

KEY EVENTS IN THE EXPANSION AND DEVELOPMENT OF MAPFRE OVER THE LAST TEN YEARS

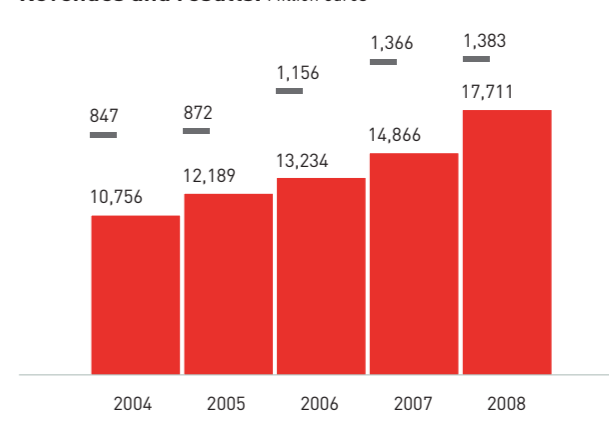
1999	<ul style="list-style-type: none"> Entry into the North American reinsurance market through MAPFRE REINSURANCE CORPORATION. LA CENTRO AMERICANA (El Salvador) is acquired. The International Centre for Management Training ("Centro Internacional de Formación de Directivos") is created. The MAPFRE call centres handle over 10 million calls.
2000	<ul style="list-style-type: none"> MAPFRE's market share in Spain exceeds 10%. SISTEMA MAPFRE manages funds worth over €10,000 million. The strategic alliance with CAJA MADRID is signed. The consolidated own funds of SISTEMA MAPFRE exceed €2,000 million. The Board of Directors of MAPFRE MUTUALIDAD approves the Code of Good Governance of SISTEMA MAPFRE.
2001	<ul style="list-style-type: none"> MAPFRE strengthens its position in Burial insurance in Spain through the acquisition of FINISTERRE. José Manuel Martínez becomes Chairman of SISTEMA MAPFRE, replacing Julio Castelo. MAPFRE VIDA closes the year as the largest insurance company in Spain by volume of premiums. Direct insurance premiums in Spain exceed €5,000 million. MAPFRE insures over 4 million vehicles in Spain.
2002	<ul style="list-style-type: none"> The first Collective Employment Agreement of the MAPFRE Insurance Group for the three-yearly period 2002-2004 is signed. A wide-ranging management restructuring is approved and the Commercial Insurance Operating Unit is created. SISTEMA MAPFRE manages funds worth over €20,000 million. The MAPFRE call centres handle over 20 million calls. mapfre@com, a single Internet portal to access the whole of SISTEMA MAPFRE, is launched.
2003	<ul style="list-style-type: none"> The Board of Directors of SEPI awards MUSINI and MUSINI VIDA to MAPFRE - CAJA MADRID HOLDING. Standard & Poor's upgrades the rating of MAPFRE MUTUALIDAD to 'AA' and those of CORPORACIÓN MAPFRE and MAPFRE RE to 'AA'. CORPORACIÓN MAPFRE's shares are included in the IBEX 35 and Dow Jones Stoxx Insurance equity indices. The market capitalisation of CORPORACIÓN MAPFRE exceeds €2,000 million. MAPFRE ASISTENCIA ORO is incorporated. SISTEMA MAPFRE obtains a result before tax of over €600 million.
2004	<ul style="list-style-type: none"> The total operating revenues of SISTEMA MAPFRE exceed €10,000 million. MAPFRE insures over 5 million vehicles in Spain. MAPFRE SEGUROS GENERALES insures over 2 million households in Spain. CORPORACIÓN MAPFRE carries out a €500 million capital increase. MAPFRE acquires a majority shareholding in QUAVIDAE, the leading Spanish provider of comprehensive social and health care for the Elderly. MAPFRE enters the Chinese market through the incorporation of ROAD CHINA ASSISTANCE, which distributes assistance programs.
2005	<ul style="list-style-type: none"> The insurance premiums of SISTEMA MAPFRE exceed €10,000 million. The market capitalisation of CORPORACIÓN MAPFRE exceeds €3,000 million. SISTEMA MAPFRE manages funds worth over €30,000 million. The Board of Directors of SEPI awards CLINISAS to MAPFRE CAJA SALUD. MAPFRE acquires a majority shareholding in NOSSA CAIXA SEGUROS E PREVIDENCIA, a Brazilian Life and Pensions Insurer. SISTEMA MAPFRE employs over 20,000 staff. MAPFRE becomes the leading insurance group by volume of premiums in Non-life in Latin America All foundations that operate in Spain are merged into FUNDACIÓN MAPFRE.
2006	<ul style="list-style-type: none"> MAPFRE MAPFRE implements a new corporate structure. Results before tax exceed €1,000 million MAPFRE S.A.'s market capitalisation exceeds €4,000 million An agreement is established with Caja Castilla La Mancha to develop the Life assurance and Pensions businesses of said Caja. MAPFRE S.A.'s shares are incorporated into the "Footsie4Good" Social Responsibility index.
2007	<ul style="list-style-type: none"> An agreement is established with Bankinter to develop the Life assurance and Pensions businesses of said Bank. Acquisition of an 80% shareholding in Turkish insurance companies GENEL SIGORTA and GENEL YASAM. Offer to acquire the US insurance group COMMERCE, specialised in motor insurance. Agreement to reorganise the Strategic Alliance with CAJA MADRID Over 6 million cars insured in Spain.
2008	<ul style="list-style-type: none"> Acquisition of THE COMMERCE GROUP, the Life and Pensions subsidiaries of CAJA DUERO and ATLAS (Ecuador). Dividend reinvestment plan. Conclusion of reorganisation of the Strategic Alliance with CAJA MADRID. MAPFRE FAMILIAR created. MAPFRE AMÉRICA VIDA absorbed by MAPFRE AMÉRICA. Announcement of the reorganisation of the COMMERCIAL and the INTERNATIONAL OPERATING UNITS.

2008
Annual Report

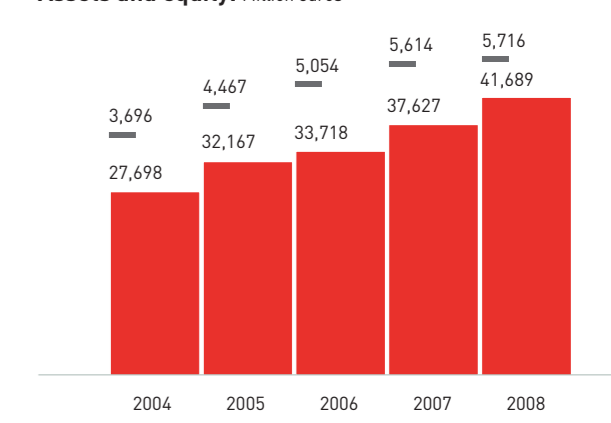
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CONSOLIDATED FINANCIAL STATEMENT AND MANAGEMENT REPORT



Revenues and results. Million euros



Assets and equity. Million euros



INCOME STATEMENT

	2004	2005	2006	2007	2008
Total revenues	10,756	12,189	13,234	14,866	17,711
Written and accepted premiums	8,912	10,110	10,933	12,311	14,305
Non-life	6,736	7,801	8,453	9,293	10,891
Life	2,176	2,309	2,480	3,018	3,414
Result of the Non-life business	702	684	920	1,104	1,199
Result of the Life business	127	128	171	204	265
Result of Other business activities	19	60	65	57	(80)
Result before tax	847	872	1,156	1,366	1,383
Net result	405	458	610	731	901
Third party funds managed in Life assurance	17,564	19,585	20,536	24,149	23,293

FIGURES IN MILLION EUROS

MANAGEMENT RATIOS

	2004	2005	2006	2007	2008
Non-life					
Loss ratio, net of reinsurance	70.2%	73.5%	69.0%	68.0%	68.8%
Expense ratio, net of reinsurance	21.8%	22.1%	24.9%	24.6%	25.1%
Combined ratio, net of reinsurance	92.0%	95.6%	93.9%	92.6%	93.9%
Life					
Net operating expenses / Reserves (MAPFRE VIDA)	0.90%	0.91%	0.89%	0.88%	0.92%
Return on equity	12.5%	12.4%	16.1%	17.5%	19.5%

BALANCE SHEET

	2004	2005	2006	2007	2008
REAL ESTATE, INVESTMENTES AND CASH	22,601	25,409	26,617	29,137	31,148
Real estate (including property for own use)	1,201	1,365	1,588	1,760	1,849
Equities and mutual funds	1,526	1,713	2,333	2,447	1,468
Fixed income	16,576	19,835	20,169	21,764	24,206
Other investmentes (including unit linked)	1,843	1,071	1,105	1,526	2,210
Cash	1,454	1,424	1,422	1,639	1,415
TECHNICAL RESERVES	20,257	23,317	24,027	26,781	28,857
Unearned premium reserve	2,937	3,541	3,854	4,308	4,882
Life assurance reserves	13,318	14,741	14,826	16,222	16,195
Claims reserves	3,384	4,425	4,733	5,476	6,409
Other reserves (including unit linked)	618	610	614	776	1,371
EQUITY	3,696	4,467	5,054	5,614	5,716
Shareholders' capital and reserves	2,061	3,535	4,026	4,331	4,902
Minority interests	1,635	932	1,028	1,283	814
TOTAL ASSETS	27,698	32,167	33,718	37,627	41,689

FIGURES IN MILLION EUROS

(*) MAPFRE S.A. proforma in 2004, 2005 and 2006

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY		
	2007	2008
BALANCE AS AT 1 JANUARY	5,054	5,614
Results and expenses recognised directly in equity		
From investments available for sale	(525)	(648)
From translation differences	(36)	(116)
From application of shadow accounting to Life reserves	412	153
TOTAL	(149)	(611)
Distribution of result for the yearç	972	996
Distribution of result of previous year	(132)	(203)
Other changes in equity	(131)	(80)
BALANCE AS AT 31 DECEMBER	5,614	5,716

FIGURES IN MILLION EUROS

GEOGRAPHICAL BREAKDOWN AND PRESENCE					
	2004	2005	2006	2007	2008
Number of countries in which the Group is present	38	38	39	43	45
Total number of employees	19,920	24,967	28,006	30,615	34,603
Spain	10,358	14,412	15,725	16,671	16,838
Other countries	9,562	10,555	12,281	13,944	17,765
Number of branches	3,812	4,273	4,712	5,458	5,789
Spain	2,788	2,861	2,910	3,090	3,243
Americas - direct insurance	922	1,284	1,665	1,890	2,002
Other countries	102	128	137	478	544
Geographical breakdown of premiums					
Spain	72%	69%	65%	64%	55%
Americas - direct insurance	18%	20%	22%	24%	24%
Other countries	10%	11%	13%	12%	21%

MARKET SHARES					
	2004	2005	2006	2007	2008
Share of total premiums in Spain					
Motor	20.2%	21.0%	20.4%	20.5%	20.6%
Health	7.7%	7.9%	7.8%	7.8%	7.9%
Other Non-life	18.0%	18.3%	18.1%	18.2%	18.2%
Life	9.9%	9.2%	8.3%	10.3%	9.7%
Total	14.2%	14.2%	13.5%	14.4%	13.9%
Share of total Life assurance technical reserves in Spain	10.6%	10.4%	10.3%	11.4%	11.4%
Share of total Non-life premiums in Latin America	5.7%	6.1%	6.2%	6.1%	n.d.

RATINGS			
	AGENCY	2007	2008
MAPFRE S.A. - Debt issuer rating	STANDARD & POOR'S	A+	A+
Financial strength rating			
MAPFRE RE	STANDARD & POOR'S	AA	AA
MAPFRE RE	AM BEST	A+	A+
MAPFRE EMPRESAS	STANDARD & POOR'S	AA	AA
MAPFRE EMPRESAS	MOODY'S	-	Aa3
MAPFRE ASISTENCIA	MOODY'S	A 1	A 1

MAPFRE S.A.: Share information

SHAREHOLDER STRUCTURE						
	2006		2007		2008	
	%	NUMBER	%	NUMBER	%	NUMBER
CARTERA MAPFRE	55.3	1	74.6	1	63.9	1
Other MAPFRE entities	1.10	5	0.01	3	0.03	3
Investors holding 0.1% or more						
Spanish	6.4	14	3.5	10	16.0	5
Foreign	21.6	33	7.2	17	10.3	21
Investors holding less than 0.1%						
Spanish	12.8	47,987	12.3	557,478	7.1	481,582
Foreign	2.8	1,182	2.4	7,533	2.7	6,530
TOTAL	100	49,222	100	565,042	100	488,142

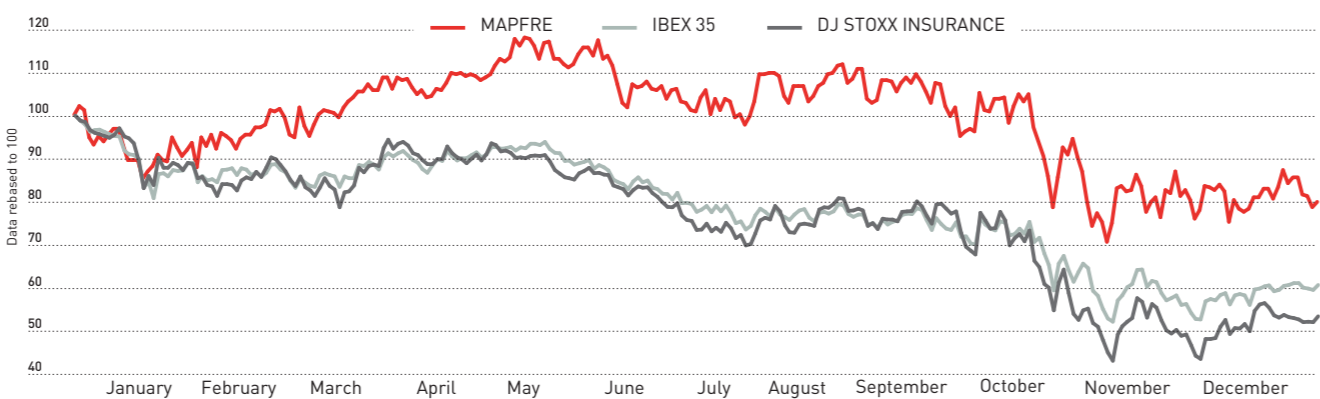
STOCK MARKET INFORMATION					
	2004	2005	2006	2007	2008
Market Capitalisation as at 31 December (million Euros)	2,589.7	3,332.7	4,085.2	6,848.7	6,587.6
Number of shares in issue*	238,900,706	238,900,706	1,194,503,530	2,275,324,163	2,744,832,287
PE Ratio	12.4	13.3	12.4	9.4	7.3
Adjusted earnings per share (Euros)*	0.19	0.21	0.28	0.32	0.34
Price / Book value	1.40	1.53	1.75	1.58	1.34
Dividend per share (Euros)*	0.05	0.06	0.07	0.11	0.14
Dividend yield (%)	2.4	2.3	2.2	3.1	4.7
Average daily number of traded shares*	4,052,694	4,392,240	5,078,395	7,769,398	9,234,024
Average traded daily value (million Euros)	8.30	11.28	15.64	27.55	27.48

(* The increase in the number of shares is due to the € 500.5 million capital increase carried out in April 2004 and the 5-for-1 share split carried out in October 2006.

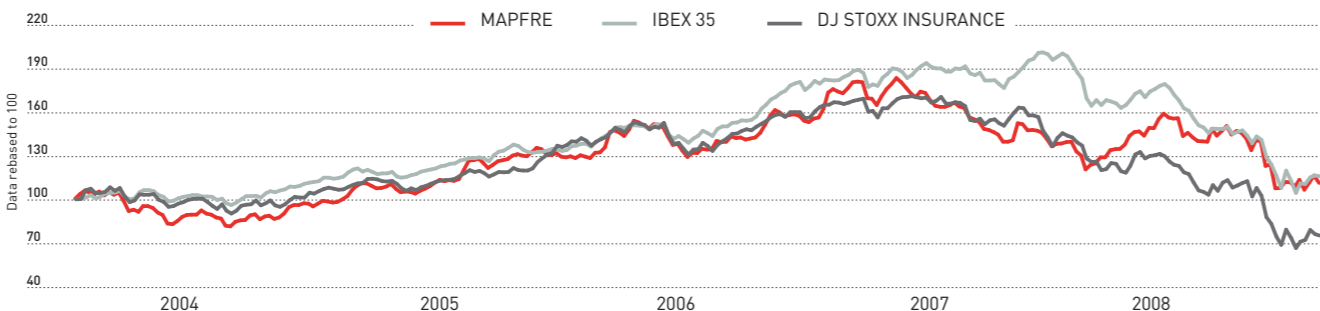
Earnings and dividends per share were calculated using an adjustment factor and the weighted number of shares, in compliance with IAS 33.

Figures for 2007 and 2008 correspond to MAPFRE S.A. under its new structure, where all the Group's activities are integrated in the quoted company.

MAPFRE S.A - IBEX 35 - DJ Stoxx Insurance. Share price performance 1st January - 31st December 2008



MAPFRE S.A - IBEX 35 - DJ Stoxx Insurance. Share price performance 2004 - 2008



MAPFRE GROUP KEY DATA. HISTORICAL EVOLUTION				
YEAR	INCOME	MANAGED ASSETS	NET BENEFIT	EMPLOYEES
1983	142	268	7	1,204
1986	434	706	20	2,323
1989	1,214	1,989	49	3,869
1992	2,419	3,769	37	5,528
1995	3,249	6,879	203	11,292
1998	4,546	9,669	178	15,219
2001	8,933	19,276	316	16,756
2004	10,756	31,482	847	19,920
2005	12,189	36,552	872	24,967
2006	13,234	38,988	1,156	28,091
2007	14,866	44,820	1,366	30,615
2008	17,711	47,759	1,383	34,603

FIGURES IN MILLION EUROS, EXCEPT EMPLOYEES

EVOLUTION DIRECT INSURANCE IN SPAIN (1)						
YEAR	GROSS WRITTEN PREMIUMS (1)		CLAIMS (2)		MARKET SHARE (%)	EMPLOYEES
	AMOUNT	VARIATION (%)	NUMBER	VALUE		
1933	11	-	-	1	0.51	n.d.
1934	22	97	11,627	13	0.97	n.d.
1935	30	35	14,309	16	1.31	n.d.
1940	34	11	21,272	22	0.92	n.d.
1945	82	142	23,824	50	1.1	n.d.
1950	125	54	35,681	84	0.81	n.d.
1955	199	59	29,644	149	0.76	106
1960	477	139	25,193	225	0.83	125
1965	1,958	311	37,204	795	1.45	309
1970	4,405	125	59,938	2,608	1.78	561
1975	17,772	303	106,357	7,386	2.95	894
1980	67,301	279	175,610	32,040	4.14	987
1985	188,940	181	313,627	92,297	5.92	1,591
1990	762,017	303	773,725	378,866	7.44	3,308
1995	1,717,025	125	1,478,690	892,485	9.75	5,031
1996	1,826,854	6	1,765,939	927,608	9.57	5,335
1997	1,887,232	3	2,082,761	978,880	9.67	5,436
1998	2,039,979	8	2,326,077	1,039,907	9.69	5,727
1999	2,321,722	14	2,704,864	1,209,206	9.77	5,948
2000	3,816,084	64	3,846,180	2,032,365	10.39	6,376
2001	5,390,719	41	5,025,035	3,274,425	13.00	7,039
2002	5,614,656	4	5,663,558	3,317,072	13.57	7,677
2003	5,819,615	4	6,411,566	4,054,456	14.02	8,230
2004	6,385,386	10	7,144,385	4,663,376	14.12	8,649
2005	6,910,222	8	7,464,928	4,964,230	14.19	8,801
2006	7,083,299	3	18,799,533	4,994,243	13.45	9,138
2007	7,888,708	10	20,529,210	5,627,313	14.38	9,609
2008	8,177,610	4	20,011,134	6,625,322	13.86	10,035

THOUSANDS EUROS

(1) Figures for gross written premiums and claims include workers' compensation insurance up until 1966. When the outline legislation for the social security system prohibits this line of insurance as a mercantile activity.

(2) Includes claims arising from life protection and benefits for life savings products.

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MAPFRE





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GOVERNING BODIES



Governing bodies*

BOARD OF DIRECTORS		Steering Committee	Appointments and Remuneration Committee	Audit Committee	Compliance Committee
CHAIRMAN	José Manuel Martínez Martínez	Chairman	Chairman		
FIRST VICE-CHAIRMAN	Alberto Manzano Martos	First Vice-Chairman	First Vice-Chairman		
SECOND VICE-CHAIRMAN	Francisco Ruiz Risueño	Second Vice-Chairman	Second Vice-Chairman		Chairman
MEMBERS	Ignacio Baeza Gómez	Member			
	Rafael Beca Borrego			Member	
	Miguel Blesa de la Parra				
	Rafael Fontoira Suris				Member
	Santiago Gayarre Bermejo				
	Luis Hernando de Larramendi Martínez	Member	Member		
	Sebastián Homet Duprá			Member	
	Antonio Huertas Mejías	Member			
	Luis Iturbe Sanz de Madrid			Presidente	
	Andrés Jiménez Herradón	Member			
	Manuel Lagares Calvo			Member	
	Rafael Márquez Osorio				Member
	Francisca Martín Tabernero				Member
	Antonio Miguel-Romero de Olano			Member	
	Filomeno Mira Candel				
	José Antonio Moral Santín				
	Alfonso Rebuelta Badías		Member		
	Matías Salvá Bennasar		Member		
Esteban Tejera Montalvo	Member				
Francisco Vallejo Vallejo		Member			
Secretary and Mamber	José Manuel González Porro	Secretary and Member	Secretary	Secretary and Member	
Vice-Secretary	Ángel Dávila Bermejo	Vice-Secretary		Vice-Secretary	

* Composition of the governing bodies resulting from the proposals submitted to the Annual Shareholders' Meeting relating to the appointment, retirement and re-election of Board members.

LETTER TO SHAREHOLDERS





José Manuel Martínez. CHAIRMAN

Dear shareholder,

During 2008, our Group conducted its activities in an increasingly difficult macroeconomic and financial environment. The economic slowdown and strong corrections in the prices of listed securities, together with the serious difficulties faced by many large industrial and financial groups, has weighed down on business and consumer confidence. In spite of this, our Group again recorded a very positive result for the year, resulting in a further increase of its equity and of the dividend paid to our shareholders.

Main activities

In 2008 we continued extending the scope of our business and our geographic presence, by means of several acquisitions and corporate transactions, with the following being of noteworthy mention:

- We completed the reorganisation of our strategic alliance with CAJA MADRID through the integration of MAPFRE-CAJA MADRID HOLDING within MAPFRE S.A., and in turn CAJA MADRID holding directly 15% of our entity.
- An agreement was entered into with Caja Duero for the joint development of the Life Assurance and Pension Plans business, sold through the branches of said savings bank. This new business collaboration adds to those already existing and reinforces MAPFRE'S relevant position in Life Assurance in Spain
- MAPFRE FAMILIAR S.A. was created by integrating MAPFRE AUTOMÓVILES, MAPFRE SEGUROS GENERALES and MAPFRE CAJA SALUD, as well as part of the business from MAPFRE AGROPECUARIA. This will allow us to provide a more complete and efficient service to the needs of retail customers and small enterprises via a company specialising in covering their risks, thereby boosting the cross selling of products and achieving higher efficiency levels.

- MAPFRE EMPRESAS took over MAPFRE AGROPECUARIA in 2008. In 2009 it will become two separate companies: MAPFRE SEGUROS DE EMPRESAS S.A., focused on the Industrial Risk business in Spain, and MAPFRE GLOBAL RISKS S.A., which will provide cover to multi-national companies and large risks, working in close coordination with MAPFRE INTERNACIONAL. This new structure will allow differences to be established in the service provided to our corporate customers and should boost the growth of business.

- All of the outstanding share capital of THE COMMERCE GROUP was acquired. This entity, headquartered in Massachusetts, comprises a number of insurance companies specialising in Non-Life insurance for individuals, and has a strong presence in north-western United States. After this operation, the largest acquisition to date by our Group, MAPFRE now has a high quality platform to expand its presence in the United States. THE COMMERCE GROUP in the future will integrate all of MAPFRE'S direct insurance business in the USA, including the activities of MAPFRE FLORIDA

- Shareholders were offered the option of reinvesting the interim dividend for financial year 2008 in new shares, by means of a capital increase with pre-emption rights. This option was positively accepted, with a reinvestment of 99.04% of the total dividend net of taxes, leading to a capital increase of €150.2 million. CARTERA MAPFRE fully exercised its pre-emption rights and it also acquired additional rights, slightly increasing its majority stake in MAPFRE, S.A. to 63.9%. CAJA MADRID also fully exercised its pre-emption rights.

MAPFRE and its affiliates received a number of awards and distinctions in 2008 for their business track record and their responsible performance in respect of their employees and Society. Prominent among these were the distinctions granted by the Great Place to Work Institute to MAPFRE PORTUGAL, MAPFRE TEPEYAC (Mexico) and MAPFRE LA SEGURIDAD

(Venezuela), chosen among the best companies to work for in the insurance industry in their respective countries. Also, for the third year in succession MAPFRE was chosen as the best Direct Insurance company in Latin America by Reactions magazine, part of the Euromoney group.

In addition, it was included for the first time among the 500 biggest companies in the world according to Fortune magazine, ranking it 463rd.

Key figures

In spite of the widespread decline in the value of securities listed on the Stock Exchange and on other organised markets, our consolidated equity increased by 13.2 per cent in 2008 to a total €4,902.2 million (€1.80 per share). This positive performance basically reflects the overall good results of our affiliates, highlighted by the following data:

— Non Life direct insurance premiums increased by 18.2% and consolidated total income rose by 19.1%, reaching €17,711 million. In Spain, where we maintain a clear leadership position, our premiums have grown by 5%; our premiums abroad grew by 33.9%, reaching €6,807 million, thanks to the sustained growth of MAPFRE AMÉRICA and the acquisition of THE COMMERCE GROUP. At year-end 2008 business abroad accounted for 45% of total aggregate premiums compared to 39% in 2007.

— Assets under management in life assurance, pension funds and mutual funds declined by 3.5%, mainly as a result of the decline in prices and the large volume of units in mutual funds that were sold by unit-holders throughout the whole market.

— Consolidated net result reached €900.7 million, 23.2% higher than the previous year, and as a result the earnings per share went from €32.1 cents to €33.5 cents.

Our share price

The performance of the stock market was very negative in 2008 as a result of the heightening international financial crisis and the slowdown of the economy. The IBEX 35 index recorded the largest fall in its history (-39.4%), and the DJ STOXX INSURANCE sector index declined by 46.7%.

Our share price declined by 20%, to €2.40. However, its performance, in spite of not being positive, was among the best on the Spanish stock market and in the insurance sector; thus MAPFRE was the sixth best performing share on the IBEX 35 index and the tenth best on the DJ STOXX INSURANCE index. Our Group's growth prospects, technical discipline and prudent investment policy, which characterise our Group, are some of the reasons behind the

development of the share price, and these contributed to help limit the loss of value for our shareholders in a very unfavourable context.

Dividends

Throughout 2008 our company paid the final dividend for 2007 (€7 cents per share) and an interim dividend for 2008 (a further €7 cents per share), making a total of €14 cents per share, 27.3% higher than the €11 cents paid in 2007.

The Board of Directors proposes to the AGM that as from 2nd April 2009, the final dividend for the year 2008 be paid out, amounting to €8 cents per share, which is 14.3% higher than in 2007. It will also offer shareholders the option of reinvesting those proceeds in newly issued shares.

Outlook

The macroeconomic outlook for 2009 suggests that there will be a virtually widespread and global economic contraction, accompanied by very low inflation and interest rates. This environment is likely to have a negative effect on the demand of the majority of products and services.

In spite of this, MAPFRE's Directors remain confident that the Group will continue to achieve positive growth rates and adequate returns on its business, taking the following factors into consideration:

- a) The anti-cyclical nature of results in the insurance business, which accounts for over 90% of turnover in our Group.
- b) The strength of our distribution networks and of our management model in the insurance business.
- c) The growing utilisation of synergies derived from the structural modifications we have carried out over the last few years.
- d) The geographical diversification of our business, 45% of which is generated in countries other than Spain.
- e) Our investment approach remains prudent and professionally managed.

In 2009 we expect to achieve our business goals fundamentally by way of organic growth. In a difficult economic and financial environment, we shall reinforce our prudent approach when evaluating any possible acquisition opportunities.

On the other hand, we expect to take advantage of our Group's strong cash generation capacity and results to reduce our debt levels in a gradual and steady manner; in this respect, we expect to fully cancel at maturity, in November 2009, the €1 billion loan taken out for the acquisition of THE COMMERCE GROUP. Similarly, we are reinforcing our risk management

systems to ensure a better protection of our business, a more efficient use of our capital and reserves, and extensive compliance with the future Solvency II European regulations.

I would like to end this letter by expressly thanking our shareholders, our customers, the supervisory bodies, and generally all those who have expressed their confidence and support throughout last year; and also the people that comprise MAPFRE (directors, executives, employees, delegates, agents and collaborators), who through their efforts and correct decisions have made it possible for us to present these excellent results.

Sincerely,



José Manuel Martínez.
CHARIMAN



GENERAL INFORMATION



The Group's parent company is the holding company MAPFRE S.A., whose shares are listed on the Madrid and Barcelona stock exchanges, and are included in IBEX 35, DOW JONES Stoxx Insurance, MSCI Spain, FTSE All-World Developed Europe Index, FTSE4Good and FTSEGood IBEX indices.

The majority shareholder of MAPFRE S.A. is FUNDACIÓN MAPFRE, which guarantees the Group's independence and its institutional stability. FUNDACIÓN MAPFRE engages in general interest activities in the fields of Community Involvement, Insurance Sciences, Culture, Road Safety, Prevention, Health and the Environment.

MAPFRE is the leader in the Spanish Insurance market and has achieved a significant international presence in Direct Insurance, Reinsurance and Assistance.

MAPFRE has established, since 2000, an important strategic alliance with CAJA MADRID, the parent company of Spain's fourth largest financial group. The alliance seeks to fully harness the potential of the two group's sales networks in the distribution of insurance and financial products.

International presence

The Group's companies operate in a total of 44 countries, through 155 companies, in addition to its presence in Spain.

In the direct insurance field, MAPFRE has a presence in all the main Latin American countries -it is the leading Non-Life insurer in the region- and in the USA, Portugal, Turkey and the Philippines.

In the Assistance business, it operates in 44 countries through 43 subsidiaries and five representative offices.

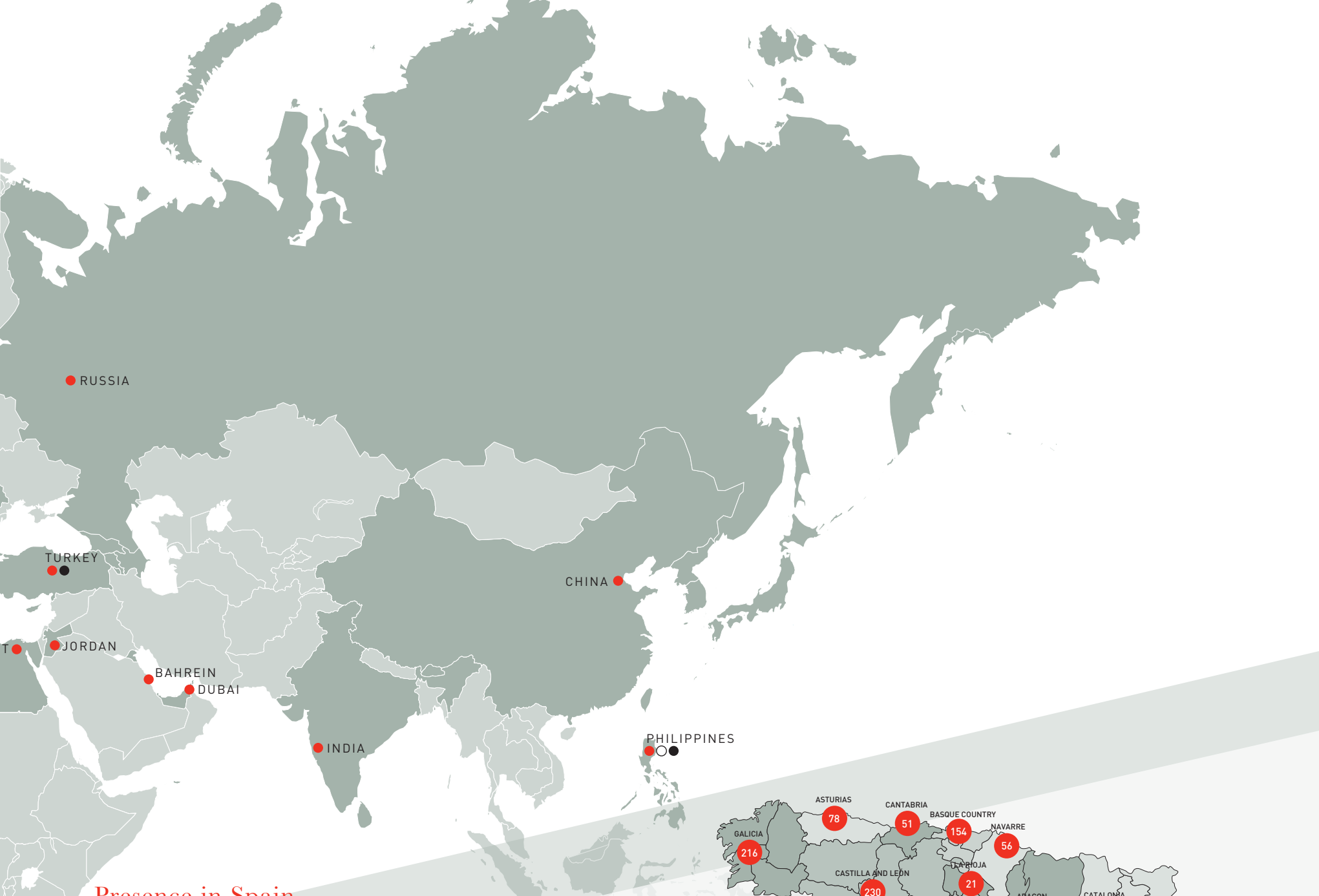
The Group also has a reinsurance company - MAPFRE RE - which carries out business across the globe, through 3 subsidiaries and 15 representative offices.

At the end of 2008 MAPFRE RE ranked 15th in worldwide reinsurance.

Overall, at the end of 2008, the Group had 2,546 branches and 17,765 employees in countries other than Spain.

- ASSISTANCE
- REINSURANCE
- DIRECT INSURANCE



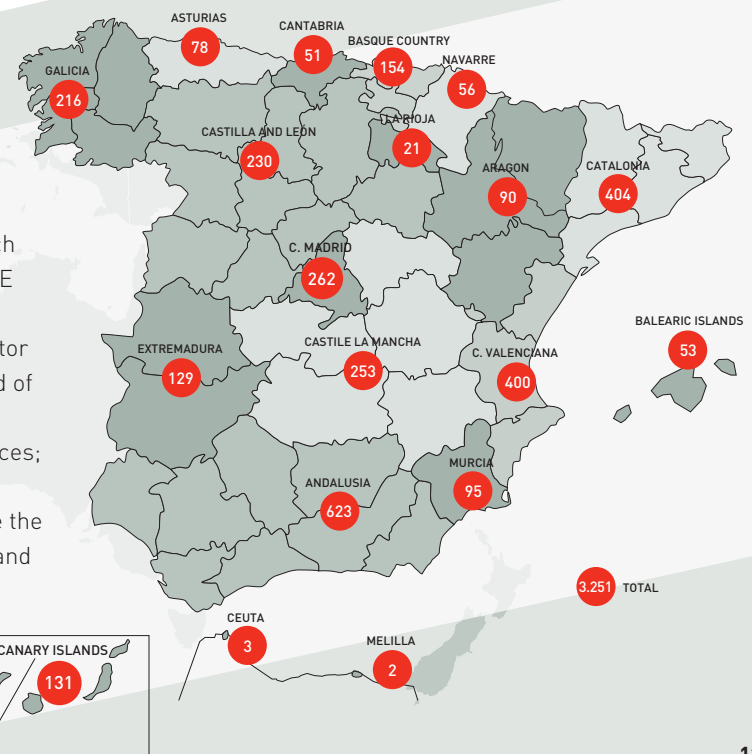


Presence in Spain

The MAPFRE Group operates in Spain through 103 companies, the most important of which are the insurance firms MAPFRE FAMILIAR, MAPFRE VIDA, MAPFRE EMPRESAS, MAPFRE ASISTENCIA and MAPFRE CAUCIÓN Y CRÉDITO.

MAPFRE has the most extensive distribution network in the Spanish insurance sector and one of the largest of all financial companies. At year end 2008, the Network comprised of 430 own branches, staffed by MAPFRE management and staff; 2,773 franchise branches, managed by a professional agent and his own staff; 40 specific MAPFRE VIDA network offices; and 20,762 agents and associates.

All of these branches are grouped into 43 sub-centres, which direct and coordinate the Network's activities in a given area, which normally coincide with one or more provinces, and are grouped under seven Regional Head Offices.



Ratings

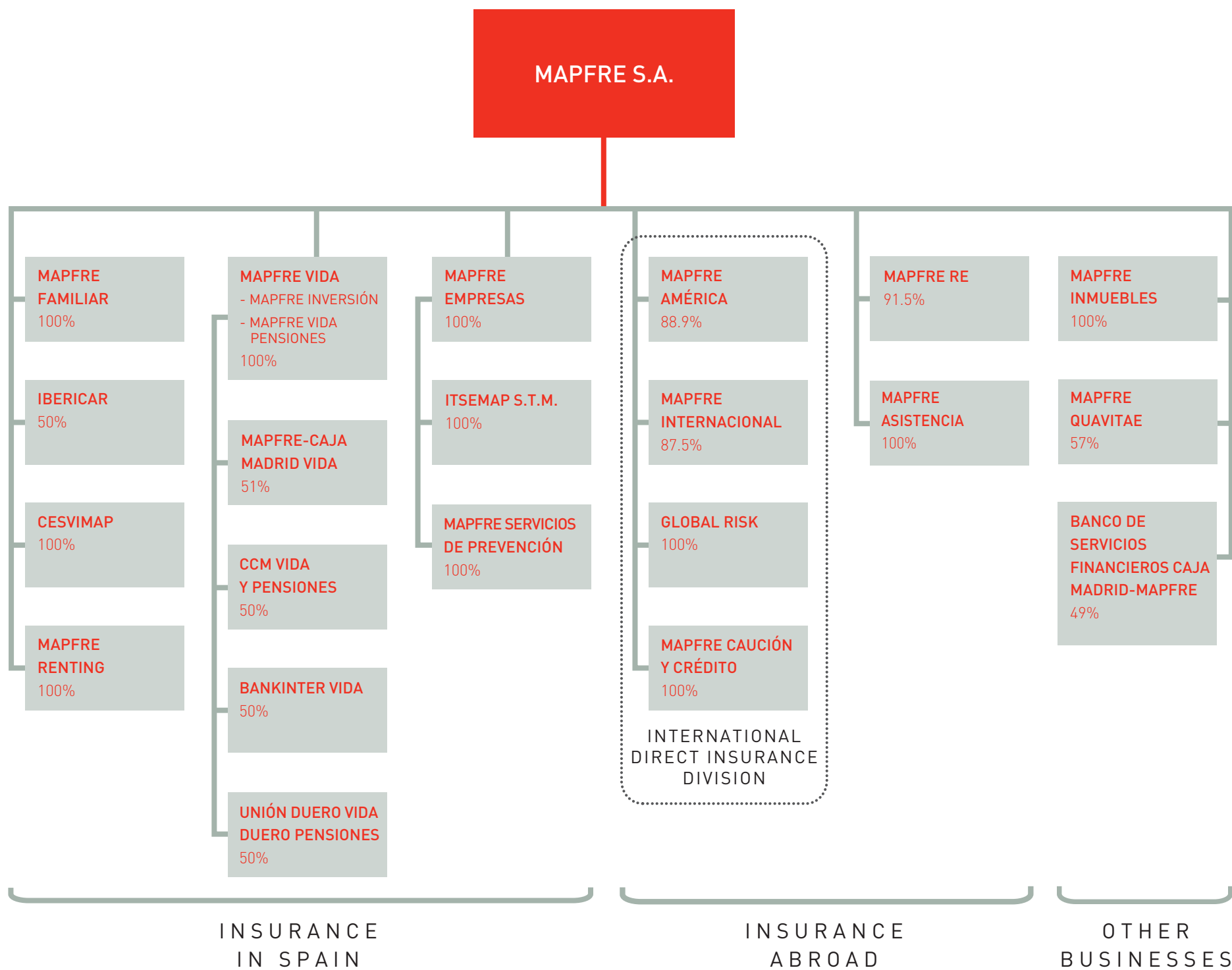
Standard & Poor's		
ENTITY	2008	2007
MAPFRE S.A. (Debt Issuer Rating)	A+ Negative outlook	A+ Stable outlook
MAPFRE S.A. (€275 Mn Senior Debt)	A+ Negative outlook	A+ Stable outlook
MAPFRE S.A. (€700 Mn subordinated debt)	A- Negative outlook	A- Stable outlook
MAPFRE EMPRESAS (Financial strength rating)	AA Negative outlook	AA Stable outlook
MAPFRE RE (Financial strength rating)	AA Negative outlook	AA Stable outlook
THE COMMERCE GROUP (Financial strength rating)	A Stable outlook	A Stable outlook
THE COMMERCE GROUP (US\$300 Mn Senior Debt)	BBB	BBB

A.M. Best		
ENTITY	2008	2007
MAPFRE RE (Financial strength rating)	A+ Stable outlook	A+ Stable outlook
MAPFRE PRAICO (Financial strength rating)	A (Excellent) Stable outlook	A (Excellent) Stable outlook
MAPFRE TEPEYAC (Financial strength rating)	A- (Excellent) Stable outlook	A- (Excellent) Stable outlook
THE COMMERCE GROUP (Financial strength rating)	A+ Stable outlook	A+ Stable outlook
THE COMMERCE GROUP (US\$300 Mn Senior Debt)	a-	a-

Moody's		
ENTITY	2008	2007
MAPFRE EMPRESAS (Financial strength rating)	[Aa3] Stable outlook	
MAPFRE ASISTENCIA (Financial strength rating)	A1 Stable outlook	A1 Stable outlook
MAPFRE ARGENTINA SEGUROS (Financial strength rating)	Ba3 Stable outlook	Ba3 Stable outlook
MAPFRE ARGENTINA SEGUROS DE VIDA (Financial strength rating)	Ba3 Stable outlook	Ba3 Stable outlook
MAPFRE ARGENTINA A.R.T. (Financial strength rating)	Ba3 Stable outlook	Ba3 Stable outlook
THE COMMERCE GROUP (Financial strength rating)	A2 Positive outlook	A2 Positive outlook
THE COMMERCE GROUP (US\$300 Mn Senior Debt)	Baa2	Baa2

Fitch		
ENTITY	2008	2007
MAPFRE BHD (Financial strength rating)	A- (DOM)	A- (DOM)
MAPFRE LA CENTROAMERICANA (Financial strength rating)	AA (SLV) Stable outlook	AA+ (SLV) Stable outlook
MAPFRE COMPAÑÍA DE SEGUROS DE VIDA DE CHILE (Financial strength rating)	A (CHL) Stable outlook	A (CHL) Stable outlook
TÜRKIYE GENEL SIGORTA (Financial strength rating)	AA (TUR) Stable outlook	AA (TUR) Stable outlook

Organisational chart 2009



MATERIAL EVENTS DURING THE YEAR



— January

10th JANUARY 2008

MAPFRE signs an agreement with CAJA DE CANARIAS to sell products of MAPFRE'S Family Division and MAPFRE EMPRESAS through the savings bank's branches.

16th JANUARY 2008

MAPFRE receives the TIEPOLO 2007 award, granted by the Madrid Chamber of Commerce and the Italian Chamber of Commerce in Spain.

17th JANUARY 2008

CAJA DUERO and MAPFRE enter into an agreement to jointly develop Life Assurance and Pension Plans.

18th JANUARY 2008

MAPFRE VIDA launches Dinervida, a two-year savings insurance product, where the interest rate is linked to the performance of the 3-month Euribor, guaranteeing a return 10% return during the first month.

22nd JANUARY 2008

MAPFRE transfers VIAJES MAPFRE to CARLSON WAGONLIT TRAVEL (CWT).

28nd JANUARY 2008

MAPFRE updates its Environmental Policy, defining its commitment and action principles in relation to the environment.

— February

5th FEBRUARY 2008

MAPFRE is included in the eighth edition of Brazil's Sustainability Guide 2007, as a result of the actions carried out in terms of fostering and teaching Road Safety in that country, in collaboration with FUNDACIÓN MAPFRE.

7th FEBRUARY 2008

The governing bodies of MAPFRE approve the corporate integration of MAPFRE AUTOMÓVILES, MAPFRE SEGUROS GENERALES and MAPFRE- CAJA SALUD into a single company (MAPFRE FAMILIAR), as well as the integration of MAPFRE AGROPECUARIA into MAPFRE EMPRESAS, after the former transferred its retail business portfolio to MAPFRE FAMILIAR.

7th FEBRUARY 2008

MAPFRE presents its results for 2007 with an attributable net result of €731 million.

11th FEBRUARY 2008

MAPFRE VIDA launches the new FONDMAPFRE GARANTIZADO 803 fund, indexed to three sector indices, allowing returns of up to 40% to be attained at maturity

14th FEBRUARY 2008

The Extraordinary Shareholders' Meeting of THE COMMERCE GROUP held in Webster (Massachusetts, USA) approves the Agreement and Merger Plan announced on 30th October 2007, whereby MAPFRE will acquire the insurance company COMMERCE.

18th FEBRUARY 2008

MAPFRE SEGUROS GERAIS (Portugal) is chosen as the best company to work for in the Portuguese insurance industry by the consultancy firm Heidrick & Struggles, and the magazine Exame.

19th FEBRUARY 2008

MAPFRE ASISTENCIA opens two new primary medical assistance centres in Samaná (Dominican Republic) and Tegucigalpa (Honduras).

22nd FEBRUARY 2008

MAPFRE consolidates its leadership among the most visible insurance companies on the Web, according to an analysis carried out by Adesis Netlife, a consultancy firm specialising in new technologies and the Internet.

— March

1st MARCH 2008

MAPFRE is ranked 13th in the Merco 2008 Report (Spanish Corporate Reputation Monitor), one place higher than the previous year, and it remains the most highly valued insurance company in the study. MAPFRE's Chairman Mr. José Manuel Martínez, ascends three places in the classification of most highly rated business leaders, now ranking 20th.

2nd MARCH 2008

MAPFRE'S institutional advertising campaign, "Being big is an attitude", is chosen as the best publicity of financial products in 2007 by the readers of the magazine *Mi Cartera de Inversión*.

8th MARCH 2008

MAPFRE AGM approves the Group's accounts and the dividend paid against year 2007 results, the reorganisation of the strategic alliance with CAJA MADRID, and the renewal of its Board of Directors.

25th MARCH 2008

MAPFRE SEGUROS GERAIS (Portugal) is elected the third best company to work for among the insurance companies in the country by the Great Place to Work Institute and the daily journal *Publico*.

27th MARCH 2008

MAPFRE starts marketing a new Individual Systematic Savings Plan (PIAS AHORRO LINK), which offers three baskets of mutual funds and the possibility of making up to five switches per year free of charge.

— April

4th APRIL 2008

MAPFRE RE notifies the Brazilian insurance regulator (SUSEP) its intention to establish a reinsurance subsidiary in Brazil. The new company will operate under the name MAPFRE RE DO BRASIL Companhia de Resseguros.

10th APRIL 2008

MAPFRE is included in the new Spanish Socially Responsible Investment Index (FTSE4Good IBEX) launched by Bolsas y Mercados Españoles (BME) and the FTSE Group. The index, made up of twenty-seven Spanish companies with socially responsible investment practices, aims to serve as a benchmark in the creation of financial products.

15th APRIL 2008

MAPFRE VIDA launches a Savings Insurance called Garantía Dólar [Dollar Guarantee], linked to the evolution of the dollar against the euro over a four-year period.

22nd APRIL 2008

MAPFRE receives the Golden Microphone Award, presented every year by the Federation of Radio and Television Associations in recognition of individuals' professional careers and institutions from different areas of society.

29th APRIL 2008

MAPFRE MÉXICO is recognised as one of the best companies to work for, according to the Great Place to Work Institute. The entity is the highest ranked among insurance companies and 44th in the global standings.

— May

5th MAY 2008

MAPFRE PRAICO (Puerto Rico) creates the entity MAPFRE FINANCE OF PUERTO RICO, for the purpose of financing the insurance premiums of all of its companies on the island.

8th MAY 2008

MAPFRE-CAJA MADRID HOLDING DE ENTIDADES ASEGURADORAS (where CAJA MADRID held 49%) is integrated within MAPFRE, whereby the subsidiaries of the company (MAPFRE VIDA, MAPFRE SEGUROS GENERALES, MAPFRE EMPRESAS and MAPFRE CAJA SALUD) become direct subsidiaries of MAPFRE. CAJA MADRID receives, via a capital increase, 15% of the shares of the insurance company, as well as 12.5% of MAPFRE INTERNACIONAL and MAPFRE's 30% shareholdings in GESMADRID, CAJA MADRID BOLSA and CAJA MADRID PENSIONES. Also, the company MAPFRE-CAJA MADRID VIDA is incorporated, to be managed by MAPFRE and in which CAJA MADRID has a 49% holding, to sell Life Assurance policies through the CAJA MADRID network.

9th MAY 2008

MAPFRE VENEZUELA is included for the first time among the best companies to work for in that country. The entity is ranked 16th according to the Great Place to Work methodology and published by the daily journal El Nacional.

13th MAY 2008

MAPFRE opens its new offices in Murcia, a building with an area of over 6,800 sq. m located in one of the most important growth areas in the city.

22nd MAY 2008

The MAPFRE Centre for Experimentation and Road Safety (CESVIMAP) celebrates its 25th anniversary.

25th MAY 2008

MAPFRE wins an award in the fifth edition of the Information Safety Awards by the magazine SIC.

26th MAY 2008

MAPFRE VENEZUELA is chosen as one of the best companies in the country the field of Social Responsibility by the magazine *Gerente*.

27th MAY 2008

MAPFRE's website is ranked first in terms of visibility in the insurance industry according to BPMO, a consultancy firm.

28th MAY 2008

MAPFRE launches CLUB MAPFRE in Argentina, bringing a new concept in terms of benefits and financial solutions to the insurance industry in the country.

— June

6th JUNE 2008

MAPFRE acquires all of the shares of the US insurance company THE COMMERCE GROUP.

12th JUNE 2008

MAPFRE acquires a 60% shareholding in ATLAS COMPAÑÍA DE SEGUROS, the tenth largest insurance company in Ecuador.

19th JUNE 2008

MAPFRE receives the Prince Felipe Award for Business Excellence 2008 in the category of internationalisation, in recognition of "its leadership in the expansion abroad of the service sector, especially in America".

23rd JUNE 2008

MAPFRE is again included among the 200 companies with the best corporate reputation in the world.

24th JUNE 2008

MAPFRE QUAVITAE receives the Incorpora Award from Fundación La Caixa, in the "Networking" category, for its actions in support of the integration in the workplace of those groups at risk of social exclusion.

30th JUNE 2008

MAPFRE appears among the top five Spanish companies which inspire the highest confidence, in the Spanish Business Confidence Rating for 2008, organised by FutureBrand.

— July

1st JULY 2008

MAPFRE rises one place among the most desirable companies to work for, according to the Merco Persons Report for 2008 (Spanish Corporate Reputation Monitor), ranking 18th.

2nd JULY 2008

MAPFRE'S Generation Y Project, which investigates the behaviour of young drivers, which will be used to study the possibility of implementing the pay-per-use system in Motor Insurance, wins the first Award for Insurance Innovation, bestowed by ICEA and ACCENTURE.

4th JULY 2008

Listing of MAPFRE's shares, resulting from the capital increase carried out as a consequence as the reorganisation of the alliance with CAJA MADRID and announced at the end of 2007.

11th JULY 2008

MAPFRE is included, for the first time, among the 500 biggest companies in the World by Fortune magazine, ranking 463.

14th JULY 2008

MAPFRE launches its Assistance subsidiary in Dubai, from where it will coordinate and boost its current business in the United Arab Emirates and in Oman.

— August

7th AUGUST 2008

MAPFRE TEPEYAC (Mexico) is chosen among the 35 best Companies for Women to Work for in 2008, according to the Great Place to Work Institute of Mexico.

19th AUGUST 2008

MAPFRE inaugurates the first claims assistance centre in Paraguay. The facilities include a 24 hour call centre.

— September

1st SEPTEMBER 2008

MAPFRE is chosen, for the third year in a row, as the best Direct Insurance Company in Latin America by the Reactions magazine, published by the Euromoney Group.

18th SEPTEMBER 2008

The King and Queen of Spain preside over the gala dinner at which MAPFRE celebrated its 75 years of history.

— October

1st OCTOBER 2008

MAPFRE starts marketing the FONDMAPFRE GARANTIZADO 811 fund, in which returns at maturity are linked to the performance of three solid securities on the European Stock Exchanges - BBVA, EON and FRANCE TELECOM.

15th OCTOBER 2008

MAPFRE EMPRESAS becomes a full-fledged member of GLOBAL AEROSPACE, an international pool of aviation insurers, effective from 1st January 2009

16th OCTOBER 2008

MAPFRE ARGENTINA is the leader for the third year in a row of the Non Life Insurance market in that country, according to data published by the National Insurance Supervision Bureau.

17th OCTOBER 2008

ITSEMAP, a MAPFRE company specialising in providing technical services in the field of security and the environment, celebrates its 25th anniversary.

20th OCTOBER 2008

MAPFRE AMÉRICA takes over MAPFRE AMÉRICA VIDA.

29th OCTOBER 2008

MAPFRE's Board of Directors resolves to pay an interim dividend of €0.07 per share, and decides to offer shareholders the possibility of reinvesting the dividend in new shares of the company, resulting from the capital increase designed and specifically approved for this purpose.

— November

18th NOVEMBER 2008

MAPFRE receives the “Spanish Company of the Year 2008” Award from the Spanish Chamber of Commerce in Miami, in recognition of its successful expansion in the United States

18th NOVEMBER 2008

MAPFRE receives the authorisation to become established as a local re-insurer in Brazil via the new subsidiary MAPFRE RE DO BRASIL Companhia de Resseguros.

20th NOVEMBER 2008

MAPFRE LA CENTROAMERICANA (El Salvador) receives The Bizz Award 2008 from the World Confederation of Businesses (WORLD COB), for its business leadership, management system, product and service quality, innovation capacity, and social responsibility.

25th NOVEMBER 2008

Mr. José Manuel Martínez, MAPFRE’s Chairman, receives one of the business awards granted by the magazine Dinero, published by Grupo Negocios, in recognition of his business leadership and the management of the recent business restructuring of the Group, as well as for his personal efforts towards the internationalisation of MAPFRE.

— December

9th DECEMBER, 2008

MAPFRE successfully concludes the capital increase approved by its Board of Directors on 29th October 2008, designed to offer its shareholders the possibility of reinvesting the interim dividend for 2008 in new shares of the company. After this operation was completed, the number of MAPFRE shares outstanding amounted to 2,744,832,287.

11th DECEMBER 2008

MAPFRE receives the annual prize of the Union of Sports Councils of Catalonia (UCEC) for its management and the humane and responsible treatment it gives its insured customers.

12th DECEMBER 2008

MAPFRE came first in terms of revenues generated through the Internet of multi-line insurance companies, according to the 9th Capgemini Report on the Insurance Sector on the Internet, which analyses the websites of 42 companies.

16th DECEMBER 2008

MAPFRE BRASIL launches a mutual fund linked to the assistance of physically disabled individuals. The fund, called AACD MAPFRE DI, will allocate 70% of administration fees to the Association for the Assistance of Disabled Children (AACD).

18th DECEMBER 2008

Listing on the Madrid and Barcelona Stock Exchanges of the MAPFRE shares issued following the capital increase approved by the Board of Directors at its meeting on 29th October 2008.

CONSOLIDATED MANAGEMENT REPORT 2008



IN 2008 THE INTERNATIONAL ECONOMIC AND FINANCIAL ENVIRONMENT WAS PARTICULARLY COMPLEX, FEATURING A GREAT DEAL OF INSTABILITY AND A SHARP SLOWDOWN OF THE ECONOMY THAT INTENSIFIED SUBSTANTIALLY IN THE SECOND HALF OF THE YEAR, PARTICULARLY IN INDUSTRIALISED COUNTRIES

Economic context

In 2008 the international economic and financial environment was particularly complex, featuring a great deal of instability and a sharp slowdown of the economy that intensified substantially in the second half of the year, particularly in industrialised countries. Thus the USA, the Eurozone and Japan are now in a state of technical recession as a result of business contraction in the latter quarters of the year. Emerging countries, which had remained relatively oblivious to this trend, started to undergo a loss of dynamism in the latter part of the year, affected by the sizeable slump in the price of raw materials and forecasts of a lower demand for their products. In this context of deceleration, the forecasts given by international organisations suggest there will be a substantial decline in global growth, which may have been around 3.7% in 2008 compared to 5% the year before. In developed economies growth rates were at around 1.5% compared to 2.6% in 2007, while emerging economies slowed down to 6.5%, below the 8% growth recorded the previous year.

The start of the year featured a substantial drop in share prices on stock exchanges as a result of worsening results at many international banking institutions. Emerging economies, however, were able to maintain very high growth rates, unaffected by the economic slowdown in developed countries. Also, during the first seven months of the year there was a substantial hike in the price of crude oil and agricultural raw materials, prompting a rise in inflation rates and a tightening of monetary policies in emerging countries and even in the Eurozone.

After the summer, the picture changed completely when financial instability heightened. The US government had to intervene in the major mortgage companies and bail out one of the world's largest insurance companies, allowing the third largest investment bank to go into receivership. This caused a collapse of the financial system and made it necessary to design plans to recapitalise the banking system, measures which were also implemented in Europe in order to prevent systemic risk. The deterioration of the banking system led to tough credit restrictions, laying the foundations for a sizeable decline in business activity and prices.

In an attempt to counter this trend, Central Banks drastically reduced their interest rates, injected liquidity massively, adopted economic stimulus programmes amounting to billions and provided support to the banking system. This was the case both in advanced economies and in some emerging countries, while the IMF provided support to countries in distress; all of this was done with the aim of preventing an economic depression, which just like in the 1930s would eventually be accompanied by price deflation.

In this scenario, the economy has evolved differently in the areas (Spain and Latin America) where MAPFRE has a larger presence. Thus, whereas Spain is undergoing a rapid and brisk adjustment that will be reflected by negative growth rates in the latter part of 2008 and the beginning of 2009, Latin America, although it is not immune to the international crisis and is losing steam, has managed to keep up positive growth rates.

The Spanish economy ended 2008 with a growth rate of around 1%, contrasting with the previous year's 3.7% and recording significant changes in its growth profile. Domestic demand is now contributing less due to the deceleration resulting from the strong contraction of consumer spending (affected by credit restrictions, higher interest rates, poorer expectations and rising unemployment) and the decline of fixed gross capital formation, basically due to the substantial contraction of residential investment. External demand made a positive contribution that was much more substantial than that of domestic demand, thanks to a slowing of imports. The change of direction in government accounts (going from a surplus to a deficit), the gradual moderation of the trade and current accounts deficits, together with the inflection of price indices in the latter part of the year are other salient features.



MAPFRE's headquarters in Majadahonda (Madrid)

IN CONTRAST TO THE STOCK MARKET, GOVERNMENT DEBT MARKETS RECORDED AN EXCELLENT PERFORMANCE, BENEFITING FROM THEIR SAFE HAVEN STATUS AND HIGH LIQUIDITY

Although in the first half of the year Latin America grew by over 5%, the mounting financial pressure as from September impacted strongly on Latin American economies and capital markets. Higher sovereign credit spreads, depreciating currencies and sharp corrections in stock markets were a consequence of the increase in risk aversion and the flight to quality. In spite of the slowdown of growth in the latter part of the year, the region still grew by around 4%. Besides the restrictions in international financial markets and the deceleration (or even contraction) of developed economies, the drop in the prices of raw materials has also harmed exporting countries. However, the region is better protected from external shocks than on previous occasions thanks to the rise in domestic demand, the improvement of public accounts, the accumulation of foreign reserves, and the orthodox policies of the various Central Banks.

In this difficult environment, 2008 was a bad year for stock markets, which generally suffered declines of over 40%, making it one of the worst years ever. The Spanish stock market performed in a manner similar to other markets, thanks to the relatively positive development of some large stocks, including some banks. In contrast to the stock market, government debt markets recorded an excellent performance, benefiting from their safe haven status and high liquidity.

Downward reviews in terms of economic growth prospects, continuous lowering of forecasts and fears concerning future results following the poor figures disclosed in subsequent quarters, the mounting decline in confidence among investors, the deterioration of credit markets, and doubts regarding the solvency of financial institutions, are the main factors that inflated risk premiums and prompted investors to give up all hope. In a context of pessimism, neither the steps taken by governments to stimulate their economies nor persistent cuts in interest rates, nor valuations that seem attractive, were sufficient to put an end to sell-offs in the stock markets.

The economic trend in insurance markets

Spanish market¹

According to preliminary estimates, the total volume of direct insurance premiums written in 2008 amounted to €59,011 million, broken down as follows by lines of business:

LINE OF BUSINESS	2008	2007	% CHG. 08/07
Life	26,582	23,071	15.2%
Non-Life	32,429	31,781	2.0%
Total Direct Insurance	59,011	54,852	7.6%

FIGURES IN € MILLION

Non-Life insurance policies accounted for 55% of the total volume of premiums. In absolute terms, Motor Insurance continues to be the largest by business volumes, albeit with a negative growth rate, due to the stiff competition coupled with the sharp downturn in new car sales. The table below shows the total estimated volume of Non-Life insurance premiums broken down into lines of business, and the change with respect to the previous year:

	2008	2007	% CHG. 08/07
Motor	12,319	12,548	(1.8)%
Multi-peril	5,884	5,465	7.7%
Health	5,825	5,406	7.8%
Other Non-Life	8,400	8,361	0.5%
Total Non-Life	32,429	31,781	2.0%

FIGURES IN € MILLION

As in previous years, the decrease in the relative importance of the Motor insurance business continued, as shown in the following table:

	2008	2007	2006	2005	2004
Motor	38.0%	39.5%	40.6%	41.5%	42.8%
Multi-peril	18.1%	17.2%	16.8%	16.3%	15.9%
Health	18.0%	17.0%	16.3%	15.9%	15.6%
Other Non-Life	25.9%	26.3%	26.3%	26.3%	25.7%

(1) Source: Data supplied by the Spanish Association of Insurance and Reinsurance Companies, (UNESPA) and the Association of Collective Investment and Pension Fund Institutions (INVERCO).



2008 Annual shareholders' meeting

Based on the trends seen up to September, the technical result worsened slightly. The following table shows the development of the combined ratio calculated as a percentage of net premiums earned, which measures said technical result:

	TOTAL		MOTOR		MULTI-PERIL		HEALTH	
	30.09.08	30.09.07	30.09.08	30.09.07	30.09.08	30.09.07	30.09.08	30.09.07
Loss ratio	71.6%	71.0%	75.5%	75.4%	61.3%	62.8%	81.4%	81.4%
Expense ratio	20.5%	20.7%	17.8%	18.1%	30.4%	30.5%	11.4%	11.3%
Combined ratio	92.1%	91.7%	93.3%	93.5%	91.7%	93.3%	92.8%	92.7%

The volume of managed Life savings, represented by technical reserves, was €136,243 million, a 1.9% rise with respect to the previous year.

The table below shows the progress of managed Life savings, mutual funds and pension funds, and their respective increases versus the previous year:

	2008	2007	% VAR. 08/07
Life Assurance	136,243	133,722	1.9%
Mutual funds	231,837	327,284	(29.2)%
Pension funds	78,408	85,842	(8.7)%
Total	446,488	546,848	(18.4)%

FIGURES IN € MILLION

Latin american markets ²

According to information currently available, the major Latin American insurance markets posted the following increases in their respective volume of written premiums³:

COUNTRY	DATE	NON-LIFE	LIFE	TOTAL
Argentina	30/06/2008	31.8%	12.5%	26.3%
Brazil	30/11/2008	15.4%	14.9%	15.2%
Colombia	30/09/2008	16.1%	37.3%	21.6%
Chile	31/12/2008 (est.)	2.8%	0.1%	1.0%
Dominican Republic	30/11/2008	10.0%	24.3%	11.4%
Ecuador	30/09/2008	29.6%	28.1%	29.4%
Mexico	31/12/2008 (est.)	1.0%	7.4%	3.8%
Paraguay	30/06/2008	12.1%	29.1%	13.5%
Peru	30/11/2008	18.6%	11.1%	15.7%
Puerto Rico	30/06/2008	(1.2)%	8.3%	(0.3)%
El Salvador	30/09/2008	2.9%	11.9%	5.6%
Uruguay	30/09/2008	8.3%	20.0%	10.6%
Venezuela ⁴	30/11/2008	-	-	39.5%

In 2008, the Latin American markets performed as follows:

— In ARGENTINA, with data to the end of June, the insurance market reported high growth rates, in line with those recorded the previous year. Non-Life insurance remains the key driving force behind market growth, the biggest increases having been reported in Motor and Workers' Compensation, in response to the developing economy and the subsequent increase in demand. Growth in Life assurance also remained steady, although the Retirement Life Assurance business shrank significantly after the Disability and Death insurance policies were transferred to the State. The technical results have improved considerably, following the sector's efforts to offset the downturn in financial income.

— In BRAZIL, according to figures to the end of November, the market grew at sustained levels, albeit slightly lower than the same period of the previous year. As in 2007, growth in the business chiefly came in response to the development of the economy and to the sector's initiatives to broaden the product range and develop new distribution channels. VGBL⁵ life assurance was again the main driving force behind market growth. In 2008, this product, which is distributed mainly through the banking channel, benefited from

(2) Data for Latin American markets were obtained from supervisory bodies and sectorial associations in each country, and from the MAPFRE companies operating there.

(3) Percentage changes have been calculated with the most recent information available for each country.

(4) Life assurance accounts for a very small part of the Venezuelan market's total premiums, so any changes only have a minor bearing on the sector as a whole.

(5) Life Insurance Generating Free Benefits.




MAPFRE is awarded the "Spanish Company of the Year" prize by the Spanish Chamber of Commerce in the USA

certain tax incentives that have attracted monies from mutual and pension funds. The Non-Life lines reported an upturn in their growth rates, stemming mainly from Motor insurance, on account of the huge increase in car sales, and the warranty extension insurance policies tied to the sale of electronic and electrical appliances. The loss ratio rose in motor insurance, due to stiff price competition, and fell in Life assurance, due to the downturns in both Personal Accident and in Life group business, as a result of the population's improved living conditions and the enforcement of very strict drink-driving limits.

— In CHILE, based on the projections of the AACH⁶, the economic crisis hit the insurance market, where business was sluggish. One of the hardest hit by this slowdown was the main line of business, Life Assurance, as the demand for life annuities shrank, prompted by the uncertainty of the financial markets, while the group insurance policy market is fairly saturated. The growth rate also fell notably, albeit to a lesser extent, in Non-Life insurance, chiefly due to the slowdown in consumer spending. Motor insurance, which grew by an estimated 3%, was also hit by price competition and a higher loss experience, as the devaluation of the peso pushed up the cost of spare part. Despite a significantly better loss experience, Life Assurance reported poorer results, due to the provisions allocated to cover the loss in value of investments.

(6) Asociación de Aseguradores de Chile A.G., AACH Projections 2008-2010, December 2008.



— In COLOMBIA, with data as at the end of September, growth in the volume of premiums was up again. Once again, growth was mainly driven by Life Assurance, in particular by group insurance policy sales, due to the larger number of policyholders and the rising level of take-up of this type of insurance, and life annuities, due to the increase in demand from retired people. In Non-Life insurance, the main driver of growth came from Motor Insurance (8.4%), which felt the brunt of the downturn in car sales and price competition; in Compulsory Traffic Accident Insurance (SOAT), due to the increase in the number of insured vehicles and rate hikes; and in Professional Indemnity Risks, due to the transfer of the business previously underwritten by the Social Security to a State-owned insurance firm. The loss experience increased in the Non-Life lines, due to the rising cost of spare parts in Motor insurance and by the falling prices in the Fire and Regulatory Compliance businesses. There was also an increased frequency of natural disaster-related losses. Demand was boosted after the National Association of Insurance Firms (Fasecolda), launched a campaign called “La Lotería de la Vida”, (“Life is a Lottery”), aimed at raising people’s awareness of the risks to which they are exposed and how insurance can protect them.

— In the DOMINICAN REPUBLIC, with data to the end of November, growth in the volume of premiums stayed at sustained levels, albeit on the same downward trend already seen in 2007. In Non-Life, Motor Insurance remained the strongest market segment, though its growth rate slowed to 14%, as the cost of financing new car purchases became more expensive, while the growth rate of Fire insurance increased slightly following the rises both in prices and in the appraised value of the insured assets. Life assurance has grown notably thanks to the development of group retirement policies, which offset the sharp decline in demand for individual policies, which are heavily taxed, and the population’s lower saving capacity. Motor insurance reported a better loss experience, due to the management improvements, as did other Non-Life lines, due to fewer catastrophic events. In contrast, the Life assurance loss experience increased due to the rise in claims.

— In ECUADOR, with data to the end of September, the market showed a considerable surge in growth, due to a series of extraordinary events: the introduction of Compulsory Traffic Accident Insurance (SOAT), which accounted for nearly half of the market’s growth; the renewal during the year of policies with the State sector that expired in 2007; and the large increase in public road-building works, which have boosted the growth of Transport and Fully Comprehensive Construction Insurance policies. The loss experience rose in the following lines of business: Motor insurance, due to stiff price competition; Fire insurance, on account of increased frequency; and in the Medical Care group insurance business, due to price competition coupled with a steep rise in medical costs.



Their Majesties the King and Queen of Spain preside over the gala dinner to celebrate MAPFRE’s 75th anniversary

— In MEXICO, with data based on the year-end estimates facilitated by the AMIS⁷, the insurance market growth rate slowed down to 3.7%. The main factors were that Non-Life only grew 1%, due to the sluggish growth of Motor insurance (3%) as car sales dropped, and that Damage insurance shrank 8%, as a result of the non-renewal until 2009 of policies taken out in 2007 by one of the country’s largest corporations. In contrast, the growth of Life Assurance remained in line with the previous year’s rate, on account of its attractive tax treatment and growth in bancassurance business. The Non-Life loss experience improved, due to increases in prices and the improved Motor insurance provisioning criteria, as well as the absence of earthquakes and to the lower severity in the Third Party Liability lines of business.

— In PARAGUAY, with data for the year ended in June, growth in the volume of premiums was up on the previous year, driven by: Motor insurance, which kept on growing on the back of the rising car sales; Agricultural insurance, on account of the upturn in agricultural exports; and group Life Assurance, due to the increase in capital repayment insurance-backed loans. Motor insurance prices have been brought down by the stiff competition, while Fire, Transport and Theft tariffs have risen on account of harsher reinsurance rates and conditions. The loss experience has remained stable.

[7] Mexican Association of Insurance Institutions.



MAPFRE obtains the Prince Philip Prize for Business Excellence in the category of Internationalisation

— In PERU, according to figures as at the end of November, premium growth was up on the same period of the previous year. The highlights in Non-Life were the 45% growth in Motor insurance, boosted by the surge in car sales, Earthquake insurance, marked by rising prices and demand, Transport insurance, which reported growth in overseas trade, and Supplementary Higher Risk Job Insurance, due to the upturn in business activity. Life Assurance reported growth in Debtor's Life Assurance (loan repayment), driven by the greater demand for loans, and a downturn in Retirement Insurance, following the end of the Special Early Retirement Scheme, which had been a major growth driver in previous years. The lack of major natural catastrophes reduced the Non-Life loss experience, which is nevertheless still high, mainly due to the increased number of vehicle thefts and the higher cost of repairs in Motor Insurance, and to the higher frequency and average cost of benefits in Health insurance. The last quarter of the year saw a sharp rise in Motor and Health insurance prices, as well as stricter underwriting criteria in the Legal Liability and Surety lines, which should result in a better technical result in 2009.

— In PUERTO RICO, according to data as at the end of June, the market was very sluggish. Non-Life insurance shrank 1.2% due to price competition and the weak economy. For its part, Health insurance only grew 1% due to the heavy penetration of the "Medicare" product. Finally, despite growing at a faster pace, Life Assurance also saw a slowdown, as companies

offer to their employees less social benefits and the economic crisis dented consumers' confidence and saving capacity. The island's tough economic situation has pushed up the loss experience.

— In EL SALVADOR, with data as at the end of September, the market grew faster than during the same period of last year, mainly due to the transfer, from one insurance company to another, of the account of one of the country's two pension fund management companies. Excluding this non-recurrent transaction, the market would have grown far less after price competition triggered declines in Fire insurance (-2%) and Motor insurance (-6%). The loss experience declined in Motor insurance, because a an increasing number of vehicles are now fitted with antitheft location devices, and in Bond insurance, due to the lower frequency and the adoption of more restrictive underwriting policies.

— In URUGUAY, with data to the end of September, market growth was higher than the previous year, boosted by Agricultural and Livestock Insurance, due to the rise in production triggered by commodity price rises, Transport insurance, due to the increase in overseas trade, and Motor insurance (5.8%), spurred by growth in "zero mileage" car sales. Life assurance followed the same trend of sustained growth that has been seen since 2005, driven by the growing working population and rising wages. Price competition remained intense in Motor and Agricultural and Livestock Insurance. The loss experience picked up in Agricultural and Livestock insurance, due to the intense frosts and drought, and remained stable in the other lines of business.

— In VENEZUELA, with data at the end of November, there was a marked slowdown in market growth, which slipped to 39.5%, most having come from the policies with the public sector and from price inflation adjustments, which now stands at 31%. New car sales have slumped 35%, which negatively affected the growth rate of Motor insurance. This line reported a higher loss experience, chiefly due to the rising cost of spare parts, as did Hospitalisation, Surgery and Maternity insurance, after the private health system raised its prices.

THE INTERNATIONAL REINSURANCE MARKET DEVELOPED VERY IRREGULARLY IN 2008. IN THE FIRST HALF OF THE YEAR, RESULTS WERE ACCEPTABLE BUT IN THE SECOND HALF OF THE YEAR THERE WAS A SIGNIFICANT DECLINE IN RESULTS

Others markets

In the US, with data as at the end of September, Non-Life insurance policy premiums were slightly down, by 0.6%, versus the same period in 2007, on account of price competition, which was especially fierce in the corporate insurance field. On the other hand, Life Assurance saw volume rise 5.5%, due to group insurance business growing enough to offset the decline in the individual insurance business. The loss experience was significantly worse in Non-Life, on account of catastrophe-related losses, and in the financial guarantee and mortgage businesses. Life Assurance's technical result also followed a negative trend, with returns on investments having been hit by the financial crisis, coupled with the losses incurred in selling assets significantly below their purchase prices.

The State of Massachusetts, which is home to most of THE COMMERCE INSURANCE GROUP's operations, was hit by a particularly sharp downturn in prices, prompted by a regulatory change designed to encourage market competition.

In PORTUGAL, the provisional figures for the year point to the market as a whole having grown 11% (as compared to 4.7% in 2007). The main growth driver was Life Assurance, which accounts for more than 70% of all premiums, and grew 17% thanks to the success of the "Plano de Poupança-Reforma" (PPR) saving-retirement product, which offers major tax advantages and attracted 44% more business in the year. Non-Life did not fare so well, with business falling 2% on account of the 7% decline in Motor insurance, prompted by price competition and the downturn in new car sales, and the 3% decrease in Employment Injury insurance, caused by the sluggish pace of economic activity. The exceptions were Credit insurance, which grew 14%, while Health insurance again reported a significant increase (9%) due to consumer dissatisfaction with the public health service. The Non-Life loss experience increased due to weather related losses, which increased so much that it cancelled the positive effect of the decline in the Motor insurance claims frequency.

In TURKEY, with data to the end of September, the insurance market saw its growth rate slide to 10.3% and, for the first time in many years, was less than inflation, meaning that it has shrunk in real terms. This has been triggered by the poor state of the economy, which has dampened domestic demand and sparked stiff price competition, where the consequent increase in the loss experience, despite a change in the accounting principles, which resulted in the freeing up of the Earthquake reserve. In Non-Life, the Motor insurance business grew 10.4%, while the Fire insurance business (the second most important) rose 9.7%. In contrast, Life Assurance jumped 16.7%, spurred by the strong rise in loan repayment insurance policies, the surge in demand for loans, and the expansion of the bancassurance business.



MAPFRE's board meeting, held in Turkey in april



Reinsurance market

The international reinsurance market developed very irregularly in 2008. In the first half of the year, results were acceptable but there was also a decline in the volume of premiums subscribed due to intensified competition. Conversely, in the second half of the year there was a significant decline in results, due to the combination of more frequent catastrophe-related claims and large losses in investment portfolios. Regarding the former, there was an increase in the number and force of hurricanes in relation to 2007, the most salient being 'Ike', which affected several areas in the United States and caused losses amounting to around USD 20 billion. In terms of financial investment there were strong declines in the prices of securities, both stocks and bonds, due among other reasons to the serious difficulties faced by many financial institutions and by the marked worsening of the situation and of the macroeconomic outlook.

The reinsurance market is not immune to this turmoil and it is likely that several operators will record poor or even negative results in financial year 2008, together with a reduction of revenues and equity. To this we must add the difficulties in obtaining capital and the high cost of the same. In this market situation, there could be a tightening of the prices and conditions of reinsurance cover, as a consequence of the decline in the volume of capital available for the industry in the aggregate.

Business development

Operating revenues and funds under management

Direct insurance and accepted reinsurance premiums written by the subsidiaries of the Company in 2008 amounted to €15,136.6 million, a 16.3% increase. Consolidated premiums totalled €14,304.8 million, a rise of 16.2%. Total operating revenues reached €18,276.8 million, including €565.9 million of new gross contributions to pension funds.



Signing of agreement with Caja Duero



DIRECT INSURANCE AND ACCEPTED REINSURANCE PREMIUMS WRITTEN BY THE SUBSIDIARIES OF THE COMPANY IN 2008 AMOUNTED TO €15,136.6 MILLION, A 16.3% INCREASE

The breakdown of these revenues by business line is shown in the following table:

	2008	2007	% 08/07
Companies operating mainly in Spain	10,852.9	10,090.9	7.6%
- Gross written and accepted premiums	8,329.2	7,932.5	5.0%
- Income from investments	1,810.0	1,483.5	22.0%
- Other revenues	713.7	674.9	5.7%
Companies operating mainly abroad	7,895.9	5,723.5	38.0%
- Gross written and accepted premiums	6,807.4	5,083.4	33.9%
- Income from investments	922.5	496.6	85.8%
- Other revenues	166.0	143.6	15.6%
Parent company	785.0	388.0	102.3%
TOTAL REVENUES	19,533.8	16,202.4	20.6%
Consolidation adjustments and other companies	(1,822.9)	(1,336.6)	36.4%
TOTAL CONSOLIDATED REVENUES	17,710.9	14,865.8	19.1%
Gross contributions to pension funds	565.9	340.9	66.0%
TOTAL REVENUES FROM OPERATIONS	18,276.8	15,206.7	20.2%

FIGURES IN MILLION EUROS

In 2008, both the total cumulative and total consolidated revenues exceeded the figures for the previous year, having grown 20.6% and 19.1%, respectively, as a consequence of the following factors:

- Organic growth in premium volumes.
- Consolidation into the accounts of the companies which the Group absorbed (MUTUA VALENCIANA AUTOMOVILISTA) or in which it acquired a shareholding (BANKINTER VIDA, CCM VIDA Y PENSIONES, UNION DUERO and DUERO PENSIONES, THE COMMERCE GROUP and GENEL SIGORTA).
- Evolution of the Euro, which has depreciated against the US Dollar and appreciated against the Brazilian Real and Turkish Lira.
- Notable increase in financial income, which include the gains generated by the operations connected with the reorganisation of the structure of the alliance with CAJA MADRID.

The following table shows the evolution of funds under management in Life assurance and Savings products:

	2008	2007	% 08/07
Life assurance technical reserves	17,223.3	16,955.5	1.6%
Pension funds	3,414.7	3,155.2	8.2%
Mutual funds and managed portfolios	2,655.0	4,038.0	(34.2)%
TOTAL	23,293.0	24,148.7	(3.5)%

FIGURES IN MILLION EUROS

The variation in the volume of managed assets achieved in 2008 reflects primarily: the integration of UNION DUERO VIDA and DUERO PENSIONES; the consolidation into the accounts of BANKINTER VIDA and CCM VIDA Y PENSIONES during the entire year; the favourable sales of Personal Pension Plans; an increase in redemptions and maturities of Life assurance products and the reimbursements of mutual funds; the reduction in unrealised gains; and the sustained development of the volumes of business in Brazil.

Excluding the effect of the adjustments arising from the change in the market value of the assets backing Life assurance technical reserves, funds under management would have grown 3.4%.

SPAIN

Direct insurance and accepted reinsurance premiums written by the companies that operate primarily in Spain reached €8,329.2 million, to which €565.9 million of new gross contributions to pension funds must be added, with the following breakdown by company:

	2008	2007	% 08/07
MAPFRE FAMILIAR ¹	4,215.9	4,105.1	2.7%
COMMERCIAL INSURANCE	1,613.6	1,575.7	2.4%
NON-LIFE INSURANCE IN SPAIN	5,829.5	5,680.8	2.6%
LIFE SAVINGS	2,165.1	1,944.0	11.4%
Agents channel	1,127.8	932.4	21.0%
Bank channel - CAJA MADRID	741.1	846.9	(12.5)%
Bank channel - Other ²	296.2	164.7	-
LIFE PROTECTION	334.6	307.7	8.7%
Agents channel	153.4	154.4	(0.6)%
Bank channel - CAJA MADRID	121.4	131.3	(7.5)%
Bank channel - Other ²	59.8	22.0	-
LIFE ASSURANCE IN ESPAÑA²	2,499.7	2,251.7	11.0%
TOTAL PREMIUMS	8,329.2	7,932.5	5.0%
Gross contributions to pension funds	565.9	340.9	66.0%

FIGURES IN MILLION EUROS

(1) Figures for MAPFRE FAMILIAR in 2007 do not contain the AGRICULTURAL AND LIVESTOCK UNIT's retail business portfolio, which is included in the COMMERCIAL INSURANCE UNIT. The branches in Portugal of MAPFRE VIDA and MAPFRE EMPRESAS are included in MAPFRE SEGUROS GERAIS (MAPFRE INTERNACIONAL).

(2) Includes BANKINTER VIDA and CCM VIDA Y PENSIONES, companies integrated on 30th June 2007, and UNION DUERO VIDA, integrated on 1st July 2008.

The increase in premiums at MAPFRE FAMILIAR reflects:

- The decline of 0.9% in MOTOR, more moderate than that for the rest of the market, which declines 2.1%¹. At year end, MAPFRE insured 6,037.000 vehicles in Spain.
- The increase in premiums of the PROPERTY line reflects the notable performance of the Homeowner and Multi-peril insurance lines.

The development of premiums at the COMMERCIAL INSURANCE OPERATING UNIT reflects mainly the growth of the Global Risks (international business) and the Credit lines, which have mitigated the slowdown in demand from the construction sector, especially in the Engineering and Third-party Liability lines.

The evolution of Life assurance premiums reflects:

- solid growth in the agents channel, thanks to the launch of new products, larger sales of retail single premium savings products and an increase in the winning of PPA's (Insured Pension Plans);
- the contribution of the bancassurance channel, where the good performance of Life protection premiums is of noteworthy mention;
- the winning of large corporate operations for €56.2 million;
- and the integration of UNION DUERO VIDA from 1st July 2008.

(1) Own calculation based on the figures published by UNESPA on 29th January 2009. Market growth calculated eliminating the figures for MAPFRE.

DIRECT INSURANCE AND ACCEPTED REINSURANCE PREMIUMS WRITTEN BY THE COMPANIES THAT OPERATE PRIMARILY IN SPAIN REACHED €8,329.2 MILLION, TO WHICH €565.9 MILLION OF NEW GROSS CONTRIBUTIONS TO PENSION FUNDS MUST BE ADDED

The following table shows a breakdown of written and accepted premiums by line of business in 2007 and 2008, together with the corresponding market shares (provisional in the case of 2008):

	MARKET SHARES (*)			
	2008	2007	2008	2007
Motor	2,535.3	2,558.3	20.6%	20.5%
Health	461.5	423.7	7.9%	7.8%
Other – Non-Life	2,832.7	2,698.8	18.2%	18.2%
TOTAL NON-LIFE	5,829.5	5,680.8	17.3%	17.4%
Life Protection	334.6	307.7	-	-
Life Saving	2,165.1	1,944.0	-	-
TOTAL LIFE	2,499.7	2,251.7	9.7%	10.3%
TOTAL¹	8,329.2	7,933.4	13.9%	14.4%

CIFRAS EN MILLONES DE EUROS

* Market share data based on data published by ICEA on 29th January 2009, where only direct written premiums are considered



The following table shows the breakdown by company of premiums written through the agents' and bank channels:

	AGENTS AND OTHER CHANNELS			BANK CHANNEL			TOTAL		
	2008	2007	VAR. %	2008	2007	VAR. %	2008	2007	VAR. %
LIFE ¹	1,224.9	1,002.9	22.1%	1,218.6	1,164.9	4.6%	2,443.5	2,167.8	12.7%
MAPFRE FAMILIAR ²	4,020.6	3,919.4	2.6%	195.3	185.6	5.2%	4,215.9	4,105.1	2.7%
COMMERCIAL INSURANCE ²	1,594.4	1,546.0	3.1%	19.2	29.7	(35.4)%	1,613.6	1,575.7	2.4%
NON-LIFE	5,615.0	5,465.4	2.7%	214.5	215.3	(0.4)%	5,829.5	5,680.8	2.6%
LIFE ¹									
MAPFRE VIDA - Large corporate operations	-	-	-	-	-	-	56.2	83.9	(33.0)%
TOTAL¹	6,839.9	6,468.3	5.7%	1,433.1	1,380.2	3.8%	8,329.2	7,932.5	5.0%

CIFRAS EN MILLONES DE EUROS

(1) Includes BANKINTER VIDA and CCM VIDA Y PENSIONES, which were integrated on 30th June 2007 and UNION DUERO VIDA, integrated from 1st July 2008.

(2) Figures for MAPFRE FAMILIAR in 2007 do not contain the AGRICULTURAL AND LIVESTOCK UNIT's retail business portfolio, which is included in the COMMERCIAL INSURANCE UNIT. The branches in Portugal of MAPFRE VIDA and MAPFRE EMPRESAS are included in MAPFRE SEGUROS GERAIS (MAPFRE INTERNACIONAL).

The volumes of premiums achieved by the CAJA MADRID network amounted to €1,077 million in 2008, a decrease of 9.8%. The sale of CAJA MADRID banking products (loans and deposits) contributed by the MAPFRE network amounted to €3,430.1 million, representing a 17.1% increase.

Total revenues from investments for those companies that operate primarily in Spain increased 22% and amounted to €1,810 million (vs. €1,483.5 million in 2007). Of these, €1,443.8 million came from interests, dividends and equivalents, versus €1,184.7 million in 2007.

Other revenues from companies that operate primarily in Spain reached €713.7 million, an increase of 5.7% over the previous year. Their breakdown by company is shown in the following table:

	2008	2007	% 08/07
MAPFRE INVERSIÓN and subsidiaries	104.2	118.5	(12.1)%
MAPFRE INMUEBLES	60.8	73.1	(16.8)%
MAPFRE QUAVITAE	118.8	119.1	(0.3)%
Other entities	429.9	364.2	18.0%
TOTAL	713.7	674.9	5.7%

FIGURES IN MILLION EUROS

The subsidiaries that operate in stockbroking, as well as mutual and pension fund management, which are grouped under MAPFRE INVERSIÓN, obtained revenues of €104.2 million, a 12.1% decrease over 2007. The volume of assets in mutual funds and managed portfolios stood at €2,655 million, representing a 34.2% decrease; at year end assets managed in pension funds amounted to €1,474 million, representing a 9.5% decrease.

The increase in "Others" reflects primarily the growth in the business volume of of MAPFRE FAMILIAR's subsidiaries which operate in vehicle financing and car dealerships.

INTERNACIONAL

Premiums written and accepted by the companies whose activity is primarily international evolved as follows:

	2008	2007	% 08/07
Life	818.6	670.9	22.0%
LATIN AMERICA ¹	772.0	628.3	22.9%
OTHER COUNTRIES ²	46.6	42.6	9.4%
Non-life	3,908.7	2,496.5	56.6%
LATIN AMERICA ¹	2,835.9	2,292.4	23.7%
OTHER COUNTRIES ²	1,072.8	204.1	-
DIRECT INSURANCE	4,727.3	3,167.4	49.2%
ACCEPTED REINSURANCE	1,778.6	1,601.2	11.1%
ASSISTANCE	301.5	314.8	(4.2)%
TOTAL CUMULATIVE PREMIUMS	6,807.4	5,083.4	33.9%

FIGURES IN MILLION EUROS

[1] Includes the consolidated figures for holding company MAPFRE AMÉRICA, company merged with MAPFRE AMÉRICA VIDA with retroactive effect from 1.1.2008. For comparison purposes, the figures for 2007 represent the addition of the two companies.

[2] Includes THE COMMERCE GROUP (USA), MAPFRE USA, MAPFRE INSULAR (the Philippines), GENEL SIGORTA (Turkey) and the businesses in Portugal.

THE SOLID INCREASE IN PREMIUMS AT MAPFRE AMÉRICA, DESPITE THE DEPRECIATION OF THE MAIN CURRENCIES IN THE REGION, CAME MAINLY FROM THE AUTO, HEALTH AND WORKMEN COMPENSATION LINES

The breakdown by business lines of premiums written by the Direct Insurance companies with international activities is shown in the following table:

	2008	2007	% VAR
Motor	1,919.0	1,031.3	86.1%
Health and accidents	607.9	437.5	38.9%
Life	821.2	720.7	13.9%
Other lines	1,379.2	977.9	41.0%
TOTAL	4,727.3	3,167.4	49.2%

FIGURES IN MILLION EUROS

The solid increase in premiums at MAPFRE AMÉRICA, despite the depreciation of the main currencies in the region, came mainly from the Auto, Health and Workmen Compensation lines. The growth of business in Mexico and Brazil reflects the non renewal of certain corporate accounts. The following table shows the breakdown of the growth rates of Direct Insurance premiums achieved in the various countries:

COUNTRY	PREMIUMS (LIFE AND NON-LIFE)			
	2008	2007	% 08/07	Local currency % 08/07
BRAZIL ¹	1,419.4	1,190.9	19.2%	20.5%
VENEZUELA	483.9	306.3	58.0%	66.0%
MEXICO	392.3	387.6	1.2%	10.9%
ARGENTINA	378.9	310.9	21.9%	31.2%
PUERTO RICO	318.0	276.7	14.9%	22.5%
OTHER COUNTRIES ²	615.4	448.3	37.3%	-
MAPFRE AMÉRICA	3,607.9	2,920.7	23.5%	-

FIGURES IN MILLION EUROS

[1] Figures for Brazil for 2008 include premiums from MAPFRE NOSSA CAIXA of €173.5 million (€140.3 million in 2007).

[2] Includes Chile, Colombia, the Dominican Republic, Ecuador, El Salvador, Paraguay, Peru and Uruguay.

According to the figures for 2007, which are the latest available, MAPFRE was again first in the Non-Life insurance ranking in Latin America, with a market share of approximately 6.1% in the countries and territories in which it operates. The following table shows the Non-Life direct insurance market shares in the various countries:

COUNTRY	MARKET SHARES ¹
Argentina	8.5%
Brazil	6.4%
Chile	8.7%
Colombia	4.8%
El Salvador	14.0%
Mexico	5.0%
Paraguay ²	23.6%
Peru	12.2%
Puerto Rico	12.0%
Dominican Republic	13.5%
Uruguay	5.9%
Venezuela	6.0%

(1) Figures as per the latest data available for each market.

(2) Total market share (Life + Non-Life).

The INTERNATIONAL OPERATING UNIT obtained a total premiums volume of €1,119.4 million. The notable increase versus the previous year is due to the integration of the US insurance company THE COMMERCE GROUP and the consolidation of GENEL SIGORTA for the entire year. The breakdown of the growth rates of Direct Insurance premiums achieved in the various countries are shown in the following table.

PAÍS	PREMIUMS (LIFE AND NON-LIFE)		
	2008	2007	% 08/07
USA ⁽¹⁾	721.6	14.6	-
TURKEY	232.1	62.9	-
PORTUGAL	143.9	148.0	(2.8)%
PHILIPPINES	21.8	21.2	2.8%
MAPFRE INTERNACIONAL OPERATING UNIT	1,119.4	246.7	-

CIFRAS EN MILLONES DE EUROS

(1) Includes THE COMMERCE GROUP and MAPFRE USA. Does not include Puerto Rico.

In the accepted reinsurance business, MAPFRE RE and its subsidiaries recorded a consolidated volume of premiums of €1,778.6 million (€1,601.2 million in 2007), an 11.1% increase. The growth came from the winning of new business from non Group customers in Europe, Asia and Latin America, as well as the increase in cessions from the Group, especially from MAPFRE AMÉRICA

and MAPFRE INTERNACIONAL. Retained premiums reached €1,194.6 million, representing a retention rate of 67.2% (66.6% in 2007). By geographical areas, 31% of premiums were written in Spain, 28% in the rest of Europe, 27% in Latin America, 5.5% in North America and 8.5% in other countries.

The total revenues (premiums and revenues from the sale of services) at MAPFRE ASISTENCIA and its subsidiaries reached €425.8 million, a 0.7% decrease over the previous year. Of these, €301.5 million corresponded to written and accepted premiums, with a 4.2% decline, and €124.3 million to revenues from services, a 9.1% increase.

Total revenues from investments for those companies that operate primarily outside of Spain increased 85.8% and amounted to €922.5 million (compared to €496.6 million in 2007). Of these, €554.9 million came from interests, dividends and equivalents, against €334.6 million in 2007.



MAPFRE at the 25th insurance sector gathering



Headquarters of THE COMMERCE GROUP, Massachusetts



TOTAL REVENUES FROM INVESTMENTS FOR THOSE COMPANIES THAT OPERATE PRIMARILY OUTSIDE OF SPAIN INCREASED 85.8% AND AMOUNTED TO €922.5 MILLION

Management ratios

In Non-life lines, the consolidated combined ratio was 93.9%. The increase with respect the previous year is due mainly to the increase in the loss experience in Latin America and in reinsurance, as well as the integration of THE COMMERCE GROUP. The development of the main management ratios is shown in the following table:

COMPANY	RATIOS					
	EXPENSE RATIO ¹		LOSS RATIO ²		COMBINED RATIO ³	
	2008	2007	2008	2007	2008	2007
MAPFRE S.A. consolidated	25.1%	24.6%	68.8%	68.0%	93.9%	92.6%
Companies operating primarily in Spain						
MAPFRE FAMILIAR ⁴	18.3%	18.7%	70.5%	70.8%	88.8%	89.5%
COMMERCIAL INSURANCE OP. UNIT ⁵	21.6%	22.3%	66.6%	66.3%	88.2%	88.6%
TOTAL NON-LIFE SPAIN	18.8%	19.2%	69.9%	70.1%	88.7%	89.3%
LIFE ASSURANCE OP. UNIT ⁶	0.9%	0.9%				
Companies operating primarily abroad						
MAPFRE AMÉRICA	36.1%	36.2%	67.6%	66.6%	103.7%	102.8%
INTERNATIONAL OP. UNIT	27.3%	26.4%	71.3%	77.1%	98.6%	103.5%
INT'L. DIRECT INSURANCE DIVISION	33.2%	35.3%	68.8%	67.6%	102.0%	102.9%
REINSURANCE	30.4%	31.6%	65.1%	60.0%	95.5%	91.6%
ASSISTANCE	30.1%	27.8%	63.3%	64.2%	93.4%	92.0%

(1) (Operating expenses, net of reinsurance + profit sharing and returns – other technical income + other technical expenses) / Net premiums earned. Figures for the Non-life business.

(2) (Net claims incurred + variation of other technical reserves)/Net premiums earned. Figures for the Non-life business.

(3) Combined ratio = Expense ratio + Loss ratio. Figures for the Non-life business.

(4) Figures for MAPFRE FAMILIAR in 2007 do not contain the AGRICULTURAL AND LIVESTOCK UNIT's retail business portfolio, which is included in the COMMERCIAL INSURANCE UNIT.

(5) Given their importance, the net revenues from the risk classification activities of the credit and surety business are added to the numerator of the expense ratio.

(6) Net operating expenses / average third party funds under management (annualised ratio). Figures for MAPFRE VIDA.

Results

The net consolidated result (after tax) amounted to €998.1 million (€976.1 million in 2007), a 2.3% increase; and the net result attributable to the parent company (after minority interests) reached €900.7 million, a 23.2 % increase.

In general, most Units and Companies show significant growth in results with respect 2007, with those of the COMMERCIAL INSURANCE UNIT and MAPFRE RE being of noteworthy mention. The following table shows the sources and breakdown of results:

	2008	2007	VAR. %
NON-LIFE INSURANCE AND REINSURANCE			
Gross written and accepted premiums	10,890.8	9,292.5	17.2%
Premiums earned, net of ceded and retroceded reinsurance	9,192.9	7,710.3	19.2%
Net claims incurred and variation in other technical provisions	(6,326.6)	(5,241.5)	20.7%
Operating expenses, net of reinsurance	(2,224.4)	(1,809.4)	22.9%
Other technical income and expenses	(83.2)	(83.6)	(0.5)%
Technical Result	558.7	575.8	(3.0)%
Net fin'l. income and other non-technical income and expenses	640.1	528.9	21.0%
Result of Non-life business	1,198.8	1,104.7	8.5%
LIFE ASSURANCE AND REINSURANCE			
Gross written and accepted premiums	3,414.0	3,018.0	13.1%
Premiums earned, net of ceded and retroceded reinsurance	3,280.2	2,895.8	13.3%
Net claims incurred and variation in other technical reserves	(3,487.3)	(2,980.5)	17.0%
Operating expenses, net of reinsurance	(481.8)	(413.6)	16.5%
Other technical income and expenses	(7.7)	(11.9)	(35.3)%
Technical Result	(696.6)	(510.2)	36.5%
Net fin'l. income and other non-technical income and expenses	999.2	715.9	39.6%
Unrealised gains and losses in Unit-Linked products	(37.7)	(2.0)	-
Result of Life business	264.9	203.7	30.0%
OTHER BUSINESS ACTIVITIES			
Operating revenues	502.6	522.2	(3.8)%
Operating expenses	(522.8)	(446.9)	17.0%
Other revenues and expenses	(60.3)	(18.0)	-
Results from other business activities	(80.5)	57.3	-
Result before tax and minority interests	1,383.2	1,365.7	1.3%
Taxes	(385.1)	(389.6)	(1.2)%
Result after tax	998.1	976.1	2.3%
Result after tax from discontinued operations	(2.2)	(4.0)	(45.0)%
Result for the year	995.9	972.1	2.4%
Result attributable to minority shareholders	(95.2)	(241.0)	(60.5)%
Result attributable to the controlling Company	900.7	731.1	23.2%

FIGURES IN MILLION EUROS



Celebration of MAPFRE's 75th anniversary in Madrid

The contribution of the main Units and Companies to the consolidated results is shown in the following table:

	NET RESULT	MINORITY INTERESTS	CONTRIBUTION TO CONSOLIDATED RESULT 2008	CONTRIBUTION TO CONSOLIDATED RESULT 2007
INSURANCE ACTIVITY				
LIFE AND SAVINGS ¹	148.8		148.8	75.0
MAPFRE FAMILIAR ²	503.9		503.9	394.5
COMMERCIAL INSURANCE ²	114.5		114.5	59.7
OTHER ACTIVITIES				
MAPFRE INMUEBLES	(32.5)		(32.5)	16.3
MAPFRE QUAVITAE	(0.2)	0.1	(0.1)	0.2
BANCO DE S.F. CAJA MADRID - MAPFRE	-	-	0.3	3.2
Other companies and consolidation adjustments	-	-	-	(1.4)
COMPANIES OPERATING MAINLY IN SPAIN	-	-	734.9	547.6
MAPFRE AMÉRICA ³	113.5	(12.6)	100.9	88.5
MAPFRE RE	104.2	(8.9)	95.3	80.3
ASSISTANCE OPERATING UNIT	10.8		10.8	7.6
INTERNATIONAL OP. UNIT ⁴	55.2	(6.8)	48.4	17.2
COMPANIES OPERATING MAINLY ABROAD	-	-	255.4	193.6
Other companies and consolidation adjustments	-	-	(89.6)	(10.1)
MAPFRE S.A.	-	-	900.7	731.1

FIGURES IN MILLION EUROS

(1) Includes BANKINTER VIDA and CCM VIDA Y PENSIONES.

(2) Figures for MAPFRE FAMILIAR in 2007 do not contain the AGRICULTURAL AND LIVESTOCK UNIT's retail business portfolio, which is included in the COMMERCIAL INSURANCE UNIT. The branches in Portugal of MAPFRE VIDA and MAPFRE EMPRESAS are included in MAPFRE SEGUROS GERAIS (MAPFRE INTERNACIONAL)

(3) Figures for 2007 include MAPFRE AMÉRICA VIDA, which was merged with MAPFRE AMÉRICA with retroactive effect from 1.1.2008.

(4) Includes THE COMMERCE GROUP (USA), MAPFRE USA, MAPFRE INSULAR (the Philippines), GENEL SIGORTA (Turkey) and the businesses in Portugal.

The contribution from those companies which have integrated within the Group during the year (UNION DUERO VIDA, DUERO PENSIONES and THE COMMERCE GROUP) amounted to €-5.4 million.

Investments and liquid assets

The book value of investments and liquid assets as at 31 December 2008 was €31,147.9 million, a 6.9% increase over the previous year. The following table shows their breakdown and percentage distribution:

	2008	% OVER TOTAL	2007	% OVER TOTAL
Risk-free investments	1,887.5	6.1%	2,001.8	6.9%
- Cash	1,415.1	4.5%	1,639.4	5.6%
- Unit-linked investments	472.4	1.5%	362.4	1.2%
Real Estate Investments	1,849.2	5.9%	1,760.3	6.0%
- Buildings for own use	918.5	2.9%	969.0	3.3%
- Other Real Estate investments	930.7	3.0%	791.3	2.7%
Financial investments	26,275.5	84.4%	24,882.3	85.4%
- Equities	716.7	2.3%	1,204.6	4.1%
- Fixed income	24,205.6	77.7%	21,764.2	74.7%
- Mutual funds	750.8	2.4%	1,242.5	4.3%
- Other financial investments	602.4	1.9%	671.0	2.3%
Other investments	1,135.6	3.6%	493.3	1.7%
- Investments in associated companies	325.9	1.0%	334.5	1.1%
- Accepted reinsurance deposits	124.6	0.4%	112.8	0.4%
- Other	685.1	2.24%	46.0	0.2%
TOTAL	31,147.9	100.0%	29,137.7	100.0%

FIGURES IN MILLION EUROS

The value of real estate investments shown in the previous table does not include unrealised gains, which amounted to €1,367.2 million at year end, according to valuations performed by independent surveyors.

Capital increases and other funding operations

During 2008 the following capital increases and funding operations have been carried out:

— Capital increase, without pre-emptive subscription rights, which MAPFRE S.A. carried out in order to absorb MAPFRE – CAJA MADRID HOLDING. A total of 401,527,923 new shares were issued, which were wholly subscribed for by CORPORACIÓN FINANCIERA CAJA DE MADRID S.A. As a result of this capital increase, the number of shares in issue amounted to 2,676,851,956. This operation has resulted in the reduction of minority interests in the Groups equity, which was accompanied by the sale to CAJA MADRID of certain stakes which MAPFRE's held in companies of its group. Overall, these operations have resulted in a reduction in equity of €63.9 million, net of taxes.

— Drawdown of syndicated loans formalised in 2007 for €500 million and €1,000 million, respectively. During the fourth quarter of 2008, €300 million of the former loan have been amortised.

— Capital increase, with pre-emptive rights, of €150.2 million to cover the interim dividend reinvestment plan approved by the Board of Directors. As a result, 67,980,331 new shares were issued, thereby increasing the number of shares in issue to 2,744,832,287.



Balance sheet

The consolidated balance sheet is shown in the following table:

	2008	2007	% 08/07
ASSETS			
Goodwill	1,601.3	1,016.9	57.5%
Fixed assets	373.7	371.1	0.7%
Cash & equivalents	1,415.1	1,639.4	(13.7)%
Investments & real estate	29,732.8	27,498.4	8.1%
Participation by reinsurance in technical reserves	2,565.8	2,146.1	19.6%
Other assets	6,000.7	4,955.0	21.1%
TOTAL ASSETS	41,689.4	37,626.9	10.8%
LIABILITIES			
Shareholders' Equity	4,902.2	4,331.4	13.2%
Minority interests	814.2	1,283.0	(36.5)%
Financial & subordinated debt	3,044.5	1,519.1	100.4%
Technical reserves	28,857.2	26,781.8	7.7%
-Life assurance reserves	16,677.6	16,584.3	0.6%
-Other technical reserves	12,179.6	10,197.5	19.4%
Reserves for risks and expenses	316.5	315.0	0.5%
Other liabilities	3,754.8	3,396.6	10.5%
TOTAL LIABILITIES	41,689.4	37,626.9	10.8%

FIGURES IN MILLION EUROS

Total assets under management, including mutual and pension funds, amounted to €47,759.1 million (€44,820.1 million at the end of the previous year), an increase of 6.6%.

The integration of the recently acquired companies had the following first consolidation impacts on the main items of the balance sheet.

	COMMERCE GROUP	UNION DUERO VIDA	DUERO PENSIONES
Goodwill	687.7	123.0	28.6
Investments	1,659.2	445.4	4.4
Total Assets	2,567.8	507.2	24.2
Debt	344.8	124.7	1.0
Technical reserves	1,245.1	282.1	-

FIGURES IN MILLION EUROS

Equity and returns

The net consolidated equity stood at €5,716.4 million, compared to €5,614.4 at year end 2007. Of said amount, €814.2 million corresponded to minority interests in subsidiaries. Consolidated equity per share amounted to €1.80 at year end 2008 (€1.90 as at 31.12.2007).

The variation in equity during the year is shown in the following table:

	2008	2007
BALANCE AS AT PRIOR YEAR END	5,614.4	5,054.3
Additions and deductions accounted for directly in equity		
Investments available for sale	(647.7)	(524.9)
Translation adjustments	(116.4)	(35.5)
Shadow accounting	153.2	411.5
TOTAL	(610.9)	(148.9)
Result for the period	995.9	972.1
Distribution of previous year's result	(203.1)	(131.8)
Interim dividend for the year	(219.1)	(221.2)
Other changes in equity	139.2	89.9
BALANCE AS AT PERIOD END	5,716.4	5,614.4

FIGURES IN MILLION EUROS

The consolidated equity increased by €102.0 million during the year, reflecting:

- the success of the dividend reinvestment plan, which has resulted in an increase of €150.2 million in shareholders' equity;



- the notable increase in negative translation effects as a result mainly of the depreciation of Latin American currencies and the Turkish Lira
- the effect of the global financial crisis on reserves for adjustments in “Investments available for sale”;
- the retained result for the year.
- the take up by CAJA MADRID of its part of the two capital increases undertaken by MAPFRE INTERNACIONAL, which amounted to €200 million.

The return on equity (ROE), defined as the ratio between the net profit attributable to the parent company (after minority interests) and its average shareholders' equity, was 19.5% (17.5% in 2007). The ROE for the main Units and Companies is shown in the following table:

	2008			2007
	AVERAGE EQUITY	NET RESULT	ROE % ¹	ROE % ¹
MAPFRE FAMILIAR	1.353,0	503,9	37,2%	34,9%
LIFE ASSURANCE	879,0	148,8	16,9%	20,4%
COMMERCIAL INSURANCE	491,6	114,5	23,3%	24,4%
AMERICA	1.111,1	113,5	10,2%	9,8%
REINSURANCE	734,0	104,2	14,2%	12,8%
ASSISTANCE	116,4	10,8	9,3%	7,3%
MAPFRE INTERNACIONAL	1.132,0	55,2	4,9%	–
MAPFRE S.A.	4.616,8	900,7	19,5%	17,5%

FIGURES IN MILLION EUROS

(1) Net result after taxes and minority interests/average shareholders' equity (excluding minority interests).

NOTE: The ROE for MAPFRE FAMILIAR in 2007 has been calculated using year end 2007 shareholders' equity (instead of the average for the year), since no accounts have been prepared for MAPFRE FAMILIAR for 2006.

Main activities of the year

Acquisitions, projects and disposals

ACQUISITIONS AND DISPOSALS CARRIED OUT BY THE GROUP'S PARENT COMPANY

Within the framework of the reorganisation of the alliance with CAJA MADRID, which was reported in the company's Management Report for 2007, the parent company carried out the following operations at the beginning of 2008:

- Acquisition of a shareholding in MAPFRE – CAJA MADRID HOLDING DE ENTIDADES ASEGURADORAS for a total consideration of €464.3 million
- Sale to CORPORACIÓN FINANCIERA CAJA MADRID of the 30% shareholdings in GESMADRID, CAJA MADRID BOLSA and CAJA MADRID PENSIONES, for a price of €114.4 million.

Furthermore, 50% shareholdings have been acquired in UNION DUERO VIDA and DUERO PENSIONES, for a total consideration of €105.5 million, as part of the agreement reached with CAJA DUERO to develop and sell Life Assurance and Pension Funds through said savings bank's network.

ACQUISITIONS AND DISPOSALS CARRIED OUT BY SUBSIDIARIES

Within the framework of the reorganisation of the alliance with CAJA MADRID, MAPFRE VIDA sold in 2008 to CORPORACIÓN FINANCIERA CAJA MADRID a participation in GEMUSINI SERVICIOS (which was renamed MAPFRE-CAJA MADRID VIDA) for a price of €33.2 million. Subsequently, CORPORACIÓN FINANCIERA CAJA MADRID wholly subscribed a capital increase at MAPFRE-CAJA MADRID VIDA for €222.6 million, thereby increasing its shareholding in this company to 49%.



The “Fundacion Eduardo Barreiros” and MAPFRE organised the 5th International Conference on Sustainability and the Motor Industry, where Mr Tony Blair spoke

MAPFRE INTERNACIONAL carried out the following operations:

- Acquisition of the entire share capital of the insurance group THE COMMERCE GROUP, INC. (USA), for a total consideration of USD 2,211 million. The cost of the investment on the Balance Sheet amounts to €1,515.4 million;
- Subscription of a capital increase at its subsidiary MAPFRE USA for USD 32 million (€22 million).

For its part, MAPFRE AMERICA acquired: an 18.3% shareholding in its subsidiary MAPFRE DOMINICANA for €2.5 million, thereby increasing its shareholding in this company to 99.9%; a 58.2% shareholding in ATLAS COMPAÑÍA DE SEGUROS (Ecuador), through a cash outlay of USD 6.3 million (€4.0 million); and through its subsidiary MAPFRE VERA CRUZ SEGURADORA (Brazil), the entire share capital of VIDA SEGURADORA S.A. for a total consideration of BRL 30 million (approximately €9 million).

Investments

Management of the Group's financial investments has remained conservative, both in terms of credit risk and market risk.

The degree of solvency of fixed income investments remained very high. Assets with AA rating or higher represented 77.4%, while securities issued by EU Member States represent 30%. Worth noting in this respect is that, while the receivership of Lehman Brothers and the positions in the US mortgage finance firms Fannie Mae and Freddie Mac have impacted the net result by €46 million, the Group's investments have not been hit by the collapse of the issues backed by subprime mortgage loans.

Interest rate risk in the Life assurance portfolios is very low, with 70% of mathematical reserves covered by fixed income investments, which hedges against interest rate movements, in line with Spanish regulations. The modified duration of assets covering Non-life technical reserves has been raised to around 5%, in view of expectations of interest rates falling during the latter part of the year.

At the start of the year, equity positions represented 14.4% of investments held in portfolios not immune to interest rate movements, but now only represent 6.6%.

The same conservative approach has been taken to property investments, whose book value at year-end (€1,849.2 million) accounted for 5.9% of total investments, and 11.7% of the investments not immune to interest rate movements.

Properties for own use accounted for 49.6% of this book value (€918.5 million), and properties intended for lease or sale, with a year-end occupancy rate of 93%, accounted for the remaining 50.4% (€930.7 million).



Inauguration of a new MAPFRE building in Murcia



Mr Alberto Manzano,
Vice-Chairman of MAPFRE,
presents at the "Foro Joly"
conference in Seville

Among those transactions carried out in 2008, it is worth highlighting the sale of the building at nº 29, Paseo de Recoletos, in Madrid for €35 million, and the completion of the construction of the Group's regional headquarters in Murcia, which has cost €24.4 million.

Human resources

The number of employees at the end of 2008, compared with the previous year, is shown in the following table:

CATEGORY	NUMBER					
	SPAIN		OTHER COUNTRIES		TOTAL	
	2008	2007	2008	2007	2008	2007
SENIOR MANAGERS	388	394	571	588	959	982
MANAGERS	1,810	1,629	1,663	1,957	3,473	3,586
TECHNICAL	8,655	9,682	8,378	5,703	17,033	15,385
ADMINISTRATIVE	5,985	4,966	7,153	5,696	13,138	10,662
TOTAL	16,838	16,671	17,765	13,944	34,603	30,615

The Social responsibility Report includes substantial information about the Groups Human Resources Policy.



International Gathering about the History of Insurance, organised to commemorate MAPFRE's 75th anniversary



Conference entitled "Internationalisation and innovation of spanish companies in the current economic scenario"

Regional structure

The MAPFRE Group boasts the largest distribution network of the Spanish insurance sector, and one of the broadest and deepest reaching of any financial group in Latin America. Throughout 2008, MAPFRE continued boosting its global presence and bolstering its distribution capacity by adding two more channels: GENEL SIGORTA in Turkey and THE COMMERCE GROUP in the United States.

MAPFRE remains committed to keeping its own networks in the countries where it operates, which is compatible with using other distribution channels. Customer orientation, a global product offering, and adapting to the particular legal and commercial characteristics of each of the markets where it is present are some of the keys to its model's success.

At the end of 2008, MAPFRE's worldwide network consisted of 5,789 branches, 3,243 located in Spain and 2,546 overseas, the latter including the Assistance (44), Reinsurance (16) and Global Risks (3) offices. In Spain, the MAPFRE Network has 430 direct branches, 2,773 franchise branches (staffed by professional agents) and 40 specific Life Assurance offices. In other countries, Mapfre had 2,546 own branches at the end of 2008. Most noteworthy is its foothold in Latin America, where it had 2,002 branches at the end of the year, and the consolidation of its Turkish network, with 344 branches.

Overall, throughout 2008, MAPFRE's networks handled the work of a total of 63,097 agents (tied agents and brokers). In Spain, the Group has 17,460 agents and tied agents and 3,302 brokers; and in the rest of the countries, 16,037 agents and tied agents and 26,298 brokers.

Throughout 2008, efforts were devoted to furthering, extending and consolidating the MAPFRE Network in Spain through a number of different initiatives, among which the following should be highlighted:

- The "New Delegates" programme, which was attended by 906 brokers.
- The 'Mapfre System Integrated Agent' (IAS) programme, involving 1,847 new agents.
- Consolidation of the Sales Management System (SGC), with 15,726 users. The sales management tool has had more than more than 15.9 million accesses.
- Updating of the Integrated Broker Management (GIM) application, which facilitates the decentralized mechanization of the files and contracts of new Exclusive Agents.
- Signing of Partnership Agreements with two Spanish brokers associations, ADECOSE and APROMES, to facilitate the contractual relations.
- Design and coordination of the Sales Actions Catalogue for the Network.

In Latin America, efforts were geared towards sales planning systems, results management systems and payment information systems.

MAPFRE's own networks are supplemented by the distribution capacity afforded by the agreements with different entities, and in particular the bancassurance agreements reached in recent years. In particular, in 2008 MAPFRE distributed its products through 3,754 bancassurance branches in Spain and 1,034 abroad.

MAPFRE REMAINS COMMITTED TO KEEPING ITS OWN NETWORKS IN THE COUNTRIES WHERE IT OPERATES, WHICH IS COMPATIBLE WITH USING OTHER DISTRIBUTION CHANNELS

The Group has also signed other distribution agreements with banks and financial institutions, car workshops, car dealerships and shopping centres, among others.

The Corporate Responsibility report provides extensive information about the Group's relations with its brokers.

Internal control

MAPFRE's Internal Control System, directly linked to Risk Management, follows the COSO II-ERM international standard*.

The efficient operation of the Internal Control System generates value added for the Group insofar as it allows it to improve the management, efficacy and efficiency of processes and sub-processes in the business and the efficient execution of the Strategy Plan, aside from facilitating the proper compliance with the legal regulations in force both in Spain and in the other countries where MAPFRE has a presence.

The degree of advancement in the development of the various components of the Internal Control System is as follows:

CONTROL ENVIRONMENT.

The environment of control is being intensified via a course in e-learning, where basic information on Internal Control is provided, and a survey to measure the degree of internal control at the different levels of responsibility. This course and survey have already been made available to employees from MAPFRE ASISTENCIA, MAPFRE FAMILIAR, the Business Unit, MAPFRE RESEGUROS and MAPFRE VIDA in Spain, as well as to MAPFRE employees in Brazil. During financial year 2009 it will be extended to the staff of the other companies in the Group.

STRATEGIC PLANS.

During the year 2008 a method allowing the mechanised control and monitoring of strategy plans was implemented in the major companies in the Group.

RISK MANAGEMENT.

All of the Group companies have prepared their risk maps using the 'Riskmap' software application, identifying and evaluating a number of risks and establishing action plans for those considered critical.

These risk maps will be updated in the future once a year or every two years. Extensive information about the MAPFRE Risk Management System may be found in Note 7 of the Annual Report.

CONTROL ACTIVITIES.

In 2008 the procedures and identification manuals were updated at MAPFRE Assistance, the Business Unit, MAPFRE Family, MAPFRE Reinsurance and MAPFRE Life, as well as at the major Group companies abroad.

The Riskmap system was used to update the over 600 manuals prepared for the different business processes, as well as to link the controls to the identified risks, and the prevention tool was used to handle operations and/or customers susceptible of being involved in money laundering, and the relevant reports were filed with the appropriate bodies where necessary.

INFORMATION AND COMMUNICATION.

The use of existing communication channels has been stepped up to ensure that material information is identified, captured and conveyed on time and appropriately to allow staff to tackle their responsibilities.

SUPERVISION.

Mapfre has fully independent Audit Departments that review and assess the suitability of the Internal Control system. The Internal Audit Plans have also taken into account the Riskmap results.



MAPFRE and the Institute of Internal Auditors in Spain celebrate the 1st Forum of Internal Auditors for the insurance sector

(*) Committee of Sponsoring Organizations of Treadway Commission. Enterprise Risk Management.



MAPFRE day at the 2008 Expo in Zaragoza

Strategic planning

As in previous years, all of the Group's Divisions, Companies and Operating Units updated their respective Strategic Plans at the end of 2008, defining the objectives established for the following three years (in this case for the 2009-2011 period), as well as the strategies they plan to use to achieve these objectives. These plans form part of the Strategic Plan of Mapfre S.A.

In preparing the financial forecasts, efficiency and productivity indicators specific to each Unit or Company were used, along with the common, homogeneous economic and financial indicators established for the Group as a whole.

Internal audit

At the end of the year, the Company and its affiliates had five Internal Audit Services (IAS) in Spain, and fourteen Internal Audit Units (IAU) located in the main countries in Latin America, in Turkey, the Philippines, Portugal and the United States, all of which are coordinated by the Group Audit Area.

During 2008, a total of 784 audits were conducted, of which 257 dealt with the Headquarters, 167 had to do with the Territorial Organisation and 58 with affiliates, 259 were special task audits and 43 were systems audits; and 17,131 hours were dedicated to training internal auditors—this represents an average 140 hours per auditor each year.

Furthermore, the Internal Audit Area reviewed the Company's Management Reports and Annual Accounts for 2008, the reports that the company submits quarterly to the Spanish Securities Exchange Commission (CNMV), and the relevant financial information submitted to MAPFRE'S governing bodies. The Audit Committee is informed regularly of all these actions.

Technologies and procedures

During 2008 a new integrated insurance management system, TRON21, was implemented at MAPFRE SEGUROS GENERALES, and decisive steps were taken forth in the tasks and tests programmed to ensure its future implementation in MAPFRE CAUCIÓN Y CRÉDITO and MAPFRE CAJA SALUD, which will allow a single, complete management system to be available for all of the Group's Non-Life business in Spain.

On the other hand, throughout 2008 there were evolutions and innovative new developments in a number of applications for the various companies in the Group, and there was a comprehensive approach towards the acquisition of computer equipment and software licences and the rendering of services by communication operators and technology providers to the companies located in Spain Steps were also taken to maximise the synergies and coordinated actions with technology providers internationally.

As far as Processes are concerned, the following should be underscored:

- Creation of a homogeneous financial "Data Mark" under a corporate structure in order to meet the financial requirements of MAPFRE Group in Spain
- Establishment of the User Assistance Service (UAS) as the sole point for addressing and solving computer-related incidents, also integrating technical assistance functions.



From left to right: MAPFRE sponsors the King's Cup for Sailing. The Spanish National Basketball Team, insured by MAPFRE, obtained the silver medal at the 2008 Olympic Games held in Pekin. MAPFRE, official sponsor of the Spanish National Tennis Team.

- Automation of the documentary procedures implied in the processing of automobile claims.
- Six new implementations of the SAP ERP, taking the number of installations handled by the Administration Department's Processing Skill Centre to 59.

Safety and the environment

The following courses of action were taken in 2008:

- Development of procedures and mechanisms to ensure compliance with the new regulations that enforce the Personal Data Protection Act.
- Implementation in the MAPFRE AMÉRICA affiliates of organizational and technological measures for information and asset security purposes. The measures were also extended to other Group Units and Entities with an international presence.
- The Self-Protection Plans in place at all the buildings were brought in line with current regulations, and the Office Emergency Plans were brought up to date.
- Implementation of the General Control Centre (GCC), which affords an overview of safety and security issues and covers, among others, the following aspects:
 - Implementation of a single credential in all the Spanish companies.

- Deployment of user management extended to the entire MAPFRE Network.
- Monitoring of more than 40 million events a day from the information systems.
 - Customer identification and authentication in the Internet Office using their electronic ID card.
 - Design of a specific to Business Continuity model for backing up operations in the event of a serious contingency. All the Continuity Plans currently in place will be adapted to the model.
 - Implementation of the Environmental Management System at the Regional Head Offices, and at the Multiservicar Workshops in Alcalá and Avila.
 - Completion of a series of waste management and energy saving actions, which are described in the pertinent section of the Annual Corporate Responsibility Report.

Communication, advertising and corporate image

Among the initiatives taken in 2008 to enhance and co-ordinate internal and external communications, along with the Group's corporate image, the following achievements are most worthy of note:

- 35 press conferences and 273 interviews were arranged with the Media, 301 press releases were issued, 1,009 information queries and 243 financial information questionnaires were answered, and 56 events were organized.

INTERNATIONAL BODIES ARE FORECASTING THAT, FOR THE FIRST TIME SINCE THE 1970S, THE MAJOR DEVELOPED ECONOMIES WILL ENTER INTO RECESSION SYNCHRONICALLY, WITH AN ESTIMATED AVERAGE DROP OF 2% IN TERMS OF GDP



MAPFRE internal magazines



La campaña de publicidad de MAPFRE, premio de la revista *Mi Cartera de Inversión*

— Four editions of MUNDO MAPFRE, the institutional magazine, were published, together with a separate special edition devoted to presenting the 2007 earnings and the 2008 AGM; and two editions of RED MAPFRE, a magazine oriented to the Sales Network staff. Both magazines have been redesigned, and RED MAPFRE reconfigured to turn it, from 2009 onwards, into a monthly, larger format publication.

The internal communication achieved through these magazines was backed up by the posting of 433 major news items on the Internal Portal. Furthermore, in July all the MAPFRE computers were connected to the corporate information pages, a new and far more versatile version of which will be launched in September.

— Efforts remained focused on putting up the new signs that identify unique buildings, while significant resources were allocated to advertising (“Ser Grande es una actitud” brand campaign; Motor Insurance advertising campaign; sponsorship of the TV broadcasting of the World Motorcycling Championship, and of the main competitions of the Spanish national Tennis and Basketball teams; Pension Insurance campaign; and other actions in the printed press and on radio) that have assured an almost permanent advertising

presence throughout the year. The effects were mirrored by the Brand Image Survey (Omnibus survey conducted by ICEA -1st wave 2008-), which reflected unaided awareness of the MAPFRE brand by 75% of the population, aided awareness of the brand by 98% of the population, and campaign recall by more than 71% of respondents; and by the permanent survey conducted by the IMOP, showing a 13% increase in mentions of the MAPFRE brand, which not only tops the insurance industry in this regard, but also ranks among the top 100 most mentioned brands of all fields.

External audit

The Annual Accounts of the Company and main Group entities for 2008 were audited by Ernst & Young, with the main exception of the subsidiaries in Mexico, which were audited by Deloitte; in El Salvador, audited by BDO and in the Dominican Republic, audited by PriceWaterhouseCoopers.

The External Auditors were paid €5,836,179 for the services rendered in connection with the audit of such accounts, with the main auditor having received €5,484,634 of that amount. Furthermore, the main auditor received payments of €667,604 for services related with the audit of the annual accounts and of €601,827 for other complementary services. Neither of the latter two payments is deemed to compromise the independence of the auditors.

In July 2008 the main auditor, Ernst & Young, invoiced €540,000 of fees for the limited review of the consolidated Intermediate Financial Statements of



the parent company as at 30th June, 2008. This figure is included in the fees invoiced for account auditing-related services.

Prospects

It is quite possible that, at least in the earlier part of 2009, developed economies will continue to record negative growth rates, subsequently returning to moderately positive growth rates in the latter part of the year, provided that financial and credit markets go back to normal and the measures adopted by central banks and the various governments achieve the desired effect.

In any event, international bodies such as the IMF and the OECD are forecasting that, for the first time since the 1970s, the major developed economies (the United States, the Eurozone and Japan) will enter into recession synchronically, with an estimated average drop of 2% in terms of GDP. Emerging countries, affected by the slowdown of world trade, the lower demand of raw materials and commodity prices that are more reasonable in light of the global situation, will also undergo a deceleration in their growth pace, but they will remain in positive territory: around 6 to 8% in China and 2% in Latin America, although recording substantial variations depending on the country—Brazil could grow by 2 to 3%, Mexico by just 1%.

In this situation the Spanish economy, affected by the adjustment in the residential sector, the foreseeable decline in investment and consumer spending, and the impairment of the labour market, could record a negative growth rate of around 2% 100.

The need to stimulate the growth of the economy in a context of no inflation due to weak demand, assuming that oil prices will remain at modest levels, will take official interest rates to very low levels. Government debt yields will presumably remain low as long as there are no signs of a recovery; and it is very likely that stock markets, after the sharp declines last year, will record a moderately positive development once investor confidence is gradually restored, the de-leveraging process is toned down and business earnings get back to positive growth rates, because valuations are reasonable and very far from their historical averages.

The potential risk factors that could have a negative impact on market performance are the possibility that the recession may be deeper and last longer than expected, the non-normalisation of interbank and credit markets, new rises in the prices of raw materials, disappointing earnings figures, and geopolitical tension.

The negative economic environment will influence the development of the Group's business, just like it did in 2008. In spite of this, the directors are

confident that the Group will continue to register positive growth rates and adequate returns from its activities, taking the following factors into consideration:

a) The markedly anti-cyclical nature of earnings in the insurance business, which accounts for over 90% of the Group's business volume.

b) The strength of its distribution networks and of the insurance business management model.

c) The growing use of the synergies resulting from the structural modifications carried out in recent years.

d) The geographic diversity of its business, 45% of which is located in countries other than Spain, and with a strong presence in markets that are less affected by the crisis, for instance Latin American markets.

e) The maintenance of a prudent and conservative approach in the management of investments.

Other information

The following information is included in the Management Report pursuant to the provisions of section 116. bis of the Stock Market Act:

a) The share capital is represented by 2,744,832,287 fully subscribed and paid-in shares of a single class, each with a par value of 0.10 euros. All the shares confer the same voting and dividend rights and are listed on the Madrid and Barcelona stock exchanges on the electronic market.

b) There are no share transfer restrictions.

c) The MAPFRE FOUNDATION directly owns 0.35% of the share capital of MAPFRE, S.A., and indirectly owns 63.58%. Therefore its overall shareholding amounts to 63.93%.

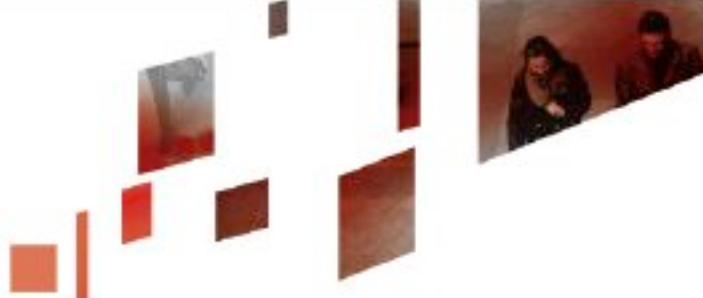
The indirect shareholding consists in the direct shareholdings held by CARTERA MAPFRE, S.L. (63.56%) and INSTITUTO TECNOLÓGICO DE SEGURIDAD MAPFRE, S.A. (0.02%), and both of these companies are fully owned by the Foundation.

d) CAJA DE AHORROS Y MONTE DE PIEDAD DE MADRID has an indirect shareholding of 15%, through the company CAJA MADRID CIBELES S.A., which it fully owns.

e) There are no voting right restrictions.

f) On 5th February 2008, CARTERA MAPFRE and CAJA MADRID signed a shareholders' agreement that will be deposited at the Mercantile Registry and will be made public pursuant to current regulations.

g) The rules applicable to the appointment and replacement of the Board members, in addition to the general rules stipulated in current regulations, are set forth in articles 14 and 16 of the Corporate Bylaws, in



chapters II and III of the Code of Good Governance of MAPFRE and in articles 3 to 9 of the Regulations of the Board of Directors¹.

Regarding the amendment of the Corporate Bylaws, in addition to the rules in force in general, it must be stated that, pursuant to the provisions of article 25 of the Corporate Bylaws, the statutory provisions set forth under Title IV "Protection of the General Interest of the Company" (articles 25 to 30) may only be amended by a resolution of an Extraordinary General Meeting called for this purpose, approved with the votes in favour of more than fifty per cent of the share capital.

h) The company's executive directors have been granted general powers of attorney in accordance with their managerial duties, these powers having been previously listed in the "List of Powers for General Powers of Attorney" approved by the Board of Directors and fully registered at the Madrid Mercantile Registry, where full detail of each of the representatives and their specific powers are also listed.

The individual members of the Board of Directors are not empowered to issue or buy back the company's shares.

i) No formalized agreements exist that will enter into force, be modified or conclude in the event of a change of control of the company as a result of a takeover bid.

j) No agreements exist between the company and its board members, management officials or employees that stipulate indemnities when the latter resign or if the employment relationship comes to an end as a result of a takeover bid. Compensation for unjustified dismissal is established by referral to article 56, 1, a) of the Workers' Statute.



⁽¹⁾ Regarding the rules applicable to the appointment and replacement of the Board members, please refer to sections B.1.19 and B.1.20 of the Mapfre Annual Corporate Governance Report attached to this report.

Corporate governance report

The Company's Annual Corporate Governance Report, issued pursuant to the provisions of section 49.4 of the Spanish Commercial Code, as reworded in Act 16/2007, follows.

A. Ownership structure

A.1 Fill in the following table on the company's share capital:

DATE OF LATEST CHANGE	SHARE CAPITAL (€)	NUMBER OF SHARES	NUMBER OF VOTING RIGHTS
04-12-2008	274,483,228.70	2,744,832,287	2,744,832,287

Indicate if there are different kinds of shares with different rights associated to them:

NO

CLASS	NUMBER OF SHARES	NOMINAL UNIT VALUE	NUMBER OF VOTING RIGHTS PER UNIT	DIFFERENT RIGHTS
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A.2 List the direct and indirect owners of significant holdings in your company at year end, excluding directors:

NAME OF SHAREHOLDER (PERSON OR COMPANY)	NUMBER OF DIRECT VOTING RIGHTS	NUMBER OF INDIRECT VOTING RIGHTS (*)	% OF THE TOTAL VOTING RIGHTS
FUNDACIÓN MAPFRE	9,557,785	1,745,133,915	63.927
CAJA DE AHORROS Y MONTE PIEDAD DE MADRID	0	411,724,843	15.000

NAME OF THE INDIRECT HOLDER OF THE SHARES (PERSON OR COMPANY)	THROUGH: NAME OF THE DIRECT HOLDER OF THE SHARES (PERSON OR COMPANY)	NUMBER OF DIRECT VOTING RIGHTS	% OF THE TOTAL VOTING RIGHTS
FUNDACIÓN MAPFRE	CARTERA MAPFRE, S.L. SOCIEDAD UNIPERSONAL	1,744,556,992	63.558
CAJA DE AHORROS Y MONTE PIEDAD DE MADRID	CAJA MADRID CIBELES, S.A.	411,724,843	15.000

State any significant modifications in the shareholding structure during the financial year:

NAME OF SHAREHOLDER (PERSON OR COMPANY)	DATE OF THE TRANSACTION	TRANSACTION DESCRIPTION
CORPORACIÓN FINANCIERA CAJA DE MADRID, S.A.	23/05/2008	10% of the share capital has been exceeded
CORPORACIÓN FINANCIERA CAJA DE MADRID, S.A.	27/08/2008	Has dropped below 3% of the share capital
CAJA MADRID CIBELES, S.A.	27/08/2008	10% of the share capital has been exceeded
CARTERA MAPFRE, S.L. SOCIEDAD UNIPERSONAL	29/05/2008	Has dropped below 70% of the share capital

A.3 Fill in the following tables with the members of the company's board of directors with voting rights on company shares:

NAME OF DIRECTOR (PERSON OR COMPANY)	NUMBER OF DIRECT VOTING RIGHTS	NUMBER OF INDIRECT VOTING RIGHTS (*)	% OF THE TOTAL VOTING RIGHTS
MR. JOSÉ MANUEL MARTÍNEZ MARTÍNEZ	153,846	0	0.006
MR. ALBERTO MANZANO MARTOS	34,358	0	0.001
MR. FRANCISCO RUIZ RISUEÑO	73	0	0.000
MR. FILOMENO MIRA CANDEL	102,587	0	0.004
MR. IGNACIO BAEZA GÓMEZ	25,641	0	0.001
MR. RAFAEL BECA BORREGO	0	410,440	0.015
MR. MIGUEL BLESA DE LA PARRA	12,307	0	0.000
MR. RAFAEL FONTOIRA SURIS	23	0	0.000
MR. SANTIAGO GAYARRE BERMEJO	23	0	0.000
MR. LUIS HERNANDO DE LARRAMENDI MARTÍNEZ	12,331	23	0.000
MR. SEBASTIAN HOMET DUPRÁ	0	0	0.000
MR. ANTONIO HUERTAS MEJIAS	69,459	0	0.003
MR. LUIS ITURBE SANZ DE MADRID	30,770	0	0.001
MR. ANDRÉS JIMÉNEZ HERRADÓN	22,433	0	0.001
MR. MANUEL JESUS LAGARES CALVO	16,409	0	0.001
MR. RAFAEL MÁRQUEZ OSORIO	0	0	0.000
MRS. FRANCISCA MARTÍN TABERNERO	23	0	0.000
MR. ANTONIO MIGUEL-ROMERO DE OLANO	19,488	2,031	0.001
MR. JOSÉ ANTONIO MORAL SANTIN	0	0	0.000
MR. ALFONSO REBUELTA BADIAS	44,346	0	0.002
MR. MATÍAS SALVÁ BENNASAR	153,846	230,769	0.014
MR. ESTEBAN TEJERA MONTALVO	23	0	0.000
MR. FRANCISCO VALLEJO VALLEJO	56,433	0	0.002
MR. JOSÉ MANUEL GONZÁLEZ PORRO	413,000	0	0.015

NAME OF THE INDIRECT HOLDER OF THE SHARES (PERSON OR COMPANY)	THROUGH: NAME OF THE DIRECT HOLDER OF THE SHARES (PERSON OR COMPANY)	NUMBER OF DIRECT VOTING RIGHTS	% OF THE TOTAL VOTING RIGHTS
MR. RAFAEL BECA BORREGO	BEBORSIL, S.L.	410,256	0.015
MR. RAFAEL BECA BORREGO	BECA INMOBILIARIA, S.A.	23	0.000
MR. RAFAEL BECA BORREGO	CONSTRUCCIONES ALBORA, S.A.	23	0.000
MR. RAFAEL BECA BORREGO	GRUPOBEKINSA, S.L.	23	0.000
MR. RAFAEL BECA BORREGO	LAGUNAS DEL PORTIL, S.A.	23	0.000
MR. RAFAEL BECA BORREGO	LAS CERRAJAS, S.L.	23	0.000
MR. RAFAEL BECA BORREGO	NUEVO QUINTO, S.A.	23	0.000
MR. RAFAEL BECA BORREGO	PROMOCIONES B.4 S.A.	23	0.000
MR. RAFAEL BECA BORREGO	PROMOTORA SAN MIGUEL, S.L.	23	0.000
MR. LUIS HERNANDO DE LARRAMENDI MARTÍNEZ	MRS. MERCEDES VARELA VILLAFRANCA	23	0.000
MR. ANTONIO MIGUEL ROMERO DE OLANO	MRS. LUZ RUFAS MÁRQUEZ DE ACUÑA	2,031	0.000
MR. MATÍAS SALVÁ BENNASAR	MUFTI, S.L.	153,846	0.006
MR. MATÍAS SALVÁ BENNASAR	MRS. MARGARITA ROSELLÓ BARBERÁ	51,282	0.002
MR. MATÍAS SALVÁ BENNASAR	MRS. ISABEL SALVÁ ROSELLÓ	25,641	0.001
% total votes held by the Board of Directors			0.066

Fill in the following tables with the members of the company's board of directors with voting rights on company shares:

A.4 Where applicable, list any family, trading, contractual or corporate relationships between holders of significant shareholdings, insofar as the company is aware of them, unless they are of little relevance or due to ordinary commercial traffic and exchange:

A.5 Where applicable, list any family, trading, contractual or corporate relationships between holders of significant shareholdings, and the company and/or its group, unless they are of little relevance or due to ordinary commercial traffic and exchange:

TYPE OF RELATIONSHIP:

Contractual

BRIEF DESCRIPTION:

Strategic alliance between CAJA MADRID AND MAPFRE, S.A.

NAME OF RELATED PERSON (PERSON OR COMPANY)

CAJA DE AHORROS Y MONTE PIEDAD DE MADRID

TYPE OF RELATIONSHIP:

Corporate

BRIEF DESCRIPTION:

CAJA MADRID CIBELES, S.A. holds shares in the following subsidiaries of MAPFRE, S.A.: 8.58% in MAPFRE AMERICA, S.A.; 12.5% in MAPFRE INTERNACIONAL, S.A. and 49% in MAPFRE CAJA MADRID VIDA., S.A. and a majority shareholding in BANCO DE SERVICIOS FINANCIEROS CAJA MADRID - MAPFRE., S.A., where MAPFRE, S.A. has a 49% interest.

NAME OF RELATED PERSON (PERSON OR COMPANY)

CAJA MADRID CIBELES, S.A.

A.6 Indicate if any shareholder agreements have been disclosed to the company that affect it under art. 112 of the securities market act. Where applicable, briefly describe them and list the shareholders bound by such agreement:

YES

% OF SHARE CAPITAL AFFECTED 15**BRIEF DESCRIPTION OF THE AGREEMENT:**

The aggregate shareholding of CAJA MADRID will not exceed 15%, nor will it be reduced below 3%. CAJA MADRID undertakes not to exercise the voting rights of any shares that, from time to time, might exceed 15% of the share capital, expressly waiving its right to do so.

PARTIES TO THE SHAREHOLDERS' AGREEMENT

CORPORACIÓN FINANCIERA CAJA DE MADRID, S.A.

CARTERA MAPFRE, S.A. SOCIEDAD UNIPERSONAL

Indicate whether the company knows the existence of concerted actions amongst its shareholders. If so, describe them briefly:

NO

If there has been any alteration or breakdown of said pacts or agreements or concerted actions, indicate this expressly.

A.7 Indicate whether any person or organisation exercises or may exercise control over the company pursuant to article 4 of the Stock Exchange Act. If so, identify them:

YES

NAME (PERSON OR COMPANY)

FUNDACIÓN MAPFRE

REMARKS**A.8** Fill in the following tables regarding the company's treasury stock:

As at the closing date of the financial year:

NUMBER OF DIRECT SHARES	NUMBER OF INDIRECT SHARES (*)	% TOTAL % OF THE SHARE CAPITAL
0	0	0.000

(*) Through:

Total: 0

List significant changes occurring during the year, pursuant to Royal Decree 1362/2007:

Capital gains (losses) on treasury stock divested during the period 0

A.9 Detail the terms and conditions of the current Annual General Meeting authorisation to the board of directors to buy and/or transfer treasury stock.

The company has no treasury stock and neither is there any existing authority from the Annual General Meeting to the Board of Directors to undertake any treasury stock transactions.

A.10 Indicate, where applicable, any legal or bylaw restriction on the exercise of voting rights, and legal restriction on the acquisition and/or transfer of shares in the company's capital. State whether there are any legal restrictions on the exercise of voting rights:

NO

Maximum percentage of voting rights that a shareholder may exercise under the legal restriction 0

State whether there are any bylaw restrictions on the exercise of voting rights:

NO

Maximum percentage of voting rights that a shareholder may exercise under the bylaw restriction 0



Indicate whether there are legal restrictions on the acquisition or transfer of shares in the company's capital:

NO

A.11 Indicate whether the Annual General Meeting has approved measures to neutralise a public takeover bid, pursuant to Act 6/2007.

NO

If so, explain the measures approved and the terms and conditions under which the restrictions would become inefficient.

B. Governance structure

B.1 Board of Directors

B.1.1 List the maximum and minimum number of directors established in the bylaws:

Maximum number of directors	24
Minimum number of directors	5

B.1.2 Fill in the following table on the board members:

NAME OF DIRECTOR (PERSON OR COMPANY)	REPRESENTATIVE	POST ON THE BOARD	DATE OF FIRST APPOINTMENT	DATE OF LAST APPOINTMENT	ELECTION PROCEDURE
MR. JOSÉ MANUEL MARTÍNEZ MARTÍNEZ		CHAIRMAN	28-05-1987	26-03-2007	Vote at AGM
MR. ALBERTO MANZANO MARTOS		1 ST VICE-CHAIRMAN	28-05-1987	26-03-2007	Vote at AGM
MR. FRANCISCO RUIZ RISUEÑO		2 ND VICE-CHAIRMAN	12-03-2003	26-03-2007	Vote at AGM
MR. FILOMENO MIRA CANDEL		3 RD VICE-CHAIRMAN	27-06-1981	27-04-2006	Vote at AGM
MR. IGNACIO BAEZA GÓMEZ		DIRECTOR	08-03-2008	08-03-2008	Vote at AGM
MR. RAFAEL BECA BORREGO		DIRECTOR	29-12-2006	29-12-2006	Vote at AGM
MR. MIGUEL BLESA DE LA PARRA		DIRECTOR	08-03-2008	08-03-2008	Vote at AGM
MR. RAFAEL FONTOIRA SURIS		DIRECTOR	29-12-2006	29-12-2006	Vote at AGM
MR. SANTIAGO GAYARRE BERMEJO		DIRECTOR	12-05-1989	26-02-2005	Vote at AGM
MR. LUIS HERNANDO DE LARRAMENDI MARTÍNEZ		DIRECTOR	17-04-1999	26-03-2007	Vote at AGM

NAME OF DIRECTOR (PERSON OR COMPANY)	REPRESENTATIVE	POST ON THE BOARD	DATE OF FIRST APPOINTMENT	DATE OF LAST APPOINTMENT	ELECTION PROCEDURE
MR. SEBASTIÁN HOMET DUPRA		DIRECTOR	29-12-2006	29-12-2006	Vote at AGM
MR. ANTONIO HUERTAS MEJIAS		DIRECTOR	29-12-2006	29-12-2006	Vote at AGM
MR. LUIS ITURBE SANZ DE MADRID		DIRECTOR	06-03-2004	08-03-2008	Vote at AGM
MR. ANDRÉS JIMÉNEZ HERRADÓN		DIRECTOR	29-12-2006	29-12-2006	Vote at AGM
MR. MANUEL JESUS LAGARES CALVO		DIRECTOR	17-04-1999	26-03-2007	Vote at AGM
MR. RAFAEL MÁRQUEZ OSORIO		DIRECTOR	29-12-2006	29-12-2006	Vote at AGM
MRS. FRANCISCA MARTÍN TABERNERO		DIRECTOR	29-12-2006	29-12-2006	Vote at AGM
MR. ANTONIO MIGUEL ROMERO DE OLANO		DIRECTOR	17-04-1999	26-03-2007	Vote at AGM
MR. JOSÉ ANTONIO MORAL SANTIN		DIRECTOR	08/03/2008	08/03/2008	Vote at AGM
MR. ALFONSO REBUELTA BADIAS		DIRECTOR	17-04-1999	26-03-2007	Vote at AGM
MR. MATÍAS SALVÁ BENNASAR		DIRECTOR	29-12-2006	29-12-2006	Vote at AGM
MR. ESTEBAN TEJERA MONTALVO		DIRECTOR	08-03-2008	08-03-2008	Vote at AGM
MR. FRANCISCO VALLEJO VALLEJO		DIRECTOR	29-12-2006	29-12-2006	Vote at AGM
MR. JOSÉ MANUEL GONZÁLEZ PORRO		SECRETARY – DIRECTOR	17-04-1999	26-03-2007	Vote at AGM
Total number of directors		24			

Indicate which directors have left their Post on the Board during the period:

NAME OF DIRECTOR (PERSON OR COMPANY)	OFFICE HELD BY DIRECTOR UPON LEAVING	DATE OF LEAVING
MR. AGUSTÍN RODRÍGUEZ GARCÍA	INDEPENDENT	08-03-2008
MR. DOMINGO SUGRANYES BICKEL	NOMINEE	08-03-2008

B.1.3 Fill in the following tables on the board members and their different kinds of directorship:

EXECUTIVE DIRECTORS

NAME OF DIRECTOR (PERSON OR COMPANY)	COMMITTEE PROPOSING HIS/HER NAME	POST WITHIN COMPANY ORGANISATION
MR. JOSÉ MANUEL MARTÍNEZ MARTÍNEZ	APPOINTMENTS AND REMUNERATION	CHAIRMAN
MR. ALBERTO MANZANO MARTOS	APPOINTMENTS AND REMUNERATION	1 ST VICE-CHAIRMAN
MR. FILOMENO MIRA CANDEL	APPOINTMENTS AND REMUNERATION	3 RD VICE-CHAIRMAN
MR. IGNACIO BAEZA GÓMEZ	APPOINTMENTS AND REMUNERATION	DIRECTOR
MR. ANTONIO HUERTAS MEJÍAS	APPOINTMENTS AND REMUNERATION	DIRECTOR
MR. ANDRÉS JIMÉNEZ HERRADÓN	APPOINTMENTS AND REMUNERATION	DIRECTOR
MR. ESTEBAN TEJERA MONTALVO	APPOINTMENTS AND REMUNERATION	DIRECTOR
MR. JOSÉ MANUEL GONZÁLEZ PORRO	APPOINTMENTS AND REMUNERATION	SECRETARY - DIRECTOR
Total number of executive directors		8
% of total directors		33.333

EXTERNAL NOMINEE DIRECTORS

NAME OF DIRECTOR (PERSON OR COMPANY)	COMMITTEE PROPOSING HIS/HER NAME	NAME (PERSON OR COMPANY) OF THE SUBSTANTIAL SHAREHOLDER REPRESENTED OR PROPOSING HIS/HER NAME
MR. FRANCISCO RUIZ RISUEÑO	APPOINTMENTS AND REMUNERATION	CARTERA MAPFRE, S.L. SOCIEDAD UNIPERSONAL
MR. MIGUEL BLESA DE LA PARRA	APPOINTMENTS AND REMUNERATION	CAJA MADRID CIBELES, S.A.
MR. SANTIAGO GAYARRE BERMEJO	APPOINTMENTS AND REMUNERATION	CARTERA MAPFRE, S.L. SOCIEDAD UNIPERSONAL
MR. LUIS HERNANDO DE LARRAMENDI MARTÍNEZ	APPOINTMENTS AND REMUNERATION	CARTERA MAPFRE, S.L. SOCIEDAD UNIPERSONAL
MR. SEBASTIÁN HOMET DUPRA	APPOINTMENTS AND REMUNERATION	CARTERA MAPFRE, S.L. SOCIEDAD UNIPERSONAL
MR. RAFAEL MÁRQUEZ OSORIO	APPOINTMENTS AND REMUNERATION	CARTERA MAPFRE, S.L. SOCIEDAD UNIPERSONAL
MR. ANTONIO MIGUEL-ROMERO DE OLANO	APPOINTMENTS AND REMUNERATION	CARTERA MAPFRE, S.L. SOCIEDAD UNIPERSONAL
MR. JOSÉ ANTONIO MORAL SANTIN	APPOINTMENTS AND REMUNERATION	CAJA MADRID CIBELES, S.A.
MR. ALFONSO REBUELTA BADÍAS	APPOINTMENTS AND REMUNERATION	CARTERA MAPFRE, S.L. SOCIEDAD UNIPERSONAL
Total number of nominee directors		9
% of total directors		37.500



INDEPENDENT EXTERNAL DIRECTORS

NAME OF DIRECTOR (PERSON OR COMPANY)	PROFILE
MR. RAFAEL BECA BORREGO	QUALIFIED ACCOUNTANT. CHAIRMAN OF DIFFERENT REAL ESTATE AND AGRICULTURAL DEVELOPMENT COMPANIES.
MR. RAFAEL FONTOIRA SURIS	ARCHITECT. HEAD ARCHITECT OF THE GALICIAN REGIONAL GOVERNMENT FOR 30 YEARS. MEMBER OF HISTORIC AND ARTISTIC HERITAGE BOARD.
MR. LUIS ITURBE SANZ DE MADRID	B.A. IN LAW. DIRECTOR OF THE MADRID STOCK EXCHANGE UNTIL 2003. SENIOR EXECUTIVE AT BBVA UNTIL 2002.
MR. MANUEL JESUS LAGARES CALVO	PH.D IN ECONOMIC SCIENCE. PROFESSOR OF PUBLIC FINANCE AND INLAND REVENUE INSPECTOR (ON LEAVE).
MRS. FRANCISCA MARTÍN TABERNERO	VVICE-RECTOR, CATHOLIC UNIVERSITY OF SALAMANCA. PROFESSOR OF STATISTICS. PH.D IN PSYCHOLOGY AND BA IN HISTORY.
MR. MATÍAS SALVÁ BENNASAR	LAWYER. HEAD OF THE LEGAL DEPARTMENT OF MUTUA BALEAR (MUTUAL COMPANY. LEGAL COUNSEL TO PREVISIÓN BALEAR (MUTUAL COMPANY) AND ITS FOUNDATION.
MR. FRANCISCO VALLEJO VALLEJO	BA IN ECONOMIC SCIENCE. DIPLOMA IN BUSINESS ORGANISATION AND EXECUTIVE BUSINESS MANAGEMENT CHAIRMAN OF BANCO URQUIJO.
Total number of independent directors	7
% of total directors	29.167

OTHER EXTERNAL DIRECTORS

Detail the reasons why they cannot be considered shareholder-nominated or independent directors and their affiliations with the company or its management or its shareholders:

Indicate any changes that may have occurred during the period in the type of directorship of each director:

NAME OF DIRECTOR (PERSON OR COMPANY)	DATE OF THE CHANGE	PREVIOUS DIRECTORSHIP	CURRENT DIRECTORSHIP
MR. SANTIAGO GAYARRE BERMEJO	01-01-2008	EXECUTIVE	NOMINEE



B.1.4 Explain, where applicable, the reasons why nominee directors have been appointed at the behest of the shareholder whose holding is less than 5% of the capital:

Indicate whether formal petitions for a seat on the board have been ignored from shareholders whose holding is equal to or higher than others at whose behest nominee directors were appointed. Where applicable, explain why these petitions have been ignored:

NO

B.1.5 Indicate if any director has stood down before the end of his/her term in office, if the director has explained his/her reasons to the board and through which channels, and if the director sent a letter of explanation to the entire board, explain below, at least the reasons that he/she gave:

YES

Name of director:

MR. AGUSTÍN RODRÍGUEZ GARCÍA

Reason for standing down:

To facilitate the restructuring of the Board on account of the reorganisation of the alliance established between the MAPFRE and CAJA MADRID Groups.

B.1.6 Indicate any powers delegated to the managing directors(s):

B.1.7 Identify any members of the board holding posts as directors or managers in other companies that form part of the listed company's group:

NAME OF DIRECTOR (PERSON OR COMPANY)	NAME OF THE GROUP'S COMPANY	POST
MR. ALBERTO MANZANO MARTOS	MAPFRE INMUEBLES, S.A.	VICE-CHAIRMAN
MR. ALBERTO MANZANO MARTOS	MAPFRE INVERSIÓN, SOCIEDAD DE VALORES, S.A.	CHAIRMAN
MR. ALBERTO MANZANO MARTOS	MAPFRE VIDA, S.A. DE SEGUROS Y REASEGUROS	DIRECTOR
MR. FRANCISCO RUIZ RISUEÑO	CCM VIDA Y PENSIONES, S.A.	DIRECTOR
MR. FRANCISCO RUIZ RISUEÑO	MAPFRE FAMILIAR, S.A.	VICE-CHAIRMAN
MR. FRANCISCO RUIZ RISUEÑO	MAPFRE RE, COMPAÑÍA DE REASEGUROS, S.A.	DIRECTOR
MR. FRANCISCO RUIZ RISUEÑO	MAPFRE VIDA, S.A. DE SEGUROS Y REASEGUROS	DIRECTOR
MR. FILOMENO MIRA CANDEL	MAPFRE CAUCIÓN Y CRÉDITO, COMPAÑÍA INTERNACIONAL DE SEGUROS Y REASEGUROS, S.A.	CHAIRMAN
MR. FILOMENO MIRA CANDEL	MAPFRE EMPRESAS, COMPAÑÍA DE SEGUROS Y REASEGUROS, S.A.	CHAIRMAN
MR. FILOMENO MIRA CANDEL	MAPFRE VIDA, S.A. DE SEGUROS Y REASEGUROS	DIRECTOR
MR. IGNACIO BAEZA GÓMEZ	BANKINTER SEGUROS DE VIDA, S.A.	CHAIRMAN
MR. IGNACIO BAEZA GÓMEZ	CCM VIDA Y PENSIONES, S.A.	CHAIRMAN
MR. IGNACIO BAEZA GÓMEZ	DUERO PENSIONES EGFP	VICE-CHAIRMAN - CHIEF EXECUTIVE OFFICER
MR. IGNACIO BAEZA GÓMEZ	MAPFRE CAJA MADRID VIDA, S.A.	CHAIRMAN
MR. IGNACIO BAEZA GÓMEZ	MAPFRE FAMILIAR, S.A.	DIRECTOR
MR. IGNACIO BAEZA GÓMEZ	MAPFRE INTERNACIONAL, S.A.	DIRECTOR
MR. IGNACIO BAEZA GÓMEZ	MAPFRE INVERSIÓN DOS S.G.I.I.C., S.A.	DIRECTOR
MR. IGNACIO BAEZA GÓMEZ	MAPFRE VIDA PENSIONES ENTIDAD GESTORA DE FONDOS DE PENSIONES, S.A.	DIRECTOR
MR. IGNACIO BAEZA GÓMEZ	MAPFRE VIDA, S.A. DE SEGUROS Y REASEGUROS	CHAIRMAN
MR. IGNACIO BAEZA GÓMEZ	MUSINI VIDA, S.A.	CHAIRMAN
MR. IGNACIO BAEZA GÓMEZ	UNIÓN DEL DUERO COMPAÑÍA DE SEGUROS DE VIDA, S.A.	VICE-CHAIRMAN - CHIEF EXECUTIVE OFFICER
MR. RAFAEL BECA BORREGO	MAPFRE AMÉRICA, S.A.	VICE-CHAIRMAN
MR. RAFAEL BECA BORREGO	MAPFRE FAMILIAR, S.A.	DIRECTOR
MR. RAFAEL FONTOIRA SURIS	MAPFRE INMUEBLES, S.A.	VICE-CHAIRMAN
MR. RAFAEL FONTOIRA SURIS	MAPFRE VIDA, S.A. DE SEGUROS Y REASEGUROS	DIRECTOR
MR. SANTIAGO GAYARRE BERMEJO	MAPFRE VIDA, S.A. DE SEGUROS Y REASEGUROS	DIRECTOR
MR. LUIS HERNANDO DE LARRAMENDI	MAPFRE INTERNACIONAL, S.A.	DIRECTOR
MR. LUIS HERNANDO DE LARRAMENDI	MAPFRE VIDA, S.A. DE SEGUROS Y REASEGUROS	VICE-CHAIRMAN
MR. SEBASTIÁN HOMET DUPRA	MAPFRE AMÉRICA, S.A.	DIRECTOR
MR. SEBASTIÁN HOMET DUPRA	MAPFRE INVERSIÓN, SOCIEDAD DE VALORES, S.A.	DIRECTOR
MR. ANTONIO HUERTAS MEJIAS	MAPFRE FAMILIAR, S.A.	CHAIRMAN
MR. ANTONIO HUERTAS MEJIAS	MAPFRE INTERNACIONAL, S.A.	DIRECTOR
MR. ANTONIO HUERTAS MEJIAS	MAPFRE VIDA, S.A. DE SEGUROS Y REASEGUROS	DIRECTOR
MR. ANDRÉS JIMÉNEZ HERRADÓN	MAPFRE AMÉRICA, S.A.	CHAIRMAN
MR. ANDRÉS JIMÉNEZ HERRADÓN	MAPFRE FAMILIAR, S.A.	DIRECTOR
MR. ANDRÉS JIMÉNEZ HERRADÓN	MAPFRE INTERNACIONAL, S.A.	CHAIRMAN
MR. ANDRÉS JIMÉNEZ HERRADÓN	MAPFRE RE, COMPAÑÍA DE REASEGUROS, S.A.	CHAIRMAN
MR. MANUEL JESUS LAGARES CALVO	MAPFRE INVERSIÓN, SOCIEDAD DE VALORES, S.A.	DIRECTOR
MR. MANUEL JESUS LAGARES CALVO	MAPFRE VIDA, S.A. DE SEGUROS Y REASEGUROS	DIRECTOR
MR. RAFAEL MÁRQUEZ OSORIO	MAPFRE AMÉRICA, S.A.	DIRECTOR
MRS. FRANCISCA MARTÍN TABERNEO	DUERO PENSIONES EGFP	DIRECTOR
MRS. FRANCISCA MARTÍN TABERNEO	MAPFRE VIDA, S.A. DE SEGUROS Y REASEGUROS	DIRECTOR
MRS. FRANCISCA MARTÍN TABERNEO	UNIÓN DEL DUERO COMPAÑÍA DE SEGUROS DE VIDA, S.A.	DIRECTOR

NAME OF DIRECTOR (PERSON OR COMPANY)	NAME OF THE GROUP'S COMPANY	POST
MR. ANTONIO MIGUEL-ROMERO DE OLANO	MAPFRE ASISTENCIA, CÍA INTERNACIONAL DE SEGUROS Y REASEGUROS, S.A.	VICE-CHAIRMAN
MR. ANTONIO MIGUEL-ROMERO DE OLANO	MAPFRE INMUEBLES, S.A.	DIRECTOR
MR. ANTONIO MIGUEL ROMERO DE OLANO	MAPFRE QUAVITAE, S.A.	DIRECTOR
MR. ANTONIO MIGUEL-ROMERO DE OLANO	MAPFRE VIDA , S.A. DE SEGUROS Y REASEGUROS	DIRECTOR
MR. ALFONSO REBUELTA BADIÁS	BANCO DE SERVICIOS FINANCIEROS CAJA MADRID – MAPFRE, S.A.	DIRECTOR
MR. ALFONSO REBUELTA BADIÁS	MAPFRE AMÉRICA, S.A.	DIRECTOR
MR. ALFONSO REBUELTA BADIÁS	MAPFRE EMPRESAS, COMPAÑÍA DE SEGUROS Y REASEGUROS, S.A.	VICE-CHAIRMAN
MR. ALFONSO REBUELTA BADIÁS	MAPFRE INTERNACIONAL, S.A.	DIRECTOR
MR. MATÍAS SALVÁ BENNASAR	MAPFRE EMPRESAS, COMPAÑÍA DE SEGUROS Y REASEGUROS	DIRECTOR
MR. MATÍAS SALVÁ BENNASAR	MAPFRE FAMILIAR, S.A.	DIRECTOR
MR. MATÍAS SALVÁ BENNASAR	MAPFRE RE, COMPAÑÍA DE REASEGUROS, S.A.	VICE-CHAIRMAN
MR. ESTEBAN TEJERA MONTALVO	INVERSIONES PERUANAS, S.A.	DIRECTOR
MR. ESTEBAN TEJERA MONTALVO	MAPFRE AMÉRICA, S.A.	DIRECTOR
MR. ESTEBAN TEJERA MONTALVO	MAPFRE ASISTENCIA, CIA INTERNACIONAL DE SEGUROS Y REASEGUROS, S.A.	DIRECTOR
MR. ESTEBAN TEJERA MONTALVO	MAPFRE CAUCIÓN Y CRÉDITO, COMPAÑÍA INTERNACIONAL DE SEGUROS Y REASEGUROS, S.A.	DIRECTOR
MR. ESTEBAN TEJERA MONTALVO	MAPFRE EMPRESAS COMPAÑÍA DE SEGUROS Y REASEGUROS, S.A.	DIRECTOR
MR. ESTEBAN TEJERA MONTALVO	MAPFRE FAMILIAR, S.A.	DIRECTOR
MR. ESTEBAN TEJERA MONTALVO	MAPFRE INTERNACIONAL, S.A.	DIRECTOR
MR. ESTEBAN TEJERA MONTALVO	MAPFRE INVERSIÓN, SOCIEDAD DE VALORES, S.A.	DIRECTOR
MR. ESTEBAN TEJERA MONTALVO	MAPFRE VIDA, S.A. DE SEGUROS Y REASEGUROS	VICE-CHAIRMAN
MR. FRANCISCO VALLEJO VALLEJO	MAPFRE FAMILIAR, S.A.	DIRECTOR
MR. JOSÉ MANUEL GONZÁLEZ PORRO	MAPFRE INMUEBLES, S.A.	DIRECTOR

B.1.8 List, where applicable, any company directors that sit on boards of other companies publicly traded in Spain outside the group, of which the company has been informed:

NAME OF DIRECTOR (PERSON OR COMPANY)	LISTED COMPANY'S NAME	POST
MR. MIGUEL BLESA DE LA PARRA	FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A.	DIRECTOR
MR. MIGUEL BLESA DE LA PARRA	IBERIA, LÍNEAS AÉREAS DE ESPAÑA, S.A.	VICE-CHAIRMAN

B.1.9 Indicate and, where applicable, explain whether the company has established rules on the number of boards on which its directors may sit:

NO

EXPLANATION OF THE RULES

According to the SISTEMA MAPFRE Code of Good Governance, no external director can sit at the same time on more than five Boards of Directors of the Group's Companies.



B.1.10 Regarding the recommendation no. 8 of the Unified Code, list the general strategies and policies in the company that the board reserves for plenary approval:

The investment and funding policy;	YES
The definition of how the Group companies are structured	YES
The corporate governance policy	YES
The corporate social responsibility policy	YES
The strategic or business plan and the annual management and budgetary targets	YES
The policy for senior managers' remuneration and performance assessment	YES
The policy for overseeing and managing risks, and the periodic monitoring of the internal information and oversight systems	YES
The pay-out policy and the treasury-stock policy, especially their limits	YES

B.1.11 Fill in the following tables on the aggregate remuneration of directors accruing during the year:

A) IN THE COMPANY COVERED IN THIS REPORT:

REMUNERATION ITEM	FIGURES IN THOUSAND EUROS
Fixed pay	2,794
Variable pay	2,064
Per diems	785
Bylaw perquisites	0
Share and other financial options	68
Others	1024
TOTAL:	6,735

OTHER BENEFITS	FIGURES IN THOUSAND EUROS
Advances	0
Loans granted	0
Funds and pension funds: Contributions	33
Funds and pension funds: Contractual obligations	0
Life insurance premiums	892
Guarantees constituted by the company for the directors	0

B) FOR COMPANY DIRECTORS SITTING ON OTHER BOARDS OF DIRECTORS AND/OR BELONGING TO THE SENIOR MANAGEMENT OF GROUP COMPANIES:

REMUNERATION ITEM	FIGURES IN THOUSAND EUROS
Fixed pay	948
Variable pay	751
Per diems	199
Bylaw perquisites	0
Share and other financial options	104
Others	1,095
TOTAL:	3,097

OTHER BENEFITS	FIGURES IN THOUSAND EUROS
Advances	0
Loans granted	0
Funds and pension funds: Contributions	19
Funds and pension funds: Contractual obligations	0
Life insurance premiums	1,250
Guarantees constituted by the company for the directors	0

C) TOTAL REMUNERATION BY TYPE OF DIRECTORSHIP:

TYPE OF DIRECTORSHIP	BY COMPANY	BY GROUP
Executive	5,014	1,858
Nominee Directors	1,216	837
Independent External	505	402
Other External Directors	0	0
Total	6,735	3,097

D) REGARDING THE ATTRIBUTABLE PROFIT OF THE DOMINANT COMPANY:

Total remuneration of all directors (€k)	9,832
Total remuneration all directors/attributable profit of dominant company (expressed as a %)	1.0

B.1.16 Indicate whether the Board of Directors submits an annual report on the directors pay policy to the AGM for consultation purposes. If so, explain the aspects of the report on the remuneration policy approved by the board for future years, the most significant changes in this policy compared to the policy applied during the year and a global summary of how the remuneration policy was applied during the year. Describe the role played by the Remuneration Committee and if external advisors have been engaged, the identity of the consultants involved:

YES

ISSUES ON WHICH THE BOARD PRONOUNCES ON REMUNERATION POLICY

For 2009, increases of 4% are anticipated, with certain exceptions where a higher percentage has been applied due to an increase in responsibilities, and there is a possibility of other increases should the targets achieved exceed planned targets. This matter will be submitted the Appointments and Remuneration Committee for consideration.

During financial year 2009 no significant changes are expected to be made to the Company's remuneration policy. For information on the remuneration policy applied in 2008, see sections B.1.11 and B.1.14 of this report.

For further information, see the Remuneration Policy report issued by the Board of Directors.

ROLE OF THE REMUNERATION COMMITTEE

The Appointments and Remuneration Committee fully supports the remuneration policy described herein and, as the case may be, it proposes or reports on each and every resolution resulting from said policy to the Board of Directors.

In particular, the Report is submitted to the Board's consideration to enable it to issue a favourable opinion or otherwise in respect of its contents.

Has external consultancy been used? NO

Identity of external consultants

B.1.17 Indicate, where applicable, the identity of Board members who also sit on Boards or form part of the management of companies that hold significant shareholdings in the listed company and/or in its group companies:

NAME OF DIRECTOR (PERSON OR COMPANY)	COMPANY NAME OF THE SUBSTANTIAL SHAREHOLDER	POST
MR. JOSÉ MANUEL MARTÍNEZ MARTÍNEZ	CARTERA MAPFRE, S.L. SOCIEDAD UNIPERSONAL	CHAIRMAN
MR. FILOMENO MIRA CANDEL	CARTERA MAPFRE, S.L. SOCIEDAD UNIPERSONAL	VICE-CHAIRMAN
MR. ALBERTO MANZANO MARTOS	CARTERA MAPFRE, S.L. SOCIEDAD UNIPERSONAL	DIRECTOR
MR. ANDRÉS JIMÉNEZ HERRADÓN	CARTERA MAPFRE, S.L. SOCIEDAD UNIPERSONAL	DIRECTOR
MR. ANTONIO HUERTAS MEJÍAS	CARTERA MAPFRE, S.L. SOCIEDAD UNIPERSONAL	DIRECTOR
MR. JOSÉ MANUEL GONZÁLEZ PORRO	CARTERA MAPFRE, S.L. SOCIEDAD UNIPERSONAL	SECRETARY – DIRECTOR

List the relevant affiliations other than those considered in the above paragraph, which link board members to significant shareholders and/or companies in their group:

B.1.18 Indicate whether during the year there has been any change in the Board regulations:

YES

DESCRIPTION OF MODIFICATIONS

The new Board Regulations were approved on 20th July 2008, to bring them in line with the new SISTEMA MAPFRE Code of Good Governance, which mirrors MAPFRE's new corporate structure as agreed in 2006 and updates the rules of good corporate governance accepted by the company and that must be included in the Board Regulations, according to the recommendations of the Unified Code of the Spanish Stock Exchange Commission.

B.1.19 Indicate procedures for appointment, re-election, evaluation and removal of directors. List the competent bodies, the procedures to be followed and the criteria to be employed in each procedure.

Anyone who is offered a directorship of MAPFRE, S.A. or of a subsidiary company must make a true and full Prior Declaration about his/her/its pertinent personal, family, professional and business details, relating in particular to any matter that might give rise to any disqualification at law, the bylaws or the provisions of the Code of Good Governance or to any conflict of interest. This Declaration must be made on the form provided for such purposes by MAPFRE, and will include an express acceptance of the rules set out in the chapter of the Code that addresses directors' rights and duties.

Anyone who holds office as director must have of a renowned prestige in his/her professional and business area, and hold all necessary professional qualifications or experience as provided at law for financial institutions or insurance companies subject to supervision by Public Authorities.

In particular, anyone who has a substantial shareholding in an organisation belonging to a financial group other than that to which the Company or any of its subsidiaries belong cannot be a member of the Board of Directors and whoever is a director, manager or employee of such organisation or who renders services to or on behalf of the same cannot be a member of the Board of Directors either, unless they are appointed on a proposal made by the Board of Directors and provided that on the whole such directors do not represent more than twenty percent of the total number of directors.

— Proposals for the appointment or re-election of Independent Directors must be preceded by a proposal from the Appointments and Remuneration Committee.

Proposals for the re-election of independent directors will be subject to a process that will necessarily include a report issued by the Appointments and Remuneration Committee, assessing the quality of the services provided and the dedication to office throughout the prior term of the director/s whose re-election is/are proposed.

— Proposals for the appointment or re-election of nominee directors must be preceded by an appropriate proposal from the shareholder backing their appointment or re-election, and a report from the Appointments and Remuneration Committee with respect to the suitability of the proposed candidate.

The Appointments and Committee Remuneration may also propose the appointment or of nominee directors at its own initiative when it deems that the Company will benefit from their being members of the Board.

— Proposals for the appointment or re-election of Executive Directors, and for the appointment or the Secretary, must be preceded by a suitable proposal from the Chairman of the Board - or the senior executive officer - and a report from the Appointments and Remuneration Committee.

In the case of the re-election of a director who holds office on the Board, the said report will include an assessment of how said office has been discharged to enable the Board to express an opinion about the director continuing in office.

The Board of Directors will not propose to the AGM that any independent director be removed from office before end of the term for which the director has been elected, unless the Board considers, after a report from the Appointments and Remuneration Committee, that there are grounds for doing so. In particular, it will be deemed that there are grounds for doing so when:

— The director has failed to perform the duties inherent to the post, has failed to comply with one of the requirements set forth for independent directors in the Unified Code of the Spanish Securities and Exchange Commission, or has incurred an insuperable conflict of interest according to the provisions of Title IV of the Code of Good Governance.

— Changes occur in the Company's shareholding structure that involve reducing the number of independent directors, in accordance with the criteria set forth in the Code of Good Governance.

B.1.20 Indicate the circumstances under which directors are obliged to resign.

According to the provisions of the corporate Bylaws and the Board Regulations, all members of the Board of Directors must retire on reaching the age of 70. The Chairman and the Vice-Chairmen who hold executive posts, the Managing Director and the Secretary to the Board must retire from such office on reaching 65 years of age or, on any earlier date according to the terms and conditions of their respective contract, but they may continue as director and member without any executive authority for a maximum of five years in the same conditions as external nominee directors.

All Directors must place their directorship and any office held, such as on the Steering Committee and any Delegated Committees, at the disposal of the Board of Directors and tender their formal resignation should the Board deem it pertinent, in the following cases:

a) Whenever they cease to hold the executive office associated with their appointment as member of such governing bodies.

b) Should they become subject to any disqualification or prohibition laid down at law.

c) They are accused of allegedly committing any crime or are involved in disciplinary proceedings involving a serious or very serious fault at the instance of the supervisory authorities.



d) If they receive any serious warning from the Compliance Committee due to any infringement of their duties as director.

e) When they are affected by circumstances in which their remaining on any such management bodies might cause damage to the Company's credit or reputation, or place its interests at risk.

f) If the reasons, if any, for which they were expressly appointed cease to apply.

The resignation from such offices must be formally tendered in a letter dated directed to the Chairman of the Board in question, and send a copy to the Chairman of the SISTEMA MAPFRE.

Directors who, at the time of their appointment, do not hold any executive post or perform any executive duties in the Company, or in another Group company, will not be able to perform any executives duties unless they first resign their directorship, even though they may subsequently remain eligible to the directorship.

Nominee directors must also tender their resignation when the shareholder that appointed them sells its shareholding.

When a shareholder reduces its shareholding, a proportionally equivalent number of nominee directors that it has appointed must resign.

MAPFRE's independent directors must also tender their resignation when they have held office for twelve years in a row.

B.1.21 Explain whether the role of chief executive officer in the company is played by the chairman of the board. If so, indicate the measures taken to limit the risks of accumulating powers in a single person:

MEASURES TO LIMIT RISKS

It is considered that there is no measure of risk due to any excessive concentration of authority in view of the collegiate nature of decision-making that commences at Board Committee level; and the presence of senior executive officers on the Board of Directors.

Indicate and, where applicable explain whether rules have been established to empower one of the independent directors to request a board meeting be called or new business included on the agenda, to coordinate and give voice to the concerns of external directors and to direct the assessment by the Board of Directors.

NO

B.1.22 Are reinforced majorities required, other than the legal majorities, for any type of resolution?

YES

Indicate how resolutions are adopted in the board of directors, giving at least the minimum quorum for attendance and the type of majorities required to adopt resolutions:

DESCRIPTION OF RESOLUTION

The transfer of shares in subsidiary companies, if this involves the loss of status as majority shareholder or direct or indirect control over them.

QUORUM

%

There are no specific bylaw requirements regarding the quorum for this resolution, but the favourable vote of three quarters of the members of the Board is required and therefore this minimum quorum of attendance is required.

75%

TYPE OF MAJORITY

%

Favourable vote of three quarters of the members of the Board of Directors.

75%

B.1.23 Explain whether there are specific requirements, other than those regarding directors, to be appointed chairman.

NO

B.1.24 Indicate whether the chairman has a casting vote:

YES

CIRCUMSTANCES REQUIRING A CASTING VOTE

The Chairman has a casting vote in the event of a tie.

B.1.25 Indicate whether the bylaws or the board regulations establish any age limit for directors:

YES

AGE LIMIT FOR CHAIRMAN	AGE LIMIT FOR MANAGING DIRECTOR	AGE LIMIT FOR DIRECTOR
70	65	70

B.1.26 Indicate whether the bylaws or the board regulations establish any limit for independent directors' term of office:

YES

Maximum number of years in office

12

B.1.27 If there are few or no female directors, explain the reasons and the initiatives adopted to correct the situation.

EXPLANATION OF REASONS AND INITIATIVES

The new SISTEMA MAPFRE Code of Good Governance and the new Board Regulations expressly state that when the Appointments and Remuneration Committee puts forward its proposals, it must ensure that it takes into consideration candidates of both sexes who meet the requirements for the vacancy, and that the selection procedure is not marred by implicit biases that may hinder the selection of people of sex or another.

In particular, indicate whether the Appointments & Remuneration committee has established procedures for selecting female directors, and deliberately seeks entrants meeting the required profile:

YES

DESCRIBE THE MAIN PROCEDURES

The Appointments and Remuneration Committee must ensure that it takes into consideration candidates of both sexes who meet the requirements for the vacancy.

B.1.28 Indicate whether there are formal processes for delegating votes on the board of directors. If so, describe them briefly.

There are no formal procedures for delegating votes on the board of directors.

B.1.29 Indicate the number of meetings the Board of Directors has held during the year. Where applicable, indicate how many times the board has met without the chairman in attendance:

Number of board meetings	8
Number of board meetings not attended by the chairman	0

Indicate the number of meetings the board's different committees have held during the year:

Number of Executive or Delegated Committee meetings	13
Number of Audit Committee meetings	6
Number of Appointments & Remuneration committee meetings	6

B.1.30 Indicate the number of meetings the Board of Directors has held during the year without the attendance of all its members. In calculating this number, non-attendance shall mean proxies given without specific instructions:

Number of non-attendances by directors during the year	7
% of number of non-attendances to total votes during the year	3.760

B.1.31 Indicate whether the individual and consolidated financial statements presented to the board's approval are certified beforehand:

YES

Where applicable, identify the person(s) who has(have) certified the individual and consolidated financial statements to be filed by the board:

NAME	POST
MR. ESTEBAN TEJERA MONTALVO	DIRECTOR - DIRECTOR GENERAL
MR. JOSÉ MANUEL MURIES NAVARRO	DIRECTOR GENERAL OF INTERNAL AUDIT
MR. CARLOS BARAHONA TORRIJOS	CHIEF FINANCIAL OFFICER

B.1.32 Explain the mechanisms, if any, established by the Board of Directors to prevent the individual and consolidated financial statements that it files from being presented to the AGM with a qualified audit report.

The company has never issued financial statements with a qualified auditors' report.

The company has Internal Audit and Legal Affairs Departments that oversee all aspects of the annual accounts, and the MAPFRE Audit Committee, which is a Board committee that was set up for this purpose and with supervisory powers in the financial year 2000.

According to the MAPFRE Code of Good Governance, the Board of Directors must do everything possible to issue the financial statements with an unqualified audit report. However, should the Board deem it pertinent to uphold its opinion, it must publicly explain the content and scope of any discrepancy.

B.1.33 Is the Secretary also a Board Member?

YES

B.1.34 Explain the appointment and severance procedures for the Secretary of the Board, indicating whether his/her appointment and severance have been reported to the Appointments committee and approved by the Board in a plenary meeting.

APPOINTMENT AND SEVERANCE PROCEDURE

According to Article 15 of the by laws and article 2 of the Board Regulations, the Board of Directors is responsible for appointing and removing the Secretary, following a report from the Appointments and Remuneration Committee.

Does the Appointment committee have a say in his/her appointment?	YES
Does the Appointment committee have a say in his/her severance?	YES
Does the board approve the appointment?	YES
Does the board approve the severance?	YES

Does the secretary of the board have the duty to take special care in overseeing good governance recommendations?.

YES

B.1.35 Indicate what mechanisms the company has established, if any, to preserve the independence of the auditor, the financial analysts, the investment banks and the rating agencies.

In addition to abiding by statutory provisions, the company has decided to voluntarily propose compliance with a number of general guidelines that clearly and precisely aim to achieve and uphold the necessary independence of the external auditors in such regard as is advocated by the MAPFRE Code of Good Governance that lays down the following criteria for the Boards of Directors in their relationship with external auditors:

- The relationship of the Board of Directors with the Company's External Auditors will be maintained through the Audit Committee.
- The Board of Directors will refrain from hiring any auditor's office firms that are paid or will be paid annual fees by the MAPFRE Group that, for all items, exceed 5% of their total revenues.
- In the annual public documents, the Board will report the overall fees paid by the Company and its consolidated Group to the audit firm for any services rendered other than audit services.

Apart from the Audit Committee's powers and duties as specified in the bylaws and the Board Regulations, the Audit Committee will be informed at least once every six months of all services rendered by the external auditor and their corresponding fees.

Every year, the Audit Committee will assess the Accounts Auditor, the scope of the audit and the external auditor's independence, considering whether the quality of the audit control measures is adequate and any services other than accounts audit services are compatible with the auditor's independence.

In accordance with the provisions of the Internal Code of Conduct regarding listed securities issued by the Company which sets out the procedures relating to the publication of relevant information, financial analysts will not be provided with any information that is not available to the public at large.

B.1.36 Indicate whether the company has changed its external auditor during the year. If so, identify the incoming and outgoing auditors:

NO

Outgoing auditor Incoming auditor

If there were disagreements with the outgoing auditor, explain their grounds:

NO

B.1.37 Indicate whether the audit firm does other work for the company and/or its group other than the audit. If so, declare the amount of fees received for such work and the percentage of such fees in the total fees charged to the company and/or its group:

YES

	COMPANY	GROUP	TOTAL
Amount for work other than audit (THOUSAND EUROS)	674	595	1,269
Amount of work other than audit / total amount billed by the audit firm (%)	82.490	10.030	18,800

B.1.38 Indicate whether the audit report on the annual financial statements for the previous year contained reservations or qualifications. If so, indicate the reasons given by the chairman of the Audit committee to explain the content and scope of such reservations or qualifications.

NO

B.1.39 Indicate the number of years during which the current audit firm has been doing the audit of the financial statements for the company and/or its group without interruption. Indicate the percentage of the number of years audited by the current audit firm to the total number of years in which the annual financial statements have been audited:

	COMPANY	GROUP
Number of years running	19	19
	COMPANY	GROUP
Number of years audited by current audit firm / number of years the company has been audited (%)	100.000	100.000

B.1.40 Indicate the holdings of the company's Board Members in the capital of institutions that have the same, an equivalent or a supplementary kind of activity to that of the corporate object of the company and its group, that have been communicated to the company. Indicate the posts or duties they exercise in these institutions. Indicate the posts or duties they exercise in these institutions:

NAME OF DIRECTOR (PERSON OR COMPANY)	NAME OF INSTITUTION	% HOLDING	POST OR DUTIES
MR. ALBERTO MANZANO MARTOS	ACS	0.000	-
MR. ALBERTO MANZANO MARTOS	ALLIANZ	0.000	-
MR. ALBERTO MANZANO MARTOS	BBVA	0.000	-
MR. ALBERTO MANZANO MARTOS	BNP PARRIBAS	0.000	-
MR. ALBERTO MANZANO MARTOS	BANCO ESPAÑOL DE CRÉDITO	0.000	-
MR. ALBERTO MANZANO MARTOS	BANCO POPULAR ESPAÑOL	0.000	-
MR. ALBERTO MANZANO MARTOS	BSCH	0.000	-
MR. ANTONIO MIGUEL-ROMERO OLANO	BSCH	0.000	-
MR. ANTONIO MIGUEL-ROMERO OLANO	BBVA	0.000	-
MR. FRANCISCO VALLEJO VALLEJO	BANCO URQUIJO, S.A.	0.000	CHAIRMAN
MR. FRANCISCO VALLEJO VALLEJO	COMPAÑÍA ESPAÑOLA DE SEGUROS DE CRÉDITO A LA EXPORTACIÓN (CESCE)	0.000	DIRECTOR

B.1.41 Indicate and, where applicable, give details on the existence of a procedure for directors to get external advisory services:

YES

DETAILS OF THE PROCEDURE

According to the provisions of the MAPFRE Code of Good Governance, and for the purpose of assisting them in the exercise of their office, external directors may, at the cost of the company, request the hire of legal, accounting, finance consultants or other experts. Any such engagement of experts must necessarily be related to specific problems of some import and complexity that arise during the exercise of the office as director.

A decision to engage an expert must be notified to the Chairman of the Company and it may be vetoed by the Board of Directors, provided such the following is shown:

- That it is not necessary for the reasonable exercise of the duties entrusted to the directors.
- That the cost is unreasonable bearing in mind the importance of the problem and the company's assets and revenues.
- That the technical assistance sought may be adequately provided by experts and technicians already employed by the Company.

B.1.42 Indicate and, where applicable, give details on the existence of a procedure for directors to get the information they need to prepare the meetings of the governing bodies in sufficient time:

YES

DETAILS OF THE PROCEDURE

All documents must in general be sent at least three full days in advance. In particular, when documents are sent for delivery on a Friday or on the eve of a bank holiday, it must be ensured that they are delivered in the morning of the said day no later than 12:00 noon.

This aspect is specifically analysed by the Board of Directors at its annual self-assessment session, based on the report received from the Compliance Committee, which is also entrusted with monitoring the effectiveness of the procedure organised.

B.1.43 Indicate and, where applicable give details, whether the company has established rules obliging directors to inform and, where applicable, resign under circumstances that may undermine the company's credit and reputation.

YES

EXPLAIN THE RULES

Directors must place their office/s at the disposal of the Board of Directors, both as director and any office they hold on any Committee thereof, and formalise any resignation should the Board deem it necessary, in the following cases:

- When they cease to hold executive office associated with their appointment as a member of said management bodies.



- Should they become subject to any disqualification or prohibition laid down at law.
 - If they are accused of allegedly committing any crime or are involved in disciplinary proceedings involving a serious or very serious fault at the instance of the supervisory authorities.
 - If they receive any serious warning from the Compliance Committee due to any infringement of their duties as director.
 - When they are affected by circumstances in which their remaining on any such management bodies might cause damage to the Company's credit or reputation, or place its interests at risk.
 - If the reasons, if any, for which they were expressly appointed cease to apply.
-

B.1.44 Indicate whether any board member has informed the company of being sued or having any court proceedings opened against him or her for any of the offences listed in article 124 of the Spanish Corporations Act:

NO

Indicate whether the board of directors has analysed the case. If so, explain the grounds for the decision reached as to whether or not the director should remain on the board.

NO

DECISION TAKEN

REASONED EXPLANATION

Should remain / Should not remain

B.2. Board of Directors' Committees

B.2.1 List all the Board of Directors' committees and their members:

EXECUTIVE OR STEERING COMMITTEE

NAME	POST	TYPES
MR. JOSÉ MANUEL MARTÍNEZ MARTÍNEZ	CHAIRMAN	EXECUTIVE
MR. ALBERTO MANZANO MARTOS	1 ST VICE-CHAIRMAN	EXECUTIVE
MR. FRANCISCO RUIZ RISUEÑO	2 ND VICE-CHAIRMAN	NOMINEE
MR. FILOMENO MIRA CANDEL	3 RD VICE-CHAIRMAN	EXECUTIVE
MR. IGNACIO BAEZA GÓMEZ	MEMBER	EXECUTIVE
MR. LUIS HERNANDO DE LARRAMENDI MARTÍNEZ	MEMBER	NOMINEE
MR. ANTONIO HUERTAS MEJÍAS	MEMBER	EXECUTIVE
MR. ANDRÉS JIMÉNEZ HERRADÓN	MEMBER	EXECUTIVE
MR. ESTEBAN TEJERA MONTALVO	MEMBER	EXECUTIVE
MR. JOSÉ MANUEL GONZÁLEZ PORRO	SECRETARY- MEMBER	EXECUTIVE

AUDIT COMMITTEE

NAME	POST	TYPES
MR. LUIS ITURBE SANZ DE MADRID	CHAIRMAN	INDEPENDENT
MR. RAFAEL BECA BORREGO	MEMBER	INDEPENDENT
MR. SEBASTIÁN HOMET DUPRA	MEMBER	NOMINEE
MR. MANUEL JESUS LAGARES CALVO	MEMBER	INDEPENDENT
MR. ANTONIO MIGUEL-ROMERO DE OLANO	MEMBER	NOMINEE
MR. JOSÉ MANUEL GONZÁLEZ PORRO	SECRETARY- MEMBER	EXECUTIVE

APPOINTMENTS AND REMUNERATION COMMITTEE

NAME	POST	TYPES
MR. JOSÉ MANUEL MARTÍNEZ MARTÍNEZ	CHAIRMAN	EXECUTIVE
MR. ALBERTO MANZANO MARTOS	1 ST VICE-CHAIRMAN	EXECUTIVE
MR. FRANCISCO RUIZ RISUEÑO	2 ND VICE-CHAIRMAN	NOMINEE
MR. LUIS HERNANDO DE LARRAMENDI MARTÍNEZ	MEMBER	NOMINEE
MR. ALFONSO REBUELTA BADÍAS	MEMBER	NOMINEE
MR. MATÍAS SALVÁ BENNASAR	MEMBER	INDEPENDENT
MR. FRANCISCO VALLEJO VALLEJO	MEMBER	INDEPENDENT

COMPLIANCE COMMITTEE

NAME	POST	TYPES
MR. FRANCISCO RUIZ RISUEÑO	CHAIRMAN	NOMINEE
MR. RAFAEL FONTOIRA SURIS	MEMBER	INDEPENDENT
MR. RAFAEL MÁRQUEZ OSORIO	MEMBER	NOMINEE
MRS. FRANCISCA MARTÍN TABERNERO	MEMBER	INDEPENDENT

B.2.2 Mark with a cross the duties assigned to the Auditing Committee:

	YES	NO
To supervise the process of drawing up the financial information and its integrity for the Company and its Group, reviewing compliance with regulatory requirements, suitable scope of the consolidation perimeter and the correct application of accounting principles.	YES	
To periodically review the systems of internal risk management and oversight to ensure the main risks are identified, managed and sufficiently well known.	YES	
To ensure the independence and efficacy of the internal audit. To propose the selection, appointment, re-election and severance of the internal audit officer. To propose the budget for the internal audit service. To receive periodic information on their activities; And to check that the senior management takes the conclusions and recommendations of their reports into account.	YES	
To establish and supervise a mechanism that enables employees to confidentially and, if this is deemed appropriate, anonymously communicate irregularities they notice within the Company that may be of potential importance, especially financial and accounting irregularities.	YES	
To put to the Board the proposals for selection, appointment, re-election and substitution of the external auditor and the terms and conditions of engagement.	YES	
To receive regular information from the external auditor on the audit plan and the outcome of its execution, verifying that the senior management takes due note of its recommendations.	YES	
To ensure the independence of the external auditor	YES	
In the Group, to help the Group auditor take responsibility for the auditing of the companies comprising it.	YES	

B.2.3 Give a description of the rules governing the organisation and running of each of the board committees and the responsibilities attributed to each.

STEERING COMMITTEE

The Committee is a delegated body of the Board of Directors, responsible for the senior management and permanent oversight of the strategic and operational aspects of the company's and its subsidiaries' ordinary business affairs. It also makes any decisions necessary to operate properly, all subject to the powers the Board delegates to it from time to time.

The Committee shall have a maximum of twelve members, all of whom are members of the Board of Directors. Its Chairman, First and Second Vice-Chairmen and Secretary will automatically be the people who hold such posts on the Board, which will appoint the members, up to a maximum of twelve members. It may also appoint a Vice-Secretary, who will not be entitled to vote.

AUDIT COMMITTEE

The Audit Committee has a minimum of three and a maximum of seven members, who will be appointed by the Board in view of the knowledge, skills and experience of its directors, especially with regard to accounting, audit and risk management issues. The majority of the members, including the Chairman, will be non-executive directors. The Secretary of this Committee will be the Secretary to the Board of Directors. This Committee shall have the following powers:

a) To verify that the Annual Accounts, and the half-yearly and quarterly financial statements and other financial information that must be filed with regulatory or supervisory bodies are true, complete and sufficient; that they have been issued according to the accounting rules and criteria in force internally as laid down by the MAPFRE General Secretariat; and that they are provided on time and with the correct content.

To submit proposals to the Board of Directors for submission to the Annual General Meeting regarding the appointment of an External Auditor for the company, and to be given information on his conduct in office and about any matter or circumstance that might affect his/her independence.

c) To supervise the activities of the Internal Audit Department, for which purpose it shall have full access to its action plans, the results of its work, and the follow-up of any recommendations and suggestions of the external and internal auditors.

d) To be acquainted with the company's financial information and internal control process, and to make any observations or recommendations it may deem pertinent for the purposes of improving it.

e) To inform the Shareholders in General Meeting about any matter that falls within its jurisdiction.

f) To issue an annual report on its duties and the activities performed during the financial year, for submission to the Annual General Meeting.

APPOINTMENTS AND REMUNERATION COMMITTEE

The Committee is a delegated body of the Board of Directors, responsible for the coordinated development of the appointment and remuneration policy of Senior Representative and Management Officers of MAPFRE, even though these powers are attributed by law and the bylaws to the Company's representative and management bodies.

The Appointments and Remuneration Committee has a maximum of seven members, most of whom are non-executive directors.

COMPLIANCE COMMITTEE

This is the Board Committee responsible for overseeing the correct application of the code of good governance that must rule in the company.

These duties are performed without prejudice to any legal and bylaw powers attributed to the company's representation and management bodies.

The Committee monitors the application of the code of good governance in force from time to time and it may, if pertinent, propose any measures to improve the same and to update them, whenever necessary.

The Compliance Committee has five members, all of whom are non-executive directors. Its Chairman will automatically be the 2nd Vice-Chairman of the Board of Directors.

The Committee may appoint a Minutes Secretary who will be elected from the members of the MAPFRE Legal Department Head Office.

B.2.4 Indicate the powers of advice, queries and, where applicable, proxies for each of the commissions:

NAME OF COMMITTEE	BRIEF DESCRIPTION
STEERING COMMITTEE	COORDINATION AND SUPERVISION OF STRATEGIC AND OPERATIONAL ASPECTS OF THE ORDINARY BUSINESS AFFAIRS OF THE COMPANY AND ITS SUBSIDIARIES
AUDIT COMMITTEE	VERIFY FINANCIAL INFORMATION, PROPOSAL TO APPOINT EXTERNAL AUDITOR AND SUPERVISION OF INTERNAL AUDIT
APPOINTMENTS AND REMUNERATION COMMITTEE	COORDINATED DEVELOPMENT OF THE APPOINTMENT AND REMUNERATION POLICY APPLICABLE TO SENIOR MANAGEMENT AND REPRESENTATIVE OFFICERS
COMPLIANCE COMMITTEE	SUPERVISION OF THE CORRECT APPLICATION OF THE CODE OF GOOD GOVERNANCE IN FORCE IN THE COMPANY

B.2.5 Indicate, where applicable, the existence of regulations for the board committees, where they can be consulted and any amendments made to them during the year. Indicate whether an annual report on the activities of each committee has been drawn up voluntarily.

EXECUTIVE OR STEERING COMMITTEE

Regulated in the bylaws and in the Board Regulations.

The Board Regulations were amended on 20th July 2008 to adapt them as necessary to the new SISTEMA MAPFRE Code of Good Governance and is available on the company's website, www.mapfre.com, in the official registers held by the Spanish Securities Market Commission and in the Madrid Companies Registry.

AUDIT COMMITTEE

Regulated in the bylaws and in the Board Regulations.

The Board Regulations were amended on 20th July 2008 to adapt them as necessary to the new SISTEMA MAPFRE Code of Good Governance and is available on the company's website, www.mapfre.com, in the official registers held by the Spanish Securities Market Commission and in the Madrid Companies Registry.

Three years ago, the Audit Committee began publishing an annual report on its activities, which is made available to shareholders at the Annual General Meeting.

APPOINTMENTS AND REMUNERATION COMMITTEE

Provided for in the Bylaws and regulated in the Board Regulations.

The Board Regulations were amended on 20th July 2008 to adapt them as necessary to the new SISTEMA MAPFRE Code of Good Governance and is available on the company's website, www.mapfre.com, in the official registers held by the Spanish Securities Market Commission and in the Madrid Companies Registry.

Since 2008, the company publishes an annual report on its remuneration policy, which is put to the vote, on a on a consultative basis and as a separate point on the agenda, at the Annual General Meeting.

COMPLIANCE COMMITTEE

Provided for in the Bylaws and regulated in the Board Regulations.

The Board Regulations were amended on 20th July 2008 to adapt them as necessary to the new SISTEMA MAPFRE Code of Good Governance and is available on the company's website, www.mapfre.com, in the official registers held by the Spanish Securities Market Commission and in the Madrid Companies Registry.

B.2.6 Indicate whether the composition of the executive committee reflects the participation on the board of different directors as a function of their condition:

NO

IF NOT, EXPLAIN THE COMPOSITION OF THE EXECUTIVE COMMITTEE

The Steering Committee is an executive management body, and therefore consists of executive directors (majority) and external nominee directors.

C. Related-party transactions

C.1 State whether the board in plenary session has reserved the powers to approve, on the basis of a favourable report from the Audit Committee or any other entrusted with such a report, the transactions in which the company engages with directors, significant shareholders or shareholders represented on the board or parties related to them:

YES

C.2 List the relevant transactions entailing a transfer of resources or obligations between the company or its group companies, and the company's significant shareholders:

C.3 List the relevant transactions entailing a transfer of resources or obligations between the company or its group companies, and the company's directors and/or senior managers:

C.4 List the relevant transactions in which the company has engaged with other companies belonging to the same group, except those that are eliminated in the process of drawing up the consolidated financial statements and that do not form part of the company's habitual traffic with respect to its object and conditions:

C.5 Indicate whether the board members have come across any situation of conflicting interests during the year, as defined under article 127 of the Spanish Corporations Act.

NO

C.6 List the mechanisms established to detect, determine and resolve possible conflicts of interest between the company and/or its group, and its directors, managers and/or significant shareholders.

All directors and managers must make a Prior Declaration at the time of their appointment with regard to these matters. Furthermore, they are required to update this Declaration on a regular basis, and whenever a potential situation of conflict arises.

Likewise, the MAPFRE Code of Good Governance and the Internal Code of Conduct regulates the special duties within the scope of potential conflicts of interest.

The final decision on these matters is reserved to the Board of Directors, after examination by the company's Appointments and Remuneration Committee or the MAPFRE Institutional Control Committee. There is a special procedure for the approval of resolutions with regard to matters where there is a potential conflict of interest with a board member. The board member in question must refrain from attending or participating in these decisions.

C.7 Are more than one of the group's companies listed in Spain as publicly traded companies?

NO

Identify listed subsidiaries:

D. Systems of risk control

D.1 Give a general description of risk policy in the company and/or its group, listing and evaluating the risks dealt with by the system, along with an explanation of how far these systems match the profile of each type of risk.

Risk management objectives, policies and processes

MAPFRE has a Risk Management System (SGR) in place based on the integrated management of each and every one of the entity's business processes, and on the adaptation of the risk level to the established strategic objectives. The different types of risks have been grouped under four areas, or categories, as detailed below:

Operational Risks	Includes twenty-three types of risks grouped under the following areas: actuarial, legal, technology, staff, collaborators, procedures, reporting, fraud, market and tangible assets.
Financial Risks	Includes interest rate, liquidity, exchange rate, market and credit risks.
Insurance Activity Risks	It groups, separately for Life and Non Life, risks arising from inadequacy of premiums, adequacy of technical provisions and reinsurance.
Strategic and Corporate Governance Risks	Includes the corporate ethics and corporate governance risks, and risks on organisational structure, alliances, mergers and acquisitions, regulatory and, lastly, competition risks.

Centralisation of the Risk Management System

The MAPFRE structure is based on Units and Operating Companies having a high degree of autonomy in their management. The Group's governance and management bodies approve the lines of action of the Units and Companies as regards risk management, and monitor their risk exposures on an on-going basis by means of indicators and ratios. In addition, there are general action guidelines in order to mitigate risk exposure, such as maximum levels of investment in equities or credit rating of reinsurers.

The Economic and Management Control Area, through the Risk Management, coordinates the activities related to the quantification of risks and, in particular, the implementation of capital models in the operating units and the analysis of the quantitative impact of the future Solvency II regulations.



Operating Units have a Risk Coordinator, reporting to the Administration Management, for the implementation of risk policies and risk management in each unit. The coordination of activities for the implementation of Risk Quantification Models is carried out through the Risk and Solvency II Committee. The degree of progress in projects and other significant aspects are reported to MAPFRE's Senior Management through the Audit Committee.

In general terms, decisions on the underwriting of insurable risks and reinsurance covers are highly decentralised in the Units. The aspects related to Operational Risk are supervised centrally, although their implementation and monitoring are delegated to the Units. The management of Strategic and Corporate Governance risks is highly centralised. Financial risks are managed centrally through the Group's Investment General Management.

Estimation of Risks and Capitals

MAPFRE has in place an internal capitalisation and dividend policy aimed at providing the Units, rationally and objectively, with the required capital to meet the risks they have assumed. Risk estimation is made by means of a standard fixed factors model that quantifies financial risks, credit risks and insurance activity risks. In addition, the level of capital allocated to each Unit will never be lower than the legally required minimum from time to time plus a margin of 10%.

Allocated capital is determined pursuant to an estimation based on the budgets for the following year and is revised at least once a year, according to the evolution of risks.

Certain units require a capitalisation level higher than that arising from the above described general rule, either because they operate in other countries with different legal requirements, or because they are subject to higher financial solvency rules because of their rating. In those cases, MAPFRE's Management Committee determines the capitalisation level on a case by case basis.

Operational Risks

The identification and assessment of Operational Risks are carried out by means of the computer application Riskm@p, developed by MAPFRE, which prepares the entities' risk maps, analysing the significance and probability of occurrence of the different risks.

Likewise, Riskmap is established as the corporate tool to deal with control activities (process manuals, lists of controls associated to risks and assessment of their effectiveness).

The management model for the operational risk is based on a dynamic analysis by business processes, in such a way that the managers of each area or department identify and assess the potential risks affecting the following processes: Product Development, Underwriting, Claims / Benefits,

Administrative Management, Marketing Activities, Human Resources, Commissions, Coinsurance / Reinsurance, Technical Provisions, Investments, IT Systems, and Client Service.

Financial Risks

MAPFRE mitigates its exposure to this type of risk by means of a prudent investment policy, with the portfolio being heavily weighted in top quality fixed-income securities.

In the management of investment portfolios, differentiation is made between those seeking to match the obligations arising from insurance contracts and those subject to active management. The former minimise exchange rate risks as well as interest rate and other risks of variation in prices, while the latter maintain a management policy with a certain degree of market risk assumption, along the following lines:

- In the portfolios not covering long term liability commitments, the variable in the management of the interest rate risk is the modified duration; at present, the said magnitude must stand around 5%, with a maximum value of 7%.

- Exposure to exchange rate risk is minimised in the case of insurance liabilities. Exposure to this type of risk may not exceed 10% of assets qualified for the cover.

- Investment in equities is subject to a maximum limit of 17% of the investment portfolio, as well as to concentration limits per country and sector.

- Risk limitations are established in terms of quantitative variables that are easily observable. Nevertheless, risk analysis in probability terms is carried out, according to historical volatilities and correlations.

With respect to credit risk, MAPFRE's policy is based on holding a diversified portfolio comprising securities being prudently selected on the basis of the issuer's solvency.

Investments in fixed income and equity securities are subject to concentration limits per activity sector and per issuer.

Insurance Activity Risks

The organisation of MAPFRE, based on Units and Companies specialising in various business lines, requires them to be highly autonomous in their business management, in particular in the underwriting of risks and tariff fixing, as well as the indemnities or provision of services in the case of occurrences. Premium adequacy is a particularly important element, and its determination is supported by specific computer applications.

Treatment of claim related benefits, together with the adequacy of provisions, are basic principles of insurance activity. Technical provisions are estimated by the actuarial teams of the different Units and Companies and in

certain cases are also reviewed by independent experts. The prevalence of the personal damages business line in MAPFRE, with very short times for the settlement of claims, as well as the scant importance of insured long-tail risks, such as asbestos or professional liability, are elements mitigating this type of risk.

MAPFRE's presence in countries with greater possibilities of occurrence of catastrophes (earthquakes, hurricanes, etc.) requires special treatment of this type of risks, which may give rise to volatility in results or need of additional capitals. The Units and Companies operating in this type of risks, essentially MAPFRE AMÉRICA, MAPFRE INTERNACIONAL and MAPFRE RE, count on expert reports on catastrophe exposure, generally prepared by independent experts, which estimate the impact on insured assets in the event of occurrence of catastrophes. The underwriting of catastrophic risks is made according to this information and to the economic capital available to the company that underwrites them. When applicable, the equity exposure to this type of risks is mitigated by taking specific reinsurance covers. In this connection, it is important to highlight the contribution of MAPFRE RE, which provides the Group with its extensive experience in the catastrophic risk market.

In relation to reinsurance risk, MAPFRE's policy is to cede business to reinsurers with proven financial capacity (minimum A credit rating by Standard & Poor's).

Strategic and Corporate Governance Risks

The ethical principles applied to corporate management have been a constant feature at MAPFRE and form part of its bylaws and of its day to day work. In order to standardise this corporate culture and adapt it to the legal governance and transparency requirements in management, MAPFRE's Management Bodies approved in 2005 a revised version of the Good Governance Code, initially implemented in 1999. The strict application of Good Corporate Governance principles is considered by MAPFRE as the most efficient way for mitigating this type of risks.

D.2 Indicate if any of the risks facing the company and/or its group (operational, technological, financial, legal, reputational, tax, etc) have materialised:

YES

If so, indicate the circumstances and whether the control systems worked properly.

RISK MATERIALISED IN THE FINANCIAL YEAR	CIRCUMSTANCES THAT LED TO THIS	OPERATION OF THE CONTROL SYSTEMS
MARKET RISK	The financial year 2008 saw exceptionally sharp falls in the market value of the investments and especially of the debt issued by the private sector.	This resulted in a significant loss of value for fixed-income security investments, which was limited by the portfolio's high proportion of public debt and the high quality of the debt issued by the private sector. Thus, as at 31 st December 2008, MAPFRE S.A.'s net consolidated equity was 494.5 million euros lower on account of valuation adjustments to the investments. Investment impairment losses amounting to 45.9 million euros were recorded in the income statement.
EXCHANGE RATE RISK	Depreciation of the euro against the US dollar and appreciation against the Turkish lira.	The effect has been limited by diversifying the business in countries, which has led to a reduction in net consolidated equity as at 31 December 2008 of 116.4 million euros on account of exchange differences.

D.3 Indicate whether there is any committee or other governing body in charge of establishing and supervising these control systems:

YES

If so, give details of what their duties are

NAME OF THE COMMITTEE OR BODY	DESCRIPTION OF DUTIES
BOARD OF DIRECTORS AND STEERING COMMITTEE	The Group's Governing Bodies approve the Units' risk management-related courses of action, and permanently supervise the Units' risk exposure through indicators and ratios. In addition, there are general instructions on procedures for mitigating this exposure, such as maximum levels of investment in equities, or the credit rating of re-insurers.
RISKS AND SOLVENCY II COMMITTEE	Set up in September 2007, it is responsible for co-ordinating the drawing-up of suitable capital models and the Group-wide implementation of the measures necessary for the application of the future solvency regulations.

D.4 Identify and describe the compliance processes for the regulations and standards affecting the company and/or its group.

The Group's Secretariat General is responsible for issuing instructions and monitoring compliance with the various regulations affecting the company and the group. The Directorate-General of Internal Auditing performs a systematic process for the review of compliance with the various regulations affecting the subsidiaries of the group.



E. Annual General Meeting (AGM)

E.1 Indicate and where applicable give details, whether there are any differences from the minimum standards established under the Spanish Corporations Act with respect to the quorum and constitution of the General Meeting.

NO

	% QUORUM DIFFERENT FROM QUORUM IN ART. 102 OF THE SPANISH CORPORATIONS ACT	% QUORUM DIFFERENT FROM QUORUM IN ART. 103 OF THE CORPORATIONS ACT, FOR THE SPECIAL CASES CITED IN ART. 103
Quorum required on first summons		
Quorum required on second summons		

E.2 Indicate and where applicable give details, whether there are any differences from the minimum standards established under the Spanish Corporations Act with respect to the adoption of corporate resolutions:

YES

Describe any differences from the guidelines established under the Spanish Corporations Act.

DESCRIBE THE DIFFERENCES

Pursuant to the provisions of Article 25 of the company by-laws, the amendment of the provisions of Title IV "Protection of the Company's General Interest" (Articles 25 to 30) can only be amended by a resolution approved with the votes in favour of more than fifty per cent of the share capital at the Extraordinary General Meeting specifically called for this purpose.

E.3 List all shareholders' rights regarding the general meetings different from than those established under the Spanish Corporations Act.

There are no shareholders' rights in the Company other than those established under the Spanish Corporations Act with respect to AGMs.

E.4 Indicate measures adopted, if any, to encourage shareholder participation at AGMs.

Shareholders have ample and easily-accessible information in order to make decisions and to vote in a reasoned manner at the AGM. They are allowed to participate with no restrictions of any kind other than the courtesy and good order necessary at a public event.

E.5 Indicate whether the AGM is chaired by the chairman of the board of directors. List measures, if any, adopted to guarantee the independence and correct operation of the AGM:

YES

DETAILS OF THE MEASURES

Article 11 of the corporate bylaws establishes that the Chairman of the AGM shall be Chairman of the Board of Directors or whoever stands in for him/her in accordance with the provisions of the by-laws.

The Chairman and the Secretary of the AGM ensure that the Meeting is conducted with the utmost respect for shareholders' rights.

To date, no incident has arisen with regard to the smooth running of the general meetings.

E.6 Indicate any changes brought into the AGM Regulations during the year.

The AGM Regulations were partially amended by a resolution passed at the AGM held on 8th March 2008, to expressly include the AGM-related recommendations of the Unified Code of the Spanish Stock Exchange Commission. They are available on the company's website, www.mapfre.com, in the public records of the Spanish Securities Exchange Commission (CNMV), and at the Madrid Companies Registry.

E.7 Give attendance data on the general meetings held during the year to which this report refers:

DATE OF AGM	ATTENDANCE FIGURES					TOTAL
	% SHAREHOLDERS PRESENTS	% ATTENDING BY PROXY	% VOTING REMOTELY			
			E-VOTING	OTHERS		
08/03/2008	0.120	75.870%	0.000	0.000	75.990%	

E.8 Briefly indicate the resolutions adopted at the general meetings held during the year and the percentage of votes by which each resolution was passed:

At the AGM held on first call on 8th March 2008, the resolutions listed below were passed by a majority. 2 shareholders, holding 2,680 shares (0.000118% of the share capital) voted against the resolutions.

— Approval of the individual and consolidated Annual Accounts for financial year 2007.

— Approval of corporate management during 2007.

— Re-election of the director Mr. Luis Iturbe Sanz de Madrid for a further term of four years.

— Appointment to the Board, for a four-year term, of Mr. Esteban Tejera Montalvo, in replacement of Mr. Domingo Sugranyes Bickel.

— Appointment to the Board, for a four-year term, of Mr. Ignacio Baeza Gómez, in replacement of Mr. Agustín Rodríguez García.

— Appointment to the Board, for a four-year term, of Mr. Miguel Blesa de la Parra.

— Appointment to the Board, for a four-year term, of Mr. José Antonio Moral Santín.

— Amendment of article 2, 6, 9 and 16 of the Regulations of the Company's AGM.

— Approval of the merger between MAPFRE, S.A. and MAPFRE-CAJA MADRID HOLDING DE ENTIDADES ASEGURADORAS, S.A., by way of the takeover of the latter by the former, in accordance with the terms laid down in the Merger Project drawn up on 25th January 2008 by the Board of Directors.

— Approval of the annual balance sheet closed as at 31st December 2007.

— Increase of the company's share capital, as a result of the takeover merger of MAPFRE-CAJA MADRID HOLDING DE ENTIDADES ASEGURADORAS, S.A., in the amount of FORTY MILLION, ONE HUNDRED AND FIFTY-TWO THOUSAND, SEVEN HUNDRED AND SEVENTY-NINE EUROS, THIRTY CENTS (40,152,779.30 euros), by way of the issue and distribution of 401,527,793 ordinary shares with a par value of TEN EURO CENTS (0.10 euros) each, of the same class and series as before, numbered consecutively from 2,275,324,164 to 2,676,851,956, each inclusive.

— Amendment, as a result, of Article 5 of the Corporate By-laws.

— Application for the takeover merger of MAPFRE CAJA MADRID HOLDING DE ENTIDADES ASEGURADORAS, S.A., to be subject to the special tax regime set forth in Chapter VIII of Title VII of Royal Legislative Decree 4/2004 of 5th March, approving the Revised Text of the Corporate Tax Act.

— Apply to Madrid and Barcelona Securities Markets and to the Automated Securities Trading System, for the listing of the 401,527,793 new shares to be issued with a par value of ten euro cents each, and to likewise apply to the Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. Unipersonal (IBERCLEAR) that it may likewise proceed at the appropriate time to record the new shares at the Electronic Share Register, and the Board of Directors is hereby conferred powers as broad as may be required by law in order to execute this resolution, including deciding on what date it is to be put into effect.

— Approval of the distribution of earnings proposed by the Board of Directors, and therefore distribute a total dividend of 0.13 euros gross per

share to shares numbers 1 to 2,275,324,163, each inclusive, and of 0.07 euros gross per share to shares numbers 2,275,324,164 to 2,676,851,956, each inclusive. Part of this dividend, in the sum of 0.06 euros gross per share, was anticipated to shares numbers 1 to 2,275,324,163 by way of a resolution of the Board of Directors passed on 5th October 2007, and the rest, up to the total agreed, that is to say, 0.07 euros gross per share to all shares, numbers 1 to 2,676,851,956, each inclusive, shall be paid as from 4th June 2008.

— To authorize the Board of Directors so that, pursuant to the provisions of section 153 of the Revised Text of the Spanish Corporations Act, it can, during the five years following the date of this resolution, increase the share capital once or several times by up to a maximum of 113,766,208.15 euros, equivalent to 50% of the share capital.

Likewise, the Board of Directors is authorized to delegate the authority conferred under this resolution to the Steering Committee under the provisions of Article 141, number 1, paragraph two of the Revised Text of the Spanish Corporations Act.

— To request that the shares that the company issues as a result of the share capital increase carried out by the Board of Directors under the authorization referred to in the preceding paragraph are listed for trading on the Stock Exchange, pursuant to the provisions of Article 27 b) of the Stock Exchange Regulations, as worded in Royal Decree 1,536/81, and in the same terms and conditions as provided for under the said Article. It is explicitly agreed that, in the event of a subsequent application to exclude the shares from being listed, such decision shall be made with the same formalities, and in this case the interests of any objecting shareholders or shareholders who did not vote for or opposed the resolution, will be guaranteed. The passing of a decision to officially allow listing will amount to a declaration to abide by any rules that may be in force or that may be laid down in the future relating to Securities and Stock Markets, and especially those referring to trading, listing and delisting.

— Confer on the Board of Directors such powers as may be necessary in order to issue bonds, debenture bonds, or any other fixed-income securities (hereinafter, the securities) in accordance with the following terms:

– The securities may consist in simple bonds or debenture bonds, which may be convertible into newly-issued shares, or exchanged for shares in the Company already in circulation, as well as convertible into warrants or other instruments which, directly or indirectly, may entitle holders to subscribe or acquire newly-issued or existing Company shares.

– The Board of Directors shall have the broadest powers in order to proceed to the issue of the securities and to set the characteristics and

conditions for each issue, in particular, by way of example and without implying any limitation, the following:

- to determine the par value, type of issue, premiums and exercise price, issue currency, form of representation, interest rate and amortisation;
- to establish anti-dilution clauses, subordination clauses; to grant guarantees of an in rem or personal nature, for compliance with the duties arising as a result of the issue; to contract with third parties for the issue of guarantees;
- to set, where appropriate, the internal rules for the syndication of debenture holders and to appoint the coordinator; to establish, in the event the issue is convertible and exchangeable, that the issuer reserves the right to opt at any time between the conversion or exchange of the securities being performed by way of the delivery of newly-issued shares, of shares in circulation, or of a combination of both.
- to apply for the securities to be admitted for trading on all kinds of markets, whether organised or not, whether national or foreign; to provide for the exclusion, either in whole or in part, of the right to first refusal pertaining to shareholders and the holders of convertible debentures, warrants, and any other securities of a similar nature, where this should be justified in the interests of the Company.
- to increase the share capital by the amount necessary to meet the requests for conversion and/or exercise of the right to subscribe the shares to the extent that the value of these increases together with that of the others agreed pursuant to the authorisation conferred by the AGM does not exceed one half of the share capital figure; to amend the article of the corporate by-laws with regard to the value of the share capital.

– In the event of the issue of debentures or bonds which are convertible or may be exchanged, the following criteria shall be applicable with regard to the determination of the rules and formats of the conversion or exchange: the conversion or exchange ratio shall be fixed, the fixed-income securities shall be valued at their par value, and the shares shall be valued at the fixed rate as determined by the Board of Directors, or at a rate that may be determined in accordance with the value of the Company's shares as listed on the Stock Exchange on the date/s or over the period/s taken as a reference and laid down in the same Board resolution; however, the price of the shares may not be lower than the higher of (i) the arithmetic mean of the closing prices of the Company's shares on the Automated Securities Trading System during the period to be determined by the Board of Directors, which shall not be more than three months or less than fifteen days, prior to the date on which the Board of Directors meeting approving the issue of the securities is held, and (ii) the

closing price of the shares on the same Automated Securities Trading System on the day before the meeting of the Board of Directors at which, in exercise of this delegation of powers, the issue of the securities is approved.

Within the limits laid down in the previous paragraph, the Board of Directors shall have the broadest powers to develop and determine the rules and formats for the conversion and exchange.

– The issue may be performed one or more times, at any time, within the maximum time limit of five years as from the date on which this resolution is approved.

– The maximum total value of the issues allowed pursuant to this delegation of powers shall be THREE THOUSAND MILLION euros or the equivalent thereof in another currency.

– Endorse the report on the directors' remuneration policy that is submitted to the AGM for consultative purposes.

– Set the fixed allowance in favour of the non-executive directors for membership of the Board of Directors at the sum of 42,200 euros gross, with effect as from 1st January 2008. This amount shall apply throughout 2008, and shall be updated for successive years by the same percentage as is laid down for the general wage settlement for the company's staff. The allowance shall be increased by 50% for the chairs or vice-chairs of the Board of Directors or the chairs of a Delegated Committee (non-executive), and there shall be no cumulative increases where one person holds more than one of the said positions.

The remuneration of the members of the Steering and Delegated Committees shall consist in a per diem allowance, which for 2008 shall be set at the sum of 4,220 euros gross, in the case of the Steering Committee, and at the sum of 3,693 euros gross for all other Committees. These sums shall be updated in accordance with the same terms as are set forth in the previous paragraph. When two or more bodies hold joint meetings, only one allowance shall be payable.

– Extend the appointment of the firm Ernst & Young, S.L. as the Company's Accounts Auditors.

E.9 Indicate the number of shares, if any, that are required to be able to attend the AGM:

YES

NUMBER OF SHARES NECESSARY TO ATTEND THE AGM

1,500

E.10 Indicate and explain the policies pursued by the company with reference to proxy voting at the AGM.

The company does not pursue any specific policy with regard to voting by proxy at the AGM.

E.11 Indicate whether the company is aware of the institutional investors' policy regarding whether or not to participate in the company's decision making:

NO

E.12 Indicate the address and mode of access to the content on corporate governance on your web-site:

Access is as follows: www.mapfre.com

General information

Shareholders and Investors.

F. Degree of compliance with corporate governance recommendations

Indicate the extent to which the company follows the recommendations of the unified code on corporate governance. Should the company not have complied with any of them, explain the recommendations, standards, practices and/or criteria that the company does apply.

F.1 The bylaws of listed companies should not place an upper limit on the votes that can be cast by a single shareholder, or impose other obstacles to the takeover of the company by means of share purchases on the market.

See sections: A.9 , B.1.22 , B.1.23 and E.1 , E.2.

Cumplies

F.2 When a dominant and a subsidiary company are publicly traded, the two should provide detailed disclosure on:

a) The type of activity they engage in, and any business dealings between them, as well as between the subsidiary and other group companies;

b) The mechanisms in place to resolve possible conflicts of interest.

See sections: C.4 and C.7

Not applicable

F.3 Even when not expressly required under company law, any decisions involving a fundamental corporate change should be submitted to the General Meeting for approval or ratification. In particular:

a) The transformation of listed companies into holding companies through the process of subsidiarisation, subsidiaries, reallocating core activities to subsidiaries that were previously carried out by the holding company, even though the holding company retains full control of the subsidiaries;

b) Any acquisition or disposal of key operating assets that would effectively alter the company's corporate purpose;

c) Operations that effectively entail the company's liquidation.

Cumplies

F.4 Detailed proposals of the resolutions to be adopted at the General Meeting, including the information stated in Recommendation 28, should be made available at the same time as publication of the call to meeting.

Cumplies

F.5 Separate votes should be taken at the General Meeting on materially separate items, so shareholders can express their preferences in each case. This rule shall apply in particular to:

a) The appointment or ratification of directors, with separate voting on each candidate;

b) Amendments to the bylaws, with votes taken on all articles or groups of articles that are materially different.

See section: E.8

Cumplies

F.6 Que las sociedades permitan fraccionar el voto a fin de que los intermediarios financieros que aparezcan legitimados como accionistas, pero actúen por cuenta de clientes distintos, puedan emitir sus votos conforme a las instrucciones de éstos.

See section: E.4

Cumplies

F.7 The board of Directors should perform its duties with unity of purpose and independent judgement, according all shareholders the same treatment. It should be guided at all times by the company's best interests and, as such, strive to maximise its value over time.

It should likewise ensure that the company abides by the laws and regulations in its dealings with stakeholders; fulfils its obligations and contracts in good faith; respects the customs and good practices of the sectors and territories where it does business; and upholds any additional social responsibility principles it has subscribed to voluntarily.

Complies

F.8 The board should see its core mission as approving the company's strategy and authorising the organisational resources to carry it forward, and ensuring that management meets the objectives set while pursuing the company's interests and corporate purpose. As such, the board in full should reserve the right to approve:

a) The Company's general strategies and policies, and in particular:

- i) The strategic or business plan and the annual management and budgetary targets;
- ii) The investment and funding policy;
- iii) The definition of how the group companies are structured;
- iv) The corporate governance policy;
- v) The corporate social responsibility policy;
- vi) The policy for senior managers' remuneration and performance assessment;
- vii) The policy for overseeing and managing risks, and the periodic monitoring of the internal information and oversight systems.
- viii) The pay-out policy and the treasury-stock policy, especially their limits.

See sections: B.1.10, B.1.13, B.1.14 and D.3

b) The following decisions:

- i) At the proposal of the Chief Executive Office, the appointment and possible severance of senior managers, and their compensation clauses.

See section: B.1.14.

- ii) Directors' remuneration and any additional remuneration to executive directors for executive responsibilities and other terms and conditions that their contracts must include;

See section: B.1.14.

- iii) The financial information that the Company, as a publicly traded company, must disclose periodically.

- iv) Investments and/or transactions of any kind, whose high value or special characteristics make them strategic, unless the AGM is charged with approving them;

- v) The creation or acquisition of shares in special-purpose entities or entities domiciled in countries or territories considered tax havens, and any other transactions or operations of an analogous nature whose complexity could undermine the Group's transparency.

c) Transactions between the Company and its directors, its significant shareholders and/or shareholders represented on the board, and/or parties related to them ("related-party transactions").

However, board authorisation need not be required for related-party transactions that simultaneously meet the following three conditions:

1. They are carried out under arms' length contracts with standard terms and conditions, applicable en masse to a large number of customers;
2. They go through at market rates set in general by the supplier of the goods or services;
3. They are worth less than 1% of the Company's annual revenues.

Related-party transactions should only be approved on the basis of a favourable report from the Auditing Committee or any other committee entrusted with such a report; and the directors involved should neither exercise nor delegate their votes, and should withdraw from the meeting room while the board deliberates and votes.

The above powers should not be delegated with the exception of those mentioned in b) and c), which may be delegated to the Executive Committee in urgent cases and later ratified by the full board.

See sections: C.1 and C.6

Complies



F.9 In the interests of maximum effectiveness and participation, the Board of Directors should ideally comprise no fewer than five and no more than fifteen members.

See section: B.1.1

Explain

The company considers that the size of the Board meets the interests of maximum effectiveness and participation, and is suited to the Group's historical performance and particular circumstances.

F.10 External, shareholder-nominated and independent directors should occupy an ample majority of board places, while the number of executive directors should be the minimum required to deal with the complexity of the corporate group and reflect the ownership interests they control.

See sections: A.2 , A.3, B.1.3 and B.1.14.

Complies

F.11 If any external director cannot be considered a shareholder-nominated or an independent director, the company should disclose this circumstance and the affiliations between the director and the company or its senior officers, or its shareholders.

See section: B.1.3

Not applicable

F.12 Amongst external directors, the ratio between the number of shareholder-nominated and independent directors should reflect the percentage of shares held by the company that the shareholder-nominated director represents and the remaining share capital.

This strict proportionality can be relaxed so the percentage of nominee directors is greater than would strictly correspond to the total percentage of capital they represent:

1. In large cap companies where few or no equity stakes attain the legal threshold for significant shareholdings, despite the considerable sums actually invested in absolute terms.

2. In companies with a plurality of shareholders represented on the board but not otherwise related to each other.

See sections: B.1.3 , A.2 and A.3

Explain

Even though the shareholders that appoint the nominee directors (9) represent almost 79% of the share capital, there is a large number of independent directors (7).

F.13 Independent directors should account for at least one third of the total number of seats.

See section: B.1.3

Explain

The company has established its own criterion in the MAPFRE Code of Good Governance: at least one third of the directors must be independent directors (7) or minority nominee directors (2).

F.14 The Board should explain the type of each directorship to the AGM that must appoint the director or ratify their appointment. This should be confirmed or reviewed each year in the annual report on corporate governance, after verification by the Appointments & Remuneration committee. Said report should also disclose the reasons for the appointment of nominee directors at the behest of shareholders controlling less than 5% of capital; and it should explain any rejection of a formal request for a board place from shareholders whose equity stake is equal to or greater than that of others applying successfully for a nominee directorship.

See sections: B.1.3 and B.1.4

Complies

F.15 If there are few or no female directors, the board should explain the reasons and the initiatives adopted to correct the situation. In particular, the Appointments committee should take steps to ensure that, when vacancies arise:

a) The procedure for filling board vacancies has no implicit bias against women candidates;

b) The company makes a conscious effort to include women with the target profile among the candidates for board seats.

See sections: B.1.2, B.1.27 and B.2.3.

Complies in part

The Code of Good Governance lays down express rules in this respect for the Appointments and Remuneration Committee.

F.16 The chairman, who is responsible for the efficient running of the Board, should at all times ensure that the directors receive sufficient prior information for the meetings; encourage directors to debate and participate actively in the meetings, safeguarding their freedom to take their own stance and express their own opinion. He/she should organise and coordinate periodic assessment of the board with the chairs of the relevant committees and with the Bank's managing director or chief executive officer, when this is not also the chairman.

See section: B.1.42

Complies

F.17 When a company's chairman is also its chief executive, an independent director should be empowered to request a board meeting be called or new business included on the agenda; to coordinate and give voice to the concerns of external directors; and to lead the board's evaluation of the chairman.

See section: B.1.21

Complies in part

Pursuant to article 18 of the company by-laws, any director may request the inclusion of a point on the agenda and so any one of them has the power to make his/her concerns known to the Board of Directors.

A Board meeting may be requested by three directors, irrespective of their type of directorship.

Pursuant to the MAPFRE Code of Good Governance, every year the Board shall evaluate the performance of the Chairman, and where appropriate, the most senior executive officer, should these not be the same person, on the basis of the report drawn up for this purpose by the Appointments and Remuneration Committee.

F.18 The Secretary should take care to ensure that the board's actions:

a) Adhere to the spirit and letter of laws and their implementing regulations, including those issued by regulators;

b) Comply with the corporate bylaws and the regulations of the general meeting, the board of directors or others;

c) Are informed by those good governance recommendations of the Unified Code that the company has subscribed to.

In order to safeguard the independence, impartiality and professionalism of the company secretary, his or her appointment and removal should be proposed by the Appointment committee and approved by a full board meeting; the relevant appointment and removal procedures being spelled out in the board's regulations.

See section: B.1.34

Complies

F.19 The board should meet with the necessary frequency to properly perform its functions, in accordance with a calendar and agendas set at the beginning of the year, to which each director may propose the addition of other items.

See section: B.1.29

Complies

F.20 Directors should keep their absences to the bare minimum. Absences should be quantified in the Annual Corporate Governance Report. When directors have no choice but to delegate their vote, they should do so with instructions.

See sections: B.1.28 y B.1.30

Complies

F.21 When directors or the company secretary express concerns about some proposal or, in the case of directors, about the company's performance, and such concerns are not resolved at the board meeting, the person expressing them may request they be recorded in the minutes.

Complies

F.22 The board in full should evaluate the following points on a yearly basis:

a) The quality and efficiency of the board's operation;

b) Based on a report submitted by the Appointments committee, how well the chairman and chief executive have carried out their duties;

c) The performance of its committees on the basis of the reports furnished by such committees.

See section: B.1.19

Complies

F.23 All directors should be able to exercise their right to receive any additional information they require on matters within the board's competence. Unless the bylaws or board regulations indicate otherwise, such requests should be addressed to the chairman or secretary.

See section: B.1.42

Complies

F.24 All directors should be entitled to call on the company for the advice and guidance they need to perform their duties. The company should provide suitable channels for the exercise of this right. Under special circumstances it could include external assistance at the company's expense.

See section: B.1.41

Complies

F.25 Companies should organise induction programmes for new directors to acquaint them rapidly with the workings of the company and its corporate governance rules. Directors should also be offered refresher programmes when circumstances so advise.

Complies

F.26 Companies should require their directors to devote sufficient time and effort to perform their duties effectively, and, as such:

a) The directors must inform the Appointments & Remuneration committee of their other professional obligations, in case these interfere with the dedication required to perform their duties.

b) Companies should lay down rules about the number of directorships their board members can hold.

See sections: B.1.8, B.1.9 and B.1.17

Complies

F.27 The proposal for the appointment or renewal of directors which the board submits to the General Meeting, as well as provisional appointments by co-option, should be approved by the board:

a) At the proposal of the Appointments committee for independent directors;

b) On the basis of a report by the Appointments Committee for all other directors.

See section: B.1.2

Complies

F.28 Companies should publish the following director particulars on their website and keep them permanently updated:

a) Professional experience and background;

b) Directorships held in other companies, listed or otherwise;

c) An indication as to whether the directorship is executive, shareholder-nominated or independent; in the case of nominee directors, stating the shareholder they represent or to whom they are affiliated;

d) The date of their first and subsequent appointments as a company director, and

e) Shares and/or share options held in the company.

Complies

F.29 Independent directors should not stay on as such for a continuous period of more than 12 years.

See section: B.1.2

Complies

F.30 Nominee directors must resign when the shareholders they represent dispose of their ownership interest in its entirety. If such shareholders reduce their stakes, thereby losing some of their entitlement to nominee directors, the number of such nominee directors should be reduced accordingly.

See sections: A.2 , A.3 and B.1.2

Complies

F.31 The board of directors must not propose the removal of independent directors before the expiry of their term in office pursuant to the bylaws, except where due cause is found by the board, based on a report from the Appointments committee. In particular, due cause will be presumed when a director is in breach of his or her fiduciary duties or comes under one of the disqualifying grounds enumerated in section III.5 (Definitions) of this Code.

The removal of independent directors may also be proposed when a takeover bid, merger or similar corporate operation produces changes in the company's capital structure, in order to meet the proportionality criterion set out in Recommendation 12.

See sections: B.1.2, B.1.5 and B.1.26

Cumple



F.32 Companies should establish rules obliging directors to inform the board of any circumstance that might undermine the organisation's name or reputation, tendering their resignation as the case may be, with particular mention of any criminal charges brought against them and the progress of any subsequent proceedings.

If a director is indicted or tried for any of the crimes stated in article 124 of the Spanish Corporations Act, the board should examine the matter as soon as possible and, in view of the particular circumstances, decide whether or not he or she should be called on to resign. The board should also disclose all such determinations in the Annual Corporate Governance Report.

See sections: B.1.43, B.1.44

Complies

F.33 The directors should clearly express their opposition when they consider that a resolution submitted to the Board may not be in the Company's best interest. In particular, independents and other directors unaffected by the conflict of interest should challenge any decision that could go against the interests of shareholders lacking board representation.

When the board adopts material or reiterated resolutions on issues about which a director has expressed serious reservations, said director must draw the pertinent conclusions. Directors resigning for such causes should set out their reasons in the letter referred to in the next Recommendation.

This Recommendation should also apply to the company secretary, even if the secretary is not a director.

Complies

F.34 If leaving office before the end of its term, the director should explain the reasons in a letter sent to all board members. Whether or not such resignation is filed as a significant event, the reasons for leaving must be explained in the Annual Corporate Governance Report.

See section: B.1.5

Complies

F.35 The company's remuneration policy, as approved by its board of directors, should specify at least the following points:

a) Amount of the fixed components, itemised where applicable, for per diem payments for attending the board and its committee meetings and an estimate of the fixed annual remuneration ensuing on this.

b) Variable remuneration items, including, in particular.

i) The types of directors they apply to, with an explanation of the relative weight of variable to fixed remuneration items.

ii) Performance evaluation criteria used to calculate entitlement to the award of shares or share options or any performance-related remuneration;

iii) The main parameters and grounds for any system of annual bonuses or other, non cash benefits; and

iv) An estimate of the sum total of variable payments arising from the remuneration policy proposed, as a function of degree of compliance with pre-set targets or benchmarks.

c) The main characteristics of pension systems (for example, supplementary pensions, life insurance and similar arrangements), with an estimate of their amount or annual equivalent cost.

d) Conditions that the contracts of executive directors in senior management must respect, including:

i) Duration;

ii) Notice periods: and

iii) Any other clauses covering hiring bonuses, as well as indemnities or ring fencing in the event of early termination or rescission of the contractual relationship between company and executive director.

See section: B.1.15

Complies

F.36 Remuneration comprising the delivery of shares in the company or other companies in the group, share options or other share-indexed instruments, payments indexed to the company's performance or membership of pension schemes should be confined to executive directors.

The delivery of shares is excluded from this limitation when directors are obliged to retain them until the end of their term of office.

See sections: A.3, B.1.3

Complies

F.37 External directors' remuneration should sufficiently compensate them for the dedication, qualifications and responsibilities that the post entails; but should not be so high as to compromise their independence.

Complies

F.38 Deductions should be made to remuneration linked to company earnings, for any qualifications stated in the external auditor's report that reduce such earnings.

Complies

F.39 In the case of variable awards, remuneration policies should include technical safeguards to ensure they reflect the professional performance of the beneficiaries and not simply the general progress of the markets or the company's sector, atypical or exceptional transactions or circumstances of this kind.

Complies

F.40 The board should submit a report on the directors' remuneration policy to the advisory vote of the General Meeting, as a separate point on the agenda. This report can be supplied to shareholders separately or in the manner each company sees fit.

The report will focus on the remuneration policy the board has approved for the current year with reference, as the case may be, to the policy planned for future years. It will address all the points referred to in Recommendation 35, except those potentially entailing the disclosure of commercially sensitive information. It will highlight the most significant changes in these policies compared to those applied during the year prior to that put before the AGM. It will also include a global summary of how the remuneration policy was applied during said prior year.

The board should also report to the General Meeting on the role of the Remuneration committee in designing the policy, and identify any external advisors engaged.

See section: B.1.16

Complies

F.41 The notes to the annual accounts should list individual directors' remuneration in the year, including:

a) Itemisation of each company director's remuneration, to include where appropriate:

- i) Attendance fees and other fixed payments for directorship;
- ii) Additional remuneration for acting as chairman or member of a board committee;

iii) Any payments made under profit-sharing or bonus schemes, and the reason for their accrual;

iv) The payments made to any director's defined-benefit pension scheme; or increase in the director's vested rights when linked to contributions to defined-benefit schemes:

v) Any severance packages agreed or paid;

vi) Any remuneration they receive as directors of other companies in the group;

vii) The remuneration executive directors receive in respect of their senior management posts;

viii) Any kind of remuneration other than those listed above, of whatever nature and provenance within the group, especially when it may be accounted a related-party transaction or when its omission would detract from a true and fair view of the total remuneration received by the director.

b) A breakdown of shares, share options or other share-based instruments delivered to each director, itemised by:

i) Number of shares or options awarded in the year, and the terms set for exercising the options;

ii) Number of options exercised in the year, specifying the number of shares involved and the exercise price;

iii) Number of options outstanding at the annual close, specifying their price, date and other exercise conditions;

iv) Any change in the year in the exercise terms of previously awarded options.

c) Information on the relationship in the previous year between the remuneration obtained by executive directors and the company's earnings or any other measure of performance.

Complies in part

The whole recommendations is complied with, except for the information on remuneration which is supplied in aggregate form by director categories, but broken down in a sufficiently explanatory way.

F.42 When the company has an executive committee, the breakdown of its members by director category should be similar to that of the board itself. The secretary of the board should also act as secretary to the executive committee.

See sections: B.2.1 and B.2.6

Explain

The company has its own criterion, configuring it as a delegated body that is fully executive, with the presence of the senior managers of the main bodies of the Group, and with the presence of two external nominee directors.

F.43 The board should be kept fully informed of the business transacted and resolutions adopted by the Executive committee. To this end, all board members should receive a copy of the committee's minutes.

Complies

F.44 In addition to the Audit committee mandatory under the Securities Market Act, the board of directors should form a committee, or two separate committees, for appointments and remuneration.

The rules governing the composition and operation of the Auditing committee and the committee(s) for appointments and remuneration should be set forth in the board regulations, and include the following:

a) The board of directors should appoint the members of such committees in view of the knowledge, skills and experience of its directors and the terms of reference of each committee; discuss their proposals and reports; and be responsible for overseeing and evaluating their work, which should be reported to the first full board meeting following each meeting;

b) These committees should be formed exclusively of external directors and have a minimum of three members. Executive directors or senior management may also attend meetings at the committees' express invitation.

c) These committees should be chaired by an independent director.

d) They may engage external advisors, when they feel this is necessary for the discharge of their duties.

e) Meeting proceedings should be minuted and a copy sent to all board members.

See sections: B.2.1 and B.2.3

Complies in part

All recommendations are complied with except for sections b) and c). Both Committees have executive directors and the chairman of the

Appointments and Remuneration Committee is not an independent board member.

F.45 The job of supervising compliance with internal codes of conduct and corporate governance rules should be entrusted to the Auditing committee, the appointments committee or, as the case may be, separate compliance or corporate governance committees.

Complies

F.46 All members of the audit committee, particularly its chairman, should be appointed with regard to their knowledge and background in accounting, auditing and risk management.

Complies

F.47 Listed companies should have an internal audit function, under the supervision of the audit committee, to ensure the proper operation of internal reporting and control systems.

Complies

F.48 The head of internal audit should present an annual work programme to the audit committee; report to it directly on any incidents arising during its implementation; and submit an activities report at the end of each year.

Complies

F.49 The oversight and risk management policy should specify at least:

a) The different types of risk (operational, technological, financial, legal, reputational, etc) the company is exposed to, with the inclusion under financial or economic risks of contingent liabilities and other off-balance-sheet risks;

b) The level of risk that the company considers acceptable;

c) The measures established to mitigate the impact of the risks identified, should they materialise;

d) The internal oversight and reporting systems that will be used to control and manage said risks, including contingent liabilities and off-balance-sheet risks.

See section: D

Complies

F.50 The Audit committee's role should be:

1. With respect to internal control and reporting systems:

a) To supervise the process of drawing up the financial information and its integrity for the Company and its Group, reviewing compliance with

regulatory requirements, suitable scope of the consolidation perimeter and the correct application of accounting principles.

b) To periodically review the systems of internal risk management and oversight to ensure the main risks are identified, managed and sufficiently well known.

c) To ensure the independence and efficacy of the internal audit. To propose the selection, appointment, re-election and severance of the internal audit officer. To propose the budget for the internal audit service. To receive periodic information on their activities; and to check that the senior management takes the conclusions and recommendations of their reports into account.

d) To establish and supervise a mechanism that enables employees to confidentially and, if this is deemed appropriate, anonymously communicate irregularities they notice within the company that may be of potential importance, especially financial and accounting irregularities.

2. With respect to the external auditor:

a) To put to the Board the proposals for selection, appointment, re-election and substitution of the external auditor and the terms and conditions of engagement.

b) To receive regular information from the external auditor on the audit plan and the outcome of its execution, verifying that the senior management takes due note of its recommendations.

c) To ensure the independence of the external auditor, to which end:

i) The company should notify any change of auditor to the CNMV as a significant event, accompanied by a statement of any disagreements arising with the outgoing auditor and the reasons for the same;

ii) Also to ensure that the company and the external auditor respect prevailing standards on the provision of services other than auditing, the limits on concentration of the auditor's business and, in general, other standards established to guarantee auditors' independence;

iii) Should the external auditor resign, to examine the circumstances leading to the resignation.

d) In groups, to help the group auditor take responsibility for auditing the companies belonging to it.

See sections: B.1.35, B.2.2, B.2.3 and D.3

Complies

F.51 The Auditing committee should be empowered to meet with any company employee or manager, even ordering their appearance without the presence of another senior officer.

Complies

F.52 The audit committee should prepare information on the following points from Recommendation 8 for input to board decision-making: 8:

a) The financial information that the Company, as a publicly traded company, must disclose periodically. The committee should ensure that interim statements are drawn up under the same accounting principles as the annual statements and, to this end, may ask the external auditor to conduct a limited review;

b) The creation or acquisition of shares in special-purpose entities or entities domiciled in countries or territories considered tax havens, and any other transactions or operations of an analogous nature whose complexity could undermine the Group's transparency.

c) Related-party transactions, except where their scrutiny has been entrusted to some other supervision and control committee.

See sections: B.2.2 and B.2.3

Complies

F.53 The board of directors shall try to avoid the accounts it has filed being presented to the AGM with reservations and qualifications. When this is not possible, both the chair of the Audit committee and the auditors must clearly explain the content and scope of discrepancies to the markets and shareholders.

See sections: B.1.38

Complies

F.54 The majority of appointments committee members –or appointments & remuneration committee members as the case may be– should be independent directors.

See sections: B.2.1

Explain

The company has its own criterion with regard to the proper make-up of the Appointments and Remuneration Committee (which may be seen in detail in sub-section B.2.1. of this report).

F.55 The appointments committee should have the following duties in addition to those stated in earlier recommendations:

a) Evaluate the balance of skills, knowledge and experience required on the board, define the roles and capabilities required of the candidates to fill each vacancy accordingly, and decide the time and dedication necessary for them to properly perform their duties.

b) Examine or organise, in the manner it deems suitable, the succession of the chairman and/or chief executive officer and put corresponding proposals to the board for an orderly, well-planned succession.

c) Report on the senior officer appointments and removals that the chief executive proposes to the board.

d) Report to the board on the gender diversity issues discussed in Recommendation 14 of this code.

See section: B.2.3

Complies

F.56 The appointments & remuneration committee shall consult with the company chairman and the chief executive officer with respect to matters related to executive directors.

Any board member may suggest directorship candidates to the appointment committee for its consideration.

Complies

F.57 The appointments committee should have the following duties in addition to those stated in earlier recommendations:

a) Make proposals to the Board of Directors regarding:

i) The policy for directors' and senior managers' remuneration;

ii) The individual remuneration and other contractual conditions of executive directors;

iii) The core conditions for senior officer employment contracts.

b) Oversee compliance with the remuneration policy set by the company.

See sections: B.1.14, B.2.3

Complies

F.58 The appointments & remuneration committee shall consult with the company chairman and the chief executive officer, especially with respect to matters related to executive directors and senior managers.

Complies

G. Other information of interest

List and explain below the contents of any relevant principles or aspects of corporate governance applied by the company that have not been covered by this report.

This section may include any other relevant information, clarification or detail related to previous sections of the report.

Specifically indicate whether the company is subject to corporate governance legislation from any country other than Spain and, if so, include the compulsory information to be provided when different from that required by its report.

Binding definition of independent director.

Indicate whether any of the independent directors has or has had any relationship with the company, its significant shareholders and/or its executives which, if sufficiently significant, would have meant that the director could not be considered independent under the definition given in section 5 of the unified code of good governance:

NO

Date and signature

This annual report on corporate governance has been approved by the Company's Board of Directors on 04/02/2009

Indicate whether any members have voted against or abstained with respect to the approval of this report.

NO

ANNUAL CONSOLIDATED FINANCIAL STATEMENTS 2008

MAPFRE S.A.



A) Consolidated balance sheet as at 31 december 2008 and 2007

ASSETS	NOTES	2008	2007
A) INTANGIBLE ASSETS	6.1	2,064.86	1,187.72
I. Goodwill	6.1	1,601.29	1,016.93
II. Other intangible assets	6.1	463.57	170.79
B) PROPERTY, PLANT AND EQUIPMENT	6.2	1,292.24	1,340.08
I. Property for own use	6.2	918.50	969.03
II. Other property, plant and equipment	6.2	373.74	371.05
C) INVESTMENTS		28,341.86	26,166.96
I. Investment property	6.2	930.74	791.34
II. Financial investments			
1. Portfolio held to maturity	6.4	741.14	1,110.14
2. Portfolio available for sale	6.4	24,595.28	22,557.38
3. Trading portfolio	6.4	939.11	1,214.85
III. Investments recorded applying the equity method		325.88	334.49
IV. Deposits established for accepted reinsurance		124.61	112.81
V. Other investments		685.10	45.95
D) INVESTMENTS ON ACCOUNT OF LIFE POLICYHOLDERS BEARING THE INVESTMENT RISK	6.5	472.42	362.36
E) INVENTORIES	6.6	687.05	678.19
F) PARTICIPATION OF REINSURANCE IN TECHNICAL PROVISIONS	6.14	2,565.80	2,146.08
G) DEFERRED TAX ASSETS	6.21	585.62	356.22
H) CREDITS & RECEIVABLES	6.7	3,148.91	2,871.47
I. Credits on direct insurance and coinsurance operations	6.7	2,412.93	2,138.68
II. Credits on reinsurance operations	6.7	315.93	252.23
III. Tax credits	6.7		
1. Tax on profits to be collected	6.21	28.84	58.05
2. Other tax credits		55.48	146.49
IV. Corporate and other credits	6.7	335.73	276.02
V. Shareholders, called capital		-	-
I) CASH AND BANKS	6.9	1,415.07	1,639.40
J) ACCRUAL ADJUSTMENTS		1,004.27	808.37
K) OTHER ASSETS		90.52	47.48
L) NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS	6.10	20.75	22.59
Total Assets		41,689.37	37,626.92

FIGURES IN MILLION EUROS

A) Consolidated balance sheet as at 31 december 2008 and 2007

LIABILITIES AND EQUITY	NOTES	2008	2007
A) EQUITY	6.11	5,716.37	5,614.41
I. Share capital	6.11	274.48	227.53
II. Reserves	6.11	3,705.16	2,840.79
III. Treasury stock		-	-
IV. Valuation adjustment reserves	6.11	(244.44)	170.10
V. Translation differences	6.23	(144.59)	(35.11)
VI. Retained earnings			
1. Results from previous years pending application		598.26	533.56
2. Result of the year attributable to the controlling Company	4.1	900.69	731.06
3. Interim dividends	4.2	(187.38)	(136.52)
Equity attributable to the controlling Company's shareholders		4,902.18	4,331.41
Minority interests		814.19	1,283.00
B) SUBORDINATED LIABILITIES	6.12	723.52	737.75
C) TECHNICAL PROVISIONS	6.14	28,384.80	26,419.43
I. Provisions for unearned premiums and for risks in progress	6.14	5,285.87	4,307.63
II. Provision for life assurance	6.14	16,195.22	16,221.91
III. Provision for outstanding claims	6.14	6,408.86	5,475.66
IV. Other technical provisions	6.14	494.85	414.23
D) TECHNICAL PROVISIONS FOR LIFE ASSURANCE WHERE POLICYHOLDERS BEAR THE INVESTMENT RISK	6.14	472.42	362.36
E) PROVISIONS FOR RISKS AND EXPENSES	6.15	316.52	314.97
F) DEPOSITS RECEIVED ON CEDED AND RETROCEDED REINSURANCE	6.16	131.39	143.13
G) DEFERRED TAX LIABILITIES	6.21	581.54	428.26
H) DEBT	6.17	5,052.14	3,322.64
I. Issuance of debenture bonds and other negotiable securities	6.13	463.21	286.79
II. Due to credit institutions	6.13	1,857.75	494.54
III. Other financial liabilities	6.13	718.97	576.49
IV. Due on direct insurance and coinsurance operations	6.17	700.82	581.22
V. Due on reinsurance operations	6.17	253.08	233.72
VI. Tax payable			
1. Tax on profits to be paid	6.21	214.42	145.20
2. Other tax debts		317.04	265.80
VII. Other debts	6.17	526.85	738.88
I) ACCRUAL ADJUSTMENTS		303.30	272.05
J) LIABILITIES LINKED TO NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS	6.10	7.37	11.92
TOTAL LIABILITIES AND EQUITY		41,689.37	37,626.92

FIGURES IN MILLION EUROS

B) Consolidated income statement for years ended 31 december 2008 and 2007

CONCEPT	NOTES	2008	2007
I. REVENUES FROM INSURANCE BUSINESS			
1. Insurance premiums, net			
a) Written premiums, direct insurance	7.2	12,859.60	10,992.74
b)) Premiums from accepted reinsurance	7.2	1,445.17	1,317.73
c) Premiums from ceded reinsurance	6.20	(1,513.92)	(1,305.52)
d) Variation in provisions for premiums and risks in progress, net	5.15		
Direct insurance	6.15	(337.22)	(364.50)
Accepted reinsurance	6.15	(59.16)	(94.42)
Ceded reinsurance	6.20	78.67	60.00
2. Profits from companies recorded by the equity method		9.70	1.97
3. Income from investments			
a) From operations	6.18	2,053.56	1,652.63
b) From equity	6.18	246.33	119.17
4. Unrealised gains in investments on account of life policyholders bearing the investment risk		49.91	39.26
5. Other technical revenues		33.44	33.57
6. Other non technical revenues		58.67	12.94
7. Positive translation differences	6.23	301.69	101.17
8. Reversal of the asset impairment provision	6.8	9.57	0.63
TOTAL REVENUES FROM INSURANCE BUSINESS		15,236.01	12,567.37
II. EXPENSES FROM INSURANCE BUSINESS			
1. Claims, net			
a) Claims paid and variation in provision for claims, net			
Direct insurance	5.15	(9,358.22)	(7,279.66)
Accepted reinsurance	5.15	(889.76)	(793.96)
Ceded reinsurance	6.20	1,079.34	891.18
b) Claim related expenses	5.15	(533.81)	(428.17)
2. Variation in other technical provisions, net	5.15	(111.41)	(611.41)
3. Profit sharing and returned premiums		(44.89)	(34.60)
4. Net operating expenses	6.19		
a) Acquisition expenses		(2,219.78)	(1,826.36)
b) Administration expenses		(646.23)	(542.69)
c) Commissions and participation in reinsurance	6.20	204.75	180.57
5. Sharing in losses from companies recorded by the equity method		(14.83)	(0.09)
6. Expenses from investments			
a) From operations	6.18	(572.89)	(436.99)
b) From equity and financial accounts	6.18	(107.31)	(36.38)
7. Unrealised losses in investments on account of life policyholders bearing the investment risk		(87.65)	(41.22)
8. Other technical expenses		(124.43)	(128.94)
9. Other non technical expenses		(35.95)	(43.28)
10. Negative translation differences	6.23	(230.34)	(114.44)
11. Allowance to the asset impairment provision	6.8	(78.87)	(12.55)
TOTAL EXPENSES FROM INSURANCE BUSINESS		(13,772.28)	(11,258.99)
RESULT OF THE INSURANCE BUSINESS		1,463.73	1,308.38

FIGURES IN MILLION EUROS

(Continued on following page)

(Continued from previous page)

CONCEPT	NOTES	2008	2007
III. OTHER ACTIVITIES			
1. Operating revenues		502.60	522.23
2. Operating expenses	6.19	(522.80)	(446.89)
3. Net financial revenues			
a) Financial revenues	6.18	133.15	57.78
b) Financial expenses	6.18	(147.90)	(84.91)
4. Results from minority interests			
a) Profits from companies recorded by the equity method		0.50	13.56
b) Losses from companies recorded by the equity method		-	(0.03)
5. Reversal of asset impairment provision	6.8	3.11	0.39
6. Allowance for asset impairment provision	6.8	(49.13)	(4.78)
7. Result from the disposal of non current assets classified as held for sale, not included in discontinued operations		-	-
RESULT FROM OTHER ACTIVITIES		(80.47)	57.35
IV. RESULT BEFORE TAX FROM ONGOING OPERATIONS		1,383.26	1,365.73
V. TAX ON PROFIT FROM ONGOING OPERATIONS	6.21	(385.14)	(389.61)
VI. PROFIT AFTER TAX FROM ONGOING OPERATIONS		998.12	976.12
VII. PROFIT AFTER TAX FROM DISCONTINUED OPERATIONS	6.10	(2.20)	(3.99)
VIII. PROFIT FOR THE YEAR		995.92	972.13
1. Attributable to minority shareholders		(95.23)	(241.07)
2. Attributable to the controlling Company	4.1	900.69	731.06
<small>FIGURES IN MILLION EUROS</small>			
Basic and diluted gains per share (Euros)	4.1	0.34	0.32

C) Consolidated statement of changes in equity as at 31 december 2008 and 2007

CONCEPT	EQUITY ATTRIBUTABLE TO THE CONTROLLING SHAREHOLDER						
	SHARE CAPITAL	RESERVES	VALUATION ADJUSTMENT RESERVES	TRANSLATION DIFFERENCES	RETAINED RESULT	MINORITY INTERESTS	TOTAL NET EQUITY
BALANCE AS AT 1 JANUARY 2007	119.45	2,604.96	261.26	(3.24)	1,044.06	1,027.80	5,054.29
I. Changes in accounting policies	-	-	-	-	-	-	-
II. Correction of errors	-	-	-	-	-	-	-
BALANCE AS AT 1 JANUARY 2007, RESTATED	119.45	2,604.96	261.26	(3.24)	1,044.06	1,027.80	5,054.29
VARIATIONS IN 2007							
I. Results recognised directly in equity							
1. From investments available for sale	-	-	(299.96)	-	-	(224.95)	(524.91)
2. From translation differences	-	-	-	(31.87)	-	(3.67)	(35.54)
3. From application of shadow accounting	-	-	208.80	-	-	202.74	411.54
Total results recognised directly in equity	-	-	(91.16)	(31.87)	-	(25.88)	(148.91)
II. Other results for 2007	-	-	-	-	731.06	241.07	972.13
Total results for 2007	-	-	(91.16)	(31.87)	731.06	215.19	823.22
III. Distribution of 2006 results	-	386.70	-	-	(510.50)	(7.98)	(131.78)
IV. Interim dividends for 2007 (Note 4.2)	-	-	-	-	(136.52)	(84.67)	(221.19)
V. Capital increase at MAPFRE S.A. (Note 6.11) and controlled companies	108.08	3,335.14	-	-	-	34.82	3,478.04
VI. Effect of application from 1 January 2006 of the business combination performed in 2007	-	(3,449.98)	-	-	-	-	(3,449.98)
VII. Changes in consolidation perimeter and others	-	(36.03)	-	-	-	97.84	61.81
TOTAL VARIATIONS IN 2007	108.08	235.83	(91.16)	(31.87)	84.04	255.20	560.12
BALANCE AS AT 31 DECEMBER 2007	227.53	2,840.79	170.10	(35.11)	1,128.10	1,283.00	5,614.41
I. Changes in accounting policies	-	-	-	-	-	-	-
II. Correction of errors	-	-	-	-	-	-	-
BALANCE AS AT 1 JANUARY 2008, RESTATED	227.53	2,840.79	170.10	(35.11)	1,128.10	1,283.00	5,614.41
VARIATIONS IN 2008							
I. Results recognised directly in equity							
1. From investments available for sale	-	-	(625.58)	-	-	(22.13)	(647.71)
2. From translation differences	-	-	-	(109.57)	-	(6.81)	(116.38)
3. From application of shadow accounting	-	-	153.37	-	-	(0.15)	153.22
Total results recognised directly in equity	-	-	(472.21)	(109.57)	-	(29.09)	(610.87)
II. Other results for 2008	-	-	-	-	900.69	95.23	995.92
Total results for 2008	-	-	(472.21)	(109.57)	900.69	66.14	385.05
III. Distribution of 2007 results	-	330.56	-	-	(533.62)	-	(203.06)
IV. Interim dividends for 2008 (Note 4.2)	-	-	-	-	(187.38)	(31.74)	(219.12)
V. Capital increase at MAPFRE S.A. (Note 6.11) and controlled companies	46.95	1,327.89	-	-	-	406.17	1,781.01
VI. Changes in consolidation perimeter and others	-	(794.08)	57.67	0.09	3.78	(909.38)	(1,641.92)
TOTAL VARIATIONS IN 2008	46.95	864.37	(414.54)	(109.48)	183.47	(468.81)	101.96
BALANCE AS AT 31 DECEMBER 2008	274.48	3,705.16	(244.44)	(144.59)	1,311.57	814.19	5,716.37

FIGURES IN MILLION EUROS

D) Consolidated cash flow statement for years ended 31 december 2008 and 2007

CONCEPT	2008	2007
Cash from collected premiums	13,710.37	11,692.95
Payment of claims	(9,334.53)	(6,760.14)
Collections from reinsurance operations	753.30	618.65
Payments on reinsurance operations	(821.06)	(901.07)
Payments of commissions	(1,524.43)	(981.40)
Collections from clients, other activities	381.21	802.71
Payments to suppliers, other activities	(409.97)	(747.10)
Other operating cash inflows	413.40	124.73
Other operating cash outflows	(2,934.53)	(2,415.45)
Payment/receipt of outflows or inflows from corporation tax	(244.06)	(407.20)
NET CASH FLOWS FROM OPERATING ACTIVITIES	(10.30)	1,026.68
Purchases of intangible fixed assets	(96.51)	(60.45)
Purchases of property, plant and equipment	(275.19)	(208.46)
Acquisition of investments and payment of capital increases	(7,513.05)	(5,865.51)
Net cash paid by companies incorporated into the consolidation perimeter	(1,519.46)	(428.44)
Net cash from entities no longer included in the consolidation perimeter	114.43	(1.61)
Sales of property, plant and equipment	29.21	21.74
Sales of investments	6,385.54	4,406.67
Interest collected	1,075.42	981.35
Dividends collected	128.69	48.68
Collections from loans and other financial instruments	690.43	796.04
Payments for loans and other financial instruments	(568.67)	(900.29)
NET CASH FLOWS FROM INVESTMENT ACTIVITIES	(1,549.16)	(1,210.28)
Dividends and donations paid	(422.18)	(352.03)
Collections on capital increases	667.61	21.96
Payments on return of shareholders' contributions	-	-
Proceeds from issuance of debenture bonds	-	700.00
Payments on interest and redemption of debenture bonds	(68.60)	(16.55)
Payments on interest and repayment of other borrowings	(537.49)	(229.60)
Proceeds from other borrowings	1,719.33	285.58
NET CASH FLOW FROM FINANCING ACTIVITIES	1,358.67	409.36
NET INCREASE/(DECREASE) IN CASH FLOW	(200.79)	225.76
Translation differences in cash flow and cash balances	(23.54)	(8.61)
OPENING CASH BALANCE	1,639.40	1,422.25
CLOSING CASH BALANCE	1,415.07	1,639.40

FIGURES IN MILLION EUROS

E) Financial information by segments - consolidated balance sheet
as at 31 december 2008 and 2007

ASSETS	DIRECT INSURANCE					
	LIFE		MOTOR		OTHERS NON LIFE	
	2008	2007	2008	2007	2008	2007
A) INTANGIBLE ASSETS	482.80	314.26	719.58	31.39	294.98	161.13
I. Goodwill	202.71	265.12	604.07	5.23	252.88	127.35
II. Other intangible assets	280.09	49.14	115.51	26.16	42.10	33.78
B) PROPERTY, PLANT AND EQUIPMENT	63.70	53.00	680.45	679.65	160.90	153.24
I. Property for own use	39.28	35.62	500.00	524.73	126.16	112.52
II. Other property, plant and equipment	24.42	17.38	180.45	154.92	34.74	40.72
C) INVESTMENTS	17,063.97	16,837.14	4,695.45	3,487.03	4,358.64	4,710.53
I. Investment property	186.64	179.75	462.44	358.21	319.20	319.93
II. Financial investments						
1. Portfolio held to maturity	440.31	207.35	115.53	385.99	157.12	299.22
2. Portfolio available for sale	15,866.25	15,806.08	3,663.43	2,325.22	3,278.16	2,806.81
3. Trading portfolio	436.38	506.33	220.03	206.22	273.97	326.06
III. Investments recorded applying the equity method	22.18	54.34	19.75	13.08	84.34	55.73
IV. Deposits established for accepted reinsurance	0.08	0.01	0.15	0.25	7.03	7.72
V. Other investments	112.13	83.28	214.12	198.06	238.82	895.06
D) INVESTMENTS ON ACCOUNT OF LIFE POLICYHOLDERS BEARING THE INVESTMENT RISK	472.42	362.36	-	-	-	-
E) INVENTORIES	-	-	-	-	-	-
F) PARTICIPATION OF REINSURANCE IN TECHNICAL PROVISIONS	111.76	63.58	209.56	163.69	2,429.43	2,109.46
G) DEFERRED TAX ASSETS	179.80	177.59	242.88	82.12	92.70	58.90
H) CREDITS & RECEIVABLES	515.68	457.13	1,310.97	1,000.46	1,183.25	1,160.41
I. Receivables on direct insurance and coinsurance operations	430.47	380.27	1,023.39	794.25	960.20	959.65
II. Receivables on reinsurance operations	19.05	8.37	50.94	29.24	132.51	95.54
III. Tax credits	10.35	19.07	23.62	37.24	32.92	40.39
IV. Corporate and other credits	55.81	49.42	213.02	139.73	57.62	64.83
V. Shareholders, called capital	-	-	-	-	-	-
I) CASH AND BANKS	472.67	381.98	268.08	244.71	364.37	388.19
J) ACCRUAL ADJUSTMENTS	111.00	67.69	319.80	195.10	409.36	381.47
K) OTHER ASSETS	117.86	18.14	23.26	11.94	50.00	17.52
L) NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS	-	-	0.07	0.04	0.22	0.01
TOTAL ASSETS BY SEGMENTS	19,591.66	18,732.87	8,470.10	5,896.13	9,343.85	9,140.86

FIGURES IN MILLION EUROS

REINSURANCE		OTHER ACTIVITIES		CONSOLIDATION ADJUSTMENTS		TOTAL	
2008	2007	2008	2007	2008	2007	2008	2007
5.28	6.11	80.64	66.24	481.58	608.59	2,064.86	1,187.72
-	-	51.41	51.42	490.22	567.81	1,601.29	1,016.93
5.28	6.11	29.23	14.82	(8.64)	40.78	463.57	170.79
41.57	41.56	226.55	251.02	119.07	161.61	1,292.24	1,340.08
33.98	34.70	100.26	100.93	118.82	160.53	918.50	969.03
7.59	6.86	126.29	150.09	0.25	1.08	373.74	371.05
2,158.35	1,983.99	9,106.13	6,957.63	(9,040.68)	(7,809.36)	28,341.86	26,166.96
27.50	31.66	53.32	69.77	(118.36)	(167.98)	930.74	791.34
5.24	199.61	21.09	12.87	1.85	5.10	741.14	1,110.14
1,616.85	1,442.48	211.90	224.23	(41.31)	(47.44)	24,595.28	22,557.38
32.58	29.76	-	179.05	(23.85)	(32.57)	939.11	1,214.85
11.29	13.00	11.35	9.27	176.97	189.07	325.88	334.49
276.96	266.99	-	-	(159.61)	(162.16)	124.61	112.81
187.93	0.49	8,808.47	6,462.44	(8,876.37)	(7,593.38)	685.10	45.95
-	-	-	-	-	-	472.42	362.36
-	-	687.05	678.19	-	-	687.05	678.19
636.65	551.53	-	-	(821.60)	(742.18)	2,565.80	2,146.08
16.79	7.69	46.83	28.35	6.62	1.57	585.62	356.22
230.80	254.21	291.60	289.97	(383.39)	(290.71)	3,148.91	2,871.47
-	-	-	-	(1.13)	4.51	2,412.93	2,138.68
207.22	214.85	-	-	(93.79)	(95.77)	315.93	252.23
5.45	11.99	16.22	95.32	(4.24)	0.53	84.32	204.54
18.13	27.37	275.38	194.65	(284.23)	(199.98)	335.73	276.02
-	-	-	-	-	-	-	-
55.52	42.07	223.97	579.02	30.46	3.43	1,415.07	1,639.40
158.36	148.69	5.69	3.94	0.06	11.48	1,004.27	808.37
0.74	1.13	153.67	92.83	(255.01)	(94.08)	90.52	47.48
1.47	0.08	18.99	22.46	-	-	20.75	22.59
3,305.53	3,037.06	10,841.12	8,969.65	(9,682.89)	(8,149.65)	41,689.37	37,626.92

E) Financial information by segments - consolidated balance sheet
as at 31 december 2008 and 2007

LIABILITIES AND EQUITY	DIRECT INSURANCE					
	LIFE		MOTOR		OTHERS NON LIFE	
	2008	2007	2008	2007	2008	2007
A) EQUITY	1,342.87	995.71	2,687.36	1,528.49	1,851.86	2,350.32
I. Share capital	394.42	327.45	1,803.53	424.95	901.36	1,179.80
II. Reserves	737.50	402.45	652.83	557.59	745.22	828.45
III. Treasury stock	-	-	-	-	-	-
IV. Valuation adjustment reserves	13.71	78.89	(187.67)	67.86	(13.50)	108.22
V. Translation differences	(75.89)	(14.28)	(110.71)	(112.24)	(318.99)	(298.65)
VI. Retained earnings	82.22	80.52	470.62	378.38	503.86	311.84
Equity attributable to the controlling Company's shareholders	1,151.96	875.03	2,628.60	1,316.54	1,817.95	2,129.66
Minority interests	190.91	120.68	58.76	211.95	33.91	220.66
B) SUBORDINATED LIABILITIES	-	-	10.08	10.00	-	-
C) TECHNICAL PROVISIONS	16,663.73	16,441.98	4,452.51	3,491.95	5,949.63	5,339.88
I. Provisions for unearned premiums and for risks in progress	124.37	21.81	2,236.87	1,761.08	2,255.35	1,975.06
II. Provisions for life assurance	16,028.87	16,025.28	3.84	-	53.03	-
III. Provisions for outstanding claims	457.69	362.73	2,208.05	1,730.59	3,229.63	3,003.05
IV. Other technical provisions	52.80	32.16	3.75	0.28	411.62	361.77
D) TECHNICAL PROVISIONS FOR LIFE ASSURANCE WHERE POLICYHOLDERS BEAR THE INVESTMENT RISK	472.42	362.36	-	-	-	-
E) PROVISIONS FOR RISKS AND EXPENSES	78.56	60.02	194.63	239.94	62.12	101.29
F) DEPOSITS RECEIVED ON CEDED AND RETROCEDED REINSURANCE	21.17	19.29	0.95	1.56	151.34	154.51
G) DEFERRED TAX LIABILITIES	238.45	183.12	194.09	122.25	80.98	84.35
H) DEBT	772.14	667.74	898.48	483.64	1,077.43	954.74
I. Issuance of debenture bonds and other negotiable securities	-	-	146.61	-	29.81	-
II. Due to credit institutions	5.53	3.25	30.11	2.64	48.85	19.84
III. Other financial liabilities	416.84	393.69	0.54	0.68	60.80	0.34
IV. Due on direct insurance and coinsurance operations	104.45	97.16	318.09	139.83	278.28	342.94
V. Due on reinsurance operations	18.43	11.84	33.91	39.45	220.79	198.45
VI. Tax payable	109.93	46.10	177.28	123.72	228.40	165.15
VII. Other debts	116.96	115.70	191.94	177.32	210.50	228.02
I) ACCRUAL ADJUSTMENTS	2.32	2.65	32.00	18.30	170.49	155.77
J) LIABILITIES LINKED TO NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS	-	-	-	-	-	-
TOTAL LIABILITIES AND EQUITY BY SEGMENTS	19,591.66	18,732.87	8,470.10	5,896.13	9,343.85	9,140.86

FIGURES IN MILLION EUROS

OTHER ACTIVITIES		CONSOLIDATION ADJUSTMENTS		TOTAL		TOTAL	
2008	2007	2008	2007	2008	2007	2008	2007
794.26	773.94	7,160.34	6,577.36	(8,120.32)	(6,611.41)	5,716.37	5,614.41
255.97	255.94	905.87	1,092.71	(3,986.67)	(3,053.32)	274.48	227.53
335.81	326.42	5,762.49	5,023.80	(4,528.69)	(4,297.92)	3,705.16	2,840.79
-	-	-	-	-	-	-	-
(13.00)	18.44	(21.69)	(7.40)	(22.29)	(95.91)	(244.44)	170.10
(42.43)	(29.11)	(17.17)	(3.04)	420.60	422.21	(144.59)	(35.11)
249.04	194.78	519.54	357.08	(513.71)	(194.50)	1,311.57	1,128.10
785.39	766.47	7,149.04	6,463.15	(8,630.76)	(7,219.44)	4,902.18	4,331.41
8.87	7.47	11.30	114.21	510.44	608.03	814.19	1,283.00
-	-	713.44	727.75	-	-	723.52	737.75
2,148.31	1,897.03	-	-	(829.38)	(751.41)	28,384.80	26,419.43
1,045.77	971.67	-	-	(376.49)	(421.99)	5,285.87	4,307.63
117.63	125.63	-	-	(8.15)	71.00	16,195.22	16,221.91
959.55	779.71	-	-	(446.06)	(400.42)	6,408.86	5,475.66
25.36	20.02	-	-	1.32	-	494.85	414.23
-	-	-	-	-	-	472.42	362.36
10.99	8.94	86.48	68.20	(116.26)	(163.42)	316.52	314.97
117.53	129.93	-	-	(159.60)	(162.16)	131.39	143.13
32.20	27.23	37.03	8.01	(1.21)	3.30	581.54	428.26
109.48	107.89	2,831.39	1,573.15	(636.78)	(464.52)	5,052.14	3,322.64
-	-	286.79	286.79	-	-	463.21	286.79
-	1.16	1,773.26	467.65	-	-	1,857.75	494.54
0.48	0.07	300.30	181.71	(59.99)	-	718.97	576.49
-	-	-	-	-	1.29	700.82	581.22
73.76	77.39	-	-	(93.81)	(93.41)	253.08	233.72
11.93	5.85	15.46	83.97	(11.54)	(13.79)	531.46	411.00
23.31	23.42	455.58	553.03	(471.44)	(358.61)	526.85	738.88
92.76	92.07	5.07	3.29	0.66	(0.03)	303.30	272.05
-	0.03	7.37	11.89	-	-	7.37	11.92
3,305.53	3,037.06	10,841.12	8,969.65	(9,862.89)	(8,149.65)	41,689.37	37,626.92

E) Financial information by segments - consolidated income statement for years ended 31 december 2008 and 2007

	DIRECT INSURANCE					
	LIFE		MOTOR		OTHERS NON LIFE	
	2008	2007	2008	2007	2008	2007
I. REVENUES FROM INSURANCE BUSINESS						
1. Insurance premiums, net						
a) Written premiums, direct insurance	3,322.15	2,926.25	4,433.58	3,649.19	5,103.86	4,417.26
b) Premiums from accepted reinsurance	-	-	20.70	5.78	257.47	211.08
c) Premiums from ceded reinsurance	(103.55)	(86.89)	(99.57)	(65.94)	(1,552.15)	(1,315.16)
d) Variation in provisions for premiums and risks in progress, net						
Direct insurance	(47.62)	(44.69)	(56.37)	(39.73)	(241.83)	(284.25)
Accepted reinsurance	-	-	14.26	0.27	(4.02)	(14.64)
Ceded reinsurance	4.65	(0.06)	(4.76)	(5.60)	69.45	53.10
2. Profits from companies recorded by the equity method	0.53	4.65	8.32	0.03	2.05	1.69
3. Income from investments						
a) From operations	1,323.42	1,025.58	324.82	294.99	316.95	253.63
b) From equity	81.64	30.57	96.14	18.86	72.27	115.64
4. Unrealised gains in investments on account of life policyholders bearing the investment risk	49.91	39.26	-	-	-	-
5. Gains in investments on account of life policyholders bearing the investment risk	5.48	2.78	7.38	4.34	20.72	26.04
6. Other technical revenues	18.18	6.22	172.74	171.59	60.47	25.19
7. Positive translation differences	18.60	5.30	17.73	2.92	34.49	12.94
8. Reversal of the asset impairment provision	-	-	1.48	0.56	7.43	22.05
TOTAL REVENUES FROM INSURANCE BUSINESS	4,673.39	3,908.97	4,936.45	4,037.26	4,147.16	3,524.57
II. EXPENSES FROM INSURANCE BUSINESS						
1. Claims, net						
a) Claims paid and variation in provision for claims, net						
Direct insurance	(3,405.91)	(2,376.61)	(2,919.60)	(2,390.29)	(3,038.10)	(2,518.26)
Accepted reinsurance	(0.12)	-	(29.59)	(3.86)	(186.59)	(118.85)
Ceded reinsurance	59.70	51.47	124.83	55.89	1,080.27	846.55
b) Claim related expenses	(12.58)	(10.49)	(281.57)	(211.83)	(200.37)	(170.61)
2. Variation in other technical provisions, net	(58.30)	(567.47)	(1.27)	(0.17)	(40.73)	(48.02)
3. Profit sharing and returned premiums	(43.08)	(29.55)	-	-	(1.52)	(4.87)
4. Net operating expenses						
a) Acquisition expenses	(335.50)	(291.72)	(700.96)	(550.13)	(887.49)	(748.42)
b) Administration expenses	(110.02)	(88.04)	(248.08)	(208.47)	(274.19)	(231.82)
c) Commissions and participation in reinsurance	34.22	20.35	10.48	4.51	203.47	202.94

FIGURES IN MILLION EUROS

(Continued on following page)

REINSURANCE		OTHER ACTIVITIES		CONSOLIDATION ADJUSTMENTS		TOTAL	
2008	2007	2008	2007	2008	2007	2008	2007
0.01	0.02	-	-	-	0.02	12,859.60	10,992.74
2,007.03	1,812.08	-	-	(840.03)	(711.21)	1,445.17	1,317.73
(598.68)	(548.72)	-	-	840.03	711.19	(1,513.92)	(1,305.52)
-	-	-	-	8.60	4.17	(337.22)	(364.50)
(72.26)	(118.72)	-	-	2.86	38.67	(59.16)	(94.42)
12.19	53.75	-	-	(2.86)	(41.19)	78.67	60.00
0.35	0.57	-	-	(1.55)	(4.97)	9.70	1.97
96.25	91.79	-	-	(7.88)	(13.36)	2,053.56	1,652.63
13.15	13.37	-	-	(16.87)	(59.27)	246.33	119.17
-	-	-	-	-	-	49.91	39.26
0.10	0.41	-	-	(0.24)	-	33.44	33.57
2.63	1.68	-	-	(195.35)	(191.74)	58.67	12.94
221.86	80.01	-	-	9.01	-	301.69	101.17
0.66	0.07	-	-	-	(22.05)	9.57	0.63
1,683.29	1,386.31	-	-	(204.28)	(289.74)	15,236.01	12,567.37
1.05	1.18	-	-	4.34	4.32	(9,358.22)	(7,279.66)
(1,185.36)	(935.42)	-	-	511.90	264.17	(889.76)	(793.96)
326.44	201.46	-	-	(511.90)	(264.19)	1,079.34	891.18
(43.03)	(37.08)	-	-	3.74	1.84	(533.81)	(428.17)
(5.76)	4.25	-	-	(5.35)	-	(111.41)	(611.41)
(0.29)	(0.18)	-	-	-	-	(44.89)	(34.60)
(479.35)	(429.47)	-	-	183.52	193.38	(2,219.78)	(1,826.36)
(17.22)	(20.81)	-	-	3.28	6.45	(646.23)	(542.69)
130.88	111.29	-	-	(174.30)	(158.52)	204.75	180.57

(Continued from previous page)

	DIRECT INSURANCE					
	LIFE		MOTOR		OTHERS NON LIFE	
	2008	2007	2008	2007	2008	2007
5. Losses from companies recorded by the equity method	-	(0.61)	(5.95)	-	(4.10)	-
6. Expenses from investments						
a) From operations	(404.95)	(337.08)	(88.81)	(61.10)	(72.18)	(46.85)
b) From equity and financial accounts	(27.56)	(12.71)	(47.74)	(13.70)	(39.02)	(28.45)
7. Unrealised losses in investments on account of life policyholders bearing the investment risk	(87.65)	(41.22)	-	-	-	-
8. Other technical expenses	(12.56)	(13.95)	(16.85)	(38.79)	(92.71)	(74.23)
9. Other non technical expenses	(8.59)	(8.97)	(167.72)	(155.11)	(17.23)	(28.10)
10. Negative translation differences	(0.61)	(4.25)	(5.19)	(1.36)	(21.05)	(11.64)
11. Allowance to the asset impairment provision	(1.21)	(0.04)	(50.27)	(1.85)	(14.01)	(9.99)
TOTAL EXPENSES FROM INSURANCE BUSINESS	(4,414.72)	(3,710.89)	(4,428.29)	(3,576.26)	(3,605.55)	(2,990.62)
RESULT OF THE INSURANCE BUSINESS	258.67	198.08	508.16	461.00	541.61	533.95
II. OTHER ACTIVITIES						
1. Operating revenues	-	-	-	-	-	-
2. Operating expenses	-	-	-	-	-	-
3. Net financial revenues						
a) Financial revenues	-	-	-	-	-	-
b) Financial expenses	-	-	-	-	-	-
4. Results from minority interests						
a) Profit from companies recorded by the equity method	-	-	-	-	-	-
b) Losses from companies recorded by the equity method	-	-	-	-	-	-
5. Reversal of asset impairment provision	-	-	-	-	-	-
6. Allowance to asset impairment provision	-	-	-	-	-	-
7. Result from the disposal of non current assets classified as held for sale, not included in discontinued operations	-	-	-	-	-	-
RESULT FROM OTHER ACTIVITIES	-	-	-	-	-	-
IV. RESULT BEFORE TAX FROM ONGOING OPERATIONS	258.67	198.08	508.16	461.00	541.61	533.95
V. TAX ON PROFIT FROM ONGOING OPERATIONS	(55.87)	(56.60)	(124.64)	(129.91)	(162.92)	(136.65)
VI. RESULT AFTER TAX FROM ONGOING OPERATIONS	202.80	141.48	383.52	331.09	378.69	397.30
VII. RESULT AFTER TAX FROM DISCONTINUED OPERATIONS	-	-	-	-	(0.38)	-
VIII. RESULT FOR THE YEAR	202.80	141.48	383.52	331.09	378.31	397.30
1. Attributable to minority shareholders	(43.18)	(69.48)	(23.07)	(13.08)	(13.15)	(143.60)
2. Attributable to the controlling company	159.62	72.00	360.45	318.01	365.16	253.70

FIGURES IN MILLION EUROS

REINSURANCE		OTHER ACTIVITIES		CONSOLIDATION ADJUSTMENTS		TOTAL	
2008	2007	2008	2007	2008	2007	2008	2007
-	-	-	-	(4.78)	0.52	(14.83)	(0.09)
(25.99)	(18.10)	-	-	19.04	26.14	(572.89)	(436.99)
(9.58)	(6.30)	-	-	16.59	24.78	(107.31)	(36.38)
-	-	-	-	-	-	(87.65)	(41.22)
(2.90)	(2.60)	-	-	0.59	0.63	(124.43)	(128.94)
(5.36)	(6.92)	-	-	162.95	155.82	(35.95)	(43.28)
(197.49)	(97.19)	-	-	(6.00)	-	(230.34)	(114.44)
(1.69)	(0.67)	-	-	(11.69)	-	(78.87)	(12.55)
(1,515.65)	(1,236.56)	-	-	191.93	255.34	(13,772.28)	(11,258.99)
167.64	149.75	-	-	(12.35)	(34.40)	1,463.73	1,308.38
-	-	794.82	738.76	(292.22)	(216.53)	502.60	522.23
-	-	(755.71)	(659.33)	232.91	212.44	(522.80)	(446.89)
-	-	788.13	569.88	(654.98)	(512.10)	133.15	57.78
-	-	(190.86)	(118.73)	42.96	33.82	(147.90)	(84.91)
-	-	1.07	0.74	(0.57)	12.82	0.50	13.56
-	-	-	(0.70)	-	0.67	-	(0.03)
-	-	3.11	0.39	-	-	3.11	0.39
-	-	(45.40)	(4.78)	(3.73)	-	(49.13)	(4.78)
-	-	(28.30)	-	28.30	-	-	-
-	-	566.86	526.23	(647.33)	(468.88)	(80.47)	57.35
167.64	149.75	566.86	526.23	(659.68)	(503.28)	1,383.26	1,365.73
(49.11)	(47.49)	16.90	(17.67)	(9.50)	(1.29)	(385.14)	(389.61)
118.53	102.26	583.76	508.56	(669.18)	(504.57)	998.12	976.12
(0.48)	(3.69)	(1.34)	(3.54)	-	3.24	(2.20)	(3.99)
118.05	98.57	582.42	505.02	(669.18)	(501.33)	995.92	972.13
(8.83)	(7.42)	(3.15)	(105.15)	(3.85)	97.66	(95.23)	(241.07)
109.22	91.15	579.27	399.87	(673.03)	(403.67)	900.69	731.06

E) Financial information by segments – geographical breakdown

1. CONSOLIDATED ASSETS AS AT 31 DECEMBER 2008 AND 2007

GEOGRAPHICAL SEGMENT	2008	2007
I SPAIN	30,070.20	30,612.62
II OTHER EUROPEAN UNION COUNTRIES	1,577.20	1,611.55
III AMERICA	9,029.28	4,354.07
IV REST OF THE WORLD	1,012.69	1,048.68
TOTAL ASSETS	41,689.37	37,626.92

FIGURES IN MILLION EUROS

2. CONSOLIDATED ORDINARY REVENUES IN YEARS ENDED 31 DECEMBER 2008 AND 2007 (*)

GEOGRAPHICAL SEGMENT	2008	2007
I SPAIN	8,777.98	8,575.75
II OTHER EUROPEAN UNION COUNTRIES	677.19	607.86
III AMERICA	4,835.48	3,295.27
IV REST OF THE WORLD	516.72	353.82
TOTAL ASSETS	14,807.37	12,832.70

FIGURES IN MILLION EUROS

3. PURCHASES OF PROPERTY, PLANT AND EQUIPMENT AND INVESTMENTS IN YEARS ENDED 31 DECEMBER 2008 AND 2007 (**)

GEOGRAPHICAL SEGMENT	2008	2007
I SPAIN	2,496.49	1,948.18
II OTHER EUROPEAN UNION COUNTRIES	262.86	210.49
III AMERICA	2,124.85	731.80
IV REST OF THE WORLD	5.14	8.87
TOTAL PURCHASES IN THE YEAR	4,889.34	2,899.34

FIGURES IN MILLION EUROS

(*) Ordinary revenues means direct insurance and accepted reinsurance premiums, as well as operating revenues from non insurance activities.

(**) Including total cost incurred in each financial year in the acquisition of assets that are expected to be used during more than one year.

F) Consolidated Annual Report

1. General overview on the company and its activity

MAPFRE, S.A. (hereinafter the “controlling Company” or “MAPFRE”) is a listed public limited company, parent of a number of controlled companies engaged in insurance in its various branches, both Life and Non Life, finance, securities and real estate investment, and services.

MAPFRE, S.A. is a subsidiary of CARTERA MAPFRE, S.L., Sociedad Unipersonal (hereinafter CARTERA MAPFRE), which is 100% controlled by FUNDACIÓN MAPFRE.

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

The controlling Company was incorporated in Spain and has its registered office in Madrid, Paseo de Recoletos, 25.^º In Spain, the MAPFRE GROUP is structured as follows:

A) CENTRAL SERVICES

These concentrate the technical and administrative functions of insurance management, the creation of new products, the preparation and development of marketing campaigns, as well as the provision of new commercial distribution networks for territorial offices.

B) MAPFRE NETWORK

The extensive and growing territorial network of the MAPFRE GROUP (MAPFRE NETWORK) is divided into forty-three geographical divisions known as management centres, from which the marketing, operational and administrative activities are coordinated and promoted.

The MAPFRE NETWORK consists of the following:

- Direct Offices: these are serviced by staff from the MAPFRE NETWORK and essentially carry out marketing tasks, issuance of policies, attention to the public, and support to the agents’ network.
- Delegate Offices: they are MAPFRE GROUP offices serviced by a fully captive agent; their work virtually focuses on the sale of the MAPFRE GROUP’s products.
- Agents: the MAPFRE GROUP has a high number of commission agents, who act as brokers in the writing of transactions by virtue of cooperation agreements.

The controlled companies have adapted their internal structure and distribution systems to the peculiarities of the markets where they are active.

The Board of Directors has issued the consolidated annual accounts on 4 February 2009. They are expected to be approved by the General Shareholders Meeting. The Spanish regulations envisage the possibility of modifying the consolidated annual accounts in the event the said governance body did not approve them.

2. Bases of presentation of the annual consolidated financial statements

2.1. BASES OF PRESENTATION

The Group’s consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union, with all companies having carried out the required standardisation adjustments.

The consolidated financial statements have been prepared under the historical cost convention, except for the available-for-sale and training financial assets, as well as derivative financial instruments, which have been recorded at fair value.

The Group has decided to capitalise the expenses attributable to the acquisition of qualifying assets, with these expenses forming part of the cost of the said assets.

There has been no early application of rules and interpretations that, having been approved by the European Commission, were not enforced on the closing date of the 2008 financial year, in particular the adoption of IFRS 8 relating to operating

segments, modifications to IAS 23, relating to borrowing costs and IAS 1, relating to the presentation of financial statements, which will be mandatory with effect 1 January 2009, when it will be first applied by the Group.

Its adoption would have no effect on the Group's financial position and results.

2.2. INFORMATION BY SEGMENTS

Section E) of the consolidated financial statements includes financial information by segments, in relation to both business activities and geographical segments.

The controlling Company has identified the following main segments as regards business activities:

- Life direct insurance
- Non Life direct insurance
- Others Non Life direct insurance
- Life and Non Life accepted reinsurance
- Other activities

Revenues and expenses of the first four segments are those corresponding to the Life, Non Life and reinsurance activity, and those included under "Other activities" are those corresponding to property services, securities and real estate asset management, services of attention to the elderly, assistance, etc.

The controlling Company's Management Report provides additional information on the evolution and characteristics of the business.

The established geographical segments are: Spain, other European Union countries, America, and rest of the world.

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

Except as explained in the following paragraph, there has been no change in accounting policies or estimates, and no material errors have been detected in the consolidated financial statements of previous years.

Until financial year 2007, in the purchases from minority shareholders of stakes in controlled entities after it took control, the Group chose to recognise the excess purchase cost over the fair value of the stake in the controlled entity's equity on the date of acquisition, as greater consolidation goodwill. As from financial year 2008, the said excess is recognised as a lower amount of reserves, with the effect of the said change in the Group's reserves at the balance sheet date of previous years not being significant, hence the said reserves have not been restated.

2.4. COMPARISON OF INFORMATION

In order that the financial information may be comparable, a reclassification has been made in the Liabilities of the Balance Sheet for 2007 of the heading "Issuance of debentures and other negotiable securities" to the heading "Subordinated liabilities", for an amount of € 18.16 million.

2.5. CHANGES IN THE CONSOLIDATION PERIMETER

Appendix 1 identifies the companies that were incorporated into the consolidation perimeter in 2007 and 2008, together with details on their equity and results. In addition, Appendix 1 provides a detail of other changes occurred in the consolidation perimeter.

The overall effect of these changes on the consolidatable group's equity, financial situation and results in 2007 and 2008 with respect to the preceding year is described in the relevant notes of the consolidated report.

2.6. ACCOUNTING JUDGEMENTS AND ESTIMATES

In the preparation of the consolidated financial statements under IFRS, the controlling Company's Board of Directors has made judgements and estimates based on assumptions on the future and on uncertainties that basically refer to:

- Losses from impairment of certain assets.
- The calculation of provisions for risks and expenses.
- The actuarial calculation of liabilities and post-employment remuneration related commitments.

- The useful life of intangible assets and of property, plant and equipment elements.
- The fair value of certain unlisted assets.

Estimates and assumptions used are regularly reviewed and are based on historical experience and other factors that may have been considered as more reasonable from time to time. If a change in the estimates took place in a given period, as a consequence of these reviews, its effect would apply to that period and, if applicable, to successive periods.

3. Consolidation

3.1. SUBSIDIARIES, ASSOCIATED UNDERTAKINGS AND JOINT VENTURES

Subsidiaries, associated undertakings and joint ventures included in the consolidation are identified and their details given in the table of shareholdings forming an integral part of the consolidated report as Appendix 1. The said appendix provides a breakdown of the joint ventures included by the proportionate consolidation method.

The configuration of companies as controlled companies is determined by the controlling Company holding a majority of the voting rights, directly or through subsidiaries, or, even if not holding half of the said rights, if the controlling Company is able to manage the said companies' financial and operating policies in order to obtain profits from their activities. Controlled companies are consolidated from the date when the Group acquires control, and are excluded from the consolidation on the date when it ceases in such control; therefore, the results relating to the part of the financial year while the said entities belong to the Group are included in the financial statements.

Associated undertakings are those where the controlling Company exercises a significant influence, albeit they are neither controlled companies nor joint ventures.

Significant influence means the power of intervening in the investee company's decisions on financial and operating policies, however without achieving control or joint control over the said policies. A significant influence is assumed to be exercised when the Company holds, either directly or indirectly through its controlled companies, at least 20% in the investee company's voting rights.

Shareholdings in associated undertakings are consolidated by the equity method, including within the value of the shareholding the net goodwill identified on the acquisition date.

When the Group's participation in the losses of an associated undertaking is equal to or higher than the book value of its stake, including any unsecured receivable, the Group does not register additional losses, unless obligations have been incurred or payments have been made on behalf of the associated undertaking.

In order to determine if an investee is a controlled or associated undertaking, account has been taken of both the potential voting rights held and liable of exercise, and the call options on shares, debt instruments convertible into shares or other instruments entailing the possibility of increasing or reducing voting rights.

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

Interests in jointly controlled companies are generally recognised in the consolidated financial statements by the proportionate consolidation method.

Excluded from being considered as controlled companies, associated undertakings and joint ventures are the investments made in trust funds and similar undertakings.

The annual financial statements of controlled companies, associated undertakings and joint ventures used for the consolidation are those relating to the financial year closed as at 31 December 2007 and 2008.

3.2. TRANSLATION OF FINANCIAL STATEMENTS OF FOREIGN COMPANIES INCLUDED IN THE CONSOLIDATION

The functional and presentation currency of the MAPFRE GROUP is the Euro, therefore the balances and transactions of Group companies whose functional currency is not the Euro are translated into Euros at the closing exchange rate.

The exchange differences resulting from applying the above procedure, as well as those arising from translation of loans and other foreign currency instruments covering investments in foreign operations, have been recorded as a separate

component of equity in the account "Translation differences", deducting the part of the said difference corresponding to Minority Shareholders.

Goodwill and fair value adjustments of assets and liabilities arising from the acquisition of Group companies whose presentation currency is not the Euro are dealt with as assets and liabilities of foreign operations, stating them in the functional currency of the foreign undertaking and translating them at the closing exchange rate.

Adjustments to the opening balance

The columns of adjustments to the opening balance appearing in the various tables of the consolidated report include the changes occurred as a result of the application of a different exchange rate for the translation of figures corresponding to overseas subsidiaries.

Variations in the technical provisions recorded on the consolidated income statement differ from those obtained by difference in the balance sheet balances of the present and previous financial year, as a result of the application of a different exchange rate for the translation of figures in the case of overseas subsidiaries.

4. Profits per share and dividends

4.1. PROFITS PER SHARE

The calculation of the basic profits per share, which coincides with the diluted profits per share, there being no dilutive potential ordinary shares, is shown below:

CONCEPT	2008	2007
Net profit attributable to the controlling Company's shareholders (million euros)	900.69	731.06
Weighted average number of ordinary shares in issue (million euros)	2,688.58	2,275.32
Basic profits per share (Euros)	0.34	0.32

The weighted average number of ordinary shares in issue in financial year 2008 is affected by the capital increases in the said year as described in Note 6.11.

4.2. DIVIDENDS

The breakdown of the controlling Company's dividends in the last two financial years is as follows:

CONCEPT	TOTAL DIVIDEND (IN MILLION EUROS)		DIVIDEND PER SHARE (IN EUROS)	
	2008	2007	2008	2007
Interim dividend	187.38	136.52	0.07	0.06
Final dividend	219.59	187.38	0.08	0.07
Total	406.97	323.90	0.15	0.13

The total dividend for financial year 2008 has been proposed by the Board of Directors and is pending approval by the Ordinary Annual General Meeting.

The planned dividend pay-out complies with the requirements and limitations that are laid down in the legal regulations and the Company's bylaws.

During 2008, the controlling Company has distributed an interim dividend for a total amount of € 187,379,636.92, which is recorded in equity under the heading "Interim Dividend". The cash statement prepared by the Management Committee for the distribution is shown below:

CONCEPT	DATE OF RESOLUTION 29-10-2008
Cash available on the date of the resolution	163.51
Increases in cash forecast within one year	891.00
(+) From expected current collection transactions	641.00
(+) From financial transactions	250.00
Decreases in cash forecast within one year	(265.00)
(-) From expected current payment transactions	(121.00)
(-) From expected financial transactions	(144.00)
Cash available within one year	789.51

FIGURES IN MILLION EUROS

5. Accounting policies

The accounting policies applied in relation to the following items are as stated below:

5.1. INTANGIBLE ASSETS

Goodwill on merger

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

Goodwill on consolidation

Goodwill on consolidation represents the excess of the cost of acquisition over the fair value of the stake in the controlled company's equity on the acquisition date, except for acquisitions made prior to 1 January 2004, where it corresponds to the goodwill, net of depreciation, recorded pursuant to the Spanish regulations applying on the said date. In the case of acquisition of stakes in the controlled company from minority shareholders subsequently to the initial one, the controlling Company has decided to recognise the said excess as a lower amount of reserves.

Impairment of goodwill

After its initial recognition and allocation to a cash generating unit, its possible loss in value is assessed at least once a year. When the recoverable value of the said cash generating unit is lower than its net book value, the corresponding loss in value is immediately recognised in the consolidated income statement, and generally no loss is recognised for individual assets not having experienced any impairment.

Other intangible assets

— INTANGIBLE ASSETS ARISING FROM AN INDEPENDENT ACQUISITION

Intangible assets acquired from third parties in a market transaction are valued at cost. If their useful life is finite they are amortised depending upon it and, if they have an indefinite useful life, they are tested for impairment at least on an annual basis.

— INTANGIBLE ASSETS INTERNALLY GENERATED

Research expenses are recognised directly in the income statement in the year when they are incurred. Development expenses are recorded as an asset when their probability, feasibility and future recoverability may be reasonably ensured, and are carried at cost.

Capitalised development expenses are amortised over the period in which revenues or yields are expected to be obtained, without prejudice to the valuation that would be made if impairment occurred.

— INTANGIBLE ASSETS ACQUIRED BY EXCHANGE OF ASSETS

Intangible assets acquired are generally recognised at the fair value of the asset given in exchange.

5.2. BUSINESS COMBINATIONS

The cost for the buying entity of a business combination is the fair value of the assets contributed, equity instruments issued and liabilities incurred or assumed on the exchange date, plus any expenses directly attributable to the combination. Assets received and liabilities and contingencies assumed in a business combination are initially recorded at their fair value on the combination date.

Goodwill represents the excess of the cost paid over the acquired percentage of the fair value of assets and liabilities on the combination date.

5.3. PROPERTY, PLANT AND EQUIPMENT, AND INVESTMENT PROPERTY

Property, plant and equipment, and investment property are carried at cost less accumulated amortisation and, if applicable, accumulated impairment losses.

Costs incurred after the purchase are recognised as an asset only when future economic profits related to them are likely to revert to the Group and the cost of the element may be accurately determined. Other repair and maintenance expenses are debited to the consolidated income statement during the financial year when they are incurred.

Property, plant and equipment, and investment property are amortised on a straight-line basis on the cost of acquisition of the asset less its residual value and less the value of land, based on the following periods of useful life of the different types of assets:

GROUP OF ELEMENTS	YEARS	ANNUAL RATIO
Buildings and other structures	50-25	2%-4%
Transport elements	6.25	16%
Furniture	10	10%
Fittings	16.6-10	6%-10%
Data processing equipment	4	25%

The residual value and the useful life of the assets are reviewed and adjusted, if required, on the closing date of each financial year.

The elements of property, plant and equipment, and investment property are written off when they are sold or when they are no longer likely to generate future economic profits deriving from their continued use. Gains or losses arising from the write-off are accounted for in the consolidated income statement.

5.4. LEASES

Finance leases

Leases transferring to the lessee all the risks and benefits inherent in the ownership of the leased asset are classified as finance leases. The lessee books the leased asset in its assets at fair value or at the present value of minimum payments under the lease if this figure is lower.

Each lease payment is distributed between the liabilities and financial charges in order to arrive to a constant interest rate on the outstanding balance.

Financial costs are debited to the consolidated income statement.

Assets under finance lease are amortised during the useful life of the leased asset.

Operating leases

Leases where the lessor retains a significant part of the risks and benefits inherent in the ownership are classified as operating leases. Payments in the concept of operating leases (net of any incentive received from the lessor) are debited to the consolidated income statement on a straight-line basis during the period of the lease.

5.5. FINANCIAL INVESTMENTS

Recognition

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

Classification

Financial investments are classified into the following portfolios:

PORTFOLIO HELD TO MATURITY

This category includes the securities with respect to which there is the intention and proven financial capacity to hold them until their maturity

PORTFOLIO AVAILABLE FOR SALE

This portfolio includes securities representing debt not falling under "Portfolio held to maturity" or "Trading portfolio" and the equity instruments of entities not being controlled, associated or jointly held businesses and which have not been included in the "Trading portfolio".

TRADING PORTFOLIO

This portfolio includes the financial assets that are originated or acquired with a view to their short-term realisation, which form part of a financial instruments portfolio being jointly identified and managed and which, according to recent experience, may give rise to short term gains.

This portfolio also includes derivative instruments not allocated for hedging purposes and hybrid financial assets stated at fair value.

In the case of hybrid financial assets, which simultaneously include a main contract and a financial derivative, both elements are segregated and dealt with independently to the effects of their classification and valuation. Exceptionally, when the said segregation is not feasible, hybrid financial assets are accounted for at fair value.

Valuation

On their initial recognition in the balance sheet, all financial investments forming part of the above mentioned portfolios are recognised at the fair value of the consideration delivered, plus, in the case of financial investments not being classified in the "Trading Portfolio", any dealing costs being directly attributable to their purchase.

After the initial recognition, financial investments are stated at fair value, without deducting any dealing cost that might be incurred on their sale or any other type of disposal, with the following exceptions:

— Financial investments included in the "Portfolio held to maturity", which are valued at their amortised cost using the effective interest rate method.

The effective interest rate is the restatement rate equalling exactly the initial value of a financial instrument to all its estimated cash flows for all concepts throughout its residual life

— Financial assets that are equity instruments and whose fair value may not be accurately estimated, as well as derivatives having the said instruments as underlying asset and that are settled by delivering them, which are valued at cost.

The fair value of financial investments is the price that would be paid for them in an organised and transparent market ("Trading price" or "Market value"). When the said market value is not available, or when the price is not sufficiently representative, the fair value is determined by restating the future financial flows, including the redemption value, at rates equivalent to the interest rates of swaps in Euros, increased or decreased by the differential arising from the issuer's credit quality and standardised according to the issuer's quality and the maturity period.

The fair value of the financial derivatives included in the "Trading portfolio" is taken to be their daily price on the list or the present value of future cash flows if the former is not available.

The book value of financial investments is adjusted against the consolidated income statement when there is objective evidence of an event having occurred that has a negative impact on its future cash flows or on the recovery of the book value. The objective evidence of the impairment is determined on an individual basis for all types of financial instruments.

The amount of impairment losses is equal to the difference between their book value and the present value of their estimated future cash flows. In the case of equity investments, a detailed analysis of the individual investments is assumed when there is a prolonged reduction in market value (18 months) or significant (40%) with respect its cost. The amount of estimated impairment losses is recognised in the income statement, including, in addition, any reduction in the fair value of investments previously recognised under "Valuation adjustment reserves".

In the case of financial swaps of exchange of flows, the amounts accrued by the main transactions are recognised, with the amount resulting from flows being accounted for under "Other financial liabilities" or "Corporate and other credits", as the case may be.

5.6. HEDGING TRANSACTIONS

Hedging derivatives are recorded, as the case may be according to their valuation, under the heading "Other investments" or "Other financial liabilities".

Hedging derivatives are considered those that efficiently eliminate the risks of variations in fair value, alterations in cash flows or variations in the value of the net investment in businesses abroad.

Derivatives for hedging purposes are carried at fair value.

Fair value hedge

The profit or loss arising from the valuation of the hedging instrument and the covered element is recognised in the consolidated income statement, in all cases.

5.7. INVESTMENTS ON ACCOUNT OF LIFE ASSURANCE POLICYHOLDERS BEARING THE INVESTMENT RISK

Investments on account of policy holders bearing the investment risk are made in securities trust funds and are valued at cost or at subscription or purchase price. The said acquisition cost is adjusted as greater or lower value of the investment, as applicable, according to the net asset value at the closing of the financial year. Revaluations and depreciations of these assets are accounted for as a credit or debit to the consolidated income statement of the Life direct insurance business segment.

5.8. ASSET IMPAIRMENT

At the closing of each financial year, the Group assesses if there are signs that the asset element may have suffered a loss in value. If there are such signs, the recoverable value of the asset is estimated.

In the case of assets not being in operating conditions and of intangible assets with an indefinite useful life, the estimation of the recoverable value is made irrespectively of the existence of impairment signs.

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

When there is an increase in the recoverable value of an asset other than goodwill, the previously recognised impairment loss is reversed, increasing the book value of the asset up to its recoverable value. This increase never exceeds the book value net of amortisation that would be accounted for had no impairment loss been recognised in previous years. The reversal is recognised in the consolidated income statement, unless the asset has been already subject to revaluation against "Valuation adjustment reserves", in which case the reversal is treated as a revaluation increase. After this reversal, the amortisation expense is adjusted in the following periods.

5.9. INVENTORIES

Inventories are valued at the lower of their acquisition or production cost and their net realisable value.

The acquisition cost includes the expenses directly attributable to the purchase, as well as an allowance for the overheads incurred for the transformation of inventories and any financial expenses incurred in their acquisition.

The net realisable value is the estimated sale price in the normal course of business, less any variable costs required for their sale.

5.10. CREDITS & RECEIVABLES

Valuation of these assets is generally made at the amortised cost, calculated pursuant to the effective interest rate method and deducting, if applicable, provisions for losses due to any perceived asset impairment.

In the case of credits with maturity beyond one year without the parties having expressly agreed the applicable interest rate, credits are discounted taking as implicit financial interest that in force in the Government Debt securities market with equal or similar term to the maturity of the credits, without prejudice to taking into account the related risk premium.

When there is objective evidence that an impairment loss has been incurred, the relevant provision has been made for the amount deemed not recoverable. The said amount is equal to the difference between the book value of the asset and the present value of future cash flows, discounted at the original effective interest rate of the financial asset. The amount of the loss is recognised in the consolidated income statement of the year.

The impairment loss corresponding to premiums pending collection is calculated separately for each line or risk, is presented in the consolidated income statement as a lower amount of written premiums, and consists of the part of the tariff premium accrued in the year that, according to past experience, is not likely to be collected, taking into account the impact of reinsurance.

Impairment is recognised in the consolidated income statement as an overall amount according to the age of receipts pending collection, or on an individual basis when the circumstances and status of receipts thus require.

Credits on recollection of claims are capitalised only when their realisation is considered as certain.

5.11. CASH AND BANKS

Cash and Banks consists of cash and cash equivalents.

Cash is formed by cash and sight deposits with banks.

Cash equivalents correspond to highly liquid short term investments that can be easily converted into fixed amounts of cash and are subject to insignificant risks as to change in their value, and have maturities below 24 hours.

5.12. ACCRUAL ADJUSTMENTS

The heading "Accrual adjustments" of the assets side basically includes fees and other acquisition expenses corresponding to accrued premiums subject to allocation to the period between the closing date and the expiry of the term of the contracts, with such expenses being those actually borne in the period, with the limit established in the technical bases.

Similarly, the heading "Accrual adjustments" of the liabilities side includes the amounts of fees and other acquisition expenses of ceded reinsurance that are to be allocated in the following year(s) pursuant to the coverage period of ceded policies.

5.13. NON-CURRENT ASSETS HELD FOR SALE AND RELATED LIABILITIES

Assets held for sale, if applicable, are generally stated at the lower of their book value and their fair value deducting sale costs, these understood as any marginal costs directly attributable to the disposal, excluding, if applicable, financial costs and the income tax related expense.

Non-current assets classified as held for sale are not subject to amortisation.

Losses for impairment of their book value are recognised in the consolidated income statement. Similarly, when a recovery in value takes place, this is recognised in the consolidated income statement up to an amount equal to the impairment loss previously recognised.

5.14. FINANCIAL AND SUBORDINATED LIABILITIES

In their initial recognition in the balance sheet, financial liabilities are accounted for at their fair value. After this initial recognition, all financial liabilities are valued at their amortised cost, except financial liabilities classified as hedged items or as accounting hedging instruments, which follow the criteria and rules that are established in Note 5.6 of hedging transactions.

When financial liabilities and subordinated liabilities are written off in the balance sheet, the difference between their book value and the consideration delivered is recognised in the consolidated income statement.

5.15. INSURANCE OPERATIONS

A) Premiums

DIRECT INSURANCE

Premiums from the Non Life business and Life annual renewable contracts are recognised as revenues throughout the validity of the contracts, pursuant to the period of time elapsed. The accrual of premiums is made by allocating the provision for unearned premiums.

Premiums from the long term Life business, whether single premiums or regular premiums, are recognised when the right to collection arises on the part of the contract issuer.

CEDED REINSURANCE

Premiums corresponding to ceded reinsurance are accounted for pursuant to the written reinsurance contracts and under the same criteria as used for direct insurance.

ACCEPTED AND RETROCEDED REINSURANCE

Premiums corresponding to accepted reinsurance are accounted for on the basis of the accounts received from ceding companies.

Retroceded reinsurance transactions are accounted for under the same criteria as accepted reinsurance, and pursuant to the retrocession contracts entered into.

COINSURANCE

Coinsurance transactions are accounted for pursuant to the accounts received from the opening company and the participation in contracts entered into.

B) Other assets and liabilities arising from insurance and reinsurance contracts

A) DEPOSIT COMPONENTS IN INSURANCE CONTRACTS

Some Life assurance contracts contain both an insurance component and a deposit component. These two components are not valued separately, since all the rights and obligations deriving from the deposit component are recognised.

B) EMBEDDED DERIVATIVES IN INSURANCE CONTRACTS

Some Life assurance contracts contain embedded derivatives, essentially consisting of guaranteed redemption values and maturity values. The embedded derivative is not valued separately from the main insurance contract because it meets the conditions to be classified as an insurance contract, with their embedded being valued jointly with the main contract pursuant to IFRS 4.

C) INSURANCE CONTRACTS ACQUIRED IN BUSINESS COMBINATIONS OR PORTFOLIO TRANSFERS

Insurance contracts acquired in a business combination or portfolio transfer are stated at fair value and recognised in the balance sheet as follows:

- the liabilities deriving from the insurance contracts are accounted for pursuant to IFRS 4;
- an intangible asset is accounted for, representing the difference between:
 - The fair value of the rights acquired and the rest of assumed contractual obligations, and
 - The amount described in section a) above
- capitalisation of acquisition fees and expenses.

Acquisition fees and expenses directly related to new production sales are not capitalised in any case, being taken to the consolidated income statement in the financial year when they are incurred.

C) Technical provisions

The main assumptions and methods used in the allowance of provisions are detailed below.

A) DIRECT INSURANCE OF COMPANIES BELONGING TO THE EUROPEAN ECONOMIC AREA

Provision for unearned premiums

The provision for unearned premiums is calculated on an individual policy basis and includes the tariff premium accrued in the financial year, having deducted the security surcharge.

Provision for risks in progress

The provision for risks in progress is calculated on an individual business line basis and supplements the provision for unearned premiums for the amount not showing the valuation of risks and expenses to be covered corresponding to the coverage period not elapsed at the closing date.

For the motor business, the calculation of this provision has been made considering all the guarantees covered with the products marketed by the different companies.

Provision for Life assurance

— In life assurance policies with a coverage period equal to or shorter than one year, the provision for unearned premiums is calculated on a policy by policy basis and reflects the tariff premium accrued in the year, subject to allocation to future financial years.

When this provision is not sufficient, the provision for risks in progress is calculated also in order to cover the valuation of risks and expenses to be covered, corresponding to the coverage period not elapsed at the year's closing date.

— In life insurance policies with a coverage period exceeding one year, the mathematical reserve has been calculated on a policy by policy basis as the difference between the current actuarial value of the future obligations of the controlled companies operating in this line, and those of the policy holder or insured party. The calculation basis is the inventory premium accrued in the year, represented by the pure premium plus the surcharge for administration expenses, both determined using the best estimates for mortality, illness, investment yields and administration expenses upon issuance of the contracts, as detailed in the technical bases of the relevant products and types, and remaining unchanged throughout the life of the contract, unless their inadequacy becomes evident, in which case the calculation of the mathematical reserve would be changed.

Written policies having a profit sharing clause in force at the closing of each year share, pro rata to their mathematical reserves and as specifically laid down in each contract, in the net yields obtained by the investments allocated to covering the said provisions. The amount of this profit sharing is recorded as a greater amount of mathematical reserves.

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

Provision for outstanding claims

It represents the estimate valuation of outstanding claims deriving from occurrences prior to the closing of the financial year, deducting interim payments effected. It includes the valuations of claims pending settlement or payment and pending to be reported, as well as the internal and external expenses relating to the liquidation of losses; in addition, in the Life Assurance business, it includes maturities and redemptions pending payment. In the Spanish companies, its calculation is made including, if applicable, additional provisions for the deviation in the valuation of claims subject to long handling periods.

Other technical provisions

The most significant provision included under this heading is the Death Insurance provision, which is calculated on a policy by policy basis, as the difference between the current actuarial value of future obligations of the controlled companies operating in this line and those of the policy holder or insured party.

For certain portfolios, the Death Insurance provision is calculated by means of methods based on group capitalisation, with a financial-actuarial restatement being made of projected flows of premiums and expected claims up to the expiry of the group insurance.

Technical provisions relating to life insurance when the investment risk is borne by the policy holders

The provisions for Life assurance where it has been contractually agreed that the investment risk will be fully borne by policy holders, have been calculated on a policy by policy basis, and they are valued according to the assets specifically allocated to determine the value of the rights

B) DIRECT INSURANCE OF ENTITIES NOT BELONGING TO THE EUROPEAN ECONOMIC AREA

Technical provisions are calculated pursuant to the local criteria in force in each country, except in the cases when their application could distort the true and fair image that must be given by the financial statements, in which case the controlling Company's criteria have been adopted.

Life assurance provisions have been calculated using the operational assumptions, mortality tables and technical interest rate usual in the sector in the respective countries.

C) CEDED REINSURANCE

Technical provisions for cessions to reinsurers are shown in the balance sheet assets and are calculated according to the reinsurance agreements entered into and under the same criteria as used for direct insurance.

D) ACCEPTED REINSURANCE

Provision for unearned premiums

Accepted reinsurance transactions are accounted for on the basis of the accounts received from ceding companies. If, upon closing the accounts, the ceding company's latest accounts are not available, the balance of other received accounts is considered as provisions for unearned premiums of non closed accounts, in order not to recognise results in the recording of such accounts. Exceptionally, if these provisions of non closed accounts were negatively affected by the recording of major claim payments, because of their being an actual loss not subject to being offset by movements of non closed accounts, the provision is adjusted for the relevant amount.

When the latest account and report on outstanding claims are available, the cancellation is made of provisions of non closed accounts, allocating the corresponding provisions for unearned premiums according to the information provided by the ceding company, and accruing them on a policy by policy basis. Failing this, the amount recorded for unearned premiums is the amount of the deposit of premiums withheld on this concept and, lastly, an overall method for the accrual of premiums may be used.

Acquisition expenses, as notified by ceding companies, are accrued under the heading of "Accrual adjustments" in the balance sheet assets, with these expenses corresponding to those actually borne in the period. When ceding companies do not notify the amounts, acquisition expenses are accrued on a risk by risk basis for facultative proportional reinsurance and overall for the rest of the proportional business.

Provision for risks in progress

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

Provision for outstanding claims

Provisions for claims are allocated for the amounts notified by the ceding company or, failing this, for withheld deposits, and include complementary provisions for claims existing and not reported, as well as for deviations in existing ones, in accordance with the company's own experience.

E) RETROCEDED REINSURANCE

Retroceded reinsurance transactions and their corresponding technical provisions are recorded following the same criteria as for accepted reinsurance and according to the retrocession agreements entered into.

F) LIABILITIES ADEQUACY TEST

Technical provisions existing in the books are periodically submitted to a reasonability test in order to determine their adequacy on the basis of the projections of all future cash flows of existing contracts. Recorded provisions are adjusted against the results of the financial year if it becomes evident that they are inadequate, as a consequence of the test.

G) SHADOW ACCOUNTING

In order to mitigate the accounting asymmetries arising from applying different valuation methods for assets and liabilities, IFRS allow the so-called "shadow accounting", in such a way that unrealised losses or gains in the relevant assets are recognised in the valuation of technical provisions

D) Claims

The estimated cost of claims, both of the Life and the Non Life business, is recognised on the date of occurrence of events, accounting for all necessary expenses to be incurred up to the settlement of the claim.

For claim events occurred prior to the end of each financial year but not reported, the best estimate of their cost is recognised based on historical experience, through the provision for claims pending declaration.

Payments of claims are made against the previously recognised provision.

Claims corresponding to accepted reinsurance are accounted for on the basis of the accounts received from ceding companies.

Claims corresponding to ceded and retroceded reinsurance are accounted for according to the reinsurance contracts entered into, and under the same criteria as those used for direct insurance and accepted reinsurance, respectively.

E) Significant assumptions and other sources of estimation of uncertainties

With respect to assets, liabilities, revenues and expenses deriving from insurance contracts, as a general rule, the assumptions that were used as basis for the issuance of the said contracts are as specified in the technical bases.

Generally, the estimates and assumptions used are periodically revised and are based on historical experience and other factors that may have been considered as reasonable from time to time. When, as a result of these revisions, a change in estimates takes place in a given period, its effect would be applied in that period and, if applicable, in the successive ones.

The main assumption is based on the performance and development of claims, using their frequency and costs in the past few years. Likewise, estimates take into account assumptions on interest rates and exchange rates, delays in the payment of claims and any other external factor that might affect estimates.

As regards liabilities, assumptions are based on the best possible estimate at the time of issuing the contracts. Nevertheless, the relevant provisions would be established in order to cover any proven inadequacy, should this emerge.

The calculation of provisions does not use discount techniques for the valuation of future flows, except for the mathematical reserves in the Life business and provisions for death in Direct Insurance.

Throughout the year, no significant changes have taken place in the assumptions used to value liabilities deriving from insurance contracts.

F) Impairment

When there is objective evidence that an impairment loss has taken place, the general valuation criterion mentioned in Note 5.10, Credits and Receivables, is applied.

5.16. PROVISIONS FOR RISKS AND EXPENSES

Provisions are recognised when the present obligation exists as a result of a past event and a reliable estimate of the amount of the obligation may be made.

When a provision is expected to be recovered, partly or fully, the reimbursement is recognised as a separate asset.

5.17. DEBT

The valuation of the items included under the heading "Debt" is generally made at amortised cost, using the effective interest rate method.

In the case of debt with maturity beyond one year, if the parties have not expressly agreed the applicable interest rate, debts are discounted taking as implicit financial interest that in force in the public debt market for securities with the same or similar term to the maturity of the debts, without prejudice to taking into account the relevant risk premium.

5.18. GENERAL CRITERION ON REVENUES AND EXPENSES

The general principle applicable to the recognition of revenues and expenses is the accrual criterion, pursuant to which the allocation of revenues and expenses is made depending upon the actual flow of goods and services represented by them, irrespectively of the date of the monetary or financial flow deriving from them.

5.19. REMUNERATION TO STAFF

Remuneration to staff may be short term, post-employment benefits, termination payments and other long term types.

a) Short term remuneration

This is recorded according to the services provided by employees, on an accrual basis.

b) Post-employment benefits

It essentially consists of defined benefit plans and defined contribution plans.

DEFINED BENEFIT PLANS

These are post-employment benefit plans differing from those with defined contribution.

The liability recognised in the balance sheet in relation to defined benefit pension plans is equal to the present value of the defined benefit obligation on the balance sheet date, deducting, if applicable, the fair value of the assets allocated to the plan.

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

Actuarial losses and gains arising are debited or credited to the consolidated income statement in the financial year when they take place.

DEFINED CONTRIBUTION PLANS

These are post-employment benefit plans in which the entity involved makes pre-determined contributions to a separate entity (whether related or alien to the Group) and has no legal or implicit obligation of making additional contributions, should there be an insufficiency of assets to honour the payment of benefits. Therefore, the obligation solely consists of making the contribution that is agreed to a fund, and the amount of benefits to be received by employees is determined by the contributions made plus the return obtained on the investments where the fund is materialised.

c) Termination payments

Termination payments are recognised as a liability and as an expense when there is a demonstrable intention of termination of the labour relationship before the normal retirement date with a given number of employees, or when there is an offer to encourage the voluntary termination of labour contracts.

d) Share-based payments

The MAPFRE Group has granted some of Group officers an incentive plan that is benchmarked to the MAPFRE, S.A. share value.

At the initial date when it is awarded, the mentioned plan is valued according to an option valuation method. The allocation of the valuation to results is made to the staff expenses item during the period of time established as requirement for the employee to qualify to its exercise, and a liability in favour of the employee is recognised as counterpart.

Every year, a re-estimate will be made of the initial valuation, recognising in the year's results the portion corresponding to the said year and the portion arising from the said re-estimate corresponding to previous years.

e) Other long term remuneration

The accounting record of other long term remuneration other than those described in the preceding paragraphs follows the above mentioned principles, except for the cost of past service, which is recognised immediately.

5.20. REVENUES AND EXPENSES FROM INVESTMENTS

Revenues and expenses from investments are classified between operations and equity according to their origin, if they are allocated to covering technical provisions or they materialise shareholders' equity, respectively.

Revenues and expenses from financial investments are accounted for according to the portfolio in which they are classified, pursuant to the following criteria:

a) Trading portfolio

Changes in fair value are directly accounted for in the income statement, differentiating the portion attributable to yields, which is recorded as interest or, if applicable, as dividends, and the portion that is recorded as realised and unrealised results.

b) Portfolio held to maturity

Changes in fair value are recognised when the financial instrument is disposed of and in case of impairment.

c) Portfolio available for sale

Changes in fair value are recognised directly in the company's equity until the financial asset is written off, at which time they are recorded in the income statement.

In all cases, the interest from financial instruments is calculated by the effective interest rate method

5.21. RECLASSIFICATION OF EXPENSES BY FINAL NATURE AND ALLOCATION TO ACTIVITY SEGMENTS

The criteria followed for the reclassification of expenses according to their final nature are mainly based on the function fulfilled by each employee, with their direct and indirect cost being distributed pursuant to the said function.

As regards expenses not directly or indirectly related to staff, individual studies are carried out, and they are allocated according to the function fulfilled by the said expenses

The established destinations are as follows:

- Expenses to be allocated to benefits
- Expenses to be allocated to investments
- Other technical expenses
- Other non technical expenses
- Acquisition expenses
- Administration expenses

— Operating expenses from other activities

Expenses have been allocated to the following segments, according to the business line having originated them:

— Direct insurance Life

— Direct insurance Motor

— Direct insurance Others Non Life

— Accepted reinsurance Life and Non Life

— Other activities

5.22. TRANSACTIONS AND BALANCES IN FOREIGN CURRENCIES

Transactions in foreign currencies, other than in reinsurance, are translated into Euros at the exchange rate prevailing on the transaction date.

Reinsurance transactions in foreign currencies are recorded at the exchange rate established at the beginning of each quarter in the year. Later on, upon the closing of each quarter, they are all dealt with as a single transaction, translating the amount at the exchange rate prevailing on that date and recording the corresponding difference in the consolidated income statement.

At year end, existing balances denominated in foreign currencies are translated at the exchange rate of the Euro prevailing on that date, with all exchange differences being taken to the consolidated income statement, except those directly allocated to "Translation differences", which are those arising from the monetary items that form part of the net investment in a foreign operation and from the non monetary ones stated at fair value, where changes in valuation are directly recognised in equity.

5.23. INCOME TAX

Income tax that is considered as an expense in the year is recorded as such in the consolidated income statement, and includes both the tax charge for the current tax and the effect corresponding to the movement in deferred tax.

For its determination, the liability method based on the balance sheet is used, according to which the relevant deferred tax assets and liabilities are recorded as may be necessary to correct the effect of temporary differences, which are the differences existing between the book value of an asset or a liability and that representing its tax valuation.

Likewise, long term deferred assets and liabilities are valued according to the rates that shall apply in the financial years when assets and liabilities are expected to be realised or paid, respectively.

Temporary differences may be "Taxable temporary differences", which give rise to a higher amount of taxes payable in the future and which generally entail the recognition of a deferred tax liability, or "Deductible temporary differences", which give rise to a lower amount of taxes payable in the future and, to the extent they may be recoverable, to recording a deferred tax asset.

On the other hand, income tax related to items where modifications in valuation are directly recognised in equity are not allocated to the income statement, with the valuation changes being recorded in the said assets, net of the tax effect.

6. Breakdown of financial statements

6.1. INTANGIBLE ASSETS

The following tables detail the movement of this heading in the past two years:

Financial Year 2008

CONCEPT	OPENING BALANCE	ADJUSTMENTS TO OPENING BALANCE	CHANGES IN PERIMETER	ADDITIONS OR APPROPRIATIONS	DISPOSALS, CANCELLATIONS OR REDUCTIONS	CLOSING BALANCE
COST						
GOODWILL	1,040.48	-	720.48	1.60	(126.24)	1,636.32
OTHER INTANGIBLE ASSETS						
Portfolio acquisition expenses	88.78	(2.07)	99.27	193.54	(11.16)	368.36
Computer applications	189.41	(19.00)	29.10	86.45	(66.13)	219.83
Others	21.16	-	7.51	10.06	(12.04)	26.69
TOTAL COST	1,339.83	(21.07)	856.36	291.65	(215.57)	2,251.20
ACCUMULATED AMORTISATION						
OTHER INTANGIBLE ASSETS						
Portfolio acquisition expenses	(9.57)	1.89	-	(15.68)	-	(23.36)
Computer applications	(110.42)	5.72	(11.71)	(21.93)	25.98	(112.36)
Others	(8.53)	-	(3.93)	(6.39)	3.30	(15.55)
TOTAL ACCUMULATED AMORTISATION	(128.52)	7.61	(15.64)	(44.00)	29.28	(151.27)
IMPAIRMENT						
GOODWILL	(23.55)	-	-	(12.20)	0.72	(35.03)
OTHER INTANGIBLE ASSETS						
Portfolio acquisition expenses	-	-	-	-	-	-
Computer applications	-	-	-	-	-	-
Others	(0.04)	-	-	-	-	(0.04)
TOTAL IMPAIRMENT	(23.59)	-	-	(12.20)	0.72	(35.07)
TOTAL GOODWILL	1,016.93	-	720.48	(10.60)	(125.52)	1,601.29
TOTAL OTHER INTANGIBLE ASSETS	170.79	(13.46)	120.24	246.05	(60.05)	463.57
TOTAL INTANGIBLE ASSETS	1,187.72	(13.46)	840.72	235.45	(185.57)	2,064.86

FIGURES IN MILLION EUROS

The amounts shown as changes in the perimeter of financial year 2008 mainly arise from the acquisition of interests in the entities THE COMMERCE GROUP, INC (hereinafter COMMERCE), UNIÓN DEL DUERO COMPAÑÍA DE SEGUROS DE VIDA, S.A. (hereinafter DUERO VIDA) and DUERO PENSIONES ENTIDAD GESTORA DE FONDOS DE PENSIONES, S.A. (hereinafter DUERO PENSIONES), whose goodwill amounts to € 635.48 million, € 70.12 million and € 13.38 million, respectively; and their portfolio acquisition expenses amount to € 31.20 million, € 52.90 million and € 15.17 million, respectively.

Additions of portfolio acquisition expenses arise from the final allocation of fair value of the assets identified of the stakes in GENEL SIGORTA, BANKINTER SEGUROS DE VIDA, S.A. DE SEGUROS Y REASEGUROS (hereinafter BANKINTER VIDA) and in CCM VIDA Y PENSIONES DE SEGUROS Y REASEGUROS SOCIEDAD ANÓNIMA (hereinafter CCM VIDA Y PENSIONES) acquired in 2007, for an amount of € 43.99 million, € 90.77 million and € 58.78 million, respectively.

Cancellations in goodwill mainly arise from exchange differences in goodwills in foreign currency (COMMERCE, GENEL SIGORTA, MAPFRE NOSSA CAIXA VIDA E PREVIDENCIA, S.A. and others for a lower amount) and from the final allocation of the purchase price of the GENEL SIGORTA stake.

Financial Year 2007

CONCEPT	OPENING BALANCE	ADJUSTMENTS TO OPENING BALANCE	CHANGES IN PERIMETER	ADDITIONS OR APPROPRIATIONS	DISPOSALS, CANCELLATIONS OR REDUCTIONS	CLOSING BALANCE
COST						
GOODWILL	634.75	(13.93)	416.92	5.59	(2.85)	1,040.48
OTHER INTANGIBLE ASSETS						
Portfolio acquisition expenses	9.94	(0.07)	78.89	0.02	-	88.78
Computer applications	135.96	7.44	6.04	56.54	(16.57)	189.41
Others	51.40	-	2.03	3.91	(36.18)	21.16
TOTAL COST	832.05	(6.56)	503.88	66.06	(55.60)	1,339.83
ACCUMULATED AMORTISATION						
OTHER INTANGIBLE ASSETS						
Portfolio acquisition expenses	(5.79)	(0.41)	-	(3.37)	-	(9.57)
Computer applications	(87.54)	0.60	(4.62)	(36.28)	17.42	(110.42)
Others	(26.17)	-	(1.08)	(2.05)	20.77	(8.53)
TOTAL ACCUMULATED AMORTISATION	(119.50)	0.19	(5.70)	(41.70)	38.19	(128.52)
IMPAIRMENT						
GOODWILL	(30.78)	-	(1.88)	(8.22)	17.33	(23.55)
OTHER INTANGIBLE ASSETS						
Portfolio acquisition expenses	-	-	-	-	-	-
Computer applications	-	-	-	-	-	-
Others	(0.04)	-	-	-	-	(0.04)
TOTAL IMPAIRMENT	(30.82)	-	(1.88)	(8.22)	17.33	(23.59)
TOTAL GOODWILL	603.97	(13.93)	415.04	(2.63)	14.48	1,016.93
TOTAL OTHER INTANGIBLE ASSETS	77.76	7.56	81.26	18.77	(14.56)	170.79
TOTAL INTANGIBLE ASSETS	681.73	(6.37)	496.30	16.14	(0.08)	1,187.72

FIGURES IN MILLION EUROS

The amounts shown as changes in the perimeter of financial year 2007 mainly arise from the acquisition of interests in the entities GENEL SIGORTA, BANKINTER VIDA and CCM VIDA Y PENSIONES, whose goodwill amounts to € 150.69 million, € 160.45 million and € 89.51 million, respectively; and the portfolio acquisition expenses at BANKINTER VIDA and CCM VIDA Y PENSIONES amount to € 46.41 million and € 32.48 million, respectively.

Portfolio acquisition expenses are amortised over the life of the portfolios and depending upon their being maintained.

A breakdown is given below of the useful life and amortisation rates used for the following intangible assets, having adopted in all cases the straight-line method of amortisation.

GROUP OF ELEMENTS	USEFUL LIFE (YEARS)	AMORTISATION RATE (ANNUAL)
Computer applications	4	25%
Rights of use of administrative concessions	57	1.75%

The amortisation of intangible assets with finite useful life has been recorded in the expenses account "Amortisation allowances".

The useful life of the following intangible assets is considered indefinite, as the said assets are expected to contribute to obtaining future revenues for the Group, indefinitely:

ELEMENT	BOOK VALUE	
	31/12/2008	31/12/2007
Goodwill on consolidation	1,483.21	898.85
Goodwill on merger	118.08	118.08

FIGURES IN MILLION EUROS

The following table provides detailed information on the cash generating units to which the different goodwill items are allocated, as well as their book value and, if applicable, the impairment amount over the last two years.

CONCEPT	CASH GENERATING UNIT	FINANCIAL YEAR 2007			FINANCIAL YEAR 2008			BALANCE 31.12.2008
		BALANCE 31.12.2006	ENTRIES/ (CANCELATIONS)	IMPAIRMENT IN THE PERIOD	BALANCE 31.12.2007	ENTRIES/ (CANCELATIONS)	IMPAIRMENT IN THE PERIOD	
Consolidation goodwill								
MAPFRE VIDA	Life Assurance (Spain and Portugal)	212.54	0.03	-	212.57	-	-	212.57
MAPFRE EMPRESAS	Business Insurance	40.19	(0.02)	-	40.17	-	-	40.17
GRUPO CORPORATIVO LML	Non Life Assurance (Mexico)	22.26	-	-	22.26	-	-	22.26
BRICKELL FINANCIAL SERVICES	Travel Assistance (U.S.A.)	17.65	-	-	17.65	-	-	17.65
MAPFRE AMÉRICA	Non Life Assurance (America)	22.23	8.27	-	30.50	-	-	30.50
MAPFRE WARRANTY	Guarantees	11.12	(0.04)	-	11.08	-	-	11.08
MAPFRE NOSSA CAIXA	Non Life Assurance (Brazil)	79.13	6.38	-	85.51	(17.10)	-	68.41
ABRAXAS	Travel Assistance (UK)	15.78	0.84	-	16.62	-	-	16.62
GENEL SIGORTA	Insurance (Turkey)	-	150.69	-	150.69	(77.78)	-	72.91
BANKINTER VIDA	Life Assurance (Spain)	-	160.45	-	160.45	-	-	160.45
CCM VIDA Y PENSIONES	Travel Assistance (UK)	-	89.51	-	89.51	1.00	-	90.51
COMMERCE	Non Life insurance (USA)	-	-	-	-	618.33	-	618.33
DUERO VIDA	Life Assurance (Spain)	-	-	-	-	70.12	-	70.12
DUERO PENSIONES	Life Assurance and Pensions (Spain)	-	-	-	-	13.38	-	13.38
Others	-	64.26	(10.38)	7.96	61.84	(12.11)	(11.48)	38.25
Total consolidation goodwill		485.16	405.73	7.96	898.85	595.84	(11.48)	1,483.21
Merger goodwill								
MAPFRE FINISTERRE	Burial insurance (Spain)	87.93	-	-	87.93	-	-	87.93
ASEICA	Medical assistance (Canary Islands)	12.73	-	-	12.73	-	-	12.73
Others	-	18,15	-	(0.73)	17.42	-	-	17.42
Total merger goodwill		118.81	-	(0.73)	118.08	-	-	118.08
Total goodwill		603.97	405.73	7.23	1,016.93	595.84	(11.48)	1,601.29
Goodwill in associated undertakings								
MIDDLESEA INSURANCE	Insurance (Southern Europe)	6.00	-	-	6.00	-	-	6.00
Others	-	3.72	-	(2.04)	1.68	(0.29)	-	1.39
Total goodwill in associated undertakings (equity method) (*)		9.72	-	(2.04)	7.68	(0.29)	-	7.39

FIGURES IN MILLION EUROS

(*) Goodwill related to acquisitions of associated undertakings is stated as a greater value of investments accounted for pursuant to the equity method.

The book value, net of any impairment, of each of the above described goodwill items is, in all cases, equal to or lower than the amount recoverable from the cash generating unit to which they are allocated, which has been determined according to its use value, calculated on the basis of cash flow projections.

The discount rate applied to the said projections is based on the interest rates of the geographical market where each cash-generating unit operates, which ranges, after tax, between 2.70 and 11.74, and to which a risk premium has been added according to the unit's type of activity.

The resulting discount rate applied in the most significant cases has been as follows:

GOODWILL	DISCOUNT RATE AFTER TAX
COMMERCE	7.52
MAPFRE VIDA, BANKINTER VIDA, CCM VIDA Y PENSIONES, DUERO VIDA Y DUERO PENSIONES	6.20
MAPFRE EMPRESAS	7.20
MAPFRE NOSSA CAIXA	12.85
MAPFRE FINISTERRE	9.50
GENEL SIGORTA	16.24

Projections corresponding to the first five years take into account growth rates of the flows based on historical experience, while for the following years constant flows are considered.

6.2. PROPERTY, PLANT AND EQUIPMENT, AND INVESTMENT PROPERTY

Property, plant and equipment

The following tables detail the movement of this heading in the last two years:

Financial year 2008

CONCEPT	OPENING BALANCE	ADJUSTMENTS TO OPENING BALANCE	CHANGES IN PERIMETER	ADDITIONS OR APPROPRIATIONS	DISPOSALS, CANCELLATIONS OR REDUCTIONS	CLOSING BALANCE	MARKET VALUE
COST							
PROPERTY FOR OWN USE							
Land and natural resources	90.51	(9.15)	3.52	16.14	(14.57)	86.45	99.84
Buildings and other structures	981.00	3.63	45.99	107.81	(212.98)	925.45	1,467.13
OTHER PROPERTY, PLANT AND EQUIPMENT							
Transport elements	180.54	(3.10)	1.47	61.45	(76.46)	163.90	105.05
Furniture and fittings	366.36	(10.80)	10.69	64.41	(39.69)	390.97	220.05
Other property, plant and equipment	177.29	(3.75)	26.45	24.59	(67.33)	157.25	49.70
Advances and fixed assets in progress	1.51	(0.36)	–	0.79	(0.52)	1.42	1.25
TOTAL COST	1,797.21	(23.53)	88.12	275.19	(411.55)	1,725.44	1,943.02
ACCUMULATED AMORTISATION							
PROPERTY FOR OWN USE							
PROPERTY FOR OWN USE	(98.85)	0.30	(12.80)	(13.91)	32.19	(93.07)	–
OTHER PROPERTY, PLANT AND EQUIPMENT							
OTHER PROPERTY, PLANT AND EQUIPMENT	(349.17)	10.72	(34.92)	(65.53)	104.15	(334.75)	–
TOTAL ACCUMULATED AMORTISATION	(448.02)	11.02	(47.72)	(79.44)	136.34	(427.82)	–
IMPAIRMENT							
PROPERTY FOR OWN USE							
PROPERTY FOR OWN USE	–	–	–	–	–	–	–
Buildings and other structures	(3.63)	2.04	–	(0.23)	1.49	(0.33)	–
OTHER PROPERTY, PLANT AND EQUIPMENT							
OTHER PROPERTY, PLANT AND EQUIPMENT	(0.77)	–	–	(0.04)	0.33	(0.48)	–
Furniture and fittings	(1.50)	(0.67)	–	(0.04)	0.86	(1.35)	–
Other property, plant and equipment	(3.21)	(0.01)	–	–	–	(3.22)	–
TOTAL IMPAIRMENT	(9.11)	1.36	–	(0.31)	2.68	(5.38)	–
TOTAL PROPERTY FOR OWN USE	969.03	(3.18)	36.71	109.81	(193.87)	918.50	1,566.97
TOTAL OTHER PROPERTY, PLANT & EQUIPMENT	371.05	(7.97)	3.69	85.63	(78.66)	373.74	376.05
TOTAL PROPERTY, PLANT & EQUIPMENT	1,340.08	(11.15)	40.40	195.44	(272.53)	1,292.24	1,943.02

FIGURES IN MILLION EUROS

The main additions in year 2008 arise from the acquisition of buildings by MAPFRE FAMILIAR.

The main cancellations in 2008 include the transfer to investment property, for an amount of € 46.68 million, of the building located at Paseo de Recoletos no. 23, which has been leased.

Financial year 2007

CONCEPT	OPENING BALANCE	ADJUSTMENTS TO OPENING BALANCE	CHANGES IN PERIMETER	ADDITIONS OR APPROPRIATIONS	DISPOSALS, CANCELLATIONS OR REDUCTIONS	CLOSING BALANCE	MARKET VALUE
COST							
PROPERTY FOR OWN USE							
Land and natural resources	69.45	(1.98)	0.90	27.00	(4.86)	90.51	91.95
Buildings and other structures	827.21	(2.64)	62.63	105.63	(11.83)	981.00	1,527.05
OTHER PROPERTY, PLANT AND EQUIPMENT							
Transport elements	94.56	0.28	3.60	84.98	(2.88)	180.54	167.21
Furniture and fittings	333.99	(2.67)	15.63	25.83	(6.42)	366.36	292.07
Other property, plant and equipment	170.47	(0.25)	5.24	12.37	(10.54)	177.29	104.83
Advances and fixed assets in progress	1.36	(0.03)	0.26	0.56	(0.64)	1.51	0.41
TOTAL COST	1,497.04	(7.29)	88.26	256.37	(37.17)	1,797.21	2,183.52
ACCUMULATED AMORTISATION							
PROPERTY FOR OWN USE							
	(90.45)	1.46	(7.57)	(14.60)	12.31	(98.85)	-
OTHER PROPERTY, PLANT AND EQUIPMENT							
	(255.26)	3.29	(15.89)	(99.25)	17.94	(349.17)	-
TOTAL ACCUMULATED AMORTISATION	(345.71)	4.75	(23.46)	(113.85)	30.25	(448.02)	-
IMPAIRMENT							
PROPERTY FOR OWN USE							
Land and natural resources	(0.55)	0.07	-	-	0.48	-	-
Buildings and other structures	(1.64)	(1.94)	(0.11)	(0.04)	0.10	(3.63)	-
OTHER PROPERTY, PLANT AND EQUIPMENT							
Transport elements	(0.18)	0.01	(0.83)	(0.01)	0.24	(0.77)	-
Furniture and fittings	(0.83)	(0.67)	-	-	-	(1.50)	-
Other property, plant and equipment	(3.21)	-	-	-	-	(3.21)	-
TOTAL IMPAIRMENT	(6.41)	(2.53)	(0.94)	(0.05)	0.82	(9.11)	-
TOTAL PROPERTY FOR OWN USE	804.02	(5.03)	55.85	117.99	(3.80)	969.03	1,619.00
TOTAL OTHER PROPERTY, PLANT & EQUIPMENT	340.90	(0.04)	8.01	24.48	(2.30)	371.05	564.52
TOTAL PROPERTY, PLANT & EQUIPMENT	1,144.92	(5.07)	63.86	142.47	(6.10)	1,340.08	2,183.52

FIGURES IN MILLION EUROS

The main additions in 2007 arise from the merger between MUTUA VALENCIANA AUTOMOVILISTA and MAPFRE AUTOMÓVILES, and from the acquisition of a building in Aravaca (Madrid).

The fully depreciated cost of tangible fixed assets as at 31 December 2008 and 2007 amounted to € 88.72 million and € 94.61 million, respectively.

Impairment losses amount to € 0.31 million and € 0.05 million for financial years 2008 and 2007, respectively, and reversals amount to € 2.68 million and € 0.82 million. These amounts are included in the headings "Allocation to the asset impairment provision" and "Reversal of the asset impairment provision" in the consolidated income statement.

Investment property

The following tables detail the movement of this heading during the last two financial years:

Financial Year 2008

CONCEPT	OPENING BALANCE	ADJUSTMENTS TO OPENING BALANCE	CHANGES IN PERIMETER	ADDITIONS OR APPROPRIATIONS	DISPOSALS, CANCELLATIONS OR REDUCTIONS	CLOSING BALANCE	MARKET VALUE
COST							
INVESTMENT PROPERTY							
Land and natural resources	105.50	1.87	0.01	4.77	(8.64)	103.51	171.68
Buildings and other structures	832.52	(2.90)	0.41	271.63	(62.99)	1,038.67	1,547.42
OTHER INVESTMENT PROPERTY	9.83	(1.98)	-	-	(7.85)	-	-
TOTAL COST	947.85	(3.01)	0.42	276.40	(79.48)	1,142.18	1,719.10
ACCUMULATED AMORTISATION							
INVESTMENT PROPERTY	(151.73)	(0.75)	(0.16)	(52.55)	1.94	(203.25)	-
TOTAL ACCUMULATED AMORTISATION	(151.73)	(0.75)	(0.16)	(52.55)	1.94	(203.25)	-
IMPAIRMENT							
INVESTMENT PROPERTY							
Land and natural resources	-	-	-	-	-	-	-
Buildings and other structures	(4.78)	(1.99)	-	(1.42)	-	(8.19)	-
TOTAL IMPAIRMENT	(4.78)	(1.99)	-	(1.42)	-	(8.19)	-
TOTAL INVESTMENT PROPERTY	791.34	(5.75)	0.26	222.43	(77.54)	930.74	1,719.10

FIGURES IN MILLION EUROS

The main additions in financial year 2008 arise from the acquisition by MAPFRE FAMILIAR of several premises in Barcelona, Madrid and Valencia.

Financial Year 2007

CONCEPT	OPENING BALANCE	ADJUSTMENTS TO OPENING BALANCE	CHANGES IN PERIMETER	ADDITIONS OR APPROPRIATIONS	DISPOSALS, CANCELLATIONS OR REDUCTIONS	CLOSING BALANCE	MARKET VALUE
COST							
INVESTMENT PROPERTY							
Land and natural resources	179.00	(0.08)	28.47	0.47	(102.36)	105.50	175.68
Buildings and other structures	710.67	6.84	16.78	112.50	(14.27)	832.52	1,359.64
OTHER INVESTMENT PROPERTY	-	-	-	9.83	-	9.83	9.83
TOTAL COST	889.67	6.76	45.25	122.80	(116.63)	947.85	1,545.15
ACCUMULATED AMORTISATION							
INVESTMENT PROPERTY	(104.05)	0.45	(2.15)	(52.41)	6.43	(151.73)	-
TOTAL ACCUMULATED AMORTISATION	(104.05)	0.45	(2.15)	(52.41)	6.43	(151.73)	-
IMPAIRMENT							
INVESTMENT PROPERTY							
Land and natural resources	(0.48)	-	-	-	0.48	-	-
Buildings and other structures	(1.66)	-	(0.36)	(4.33)	1.57	(4.78)	-
TOTAL IMPAIRMENT	(2.14)	-	(0.36)	(4.33)	2.05	(4.78)	-
TOTAL INVESTMENT PROPERTY	783.48	7.21	42.74	66.06	(108.15)	791.34	1,545.15

FIGURES IN MILLION EUROS

Changes in perimeter in financial year 2007 arise from the incorporation of the entity GENEL SIGORTA.

Other movements in 2007 are mainly due to transfers and to the sale of an office building in Barcelona.

The market value of investment property corresponds with the appraisal value determined by the Directorate General for Insurance and Pension Funds (DGS) or by the authorised independent appraisal entity.

Lease revenues and expenses deriving from investment property in financial years 2008 and 2007 are detailed in the following table.

CONCEPT	INVESTMENTS OF:					
	OPERATIONS		EQUITY		TOTAL	
	2008	2007	2008	2007	2008	2007
Revenues from investment property						
From rentals	73.03	71.74	20.14	12.77	93.17	84.51
Others	-	0.12	13.36	2.52	13.36	2.64
Gains on disposals	43.08	29.85	4.49	-	47.57	29.85
Total revenues from investment property	116.11	101.71	37.99	15.29	154.10	117.00
Expenses from investment property						
Direct operating expenses	39.11	30.31	5.18	3.80	44.29	34.11
Other expenses	0.89	0.93	0.33	1.35	1.22	2.28
Losses on disposals	0.06	-	0.02	0.08	0.08	0.08
Total expenses from investment property	40.06	31.24	5.53	5.23	45.59	36.47

FIGURES IN MILLION EUROS

The impairment loss in the year is recorded under "Allocation to the asset impairment provision" and the reversal under "Reversal of the asset impairment provision" in the consolidated income statement.

6.3. LEASES

The Group has the following elements subject to operating lease agreements:

TYPE OF ASSET	NET BOOK VALUE		MAXIMUM DURATION OF AGREEMENTS (YEARS)		MAXIMUM YEARS ELAPSED	
	2008	2007	2008	2007	2008	2007
Investment property	930.74	791.34	25	25	13	12

FIGURES IN MILLION EUROS

As at 31 December, minimum future collections from the last two years, to be received in the concept of operating lease agreements not liable of cancellation, are as follows:

CONCEPT	2008	2007
Below one year	52.96	51.28
Over one year but below five years	134.59	135.90
More than five years	5.55	11.25
Total	193.10	198.43

FIGURES IN MILLION EUROS

The Group is a lessee, pursuant to operating leases, of buildings and other property, plant and equipment.

These leases have a maximum duration of 5 years, without renewal clauses provided for in the agreements. There is no restriction whatsoever for the lessee with respect to entering into these leases.

As at 31 December, minimum future payments to be made in the concept of operating lease agreements not liable of cancellation are as follows:

CONCEPT	2008	2007
Below one year	22.19	16.37
Over one year but below five years	84.44	96.60
More than five years	125.32	154.54
Total	231.95	267.51

FIGURES IN MILLION EUROS

Contingent payments recorded as expense in financial years 2008 and 2007 amount to € 11.33 million and € 0.04 million, respectively.

6.4. FINANCIAL INVESTMENTS

As at 31 December 2008 and 2007, the breakdown of financial investments is as follows:

CONCEPT	BOOK VALUE	
	2008	2007
PORTFOLIO HELD TO MATURITY		
Fixed income	604.69	715.85
Other investments	136.45	394.29
Total portfolio held to maturity	741.14	1,110.14
PORTFOLIO AVAILABLE FOR SALE		
Equities	716.27	1,195.56
Fixed income	22,744.31	19,933.26
Mutual funds	706.20	1,198.77
Others	428.50	229.79
Total portfolio available for sale	24,595.28	22,557.38
TRADING PORTFOLIO		
Derivatives (non hedging):		
Forward exchange contracts	-	5.54
Swaps	2.76	-
Other derivatives	20.54	-
Other investments:		
Equities	0.43	9.03
Fixed income	856.62	1,115.09
Mutual funds	44.61	43.76
Others	14.15	41.43
Total trading portfolio	939.11	1,214.85

FIGURES IN MILLION EUROS

Portfolio held to maturity

A breakdown is given below of investments allocated to the portfolio held to maturity, as at 31 December 2008 and 2007.

CONCEPT	BOOK VALUE (AMORTISED COST)		FAIR VALUE		REVENUES FROM INTERESTS		IMPAIRMENT			
	2008	2007	2008	2007	2008	2007	RECORDED LOSS		GAINS ON REVERSAL	
							2008	2007	2008	2007
Fixed income	604.69	715.85	604.08	723.22	107.07	71.28	-	-	-	-
Other investments	136.45	394.29	136.41	394.29	36.35	20.99	-	-	-	-
Total	741.14	1,110.14	740.49	1,117.51	143.42	92.27	-	-	-	-

FIGURES IN MILLION EUROS

Portfolio available-for-sale

A breakdown is given below of investments allocated to the available-for-sale portfolio, as at 31 December 2008 and 2007:

CONCEPT	BOOK VALUE (FAIR VALUE)		IMPAIRMENT			
	2008	2007	RECORDED LOSS		GAINS ON REVERSAL	
			2008	2007	2008	2007
Equities	716.27	1,195.56	(1.14)	-	-	-
Fixed income	22,744.31	19,933.26	(27.56)	(3.70)	5.33	-
Trust funds	706.20	1,198.77	(7.44)	(0.28)	-	0.14
Others	428.50	229.79	(17.99)	-	-	-
Total	24,595.28	22,557.38	(54.13)	(3.98)	5.33	0.14

FIGURES IN MILLION EUROS

Valuation adjustments in the portfolio investments amount to € (66.78) million and € 838.15 million as at 31 December 2008 and 2007, respectively, which have been recorded in equity net of the tax effect.

Transfers to the income statement of valuation adjustments of portfolio investments in previous financial years, carried out during years 2008 and 2007, amount to € (20.80) million and € 16.41 million, respectively.

Trading portfolio

The following table details the investments allocated to the trading portfolio as at 31 December 2008 and 2007:

CONCEPT	BOOK VALUE (FAIR VALUE)		CAPITAL GAINS (LOSSES) ALLOCATED TO RESULTS			
	2008	2007	UNREALISED		REALISED	
	2008	2007	2008	2007	2008	2007
Derivatives (not for hedging)						
Forward exchange contracts	-	5.54	-	5.54	-	-
Swaps	2.76	-	-	-	-	-
Options	-	-	-	-	-	-
Futures	-	-	-	-	-	-
Other derivatives	20.54	-	(2.42)	-	-	-
Total derivatives (not for hedging)	23.30	5.54	(2.42)	5.54	-	-
Other investments						
Equities	0.43	9.03	(0.85)	(0.39)	(0.14)	1.24
Fixed income	856.62	1,115.09	7.75	0.84	4.59	7.17
Mutual funds	44.61	43.76	(2.13)	0.14	(0.10)	3.69
Others	14.15	41.43	0.44	(0.67)	(0.58)	1.27
Total other investments	915.81	1,209.31	5.21	(0.08)	3.77	13.37
Total trading portfolio	939.11	1,214.85	2.79	5.46	3.77	13.37

FIGURES IN MILLION EUROS

The fixed income investments of the trading portfolio include € 186.44 million and € 126.04 million as at 31 December 2008 and 2007, respectively, corresponding to monetary assets and government debt sold temporarily, with a non optional repurchase agreement.

6.5. INVESTMENTS ON ACCOUNT OF LIFE POLICY HOLDERS BEARING THE INVESTMENT RISK

The following table shows the composition of the heading of investments on account of life policy holders bearing the investment risk as at 31 December 2008 and 2007:

CONCEPT	BOOK VALUE		RESULTS			
	2008	2007	REALISED		UNREALISED	
	2008	2007	2008	2007	2008	2007
Eanities	0.56	-	-	-	-	-
Fixed income	237.04	15.28	0.27	(1.90)	-	-
Mutual fund holdings	234.82	347.08	(30.06)	6.52	(7.95)	(6.58)
Total	472.42	362.36	(29.79)	4.62	(7.95)	(6.58)

FIGURES IN MILLION EUROS

6.6. INVENTORIES

The following tables detail the movements of the heading of inventories in the last two financial years:

Financial Year 2008

CONCEPTS	OPENING BALANCE	ADJUSTMENTS TO OPENING BALANCE		CHANGES IN PERIMETER	ADDITIONS	CANCELLATIONS	IMPAIRMENTS	CLOSING BALANCE
Land	575.95	-	-	-	2.80	-	-	578.75
Finished buildings	14.15	-	-	-	-	(5.18)	-	8.97
Other finished products	0.52	-	-	-	-	-	-	0.52
Developments and works in progress	81.21	-	-	-	103.41	(45.68)	(45.40)	93.54
Raw materials	6.36	-	-	-	0.23	(1.32)	-	5.27
Total	678.19	-	-	-	106.44	(52.18)	(45.40)	687.05

FIGURES IN MILLION EUROS

Financial Year 2007

CONCEPTS	OPENING BALANCE	ADJUSTMENTS TO OPENING BALANCE		CHANGES IN PERIMETER	ADDITIONS	CANCELLATIONS	IMPAIRMENTS	CLOSING BALANCE
Land	431.43	-	-	-	146.29	(1.77)	-	575.95
Finished buildings	0.97	-	-	-	29.17	(15.99)	-	14.15
Other finished products	8.19	-	-	-	-	(7.67)	-	0.52
Developments and works in progress	51.42	-	-	-	53.18	(23.39)	-	81.21
Raw materials	6.38	-	-	-	0.40	(0.42)	-	6.36
Total	498.39	-	-	-	229.04	(49.24)	-	678.19

FIGURES IN MILLION EUROS

Additions correspond to purchases of land and developments made by MAPFRE INMUEBLES in the fulfilment of its activity.

Costs on capitalised interest in financial years 2008 and 2007 amounted to € 23.91 million and € 15.56 million, respectively. The capitalisation rate used in years 2008 and 2007 to determine the interest costs liable of being capitalised was 5.25% and 4.69%, respectively.

6.7. CREDITS AND RECEIVABLES

The following table shows the composition of credits and receivables as at 31 December 2008 and 2007; it also shows the impairment losses and gains on reversal of impairment recorded in the last two financial years:

CONCEPTOS	GROSS AMOUNT		IMPAIRMENT PROVISION		NET BALANCE IN THE BALANCE SHEET		IMPAIRMENT			
	2008	2007	2008	2007	2008	2007	RECORDED LOSSES		GAINS ON REVERSAL	
							2008	2007	2008	2007
Receivables on direct insurance and co-insurance transactions	2,469.24	2,184.53	(56.31)	(45.85)	2,412.93	2,138.68	(14.51)	-	4.05	-
Receivables on reinsurance transactions	317.05	254.46	(1.12)	(2.23)	315.93	252.23	-	(0.66)	0.66	-
Tax credits	84.32	204.54	-	-	84.32	204.54	-	-	-	-
Corporate and other credits	339.38	280.95	(3.65)	(4.93)	335.73	276.02	(0.02)	-	1.30	-
Total	3,209.99	2,924.48	(61.08)	(53.01)	3,148.91	2,871.47	(14.53)	(0.66)	6.01	-

FIGURES IN MILLION EUROS

The balances included under credits do not accrue interest and they are generally settled in the following year

6.8 ASSET IMPAIRMENT

The following tables detail the asset impairment over the last two years.

Financial Year 2008

IMPAIRMENT IN:	OPENING BALANCE	ADJUSTMENTS TO OPENING BALANCE	CHANGES IN PERIMETER	RECORDING IN RESULTS		WRITE-OFF OF ASSET	CLOSING BALANCE
				ALLOWANCE	REDUCTION		
Intangible assets	23.59	-	-	12.20	-	(0.72)	35.07
I. Goodwill	23.55	-	-	12.20	-	(0.72)	35.03
II. Other intangible assets	0.04	-	-	-	-	-	0.04
Property, plant and equipment	9.11	(1.36)	-	0.31	(1.31)	(1.37)	5.38
I. Property for own use	3.63	(2.04)	-	0.23	(0.12)	(1.37)	0.33
II. Other property, plant and equipment	5.48	0.68	-	0.08	(1.19)	-	5.05
Investments	20.22	3.66	-	55.55	(5.36)	-	74.07
I. Investment property	4.78	1.99	-	1.42	-	-	8.19
II. Financial investments	-	-	-	-	-	-	-
- Portfolio held to maturity	-	-	-	-	-	-	-
- Portfolio available for sale	3.65	0.14	-	54.13	(5.33)	-	52.59
- Trading portfolio	1.93	0.36	-	-	-	-	2.29
III. Investments recorded by the participation method	0.08	1.17	-	-	-	-	1.25
IV. Deposits established for accepted reinsurance	-	-	-	-	-	-	-
V. Other investments	9.78	-	-	-	(0.03)	-	9.75
Inventories	-	-	-	45.40	-	-	45.40
Credits and receivables	53.01	(0.45)	-	14.53	(6.01)	-	61.08
I. Credits from direct insurance and coinsurance transactions	45.85	-	-	14.51	(4.05)	-	56.31
II. Credits from reinsurance transactions	2.23	(0.45)	-	-	(0.66)	-	1.12
III. Tax credits	-	-	-	-	-	-	-
IV. Corporate and other credits	4.93	-	-	0.02	(1.30)	-	3.65
Other assets	-	-	-	0.01	-	-	0.01
Total impairment	105.93	1.85	-	128.00	(12.68)	(2.09)	221.01

FIGURES IN MILLION EUROS

Financial Year 2007

IMPAIRMENT IN:	OPENING BALANCE	ADJUSTMENTS TO OPENING BALANCE	CHANGES IN PERIMETER	RECORDING IN RESULTS		WRITE-OFF OF ASSET	CLOSING BALANCE
				ALLOWANCE	REDUCTION		
Intangible assets	30.82	-	1.88	8.22	-	(17.33)	23.59
I. Goodwill	30.78	-	1.88	8.22	-	(17.33)	23.55
II. Other intangible assets	0.04	-	-	-	-	-	0.04
Property, plant and equipment	6.41	2.53	0.94	0.05	(0.82)	-	9.11
I. Property for own use	2.19	1.87	0.11	0.04	(0.58)	-	3.63
II. Other property, plant and equipment	4.22	0.66	0.83	0.01	(0.24)	-	5.48
Investments	9.04	4.86	0.36	8.40	(0.20)	(2.24)	20.22
I. Investment property	2.14	-	0.36	4.33	(0.04)	(2.01)	4.78
II. Financial investments	-	-	-	-	-	-	-
- Portfolio held to maturity	-	-	-	-	-	-	-
- Portfolio available for sale	0.04	-	-	3.98	(0.14)	(0.23)	3.65
- Trading portfolio	-	1.94	-	0.01	(0.02)	-	1.93
III. Investments recorded by the participation method	-	-	-	0.08	-	-	0.08
IV. Deposits established for accepted reinsurance	-	-	-	-	-	-	-
V. Other investments	6.86	2.92	-	-	-	-	9.78
Credits and receivables	57.77	-	-	0.66	-	(5.42)	53.01
I. Credits from direct insurance and coinsurance transactions	49.86	-	-	-	-	(4.01)	45.85
II. Credits from reinsurance transactions	1.63	-	-	0.66	-	(0.06)	2.23
III. Tax credits	-	-	-	-	-	-	-
IV. Corporate and other credits	6.28	-	-	-	-	(1.35)	4.93
Other assets	-	-	-	-	-	-	-
Total impairment	104.04	7.39	3.18	17.33	(1.02)	(24.99)	105.93

FIGURES IN MILLION EUROS

6.9. CASH AND BANKS

During financial years 2008 and 2007, expenditure was made in investments in Group companies, the most significant acquisitions being as follows:

BUYING COMPANY	DETAILS OF THE ACQUISITION			
	COMPANY	PERCENTAGE	ACTIVITY	PAID-UP AMOUNT
F. Year 2008				
MAPFRE INTERNACIONAL, S.A.	COMMERCE	100%	Non Life Insurance - U.S.A.	1,515.42
MAPFRE, S.A.	DUERO VIDA	50%	Life Assurance - Spain	87.50
MAPFRE, S.A.	DUERO PENSIONES	50%	Pension fund administration-Spain	18.03
F. Year 2007				
MAPFRE, S.A.	GENEL SIGORTA	80%	Insurance-Turkey	281.99
MAPFRE VIDA	BANKINTER VIDA	50%	Life Assurance-Spain	183.22
MAPFRE, S.A.	CCM VIDA Y PENSIONES	50%	Life Assurance-Spain	113.95

FIGURES IN MILLION EUROS

The said investments were partly financed with own funds and with bank loans in 2008, and with own funds and the issuance of debentures, as described in Note 6.12.

Likewise, throughout 2008 and 2007, disposals were made of investments in associated undertakings, amounting to € 114.43 million and € 1.09 million, respectively, mainly from the sale of the stake in CAJA MADRID BOLSA, GESMADRID and CAJA MADRID PENSIONES in 2008 and of the stake in VIAJES TÍVOLI.

There are no significant monetary transactions related to investment and funding activities excluded from the cash flow statements.

6.10. NON CURRENT ASSETS CLASSIFIED AS HELD FOR SALE, RELATED LIABILITIES AND DISCONTINUED OPERATIONS

The main types of non current assets classified as held for sale and of discontinued activities, as well as their related liabilities as at 31 December 2008 and 2007, are as follows:

CONCEPT	NON CURRENT ASSETS CLASSIFIED AS HELD FOR SALE		DISCONTINUED OPERATIONS		TOTAL	
	2008	2007	2008	2007	2008	2007
Assets						
Intangible assets	-	-	0.02	2.93	0.02	2.93
Property, plant and equipment	4.53	7.24	0.19	0.45	4.72	7.69
Other assets	8.69	-	7.32	11.97	16.01	11.97
Total assets	13.22	7.24	7.53	15.35	20.75	22.59
Related liabilities	7.37	-	-	11.92	7.37	11.92

FIGURES IN MILLION EUROS

The described assets and liabilities mainly correspond to the "Other activities" segment.

The sale of non current assets held for sale is envisaged within 12 months, no realisation losses being expected.

Assets of discontinued operations in 2008 correspond to several agencies overseas; those of 2007 were connected to the activity of VIAJES MAPFRE, having reached in 2008 an agreement for the transfer of the travel agency to Carlson Wagonlit Travel.

During financial years 2008 and 2007, these assets have generated total revenues of € 18.90 million and € 31.07 million, respectively and net losses of € 2.20 million and € 3.99 million, respectively. Net cash flows generated by the said assets in the same periods amounted to € 1.02 million and € 3.06 million, respectively.

6.11. EQUITY

Share capital

Share capital is recorded for the nominal value of shares being fully paid-up or the payment of which has been called.

The controlling Company's share capital as at 31 December 2008 is represented by 2,744,832,287 shares with a nominal value of € 0.10 each, fully subscribed and paid-up. All the shares confer the same political and economic rights.

CARTERA MAPFRE holds 63.56% and 74.18% in the share capital as at 31 December 2008 and 2007, respectively; and CAJA MADRID CIBELES, S.A. holds 15% as at 31 December 2008.

All the shares representing the controlling Company's capital are listed on the Madrid and Barcelona stock exchanges.

Capital increases carried out during financial years 2007 and 2008

A) 19 JANUARY 2007

On this date, a capital increase was carried out excluding the preferential subscription right, by issuing 1,080,820,633 new ordinary shares with a nominal value of € 0.10 each, which were fully subscribed and paid-up. These shares were issued at 3,192 per cent, namely, at a price of € 3.192 each, with € 0.10 corresponding to their nominal value and the remaining € 3.092 were allocated to the legal reserve until reaching 20% in the share capital, and the residual amount to share premium.

The capital increase consisted of two tranches, the first amounting to € 96,057,753.00 covered by a non cash contribution, previously assessed to that effect by and independent expert and owned by the shareholder CARTERA MAPFRE, and a second tranche amounting to € 12,024,310.30 by means of cash contribution from MAPFRE MUTUALIDAD DE SEGUROS Y REASEGUROS A PRIMA FIJA (hereinafter MAPFRE MUTUALIDAD).

The first tranche of the capital increase consisted of issuing 960,577,530 shares in the controlling Company, with a nominal value of € 0.10 each, and it was subscribed to by non cash contribution, on the part of shareholder CARTERA MAPFRE, of the following assets:

- 75,009,893 shares with a nominal value of 2 Euros each in MAPFRE AUTOMÓVILES, SOCIEDAD ANÓNIMA DE SEGUROS Y REASEGUROS, a company with registered office in Majadahonda (Madrid).
- 17,851,193 shares with a nominal value of 3.27 Euros each in MAPFRE AMÉRICA VIDA, S.A., a company with registered office in Madrid.
- 2,098,170 shares with a nominal value of 10 Euros each in MAPFRE AGROPECUARIA COMPAÑÍA INTERNACIONAL DE SEGUROS Y REASEGUROS, S.A., a company with registered office in Majadahonda (Madrid).
- 4,976,123 shares with a nominal value of 4.99 Euros each in MAPFRE SEGUROS GERAIS, S.A., a company with registered office in Lisbon (Portugal).
- 201,810 shares of MAPFRE USA CORPORATION, with registered office in Miami, Florida.
- 1,421,737 shares with a nominal value of 3 Euros each in SOCIETA CATTOLICA DI ASSICURAZIONI, a company with registered office in Verona, Italia.
- 15,270,652 shares with a nominal value of 6.010121 Euros each in BANCO DE SERVICIOS FINANCIEROS CAJA MADRID-MAPFRE, S.A., a company with registered office in Majadahonda (Madrid).
- 30,294 shares with a nominal value of 10 Euros each in CENTRO INTERNACIONAL DE FORMACIÓN DE DIRECTIVOS MAPFRE, S.A., a company with registered office in San Agustín de Guadalix.
- 287,500 shares with a nominal value of 6.01 Euros each in MAPFRE SERVICIOS DE INFORMÁTICA, S.A., a company with registered office in Majadahonda, (Madrid).

The second tranche of the capital increase consisted of issuing 120,243,103 ordinary shares of the controlling Company, with a nominal value of 0.10 Euros each, and it was fully subscribed to by MAPFRE MUTUALIDAD.

The said capital increase gave rise to expenses of € 10.02 million, which has been deducted, net of the tax effect, for an amount of € 3.26 million, from “Reserves” under equity.

B) 8 MAY 2008

As a result of the merger between MAPFRE S.A. as company taking over and MAPFRE-CAJA MADRID HOLDING DE ENTIDADES ASEGURADORAS, S.A. as company taken over, in May 2008 401,527,793 new shares in the controlling Company were issued, of the same class and series as the existing ones, with a nominal value of € 0.10 each. These shares were issued at a rate of 3,049.851%, namely, at € 3.049851 each, of which € 0.10 corresponded to the nominal value and the remaining € 2.949851 to share premium, included in the consolidated balance sheet under the heading “Reserves”.

The new shares were fully subscribed to by CORPORACIÓN FINANCIERA CAJA DE MADRID, S.A. and entitled to sharing in the corporate gains with the same rights as existing shares.

C) 4 DECEMBER 2008

As part of the possibility given to the controlling Company’s shareholders of reinvesting the collected dividend in MAPFRE shares, on 4 December 2008 a capital increase was carried out by issuing 67,980,331 new ordinary shares with a nominal value of € 0.10 each, which were fully subscribed and paid up. These shares were issued at a rate of 2,210%, namely, at € 2.21 each, of which € 0.10 correspond to their nominal value and the remaining € 2.11 were allocated to the legal reserve until reaching 20% in the share capital, and the residual amount to voluntary reserves.

Valuation adjustment reserves

It includes the equity reserves arising from fair value adjustments of the different assets and liabilities that, pursuant to IFRS, must be directly recorded in the Group’s equity accounts.

Restrictions on the availability of reserves

— The “Reserves” item includes the legal reserve, amounting to € 54.90 million and € 45.51 million as at 31 December 2008 and 2007, respectively, which may not be distributed among shareholders, except in the event of winding-up of the controlling Company, and may be used only to offset potential losses.

The same restriction applies to the legal reserves established by the subsidiaries in their balance sheets.

— Likewise, the “Reserves” item also includes the reserve on redenomination of the share capital to Euros amounting to € 0.15 million, pursuant to the provisions of article 28 of Act 46/1998.

— There is no other restriction on the availability of reserves for any significant amount.

Capital management

MAPFRE has in place an internal policy on equity and dividends aimed at providing the Units, rationally and objectively, with the necessary capital to meet the assumed risks. Both the estimation of risks and the allocation of capital to each unit are detailed in Note 7 of the “RISK MANAGEMENT” report.

On the other hand, the items forming part of the Group’s uncommitted equity abide by the requirements of the regulations in force.

The Group’s solvency margin in financial years 2008 and 2007 amounts to € 6,414.20 million and € 6,274.21 million, respectively; these figures exceed the required minimum (which amounts to € 3,140.16 million and € 2,294.78 million respectively) by 2.04 times in year 2008 and 2.73 times in year 2007.

6.12. SUBORDINATED LIABILITIES

As at 31 December 2008 and 2007, the balance of this account mainly includes the amortised cost of the subordinated debenture bond issued by the controlling Company, their most significant terms and conditions being as follows:

- Nature of the issue: subordinated debentures represented by book entries.
- Total amount: € 700 million
- Number of securities: 14,000
- Nominal per security: € 50,000
- Issuance date: 24 July 2007
- Maturity: 24 July 2037
- First repayment option: 24 July 2017
- Repayment in special cases: due to reform or modification of tax regulations, failure to qualify as the issuer’s shareholders funds, and change in the treatment afforded by Credit Rating Agencies.
- Interest from issuance until the exercise date of the first repayment option: 5.921% per annum, payable on 24 July of each year.
- Interest from the date of exercise of the first repayment option: variable rate equal to 3-month Euribor plus 2.05%, payable quarterly.
- Deferral of interest: the issuer will have discretion to defer the payment of interest if this exceeds the profits available for distribution and if the issuer has not made any payment or repaid/repurchased any shares or securities issued pari passu with or ranking below the debentures.
- Settlement of deferred interest: the issuer shall be bound to pay deferred interest when it resumes regular payment of interest of debentures, makes an early repayment of the debentures or makes payments or repurchases of any shares or securities ranking below the debentures.
- Priority order: they are subordinated to all ordinary creditors, these understood as all those that in the rank of priority stand before subordinated creditors in the event of the issuer’s winding up.
- Listing: AIAF
- Law: Spanish laws.
- Rating of issue: A- (Standard & Poor’s).

During 2008, 235 securities were purchased in the market for a nominal amount of € 11.75 million, which generated a profit before tax of € 7.03 million.

Interest accrued pending payment as at 31 December 2008 and 2007 amounts to € 17.86 million and € 18.17 million, respectively. The fair value of the subordinated liabilities does not differ significantly from the book value as at 31 December 2008.

6.13. FINANCIAL LIABILITIES

The following table shows the fair value of financial liabilities:

CONCEPT	BOOK VALUE		FAIR VALUE	
	2008	2007	2008	2007
Issuance of debentures and other negotiable securities	463.21	286.79	475.64	277.54
Due to credit institutions	1,857.75	494.54	1,857.75	494.54
Other financial liabilities	718.97	576.49	718.97	576.49
Total	3,039.93	1,357.82	3,052.36	1,348.57

FIGURES IN MILLION EUROS

ISSUANCE OF DEBENTURES AND OTHER NEGOTIABLE SECURITIES

As at 31 December 2008 and 2007, the balance of this account included the fair value of the debenture bond issued by the controlling Company, with their most significant terms and conditions being as follows:

- Nature of the issue: simple debentures represented by book entries.
- Total amount: € 275 million
- Number of securities: 2,750
- Nominal per security: € 100,000
- Issuance date: 12 July 2001
- Term: 10 years
- Maturity: 12 July 2011
- Repayment: In a lump sum at maturity, at par, free of expenses for holders.
- Listing: Mercado AIAF de Renta Fija
- Coupon: 6.02% per annum, payable on the anniversaries of the issuance date until the final maturity date inclusive.
- Rating of issue: AA- (Standard & Poor's).

Interest accrued pending payment as at 31 December 2008 and 2007 amounts to € 7.80 million.

On 28 February 2002, an interest rate swap was agreed on the total amount of the issue, restructured on 23 June 2003, whereby the controlling Company receives on an annual basis an amount equivalent to 6.02% up to the final maturity of the issue, and undertakes to pay the 6 month Euribor plus 1.62%, with the maximum limit of 6.02% per annum. This swap, the cover of which is not efficient, is recorded at fair value for an amount of € 10.1 million as at 31 December 2008, under "Other Investments".

Furthermore, this account, as at 31 December 2008, includes the amortised cost of the simple debentures issued by COMMERCE, net of the amount corresponding to the securities purchased in the market. The most significant terms and conditions of the issue are as follows:

- Nature of the issue: simple debentures.
- Total amount: USD 300 million
- Number of securities: 300,000.
- Nominal per security: USD 1,000.
- Issuance date: 9 December 2003
- Term: 10 years
- Maturity: 9 December 2013.
- Repayment: In a lump sum at maturity, at par, free of expenses for holders.

- Listing: TRACE (Trade Reporting and Compliance Engine™)
- Coupon: 5.95% fixed half-yearly, payable on 9 June and 9 December.
- Rating of issue: Baa2 (Moody's), BBB (S&P), A- (Fitch).

Due to credit institutions

The amounts owed to credit institutions as at 31 December 2008 and 2007 break down as follows:

TYPE OF DEBT	BOOK VALUE		AVERAGE INTEREST RATE		SECURITY GIVEN	
	2008	2007	2008	2007	2008	2007
Financial leases	1.73	2.58	7.26%	7.95%	-	-
Credit facilities	1,464.32	138.77	3.62%	4.68%	-	-
Loans	326.85	335.27	5.46%	4.94%	-	-
Others	64.85	17.92	-	-	-	-
Total	1,857.75	494.54	-	-	-	-

FIGURES IN MILLION EUROS

'Due to credit institutions' includes two syndicated loans granted to the controlling Company for a maximum amount of € 500 million and € 1,000 million, which were drawn down as to € 200.00 million and € 1,000.00 million as at 31 December 2008 and 2007, respectively. They accrue a floating interest rate linked to the Euribor plus a margin of 0.14% and 0.25%; their maturity dates are 18 June 2014 and 18 December 2009, respectively.

Other financial liabilities

"Other financial liabilities" include € 184.85 million and € 125.95 million as at 31 December 2008 and 2007, respectively, corresponding to temporary assignment of assets with non optional repurchase agreement.

Furthermore, "Other financial liabilities" includes the amount of other payment obligations of a financial nature, not included in other items.

6.14. TECHNICAL PROVISIONS

1. Detail of the technical provisions balance

The following table shows the composition of the balance of each one of the technical provisions recorded in the balance sheet in the last two financial years.

CONCEPT	DIRECT INSURANCE		ACCEPTED REINSURANCE		CEDED AND RETROCEDED REINSURANCE	
	2008	2007	2008	2007	2008	2007
Provisions for unearned premiums and for risks in progress Non Life						
1.1 Provision for unearned premiums	4,099.92	3,125.42	781.87	630.17	780.06	646.27
1.2. Provision for risks in progress	400.64	544.17	3.44	7.87	-	-
Provisions for Life assurance						
2.1 Provisions for unearned premiums and for risks in progress						
2.1.1. Provision for unearned premiums	79.64	63.77	74.30	77.94	53.72	16.30
2.1.2. Provision for risks in progress	63.18	86.57	-	-	-	-
2.2. Mathematical reserves	15,933.63	15,944.61	43.33	47.69	30.07	27.75
2.3. Provisions for profit sharing	1.14	1.33	-	-	-	0.69
Provisions for claims						
3.1. Pending settlement or payment	4,404.90	3,688.22	801.91	628.59	1,384.17	1,193.48
3.2. Claims incurred but not reported (IBNR)	1,037.50	1,015.34	29.12	20.59	316.17	257.31
3.3. For claim settlement internal expenses	134.56	118.75	0.87	4.17	1.56	4.15
Other technical provisions						
4.1. Death	374.02	336.62	-	-	-	-
4.2. Others	95.47	57.59	25.36	20.02	0.05	0.13
Total	26,624.60	24,982.39	1,760.20	1,437.04	2,565.80	2,146.08

FIGURES IN MILLION EUROS

2. Movement of each technical provision

2.1. PROVISIONS FOR UNEARNED PREMIUMS, FOR RISKS IN PROGRESS, FOR CLAIMS, FOR PROFIT SHARING, AND OTHER TECHNICAL PROVISIONS

A) Direct insurance and accepted reinsurance

Financial Year 2008

CONCEPT	OPENING BALANCE	ADJUSTMENTS TO OPENING BALANCE	CHANGES IN PERIMETER	ADDITIONS	CANCELLATIONS	CLOSING BALANCE
Provisions for unearned premiums and for risks in progress Non Life						
1.1 Provision for unearned premiums	3,755.59	116.65	625.29	4,665.84	(4,281.58)	4,881.79
1.2 Provision for risks in progress	552.04	(123.36)	7.28	368.37	(400.25)	404.08
Life assurance provisions						
2.1 Provisions for unearned premiums and for risks in progress						
2.1.1. Provision for unearned premiums	141.71	1.74	7.86	153.94	(151.31)	153.94
2.1.2. Provision for risks in progress	86.57	(29.68)	-	63.18	(56.89)	63.18
2.2 Mathematical reserves	15,992.30	(75.88)	260.42	2,796.55	(2,996.43)	15,976.96
2.3 Provision for profit sharing	1.33	(0.04)	-	1.14	(1.29)	1.14
Provisions for claims						
3.1 Direct insurance Life	271.82	(14.88)	2.31	365.29	(338.04)	286.50
3.2 Direct insurance Non Life	4,550.49	(23.95)	642.19	4,382.33	(4,338.43)	5,212.63
3.3 Accepted reinsurance	653.35	0.01	58.83	1,133.82	(936.28)	909.73
Other technical provisions	414.23	7.02	0.60	474.83	(401.83)	494.85
TOTAL	26,419.43	(142.37)	1,604.78	14,405.29	(13,902.33)	28,384.80

FIGURES IN MILLION EUROS

Financial Year 2007

CONCEPT	OPENING BALANCE	ADJUSTMENTS TO OPENING BALANCE	CHANGES IN PERIMETER	ADDITIONS	CANCELLATIONS	CLOSING BALANCE
Provisions for unearned premiums and for risks in progress Non Life						
1.1 Provision for unearned premiums	3,536.99	(210.87)	111.87	4,277.42	(3,959.82)	3,755.59
1.2 Provision for risks in progress	317.34	44.30	81.93	548.87	(440.40)	552.04
Life assurance provisions						
2.1 Provisions for unearned premiums and for risks in progress						
2.1.1. Provision for unearned premiums	120.18	(0.03)	9.41	141.72	(129.57)	141.71
2.1.2. Provision for risks in progress	58.05	3.71	0.35	86.53	(62.07)	86.57
2.2 Mathematical reserves	14,646.45	(1.41)	1,217.39	2,755.87	(2,626.00)	15,992.30
2.3 Provision for profit sharing	1.37	(0.05)	-	0.18	(0.17)	1.33
Provisions for claims						
3.1 Direct insurance Life	348.06	(2.27)	12.56	329.79	(416.32)	271.82
3.2 Direct insurance Non Life	3,803.94	(37.94)	210.28	5,520.95	(4,946.74)	4,550.49
3.3 Accepted reinsurance	581.30	(5.44)	-	792.69	(715.20)	653.35
Other technical provisions	357.86	7.14	-	412.40	(363.17)	414.23
TOTAL	23,771.54	(202.86)	1,643.79	14,866.42	(13,659.46)	26,419.43

FIGURES IN MILLION EUROS

B) Ceded and retroceded reinsurance

Financial Year 2008

CONCEPT	OPENING BALANCE	ADJUSTMENTS TO OPENING BALANCE	CHANGES IN PERIMETER	ALLOWANCES	APPLICATIONS	CLOSING BALANCE
Provision for unearned premiums	646.27	3.93	51.19	780.06	(701.39)	780.06
Provision for Life assurance	44.74	17.45	2.78	83.82	(65.00)	83.79
Provision for claims	1,454.94	(32.00)	74.78	1,930.83	(1,726.65)	1,701.90
Other technical provisions	0.13	-	-	0.06	(0.14)	0.05
TOTAL	2,146.08	(10.62)	128.75	2,794.77	(2,493.18)	2,565.80

FIGURES IN MILLION EUROS

Financial Year 2007

CONCEPT	OPENING BALANCE	ADJUSTMENTS TO OPENING BALANCE	CHANGES IN PERIMETER	ALLOWANCES	APPLICATIONS	CLOSING BALANCE
Provision for unearned premiums	633.18	33.67	25.22	646.27	(692.07)	646.27
Provision for Life assurance	68.32	5.04	4.20	44.74	(77.56)	44.74
Provision for claims	1,102.85	(48.95)	35.56	1,454.94	(1,089.46)	1,454.94
Other technical provisions	0.09	(0.01)	-	0.13	(0.08)	0.13
TOTAL	1,804.44	(10.25)	64.98	2,146.08	(1,859.17)	2,146.08

FIGURES IN MILLION EUROS

2.2. MATHEMATICAL RESERVES

CONCEPT	DIRECT INSURANCE AND ACCEPTED REINSURANCE		CEDED AND RETROCEDED REINSURANCE	
	2008	2007	2008	2007
Mathematical reserve at beginning of year	15,992.30	14,646.45	27.75	15.58
Adjustments to opening balance	(75.88)	(1.41)	(0.93)	4.04
Incorporation to perimeter (balance of reserve on incorporation date)	260.42	1,217.39	-	3.56
Premiums	2,219.02	2,244.07	9.12	8.18
Technical interests	542.87	476.00	0.17	0.31
Attribution of profit sharing	16.68	35.63	-	-
Payments/collections of claims	(2,928.21)	(1,940.55)	(1.93)	(4.68)
Provision adequacy test	-	-	-	-
Shadow accounting adjustments	(68.22)	(685.45)	0.01	-
Others	17.98	0.17	(4.12)	0.76
Exit from perimeter (balance of reserve on exit date)	-	-	-	-
Mathematical reserve at year end	15,976.96	15,992.30	30.07	27.75

FIGURES IN MILLION EUROS

2.3. BURIAL INSURANCE PROVISIONS

CONCEPT	DIRECT INSURANCE AND ACCEPTED REINSURANCE	
	2008	2007
Provision at beginning of year	336.62	307.11
Adjustments to opening balance	(0.18)	7.14
Incorporation to perimeter (balance of provision on incorporation date)	-	-
Premiums	126.60	131.74
Technical interests	15.39	14.56
Payment of claims	(104.41)	(121.14)
Provision adequacy test	-	-
Others	-	(2.79)
Exit from perimeter (balance of provision on exit date)	-	-
Provision at year end	374.02	336.62

FIGURES IN MILLION EUROS

3. Other information

3.1. TECHNICAL PROVISIONS FOR LIFE ASSURANCE WHERE POLICYHOLDERS BEAR THE INVESTMENT RISK

CONCEPT	DIRECT INSURANCE AND ACCEPTED REINSURANCE	
	2008	2007
Provision at beginning of year	362.36	255.77
Adjustments to opening balance	-	0.24
Incorporation to perimeter (balance of provision on incorporation date)	4.37	163.16
Premiums	256.58	35.24
Payment of claims	(113.15)	(91.56)
Gain in the valuation of assets	(37.74)	(1.96)
Loss in the valuation of assets	-	-
Recognised losses from provision adequacy test	-	-
Others	-	1.47
Exit from perimeter (balance of provision on exit date)	-	-
Provision at year end	472.42	362.36

FIGURES IN MILLION EUROS

3.2. PROVISION FOR RISKS IN PROGRESS

The allocation of the provision for risks in progress has been effected by the Group's insurance companies according to the principles stated in Note 5.15.

3.3. INFORMATION ON LIFE ASSURANCE

The allocation of an additional provision to life insurance, due to inadequate returns, has not been necessary.

The following table shows the characteristics of the main types of Life Assurance policies marketed by Group companies in 2008 and 2007.

TECHNICAL CONDITIONS AT MAPFRE VIDA

TYPES	COVERAGE	TABLES	TECHNICAL INTEREST RATE	PROFIT SHARING	
				AMOUNT	WAY OF DISTRIBUTION
Individual contracts, with regular premium, with profit sharing:					
- Combined insurance	(1)	GKM80/95	6.00%	-	(5)
Individual contracts, with regular premium, without profit sharing:					
- Combined insurance	(8)	GKM-95	4.99 % (4)	-	-
- Combined insurance	(9)	GKM-95	4.32% (4)	-	-
- Combined insurance	(2)	GKM-95	(7)	-	-
- Survival	(3)	GKM/F-95	4.16% (4)	-	-
Collective contracts, with single premium and without profit sharing:					
- Survival	(3)	PERM/F 2000 P/C (6)	4.60% (4)	-	-
- Survival	(3)	PERM/F 2000 P/C (6)	4.02% (4)	-	-

FIGURES IN MILLION EUROS

(1) In case of life, an amount of capital at maturity is guaranteed, as well as appreciation of capital allocated by profit sharing. In case of death, a capital is guaranteed consisting of the sum of the net premiums paid until the insured person's death, capitalised at the technical interest (according to products) per full elapsed years, plus the net premiums forecast from the date of death until maturity of the contract. In addition, the mathematical reserve of the "bonuses" assigned in profit sharing is guaranteed.

(2) In case of life, an amount of capital at maturity is guaranteed, as well as appreciation of capital allocated by profit sharing. In case of death, a capital is guaranteed consisting of the sum of the net premiums paid until the insured person's death, capitalised at the technical interest (according to products) per full elapsed years. In addition, the mathematical reserve of the "bonuses" assigned in profit sharing is guaranteed.

(3) Temporary and for life annuities, in case of survival.

(4) Floating interest rates are applied according to the Technical Note, abiding by the provisions of Royal Decree 2486/1998, approving the Regulations on Organisation and Supervision of Private Insurance, and of Order EHA/339/2007 dated 16 February 2007.

(5) The distribution of profit sharing is instrumented in deferred capital insurance policies with reimbursement of single premium reserves.

(6) As per resolution dated 3 October 2000 of the Directorate General of Insurance and Pension Funds, generational tables PERM/F 2000 C are applied to portfolio contracts, and the PERM/F 2000 P tables are applied to new production from that date.

(7) The technical interest rate is benchmarked to the Euribor. Regularly, with the frequency established in the contract, the technical interest rate is revised taking the said index as reference.

(8) In case of life, a capital at maturity is guaranteed. In case of death, payment of the paid premium is guaranteed, capitalised at the technical interest rate during the period elapsed between the effective date of the policy and the date of death, with the fraction of the year in progress considered as a full year.

(9) For retirement upon maturity of the contract, a capital is guaranteed. In case of retirement on any other previous date, 100% of the mathematical reserves corresponding to the guaranteed capital, measured at market value of the relevant assets as per the terms established in the contract, are guaranteed. In the event of occurrence of any of the contingencies such as long term unemployment, serious illness, total permanent disability or severe or major dependency, a capital shall be paid for an amount coinciding with that detailed in the event of retirement before the maturity date of the contract.

The In case of death, payment is guaranteed of the net premium paid, capitalised by complete years of insurance elapsed, at the guaranteed technical interest rate.

TECHNICAL CONDITIONS AT MAPFRE-CAJA MADRID VIDA

TYPES	COVERAGE	TABLES	TECHNICAL INTEREST RATE
Individual contracts, with single premium and without profit sharing:			
- Combined insurance	(1)	GRM/F-95	3.57%
- Combined insurance	(2)	GKM/F-95	5.00% (*)
- Combined insurance	(3)	GKM/F-95	(**)
Contratos colectivos, a prima única y sin participación en beneficios:			
- Seguros de Rentas	(4)	GRM/F-95	3.32 %

(1) The insurance policy guarantees payment of a constant annuity while the insured person lives and, should he/she die during the first year of validity of the insurance policy, the return of the premium paid. If death occurs after the first year, the return of the premium is guaranteed plus the lower of 3% of the premium and € 6,010.

(2) Whole life assurance guaranteeing, in case of the insured person's death, payment to the beneficiaries of the cumulative value of the fund increased by 5% with the limits and in the terms laid down in the policy.

(3) Temporary insurance with 18-month duration, plus the days elapsed between the date of effect and the last day of the underwriting period. In case of the insured person's survival at the end of the established period, the insured will receive the cumulative value of the fund. In case of the insured person's death before the maturity of the policy, his/her beneficiaries will receive a capital equal to the cumulative value of the fund as at the date when the loss is notified, increased by 5% with the limits and in the terms laid down in the policy.

(4) Collective insurance guaranteeing payment of temporary annuities until the insured person reaches the age of 64.

(*) Technical interest rate of 5% during the first 11 months and, after that period, the interest rate will be the quarterly Euribor.

(**) Associated to the VLP of the assets allocated in the policy.

TECHNICAL CONDITIONS AT MUSINI VIDA

TYPES	COVERAGE	TABLES	TECHNICAL INTEREST RATE
Single premium collective contracts, without profit sharing:			
- Survival	(1)	PERM/F 2000 P/C (4)	4.26 % (5)
- Life assurance	(2)	PERM/F 2000 P/C (4)	4.04 % (5)
- Death insurance	(3)	GKM/F-80	2%

(1) Temporary and for life annuities, in case of survival.

(2) In case of life, a capital is guaranteed at maturity.

(3) Annual, renewable insurance policies; in case of death, payment of capital and/or a life annuity is guaranteed.

(4) As per resolution of 3 October 2000 of the Directorate General of Insurance and Pension Funds, generational tables PERM/F 2000 C apply to portfolio contracts and PERM/F 2000 P to new production from that date.

(5) Floating interest rates are applied according to the Technical Note, abiding by the provisions of Royal Decree 2486/1998, approving the Regulations on Organisation and Supervision of Private Insurance, and of Order EHA/339/2007 dated 16 February 2007.

TECHNICAL CONDITIONS AT BANKINTER VIDA

TYPES	COVERAGE	TABLES	TECHNICAL INTEREST RATE
Single premium collective contracts, without profit sharing:			
- Combined insurance	(1)	GRM/F 95	5.08 % (2)
- Combined insurance	(3)	GKM 80 / GK 95	Insurance where policyholders bear the investment risk
Individual contracts, with regular premium, without profit sharing:			
- Death insurance	(4)	GKM 80	2.07%
- Insurance with counter-ins	(5)	GK 95	3.57 % (6)

(1) In case of life, a capital at maturity is guaranteed. In case of death, payment of the capitalised initial premium plus additional capital is guaranteed.

(2) During the validity period of the insurance, for periods with guaranteed return, a fixed technical interest rate for each policy/period or a return indexed to the performance of certain indices or assets.

(3) In case of death, payment is guaranteed of the mathematical reserve plus additional capital.

(4) Life risk insurance, renewable annually or for a period, with fixed or variable capitals and capitals in the event of death and/or absolute and permanent disability, accidental death and advanced capital in the event of serious illness.

(5) Annuity insurance with counter-insurance: upon the insured person's death, the capital to be received by the beneficiary will be the premium plus an additional percentage.

(6) For the entire life of the policy there are interest rate commitments for three, five or ten year periods. Upon expiry of the period, renewal is made with a minimum guaranteed interest rate.

TECHNICAL CONDITIONS AT CCM VIDA Y PENSIONES

TYPES	COVERAGE	TABLES	TECHNICAL INTEREST RATE	PROFIT SHARING	
				AMOUNT	DISTRIBUTION METHOD
Collective contracts treated individually, with single Premium and with or without profit sharing:					
Combined insurance	(1)	GKM/F-80	2.23%	-	-
Combined insurance	(2)	GRM/F-95	4.41%	-	-
Combined insurance CE04	(3)	GRM/F-95	2.00%	611	(5)
Combined insurance PPA	(6)	GKM/F-95	1.50%	90	(5)
Combined insurance SI11	(6)	GKM/F-95	1% (7)	-	-
Combined insurance SI12	(6)	GKM/F-95	1.75% (7)	-	-
Combined insurance SI13	(6)	GKM/F-95	1%	(4)	(5)
Combined insurance SI14	(6)	GKM/F-95	0.90%	(9)	(5)
Survival	(8)	GRM/F-95	4.63%	-	-

FIGURES IN MILLION EUROS

(1) In case of life of the insured parties, or at least of one of them, a capital at maturity is guaranteed. In case of death of both, payment of a percentage of the guaranteed capital upon maturity for the event of survival is guaranteed.

(2) In case of life of at least one of the insured parties, when there are two assured lives, collection of a life annuity is guaranteed, with the option of choosing a guaranteed minimum. In the event of death of one or both, when there are two assured lives, payment of a percentage of the premium is guaranteed.

(3) In case of life, the value of the insured fund shall be made effective upon maturity of the contract. The insured fund is established as a cumulative fund of premiums paid and interest corresponding to the successive periods, deducting the insurance costs at each time. In case of death, a capital is guaranteed, which is represented by the amount of the insured fund plus an additional capital calculated as a percentage of it.

(4) Two-fold profit sharing system: 7.5% over 50% of the investment, and for the other 50% the revaluation of the Ibex35 index.

(5) The distribution of the profit sharing takes place as an extraordinary contribution.

(6) In case of life, a capital at maturity is guaranteed. In case of death, payment of capital is guaranteed equal to 110% of the total cumulative balance.

(7) The technical interest rate is linked to the Euribor. Regularly, with the frequency established in the contract, the technical interest rate is revised taking the said index as reference.

(8) Temporary and for life annuities corresponding to the defined contributions of the pension plan of the employees of Caja de Ahorros de Castilla La Mancha.

(9) Two-fold profit sharing system at maturity: 12% over 50% of the investment, and for the other 50% the revaluation of the Eurostoxx50 index.

TECHNICAL CONDITIONS AT DUERO VIDA

TYPES	COVERAGE	TABLES	TECHNICAL INTEREST RATE	PROFIT SHARING	
				AMOUNT	DISTRIBUTION METHOD
Individual insurance, covering death, with regular premium, without profit sharing	(1)	GKM-80 (16)	3.5%	-	-
Individual insurance, combined with single premium, without profit sharing	(2) & (3)	GR 95	Variable	-	-
	(4) & (5)	GK 80	4.5%	-	-
	(4) & (5)	GK 95	Variable	-	-
Individual insurance, combined with single premium, with profit sharing	(6), (7) & (8)	GRM 95	2%	0.56	(15)
Individual insurance, covering survival, with single premium, without profit sharing	(9) & (10)	GR 95	Variable	-	-
Individual insurance, combined with regular premium, without profit sharing	(11) & (12)	GK 95	Variable	-	-
	(13) & (14)	GK 95	Variable	-	-

FIGURES IN MILLION EUROS

Description of coverage:

(1) Death due to any reason: Payment of the guaranteed capital is guaranteed upon the Insured person's death, if it occurs within the period provided for in the policy.

(2) Survival: In case of the Insured person's survival at the expiry of the insurance policy, the Insurer will pay the stated Beneficiary the capital determined for this concept in the Particular Conditions of the policy plus any revaluation that might correspond by virtue of the Profit Sharing clause.

(3) Death: In case of the insured person's death during the validity of the insurance policy, the Insurer will pay the stated Beneficiary the capital determined for this concept in the Particular Conditions as at the Insured person's death.

(4) Survival: In case of the insured person's survival upon the expiry of the contract, the Total Cumulative Balance as at that date.

(5) Death: In case of the insured person's death during the validity of the insurance policy, the Total Cumulative Balance as of the date of death plus an additional capital that will be defined in all

cases in the Particular Conditions or the individual insurance Certificate.

(6) Survival: The final guaranteed capital as determined in the Particular Conditions at the expiry of the insurance policy, when the Insured person lives on the said date, plus any revaluation that might correspond by virtue of the Profit Sharing clause.

(7) Insured person's death: Payment is guaranteed to the Policyholder of a capital equivalent to the amount of the premiums paid by the policyholder, excluding those paid, if applicable, by the Insurer as per section (15), until then, provided that the said death occurs during the validity of the policy.

(8) Policyholder's death: If the Policyholder dies before the expiry of the insurance policy, the insurer undertakes to maintain in place the values guaranteed by the Contract as if the premium or premiums accrued from the date of death until expiry of the insurance policy had been paid.

(9) Survival: In case of the insured person's survival, the latter will earn an annuity for life on the dates, with the form of payment and for the amount that are laid down in the Particular Conditions of the Contract.

(10) Death: If the insured person dies during the validity of the insurance policy, the Insurer will pay the stated Beneficiary the capital determined for this concept in the Particular Conditions as at the Insured person's death.

(11) Survival: When the Insured person reaches retirement, the Insurer undertakes to pay the Beneficiary the total cumulative balance as at that date.

(12) Death: In case of the insured person's death during the validity of the insurance policy, the Insurer will pay the Beneficiary the total cumulative balance as of the date of death plus an additional capital. The additional capital will be 10% of the total cumulative balance at the end of the month prior to the date of death, with a minimum of € 1,000 and a maximum of € 10,000.

(13) Survival: If the insured person lives at the expiry of the policy, the beneficiary will receive an annuity for life in such form and conditions as the Insurer has then in force.

(14) Death: If the insured person dies, the beneficiary will receive the total cumulative balance as at the date of death, plus 5% of the capital existing at the end of the month preceding the date of death, with a maximum of € 3.000.

(15) Profit sharing is distributed by way of greater reserves.

(16) The tables and the interest rate are those in force as at 31 December 2008, having been changed from 1 January 2009.

TECHNICAL CONDITIONS AT MAPFRE AMÉRICA

The MAPFRE AMÉRICA group companies operate in their respective markets with both individual and collective contracts, with regular and/or single premiums, and with or without profit sharing. Contractual covers vary according to the conditions of the markets where they operate, including life and death insurance, combined insurance, for life annuities, death and burial, etc.

In the Brazilian company VERA CRUZ VIDA E PREVIDENCIA, its technical interest rate reaches a maximum of 6%. For some so-called "planos de previdencia" contracts, there is a "financial surplus" clause, whereby the distribution is calculated of a part of the return obtained by the assets allocated to the contracts and a technical reserve is established with the said name.

The companies MAPFRE CHILE VIDA and MAPFRE PERÚ VIDA sell for life annuity insurance at a technical interest rate that varies according to market conditions, although calculated with financial flow matching techniques that ensure the long term profitability of the operation.

At the company MAPFRE COLOMBIA VIDA, the distribution of profit sharing of some death and combined insurance policies is instrumented in deferred capital insurance with redemption of single premium reserves.

3.4. EVOLUTION OF CLAIMS

The following table shows the evolution of claims for Non Life direct insurance from the year of occurrence until the closing of financial years 2008 and 2007; it also shows the detail per year of occurrence of the provision for claims under the said insurance at the closing of the mentioned financial years.

Financial Year 2008

YEAR OF OCCURRENCE OF CLAIMS	CONCEPT	EVOLUTION OF THE COST OF CLAIMS IN THE YEARS SUBSEQUENT TO THAT OF OCCURRENCE									
		YEAR OF OCCURRENCE	1 YEAR LATER	2 YEARS LATER	3 YEARS LATER	4 YEARS LATER	5 YEARS LATER	6 YEARS LATER	7 YEARS LATER	8 YEARS LATER	OVER 8 YEARS LATER
1999 and previous	Outstanding provision	1,286.09	846.89	555.09	390.60	294.21	257.44	226.46	193.82	179.00	138.48
	Accumulated payments	5,850.79	6,397.60	6,668.60	6,811.20	6,911.79	6,990.72	7,028.65	7,012.45	7,092.27	7,107.67
	Total cost	7,136.88	7,244.49	7,223.69	7,201.80	7,206.00	7,248.16	7,255.11	7,206.27	7,271.27	7,246.15
2000	Outstanding provision	1,026.78	397.52	241.84	144.08	97.12	72.31	62.09	44.96	35.71	
	Accumulated payments	1,564.61	2,172.01	2,321.16	2,408.48	2,455.79	2,490.11	2,500.29	2,493.12	2,518.76	
	Total cost	2,591.39	2,569.53	2,563.00	2,552.56	2,552.91	2,562.42	2,562.38	2,538.08	2,554.47	
2001	Outstanding provision	1,183.46	495.79	295.60	192.23	140.38	103.07	79.09	77.25		
	Accumulated payments	1,909.74	2,593.21	2,772.53	2,873.14	2,925.62	2,915.25	2,933.53	2,946.35		
	Total cost	3,093.20	3,089.00	3,068.13	3,065.37	3,066.00	3,018.32	3,012.62	3,023.60		
2002	Outstanding provision	1,411.81	553.11	340.12	223.45	160.24	104.96	77.50			
	Accumulated payments	2,200.11	3,026.01	3,229.41	3,339.52	3,398.01	3,445.74	3,463.73			
	Total cost	3,611.92	3,579.12	3,569.53	3,562.97	3,558.25	3,550.70	3,541.23			
2003	Outstanding provision	1,727.84	666.20	394.14	272.20	176.94	141.70				
	Accumulated payments	2,589.77	3,577.57	3,820.74	3,904.58	3,990.08	4,028.65				
	Total cost	4,317.61	4,243.77	4,214.88	4,176.78	4,167.02	4,170.35				
2004	Outstanding provision	1,908.39	778.20	486.48	325.89	197.01					
	Accumulated payments	2,763.67	3,779.05	3,991.86	4,122.97	4,199.70					
	Total cost	4,672.06	4,557.25	4,478.34	4,448.86	4,396.71					
2005	Outstanding provision	2,213.68	892.72	509.83	360.31						
	Accumulated payments	3,192.90	4,344.14	4,578.32	4,725.73						
	Total cost	5,406.58	5,236.86	5,088.15	5,086.04						
2006	Outstanding provision	2,295.55	947.41	527.76							
	Accumulated payments	3,348.38	4,531.00	4,830.81							
	Total cost	5,643.93	5,478.41	5,358.57							
2007	Outstanding provision	2,573.25	988.99								
	Accumulated payments	3,719.26	5,106.76								
	Total cost	6,292.51	6,095.75								
2008	Outstanding provision	2,667.92									
	Accumulated payments	4,471.31									
	Total cost	7,139.23									

FIGURES IN MILLION EUROS

31 December 2008

CONCEPT	YEAR OF OCCURRENCE										TOTAL
	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999 AND PREVIOUS	
Provision for claims Non Life direct insurance	2,667.92	988.99	527.76	360.31	197.01	141.70	77.50	77.25	35.71	138.48	5,212.63

FIGURES IN MILLION EUROS

Financial Year 2007

EVOLUTION OF THE COST OF CLAIMS IN THE YEARS SUBSEQUENT TO THAT OF OCCURRENCE											
YEAR OF OCCURRENCE OF CLAIMS	CONCEPT	YEAR OF OCCURRENCE	1 YEAR LATER	2 YEARS LATER	3 YEARS LATER	4 YEARS LATER	5 YEARS LATER	6 YEARS LATER	7 YEARS LATER	8 YEARS LATER	OVER 8 YEARS LATER
1998 and previous	Outstanding provision	468.63	204.12	160.39	158.31	110.49	111.38	101.10	96.09	123.50	123.49
	Accumulated payments	831.54	1,242.56	1,254.28	1,265.80	1,270.94	1,305.42	1,325.08	1,343.76	1,349.55	1,383.53
	Total cost	1,300.17	1,446.68	1,414.67	1,424.11	1,381.43	1,416.80	1,426.18	1,439.85	1,473.05	1,507.02
1999	Outstanding provision	684.11	460.55	253.62	198.15	144.15	142.32	128.57	121.63	123.17	
	Accumulated payments	1,213.89	1,303.88	1,536.87	1,584.32	1,658.17	1,668.06	1,685.02	1,700.79	1,708.12	
	Total cost	1,898.00	1,764.43	1,790.49	1,782.47	1,802.32	1,810.38	1,813.59	1,822.42	1,831.29	
2000	Outstanding provision	867.98	313.62	194.48	124.12	95.46	76.58	70.66	58.18		
	Accumulated payments	1,287.39	1,794.26	1,901.53	1,965.32	2,000.75	2,021.86	2,039.32	2,057.20		
	Total cost	2,155.37	2,107.88	2,096.01	2,089.44	2,096.21	2,098.44	2,109.98	2,115.38		
2001	Outstanding provision	1,001.48	398.78	241.75	166.07	130.90	101.84	100.62			
	Accumulated payments	1,555.86	2,116.18	2,261.19	2,336.74	2,374.20	2,402.67	2,498.17			
	Total cost	2,557.34	2,514.96	2,502.94	2,502.81	2,505.10	2,504.51	2,598.79			
2002	Outstanding provision	1,179.38	444.68	285.22	199.83	155.79	105.71				
	Accumulated payments	1,738.88	2,436.60	2,593.54	2,668.77	2,710.90	2,764.36				
	Total cost	2,918.26	2,881.28	2,878.76	2,868.60	2,866.69	2,870.07				
2003	Outstanding provision	1,454.56	552.29	331.68	241.89	158.78					
	Accumulated payments	2,016.80	2,860.51	3,051.27	3,110.69	3,201.02					
	Total cost	3,471.36	3,412.80	3,382.95	3,352.58	3,359.80					
2004	Outstanding provision	1,588.35	672.43	414.80	306.04						
	Accumulated payments	2,178.99	3,054.31	3,237.61	3,331.46						
	Total cost	3,767.34	3,726.74	3,652.41	3,637.50						
2005	Outstanding provision	1,965.64	804.76	440.70							
	Accumulated payments	2,661.73	3,685.26	3,886.80							
	Total cost	4,627.37	4,490.02	4,327.50							
2006	Outstanding provision	2,038.97	837.19								
	Accumulated payments	2,843.97	3,924.74								
	Total cost	4,882.94	4,761.93								
2007	Outstanding provision	2,296.61									
	Accumulated payments	3,155.26									
	Total cost	5,451.87									

FIGURES IN MILLION EUROS

31 December 2007

CONCEPT	YEAR OF OCCURRENCE										TOTAL
	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999 AND PREVIOUS	
Provision for claims Non Life direct insurance	2,296.61	837.19	440.70	306.04	158.78	105.71	100.62	58.18	123.17	123.49	4,550.49

FIGURES IN MILLION EUROS

The percentage subject to allocation to ceded reinsurance of the claims shown in the preceding tables amounts overall to 20.22% and 17.94% in financial years 2008 and 2007, respectively.

Details on the evolution of claims per year of occurrence in accepted reinsurance are not provided because, generally, ceding companies follow accounting methods different from the year of occurrence. Pursuant to studies carried out for accepted reinsurance, the degree of sufficiency of the technical provisions is adequate.

6.15. PROVISIONS FOR RISKS AND EXPENSES

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

Financial Year 2008

CONCEPT	OPENING BALANCE	ADJUSTMENTS TO OPENING BALANCE	CHANGES IN PERIMETER	APPROPRIATIONS		CANCELLATIONS		CLOSING BALANCE
				ALLOCATED PROVISIONS	INCREASED VALUE ON DISCOUNT	APPLIED PROVISIONS	REVERSED PROVISIONS	
Provision for taxes	124.04	(0.34)	0.17	23.64	8.29	(27.76)	(0.09)	127.95
Provision for payment of liquidation treaties	41.52	(0.02)	-	27.08	0.18	(38.33)	-	30.43
Provisions for restructuring	51.11	6.19	-	12.56	-	(55.51)	-	14.35
Other provisions on staff related commitments	57.75	(0.15)	5.06	187.05	2.03	(199.37)	(0.07)	52.30
Other provisions	40.55	(3.27)	-	74.94	0.51	(20.55)	(0.69)	91.49
Total	314.97	2.41	5.23	325.27	11.01	(341.52)	(0.85)	316.52

FIGURES IN MILLION EUROS

Financial Year 2007

CONCEPT	OPENING BALANCE	ADJUSTMENTS TO OPENING BALANCE	CHANGES IN PERIMETER	APPROPRIATIONS		CANCELLATIONS		CLOSING BALANCE
				ALLOCATED PROVISIONS	INCREASED VALUE ON DISCOUNT	APPLIED PROVISIONS	REVERSED PROVISIONS	
Provision for taxes	85.38	6.25	2.67	26.55	9.09	(5.80)	(0.10)	124.04
Provision for payment of liquidation treaties	21.23	-	7.78	21.73	0.02	(9.24)	-	41.52
Provisions for restructuring	42.36	-	-	35.66	-	(26.91)	-	51.11
Other provisions on staff related commitments	50.06	3.95	1.66	46.60	0.51	(44.99)	(0.04)	57.75
Other provisions	45.62	(5.31)	3.54	13.54	-	(16.30)	(0.54)	40.55
Total	244.65	4.89	15.65	144.08	9.62	(103.24)	(0.68)	314.97

FIGURES IN MILLION EUROS

The provisions for risks and expenses include the estimated amounts of tax debts, payments on liquidation treaties, restructuring, staff incentives, and others deriving from the activities of the companies forming the Group and the risks inherent in the said activities, the settlement of which will take place over the coming years. The estimation of the allocated amount or of the timeframe when the provision will be liquidated is affected by uncertainties on the resolution of filed appeals and the evolution of other parameters. The preparation of assumptions on future events in order to determine the value of the provision has not been necessary.

6.16. DEPOSITS RECEIVED ON CEDED AND RETROCEDED REINSURANCE

Deposits on ceded and retroceded reinsurance represent guarantees given to reinsurers according to the reinsurance coverage contracts entered into pursuant to usual business practices. The said deposits accrue interest to be paid and the average rollover period is quarterly, in general. Liquidation of the said interest is made quarterly.

6.17. DEBTS

The balances included in the heading of debt on direct insurance transactions and coinsurance, on reinsurance transactions, tax debt and other debts do not accrue any interest to be paid and, generally, their liquidation is carried out in the following financial year.

6.18. REVENUES AND EXPENSES FROM INVESTMENTS

The detail of revenues and expenses from investments for financial years 2008 and 2007 is shown below:

Revenues from investments

CONCEPT	REVENUES FROM INVESTMENTS:				FINANCIAL REVENUES FROM OTHER ACTIVITIES		TOTAL	
	OPERATIONS		EQUITY					
	2008	2007	2008	2007	2008	2007	2008	2007
REVENUES FROM INTEREST, DIVIDENDS AND SIMILAR								
Investment property								
Rentals	73.03	71.74	20.14	10.94	-	1.83	93.17	84.51
Others	-	0.12	13.36	2.52	-	-	13.36	2.64
Revenues from portfolio held to maturity								
Fixed income	86.01	61.64	20.92	9.64	0.14	-	107.07	71.28
Other investments	29.03	14.97	7.27	5.82	0.05	0.20	36.35	20.99
Revenues from portfolio available for sale	1,472.28	1,202.84	86.20	64.83	13.44	3.07	1,571.92	1,270.74
Revenues from the trading portfolio	65.35	30.11	34.63	5.61	-	10.82	99.98	46.54
Other financial returns	9.61	1.50	13.41	4.46	113.25	30.00	136.27	35.96
Total revenues	1,735.31	1,382.92	195.93	103.82	126.88	45.92	2,058.12	1,532.66
REALISED AND UNREALISED GAINS								
Net realised gains:								
Investment property	43.08	29.85	4.49	-	-	-	47.57	29.85
Financial investments portfolio held to maturity	-	0.05	-	-	-	-	-	0.05
Financial investments portfolio available for sale	261.02	217.87	45.67	14.81	6.27	3.42	312.96	236.10
Financial investments trading portfolio	5.62	11.59	-	0.50	-	2.61	5.62	14.70
Others	0.33	8.55	0.02	0.04	-	-	0.35	8.59
Net unrealised gains:								
Increase in fair value of the trading portfolio	5.22	-	-	-	-	5.54	5.22	5.54
Others	2.98	1.80	0.22	-	-	0.29	3.20	2.09
Total gains	318.25	269.71	50.40	15.35	6.27	11.86	374.92	296.92
Total revenues from investments	2,053.56	1,652.63	246.33	119.17	133.15	57.78	2,433.04	1,829.58

FIGURES IN MILLION EUROS

Revenues from investments

CONCEPT	REVENUES FROM INVESTMENTS:				FINANCIAL REVENUES FROM OTHER ACTIVITIES		TOTAL	
	OPERATIONS		EQUITY		2008	2007	2008	2007
	2008	2007	2008	2007				
FINANCIAL EXPENSES								
Investment property								
Direct operating expenses	39.11	30.31	4.48	3.59	0.70	0.21	44.29	34.11
Other expenses	0.89	0.93	0.20	0.07	0.13	1.28	1.22	2.28
Expenses from portfolio held to maturity								
Fixed-income securities	14.29	12.44	5.18	1.87	-	-	19.47	14.31
Other investments	5.21	0.36	2.23	0.41	-	-	7.44	0.77
Expenses from portfolio available for sale	235.59	313.49	30.98	19.12	6.67	-	273.24	332.61
Expenses from the trading portfolio	22.61	0.26	8.34	0.26	-	16.71	30.95	17.23
Other financial expenses	16.85	9.09	19.15	7.20	137.61	65.86	173.61	82.15
Total expenses	334.55	366.88	70.56	32.52	145.11	84.06	550.22	483.46
REALISED AND UNREALISED LOSSES								
Net realised losses								
Net realised losses	0.06	-	0.02	0.08	-	-	0.08	0.08
Investment property	-	-	-	-	-	-	-	-
Financial investments portfolio held to maturity	234.32	69.50	33.46	3.60	2.79	0.11	270.57	73.21
Financial investments portfolio available for sale	1.53	0.53	0.32	0.06	-	0.74	1.85	1.33
Financial investments trading portfolio	0.01	-	1.44	0.12	-	-	1.45	0.12
Net unrealised losses								
Unrealised losses	2.42	0.08	-	-	-	-	2.42	0.08
Decrease in fair value of trading portfolio	-	-	1.51	-	-	-	1.51	-
Others	238.34	70.11	36.75	3.86	2.79	0.85	277.88	74.82
Total losses	572.89	436.99	107.31	36.38	147.90	84.91	828.10	558.28

FIGURES IN MILLION EUROS

Expenses relating to investment portfolios arise mainly from financial derivative contracts linked to insurance operations.

6.19. OPERATING EXPENSES

A detail of staff expenses and amortisation allowance expenses for the last two financial years is shown below.

CONCEPT	AMOUNT	
	2008	2007
Staff expenses	1,009.01	902.46
Allowances to amortisation	175.99	207.96
Total	1,185.00	1,110.42

FIGURES IN MILLION EUROS

6.20. RESULT OF CEDED AND RETROCEDED REINSURANCE

The result of ceded and retroceded reinsurance transactions in financial years 2008 and 2007 is shown below:

CONCEPT	NON LIFE		LIFE		TOTAL	
	2008	2007	2008	2007	2008	2007
Premiums	(1,220.92)	(1,231.40)	(293.00)	(74.12)	(1,513.92)	(1,305.52)
Variation in the provision for unearned premiums and for risks in progress	77.58	55.21	1.09	4.79	78.67	60.00
Claims paid and variation in the provision for claims	857.33	848.91	222.01	42.27	1,079.34	891.18
Variation in other technical provisions	-	-	1.02	1.02	1.02	1.02
Participation of reinsurance in fees and expenses	138.18	162.46	66.57	18.11	204.75	180.57
Others	-	-	(0.41)	0.08	(0.41)	0.08
Result of ceded and retroceded reinsurance	(147.83)	(164.82)	(2.72)	(7.85)	(150.55)	(172.67)

FIGURES IN MILLION EUROS

6.21. FISCAL SITUATION

Tax consolidation regime

From the 1985 financial year, part of the consolidated companies with registered office in Spain are included under Fiscal Group 9/85 to the effects of the Corporation Tax, the said group being formed by the controlling Company and its subsidiaries meeting the requirements to be subject to the said tax regime. The subsidiaries that form part of the said Fiscal Group in 2008 are detailed in Appendix 1 of this annual report.

Elements of expense from income tax and reconciliation of the accounting result with the tax cost of ongoing concerns

Detail is provided below, for financial years ended as at 31 December 2008 and 2007, of the main elements of expense from income tax of ongoing concerns and the reconciliation between the expense from income tax and the product of multiplying the accounting result by the applicable tax rate. The Group has made the reconciliation by aggregating reconciliations made separately using the national rates of each country.

CONCEPT	AMOUNT	
	FINANCIAL YEAR 2008	FINANCIAL YEAR 2007
Expense arising from taxes		
Result before taxes, ongoing concerns	1,383.26	1,365.73
30% of result before taxes, ongoing concerns (32.5% in 2007)	414.98	443.86
Tax effect of permanent differences	(20.31)	(22.15)
Tax incentive of the year	(0.26)	(27.54)
Tax effect from tax rates different from 30% (32.5% in 2007)	7.37	2.18
Total expense from current tax originating in the financial year	401.78	396.35
Total expense from current tax originating in previous years	7.52	(5.43)
Profits from previous periods not recognised previously due to the use of negative tax bases, deductions pending application or temporary differences	(24.16)	(1.31)
Total expense from taxes of ongoing concerns	385.14	389.61
Tax on profits to be paid		
Withholdings and interim payments	(215.59)	(306.06)
Temporary differences	22.26	5.35
Tax credits and incentives applied, registered in previous years	(5.95)	(0.19)
Tax on profits from discontinued operations	(0.28)	(1.56)
Net tax to be paid on profits	185.58	87.15

FIGURES IN MILLION EUROS

Deductions from double taxation have not been taken into account in the table above, since they are mainly related to dividends collected from subsidiaries eliminated in the consolidation process.

Deferred tax assets

The following tables provide a breakdown of movements for financial years 2008 and 2007 of the deferred tax assets heading, detailing their amount in relation to items directly debited or credited to equity accounts in each financial year.

Financial Year 2008

CONCEPT	OPENING BALANCE	ADJUSTMENTS TO OPENING BALANCE	CHANGES IN PERIMETER	FROM:			CLOSING BALANCE
				RESULTS	EQUITY	CANCELLATIONS	
Valuation difference in financial investments	9.26	(3.34)	-	(1.60)	159.84	(44.67)	119.49
Embedded derivatives	1.86	-	-	0.65	-	(2.51)	-
Valuation difference in mathematical reserves:							
Adaptation to new tables	3.12	-	-	(0.09)	-	-	3.03
Shadow accounting	138.04	4.05	0.98	(26.34)	12.32	(0.82)	128.23
Valuation difference in the provision for burial insurance	6.06	-	-	0.82	-	-	6.88
Capital increase and other expenses subject to amortisation	4.21	-	-	(0.02)	-	(4.19)	-
Tax credits on negative tax bases	6.85	-	-	24.41	-	(3.91)	27.35
Credits on tax incentives	8.53	-	-	3.33	-	(9.28)	2.58
Pension complements and other staff related commitments	98.78	(0.93)	-	1.72	-	(10.25)	89.32
Provisions for outstanding premiums	12.45	(0.02)	-	0.59	-	(0.11)	12.91
Sale of property developments pending delivery	0.64	-	-	(0.42)	-	-	0.22
Provisions for liabilities and others	51.26	-	-	4.37	-	(11.61)	44.02
Technical provision for claims	-	-	106.00	-	-	-	106.00
Other concepts	15.16	(0.14)	-	40.10	-	(9.53)	45.59
Total	356.22	(0.38)	106.98	47.52	172.16	(96.88)	585.62

FIGURES IN MILLION EUROS

Financial Year 2007

CONCEPT	OPENING BALANCE	ADJUSTMENTS TO OPENING BALANCE	CHANGES IN PERIMETER	FROM:			CLOSING BALANCE
				RESULTS	EQUITY	CANCELLATIONS	
Valuation difference in financial investments	3.05	-	8.15	1.25	(3.19)	-	9.26
Embedded derivatives	1.59	-	-	0.64	-	(0.37)	1.86
Valuation difference in mathematical reserves:							
Adaptation to new tables	4.00	-	-	(0.88)	-	-	3.12
Shadow accounting	339.16	-	-	(24.27)	(169.67)	(7.18)	138.04
Valuation difference in the provision for burial insurance	5.15	-	-	1.65	-	(0.74)	6.06
Capital increase and other expenses subject to amortisation	3.40	2.09	-	(1.88)	0.91	(0.31)	4.21
Tax credits on negative tax bases	5.25	-	-	1.65	-	(0.05)	6.85
Credits on tax incentives	0.14	-	-	8.53	-	(0.14)	8.53
Pension complements and other staff related commitments	96.26	-	-	5.34	-	(2.82)	98.78
Provisions for outstanding premiums	9.03	-	1.64	2.63	-	(0.85)	12.45
Sale of property developments pending delivery	2.20	-	-	(1.56)	-	-	0.64
Provisions for liabilities and others	43.16	-	0.47	8.58	-	(0.95)	51.26
Other concepts	16.51	5.36	0.11	8.88	-	(15.70)	15.16
Total	528.90	7.45	10.37	10.56	(171.95)	(29.11)	356.22

FIGURES IN MILLION EUROS

Deferred tax assets of the fully consolidated companies, as a consequence of negative tax bases pending application and of the deductible temporary differences accumulated as at 31 December 2008 and 2007, amount to € 591.25 million and € 385.02 million, respectively.

Of the total amount of deferred tax assets, the balance sheet and the equity or results accounts as at 31 December 2008 include € 585.62 million, and € 356.22 million as at 31 December 2007.

The remaining deferred tax assets accumulated as at 31 December 2008 and 2007, which amount to € 5.63 million and € 28.80 million, respectively, have not been accounted for pursuant to IFRS principles.

Deferred tax liabilities

The following tables show the movements of the deferred tax liabilities heading for financial years 2008 and 2007:

Financial Year 2008

CONCEPT	OPENING BALANCE	ADJUSTMENTS TO OPENING BALANCE	CHANGES IN PERIMETER	FROM:			CLOSING BALANCE
				RESULTS	EQUITY	CANCELLATIONS	
Valuation difference in financial investments	268.88	-	2.82	(5.95)	(26.16)	(39.85)	199.74
Embedded derivatives	-	-	-	0.23	-	-	0.23
Stabilisation and catastrophe provision	120.78	-	-	21.88	-	(8.20)	134.46
Portfolio acquisition expenses and other acquisition expenses	-	-	202.79	(8.01)	-	-	194.78
Others	38.60	(3.15)	-	17.11	-	(0.23)	52.33
Total	428.26	(3.15)	205.61	25.26	(26.16)	(48.28)	581.54

FIGURES IN MILLION EUROS

Financial Year 2007

CONCEPT	OPENING BALANCE	ADJUSTMENTS TO OPENING BALANCE	CHANGES IN PERIMETER	FROM:			CLOSING BALANCE
				RESULTS	EQUITY	CANCELLATIONS	
Valuation difference in financial investments	505.86	(0.30)	0.15	(20.01)	(181.29)	(35.53)	268.88
Embedded derivatives	1.75	-	-	-	-	(1.75)	-
Stabilisation and catastrophe provision	99.84	9.68	-	14.43	-	(3.17)	120.78
Others	18.80	(0.44)	9.67	10.79	-	(0.22)	38.60
Total	626.25	8.94	9.82	5.21	(181.29)	(40.67)	428.26

FIGURES IN MILLION EUROS

The balance of "Others" includes the deferred tax liability arising from the amortisation expense of goodwill at non resident entities, amounting to €10.48 million and € 2.41 million as at 31 December 2008 and 2007, respectively.

The full amount of deferred tax liabilities of fully consolidated companies as a consequence of accumulated temporary differences as at 31 December 2008 and 2007 has been recorded in the balance sheets as at the said dates.

Negative tax bases

The breakdown of negative tax bases pending set-off in fully consolidated companies at the end of the last two financial years is as follows:

YEAR OF GENERATION	DEADLINE FOR THEIR APPLICATION	AMOUNT OF NEGATIVE TAX BASES				DEFERRED TAX ASSET			
		APPLIED IN FINANCIAL YEAR		PENDING APPLICATION		AMOUNT RECORDED		AMOUNT NOT RECORDED	
		2008	2007	2008	2007	2008	2007	2008	2007
2002	2017	-	1.42	-	-	-	-	-	-
2003	2018	11.81	2.78	17.74	29.55	4.37	0.08	0.95	8.78
2004	2019	0.32	-	25.91	26.23	7.62	1.70	0.15	6.17
2005	2020	0.34	-	50.62	50.96	11.39	3.11	3.80	12.18
2006	2021	0.58	-	11.51	12.09	3.04	1.96	0.41	1.67
2007	2022	-	-	3.31	-	0.67	-	0.32	-
2008	2023	-	-	0.85	-	0.26	-	-	-
Total		13.05	4.20	109.94	118.83	27.35	6.85	5.63	28.80

FIGURES IN MILLION EUROS

Assets accounted for in relation to deferred taxes on negative tax bases pending set-off in consolidated companies correspond with negative tax bases generated as a result of unusual management events, and future tax profits are likely to exist against which they may be offset.

Tax incentives

The detail of tax incentives in fully consolidated companies for financial years 2008 and 2007 is as follows:

TYPE	AMOUNT APPLIED IN FINANCIAL YEAR		AMOUNT PENDING APPLICATION		AMOUNT NOT RECORDED		DEADLINE FOR APPLICATION
	2008	2007	2008	2007	2008	2007	
Deduction on double taxation	3.33	24.07	-	-	-	-	-
Others	5.95	17.36	2.58	8.53	-	-	2017
Total	9.28	41.43	2.58	8.53	-	-	

FIGURES IN MILLION EUROS

Verification by the tax authorities

Pursuant to the legislation in force, the tax returns filed for the different taxes may not be considered as definitive until they have been inspected by the tax authorities or until the prescription period (four years for Spanish companies) has elapsed.

As at 31 December 2008, fully consolidated companies have open to inspection all the taxes to which they are subject corresponding to the maximum prescription period in each one of the countries they operate. In the opinion of the consolidated companies' advisers, the likelihood of fiscal liabilities affecting significantly consolidated companies' financial position as at 31 December 2008 is remote.

The most important tax assessments on GRUPO MAPFRE corresponding to the corporation tax, withholdings on capital gains and personal income tax and others of financial years 1989 to 2001 amount to € 31.4 million, most of which relate to short term temporary differences. All these tax assessments have been appealed against to the relevant authorities and they are pending resolution at year end. In the opinion of the Group's advisers, the likelihood of significant unrecorded fiscal liabilities emerging in this concept is remote.

6.22 REMUNERATION TO STAFF AND RELATED LIABILITIES

Staff expenses

The breakdown of staff expenses in the last two financial years is shown in the following table:

CONCEPT	IMPORTE	
	2008	2007
Short term remuneration		
Wages and salaries	745.38	660.33
Social security	206.36	193.26
Other remuneration	34.05	17.69
Post-employment benefits		
Defined contribution commitments	1.60	25.11
Defined benefit commitments	12.08	5.28
Other long term remuneration	0.03	-
Termination payments	8.83	-
Share-based payments	0.68	0.79
Total	1,009.01	902.46

FIGURES IN MILLION EUROS

In 2007, pursuant to the provisions of article 41.2 of the MAPFRE Insurance Group's Workers Agreement, there was a transformation of the defined contribution pension related commitments that are regulated in article 58 of the insurance industry's Collective Agreement, into a defined contribution plan that is instrumented through a collective insurance contract.

In 2007, as a result of the said change, in addition to paying the said year's contribution according to the new conditions, an initial contribution was paid corresponding to past service, as well as an extraordinary contribution to cover the cases where the new system might be potentially detrimental to employees' interests.

The amount resulting from settling the above mentioned commitment was allocated to results.

Post-employment benefits

A) DESCRIPTION OF THE DEFINED BENEFIT PLANS IN FORCE

The defined benefit plans in force, all of which are instrumented through insurance policies, are valued pursuant to the provisions detailed in the accounting policies, and are those where the benefit is determined according to end salaries, with a benefit paid as a for life annuity, subject to review according to the annual consumer price index (CPI) or by way of a benefit in the form of capital.

B) AMOUNTS RECOGNISED IN THE BALANCE SHEET

On the one hand, there are obligations relating to defined benefit plans amounting to € 177.02 million and € 180.90 million, respectively, as at 31 December 2008 and 2007, which are fully externalised by means of policies entered into with MAPFRE VIDA and MAPFRE FAMILIAR, there being consequently no assets recognised as allocated to these plans.

In addition, there are obligations on pension related commitments that are externalised with allocated insurance policies amounting to € 14.88 million and € 14.61 million as at 31 December 2008 and 2007, respectively.

Reconciliation with the present value of the obligation

The reconciliation of the present value of the obligation arising from defined benefit plans in the last two years is shown below:

CONCEPT	2008	2007
Present value of obligation as at 1st January	195.51	226.24
Cost of services in the year under review	4.73	14.62
Interest cost	11.89	8.02
Contributions made by plan members	-	-
Actuarial losses and gains	8.97	(9.74)
Changes from variations in the exchange rate	-	-
Benefits paid	(29.19)	(15.57)
Cost of past services	-	-
Business combinations	-	-
Reductions	-	-
Liquidations	-	(28.51)
Other concepts	-	0.45
Present value as at 31st December	191.91	195.51

FIGURES IN MILLION EUROS

Actuarial gains in financial year 2007 were due to the interest rate applied to the calculation of the present obligation as at 31 December 2007 according to the zero coupon rates curve on the said date, since it entailed an increase with respect to the rate used in the calculation of the present value of the obligation as at 31 December 2006. Losses in year 2008 are due to a decline in the said interest rate.

The amount shown under "Liquidations" in 2007 relates to the liquidation of the defined benefit plan that is described in the opening paragraph of this note.

Reconciliation of the opening and closing balance of assets allocated to the plan

The following table details the reconciliation of the opening and closing balance of assets allocated to the plan in the last two financial years.

CONCEPT	2008	2007
Value of assets allocated to the plan as at 1st January	14.61	14.56
Expected return from assets allocated to the plan	0.71	0.56
Actuarial losses and gains	0.30	0.21
Changes from variations in the exchange rate	-	-
Contributions made by employer	-	-
Contributions made by members	-	-
Benefits paid	(0.75)	(0.72)
Business combinations	-	-
Liquidations	-	-
Value of assets allocated to the plan as at 31st December	14.87	14.61

FIGURES IN MILLION EUROS

C) AMOUNTS RECOGNISED IN THE CONSOLIDATED INCOME STATEMENT

The following table details the amounts recognised in the consolidated income statement of financial years 2008 and 2007.

CONCEPT	2008	2007
Cost of services in year under review	4.73	14.62
Interest cost	11.89	8.02
Return expected from assets allocated to the plan and from assets allocated to covering mathematical reserves	(12.34)	(7.25)
Actuarial losses and gains	7.80	(10.11)
Cost of past services recognised in the year	-	-
Other concepts	-	-
Total expense recognised in the income statement	12.08	5.28

FIGURES IN MILLION EUROS

In addition, in 2007 results were accounted for arising from the liquidation of the defined benefit plan that is described in the opening paragraph of this note, as a consequence of the cancellation of the liability recognised by the said plan, amounting to € 28.51 million, as detailed in the table of movements in the present value of the liability.

Actuarial losses and gains in years 2008 and 2007 basically arise from the decrease and increase, respectively, in the interest rate applied to the calculation of the present actuarial value of the obligation on the closing of each financial year with respect to the previous one.

D) RETURNS

The expected rate of return is determined according to the interest rate guaranteed in allocated insurance policies.

The actual return of the assets allocated to the plan, as well as the investments allocated to the cover of mathematical reserves, amounted to € 10.50 million and € 13.49 million in 2008 and 2007, respectively.

E) ASSUMPTIONS

The main actuarial assumptions used on the closing date are as follows:

CONCEPT	2008	2007
DEMOGRAPHICAL ASSUMPTIONS		
Mortality tables	GKM/F-95	GKM/F-95
Survival tables	PERM/F-2000	PERM/F-2000
FINANCIAL ASSUMPTIONS		
Discount rate	3 - 3.78%	3 - 4.,66%
Average annual salary increase	5%	5%
Average annual CPI	3%	3%
Expected return from allocated assets	3.78%	3.59%

F) ESTIMATES

The best estimate of the contributions to the plan in 2009 has been made according to the staff existing at the Group as at 31 December 2008 and it amounts to € 5.60 million.

Share-based payments

The controlling Company's Extraordinary Shareholders Meeting, held on 4 July 2007, approved the incentive plan linked to the value of the shares for the MAPFRE Group's officers as described below:

— Formula: Each member is granted the right to earn, in cash, the amount resulting from multiplying the number of shares in MAPFRE, S.A. assigned in theory, by the difference between the simple arithmetical mean of the closing share price during the stock market sessions of the 30 market days prior to the reporting date of the year and the simple arithmetical mean of the closing price during the stock market sessions corresponding to 30 business days immediately preceding the date of inclusion into the scheme. Nevertheless, in the initial group of members, this reference has been replaced with the closing share price of 31 December 2007, which was € 3.42 per share.

— Exercise of the right: The right shall be liable of exercise as to a maximum of 30% during the month of January of the fourth year, a maximum of 30% during the month of January of the seventh year, and the remainder during the month of January of the tenth year. All rights granted shall be exercised, at the latest, on the last day of the third period above mentioned.

The number of reference shares taken into account to the effects of calculation of the remuneration amounted to 8,625,733 shares in 2007 and to 8,845,030 shares in 2008, with the exercise price being, as mentioned above, of € 3.42 per share.

No cancellation has taken place during the year.

In order to obtain the fair value of the granted options, a valuation model based on binomial trees has been applied to the calculation, taking the following parameters into account:

– Risk-free interest rate: the zero coupon rate arising from the IRS (Interest Rate Swap) curve for the Euro for the maturity term of the option.

– Dividend yield: that resulting from the dividends paid against the latest financial year closed (2007) and the closing share price of financial year 2008.

– Volatility of the underlying asset: that resulting from the performance of the MAPFRE share price during financial year 2008.

According to the above mentioned parameters, the said remuneration system is measured and recognised in the income statement pursuant to the rules explained in Note 5.19 of the annual report. Personnel expenses accounted for in the income statement in this concept amount to € 0.68 million and € 0.79 million in 2008 and 2007, respectively, with a liability being recognised for the same amount.

In order to cover the expense for this concept as at the date of exercise of the right, two equity swaps have been contracted during the 2008 financial year over 8,625,733 shares and 219,297 shares, with a strike price of € 3.2397 and € 2.6657, respectively. At the closing of 2008, the market value of the said equity swaps, amounting to € 7.9 million, is included under "Other financial liabilities" against the consolidated income statement.

Staff numbers

The following table shows the number of employees at the end of the last two financial years, classified by categories and sex, and distributed by geographical segments.

GEOGRAPHICAL SEGMENT	OFFICERS				CLERKS				SALESPEOPLE				OTHERS				TOTAL			
	MEN		WOMEN		MEN		WOMEN		MEN		WOMEN		MEN		WOMEN		MEN		WOMEN	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
Spain	1,663	1,591	446	419	1,676	1,670	3,322	3,168	1,249	1,324	953	1,039	1,573	1,764	5,709	5,530	6,161	6,349	10,430	10,156
Other EU countries	78	51	26	39	199	131	252	183	130	101	55	92	73	56	45	64	480	339	378	378
America	873	1,068	551	586	1,695	1,455	3,158	2,457	1,692	1,236	1,895	1,287	2,738	2,238	2,128	1,742	6,998	5,997	7,732	6,072
Rest of the world	69	50	61	46	158	79	219	109	28	33	44	31	81	45	88	56	336	207	412	242
Average total number of employees	2,683	2,760	1,084	1,090	3,728	3,335	6,951	5,917	3,099	2,694	2,947	2,449	4,465	4,103	7,970	7,392	13,975	12,892	18,952	16,848

6.23. NET RESULTS OF EXCHANGE DIFFERENCES

Positive exchange differences other than those arising from financial instruments measured at fair value, allocated to the consolidated income statement, amount to € 301.69 million and € 101.17 million in the 2008 and 2007 financial years, respectively.

Negative exchange differences other than those arising from financial instruments measured at fair value, allocated to the consolidated income statement, amount to € 230.34 million and € 114.44 million in the 2008 and 2007 financial years, respectively.

The reconciliation of the translation differences recognised in equity at the beginning and the end of the year, in 2008 and 2007, is shown below.

DESCRIPTION	AMOUNT	
	2008	2007
Translation differences at the beginning of the year	(35.11)	(3.24)
Net exchange differences on valuation of non-monetary items	(0.51)	(4.47)
Net exchange differences on translation of financial statements	(108.97)	(27.40)
Translation differences at year end	(144.59)	(35.11)

FIGURES IN MILLION EUROS

As at 31 December 2008 and 2007, net exchange differences arising from the translation into Euros of the financial statements of those Group companies whose functional currency is not the Euro are:

COMPANY/SUB GROUP	GEOGRAPHICAL AREA	TRANSLATION DIFFERENCES					
		POSITIVE		NEGATIVE		NET	
		2008	2007	2008	2007	2008	2007
Fully consolidated companies:							
MAPFRE RE	Europe, America and rest of the world	0.37	11.49	(40.21)	-	(39.84)	11.49
MAPFRE AMÉRICA	America	1.62	-	(93.50)	(49.94)	(91.88)	(49.94)
MAPFRE AMÉRICA VIDA	America	-	8.07	-	-	-	8.07
MAPFRE INTERNACIONAL	Europe, America and rest of the world	77.17	-	(58.52)	(3.79)	18.65	(3.79)
OTHERS	-	5.25	4.95	(30.87)	(0.22)	(25.62)	4.73
Companies recorded by the equity method	-	-	2.26	(0.92)	(3.46)	(0.92)	(1.20)
Total		84.41	26.77	(224.02)	(57.41)	(139.61)	(30.64)

FIGURES IN MILLION EUROS

6.24. CONTINGENT ASSETS AND LIABILITIES

At the end of financial years 2008 and 2007 and until the preparation of the financial statements, there is no evidence of the existence of contingent assets and liabilities for significant amounts.

6.25. BUSINESS COMBINATIONS

During financial years 2008 and 2007 several shareholding interests were acquired, the most significant ones being the stakes in COMMERCE, DUERO VIDA and DUERO PENSIONES in 2008 and GENEL SIGORTA, BANKINTER VIDA and CCM VIDA Y PENSIONES in 2007. The fair value of the identifiable assets and liabilities on the acquisition of the said interests is as follows:

CONCEPT	2008			2007		
	COMMERCE	DUERO VIDA	DUERO PENSIONES	GENEL SIGORTA	BANKINTER VIDA	CCM VIDA Y PENSIONES
ASSETS						
Portfolio acquisition expenses	31.20	52.90	15.17	43.99	137.18	91.26
Other intangible assets	20.97	-	-	0.18	-	0.17
Property, plant and equipment	40.37	0.02	0.01	15.57	-	0.67
Investments	1,659.22	445.36	4.41	242.39	499.44	769.69
Credits and receivables	355.92	2.81	0.11	181.86	12.23	12.35
Other assets	460.13	6.06	4.46	92.86	6.38	141.63
TOTAL ASSETS	2,567.81	507.15	24.16	576.85	655.23	1,015.77
LIABILITIES						
Technical provisions	1,245.12	282.10	-	213.34	450.36	865.76
Debts	344.79	124.66	1.03	36.00	32.84	9.62
Other liabilities	97.96	23.92	5.47	18.74	46.48	37.47
TOTAL LIABILITIES	1,687.87	430.68	6.50	268.08	529.68	912.85
Fair value of net assets	879.94	76.47	17.66	308.77	125.55	102.92
Interest purchased	100%	50%	50%	80%	50%	50%
Fair value of the percentage of purchased net assets	879.94	38.23	8.83	247.02	62.77	51.46
Goodwill	635.48	70.12	13.38	90.30	160.45	90.51
Total cost	1,515.42	108.35	22.21	337.32	223.22	141.97

FIGURES IN MILLION EUROS

The above stated fair values differ from the values in the accounts of the entities prior to the combination, mainly for portfolio acquisition expenses, which are not recorded on their books.

The total cost of the combinations includes costs directly attributable to them amounting to € 8.09 million and € 2.48 million in 2008 and 2007, respectively, in the concept of independent professionals, legal and financial advisory fees. Likewise, the said cost includes the amount of deferred payments.

The business combinations in 2007 were provisionally accounted for. The definitive accounting has resulted in the recognition of portfolio acquisition costs amounting to € 193.54 million, deferred tax liabilities of € 81.73 million and a reduction in Goodwill of € 111.81 million.

Given that they are not significant, these amounts have been recorded as changes in 2008, instead of modifying the figures for 2007.

From the date of their incorporation to the consolidation perimeter, the interests purchased in financial year 2008 have contributed € (6.29) million to the Group's net result.

Other business combinations with a lower cost, carried out during financial year 2008, were MAPFRE CAPITALIZAÇÃO, MAPFRE ATLAS, LIB ASSIST and NILE ASSIST; and during 2007 the merger between Mutua Valenciana Automovilista and MAPFRE AUTOMÓVILES and the acquisitions of shareholdings in IBERICAR, REAL PARAGUAYA DE SEGUROS, REAL URUGUAYA DE SEGUROS and LATINA SEGUROS Y REASEGUROS, among others (see Appendix 1).

6.26. TRANSACTIONS WITH RELATED PARTIES

All transactions with related parties have been carried out in market conditions.

Transactions with Group companies

The transactions carried out between Group companies, with a null effect on results because they have been eliminated in the consolidation process, are detailed below:

CONCEPT	EXPENSES		REVENUES	
	2008	2007	2008	2007
Received/provided services and other expenses/revenues	268.02	247.09	269.81	250.94
Expenses/revenues from investment property	21.61	16.54	20.93	17.78
Expenses/revenues from investments and financial accounts	37.46	21.64	33.12	29.63
Dividends paid out	-	-	641.19	577.48
Total	327.09	285.27	965.05	875.83

FIGURES IN MILLION EUROS

Reinsurance and coinsurance transactions

Reinsurance and coinsurance transactions carried out between companies of the consolidatable Group, which have been eliminated in the consolidation process, are shown below:

CONCEPT	AMOUNT	
	2008	2007
Ceded/accepted premiums	835.91	710.09
Claims	502.02	264.89
Variation in technical provisions	3.83	39.67
Commissions	179.87	158.45
Interests on deposits	-	-
Other technical revenues and expenses	-	-

FIGURES IN MILLION EUROS

The following tables detail the balances with reinsurers and ceding companies, deposits established and technical provisions on reinsurance transactions with companies of the consolidatable Group, which have been eliminated in the consolidation process:

CONCEPT	ACCEPTED REINSURANCE		CEDED REINSURANCE	
	2008	2007	2008	2007
Credits and debts	(92.80)	(99.81)	92.80	99.81
Deposits	159.60	162.16	(159.60)	(162.16)
Technical provisions	(797.25)	(717.41)	797.25	717.41
Total	(730.45)	(655.06)	730.45	655.06

FIGURES IN MILLION EUROS

Remuneration of key managerial staff

The following table details the remuneration earned in the last two financial years by key managerial staff (understanding as such the members of the Board of Directors, Management Committee and Delegate Committees of the controlling Company):

CONCEPT	AMOUNT	
	2008	2007
Short term remuneration		
Salaries	6.56	6.13
Fixed allowances	1.98	1.57
Attendance fees	0.98	0.71
Life assurance	0.12	0.22
Other concepts	0.19	0.17
Post-employment remuneration		
Defined benefits	4.61	1.20
Defined contribution	0.01	0.32
Share-based payments	0.17	0.11
Total	14.62	10.43

FIGURES IN MILLION EUROS

External directors' basic remuneration consists of a fixed annual allowance for their belonging to the Board of Directors, which amounted to € 42,000 in 2008 and to € 40,000 in 2007. The said amount rises by 50% for those directors fulfilling the position of Chairman or Vice Chairman of the Board or chairing a Commission or Delegate Committee, there not being, however, cumulative increases when the same person fulfils more than one office.

In addition, they benefit from a Life assurance policy with an insured capital of € 150,253 and enjoy some of the benefits extended to staff, such as medical insurance.

External directors belonging to Commissions or Delegate Committees also receive an attendance allowance, which amounted to € 4,220 and € 4,000 in 2008 and 2007, respectively, for attending the Delegate Commission and to € 3,693 and € 3,500, respectively, for attending other Committees.

Executive directors (understanding as such both the company's executives and those fulfilling executive offices in other MAPFRE GROUP entities) receive the remuneration established in their contracts, including fixed salary, bonuses with varying amounts linked to results, life and disability insurance and other benefits generally established for the Entity's staff; in addition, certain pension complements have been acknowledged to them for the event of retirement, externalised through a life insurance policy, it all according to the remuneration policy established by the Group for its senior managerial staff, whether or not they are directors. The amount recognised as an expense for this concept in 2008 has increased with respect to the previous year, basically due to the differences in actuarial results arising between 2007 and 2008. Executive directors, however, do not earn the remuneration established for external directors. Executive directors earn an allowance for their attending the Delegate Commission, which amounted to € 4,220 in 2008 and € 4,000 in 2007, as well as, when applicable, a fixed remuneration as Chairmen of the Territorial Board.

The basic remuneration package of external directors is approved by the General Shareholders Meeting at the proposal of the Board of Directors and pursuant to the report issued by the Nomination and Remuneration Committee. The remuneration of executive directors, attendance fees of the external members of Commissions and Delegate Committees and the fixed allowance for the chairmanship of Territorial Boards are approved by the Board of Directors, pursuant to the report issued by the said Committee.

7. RISK MANAGEMENT

Risk management objectives, policies and processes

MAPFRE has a Risk Management System (SGR) in place based on the integrated management of each and every one of the entity's business processes, and on the adaptation of the risk level to the established strategic objectives. The different types of risks have been grouped under four areas, or categories, as detailed below:

Operational Risks	Includes twenty-three types of risks grouped under the following areas: actuarial, legal, technology, staff, collaborators, procedures, reporting, fraud, market and tangible assets.
Financial Risks	Includes interest rate, liquidity, exchange rate, market and credit risks.
Insurance Activity Risks	It groups, separately for Life and Non Life, risks arising from inadequacy of premiums, adequacy of technical provisions and reinsurance.
Strategic and Corporate Governance Risks	Includes the corporate ethics and corporate governance risks, and risks on organisational structure, alliances, mergers and acquisitions, regulatory and, lastly, competition risks.

Centralisation of the Risk Management System

The MAPFRE structure is based on Units and Operating Companies having a high degree of autonomy in their management. The Group's governance and management bodies approve the lines of action of the Units and Companies as regards risk management, and monitor their risk exposures on an on-going basis by means of indicators and ratios. In addition, there are general action guidelines in order to mitigate risk exposure, such as maximum levels of investment in equities or credit rating of reinsurers.

The Economic and Management Control Area, through the Risk Management, coordinates the activities related to the quantification of risks and, in particular, the implementation of capital models in the operating units and the analysis of the quantitative impact of the future Solvency II regulations.

Operating Units have a Risk Coordinator, reporting to the Administration Management, for the implementation of risk policies and risk management in each unit. The coordination of activities for the implementation of Risk Quantification Models is carried out through the Risk and Solvency II Committee. The degree of progress in projects and other significant aspects are reported to MAPFRE's Senior Management through the Audit Committee.

In general terms, decisions on the underwriting of insurable risks and reinsurance covers are highly decentralised in the Units. The aspects related to Operational Risk are supervised centrally, although their implementation and monitoring are delegated to the Units. The management of Strategic and Corporate Governance risks is highly centralised. Financial risks are managed centrally through the Group's Investment General Management.

Estimation of Risks and Capitals

MAPFRE has in place an internal capitalisation and dividend policy aimed at providing the Units, rationally and objectively, with the required capital to meet the risks they have assumed. Risk estimation is made by means of a standard fixed factors model that quantifies financial risks, credit risks and insurance activity risks. In addition, the level of capital allocated to each Unit will never be lower than the legally required minimum from time to time plus a margin of 10%.

Allocated capital is determined pursuant to an estimation based on the budgets for the following year and is revised at least once a year, according to the evolution of risks.

Certain units require a capitalisation level higher than that arising from the above described general rule, either because they operate in other countries with different legal requirements, or because they are subject to higher financial solvency rules because of their rating. In those cases, MAPFRE's Management Committee determines the capitalisation level on a case by case basis.

Operational Risks

The identification and assessment of Operational Risks are carried out by means of the computer application Riskmap, developed by MAPFRE, which prepares the entities' risk maps, analysing the significance and probability of occurrence of the different risks.

Likewise, Riskmap is established as the corporate tool to deal with control activities (process manuals, lists of controls associated to risks and assessment of their effectiveness).

The management model for the operational risk is based on a dynamic analysis by business processes, in such a way that the managers of each area or department identify and assess the potential risks affecting the following processes: Product Development, Underwriting, Claims / Benefits, Administrative Management, Marketing Activities, Human Resources, Commissions, Coinsurance / Reinsurance, Technical Provisions, Investments, IT Systems, and Client Service.

Financial Risks

MAPFRE mitigates its exposure to this type of risk by means of a prudent investment policy, with the portfolio being heavily weighted in top quality fixed-income securities.

In the management of investment portfolios, differentiation is made between those seeking to match the obligations arising from insurance contracts and those subject to active management. The former minimise exchange rate risks as well as interest rate and other risks of variation in prices, while the latter maintain a management policy with a certain degree of market risk assumption, along the following lines:

- In the portfolios not covering long term liability commitments, the variable in the management of the interest rate risk is the modified duration; at present, the said magnitude must stand around 5%, with a maximum value of 7%.
- Exposure to exchange rate risk is minimised in the case of insurance liabilities. Exposure to this type of risk may not exceed 10% of assets qualified for the cover.
- Investment in equities is subject to a maximum limit of 17% of the investment portfolio, as well as to concentration limits per country and sector.
- Risk limitations are established in terms of quantitative variables that are easily observable. Nevertheless, risk analysis in probability terms is carried out, according to historical volatilities and correlations.

With respect to credit risk, MAPFRE's policy is based on holding a diversified portfolio comprising securities being prudently selected on the basis of the issuer's solvency.

Investments in fixed income and equity securities are subject to concentration limits per activity sector and per issuer.

Insurance Activity Risks

The organisation of MAPFRE, based on Units and Companies specialising in various business lines, requires them to be highly autonomous in their business management, in particular in the underwriting of risks and tariff fixing, as well as the indemnities or provision of services in the case of occurrences. Premium adequacy is a particularly important element, and its determination is supported by specific computer applications.

Treatment of claim related benefits, together with the adequacy of provisions, are basic principles of insurance activity. Technical provisions are estimated by the actuarial teams of the different Units and Companies and in certain cases are also reviewed by independent experts. The prevalence of the personal damages business line in MAPFRE, with very short times for the settlement of claims, as well as the scant importance of insured long-tail risks, such as asbestos or professional liability, are elements mitigating this type of risk.

MAPFRE's presence in countries with greater possibilities of occurrence of catastrophes (earthquakes, hurricanes, etc.) requires special treatment of this type of risks, which may give rise to volatility in results or need of additional capitals. The Units and Companies operating in this type of risks, essentially MAPFRE AMÉRICA, MAPFRE INTERNACIONAL and MAPFRE RE, count on expert reports on catastrophe exposure, generally prepared by independent experts, which estimate the impact on insured assets in the event of occurrence of catastrophes. The underwriting of catastrophic risks is made according to this information and to the economic capital available to the company that underwrites them. When applicable, the equity exposure to this type of

risks is mitigated by taking specific reinsurance covers. In this connection, it is important to highlight the contribution of MAPFRE RE, which provides the Group with its extensive experience in the catastrophic risk market.

In relation to reinsurance risk, MAPFRE's policy is to cede business to reinsurers with proven financial capacity (minimum A credit rating by Standard & Poor's).

Strategic and Corporate Governance Risks

The ethical principles applied to corporate management have been a constant feature at MAPFRE and form part of its bylaws and of its day to day work. In order to standardise this corporate culture and adapt it to the legal governance and transparency requirements in management, MAPFRE's Management Bodies approved in 2005 a revised version of the Good Governance Code, initially implemented in 1999. The strict application of Good Corporate Governance principles is considered by MAPFRE as the most efficient way for mitigating this type of risks.

A) INSURANCE RISK

1. Sensitivity to insurance risk

This sensitivity analysis measures the impact on economic capital of upward and downward fluctuations of the conditioning factors for the said risk (number of insured risks, value of average premium, frequency and cost of claims). A measure of sensitivity to the Non Life assurance risk is the impact that the variation of a percentage point in the combined ratio would have on the results of the year and, consequently, on equity. This information is detailed in the following table, together with the volatility index of the said ratio, calculated according to its standard deviation in a five-year time horizon.

CONCEPT	IMPACT ON RESULTS OF A 1% VARIATION IN THE COMBINED RATIO		INDEX OF VOLATILITY OF THE COMBINED RATIO
	2008	2007	
Main activity in Spain			
Corporates	5.45	4.64	2.3 %
Households	30.66	29.23	1.0 %
Main activity outside of Spain			
America	14.09	14.49	1.0 %
Assistance	1.88	1.91	1.4 %
International	6.31	0.59	(*)
Reinsurance	7.23	6.33	2.7%
Consolidado	66.33	55.13	1.0 %

FIGURES IN MILLION EUROS

(*) Insufficient required information available.

For the Life activity, the sensitivity level is shown according to the results from the calculation of the embedded value, which has been made pursuant to the principles and methodology laid down in the so-called "European Embedded Value". The embedded value is obtained by adding to the adjusted equity the present value of the future profits of the managed portfolio (Life and fund management) and deducting the present value of options and guarantees granted to policyholders and the cost of the required regulatory capital.

The methodology to calculate the embedded value is based on the assessment of each one of the risk components in isolation and differentiating between the existing portfolio and the business attracted during the year. The different components of the embedded value have been calculated as follows:

- Adjusted equity: it is calculated adjusting book equity, measured pursuant to the Accountancy Plan for Insurance Entities, for unrealised capital gains and losses, and decreasing its value in the amount of goodwill, deferred expenses and dividends and donations approved but pending payment.

— Present value of the portfolio's future profits: it is calculated by discounting future profits after taxes of the policies portfolio at present value as at the valuation date on the basis of risk-free rates, and including an estimate of the embedded value of options and financial guarantees granted to policyholders.

— Temporary value of the options and guarantees granted to policyholders: it is the variation in the cost of the said options and guarantees that may result from any potential modifications that may take place in the benefits in favour of policyholders throughout the life of the policy. Its estimation is made by simulating the economic scenarios consistent with different market situations.

— Cost of required capital: it is an estimate of the cost of required capital, including that necessary to cover both financial and non financial risks. In line with market practices, the cost of capital used in the calculation of embedded value as at 31 December 2007 was measured applying a fixed rate of 4% to the minimum amount required for the solvency margin.

Furthermore, the main assumptions used were as follows:

— Discount and reinvestment rates: based on the Euroswap rate curve zero coupon at year end.

— Maintenance expenses: based on an in-house study and indexed to an inflation rate of 2.5%.

— Technical variables (commissions, mortality, disability, redemptions, switches and returns of existing financial assets): on the basis of data and the entity's own experience.

— Tax rate: 30%.

The following table details the composition of embedded value at the end of financial years 2007 and 2006 (figures for 2008 are not available at the date of drafting the consolidated annual accounts). Data for 2006 only refer to the MAPFRE VIDA business, while those for 2007 also included the embedded value of BANKINTER VIDA, CCM VIDA Y PENSIONES and of the life business of MAPFRE VERACRUZ (Brazil):

CONCEPT	2007	2006 (*)	% VARIATION
Adjusted equity	614.3	525.2	17.0%
Present value of future profits	1,637.9	1,245.2	31.5%
Present value of options and guarantees granted to policyholders	(110.1)	(84.9)	29.7%
Cost of required regulatory capital	(202.8)	(111.3)	82.2%
Total embedded value	1,939.3	1,574.2	23.2%

FIGURES IN MILLION EUROS

(*) The incorporation of the embedded value of the above detailed business from BANKINTER VIDA, CCM VIDA Y PENSIONES and MAPFRE VERACRUZ (Brazil) contributes € 255.8 million to embedded value.

The variables to which embedded value is more sensitive in 2007 are as follows:

— An increase of 100 basis points in interest rates, which would give rise to a reduction in embedded value of € 65.9 million in the existing portfolio and € 7.2 million in new business.

— A decline of 10% in the portfolio, which would give rise to an increase in embedded value of € 87.1 million in the existing portfolio and € 20.3 million in new business.

The embedded value of DUERO VIDA and DUERO PENSIONES, companies that became part of the consolidation perimeter in financial year 2008 and that are managed by the Life Unit, is not significant in relation to the above mentioned figures.

The entities having their main activity outside of Spain and operating in the Life line, other than MAPFRE VERACRUZ, essentially operate in risk modalities, albeit their volumes are not significant. The cover period of these products is short (in most cases below 18 months), therefore it is not considered significant as regards calculation of the embedded value.

2. Concentration of insurance risk

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

The Group has in place procedure and limit systems allowing it to control the level of concentration of the insurance risk.

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

2.A) PREMIUM INCOME PER RISK

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

Financial Year 2008

CONCEPT	ACCEPTED REINSURANCE				TOTAL	CAT RISK	DIRECT INSURANCE			TOTAL	
	LIFE	NON LIFE					LIFE	OTHER RISKS			OTHERS
		CAT RISK	OTHER RISKS	MOTOR							
Written premiums direct insurance	-	-	-	-	89.00	3,482.70	4,434.18	4,853.72	12,859.60		
Accepted reinsurance premiums	279.99	380.04	785.14	1,445.17	-	-	-	-	-		

FIGURES IN MILLION EUROS

Financial Year 2007

CONCEPT	ACCEPTED REINSURANCE				TOTAL	CAT RISK	DIRECT INSURANCE			TOTAL	
	LIFE	NON LIFE					LIFE	OTHER RISKS			OTHERS
		CAT RISK	OTHER RISKS	MOTOR							
Written premiums direct insurance	-	-	-	-	5.92	2,926.25	3,649.19	4,411.38	10,992.74		
Accepted reinsurance premiums	123.22	316.51	878.00	1,317.73	-	-	-	-	-		

FIGURES IN MILLION EUROS

2.B) PREMIUM INCOME PER GEOGRAPHICAL AREA

The following tables show written premiums for direct insurance and accepted reinsurance per segment of activity and geographical area in the last two years:

Financial Year 2008

GEOGRAPHICAL AREA	DIRECT INSURANCE			REINSURANCE	TOTAL
	LIFE	MOTOR	OTHERS NON LIFE		
Spain	2,541.92	2,535.32	3,252.18	60.34	8,389.76
Other EU countries	–	53.55	116.04	484.84	654.43
America	771.98	1,762.42	1,745.97	487.62	4,767.99
Rest of the world	8.25	102.99	142.63	238.72	492.59
Total	3,322.15	4,454.28	5,256.82	1,271.52	14,304.77

FIGURES IN MILLION EUROS

Financial Year 2007

GEOGRAPHICAL AREA	DIRECT INSURANCE			REINSURANCE	TOTAL
	LIFE	MOTOR	OTHERS NON LIFE		
Spain	2,256.28	2,624.65	3,137.35	127.36	8,145.64
Other EU countries	40.16	14.15	93.44	434.76	582.51
America	547.06	979.83	1,351.38	373.84	3,252.11
Rest of the world	82.75	36.35	46.17	164.94	330.21
Total	2,926.25	3,654.98	4,628.34	1,100.90	12,310.47

FIGURES IN MILLION EUROS

2.C) PREMIUM INCOME PER CURRENCY

The following table shows written premiums for direct insurance, broken down by currency, in the last two years:

MONEDA	FINANCIAL YEAR	
	2008	2007
Euro	8,236.21	7,940.68
US Dollar	1,271.71	291.63
Brazilian Real	1,437.53	1,190.82
Mexican Peso	290.26	387.56
Argentinean Peso	378.85	310.85
Venezuelan Bolivar	465.97	306.27
Other currencies	779.07	564.93
Total	12,859.60	10,992.74

FIGURES IN MILLION EUROS

3. Claims

Section 3.4 of Note 6.15 of the "Technical Provisions" report provides information on the evolution of claims.

B) CREDIT RISK

1. Credit risk arising from reinsurance contracts

The following table shows the maximum level of exposure to credit risk and the credit rating of reinsurers in the last two years:

CEDED AND RETROCEDED REINSURANCE	BOOK VALUE	
	2008	2007
Provision for Life Assurance	83.78	44.74
Provision for claims	1,701.90	1,454.94
Other technical provisions	0.06	0.12
Credits on ceded and retroceded reinsurance transactions	142.38	76.68
Debts on ceded and retroceded reinsurance transactions	(274.72)	(176.31)
Total net exposure	1,653.40	1,400.17

FIGURES IN MILLION EUROS

The following table shows the breakdown of credits to reinsurers based on their financial solvency:

CREDIT RATING OF REINSURERS	BOOK VALUE	
	2008	2007
AAA	120.03	139.01
AA	324.72	220.62
A	432.16	302.48
BBB	359.51	381.65
BB or lower	117.13	109.68
Without credit rating	299.85	246.73
Total posición neta	1,653.40	1,400.17

FIGURES IN MILLION EUROS

The following table details the type and amount of security granted by reinsurers in the last two financial years:

TIPO DE GARANTÍA	AMOUNT	
	2008	2007
Letters of credit	-	-
Guarantees	-	-
Pledge of assets	-	-
Other security	13.74	2.75
Total	13.74	2.75

FIGURES IN MILLION EUROS

The balances corresponding to credits from direct insurance and coinsurance transactions amount to € 2,413.93 million and € 2,138.68 million as at 31 December 2008 and 2007, respectively. The estimated impairment loss is shown in the income statement as stated under accounting policy 5.10).

2. Credit risk arising from financial instruments

The following table indicates the breakdown of the fixed income portfolio by credit rating of issues, for the last two years, of fixed income securities:

CREDIT RATING OF ISSUERS	BOOK VALUE					
	PORTFOLIO HELD TO MATURITY		PORTFOLIO AVAILABLE FOR SALE		TRADING PORTFOLIO	
	2008	2007	2008	2007	2008	2007
AAA	425.90	536.89	9,181.55	7,129.99	676.79	848.29
AA	13.44	59.23	8,037.12	9,200.27	116.66	105.59
A	18.34	19.06	4,621.26	3,123.93	3.42	35.89
BBB	11.74	60.95	568.99	201.42	7.29	41.50
BB or less	125.05	22.88	169.42	192.33	19.66	53.56
Unrated	10.22	16.84	165.96	85.32	32.80	30.26
Total	604.69	715.85	22,744.31	19,933.26	856.62	1,115.09

FIGURES IN MILLION EUROS

3. Fixed-income securities in default

The following table shows the age of fixed-income securities in default in the last two years:

AGE	2008	2007
Between 1 and 3 months	-	24.02
Between 3 and 6 months	0.40	1.62
Between 6 and 9 months	-	5.84
Between 9 and 12 months	-	3.83
Between 12 and 24 months	1.48	11.20
Over 24 months	11.86	4.59
Total	13.74	51.10

FIGURES IN MILLION EUROS

4. Credits and receivables

The following table shows the composition of the credits and receivables heading as at 31 December 2008 and 2007, as well as impairment losses, gains on reversal of impairment, and the amount of the guarantees received in the last two years:

CONCEPT	NET BALANCE IN THE BOOKS		IMPAIRMENT				GUARANTEES RECEIVED	
	2008	2007	2008	2007	2008	2007	2008	2007
	Credits on direct insurance and coinsurance transactions	2,412.93	2,138.68	(14.51)	-	4.05	-	-
Credit on reinsurance transactions	315.93	252.23	-	(0.66)	0.66	-	-	-
Tax credits	84.32	204.54	-	-	-	-	-	-
Corporate and other credits	524.04	276.02	(0.02)	-	1.30	-	-	-
Total	3,337.22	2,871.47	(14.53)	(0.66)	6.01	-	-	-

FIGURES IN MILLION EUROS

C) LIQUIDITY RISK

As regards liquidity risk, MAPFRE's policy is based on maintaining cash balances sufficient to cover any contingency arising from its obligations vis-à-vis insured parties and creditors. Thus, as at 31 December 2008, the cash and cash equivalent balance amounted to € 1,415.07 million (€ 1,639.40 million in the preceding year), equivalent to 5.11% of total financial investments and cash. On the other hand, as regards life and savings insurance, the investment policy preferably applied consists of matching the maturities of investments with obligations entered into under insurance contracts, in order to mitigate the exposure to this type

of risk. In addition, most fixed-income investments enjoy high credit ratings and are traded in organised markets, this providing a large capacity of action in view of potential liquidity strains.

Assets with maturities exceeding one year are detailed in the section "Interest rate risks".

In addition, MAPFRE S.A. has in place undrawn credit facilities, approved by financial entities, with a limit of € 500 million as at 31 December 2008, which may be used at the Group's discretion.

1. Liquidity risk arising from insurance contracts

The detail of the estimate timetable of maturities of liabilities under insurance contracts recorded as at 31 December 2008 and 2007 is as follows:

Financial Year 2008

CONCEPT	CASH OUTFLOWS ESTIMATED IN YEAR							CLOSING BALANCE
	2009	2010	2011	2012	2013	2014 TO 2018	BEYOND	
Provision for Life assurance	3,086.58	1,957.06	1,607.02	1,521.97	1,246.20	4,955.53	1,820.86	16,195.22
Provision for claims	3,648.95	1,123.81	505.00	309.57	169.88	228.22	423.43	6,408.86
Other technical provisions	88.15	8.55	8.49	8.48	8.50	35.82	336.86	494.85
Due on direct insurance and reinsurance transactions	666.06	19.73	6.77	4.55	2.49	1.16	0.06	700.82
Due on reinsurance transactions	230.76	4.41	4.41	4.42	4.39	4.37	0.32	253.08
Total	7,720.50	3,113.56	2,131.69	1,848.99	1,431.46	5,225.10	2,581.53	24,052.83

FIGURES IN MILLION EUROS

Financial Year 2007

CONCEPT	CASH OUTFLOWS ESTIMATED IN YEAR							CLOSING BALANCE
	2009	2010	2011	2012	2013	2014 TO 2018	BEYOND	
Provision for Life assurance	2,093.46	1,634.23	1,328.12	1,101.74	1,014.77	3,893.31	5,156.28	16,221.91
Provision for claims	3,326.84	976.35	368.57	239.55	172.98	364.51	26.86	5,475.66
Other technical provisions	49.56	8.66	8.44	8.41	8.42	35.80	294.94	414.23
Due on direct insurance and reinsurance transactions	564.04	7.42	2.14	2.23	1.54	0.75	3.10	581.22
Due on reinsurance transactions	233.73	-	-	-	-	-	-	233.73
Total	6,267.63	2,626.66	1,707.27	1,351.93	1,197.71	4,294.37	5,481.18	22,926.75

FIGURES IN MILLION EUROS

2. Liquidity risk arising from subordinated and financial liabilities

The detail in the last two years of subordinated and financial liabilities, grouped by maturity, is as follows:

Financial Year 2008

CONCEPT	MATURITY IN:						CLOSING BALANCE
	2009	2010	2011	2012	2013	BEYOND	
Subordinated liabilities	38.53	36.44	34.45	32.57	30.79	550.74	723.52
Issuance of debentures and other negotiable securities	16.16	15.47	245.07	5.15	4.93	176.43	463.21
Due to credit institutions	1,514.34	48.67	32.95	9.51	3.97	248.31	1,857.75
Other financial liabilities	594.88	124.09	-	-	-	-	718.97
Total	2,163.91	224.67	312.47	47.23	39.69	975.48	3,763.45

FIGURES IN MILLION EUROS

Financial Year 2007

CONCEPT	MATURITY IN:						CLOSING BALANCE
	2008	2009	2010	2011	2012	BEYOND	
Subordinated liabilities	39.19	37.06	35.04	33.13	31.32	562.01	737.75
Issuance of debentures and other negotiable securities	16.16	15.47	14.80	240.36	-	-	286.79
Due to credit institutions	215.07	209.85	29.11	4.71	4.25	31.55	494.54
Other financial liabilities	391.62	184.87	-	-	-	-	576.49
Total	662.04	447.25	78.95	278.20	35.57	593.56	2,095.57

FIGURES IN MILLION EUROS

D) MARKET RISK

MAPFRE's General Investment Management regularly carries out an analysis of sensitivity of the value of the investment portfolio to financial risk. Among others, the most usual indicators are the modified duration, for fixed-income securities, and the Value at Risk (VaR) for equity instruments.

1. Interest rate risk

The following tables detail the significant information for the last two years regarding the level of exposure to the interest rate risk of financial assets and liabilities:

PORTFOLIO	AMOUNT OF ASSETS EXPOSED TO INTEREST RATE RISK AT FAIR VALUE:					
	FAIR VALUE (FIXED INTEREST RATE)		NOT EXPOSED TO RISK		TOTAL	
	2008	2007	2008	2007	2008	2007
Held to maturity	469.65	811.75	271.49	298.39	741.14	1,110.14
Available for sale	21,479.45	19,468.51	3,115.83	3,088.87	24,595.28	22,557.38
Trading	872.24	1,158.40	66.87	56.45	939.11	1,214.85
Total	22,821.34	21,438.66	3,454.19	3,443.71	26,275.53	24,882.37

FIGURES IN MILLION EUROS

CONCEPT	AMOUNT OF LIABILITIES EXPOSED TO INTEREST RATE RISK AT FAIR VALUE:					
	FAIR VALUE (FIXED INTEREST RATE)		NOT EXPOSED TO RISK		TOTAL	
	2008	2007	2008	2007	2008	2007
Subordinated liabilities	713.44	727.67	10.08	10.08	723.52	737.75
Issuance of debentures and other negotiable securities	463.21	286.79	-	-	463.21	286.79
Due to credit institutions	1,405.70	64.46	452.05	430.08	1,857.75	494.54
Other financial liabilities	644.35	576.49	74.62	-	718.97	576.49
Total	3,226.70	1,655.41	536.75	440.16	3,763.45	2,095.57

FIGURES IN MILLION EUROS

The following tables show, for years 2008 and 2007, a breakdown of financial investments by maturities, average interest rate and modified duration:

31 December 2008

CONCEPT	CLOSING BALANCE	MATURITY IN:						BEYOND OR UNDATED	AVERAGE INTEREST RATE %	MODIFIED DURATION %
		1 YEAR	2 YEARS	3 YEARS	4 YEARS	5 YEARS				
PORTFOLIO HELD TO MATURITY										
Fixed-income securities	604.69	112.67	50.74	16.93	62.24	6.48	355.63	8.03	5.80	
Other investments	136.45	133.58	-	-	0.77	0.03	2.07	5.51	-	
Total portfolio held to maturity	741.14	246.25	50.74	16.93	63.01	6.51	357.70	-	-	
PORTFOLIO AVAILABLE FOR SALE										
Fixed-income securities	22,744.31	3,020.59	1,928.41	1,753.14	1,411.90	2,220.53	12,409.74	5.62	5.80	
Other investments	428.50	204.07	-	-	-	-	224.43	2.82	-	
Total portfolio available for sale	23,172.81	3,224.66	1,928.41	1,753.14	1,411.90	2,220.53	12,634.17	-	-	
TRADING PORTFOLIO										
Swaps	2.76	1.33	1.43	-	-	-	-	-	-	
Other derivatives	20.54	2.97	2.29	0.91	3.60	1.68	9.09	-	-	
Fixed-income securities	856.62	584.45	77.23	47.17	27.35	15.36	105.06	7.51	5.80	
Others	14.15	10.06	4.09	-	-	-	-	-	-	
Total trading portfolio	894.07	598.81	85.04	48.08	30.95	17.04	114.15	-	-	

FIGURES IN MILLION EUROS

31 December 2007

CONCEPT	CLOSING BALANCE	MATURITY IN:						BEYOND OR UNDATED	AVERAGE INTEREST RATE %	MODIFIED DURATION %
		1 YEAR	2 YEARS	3 YEARS	4 YEARS	5 YEARS				
PORTFOLIO HELD TO MATURITY										
Fixed-income securities	715.85	198.41	18.90	53.33	16.93	75.14	353.14	6.74	5.23	
Other investments	394.29	387.02	7.00	0.27	-	-	-	7.82	-	
Total portfolio held to maturity	1,110.14	585.43	25.90	53.60	16.93	75.14	353.14	-	-	
PORTFOLIO AVAILABLE FOR SALE										
Fixed-income securities	19,933.26	2,162.98	1,889.74	1,657.74	1,627.23	1,290.50	11,305.07	4.82	5.74	
Other investments	229.79	229.79	-	-	-	-	-	12.43	-	
Total portfolio available for sale	20,163.05	2,392.77	1,889.74	1,657.74	1,627.23	1,290.50	11,305.07	-	-	
TRADING PORTFOLIO										
Swaps	5.54	5.54	-	-	-	-	-	-	-	
Fixed-income securities	1,115.09	783.61	79.81	59.67	39.85	16.76	135.39	7.94	1.02	
Others	41.43	40.08	1.35	-	-	-	-	5.41	-	
Total trading portfolio	1,162.06	829.23	81.16	59.67	39.85	16.76	135.39	-	-	

FIGURES IN MILLION EUROS

The modified duration shows the sensitivity of the value of the assets to changes in interest rates and represents an approach to the percentage variation in the value of financial assets per each percentage point (100 bp) of variation in interest rates*

Balances included in the heading "Credits and receivables" of the balance sheet assets and under "Due on direct insurance and coinsurance operations", "Due on reinsurance operations", "Tax payable" and "Other debts" of the balance sheet liabilities do not accrue interest and, generally, they are settled within the following financial year. Liabilities with maturities exceeding one year are detailed in the section "Liquidity risk arising from subordinated and financial liabilities".

2. Exchange rate risk

Exchange rate risk arising from insurance contracts

The following table provides a breakdown of financial investments arising from insurance contracts paying attention to the currencies in which they are denominated at the closing of the last two financial years.

CURRENCY	BOOK VALUE							
	PORTFOLIO HELD TO MATURITY		PORTFOLIO AVAILABLE FOR SALE		TRADING PORTFOLIO		TOTAL	
	2008	2007	2008	2007	2008	2007	2008	2007
Euro	118.22	189.30	21,425.01	21,290.76	39.09	193.80	21,582.32	21,673.86
US Dollar	89.47	306.80	2,433.23	718.25	32.30	63.35	2,555.00	1,088.40
Mexican Peso	70.33	49.06	59.09	12.93	77.38	168.09	206.80	230.08
Brazilian Real	294.62	324.17	31.05	30.71	611.65	652.69	937.32	1,007.57
Turkish Lira	7.95	114.37	111.82	79.47	—	—	119.77	193.84
Chilean Peso	1.28	9.68	103.59	113.06	10.77	11.93	115.64	134.67
Venezuelan Bolivar	0.94	0.38	202.19	118.68	—	0.05	203.13	119.11
Argentinean Peso	—	—	—	0.21	136.07	86.84	136.07	87.05
Colombian Peso	127.89	73.27	12.55	12.28	16.41	19.27	156.85	104.82
Pound Sterling	—	18.15	29.17	25.18	4.34	1.94	33.51	45.27
Other currencies	30.44	24.96	187.58	155.85	11.10	16.89	229.12	197.70
Total	741.14	1,110.14	24,595.28	22,557.38	939.11	1,214.85	26,275.53	24,882.37

FIGURES IN MILLION EUROS

The following table provides a breakdown of financial liabilities arising from insurance contracts, paying attention to the currencies in which they are denominated, at the closing of the last two financial years.

CURRENCY	TECHNICAL PROVISIONS					
	DIRECT AND ACCEPTED INSURANCE (1)		CEDED AND RETROCEDED INSURANCE (2)		NET TOTAL (1)-(2)	
	2008	2007	2008	2007	2008	2007
Euro	23,626.90	22,887.61	1,909.57	1,464.40	21,717.33	21,423.21
US Dollar	1,849.01	746.82	190.58	188.96	1,658.43	575.86
Mexican Peso	221.63	212.75	42.84	15.55	178.79	197.20
Brazilian Real	1,065.40	978.79	130.40	97.18	935.00	881.61
Turkish Lira	282.11	225.56	48.11	41.57	234.00	183.99
Chilean Peso	214.64	335.66	101.41	161.98	113.23	173.68
Venezuelan Bolivar	274.31	183.83	5.91	10.92	268.40	172.91
Argentinean Peso	243.96	227.48	70.94	87.92	173.02	139.56
Colombian Peso	226.49	182.78	42.22	48.83	184.27	133.95
Pound Sterling	29.92	126.20	3.16	5.63	26.76	120.57
Canadian Dollar	6.80	7.64	0.10	0.45	6.70	7.19
Philippine Peso	18.45	21.06	4.47	7.41	13.98	13.65
Other currencies	325.18	265.25	16.09	15.28	309.09	249.97
Total	28,384.80	26,419.43	2,146.08	2,146.08	25,819.00	24,273.35

FIGURES IN MILLION EUROS

Exchange rate risk from other financial instruments

A detail is provided below of the currencies in which subordinated and financial liabilities are instrumented in the last two years:

CURRENCY	FINANCIAL YEAR	
	2008	2007
Euro	3,470.32	2,043.12
US Dollar	254.97	39.24
Other currencies	38.16	13.21
Total	3,763.45	2,095.57

FIGURES IN MILLION EUROS

3. Market risk

The following table shows the book value of equity securities and trust funds exposed to market risk and the Value at Risk (VaR) (maximum variation expected over a one year time horizon and for a 99% confidence level):

PORTFOLIO	BOOK VALUE		VAR	
	2008	2007	2008	2007
Available for sale	1,422.47	2,394.33	568.3	293.7
Trading	45.04	52.79	-	-
Total	1,467.51	2,447.12	568.3	293.7

FIGURES IN MILLION EUROS

4. Property risk

MAPFRE has property assets representing approximately 6.25% of total investments and cash, of which approximately 55.05% corresponds to own offices. The said assets meet the double function of being an administration and sales support, as well as generating financial revenues and diversifying investments. The breakdown of the said property is shown below:

CONCEPT	NET BOOK VALUE		MARKET VALUE	
	2008	2007	2008	2007
Investment property	930.74	791.34	1,719.10	1,545.15
Property for own use	918.50	969.03	1,566.97	1,619.00
Total	1,849.24	1,760.37	3,286.07	3,164.15

FIGURES IN MILLION EUROS

Unrealised property gains would offset a fall in the price of properties equivalent to approximately 37.73% of their market value.

8. OTHER INFORMATION

8.1. DETAILS RELATING TO THE BOARD OF DIRECTORS

During the year, the controlling Company's directors did not carry out any transaction with the controlling Company itself or with any other Group company outside the scope of the companies' ordinary trading activities, nor under non market conditions.

In addition, the controlling Company's directors do not hold stakes in the capital of companies having the same, similar or complementary nature of activity to that of the controlling Company, nor carry out, either on their own account or on behalf of third parties, the same, similar or complementary activity to that of the Group companies' corporate object, with the following exceptions:

DIRECTOR	COMPANY	NUMBER OF SHARES/STOCKS	OFFICE/ POSITION
Mr. Alberto Manzano Martos	ACS	780	-
	ALLIANZ SE	50	-
	BBVA	4,459	-
	BNP PARIBAS	550	-
	Banco Español de Crédito	3,399	-
	Banco Popular Español	4,350	-
	Banco Santander	5,952	-
D. Antonio Miguel-Romero Olano	Banco Santander	167	-
	BBVA	870	-
D. Francisco Vallejo Vallejo	Banco Urquijo, SBP, S.A.	-	Chairman
	Compañía Española de Seguros de Crédito a la Exportación (CESCE)	-	Director

The following table details the shares in MAPFRE S.A. held by the controlling Company's directors, as well as the boards of directors of MAPFRE GROUP entities of which they are members.

DIRECTOR	MAPFRE GROUP	
	ENTITIES WHERE THEY FORM PART OF THE BOARD OF DIRECTORS	NUMBER OF SHARES IN MAPFRE, S.A.
Mr. Francisco Ruiz Risueño	MAPFRE VIDA; MAPFRE RE; MAPFRE FAMILIAR; CCM VIDA Y PENSIONES	73
Mr. Santiago Gayarre Bermejo	MAPFRE VIDA	23
Mr. Luis Hernando de Larramendi Martínez	MAPFRE VIDA; MAPFRE INTERNACIONAL	12,354
Mr. Antonio Huertas Mejías	MAPFRE FAMILIAR; CLUB MAPFRE; MAPFRE INTERNACIONAL; MAPFRE VIDA; PUERTA DE ALCORCÓN 12	69,459
Mr. Manuel Jesús Lagares Calvo	MAPFRE VIDA; MAPFRE INVERSIÓN SOCIEDAD DE VALORES	16,409
Mr. Alberto Manzano Martos	MAPFRE VIDA; MAPFRE INMUEBLES; MAPFRE INVERSIÓN SOCIEDAD DE VALORES	34,358
Mr. José Manuel Martínez Martínez	-	153,846
Mr. Antonio Miguel-Romero de Olano	MAPFRE INMUEBLES; MAPFRE VIDA; MAPFRE ASISTENCIA; MAPFRE QUAVITAE	21,519
Mr. Filomeno Mira Candel	MAPFRE VIDA; MAPFRE EMPRESAS; MAPFRE CAUCIÓN Y CRÉDITO	102,587
Mr. Alfonso Rebuelta Badías	MAPFRE AMÉRICA; BANCO SERVICIOS FINANCIEROS CAJA MADRID-MAPFRE; MAPFRE EMPRESAS; MAPFRE INTERNACIONAL	44,346
Mr. Sebastián Homet Duprá	MAPFRE AMÉRICA; MAPFRE INVERSIÓN SOCIEDAD DE VALORES	-
Mr. José Manuel González Porro	MAPFRE INMUEBLES; CONSTITUCIÓN Y LEYES	413,000
Mr. Rafael Márquez Osorio	MAPFRE AMÉRICA	-
Mr. Andrés Jiménez Herradón	MAPFRE RE; MAPFRE AMÉRICA; MAPFRE INTERNACIONAL; MAPFRE FAMILIAR	22,433
Mr. Matías Salvá Benassar	MAPFRE FAMILIAR; MAPFRE RE; MAPFRE EMPRESAS	384,615
Mrs. M ^a . Francisca Martín Tabernero	MAPFRE VIDA; DUERO PENSIONES; DUERO VIDA	23
Mr. Rafael Fontoira Suris	MAPFRE INMUEBLES; MAPFRE VIDA	23
Mr. Rafael Beca Borrego	MAPFRE FAMILIAR; MAPFRE AMÉRICA	410,440
Mr. Francisco Vallejo Vallejo	MAPFRE FAMILIAR	56,433
Mr. Luis Iturbe Sanz de Madrid	-	30,770
Mr. Miguel Blesa de la Parra	-	12,307
Mr. Esteban Tejera Montalvo	MAPFRE AMERICA; MAPFRE FAMILIAR; MAPFRE VIDA; MAPFRE EMPRESAS; MAPFRE ASISTENCIA; INVERSIONES PERUANAS; MAPFRE CAUCIÓN Y CRÉDITO; MAPFRE INTERNACIONAL; MAPFRE INVERSIÓN SOCIEDAD DE VALORES.	23
Mr. Ignacio Baeza Gomez	MAPFRE VIDA; MAPFRE VIDA PENSIONES, E.G.F.P.; MUSINI VIDA; MAPFRE FAMILIAR; MAPFRE INTERNACIONAL; BANKINTER VIDA; CCM VIDA Y PENSIONES; MAPFRE INVERSION DOS S.G.I.I.C.; MAPFRE-CAJA MADRID VIDA; DUERO PENSIONES; DUERO VIDA.	25,641

8.2. EXTERNAL AUDITORS' FEES

The annual accounts of the MAPFRE GROUP and the main companies forming part of it, for financial year 2007, have been audited by the firm Ernst & Young, except for those based in Mexico, which are audited by Deloitte; in El Salvador, which are audited by BDO; and in the Dominican Republic, which are audited by PriceWaterhouseCoopers. The fees accrued in favour of External Auditors in the said financial year for their account auditing services amount to € 5,836,179, of which € 5,484,634 correspond to the main auditors. Furthermore, there is an additional amount of € 667,604 in favour of the main auditor in the concept of audit related services and € 601,827 accrued for other complementary services provided by them, which figures are not considered to jeopardise the independence of auditors.

8.3. ENVIRONMENTAL ISSUES

The Group companies do not have any environmental related item that might be significant or specifically included in the present consolidated financial statements.

9. Additional note for english translation

These financial statements are presented by applying the International reporting standards adopted by the European Union (IFRS-EU). Consequently, certain accounting principles applied by the Company may not conform to generally accepted accounting principles in other countries.

In addition, this document is a free translation of the consolidated annual accounts originally issued in Spanish. In the event of discrepancy, the Spanish-language version prevails.

Subsidiaries, Associated Undertakings and Joint Ventures (Appendix 1)

NAME	REGISTERED OFFICE	EFFECTIVE TAX RATE	ACTIVITY	SHAREHOLDING
				HOLDER
FAMILIAR				
MAPFRE FAMILIAR COMPAÑÍA DE SEGUROS Y REASEGUROS S.A. (in 2007 MAPFRE SEGUROS GENERALES COMPAÑÍA DE SEGUROS Y REASEGUROS S.A.)	Ctra. Pozuelo, 52. Majadahonda (Spain))	33.59% (2)	Insurance and reinsurance	— MAPFRE-CAJA MADRID HOLDING — MAPFRE, S.A.
MAPFRE AUTOMÓVILES S.A. DE SEGUROS Y REASEGUROS (absorbed in 2008 by MAPFRE FAMILIAR)	Ctra. Pozuelo, 52. Majadahonda (Spain)	—	Insurance and reinsurance	— MAPFRE, S.A. — MAPFRE AGROPECUARIA
MAPFRE RENTING DE VEHICULOS, S.A.	Ctra. Pozuelo, 52. Majadahonda (Spain)	—	Financial	— MAPFRE FAMILIAR — MAPFRE S.A. — MAPFRE AUTOMOVILES
CLUB MAPFRE, S.A.	Ctra. Pozuelo, 52. Majadahonda (Spain)	—	Services	— MAPFRE FAMILIAR — MAPFRE RENTING — MAPFRE AUTOMOVILES
CENTRO DE EXPERIMENTACIÓN Y SEGURIDAD VIAL MAPFRE, S.A.	Ctra. Valladolid, km 1. Ávila (Spain)	30.00%	Research, training and advisory services	— MAPFRE FAMILIAR — MAPFRE S.A. — MAPFRE AUTOMOVILES
MAPFRE MULTICENTRO DEL AUTOMÓVIL, S.A.	Ctra. De Pamplona a Zaragoza, Polígono Ind. Cordovilla. Navarra (Spain)	—	Services	— MAPFRE FAMILIAR — MAPFRE AUTOMOVILES
MULTISERVICAR CENTRO, S.A.	Ctra. Antigua de Ajalvir s/n. Alcalá de Henares (Spain)	—	Research, training and advisory services	— MAPFRE FAMILIAR — CESVIMAP — MAPFRE AUTOMOVILES
MULTISERVICAR ASTURIAS, S.A.	C/ Gil de Jaz, 10. Oviedo (Spain)	—	Research, training and advisory services	— MAPFRE FAMILIAR — CESVIMAP — MAPFRE AUTOMOVILES
MULTISERVICAR AVILA, S.A.	Ctra. de Valladolid km 1. Ávila (Spain)	—	Research, training and advisory services	— MAPFRE FAMILIAR — CESVIMAP — MAPFRE AUTOMOVILES
MULTISERVICAR M., S.A.	C/ Arcipreste de Hita, 4. Majadahonda (Spain)	—	Research, training and advisory services	— MAPFRE FAMILIAR — CESVIMAP — MAPFRE AUTOMOVILES
CESVI FRANCE, S.A.S.	Zone d' Activite Industriel Chalembert, Rue Evariste Gallois, 86130, Jaunay-Clan Poitiers (France)	—	Optimisation of tariffs for vehicle insurance	— CESVIMAP
CESVI ARGENTINA, S.A.	Calle 9 y 17. Parque Ind.Pilar- Buenos Aires (Argentina)	—	Research, training and advisory services	— MAPFRE ARGENTINA SEGUROS — MAPFRE FAMILIAR — MAPFRE AUTOMOVILES
CESVI BRASIL S.A. CENTRO DE EXPERIMENTAÇÃO E SEGURANÇA VIARIA	Rua Amador Aguiar, 700-City Empresarial. São Paulo (Brazil)	—	Research, training and advisory services	— MAPFRE FAMILIAR — MAPFRE AUTOMOVILES
CESVI COLOMBIA, S.A.	Carrera 87, Num.15-87 Santa Fé de Bogotá (Colombia)	45.91%	Research, training and advisory services	— MAPFRE SEGUROS GENERALES DE COLOMBIA — MAPFRE FAMILIAR — MAPFRE AUTOMOVILES
CESVI MÉXICO, S.A.	Calle 1 Sur nº 101 Parque Ind.Toluca 2000. Toluca (Mexico)	28.00%	Research centre	— MAPFRE TEPEYAC
LAYNA INVERSIONES S.L.	Avda. Cantabria. Boadilla del Monte (Spain)	—	Holding	— MAPFRE AUTOMOVILES
NUEVO MULTICENTRO DEL AUTOMOVIL, S.A.	Ctra. Pozuelo, 52. Majadahonda (Spain)	—	Services	— MAPFRE AUTOMOVILES
IBERICAR, SOCIEDAD IBÉRICA DEL AUTOMÓVIL, S.A.	Ctra. Pozuelo, 52. Majadahonda (Spain)	—	Services	— MAPFRE FAMILIAR — MAPFRE AUTOMOVILES

FIGURES IN € THOUSANDS

SHAREHOLDING		FINANCIAL YEAR END FIGURES									
% IN SHARE CAPITAL		ASSETS		EQUITY		REVENUES		RESULTS IN FINANCIAL YEAR		CONSOLIDATION METHOD	
2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
-	100.0000	1,867,452	2,049,972	431,017	367,834	1,286,251	1,235,626	164,556	159,816	(A)	(A)
100.0000	-										
-	99.5129	-	4,055,982	-	899,908	-	2,437,732	-	303,618	(H)	(A)
-	0.0001										
99.9833	-	125,826	131,050	6,058	6,587	37,949	40,277	(980)	1,195	(A)	(A)
0.0167	0.0167										
-	99.9833										
99.9984	-	9,473	6,873	3,917	3,312	16,052	13,524	605	576	(A)	(A)
0.0016	0.0016										
-	99.9984										
99.9999	-	18,298	15,417	16,577	16,929	13,492	13,995	1,156	1,512	(A)	(A)
0.0001	0.0001										
-	99.9999										
100.0000	-	15,029	16,774	13,184	14,185	7,606	16,302	(1,001)	(719)	(A)	(A)
-	100.0000										
99.9999	-	577	1,073	226	450	3,820	4,179	(224)	98	(A)	(A)
0.0001	0.0001										
-	99.9999										
99.9999	-	57	58	56	58	--	--	(1)	(1)	(A)	(A)
0.0001	0.0001										
-	99.9999										
99.9999	-	299	268	182	193	1,021	900	(9)	12	(A)	(A)
0.0001	0.0001										
-	99.9999										
99.8860	-	292	53	287	(7)	3	2	(3)	--	(A)	(A)
0.1140	0.0001										
-	99.9999										
10.0000	10.0000	-	-	-	-	-	-	-	-	(D)	(D)
4.3700	4.3700	4,118	3,540	3,031	2,812	4,427	3,346	684	408	(C)	(C)
49.7000	-										
-	49.7000										
100.0000	-	3,944	4,937	3,340	4,486	2,721	3,213	(311)	(31)	(A)	(A)
-	100.0000										
3.6400	3.6400	5,684	5,053	5,427	4,873	1,819	1,739	119	144	(A)	(A)
63.9500	-										
-	63.9500										
13.9500	13.9500	3,574	4,642	2,674	4,305	3,868	3,880	351	289	(D)	(D)
-	49.0000	-	106,478	-	33,615	-	156,954	-	(7,595)	(H)	(C) (F)
-	100.0000	--	74	--	74	--	23	--	10	(H)	(A) (F)
49.0000	-	265,281	140,953	87,686	140,682	303,364	1,118	(9,719)	560	(C)	(C) (F)
-	49.0000										

NAME	REGISTERED OFFICE	EFFECTIVE TAX RATE	ACTIVITY	SHAREHOLDING
				HOLDER
AUTOMOCIÓN PENINSULAR INMUEBLES, S.A.	Ctra. Pozuelo, 52. Majadahonda (Madrid)	-	Real estate	- MAPFRE FAMILIAR - MAPFRE AUTOMOVILES
IBERIRENT, IBÉRICA DE ALQUILER, S.A.	Ctra. Pozuelo, 52. Majadahonda (Madrid)	-	Services	- MAPFRE FAMILIAR - CLUB MAPFRE - MAPFRE AUTOMOVILES
SERVICIOS AUXILIARES, S.A.U.	C/ del Gremis 8, Polig. Vara de Quart (Valencia)	-	Asset holdings and fuel distribution	- MAPFRE FAMILIAR - MAPFRE AUTOMOVILES
RADIO TAXI, S.A.U.	C/ del Gremis 8, Polig. Vara de Quart (Valencia)	29.10%	Services	- SERVICIOS AUXILIARES, S.A.U.
MULTISERVICAR VALENCIA (in 2007 TALLERES PETROMUTUA, S.A.U.)	C/ del Gremis 8, Polig. Vara de Quart (Valencia)	-	Vehicle repair and maintenance.	- MAPFRE FAMILIAR - MAPFRE AUTOMOVILES
MVA ASISTENCIA, S.A.U.	C/ del Gremis 8, Polig. Vara de Quart (Valencia)	30.00%	Travel assistance	- SERVICIOS AUXILIARES, S.A.U.
ARAGON GRAF, S.A.U.	C/ Bronce 18, Torrejón de Ardoz. (Madrid)	-	Graphic arts	- SERVICIOS AUXILIARES, S.A.U.
MVA VIAJES, S.A.U.	C/ del Gremis 8, Polig. Vara de Quart (Valencia)	-	Travel agency	- SERVICIOS AUXILIARES, S.A.U.
LAURIA 5, CORREDURIA DE SEGUROS, S.L.	C/ del Gremis 8, Polig. Vara de Quart (Valencia)	28.60%	Travel agency	- SERVICIOS AUXILIARES, S.A.U.
DISEÑO URBANO, S.L.	Avda. Juan XXIII 64 (Valencia)	-	Real estate development agency	- MAPFRE FAMILIAR - MAPFRE AUTOMOVILES
ESPACIOS AVANZADOS DEL MEDITERRANEO, S.L.	C/ del Gremis 8, Polig. Vara de Quart, (Valencia)	-	Construction and real estate development	- MAPFRE FAMILIAR - MAPFRE AUTOMOVILES
HABITUSER, S.L.	C/ Fuente San Luís Mayor 15-21 (Valencia)	-	Promoción Real estate	- MAPFRE FAMILIAR - MAPFRE AUTOMOVILES
SERVICIOS COMERCIALES Y ENERGÉTICOS DE BENIDORM, S.L.	Avda. Juan XXIII 64 (Valencia)	-	Services	- MAPFRE FAMILIAR
MAPFRE GUANARTEME COMPAÑÍA DE SEGUROS Y REASEGUROS DE CANARIAS, S.A. (absorbed in 2008 by MAPFRE FAMILIAR)	C/ Poeta Agustín Millares,3. Las Palmas de G.C. (Spain)	- (2)	Insurance and reinsurance	- MAPFRE SEGUROS GENERALES - SEGESYMED
MAPFRE CONSULTORES DE SEGUROS Y REASEGUROS, S.A.	Paseo de Recoletos, 25. Madrid (Spain)	30.00%	Advisory and management services	- MAPFRE SEGUROS GENERALES - MAPFRE S.A. - MAPFRE FAMILIAR
SEGESYMED S.L., SOCIEDAD UNIPERSONAL	Ctra. Pozuelo, 50. Majadahonda. Madrid (Spain)	- (2)	Medical and surgical assistance	- MAPFRE SEGUROS GENERALES - MAPFRE FAMILIAR
PROYECTOS Y SERVICIOS MAPFRE, S.A.	C/ Poeta Agustín Miralles Sall, 3, Las Palmas de G. C. (Spain)	30.00% (2)	Insurance agency	- MAPFRE GUANARTEME - MAPFRE S.A. - MAPFRE FAMILIAR
ELIPSE CANARIAS, S.A.	C/ Poeta Agustín Miralles Sall, 3, Las Palmas de G. C. (Spain)	- (2)	Services	- MAPFRE GUANARTEME - PROYECTOS Y SERVICIOS MAPFRE - MAPFRE FAMILIAR
MESEVAL, AGENCIA DE SEGUROS, S.L. SOCIEDAD UNIPERSONAL	C/Játiva, 23 Valencia (Spain)	65.19% (2)	Insurance agency	- MAPFRE SEGUROS GENERALES - MAPFRE FAMILIAR
MULTISERVICIOS MAPFRE MULTIMAP, S.A.	Ctra. Pozuelo, 50. Majadahonda. Madrid (Spain)	30.00% (2)	Real estate services	- MAPFRE SEGUROS GENERALES - SEGESYMED - MAPFRE FAMILIAR
GESTORA DE ACTIVOS FUNERARIOS GESMAP, S.A.	Paseo de Recoletos, 23 Madrid (Spain)	26.74% (2)	Undertaker services	- MAPFRE SEGUROS GENERALES - SEGESYMED - MAPFRE FAMILIAR

FIGURES IN € THOUSANDS

SHAREHOLDING		FINANCIAL YEAR END FIGURES									
% IN SHARE CAPITAL		ASSETS		EQUITY		REVENUES		RESULTS IN FINANCIAL YEAR		CONSOLIDATION METHOD	
2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
50.0000	-	59	59	59	59	-	-	-	-	(A)	(A) (F)
-	50.0000										
99.0000	-	62	60	60	60	(2)	-	(2)	-	(A)	(A) (F)
1.0000	1.0000										
-	99.0000										
100.0000	-	1,929	2,379	441	781	4,629	4,487	(340)	(573)	(A)	(A) (F)
-	100.0000										
100.0000	100.0000	1,343	1,112	709	290	4,178	3,861	270	86	(A)	(A) (F)
100.0000	-	1,093	831	296	26	1,986	2,485	(470)	(32)	(A)	(A) (F)
-	100.0000	-	-	-	-	-	-	-	-		
100.0000	100.0000	724	1,706	725	709	974	--	16	16	(A)	(A) (F)
100.0000	100.0000	252	-	248	(301)	1,660	1,425	525	(541)	(A)	(A) (F)
100.0000	100.0000	101	139	101	709	25	157	(32)	(5)	(A)	(A) (F)
100.0000	100.0000	127	104	121	96	45	90	25	24	(A)	(A) (F)
50.0000	-	1,670	1,669	(172)	(67)	1	-	(60)	(22)	(A)	(A) (F)
-	50.0000										
22.4700	-	3	3	1	1	--	6	--	1	(C)	(C) (F)
-	22.4700										
7.3400	-	8	8	--	--	--	--	--	--	(C)	(C) (F)
-	40.0000										
50.0000	50.0000	219	312	217	200	2	1	2	1	(A)	(A) (F)
-	99.9980	-	302,028	-	82,144	-	122,967	-	12,541	(H)	(A)
-	0.0020										
-	50.0000	2,179	1,853	1,872	1,652	571	633	227	155	(A)	(A)
50.0000	50.0000										
50.0000	-	2,588	2,541	2,457	2,376	325	305	(694)	(671)	(A)	(A)
100.0000	100.0000										
-	99.8520	490	466	482	466	(5)	119	16	(138)	(A)	(A)
-	0.1480										
100.0000	99.9900	112	113	107	122	8	26	(8)	(24)	(A)	(A)
0.0100	0.0100										
99.9900	-	129	127	129	124	19	120	5	65	(A)	(A)
-	100.0000										
100.0000	-	4,131	4,799	3,433	2,079	28,451	22,795	1,354	951	(A)	(A)
-	97.5000										
2.5000	2.5000										
97.5000	-	10,546	6,653	8,412	6,302	1,871	1,502	238	64	(A)	(A)
-	100.0000										
0.0479	-										
99.9521	-										

				SHAREHOLDING
NAME	REGISTERED OFFICE	EFFECTIVE TAX RATE	ACTIVITY	HOLDER
SALZILLO SERVICIOS FUNERARIOS, S.L.	C/ Historiador Torres Fontes s/n. Murcia (Spain)	30.00%	Undertaker services	— GESMAP
DE MENA SERVICIOS FUNERARIOS, S.L.	Crta. Pozuelo, 50. Majadahonda (Spain)	31.00%	Undertaker services	— GESMAP
SERVICIOS FUNERARIOS SANTA MARIA LA REAL, S.L.	Calle Miguel Astrain, 11. Pamplona (Spain)	—	Undertaker services	— GESMAP
SERVICIOS FUNERARIOS LA CARIDAD, S.L.	C/Banda Playa, 74, San Lúcar de Barrameda. Cádiz (Spain)	30.00%	Undertaker services	— GESMAP
ISABELO ALVAREZ MAYORGA, S.A.	Ctra. Ávila-Valladolid km 0,8. Ávila (Spain)	30.00%	Undertaker services	— GESMAP
FUNERARIA HISPALENSE, S.L.	Avda. Ramón y Cajal, 1 Dos Hermanas. Sevilla (Spain)	30.00%	Undertaker services	— GESMAP
TANATORIO DE ECIJA, S.L.	C/ Arfe, 13. Córdoba (Spain)	—	Undertaker services	— GESMAP
TANATORIO Y CEMENTERIO DE SANLÚCAR, S.L.	C/ Cuesta de Belén Palacio. Sanlúcar de Barrameda (Spain)	—	Undertaker services	— LA CARIDAD
SERVICIOS FUNERARIOS FUNENESIS, S.L.	Plaza Profesor Tamarit Olmos, 16. Valencia (Spain)	30.00%	Undertaker services	— GESMAP
TINERFEÑA DE SERVICIOS DE TECNOLOGÍA E INNOVACIÓN PARA EL AUTOMÓVIL, S.A.	Subida de Mayorazgo. Santa Cruz de Tenerife (Spain)	— (2)	Motor technology services and innovation	— MAPFRE GUANARTEME — MAPFRE FAMILIAR
SEPENVAL, S.L. SOCIEDAD UNIPERSONAL	C/Játiva, 23. Valencia (Spain)	35.81% (2)	Insurance agency	— MAPFRE SEGUROS GENERALES — MAPFRE FAMILIAR
FINISTERRE AGENCIA CANARIA DE SEGUROS, S.A. SOCIEDAD UNIPERSONAL	C/ Bravo Murillo, 28. Las Palmas de G. C. (Spain)	— (2)	Insurance agency	— MAPFRE GUANARTEME — MAPFRE FAMILIAR
SEFIN AGENCIA DE SEGUROS, S.A.	C/Játiva, 23. Valencia (Spain)	28.00% (2)	Insurance agency	— MAPFRE SEGUROS GENERALES — MAPFRE FAMILIAR
COSEBAL, AGENCIA DE SEGUROS S.L. SOCIEDAD UNIPERSONAL	C/Játiva, 23. Valencia (Spain)	45.44% (2)	Insurance agency	— MAPFRE SEGUROS GENERALES — MAPFRE FAMILIAR
LISS ASSURANCE AGENCIA DE SEGUROS S.L. SOCIEDAD UNIPERSONAL	C/Játiva, 23. Valencia (Spain)	30.00% (2)	Insurance agency	— MAPFRE SEGUROS GENERALES — MAPFRE FAMILIAR
HEJEAN, AGENCIA DE SEGUROS S.L. SOCIEDAD UNIPERSONAL	C/Játiva, 23. (Valencia (Spain)	53.24% (2)	Insurance agency	— MAPFRE SEGUROS GENERALES — MAPFRE FAMILIAR
AGEPAL, AGENCIA DE SEGUROS S.L. SOCIEDAD UNIPERSONAL	C/Játiva, 23. Valencia (Spain)	31.07% (2)	Insurance agency	— MAPFRE SEGUROS GENERALES — MAPFRE FAMILIAR
SEPROVAL, AGENCIA DE SEGUROS S.L. SOCIEDAD UNIPERSONAL	C/Játiva, 23. Valencia (Spain)	30.00% (2)	Insurance agency	— MAPFRE SEGUROS GENERALES — MAPFRE FAMILIAR
MEDISEMAP, AGENCIA DE SEGUROS, S.L. (In 2007 MULTINAVARRA)	C/ Doctor Huarte, 1. Pamplona (Spain)	—	Insurance agency	— MAPFRE AGROPECUARIA — MAPFRE FAMILIAR
SEGURLIS, AGENCIA DE SEGUROS S.A. SOCIEDAD UNIPERSONAL	C/Játiva, 23. Valencia (Spain)	29.10% (2)	Insurance agency	— MAPFRE SEGUROS GENERALES — MAPFRE FAMILIAR
MAPFRE CAJA SALUD DE SEGUROS Y REASEGUROS, S.A. (absorbed in 2008 by MAPFRE FAMILIAR)	Paseo de Recoletos, 29. Madrid (Spain)	— (2)	Insurance and reinsurance	— MAPFRE-CAJA MADRID HOLDING — MAPFRE VIDA
IGUALSERVICIOS HUESCA, S.L.	C/Cabestany, 6 Huesca (Spain)	0.325 (2)	Medical services	— MAPFRE CAJA SALUD — MAPFRE FAMILIAR
HOSCLIMAP, S.A.	C/ Llodio s/n. Madrid (Spain)	— (2)	Medical services	— MAPFRE CAJA SALUD — MAPFRE S.A. — MAPFRE FAMILIAR

FIGURES IN € THOUSANDS

SHAREHOLDING		FINANCIAL YEAR END FIGURES									
% IN SHARE CAPITAL		ASSETS		EQUITY		REVENUES		RESULTS IN FINANCIAL YEAR		CONSOLIDATION METHOD	
2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
100.0000	64.0000	634	664	492	455	936	964	14	61	(A)	(A)
70.0000	70.0000	612	601	512	500	692	653	76	83	(A)	(A)
50.0000	-	-	-	-	-	-	-	-	-	(C) (G)	-
42.0000	42.0000	1,249	1,244	1,144	99	620	614	65	26	(C)	(C)
50.0000	50.0000	2,365	2,695	410	387	1,142	1,183	11	34	(C)	(C)
50.0000	50.0000	118	234	95	111	220	213	8	29	(C)	(C)
25.0000	25.0000	3,633	4,370	623	675	168	133	(47)	6	(C)	(C)
75.0000	75.0000	-	-	-	-	-	-	-	-	(A)	(A) (F)
50.0000	50.0000	2,352	2,729	930	533	2,708	3,362	440	529	(C)	(C) (F)
-	100.0000	6,430	6,622	4,631	4,296	1,848	2,381	(336)	(72)	(A)	(A)
100.0000	-	119	117	119	111	16	232	8	58	(A)	(A)
-	100.0000	85	84	85	84	2	2	2	1	(A)	(A)
100.0000	-	635	615	633	614	27	33	19	20	(A)	(A)
-	100.0000	1,172	1,054	1,145	1,054	195	88	91	73	(A)	(A)
100.0000	-	30	29	30	29	1	1	1	1	(A)	(A)
-	100.0000	140	168	140	166	7	125	(26)	106	(A)	(A)
100.0000	-	799	640	737	639	168	157	98	70	(A)	(A)
-	100.0000	676	592	656	588	97	37	68	27	(A)	(A)
100.0000	-	-	3	-	3	-	-	-	-	(A)	(A) (F)
-	100.0000	553	481	545	480	94	42	65	18	(A)	(A)
100.0000	-	-	337,567	-	129,619	-	432,747	-	18,688	(H)	(A)
-	74.9888	779	960	619	819	1,323	1,159	(198)	(230)	(A)	(A)
-	25.0000	15,682	22,431	14,252	19,952	10,376	9,971	(5,558)	(8,244)	(A)	(A)
100.0000	-	-	-	-	-	-	-	-	-	-	-
-	100.0000	-	-	-	-	-	-	-	-	-	-
0.0013	99.9987	-	-	-	-	-	-	-	-	-	-
99.9987	0.0013	-	-	-	-	-	-	-	-	-	-

NAME	REGISTERED OFFICE	EFFECTIVE TAX RATE	ACTIVITY	SHAREHOLDING
				HOLDER
CENTROS MÉDICOS ISLAS CANARIAS,S.A.	Rafael Cabrera, 22. Las Palmas de Gran Canaria (Spain)	- (2)	Medical services	- MAPFRE CAJA SALUD - MAPFRE FAMILIAR
SERVIMEDIC BALEAR, S.L. (liquidated in 2008)	C/ Carlos I, 4 Bajo. Palma de Mallorca (Spain)	- (2)	Medical services	- MAPFRE CAJA SALUD
CLÍNICA CASTELLÓ, S.A.	C/ Castello 56. Madrid (Spain)	53.00% (2)	Medical services	- MAPFRE CAJA SALUD - MAPFRE FAMILIAR
CENTRO MÉDICO MAPFRE, S.L.	Paseo de Recoletos, 29. Madrid (Spain)	- (2)	Medical services	- MAPFRE CAJA SALUD - MAPFRE FAMILIAR
MAPFRE VIDEO Y COMUNICACIÓN S.A.	Ctra. Pozuelo, 50. Majadahonda. Madrid (Spain)	30.00%	Asset management	- MAPFRE VIDA - MAPFRE SEGUROS GENERALES - MAPFRE EMPRESAS - MAPFRE AGROPECUARIA - MAPFRE FAMILIAR
LIFE				
MAPFRE VIDA SOCIEDAD ANÓNIMA DE SEGUROS Y REASEGUROS SOBRE LA VIDA HUMANA	Avda.General Perón,40. Madrid (Spain)	18.92% (2)	Insurance and reinsurance	- MAPFRE-CAJA MADRID HOLDING - MAPFRE S.A.
CONSULTORA ACTUARIAL Y DE PENSIONES MAPFRE VIDA S.A.	Avda. General Perón,40. Madrid (Spain)	29.89% (2)	Consultancy	- MAPFRE VIDA - MAPFRE S.A.
GESTION MODA SHOPPING S.A.	Avda. General Perón,40. Madrid (Spain)	29.73% (2)	Management of shopping centres	- MAPFRE VIDA - MAPFRE S.A.
MAPFRE INVERSIÓN SOCIEDAD DE VALORES S.A.	Avda. General Perón,40. Madrid (Spain)	23.24% (2)	Securities broker/ dealer	- MAPFRE VIDA - MAPFRE S.A.
MAPFRE INVERSIÓN DOS SOCIEDAD GESTORA DE INSTITUCIONES DE INVERSIÓN COLECTIVA S.A.	Avda. General Perón,40. Madrid (Spain)	30.13% (2)	UCITS management	- MAPFRE INVERSIÓN - MAPFRE S.A.
MAPFRE VIDA PENSIONES, ENTIDAD GESTORA DE FONDOS DE PENSIONES S.A.	Avda. General Perón,40. Madrid (Spain)	30.00% (2)	Pension fund management	- MAPFRE VIDA - MAPFRE S.A.
UNIÓN DEL DUERO COMPAÑÍA DE SEGUROS DE VIDA, S.A.	Pº de la Castellán, 167 Madrid (Spain)	30.00%	Insurance	- MAPFRE S.A.
DUERO PENSIONES ENTIDAD GESTORA DE FONDOS DE PENSIONES, S.A.	Pº de la Castellán, 167 Madrid (Spain)	30.00%	Pension fund management	- MAPFRE S.A.
MAPFRE CAJA MADRID VIDA, S.A. (In 2007 GESMUSINI SERVICIOS, S.A. SOCIEDAD UNIPERSONAL)	Avda. General Perón,40. Madrid (Spain)	30.00% (2)	Financial	- MAPFRE EMPRESAS - MAPFRE VIDA
MIRACETI S.A.	Avda. General Perón,40. Madrid (Spain)	30.00% (2)	Real estate	- MAPFRE VIDA - MAPFRE S.A.
MUSINI VIDA SOCIEDAD ANÓNIMA DE SEGUROS Y REASEGUROS SOCIEDAD UNIPERSONAL	C/Manuel Cortina, 2. Madrid (Spain)	30.00% (2)	Insurance	- MAPFRE VIDA
BANKINTER SEGUROS DE VIDA, S.A.	Avda. Bruselas, 12. Alcobendas (Spain)	29.49%	Insurance	- MAPFRE VIDA
CAJA CASTILLA LA MANCHA VIDA Y PENSIONES, S.A.	C/Carretería, 5. Cuenca (Spain)	30.00%	Insurance	- MAPFRE, S.A.
COMMERCIAL				
MAPFRE EMPRESAS SOCIEDAD ANÓNIMA DE SEGUROS Y REASEGUROS	Avda. General Perón,40. Madrid (Spain)	28.82% (2)	Insurance	- MAPFRE-CAJA MADRID HOLDING - MAPFRE AUTOMÓVILES - MAPFRE S.A. - MAPFRE FAMILIAR
ITSEMAP SERVICIOS TECNOLÓGICOS, S.A.	Paseo de Recoletos, 25. Madrid (Spain)	30.58%	Technology services	- MAPFRE EMPRESAS - MAPFRE RE - MAPFRE S.A.
ITSEMAP MÉXICO, S.A.	Porfirio Diaz, 102 Col. Nochebuena Mexico D.F. (Mexico)	-	Technology services	- ITSEMAP SERVICIOS TECNOLÓGICOS

FIGURES IN € THOUSANDS

SHAREHOLDING		FINANCIAL YEAR END FIGURES									
% IN SHARE CAPITAL		ASSETS		EQUITY		REVENUES		RESULTS IN FINANCIAL YEAR		CONSOLIDATION METHOD	
2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
-	100.0000	2,353	2,486	2,308	2,451	422	369	(144)	(128)	(A)	(A)
100.0000	-										
-	100.0000	-	-	-	-	-	-	-	-	(H)	(A)
-	100.0000	17,631	17,875	16,258	16,391	7,676	7,466	35	(456)	(A)	(A)
100.0000	-										
-	100.0000	698	664	639	454	655	17	(168)	(146)	(A)	(A) (F)
100.0000	-										
25.0000	25.0000	61,618	60,903	61,049	60,575	3,063	73	660	(2,666)	(A)	(A)
-	25.0000										
25.0000	25.0000										
-	25.0000										
50.0000	-										
-	99.8797	14,893,007	15,092,203	620,335	575,378	3,352,535	3,043,628	163,271	147,012	(A)	(A)
99.8863	-										
99.9339	99.9339	1,688	1,511	1,625	1,436	391	338	190	125	(A)	(A)
0.0661	0.0661										
99.8215	99.8215	780	642	613	535	1,459	1,458	78	112	(A)	(A)
0.1785	0.1785										
99.9991	99.9991	370,506	263,028	116,974	103,653	72,034	94,950	31,239	30,619	(A)	(A)
0.0009	0.0009										
99.9853	99.9853	42,140	36,196	32,014	28,163	51,980	51,980	2,650	3,867	(A)	(A)
0.0147	0.0147										
99.9971	99.9971	65,053	57,792	58,766	53,049	30,143	27,656	14,900	13,132	(A)	(A)
0.0029	0.0029										
50.0000	-	456,295	-	51,801	-	65,484	-	4,246	-	(A) (G)	-
50.0000	-	8,593	-	7,769	-	3,929	-	82	-	(A) (G)	-
-	100.0000	235,564	846	193,034	843	7,849	34	5,328	-	(A)	(A)
51.0000	-										
99.9991	99.9991	43,736	44,906	42,510	43,235	3,037	5,557	1,196	2,747	(A)	(A)
0.0009	0.0009										
100.0000	100.0000	831,529	884,978	52,393	49,537	95,286	107,079	3,002	4,320	(A)	(A)
50.0000	50.0000	448,120	486,181	39,560	45,472	186,007	85,825	12,739	5,466	(A)	(A) (F)
50.0000	50.0000	934,421	974,518	45,593	41,345	255,546	174,220	4,755	1,977	(A)	(A) (F)
-	99.9991	3,477,827	3,313,270	373,125	338,125	89,697	81,630	115,166	77,066	(A)	(A)
-	0.0009										
99.9993	-										
0.0007	-										
60.0000	60.0000	4,541	5,065	3,007	3,004	4,561	6,728	8	256	(A)	(A)
39.9752	39.9752										
0.0248	0.0248										
99.9998	99.9998	798	773	520	323	1,281	1,061	174	77	(A)	(A)

NAME	REGISTERED OFFICE	EFFECTIVE TAX RATE	ACTIVITY	SHAREHOLDING
				HOLDER
ITSEMAP PORTUGAL, LTDA.	Rua Castillo, 52 Lisboa (Portugal)		- Technology services	- ITSEMAP SERVICIOS TECNOLÓGICOS
ITSEMAP VENEZUELA	Avda. Libertador, Torre Maracaibo Caracas (Venezuela)		- Technology services	- ITSEMAP SERVICIOS TECNOLÓGICOS
ITSEMAP CHILE, S.A.	Apoquindo, 4499 Santiago (Chile)		- Technology services	- ITSEMAP SERVICIOS TECNOLÓGICOS - INVERSIONES IBÉRICAS
ITSEMAP BRASIL, LTDA.	Rua São Carlos do Pinhal, 696 - São Paulo (Brazil)		- Technology services	- ITSEMAP SERVICIOS TECNOLÓGICOS - MAPFRE RE ASSESORÍA
INTERBOLSA, S.A.	Avda. General Perón,40. Madrid (Spain)	17.87%	Financial	- MAPFRE EMPRESAS
SERVIFINANZAS, S.A. SOCIEDAD UNIPERSONAL	Avda. General Perón,40. Madrid (Spain)	32.50% (2)	Financial	- MAPFRE EMPRESAS
INDUSTRIAL RE MUSINI S.A.	6B Route de Trèves, Senningerberg (Luxembourg)		- Reinsurance	- MAPFRE EMPRESAS
MAPFRE CAUCIÓN Y CRÉDITO COMPAÑÍA INTERNACIONAL DE SEGUROS Y REASEGUROS S.A.	Avda. General Perón,40. Madrid (Spain)		- Insurance y reinsurance (2)	- MAPFRE EMPRESAS - MAPFRE SERVICIOS MARÍTIMOS.
MAPFRE AMÉRICA CAUCIÓN S.A.	Avda. General Perón,40. Madrid (Spain)		- Holding (2)	- MAPFRE CAUCIÓN Y CRÉDITO - MAPFRE EMPRESAS
MAPFRE FIANZAS S.A.	Avda. Magnocentro, 5 Col. C. San Fernando Huixquilucan (Mexico)	14.10%	Insurance	- MAPFRE AMÉRICA CAUCIÓN Y CRÉDITO - MAPFRE TEPEYAC
MAPFRE SERVICIOS DE CAUCIÓN S.A.	Avda. General Perón, 40. Madrid (Spain)	21.87% (2)	Services	- MAPFRE CAUCIÓN Y CRÉDITO - MAPFRE S.A.
MAPFRE GARANTÍAS Y CRÉDITO CIA DE SEGUROS, S.A.	Teatinos, 280 Santiago de Chile (Chile)	66.53%	Insurance	- MAPFRE AMÉRICA CAUCIÓN Y CRÉDITO - INVERSIONES IBÉRICAS
MAPFRE SEGURADORA DE GARANTÍA E CRÉDITO S.A.	Avda. Mª Coelho Aguiar 215 São Paulo (Brazil)	21.34%	Insurance	- MAPFRE AMÉRICA CAUCIÓN Y CRÉDITO
MAPFRE SEGURADORA DE CRÉDITO A LA EXPORTACIÓN S.A.	Avda. Mª Coelho Aguiar 215 Sao Paulo (Brazil)	29.84%	Insurance	- MAPFRE SEGURADORA DE GARANTÍA
COMPAÑÍA DE SEGUROS DE CRÉDITOS COMERCIALES S.A.	Carrera 64 nº149 A-30 Medellín (Colombia)	30.14%	Insurance	- MAPFRE AMÉRICA CAUCIÓN Y CRÉDITO - MAPFRE S.A. - MAPFRE COLOMBIA - MAPFRE COLOMBIA VIDA
MAPFRE SEGUROS DE CRÉDITO S.A.	Avd. Magnocentro, 5 México D.F. (Mexico)		- Insurance	- MAPFRE AMÉRICA CAUCIÓN Y CRÉDITO - SEGUROS TEPEYAC
MAPFRE SERVICIOS DE PREVENCIÓN S.L.	C/ Hernandez Lazaro 29. Madrid (Spain)	80.49% (2)	Medical services	- MAPFRE EMPRESAS
SERVICIOS DE PERITACIÓN MAPFRE S.A.	C/ Manuel Silvela, 15. Madrid (Spain)	39.12% (2)	Services	- MAPFRE EMPRESAS - MAPFRE CAUCIÓN
MAPFRE SERVICIOS MARÍTIMOS, COMISARIADO Y LIQUIDACIÓN DE AVERÍAS S.A.	Avda. Sabino Arana,4. Bilbao (Spain)	49.91%	Claims payments	- MAPFRE EMPRESAS - MAPFRE S.A.
MAPFRE AGROPECUARIA COMPAÑÍA (absorbed in 2008 by MAPFRE EMPRESAS)	Ctra. Pozuelo, 52. Majadahonda (Spain)	31.21%	Insurance and reinsurance	- CARTERA MAPFRE - MAPFRE S.A.
BANKING AND FINANCE				
BANCO DE SERVICIOS FINANCIEROS CAJA MADRID-MAPFRE, S.A.	Ctra. Pozuelo , 52. Majadahonda (Spain)		- Banking	- MAPFRE, S.A.
FANCY INVESTMENT S.A.	Avda. 18 de Julio, 841 Montevideo (Uruguay)		- Financial	- MAPFRE S.A.
CAJA MADRID BOLSA SOCIEDAD DE VALORES Y BOLSA	Calle Serrano, 39. Madrid (Spain)		- Securities broker/ dealer	- MAPFRE S.A.

FIGURES IN € THOUSANDS

SHAREHOLDING		FINANCIAL YEAR END FIGURES									
% IN SHARE CAPITAL		ASSETS		EQUITY		REVENUES		RESULTS IN FINANCIAL YEAR		CONSOLIDATION METHOD	
2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
99.9857	99.9857	1,023	981	445	397	1,084	910	50	40	(A)	(A)
100.0000	100.0000	-	-	-	-	-	-	-	-	(A)	(A)
75.0000	75.0000	28	33	34	35	2	1	1	(1)	(A)	(A)
25.0000	25.0000										
99.9792	99.9792	1,264	1,244	1,007	834	2,317	2,566	133	195	(A)	(A)
0.0208	0.0208										
100.0000	100.0000	77	81	77	80	7	12	5	7	(A)	(A)
100.0000	100.0000	381	407	374	385	165	189	115	127	(A)	(A)
100.0000	100.0000	57,475	57,620	23,638	26,299	2,523	2,030	(2,049)	-	(A)	(A)
99.9960	99.9960	312,641	231,113	22,833	39,595	8,772	10,902	(15,542)	3,804	(A)	(A)
0.0040	0.0040										
99.9924	99.9924	23,458	23,066	23,421	23,041	1,231	703	413	(127)	(A)	(A)
0.0036	0.0036										
99.9800	99.9800	4,645	3,602	3,113	3,003	283	225	67	(182)	(A)	(A)
0.0200	0.0200										
99.6800	99.6800	170	166	170	166	8	7	4	4	(A)	(A)
0.3200	0.3200										
99.9923	99.9923	20,051	15,272	5,926	7,116	418	566	81	931	(A)	(A)
0.0077	0.0077										
100.0000	100.0000	27,577	29,467	10,505	11,374	1,532	1,938	1,338	1,334	(A)	(A)
99.9900	99.9900	6,437	4,265	4,973	3,594	588	608	489	396	(A)	(A)
94.8937	94.8937	19,445	15,986	8,139	7,469	3,014	1,833	1,045	787	(A)	(A)
4.7872	4.7872										
0.1064	0.1064										
0.1064	0.1064										
99.9800	99.9800	8,435	4,908	2,501	3,174	258	251	(167)	128	(A)	(A)
0.0200	0.0200										
100.0000	100.0000	8,445	8,640	4,003	4,014	21,181	21,047	8	26	(A)	(A)
96.0000	96.0000	2,482	2,484	936	680	4,742	4,778	216	265	(A)	(A)
4.0000	4.0000										
99.9600	99.9600	1,685	1,737	1,685	1,666	76	100	23	13	(A)	(A)
0.0400	0.0400										
-	0.0172	-	345,207	-	118,749	-	253,548	-	15,397	(H)	(A)
-	99.9790										
48.9835	48.9620	6,951,038	6,230,265	435,124	487,548	584,566	509,471	4,429	6,390	(C)	(C)
100.0000	100.0000	5,676	5,922	5,503	5,749	539	449	539	449	(A)	(A)
-	30.0000	-	294,889	-	72,462	-	35,999	-	13,467	(H)	(C)

NAME	REGISTERED OFFICE	EFFECTIVE TAX RATE	ACTIVITY	SHAREHOLDING
				HOLDER
GESMADRID SOCIEDAD GESTORA DE INSTITUCIONES DE INVERSIÓN COLECTIVA	Pº de la Castellana 189. Madrid (Spain)	-	Travel assistance	— MAPFRE S.A.
CAJA MADRID PENSIONES ENTIDAD GESTORA DE FONDOS DE PENSIONES	Pº de la Castellana 189. Madrid (Spain)	-	Pension fund management	— MAPFRE S.A.
REINSURANCE				
MAPFRE RE COMPAÑÍA DE REASEGUROS, S.A.	Paseo de Recoletos, 25. Madrid (Spain)	35.00% (1)	Reinsurance	— MAPFRE S.A. — MAPFRE AUTOMÓVILES — MAPFRE FAMILIAR
COMPAGNIE INTERNATIONALE D'ASSURANCES ET REASSURANCES (C.I.A.R.) SOCIÉTÉ ANONIMÉ	45, Rue de Treves. Bruselas (Belgium)	34.00%	Insurance and reinsurance	— MAPFRE RE — MAPLUX REINSURANCE
MAPFRE CHILE REASEGUROS, S.A.	Avda. Apoquindo, 4499. Santiago (Chile)	17.00%	Reinsurance	— MAPFRE RE
INVERSIONES IBÉRICAS, L.T.D.A.	Avda. Apoquindo, 4499. Santiago (Chile)	17.00%	Financial and real estate	— MAPFRE RE
CAJA REASEGURADORA DE CHILE S.A.	Avda. Apoquindo, 4499. Santiago (Chile)	17.00%	Reinsurance	— MAPFRE CHILE REASEGUROS
INMOBILIARIA COSTA DE MONTEMAR, S.A.	Avda. Apoquindo, 4499 Santiago (Chile)	17.00%	Real estate	— INVERSIONES IBÉRICAS
CAJA RE ARGENTINA, S.A.	Bouchard 547 piso 14. Buenos Aires (Argentina)	35.00%	Advisory services	— INVERSIONES IBÉRICAS
INVERSIONES MAPFRE RE	Calle 72/10-07-oficina 502 Bogotá (Colombia)	-	Securities and real estate investment and management	— MAPFRE RE — INVERSIONES IBÉRICAS
MAPFRE RE DO BRASIL COMPAÑÍA DE REASEGUROS (in 2007 MAPFRE RE ASSESORÍA LTDA.)	Rua São Carlos do Pinhal, 696. São Paulo (Brazil)	15.00%	Consultancy	— MAPFRE RE — ITSEMAP DO BRASIL
ADMINISTRADORA DE PROPIEDADES S.A.	Napoleón 3096. Santiago (Chile)	17.00%	Real estate	— INVERSIONES IBÉRICAS
COMERCIAL Y TURISMO S.A.	Napoleón 3096. Santiago (Chile)	17.00%	Real estate	— INVERSIONES IBÉRICAS
MAPFRE RE HOLDINGS INC. (absorbed in 2008 by REINSURANCE MANAGEMENT INC.)	100 Campus Drive New Jersey 07932-2007 (U.S.A.)	35.00%	Holding	— MAPFRE RE
INMOBILIARIA PRESIDENTE FIGUEROA ALCORTA, S.A.	Bouchard 547 piso 14 B. Aires (Argentina)	35.00%	Real estate	— MAPFRE RE
INMOBILIARIA TIRILLUCA S.A.	Avda. Apoquindo, 4499. Santiago (Chile)	17.00%	Real estate	— INVERSIONES IBÉRICAS
MAPFRE MANDATOS Y SERVICIOS, S.A.	Bouchard 547 piso 14. B. Aires (Argentina)	35.00%	Services	— CAJA REASEGURADORA DE ARGENTINA — MAPFRE RE
REINSURANCE MANAGEMENT INC.	100 Campus Drive New Jersey 07932-2007 (U.S.A)	35.00%	Services	— MAPFRE RE HOLDINGS — MAPFRE RE
MAPLUX REINSURANCE COMPANY LTD.	E Building Immeuble C6, Parc d'Activile Syrdall Munsbanch (Luxembourg)	-	Reinsurance	— MAPFRE S.A.
ASSISTANCE				
MAPFRE ASISTENCIA COMPAÑÍA INTERNACIONAL DE SEGUROS Y REASEGUROS, S.A.	Sor Ángela de la Cruz, 6. Madrid (Spain)	30.00% (1)	Insurance and reinsurance	— MAPFRE, S.A. — MAPFRE FAMILIAR
IBERO ASISTENCIA, S.A.	Avda. Liberdade, 40. Lisboa (Portugal)	27.50%	Travel assistance	— MAPFRE ASISTENCIA
BRASIL ASISTENCIA S/A.	Ed. Crystal Tower, Alameda Mamore 989. Alphaville S. Paulo (Brazil)	34.00%	Travel assistance	— MAPFRE ASISTENCIA
AFRIQUE ASSISTANCE, S.A.	16, Rue Dr. Alphonse Laverning, 1002 (Tunisia)	35.00%	Travel assistance	— MAPFRE ASISTENCIA
VEASISTENCIA, S.A.	Avda. del Libertador. Torre Maracaibo. Caracas (Venezuela)	34.00%	Travel assistance	— MAPFRE ASISTENCIA — MAPFRE RE
ANDIASISTENCIA COMPAÑÍA DE ASISTENCIA DE LOS ANDES, S.A.	Carrera, 11, N° 93 - B - 09. Bogotá (Colombia)	38.50%	Travel assistance	— MAPFRE ASISTENCIA — INVERSIONES MAPFRE RE — IBEROASISTENCIA
FEDERAL ASSIST C°.	7300 Corporate Center Drive, Suite 601 Miami - Florida 33126 (U.S.A.)	37.60%	Travel assistance	— MAPFRE ASISTENCIA

FIGURES IN € THOUSANDS

SHAREHOLDING		FINANCIAL YEAR END FIGURES									
% IN SHARE CAPITAL		ASSETS		EQUITY		REVENUES		RESULTS IN FINANCIAL YEAR		CONSOLIDATION METHOD	
2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
-	30.0000	-	66,818	-	42,187	-	126,789	-	10,177	(H)	(C)
-	30.0000	-	39,047	-	31,115	-	46,364	-	7,920	(H)	(C)
91.5288	91.5288	3,062,114	2,794,323	719,505	691,767	1,453,674	1,177,628	100,996	91,092	(A)	(A)
-	0.0100										
0.0003	-										
99.9900	99.9900	17,045	19,316	9,437	8,933	2,907	2,561	969	479	(A)	(A)
0.0100	0.0100										
99.9932	99.9986	78,222	89,309	33,018	38,675	5,359	6,553	1,651	(3,619)	(A)	(A)
99.9899	99.9986	15,323	19,779	15,138	19,575	1,029	1,984	(388)	1,062	(A)	(A)
99.8467	99.8467	62,333	77,691	23,658	30,404	3,586	5,144	715	3,077	(A)	(A)
31.4400	31.4400	15,412	21,074	15,235	19,888	1,714	2,122	(119)	1,637	(C)	(C)
99.9960	99.9900	102	114	88	97	7	5	6	-	(A)	(A)
-	94.9000	-	2,506	-	2,302	-	1,848	(123)	1,387	(H)	(A)
-	5.1000										
99.9999	99.9998	22,993	45	22,538	12	2,367	138	1,222	17	(A)	(B)
0.0001	0.0002										
31.2900	31.2900	485	447	275	86	971	1,177	107	120	(C)	(C)
31.2000	31.2000	79	68	(37)	(75)	221	275	18	(18)	(C)	(C)
-	100.0000	-	622	-	14	-	1,281	-	684	(H)	(A)
99.9985	99.9000	8%	8	8	8	-	-	-	-	(C)	(C)
43.7500	43.7500	7,966	9,493	7,938	9,296	508	16	998	(124)	(C)	(C)
5.0000	1.0000	193	180	96	112	788	746	(13)	20	(C)	(C)
95.0000	99.0000										
-	100.0000	688	622	16	14	-	-	-	-	(A)	(A)
100.0000	-										
100.0000	100.0000	29,321	23,794	3,664	3,529	5,962	5,431	129	11	(A)	(A)
99.9971	99.9971	284,614	301,268	101,227	98,581	237,718	244,137	3,195	6,238	(A)	(A)
0.0029	0.0029										
100.0000	100.0000	495	576	281	(16)	1,102	795	97	(106)	(A)	(A)
99.9990	99.9990	12,510	13,874	6,556	10,082	33,278	27,471	860	377	(A)	(A)
49.0000	49.0000	2,279	2,182	1,558	1,338	1,423	1,236	364	322	(A)	(A)
99.9980	99.9980	3,201	2,375	1,119	1,088	2,784	2,173	37	305	(A)	(A)
0.0020	0.0020										
94.8999	94.8999	3,275	2,420	1,328	910	7,415	5,399	(250)	39	(A)	(A)
-	0.0008										
5.0977	5.0977										
100.0000	100.0000	4,368	2,725	1,442	1,182	9,117	7,425	192	(15)	(A)	(A)

NAME	REGISTERED OFFICE	EFFECTIVE TAX RATE	ACTIVITY	SHAREHOLDING
				HOLDER
IBERO ASISTENCIA, S.A.	Tucuman, 744. B. Aires (Argentina)	35.00%	Travel assistance	— MAPFRE ASISTENCIA — IBEROASISTENCIA
SUR ASISTENCIA, S.A.	Av.Apoquindo 4499. Santiago de Chile (Chile)	17.50%	Travel assistance	— MAPFRE ASISTENCIA — IBEROASISTENCIA
IBEROASISTENCIA, S.A.	Sor Ángela de la Cruz, 6. Madrid (Spain)	35.00% (1)	Travel assistance	— MAPFRE ASISTENCIA — MAPFRE AUTOMÓVILES — MAPFRE FAMILIAR
IRELAND ASSIST, LTD	22-26 Prospect Hill. Galway (Ireland)	12.50%	Travel assistance	— MAPFRE ASISTENCIA
GULF ASSIST, B.S.C.	Manama Centre Building. Manama (Bahrain)	-	Travel assistance	— MAPFRE ASISTENCIA
FRANCE ASSIST	55, Rue Raspail Levallois Perret (France)	34.33%	Travel assistance	— MAPFRE WARRANTY
EUROSOS ASSISTANCE, S.A.	282 Messogion Avenue 155,62 Neo Psychico. Athens (Greece)	35.00%	Travel assistance	— IBEROASISTENCIA — MAPFRE ASISTENCIA
CARIBE ASISTENCIA, S.A.	Avda. Tiradentes Esq.Pres. Gonzalez. Edif. La Cumbre. Ens. Naco. Domingo-(Dominican Republic)	25.00%	Travel assistance	— MAPFRE ASISTENCIA
ECUASISTENCIA, S.A.	Avda.Doce de Octubre, 1942. Quito (Ecuador)	25.00%	Travel assistance	— MAPFRE ASISTENCIA — ANDIASISTENCIA
CONSULTING DE SOLUCIONES Y TECNOLOGÍAS SIAM, S.A.	Sor Ángela de la Cruz, 6. Madrid (Spain)	30.00% (1)	Consultancy	— MAPFRE ASISTENCIA — IBEROASISTENCIA
PERÚ ASISTENCIA, S.A.	Tarata 160-9ª -Miraflores. Lima (Peru)	30.00%	Travel assistance	— MAPFRE ASISTENCIA — IBEROASISTENCIA
VIAJES MAPFRE, AGENCIA DE VIAJES S.A.	Sor Ángela de la Cruz, 6. Madrid (Spain)	30.00% (1)	Travel agency	— MAPFRE ASISTENCIA — IBEROASISTENCIA.
MELIÁ TOUR	Sor Ángela de la Cruz, 6. Madrid (Spain)	30.00%	Travel tour operator	— MAPFRE ASISTENCIA
MÉXICO ASISTENCIA, S.A.	Porfirio Díaz, 100 Mexico D.F. (Mexico)	30.00%	Travel assistance	— MAPFRE ASISTENCIA
IBERO ASISTENCIA SERVICIOS DE TELEMARKETING, S.L.	Sor Ángela de la Cruz, 6. Madrid (Spain)	- (1)	Telemarketing	— MAPFRE ASISTENCIA — IBEROASISTENCIA
ALLMAP ASSIST GESELLSCHAFT FUR BEISTANDSLEISTUNGEN MBH	Im Rosengarten, 256 61118 Bal Vilbel (Germany)	30.00%	Travel assistance	— MAPFRE ASISTENCIA — IBEROASISTENCIA
PANAMÁ ASISTENCIA, S.A.	Calle 50 local 9 D, piso 9 Panamá, Bella Vista (Panama)	30.00%	Travel assistance	— MAPFRE ASISTENCIA
TUR ASSIST, LTD.	Hakki Yeten Caddesi Dogu is Merkezi 17/2 (Turkey)	30.00%	Travel assistance	— MAPFRE ASISTENCIA — IBEROASISTENCIA
URUGUAY ASISTENCIA,S.A.	Rincón, 487 of.610 Montevideo (Uruguay)	30.00%	Travel assistance	— MAPFRE ASISTENCIA — IBEROASISTENCIA
ASISTENCIA BOLIVIANA, S.A.	Celso Castedo Barba, 39 Centro- Santa Cruz (Bolivia)	25.00%	Travel assistance	— MAPFRE ASISTENCIA
COSTA RICA ASISTENCIA	Sabana Norte rest Chicote 100 mN 25 E 200 N 25 E San José de Costa Rica (Costa Rica)	30.00%	Travel assistance	— MAPFRE ASISTENCIA
QUETZAL ASISTENCIA, S.A.	Diagonal 6, zona 10 Ed.internaciones, Of. 301 (Guatemala)	-	Travel assistance	— MAPFRE ASISTENCIA
EL SALVADOR ASISTENCIA, S.A.	Centro Finarc Gigarte Torre B 3º nivel sobre Alameda Roosevelt S.Salvador (El Salvador)	25.00%	Travel assistance	— MAPFRE ASISTENCIA — IBEROASISTENCIA
NICASSIT, S.A.	Colonial Los Robles. Managua, (Nicaragua)	30.00%	Travel assistance	— MAPFRE ASISTENCIA
BENELUX ASSIST, S.A.	Rue de Treves, 45. Bruxelles, (Belgium)	34.00%	Travel assistance	— MAPFRE ASISTENCIA
GENERAL SERVICES REINSURANCE LIMITED	38/39 Fitzwilliam Square. Dublin 2 (Ireland)	12.50%	Travel assistance	— MAPFRE ASISTENCIA
MAPFRE WARRANTY S.P.A.	Strada Trossi 10/A 13030 Verrone (Italy)	37.25%	Warranty extension	— MAPFRE ASISTENCIA — IBEROASISTENCIA
ALLIANCE OPTIMALE, S.L.R.	Zac de la Donniere, 8 69970 Marennes (France)	33.00%	Warranty of vehicles	— MAPFRE WARRANTY
MAPFRE WARRANTIES	Route des Trois Cantons 11 l- 18399 Windhoj (Luxembourg)	-	Warranty of vehicles	— MAPFRE WARRANTY
NORASIST, INC D/B/A ROAD CANADA	1930 Yonge S.T. Suite 1028 Toronto, Ontario M4S 1Z4 (Canada)	30.00%	Travel assistance	— MAPFRE ASISTENCIA

FIGURES IN € THOUSANDS

SHAREHOLDING		FINANCIAL YEAR END FIGURES									
% IN SHARE CAPITAL		ASSETS		EQUITY		REVENUES		RESULTS IN FINANCIAL YEAR		CONSOLIDATION METHOD	
2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
99.9999 0.0001	99.9999 0.0001	6,791	5,461	2,399	2,634	14,076	11,852	317	353	(A)	(A)
99.0000 1.0000	99.0000 1.0000	8,381	4,044	2,347	1,500	9,727	5,924	1,002	722	(A)	(A)
99.9300 - 0.0700	99.9300 0.0700 -	6,786	5,933	754	927	5,739	6,560	(20)	(63)	(A)	(A)
100.0000	100.0000	2,612	1,645	1,730	1,521	2,847	2,171	391	220	(A)	(A)
74.6250	74.6250	10,203	9,253	3,950	3,233	4,783	4,293	2,632	2,251	(A)	(A)
100.0000	100.0000	-	-	-	-	-	-	-	-	(A)	(A)
0.5000 99.5000	0.5000 99.5000	1,813	1,408	400	249	4,269	4,021	47	63	(A)	(A)
51.9997	51.9997	2,133	1,978	1,108	1,006	1,464	1,368	279	214	(A)	(A)
50.0000 50.0000	50.0000 50.0000	924	1,248	393	197	2,708	2,642	77	74	(A)	(A)
99.9259 0.0741	99.9259 0.0741	-	-	5,782	3,488	-	-	290	90	(C)	(C)
99.8639 0.1361	99.8639 0.1361	504	364	259	22	446	195	101	(164)	(A)	(A)
99.7600 0.2400	99.7600 0.2400	4,307	14,136	4,053	2,985	11,353	24,332	1,051	(1,952)	(A)	(A)
100.0000	100.0000	279	434	(32)	34	-	-	(65)	(150)	(A)	(A)
99.9998	99.9998	9,640	10,525	3,223	1,811	25,016	15,126	1,709	(541)	(A)	(A)
- -	8.6000 91.4000	-	-	-	-	-	-	-	-	(H)	(A)
99.9500 0.0500	99.9500 0.0500	-	-	79	52	-	-	29	44	(B)	(B)
58.0000	58.0000	846	656	530	344	1,392	7,023	186	75	(A)	(A)
91.6667 8.3333	91.6667 8.3333	2,535	2,587	1,033	794	25,460	25,701	398	97	(A)	(A)
94.8165 5.1835	94.8165 5.1835	1,392	1,117	346	367	2,806	2,228	2	(75)	(A)	(A)
99.4600	99.4600	-	-	(144)	75	-	-	(333)	(28)	(B)	(B)
100.0000	100.0000	-	-	130	152	-	-	(43)	-	(B)	(B)
99.9920	99.9920	465	461	253	266	1,474	1,276	94	119	(A)	(A)
99.9900 0.0100	99.9900 0.0100	278	578	46	176	607	991	(146)	116	(A)	(A)
100.0000	100.0000	-	-	189	131	-	-	35	87	(B)	(B)
70.0000	70.0000	3,539	3,036	2,456	2,416	3,046	2,912	636	528	(A)	(A)
-	100.0000	-	83	-	(442)	-	-	-	(447)	(H)	(A)
99.9900 0.0100	99.9900 0.0100	23,991	25,482	4,168	4,405	28,200	26,523	2,703	1,978	(A)	(A)
100.0000	100.0000	-	-	-	-	-	-	-	-	(A)	(A)
100.0000	100.0000	-	-	-	-	-	-	-	-	-	-
100.0000	100.0000	604	762	275	298	2,130	2,458	21	123	(A)	(A)

NAME	REGISTERED OFFICE	EFFECTIVE TAX RATE	ACTIVITY	SHAREHOLDING
				HOLDER
BRICKELL FINANCIAL SERVICES MOTOR CLUB INC.	7300 Corporate Center Drive, Suite 601 Miami. Florida 33126 (U.S.A.)	37.30%	Travel assistance	— MAPFRE ASISTENCIA
ROAD CHINA ASSISTANCE Co, LTD	Jianguolu Chaoyang District, Beijing, PR (China)	30.00%	Travel assistance	— MAPFRE ASISTENCIA
MAPFRE ABRAXAS	Narrow Quay House Bristol - (U.K.)	12.50%	GAP insurance	— MAPFRE ASISTENCIA
CENTRO INTERNACIONAL DE SERVICIOS Y ASISTENCIA, S.A.	Edificio Biotec Plaza Local 010 Ruta 8 Km 17,500 Montevideo (Uruguay)	30.00%	Call Center	— MAPFRE ASISTENCIA
INDIA ROADSIDE ASSISTANCE PRIVATE LIMITED	4th Floor Dynasty Business Park Building ; Andheri Kurla Road Mumbai Maharashtra (India)	34.00%	Travel assistance	— MAPFRE ASISTENCIA — IBEROASISTENCIA
ROADSIDE ASSIST ALGERIE SPA	57, Rue des Freres Adessalami 3eme étage. Vieux Kouba.Alger (Algeria)	40.00%	Travel assistance	— MAPFRE ASISTENCIA — IBEROASISTENCIA — IBEROCONSULTING
NILE ASSIT	19713 26 July St. Mohandseen 2º Floor Giza (Egypt)	20.00%	Travel assistance	— MAPFRE ASISTENCIA — IBEROASISTENCIA — IBEROCONSULTING
LIB ASSIST	-	35.00%	Travel assistance	— MAPFRE ASISTENCIA
MAPFRE QUAVITAE S.A.	C/Francisco de Rojas, 8. Madrid (Spain)	50.14%	Assistance services	— MAPFRE SEGUROS GENERALES — MAPFRE FAMILIAR — MAPFRE S.A.
SERVICES FOR THE ELDERLY				
QUAVITAE BIZI-KALITATE S.L.	C/ Teodoro González de Zárate, 14 (Vitoria) (Spain)	35.00%	Services for the elderly	— MAPFRE QUAVITAE
AZUL CENTROS RESIDENCIALES S.A.	C/ Francisco de Rojas, 8. Madrid (Spain)	35.00%	Services for the elderly	— MAPFRE QUAVITAE
PROVITAE CENTROS ASISTENCIALES S.L.	C/ Fuencarral, 123. Madrid (Spain)	35.00%	Services for the elderly	— MAPFRE QUAVITAE
BIOINGIENERIA ARAGONESA, S.L.	C/ Francisco de Rojas, 8. Madrid (Spain)	35.00%	Technology for the elderly	— MAPFRE QUAVITAE — MAPFRE SEGUROS GENERALES — MAPFRE FAMILIAR — QUAVITAE BIZI-KALIT.
REAL ESTATE				
MAPFRE INMUEBLES, S.A.	Avda. General Perón, 38. Madrid (Spain)	29.00% (1)	Real estate	— MAPFRE S.A.
INMO ALEMANIA GESTIÓN DE ACTIVOS INMOBILIARIOS, S.L.	Paseo de la Castellana, 24. Madrid (Spain)	-	Real estate	— MAPFRE SEGUROS GENERALES — MAPFRE FAMILIAR
DESARROLLOS URBANOS CIC. S.A.	Avda. General Perón, 38. Madrid (Spain)	30.00% (1)	Real estate services	— MAPFRE INMUEBLES — MAPFRE S.A.
SERVICIOS INMOBILIARIOS MAPFRE S.A.	Avda. General Perón, 38. Madrid (Spain)	35.00% (1)	Real estate	— MAPFRE INMUEBLES — DESARROLLOS URBANOS
INMOBILIARIA MAPINVER S.A.	Avda. General Perón, 38. Madrid (Spain)	30.00%	Real estate	— MAPFRE INMUEBLES
INMOBILIARIA BRAVO UREÑA S.L.	Juan Bravo, 3. Madrid (Spain)	30.00%	Real estate	— MAPFRE INMUEBLES
PUERTA DE ALCORCÓN 12, S.L.	C/ Arzobispo Morcillo, 62. Madrid (Spain)	-	Real estate	— MAPFRE FAMILIAR
MM REAL STATE, LLC	Blue Lagoon, Drive Suite,200 Miami (U.S.A.)	-	Real estate	— MAPFRE FAMILIAR
INVERSIONES LA MAGDALENA LIMITADA	C/ Teatinos 280 (Chile)	-	Real estate	— MAPFRE FAMILIAR
INTERNATIONAL				
MAPFRE INTERNACIONAL S.A	Paseo de Recoletos, 25. Madrid (Spain)	35% (1)	Holding	— MAPFRE S.A. — MAPFRE EMPRESAS
TÜRKIYE GENEL SIGORTA, A.S.	Meclisi Mebusan CAD.89/4 Salipazari. Istanbul (Turkey)	20%	Insurance	— MAPFRE S.A. — MAPFRE INTERNACIONAL
GENEL YASAM SIGORTA, A.S.	Meclisi Mebusan CAD.91 Salipazari. Istanbul (Turkey)	20%	Insurance	— GENEL SIGORTA

FIGURES IN € THOUSANDS

SHAREHOLDING		FINANCIAL YEAR END FIGURES									
% IN SHARE CAPITAL		ASSETS		EQUITY		REVENUES		RESULTS IN FINANCIAL YEAR		CONSOLIDATION METHOD	
2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
100.0000	100.0000	13,123	10,804	5,459	4,023	34,963	32,840	484	655	(A)	(A)
100.0000	100.0000	822	823	(688)	(15)	1,134	259	(386)	(376)	(A)	(A)
100.0000	100.0000	4,549	4,872	2,836	2,565	12,727	12,978	1,383	1,983	(A)	(A)
100.0000	100.0000	472	400	342	263	1,098	647	96	169	(A)	(A) (F)
99.6300	99.6300	978	599	190	129	27	-	(667)	(346)	(A)	(A) (F)
0.3700	0.3700										
60.3000	60.0000	552	528	409	460	250	-	(55)	-	(A)	(A) (F)
0.0004	0.0004										
0.0003	0.0003										
98.0000	-	138	-	138	-	-	-	-	-	(A) (G)	-
1.0000	-										
1.0000	-										
51.0000	-	285	-	238	-	-	-	(54)	-	(A) (G)	-
-	10.7643	90,496	95,212	43,959	45,369	103,777	99,163	(1,502)	(619)	(A)	(A)
10.7651	-										
46.0733	46.0733										
99.9900	99.9900	23,686	25,361	7,717	5,445	15,175	12,877	1,783	362	(A)	(A)
50.0000	50.0000	4,716	2,463	(155)	693	1,253	685	(847)	(906)	(E)	(E)
50.0000	50.0000	8,149	4,083	6,642	6,708	-	-	(66)	660	(E)	(E)
30.0000	59.9900	6,337	7,745	1,534	1,670	4,043	4,780	(894)	643	(A)	(A)
-	40.0000										
40.0000	-										
30.0000	-										
99.9806	99.9680	627,137	630,576	111,369	154,972	59,926	71,696	(31,938)	16,103	(A)	(A)
-	10.0000	-	-	-	-	-	-	-	-	(C)	(C) (F)
10.0000	-										
89.9216	89.9216	111,173	105,025	581	556	35	65	25	9	(A)	(A)
0.0784	0.0784										
99.9000	99.9000	658	749	502	548	1,770	1,764	151	221	(A)	(A)
0.1000	0.1000										
50.0000	50.0000	20,845	22,862	4,786	4,786	37	69	--	21	(E)	(E)
50.0000	50.0000	160	164	147	143	7	5	4	1	(E)	(E)
100.0000	100.0000	82	82	82	82	-	-	-	-	(A)	(A)
100.0000	100.0000	8,186	8,046	7,757	7,585	684	473	(139)	(302)	(A)	(A)
100.0000	100.0000	20,613	25,103	17,777	20,853	3,700	1,575	5,164	(3,756)	(A)	(A)
87.5000	99.9995	2,169,908	198,208	2,035,959	155,752	128,514	5,674	34,724	2,663	(A)	(A)
-	0.0005										
-	80.0000	423,793	547,191	229,166	264,846	184,609	273,334	45,569	30,992	(A)	(A) (F)
80.0000	-										
100.0000	-	121,969	-	16,227	-	72,357	-	1,551	-	(A) (G)	-

				SHAREHOLDING
NAME	REGISTERED OFFICE	EFFECTIVE TAX RATE	ACTIVITY	HOLDER
MAPFRE SEGUROS GERAIS S.A.	Rua Castilho, 52. Lisboa (Portugal)	26.50%	Insurance and reinsurance	<ul style="list-style-type: none"> — MAPFRE SEGUROS GENERALES — MAPFRE INTERNACIONAL — MAPFRE GUANARTEME — MAPFRE CAUCIÓN — MAPFRE EMPRESAS — MAPFRE FAMILIAR
MIDDLESEA INSURANCE P.L.C.	Middle Sea House Floriana JTL, 16 (Malta)	—	Insurance	— MAPFRE INTERNACIONAL
MAPFRE INSULAR INSURANCE CORPORATION	Acacia Ave Mandrigal Business Park Ayala Alabarg, MuntinlupaCity (Philippines)	35.00%	Insurance	— MAPFRE INTERNACIONAL
MAPFRE USA CORPORATION	5959 Blue Lagoon Drive, Suite 400, Miami (U.S.A.)	35.00%	Holding	— MAPFRE INTERNACIONAL
AMSTAR INSURANCE COMPANY	5959 Blue Lagoon Drive, Suite 400, Miami (U.S.A.)	—	Insurance	— MAPFRE USA CORPORATION
MAPFRE INSURANCE COMPANY OF FLORIDA	5959 Blue Lagoon Drive, Suite 400, Miami (U.S.A.)	—	Insurance	— MAPFRE USA CORPORATION
MAPFRE INSURANCE COMPANY	100 Campus Drive. New Jersey 07932-2007 (U.S.A.)	35.00%	Insurance and reinsurance	— MAPFRE USA CORPORATION
MAPFRE INTERMEDIARIES	5959 Blue Lagoon Drive, Suite 400. Miami (U.S.A.)	35.00%	Services	— MAPFRE USA CORPORATION
THE COMMERCE GROUP, INC.	211 Main Street, Webster, MA 01570 (U.S.A.)	35.00%	Insurance	— MAPFRE INTERNACIONAL
COMMERCE HOLDINGS, INC.	211 Main Street, Webster, MA 01570 (U.S.A.)	35.00%	Holding	— COMMERCE GROUP INC
THE COMMERCE INSURANCE COMPANY	211 Main Street, Webster, MA 01570 (U.S.A.)	35.00%	Insurance	— COMMERCE HOLDINGS
THE CITATION INSURANCE COMPANY	214 Main Street, Webster, MA 01570 (U.S.A.)	35.00%	Insurance	— COMMERCE HOLDINGS
ACIC HOLDING COMPANY, INC.	215 Main Street, Webster, MA 01570 (U.S.A.)	35.00%	Holding	— COMMERCE HOLDINGS
AMERICAN COMMERCE INSURANCE COMPANY	3590 Twin Creeks Drive, Columbus, OH 43204 (U.S.A.)	35.00%	Insurance	— ACIC HOLDINGS
THE COMMERCE WEST INSURANCE COMPANY	4301 Hacienda Drive, Suite 200, Pleasanton, CA 94588 (U.S.A.)	35.00%	Insurance	— ACIC HOLDINGS
SWICO ENTERPRISES, LTD.	215 Main Street, Webster, MA 01570 (U.S.A.)	35.00%	Insurance	— ACIC HOLDINGS
STATE-WADE INSURANCE COMPANY	20 Main Street Hempstead, NY 11550 (U.S.A.)	35.00%	Insurance	— SWICO ENTERPRISES
OTHER				
MAPFRE-CAJA MADRID HOLDING DE ENTIDADES ASEGURADORAS S.A. (absorbed in 2008 by MAPFRE, S.A.)	PºRecoletos 25. Madrid (Spain)	35.00%	Holding	— MAPFRE S.A.
CENTRO INTERNACIONAL DE FORMACIÓN DE DIRECTIVOS S.A.	Ctra. Nacional I, km 32,500. San Agustín de Guadalix (Spain)	—	Training	— MAPFRE S.A.
MAPFRE SERVICIOS DE INFORMÁTICA S.A.	Ctra.Pozuelo, 52. Majadahonda (Spain)	—	Research, training and advisory services	<ul style="list-style-type: none"> — MAPFRE, S.A. — MAPFRE SEGUROS GENERALES — MAPFRE FAMILIAR
MAPFRE INTERNET S.A.	Ctra.Pozuelo, 52. Majadahonda (Spain)	—	IT	<ul style="list-style-type: none"> — MAPFRE VIDA — MAPFRE SEGUROS GENERALES — MAPFRE AUTOMÓVILES — MAPFRE CAJA SALUD — MAPFRE CAUCIÓN Y CRÉDITO — MAPFRE RE — MAPFRE S.A — MAPFRE ASISTENCIA — MAPFRE EMPRESAS — MAPFRE FAMILIAR

FIGURES IN € THOUSANDS

SHAREHOLDING		FINANCIAL YEAR END FIGURES									
% IN SHARE CAPITAL		ASSETS		EQUITY		REVENUES		RESULTS IN FINANCIAL YEAR		CONSOLIDATION METHOD	
2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
-	25.0010		215,456		62,391		22,829		1,110	(A)	(A)
99.9991	74.9981										
-	0.0003										
0.0003	0.0003										
0.0003	0.0003										
0.0003	-										
21.0000	21.0000	311,511	296,191	78,854	81,959	71,119	82,555	(2,173)	3,609	(C)	(C)
74.9384	74.9384	39,690	40,985	18,293	19,538	16,178	15,604	2,446	2,102	(A)	(A)
100.0000	100.0000	1,915	73,113	1,915	19,424	16	10,385	(1,324)	440	(A)	(A)
100.0000	100.0000	4.351	4,063	3,665	4,197	171	249	340	142	(A)	(A)
100.0000	100.0000	41,070	38,160	17,479	14,558	11,784	9,655	808	744	(A)	(A)
100.0000	100.0000	29,749	-	21,666	-	1	-	467	-	(A)	(A)
100.0000	-	85	-	75	-	-	-	9	-	(A) (G)	-
100.0000	-	1,408,899	-	1,090,842	-	6,527	-	15,531	-	(A) (G)	-
100.0000	-	-	-	-	-	-	-	-	-	(A) (G)	-
100.0000	-	2,617,424	-	995,619	-	1,489,767	-	28,619	-	(A) (G)	-
100.0000	-	238,699	-	106,929	-	168,837	-	238	-	(A) (G)	-
100.0000	-	257,344	-	256,763	-	-	-	4,125	-	(A) (G)	-
100.0000	-	294,545	-	136,293	-	159,027	-	1,320	-	(A) (G)	-
100.0000	-	143,202	-	63,375	-	74,838	-	(449)	-	(A) (G)	-
100.0000	-	-	-	-	-	-	-	-	-	(A) (G)	-
100.0000	-	105,221	-	56,712	-	54,716	-	3,478	-	(A) (G)	-
-	51.0000	-	1,067,186	-	1,018,335	-	179,507	-	175,045	(H)	(A)
100.0000	100.0000	545	545	153	153	1,108	1,108	49	49	(A)	(A)
95.8333	95.8330	9,578	6,118	2,990	2,953	17,830	18,067	72	90	(A)	(A)
-	4.1670										
4.1667	-										
15.0000	15.0000	6,178	26,013	3,137	23,899	14,527	10,187	67	61	(A)	(A)
-	22.0000										
-	52.5000										
-	4.0000										
1.2500	1.2500										
1.0000	1.0000										
1.0000	1.0000										
2.0000	2.0000										
1.2500	1.2500										
78.5000	-										

				SHAREHOLDING
NAME	REGISTERED OFFICE	EFFECTIVE TAX RATE	ACTIVITY	HOLDER
MAPFRE INFORMÁTICA A.I.E.	Ctra.Pozuelo, 52. Majadahonda (Spain)	-	IT	<ul style="list-style-type: none"> - MAPFRE AUTOMÓVILES - MAPFRE GUANARTEME - MAPFRE INVERSIÓN - MAPFRE SEGUROS GENERALES - MAPFRE VIDA - MAPFRE CAUCIÓN Y CRÉDITO - MAPFRE CAJA SALUD - MAPFRE-CM HOLDING - MAPFRE S.A. - MAPFRE RE - MAPFRE ASISTENCIA - MAPFRE AMÉRICA - MAPFRE AGROPECUARIA - MAPFRE AMÉRICA VIDA - MAPFRE EMPRESAS - MAPFRE FAMILIAR
MAPFRE AMÉRICA				
MAPFRE AMÉRICA S.A.	Ctra.Pozuelo, 52. Majadahonda (Spain)	35.00% (1)	Holding	<ul style="list-style-type: none"> - MAPFRE S.A. - MAPFRE AUTOMÓVILES - MAPFRE FAMILIAR
ARGENTINA				
MAPFRE ARGENTINA HOLDING S.A.	Avda. Juana Manso, 205 C 1107CBE Puerto Madero. Buenos Aires (Argentina)	35.00%	Holding	<ul style="list-style-type: none"> - MAPFRE AMÉRICA
MAPFRE ARGENTINA SEGUROS S.A.	Avda. Juana Manso, 205 C 1107CBE Puerto Madero. Buenos Aires (Argentina)	35.00%	Insurance	<ul style="list-style-type: none"> - MAPFRE ARGENTINA HOLDING
ACONCAGUA SEGUROS DE RETIRO S.A.	Lavalle, 348. Buenos Aires (Argentina)	35.00%	Insurance	<ul style="list-style-type: none"> - MAPFRE ARGENTINA HOLDING - MAPFRE ARGENTINA SEGUROS
SURASSUR S.A.	Lavalle, 348. Buenos Aires (Argentina)	35.00%	Insurance brokerage	<ul style="list-style-type: none"> - MAPFRE ARGENTINA HOLDING
MAPFRE ARGENTINA A.R.T.	Avda. Juana Manso, 205 C 1107CBE Puerto Madero. Buenos Aires (Argentina)	35.00%	Workers' Compensation insurance	<ul style="list-style-type: none"> - MAPFRE ARGENTINA HOLDING - MAPFRE ARGENTINA SEGUROS
MAPFRE SALUD S.A.	Avda. Juana Manso, 205 C 1107CBE Puerto Madero. Buenos Aires (Argentina)	-	Insurance	<ul style="list-style-type: none"> - MAPFRE ARGENTINA HOLDING - MAPFRE ARGENTINA ART - MAPFRE ARGENTINA VIDA
CLUB MAPFRE ARGENTINA	Avda. Juana Manso, 205 C 1107CBE Puerto Madero. Buenos Aires (Argentina)	35.00%	Services	<ul style="list-style-type: none"> - MAPFRE ARGENTINA - MAPFRE ARGENTINA VIDA
MAPFRE ARGENTINA SEGUROS DE VIDA S.A.	Avda. Juana Manso, 205 C 1107CBE Puerto Madero. Buenos Aires (Argentina)	35.00%	Insurance	<ul style="list-style-type: none"> - MAPFRE AMÉRICA VIDA - MAPFRE AMÉRICA
BRAZIL				
MAPFRE VERA CRUZ SEGURADORA S.A.	Avda. de las Naciones Unidas nº 11.711 Balrro Brooklin Novo. Sao Paulo (Brazil)	40.00%	Insurance	<ul style="list-style-type: none"> - MAPFRE DO BRASIL - MAPFRE AMÉRICA
MAPFRE VERA CRUZ CONSULTORIA TECNICA E ADMINISTRAÇÃO DE FUNDOS LTDA.	Avd.Naçoes Unidas, 11711 16. ANDAR BROOKLIN -SAO PAULO. (Brazil)	-	Consultancy	<ul style="list-style-type: none"> - MAPFRE FAMILIAR - MAPFRE VERA CRUZ VIDA
GVH PARTICIPAÇÕES E EMPRENDIMENTOS LTDA	Avd.Naçoes Unidas, 11711 16. ANDAR BROOKLIN -SAO PAULO. (Brazil)	40.00%	Services	<ul style="list-style-type: none"> - MAPFRE VERA CRUZ SEGURADORA
MAPFRE CAPITALIZAÇÃO	Avd.Naçoes Unidas, 11711 16. ANDAR BROOKLIN -SAO PAULO. (Brazil)	40.00%	Pension products	<ul style="list-style-type: none"> - MAPFRE VERA CRUZ SEGURADORA

FIGURES IN € THOUSANDS

SHAREHOLDING		FINANCIAL YEAR END FIGURES									
% IN SHARE CAPITAL		ASSETS		EQUITY		REVENUES		RESULTS IN FINANCIAL YEAR		CONSOLIDATION METHOD	
2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
-	59.5000	34,924	21,317	1,000	1,000	117,066	63,463	-	-	(A)	(A)
-	7.0000										
0.5000	0.5000										
-	12.1000										
5.0000	5.0000										
2.5000	2.5000										
-	0.1000										
-	0.1000										
0.2000	0.1000										
1.0000	1.0000										
1.0000	1.0000										
0.6000	0.5000										
-	3.5000										
-	0.1000										
10.5000	7.0000										
78.7000	-										
88.8621	89.0776	1,020,207	778,110	984,034	742,332	101,053	57,265	80,851	63,954	(A)	(A)
-	0.0001										
0.0001	-										
100.0000	100.0000	55,356	47,226	54,435	46,748	278	120	8,090	634	(A)	(A)
99.9988	99.9988	283,487	237,421	36,639	31,687	235,117	212,571	5,355	(32)	(A)	(A)
23.5688	23.5688	-	-	-	-	-	-	-	-	(A)	(A)
76.4312	76.4312										
100.0000	100.0000	245	254	80	83	--	656	--	(83)	(A)	(A)
99.4456	99.4456	78,518	60,299	18,874	12,558	117,457	83,381	4,555	1,204	(A)	(A)
0.5544	0.5544										
95.0000	95.0000	(76)	(35)	(155)	169	436	48	(477)	(414)	(A)	(A)
2.5000	2.5000										
2.5000	2.5000										
97.9700	95.0000	1,201	--	368	--	1,746	--	(783)	--	(A)	(A) (F)
2.0300	5.0000										
-	80.0000	34,573	26,352	6,523	6,282	24,109	15,015	2,662	1,351	(A)	(A)
80.0000	-										
9.7826	9.7826	950,947	901,622	307,858	307,558	803,727	869,543	44,420	37,473	(A)	(A)
90.2174	90.2174										
-	99.9577	16,784	2,100	16,125	19,926	344	1,345	141	312	(A)	(A)
100.0000	0.0423										
99.9900	-	12,727	-	12,727	-	-	-	(511)	-	(A) (G)	-
100.0000	-	4,736	-	4,012	-	776	-	378	-	(A) (G)	-

				SHAREHOLDING
NAME	REGISTERED OFFICE	EFFECTIVE TAX RATE	ACTIVITY	HOLDER
VIDA SEGURADORA	Rua Araujo Porto Alegre, 36 3 Andar. Rio de Janeiro (Brazil)	40.00%	Life assurance	— MAPFRE VERA CRUZ SEGURADORA — GVH PARTICIPAÇÃO
MAPFRE RISCOS ESPECIAIS SEGURADORA S.A.	Avda. de las Naciones Unidas nº 11.711 Balrro Brooklin Novo Sao Paulo (Brazil)	40.00%	Insurance	— MAPFRE VERA CRUZ SEGURADORA
CLUBE MAPFRE DO BRASIL LTDA.	Avda. dos Autonomistas, 701 Vila- Yara – Osasco SP CEP 06020-000(Brazil)	40.00%	Advisory services	— MAPFRE, S.A. — MAPFRE AMÉRICA
MAPFRE NOSSA CAIXA VIDA E PREVIDENCIA, S.A.	Al. Santos, 415, 7 andar Sao Paulo (Brazil)	40.00%	Insurance	— MAPFRE VERA CRUZ SEGURADORA — MAPFRE PARTICIPAÇÕES
DETECTAR DESENVOLVIMIENTO DE TECNICAS PARA TRANSFERENCIAS ES ADMINISTRACION DE RISCOS LTDA.	Avda. de las Naciones Unidas nº 11.711 Balrro Brooklin Novo. Sao Paulo (Brazil)	40.00%	Risk management	— MAPFRE VERA CRUZ SEGURADORA
MAPFRE PARTICIPAÇÕES LTDA	Avda. de las Naciones Unidas nº 11.711 Balrro Brooklin Novo. Sao Paulo (Brazil)	40.00%	Securities broker dealer	— MAPFRE VERA CRUZ SEGURADORA — CLUBE MAPFRE DO BRASIL
MAPFRE VERA CRUZ VIDA E PREVIDENCIA	Avda. de las Naciones Unidas nº 11.711 Balrro Brooklin Novo. Sao Paulo (Brazil)	40.00%	Insurance	— MAPFRE AMÉRICA VIDA — FANCY INVESTMENT — MAPFRE VERA CRUZ SEGURADORA — MAPFRE AMÉRICA
MAPFRE DISTRIBUIDORA DE TÍTULOS E VALORES MOBILIARIOS, S.A.	Avda. de las Naciones Unidas nº 11.711 Balrro Brooklin Novo. Sao Paulo (Brazil)	40.00%	UCITS management	— MAPFRE VERA CRUZ VIDA
CHILE				
MAPFRE CHILE SEGUROS S.A.	Isidoro Goyenechea 3520 p 16 Las Condes. Santiago de Chile (Chile)	17.00%	Holding	— MAPFRE AMÉRICA — INVERSIONES MAPFRE CHILE RE
EUROAMÉRICA ASESORÍAS GENERALES S.A.	Isidoro Goyenechea 3520 p 16 Las Condes. Santiago de Chile (Chile)	17.00%	Investment company	— MAPFRE CHILE SEGUROS
MAPFRE COMPAÑÍA DE SEGUROS GENERALES DE CHILE S.A.	Isidoro Goyenechea 3520 p 16 Las Condes. Santiago de Chile (Chile)	17.00%	Insurance	— MAPFRE CHILE SEGUROS — EUROAMÉRICA ASESORÍAS
MAPFRE CHILE VIDA, S.A.	Isidoro Goyenechea 3520 p 16 Las Condes. Santiago de Chile (Chile)	17.00%	Holding	— MAPFRE AMÉRICA VIDA — MAPFRE AMÉRICA
MAPFRE COMPAÑÍA DE SEGUROS DE VIDA DE CHILE	Isidoro Goyenechea 3520 p 16 Las Condes. Santiago de Chile (Chile)	17.00%	Insurance	— MAPFRE CHILE VIDA
COLOMBIA				
MAPFRE SEGUROS GENERALES DE COLOMBIA S.A.	Carrera, 14, nº 96-34. Santa Fé de Bogotá (Colombia)	34.00%	Insurance	— MAPFRE AMÉRICA — APOINT
CREDIMAPFRE	Carrera, 14, nº 96-34. Santa Fé de Bogotá (Colombia)	34.00%	Real estate financiers	— GESTIMAP — MAPFRE SEGUROS GENERALES DE COLOMBIA
GESTIMAP S.A.	Carrera, 14, nº 96-34. Santa Fé de Bogotá (Colombia)	34.00%	Vehicle spare parts information	— MAPFRE SEGUROS GENERALES DE COLOMBIA — CREDIMAPFRE
AUTOMOTORES CAPITAL LTDA.	Carrera, 14, nº 96-34. Santa Fé de Bogotá (Colombia)	38.50%	Repair, purchase and sale of vehicles	— CREDIMAPFRE
MAPFRE COLOMBIA VIDA S.A.	Carrera, 14, nº 96-34. Santa Fé de Bogotá (Colombia)	38.50%	Insurance	— MAPFRE AMÉRICA VIDA — APOINT — MAPFRE AMÉRICA — MAPFRE SEGUROS GENERALES DE COLOMBIA

FIGURES IN € THOUSANDS

SHAREHOLDING		FINANCIAL YEAR END FIGURES									
% IN SHARE CAPITAL		ASSETS		EQUITY		REVENUES		RESULTS IN FINANCIAL YEAR		CONSOLIDATION METHOD	
2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
7.9204	-	26,436	-	14,255	-	15,815	-	2,549	-	(A) (G)	-
92.0796	-										
100.0000	100.0000	62,255	69,976	29,828	36,422	68,955	73,936	9,082	9,604	(A)	(A)
0.5143	0.5143	13,088	15,332	11,762	14,638	11,654	8,947	(495)	(348)	(A)	(A)
99.4857	99.4857										
-	51.0000	218,913	214,036	23,230	37,902	195,368	152,338	34,996	26,446	(A)	(A)
51.0000	-										
100.0000	100.0000	1,960	10,909	1,690	10,688	1,764	1,375	497	202	(A)	(A)
99.9000	99.9000	76,523	104,302	76,520	104,302	17,868	5,655	13,822	5,216	(A)	(A) (F)
0.1000	0.1000										
-	86.3279	578,906	603,990	132,476	153,436	433,076	431,269	12,517	11,972	(A)	(A)
3.7508	3.7508										
9.8996	9.8996										
86.3279	-										
100.0000	100.0000	1,989	2,789	991	1,513	3,885	2,276	1,703	1,001	(A)	(A)
99.9937	99.9937	229,961	236,731	22,786	21,714	46,414	53,463	(307)	(239)	(A)	(A)
0.0042	0.0042										
100.0000	100.0000	3,977	4,580	4,662	4,580	423	209	(38)	(2,005)	(A)	(A)
75.5000	71.0500	228,784	230,308	20,679	15,784	45,979	53,034	(2,371)	(7,596)	(A)	(A)
24.5000	28.9500										
-	100.0000	2,773	3,518	2,892	3,518	--	--	--	--	(A)	(A)
100.0000	-										
100.0000	100.0000	38,589	46,109	2,773	3,507	3,145	6,656	(400)	(867)	(A)	(A)
94.2294	94.2294	114,438	324,791	18,893	61,737	175,746	645,319	(1,790)	(1,434)	(A)	(A)
5.7623	5.7623										
5.0854	5.0854	7,209	44,128	4,212	12,392	2,329	4,948	255	1,146	(A)	(A)
94.9144	94.9144										
92.5888	92.5888	-	658	-	658	-	1	-	(16)	(A)	(A)
7.4107	7.4107										
100.0000	100.0000	-	-	-	-	-	-	-	-	(A)	(A)
-	94.2852	126,648	289,468	11,479	29,273	126,648	214,647	2,057	5,446	(A)	(A)
5.7146	5.7146										
94.2853	0.0001										
0.0001	0.0001										

				SHAREHOLDING	
NAME	REGISTERED OFFICE	EFFECTIVE TAX RATE	ACTIVITY	HOLDER	
ECUADOR					
MAPFRE ATLAS COMPAÑÍA DE SEGUROS, S.A.	Kennedy e Norte, Justino Cornejo y Avda, Luis Orrantia. Edificio Torres Atlas. Guayaquil (Ecuador)	25.00%	Insurance	— MAPFRE AMÉRICA	
MEXICO					
MAPFRE TEPEYAC S.A.	Av.Magnocentro 5 Col.C. San Fernando. Huixquilucan (Mexico)	28.00%	Insurance	— MAPFRE AMÉRICA — GRUPO CORPORATIVO LML	
GRUPO CORPORATIVO LML S.A. DE C.V.	Av. Magnocentro 5 Col. C. San Fernando. Hixquilucan (Mexico)	28.00%	Holding	— MAPFRE AMÉRICA	
UNIDAD MÓVIL DE DIAGNÓSTICO S.A.	Av. Magnocentro 5 Col. C. San Fernando. Hixquilucan (Mexico)	28.00%	Medical services	— MAPFRE TEPEYAC	
ASSET DEFENSA LEGAL MEXICANA S.A. DE C.V.	Prado Sur, 230 Col. Lomas Chapultepec Mexico D.F. (Mexico)	28.00%	Legal advisory services	— MAPFRE TEPEYAC	
TEPEYAC INC.	109 Este San Ysidro Blud #65 San Isidro (California) E.E.U.U.	28.00%	Motor insurance	— MAPFRE TEPEYAC	
TEPEYAC ASESORES	Av. Magnocentro 5 Col. C. San Fernando Hixquilucan (Mexico)	30.00%	UCITS management	— MAPFRE AMÉRICA — MAPFRE TEPEYAC	
PARAGUAY					
MAPFRE PARAGUAY COMPAÑÍA DE SEGUROS S.A.	Av.Mariscal López, 910 Asunción (Paraguay)	30.00%	Insurance	— MAPFRE AMÉRICA	
REAL PARAGUAYA DE SEGUROS S.A. (absorbed in 2008 by MAPFRE PARAGUAY)	Estrella esq. Alberdi, Asunción (Paraguay)	-	Insurance	— MAPFRE AMÉRICA	
PERU					
MAPFRE PERÚ COMPAÑÍA DE SEGUROS Y REASEGUROS	Av.Veintiocho de Julio, 873 Miraflores. Lima 18 (Peru)	30.00%	Insurance and reinsurance	— MAPFRE AMÉRICA	
LATINA SEGUROS Y REASEGUROS, S.A. (absorbed in 2008 by MAPFRE PERÚ)	Avda. Armendáriz 339 Miraflores. Lima (Peru)	30.00%	Insurance and reinsurance	— MAPFRE AMÉRICA	
MAPFRE PERÚ ENTIDAD PRESTADORA DE SALUD	Av.Veintiocho de Julio, 873 Miraflores. Lima 18 (Peru)	30.00%	Medical assistance	— MAPFRE AMÉRICA	
MAPFRE PERÚ VIDA, COMPAÑÍA DE SEGUROS, S.A.	Avda. 28 de Julio, Miraflores. Lima (Peru)	30.00%	Insurance	— INVERSIONES PERUANAS	
CORPORACIÓN FINISTERRE, S.A.	Avda. 28 de Julio, Miraflores. Lima (Peru)	30.00%	Undertaker services	— MAPFRE PERÚ VIDA.	
PUERTO RICO					
MAPFRE PRAICO CORPORATION	Urb. Tres Monjitas Industrial 297 Avda. Carlos Chardón Hato RE.Y. - San Juan (Puerto Rico)	20.00%	Insurance	— MAPFRE AMÉRICA	
MAPFRE PRAICO INSURANCE COMPANY	Urb. Tres Monjitas Industrial 297 Avda. Carlos Chardón Hato RE.Y. San Juan (Puerto Rico)	39.00%	Insurance	— MAPFRE PRAICO CORPORATION	
MAPFRE PREFERRED RISK INSURANCE COMPANY	Urb. Tres Monjitas Industrial 297 Avda. Carlos Chardón Hato RE.Y. San Juan (Puerto Rico)	39.00%	Insurance	— MAPFRE PRAICO INSURANCE	
MAPFRE PAN AMERICAN INSURANCE COMPANY	Urb. Tres Monjitas Industrial 297 Avda. Carlos Chardón Hato RE.Y. San Juan (Puerto Rico)	39.00%	Insurance	— MAPFRE PRAICO CORPORATION	
MAPFRE INSURANCE AGENCY OF PUERTO RICO, INC. (in 2007 PUERTO RICAN INSURANCE AGENCY INC.)	Urb. Tres Monjitas Industrial 297 Avda. Carlos Chardón Hato RE.Y. San Juan (Puerto Rico)	20.00%	Insurance brokerage	— MAPFRE PRAICO CORPORATION	
MAPFRE FINANCE OF PUERTO RICO CORP (in 2007 PAN AMERICAN FINANCE CORPORATION)	Urb. Tres Monjitas Industrial 297 Avda. Carlos Chardón Hato RE.Y. San Juan (Puerto Rico)	20.00%	Financial	— MAPFRE PRAICO CORPORATION	
MAPFRE LIFE INSURANCE COMPANY	Urb. Tres Monjitas Industrial 297 Avda. Carlos Chardón Hato RE.Y. San Juan (Puerto Rico)	25.00%	Insurance	— MAPFRE PRAICO CORPORATION — MAPFRE AMÉRICA VIDA	
BALDRICH & ASSOCIATES INC.	Urb. Tres Monjitas Industrial 297 Avda. Carlos Chardón Hato RE.Y. San Juan (Puerto Rico)	20.00%	Insurance brokerage	— MAPFRE PRAICO CORPORATION	
AUTO GUARD INC.	Urb. Tres Monjitas Industrial 297 Avda. Carlos Chardón Hato RE.Y. San Juan (Puerto Rico)	20.00%	Extended warranty contracts	— MAPFRE PRAICO CORPORATION	

FIGURES IN € THOUSANDS

SHAREHOLDING		FINANCIAL YEAR END FIGURES									
% IN SHARE CAPITAL		ASSETS		EQUITY		REVENUES		RESULTS IN FINANCIAL YEAR		CONSOLIDATION METHOD	
2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
58.2000	-	14,811	-	5,217	-	20,006	-	986	-	(A) (G)	-
55.6602 44.3398	55.6602 44.3398	579,006	514,668	118,642	125,867	244,447	265,136	11,958	9,034	(A)	(A)
100.0000	100.0000	27,248	32,605	27,248	32,605	8	13	(2)	(24)	(A)	(A)
99.9982	99.9982	690	506	265	82	4,153	4,601	80	(72)	(A)	(A)
78.8145	78.8145	415	459	303	324	2,270	2,658	(9)	22	(A)	(A)
100.0000	100.0000	12	-	(110)	-	85	-	2	-	(A)	(A)
51.0000 16.0000	51.0000 16.0000	360	434	259	320	2	12	11	2	(A)	(A)
89.2900	81.1200	186,649	86,315	59,667	26,393	123,503	51,189	8,812	3,806	(A)	(A)
-	99.9800	-	-	-	-	-	-	-	-	(H)	(A) (F)
98.9803	99.3849	76,945	30,618	18,700	7,366	72,048	35,601	2,029	(2,393)	(A)	(A)
-	98.5500	-	35,299	-	6,320	-	-	-	-	(H)	(A) (F)
98.5900	98.5900	1,100	760	599	740	1,689	22	(105)	(167)	(A)	(A) (F)
67.2725	67.2725	109,565	94,457	11,454	11,216	33,739	28,398	1,609	3,124	(A)	(A)
100.0000	100.0000	2,361	2,152	2,220	1,762	3,786	3,872	1	(33)	(A)	(A)
100.0000	100.0000	555,601	488,842	187,779	161,569	158	55	(1,012)	(1,036)	(A)	(A)
100.0000	100.0000	400,125	354,611	158,049	132,882	175,378	134,774	11,935	11,819	(A)	(A)
100.0000	100.0000	82,910	81,325	25,930	27,561	26,976	10,640	4,030	3,749	(A)	(A)
100.0000	100.0000	19,062	19,663	11,099	13,201	4,033	2,223	1,083	1,128	(A)	(A)
100.0000	100.0000	703	808	(236)	231	7	1,427	8	66	(A)	(A)
100.0000	100.0000	3,361	664	1,740	43	1	46	87	23	(A)	(A)
65.4100 34.5900	65.4100 34.5900	62,074	30,256	10,429	9,291	124,597	52,712	(5,202)	(1,147)	(A)	(A)
100.0000	100.0000	2,658	4,271	(3)	(8)	-	5,340	113	176	(A)	(A)
100.0000	100.0000	10,567	8,676	182	(152)	2,691	2,157	250	367	(A)	(A)

NAME	REGISTERED OFFICE	EFFECTIVE TAX RATE	ACTIVITY	SHAREHOLDING
				HOLDER
CLUB MAPFRE DEL AUTOMOVIL, INC. (in 2007 PROFIT SOLUTIONS INC.)	Urb. Tres Monjitas Industrial 297 Avda. Carlos Chardón Hato RE.Y. San Juan (Puerto Rico)	20.00%	Protection against theft	— MAPFRE PRAICO CORPORATION
DOMINICAN REPUBLIC				
MAPFRE DOMINICANA S.A.	Ave. Pedro H. Ureña, 150 esq. A. Lincoln. La Esperilla. Santo Domingo (Dominican Republic)	—	Securities broker dealer	— MAPFRE AMÉRICA
MAPFRE BHD COMPAÑÍA DE SEGUROS, S.A.	Avda. Abraham Lincoln, 952 (Dominican Republic)	—	Insurance	— MAPFRE DOMINICANA
URUGUAY				
MAPFRE URUGUAY S.A.	Bulevar Artigas, 459. Montevideo (Uruguay)	25%	Insurance	— MAPFRE AMÉRICA
APOINT S.A.	Col. 993 Piso 3. Montevideo (Uruguay)	—	Financial	— MAPFRE AMÉRICA
REAL URUGUAYA DE SEGUROS	Avda. 18 de Julio, 988. Montevideo (Uruguay)	25%	Insurance	— MAPFRE AMÉRICA
VENEZUELA				
MAPFRE LA SEGURIDAD S.A.	Calle 3ª Parcela 9 Edif. Seg. La Seguridad Caracas (Venezuela)	—	Insurance and reinsurance	— MAPFRE AMÉRICA
CEFOPROSEG C.A.	Calle 3ª Parcela 9 Edif. Seg. La Seguridad Caracas (Venezuela)	—	Training	— MAPFRE LA SEGURIDAD
INVERSORA SEGURIDAD C.A.	Calle 3ª Parcela 9 Edif. Seg. La Seguridad Caracas (Venezuela)	—	Financing of policies	— MAPFRE LA SEGURIDAD
CLUB MAPFRE S.A.	Calle 3ª Parcela 9 Edif. Seg. La Seguridad Caracas (Venezuela)	—	Provision of services	— MAPFRE LA SEGURIDAD
INMOBILIARIA 96 C.A.	Calle 3ª Parcela 9 Edif. Seg. La Seguridad Caracas (Venezuela)	—	Real estate	— MAPFRE LA SEGURIDAD
AUTOMOTRIZ MULTISERVICAR, C.A.	Calle 3ª Parcela 9 Edif. Seg. La Seguridad Caracas (Venezuela)	—	Car workshop	— MAPFRE LA SEGURIDAD
ESTACIONAMIENTOS EL CHORRO	Calle 3ª Parcela 9 Edif. Seg. La Seguridad Caracas (Venezuela)	—	Property management	— MAPFRE LA SEGURIDAD
EL SALVADOR				
MAPFRE LA CENTRO AMERICANA S.A.	Alameda Roosevelt, 31-07. San Salvador (El Salvador)	25.00%	Insurance	— MAPFRE AMÉRICA
INMOBILIARIA AMERICANA S.A.	Alameda Roosevelt, 31-07. San Salvador (El Salvador)	25.00%	Real estate	— MAPFRE AMÉRICA
SPAIN				
MAPFRE SOFT S.A.	Ctra.Pozuelo 52. Majadahonda (Spain)	32.50% (1)	IT	— MAPFRE AMÉRICA — MAPFRE AUTOMÓVILES — MAPFRE FAMILIAR
MAPFRE AMÉRICA VIDA S.A. (absorbed in 2008 by MAPFRE AMÉRICA)	Avda.General Perón, 40. Madrid (Spain)	35.00%	Holding	— MAPFRE,S.A.
INVERSIONES PERUANAS	Avda.General Perón, 40. Madrid (Spain)	32.50%	Holding	— MAPFRE AMÉRICA VIDA — MAPFRE AMÉRICA

FIGURES IN € THOUSANDS

CONSOLIDATION METHODOLOGY OR TREATMENT

- (A) Fully consolidated subsidiaries
- (B) Subsidiaries excluded from consolidation
- (C) Associated and investee undertakings consolidated by the equity method
- (D) Associated and investee undertakings excluded from consolidation
- (E) Joint ventures consolidated by proportional integration
- (F) Companies joining the consolidation perimeter in financial year 2007
- (G) Companies joining the consolidation perimeter in financial year 2008
- (H) Companies exiting the consolidation perimeter in financial year 2008

TAX GROUP

- (1) Company forming part of Tax Group number 9/85
- (2) Company forming part in fiscal year 2007 of Tax Group number 95/02, integrated in 2008 within Tax Group number 9/85

SHAREHOLDING		FINANCIAL YEAR END FIGURES									
% IN SHARE CAPITAL		ASSETS		EQUITY		REVENUES		RESULTS IN FINANCIAL YEAR		CONSOLIDATION METHOD	
2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
100.0000	100.0000	557	304	198	314	722	703	(36)	100	(A)	(A)
99.9991	81.7300	13,552	13,382	13,548	13,375	312	46	303	44	(A)	(A)
50.0000	50.0000	67,730	59,200	15,021	9,562	139,734	117,044	3,117	1,587	(A)	(A) (F)
100.0000	100.0000	12,562	10,990	3,528	3,217	10,751	7,943	1,218	131	(A)	(A)
100.0000	100.0000	3,946	3,750	3,321	3,068	447	786	(21)	(33)	(A)	(A)
100.0000	100.0000	20,933	18,298	(364)	2,222	10,072	-	(2,748)	-	(A)	(A) (F)
99.5159	99.5159	274,935	226,548	150,531	53,522	853,082	591,904	11,123	35,927	(A)	(A)
100.0000	100.0000	4	4	3	2	116	84	(1)	1	(A)	(A)
100.0000	100.0000	128,932	46,958	124,092	42,682	24,532	10,492	9,612	6,753	(A)	(A)
100.0000	100.0000	380	381	352	167	26	1	26	1	(A)	(A)
100.0000	100.0000	3	3	6	6	-	-	-	-	(A)	(A)
99.7000	99.7000	1,618	7	3	3	-	-	-	-	(A)	(A)
100.0000	100.0000	4	4	4	4	-	-	-	-	(A)	(A)
72.8853	72.8687	43,392	42,292	10,114	11,366	18,527	17,093	1,463	1,598	(A)	(A)
78.8559	78.7450	5,977	5,807	4,995	4,642	468	496	74	48	(A)	(A)
99.9991	99.9991	5,384	2,635	2,437	2,111	5,801	3,675	330	(491)	(A)	(A)
-	0.0009										
0.0009	-										
-	87.5707	-	168,715	-	167,804	-	6,348	-	17,416	(H)	(A)
-	87.0387	11,668	12,779	11,666	12,779	1,300	2,465	774	2,156	(A)	(A)
100.0000	12.9613										





AUDIT REPORT FOR THE 2008
ANNUAL CONSOLIDATED FINANCIAL STATEMENTS

Translation of an audit report and consolidated annual accounts originally issued in Spanish.
In the event of discrepancy, the Spanish-language version prevails (See Note 9)

AUDIT REPORT ON THE CONSOLIDATED ANNUAL ACCOUNTS

To the Shareholders of
MAPFRE, S.A.

1. We have audited the consolidated annual accounts of MAPFRE, S.A. and its subsidiaries (the Group), which comprise the consolidated balance sheet at December 31, 2008, the consolidated income statement, consolidated statement of changes in net equity and consolidated cash flow statement and the notes thereto for the year then ended, the preparation of which is the responsibility of the Parent Company's directors. Our responsibility is to express an opinion on the aforementioned consolidated annual accounts taken as a whole, based upon work performed in accordance with auditing standards generally accepted in Spain, which require the examination, through the performance of selective tests, of the evidence supporting the consolidated annual accounts, and the evaluation of their presentation, of the accounting principles applied, and of the estimates made.
2. In accordance with mercantile law, for comparative purposes the Parent Company's directors have included for each of the captions included in the consolidated balance sheet, consolidated income statement, consolidated statement of changes in net equity, consolidated cash flow statement and the notes thereto, in addition to the figures of 2008, those of 2007. Our opinion refers only to the consolidated annual accounts for 2008. On February 7, 2008 we issued our audit report on the 2007 consolidated annual accounts, in which we expressed an unqualified opinion.
3. The Parent Company and some of its subsidiaries have performed significant transactions with other MAPFRE GROUP companies. Information about these transactions is given in the Note 6.26 to the accompanying consolidated annual accounts.
4. In our opinion, the accompanying 2008 consolidated annual accounts give a true and fair view, in all material respects of the consolidated net equity and the consolidated financial position of MAPFRE, S.A. and its subsidiaries at December 31, 2008 and the consolidated results of its operations, changes in consolidated net equity and consolidated cash flow for the year then ended and contain the required information necessary for their adequate interpretation and understanding, in conformity with the International Financial Reporting Standards adopted by the European Union which are consistent with those applied to the figures and information corresponding to the 2007 consolidated annual accounts.

5. The accompanying 2008 consolidated management report contains such explanations as the Parent Company's directors consider appropriate concerning the situation of MAPFRE, S.A. and its subsidiaries, the evolution of its business and other matters; however it is not an integral part of the consolidated annual accounts. We have checked that the accounting information included in the aforementioned consolidated management report agrees with the consolidated annual accounts for the year ended December 31, 2008. Our work as auditors is limited to verifying the consolidated management report in accordance with the scope mentioned in this paragraph, and does not include the review of information other than that obtained from the accounting records of the consolidated companies.

ERNST & YOUNG, S.L.

(signed in the original issued in spanish language)

Manuel Martínez Pedraza

February 5, 2009



PROPOSED RESOLUTIONS
FOR THE MAPFRE ORDINARY
GENERAL MEETING

Proposed resolutions

— Approval of the individual and consolidated Annual Accounts for financial year 2008.

— Approval of the Board of Directors' management during financial year 2008.

— Re-election of the Director Mr. Santiago Gayarre Bermejo for another four-year period.

This proposed re-election has received the backing of the Appointment and Remuneration Committee.

— Approval of the distribution of earnings proposed by the Board of Directors, and therefore to distribute a total dividend of € 0.15 gross per share to shares numbers 1 to 2,676,851,956 each inclusive, and of € 0.08 gross per share to shares numbers 2,676,851,957 to 2,744,832,287 each inclusive. Part of this dividend, in the sum of € 0.07 gross per share, was anticipated to shares numbers 1 to 2,676,851,956 following a resolution passed by the Board of Directors on 29th October 2008, and the rest, up to the agreed total of € 0.08 gross per share, shall be paid to all of the shares, that is, numbers 1 to 2,744,832,287 each inclusive, as from 2nd April 2009.

— To authorize the Board of Directors so that it may, pursuant to section 153 of the Revised Text of the Companies Act, during the five years following the date of this resolution, increase the share capital once or several times by up to a maximum of € 137,241,614.35, equivalent to 50% of the share capital. The Board of Directors shall freely determine the form and conditions of any capital increases pursuant to this authorization, and may resolve to: issue the shares with or without voting rights, and even with an issuance premium; exclude, either in whole or in part of the pre-emptive right of shareholders and, where necessary, of the holders of the Company's convertible bonds, pursuant to section 159.2 of the Revised Text of the Companies Act and similar provisions; and amend, where necessary, article 5 of the Corporate Bylaws to adapt it to the amount of the resulting share capital. This authority involves the withdrawal of the authority given on 8th March 2008.

The Board of Directors is likewise authorized to delegate the powers granted by virtue of this resolution to the Executive Committee, pursuant to section 141, number 1, second paragraph of the Revised Text of the Companies Act.

— To request that the shares that the company issues as a result of the share capital increase carried out by the Board of Directors under the authorization referred to in the preceding paragraph are listed for trading on the Stock Exchange, pursuant to Article 27 b) of the Stock Exchange Regulations, as worded in Royal Decree 1,536/81, and in the same terms and conditions as provided for under the said Article. It is explicitly agreed that, in the event of a subsequent application to exclude the shares from being listed,

such decision will be made with the same formalities, and in this case the interests of any objecting shareholders or shareholders who did not vote for or opposed the resolution, will be guaranteed. The passing of a decision to officially allow listing will amount to a declaration to abide by any rules that may be in force or that may be laid down in the future relating to Securities and Stock Markets, and especially those referring to trading, listing and delisting.

— To authorize the Board of Directors so that, pursuant to the provisions of section 75 and related sections of the Revised Text of the Spanish Companies Act, the Company may proceed, directly or through affiliates, to acquire treasury stock, subject to the following limits and requirements:

– Methods: acquisition via contract of purchase, or via any other inter vivos act for a consideration, of shares that are free of any liens or encumbrances.

– Maximum number of shares that may be acquired: shares whose nominal value, added to those already owned by the Company and its affiliates, does not exceed 5% of the share capital of MAPFRE, S.A.

– Minimum and maximum acquisition price: 90% and 110%, respectively, of the share's market price on the date of acquisition.

– Term of the authorization: eighteen months as from the date of the resolution herein.

The Board of Directors is likewise authorized to delegate the powers granted by virtue of this resolution to the Executive Committee, pursuant to section 141, number 1, second paragraph of the Revised Text of the Spanish Companies Act.

— To endorse the report on the Directors' remuneration policy that is submitted to the General Meeting for consultation purposes.

Said report on the Directors' remuneration policy has been reported on favourably by the Appointment and Remuneration Committee.

— To extend the appointment of the firm Ernst & Young, S.L. as the Company's Auditors, both for the Individual Annual Accounts and, as the case may be, for the Consolidated Accounts, should the Company be under a duty to issue such accounts or decide to do so voluntarily, for a new one-year period, that is, for financial year 2009, although the appointment may be revoked by the Annual General Meeting before the end of said period if a justifiable reason for doing so exists.

— To confer the broadest powers on the Board of Directors so that, with regard to the preceding capital increase resolution, passed by this Annual General Meeting, it may:

a) Complete, in general terms, the preceding resolutions in any matters necessary for them to be valid and enforceable.

b) Delegate wherever it deems appropriate to the Company's Executive Committee or to members of the Board of Directors.

— Delegate the broadest powers in favour of the Chairman of the Board of Directors, Mr. José Manuel Martínez Martínez, to the First Deputy Chairman, Mr. Alberto Manzano Martos, and to the Secretary of the Board, Mr. José Manuel González Porro, so that they may individually execute the preceding resolutions and record them as a public deed insofar as it is necessary, amending them in accordance with any observations made by the Companies Registrar when assessing them and which ought to be accepted by the empowered parties.

— To authorize the Board of Directors to clarify and interpret the preceding resolutions.

— To thank those involved in the management of the company for their loyal co-operation during this financial year.



ACKNOWLEDGEMENTS
AND MENTIONS

Acknowledgements and mentions

At the beginning of 2008, a year before reaching the statutory age limit, Mr. Fernando Suárez González, Chairman of the Insurance Ombudsman Commission, announced his retirement. Mr. Suárez, Professor of Labour Law, had carried out the role of Chairman of said Commission since 1984. His substitute and new Chairman will be Mr. José María Gondra Romero, Professor of Mercantile Law.

MAPFRE would like to express an enormous debt of gratitude to Mr Suárez for his extensive and invaluable collaboration, which has resulted in the Group having a body to defend the interests of its customers and users, which is a reference for its independence and rigour in attending the complaints of policyholders.

In addition to Mr Suárez, the following members of the Insurance Ombudsman Commission also announced their retirements, having reached the statutory age limit: Mr. Angel Rodríguez García, who carried out his role since 2005; Mr. José Luis Merino García-Ciaño, member of said Commission since 1988.

Furthermore, since the date of the previous Annual Report, 2007, MAPFRE employees have concluded or are about to reach the end of their active working life, as well as the following senior managers:

— Mr. Filomeno Mira Candell, who joined MAPFRE in 1971, and held the following positions, among others: Chairman of MAPFRE INDUSTRIAL, MAPFRE SEGUROS GENERALES, FUNDACIÓN MAPFRE ESTUDIOS, MAPFRE RE, MAPFRE CAUCIÓN Y CRÉDITO, MAPFRE AMÉRICA VIDA and MAPFRE EMPRESAS; Vice-Chairman of CORPORACIÓN MAPFRE, MAPFRE AMÉRICA, MAPFRE MUTUALIDAD and MAPFRE S.A. He has also been Chairman of the Insurance Committee of the INTERNATIONAL CHAMBER OF COMMERCE and of the International Association of Mutual Insurance Companies (AISAM). In addition he is First Vice-Chairman of the Board of Trustees and Steering Committee of FUNDACIÓN MAPFRE and Chairman of the Institute for Insurance Sciences, the latter role which he still carries out.

— Mr. Angel Alonso Batres, who joined MAPFRE in 1964, and held the following positions, among others: Director General of Vice-Chairman of MAPFRE INDUSTRIAL; Chief Executive Officer of MAPFRE SEGUROS GENERALES; Vice-Chairman of MAPFRE INTERNACIONAL; and Chairman of the Board of Directors of GENEL SIGORTA. He was also a Member of the Advisory Council of ICEA and the member of the Board of Directors of CATTOLICA AZIENDE.

— Mr. José Luis Calvo López, who joined MAPFRE in 1983, and held the following positions, among others: Director General of MAPFRE INDUSTRIAL and Chief Executive Officer of MAPFRE EMPRESAS. He was also a member of



Filomeno Mira, en nombre de todos los homenajeados, agradeció el reconocimiento que se les brindó en la Reunión Anual de Red MAPFRE

the Steering Committee of the “Agrupación de Patrimoniales, R.C. y Transportes” of UNESPA and of the Steering Committee of the Spanish Association of Risk Managers (AGERS), and Professor at the MAPFRE University Centre for Higher Education.

— Mr. Pablo Blázquez Bueno, who joined MAPFRE in 1979, and held the following positions, among others: Manager of the Regional Subcentre for the Centre and La Mancha; Director of the representative office of MAPFRE RE in Venezuela; and Director General of the Centre Regional Head Office.

— Mr. Humberto Pérez Hidalgo, who joined MAPFRE in 1990, and held the following positions, among others: Director General of MAPFRE GUANARTEME; Sole Director of PROYECTOS Y SERVICIOS MAPFRE and ELIPSE CANARIAS.

— Mr. Juan José López Peña, who joined MAPFRE in 1972, and held the following positions, among others: Safety Engineer and Administrative Director of the MAPFRE Prevention and Rehabilitation Centre, the Industrial Accident Mutual Insurance Company, Chief Executive Officer of ITSEMAP Fuego and ITSEMAP Ambiental, Manager of the UET and Deputy Director General of RED MAPFRE.

— Mr. Fausto Ignacio Rodríguez González, who joined MAPFRE in 1980, and held the following positions in MAPFRE VIDA, in the following order: Deputy Technical Director, Managing Director of the Commercial Insurance Division, and Deputy Director General of the Technical Area.

Also the following have ceased as board members of the Regional areas: Mr. Antonio Briones Díaz (Madrid) and Mr. Felipe Real Chicote (North).

MAPFRE would like to express its gratitude to all of the above for their contribution.

In memoriam

Since the preparation of the previous Annual Report, 17 employees have passed away, 8 in Spain (Mrs. Olga Galdeano López, Mr. Carlos López de Gracia, Mr. Francisco José Peña Fernández, Mr. Antonio José Ganfornina Jarana, Mrs. Beatriz Villanueva Gil, Mr. Laureano Moreno López, Mr. Carlos Requejo Gutierrez and Mr. Juan Ignacio Martínez Carrasco); and 9 overseas (Mr. Lucas Nieto (Argentina), Mrs. Cassia Regina V. Barbosa, Mrs. Sandra Andrea Barboza and Mr. Rubens Silva de Oliveira (Brazil), Mr. José Oscar Verdugo López (Mexico), Mrs. Teresa de Jesús Ríos Sánchez (Peru), Mr. Luis Fernández and Mr. Ralph Savel (USA) and Willians Vargas (Venezuela)).

The following people have also passed away:

— Mr. José Antonio Navarro Vegas who joined MAPFRE in 1964 and, among other positions, was Director of Personnel and Regional Organisation, Deputy Director for Bodily Injuries, Head of Budget Control and Head of Legal Real Estate Services.

— Mr. José Manuel García Pablos, who joined the MAPFRE Group in 1964, and held various managerial positions, both in Spain and Argentina.

MAPFRE would like to take this opportunity to express its sincerest condolences to the relatives of the deceased.

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MAPFRE contributes to the preservation of the environment. This report has been printed using environmentally friendly processes and on ecological and chlorine-free paper.

This report contains the Consolidated Management Report and Consolidated Annual Accounts for fiscal year 2008, together with the corresponding Auditors' Report of MAPFRE, S.A., as well as miscellaneous additional information. The company has at the disposal of its shareholders and other interested parties the Individual Management Report and Annual Accounts, with the corresponding Auditors' Report.