

INSURANCE

INTERIM QUARTERLY RESULTS REPORT FOR THE FOLLOWING PERIOD:

QUARTER

FIRST

YEAR

2005

Official Name: CORPORACIÓN MAPFRE, S.A.

Legal Address:

Pº de Recoletos, 25
28004 MADRID

Tax ID

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 CORPORACIÓN MAPFRE, S.A.
Public deed nº 2845 signed before notary public Mr. José María Prada Guaita on 20 September 2001

SIGNATURE:

A) PRELIMINARY QUARTERLY RESULTS

		UNCONSOLIDATED		CONSOLIDATED UNDER LOCAL GAAP		CONSOLIDATED UNDER IFRS	
		Current Fiscal Year	Previous Fiscal Year	Current Fiscal Year	Previous Fiscal Year	Current Fiscal Year	Previous Fiscal Year
Units: thousand euros							
NET PREMIUMS & SURCHARGES (*)	0800	---	---	---	---	1,368,939	1,312,148
RESULT BEFORE TAX/RESULT BEFORE TAX FROM ONGOING ACTIVITIES	1040	36,402	20,689	---	---	151,809	133,224
RESULT OF THE PERIOD FROM ONGOING ACTIVITIES	4860					106,382	90,454
RESULT OF THE PERIOD	1044	32,515	21,991	---	---	106,382	90,454
Result attributable to External Shareholders/Result of the period attributable to minority interests	2050			---	---	-39,139	-35,012
RESULT OF THE PERIOD ATTRIBUTABLE TO THE CONTROLLING COMPANY/RESULT OF THE PERIOD ATTRIBUTABLE TO HOLDERS OF EQUITY INSTRUMENTS ISSUED BY THE CONTROLLING COMPANY	2060			---	---	67,243	55,442
PAID-UP CAPITAL	0500	119,450	90,782				
AVERAGE NUMBER OF EMPLOYEES	3000	33	44	---	---	13,960	14,208

(*) Net premiums earned

B) BUSINESS DEVELOPMENT

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

During the first quarter of 2005, the business activities of CORPORACIÓN MAPFRE and its subsidiaries developed positively. In this respect, the following must be noted:

- direct Non-life insurance premiums grew 10.9%;
- funds managed in Life insurance and savings products rose by 10.5%;
- MAPFRE RE recorded increases of 14.8% in its premiums and 19.6% in its net profit.

The net profit of CORPORACIÓN MAPFRE reached €67.2 million, exceeding the result for the same period of the previous year by 21.3%. Revenues amounted to €2,696.3 million, an 8.5% increase.

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 been €58.8 million, a 30.1% increase.

B1) CONSOLIDATED GROUP FIGURES

• REVENUES

The total revenues of CORPORACIÓN MAPFRE and its subsidiaries reached €2,696.3 million in the first quarter of 2005, with the following breakdown by line of business:

TOTAL REVENUES (million euros)			
	31.03.05	31.03.04	% Var. 05/04
Companies operating primarily in Spain			
Direct insurance premiums: Non-life	1,156.6	1,031.1	12.2%
Direct insurance premiums: Life	488.0	574.1	-15.0%
Income from other activities	97.2	25.4	---
Income from investments (*)	253.1	237.7	6.5%
Other income (**)	8.5	12.7	-33.1%
Cumulative Subtotal	2,003.4	1,880.9	6.5%
Companies operating primarily abroad			
Direct insurance premiums: Non-life	355.2	332.2	6.9%
Direct insurance premiums: Life	8.7	11.0	-20.9%
Accepted reinsurance premiums	315.7	274.9	14.8%
Assistance premiums and other income	74.7	53.9	38.6%
Income from other activities	0.0	0.0	---
Income from investments (*)	56.4	55.6	1.4%
Other income (**)	6.4	1.3	---
Cumulative Subtotal	817.2	728.9	12.1%
Total cumulative revenues	2,820.6	2,609.8	8.1%
Intra-group transactions eliminated upon cons.	-124.3	-125.3	-0.8%
TOTAL CONSOLIDATED REVENUES	2,696.3	2,484.5	8.5%

(*) Includes results from minority shareholdings.

(**) Includes other income from the insurance operations and other business activities.

Total direct insurance and accepted reinsurance premiums reached a consolidated volume of €2,264.4 million, a 6% increase over the first quarter of the previous year. Net premiums earned grew 4.3% to €1,368.9 million.

• **RESULTS**

The consolidated income statement is shown in the following table:

CONSOLIDATED INCOME STATEMENT			
(million euros)			
	31.03.05	31.03.04	% Var. 05/04
NON-LIFE INSURANCE AND REINSURANCE			
Gross written and accepted premiums	1,774.9	1,544.4	14.9%
Premiums earned, net of ceded and retroceded reinsurance	926.0	784.1	18.1%
Net claims incurred and variation in other technical provisions	-645.5	-514.9	25.4%
Net operating expenses	-212.0	-197.2	7.5%
Other technical income and expenses	-15.4	-15.8	-2.5%
TECHNICAL RESULT	53.1	56.2	-5.5%
Net financial income	53.3	48.9	9.0%
Other non-technical income and expenses	7.1	-1.2	---
Result of the Non-life business	113.5	103.8	9.3%
LIFE INSURANCE AND REINSURANCE			
Gross written and accepted premiums	489.5	592.3	-17.4%
Premiums earned, net of ceded and retroceded reinsurance	443.0	528.0	-16.1%
Net claims incurred and variation in other technical provisions	-535.3	-633.5	-15.5%
Net operating expenses	-36.0	-29.1	23.7%
Other technical income and expenses	-3.7	-2.6	42.3%
TECHNICAL RESULT	-132.1	-137.0	-3.6%
Net financial income	165.0	157.1	5.0%
Unrealised gains and losses in unit-linked investments	4.2	6.8	-38.2%
Other non-technical income and expenses	0.6	-0.3	---
Result of the Life business	37.6	26.6	41.4%
OTHER BUSINESS ACTIVITIES			
Operating income	108.3	40.7	166.1%
Operating expenses	-113.1	-36.8	---
Net financial income	3.5	-2.8	---
Results from minority shareholdings	1.9	1.8	5.6%
Other net income	0.2	0.0	---
Result of the Other Business Activities	0.7	2.8	-75.0%
Result before tax and minority shareholders	151.8	133.2	14.0%
Taxes	-45.4	-42.8	6.1%
Result after tax	106.4	90.4	17.7%
Result attributable to minority shareholders	-39.2	-35.0	12.0%
Result after tax and minority shareholders	67.2	55.4	21.3%
Non-life loss ratio ⁽¹⁾	69.7%	65.7%	
Non-life expense ratio ⁽¹⁾	24.6%	27.2%	
Non-life combined ratio ⁽¹⁾	94.3%	92.9%	
Life expense ratio ⁽²⁾	1.2%	1.1%	

1) Ratios calculated over net premiums earned.

2) (Net operating expenses + profit sharing and returns – other technical income + other technical expenses) / average Life and unit-linked reserves. Annualised ratios

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

CONSOLIDATED RESULTS			
(million euros)			
	31.03.05	31.03.04	% Var. 05/04
Companies operating primarily in Spain			
Direct insurance	105.3	97.1	8.4%
Other business activities	0.3	0.3	0.0%
Companies operating primarily abroad			
Direct insurance	21.7	16.0	35.6%
Reinsurance	28.3	24.6	15.0%
Assistance	2.3	1.8	27.8%
Results from minority shareholdings	1.9	1.8	5.6%
Consolidation adjustments	-8.0	-8.4	-4.8%
Result before tax and minority shareholders	151.8	133.2	14.0%
Taxes	-45.4	-42.8	6.1%
Result after tax	106.4	90.4	17.7%
Result attributable to minority shareholders	-39.2	-35.0	12.0%
Result after tax and minority shareholders	67.2	55.4	21.3%

A reconciliation of the main differences between the consolidated profit as of 31 March 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 31/03/05 under PGC/PCEA	127.8	-36.3	-32.7	58.8
Reversal of goodwill amortisation	7.3	-0.7	-2.7	3.9
Reversal of the appropriation to the equalisation reserve	11.2	-4.0	-2.4	4.8
Differences in the valuation of technical reserves	-1.8	0.6	0.6	-0.6
Differences in the valuation of investments	4.4	-1.4	-1.2	1.8
Embedded derivatives (fair value, hedges)	-3.7	1.3	0.0	-2.4
Amortisation of start-up expenses	1.9	-0.5	-0.3	1.1
Deferred taxes (timing diffs. and differences > 10 yrs.)	-0.8	0.4	-0.2	-0.6
Deferred income	0.2	0.0	-0.1	0.1
Other items	5.4	-5.0	-0.1	0.3
Result at 31/03/05 under IFRS	151.8	-45.4	-39.1	67.2

million euros

- **BALANCE SHEET AND NET WORTH**

The consolidated balance sheet is shown below:

CONSOLIDATED BALANCE SHEET			
(million euros)			
	31.03.05	31.03.04	% Var. 05/04
ASSETS			
Goodwill	497.8	470.8	5.7%
Fixed assets	369.2	276.8	33.4%
Investments	18,863.1	17,529.5	7.6%
Participation by reinsurance in technical reserves	1,252.4	1,057.6	18.4%
Other assets	4,256.7	3,610.7	17.9%
TOTAL ASSETS	25,239.3	22,945.4	10.0%
LIABILITIES			
Shareholders' Equity	1,933.2	1,289.3	49.9%
Minority interests	889.1	777.6	14.3%
Technical reserves	18,824.1	17,016.8	10.6%
- Life	13,776.2	12,667.0	8.8%
- Non-Life	5,047.9	4,349.8	16.0%
Reserves for risks and expenses	136.1	113.8	19.6%
Other liabilities	3,456.8	3,747.9	-7.8%
TOTAL LIABILITIES	25,239.3	22,945.4	10.0%

During the first quarter of the year, equity varied as follows:

STATEMENT OF CHANGES IN EQUITY						
(million euros)						
	Share capital	Reserves	Valuation adjusts.	Translation differences	Result	Total equity
Balance as at 31/12/04	113.8	1,741.3	164.8	-372.3	218.9	1,866.5
Distribution of previous year's result		154.2	36.0		-218.9	-28.7
Additions and deductions accounted for directly in equity ⁽¹⁾			0.6	20.1		20.7
Result for the period					67.2	67.2
Other positive/negative items		7.5				7.5
Balance as at 31/03/05	113.8	1,903.0	201.4	-352.2	67.2	1,933.2

⁽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.

B2) PREMIUMS AND RESULTS OF SUBSIDIARIES

Companies operating primarily in Spain

The direct insurance and accepted reinsurance premiums of the subsidiaries of MAPFRE-CAJA MADRID Holding de Entidades Aseguradoras S.A. evolved as follows:

CONSOLIDATED WRITTEN AND ACCEPTED PREMIUMS			
	million euros		
	31.03.05	31.03.04	% Var. 05/04
LIFE INSURANCE OPERATING UNIT	453.8	544.1	-16.6%
Savings	384.6	481.8	-20.2%
Risk	69.2	62.3	11.1%
GENERAL INSURANCE OPERATING UNIT	445.4	406.2	9.7%
Burial	192.4	187.9	2.4%
Other branches	252.9	218.3	15.8%
COMMERCIAL INSURANCE OPER. UNIT	391.3	338.3	15.7%
MAPFRE INDUSTRIAL and MUSINI S.A.	347.7	298.8	16.4%
MAPFRE CAUCIÓN Y CRÉDITO	43.6	39.5	10.4%
MAPFRE CAJA SALUD	354.1	316.6	11.8%
TOTAL	1,644.6	1,605.2	2.5%

⁽¹⁾ For comparative purposes the figures of MAPFRE SEGUROS GENERALES for the first quarter of 2004 include those of its subsidiary MAPFRE FINISTERRE, which it absorbed in the last quarter of that fiscal year.

The following table shows a breakdown of written and accepted premiums by line of business:

WRITTEN AND ACCEPTED PREMIUMS			
	million euros		
	31.03.05	31.03.04	% Var. 05/04
Motor (Canary Islands)	42.8	42.0	1.9%
Health	354.1	316.6	11.8%
Other Non-life	759.7	672.5	13.0%
TOTAL NON-LIFE	1,156.6	1,031.1	12.2%
Life Risk	103.4	92.3	12.0%
Life Savings	384.6	481.8	-20.2%
TOTAL LIFE	488.0	574.1	-15.0%
TOTAL	1,644.6	1,605.2	2.5%

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

WRITTEN AND ACCEPTED PREMIUMS			
	Million euros		
	31.03.05	31.03.04	% Var. 05/04
AGENTS CHANNEL	1,376.3	1,269.5	8.4%
LIFE	239.5	249.7	-4.1%
GENERAL INSURANCE	418.0	386.5	8.2%
COMMERCIAL INSURANCE	383.2	331.2	15.7%
HEALTH	335.6	302.1	11.1%
CAJA MADRID BANK CHANNEL	268.3	335.7	-20.1%
LIFE	214.3	294.4	-27.2%
GENERAL INSURANCE	27.4	19.7	39.1%
COMMERCIAL INSURANCE	8.2	7.1	15.5%
HEALTH	18.4	14.5	26.9%

MAPFRE-CAJA MADRID Holding de Entidades Aseguradoras S.A. obtained a net profit of €68.4 million, a 12.1% increase with respect the same period of the previous year.

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:

	31.03.05	31.03.04	% Var. 05/04
Regular Premiums	104.2	102.7	1.5%
- Agents Channel	98.2	96.9	1.3%
- Bank Channel	6.0	5.8	3.4%
Single Premiums	280.4	379.1	-26.0%
- Agents Channel	90.5	106.2	-14.8%
- Bank Channel	184.7	270.8	-31.8%
- Musini Vida	5.2	2.1	147.6%
Life premiums - Savings	384.6	481.8	-20.2%
Life premiums - Risk	69.2	62.3	11.1%
- Agents Channel	44.4	41.7	6.5%
- Bank Channel	23.6	17.8	32.6%
- Musini Vida	1.1	2.7	-59.3%
TOTAL PREMIUMS	453.8	544.1	-16.6%
- Agents Channel	233.1	244.8	-4.8%
- Bank Channel	214.3	294.4	-27.2%
- Musini Vida	6.3	4.9	28.6%

Figures in million euros

The decrease in Life – Savings premiums was due to:

- the significant volume of renewals carried out in the bank channel in the same period of the previous year, which were not repeated in this quarter;
- the low interest rates environment that continues to affect sales negatively.

The growth rate of the Life Risk business remained at a sustained level.

Third-party funds under management rose by 11.1%, reflecting:

- a comparatively larger quarterly growth in mathematical reserves with respect to the same period of the previous year, due to a smaller volume of maturing single-premium insurance policies in the bank channel;
- a €446 million increase in mutual funds.
- a €172.3 million increase in pension funds.

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

	31.03.05	31.03.04	% Var. 05/04
Regular premiums insurance	4,184.5	3,767.3	11.1%
- Agents channel	3,871.2	3,473.6	11.4%
- Bank channel	313.3	293.7	6.7%
Single premiums insurance	7,745.2	6,980.7	11.0%
- Agents channel	3,264.1	2,875.5	13.5%
- Bank channel	4,481.1	4,105.2	9.2%
Life Insurance - Risk	129.1	105.1	22.8%
- Agents channel	31.9	27.4	16.4%
- Bank channel	97.2	77.7	25.1%
MUSINI VIDA	1,093.5	1,181.5	-0.1
Total Mathematical reserves	13,152.3	12,034.6	9.3%
Other reserves	210.9	226.5	-6.9%
TECHNICAL RESERVES	13,363.2	12,261.1	9.0%
MUTUAL FUNDS	2,852.2	2,406.2	18.5%
PENSIONS FUNDS ⁽¹⁾	1,047.6	875.3	19.7%
- Individual system	944.4	792.9	19.1%
- Employers' system	103.2	82.4	25.2%
THIRD-PARTY FUNDS UNDER MANAGEMENT	17,263.0	15,542.6	11.1%
SHAREHOLDERS' EQUITY	513.1	478.8	7.2%
TOTAL FUNDS UNDER MANAGEMENT	17,776.1	16,021.4	11.0%
MUSINI S.A.	608.6	617.1	0.0
- Life insurance reserves	514.9	512.0	0.0
- Mutual funds	29.9	31.2	0.0
- Pensions funds	63.8	73.9	-0.1
TOTAL FUNDS UNDER MANAGEMENT, LIFE AND SAVINGS BUSINESS	18,384.7	16,638.5	10.5%

Figures in million euros

⁽¹⁾ At the end of the first quarter of 2004 these funds included €704.3 million corresponding to defined benefit pension funds entered into through a Life insurance contract.

MAPFRE VIDA and its subsidiaries reached a net consolidated profit of €27.9 million, a 4.9% increase with respect to the same period of the previous year.

GENERAL INSURANCE OPERATING UNIT

Premiums written and accepted by MAPFRE SEGUROS GENERALES and its subsidiaries amounted to €445.4 million. The 9.7% increase over the first quarter of 2004 was the result of growth rates close to 16% across the main branches of business and of a slight 2.4% increase in Burial insurance, as annual policies' cancellations concentrate in the first quarter of the year in this line of business.

The 10.2% increase in the net consolidated profit of this Unit reflected:

- the growth in business volumes;
- a relatively stable technical result;
- larger financial income.

COMMERCIAL INSURANCE OPERATING UNIT

The legal integration of the Commercial Insurance Operating Unit into a single group was effected in the first quarter of the year through the sale to MUSINI of a 100% shareholding in MAPFRE INDUSTRIAL and another 99.9% shareholding in MAPFRE CAUCIÓN Y CRÉDITO. These transactions, whose effects are retroactive from 01/01/05, were carried out at net worth, so that no goodwill arose.

The business activities of the Commercial Insurance Operating Unit evolved favourably during the first quarter of the year, as evidenced by the 15.7% increase in its consolidated premiums, which amounted to €391.3 million.

Beginning in 2005, policies are issued in accordance with the new business structure, which is formed by the Industrial Risks, Large Risks and Credit and Surety divisions. This has translated into a redistribution of business between MAPFRE INDUSTRIAL and MUSINI, leading to a significant increase in the premiums figures of the former and a reduction of issuance volumes in the latter. These differences even out within the Unit, which recorded increases of 16% in Industrial Risks and 21% in Large Risks due to the winning of new business. MAPFRE CAUCIÓN Y CRÉDITO was not affected by these changes.

The net consolidated profit of the Unit was €21.1 million, a 18.5% increase, despite a series of large claims, among which those of the Windsor building in Madrid and the Carmel tunnel in Barcelona, whose estimated costs, net of cessions to reinsurers, amount to €3

and €1.3 million, respectively, must be singled out.

The net profit of MAPFRE INDUSTRIAL increased 46.3% to €12 million thanks to:

- significant growth in business volumes;
- an improvement in the technical result;
- larger financial income.

The net profit of MAPFRE CAUCIÓN Y CRÉDITO was €2.7 million, a 3.9% increase. The quarter was characterised by the strong expansion of the Latin American subsidiaries and by an increase in financial income.

MUSINI made a net profit of €6.3 million. The decrease with respect to the same period of the previous year was due to the reduction in business volumes.

MAPFRE CAJA SALUD

The volume of premiums grew again at a steady rate, rising 11.8% with respect to the same period of the previous year. The increase in issuance came primarily from the Health Assistance branch, with a balanced breakdown between individual and corporate customers.

The technical result worsened with respect to the same period of the previous year, leading to a decrease in the net profit. Nonetheless, such result is beginning to show an improvement compared to the close of 2004.

Companies operating primarily abroad

Premiums written by the Units and Companies whose activity is primarily international evolved as follows:

CONSOLIDATED PREMIUMS			
	million euros		
	31.03.05	31.03.04	% Var. 05/04
DIRECT INSURANCE	363.9	343.2	6.0%
MAPFRE AMÉRICA	360.9	340.6	6.0%
MAPFRE ASIAN (The Philippines)	3.0	2.6	15.4%
ACCEPTED REINSURANCE (REINS. OP. UNIT)	315.7	274.9	14.8%
ASSISTANCE (ASSISTANCE OPERATING UNIT)	55.0	36.8	49.5%
TOTAL CUMULATIVE PREMIUMS	734.6	654.9	12.2%
Intragroup transactions eliminated upon consolidation	-114.8	-123.4	-7.0%
TOTAL CONSOLIDATED PREMIUMS	619.8	531.5	16.6%

The breakdown by business line of the direct insurance premiums written by the Units and Companies whose activity is primarily international is shown in the following table:

WRITTEN PREMIUMS			
	million euros		
	31.03.05	31.03.04	% Var. 05/04
Motor	167.4	175.7	-4.7%
Health and accidents	72.9	47.7	52.8%
Other Non-Life	114.9	108.8	5.6%
TOTAL NON-LIFE	355.2	332.2	6.9%
TOTAL LIFE	8.7	11.0	-20.9%
TOTAL	363.9	343.2	6.0%

MAPFRE AMÉRICA

The net consolidated profit was €16.4 million. The 28.1% increase over the same period of the previous year reflected:

- Sustained premium growth in local currency, as a result of:
 - the strong development of the Health insurance branch, due to the winning of new group contracts by MAPFRE LA SEGURIDAD (Venezuela) and to the expansion of this business at MAPFRE PRAICO (Puerto Rico);
 - the slow growth of the General insurance branch caused by the cancellation of commercial insurance policies written on a fronting basis by MAPFRE CHILE, MAPFRE PRAICO y MAPFRE TEPEYAC (Mexico);
 - lower issuance volumes in the Motor insurance branch, due to the cancellation of contracts at MAPFRE TEPEYAC in the second quarter of 2004.
- Larger financial income, primarily due to rising interest rates in the region.

The following must be noted with respect to the results of subsidiaries:

- MAPFRE TEPEYAC increased its net profit considerably, thanks primarily to the improvement in its technical result;
- MAPFRE URUGUAY recorded a quarterly loss caused by the impact of the appreciation of the peso on US dollar-denominated investments.

The following table shows a comparison of premiums growth rates in euros and in local currency:

COUNTRY	COMPANY	WRITTEN AND ACCEPTED PREMIUMS			RESULT ⁽¹⁾	
		31.03.05	% Var.		31.03.05	31.03.04
			€	Loc. Ccy.		
Argentina	MAPFRE ARGENTINA	48.0	5.7%	12.8%	1.8	1.2
Brazil	MAPFRE VERA CRUZ	78.1	12.1%	9.3%	2.7	1.4
Chile	MAPFRE S.G. CHILE	20.4	9.1%	8.5%	0.6	0.6
Colombia	MAPFRE S.G. COLOMBIA	12.9	22.9%	13.7%	0.3	0.6
El Salvador	LA CENTRO AMERICANA	8.4	13.5%	19.5%	0.9	0.5
Mexico	MAPFRE TEPEYAC	56.4	-25.5%	-20.4%	6.2	2.7
Paraguay	MAPFRE PARAGUAY	1.8	0.0%	9.1%	0.1	0.2
Peru	MAPFRE PERU	7.9	36.2%	35.9%	0.0	0.2
Puerto Rico	MAPFRE USA	51.8	1.6%	2.5%	6.3	4.7
Uruguay	MAPFRE URUGUAY	2.0	-4.8%	-11.0%	-0.1	0.1
Venezuela	MAPFRE LA SEGURIDAD	73.2	39.4%	58.7%	6.1	7.2

⁽¹⁾ Result before tax and minority interests calculated in accordance with PGC/PCEA criteria.

In the first three months of the year, 84 new offices have been opened, 40 of which are direct.

MAPFRE RE

The premiums of the Reinsurance Unit grew 14.8% with respect to the same period of the previous year, reaching €315.7 million.

The volume of catastrophe claims increased compared to first quarter of 2004. Those caused by the fire at the Windsor building in Madrid and by winter storm Erwin, whose net estimated costs, net of retrocessions, are €10 and €10.6 million, respectively, stand out among them. Nevertheless, net profit grew 19.6%, on the back of the increase in business volumes and of larger financial income.

Due to the adoption of IFRS, the equalisation reserve is no longer being appropriated.

MAPFRE ASISTENCIA

The notable 49,5% increase in premiums over the same period of the previous year is due primarily to the contribution from the Pecuniary Losses business (€12 million), in which MAPFRE ASISTENCIA began operating in the month of June of 2004.

MAPFRE ASISTENCIA made a gross profit of €2.3 million, a 27.8% increase over the same period of the previous year. The net profit has remained unchanged due to the increase in the tax rate caused by the full consolidation of companies previously accounted for by the equity method.

The following table summarises the variations in the results of subsidiaries with respect to the same period of the previous year:

RESULTS OF SUBSIDIARY COMPANIES				
(Million euros)				
	Before taxes and minority interests		After taxes and minority interests	
	31.03.05	31.03.04	31.03.05	31.03.04
<u>FULLY CONSOLIDATED SUBSIDIARIES</u>				
<u>Companies operating primarily in Spain</u>				
LIFE INSURANCE OPERATING UNIT ⁽¹⁾	42.6	40.3	27.9	26.6
GENERAL INSURANCE OPERATING UNIT	29.4	27.3	19.4	17.6
COMMERCIAL INSURANCE OPERATING UNIT	29.5	25.1	21.1	17.8
MAPFRE CAJA SALUD	3.8	4.5	2.3	2.9
OTHER	0.3	0.3	0.0	0.2
<u>Companies operating primarily abroad</u>				
MAPFRE AMÉRICA	21.3	15.9	16.4	12.8
MAPFRE RE	28.3	24.6	19.5	16.3
MAPFRE ASISTENCIA	2.3	1.8	1.3	1.3
OTHER	0.4	0.1	0.4	0.2
<u>EQUITY-ACCOUNTED SUBSIDIARIES⁽²⁾</u>				
GESMADRID	1.3	1.2	0.9	0.8
CAJA MADRID PENSIONES	0.5	0.4	0.4	0.3
CAJA MADRID BOLSA	0.6	0.3	0.4	0.2

⁽¹⁾ Includes the results of MAPFRE INVERSIÓN and MAPFRE VIDA PENSIONES

⁽²⁾ Consolidated in proportion to the percentage of ownership in each company.

B3) INVESTMENTS AND DISPOSALS

The following investments and disposals were carried out during the first quarter of the year:

Investments carried out directly by CORPORACIÓN MAPFRE

- CORPORACIÓN MAPFRE acquired shares equivalent to a 15.18% holding in the share capital of MIDDLESEA INSURANCE, thereby raising its stake in the aforementioned company to 20.66%. 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.

Investments carried out by subsidiaries

- MAPFRE INDUSTRIAL agreed to purchase 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.

Financing

The investments detailed above were funded with available cash.

B4) PERSONNEL

CORPORACIÓN MAPFRE, its subsidiaries and affiliates had a payroll of 14,097 employees as of 31 March 2005, 4,786 of which in Spain and 9,311 in other countries. The 381 persons reduction in staff levels with respect to same period of the previous year is partly a result of the restructuring of the MAPFRE NETWORK, which has involved the transfer of part of the subsidiaries' commercial staff to the workforce of MAPFRE MUTUALIDAD.

B5) RESULTADOS DEL 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 the first quarter of 2005 recorded total revenues of € 3,402.3 million, 8.1% increase over the previous year. The profit after tax increased by 9.9%.

The consolidated income statement of SISTEMA MAPFRE is shown below:

CONSOLIDATED INCOME STATEMENT			
(million euros)			
	31.03.05	31.03.04	% Var. 05/04
NON-LIFE INSURANCE AND REINSURANCE			
Gross written and accepted premiums	2,377.0	2,107.2	12.8%
Premiums earned, net of ceded and retroceded reinsurance	1,484.5	1,307.4	13.5%
Net claims incurred and variation in other technical provisions	-1,069.2	-888.6	20.3%
Net operating expenses	-277.3	-279.2	-0.7%
Other technical income and expenses	-19.4	-24.3	-20.2%
TECHNICAL RESULT	118.6	115.3	2.9%
Net financial income	78.5	79.1	-0.8%
Other non-technical income and expenses	5.9	-1.1	---
Result of the Non-life business	203.1	193.3	5.1%
LIFE INSURANCE AND REINSURANCE			
	0.0	0.0	0.0%
Gross written and accepted premiums	541.9	642.7	-15.7%
Premiums earned, net of ceded and retroceded reinsurance	487.5	575.5	-15.3%
Net claims incurred and variation in other technical provisions	-573.0	-666.6	-14.0%
Net operating expenses	-47.3	-49.2	-3.9%
Other technical income and expenses	-3.8	-2.5	52.0%
TECHNICAL RESULT	-136.7	-142.8	-4.3%
Net financial income	169.9	162.1	4.8%
Unrealised gains and losses in unit-linked investments	4.2	6.8	-38.2%
Other non-technical income and expenses	0.6	-0.1	---
Result of the Life business	38.1	26.0	46.5%
OTHER BUSINESS ACTIVITIES			
	0.0	0.0	0.0%
Operating income	120.3	44.3	171.6%
Operating expenses	-124.2	-39.5	---
Net financial income	3.6	-3.0	---
Results from minority shareholdings	1.9	1.8	5.6%
Other net income	0.2	0.0	---
Result of the Other Business Activities	1.8	3.6	-50.0%
Result before tax and minority shareholders	242.9	222.9	9.0%
Taxes	-65.8	-61.8	6.5%
Result after tax	177.1	161.1	9.9%
Result attributable to minority shareholders	-69.2	-59.5	16.3%
Result after tax and minority shareholders	107.9	101.5	6.3%
Non-life loss ratio ⁽¹⁾	72.0%	68.0%	
Non-life expense ratio ⁽¹⁾	20.0%	23.2%	
Non-life combined ratio ⁽¹⁾	92.0%	91.2%	
Life expense ratio ⁽²⁾	1.5%	1.8%	

1) Ratios calculated over net premiums earned.

2) (Net operating expenses + profit sharing and returns – other technical income + other technical expenses) / average Life and unit-linked reserves.

Additional information

A complementary presentation that contains a breakdown of the variations in the main components of the net profit and equity for fiscal year 2004 caused by their restatement under IFRS, together with a summary of the main accounting impacts deriving from the adoption of the aforementioned standards, is being released simultaneously with this report (accessible at www.mapfre.com).

ANNEX:

A COMPARISON OF THE CONSOLIDATED BALANCE SHEET PREPARED UNDER THE APPLICABLE NATIONAL ACCOUNTING STANDARDS AND UNDER INTERNATIONAL FINANCIAL REPORTING STANDARDS

ASSETS (million euros)	OPENING OF FISCAL YEAR 2005 (IFRS)	CLOSE OF FISCAL YEAR 2004 (SPANISH GAAP)
Start-up expenses		17.9
Goodwill	494.7	343.8
Other intangible assets	97.3	168.5
Deferred expenses		9.5
INTANGIBLE ASSETS, START-UP AND DEFERRED EXPENSES	592.0	539.7
Real estate for own use	259.8	638.8
Real estate investments	387.0	
Financial investments	17,672.2	15,048.9
Equity-accounted investments	64.0	261.8
Own shares		--
Deposits established for accepted reinsurance	119.1	116.5
Other investments	85.1	--
INVESTMENTS	18,587.1	16,066.0
UNIT-LINKED INVESTMENTS	361.1	361.1
REINSURERS' SHARE IN TECHNICAL RESERVES	1,166.4	1,166.4
Credits on direct insurance, reinsurance and coinsurance	1,126.5	1,134.2
Tax, corporate and other credits	747.0	194.0
Fixed assets	87.8	81.4
Cash and equivalents	920.8	856.4
Other assets	386.2	607.3
Non-operating assets available for sale and assets pertaining to discontinued activities	0.8	--
CREDITS, OTHER ASSETS AND ACCRUALS	3,269.1	2,873.2
TOTAL ASSETS	23,975.7	21,006.4

The main variations in the Assets originate from:

- The booking of investments at fair value.
- The full consolidation of companies previously accounted for by the equity method, which has implied the substitution of the value of the investment in each of them with their respective assets.
- The reclassification under the heading "Real estate investments" of real estate properties held as an investment.

LIABILITIES AND NET WORTH (million euros)	OPENING OF FISCAL YEAR 2005 (IFRS)	CLOSE OF FISCAL YEAR 2004 (SPANISH GAAP)
Capital	113.8	119.5
Reserves	1,788.5	1,404.8
> Of which: equity adjustments due to the transition to IFRS (*)	164.8	
Other equity instruments	--	--
Less: own securities	--	--
Valuation adjustments	--	
Result for the period		182.9
Less: interim dividend	-35.8	-35.8
A) NET WORTH UNDER NATIONAL ACCOUNTING STANDARDS/ NET WORTH ATTRIBUTABLE TO HOLDERS OF EQUITY INSTRUMENTS ISSUED BY THE CONTROLLING COMPANY	1,866.4	1,671.3
B) MINORITY INTERESTS	844.7	731.4
TOTAL NET WORTH UNDER IFRS (A + B)	2,711.1	
NEGATIVE CONSOLIDATION DIFFERENCES		3.1
DEFERRED INCOME	--	13.4
SUBORDINATED LIABILITIES	--	--
TECHNICAL RESERVES	17,443.4	16,180.9
UNIT-LINKED RESERVES	361.1	361.1
OTHER RESERVES	161.3	111.5
DEPOSITS RECEIVED ON CEDED INSURANCE	147.7	147.7
Issuance of debt and other tradeable securities	282.0	275.0
Due to credit institutions	78.2	78.0
Due on direct insurance, reins. and coins. (brokers, policyholders)	654.2	590.6
Other liabilities	2,136.5	842.3
Liabilities linked directly to non-operating assets available for sale and assets pertaining to discontinued activities	--	--
DEBTS AND ACCRUALS	3,151.0	1,786.0
TOTAL LIABILITIES	23,975.7	21,006.4

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

The main variations in the Liabilities originate from:

- The booking of the liabilities of companies previously accounted for by the equity method that are now fully consolidated.
- The addition to Life insurance reserves of the share of policyholders in the unrealised gains of the backing assets.
- The following variations in equity reserves:
 - the addition of the adjustments deriving from the adoption of IFRS (i.e. the interest of shareholders in net unrealised gains; equalisation reserves; etc.);
 - the distribution of the profit for fiscal year 2004;
 - the recognition of the increase in the net profit for fiscal year 2004 deriving from the adoption of IFRS.

C) BASIS OF PRESENTATION AND VALUATION CRITERIA

The financial statements included in this document have been prepared in accordance with International Financial Reporting Standards. On this date the presentation “CORPORACIÓN MAPFRE – Adoption of International Financial Reporting Standards”, which contains an explanation of the main quantitative and qualitative impacts deriving from the adoption of the aforementioned standards, has been filed with the National Securities Markets Commission (“Comisión Nacional del Mercado de Valores” or “CNMV”).

D) 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, both inclusive, collected €0.12 gross per share.