

MAPFRE, S.A.

A REPORT ON THE DELEGATION OF
AUTHORITY BY THE AGM TO THE
BOARD OF DIRECTORS TO
INCREASE THE SHARE CAPITAL AND
TO AMEND ARTICLE 5 OF THE
CORPORATE BYLAWS

Madrid, 4th February 2009

I. REASONS FOR THE PROPOSAL

The delegation of authority granted on 8th March 2008 by the Annual General Meeting to the Board of Directors in order to carry out capital increases was used partially in a resolution passed by the Board of Directors on 29th October 2008, in which the share capital was increased by Euros 6,798,033.10

It is deemed necessary for the Annual General Meeting to renew the authority up to the maximum limit allowed under Article 153 of the Spanish Companies Act, that is, up to half of the current share capital, which amounts to Euros 274,483,228.70. Therefore, should this proposal be approved, the Board will be authorized to carry out increases up to a maximum amount of Euros 137,241,614.35

This proposal provides for the possibility that the Board of Directors may, in turn, delegate to the Steering Committee any powers that can be delegated and that were given by the Annual General Meeting, and the conferral to the Directors of authority to exclude the pre-emptive right held by shareholders and, if appropriate, by holders of convertible debentures, in the terms set forth in Article 159.2 of the Revised Text of the Spanish Companies Act.

The Board of Directors considers that these possibilities extend their scope of action, which is justified by the fact that the management body ought to have the necessary capacity and flexibility to act fast as required by financial market conditions.

Further, the total or partial exclusion of the pre-emptive right is a power that the Annual General Meeting can give to the Board of Directors and, as a result, the exercise thereof will depend on the criteria that the Board of Directors follows, taking into consideration the appropriate circumstances in each case and all legal requirements. Should the Board avail itself of these powers and decides to suspend pre-emptive rights in connection with a specific capital increase, it must, when an increase is decided on, issue a detailed report setting out the reasons that, for the benefit of corporate interests, justify the taking of such a measure; this report must be supplemented by another report drawn up by an external auditor in the terms set forth in Article 159.2 of the Revised Text of the Spanish Companies Act. According to said Article, both reports must be made available to the shareholders and notified to the next Annual General Meeting held following the decision to make a capital increase.

II. PROPOSED RESOLUTIONS

- 1) To authorize the Board of Directors so that, pursuant to the provisions of section 153 of the Revised Text of the Spanish Companies Act, it may, during the five years following the date of this resolution, increase the share capital once or several times by up to a maximum of 137,241,614.35 euros, equivalent to 50% of the share capital. The Board of Directors will be free to establish the manner and conditions of any capital increases that it resolves under this authorization, and may resolve to: issue the shares with or without voting rights, and even with a share premium; exclude all or part of the pre-emptive right of the shareholders and, where necessary, of the holders of the Company's convertible bonds, pursuant to the provisions of section 159.2 of the Revised Text of the Spanish Companies Act and similar provisions; and amend, where necessary, article 5 of the corporate bylaws to adapt it to the amount of the resulting share capital. This authority involves the withdrawal of the authority given on 8th March 2008.

Likewise, the Board of Directors is authorized to delegate the authority conferred under this resolution to the Steering Committee under the provisions of Article 141, number 1, paragraph two of the Revised Text of the Spanish Companies Act.

- 2) To request that, those shares that the company issues as a result of the share capital increase carried out by the Board of Directors under the authorization referred to in the preceding paragraph, be listed for trading on the Stock Exchange, pursuant to the provisions of Article 27 b) of the Stock Exchange Regulations, as worded in Royal Decree 1,536/81, and in the same terms and conditions as provided for under the said Article. It is explicitly agreed that, in the event of a subsequent application to exclude the shares from being listed, such decision will be made with the same formalities, and in this case the interests of any objecting shareholders or shareholders who did not vote for or opposed the resolution, will be guaranteed. The passing of a decision to officially allow listing will amount to a declaration to abide by any rules that may be in force or that may be laid down in the future relating to Securities and Stock Markets, and especially regarding trading, inclusion and exclusion from official listing.

ARTICLE 5 OF THE CORPORATE BYLAWS

The article is currently worded as follows:

Article 5

The share capital is set at the amount of TWO HUNDRED AND SEVENTY-FOUR MILLION FOUR HUNDRED AND EIGHTY THREE THOUSAND TWO HUNDRED AND TWENTY-EIGHT EUROS AND SEVENTY CENTS, represented by 2,744,832,287 ordinary shares with a par value of 0.10 euros each, numbered consecutively from 1 to 2,744,832,287, both inclusive, that are fully paid up.

Pursuant to the provisions of Article 153 of the Spanish Companies Act, having been delegated the authority to increase the share capital, the Directors are authorized to reword Article 5 of the corporate bylaws, once each increase has been agreed and executed.