PRESS RELEASE

MAPFRE COMPLETES ITS TRANSFORMATION

THE GENERAL MEETING OF SHAREHOLDERS APPROVES ITS NEW CORPORATE NAME (MAPFRE S.A.), THE CAPITAL INCREASE BY MEANS OF WHICH IT WILL INTEGRATE ALL THE BUSINESSES OF THE GROUP, ITS NEW BY-LAWS AND THE COMPOSITION OF ITS BOARD OF DIRECTORS

Having obtained the relevant authorisations, the Extraordinary General Meeting of CORPORACIÓN MAPFRE held today in Madrid has approved the proposals needed to carry out the restructuring approved by the General Assembly of MAPFRE MUTUALIDAD held last June 15th, 2006. More specifically, the General Meeting of CORPORACIÓN MAPFRE approved:

- The change of the corporate name that in the future will be MAPFRE S.A.

- A capital increase of a nominal value of new €108,082,063.30, which will imply the issuance of 1,080,820,633 shares, with a par value of €0.10 each, without pre-emptive rights for the existing shareholders that will be structured in two tranches: an in-kind tranche reserved for CARTERA MAPFRE, which will subscribe for 960,577,530 new shares by contributing the following shareholdings:

    - 100% of the new company MAPFRE AUTOMÓVILES, which will receive the insurance portfolio of MAPFRE MUTUALIDAD
    - 87.6% of MAPFRE AMÉRICA VIDA
    - 100% of MAPFRE AGROPECUARIA
    - 70% of MAPFRE SEGUROS GERAIS (Portugal)
    - 100% of MAPFRE USA CORPORATION (Florida)
    - The stake held in Società Cattolica di Assicurazioni (in excess of 3%)
    - 49% of BANCO DE SERVICIOS FINANCIEROS CAJA MADRID – MAPFRE
    - 100% of CENTRO INTERNACIONAL DE FORMACIÓN DE DIRECTIVOS MAPFRE
    - 100% of MAPFRE SERVICIOS DE INFORMÁTICA

And another tranche reserved for MAPFRE MUTUALIDAD that will suscribe for 120,243,103 new shares through the payment of €383,815,984 in cash.

- The amendments to the by-laws of MAPFRE S.A needed to adapt them to its new situation as the parent company of the Group.

  Among the proposed changes, it is worth mentioning the inclusion of rules aimed at protecting the general interest of the Company and of its shareholders, by limiting the power of management and avoiding potential conflicts of interests, in line with the recommendations of the Unified Code of Good Governance of CNMV (Spain's National Securities' Markets Commission) and with the internal practices of SISTEMA MAPFRE.

  With regards to the government bodies of MAPFRE S.A., the new by-laws establish the creation of a Delegated Committee of the Board of Directors, and of three Committees (Audit, Appointment and Remunerations, and Compliance). Furthermore, they allow to create an Executive Committee, reporting to the Delegated Committee.

- A wide-ranging reorganisation of the Board of Directors. In line with the changes announced by the Board itself last November 27th, José Manuel Martínez will retain his office as executive Chairman, Alberto Manzano will be the First Vice-Chairman, and there will be four other Vice-Chairmanships, that will be reduced to two at the end of 2007. The Board will comprise 22 directors, eight of which will be independent, six will be appointed by the controlling shareholder and eight will be executives.

The Chairman, José Manuel Martínez, outlined in his speech that through the approval of these by-laws and their execution by public deed, that will take place next December 31st, the reorganisation will finalise in accordance with the expected schedule and with the indications given to the General Assembly of MAPFRE MUTUALIDAD held last June 15th, 2006.

"Our company", he said, "will become the parent company of the largest Spanish insurance group and will double its market capitalisation". Moreover, he indicated that MAPFRE`s ordinary business activities will continue to develop along the very positive trend of the previous years. According to the information available, 2006 will be another excellent year both in growth and results, which is especially noteworthy in a complex market context. "The goals included in the strategic plans of the Group for the next years make us look to the future with great optimism", he concluded.

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