

MAPFRE ESTABLISHES A REINSURANCE SUBSIDIARY IN BRAZIL

MAPFRE RE will establish a subsidiary in Brazil, following the meeting held today with the insurance regulator of the country (SUSEP). This decision confirms MAPFRE RE's commitment to Latin America and is consistent with the increasing importance of the Brazilian insurance market and the recent opening of the country's reinsurance market to local and foreign entities.

The new company, which will be a 100% owned subsidiary of MAPFRE RE, will have an initial capital of 70 million Brazilian Reais (€25.3 million) and will operate under the name MAPFRE RE DO BRASIL Companhia de Resseguros. MAPFRE RE will also offer 100% reinsurance support. The current General Manager of MAPFRE RE in Chile, Bosco Franco, will be responsible for the management of the new company.

Together with the decision to establish a local subsidiary, MAPFRE RE will register as *ressegurador eventual*, an alternative offered by the regulation that determines the conditions for the opening of the reinsurance market and which permits operations with MAPFRE RE's capacity. Both decisions are subject to the relevant authorisations from the Brazilian regulator.

MAPFRE RE, with direct presence in 16 countries, has offices in Argentina, Colombia, Chile, Mexico and Venezuela, from where it gives service to all its Latin American businesses. In 2008, it is expected that business from this region will represent 27% of the entity's accepted premiums, excluding the new Brazilian business. The figure represents a significant percentage within the worldwide reinsurance sector, and is based upon, among other factors, the special link MAPFRE RE has with these countries.

MAPFRE RE achieved in 2007 a volume of gross accepted premiums of €1,601.2 million, an increase of 11.2% over the previous year, which allowed the company to consolidate its position in the sector. The rating agencies S&P and AM Best have assigned MAPFRE RE financial strength ratings of AA/stable outlook and A+/stable outlook, respectively, which rank among the highest in the worldwide insurance market.

3rd April 2008, Madrid

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