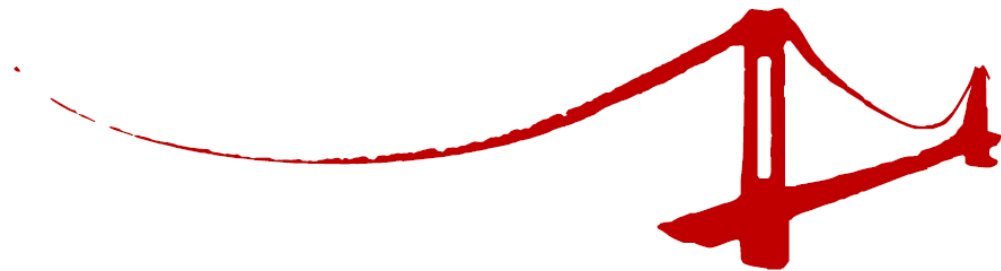


European Embedded Value 2007

23rd July 2008





MAPFRE

75
YEARS

▪ **European Embedded Value analysis**

- Watson Wyatt certification
- Methodological appendix
- Statistical appendix
- Glossary



A favourable performance in a more volatile environment

Value of In-force Business (VIF)	1,324.9	+26.3%
European Embedded Value (EEV ⁽¹⁾)	1,939.3	+23.2%
Return on Embedded Value (RoEV)	7.1%	-19.0p.p
Value added by new business	156.4	+17.8%
New business margin	4.2%	-0.6p.p

Million euros

These results reflect mainly:

- The gearing of sales towards products with shorter maturities.
- Alignment of the cost of capital methodology with the market practices.
- The inclusion into the scope of consolidation of BANKINTER VIDA, CCM VIDA y PENSIONES and the life assurance operations of MAPFRE VERACRUZ.

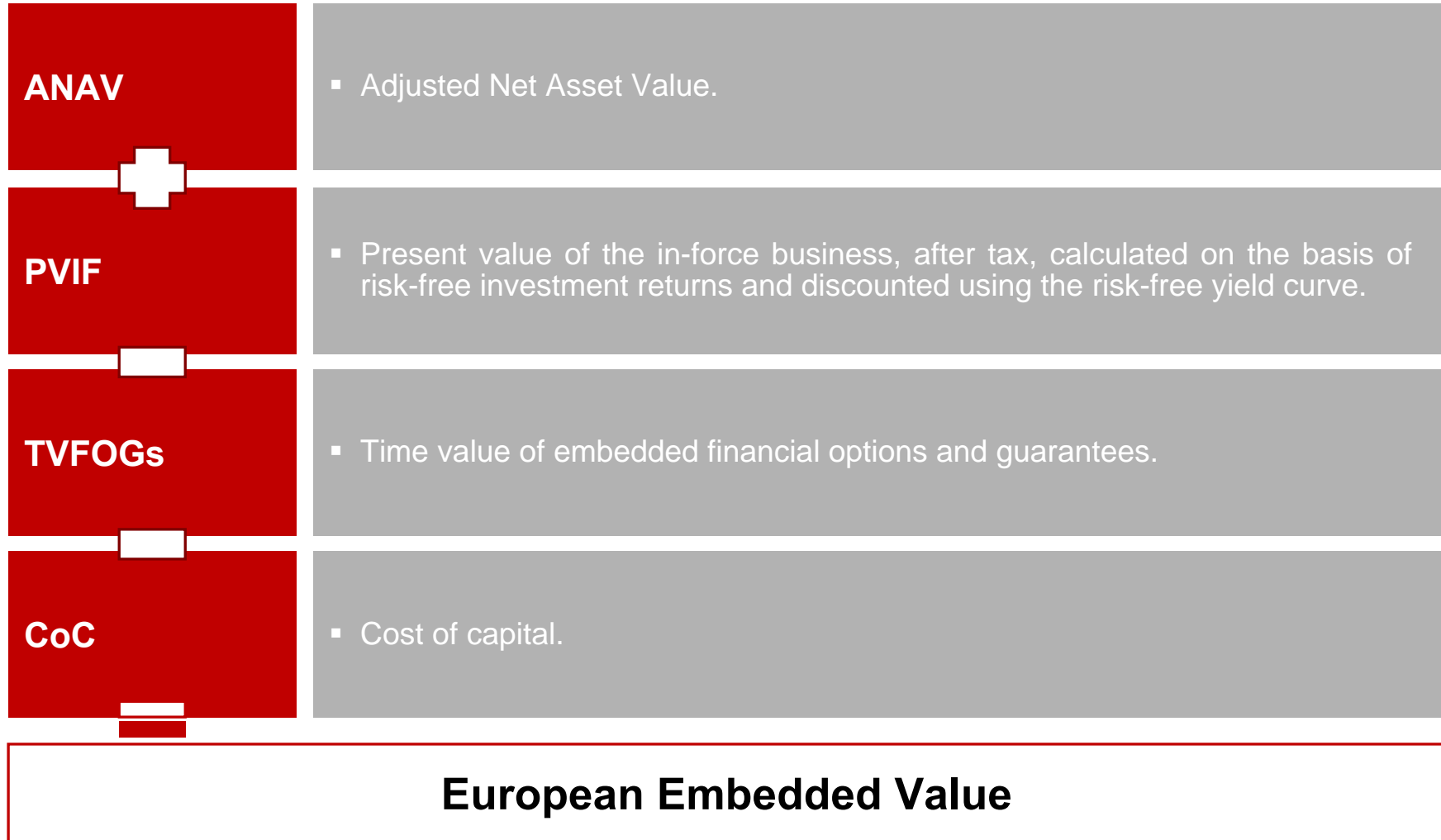
Watson Wyatt has acted as advisor in the preparation of the figures shown herein and has also verified their compliance with the EEVP⁽²⁾.

1) "European Embedded Value Principles" ("EEVP"). Aggregate EEV for the different units, with no adjustment for minority interests.

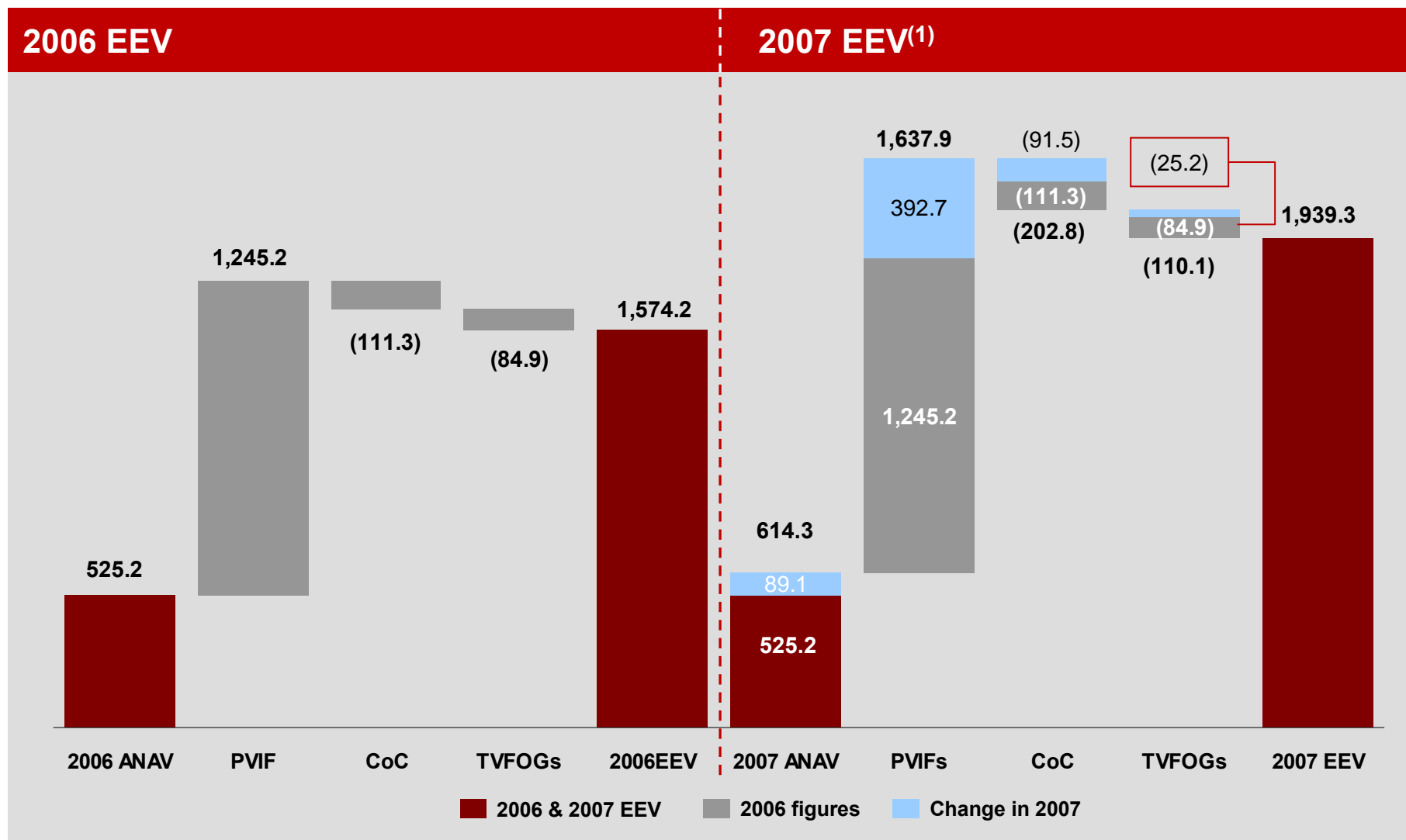
2) As per the certification letters contained in the Appendix.



EEV components



EEV components and their variation in 2007



1) 100% of the aggregate EEV for the covered businesses, with no adjustment for their respective minority interests, additional information on which is provided on slides 7 and 38 of this document.

Million euros



Breakdown of 2007 EEV⁽¹⁾



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By business line

	€ mill.	%	Var. %
Adjusted Net Asset Value⁽²⁾	614.3	31.7%	17.0%
Net PVIF⁽³⁾ - Life Assurance⁽⁴⁾	1,013.6	52.3%	38.5%
- PVIF	1,201.9	62.0%	43.7%
- CoC	(188.2)	-9.7%	80.3%
Net PVIF⁽³⁾ - Investment Funds	204.8	10.6%	-3.0%
- PVIF	208.2	10.7%	-2.4%
- CoC	(3.4)	-0.2%	58.5%
Net PVIF⁽³⁾ - Pension Funds	216.6	11.2%	13.4%
- PVIF	227.8	11.7%	16.4%
- CoC	(11.2)	-0.6%	136.7%
TVFOGs	(110.1)	-5.7%	29.8%
EEV 2007	1,939.3	100.0%	23.2%
Initial capital used to calculate the CoC⁽⁵⁾	755.7	---	-35.7%

2006: 1,174.5

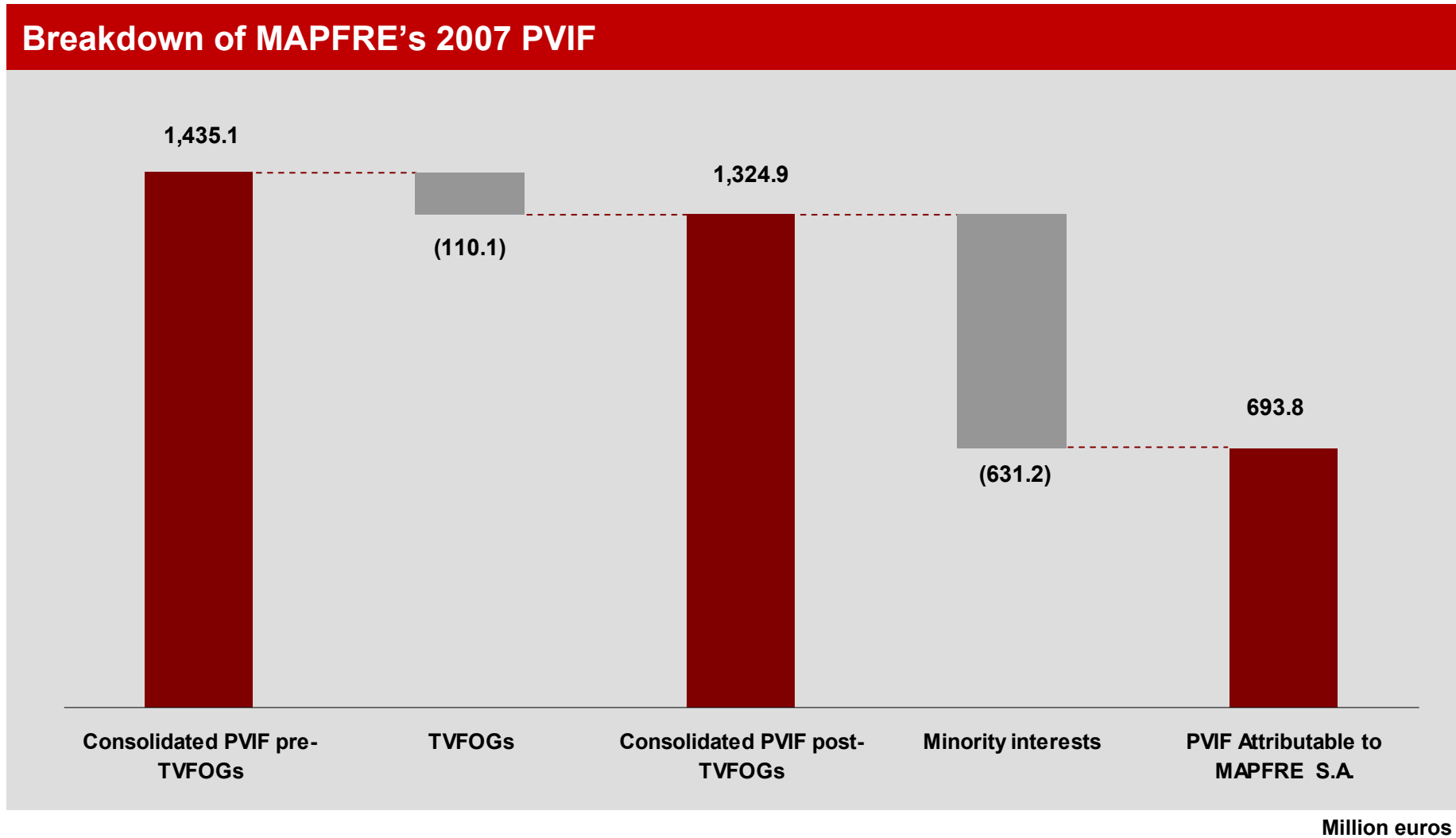
By distribution channel

	€ mill.	%	Var. %
Adjusted Net Asset Value	614.3	31.7%	17.0%
Net PVIF - Spanish agents' channel	949.3	48.9%	---
- PVIF	1,076.7	55.5%	---
- CoC	(127.5)	-6.6%	---
Net PVIF - Caja Madrid channel	186.6	9.6%	---
- PVIF	245.6	12.7%	---
- CoC	(59.1)	-3.0%	---
Net PVIF - other Spanish bancassurance channels	175.3	9.0%	---
- PVIF	185.6	9.6%	---
- CoC	(10.3)	-0.5%	---
Net PVIF - MAPFRE VERACRUZ VIDA	123.9	6.4%	---
- PVIF	129.9	6.7%	---
- CoC	(6.0)	-0.3%	---
TVFOGs	(110.1)	-5.7%	29.8%
EEV 2007	1,939.3	100.0%	23.2%
Initial capital used to calculate the CoC⁽⁴⁾	755.7	---	-35.7%

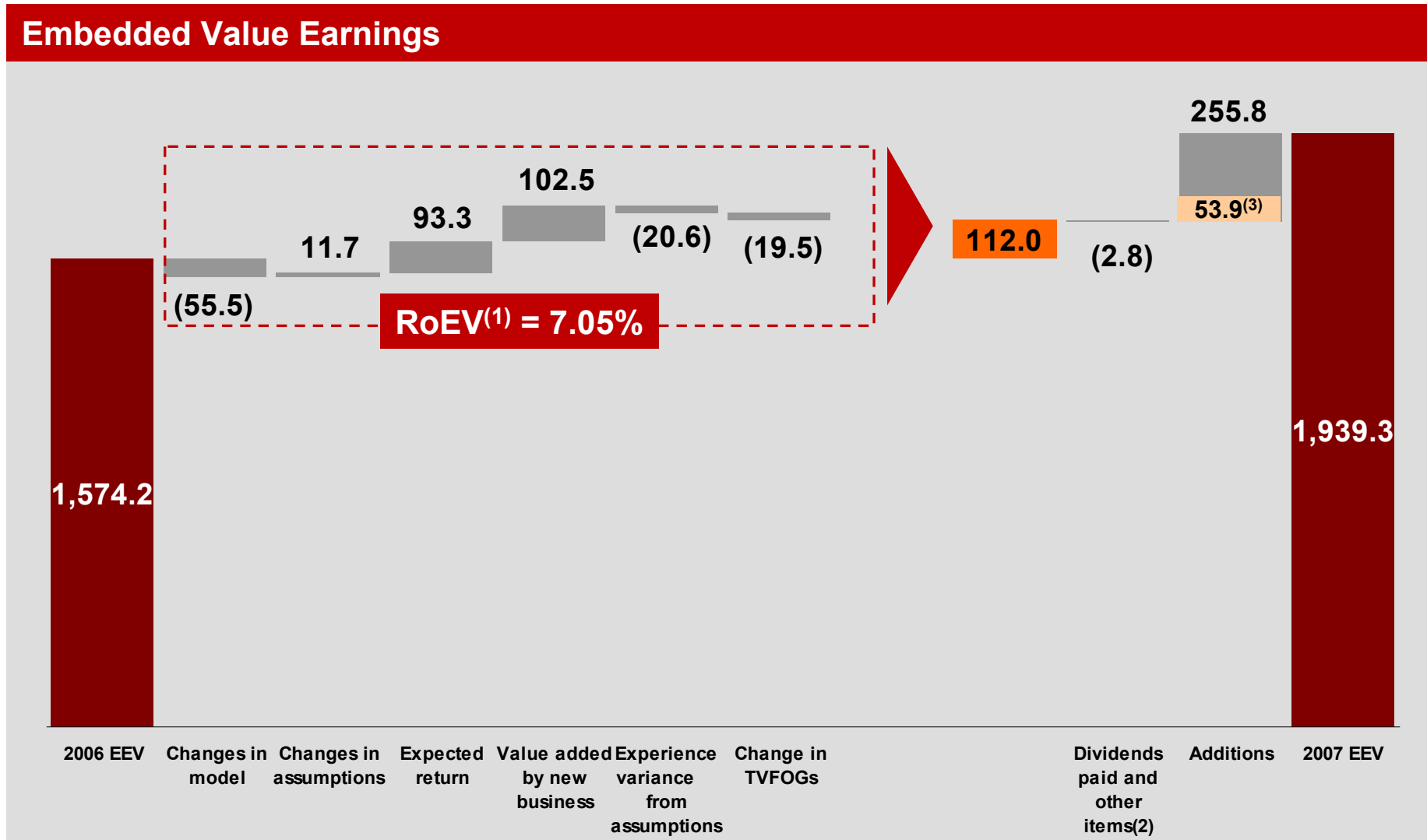
- 1) The EEV of MAPFRE VIDA was calculated by Consultora MAPFRE VIDA and certified by Watson Wyatt; the EEV of the rest of the units has been calculated by Watson Wyatt. The certification letters are shown in the Appendix. Aggregate figures with no adjustment for minority interests (see pages 7 and 38).
- 2) Adjusted Net Asset value = MAPFRE VIDA proforma + MAPFRE VERACRUZ.
- 3) PVIF = Present Value of In-Force business, calculated using a risk-free rate.
- 4) Includes the in-force values of the Life assurance and Accidental Death insurance businesses.
- 5) Calculations based on an amount of capital equal to 100% of the required minimum as at 31/12/2007 (197% as at 31/12/2006, when only MAPFRE VIDA and its subsidiaries were considered and the CoC was €111.3 million; if the minimum required capital had been used, the CoC would have been €56.5 million).



Minority interests in 2007 PVIF

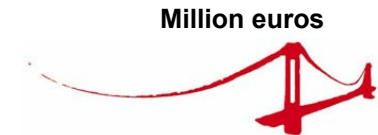


Value added in 2007 (aggregate figures)



1) Return on Embedded Value = value added in the year / Embedded Value at the close of the previous year.
 2) Includes donation to Fundación MAPFRE VIDA.
 3) Value added by new business from the entities added.

European Embedded Value analysis



Analysis of the main variations in EEV

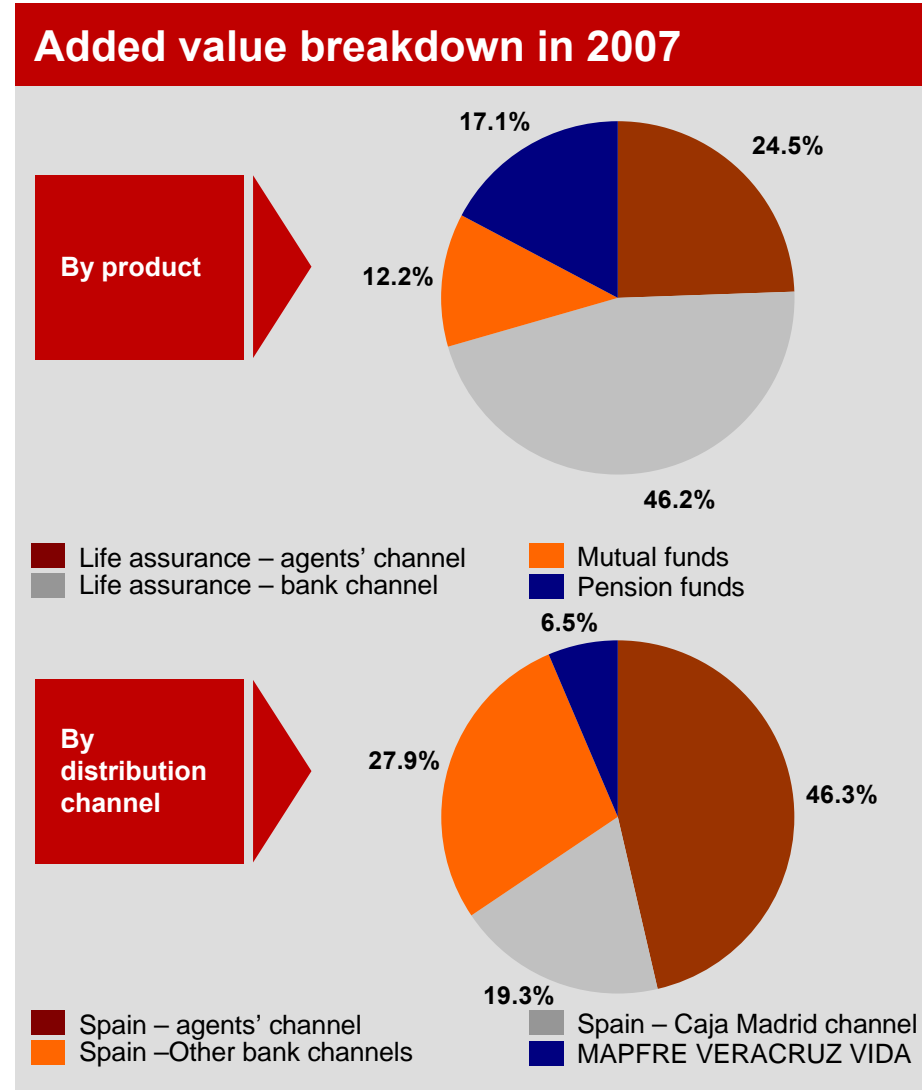
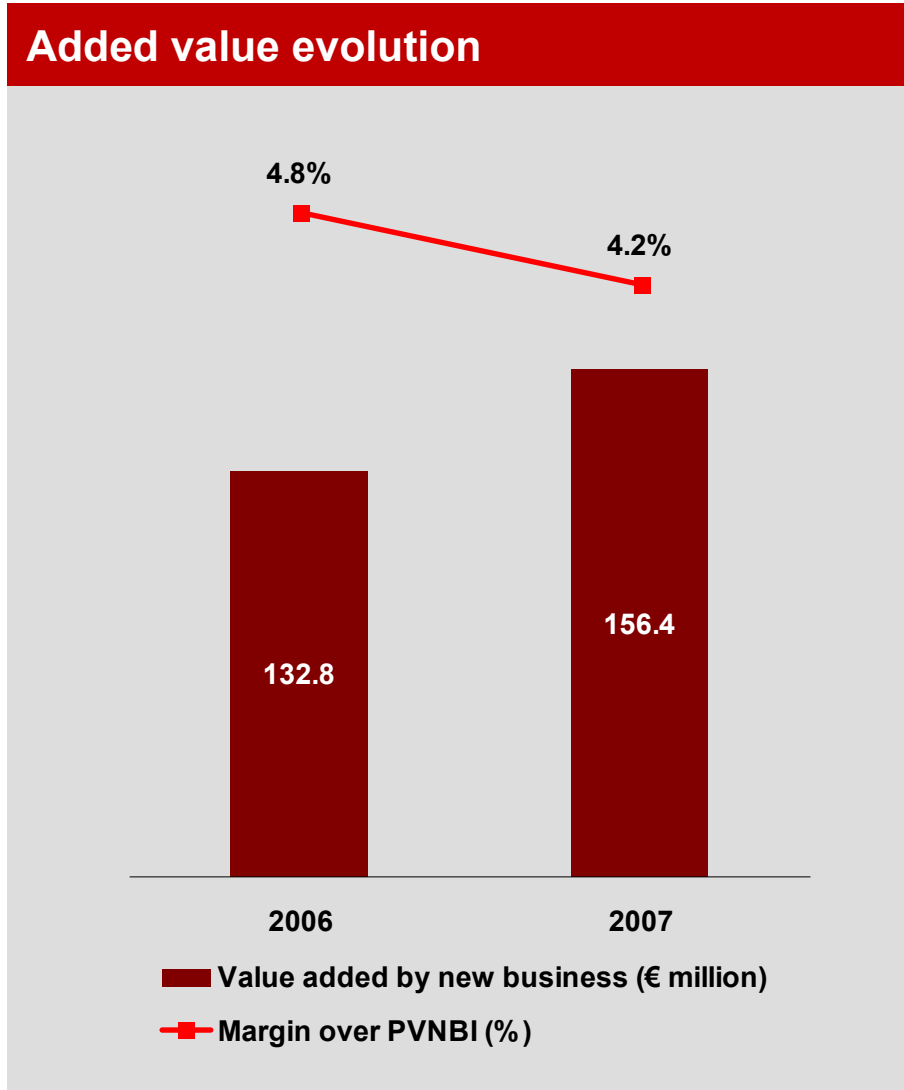
- The increase in the value of in-force business reflects primarily the following:

Change	Description	Impact
Additions	<ul style="list-style-type: none"> ▪ The EEV of MAPFRE VERACRUZ VIDA, BANKINTER VIDA and CCM VIDA y PENSIONES was included in the covered business. 	+255.8
Model changes	<ul style="list-style-type: none"> ▪ The cost of capital (CoC) calculation methodology has been aligned with market practices, applying a fixed charge of 4% to an amount of capital equal to 100% of the minimum required solvency margin. This has translated into a €63.6 million increase in the CoC, that has been partly compensated for by other positive changes of lesser importance for €8.1 million. 	-55.5
Financial assumptions	<ul style="list-style-type: none"> ▪ Market volatility has significantly increased the cost of the embedded options. 	-19.5

Million euros








Value added by new business



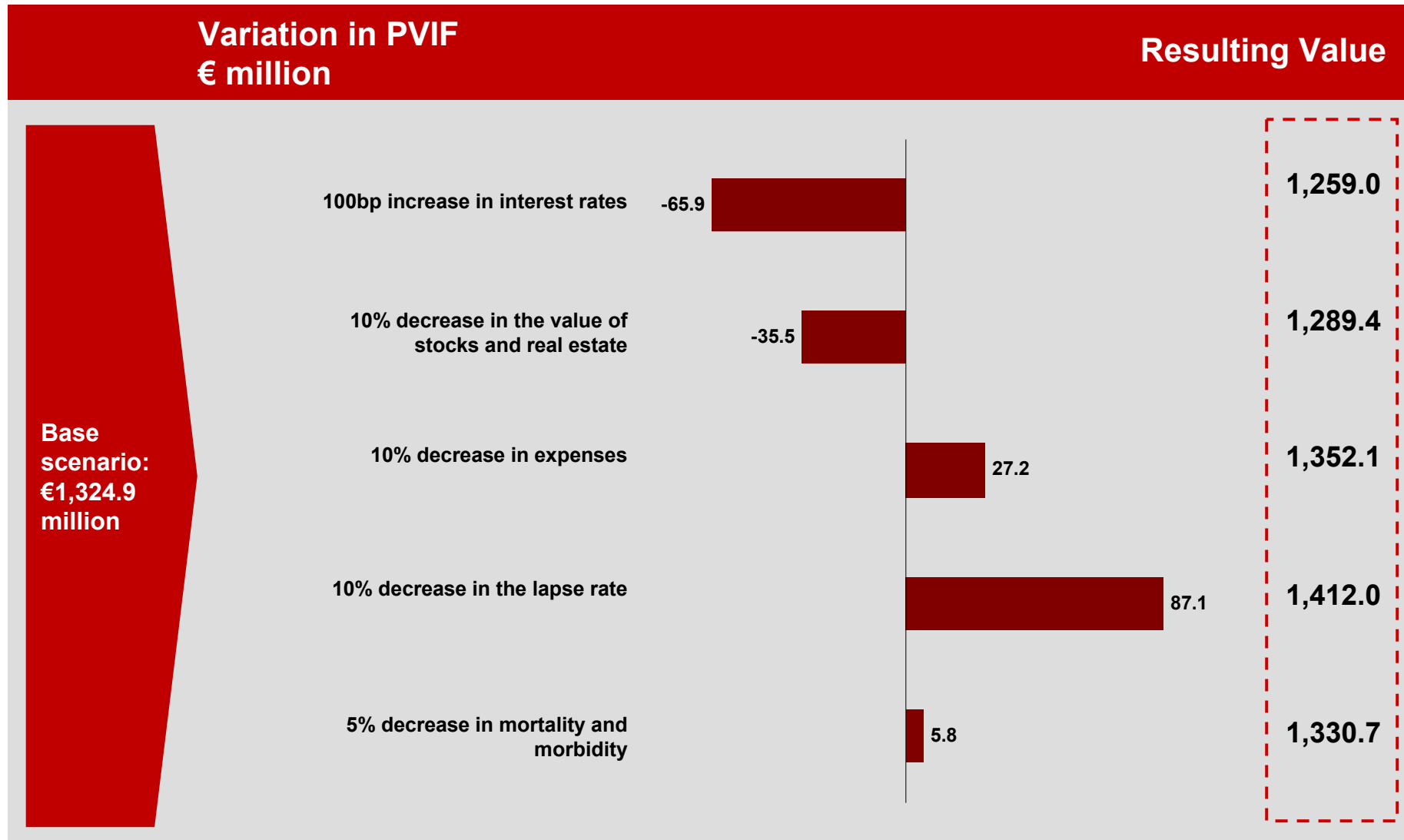
Analysis of the main variations in the value added by new business

- The increase in the value added by new business reflects:

1	The inclusion into the scope of consolidation of BANKINTER VIDA, CCM VIDA y PENSIONES and MAPFRE VERACRUZ VIDA.	
2	The gearing of sales towards products with shorter maturities.	
3	The impact of the change in the CoC calculation methodology.	
4	The increase in the discount rate.	
5	The increase in acquisition expenses.	



Sensitivity analysis of the value of in-force⁽¹⁾



1) PVIF - TVFOGs – CoC

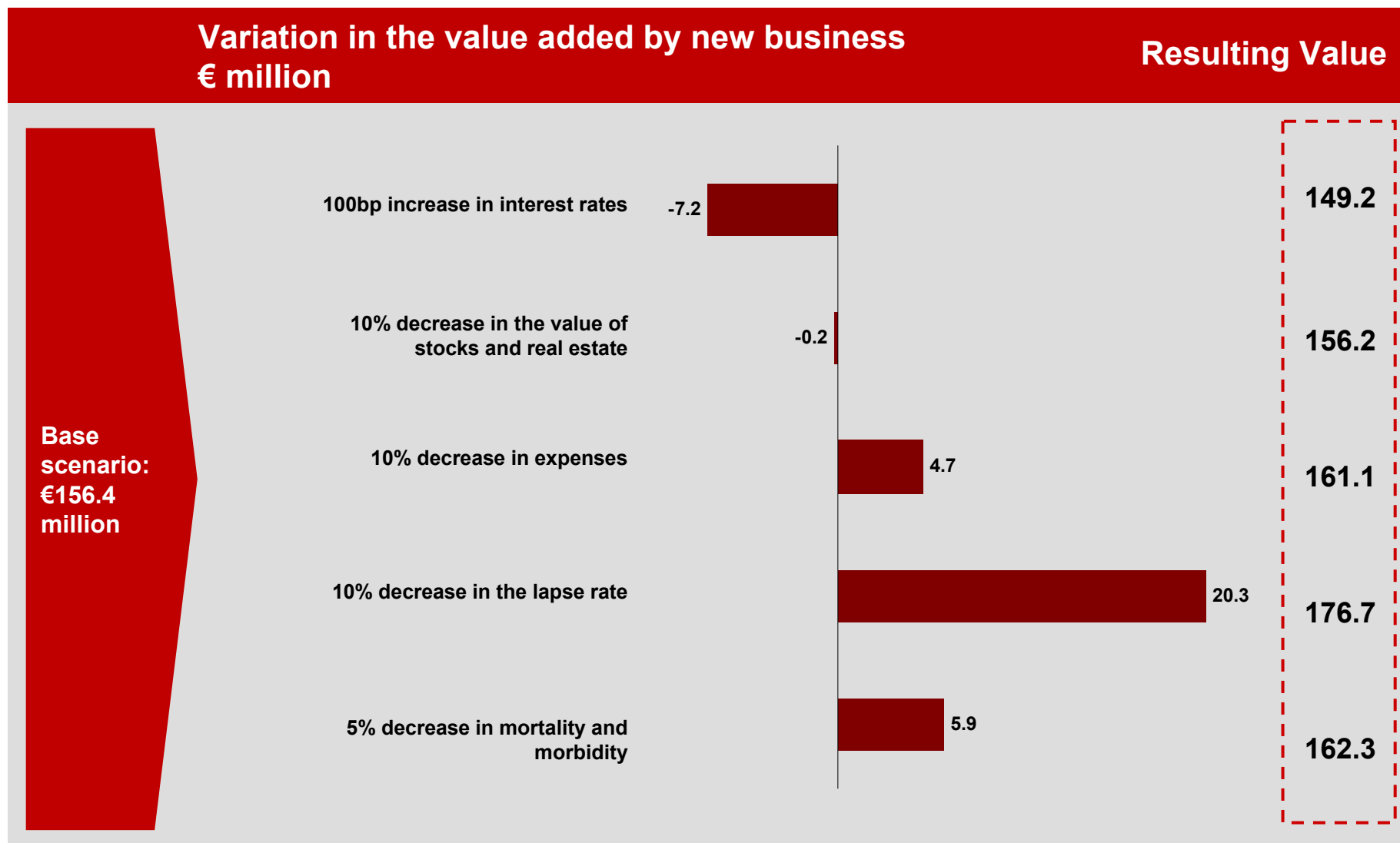


Sensitivity analysis of the value added by new business



MAPFRE

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- European Embedded Value analysis

- **Watson Wyatt certification**

- Methodological appendix

- Statistical appendix

- Glossary



Watson Wyatt certification – MAPFRE VIDA



75
YEARS

10 July 2008

The Directors
Mapfre, S.A.
Carretera de Pozuelo 52
Edificio 1
28220 Majadahonda (Madrid)

Dear Sirs,

Letter of certification - Embedded value of Mapfre Vida as at 31 December 2007

- 1 Mapfre, S.A. has appointed Watson Wyatt Insurance Consulting, S.A. ("Watson Wyatt") to provide an actuarial certification on the calculation of the embedded value ("EV") as at 31 December 2007 of Mapfre Vida, S.A. de Seguros y Reaseguros sobre la Vida Humana ("Mapfre Vida") and its subsidiaries. The EV results have been prepared to comply with the European Embedded Value Principles and Guidance issued by the CFO Forum in May 2004 (the "EEV Principles").

Scope

 - 2 The scope of our work has been to report on the calculation as at 31 December 2007 on an EEV Principles basis of the following components:
 - a. The adjusted consolidated net assets of:
 - Mapfre Vida;
 and its share in subsidiaries:
 - Mapfre Inversión S.V., S.A., consisting of Mapfre Inversión Dos, S.G.I.I.C., S.A. and Mapfre Vida Pensiones, E.G.F.P., S.A. ("Mapfre Inversión y Pensiones"); and
 - Bankinter Seguros de Vida, SA de Seguros y Reaseguros ("Bankinter Vida").
 b. The value of in-force business of Mapfre Vida and Mapfre Inversión y Pensiones. The covered business includes the life insurance, accidental death, mutual fund and pension fund business. The value of in-force business reported in this letter does not include the business of Bankinter Vida.
 - 3 The adjusted consolidated net shareholders' assets as well as the value of 100% of the in-force business of Mapfre Vida and Mapfre Inversión y Pensiones has been calculated by Consultora Actuarial y de Pensiones Mapfre Vida, S.A. ("Consultora Mapfre Vida"). Watson Wyatt has carried out a review of these values of Mapfre Vida and Mapfre Inversión y Pensiones with respect to the following:
 - The methodology used to calculate the adjusted consolidated net shareholders' assets and its validation against the information in the annual accounts.



- The methodology used to calculate the value of in-force business. This included reasonableness checks to product level projections and reviewing the validation of the modelling against the accounts and liability schedules.
 - The bases and assumptions used to calculate the value of in-force business. In addition, sample checks that the assumptions have been applied correctly and reasonableness tests have been carried out, including reasonableness checks on the results of the sensitivities of the EV and value of new business to changes in assumptions.
 - The methodology used to analyse the change in value of in-force business over the year including the split of embedded value earnings into its various components.
- 4 For the purpose of carrying out our work, we have been provided with calculations carried out by Consultora Mapfre Vida and with supporting data. The assumptions on which the calculations have been based have been discussed with Consultora Mapfre Vida and are based upon information provided by them.
 - 5 We have relied upon the accuracy and completeness, without any independent verification, of the supporting information we have been provided with during the course of our work, although we have reviewed it for reasonableness and consistency.
 - 6 Our work and this letter are subject to the reliances and limitations contained in paragraphs 16 to 20 of this letter. The work is based on information received up to and including 6 June 2008.
- Embedded value at 31 December 2007**
- 7 On the assumptions made, the embedded value of 100% of the life insurance, accidental death, mutual fund and pension fund business of Mapfre Vida and its subsidiaries, excluding the value of in-force business of Bankinter Vida, as at 31 December 2007 is:

Table 1: Embedded value as at 31 December 2006 and 2007 (thousand euros)

	2006	2007
Adjusted consolidated net assets	525,215	450,499
Value of in-force business ⁽¹⁾	1,049,011	1,031,474
Embedded value	1,574,226	1,481,973

(1) Excluding the business of Bankinter Vida.

- 8 The values shown in Table 1 assume taxation on future statutory profits of 32.5% in 2007 and 30.0% from 2008. These values are net of the annual cost of holding a level of capital which in the 2007 valuation has been assumed equal to 4% of 100% of the minimum legal requirement and in the 2006 valuation was assumed equal to the cost of double taxation on 197% of the minimum legal requirement. Table 3 shows the impact of this change in the methodology of cost of capital valuation under item "Changes in the model".
- 9 The adjusted consolidated net assets shown in Table 1 are equal to the consolidated statutory net assets of Mapfre Vida and its subsidiaries, adjusted by taking into account the market value of assets and by deducting unamortised acquisition expenses, goodwill, donations and dividends not considered in the statutory net assets, all after tax. In the 2007 valuation, the goodwill deduction includes the goodwill generated by the acquisition of 50% of Bankinter Vida.

2



Watson Wyatt certification – MAPFRE VIDA (contd.)

Embedded value earnings in 2007

10 Embedded value earnings are defined as the change in embedded value during the year, including dividends paid, and provide a measure of the economic performance during the year.

11 Table 2 shows the embedded value earnings of Mapfre Vida and its subsidiaries in 2007.

Table 2: Embedded value earnings in 2007

	2007
Change in embedded value	(92,252)
Dividends paid and donations	2,778
Effect of the acquisition of 50% of Bankinter Vida ⁽¹⁾	201,489
Embedded value earnings	112,015

(1) Increase in goodwill produced by the acquisition of 50% of Bankinter Vida in year 2007.

12 The embedded value earnings shown in Table 2 above were analyzed as follows:

Table 3: Analysis of embedded value earnings in 2007 (thousand euros)

	2007
Changes in the model ⁽¹⁾	(55,478)
Changes in assumptions	11,700
Expected return	93,294
Value added by new business ⁽²⁾	102,546
Experience variance from assumptions	(20,574)
Changes in the TVFOGs	(19,473)
Embedded value earnings	112,015

(1) The main change in the model is the change in the methodology of the cost of capital calculation.

(2) Value at the end of year 2007.

Assumptions

13 The principal assumptions used in the calculation of the embedded values are set out below:

- New money pre-tax investment returns, before investment expenses, have been based on Euroswap yields at the valuation date without any investment spreads. Book investment returns on existing assets continue to apply until assets reach their maturity or are sold.
- For the 2007 valuation, the cost of capital has been calculated assuming an annual cost equal to 4% of 100% of the minimum legal requirement and for the 2006 valuation it was calculated assuming an annual cost of double taxation on 197% of the minimum legal requirement.
- To derive the expense assumptions used in the 2007 calculation, actual management expenses in 2007 assigned to the life insurance, accidental death, mutual fund and pension fund business, with the exception of non-recurrent expenses, have been fully allocated to different product lines and, within each line, between expenses related to the acquisition of new business and those related to the maintenance of in-force business. The expense assumptions used in the 2006 calculation were derived in the same manner, using 2006 actual management expenses.

3

- Maintenance expenses, expressed in euros per policy, have been assumed to increase at 2.5% per annum in the 2007 and 2006 embedded value calculations.
- Salesforce commissions have been assumed to continue in the future at the scales existing at each respective valuation date.
- Life policyholder profit participation rates and product charges, as well as mutual fund and pension fund commission rates, have been assumed to continue in the future at the levels existing at each respective valuation date.
- Mortality, lapse and other discontinuance assumptions have been based on internal studies of recent operating experience and, where appropriate, on industry experience.
- It has been assumed that there will be no change in the methods and bases used to calculate technical reserves and surrender values, except for the future strengthening of the group and individual annuity and endowment mathematical reserves required to satisfy Spanish regulations.

Sensitivities

14 Consultora Mapfre Vida has prepared calculations of the sensitivity of the value of in-force business and new business contribution to various changes in assumptions. The results are summarised in Table 4.

Table 4: Summary of sensitivities (thousand euros)

	Change in the value of in-force business	Change in new business contribution
100bp increase in interest rates	(59,689)	(5,201)
10% decrease in equity and property values	(35,317)	(0,225)
10% decrease in expenses	19,958	3,206
10% decrease in the lapse rate	74,792	16,222
5% decrease in mortality and morbidity	0,327	2,811

Conclusions

15 In our opinion:

- The methodology adopted to determine the value of in-force business complies with the EEV Principles;
- The assumptions made in the determination of the value of in-force business comply with the EEV Principles; and
- The presentation of the movement in the value of in-force business and the sensitivities of the value of in-force business and the new business contribution is reasonable based on Principle 12 of the EEV Principles.

4



Watson Wyatt certification – MAPFRE VIDA (contd.)



Reliances and limitations

- 16 In carrying out our review we have relied without independent verification upon the accuracy and completeness of the data and information provided to us, both in written and oral form, by Consultora Mapre Vida and Mapfre Vida and its subsidiaries.
- 17 Reliance has been placed upon, but not limited to, information regarding historic annual reports and accounts, life insurance and mutual and pension fund product characteristics and charges, asset allocations by product line, asset values, expense analyses, salesforce commission scales, internal claim and discontinuance studies, levels of in-force premiums, number of policies, technical reserves, mutual and pension funds by product, terms of reinsurance agreements, and electronic policy data bases.
- 18 We have not attempted to assess the suitability, quality or value of the assets of Mapfre Vida and its subsidiaries or to provide any warranty as to the adequacy of the technical reserves. We have also not investigated any claims against Mapfre Vida or its subsidiaries other than those made by policyholders or fund participants under the normal terms of insurance, mutual fund or pension fund business. In particular, no account has been taken of liabilities in respect of pension entitlements, service contracts, leases and breaches of legislation, regulatory rules or guidance.
- 19 Assumptions are made about future experience, including economic and investment experience, tax, expenses, lapse rates, mortality and reinsurance. These assumptions have been made on the basis of reasonable estimates. However, actual future experience is likely to differ from these assumptions, due to random fluctuations, changes in the operating environment and other factors. Such variations in experience could have a significant effect on the results and conclusions of this letter. No warranty is given by Watson Wyatt that the assumptions made in this letter will be reflected in actual experience.
- 20 The calculation carried out by Consultora Mapfre Vida does not consider possible financial implications arising from the introduction of new regulatory reporting requirements which may, for example, increase the level of capital support required to sustain the business or constrain the way in which the assets are invested.

Yours sincerely

Julio Koch

Felipe Gómez Rojas

5



Watson Wyatt certification – aggregate of CCM VyP and Bankinter Vida



10 July 2008

Mapfre, S.A.
Carretera de Pozuelo 52
Edificio 1
28220 Majadahonda (Madrid)

Dear Sirs,

Letter of certification – Aggregated embedded value of Bankinter Vida and CCM Vida y Pensiones as at 31 December 2007

1 Mapfre, S.A. has appointed Watson Wyatt Worldwide ("Watson Wyatt") to calculate the aggregated embedded value ("EV") as at 31 December 2007, of 100% of the life insurance and pension fund business of Bankinter Seguros de Vida, S.A. de Seguros y Reaseguros ("Bankinter Vida") and CCM Vida y Pensiones S.A. de Seguros y Reaseguros ("CCM Vida y Pensiones"). The EV results of each company have been prepared to comply with the European Embedded Value Principles and Guidance issued by the CFO Forum in May 2004 (the "EEV Principles").

Scope

2 The scope of our work was to provide an estimate of the following components of the appraisal value of the life and pension business of Bankinter Vida and CCM Vida y Pensiones as at 31 December 2007:

- aggregated embedded value as at 31 December 2007;
- aggregated value of 2007 new business.

3 We have relied upon the accuracy of this supporting information without verification, although we have reviewed it for reasonableness and consistency.

4 Our work and this letter are subject to the reliances and limitations contained in paragraphs 11 to 15 of this letter. The work is based on information received up to and including 2 July 2008.

EV as at 31 December 2007

5 On the assumptions made, the aggregated embedded value of 100% of the life insurance and pension fund business of Bankinter Vida and CCM Vida y Pensiones as at 31 December 2007 was calculated to be:

Table 1: Embedded value as at 31 December 2007 (thousand euros)

	2007
Aggregated adjusted net assets	82,103
Aggregated value of in-force business	169,527
Embedded value	251,630

6 The values shown in Table 1 assume taxation on future statutory profits of 32.5% in 2007 and 30.0% from 2008, and are net of the cost of double taxation on a level of capital equal to 100% of

the minimum legal solvency requirement for CCM Vida y Pensiones and of an annual cost of capital of 4 % of the minimum legal solvency requirement for Bankinter Vida.

7 The aggregated adjusted net assets shown in Table 1 are equal to the sum of the statutory net assets of Bankinter Vida and CCM Vida y Pensiones, adjusted by taking into account the market value of assets.

Value of 2007 new business

8 Table 2 shows the aggregated value of 2007 new business of Bankinter Vida and CCM Vida y Pensiones at the end of the year.

Table 2: Value of 2007 new business at the end of the year (thousand euros)

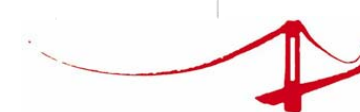
	2007
Value of new business	43,631

Assumptions

9 The principal assumptions used in the calculation of the embedded value and of the value of new business are set out below:

- New money pre-tax investment returns, before investment expenses, have been based on Euroswap yields at the valuation date without any investment spreads. Book investment returns on existing assets continue to apply until assets reach their maturity or are sold.
- The cost of capital for CCM Vida y Pensiones has been calculated assuming that the level of capital held is equal to 100% of the minimum legal solvency requirement, and that the assets backing the required capital earn pre-tax investment returns based on Euroswap yields at the valuation date without any investment spreads.
- The cost of capital for Bankinter Vida has been calculated assuming an annual cost of 4% of a level of capital equal to 100% of the legal requirement.
- To derive the expense assumptions, actual 2007 management expenses assigned to the life insurance and pension fund business, have been fully allocated to different product lines and, within each line, between expenses related to the acquisition of new business and those related to the maintenance of in-force business.
- Maintenance expenses, expressed in euros per policy, have been assumed to increase at a 2.5% per annum inflation rate.
- Salesforce commissions have been assumed to continue in the future at the scales existing at the valuation date.
- Life policyholder profit participation rates and product charges, as well as pension fund commission rates, have been assumed to continue in the future at the levels existing at the valuation date.
- Mortality, lapse and other discontinuance assumptions have been based on internal studies of recent Bankinter Vida and CCM Vida y Pensiones operating experience and, where appropriate, on industry experience.

2



Watson Wyatt certification – aggregate of CCM VyP and Bankinter Vida (contd.)



- It has been assumed that there will be no change in the methods and bases used to calculate technical reserves and surrender values.

Sensitivities

- 10 We have performed calculations of the sensitivity of the value of in-force business and new business to various changes in assumptions. The results are summarised in Table 3.

Table 3: Summary of sensitivities (thousand euros)

	Change in the value of in-force business	Change in the value of 2007 new business
100bp increase in interest rates	(7,527)	(2,631)
10% decrease in equity and property values	(208)	0
10% decrease in maintenance expenses	5,113	782
10% decrease in the lapse rate	11,373	3,369
5% decrease in mortality and morbidity	3,441	1,074

Reliances and limitations

- 11 In carrying out our work we have relied without independent verification upon the accuracy and completeness of the data and information provided to us, both in written and oral form, by Bankinter Vida and CCM Vida y Pensiones.
- 12 Reliance has been placed upon, but not limited to, information regarding historic annual reports and accounts, life insurance and pension fund product characteristics and charges, asset allocations by product line, asset values, expense analyses, salesforce commission scales, levels of in-force premiums, number of policies, technical reserves, pension funds by product, terms of reinsurance agreements, and electronic policy data bases.
- 13 We have not attempted to assess the suitability, quality or value of the assets of Bankinter Vida and CCM Vida y Pensiones or to provide any warranty as to the adequacy of the technical reserves. We have also not investigated any claims against Bankinter Vida and CCM Vida y Pensiones other than those made by policyholders or fund participants under the normal terms of insurance or pension fund business. In particular, no account has been taken of liabilities in respect of pension entitlements, service contracts, leases and breaches of legislation, regulatory rules or guidance.
- 14 Assumptions are made about future experience, including economic and investment experience, tax, expenses, lapse rates, mortality and reinsurance. These assumptions have been made on the basis of reasonable estimates. However, actual future experience is likely to differ from these assumptions, due to random fluctuations, changes in the operating environment and other factors. Such variations in experience could have a significant effect on the results and conclusions of this letter. No warranty is given by Watson Wyatt that the assumptions made in this letter will be reflected in actual experience.

3



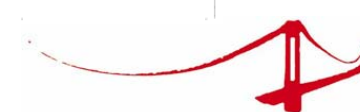
- 15 The calculation carried out by Watson Wyatt does not consider possible financial implications arising from the introduction of new regulatory reporting requirements which may, for example, increase the level of capital support required to sustain the business or constrain the way in which the assets are invested.

Yours sincerely

Julio Koch

Felipe Gómez Rojas

4



Watson Wyatt certification– MAPFRE VERACRUZ VIDA



75
YEARS

08 July 2008

Mapfre, S.A.
Carretera de Pozuelo 52
Edificio 1
28220 Majadahonda (Madrid)

Dear Sirs,

Calculation of the embedded value of the life insurance and pension fund business of MAPFRE Vera Cruz Vida e Previdência S.A.

1 Mapfre, S.A. has appointed Watson Wyatt Worldwide ("Watson Wyatt") to calculate the embedded value ("EV") as at 31 December 2007, of 100% of the life insurance and pension fund business of MAPFRE Vera Cruz Vida e Previdência S.A. ("MAPFRE Vera Cruz"). The EV results have been prepared to comply with the European Embedded Value Principles and Guidance issued by the CFO Forum in May 2004 (the "EEV Principles").

Scope

2 The scope of our work was to provide an estimate of the following components of the appraisal value of the life and pension business of MAPFRE Vera Cruz as at 31 December 2007:

- embedded value as at 31 December 2007;
- value of 2007 new business.

3 We have relied upon the accuracy of this supporting information without verification, although we have reviewed it for reasonableness and consistency.

4 Our work and this letter are subject to the reliances and limitations contained in paragraphs 11 to 15 of this letter. The work is based on information received up to and including 12 June 2008.

EV as at 31 December 2007

5 On the assumptions made, the embedded value of 100% of the life insurance and pension fund business of MAPFRE Vera Cruz as at 31 December 2007 was calculated to be:

Table 1: Embedded value as at 31 December 2007 (thousand euros)

	2007
Adjusted net assets	142,205
Value of in-force business	123,941
Embedded value	266,146

6 The values shown in Table 1 assume taxation on future statutory profits of 40%, and are net of an annual cost of capital of 4% of the minimum legal solvency requirement.

7 The adjusted net assets shown in Table 1 are equal to the statutory net assets of MAPFRE Vera Cruz, adjusted by taking into account the market value of assets deducting intangible assets.



Value of 2007 new business

8 Table 2 shows the value of 2007 new business of MAPFRE Vera Cruz at the point of sale.

Table 2: Value of 2007 new business at the point of sale (thousand euros)

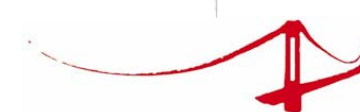
	2007
Value of new business	10,200

Assumptions

9 The principal assumptions used in the calculation of the embedded value and of the value of new business are set out below:

- New money pre-tax investment returns, before investment expenses, have been based on the swap curve of interest rates for Brazil at the valuation date without any investment spreads. Book investment returns on existing assets continue to apply until assets reach their maturity or are sold.
- The cost of capital has been calculated assuming an annual cost of 4% of a level of capital equal to 100% of the minimum legal requirement. For pension funds, a 1% on funds legal requirement was assumed.
- To derive the expense assumptions, actual 2007 management expenses assigned to the life insurance and pension fund business, have been fully allocated to different product lines and, within each line, between expenses related to the acquisition of new business and those related to the maintenance of in-force business.
- Maintenance expenses, expressed in euros per policy, have been assumed to increase at a 4.5% per annum inflation rate.
- Salesforce commissions have been assumed to continue in the future at the scales existing at the valuation date.
- Life policyholder profit participation rates and product charges, as well as pension fund commission rates, have been assumed to continue in the future at the levels existing at the valuation date.
- Mortality, lapse and other discontinuance assumptions have been based on internal studies of recent MAPFRE Vera Cruz operating experience.
- It has been assumed that there will be no change in the methods and bases used to calculate technical reserves and surrender values.

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Watson Wyatt certification– MAPFRE VERACRUZ VIDA



Sensitivities

- 10 We have performed calculations of the sensitivity of the value of in-force business and new business to various changes in assumptions. The results are summarised in Table 3.

Table 3: Summary of sensitivities (thousand euros)

	Change in the value of in-force business	Change in the value of 2007 new business
100bp increase in interest rates	1,273	589
10% decrease in equity and property values	0	0
10% decrease in maintenance expenses	2,088	667
10% decrease in the lapse rate	919	725
5% decrease in mortality and morbidity	2,014	1,979

Reliances and limitations

- 11 In carrying out our work we have relied without independent verification upon the accuracy and completeness of the data and information provided to us, both in written and oral form, by MAPFRE Vera Cruz.
- 12 Reliance has been placed upon, but not limited to, information regarding historic annual reports and accounts, life insurance and pension fund product characteristics and charges, asset allocations by product line, asset values, expense analyses, levels of in-force premiums, number of policies, technical reserves, pension funds by product, terms of reinsurance agreements, and electronic policy data bases.
- 13 We have not attempted to assess the suitability, quality or value of the assets of MAPFRE Vera Cruz or to provide any warranty as to the adequacy of the technical reserves. We have also not investigated any claims against MAPFRE Vera Cruz other than those made by policyholders or fund participants under the normal terms of insurance or pension fund business. In particular, no account has been taken of liabilities in respect of pension entitlements, service contracts, leases and breaches of legislation, regulatory rules or guidance.
- 14 Assumptions are made about future experience, including economic and investment experience, tax, expenses, lapse rates, mortality and reinsurance. These assumptions have been made on the basis of reasonable estimates. However, actual future experience is likely to differ from these assumptions, due to random fluctuations, changes in the operating environment and other factors. Such variations in experience could have a significant effect on the results and conclusions of this letter. No warranty is given by Watson Wyatt that the assumptions made in this letter will be reflected in actual experience.

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- 15 The calculation carried out by Watson Wyatt does not consider possible financial implications arising from the introduction of new regulatory reporting requirements which may, for example, increase the level of capital support required to sustain the business or constrain the way in which the assets are invested.

Yours sincerely

Julio Koch

Felipe Gómez Rojas

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Covered business



- The embedded value of was calculated for the following blocks of business:
 - Life assurance (including complementary) and accidental death insurance businesses of MAPFRE VIDA, sold through the agents channel, both in Spain and in Portugal, and through the bank channel in Spain.
 - Life assurance (including complementary), accidental death insurance and pension fund businesses of CCM VIDA Y PENSIONES and BANKINTER SEGUROS DE VIDA.
 - Mutual funds and pension funds businesses of MAPFRE INVERSIÓN S.V., S.A., MAPFRE INVERSIÓN DOS, S.G.I.I.C., S.A. and MAPFRE VIDA PENSIONES, E.G.F.P., S.A. de Seguros, S.A. ("MAPFRE INVERSIÓN Y PENSIONES").
 - Life assurance and mutual funds businesses of MAPFRE VERACRUZ.



- The consolidated embedded value of the Life assurance, accidental death insurance, mutual funds and pension funds businesses includes the adjusted net asset value and the value of in-force business, defined as follows:
 - Embedded value = Adjusted Net Asset Value + Value of the In-Force Business
 - Adjusted Net Asset Value (ANAV) = Shareholders' equity at market value, adjusted to obtain the economic value of capital
 - Value of the In-Force Business = PVIF – TVFOGs – CoC

- A bottom-up approach was followed to comply with EEVP, valuing separately each component of risk in the business, since it was deemed that this methodology provides the most transparent information about shareholder value, better quantifies the risk in each product, differentiating between in-force and new business and is independent from the subjective choice of a set of financial return assumptions.

- **Adjusted Net Asset Value:**
 - The Adjusted Net Asset Value or "ANAV" is equal to shareholders' equity as defined under local GAAP adjusted for: unrealised gains or losses belonging to shareholders; committed donations and dividends; goodwill; deferred expenses; and any other item needed to calculate the economic capital.

- **Present Value of In-force Business:**
 - The Present Value of In-force Business or "PVIF" is determined as the present value of future statutory profits which are expected to be generated from the existing business in force at the valuation date, after tax, calculated on the basis of risk-free investment returns and discounted using the risk-free yield curve. PVIF includes the intrinsic value of financial options and guarantees granted to the insured.



▪ TVFOGs:

- Under EEVP, FOGs (Financial Options and Guarantees) are defined as those features of the covered business that imply the existence of significant guarantees on the amount or the nature of the benefits payable to policyholders, or options to vary such benefits, which can be exercised at the discretion of the policyholder and whose potential value is driven by changes in financial variables.
- The cost of FOGs is valued through the measurement of two different elements:
 - intrinsic value: the cost of FOGs under existing conditions at the valuation date.
 - time value: the change in the cost of FOGs that can result from potential changes in policyholder's benefits that may occur throughout the life of the policy.
- The intrinsic value of FOGs is already recognised implicitly in the calculation of the PVIF. It is therefore necessary to include the additional cost arising from the time value of FOGs (TVFOGs).
- TVFOGs was calculated for the main FOGs in the covered life business. Specifically, the calculation focussed on the TVFOGs corresponding to the guaranteed interest rate in with-profits products.
- The calculation of TVFOGs assumed the realisation of gains/losses on equity and property investments to:
 - minimise the impact of profit sharing on the Company's results; and
 - keep the asset mix close to its breakdown as at 31 December 2007.
- TVFOGs is based on a 1,000 stochastic simulations of market-consistent financial assumptions and is equal to the difference between the value of in-force business calculated under a deterministic approach and the average value of the in-force business calculated stochastically.



Methodology (ctd.)



- **PVIF – TVFOG:**

- The difference between these two components yields the “risk-neutral” value of the in-force business, which is equal to the value of said business adjusted for financial risks.

- **CoC:**

- In line with market practices, the CoC used in the calculation of the 2007 EEV was measured by applying a 4% fixed rate to the minimum required solvency margin.
- It provides an indication of the cost of the required capital including the capital needed to cover financial and non-financial risks. Non-financial risks are not considered in any other part of the calculation of the EEV.



Methodology (ctd.)



▪ With-profits business:

- MAPFRE's with-profits in-force business comprises products with the following features that are common in the Spanish insurance market:
 - A minimum return guarantee, ranging between 2.25% and 6% in the case of MAPFRE.
 - A profit-sharing mechanism defined as: $X\%$ of (Financial return – minimum guaranteed return – expense loadings) on the average mathematical reserve, which cannot be negative under any circumstance. $X\%$ varies by product, although it is equal to 90% in most cases. Financial returns and their volatility depend on the book returns of the assets backing the product and is subject to some degree of discretion by management, including, for instance, decisions on the realisation of gains/losses and on the asset mix.

- The combination of a minimum return guarantee and a profit-sharing mechanism that cannot yield negative results generates asymmetric flows for shareholders and, as a consequence, a positive time value of FOGs.



Methodology (ctd.)



▪ Look through EEVP:

- In order to assign correctly revenues and expenses to the businesses that generate them and measure the value of each block of business more consistently with its economic reality, the following adjustments were made:
 - Mutual funds (not linked to Life assurance) and pension fund businesses, as well as a part of the accidental death business, are sold through the distribution network of MAPFRE VIDA. The income statement of MAPFRE VIDA shows its total expenses with no adjustment for the service referred to above. The values of the aforementioned mutual funds, pension funds and accidental death businesses have been adjusted in order to include the expenses (other than commissions) incurred by the aforesaid MAPFRE VIDA distribution network in connection with the effort of selling the said businesses.
 - The assets of the Life assurance business are managed by MAPFRE INVERSIÓN Y PENSIONES. The income statement of MAPFRE INVERSIÓN Y PENSIONES shows its total expenses with no adjustment for the service referred to above. The value of the aforementioned Life assurance business has been adjusted in order to include the asset management expenses incurred by MAPFRE INVERSIÓN Y PENSIONES in said business.



Methodology (ctd.)



▪ Value added by new business:

- In Life assurance, new business is defined as single, extraordinary and regular premiums written in the year, as well as extraordinary contributions to existing policies. In the mutual funds business, new business is defined as new contributions. In the pension funds business, new business is defined as single, extraordinary and regular contributions from new participants, as well as extraordinary contributions from existing participants.
- The value added by new business is the value of in-force added by new business in the period, net of acquisition expenses, TVFOGs and CoC, valued at year-end using the assumptions applicable at that point in time.



Assumptions

	2007 EEV ⁽¹⁾	2006 EEV
Discount rate	Euroswap zero-coupon curve as at 31/12/2007	Euroswap zero-coupon curve as at 31/12/2006
	1 año 4.70%	1 año 4.08%
	5 años 4.56%	5 años 4.12%
	10 años 4.72%	10 años 4.21%
	15 años 4.86%	15 años 4.30%
	20 años 4.91%	20 años 4.35%
Financial returns		
Existing assets	Book returns until maturity	Book returns until maturity
Reinvestment yield	Based on the euroswap zero-coupon curve as at 31/12/2007	Based on the euroswap zero-coupon curve as at 31/12/2006
Maintenance expenses	<ul style="list-style-type: none"> – Based on internal analyses – Expressed in euros per policy – Indexed to a 2.5% inflation 	<ul style="list-style-type: none"> – Based on internal analyses – Expressed in euros per policy – Indexed to a 2.5% inflation
Fees and commissions	In line with the existing fee structure	In line with the existing fee structure
Mortality, disability	Tables based on the company's own experience	Tables based on the company's own experience
Surrenders and turnovers		
Cost of capital		
Reference capital	100% of the minimum solvency margin	197% of the minimum solvency margin
Annual cost	4% p.a.	Tax payable on the returns earned on the assets backing such required capital
Tax rate	30%	32,5% in 2007 and 30% from 2008
Stochastic asset model	Market-consistent as at 31/12/2007	Market-consistent as at 31/12/2006

1) The assumptions described in this slide are specific for the covered business in Spain. In the case of MAPFRE VERACRUZ specific assumptions for the Brazilian market were used, the most significant of which was the local currency swap curve.



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Value added by new business

Breakdown by business line

	PVNBI ⁽¹⁾		VNB ⁽²⁾		VNB/PVNBI	
	2007	2006	2007	2006	2007	2006
Life assurance:	2,240.7	1,566.3	110.5	86.4	4.9%	5.5%
- Agents channel	891.5	670.6	38.3	41.9	4.3%	6.2%
- Bank channel	1,349.2	895.7	72.2	44.5	5.4%	5.0%
Mutual Funds	781.8	709.1	19.1	21.6	2.4%	3.0%
Pension Funds	669.5	518.2	26.8	24.8	4.0%	4.8%
- Agents channel	544.4	518.2	25.2	24.8	4.6%	4.8%
- Bank channel	125.1	---	1.6	---	1.3%	---
TOTAL	3,692.0	2,793.6	156.4	132.8	4.2%	4.8%

Breakdown by distribution channel

	PVNBI ⁽¹⁾		VNB ⁽²⁾		VNB/PVNBI	
	2007	2006	2007	2006	2007	2006
Spain	3,394.1	2,793.6	146.2	132.8	4.3%	4.8%
- Agents channel	1,919.8	1,897.9	72.3	88.3	3.8%	4.7%
- Caja Madrid channels	985.4	895.7	30.2	44.5	3.1%	5.0%
- Other bancassurance	488.9	---	43.6	---	8.9%	---
VERACRUZ VIDA	297.8	---	10.2	---	3.4%	---
TOTAL	3,692.0	2,793.6	156.4	132.8	4.2%	4.8%

Million euros

1) Present Value of New Business Income.

2) Value added by new business.

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Breakdown of 2007 EEV between ANAV and value of in-force business⁽¹⁾



	ANAV	In-force business ⁽¹⁾	TOTAL
2006 EEV	525.2	1,049.0	1,574.2
Changes in the model	0.0	-55.5	-55.5
Changes in assumptions	0.0	11.7	11.7
Expected return	217.2	-123.9	93.3
Value added by new business	-63.2	165.7	102.5
Experience variance from assumptions	-24.5	3.9	-20.6
Change in the TVFOGs	0.0	-19.5	-19.5
Value added in 2007	129.6	-17.5	112.0
Acquisitions	-37.6	293.5	255.8
Dividends paid and other items	-2.8	0.0	-2.8
2006 EEV	614.3	1,324.9	1,939.3
			Million Euros
RoEV	24.7%	-1.7%	7.1%

1) PVIF - TVFOGs – CoC
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Breakdown of the sensitivity analysis

Sensitivity of the value of in-force business

	MAPFRE VIDA	Bank channels - Other	MAPFRE VERACRUZ VIDA
Impact of:			
- 100bp increase in interest rates	-59.7	-7.5	1.3
- 10% decrease in equity and property values	-35.3	-0.2	0.0
- 10% decrease in expenses	20.0	5.1	2.1
- 10% decrease in the lapse rate	74.8	11.4	0.9
- 5% decrease in mortality and morbidity	0.3	3.4	2.0

Sensitivity of the value added by new business

	MAPFRE VIDA	Bank channels - Other	MAPFRE VERACRUZ VIDA
Impact of:			
- 100bp increase in interest rates	-5.2	-2.6	0.6
- 10% decrease in equity and property values	-0.2	0.0	0.0
- 10% decrease in expenses	3.2	0.8	0.7
- 10% decrease in the lapse rate	16.2	3.4	0.7
- 5% decrease in mortality and morbidity	2.8	1.1	2.0

Million euros



MAPFRE VIDA: IFRS adjustments and reconciliation to adjusted net asset value



Consolidated net assets for MAPFRE VIDA as at 31/12/07 (IFRS)	761.9
Net shadow accounting adjustments	-80.8
Other adjustments	-36.4
Consolidated net assets for MAPFRE VIDA as at 31/12/07 (SPANISH GAAP)	644.7
Unrealised gains	32.5
- of which: property	12.3
- of which: financial assets	20.2
Donations and dividends	-2.8
Goodwill	-216.3
Acquisition costs net of taxes	-8.4
Other	0.9
Adjusted consolidated net assets for MAPFRE VIDA as at 31/12/07⁽¹⁾	450.5

Million euros

1) Amount used in embedded value calculations.



Units and operating companies included in the 2007 EEV



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MAPFRE VIDA⁽¹⁾

	2006	2007
Adjusted Net Asset Value	525.2	450.5
Net PVIF - Life Assurance	731.8	751.7
- PVIF	836.3	931.7
- CoC	(104.4)	(179.9)
Net PVIF - Investment Funds	211.1	198.2
- PVIF	213.2	200.2
- CoC	(2.2)	(2.0)
Net PVIF- Pension Funds	191.0	185.8
- PVIF	195.7	190.5
- CoC	(4.7)	(4.7)
TVFOGs	(84.9)	(104.3)
EEV	1,574.2	1,482.0
Initial capital used to calculate the CoC ⁽⁴⁾	1,174.5	623.1

OTHER BANK CHANNELS⁽²⁾

	2007
Adjusted Net Asset Value	82.1
Net PVIF - Life Assurance	144.5
- PVIF	148.3
- CoC	(3.8)
Net PVIF - Investment Funds	0.0
- PVIF	0.0
- CoC	0.0
Net PVIF- Pension Funds	30.8
- PVIF	37.3
- CoC	(6.5)
TVFOGs	(5.8)
EEV 2007	251.6
Initial capital used to calculate the CoC ⁽⁴⁾	84.1

Million euros

1) Excluding BANKINTER VIDA's PVIF, and including the PVIF of the CAJA MADRID banking channel.

2) BANKINTER VIDA + CCM VIDA y PENSIONES. Aggregate data.

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Units and operating companies included in the 2007 EEV

MAPFRE VERACRUZ VIDA E PREVIDÊNCIA

	2007
Adjusted Net Asset Value	142.2
Net PVIF - Life Assurance	117.4
- PVIF	121.9
- CoC	(4.5)
Net PVIF - Investment Funds	6.6
- PVIF	8.1
- CoC	(1.5)
Net PVIF- Pension Funds	0.0
- PVIF	0.0
- CoC	0.0
TVFOGs	0.0
EEV 2007	266.1
Initial capital used to calculate the CoC	48.5

Million euros



Share of the parent company in the EEV

	MAPFRE stake	Controlling Shareholder	Minorities
ANAV			
MAPFRE VIDA proforma	51.0%	240.8	231.3
MAPFRE VERACRUZ VIDA	87.6%	124.5	17.6
AGGREGATE TOTAL		365.3	249.0
VIF			
MAPFRE VIDA - AGENTS CHANNEL	51.0%	484.1	465.1
MAPFRE VIDA - CAJA MADRID CHANNEL	51.0%	95.1	91.4
OTHER BANK CHANNELS IN SPAIN	--- ⁽¹⁾	62.1	113.3
MAPFRE VERACRUZ VIDA	87.6%	108.6	15.4
AGGREGATE TOTAL		749.9	685.2
TVFOGS			
MAPFRE VIDA - AGENTS CHANNEL	51.0%	-51.1	-49.1
MAPFRE VIDA - CAJA MADRID CHANNEL	51.0%	-2.1	-2.0
OTHER BANK CHANNELS IN SPAIN	--- ⁽¹⁾	-2.9	-2.9
MAPFRE VERACRUZ VIDA	87.6%	0.0	0.0
AGGREGATE TOTAL		-56.1	-54.0
AGGREGATE 2007 EEV		1,059.1	880.1

Million euros

1) At year-end 2007, MAPFRE S.A. had a 50% direct stake in CCM VyP and a 25.5% indirect stake in BANKINTER VIDA. After the reorganisation of the alliance with Caja Madrid, MAPFRE S.A. has a 50% direct or indirect stake in both.



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- The **European Embedded Value Principles** or “**EEVP**” are the principles that establish the methodology that must be applied in order to calculate the European Embedded Value. The EEVP were agreed upon by the CFOs of the multinational European insurers belonging to the “CFO Forum” in order to increase the comparability and transparency of the embedded value calculations carried out by insurance companies. The document that contains the EEVP can be obtained at the following Internet address: www.cfoforum.nl.
- The **Adjusted Net Asset Value** or “**ANAV**” is equal to shareholders’ equity as defined under Spanish GAAP (PGC) adjusted for: unrealised gains or losses belonging to shareholders; committed donations and dividends; goodwill; deferred expenses; and any other item needed to calculate the economic capital.
- **Financial Options and Guarantees** or “**FOGs**” are those features of the covered business that imply the existence of significant guarantees on the amount or the nature of the benefits payable to policyholders, or options to vary such benefits, which can be exercised at the discretion of the policyholder and whose potential value is driven by changes in financial variables.
- The **Value of an Option** is composed by two elements: the **Intrinsic Value** and the **Time Value**. In the case of a call option, the intrinsic value is equal to the difference between the price of the underlying asset and the strike price of the option (in the case of a put option the order of the difference is inverted). The intrinsic value cannot be less than zero. The time value is equal to the difference between the total value and the intrinsic value and it is ascribed to the potential for benefits under the option to increase in value prior to expiry.
- The **Present Value of In-force Business** or “**PVIF**” is determined as the present value of future statutory profits which are expected to be generated from the existing business in force at the valuation date, after tax, calculated on the basis of risk-free investment returns and discounted using the risk-free yield curve. PVIF includes the intrinsic value of financial options and guarantees granted to the insured.



- The **Cost of Capital** or “**CoC**” is equal to the difference between the amount of required capital and the present value of future releases, allowing for future investment return, of that capital. The CoC used in the calculation of the 2007 EEV was measured on the basis of an amount of capital equal to 100% of the minimum regulatory requirement.
- The **Value of In-force Business** or “**VIF**” is equal to: $PVIF - \text{Time Value of FOGs (“TVFOGs”)} - \text{CoC}$.
- The **European Embedded Value** or “**EEV**” is the embedded value obtained calculated in accordance with “European Embedded Value Principles”. EEV is equal to: $ANAV + VIF$.
- **Embedded value earnings** are defined as the change in embedded value during the period, including dividends paid and excluding capital injections, and provide a measure of the economic performance during the year.
- **Changes in Assumptions** are changes in the future experience assumed in the calculation of the present value of in-force business, including economic, expense, lapse, and mortality assumptions.
- The **Expected Return on the Beginning of the Year Embedded Value** is equal to the actual after-tax investment return on the beginning-of-the-year adjusted net asset value less the cost of capital, plus the return, at the discount rate, on the beginning-of-the-year value of the in-force business and capital.
- **Experience Variance from Assumptions** arise from the variance between the actual experience during the year and the assumed experience used to calculate the beginning-of-the-year embedded value.
- The **Return on Embedded Value** or “**RoEV**” is obtained by dividing the value added in the year by the embedded value at the close of the previous year.



- **New Business** is defined as: in the case of Life assurance, single, extraordinary and regular premiums from policies written in the year, as well as extraordinary contributions to existing policies; in the case of Mutual Funds, new contributions; in the case of Pension Funds, single, extraordinary and regular contributions from new participants, as well as extraordinary contributions from existing participants.
- The **Present Value of New Business Income** or “**PVNBI**” corresponds to: in the case of Life assurance, the present value of received and expected premiums from new business; in the case of Mutual Funds, contributions received in the year; and in the case of Pension Funds, contributions received in the year and expected from new business.
- The **Value added by New Business** or “**VNB**” is the value of in-force added by new business in the period, net of acquisition expenses, TVFOGs and CoC, valued at year-end using the assumptions applicable at that point in time.



Disclaimer



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YEARS

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

