

Reorganisation of the MAPFRE- CAJA MADRID alliance

Presentation for investors and analysts

17 December 2007



Overview of the transaction

Milestones

Appendix



Executive summary

- MAPFRE and CAJA MADRID have announced the reorganisation of the strategic alliance signed in 2000:
 - The commercial cooperation between both groups will be continued and strengthened; current exclusivity agreements will remain in place.
 - MAPFRE-CAJA MADRID HOLDING will be incorporated into MAPFRE S.A., which will thus become the owner of all the assets and stakes currently held by such holding company.
 - CAJA MADRID' position as MAPFRE's strategic partner will be reaffirmed through a 15% stake in MAPFRE S.A. and significant stakes in MAPFRE INTERNACIONAL and CAJA MADRID's life bancassurance business.
 - CAJA MADRID will nominate two representatives to MAPFRE S.A.'s Board of Directors.
- The new structure will have the following benefits:
 - Increased transparency
 - Enhanced management effectiveness
 - Improved shareholders' position
 - Increased financial flexibility
- The agreed transaction will be EPS accretive from the outset.



CAJA MADRID and MAPFRE will reorganise their strategic alliance

**Integration of
MAPFRE-CAJA
MADRID
HOLDING into
MAPFRE S.A.**

**CAJA MADRID's
stake in MAPFRE**

- The distribution agreement between both groups will continue: MAPFRE's insurance products will carry on being sold through CAJA MADRID's network, while CAJA MADRID's banking products will continue being sold through MAPFRE's network
- Under the alliance's new structure, MAPFRE-CAJA MADRID HOLDING will be incorporated into MAPFRE S.A., which will thus become the owner of all the assets and stakes currently held by such holding company.
- As a result, CAJA MADRID will receive:
 - a 15% stake in MAPFRE S.A.;
 - a 49% stake in a new company managed by MAPFRE that will be created to distribute Life assurance through CAJA MADRID's network;
 - a 12.5% stake in MAPFRE INTERNACIONAL;
 - the 30% stakes that MAPFRE currently has in GESMADRID, CAJA MADRID PENSIONES and CAJA MADRID BOLSA.
- CAJA MADRID will keep its stakes in MAPFRE AMERICA and MAPFRE AMERICA VIDA, while MAPFRE will maintain its stake in BANCO DE SERVICIOS FINANCIEROS CAJA MADRID-MAPFRE.



CAJA MADRID will remain as MAPFRE S.A.'s strategic partner

- The exchange ratio reflects a balanced valuation of the assets to be exchanged. Shareholdings will be contributed under the following parameters:
 - A 15% stake in MAPFRE S.A., through the delivery of 401.5 million new shares, which MAPFRE S.A. will issue in an ad hoc capital increase.
 - A 12.5% stake in MAPFRE INTERNACIONAL, subject to the prior contribution to such company of the shareholding in GENEL SIGORTA and of MAPFRE's entire stake in CATTOLICA, by means of an ad hoc capital increase.
- CAJA MADRID will retain its position as a strategic partner of MAPFRE, with the rights and responsibilities derived from its status as a shareholder, except for the following commitments that will be included in the Framework Agreement and will also translate into a Shareholders' Agreement:
 - CAJA MADRID will be able to hold at any moment the level of shareholding it deems appropriate, without any detriment to the validity of the alliance, nor the distribution agreements between both groups; this notwithstanding, the express consent of both groups will be required to exceed 15%.
 - As long as CAJA MADRID remains as a shareholder in MAPFRE S.A., it will have the right to nominate two representatives to MAPFRE S.A.'s Board of Directors, and two/three representatives to the Boards of MAPFRE GROUP's main subsidiaries.



Commercial implications of the new agreement

Exclusive distribution as a strategic asset of the alliance

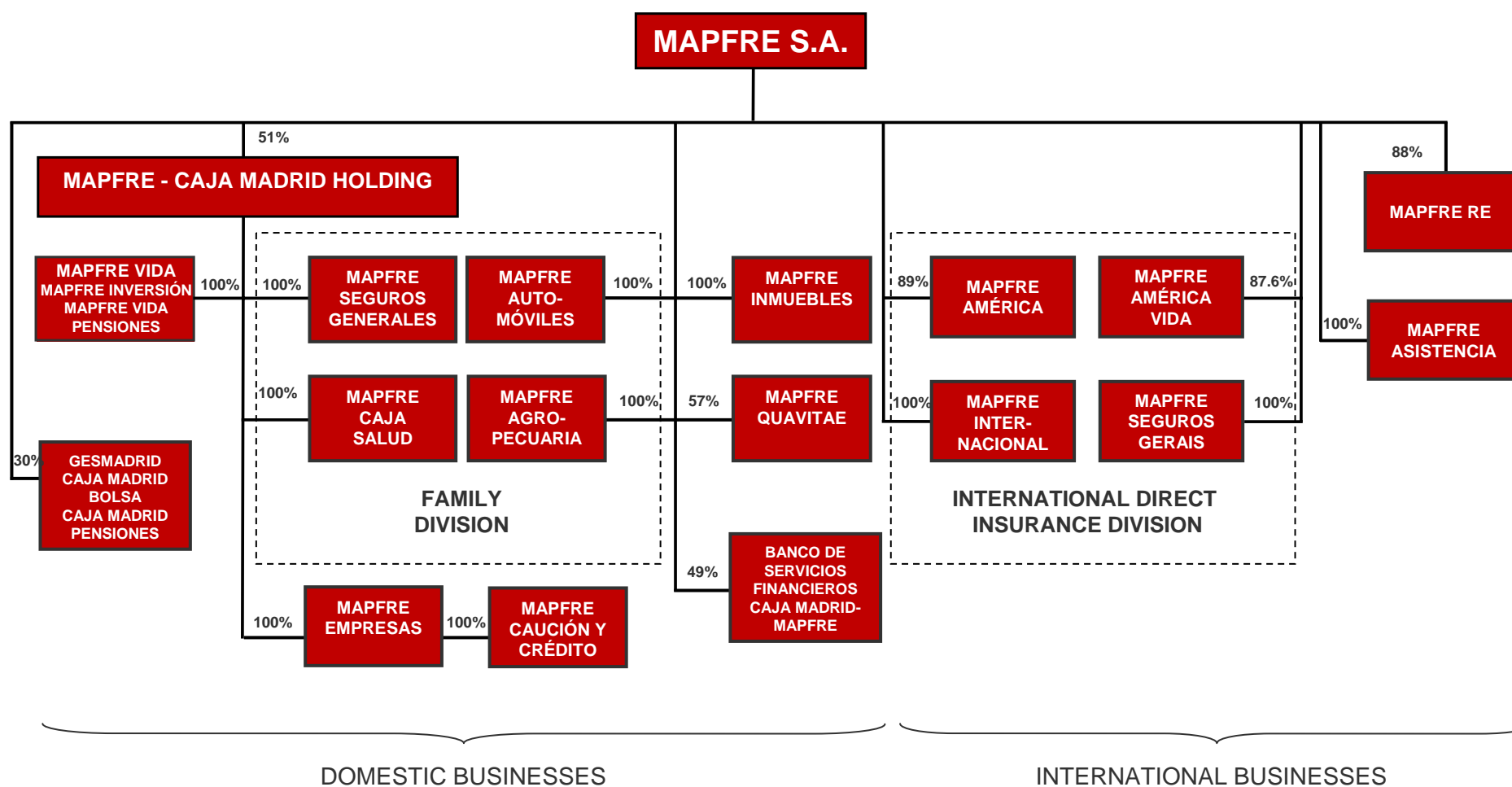
- The exclusive right of MAPFRE to distribute insurance products through CAJA MADRID's network, and of CAJA MADRID to distribute banking products through MAPFRE's network will remain in force.

Support to MAPFRE's international expansion

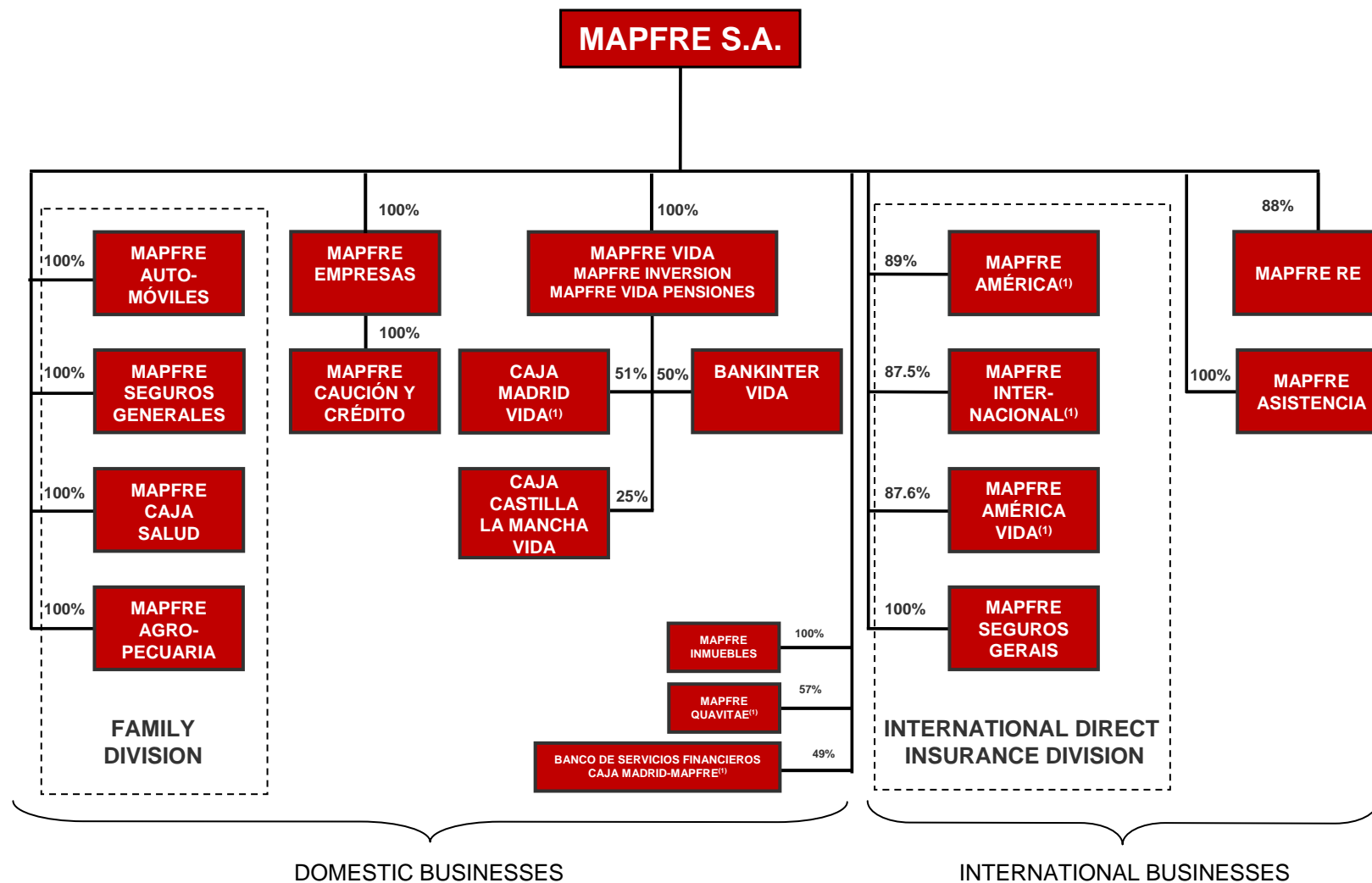
- CAJA MADRID strengthens its status as a strategic partner in MAPFRE's international business, by means of the acquisition of a 12.5% stake in MAPFRE INTERNACIONAL, which will complement its current stakes in MAPFRE AMERICA and MAPFRE AMERICA VIDA.



Current organisational chart



Expected new organisational chart



1) Subsidiaries in which CAJA MADRID has a stake

Overview of the transaction



Benefits of the new structure

✓ Increased transparency:

- Simpler organisational setup.
- Reinforcement of the bancassurance and assurfinance model successfully applied to date.
- CAJA MADRID's stake in MAPFRE will align its interests with MAPFRE's other shareholders.
- After the capital increase, FUNDACIÓN MAPFRE's stake in MAPFRE S.A. will slightly exceed 63%.

✓ Enhanced management effectiveness:

- MAPFRE will be able to extract larger synergies from its FAMILY DIVISION.
- Single reporting line for the management teams of MAPFRE's subsidiaries.
- CAJA MADRID will focus on Life bancassurance products.

✓ Improved shareholders' position:

- Instant EPS accretion.
- Access to 100% of the results of the Spanish subsidiaries.

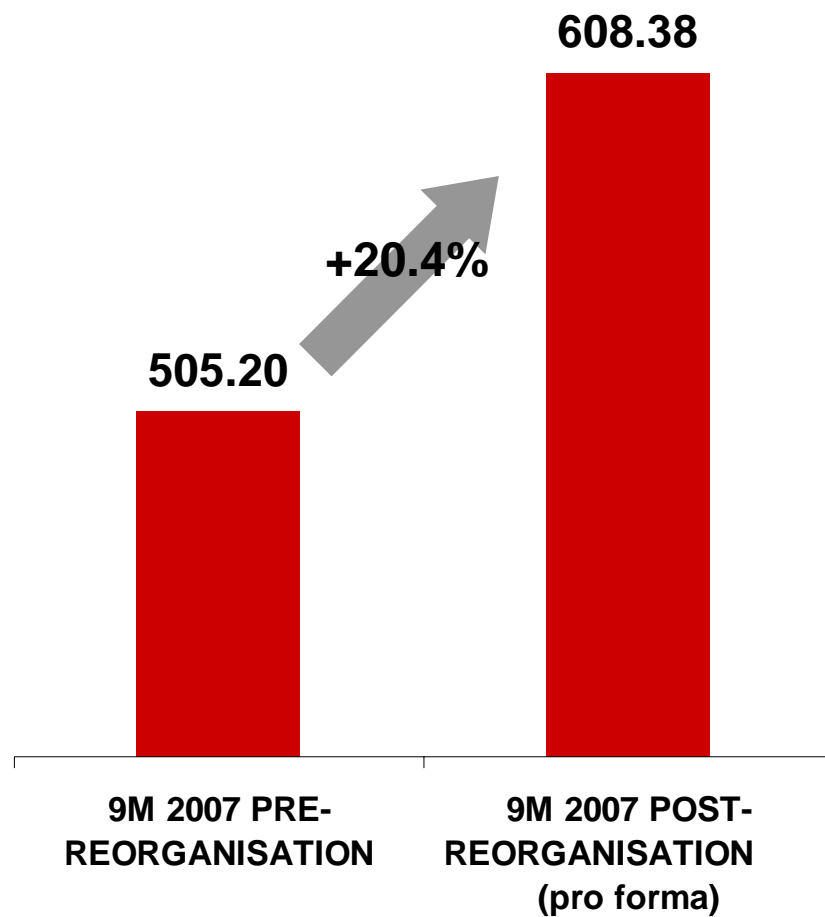
✓ Increased financial flexibility:

- Stronger weight in the net result of activities with recurring profits and strong cash flow generation.
- Lower gearing.



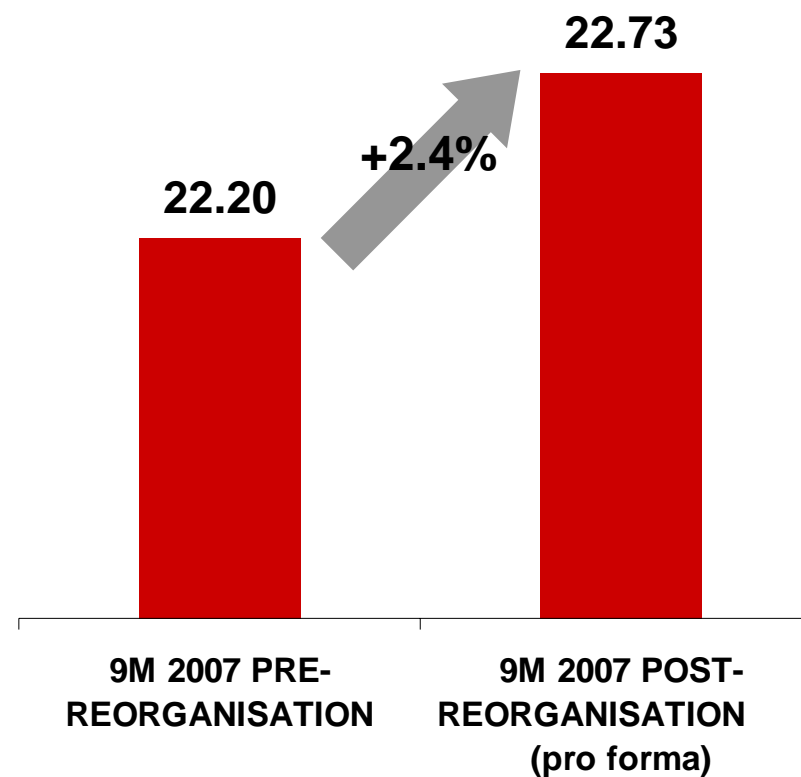
Positive impact on profits

Net profits⁽¹⁾



Figures in million euros

EPS



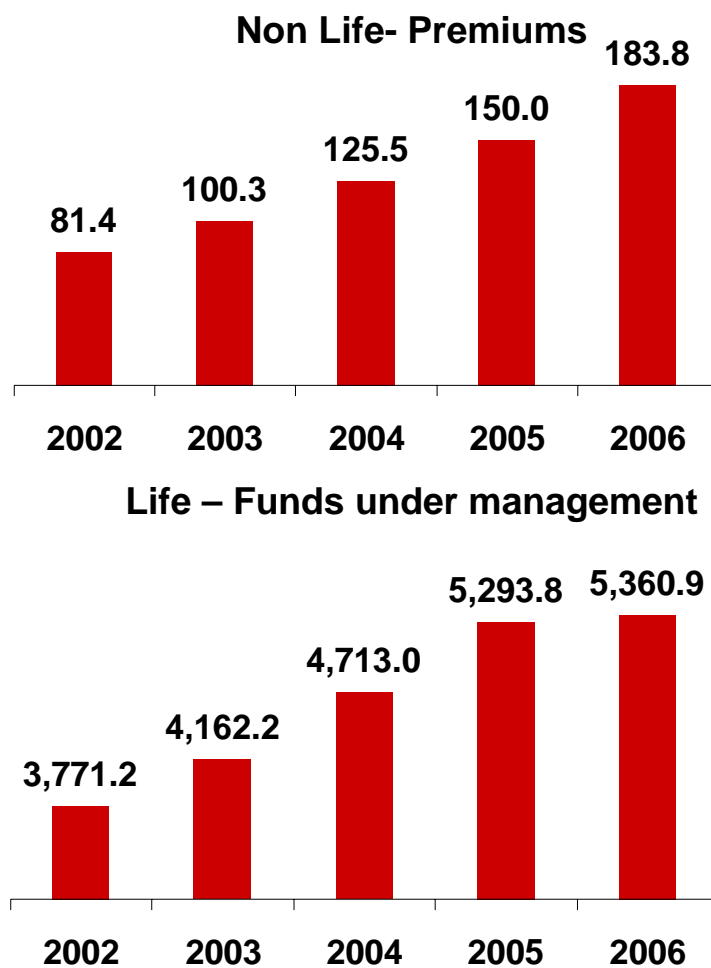
Figures in euro cents

1) Result after tax and minority interests

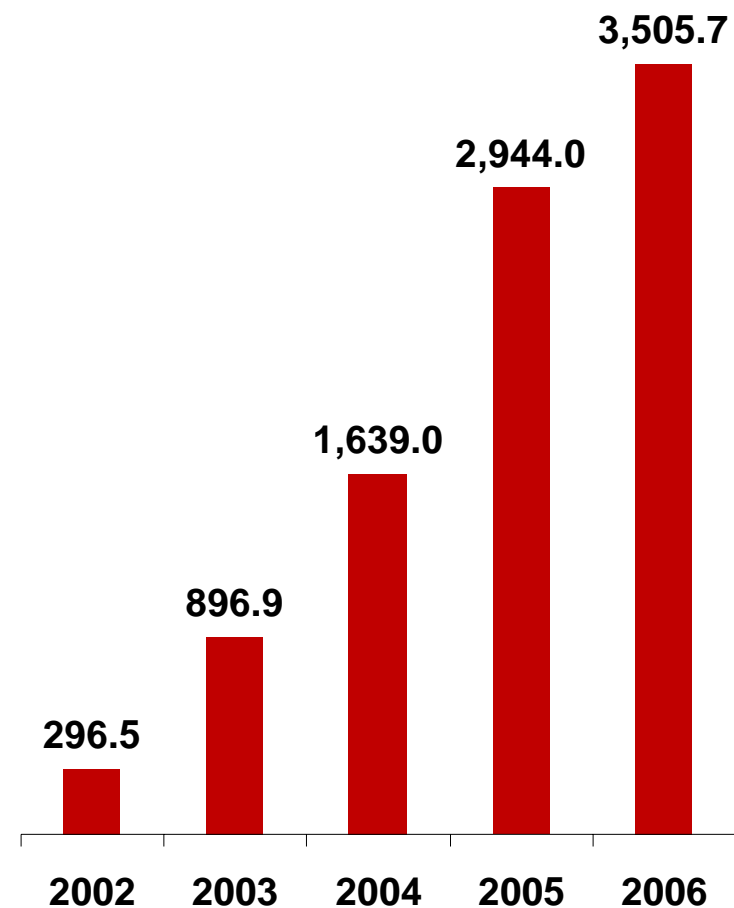


Historical evolution of the alliance

MAPFRE products sold through the CAJA MADRID network



CAJA MADRID's products originated by MAPFRE's network

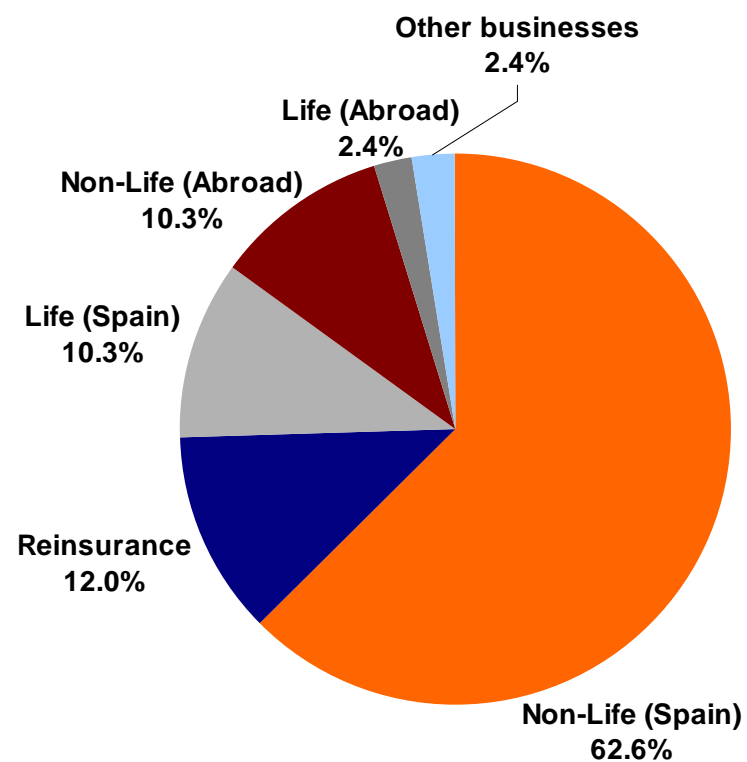


Figures in million euros



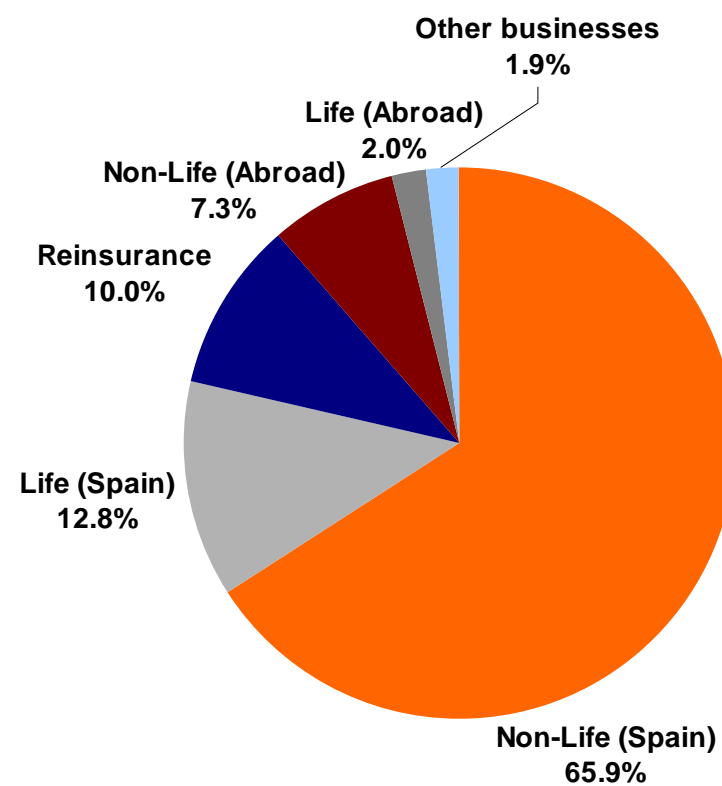
Breakdown of the net attributable profit⁽¹⁾

Current



€505.2 million

Pro forma



€608.4 million

1) Result after tax and minority interests. As at September 2007



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Milestones

Appendix



Milestones needed to complete the transaction

1. Approval by MAPFRE's and CAJA MADRID's Boards of Directors of:
 - New Framework Agreement (January 2008);
 - Legal structure of the proposed transactions (January 2008).
2. Approval by MAPFRE's and MAPFRE-CAJA MADRID HOLDING's AGMs (March 2008).
3. Relevant regulatory authorisations.
4. Closing.



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Details on the EPS accretion analysis

	9M 2007	12M 2006 ⁽¹⁾
RESULT AFER TAX AND MINORITY INTERESTS, CURRENT	505.2	610.2
49% OF MAPFRE-CAJA MADRID HOLDING TO BE CONSOLIDATED		
From MAPFRE SEGUROS GENERALES	42.9	51.9
From MAPFRE CAJA SALUD	7.4	8.1
From MAPFRE EMPRESAS	35.0	38.6
From MAPFRE VIDA - agents network	25.9	32.4
TOTAL	111.1	131.0
Minority stakes in CAJA MADRID's subsidiaries ⁽²⁾	-7.7	-9.4
12.5% stake in MAPFRE INTERNACIONAL	-0.2	-0.4
RESULT AFER TAX AND MINORITY INTERESTS, PRO FORMA	608.4	731.4

Figures in million euros

SHARES, PRE CAPITAL INCREASE	2,275,324,163	2,275,324,163
CAPITAL INCREASE, %	15.0%	15.0%
SHARES, POST CAPITAL INCREASE	2,676,851,956	2,676,851,956

CURRENT EPS	22.203	26.818
PRO FORMA EPS	22.727	27.324

Figures in euro cents

EPS IMPACT, euro cents	0.524	0.505
EPS IMPACT, %	2.4%	1.9%

- 1) The figures for 2006 have been calculated on the basis of the pro forma financial statements of MAPFRE S.A., which have been prepared purely for comparative purposes using the information included in the consolidated financial statements of the Company for 2006 and the financial statements of those companies which were included in its scope of consolidation in January 2007.
- 2) GESMADRID, CAJA MADRID PENSIONES and CAJA MADRID BOLSA.



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