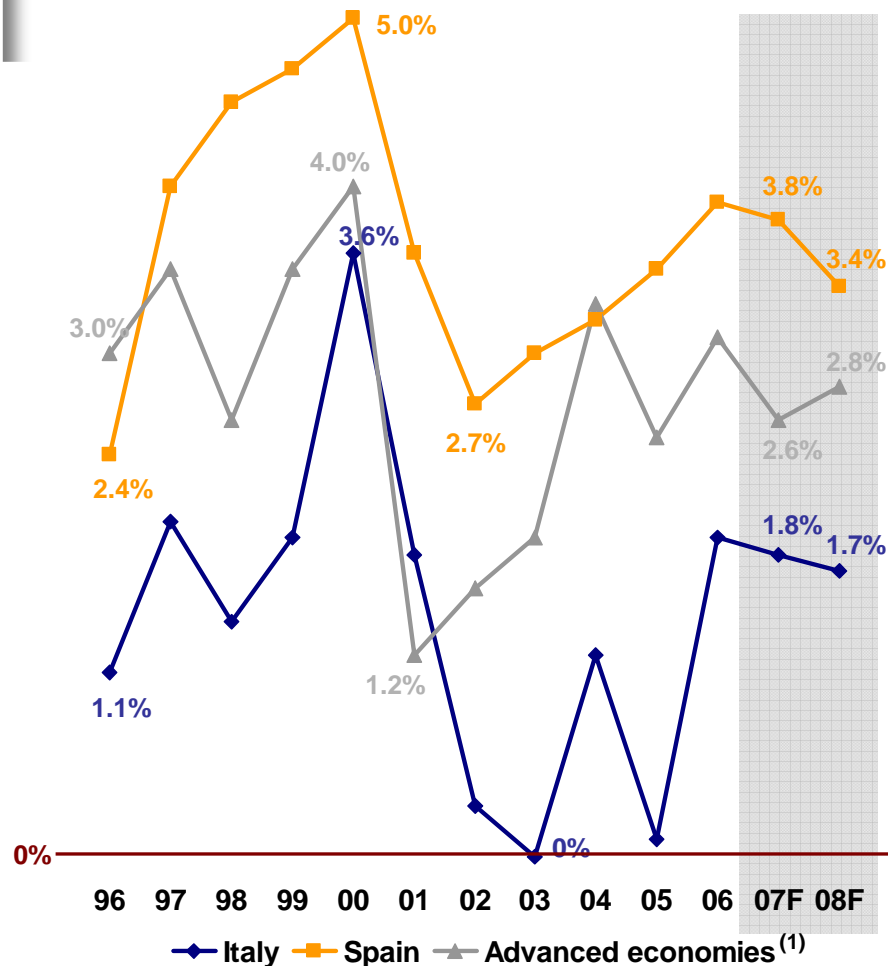
Our opportunities

Summing up

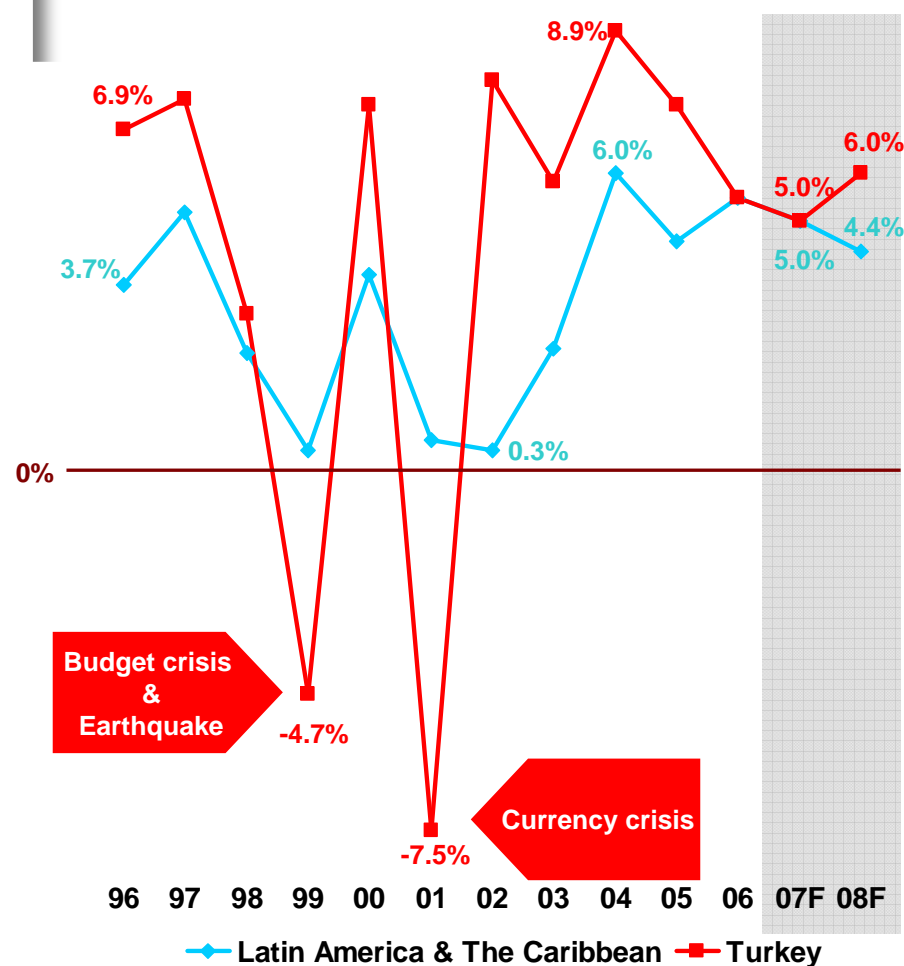


Economic growth is expected to remain sound and above-average in the areas where MAPFRE is present

Real GDP growth - developed markets



Real GDP growth - emerging markets



(1) USA, Eurozone, UK, Japan, Canada, Australia, Cyprus, Denmark, Hong Kong, Iceland, Israel, S. Korea, N. Zealand, Norway, Singapore, Sweden, Switzerland, and Taiwan

Source: IMF

Risk related to the present environment

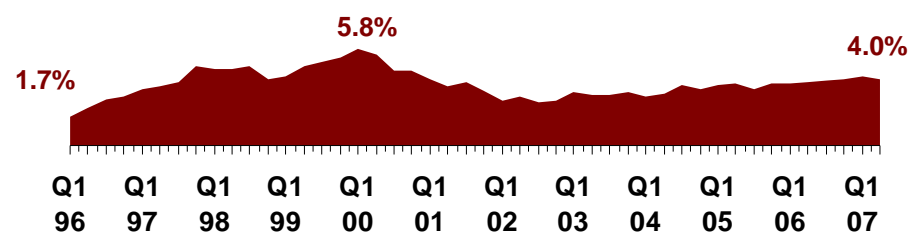
Nº 2007 - 29



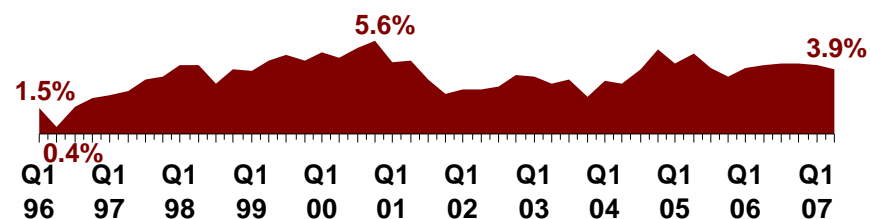
Selected macroeconomic developments in Spain: supply

- Construction is experiencing a slowdown, which is being compensated for by growth in manufacturing.

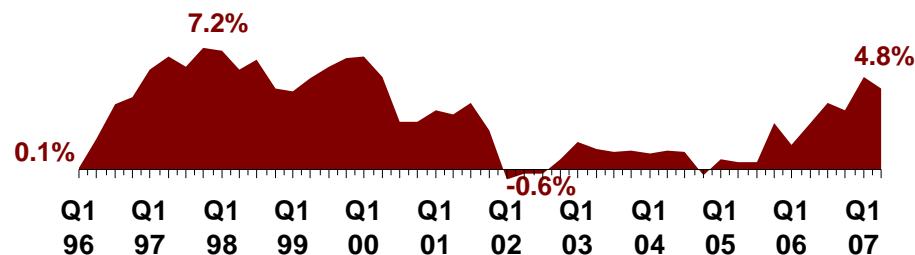
Real GDP growth (y-o-y)



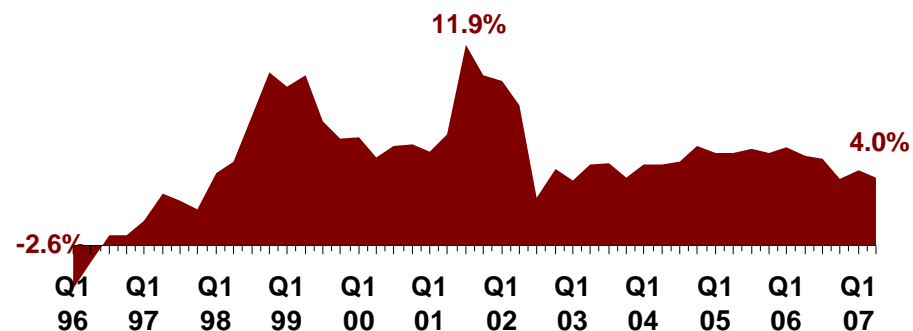
Services



Manufacturing



Construction



Source: INE

Risk related to the present environment

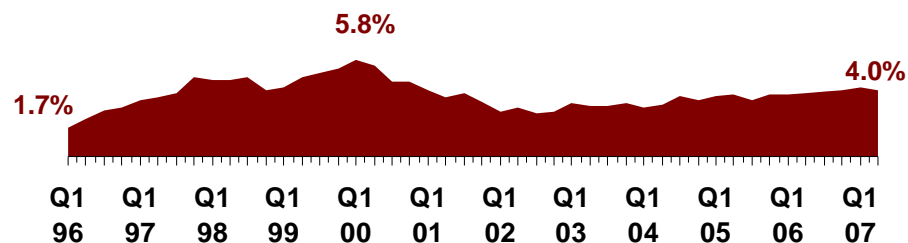
Nº 2007 - 29



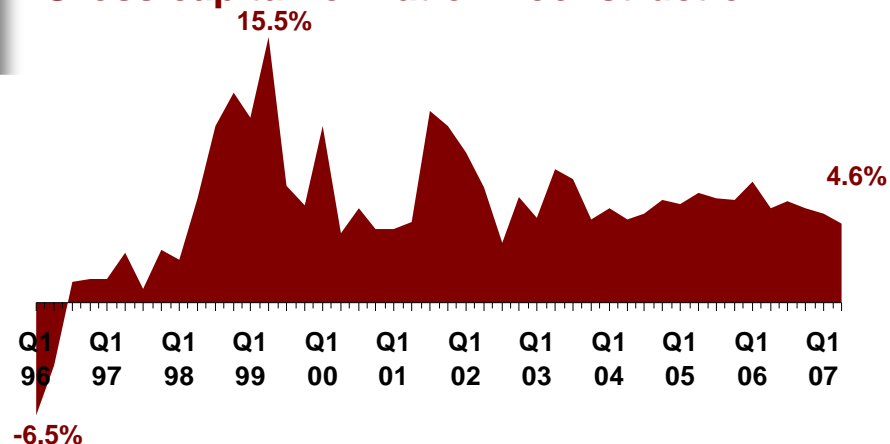
Selected macroeconomic developments in Spain: demand

- Capital investments are thriving on the back of the manufacturing recovery, which is driving economic growth against the backdrop of a moderation in consumer spending.

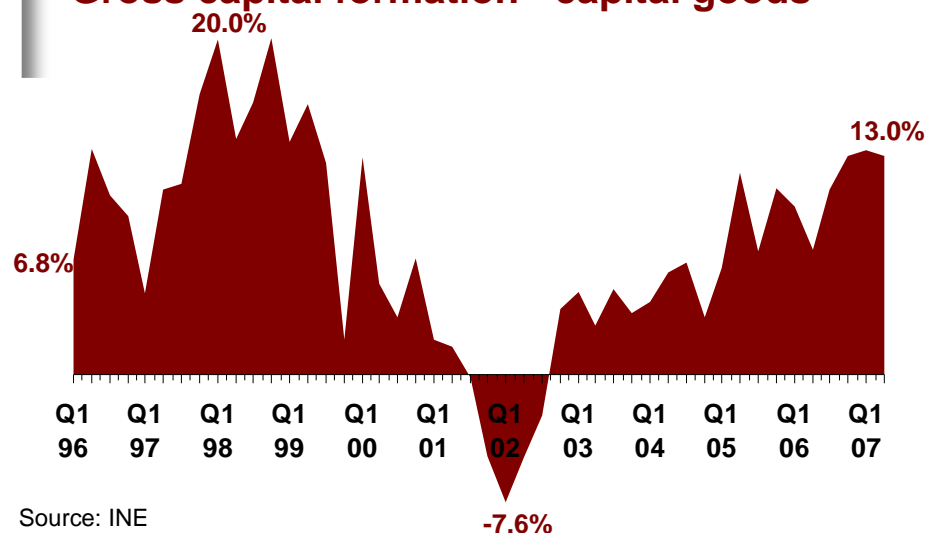
Real GDP growth (y-o-y)



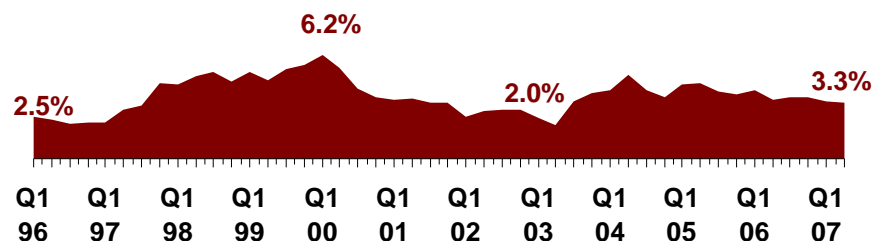
Gross capital formation - construction



Gross capital formation - capital goods



Households' consumption



Source: INE

Risk related to the present environment

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All in all, a supportive economic outlook

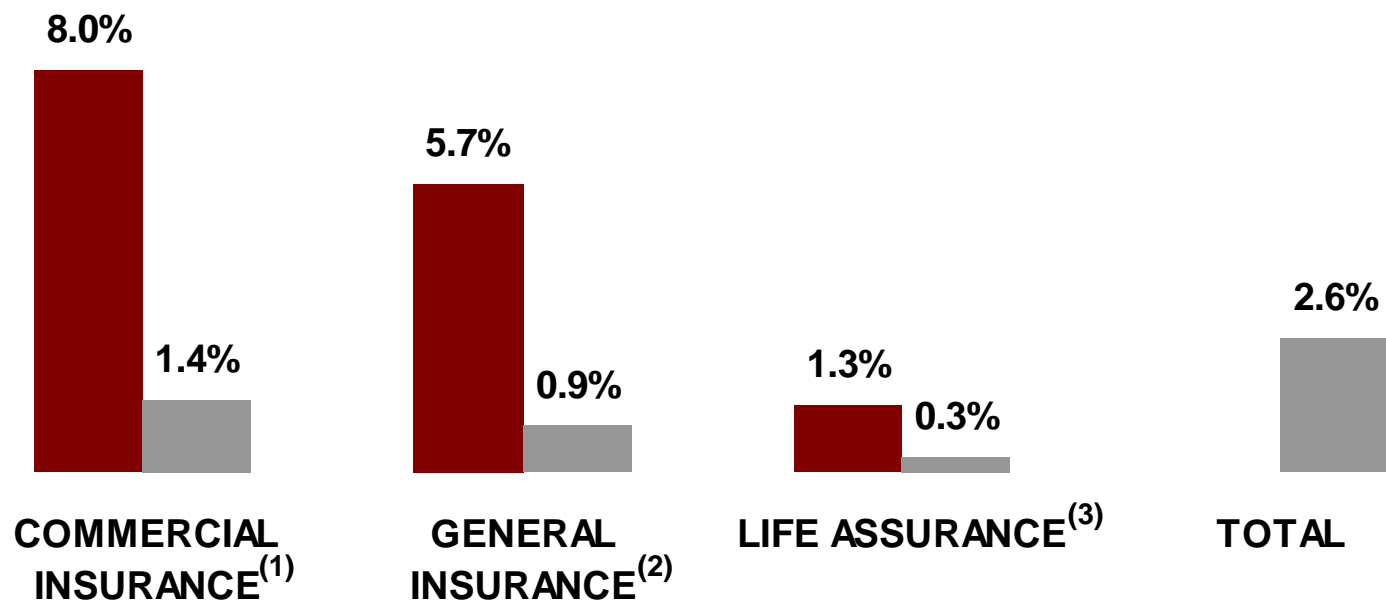
- Barring pronounced downward swings in the largest economies or prolonged financial crises, the main countries and geographical areas in which MAPFRE operates should record continued GDP growth, positive net job creation and relatively low inflation⁽¹⁾, in line with or just below what was observed in recent years.
- Hence, demand for insurance products should continue to remain sound, although some change in mix could be observed, such as, for instance, a decrease in the weight of the lines linked to construction in Spain.
- Emerging markets (LatAm, Turkey) should continue to grow comparatively faster, although they will also be more sensitive to potential falls in commodity prices or large increases in the spreads of sovereign debt.

(1) With the exception of Argentina and Venezuela, where inflation is expected to remain in the double-digits



Only 2.6% of MAPFRE's new business in Spain is directly related to the real estate sector

New business directly related with the real estate sector in Spain as at 30.06.2007

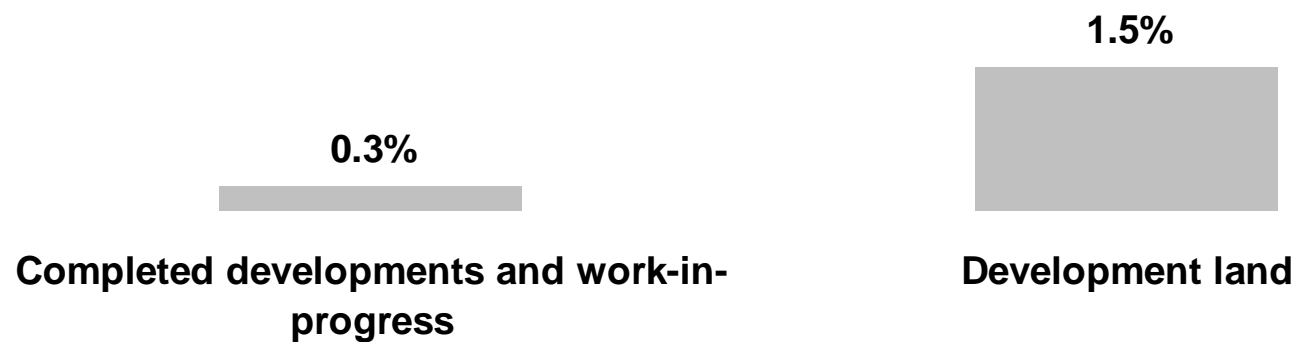


■ As a % of the Operating Unit's total premiums
 ■ As a % of MAPFRE's total premiums in Spain

1) Construction Insurance and Compulsory 10-year Insurance Against Building Defects ('Seguro Decenal')
 2) Household Insurance and Income Protection Insurance for Mortgages
 3) Life Protection



Real estate development⁽¹⁾ represents a very small proportion of the Group's total assets

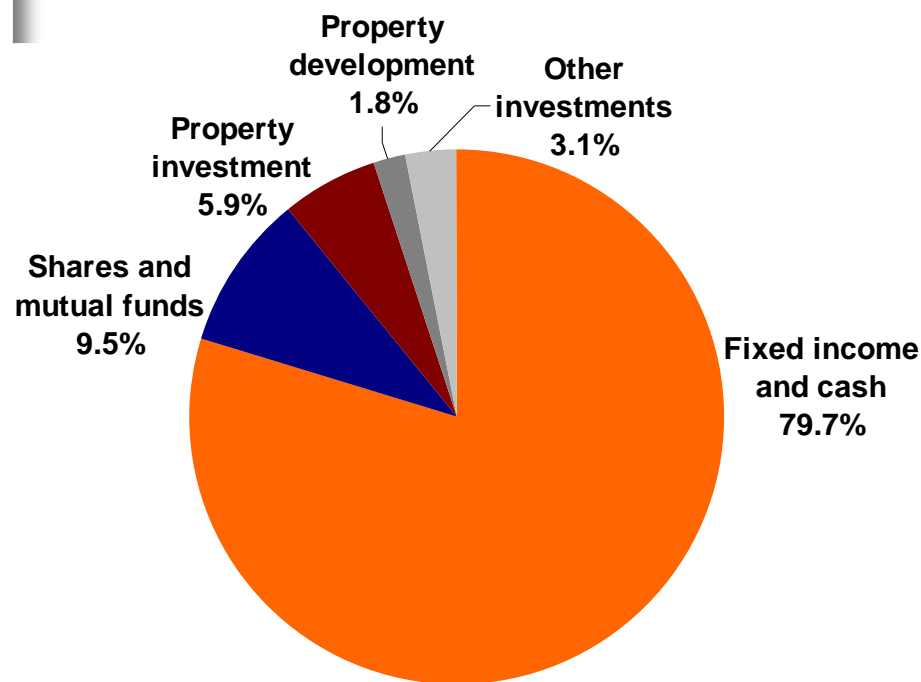


1) Real estate development is run by MAPFRE INMUEBLES. Figures as at June 2007



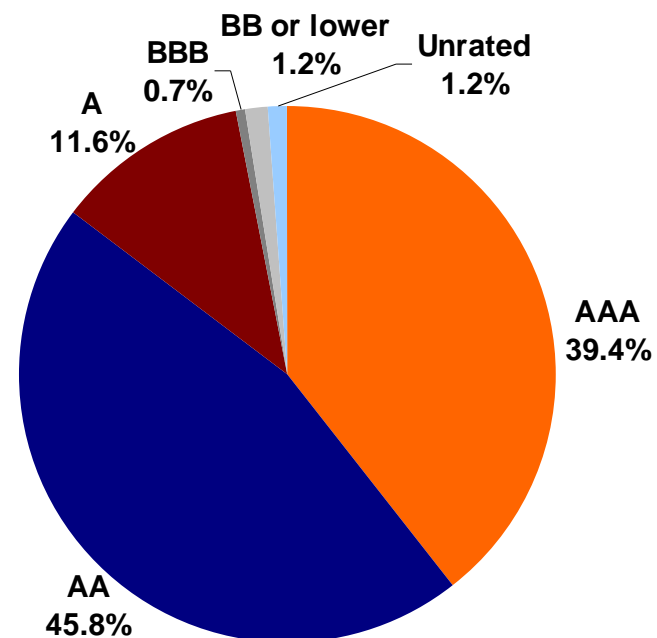
Our investment portfolio is of high-quality, with no exposure to subprime risk

Portfolio breakdown⁽¹⁾



€27,107.8 million

Breakdown of the bond portfolio by rating⁽¹⁾



€20,169.3 million

- MAPFRE's ABS portfolio, which has no exposure to subprime loans, represents less than 0.2% (€40 million) of the investment portfolio⁽²⁾.
- Real estate investments are concentrated in office buildings. As at 31-Dec-06, 50.7% of them were buildings for own use, and unrealized gains were equal to 36% of the book value.

(1) 2006 Consolidated pro forma figures for MAPFRE under its new corporate structure

(2) As at 10 September 2007



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Where will our growth come from?

Top line

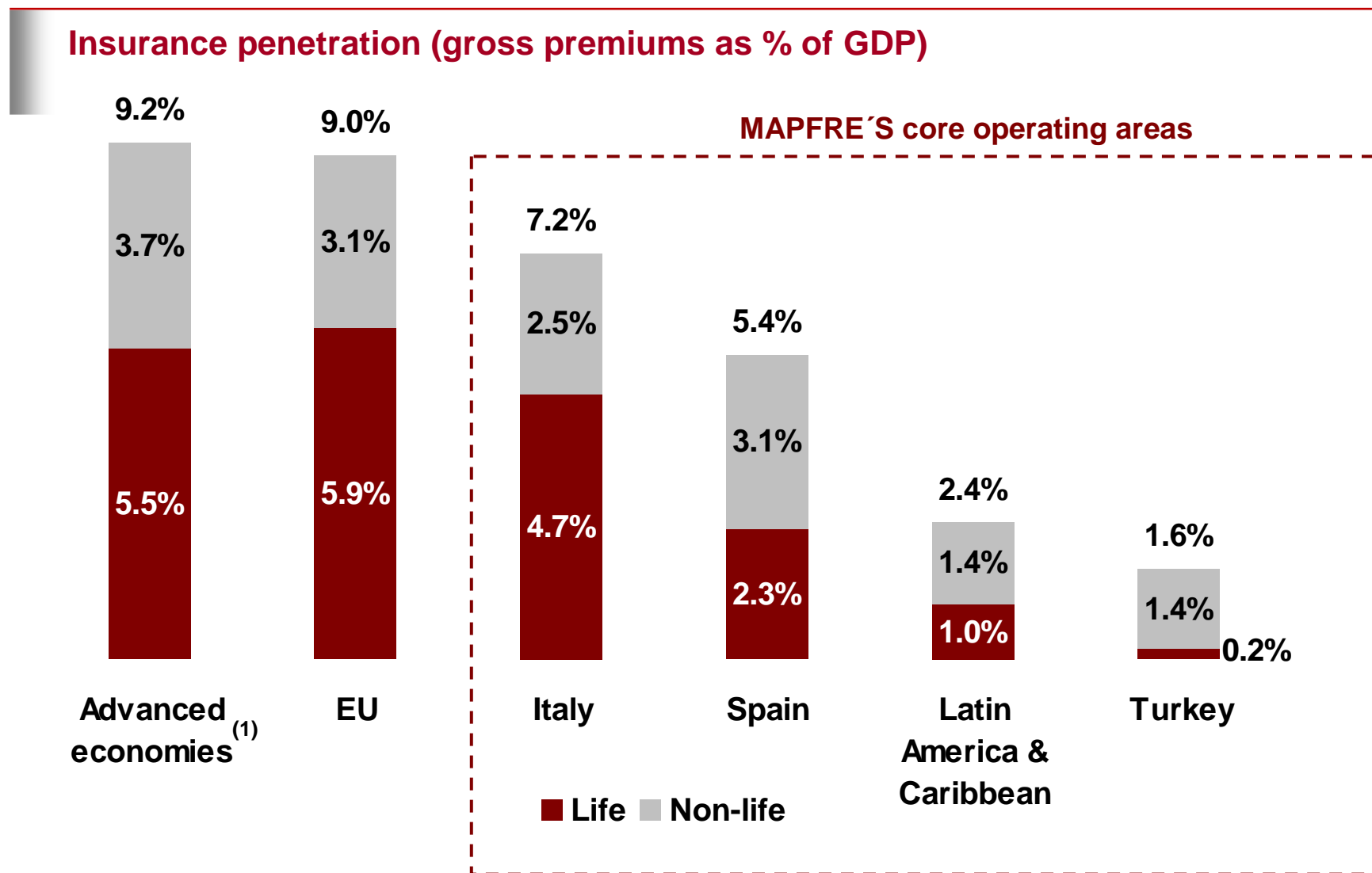
- Expansion of business in comparatively faster-growing and underpenetrated areas.
- Integration and development of product portfolio in new acquisitions and JVs.
- Enhanced cross-selling of retail non-life products.
- Expansion of the distribution network.

Bottom line

- Integration of new acquisitions and JVs.
- Efficiency improvement initiatives in Spain.
- Higher productivity and larger network in Latin America.
- Reduction of the combined ratio in Italy.



All of MAPFRE's core areas remain underpenetrated



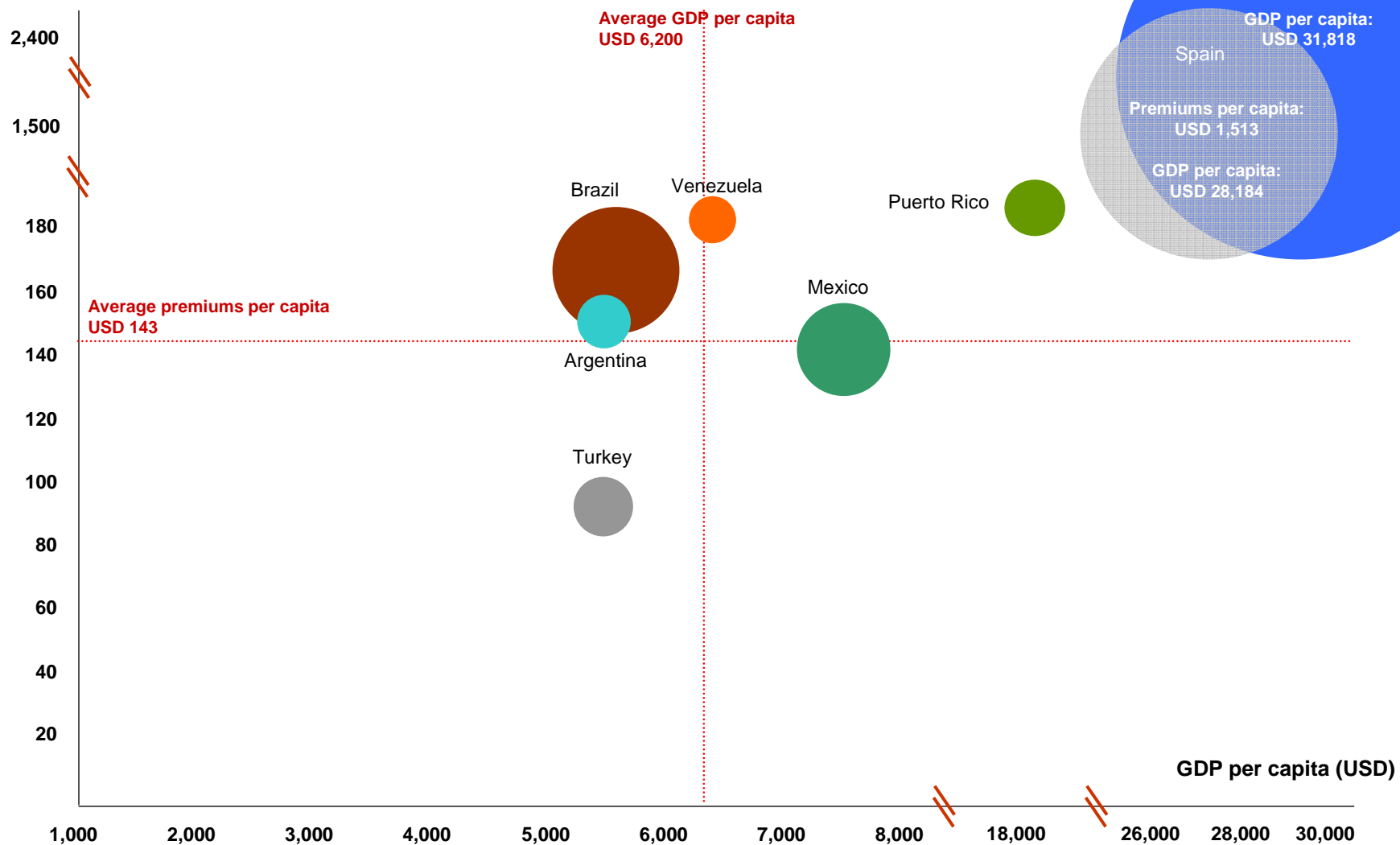
(1) USA, Eurozone, UK, Japan, Canada, Australia, Cyprus, Denmark, Hong Kong, Iceland, Israel, S. Korea, N. Zealand, Norway, Singapore, Sweden, Switzerland, and Taiwan

Source: Swiss Re Sigma data for 2006



A comparison of MAPFRE's key foreign markets

Premiums per capita (USD)

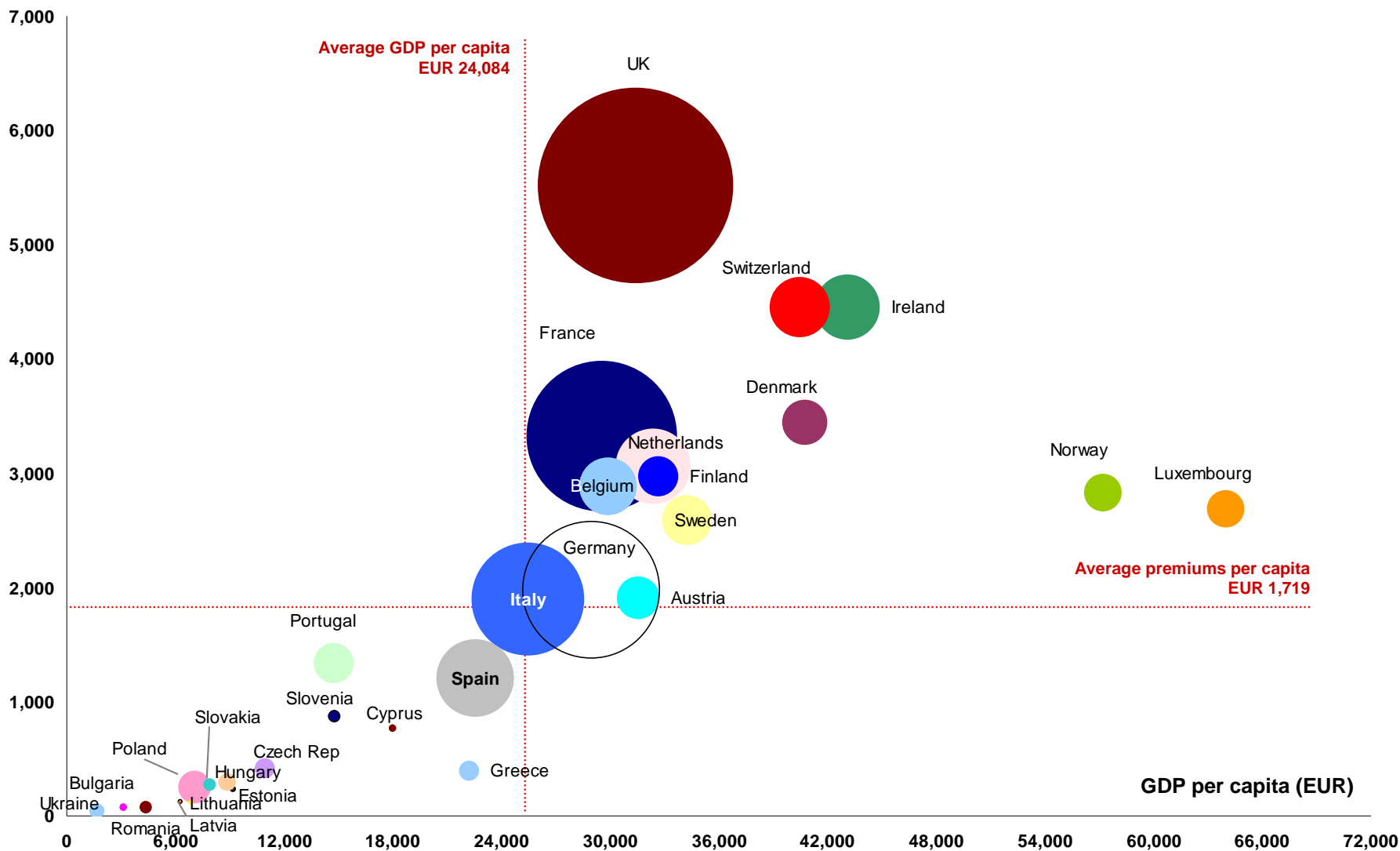


(1) The average GDP and Premiums per capita figures are for Brazil, Mexico, Argentina, Venezuela and Turkey.
Source: Own calculations using Swiss Re Sigma data for 2006



Development stages of European insurance markets

Premiums per capita (EUR)



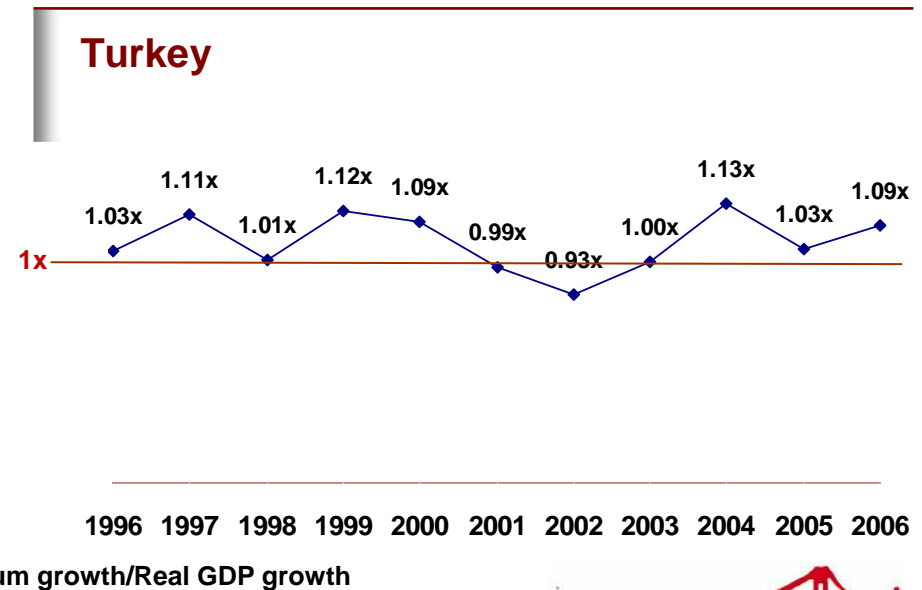
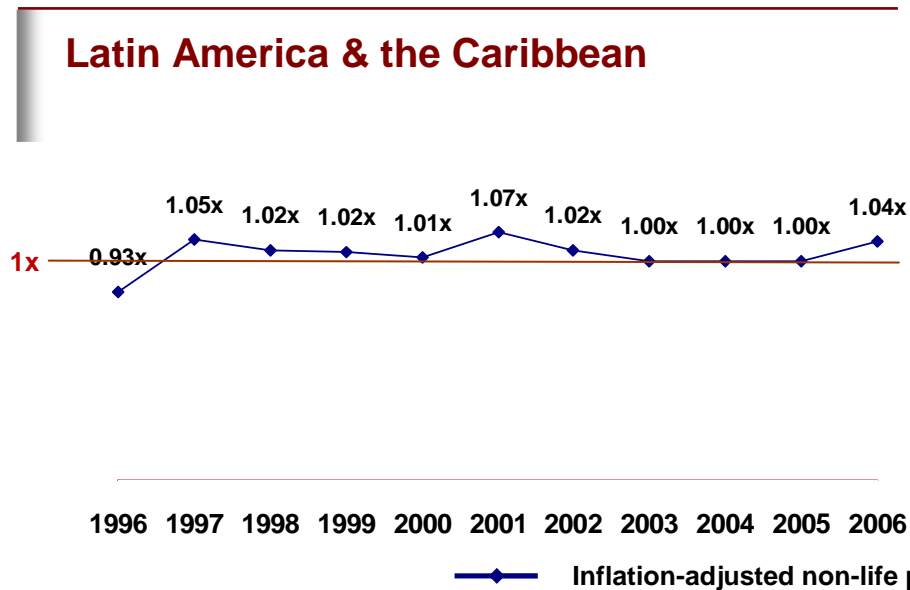
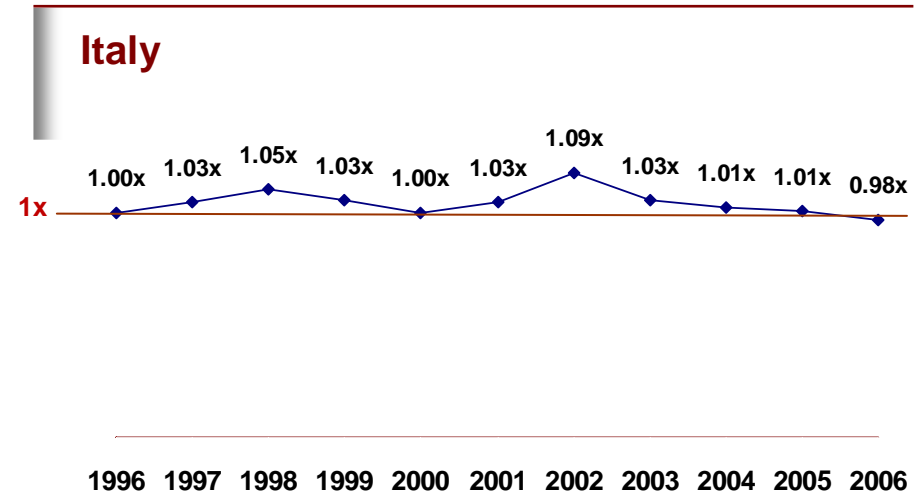
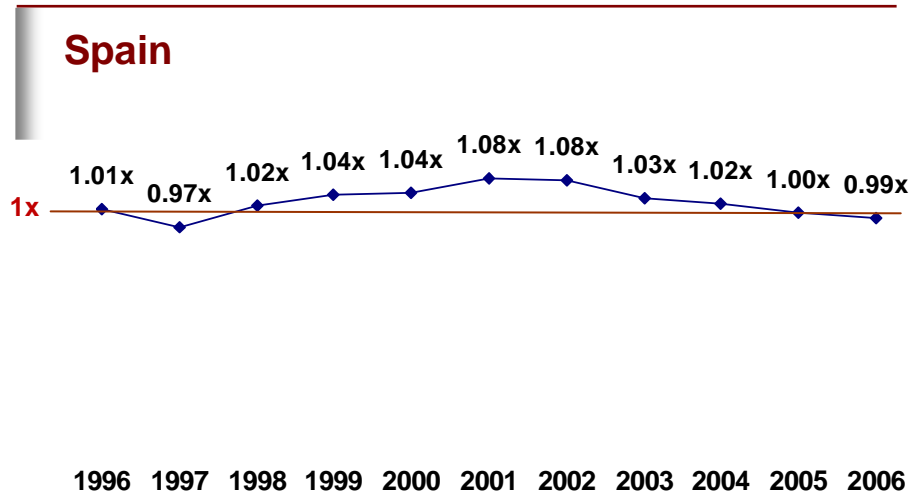
Source: own calculations based on Swiss Re Sigma data for 2006

Our opportunities

Nº 2007 - 29



Over most of the last decade, non-life insurance growth has outperformed GDP growth in MAPFRE's core areas



◆ Inflation-adjusted non-life premium growth/Real GDP growth

Source: own calculations based on IMF, Swiss RE Sigma and ICEA data

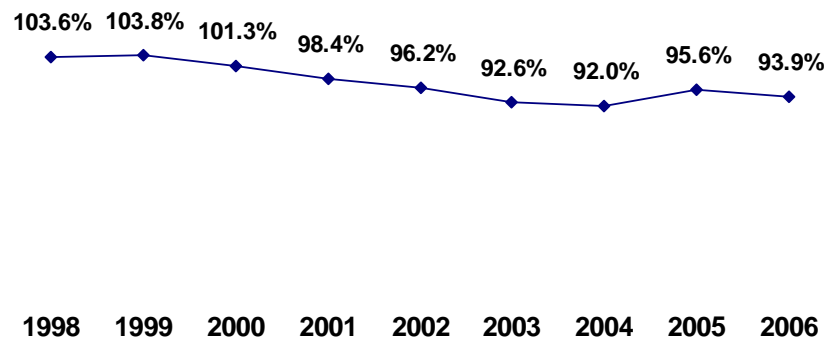
Our opportunities

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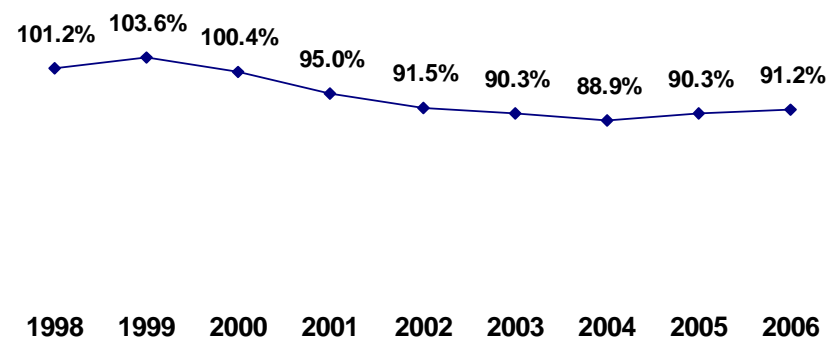


Highly profitable operating performance⁽¹⁾

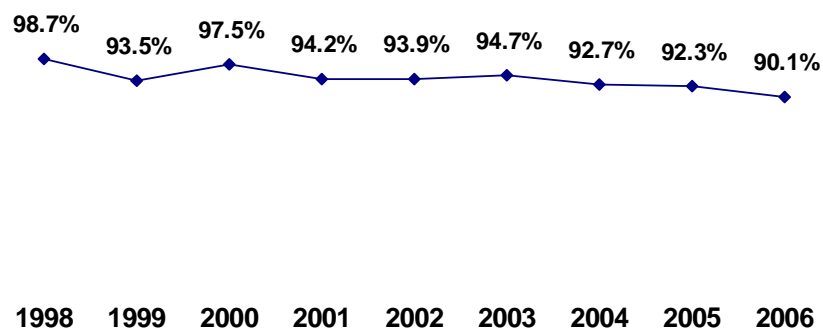
MAPFRE Non-Life



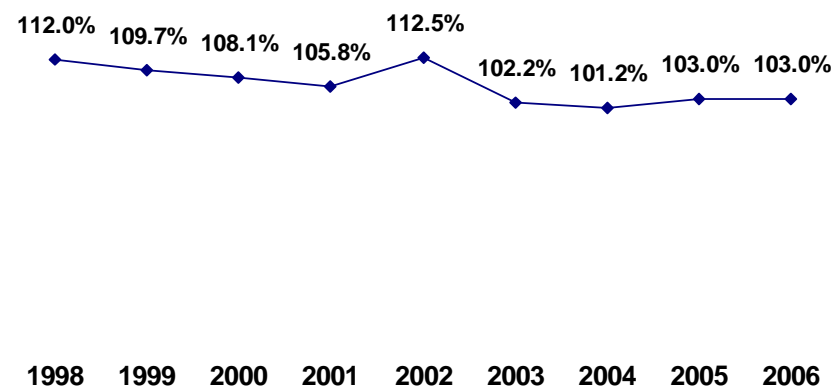
MAPFRE Spain Motor⁽²⁾



MAPFRE Spain Non-Life Non-Motor



MAPFRE Latin America Non-Life



—◆— Combined ratio

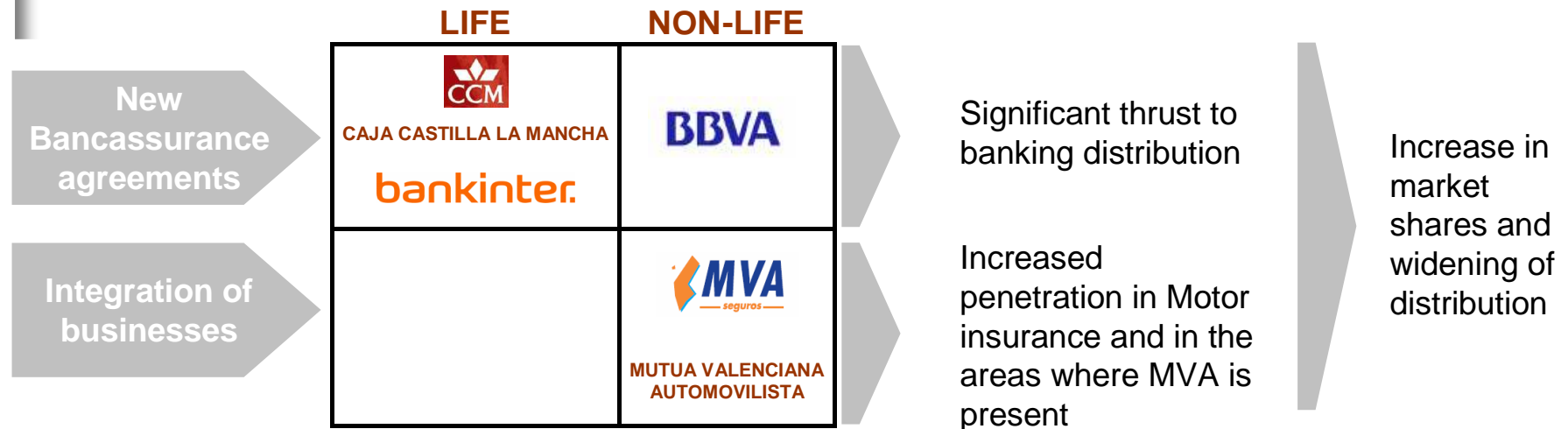
(1) 1998-2003 Spanish GAAP; 2004-2006 IFRS. Figures under Spanish GAAP do not include the variation in the equalisation reserve
 (2) 1998-2004 MAPFRE MUTUALIDAD; 2005-2006 MAPFRE AUTOMÓVILES



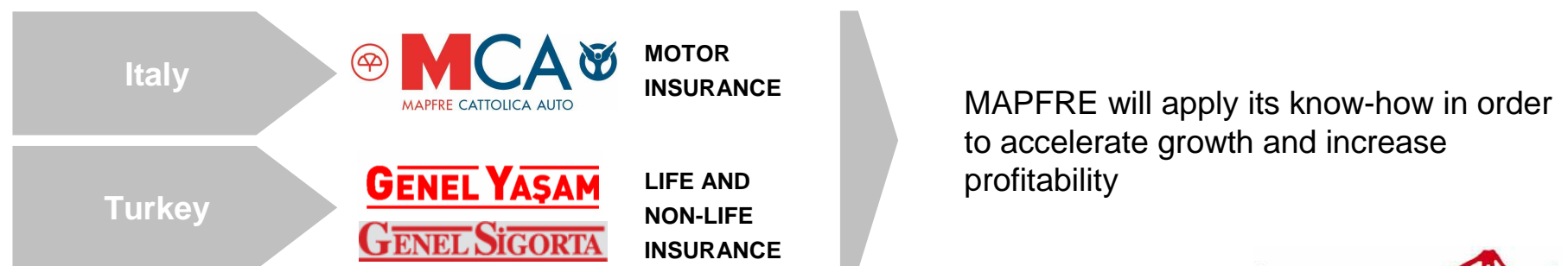
Recent acquisitions and agreements will boost growth by opening new distribution channels and offering turnaround opportunities



Spanish Insurance Market



Foreign direct insurance markets



Spanish motor business: observed trends and outlook

- The operating environment is characterised by falling sales of new cars (-1.5% as at 30.08.2007; source: ANFAC) and aggressive pricing policies.
- In this environment, MAPFRE AUTOMÓVILES' business is experiencing (1H '07 figures):
 - A positive net increase in the number of policyholders (+60,000). Premium volumes are decreasing slightly (-1.4%), as tariffs are being adjusted for customers with good driving track records.
 - An outstanding performance in the loss ratio (-5 p.p.), driven primarily by a decrease in frequency (-0.4 p.p. in TPL-property damage, -0.2 p.p. in TPL-bodily injuries) and stable cost of claims.
 - An increase of approximately 2 p.p. in the expense ratio, due primarily to higher advertising and IT expenses.
- Outlook for the coming months:
 - Some evidence of price increases is being observed, although it is insufficient to signal a turnaround in the cycle.
 - Car sales could benefit in 2008 from the introduction of a new car licensing tax scheme.
 - As at 31 August 2007, deaths on the road had decreased 10% vs 2006. According to the Interior Ministry, the year should end with a notable decrease in the number of deaths. The trend going forward will depend on enforcement and on initiatives to reduce the number of accident “black spots”.



Spanish life business: the quest for further distribution

- MAPFRE's network represents the largest specialised distribution force for Life assurance and long-term savings products in Spain.
- Bancassurance also plays a pivotal role in MAPFRE's current and future strategy in the Life business.
- The recent JVs will reinforce MAPFRE's position among Spain's leading bancassurance players through:
 - The commitment of the bancassurance partners to the achievement of the long-term growth targets enshrined in the business plan.
 - The deployment of MAPFRE VIDA's market-leading product know-how aimed at increasing the attractiveness of the product portfolio offered to our bank partners' customer bases.
 - The leverage of MAPFRE VIDA's platform to achieve synergies and economies of scale.



Key management actions: Spain

Non-life

- Strengthen the competitive position in the retail business through further cross-selling initiatives aimed at increasing the penetration of the motor and non-motor customer bases.
- Derive the benefits of the integration of Mutua Valenciana Automovilista through synergies and higher penetration levels in South-Eastern Spain.
- Increase sales volumes through the opportunities provided by the motor insurance agreement with BBVA (operational since 19 September).
- Obtain the cost savings to be generated by the creation of MAPFRE Familiar (1 p.p reduction in the expense ratio by 2009).

Life business

- Integration of the JVs into MAPFRE VIDA's platform.
- Review and expansion of JVs' product offering.
- Synergies in capital management.
- Expansion of the product portfolio in the agents' channel
 - Mortgage-linked life protection products with a single premium that can be added to the mortgage principal.
 - Life protection & disability products aimed at specific market segments.
 - Unit-linked PIAS (savings plans aimed at accumulating a deferred annuity).
 - Variable annuities.
 - Annuities for pensioners, which can be financed through mortgages (equity release).



Key management actions: foreign markets

Latin America

- Increasing business diversification, especially in personal lines.
- Expansion of the tied distribution network and development of complementary distribution channels (agreements with banks, retail outlets, etc.).
 - Target: 2,000 branches by year-end 2008 (1,750 as at 1H07).
- Reduction of the expense ratio.
- Possible acquisitions, particularly in countries with greater growth potential such as Mexico and Brazil.

Italy



- Implementation of personalised underwriting criteria.
- Expansion of the product range and enrichment with higher added value covers.
- High degree of customer focus.
- Cost control and reduction.
- Adoption of advanced IT systems.



Key management actions: foreign markets

Turkey

- Retention of the existing management team.
- Deployment of management control systems used by MAPFRE in its international operations.
- Addition of new covers to existing products and expansion of the range offered to customers.
- Reinforcement of the existing distribution network and analysis of the possibility of adding new channels.

GENEL SİGORTA
GENEL YAŞAM



Acquisitions strategy

SEARCH FOR UPSIDE

- When selecting acquisition opportunities, MAPFRE will look for:
 - Markets or market segments which are unexploited or underdeveloped.
 - Companies whose growth and profitability can be enhanced by MAPFRE's expertise.

VALUE CREATION

- A variety of standard valuation techniques are applied in the assessment of new investment opportunities. In any case, the acquired business is expected to become accretive or value-additive within a period of three years.

BUSINESS SENSE

- In addition to being attractive from a financial point of view the opportunity has to make sense first and foremost from a strategic and operating point of view.



A snapshot of MAPFRE

Risk related to the present environment

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Summing up:



GROWTH

- MAPFRE continues to enjoy growth opportunities ...
 - Spain is slowing down, but not crashing
 - Operations are concentrated in underpenetrated markets
 - Recent investments open new, exciting development prospects



CONSERVATIVE RISK PROFILE

- ... while keeping a comparatively low risk profile
 - Consistently positive underwriting results
 - Margin for operational improvements
 - Very conservative investment portfolio



VALUE CREATION

- The client-focussed corporate realignments undertaken recently will enhance value creation through cross-selling and synergies.



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