

**MAPFRE SUCCESSFULLY CONCLUDES ITS €700 MILLION
SUBORDINATED DEBT BOND ISSUANCE**

In an adverse credit market context, influenced by the *subprime* mortgage loans crisis in the USA, MAPFRE has successfully placed its issuance of 30-years subordinated bonds, with a call option at year 10, for an amount of €700 million at a fixed interest rate of 5.921%.

Specialised European fixed income institutional investors have received with interest this issuance, the first of its kind ever issued by a Spanish insurer and the only one carried out in Europe during the past week. The bonds were placed with investors from the UK (40%), The Netherlands (20%), Spain and Portugal (18%), France (15%), Germany and others (7%).

The proceeds of the issuance will be used to fund part of the acquisitions and joint-ventures announced by MAPFRE over the last months, and in particular: the acquisition of GENEL SIGORTA (Turkey); the joint motor insurance company with the CATTOLICA Group (Italy); the joint bancassurance companies with BANKINTER and CAJA CASTILLA LA MANCHA, as well as the recently announced negotiations for an agreement with CAJA DUERO.

Given their long-term debt nature and their subordination features, these bonds, within defined limits, are considered to be similar to shareholders' equity by the supervisory authorities and the rating agencies. These bonds will be listed on the AIAF Fixed Income Market, having received today the relevant authorisation from the CNMV ('Comisión Nacional del Mercado de Valores', Spain's National Commission for the Securities Market).

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