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**AM Best Affirms Credit Ratings of Most of MAPFRE S.A.'s Rated Operating Subsidiaries;
Upgrades Issuer Credit Ratings of Certain US Subsidiaries**

AMSTERDAM, 19 October 2022—AM Best has affirmed the Financial Strength Rating of A (Excellent) and the Long-Term Issuer Credit Ratings (Long-Term ICR) of “a+” (Excellent) of most of MAPFRE S.A.’s (MAPFRE) rated operating subsidiaries. Concurrently, AM Best has upgraded the Long-Term ICR to “a+” (Excellent) from “a” (Excellent) and affirmed the FSR of A (Excellent) of certain rated U.S. operating subsidiaries. The outlook of these Credit Ratings (ratings) is stable. See below for a detailed listing of companies and ratings.

The ratings reflect MAPFRE’s balance sheet strength, which AM Best assesses as very strong, as well as its strong operating performance, favourable business profile and appropriate enterprise risk management.

MAPFRE’s balance sheet strength is underpinned by risk-adjusted capitalisation that exceeds the level required to support the strongest assessment, as measured by Best’s Capital Adequacy Ratio (BCAR). AM Best expects the group’s risk-adjusted capitalisation to be maintained at the strongest level prospectively, supported by strong internal capital generation and a conservative investment portfolio. A partially offsetting factor is MAPFRE’s moderate dependence on retrocession; however, the risk associated with this dependence is mitigated partly by the credit quality of the retrocession panel, which is excellent, with most of the reinsurance recoverables held with highly rated counterparties.

MAPFRE's operating performance is strong, demonstrated by a 10-year (2012-2021) weighted average return on equity and combined ratio of 10.4% and 96.3%, respectively (as calculated by AM Best). In 2021, MAPFRE delivered a net profit of EUR 1.04 billion (2020: EUR 820.7 million) (after tax, including minority share), driven primarily by the insurance segment in Spain. For the first half of 2022, the group reported a net profit of EUR 513.8 million (half-year 2021: EUR 490 million). Additionally, the group reported a combined ratio of 98.3%, which deteriorated from 95.1% during the same time last year, due to higher loss ratios in the auto and health lines of business. Operating profitability continues to be supported by healthy investment income.

MAPFRE is a multinational insurer and reinsurer, with excellent product and geographic diversification. Through its subsidiaries, MAPFRE provides insurance, reinsurance, assistance and global risks products worldwide. The group's strong franchise and long-standing client relationships allow MAPFRE to maintain its position in key target markets. Through its reinsurance subsidiary, MAPFRE is well-positioned to benefit from improved reinsurance market conditions.

The FSR of A (Excellent) and Long-Term ICRs of "a+" (Excellent) have been affirmed, with stable outlooks, for the following operating subsidiaries:

- MAPFRE RE, Compañía de Reaseguros, S.A.
- MAPFRE España, Compañía de Seguros y Reaseguros S.A.
- MAPFRE Panamá S.A.
- MAPFRE PRAICO Insurance Company
- MAPFRE Pan American Insurance Company

The Long-Term ICR has been upgraded to "a+" (Excellent) from "a" (Excellent) and the FSR of A (Excellent) has been affirmed, with stable outlooks, for the following operating subsidiaries:

- Commerce Insurance Company
- Citation Insurance Company
- Commerce West Insurance Company
- American Commerce Insurance Company
- MAPFRE Insurance Company

The FSR of A (Excellent), the Long-Term ICRs of "a+" (Excellent), and Mexico National Scale Rating of "aaa.MX" (Exceptional) have been affirmed, with a stable outlook, for the following operating subsidiaries:



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This press release relates to Credit Ratings that have been published on AM Best’s website. For all rating information relating to the release and pertinent disclosures, including details of the office responsible for issuing each of the individual ratings referenced in this release, please see AM Best’s [Recent Rating Activity](#) web page. For additional information regarding the use and limitations of Credit Rating opinions, please view [Guide to Best’s Credit Ratings](#). For information on the proper use of Best’s Credit Ratings, Best’s Preliminary Credit Assessments and AM Best press releases, please view [Guide to Proper Use of Best’s Ratings & Assessments](#).

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