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## A.M. Best Comments That Mapfre's Rating Remains Unchanged Following Acquisition of Commerce Group

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CONTACTS: Public Relations Analyst(s)  
Jim Peavy Pierre-Francois Rodriguez  
+(1) 908 439-2200, ext. 5644 +(44) 20 7626 6264  
james.peavy@ambest.com pierre-  
francois.rodriquez@ambest.com

Rachelle Morrow  
+(1) 908 439-2200, ext. 5378 Michael Zboron  
rachelle.morrow@ambest.com +(44) 20 7626 6264  
michael.zboron@ambest.com

### FOR IMMEDIATE RELEASE

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**A.M. Best Co.** has commented that the issuer credit rating (ICR) of "a" of **Mapfre S.A.** (formerly Corporacion Mapfre S.A., the holding company of the Mapfre group) (Spain) remains unchanged following the announcement that Mapfre intends to acquire Commerce Group (currently rated with an FSR of A+ (Superior) and an ICR of "aa-"), a U.S. motor insurer mainly operating in Massachusetts.

Mapfre is offering \$36.70 per share to the Commerce shareholders which translates into a total consideration of USD 2.2 billion (EUR 1.5 billion). The acquisition would be realized through an equity capital raising of EUR 500 million (USD 720 million) and the issuance of EUR 800 million (USD 1.2 billion) subordinated debt with the remainder from internal resources.

A.M. Best believes that the planned acquisition would expand Mapfre's position in the U.S. market which is a target market for Mapfre.

Offsetting factors are the increase in financial leverage and the significant amount of goodwill (approximately USD 970 million), which is in addition goodwill already on the balance sheet of approximately EUR 1.3 billion (USD 1.9 billion) from previous acquisitions. The transaction is expected to close in the second quarter 2008, pending regulatory and shareholders' approvals.

Mapfre's third quarter results are in line with A.M. Best's expectations with growth in total gross written premiums of 11.8% to EUR 9.4 billion (USD 13.6 billion), mainly driven by the Life segment (36.5%) supported by the agreement with Caja Madrid, and its strong distribution network, also from expanding business in Brazil.

Mapfre's underwriting performance remains excellent with a combined ratio of 92.9% in the first nine months of 2007. Overall earnings (after tax and minority interest) stood at EUR 505 million (USD 730 million) which translates into a strong return of equity of 16.1%.

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