

CORPORACION MAPFRE, S.A.

**REPORT ON THE AUTHORIZATION OF THE BOARD OF
DIRECTORS TO INCREASE THE SHARE CAPITAL AND
AMEND ARTICLE 5 OF THE COMPANY'S BYLAWS**

Madrid, February 8, 2005

I. JUSTIFICATION FOR PROPOSAL

The amount granted by the General Meeting to the Board of Directors to increase the share capital has been partially used during fiscal year 2004.

It is deemed appropriate that the Board renew the authorization up to the legal maximum established by Company Law, article 153. That is, up to half of the actual share capital which amounts to 119,450,353 euros, whereby, if this proposal is approved, the Board shall be authorized to increase the share capital to a combined maximum of 59,725,176 euros.

II. PROPOSED RESOLUTIONS

- 1) Authorize the Board of Directors, in accordance with Company Law, article 153, to increase its share capital once or more than once up to a maximum of 59,725,176 euros equivalent to 50% of its share capital during the next five years from the date of this resolution. The Board shall freely fix the manner and conditions of such capital increase within its authority and therefore be able to issue shares with or without voting rights including an issuance premium and amend, in its case, article 5 of the by-laws in order to adapt it to the resulting share capital. The present authorization implies the revocation, in part, of the authorization granted on April 21, 2001 which is no longer utilized.
- 2) File an application with the Stock Exchange to list the shares issued by the company as a result of the capital increase which the Board of Directors shall carry out in exercising its authority referred to in the preceding agreement in accordance with article 27(b) of the Stock Exchange Rules and Royal Decree 1.536/81 and according to the same terms and conditions anticipated in said article. It is expressly agreed that in the case of a subsequent application for exclusion from listing, this resolution shall be adopted with the same formalities, and in such case, the interest of shareholders who either oppose the resolution or do not vote shall be guaranteed. The resolution to officially list the shares presumes the submission to existing market rules especially regarding trading, permanence and exclusion from official listing.

COMPANY BYLAWS, ARTICLE 5

The actual text is as follows:

Article 5

“The share capital is fixed at ONE HUNDRED NINETEEN MILLION FOUR HUNDRED FIFTY THOUSAND THREE HUNDRED FIFTY THREE EUROS represented by 238,900,706 ordinary shares with a 0.5 euro nominal value each with correlating numbers from 1 to 238,900,706 both inclusive and paid out in its entirety.”

According to Company Law, Article 153, in order to increase the share capital, the Board of Directors remains authorized to amend the text of article 5 of the Company’s bylaws once each increase is agreed to and executed.