

MAPFRE, S.A.

REPORT OF THE BOARD OF DIRECTORS
ON THE PROPOSED AMENDMENT TO
THE CORPORATE BYLAWS FOR
THE INCLUSION OF ARTICLE 33 BIS

Madrid, 6th February 2013

I. PROPOSAL BACKGROUND AND JUSTIFICATION

This report has been issued by the Board of Directors of MAPFRE, S.A. (“**MAPFRE**”), in accordance with the provisions of article 286 of the Spanish Companies Act, in relation to the proposal for the inclusion of a new article 33 bis in MAPFRE’s Corporate Bylaws with regard to the possibility of distributing dividends and the share premium in kind, as well as envisage the application of this same procedure to the return of contributions in cases of share capital reduction.

MAPFRE’s Board of Directors considers it advisable to expressly envisage in the Corporate Bylaws the possibility that, following a resolution of the General Shareholders’ Meeting, the distribution of dividends, either against the year’s results or against freely distributable reserves, as well as the distribution of share premium reserves, can be carried out either totally or partially in kind. This possibility has numerous precedents in Spanish trade practices and it has been already contained in the bylaws of several Spanish listed companies over the last years. Likewise, it is hereby proposed that the said mechanism can be applied, following a resolution of the General Shareholders’ Meeting, in the event of the return of contributions in the cases of share capital reductions.

These options will give MAPFRE’s management more flexibility, thus resulting in a greater diversification of the policy governing the distribution of dividends and the remuneration of the company’s shareholders.

In any case, and in order to ensure equal treatment of shareholders as well as the liquidity of the assets subject to distribution, the possibility to resolve distributions in kind shall be limited to those cases in which the assets or securities to be distributed are homogeneous and liquid enough or distributable, provided that, under all circumstances, the latter case is applicable when referring to securities that are admitted or are going to be admitted to trading in a regulated market when the agreement comes into force, or when MAPFRE provides adequate liquidity guarantees within a maximum period of one year.

Furthermore, in order to ensure the compatibility of this measure with the rules for capital protection, the assets or securities subject to distribution shall not be shared out at a value below that reported in the company’s balance sheet.

II. PROPOSED RESOLUTIONS

“Include a new article 33 bis in the Corporate Bylaws, which shall read as follows:

Article 33 bis

The General Shareholders' Meeting may resolve the distribution of dividends, either against the year's results or against freely distributable reserves, or against the share premium, either totally or partially in kind, provided the assets or securities to be distributed are homogeneous and liquid enough or distributable, considering in any case that the latter case is applicable when referring to securities that are admitted or are going to be admitted to trading in a regulated market when the agreement comes into force or when the company provides adequate liquidity guarantees within a maximum period of one year.

The assets or securities cannot be distributed at a value below that recorded in the company's balance sheet.

The terms contained in the previous paragraph shall also be applicable to the return of contributions in the event of share capital reductions."