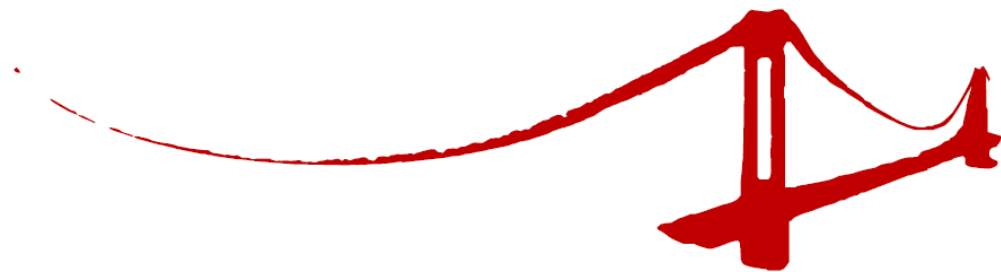


Acquisition of The Commerce Group Inc.

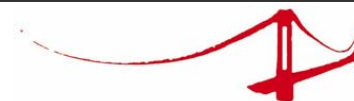
31st October 2007



Disclaimer

This document is purely informative. Its content does not constitute, nor can it be interpreted as, an offer or an invitation to sell, exchange or buy, and it is not binding on the issuer in any way. The information about the plans of the Company, its evolution, its results and its dividends represents a simple forecast whose formulation does not represent a guarantee with respect to the future performance of the Company or the achievement of its targets or estimated results. The recipients of this information must be aware that the preparation of these forecasts is based on assumptions and estimates, which are subject to a high degree of uncertainty, and that, due to multiple factors, future results may differ materially from expected results. Among such factors, the following are worth highlighting: the evolution of the insurance market and of the economic environment in general in those countries where the Company operates; changes in the legal framework; changes in monetary policy; circumstances which may affect the competitiveness of insurance products and services; changes in the underlying tendencies on which the mortality and morbidity tables used in Life and Health insurance are based; frequency and severity of claims insured, with respect to reinsurance and general insurance, as well as to life insurance; variations in interest rates and exchange rates; risks associated with the use of derivative instruments; the impact of future acquisitions.

MAPFRE S.A. does not undertake to update or revise periodically the content of this document.



Executive Summary

- MAPFRE has announced the signing of an agreement to acquire all shares of The Commerce Group Inc. (“Commerce”) at a price of \$36.70 per share. The Board of Commerce deems the offer to be fair and will recommend the transaction to its shareholders. The transaction will be carried out through the merger of a subsidiary of MAPFRE with Commerce, under U.S. regulations

- Commerce fits MAPFRE’s growth strategy:
 - Leading position in motor insurance in Massachusetts
 - Licenses in 50 states and operations in 17 of them
 - Quality operations and consistent underwriting profits
 - Experienced management team with proven track record

- Positive financial impact from the outset:
 - Total consideration of \$2,207mn (€1,538mn), paid entirely in cash
 - Acquisition price implies P/E 2008 of 13.1x (First Call consensus) and P/BV (Q3 ‘07) of 1.65x
 - Premium to market of 17.9% vs. 30th October’s closing price, 22.5% vs. the 30-day average and of 20.4% vs. the 3-month average
 - Initial funding through a bridge loan. Long-term funding expected to come from an equity capital raising of €500mn, the issuance of hybrid debt of up to €800mn and internal resources
 - Immediately EPS accretive

- Upon completion, MAPFRE would retain Commerce’s management team and together both groups would design a cautious growth strategy in a number of new states, including dedicated services for the Hispanic community



Overview of Commerce

Strategic rationale for MAPFRE

Transaction details and financial impact

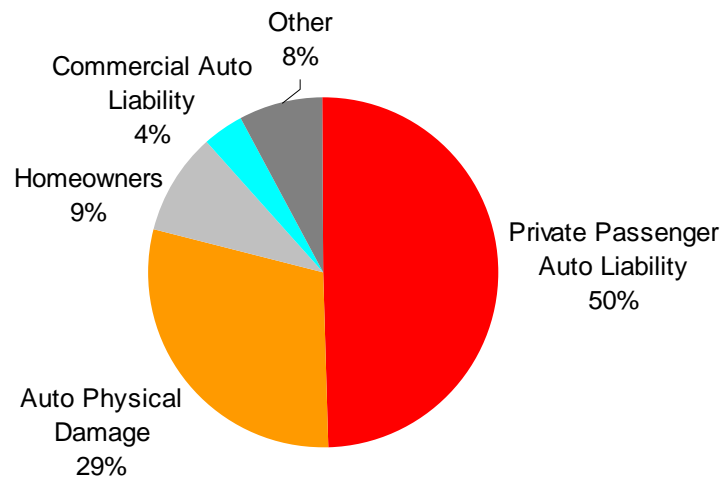
Appendix



Overview of The Commerce Group, Inc.

- The Commerce Group, Inc. (“Commerce”) began operating in 1971. Today it focuses on writing personal automobile insurance and other property and casualty lines in 17 states, which it distributes primarily through independent agents
- Since 1990, it is the largest and most profitable personal auto writer in Massachusetts. It ranks as the 20th largest company nationwide in this line
- Its operations are rated ‘A+ (Superior)’ by A.M. Best, ‘A2’ by Moody’s and ‘A’ by S&P

'06 Breakdown of written and accepted premiums

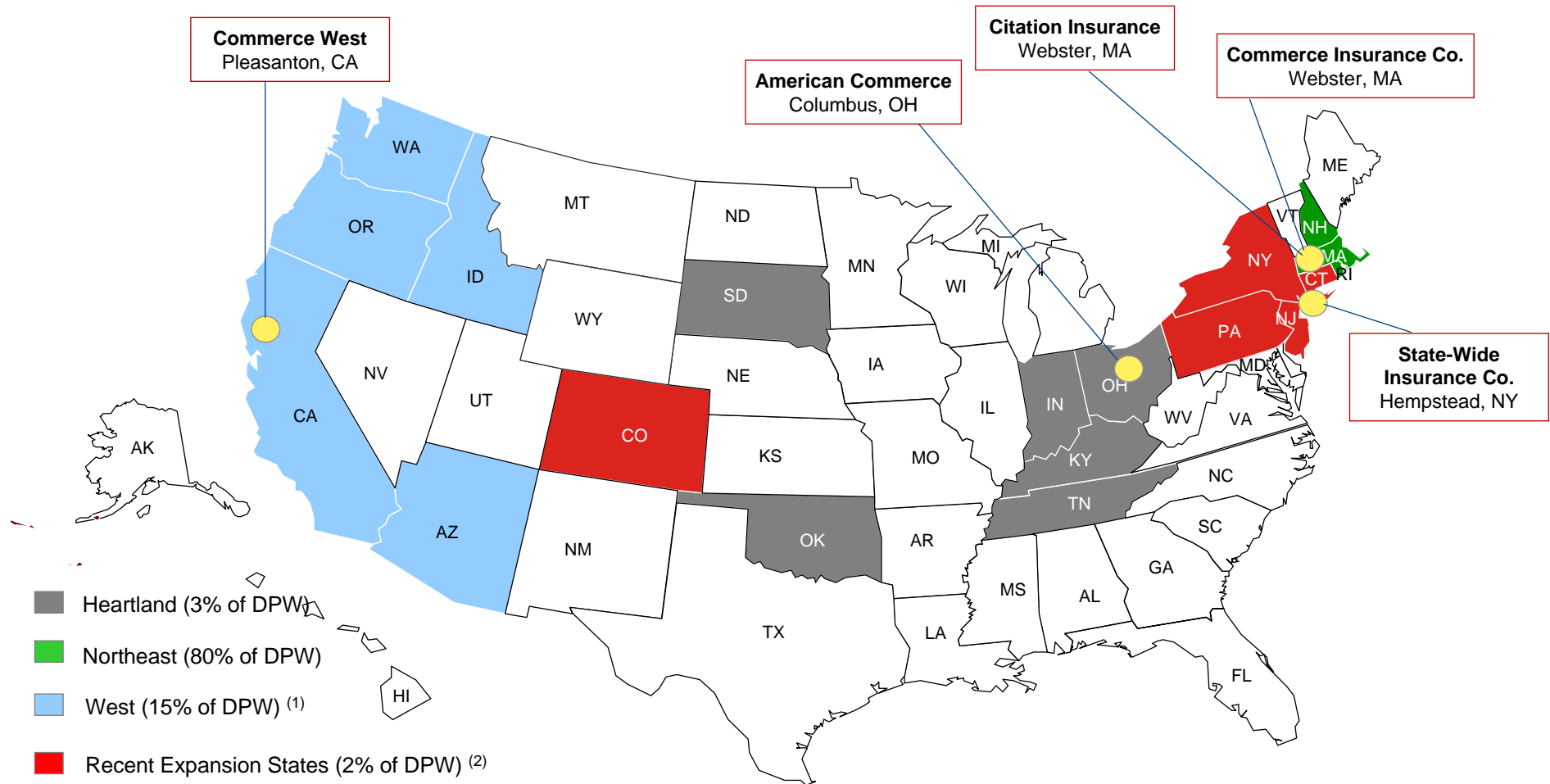


	Written and accepted premiums	% of Total
Massachusetts	\$1.72B	88%
Outside Massachusetts	0.23	12%
Total	\$1.96B	



Geographic focus

- Commerce has historically written business in Massachusetts, but has recently expanded in 16 other states



(1) Pro forma for \$170mm of premium from Stonewood Insurance Agency Agreement, anticipated to write \$20mm by 06/2008, \$50mm by 06/2009 and \$100mm by 06/2010

(2) Pro forma for \$41mm of premium from SWICO acquired April 2007



Key Strengths: competitive position

- Leading market position in the Massachusetts P&C business:
 - Strong brand recognition
 - Excellent agency relationships
 - Leading market shares:
 - # 1 in personal auto (31.5%)
 - # 1 in homeowners (9.8%)
 - # 2 in commercial auto (12.7%)
 - Above average position in affinity group marketing programs
 - Outstanding customer service
 - Unsurpassed economies of scale
- Highly experienced management team with proven track record
- In-depth understanding of the Massachusetts and U.S. regulatory and underwriting environment



Key strengths: distribution through independent agents

- Independent agents are Commerce's main distribution channel
- Relations with agents are excellent, as evidenced by their high degree of loyalty: nearly 60% of all agents in Massachusetts have been with the group for over 10 years
- Commerce ensures the interests of agents are aligned with its own through an effective profit sharing system, which utilises a three-year rolling plan. To qualify for profit sharing, an agent's portfolio generally must have a three-year average loss ratio of 60% or better
- Commerce devotes considerable attention and resources to providing a high level of service to both the agents and their customers, thus enhancing satisfaction and retention



Key strengths: distribution through the AAA

- Commerce enjoys a strategic relationship with numerous American Automobile Association (AAA) clubs

- In Massachusetts:
 - Commerce has exclusive distribution agreements with all three AAA clubs, whose members receive a 5% discount on their premiums
 - In 2006, 50% of all personal auto DPW came from AAA members (42% written by Commerce's network of independent agents and 8% through AAA agencies)
 - The present agreements were renewed on 01.01.2007 for a period of 20 years

- Outside of Massachusetts:
 - Commerce distributes its products through AAA clubs in eleven states
 - AAA Southern New England has a 5% shareholding in American Commerce
 - Growth opportunities are significant, as Commerce has currently penetrated less than 1% of a membership base exceeding 100 million



Distribution network

	Independent Agents	AAA Agents	Brokers	Total
California	120	---	1,080	1,200
Massachusetts	792	3	---	795
Arizona	294	---	---	294
Oregon	200	1	---	201
New York	---	---	72	72
New Hampshire	55	---	---	55
Ohio	37	12	---	49
Indiana	35	1	---	36
Kentucky	25	2	---	27
Idaho	---	2	---	2
Tennessee	---	2	---	2
Connecticut	---	1	---	1
Oklahoma	---	1	---	1
Rhode Island	---	1	---	1
South Dakota	---	1	---	1
Washington	---	1	---	1
TOTAL	1,558	28	1,152	2,738



Commerce competitive position

	Personal auto		Homeowners		Commercial auto	
	Massachusetts		Massachusetts		Massachusetts	
	Rank	% of Market	Rank	% of Market	Rank	% of Market
Commerce Group	1	31.5%	1	9.8%	2	12.7%
Safety Group	2	11.2	11	3.2	3	11.0
Arbella Insurance Group	3	9.6	7	5.2	4	10.5
Liberty Mutual Insurance Companies	4	7.7	5	6.7	9	3.6
MetLife Auto & Home Group	5	7.1	10	3.2	--	0.0
Travelers Insurance Companies	6	7.0	3	8.2	1	13.5
Plymouth Rock Companies	7	6.1	16	2.1	6	6.0
Amica Mutual Group	8	3.6	13	3.0	44	0.1
Hanover Insurance Grp Prop and Cas Cos	9	3.6	9	3.3	5	7.9
White Mountains Insurance Group	10	2.9	14	2.6	8	3.8
Allstate Insurance Group	11	2.3	27	1.1	--	0.0
USAA Group	12	2.1	15	2.5	--	0.0
Quincy Mutual Group	13	1.4	6	5.9	36	0.2
Main Street America Group	14	1.3	21	1.5	16	1.4

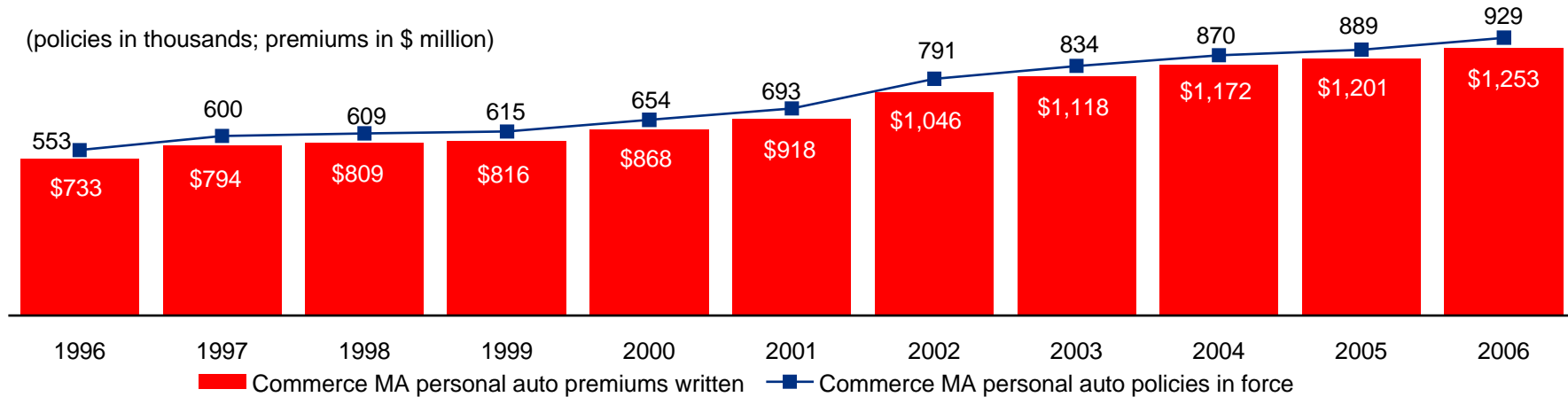
Source: A.M. Best (2006)



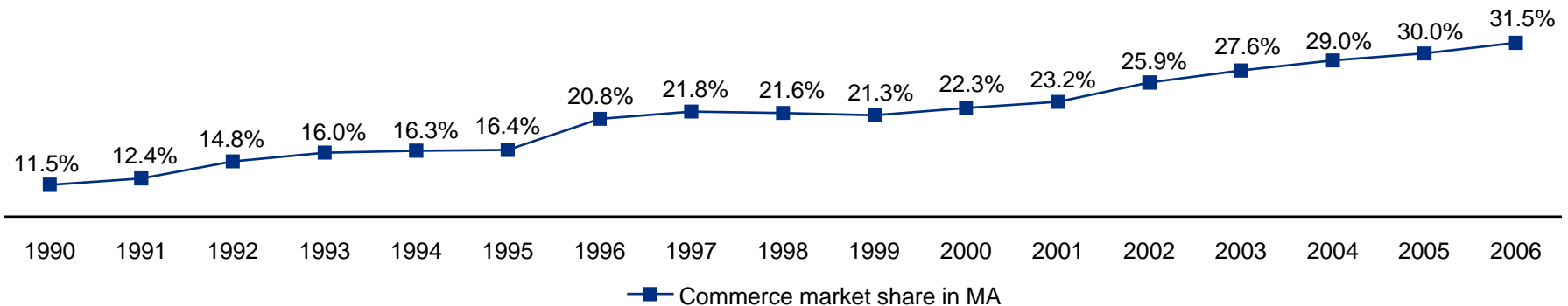
Growth in market share in MA personal auto

- Commerce has significantly and consistently grown its MA personal auto business

(policies in thousands; premiums in \$ million)



- Since 1990, when it first became the largest writer of personal auto insurance in MA, Commerce' market share has risen from 11.5% to 31.5% in 2006



Source: Commerce public filings & Equity Research



Key Strengths: underwriting results and claims handling

- Commerce has been delivering consistently for over 15 years positive technical results and significant reserve redundancies, thanks to:
 - Effective underwriting:
 - The largest proprietary underwriting database in the Massachusetts market with a high degree of data reliability, providing superior risk selection and pricing capabilities
 - Strict underwriting guidelines
 - No meaningful environmental risks legacy issues
 - Quick and efficient handling of claims:
 - 24-hour claim reporting service, which improves customer satisfaction by making the initial claim handling much faster and ultimately reduces indemnity payments
 - Outsourced drive-in centres, close to repair shops, allowing quick adjustment and settlement of car body damages. Additionally, Commerce has a panel of preferred body shops with guaranteed prices and workmanship
 - Sophisticated software systems used for internal and external claims processing and field communications that increase productivity while reducing expenses and indemnity payments
 - Significant internal resources devoted to fighting fraud, complemented by external investigators
 - Regular surveys among agents, customers and third-party claimants to monitor the quality of claims handling
 - Low-cost structure, high degree of centralisation and unsurpassed economies of scale



MA internal personal auto acquisition costs (1)

- Commerce enjoys a low cost structure enabling it to compete effectively

Agency companies	Percent of earned premium
Commerce	3.3%
Travelers	4.1
Safety	6.0
Hanover	8.1
Plymouth Rock	8.5
Arbella	11.8
White Mountain	13.5
Direct Writers	Percent of earned premium
USAA	7.3%
State Farm	7.5
Metropolitan	12.0
Amica	14.1
Liberty	14.7
All companies	7.7%

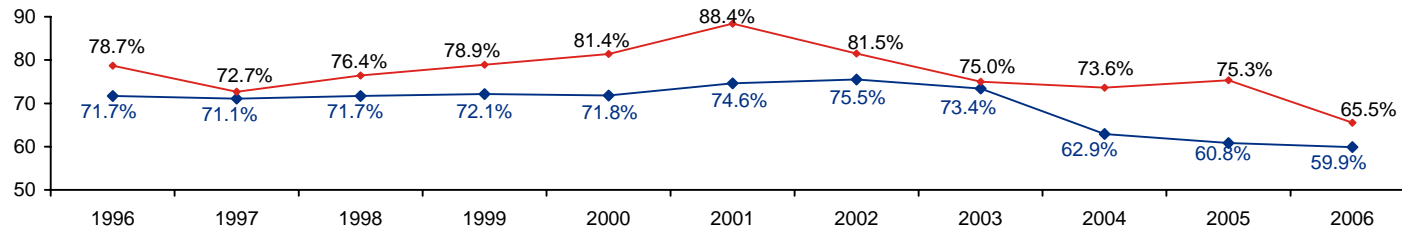
Source: Company public filings.

(1) Policy acquisition costs include the company's general fixed expenses (i.e. salaries, advertising, etc.) allocated to acquisition costs, excluding actual commissions payable to the agents.

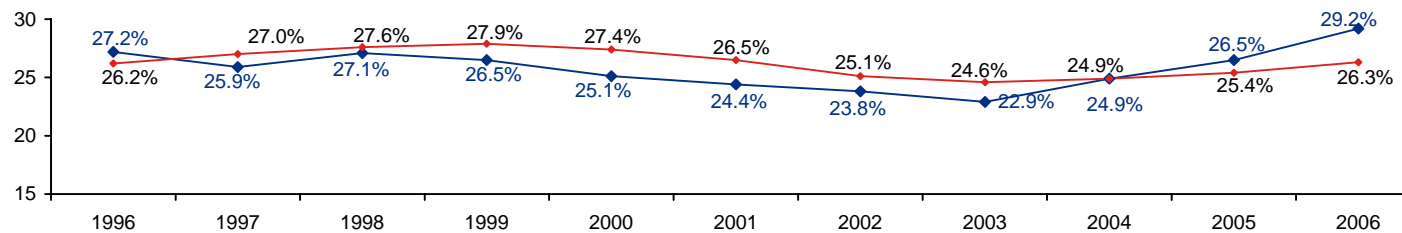


Strong, consistent historical underwriting results

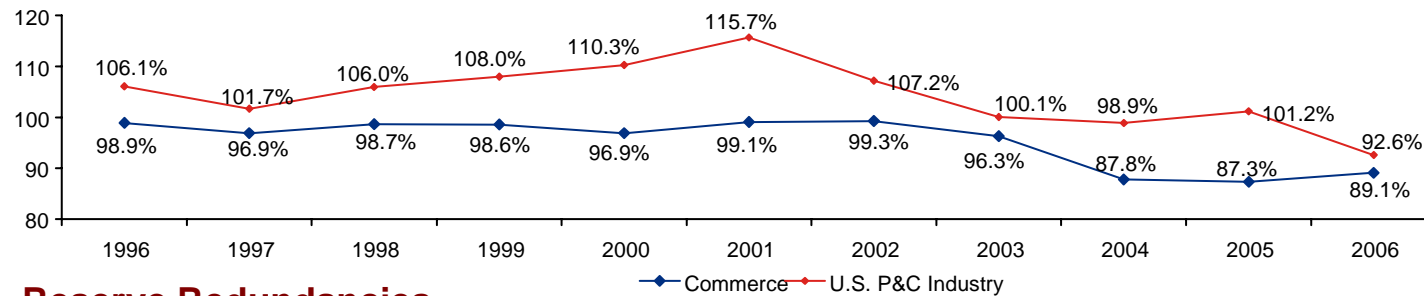
Loss and Loss Adjustment Expense Ratio



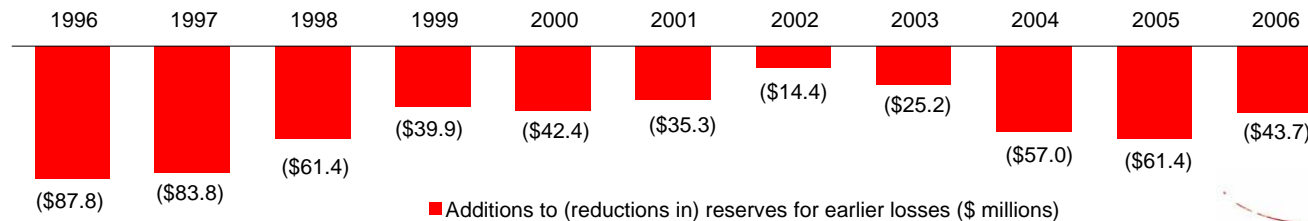
Expense Ratio



Combined Ratio



Reserve Redundancies

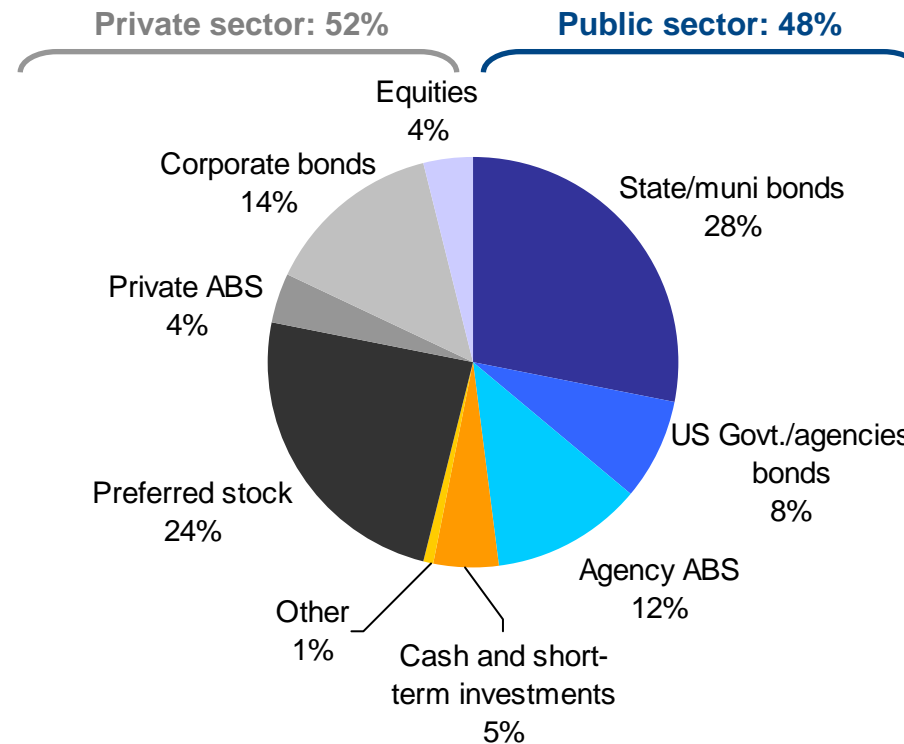


Source: Commerce public filings, A.M. Best.
N.B. Combined ratios are on a statutory basis.



Key Strengths: investment portfolio and returns

- Commerce generates recurring investment yields from a portfolio made up primarily of high quality fixed income investments:



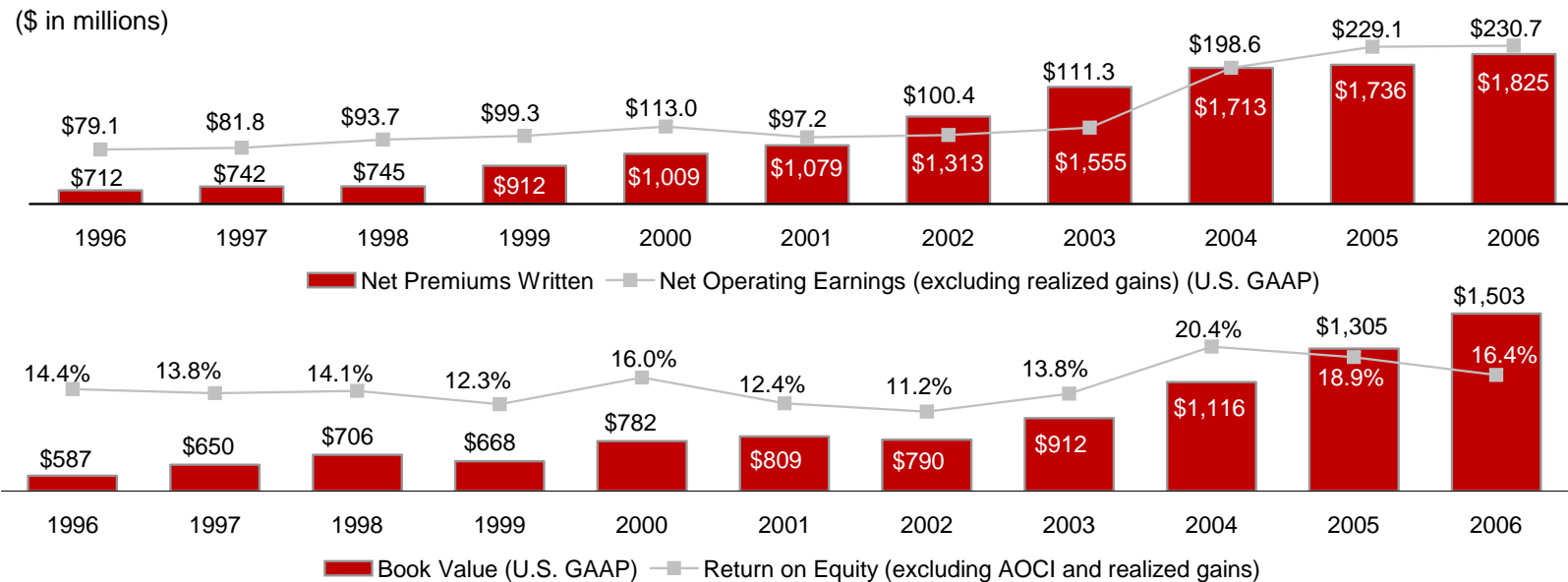
12/31/06 Total : \$3,071mn

- Nearly 90% of ABS instruments are AAA-rated and an equal percentage is mortgage-backed
- Sub-prime exposure is very limited (\$28mn) and has caused losses of \$4.7mn to date

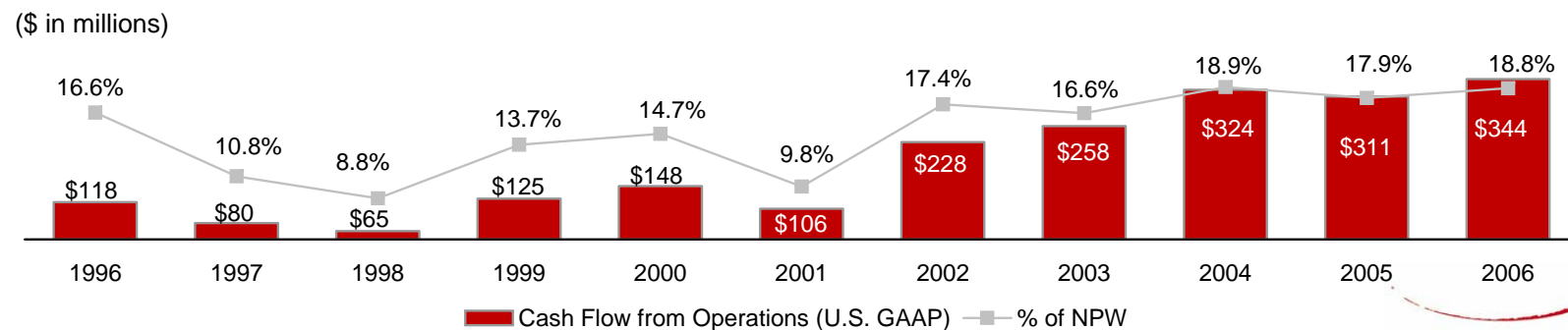


Key Strengths: profitability and cash generation

- Commerce has consistently recorded growing profits and above-industry-average returns on the back of its recurring positive underwriting results and strong net financial income



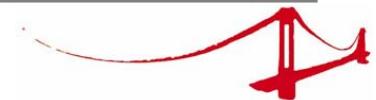
- Cash generation is also strong, as evidenced by a cash flow from operating activities of \$344 million (18.8% of NPW)



Key strengths: experienced management team

Name	Age	Position	Biography
Gerald Fels	63	CEO, President, Chairman of the Board	<ul style="list-style-type: none"> • A Certified Public Accountant, was appointed CEO to replace Arthur Remillard, Jr. in July 2006 • Previously President and COO of Commerce Insurance since 2001 • Appointed Executive Vice President of Commerce Group in 1989
Randall V. Becker	46	CFO	<ul style="list-style-type: none"> • A Certified Public Accountant, was appointed CFO and Senior VP of Commerce Group in February 2006 • Treasurer and Chief Accounting Officer of Commerce Group from 1994 through 2006 • Assistant Treasurer and Comptroller of Commerce Group from 1990 to 1994
James A. Ermilio	44	General Counsel and EVP of MA Operations	<ul style="list-style-type: none"> • Appointed EVP of MA operations (responsible for underwriting, product/pricing and marketing) in August 2006 • Senior VP for Commerce Group in May 2001 until August 2006 • Appointed General Counsel of Commerce Group in February 2000 • Secretary of ACIC Holding and Commerce West
Lawrence Pentis	50	COO and EVP of Non-MA Operations	<ul style="list-style-type: none"> • Appointed COO/EVP of non-MA operations in January 2007 • 17 years at California State Auto Association
Arthur J. Remillard III	51	EVP, Policyholder benefits (claims)	<ul style="list-style-type: none"> • Appointed Senior VP of Policyholder Benefits in 1988 and appointed EVP of country-wide policyholder benefits in August 2006 • Became responsible for the Claims Operations of ACIC in August 2001 and of Commerce West and State-wide in 2007 • Vice President – Mortgage Operations, 1981 – 1988

Source: Company public filings.



Overview of Commerce

Strategic rationale for MAPFRE

Transaction details and financial impact

Appendix



Consistency with MAPFRE’s current strategy

Criteria	“Fit” of Commerce with MAPFRE
Markets or segments that are not fully penetrated or developed by MAPFRE	<ul style="list-style-type: none"> ● US was indicated in the past as a target market for MAPFRE ● Joint growth opportunities exist through: <ul style="list-style-type: none"> – The introduction of a specific offering for the Hispanic community (21.8 million people in the states in which Commerce presently operates, equivalent to 14% of their total population) – Business expansion in and outside of Massachusetts, including an increased penetration of the AAA club members’ base
Companies whose growth and profitability can be enhanced through the application of MAPFRE’s expertise	<ul style="list-style-type: none"> ● Commerce’s performance will be enhanced by the access to MAPFRE’s: <ul style="list-style-type: none"> – Experience competing under different regulations, which will facilitate the transition to the new regulatory environment in Massachusetts – Product knowledge across several countries in all P&C lines – Integrated and unified IT platform – Reinsurance solutions for the most appropriate protection of the portfolio
Operations that increase earnings per share in the first three years	<ul style="list-style-type: none"> ● Earnings per share accretive from the first year assuming the announced financing mix ● Return on Investment above MAPFRE’s cost of capital ● The discontinuation of listing will increase Commerce’ EBT by about \$7mn/year



MAPFRE current operations in the US

- **MAPFRE Insurance Company Of Florida**

- Company domiciled and licensed in Florida, currently writing commercial lines business and more recently personal Auto. Rated 'A-' by A.M. Best

- **MAPFRE Insurance Company**

- Company domiciled and licensed in New Jersey, as well as in 34 other states. Rated 'A-' by A.M. Best

- **Road America Motor Club**

- Acquired by MAPFRE Asistencia in 2003. Founded in 1978, provides a variety of B2B services related to roadside assistance and ancillary services to the OEM, telecom and insurance industries
- More than 19 million customers
- Two state-of-the-art call center facilities in Columbus, GA and Miami, FL
- Overall capacity for more than 2 million services annually
- Coverage of Canada (Road Canada) and Puerto Rico

- **Federal Assist**, subsidiary of MAPFRE Asistencia specialised in providing Medical Travel Assistance, Medical Case Management and Home Repairs Assistance since 1993

- Furthermore, MAPFRE operates in the Associated Commonwealth of Puerto Rico through **MAPFRE Puerto Rico**, the oldest and third-largest insurer in the island, writing P&C, Life and Health insurance. Rated 'A' by A.M. Best



U.S. personal auto markets

- MA has attractive demographics for personal auto insurance

State	Average Premium for personal auto insurance	Combined Ratio	Number of Cars Insured	Vehicles Per Housing Unit	% of Population Hispanic	Per Capita personal Income
New Jersey	\$1,184	96.3%	5,132,615	1.8	14.1%	\$43,318
District of Columbia	1,182	87.0	216,217	0.8	6.8	53,594
New York	1,122	85.7	9,100,868	1.5	13.5	40,916
Massachusetts	1,113	92.3	4,146,762	2.0	6.7	43,601
Florida	1,063	104.0	10,879,575	1.9	19.1	34,712
Rhode Island	1,059	87.7	673,359	1.8	9.4	35,757
Delaware	1,028	98.4	589,277	2.0	5.7	37,080
Connecticut	991	92.5	2,403,762	2.1	10.0	47,701
Nevada	983	105.5	1,631,401	1.3	23.2	37,420
Alaska	962	97.3	392,662	2.5	4.6	36,636
Maryland	945	91.7	3,779,282	1.9	5.3	41,587
Michigan	931	121.7	6,323,287	1.8	3.6	32,719
Arizona	926	92.5	3,661,581	1.6	27.9	30,384
Pennsylvania	849	98.6	8,281,032	1.8	3.7	34,810
Texas	845	93.5	NA	1.9	34.7	33,160
California	845	91.8	24,523,124	2.5	34.2	37,283
Hawaii	843	86.3	770,475	1.9	5.7	34,818
Washington	840	96.9	4,225,106	2.1	8.5	35,730

Source: NAIC, Bureau of Economic Analysis, U.S. Census Bureau, Insurance Information Institute, National Auto Dealers Association and AIPSO. Data as of 2005.



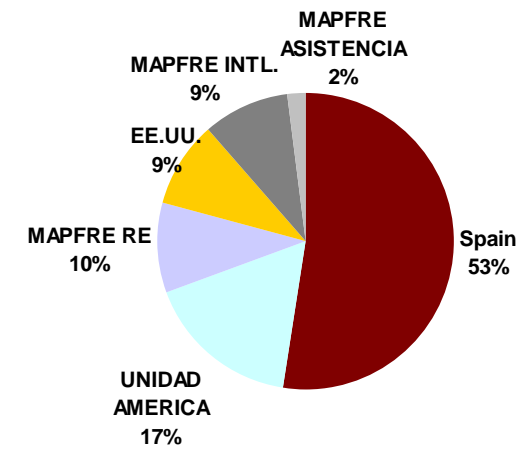
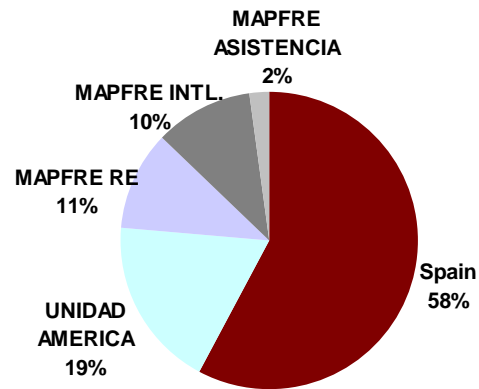
Impact on MAPFRE's business mix

On the basis of Premiums

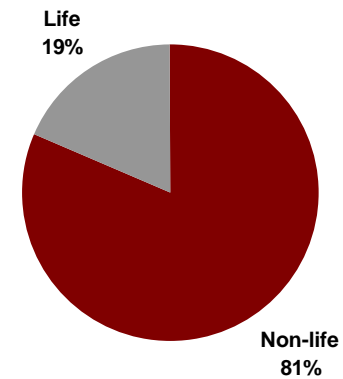
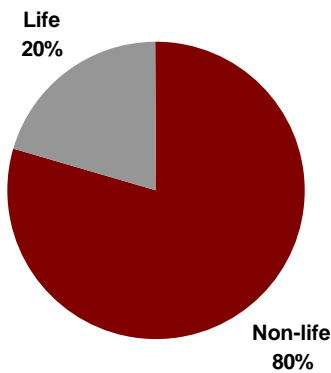
MAPFRE Standalone⁽¹⁾

MAPFRE Pro Forma

Impact on Geographic Mix



Impact on Product Mix



(1) Pro forma including recent acquisitions



Impact on MAPFRE's business profile

- MAPFRE's business profile will be strengthened by the integration of Commerce:
 - Addition of an established and solid platform to develop a business in the U.S.
 - Enhanced geographical, business cycle and currency diversification
 - Considerable strengthening of management resources and skills in North America



Overview of Commerce

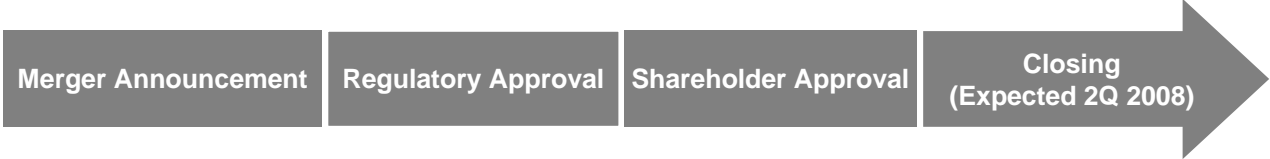
Strategic rationale for MAPFRE

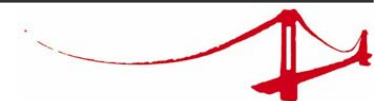
Transaction details and financial impact

Appendix



Transaction highlights

Transaction Overview	<ul style="list-style-type: none"> Acquisition of 100% of The Commerce Group Inc.
Pricing	<ul style="list-style-type: none"> Total consideration of \$2,207mn (€1,538mn), \$36.70 per share Acquisition price implies P/E 2008 of 13.1x (First Call consensus) and P/BV (Q3 '07) of 1.65x Premium to market of 17.9% vs. 30th October's closing price, 22.5% vs. the 30-day average and of 20.4% vs. the 3-month average
Structure	<ul style="list-style-type: none"> All cash consideration
Financing	<ul style="list-style-type: none"> Initial funding through a bridge loan Expected long-term funding through an equity capital raising of €500mn, hybrid debt issuance of up to €800mn and internal resources
Estimated closing	<ul style="list-style-type: none"> 2Q 2008
Operations	<ul style="list-style-type: none"> Commerce operations to remain in Massachusetts Management retention in place
Expected Timetable	
Conditions and other	<ul style="list-style-type: none"> Subject to the relevant regulatory authorisations and to the requisite approval of the merger agreement by the holders of at least two-thirds of the shares of Commerce common stock Approved by the Board of MAPFRE and recommended by the Board of Commerce



Financial impact: value creation for MAPFRE shareholders

- The acquisition of Commerce will be immediately additive to MAPFRE's EPS
- Projected returns exceed MAPFRE's cost of capital
- Funding mix aimed to protect present solvency position by combining equity issuance with a rational use of the Group's hybrid capacity

(Euros per share)	2007	2008	2009
Previously announced acquisitions ⁽¹⁾	0.005	0.016	0.021
Commerce	--	0.007	0.008
Total	0.005	0.025	0.031

(1) Genel Sigorta, CCM, MCA, Bankinter Vida, shareholding in Cattolica



Transaction structure

1. MAPFRE creates a Special Purpose Vehicle (SPV) and capitalises it with the financial resources needed to acquire Commerce
2. The merger between the SPV and Commerce is approved by the holders of at least two thirds of Commerce common stock
3. SPV and Commerce merge
4. The resulting company buys back Commerce's shares. In exchange, shareholders will receive cash



Overview of Commerce

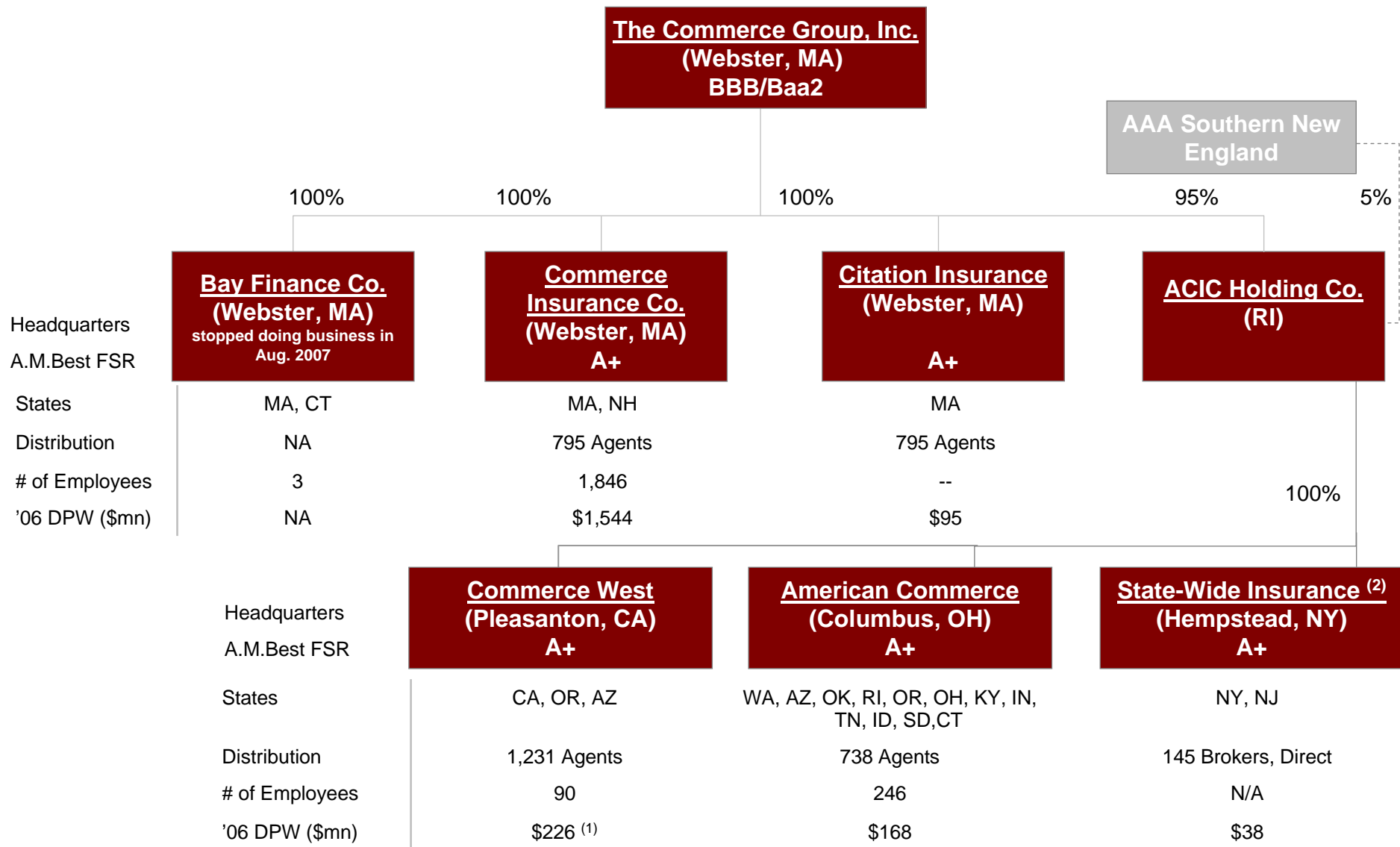
Strategic rationale for MAPFRE

Transaction details and financial impact

Appendix



Organisational structure



Source: Company financials.

N.B. Ratings represent S&P/Moody's senior unsecured debt ratings at holding company and AM Best financial strength rating at insurance subsidiary.

(1) Pro forma for \$170mn of premium from Stonewood Insurance Agency Agreement, anticipated to write \$20mn by 06/2008, \$50mn by 06/2009 and \$100mn by 06/2010.



Commerce's historical financials

Income Statement

(\$ in millions)

	For the Year Ending December 31			YTD 3Q'06	YTD 3Q'07
	2004	2005	2006		
Revenues:					
Direct Premiums Written	\$1,838.2	\$1,874.2	\$1,864.2	\$1,445.0	\$1,447.7
Premiums Assumed	128.2	132.1	99.0	78.4	78.6
Net premiums written	1,712.5	1,736.2	1,825.3	1,428.6	1,400.5
Earned Premiums	1,638.8	1,709.9	1,760.7	1,302.9	1,363.6
Net Investment Income	119.4	124.0	153.0	104.1	119.8
Premium Finance and Service Fees	28.4	28.3	28.6	21.4	23.5
Net Realized Investment Gains	23.6	22.9	16.6	7.7	28.9
Total Revenue	1,806.6	1,884.4	1,949.5	1,436.0	1,535.8
Expenses:					
Loss and Loss Adjustment Expenses	1,044.8	1,050.2	1,068.4	778.9	885.2
Policy Acquisition Costs	439.2	463.3	516.3	381.5	395.0
Interest Expense and Amortization of Bond Fees	18.3	18.3	18.3	13.7	13.7
Total Expenses	1,502.4	1,531.8	1,603.0	1,174.1	1,293.9
Earnings before Income Taxes and Minority Interest	304.2	352.6	346.4	261.9	241.8
Income Taxes	89.0	107.8	104.0	79.1	69.2
Earnings before Minority Interest	215.2	244.8	242.4	182.8	172.6
Change in Accounting Principles	0.0	0.0	0.0	0.0	0.0
Minority Interest in Earnings of Affiliates	(0.8)	(0.9)	(0.9)	(0.7)	(1.2)
Net Earnings	\$214.4	\$243.9	\$241.5	\$182.1	\$171.4

Key Balance Sheet Items and Ratios

	For the Year Ending December 31			YTD 3Q'06	YTD 3Q'07
	2004	2005	2006		
Total Investments and cash	\$2,527.7	\$2,765.3	\$3,070.8	\$2,985.3	\$2,846.6
Premiums Receivable	459.8	475.1	480.6	511.6	497.9
Total Assets	3,612.2	3,927.0	4,110.9	4,089.1	3,979.7
Unpaid Losses/Loss Adjustment Expense	990.3	989.2	971.9	957.0	1,011.9
Unearned Premiums	902.6	933.2	935.4	986.0	989.9
Bonds Payable	298.2	298.4	298.6	298.5	298.7
Stockholders Equity	1,116.2	1,305.1	1,503.3	1,477.0	1,339.9
Shareholder Dividends Paid	43.0	49.4	66.0	49.1	57.9
Key Performance Ratios:					
Return on Average Equity, Ex. AOCI	21.7%	20.2%	17.1%	13.1%	12.0%
Operating Return on Average Equity, Ex. AOCI	20.4	18.9	16.4	12.8	10.7
Loss and LAE Ratio	62.9	60.8	59.9	59.8	64.9
Underwriting Expense Ratio	24.9	26.5	29.2	27.5	29.1
Combined Ratio	87.8	87.3	89.1	87.3	94.0
Debt to Cap	21.1	18.6	16.6	16.8	17.8



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Disclaimer

In connection with the operation hereby disclosed, COMMERCE will file with the Stock Exchange Commission ("SEC"), among other materials, a proxy statement. We urge investors to read the proxy statement and these other materials when they become available because they will contain important information about COMMERCE and the proposed acquisition. Investors will be able to obtain free copies of the proxy statement (when available) as well as other filed documents containing information about the Company on the SEC's website at <http://www.sec.gov>. Likewise, free copies of the COMMERCE's SEC filings are also available at <http://www.commerceinsurance.com> (Investor Relations). MAPFRE and its directors and executive officers may be deemed, under SEC rules, to be participants in the solicitation of proxies. Information regarding such individuals is available at the web page <http://www.mapfre.com> and will also be available in a Schedule 13D to be filed by MAPFRE with the SEC.

