

INSURANCE

INTERIM QUARTERLY RESULTS REPORT FOR THE FOLLOWING PERIOD:

QUARTER

THIRD

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	---	---	---	---	4,216,874	3,840,725
RESULT BEFORE TAX/RESULT BEFORE TAX FROM ONGOING ACTIVITIES	1040	140,143	64,449	---	---	434,283	360,902
RESULT OF THE PERIOD FROM ONGOING ACTIVITIES	4860					299,189	250,096
RESULT OF THE PERIOD	1044	120,031	66,407	---	---	299,189	250,096
Result attributable to External Shareholders/Result of the period attributable to minority interests	2050			---	---	110,710	91,472
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			---	---	188,479	158,624
PAID-UP CAPITAL	0500	119,450	119,450				
AVERAGE NUMBER OF EMPLOYEES	3000	34	38	---	---	14,285	14,868

(*) Net premiums earned

B) BUSINESS DEVELOPMENT

B.1.) EXECUTIVE SUMMARY

During the third quarter of 2005, the business activities of CORPORACIÓN MAPFRE and its subsidiaries have maintained their favourable development trend overall. Against a decrease in Life – Savings premiums, growth remained strong in Life – Risk premiums, in savings managed in mutual funds and, in particular, in Non-life premiums, both in Spain and in America. The good results across most subsidiaries allowed to offset the reduction in the reinsurance result caused by a series of large claims incurred in this quarter, among which hurricane “Katrina” stands out.

The net consolidated profit increased by 18.8% 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 net consolidated profit would have grown 29.9%.

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

	Revenues	% Var.	Net profit	% Var.	Combined ratio ⁽¹⁾	
					3Q 05	3Q 04
CORPORACIÓN MAPFRE	6,810.8	7.3%	188.5	18.8%	96.9%	94.4%
LIFE AND SAVINGS	2,134.7	-7.1%	84.5	17.0%	0.9%	1.0%
GENERAL INSURANCE	996.9	15.7%	65.4	23.9%	92.2%	91.7%
COMMERCIAL INSUR.	1,006.1	8.4%	56.7	14.3%	91.5%	86.5%
HEALTH	363.7	9.6%	8.1	161.3%	96.9%	98.4%
AMERICA	1,295.7	21.0%	51.4	35.3%	102.4%	99.9%
RE	1,117.0	19.1%	30.1	-14.0%	98.2%	93.4%
ASISTENCIA ⁽¹⁾	268.5	36.3%	6.2	55.0%	97.6%	92.8%

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

Although it is still early to know the impact of hurricane “Wilma”, its effect on the net result of CORPORACIÓN MAPFRE in the fourth quarter will be in the region of €18 million.

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

B.2.) CONSOLIDATED GROUP FIGURES

• REVENUES

In the third quarter of 2005, the total revenues of CORPORACION MAPFRE and its subsidiaries reached €6,810.8 million, a 7.3% increase over the same period of the previous year.

Written and accepted premiums reached a consolidated volume of €5,408.1 million, an 7.5% increase over the third quarter of the previous year. Net premiums earned were €4,216.9 million, a 9.8% increase.

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

	Written and accepted premiums		Income from investments		Other income		Total Revenues	
	3Q 05	% Var.	3Q 05	% Var.	3Q 05	% Var.	3Q 05	% Var.
LIFE AND SAVINGS	1,296.9	-8.3%	761.1	-8.1%	76.7	37.0%	2,134.7	-7.1%
GENERAL INSURANCE	886.3	10.5%	78.3	129.6%	32.3	26.7%	996.9	15.7%
COMMERCIAL INSURANCE	896.2	5.7%	81.8	19.1%	28.1	155.5%	1,006.1	8.4%
HEALTH	355.5	10.3%	6.9	13.1%	1.3	-61.8%	363.7	9.6%
Holding (non consolidated)	---	---	199.6	127.1%	0.3	---	199.9	127.4%
Adjustments	-2.5	---	-246.5	132.5%	-7.9	---	-256.9	130.0%
MAPFRE-CAJA MADRID	3,432.4	1.5%	881.2	-4.1%	130.8	39.0%	4,444.4	1.1%
AMÉRICA	1,168.2	19.5%	105.8	23.6%	21.7	193.2%	1,295.7	21.0%
RE	1,015.6	15.5%	99.9	71.9%	1.5	---	1,117.0	19.1%
ASISTENCIA	189.7	43.8%	7.5	102.7%	71.3	16.1%	268.5	36.3%
OTHER	9.9	19.3%	1.0	42.9%	---	---	10.9	21.1%
Adjustments	-407.7	17.2%	---	---	---	---	-407.7	17.2%
International Business	1,975.7	19.8%	214.2	44.6%	94.5	36.8%	2,284.4	22.4%
INMUEBLES	---	---	0.4	-33.3%	25.3	-51.1%	25.7	-50.9%
QUAVITAE	---	---	---	---	58.5	17.5%	58.5	17.5%
Holding (non consolidated)	---	---	164.6	100.5%	2.9	163.6%	167.5	101.3%
Adjustments	---	---	-158.8	116.3%	-10.9	-62.4%	-169.7	65.7%
CORPORACIÓN MAPFRE	5,408.1	7.5%	1,101.6	2.3%	301.1	27.2%	6,810.8	7.3%

• RESULTS

The consolidated income statement is shown in the following table:

	3Q 05	3Q 04	% Var.
NON-LIFE INSURANCE AND REINSURANCE			
Gross written and accepted premiums	4,017.5	3,532.3	13.7%
Premiums earned, net of ceded and retroceded reinsurance	2,900.3	2,423.5	19.7%
Net claims incurred and variation in other technical provisions	-2,009.9	-1,634.6	23.0%
Operating expenses, net of reinsurance	-763.9	-619.2	23.4%
Other technical income and expenses	-37.3	-35.0	6.6%
TECHNICAL RESULT	89.2	134.7	-33.8%
Net financial income	205.2	126.9	61.7%
Other non-technical income and expenses	18.0	0.4	---
Result of the Non-life business	312.4	262.0	19.2%
LIFE INSURANCE AND REINSURANCE			
Gross written and accepted premiums	1,390.6	1,499.6	-7.3%
Premiums earned, net of ceded and retroceded reinsurance	1,316.6	1,417.2	-7.1%
Net claims incurred and variation in other technical provisions	-1,759.2	-1,765.7	-0.4%
Operating expenses, net of reinsurance	-115.2	-103.0	11.8%
Other technical income and expenses	-8.0	-6.7	19.4%
TECHNICAL RESULT	-565.8	-458.2	23.5%
Net financial income	639.3	532.8	20.0%
Unrealised gains and losses in Unit-Linked investments	22.4	9.1	146.2%
Other non-technical income and expenses	-8.0	-7.2	11.1%
Result of the Life business	87.9	76.5	14.9%
OTHER BUSINESS ACTIVITIES			
Operating income	192.8	173.2	11.3%
Operating expenses	-163.2	-146.8	11.2%
Net financial income	-4.5	-8.8	-48.9%
Results from minority shareholdings	6.0	4.8	25.0%
Other net income	2.9	---	---
Result of the Other Business Activities	34.0	22.4	51.8%
Result before tax and minority shareholders	434.3	360.9	20.3%
Taxes	-135.1	-110.9	21.8%
Result after tax	299.2	250.0	19.7%
Result attributable to minority shareholders	-110.7	-91.4	21.1%
Result after tax and minority shareholders	188.5	158.6	18.8%
Non-life loss ratio ⁽¹⁾	69.3%	67.4%	
Non-life expense ratio ⁽¹⁾	27.6%	27.0%	
Non-life combined ratio ⁽¹⁾	96.9%	94.4%	
Life expense ratio ⁽²⁾	1.0%	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	84.5	-41.5		43.0
GENERAL INSURANCE	65.4	-31.4	-1.4	32.6
COMMERCIAL INSURANCE	56.7	-23.1	-9.6	24.0
HEALTH	8.1	-4.0		4.1
Holding (non-consolidated) and adjustments				-1.2
MAPFRE-CAJA MADRID HOLDING				102.6
AMÉRICA	51.4	-6.4		45.0
RE	30.1	-4.7	8.6	34.0
ASISTENCIA	6.2		-1.9	4.3
INMUEBLES	1.1			1.1
QUAVITAE	-3.1	1.7		-1.4
Other companies	6.8			6.8
Holding (non-consolidated) and adjustments				-3.8
CORPORACIÓN MAPFRE				188.5

A reconciliation of the main differences between the consolidated profit as of 30 September 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 30/09/05 under PGC/PCEA	386.2	-118.1	-92.6	175.5
Reversal of goodwill amortisation	24.3	0.7	-10.2	14.8
Reversal of the appropriation to the equalisation reserve	3.7	-1.0	-4.5	-1.8
Differences in the valuation of technical reserves	-133.3	46.5	42.4	-44.4
Differences in the valuation of investments	142.3	-49.8	-45.0	47.5
Derivatives (fair value, hedges)	-1.8	0.6	---	-1.2
Amortisation of start-up expenses	2.5	-1.3	-0.6	0.6
Deferred taxes (timing diffs. and differences > 10 yrs.)	---	1.0	-0.3	0.7
Deferred income	1.2	-0.4	-0.4	0.4
Other items	9.2	-13.3	0.5	-3.6
Result at 30/09/05 under IFRS	434.3	-135.1	-110.7	188.5

- **BALANCE SHEET AND EQUITY**

The consolidated balance sheet is shown below:

	3Q 05	3Q 04	% Var.
ASSETS			
Goodwill	613.1	510.9	20.0%
Fixed assets	472.9	395.8	19.5%
Investments	20,811.1	17,971.3	15.8%
Participation by reinsurance in technical reserves	1,341.7	1,118.4	20.0%
Other assets	4,228.1	3,585.1	17.9%
TOTAL ASSETS	27,466.9	23,581.5	16.5%
LIABILITIES			
Shareholders' Equity	2,124.4	1,863.7	14.0%
Minority interests	955.5	813.6	17.4%
Debt	403.1	361.9	11.4%
Technical reserves	20,048.3	17,455.8	14.9%
- Life insurance reserves	14,689.0	13,014.1	12.9%
- Other technical reserves	5,359.3	4,441.7	20.7%
Reserves for risks and expenses	181.0	113.1	60.0%
Other liabilities	3,754.7	2,973.4	26.3%
TOTAL LIABILITIES	27,466.9	23,581.5	16.5%

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

STATEMENT OF CHANGES IN EQUITY	Share capital	Reserves	Valuation adjusts.	Translation differences	Result	Minority interests	Total Equity
Balance as at 30/06/05	119.5	1,890.6	210.4	-283.0	149.0	926.1	3,012.6
Additions and deductions accounted for directly in equity ⁽¹⁾			-13.1	11.5		-4.8	-6.4
Quarterly result					39.5	34.2	73.7
Reclassifications		41.2	-41.2				
Other positive/negative items							
Balance as at 30/09/05	119.5	1,931.8	156.1	-271.5	188.5	955.5	3,079.9

⁽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.

B.3.) SUBSIDIARIES' PREMIUMS AND RESULTS

Companies operating in Spain

The premiums of MAPFRE-CAJA MADRID Holding de Entidades Aseguradoras S.A. reached €3,432.4 million, a 1.5% increase, and its net profit grew 28.4% to €209.7 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:

	3Q 05	3Q 04	% Var.
AGENTS CHANNEL	2,726.1	2,623.9	3.9%
LIFE	706.0	749.8	-5.8%
GENERAL INSURANCE	807.2	743.6	8.6%
COMMERCIAL INSURANCE	876.2	823.5	6.4%
HEALTH	336.7	307.0	9.7%
CAJA MADRID BANK CHANNEL	708.8	762.9	-7.1%
LIFE	590.9	664.5	-11.1%
GENERAL INSURANCE	79.1	58.6	35.0%
COMMERCIAL INSURANCE	20.0	24.6	-18.7%
HEALTH	18.8	15.2	23.7%
Consolidation adjustments	-2.5	-3.9	---
TOTAL PREMIUMS SPAIN	3,432.4	3,382.9	1.5%

LIFE, SAVINGS AND INVESTMENTS OPERATING UNIT

	3Q 05	3Q 04	% 05/04
Technical Reserves	14,248.7	12,605.4	13.0%
Investment Funds	3,088.6	2,523.5	22.4%
Pension Funds ⁽¹⁾	1,133.8	925.2	22.5%
Third-party funds under management	18,471.1	16,054.1	15.1%
Premiums written and accepted	1,296.9	1,414.3	-8.3%
Gross Result ⁽²⁾	128.3	108.3	18.5%
Net Result	84.5	72.2	17.0%
Equity	534.2	475.9	
Expense Ratio ⁽³⁾	0.9%	1.0%	

⁽¹⁾ Pension funds figures do not include defined benefit funds entered into through a Life insurance contract amounting to €704.3 million in 3Q 2004

⁽²⁾ Before taxes and minority interest

⁽³⁾ (acquisition expenses + variation in deferred acquisition expenses + administration expenses) / (average technical reserves + average mutual funds + average pension funds). Annualised ratios

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:

	3Q 05	3Q 04	% 05/04
Regular Premiums	296.4	318.9	-7.1%
- Agents channel	265.4	278.8	-4.8%
- Bank channel	31.0	40.1	-22.7%
Single Premiums	693.1	847.0	-18.2%
- Agents channel	234.6	301.3	-22.1%
- Bank channel	445.9	535.3	-16.7%
- MUSINI VIDA	12.6	10.4	21.2%
Life premiums - Savings	989.5	1,165.9	-15.1%
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	1,138.1	1,279.5	-11.1%
Life Premiums - Risk	158.8	134.8	17.8%
- Agents channel	82.5	75.7	9.0%
- Bank channel	71.2	56.4	26.2%
- MUSINI VIDA	5.1	2.7	88.9%
TOTAL PREMIUMS	1,296.9	1,414.3	-8.3%
- Agents channel	641.5	700.9	-8.5%
- Bank channel	590.9	664.5	-11.1%
- MUSINI VIDA	64.5	48.9	31.9%

Figures in million euros

The development of premiums in the third quarter of the year was characterised by:

- sustained growth in Life – Risk products;
- a lower issuance of Life – Savings insurance due to the significant volume of renewals recorded in the bank channel in the first quarter of the previous year. This year, sales campaigns in this channel concentrate towards the end of the first and second half.

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

	3Q 05	3Q 04	% 05/04
Regular premiums insurance	4,458.8	3,894.6	14.5%
- Agents channel	4,113.2	3,596.1	14.4%
- Bank channel	345.6	298.5	15.8%
Single premiums insurance	8,326.5	7,239.7	15.0%
- Agents channel	3,500.6	3,050.6	14.8%
- Bank channel	4,825.9	4,189.1	15.2%
Life insurance - Risk	144.1	117.4	22.7%
- Agents channel	33.0	31.6	4.4%
- Bank channel	111.1	85.8	29.5%
MUSINI VIDA	1,107.3	1,154.4	-4.1%
Total mathematical reserves	14,036.7	12,406.0	13.1%
Other reserves	212.0	199.3	6.4%
TECHNICAL RESERVES	14,248.7	12,605.4	13.0%
MUTUAL FUNDS	3,088.6	2,523.5	22.4%
PENSION FUNDS ⁽¹⁾	1,133.8	925.2	22.5%
- Individual system	1,017.9	832.9	22.2%
- Employers' system	115.9	92.3	25.6%
SAVINGS MANAGED BY MAPFRE VIDA	18,471.1	16,054.1	15.1%
- Technical reserves	467.5	480.7	-2.7%
- Mutual funds	---	31.5	---
- Pension funds	65.7	73.1	-10.1%
SAVINGS MANAGED BY MAPFRE EMPRESAS	533.2	585.3	-8.9%
TOTAL MANAGED SAVINGS	19,004.3	16,639.4	14.2%

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 in 3Q 2004

The variation in funds under management exceeds the figure for the same period of the previous year, mainly due to:

- the winning of a comparatively larger amount of savings in mutual funds, especially guaranteed types;
- a smaller volume of maturities of single premium products in the bank channel;
- a new transaction with SEPI in the second quarter of the year;
- the increase in the market value of investments.

Since the beginning of this fiscal year, the cumulative variation in managed savings amounts to €1,669.3 million, against €974.7 million in the first nine months of the previous year. The following table provides a breakdown of this increase by product line together with the net contributions:

	<u>January - September</u>	
	<u>2005</u>	<u>2004</u>
Life insurance technical reserves	1,164.5	722.6
> Variation under PGC/PGEA	493.0	428.7
Mutual funds	408.5	181.2
> Net sales	59.4	43.7
Pension funds	96.3	70.9
> Net sales	32.4	53.9

MAPFRE VIDA and its subsidiaries made a gross consolidated profit of €128.3 million, an 18.5% increase. The net consolidated profit was €84.5 million, a 17.0% increase over the same period of the previous year (10.7% under PGC/PCEA)

GENERAL INSURANCE OPERATING UNIT

	3Q 05	3Q 04	%05/04
Premiums written and accepted	886.3	802.2	10.5%
- Burial	204.5	195.7	4.5%
- Other business lines	681.8	606.5	12.4%
Gross Result ⁽¹⁾	96.9	78.5	23.4%
Net result	65.4	52.8	23.9%
Equity	305.9	272.2	12.4%
Loss Ratio, Non-Life ⁽²⁾	64.3%	63.0%	
Expense Ratio, Non-Life ⁽²⁾	27.9%	28.7%	
Combined Ratio, Non-Life ⁽²⁾	92.2%	91.7%	

⁽⁴⁾ Before taxes and minority interest

⁽⁵⁾ Ratios as a % of net premiums earned

Net profit growth reflects:

- larger business volumes;
- an increase in financial income;
- the impact of non-recurring restructuring expenses amounting to €3.7 million that were recorded in the third quarter of 2004.

The low 4.5% 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. The 35% increase in premiums written through CAJA MADRID must be noted.

COMMERCIAL INSURANCE OPERATING UNIT

	3Q 05	3Q 04 ⁽¹⁾	% 05/04
Premiums written and accepted	896.2	848.1	5.7%
Gross result ⁽²⁾	81.5	74.5	9.4%
Net result	56.7	49.6	14.3%
Equity	253.4	299.8	-15.5%
Loss Ratio, Non-Life ⁽³⁾	76.8%	74.0%	
Expense Ratio, Non-Life ^{(3) (4)}	14.7%	12.5%	
Combined Ratio, Non-Life ⁽³⁾	91.5%	86.5%	

⁽¹⁾ Figures for the third quarter 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.

Industrial Business ⁽¹⁾

	3Q 05	3Q 04 ⁽²⁾	% 05/04
Premiums written and accepted	802.9	756.5	6.1%
- of which Life	37.8	43.8	-13.7%
Gross result ⁽³⁾	73.8	66.9	10.3%
Net result	52.2	45.2	15.5%
Equity	214.5	275.5	-22.1%
Loss Ratio, Non-Life ⁽⁴⁾	75.7%	73.2%	
Expense Ratio, Non-Life ⁽⁴⁾	16.5%	13.3%	
Combined Ratio, Non-Life ⁽⁴⁾	92.2%	86.5%	

⁽¹⁾ Includes MAPFRE EMPRESAS and MAPFRE INDUSTRIAL

⁽²⁾ Figures for the third quarter 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 third quarter of the year, premiums grew 15.1% in the SMEs business and 2.8% in the Large Risks business. Excluding the Life business previously underwritten by MUSINI (presently in run-off), premiums grew 7.4%.

The loss ratio rose in this quarter due to an increase in IBNR reserves, primarily in the former MUSINI portfolio.

The expense ratio grew with respect to the previous year, reflecting the adjustment in the cost of reinsurance protections due to the large claims incurred in the first quarter of the year.

Credit and Surety Business

	3Q 05	3Q 04	% 05/04
Premiums written and accepted	93.3	91.6	1.9%
Gross result ⁽¹⁾	7.8	7.6	2.6%
Net result	4.8	4.4	9.1%
Equity	32.8	24.3	35.0%
Loss Ratio, Non-Life ⁽²⁾	90.3%	83.0%	
Expense Ratio, Non-Life ⁽²⁾	8.7%	12.9%	
Net Other Income, Non-Life ⁽³⁾	-17.6%	-19.9%	
Combined Ratio, Non-Life ⁽²⁾	81.4%	76.0%	

⁽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 1.9%, due to strong competition in credit insurance.

The loss ratio has increased due to two large claims incurred in the third quarter of the year.

The variation in the expense ratio reflects larger commissions received from reinsurers.

MAPFRE CAJA SALUD

	3Q 05	3Q 04	% 05/04
Premiums written and accepted	355.5	322.2	10.3%
- Agents network ⁽¹⁾	336.7	307.0	9.7%
- Bank network	18.8	15.2	23.7%
Gross result ⁽²⁾	12.9	4.9	163.3%
Net result	8.1	3.1	161.3%
Equity	104.6	94.8	10.3%
Loss Ratio, Non-Life ⁽³⁾	81.2%	82.5%	
Expense Ratio, Non-Life ⁽³⁾	15.7%	15.9%	
Combined Ratio, Non-Life ⁽³⁾	96.9%	98.4%	

⁽²⁾ Including brokers

⁽³⁾ Before taxes and minority interest

⁽⁴⁾ Ratios as a % of net premiums earned

The substantial increase in net profit is the result of:

- premium growth, which came primarily from the Health Assistance business line;
- a lower claims ratio;
- larger financial income.

The variation in results reflects the impact of a non-recurring early amortisation of goodwill, which was carried out in the third quarter of 2004 for an amount of €3 million. Excluding this amount, the net profit would have grown 32.8%.

Companies operating abroad

MAPFRE AMÉRICA

	3Q 05	3Q 04	% 05/04
Premiums written and accepted	1,168.2	977.6	19.5%
Gross result ⁽¹⁾	67.2	50.8	32.3%
Net result	51.4	38.0	35.3%
Equity	742.4	548.9	35.3%
Loss Ratio, Non-Life ⁽²⁾	67.5%	67.5%	
Expense Ratio, Non-Life ⁽²⁾	34.9%	32.4%	
Combined Ratio, Non-Life ⁽²⁾	102.4%	99.9%	

⁽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 Brazil and Venezuela;
- a higher expense ratio, due to the outlays connected with the expansion of the branch network;
- larger financial income, mainly due to the recovery of interest rates in the region;
- the favourable development of exchange rates, particularly in Brazil.

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

COMPANY	PREMIUMS				RESULTS ⁽¹⁾			
	3Q 05	3Q 04	% 05/04	Local Currency % 05/04	3Q 05	3Q 04	% 05/04	Local Currency % 05/04
VENEZUELA	189.3	147.6	28.3%	45.2%	20.0	18.6	7.5%	21.9%
PUERTO RICO	185.4	166.8	11.2%	13.9%	19.1	16.2	17.9%	19.9%
MEXICO	180.3	193.2	-6.7%	-7.2%	15.3	7.1	115.5%	136.8%
BRAZIL	288.3	188.8	52.7%	29.1%	9.7	5.8	67.2%	41.3%
ARGENTINA	151.0	131.2	15.1%	17.4%	4.7	4.8	-2.1%	-0.1%
COLOMBIA	40.3	31.2	29.2%	16.1%	1.6	1.9	-15.8%	-23.5%
EL SALVADOR	19.4	20.7	-6.3%	-1.9%	1.5	1.3	15.4%	-9.6%
CHILE	81.2	69.7	16.5%	2.7%	1.2	3.1	-61.3%	-65.8%
PARAGUAY	6.2	5.5	12.7%	19.1%	0.2	0.1	---	---
URUGUAY	7.1	6.1	16.4%	-1.1%	-0.1	-0.4	---	---
PERU	19.7	16.8	17.3%	14.7%	-0.2	0.4	---	---

⁽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 the second quarter of 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.

A higher loss ratio in Motor insurance caused a decrease in the result of MAPFRE ARGENTINA and MAPFRE COLOMBIA, while MAPFRE CHILE was affected by the cancellation of two large accounts.

The profit of MAPFRE LA SEGURIDAD (Venezuela) includes realisation gains for €2.3 million.

During the third quarter of the year, MAPFRE DOMINICANA (Dominican Republic) began operating.

In the first nine months of the year, 266 new offices have been opened, 67 of which are direct.

MAPFRE RE

	3Q 05	3Q 04	% 05/04
Premiums written and accepted	1,015.6	879.1	15.5%
- of which Life	74.6	57.7	29.3%
Gross result ⁽¹⁾	52.2	55.9	-6.6%
Net result	30.1	35.0	-14.0%
Equity	648.1	554.2	16.9%
Loss Ratio, Non-Life ⁽²⁾	68.3%	61.4%	
Expense Ratio, Non-Life ⁽²⁾	29.9%	32.0%	
Combined Ratio, Non-Life ⁽²⁾	98.2%	93.4%	

⁽¹⁾ Before taxes and minority interest

⁽²⁾ Ratios as a % of net premiums earned

The increase in the premiums volume with respect to the third quarter of 2004 is primarily due to the winning of new business from ceding companies outside SISTEMA MAPFRE.

The following table shows the estimated impact on the net after-tax result of MAPFRE RE of the claims arising from the natural catastrophes occurred during the third quarter of the year:

<u>Event</u>	<u>Affected Areas</u>	<u>Amount</u>
Hurricane "Katrina"	Southern U.S.A.	25.1
Hurricane "Emily"	Yucatan (Mexico)	6.9
Storms	Austria, Germany, Switzerland	5.2
Hurricane "Rita"	Florida (U.S.A.)	5.0
Hurricane "Dennis"	Southern U.S.A.	0.9

Million euros

Net profit also reflects a non-recurring loss of €8.6 million from the transfer of subsidiary MAPLUX to MAPFRE SEGUROS GENERALES. This amount was eliminated in the net consolidated profit of CORPORACIÓN MAPFRE. Excluding this amount, the net profit of MAPFRE RE would have grown 10.6%.

MAPFRE ASISTENCIA

	3Q 05	3Q 04	% 05/04
Total Income	261.0	193.3	35.0%
- Premiums written and accepted	189.7	131.9	43.8%
- Other income	71.3	61.4	16.1%
Gross result ⁽¹⁾	9.5	6.0	58.3%
Net result	6.2	4.0	55.0%
Equity	89.9	67.3	33.6%
Loss Ratio, Non-Life ⁽²⁾	75.1%	75.2%	
Expense Ratio, Non-Life ⁽²⁾	22.5%	17.6%	
Combined Ratio, Non-Life ⁽²⁾	97.6%	92.8%	

⁽¹⁾ Before taxes and minority interest

⁽²⁾ Ratios as a % of net premiums earned

The increase in the net profit reflects:

- premiums growth, particularly in the Pecuniary Losses business line (€60 million, against €43 million in the same period of the previous year). It is also worth noting business growth in America and in Europe. The revenues from subsidiary ABRAXAS, which was acquired in July, have been consolidated for the first time for an amount of €4 million.
- 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; the expansion of the distribution network and of the services related with the new business lines in Europe; and the consolidation of ABRAXAS;
- a €1.9 million gain from the transfer of MAPFRE ASISTENCIA ORO.

B.4.) MANAGEMENT RATIOS

The consolidated Non-Life combined ratio of CORPORACIÓN MAPFRE was 96.9% in the third quarter of 2005, against 94.4% 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⁾	
	3Q 05	3Q 04	3Q 05	3Q 04	3Q 05	3Q 04
GENERAL INSURANCE OP. UNIT	27.9%	28.7%	64.3%	63.0%	92.2%	91.7%
MAP. EMPRESAS + MAP. INDUSTRIAL	16.5%	13.3%	75.7%	73.2%	92.2%	86.5%
MAPFRE CAUCIÓN Y CRÉDITO ⁽⁴⁾	-8.9%	-7.0%	90.3%	83.0%	81.4%	76.0%
MAPFRE CAJA SALUD	15.7%	15.9%	81.2%	82.5%	96.9%	98.4%
MAPFRE-CAJA MADRID HOLDING	22.1%	22.3%	70.3%	69.1%	92.4%	91.4%
MAPFRE RE	29.9%	32.0%	68.3%	61.4%	98.2%	93.4%
MAPFRE ASISTENCIA	22.5%	17.6%	75.1%	75.2%	97.6%	92.8%
MAPFRE AMERICA	34.9%	32.4%	67.5%	67.5%	102.4%	99.9%
CORPORACION MAPFRE (Consolidated)	27.6%	27.0%	69.3%	67.4%	96.9%	94.4%
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

B.5.) SHAREHOLDERS' EQUITY

Net consolidated equity reached €3,079.9 million, against €2,677.3 million at the end of the third quarter 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, €955.5 million corresponded to the holdings of minority shareholders in subsidiaries, and €2,124.4 million to the shareholders of CORPORACIÓN MAPFRE. Consolidated shareholders' equity per share was €8.9 as of September 2005 (€7.8 at the close of 2004).

The consolidated shareholders' equity of MAPFRE AMÉRICA increased by €193.5 million with respect to the third quarter of the previous year, 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 and Latin American currencies against the euro.

B.6.) ACQUISITIONS AND DISPOSALS

The following investments were made in the third quarter of the year:

Investments carried out directly by CORPORACIÓN MAPFRE

- In August, CORPORACIÓN MAPFRE sold its entire shareholding in PROGRESS ASSICURAZIONI (Italy), which was equal to 39%, to insurer MIDDLESEA INSURANCE (Malta). This brought to completion a transaction defined in an agreement between the MIDDLESEA GROUP and MAPFRE, which included the acquisition by CORPORACIÓN MAPFRE of a 21% stake in the share capital of MIDDLESEA INSURANCE. Overall, this transaction has implied a net outlay of €5.2 million for CORPORACIÓN MAPFRE.
- CORPORACIÓN MAPFRE invested €4.1 million to subscribe for its share of a €9 million capital increase carried out by MAPFRE QUAVITAE to fund the acquisition of MAPFRE ASISTENCIA ORO.
- It has been agreed to incorporate MAPFRE INTERNACIONAL S.A., which will become the holding company responsible for the expansion of MAPFRE abroad (except in the Iberian Peninsula and in Latin America) with an initial share capital of €35 million. The new holding company will receive the shares in MAPFRE ASIAN and MIDDLESEA plc presently owned by CORPORACIÓN MAPFRE.

Investments carried out by subsidiaries

- 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. MAPFRE will hold a majority stake in the resulting company. The Agreement is subject to the approval of the Philippine insurance and securities markets regulators, and of other regulatory agencies.
- 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 ASISTENCIA sold its subsidiary MAPFRE ASISTENCIA ORO to MAPFRE QUAVITAE.

Events subsequent to the close of the third quarter of 2005

- MAPFRE CAJA SALUD was awarded healthcare centre CLINISAS, located in Madrid, in a privatisation process carried out by SEPI, for a price of €20.5 million. The company also acquired healthcare centre CLÍNICA SAN FRANCISCO JAVIER, located in Bilbao.

Financing

The investments detailed above were paid for with available excess cash.

B.7.) EMPLOYEES

CORPORACIÓN MAPFRE, its subsidiaries and affiliates had a payroll of 14,684 employees as of 30 September 2005, 4,906 of which in Spain and 9,778 in other countries. The 499 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 change in the configuration 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 third quarter of 2005 reached total revenues of € 9,166.3 million, a 9.6% increase over the previous year. Consolidated profit after taxes grew 8.1%.

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

	3Q 05	3Q 04	% Var.
NON-LIFE INSURANCE AND REINSURANCE			
Gross written and accepted premiums	5,944.0	5,274.1	12.7%
Premiums earned, net of ceded and retroceded reinsurance	4,708.9	4,079.0	15.4%
Net claims incurred and variation in other technical provisions	-3,482.1	-2,820.2	23.5%
Operating expenses, net of reinsurance	-900.8	-804.8	11.9%
Other technical income and expenses	-50.3	-66.5	-24.4%
TECHNICAL RESULT	275.7	387.5	-28.9%
Net financial and other non-technical income	314.3	175.4	79.2%
Result of the Non-life business	590.0	562.9	4.8%
LIFE INSURANCE AND REINSURANCE			
Gross written and accepted premiums	1,588.4	1,648.6	-3.7%
Premiums earned, net of ceded and retroceded reinsurance	1,486.2	1,556.2	-4.5%
Net claims incurred and variation in other technical provisions	-1,868.0	-1,862.1	0.3%
Operating expenses, net of reinsurance	-188.7	-160.9	17.3%
Other technical income and expenses	-7.8	-7.0	11.4%
TECHNICAL RESULT	-578.3	-473.8	22.1%
Net financial and other non-technical income	646.2	538.9	19.9%
Unrealised gains and losses in unit-linked investments	22.4	9.1	146.2%
Result of the Life business	90.3	74.2	21.7%
OTHER BUSINESS ACTIVITIES			
Operating income	266.3	175.6	51.7%
Operating expenses	-233.0	-166.1	40.3%
Net financial income	-1.1	9.7	-111.3%
Results from minority shareholdings	6.0	4.8	25.0%
Result of the Other Business Activities	38.2	24.0	59.2%
Result before tax and minority shareholders	718.5	661.1	8.7%
Taxes	-197.4	-179.0	10.3%
Result after tax	521.1	482.1	8.1%
Non-life loss ratio ⁽¹⁾	73.9%	69.1%	
Non-life expense ratio ⁽¹⁾	20.2%	21.4%	
Non-life combined ratio ⁽¹⁾	94.1%	90.5%	
Life expense ratio ⁽²⁾	1.6%	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

ANNEX:**Profit breakdown by units and companies – September 2004**

	Net Result	Minority Interests	Consolidation adjustments	Contribution to consolidated result
LIFE	72.2	-35.4		36.8
GENERAL INSURANCE	52.8	-25.9	-0.7	26.2
COMMERCIAL INSURANCE	49.6	-19.1	-10.6	19.9
HEALTH	3.1	-1.5		1.6
Holding (non-consolidated) and adjustments				-1.2
MAPFRE-CAJA MADRID HOLDING				83.3
AMÉRICA	38.0	-5.7		32.3
RE	35.0	-4.2		30.8
ASISTENCIA	4.0			4.0
INMUEBLES	6.3			6.3
Other companies	5.9			5.8
Holding (non-consolidated) and adjustments				-3.9
CORPORACIÓN MAPFRE				158.6

Reconciliation of the consolidated profit under PGC/PCEA and IFRS – Sep. 2004

ITEM	Gross amount	Tax	Minority Shrhldrs.	Attributable result
Result at 30/09/04 under PGC/PCEA	298.6	-88.5	-75.0	135.1
Reversal of goodwill amortisation	24.2	-1.1	-9.6	13.6
Reversal of the appropriation to the equalisation reserve	24.5	-8.4	-5.2	10.9
Differences in the valuation of technical reserves	-59.8	20.9	19.1	-19.8
Differences in the valuation of investments	65.5	-22.9	-20.9	21.7
Derivatives (fair value, hedges)	-5.4	1.9	0.0	-3.5
Amortisation of start-up expenses	2.6	-0.7	-0.8	1.1
Deferred taxes (timing diffs. and differences > 10 yrs.)	-0.3	-1.1	0.5	-0.9
Deferred income	0.6	-0.1	-0.1	0.4
Other items	10.4	-10.8	0.5	0.1
Result at 30/09/04 under IFRS	360.9	-110.9	-91.4	158.6

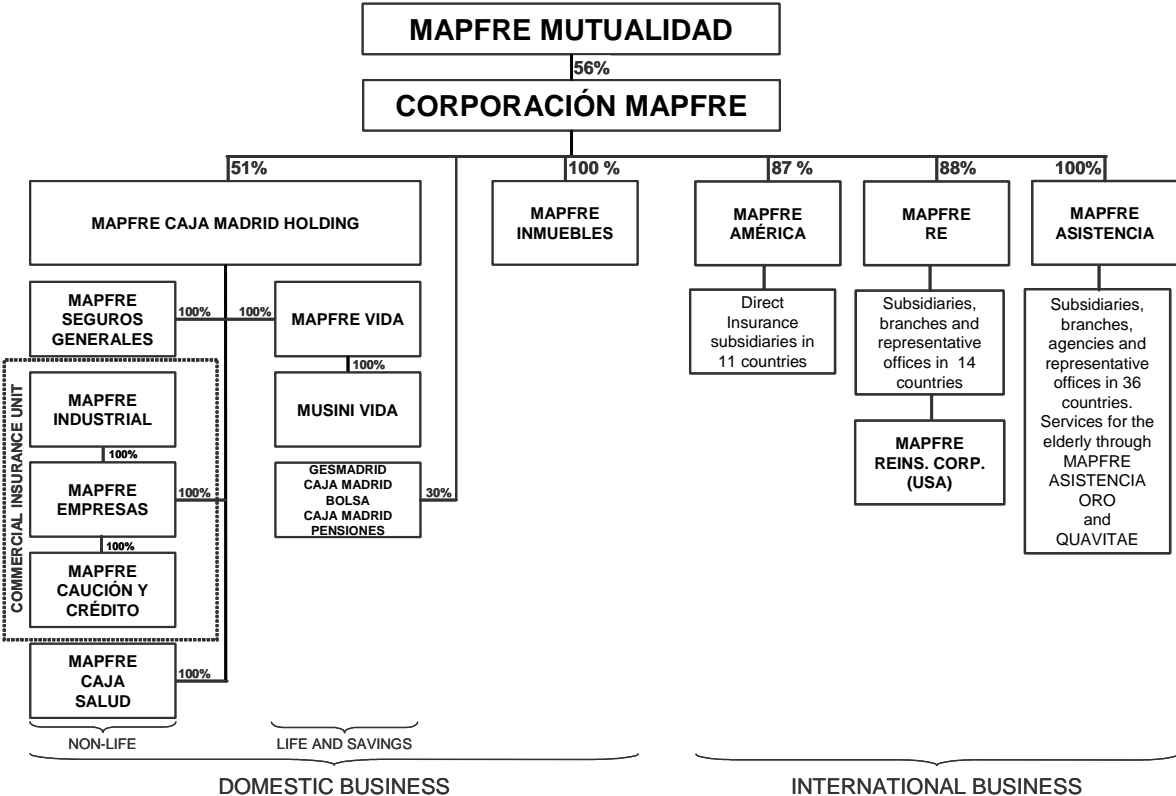
Breakdown of technical reserves and premiums

	Life insurance reserves			Other technical reserves			Technical Reserves			Written and accepted premiums		
	3Q 05	3Q 04	% Var.	3Q 05	3Q 04	% Var.	3Q 05	3Q 04	% Var.	3Q 05	3Q 04	% Var.
LIFE	14,036.7	12,406.0	13.1%	212.0	199.3	6.4%	14,248.7	12,605.4	13.0%	1,296.9	1,414.3	-8.3%
GENERAL INSURANCE	46.0	44.7	2.9%	1,141.9	961.9	18.7%	1,187.9	1,006.5	18.0%	886.3	802.2	10.5%
COMMERCIAL INSURANCE	467.5	480.7	-2.7%	1,851.9	1,431.1	29.4%	2,319.4	1,911.8	21.3%	896.2	848.1	5.7%
HEALTH	---	---	---	159.8	133.9	19.3%	159.8	133.9	19.3%	355.5	322.2	10.3%
AMÉRICA	69.4	47.2	47.0%	1,098.4	941.1	16.7%	1,167.8	988.3	18.2%	1,168.2	977.6	19.5%
RE	107.7	88.1	22.2%	1,340.0	1,028.6	30.3%	1,447.8	1,116.7	29.6%	1,015.6	879.1	15.5%
ASISTENCIA	---	---	---	123.6	72.2	71.2%	123.6	72.2	71.2%	189.7	131.9	43.8%
MAPFRE ASIAN	---	---	---	8.8	9.0	-2.2%	8.8	9.0	-2.2%	9.9	8.3	19.3%
Adjustments MAPFRE RE	---	---	---	-546.7	-329.3	66.0%	-615.5	-388.1	58.6%	-406.7	-349.1	16.5%
Other adjustments	-38.4	-52.7	---	-30.4	-6.1	---	---	---	---	-3.5	-2.7	---
CORPORACIÓN MAPFRE	14,689.0	13,014.1	12.9%	5,359.3	4,441.7	20.7%	20,048.3	17,455.8	14.9%	5,408.1	5,031.9	7.5%

Breakdown of equity by units and subsidiaries

	Equity					
	30/09/05		30/09/04		% Var.	
	Share of		Share of			
	Corp. Mapfre	Minority shrhldrs.	Corp. Mapfre	Minority shrhldrs.	Corp. Mapfre	Minority shrhldrs.
LIFE	272.4	261.8	242.7	233.2	12.2%	12.3%
GENERAL INSURANCE	156.0	149.9	138.8	133.4	12.4%	12.4%
COMMERCIAL INSURANCE	129.2	124.2	152.9	146.9	-15.5%	-15.5%
HEALTH	53.4	51.2	48.3	46.5	10.6%	10.1%
Consolidation adjustments/minority interest	156.4	150.3	94.1	90.3	66.2%	66.4%
MAPFRE-CAJA MADRID	767.4	737.4	676.8	650.3	13.4%	13.4%
AMÉRICA	649.3	93.1	466.1	82.8	39.3%	12.4%
RE	569.7	78.4	487.1	67.1	17.0%	16.8%
ASISTENCIA	89.9	---	67.3	---	33.6%	---
OTHER COMPANIES	86.8	22.1	73.3	9.0	18.4%	145.6%
Consolidation adjustments/minority interest	-38.7	24.5	93.1	4.4	-141.6%	456.1%
CORPORACIÓN MAPFRE	2,124.4	955.5	1,863.7	813.6	14.0%	17.4%

Organisation chart of CORPORACIÓN MAPFRE



C) BASIS OF PRESENTATION AND VALUATION CRITERIA

The consolidated financial statements included herein have been prepared in accordance with International Financial Reporting Standards.

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.