



Consolidated managemnet report 2007

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ECONOMIC CONTEXT

In spite of the effects of the sharp adjustment in the US real estate sector and in spite of the financial market crisis caused by subprime mortgages, the world economy grew at a rate of nearly 5 per cent in 2007. The slowdown of the US economy, which was greater than expected, was offset by the favourable development of activity in the Eurozone, and especially by the vigorous performance of emerging economies (Latin America, Southeast Asia, China and India).

After a few months of relative stability, the second half of 2007 featured a substantial increase of risk aversion, strong volatility in financial markets, and a significant drop in business and consumer sentiment. The reasons behind this change of direction lie in the much greater than expected impact of the slowdown in the US residential sector and the effects of the crisis in the interbank and credit markets owing to doubts concerning subprime assets, which led the major central banks to intervene in the markets—injecting liquidity and amending their monetary policy stance. Other features of the year in economic terms were the significant hike in the price of commodities and the unchecked rise in oil prices, which neared the 100 dollar mark, the acute weakness of the dollar, which dropped to uncharted levels against the euro, and the slump in government debt yields in the latter part of the year, which benefited from the ‘flight to quality’ of investment flows and wariness towards credit markets and riskier assets.

In this context, the evolution of the geographical areas in which MAPFRE has a stronger presence (Spain and Latin America) was satisfactory. After the economic cycle peaked in the first quarter of the year, the Spanish economy ended 2007 with a growth rate of nearly 3.8 per cent. Even though it is slightly lower than the year before, it served to keep the spread with the Eurozone at around one percentage point. The growth profile varied throughout the year: the contribution of domestic demand fell as a result of less dynamic household spending, in turn caused by higher interest rates and a decline in consumer sentiment, as well as the gradual reduction of investment in the construction sector; on the other hand, the contribution of the foreign sector remained negative though to a lesser extent. Capital investment, job creation and the evolution of government accounts continued to develop favourably. Among the negative developments we must mention the significant deceleration of the real estate sector, the sizeable current account deficit and the impairment of consumer price indices as a result of energy prices and some food prices.

In spite of a more complicated environment, the Latin American economy grew by nearly 5 per cent in 2007. The improvement of the economic and financial situation over recent years (with a reduction of

external debt, healthier government accounts and an increase of foreign reserves) has made the region less vulnerable to external shocks and allowed it to successfully weather the recent financial turmoil. The key factors for this favourable development were significant demand and the high prices of commodities, the consolidation of domestic demand, both in terms of consumer spending and investment, supported by the performance of the labour market, and the orthodox policies implemented by monetary authorities. Although Latin American financial markets had to bear strong volatility just like other geographical regions, stock exchanges in the region performed well, risk premiums remained subdued, there were upgrades in the sovereign debt ratings awarded by agencies, and some currencies were relatively strong.

Stock markets had a positive development across the world, in spite of the fact that the environment gradually worsened as the year progressed, with sharp increases in volatility and risk premiums. With the exception of Japan, the major stock indices recorded gains, which were especially high in emerging markets. The Spanish stock exchange fared better than the European average, supported by the good performance of some of its large caps.

After a very positive start to the year, which allowed many markets to reach historical or multi-annual highs (boosted by healthy corporate earnings, plenty of M&A activity and a favourable macroeconomic situation), the bursting of the subprime crisis in the summer brought about a sudden change of direction in equities.

Lack of confidence among investors owing to doubts on the scope and the end consequences of the real estate, liquidity and credit crises on economic growth and corporate earnings, together with other factors such as the weakness of the US Dollar or the high price of oil, dampened sentiment towards the end of year and volatility was rife in financial markets. However, rapid and determined action on the part of central banks in order to keep a balance between growth and inflation risks and the scarcity of investment alternatives mitigated falls in the stock markets, which then deepened at the beginning of 2008.



DEVELOPMENT OF THE INSURANCE MARKETS

Spanish market¹

According to preliminary estimates, the total volume of direct insurance premiums written in 2007 amounted to €54,648 million, broken down as follows by lines of business:

LINE OF BUSINESS	2007	2006	% VAR. 07/06
Life	22,934	22,472	2.1%
Non-life	31,714	30,112	5.3%
Total Direct Insurance	54,648	52,584	3.9%

Figures in million euros

Non-life policies accounted for 58% of the total volume of premiums. In absolute terms, Motor Insurance continued to be the largest by volume, although its growth rate was the lowest due to stiff competition. 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:

	2007	2006	% VAR. 07/06
Motor	12,549	12,223	2.7%
Health	5,393	4,920	9.6%
Multi-peril	5,458	5,057	7.9%
Other Non-life	8,314	7,911	5.1%
Total Non-life	31,714	30,112	5.3%

Figures in million euros

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

	2007	2006	2005	2004	2003
Motor	39.6%	40.6%	41.5%	42.8%	44.5%
Health	17.0%	16.3%	15.9%	15.6%	15.2%
Multi-peril	17.2%	16.8%	16.3%	15.9%	15.7%
Other Non-life	26.2%	26.3%	26.2%	25.7%	24.6%

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:



MAPFRE'S HEADQUARTERS IN MAJADAHONDA (MADRID)



2007 ANNUAL SHAREHOLDERS' MEETING



EXTRAORDINARY SHAREHOLDERS' MEETING HELD ON 4TH JULY 2007

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

	TOTAL		MOTOR		MULTI-PERIL		HEALTH	
	30.09.07	30.09.06	30.09.07	30.09.06	30.09.07	30.09.06	30.09.07	30.09.06
Loss ratio	71.0%	70.7%	75.4%	75.5%	62.8%	60.5%	81.4%	80.8%
Expense ratio	20.7%	20.4%	18.1%	18.3%	30.5%	30.3%	11.3%	11.2%
Combined ratio	91.7%	91.1%	93.5%	93.8%	93.3%	90.8%	92.7%	92.0%

The volume of managed Life savings, represented by technical reserves, was €133,934 million, a 2.5% 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 against the previous year:

	2007	2006	% VAR. 07/06
Life Assurance	133,934	130,695	2.5%
Mutual Funds	327,964	337,011	(2.7)%
Pension Funds	86,561	81,264	6.5%
Total	548,459	548,970	(0.1)%

Figures in million euros



ALVARO URIBE, PRESIDENT OF COLOMBIA, RECEIVES IN BOGOTÁ THE GROUP OF SPANISH JOURNALISTS INVITED BY MAPFRE

Latin American markets²

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

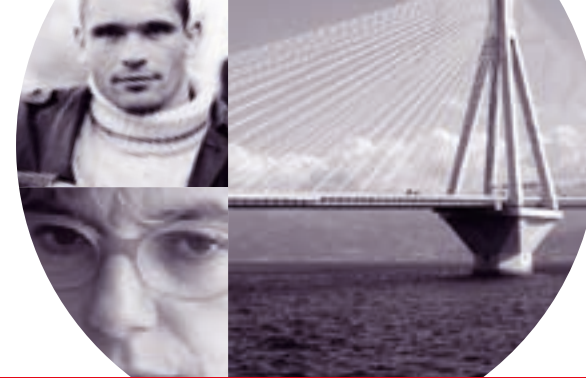
COUNTRY	DATE	NON-LIFE	LIFE	TOTAL
Argentina	30/06/2007	25.6%	25.2%	25.4%
Brazil	30/11/2007	10.4%	27.7%	18.1%
Colombia	30/09/2007	13.4%	16.9%	14.4%
Chile	30/09/2007	20.7%	14.4%	16.8%
Dominican Republic	30/11/2007	12.5%	19.1%	13.1%
Mexico ⁴	30/09/2007	15.2%	7.6%	11.7%
Paraguay	30/06/2007	–	–	11.6%
Peru	30/11/2007	5.2%	0.2%	3.2%
Puerto Rico	30/09/2007	6.4%	2.7%	6.0%
El Salvador	30/09/2007	8.6%	(0.6)%	5.6%
Uruguay	31/12/2007 (est.)	2.6%	24.0%	6.4%
Venezuela ⁵	31/10/2007	–	–	56.5%

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

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

[4] Deflated growth rates.

[5] 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.



In 2007, the Latin American markets performed as follows:

- In ARGENTINA, with data to the end of June, the insurance market reported high growth rates in excess of the previous financial year, mainly from Non-life insurance, with significant increases in two lines of business: Motor (due to the increase in vehicle sales), and Workers' Compensation (driven by the increase in the working population). The Life assurance business was boosted significantly by the upturn in demand for savings products. The loss ratio rose in Non-life insurance, chiefly due to the increased frequency and the price competition in Motor Insurance, but dropped in Life Assurance, as a younger population joined the group policies.

- In BRAZIL, according to figures to the end of November, the total volume of premiums reported a sharp increase similar to the previous year's, spurred by the sector's initiatives to broaden the product range and develop new distribution channels. VGBL was again the main driving force behind market growth, demand having jumped due to the stronger household saving capacity, and its attractive financial and tax returns. In the Non-life lines, the rate of growth in Motor, Household, Commercial and Transport was brought down by stiff price competition, but rose in all the other lines, mainly due to the heavy increase in demand for warranty extension insurance policies tied to the sale of electronic and electrical appliances. The loss ratio fell both in Non-life (after heavy growth in lines with a low claim experience) and in Life assurance (following the rate hike and the enforcement of stricter subscription policies).

- In CHILE, with data to the end of September, the rate of growth in the volume of premiums accelerated as compared to the previous year. The highlight in Non-life insurance was the increase in the two main lines: Motor Insurance, due to its ever-stronger penetration; and Fires and Earthquakes, due to the effect of the development of the economy. In Life Assurance, most of the upturn in the volume of business stemmed from the main line (Life Annuities) and from loan repayment (Debtor's Life Assurance). Price competition was fierce in the personal lines of Non-life insurance, and especially in Motor Insurance. The loss ratio remained stable in Non-life insurance, and rose slightly in Life Assurance.

- In COLOMBIA, with data to the end of September, growth in the volume of premiums was clearly up on the previous year, driven mainly by Life Assurance, in turn boosted by stronger group insurance policy sales due to the growing demand of this type of products and larger number of policyholders; and by retirement insurance, due to the larger working population. In Non-life insurance, the largest growth came in Motor Insurance, following the significant rise in new vehicle sales, and in

Multi-peril Insurance, due to the growth in the building industry and the rising demand of small and medium-sized enterprises. The loss ratio ended higher in the Non-life business, on account of price competition, increased frequency and the damages caused by natural disasters.

- In the DOMINICAN REPUBLIC, with data to the end of November, growth in the volume of premiums stayed at sustained levels, albeit lower than for the previous financial year. Most growth came in Motor Insurance, which raised tariffs to absorb the higher costs derived from the fact that the VAT charged on premiums can no longer be offset with the VAT paid on claims. The Non-life loss ratio rose on account of tough price competition and the claims caused by the floods. Life assurance enjoyed sustained growth and a good technical result, despite continuing to contribute very little to total business.

- In MEXICO, with data to the end of September, the total volume of premiums rose sharply again. The Non-life insurance benefited from the performance of the property line of business, rates having climbed significantly after the catastrophic claims of previous years, and of Accident and Illness, due to the attractive tax treatment. Motor insurance grew at a real rate of nearly 10%, mainly due to the increase in new vehicle sales and the price rises. Growth in Life assurance slowed down significantly compared to the previous year, as a consequence of the high rate of penetration of savings products. The Non-life businesses reported higher loss ratios, mainly on account of tariffs being too low in Motor Insurance and the steeper property reinsurance costs, while in Life assurance loss ratios remained stable.

- In PARAGUAY, with data for the first six months, the volume of premiums remained at a sustained growth rate. Similar to the previous year, Motor Insurance provided most of the increase in volume of business as vehicle sales soared. Price competition was intense, especially in damage insurance for private individuals. The financial statements are now drawn up in accordance with IFRS, which is why several companies reported lower earnings, following changes in the criteria for the appropriation of the provision for risks in progress.

- In PERU, with data to the end of November, premium growth was down on the previous year. Once again, Non-life reported the highest growth rate, spurred mainly by the Motor, Multi-peril and Surety businesses. In contrast, the volume of Life assurance premiums remained almost unchanged, after the early retirement system was suspended, prompting a sharp downturn in savings premiums; this was offset by heavy growth in Individual Life Assurance and loan repayment (Debtor's Life Assurance). Price competition was fierce in most lines of business. Loss ratios were higher in Non-life (mainly due to the Pisco earthquake claims

[6] (Life Assurance Generating Free Benefits) Life Assurance.

and more frequent vehicle theft), and in Life Assurance (due to the decline in premiums).

- In PUERTO RICO, with data to the end of September, the market reported growth, albeit not performing as strongly as the previous year. Once again, Health insurance was the driving force behind the Non-life business and the market as a whole, following the sustained success of the health care plans for retired individuals (Medicare), which are subsidised and regulated by the federal authorities; even so, the increased level of penetration slowed down the rate of growth. Premiums in the rest of the Non-life Business remained almost unchanged due to the sluggish economic activity. Life Assurance recorded a modest rise that stemmed mainly from the annuity business. The Non-life loss ratio was slightly up on the previous year, on account of tough price competition and higher costs in the Health line of business.

- In EL SALVADOR, with data at the end of September, the market enjoyed positive growth but significantly less than the previous year, Life Assurance having shrunk due to fierce price competition in retirement insurance. Non-life reported another rise due basically to the Fire business, which experimented growth on account of the buoyant building industry and a slight increase in rates. In the Motor business, growth was around 7%, spurred by higher vehicle sales and in spite of fierce price competition. The Non-life loss ratio improved due to the decline in the frequency of burglary and theft claims.

- In URUGUAY, according to year-end estimates, growth in the volume of premiums slowed down as the peso gained against the US dollar, the currency to which most property insurance policies are indexed. Motor insurance increased by nearly 5%, while 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 was especially intense in Motor, Fire and Agricultural and Livestock Insurance. Motor insurance and Life assurance loss ratios stayed at stable levels.

- In VENEZUELA, according to data to the end of October, the premium growth rate was far higher than the previous year, boosted by the huge increase in the number of Health insurance policies subscribed by the public sector and the upturn in vehicle sales. Prices remained stable, but the technical result was worse than the previous year on account of high inflation, higher medical expenses and higher management expenses in the Motor business.



LEFT: SPANISH
JOURNALISTS WITH THE
PRIME MINISTER OF PREU,
JORGE CASTILLO
RIGHT: MEETING OF THE
MAPFRE NETWORK
("RED MAPFRE")





Turkish market

According to data to the end of September, the Turkish insurance market grew steadily again by 13.8%, thereby exceeding the rate of inflation (8.4%). This growth was driven by Non-life business, which climbed 17%, mainly on account of the huge increase in Motor Insurance following the upturn in new vehicle sales. Significant growth was also reported in Legal Liability, due to new legal requirements, and in Travel Health Insurance, as more of the population travelled abroad. In contrast, Life Assurance, which accounts for 13% of the insurance market, shrank 3.7% as savers moved part of their retirement savings into pension schemes. Price competition stiffened notably in the second half after the subsidiaries of certain foreign groups adopted aggressive commercial policies. The Non-life business reported a lower loss ratio, chiefly due to the significant drop in coverage of Motor Insurance damages, in turn due to the higher tariffs and improved risk selection.

Reinsurance market

The international reinsurance market developed satisfactorily due to the low intensity of natural disasters. Despite a few catastrophe-related claims (storms in Northern Europe, Australia and the United Kingdom), the costs were largely retained by insurance companies. As a result, it is expected that reinsurance operators will end financial year 2007 with similar or slightly higher earnings than in 2006, aided by the positive input of higher financial income thanks to higher interest rates. Recent instability in financial markets is likely to marginally affect the sector, although at the time of writing we cannot predict what the real effects of this problem will be.

The above-mentioned low intensity of catastrophes during the year and the improved earnings forecasts for 2007 prompted more competitive rates and terms in virtually all lines and regions, but nonetheless positive technical margins should remain in place.

All of the above, together with the higher retention capacity of insurance companies and the steady conversion of proportional reinsurance programmes into non-proportional schemes is leading to a reduction of premiums, which will heighten competition between the various operators in order to achieve revenue in keeping with their high capitalisation and expectations.

During 2007 there were relevant acquisitions in the sector, and some reinsurance firms are now subscribing direct insurance to offset the reduction of reinsurance premiums and to obtain profits that will allow them to adequately remunerate capital.

BUSINESS DEVELOPMENT⁷

Operating revenues and funds under management

Direct insurance and accepted reinsurance premiums written by the subsidiaries of the Company were €12,310.5 million in 2007, a 12.6% increase. Total operating revenues reached €15,206.7 million, including €340.9 million of new gross contributions to pension funds.



NEW BUILDING IN
ARAVACA (MADRID)



HEADQUARTERS OF GENEL
SIGORTA IN TURKEY

[7] In the figures for 2007, MAPFRE SEGUROS GENERALES' Motor Business in the Canary Islands is included in MAPFRE AUTOMÓVILES; and the branches in Portugal of MAPFRE VIDA and MAPFRE EMPRESAS are included in MAPFRE SEGUROS GERAIS. This configuration of businesses was also applied to the pro forma figures for 2006 to permit homogeneous comparisons



Price competition stiffened notably in the second half after the subsidiaries of certain foreign groups adopted aggressive commercial policies

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

	2007	2006	VAR. % 07/06
Companies operating mainly in Spain	10,011.4	9,008.7	11.1%
Gross written and accepted premiums	7,853.0	7,083.3	10.9%
Income from investments	1,483.5	1,298.3	14.3%
Other revenues	674.9	627.1	7.6%
Companies operating mainly abroad	5,097.7	4,427.6	15.1%
Gross written and accepted premiums	4,457.5	3,849.4	15.8%
Income from investments	496.6	431.3	15.1%
Other revenues	143.6	146.9	(2.2)%
Parent company	388.0	167.8	131.2%
SUB-TOTAL CUMULATIVE REVENUES	15,497.1	13,604.1	13.9%
Consolidation adjustments and other companies	(631.3)	(370.3)	70.5%
SUB-TOTAL CONSOLIDATED REVENUES	14,865.8	13,233.8	12.3%
Gross contributions to pension funds	340.9	349.6	(2.5)%
TOTAL REVENUES FROM OPERATIONS	15,206.7	13,583.4	12.0%

Figures in million euros



In 2007, both the total cumulative and total consolidated revenues exceeded the figures for the previous year, having grown 13.9% and 12.3%, respectively, as a consequence of the following factors:

- Organic growth in premiums volumes, which was particularly significant outside of Spain.
- Consolidation into the accounts of the companies in which the Group has acquired a shareholding during the course of the year (BANKINTER VIDA, CCM VIDA Y PENSIONES and GENEL SIGORTA) or absorbed (MUTUA VALENCIANA AUTOMOVILISTA).
- The rise in interest rates, which led to an increase in financial income and to a downwards adjustment in the value of hedging swaps.
- The appreciation of the Euro against the US Dollar and some Latin American currencies, which reduced the amount in Euros of the revenues coming from Latin America.

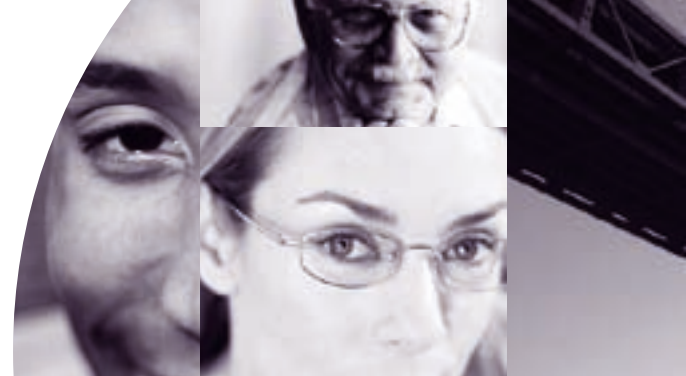
The following table shows the evolution of funds under management in Life assurance and Savings products:

	2007	2006	VAR. % 07/06
Life assurance technical reserves	16,955.5	15,265.8	11.1%
Pension funds	3,155.2	1,493.2	111.3%
Mutual funds and managed portfolios	4,038.0	3,777.3	6.9%
TOTAL	24,148.7	20,536.3	17.6%

Figures in million euros

The increase in the volume of managed assets that was achieved in 2007 (17.6%) reflects primarily a significantly larger winning of savings insurance in Spain, strong business development in Brazil and the integration of CCM VIDA Y PENSIONES and BANKINTER VIDA.

The abovementioned rise in interest rates over the previous year translated into a €661.8 million downwards adjustment in Life assurance technical reserves.



Spain

Direct insurance and accepted reinsurance premiums written by the companies that operate primarily in Spain reached €7,853 million, to which €340.9 million of new gross contributions to pension funds must be added, with the following breakdown by company:

	2007	2006	VAR. % 07/06
MOTOR INSURANCE ¹	2,560.7	2,473.3	3.5%
GENERAL INSURANCE ¹	1,112.7	1,053.9	5.6%
HEALTH INSURANCE	432.7	388.0	11.5%
AGRICULTURAL & LIVESTOCK INSURANCE	253.5	229.3	10.6%
FAMILY DIVISION	4,359.6	4,144.5	5.2%
COMMERCIAL INSURANCE	1,322.1	1,225.4	7.9%
NON-LIFE INSURANCE IN SPAIN	5,681.7	5,369.9	5.8%
LIFE SAVINGS	1,944.0	1,582.5	22.8%
MAPFRE VIDA ¹	1,779.3	1,582.5	12.4%
BANKINTER VIDA ²	24.2	-	-
CCM VIDA Y PENSIONES ²	140.5	-	-
LIFE PROTECTION	307.7	265.8	15.8%
MAPFRE VIDA ¹	285.7	265.8	7.5%
BANKINTER VIDA ²	14.2	-	-
CCM VIDA Y PENSIONES ²	7.8	-	-
LIFE ASSURANCE IN SPAIN	2,251.7	1,848.3	21.8%
Consolidation adjustments	(80.4)	(134.9)	(40.4)%
TOTAL PREMIUMS¹	7,853.0	7,083.3	10.9%
Gross contributions to pension funds	340.9	349.6	(2.5)%

Figures in million euros

(1) In the figures for 2007, MAPFRE SEGUROS GENERALES' Motor Business in the Canary Islands is included in MAPFRE AUTOMÓVILES; and the branches in Portugal of MAPFRE VIDA and MAPFRE EMPRESAS are included in MAPFRE SEGUROS GERAIS. This configuration of businesses was also applied to the pro forma figures for 2006 to permit homogeneous comparisons.

(2) Figures shown correspond to the premiums written by this company since the date when it was first included into MAPFRE's scope of consolidation.

The following aspects must be noted about the Family Division:

- The increase in Motor Insurance premiums reflects the winning of 116,000 net new policies, equivalent to a 2% growth, and the inclusion of the premiums written by Mutua Valenciana Automovilista over the last ten months of 2007, which amounted to €95 million. At the close of the year, MAPFRE insured 6,091,000 vehicles in Spain.

The development of premiums at the **COMMERCIAL INSURANCE OPERATING UNIT** reflects the significant growth of industrial insurance in Spain and the favourable performance of the international business in Global Risks and in the Credit and Surety line, in spite of an intensely competitive environment

- The development of premiums at the GENERAL INSURANCE OPERATING UNIT reflects sustained growth in the Household insurance (9.2%) and Multiperil (7.7%) lines, and the slowdown in the sale of mortgage payment protection insurance (“Hipoteca Protegida”).

- The increase in premiums at MAPFRE CAJA SALUD has been driven mainly by the Health Assistance group business and by the Expense Reimbursement line.

The development of premiums at the COMMERCIAL INSURANCE OPERATING UNIT reflects the significant growth of industrial insurance in Spain and the favourable performance of the international business in Global Risks and in the Credit and Surety line, in spite of an intensely competitive environment.

Premiums development in Life Assurance is due to:

- The significant increase in the winning of single premium savings products through the CAJA MADRID network;
- A larger issuance of savings insurance through the agency network.
- The sustained growth in Life - Protection premiums;
- The integration of CCM VIDA Y PENSIONES and BANKINTER VIDA.

The following table shows a breakdown of written and accepted premiums by line of business in 2006 and 2007, together with the corresponding market shares (provisional in the case of 2007):



AGREEMENT WITH CAJA CASTILLA LA MANCHA

	2007	2006	% VAR.	MARKET SHARES	
				2007	2006
MOTOR	2,578.7	2,493.2	3.4%	20.5%	20.4%
HEALTH	432.7	388.0	11.5%	7.9%	7.8%
OTHER - NON-LIFE	2,670.3	2,483.1	7.5%	18.3%	18.1%
TOTAL NON-LIFE	5,681.7	5,364.3	5.9%	17.4%	17.4%
LIFE PROTECTION	307.7	271.3	13.4%		
LIFE SAVINGS	1,944.0	1,582.5	22.8%		
TOTAL LIFE	2,251.7	1,853.8	21.5%	9.9%	8.3%
TOTAL⁽¹⁾	7,933.4	7,218.1	9.9%	14.3%	13.5%

Figures in million euros

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

	AGENTS AND OTHER CHANNELS			BANK CHANNEL			TOTAL		
	2007	2006	VAR. %	2007	2006	VAR. %	2007	2006	VAR. %
LIFE ⁽¹⁾									
MAPFRE VIDA - Recurring business	1,002.9	951.4	5.4%	978.2	830.1	17.8%	1,981.1	1,781.5	11.2%
BANKINTER VIDA ⁽²⁾	-	-	-	38.4	-	-	38.4	-	-
CCM VIDA Y PENSIONES ⁽²⁾	-	-	-	148.3	-	-	148.3	-	-
MOTOR ⁽¹⁾⁽³⁾	2,518.9	2,440.8	3.2%	41.8	32.5	28.6%	2,560.7	2,473.3	3.5%
GENERAL INSURANCE ⁽¹⁾	993.4	918.6	8.1%	119.3	135.3	(11.8)%	1,112.7	1,053.9	5.6%
AGRICULTURAL & LIVESTOCK	253.2	229.0	10.6%	0.3	0.3	-	253.5	229.3	10.6%
HEALTH	408.2	367.0	11.2%	24.5	21.0	16.7%	432.7	388.0	11.5%
COMMERCIAL INSURANCE ⁽¹⁾	1,292.7	1,197.9	7.9%	29.4	27.5	6.9%	1,322.1	1,225.4	7.9%
NON-LIFE	5,466.4	5,153.3	6.1%	215.3	216.6	(0.6)%	5,681.7	5,369.9	5.8%
LIFE ⁽¹⁾									
MAPFRE VIDA - Large corporate operations							83.9	66.8	25.6%
Consolidation adjustments							(80.4)	(134.9)	(40.4)%
TOTAL⁽¹⁾	6,469.3	6,104.7	6.0%	1,380.2	1,046.7	31.9%	7,853.0	7,083.3	10.9%

Figures in million euros

(1) In the figures for 2007, MAPFRE SEGUROS GENERALES' Motor Business in the Canary Islands is included in MAPFRE AUTOMÓVILES; and the branches in Portugal of MAPFRE VIDA and MAPFRE EMPRESAS are included in MAPFRE SEGUROS GERAIS. This configuration of businesses was also applied to the pro forma figures for 2006 to permit homogeneous comparisons.

(2) Figures shown correspond to the premiums written by this company since the date when it was first included into MAPFRE's scope of consolidation.

(3) Figures for MAPFRE AUTOMÓVILES include the items corresponding to MVA, which was integrated at year end with retroactive effect from 1.3.2007.

Total revenues from investments for the companies that operate primarily in Spain increased 14.3% and amounted to €1,483.5 million (vs. €1,298.3 million in 2006). Of these, €1,184.7 million came from interests, dividends and equivalents, against €1,125.7 million in 2006.

Total revenues from business activities other than insurance reached €697.6 million, an increase of 8.2% over the previous year. Their breakdown by company is shown in the following table:

	2007	2006	VAR.% 07/06
MAPFRE INVERSIÓN and subsidiaries	118.5	110.2	7.5%
MAPFRE INMUEBLES	73.1	118.3	(38.2)%
MAPFRE QUAVITAE	119.1	103.6	15.0%
Other entities	386.9	312.6	23.8%
TOTAL	697.6	644.7	8.2%

Figures in million euros

of assets in mutual funds and managed portfolios stood at €4,038 million, equivalent to a 6.9% increase, and assets managed in pension funds reached €1,628.2 million, a 9% rise.

The subsidiaries that operate in stockbroking, as well as mutual and pension fund management, which are grouped under MAPFRE INVERSIÓN, obtained revenues of €118.5 million, a 7.5% increase over 2006. The volume

According to figures for 2006, which are the latest available, MAPFRE held again the first place in the Non-Life insurance ranking in Latin America, with a share of approximately 6.2% in the countries and territories in which it operates.

INTERNATIONAL

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

	2007	2006	VAR.% 07/06
LIFE	670.9	547.8	22.5%
LATIN AMERICA ⁽¹⁾	628.3	503.1	24.9%
OTHER COUNTRIES ⁽²⁾	42.6	44.7	(4.7)%
Non-life	2,496.5	2,099.6	18.9%
LATIN AMERICA ⁽¹⁾	2,292.4	1,958.6	17.0%
OTHER COUNTRIES ⁽²⁾	204.1	141.0	44.8%
DIRECT INSURANCE	3,167.4	2,647.4	19.6%
ACCEPTED REINSURANCE	1,601.2	1,437.7	11.4%
ASSISTANCE	314.8	296.3	6.2%
TOTAL CUMULATIVE PREMIUMS	5,083.4	4,381.4	16.0%
Intra-group transactions eliminated upon consolidation	(625.9)	(532.0)	17.7%
TOTAL CONSOLIDATED PREMIUMS ⁽³⁾	4,457.5	3,849.4	15.8%

Figures in million euros

(1) Includes the consolidated figures for holding companies MAPFRE AMÉRICA and MAPFRE AMÉRICA VIDA.

(2) Includes Florida, the Philippines, Portugal and Turkey. In the figures for 2007, the branches in Portugal of MAPFRE VIDA and MAPFRE EMPRESAS are included in MAPFRE SEGUROS GERAIS. This configuration of businesses was also applied to the figures for 2006 to permit homogeneous comparisons.

(3) In this report, the figures for 2007 are compared with the pro forma figures for 2006, which, in compliance with legal requirements, have been prepared purely for comparative purposes on the basis of the consolidated financial statements of MAPFRE S.A. at the close of 2006 and the financial statements at the same date of those companies which were included into its scope of consolidation in January 2007.

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

	2007	2006	% VAR
Motor	1,031.3	935.7	10.2%
Health and accidents	437.5	368.6	18.7%
Life	720.7	586.7	22.8%
Other lines	977.9	756.4	29.3%
TOTAL	3,167.4	2,647.4	19.6%

Figures in million Euros

The 18.6% increase in premiums at the AMERICA OPERATING UNIT (Life 24.9% and Non-Life 17%) mainly reflects the sustained growth in business volumes in Brazil and Mexico.



2007 ANNUAL SHAREHOLDERS' MEETING



The following table shows the growth rates of Direct Insurance premiums achieved in the various countries:

COUNTRY	PREMIUMS (LIFE AND NON-LIFE)			Local Currency	
	2007	2006	% 07/06	2007	2006
Brazil ⁽¹⁾	1,190.9	959.6	24.1%	26.0%	
Mexico	387.6	310.9	24.7%	35.6%	
Venezuela	306.3	296.6	3.3%	12.4%	
Puerto Rico	276.7	270.9	2.1%	12.4%	
Argentina	310.9	275.7	12.8%	24.6%	
Other countries ⁽²⁾	448.3	348.0	28.8%	-	
AMERICA OPERATING UNIT	2,920.7	2,461.7	18.6%	-	

Figures in million euros

(1) Figures for Brazil at the close of 2007 include premiums from MAPFRE NOSSA CAIXA of €140.3 million (€73.3 million as at 31.12.2006).

(2) Includes Chile, Colombia, the Dominican Republic, El Salvador, Paraguay, Peru and Uruguay.



PRESS CONFERENCE
TO PRESENT THE HALF
YEARLY RESULTS

According to figures for 2006, which are the latest available, MAPFRE held again the first place in the Non-Life insurance ranking in Latin America, with a share of approximately 6.2% 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	8.3%
Brazil	5.9%
Chile	9.3%
Colombia	4.2%
El Salvador	13.2%
Mexico	4.4%
Paraguay ⁽²⁾	13.9%
Peru	6.6%
Puerto Rico	12.7%
Uruguay	5.3%
Venezuela	7.7%

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

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

In the accepted reinsurance business, MAPFRE RE and its subsidiaries recorded a consolidated volume of premiums of €1,601.2 million (€1,437.7 million in 2006), an 11.4% increase. Retained premiums were €1,066.5 million, equivalent to a 66.6% retention rate (68.5% in 2005). By geographical areas, 31% of accepted premiums came from

Spain, 28% from the rest of Europe, 27% from Latin America, 6% from North America and 8% from other countries.

The total revenues (premiums and revenues from the sale of services) of MAPFRE ASISTENCIA and its subsidiaries reached €428.7 million, a 1.7% increase over the previous year. Of these, €314.8 million corresponded to written and accepted premiums, with a 6.2% rise, and €113.9 million to revenues from services, a 9% decrease.

MAPFRE INTERNACIONAL obtained a total premiums volume of €246.7 million, as a result of the following development in the premiums of its subsidiaries:

- MAPFRE USA, which operates in Florida, wrote premiums of €14.6 million, a 9.5% decrease.
- MAPFRE INSULAR (The Philippines) achieved a 14.1% increase in its premiums volume, which stood at €21.2 million.
- The business activities in Portugal (comprising MAPFRE SEGUROS GERAIS and the Life and Credit and Surety businesses) booked premiums written of €148 million, equivalent to a 2% decrease
- GENEL SIGORTA (Turkey) recorded an 18.9% increase in its premiums figure that reached €229.6 million, of which only €62.9 million, corresponding to the last quarter, were included in MAPFRE's consolidated accounts.

The total income from investments for the companies that operate primarily outside of Spain grew 15.1% and amounted to €496.6 million. (vs. €431.3 million in 2006). Of these, €334.6 million came from interests, dividends and equivalents, against €305.9 million in 2006.



Management ratios

In Non-life lines, the consolidated combined ratio was 92.6%, against 93.9% the previous year. The loss ratio has declined significantly in the Motor insurance line in Spain and in Commercial insurance, mitigating the impact of the greater incidence of large claims. The development of the main management ratios is shown in the following table:



JOSÉ MANUEL MARTÍNEZ AT THE INSURANCE HALL OF FAME

COMPANY	RATIOS					
	EXPENSE RATIO ⁽¹⁾		LOSS RATIO ⁽²⁾		CCOMBINED RATIO ⁽³⁾	
	2007	2006	2007	2006	2007	2006
MAPFRE S.A. consolidated ⁽⁴⁾	24.6%	24.9%	68.0%	69.0%	92.6%	93.9%
Companies operating primarily in Spain						
MOTOR INSURANCE OP. UNIT ⁽⁴⁾	16.7%	14.4%	74.5%	77.6%	91.2%	92.0%
GENERAL INSURANCE OP. UNIT	25.3%	29.9%	59.8%	58.7%	85.1%	88.6%
HEALTH	17.7%	16.6%	75.1%	78.1%	92.8%	94.7%
AGRICULTURAL AND LIVESTOCK	18.0%	21.7%	75.3%	67.3%	93.3%	89.0%
FAMILY DIVISION	18.9%	18.5%	71.1%	72.8%	90.0%	91.3%
COMMERCIAL INSURANCE OP. UNIT ⁽⁵⁾	24.2%	20.5%	62.4%	65.3%	86.6%	85.8%
TOTAL NON-LIFE SPAIN	19.5%	18.7%	70.2%	72.0%	89.7%	90.7%
LIFE ASSURANCE OP. UNIT ⁽⁶⁾	0.9%	0.9%				
Companies operating primarily abroad						
MAPFRE AMERICA	36.2%	36.4%	66.6%	66.6%	102.8%	103.0%
MAPFRE INTERNACIONAL	26.4%	24.7%	77.1%	81.3%	103.5%	106.0%
INT'L. DIRECT INSURANCE DIVISION	35.3%	35.3%	67.6%	67.9%	102.9%	103.2%
REINSURANCE	31.6%	34.8%	60.0%	57.6%	91.6%	92.3%
ASSISTANCE	27.8%	22.9%	64.2%	70.8%	92.0%	93.7%

(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) In this report, the figures for 2007 are compared with the pro forma figures for 2006, which, in compliance with legal requirements, have been prepared purely for comparative purposes on the basis of the consolidated financial statements of MAPFRE S.A. at the close of 2006 and the financial statements at the same date of those companies which were included into its scope of consolidation in January 2007

(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. Figures for MAPFRE VIDA.



Results

The net consolidated result (after tax) was €976.1 million (€800.6 million as at 31.12.2006), a 21.9% increase; and the net result attributable to the parent company (after minority interests) reached €731.1 million, a 19.8% increase.

In general terms, most Units and Subsidiaries increased considerably their profits over fiscal year 2006. Among them, the growth achieved by the MOTOR INSURANCE and GENERAL INSURANCE Operating Units stands out. The following table shows the sources and breakdown of results:

	2007	2006 ⁽¹⁾	VAR.% 07/06
NON-LIFE INSURANCE AND REINSURANCE			
Gross written and accepted premiums	9,292.5	8,452.2	9.9%
Premiums earned, net of ceded and retroceded reinsurance	7,710.3	6,989.4	10.3%
Net claims incurred and variation in other technical provisions	(5,241.5)	(4,825.6)	8.6%
Operating expenses, net of reinsurance	(1,809.4)	(1,601.7)	13.0%
Other technical income and expenses	(83.6)	(136.4)	(38.7)%
Technical Result	575.8	425.7	35.3%
Net fin'l. income and other non-technical income and expenses	528.9	493.8	7.1%
Result of Non-life business	1,104.7	919.5	20.1%
LIFE ASSURANCE AND REINSURANCE			
Gross written and accepted premiums	3,018.0	2,480.5	21.7%
Premiums earned, net of ceded and retroceded reinsurance	2,895.8	2,353.8	23.0%
Net claims incurred and variation in other technical reserves	(2,980.5)	(2,500.6)	19.2%
Operating expenses, net of reinsurance	(413.6)	(353.2)	17.1%
Other technical income and expenses	(11.9)	(4.6)	158.7%
Technical Result	(510.2)	(504.6)	1.1%
Net fin'l. income and other non-technical income and expenses	715.9	654.1	9.4%
Unrealised gains and losses in Unit-Linked products	(2.0)	21.8	(109.2)%
Result of Life business	203.7	171.3	18.9%
OTHER BUSINESS ACTIVITIES			
Operating revenues	522.2	480.3	8.7%
Operating expenses	(446.9)	(413.3)	8.1%
Other revenues and expenses	(18.0)	(1.7)	-
Results from other business activities	57.3	65.3	(12.3)%
Result before tax and minority interests	1,365.7	1,156.1	18.1%
Taxes	(389.6)	(355.5)	9.6%
Result after tax	976.1	800.6	21.9%
Result after tax from discontinued operations	(4.0)	0.0	-
Result for the year	972.1	800.6	21.4%
Result attributable to minority shareholders	(241.0)	(190.4)	26.6%
Result attributable to the controlling Company	731.1	610.2	19.8%

Figures in million euros

(1) Pro forma figures for 2006, prepared, in compliance with legal requirements, purely for comparative purposes on the basis of the consolidated financial statements of MAPFRE S.A. at the close of 2006 and the financial statements at the same date of those companies which were included into its scope of consolidation in January 2007.



Most Units and Subsidiaries increased considerably their profits over fiscal year 2006. Among them, the growth achieved by the **MOTOR INSURANCE** and **GENERAL INSURANCE** Operating Units stands out

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 2007	CONTRIBUTION TO CONSOLIDATED RESULT 2008
INSURANCE ACTIVITIES				
MOTOR ^{(1) (2)}	303.5		303.5	252.6
LIFE AND SAVINGS ⁽³⁾	145.1	(71.1)	74.0	65.2
GENERAL INSURANCE	147.6	(72.3)	75.3	50.4
COMMERCIAL INSURANCE	86.8	(42.5)	44.3	40.3
HEALTH	18.6	(9.1)	9.5	8.4
MAPFRE GUANARTEME	12.2	(6.0)	6.2	3.7
Life Branch Portugal	1.9	(0.9)	1.0	0.6
Credit & Surety Branch Portugal	(0.1)	0.0	(0.1)	(0.2)
Individual result and consolidation adjustments			(2.2)	(1.3)
MAPFRE-CAJA MADRID HOLDING			208.0	167.1
AGRICULTURAL & LIVESTOCK	15.4		15.4	21.4
CCM VIDA Y PENSIONES	2.0	(1.0)	1.0	-
OTHER ACTIVITIES				
MAPFRE INMUEBLES	16.3		16.3	8.3
MAPFRE QUAVITAE	0.3	(0.1)	0.2	0.1
BANCO DE S.F. CAJA MADRID - MAPFRE			3.2	2.0
COMPANIES OPERATING MAINLY IN SPAIN			547.6	451.5
MAPFRE AMERICA	87.4	(9.6)	77.8	73.3
MAPFRE AMERICA VIDA	12.2	(1.5)	10.7	8.1
MAPFRE RE	87.8	(7.5)	80.3	67.9
ASSISTANCE OPERATING UNIT	7.6		7.6	10.0
MAPFRE SEGUROS GERAIS	5.3		5.3	4.8
MAPFRE INTERNACIONAL ⁽⁴⁾	3.8		3.8	3.0
GENEL SIGORTA	9.0	(1.8)	7.2	-
COMPANIES OPERATING MAINLY ABROAD			192.7	167.1
Other companies and consolidation adjustments			(9.2)	(8.4)
MAPFRE S.A.⁽¹⁾			731.1	610.2

Figures in million euros

(1) The figures for 2006 have been calculated using the pro forma financial statements of MAPFRE S.A. and MAPFRE AUTOMÓVILES S.A., which have been prepared, in compliance with legal requirements, purely for comparative purposes, using the information contained in the consolidated financial statements for 2006 for the businesses that have been included into the scope of consolidation of both companies.

(2) The figures for the MOTOR insurance business include the items corresponding to MVA, which was consolidated at the close of the year with retroactive effects since 1.3.2007.

(3) Includes BANKINTER VIDA.

(4) Includes MAPFRE USA and MAPFRE INSULAR (The Philippines).

The contribution to the net profit attributable to the parent company of the companies that were integrated into the Group during the year (BANKINTER VIDA, CCM VIDA Y PENSIONES, GENEL SIGORTA, and MUTUA VALENCIANA AUTOMOVILISTA) amounted to €31 million overall.



Investments and liquid assets

The book value of investments and liquid assets as at 31 December 2007 was €29,137.7 million, a 9.5% increase over the previous year. The following table shows its breakdown and percentage distribution:

	2007	% OVER TOTAL	2006	% OVER TOTAL
Risk-free investments	2,001.8	6.9%	1,678.1	6.3%
Cash	1,639.4	5.6%	1,422.3	5.3%
Unit-linked investments	362.4	1.2%	255.8	1.0%
Real Estate Investments	1,760.3	6.0%	1,587.5	6.0%
Buildings for own use	969.0	3.3%	804.0	3.0%
Other Real Estate investments	791.3	2.7%	783.5	2.9%
Financial investments	24,882.3	85.4%	22,873.9	85.9%
Shares	1,204.6	4.1%	911.4	3.4%
Fixed income	21,764.2	74.7%	20,169.3	75.8%
Mutual funds	1,242.5	4.3%	1,421.3	5.3%
Other financial investments	671.0	2.3%	371.9	1.4%
Other investments	493.3	1.7%	477.2	1.8%
Investments in associated companies	334.5	1.1%	269.9	1.0%
Accepted reinsurance deposits	112.8	0.4%	95.8	0.4%
Other	46.0	0.2%	111.5	0.4%
TOTAL	29,137.7	100.0%	26,616.7	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 €1,066.8 million at the close of the year according to valuations performed by independent surveyors.

Funding operations

In 2007, the following funding operations were carried out:

- Two syndicated loans were arranged: a €500 million revolving credit facility with a maturity of 7 years; and another €1,000 facility with a one-year maturity renewable for a further year. At the close of the year no drawdowns had been made against these facilities.
- Lower Tier 2 senior subordinated bonds were issued in the amount of €700 million with a 30 year maturity and a call option at year 10.



INAUGURATION
OF A NEW
BUILDING
IN OVIEDO
(ASTURIAS)

Total assets under management, including pension funds, amounted to €44,820.1 million, an increase of 15%

Balance sheet

The consolidated balance sheet is shown in the following table:

	2007	2006 ⁽¹⁾	% 07/06
ASSETS			
Goodwill	1,016.9	604.0	68.4%
Fixed assets	1,340.1	1,144.9	17.0%
Investments, real estate and cash	29,137.7	26,616.7	9.5%
Participation by reinsurance in technical reserves	2,146.1	1,804.4	18.9%
Other assets	3,986.1	3,547.8	12.4%
TOTAL ASSETS	37,626.9	33,717.8	11.6%
LIABILITIES			
Shareholders' Equity	4,331.4	4,026.5	7.6%
Minority interests	1,283.0	1,027.8	24.8%
Debt	1,519.1	808.7	87.8%
Technical reserves	26,781.8	24,027.3	11.5%
Life assurance reserves	16,584.3	15,081.8	10.0%
Other technical reserves	10,197.5	8,945.5	14.0%
Reserves for risks and expenses	315.0	244.7	28.7%
Other liabilities	3,396.6	3,582.8	(5.2)%
TOTAL LIABILITIES	37,626.9	33,717.8	11.6%

Figures in million euros

(1) Pro forma figures for 2006, prepared, in compliance with legal requirements, purely for comparative purposes on the basis of the consolidated financial statements of MAPFRE S.A. at the close of 2006 and the financial statements at the same date of those companies which were included into its scope of consolidation in January 2007.

Total assets under management, including mutual and pension funds, amounted to €44,820.1 million (€38,988.3 million at the close of the previous year), an increase of 15%.

The integration of the recently acquired companies had the following impact on the main items of the balance sheet:

	BANKINTER VIDA	CCM VIDA Y PENSIONES	GENEL SIGORTA	MVA	TOTAL
Intangible assets	204.3	122.0	150.7	-	477.0
Total assets	486.2	974.5	547.2	224.3	2,232.2
Technical reserves	418.5	924.9	240.8	149.8	1,734.1

Figures in million euros



Equity and returns

The net consolidated equity stood at €5,614.4 million, compared to €5,054.2 at the close of 2006. Of said amount, €1,283 million corresponded to minority interests in subsidiaries. Consolidated equity per share amounted to €1.90 at the close of 2007 (€1.77 as at 31.12.2006).

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

	2007	2006 ⁽¹⁾
BALANCE AS AT PRIOR YEAR END	5,054.3	4,466.5
Revenues and expenses accounted for directly in equity		
Investments available for sale	(524.9)	(344.4)
Translation differences	(35.5)	(80.9)
Shadow accounting	411.5	331.9
TOTAL	(148.9)	(93.4)
Result for the period	972.1	800.6
Distribution of previous year's result	(131.8)	(16.5)
Interim dividend for the year	(221.2)	(123.7)
Other items	89.9	20.8
BALANCE AS AT YEAR END	5,614.4	5,054.3

Figures in million euros

(1) Pro forma figures for 2006, prepared, in compliance with legal requirements, purely for comparative purposes on the basis of the consolidated financial statements of MAPFRE S.A. at the close of 2006 and the financial statements at the same date of those companies which were included into its scope of consolidation in January 2007.

The variation in the consolidated equity during the year reflects:

- The retained result for the year.
- The reduction, caused by the rise in interest rates, in the portion corresponding to shareholders of the unrealised capital gains in the fixed-income investment portfolio of the Life business, shown in the shadow accounting adjustments.
- The increase in the dividend.

The variation in "Other items" corresponds fundamentally to the incorporation of the minority interests in BANKINTER VIDA, CCM VIDA Y PENSIONES, GENEL SIGORTA, IBERICAR and MVA.

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 17.5% (16.1% as at 31.12.2006).



MAPFRE
NOMINATED AT
THE PRINCE
PHILIP AWARD
FOR BUSINESS
EXCELLENCE



The ROE for the main Units and Companies is shown in the following table:

	2007			2006
	AVERAGE EQUITY	NET RESULT	ROE % ⁽¹⁾	ROE % ⁽¹⁾
MOTOR INSURANCE ⁽²⁾	911.0	315.8	34.7%	37.6%
LIFE ASSURANCE ⁽³⁾	722.5	147.2	20.4%	20.3%
GENERAL INSURANCE	292.6	147.6	50.4%	36.6%
COMMERCIAL INSURANCE	355.2	86.5	24.4%	27.0%
HEALTH INSURANCE	125.9	18.6	14.8%	14.4%
AGRICULTURAL & LIVESTOCK INSURANCE	122.7	15.4	12.5%	18.8%
AMERICA	1,012.6	99.6	9.9%	10.5%
REINSURANCE	686.1	87.8	12.8%	12.2%
ASSISTANCE	103.7	7.6	7.3%	10.7%
MAPFRE SEGUROS GERAIS (Portugal)	66.5	7.2	10.8%	8.1%
MAPFRE INTERNACIONAL	247.7	17.3	7.0%	-
BANCO S.F. CAJA MADRID - MAPFRE	377.3	6.6	1.8%	1.4%
MAPFRE INMUEBLES	150.4	16.3	10.8%	7.0%
MAPFRE S.A. ⁽²⁾	4,178.9	731.1	17.5%	16.1%

Figures in million euros

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

(2) The figures for 2006 have been calculated using the pro forma financial statements of MAPFRE S.A. and MAPFRE AUTOMÓVILES S.A., which have been prepared, in compliance with legal requirements, purely for comparative purposes, using the information contained in the consolidated financial statements for 2006 with the businesses that have been included into the scope of consolidation of both companies.

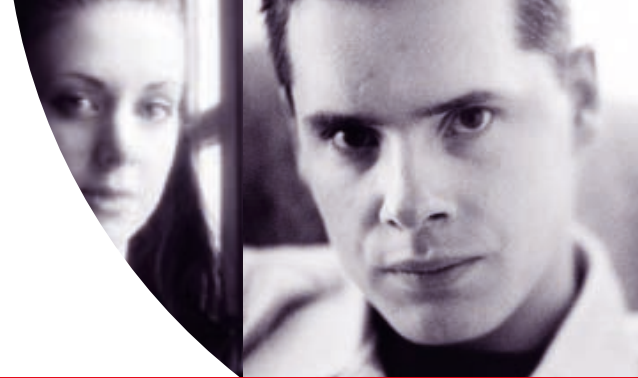
(3) Figures for 2007 includes CCM VIDA Y PENSIONES

In the month of January, the Company carried out a capital increase of €108,082,063.30 through the issuance of 1,080,820,633 shares, whose listing was authorised on 1st March 2007.



LEFT: NEW OFFICES IN ARAVCA, MADRID
RIGHT: 2ND LATINAMERICAN BUSINESS FORUM, PUNTA CANA DEL ESTE (URUGUAY)





MAIN ACTIVITIES OF THE YEAR

Acquisitions, projects and disposals

DIRECT INVESTMENTS

The Parent Company of the Group made the following outlays during the year:

- Acquisition of an 80% shareholding in GENEL SIGORTA through an outlay of €282 million in cash.
- Purchase of a 1.58% stake in MAPFRE AMÉRICA for a price of €21.2 million, which raised its total shareholding in this subsidiary to 89%.
- Acquisition of a 50% shareholding in CAJA CASTILLA LA MANCHA VIDA y PENSIONES for an amount of €114 million.
- Purchase of a 3.92% shareholding in SOCIETÀ CATTOLICA DI ASSICURAZIONE (Italy) through a series of open market purchases totalling €87.9 million.
- Purchase for a price of €29.5 million of a 3.6% stake in MAPFRE RE, which raised its total shareholding in this subsidiary to 91.53%.
- A further €277.3 million were invested in granting loans at market terms to subsidiaries and in subscribing for capital increases carried out by the same.

Overall, the investments made implied a net outlay of €811.9 million in cash, as shown in the following table:

SOCIEDAD	INVESTMENTS	LOANS	TOTAL
GENEL SIGORTA	282.0	-	282.0
CCM VIDA Y PENSIONES	114.0	-	114.0
MAPFRE AMERICA	119.5	(12.0)	107.5
SOCIETÀ CATTOLICA DI ASSICURAZIONE	87.9	-	87.9
BANCO S.F. CAJA MADRID - MAPFRE	73.4	-	73.4
MAPFRE AMERICA VIDA	70.1	(30.0)	40.1
MAPFRE RE	29.5	-	29.5
MAPFRE INMUEBLES	-	25.4	25.4
MAPFRE USA	-	22.7	22.7
MAPFRE INTERNACIONAL	-	16.0	16.0
MAPFRE ASISTENCIA	10.0	(2.1)	7.9
MAPFRE INFORMÁTICA A.I.E.	-	2.0	2.0
Other	3.1	0.4	3.5
TOTAL	789.5	22.4	811.9

INVESTMENTS MADE BY SUBSIDIARIES

MAPFRE AUTOMÓVILES has paid €29.4 million to acquire a 49% shareholding in LAYNA INVERSIONES S.L., the holding company for the Spanish car dealership network of Grupo Salvador Caetano (Portugal).

MAPFRE AMÉRICA acquired 100% of REAL PARAGUAYA DE SEGUROS and REAL URUGUAYA DE SEGUROS, for a price of €5.6 million and €6.2 million, respectively; and 98.55% of LATINA SEGUROS Y REASEGUROS (Peru), for a price of €10.7 million.

MAPFRE DOMINICANA SEGUROS, a subsidiary of MAPFRE AMÉRICA, completed its merger with SEGUROS PALIC.

MAPFRE VIDA acquired a 50% shareholding in BANKINTER SEGUROS DE VIDA for a price of €197.3 million.

MAPFRE INTERNACIONAL raised to 4.56% its shareholding in SOCIETÀ CATTOLICA DI ASSICURAZIONE (Italy) through a series of open market purchases totalling €31.3 million.

FUNDING

The investments detailed above were paid for with available excess cash and with the funds obtained from the capital increase and the issuance of subordinated bonds carried out during the year.



Investments

The management of the Group's financial investments has been conservative, both in terms of credit risk and market risk (interest rate and markets).

The degree of solvency of fixed income investments remained very high. Assets with a AA rating or higher represented 87%, while bonds issued by EU Member States representing 41%. It is worth noting that the Group does not have any financial investments which are backed by North American sub-prime mortgages.

Interest rate risk has been maintained at low levels. 70% of Life technical reserves are covered by fixed income investments, which provide cover against interest rate movements, in accordance with Spanish regulations. For those investments which cover Non-life technical reserves, the modified duration has been maintained below 4% during the course of the year, ahead of the anticipated rise in medium and long term interest rates (which occurred during the first half of the year and which later moderated with the credit crisis).

The market risk of equities has also been moderate, since these represent just 17% of investments and are held in those portfolios which are not immune to interest rate movements.

With respect the property investment portfolio, during 2007 a building was acquired for own use in Aravaca (Madrid), two and a half floors of a building in Dr. Esquerdo Street (Madrid), together with land in Majadahonda (Madrid) to extend the headquarters. Also three buildings were sold: in Barcelona (Vía Augusta); Madrid (Paseo de Recoletos, 29); and in Caracas (Edificio El Chorro).

At year end, the occupancy rate of buildings leased to third parties amounted to 95.2%, versus 88.6% at year end 2006, with a total occupied space of 252,000 m².



MEETING OF THE MAPFRE NETWORK ("RED MAPFRE") HELD ON 3RD JANUARY 2008



PRESS CONFERENCE TO PRESENT THE THIRD QUARTER 2007 RESULTS



Human resources

The breakdown of the Group's workforce at the end of fiscal year 2007 and its comparison with the previous year is shown in the following table:

CATEGORY	NUMBER					
	SPAIN		OTHER COUNTRIES		TOTAL	
	2007	2006	2007	2006	2007	2006
MANAGERS	2,023	1,520	1,826	1,412	3,849	2,932
ADMINISTRATIVE	4,912	4,724	4,549	3,348	9,461	8,072
SALES	2,244	2,629	3,028	2,556	5,272	5,185
TECHNICAL AND OTHER	7,492	6,852	4,541	4,965	12,033	11,817
TOTAL	16,671	15,725	13,944	12,281	30,615	28,006

Detailed information on the Group's Human Resources Policy is provided in the Corporate Social Responsibility report.

Regional structure

Throughout 2007, efforts were geared towards consolidating the new MAPFRE NETWORK model adopted in 2005, based on customer orientation, and on the global offering of the products and services of the Group's different companies. At the same time, all administrative and contractual formalities have been brought up-to-date to comply with the requirements of the new Mediation Act.

At year-end 2007, the Network consisted of 430 direct offices, supervised by 44 managers and 412 office directors, 2,628 franchise branches, staffed by professional agents, and 32 MAPFRE VIDA specific offices. This regional structure handled the work of a total of 15,490 tied agents and 3,206 brokers. It is worth mentioning that in 2007 agency contracts were extended to 90% of the agents who started working for MAPFRE in 2006.

The regional organisation was fostered, extended and consolidated by means of a number of different initiatives, among which the following should be underscored:

The "New Delegates" programme, which was attended by 597 brokers.

The 'Mapfre System Integrated Agent' programme, involving 795 new agents, in which €5.7 million has been invested.

1,300 sales and institutional campaigns aimed at more than four million customers.

The production of various reports and market research to facilitate the Network's sales initiatives.

The implementation of the 'Sales Management System' tool.

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

Internal control

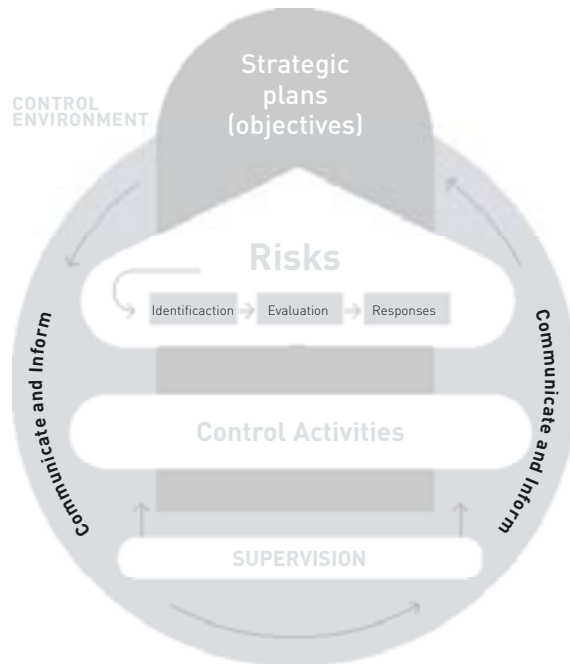
MAPFRE applies international standards for documenting, maintaining and supervising an adequate Internal Control System, the most prominent of which is COSO II-ERM (*), prepared by the Committee of Sponsoring Organizations of the Treadway Commission, which links the Internal Control System to Risk Management. The permanent maintenance and efficient operation of the Internal Control System generates added value for MAPFRE, insofar as it enables enhancements in business management, in the efficacy and efficiency of business processes and sub-processes, and the efficient execution of the Strategic Plan; and it also allows the legal regulations in force in Spain to be met, where MAPFRE is a pioneer in the application of these principles in the insurance sector, as well as in the other countries where it is present.

Internal Control is by definition a process involving each and every one of the members of the organisation, and it is designed by Senior Management in order to evaluate specific operations with a reasonable level of safety in the four major categories: efficacy and efficiency of transactions, reliability and integrity of financial reporting, adequate risk management in keeping with the company's strategic objectives, and compliance with policies, laws and regulations.

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

Throughout 2007, efforts were geared towards consolidating the new MAPFRE NETWORK model adopted in 2005, based on customer orientation, and on the global offering of the products and services of the Group's different companies

The internal control items, according to the above-mentioned COSO II Report, are stated below:



Set out below are the different headings in the Internal Control System as well as the degree of advancement that MAPFRE has achieved in each one of them.

CONTROL ENVIRONMENT

MAPFRE currently takes care to encourage and intensifying the internal control environment that already exists within its organisation, with the involvement of the Senior Management and the Human Resources Area.



E-LEARNING
COURSE
PRESENTATION

To this end, an e-learning course has been prepared for all of the employees, informing of the basic information needed in respect of Internal Control, which has already been taught to MAPFRE's employees in Brazil, as well as to MAPFRE VIDA's employees in Spain. During the first quarter of 2008 the course will reach the staff of the rest of the Group companies.

At MAPFRE VIDA and MAPFRE BRAZIL a survey has also been conducted among the employees to measure the internal control environment existing at the various levels of responsibility. The survey will also be extended to the rest of MAPFRE's insurance companies during the first quarter of 2008.

STRATEGIC PLANS

During 2007 a new tool (SIPE) was implemented at major companies in the Group in order to control and follow up on strategic plans.



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 on an annual basis. Extensive information about the MAPFRE Risk Management System may be found in Note 7 of the Annual Report.



RISKMAP
SOFTWARE
APPLICATION



CONTROL ACTIVITIES

Throughout 2007, MAPFRE AUTOMÓVILES and MAPFRE VIDA updated a total of 254 manuals that describe the procedures of the different Riskmap processes and identify the controls currently in place.



INTERNAL CONTROL TOOL

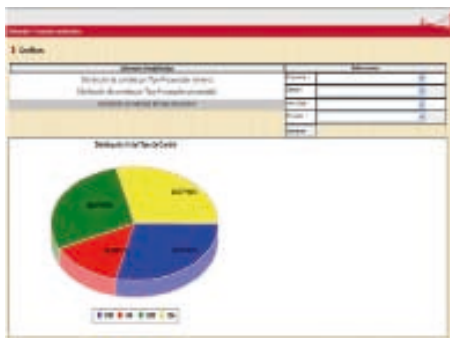
In September 2007, work began on updating the procedure and control identification manuals of MAPFRE SEGUROS GENERALES, MAPFRE AGROPECUARIA, MAPFRE CAJA SALUD, MAPFRE EMPRESAS, MAPFRE CAUCIÓN Y CRÉDITO, MAPFRE ASISTENCIA and MAPFRE RE, and is scheduled for completion in May 2008. The Group's main companies overseas are also updating their procedure manuals

A new Internal Control Riskmap module is currently under production, and will serve both to keep the manuals up-to-date and to link the controls to the risks.

Lastly, MAPFRE is implementing an automated tool for preventing transactions/customers liable to be involved in money laundering, and reporting them to the competent authorities.

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; and



INTERNAL CONTROL TOOL



INTERNAL CONTROL TOOL

courses are being arranged to explain the Code of Ethics and Code of Good Governance.

SUPERVISION

MAPFRE has fully independent Audit Departments that review and assess the suitability of the Internal Control system; The Internal Audit Plans for 2008 have also taken into account the Riskmap results, and system operational checks have been scheduled.

Strategic Planning

As it is customary at MAPFRE, all of the Group's Divisions, Companies and Operating Units updated their respective Strategic Plans at year-end 2007, defining the objectives established for the following three years (in this case for the 2008-2010 period), as well as the strategies they plan to use to achieve these objectives. These plans constitute part of the Strategic Plan of MAPFRE S.A., which was approved by the Board of Directors at its meeting in February 2008.

In preparing the economic 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.



The Group's Divisions, Companies and Operating Units updated their respective Strategic Plans for the following three years as well as the strategies they plan to use to achieve these objectives

Internal audit

At year-end 2007 the Company and its affiliates had five Internal Audit Services (SAI) in Spain, and fifteen Internal Audit Units (UAI) located in the main countries in Latin America, in Turkey, the Philippines and Portugal, all of which are coordinated by the Group Audit Area. During 2007, the Group's Internal Audit structure was re-tailored to the new operational organization in place since the turn of the year. To this end:

- The Internal Audit Service of the MAPFRE FAMILY Division's units and companies were merged into a single one.
- Since May 2007, there is a single Internal Audit Service for MAPFRE RE and MAPFRE ASISTENCIA, and since January 2008 there is only one International Audit Service.
- The INFORMATION TECHNOLOGIES Audit Service was launched on 1st January 2008 to boost IT audits both in Spain and overseas.

During 2007 a total 597 audits were conducted, of which 207 dealt with Central Services, 140 had to do with the Regional Structure and 56 with subsidiaries, 170 were special task audits and 24 were systems audits; and 14,569 hours were dedicated to training internal auditors—this represents an average 134 hours per auditor each year. Furthermore, the Internal Audit Area reviewed the Company's Management Reports and Annual Accounts for 2007, as well as 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.

Information technologies

In 2007 the implementation of the new integrated insurance management system TRON21 commenced successfully. At the end of the year, the system was up and running in MAPFRE AUTOMÓVILES, MAPFRE AGROPECUARIA, MAPFRE GUANARTEME and MAPFRE EMPRESAS, and all the scheduled tasks and tests had been completed to ensure it is in place in the first quarter of 2008 in MAPFRE SEGUROS GENERALES, and to permit its future implementation in MAPFRE CAJA SALUD. On another note, throughout 2007 a large number of applications were developed or upgraded for the Group's different companies

The Balanced Data Processing Centre installed in Avila was brought on line as scheduled, and is being operated by a specialised external supplier, under appropriate supervision by MAPFRE. This DPC will permit complete computerised support for the Group's systems under any circumstances. Mention must also be made of the framework agreement reached with one of the world's top technology firms, which will now be looking after MAPFRE's medium-term needs in terms of configuring the

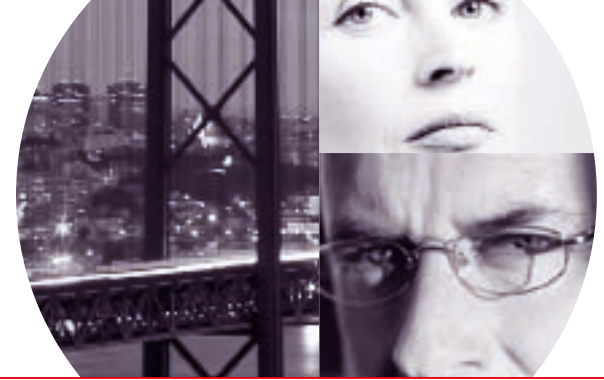
new technological infrastructure required (hardware and software), and delivering innovative consultancy services.

Safety and environment

During 2007, decisive progress was made towards the configuration of a more comprehensive model for the various Safety and Environmental items, operating under the principles of centralised management and decentralised execution, in order to effectively and efficiently meet the legal regulation compliance requirements and those relating to the effective protection of people, the assets and the business. In this respect, important milestones were reached and other projects are being developed that represent important challenges because of their complexity, the deadlines set for their implementation or the number of players involved in the obtainment of the results that are sought. The highlights in this respect are:

- The efforts devoted to internal training and dissemination of Safety and Environmental-related issues.
- The approval by the Ministry of the Interior of our own Alarm Receiving Centre (CRA), as a result of which the new MAPFRE-designed IP Alarm systems are starting to be deployed in offices and buildings.
- The commissioning of the User Administration Operating Centre (COAS).
- The review and updating of the Self-Protection and Emergency Plans of 39 buildings and the start at the regional offices.
- The definition and implementation of electronic security and fire protection devices and equipment in eight buildings and 193 regional offices, and the extension, improvement or upgrading of safety and security installations in another 20 buildings.
- The development of the Information Security Plan, and of the Environmental Action Plan.

The Corporate Responsibility Report provides extensive information about MAPFRE's environmental management and policy.



Communication, advertising and corporate image

In 2007, special emphasis was placed on boosting and co-ordinating internal and external communications, along with the Group's corporate image, the following achievements being worthy of note:

- In the field of external communications, 22 press conferences and 214 interviews were arranged with the Media, 301 press releases were issued, 443 information queries and 571 financial information questionnaires were answered, and 29 events were organized.
- As for internal communications, four editions of MUNDO MAPFRE, the institutional magazine, were published, together with a separate special edition devoted to presenting the 2006 results and the 2007 AGM, and two editions of RED MAPFRE, a magazine oriented to the Sales Network staff.
- The internal communication achieved through these magazines was backed up by the posting of 343 major news items on the Internal Portal. Work is underway on redesigning this Common Area of the MAPFRE portal, and 18 information bulletins were sent to the Group's board members, senior management, overseas executives and regional managers.
- Corporate image efforts remained focused on designing the new signs for the identification of unique buildings, while significant resources were allocated to advertising ("Ser Grande es una actitud" brand campaign, two waves of the Motor Insurance advertising campaign, sponsorship of the TV broadcasting of the World Motorcycling Championship, Pension Fund and Insurance campaign, and other actions in the printed press and on radio). This assured an almost permanent advertising presence throughout the year. The effects were borne out by the Brand Image Survey (Omnibus survey conducted by ICEA (Association for Cooperative Research between Insurance Companies and Pension Funds) -1st wave 2007-), which reflected unaided awareness of the MAPFRE brand by 78% of the population, aided awareness of the brand by 67% of the population, and



IMAGES OF THE 2007
INSTITUTIONAL CAMPAIGN

campaign recall by more than 74% of respondents; and by the permanent survey conducted by the IMOP (Instituto de Marketing y Opinión Pública), showing a 27% 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 2007 were audited by Ernst & Young, with the exception of entities 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 €4,365,892 for the services rendered in connection with the audit of such accounts, with the main auditor having received €3,999,179 of that amount. Furthermore, the main auditor received payments of €509,354 for services related with the audit of the annual accounts and of €435,262 for other complementary services. Neither of the latter two payments is deemed to compromise the independence of the auditors.



FRONT COVERS OF MAPFRE'S INTERNAL MAGAZINE'S

Business earnings can be expected to enable a favourable performance of stock markets, although growth rates will slow down in comparison to previous year.

POST-BALANCE SHEET EVENTS

The following events have occurred after the close of the year:

On 5th February, 2008, the new Framework Agreement that governs the strategic alliance between MAPFRE and CAJA MADRID was signed together with another agreement that sets out the transactions that must be carried out in order to reorganise the corporate shareholdings that will conform the structure of the alliance going forward, as a result of which:

MAPFRE S.A. will absorb MAPFRE-CAJA MADRID HOLDING DE ENTIDADES ASEGURADORAS S.A. and CAJA MADRID will receive in the corresponding exchange 401,527,793 new shares of MAPFRE S.A., equivalent to 15% of its new share capital.

CAJA MADRID will acquire through a capital increase a 12.5% shareholding in MAPFRE INTERNACIONAL and will purchase the 30% stake MAPFRE held in CAJA MADRID BOLSA, GESMADRID and CAJA MADRID PENSIONES.

A new company, MAPFRE-CAJA MADRID VIDA (51% MAPFRE - 49% CAJA MADRID), will be created to operate as the future channel for the Life and Accidents insurance business distributed by the CAJA MADRID network.

The agreed reorganisation aims to: enhance and strengthen the alliance between both Groups, after five year of fruitful cooperation, and adapt it to the new corporate structure of the MAPFRE Group; and to lay new grounds for its extension to other countries in which both Groups may have a presence.

- On 17th January, 2008, MAPFRE and CAJA DUERO signed an agreement to jointly develop, sell and distribute the insurance products of the Life and Pension Plans business of said savings bank. Pursuant to such agreement, MAPFRE has acquired 50% of the shares of the subsidiaries DUERO VIDA S.A. and DUERO PENSIONES S.A.

- On 18th January, 2008, the transfer of VIAJES MAPFRE's business to CARLSON WAGONLIT TRAVEL (CWT) was formalised.

- On 25th January, 2008, the governing bodies of MAPFRE approved the integration of MAPFRE AUTOMÓVILES, MAPFRE SEGUROS GENERALES and MAPFRE CAJA SALUD into a single company (MAPFRE FAMILIAR S.A.), which will operate in all Non-life lines aimed at retail customers and small companies linked to the net assets of families.

- On the same day, 25th January, 2008, the governing bodies of MAPFRE likewise approved the integration of MAPFRE AGROPECUARIA into MAPFRE EMPRESAS, subject to the prior transfer to MAPFRE FAMILIAR of the portfolio of the lines in which the latter operates.

PROSPECTS AND OBJECTIVES

The world economy is expected to grow at a more moderate pace in 2008, foreseeably at a rate of between 4.5% and 4.8%. Doubts on the possible impact of the adjustment in the US real estate sector on economic activity, as well as of the crisis in credit and financial markets, entail that we must not rule out future downward revisions of these expectations, although action by Central Banks and the consistency of domestic demand could offset those effects. It is expected that both the US and the Eurozone economies will record growth rates between 2 and 2.5 per cent, while countries such as India and China could remain in the 8 to 10 per cent region. The growth of the Spanish economy is expected to continue slowing down to a rate of below 3 per cent.

Estimates suggest that, under normal conditions, official interest rates in the Eurozone will remain at current levels, whereas US rates will continue declining. Government debt yields will most likely keep rising once credit markets go back to their normal state and debt securities lose their safe haven status.

Business earnings can be expected to enable a favourable performance of stock markets, although growth rates will slow down in comparison to previous years.

Against this background, the Company's objectives for 2008-2010 are as follows:

- Attain in direct Non-life insurance higher growth rates than those obtained by the market of each country.
- To achieve above market growth rates in Life assurance and Savings products.
- To maintain a combined ratio equal to or lower than 97% in the Non-life direct insurance and reinsurance business.
- To obtain growing earnings per share and dividends.
- To continue to improve the expense ratio as a percentage of premiums (Non-life) and funds under management (Life and savings). The objective announced to achieve in 2009 a one percentage point reduction in the Non-life expense ratio in Spain with respect to its level in 2006 is maintained.

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 2,275,324,163 fully subscribed and paid-in shares of a single class, each with a par value of €0.10. 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) CARTERA MAPFRE, S.L. directly owns 74.18% of the share capital as at 31st December 2007. The MAPFRE FOUNDATION directly owns 0.41% of the share capital and indirectly owns 74.20% as the sole shareholder of CARTERA MAPFRE, S.L. and of INSTITUTO TECNOLÓGICO DE SEGURIDAD MAPFRE, S.A, which in turn owns 0.02% of the share capital of MAPFRE, S.A. Therefore the direct and indirect shareholding of FOUNDATION MAPFRE amounts to 74.61%.

d) There are no voting right restrictions.

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

f) 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 10 and 11 of the Regulations of the Board of Directors⁸.

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.

g) 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 Registrar of Companies, 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.

h) 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.

i) 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.

[8] 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.

JOSÉ MANUEL MARTÍNEZ
RECEIVES THE MEDAL
OF HONOUR FROM AICO
IN RECOGNITION OF HIS
PROFESSIONAL CAREER

