

HALF-YEARLY INFORMATION

OFFICIAL NAME:

CORPORACION MAPFRE, S.A.

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| <input type="checkbox"/> | Financial Institutions..... | B |
| <input type="checkbox"/> | Investment Companies..... | C |
| <input type="checkbox"/> | General..... | G |
| <input checked="" type="checkbox"/> | Insurance Companies..... | S |

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| Page 10..... | <input checked="" type="checkbox"/> |
| Supplementary information..... | <input checked="" type="checkbox"/> |

DATE:

21st July 2005

HALF:

1st 2005

INSURANCE

INFORMATION RELATIVE TO:

HALF

YEAR

FIRST

2005

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:

CONTENT OF THE HALF-YEARLY INFORMATION (mark with an X when appropriate)

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II. CHANGES IN THE CONSOLIDATED GROUP

A) Changes in company name

- MUSINI, S.A. DE SEGUROS Y REASEGUROS has changed its name to MAPFRE EMPRESAS, S.A. COMPAÑÍA DE SEGUROS Y REASEGUROS.
- UNIDAD MÓVIL DE DIAGNÓSTICOS, S.A. C.V. has changed its name to MAPFRE UNIDAD DE SERVICIOS, S.A. C.V. (Mexico)
- ASSET DEFENSA LEGAL, S.A. C.V. has changed its name to MAPFRE DEFENSA LEGAL, S.A. C.V. (Mexico)

B) Changes in consolidation methods or procedures

1. 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:
 - ENKEN SERVICIOS DE PREVENCIÓN, S.L.
 - ENKEN ASISTENCIA SANITARIA, S.L.
 - b) Due to incorporation in the year:
 - MAPFRE DOMINICANA, S.A. (Dominican Republic)
 - MAPFRE DOMINICANA DE SEGUROS, S.A. (Dominican Republic)

2. In the first half of 2005, the following companies ceased to be subsidiaries or affiliates of the Group, due to the reasons indicated below:
 - a) Winding-up:
 - MAPFRE RE MANAGEMENT SERVICES U.K. COMPANY LIMITED (United Kingdom)
 - b) Sale to third parties:
 - COMPAÑÍA CANARIA DE CEMENTERIOS, S.A.

III. BASIS OF PRESENTATION AND VALUATION CRITERIA

The financial information contained herein was prepared in accordance with International Financial Reporting Standards (IFRS) approved by the European Union. The same standards will be followed in the preparation of the consolidated annual accounts for fiscal year 2005.

IV. NON-CONSOLIDATED BALANCE SHEET

Unit: thousand euros

ASSETS		CURRENT YEAR	PREVIOUS YEAR
A) SHAREHOLDERS, UNCALLED CAPITAL	0200		
I. Start-up expenses	0210	6,658	8,298
II. Intangible Assets	0220	610	1,720
III. Deferred expenses	0230	823	882
B) INTANG. ASSETS, START-UP AND DEF. EXPENSES	0240	8,091	10,900
I. Tangible Investments	0250	0	0
II. Financial Investments	0260	57,762	95,764
III. Investments in Group Companies and Affiliates	0270	1,382,453	1,151,673
IV. Deposits established for accepted reinsurance	0280	0	0
C) INVESTMENTS	0290	1,440,215	1,247,437
D) INVESTMENTS ON ACCOUNT OF LIFE POLICYHOLDERS ASSUMING INVESTMENT RISK	0310		
E) PARTICIPATION BY REINSURANCE IN TECH. RESERVES	0320	0	0
I. Receivables on direct insurance, reins. and coinsurance	0330	0	0
II. Tax, corporate and other credits	0340	35,850	44,823
III. Shareholders, called capital	0350	0	0
IV. Tangible Fixed Assets	0355	214	311
V. Cash and Banks	0360	48,230	141,620
VI. Treasury Stock in Special Status	0365	0	0
VII. Other Assets Net of Provisions	0366	0	1,604
VIII. Accruals	0370	17	456
F) RECEIVABLES, OTHER ASSETS AND ACCRUALS	0380	84,311	188,814
TOTAL ASSETS (A+B+C+D+E+F)	0390	1,532,618	1,447,151

LIABILITIES		CURRENT YEAR	PREVIOUS YEAR
I. Subscribed capital	0500	119,450	119,450
II. Reserves	0510	898,323	898,322
III. Treasury stock for capital decrease	0515	0	0
IV. Results from previous years	0520	116,546	88,193
V. Result for the year	0530	90,469	33,663
VI. Interim dividend paid during the year	0540	0	0
A) CAPITAL AND RESERVES	0550	1,224,789	1,139,628
B) DEFERRED INCOME	0590	116	118
C) SUBORDINATED LIABILITIES	0595		
D) TECHNICAL RESERVES	0600		
E) TECH. RES. (LIFE) WHEN RISK ASSUMED BY POLICYH.	0605		
F) PROVISIONS FOR RISKS AND EXPENSES	0610	6,621	10,189
G) DEPOSITS RECEIVED ON CEDED REINSURANCE	0620		
I. Bond and other stock issues	0630	275,000	275,000
II. Due to credit institutions	0635		
III. Debts on direct insurance, reins. and coinsurance	0640		
IV. Debts on trans. in preparation of insurance contracts	0645		
V. Debts on asset repurchase agreements	0646		
VI. Other liabilities	0650	26,092	6,160
VII. Accruals	0670		16,056
H) DEBTS AND ACCRUED LIABILITIES	0680	301,092	297,216
TOTAL LIABILITIES (A+B+C+D+E+F+G+H)	0690	1,532,618	1,447,151

V. NON-CONSOLIDATED RESULTS

Unit: thousand euros

		CURRENT YEAR	PREVIOUS YEAR
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	121,192	46,484
XX. Expenses from investments	0980	-8,221	-9,314
I) ORDINARY RESULT (F+XIX-XX)	1020	112,971	37,170
XXI. Other income	1025	485	518
XXII. Other expenses	1026	-4,682	-5,168
XXIII. Extraordinary Results	1030	1,590	36
J) PROFIT BEFORE TAXES (I+XXI-XXII+/-XXIII)	1040	110,364	32,556
XXIV. Corporate tax and others	1042	-19,895	1,107
K) RESULT FOR THE YEAR (J+/-XXIV)	1044	90,469	33,663

IV. CONSOLIDATED BALANCE SHEET

Unit: thousand euros

		CURRENT		PREVIOUS	
		YEAR		YEAR	
ASSETS					
I.	Consolidated goodwill	4000	519,060		488,336
II.	Other intangible assets	4010	53,549		92,930
A) INTANGIBLES ASSETS		4020	572,609		581,266
I.	Tangible investments	4030	327,802		256,511
II.	Real estate investments	4040	388,670		392,917
III.	Financial investments	4050	19,603,884		16,590,832
IV.	Equity-accounted investments	4060	104,898		94,212
V.	Deposits established for accepted reinsurance	4070	94,037		100,858
VI.	Other investments	4080	94,424		120,118
B) INVESTMENTS		4090	20,613,715		17,555,448
C) UNIT-LINKED INVESTMENTS		4100	314,626		394,196
D) REINSURERS' SHARE IN TECHNICAL RESERVES		4110	1,329,645		1,110,480
E) CREDITS ON DEFERRED TAXES		4120	800,960		370,638
I.	Credits on direct insurance, reinsurance and coinsurance	4130	1,520,372		1,464,793
II.	Corporate and other credits	4140	158,704		144,346
III.	Tax credits on current gains	4150	94,891		36,200
IV.	Shareholders, called capital	4160	0		0
V.	Fixed assets	4170	133,568		80,171
VI.	Cash and equivalents	4180	635,739		702,405
VII.	Accruals	4190	609,584		409,017
VIII.	Other assets	4200	98,909		52,030
IX.	Non-operating assets available for sale and assets pertaining to discontinued activities	4205	1,068		0
F) CREDITS, OTHER ASSETS AND ACCRUALS		4210	3,252,835		2,888,962
TOTAL ASSETS (A+B+C+D+E+F)		4230	26,884,390		22,900,990
LIABILITIES					
I.	Capital	4240	119,450		119,450
II.	Other reserves	4250	1,774,022		1,685,961
III.	Retained earnings	4260	265,539		196,042
IV.	Other equity instruments	4265	0		0
V.	Less: own securities	4270	0		0
VI.	Translation differences	4280	-282,967		-323,227
VII.	Other valuation adjustments	4290	210,421		124,255
VIII.	Reserves for revaluation of non-operating assets available for sale and assets pertaining to discontinued activities	4295	0		0
IX.	Less: interim dividend	4300	0		0
NET WORTH ATTRIBUTABLE TO HOLDERS OF EQUITY INSTRUMENTS ISSUED BY THE CONTROLLING COMPANY		4310	2,086,465		1,802,481
X. Minority interests		4320	926,085		790,077
A) EQUITY		4330	3,012,550		2,592,558
B) SUBORDINATED LIABILITIES		4340	0		0
C) TECHNICAL RESERVES		4350	19,560,371		16,597,309
D) UNIT-LINKED RESERVES		4360	314,626		394,196
E) OTHER RESERVES		4370	175,178		154,739
F) DEPOSITS RECEIVED ON CEDED INSURANCE		4380	133,756		128,931
G) DEBTS ON DEFERRED TAXES		4390	894,799		366,844
I.	Bonds and other tradeable securities	4400	290,232		290,174
II.	Due to credit institutions	4410	87,592		9,428
III.	Debts on direct insurance, reinsurance and coinsurance	4420	666,526		597,166
IV.	Other financial liabilities	4430	977,489		1,187,252
V.	Tax debts on current gains	4440	308,772		272,231
VI.	Accruals	4450	200,856		137,385
VII.	Other liabilities	4460	261,643		172,777
VIII.	Liabilities linked directly to non-operating assets available for sale and assets pertaining to discontinued activities	4465	0		0
H) DEBTS AND ACCRUED LIABILITIES		4470	2,793,110		2,666,413
TOTAL LIABILITIES AND NET WORTH (A+B+C+D+E+F+G+H+I+J)		4490	26,884,390		22,900,990

V. CONSOLIDATED RESULTS

Unit: thousand euros

	CURRENT YEAR			PREVIOUS YEAR		
	Amount		%	Amount		%
I. Earned premiums, net of reinsurance (Non-Life)	4500	1,901,012	65%	1,592,097		60%
II. Earned premiums, net of reinsurance (Life)	4510	1,032,465	35%	1,054,489		40%
A) NET EARNED PREMIUMS (I+II)	4520	2,933,477	100%	2,646,586		100%
III. Claims incurred, net of reinsurance (Non-Life)	4530	-1,260,336	-43%	-1,046,912		-40%
IV. Claims incurred, net of reinsurance (Life)	4540	-832,680	-28%	-994,595		-38%
B) NET CLAIMS INCURRED (III+IV)	4550	-2,093,016	-71%	-2,041,507		-77%
V. Variation in other technical reserves, net of reins. (Non-Life)	4560	-15,767	-1%	-17,774		-1%
VI. Variation in other technical reserves, net of reins. (Life)	4570	-542,964	-19%	-256,726		-10%
C) VARIATION IN OTHER NET TECH. RESERVES (+/-V+/-VI)	4580	-558,731	-19%	-274,500		-10%
VII. Profit sharing and returns (Non-Life)	4590	-1,283	0%	-946		0%
VIII. Profit sharing and returns (Life)	4600	-11,403	0%	-12,224		0%
IX. Net operating expenses (Non-Life)	4610	-478,532	-16%	-390,734		-15%
X. Net operating expenses (Life)	4620	-62,051	-2%	-54,247		-2%
XI. Variation in other technical reserves (Non-Life)	4630	0	0%	0		0%
D) PROFIT SHARING & OPER. EXPENSES (VII+VIII+IX+X+/-XI)	4640	-553,269	-19%	-458,151		-17%
XII. Other technical results (Non-Life)	4650	-27,429	-1%	-23,517		-1%
XIII. Other technical results (Life)	4660	-5,936	0%	-3,931		0%
E) TECHNICAL RESULTS (A-B+/-C-D+/-XII+/-XIII)	4670	-304,904	-10%	-155,020		-6%
XIV. Income from operating investments (Non-Life)	4680	111,033	4%	105,184		4%
XV. Income from operating investments (Life)	4690	551,339	19%	383,896		15%
XVI. Expenses from operating investments (Non-Life)	4700	-21,018	-1%	-17,744		-1%
XVII. Expenses from operating investments (Life)	4710	-74,965	-3%	-81,985		-3%
XVIII. Unrealised capital gains and losses on investments (Life)	4720	12,001	0%	7,719		0%
F) TECHNICAL FINANCIAL RESULT (E+XIV+XV-XVI-XVII+XVIII)	4730	273,486	9%	242,050		9%
G) TECHNICAL RESULT (Non-Life)	4740	207,680	7%	199,654		8%
H) TECHNICAL RESULT (Life)	4750	65,806	2%	42,396		2%
XIX. Results from net assets investments	4760	18,935	1%	822		0%
XX. Translation results	4770	1,811	0%	-1,621		0%
XXI. Results from subsidiaries and joint-ventures accounted for by the equity method	4780	1,136	0%	2,620		0%
XXII. Results from disposal or revaluation of non-operating assets available for sale and excluded from discontinued activities (net)	4790	0	0%	0		0%
XXIII. Other income	4800	46,218	2%	30,636		1%
XXIV. Other expenses	4810	-35,611	-1%	-39,408		-1%
XXV. Income from activities other than insurance	4820	158,728	5%	118,562		4%
XXVI. Expenses from activities other than insurance	4830	-131,309	-4%	-102,932		-4%
I) PROFIT/(LOSS) BEFORE TAXES FROM CONTINUED ACTIVITIES (F+/-XIX:XXVI)	4840	333,394	11%	250,729		9%
XXVII Corporate tax	4850	-107,864	-4%	-78,758		-3%
J) PROFIT/(LOSS) FROM CONTINUED ACTIVITIES (I+/-XXVII)	4860	225,530	8%	171,971		6%
XXVIII Result after taxes from discontinued activities	4870	0	---	0		---
K) PROFIT/(LOSS) FOR THE YEAR (J+/-XXVIII)	4880	225,530	8%	171,971		6%
XXIX. Minority interests	4890	-76,538	-3%	-64,122		-2%
= PROFIT/(LOSS) ATTRIBUTABLE TO HOLDERS OF EQUITY ISSUED BY THE CONTROLLING COMPANY	4900	148,992	5%	107,849		4%

VI. COMPARISON OF CONSOLIDATED BALANCE SHEET PREPARED UNDER IFRS AND SPANISH GAAP

Unit: thousand euros

			OPENING OF FISCAL YEAR 2005 (IFRS)	CLOSE OF FISCAL YEAR 2004 (SPANISH GAAP)
ASSETS				
I.	Start-up expenses	5000		17,869
II.	Goodwill	5010	494,680	343,791
III.	Other intangible assets	5020	97,282	168,498
IV.	Deferred expenses	5030		9,530
A) INTANGIBLE ASSETS, START-UP AND DEFERRED EXPENSES		5040	591,962	539,688
I.	Tangible investments	5050	259,841	638,761
II.	Real estate investments	5060	386,966	
III.	Financial investments	5070	17,672,172	15,048,910
IV.	Equity-accounted investments	5080	64,008	261,816
V.	Own shares	5090		---
VI.	Deposits established for accepted reinsurance	5100	119,059	116,471
VII.	Other investments	5110	85,094	---
B) INVESTMENTS		5120	18,587,140	16,065,958
C) UNIT-LINKED INVESTMENTS		5130	361,141	361,141
D) REINSURERS' SHARE IN TECHNICAL RESERVES		5140	1,166,391	1,166,438
I.	Credits on direct insurance, reinsurance and coinsurance	5150	1,126,511	1,134,202
II.	Tax, corporate and other credits	5160	747,019	193,972
III.	Fixed assets	5170	87,790	81,357
IV.	Cash and equivalents	5180	920,822	856,370
V.	Other assets	5190	386,178	607,302
VI.	Non-operating assets available for sale and assets pertaining to discontinued activities	5195	777	---
F) CREDITS, OTHER ASSETS AND ACCRUALS		5200	3,269,097	2,873,203
TOTAL ASSETS (A+B+C+D+E+F)		5220	23,975,731	21,006,428
LIABILITIES AND EQUITY				
I.	Capital	5230	119,450	119,450
II.	Reserves	5240	1,782,812	1,404,788
Of which: equity adjustments due to the transition to IFRS (*)		5250	159,155	
III.	Other equity instruments	5255	--	--
IV.	Less: own securities	5260	--	--
V.	Valuation adjustments	5270	--	
VI.	Result for the period	5280		182,942
VII.	Less: interim dividend	5290	-35,835	-35,835
A) NET ASSETS UNDER NATIONAL ACCOUNTING STANDARDS/ NET ASSETS ATTRIBUTABLE TO HOLDERS OF EQUITY INSTRUMENTS ISSUED BY THE CONTROLLING COMPANY		5300	1,866,427	1,671,345
B) MINORITY INTERESTS		5310	844,705	731,408
TOTAL EQUITY UNDER IFRS (A + B)		5320	2,711,132	
C) NEGATIVE CONSOLIDATION DIFFERENCES		5330		3,055
D) DEFERRED INCOME		5340	--	13,394
E) SUBORDINATED LIABILITIES		5350	--	--
F) TECHNICAL RESERVES		5360	17,443,403	16,180,870
G) UNIT-LINKED RESERVES		5370	361,141	361,141
H) OTHER RESERVES		5380	161,288	111,510
I) DEPOSITS RECEIVED ON CEDED INSURANCE		5390	147,725	147,724
I.	Issuance of debt and other tradeable securities	5400	282,015	275,000
II.	Due to credit institutions	5410	78,184	78,049
III.	Due on direct insurance, reins. and coins. (brokers, policyholders)	5420	654,244	590,586
IV.	Other liabilities	5430	2,136,599	842,346
V.	Liabilities linked directly to non-operating assets available for sale and assets pertaining to discontinued activities	5435	--	--
J) DEBTS AND ACCRUALS		5440	3,151,042	1,785,981
TOTAL LIABILITIES AND EQUITY (A+B+C+D+E+F+H+I+J)		5460	23,975,731	21,006,428

(*) Line shown only for information purposes only. The amounts indicated must not be added in order to arrive at the "TOTAL NET ASSETS UNDER IFRS".

VII. 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		1,159,167	1,019,387
Credit and Guarantee – Direct Insurance Spain	2115		59,830	56,896
Direct Insurance abroad	2120		700,011	617,932
Reinsurance	2125		354,705	220,263
Assistance	2130		98,385	73,969
TOTAL PREMIUMS FOR THE YEAR Non-Life (direct and accepted)	2140		2,372,098	1,988,447
TOTAL PREMIUMS FOR THE YEAR Non-Life (ceded and retroceded)	2145		-471,086	-396,350
TOTAL NET EARNED PREMIUMS Non-Life	2150		1,901,012	1,592,097
TOTAL PREMIUMS FOR THE YEAR Life (direct and accepted)	2185		1,075,715	1,085,695
TOTAL PREMIUMS FOR THE YEAR Life (ceded and retroceded)	2190		-43,250	-31,206
TOTAL NET EARNED PREMIUMS Life	2195		1,032,465	1,054,489
TOTAL NET EARNED PREMIUMS	2200		2,933,477	2,646,586
Spain	2205		2,057,250	1,936,928
Foreign Subsidiaries: EU.	2210		152,884	108,440
O.E.C.D.	2215		202,297	201,476
Other Countries	2220		521,046	399,742

Thousand euros

VIII. AVERAGE NUMBER OF EMPLOYEES DURING THE YEAR

		NON-CONSOLIDATED		CONSOLIDATED	
		Curr. Year	Prev. Year	Curr. Year	Prev. Year
TOTAL PERSONS EMPLOYED	3000	34	39	14,092	14,666

IX) BUSINESS DEVELOPMENT

IX.1.) EXECUTIVE SUMMARY

During the first half of 2005, the business activities of CORPORACIÓN MAPFRE and its subsidiaries developed very favourably, confirming the trend observed in the first quarter of the year:

- net profit grew 38.2% with respect to the same period of the previous year. Under the standards of the Spanish General Accounting Chart and of the Spanish Accounting Chart for Insurance Companies (“Plan General de Contabilidad” and “Plan Contable de Entidades Aseguradoras”, hereinafter referred to as “PGC/PCEA”), which have been applied until 2004 to prepare the information released to the market, the consolidated net result of CORPORACIÓN MAPFRE would have grown by 28.4%;
- consolidated revenues increased by 13.4%.

The development of the key figures of CORPORACIÓN MAPFRE and its main operating Units is shown in the following table:

	Total		Net		Combined ratio ⁽¹⁾	
	Revenues	% Var.	profit	% Var.	1H 05	1H 04
CORPORACIÓN MAPFRE	4,937.4	13.4%	149.0	38.2%	93.8%	93.0%
LIFE AND SAVINGS	1,640.9	9.4%	57.9	26.4%	0.9%	1.0%
GENERAL INSURANCE	761.2	17.0%	42.7	12.1%	92.0%	91.0%
COMMERCIAL INSUR.	703.5	8.2%	42.6	6.2%	83.9%	81.9%
HEALTH	361.5	9.9%	5.1	142.9%	96.9%	97.8%
AMERICA	801.3	11.2%	33.0	26.4%	101.4%	99.4%
RE	738.9	22.7%	34.0	25.5%	90.3%	90.0%
ASISTENCIA ⁽¹⁾	165.1	37.1%	3.6	24.1%	93.2%	91.7%

⁽¹⁾ The figures of the LIFE AND SAVINGS OPERATING UNIT correspond to the expense ratio.

The financial statements contained herein have been prepared in accordance with International Financial Reporting Standards (IFRS). The financial statements for the first half of the previous fiscal year have likewise been restated under IFRS to facilitate the comparison.

IX.2.) CONSOLIDATED GROUP FIGURES

• REVENUES

In the first half of 2005, the total revenues of CORPORACION MAPFRE and its subsidiaries reached €4,937.4 million, a 13.4% increase over the same period of the previous year.

Written and accepted premiums reached a consolidated volume of €3,979.4 million, an 8.6% increase over the first half of the previous year. Net premiums earned were €2,933.5 million, a 10.8% increase.

The breakdown of revenues by business line and type is shown in the following table:

	Premiums		Income from investments		Other income		Total Revenues	
	1H 05	% Var.	1H 05	% Var.	1H 05	% Var.	1H 05	% Var.
LIFE	1,037.8	-2.9%	557.6	43.9%	45.5	5.3%	1,640.9	9.4%
GENERAL INSURANCE	670.4	9.5%	63.3	189.0%	27.5	66.7%	761.2	17.0%
COMMERCIAL INSURANCE	647.8	7.6%	35.5	-11.9%	20.3	163.6%	703.5	8.2%
HEALTH	356.2	10.7%	4.6	15.0%	0.7	-77.4%	361.5	9.9%
MCMH (non-consolidated)	---	---	162.7	186.9%	0.3	---	163.0	187.5%
Adjustments	-12.3	---	-159.9	---	-41.7	---	-213.8	---
MAPFRE-CAJA MADRID	2,699.9	3.7%	663.8	49.6%	52.6	-28.2%	3,416.3	9.5%
AMÉRICA	732.4	11.2%	55.6	-3.1%	13.3	183.0%	801.3	11.2%
RE	666.8	18.7%	71.0	77.1%	1.1	---	738.9	22.7%
ASISTENCIA	123.5	46.8%	4.0	150.0%	37.7	8.6%	165.1	37.1%
INMUEBLES	---	---	0.3	-25.0%	17.6	-32.8%	18.0	-32.3%
QUAVITAE	---	---	---	---	37.4	---	37.4	---
OTHER	6.1	19.6%	0.8	100.0%	---	---	6.9	25.5%
Result (non-consolidated)	---	---	141.3	---	2.1	---	143.3	---
Adjustments	-249.3	-0.3%	-162.8	---	22.3	---	-389.8	37.7%
CORPORACIÓN MAPFRE	3,979.4	8.6%	773.9	41.1%	184.1	27.2%	4,937.4	13.4%

• RESULTS

The consolidated income statement is shown in the following table:

	1H 05	1H 04	% Var.
NON-LIFE INSURANCE AND REINSURANCE			
Gross written and accepted premiums	2,873.1	2,530.9	13.5%
Premiums earned, net of ceded and retroceded reinsurance	1,901.0	1,592.1	19.4%
Net claims incurred and variation in other technical provisions	-1,276.1	-1,064.7	19.9%
Operating expenses, net of reinsurance	-479.8	-391.7	22.5%
Other technical income and expenses	-27.4	-23.5	16.6%
TECHNICAL RESULT	117.7	112.2	4.9%
Net financial income	105.6	80.2	31.7%
Other non-technical income and expenses	16.3	-0.5	---
Result of the Non-life business	239.6	191.9	24.9%
LIFE INSURANCE AND REINSURANCE			
Gross written and accepted premiums	1,106.3	1,131.7	-2.2%
Premiums earned, net of ceded and retroceded reinsurance	1,032.5	1,054.5	-2.1%
Net claims incurred and variation in other technical provisions	-1,375.6	-1,251.3	9.9%
Operating expenses, net of reinsurance	-73.5	-66.5	10.5%
Other technical income and expenses	-5.9	-3.9	51.3%
TECHNICAL RESULT	-422.6	-267.2	58.2%
Net financial income	481.5	308.3	56.2%
Unrealised gains and losses in unit-linked investments	12.0	7.7	55.8%
Other non-technical income and expenses	-4.6	-5.6	-17.9%
Result of the Life business	66.4	43.2	53.7%
OTHER BUSINESS ACTIVITIES			
Operating income	119.5	97.5	22.6%
Operating expenses	-109.4	-79.5	37.6%
Net financial income	13.1	-5.5	---
Results from minority shareholdings	3.8	3.1	22.6%
Other net income	0.4	0.0	---
Result of the Other Business Activities	27.4	15.6	75.6%
Result before tax and minority shareholders	333.4	250.7	33.0%
Taxes	-107.9	-78.8	36.9%
Result after tax	225.5	171.9	31.2%
Result attributable to minority shareholders	-76.5	-64.1	19.3%
Result after tax and minority shareholders	149.0	107.8	38.2%
Non-life loss ratio ⁽¹⁾	67.1%	66.9%	
Non-life expense ratio ⁽¹⁾	26.7%	26.1%	
Non-life combined ratio ⁽¹⁾	93.8%	93.0%	
Life expense ratio ⁽²⁾	1.1%	1.2%	

⁽¹⁾ Ratios calculated over net premiums earned.

⁽²⁾ (Operating expenses, net of reinsurance + profit sharing and returns – other technical income + other technical expenses) / (average Life and unit-linked reserves + average mutual funds + average pension funds). Annualised ratios

The breakdown of the net consolidated profit by business area is shown in the following table:

	Net Result	Minority Interests	Consolidation adjustments	Contribution to consolidated result
LIFE	57.9	-28.4		29.5
GENERAL INSURANCE	42.7	-24.5	7.2	25.4
COMMERCIAL INSURANCE	42.6	-16.2	-9.6	16.8
HEALTH	5.1	-2.5		2.6
Consolidation adjustments				-1.8
MAPFRE-CAJA MADRID HOLDING				72.5
AMÉRICA	33.0	-4.2		28.8
RE	34.0	-5.2	8.6	37.4
ASISTENCIA	3.6			3.6
INMUEBLES	0.9			0.9
QUAVITAE	-0.9	0.5		-0.4
Other companies	4.5			4.5
Consolidation adjustments				1.7
CORPORACIÓN MAPFRE				149.0

A reconciliation of the main differences between the consolidated profit as of 30 June 2005 calculated according to PGC/PCEA and the same profit calculated under IFRS is provided in the following table:

ITEM	Gross amount	Tax	Minority Shrhldrs.	Attributable result
Result at 30/06/05 under PGC/PCEA	264.0	-82.5	-63.0	118.5
Reversal of goodwill amortisation	15.8	-0.5	-6.4	8.9
Reversal of the appropriation to the equalisation reserve	27.8	-9.7	-4.9	13.2
Differences in the valuation of technical reserves	-144.8	50.6	46.2	-48.0
Differences in the valuation of investments	151.4	-52.7	-48.1	50.5
Derivatives (fair value, hedges)	6.4	-2.3	0.0	4.2
Amortisation of start-up expenses	2.8	-0.9	-0.4	1.5
Deferred taxes (timing diffs. and differences > 10 yrs.)		-1.1	0.5	-0.5
Deferred income	1.4	-0.5	-0.5	0.4
Other items	8.6	-8.4	0.0	0.3
Result at 30/06/05 under IFRS	333.4	-107.9	-76.5	149.0

- **BALANCE SHEET AND EQUITY**

The consolidated balance sheet is shown below:

	1H 05	1H 04	% Var.
ASSETS			
Goodwill	519.1	488.3	6.3%
Fixed assets	461.4	336.7	37.0%
Investments	20,518.4	17,622.4	16.4%
Participation by reinsurance in technical reserves	1,329.6	1,110.5	19.7%
Other assets	4,055.9	3,343.1	21.3%
TOTAL ASSETS	26,884.4	22,901.0	17.4%
LIABILITIES			
Shareholders' Equity	2,086.5	1,802.5	15.8%
Minority interests	926.1	790.1	17.2%
Debt	377.8	299.6	26.1%
Technical reserves	19,875.0	16,991.5	17.0%
- Life insurance reserves	14,311.3	12,221.4	17.1%
- Other reserves	5,563.7	4,770.1	16.6%
Reserves for risks and expenses	175.2	154.7	13.3%
Other liabilities	3,443.8	2,862.6	20.3%
TOTAL LIABILITIES	26,884.4	22,901.0	17.4%

The following changes in equity were recorded in the second quarter of the year:

STATEMENT OF CHANGES IN EQUITY	Share capital	Reserves	Valuation adjusts.	Translation differences	Result	Minority interests	Total Equity
Balance as at 31/03/05	119.5	1,903.0	195.7	-352.3	67.2	889.1	2,822.3
Additions and deductions accounted for directly in equity ⁽¹⁾			14.7	69.3			84.0
Quarterly result					81.8	37.4	119.2
Other positive/negative items		-12.4				-0.4	-12.8
Balance as at 30/06/05	119.5	1,890.6	210.4	-283.0	149.0	926.1	3,012.6

⁽¹⁾ Includes, net of tax, the results from: revaluation of tangible and intangible assets; changes in the fair value of investments available for sale; cash flow hedges; translation adjustments; other items.

IX.3.) SUBSIDIARIES' PREMIUMS AND RESULTS

Companies operating in Spain

The premiums of MAPFRE-CAJA MADRID Holding de Entidades Aseguradoras S.A. reached €2,699.9 million, a 3.7% increase, and its net profit grew 25.5% to €142.2 million.

The breakdown of the premiums written and accepted by the main operating units through the agents channel and the Caja Madrid bank channel is shown in the following table:

	1H 05	1H 04	% Var.
AGENTS CHANNEL	2,147.8	2,022.9	6.2%
LIFE	563.6	554.1	1.7%
GENERAL INSURANCE	617.0	571.9	7.9%
COMMERCIAL INSURANCE	629.8	590.1	6.7%
HEALTH	337.4	306.8	10.0%
CAJA MADRID BANK CHANNEL	564.4	581.9	-3.0%
LIFE	474.2	514.7	-7.9%
GENERAL INSURANCE	53.4	40.2	32.8%
COMMERCIAL INSURANCE	18.0	12.0	50.0%
HEALTH	18.8	15.0	25.3%
Consolidation adjustments	-12.3	-1.9	---
TOTAL PREMIUMS SPAIN	2,699.9	2,602.9	3.7%

LIFE, SAVINGS AND INVESTMENTS OPERATING UNIT

The following table shows the breakdown by type of product and by distribution channel of the premiums written and accepted by MAPFRE VIDA and MUSINI VIDA:

	1H 05	1H 04	% 05/04
Regular Premiums	218.5	206.8	5.7%
- Agents channel	194.8	195.0	-0.1%
- Bank channel	23.7	11.8	100.8%
Single Premiums	551.3	644.2	-14.4%
- Agents channel	178.5	207.1	-13.8%
- Bank channel	359.3	431.6	-16.8%
- MUSINI VIDA	13.5	5.5	145.5%
Life premiums - Savings	769.8	851.0	-9.5%
Externalisation	148.6	113.6	30.8%
- Agents channel	59.0	45.1	30.8%
- Bank channel	42.8	32.7	30.9%
- MUSINI VIDA	46.8	35.8	30.7%
Sub-total	918.4	964.6	-4.8%
Life Premiums - Risk	119.4	104.2	14.6%
- Agents channel	65.9	62.9	4.8%
- Bank channel	48.4	38.6	25.4%
- MUSINI VIDA	5.1	2.7	88.9%
TOTAL PREMIUMS	1,037.8	1,068.8	-2.9%
- Agents channel	498.2	510.1	-2.3%
- Bank channel	474.2	514.7	-7.9%
- MUSINI VIDA	65.4	44.0	48.6%

Figures in million euros

Premiums growth rate improved with respect to the first quarter of the year, thanks to:

- the winning of a comparatively larger volume of retail savings in single premium products, particularly in the agents channel;
- sustained growth in Life – Risk products;
- a new group savings transaction of €148.6 million with SEPI.

Nonetheless, Life – Savings premiums decrease over the same period of the previous year, due to the significant volume of renewals recorded in the bank channel in the first quarter of the previous year, which were not repeated this year.

The following table shows a breakdown by type of product and by distribution channel of the funds managed by MAPFRE VIDA and its subsidiaries:

	1H 05	1H 04	% 05/04
Regular premiums insurance	4,391.1	3,760.8	16.8%
- Agents channel	4,054.2	3,469.5	16.9%
- Bank channel	336.9	291.3	15.7%
Single premiums insurance	8,288.8	6,965.0	19.0%
- Agents channel	3,487.6	2,917.7	19.5%
- Bank channel	4,801.2	4,047.3	18.6%
Life insurance - Risk	138.5	110.2	25.7%
- Agents channel	33.1	30.4	8.9%
- Bank channel	105.4	79.8	32.1%
MUSINI VIDA	1,147.7	1,164.0	-1.4%
Total mathematical reserves	13,966.2	12,000.0	16.4%
Other reserves	228.8	233.0	-1.8%
TECHNICAL RESERVES	14,194.9	12,233.0	16.0%
MUTUAL FUNDS	2,956.8	2,468.0	19.8%
PENSION FUNDS ⁽¹⁾	1,091.5	898.3	21.5%
- Individual system	980.7	810.4	21.0%
- Employers' system	110.8	87.9	26.1%
THIRD-PARTY FUNDS UNDER MANAGEMENT	18,243.2	15,599.3	16.9%
SHAREHOLDERS' EQUITY	512.8	464.7	10.4%
TOTAL FUNDS UNDER MANAGEMENT	18,756.0	16,064.0	16.8%
MUSINI S.A.:	579.1	592.4	-2.2%
- Technical reserves	514.0	488.1	5.3%
- Mutual funds	0.0	31.3	---
- Pension funds	65.1	73.0	-10.8%
TOTAL FUNDS UNDER MANAGEMENT, LIFE AND SAVING BUSINESS	19,335.1	16,656.4	16.1%

Figures in million euros

⁽¹⁾ Pension funds figures do not include defined benefit funds entered into through a Life insurance contract amounting to 704.3 million euros in 1H 2004

Funds under management have recorded a comparatively larger increase in the first half of the year against the same period of the previous year, primarily because of a smaller volume of maturities of single-premium products in the bank channel and of the new transaction with SEPI.

The following table shows a breakdown between cash contributions and the revaluation of assets of the increase in funds under management (excluding shareholders' equity) in the first half of both years:

	January - June	
	2005	2004
Life insurance technical reserves	1,123.0	352.9
- Changes in the balance	454.9	333.6
- IFRS adjustments	668.1	19.3
Mutual funds	276.7	125.5
- Net sales	19.6	24.3
- Change in the value of assets	257.2	101.2
Pension funds	53.4	43.9
- Net sales	13.8	31.3
- Change in the value of assets	39.6	12.6
Total variation in funds under management	1,453.2	522.3

MAPFRE VIDA and its subsidiaries made a gross consolidated profit of €87.9 million, a 28.1% increase. The net consolidated profit was €57.9 million, a 26.4% increase over the same period of the previous year (13.1% under PGC/PGEA).

GENERAL INSURANCE OPERATING UNIT

	1H 05	1H 04	%05/04
Premiums written and accepted	670.4	612.1	9.5%
- Burial	199.2	192.6	3.4%
- Other business lines	471.2	419.5	12.3%
Gross Result ⁽¹⁾	66.6	56.7	17.5%
Net result	42.7	38.1	12.1%
Equity	290.6	263.5	10.3%
Loss Ratio, Non-Life ⁽²⁾	64.7%	64.8%	
Expense Ratio, Non-Life ⁽²⁾	27.3%	26.2%	
Combined Ratio, Non-Life ⁽²⁾	92.0%	91.0%	

⁽¹⁾ Before taxes and minority interest

⁽²⁾ Ratios as a % of net premiums earned

Net profit growth reflects:

- larger business volumes;
- a slight increase in the expense ratio, due to lower commissions received from reinsurers as a consequence of the higher retention level;
- larger financial income;
- a larger tax rate because of a reduction in the amount of pre-paid taxes.

The low 3.4% increase in Burial insurance is due to the fact that in this line of business annual policies' cancellations concentrate in the first quarter of the year. On the other hand, the 32.8% increase in premiums written through CAJA MADRID must be noted, which was due in part to the successful launch of the "Hipoteca Protegida" (Protected Mortgage) product that covers for a period of five years the payment of a mortgage loan's installments should the borrower become unemployed or temporarily disabled.

COMMERCIAL INSURANCE OPERATING UNIT

	1H 05	1H 04 ⁽¹⁾	% 05/04
Premiums written and accepted	647.8	602.1	7.6%
Gross result ⁽²⁾	65.0	59.5	9.2%
Net result	42.6	40.1	6.2%
Equity	257.6	209.1	23.2%
Loss Ratio, Non-Life ⁽³⁾	70.0%	71.1%	
Expense Ratio, Non-Life ^{(3) (4)}	13.9%	10.8%	
Combined Ratio, Non-Life ⁽³⁾	83.9%	81.9%	

⁽¹⁾ Figures for the first half of 2004 are shown on an aggregated basis to facilitate the comparison

⁽²⁾ Before taxes and minority interest

⁽³⁾ Ratios as a % of net premiums earned

⁽⁴⁾ Given the importance of services activities for MAPFRE CAUCIÓN y CRÉDITO, the net income from other activities of this subsidiary is added to the numerator of the expense ratio

Premiums growth reflects the winning of new business, which helped counter the impact of tariff competition.

In the month of May, MUSINI was renamed as MAPFRE EMPRESAS. After its merger with MAPFRE INDUSTRIAL, expected before the close of 2005, MAPFRE EMPRESAS will be the only insurance company within SISTEMA MAPFRE in Spain specialised in covering industrial risks.

International rating agencies AM Best and Standard & Poor's assigned their 'A/Stable outlook' and 'AA/stable outlook' ratings, respectively, to MAPFRE EMPRESAS. These ratings are among the highest of any commercial insurance company in Europe and will undoubtedly contribute to the business growth of the COMMERCIAL INSURANCE UNIT, especially abroad.

Industrial Business⁽¹⁾

	1H 05	1H 04 ⁽²⁾	% 05/04
Premiums written and accepted	576.6	533.8	8.0%
- of which Life	34.8	39.8	-12.6%
Gross result ⁽³⁾	59.8	53.2	12.4%
Net result	40.2	36.0	11.7%
Equity	240.1	205.2	17.0%
Loss Ratio, Non-Life ⁽⁴⁾	68.8%	69.9%	
Expense Ratio, Non-Life ⁽⁴⁾	16.7%	13.4%	
Combined Ratio, Non-Life ⁽⁴⁾	85.5%	83.3%	

(1) Includes MAPFRE EMPRESAS and MAPFRE INDUSTRIAL

(2) Figures for the first half of 2004 are shown on an aggregated basis to facilitate the comparison

(3) Before taxes and minority interest

(4) Ratios as a % of net premiums earned

In the first half of the year, premiums grew 10.9% in the SME business and 7.1% in the Large Risks business.

Although the large claims incurred in the first half of the year, among which the fire at the Windsor Building in Madrid stands out, have had a limited impact of the claims ratio because of the large share taken up by reinsurers, they have raised the expense ratio due to the adjustment in the cost of protections.

MAPFRE CAUCIÓN Y CRÉDITO

	1H 05	1H 04	% 05/04
Premiums written and accepted	71.2	68.3	4.2%
Gross result ⁽¹⁾	7.4	6.3	17.5%
Net result	4.6	4.1	12.2%
Equity	31.8	23.7	34.2%
Loss Ratio, Non-Life ⁽²⁾	85.4%	84.4%	
Expense Ratio, Non-Life ⁽²⁾	-3.8%	4.8%	
Net Other Income, Non-Life ⁽³⁾	-18.2%	-22.4%	
Combined Ratio, Non-Life ⁽²⁾	63.4%	66.8%	

⁽¹⁾ Before taxes and minority interest

⁽²⁾ Ratios as a % of net premiums earned

⁽³⁾ Given the importance of services activities for MAPFRE CAUCIÓN y CRÉDITO, the ratio of net income from other activities as a percentage of net premiums earned is added

MAPFRE CAUCIÓN Y CRÉDITO'S business volumes only grew 4.2%, due to strong competition in credit insurance. The variation in the expense ratio reflects larger commissions received from reinsurers.

MAPFRE CAJA SALUD

	1H 05	1H 04	% 05/04
Premiums written and accepted	356.2	321.8	10.7%
- Agents network ⁽¹⁾	337.4	306.8	10.0%
- Bank network	18.8	15.0	25.3%
Gross result ⁽²⁾	8.3	3.2	159.4%
Net result	5.1	2.1	142.9%
Equity	100.3	93.3	7.5%
Loss Ratio, Non-Life ⁽³⁾	81.0%	82.1%	
Expense Ratio, Non-Life ⁽³⁾	15.9%	15.7%	
Combined Ratio, Non-Life ⁽³⁾	96.9%	97.8%	

⁽¹⁾ Including brokers

⁽²⁾ Before taxes and minority interest

⁽³⁾ Ratios as a % of net premiums earned

The substantial increase in net profit is the result of:

- premium growth, which exceeded the level achieved by the market as a whole (+9.7%) and came primarily from retail customers and the Health Assistance business line;
- a lower claims ratio, as a consequence of the adoption of new risk selection tools and of the contention of medical expenses;
- larger financial income.

The net profit also includes the impact of early amortisations of goodwill of €3 million in the first half of 2004 and of €0.5 million in the first half of 2005. Excluding these amounts, the net profit would have grown 9.8%.

In the first half, a new medical centre was opened in Palma de Mallorca.

Companies operating abroad

MAPFRE AMÉRICA

	1H 05	1H 04	% 05/04
Premiums written and accepted	732.4	658.6	11.2%
Gross result ⁽¹⁾	44.6	34.3	30.0%
Net result	33.0	26.1	26.4%
Equity	704.4	535.9	31.4%
Loss Ratio, Non-Life ⁽²⁾	68.8%	67.2%	
Expense Ratio, Non-Life ⁽²⁾	32.6%	32.2%	
Combined Ratio, Non-Life ⁽²⁾	101.4%	99.4%	

⁽¹⁾ Before taxes and minority interest

⁽²⁾ Ratios as a % of net premiums earned

The result of MAPFRE AMÉRICA reflects the following factors:

- sustained premiums growth, which was particularly strong in Argentina, Brazil and Venezuela;
- a higher loss ratio, due to decreasing rates in some countries;
- the expansion of the distribution network, which caused only a slight increase in the expense ratio;
- larger financial income, primarily due to rising interest rates in the region.

The following table provides a comparison between the growth rates of premiums and results, in euros and in local currency:

COMPANY	PREMIUMS				RESULTS ⁽¹⁾			
	1H 05	1H 04	% 05/04	Local Currency % 05/04	1H 05	1H 04	% 05/04	Local Currency % 05/04
PUERTO RICO	118.5	108.0	9.7%	8.7%	13.7	11.0	24.5%	39.1%
VENEZUELA	121.3	97.6	24.3%	42.0%	12.6	13.0	-3.1%	10.4%
MEXICO	118.1	139.5	-15.3%	-13.5%	11.6	4.7	146.8%	150.4%
BRAZIL	167.5	129.2	29.6%	14.9%	5.6	3.8	47.4%	33.0%
ARGENTINA	89.9	76.6	17.4%	22.7%	3.6	3.4	5.9%	10.3%
CHILE	52.1	51.5	1.2%	-3.6%	1.3	2.0	-35.0%	-37.4%
EL SALVADOR	15.0	14.9	0.7%	5.0%	1.3	1.0	30.0%	27.2%
COLOMBIA	27.0	21.3	26.8%	15.2%	1.1	1.2	-8.3%	-21.0%
PARAGUAY	4.0	3.8	5.3%	15.9%	0.1	0.2	-50.0%	-27.9%
PERU	14.7	11.8	24.6%	22.4%	-0.2	0.3	---	---
URUGUAY	4.5	4.4	2.3%	-2.0%	-0.3	0.0	---	---

⁽¹⁾ Profit before amortisation of goodwill and portfolio acquisition costs, taxes and minority interests under PGC/PGEA standards

Significant increases were recorded in the profits of the following subsidiaries:

- MAPFRE TEPEYAC (Mexico), due to the improvement in its technical result, which is related in part with the cancellation of Motor insurance contracts in 2004, and to larger financial income;
- MAPFRE VERA CRUZ (Brazil), thanks to sustained growth across most business lines, due primarily to the expansion of the distribution network, and to the decrease of the loss ratio in the Motor business, which was helped by the introduction of a new tariff that is segmented by area and type of vehicle

In the first six months of the year, 183 new offices have been opened, 45 of which are direct.

MAPFRE RE

	1H 05	1H 04	% 05/04
Premiums written and accepted	666.8	561.9	18.7%
- of which Life	52.4	35.9	46.0%
Gross result ⁽¹⁾	58.7	43.4	35.3%
Net result	34.0	27.1	25.5%
Equity	652.1	537.9	21.2%
Loss Ratio, Non-Life ⁽²⁾	59.3%	58.5%	
Expense Ratio, Non-Life ⁽²⁾	31.0%	31.5%	
Combined Ratio, Non-Life ⁽²⁾	90.3%	90.0%	

⁽¹⁾ Before taxes and minority interest

⁽²⁾ Ratios as a % of net premiums earned

Result growth reflects:

- the winning of new business from ceding companies outside SISTEMA MAPFRE;
- a stable combined ratio, in spite of a slight increase in the loss ratio caused by the large claims incurred in the first half of the year;
- larger financial income.

The tax rate has gone up due to the transfer of subsidiary MAPLUX to MAPFRE SEGUROS GENERALES.

The amount of the claims caused by hurricane “Dennis”, which hit the southern coast of the United States after the close of the first half, is expected to range between €4 and 8 million. These claims should be viewed as normal in relation to current business volumes, therefore MAPFRE RE and its North American subsidiary MAPFRE REINSURANCE CORP. maintain their profit estimates for the year.

MAPFRE ASISTENCIA

	1H 05	1H 04	% 05/04
Total Income	165.1	120.4	37.1%
- Premiums written and accepted	123.5	84.1	46.8%
- Other income	41.6	36.3	14.6%
Gross result ⁽¹⁾	4.3	4.1	4.9%
Net result	3.6	2.9	24.1%
Equity	82.7	65.4	26.5%
Loss Ratio, Non-Life ⁽²⁾	73.9%	73.7%	
Expense Ratio, Non-Life ⁽²⁾	19.3%	18.0%	
Combined Ratio, Non-Life ⁽²⁾	93.2%	91.7%	

⁽¹⁾ Before taxes and minority interest

⁽²⁾ Ratios as a % of net premiums earned

The increase in net profit reflects:

- premiums growth, particularly in the Pecuniary Losses business line (€38.6 million against €11.4 million in the same period of the previous year). It is also worth noting the growth of the Assistance business in North America and of travel insurance in Spain, Africa and the Middle East;
- the increase in the expense ratio, which is due to: the growth of the Pecuniary Losses business line, which is characterised by higher acquisition costs than the other lines, that are compensated by comparatively lower loss levels; and by the expansion of the distribution network and of the services related with the new business lines in Europe;
- a decrease in the tax rate, due to the use of tax credits and to comparatively faster profit growth in subsidiaries with lower tax rates.

In May, the new www.viajesmapfre.com portal was launched, which allows to buy in real time holiday packages, hotels, plane tickets and car rentals, among others. The Corporate Travel and Conference, Conventions and Incentives (CC&I) business lines will be added in the near future. On-line services are backed by a highly qualified and specialised after-sale call centre.

IX.4.) MANAGEMENT RATIOS

In accordance with internationally accepted practices, the soundness of the Non-Life technical result is measured through the combined ratio, reflecting total claims and expenses as a percentage of net premiums earned. The consolidated Non-Life combined ratio of CORPORACIÓN MAPFRE was 93.8% in the first half of 2005, against 93.0% in the same period of the previous fiscal year. It is worth noting the evolution of the expense ratio as a percentage of funds under management in Life insurance.

The evolution of the main management ratios of the insurance subsidiaries of CORPORACIÓN MAPFRE is shown in the following table:

COMPANY	EXPENSE RATIO ⁽¹⁾		LOSS RATIO ⁽²⁾		COMBINED RATIO ⁽³⁾	
	1H 05	1H 04	1H 05	1H 04	1H 05	1H 04
GENERAL INSURANCE OP. UNIT	27.3%	26.2%	64.7%	64.8%	92.0%	91.0%
MAP. EMPRESAS + MAP. INDUSTRIAL	16.7%	13.4%	68.8%	69.9%	85.5%	83.3%
MAPFRE CAUCIÓN Y CRÉDITO ⁽⁴⁾	-22.0%	-17.6%	85.4%	84.4%	63.4%	66.8%
MAPFRE CAJA SALUD	15.9%	15.7%	81.0%	82.1%	96.9%	97.8%
MAPFRE-CAJA MADRID HOLDING	21.7%	20.7%	68.9%	69.3%	90.6%	90.0%
MAPFRE RE	31.0%	31.5%	59.3%	58.5%	90.3%	90.0%
MAPFRE ASISTENCIA	19.3%	18.0%	73.9%	73.7%	93.2%	91.7%
MAPFRE AMERICA	32.6%	32.2%	68.8%	67.2%	101.4%	99.4%
CORPORACION MAPFRE (Consolidated)	26.7%	26.1%	67.1%	66.9%	93.8%	93.0%
MAPFRE VIDA ⁽⁵⁾	0.9%	1.0%				

⁽¹⁾ (Operating expenses, net of reinsurance + profit sharing and returns – other technical income + other technical expenses) / Net premiums earned. Figures corresponding to the Non-Life technical account

⁽²⁾ (Net claims incurred + variation of other technical reserves) / Net premiums earned. Figures corresponding to the Non-Life technical account

⁽³⁾ Combined ratio = Expense ratio + Loss ratio. Figures corresponding to the Non-Life Technical account

⁽⁴⁾ Given the importance of services activities for MAPFRE CAUCIÓN y CRÉDITO, the net income from other activities is added to the numerator of the expense ratio of this subsidiary

⁽⁵⁾ (Acquisition expenses + variation in deferred acquisition expenses + administration expenses) / (average technical reserves + average mutual funds + average pension funds). Annualised ratio

IX.5.) SHAREHOLDERS' EQUITY

Net consolidated equity reached €3,012.6 million, against €2,592.6 million at the end of the first half of 2004. The year-on-year variation in equity reflects the positive contribution from the results earned by the Units, the increase in the value of investments and hedging derivatives and the appreciation of the US dollar against the euro. Of the amount mentioned above, €926.1 million corresponded to the holdings of minority shareholders in subsidiaries, and €2,086.5 million to the shareholders of CORPORACIÓN MAPFRE. Consolidated shareholders' equity per share was €8.7 as of June 2005 (€7.8 at the close of 2004).

In the first half of 2005, the consolidated shareholders' equity of MAPFRE AMÉRICA increased by €168.5 million, as a result of: the €75 million capital increase carried out in June 2005; the profits earned by its subsidiaries; the increase in the value of investments; and the appreciation of the US dollar against the euro.

IX.6.) ACQUISITIONS AND DISPOSALS

The following investments were made in the first half of the year:

Investments carried out directly by CORPORACIÓN MAPFRE

- CORPORACIÓN MAPFRE acquired in the month of February two blocks of shares equivalent to a 15.18% holding in the share capital of MIDDLESEA INSURANCE, as 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. In the following months, additional MIDDLESEA INSURANCE shares were purchased in the market, thereby raising the stake of CORPORACIÓN MAPFRE in this company to 20.9%.
- An amount of €44 million has been invested to subscribe for the part of CORPORACIÓN MAPFRE in a €50 million capital increase carried out by MAPFRE RE.
- The holding of a minority shareholder in MAPFRE AMÉRICA has been acquired for a price of €26.1 million, thereby raising the shareholding of CORPORACIÓN MAPFRE in this subsidiary to 87.42%, from 84.92% at the close of 2004. Subsequently, €65.6 million have been invested to subscribe for the part of CORPORACIÓN MAPFRE in a capital increase

carried out by the aforementioned subsidiary to fund another increase in its subsidiary MAPFRE VERA CRUZ SEGURADORA (Brazil).

- An amount of €5.5 million has been subscribed for in a €12 million capital increase carried out by MAPFRE QUAVITAE to strengthen its capital position and reduce its debt levels.
- Two capital increases have been carried out by MAPFRE ASISTENCIA: a first increase of €6.8 million, to support the growth of the company; a second increase of €10 million, to fund the acquisition of British company ABRAXAS, which was complemented by the granting of a €6 million five-years loan at market terms.

Investments carried out by subsidiaries

- MAPFRE SEGUROS GENERALES transferred to MAPFRE EMPRESAS its holdings of 99.9986% and 99.96%, respectively, in the share capital of MAPFRE INDUSTRIAL and MAPFRE SERVICIOS MARÍTIMOS. Both transactions were carried out at net asset value according to Spanish GAAP.
- MAPFRE EMPRESAS bought from MAPFRE-CAJA MADRID HOLDING a 99.9933% holding in the share capital of MAPFRE CAUCIÓN Y CRÉDITO. This transaction was carried out at net asset value according to Spanish GAAP.
- MAPFRE INDUSTRIAL acquired for a price of €2.5 million the entire share capital of ENKEN SERVICIOS DE PREVENCIÓN and ENKEN ASISTENCIA SANITARIA. These companies specialise in risk prevention and health assistance services focussed on occupational health.
- MAPFRE AMÉRICA funded capital increases in two of its subsidiaries: an increase of BRL 225.8 million (approximately €78.6 million) in its subsidiary MAPFRE VERA CRUZ SEGURADORA (Brazil) to finance the acquisition of a 51% shareholding in insurer NOSSA CAIXA VIDA E PREVIDENCIA (Brazil); and another increase of PEN 16 million (approximately €3.8 million) carried out by MAPFRE PERÚ.
- MAPFRE RE transferred to MAPFRE SEGUROS GENERALES its 99.963% holding in the share capital of MAPLUX REINSURANCE COMPANY LTD. (Luxembourg). This transaction was carried out at net asset value according to Spanish GAAP.

Events subsequent to the close of the first half of 2005

MAPFRE ASISTENCIA acquired for a price of GBP 10.5 million (approximately €16 million) the entire share capital of British company ABRAXAS, which distributes Pecuniary Losses and Mechanical Breakdown Guarantee insurance through an extensive network of car dealers in the United Kingdom.

MAPFRE ASIAN and Philippine insurer Insular General Insurance Company (I-Gen), the Non-Life insurance subsidiary of insurer Insular Life, signed a memorandum of understanding in order to conduct a legal and financial due diligence leading to a possible merger, which is expected to be completed by the end of the year. The resulting company, which will be 60%-owned by MAPFRE and 40% by I-Gen, will become the leading Non-Life insurer in the Philippines. The Agreement is subject to the approval of the Philippine insurance and securities markets regulators, and of other regulatory agencies.

Financing

The investments detailed above were funded with available cash.

IX.7.) EMPLOYEES

CORPORACIÓN MAPFRE, its subsidiaries and affiliates had a payroll of 14,291 employees as of 30 June 2005, 4,883 of which in Spain and 9,408 in other countries. The 335 persons reduction in staff levels with respect to same period of the previous year is due to the transfer of employees from a number of subsidiaries to the payroll of MAPFRE MUTUALIDAD as a consequence of the restructuring of the MAPFRE NETWORK, which was implemented in the month of January of this year.

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 first half of 2005 reached total revenues of € 6,459 million, a 12.3% increase over the previous year. Consolidated profit after taxes grew 17.2%.

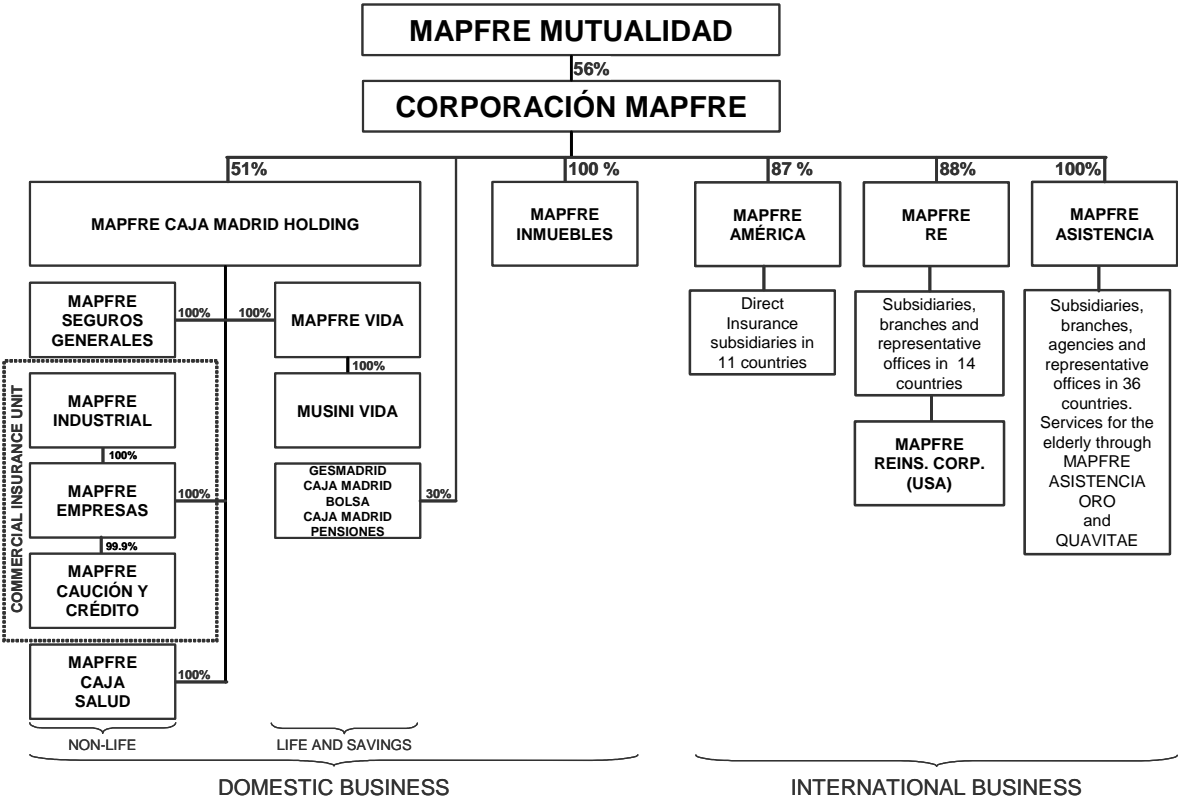
The consolidated profit and loss account of SISTEMA MAPFRE, which includes MAPFRE MUTUALIDAD and CORPORACIÓN MAPFRE, is shown in the following table:

	1H 05	1H 04	% Var.
NON-LIFE INSURANCE AND REINSURANCE			
Gross written and accepted premiums	4,170.2	3,736.9	11.6%
Premiums earned, net of ceded and retroceded reinsurance	3,055.2	2,664.0	14.7%
Net claims incurred and variation in other technical provisions	-2,159.9	-1,839.1	17.4%
Operating expenses, net of reinsurance	-625.6	-514.8	21.5%
Other technical income and expenses	-29.0	-43.5	-33.3%
TECHNICAL RESULT	240.7	266.6	-9.7%
Net financial and other non-technical income	174.4	106.7	63.4%
Result of the Non-life business	415.1	373.3	11.2%
LIFE INSURANCE AND REINSURANCE			
Gross written and accepted premiums	1,224.2	1,232.1	-0.6%
Premiums earned, net of ceded and retroceded reinsurance	1,133.8	1,149.0	-1.3%
Net claims incurred and variation in other technical provisions	-1,465.4	-1,317.9	11.2%
Operating expenses, net of reinsurance	-95.3	-105.9	-10.0%
Other technical income and expenses	-6.0	-4.0	50.0%
TECHNICAL RESULT	-432.9	-278.8	55.3%
Net financial and other non-technical income	489.2	314.2	55.7%
Unrealised gains and losses in unit-linked investments	12.0	7.7	55.8%
Result of the Life business	68.3	43.1	58.5%
OTHER BUSINESS ACTIVITIES			
Operating income	140.4	107.3	30.8%
Operating expenses	-126.6	-105.2	20.3%
Net financial income	13.6	12.2	11.5%
Results from minority shareholdings	3.8	3.1	22.6%
Result of the Other Business Activities	31.2	17.4	79.3%
Result before tax and minority shareholders	514.6	433.8	18.6%
Taxes	-148.2	-121.3	22.2%
Result after tax	366.4	312.5	17.2%
Non-life loss ratio ⁽¹⁾	70.7%	69.0%	
Non-life expense ratio ⁽¹⁾	21.4%	21.0%	
Non-life combined ratio ⁽¹⁾	92.1%	90.0%	
Life expense ratio ⁽²⁾	1.3%	1.6%	

⁽¹⁾ Ratios calculated over net premiums earned.

⁽²⁾ (Operating expenses, net of reinsurance + profit sharing and returns – other technical income + other technical expenses) / (average Life and unit-linked reserves + average mutual funds + average pension funds). Annualised ratios

Organisation chart of SISTEMA MAPFRE



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).

X.1.) ISSUANCE, PARTIAL OR COMPLETE REPAYMENT OF FINANCIAL BORROWINGS

No transactions of this nature were carried out in the period.

X.2.) SECURITIES ISSUED BY THIRD PARTIES AND GUARANTEED BY THE GROUP

No transactions of this nature were carried out in the period.

XI. DIVIDENDS DISTRIBUTED DURING THE PERIOD

		% based on nominal	Euros per Share	Amount (€ '000)
1. Ordinary Shares	3100	24	0.12	28,668
2. Preference Shares	3110	--	--	--
3. Redeemable Shares	3115	--	--	--
4. Non-voting Shares	3120	--	--	--

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

Supplementary dividend, paid out of the results for fiscal year 2004, on 14 March 2005; shares numbered 1 to 238,900,706 collected €0.12 gross per share.

TRANSACTIONS WITH RELATED PARTIES

No such transactions were carried out at terms other than the market.