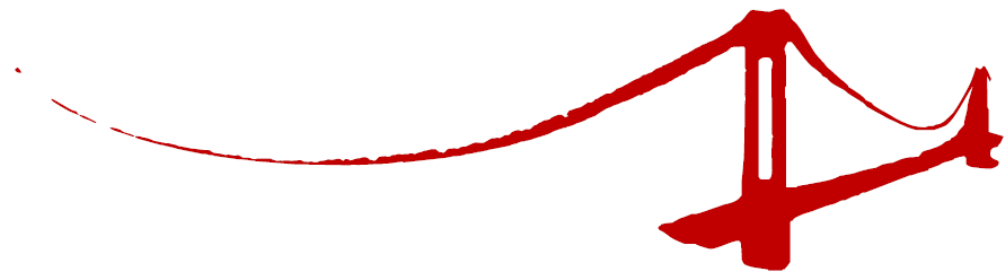


European Embedded Value 2009

22nd July 2010



▪ European Embedded Value analysis

- Towers Watson opinion letter
- Methodological appendix
- Statistical appendix
- Glossary



Executive summary

Summary of the evolution of EEV in 2009

		Change vs.:	
		2009 scope ⁽¹⁾	2008 scope ⁽¹⁾
Value of In-force Business (VIF)	1,478.5	+15.8%	+5.2%
European Embedded Value (EEV ⁽²⁾)	2,178.7	+11.9%	-0.6%
Return on Embedded Value (RoEV)	19.3%	+8.5p.p	+9.9p.p
Value added by new business	209.9	+46.2%	-7.3%
New business margin	5.6%	+1.3p.p	+0.1p.p

Million Euros

These results reflect mainly:

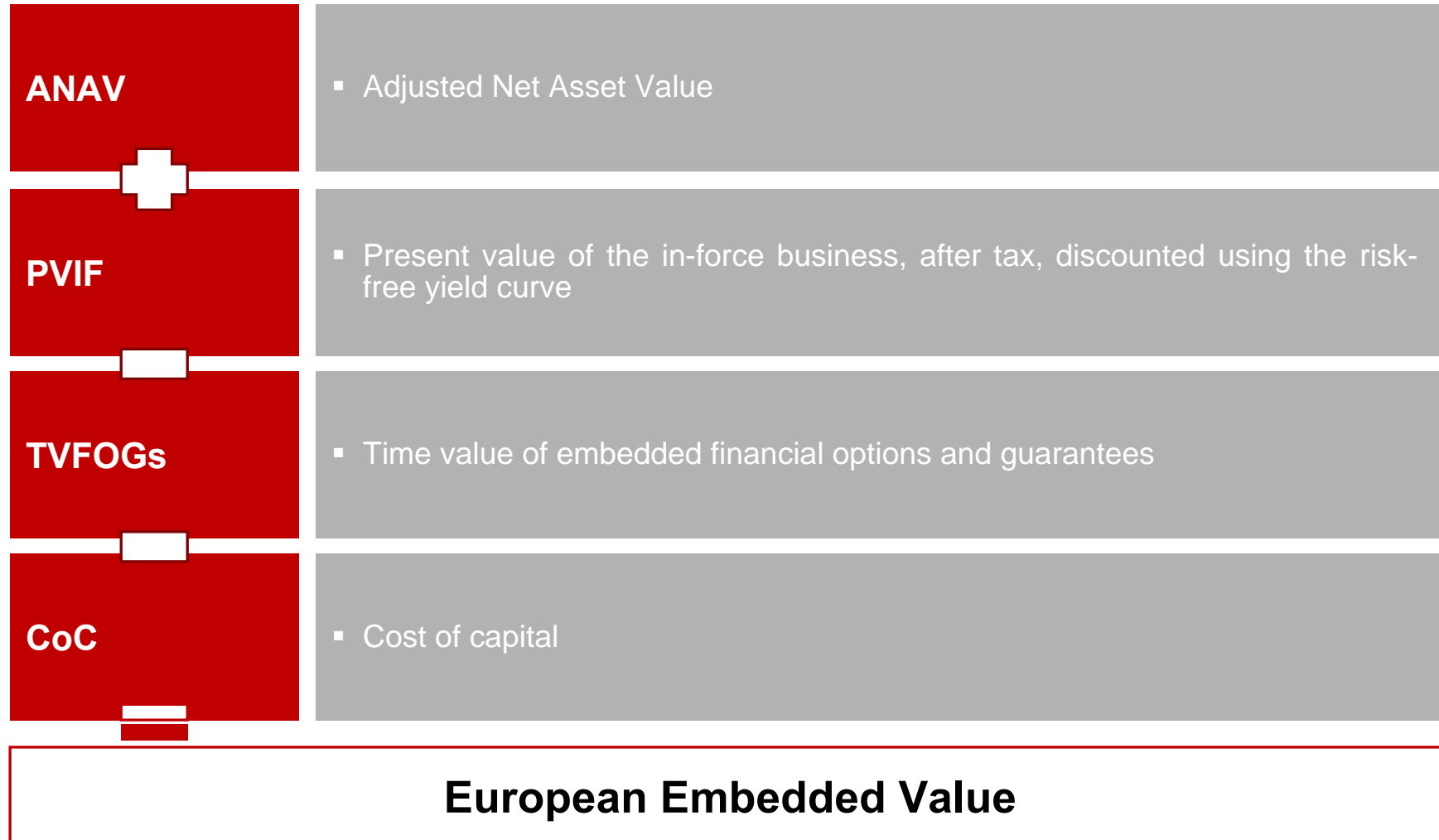
- An increase in business volumes, and especially in Life-Protection insurance
- Updated assumptions for the business in Spain
- A decrease in the cost of TVFOGs due to the lower volume and volatility of equity investments
- The exclusion of MAPFRE VERA CRUZ VIDA from the scope of the 2009 EEV

1) 2009 scope excludes figures for MAPFRE VERA CRUZ VIDA, which are included in the 2008 scope

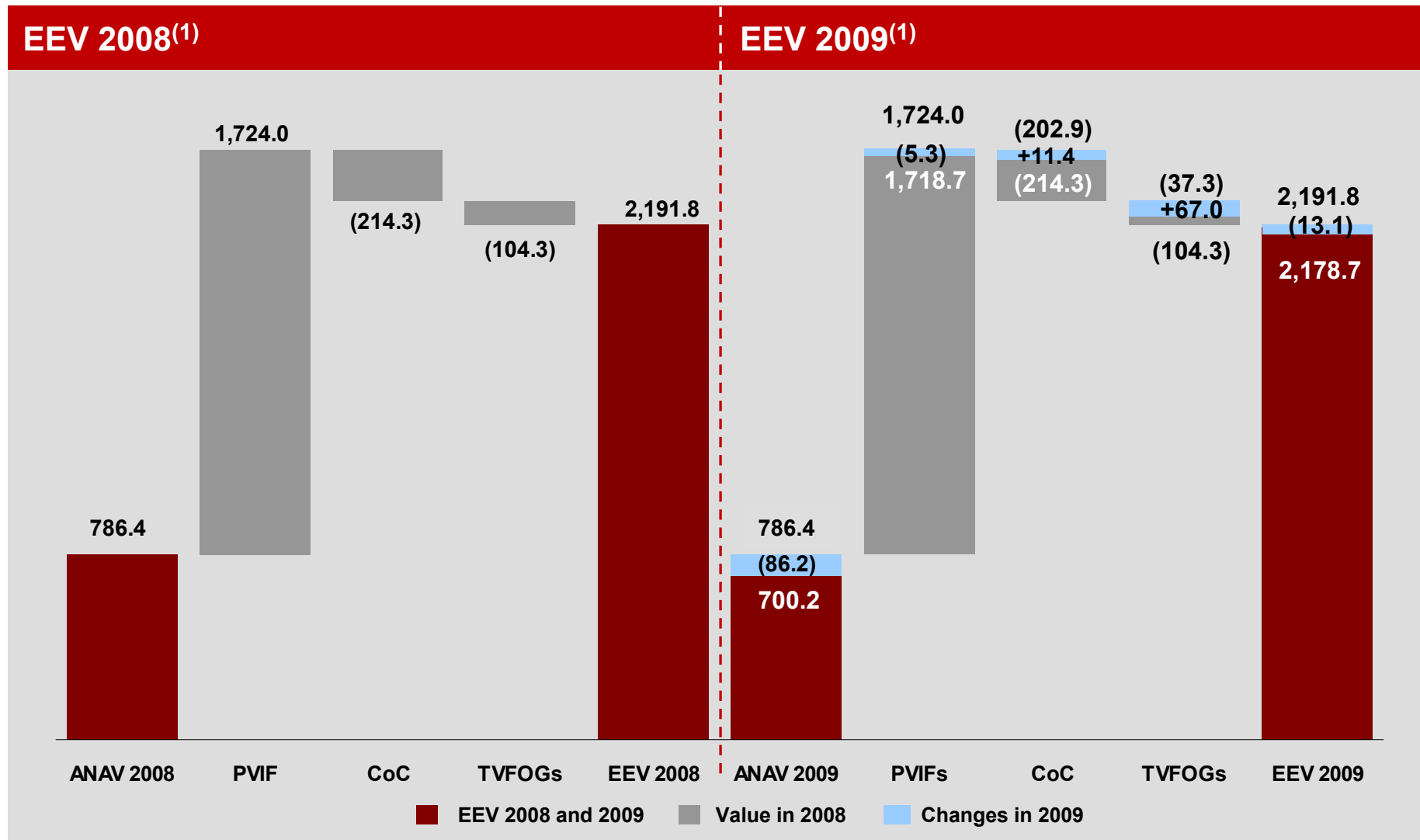
2) EEV consolidated pro forma for the covered business = Adjusted Net Asset Value (ANAV) + Value of in-force business (VIF), where the ANAV is reported on a pro forma basis (i.e. assuming that all the covered business is consolidated net of minority interests within MAPFRE VIDA) and the VIF is reported on a consolidated basis with no adjustment for the share of minority interests



EEV components



EEV components and their variation in 2009



Million Euros

1) Pro forma consolidated EEV for the covered businesses, with no adjustment for the share of minority interests in their respective VIFs. Additional information is provided on slides 7 and 32 of this document



Breakdown of 2009 EEV⁽¹⁾

By business line			
	€ mill.	%	Var. %
Adjusted Net Asset Value⁽²⁾	700.2	35.6%	-11.0%
Net PVIF⁽³⁾ - Life Assurance⁽⁴⁾	1,162.1	51.7%	-0.7%
- PVIF	1,352.4	60.0%	-1.3%
- CoC	(190.3)	-8.3%	-4.6%
Net PVIF⁽³⁾ - Investment Funds	154.0	6.1%	4.3%
- PVIF	155.7	6.3%	3.3%
- CoC	(1.7)	-0.2%	-43.6%
Net PVIF⁽³⁾ - Pension Funds	199.7	8.1%	4.4%
- PVIF	210.6	8.6%	3.7%
- CoC	(10.9)	-0.4%	-7.4%
TVFOGs	(37.3)	-1.5%	-64.3%
EEV 2009	2,178.7	100.0%	-0.6%
Initial capital used to calculate the CoC⁽⁵⁾	683.3	---	-6.8%

2008: 733.1

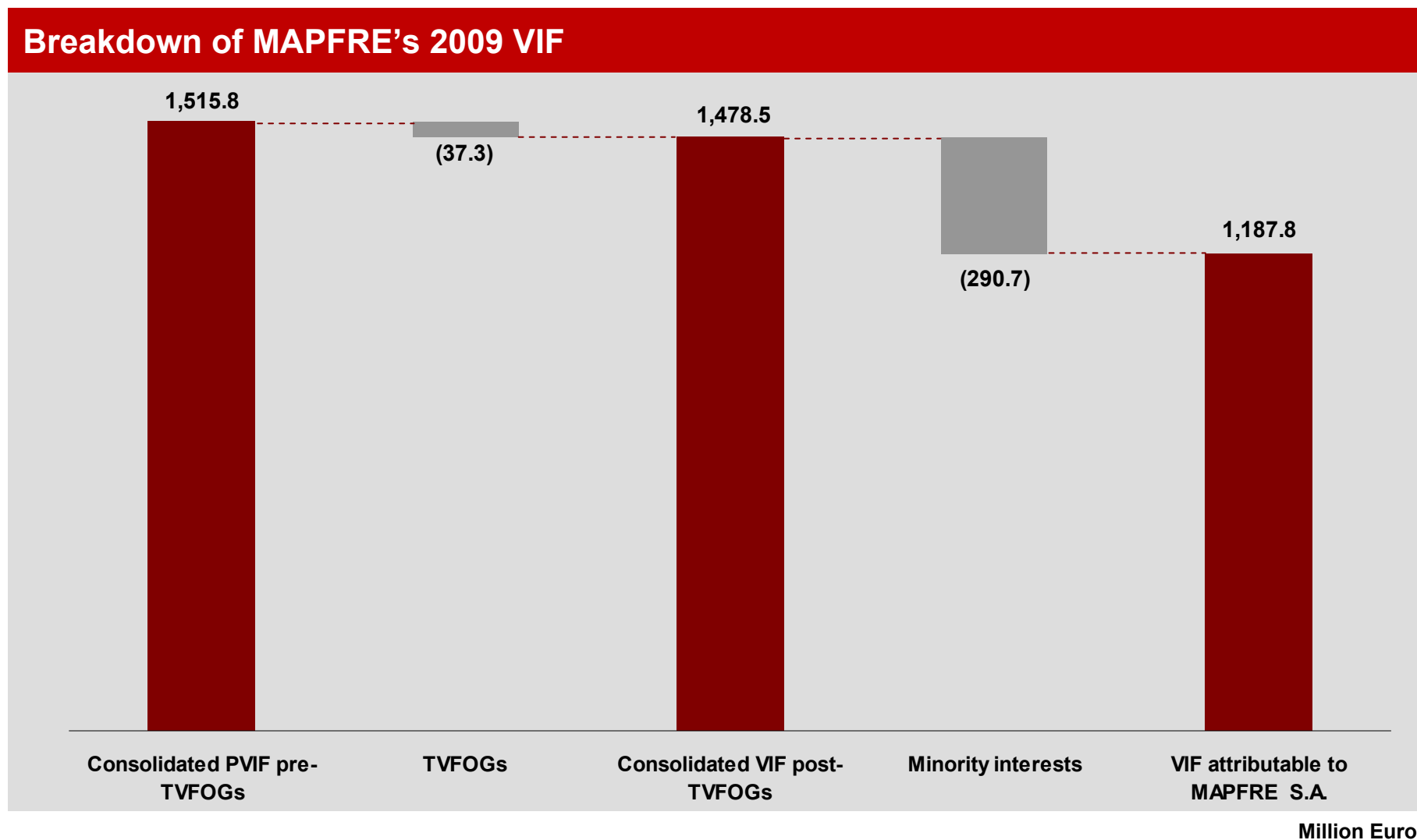
By distribution channel			
	€ mill.	%	Var. %
Adjusted Net Asset Value	700.2	32.1%	-11.0%
Net PVIF - Spanish agents' channel	922.3	42.3%	2.6%
- PVIF	1,047.4	48.1%	1.6%
- CoC	(125.1)	-5.7%	-5.2%
Net PVIF - Caja Madrid channel	237.3	10.9%	25.9%
- PVIF	293.8	13.5%	21.4%
- CoC	(56.5)	-2.6%	5.4%
Net PVIF - other Spanish bancassurance channels	356.2	16.3%	21.4%
- PVIF	377.5	17.3%	20.7%
- CoC	(21.3)	-1.0%	11.3%
TVFOGs	(37.3)	-1.7%	-64.3%
EEV 2009	2,178.7	100.0%	-0.6%
Initial capital used to calculate the CoC⁽⁵⁾	683.3	---	-6.8%

Million Euros

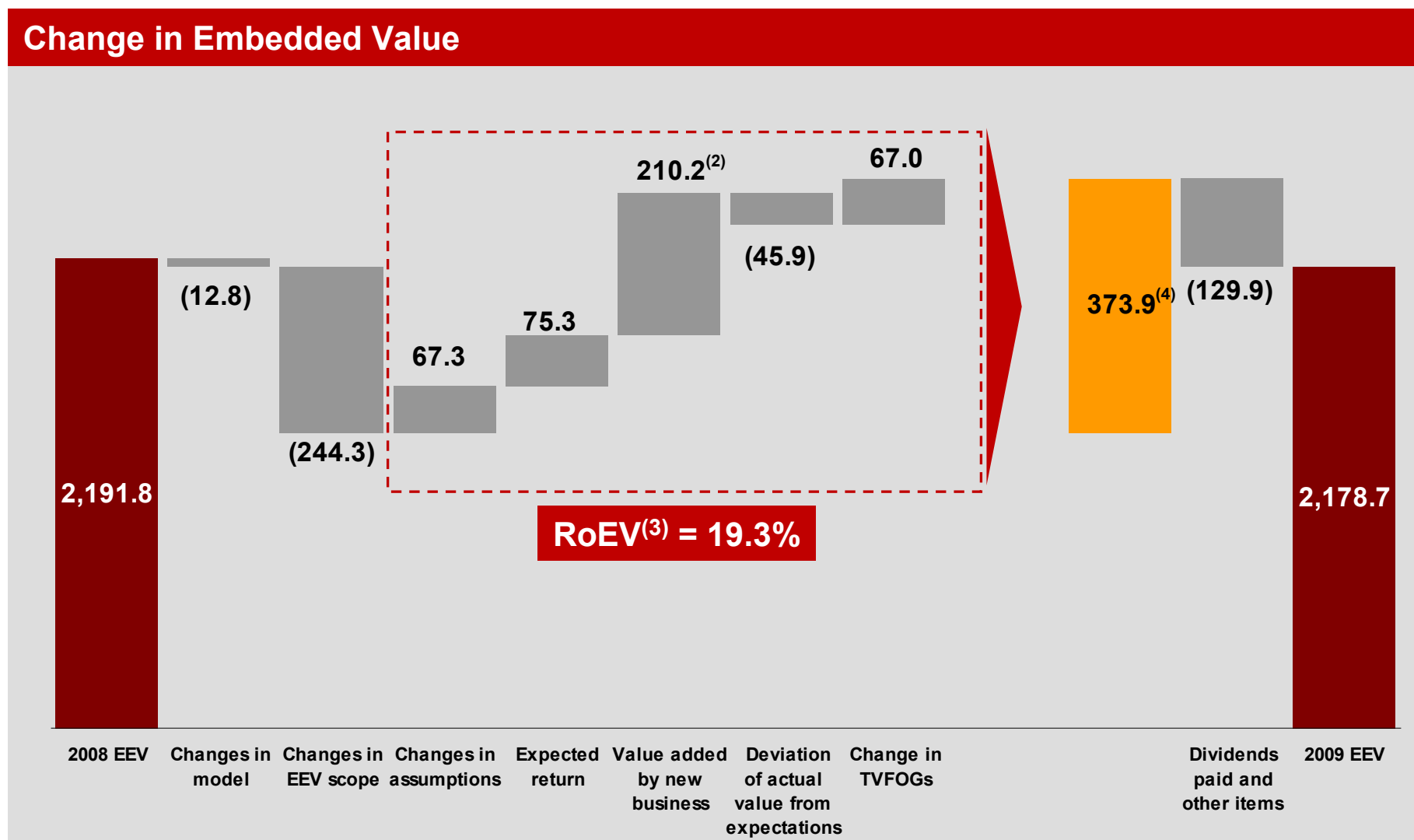
- 1) EEV consolidated pro forma for the covered business
- 2) The Adjusted Net Asset value is reported on a pro forma basis (i.e. assuming that all the covered business is consolidated net of minority interests within MAPFRE VIDA). As from 2010 EEV, the adjusted net asset value will be reported on an aggregate basis, instead of on a pro forma basis. See slide 31 for a comparison between both methods
- 3) PVIF = "Present Value of In-Force business", reported on a consolidated basis with no adjustment for the share of minority interests
- 4) Includes the in-force values of the Life assurance and Accidental Death insurance businesses
- 5) EEV calculations based on an amount of capital equal to 100% of the required minimum as at 31/12/2009



Minority interests in 2009 VIF



Value added in 2009⁽¹⁾



- 1) Pro forma consolidated figures
- 2) Without considering TVFOGs from new business
- 3) Return on Embedded Value = Value added in the year / Embedded Value, adjusted for changes in model and changes in EEV scope
- 4) Embedded Value earnings in 2009

European Embedded Value analysis



Analysis of the main variations in EEV

- The increase in the embedded value reflects primarily the following:

Change	Description
Changes in model	<ul style="list-style-type: none"> ▪ Net negative effect arising mainly from the updating of the indexation tables applied to Life Assurance in Spain
Changes in EEV scope	<ul style="list-style-type: none"> ▪ The 2009 EEV does not include the figures for MAPFRE VERA CRUZ VIDA
Changes in assumptions	<ul style="list-style-type: none"> ▪ Reflects primarily: <ul style="list-style-type: none"> – the effect of the fall in interest rates in the shorter end of the yield curve, with a positive impact of €15.5 million due to the application of lower discount rates – a negative amount of -€37.0 million due to the adjustment of expected investment returns for credit risk – the use of more favourable mortality rate assumptions (resulting from the use of updated databases), whose effect amounted to €148 million – the use of more severe lapse rate assumptions (resulting from the use of updated databases), whose effect amounted to -€61.9 million

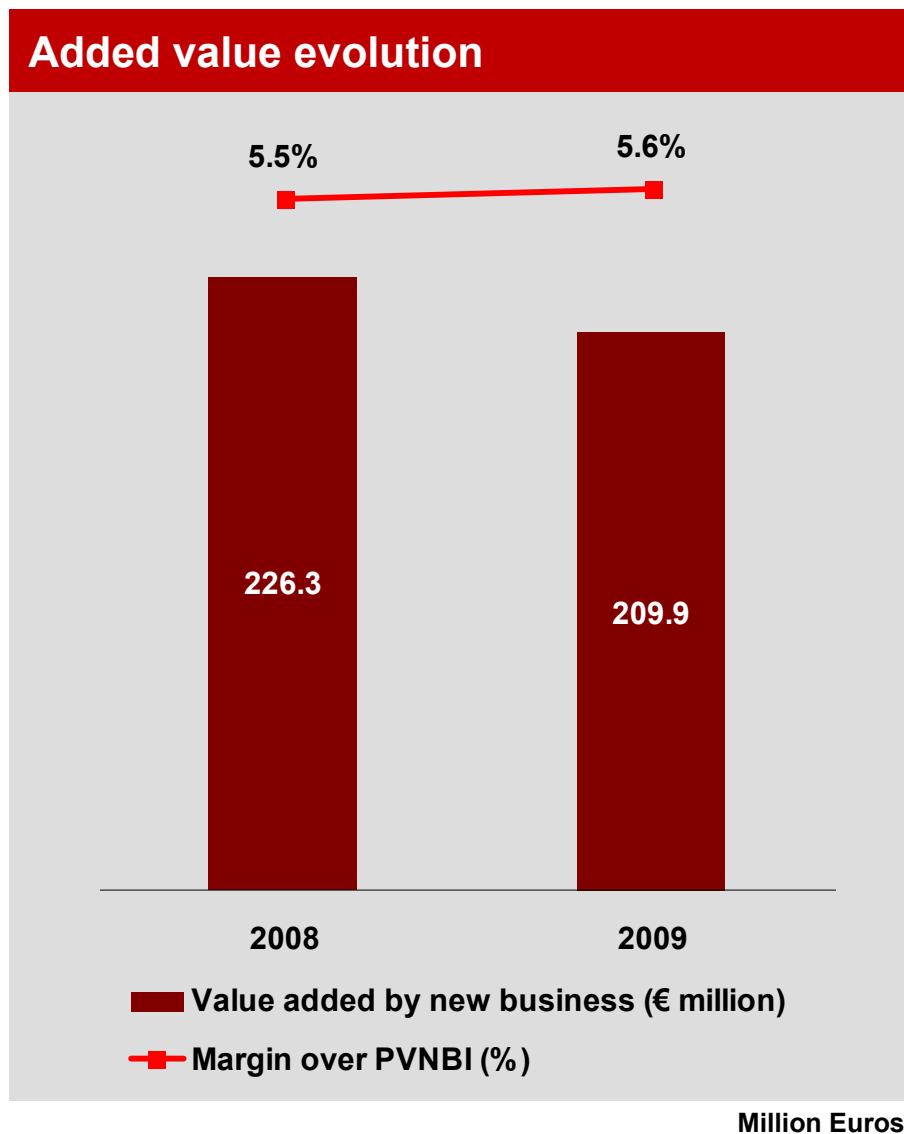


Analysis of the main variations in EEV (contd.)

Change	Description
Expected return	<ul style="list-style-type: none"> ▪ Includes primarily the positive impact of the unwinding of the discount rate, which amounted to €59.7 million, and the actual after-tax investment return on the beginning-of-the-year adjusted net asset value, net of the cost of capital
Deviation of actual value from expectations	<ul style="list-style-type: none"> ▪ Includes, among others: <ul style="list-style-type: none"> – a higher-than-expected actual profit – the impact of higher-than-expected lapse rates
Change in TVFOGs	<ul style="list-style-type: none"> ▪ The time value of financial options has decreased due to the lower volume and volatility of equity investments



Value added by new business



Main changes

- 1

The increase in Spanish business volumes, and especially in Life-Protection insurance

▲
- 2

The changes in the assumptions used for mortality and lapse rates, whose net effect is positive

▲
- 3

The change in the assumptions used for mutual and pension funds expenses

▼
- 4

A reduction of financial returns of Life-Savings products, partly offset by the positive effect of a lower discount rate

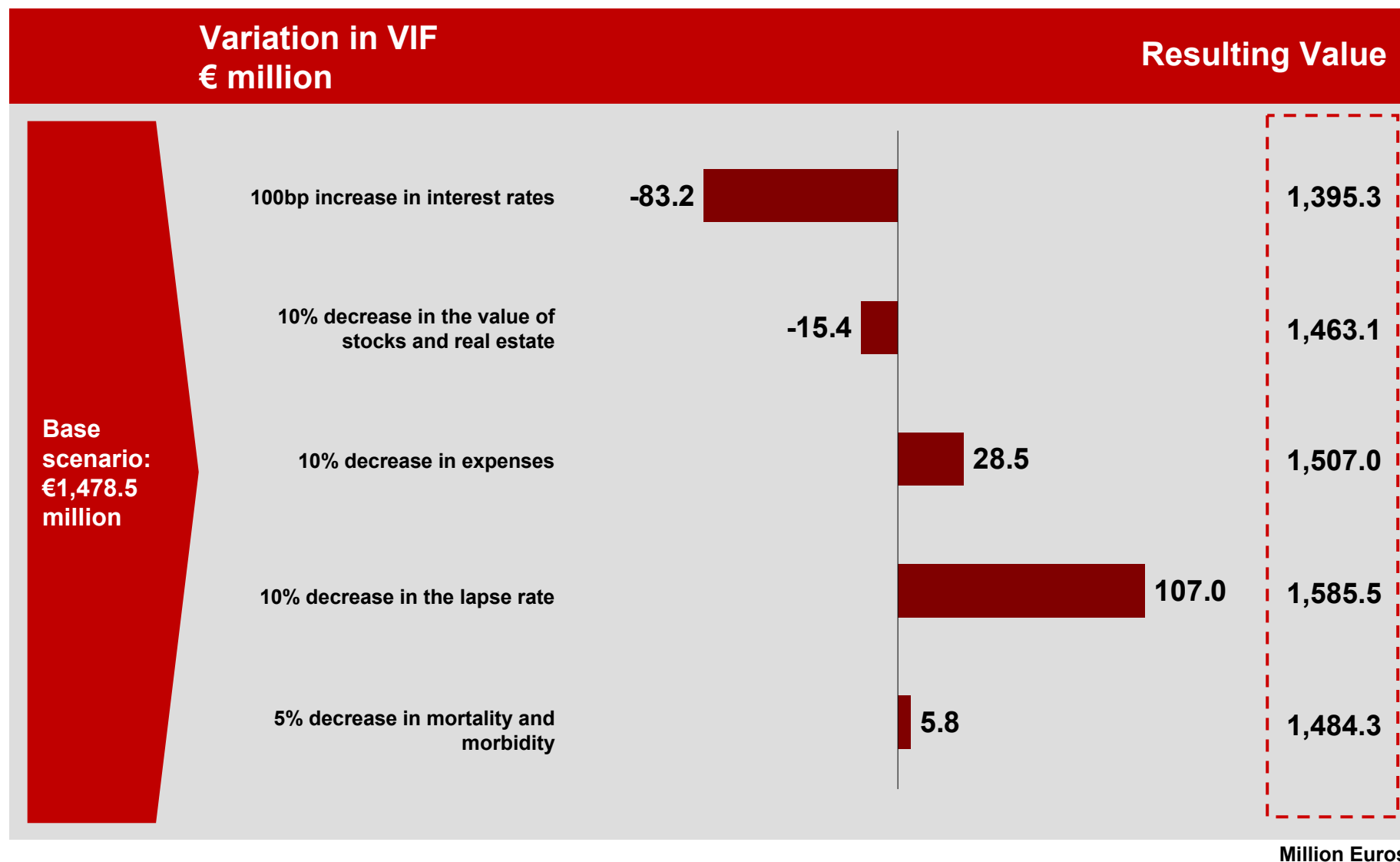
▼
- 5

The exclusion from the scope of the 2009 EEV of MAPFRE VERA CRUZ VIDA, which contributed significantly to the 2008 figures

▼



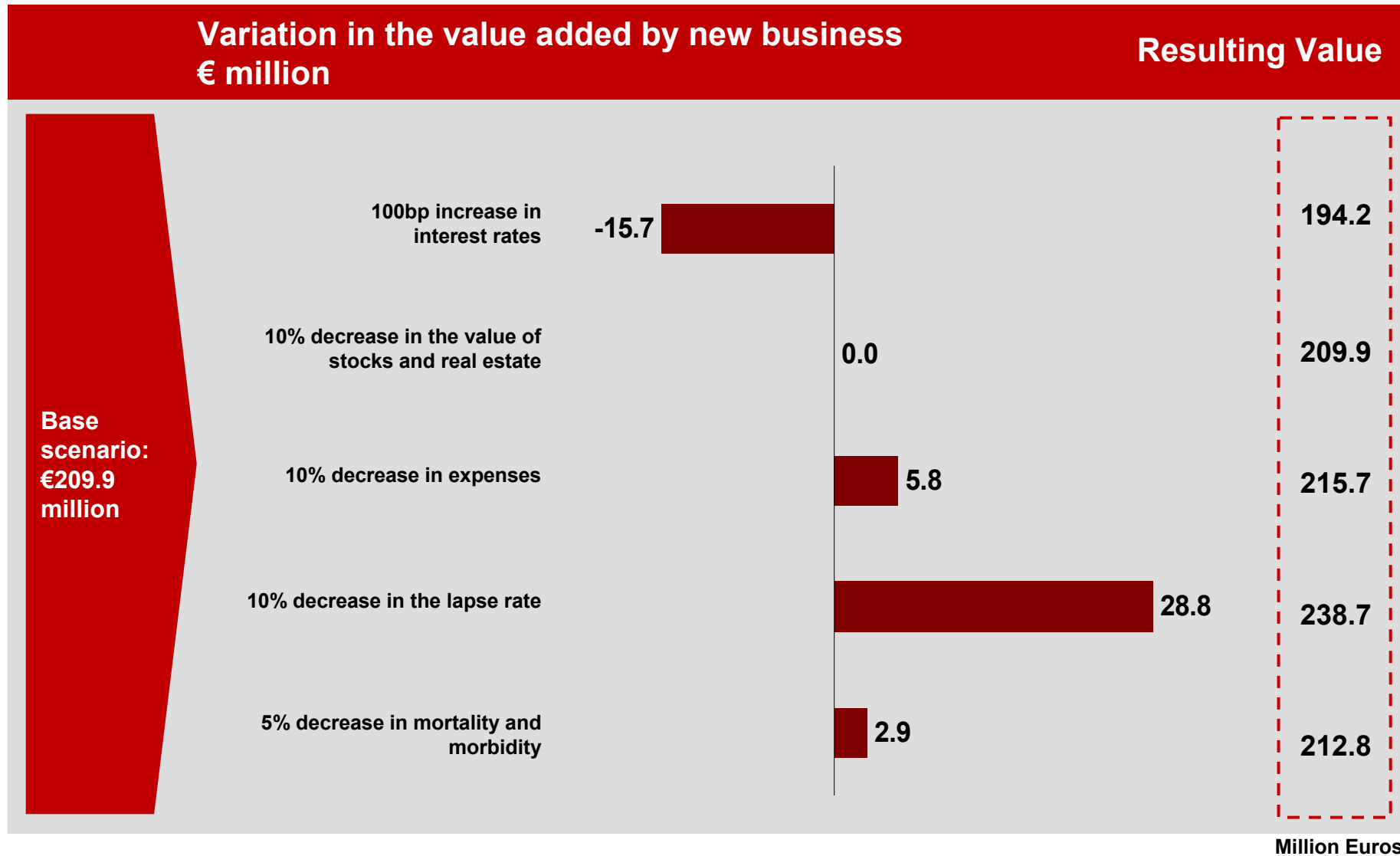
Sensitivity analysis of the value of in-force business⁽¹⁾



1) VIF = PVIF - TVFOGs – CoC



Sensitivity analysis of the value added by new business



- European Embedded Value analysis

- **Towers Watson opinion letter**

- Methodological appendix

- Statistical appendix

- Glossary



Towers Watson opinion letter

TOWERS WATSON 

Julio Koch
Felipe Gómez
T +34 91 310 10 88
F +34 91 761 26 77
julio.koch@towerswatson.com
felipe.gomez@towerswatson.com
María de Molina, 54, 7ª
28009 Madrid
España

Mapfre S.A.
22 July 2010

22 July 2010

Mapfre S.A.
Carretera de Pozuelo 52
Edificio 1
28222 Majadahonda (Madrid)

Dear Sirs,

Opinion letter – EEV results of certain subsidiaries of Mapfre, S.A. as at 31 December 2009

- 1 Towers Watson Risk Consulting (Spain), S.A. ("Towers Watson") has been appointed by Mapfre, S.A. to provide an actuarial opinion on the calculation of the embedded value ("EV") results of certain subsidiaries of Mapfre, S.A. as at 31 December 2009.
- 2 The consolidated EV results have been prepared by Mapfre, S.A. to comply with the European Embedded Value Principles and Guidance issued by the CFO Forum in May 2004 (the "EEV Principles").
- 3 The EV results of Mapfre, S.A. cover the following businesses:
 - a) Mapfre Vida, S.A. de Seguros y Reaseguros sobre la Vida Humana ("Mapfre Vida") and its subsidiaries:
 - Mapfre Caja Madrid Vida, S.A de Seguros y Reaseguros;
 - 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.; and
 - Bankinter Seguros de Vida, SA de Seguros y Reaseguros;
 - b) CCM Vida y Pensiones S.A. de Seguros y Reaseguros;
 - c) Unión del Duero, Compañía de Seguros de Vida, S.A. ("Unión Duero Vida"); and
 - d) Duero Pensiones, entidad gestora de fondos de pensiones, S.A. ("Duero Pensiones").

Scope

- 4 The EV results have been prepared by Mapfre S.A. and its subsidiaries, except that the results for Unión Duero Vida and Duero Pensiones have been calculated by Towers Watson.
- 5 Towers Watson has carried out a review of the methodology and assumptions used by Mapfre, S.A. to calculate the EV results against the requirements of the EEV Principles.
- 6 Towers Watson has also reviewed the consolidated 2009 EV and new business value results, the sensitivities and the EV earnings in 2009 prepared by Mapfre S.A. as shown on pages 3, 12 and 13 of the presentation.

Towers Watson Risk Consulting (Spain) S.A. R.M. de Madrid Tomo 19295, folio 60, sección 8, hoja M-316524, inscripción 1. CIF A-83465187
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TOWERS WATSON 

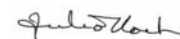
Conclusions

- 7 Towers Watson has concluded that, considered in aggregate, the methodology and assumptions used to determine the consolidated 2009 EV and value of new business comply with the EEV Principles.
- 8 Further, based on a high-level review of the results of the calculations, but without undertaking detailed checks on the models and processes involved, Towers Watson considers that any issues discovered do not have a material impact on the consolidated embedded value, analysis of embedded value earnings, value of new business and sensitivity tests.
- 9 Our work and this letter are subject to the reliances and limitations contained in paragraphs 10 to 15 of this letter. The work is based on information received up to and including 16 July 2010.

Reliances and limitations

- 10 The review was conducted on behalf of Mapfre, S.A. and designed according to the terms and requirements of the Directors of Mapfre, S.A. Our opinion is made solely to Mapfre, S.A. in accordance with the terms of Towers Watson's engagement letter. To the fullest extent permitted by applicable law, Towers Watson does not accept or assume any responsibility, duty of care or liability to anyone other than Mapfre, S.A. for or in connection with its review work, the opinions it has formed, or for any statement set forth in this letter.
- 11 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 Mapfre, S.A. and its subsidiaries and we have been informed that the Directors of Mapfre, S.A. know of no other information or data which ought to have been made available to Towers Watson that would materially affect the opinion set out herein.
- 12 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, electronic policy data bases, cash flow projections by product, analyses of movement and analyses of sensitivities.
- 13 We have not attempted to assess the suitability, quality or value of the assets of Mapfre, S.A. 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, S.A. and 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.
- 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 Towers Watson that the assumptions made in this letter will be reflected in actual experience.
- 15 The results shown do 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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- European Embedded Value analysis
- Towers Watson opinion letter

- **Methodological appendix**

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Covered business

- The 2009 embedded value 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
 - Life assurance (including complementary) and accidental death insurance businesses of MAPFRE-CAJA MADRID VIDA
 - Life assurance (including complementary), accidental death insurance and pension funds businesses of CCM VIDA Y PENSIONES, BANKINTER SEGUROS DE VIDA, UNIÓN DUERO VIDA and DUERO PENSIONES
 - 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")



Methodology

- The 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 (VIF) = PVIF – TVFOGs – CoC

- A bottom-up approach was followed to comply with EEVP, valuing separately each risk component 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 IFRS, adjusted for: 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 and discounted using the risk-free yield curve. Investment returns for existing business have been calculated on the basis of risk-free rates except for existing fixed interest assets backing savings business, where book returns adjusted for credit risk based on historical transition matrices and defaults rates have been used. Savings business VIF represents 15% of the total EEV. PVIF includes the intrinsic value of financial options and guarantees granted to the insured.
 - Investment returns for new business have been calculated on the basis of risk-free rates.



Methodology (contd.)

▪ TVFOGs:

- Under EEVP, FOGs (Financial Options and Guarantees) are defined as those features of the covered business conferring potentially valuable guarantees underlying, or options to change, the level or nature of policyholder benefits and exercisable at the discretion of the policyholder, whose potential value is impacted by the behaviour of 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 2009
- TVFOGs is based on 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 (contd.)

- **CoC:**
 - In line with market practices, the CoC used in the calculation of the 2009 EEV was measured by applying a 4% fixed rate to the minimum required solvency margin.
 - This represents an allowance for frictional costs, non-hedgeable risk as well as unexpected credit risk which has not been considered in the value of in-force business.



Methodology (contd.)

▪ 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 (contd.)

▪ 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 and pension fund businesses, as well as a part of the accidental death business, are sold through the distribution network of MAPFRE VIDA. The EEV and VNB of the aforementioned mutual funds, pension funds and accidental death businesses have been adjusted in order to include the net present value of the future profits/losses expected to arise in the distribution company from this business.
 - The assets of the Life assurance business are managed by MAPFRE INVERSIÓN Y PENSIONES. The EEV and VNB of the aforementioned Life assurance business has been adjusted in order to include the net present value of the future profits/losses expected to arise in the asset management company from this business.



Methodology (contd.)

▪ 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 intrinsic value 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

	2009 EEV	2008 EEV
Discount rate	Euroswap zero-coupon curve as at 31/12/2009	Euroswap zero-coupon curve as at 31/12/2008
	1 year 1.31% 5 years 2.84% 10 years 3.69% 15 years 4.13% 20 years 4.23%	1 year 2.55% 5 years 3.25% 10 years 3.74% 15 years 3.92% 20 years 3.88%
Financial returns		
-Existing assets	Risk-free rates except for existing fixed interest assets backing savings business, where book returns adjusted for credit risk based on historical transition matrices and defaults rates have been used	Book returns until maturity
-Reinvestment yield	Based on the euroswap zero-coupon curve as at 31/12/2009	Based on the euroswap zero-coupon curve as at 31/12/2008
Maintenance expenses	<ul style="list-style-type: none"> - Based on internal analyses - Expressed in Euros per policy - Indexed to a 2.5% inflation - There are no exceptional expenses to be excluded 	<ul style="list-style-type: none"> - Based on internal analyses - Expressed in Euros per policy - Indexed to a 2.5% inflation - There are no exceptional expenses to be excluded
Fees and commissions	In line with the existing fee structure	In line with the existing fee structure
Mortality, disability, surrenders and turnovers	Tables based on the company's own experience	Tables based on the company's own experience
Cost of capital		
-Reference capital	100% of the minimum solvency margin	100% of the minimum solvency margin
-Annual cost	4% p.a.	4% p.a.
Tax rate	30%	30%
Stochastic asset model (TVFOGs)	Market-consistent using swaption implied volatilities as at 31/12/2009	Market-consistent using swaption implied volatilities as at 31/12/2008



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Breakdown of the value added by new business

Breakdown by business line						
	PVNBI ⁽¹⁾		VNB ⁽²⁾		VNB/PVNBI	
	2009	2008	2009	2008	2009	2008
Life assurance:	2,459.3	2,931.0	186.2	201.9	7.6%	6.9%
- Agents channel	1,186.8	1,649.6	52.6	110.9	4.4%	6.7%
- Bank channel	1,272.5	1,281.4	133.6	91.0	10.5%	7.1%
Mutual Funds	728.1	513.7	9.3	5.7	1.3%	1.1%
Pension Funds	587.1	675.9	14.4	18.7	2.4%	2.8%
- Agents channel	347.0	427.7	12.2	16.4	3.5%	3.8%
- Bank channel	240.1	248.2	2.2	2.3	0.9%	0.9%
TOTAL	3,774.5	4,120.5	209.9	226.3	5.6%	5.5%

Breakdown by distribution channel						
	PVNBI ⁽¹⁾		VNB ⁽²⁾		VNB/PVNBI	
	2009	2008	2009	2008	2009	2008
Spain	3,774.5	3,385.2	209.9	143.6	5.6%	4.2%
- Agents channel	2,262.0	1,855.6	74.1	50.3	3.3%	2.7%
- Caja Madrid channel	731.6	818.5	52.8	25.4	7.2%	3.1%
- Other bancassurance channels	780.9	711.1	83.0	67.9	10.6%	9.6%
VERA CRUZ VIDA	---	735.3	---	82.7	---	11.2%
TOTAL	3,774.5	4,120.5	209.9	226.3	5.6%	5.5%

1) Present Value of New Business Income

2) Value added by new business

Statistical appendix

Nº 2010 - 18



Breakdown of 2009 change in EEV between ANAV and value of in-force business⁽¹⁾

	ANAV	Value of In-force business ⁽¹⁾	TOTAL
2008 EEV	786.4	1,405.4	2,191.8
Changes in assumptions	0.0	67.3	67.3
Expected return	202.9	-127.6	75.3
Value added by new business ⁽²⁾	-70.1	280.3	210.2
Deviation of actual value from expectations	26.1	-72.0	-45.9
Change in the TVFOGs	0.0	67.0	67.0
Value added in 2009	158.9	215.0	373.9
Changes in the model	0.0	-12.8	-12.8
Changes in the scope of the EEV ⁽³⁾	-115.2	-129.1	-244.3
Dividends paid and other items	-129.9	0.0	-129.9
2009 EEV	700.2	1,478.5	2,178.7
			Million Euros
RoEV⁽⁴⁾	23.7%	17.0%	19.3%

- 1) PVIF - TVFOGs – CoC
- 2) Not considering TVFOGs from new business
- 3) Effect of the exclusion of MAPFRE VERA CRUZ VIDA from the scope of the EEV
- 4) Return on Embedded Value = Value added in the year / Embedded Value, adjusted for changes in the model and changes in the scope of the EEV.



Breakdown of the sensitivity analysis

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

	MAPFRE VIDA ⁽¹⁾	Bank channels - Other
Impact of:		
- 100bp increase in interest rates	-57.2	-26.0
- 10% decrease in equity and property values	-15.3	-0.1
- 10% decrease in expenses	20.6	7.9
- 10% decrease in the lapse rate	82.5	24.5
- 5% decrease in mortality and morbidity	-0.3	6.1

Sensitivity of the value added by new business

	MAPFRE VIDA ⁽¹⁾	Bank channels - Other
Impact of:		
- 100bp increase in interest rates	-7.0	-8.7
- 10% decrease in equity and property values	0.0	0.0
- 10% decrease in expenses	4.6	1.3
- 10% decrease in the lapse rate	22.4	6.4
- 5% decrease in mortality and morbidity	1.7	1.2

Million Euros

1) Includes the value of in-force business of MAPFRE-CAJA MADRID VIDA gross of minority interests and excludes that of BANKINTER VIDA



MAPFRE VIDA: Reconciliation to adjusted net asset value

Consolidated net assets for MAPFRE VIDA as at 31/12/09 (IFRS)	848.6
Unrealised gains	-2.4
- of which: property	44.2
- of which: financial assets	-46.6
Donations and dividends	0.0
Intangible assets	-166.7
Acquisition costs net of taxes	0.0
Other	1.2
Adjusted consolidated net assets for MAPFRE VIDA as at 31/12/09⁽¹⁾	680.7

Million Euros

1) Amount used in embedded value calculations.



Units and operating companies included in the 2009 EEV

MAPFRE VIDA ⁽¹⁾			OTHER BANK CHANNELS ⁽²⁾		
	2009	2008		2009	2008
Adjusted Net Asset Value	680.7	653.2	Adjusted Net Asset Value	150.0	143.4
Net PVIF - Life Assurance	833.6	784.2	Net PVIF - Life Assurance	328.5	261.0
- PVIF	1,009.3	964.0	- PVIF	343.1	272.5
- CoC	(175.6)	(179.8)	- CoC	(14.6)	(11.4)
Net PVIF - Investment Funds	154.0	144.1	Net PVIF - Investment Funds	0.0	0.0
- PVIF	155.7	145.7	- PVIF	0.0	0.0
- CoC	(1.7)	(1.6)	- CoC	0.0	0.0
Net PVIF- Pension Funds	172.0	158.7	Net PVIF- Pension Funds	27.7	32.5
- PVIF	176.2	162.8	- PVIF	34.4	40.2
- CoC	(4.2)	(4.1)	- CoC	(6.7)	(7.7)
TVFOGs	(35.9)	(98.4)	TVFOGs	(1.4)	(5.9)
EEV	1,804.4	1,641.8	EEV	504.8	431.1
Initial capital used to calculate the CoC	588.1	602.5	Initial capital used to calculate the CoC	95.2	95.4

1) MAPFRE VIDA's EEV = Adjusted Net Asset Value (ANAV) + Value of in-force business (VIF), where the ANAV is reported on a consolidated basis net of minority interests and the VIF is reported on a consolidated basis with no adjustment for the share of minority interests, excluding BANKINTER VIDA's PVIF and including the PVIF of MAPFRE-CAJA MADRID VIDA.

2) 100% BANKINTER VIDA + 100% CCM VIDA y PENSIONES + 100% UNIÓN DUERO VIDA + 100% DUERO PENSIONES. Aggregate figures.

Million Euros



Consolidated pro forma ⁽¹⁾			Aggregate ⁽²⁾		
	2009	2008		2009	2008
Adjusted Net Asset Value	700.2	786.4	Adjusted Net Asset Value	830.7	911.8
Net PVIF - Life Assurance	1,162.1	1,170.8	Net PVIF - Life Assurance	1,162.1	1,170.8
- PVIF	1,352.4	1,370.3	- PVIF	1,352.4	1,370.3
- CoC	(190.2)	(199.5)	- CoC	(190.2)	(199.5)
Net PVIF - Investment Funds	154.0	147.7	Net PVIF - Investment Funds	154.0	147.7
- PVIF	155.7	150.7	- PVIF	155.7	150.7
- CoC	(1.7)	(3.1)	- CoC	(1.7)	(3.1)
Net PVIF- Pension Funds	199.7	191.2	Net PVIF- Pension Funds	199.7	191.2
- PVIF	210.6	203.0	- PVIF	210.6	203.0
- CoC	(10.9)	(11.8)	- CoC	(10.9)	(11.8)
TVFOGs	(37.3)	(104.3)	TVFOGs	(37.3)	(104.3)
EEV	2,178.7	2,191.8	EEV	2,309.2	2,317.2
Initial capital used to calculate the CoC	683.3	733.1	Initial capital used to calculate the CoC	683.3	733.1

Million Euros

- 1) EEV consolidated pro forma for the covered business = Adjusted Net Asset Value (ANAV) + Value of in-force business (VIF), where the ANAV is reported on a pro forma basis (i.e. assuming that all the covered business is consolidated net of minority interests within MAPFRE VIDA) and the VIF is reported on a consolidated basis with no adjustment for the share of minority interests
- 2) EEV aggregated for the covered business = Adjusted Net Asset Value (ANAV) + Value of in-force business (VIF), where the ANAV is the sum of MAPFRE VIDA's consolidated ANAV net of minority interest plus "Other bank channels" aggregated ANAV without adjusting for MAPFRE's stake. The VIF is reported on a consolidated basis with no adjustment for the share of minority interests



EEV 2008 MAPFRE VERA CRUZ VIDA

MAPFRE VERA CRUZ VIDA E PREVIDÊNCIA

	2008
Adjusted Net Asset Value	115.2
Net PVIF - Life Assurance	125.6
- PVIF	133.8
- CoC	(8.2)
Net PVIF - Investment Funds	3.6
- PVIF	5.0
- CoC	(1.4)
Net PVIF- Pension Funds	0.0
- PVIF	0.0
- CoC	0.0
TVFOGs	0.0
EEV	244.3
Initial capital used to calculate the CoC	35.1

Million Euros



Share of the parent company in the EEV

	MAPFRE stake	Controlling Shareholder	Minorities
ANAV			
MAPFRE VIDA pro forma	100.0%	700.2	0.0
VIF			
MAPFRE VIDA - AGENTS CHANNEL	100.0%	922.3	0.0
MAPFRE VIDA - CAJA MADRID CHANNEL	51.0%	121.0	116.3
OTHER BANK CHANNELS IN SPAIN ⁽¹⁾	50.0%	178.1	178.1
AGGREGATE TOTAL		1,221.4	294.4
TVFOGS			
MAPFRE VIDA - AGENTS CHANNEL	100.0%	-29.8	0.0
MAPFRE VIDA - CAJA MADRID CHANNEL	51.0%	-3.1	-3.0
OTHER BANK CHANNELS IN SPAIN ⁽¹⁾	50.0%	-0.7	-0.7
AGGREGATE TOTAL		-33.6	-3.7
AGGREGATE 2009 EEV		1,888.0	290.7

Million Euros

1) Includes BANKINTER VIDA, CCM VIDA Y PENSIONES, UNION DUERO VIDA and DUERO PENSIONES



- European Embedded Value analysis
 - Towers Watson opinion letter
 - Methodological appendix
 - Statistical appendix
- **Glossary**



Glossary

- 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 the shareholders’ equity as defined under IFRS 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 conferring potentially valuable guarantees underlying, or options to change, the level or nature of policyholder benefits and exercisable at the discretion of the policyholder, whose potential value is impacted by the behaviour of financial variables.
- The **Value of an Option** is composed of 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 and discounted using the risk-free yield curve. Investment returns for existing business have been calculated on the basis of risk-free rates except for existing fixed interest assets backing savings business, where book returns adjusted for credit risk based on historical transition matrices and defaults rates have been used. PVIF includes the intrinsic value of financial options and guarantees granted to the insured.



Glossary

- The **Cost of Capital** or “**CoC**” represents an allowance for frictional costs, non-hedgeable risk as well as unexpected credit risk which has not been considered in the value of in-force business. The CoC used in the calculation of the 2009 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.
- **Deviation of Actual Value from Expectations** arise mainly 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.



Glossary

- **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 intrinsic value 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.



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