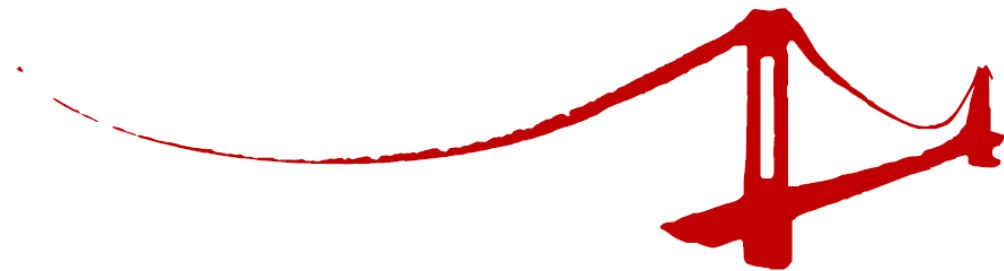


# Capturing emerging opportunities



**Goldman Sachs Financials Conference  
Lisbon, 13<sup>th</sup> June 2007**

## Disclaimer

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

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



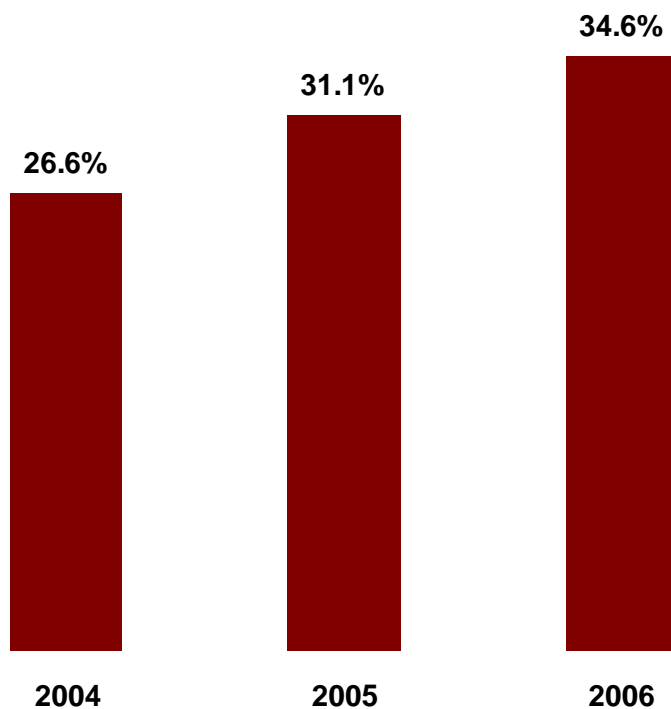
## MAPFRE's international expansion

- MAPFRE's international expansion started in the 1970s with the reinsurance business and continued with investments in direct insurance in Latin America, the U.S.A., the Philippines and Portugal, as well as with the development of the assistance business.
- Today, MAPFRE has a range of insurance and service businesses in 40 countries, which in 2006 contributed 34.6% of its consolidated premiums and 22% of its pre-tax profit.
- Through its international expansion, MAPFRE seeks to:
  - Add new sources of growth.
  - Increase diversification.
  - Accompany Spanish companies in their expansion abroad.
- It must be noted that MAPFRE's first and foremost emerging opportunity has come from growth in its own market, Spain, driven by economic development and by the expansion of the MAPFRE network of tied agents, as well as by agreements with other distribution channels. At present, Spain has reached the European average in the Non-life business, but still remains at just above 40% of the average in Life assurance.

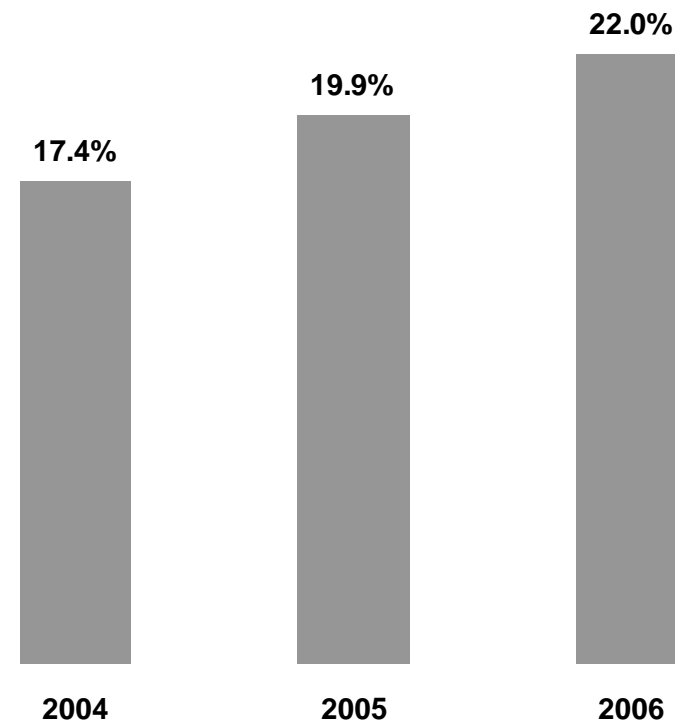


# Weight of the international operations<sup>(1)</sup>

## PREMIUMS



## RESULTS <sup>(2)</sup>

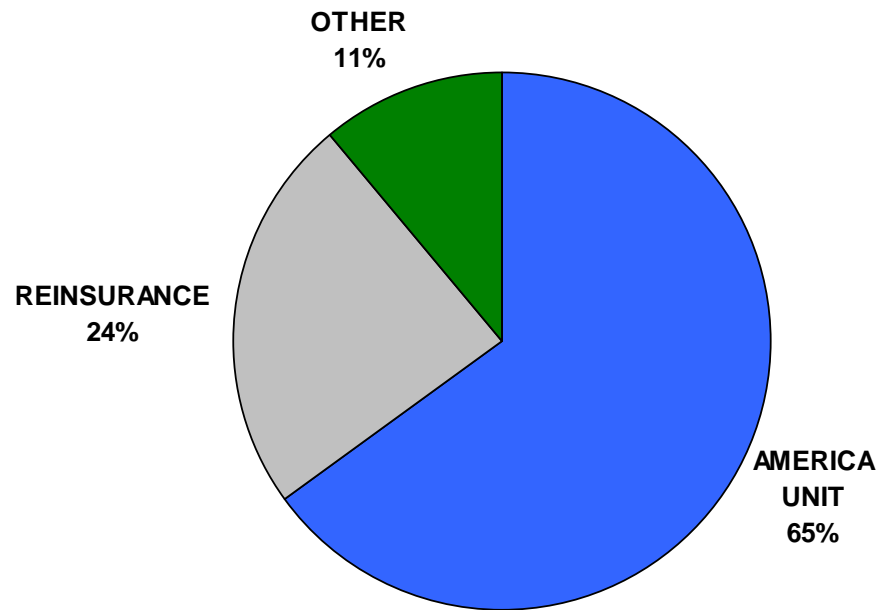


- 1) The 2004 percentages correspond to SISTEMA MAPFRE (consolidated figures for MAPFRE MUTUALIDAD). In the case of 2005 and 2006, percentages have been calculated on the basis of the pro forma figures for MAPFRE S.A., which have been prepared purely for comparative purposes, using the information included in the consolidated financial statements of the Company for 2005 and 2006, respectively, and the financial statements of those companies which have been included into its scope of consolidation from January 2007 onwards.
- 2) Results before taxes and minority interests.



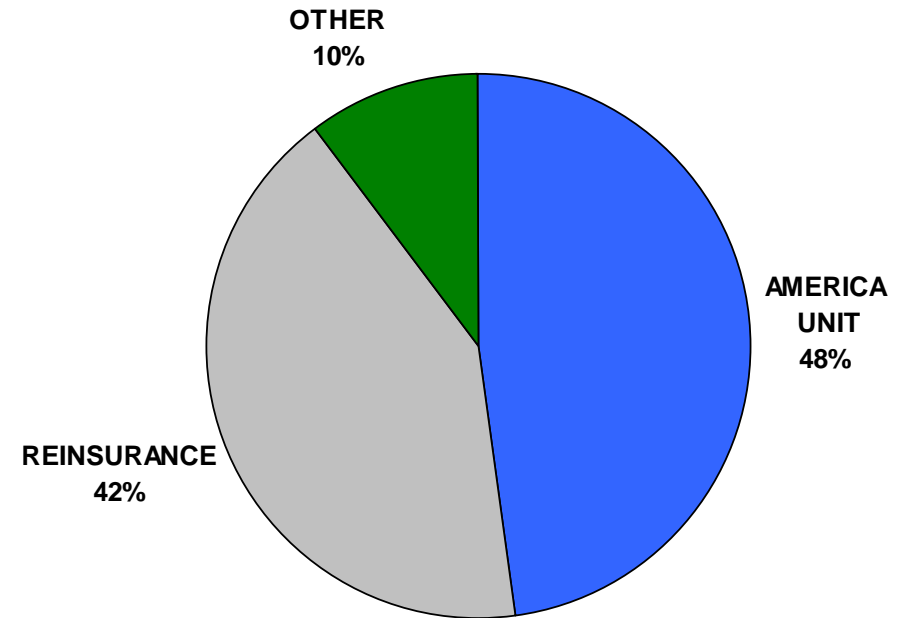
# Breakdown of international premiums and profits: 2006<sup>(1)</sup>

## PREMIUMS



€ 3,780.5 million

## RESULTS (2)



€ 161.5 million

- 1) Contribution to consolidated pro forma figures
- 2) Results after taxes and minority interests

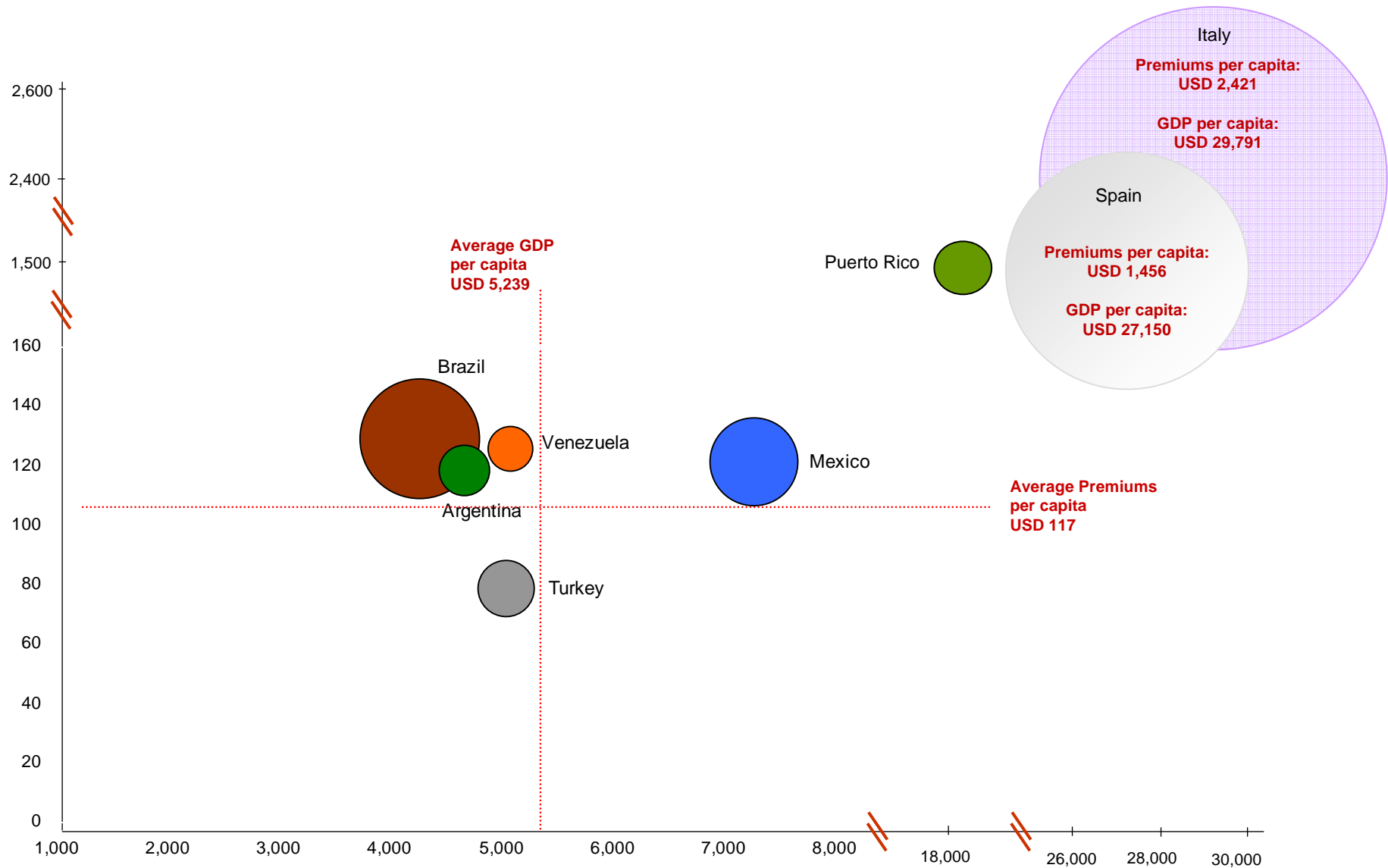


## Strategy for the expansion of the international business

- MAPFRE expects the weight of its international business to continue increasing through:
  - The organic growth of its direct insurance business in the emerging markets (Latin America, Turkey) and the EU (Italy, Portugal), which shall come from the enlargement of the distribution networks and sustained performance enhancement.
  - The continued expansion of the reinsurance and assistance businesses.
  - Acquisitions.
- When selecting acquisition opportunities in foreign countries, MAPFRE will look for:
  - Markets or market segments which are unexploited or underdeveloped.
  - Companies whose growth and profitability can be enhanced by MAPFRE's expertise.
- A variety of standard valuation techniques are applied in the assessment of new investment opportunities. In any case, the acquired business is expected to become accretive or value-additive within a period of three years.



# A comparison of MAPFRE's key foreign markets



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



## Latin America

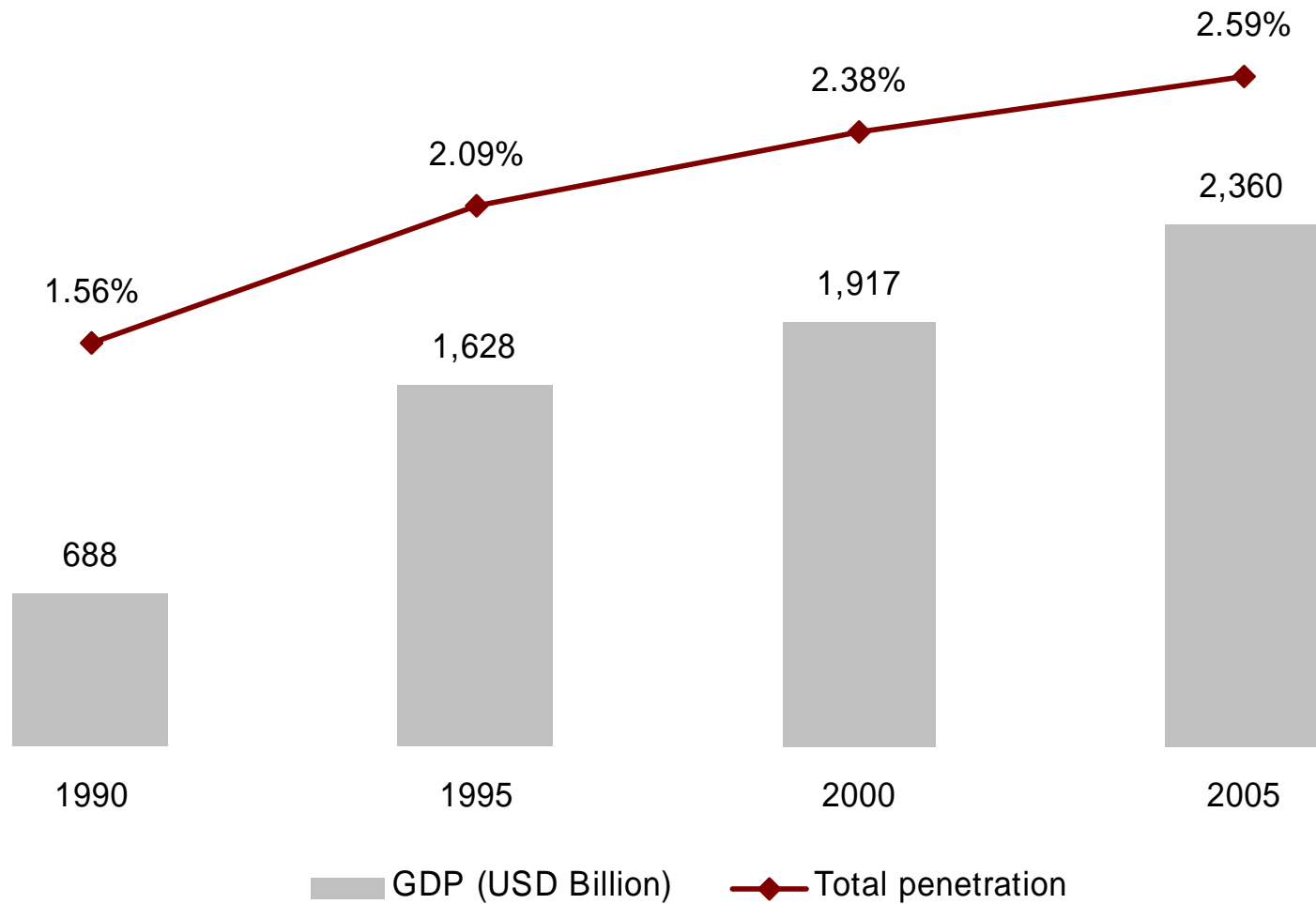
- MAPFRE's decision to expand into Latin America was based on:
  - A strong cultural affinity.
  - Huge growth potential.
  - Ample presence of Spanish companies in the region.
  - Hands-on experience in the region through the reinsurance and assistance business.
  
- Today, the Latin American operations are MAPFRE's fastest growing business and a consistent profit contributor. They make up the largest Non-life insurance group in the region and the fourth largest overall.
  
- Going forward, growth in Latin America will come from:
  - Growing business diversification, especially in personal lines.
  - The expansion of the tied distribution network and the development of complementary distribution channels (agreements with banks, retail outlets, etc.).
  - A reduction of the expense ratio.
  - Possible acquisitions, particularly in countries with greater growth potential such as Mexico and Brazil.





# Insurance penetration in Latin America

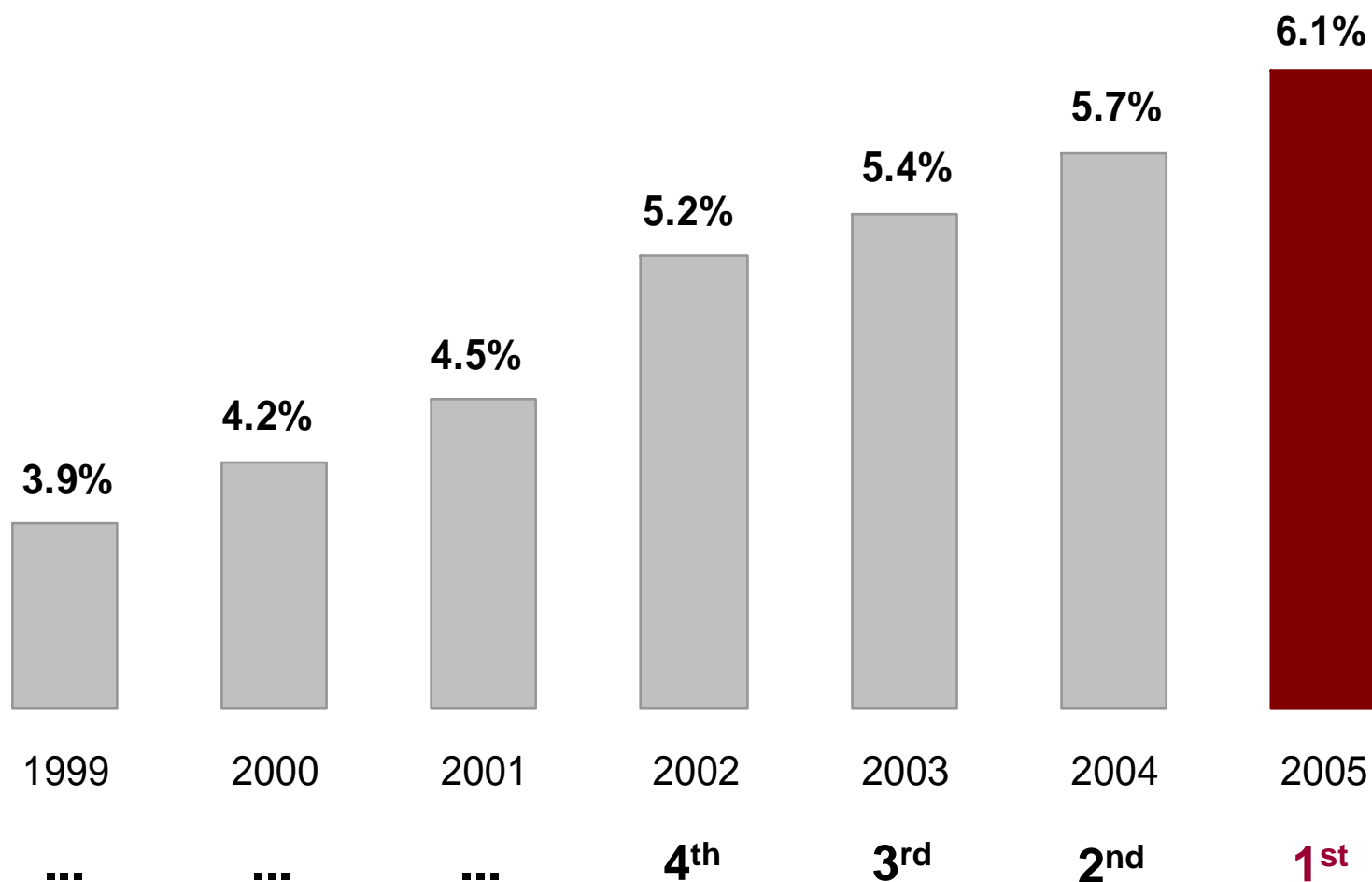
## Premiums as a % of GDP



Source: Own calculations, based on figures from Argentina, Brazil, Chile, Colombia, El Salvador, Mexico, Paraguay, Peru, Puerto Rico, Uruguay and Venezuela



# Non-life market share in Latin America and ranking

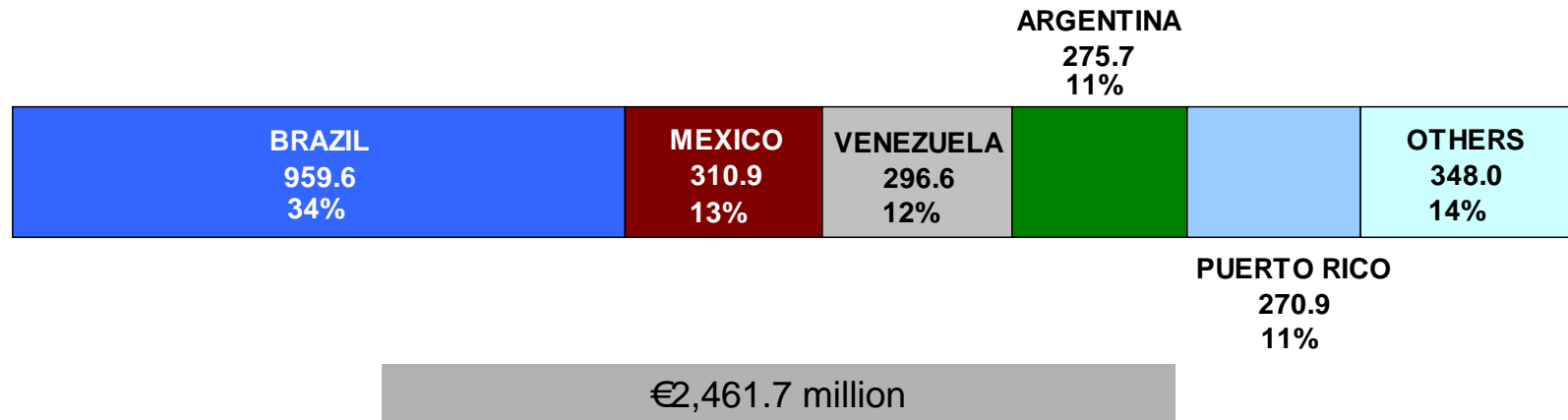


1) Non-Life market shares corresponding to the countries in which MAPFRE operates. Source: Fundación MAPFRE (I.C.S.). No data available prior to 2002.

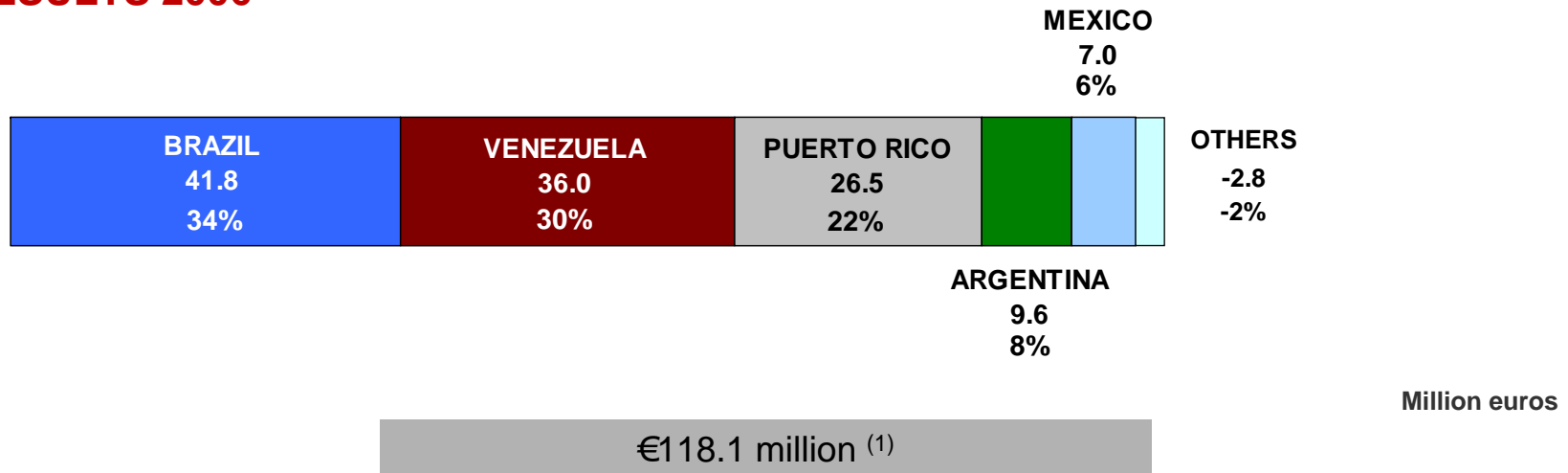


# Breakdown of Latin American premiums and results by country

## PREMIUMS 2006



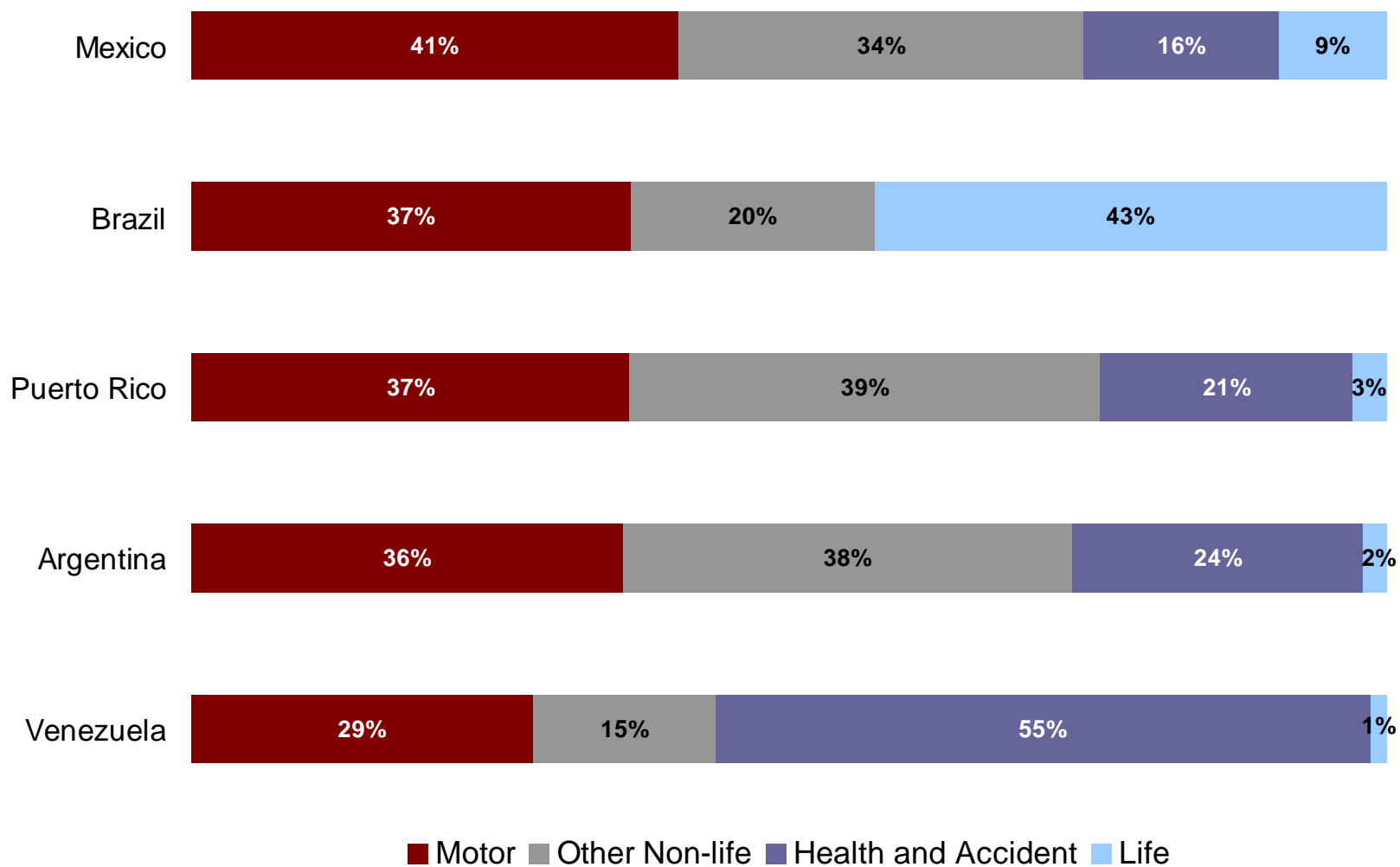
## RESULTS 2006 (1)



1) Results before taxes and minority interests

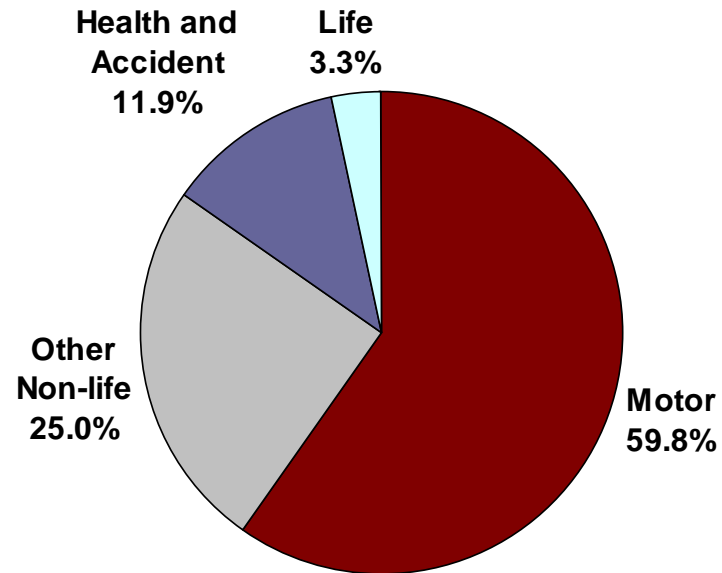


## Breakdown of the portfolio in selected Latin American countries: 2006

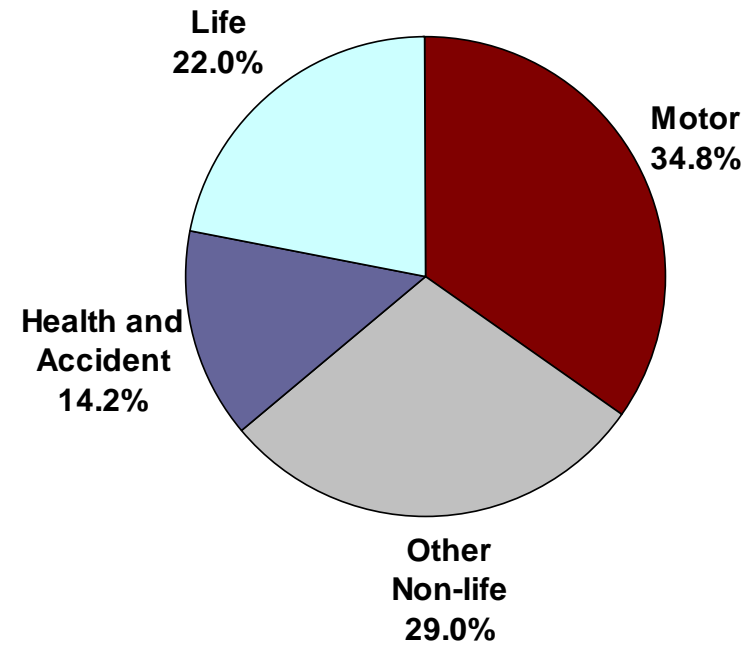


# Diversification of the Latin American portfolio: 2006 vs. 2001

**2001**



**2006**

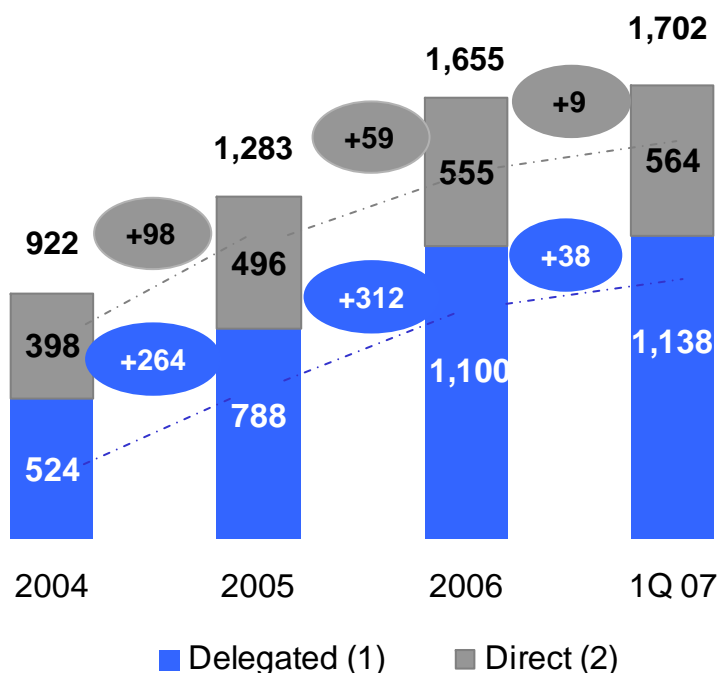


The portfolio has been diversifying towards higher value-added business

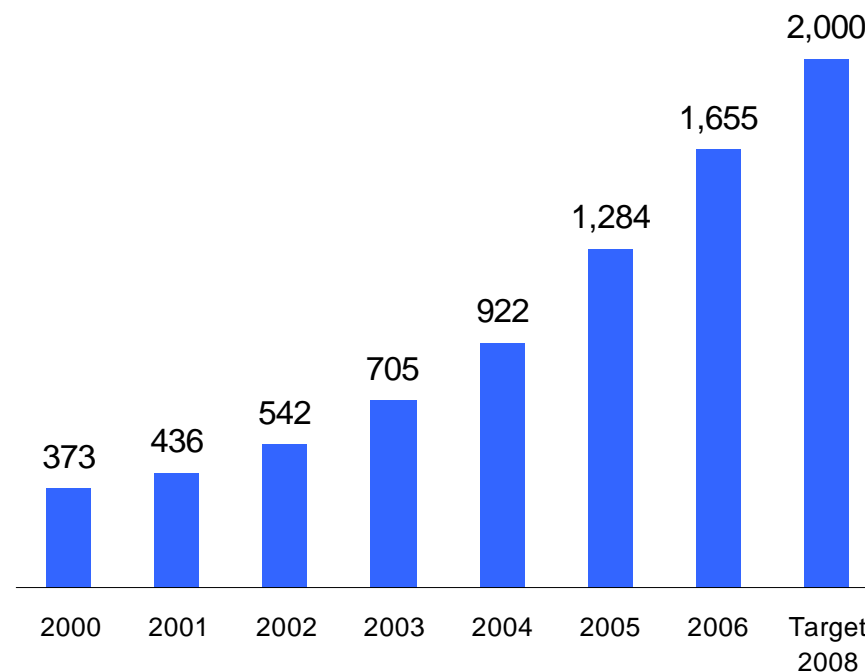


# Expansion of the Latin American distribution network

## NUMBER OF BRANCHES



## DEVELOPMENT AND TARGETS

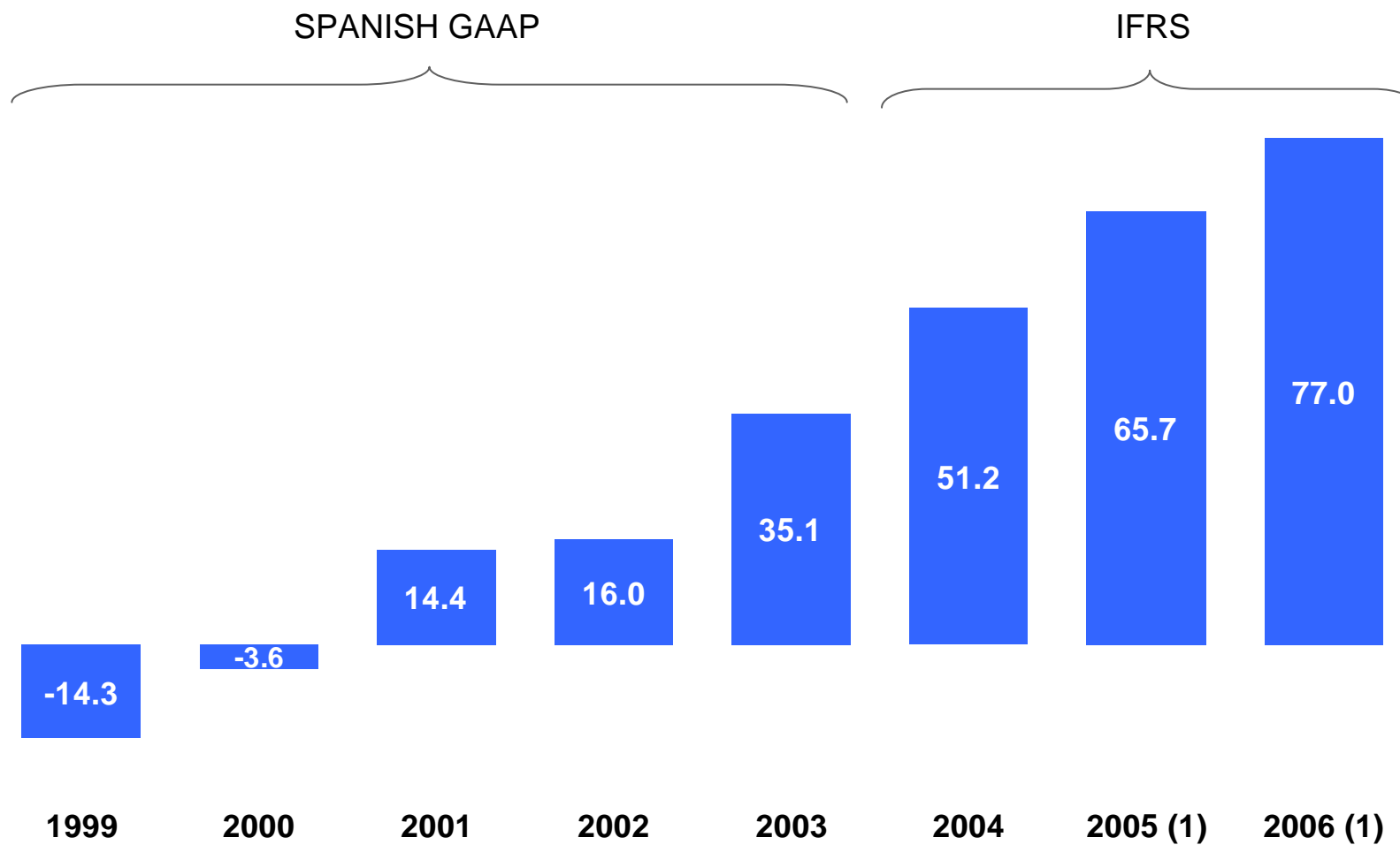


(1) Delegated Branches: they are managed by Delegated Agents and act as sales and customer service points. The remuneration of their staff, who operate on the basis of a representation contract with MAPFRE, comes solely from commissions for the sale of products and the retention of the portfolio. They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

(2) Direct Branches: they are responsible for achieving the sales targets in their catchment areas and act as sales and customer service points



# Results growth in Latin America



Million euros

(1) The net profit of the AMERICA OPERATING UNIT for 2005 and 2006 excludes tax refunds of €30.6 million and €4.4 million, respectively, received by MAPFRE AMÉRICA.



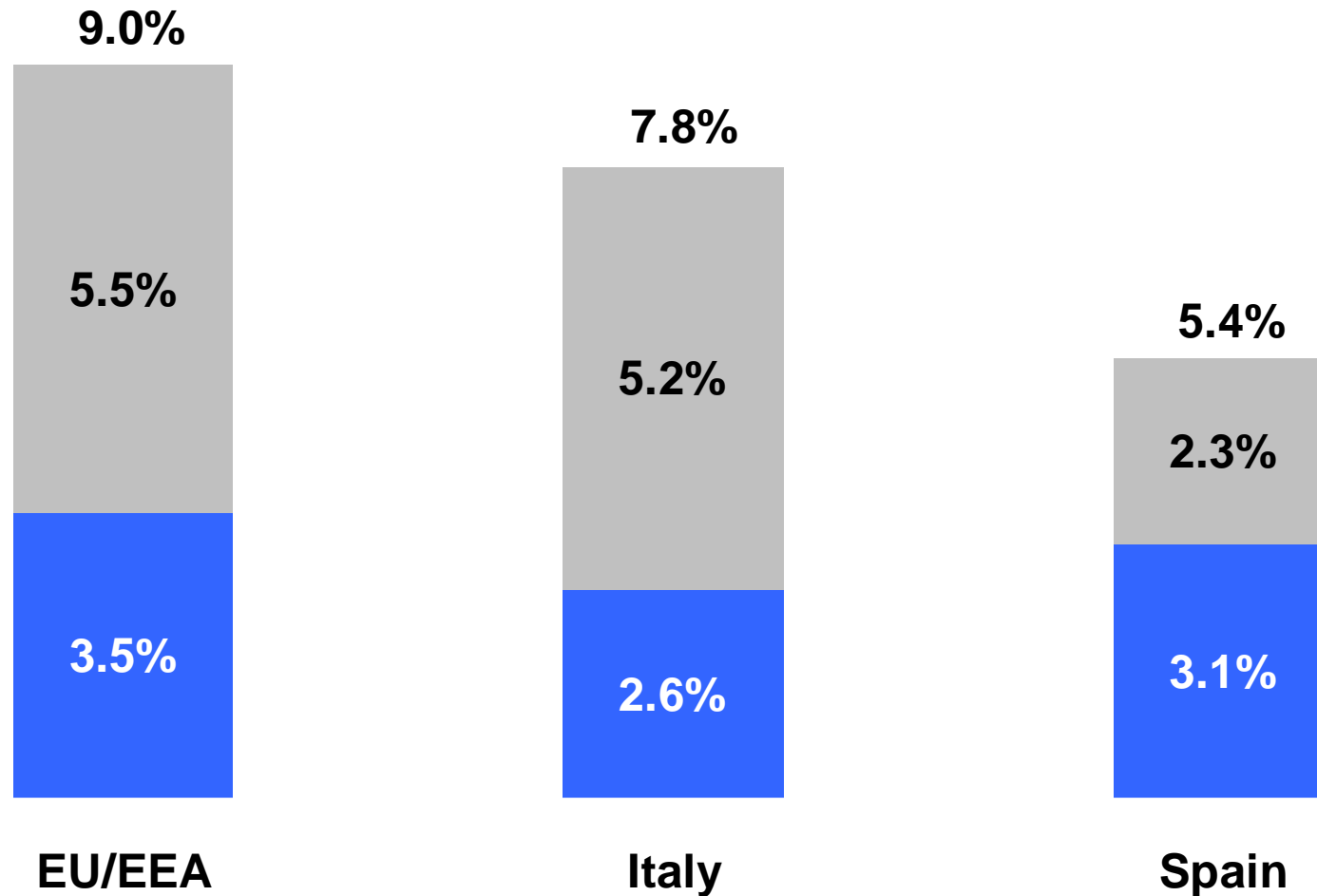
## Italy

- At the end of 2006, MAPFRE announced its agreement to develop jointly with CATTOLICA the Motor insurance business in Italy through MAPFRE CATTOLICA AUTO (MCA).
  
- MAPFRE's decision to enter the Italian market was based on:
  - the comparatively higher potential for development of the Italian Motor insurance market.
  - the sound market position of MCA, which will commence operating as the 5<sup>th</sup> largest Motor insurer.
  - CATTOLICA's extensive network of 1,400 branches and strong brand image.
  - MAPFRE's long-standing relationship with CATTOLICA and its management, which substantially reduces execution risk.
  
- MCA's growth will be driven by:
  - The application of strictly technical and personalised underwriting criteria.
  - The expansion of the product range and its enrichment with higher added value covers.
  - The cross sale of simplified Household insurance products.
  - A high degree of customer focus.
  - Cost control and reduction.
  - The adoption of advanced IT systems.





# A comparison of the Italian and Spanish markets: Penetration of insurance (% premiums over GDP)



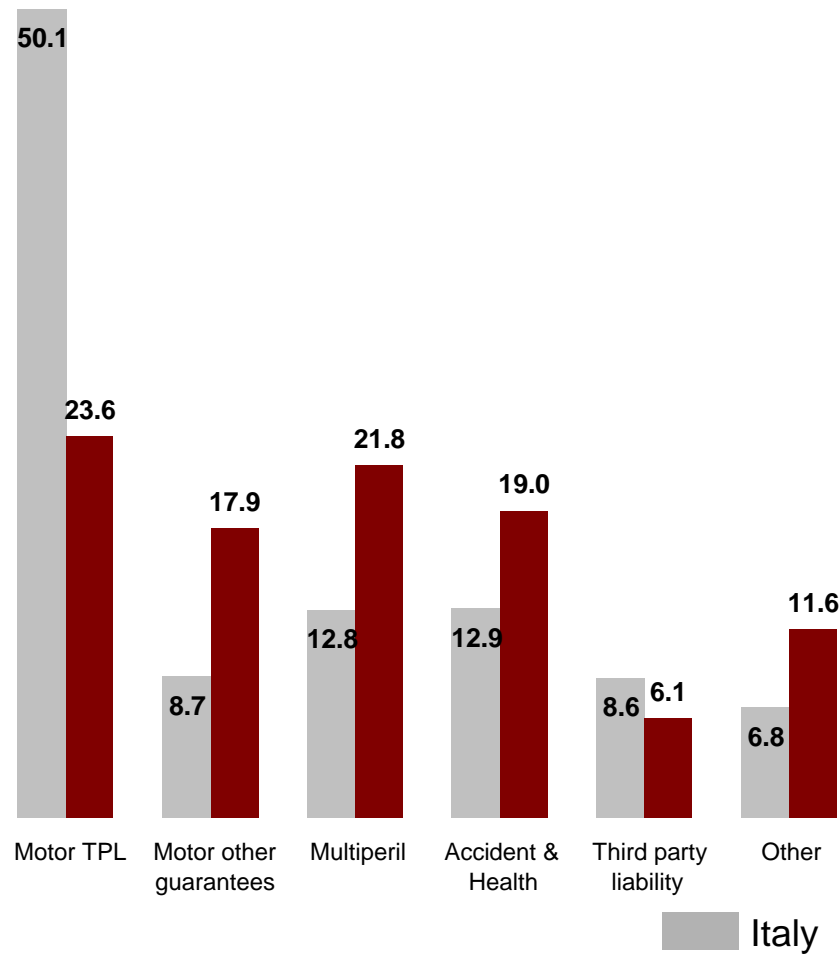
Source: SIGMA

■ Non-life ■ Life

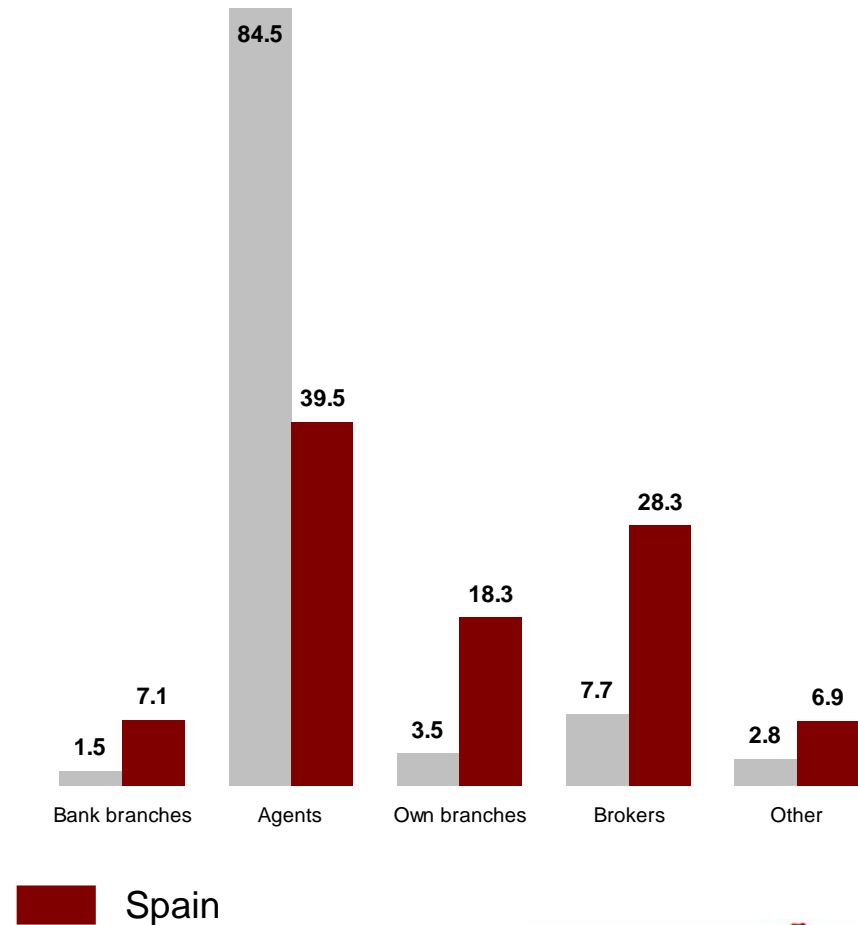


# A comparison of the Italian and Spanish markets: Breakdown of Non-life premiums

## BY LINE (%)



## BY DISTRIBUTION CHANNEL (%)



Source: ICEA, ANIA



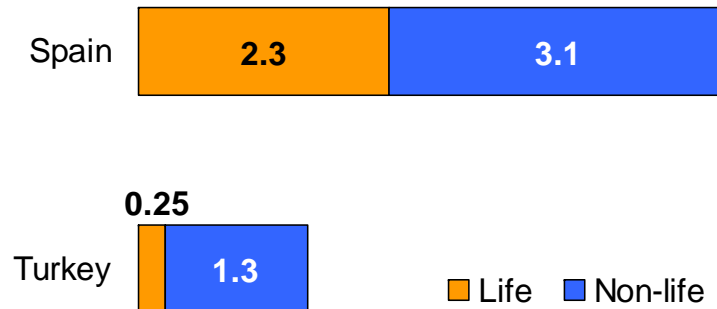
## Turkey

- In March 2007, MAPFRE announced the acquisition of an 80% stake in GENEL SIGORTA, Turkey's 10<sup>th</sup> largest Non - Life insurer and 6<sup>th</sup> largest Motor insurer.
  
- MAPFRE's decision to invest in GENEL SIGORTA was based on:
  - Its substantial growth potential in a fast-growing economy with a low insurance penetration.
  - Its strong similarities with MAPFRE:
    - Strict technical underwriting approach.
    - Strong customer service focus.
    - Prudent investment policy.
  
  - Its effective and loyal distribution network.
  
- MAPFRE's initial approach with GENEL SIGORTA will centre on:
  - Maintaining the existing management team.
  - Deploying management control and IT systems used by MAPFRE in its international operations.
  - Adding new covers to existing products and expanding the range offered to customers.
  - Reinforcing the existing distribution network and analysing the possibility of adding new channels (bancassurance, direct distribution).



# Turkish insurance market

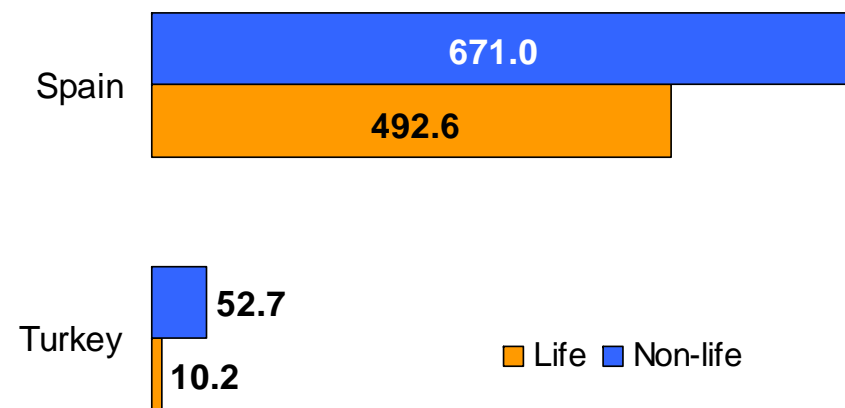
## Penetration (% premiums over GDP)



## Population and GDP data

	Population (million)	GDP (Billion Euros)	GDP % var 05/04
Spain	41.4	899.2	3.4
Turkey	72.6	293.6	7.4

## Density (premiums per capita in Euros)



The Turkish economy is experiencing strong and sustained growth. In the 2001-2005 period foreign investment increased fourfold.

The insurance market shows likewise a large growth potential with an insurance penetration rate that remains low.

Source: SIGMA. Data for 2005



# GENEL SIGORTA

## Key figures for 2006<sup>(1)</sup>

	Genel Sigorta	Genel Yasam
Gross written premiums	148.1	45.5
Claims and operating expenses	-245.6	-137.5
Technical result	15.7	2.3
General expenses	-9.8	-3.2
Net financial income	28.0	2.1
Gross result	33.9	1.2
Taxes	-5.9	-0.3
Net result	28.0	0.9
Investments and cash	208.3	53.8
Technical reserves	92.9	80.4
Equity	243.7	10.8

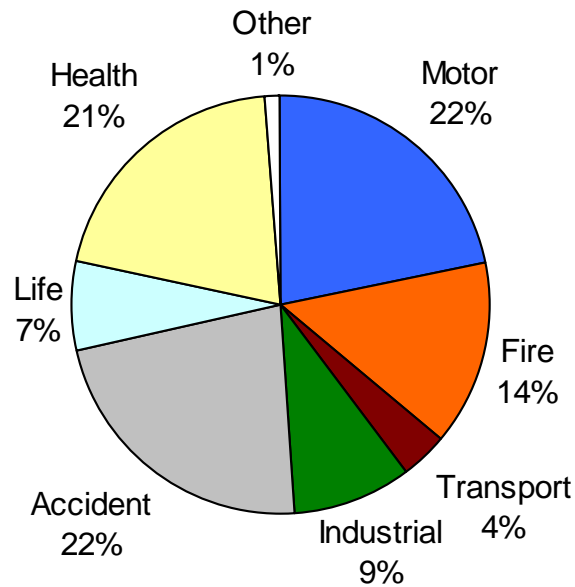
Positive technical results and recurring profits for the past 10 years

1. Data for both GENEL SIGORTA and its subsidiary GENEL YASAM on a stand alone basis. Exchange rate used: EUR/TRY=1.8056. Source: Annual accounts for fiscal year 2006 under IFRS



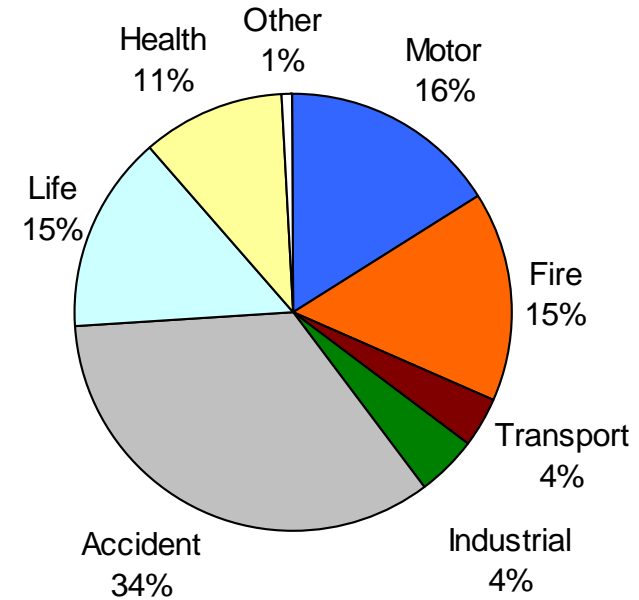
# GENEL SIGORTA

## GENEL SIGORTA and GENEL YASAM – breakdown of portfolio in 2006



€193.6 million <sup>(1)</sup>

## Turkish market in 2005



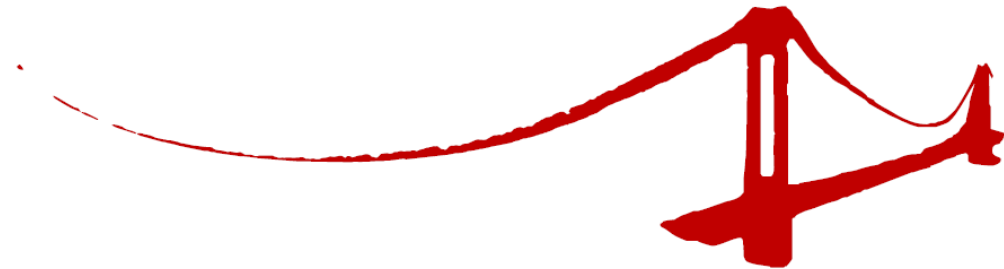
€5,061 million <sup>(2)</sup>

(1) Exchange rates used: EUR/TRY=1.8056

(2) Source: GENEL SIGORTA; Association of the Insurance and Reinsurance Companies of Turkey; SIGMA



**Thank you !**



**Goldman Sachs Financials Conference  
Lisbon, 13<sup>th</sup> June 2007**