

HALF-YEARLY INFORMATION

OFFICIAL NAME:

CORPORACION MAPFRE, S.A.

- Financial Institutions..... B**
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- General..... G**
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DATE:

9 February 2005

HALF:

2nd 2004

INSURANCE

INFORMATION RELATIVE TO:

HALF

SECOND

YEAR

2004

I. ISSUER IDENTIFICATION DATA

OFFICIAL NAME:
CORPORACION MAPFRE, S.A.

LEGAL ADDRESS:

Paseo de Recoletos, 25
28004 MADRID

N.I.F.

A/08055741

Persons assuming responsibility for the information contained herein, positions they hold with the company, and identification of the power and authority by virtue of which they represent the company:

Mr. Domingo Sugranyes Bickel
Vice-Chairman and Chief Executive Officer of CORPORACION MAPFRE, S.A.
Public deed nº 2845 signed before notary public Mr. José María Prada Guaita on 20 September 2001

SIGNATURE:

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II. CHANGES IN THE CONSOLIDATED GROUP

A) Changes in company name

In this fiscal year, the following companies have changed their corporate names:

Former name	New name
QUAVITAE, S.A.	MAPFRE QUAVITAE S.A.
MAPFRE USA CORPORATION	MAPFRE PRAICO CORPORATION
MAPFRE CORPORATION OF FLORIDA	MAPFRE USA CORPORATION
PUERTO RICAN AMERICAN INSURANCE COMPANY	MAPFRE PRAICO INSURANCE COMPANY
PUERTO RICAN AMERICAN LIFE INSURANCE COMPANY	MAPFRE LIFE INSURANCE COMPANY
PREFERRED RISK INSURANCE COMPANY	MAPFRE PREFERRED RISK INSURANCE COMPANY
PAN AMERICAN INSURANCE COMPANY	MAPFRE PAN AMERICAN INSURANCE COMPANY
INVERSIONES MAPFRE CHILE RE S.A.	MAPFRE CHILE REASEGUROS S.A.
SEGESYMED S.L. SOCIEDAD UNIPERSONAL	SEGESYMED S.A. SOCIEDAD UNIPERSONAL
GESMUSINI CARTERAS S.G.C. S.A. SOCIEDAD UNIPERSONAL	GESMUSINI GESTIÓN S.A. SOCIEDAD UNIPERSONAL

B) Changes in consolidation methods or procedures

1) In the present fiscal year, the following companies, which in the preceding year did not form part of the consolidation perimeter, were fully consolidated:

a) Due to acquisition in the year:

- MELIÁ TOUR (Spain)
- QUAVITAE BALEARES S.A. (Spain)
- QUAVITAE BIZI-KALIKATE S.L. (Spain)
- SERVEIS INTEGRALS PER A L'AUTONOMIA S.A. (Spain)
- ELIPSE CANARIAS S.A. (Spain)

2) Due to commencement of activity or increase in shareholdings in the present year, the following companies which in the previous fiscal year were accounted for by the equity method were fully consolidated:

- MAPFRE LIFE INSURANCE COMPANY (Puerto Rico)
- MAPFRE ASISTENCIA ORO S.A. (Spain)
- MAPFRE QUAVITAE S.A. (Spain)
- BIOINGENIERIA ARAGONESA S.L. (Spain)

3) The following companies, which in the previous year did not form part of the consolidation perimeter, were consolidated proportionally:

a) Due to acquisition in the year:

- AZUL CENTROS RESIDENCIALES S.A. (Spain)
- PROVITAE CENTROS ASISTENCIALES S.L. (Spain)

4) In fiscal year 2004, the following companies ceased to be subsidiaries or affiliates of the Group, due to the reasons indicated below:

a) Sale to MAPFRE MUTUALIDAD:

- MAPFRE USA CORPORATION (United States)
- AMSTAR INSURANCE COMPANY (United States)
- AMSTAR MANAGEMENT COMPANY (United States)
- MAP HOLDING (United States)
- M&F PREMIUM FINANCE (United States)
- MAPFRE INSURANCE COMPANY OF FLORIDA (United States)

b) Winding-up:

- SOCIEDAD CONSTRUCTORA Y DE INVERSIONES MARTÍN ZAMORA LTD. (Chile)
- COMPAÑÍA NACIONAL DE RENTAS S.A. (Chile)
- INMOBILIARIA CONDOMINIO PARQUE ZAPALLAR S.A. (Chile)
- MAPFRE SOFT AMÉRICA S.A. (Uruguay)
- ADS MAPFRE-CAJAMADRID A.I.E. (Spain)

c) Take-over by, merger with, or winding-up with overall assignment of assets and liabilities to another Group Company:

- MAPFRE FINISTERRE S.A. COMPAÑÍA DE SEGUROS Y REASEGUROS (Spain); taken over by MAPFRE SEGUROS GENERALES.
- ORIENTE S.A. COMPAÑÍA DE SEGUROS SOCIEDAD UNIPERSONAL (Spain); taken over by MAPFRE SEGUROS GENERALES.
- CANADAN LIFE INSURANCE COMPANY (Puerto Rico); taken over by MAPFRE LIFE INSURANCE COMPANY.
- CITEREA S.L. (Spain); taken over by VIAJES MAPFRE S.A.

III. BASIS OF PRESENTATION AND VALUATION CRITERIA

The presentation of the results of all consolidated companies follows the same accounting principles, criteria and policies which were applied in the latest annual accounts.

IV. NON-CONSOLIDATED BALANCE SHEET

Unit: thousand euros

ASSETS		CURRENT YEAR	PREVIOUS YEAR
A) SHAREHOLDERS, UNCALLED CAPITAL	0200		
I. Start-up expenses	0210	7,526	0
II. Intangible Assets	0220	537	1,598
III. Deferred expenses	0230	875	926
B) INTANG. ASSETS, START-UP EXPENSES, DEFERRED EXPENSES.	0240	8,938	2,524
I. Tangible Investments	0250	0	0
II. Financial Investments	0260	108,197	4,510
III. Investments in Group Companies and Affiliates	0270	1,169,156	1,004,495
IV. Deposits established for accepted reinsurance	0280	0	0
C) INVESTMENTS	0290	1,277,353	1,009,005
D) INVESTMENTS ON ACCOUNT OF LIFE POLICYHOLDERS ASSUMING INVESTMENT RISK	0310		
E) PARTICIPATION BY REINSURANCE IN TECHNICAL RESERVES	0320	0	0
I. Receivables on direct insurance, reins. and coins. business (policyholders, brokers)	0330	0	0
II. Tax, corporate and other credits	0340	52,074	45,845
III. Shareholders, called capital	0350	0	0
IV. Tangible Fixed Assets	0355	254	338
V. Cash and Banks	0360	114,095	4,443
VI. Treasury Stock in Special Status	0365	0	0
VII. Other Assets Net of Provisions	0366	6,083	1,853
VIII. Accruals	0370	15	17
F) RECEIVABLES, OTHER ASSETS AND ACCRUAL ACCOUNTS	0380	172,521	52,496
TOTAL ASSETS (A+B+C+D+E+F)	0390	1,458,812	1,064,025

LIABILITIES		CURRENT YEAR	PREVIOUS YEAR
I. Subscribed capital	0500	119,450	90,782
II. Reserves	0510	898,322	426,445
III. Treasury stock for capital decrease	0515	0	0
IV. Results from previous years	0520	88,193	78,590
V. Result for the year	0530	94,438	47,732
VI. Interim dividend paid during the year	0540	-35,835	-19,972
A) CAPITAL AND RESERVES	0550	1,164,568	623,577
B) DEFERRED INCOME	0590	115	115
C) SUBORDINATED LIABILITIES	0595	0	0
D) TECHNICAL RESERVES	0600	0	0
E) TECH. RESRVS. (LIFE) WHEN INV. RISK IS ASSUMED BY POLICYHOLDERS	0605	0	0
F) PROVISIONS FOR RISKS AND EXPENSES	0610	6,621	10,217
G) DEPOSITS RECEIVED ON CEDED REINSURANCE	0620	0	0
I. Bond and other stock issues	0630	275,000	275,000
II. Due to credit institutions	0635	0	140,373
III. Debts on direct insurance, reins. and coins. (policyholders, brokers)	0640	0	0
IV. Debts on transactions in preparation of insurance contracts	0645	0	0
V. Debts on asset repurchase agreements	0646	0	0
VI. Other liabilities	0650	4,661	6,942
VII. Accruals	0670	7,847	7,801
H) DEBTS AND ACCRUED LIABILITIES	0680	287,508	430,116
TOTAL LIABILITIES (A+B+C+D+E+F+G+H)	0690	1,458,812	1,064,025

V. NON-CONSOLIDATED RESULTS

Unit: thousand euros

		CURRENT YEAR	PREVIOUS YEAR
		Amount	Amount
I. Earned premiums, net of reinsurance (non-life)	0800	0	0
II. Earned premiums, net of reinsurance (life)	0810	0	0
A) NET EARNED PREMIUMS (I+II)	0820	0	0
III. Claims incurred, net of reinsurance (non-life)	0830	0	0
IV. Claims incurred, net of reinsurance (life)	0840	0	0
B) NET CLAIMS (III+IV)	0850	0	0
V. Variation in other technical reserves, net of reinsurance (non-life)	0852	0	0
VI. Variation in other technical reserves, net of reinsurance (life)	0853	0	0
C) VARIATION IN OTHER NET TECHNICAL RESERVES (+/-V+/-VI)	0855	0	0
VII. Profit sharing and returns (non-life)	0860	0	0
VIII. Profit sharing and returns (life)	0865	0	0
IX. Net operating expenses (non-life)	0870	0	0
X. Net operating expenses (life)	0875	0	0
XI. Variation in the equalisation reserve (non-life)	0880	0	0
D) PROFIT SHARING & OTHER OPERATING EXPENSES (VII+VIII+IX+X+/-XI)	0890	0	0
XII. Other technical results (non-life)	0900	0	0
XIII. Other technical results (life)	0910	0	0
E) TECHNICAL RESULTS (A-B+/-C-D+/-XII+/-XIII)	0920	0	0
XIV. Income from operating investments (non-life)	0930	0	0
XV. Income from operating investments (life)	0935	0	0
XVI. Expenses from operating investments (non-life)	0940	0	0
XVII. Expenses from operating investments (life)	0945	0	0
XVIII. Unrealised capital gains and losses on investments (life)	0950	0	0
F) TECHNICAL FINANCIAL RESULT (E+XIV+XV-XVI-XVII+/-XVIII)	0960	0	0
G) TECHNICAL RESULT (non-life) (I-III+/-V-VII-IX+/-XI+/-XII+XIV-XVI)	0961	0	0
H) TECHNICAL RESULT (life) (II-IV+/-VI-VIII-X+/-XIII+XV-XVII+/-XVIII)	0962	0	0
XIX. Income from investments	0970	113,959	82,482
XX. Expenses from investments	0980	19,774	49,231
I) ORDINARY RESULT (F+XIX-XX)	1020	94,185	33,251
XXI. Other income	1025	1,975	2,776
XXII. Other expenses	1026	11,144	10,370
XXIII. Extraordinary Results	1030	-1,142	-3,652
J) PROFIT BEFORE TAXES (I+XXI-XXII+/-XXIII)	1040	83,874	22,005
XXIV. Corporate tax and others	1042	10,564	25,727
K) RESULT FOR THE YEAR (J+/-XXIV)	1044	94,438	47,732

IV. CONSOLIDATED BALANCE SHEET

Unit: thousand euros

		CURRENT YEAR	PREVIOUS YEAR
ASSETS			
A) SHAREHOLDERS, UNCALLED CAPITAL	1200	0	0
I. Start-up expenses	1210	17,869	9,360
II. Intangible assets	1220	168,498	80,293
III. Deferred expenses	1230	9,530	1,702
B) INTANG. ASSETS, START-UP EXPENSES, DEFERRED EXPENSES	1240	195,897	91,355
I. Tangible investments	1250	638,761	527,741
II. Financial investments	1260	15,048,910	13,885,642
III. Deferred expenses	1270	261,816	251,822
IV. Treasury Stock	1280	0	0
V. Deposits established for accepted reinsurance	1285	116,471	71,287
C) INVESTMENTS	1290	16,065,958	14,736,492
D) CONSOLIDATED GOODWILL	1300	343,791	456,351
E) INVEST. ON ACCOUNT OF LIFE POLICYHOLDERS ASSUMING INVEST. RISK	1310	361,141	446,101
F) PARTICIPATION BY REINSURANCE IN TECHNICAL RESERVES	1320	1,166,438	1,041,316
I. Receivables on direct insurance, reins. and coins. business (policyholders and brokers)	1330	1,134,202	1,039,412
II. Tax, corporate and other credits	1340	193,972	180,008
III. Shareholders, called capital	1350	0	0
IV. Tangible Fixed Assets	1355	81,357	72,468
V. Cash and Banks	1360	856,370	502,662
VI. Short-term Treasury Stock	1365	0	0
VII. Other assets Net of Provisions	1366	24,988	29,095
VIII. Accruals	1370	582,314	479,094
G) RECEIVABLES, OTHER ASSETS AND ACCRUAL ACCOUNTS	1380	2,873,203	2,302,739
TOTAL ASSETS (A+B+C+D+E+F+G)	1390	21,006,428	19,074,354

		CURRENT YEAR	PREVIOUS YEAR
LIABILITIES			
I. Subscribed capital	1500	119,450	90,782
II. Parent company reserves	1510	1,100,034	596,186
III. Treasury stock for capital decrease	1515	0	0
IV. Reserves in consolidated companies	1520	677,048	606,641
V. Translation differences	1530	-372,294	-326,457
VI. Results attributable to the parent company	1540	182,942	141,288
VII. Interim dividend paid during the year	1550	-35,835	-19,972
A) CAPITAL AND RESERVES	1560	1,671,345	1,088,468
B) MINORITY INTERESTS	1570	731,408	675,733
C) NEGATIVE CONSOLIDATION DIFFERENCE	1580	3,055	3,005
D) DEFERRED INCOME	1590	13,394	9,358
E) SUBORDINATED LIABILITIES	1592	0	0
F) TECHNICAL RESERVES	1595	16,180,870	14,883,594
G) TECH. RESRVs. (LIFE) WHEN INV. RISK IS ASSUMED BY POLICYHOLDERS	1600	361,141	446,101
H) PROVISIONS FOR RISKS AND EXPENSES	1610	111,510	111,503
I) DEPOSITS RECEIVED ON CEDED REINSURANCE	1620	147,724	112,068
I. Bond and other stock issues	1630	275,000	275,000
II. Due to credit institutions	1635	78,049	160,150
III. Debts on direct insurance, reins. and coins. (policyholders, brokers)	1640	590,586	528,477
IV. Debts on transactions in preparation of insurance contracts	1645	104,531	46,002
V. Debts on asset repurchase agreements	1646	0	0
VI. Other liabilities	1650	588,038	623,960
VII. Accruals	1670	149,777	110,935
J) DEBTS AND ACCRUED LIABILITIES	1680	1,785,981	1,744,524
TOTAL LIABILITIES (A+B+C+D+E+F+G+H+I+J)	1690	21,006,428	19,074,354

V. CONSOLIDATED RESULTS

Unit: thousand euros

		CURRENT YEAR		PREVIOUS YEAR	
		Amount	%	Amount	%
I. Earned premiums, net of reinsurance (non-life)	1800	3,207,167	62%	2,745,277	62%
II. Earned premiums, net of reinsurance (life)	1810	1,934,964	38%	1,665,031	38%
A) NET EARNED PREMIUMS (I+II)	1820	5,142,131	100%	4,410,308	100%
III. Claims incurred, net of reinsurance (non-life)	1830	2,116,812	41%	1,826,716	41%
IV. Claims incurred, net of reinsurance (life)	1840	1,780,101	35%	1,255,134	28%
B) NET CLAIMS INCURRED (III+IV)	1850	3,896,913	76%	3,081,850	70%
V. Variation in other technical reserves, net of reinsurance (non-life)	1852	-32,065	-1%	-35,142	-1%
VI. Variation in other technical reserves, net of reinsurance (life)	1853	-532,173	-10%	-727,786	-17%
C) VARIATION IN OTHER NET TECHNICAL RESERVES (+/-V+/-VI)	1855	-564,238	-11%	-762,928	-17%
VII. Profit sharing and returns (non-life)	1860	2,405	0%	2,274	0%
VIII. Profit sharing and returns (life)	1865	30,860	1%	23,357	1%
IX. Net operating expenses (non-life)	1870	828,253	16%	732,034	17%
X. Net operating expenses (life)	1875	126,236	2%	103,051	2%
XI. Variation in the equalisation reserve (non-life)	1880	31,707	1%	31,368	1%
D) PROFIT SHARING & OTHER OPERATING EXPENSES (VII+VIII+IX+X+/-XI)	1890	1,019,461	20%	892,084	20%
XII. Other technical results (non-life)	1900	-43,424	-1%	-52,933	-1%
XIII. Other technical results (life)	1910	-14,805	0%	-12,576	0%
E) TECHNICAL RESULTS (A-B+/-C-D+/-XII+/-XIII)	1920	-396,710	-8%	-392,063	-9%
XIV. Income from operating investments (non-life)	1930	244,439	5%	264,470	6%
XV. Income from operating investments (life)	1935	844,036	16%	704,817	16%
XVI. Expenses from operating investments (non-life)	1940	83,814	2%	90,505	2%
XVII. Expenses from operating investments (life)	1945	209,084	4%	168,603	4%
XVIII. Unrealised capital gains and losses on investments (life)	1950	18,546	0%	24,882	1%
F) TECHNICAL FINANCIAL RESULT (E+XIV+XV-XVI-XVII+/-XVIII)	1960	417,413	8%	342,998	8%
G) TECHNICAL RESULT (non-life) (I-III+/-V-VII-IX+/-XI+/-XII+XIV-XVI)	1965	313,126	6%	238,775	5%
H) TECHNICAL RESULT (life) (II-IV+/-VI-VIII-X+/-XIII+XV-XVII+/-XVIII)	1966	104,287	2%	104,223	2%
XIX. Results from investments	1970	15,048	0%	12,453	0%
XX. Translation results	1980	544	0%	213	0%
XXI. Income from companies accounted for by the equity method	1990	33,159	1%	25,122	1%
XXII. Amortisation of consolidation goodwill	2000	32,122	1%	25,600	1%
XXIII. Consolidation differences	2010	0	0%	0	0%
I) ORDINARY RESULT (F+/-XIX+/-XX+/-XXI-XXII+XXIII)	2020	434,042	8%	355,186	8%
XXIV. Other income	2025	116,316	2%	75,767	2%
XXV. Other expenses	2026	145,634	3%	97,004	2%
XXVI. Extraordinary Results	2030	-1,342	0%	-13,352	0%
J) PROFIT BEFORE TAXES (H+XXIV-XXV+/-XXVI)	2040	403,382	8%	320,597	7%
XXVII. Corporate tax	2042	-118,421	-2%	-92,428	-2%
K) RESULT (I+/-XXVII)	2044	284,961	6%	228,169	5%
+/- Results attributable to minority interests	2050	-102,019	-2%	-86,881	-2%
= RESULTS FOR THE YEAR ATTRIBUTABLE TO THE CONTROLLING COMPANY	2060	182,942	4%	141,288	3%

VI. BREAKDOWN OF EARNED PREMIUMS BY BRANCH OF BUSINESS

NON-LIFE BRANCHES	NON-CONSOLIDATED		CONSOLIDATED	
	Curr. Year	Prev. Year	Curr. Year	Prev. Year
General Insurance - Direct Insurance Spain	2100		2,085,283	1,585,270
Credit and Guarantee – Direct Insurance Spain	2115		113,870	96,822
Direct Insurance abroad	2120		1,193,444	1,135,540
Reinsurance	2125		487,465	434,190
Assistance	2130		165,361	129,807
TOTAL PREMIUMS FOR THE YEAR Non-Life (direct and accepted)	2140		4,045,423	3,381,630
TOTAL PREMIUMS FOR THE YEAR Non-Life (ceded and retroceded)	2145		-838,256	-636,353
TOTAL NET EARNED PREMIUMS Non-Life	2150		3,207,167	2,745,277
TOTAL PREMIUMS FOR THE YEAR Life (direct and accepted)	2185		2,005,102	1,713,462
TOTAL PREMIUMS FOR THE YEAR Life (ceded and retroceded)	2190		-70,138	-48,431
TOTAL NET EARNED PREMIUMS Life	2195		1,934,964	1,665,031
TOTAL NET EARNED PREMIUMS	2200		5,142,131	4,410,308
Spain	2205		3,661,995	3,118,458
Foreign Subsidiaries: EU.	2210		220,245	177,602
O.E.C.D.	2215		402,902	399,019
Other Countries	2220		856,989	715,229

Thousand euros

VII. AVERAGE NUMBER OF EMPLOYEES DURING THE YEAR

		NON-CONSOLIDATED		CONSOLIDATED	
		Curr. Year	Prev. Year	Curr. Year	Prev. Year
TOTAL PERSONS EMPLOYED	3000	37	62	14,784	11,655

VIII) BUSINESS DEVELOPMENT

◆ OPERATING REVENUES

In 2004, the total operating revenues of CORPORACION MAPFRE and its subsidiaries reached €8,138.1 million, including €254.2 million of new contributions to pension funds. The breakdown of these revenues by business line was as follows:

TOTAL REVENUES (Million euros)			
	2004	2003	% Var. 04/03
INCOME FROM CONSOLIDATED SUBSIDIARIES			
Companies operating primarily in Spain			
Direct insurance premiums: Non-life	2,377.0	1,776.1	33.8%
Direct insurance premiums: Life	1,886.4	1,644.9	14.7%
Income from investments	958.2	834.0	14.9%
Real estate management and development (*)	55.2	49.2	12.2%
Other income (**)	103.5	133.8	-22.6%
Cumulative Subtotal	5,380.3	4,438.0	21.2%
Companies operating primarily abroad			
Direct insurance premiums: Non-life	1,241.7	1,204.0	3.1%
Direct insurance premiums: Life	64.6	39.8	62.3%
Accepted reinsurance premiums	1,132.6	866.4	30.7%
Assistance premiums and other income	272.4	207.7	31.2%
Income from investments	211.1	243.8	-13.4%
Other income (**)	7.2	50.8	-85.8%
Cumulative Subtotal	2,929.6	2,612.5	12.1%
Cumulative income Subtotal	8,309.9	7,050.5	17.9%
Intra-group transactions eliminated upon consolidation	-426.0	-357.5	19.2%
CONSOLIDATED INCOME SUBTOTAL	7,883.9	6,693.0	17.8%
CONTRIBUTIONS TO PENSIONS FUNDS	254.2	223.8	13.6%
TOTAL INCOME FROM OPERATIONS	8,138.1	6,916.8	17.7%

(*) Equity-accounted.

(**) Includes income from companies equity accounted.

Both cumulative and total consolidated income increased with respect to the previous year, the former by 17.9% (a 2.3% decrease in 2003), and total consolidated income by 17.8% (a 3.6% decrease in 2003). These positive developments were characterised by the following factors:

- Organic growth in premiums volume across most markets and business lines.
- The inclusion of MUSINI and MUSINI VIDA, companies acquired in 2003 and consolidated from the third quarter of that year.
- Transactions related to the externalisation of corporate pension commitments in Spain amounting to €113.6 million that were not carried out in 2003.

Conversely, as it happened in the previous year, the growth in revenues and premiums volumes in 2004 was adversely affected by the 9% appreciation of the euro against the US dollar.

Spain

The gross written and accepted premiums of the companies operating primarily in Spain evolved as follows:

CONSOLIDATED PREMIUMS AND CONTRIBUTIONS TO PENSION FUNDS			
	Million euros		
	2004	2003	% Var. 04/03
LIFE INSURANCE OPERATING UNIT	1,843.1	1,651.4	11.6%
MAPFRE VIDA	1,790.8	1,622.4	10.4%
MUSINI VIDA ⁽¹⁾	52.3	29.0	80.3%
GENERAL INSURANCE OPERATING UNIT	1,021.1	895.9	14.0%
MAPFRE SEGUROS GENERALES ⁽²⁾	818.3	716.0	14.3%
MAPFRE GUANARTEME	202.8	179.9	12.7%
COMMERCIAL INSURANCE OPERATING UNIT	1,081.9	596.6	81.3%
MAPFRE INDUSTRIAL	544.0	444.3	22.4%
MAPFRE CAUCIÓN Y CRÉDITO	118.0	104.6	12.8%
MUSINI, S.A. ⁽¹⁾	419.9	47.7	780.3%
MAPFRE CAJA SALUD	317.3	277.1	14.5%
TOTAL	4,263.4	3,421.0	24.6%
CONTRIBUTIONS TO PENSION FUNDS	254.2	223.8	13.6%

(1) 2003 figures only include the last quarter of that fiscal year.

(2) For comparative purposes the figures of MAPFRE SEGUROS GENERALES in 2003 include those of its subsidiary MAPFRE FINISTERRE, which it absorbed in the current fiscal year.

Premiums growth in the Life Insurance Operating Unit must be considered as very satisfactory given the current low interest rate environment. It is worthwhile to highlight the €113.6 million income from a new externalisation transaction.

Business growth in the General Insurance Operating Unit came primarily from multi-peril lines which recorded increases above 15%. In 2004, the 2 million insured homes and 4 million outstanding policies marks were exceeded. It is worth noting that MAPFRE GUANARTEME grew in excess of 10% in Motor Insurance.

The Commercial Insurance Operating Unit – two years after its creation and after the complete integration of MUSINI – stands out as one of the main pillars of business in Spain, with very significant increases in the Civil Liability and Engineering business lines. In fiscal year 2003 only the last quarter premiums of MUSINI S.A. were included.

Lastly, MAPFRE CAJA SALUD, which operates in a highly specialised business line, has achieved premiums growth in line with previous years.

The following table shows a breakdown of written and accepted premiums by line of business in 2003 and 2004, together with their corresponding market shares (provisional in the case of 2004):

WRITTEN AND ACCEPTED PREMIUMS				Market Shares	
	Million euros				
	2004	2003	% Var. 04/03	2004	2003
Motor (MAPFRE Guanarteme)	145.5	131.7	10.5%	1.3%	1.2%
Health	317.3	277.1	14.5%	8.0%	7.7%
Other - Non-Life	1,914.2	1,367.3	40.0%	17.0%	16.6%
TOTAL NON-LIFE	2,377.0	1,776.1	33.8%	8.8%	8.6%
Life Risk	213.1	142.5	49.5%		
Life Savings	1,559.7	1,502.4	3.8%		
Life Externalisations	113.6	---	---		
TOTAL LIFE	1,886.4	1,644.9	14.7%	9.9%	9.5%
TOTAL	4,263.4	3,421.0	24.6%	9.3%	8.9%

The breakdown of the premiums written and accepted by the most representative subsidiaries through the agents channel and the CAJA MADRID bank channel are shown in the following table:

WRITTEN AND ACCEPTED PREMIUMS			
	Million euros		
	2004	2003	% Var. 04/03
AGENTS CHANNEL	3,248.2	2,499.0	30.0%
MAPFRE VIDA ⁽¹⁾	953.4	829.7	14.9%
MAPFRE SEGUROS GENERALES	942.4	838.7	12.4%
MAPFRE INDUSTRIAL	512.0	413.7	23.8%
MAPFRE CAJA SALUD	302.5	265.5	13.9%
MAPFRE CAUCIÓN Y CRÉDITO	118.0	103.7	13.8%
MUSINI S.A.	419.9	47.7	---
CAJA MADRID BANK CHANNEL	901.6	922.0	-2.2%
MAPFRE VIDA ⁽¹⁾	776.1	821.7	-5.5%
MAPFRE SEGUROS GENERALES	78.7	57.2	37.6%
MAPFRE INDUSTRIAL	32.0	30.6	4.6%
MAPFRE CAJA SALUD	14.8	11.6	27.6%
MAPFRE CAUCIÓN Y CRÉDITO	0.0	0.9	---

(1) Excluding externalisations.

The following table shows the evolution of the funds managed in Life and Savings products:

MANAGED SAVINGS			
(Million euro)			
	2004	2003	% Var. 04/03
Technical reserves - Life insurance	12,265.0	11,645.0	5.3%
MAPFRE VIDA	11,679.5	11,126.0	5.0%
Other subsidiaries	585.5	519.0	12.8%
Pension Funds ⁽¹⁾	1,103.2	927.4	19.0%
MAPFRE VIDA	1,034.8	853.0	21.3%
Other subsidiaries	68.4	74.4	-8.1%
Mutual Funds	2,680.1	2,373.8	12.9%
MAPFRE VIDA	2,648.1	2,340.7	13.1%
Other subsidiaries	32.0	33.1	-3.3%
TOTAL	16,048.3	14,946.2	7.4%

(1) Pension funds do not include defined benefit funds amounting to €733.7 and €704.3 million in 2004 and 2003 respectively.

International

Premiums written by Units and companies which operate primarily abroad evolved as follows:

CONSOLIDATED PREMIUMS			
	Million euros		% Var.
	2004	2003	04/03
<u>DIRECT INSURANCE</u>			
<u>MAPFRE AMERICA (countries)</u>			
Argentina	161.8	139.2	16.2%
Brazil	259.3	223.5	16.0%
Chile	95.2	79.0	20.5%
Colombia	42.2	37.1	13.7%
El Salvador	28.1	27.9	0.7%
Mexico	249.1	306.8	-18.8%
Paraguay	7.3	6.9	5.8%
Peru	22.6	21.2	6.6%
Puerto Rico	223.9	200.6	11.6%
Uruguay	8.1	6.9	17.4%
Venezuela	198.6	186.8	6.3%
Subtotal	1,296.2	1,235.9	4.9%
<u>OTHER COUNTRIES</u>			
The Philippines	10.1	7.9	27.8%
Total Direct Insurance	1,306.3	1,243.8	5.0%
<u>ACCEPTED REINSURANCE</u>			
	1,132.6	866.4	30.7%
<u>ASSISTANCE</u>			
	189.9	131.3	44.6%
TOTAL CUMULATIVE PREMIUMS			
	2,628.8	2,241.5	17.3%
Intra-group transactions eliminated upon consolidation	-471.5	-347.7	35.6%
TOTAL CONSOLIDATED PREMIUMS			
	2,157.3	1,893.8	13.9%

The breakdown by business line of the direct insurance premiums written by companies operating abroad is shown in the following table:

WRITTEN PREMIUMS			
	Million euros		
	2004	2003	% Var. 04/03
Motor	619.2	633.6	-2.3%
Health and accidents	181.8	150.5	20.8%
Other Non-Life	440.7	419.9	5.0%
TOTAL NON-LIFE	1,241.7	1,204.0	3.1%
TOTAL LIFE	64.6	39.8	62.3%
TOTAL	1,306.3	1,243.8	5.0%

The direct insurance subsidiaries of MAPFRE AMÉRICA wrote in 2004 premiums amounting to €1,296.2 million, of which €64.6 million corresponded to Life insurance (€39.8 million in 2003) and €1,231.6 million to Non-Life insurance (€1,196.1 million in 2003). Puerto Rico, which began operating in Health insurance in 2004, Argentina and Venezuela achieved outstanding growth rates in Non-Life insurance. The other countries recorded premium volumes slightly above those achieved in 2003, with the exception of Mexico, which shows a decrease mainly due to the cancellation of group contracts in Motor insurance.

MAPFRE is among the leading Non-Life insurance groups in Latin-America where it ranked third in 2003 with a market share of approximately 5.8% of the Non-Life premiums of the countries and territories in which it operates. The following table shows a breakdown of the growth of direct insurance premiums in local currency in the various countries and the corresponding market shares:

% GROWTH OF PREMIUMS IN LOCAL CURRENCY			
	2004	2003	MARKET SHARE NON LIFE ⁽¹⁾
Argentina	25.6%	58.3%	7.8%
Brazil	20.3%	19.7%	4.5%
Chile	16.4%	22.0%	10.5%
Colombia	13.0%	26.0%	3.7%
El Salvador	10.0%	-0.6%	n.a.
Mexico	-7.3%	14.6%	4.0%
Paraguay	8.2%	26.4%	n.a.
Peru	14.1%	-5.3%	5.8%
Puerto Rico	40.5%	7.9%	11.6%
Uruguay	27.7%	-37.8%	5.4%
Venezuela ⁽²⁾	36.0%	29.5%	9.9%

(1) As of September 2004, excluding Argentina whose premiums are as of June 2004.

(2) Total Market share (Life and Non-Life)

In the accepted reinsurance business, MAPFRE RE and its subsidiaries obtained premiums amounting to €1,132.6 million in 2004 (€866.4 million in 2003), a 30.7% increase. Retained premiums were €772.1 million, equivalent to a 68.2% retention rate (66.9% in 2003). The increase in the capacity to underwrite risks of MAPFRE RE was supported by the €150 million capital increase carried out in 2004, within the framework of a long-term plan to develop this Unit. By geographical areas, 44% of accepted premiums came from Spain, 27% from rest of Europe, 17% from Latin America, 7% from North America and the balance from other geographical areas. MAPFRE REINSURANCE CORPORATION (New Jersey) recorded a volume of premiums of €87.3 million, against €74.4 million in 2003.

Total revenues (premiums and revenues from the sale of services) of MAPFRE ASISTENCIA and its subsidiaries reached €272.4 million, including revenues from equity accounted subsidiaries (a 31.2% increase over the previous year). The breakdown by geographical area was as follows: 25.9% from Spain; 26.1% from Latin America, 28.4% from other European countries, 13.7% from the United States and 3.1% from other areas.

MAPFRE ASIAN (The Philippines) shows an increase in premiums of 27.8% in euros, and an increase of 43.3% in local currency.

◆ MANAGEMENT RATIOS

In accordance with internationally accepted practices, the soundness of the Non-Life technical result is measured through the combined ratio, reflecting the percentage of total claims and expenses to net premiums earned. The consolidated Non-Life combined ratio of CORPORACIÓN MAPFRE was 94.3% in 2004, against 96.5% in the previous fiscal year. The evolution of the main management ratios of the Non-Life insurance subsidiaries of CORPORACIÓN MAPFRE is shown in the following table, which provides the percentage of total expenses and claims incurred over premiums earned, before reinsurance, and the combined ratios (total expenses and claims incurred over premiums earned, net of reinsurance)

NON-LIFE MANAGEMENT RATIOS						
	% GROSS EXPENSE RATIO (1)		% GROSS LOSS RATIO (2)		% COMBINED RATIO (3)	
	2004	2003	2004	2003	2004	2003
COMPANIES OPERATING PRIMARILY IN SPAIN						
MAPFRE SEGUROS GENERALES ⁽⁴⁾	29.0%	30.2%	62.5%	64.0%	93.3%	95.1%
MAPFRE INDUSTRIAL	20.6%	21.1%	59.9%	60.3%	91.1%	93.0%
MAPFRE CAUCIÓN Y CRÉDITO ⁽⁵⁾	22.8%	26.2%	56.0%	60.8%	68.0%	85.3%
MUSINI	6.8%	---	79.6%	---	77.2%	---
MAPFRE CAJA SALUD	16.9%	17.0%	82.5%	80.6%	99.4%	97.6%
MAPFRE-CAJA MADRID HOLDING	22.1%	25.1%	66.8%	65.0%	92.7%	94.7%
COMPANIES OPERATING PRIMARILY ABROAD						
MAPFRE RE	31.5%	31.5%	52.3%	55.2%	91.8%	92.5%
MAPFRE AMÉRICA	29.2%	28.9%	58.7%	59.8%	99.2%	102.2%
MAPFRE ASISTENCIA ⁽⁵⁾	20.0%	17.1%	72.6%	74.5%	92.1%	91.3%
CORPORACION MAPFRE	24.9%	26.5%	63.5%	62.6%	94.3%	96.5%

(1) (Acquisition expenses + administration expenses + profit sharing and returns – other technical income + other technical expenses)/Gross premiums earned

(2) (Gross claims incurred + variation of other technical reserves)/Gross premiums earned.

(3) (Net claims incurred + variation of other technical reserves + net operating expenses + profit sharing and returns – other technical income + other technical expenses)/Net premiums earned.

(4) Excluding its subsidiary MAPFRE INDUSTRIAL.

(5) Given the importance of services activities for MAPFRE CAUCIÓN Y CRÉDITO and MAPFRE ASISTENCIA, their expense ratios are adjusted to include the net other non-technical income.

◆ RESULTS

Consolidated result after tax reached €285 million (€228.2 million in 2003), a 24.9% increase. Consolidated net result attributable to CORPORACIÓN MAPFRE reached €182.9 million, a 29.4% increase. Earnings per share reached €0.81, against €0.75 in the previous year (adjusted for the impact of the rights issue). It is particularly satisfactory that profit growth allowed an increase in earnings per share, in spite of the capital increase.

Generally speaking, all Units and Subsidiaries of CORPORACIÓN MAPFRE increased considerably their profits with respect to fiscal year 2003. Profit growth at MAPFRE RE, despite the claims caused by the September hurricanes in the Caribbean and Florida, and the achievement of profits in nearly all the countries in which the subsidiaries of MAPFRE AMÉRICA operate must be noted. Profit growth also benefited from the full inclusion of MUSINI and MUSINI VIDA, which contributed a profit before taxes, minority interest and amortisation of goodwill and portfolio acquisition expenses of €35.9 million in 2004, (€9 million in 2003), excluding the €14.1 million gain obtained by MUSINI from the sale to MAPFRE VIDA of its stake in MUSINI VIDA.

The following table shows the source and composition of the result:

CONSOLIDATED RESULTS (Million euros)			
	2004	2003	% Var. 04/03
FULLY CONSOLIDATED RESULTS			
Companies operating primarily in Spain	332.7	262.7	26.6%
Companies operating primarily abroad	148.0	101.4	46.0%
Subtotal	480.7	364.1	32.0%
EQUITY-ACCOUNTED SUBSIDIARIES	11.6	10.5	10.5%
Holdings, other subsidiaries and consolidation adjustments	-44.0	-23.7	85.7%
Result before tax, minority interests and amortisation of goodwill and portfolio acquisition costs	448.3	350.9	27.8%
Amortisation of goodwill and portfolio acquisition costs	-44.9	-30.3	48.2%
Result before tax and minority interests	403.4	320.6	25.8%
Tax	-118.4	-92.4	28.1%
Result after tax	285.0	228.2	24.9%
Minority interest	-102.0	-86.9	17.4%
Net result after tax and minority interests	182.9	141.3	29.4%
Earnings per share (euros)	0.81	0.75	8.0%

The contribution of subsidiaries to the consolidated result varied as follows with respect to 2003:

RESULTS OF SUBSIDIARY COMPANIES				
(Million euros)				
	Before taxes, minority interests, and amortisation of goodwill and portfolio acquisition costs		After taxes, minority interests, and amortisation of goodwill and portfolio acquisition costs	
	2004	2003	2004	2003
FULLY CONSOLIDATED SUBSIDIARIES				
<u>Companies operating primarily in Spain</u>				
LIFE INSURANCE UNIT	146.2	123.7	102.8	86.0
MAPFRE VIDA ⁽¹⁾	128.7	117.5	91.4	81.9
MUSINI VIDA ⁽²⁾	17.5	6.2	11.4	4.1
GENERAL INSURANCE UNIT	97.8	84.2	57.0	46.8
MAPFRE SEGUROS GENERALES ⁽³⁾	82.6	66.2	48.0	38.3
MAPFRE GUANARTEME	22.7	21.0	16.6	14.2
COMMERCIAL INSURANCE UNIT	79.4	40.3	56.0	26.1
MAPFRE INDUSTRIAL	34.7	27.6	22.4	17.8
MAPFRE CAUCIÓN Y CRÉDITO	12.2	9.9	7.4	6.1
MUSINI ⁽²⁾	32.5	2.8	26.2	2.2
MAPFRE CAJA SALUD	9.3	14.5	2.0	7.7
<u>Companies operating primarily abroad</u>				
MAPFRE AMÉRICA	75.9	52.0	48.5	37.8
MAPFRE RE	63.7	42.2	41.1	29.1
MAPFRE ASISTENCIA	8.4	7.2	4.6	3.8
EQUITY ACCOUNTED SUBSIDIARIES⁽⁴⁾				
MAPFRE INMUEBLES	9.4	9.1	5.9	5.8
GESMADRID	5.2	4.7	3.4	3.0
CAJA MADRID PENSIONES	1.6	1.3	1.0	0.8
CAJA MADRID BOLSA	2.0	1.4	1.3	0.9

(1) Includes the results of MAPFRE INVERSION and MAPFRE VIDA PENSIONES, which are accounted for by the equity method.

(2) 2003 figures only include the fourth quarter. In 2004, the result of MUSINI includes a €14.1 million gain from the sale of its stake in MUSINI VIDA to MAPFRE VIDA (€10.6 million after taxes).

(3) Excluding internal dividends and without its subsidiary MAPFRE INDUSTRIAL, which is shown as part of the Commercial Insurance Operating Unit. For comparative purposes, the figures of MAPFRE SEGUROS GENERALES in 2003 include those of its subsidiary MAPFRE FINISTERRE, which it absorbed in the present fiscal year.

(4) Consolidated in proportion to the percentage of ownership in each company.

◆ **INVESTMENTS AND LIQUID ASSETS**

The book value of the consolidated investments and liquid assets of CORPORACIÓN MAPFRE as of 31 of December 2004 was €17,238.5 million, a 10.2% increase with respect to the previous year. The following table shows its breakdown and percentage distribution:

INVESTMENTS AND LIQUID ASSETS				
	2004		2003	
	Million euros	% over total	Million euros	% over total
Investments matching Life insurance reserves				
Fixed-income investments	8,026.3	95.7%	7,531.0	94.4%
Unit-linked investments	361.1	4.3%	446.1	5.6%
Subtotal	8,387.4	100%	7,977.1	100%
Other investments				
Real estate	638.8	7.2%	527.7	6.8%
Fixed-income investments	5,977.7	75.4%	5,475.8	71.1%
Investment funds	759.1	8.5%	699.6	9.1%
Equity investments	283.4	3.2%	175.3	2.3%
Investment in group and associated companies	264.2	3.0%	255.8	3.3%
Cash and banks	856.4	9.6%	502.7	6.5%
Accepted reinsurance deposits	116.5	1.3%	71.3	0.9%
Subtotal	8,896.1	100.0%	7,708.2	100%
TOTAL	17,283.5		15,685.3	

Unrealised gains in investments grew significantly in 2004, helped by the low interest rates as of December 2004. Of these, €847 million corresponded to the portfolio matching Life insurance reserves. The breakdown and evolution of these gains is shown in the following table:

UNREALISED GAINS IN INVESTMENTS			
(million euros)			
	2004	2003	% Var. 04/03
Tangible Investments	317.0	269.8	17.5%
Financial investments	1,395.5	798.0	74.9%
TOTAL	1,712.5	1,067.8	60.4%

Income from investments was €1,209.7 million in 2004, a 12.7% increase with respect to the previous year. Its breakdown is shown in the following table:

INCOME FROM INVESTMENTS			
(million euros)			
	Non Life Account	Life Account	Non Technical Account
From tangible investments	8.8	22.3	6.8
From financial investments	220.7	774.3	63.7
Realised gains	12.7	41.4	9.1
Other ⁽¹⁾	2.2	6.0	41.6
TOTAL	244.4	844.0	121.2

(1) Includes profit sharing and returns from equity-accounted subsidiaries, positive translation results, value adjustments and monetary adjustment.

With respect to the previous year, income from investments evolved as follows:

INCOME FROM INVESTMENTS			
(million euros)			
	2004	2003	% Var. 04/03
From tangible investments	38.0	36.3	4.6%
From financial investments	1,058.7	900.2	17.6%
Realised gains	63.2	67.7	-6.7%
Other ⁽¹⁾	49.8	68.9	-27.7%
TOTAL	1,209.7	1,073.1	12.7%

(1) Includes profit sharing and returns from equity-accounted subsidiaries, positive translation results, value adjustments and monetary adjustment.

Investment expenses amounted to €397.5 million, a figure larger than the previous year (€350.9 million):

◆ SHAREHOLDERS' EQUITY AND RETURNS

Total consolidated equity reached € 2,402.8 million, against €1,764.2 million at the end of 2003. Its year-on-year variation sums up the positive impact from the results of subsidiaries and the €500.5 million capital increase, and the negative impact from the appreciation of the euro. Of the total equity amount detailed above, €731.4 million corresponded to the holdings of minority shareholders in subsidiaries, and €1,671.4 million to the shareholders of CORPORACIÓN MAPFRE. Consolidated shareholders' equity per share was €7.0 at year-end (€6.0 as of the end of 2003)

The following table shows the return on average shareholders' equity (ROE) of CORPORACIÓN MAPFRE and its main Units and Subsidiaries:

MAIN UNITS AND SUBSIDIARIES				
RETURN ON EQUITY				
(ROE) ⁽¹⁾				
	2004			2003
	Average shareholders' equity	Profit	ROE % (1)	ROE % (1)
CORPORACIÓN MAPFRE	1,379.9	182.9	13.3	13.0
MAPFRE CAJA MADRID Holding	1,113.7	179.3	16.1	14.5
MAPFRE VIDA	422.1	102.8	24.4	22.1
MAPFRE SEGUROS GENERALES ⁽²⁾	201.1	57.0	28.2	23.5
MAPFRE INDUSTRIAL	55.9	22.4	40.0	38.0
MAPFRE CAUCIÓN Y CRÉDITO	20.5	7.4	36.2	32.9
MUSINI S.A.	175.8	26.2	14.9	---
MAPFRE CAJA SALUD	92.1	2.0	2.2	8.8
MAPFRE AMÉRICA	506.8	48.5	9.6	7.3
MAPFRE RE	402.4	41.1	10.2	9.8
MAPFRE ASISTENCIA	66.1	4.6	7.0	6.6

(1) Net result after taxes and minority interests/ Average shareholders' equity excluding minority interests

(2) Without its subsidiary MAPFRE INDUSTRIAL.

◆ ACQUISITIONS, PROJECTS AND DISPOSALS

Direct investments

In fiscal year 2004 CORPORACIÓN MAPFRE made investments and disinvestments in group and affiliate companies for a net outlay of €163.9 million, the most significant of which were the following:

- A capital increase carried out by MAPFRE RE to support its business growth was subscribed for (€126.5 million) and shares not subscribed for by other shareholders were acquired (€16 million). As a result of these investments, CORPORACIÓN MAPFRE raised its stake in MAPFRE RE to 87.9%.
- Two capital increases of €0.7 and €6.4 million, respectively, carried out by QUAVITAE were subscribed for and shares corresponding to a 35.3% holding in the capital of this company were acquired (€13.5 million). As a consequence of these investments, CORPORACIÓN MAPFRE holds, directly and indirectly, 56.8% of the share capital of this company operating in services and residential homes for the Elderly, which was renamed MAPFRE QUAVITAE and will become part of the Assistance Operating Unit.
- A 6.7% stake was acquired in MAPFRE ASIAN (€0.4 million), raising the shareholding of CORPORACIÓN MAPFRE in this company to 99.9%.
- A 10% stake in the Italian insurance company PROGRESS ASSICURAZIONI, S.p.A. was sold to the Maltese insurance company MIDDLESEA VALLETTA LIFE (€1.7 million), thereby reducing the shareholding of CORPORACIÓN MAPFRE in PROGRESS to 39%. Furthermore, CORPORACIÓN MAPFRE subscribed for the part corresponding to its new shareholding in a €3 million capital increase carried out by PROGRESS (€1.2 million).

Investments made by subsidiaries

- Having obtained the approval from the Spanish General Directorate of Insurance and Pension Funds (DGSFP), MUSINI S.A. transferred its stake in MUSINI VIDA to MAPFRE VIDA for an amount of €100.2 million. This transaction did not have any impact on the accounts of MAPFRE VIDA, in which MUSINI VIDA is consolidated since 1.10.2003. Subsequently, MUSINI S.A. has carried out a capital reduction of €121.7 million through the amortisation of treasury stock, previously bought back from MAPFRE-CAJA MADRID HOLDING and third parties, which it financed with its cash surplus and the funds obtained from the sale referred to above. As a result, the stake of MAPFRE-CAJA MADRID HOLDING in MUSINI S.A. increased from 98.07% to 99.93%
- MAPFRE PRAICO (Puerto Rico) acquired from CORPORACIÓN INTERNACIONAL CAJA DE MADRID a 25% stake in MAPFRE LIFE for a price of €2.7 million. Subsequently, it absorbed CANADA LIFE INSURANCE COMPANY, thereby raising the shareholding of MAPFRE PRAICO in MAPFRE LIFE to 65.4%, the remaining 34.6% being owned by MAPFRE AMÉRICA VIDA, a subsidiary of MAPFRE MUTUALIDAD. MAPFRE PRAICO financed this investment with its equity.

Financing

All aforementioned investments were financed with the funds obtained from the capital increase CORPORACIÓN MAPFRE carried out in April 2004.

As of 31 of December 2004, consolidated debts with financial institutions amounted to € 78 million, against €160.2 million at the end of the previous year. These resources were complemented by the long-term funding obtained from the € 275 million bond issuance carried out in July 2001.

◆ **STAFF**

CORPORACION MAPFRE, its subsidiaries and affiliates had a payroll of 15,023 employees at the end of 2004, compared to 13,868 employees the previous year. Additional personnel have been taken on in a number of countries due to business growth.

The total staff figure breaks down between 5,926 employees in Spain and 9,097 in other countries, the largest payrolls being in Brazil (1,840), Mexico (1,242), Argentina (1,186), Venezuela (1,141), Puerto Rico (650), Colombia (632) and Chile (452).

◆ **TARGETS**

Following up from its targets published in previous year, CORPORACIÓN MAPFRE has defined as follows its targets for fiscal year 2005:

- In general terms, to achieve in Non-Life insurance growth rates 20% higher than those obtained by the market.
- Increase funds under management in Life insurance and long-term savings products by 10% more than the growth rate of this business line in Spain.
- Maintain a combined ratio equal to or lower than 97% in the Non-Life insurance and reinsurance business.
- Improve further the expense ratios to premiums (Non-Life insurance) and to funds under management (Life insurance and savings)
- Increase earnings per share.

◆ **SUBSEQUENT EVENTS**

Following the close of fiscal year 2004, CORPORACIÓN MAPFRE acquired shares equivalent to 15.2% of the share capital of MIDDLESEA INSURANCE (Malta) thereby raising its shareholding in this company to 20.7%. This transaction is part of an agreement between the MIDDLESEA GROUP and MAPFRE, by virtue of which MIDDLESEA INSURANCE will acquire the 39% shareholding in PROGRESS ASSICURAZIONI (Italy) owned by CORPORACIÓN MAPFRE. The balance of these two transactions will imply a net outlay of approximately €5 million for CORPORACIÓN MAPFRE.

◆ RESULTS OF SISTEMA MAPFRE

CORPORACIÓN MAPFRE is a subsidiary of MAPFRE MUTUALIDAD, the leading Motor insurer in Spain, which owns 55.7% of its share capital. Together with their respective subsidiaries they form SISTEMA MAPFRE, which in 2004 reached total revenues of € 10,577.2 million, a 14.4% increase over the previous year, and a net consolidated profit after taxes of €549.6 million, a 23.1% increase. The consolidated profit and loss account of SISTEMA MAPFRE is shown in the following table:

Million euros

RESULTS OF SISTEMA MAPFRE			
	2004	2003	% Var. 04/03
NON-LIFE TECHNICAL ACCOUNT			
Gross written and accepted premiums	6,713.4	5,712.5	17.5%
Unearned premiums and claims reserve	-436.9	-303.2	44.1%
Claims	-4,226.9	-3,648.8	15.8%
Acquisition expenses	-1,012.9	-854.7	18.5%
Other technical expenses	-352.7	-374.6	-5.8%
Result, ceded and retroceded reinsurance	-283.7	-261.5	8.5%
Investment income and expenses	233.6	291.5	-19.9%
Result, Non-Life technical account	633.9	561.1	13.0%
LIFE TECHNICAL ACCOUNT			
Gross written and accepted premiums	2,205.4	1,876.7	17.5%
Unearned premiums and claims reserve	-25.8	-1.6	---
Claims and variation in mathematical reserves	-2,490.7	-2,117.7	17.6%
Acquisition expenses	-174.3	-154.9	12.5%
Other technical expenses	-85.8	-69.0	24.3%
Result, ceded and retroceded reinsurance	5.1	-4.9	---
Investment income and expenses	671.0	580.5	15.6%
Result, Life technical account	104.9	109.1	-3.8%
Result of the technical account	738.8	670.2	10.2%
NON TECHNICAL ACCOUNT			
Income and expenses from investments, own funds	60.5	39.3	53.9%
Amortisation of goodwill	-31.9	-29.5	8.1%
Other non-technical income and expenses	-26.3	-58.5	-55.0%
Extraordinary income	-1.8	-15.6	-88.5%
Result of the non-technical account	0.6	-64.2	---
PROFIT BEFORE TAX AND MINORITY INTERESTS	739.4	606.0	22.0%
Taxes	-189.8	-159.6	18.9%
PROFIT AFTER TAXES	549.6	446.4	23.1%
Non-Life Ratios			
	2004	2003	
Gross Expense Ratio ⁽¹⁾	20.8%	21.1%	
Gross Loss Ratio ⁽¹⁾	67.3%	67.5%	
Combined Ratio ⁽²⁾	91.5%	92.6%	

(1) as a % of premiums earned.

(2) as a % of net premiums earned

Additional information

A presentation for analysts and investors, that complements and completes the information contained herein, is simultaneously being released (accessible at www.mapfre.com).

IX. DIVIDENDS DISTRIBUTED DURING THE PERIOD

		% based on nominal	Euros Per Share	Amount (thousand euros)
1. Ordinary Shares	3100	50.0	0.25	53,992
2. Preference Shares	3110	--	--	--
3. Non-voting Shares	3120	--	--	--

Further information on dividend payments (interim, supplementary, etc.)

The following dividends were paid in the fiscal year:

- Supplementary dividend, paid out of the results for fiscal year 2003, on 18 March 2004; shares numbered 1 to 181,564,536 collected €0.10 gross per share.
- Interim dividend, paid out of the results for fiscal year 2004, on 19 November 2004; shares numbered 1 to 238,900,706 collected €0.15 gross per share.