

# INSURANCE

## INTERIM QUARTERLY RESULTS REPORT FOR THE FOLLOWING PERIOD:

QUARTER

FIRST

YEAR

2006

**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	---	---	---	---	1,599,177	1,368,939
RESULT BEFORE TAX/RESULT BEFORE TAX FROM ONGOING ACTIVITIES	1040	17,188	36,402	---	---	178,677	151,809
RESULT OF THE PERIOD FROM ONGOING ACTIVITIES	4860					122,333	106,382
RESULT OF THE PERIOD	1044	18,168	32,515	---	---	122,333	106,382
Result attributable to External Shareholders/Result of the period attributable to minority interests	2050			---	---	-44,013	-39,139
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			---	---	78,320	67,243
PAID-UP CAPITAL	0500	119,450	119,450				
AVERAGE NUMBER OF EMPLOYEES	3000	33	33	---	---	19,526	13,960

(\*) Net premiums earned

## B) BUSINESS DEVELOPMENT

### B.1.) EXECUTIVE SUMMARY

During the first quarter of 2006, the business activities of CORPORACIÓN MAPFRE and its subsidiaries developed positively:

- direct insurance and accepted reinsurance premiums grew 14.0% in Non-life and 12.1% in Life insurance;
- third-party funds under management increased 7.5%;
- reinsurance premiums accepted by MAPFRE RE went up by 16.7%.

The net consolidated profit increased by 16.5% with respect to the same period of the previous year, reaching €78.3 million.

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

	<b>Revenues</b>	<b>% Var.</b>	<b>Net profit</b>	<b>% Var.</b>	<b>Combined ratio <sup>(1)</sup></b>	
					<b>3M 06</b>	<b>3M 05</b>
<b>CORPORACIÓN MAPFRE</b>	<b>3,038.6</b>	<b>12.7%</b>	<b>78.3</b>	<b>16.5%</b>	<b>96.3%</b>	<b>94.3%</b>
LIFE AND SAVINGS	<b>778.0</b>	6.7%	<b>30.4</b>	10.1%	<b>0.9%</b>	0.9%
GENERAL INSURANCE	<b>505.7</b>	7.8%	<b>23.5</b>	18.7%	<b>94.8%</b>	92.4%
COMMERCIAL INSUR.	<b>398.8</b>	6.7%	<b>23.8</b>	29.3%	<b>81.5%</b>	81.3%
HEALTH	<b>396.3</b>	11.1%	<b>2.7</b>	17.4%	<b>95.9%</b>	97.5%
AMÉRICA	<b>565.2</b>	44.3%	<b>19.7</b>	20.1%	<b>103.5%</b>	102.0%
RE	<b>404.9</b>	17.1%	<b>20.6</b>	5.6%	<b>94.0%</b>	93.3%
ASISTENCIA	<b>99.8</b>	43.8%	<b>1.6</b>	23.1%	<b>94.1%</b>	94.1%

Million euros

<sup>(1)</sup>The figures of the LIFE AND SAVINGS OPERATING UNIT correspond to the expense ratio as a percentage of average third-party funds under management. Annualised ratio.

## B.2.) CONSOLIDATED GROUP FIGURES

### • REVENUES

In the first quarter of 2006, the total revenues of CORPORACION MAPFRE and its subsidiaries reached €3,038.6 million, a 12.7% increase over the same period of the previous year.

Written and accepted premiums reached a consolidated volume of €2,572.9 million, a 13.6% increase over the first quarter of the previous year. Net premiums earned were €1,599.2 million, a 16.8% 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	
	3M 06	% Var.	3M 06	% Var.	3M 06	% Var.	3M 06	% Var.
LIFE AND SAVINGS	525.9	8.1%	228.7	2.6%	23.4	19.4%	778.0	6.7%
GENERAL INSURANCE	476.3	6.9%	21.6	56.5%	7.8	-20.4%	505.7	7.8%
COMMERCIAL INSURANCE	371.7	3.7%	18.1	56.0%	9.0	125.0%	398.8	6.7%
HEALTH	390.6	10.3%	3.1	34.8%	2.6	---	396.3	11.1%
Holding (non consolidated)	---	---	11.5	-69.5%	0.0	---	11.5	-69.5%
Adjustments	-0.1	---	-14.1	-67.5%	-3.5	-28.6%	-17.7	-65.8%
MAPFRE-CAJA MADRID	1,764.4	7.5%	268.9	9.8%	39.3	36.5%	2,072.6	8.3%
INMUEBLES	---	---	---	---	7.0	-9.1%	7.0	-9.1%
QUAVITAE	---	---	---	---	23.6	41.3%	23.6	41.3%
Domestic Business	1,764.4	7.5%	268.9	9.8%	69.9	31.4%	2,103.2	8.5%
AMÉRICA	517.9	43.5%	43.6	74.4%	3.7	-37.3%	565.2	44.3%
RE	368.4	16.7%	36.4	23.4%	0.1	-80.0%	404.9	17.1%
ASISTENCIA	71.9	30.7%	0.9	-55.0%	27.0	117.7%	99.8	43.8%
MAPFRE INSULAR	5.5	83.3%	0.3	0.0%	0.2	---	6.0	81.8%
Adjustments	-155.2	39.7%	---	---	---	---	-155.2	39.7%
International Business	808.5	29.7%	81.2	43.0%	31.0	64.9%	920.7	31.7%
Holding (non consolidated)	---	---	32.0	-28.6%	0.3	-25.0%	32.3	-28.5%
Consolidation adjustments	---	---	-19.4	-49.3%	1.8	---	-17.6	---
<b>CORPORACIÓN MAPFRE</b>	<b>2,572.9</b>	<b>13.6%</b>	<b>362.7</b>	<b>17.7%</b>	<b>103.0</b>	<b>-16.8%</b>	<b>3,038.6</b>	<b>12.7%</b>

Million euros

## • RESULTS

The consolidated income statement is shown in the following table:

	3M 06	3M 05	% Var.
<b>NON-LIFE INSURANCE AND REINSURANCE</b>			
Gross written and accepted premiums	2,024.0	1,774.9	14.0%
Premiums earned, net of ceded and retroceded reinsurance	1,107.2	926.0	19.6%
Net claims incurred and variation in other technical provisions	-759.3	-645.5	17.6%
Operating expenses, net of reinsurance	-291.8	-212.0	37.6%
Other technical income and expenses	-14.9	-15.4	-3.2%
TECHNICAL RESULT	41.2	53.1	-22.4%
Net financial income	86.2	53.3	61.7%
Other non-technical income and expenses	3.2	7.0	-54.3%
<b>Result of the Non-life business</b>	<b>130.6</b>	<b>113.5</b>	<b>15.1%</b>
<b>LIFE INSURANCE AND REINSURANCE</b>			
Gross written and accepted premiums	548.9	489.5	12.1%
Premiums earned, net of ceded and retroceded reinsurance	491.9	443.0	11.0%
Net claims incurred and variation in other technical provisions	-529.4	-535.3	-1.1%
Operating expenses, net of reinsurance	-41.2	-36.0	14.4%
Other technical income and expenses	-3.1	-3.7	-16.2%
TECHNICAL RESULT	-81.8	-132.0	-38.0%
Net financial income	112.6	165.0	-31.8%
Unrealised gains and losses in Unit-Linked investments	8.4	4.2	100.0%
Other non-technical income and expenses	-0.7	0.6	---
<b>Result of the Life business</b>	<b>38.5</b>	<b>37.6</b>	<b>2.4%</b>
<b>OTHER BUSINESS ACTIVITIES</b>			
Operating income	81.4	108.3	-24.8%
Operating expenses	-73.7	-113.1	-34.8%
Net financial income	-0.2	3.5	-105.7%
Results from minority shareholdings	2.0	1.9	5.3%
Other net income	0.1	0.2	-50.0%
<b>Result of the Other Business Activities</b>	<b>9.6</b>	<b>0.7</b>	<b>---</b>
<b>Result before tax and minority shareholders</b>	<b>178.7</b>	<b>151.8</b>	<b>17.7%</b>
Taxes	-56.3	-45.4	24.0%
<b>Result after tax</b>	<b>122.4</b>	<b>106.4</b>	<b>15.0%</b>
Result attributable to minority shareholders	-44.1	-39.2	12.5%
<b>Result after tax and minority shareholders</b>	<b>78.3</b>	<b>67.2</b>	<b>16.5%</b>
Non-life loss ratio <sup>(1)</sup>	68.6%	69.7%	
Non-life expense ratio <sup>(1)</sup>	27.7%	24.6%	
Non-life combined ratio <sup>(1)</sup>	96.3%	94.3%	
Life expense ratio <sup>(2)</sup>	1.1%	1.1%	

Million euros

<sup>(1)</sup> Ratios calculated over net premiums earned.

<sup>(2)</sup> Net operating expenses/average third-party funds under management. Annualised ratio.

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 3M06	Contribution to consolidated result 3M 05
<b>INSURANCE ACTIVITIES</b>					
LIFE AND SAVINGS	30.4	-14.9	---	15.5	14.3
GENERAL INSURANCE	23.5	-11.5	---	12.0	10.1
COMMERCIAL INSURANCE	23.8	-11.6	---	12.1	10.7
MAPFRE CAJA SALUD	2.7	-1.3	---	1.4	1.2
Individual result and consolidation adjustments				-0.6	-1.5
MAPFRE-CAJA MADRID HOLDING				40.5	34.9
<b>OTHER ACTIVITIES</b>					
MAPFRE INMUEBLES		---	---		0.1
MAPFRE QUAVITAE	-0.2	---	---	-0.2	-0.1
<b>COMPANIES OPERATING PRIMARILY IN SPAIN</b>	<b>80.2</b>	<b>-39.4</b>	<b>---</b>	<b>40.3</b>	<b>34.9</b>
MAPFRE AMÉRICA	19.7	-2.5	---	17.3	13.9
MAPFRE RE	20.6	-2.5	---	18.1	17.1
ASSISTANCE OPERATING UNIT	1.6	---	---	1.6	1.3
MAPFRE INSULAR	0.4	-0.1	---	0.3	0.4
<b>COMPANIES OPERATING PRIMARILY ABROAD</b>	<b>42.3</b>	<b>-5.1</b>	<b>---</b>	<b>37.3</b>	<b>32.7</b>
Other companies and consolidation adjustments				0.8	-0.4
<b>CORPORACIÓN MAPFRE</b>				<b>78.3</b>	<b>67.2</b>

Million euros

## • BALANCE SHEET AND EQUITY

The consolidated balance sheet is shown below:

	3M 06	3M 05	% 06/05
<b>ASSETS</b>			
Goodwill	594.5	497.8	19.4%
Fixed assets	485.0	369.2	31.4%
Investments	20,171.7	18,863.1	6.9%
Participation by reinsurance in technical reserves	1,580.3	1,252.4	26.2%
Other assets	5,156.9	4,256.7	21.1%
<b>TOTAL ASSETS</b>	<b>27,988.4</b>	<b>25,239.3</b>	<b>10.9%</b>
<b>LIABILITIES</b>			
Shareholders' Equity	2,203.4	1,933.2	14.0%
Minority interests	975.7	889.1	9.7%
Debt	582.9	374.2	55.8%
Technical reserves	20,867.5	18,824.1	10.9%
- Life insurance reserves	14,497.9	13,776.2	5.2%
- Other technical reserves	6,369.6	5,047.9	26.2%
Reserves for risks and expenses	122.4	136.1	-10.1%
Other liabilities	3,236.5	3,082.6	5.0%
<b>TOTAL LIABILITIES</b>	<b>27,988.4</b>	<b>25,239.3</b>	<b>10.9%</b>

Million euros

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

<b>STATEMENT OF CHANGES IN EQUITY</b>	<b>Share capital</b>	<b>Reserves</b>	<b>Valuation adjusts.</b>	<b>Translation differences</b>	<b>Result</b>	<b>Minority interests</b>	<b>Total Equity</b>
<b>Balance as at 31/12/05</b>	<b>119.5</b>	<b>1,572.7</b>	<b>182.7</b>	<b>58.9</b>	<b>249.8</b>	<b>977.7</b>	<b>3,161.3</b>
Distribution of previous year's result		249.8			-249.8	-13.2	-13.2
Additions and deductions accounted for directly in equity <sup>(1)</sup>			-47.0	-11.3		-32.5	-90.8
Quarterly result					78.3	44.1	122.4
Other positive/negative items		-0.2				-0.4	-0.6
<b>Balance as at 31/03/06</b>	<b>119.5</b>	<b>1,822.3</b>	<b>135.7</b>	<b>47.6</b>	<b>78.3</b>	<b>975.7</b>	<b>3,179.1</b>

Million euros

<sup>(1)</sup> 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.

The deductions accounted for directly in equity correspond mainly to the decrease in the amount of unrealised gains in the fixed income portfolio because of the rise in medium- and long-term interest rates. This impact was limited by an investment strategy aimed at reducing the duration of such portfolio and by an increase in unrealised gains in equity investments. The duration of fixed income investments is expected to increase again gradually over the next months.

### **B.3.) SUBSIDIARIES' PREMIUMS AND RESULTS**

#### **Companies operating in Spain**

The premiums of MAPFRE-CAJA MADRID Holding de Entidades Aseguradoras S.A. reached €1,764.4 million, a 7.5% increase, and its net profit grew 16.2% to €79.5 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:

	<b>3M 06</b>	3M 05	% 06/05
<b>AGENTS CHANNEL</b>	<b>1,482.0</b>	<b>1,376.0</b>	<b>7.7%</b>
LIFE	311.1	272.3	14.2%
GENERAL INSURANCE	437.1	418.0	4.6%
COMMERCIAL INSURANCE	364.0	350.1	4.0%
HEALTH	369.8	335.6	10.2%
<b>CAJA MADRID BANK CHANNEL</b>	<b>282.5</b>	<b>268.4</b>	<b>5.3%</b>
LIFE	214.8	214.3	0.2%
GENERAL INSURANCE	39.2	27.4	43.1%
COMMERCIAL INSURANCE	7.7	8.2	-6.1%
HEALTH	20.8	18.5	12.4%
Consolidation adjustments	-0.1	-3.5	---
<b>TOTAL PREMIUMS SPAIN</b>	<b>1,764.4</b>	<b>1,640.9</b>	<b>7.5%</b>

Million euros

## LIFE INSURANCE OPERATING UNIT<sup>(1)</sup>

	<b>3M 06</b>	3M 05	% 06/05
<b>Technical Reserves PGC/PCEA</b>	<b>13,115.5</b>	12,347.4	6.2%
IFRS adjustments	<b>1,320.3</b>	1,504.4	-12.2%
<b>Technical Reserves IFRS</b>	<b>14,435.8</b>	13,851.8	4.2%
Investment Funds	<b>3,297.7</b>	2,882.1	14.4%
Pension Funds	<b>1,306.8</b>	1,111.4	17.6%
<b>Third-party funds under management</b>	<b>19,040.3</b>	17,845.3	6.7%
Premiums written and accepted	<b>525.9</b>	486.6	8.1%
Gross Result <sup>(2)</sup>	<b>46.1</b>	41.9	10.0%
Net Result	<b>30.4</b>	27.6	10.1%
Equity	<b>605.6</b>	542.6	11.6%
Expense Ratio <sup>(3)</sup>	<b>0.9%</b>	0.9%	

Million euros

<sup>(1)</sup> The figures for the first quarter of the previous year include the Life insurance business of MAPFRE EMPRESAS, which was transferred to MAPFRE VIDA in the last quarter of 2005 with retroactive effect since 01.01.2005.

<sup>(2)</sup> Before taxes and minority interests.

<sup>(3)</sup> Net operating expenses/average third-party funds under management. Annualised ratio.

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

- the winning of a larger volume of group savings business;
- sustained growth in retail protection products.

The net inflow into third-party funds under management exceeded the figure for the same period of the previous year, due to an increase in the volume of Life insurance written and larger sales of mutual funds (new guaranteed products).

The rise in interest rates has limited the growth in technical reserves due to the impact of IFRS adjustments ('shadow accounting'). Such rise has also caused a decrease in financial income.

On this same date, an additional presentation is being released on the embedded value of the Life and Savings business of MAPFRE VIDA, which was calculated for the first time under European Embedded Value Principles. Embedded value as at 31.12.2005 grew 18.6% over 2004 (before dividends and donations), while value added by new business written in the fiscal year increased by 31%.

## GENERAL INSURANCE OPERATING UNIT

	<b>3M 06</b>	3M 05	%06/05
Premiums written and accepted	<b>476.3</b>	445.4	6.9%
- Burial	<b>198.1</b>	192.4	3.0%
- Other business lines	<b>278.2</b>	253.0	10.0%
Gross Result <sup>(1)</sup>	<b>34.9</b>	29.4	18.7%
Net result	<b>23.5</b>	19.8	18.7%
Equity	<b>302.3</b>	323.1	-6.4%
Loss Ratio, Non-Life <sup>(2)</sup>	<b>67.6%</b>	67.4%	
Expense Ratio, Non-Life <sup>(2)</sup>	<b>27.2%</b>	25.0%	
Combined Ratio, Non-Life <sup>(2)</sup>	<b>94.8%</b>	92.4%	

Million euros

<sup>(1)</sup> Before taxes and minority interests.

<sup>(2)</sup> Ratios as a % of net premiums earned

The increase in net profit reflects:

- larger volumes in the main business lines, despite a decrease in the Motor business (Canary islands);
- low growth in Burial insurance, as annual policies' cancellations concentrate in the first quarter of the year;
- larger financial income;
- an increase in the expense ratio due to higher retention and to a lower accrual of acquisition expenses, whose effect will decrease in the remainder of the year.

The payment of an extraordinary dividend in 2005 explains the decrease in equity.

General insurance premiums written through CAJA MADRID grew 43.1% with respect to the same period of the previous year.

## COMMERCIAL INSURANCE OPERATING UNIT<sup>(1)</sup>

	<b>3M 06</b>	3M 05	% 06/05
Premiums written and accepted	<b>371.7</b>	358.3	3.7%
- Industrial business	<b>164.8</b>	157.0	5.0%
- Large Risks business	<b>161.4</b>	157.7	2.3%
- Credit and Surety business	<b>45.5</b>	43.6	4.4%
Gross result <sup>(2)</sup>	<b>36.4</b>	28.5	27.7%
Net result	<b>23.8</b>	18.4	29.3%
Equity	<b>282.7</b>	268.5	5.3%
Loss Ratio, Non-Life <sup>(3)</sup>	<b>68.9%</b>	69.6%	
Expense Ratio, Non-Life <sup>(3)(4)</sup>	<b>12.6%</b>	11.7%	
Combined Ratio, Non-Life <sup>(3)</sup>	<b>81.5%</b>	81.3%	

Million euros

<sup>(1)</sup> The figures for the first quarter of the previous year do not include the Life insurance business, which was transferred to MAPFRE VIDA in the last quarter of 2005 with retroactive effect since 01.01.2005.

<sup>(2)</sup> Before taxes and minority interests.

<sup>(3)</sup> Ratios as a % of net premiums earned.

<sup>(4)</sup> Given the importance of credit opinion activities for MAPFRE CAUCIÓN y CRÉDITO, the net income from other activities of this subsidiary is added to the numerator of the expense ratio.

The result of the Unit reflects:

- low premiums growth, in spite of the winning of new business, due to strong competition in Large Risks and in Credit insurance in Spain;
- a reduction in the loss ratio, due to fewer large claims;
- a higher expense ratio, due to a larger weight of the business sold through brokers;
- an increase in financial income, which includes realisation gains of €3.5 million.

## MAPFRE CAJA SALUD

	<b>3M 06</b>	3M 05	% 05/04
Premiums written and accepted	<b>390.6</b>	354.1	10.3%
- Agents network <sup>(1)</sup>	<b>369.8</b>	335.6	10.2%
- Bank network	<b>20.8</b>	18.5	12.4%
Gross result <sup>(2)</sup>	<b>4.5</b>	3.8	18.4%
Net result	<b>2.7</b>	2.3	17.4%
Equity	<b>108.5</b>	96.9	12.0%
Loss Ratio, Non-Life <sup>(3)</sup>	<b>80.6%</b>	81.2%	
Expense Ratio, Non-Life <sup>(3)</sup>	<b>15.3%</b>	16.3%	
Combined Ratio, Non-Life <sup>(3)</sup>	<b>95.9%</b>	97.5%	

Million euros

<sup>(1)</sup> Including brokers

<sup>(2)</sup> Before taxes and minority interests.

<sup>(3)</sup> Ratios as a % of net premiums earned

The increase in net profit is the result of:

- premium growth, which came primarily from the Retail Health Assistance business line;
- lower claims and expense ratios, following the implementation of new risk selection, claims control and medical expenses containment systems.

## Companies operating abroad

### MAPFRE AMÉRICA

	<b>3M 06</b>	3M 05	% 06/05
Premiums written and accepted	<b>517.9</b>	360.9	43.5%
Gross result <sup>(1)</sup>	<b>23.5</b>	21.3	10.3%
Net result	<b>19.7</b>	16.4	20.1%
Equity	<b>798.3</b>	572.6	39.4%
Loss Ratio, Non-Life <sup>(2)</sup>	<b>68.4%</b>	67.6%	
Expense Ratio, Non-Life <sup>(2)</sup>	<b>35.1%</b>	34.4%	
Combined Ratio, Non-Life <sup>(2)</sup>	<b>103.5%</b>	102.0%	

Million euros

<sup>(1)</sup> Before taxes and minority interests.

<sup>(2)</sup> Ratios as a % of net premiums earned.

The significant increase in the net result of MAPFRE AMÉRICA reflects the following factors:

- strong premiums growth, particularly in Argentina, Brazil and Mexico;
- slight increases in the loss ratio, mainly in the Motor business in Mexico, and in the expense ratio, due to the expansion of the distribution network;
- larger financial income;
- the favourable development of exchange rates;
- a lower tax rate and the share of minority interests in the initial losses of two recently created companies: MAPFRE NOSSA CAIXA and MAPFRE DOMINICANA.

The following table shows the growth rates in premiums and results:

COMPANY	PREMIUMS			RESULTS <sup>(1)</sup>		
	3M 06	3M 05	% 06/05	3M 06	3M 05	% 06/05
VENEZUELA	<b>85.6</b>	73.2	16.9%	<b>7.8</b>	6.1	27.9%
PUERTO RICO	<b>61.1</b>	51.8	17.9%	<b>6.4</b>	6.4	---
MEXICO	<b>75.6</b>	56.4	34.0%	<b>3.5</b>	6.2	-43.5%
BRAZIL <sup>(2)</sup>	<b>154.3</b>	78.1	97.6%	<b>3.5</b>	2.7	29.6%
ARGENTINA	<b>73.1</b>	48.0	52.3%	<b>1.6</b>	1.8	-11.1%
OTHER COUNTRIES <sup>(3)</sup>	<b>68.2</b>	53.4	27.8%	<b>0.2</b>	1.8	-90.6%
Consolidation adjustments	---	---	---	0.5	-3.7	---
<b>MAPFRE AMÉRICA</b>	<b>517.9</b>	360.9	43.5%	<b>23.5</b>	21.3	10.3%

Million euros

<sup>(1)</sup> Before taxes and minority interests.

<sup>(2)</sup> Figures for Brazil include the following data on MAPFRE NOSSA CAIXA: premiums: €12.2 million; result before taxes and minority interests: - €0.7 million.

<sup>(3)</sup> Includes Chile, Colombia, Dominican Republic, El Salvador, Paraguay, Peru and Uruguay.

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

- MAPFRE VERA CRUZ (Brazil), recorded a significant increase in premiums, thanks to sustained growth across most business lines, due primarily to the expansion of its distribution network;
- MAPFRE NOSSA CAIXA (Brazil), recorded premiums of €12.2 million and a net loss of €0.2 million;
- the decrease in the profit earned in other countries is mainly due to the expenses incurred in connection with the reorganisation of the operating structure and the distribution network of MAPFRE CHILE.

46 new offices were opened during the first three months of the year, 18 of which are direct.

## MAPFRE RE

	<b>3M 06</b>	3M 05	%06/05
Premiums written and accepted	<b>368.4</b>	315.7	16.7%
- of which Life	<b>29.1</b>	25.9	12.4%
Gross result <sup>(1)</sup>	<b>31.0</b>	28.3	9.5%
Net result	<b>20.6</b>	19.5	5.6%
Equity	<b>620.8</b>	612.8	1.3%
Loss Ratio, Non-Life <sup>(2)</sup>	<b>63.2%</b>	64.7%	
Expense Ratio, Non-Life <sup>(2)</sup>	<b>30.8%</b>	28.6%	
Combined Ratio, Non-Life <sup>(2)</sup>	<b>94.0%</b>	93.3%	

Million euros

<sup>(1)</sup> Before taxes and minority interests.

<sup>(2)</sup> Ratios as a % of net premiums earned.

The development of results with respect to the same period of last year reflects:

- significant premiums volumes growth, due to the winning of new business;
- a lower claims ratio, which in the first quarter of 2005 was affected by the fire at the Windsor building and by winter storm Erwin;
- an increase in the expense ratio, as net premiums earned grew slower than gross written and accepted premiums.

The payment of dividends explains the comparatively lower growth in equity.

The floods that are affecting Central Europe are not expected to have a significant impact on MAPFRE RE's loss ratio.

## MAPFRE ASISTENCIA

	<b>3M 06</b>	3M 05	% 06/05
Operating income	<b>98.9</b>	67.4	46.7%
- Premiums written and accepted	<b>71.9</b>	55.0	30.7%
- Other income	<b>27.0</b>	12.4	117.7%
Gross result <sup>(1)</sup>	<b>2.3</b>	2.3	---
Net result	<b>1.6</b>	1.3	23.1%
Equity	<b>89.2</b>	70.7	26.2%
Loss Ratio, Non-Life <sup>(2)</sup>	<b>73.2%</b>	76.2%	
Expense Ratio, Non-Life <sup>(2)</sup>	<b>20.9%</b>	17.9%	
Combined Ratio, Non-Life <sup>(2)</sup>	<b>94.1%</b>	94.1%	

Million euros

<sup>(1)</sup> Before taxes and minority interests

<sup>(2)</sup> Ratios as a % of net premiums earned

The development of results with respect to the same period of last year reflects:

- sustained growth across most markets and business lines;
- the consolidation of ABRAXAS, which contributed revenues of €3.4 million and a net profit of €0.6 million;
- a larger expense ratio, which is due a larger issuance of multi-annual contracts in the Pecuniary Losses business line, that is characterised by higher acquisition costs than the other lines, that are compensated by comparatively lower loss levels;
- foreign exchange losses on the USD.

## **B.4.) MANAGEMENT RATIOS**

The consolidated Non-Life combined ratio of CORPORACIÓN MAPFRE was 96.3% in the first quarter of 2006, against 94.3% in the same period of the previous fiscal year.

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

COMPANY	EXPENSE RATIO <sup>(1)</sup>		LOSS RATIO <sup>(2)</sup>		COMBINED RATIO <sup>(3)</sup>	
	3M 06	3M 05	3M 06	3M 05	3M 06	3M 05
<b>Companies operating primarily in Spain</b>						
GENERAL INSURANCE OP. UNIT	<b>27.2%</b>	25.0%	<b>67.6%</b>	67.4%	<b>94.8%</b>	92.4%
MAPRE EMPRESAS <sup>(4)</sup>	<b>12.6%</b>	11.7%	<b>68.9%</b>	69.6%	<b>81.5%</b>	81.3%
MAPFRE CAJA SALUD	<b>15.3%</b>	16.3%	<b>80.6%</b>	81.2%	<b>95.9%</b>	97.5%
MAPFRE-CAJA MADRID HOLDING	<b>21.4%</b>	22.1%	<b>70.5%</b>	70.3%	<b>91.9%</b>	92.4%
<b>Companies operating primarily abroad</b>						
MAPFRE AMERICA	<b>35.1%</b>	34.4%	<b>68.4%</b>	67.6%	<b>103.5%</b>	102.0%
MAPFRE RE	<b>30.8%</b>	28.6%	<b>63.2%</b>	64.7%	<b>94.0%</b>	93.3%
MAPFRE ASISTENCIA	<b>20.9%</b>	17.9%	<b>73.2%</b>	76.2%	<b>94.1%</b>	94.1%
<b>CORPORACION MAPFRE (Consolidated)</b>	<b>27.7%</b>	24.6%	<b>68.6%</b>	69.7%	<b>96.3%</b>	94.3%
MAPFRE VIDA <sup>(5)</sup>	<b>0.9%</b>	0.9%				

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

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

<sup>(3)</sup> Combined ratio = Expense ratio + Loss ratio. Figures correspond to the Non-Life account.

<sup>(4)</sup> Given the importance of credit opinion activities for MAPFRE CAUCIÓN y CRÉDITO, the net income from other activities of this subsidiary is added to the numerator of the expense ratio.

<sup>(5)</sup> Net operating expenses/average third-party funds under management. Annualised ratio.

## **B.5.) SHAREHOLDERS' EQUITY**

Net consolidated equity reached €3,179.1 million, against €2,822.3 million at the end of the first quarter of 2005. The year-on-year variation in equity reflects the positive impact of the profits earned by the operating Units and of the increase in the value of investments. Of the amount mentioned above, €975.7 million corresponded to the holdings of minority shareholders in subsidiaries, and €2,203.4 million to the shareholders of CORPORACIÓN MAPFRE. Consolidated shareholders' equity per share was €9.2 as of March 2006 (€9.1 at the close of 2005).

## **B.6.) ACQUISITIONS AND DISPOSALS**

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

### **Investments carried out directly by CORPORACIÓN MAPFRE**

- CORPORACIÓN MAPFRE subscribed entirely for a capital increase of €34.7 million carried out by MAPFRE INTERNACIONAL, through the contribution of its shareholdings in MIDDLESEA INSURANCE plc and MAPFRE INSULAR, and of €6.1 million in cash.
- A €20 million loan was granted at market terms to MAPFRE AMÉRICA, which used it to subscribe for a capital increase carried out by its subsidiary MAPFRE VERA CRUZ to finance its business growth.

Overall, the net investment outlay was €53.8 million, as shown in the following table:

<b>Company</b>	<b>Investments</b>	<b>Loans</b>	<b>Total</b>
MAPFRE AMÉRICA	---	20.0	20.0
MAPFRE INTERNACIONAL	34.7	---	34.7
OTHER	---	(0.9)	(0.9)
<b>TOTAL</b>	<b>34.7</b>	<b>19.1</b>	<b>53.8</b>

Million euros

## **Investments made by subsidiaries**

MAPFRE ASISTENCIA acquired the entire share capital of CANADIAN ROADSIDE & RECOVERY INC. (Canada), a supplier of roadside assistance services, for a price of 0.9 million Canadian dollars (approximately €0.6 million).

## **Financing**

The investments detailed above were paid for with available cash.

## **B.7.) EMPLOYEES**

CORPORACIÓN MAPFRE, its subsidiaries and affiliates had a payroll of 19,652 employees as of 31 March 2006, 9,258 of which in Spain and 10,394 in other countries. The 5,555 persons increase in staff levels with respect to same period of the previous year is mainly due to the inclusion of the staff of MAPFRE QUAVITAE employed in the provision of services on behalf of the Public Administration (3,965 persons). Excluding this effect, the net increase was equal to 1,590 persons and came primarily from new hires at MAPFRE AMÉRICA, MAPFRE EMPRESAS, MAPFRE CAJA SALUD and MAPFRE ASISTENCIA.

## **B.8.) RESULTS OF SISTEMA MAPFRE**

CORPORACIÓN MAPFRE is a subsidiary of MAPFRE MUTUALIDAD, the leading Motor insurer in Spain, which owns 54.9% of its share capital. Together with their respective subsidiaries they form SISTEMA MAPFRE, which in first quarter of 2006 reached total revenues of € 3,943.2 million, a 15.9% increase over the previous year. Consolidated profit after taxes grew 19.3%.

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

	<b>3M 06</b>	3M 05	<b>% Var.</b>
<b>NON-LIFE INSURANCE AND REINSURANCE</b>			
Gross written and accepted premiums	2,673.4	2,377.0	12.5%
Premiums earned, net of ceded and retroceded reinsurance	1,710.6	1,484.5	15.2%
Net claims incurred and variation in other technical provisions	-1,268.4	-1,069.2	18.6%
Operating expenses, net of reinsurance	-380.0	-277.3	37.0%
Other technical income and expenses	-6.3	-19.4	-67.5%
TECHNICAL RESULT	55.9	118.6	-52.9%
Net financial and other non-technical income	182.8	84.4	116.6%
<b>Result of the Non-life business</b>	<b>238.7</b>	<b>203.0</b>	<b>17.6%</b>
<b>LIFE INSURANCE AND REINSURANCE</b>			
Gross written and accepted premiums	648.9	541.9	19.7%
Premiums earned, net of ceded and retroceded reinsurance	581.8	487.5	19.3%
Net claims incurred and variation in other technical provisions	-584.4	-573.0	2.0%
Operating expenses, net of reinsurance	-79.3	-47.3	67.7%
Other technical income and expenses	-3.0	-3.8	-21.1%
TECHNICAL RESULT	-84.9	-136.6	-37.8%
Net financial and other non-technical income	119.5	170.5	-29.9%
Unrealised gains and losses in unit-linked investments	6.1	4.2	45.2%
<b>Result of the Life business</b>	<b>40.7</b>	<b>38.1</b>	<b>6.8%</b>
<b>OTHER BUSINESS ACTIVITIES</b>			
Operating income	104.3	120.3	-13.3%
Operating expenses	-94.9	-124.2	-23.6%
Other income and expenses	1.7	5.7	-70.2%
<b>Result of the Other Business Activities</b>	<b>11.1</b>	<b>1.8</b>	<b>---</b>
<b>Result before tax and minority shareholders</b>	<b>290.5</b>	<b>242.9</b>	<b>19.6%</b>
Taxes	-79.3	-65.8	20.5%
<b>Result after tax</b>	<b>211.2</b>	<b>177.1</b>	<b>19.3%</b>
Non-life loss ratio <sup>(1)</sup>	74.1%	72.0%	
Non-life expense ratio <sup>(1)</sup>	22.6%	20.0%	
Non-life combined ratio <sup>(1)</sup>	96.7%	92.0%	
Life expense ratio <sup>(2)</sup>	1.9%	1.3%	

Million euros

<sup>(1)</sup> Ratios calculated over net premiums earned

<sup>(2)</sup> Net operating expenses/average third-party funds under management. Annualised ratio.

## **B.9.) ADDITIONAL INFORMATION**

### **LIFE INSURANCE OPERATING UNIT: Premiums breakdown**

	<b>3M 06</b>	<b>3M 05</b>	<b>% 06/05</b>
<b>Regular Premiums</b>	<b>108.4</b>	<b>104.2</b>	<b>4.0%</b>
- Agents channel	100.7	98.2	2.5%
- Bank channel	7.7	6.0	28.3%
<b>Single Premiums</b>	<b>310.3</b>	<b>283.6</b>	<b>9.4%</b>
- Agents channel	132.9	98.9	34.4%
- Bank channel	177.4	184.7	-3.9%
<b>Life premiums - Savings</b>	<b>418.7</b>	<b>387.8</b>	<b>8.0%</b>
<b>Externalisation</b>	<b>---</b>	<b>---</b>	<b>---</b>
- Agents channel	---	---	---
- Bank channel	---	---	---
<b>Sub-total</b>	<b>418.7</b>	<b>387.8</b>	<b>8.0%</b>
<b>Life Premiums - Protection</b>	<b>107.2</b>	<b>98.8</b>	<b>8.5%</b>
- Agents channel	77.5	75.2	3.1%
- Bank channel	29.7	23.6	25.8%
<b>TOTAL PREMIUMS</b>	<b>525.9</b>	<b>486.6</b>	<b>8.1%</b>
- Agents channel	311.1	272.3	14.2%
- Bank channel	214.8	214.3	0.2%

Million euros

### **LIFE INSURANCE OPERATING UNIT: Breakdown of funds under management<sup>(1)</sup>**

	<b>3M 06</b>	<b>3M 05</b>	<b>% 06/05</b>
Regular premiums insurance	<b>4,427.0</b>	4,184.5	5.8%
- Agents channel	<b>4,076.2</b>	3,871.2	5.3%
- Bank channel	<b>350.8</b>	313.3	12.0%
Single premiums insurance	<b>9,539.0</b>	9,248.9	3.1%
- Agents channel	<b>4,849.8</b>	4,816.8	0.7%
- Bank channel	<b>4,689.2</b>	4,432.1	5.8%
Life insurance - Protection	<b>165.8</b>	129.1	28.4%
- Agents channel	<b>36.1</b>	31.9	13.0%
- Bank channel	<b>129.7</b>	97.2	33.4%
Total mathematical reserves	<b>14,131.7</b>	13,562.5	4.2%
Other reserves	<b>304.1</b>	289.3	5.1%
<b>TECHNICAL RESERVES</b>	<b>14,435.8</b>	13,851.8	4.2%
MUTUAL FUNDS	<b>3,297.7</b>	2,882.1	14.4%
PENSION FUNDS	<b>1,306.8</b>	1,111.4	17.6%
- Individual system	<b>1,155.9</b>	977.3	18.3%
- Employers' system	<b>150.9</b>	134.1	12.5%
<b>SAVINGS MANAGED</b>	<b>19,040.3</b>	17,845.3	6.7%

Million euros

<sup>(1)</sup> The figures for the first quarter of the previous year include the Life insurance business of MAPFRE EMPRESAS, which was transferred to MAPFRE VIDA in the last quarter of 2005 with retroactive effect since 01.01.2005.

## LIFE INSURANCE OPERATING UNIT: Variation in funds under management<sup>(1)</sup>

	3M 06	3M 05
Technical reserves	<b>-285.2</b>	<b>368.9</b>
> Variation under PGC/PGEA <sup>(2)</sup>	223.8	188.8
Mutual funds	<b>200.6</b>	<b>234.0</b>
> Net sales	66.5	0.6
Pension funds	<b>19.4</b>	<b>8.2</b>
> Net sales	0.6	1.9

Million euros

<sup>(1)</sup> Excluding shareholders' equity.

<sup>(2)</sup> Variation in technical reserves for each fiscal year calculated in accordance with PGC/PCEA.

## CORPORACIÓN MAPFRE: Breakdown of technical reserves and premiums

	Life insurance reserves			Other technical reserves			Technical Reserves			Written and accepted premiums		
	3M 06	3M 05	% 06/05	3M 06	3M 05	% 06/05	3M 06	3M 05	% 06/05	3M 06	3M 05	% 06/05
LIFE	14,220.6	13,693.4	3.9%	215.2	158.4	35.9%	14,435.8	13,851.8	4.2%	525.9	486.6	8.1%
GENERAL INSURANCE	50.8	46.7	8.8%	1,354.8	1,150.7	17.7%	1,405.6	1,197.4	17.4%	476.3	445.4	6.9%
COMMERCIAL INSURANCE	---	---	---	2,047.3	1,772.1	15.5%	2,047.3	1,772.1	15.5%	371.7	358.3	3.7%
HEALTH	---	---	---	365.2	323.1	13.0%	365.2	323.1	13.0%	390.6	354.1	10.3%
AMÉRICA	106.7	48.8	118.6%	1,214.3	840.1	44.5%	1,321.0	888.9	48.6%	517.9	360.9	43.5%
RE	119.8	87.2	37.4%	1,506.2	1,107.7	36.0%	1,626.0	1,194.9	36.1%	368.4	315.7	16.7%
ASISTENCIA	---	---	---	140.4	123.6	13.6%	140.4	123.6	13.6%	71.9	55.0	30.7%
MAPFRE ASIAN	---	---	---	14.7	8.8	67.0%	14.7	8.8	67.0%	5.5	3.0	83.3%
Adjustments MAPFRE RE	---	---	---	-469.5	-374.5	---	-469.5	-374.5	---	-151.2	-104.6	---
Other adjustments	---	-99.8	---	-19.0	-62.2	---	-19.0	-162.0	---	-4.1	-12.9	---
<b>CORPORACIÓN MAPFRE</b>	<b>14,497.9</b>	<b>13,776.2</b>	<b>5.2%</b>	<b>6,369.6</b>	<b>5,047.9</b>	<b>26.2%</b>	<b>20,867.5</b>	<b>18,824.1</b>	<b>10.9%</b>	<b>2,572.9</b>	<b>2,264.4</b>	<b>13.6%</b>

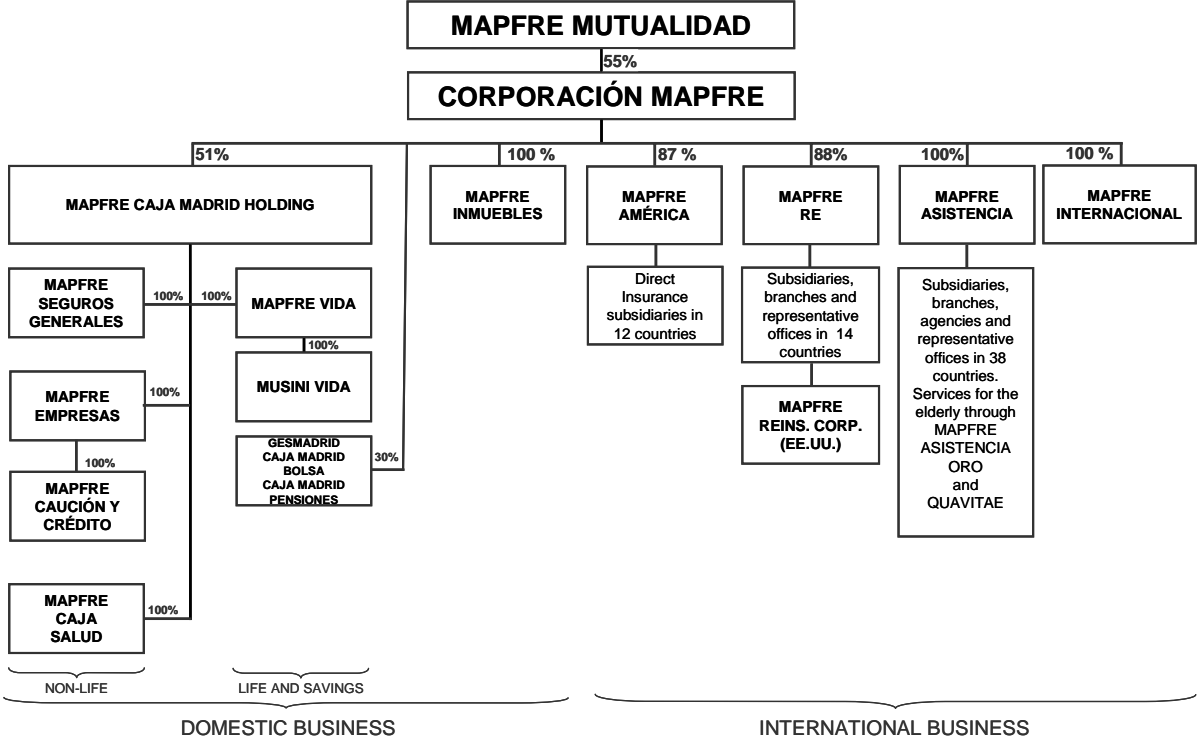
Million euros

## CORPORACIÓN MAPFRE: Breakdown of equity by units and subsidiaries

	3M 06		Equity 3M 05		% Var.	
	Share of		Share of			
	Corp. Mapfre	Minority shrhldrs.	Corp. Mapfre	Minority shrhldrs.	Corp. Mapfre	Minority shrhldrs.
LIFE	308.9	296.7	276.7	265.9	11.6%	11.6%
GENERAL INSURANCE	154.2	148.1	164.8	158.3	-6.4%	-6.4%
COMMERCIAL INSURANCE	144.2	138.5	136.9	131.6	5.3%	5.2%
HEALTH	55.4	53.2	49.4	47.5	12.1%	12.0%
Consolidation adjustments/minority interest	129.2	124.1	90.1	86.6	43.4%	43.3%
<b>MAPFRE-CAJA MADRID</b>	<b>791.8</b>	<b>760.8</b>	<b>717.9</b>	<b>689.8</b>	<b>10.3%</b>	<b>10.3%</b>
AMÉRICA	694.5	103.8	498.2	74.4	39.4%	39.5%
RE	546.3	74.5	539.3	73.5	1.3%	1.4%
ASISTENCIA	89.2	---	70.7	---	26.2%	---
OTHER COMPANIES	146.7	27.8	80.5	19.5	82.2%	42.6%
Consolidation adjustments/minority interest	-65.1	8.8	26.6	31.8	-344.7%	-72.3%
<b>CORPORACIÓN MAPFRE</b>	<b>2,203.4</b>	<b>975.7</b>	<b>1,933.2</b>	<b>889.1</b>	<b>14.0%</b>	<b>9.7%</b>

Million euros

**CORPORACIÓN MAPFRE: Organisation chart**



### **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

		<b>% based on nominal</b>	<b>Euros per Share</b>	<b>Amount (€'000)</b>
1. Ordinary Shares	3100	--	--	--
2. Preference Shares	3110	--	--	--
3. Redeemable Shares	3115	--	--	--
4. Non-voting Shares	3120	--	--	--

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

During the first quarter of 2006 no dividends were paid.