



Growth perspectives under the new corporate structure

Domingo Sugranyes
Vice Chairman



MAPFRE



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Today's agenda

MAPFRE's new Corporate Structure

Alliance with CATTOLICA

New bancassurance agreement

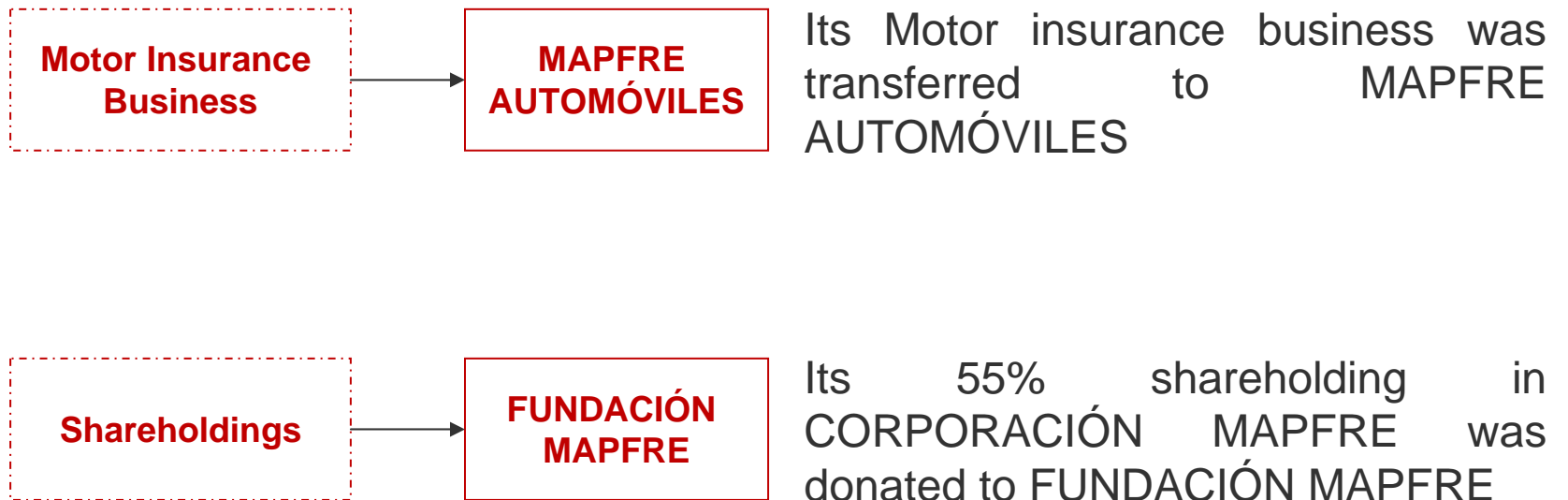


Highlights of key business units



The new structure is approaching completion

1 MAPFRE MUTUALIDAD, having received the relevant regulatory authorisations, has completed all the steps needed to put in place the new structure:



The new structure is approaching completion (ctd.)

2

Extraordinary shareholders' meeting held on 29th December

The shareholders of CORPORACIÓN MAPFRE approved:

- The change of the corporate name to MAPFRE S.A.
- The modifications needed to adapt the by-laws to the new corporate structure
- The capital increase without pre-emption rights
- The appointment of a new Board of Directors, comprising 14 non-executive members (8 independent and 6 representing FUNDACIÓN MAPFRE) and 8 executive members



The new structure is approaching completion (ctd.)

3

Subject to the prior approval of Spain's National Securities Markets Commission (CNMV), MAPFRE S.A. will carry out a capital increase in two tranches:

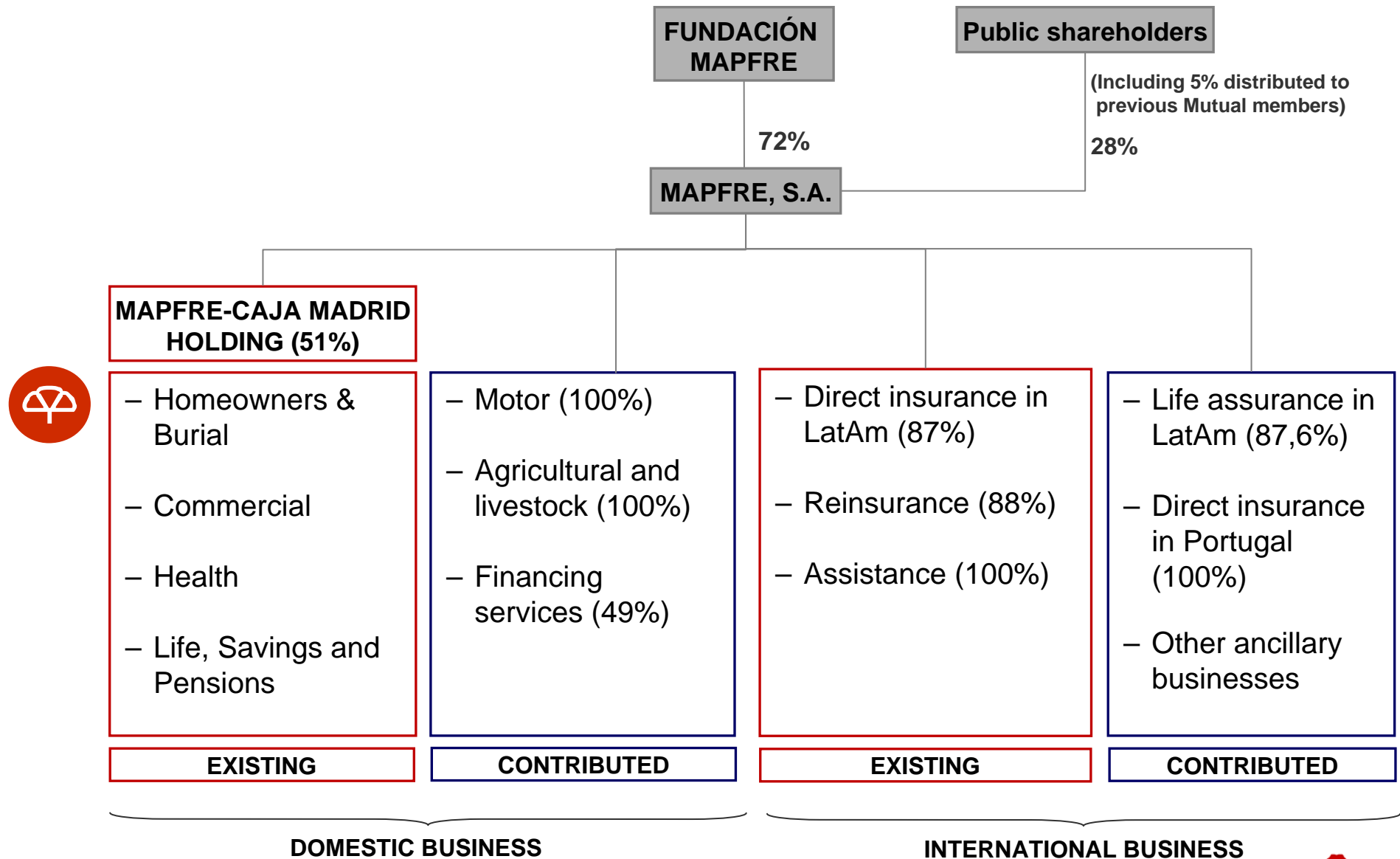
An in-kind tranche ... reserved for FUNDACIÓN MAPFRE which will receive 960,577,530 new shares in exchange for the contribution of the businesses previously held by MAPFRE MUTUALIDAD

A cash tranche ... reserved for MAPFRE MUTUALIDAD, which will pay €383.7 million for 120,243,103 new shares that will be delivered to mutual members

- Each share will be issued at a par value of €0.10 with an issue premium of €3.092
- After the increase, there will be 2,275,324,163 outstanding shares
- The free float will exceed 640 million shares, 23% more than previously



New Corporate Structure and Ownership



Change in the Group's operational organisation

- A new operational organisation is being set up to match the new corporate structure
- Two large operating Divisions are being created to:
 - enhance coordination
 - sharpen customer focus
 - reduce expenses by integrating functions whenever possible without losing specialisation

The MAPFRE FAMILIAR Division

- Will integrate the Motor, General Insurance, Health and Agricultural Insurance Operating Units in Spain
- The new division will pursue the maximisation of operational synergies with other two domestic Units, MAPFRE EMPRESAS (Commercial Risks) and MAPFRE VIDA (Life Assurance)

The International Direct Insurance Division

- Will integrate all direct insurance operations outside of Spain (MAPFRE AMÉRICA, MAPFRE AMÉRICA VIDA and MAPFRE INTERNACIONAL)
- This division will act in coordination with other two international Operating Units: MAPFRE RE (Reinsurance) and MAPFRE ASISTENCIA (Travel and Road Assistance)

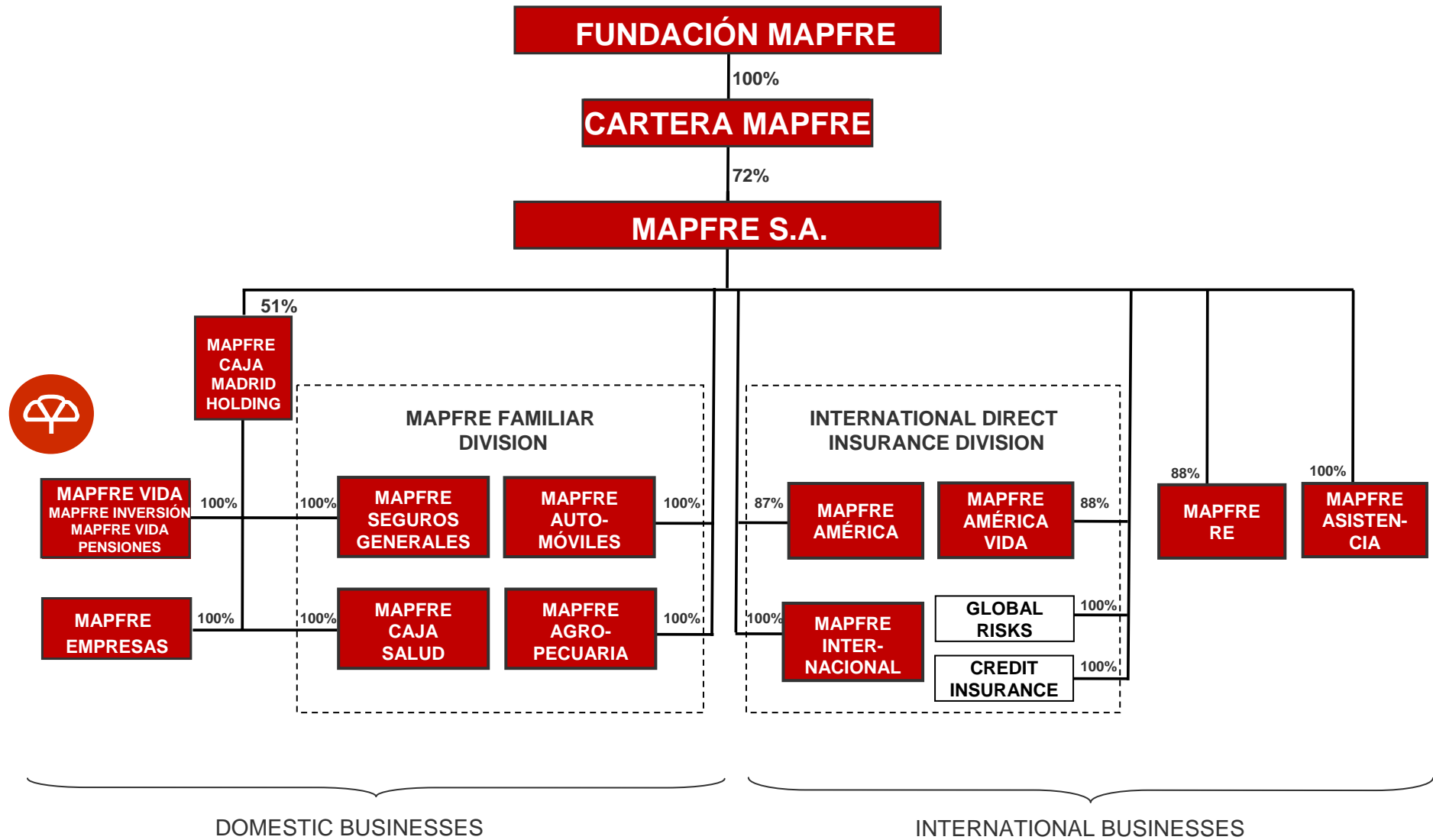




The changes in the Group's operational organisation aim to yield significant efficiency improvements and reductions in operating expenses over the coming years, through the unification of the Group's technological platforms and operational processes, as well as through an increasing focus on synergies across all Units

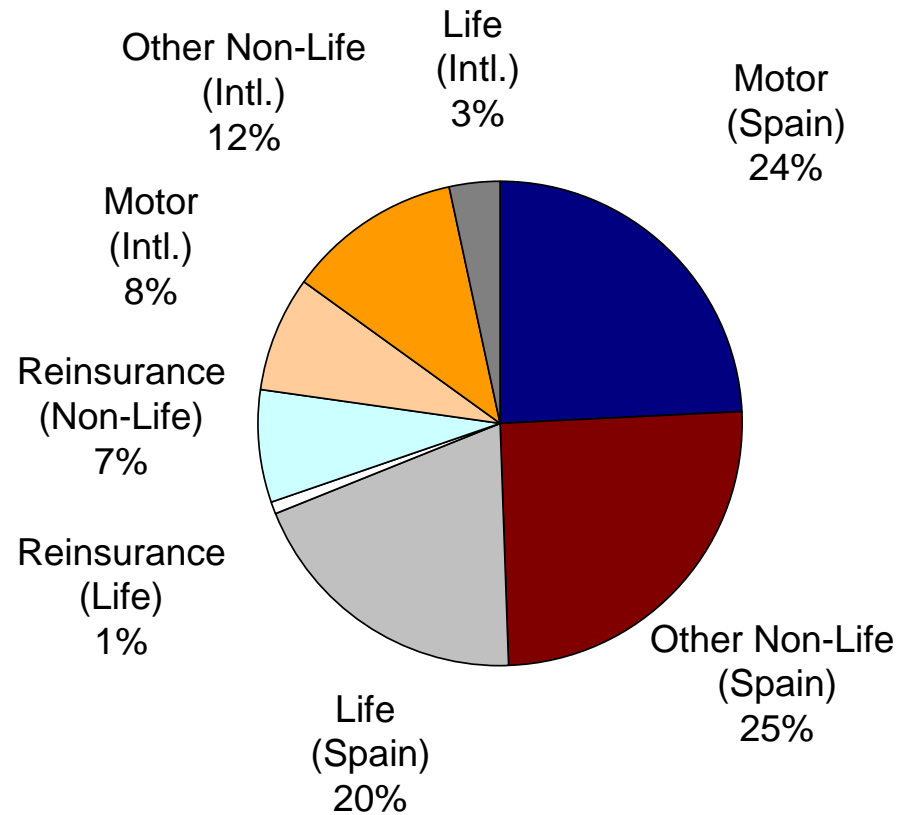


New operational structure



The new MAPFRE offers balanced diversification of business...

2005 Premium Breakdown⁽¹⁾

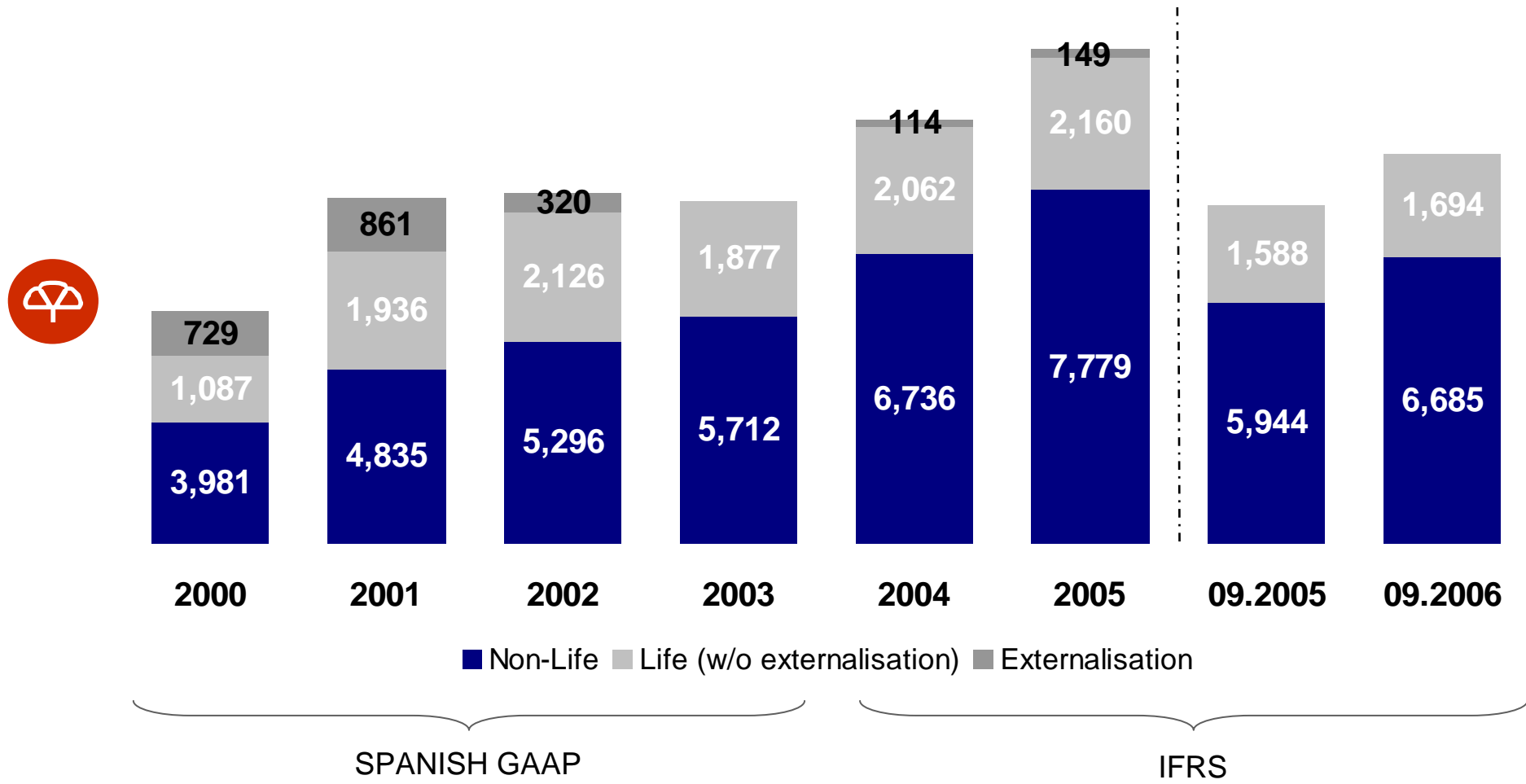


1) Contribution to consolidated premiums. Pro forma figures



...consistent growth...

Premium development

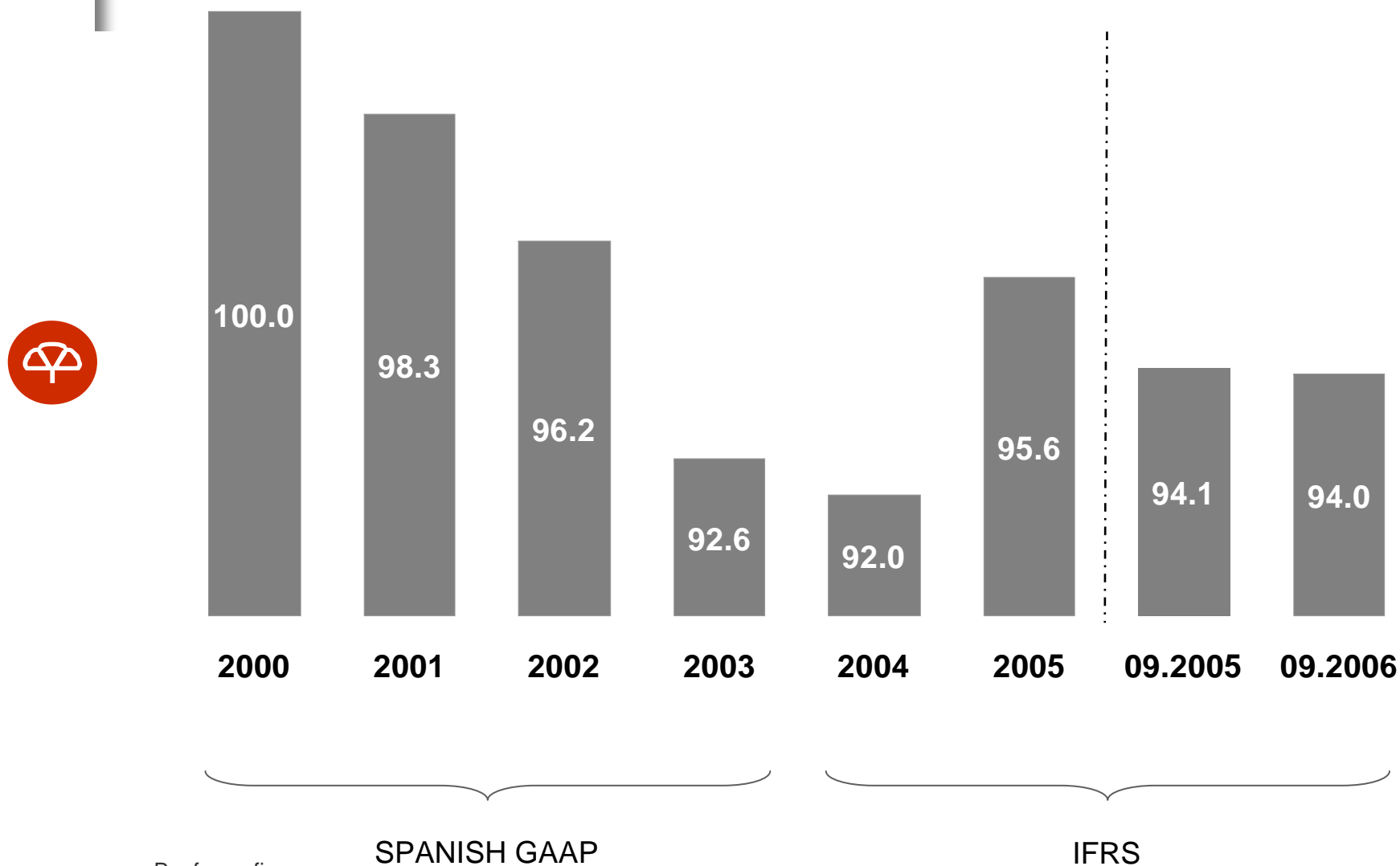


Pro forma figures in million euros



...solid technical results...

Combined ratio



Pro forma figures

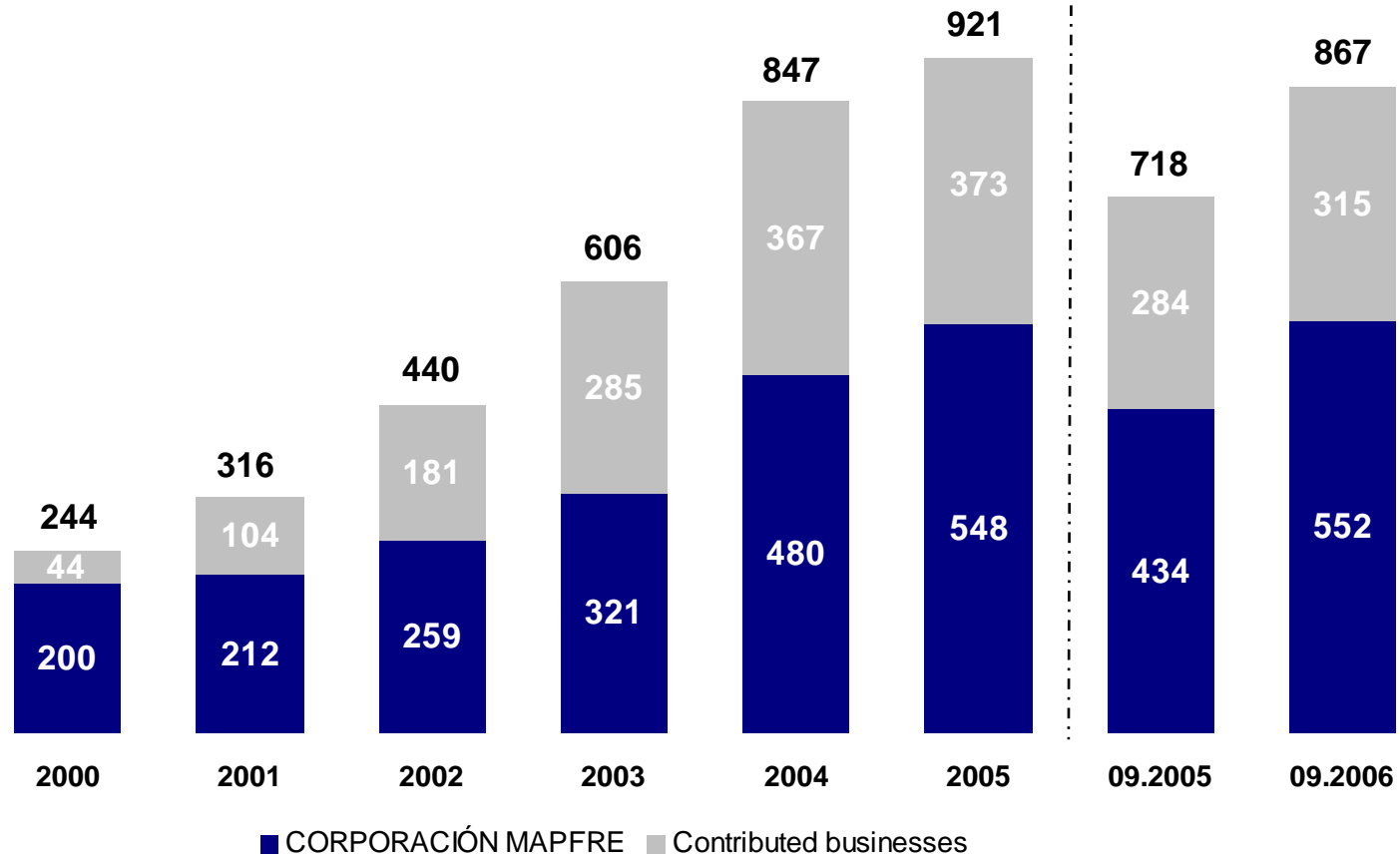
SPANISH GAAP

IFRS



...improved profitability...

Profit before tax



SPANISH GAAP

IFRS

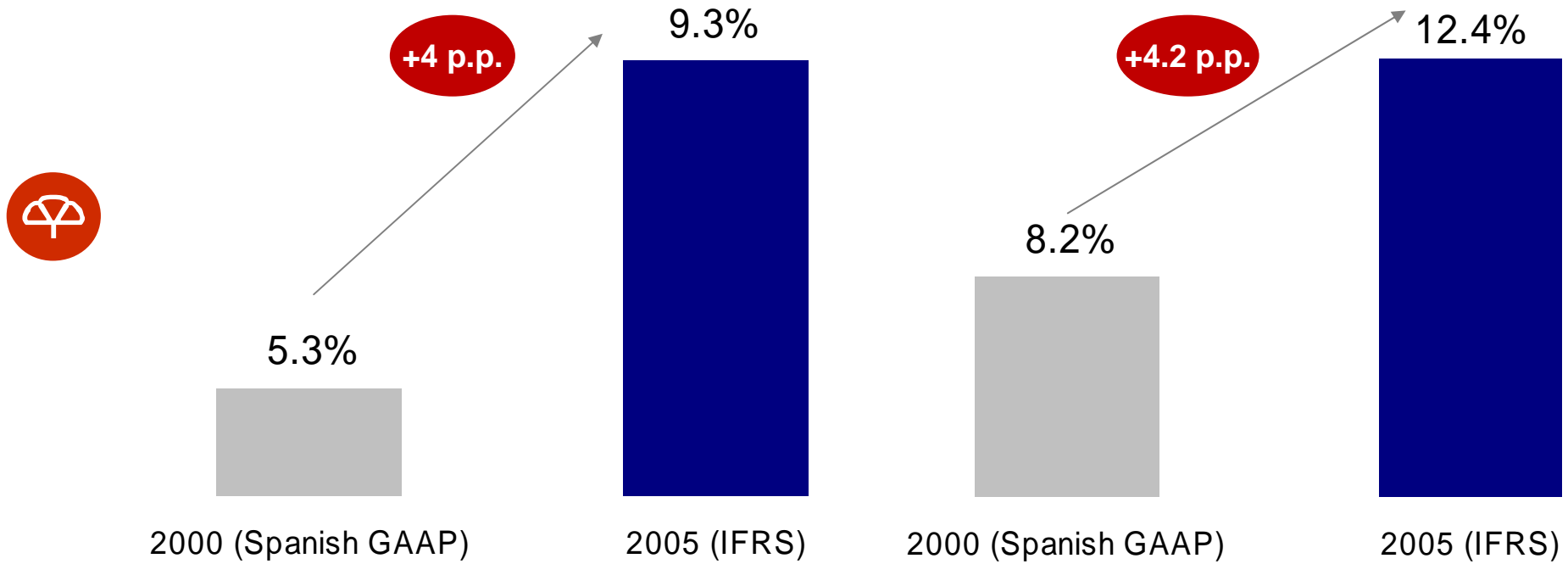
Pro forma figures in million euros



...rising returns...

Operating Ratio⁽¹⁾

ROE



1) Gross profit/net premiums earned

Pro forma figures

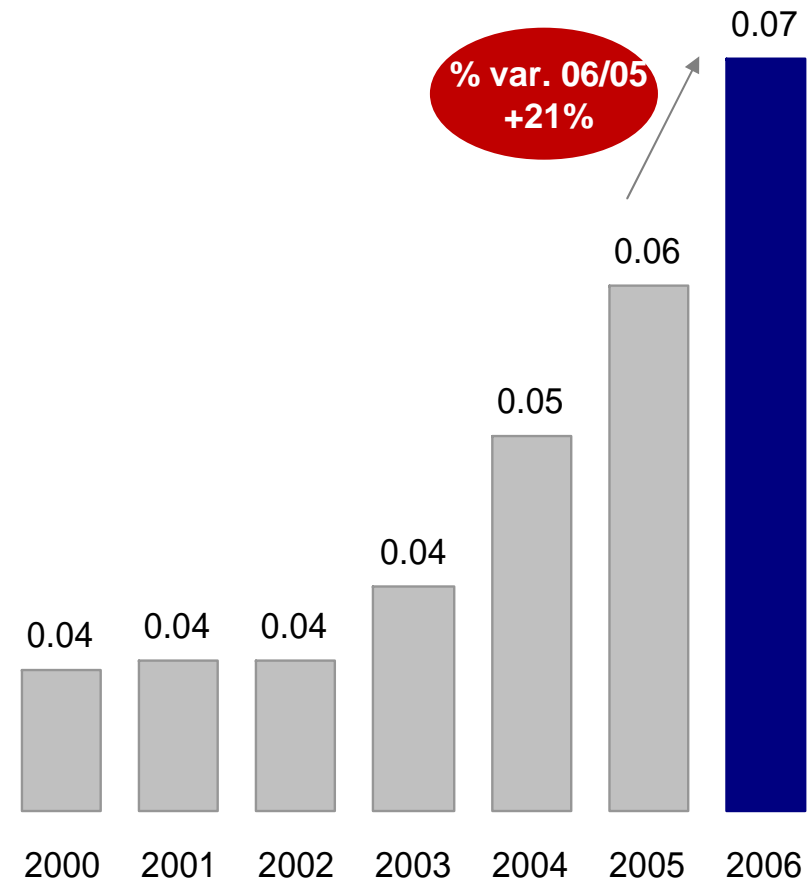


...and growing dividends

- The payout has been in the region of 30% (although no reference level was set)
- Going forward, dividend payments are expected to remain broadly in line with profit growth
- As organic and external investments are expected to continue, special dividends or share buybacks are unlikely over the foreseeable future



Dividend per share (1)



1) After the 5-for-1 share split effective on 28th October.





*Under the new structure, the whole Group
is focussing on profitable growth and
shareholder value creation*



Today's agenda

MAPFRE's new Corporate Structure

Alliance with CATTOLICA

New bancassurance agreement



Highlights of key business units



Alliance with CATTOLICA


- MAPFRE and SOCIETÀ CATTOLICA DI ASSICURAZIONI (CATTOLICA) will develop jointly the Motor insurance business distributed through the CATTOLICA agents network in Italy
- The instrument of the alliance will be DUOMO ASSICURAZIONI, a subsidiary of CATTOLICA, which was merged with subsidiary UNIONE ASSICURAZIONI at the end of 2006. For this purpose, DUOMO will be renamed as MAPFRE CATTOLICA AUTO (MCA) and will receive the Motor insurance portfolio of CATTOLICA, to which it will transfer in turn all its Non-Motor portfolios



- MAPFRE will acquire a 50% shareholding in MCA for a price of €473 million
- CATTOLICA and MAPFRE will share the management of MAPFRE CATTOLICA AUTO and will nominate an equal number of members of the Board of Directors. MAPFRE will appoint the General Manager and will approve the candidate for the position of Managing Director prior to his/her appointment by CATTOLICA
- MAPFRE is already a shareholder of SOCIETÀ CATTOLICA DI ASSICURAZIONI (stake in excess of 3% as at 31.12.2006)



Alliance with CATTOLICA (ctd.)

- MAPFRE CATTOLICA AUTO will begin to operate with:
 - a volume of business in excess of €1.1 billion
 - a distribution network with over 1,400 branches throughout Italy
 - an initial net equity of €400 million
- MCA will sell a range of Motor insurance and complementary simplified Homeowners' insurance products
-  – The alliance with CATTOLICA enhances MAPFRE's growth potential:
 - giving it access to one of Europe's most developed economies, yet with an under penetrated Motor and Homeowners insurance market
 - benefitting from the business and profit growth that MCA will derive from the combination of MAPFRE's expertise and management approach with CATTOLICA's extensive distribution network and strong brand
- MAPFRE will finance its investment in MCA with available cash and debt

MAPFRE CATTOLICA AUTO will rank as the 5th largest Motor insurer in Italy



MAPFRE CATTOLICA AUTO: Management approach

– MCA will adopt MAPFRE's successful management approach:

- Strictly technical underwriting policy, based on the customer's risk profile and on the type of vehicle
- Wide product range, with a significant content of higher-added value covers
- Cross-selling of complementary Homeowners' insurance products
- Sharp customer service focus embedded into product features and the entire claims handling process
- Tight control on claims costs, as well as on acquisition and operating expenses
- Prudent investment policies and integrated risk management systems



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Highlights of key business units



LIFE ASSURANCE: Agreement with CAJA CASTILLA LA MANCHA

- Savings bank CAJA CASTILLA LA MANCHA and MAPFRE S.A. have agreed to develop jointly the business of CCM Vida y Pensiones, the Bank's Life assurance and pension plans subsidiary, of which they will share the ownership



<u>CCM Vida y Pensiones</u>	<u>2005</u>	<u>CAJA CASTILLA LA MANCHA</u>	<u>2005</u>
Premiums	190	Funds Under Management	12,415
Pension Funds	338	Equity	616
		Result before tax	109
		<u>Branches</u>	500 +

Million euros

One of the twenty largest financial institutions in Spain



LIFE ASSURANCE: Agreement with CAJA CASTILLA LA MANCHA

- The financial details of the agreement will be announced during the first quarter of 2007
- The agreement will enhance the development of the Life and Savings business by combining MAPFRE's expertise with CAJA CASTILLA LA MANCHA's strong franchise and distribution network



- The structure of the agreement, in which MAPFRE S.A. directly holds the ownership in CCM Vida y Pensiones and MAPFRE VIDA provides management services, may serve as a blueprint for new agreements with other financial institutions
- The agreement is compatible with the existing strategic alliance between CAJA MADRID and MAPFRE, under which the MAPFRE network sells CAJA MADRID's financial products on an exclusive basis

New bancassurance agreement



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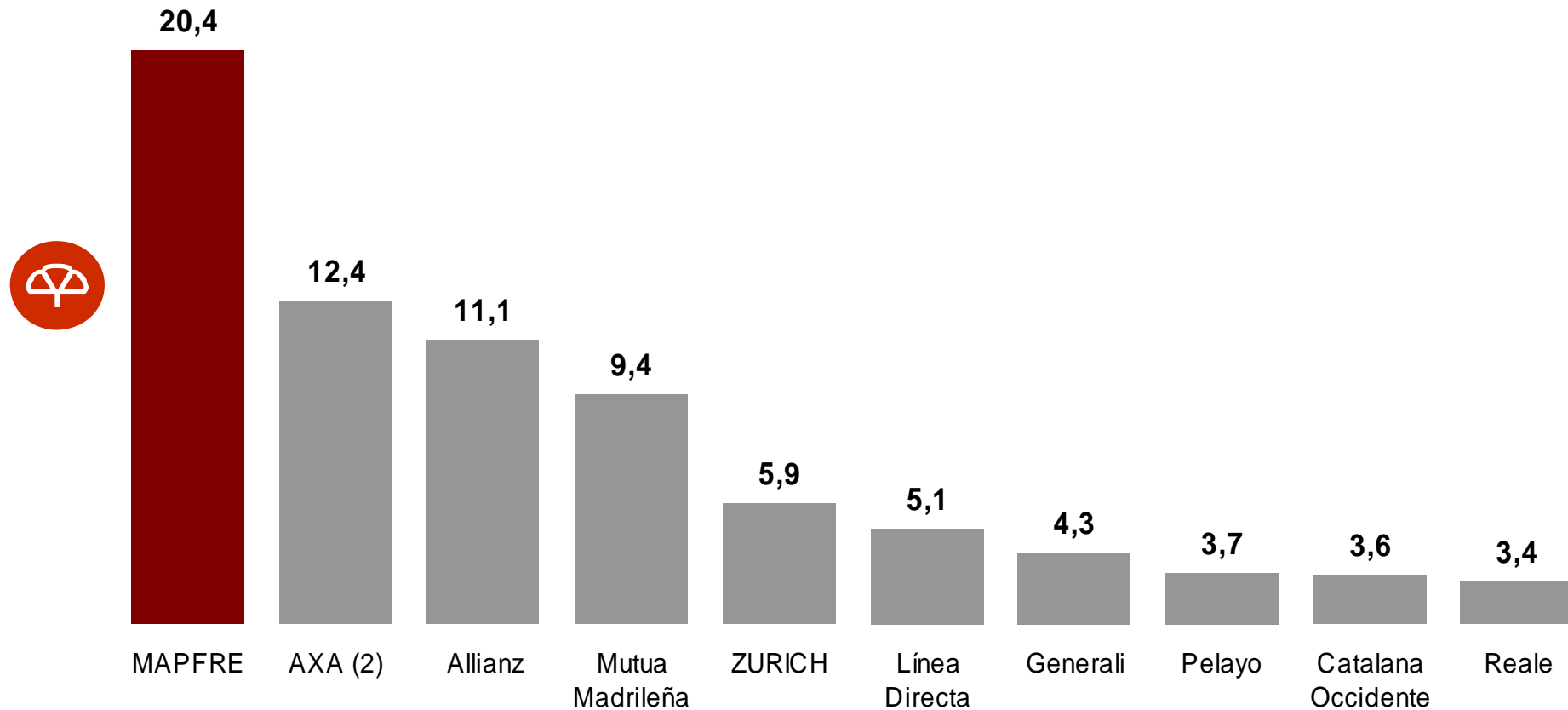
New bancassurance agreement



Highlights of key business units



MOTOR INSURANCE: Market shares as of 30/09/2006 ⁽¹⁾



1) Ranking by insurance groups based on total Motor GWP. Source: ICEA
2) Includes Winterthur



MOTOR INSURANCE: Strategy and outlook

- Boost business growth through:
 - the opening of new RED MAPFRE branches
 - the adaptation of products and services to the needs of urban customers
 - the offer of the best on-line services and immediate response times
 - the provision of a comprehensive offer of complementary services to insurance




- Maintain the already excellent technical result based on:
 - the further adjustment of tariffs to the risk profile of its customers
 - the anticipated continuation of the positive impact on claims frequency of the introduction of points system for driving licenses

Continued growth through the cycle and increase in market share



HOMEOWNERS' INSURANCE

- MAPFRE SEGUROS GENERALES is Spain's leading company in the segment of Non-Life (excl. Motor) insurance products for individuals and small businesses, with a combined ratio of 91% (as at 09.2006) and a market share in excess of 16%
- Its success is based primarily on 24/7, hassle-free Homeowners' insurance products
-  – Its products are distributed through SISTEMA MAPFRE's network and through the CAJA MADRID bank channel
- MAPFRE SEGUROS GENERALES' growth rate as at 09.2006 was 8.2%



COMMERCIAL INSURANCE

- MAPFRE EMPRESAS is Spain's leading commercial insurer, with a market share close to 20% in 2005
- It offers a comprehensive range of specific insurance products and complementary services for corporate customers, including Credit Insurance and Global Risks Operations, in Spain and abroad, especially in Europe and Latin America



- As at 09.2006, MAPFRE EMPRESAS' growth rate was 12.5% and its combined ratio ran well below 90%



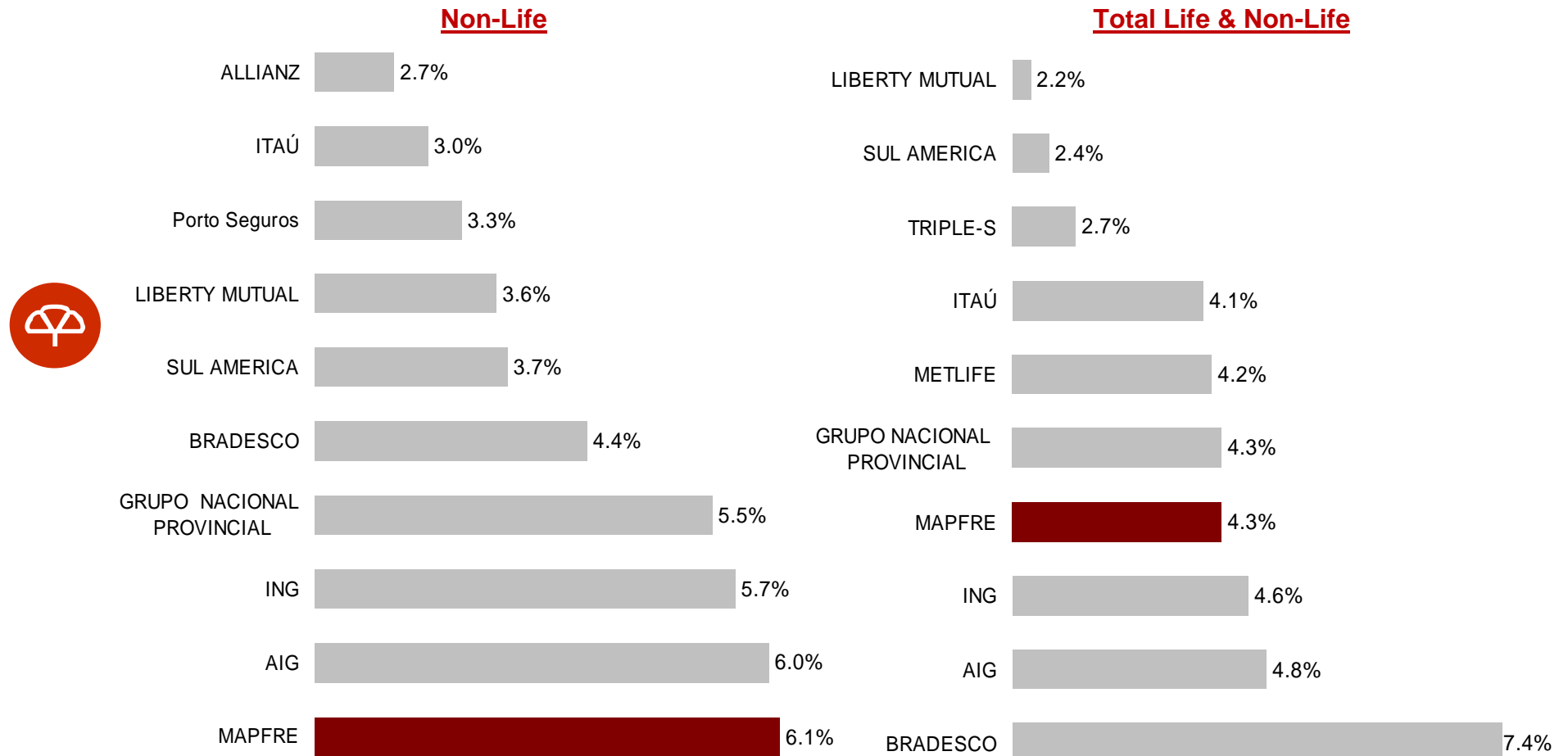
MAPFRE RE

- MAPFRE RE is a mid-sized, specialised reinsurer of strong solvency, rated ‘A+’ by A.M. Best and ‘AA’ by S&P
- Its franchise is particularly strong in Latin America, where it ranks among the leading reinsurers
- Its business is concentrated to a large extent in short-tail property reinsurance, which gives it early visibility of its results and does not produce over time significant fluctuations of reserves from previous years
- Over the last few years, MAPFRE RE has been growing faster than the average for its industry, mainly by accepting business from Europe and Asia under its demanding underwriting criteria
- MAPFRE RE is present through branches or representative offices in 18 countries



LATIN AMERICA:

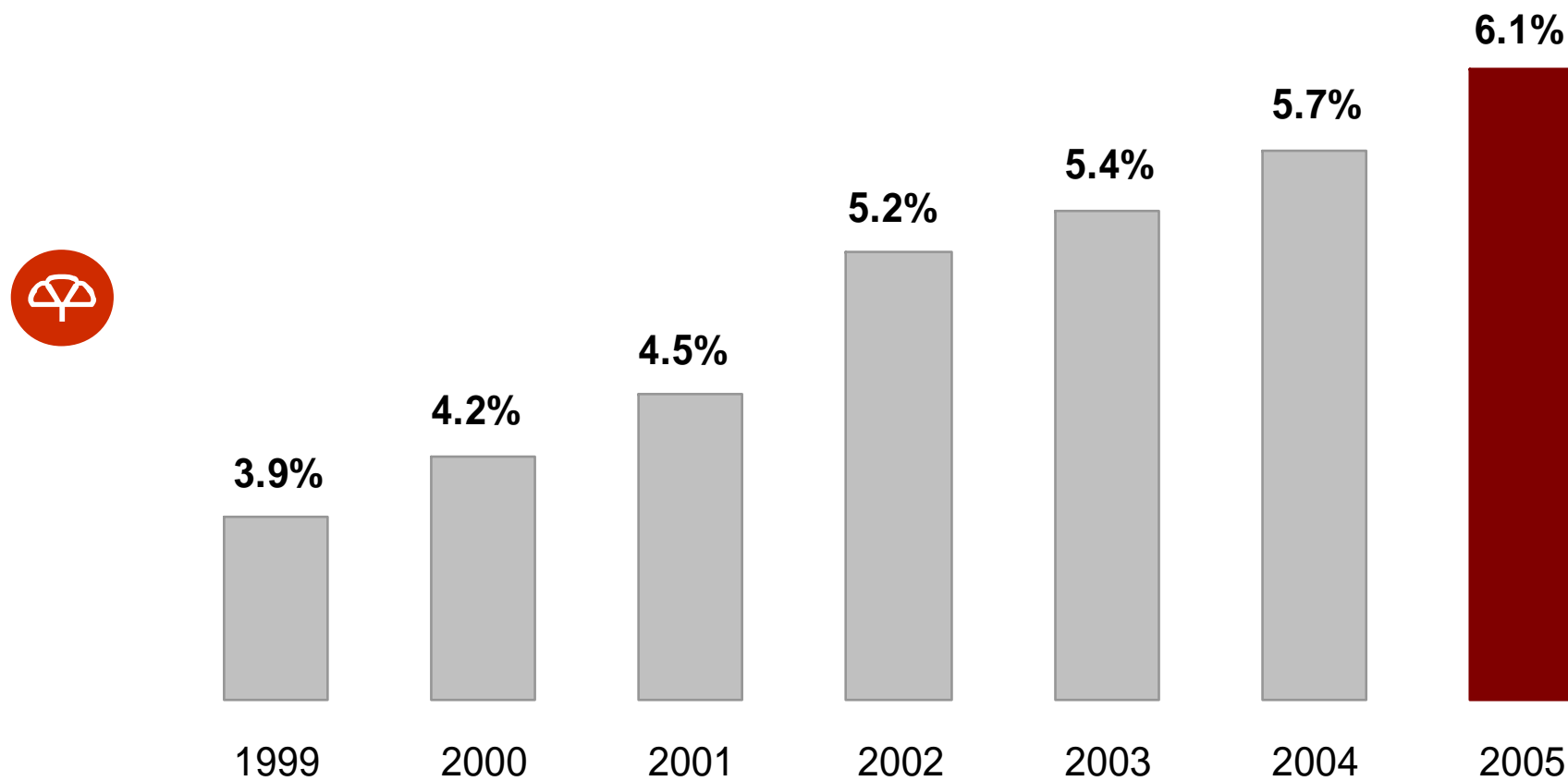
In 2005, MAPFRE became the #1 in Non-Life and the #4 overall



1) 2005 figures. Source: Fundación MAPFRE (INSTITUTO DE CIENCIAS DEL SEGURO) ; the figures correspond to the countries in which MAPFRE operates in direct insurance



LATIN AMERICA: MAPFRE's Non-life market share has been increasing consistently ...



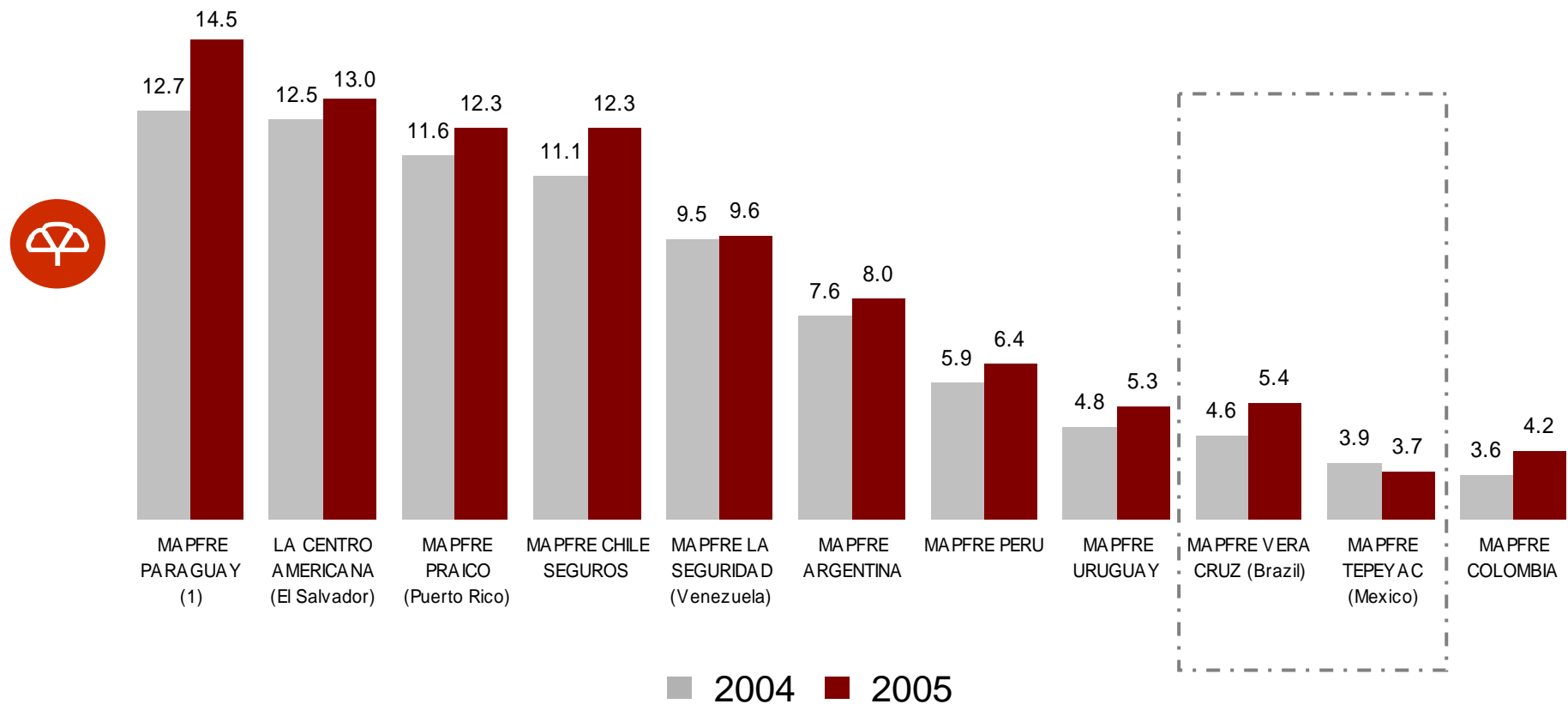
1) Non-Life market shares corresponding to the countries in which MAPFRE operates. Source: Fundación MAPFRE (I.C.S).



LATIN AMERICA:

... yet there is still a substantial growth potential in the largest economies

Non-Life market shares by country

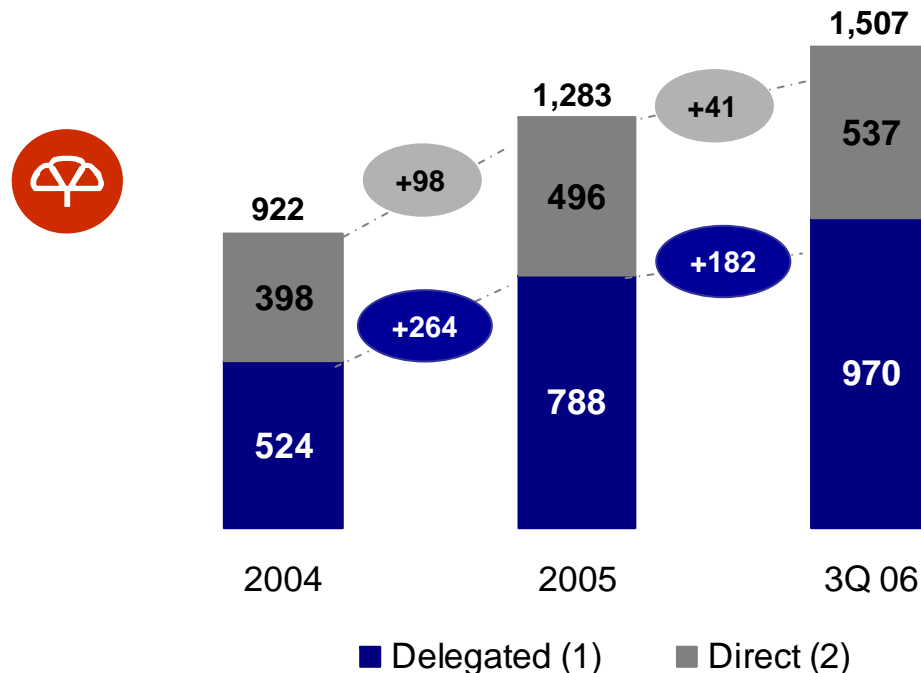


1) Total Market Share (Life and Non-Life)
Source: Fundación MAPFRE (I.C.S.)

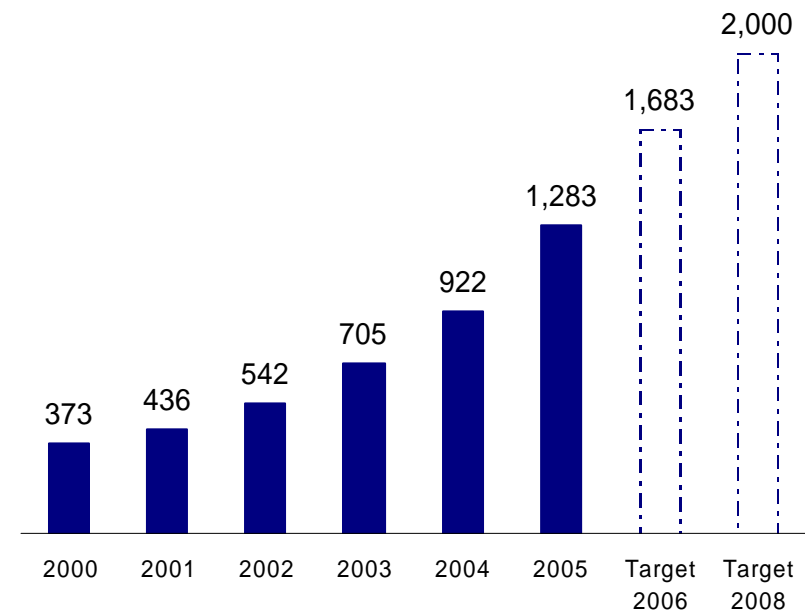


LATIN AMERICA: Expansion of the Distribution Network

BRANCHES



DEVELOPMENT AND TARGETS

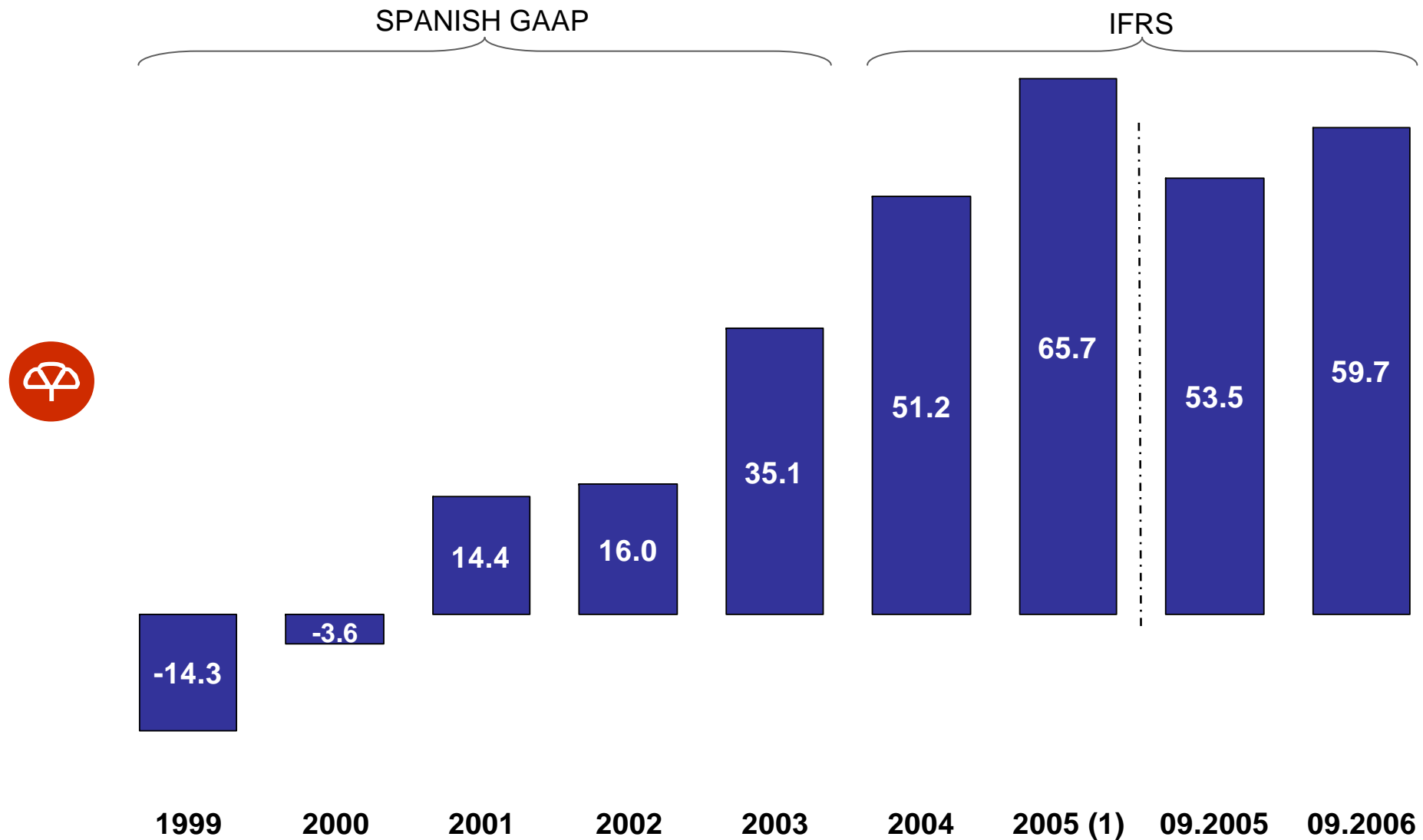


- (1) Delegated Branches: they are managed by Delegated Agents and act as sales and customer service points. The remuneration of their staff, who operate on the basis of a representation contract with MAPFRE, comes solely from commissions for the sale of products and the conservation of the portfolio. They are supervised and supported by the Direct Branches
- (2) Direct Branches: they are responsible for achieving the sales targets in their catchment areas and act as sales and customer service points



LATIN AMERICA:

Operating improvements are translating into sustained profit growth



(1) The net profit of the AMERICA OPERATING UNIT for 2005 excludes a tax refund of €30.6 million received by MAPFRE AMÉRICA
 Million euros



Investor Relations Department

Luigi Lubelli
Finance Director
+34-91-581-6071

Alberto Fernández Sanguino
+34-91-581-2255

Beatriz Izard Pereda
+34-91-581-2061



Antonio Triguero Sánchez
+34-91-581-5211

Marisa Godino Alvarez
Assistant
+34-91-581-2985

CORPORACIÓN MAPFRE, S.A.
Investor Relations Department
Carretera de Pozuelo, nº 52
28220 Majadahonda
relacionesconinversores.cormap@mapfre.com



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