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## A.M. Best Affirms Ratings of MAPFRE RE, Compañia de Reaseguros, S.A.

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### FOR IMMEDIATE RELEASE

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**A.M. Best Co.** has affirmed the financial strength rating of A+ (Superior) and the issuer credit rating of "aa" of **MAPFRE RE, Compañia de Reaseguros, S.A.** (Mapfre Re) (Spain). The outlook on both ratings is positive, in line with the ultimate parent company, **Mapfre Mutualidad de Seguros y Reaseguros** (Mapfre).

The ratings reflect the full enhancement received from Mapfre. The ratings also factor Mapfre Re's strong stand-alone risk-adjusted capitalisation, excellent operating performance and its leading position in the Spanish-speaking markets.

**Strong risk-adjusted capitalisation**—Mapfre Re's risk-adjusted capitalisation is strong, and A.M. Best expects this level to be maintained through a capital increase in 2007 and retained earnings to compensate for the strong premium growth anticipated in 2006 and 2007.

**Excellent operating performance**—In 2006, A.M. Best believes the company is likely to achieve a combined ratio of approximately 91%, translating into after-tax profits of approximately EUR 90 million (USD 115 million) and a return on net premiums of approximately 8% as the company is expected to limit its property and natural catastrophe exposure and focus more on personal lines. A.M. Best believes Mapfre Re benefits from the stability provided by the business written by the various Mapfre subsidiaries and the good rating environment of the open market portfolio.

**Excellent business position**—Mapfre Re has an excellent business profile in Spain and the Spanish-speaking markets. It is an integral component of the Mapfre group, as beginning in 2007, the company will be the sole reinsurer for various Mapfre companies (except for facultative cessions), which will account for approximately 37% of Mapfre Re's total premium in 2006. A.M. Best expects Mapfre Re's gross premiums written to increase by approximately 20% to EUR 1.6 billion (USD 2 billion) at year-end 2006, reflecting strong anticipated growth in Latin America.

For Best's Ratings, an overview of the rating process and rating methodologies, please visit [Best's Rating Center](#).

**A.M. Best Co., established in 1899, is the world's oldest and most authoritative insurance rating and information source.**

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