



**CORPORACIÓN MAPFRE**

**Year 2005 results**



**MAPFRE**



London, 9 February 2006

## Introduction SISTEMA MAPFRE in 2005

Section I CORPORACIÓN MAPFRE in 2005: key facts

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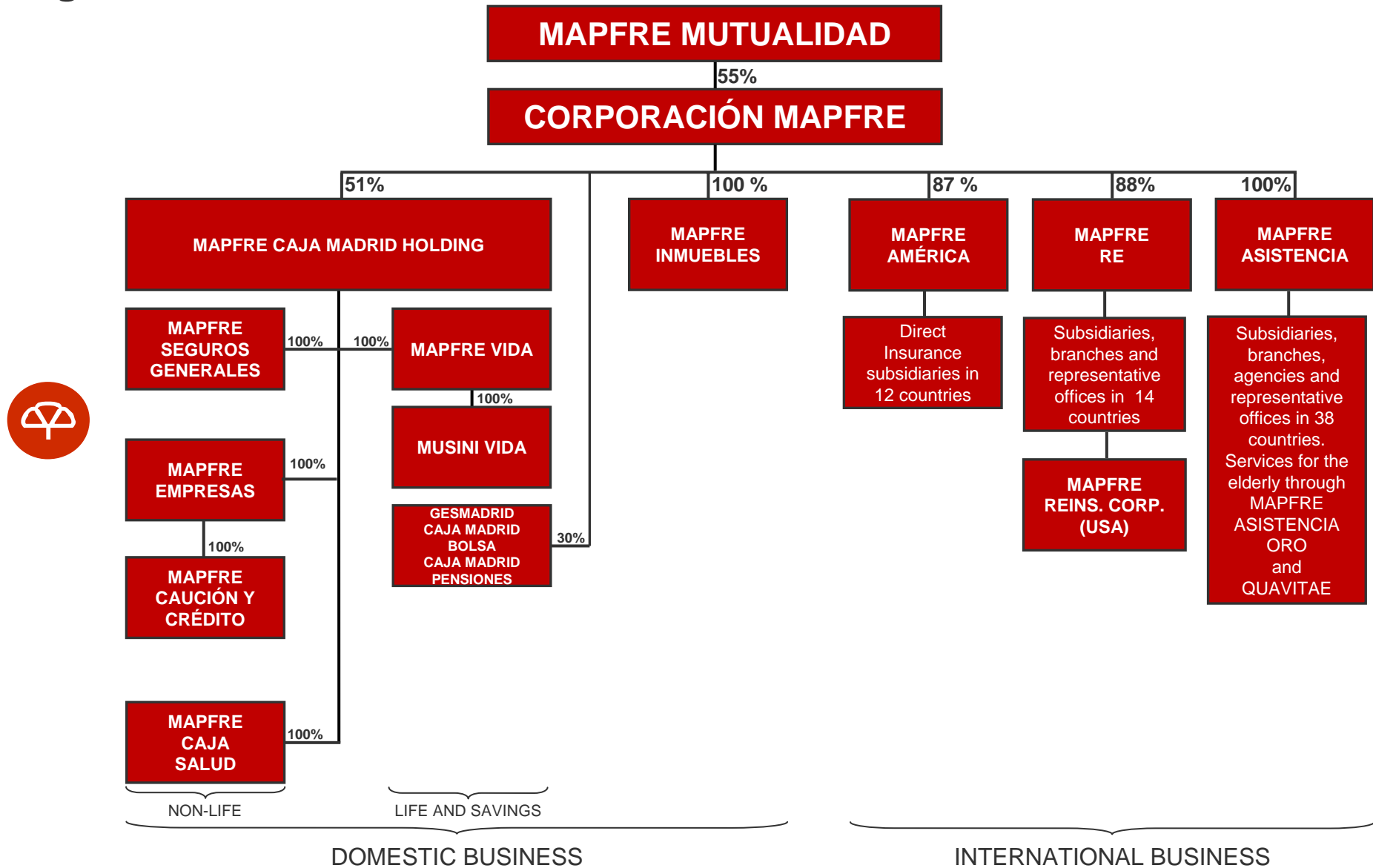
Calendar and contacts



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



# SISTEMA MAPFRE: Organisation chart



# SISTEMA MAPFRE:

## Key figures



- The key figures of SISTEMA MAPFRE, of which CORPORACIÓN MAPFRE is a part, are shown in the following table:

	2005	2004	% Var.
Non-Life gross written and accepted premiums	<b>7,801.1</b>	6,736.0	15.8%
Life gross written and accepted premiums	<b>2,309.0</b>	2,176.0	6.1%
Result after tax	<b>638.0</b>	619.5	3.0%
Total assets	<b>32,166.9</b>	27,697.7	16.1%
Managed savings <sup>(1)</sup>	<b>19,584.9</b>	17,564.0	11.5%
Equity <sup>(2)</sup>	<b>4,466.3</b>	3,696.4	20.8%
Financial debt	<b>615.4</b>	490.9	25.4%
N/L Loss ratio <sup>(3)</sup>	<b>73.5%</b>	70.2%	
N/L Expense ratio <sup>(3)</sup>	<b>22.1%</b>	21.8%	
N/L Combined ratio <sup>(3)</sup>	<b>95.6%</b>	92.0%	
Employees	<b>24,967</b>	19,920	25.3%



- 1) Includes: Life technical reserves, mutual and pension funds. It does not include funds managed by CAJA MADRID's asset management subsidiaries. Pension funds do not include defined benefit funds entered into through a Life insurance contract, amounting to €733.7 million in 2004.
- 2) Including minority interests.
- 3) Ratios calculated over net premiums earned.

Million euros



# The first year of the new MAPFRE Network in Spain: Greater distribution efficiency

- The adoption of the new distribution structure allowed to raise the level of efficiency:



## More simplicity

- leaner operating structures and fewer middle management layers

## An integrated network

- a single, integrated network has been set up for the entire group, increasing the level of professionalism of intermediaries and providing them with a training on the MAPFRE product portfolio

## Coordinated action

- the MAPFRE Network, together with the Operating Units and Companies, designs and plans the entire commercial activity for the year (new products, cross-selling, campaigns by type of client, etc.)

## Information

- new IT tools and support systems have been implemented and the information contained in the client database has been expanded

## Brokers

- 17 new branches devoted solely to brokers were opened, raising the volume of business intermediated through this channel and improving the quality of the service provided to it

## Growth

- in a year of transition, the volume of business intermediated through the Network grew faster than the market as a whole

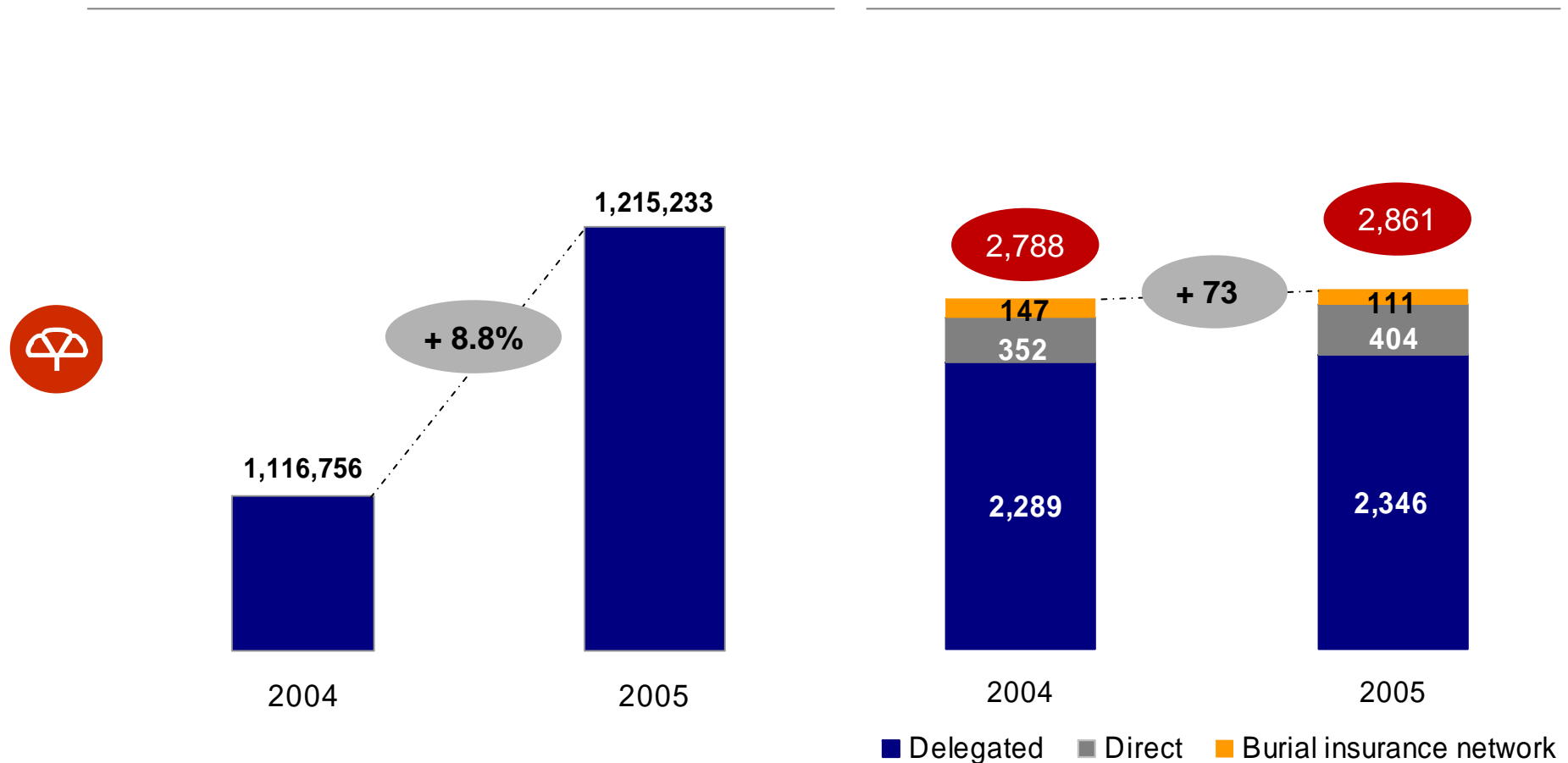
*The client becomes the centre of commercial development*



# The first year of the new MAPFRE Network in Spain: Shared clients and branches

## SHARED CLIENTS <sup>(1)</sup>

## BRANCHES



1) Shared clients: clients of two or more Units

*A higher level of cross-selling*



# The first year of the new MAPFRE Network in Spain: Training and communication

- During 2005, the Network received training on: the MAPFRE product portfolio; selling skills; team building; and the new sales management tools. 8,354 employees and intermediaries received a total of 39,757 hours.
- A new common intranet portal for the MAPFRE Network was rolled out, simplifying considerably the commercial tasks of intermediaries.
- A leaflet for corporate clients was published with a comprehensive offer of products and services.
- Spontaneous brand awareness increased in the “Omnibus” results: 72.9% as of December 2005 vs. 68.8% in 2004.



# The first year of the new MAPFRE Network in Spain: New IT tools (SIREN)



CATALOGUE OF PRODUCTS AND SERVICES	SALES MANAGEMENT SYSTEM (AGENDA)	REQUEST OF COMMERCIAL CAMPAIGNS	BUDGET FOLLOW-UP	OVERALL CUSTOMER POSITION
<p>Basic description</p> <p>Commercial information</p> <p>Covers, technical features</p> <p>Operating procedures</p>	<p>Administration, distribution and follow-up of commercial actions taken</p> <p>Contacts database</p> <p>Overall customer position</p> <p>Connected to the systems of the Operating Units</p>	<p>Local campaigns exploit the information contained in the MAPFRE client database</p>	<p>Monthly evolution of budgets per territorial centre</p>	<p>Up-to-date information on outstanding policies and contracts</p> <p>Access to information on policies sold by the agent</p>
<p>↓</p> <p><b>150 Products</b></p>	<p>↓</p> <p><b>10,500 Users</b></p>			





# The MAPFRE Network in Spain: 2006 Strategy

- Distribution network:

- net increase of 16 direct and 140 delegated branches;
- completion of the integration of the Burial insurance Network.

- Raise the degree of coordination and follow-up of commercial campaigns.

- Client databases:



- include information on services rendered to the customer;
- increase the frequency of updates.

- Introduce tools and dedicated software of the Operating Units to speed up the sales process.

- Training:

- Office Managers, Advisors and Client Managers: comprehensive offer for corporate clients and team management;
- Delegates, Agents and Brokers: use and exploitation of the Commercial Management Software.



## Bank distribution branches (ODBs)

- At the close of 2005, 329 ODBs were operating, 9 of which in direct branches and 320 in delegated branches.
- 2006 targets:
  - new ODBs will be created in 271 branches to reach the target of 600;
  - 114 ODBs will be equipped with ATMs.
- It is expected that 150 ATMs will be in operation in 2006.



## Sales of MAPFRE products through the CAJA MADRID network

	AGENTS CHANNEL			CAJA MADRID BANK CHANNEL			TOTAL		
	2005	2004	% Var.	2005	2004	% Var.	2005	2004	% Var.
LIFE	1,073.0	1,034.3	3.7%	842.3	810.5	3.9%	1,915.3	1,844.8	3.8%
GENERAL INSURANCE	1,033.3	942.4	9.6%	106.9	78.7	35.8%	1,140.2	1,021.1	11.7%
COMMERCIAL INSURANCE	1,076.7	1,048.6	2.7%	24.8	32.0	-22.5%	1,101.5	1,080.6	1.9%
HEALTH	335.0	302.0	10.9%	18.3	14.8	23.6%	353.3	316.8	11.5%
Consolidation adjustments							-1.7	-6.4	---
<b>MAPFRE-CAJA MADRID</b>	<b>3,518.0</b>	<b>3,327.3</b>	<b>5.7%</b>	<b>992.3</b>	<b>936.0</b>	<b>6.0%</b>	<b>4,508.6</b>	<b>4,256.9</b>	<b>5.9%</b>
MAPFRE MUTUALIDAD	2,286.5	2,149.7	6.4%	27.0	18.2	48.2%	2,313.5	2,167.9	6.7%
MAPFRE AGROPECUARIA	242.3	195.9	23.7%	0.1	0.1	---	242.4	196.0	23.7%
Consolidation adjustments							-102.7	-75.0	---
<b>SISTEMA MAPFRE</b>	<b>6,046.8</b>	<b>5,672.9</b>	<b>6.6%</b>	<b>1,019.4</b>	<b>954.3</b>	<b>6.8%</b>	<b>6,961.8</b>	<b>6,545.8</b>	<b>6.4%</b>

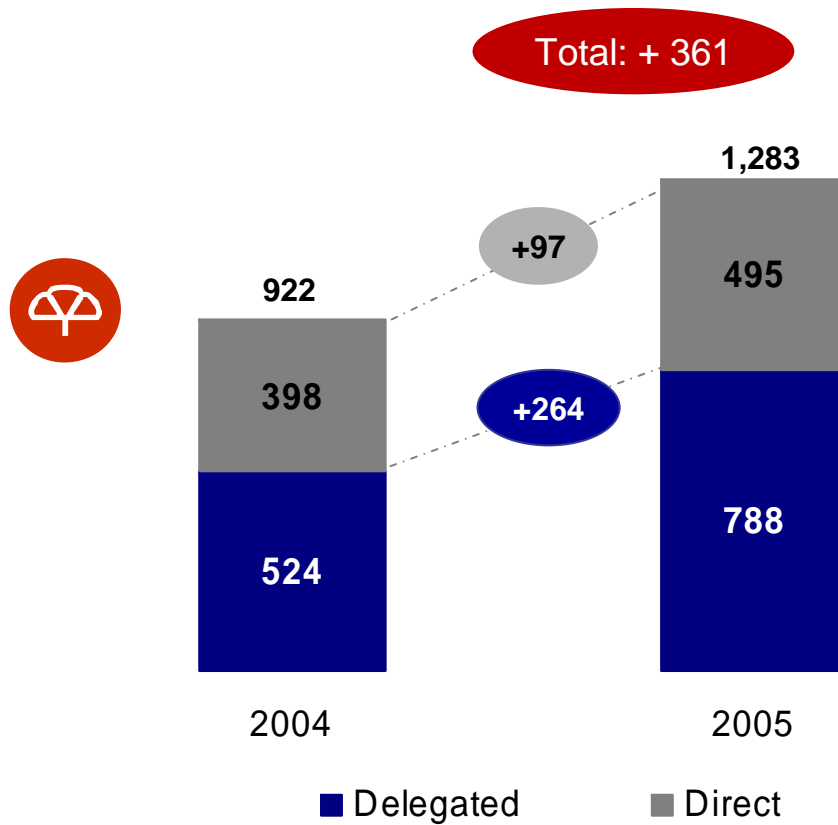


Million euros

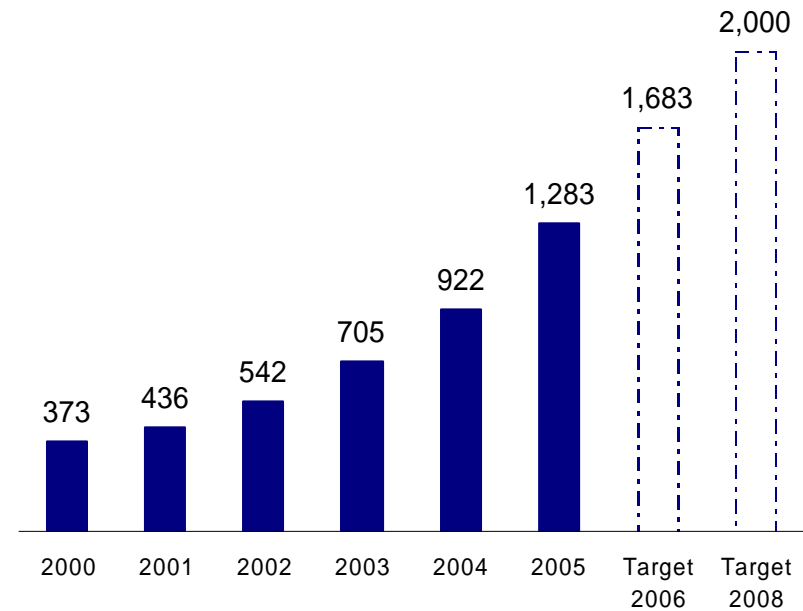


# Distribution network in Latin America: Expansion

## BRANCHES



## DEVELOPMENT AND TARGETS



# Distribution network in Latin America: Targets for the expansion of the tied network

**Greater control** – a more dynamic sales policy with greater control on distribution

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**Proximity** – more points of sales → greater proximity, a better service

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**Portfolio composition** – increase the share of retail customers

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**Loyalty** – raise the loyalty of customers and of the sales force

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**Greater control over expenses** – expansion of the volume sold through the tied network  
→ cost reduction and a greater control over expenses

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**To grow steadily** – to increase premium volumes with more profitable products and a greater stability in results

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*Focus on developing a tied distribution network*



# Strategy

- The strategy aims to achieve the following goals:
  - increase the competitiveness, growth potential and the level of results of SISTEMA MAPFRE and consolidate its position as an independent insurance group;
  - promote and organise the adoption of rationalisation and internal control measures;
  - consolidate the position of MAPFRE as the leading insurer in Spain;
  - lay the grounds for the presence of MAPFRE in direct insurance in the Western European markets;
  - strengthen the presence of MAPFRE in Latin America and consolidate its position as one of the largest international insurers in that continent;
  - lay the grounds for the presence of MAPFRE in direct insurance in other markets with high potential;
  - expand the multinational focus of MAPFRE through the Reinsurance and Assistance Operating Units;
  - improve continuously the quality and training of the human resources of SISTEMA MAPFRE to achieve growing levels of efficiency and professional development of management, employees and collaborators;
  - promote a management system focussed on improving Social Corporate Responsibility;
  - enhance the development and the social utility of the foundational work of MAPFRE, as well as the public awareness of its activities.



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## Year 2005

- CORPORACIÓN MAPFRE recorded a significant increase in its business volumes in 2005:
  - direct Non-Life insurance premiums in Spain grew 10.3% vs. 7.3% for the market as a whole (source: ICEA), raising the market share by 0.2 percentage points to 8.9%;
  - third party funds under management grew 9.4% in Life insurance, 15.6% in mutual funds and 16.7% in pension funds;
  - MAPFRE AMÉRICA had an outstanding development, increasing its premium volumes by 28.4% to €1,655.0 million;
  - the premiums of MAPFRE RE totalled €1.337.4 million, up 18.1% on the previous year.



- The combined ratio was 97.6%. Excluding the impact of catastrophe claims, it would have been 94.2%.
- Net consolidated profit was €249.8 million, a 19.3% increase with respect to the previous fiscal year. This allowed to increase EPS to 1.05 euros vs. 0.93 euros at the close of 2004, offsetting the effect of a larger weighted average number of shares.
- Under Spanish General Accounting Standards and Spanish Accounting Standards for Insurance Companies used until 2004 to prepare the financial information for the market (“Plan General de Contabilidad” and “Plan Contable de Entidades Aseguradoras”, hereinafter referred to as “PGC/PCEA”), the estimated net consolidated profit would have grown 33.2% over fiscal year 2004 to €243,6 million.





# CORPORACIÓN MAPFRE:

## Key facts of the year 2005

- For the first time ever, financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS).
- Agencies A.M. Best and Standard & Poor's reaffirmed their respective “aa-” and “AA-” ratings assigned to the counterparty risk and the bonds issue of CORPORACIÓN MAPFRE. The outlook is stable for both ratings.
- Various investments were carried out, among which the following acquisitions stand out:
  - 51% of NOSSA CAIXA SEGUROS E PREVIDENCIA (Brazil) by MAPFRE VERA CRUZ;
  - ENKEN, by MAPFRE EMPRESAS;
  - two healthcare centres in Madrid and Bilbao, by MAPFRE CAJA SALUD;
  - ABRAXAS (United Kingdom), by MAPFRE ASISTENCIA.



## Year 2005

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



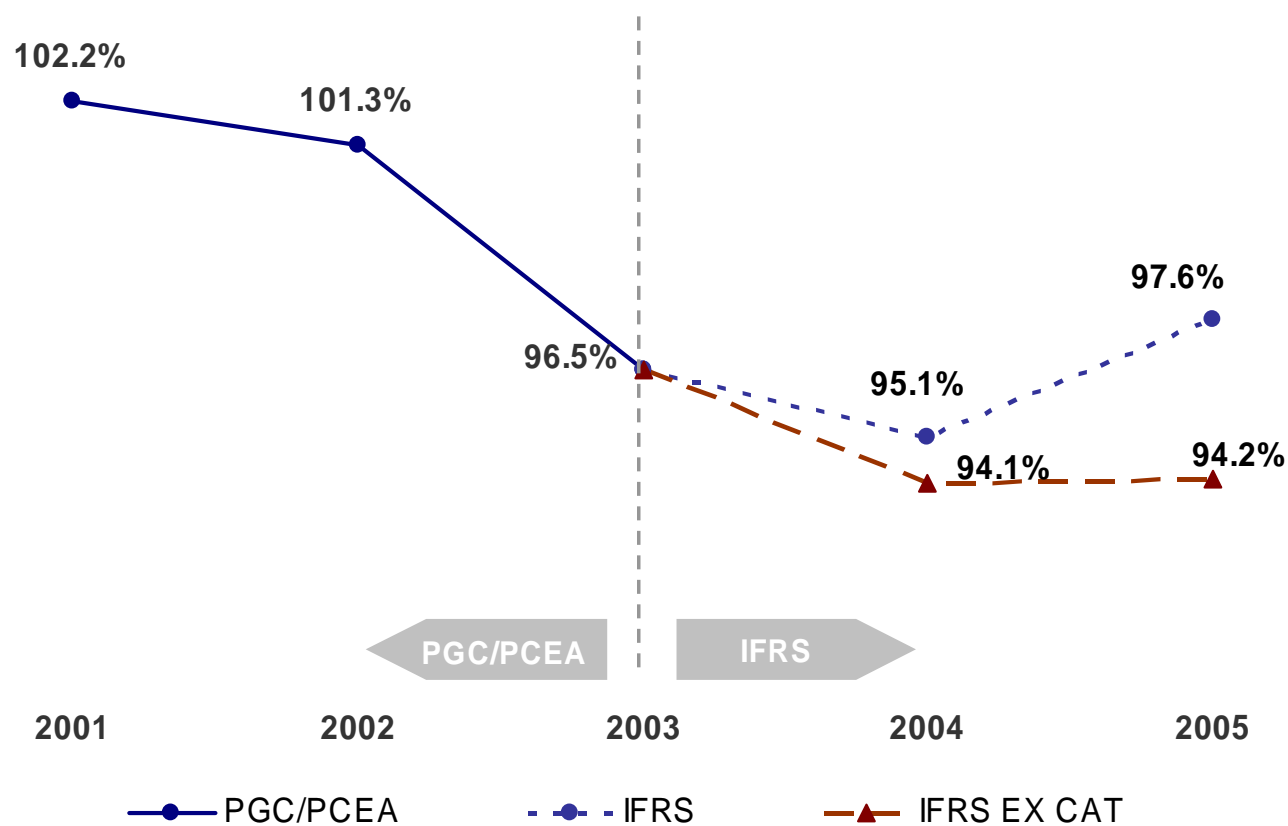
	Revenues	% Var.	Net profit	% Var.	Combined ratio <sup>(1)</sup>	
					2005	2004
CORPORACIÓN MAPFRE	<b>9,048.6</b>	12.6%	<b>249.8</b>	19.3%	<b>97.6%</b>	95.1%
LIFE AND SAVINGS	<b>2,948.8</b>	3.4%	<b>114.2</b>	8.1%	<b>0.9%</b>	0.9%
GENERAL INSURANCE	<b>1,271.0</b>	14.4%	<b>69.7</b>	-1.1%	<b>92.0%</b>	92.6%
COMMERCIAL INSUR.	<b>1,234.0</b>	3.7%	<b>71.4</b>	---	<b>90.1%</b>	86.9%
HEALTH	<b>366.8</b>	11.6%	<b>9.9</b>	153.8%	<b>96.9%</b>	98.6%
AMERICA	<b>1,825.1</b>	29.0%	<b>105.7</b>	90.5%	<b>103.0%</b>	101.2%
RE	<b>1,472.4</b>	19.7%	<b>32.3</b>	-29.2%	<b>99.7%</b>	91.7%
ASISTENCIA	<b>375.0</b>	35.6%	<b>10.0</b>	177.8%	<b>96.4%</b>	94.7%

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

Million euros



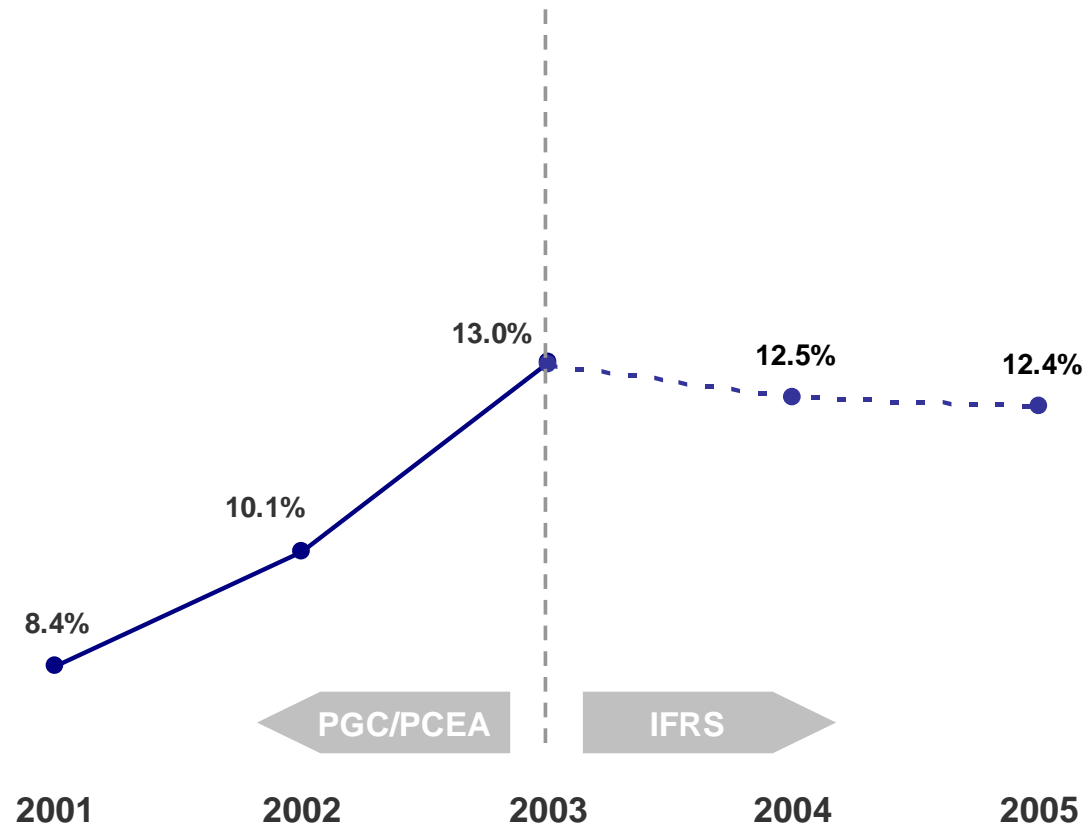
# CORPORACIÓN MAPFRE: Combined ratio<sup>(1)</sup>



1) (Net claims incurred + variation of other technical reserves + net operating expenses + profit sharing and returns – other technical income + other technical expenses) / Net premiums earned. Figures relative to the Non-life insurance account



# CORPORACIÓN MAPFRE: ROE<sup>(1)</sup>



1) The equity of CORPORACIÓN MAPFRE in 2004 is weighted for the €500.5 million capital increase carried out in April.



# CORPORACIÓN MAPFRE:

## Key figures

	2005	2004	% Var.
Non-Life gross written and accepted premiums	<b>5,241.5</b>	4,429.4	18.3%
Life gross written and accepted premiums	<b>2,018.8</b>	1,985.1	1.7%
Total gross written and accepted premiums	<b>7,260.3</b>	6,414.5	13.2%
Net income, group share	<b>249.8</b>	209.4	19.3%
Total assets	<b>27,421.0</b>	23,818.6	15.1%
Managed savings <sup>(1)</sup>	<b>19,252.3</b>	17,378.2	10.8%
Shareholders' equity	<b>2,183.6</b>	1,851.3	17.9%
Financial debt	<b>515.1</b>	400.2	28.7%
Market capitalisation	<b>3,332.7</b>	2,589.7	28.7%
Shares <sup>(2)</sup>	<b>238,900,706</b>	224,849,373	6.2%
PER	<b>13.3</b>	12.4	7.3%
Earnings per share	<b>1.05</b>	0.93	12.9%
Dividend per share	<b>0.29</b>	0.25	16.0%
Employees	<b>18,821</b>	15,023	25.3%
N/L Loss ratio <sup>(3)</sup>	<b>69.5%</b>	67.6%	
N/L Expense ratio <sup>(3)</sup>	<b>28.1%</b>	27.5%	
N/L Combined ratio <sup>(3)</sup>	<b>97.6%</b>	95.1%	
ROE <sup>(4)</sup>	<b>12.4%</b>	12.5%	



- 1) Includes: Life technical reserves, mutual and pension funds. It does not include funds managed by CAJA MADRID's asset management subsidiaries. Pension funds do not include defined benefit funds entered into through Life insurance contracts amounting to €733.7 million in 2004.
- 2) Average number of shares, weighted by the effect of the €500.5 million capital increase carried out in April 2004.
- 3) Ratios calculated over net premiums earned.
- 4) The equity of CORPORACIÓN MAPFRE in 2004 is weighted for the €500.5 million capital increase carried out in April.



# Evolution of the share price – Year 2005

**Annual performance:**

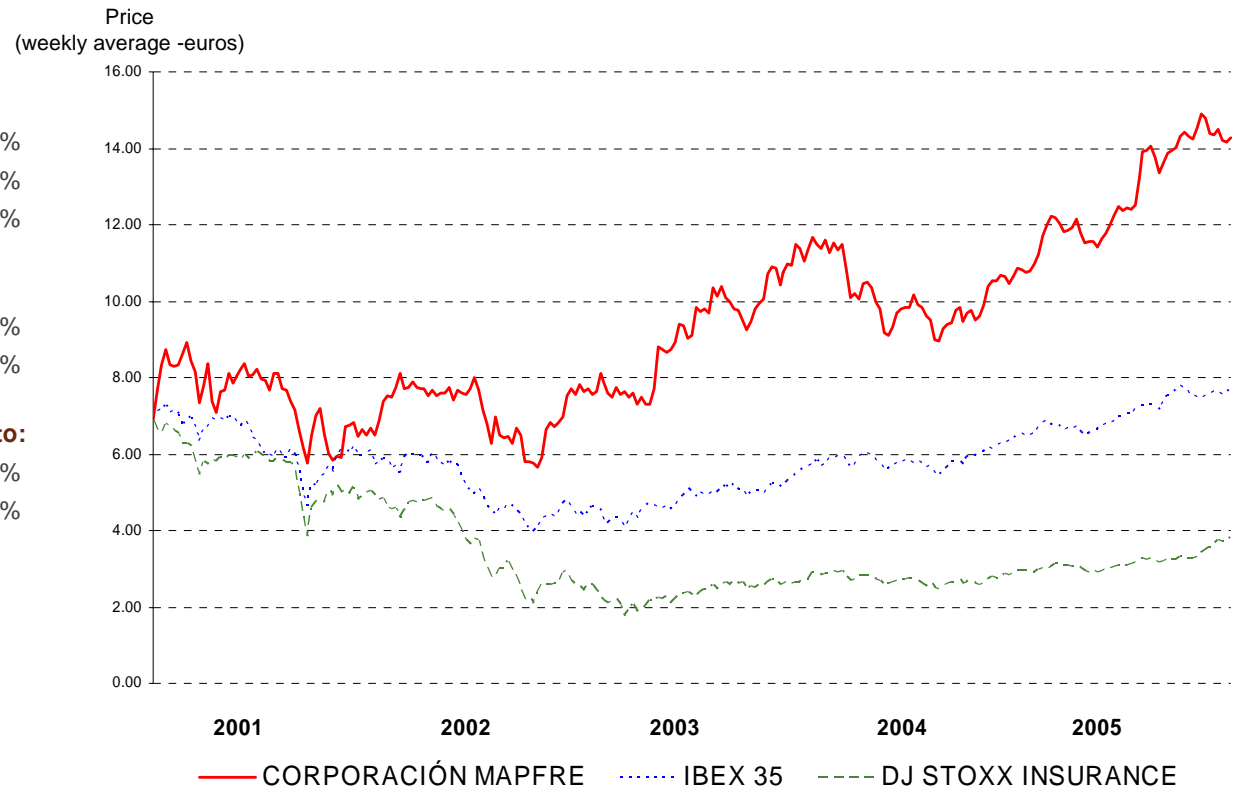
Corporación Mapfre	+28.7%
Ibex 35	+18.2%
DJ Stoxx Insurance	+30.5%

**MAP performance with respect to:**

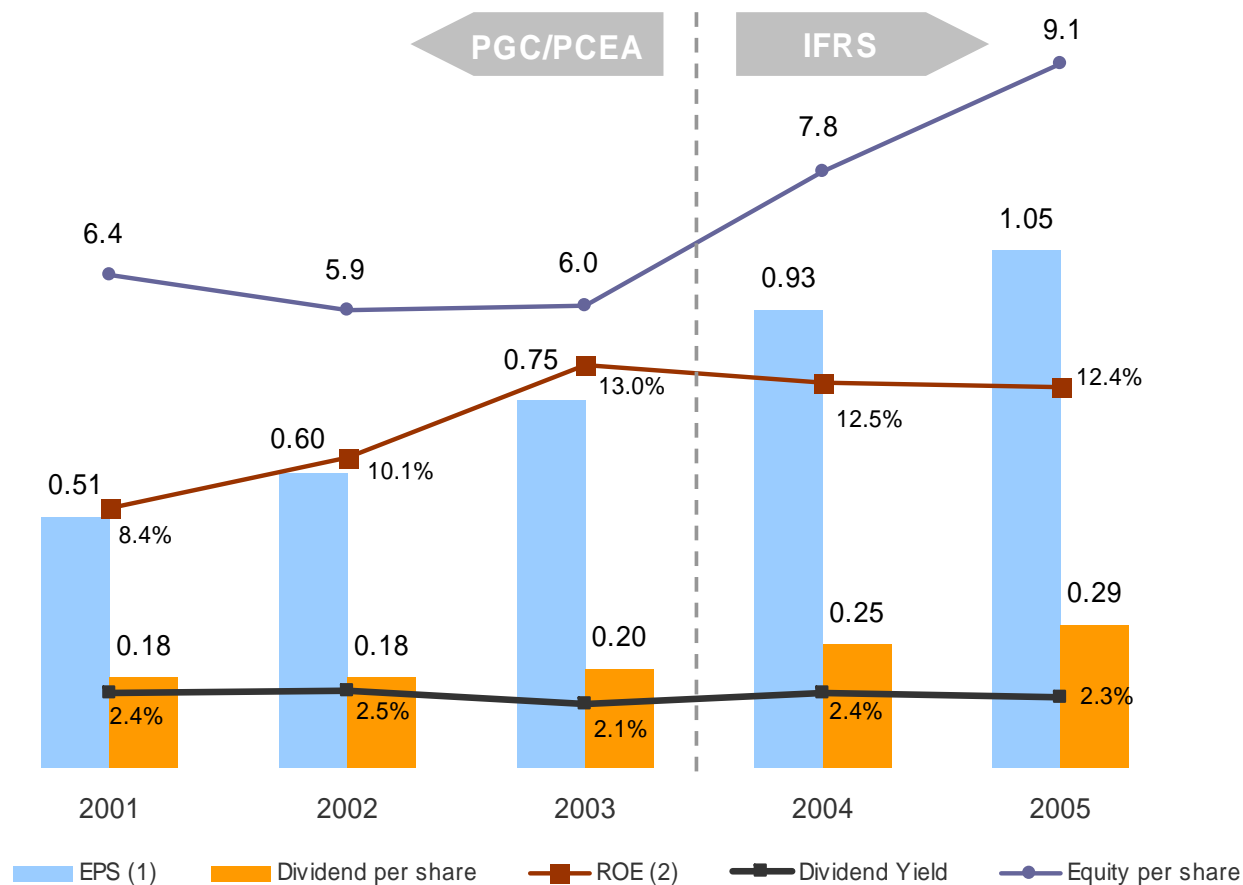
Ibex 35	10.5%
DJ Stoxx Insurance	-1.8%

**MAP relative performance with respect to:**

Ibex 35	8.9%
DJ Stoxx Insurance	-1.4%



# CORPORACIÓN MAPFRE: Return to shareholders



- 1) EPS and DPS have been adjusted in previous years by an adjustment factor, in accordance with IAS 33, to take into account the rights issue carried out in April 2004.
- 2) Result net of taxes and minorities/ average shareholders' equity. The equity of CORPORACIÓN MAPFRE in 2004 is weighted for the €500.5 million capital increase carried out in April.

Figures in euros (except ROE and dividend yield)



## Year 2005 results vs. targets



	Targets 2005	Degree of achievement
<b>Non-Life insurance</b>	<b>1.2 x the market growth</b>	<b>10.3%</b> vs. 7.3% of the market <b>(1.4x)</b> <sup>(1)</sup>
<b>Third-party funds under management</b>	<b>1.1 x the market growth</b>	- Life insurance reserves <b>5.7%</b> (vs. 6.9% the market) <sup>(1)</sup> <b>(0,92x)</b> - Mutual funds: <b>15.6%</b> (vs. 12.2% the market) <sup>(2)</sup> <b>(1.28x)</b> - Pension funds: <b>16.7%</b> (vs. 15.6% the market) <sup>(3)</sup> <b>(1.07x)</b>
<b>Combined ratio</b>	<b>97%</b>	<b>97.6%</b>
<b>Expense ratio (to funds - Life)</b>	<b>Continuous improvement</b>	<b>1.1%</b> (1.2% at the close of 2004)
<b>Earnings per share</b>	<b>Growing</b>	<b>1.05 euros</b> vs. 0.93 at the close of 2004 <b>(+12.9%)</b>

1) Source: ICEA. Preliminary figures under PGC/PGEA released on January 25th, 2006.

2) Source: INVERCO, figures corresponding to mutual funds that invest in money market assets and in securities ("FIM and FIAMM").

3) Source: INVERCO.





## 2006 Targets

- As in previous years, CORPORACIÓN MAPFRE has defined as follows its targets for fiscal year 2006:
  - attain growth rates in Non-Life insurance higher than those obtained by the market of each country;
  - achieve increases in the volume of funds under management above those reached by the market of each country, both in Life insurance and in other savings products;
  - maintain a combined ratio equal to or lower than 97% in the Non-Life insurance and reinsurance business;
  - continue to improve expense ratios as a percentage of premiums (Non-Life insurance) and funds under management (Life insurance and savings);
  - increase earnings per share.



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# CORPORACIÓN MAPFRE:

## Net consolidated revenues

	Written and accepted premiums			Income from Investments			Other income			Total Revenues		
	2005	2004	% Var.	2005	2004	% Var.	2005	2004	% Var.	2005	2004	% Var.
LIFE AND SAVINGS	<b>1,915.3</b>	1,844.8	3.8%	<b>970.3</b>	944.0	2.8%	<b>63.2</b>	63.0	0.3%	<b>2,948.8</b>	2,851.8	3.4%
GENERAL INSURANCE	<b>1,140.2</b>	1,021.1	11.7%	<b>71.4</b>	49.3	44.8%	<b>59.4</b>	41.0	44.9%	<b>1,271.0</b>	1,111.4	14.4%
COMMERCIAL INSURANCE	<b>1,101.5</b>	1,080.6	1.9%	<b>80.8</b>	87.9	-8.1%	<b>51.7</b>	21.1	145.0%	<b>1,234.0</b>	1,189.6	3.7%
HEALTH	<b>353.3</b>	316.8	11.5%	<b>9.2</b>	8.1	13.6%	<b>4.3</b>	3.7	16.2%	<b>366.8</b>	328.6	11.6%
Holding (non consolidated)	---	---	---	<b>236.7</b>	121.1	95.5%	<b>0.3</b>	0.0	---	<b>237.0</b>	121.1	95.7%
Consolidation adjustments	<b>-1.7</b>	-6.4	---	<b>-258.2</b>	-140.9	83.3%	<b>-35.2</b>	-6.3	---	<b>-295.1</b>	-153.6	92.1%
MAPFRE-CAJA MADRID	<b>4,508.6</b>	4,256.9	5.9%	<b>1,110.2</b>	1,069.5	3.8%	<b>143.7</b>	122.5	17.3%	<b>5,762.5</b>	5,448.9	5.8%
INMUEBLES	---	---	---	<b>0.6</b>	0.8	-25.0%	<b>36.8</b>	61.7	-40.4%	<b>37.4</b>	62.5	-40.2%
QUAVITAE	---	---	---	<b>0.0</b>	0.0	---	<b>85.0</b>	66.4	28.0%	<b>85.0</b>	66.4	28.0%
<b>Domestic Business</b>	<b>4,508.6</b>	4,256.9	5.9%	<b>1,110.8</b>	1,070.3	3.8%	<b>265.5</b>	250.6	5.9%	<b>5,884.9</b>	5,577.8	5.5%
AMERICA	<b>1,655.0</b>	1,289.1	28.4%	<b>152.0</b>	113.4	34.0%	<b>18.1</b>	12.3	47.2%	<b>1,825.1</b>	1,414.8	29.0%
RE	<b>1,337.4</b>	1,132.6	18.1%	<b>133.1</b>	97.5	36.5%	<b>1.9</b>	0.4	---	<b>1,472.4</b>	1,230.5	19.7%
ASISTENCIA	<b>254.8</b>	191.2	33.3%	<b>11.0</b>	5.5	100.0%	<b>109.2</b>	79.9	36.7%	<b>375.0</b>	276.6	35.6%
MAPFRE INSULAR	<b>12.9</b>	10.0	29.0%	<b>1.1</b>	0.9	22.2%	<b>0.2</b>	0.0	---	<b>14.2</b>	10.9	30.3%
Consolidation adjustments	<b>-508.4</b>	-465.3	9.3%	---	---	---	---	---	---	<b>-508.4</b>	-465.3	9.3%
<b>International Business</b>	<b>2,751.7</b>	2,157.6	27.5%	<b>297.2</b>	217.3	36.8%	<b>129.4</b>	92.6	39.7%	<b>3,178.3</b>	2,467.5	28.8%
Holding (non consolidated)	---	---	---	<b>238.2</b>	116.6	104.3%	<b>3.4</b>	2.1	61.9%	<b>241.6</b>	118.7	103.5%
Consolidation adjustments	---	---	---	<b>-218.9</b>	-95.0	130.4%	<b>-37.3</b>	-32.6	---	<b>-256.2</b>	-127.6	100.8%
<b>CORPORACIÓN MAPFRE</b>	<b>7,260.3</b>	6,414.5	13.2%	<b>1,427.3</b>	1,309.2	9.0%	<b>361.0</b>	312.7	15.4%	<b>9,048.6</b>	8,036.4	12.6%



Million euros



# CORPORACIÓN MAPFRE:

## Consolidated income statement



	2005	2004	% Var.
<b>NON-LIFE INSURANCE AND REINSURANCE</b>			
Gross written and accepted premiums	5,241.5	4,429.4	18.3%
Premiums earned, net of ceded and retroceded reinsurance	3,938.9	3,232.8	21.8%
Net claims incurred and variation in other technical provisions	-2,739.1	-2,185.8	25.3%
Operating expenses, net of reinsurance	-1,056.4	-845.8	24.9%
Other technical income and expenses	-49.3	-42.8	15.2%
<b>TECHNICAL RESULT</b>	94.2	158.4	-40.5%
Net financial income	288.1	172.3	67.2%
Other non-technical income and expenses	-6.4	4.7	---
<b>Result of the Non-life business</b>	<b>375.9</b>	<b>335.4</b>	<b>12.1%</b>
<b>LIFE INSURANCE AND REINSURANCE</b>			
Gross written and accepted premiums	2,018.8	1,985.1	1.7%
Premiums earned, net of ceded and retroceded reinsurance	1,930.3	1,900.5	1.6%
Net claims incurred and variation in other technical provisions	-2,398.4	-2,353.9	1.9%
Operating expenses, net of reinsurance	-164.1	-148.3	10.7%
Other technical income and expenses	-10.7	-14.8	-27.7%
<b>TECHNICAL RESULT</b>	-642.8	-616.5	4.3%
Net financial income	754.2	729.7	3.4%
Unrealised gains and losses in Unit-Linked investments	25.6	18.3	39.9%
Other non-technical income and expenses	-13.5	-5.5	145.5%
<b>Result of the Life business</b>	<b>123.5</b>	<b>126.0</b>	<b>-2.0%</b>
<b>OTHER BUSINESS ACTIVITIES</b>			
Operating income	277.6	236.7	17.3%
Operating expenses	-234.1	-213.8	9.5%
Net financial income	-3.5	-10.9	-67.9%
Results from minority shareholdings	8.5	6.2	37.1%
Other net income	0.0	0.0	---
<b>Result of the Other Business Activities</b>	<b>48.5</b>	<b>18.2</b>	<b>166.5%</b>
<b>Result before tax and minority shareholders</b>	<b>547.9</b>	<b>479.6</b>	<b>14.2%</b>
Taxes	-154.1	-148.1	4.1%
<b>Result after tax</b>	<b>393.8</b>	<b>331.5</b>	<b>18.8%</b>
Result attributable to minority shareholders	-144.0	-122.1	17.9%
<b>Result after tax and minority shareholders</b>	<b>249.8</b>	<b>209.4</b>	<b>19.3%</b>
Non-life loss ratio <sup>(1)</sup>	69.5%	67.6%	
Non-life expense ratio <sup>(1)</sup>	28.1%	27.5%	
Non-life combined ratio <sup>(1)</sup>	97.6%	95.1%	
Life expense ratio <sup>(2)</sup>	1.1%	1.2%	

- 1) Ratios calculated over net premiums earned
- 2) Net operating expenses/average third-party funds under management.

Million euros



# CORPORACIÓN MAPFRE:

## Profit breakdown by units and companies – 2005

	Net Result	Minority interests	Consolidation adjustments	Contribution to consolidated result 2005	Contribution to consolidated result 2004
<b>INSURANCE ACTIVITIES</b>					
LIFE AND SAVINGS	114.2	-56.1	---	58.1	53.8
GENERAL INSURANCE	69.7	-37.7	7.2	39.2	35.5
COMMERCIAL INSURANCE	71.4	-26.1	-17.6	27.7	30.2
MAPFRE CAJA SALUD	9.9	-5.0	---	4.9	1.9
Consolidation adjustments				3.6	-8.1
MAPFRE-CAJA MADRID HOLDING				133.5	113.3
<b>OTHER ACTIVITIES</b>					
MAPFRE INMUEBLES	2.4	---	---	2.4	6.3
MAPFRE QUAVITAE	-1.2	0.7	---	-0.5	-2.6
<b>COMPANIES OPERATING PRIMARILY IN SPAIN</b>	<b>266.4</b>	<b>-124.2</b>	<b>-10.4</b>	<b>135.4</b>	<b>117.0</b>
MAPFRE AMÉRICA	105.7	-13.3	---	92.4	47.1
MAPFRE RE	32.3	-5.0	8.6	35.9	40.4
ASSISTANCE OPERATING UNIT	10.0	---	-1.9	8.1	3.6
MAPFRE INSULAR	0.8	---	---	0.8	0.8
<b>COMPANIES OPERATING PRIMARILY ABROAD</b>	<b>148.8</b>	<b>-18.3</b>	<b>6.7</b>	<b>137.2</b>	<b>91.9</b>
Other companies and consolidation adjustments				-22.8	0.5
<b>CORPORACIÓN MAPFRE</b>				<b>249.8</b>	<b>209.4</b>



Million euros



# CORPORACIÓN MAPFRE:

## Summary of intra-group transfers

- In 2005, a number of shareholdings and portfolios were transferred among various business units in order to complete the final structure of the Commercial Insurance Operating Unit. All these movements, which are eliminated upon consolidation, have generated gains and losses in the Units involved that are broken down in the following table:



MAPFRE EMPRESAS  
 MAPFRE SEGUROS GENERALES  
 MAPFRE RE  
 MAPFRE-CAJA MADRID HOLDING and other

	<b>Profit Increase / (decrease)</b>	
	<b>Before tax and minority shareholders</b>	<b>Net</b>
	24.7	17.6
	-10.2	-7.2
	-8.6	-8.6
	-5.9	-1.8

Million euros



# CORPORACIÓN MAPFRE:

## Reconciliation of the consolidated profit under PGC/PCEA and IFRS

ITEM	Gross amount	Tax	Minority Shrhldrs.	Attributable result
<b>Result at 31/12/05 under PGC/PCEA</b>	<b>513.5</b>	<b>-142.1</b>	<b>-127.7</b>	<b>243.6</b>
Reversal of goodwill amortisation	29.3	0.4	-11.5	18.2
Reversal of the appropriation to the equalisation reserve	-23.6	8.0	1.0	-14.5
Differences in the valuation of technical reserves	-61.0	21.3	19.4	-20.3
Differences in the valuation of investments	78.5	-27.3	-24.8	26.4
Other items	11.3	-14.4	-0.5	-3.6
<b>Result at 31/12/05 under IFRS</b>	<b>547.9</b>	<b>-154.1</b>	<b>-144.0</b>	<b>249.8</b>



Million euros



# CORPORACIÓN MAPFRE: Statement of changes in equity

STATEMENT OF CHANGES IN EQUITY	Share capital	Reserves	Valuation adjusts.	Translation differences	Result	Minority interests	Total Equity
<b>Balance as at 30/09/05</b>	<b>119.5</b>	<b>1,931.8</b>	<b>156.1</b>	<b>-271.5</b>	<b>188.5</b>	<b>955.5</b>	<b>3,079.9</b>
Additions and deductions accounted for directly in equity <sup>(1)</sup>			25.3	5.3		-11.4	19.2
Quarterly result					31.6	33.6	65.2
Reclassifications		-355.9	1.3	324.9	29.7		
Other positive/negative items		-3.0					-3.0
<b>Balance as at 31/12/05</b>	<b>119.5</b>	<b>1,572.9</b>	<b>182.7</b>	<b>58.7</b>	<b>249.8</b>	<b>977.7</b>	<b>3,161.3</b>



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

Million euros





# LIFE INSURANCE OPERATING UNIT:

## Key facts of the year 2005

- The evolution of the Life insurance and savings products market in 2005 was characterised by the factors similar to those that already influenced it the previous year:
  - interest rates at historically low levels, with a slight recovery in the fourth quarter;
  - a positive evolution of the equity markets.
- In this market environment, MAPFRE VIDA achieved:
  - the no. 1 position in the Life insurance ranking by volume of premiums;
  - a 9.2% growth in its technical reserves (5.7% under PGC/PCEA vs. 6.9% obtained by the market as a whole<sup>(1)</sup>);
  - above market average increases in mutual funds (15.6% vs. 12.2%) and in pension funds (16.7% vs. 15.6%)<sup>(2)</sup>;
  - a significant 44.0% increase in the Life insurance risk business, which already represents 12.8% of premiums written.
- MAPFRE VIDA has taken over the Life insurance portfolio of MAPFRE EMPRESAS. Likewise, MAPFRE INVERSIÓN and MAPFRE VIDA PENSIONES have undertaken the management of the mutual and pension funds previously administered by the said company and its subsidiaries.



1) Source: ICEA

2) Source: INVERCO. Figures for the mutual funds business correspond to funds that invest in money market assets and securities ("FIM" and "FIAMM").



## LIFE INSURANCE OPERATING UNIT

- The initiatives undertaken to increase funds under management translated into:
  - the winning of a comparatively larger amount of savings in mutual funds, especially guaranteed type;
  - a smaller volume of maturities of single premium products in the bank channel;
  - new externalisation transactions.



- €505.1 million of the total increase in Life insurance technical reserves came from the rise in the market value of investments.

- Under PGC/PCEA, the net consolidated profit would have been €106.5 million, a 3.6% increase.

	2005	2004	% 05/04
Technical Reserves	<b>14,721.0</b>	13,482.9	9.2%
Investment Funds	<b>3,097.1</b>	2,680.1	15.6%
Pension Funds <sup>(1)</sup>	<b>1,287.4</b>	1,103.2	16.7%
<b>Third-party funds under management<sup>(2)</sup></b>	<b>19,105.5</b>	17,266.2	10.7%
Premiums written and accepted	<b>1,915.3</b>	1,844.8	3.8%
Gross Result <sup>(3)</sup>	<b>172.3</b>	159.8	7.8%
Net Result	<b>114.2</b>	105.6	8.1%
Equity	<b>612.4</b>	540.1	13.4%
Expense Ratio <sup>(4)</sup>	<b>0.9%</b>	0.9%	
ROE	<b>19.8%</b>	21.6%	

- 1) Figures for fiscal year 2004 do not include defined benefit funds entered into a Life insurance contract amounting to €733.7 million at the close of the year.
- 2) Third-party funds under management figures for 2004 include the technical reserves, mutual funds and pension funds of MAPFRE EMPRESAS to facilitate the comparison.
- 3) Before taxes and minority interests.
- 4) Net operating expenses/average third-party funds under management.

Million euros



## LIFE INSURANCE OPERATING UNIT: Premiums breakdown

- The increase in the volume of premiums was characterised by:
  - sustained growth in Life – Risk products;
  - a slightly lower volume of issuance in Life – Savings products;
  - new externalisation transactions.



	2005	2004	% 05/04
<b>Regular Premiums</b>	<b>445.7</b>	463.6	-3.9%
- Agents channel	<b>396.5</b>	411.6	-3.7%
- Bank channel	<b>49.2</b>	52.0	-5.4%
<b>Single Premiums</b>	<b>1,076.5</b>	1,097.8	-1.9%
- Agents channel	<b>396.5</b>	434.6	-8.8%
- Bank channel	<b>654.4</b>	650.7	0.6%
- MUSINI	<b>25.6</b>	12.5	104.8%
<b>Life premiums - Savings</b>	<b>1,522.2</b>	1,561.4	-2.5%
<b>Externalisation</b>	<b>148.6</b>	113.5	30.9%
- Agents channel	<b>59.0</b>	45.1	30.8%
- Bank channel	<b>42.8</b>	32.6	31.3%
- MUSINI	<b>46.8</b>	35.8	30.7%
<b>Sub-total</b>	<b>1,670.8</b>	1,674.9	-0.2%
<b>Life Premiums - Risk</b>	<b>244.5</b>	169.9	44.0%
- Agents channel	<b>101.4</b>	90.7	11.8%
- Bank channel	<b>95.9</b>	75.2	27.7%
- MUSINI	<b>47.2</b>	4.0	---
<b>TOTAL PREMIUMS</b>	<b>1,915.3</b>	1,844.8	3.8%
- Agents channel	953.4	982.0	-2.9%
- Bank channel	842.3	810.5	3.9%
- MUSINI	119.6	52.3	128.7%

Million euros



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

	2005	2004	% 05/04
Regular premiums insurance	<b>4,472.0</b>	4,082.9	9.5%
- Agents channel	<b>4,121.6</b>	3,775.0	9.2%
- Bank channel	<b>350.4</b>	307.9	13.8%
Single premiums insurance	<b>8,393.6</b>	7,523.3	11.6%
- Agents channel	<b>3,569.7</b>	3,207.0	11.3%
- Bank channel	<b>4,823.9</b>	4,316.3	11.8%
Life insurance - Risk	<b>153.3</b>	120.7	27.0%
- Agents channel	<b>33.9</b>	31.9	6.3%
- Bank channel	<b>119.4</b>	88.8	34.5%
MUSINI	<b>1,448.7</b>	1,525.3	-5.0%
Total mathematical reserves	<b>14,467.6</b>	13,252.2	9.2%
Other reserves	<b>253.4</b>	230.7	9.8%
<b>TECHNICAL RESERVES</b>	<b>14,721.0</b>	13,482.9	9.2%
MUTUAL FUNDS	<b>3,097.1</b>	2,680.1	15.6%
PENSION FUNDS <sup>(2)</sup>	<b>1,287.4</b>	1,103.2	16.7%
- Individual system	<b>1,136.3</b>	965.6	17.7%
- Employers' system	<b>151.1</b>	137.6	9.8%
<b>MANAGED SAVINGS</b>	<b>19,105.5</b>	17,266.2	10.7%



- 1) Third-party funds under management figures for 2004 include the technical reserves, mutual funds and pension funds of MAPFRE EMPRESAS to facilitate the comparison.
- 2) Pension funds figures do not include defined benefit funds entered into through a Life insurance contract amounting to €733.7 million in 2004.

Million euros



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

	<b>2005</b>	2004
Technical reserves	<b>1,238.1</b>	<b>1,157.6</b>
> Variation under PGC/PGEA <sup>(2)</sup>	733.0	604.6
Mutual funds	<b>417.0</b>	<b>339.4</b>
> Net sales	127.5	45.0
Pension funds	<b>184.2</b>	<b>250.2</b>
> Net sales	118.2	144.2



Figures for 2004 include the technical provisions, mutual funds and pension funds of MAPFRE EMPRESAS.

1) Excluding shareholders' equity.

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

**Million euros**



# LIFE INSURANCE OPERATING UNIT: Year 2006 strategy

- Increase business volumes through:
  - the launch of new products focussed on investment objectives and customer segments;
  - the promotion of Life - Risk insurance products.
- Raise the level of efficiency:
  - further development of the Large Clients and Market Research areas;
  - implementation of a quality measurement system.



## GENERAL INSURANCE OPERATING UNIT: Key facts of the year 2005

- MAPFRE SEGUROS GENERALES recorded an 11.7% increase in premium volumes vs. 7.3% obtained for the market (source: ICEA), reflecting growth of 13.2% in the main lines of business and a 5.4% increase in Burial insurance. This results allowed to further consolidate its outstanding leading position in its main areas of activity, in which it continued to hold a market share greater than the sum of the second and third largest companies put together.
- A wide-ranging reorganisation of the Unit was carried out, to improve its growth, efficiency and profitability through:



- the revision of the operating structure;
- the upgrade of management systems;
- costs cuts through a plan directed at eliminating redundant processes.



## GENERAL INSURANCE OPERATING UNIT

- Business development in the year was characterised by:

- premiums growth, being it worth to note the 35,8% increase in premiums written through CAJA MADRID;
- the first results of a new policy aimed at reducing operating expenses.

- The decrease in net profit over the previous year is due to the following non-recurring effects:



- a number of transfers of shareholdings and portfolios with other Group companies, which reduced the net result by €7.2 million;
- the early amortisation of goodwill corresponding to idle subsidiaries of MAPFRE FINISTERRE for €11.3 million;
- €5.3 million of restructuring expenses accounted for in 2004.

- Excluding these effects, the net profit would have grown 16.4% and the ROE would have reached 28.3%.

	2005	2004	%05/04
Premiums written and accepted	<b>1,140.2</b>	1,021.1	11.7%
- Burial	<b>213.0</b>	202.0	5.4%
- Other business lines	<b>927.2</b>	819.1	13.2%
Gross Result <sup>(1)</sup>	<b>111.6</b>	108.1	3.2%
Net result	<b>69.7</b>	70.5	-1.1%
Equity	<b>307.8</b>	291.5	5.6%
Loss Ratio, Non-Life <sup>(2)</sup>	<b>64.7%</b>	64.5%	
Expense Ratio, Non-Life <sup>(2)</sup>	<b>27.3%</b>	28.1%	
Combined Ratio, Non-Life <sup>(2)</sup>	<b>92.0%</b>	92.6%	
ROE	<b>23.2%</b>	26.4%	

1) Before taxes and minority interest.

2) Ratios as a % of net premiums earned.

Million euros





# GENERAL INSURANCE OPERATING UNIT: Year 2006 strategy

- Expand the offer of products and services through:
  - the launch of new products;
  - the marketing of complementary non-insurance services;
  - the development of dedicated solutions for foreign residents.
- Boost distribution through strategic alliances with companies with mass distribution capabilities.



- Improve effectiveness and efficiency by:
  - implementing programs aimed at cutting costs and raising productivity levels;
  - setting up centres for the active management of the portfolio to improve its administration and conservation;
  - raising the degree of automation in dealings with suppliers.



# COMMERCIAL INSURANCE OPERATING UNIT: Key facts of the year 2005

- The integration of the COMMERCIAL INSURANCE OPERATING UNIT into a single group of companies was completed through a series of transactions:
  - MAPFRE EMPRESAS (formerly MUSINI) acquired the shareholdings in MAPFRE INDUSTRIAL and in MAPFRE CAUCIÓN Y CRÉDITO previously owned by MAPFRE SEGUROS GENERALES and MAPFRE - CAJA MADRID HOLDING, respectively;
  - the Life and Accidents insurance portfolios of MAPFRE EMPRESAS were transferred to MAPFRE VIDA and MAPFRE SEGUROS GENERALES, respectively. Likewise, the asset management subsidiaries of MAPFRE VIDA undertook the management of the mutual funds and pension funds previously administered by MAPFRE EMPRESAS and its subsidiaries;
  - finally, MAPFRE EMPRESAS absorbed MAPFRE INDUSTRIAL.
- International rating agencies AM Best and Standard & Poor's assigned their respective 'A/Stable outlook' and 'AA/stable outlook' ratings, to MAPFRE EMPRESAS. These ratings are among the highest of any commercial insurance company in Europe and will undoubtedly contribute to the business growth of the COMMERCIAL INSURANCE UNIT, especially abroad.
- In 2005, the industrial insurance market continued to be characterised by tough competition, with decreasing rates across most of the business lines in which the Unit operates, particularly in the Large Risks and Credit insurance businesses.
- In this environment, the business activities of the Unit evolved favourably, due to the winning of new business and the expansion of its activities abroad.



## COMMERCIAL INSURANCE OPERATING UNIT

- The income statement reflects the impact of the transfer of shareholdings and portfolios with other Group companies, which has led to a decrease of €70.7 million in the volume of premiums, and realised gains of €17.6 million after taxes and minority interests. The result for the previous year also included a non-recurring gain of €10.6 million from the transfer of MUSINI VIDA. Excluding these amounts, which are eliminated in the consolidated result of CORPORACIÓN MAPFRE, premiums and net profit would have increased by 9.1% and 2.5%, respectively, while the ROE would have reached 19.2%.



	<b>2005</b>	2004 <sup>(1)</sup>
Premiums written and accepted	<b>1,101.5</b>	1,080.6
Gross result <sup>(2)</sup>	<b>103.9</b>	92.1
Net result	<b>71.4</b>	63.1
Equity	<b>262.2</b>	316.1
Loss Ratio, Non-Life <sup>(3)</sup>	<b>78.0%</b>	75.9%
Expense Ratio, Non-Life <sup>(3) (4)</sup>	<b>12.1%</b>	11.0%
Combined Ratio, Non-Life <sup>(3)</sup>	<b>90.1%</b>	86.9%
ROE	<b>24.7%</b>	17.9%

1) Figures for year 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.

Million euros



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

- In 2005, premiums grew 14.1% in the SME business and 6.4% in the Large Risks business
- The variation in result reflects:
  - a rise in the loss ratio due to the large claims incurred in the year among which the fire at the Windsor building stands out, and the increase in IBNR and IBNER reserves;
  - a higher expense ratio, due to the adjustment in the cost of reinsurance protections;
  - larger financial income, due to realised gains of €15.8 million.
- Excluding the impact of the various transfers of shareholdings and portfolios, premiums would have grown by 10.0%, and net result by 12.0%, while the ROE would have reached 18.8%.




	2005	2004 <sup>(2)</sup>	% 05/04
Premiums written and accepted	<b>980.9</b>	962.6	1.9%
- of which Life	<b>0.0</b>	63.3	---
Gross result (3)	<b>92.2</b>	79.6	15.8%
Net result	<b>65.5</b>	55.5	18.0%
Equity	<b>260.7</b>	289.5	-9.9%
Loss Ratio, Non-Life <sup>(4)</sup>	<b>78.0%</b>	76.0%	
Expense Ratio, Non-Life <sup>(4)</sup>	<b>13.1%</b>	12.5%	
Combined Ratio, Non-Life <sup>(4)</sup>	<b>91.1%</b>	88.5%	
ROE	<b>23.8%</b>	17.0%	

- 1) Includes MAPFRE EMPRESAS and MAPFRE INDUSTRIAL.
- 2) Figures for year 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.

Million euros



# COMMERCIAL INSURANCE OPERATING UNIT: Credit and Surety Business

- The small increase in the business volumes of MAPFRE CAUCIÓN Y CRÉDITO is due to intense competition in Credit insurance.
- The loss ratio is higher reflecting two large claims and an increase in the average cost of claims.
- The higher expense ratio reflects the increase in the cost of reinsurance.
-  The growth of the net result is due to a lower tax rate and the reduction of the share of minority interests.
- Equity growth reflects the capital increase carried out in the year to buy the stake of a minority shareholder in MAPFRE AMÉRICA CAUCIÓN Y CRÉDITO, and the retention of dividends to finance the investments that will be made in 2006.

	2005	2004	% 05/04
Premiums written and accepted	<b>120.6</b>	118.0	2.2%
Gross result <sup>(1)</sup>	<b>11.7</b>	12.5	-6.4%
Net result	<b>7.9</b>	7.6	3.9%
Equity	<b>41.5</b>	26.6	56.0%
Loss Ratio, Non-Life <sup>(2)</sup>	<b>78.7%</b>	74.7%	
Expense Ratio, Non-Life <sup>(2)</sup>	<b>15.4%</b>	9.8%	
Net Other Income, Non-Life <sup>(3)</sup>	<b>-15.3%</b>	-16.0%	
Combined Ratio, Non-Life <sup>(2)</sup>	<b>78.8%</b>	68.5%	
ROE	<b>23.3%</b>	30.7%	

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

Million euros



# COMMERCIAL INSURANCE OPERATING UNIT: Year 2006 strategy

- Increase business volumes through:
  - the consolidation of the leading position in Spain, by focussing on the development of distribution channels and widening the product portfolio;
  - the expansion of the Large Risks business in Europe and Latin America;
  - the commencement of the Surety business in Mexico and the incorporation of a Credit insurance subsidiary in Brazil;
  - a wider offer of complementary technical services for corporate clients through ENKEN, ITSEMAP and SERMAP.



- Raise profitability by:
  - optimising retention levels;
  - adopting cost cutting measures;
  - implementing technological innovations.



## MAPFRE CAJA SALUD: Key facts of the year 2005

- MAPFRE CAJA SALUD recorded an 11.5% increase in premiums, which once again was above the growth achieved by the market as a whole (9.4%; source: ICEA). This has led to a further increase in its market share to 7.9% (7.7% in 2004). The growth in the volume of business came primarily from Health Assistance insurance.
- New management tools were implemented in the distribution network in order to provide branches with greater autonomy in the policy issuance and claims handling processes.



- MAPFRE CAJA SALUD further widened its network of own medical centres at the disposal of its policyholders, by acquiring healthcare centres CLINICA SAN FRANCISCO JAVIER (Bilbao) and CLINISAS (Madrid).



## MAPFRE CAJA SALUD

- The substantial increase in net profit is the result of:
  - premium growth;
  - lower claims and expense ratios, as a consequence of the adoption of new risk selection tools, the control of claims and the contention of medical expenses;
  - larger financial income.



- The variation in net profit includes the impact of a non-recurring early amortisation of goodwill for €3 million in 2004, which was not repeated this year. Excluding this amount, the net profit would have grown 43.5%.

	<b>2005</b>	2004	% 05/04
Premiums written and accepted	<b>353.3</b>	316.8	11.5%
- Agents network <sup>(1)</sup>	<b>335.0</b>	302.0	10.9%
- Bank network	<b>18.3</b>	14.8	23.6%
Gross result <sup>(2)</sup>	<b>15.7</b>	6.7	134.3%
Net result	<b>9.9</b>	3.9	153.8%
Equity	<b>106.3</b>	96.0	10.7%
Loss Ratio, Non-Life <sup>(3)</sup>	<b>81.2%</b>	82.5%	
Expense Ratio, Non-Life <sup>(3)</sup>	<b>15.7%</b>	16.1%	
Combined Ratio, Non-Life <sup>(3)</sup>	<b>96.9%</b>	98.6%	
ROE	<b>9.8%</b>	4.2%	

1) Including brokers

2) Before taxes and minority interest

3) Ratios as a % of net premiums earned

Million euros





## MAPFRE CAJA SALUD: Year 2006 strategy


- Increase business volumes through:
  - the launch of new products, guarantees and services;
  - the inclusion of covers in products marketed by other MAPFRE companies.
- Expansion of the network of own medical centres by:
  - opening new centres;
  - investing in technology and advanced diagnosis equipment;
  - marketing new healthcare services through the MAPFRE Network.



- Improve profitability by adopting specific tools for the control of claims and expenses in the Reimbursement and Indemnity lines of business.



## MAPFRE AMÉRICA: Key facts of the year 2005

- Premiums increased significantly, reflecting growth in business volumes across most subsidiaries, particularly Brazil and Venezuela, and to a lesser extent to the appreciation of the US dollar and of some local currencies against the Euro.
- Within the plan of territorial expansion, 361 branches were opened in 2005, 97 of which are direct branches (with company employees) and 264 are delegated branches (with external personnel), in line with the targets set for the year.
-  Subsidiary MAPFRE VERA CRUZ SEGURADORA acquired a 51% shareholding in Life insurer NOSSA CAIXA VIDA E PREVIDENCIA, a subsidiary of financial institution BANCO NOSSA CAIXA. Through this alliance, MAPFRE will have during a period of 20 years the exclusive right to distribute Life insurance and private retirement plans through the bank's network.
- MAPFRE DOMINICANA (Dominican Republic) began operating in the third quarter of the year.
- During 2005, various subsidiaries approved the payment of dividends totalling €24.6 million.



# MAPFRE AMÉRICA

- The result of MAPFRE AMÉRICA reflects the following factors:

- premium growth;
- a modest increase in the loss ratio, despite catastrophe claims;
- the expansion of the branch network, which caused a slight increase in the expense ratio;
- larger financial income, mainly due to the recovery of interest rates in the region.



- The net result includes income of €30.6 million from tax refunds within the fiscal group arising from the use of negative taxable amounts from previous years. Excluding this, it would have grown 35.3% over the previous year.
- The rise in equity reflects the €75 million capital increase carried out this year, the profit for the year and the appreciation of the US dollar and some local currencies against the Euro.

	2005	2004	% 05/04
Premiums written and accepted	<b>1,655.0</b>	1,289.1	28.4%
Gross result <sup>(1)</sup>	<b>91.6</b>	70.4	30.1%
Net result	<b>105.7</b>	55.5	90.5%
Equity	<b>796.5</b>	531.1	50.0%
Loss Ratio, Non-Life <sup>(2)</sup>	<b>68.2%</b>	67.1%	
Expense Ratio, Non-Life <sup>(2)</sup>	<b>34.8%</b>	34.1%	
Combined Ratio, Non-Life <sup>(2)</sup>	<b>103.0%</b>	101.2%	
ROE	<b>15.9%</b>	10.7%	

1) Before taxes and minority interest

2) Ratios as a % of net premiums earned

Million euros



# MAPFRE AMÉRICA:

## Premiums and profits by country



COMPANY	PREMIUMS				RESULTS <sup>(1)</sup>			
	2005	2004	% 05/04	Local Currency % 05/04	2005	2004	% 05/04	Local Currency % 05/04
VENEZUELA	<b>255.4</b>	198.6	28.6%	41.1%	<b>29.3</b>	23.4	25.2%	37.4%
PUERTO RICO	<b>254.3</b>	223.8	13.6%	12.5%	<b>24.8</b>	22.5	10.2%	9.2%
BRAZIL	<b>434.6</b>	259.4	67.5%	35.5%	<b>15.6</b>	9.4	66.0%	34.4%
MEXICO	<b>250.8</b>	242.5	3.4%	-1.1%	<b>11.7</b>	13.2	-11.4%	-15.7%
ARGENTINA	<b>195.2</b>	161.7	20.7%	19.7%	<b>5.9</b>	5.6	4.9%	3.7%
COLOMBIA	<b>55.2</b>	41.8	32.1%	15.8%	<b>2.7</b>	2.6	3.8%	-7.4%
EL SALVADOR	<b>28.4</b>	28.1	1.1%	0.3%	<b>1.8</b>	1.8	-0.7%	-2.6%
PARAGUAY	<b>8.6</b>	7.3	17.8%	19.4%	<b>0.4</b>	0.5	-16.7%	-13.2%
PERU	<b>27.1</b>	22.6	19.9%	15.6%	<b>-0.2</b>	0.2	---	---
CHILE	<b>133.6</b>	95.2	40.3%	23.9%	<b>0.2</b>	2.3	-91.3%	-91.3%
URUGUAY	<b>10.0</b>	8.1	23.5%	4.2%	<b>0.0</b>	-0.4	---	---
DOMINICAN REPUBLIC	<b>1.8</b>	---	---	---	<b>-1.1</b>	---	---	---

1) Result before tax and minority interests.

Million euros



## MAPFRE AMERICA: Key facts of the year 2005 by country

- Significant increases were recorded in the profits of the following subsidiaries:
  - MAPFRE VERA CRUZ (Brazil), thanks to sustained growth across most business lines, due primarily to the expansion of the distribution network, and to the decrease of the loss ratio in the Motor business, which was helped by the introduction of a new tariff that is segmented by client, area and type of vehicle;
  - MAPFRE LA SEGURIDAD (Venezuela), due to the significant increase in its premium volumes, which has come mainly from the winning of new accounts in Health insurance.



## MAPFRE AMERICA: Year 2006 strategy

- Boost multi-channel distribution capabilities by:
  - continuing the expansion of the tied distribution network, by opening 400 new branches;
  - new distribution agreements.
- Improve customer service through:
  - the roll-out of the “*Club MAPFRE del Automóvil*” (the MAPFRE Automobile Club);
  - the expansion of call centres.



- Increase effectiveness and operating efficiency by means of:
  - a greater use of standard software for the analysis of technical information and management control;
  - productivity increases and cost control.



## MAPFRE RE: Key facts of the year 2005

- 2005 was characterised by the high frequency and exceptional intensity of catastrophes, among which the largest claim ever, hurricane *Katrina*, stands out.
- In this market environment, MAPFRE RE closed a positive fiscal year achieving:
  - a significant increase in its volume of premiums, due to the winning of new business outside SISTEMA MAPFRE, which allowed it to continue consolidating its market position;
  - a positive result, on the back of the the good performance of the ordinary business which made it possible to absorb the impact of catastrophe claims.



- Agencies A.M. Best and Standard & Poor's affirmed their respective "A+/positive outlook" and "AA-/stable outlook" ratings assigned to MAPFRE RE, which are amongst the highest in the industry.
- To support organic growth, a €50 million capital increase was carried out in the first quarter of the year.
- MAPFRE RE transferred its shareholding in MAPLUX REINSURANCE COMPANY LTD. (Luxemburg) to MAPFRE SEGUROS GENERALES.



# MAPFRE RE

- The result for the year reflects:

- a significant increase in premium volumes;
- a strong impact of catastrophe claims, adding 16.9 percentage points to the loss ratio (5.3 p.p. in 2004);
- the reduction of expenses;
- a loss of €8.6 million after tax and minority shareholders from the transfer of subsidiary MAPLUX. Excluding this non-recurring effect, which is eliminated in the net consolidated profit of CORPORACIÓN MAPFRE, the net result would only decrease 10.3% with respect to 2004, and the ROE would reach 7%.



	2005	2004	% 05/04
Premiums written and accepted	<b>1,337.4</b>	1,132.6	18.1%
- of which Life	<b>95.7</b>	72.4	32.2%
Gross result <sup>(1)</sup>	<b>54.4</b>	72.0	-24.4%
Net result	<b>32.3</b>	45.6	-29.2%
Equity	<b>622.6</b>	537.0	15.9%
Loss Ratio, Non-Life <sup>(2)</sup>	<b>67.6%</b>	58.5%	
Expense Ratio, Non-Life <sup>(2)</sup>	<b>32.1%</b>	33.2%	
Combined Ratio, Non-Life <sup>(2)</sup>	<b>99.7%</b>	91.7%	
ROE	<b>5.6%</b>	11.7%	

1) Before taxes and minority interest.

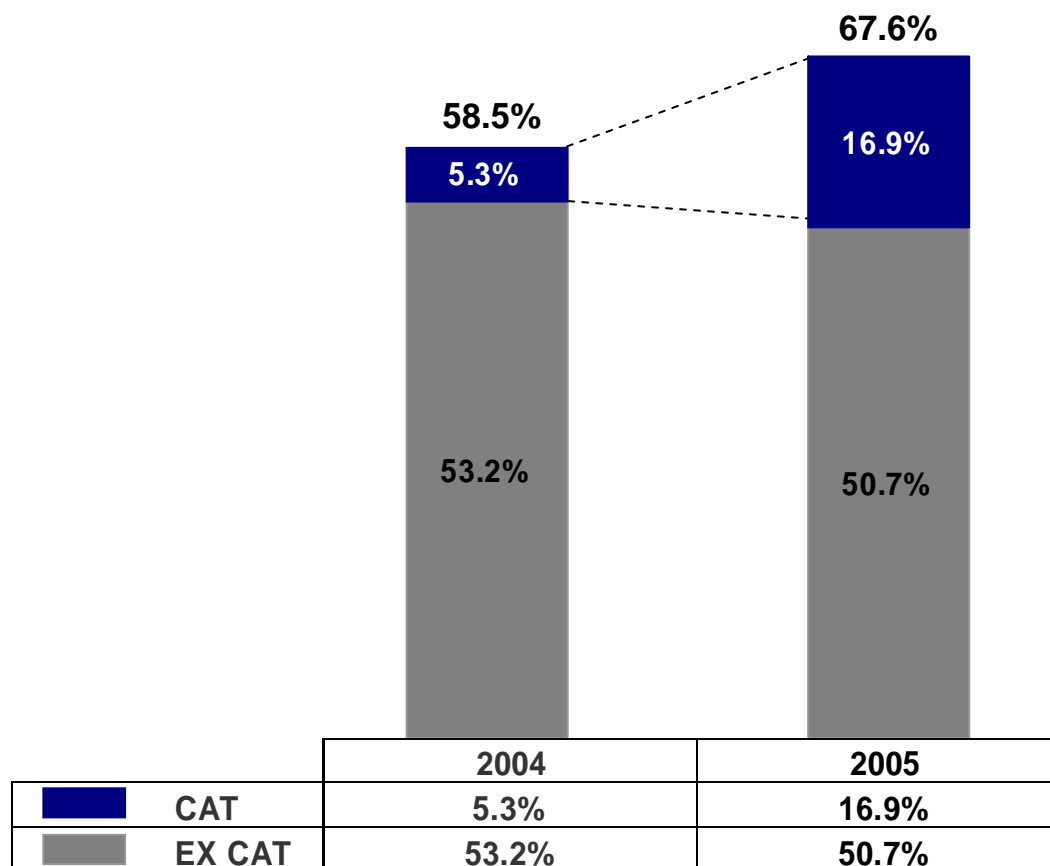
2) Ratios as a % of net premiums earned.

Million euros





# MAPFRE RE: Impact on the loss ratio<sup>(1)</sup> of catastrophe claims



1) Ratios as a % of net premiums earned.



# MAPFRE RE:

## Impact on the net result of catastrophe claims

<u>Event</u>	<u>Amount <sup>(1)</sup></u>
Hurricanes <i>Emily, Katrina, Rita y Wilma</i>	63.9
Fire at the Windsor building	6.8
<i>Erwin</i> Storm	6.7
Storms and floods in Central Europe	6.4



Million euros

1) Includes reinstallation costs.



## MAPFRE RE: Result of the January 2006 renewal campaign

- The exceptional intensity and frequency of the large claims incurred in the year took place within a market environment with rates and conditions that have remained at acceptable levels.
- The present situation differs from what was observed in 2001, when the occurrence of large claims (WTC) coincided with a soft market characterised by a generalised insufficiency of rates and conditions.



- In this environment, the renewal campaign was characterised by:
  - an increase in rates in those markets and lines of business that were affected by large claims;
  - stable and sufficient rates, terms and conditions in the remaining markets;
  - a higher rate of retention by ceding companies with a trend towards the conversion of proportional contracts to non-proportional.
- Business volumes are expected to grow around 15%.



## MAPFRE RE: Year 2006 strategy

- Increase business volumes:
  - strengthen the position in known markets, controlling maximum exposures and catastrophe aggregates;
  - lay the grounds for a presence in Far Eastern markets with a strong potential;
  - further develop the reinsurance business in the Motor, Personal Lines, Agricultural & Livestock and Facultative Property business lines.
- Maintain a prudent underwriting policy focussed primarily on short-tail businesses.



- Develop internal tools to complete the analysis and definition of the exposure to natural perils.
- Enhance the internal capital model to ensure that underwritten business meets return requirements.



# MAPFRE ASISTENCIA:

## Key facts of the year 2005

- The following achievements of the year must be noted:
  - the reaching of a direct presence in 38 countries, after the incorporation of subsidiary ROAD CHINA ASSISTANCE (China) and the opening of a new branch in Shanghai;
  - the launch of the Mechanical Breakdown Guarantee for Used Vehicles in 6 new European countries, the beginning of Travel Insurance underwriting in the United Kingdom and the acquisition of British company ABRAXAS, the leading company in Europe in financial GAP insurance<sup>(1)</sup>;
  - the strong growth of ROAD AMÉRICA, which opened two new branches in Los Angeles and Chicago;
  - the roll-out of the retail travel agency portal viajesmapfre.com;
  - the incorporation of new travel agencies in Argentina, the Dominican Republic and Venezuela;
  - the attainment of the ISO 9001 quality certificate in Colombia, Spain, Uruguay and Venezuela;
  - the winning of the ITIC prize as the best international assistance company in 2005;
  - two capital increases: one of €6.8 million, to support business growth; and another of €10 million, to finance the acquisition of the British company ABRAXAS, which was complemented by a €6 million 5-year loan granted by CORPORACIÓN MAPFRE at market terms.



1) GAP = Guaranteed Asset Protection. Financial GAP insurance covers the difference between the outstanding amount of the loan taken out to purchase a vehicle and the settlement amount the insurance company would pay in case of total loss or theft.



## MAPFRE ASISTENCIA:

### Key facts of the year 2005 – MAPFRE QUAVITAE<sup>(1)</sup>

- The operational integration of MAPFRE QUAVITAE with MAPFRE ASISTENCIA was completed.
- Three new nursing homes were opened in Oviedo, San Sebastián and Santiago de Compostela.
- The company continued to consolidate its leading position in the Nursing Homes for the Elderly and Teleassistance segments:



	2004	2005
Residential centres	14	17
Residential places	2,438	3,069
Day-centres	22	23
Day-centres places	816	949
Teleassistance users	33,319	48,000
Home assistance users	6,223	8,200
<b><u>Total Revenues 2005</u></b>		<b><u>€85.0 million</u></b>

- MAPFRE ASISTENCIA transferred its subsidiary MAPFRE ASISTENCIA ORO to MAPFRE QUAVITAE.

1) MAPFRE QUAVITAE belongs to and is managed by the Assistance Operating Unit, although CORPORACIÓN MAPFRE controls the majority of its share capital.



## MAPFRE ASISTENCIA

- The increase in the net profit reflects:
  - sustained growth across most markets and business lines, and in particular Pecuniary Losses (€74.5 million, vs. €45.5 million in 2004) and Travel Insurance (€19.6 million, vs. €11.0 the previous year);
  - the first-time consolidation of ABRAXAS, which contributed revenues of €7 million and a net profit of €1 million;
  - the appreciation of several currencies against the Euro;
  - the increase in the expense ratio, which is due to the growth of the Pecuniary Losses business line, that is characterised by higher acquisition costs than the other lines, that are compensated by comparatively lower loss levels;
  - a €1.9 million gain from the transfer of MAPFRE ASISTENCIA ORO.
  
- The 2004 result under IFRS is lower than the figure under PGC/PGEA for the same period, due, among others, to the correction of some items.



	2005	2004	% 05/04
Total Income	<b>364.0</b>	271.1	34.3%
- Premiums written and accepted	<b>254.8</b>	191.2	33.3%
- Other income	<b>109.2</b>	79.9	36.7%
Gross result <sup>(1)</sup>	<b>14.2</b>	3.8	273.7%
Net result	<b>10.0</b>	3.6	177.8%
Equity	<b>92.3</b>	64.3	43.5%
Loss Ratio, Non-Life <sup>(2)</sup>	<b>71.1%</b>	73.7%	
Expense Ratio, Non-Life <sup>(2)</sup>	<b>25.3%</b>	21.0%	
Combined Ratio, Non-Life <sup>(2)</sup>	<b>96.4%</b>	94.7%	
ROE	<b>12.8%</b>	5.6%	

1) Before taxes and minority interest.

2) Ratios as a % of net premiums earned.

Million euros



# MAPFRE ASISTENCIA: Year 2006 strategy

- Insurance and Services:

- continue the expansion process, with a specific focus on Eastern Europe, the Middle East and Africa;
- increase volumes in the Travel Insurance, Pecuniary Losses and claims management businesses.

- Travel Agency:

- maintain sustained growth rates;
- boost viajesmapfre.com through ad-hoc initiatives and products.



- Services for the Elderly:

- consolidate the MAPFRE QUAVITAE brand;
- open new nursing homes.





Introduction SISTEMA MAPFRE in 2005

Section I CORPORACIÓN MAPFRE in 2005: key facts

Section II Analysis of results

Appendix

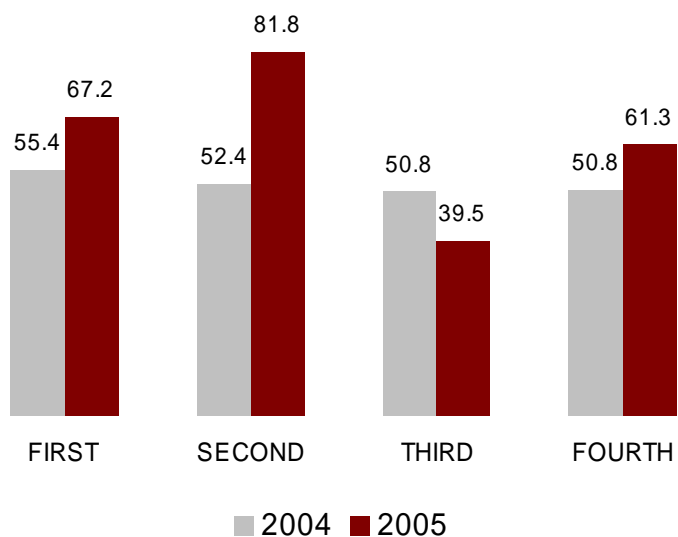
Calendar and contacts



# CORPORACIÓN MAPFRE: Consolidated quarterly results

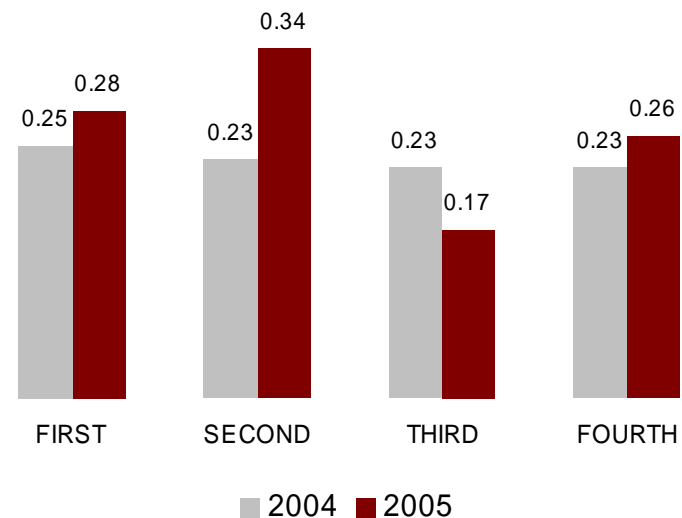


**Net Result by Quarter <sup>(1)</sup>**



1) Million euros

**Quarterly EPS (euros)**



# CORPORACIÓN MAPFRE:

## Profit breakdown by units and companies - 2004

	Net Result	Minority interests	Consolidation adjustments	Contribution to consolidated result 2004
<b>INSURANCE ACTIVITIES</b>				
LIFE AND SAVINGS	105.6	-51.8	---	53.8
GENERAL INSURANCE	70.5	-34.3	-0.7	35.5
COMMERCIAL INSURANCE	63.1	-22.3	-10.6	30.2
MAPFRE CAJA SALUD	3.9	-2.0	---	1.9
Consolidation adjustments				-8.1
MAPFRE-CAJA MADRID HOLDING				113.3
<b>OTHER ACTIVITIES</b>				
MAPFRE INMUEBLES	6.3	---	---	6.3
MAPFRE QUAVITAE	-5.7	3.1	---	-2.6
<b>COMPANIES OPERATING PRIMARILY IN SPAIN</b>				
	243.7	-107.3	-11.3	<b>117.0</b>
MAPFRE AMÉRICA	55.5	-8.4	---	47.1
MAPFRE RE	46.0	-5.6	---	40.4
ASSISTANCE OPERATING UNIT	3.6	---	---	3.6
MAPFRE INSULAR	0.8	---	---	0.8
<b>COMPANIES OPERATING PRIMARILY ABROAD</b>				
	105.9	-14.0	---	<b>91.9</b>
Other companies and consolidation adjustments				0.5
<b>CORPORACIÓN MAPFRE</b>				<b>209.4</b>

Million euros



# CORPORACIÓN MAPFRE:

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

ITEM	Gross amount	Tax	Minority Shrhldrs.	Attributable result
<b>Result at 31/12/04 under PGC/PCEA</b>	<b>403.4</b>	<b>-118.5</b>	<b>-102.0</b>	<b>182.9</b>
Reversal of goodwill amortisation	32.6	-2.6	-12.2	17.8
Reversal of the appropriation to the equalisation reserve	27.7	-9.8	-5.2	12.7
Differences in the valuation of technical reserves	-72.4	23.7	22.2	-26.6
Differences in the valuation of investments	80.5	-27.8	-25.6	27.1
Other items	7.8	-13.1	0.8	-4.5
<b>Result at 31/12/04 under IFRS</b>	<b>479.6</b>	<b>-148.1</b>	<b>-122.1</b>	<b>209.4</b>



Million euros



# CORPORACIÓN MAPFRE:

## Expense and loss ratios by unit and company

COMPANY	EXPENSE RATIO <sup>(1)</sup>		LOSS RATIO <sup>(2)</sup>		COMBINED RATIO <sup>(3)</sup>	
	2005	2004	2005	2004	2005	2004
<b>Companies operating primarily in Spain</b>						
GENERAL INSURANCE OP. UNIT	27.3%	28.1%	64.7%	64.5%	92.0%	92.6%
MAPRE EMPRESAS	13.1%	12.5%	78.0%	76.0%	91.1%	88.5%
MAPFRE CAUCIÓN Y CRÉDITO <sup>(4)</sup>	0.1%	-6.2%	78.7%	74.7%	78.8%	68.5%
MAPFRE CAJA SALUD	15.7%	16.1%	81.2%	82.5%	96.9%	98.6%
MAPFRE-CAJA MADRID HOLDING	21.1%	21.9%	71.2%	70.8%	92.3%	92.7%
<b>Companies operating primarily abroad</b>						
MAPFRE AMERICA	34.8%	34.1%	68.2%	67.1%	103.0%	101.2%
MAPFRE RE	32.1%	33.2%	67.6%	58.5%	99.7%	91.7%
MAPFRE ASISTENCIA	25.3%	21.0%	71.1%	73.7%	96.4%	94.7%
<b>CORPORACION MAPFRE (Consolidated)</b>	<b>28.1%</b>	<b>27.5%</b>	<b>69.5%</b>	<b>67.6%</b>	<b>97.6%</b>	<b>95.1%</b>
MAPFRE VIDA <sup>(5)</sup>	0.9%	0.9%				

- 1) (Operating expenses, net of reinsurance + profit sharing and returns – other technical income + other technical expenses) / Net premiums earned. Figures correspond to the Non-Life technical account.
- 2) (Net claims incurred + variation of other technical reserves)/Net premiums earned. Figures correspond to the Non-Life technical account.
- 3) Combined ratio = Expense ratio + Loss ratio. Figures correspond 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) Net operating expenses/average third-party funds under management



# CORPORACIÓN MAPFRE:

## Balance sheet



	2005	2004	% Var.
<b>ASSETS</b>			
Goodwill	596.0	502.8	18.5%
Fixed assets	502.6	417.3	20.4%
Investments	20,165.9	18,134.1	11.2%
Participation by reinsurance in technical reserves	1,642.2	1,165.1	40.9%
Other assets	4,514.3	3,599.2	25.4%
<b>TOTAL ASSETS</b>	<b>27,421.0</b>	<b>23,818.6</b>	<b>15.1%</b>
<b>LIABILITIES</b>			
Shareholders' Equity	2,183.6	1,851.3	17.9%
Minority interests	977.7	860.8	13.6%
Debt	515.1	400.2	28.7%
Technical reserves	20,427.2	17,823.8	14.6%
- Life insurance reserves	14,778.5	13,538.0	9.2%
- Other technical reserves	5,648.7	4,285.9	31.8%
Reserves for risks and expenses	107.7	109.3	-1.5%
Other liabilities	3,209.7	2,773.1	15.7%
<b>TOTAL LIABILITIES</b>	<b>27,421.0</b>	<b>23,818.6</b>	<b>15.1%</b>

Million euros



# CORPORACIÓN MAPFRE:

## Breakdown of premiums and technical reserves

	Life insurance reserves			Other technical reserves			Technical Reserves			Written and accepted premiums		
	2005	2004	% Var.	2005	2004	% Var.	2005	2004	% Var.	2005	2004	% Var.
LIFE	<b>14,509.7</b>	12,898.3	12.5%	<b>211.3</b>	143.2	47.6%	<b>14,721.0</b>	13,041.5	12.9%	<b>1,915.3</b>	1,844.8	3.8%
GENERAL INSURANCE	<b>50.0</b>	48.7	2.7%	<b>1,141.4</b>	944.7	20.8%	<b>1,191.4</b>	993.4	19.9%	<b>1,140.2</b>	1,021.1	11.7%
COMMERCIAL INSURANCE	---	441.5	---	<b>1,897.6</b>	1,592.6	19.2%	<b>1,897.6</b>	2,034.1	-6.7%	<b>1,101.5</b>	1,080.6	1.9%
HEALTH	---	---	---	<b>66.4</b>	55.7	19.2%	<b>66.4</b>	55.7	19.2%	<b>353.3</b>	316.8	11.5%
AMÉRICA	<b>96.8</b>	63.3	52.9%	<b>1,188.0</b>	795.6	49.3%	<b>1,284.8</b>	858.9	49.6%	<b>1,655.0</b>	1,289.1	28.4%
RE	<b>121.0</b>	92.6	---	<b>1,461.0</b>	1,000.2	46.1%	<b>1,582.0</b>	1,092.8	44.8%	<b>1,337.4</b>	1,132.6	18.1%
ASISTENCIA	---	---	---	<b>133.9</b>	82.9	61.5%	<b>133.9</b>	82.9	61.5%	<b>254.8</b>	191.2	33.3%
MAPFRE ASIAN	---	---	---	<b>9.6</b>	7.3	31.5%	<b>9.6</b>	7.3	31.5%	<b>12.9</b>	10.0	29.0%
Adjustments MAPFRE RE	---	---	---	<b>-319.5</b>	-282.5	---	<b>-319.6</b>	-282.5	---	<b>-481.6</b>	-438.0	---
Other adjustments	1.0	-6.4	---	<b>-141.0</b>	-53.9	---	<b>-139.9</b>	-60.3	---	<b>-28.5</b>	-33.7	---
<b>CORPORACIÓN MAPFRE</b>	<b>14,778.5</b>	<b>13,538.0</b>	<b>9.2%</b>	<b>5,648.7</b>	<b>4,285.9</b>	<b>31.8%</b>	<b>20,427.2</b>	<b>17,823.8</b>	<b>14.6%</b>	<b>7,260.3</b>	<b>6,414.5</b>	<b>13.2%</b>



Million euros



# CORPORACIÓN MAPFRE:

## Breakdown of equity by units and subsidiaries

	Equity					
	2005		2004		% Var.	
	Share of		Share of			
	Corp. Mapfre	Minority shrhldrs.	Corp. Mapfre	Minority shrhldrs.	Corp. Mapfre	Minority shrhldrs.
LIFE	311.9	300.5	275.1	265.0	13.4%	13.4%
GENERAL INSURANCE	157.5	151.3	179.0	171.9	-12.0%	-12.0%
COMMERCIAL INSURANCE	139.3	134.0	123.9	119.1	12.4%	12.5%
HEALTH	54.2	52.1	49.0	47.0	10.6%	10.9%
Consolidation adjustments/minority interest	134.4	128.1	86.9	82.9	54.7%	54.5%
MAPFRE-CAJA MADRID	797.3	766.0	713.9	685.9	11.7%	11.7%
AMÉRICA	713.1	98.1	460.5	81.8	54.9%	19.9%
RE	547.3	75.3	472.7	65.1	15.8%	15.7%
ASISTENCIA	95.1	---	67.0	---	41.9%	---
OTHER COMPANIES	161.9	0.1	90.4	0.1	79.1%	---
Consolidation adjustments/minority interest	-131.1	38.2	46.8	27.9	---	36.9%
<b>CORPORACIÓN MAPFRE</b>	<b>2,183.6</b>	<b>977.7</b>	<b>1,851.3</b>	<b>860.8</b>	<b>17.9%</b>	<b>13.6%</b>

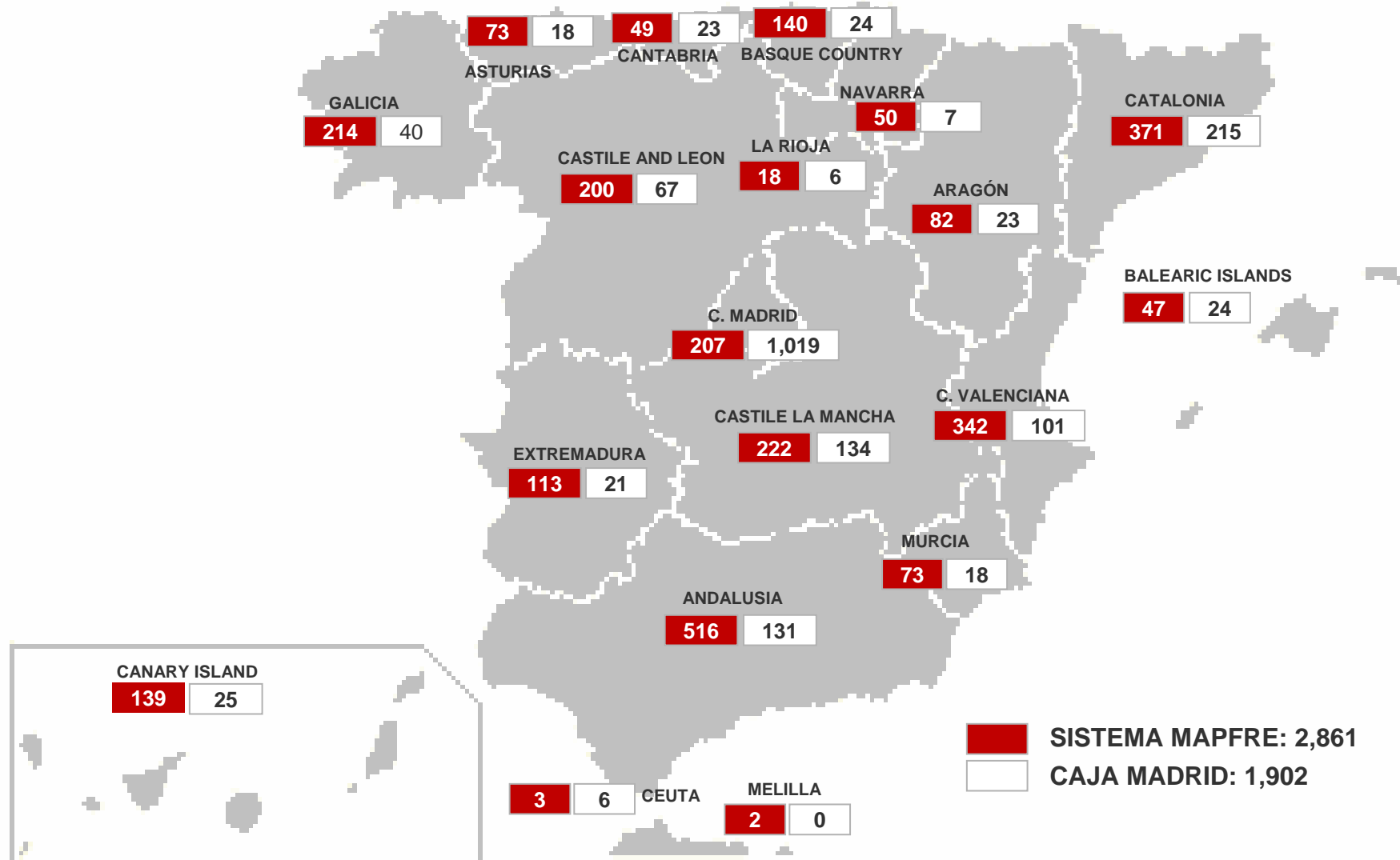


Million euros





# MAPFRE: Spanish distribution network - 2005



# CORPORACIÓN MAPFRE:

## Breakdown of consolidated investments

	2005	% over total	2004	% over total
<b>Risk-free investments</b>	<b>1,264.4</b>	<b>5.8%</b>	<b>1,261.9</b>	<b>6.4%</b>
- Cash	964.7	4.4%	900.8	4.6%
- Unit-linked investments	299.7	1.4%	361.1	1.8%
<b>Real Estate Investments</b>	<b>722.8</b>	<b>3.3%</b>	<b>618.6</b>	<b>3.1%</b>
- Buildings for own use	377.7	1.7%	304.3	1.5%
- Other Real Estate investments	345.1	1.6%	314.3	1.6%
<b>Financial investments</b>	<b>19,585.8</b>	<b>89.8%</b>	<b>17,586.2</b>	<b>89.3%</b>
- Shares	448.5	2.1%	410.3	2.1%
- Fixed income	17,850.8	81.9%	15,747.5	79.9%
- Mutual funds	905.3	4.2%	794.6	4.0%
- Other financial investments	381.2	1.7%	633.8	3.2%
<b>Other investments</b>	<b>235.0</b>	<b>1.1%</b>	<b>233.6</b>	<b>1.2%</b>
- Investments in associated companies	104.4	0.5%	78.3	0.4%
- Accepted reinsurance deposits	97.9	0.4%	113.1	0.6%
- Other investments	32.7	0.1%	42.1	0.2%
<b>TOTAL</b>	<b>21,808.0</b>	<b>100.0%</b>	<b>19,700.3</b>	<b>100.0%</b>



Million euros



# MAPFRE SEGUROS GENERALES:

## Premiums by branch of business



	<b>2005</b>	2004
Accidents	108.8	96.8
Motor other risks	27.9	34.6
Motor civil liability	116	110.9
Burial	213	202.0
Commercial combined	109.3	98.5
Condominiums combined	113.5	101.2
Household combined	372.3	320.9
Industrial combined	9.4	8.9
Other damages to property	16.9	13.2
Pecuniary losses	23.1	10.1
Civil liability	16.3	14.3
Marine hull	4	2.9
Marine goods	2	2.2
Life	7.7	4.6
<b>TOTAL</b>	<b>1,140.2</b>	<b>1,021.1</b>

Million euros

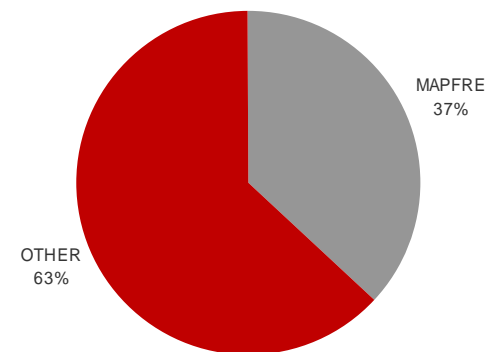
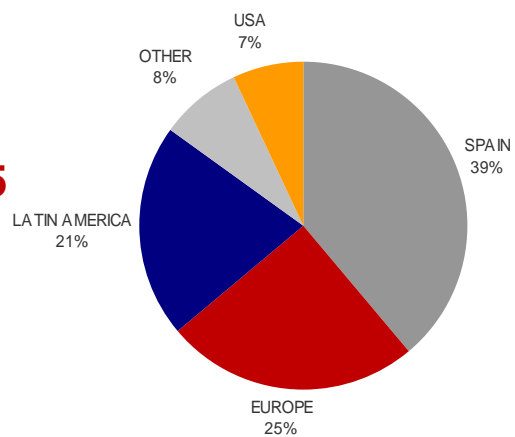


# MAPFRE RE: Premiums breakdown

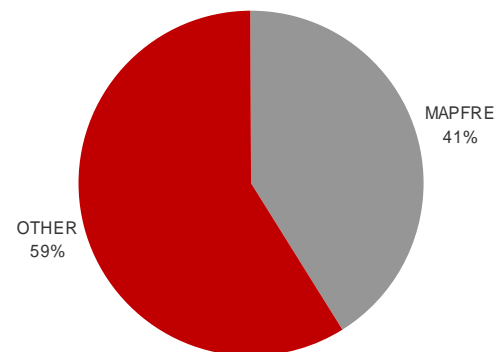
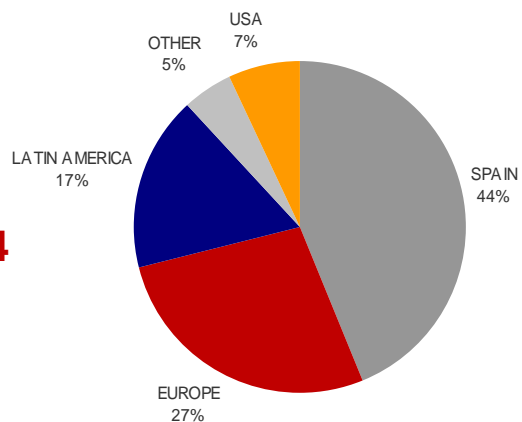
**BY REGION**

**BY CEDENT**

**2005**



**2004**

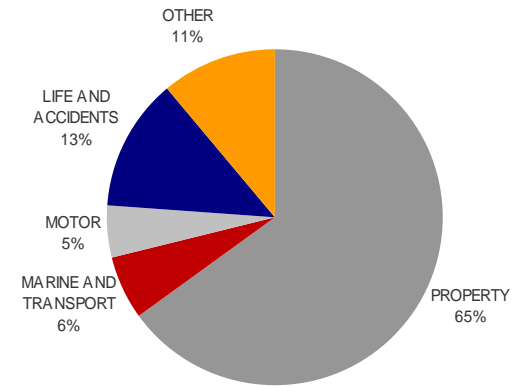
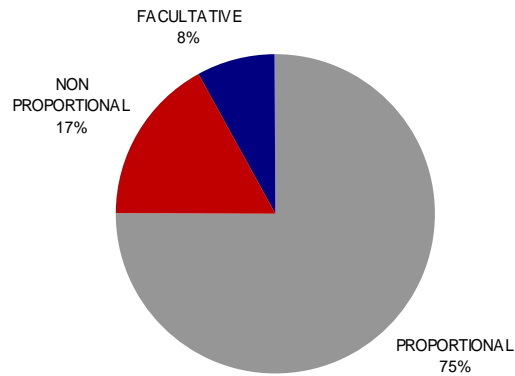


# MAPFRE RE: Premiums breakdown

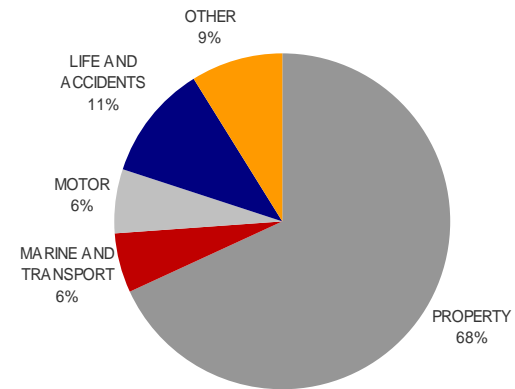
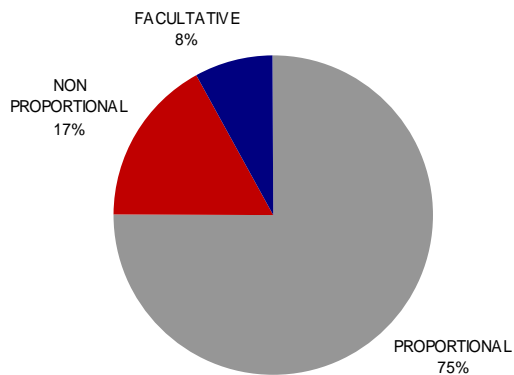
## BY TYPE OF BUSINESS

## BY BRANCH OF BUSINESS

**2005**



**2004**



# SISTEMA MAPFRE:

## Consolidated income statement



	2005	2004
<b>NON-LIFE INSURANCE AND REINSURANCE</b>		
Gross written and accepted premiums	7,801.1	6,736.0
Premiums earned, net of ceded and retroceded reinsurance	6,409.1	5,476.5
Net claims incurred and variation in other technical provisions	-4,712.5	-3,841.8
Operating expenses, net of reinsurance	-1,349.8	-1,105.9
Other technical income and expenses	-64.7	-90.7
<b>TECHNICAL RESULT</b>	<b>282.1</b>	<b>438.1</b>
Net financial and other non-technical income	401.8	263.5
<b>Result of the Non-life business</b>	<b>683.9</b>	<b>701.6</b>
<b>LIFE INSURANCE AND REINSURANCE</b>		
Gross written and accepted premiums	2,309.0	2,176.0
Premiums earned, net of ceded and retroceded reinsurance	2,176.1	2,077.9
Net claims incurred and variation in other technical provisions	-2,558.2	-2,467.2
Operating expenses, net of reinsurance	-269.2	-224.0
Other technical income and expenses	-9.7	-14.1
<b>TECHNICAL RESULT</b>	<b>-661.0</b>	<b>-627.4</b>
Net financial and other non-technical income	763.7	736.2
Unrealised gains and losses in unit-linked investments	25.6	18.3
<b>Result of the Life business</b>	<b>128.3</b>	<b>127.1</b>
<b>OTHER BUSINESS ACTIVITIES</b>		
Operating income	406.4	295.7
Operating expenses	-355.5	-275.3
Other income and expenses	8.9	-1.8
<b>Result of the Other Business Activities</b>	<b>59.8</b>	<b>18.6</b>
<b>Result before tax and minority shareholders</b>	<b>872.0</b>	<b>847.3</b>
Taxes	-234.0	-227.8
<b>Result after tax</b>	<b>638.0</b>	<b>619.5</b>
Non-life loss ratio <sup>(1)</sup>	73.5%	70.2%
Non-life expense ratio <sup>(1)</sup>	22.1%	21.8%
Non-life combined ratio <sup>(1)</sup>	95.6%	92.0%
Life expense ratio <sup>(2)</sup>	1.6%	1.6%

- 1) Ratios calculated over net premiums earned
- 2) Net operating expenses/average third-party funds under management.

Million euros



# CORPORACIÓN MAPFRE:

## Use of the April 2004 capital increase (rounded-up figures)

- As was announced in the capital increase, CORPORACIÓN MAPFRE has used the funds raised to fund new acquisitions and invest in organic growth in business segments in which it can leverage its competitive advantages:
  - The financing of the net investment in the acquisition of MUSINI, now MAPFRE EMPRESAS, through which MAPFRE more than doubled its market share in commercial insurance, in which it now is by far the market leader.
  - The capital increases at MAPFRE RE have supported the rapid growth in business volumes and to preserve its financial strength.
  - The acquisition of NOSSA CAIXA (Brazil) by MAPFRE AMÉRICA will boost the growth of the business volumes, market share and results of the Group in Brazil.
  - The investments in MAPFRE ASISTENCIA and MAPFRE QUAVITAE allow MAPFRE to access on a significant scale new business lines with attractive growth and results perspectives, such as services for the Elderly.



- MUSINI	100
- MAPFRE RE	190
- MAPFRE QUAVITAE	30
- MAPFRE AMÉRICA	90
- MAPFRE ASISTENCIA	70
	<hr/>
	<b>480</b>

Million euros



Introduction SISTEMA MAPFRE in 2005

Section I CORPORACIÓN MAPFRE in 2005: key facts

Section II Analysis of results


Appendix

**Calendar and contacts**





## Provisional calendar for the year 2006

- 08/02/06 Release of year 2005 results
- 08/02/06 Analysts' presentation, year 2005 results - Madrid
- 09/02/06 Analysts' presentation, year 2005 results - London
- 27/04/06 Release of first quarter 2006 interim results
- 27/04/06 Analysts' presentation, first quarter 2006 interim results – Madrid
- 27/04/06 Annual General Meeting
- 28/04/06 Analysts' presentation, first quarter 2006 interim results - London
-  25/07/06 Release of first half 2006 results
- 26/10/06 Release of third quarter 2006 interim results
- 26/10/06 Analysts' presentation, third quarter 2006 interim results – Madrid
- 27/10/06 Analysts' presentation, third quarter 2006 interim results – London

Dates may be subject to changes



## Investor Relations Department

Luigi Lubelli  
Finance Director  
+34-91-581-6071

Beatriz Izard Pereda  
+34-91-581-2061

Antonio Triguero Sánchez  
+34-91-581-5211



Marisa Godino Alvarez  
Assistant  
+34-91-581-2985

CORPORACIÓN MAPFRE, S.A.  
Investor Relations Department  
Carretera de Pozuelo, nº 52  
28220 Majadahonda  
[relacionesconinversores.cormap@mapfre.com](mailto:relacionesconinversores.cormap@mapfre.com)



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MAPFRE does not undertake to update or revise periodically the content of this document.

