



Pro forma results 2006

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The Consolidated Annual Accounts of the group of companies comprising MAPFRE S.A. and its subsidiaries for fiscal years 2005 and 2006 were prepared on the basis of their respective scopes of consolidation at the close of those years, which obviously did not include the assets and businesses received by the Company in the capital increase executed through a public deed on 19th January 2007. In 2005 and 2006, those assets and businesses were included in the scope of consolidation of MAPFRE MUTUALIDAD and of CARTERA MAPFRE S.L., respectively.

In order to provide appropriate information to the users of this Report, pro forma data are shown hereinafter for the key consolidated figures and results that the Group would have recorded in fiscal years 2005 and 2006 if the aforementioned assets and businesses had been included into its scope of consolidation ('Pro forma results').

This information, which is provided solely for comparative purposes, was prepared by the Company on the basis of the figures contained in its own Audited Consolidated Annual Accounts for fiscal years 2005 and 2006, and the Consolidated Annual Accounts of the companies that were integrated in MAPFRE S.A. in January 2007.

Pursuant to Regulation (CE) 809/2004, MAPFRE S.A. included pro forma financial information in the document entitled "Nota sobre acciones", relative to the listing of the new shares corresponding to the capital increase announced on 29th December 2006, which was registered with and verified by the CNMV. This document includes the relevant special report, issued by Ernst & Young S.L., concerning the pro forma financial information presented. This report confirms that the pro forma information presented correctly reflects the assumptions and hypotheses used and that the accounting policies used for its compilation are consistent with respect those used by MAPFRE S.A. in the preparation of the consolidated annual accounts for fiscal year 2006.

Operating revenues and funds under management

Gross written and accepted premiums for the MAPFRE Group amounted to €10,932.7 million in 2006, an 8.1% increase. Total operating revenues reached €13,583.4 million, including €349.6 million of new gross contributions to pension funds. The breakdown of these revenues by business line is shown in the following table.

	2006	2005	% Var. 06/05
Companies operating primarily in Spain	9,057.7	8,702.9	4.1%
Gross written and accepted premiums	7,152.2	6,961.8	2.7%
Income from investments	1,282.7	1,275.1	0.6%
Other income	622.8	466.1	33.6%
Companies operating primarily abroad	4,350.8	3,619.1	20.2%
Gross written and accepted premiums	3,780.5	3,148.4	20.1%
Income from investments	423.8	335.0	26.5%
Other income	146.4	135.8	7.8%
Holding company (non-consolidated)	167.8	241.6	(30.5)%
CUMULATIVE REVENUES SUBTOTAL	13,576.3	12,563.6	8.1%
Consolidation adjustments and other companies	(342.5)	(385.3)	(11.1)%
CONSOLIDATED REVENUES SUBTOTAL	13,233.8	12,178.4	8.7%
Gross contributions to pension funds	349.6	295.7	18.2%
TOTAL REVENUES FROM OPERATIONS	13,583.4	12,474.1	8.9%

Figures in million euros

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

	2006	2005	% Var. 06/05
Life assurance technical reserves	15,265.8	15,200.4	0.4%
Pension funds	1,493.2	1,287.4	16.0%
Mutual funds	3,777.3	3,097.1	22.0%
TOTAL	20,536.3	19,584.9	4.9%

Figures in million euros

NEW MAPFRE BUILDING,
IN OVIEDO (SPAIN)



SPAIN

Gross premiums written by the companies that operate primarily in Spain reached €7,152.2 million, to which €349.6 million of new gross contributions to pension funds must be added, with the following breakdown:

	2006	2005	% Var. 06/05
MOTOR INSURANCE pro forma	2,344.3	2,288.6	2.4%
LIFE ASSURANCE	1,891.8	1,915.3	(1.2)%
GENERAL INSURANCE	1,182.8	1,140.2	3.7%
COMMERCIAL INSURANCE	1,233.2	1,101.5	12.0%
HEALTH INSURANCE	388.0	353.3	9.8%
AGRICULTURAL & LIVESTOCK INSURANCE	229.3	242.4	(5.4)%
Consolidation adjustments	(117.2)	(79.5)	47.4%
TOTAL PREMIUMS	7,152.2	6,961.8	2.7%
Gross contributions to pension plans	349.6	295.7	18.2%
TOTAL	7,501.8	7,257.5	3.4%

Figures in million euros

In general terms, all units recorded a satisfactory development in their premiums figures, taking into account that fiscal year 2006 was characterised by an intense price competition, that was especially strong in the Motor Insurance business, in which MAPFRE focussed its efforts on winning and keeping customers with a low claims history, who benefit from high bonuses. The total number of vehicles insured by MAPFRE at the end of the year was 5,728,800, against 5,698,000 in 2005.

MAPFRE AGROPECUARIA increased its share in the Combined Agricultural Insurance pool to 22.5% (19.3% in 2005). The decrease in its volume of business reflects the issuance in advance during the 2005 of the premiums for fruit crops campaign for the year 2006. Excluding this event, it would have grown in excess of 9%.

The following table shows a breakdown of written and accepted premiums by line of business in 2005 and 2006, together with the corresponding market shares (provisional in the case of 2006):

	2006	2005	% Var. 06/05	Market share	
				2006	2005
Motor	2,493.2	2,450.5	1.7%	20.3%	21.0%
Health	388.0	353.3	9.8%	7.8%	7.9%
Other - Non-Life	2,490.9	2,314.5	7.6%	18.0%	18.3%
Consolidation adjustments	(117.2)	(79.5)			
TOTAL NON-LIFE	5,254.9	5,038.8	4.3%	17.3%	17.8%
Life Protection	274.9	252.2	9.0%		
Life Savings	1,622.4	1,522.2	6.6%		
Life Externalisations	0.0	148.6	—		
TOTAL LIFE	1,897.3	1,923.0	(1.3)%	8.4%	9.0%
Intra-group transactions eliminated upon consolidation	—	—			
TOTAL	7,152.2	6,961.8	2.7%	13.5%	14.2%

Figures in million euros

In the breakdown by distribution channel, the volume of premiums issued through the agents channel and the CAJA MADRID bank channel stood at €6,105.8 million and €1,046.4 million respectively (€5,942.4 million and €1,019.4 million in 2005).



ARGENTINA OFFICE
BUILDING IN PUERTO
MADERA (BUENOS AIRES)

INTERNATIONAL

Premiums written and accepted by the Units and Companies that operate primarily abroad evolved as follows:

	2006	2005	% Var. 06/05
AMERICA OPERATING UNIT¹	2,461.7	1,945.3	26.5%
Argentina	275.7	202.5	36.1%
Brazil	959.6	650.9	47.4%
Chile	119.7	143.6	(16.6%)
Colombia	104.7	86.6	20.9%
El Salvador	32.0	28.4	12.7%
Mexico	310.9	250.8	24.0%
Paraguay	9.1	8.6	5.8%
Peru	60.0	52.4	14.5%
Puerto Rico	270.9	254.3	6.5%
Dominican Republic	10.8	1.8	—
Uruguay	11.7	10.0	17.0%
Venezuela	296.6	255.4	16.1%
OTHER COUNTRIES	133.2	127.2	4.7%
MAPFRE INSULAR (The Philippines)	18.5	12.9	43.4%
MAPFRE U.S.A.	16.2	18.0	—
MAPFRE SEGUROS GERAIS (Portugal)	98.5	96.3	2.3%
SUBTOTAL DIRECT INSURANCE	2,594.9	2,072.5	25.2%
ACCEPTED REINSURANCE	1,437.7	1,337.4	7.5%
ASSISTANCE	296.3	254.5	16.4%
TOTAL CUMULATIVE PREMIUMS	4,328.9	3,664.4	18.1%
Intra-group transactions eliminated upon consolidation	(548.4)	(516.0)	6.3%
TOTAL CONSOLIDATED PREMIUMS	3,780.5	3,148.4	20.1%

Figures in million euros

(1) The AMERICA OPERATING UNIT comprises the holding companies MAPFRE AMÉRICA and MAPFRE AMÉRICA VIDA

It is worth noting the growth achieved in the premiums volume in the Americas, in spite of a 10% appreciation of the Euro against the US Dollar, which was helped by the expansion of the own distribution network. By country, Brazil, which in 2006 includes MAPFRE NOSSA CAIXA's business, and Argentina, which opened 85 own branches, stand out.

Management ratios

In the Non-Life lines, the combined ratio was 93.9%, against 95.6% the previous year. This ratio improved in virtually all Units and Companies, and especially in MAPFRE RE, reflecting the limited incidence of insured natural catastrophes. The performance of the main management ratios is shown in the following table:

COMPANY	Ratios					
	Expense ratio ⁽¹⁾		Loss ratio ⁽²⁾		Combined ratio ⁽³⁾	
	2006	2005	2006	2005	2006	2005
Companies operating primarily in Spain						
MOTOR INSURANCE pro forma	14.4%	12.2%	76.9%	78.1%	91.2%	90.3%
GENERAL INSURANCE	27.7%	27.3%	62.8%	64.7%	90.5%	92.0%
COMMERCIAL INSURANCE ⁽⁴⁾	20.3%	12.1%	65.7%	78.0%	86.0%	90.1%
HEALTH INSURANCE	16.6%	15.7%	78.1%	81.2%	94.7%	96.9%
AGRICULTURAL & LIVESTOCK INSURANCE	21.7%	19.1%	67.3%	74.7%	89.0%	93.8%
LIFE ASSURANCE ⁽⁵⁾	0.9%	0.9%				
Companies operating primarily abroad						
MAPFRE AMÉRICA	36.4%	34.8%	66.6%	68.2%	103.0%	103.0%
REINSURANCE	34.8%	32.1%	57.6%	67.6%	92.3%	99.7%
ASSISTANCE	22.9%	25.3%	70.8%	71.4%	93.7%	96.7%
MAPFRE SEGUROS GERAIS (Portugal)	26.0%	30.7%	77.3%	65.2%	103.3%	95.9%
MAPFRE S.A. CONSOLIDATED PRO FORMA	24.9%	22.1%	69.0%	73.5%	93.9%	95.6%

(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. In 2006, figures include the reserves appropriated for early retirements, which added 0.7 percentage points to the expense ratio.

(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) Given the importance of credit opinion activities for MAPFRE CAUCIÓN y CRÉDITO, the net income from other activities of this subsidiary is added to the numerator of the expense ratio.

(5) Net operating expenses/average third-party funds under management.

Results

The following table shows the pro forma consolidated income statement⁽¹⁾:

	2006	2005	% Var. 06/05
NON-LIFE INSURANCE AND REINSURANCE			
Gross written and accepted premiums	8,452.2	7,801.1	8.3%
Premiums earned, net of ceded and retroceded reinsurance	6,989.4	6,409.1	9.1%
Net claims incurred and variation in other technical provisions	(4,825.6)	(4,712.5)	2.4%
Operating expenses, net of reinsurance	(1,601.7)	(1,349.8)	18.7%
Other technical income and expenses	(136.4)	(64.7)	110.8%
TECHNICAL RESULT	425.7	282.1	50.9%
Net financial income and other non-technical income and expenses	493.8	401.8	22.9%
Result of Non-life business	919.5	683.9	34.4%
LIFE ASSURANCE AND REINSURANCE			
Gross written and accepted premiums	2,480.5	2,309.0	7.4%
Premiums earned, net of ceded and retroceded reinsurance	2,353.8	2,176.1	8.2%
Net claims incurred and variation in other technical provisions	(2,500.6)	(2,558.2)	(2.3)%
Operating expenses, net of reinsurance	(353.2)	(269.2)	31.2%
Other technical income and expenses	(4.6)	(9.7)	(52.6)%
TECHNICAL RESULT	(504.6)	(661.0)	(23.7)%
Net financial income and other non-technical income	654.1	763.7	(14.4)%
Unrealised gains and losses in Unit Linked products	21.8	25.6	(14.8)%
Result of Life business	171.3	128.3	33.5%
OTHER BUSINESS ACTIVITIES			
Operating income	480.3	406.4	18.2%
Operating expenses	(413.3)	(355.5)	16.3%
Other income and expenses	(1.7)	8.9	—
Results from other business activities	65.3	59.8	9.2%
Result before tax and minority interests	1,156.1	872.0	32.6%
Taxes	(355.5)	(273.7)	29.9%
Result after tax	800.6	598.3	33.8%
Result attributable to minority interests	(190.4)	(140.0)	36.0%
Result after tax and minority interests	610.2	458.3	33.1%
Non-life loss ratio ⁽²⁾	69.0%	73.5%	
Non-life expense ratio ⁽²⁾⁽³⁾	24.9%	22.1%	
Non-life combined ratio ⁽²⁾	93.9%	95.6%	

Figures in million euros

1) Unlike the pro forma 2005 figures published in June 2006, those shown herein include the items corresponding to the reinsurance accepted by MAPFRE MUTUALIDAD.

2) Ratios calculated over net premiums earned.

3) Includes the appropriation of reserves for early retirements, which added 0.7 percentage points to the expense ratio.

The consolidated profit after tax was €800.6 million (€598.3 million in 2005), a 33.8% increase. The net consolidated profit after tax and minority shareholders reached €610.2 million, a 33.1% increase.

The development of the results of the main Units and Companies is shown in the following table:

	Before tax and minority interests		After tax and minority interests	
	2006	2005	2006	2005
INSURANCE ACTIVITIES				
Companies operating primarily in Spain				
MOTOR INSURANCE pro forma	375.6	353.7	252.8	238.3
LIFE ASSURANCE	142.3	133.1	96.5	88.8
GENERAL INSURANCE	161.3	111.6	106.0	69.7
COMMERCIAL INSURANCE	115.5	103.9	78.7	71.4
HEALTH INSURANCE	26.5	15.7	16.5	9.9
AGRICULTURAL & LIVESTOCK INSURANCE	34.1	13.1	21.4	8.8
Companies operating primarily abroad				
AMERICA	116.1	96.5	93.0	110.4
REINSURANCE	115.8	54.4	77.2	32.3
ASSISTANCE	14.3	13.4	10.0	9.5
MAPFRE SEGUROS GERAIS (Portugal)	6.6	6.3	4.8	4.4
MAPFRE INSULAR (The Philippines)	2.1	3.1	1.8	2.9
OTHER ACTIVITIES				
MAPFRE INMUEBLES	12.9	2.8	8.3	2.4
MAPFRE INVERSIÓN	50.4	39.2	32.4	25.4
MAPFRE QUAVITAE	0.4	(1.0)	0.1	(1.2)
COMPANIES WITH A MINORITY SHAREHOLDING⁽¹⁾				
GESMADRID	5.5	5.7	3.6	3.7
CAJA MADRID PENSIONES	3.0	2.3	2.0	1.5
CAJA MADRID BOLSA	5.7	2.7	3.8	1.8
BANCO S.F. CAJA MADRID-MAPFRE	6.7	9.5	2.0	5.9

Figures in million euros

(1) Results adjusted for the percentage of ownership.

CONFERENCE CALL.
ANNUAL RESULTS
PRESENTATION AT THE
MAPFRE HEAD OFFICE
IN MADRID



The reconciliation of the Group's consolidated accounting and pro forma results is shown in the following table:

UNITS	Before tax and minority interests	Taxes	Minority interests	Results after tax and minority interests
Existing businesses				
LIFE ASSURANCE AND INVESTMENT	192.6			
GENERAL INSURANCE	161.3			
COMMERCIAL INSURANCE	115.5			
HEALTH INSURANCE	26.5			
MAPFRE AMERICA	101.4			
REINSURANCE	115.8			
ASSISTANCE	14.3			
Consolidation adjustments and other	10.0			
SUBTOTAL	737.4	(221.5)	(185.7)	330.2
Contributed businesses				
MOTOR INSURANCE	380.1			
- pro forma adjustments ⁽¹⁾	(4.5)			
AGRICULTURAL & LIVESTOCK INSURANCE	34.1			
AMERICA VIDA	14.7			
SEGUROS GERAIS	6.6			
Consolidation adjustments and other	(12.3)			
SUBTOTAL	418.7	(134.0)	(4.7)	280.0
TOTAL	1,156.1	(355.5)	(190.4)	610.2

Figures in millions of euros

1) The figures above mainly include the following adjustments: the premium income arising from accepted and ceded reinsurance between MAPFRE entities; operating expenses do not include those related to the activities and resources transferred to other MAPFRE entities as a result of the corporate reorganisation; financial income does not include the dividends received from CORPORACIÓN MAPFRE (now MAPFRE S.A.); the tax charge has been calculated using a tax rate of 35%.

Balance sheet

The consolidated pro forma balance sheet is shown in the following table:

	2006	2005	% Var. 06/05
ASSETS			
Goodwill	603.9	591.2	2.1%
Fixed assets	1,144.9	1,051.9	8.8%
Investments	24,134.7	22,944.7	5.2%
Participation of reinsurance in technical reserves	1,804.4	1,647.8	—
Other assets	6,029.9	5,931.3	1.7%
TOTAL ASSETS	33,717.8	32,166.9	4.8%
LIABILITIES			
Shareholders' equity	4,026.4	3,534.6	13.9%
Minority interests	1,027.8	931.9	10.3%
Debt	808.6	613.9	31.7%
Technical reserves	24,027.3	23,316.7	3.0%
Life assurance reserves	15,081.8	15,041.1	0.3%
Other technical reserves	8,945.5	8,275.6	8.1%
Reserves for risks and expenses	244.7	168.3	45.4%
Other liabilities	3,583.0	3,601.5	(0.5)%
TOTAL LIABILITIES	33,717.8	32,166.9	4.8%

Figures in million euros

MAPFRE's total assets under management, including mutual and pension funds, stood at €38,988.3 million (€36,551.4 million in 2005), a 6.7% increase.

The book value of investments and liquid assets as of 31 December 2006 was €26,616.7 million, a 4.8% increase over the previous year. The low growth is due to the fall in the value of fixed income securities caused by the rise in interest rates. The following table shows its breakdown and percentage distribution:

	2006	% over total	2005	% over total
Risk-free investments	1,678.1	6.3%	1,724.2	5.8%
Cash	1,422.3	5.3%	1,424.5	4.4%
Unit-linked investments	255.8	1.0%	299.7	1.4%
Real Estate Investments	1,587.5	6.0%	1,365.3	3.3%
Buildings for own use	804.0	3.0%	739.8	1.7%
Other Real Estate investments	783.5	2.9%	625.5	1.6%
Financial investments	22,873.9	85.9%	21,949.0	89.8%
Shares	911.4	3.4%	551.5	2.1%
Fixed income	20,169.3	75.8%	19,834.5	81.9%
Mutual funds	1,421.3	5.3%	1,161.6	4.2%
Other financial investments	371.9	1.4%	401.4	1.7%
Other investments	477.2	1.8%	370.3	1.1%
Investments in associated companies	269.9	1.0%	224.4	0.5%
Accepted reinsurance deposits	95.8	0.4%	34.5	0.4%
Other investments	111.5	0.4%	111.4	0.1%
TOTAL	26,616.7	100.0%	25,408.8	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 €893.3 million at the close of the year according to valuations performed by independent surveyors.

Investments in group companies

DIRECT INVESTMENTS

- €30 million has been paid to BANCO DE SERVICIOS FINANCIEROS CAJA MADRID-MAPFRE, representing the amount pending disbursement of the €60 million capital increase carried out in 2005.

INVESTMENTS UNDERTAKEN BY SUBSIDIARIES

- BANCO DE SERVICIOS FINANCIEROS CAJA MADRID-MAPFRE has subscribed a capital increase of €20 million at its subsidiary FINANMADRID, to fund the growth of the business.
- A new company, NUEVO MULTICENTRO, a wholly owned subsidiary of MAPFRE AUTOMÓVILES, was created with a disbursement of €2 million.
- A new company, IBERICAR, SOCIEDAD IBÉRICA DE AUTOMOCIÓN S.A., has been created jointly with Grupo Salvador Caetano (Portugal), to develop activities related with the purchase and sale of motor vehicles in Spain, together with the sale of other products and services related with cars. The company's authorised capital amounts to €140 million, 25% of which has been disbursed. MAPFRE AUTOMÓVILES has a 49% stake in the company.

- MAPFRE AMÉRICA VIDA has subscribed for a capital increase of €38 million carried out by its subsidiary MAPFRE VERA CRUZ VIDA.

Shareholders' equity and returns

The net consolidated pro forma equity of the MAPFRE Group was €5,054.2 million at the end of the year. Of said amount, €1,027.8 million corresponded to minority shareholdings in subsidiaries.

The reconciliation of the accounting net consolidated equity with the pro forma net consolidated equity at 31.12.2006 is shown in the following table:

Net consolidated equity	3,411.7
Capital increase – in kind tranche	
Contributed assets	3,066.2
Capital gains not recognised in the contributed assets ⁽¹⁾	(1,807.5)
Capital increase – cash tranche	383.8
Pro forma net consolidated equity	5,054.2

Figures in millions of euros

1) The assets that were contributed were not recognised at their market value as they were obtained through a pooling of business among companies under a single controlling entity, a case in which IFRS 3 is not applicable.

The return on equity (ROE), defined as the net consolidated profit after tax and minorities as a percentage of average shareholders' equity, was 16.1%. The following table shows the ROE of the main Units and Companies:

	2006				2005 ROE % ¹
	Average equity	Profit	ROE % ¹		
MOTOR INSURANCE pro forma	624.0	252.8	40.5%		n.a.
LIFE ASSURANCE	628.4	128.9	20.5%		19.8%
GENERAL INSURANCE	330.8	106.0	32.0%		23.2%
COMMERCIAL INSURANCE	292.2	78.7	26.8%		24.7%
HEALTH INSURANCE	114.2	16.5	14.4%		9.8%
AGRICULTURAL & LIVESTOCK INSURANCE	113.9	21.4	18.8%		9.1%
AMERICA	877.9	93.0	10.6%		15.2%
REINSURANCE	634.9	77.2	12.2%		5.6%
ASSISTANCE	93.5	10.0	10.7%		12.2%
MAPFRE SEGUROS GERAIS (Portugal)	69.5	4.8	6.9%		6.7%
BANCO S.F. CAJA MADRID - MAPFRE	283.1	4.0	1.4%		5.4%
MAPFRE INMUEBLES	118.7	8.3	7.0%		3.5%
MAPFRE S.A consolidated pro forma	3,780.5	610.2	16.1%		n.a.

Figures in million euros

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