



*Consolidated annual
accounts 2004*

Balance Sheet

CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2004 AND 2003

Assets	2004	2003
A SHAREHOLDERS, UNCALLED CAPITAL		--
B INTANGIBLE ASSETS AND START-UP EXPENSES	539,688	547,706
I. Start-up expenses	17,869	9,360
1.) Incorporation expenses	111	2
2.) Start-up expenses	4,936	3,617
3.) Capital increase expenses	12,822	5,741
II. Intangible fixed assets	512,289	536,644
1.) Portfolio acquisition expenses	15,352	17,977
2.) Other intangible fixed assets	232,363	128,455
3.) Accumulated depreciation (to be deducted)	(79,217)	(66,139)
4.) Goodwill		
Of companies consolidated by full or proportional integration	334,216	443,237
Of companies consolidated by the equity method	9,575	13,114
III. Deferred expenses	9,530	1,702
1.) Advanced commissions and acquisition related expenses	4,877	--
2.) Other expenses	4,653	1,702
C INVESTMENTS	16,065,958	14,736,492
I. Tangible investments	638,761	527,741
1.) Land and buildings	684,992	596,103
2.) Other tangible investments	31,996	14,345
3.) Advances and tangible investments in progress	27,544	5,855
4.) Accumulated depreciation (to be deducted)	(103,304)	(86,434)
5.) Reserves (to be deducted)	(2,467)	(4,128)
II. Financial investments in subsidiaries and associated companies	2,375	3,986
1.) Shares in subsidiaries	121	232
2.) Shares in associated companies	43	21
3.) Other investments	2,213	3,733
5.) Reserves (to be deducted)	(2)	--
III. Financial investments recorded by equity method	261,816	251,822
1.) Financial investments in cos. consolidated by equity method		
Shares and other interest in cos. consolidated by equity method	265,565	266,090
Uncalled capital (to be deducted)	(5,038)	(15,963)
Loans to companies recorded by equity method	1,289	1,695
IV. Other financial investments	15,046,535	13,881,656
1.) Financial investments in capital	304,345	201,115
2.) Uncalled capital (to be deducted)	(7)	(9)
3.) Fixed-income securities	12,969,680	11,410,628
4.) Index-linked securities	46,117	31,416
5.) Mortgage loans	8,953	11,379
6.) Other loans and advances on policies	190,902	235,169
7.) Investment fund units	759,103	699,587
8.) Deposits held with credit institutions	573,428	532,936
9.) Other financial investments	214,970	785,206
10.) Reserves (to be deducted)	(20,956)	(25,771)
V. Deposits for accepted reinsurance	116,471	71,287
D INVESTMENTS ON ACCOUNT OF LIFE POLICY HOLDERS ASSUMING INVESTMENT RISK	361,141	446,101
D (bis) PARTICIPATION BY REINSURANCE IN TECHNICAL RESERVES	1,166,438	1,041,316
I.) Provisions for unearned premiums	475,393	385,580
II.) Provision for life insurance	9,570	5,382
III.) Provision for outstanding claims	681,475	650,354
IV.) Other technical reserves	--	--

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E	CREDITS	1,328,174	1,219,420
	I. Credits on direct insurance operations	921,149	843,207
	1.) Insurance policy holders	931,916	844,796
	2.) Provisions for premiums pending collection (to be deducted)	(34,018)	(31,675)
	3.) Brokers	31,201	36,363
	4.) Provisions (to be deducted)	(7,950)	(6,277)
	II. Credits on reinsurance operations	190,811	175,892
	III. Credits on coinsurance operations	22,242	20,313
	IV. Shareholders, called capital	--	--
	V. Tax, corporate and other credits	210,485	194,671
	VI. Provisions (to be deducted)	(16,513)	(14,663)
F	OTHER ASSETS	962,715	604,225
	I. Tangible fixed assets	81,357	72,468
	1.) Fixed assets	214,445	189,012
	2.) Accumulated depreciation (to be deducted)	(133,069)	(116,518)
	3.) Provisions (to be deducted)	(19)	(26)
	II. Cash held with credit institutions, cheques and cash on hand	856,370	502,662
	III. Other assets	25,028	29,260
	IV. Provisions (to be deducted)	(40)	(165)
G	ACCRUALS	582,314	479,094
	I. Interest accrued and not yet due	263,505	237,997
	II. Premiums accrued and not issued	8,132	3,451
	III. Other accrual accounts	7,212	6,660
	IV. Commissions and other acquisition expenses	303,465	230,986
	TOTAL ASSETS	21,006,428	19,074,354

Figures in EUR 000s

CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2004 AND 2003

Liabilities		2004	2003
A	CAPITAL AND RESERVES	1,671,345	1,088,468
	I. Subscribed capital or mutual fund	119,450	90,782
	II. Share premium	18,439	18,439
	III. Revaluation reserves	--	--
	IV. Reserves	1,298,156	779,341
	1.) Legal reserve	23,890	18,187
	2.) Voluntary reserves	855,840	389,666
	3.) Special reserves	153	153
	4.) Other reserves	113,519	91,151
	5.) Reserves in consolidated companies		
	Reserves in companies consolidated by full or proportional integration	661,502	595,440
	Reserves in companies consolidated by the equity method	15,546	11,201
	6.) Translation differences		
	Of companies consolidated by full or proportional integration	(369,391)	(324,312)
	Of companies consolidated by the equity method	(2,903)	(2,145)
	V. Results from previous years pending application	88,193	78,590
	1.) Brought forward	88,193	78,590
	VI. Profit and Loss attributable to Controlling Company	147,107	121,316
	1.) Consolidated Profit and Loss	284,961	228,169
	2.) Profit and Loss attributable to minority shareholders	(102,019)	(86,881)
	3.) Interim dividend paid in year (to be deducted)	(35,835)	(19,972)
A (bis)	MINORITY INTERESTS	731,408	675,733
A (ter)	DEFERRED INCOME	16,449	12,363
	1.) Positive foreign currency differences	10,621	8,470
	2.) Commissions and other management expenses on ceded reinsurance	687	888
	3.) Deferred income on disposal of fixed-income securities	2,086	--
	4.) Negative consolidation difference		
	Of companies consolidated by full or proportional integration	2,416	2,366
	Of companies consolidated by the equity method	639	639
B	SUBORDINATED LIABILITIES	--	--
C	TECHNICAL RESERVES	16,180,870	14,883,594
	I. Reserves for unearned premiums and for unexpired risks	1,808,398	1,501,333
	II. Reserves for life insurance	11,791,545	11,133,490
	1.) Reserves for unearned premiums and for unexpired risks	81,642	61,421
	2.) Mathematical reserves	11,709,903	11,072,069
	III. Reserves for outstanding claims	2,245,231	1,974,127
	IV. Reserves for profit sharing and returns	35,383	30,487
	V. Equalisation reserves	103,759	72,049
	VI. Other technical reserves	196,554	172,108
D	TECHNICAL RESERVES RELATING TO LIFE INSURANCE WHEN INVESTMENT RISK IS ASSUMED BY POLICY HOLDERS	361,141	446,101
E	PROVISIONS FOR RISKS AND EXPENSES	111,510	111,503
	I. Provision for pensions and similar obligations	2,221	5,296
	II. Provision for taxes	36,630	34,637
	III. Provision for payments of liquidation agreements	2,623	2,743
	IV. Other provisions	70,036	68,827

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F	DEPOSITS RECEIVED ON CEDED REINSURANCE	147,724	112,068
G	DEBT	1,636,204	1,633,589
	I. Due on direct insurance operations	326,482	293,369
	1.) Due to policy holders	88,266	77,220
	2.) Due to brokers	19,385	23,925
	3.) Conditioned debt	218,831	192,224
	II. Due on reinsurance operations	235,216	217,257
	III. Due on coinsurance operations	28,888	17,851
	IV. Loans	275,000	275,000
	V. Due to credit institutions	78,049	160,150
	1.) Debt on financial leases	2,772	2,513
	2.) Other debt	75,277	157,637
	VI. Due on transactions in preparation of insurance contracts	104,531	46,002
	VII. Due on repos of assets	--	--
	VIII. Other debt	588,038	623,960
H	ACCRUALS	149,777	110,935
	TOTAL LIABILITIES	21,006,428	19,074,354

Figures in EUR 000s

Profit and Loss Account

CONSOLIDATED PROFIT AND LOSS ACCOUNT AS AT 31 DECEMBER 2004 AND 2003

I. Technical account non life insurance		2004	2003
I.1	Earned premiums, net of reinsurance	3,207,167	2,745,277
	a) Premiums written	4,391,066	3,595,111
	a.1.) Direct insurance	3,613,276	3,002,499
	a.2.) Accepted reinsurance	783,880	596,917
	a.3.) Variation in reserve for outstanding premiums	(6,090)	(4,305)
	b) Premiums from ceded reinsurance	(932,092)	(665,053)
	c) Variation in reserve for unearned premiums and risks in progress	(352,035)	(213,481)
	c.1.) Direct insurance	(229,035)	(152,310)
	c.2.) Accepted reinsurance	(123,000)	(61,171)
	d) Variation in reserve for unearned premiums, ceded reinsurance	100,228	28,700
I.2	Income from investments	244,439	264,470
	a) Income from tangible investments	8,814	8,276
	b) Income from financial investments	220,709	219,110
	c) Adjustments to the value of investments	2,230	13,724
	c.1.) Tangible investments	45	558
	c.2.) Financial investments	2,185	13,166
	d) Profits on realised investments	12,686	23,360
	d.1.) Tangible investments	1,044	1,319
	d.2.) Financial investments	11,642	22,041
I.3	Other technical income	10,025	6,107
I.4	Claims incurred, net of reinsurance	2,116,812	1,826,716
	a) Claims paid	1,723,209	1,571,875
	a.1.) Direct insurance	1,761,295	1,530,344
	a.2.) Accepted reinsurance	337,894	321,644
	a.3.) Ceded reinsurance	(375,980)	(280,113)
	b) Variation in reserve for claims	260,109	140,731
	b.1.) Direct insurance	267,974	130,881
	b.2.) Accepted reinsurance	30,133	(15,576)
	b.3.) Ceded reinsurance	(37,998)	25,426
	c) Claims handling expenses	133,494	114,110
I.5	Variation in other technical reserves, net of reinsurance	32,065	35,142
I.6	Sharing in profits and returns	2,405	2,274
	a) Claims and expenses on sharing in profits and returns	3,241	2,340
	b) Variation in the provision for sharing in profits and returns	(836)	(66)
I.7	Net operating expenses	828,253	732,034
	a) Acquisition expenses	804,993	701,223
	b) Administration expenses	156,209	140,870
	c) Commissions and participation in ceded and retroceded reinsurance	(132,949)	(110,059)
I.8	Variation in the equalisation reserve	31,707	31,368
I.9	Other technical expenses	53,449	59,040
	a) Variation in reserves for insolvencies	(3,832)	5,088
	b) Variation in reserves for depreciation of fixed assets	204	--
	c) Variation in claims on claim liquidation agreements	(828)	440
	d) Others	57,905	53,512
I.10	Expenses on investments	83,814	90,505
	a) Investment management expenses	73,354	75,489
	a.1.) Expenses on investments and financial accounts	68,490	70,713
	a.2.) Expenses on tangible investments	4,864	4,776
	b) Adjustments to the value of investments	7,299	6,270
	b.1.) Depreciation tangible investments	3,199	2,907
	b.2.) Provisions for tangible investments	29	878
	b.3.) Provisions for financial investments	4,071	2,485
	c) Losses from investments	3,161	8,746
	c.1.) From tangible investments	465	1,469
	c.2.) From financial investments	2,696	7,277
I.11	Sub total (Result of the Non Life technical account)	313,126	238,775

Figures in EUR 000s

CONSOLIDATED PROFIT AND LOSS ACCOUNT AS AT 31 DECEMBER 2004 AND 2003

II. Technical account life insurance		2004	2003
II.1	Earned premiums, net of reinsurance	1,934,964	1,665,031
	a) Premiums written	2,025,317	1,715,379
	a.1.) Direct insurance	1,944,503	1,682,104
	a.2.) Accepted reinsurance	78,968	33,301
	a.3.) Variation in reserve for outstanding premiums	1,846	(26)
	b) Premiums from ceded reinsurance	(75,412)	(42,682)
	c) Variation in reserve for unearned premiums and risks in progress	(20,125)	(1,917)
	c.1.) Direct insurance	(1,430)	5,766
	c.2.) Accepted reinsurance	(18,695)	(7,683)
	d) Variation in reserve for unearned premiums, ceded reinsurance	5,184	(5,749)
II.2	Income from investments	844,036	704,817
	a) Income from tangible investments	22,326	21,751
	b) Income from financial investments	774,272	620,392
	c) Adjustments to the value of investments	6,005	21,840
	c.1.) Tangible investments	223	11
	c.2.) Financial investments	5,782	21,829
	d) Profits on realised investments	41,433	40,834
	d.1.) Tangible investments	2,539	--
	d.2.) Financial investments	38,894	40,834
II.3	Unrealised gains from investments	18,699	24,932
II.4	Other technical income	520	136
II.5	Claims incurred, net of reinsurance	1,780,101	1,255,134
	a) Claims paid	1,761,223	1,230,418
	a.1.) Direct insurance	1,769,390	1,239,510
	a.2.) Accepted reinsurance	34,240	19,017
	a.3.) Ceded reinsurance	(42,407)	(28,109)
	b) Variation in reserve for claims	12,095	19,175
	b.1.) Direct insurance	4,914	17,117
	b.2.) Accepted reinsurance	10,597	(428)
	b.3.) Ceded reinsurance	(3,416)	2,486
	c) Claims handling expenses	6,783	5,541
II.6	Variation in other technical reserves, net of reinsurance	532,173	727,786
	a) Reserves for life insurance	617,133	856,377
	a.1.) Direct insurance	612,214	848,584
	a.2.) Accepted reinsurance	4,001	(2,124)
	a.3.) Ceded reinsurance	918	9,917
	d) Reserves for life insurance when investment risk is assumed by holders	(84,960)	(128,591)
II.7	Sharing in profits and returns	30,860	23,357
	a) Claims and expenses on sharing in profits and returns	25,101	22,467
	b) Variation in the reserve for sharing in profits and returns	5,759	890
II.8	Net operating expenses	126,236	103,051
	a) Acquisition expenses	124,386	102,698
	b) Variation in the amount of deferred acquisition expenses	--	--
	c) Administration expenses	30,585	28,747
	d) Commissions and participation of ceded and retroceded reinsurance	(28,735)	(28,394)
II.9	Expenses on investments	209,084	168,603
	a) Management expenses on investments	199,220	138,105
	a.1.) Expenses from investments and financial accounts	191,550	130,503
	a.3.) Expenses from tangible investments	7,670	7,602
	b) Adjustments to the value of investments	4,795	9,436
	b.1.) Depreciation tangible investments	3,570	3,393
	b.2.) Provisions for tangible investments	--	--
	b.3.) Provisions for financial investments	1,225	6,043
	c) Losses from investments	5,069	21,062
	c.1.) From tangible investments	245	462
	c.2.) From financial investments	4,824	20,600
II.10	Unrealised losses on investments	153	50
II.11	Other technical expenses	15,325	12,712
II.12	Sub total (Result of the Life technical account)	104,287	104,223

Figures in EUR 000s

CONSOLIDATED PROFIT AND LOSS ACCOUNT AS AT 31 DECEMBER 2004 AND 2003

III. Non technical account		2004	2003
III.1	Result of the Non Life technical account	313,126	238,775
III.2	Result of the Life technical account	104,287	104,223
III.3	Income from Life investments	121,219	103,845
	a) Income from tangible investments	6,839	6,230
	b) Income from financial investments	63,738	60,700
	c) Positive translation results	666	213
	d) Profit sharing of companies consolidated by the equity method	36,424	30,597
	e) Adjustments to the value of investments	4,489	2,593
	f) Profits from realised investments	9,063	3,512
III.3 (bis)	Reversion of negative consolidation differences	--	--
III.3 (ter)	Monetary correction – positive result	33	179
III.4	Expenses from investments	91,802	80,735
	a) Investment management expenses	46,984	42,618
	a.1.) Expenses from investments and financial accounts	44,641	40,309
	a.3.) Expenses from tangible investments	2,343	2,309
	b) Adjustments to the value of investments	5,223	5,695
	b.1.) Depreciation of tangible investments	911	1,749
	b.2.) To provisions for tangible investments	25	26
	b.3.) To provisions for financial investments	4,287	3,920
	c) Expenses from investments in companies recorded by equity method	3,265	5,475
	d) Negative translation results	122	--
	e) Losses from investments	4,086	1,347
	f) Amortisation of consolidation goodwill	32,122	25,600
III.4 (bis)	Monetary correction – negative result	12,821	11,101
III.5	Other income	116,316	75,767
	a) Profits on disposal of shares in companies consolidated by full or proportional integration	--	--
	b) Profits on disposal of shares recorded by the equity method	--	260
	c) Profits on transactions with Controlling Company's shares and with Group financial liabilities	--	--
	d) Other non technical income	116,316	75,507
III.6	Other expenses	145,634	97,004
	a) Losses on disposal of shares in companies consolidated by full or proportional integration	--	--
	b) Losses on disposal of shares recorded by the equity method	--	--
	c) Losses on transactions with Controlling Company's shares and with Group financial liabilities	--	--
	d) Other non technical expenses	145,634	97,004
III.7	Extraordinary income	10,487	10,378
III.8	Extraordinary expenses	11,829	23,730
III.9	Tax on profits	118,421	92,428
III.10	Result for the year	284,961	228,169
	a) Result attributable to minority shareholders	102,019	86,881
	b) Result of the year attributable to the controlling company	182,942	141,288

Figures in EUR 000s

Annual Report

1 GENERAL OVERVIEW ON THE COMPANY AND ITS ACTIVITY

CORPORACIÓN MAPFRE, S.A. (hereinafter the "Controlling Company" or "CORPORACIÓN MAPFRE") is a public limited company engaged in securities investments, parent of a number of controlled companies engaged in insurance in its various branches, both Life and Non Life, services, finance, securities and real estate investment and technical management activities.

The definition of the consolidatable group has been established in accordance with Royal Decree Act 6/2004, of 29 October, approving the consolidated text of the Act on Disposition and Supervision of Private Insurance, and with Royal Decree 2486/1998, of 20 November.

CORPORACIÓN MAPFRE is, in turn, subsidiary of MAPFRE MUTUALIDAD de Seguros y Reaseguros a Prima Fija (hereinafter "MAPFRE MUTUALIDAD") and forms part of SISTEMA MAPFRE, consisting of MAPFRE MUTUALIDAD and several companies engaged in insurance, financial, securities, real estate and services activities.

The scope of activity of the Controlling Company and its subsidiaries includes Spain, European Economic Area countries, and other countries.

Its corporate domicile is located in Madrid, Paseo de Recoletos, 25.

In Spain, SISTEMA MAPFRE is structured as follows:

a) Central Services

These concentrate the technical and administrative functions of insurance management, the creation of new products, the preparation and development of marketing campaigns, as well as the provision of new commercial distribution networks for territorial offices.

b) MAPFRE Network

The extensive and growing territorial network of SISTEMA MAPFRE (MAPFRE NETWORK) is divided into 22 geographical divisions, or Sub-centrals, where marketing activities, as well as operating and administrative activities, are coordinated and promoted.

The new territorial structure model, which started to operate in 2004, has been implemented generally with effect 1st January 2005. As a result, the MAPFRE NETWORK is structured, from the said date, in forty territorial management centres, grouped around seven Territorial General Management Centres.

The MAPFRE NETWORK consists of the following elements:

- Direct Offices: these are serviced by staff from MAPFRE MUTUALIDAD and its subsidiaries, and essentially carry out marketing tasks, issuance of policies, attention to the public, and support to the agents' network.

- Delegate Offices: they are SISTEMA MAPFRE offices serviced by a fully captive agent; their work focuses virtually on the sale of MAPFRE MUTALIDAD's and its controlled companies' products.
- Agents: SISTEMA MAPFRE has a high number of commission agents, who act as brokers in the writing of transactions by virtue of cooperation agreements. Irrespectively of this, SISTEMA MAPFRE holds relationships with a large number of Insurance Brokers who contribute transactions, and also distributes through the branch offices of CAJA MADRID, a major Spanish credit institution, with which it has a corporate alliance in place.

The controlled companies have adapted their internal structure and distribution systems to the peculiarities of the markets where they are active.

2 SUBSIDIARIES AND ASSOCIATED COMPANIES

Subsidiaries and associated companies included in the consolidation are identified and their details are given in the table of shareholdings forming an integral part of this annual report as Appendix 1. The said appendix provides a breakdown of the controlled companies included in the consolidation as fully consolidated and those consolidated by the equity method, indicating also which associated companies have been consolidated by the equity method.

The equity method procedure has been chosen when subsidiaries have activities sufficiently different so as to consider that their inclusion would prove contrary to the information purpose of the consolidated annual accounts, as well as for those controlled companies excluded from the consolidatable group pursuant to article 20.3 of Royal Decree Act 6/2004, in accordance with the provisions on formulation of accounts by insurance companies consolidated groups. In order to provide further information and clarify the effect that the chosen option has on the financial situation of the consolidated group, Appendix 2 is attached, containing a summary on the networth position and results of MAPFRE Inversión Sociedad de Valores and its subsidiaries.

The configuration of companies as subsidiaries or controlled companies is determined, respectively, by the controlling company holding a majority of voting rights, directly or through subsidiaries, and by its ownership of at least 20% in the share capital in the case of unlisted companies (10% for insurance companies), or 3% in listed companies.

The annual accounts of controlled companies used for consolidation purposes correspond to the 2004 fiscal year, closed on 31 December of the said year.

3 BASES OF PRESENTATION OF THE CONSOLIDATED ANNUAL ACCOUNTS

a) True and fair image

The true and fair image results from the application of the legal provisions on accounting matters, and the Directors have not considered it necessary to include any supplementary information.

b) Accounting principles

The consolidated annual accounts have been prepared in accordance with the accounting principles and policies established in the Accountancy Plan for Insurance Companies (hereinafter, the "Plan").

The following companies restated all the elements of their tangible fixed assets and tangible investments, pursuant to Royal Decree-Act 7/1996, of 7 June:

- MAPFRE SEGUROS GENERALES Compañía de Seguros y Reaseguros, S.A. (hereinafter "MAPFRE SEGUROS GENERALES").
- MAPFRE GUANARTEME Compañía de Seguros Generales y Reaseguros de Canarias, S.A. (hereinafter "MAPFRE GUANARTEME").
- MUSINI Sociedad Anónima de Seguros y Reaseguros (hereinafter "MUSINI").

The effect of said restatement is described in notes 6.3, 6.4 and 6.9 of this report.

c) Comparison of information

There are no reasons preventing from comparing the year's annual accounts with those of the preceding year.

d) Changes in the Consolidation perimeter

Appendix 1 identifies the companies that were incorporated into the consolidation perimeter in this fiscal year, showing also information on their network and results. The following sections detail the changes occurred in the contents of the said appendix. The overall effect of these changes on the consolidatable group's network, financial situation and results in 2004 with respect to the preceding year is described in the relevant notes to this annual report.

● **Change of corporate name**

The entities detailed in the said appendix have changed their corporate name as follows:

Former name	New name
MAPFRE USA CORPORATION	MAPFRE PRAICO CORPORATION
QUAVITAE, S.A.	MAPFRE QUAVITAE S.A.
PUERTO RICAN AMERICAN INSURANCE COMPANY	MAPFRE PRAICO INSURANCE COMPANY
PUERTO RICAN AMERICAN LIFE INSURANCE COMPANY	MAPFRE LIFE INSURANCE COMPANY
PREFERRED RISK INSURANCE COMPANY	MAPFRE PREFERRED RISK INSURANCE COMPANY
PAN AMERICAN INSURANCE COMPANY	MAPFRE PAN AMERICAN INSURANCE COMPANY
INVERSIONES MAPFRE CHILE RE S.A.	MAPFRE CHILE REASEGUROS S.A.
SEGESYMED S.L. SOCIEDAD UNIPERSONAL	SEGESYMED S.A. SOCIEDAD UNIPERSONAL
GESMUSINI CARTERAS S.G.C. S.A. SOCIEDAD UNIPERSONAL	GESMUSINI GESTIÓN S.A. SOCIEDAD UNIPERSONAL
PUERTO RICAN AMERICAN LIFE FINANCIAL SERVICES CO.	MAPFRE LIFE FINANCIAL SERVICES CO.

● **Changes in the consolidation method or procedure**

1. The following companies, acquired in the year and which did not form part of the consolidation perimeter in the previous year, have been fully consolidated:
 - QUAVITAE BALEARES S.A. (Spain)
 - QUAVITAE BIZI-KALITATE S.L. (Spain)
 - SERVEIS INTEGRALS PER A L' AUTONOMIA S.A. (Spain)
 - ELIPSE CANARIAS S.A. (Spain)

2. The following companies have been consolidated by the equity method:
 - MELIÁ TOUR (Spain)
 - ROAD CHINA ASSISTANCE (China)

3. As a consequence of the commencement of activity or increased shareholding in the year, the following companies, which in the previous year were consolidated by the equity method, have been fully consolidated this year:
 - MAPFRE LIFE INSURANCE COMPANY (Puerto Rico)
 - MAPFRE ASISTENCIA ORO S.A. (Spain)
 - MAPFRE QUAVITAE S.A. (Spain)
 - BIOINGENIERIA ARAGONESA S.L. (Spain)

4. The following companies, which did not form part of the consolidation perimeter in the previous year, have been consolidated by proportional integration:
 - AZUL CENTROS RESIDENCIALES S.A. (Spain)
 - PROVITAE CENTROS ASISTENCIALES S.L. (Spain)

5. During the 2004 fiscal year, the following companies ceased to be controlled or associated companies due to the following reasons:

a) Sale to MAPFRE MUTUALIDAD:

- MAPFRE USA CORPORATION (United States)
- AMSTAR INSURANCE COMPANY (United States)
- AMSTAR MANAGEMENT COMPANY (United States)
- MAP HOLDING (United States)
- M&F PREMIUM FINANCE (United States)
- MAPFRE INSURANCE COMPANY OF FLORIDA (United States)

b) Winding-up:

- SOCIEDAD CONSTRUCTORA Y DE INVERSIONES MARTÍN ZAMORA LTD. (Chile)
- COMPAÑÍA NACIONAL DE RENTAS S.A. (Chile)
- INMOBILIARIA CONDOMINIO PARQUE ZAPALLAR S.A. (Chile)
- MAPFRE SOFT AMÉRICA S.A. (Uruguay)
- ADS MAPFRE-CAJAMADRID A.I.E. (Spain)

c) Take-over by another Group company, by merger or winding-up with overall assignment of assets and liabilities:

- MAPFRE FINISTERRE S.A. COMPAÑÍA DE SEGUROS Y REASEGUROS (Spain), hereinafter MAPFRE FINISTERRE; taken over by MAPFRE SEGUROS GENERALES.
- ORIENTE S.A. COMPAÑÍA DE SEGUROS SOCIEDAD UNIPERSONAL (Spain), hereinafter ORIENTE; taken over by MAPFRE SEGUROS GENERALES.
- CANADAN LIFE INSURANCE COMPANY (Puerto Rico), taken over by MAPFRE LIFE INSURANCE COMPANY.
- CITEREA S.L. (Spain), taken over by VIAJES MAPFRE S.A.

• Adjustments to the opening balance

The columns of adjustments to the opening balance appearing in the various tables of this report include the changes occurred as a result of changes in the consolidation method or procedure applied, and of the application of a different exchange rate for the translation of figures corresponding to overseas subsidiaries.

Variations in the technical reserves recorded on the profit and loss account differ from those obtained by difference in the balance sheet balances of the present and previous fiscal year, as a result of changes occurred in the consolidation perimeter and of the application of a different exchange rate for the translation of figures in the case of overseas subsidiaries.

e) Significant transactions between Group companies

Notes 6.17 and 6.18 of this report, as well as the specific notes on balance sheet items that may be affected, offer a breakdown of significant transactions between Group companies.

f) Criteria for the imputation of revenues and expenses

Financial income and expenses imputable to the Life and Non Life activities are those deriving from the assets assigned to each activity.

For the imputation to the different business lines corresponding to the non life activity, of income and expenses the accounting registry of which does not have a specific line, the following criteria have been used:

- Other technical expenses: pro rata to net premiums accrued.
- Investments: as a function of technical reserves in the different business lines.
- Administration: as a function of the number of policies and the collection period for each one of them.
- Claims: as a function of the handling and management of dossiers.
- Acquisition: as a function of new production policies.

Income and expenses imputed to the technical account are those arising directly from insurance operations. Those assigned to the non technical account are extraordinary revenues and expenses and those unrelated to insurance operations, as well as those corresponding to non insurance companies.

4 DISTRIBUTION OF RESULTS

The Parent Company's Board of Directors has submitted to the General Shareholders Meeting, for its approval, the following distribution of the said company's unconsolidated results:

Distribution Bases	Amounts	Distribution	Amounts
Profit and loss	92,856,589.29	Dividends	64,503,190.62
Brought forward	88,192,879.42	Brought forward	116,546,278.09
Total	181,049,468.71	Total	181,049,468.71

Figures in EUR 000s

The dividend pay-out proposed above meets the requirements and limitations established in the regulations and in the corporate bylaws.

During 2004, the Controlling Company distributed interim dividends amounting to EUR 35,835,105.90, shown in the liabilities under the heading "Profit and loss attributable to the Controlling Company". The cash flow statement prepared by the Management Commission for the distribution is shown herebelow:

Concept	Resolution date
	27-10-2004
Cash available on the resolution date	221,097
Increases in cash expected within a year	142,781
(+) From expected current collections	88,789
(+) From expected financial transactions	53,992
Cash decreases expected within a year	(99,283)
(-) From expected current payments	(11,231)
(-) From expected financial transactions	(88,052)
Cash available within a year	264,595

Figures in EUR 000s

5 VALUATION RULES

The accounting principles applied to the specific items are indicated herebelow:

a) Consolidation goodwill

The consolidation goodwill corresponds to the positive difference arising from comparing the book value of the investment and the proportion of the networth of the subsidiary or affiliate at the date of acquisition of the shareholding interest or that of its initial consolidation, provided that said difference is not fully or partially attributable to asset elements. It is depreciated by the straight-line method over a term of twenty years, since the shares acquired will contribute towards obtaining future profits for the Group, in a period equal to or longer than that indicated. When events occur

reasonably leading to question the continuance at year end of the initial expectations, the depreciation period previously considered is adjusted or the goodwill amount is fully written down.

b) Negative difference from consolidation

The negative difference from consolidation corresponds to the negative difference between the book value of the investment and the proportion of the networth of the subsidiary at the date of acquisition of the holding, provided that said difference is not fully or partially attributable to asset elements.

Generally, these differences correspond to capital gains to be realised when the interest in the controlled company's capital is disposed of, fully or partly. In other cases they are based, in relation to the date of acquisition of the relevant holding, on the unfavourable evolution of results or on the reasonable estimate of the involved company's expenses. They will be imputed to the consolidated profit and loss account to the extent that the estimates materialise.

c) Transactions and balances between companies included within the consolidation

All transactions and profit and loss not made with third parties, and all reciprocal credit and debit items between fully consolidated companies, as well as results not obtained externally by companies consolidated by the equity method, have been eliminated in the consolidation process.

d) Standardisation of items

The accounting principles and policies used in the consolidated annual accounts are those established in the Plan, all standardisation adjustments required for this purpose having been made.

Pursuant to the provisions contained in the mentioned Plan, standardisation of criteria has not taken place in relation to the technical reserves of companies not belonging to the European Economic Area, except in the cases detailed below, where the use of local criteria would have distorted the true and fair image that these financial statements must show, and in that case the Spanish regulations applicable to insurance companies have been adopted.

- MAPFRE TEPEYAC has reverted the allowance for catastrophic reserves and claims, and MAPFRE SEGUROS GENERALES DE COLOMBIA has reverted the catastrophic reserve, since said risks are covered with reinsurance contracts by both companies.
- CAJA REASEGURADORA DE CHILE has calculated Life insurance reserves using the interest rate established in its technical bases, instead of the technical interest published by the Chilean insurance supervisory authorities, on the basis of the existence of matched flows and duration of investments with the obligations arising from contracts.

e) Translation of annual accounts of overseas companies included in the consolidated financial statements

The closing exchange rate method has been used to translate these accounts. Pursuant to this method, the different items on the balance sheets of the overseas companies included in the consolidation are translated at the exchange rate in force on the closing date of the accounts, except for the shareholders' equity, which is translated at the historical exchange rate, and the items on the profit and loss account, which are translated using a weighted average exchange rate. Positive or negative differences arising from the translation are included under shareholders' equity

in the consolidated balance sheet, under the item "Exchange gain/loss", after deducting the proportion of said difference corresponding to minority interests.

The accounts of companies domiciled in countries having a high inflation rate are adjusted by the effects of changes in prices prior to their conversion into Euros. Inflation adjustments are carried out following the rules in force in the country where the said companies are located.

f) Start-up expenses

These expenses are fully capitalised when accrued and are depreciated by the straight-line method over a maximum term of five years, pursuant to the applicable legal provisions.

g) Intangible fixed assets

g.1. Portfolio acquisition expenses

They are capitalised when accrued and for the amount paid on acquisition. They are depreciated depending upon the continuance of the said contracts in the portfolio and their actual results, within a maximum term of ten years. This ten year period is consistent with the expectations of maintaining the said contracts and obtaining profits during a period equal to or longer than the one mentioned.

g.2. Computer applications

They are valued at acquisition and production cost and depreciated as a function of their useful life, with a maximum period of four years.

g.3. Rights on assets held under financial leasing

When there are no reasonable doubts on the exercise of the purchase option, rights on assets under lease are accounted for as intangible assets for the asset cash value, showing on the liabilities side the total debt for lease payments plus the purchase option. The difference between both amounts, represented by the financial costs of the transaction, is recorded as deferred expenses, and imputed to results according to a financial criterion. Rights recorded as intangible assets are depreciated, when applicable, according to the useful life of the asset under the lease agreement. When the purchase option is exercised, the value of the recorded rights and their corresponding accumulated depreciation are cancelled in both accounts, becoming part of the acquired asset.

g.4. Rights of use of administrative concessions

They are valued at cost. Depreciation is carried out by the straight-line method as a function of the number of years envisaged for their enjoyment.

g.5. Other intangible fixed assets

Goodwill included under "Other intangible fixed assets" is valued at cost and depreciated over a maximum period of twenty years. Other intangible fixed assets are valued at cost and depreciated depending upon their useful life, in a maximum period of three years.

g.6. Advances on intangible fixed assets

These are valued at the advanced amount.

h) Tangible fixed assets and tangible investments

h.1. Tangible fixed assets

Tangible fixed assets are valued at acquisition price except in the companies mentioned in note 3.b) of this report, where tangible assets incorporated prior to 31 December 1996 are valued at their restated acquisition price, pursuant to the provisions of Royal Decree-Act 7/1996, of June 7. Depreciation is calculated on a straight-line basis according to the estimate useful life of the different assets.

h.2. Tangible investments

Tangible investments are valued at their acquisition price or production cost, as well as having regard to the expenses and taxes relating to the purchase, not directly recoverable from the Public Treasury, and the works and improvements incorporated for their use, with the exception of the Spanish companies mentioned in note 3.b) of this report, where tangible assets incorporated prior to 31 December 1996 are valued at their restated acquisition price, pursuant to the provisions of Royal Decree-Act 7/1996, of June 7, and of the foreign companies where restatements were made pursuant to the legal provisions in force in the relevant countries.

Depreciation is calculated on a straight-line basis according to the estimate useful life of the different assets, pursuant to the applicable legal provisions. The depreciation coefficient is applied to the total value of each property, deducting the estimate amount of the plot of land.

For tangible investments whose estimate market price at year end, verified by appraisals from the Directorate General of Insurance or authorised independent appraisers in the relevant country, shows a non final lasting depreciation, the corresponding valuation adjustment has been made by allocating a reversible provision, provided that their book value may not be recovered from the generation of sufficient income to cover all their costs and expenses, including amortisation.

Tangible investments affected by rights of use of government concessions will revert to the public entity having granted them upon the expiry of the concession, to which effect a "Reversion Fund" is established and allocations are made over the term of the concession, by crediting the account "Other Provisions" that is included under the heading "Provisions for liabilities and expenses" in the liabilities side of the balance sheet.

i) Prepaid commissions and other capitalised acquisition expenses

Generally, commissions and acquisition costs are expensed in the fiscal year when they are incurred, without prejudice to capitalising them if there is a future economic projection and they are not of a recurring nature, and to their amortisation under a financial criterion during the period of payment of premiums.

j) Financial investments

j.1. Equity securities

These are valued at the lower of acquisition price or market price. The acquisition price includes expenses inherent in the transaction, as well as preferential subscription rights, and excludes dividends accrued and not yet due at the time of purchase. For listed securities, the market value is the lower of the average official market price of the last quarter of the year or the official market price on the closing date of the balance sheet.

In the case of securities complying with the homogeneity requirements in relation to representativeness of their price as established by the Plan, positive differences between the market price and the book value are taken into account to the effect of quantifying valuation adjustments. The positive amount between positive differences less negative differences is not recognised in any case.

For unlisted securities and securities without a representative market price, as well as for shareholdings in Group companies and associated companies excluded from the consolidation, market value is understood as being their book value adjusted by the amount of tacit capital gains existing at the time of the acquisition and continuing at the end of the fiscal year. When events take place reasonably leading to question the continuation at the end of the fiscal year of the tacit capital gain considered, totally or partially, the relevant provision for depreciation is allocated.

j.2. Fixed-income securities

ORDINARY INVESTMENT PORTFOLIO

Fixed income securities included in the ordinary investment portfolio are shown at their acquisition price, including the expenses inherent in the transaction and deducting accrued and not yet due interest, as well as bonuses and commissions obtained upon subscription, unless the said bonuses have the character of prepaid coupons, in which case they are accrued as financial income during the interest grace period. The difference between the acquisition price and the redemption value is accrued by debiting or crediting results, according to a financial criterion, throughout the remaining life of the security.

At the end of the fiscal year, the necessary valuation adjustments are made when the market value is lower than the acquisition price, imputing to the year's results the net amount deriving from netting the negative and positive differences between the said values, with the limit of the amount of negative differences.

In the case of securities listed on a regulated market, market value is understood to be the lower of the last price or the average price of the last month of the fiscal year.

The market value of securities that are traded on a regulated market when their market price is not adequately representative and, in any case, that of unlisted securities, is determined by restating their future financial flows, including the redemption values, at rates equivalent to the average of the last month resulting from the market for fixed income securities issued by the Government and standardised according to the issuer's quality.

PORTFOLIO OF INVESTMENTS HELD TO MATURITY

Fixed income securities included in the portfolio of investments held to maturity are shown at their acquisition price, including expenses inherent in the transaction and deducting accrued and not yet due interest, as well as bonuses and commissions obtained upon subscription, unless the said bonuses have the character of prepaid coupons, in which case they are accrued as financial income during the interest grace period. The difference between the acquisition price and the redemption value is accrued by debiting or crediting results, according to a financial criterion, throughout the remaining life of the security.

Positive results arising from the disposal of these securities prior to their maturity are accrued until the maturity date initially established. Negative results are imputed to the P&L Account for the year when the sale takes place, offsetting, if applicable, positive amounts pending imputation, with the limit of the negative results.

The relevant valuation adjustments deriving from the risk of collection of the securities have been made, imputing them to the year's results. Likewise, the doubtful debt amount includes accrued and not yet due interest.

j.3. Units held in investment funds

Units in securities investment funds are valued at their acquisition price or at their net asset value at the fiscal year's end, should the latter be lower. In the case of units complying with the standardisation requirements established by the Plan, the calculation of valuation adjustments takes into account capital gains and capital losses of different funds, but under no circumstance is the positive amount corresponding to positive less negative differences taken into account.

Units in funds investing in money market assets are valued at their acquisition price, increased by the positive returns arising from their net asset value at the end of the year.

Units in guaranteed investment funds are valued at their acquisition price increased by the return guaranteed and confirmed at the end of the year, or at their net asset value should this be lower.

j.4. Assignments of credit and commercial paper

They are booked at the amount paid plus accrued interest accumulated at the end of each fiscal year.

j.5. Investments on account of life policy holders assuming the investment risk

Investments on account of policy holders assuming the investment risk are made in securities investment funds and are valued at cost at subscription or purchase price. The said acquisition cost is adjusted as greater or lower value of the investment, as applicable, depending upon the net asset value at the closing of the fiscal year. Revaluations and depreciations of these assets are booked as a credit or debit to the technical account of the Life business.

j.6. Securities in foreign currencies

Translation of equity securities into Euros is made by applying to the acquisition price the exchange rate in force on the transaction date. The valuation thus obtained does not exceed the one resulting from applying the closing exchange rate in force to the market value, carrying out if applicable the relevant valuation adjustment.

Translation of fixed income securities into Euros is made by applying the exchange rate in force on the transaction date. At year end, they are valued at the exchange rate then in force, on the market value of the securities. In the cases of hedged securities, only the portion of uncovered risk is taken into account.

j.7. Derivatives

Some controlled companies use these products basically for hedging purposes for their Life insurance transactions, with the purpose of eliminating or reducing interest rate risks or market risks existing in proprietary positions and including both swaps and purchase options.

In options for hedging purposes, the premium paid is recorded as an asset element, which is adjusted according to its evolution, by crediting or debiting, as the case may be, the deferred income and expenses account. Nevertheless, differences in the market price of premiums are imputed to results to the same extent that are results arising from the hedged liabilities. In the case of transactions for investment purposes, differences are imputed to results as they arise.

As regards swaps on exchange of flows, the amounts arising from the main transactions are recognised, by recording the amount of debt to be paid under the account "Current account with intermediaries on financial investments and derivatives" of the heading "Tax, corporate and other debts" against financial expenses, and showing the financial income for the amount to be collected against the same account of the balance sheet.

j.8. Deposits with credit institutions

They are recorded by the amount deposited plus accrued interest, accumulated as at the closing of each fiscal year.

j.9. Other loans and advances on policies

Loans originating from funding plans are included in the assets for the current value of the future flows pending payment by insurance takers.

Advances on policies are recorded for the amount drawn down plus interest collected in advance.

k) Trade credits

Credits are valued at their nominal amount, including interest accrued at year-end and lessened, if applicable, by the corresponding provisions that may be necessary to cover the debtor's total or partial insolvency situations.

The provision for premiums pending collection is calculated for each business line. It is formed by the portion of the tariff premiums accrued in the fiscal year that, according to the entity's experience, are likely not to be collected, taking into account the incidence of reinsurance. Its allocation is made according to the age of the premium receipts pending collection or individually when the circumstances and the situation of receipts thus require.

Credits for recollection of claims the realisation of which is considered as guaranteed have been capitalised.

l) Non trade credits

Non trade credits are valued at their nominal amount, including interest accrued at year-end, lessened by the corresponding provisions that might be necessary to cover the debtor's total or partial insolvency situations.

Credits on sales of tangible assets and investments are valued at the sale price, excluding the interest element incorporated into the nominal of the credit, which is included as a function of its accrual.

m) Technical reserves

m.1. Direct insurance of companies belonging to the European Economic Area

RESERVE FOR UNEARNED PREMIUMS

The provision for unearned premiums is calculated on an individual policy basis and includes the tariff premium accrued in the fiscal year, having deducted the security surcharge imputable to future years. The time imputation of the premium is made pursuant to article 30 of the Regulations of Disposition and Supervision of Private Insurance (hereinafter, the "Regulations").

On the other hand, commissions and other acquisition expenses corresponding to the accrued premiums that are imputable to the period between the closing date and the expiry of coverage of the contracts, are booked under accruals in the balance sheet assets, such expenses corresponding to those actually borne in the period, with the limit established in the technical bases.

RESERVE FOR UNEXPIRED RISKS

The reserve for unexpired risks is calculated on an individual business line basis and supplements the reserve for unearned premiums for the amount not showing the valuation of risks and expenses to be covered corresponding to the coverage period not elapsed at the closing date. Its calculation has been effected pursuant to the provisions of article 31 of the Regulations.

For the Motor business, the calculation of this reserve has been made considering all the guarantees covered with the products marketed by the different companies.

RESERVE FOR LIFE INSURANCE

In life insurance policies with a coverage period equal to or shorter than one year, the reserve for unearned premiums is calculated on a policy by policy basis and reflects the tariff premium accrued in the year, imputable to future fiscal years.

When this reserve is not sufficient, the reserve for unexpired risks is calculated also in order to cover the valuation of risks and expenses to be covered, corresponding to the coverage period not elapsed at the year's closing date.

In life insurance policies with a coverage period exceeding one year, the mathematical reserve has been calculated on a policy by policy basis as the difference between the current actuarial value of the future obligations of the controlled companies operating in this line, and those of the policy holder or insured party. The calculation basis is the inventory premium accrued in the year, represented by the pure premium plus the surcharge for administration expenses, according to technical bases. The mortality tables used are those usual in the sector and the technical interest rate ranges, basically, between 1.77% and 10%, although there are types linked to simultaneous investments, where the technical interest depends upon their expected performance.

Controlled companies operating in the life line are carrying out the adjustment of tables as established in the Second Transitional Provision of the Regulations, within the periods established by the regulations in force.

TECHNICAL RESERVES RELATING TO LIFE INSURANCE WHEN THE INVESTMENT RISK IS ASSUMED BY POLICY HOLDERS

The reserves for life insurance where it has been contractually agreed that the investment risk will be fully supported by policy holders, have been calculated on a policy by policy basis, and they are valued as a function of the assets specifically earmarked to determine the value of the rights.

RESERVE FOR PROFIT SHARING AND RETURNS

This reserve includes the amount of profits accrued in favour of policy holders, insured parties or beneficiaries and that of the premiums that must be returned to policy holders or insured parties according to the performance of the insured risk and provided they have not been imputed on an individual basis. In the Spanish companies, its calculation is made pursuant to the provisions of article 38 of the Regulations. In turn, this reserve includes the amount of profits earned in favour of policy holders, insured parties or beneficiaries of life policies with profit sharing clause of the business carried out by the Portuguese Agency of MAPFRE VIDA Sociedad Anónima de Seguros y Reaseguros sobre la Vida Humana (hereinafter, "MAPFRE VIDA").

RESERVE FOR OUTSTANDING CLAIMS

It represents the estimate valuation of outstanding claims deriving from occurrences prior to the closing of the fiscal year, deducting interim payments effected. It includes the valuations of claims pending settlement or payment and pending declaration, as well as the internal and external expenses relating to the liquidation of losses and, in addition, it includes maturities and redemptions pending payment in the Life Insurance business. In the Spanish companies, its calculation is made pursuant to the provisions of the Regulations, including, if applicable, additional reserves for the deviation in the valuation of claims subject to long handling periods.

EQUALISATION RESERVE

This is a cumulative reserve, being allocated each fiscal year for the amount of the security surcharge, with the limit established in the technical bases, in the following lines: risks of Combined Agricultural Insurance plans, Credit Insurance, Third Party Liability in motor insurance, professional, product liability, construction damages, assembly, business insurance, industrial multi-risk and Guarantee Insurance. Allocations and applications are made pursuant to article 45 of the Regulations.

RESERVE FOR DEATH INSURANCE

The reserve for death insurance, included under the heading "Other technical reserves", is calculated on a policy by policy basis, as the difference between the current actuarial value of future obligations of the controlled companies operating in this line and those of the policy holder or insured party. The GKM-95 mortality tables are used and the technical interest rate applied ranges basically between 2.5% and 5.5%.

m.2. Direct insurance of companies not belonging to the European Economic Area

Technical reserves are calculated pursuant to the local criteria in force in each country, except in the cases when their application could distort the true and fair image that must be shown by the annual accounts, and in this case the Spanish criteria applying to insurance companies have been adopted (see note 5.d).

Life insurance reserves have been calculated using the mortality tables and technical interest rate usual in the sector in the respective countries.

m.3. Ceded reinsurance

Technical reserves for cessions to reinsurers are shown in the balance sheet assets and are calculated according to the reinsurance agreements entered into and under the same criteria as used for direct insurance.

m.4. Accepted reinsurance**RESERVE FOR UNEARNED PREMIUMS**

Accepted reinsurance operations are accounted for on the basis of the accounts received from ceding companies. If, upon closing the accounts, the ceding company's latest accounts are not available, the balance of other received accounts is considered as reserves for unearned premiums of non closed accounts, in order not to recognise results in the booking of such accounts. Exceptionally, if these reserves of non closed accounts were negatively affected by the booking of major claim payments, because of their being an actual loss not subject to being offset by movements of non closed accounts, the reserve is adjusted for the relevant amount.

When the latest account and report on pending claims are available, the cancellation is made of reserves of non closed accounts, allocating the corresponding reserves for unearned premiums as a function of the information provided by the ceding company, and accruing them on a policy by policy basis. Failing this, the amount recorded for unearned premiums is the amount of the deposit of premiums withheld on this concept and, lastly, an overall method for the accrual of premiums may be used.

Acquisition expenses, as notified by ceding companies, are accrued under the heading of accruals on the balance sheet assets, with these expenses corresponding to those actually borne in the period.

When ceding companies do not notify the amounts, acquisition expenses are accrued on a risk by risk basis for facultative proportional reinsurance and overall for the rest of the proportional business.

RESERVE FOR UNEXPIRED RISKS

This is calculated on an individual business line basis and supplements the reserve for unearned premiums for the amount not showing the valuation of risks and expenses to be covered, corresponding to the coverage period not elapsed at the closing date. Its calculation has been effected as provided for in the Regulations.

RESERVE FOR OUTSTANDING CLAIMS

Reserves for claims are allocated for the amounts notified by the ceding company or, failing this, for withheld deposits, and include complementary reserves for claims existing and not notified, as well as for deviations in existing ones, in accordance with the company's own experience.

RESERVE FOR LIFE INSURANCE

The calculation of the reserves for unexpired risks and claims for the life business is carried out in the same manner as described in the two preceding paragraphs.

EQUALISATION RESERVE FOR CATASTROPHIC RISKS

In business lines affected by catastrophic risks, the relevant reserves are made for this type of risk, pursuant to the company's own experience or, in MAPFRE RE's case, as established in article 45 of the Regulations.

m.5. Retroceded reinsurance

Retroceded reinsurance transactions and their corresponding technical reserves are recorded following the same criteria as for accepted reinsurance and according to the retrocession agreements entered into.

n) Reserves for pensions and similar obligations

In order to honour these commitments, the companies MAPFRE RE Compañía de Reaseguros Sociedad Anónima (hereinafter, "MAPFRE RE"), for the Manila and Lisbon offices, VENEASISTENCIA and EUROSOS ASSISTANCE, in accordance with actuarial studies carried out, have funded a provision to cover the current value of the future obligations accrued for these concepts at the end of each year. The risks covered are retirement claims and retirement and widowhood pension supplements, and the provisions have been estimated by making a projection of salaries to retirement and calculating the current value of the portion already accrued for services rendered, using the individual capitalisation system.

The remaining Spanish Group companies have instrumented their commitments contracted to present staff and to their pensioners in relation to pension supplement and retirement premium, with collective insurance policies that cover the retirement indemnity and retirement and widowhood complements.

In addition, pursuant to the legislation in force in the countries of certain subsidiaries not belonging to the European Economic Area, reserves have been allocated corresponding to the coverage of liabilities to present staff and pensioners.

o) Other reserves for risks and expenses

Reserves have been allocated to cover future liabilities, calculated pursuant to the present evaluation of risk.

p) Reserves for payments under liquidation agreements

A reserve has been recorded for payments deriving from liquidation agreements, representing the estimate valuations pending payment to insured parties in the fulfilment of claim liquidation agreements.

q) Debt

Debts are recorded on the balance sheet at their redemption value. The difference between the said value and the amount received, if any, is shown separately in the balance sheet, under "Deferred expenses", and is imputed annually to results pursuant to a financial criteria.

r) Corporation tax

The tax charge on profits imputable to the fiscal year has been booked, after considering the effect of the fiscal regulations applicable as a consequence of the taxation of several Group companies under the consolidated regime.

s) Transactions and balances in foreign currencies

Transactions in foreign currencies, except reinsurance transactions, are recorded at the exchange rate in force at the date of the relevant transaction.

Reinsurance transactions in foreign currencies are recorded at the exchange rate established at the beginning of each one of the year's quarters. Subsequently, on the closing date of each quarter, all of them are dealt with as a single transaction, translated at the exchange rate in force on that date and taking any difference that may arise to the profit and loss account.

At the end of the fiscal year, the following criteria are applied to existing balances:

- **Fixed assets and tangible investments**

They are valued at the exchange rate in force on the date when the said elements were incorporated into the Group's assets. Depreciation and provisions for depreciation are calculated on the amount resulting from applying the said criterion.

- **Cash**

It is valued at the exchange rate in force at the end of the year, taking the positive or negative difference, as the case may be, to the profit and loss account.

- **Fixed income securities, credits and debits**

They are valued at the exchange rate in force at year end, with negative differences being recorded on the profit and loss account and positive differences being recorded as deferred income to the extent that they cannot be offset against negative differences. This offsetting is made by homogeneous groups according to the year when securities expire, and to their currency.

- **Equity securities**

They are valued at the exchange rate in force at the end of the year, effecting, if applicable, the required valuation adjustment, provided that the resulting figure is lower than the acquisition price translated into Euros at the exchange rate in force on the date when the securities become part of the Group's assets.

- **Assets earmarked to covering technical reserves denominated in foreign currencies**

These are valued at the exchange rate in force on the acquisition date. At year end, the exchange rate in force on that date is applied, with the potential loss or potential gain being incorporated as higher or lower value of the assets, in line with the change experienced by the corresponding technical reserves.

- **Translation criteria for branches located outside Spain**

Branches' balance sheet and profit and loss account items are translated into Euros by applying the monetary-non monetary method.

t) Policy holders' share in the returns on investments earmarked to mathematical reserves

Policies in the Life business written by subsidiaries having a profit sharing clause in force at the end of each year have a share, pro rata to their mathematical reserves, and as specifically established in each contract, in the net returns obtained by investments earmarked to the coverage of the said reserves. The amount of this sharing is recorded as a greater amount of mathematical reserves, except in the Portuguese Agency's business, where they are recorded under "Fund for

revaluation of policyholders” up to their incorporation into the mathematical reserves, and are shown on the liabilities account “Provisions for profit sharing and returns”. In fiscal year 2004, allocations to reserves for the returns obtained from investments amounted to EUR 7,304,000.

Policyholders’ future right on differences due to legal restatements carried out by MAPFRE VIDA is accrued, funding a specific technical reserve according to the useful life of the restated properties.

u) Capital subsidies

Capital subsidies are booked when they are officially granted, being imputed on a straight line basis to the year’s results, throughout a ten year period.

v) Revenues and expenses

Revenues and expenses are valued as established in the Plan. The criteria followed for the reclassification of expenses by destiny are based, mainly, on the function fulfilled by each employee, with their direct and indirect cost being apportioned according to the said function. For expenses not directly or indirectly related to staff, individualised studies have been carried out, and expenses have been imputed to destination according to their function.

6

INFORMATION ON CERTAIN BALANCE SHEET AND PROFIT AND LOSS ACCOUNT ITEMS

6.1. START-UP AND OTHER EXPENSES SUBJECT TO AMORTISATION

The following table details the movement of this heading in 2004:

Concept	Opening balance	Adjustments to opening balance	Additions	Depreciation in the year	Closing balance
1-Incorporation expenses	2	--	148	(39)	111
2-Start-up expenses	3,617	342	4,995	(4,018)	4,936
3-Capital increase expenses	5,741	1	11,326	(4,246)	12,822
Total	9,360	343	16,469	(8,303)	17,869

Figures in EUR 000s

6.2. INTANGIBLE FIXED ASSETS

The following table details the movement of these items in 2004:

Concept	Opening balance	Adjusts. to opening balance	Additions or appropriations	Disposals, cancellations or reducciones	Closing balance
COST					
1- Portfolio acquisition expenses	17,977	(35)	32	(2,622)	15,352
2- Other intangible fixed assets	128,455	(3,523)	123,348	(15,917)	232,363
R&D expenses	--	--	615	(6)	609
Computer applications	64,683	(2,927)	22,652	(10,781)	73,627
Rights over assets under lease	3,895	(36)	1,099	(139)	4,819
Advances for intang. fixed assets	4,023	--	5,230	(3,954)	5,299
Other intangible fixed assets	55,854	(560)	93,752	(1,037)	148,009
3- Goodwill	456,351	(2,083)	10,440	(120,917)	343,791
Of fully consolidated companies	443,237	(182)	10,238	(119,077)	334,216
Of com. consol. by equity method	13,114	(1,901)	202	(1,840)	9,575
Total cost	602,783	(5,641)	133,820	(139,456)	591,506
ACCUMULATED DEPRECIATION					
1- Computer applications	(44,731)	1,116	(9,415)	7,796	(45,234)
2- Rights over assets under lease	(1,143)	12	(960)	805	(1,286)
3- Other intangible fixed assets	(20,265)	(1,093)	(11,370)	31	(32,697)
Total accumulated depreciation	(66,139)	35	(21,745)	8,632	(79,217)
Net Total	536,644	(5,606)	112,075	(130,824)	512,289

Figures in EUR 000s

- **Portfolio acquisition expenses**

The amount of the portfolio acquisition rights is obtained through actuarial studies carried out by independent experts. Reductions in the item "Portfolio acquisition expenses" relate to amortisation in the period.

- **Rights on assets under financial lease**

Information on assets owned under financial lease is included in the following table:

Elements	Cost (excl. purchase option)	Duration of contract (years)	Years elapsed	Payments made		Outst. payments	Option value
				FY 2004	Previous years		
Offices	1,768	20	7	162	8,149	204	13
Buildings	473	12	5	4	14	30	4
Data processing equipment and others	1,624	1 to 5	1 to 3	162	222	433	937
Total	3,865			328	8.385	667	954

Figures in EUR 000s

• Other intangible fixed assets

The most significant concepts included in the balance of this account as at 31 December 2004 are those corresponding to the goodwill on the acquisition and subsequent take-over by MAPFRE CAJA SALUD DE SEGUROS Y REASEGUROS S.A. (hereinafter, "MAPFRE CAJA SALUD") of IMECO, S.A., PLANAS SALUD COMPAÑÍA DE SEGUROS DE ASISTENCIA SANITARIA S.A., IGUALATORIO MÉDICO QUIRÚRGICO DE HUESCA S.A. and ASEGURADORA ISLAS CANARIAS S.A. DE SEGUROS SOCIEDAD UNIPERSONAL (hereinafter, "ASEICA") for a total amount of EUR 43,077,000; as well as on the merger by takeover of MAPFRE FINISTERRE by MAPFRE SEGUROS GENERALES, amounting to EUR 87,938,000.

Additions in the period to "Other intangible fixed assets" correspond mainly to the said goodwill of MAPFRE FINISTERRE, amounting to EUR 87,938,000.

• Goodwill

Additions to the item of consolidation goodwill of the fully consolidated companies originate mainly from the acquisition of shares in MAPFRE QUAVITAE, amounting to EUR 9,612,000.

Reductions in this item are due basically to amortisation and write-off in the year, and to the dissolution of MAPFRE FINISTERRE.

The closing balance of the goodwill item is broken down herebelow:

Of fully consolidated companies	Closing balance	Of companies consolidated by the equity method	Closing balance
GRUPO CORPORATIVO LML	20,775	MAPFRE INVERSIÓN SOCIEDAD DE VALORES	4,058
MAPFRE AMÉRICA	11,228	VIAJES TÍVOLI	1,840
MAPFRE VIDA	199,497	MIDDLESEA INSURANCE	1,261
MUSINI	38,144	OTHERS	2,416
BRICKELL FINANCIAL SERVICES	15,925		
NUOVI SERVIZI AUTO	10,543	Total	9,575
MAPFRE QUAVITAE	9,317	<i>Figures in EUR 000s</i>	
MAPFRE LA SEGURIDAD	9,170		
OTHERS (with non significant individual values)	19,617		
Total	334,216		

6.3. TANGIBLE FIXED ASSETS

The following table details the movement of this heading in 2004:

Concept	Opening balance	Adjustments to opening balance	Additions or appropriations	Disposals, cancellations or reductions	Closing balance
Transport equipment	7,970	(611)	2,269	(1,401)	8,227
Information processing equipment	79,601	(53)	58	(3,089)	76,517
Furniture and fittings	93,909	(3,409)	32,758	(3,409)	119,849
Other tangible fixed assets	6,118	1,587	1,167	(542)	8,330
Prepayments and fixed assets in progress	1,414	--	108	--	1,522
Total cost tangible fixed assets	189,012	(2,486)	36,360	(8,441)	214,445
Total accumulated depreciation	(116,518)	(5,267)	(18,603)	7,319	(133,069)
Total provisions	(26)	(1)	(19)	27	(19)
Net Total	72,468	(7,754)	17,738	(1,095)	81,357

Figures in EUR 000s

With respect to the companies MAPFRE SEGUROS GENERALES, MAPFRE GUANARTEME and MUSINI, the elements incorporated prior to 31 December 1996 were restated pursuant to Royal Decree-Act 7/1996 of 7 June. The net effect of the said restatement was nil as the value resulting from restatement exceeded each element's market value in all cases.

The amount of tangible fixed asset elements, fully depreciated, is EUR 44,412,000.

The annual depreciation rates are as follows:

Groups of elements	% depreciation
Installations	6 - 10
Transport elements	16
Furniture	10
Data processing equipment	25
Machinery	10 - 15

The following table shows the value, as at 31 December 2004, of tangible fixed assets located outside the Spanish territory:

Concept	Book value
Transport elements	7,299
Data processing equipment	37,239
Furniture and fittings	58,568
Other tangible fixed assets	6,107
Advances and fixed assets in progress	1,414
Total Cost	110,627
Accumulated depreciation	(70,746)
Provision for depreciation	--
Net Total	39,881

Figures in EUR 000s

6.4. TANGIBLE INVESTMENTS

The following table shows the movement of this item during 2004:

Concept	Opening balance	Adjusts. to opening balance	Additions or Disposals, cancel. or reductions	Disposals, cancel. or reductions	Closing balance	Market value
COST						
Land and natural resources	33,627	(1,535)	21,584	(11,436)	42,240	45,891
Buildings and other structures	564,476	(5,597)	127,532	(43,659)	642,752	856,622
Sub-total	598,103	(7,132)	149,116	(55,095)	684,992	902,513
Other tangible investments	14,345	(614)	18,314	(49)	31,996	25,685
Advances and tang. inv. in progress	5,855	(138)	24,475	(2,648)	27,544	27,544
Total cost	618,303	(7,884)	191,905	(57,792)	744,532	955,742
ACCUMULATED DEPRECIATION						
Buildings and other structures	(86,434)	1,231	(13,749)	1,959	(96,993)	--
Other tangible investments	--	--	(6,311)	--	(6,311)	--
Total accumulated depreciation	(86,434)	1,231	(20,060)	1,959	(103,304)	--
Total Provisions	(4,128)	11	(9)	1,659	(2,467)	--
Net Total	527,741	(6,642)	171,836	(54,174)	638,761	955,742

Figures in EUR 000s

Of the amounts shown under additions, the cost of EUR 81,018,000 and the accumulated depreciation of EUR 8,796,000 correspond to the inclusion of MAPFRE QUAVITAE in the consolidation perimeter.

The value of land included in the closing balance of the item "Buildings and other structures" amounts to EUR 186,490,000.

The market value of tangible investments earmarked to the coverage of technical reserves corresponds to the appraisal value as determined by the Directorate General of Insurance and Pension Funds or by an authorised appraisal firm, pursuant to valuation rules to the effects of coverage of technical reserves. The market value of tangible investments not earmarked to the coverage of technical reserves has been considered to be the appraisal value, if this was available or, failing it, the net book value. In the case of foreign companies, appraisals were made by independent appraisal firms, pursuant to the rules in force in each country.

In the companies MAPFRE SEGUROS GENERALES, MAPFRE GUANARTEME and MUSINI, tangible investments incorporated prior to 31 December 1996 have been restated pursuant to the provisions of Royal Decree - Act 7/1996, of 7 June. The net accumulated amount was EUR 12,538,000, with the effect on the acquisition cost and on accumulated depreciation being EUR 13,220,000 and EUR 682,000, respectively. The net accumulated amount at year end was EUR 8,850,000. The effect of the said restatement on the allowance for depreciation in the present fiscal year and the next amounts to EUR 164,000.

The annual depreciation rate applied to new buildings is 2% and, for second-hand buildings acquired, it ranges between 2.64% and 4%, after deducting the estimate value of land. The amount corresponding to the restatement carried out in accordance with Royal Decree-Act 7/1996 is depreciated by the straight-line method throughout the remaining useful life of the restated assets.

The provision of EUR 2,467,000 corresponds to the reversible depreciation of certain premises and plots of land arising as a consequence of the restatement of the valuation carried out by the technical services of the Directorate General of Insurance and Pension Funds or by independent appraisers. As at 31 December 2004 there were assets subject to reversion amounting to EUR 5,385,000. As at said date, the Reversion Fund established for the said assets amounted to EUR 2,508,000.

The following table shows the value of tangible investments located outside the Spanish territory as at 31 December 2004:

Concept	Book value	Accumulated depreciation	Provision for depreciation
Land and natural resources	23,081	--	(526)
Buildings and other structures	140,980	(26,256)	(1,941)
Other tangible investments	17,434	--	--
Advances and tangible invest. in progress	2,696	--	--
Total	184,191	(26,256)	(2,467)

Figures in EUR 000s

These amounts include the restatements made pursuant to the local regulations in each country, as specified in note 5 to this annual report. The book value of buildings includes the value of land, amounting to EUR 36,016,000.

The following table shows the value, at 31 December 2004, of tangible investments used for own purposes:

Concept	Book value	Accumulated depreciation	Provision for depreciation
Land and natural resources	18,671	--	(526)
Buildings and other structures	189,519	(19,932)	--
Other tangible investments	22,434	(6,311)	--
Total	230,624	(26,243)	(526)

Figures in EUR 000s

The book value of these buildings includes the value of land, amounting to EUR 50,164,000.

In the consolidation process, the amount of EUR 26,382,000, corresponding to the effect of contributions as capital and purchase and sale deals of tangible investments among Group companies carried out in previous years, has been eliminated against reserves; and EUR 1,820,000 corresponding to transactions carried out in 2004 have been eliminated against results.

6.5. FINANCIAL INVESTMENTS

The following table details the movement of investments in marketable securities and other similar financial investments during 2004:

Concept	Opening balance	Adjusts. to opening balance	Additions or appropriat.	Disposals, cancel. or reductions	Closing balance	Market value
Financial investments in subsidiaries and associated companies	3,986	--	38,967	(40,578)	2,375	2,523
Shares in subsidiaries	232	1	732	(844)	121	121
Shares in associated companies	21	(1)	4,891	(4,868)	43	38
Other financial investments in Group companies	3,733	--	55,920	(57,440)	2,213	2,364
Provisions (to be deducted)	--	--	(22,576)	22,574	(2)	--
Financial investments consolidated by the equity method	251,822	(1,081)	20,507	(9,432)	261,816	261,816
Shares in companies recorded by the equity method:						
Subsidiaries	200,251	(159)	17,580	(16,848)	200,824	200,824
Associated companies	65,839	(922)	2,969	(3,145)	64,741	59,703
Pending payments (to be deducted)	(15,963)	--	(76)	11,001	(5,038)	--
Credits against companies cons. by the equity method						
Group companies	1,695	--	28	(440)	1,283	1,283
Associated companies	--	--	6	--	6	6
Other financial investments	13,881,656	(99,239)	123,401,704	(122,137,586)	15,046,535	16,441,880
Financial investments in capital	201,115	228	198,184	(95,182)	304,345	304,338
Pending payments (to be deducted)	(9)	--	--	2	(7)	--
Fixed-income securities	11,410,628	(71,740)	102,897,837	(101,267,045)	12,969,680	14,242,727
Index-linked securities	31,416	--	18,200	(3,499)	46,117	47,212
Mortgage loans	11,379	(329)	1,749	(3,846)	8,953	8,953
Other loans and advances on policies	235,169	(508)	38,672	(82,431)	190,902	189,818
Units in investment funds	699,587	(7,345)	592,209	(525,348)	759,103	868,399
Deposits with credit institutions	532,936	(28,341)	11,992,449	(11,923,616)	573,428	576,428
Other financial investments	785,206	7,705	7,688,732	(8,266,673)	214,970	204,005
Provisions (to be deducted)	(25,771)	1,091	(26,328)	30,052	(20,956)	--

Figures in EUR 000s

The following table shows the detail of maturities of fixed income securities and other financial investments held by fully consolidated companies as at 31 December 2004.

Concept	Maturity in year						TOTAL
	2005	2006	2007	2008	2009	Beyond	
Financial investments in subsidiaries and associated companies							
Other financ. investments in Group companies	2,213	--	--	--	--	--	2,213
Investments recorded by the equity method							
Credits against Group companies consolidated by the equity method							
Group companies	1,283	--	--	--	--	--	1,283
Associated companies	6	--	--	--	--	--	6
Other financial investments							
Fixed income securities	921,389	452,911	605,386	602,921	923,958	9,463,115	12,969,680
Index-linked securities	3,250	4,000	20,282	--	7,266	11,319	46,117
Mortgage loans	1,134	1,193	969	1,204	849	3,604	8,953
Other loans and advances on policies	5,264	2,963	360	517	122,413	59,385	190,902
Deposits with credit institutions	499,455	12,561	9,592	19,370	4,019	28,431	573,428
Other financial investments	167,221	2,181	687	7,044	5,856	31,981	214,970

Figures in EUR 000s

The breakdown of the most significant amounts and maturities of the fixed-income securities included under "Beyond" is as follows:

Years	Amount
2010	655,040
2011	595,646
2012	543,949
2013	775,066
2014	856,607
2015	378,876
2016-2020	1,705,338
2021-2025	563,755
2026-2030	1,445,628
2031-2035	1,912,927
Beyond 2035	30,283
Total	9,463,115

Figures in EUR 000s

The fixed-income portfolio of companies domiciled in the European Economic Area is shown here-below, differentiating the ordinary portfolio from that held to maturity, where capital losses have been calculated on an individual basis:

Item	Acquisition cost	Market value	Capital loss
Ordinary investment portfolio	4,941,489	5,562,425	(159)
Investment portfolio held to maturity	7,351,433	7,997,003	(1,488)
Total	12,292,922	13,559,428	(1,647)

Figures in EUR 000s

The investment portfolio held to maturity includes fixed-income securities owned until their maturity date. The ordinary investment portfolio includes the remaining fixed-income securities not included under the investment portfolio held to maturity.

The breakdown of other financial investments, by concepts, is as follows:

Other financial investments	Group companies	Affiliates	Other companies
Loans	37	--	--
Promissory notes	--	--	2,764
Deposits and indemnities provided as collateral	1,302	--	16,621
Credits on disposal of fixed assets and investments	--	--	41,182
Others	874	--	154,403
Total	2,213	--	214,970

Figures in EUR 000s

The balance under Others includes mainly investments in repos.

As at 31 December 2004, the balance of "Other financial investments" includes premiums for options acquired by MAPFRE Vida outside regulated markets, amounting to EUR 4,862,000, used by the company to cover the obligation to beneficiaries under insurance policies, in relation to the payment of a claim linked to the average revaluation of a stock market index. The main characteristics of these derivatives are specified herebelow:

Instrument	Underlying Asset /Liability	Year of maturity	Initial premium	Market value
Call option for hedging purposes	100% revaluation SP500 IBEX 35 NIKKEI	2009	3,220	2,186
Call option for investment purposes	100% revaluation SP500 IBEX 35 NIKKEI	2009	2,530	2,145

Figures in EUR 000s

On the other hand, consolidated companies hold swap agreements through which they guarantee the payment of claims deriving from insurance contracts. The following table details the type of contract, the guaranteed obligations, as well as the book value of the associated swap:

Policies subject to contract	Guaranteed obligations	Value of swap
Regular premium collective insurance with profit sharing	Payment of capitals	166
Single premium collective insurance with profit sharing	Payment of capitals	(5,187)
Single premium collective insurance without profit sharing	Payment of capitals	(749)
Single premium individual insurance without profit sharing	Payment of capitals	32,343
Single premium collective insurance without profit sharing	Payment of annuities	(249,337)
Total		(222,764)

Figures in EUR 000s

The book value of the swap is shown under "Other financial investments" and "Corporate, tax and other debts".

The following table shows a breakdown of the average rate of return of fixed-income securities and other financial investments representing the portfolio as at 31 December 2004:

Concept	Yield
Fixed-income securities	5.13%
Other financial investments	3.07%
Index-linked securities	4.91%
Deposits with credit institutions	2.56%
Other loans	5.74%
Mortgage loans	4.92%

A breakdown of marketable securities and similar financial investments, according to the currency in which they are denominated, is given herebelow:

Currency	Financial investments in Group companies and affiliates	Financial investments recorded by the equity method	Other financial investments	Total
Euro	1,798	239,065	13,620,900	13,861,763
US Dollar	564	640	693,363	694,567
Mexican Peso	--	1,363	229,329	230,692
Brazilian Real	--	5,206	124,564	129,770
Chilean Peso	13	9,438	96,316	105,767
Venezuelan Bolivar	--	4	128,735	128,739
Argentinean Peso	--	561	57,922	58,483
Colombian Peso	--	629	24,753	25,382
Pound Sterling	--	--	29,424	29,424
Other currencies	--	4,910	41,229	46,139
Total	2,375	261,816	15,046,535	15,310,726

Figures in EUR 000s

No hedging has been made for the exchange differences among Group companies, except for a swap entered into by MAPFRE Re, amounting to USD 127.3 million, maturing on 27 December 2007, for the cover of the exchange rate risk in the investment in MAPFRE RE HOLDINGS INC.

The amount of interest accrued and not yet due is EUR 263,505,000, and is recorded under the heading "Accruals" of the balance sheet assets.

As at 31 December 2004, MAPFRE VIDA holds mortgage guarantees on extended loans, linked in most cases to life insurance policies, amounting to EUR 565,000.

The heading "Other loans and advances on policies" includes, inter alia, funding plans for premiums on collective insurance contracts implementing pension related commitments, amounting to EUR 14,165,000. On the other hand, to the effect of coverage of the technical reserves deriving from these policies, the present values of the unmatured funding plan items pending payment have been considered as a qualifying asset, being thus included in the coverage statements shown in note 14 to this report.

Complying with article 86 of the compiled Corporations Act, the relevant notices have been given, as applicable, to investee companies.

In the consolidation process, transactions between Group companies in relation to purchase and sale of financial investments in the year, with net proceeds amounting to EUR 12,515,000, have been eliminated. Likewise, EUR 1,706,000 have been eliminated against reserves, corresponding to purchase and sale deals of financial investments among Group companies carried out in previous years.

6.6. INVESTMENTS ON ACCOUNT OF POLICYHOLDERS ASSUMING THE INVESTMENT RISK

The securities portfolio as at 31 December 2004 includes EUR 361,141,000 corresponding to units in Investment Funds, which relate to investments on account of policyholders that assume the investment risk.

The movement of this item during 2004 is as follows:

Items	Opening balance	Additions balance	Cancels.	Closing	Market value
Investment on account of policy holders assuming the investment risk	446,101	110,784	(195,744)	361,141	361,141
Total	446,101	110,784	(195,744)	361,141	361,141

Figures in EUR 000s

6.7. INVESTMENTS EARMARKED TO TRANSACTIONS IN PREPARATION OF INSURANCE CONTRACTS

As at 31 December 2004, cash on hand and with credit institutions and the securities portfolio that is detailed in note 6.5 include EUR 38,235,000 corresponding to financial assets acquired by MAPFRE VIDA, MUSINI and MUSINI VIDA as part of the investments of the pension funds they administer. The following table shows the movement of these items during 2004:

Items	Opening balance	Additions	Cancellations	Closing balance	Market value
Fixed-income securities	30,406	761	(8,623)	22,544	24,353
Financial investments in capital	10,077	--	(442)	9,635	11,082
Deposits held with credit institutions	3,133	4,912	(1,989)	6,056	6,056
Cash on banks	1,500	--	(1,500)	--	--
Total	45,116	5,673	(12,554)	38,235	41,491

Figures in EUR 000s

Fixed-income securities and deposits held with credit institutions will mature as follows: EUR 7,367,000 in 2005, EUR 1,251,000 in 2006, EUR 1,661,000 in 2008, EUR 2,186,000 in 2010, EUR 10,038,000 in 2011 and EUR 6,097,000 in 2013. The principle followed in order to determine the market value of these investments is the same as that applied to the assets held by Group companies in their ordinary investment portfolio. In 2004, the average rate of return of the fixed-income portion of this type of investments was 5.27%.

6.8. OTHER ASSETS

The breakdown of the item "Cash on credit institutions, cheques and on hand" is as follows:

Concept	Closing balance
Banks and credit institutions	850,061
Cheques for collection	3,183
Cash on hand	193
Others	2,933
Total	856,370

Figures in EUR 000s

6.9 SHAREHOLDERS' EQUITY

The following table shows the movement of accounts representing shareholders' equity during 2004:

Concept	Opening balance	Adjusts. to opening balance	Increases	Decreases	Closing balance
Share Capital	90,782	--	28,668	--	119,450
Share Premium	18,439	--	--	--	18,439
Reserves					
- Legal reserves	18,187	--	5,703	--	23,890
- Voluntary reserves	389,666	--	466,174	--	855,840
- Special reserves	153	--	--	--	153
- Other reserves	91,151	--	22,368	--	113,519
- Reserves in consolidated companies:					
• Reserves in companies cons. by full or proport. integration	595,440	(216)	136,093	(69,815)	661,502
• Reserves in companies cons. by the equity method	11,201	808	4,367	(830)	15,546
- Translation differences:					
• In companies consolidated by full or proport. integration	(324,312)	--	--	(45,079)	(369,391)
• In companies consolidated by the equity method	(2,145)	--	--	(758)	(2,903)
Results from previous years pending application					
- Brought forward	78,590	--	9,603	--	88,193
Profit and loss attributable to controlling company					
- Consolidated profit and loss	228,169	--	284,961	(228,169)	284,961
- Profit and loss attributable to minority shareholders	(86,881)	--	(102,019)	86,881	(102,019)
Interim dividend paid in the year (to be deducted)	(19,972)	--	(35,835)	19,972	(35,835)
Total	1,088,468	592	820,083	(237,798)	1,671,345

Figures in EUR 000s

Increases and decreases in shareholders' equity basically originate from the capital increase in the controlling Company that is described herebelow, from the distribution of results from the previous fiscal year, from the results obtained by consolidated companies in the present fiscal year, from the distribution by the controlling Company of an interim dividend against the 2004 results, and from the adjustments and eliminations corresponding to the consolidation, having taken into account the share attributable to minority shareholders.

• Share Capital

The controlling Company's share capital as at 31 December 2004 is represented by 238,900,706 ordinary shares, with a nominal value of EUR 0.5 each, fully subscribed and paid-up. All the shares confer the same political and economic rights.

On 15 April 2004, a capital increase was carried out by issuing 57,336,170 new ordinary registered shares with a nominal value of EUR 0.5 each that were fully subscribed and paid-up. These shares were issued at a rate of 1.746%, namely, a price of EUR 8.73 each, of which EUR 0.5

corresponded to their nominal value and the remaining EUR 8.23 were allocated to the legal reserve until reaching 20% of the share capital, and the remainder to voluntary reserves.

MAPFRE MUTUALIDAD holds a 55.77% interest in the company's capital as at 31 December 2004.

All the shares representing the Controlling Company's capital are listed on the Madrid and Barcelona Stock Exchanges.

• Share Premium

This is a freely distributable reserve, corresponding to allowances made as a result of the following capital increases:

Date	Amount
June 1985 (200%)	956
October 1985 (300%)	4,015
January 1986 (600%)	11,040
June 1986 (600%)	2,428
Total	18,439

Figures in EUR 000s

• Restrictions on the availability of reserves

- The legal reserve may not be distributed among shareholders, except in the event of winding-up of the Company, and may be used only to offset eventual losses. As at 31 December 2004, its amount exceeds 20% of share capital.
- The balance of "Special Reserves" corresponds to the account "Differences on adjustment of capital to Euros". This balance arises from the capital decrease carried out as a consequence of the mentioned re-denomination of the company's share capital into Euros, in accordance with the provisions of article 28 of Act 46/1998. This reserve is not available.
- The heading "Reserves in consolidated companies" includes balances from the controlled companies MAPFRE SEGUROS GENERALES, MAPFRE GUANARTEME and MUSINI in the concept of Restatement Reserve Royal-Decree Act 7/1996, amounting to EUR 7,849,000, EUR 2,844,000 and EUR 1,514,000 respectively.

The period of effect the verification of the said balances by the Tax authorities was three years from 31 December 1996. Once the restatement account balances are checked and accepted, or after the lapse of the mentioned three year period, the said balances may be used to offset losses or to increase capital. After ten years, the said balances may be allocated to freely available reserves.

In the case of the three controlled companies, the three year period established in Royal Decree-Act 7/1996 for the verification of the said balances by the Tax Inspection authorities has elapsed, therefore, pursuant to the provisions of the said rule, the mentioned balances may be used for an increase in the said entities' share capital.

- The remaining are freely available reserves.

• Other information

The following table shows the detail of partners alien to the Group or linked to it and holding 10% or more in the capital of a Group company:

Company	Non Group Shareholder	% Capital
• MAPFRE-CAJA MADRID HOLDING	• CORPORACIÓN FINANCIERA CAJA DE MADRID S.A.	49.000
• MAPFRE AMÉRICA CAUCIÓN Y CRÉDITO S.A.	• CREDIT GUARANTEE	25.000
• MAPFRE AMÉRICA	• CORPORACIÓN FINANCIERA CAJA DE MADRID S.A.	10.000
• COMPAÑÍA DE SEGUROS DE CRÉDITOS COMERCIALES	• SURAMERICANA	26.920
• INTERBOLSA S.A.	• ENDESA S.A.	20.000
• BENELUX ASSIST S.A.	• FORTIS BANK INSURANCE, NV- SA	30.000
• MAPFRE QUAVITAE	• CORPORACIÓN FINANCIERA CAJA DE MADRID S.A.	43.162

- In its meeting held on 1 December 2004, the Board of Directors of the controlled company MAPFRE RE approved a capital increase with share premium amounting to EUR 50,000,000, which will be carried out in the first quarter of 2005.

6.10. MINORITY INTERESTS

The following table details the movement in minority interests in 2004, as well as the composition of the closing balance, by concept:

Company	Movement					Closing balance				
	Opening balance	Adjusts. opening	Increases	Decreases	Closing balance	Capital	Reserves	Results	Interim dividend	Total
MAPFRE RE	50,873	--	7,187	--	58,060	24,547	30,680	4,971	(2,138)	58,060
MAPFRE AMÉRICA	74,774	--	2,638	--	77,412	60,931	9,129	7,352	--	77,412
MAPFRE QUAVITAE	--	--	14,577	--	14,577	17,326	(2,514)	(235)	--	14,577
MAPFRE-CAJA MADRID HOLDING	531,180	--	31,060	--	562,240	158,749	362,920	88,101	(47,530)	562,240
MAPFRE LIFE	--	--	5,567	--	5,567	871	4,856	(160)	--	5,567
OTHERS	18,906	(395)	2,598	(7,557)	13,552	11,193	570	1,990	(201)	13,552
Total	675,733	(395)	63,627	(7,557)	731,408	273,617	405,641	102,019	(49,869)	731,408

Figures in EUR 000s

Increases and decreases correspond mainly to these companies' minority shareholders' sharing in the results of the 2004 fiscal year and the previous year that have not become part of these companies' reserves, as well as to their sharing in the variation in the translation difference after effecting consolidation adjustments. Increases in MAPFRE RE are also due to minority shareholders' stake in the capital increases made in this company during the year, and those in MAPFRE QUAVITAE and MAPFRE LIFE correspond to their inclusion in the consolidation perimeter.

6.11. NEGATIVE CONSOLIDATION DIFFERENCE

The following table shows the movement of this item during 2004:

Concept	Opening balance	Adjustments to opening balance	Increases	Decreases	Closing balance
Fully consolidated companies	2,366	(30)	80	--	2,416
Companies consol. by equity method	639	--	--	--	639
Total	3,005	(30)	80	--	3,055

Figures in EUR 000s

The most significant negative consolidation differences relate to MAPFRE ASISTENCIA and MAPFRE GUANARTEME, and amount to EUR 1,250,000 and EUR 710,000, respectively.

6.12. TECHNICAL RESERVES

The following table shows the movement of this heading in 2004:

DIRECT INSURANCE AND ACCEPTED REINSURANCE					
Item	Opening balance	Adjusts. to opening balance	Approps.	Applications	Closing balance
Reserve for unearned premiums and for unexpired risks	1,501,333	(44,970)	1,808,398	(1,456,363)	1,808,398
• Direct insurance	1,210,424	(41,962)	1,397,497	(1,168,462)	1,397,497
• Accepted reinsurance	290,909	(3,008)	410,901	(287,901)	410,901
Reserve for life insurance	11,133,490	21,715	11,791,545	(11,155,205)	11,791,545
- Reserve for unearned premiums and for unexpired risks	61,421	96	81,642	(61,517)	81,642
• Direct insurance	33,870	(55)	35,245	(33,815)	35,245
• Accepted reinsurance	27,551	151	46,397	(27,702)	46,397
-Mathematical reserves	11,072,069	21,619	11,709,903	(11,093,688)	11,709,903
• Direct insurance	11,031,078	19,971	11,663,263	(11,051,049)	11,663,263
• Accepted reinsurance	40,991	1,648	46,640	(42,639)	46,640
Reserve for claims	1,974,127	(42,514)	2,245,231	(1,931,613)	2,245,231
• Direct insurance	1,661,491	(34,360)	1,900,019	(1,627,131)	1,900,019
• Accepted reinsurance	312,636	(8,154)	345,212	(304,482)	345,212
Reserve for profit sharing and returns	30,487	(27)	35,383	(30,460)	35,383
Equalisation reserves	72,049	3	83,211	(51,504)	103,759
Other technical reserves	172,108	(7,619)	196,554	(164,489)	196,554
• Direct insurance	172,108	(7,619)	196,554	(164,489)	196,554
Total	14,883,594	(73,412)	16,160,322	(14,789,634)	16,180,870

Figures in EUR 000s

CEDED REINSURANCE

Item	Opening balance	Adjusts. to opening balance	Appropriations	Applications	Closing balance
Reserve for unearned premiums and for unexpired risks	385,580	(10,415)	475,393	(375,165)	475,393
Reserve for life insurance	5,382	(78)	9,570	(5,304)	9,570
- Reserve for unearned premiums and for unexpired risks	3,742	66	8,992	(3,808)	8,992
- Mathematical reserves	1,640	(144)	578	(1,496)	578
Reserve for claims	650,354	(10,293)	681,475	(640,061)	681,475
Total	1,041,316	(20,786)	1,166,438	(1,020,530)	1,166,438

Figures in EUR 000s

• Reserve for risks in progress

The allocation of the reserve for unexpired risks has been effected by the consolidatable Group's insurance companies according to the principles stated in note 5.m) of this annual report.

• Reserve for life insurance

The allocation of an additional reserve for life insurance due to inadequacy of returns was not required.

• Reserve for outstanding claims

No detail is provided on the development of the reserve for claims in accepted reinsurance, in particular at MAPFRE Re, as the ceding companies' reinsurance accounts do not provide information on the adequacy or non adequacy of technical reserves as a consequence of the application, on ceding companies' part, of accounting methods different from the method of year of imputation (year of occurrence or accounting year), and therefore it is not possible to supply information on the evolution of the reserve for claims.

The following table highlights the adequacy of the reserve for claims established at the beginning of the year, of the sub groups of companies domiciled in the European Economic Area.

Company	Reserve at the beginning of the year	Payments in the year and reserve at year-end	Adequacy
MAPFRE CAJA MADRID HOLDING	1,307,203	1,310,786	(3,583)
MAPFRE ASISTENCIA	5,291	4,236	1,055
Total	1,312,494	1,315,022	(2,528)

Figures in EUR 000s

• Other technical reserves

The heading "Other technical reserves" includes the reserve for death insurance. The principles followed in the allocation of this reserve are stated in note 5.m) of this annual report.

6.13. PROVISION FOR PENSIONS AND SIMILAR OBLIGATIONS

The following table details the movement of the provision for pensions and similar obligations in 2004:

Reserves for pensions	Pensions to active staff	Pensions to retired staff
Year's opening balance	1,274	4,022
Adjustments to opening balance	(174)	(3,999)
Increases		
• Allocations to own or internal pension funds	117	1,306
Decreases		
• Payment effected against the pension fund	--	(108)
• Excess reserve	(217)	--
Year's closing balance	1,000	1,221

Figures in EUR 000s

6.14. OTHER PROVISIONS FOR RISKS AND EXPENSES

The following table details the movement of this heading in 2004:

Concept	Opening balance	Adjusts. to opening balance	Approps.	Applications	Closing balance
Provision for taxes	34,637	(319)	16,414	(14,102)	36,630
Provision for payment of liquidation agreements	2,743	--	422	(542)	2,623
Other provisions	68,827	(347)	42,732	(41,176)	70,036
Total	106,207	(666)	59,568	(55,820)	109,289

Figures in EUR 000s

The item "provision for taxes" includes provisions for tax debts, these corresponding almost entirely - EUR 30,274,000 - to the MAPFRE AMÉRICA sub-group.

The most significant components of "Other provisions" as at 31 December 2004 are as follows:

- Cover of certain risks deriving from the current economic situation in Argentina, amounting to EUR 12,289,000
- Commitments arising from the sale of Progress Assicurazioni, amounting to EUR 6,621,000.
- Provision for incentives and other remuneration to staff, amounting to EUR 9,481,000.
- Provision for the liabilities that might derive from the settlement of certain appeals, amounting to EUR 8,211,000.
- Provisions to appropriately cover the restructuring of corporate means, amounting to EUR 8,460,000.
- Provisions for third party liability, amounting to EUR 4,000,000.

6.15. LOANS

As at 31 December 2004, the balance of this account includes the nominal amount of debentures issued by the Controlling Company, their most significant terms and conditions being as follows:

- Nature of the issue: simple debentures represented by book entries.
- Total amount: EUR 275 million
- No. of securities: 2,750
- Nominal per security: EUR 100,000
- Issuance date: 12 July 2001
- Term: 10 years
- Maturity: 12 July 2011
- Repayment: In a lump sum at maturity, at par, free of expenses for holders.
- Listing: AIAF Fixed income market
- Coupon: 6.02% per annum, payable on the anniversaries of the issuance date until the final maturity date inclusive.
- Rating of issue: AA- (Standard & Poor's).

The amount received by the Controlling Company upon the issuance was lessened by 0.375% on its nominal figure, in the concept of managers' and underwriters' fees. This fee, together with other issuance expenses, is imputed annually to results following a financial criterion. As at 31 December 2004, the amount pending to be expensed under these concepts is EUR 831,572 and is shown under the heading of deferred expenses.

As at 31 December 2004, interest accrued by outstanding debentures amounted to EUR 7,846,616, and is shown under the heading "Accruals" on the liabilities side.

On 28 February 2002, an interest rate swap was agreed on the total amount of the issue, restructured on 23 June 2003, whereby the Controlling Company receives on an annual basis an amount equivalent to 6.02% up to the final maturity of the issue, and undertakes to pay 2.35% up to 12 July 2004 and the 6-month Euribor plus 1.62% from that date until the final maturity date, with the maximum limit of 6.02% per annum.

6.16. ACCOUNTS PAYABLE

The following table details the balance of debt outstanding to credit institutions and other debts in 2004:

Concept	Secured	Rest	Total	Denominated in Euros
Due to credit institutions				
Due on lease agreements				
Others	--	2,772	2,772	484
Other debt				
Others	2,311	72,966	75,277	67,649
Total	2,311	75,738	78,049	68,133
Due on transactions in preparation of insurance contracts				
Others	--	104,531	104,531	104,531
Total	--	104,531	104,531	104,531
Other debts				
Due to subsidiaries and associated companies				
Subsidiaries	7	220	227	--
Associated companies	--	528	528	250
Fiscal, corporate and other debt	32,130	555,153	587,283	489,580
Total	32,137	555,901	588,038	489,830

Figures in EUR 000s

The CORPORACIÓN MAPFRE Group has debt outstanding to the MAPFRE MUTUALIDAD Group amounting to EUR 688,000.

Amounts due to credit institutions break down as follows:

Type of debt	Amount	Interest rate
Leasing	2,772	7.03%
Credit facilities	5,629	3.47%
Loans	64,539	4.05%
Other facilities	5,109	6.01%
Total	78,049	

Figures in EUR 000s

As at 31 December 2004, short term debt arising from transactions in preparation of insurance contracts amounts to EUR 64,972,000 and the remainder has long term maturities, not being subject to the provisions of Act 8/1987 of 8 June.

6.17. TRANSACTIONS WITH SUBSIDIARIES AND ASSOCIATED COMPANIES

The transactions carried out between Group companies, having no effect on results as they were eliminated in the consolidation process, are as follows:

Concept	Expenses	Revenues
Services received / rendered	35,468	29,613
Expenses/revenues from tangible investments	1,414	2,647
Expenses/revenues from investments and bank accts.	1,858	13,518
Other expenses/revenues	12,705	3,364
Dividends distributed	--	257,403
Others	2,874	2,496
Total	54,319	309,041

Figures in EUR 000s

The amounts included in the profit and loss account as a result of the transactions carried out during the fiscal year are detailed herebelow:

• With non fully consolidated Group companies:

Concept	Expenses	Revenues
Expenses and revenues from tangible investments	--	605
Expenses and revenues from financial invest. and accts.	--	9
Other external services	9,766	--
Other non technical revenues	--	905
Other non technical expenses	873	--
Total	10,639	1,519

Figures in EUR 000s

• With the MAPFRE MUTUALIDAD consolidatable Group:

Concept	Expenses	Revenues
Expenses and revenues from tangible investments	--	3,522
Expenses and revenues from financial invest. and accts.	242	12
Other non technical revenues	--	2,523
Other non technical expenses	8	--
Other external services	42,138	--
Total	42,388	6,057

Figures in EUR 000s

6.18. REINSURANCE AND COINSURANCE OPERATIONS

Detailed herebelow are reinsurance and coinsurance transactions carried out between companies in the consolidatable Group, eliminated in the consolidation process:

Concept	Amount
Premiums ceded/accepted	503,111
Claims	194,360
Change in technical reserves	78,047
Commissions	143,417
Interest on deposits	2,997

Figures in EUR 000s

Reinsurance transactions carried out with the MAPFRE MUTUALIDAD consolidatable group are shown herebelow:

Concept	Revenues/(Expenses)	
	Accepted reinsurance	Ceded reinsurance
Premiums	51,831	(38,447)
Claims	(16,805)	7,007
Commissions	(9,800)	6,248
Total	25,226	(25,192)

Figures in EUR 000s

The following tables detail the balances with reinsurers, ceding companies, deposits placed and technical reserves for reinsurance operations with consolidatable Group companies that were eliminated in the consolidation process, as well as with Group companies not fully consolidated and with higher groups:

ELIMINATED BALANCES		
Concept	Accepted reinsurance	Ceded reinsurance
Credits facilities and debt	(53,049)	54,962
Deposits	115,158	(115,158)
Technical reserves	(336,173)	343,406
Total	(274,064)	283,210

Figures in EUR 000s

NON ELIMINATED BALANCES		
Concept	Accepted reinsurance	Ceded reinsurance
Credits facilities and debt	(7,299)	1,888
Deposits	9,805	(390)
Technical reserves	(25,949)	9,472
Total	(23,443)	10,970

Figures in EUR 000s

6.19. OTHER DETAILS**• Extraordinary expenses and revenues**

Extraordinary losses amounted to EUR 11,829,000, of which EUR 5,837,000 correspond to previous years and EUR 5,992,000 to the present year.

Extraordinary profits amounted to EUR 10,487,000, of which EUR 5,848,000 correspond to previous years and EUR 4,639,000 to the present year.

• Advanced revenues and expenses

The following table shows expenses and revenues that, having been accounted for in the year, correspond to a subsequent one:

Concept	Assets	Liabilities
Prepaid expenses	7,212	--
Commissions and other acquisition expenses	303,465	136,988
Others	--	12,789
Total	310,677	149,777

Figures in EUR 000s

• Monetary adjustment

The accounts "Monetary adjustment positive result" and "Monetary adjustment negative result" include adjustments arising from the effect of exchange rates on the prices of the companies domiciled in countries having high inflation rates.

• Labour-related corporate expenses

The following table shows a breakdown of the item "Labour-related corporate expenses" of the consolidatable Group's Spanish companies:

Concept	Amount
Social Security	53,433
Contributions and allowances to pension plans	21,667
Other labour-related corporate expenses	20,035
Total	95,135

Figures in EUR 000s

The amount of "Contributions and allowances to pension plans" includes EUR 13,971,000 corresponding to premiums accrued by MAPFRE VIDA to cover commitments outstanding to active staff and to pensioners for pension supplements and retirement premiums.

6.20. RECLASSIFICATIONS IN THE CONSOLIDATED PROFIT AND LOSS ACCOUNT

The necessary reclassifications of revenues and expenses have been made in fully consolidated instrumental companies to the effect of presentation of the consolidated profit and loss account. Reclassification principles relate to the nature and contents of headings, their amount being insignificant.

7 INFORMATION ON LIFE INSURANCE

7.1. LIFE BUSINESS PORTFOLIO AND PREMIUM INCOME

The following table shows the Life Insurance business portfolio, by premiums written net of cancellations, in the 2004 fiscal year:

Type	Concept	Direct insurance
A	Premiums on individual contracts	1,356,789
	Premiums on collective insurance contracts	587,714
	Total	1,944,503
B	Regular premiums	720,857
	Single premiums	1,223,646
	Total	1,944,503
C	Premiums from contracts without profit sharing	1,252,759
	Premiums from contracts with profit sharing	648,554
	Premiums from contracts where the investment risk is assumed by policy holders	43,190
	Total	1,944,503

Figures in EUR 000s

7.2. TECHNICAL BASES OF THE MAIN LIFE INSURANCE TYPES

The technical bases of the main Life Insurance types are shown herebelow. With respect to Spanish companies, the requirements on return and adequacy of investments pursuant to the legislation in force have been complied with in all cases, allowing to use, in the calculation of the reserve for life insurance, technical interest rates higher than the maximum interest rate published by the Directorate General of Insurance and Pension Funds at the beginning of 2004.

• **Technical bases at MAPFRE VIDA**

a) Agents Channel

Types	Coverage	Tables	Technical interest rate	Profit sharing	
				Amount	Way of distribution
Individual contracts, with regular premium, and with or without profit sharing:					
- Combined insurance	(1)	GKM80/95	5.57%	1,080	(6)
- Insurance with counter-insurance	(2)	GKM-95	5.21%	1,000	(6)
Individual contracts with single premium without profit sharing:					
- Insurance with counter-insurance	(3)	GKM-95	4.70% (5)	--	--
- Survival	(4)	GRM/F-95	4.32% (5)		
Collective contracts with single premium with profit sharing:					
- Insurance with counter-insurance	(2)	GKM-95	3.19%	1,136	(6)
Collective contracts with single premium with profit sharing:					
- Survival	(4)	PERM/F 2000 P/C (7)	4.86% (5)	--	--
- Insurance with counter-insurance	(2)	GKM-95	4.05%	221	(6)

Figures in EUR 000s

(1) In case of life, an amount of capital at maturity is guaranteed, as well as appreciation of capital allocated by profit sharing. In case of death, a capital is guaranteed consisting of the sum of the net premiums paid until the insured person's death, capitalised at the technical interest (according to products) per full elapsed years, plus the net premiums forecast from the date of death until maturity of the contract. In addition, the mathematical reserve of the "bonuses" assigned in profit sharing is guaranteed.

(2) In case of life, an amount of capital at maturity is guaranteed, as well as appreciation of capital allocated by profit sharing. In case of death, a capital is guaranteed consisting of the sum of the net premiums paid until the insured person's death, capitalised at the technical interest (according to products) per full elapsed years. In addition, the mathematical reserve of the "bonuses" assigned in profit sharing is guaranteed.

(3) In case of life, an amount of capital at maturity is guaranteed. In case of death, the capital guaranteed is the amount of the net premiums paid capitalised at the technical interest rate, during the time elapsed between the effective date and the date of death, considering the fraction of the current year as a full year.

(4) Temporary and for life annuities, in case of survival.

(5) Floating interest rates are applied according to the Technical Note, abiding by the provisions of Royal Decree 2486/1998, approving the Regulations, and of Ministerial Order dated 23 December 1998.

(6) The distribution of profit sharing is instrumented in deferred capital insurance policies with reimbursement of single premium reserves.

(7) As per resolution dated 3 October 2000 of the Directorate General of Insurance and Pension Funds, generational tables PERM/F 2000 C are applied to portfolio contracts, and the PERM/F 2000 P tables are applied to new production from that date.

b) Bank Channel

Types	Coverage	Tables	Technical interest rate	Profit sharing	
				Amount	Way of distribution
Individual contracts, with single premium and with profit sharing:					
- Combined insurance	(1)	GRM/F 95	5.00% (3)		(7)
Individual contracts, with single premium and without profit sharing:					
- Combined insurance	(2)	GRM/F 95	3.66% (5)	--	--
Collective contracts, with single premium and without profit sharing:					
- Survival	(4)	GRM/F 95	5.92% (6)	--	--

Figures in EUR 000s

(1) If the insured person lives at the end of the established period, payment of the insured capital is guaranteed, plus a revaluation linked to the IBEX 35, NIKKEI 225 and S&P500 indexes. In case of the insured person's death during the validity of the insurance policy, an amount of capital is guaranteed, calculated as the addition of the premium paid plus its capitalisation at the technical interest rate from the date when it was paid until the last annual maturity date of the insurance policy prior to the insured person's death.

(2) The insurance policy guarantees payment of a constant annuity while the insured person lives and, should he/she die during the first year of validity of the insurance policy, the return of the premium paid. If death occurs after the first year, the return of the premium is guaranteed plus the lower of 3% of the premium or EUR 6,010.

(3) A minimum return of 5% is guaranteed at five years and one day.

(4) This insurance policy guarantees payment of temporary annuities until retirement, reversible for widowhood / orphanhood; plus a deferred annuity for life, from the time of retirement, reversible for widowhood / orphanhood.

(5) The stated technical interest rate applies during the first 28 or 29 years of validity of the insurance policy (depending upon the contracting date). The rate of 2.50% applies beyond that period.

(6) The stated technical interest rate applies during the first 30 years of validity of the insurance policy. The rate of 2.50% applies beyond that period.

(7) One hundred per cent of the excess over the guaranteed 5% of average revaluation of the IBEX 35, NIKKEI 225 and S&P500 indexes is applied.

Technical bases at MUSINI

Types	Coverage	Tables	Technical interest rate	Profit sharing	
				Amount	Way of distribution
Individual contracts	Death	GK 80	2%	23	As a claim
Collective contracts	Death / Survival	GK 80/PERM-F 2000	2%-4.62%	5,085	As a claim
Regular premium contracts	Death / Survival	GK 80/PERM-F 2000	2%-4.62%	5,108	As a claim
Single premium contracts	Survival	PERM-F 2000	4.62%	--	--
Contracts without profit sharing	Death / Survival	GK 80/PERM-F 2000	2%-4.62%	--	--
Contracts with profit sharing	Death / Survival	GK 80/PERM-F 2000	2%-4.62%	5,108	As a claim

Figures in EUR 000s

The technical interest rates used in the various single premium life insurance policies are specific to each transaction or groups of transactions carried out, and they range between 2.25% and 4.62%.

Technical bases at MUSINI VIDA

Types	Coverage	Tables	Technical interest rate	Profit sharing	
				Amount	Way of distribution
Single premium collective contracts, without profit sharing:					
Survival	(1)	PERM/F 2000 P/C (2)	4.64% (3)	--	--

Figures in EUR 000s

(1) Temporary and for life annuities, in case of survival.

(2) As per resolution of 3 October 2000 of the Directorate General of Insurance and Pension Funds, generational tables PERM/F 2000 C apply to portfolio contracts and PERM/F 2000 P to new production from that date.

(3) Floating interest rates are applied according to the Technical Note, abiding by the provisions of Royal Decree 2486/1998, approving the Regulations, and of Ministerial Order dated 23 December 1998.

8 GEOGRAPHICAL DISTRIBUTION OF BUSINESS

Premium income and technical reserves for direct insurance and accepted reinsurance operations declared by the Group in Spain, the rest of the European Economic Area countries and other countries are detailed herebelow:

Business Line	Spain		European Economic Area		Other countries	
	Premiums	Reserves	Premiums	Reserves	Premiums	Reserves
Life						
Direct insurance	1,838,516	12,008,118	43,062	162,773	62,925	79,554
Accepted reinsurance	32,192	24,189	4,996	4,594	41,780	80,316
Subtotal Life	1,870,708	12,032,307	48,058	167,367	104,705	159,870
Non Life						
Direct insurance	2,291,328	2,496,104	61,481	63,206	1,260,467	804,911
Accepted reinsurance	91,569	144,142	325,111	351,163	367,200	322,941
Subtotal Non Life	2,382,897	2,640,246	386,592	414,369	1,627,667	1,127,852
Total	4,253,605	14,672,553	434,650	581,736	1,732,372	1,287,722

Figures in EUR 000s

9 FISCAL SITUATION

• Tax consolidation regime

From the 1985 fiscal year onwards, part of the consolidated companies are included under Fiscal Group 9/85 to the effects of the Corporations Tax, the said group being formed by the Controlling Company and its subsidiaries meeting the requirements to be subject to the said tax regime.

In 2004, Fiscal Group 9/85 is formed by the following companies:

CORPORACION MAPFRE, MAPFRE RE, MAPFRE INMUEBLES, DESARROLLOS URBANOS CIC, SERVICIOS INMOBILIARIOS MAPFRE, MAPFRE ASISTENCIA, IBEROASISTENCIA, VIAJES MAPFRE, IBEROASISTENCIA SERVICIOS DE TELEMARKETING, MAPFRE SOFT, CONSULTING DE SOLUCIONES Y TECNOLOGIAS SIAM, MAPFRE AMERICA and MAPFRE ASISTENCIA ORO.

Likewise, from 2002, some other consolidated companies are included under Fiscal Group 95/02 to the effects of the Corporations Tax, the said group being formed by MAPFRE-CAJA MADRID HOLDING DE ENTIDADES ASEGURADORAS, S.A. (hereinafter "MAPFRE-CAJA MADRID HOLDING") and its subsidiaries meeting the requirements to be subject to the said tax regime. In 2004, Fiscal Group 95/02 is formed by the following companies:

MAPFRE-CAJA MADRID HOLDING, MAPFRE VIDA, MAPFRE INVERSIÓN, MAPFRE INVERSIÓN DOS, MAPFRE VIDA PENSIONES, CONSULTORA ACTUARIAL Y DE PENSIONES MAPFRE VIDA, GESTIÓN MODA SHOPPING, MIRACETI, MAPFRE SEGUROS GENERALES, MAPFRE INDUSTRIAL, MAPFRE FINISTERRE, ORIENTE, GESTORA DE ACTIVOS FUNERARIOS, MULTISERVICIOS

MAPFRE, SEPROVAL, MESEVAL, FINISTERRE AGENCIA CANARIA DE SEGUROS, COSEBAL, HEJEAN, AGEPAL, LISS ASSURANCE, SEGURLIS, SEGESYMED, SEPENVAL, SEFIN, MAPFRE CAUCIÓN Y CRÉDITO, MAPFRE SERVICIOS DE CAUCIÓN Y CRÉDITO, MAPFRE CAJA SALUD, CENTRO MÉDICO DE CHEQUEOS MAPFRE VIDA, IGUALSERVICIOS DE HUESCA, CENTROS MÉDICOS ISLAS CANARIAS, MAPFRE GUANARTEME, PROYECTOS Y SERVICIOS MAPFRE, MUSINI VIDA, SERVIMEDIC, MAPFRE AMÉRICA CAUCIÓN Y CRÉDITO, MUSINI, INTERBOLSA, SERVICIOS FINANZAS, GESMUSINI S.G.I.I.C., GESMUSINI CARTERAS and ELIPSE CANARIAS.

• **Reconciliation of accounting result with the tax base**

The following table sets out the reconciliation between the consolidated profit after tax and minority interests with the aggregate tax base for the year's Corporations Tax, for 2004, of all the fully consolidated companies, excluding foreign companies:

RECONCILIATION OF ACCOUNTING RESULTS WITH THE TAX BASE FOR THE CORPORATIONS TAX			
Accounting result for the fiscal year			182,942
	Increases	Decreases	
Corporation Tax	118,421		118,421
Permanent differences:			
- Of individual Companies	12,993	47,657	(34,664)
- Of consolidation adjustments	187,569	89,513	98,056
Temporary differences:			
- Of individual Companies:			
Arising in the year	69,038	4,729	64,309
Arising in previous years	651	85,636	(84,985)
- Of consolidation adjustments:			
Arising in the year	19,701	328,635	(308,934)
Arising in previous years	337,336	190	337,146
Set-off negative tax bases			(373)
Tax base (tax result)			371,918

Figures in EUR 000s

Increases in permanent differences in the year, of individual companies, correspond, basically, to non deductible expenses related to employee's life insurance policies, taxes borne on income received from abroad, and goodwill arising from the merger of ASEICA and MAPFRE CAJA SALUD.

Decreases in permanent differences in the year, of individual companies, arise, mainly, from the exemption of income from foreign subsidiaries, from the allocation of the Reserve for Investments in the Canary Islands, and from the monetary adjustment of gains generated in the sale of assets.

Increases in permanent differences, of consolidation adjustments, are due, mainly, to the elimination of intra-group dividends, eliminated in the accounting consolidation process, to minority shareholders' profit sharing, and to the imputation of losses of companies consolidating by the equity method, excluded in the reconciliation of the accounting result with the tax base.

Decreases in permanent differences, of consolidation adjustments, relate, mainly, to the elimination of profits of companies consolidating by the equity method and of foreign companies, which are not included in this reconciliation.

Increases in temporary differences originating in the year, of individual companies, correspond, mainly, to non deductible expenses on pension related commitments, to the allocation of provisions for liabilities, insolvencies, depreciation of the securities portfolio, and premiums pending collection exceeding the tax deductible amounts.

Increases in temporary differences originating in previous years, of individual companies, correspond to the reversion of the accelerated depreciation of assets established in Royal Decree-Act 3/1993, and to the reversion of profits deriving from the reinvestment deferral tax benefit.

Decreases in temporary differences originating in previous years, of individual companies, relate mainly to the recovery of provisions that were considered as non deductible in previous years, mathematical reserves allocated for amounts exceeding the regulatory minimum and reserves for outstanding premiums not older than six months; to the recovery of reserves for pensions of present and retired staff that likewise, and until their externalisation, were considered as a non deductible expense; and to the tax bases imputed by economic interest groupings (AIEs).

The amount of increases in temporary differences originating in the year, of consolidation adjustments, relates, basically, to depreciation of goodwill on consolidation and portfolio acquisition expenses.

The amount of decreases in temporary differences originating in the year, of consolidation adjustments, corresponds mainly to the elimination of the accounting consolidation adjustment made in the concept of allocation to the provision for depreciation of investments in consolidated companies.

The amount of increases in temporary differences originating in previous years, of consolidation adjustments, relates, basically, to the elimination of the accounting consolidation adjustment made for the reversion of the provision for depreciation of subsidiaries established at the end of the preceding fiscal year.

The amount of decreases in temporary differences originating in previous years, of consolidation adjustments, corresponds to the elimination of results from other fiscal years.

The full amount of set-off of negative tax bases corresponds to Tax Group no. 95/02.

During 2004, consolidated companies obtained profits in several foreign countries, with the expense accrued on the various foreign taxes charged on the said profits amounting to EUR 2,061,000.

• Prepaid and deferred taxes

Individual companies prepaid taxes of fully consolidated companies as at 31 December 2004, as a consequence of the positive temporary differences accumulated as at the said date, amount to EUR 57,729,000. Of this figure, EUR 22,028,000 have been included in the consolidated companies' Balance Sheet and Profit and Loss Account, pursuant to the criteria established to that effect by the I.C.A.C. resolution of 9 October 1997 and its amendment of 15 March 2002. Of the said figure, EUR 9,632,000 originate in the present year and EUR 12,396,000 come from previous years. The remaining individual companies prepaid taxes of consolidated companies accumulated as at 31 December 2004, which amount to EUR 35,701,000, has not been accounted for pursuant to the criteria established in the said I.C.A.C. resolution of 9 October 1997 and its amendment of 15 March 2002.

Individual companies deferred taxes as at 31 December 2004 of fully consolidated companies amount to EUR 6,906,000, having been included in the respective Balance Sheets and Profit and Loss Accounts.

• Negative tax bases

Negative tax bases from previous years pending set-off in fully consolidated companies amount to EUR 205,409,000 in aggregate, broken down as follows:

From fiscal year	Amount	Deadline for set-off in fiscal year
1998	22,825	2013
1999	40,938	2014
2000	9,455	2015
2001	35,006	2016
2002	67,624	2017
2003	29,561	2018

Figures in EUR 000s

Tax credits relating to negative tax bases pending set-off by the consolidated companies have not been booked, pursuant to the criteria established by the ICAC resolution of 9 October 1997, and its amendment dated 15 March 2002.

• Imputation of economic interest groupings (AIEs)

As shareholders in AIEs, consolidated companies received the following imputations in the year:

Concept	Amount
Tax Base	529
Allowances	4
Withholdings	9

Figures in EUR 000s

• Tax incentives

The detail of tax incentives in fully consolidated companies is as follows:

BREAKDOWN OF TAX INCENTIVES

Type	Amount applied in the year	Amount pending application
Deduction on double taxation - internal	22,383	39,757
Deduction on double taxation - international	1,279	265
Deduction on reinvestment of extraordinary profits	787	--
Bonuses and others	770	--
Staff training and contribution to pension plans	418	73
Creation of employment	7	--

Figures in EUR 000s

As at 31 December 2004, consolidated companies had booked tax credits for deductions pending application amounting to EUR 22,451,000.

In fiscal year 2002, consolidated companies assigned income amounting to EUR 132,670,000 to the transitional regime of reinvestment of extraordinary profits established in the third transitional provision of Act 24/2001, on Fiscal, Administrative and Labour Related Measures, giving rise to a deduction in the amount to be paid under the Corporations Tax in 2001 of EUR 22,556,000. The assets where the reinvestment was carried out must remain in the company's ownership until fiscal year 2007.

Likewise, in years 2002 and 2003, consolidated companies assigned income amounting to EUR 1,459,000, EUR 1,206,000 and EUR 4,697,000, respectively, to the deduction on reinvestment of extraordinary profits established in article 42 of Royal Decree Act 4/2004, having carried out the relevant reinvestments in each year.

In previous years, consolidated companies assigned positive income of EUR 9,234,000 to the tax benefit of reinvestment deferral pursuant to article 21 of the repealed Act 43/1995, on the Corporations Tax, having reinvested EUR 18,263,000 as at year end, the whole amount corresponding to the reinvestment commitment, according to the following breakdown:

Fiscal Year	Amount of Reinvestment	Assigned income
1996	491	299
1998	355	168
1999	4,015	2,703
2000	12,468	5,847
2001	934	217
Total	18,263	9,234

Figures in EUR 000s

Positive income subject to the tax benefit of deferral on reinvestment is integrated into the consolidated companies' tax base in the tax periods when the assets in which the reinvestment was carried out are depreciated. Of the total amount of this positive income, consolidated companies have already integrated into their tax base the amount of EUR 832,000, as per the following detail:

Fiscal year	Amount
1999	62
2000	97
2001	98
2002	191
2003	192
2004	192
Total	832

Figures in EUR 000s

The amount of EUR 8,401,000 is pending integration into the consolidated companies' tax base during fiscal years 2004 to 2052.

● Verification by the tax authorities

Pursuant to the legislation in force, the tax returns filed for the different taxes may not be considered as definitive until they have been inspected by the tax authorities or until the prescription period of four years has elapsed. As a result of the inspection activities completed in 1997 in some of the consolidated companies, in relation to the Corporation Tax for fiscal years 1989 to 1993, as well as to the remaining taxes of fiscal years 1991 to 1994, tax assessments were raised, signed in disagreement, for the Corporation Tax of years 1991, 1992 and 1993, due to disagreement on the qualification of certain assets acquired upon the merger by takeover of several subsidiary companies, carried out on 31 December 1992, for the materialisation of reinvestment to which the exemption of certain positive income generated in years 1990 and 1993 was subject, as well as disagreement on the deductibility of the allocation to the provision for claims pending declaration, and on withholdings on account of the Personal Income Tax, due to disagreement on the determination of the applicable withholding percentages. At year-end, MAPFRE INDUSTRIAL has made a provision for the amount of the tax assessment raised for the non deductibility of the provision for claims pending declaration. Tax liquidations deriving from the said assessments were appealed against and are pending resolution at present, except for those relating to the personal income tax, which have been admitted.

As a consequence of inspection activities relating to fiscal years running from 1 January 1987 to 31 December 1991, regarding the companies MAPFRE FINISTERRE and its subsidiary ORIENTE, both taken over by MAPFRE SEGUROS GENERALES, certain tax assessments were raised that were appealed against, with said appeals having been partly successful. For the portion not accepted, new tax liquidations were raised, which were again appealed against.

In 2001, inspection activities were completed in relation to Group 9/85, formed by CORPORACIÓN MAPFRE and its tax-controlled companies, for all taxes relating to fiscal years 1996 and 1997, as well as for the Corporation Tax of years 1994 and 1995. As a result of said inspection, tax assessments were raised, signed in disagreement, for the Corporation Tax of the years under review, due basically to disagreement on the deductibility of technical reserves, provision for depreciation of fixed assets, Tax on Insurance Premiums, discrepancy in the incorporation to the taxable base of the said tax of certain surcharges collected from insured persons, and on withholdings on account of the Personal Income Tax, due to disagreement on whether certain amounts paid in the concept of transport expenses should be subject to withholding. The said tax assessments have been appealed against, and the appeal was pending resolution at year end.

In 2001, inspection activities were completed at CAJA MADRID VIDA, a company taken over by MAPFRE VIDA pursuant to the general assignment of assets and liabilities that took place on 31 December 2001, relating to all the taxes to which said companies are subject for years 1996 and 1997, as well as to withholdings on account of returns on securities of fiscal year 1998. As a result, tax assessments were signed in disagreement in relation to withholdings on account of returns on securities of fiscal years 1996 to 1998 deriving from deposit administration agreements; these tax assessments were appealed against and are pending resolution, as well as the appeal brought against the tax assessment raised for the same concept and relating to fiscal years 1992 to 1995.

In 2003, a tax inspection took place at CAJA MADRID VIDA, a company taken over by MAPFRE VIDA, with an assessment having been signed in disagreement on the Corporation Tax of fiscal year 2000, due to a discrepancy on the fiscal allowability of default interest on inspection assessments raised in previous years, with the liquidation deriving from the said assessment having been appealed against.

Consequently, and excluding the above mentioned exceptions, consolidated companies have open to inspection all the taxes to which they are subject for the past four fiscal years. In the opinion of the consolidated companies' advisers, the likelihood of fiscal liabilities affecting significantly consolidated companies' financial position as at 31 December 2004 is remote.

• **Transactions subject to the special Regime of Chapter VIII, Title VIII of Royal Decree-Act 4/2004**

Fiscal year 2004

On 31 December 2004, the public deed of merger was executed, with effect 1st January 2004, by MAPFRE SEGUROS GENERALES and MAPFRE FINISTERRE and ORIENTE.

Fiscal year 2003

CORPORACIÓN MAPFRE carried out transactions of exchange of shares in MAPFRE RE for the premises located at Paseo de Recoletos no. 25 in Madrid.

MAPFRE CAJA SALUD carried out transactions of exchange of shares in CENTRO MÉDICO DE CHEQUEOS MAPFRE VIDA for the premises located at calle Llodio S/N in Madrid.

Fiscal year 2002

Merger by takeover of ASEICA on the part of MAPFRE CAJA SALUD.

Fiscal year 2001

- The Controlling Company exchanged shares in MAPFRE SEGUROS GENERALES for shares in MAPFRE CAJA MADRID HOLDING.
- Overall assignment of assets and liabilities of IGUALATORIO MÉDICO QUIRÚRGICO DE HUESCA in favour of its sole shareholder, MAPFRE CAJA SALUD.
- Assignment of the health business of MAPFRE VIDA to MAPFRE CAJA SALUD by a capital increase with non cash contribution of the assets assigned to the said business.
- Overall assignment of assets and liabilities of CAJA MADRID VIDA in favour of its sole shareholder, MAPFRE VIDA.

Fiscal year 2000

- The Controlling Company carried out exchanges of securities, consisting of contributing shares in MAPFRE VIDA, MAPFRE CAUCIÓN Y CRÉDITO and MAPFRE SEGUROS GENERALES.
- Incalbarsa's overall assignment of assets and liabilities in favour of its sole shareholder, CORPORACIÓN MAPFRE.
- MAPFRE CAJA MADRID HOLDING approved a capital increase by non cash contribution of shares in MAPFRE SEGUROS GENERALES, MAPFRE VIDA and MAPFRE CAUCIÓN Y CRÉDITO (shares contributed by CORPORACIÓN MAPFRE) and of shares in CAJA MADRID VIDA, CAJA MADRID SEGUROS GENERALES and CAJA SALUD DE SEGUROS Y REASEGUROS, S.A. (shares contributed by CORPORACIÓN FINANCIERA CAJA DE MADRID, S.A.).

- MAPFRE CAJA MADRID HOLDING contributed shares in CAJA MADRID VIDA and CAJA MADRID SEGUROS GENERALES in the respective capital increases that were respectively approved by MAPFRE VIDA and MAPFRE SEGUROS GENERALES.
- Overall assignment of assets and liabilities by CAJA MADRID SEGUROS GENERALES in favour of its sole shareholder, MAPFRE SEGUROS GENERALES.
- Overall assignment of assets and liabilities of PLANAS SALUD, COMPAÑÍA DE SEGUROS DE ASISTENCIA SANITARIA, S.A. in favour of its sole shareholder, CAJA SALUD (now called MAPFRE CAJA SALUD).

Fiscal year 1997

- Merger by takeover of IMECO S.A. on the part of CAJA SALUD (now called MAPFRE CAJA SALUD).

10 INFORMATION ON NON LIFE INSURANCE

Pursuant to the authorisation extended by the Directorate General of Insurance and Pension Funds, the information required in this section relating to "Technical income and expenses by lines" and "Technical results per year of occurrence" of Non Life Insurance is not given for the following reasons:

- Its scant relevance for the true image of CORPORACIÓN MAPFRE's consolidated accounts, considering the heterogeneity of the markets where its subsidiaries operate and the factors that in each one of them condition the evolution of the various business lines.
- The difficulty of obtaining from subsidiaries not belonging to the European Economic Area, information relating to claims per year; furthermore, the existence of reinsurance entities within the consolidatable group, and the fact that ceding companies follow accounting methods different from that of year of imputation, make it virtually impossible to gather the required data.
- In relation to the consolidated statement of technical income and expenses by business lines, it is difficult to establish the procedure of elimination by lines in the process of consolidation of reinsurance transactions between companies in the consolidatable group.

11 OTHER INFORMATION

11.1. REMUNERATION OF THE CONTROLLING COMPANIES' BOARD OF DIRECTORS

The Board of Directors of CORPORACIÓN MAPFRE is formed by fifteen external directors and three executive directors. Details on the remuneration and other compensation received by the administrators of the Controlling Company in 2004 are given herebelow, irrespectively of the Group company having paid them, broken down by concept:

Concept	Amount
EXTERNAL DIRECTORS	
Attendance fees	288
Fixed allowances	339
Other concepts	80
EXECUTIVE DIRECTORS	
Salaries	1,038
Life insurance policies	40
Other concepts	76
Total	1,861

Figures in EUR 000s

External directors' basic remuneration consists of an allowance for their attendance to meetings, which amounted to EUR 1,987 in 2004. In addition, they benefit from a life insurance policy, with an insured capital of EUR 150,253.03 and enjoy some of the claims extended to staff, such as medical insurance. External directors belonging to Commissions or Delegate Committees receive also a fixed annual allowance in that concept, which in 2004 amounted to EUR 13,985 for the Management Commission and EUR 10,490 for delegate committees.

Executive directors receive the remuneration established in their contracts, including fixed salary, bonuses with varying amounts linked to results, life and disability insurance, and other claims generally established for the Group companies' staff; in addition, certain pension complements have been acknowledged to them for the event of retirement, through a life insurance policy, it all according to the remuneration policy established by SISTEMA MAPFRE for its senior managerial staff, whether or not they are directors. Executive directors, however, are not entitled to the remuneration established for external directors, except for the fixed allowance relating to their membership of SISTEMA MAPFRE's Management Commission.

11.2. ADVANCES AND CREDIT FACILITIES TO THE BOARD OF DIRECTORS

At year end no company within the consolidatable Group had advances or credit facilities extended to the members of the Controlling Company's Board of Directors, nor had any extended guarantees on their behalf.

11.3. OBLIGATIONS TO CORPORACIÓN MAPFRE'S BOARD OF DIRECTORS

Commitments in respect of pensions and retirement premium to former and present members of the Controlling Company's board of directors, undertaken by the controlled companies that have externalised their pension related commitments, are covered by the collective life insurance policy taken for said risks as detailed in notes 5.n and 6.19 of the Annual Report. The premium accrued for these concepts in relation to the mentioned Board members amounts to EUR 2,693,260.

11.4. OTHER DETAILS RELATING TO THE BOARD OF DIRECTORS

During the year, the Controlling Company's directors did not carried out any transaction with the Controlling Company itself nor with any other group company outside the scope of the companies' ordinary trading activities, nor under non market conditions.

The Controlling Company's directors do not hold stakes in the capital of companies having the same, similar or complementary nature of activity to that of the Controlling Company, nor carry out, either on their own account or on behalf of third parties, the same, similar or complementary activity to that of the group companies' corporate object, with the following exceptions:

Director	Company	Number of shares/ stocks	Office/ Position
Mr. Juan Fernández- Layos Rubio	Aegon, N.V.	9,800	--
	Münchener Ruck	3,000	--
Mr. Ricardo Blanco	Aegon, N.V.	6,124	--
Mr. Domingo Sugranyes Bickel	Münchener Ruck	67	--
	Aegon, N.V.	320	--
	Axa	142	--
	Fortis	200	--
	Ing	190	--

The situations of this company's directors having stakes or fulfilling activities in other SISTEMA MAPFRE companies have not been taken into account, as they are not considered to have any impact on the duty of loyalty, nor to generate any conflict of interests.

11.5. STAFF

During 2004, Group companies employed the following average staff, detailed by professional category:

Categories	Average number of employees
Managers	779
Clerical staff	5,822
Marketing staff	3,748
Others	4,435
Total	14,784

11.6. COMMITMENTS TO THIRD PARTIES

- By virtue of the participation of the MAPFRE Vida policyholders in the returns on investment of their mathematical reserves, when the property elements restated in accordance with Budget Acts 1/1979, 74/1980 and 9/1983 are sold, 90% of the difference between the purchase values and the restated values will be attributed to the said policies in the fiscal year when the sale is made. As at 31 December 2004, the future right of these policies over the amounts of such restatements is estimated at EUR 1,711,000, for which provisions have been made as at the said date.
- MAPFRE Re and MAPFRE Reinsurance Corporation have granted guarantees to third parties, materialised in letters of credit, amounting to EUR 20,915,000.
- As at 31 December 2004, MAPFRE INMUEBLES, a company consolidated by the equity method, had guarantees extended to third parties amounting to EUR 5,000,000, relating mostly to public tenders of land connected to its real estate development activities.

- At year end, CAJA MADRID had indemnities granted in favour of the Controlling Company amounting to EUR 26,063,000, basically corresponding to guarantees issued in favour of the Tax Administration (A.E.A.T.).
- As at 31 December 2004, CAJA MADRID had indemnities in favour of MAPFRE CAJA MADRID HOLDING for an amount of EUR 9,000,000, in the concept of guarantees issued to SEPI in relation to the acquisition of MUSINI and MUSINI VIDA.
- MAPFRE CAJA MADRID HOLDING is joint guarantor of MAPFRE SEGUROS GENERALES in relation to the debt arising from the acquisition of MAPFRE FINISTERRE.

11.7. EXTERNAL AUDITORS' FEES

The fees accrued in favour of External Auditors in the 2004 fiscal year for their account auditing services, amount to EUR 1,732,583, there being also an additional amount of EUR 640,854 in the concept of audit related services and EUR 208,806 accrued for other complementary services provided by them. The last two figures are not considered to jeopardise the independence of auditors.

11.8. ENVIRONMENTAL ISSUES

The Group companies do not have any environment related item that might be significant or specifically included in the present consolidated report.

12 SUBSEQUENT EVENTS

- On 28 January 2005, the controlling company acquired on the Malta Stock Exchange shares in MIDDLESEA INSURANCE PLC (Malta), representing 15.18% of the said company's share capital. With this acquisition, CORPORACIÓN MAPFRE's stake in MIDDLESEA rises to 20.66%. This transaction forms part of an agreement between the MIDDLESEA GROUP and MAPFRE, whereby MIDDLESEA INSURANCE PLC will acquire the 39% interest held by the controlling Company in the capital of PROGRESS ASSICURAZIONI S.p.A. (Italy). The balance of both transactions will mean a net payment by CORPORACIÓN MAPFRE of approximately five million Euros.
- Pursuant to the provisions of Regulations (EC) no. 1606/2002 of the European Parliament and the Council, of 19 July 2002, relating to the application of the international accounting standards, and the eleventh final provision of Act 62/2003, of 30 December, on fiscal, administrative and labour measures, CORPORACIÓN MAPFRE shall prepare its consolidated annual accounts corresponding to the fiscal years starting from 1 January 2005 on the basis of the International Financial Reporting Standards (IFRS).

IFRS require that, except in certain circumstances, information given for comparison purposes with fiscal year 2004 included in the Group's consolidated annual accounts for 2005 be prepared in accordance with the said rules. This will entail modifications in the valuation, classification and presentation of certain balance sheet and profit and loss account items for fiscal year 2004, which were submitted pursuant to the accounting standards generally accepted in Spain. Furthermore, the IFRS require the consolidated annual accounts for 2005 to include the reconciliations made in order to show the accounting impact of the change on the consolidated shareholders' equity at the beginning and the closing of fiscal year 2004 and on the consolidated results of the said year.

The Group is developing the conversion process to the IFRS, analysing the accounting impact of their application and those related to the different processes involved, including those linked to reporting systems. The final accounting impact, which shall depend, inter alia, upon other aspects of the new standards or interpretations finally adopted by the European Union, will be detailed in the consolidated annual accounts corresponding to fiscal year 2005.

13 CONSOLIDATED TREASURY'S STATEMENT

1. Cash flow variations during the year		Amount
From trade activities		
Increase		1,334,242
From other operating activities		
Increase		91,374
From fixed assets and investments		
Decrease		(667,939)
From other transactions		
Decrease		(408,836)
From other extraordinary transactions		
Increase		392,112
From transactions with the Public Administration		
Decrease		(387,245)
2. Evolution of cash flow during the year		Amount
1. Cash at beginning of year		502,662
2. Cash at year end		856,370
3. Variation in cash during the year		
Increase		353,708

Figures in EUR 000s

14 STATEMENT OF COVERAGE OF TECHNICAL RESERVES

The following table shows the technical reserves and assets qualifying as coverage as at 31 December 2004 and 2003, resulting from the aggregation of the sole statements of the consolidatable group's insurance companies and the elimination of reinsurance transactions carried out among them:

Sub-group	Technical reserves to be covered		Qualifying assets		Surplus / (Deficit)	
	Non Life	Life	Non Life	Life	Non Life	Life
31 December 2004						
MAPFRE CAJA MADRID HOLDING	2,280,589	11,942,249	2,547,977	13,181,033	267,388	1,238,784
MAPFRE AMÉRICA	762,930	74,589	859,944	88,443	97,014	13,854
MAPFRE RE	609,083	101,729	1,127,909	118,722	518,826	16,993
MAPFRE ASISTENCIA	27,387	--	28,570	--	1,183	--
Total	3,679,989	12,118,567	4,564,400	13,388,198	884,411	1,269,631
31 December 2003						
MAPFRE CAJA MADRID HOLDING	1,904,127	11,403,114	2,118,024	12,304,634	213,897	901,520
MAPFRE AMÉRICA	758,223	93,385	833,865	109,236	75,642	15,851
MAPFRE RE	513,733	31,300	805,358	34,911	291,625	3,611
MAPFRE ASISTENCIA	25,536	--	27,403	--	1,867	--
Total	3,201,619	11,527,799	3,784,650	12,448,781	583,031	920,982

Figures in EUR 000s

The valuation criteria for technical reserves are those shown in note 5m) of this annual report. Assets qualifying as coverage of technical reserves have been valued pursuant to the provisions of article 52 of the Regulations, except in companies not belonging to the European Economic Area, where they have been valued pursuant to the regulations applicable in each country. Likewise, the Spanish companies have applied the diversification and spreading limits established in article 53 of the said Regulations.

The following table details the statement of the solvency margin as at 31 December 2004 and 2003:

Concepto	2004	2003
Controlling Company's paid-up share capital	119,450	90,782
Consolidated Group's reserves	1,108,893	603,968
Creditor balance in the consolidated companies' reserves account	241,531	234,209
Creditor balance in the consolidated profit and loss account	80,387	82,256
Negative difference on consolidation	2,416	2,366
Minority interests	720,629	675,733
Future profits from the life business	85,297	193,712
Unrealised gains in:		
Tangible investments	84,932	124,357
Financial investments	246,463	178,070
Others	2,798	1,938
Commissions technically discounted pending amortisation, net	232,635	254,283
Total positive items	2,925,431	2,441,674
Start-up, incorporation and capital increase expenses	(17,869)	(9,360)
Unrealised losses in:		
Tangible investments	(5,059)	(2,034)
Financial investments	(3,731)	(1,908)
Others	(19,716)	(6,653)
Total negative items	(46,375)	(19,955)
Solvency margin	2,879,056	2,421,719
Minimum amount of solvency margin	1,193,716	1,079,756
Result of the solvency margin	1,685,340	1,341,963

Figures in EUR 000s

The following table details the minimum amount of the solvency margin broken down by sub groups and calculated, for subsidiaries operating in countries not belonging to the European Union, pursuant to the rules in force in each country, except in the case of countries where this requirement does not exist or where solvency requirements are not equivalent to those established in the European Union, where it has been calculated pursuant to criteria in line with the Spanish regulations.

Sub-group	Minimum amount of the solvency margin					
	Non Life		Life		Total	
	2004	2003	2004	2003	2004	2003
MAPFRE CAJA MADRID HOLDING	318,827	261,920	527,914	518,865	846,741	780,785
MAPFRE AMÉRICA	206,276	190,794	530	1,689	206,806	192,483
MAPFRE RE	76,559	56,974	48,105	40,577	124,664	97,551
MAPFRE ASISTENCIA	15,505	8,937	--	--	15,505	8,937
Total	617,167	518,625	576,549	561,131	1,193,716	1,079,756

Figures in EUR 000s

For the determination of the consolidatable Group's uncommitted assets, the Controlling Company's shareholders' funds have been taken into account, together with those contributed by the companies forming part of said group. The valuation criteria used are those stemming from the legislation in force as at 31 December 2004. The effect of the corporation tax and profit sharing on capital gains and losses has been deducted from them and, when applicable, profit sharing by policy holders in the Life business.

As the sub-group headed by CORPORACIÓN MAPFRE is integrated into a larger insurance companies' consolidatable Group, the company MAPFRE MUTUALIDAD calculates the said Group's consolidated Solvency Margin.

16 ADDITIONAL NOTE FOR ENGLISH TRANSLATION

These financial statements are presented on the basis of accounting principles generally accepted in Spain. Consequently, certain accounting practices applied by the Company may not conform with generally accepted principles in other countries.

SUBSIDIARIES AND ASSOCIATED COMPANIES (APPENDIX 1)

Name	Address	Activity	Holder
MAPFRE-CAJA MADRID HOLDING			
MAPFRE-CAJA MADRID HOLDING DE ENTIDADES ASEGURADORAS S.A.	Paseo de Recoletos,25 (Madrid)	Holding	CORPORACIÓN MAPFRE
LIFE			
MAPFRE VIDA SOCIEDAD ANÓNIMA DE SEGUROS Y REASEGUROS SOBRE LA VIDA HUMANA	Avda.General Perón,40 (Madrid)	Insurance and Reinsurance	MAPFRE-CAJA MADRID HOLDING
CONSULTORA ACTUARIAL Y DE PENSIONES MAPFRE VIDA S.A.	Avda.General Perón,40 (Madrid)	Consultancy	MAPFRE VIDA CORPORACIÓN MAPFRE
GESTION MODA SHOPPING S.A.	Avda.General Perón,40 (Madrid)	Commercial Centres Management	MAPFRE VIDA CORPORACIÓN MAPFRE
MAPFRE INVERSIÓN SOCIEDAD DE VALORES S.A.	Avda.General Perón, 40 (Madrid)	Securities Broker-Dealer Firm	MAPFRE VIDA CORPORACIÓN MAPFRE
MAPFRE INVERSIÓN DOS SOCIEDAD GESTORA DE INSTITUCIONES DE INVERSIÓN COLECTIVA S.A.	Avda.General Perón,40 (Madrid)	UCITS Management Firm	MAPFRE INVERSIÓN CORPORACIÓN MAPFRE
MAPFRE VIDA PENSIONES, ENTIDAD GESTORA DE FONDOS DE PENSIONES S.A.	Avda.General Perón,40 (Madrid)	Pension Fund Administration	MAPFRE INVERSIÓN CORPORACIÓN MAPFRE
MAPFRE VIDEO Y COMUNICACIÓN S.A.	C/Sor Angela de la Cruz, 6 (Madrid)	Advertising Agency	MAPFRE VIDA MAPFRE SEGUROS GENERALES CORPORACIÓN MAPFRE
MIRACETI S.A.	Avda.General Perón,40 (Madrid)	Real Estate Company	MAPFRE VIDA CORPORACIÓN MAPFRE
MUSINI VIDA SOCIEDAD ANÓNIMA DE SEGUROS Y REASEGUROS SOCIEDAD UNIPERSONAL	C/Manuel Cortina, 2 (Madrid)	Insurance	MAPFRE VIDA
GENERAL INSURANCE			
MAPFRE SEGUROS GENERALES COMPAÑÍA DE SEGUROS Y REASEGUROS S.A.	Paseo de Recoletos,23 (Madrid)	Insurance and Reinsurance	MAPFRE-CAJA MADRID HOLDING
MAPFRE GUANARTEME COMPAÑÍA DE SEGUROS Y REASEGUROS DE CANARIAS S.A.	C/ Poeta Agustín Miralles,3 (Las Palmas de G.C.)	Insurance and Reinsurance	MAPFRE SEGUROS GENERALES SEGESYMED
MAPFRE SEGUROS GERAIS S.A.	Avda. Liberdade, 40 Lisboa (Portugal)	Insurance and Reinsurance	MAPFRE SEGUROS GENERALES
RELECMAP A.I.E..	C/ Manuel Silvela, 15 (Madrid)	Research, Training and Advisory Services	MAPFRE SEGUROS GENERALES MAPFRE INDUSTRIAL MAPFRE GUANARTEME
MAPFRE CONSULTORES DE SEGUROS Y REASEGUROS S.A	Paseo de Recoletos, 25 (Madrid)	Advisory and Management Services	MAPFRE SEGUROS GENERALES CORPORACIÓN MAPFRE
SEGESYMED S.A. SOCIEDAD UNIPERSONAL	Paseo de Recoletos,23 (Madrid)	Medical and Surgical Assistance	MAPFRE SEGUROS GENERALES
MAPFRE SERVICIOS MARÍTIMOS, COMISARIADO Y LIQUIDACIÓN DE AVERÍAS S.A.	Avda. Sabino Arana, 4 (Bilbao)	Loss Adjusters	MAPFRE SEGUROS GENERALES

Figures in EUR 000s

Holding		Figures as at 31-12-2004				Method or Procedure	Audit	
Amount (*)	%	Capital	Reserves	Result	Interim Dividend		Firm	Review
181,181	51.0000	323,977	623,905	115,524	(97,000)	(A)	E.Y.	C
557,248	99.8530	53,646	264,356	81,232	(48,846)	(A)	E.Y.	C
389	99.9339							
--	0.0661	390	498	125	--	(A)	E.Y.	L
77	99.8215							
--	0.1785	168	74	82	--	(A)	E.Y.	L
42,744	99.9991							
1	0.0009	33,055	42,377	11,461	(9,680)	(B)	E.Y.	C
7,535	99.9853							
2	0.0147	2,043	15,151	1,825	--	(B)	E.Y.	C
8,949	99.9971							
--	0.0029	10,518	10,939	6,184	--	(B)	E.Y.	C
26	43.0000							
4	10.0000							
6	15.0000	60	(18)	--	--	(B)	E.Y.	L
36,000	99.9991							
--	0.0009	33,975	5,041	743	--	(A)	E.Y.	C
100,133	100.0000	22,538	67,641	11,383	--	(A)	E.Y.	C
216,881	100.0000	121,806	73,948	71,075	(39,587)	(A)	E.Y.	C
39,857	99.9980							
--	0.0020	9,018	34,306	16,567	(7,710)	(A)	E.Y.	C
9,666	25.0000	33,109	10,333	2,800	--	(D)	E.Y.	C
217	60.0000							
162	30.0000							
22	4.0000	360	164	--	--	(A)	E.Y.	C
60	50.0000							
61	50.0000	120	918	64	--	(B)	E.Y.	L
2,865	100.0000	3,004	20	(103)	--	(B)	E.Y.	L
793	99.9600	540	1,244	(98)	--	(A)	E.Y.	L

SUBSIDIARIES AND ASSOCIATED COMPANIES (APPENDIX 1)

Name	Address	Activity	Holder
GENERAL INSURANCE (continued)			
PROYECTOS Y SERVICIOS MAPFRE S.A.	C/ Poeta Agustín Miralles Sall, 3 (Las Palmas de G.C.)	Insurance Agency	MAPFRE GUANARTEME CORPORACIÓN MAPFRE
ELIPSE CANARIAS S.A.	C/ Poeta Agustín Miralles Sall, 3(Las Palmas de G.C.)	Services	MAPFRE GUANARTEME PROYECTOS Y SERVICIOS MAPFRE
MESEVAL AGENCIA DE SEGUROS S.L. SOCIEDAD UNIPERSONAL	C/Játiva, 23 Valencia	Insurance Agency	MAPFRE SEGUROS GENERALES
MULTISERVICIOS MAPFRE MULTIMAP S.A.	C/ Manuel Silvela, 15 (Madrid)	Real Estate Services	MAPFRE SEGUROS GENERALES MAPFRE INDUSTRIAL
GESTORA DE ACTIVOS FUNERARIOS GESMAP S.A.	Paseo de Recoletos ,23 (Madrid)	Burial Services	MAPFRE SEGUROS GENERALES
COMPAÑÍA CANARIA DE CEMENTERIOS S.A.	C/ Poeta Agustín Miralles Sall, 3(Las Palmas de G.C.)	Sale of cemetery plots	MAPFRE GUANARTEME
TINERFEÑA DE SERVICIOS DE TECNOLOGÍA E INNOVACIÓN PARA EL AUTOMÓVIL S.A.	Subida de Mayorazgo (Santa Cruz de Tenerife)	Car Innovation and Technology Services	MAPFRE GUANARTEME
SEPENVAL S.L.SOCIEDAD UNIPERSONAL	C/Játiva, 23 Valencia	Insurance Agency	MAPFRE SEGUROS GENERALES
GRUPO ALISIO CANARIAS INVERSIONES S.A.	C/Valentín Sanz,39 (Santa Cruz de Tenerife)	Creation and Formation	MAPFRE GUANARTEME
CLÍNICA SANTA CATALINA S.A.	C/León y Castillo, 292 (Las Palmas de G. Canarias)	Medical Assistance	MAPFRE GUANARTEME
INVERSIONES GESTISAN S.L.	C/La Rosa,2 (Santa Cruz de Tenerife)	Hospital Management	MAPFRE GUANARTEME
CLÍNICA SANTA CRUZ S.A.	C/Enrique Wolfson, 8 (Sta. Cruz de Tenerife)	Medical Assistance	MAPFRE GUANARTEME INVERSIONES GESTISAN
LIMPIEZAS Y MANTENIMIENTO HOSPITALARIO S.L.	Avda.Juan Dominguez Pérez,42 (Las Palmas de G. Canarias)	Hospital Cleaning Services	MAPFRE GUANARTEME
FINISTERRE AGENCIA CANARIA DE SEGUROS S.A. SOCIEDAD UNIPERSONAL	C/ Bravo Murillo, 28 (Las Palmas de G.C.)	Insurance Agency	MAPFRE GUANARTEME
SEFIN AGENCIA DE SEGUROS S.A.	C/Játiva, 23 (Valencia)	Insurance Agency	MAPFRE SEGUROS GENERALES
COSEBAL AGENCIA DE SEGUROS S.L. SOCIEDAD UNIPERSONAL	C/Játiva, 23 (Valencia)	Insurance Agency	MAPFRE SEGUROS GENERALES
LISS ASSURANCE AGENCIA DE SEGUROS S.L. SOCIEDAD UNIPERSONAL	C/Játiva, 23 (Valencia)	Insurance Agency	MAPFRE SEGUROS GENERALES
HEJEAN, AGENCIA DE SEGUROS S.L. SOCIEDAD UNIPERSONAL	C/Játiva, 23 (Valencia)	Insurance Agency	MAPFRE SEGUROS GENERALES
AGEPAL, AGENCIA DE SEGUROS S.L. SOCIEDAD UNIPERSONAL	C/Játiva, 23 (Valencia)	Insurance Agency	MAPFRE SEGUROS GENERALES

Figures in EUR 000s

Holding		Figures as at 31-12-2004				Method or Procedure	Audit	
Amount (*)	%	Capital	Reserves	Result	Interim Dividend		Firm	Review
192	99.8520							
--	0.1480	150	305	303	--	(A)	E.Y.	C
100	99.9900							
--	0.0100	100	--	35	--	(A) (G)	E.Y.	L
60	100.0000	7	27	49	--	(B)	E.Y.	C
226	75.0000							
52	25.0000	300	296	(138)	--	(B)	E.Y.	L
680	100.0000	1,200	(372)	(150)	--	(B)	E.Y.	L
100	33.3300	301	587	16	--	(D)	E.Y.	L
1,770	33.3333	6,000	(423)	(268)	--	(D)	E.Y.	L
48	100.0000	7	(16)	169	--	(B)	E.Y.	C
1,476	25.0000	6,000	(95)	72	--	(D)	E.Y.	L
2,305	25.0000	1,322	4,813	464	--	(D)	E.Y.	L
89	25.0000	6	255	(7)	--	(D)	E.Y.	L
164	25.0000							
--	57.5400	1,323	(209)	(456)	--	(D)	E.Y.	L
12	25.0000	3	51	(49)	--	(D)	E.Y.	L
60	100.0000	60	5	12	--	(B)	E.Y.	L
1,061	100.0000	60	477	52	--	(B)	E.Y.	L
6,333	100.0000	7	935	32	--	(B)	E.Y.	C
34	100.0000	12	8	6	--	(B)	E.Y.	L
456	100.0000	6	15	26	--	(B)	E.Y.	L
3,794	100.0000	7	494	55	--	(B)	E.Y.	L

SUBSIDIARIES AND ASSOCIATED COMPANIES (APPENDIX 1)

Name	Address	Activity	Holder
GENERAL INSURANCE (continued)			
SEPROVAL, AGENCIA DE SEGUROS S.L. SOCIEDAD UNIPERSONAL	C/Játiva, 23 (Valencia)	Insurance Agency	MAPFRE SEGUROS GENERALES
SEGURLIS, AGENCIA DE SEGUROS S.A. SOCIEDAD UNIPERSONAL	C/Játiva, 23 (Valencia)	Insurance Agency	MAPFRE SEGUROS GENERALES
MAPFRE SERVICIOS DE INFORMÁTICA S.A.	Crta. De Pozuelo a Majadahonda, 52 (Majadahonda)	Computer related services	MAPFRE SEGUROS GENERALES
COMMERCIAL INSURANCE			
MAPFRE INDUSTRIAL SOCIEDAD ANÓNIMA DE SEGUROS	C/General Perón, 40 (Madrid)	Insurance and Reinsurance	MAPFRE SEGUROS GENERALES
ITSEMAP SERVICIOS TECNOLÓGICOS MAPFRE S.A.	Paseo de Recoletos, 25 (Madrid)	Consultancy	MAPFRE INDUSTRIAL MAPFRE RE CORPORACIÓN MAPFRE
ITSEMAP MÉXICO SERVICIOS TECNOLÓGICOS MAPFRE S.A.	Porfirio Diaz, 102 Col.Nochebuena México D.F. (México)	Consultancy	ITSEMAP SERVICIOS TECNOLÓGICOS
ITSEMAP PORTUGAL SEGURANÇA E PREVENÇÃO LIMITADA	Rua Castillo, 52 Lisboa (Portugal)	Consultancy	ITSEMAP SERVICIOS TECNOLÓGICOS
ITSEMAP VENEZUELA SERVICIOS TECNOLÓGICOS MAPFRE S.A.	Avda.Libertador, Torre Maracaibo Caracas (Venezuela)	Consultancy	ITSEMAP SERVICIOS TECNOLÓGICOS
ITSEMAP CHILE, SERVICIOS TECNOLÓGICOS MAPFRE S.A.	Apoquindo, 4499 Santiago (Chile)	Consultancy	ITSEMAP SERVICIOS TECNOLÓGICOS INVERSIONES IBÉRICAS
ITSEMAP BRASIL SERVICIOS TECNOLÓGICOS MAPFRE S.A.	Rua São Carlos do Pinhal, 696 – São Paulo (Brazil)	Consultancy	ITSEMAP SERVICIOS TECNOLÓGICOS MAPFRE RE ASSESORÍA
MUSINI SOCIEDAD ANÓNIMA DE SEGUROS Y REASEGUROS	C/Manuel Cortina, 2 (Madrid)	Insurance	MAPFRE-CAJA MADRID HOLDING
INTERBOLSA S.A.	C/Manuel Cortina, 2 (Madrid)	Financial	MUSINI
SERVIFINANZAS S.A. SOCIEDAD UNIPERSONAL	C/Manuel Cortina, 2 (Madrid)	Financial	MUSINI
GESMUSINI S.G.I.I.C. S.A. SOCIEDAD UNIPERSONAL	C/Padilla, 26 (Madrid)	Financial	MUSINI
GESMUSINI GESTIÓN S.A. SOCIEDAD UNIPERSONAL	C/Padilla, 26 (Madrid)	Financial	MUSINI
INDUSTRIAL RE MUSINI S.A.	6B Route de Trèves, Senningerberg (Luxembourg)	Reinsurance	MUSINI
MAPFRE CAUCIÓN Y CRÉDITO COMPAÑÍA INTERNACIONAL DE SEGUROS Y REASEGUROS S.A.	Avda. General Perón, 40 (Madrid)	Insurance and Reinsurance	MAPFRE-CAJA MADRID HOLDING MAPFRE INDUSTRIAL
MAPFRE AMÉRICA CAUCIÓN Y CRÉDITO S.A.	Avda. General Perón, 40 (Madrid)	Holding	MAPFRE CAUCIÓN Y CRÉDITO
MAPFRE SERVICIOS DE CAUCIÓN S.A.	(Madrid) Avda. General Perón, 40	Services	MAPFRE CAUCIÓN Y CRÉDITO CORPORACIÓN MAPFRE

Figures in EUR 000s

Holding		Figures as at 31-12-2004				Method or Procedure	Audit	
Amount (*)	%	Capital	Reserves	Result	Interim Dividend		Firm	Review
2,148	100.0000	15	650	28	--	(B)	E.Y.	L
620	100.0000	6	266	99	--	(B)	E.Y.	L
86	4.1600	1,803			--	(D)	E.Y.	C
30,030	99.9986	30,000	17,654	22,385	(9,853)	(A)	E.Y.	C
1,189	60.0000							
596	39.9752							
--	0.0248	1,502	334	167	--	(B)	E.Y.	L
96	99.9998	59	129	66	--	(B)	--	--
203	99.9857	229	15	42	--	(B)	--	--
25	100.0000	9	(22)	--	--	(B)	--	--
57	75.0000							
8	25.0000	71	(41)	--	--	(B)	--	--
350	99.9792							
--	0.0208	541	(240)	55	--	(B)	--	--
183,811	99.9308	18,030	35,109	91,050	(5,969)	(A)	E.Y.	C
10	80.0000	60	539	5	--	(A)	E.Y.	C
677	100.0000	216	14,092	219	--	(A)	E.Y.	C
662	100.0000	691	1,155	93	--	(A)	E.Y.	C
296	100.0000	322	489	(22)	--	(A)	E.Y.	C
1,174	99.8000	1,540	--	--	--	(A)	E.Y.	C
14,247	99.9933							
7	0.0067	9,030	8,075	7,123	(2,631)	(A)	E.Y.	C
7,222	75.0000	18,055	(1,272)	838	--	(A)	E.Y.	C
210	99.6800							
--	0.3200	210	(50)	--	--	(A)	E.Y.	L

SUBSIDIARIES AND ASSOCIATED COMPANIES (APPENDIX 1)

Name	Address	Activity	Holder
COMMERCIAL INSURANCE (continued)			
MAPFRE GARANTÍAS Y CRÉDITO S.A.	Teatinos, 280 Santiago de Chile (Chile)	Insurance	MAPFRE AMÉRICA CAUCIÓN Y CRÉDITO INVERSIONES IBÉRICAS
MAPFRE SEGURODORA DE GARANTÍA E CRÉDITO S.A.	Avda.Mª Coelho Aguiar 215 São Paulo (Brazil)	Insurance	MAPFRE AMÉRICA CAUCIÓN Y CRÉDITO
COMPAÑÍA DE SEGUROS DE CRÉDITOS COMERCIALES S.A.	Carrera 64 nº149 A-30 Medellín (Colombia)	Insurance	MAPFRE AMÉRICA CAUCIÓN Y CRÉDITO
MAPFRE SEGUROS DE CRÉDITO S.A.	Avda. Magnocentro, 5 México D.F. (México)	Insurance	MAPFRE AMÉRICA CAUCIÓN Y CRÉDITO SEGUROS TEPEYAC
HEALTH			
MAPFRE CAJA SALUD DE SEGUROS Y REASEGUROS S.A.	Pº de la Castellana, 189 (Madrid)	Insurance and Reinsurance	MAPFRE-CAJA MADRID HOLDING MAPFRE VIDA
IGUALSERVICIOS HUESCA S.L.	C/Tarbes, 3 (Huesca)	Medical Services	MAPFRE CAJA SALUD
CENTRO MÉDICO DE CHEQUEOS MAPFRE VIDA	Avda. General Perón, 40 (Madrid)	Medical Services	MAPFRE CAJA SALUD CORPORACIÓN MAPFRE
CENTROS MÉDICOS ISLAS CANARIAS	C/ Rafael Cabrera,22 (Las Palmas de G.C.)	Medical Services	MAPFRE CAJA SALUD
SERVIMEDIC BALEAR S.L.	C/Carlos I, 4 Bajo (Palma de Mallorca)	Medical Services	MAPFRE CAJA SALUD
REINSURANCE			
MAPFRE RE COMPAÑÍA DE REASEGUROS S.A.	Paseo de Recoletos,25 (Madrid)	Reinsurance	CORPORACIÓN MAPFRE
COMPAGNIE INTERNATIONALE D'ASSURANCES ET REASSURANCES (C.I.A.R.)	45, Rue de Treves Brussels (Belgium)	Insurance and Reinsurance	MAPFRE RE MAPLUX REINSURANCE
MAPFRE CHILE REASEGUROS S.A.	Avda. Apoquindo, 4499 Santiago (Chile)	Reinsurance	MAPFRE RE
INVERSIONES IBÉRICAS S.A.	Avda. Apoquindo, 4499 Santiago (Chile)	Financial and Real Estate	MAPFRE RE
CAJA REASEGURADORA DE CHILE S.A.	Avda.Apoquindo, 4499 Santiago (Chile)	Reinsurance	INVERSIONES MAPFRE CHILE RE
INMOBILIARIA COSTA DE MONTEMAR S.A.	Avda.Apoquindo, 4499 Santiago (Chile)	Real Estate	INVERSIONES IBÉRICAS
CAJA RE ARGENTINA S.A.	Bouchard 547 piso 14 Buenos Aires (Argentina)	Advisory Services	INVERSIONES IBÉRICAS
INVERSIONES MAPFRE RE	Calle 72/10-07-oficina 502 Bogotá (Colombia)	Investments and Securities and Real Estate Management	MAPFRE RE INVERSIONES IBÉRICAS
MAPLUX REINSURANCE COMPANY LTD	E Building Immeuble C6,Parc d'Activite Syrdall Munsbanch (Luxembourg)	Reinsurance	MAPFRE RE CORPORACIÓN MAPFRE
MAPFRE RE MANAGEMENT SERVICES U.K. COMPANY LIMITED	Philpot Lane, 2-3 London (United Kingdom)	Real Estate Services	MAPFRE RE

Figures in EUR 000s

Holding		Figures as at 31-12-2004				Method or Procedure	Audit	
Amount (*)	%	Capital	Reserves	Result	Interim Dividend		Firm	Review
4,321	99.9923							
--	0.0077	4,514	[124]	638	--	(A)	E.Y.	C
2,699	100.0000	5,688	[1,600]	897	--	(A)	E.Y.	C
1,482	73.0800	4,294	137	296	--	(A)	E.Y.	C
12,615	99.9800							
--	0.0200	4,496	[1,166]	[284]	--	(A)	E.Y.	C
56,113	74.9888							
18,526	25.0000	70,275	20,842	2,030	--	(A)	E.Y.	C
285	100.0000	813	[271]	[257]	--	(A)	--	--
3,144	99.9880							
--	0.0120	2,496	373	275	--	(A)	E.Y.	L
2,913	100.0000	3,000	5	[92]	--	(A)	--	--
--	100.0000	3	16	[56]	--	(A)	--	--
302,138	87.8941	202,770	221,716	38,555	[17,660]	(A)	E.Y.	C
6,548	74.9300							
1,997	25.0700	2,957	4,445	529	--	(A)	E.Y.	C
9,673	99.9986	18,994	17,247	665	--	(A)	E.Y.	C
17,192	99.9986	9,388	19,914	[418]	--	(A)	E.Y.	C
23,275	99.6759	11,448	10,457	1,415	--	(A)	E.Y.	C
4,847	31.4400	17,114	[1,586]	[111]	--	(D)	E.Y.	C
109	99.9900	200	[87]	5	--	(A)	--	--
1,575	94.9000							
140	5.0999	5,006	[2,154]	[85]	--	(A)	E.Y.	C
2,005	99.9630							
1	0.0370	2,522	449	--	--	(A)	E.Y.	C
--	100.0000	818	--	--	--	(A)	--	--

SUBSIDIARIES AND ASSOCIATED COMPANIES (APPENDIX 1)

Name	Address	Activity	Holder
REINSURANCE (continued)			
MAPFRE RE ASSESORÍA LTDA.	Rua Sao Carlos do Pinhal, 696 -Sao Paulo (Brazil)	Consultancy	MAPFRE RE ITSEMAP DO BRASIL
ADMINISTRADORA DE PROPIEDADES S.A.	Napoleón 3096 Santiago (Chile)	Real Estate	INVERSIONES IBÉRICAS
COMERCIAL Y TURISMO S.A.	Napoleón 3096 Santiago (Chile)	Real Estate	INVERSIONES IBÉRICAS
MAPFRE RE HOLDINGS INC.	100 Campus Drive New Jersey 07932-2006 (U.S.A.)	Holding	MAPFRE RE
MAPFRE REINSURANCE CORPORATION	100 Campus Drive New Jersey 07932-2006 (U.S.A.)	Insurance and Reinsurance	MAPFRE RE HOLDINGS
INMOBILIARIA PRESIDENTE FIGUEROA ALCORTA S.A.	Bouchard 547 piso 14 B. Aires (Argentina)	Real Estate	MAPFRE RE
INMOBILIARIA TIRILLUCA S.A.	Avda. Apoquindo, 4499 Santiago (Chile)	Real Estate	INVERSIONES IBÉRICAS
MAPFRE COMPAÑÍA DE SERVICIOS GENERALES	Junior Tarata, 16 Lima (Perú)	Consultancy	MAPFRE RE INVERSIONES IBÉRICAS
MAPFRE MANDATOS Y SERVICIOS	Figueroa Alcorta, 3102 B. Aires (Argentina)	Services	CAJA REASEGURADORA DE ARGENTINA MAPFRE RE
REINSURANCE MANAGEMENT INC.	100 Campus Drive New Jersey 07932-2006 (U.S.A.)	Services	MAPFRE RE HOLDINGS
ASSISTANCE			
MAPFRE ASISTENCIA COMPAÑÍA INTERNACIONAL DE SEGUROS Y REASEGUROS S.A.	Sor Ángela de la Cruz, 6 (Madrid)	Insurance and Reinsurance	CORPORACIÓN MAPFRE
IBEROASISTENCIA PORTUGAL	Avda. Liberdade, 40 Lisboa (Portugal)	Travel Assistance	MAPFRE ASISTENCIA
BRASIL ASISTENCIA	Ed. Crystal Tower Alameda Mamore 989 06454-040 Alphaville S.Paulo (Brazil)	Travel Assistance	MAPFRE ASISTENCIA
AFRIQUE ASSISTANCE	16, Rue Dr.Alphonse Laverning 1002 (Tunis)	Travel Assistance	MAPFRE ASISTENCIA
VENEASISTENCIA	Avda.del Libertador Torre Maracaibo Caracas (Venezuela)	Travel Assistance	MAPFRE ASISTENCIA MAPFRE RE
COMPAÑÍA DE ASISTENCIA DE LOS ANDES S.A.	Carrera, 11, N° 93 - B - 09 Bogotá (Colombia)	Travel Assistance	MAPFRE ASISTENCIA INVERSIONES MAPFRE RE IBEROASISTENCIA
FEDERAL ASSIST	7300 Corporate Center Drive, Suite 601 Miami - Florida 33126 (USA)	Travel Assistance	MAPFRE ASISTENCIA
IBEROASISTENCIA ARGENTINA S.A.	Tucuman, 744 B. Aires (Argentina)	Travel Assistance	MAPFRE ASISTENCIA IBEROASISTENCIA

Figures in EUR 000s

Holding		Figures as at 31-12-2004				Method or Procedure	Audit	
Amount (*)	%	Capital	Reserves	Result	Interim Dividend		Firm	Review
11	99.9998							
--	0.0002	1,246	(1,229)	(7)	--	(B)	--	--
9	31.2900	838	(914)	105	--	(D)	--	--
--	31.2000	132	(112)	(31)	--	(D)	--	--
121,002	100.0000	42,425	71,997	1,399	--	(A)	E.Y.	C
110,000	100.0000	3,855	108,417	(708)	--	(A)	E.Y.	C
10	99.9000	27	(264)	247	--	(A)	--	--
3,393	43.7500	8,623	(794)	(74)	--	(D)	E.Y.	C
73	98.0000							
--	1.0000	108	(35)	1	--	(A)	--	--
--	1.0000							
90	99.0000	133	(21)	(20)	--	(A)	--	--
--	100.0000	--	--	--	--	(A)	E.Y.	C
59,471	99.9971	56,732	5,362	2,276	(2,253)	(A)	E.Y.	C
340	100.0000	60	2	279	--	(A)	E.Y.	C
5,854	99.9990	5,071	401	381	--	(A)	E.Y.	C
363	49.0000	613	139	94	--	(D)	MENJ	C
94	99.9980							
1	0.0020	118	132	(155)	--	(A)	E.Y.	C
646	94.8999							
--	0.0008							
--	5.0977	266	360	55	--	(A)	E.Y.	C
1,241	100.0000	1,468	(420)	192	--	(A)	E.Y.	C
1,180	99.9900							
--	0.0100	2,476	(1,494)	198	--	(A)	E.Y.	C

SUBSIDIARIES AND ASSOCIATED COMPANIES (APPENDIX 1)

Name	Address	Activity	Holder
ASSISTANCE (continued)			
SUR ASISTENCIA	Av.Apoquindo 4499 Santiago de Chile (Chile)	Travel Assistance	MAPFRE ASISTENCIA IBEROASISTENCIA
IBEROASISTENCIA S.A.	Sor Ángela de la Cruz, 6 (Madrid)	Travel Assistance	MAPFRE ASISTENCIA
IRELAND ASSIST	22-26 Prospect Hill Galway (Ireland)	Travel Assistance	MAPFRE ASISTENCIA
GULF ASSIST E.C.	Manama Centre Building Manama (Barhain)	Travel Assistance	MAPFRE ASISTENCIA
FRANCE ASSISTANCE	55, Rue Raspail Levallois Perret (France)	Travel Assistance	MAPFRE ASISTENCIA
EUROSOS ASSISTANCE	282 Messogion Avenue . 155,62 Neo Psichico Atenas (Greece)	Travel Assistance	IBEROASISTENCIA MAPFRE ASISTENCIA
CARIBE ASISTENCIA	Avda. Tiradentes, Esq.Pres. Gonzalez. Edif. La Cumbre. Ens. Naco. Dominican Republic	Travel Assistance	MAPFRE ASISTENCIA
ECUASISTENCIA	Avda.Doce de Octubre, 1942 -Quito (Ecuador)	Travel Assistance	MAPFRE ASISTENCIA ANDIASISTENCIA
CONSULTING DE SOLUCIONES Y TECNOLOGÍAS SIAM	Sor Ángela de la Cruz, 6 (Madrid)	Consultancy	MAPFRE ASISTENCIA IBEROASISTENCIA
PERÚ ASISTENCIA S.A.	Tarata 160-9ª -Miraflores Lima (Perú)	Travel Assistance	MAPFRE ASISTENCIA IBEROASISTENCIA
VIAJES MAPFRE S.A.	Sor Ángela de la Cruz, 6 (Madrid)	Travel Agency	MAPFRE ASISTENCIA IBEROASISTENCIA
MELIÁ TOUR	Sor Ángela de la Cruz, 6 (Madrid)	Wholesale Travel	MAPFRE ASISTENCIA
MÉXICO ASISTENCIA	Avda. Insurgentes Sur, 1685 Colonia Guadalupe Inn México D.F. México	Travel Assistance	MAPFRE ASISTENCIA
IBERO ASISTENCIA SERVICIOS DE TELEMARKETING S.L.	Sor Ángela de la Cruz, 6 (Madrid)	Telemarketing	MAPFRE ASISTENCIA IBEROASISTENCIA
ALLMAP ASSIST GMBH	Im Rosengarten, 256 61118 Bal Vilbel (Germany)	Travel Assistance	MAPFRE ASISTENCIA IBEROASISTENCIA
PANAMÁ ASISTENCIA	Calle 50 local 9 D, piso 9 Panamá, Bella Vista (Panamá)	Travel Assistance	MAPFRE ASISTENCIA
TUR ASSIST.	Hakki Yeten Caddesi Dogu is Merkezi 17/2 (Turkey)	Travel Assistance	MAPFRE ASISTENCIA IBEROASISTENCIA
URUGUAY ASISTENCIA	Rincón, 487 of.610 Montevideo (Uruguay)	Travel Assistance	MAPFRE ASISTENCIA IBEROASISTENCIA
ASISTENCIA BOLIVIANA	Celso Castedo Barba, 39 Centro- Santa Cruz (Bolivia)	Travel Assistance	MAPFRE ASISTENCIA

Figures in EUR 000s

Holding		Figures as at 31-12-2004				Method or Procedure	Audit	
Amount (*)	%	Capital	Reserves	Result	Interim Dividend		Firm	Review
496	99.0000							
--	1.0000	384	780	397	--	(A)	E.Y.	C
531	99.9300	334	(75)	272	--	(A)	E.Y.	C
426	100.0000	454	364	133	--	(B)	E.Y.	C
487	74.6250	588	294	747	--	(A)	E.Y.	C
--	100.0000	1,522	(1,065)	(1,270)	--	(B)	E.Y.	C
--	0.5000							
259	99.5000	587	(107)	(91)	--	(A)	E.Y.	C
387	51.9997	376	188	336	--	(A)	E.Y.	C
95	50.0000							
--	50.0000	21	40	187	--	(B)	E.Y.	C
3,157	99.0000							
--	1.0000	3,240	5	(86)	--	(B)	--	--
--	99.8636							
--	0.1361	92	(40)	(105)	--	(B)	--	--
3,353	99.7600							
--	0.2400	3,422	238	65	--	(B)	E.Y.	C
435	50.0000	981	(99)	1	--	(D) (G)	E.Y.	L
293	99.9998	143	555	64	--	(A)	E.Y.	C
11	26.5000							
--	73.4500	331	68	(214)	--	(B)	E.Y.	C
--	99.9500							
--	0.0500	120	(35)	(18)	--	(B)	--	--
205	58.0000	440	14	59	--	(B)	E.Y.	C
--	91.6667							
--	8.3333	24	--	(187)	--	(B)	E.Y.	C
321	94.8165							
--	5.1835	398	(92)	150	--	(A)	--	--
76	99.4600	105	(24)	(4)	--	(B)	E.Y.	C

SUBSIDIARIES AND ASSOCIATED COMPANIES (APPENDIX 1)

Name	Address	Activity	Holder
ASSISTANCE (continued)			
COSTA RICA ASISTENCIA	Sabana Norte rest Chicote 100 mN 25 E 200 N 25 E San José de Costa Rica (Costa Rica)	Travel Assistance	MAPFRE ASISTENCIA
QUETZAL ASISTENCIA	Diagonal 6, zona 10 Ed.internaciones, Of. 301 (Guatemala)	Travel Assistance	MAPFRE ASISTENCIA
EL SALVADOR ASISTENCIA S.A.	Centro Financ Gigante Torre B 3º nivel sobre Alameda Roosevelt S.Salvador (El Salvador)	Travel Assistance	MAPFRE ASISTENCIA IBEROASISTENCIA
NICASSIT S.A.	Edificio PCS Digital, 2º Km 4,5 Carretera a Masaya Managua, Nicaragua	Travel Assistance	MAPFRE ASISTENCIA
BENELUX ASSIST. S.A.	Rue de Treves, 45 Brussels (Belgium)	Travel Assistance	MAPFRE ASISTENCIA
NOVASSIST S.L.R.	Vía G. Cuboni, 12 Rome (Italy)	Travel Assistance	MAPFRE ASISTENCIA IBEROASISTENCIA
VIAJES TÍVOLI	Coso,89-91 (Zaragoza)	Travel Agency	MAPFRE ASISTENCIA
GENERAL SERVICES REINSURANCE LIMITED	38/39 Fitzwilliam Square Dublin 2 (Ireland)	Reinsurance	MAPFRE ASISTENCIA
NUOVI SERVIZI AUTO S.P.A.	Strada Trossi 10/A 13030 Verrone (Italy)	Warranty extensions	MAPFRE ASISTENCIA IBEROASISTENCIA
ALLIANCE OPTIMALE S.L.R.	Zac de la Donniere, 8 69970 Marenes (France)	Warranty of vehicles	NUOVO SERVIZI AUTO
JMDS	Route des Trois Cantons 11 L- 18399 Windhoj (Luxembourg)	Warranty of vehicles	NUOVO SERVIZI AUTO
SDMA	Zac de la Donniere, 8 69970 Marenes (France)	Warranty of vehicles	NUOVO SERVIZI AUTO
NORASIST S.A.	1930 Yonge S.T. Suite 1028 Toronto, Ontario M4S 1Z4 (Canada)	Travel Assistance	FEDERAL ASSIST
BRICKELL FINANCIAL SERVICES INC.	7300 Corporate Center Drive, Suite 601 Miami - Florida 33126 (USA)	Travel Assistance	MAPFRE ASISTENCIA
ROAD CHINA ASSISTANCE	Jianguolu Chaoyang District, Beijing, PR (China)	Travel Assistance	MAPFRE ASISTENCIA
SERVICES FOR THE ELDERLY			
MAPFRE ASISTENCIA ORO	C/ Sor Ángela de la Cruz, 6 (Madrid)	Services for the Elderly	MAPFRE ASISTENCIA IBEROASISTENCIA
MAPFRE QUAVITAE S.A.	C/Fuencarral, 123 (Madrid)	Assistance Services	MAPFRE SEGUROS GENERALES CORPORACIÓN MAPFRE
QUAVITAE BALEARES S.A.	C/Fuencarral, 123 (Madrid)	Services for the Elderly	MAPFRE QUAVITAE
QUAVITAE BIZI-KALITATE S.L.	C/Teodoro González de Zárate, 14 (Vitoria)	Services for the Elderly	MAPFRE QUAVITAE

Figures in EUR 000s

Holding		Figures as at 31-12-2004				Method or Procedure	Audit	
Amount (*)	%	Capital	Reserves	Result	Interim Dividend		Firm	Review
54	100.0000	212	(115)	(43)	--	(B)	--	--
209	99.9920	119	43	48	--	(A)	E.Y.	C
70	99.9900	50	23	274	--	(A)	P.M.A.	C
--	0.0100							
65	100.0000	36	--	102	--	(B)	--	--
699	70.0000	1,922	(1,098)	174	--	(B)	E.Y.	C
91	99.0000	110	--	(18)	--	(B)	--	--
--	1.0000							
125	20.0000	155	1,800	(625)	--	(D)	--	--
474	100.0000	500	--	246	--	(A)	E.Y.	C
1,649	99.9900	1,100	77	1,380	--	(A)	--	--
--	0.0100							
46	100.0000	46	2	2	--	(B)	--	--
31	100.0000	31	36	1	--	(B)	--	--
55	100.0000	150	(203)	108	--	(B)	E.Y.	C
200	100.0000	218	--	(18)	--	(B)	--	--
52	100.0000	342	(295)	(436)	--	(A)	E.Y.	C
121	100.0000	734	--	--	--	(B)	--	--
5,962	99.7500	17,000	34	(56)	--	(A)	E.Y.	C
--	0.2500							
4,479	10.7642	32,129	3,349	(2,271)	--	(A)	E.Y.	C
22,478	46.0736							
--	85.0000	1,200	(799)	(1,073)	--	(A) (G)	E.Y.	C
2,911	99.9990	2,911	1,051	720	--	(A) (G)	E.Y.	C

SUBSIDIARIES AND ASSOCIATED COMPANIES (APPENDIX 1)

Name	Address	Activity	Holder
SERVICES FOR THE ELDERLY (continued)			
AZUL CENTROS RESIDENCIALES S.A.	C/Antonio Maura, 18 (Madrid)	Services for the Elderly	MAPFRE QUAVITAE
SERVEIS INTEGRALS PER A L'AUTONOMIA S.A.	C/Sant Antoni María Claret, 200 (Barcelona)	Services for the Elderly	MAPFRE QUAVITAE
PROVITAE CENTROS ASISTENCIALES S.L.	C/Fuencarral, 123 (Madrid)	Services for the Elderly	MAPFRE QUAVITAE
BIOINGIENERIA ARAGONESA S.L.	C/Matías Pastor Sancho, 9 (Zaragoza)	Technology for the Elderly	MAPFRE QUAVITAE MAPFRE SEGUROS GENERALES
REAL ESTATE			
MAPFRE INMUEBLES S.A.	Prieto Ureña,6 (Madrid)	Real Estate	CORPORACIÓN MAPFRE
DESARROLLOS URBANOS CIC. S.A.	Prieto Ureña, 6 (Madrid)	Real Estate Services	MAPFRE INMUEBLES CORPORACIÓN MAPFRE
SERVICIOS INMOBILIARIOS MAPFRE S.A.	Prieto Ureña,6 (Madrid)	Real Estate	MAPFRE INMUEBLES DESARROLLOS URBANOS
INMOBILIARIA BRAVO UREÑA S.L.	Juan Bravo, 3 (Madrid)	Real Estate	MAPFRE INMUEBLES
OTHERS			
PROGRESS ASSICURAZIONI S.P.A.	Villa de Gregorio Piazza Alberico Gentili,3 Palermo (Italy)	Insurance	CORPORACIÓN MAPFRE
MAPFRE ASIAN INSURANCE CORPORATION	Rada St. Corner de la Rosa Sta. Manila (Philippines)	Insurance	CORPORACIÓN MAPFRE
DETECTAR D.T. TRANSF. E ADMON. DE RISCOS	Avda.M ^o Coelho Aguiar, 215 São Paulo (Brazil)	Risk Administration	CORPORACIÓN MAPFRE
FANCY INVESTMENT S.A..	Avda. 18 de Julio, 841 Montevideo (Uruguay)	Financial	CORPORACIÓN MAPFRE
CAJA MADRID BOLSA SOCIEDAD DE VALORES Y BOLSA	Calle Serrano 39.(Madrid)	Securities Dealer Firm	CORPORACIÓN MAPFRE
GESMADRID SOCIEDAD GESTORA DE INSTITUCIONES DE INVERSIÓN COLECTIVA	P ^o de la Castellana 189, 6 ^a planta (Madrid)	Investment Company	CORPORACIÓN MAPFRE
CAJA MADRID PENSIONES ENTIDAD GESTORA DE FONDOS DE PENSIONES	P ^o de la Castellana 189 (Madrid)	Pension Fund Management Firm	CORPORACIÓN MAPFRE
MIDDLESEA INSURANCE P.L.C.	Floriana JTL, 16 (Malta)	Insurance	CORPORACIÓN MAPFRE
MAPFRE INTERNET S.A.	Crta. Pozuelo a Majadahonda, 52 Majadahonda (Madrid)	Computer related services	MAPFRE VIDA MAPFRE SEGUROS GENERALES MAPFRE INDUSTRIAL MAPFRE CAJA SALUD MAPFRE CAUCIÓN Y CRÉDITO MAPFRE RE CORPORACIÓN MAPFRE MAPFRE ASISTENCIA

Figures in EUR 000s

Holding		Figures as at 31-12-2004				Method or Procedure	Audit	
Amount (*)	%	Capital	Reserves	Result	Interim Dividend		Firm	Review
--	50.0000	1,527	98	(2,165)	--	(F) (G)	E.Y.	L
--	100.0000	120	(1,672)	(1,564)	--	(A) (G)	E.Y.	L
3,123	50.0000	6,314	(69)	(69)	--	(F) (G)	E.Y.	L
653	59.9900	142	1,041	569	--	(A)	E.Y.	L
263	40.0000							
30,465	99.9203	16,240	26,865	5,425	(2,756)	(B)	E.Y.	C
510	99.9216	383	77	10	--	(B)	E.Y.	L
--	0.0784							
300	99.9000	300	5	55	--	(B)	E.Y.	L
--	0.1000							
601	50.0000	1,202	216	836	--	(B)	E.Y.	C
7,897	38.9731	15,000	5,120	1,076	--	(D)	--	--
7,395	99.9181	3,921	2,725	755	--	(A)	E.Y.	C
7,425	100.0000	5,333	1,537	555	--	(A)	E.Y.	C
3,563	100.0000	12,117	(8,796)	239	--	(A)	--	--
8,199	30.0000	24,762	4,035	4,440	(3,179)	(D)	D.T.	C
11,870	30.0000	26,187	14,972	11,349	(10,361)	(D)	D.T.	C
7,645	30.0000	21,280	5,668	3,366	(2,578)	(D)	D.T.	C
3,947	5.4855	14,391	36,430	2,563	--	(D)	P.C.	C
365	15.0000	30,000	(6,576)	152	--	(D)	E.Y.	L
547	22.0000							
293	1.2500							
--	4.0000							
--	1.2500							
24	1.0000							
26	1.0000							
48	2.0000							

SUBSIDIARIES AND ASSOCIATED COMPANIES (APPENDIX 1)

Name	Address	Activity	Holder
OTHERS (continued)			
MAPFRE INFORMÁTICA A.I.E.	Ctra.Pozuelo-Majadahonda, 52 (Madrid)	Computer related Services	MAPFRE INDUSTRIAL MAPFRE GUANARTEME MAPFRE INVERSIÓN MAPFRE SEGUROS GENERALES MAPFRE VIDA MAPFRE CAUCIÓN Y CRÉDITO MAPFRE CAJA SALUD MAPFRE-CAJA MADRID HOLDING CORPORACIÓN MAPFRE MAPFRE RE MAPFRE ASISTENCIA MAPFRE AMÉRICA
MAPFRE AMÉRICA			
MAPFRE AMÉRICA S.A.	Ctra.Pozuelo Majadahonda, 52 (Madrid)	Holding	CORPORACIÓN MAPFRE
ARGENTINA			
MAPFRE ARGENTINA HOLDING S.A.	Lavalle, 348 B.Aires (Argentina)	Holding	MAPFRE AMÉRICA
MAPFRE ARGENTINA SEGUROS S.A.	Lavalle, 348 (B.Aires (Argentina)	Insurance	MAPFRE ARGENTINA
ACONCAGUA SEGUROS DE RETIRO S.A.	Lavalle, 348 B.Aires (Argentina)	Insurance	MAPFRE ARGENTINA HOLDING MAPFRE ARGENTINA SEGUROS
SURASSUR S.A.	Lavalle, 348 B.Aires (Argentina)	Insurance Brokerage	MAPFRE ARGENTINA HOLDING
CESVI ARGENTINA S.A.	Calle 9 y 17. Parque Ind.Pilar- Buenos Aires (Argentina)	Control of Claims	MAPFRE ARGENTINA SEGUROS
MAPFRE ARGENTINA A.R.T.	Lavalle 348, Buenos Aires (Argentina)	Work Accidents Insurance	MAPFRE ARGENTINA HOLDING MAPFRE ARGENTINA SEGUROS
MAPFRE ARGENTINA SEGUROS DE VIDA S.A.	Lavalle 348, Buenos Aires (Argentina)	Life Insurance	MAPFRE ARGENTINA
BRAZIL			
MAPFRE VERA CRUZ SEGURADORA S.A.	Av.María Coelho Aguiar, 215 São Paulo (Brazil)	Insurance	MAPFRE DO BRASIL MAPFRE AMÉRICA
SEGURADORA ROMA S.A.	Avda.9 de Julio 4017 São Paulo (Brazil)	Insurance	MAPFRE VERA CRUZ SEGURADORA
MAPFRE DO BRASIL CONSULTORÍA E SERVICIOS LTDA.	Rua São Carós do Pinhal São Paulo (Brazil)	Advisory Firm	CORPORACIÓN MAPFRE MAPFRE AMÉRICA
MAPFRE VERA CRUZ VIDA E PREVIDENCIA S.A.	Av.María Coelho Aguiar, 215 -São Paulo (Brazil)	Insurance	MAPFRE VERA CRUZ SEGURADORA FANCY
SANTACATARINA SEGUROS E PREVIDENCIA, S.A.	Rua Padre Mighelinho, 80 Florianapolis (Brazil)	Insurance	MAPFRE VERA CRUZ SEGURADORA

Figures in EUR 000s

Holding		Figures as at 31-12-2004				Method or Procedure	Audit	
Amount (*)	%	Capital	Reserves	Result	Interim Dividend		Firm	Review
70	7.0000							
70	7.0000							
5	0.5000							
120	12.1000							
50	5.0000							
25	2.5000							
--	0.1000							
--	0.1000							
--	0.1000							
10	1.0000							
--	1.0000							
--	0.5000	1,000	--	--	--	(D)	E.Y.	C
446,982	84.9169	403,977	(5,919)	15,924	--	(A)	E.Y.	L
18,738	100.0000	17,757	9,818	1,978	--	(A)	E.Y.	L
20,021	99.9979	16,319	2,392	1,310	--	(A)	E.Y.	C
--	23.5688							
--	76.4312	7	(6)	(1)	--	(A)	--	--
--	100.0000	86	(61)	(31)	--	(A)	E.Y.	L
115	4.3700	3,139	(136)	171	--	(D)	E.Y.	C
7,549	99.2696							
56	0.7304	2,594	4,173	838	--	(A)	E.Y.	L
113	20.0000	9,931	(8,141)	373	--	(D)	E.Y.	C
12,831	30.3924							
31,211	69.6076	93,794	(39,193)	6,346	--	(A)	E.Y.	C
6,091	46.0300	5,234	857	--	--	(D)	E.Y.	C
55	0.5143							
18,409	99.4857	29,684	4,226	(13)	--	(A)	E.Y.	C
5,007	9.8967							
3,080	12.3683	33,307	(9,039)	706	--	(D)	E.Y.	C
113	13.3125	657	215	--	--	(D)	--	--

SUBSIDIARIES AND ASSOCIATED COMPANIES (APPENDIX 1)

Name	Address	Activity	Holder
CHILE			
MAPFRE CHILE SEGUROS S.A.	Teatinos 280, piso 6º Santiago de Chile (Chile)	Holding	MAPFRE AMÉRICA INVERSIONES MAPFRE CHILE RE
EUROAMÉRICA ASESORÍAS GENERALES S.A.	Teatinos 280, piso 4º Santiago de Chile (Chile)	Investment Company	MAPFRE CHILE SEGUROS
MAPFRE COMPAÑÍA DE SEGUROS GENERALES DE CHILE S.A.	Teatinos 280, piso 4º Santiago de Chile (Chile)	Insurance	MAPFRE CHILE SEGUROS EUROAMÉRICA ASESORÍAS
COLOMBIA			
MAPFRE SEGUROS GENERALES DE COLOMBIA S.A.	Carrera, 7, nº 74-36 Santa Fé de Bogotá (Colombia)	Insurance	MAPFRE AMÉRICA APOINT
CREDIMAPFRE	Carrera, 7, nº 74-36 Santa Fé de Bogotá (Colombia)	Real Estate Financial Company	GESTIMAP MAPFRE SEGUROS GENERALES DE COLOMBIA
GESTIMAP S.A.	Carrera, 7, nº 74-36 Santa Fé de Bogotá (Colombia)	Information on spare parts for vehicles	MAPFRE SEGUROS GENERALES DE COLOMBIA CREDIMAPFRE
AUTOMOTORES CAPITAL LTDA	Carrera, 7, nº 74-36 Santa Fé de Bogotá (Colombia)	Repair, purchase and sale of vehicles	CREDIMAPFRE
MAPFRE COLOMBIA VIDA S.A.	Carrera, 7, nº 74-36 Santa Fé de Bogotá (Colombia)	Insurance	APOINT
CESVI COLOMBIA	Autop. Bogotá-Medellín, km 1,8 Santa Fé de Bogotá (Colombia)	Scientific and technical research	MAPFRE SEGUROS GENERALES DE COLOMBIA
MEXICO			
MAPFRE TEPEYAC S.A.	Av.Magnocentro 5 Col.C.San Fernando Huixquilucan (México)	Insurance	MAPFRE AMÉRICA GRUPO CORPORATIVO LML
GRUPO CORPORATIVO LML	Av. Magnocentro 5 Col. C. San Fernando Huixquilucan (México)	Holding	MAPFRE AMÉRICA
EDITORIAL DIANA S.A. DE C.V.	Arenal, 24. Edif. NTE 1ºpiso México D.F. (México)	Publishing Company	MAPFRE TEPEYAC
UNIDAD MÓVIL DE DIAGNÓSTICO S.A.	Av.Magnocentro 5 Col.C.San Fernando Huixquilucan (México)	Medical Services	MAPFRE TEPEYAC
ASSET DEFENSA LEGAL MEXICANA S.A. DE C.V.	Prado Sur, 230 Col. Lomas Chapultepec México D.F. (México)	Legal Counsellors	MAPFRE TEPEYAC
CESVI MÉXICO	Calle 1 Sur nº 101 Parque Ind.Toluca 2000 Toluca (México)	Research Centre	MAPFRE TEPEYAC
TEPEYAC ASESORES	Av.Magnocentro 5 Col.C.San Fernando Huixquilucan (México)	Fund Administration	MAPFRE TEPEYAC

Figures in EUR 000s

Holding		Figures as at 31-12-2004				Method or Procedure	Audit	
Amount (*)	%	Capital	Reserves	Result	Interim Dividend		Firm	Review
23,347	99.9937							
1	0.0042	24,729	8,568	(1,094)	--	(A)	E.Y.	C
8,292	100.0000	6,130	661	1,501		(A)	E.Y.	C
11,991	59.1500							
8,282	40.8500	15,429	1,343	3,501	--	(A)	E.Y.	C
15,798	94.2294							
4,246	5.7623	33,426	(17,283)	622	--	(A)	E.Y.	C
142	5.0833							
2,654	94.9144	1,730	795	271	--	(A)	E.Y.	C
151	92.5888							
12	7.4112	178	2	(17)	--	(B)	E.Y.	C
11	100.0000	1	10	--	--	(B)	--	--
--	5.0000	10,262	(5,914)	20	--	(D)	E.Y.	C
109	3.6400	1,735	1,648	32	--	(D)	E.Y.	C
21,194	55.6602							
57,343	44.3398	10,681	89,420	9,020	--	(A)	E.Y.	C
91,029	100.0000	39,407	(4,885)	4	--	(A)	E.Y.	C
1,154	20.1552	24,438	(18,613)	(96)	--	(D)	E.Y.	C
94	99.9982	189	(117)	22	--	(B)	E.Y.	C
116	78.8145	118	(9)	38	--	(B)	E.Y.	C
401	13.9500	3,117	(150)	(93)	--	(D)	E.Y.	C
40	16.0000	507	(209)	(48)	--	(D)	--	--

SUBSIDIARIES AND ASSOCIATED COMPANIES (APPENDIX 1)

Name	Address	Activity	Holder
PARAGUAY			
MAPFRE PARAGUAY COMPAÑÍA DE SEGUROS S.A.	Av.Mariscal López, 910 Asunción (Paraguay)	Insurance	MAPFRE AMÉRICA
PERU			
MAPFRE PERÚ COMPAÑÍA DE SEGUROS Y REASEGUROS	Av.Veintiocho de Julio, 873 Miraflores- Lima 18 (Perú)	Insurance and Reinsurance	MAPFRE AMÉRICA
TERRENOS Y LOCALES S.A.	Av.Veintiocho de Julio, 873 Miraflores- Lima 18 (Perú)	Real Estate	MAPFRE PERÚ
PUERTO RICO			
MAPFRE PRAICO CORPORATION	Avda.Chardón C.González Hato RE.Y. - San Juan (Puerto Rico)	Insurance	MAPFRE AMÉRICA
MAPFRE PRAICO INSURANCE COMPANY	Avda.Chardón C.González Hato RE.Y. - San Juan (Puerto Rico)	Insurance	MAPFRE PRAICO CORPORATION
MAPFRE PREFERRED RISK INSURANCE COMPANY	Avda.Chardón C.González Hato RE.Y. - San Juan (Puerto Rico)	Insurance	MAPFRE PRAICO INSURANCE
MAPFRE PAN AMERICAN INSURANCE COMPANY	Avda.Chardón C.González Hato RE.Y. - San Juan (Puerto Rico)	Insurance	MAPFRE PRAICO CORPORATION
PUERTO RICAN INSURANCE AGENCY INC.	Avda.Chardón C.González Hato RE.Y. - San Juan (Puerto Rico)	Insurance Brokerage	MAPFRE PRAICO CORPORATION
PAN AMERICAN FINANCE CORPORATION	Avda.Chardón C.González Hato RE.Y. - San Juan (Puerto Rico)	Financial	MAPFRE PRAICO CORPORATION MAPFRE PAN AMERICAN
MAPFRE LIFE INSURANCE COMPANY	Avda.Chardón C.González Hato RE.Y. - San Juan (Puerto Rico)	Insurance	MAPFRE PRAICO CORPORATION
MAPFRE LIFE FINANCIAL SERVICES CO.	Avda.Chardón C.González Hato RE.Y. - San Juan (Puerto Rico)	Insurance Agency	MAPFRE LIFE INSURANCE
URUGUAY			
MAPFRE URUGUAY S.A.	Bulevar Artigas, 459 Montevideo (Uruguay)	Insurance	MAPFRE AMÉRICA
APOINT S.A.	Col. 993 Piso 3 Montevideo (Uruguay)	Financial	MAPFRE AMÉRICA

Figures in EUR 000s

Holding		Figures as at 31-12-2004					Method or Procedure	Audit	
Amount (*)	%	Capital	Reserves	Result	Interim Dividend	Firm		Review	
1,984	81.2200	1,435	703	308	--	(A)	E.Y.	C	
5,781	98,9471	4,526	1,021	1,331	--	(A)	E.Y.	C	
556	66.3948	1,726	[833]	(55)	--	(A)	E.Y.	C	
93,733	100.0000	6,202	132,172	(1,855)	--	(A)	E.Y.	C	
93,980	100.0000	4,001	81,645	8,334	--	(A)	E.Y.	C	
21,741	100.0000	800	17,039	3,902	--	(A)	E.Y.	C	
38,618	100.0000	880	31,489	6,249	--	(A)	E.Y.	C	
139	100.0000	2	162	(25)	--	(A)	E.Y.	C	
271 456	37.2208 62.7792	65	642	20	--	(A)	E.Y.	C	
7,475	65.4100	1,545	9,371	512	--	(A)	E.Y.	C	
--	100.0000	324	[373]	--	--	(A)	E.Y.	C	
2,271	100.0000	4,506	(1,060)	(1,171)	--	(A)	E.Y.	C	
5,831	100.0000	3,661	730	(360)	--	(A)	--	--	

SUBSIDIARIES AND ASSOCIATED COMPANIES (APPENDIX 1)

Name	Address	Activity	Holder
VENEZUELA			
MAPFRE LA SEGURIDAD S.A.	Calle 3ª Parcela 9 Edif. Seg. La Seguridad Caracas (Venezuela)	Insurance and Reinsurance	MAPFRE AMÉRICA
CEFOPROSEG C.A.	Calle 3ª Parcela 9 Edif. Seg. La Seguridad Caracas (Venezuela)	Training	MAPFRE LA SEGURIDAD
INVERSORA SEGURIDAD C.A.	Calle 3ª Parcela 9 Edif. Seg. La Seguridad Caracas (Venezuela)	Policy Financing	MAPFRE LA SEGURIDAD
CORPORACIÓN SLS 024 C.A.	Calle 3ª Parcela 9 Edif. Seg. La Seguridad Caracas (Venezuela)	Sale of cemetery plots	MAPFRE LA SEGURIDAD
INMOBILIARIA 96 C.A.	Calle 3ª Parcela 9 Edif. Seg. La Seguridad Caracas (Venezuela)	Real Estate	MAPFRE LA SEGURIDAD
ESTACIONAMIENTOS EL CHORRO	Calle 3ª Parcela 9 Edif. Seg. La Seguridad Caracas (Venezuela)	Property Administration	MAPFRE LA SEGURIDAD
EL SALVADOR			
LA CENTROAMERICANA S.A.	Alameda Roosevelt, 31-07 San Salvador (El Salvador)	Insurance	MAPFRE AMÉRICA
INMOBILIARIA AMERICANA S.A.	Alameda Roosevelt, 31-07 San Salvador (El Salvador)	Real Estate	MAPFRE AMÉRICA
SPAIN			
INVERSIONES PERUANAS	General Perón, 40 (Madrid)	Holding	MAPFRE AMÉRICA
MAPFRE SOFT S.A.	Ctra.Pozuelo-Majadahonda, 52. Majadahonda (Madrid)	Computer related Services	MAPFRE AMÉRICA

Figures in EUR 000s

[*] Net values after deduction of pending payments and provisions for depreciation of investments.

CONSOLIDATION METHOD OR PROCEDURE

(A) Controlled companies fully consolidated

(B) Controlled companies consolidated by the equity method

(C) Controlled companies excluded from consolidation

(D) Associated and investee companies recorded by the equity method

(E) Associated and investee companies excluded from consolidation

(F) Multi-group companies consolidated by proportional integration

(G) Companies consolidated this year for the first time

Holding		Figures as at 31-12-2004					Method or Procedure	Audit	
Amount (*)	%	Capital	Reserves	Result	Interim Dividend	Firm		Review	
62,184	99.5159	25,335	144,637	19,095	--	(A)	E.Y.	C	
5	100.0000	--	5	--	--	(B)	E.Y.	L	
19,156	100.0000	8,426	6,241	4,489	--	(A)	E.Y.	L	
1,051	100.0000	1,166	--	[115]	--	(A)	E.Y.	L	
6	100.0000	--	6	--	--	(A)	E.Y.	L	
6	100.0000	6	--	--	--	(A)	E.Y.	L	
11,117	72.8373	6,871	2,846	1,452	--	(A)	P.C.	C	
3,890	78.3539	6,196	(1,523)	116	--	(A)	P.C.	C	
1,402	12.9613	10,436	21	358	--	(D)	E.Y.	L	
1,872	99.9991	2,161	(482)	1,208	--	(B)	E.Y.	L	

AUDITORS

E.Y.	Ernst & Young
D.T.	Deloitte & Touche
P.C.	Pricewaterhouse Coopers
MENJ	R.Menjou

AUDIT REVIEW

"L"	Limited
"C"	Full
"--"	No review carried out

SUMMARISED CONSOLIDATED BALANCE SHEET AND PROFIT AND LOSS ACCOUNT OF MAP-FRE INVERSIÓN , SOCIEDAD DE VALORES, S.A. AS AT 31 DECEMBER 2004 (APPENDIX 2)

Balance sheet

ASSETS

Fixed assets	1,055
Trading portfolio	901,786
Credits on trading operations	35,660
Other assets	9,975

Total assets **948,476**

LIABILITIES

Shareholders equity	75,432
Reserves in fully consolidated companies	21,001
Negative consolidation difference	1,166
Year results attributable to the group	19,470
Interim dividend paid	(9,680)
Debts	811,775
Other liabilities	29,312

Total liabilities **948,476**

Profit and loss account

INCOME

Trading and markets	3,338
Management	41,432

ORDINARY MARGIN

Operating expenses	14,498
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OPERATING MARGIN

Other results	104
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PRE-TAX RESULT **30,376**

AFTER TAX RESULT

19,470

Figures in EUR 000s

*Auditor's Report
on the Consolidated
Annual Accounts 2004*



AUDIT REPORT ON THE CONSOLIDATED ANNUAL ACCOUNTS

“Translation of a report and financial statement originally issued in Spanish. In the event of a discrepancy, the Spanish-language version prevails” (see Note 16)

To the shareholders of
CORPORACIÓN MAPFRE, S.A.

1. We have audited the consolidated annual accounts of CORPORACIÓN MAPFRE, S.A. and its subsidiaries (Note 2), which consist of the consolidated balance sheet at December 31, 2004, the consolidated profit and loss account and the consolidated notes thereto for the year then ended, the preparation of which is the responsibility of the Company’s directors. Our responsibility is to express an opinion on the aforementioned consolidated annual accounts taken as a whole, based upon work performed in accordance with auditing standards generally accepted in Spain, which require the examination, through the performance of selective tests, of the evidence supporting the consolidated annual accounts, and the evaluation of their presentation, of the accounting principles applied, and of the estimates made.

2. In compliance with Spanish mercantile law, for comparative purposes the Company’s directors have included for each of the captions presented in the consolidated balance sheet, the consolidated profit and loss account, the consolidated statement of technical provisions coverage and the statement of consolidated solvency margin in addition to the figures of 2004, those of 2003. Our opinion refers only to the consolidated annual accounts for 2004. On February 18, 2004, we issued our audit report on the 2003 consolidated annual accounts, in which we expressed an unqualified opinion.

3. As explained in Note 10, the information relating to “Technical income and expenses by lines” and “Technical results per year of occurrence” for the non life business of the consolidated Group is not reflected due to the various circumstances described in said note. The Corporation obtained express authorization for this omission from the Directorate General for Insurance and Pension Funds on February 7, 2005.

4. The Corporation and several of its subsidiaries have performed significant transactions with other MAPFRE SYSTEM companies. Information on these transactions is given in Notes 6.17, 6.18 and 6.19.

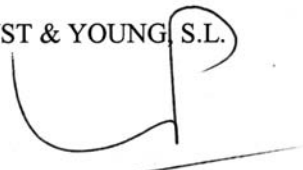


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5. In our opinion, the accompanying 2004 consolidated annual accounts give a true and fair view, in all material respects, of the net equity and financial position of CORPORACIÓN MAPFRE, S.A. and its subsidiaries (Note 2) at December 31, 2004, and the results of their operations for the year then ended, and contain the required information necessary for their adequate interpretation and comprehension in conformity with accounting principles and criteria generally accepted in Spain, applied on a basis consistent with those of the preceding year.

6. The accompanying consolidated management report for the year ended December 31, 2004 contains such explanations as the parent Company's directors consider appropriate concerning the situation of CORPORACIÓN MAPFRE, S.A. and its subsidiaries, the evolution of their business and other matters, and is not an integral part of the consolidated annual accounts. We have checked that the accounting information included in the report mentioned above agrees with the consolidated annual accounts for the year ended December 31, 2004. Our work as auditors is limited to verifying the consolidated management report in accordance with the scope mentioned in this paragraph, and does not include the review of information other than that obtained from the accounting records of the Corporation and its subsidiaries.

ERNST & YOUNG, S.L.



Manuel Martínez Pedraza

Madrid, February 9, 2005