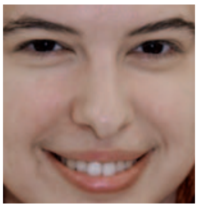



BBVA

QUARTERLY REPORT

January-September 2005

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BBVA Group Highlights

BBVA Group Highlights (consolidated figures)

	30-09-05	30-09-04	Δ%	31-12-04
BALANCE SHEET (million euros)				
Total assets	374,828	325,247	15.2	332,743
Customer lending (gross)	208,156	168,274	23.7	176,086
On-balance sheet customer funds	238,143	197,747	20.4	203,023
Other customer funds	141,828	120,473	17.7	121,553
Total customer funds	379,971	318,220	19.4	324,576
Equity	16,940	12,773	32.6	13,840
Shareholders' funds (including profit for the year)	12,522	10,556	18.6	11,032
INCOME STATEMENT (million euros)				
Net interest income	5,187	4,530	14.5	6,131
Core revenues	8,489	7,438	14.1	10,031
Ordinary revenues	9,328	8,159	14.3	11,031
Operating profit	4,867	4,065	19.7	5,501
Pre-tax profit	4,130	3,151	31.1	4,137
Net attributable profit	2,728	2,184	24.9	2,923
DATA PER SHARE AND MARKET CAPITALIZATION				
Share price	14.59	11.08	31.7	13.05
Market capitalization (million euros)	49,473	37,571	31.7	44,251
Net attributable profit	0.80	0.65	24.0	0.87
Book value	3.69	3.11	18.6	3.25
PER (Price/earnings ratio; times) [1]	13.4	12.9		15.1
P/BV (Price/book value; times)	4.0	3.6		4.0
SIGNIFICANT RATIOS (%)				
Operating profit/ATA	1.78	1.70		1.70
ROE (Net attributable profit/Average equity)	35.2	33.3		33.0
ROA (Net profit/ATA)	1.07	0.97		0.96
RORWA (Net profit/Risk weighted average assets)	1.83	1.60		1.62
Efficiency ratio	43.6	44.7		44.9
Efficiency ratio including depreciation and amortization	47.0	48.9		49.0
NPL ratio	0.98	1.29		1.15
NPL coverage ratio	246.4	211.7		219.4
CAPITAL ADEQUACY RATIOS (BIS Regulation) (%)				
Total	12.7	12.1		12.4
Core capital	5.9	5.9		5.9
TIER I	7.9	7.8		8.0
OTHER INFORMATION				
Number of shares (million)	3,391	3,391		3,391
Number of shareholders	1,012,975	1,117,771		1,081,020
Number of employees	91,770	87,625		87,112
• Spain	31,188	31,106		31,056
• America [2]	58,643	54,553		54,074
• Rest of the world	1,939	1,966		1,982
Number of branches	7,208	6,979		6,868
• Spain	3,510	3,382		3,385
• America [2]	3,526	3,411		3,303
• Rest of the world	172	186		180

(1) The 2005 PER is calculated taking into consideration the median of the analysts' estimates (October 2005).
(2) Includes those related to the BBVA Group's banking, pension fund managers and insurance companies in all the American countries in which it is present.

> Group financial information

> Relevant events

The financial information provided in this quarterly report follows the criteria established in Circular 4/2004 of the Bank of Spain and the international financial reporting standards (IFRS) approved by the European Union. The figures for 2004 have been prepared using the same criteria and are directly comparable. Therefore they are different to those published in 2004. The figures in this report have not been audited and thus may change in the future.

The most relevant aspects of the BBVA Group in the first nine months of 2005 are summarised below:

- In the third quarter the group generated net attributable profit of €914m. This was 35.7% higher than the €674m obtained in the same period last year. Like previous quarters, recurrent revenues were the main driver behind the increase in profit.

- Progressive acceleration of growth in all lines on the income statement brought net attributable profit in the first nine months to €2.7 billion, a year-on-year increase of 24.9%. Earnings per share increased 24.0% and return on equity rose to 35.2%.

- The positive performance of revenues, especially net interest income, net fee income and insurance, with year-on-year increases that were higher than in June, resulted in a 19.7% increase in operating profit (17.7% at the half-year). Growth of revenues and operating profit was higher in all business areas.

- Ordinary revenues increased 14.3% in the first nine months, exceeding the half-year figure of 11.8%. This was the result of a 14.5% rise in net interest income (11.1% at the half-year), driven by higher business volume, and of net fee income and insurance, which grew 13.6% (10.5% in June).

- Operating expenses, including depreciation, increased 10.3%, which was less than revenues. On a like-for-like basis (ie, excluding Laredo National Bancshares, Hipotecaria Nacional and Valley Bank) the increase in expenses was 7.4%.

- Thus the cost/income ratio improved to 43.6% against 44.7% for the first nine months of 2004. Including depreciation, the ratio is 47.0% and the year-on-year improvement increases to 1.9 percentage points.

- Despite higher lending, non-performing loans (NPLs) declined. This brought the NPL ratio to 0.98% at 30-Sep-05 against 1.29% a year earlier. Coverage rose to 246.4% (211.7% at 30-Sep-04).

- Core capital at 30-Sep-05 stands at 5.9%, in line with the group's target. Tier 1 capital is 7.9% and the BIS ratio 12.7%.

- On 10th October the group paid a second interim dividend of €0.115 against 2005 results. This was the same amount as the one paid on the 11th July and 15% higher than dividends last year.

- Retail Banking in Spain and Portugal continued to increase lending by more than 20% year-on-year. This was supported by lending to SMEs and mortgages. Customer funds rose faster, at 11.6%. Net interest income, net fee income and insurance grew faster than at the half-year. This helped ordinary revenues to increase 8.5%, operating profit 14.3% and net attributable profit 13.3% (to €1.2 billion).

- In the third quarter results in Wholesale and Investment Banking were higher than the same period last year, especially in the markets unit. Ordinary revenues rose 25.3% in the year to September and operating profit climbed 42.6%. Net attributable profit came to €447m, an increase of 59.8%.

- The Americas Area continues to report high growth in banking activity as well as insurance and pensions. This helped to lift year-on-year growth of net interest income to 29.3% and operating profit growth to 36.4%. Net attributable profit came to €1.33 billion, an increase of 60.2%. In a like-for-like comparison based on the same units, operating profit grew 31.3% and attributable profit 53.2%.

- Bancomer continued to be the outstanding performer with sharp increases in the more profitable business lines (ie, consumer finance and cards on the credit side and transactional accounts in terms of customer funds). Revenues were higher (37.7% in net interest income and 19.8% in net fee income). Thus operating profit rose 50.2% and net profit climbed 62.9% to €836m (53.0% excluding Hipotecaria Nacional).

> ECONOMIC ENVIRONMENT

In recent months the international economic environment was affected by new rises in the price of oil and associated products and by the effects of hurricanes Katrina and Rita. These may lead to a slight decline in US growth. Thus the Federal Reserve, in view of the risk of inflation, continued to raise interest rates, bringing them to 3.75% at 30-Sep-05. The increase in long-term rates was lower, flattening the interest rate curve. In the euro zone, in a context of moderate growth, the ECB held rates steady at 2.0%. Here the interest rate curve was also flatter, with medium-term rates slightly higher in the third quarter and longer rates stable. The Spanish economy continued to outpace the rest of the euro zone by a significant amount although inflation is also higher and the current account deficit is growing.

Latin America grew at a faster rate in recent months. Debt spreads were lower and inflation is under control. This opens the door to lower interest rates in the future. In Mexico the TIIE fell to 9.48% at the end of September and the quarterly average dropped to 9.88% compared to 10.05% at the half-year. However it is still higher than the third quarter of 2004 (7.45%).

The exchange rates that most influence the group's financial statements changed little in the third quarter. At 30-Sep-05 the euro had depreciated against the main Latin-American currencies compared to 30-Sep-04, except for the Venezuelan bolivar. Therefore the effect of exchange rates on year-on-year comparisons on the group's balance sheet was positive. In regard to average cumulative exchange rates in the year to September, which are used to convert amounts to

> Exchange rates (1)

	Year-end exchange rates				Average exchange rates	
	30-09-05	Δ% on 30-09-04	Δ% on 30-06-05	Δ% on 31-12-04	January-Sep. 05	Δ% on January-Sep. 04
Mexican peso	13.0212	8.7	0.1	16.6	13.8318	(0.1)
Argentine peso	3.4937	6.4	(0.4)	15.9	3.6686	(1.8)
Chilean peso	642.67	18.0	8.9	18.1	720.46	4.7
Colombian peso	2,754.82	17.9	2.0	16.3	2,949.85	10.8
Peruvian new sol	4.0329	2.8	(2.4)	11.0	4.1195	2.5
Venezuelan bolivar	2,583.98	(7.9)	0.5	1.0	2,645.50	(13.3)
US dollar	1.2042	3.0	0.4	13.1	1.2626	(3.0)

(1) Expressed in currency/euro.

Interest rates (Quarterly average)

	2005			2004			
	3Q	2Q	1Q	4Q	3Q	2Q	1Q
Official ECB rate	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Euribor 3 months	2.13	2.12	2.14	2.16	2.12	2.08	2.06
Euribor 1 year	2.20	2.19	2.33	2.31	2.35	2.29	2.14
Spain 10 year bond	3.23	3.36	3.64	3.79	4.15	4.31	4.14
USA 10 year bond	4.20	4.15	4.29	4.16	4.29	4.58	3.99
USA Federal rates	3.43	2.92	2.45	1.95	1.43	1.00	1.00
TIIE (Mexico)	9.88	10.05	9.40	8.54	7.45	6.73	5.90

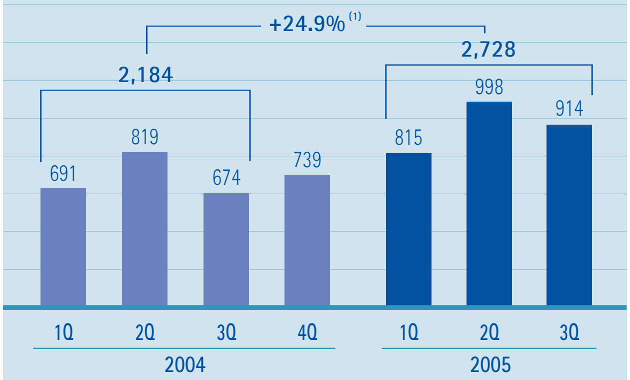
euros for the income statement, the overall impact continues to be slightly negative although less than in previous quarters. The bolivar fell 13.3% against the euro, the US dollar 3.0% and the Argentine peso 1.8%. The Mexican peso held steady while the Colombian peso rose 10.8%, the Chilean peso 4.7% and the Peruvian sol rose 2.5%.

> Earnings

Net attributable profit generated by the BBVA group in the third quarter of 2005 came to €914m. This was an increase of 35.7% over the €674m obtained in the same quarter last year. The figures compare favourably with profit of €998m in the second quarter, which included a substantially higher amount of dividends. As usual in recent times, the increase in attributable profit was supported by operating profit, which increased 23.8% over the third quarter of 2004.

Thus cumulative net attributable profit for the year to September comes to €2.73 billion, a year-on-year

Net attributable profit
(Million euros)



(1) At constant exchange rates: +25.3%.

Consolidated income statement (Million euros)

	January-Sep. 05	Δ%	January-Sep. 04	Memorandum item: Δ% at constant exchange rates
Core net interest income	5,003	14.7	4,364	15.1
Dividends	183	10.4	166	10.2
NET INTEREST INCOME	**5,187**	**14.5**	**4,530**	**14.9**
Net income by the equity method	79	11.6	70	11.7
Net fee income	2,875	13.1	2,541	13.0
Income from insurance activities	349	18.1	296	18.2
CORE REVENUES	**8,489**	**14.1**	**7,438**	**14.4**
Net trading income	839	16.3	722	16.6
ORDINARY REVENUES	**9,328**	**14.3**	**8,159**	**14.6**
Net revenues from non-financial activities	110	45.9	76	46.0
Personnel costs	(2,620)	9.3	(2,398)	9.4
General expenses	(1,562)	15.7	(1,350)	16.1
Depreciation and amortization	(323)	(4.4)	(338)	(4.7)
Other operating income and expenses (net)	(66)	(20.9)	(83)	(20.5)
OPERATING PROFIT	**4,867**	**19.7**	**4,065**	**20.1**
Impairment losses on financial assets (net)	(558)	(6.4)	(596)	(6.9)
• Loan-loss provisions	(531)	(10.7)	(595)	(11.2)
• Other	(27)	n.m.	(2)	n.m.
Provisions (net)	(329)	(53.9)	(714)	(53.8)
Other income/losses (net)	151	(62.0)	396	(61.9)
• From disposal of equity holdings	19	(93.3)	283	(93.3)
• Other	132	16.1	113	17.7
PRE-TAX PROFIT	**4,130**	**31.1**	**3,151**	**31.7**
Corporate income tax	(1,207)	46.3	(825)	46.4
NET PROFIT	**2,924**	**25.7**	**2,326**	**26.4**
Minority interests	(196)	38.1	(142)	44.2
NET ATTRIBUTABLE PROFIT	**2,728**	**24.9**	**2,184**	**25.3**

Consolidated income statement: quarterly evolution (Million euros)

	2005			2004			
	3rd Quarter	2nd Quarter	1st Quarter	4th Quarter	3rd Quarter	2nd Quarter	1st Quarter
Core net interest income	1,779	1,697	1,528	1,511	1,477	1,465	1,422
Dividends	41	121	22	89	22	116	29
NET INTEREST INCOME	**1,820**	**1,818**	**1,549**	**1,600**	**1,499**	**1,580**	**1,451**
Net income by the equity method	28	28	23	27	26	22	22
Net fee income	1,022	954	899	872	861	848	833
Income from insurance activities	130	123	96	95	102	95	98
CORE REVENUES	**3,000**	**2,922**	**2,567**	**2,594**	**2,488**	**2,546**	**2,404**
Net trading income	228	324	286	277	216	276	229
ORDINARY REVENUES	**3,228**	**3,247**	**2,854**	**2,871**	**2,704**	**2,822**	**2,633**
Net revenues from non-financial activities	43	40	28	51	21	37	18
Personnel costs	(910)	(872)	(838)	(849)	(793)	(797)	(808)
General expenses	(551)	(532)	(479)	(501)	(447)	(451)	(452)
Depreciation and amortization	(117)	(105)	(102)	(110)	(114)	(111)	(113)
Other operating income and expenses (net)	(27)	(9)	(31)	(26)	(24)	(27)	(32)
OPERATING PROFIT	**1,666**	**1,769**	**1,432**	**1,436**	**1,346**	**1,473**	**1,246**
Impairment losses on financial assets (net)	(234)	(202)	(123)	(362)	(183)	(183)	(230)
• Loan-loss provisions	(227)	(187)	(118)	(189)	(183)	(187)	(225)
• Other	(7)	(15)	(5)	(173)	-	4	(6)
Provisions (net)	(75)	(123)	(131)	(137)	(199)	(226)	(289)
Other income/losses (net)	49	78	24	48	40	43	314
• From disposal of equity holdings	3	13	4	25	21	22	240
• Other	46	66	20	23	19	21	73
PRE-TAX PROFIT	**1,406**	**1,522**	**1,203**	**986**	**1,004**	**1,107**	**1,040**
Corporate income tax	(418)	(451)	(337)	(204)	(277)	(237)	(310)
NET PROFIT	**988**	**1,070**	**866**	**782**	**726**	**870**	**730**
Minority interests	(73)	(72)	(50)	(44)	(52)	(51)	(39)
NET ATTRIBUTABLE PROFIT	**914**	**998**	**815**	**739**	**674**	**819**	**691**

increase of 24.9%. The key to this growth lies in the positive performance of operating profit. This came to €4.87 billion, a rise of 19.7%, boosted in turn by higher recurrent earnings. The lower part of the income statement contains lower loan loss provisions (due to higher asset quality) and provisions for early retirements which are offset by lower capital gains from divestment of holdings in other companies.

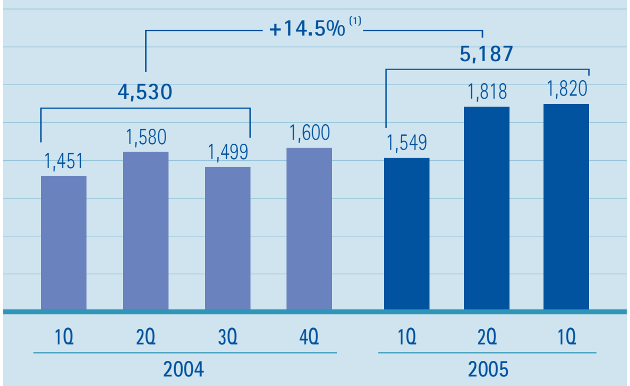
One particular feature of the group's results this year are the progressively bigger improvements in profit each quarter. This is reflected in all the lines on the income statement. Specifically the cumulative growth in operating profit was 15.0% in March, 17.7% in June and 19.7% in September. The figures for net attributable profit were 18.0% in March, 20.1% in June and 24.9% in September.

> NET INTEREST INCOME

In the third quarter net interest income came to €1.82 billion, which is a year-on-year increase of 21.4%. It brings the cumulative figure for the first nine months to €5.19 billion, an increase of 14.5% year-on-year. The increase at 30-Jun-05 was 11.1%.

Net interest income

(Million euros)



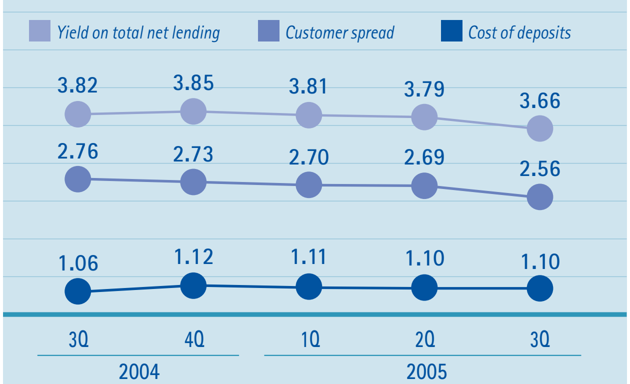
(1) At constant exchange rates: +14.9%.

Net interest income excluding dividends rose to €5.0 billion, 14.7% higher than the first nine months of 2004 (it was 11.7% higher at 30-Jun-05). Dividends accounted for the remaining €183m and this figure is 10.4% higher than a year earlier.

The firm and sustained growth of business conducted with resident customers in Spain helped to offset customer spreads which declined to 2.56% in the third quarter. This decline was partly due to seasonal factors such as formalization fees and the cost of the *Libretón* campaign and the trend is similar to the one registered in the same period of last year. In the Americas the trend in spreads is positive, especially in Mexico where the difference between the yield on loans and the cost of deposits in pesos was 11.63% in the third quarter. In the previous quarter the spread was 11.55% and in the third quarter of 2004 it was 10.86%.

Customer spread (Domestic)

(Percentage)



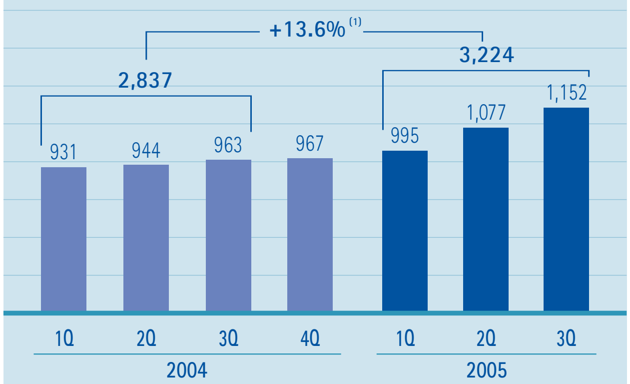
> ORDINARY REVENUES

In the third quarter net fee income contributed €1.02 billion, 18.7% more than the same period of 2004. Insurance activity provided another €130m, an increase of 27.8%. Both items grew faster compared to the half year figures. Net fee income grew 13.1% in the year to September and insurance 18.1%. The aggregate of both concepts grew 13.6% (10.5% in June) to €3.22 billion. All three areas performed favourably: Retail Banking in Spain and Portugal was up 9.5%, Wholesale and Investment Banking 24.0% and the Americas 15.8%.

Net income from equity method (mainly BNL and Corporación IBV) came to €79m in the year to September with an increase of 11.6%.

Fee income + Insurance

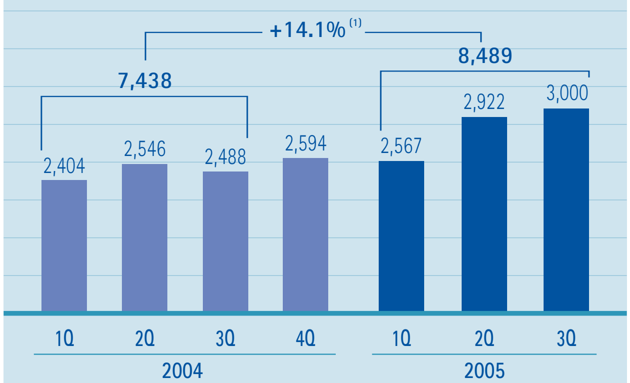
(Million euros)



(1) At constant exchange rates: +13.6%.

Core revenues

(Million euros)



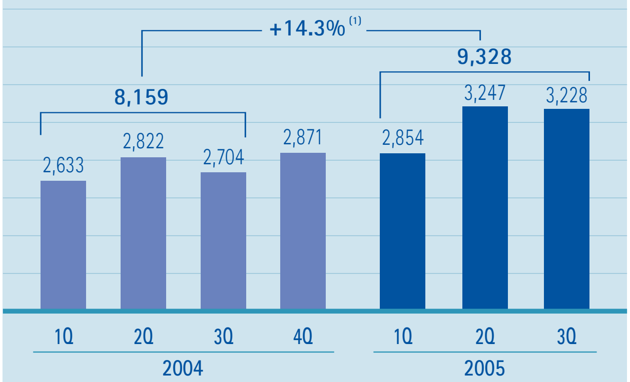
(1) At constant exchange rates: +14.4%.

The sum of net interest income, net fee income, insurance and equity-accounted income brought core revenues to €8.49 billion for the first nine months. This was an increase of 14.1% (10.9% in the first half).

In the year to September, net trading income came to €839m, an increase of 16.3%. Relevant contributions to this increase were provided by the market units in the Wholesale and Investment Banking Area, by holdings in major industrial and financial companies, by the Americas Area and by the placement of treasury products with retail banking customers.

As a result ordinary revenues rose to €3.23 billion in the quarter (19.4% more than the same period last year). The figure for the first nine months was €9.33 billion, bringing the year-on-year increase to 14.3% (11.8% for the first half). After adding €110m from net sales from non-financial activities (mainly real estate business), total revenues come to €9.44 billion, a rise of 14.6% over the first nine months of 2004.

Ordinary revenues
(Million euros)

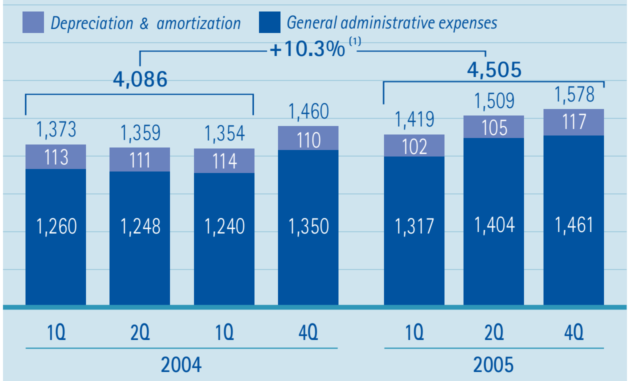


(1) At constant exchange rates: +14.6%.

> OPERATING PROFIT

In the first nine months of the year, general administrative expenses came to €4.5 billion and this was 10.3% higher than the same period last year. In domestic businesses the increase was 4.9% and in the Americas it was 16.9% (10.5% excluding Laredo National Bancshares, Hipotecaria Nacional and Valley bank).

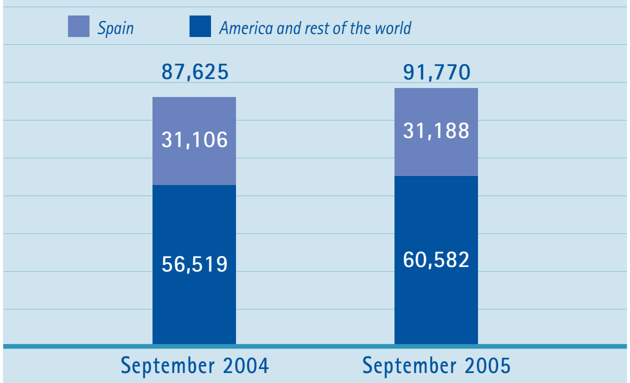
General administrative expenses + depreciation & amortization (Million euros)



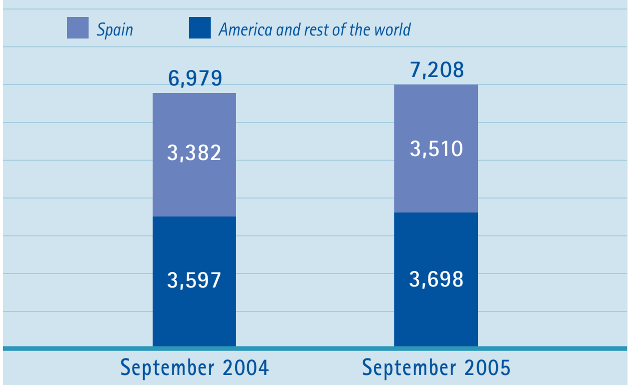
(1) At constant exchange rates: +10.4%.

At 30-Sep-05, the group had 91,770 employees and the network consisted of 7,208 branches. There are 3,510

Number of employees



Number of branches



Efficiency (Million euros)

	January-Sep. 05	Δ%	January-Sep. 04	2004
Ordinary revenues	9,328	14.3	8,159	11,031
Net revenues from non-financial activities	110	45.9	76	126
TOTAL REVENUES	**9,439**	**14.6**	**8,235**	**11,157**
Personnel costs	(2,620)	9.3	(2,398)	(3,247)
General expenses	(1,562)	15.7	(1,350)	(1,851)
Recovered expenses	70	9.8	63	84
GENERAL ADMINISTRATIVE EXPENSES (NET)	**(4,113)**	**11.6**	**(3,685)**	**(5,014)**
EFFICIENCY RATIO (Costs/revenues, %)	**43.6**		**44.7**	**44.9**
Depreciation and amortization	(323)	(4.4)	(338)	(448)
GENERAL ADMINISTRATIVE EXPENSES (NET) + DEPRECIATION AND AMORTIZATION	**(4,436)**	**10.3**	**(4,023)**	**(5,462)**
EFFICIENCY INCLUDING DEPRECIATION AND AMORTIZATION	47.0		48.9	49.0

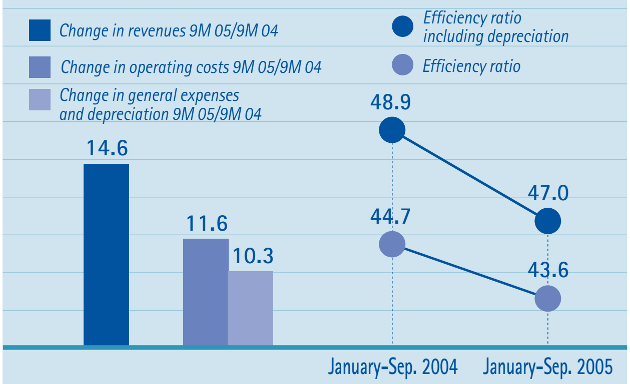
branches in Spain after the net increase of 62 in the third quarter (128 have been added the last 12 months). This increase is associated with the expansion in retail banking and Dinero Express.

After the increase of 14.6% in operating revenues (ordinary revenues plus non-financial activities) and the increase of 11.6% in general administrative expenses net of recovered costs, the cost/income ratio (which relates both concepts) improved to 43.6% (44.7% in the first nine months of 2004). Including depreciation, the cost/income ratio is 47.0%. This is an improvement of 1.9 points compared to the first nine months of 2004.

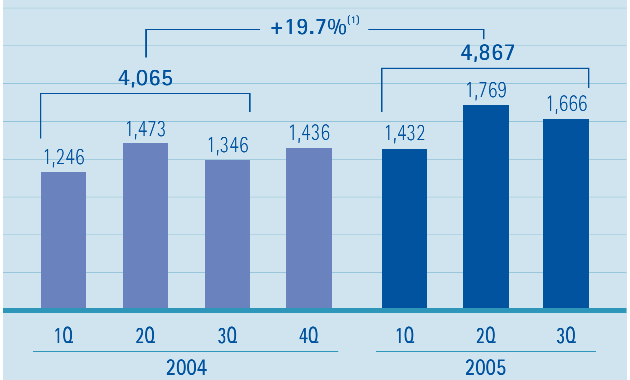
There were significant improvements in efficiency in all business areas.

Operating profit for the third quarter came to €1.67 billion. The year-on-year increase was 23.8%, beating the figure of 17.7% in the first half. As a result the cumulative figure for the year to date grew 19.7% to €4.87 billion. Growth was higher in all three business areas compared to previous periods: 14.3% in Retail Banking in Spain and Portugal, 42.6% in Wholesale and Investment Banking and 36.4% in The Americas (50.2% in Mexican banking).

Efficiency
(Percentages)



Operating profit
(Million euros)



(1) At constant exchange rates: +20.1%.

When comparing operating profit with 2004, the figures are increasingly less affected by variations in exchange rates. At constant rates, operating profit grew 20.1% for the group as a whole and 37.3% in the Americas. On a like-for-like basis (ie, excluding Laredo National Bancshares, Hipotecaria Nacional and Valley Bank) operating profit at constant exchange rates grew 17.8% for the group and 32.1% in the Americas.

> PROVISIONS AND OTHERS

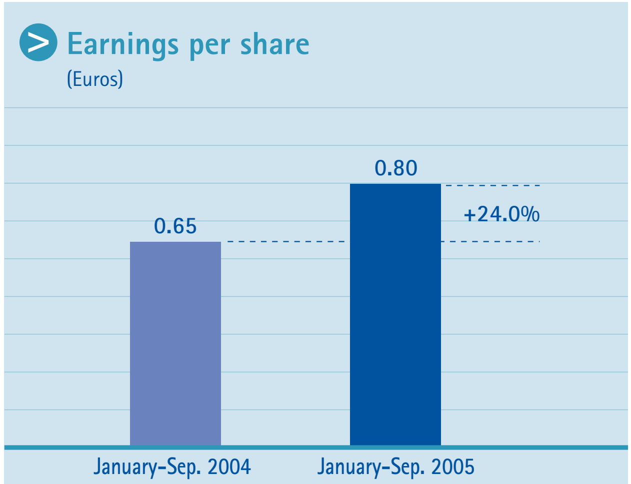
Up to September €531m were set aside for loan loss provisions. This is 10.7% less than the same period last year because asset quality has improved and there has been an increase in recovery of provisions. Provisions for the first nine months of the year were €329m. This was a year-on-year decrease of 53.9% mainly due to lower early retirement costs.

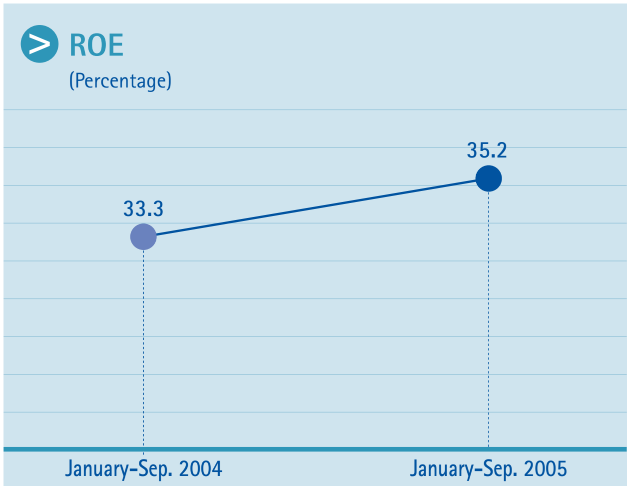
Finally the net result of other gains and losses contributed €151m in the first nine months of the year against €396m last year. The decrease is explained by lower income from divestment of holdings. Compared to €19m obtained in the first nine months of this year, there were capital gains of €283m in the same period in 2004 (divestment of Banco Atlántico, Direct Seguros, Grubarges and Vidrala).

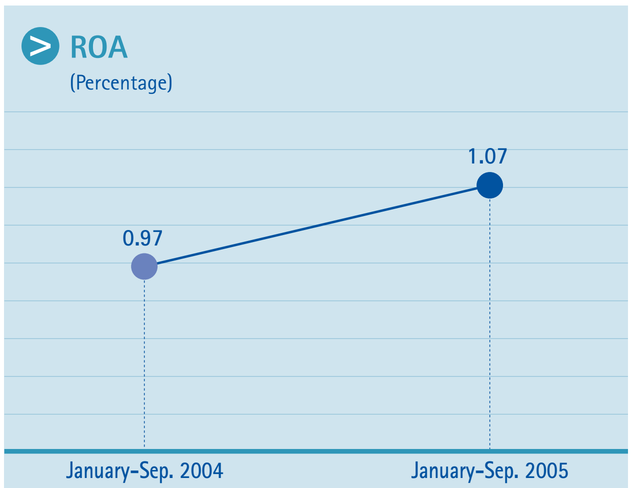
> ATTRIBUTABLE PROFIT

Pre-tax profit came to €1.41 billion in the third quarter and €4.13 billion in the year to September. The year-on-year increases are 40.1% and 31.1%, respectively. After providing for tax, cumulative net profit came to €2.92 billion, some 25.7% higher. Minority interests are entitled to €196m and therefore the net profit attributable to the group is €2.73 billion, which is a 24.9% increase over last year (25.3% at constant exchange rates).

Earnings per share in the first nine months came to €0.80. This is 24.0% higher than the €0.65 obtained in the same period last year. Return on equity (ROE) was 35.2%, and return on assets (ROA) was 1.07% (compared to 33.3% and 0.97%, respectively, a year earlier).



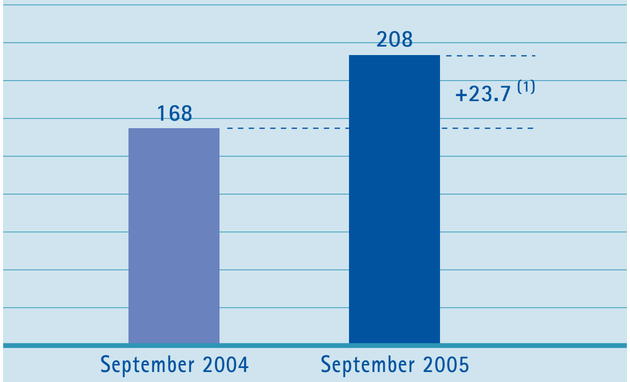




> Business activity

At 30-Sep-05 the year-on-year increases in lending and customers funds were higher than at the end of June. In domestic markets lending activity continued to be very strong, driven by housing finance and the SME and small businesses. In customer funds the increases in mutual and pension funds were higher than the increases in deposits. In other markets where the group operates, lending also grew faster. This is still true if the impact of exchange rates is excluded and the comparison is made on a like-for-like basis. Furthermore the growth in customer funds was maintained, thanks to good performance in current and savings accounts and in mutual and pension funds.

Total lending (gross) (1)
(Billion euros)



(1) At constant exchange rates: +22.2%.

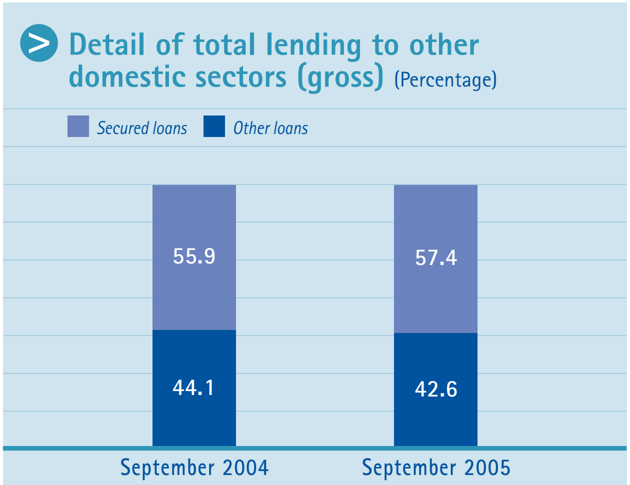
> LENDING TO CUSTOMERS

At the end of September, lending to individual customers came to €208 billion. This was 23.7% more than the €168 billion recorded at 30-Sep-04 and also higher than the 22.7% increase recorded at the end of June. The impact of Latin-American exchange rates continues to be positive in year-on-year terms and thus the increase at constant rates is 22.2% (21.5% at 30-Jun-05).

Lending to other resident sectors continued the solid trend of recent quarters, rising to €133 billion, an increase of 19.7% year-on-year (19.3% in the first half). This lending includes secured loans, which increased 22.8% to €76 billion (housing finance was

Total lending (Million euros)

	30-09-05	Δ%	30-09-04	30-06-05	31-12-04
Public sector	15,700	7.6	14,593	15,468	15,483
Other domestic sectors	132,926	19.7	111,089	128,125	117,743
• Secured loans	76,288	22.8	62,135	72,280	64,617
• Commercial loans	11,321	41.1	8,022	11,196	9,231
• Other term loans	36,080	7.3	33,634	35,211	36,012
• Credit card debtors	1,063	6.0	1,003	1,102	1,067
• Other	2,095	54.1	1,359	2,384	1,630
• Financial leases	6,079	23.2	4,936	5,952	5,186
Non-domestic sector	57,274	42.4	40,231	54,573	40,638
• Secured loans	19,653	63.9	11,994	18,341	12,300
• Other loans	37,621	33.2	28,237	36,232	28,338
Nonperforming loans	2,256	(4.5)	2,361	2,215	2,222
• Public sector	121	42.1	85	113	107
• Other domestic sectors	827	(6.6)	885	793	892
• Non-domestic sectors	1,308	(6.0)	1,391	1,309	1,223
TOTAL LENDING (GROSS)	**208,156**	**23.7**	**168,274**	**200,381**	**176,086**
Loan loss provisions	(5,262)	6.9	(4,923)	(5,095)	(4,747)
TOTAL NET LENDING	**202,894**	**24.2**	**163,351**	**195,286**	**171,339**



up 23.8%). It also includes commercial loans (up 41.1%) and financial leasing (up 23.2%), reflecting growth of more than 22% in lending to SMEs and retailers by retail banking.

The increase in loans to non-residents was even higher and exceeded €57 billion. This was 42.4% higher than a year earlier (35.3% higher at constant exchange rates). Some €5 billion of this was contributed by Laredo National Bancshares, Hipotecaria Nacional and Valley bank, which all joined the group in the last 12 months. If this amount is excluded, the increase is 29.9% at current exchange rates and 23.5% at constant rates (27.8% and 22.8%, respectively, at 30-Jun-05). Most of the group's Latin-American banks contributed to the increase, including BBVA Bancomer (up 55.9% in pesos and 27.2% excluding Hipotecaria Nacional). Venezuela, Peru, Colombia and Puerto Rico also recorded increases of more than 20% in local currencies.

Lastly, public sector loans in Spain were nearly €16 billion, an increase of 7.6% over 30-Sep-04.

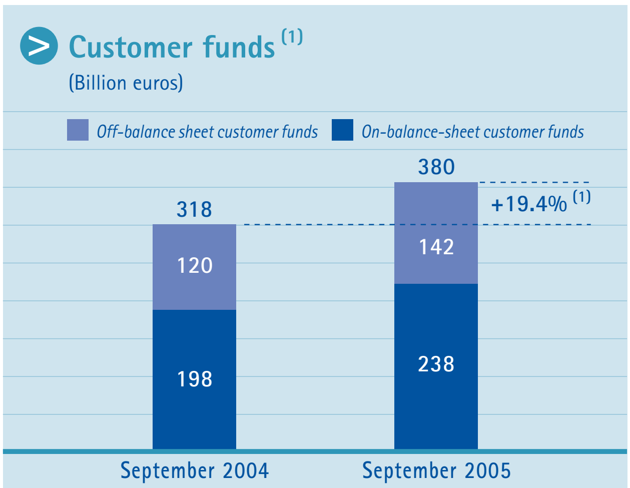
Despite the important increase in lending, non-performing loans (NPLs) fell 4.5% in the last 12 months. This brought the group's NPL ratio to 0.98% at 30-Sep-05, against 1.29% a year earlier.

> CUSTOMER FUNDS

Total customer funds on and off balance sheet rose to €380 billion at the end of the quarter. This was 19.4% higher than at 30-Sep-04 in euros and topped the figures for June (18.6%), like it did for lending activity.

Customer funds on-balance sheet came to €238 billion, a year-on-year increase of 20.4%. Of this amount, customer deposits accounted for €166 billion (up 11.8%), marketable debt securities €62 billion (€21 billion more than a year earlier) and subordinate debt accounted for the remaining €9.6 billion (up 27.2%).

Customer funds off-balance sheet (mutual funds, pension funds and customers' portfolios) rose 17.7% year-on-year to nearly €142 billion (beating the 14.2% increase in June). Spain accounts for €76 billion and



(1) At constant exchange rates: +16.4%.

Customer funds (Million euros)

	30-09-05	∆%	30-09-04	30-06-05	31-12-04
ON-BALANCE-SHEET CUSTOMER FUNDS	**238,143**	**20.4**	**197,747**	**237,193**	**203,023**
DEPOSITS	**166,128**	**11.8**	**148,651**	**168,204**	**149,030**
Public sector	7,848	16.2	6,751	6,161	4,850
Other domestic sectors	75,132	5.7	71,061	76,691	73,916
• Current accounts	20,648	(4.0)	21,509	20,578	21,370
• Savings accounts	18,991	8.9	17,446	19,918	18,236
• Time deposits	18,653	3.4	18,039	19,246	18,992
• Assets sold under repurchase agreement	11,907	(10.3)	13,275	13,177	12,921
• Other	4,933	n.m.	792	3,772	2,397
Non-domestic sector	83,148	17.4	70,839	85,353	70,264
• Current and savings accounts	30,466	18.8	25,653	31,198	25,812
• Time deposits	46,315	16.1	39,879	47,943	39,962
• Assets sold under repurchase agreement and other accounts	6,367	20.0	5,307	6,212	4,490
MARKETABLE DEBT SECURITIES	**62,434**	**50.2**	**41,564**	**59,666**	**45,503**
Mortgage bonds	25,294	55.9	16,229	25,551	19,143
Other marketable securities	37,140	46.6	25,335	34,115	26,360
SUBORDINATED DEBT	**9,581**	**27.2**	**7,532**	**9,322**	**8,490**
OTHER CUSTOMER FUNDS	**141,828**	**17.7**	**120,473**	**135,132**	**121,553**
Mutual funds	57,883	14.2	50,681	55,265	51,083
Pension funds	51,914	26.2	41,140	47,786	41,490
Customer portfolios	32,031	11.8	28,652	32,081	28,980
TOTAL CUSTOMER FUNDS	**379,971**	**19.4**	**318,220**	**372,325**	**324,576**

increased growth to 14.0% (10.5% in June). The other countries accounted for €66 billion, an increase of 22.4% at current exchange rates and 13.3% at constant rates (18.9% and 12.1%, respectively, at 30-Jun-05).

In the domestic market the sum of deposits in other resident sectors (excluding repurchase agreements or repos, and other accounts) plus mutual and pension funds, came to €119 billion, an increase of 6.8% year-on-year. Deposits increased 2.3% to €58 billion of which €39.6 billion is current and savings accounts. Time deposits increased 1.8% to €18.7 billion, which is 3.4% higher than a year ago.

If mutual funds and pension funds are added to time deposits, these more stable components come to €79 billion, increasing 9.5% over 30-Sep-04. Mutual funds grew 10.8% to €46.1 billion of which €1.7 billion is in the BBVA real estate fund. Pension funds accounted for the remaining €14.4 billion with year-on-year growth of 13.8%. This includes individual plans, which grew 17.3%.

In the non-resident sector, the sum of deposits (excluding repurchase agreements or repos, and other accounts), mutual and pension funds, came to €126 billion, an increase of 22.3% over 30-Sep-04 at current exchange rates and 14.5% at constant rates. Excluding

Other customer funds (Million euros)

	30-09-05	∆%	30-09-04	30-06-05	31-12-04
SPAIN	**76,102**	**14.0**	**66,785**	**73,162**	**69,006**
MUTUAL FUNDS	**46,103**	**10.8**	**41,613**	**44,706**	**42,212**
Mutual Funds (ex Real Estate)	44,407	9.3	40,625	43,236	41,070
• Money market	13,448	12.5	11,956	12,943	12,019
• Fixed-income	14,774	12.4	13,140	14,746	13,592
Of which: Guaranteed	8,227	10.8	7,427	8,379	7,963
• Balanced	2,137	(19.9)	2,668	2,184	2,444
• Equity	13,456	7.2	12,548	12,927	12,606
Of which: Guaranteed	9,963	3.8	9,601	9,824	9,606
• Global	592	89.0	313	436	409
Real Estate investment trusts	1,696	71.7	988	1,470	1,142
PENSION FUNDS	**14,391**	**13.8**	**12,644**	**14,046**	**13,501**
Individual pension plans	7,824	17.3	6,667	7,620	7,320
Corporate pension funds	6,567	9.9	5,977	6,426	6,181
CUSTOMER PORTFOLIOS	**15,608**	**24.6**	**12,528**	**14,410**	**13,293**
REST OF THE WORLD	**65,726**	**22.4**	**53,688**	**61,970**	**52,547**
Mutual funds	11,780	29.9	9,068	10,559	8,871
Pension funds	37,523	31.7	28,496	33,740	27,989
Customer portfolios	16,423	1.9	16,124	17,671	15,687
OTHER CUSTOMER FUNDS	**141,828**	**17.7**	**120,473**	**135,132**	**121,553**

customer funds at Laredo, Hipotecaria Nacional and Valley Bank (€2.7 billion), ie, on a like-for-like basis, the increase is 19.7% at current exchange rates and 12.1% at constant rates.

Non-resident current and savings accounts continued to grow at a good pace (18.8% at current exchange rates and 12.2% at constant rates) reaching €30.5 billion. In regard to stable types of customer funds, time deposits came to €46.3 billion (up 16.1% and 11.1% at current and constant rates, respectively), pension funds were €37.5 billion (31.7% and 18.4%), and mutual funds increased to €11.8 billion (up 29.9% at current rates and 22.2% at constant rates).

Finally, public sector deposits are nearly €8 billion, an increase of 16.2% over September 2004. The increase is 16.7% after deducting the amounts assigned in the Treasury liquidity auction.

> Risk management

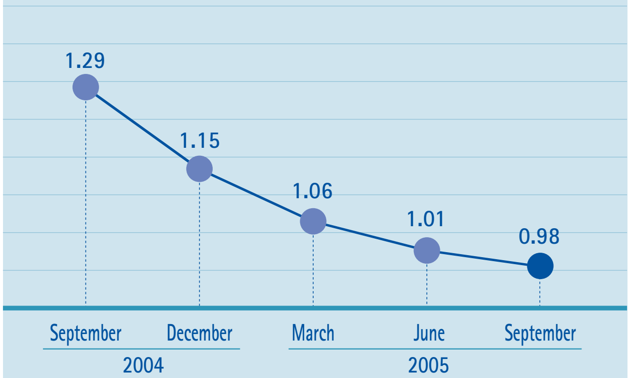
> LENDING RISK

In the third quarter of 2005 BBVA maintained the upward trend in asset quality related to lending. This steady improvement has become a standard feature in recent years. Thus, although total exposure at 30-Sep-05 (including contingent liabilities) grew 24.9% year-on-year, non-performing loans declined 5.6%. On a like-for-like comparison, ie, excluding Hipotecaria Nacional and Laredo National Bancshares, the figure would be 8.1%. This meant that the non-performing loans ratio was 0.98% at the end of the third quarter against 1.29% a year earlier and 1.01% at 30-Jun-05.

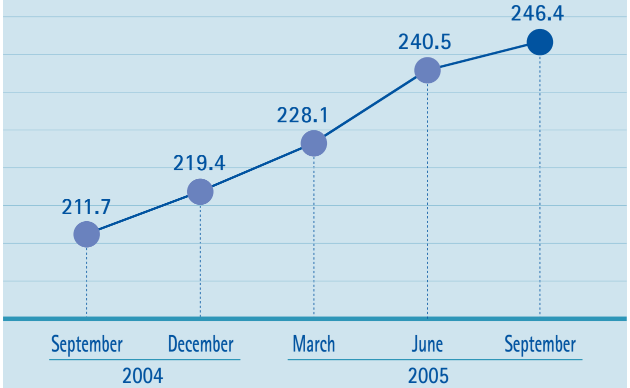
The fall in non-performing loans and the 9.9% increase in loan loss provisions in the last 12 months brought the coverage ratio to 246.4%, compared to 211.7% at 30-Sep-04 and 240.5% at 30-Jun-05. Generic provisions reached maximum coverage (1.25 alfa) at the end of 2004 and they continue at this level at 30-Sep-05.

All business areas recorded the same trend (a year-on-year decline in non-performing loans despite increased activity). Therefore they all recorded improvements in the non-performing loans ratio. At 30-Sep-05 the ratio was 0.67% for the Retail Banking Area in Spain and Portugal (0.86% a year earlier), 0.22% for Wholesale

> Non-performing loan ratio
(Percentage)



> Coverage ratio
(Percentage)



> Credit risk management (Million euros)

	30-09-05	∆%	30-09-04	30-06-05	31-12-04
TOTAL RISK EXPOSURE (1)					
Non-performing assets	2,299	(5.6)	2,436	2,264	2,268
Total risks	235,133	24.9	188,277	225,021	197,739
Provisions	5,666	9.9	5,156	5,447	4,977
NPL ratio (%)	0.98		1.29	1.01	1.15
NPL coverage ratio (%)	246.4		211.7	240.5	219.4
MEMORANDUM ITEM:					
Foreclosed assets	334	(8.3)	365	343	324
Foreclosed asset provisions	156	(17.8)	189	168	167
Coverage (%)	46.6		51.9	49.1	51.7

(1) Including contingent liabilities.

Variations in non-performing assets (Million euros)

	3Q 05	2Q 05	1Q 05	4Q 04	3Q 04
BEGINNING BALANCE (1)	2,264	2,219	2,268	2,436	2,412
Net variation	35	45	(49)	(168)	24
• Entries	525	418	401	476	521
• Outflows	(357)	(353)	(379)	(394)	(428)
• Write-offs	(160)	(145)	(151)	(181)	(75)
• Exchange rate differences and other	27	125	80	(69)	6
PERIOD-END BALANCE (1)	2,299	2,264	2,219	2,268	2,436
MEMORANDUM ITEM:					
• Non-performing loans	2,256	2,215	2,179	2,222	2,361
• Non-performing contingent liabilities	43	49	40	46	75

(1) Including contingent liabilities.

and Investment Banking (0.45% in September 2004) and 2.64% for the Americas Area (3.87% at 30-Sep-04). The figure for Mexico was 2.27% and for the rest of banks in that region it was 3.32% compared to 3.36% and 4.95%, respectively, in September 2004. Coverage has increased in all areas over the last 12 months bringing the coverage ratio to 298.0% in retail banking, 567.2% in wholesale banking and 191.2% in the Americas.

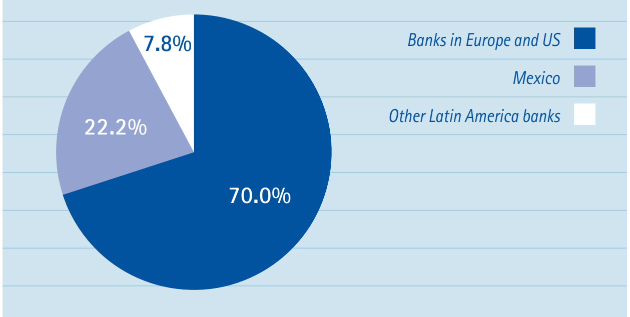
> MARKET RISK

In the third quarter of 2005, market exposure of the BBVA group, measured by Value-at-Risk (VaR), continued to fall to very moderate levels. At 30-Sep-05 it was €14.9m. Average exposure in the quarter was €16.9m and average weighted use of limits was 26%. All these figures were lower than previous quarters. Furthermore, an overview of the year shows that VaR figures tend to move in an increasingly tighter range, reflecting the stable trend. More effective management of exposure at Bancomer contributed to the improvements together with more moderate exposure at some of BBVA´s market units.

Regarding diversification of risk by geographic area, the bank maintained its percentage of exposure in

Trends in market risk
(VaR, thousand euros)

Market risk by geographical areas
(Average third quarter 2005)



Market risk by risk factors (Third Quarter 2005. Thousand euros)

		Daily VaR		
	30-09-05	Average	Maximum	Minimum
Interest [(1)]	8,646	10,087	13,465	7,238
Exchange rate [(1)]	1,936	1,419	2,384	616
Equity [(1)]	1,735	1,829	4,146	1,191
Vega and correlation	4,800	5,456	6,617	4,367
Diversification effect	(2,250)	(1,917)	-	-
TOTAL	**14,867**	**16,875**	**20,658**	**13,463**

(1) Includes gamma risk of fixed-income, exchange rate and equity options respectively. Interest risk includes the spread.

Latin-American countries in the third quarter. The dominant factors in these markets are high liquidity and tight spreads on sovereign risk.

In terms of the type of market risk assumed by the BBVA group, at 30-Sep-05 interest rate risk increased to 51% of the total including spread risk but before allowing for the effect of diversification. Volatility risk associated with optional positions (vega) accounted for 23% and exchange rate risk was 11%. Stock exchange exposure fell to 10% and correlation risk remained at 4%.

> OPERATIONAL RISK

During the first nine months of 2005 BBVA has significantly advanced in implementation of operational risk tools. The goal is to qualify for the advanced management model as defined by Basel convergence criteria. Thus the bank has practically completed deployment of the Ev-Ro tool (qualitative control) and SIRO (a database of past events entailing operational risk). These, together with other data from the external ORX database, are being used to complete the methodology for calculating risk capital. This will be in operation at year-end.

Capital base

In accordance with the rules of the Bank for International Settlements (BIS), the capital base of the BBVA group at 30-Sep-05 was €26.16 billion. This is 8.5% higher than the end of the previous quarter. Therefore the capital base surplus, in excess of the 8% of risk-weighted assets required by the rules, was €9.65 billion, 15.5% higher than at 30-Jun-05.

The BIS ratio stands at 12.7%, against 12.2% in June 2005 and 12.1% in September 2004.

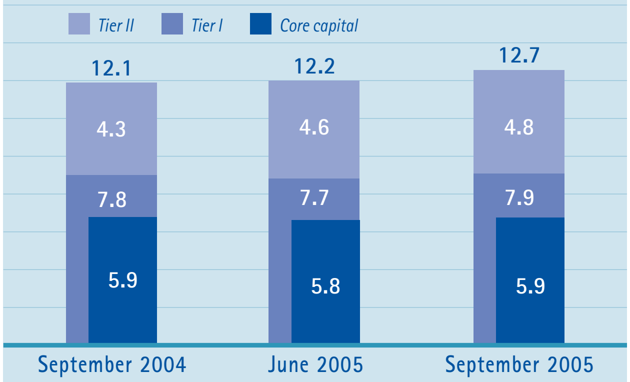
After increasing 5.3% in the quarter, core capital comes to €12.1 billion and represents 5.9% of risk-weighted assets, compared to 5.8% at 30-Jun-05.

In the third quarter the bank issued €550m of preference securities to European institutional investors. As a result, Tier I rose to €16.21 billion at 30-Sep-05, which is 7.9% of risk-weighted assets (against 7.7% in the second quarter). The ratio of preference shares to core equity (determined in accordance with BIS rules) is 25.4%.

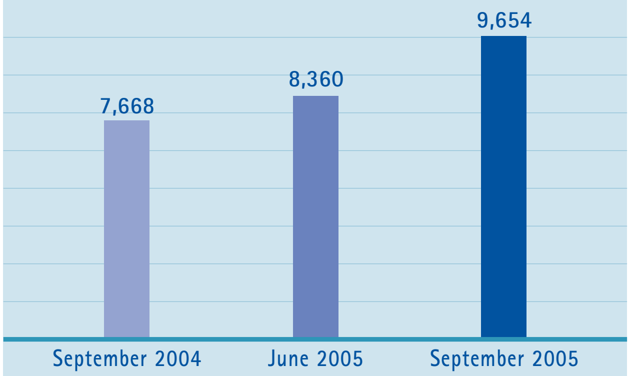
Capital base (BIS Regulation) (Million euros)

	30-09-05	30-06-05	31-12-04	30-09-04
Capital	1,662	1,662	1,662	1,662
Reserves	9,594	9,581	7,793	7,793
Minority interests	905	826	736	722
Deductions	(2,796)	(2,396)	(2,417)	(1,370)
Net attributable profit	2,728	1,813	2,923	2,185
CORE CAPITAL	**12,093**	**11,486**	**10,697**	**10,992**
Preference shares	4,122	3,572	3,809	3,695
CAPITAL (TIER I)	**16,215**	**15,058**	**14,506**	**14,687**
Subordinated debt	7,913	7,550	7,077	7,077
Valuation adjustments and other	2,739	2,207	1,792	1,452
Deductions	(709)	(710)	(724)	(558)
OTHER ELIGIBLE CAPITAL (TIER II)	**9,943**	**9,047**	**8,145**	**7,971**
CAPITAL BASE	**26,158**	**24,105**	**22,651**	**22,658**
Minimum capital requirement (BIS Regulation)	16,504	15,745	14,596	14,990
CAPITAL SURPLUS	**9,654**	**8,360**	**8,056**	**7,668**
MEMORANDUM ITEM:				
Risk-weighted assets	206,296	196,812	182,447	187,379
BIS RATIO (%)	**12.7**	**12.2**	**12.4**	**12.1**
CORE CAPITAL (%)	**5.9**	**5.8**	**5.9**	**5.9**
TIER I (%)	**7.9**	**7.7**	**8.0**	**7.8**
TIER II (%)	**4.8**	**4.6**	**4.5**	**4.3**

Capital base: BIS ratio
(Percentage)



Capital surplus
(Million euros)



Other eligible capital mainly includes subordinated debt and revaluation reserves. It stands at €9.94 billion and thus Tier II is 4.8%, compared to 4.6% at 30-Jun-05. This increase is due to higher valuation adjustments derived from an increase in the latent capital gains in the portfolio of companies available for sale as well as the issue of 500 million US dollars of "notas de capital" by BBVA Bancomer with some characteristics that in accordance with BIS rules allow for their consideration as Tier II in the capital base of the BBVA group.

On 30-Sep-05 the group ended the share buyback programme announced on 29-Mar-05 in association with BNL takeover bid. This programme was limited to 3.5% of capital stock and a purchase price not higher than €14.50 per share. At the end of the programme the group holds no shares associated with the programme. Therefore in accordance CE Regulation 2273/2003 no shares will be amortised in the form described in the programme conditions.

> RATINGS

In the third quarter, BBVA's ratings by the various agencies remained unchanged.

Ratings

	Long term	Short term	Financial strength
Moody's	Aa2	P-1	B+
Fitch - IBCA	AA-	F-1+	B
Standard & Poor's	AA-	A-1+	-

> The BBVA share

The world's main stock exchanges ended the third quarter of 2005 with important gains. Individual performance, however, was very mixed. The Japanese Nikkei jumped 17.2% and the Ibex 35 rose 10.5% while the European Stoxx 50 increased 7.4% and the US S&P 500 was up just 3.1%.

BBVA's shares advanced 14.3% in the third quarter, accumulating an increase of 31.7% in the last 12 months. It outperformed the European market in general (the Stoxx 50 was up 22.2% in the same period) and the European banking sector in particular (the Stoxx Banks rose 21.6%). The market viewed the rise in BBVA's quarterly results very favourably and this also applied to the handling of the BNL bid.

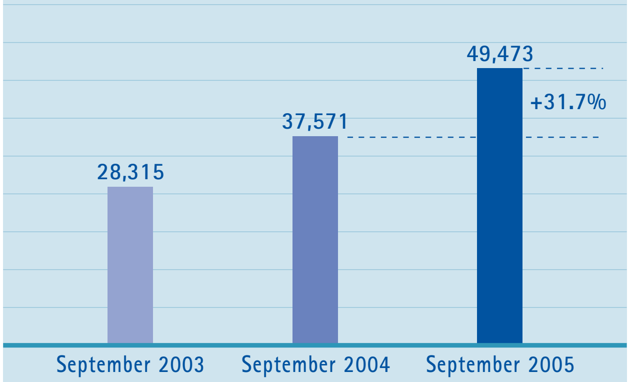
On 30-Sep-05 BBVA's shares closed at €14.59, bringing the market cap to €49.5 billion. This is €11.9 billion more than a year earlier.

In the quarter, the share price fluctuated between €12.31 and €14.63, a range of 18.8%. Average daily turnover was 31.2 million shares. The average value traded daily was €422m and this was 9.3% higher than the third quarter of 2004.

The first and second gross interim dividends of €0.115 each, against 2005 results, were paid on 11th July and 10th October, respectively. These dividends are 15% higher than the corresponding amounts paid last year.

On 19th August, BBVA's shares started trading on the Mexican stock exchange. It thus becomes the first big European financial group to list in that country. This move will expand BBVA's presence in the capital markets and is further evidence of its commitment to Mexico. Apart from Mexico, BBVA's shares are traded in Spain, London, Milan, New York, Frankfurt and Zurich.

> Market capitalization
(Million euros)



> Share price index
(30-09-04=100)

The BBVA share

	30-09-05	30-06-05	31-12-04	30-09-04
Number of shareholders	1,012,975	1,042,616	1,081,020	1,117,771
Number of shares issued	3,390,852,043	3,390,852,043	3,390,852,043	3,390,852,043
Daily average number of shares traded	32,658,243	33,433,617	36,013,282	35,629,208
Daily average trading (million euros)	424.87	426.44	403.45	390.30
Maximum price (euros)	14.63	13.44	13.11	11.48
Minimum price (euros)	11.87	11.87	10.15	10.15
Closing price (euros)	14.59	12.76	13.05	11.08
Book value per share (euros)	3.69	3.47	3.25	3.11
Market capitalization (million euros)	49,473	43,267	44,251	37,571

Share performance ratios

	30-09-05	30-06-05	31-12-04	30-09-04
Price/Book value (times)	4.0	3.7	4.0	3.6
PER (Price/Earnings; times) (1)	13.4	12.5	15.1	12.9
Yield (Dividend/Price; %) (2)	3.70	4.00	3.39	3.99

(1) The 30-09-05 PER is calculated taking into consideration the median of the analysts' estimates (October 2005).
(2) Dividend yield at 30-09-05 is calculated taking into consideration the median of analysts' estimates (October 2005).

> Business areas

Following introduction of IFRS, the group has restated the information on business areas in 2004 in accordance with the financial statements, so that the year-on-year comparisons in the present report have a uniform basis.

Information by area is a fundamental tool for monitoring and controlling the group's various businesses. Preparation starts at the lowest level where all the initial accounting data for the business in question are kept. Management classifies and combines data from these units in accordance with the defined structure to arrive at the picture for the entire area. The individual companies in the group also belong to a particular business area. When the diversity of a company requires, the group assigns its activity and results to different units.

Once management has defined the composition of each area, it applies the necessary management adjustments inherent in the model. The most relevant of these are:

- Capital: the group allocates economic capital commensurate with the risks incurred by each business. It assesses capital requirements according to the lending, market and operational risks incurred. The first step is to quantify the amount of core equity (capital and reserves) attributable to the risks in each area. The bank uses this amount as a basis to determine the return generated on the equity in each business (ROE). Following this, it assigns other eligible funds issued by the group (subordinated debt and preference shares) together with their associated costs. In the Americas business area (except Argentina and international private banking, which follow the above criteria), the bank assigns as capital the book value of the group's interest. It records the amounts related to minority interests under "Other eligible funds".

- Internal transfer prices: management uses rates adjusted for maturity to calculate the margins for each business. It also revises the interest rates for the different assets and liabilities that make up each unit's balance sheet.

- Assignment of operating expenses: in line with the new accounting standards, BBVA has perfected the process of assigning expenses. It assigns direct and indirect costs to business areas except for those where there is no close and defined relationship with the areas, ie, they are of a clearly corporate or institutional nature for the entire group.

In regard to information by area, the main division consists of the areas: Retail Banking in Spain and Portugal, Wholesale and Investment Banking, and the Americas. The structure of the group's senior management echoes this division. The details of the more important units in each area are as follows:

- Retail Banking in Spain and Portugal:
  - Financial services (which includes the commercial banking unit, SME banking and Finanzia/Uno-e).
  - The asset management and private banking unit.
- Wholesale and Investment Banking:
  - Wholesale banking (comprising corporate banking and institutions banking).
  - Global markets and distribution
- The Americas:
  - Banks in the Americas
  - Pensions and insurance

The Corporate Activities area handles the group's general management functions. These consist of structural positions on interest and exchange rates, liquidity and shareholders' funds. It also includes the industrial portfolio management unit and financial shareholdings.

The second level is geographic. In the case of the Americas, management prepares information by country, where each country contains banking, and pensions and insurance activities. Owing to its relevance, we show the complete income statement for Mexico (which combines the statements of Bancomer and of the pension and insurance activities in that country). Lastly, to complete the geographic vision, business in Europe would be the aggregate of Retail banking in Spain and Portugal and Wholesale and Investment banking.

Thus the present composition of the group's main business areas is as follows:

> Retail Banking in Spain and Portugal

This includes retail business, asset management and private banking conducted by the group in Spain and Portugal. Consequently it covers individual customers and SMEs in the Spanish market, the Finanzia/Uno-e group (e-banking business, consumer finance, distribution of cards and renting), the private banking business, the mutual and pension fund managers, the insurance business and BBVA Portugal. It also includes the depositary services for the area's customers, which were included under Wholesale Banking in 2004.

> Wholesale and Investment Banking

This covers the business that the group conducts with large companies and institutions through corporate banking (whether domestic or international) and institutional banking. It also incorporates the trading floors in Spain, Europe and New York, the origination and distribution of equities and the depository (for the area's customers) and custodial services. It includes business and real estate projects if they are not associated with a group interest in large companies.

> The Americas

This area covers the activity and results of the group's banks in Latin America and their subsidiary undertakings, including pension managers, insurance companies and international private banking.

The information on each area and on the units it contains consists of the income statement and a series of key indicators. In the case of units in the Americas area, we provide the year-on-year percentage changes calculated at constant exchange rates as well as at current rates.

> Net attributable profit by business area (Million euros)

	January-Sep. 05	∆%	January-Sep. 04
Retail Banking in Spain and Portugal	1,204	13.3	1,063
Wholesale and Investment Banking	447	59.8	280
The Americas	1,335	60.2	833
Corporate Activities	(258)	n.m.	8
BBVA GROUP NET ATTRIBUTABLE PROFIT	**2,728**	**24.9**	**2,184**

> ROE and Efficiency (Percentage)

	ROE		Efficiency including depreciation and amortization	
	January-Sep. 05	January-Sep. 04	January-Sep. 05	January-Sep. 04
Retail Banking in Spain and Portugal	32.6	32.8	44.3	46.9
Wholesale and Investment Banking	26.1	16.4	29.8	34.8
The Americas	34.0	24.8	45.7	49.3
BBVA GROUP	**35.2**	**33.3**	**47.0**	**48.9**

> Retail Banking in Spain and Portugal

> Income statement (Million euros)

	Retail Banking in Spain and Portugal			Memorandum item: Financial Services			Memorandum item: Asset Management and Private Banking		
	Jan.-Sep. 05	Δ%	Jan.-Sep. 04	Jan.-Sep. 05	Δ%	Jan.-Sep. 04	Jan.-Sep. 05	Δ%	Jan.-Sep. 04
NET INTEREST INCOME	**2,313**	**6.2**	**2,179**	**2,271**	**6.4**	**2,134**	**26**	**10.7**	**24**
Net income from equity method	1	(45.2)	2	-	n.m.	1	1	(11.8)	1
Net fee income	1,174	8.0	1,087	1,084	8.2	1,002	173	6.9	162
Income from insurance activities	228	17.8	194	-	-	-	-	-	-
CORE REVENUES	**3,717**	**7.4**	**3,462**	**3,356**	**7.0**	**3,137**	**200**	**7.3**	**187**
Net trading income	83	108.0	40	75	109.6	36	3	183.6	1
ORDINARY REVENUES	**3,800**	**8.5**	**3,502**	**3,430**	**8.1**	**3,173**	**203**	**8.3**	**188**
Net revenues from non-financial activities	18	(10.0)	20	18	(5.5)	20	-	-	-
Personnel and general administrative expenses	(1,685)	3.2	(1,633)	(1,557)	3.0	(1,512)	(58)	5.9	(55)
Depreciation and amortization	(77)	(5.6)	(82)	(66)	(8.4)	(72)	(3)	7.8	(3)
Other operating income and expenses (net)	42	49.0	28	43	46.7	29	(1)	8.0	(1)
OPERATING PROFIT	**2,097**	**14.3**	**1,835**	**1,868**	**14.1**	**1,637**	**141**	**9.3**	**129**
Impairment losses on financial assets (net)	(315)	11.8	(282)	(311)	16.3	(268)	(3)	20.3	(2)
• Loan loss provisions	(319)	13.2	(282)	(312)	16.5	(268)	(3)	20.4	(2)
• Other	4	n.m.	-	1	n.m.	-	-	-	-
Provisions (net)	(3)	117.1	(1)	1	n.m.	(1)	-	(99.5)	-
Other income/losses (net)	71	3.6	69	74	3.6	71	(1)	(50.4)	(2)
• From disposal of equity holdings	10	n.m.	1	10	n.m.	1	-	(100.0)	-
• Other	61	(9.6)	67	64	(9.1)	70	(1)	(50.4)	(2)
PRE-TAX PROFIT	**1,850**	**14.2**	**1,620**	**1,632**	**13.3**	**1,440**	**138**	**10.1**	**125**
Corporate income tax	(642)	15.9	(554)	(566)	13.2	(499)	(48)	10.7	(43)
NET PROFIT	**1,208**	**13.3**	**1,066**	**1,067**	**13.4**	**941**	**90**	**9.7**	**82**
Minority interests	(4)	25.2	(3)	(3)	54.5	(2)	(1)	(14.1)	(1)
NET ATTRIBUTABLE PROFIT	**1,204**	**13.3**	**1,063**	**1,064**	**13.3**	**939**	**90**	**9.9**	**81**

> Relevant business indicators (Million euros and percentages)

	30-09-05	Δ%	30-09-04	30-09-05	Δ%	30-09-04	30-09-05	Δ%	30-09-04
Loans to customers (1)	121,570	20.5	100,849	117,311	20.9	97,058	952	9.4	870
Customer deposits	56,045	11.7	50,196	52,484	10.9	47,332	1,372	12.0	1,225
• Deposits	55,975	11.7	50,121	52,441	10.9	47,279	1,345	11.7	1,204
• Assets sold under repurchase agreement	70	(6.3)	75	43	(19.5)	53	27	26.4	22
Off balance sheet funds	60,712	12.0	54,221	46,700	10.4	42,312	13,103	17.0	11,201
• Mutual funds	46,051	11.3	41,363	39,335	9.2	36,024	6,079	25.4	4,846
• Pension funds	14,661	14.0	12,858	7,365	17.1	6,288	7,023	10.5	6,354
Other placements	7,112	8.2	6,571	6,581	8.9	6,045	530	0.8	526
Customer portfolios	11,223	35.7	8,271	1,940	89.1	1,026	9,283	28.1	7,245
Equity	8,337	17.6	7,088	7,033	18.3	5,944	440	26.1	349
• Shareholders' funds	5,300	17.1	4,527	4,471	17.7	3,799	277	26.4	219
• Other eligible funds	3,036	18.5	2,561	2,562	19.5	2,144	163	25.6	130
Total assets (2)	128,660	20.2	107,058	123,033	20.5	102,132	2,051	10.6	1,855
ROE (%)	32.6		32.8	34.2		34.9	46.5		51.3
Efficiency ratio (%)	42.3		44.6	43.1		45.4	28.4		29.1
Efficiency incl. Depreciation and amortization (%)	44.3		46.9	45.0		47.6	29.9		30.6
NPL ratio (%)	0.67		0.86	0.67		0.87	0.04		0.03
Coverage ratio (%)	298.0		239.1	297.7		238.4	n.m.		n.m.

(1) Excluding NPLs.
(2) Excluding insurance.

The Retail Banking area for Spain and Portugal manages three classes of customers in separate ways. These are private individuals (personal financial services); small businesses, retailers, the self-employed and small and medium enterprises (commercial financial services); and consumer finance, car loans, card distribution, renting and e-banking (special financial services). The later includes Finanzia, Finanzia Autorenting, Finanziamento Portugal, Advera in Italy and Uno-e. The Retail Banking includes the distribution network (3,540 branches, including 108 in Portugal), product development (mutual funds, pension funds, insurance and cards) and the complementary banking channels (mortgage banking, phone banking, Internet banking, e-banking and the prescription unit).

Growing business activity, higher revenues linked to new business lines and systematic cost control led to a year-on-year increase of 14.3% in operating profit in the year to September. The rate of growth of all margins on the income statement was higher than in June. Net attributable profit increased 13.3% to €1.2 billion and lifted ROE to 32.6%.

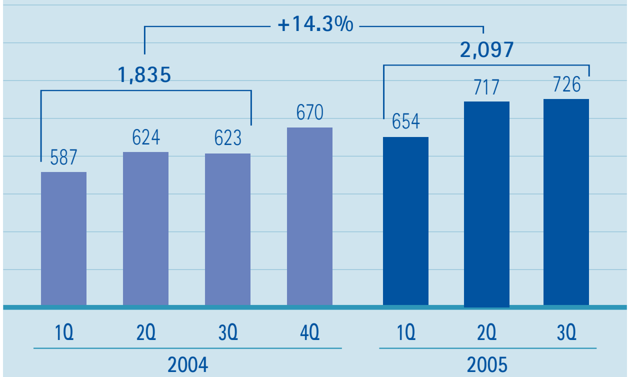
The 6.2% increase in net interest income (5.5% in June) reflects vigorous activity at all the area's units and appropriate price management in a context of lower interest rates. At 30-Sep-05 lending came to €121.6 billion after a year-on-year increase of 20.5%. The growth by loan type was as follows: mortgage finance grew 23.8% (loans to buyers were up 22.2% and developer finance 32.7%), lending to SMEs and retailers rose 22.4% and consumer finance increased 12.3%. Customer funds (deposits, mutual and pension funds and other brokerage products) grew 11.6%, beating the June figure of 10.7%. Growth was widespread. Current and savings accounts were up 6.0% and stable funds were up 13.4% (term deposits 22.1%, insurance products 36.7%, mutual funds 11.3%, pension funds 14.0% and fixed-income placements 8.2%).

In the first nine months of the year, net fee income increased 8.0% over the same period of 2004. This was due to an 11.0% rise in fee income from banking services, including credit cards and operations with SMEs and retailers, and a 4.2% increase in fee income from mutual and pension funds. Moreover the insurance business contributed €228m, an increase of 17.8%.

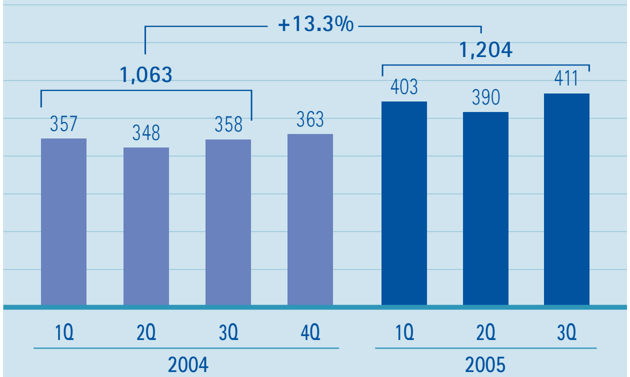
With the above increases in net interest income, net fee income and insurance, core revenues came to €3.72 billion, up 7.4% year-on-year. Distribution of cash management products to the SME and small business segment doubled net trading income to €83m in the first nine months. As a result, ordinary revenues grew 8.5% to €3.8 billion (7.5% at June). The increase in expenses was held to 2.4%, including depreciation and net of recoveries, despite opening 138 new branches in the last 12 months under the expansion plans for Madrid and the Mediterranean area. As a result the cost/income ratio including depreciation improved to 44.3% (46.9% for the first nine months of 2004).

Thus operating profit obtained by the retail banking area in the first nine months came to €2.1 billion, an increase of 14.3% over the same period last year. Pre-tax profit grew by a similar amount (14.2%). Loan loss provisioning increased 13.2% on mainly generic provisions to cover higher lending activity and the non-performing loan ratio fell to 0.67% (0.86% at 30-Sep-04). After a further increase in the quarter, coverage stands at 298.0% (239.1% a year earlier).

Retail Banking in Spain and Portugal
Operating profit (Million euros)



Retail Banking in Spain and Portugal
Net attributable profit (Million euros)



> FINANCIAL SERVICES

The main activities that influence the performance of retail banking are personal, commercial and special financial services (as defined above). Highlights include the sustained increased in business volume (lending grew 20.9% and customer funds rose 10.5%); the higher rate of growth in net interest income and net fee income; the significant progress in revenues from distribution of cash management products through SME and regular branches; and control of operating costs. The above factors combined to increase operating profit 14.1% and net attributable profit 13.3%.

> Personal Financial Services

In the private individuals segment greater customisation led to a 40.1% increase in sales productivity (average products sold per salesperson). Both lending and customer funds recorded gains, especially credit cards and stable funds.

Mortgages increased 23.8% year-on-year. In the first nine months new operations signed came to €17.94 billion (€5.43 billion in the third quarter). Of these €11.0 billion were for buyers and €6.92 billion for developers. Residential mortgages were up 22.2% supported by the launch of *Hipoteca Fácil con Vinculación* at the beginning of the year and marketing campaigns in the third quarter. Developer mortgages increased 32.7%. Events in the consumer credit business included a new-vehicle finance campaign that ended with sales of €185m and the launch of a new product, *Crédito Fácil*, for resident foreigners.

In the third quarter, fund-gathering activities saw an improvement in transactional deposits due to the growing acceptance since roll-out, of *Cuentas Claras* by new and old customers. Furthermore, expansion of the product catalogue continued to boost the gathering of stable funds. Mutual fund activity included *Carteras Gestionadas*, which has booked €767m since its launch (€446m in the quarter); new guaranteed equity funds (*BBVA 100 Ibex Positivo III* and *BBVA Garantizado Top Dividendo*) and fixed income funds (four new *Planes Renta*). In term deposits the top performers this quarter were the guaranteed *Depósito BBVA Bolsa Creciente 4-4-5*, the *Doble Depósito* and the 3 and 5-year *Depósitos Crecientes*. In aggregate the above resulted in stable funds increasing nearly €3.8 billion in the first nine months (€1.26 billion in the third quarter). This was a year-on-year increase of 31.5%.

The prescription unit, which is part of complementary banking channels, lifted invoicing 31.4% in the year to September, with contributions from consumer finance, mortgages, small businesses and the agent network. Furthermore at BBVAnet, the Internet banking service, transactions continued to grow at a high pace (up 52.9%). BBVAnet's *Bolsa Móvil*, was launched in July. This service provides customers with information on their investments and lets them conduct trades in real-time via their cellphones. In payment channels, a 12.0% rise in retail purchases with credit cards lifted net fee income by 12.0%.

> Commercial Financial Services

The area is the leader in commercial financial services, which deals with SMEs, micro-firms, professional practices, the self-employed and retailers. It has a specialised sales force of nearly 3,000 officers spread over 214 special SME branches and 1,630 regular branches. Operations in 2005 are summed up by the year-on-year increase of 35% in marketing productivity.

The purpose of the 3x3 campaign was to capture new customers in this segment through three products at three years and 3.3% interest plus 0.9% commission linked to insurance. It generated 23,539 operations, 46.4% more than a similar campaign last year. It was also instrumental in cross-selling of *Keyman* policies, which provide life cover for owners and/or senior management.

Lending exceeds €42 billion and continues to increase at more than 23% as a result of higher activity in all business lines. Leasing, renting and confirming, for example, rose by 22.9%. Moreover, distribution of a wide range of cash management services helped recurrent revenues (reported under net trading income) to double.

Fund-gathering activities included €877m from fixed-income mutual funds that optimise liquidity (*BBVA Cash* and *BBVA Corto Plus Empresas*). Of this amount, €87m were booked in the third quarter.

> Special Financial Services

This unit focuses on consumer and car finance, cards, renting and the e-banking business. Loans now stand at €3.24 billion (up 23.7% over 30-Sep-04) following a 24% increase in turnover (to €2.21 billion). Highlights in this segment included car loans (up 19% to €863m), equipment and equipment renting (up 15% to €337m) and 10,100 car renting operations (up 14%). Business volume at Uno-e included an increase of 56% in lending associated with universal credit cards (Visa and MasterCard) and 28% in consumer finance.

Funds under management rose to €1.0 billion with significant increases in term deposits (up 108% after relaunch of the on-line bank via the Uno-e *Depósito 8* campaign). Mutual funds rose 38.8% and pension funds 24.9%.

> ASSET MANAGEMENT AND PRIVATE BANKING

At the end of September this unit handled €73.28 billion of business (up 14.8% over 30-Sep-04) and net attributable profit came to €90m (up 9.9%).

BBVA Gestión launched six new guaranteed funds in the third quarter. Two were equity funds (*BBVA 100 Ibex Positivo III* and *BBVA Garantizado Top Dividendo*) and the other four were *Planes Renta*. In the first nine months of the year gathering of new funds came to €2.51 billion (€1.34 billion in guaranteed equity funds and €0.81 billion in fixed income funds). Thus total funds under management came to €44.41 billion (up 9.3%) and market share was 18.34%. The unit was once again the fund manager with the biggest net gathering of funds in the year to September (€1.98 billion). After adding €1.7 billion from real estate funds, which continue to grow strongly (up 71.7%), total assets in mutual funds came to €46.1 billion (up 10.8%).

At 30-Sep-05 BBVA had assets under management of €14.4 billion in Spanish pension funds, 13.8% more than a year earlier. Of this amount, €6.57 billion was in group plans (up 9.9%) and €7.82 billion was in individual plans (up 17.3%). The bank has significantly advanced its positioning in these areas, lifting net fee income 4.9 basis points in the last year.

The private banking business in Spain manages €15.81 billion in assets (up 23.8%). BBVA Patrimonios manages €9.19 billion (up 34.4%) and Personal Banking €8.75 billion (€6.61 billion directly and €2.13 billion via BBVA Patrimonios).

In conjunction with the business projects unit from the Wholesale and Investment Banking area, the asset management and private banking unit set up two risk capital vehicles during the quarter. They were BBVA Elcano Empresarial I and II. The goal is to acquire interests in unlisted medium-size companies in Spain and Portugal that have growth potential and solid fundamentals and generate a cash flow. The share capital is €100m; 50% will be subscribed by customers of BBVA Patrimonios (co-investment model) and they will be BBVA's partners in these companies. Furthermore and in view of the excellent reception of Real Estate Deal SII by customers, BBVA Patrimonios has set up another real estate investment company (Real Estate Deal II) with a seven-year horizon. It will enjoy synergies with the real estate fund (BBVA Propiedad).

> EUROPEAN INSURANCE

This unit consists of various separate insurance companies that provide direct insurance, reinsurance and brokering in Spain and Portugal. They market their products through the area's branch networks although they also use external channels for group insurance.

BBVA Seguros handles life, household, multiple risk and construction insurance. In the first nine months of 2005 it issued net premiums of €1,377m, a year-on-year increase of 32.7%. Repayment protection policies increased 79.8% to €161m in premiums, guaranteed income funds increased 33.6% (€66.7m), household policies 17.9% (€90m) and group welfare insurance rose 31.7%. BBVA Seguros continues to lead in life insurance in the bancassurance sector, increasing its market share by 540 basis points in the last 12 months. Apart from its own policies, the unit has brokered premiums of €140m with a year-on-year increase of 15.1%.>

As part of BBVA Seguros' project to complete integration with the branch network this year, an insurance portal was set up at the end of the quarter. This tool will improve products and procedures as well as the ability of officers in the branches to handle processing, contract problems and claims.

> BBVA PORTUGAL

This unit continues to record significant gains in business activity including lending, which is up 13.5% (42.4% in mortgages and 15.7% in SMEs), and customer funds, up 22.9% (18.9% in deposits, 28.4% in mutual funds and 28.1% in other off-balance sheet funds). Thus operating profit in the first nine months rose 27.6% and net attributable profit came to €5m (€3m in the same period last year).

> Income statement (Million euros)

	Wholesale and Investment Banking			Memorandum item:					
				Wholesale Banking			Markets		
	Jan.-Sep. 05	∆%	Jan.-Sep. 04	Jan.-Sep. 05	∆%	Jan.-Sep. 04	Jan.-Sep. 05	∆%	Jan.-Sep. 04
NET INTEREST INCOME	**313**	**3.1**	**304**	**339**	**4.8**	**323**	**(32)**	**n.m.**	**(7)**
Net income from equity method	34	(16.9)	41	1	n.m.	-	-	-	-
Net fee income	175	24.0	141	137	14.5	120	43	81.3	24
Income from insurance activities	-	-	-	-	-	-	-	-	-
CORE REVENUES	**522**	**7.5**	**485**	**477**	**7.6**	**443**	**11**	**(31.6)**	**16**
Net trading income	288	78.8	161	41	47.7	28	260	115.4	121
ORDINARY REVENUES	**810**	**25.3**	**647**	**518**	**10.0**	**471**	**271**	**97.7**	**137**
Net revenues from non-financial activities	83	56.5	53	-	-	-	-	-	-
Personnel and general administrative expenses	(261)	9.4	(239)	(133)	5.4	(126)	(107)	13.8	(94)
Depreciation and amortization	(5)	1.9	(5)	(3)	(6.4)	(3)	(1)	(13.6)	(1)
Other operating income and expenses (net)	18	n.m.	(4)	18	n.m.	(2)	-	(87.9)	(1)
OPERATING PROFIT	**645**	**42.6**	**453**	**401**	**17.6**	**340**	**163**	**295.0**	**41**
Impairment losses on financial assets (net)	(51)	(68.8)	(164)	(49)	(67.1)	(149)	-	(99.7)	(14)
• Loan loss provisions	(51)	(68.8)	(164)	(49)	(67.1)	(149)	-	(99.7)	(14)
• Other	-	-	-	-	-	-	-	-	-
Provisions (net)	7	28.3	6	4	(30.5)	6	-	(51.7)	-
Other income/losses (net)	15	(69.8)	50	3	(66.3)	10	1	n.m.	(3)
• From disposal of equity holdings	7	(81.7)	38	-	-	-	-	-	-
• Other	8	(31.7)	12	3	(66.3)	10	1	n.m.	(3)
PRE-TAX PROFIT	**617**	**79.2**	**344**	**359**	**73.3**	**207**	**164**	**n.m.**	**24**
Corporate income tax	(167)	162.9	(64)	(113)	75.8	(65)	(41)	n.m.	16
NET PROFIT	**449**	**60.2**	**281**	**245**	**72.2**	**142**	**123**	**214.5**	**39**
Minority interests	(3)	178.7	(1)	-	n.m.	-	(3)	n.m.	-
NET ATTRIBUTABLE PROFIT	**447**	**59.8**	**280**	**245**	**72.2**	**143**	**121**	**207.8**	**39**

> Relevant business indicators (Million euros and percentages)

	30-09-05	∆%	30-09-04	30-09-05	∆%	30-09-04	30-09-05	∆%	30-09-04
Loans to customers [1]	43,749	8.3	40,396	42,379	11.3	38,079	1,364	(37.7)	2,190
Customer deposits	49,501	(3.6)	51,339	19,493	8.9	17,907	29,973	(10.3)	33,430
• Deposits	34,496	(1.1)	34,891	19,476	8.8	17,899	14,985	(11.8)	16,990
• Assets sold under repurchase agreement	15,005	(8.8)	16,448	17	115.7	8	14,988	(8.8)	16,440
Off balance sheet funds	691	(7.1)	744	678	(7.0)	729	13	(15.9)	16
• Mutual funds	688	(7.3)	742	675	(7.2)	727	13	(15.9)	16
• Pension funds	3	77.5	2	3	77.5	2	-	-	-
Customer portfolios	4,385	3.0	4,257	4,385	3.0	4,257	-	-	-
Equity	3,647	(1.4)	3,699	2,479	14.9	2,157	591	(20.8)	746
• Shareholders' funds	2,317	(1.6)	2,355	1,586	14.9	1,380	375	(21.5)	477
• Other eligible funds	1,330	(1.1)	1,345	893	14.9	777	216	(19.6)	269
Total assets	152,297	(0.6)	153,224	52,875	4.6	50,536	110,605	(2.0)	112,880
ROE (%)	26.1		16.4	22.2		14.5	36.2		11.5
Efficiency ratio (%)	29.2		34.1	25.5		26.7	39.4		68.5
Efficiency incl. Depreciation and amortization (%)	29.8		34.8	26.1		27.3	39.8		69.5
NPL ratio (%)	0.22		0.45	0.25		0.48	-		-
Coverage ratio (%)	567.2		317.0	545.9		298.8	-		-

(1) Excluding NPLs.

Wholesale and Investment Banking comprises the domestic and international global corporate banking units, institutions banking and the global markets and distribution unit (including the trading floors in Europe and New York), equity and bond distribution and the depository and custodial services. This area also includes the business and real estate projects unit, and global transaction services.

The positive trend in all line items on the income statement strengthened further in the third quarter. Net attributable profit rose to €167m compared to €63m in the same quarter last year. It was supported by operating profit of €234m (€101m in the third quarter of 2004) and by lower loan loss provisions.

Thus in the year to date the area has generated net attributable profit of €447m. Year-on-year growth increased to 59.8% (29.1% in the first half), achieving an ROE of 26.1% (16.4% in the first nine months of 2004).

The 42.6% jump in operating profit to €645m was the determining factor in the results. This in turn was due to the growth in ordinary revenues (up 25.3%), reflecting defence of lending spreads, increased fee income (up 24.0%) and net trading income (up 78.8%). The cost/income ratio, including depreciation, also improved to 29.8% against 34.8% for the first nine months of 2004. Finally, lower specific and generic provisions (the latter are already at maximum level) also contributed to the increase.

Lending rose to €43.7 billion at 30-Sep-05, a year-on-year increase of 8.3%. Asset quality continued to improve and the non-performing loan ratio improved from 0.45% at 30-Sep-04 to 0.22%. Coverage increased to 567.2% (317% at 30-Sep-04). Deposits came to €34.5 billion following a slight year-on-year decline caused by variability in the balance of market operations.

> WHOLESALE BANKING

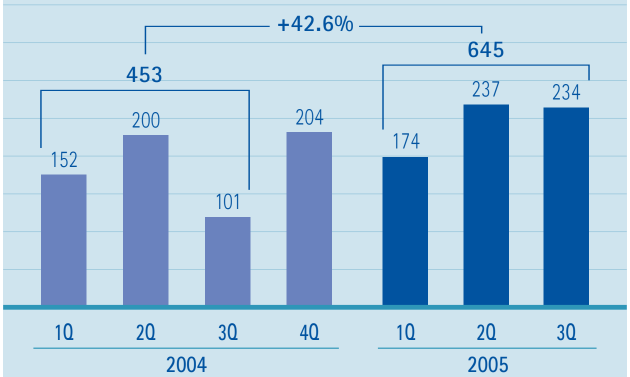
Wholesale Banking comprises global corporate banking and institutions banking. Net attributable profit came to €245m and this was 72.2% higher than the first nine months of 2004. Operating profit rose to €401m (up 17.6%) supported by core revenues, which increased 7.6% despite flat interest rates (thanks to the defence of spreads). Further support came from net trading income and cost control (the cost/income ratio improved 1.2 percentage points to 26.1%). In terms of business volume, lending increased 11.3% and deposits 8.8% with notable performance from the global corporate banking unit in both cases.

> Global corporate banking

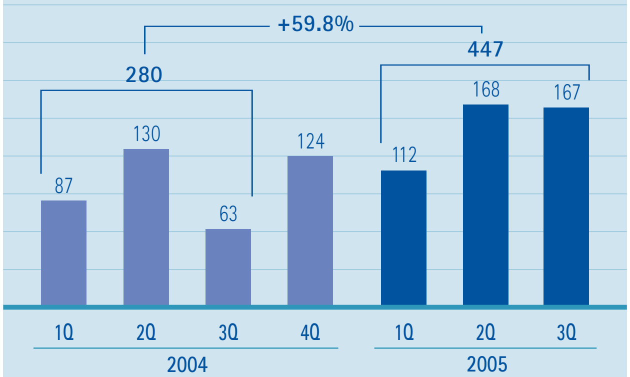
The global corporate banking unit generated €171m of net attributable profit. This was more than double the first nine months of last year. Operating profit grew 26.5% to €292m on higher levels of activity. Deposits were up 28.9% year-on-year and lending was up 17.9%. Other contributing factors were the defence of spreads mentioned above, cross selling of products to customers and higher efficiency (an improvement of 2.3 percentage points).

Together with four other banks, BBVA led a €9 billion syndicated credit operation in the third quarter for Telecom Italia. It also acted as mandated lead arranger in loans for ACS, Red Eléctrica de España, Disa Corporación Petrolífera, EADS and Carrefour. Project finance activities included wind farms (11 in the Valencia region, 2 in Catalonia and 10 in Murcia). Other projects included $150m of subordinate debt for the Chicago Skyway Toll Bridge System.

> Wholesale and Investment Banking
> Operating profit (Million euros)



> Wholesale and Investment Banking
> Net attributable profit (Million euros)



Bond origination services included mandates from Caja Vital (€100m at 18 months), Caja San Fernando (€190m at 5 years), BBVA 4 Pyme (securitization of €1.25 billion), the issue of €550m of preference securities for BBVA and a €250m addition to Iberdrola's bond issue in June. Lastly, BBVA was the underwriter for 20 private placements in the third quarter, worth €207m.

> Institutions Banking

The institutions banking unit maintains its leadership of the public sector in Spain. At 30-Sep-05 it managed €18.76 billion in loans with year-on-year growth of 3.9% and deposits of nearly €10 billion. In the year to date it has generated €74m in net attributable profit. This is slightly higher than the same period last year, which included higher-than-normal fee income from early redemptions.

In the third quarter institutional banking closed a new €200m multi-purpose loan with the European Investment Bank. This will be used to finance regional government projects related to energy savings, protection of the environment, transport infrastructure, education, healthcare and urban redevelopment.

In international circles BBVA, through its Brussels unit, has been chosen by the European Free Trade Association (EFTA) to manage the subsidies (€1.17 billion up to 2009) granted to member states for projects in Spain, Greece, Portugal and the new members of the European Union.

> GLOBAL MARKETS AND DISTRIBUTION

Following a good result in the third quarter, the global markets and distribution unit has recorded ordinary revenues of €271m for the first nine months of the year. This figure is nearly double the corresponding figure for the same period last year when ordinary revenues were unusually low. Higher revenues led to operating profit of €163m and net attributable profit of €121m, compared to €41m and €39m, respectively, in the same period last year.

Placement of shares in SARE (a Mexican real estate company) with investors was completed in the third quarter. BBVA Bancomer acted as global co-ordinator for the operation and as lead manager and bookrunner for the local tranche. BBVA Securities was joint lead manager and joint bookrunner for the international tranche. BBVA was also the exclusive agent for the Cortefiel takeover bid launched by MEP Retail España SLU. It should also be noted that BBVA is the top trader on the Spanish electronic continuous market, accounting for €118 billion during the first nine months and its market share is 9.26%.

> BUSINESS AND REAL ESTATE PROJECTS

The business and real estate projects unit actively manages a portfolio of companies and real estate ventures whose value at 30-Sep-05 came to more than €1.16 billion with latent capital gains of €780m. The main holdings are Corporación IBV, Iberia, Tubos Reunidos, Técnicas Reunidas, Anida Grupo Inmobiliario, Duch and Unitaria Inmobiliaria.

The unit's operating profit came to €109m, a year-on-year increase of 28.8%. This was mainly due to the growing contribution from real estate business and to dividends received from companies in which the group has an interest. Net attributable profit came to €100m. This was €8m less than the same period of 2004 when the bank exercised its sell option on Grubarges Inversión Hotelera with capital gains of €19m and sold its holding in Vidrala with capital gains of €18m.

As part of the expansion of activities in the business projects unit, two new companies were set up during the quarter (Elcano I and Elcano II) each with €100m in capital. Their purpose is to invest in the private equity business. The ISO 9001-2000 and ISO 14001-2000 certificates for promotion and marketing of real estate were renewed for three years, during the third quarter.

> GLOBAL TRANSACTION SERVICES

This unit covers a wide range of services, including electronic banking for companies and institutions, payment brokering, factoring, confirming, and trade finance.

In electronic banking in Europe, the bank launched *BBVA net cash* in Portugal in the third quarter. This enables companies to manage their collections and disbursements on the Iberian peninsula using a single tool. In Latin America BBVA was selected by the magazine, *Global Finance*, as the best regional bank in 2005 for on-line management of collections and disbursements. Furthermore, BBVA Banco Continental and BBVA Colombia were also recognised by *Global Finance* as best Internet banks for companies and institutions in Peru and Colombia, respectively.

The TFR Awards for 2005, organised by *Trade & Forfaiting Review*, selected BBVA, together with another bank, as "Best International Bank in Trade Finance in Latin America". It achieved similar recognition in the second quarter from *Trade Finance*.

> The Americas

Income statement (Million euros)

	January-Sep. 05	∆%	∆% at constant exchange rate	January-Sep. 04
NET INTEREST INCOME	**2,789**	**29.3**	**30.3**	**2,158**
Net income from equity method	(1)	(36.8)	(38.9)	(2)
Net fee income	1,486	14.1	14.0	1,303
Income from insurance activities	169	33.0	33.2	127
CORE REVENUES	**4,443**	**23.9**	**24.4**	**3,585**
Net trading income	190	105.1	109.4	93
ORDINARY REVENUES	**4,632**	**26.0**	**26.5**	**3,678**
Net revenues from non-financial activities	7	165.2	172.0	3
Personnel and general administrative expenses	(1,963)	19.4	19.9	(1,645)
Depreciation and amortization	(157)	(7.0)	(7.5)	(169)
Other operating income and expenses (net)	(119)	10.7	11.1	(107)
OPERATING PROFIT	**2,401**	**36.4**	**37.3**	**1,760**
Impairment losses on financial assets (net)	(253)	12.2	10.5	(225)
• Loan loss provisions	(225)	-	(1.5)	(225)
• Other	(28)	n.m.	n.m.	-
Provisions (net)	(90)	(31.5)	(30.6)	(132)
Other income/losses (net)	21	n.m.	n.m.	(8)
• From disposal of equity holdings	1	79.3	71.3	1
• Other	20	n.m.	n.m.	(9)
PRE-TAX PROFIT	**2,079**	**49.1**	**50.6**	**1,395**
Corporate income tax	(570)	43.6	43.8	(397)
NET PROFIT	**1,510**	**51.3**	**53.3**	**998**
Minority interests	(174)	6.0	9.9	(165)
NET ATTRIBUTABLE PROFIT	**1,335**	**60.2**	**61.6**	**833**

Relevant business indicators (Million euros and percentages)

	30-09-05	∆%	∆% at constant exchange rate	30-09-04
Loans to customers (1)	37,160	50.0	38.9	24,771
Customer deposits (2)	59,010	22.9	14.5	48,005
• Deposits	54,892	22.7	14.3	44,746
• Assets sold under repurchase agreement	4,118	26.3	17.6	3,259
Off balance sheet funds	48,393	31.3	18.0	36,854
• Mutual funds	11,144	30.0	21.8	8,574
• Pension funds	37,249	31.7	17.0	28,280
Customer portfolios	16,423	1.9	(1.2)	16,124
Equity	6,248	15.0	6.6	5,435
• Shareholders' funds	5,593	16.3	7.3	4,808
• Other eligible funds	655	4.6	0.9	627
Total assets (3)	88,003	21.3	12.1	72,550
ROE (%)	34.0			24.8
Efficiency ratio (%)	42.3			44.7
Efficiency incl. Depreciation and amortization (%)	45.7			49.3
NPL ratio (%)	2.64			3.87
Coverage ratio (%)	191.2			176.1

(1) Excluding NPLs and Bancomer's old mortgage portfolio.
(2) Excluding deposits and repos issued by Bancomer's Markets unit.
(3) Excluding insurance.

The Americas Area consists of all the activities conducted by the BBVA group's twelve banks, nine pension managers and various insurance companies on that continent, plus international private banking. It should be remembered that in the first nine months of the year this area has added Hipotecaria Nacional (in January) and Laredo National Bancshares (in May).

In 2005 performance of the main Latin-American economies is so far very positive. Inflation has fallen to record lows and interest rates are stable. In this favourable economic environment the activity and results of BBVA in the Americas continue the upward trend noted in recent years. Thus net attributable profit for the year to September comes to €1.33 billion, a year-on-year increase of 60.2% or 61.6% if the depreciation of local currencies (which has moderated considerably) is stripped out.

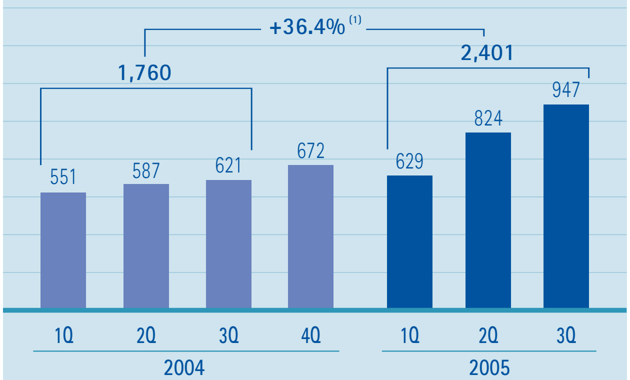
The good results are mainly due to the sharp increase in recurrent earnings and specifically net interest income. In the year to date this rose to €2.79 billion, a year-on-year increase of 30.3% at constant exchange rates (which will be the basis used from here on). Intense marketing activity at all banks in the area contributed decisively to the increase. These efforts are generating important growth and therefore the volume effect has been very positive in most countries. It is particularly evident in lending, which grew 38.9% year-on-year (20.2% on a like-for-like basis). All business units recorded significant advances, especially those related to retail business. Moreover, customer funds increased 15.6% (11.3% on a like-for-like basis). Deposits grew 14.5% thanks to continued performance of sight and savings accounts (up 16.2%) and to mutual funds (up 21.8%, confirming the recovery observed in previous quarters).

Net fee income also performed extremely well. Year to date the cumulative figure is €1.49 billion and this is 14.0% higher than the first nine months of 2004. Fees from mutual funds and pension funds recovered strongly while those related to traditional banking services maintained the positive pace of recent quarters. The notable marketing activity at insurance companies is reflected in related income, which grew 33.2% to €169m. Net trading income performed well in the third quarter, compensating the flat trend at the beginning of the year. For the year to September it comes to €190m, more than double the same period last year.

The important marketing effort is also the main cause of the increase in costs. Including depreciation, costs increased 17.3% year-on-year, or 10.9% excluding the new units (Hipotecaria Nacional, Laredo y Valley Bank). However, the increase is considerably lower than the increase in ordinary revenues (up 26.5%). This meant the cost/income ratio improved further to 45.7% (including depreciation), against 49.3% in the first nine months of 2004. Operating profit grew 37.3% to €2.4 billion.

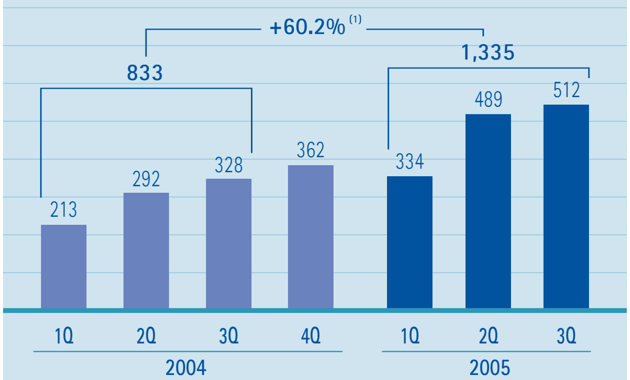
Loan loss provisions declined slightly (down 1.5%) on progressive improvement in asset quality. Non-performing loans fell year-on-year despite higher lending and the addition of new business units. As a result the non-performing loan ratio continued to improve, reaching 2.64% at 30-Sep-05 compared to 3.87% a year earlier. In addition coverage increased to 191.2% (176.1% at 30-Sep-04).

The Americas. Operating profit
(Million euros)



(1) At constant exchange rates: +37.3%.

The Americas. Net attributable profit
(Million euros)



(1) At constant exchange rates: +61.6%.

Income statement (Million euros)

Memorandum item	Banks in America				Of which: Mexico				Pensions and Insurance			
	Jan.-Sep. 05	Δ%	Δ%(1)	Jan.-Sep. 04	Jan.-Sep. 05	Δ%	Δ%(1)	Jan.-Sep. 04	Jan.-Sep. 05	Δ%	Δ%(1)	Jan.-Sep. 04
NET INTEREST INCOME	**2,735**	**29.8**	**30.8**	**2,108**	**1,829**	**37.7**	**37.9**	**1,328**	**11**	**(21.0)**	**(20.0)**	**14**
Net income from equity method	-	(91.5)	(91.6)	(2)	-	n.m.	n.m.	(3)	(1)	4.3	(1.1)	(1)
Net fee income	1,039	20.3	20.7	864	702	19.8	20.0	586	311	8.2	6.5	287
Income from insurance activities	-	-	-	-	-	-	-	-	231	17.0	17.1	197
CORE REVENUES	**3,774**	**27.1**	**27.9**	**2,969**	**2,531**	**32.5**	**32.6**	**1,911**	**552**	**10.9**	**10.0**	**497**
Net trading income	149	144.3	154.7	61	58	n.m.	n.m.	7	34	53.7	49.6	22
ORDINARY REVENUES	**3,924**	**29.5**	**30.4**	**3,031**	**2,589**	**35.0**	**35.1**	**1,918**	**585**	**12.7**	**11.7**	**519**
Net revenues from non-financial activities	(4)	n.m.	n.m.	-	(4)	n.m.	n.m.	-	11	88.9	91.1	6
Personnel and general administrative expenses	(1,635)	23.3	24.2	(1,326)	(960)	22.8	22.9	(782)	(295)	8.5	7.4	(272)
Depreciation and amortization	(132)	(7.6)	(8.2)	(143)	(83)	(4.4)	(4.3)	(87)	(13)	(8.5)	(9.2)	(14)
Other operating income and expenses (net)	(115)	8.8	9.2	(106)	(87)	8.0	8.2	(80)	13	58.7	58.6	8
OPERATING PROFIT	**2,037**	**39.9**	**41.2**	**1,456**	**1,454**	**50.2**	**50.4**	**968**	**302**	**21.9**	**20.9**	**248**
Impairment losses on financial assets (net)	(257)	15.7	13.9	(222)	(189)	2.5	2.6	(185)	-	(88.7)	(88.5)	(1)
• Loan loss provisions	(230)	3.5	1.9	(222)	(170)	(7.8)	(7.7)	(185)	-	(100.0)	(100.0)	(1)
• Other	(27)	n.m.	n.m.	-	(19)	n.m.	n.m.	-	-	-	-	-
Provisions (net)	(88)	(32.3)	(31.3)	(130)	(44)	(8.1)	(8.0)	(48)	(1)	159.0	132.7	-
Other income/losses (net)	15	33.1	43.4	11	(8)	(64.6)	(64.5)	(23)	8	n.m.	n.m.	(17)
• From disposal of equity holdings	-	-	-	-	-	-	-	-	1	70.4	62.8	1
• Other	15	33.1	43.4	11	(8)	(64.6)	(64.5)	(23)	6	n.m.	n.m.	(18)
PRE-TAX PROFIT	**1,707**	**53.1**	**55.3**	**1,115**	**1,213**	**70.2**	**70.4**	**713**	**308**	**34.6**	**33.9**	**229**
Corporate income tax	(487)	48.5	49.2	(328)	(377)	89.1	89.3	(199)	(90)	18.4	17.5	(76)
NET PROFIT	**1,220**	**55.0**	**57.8**	**787**	**836**	**62.9**	**63.1**	**513**	**218**	**42.8**	**42.1**	**153**
Minority interests	(113)	(4.8)	0.3	(119)	(1)	(97.0)	(97.0)	(32)	(30)	71.2	70.3	(17)
NET ATTRIBUTABLE PROFIT	**1,106**	**65.7**	**67.7**	**668**	**835**	**73.4**	**73.6**	**482**	**188**	**39.1**	**38.5**	**135**

Relevant business indicators (Million euros and percentages)

	30-09-05	Δ%	Δ%(1)	30-09-04	30-09-05	Δ%	Δ%(1)	30-09-04	30-09-05	Δ%	Δ%(1)	30-09-04
Loans to customers (2)	35,775	53.8	41.7	23,261	18,215	69.5	55.9	10,748	-	-	-	-
Customer deposits (3)	55,450	24.7	15.5	44,458	31,626	15.9	6.6	27,287	-	-	-	-
• Deposits	51,332	24.6	15.4	41,199	28,281	15.7	6.4	24,453	-	-	-	-
• Assets sold under repurchase agreement	4,118	26.3	17.6	3,259	3,345	18.0	8.6	2,833	-	-	-	-
Off balance sheet funds	8,550	35.6	24.2	6,307	7,122	36.6	25.7	5,213	37,239	31.7	17.0	28,271
• Mutual funds	8,550	35.6	24.2	6,307	7,122	36.6	25.7	5,213	-	-	-	-
• Pension funds	-	-	-	-	-	-	-	-	37,239	31.7	17.0	28,271
Customer portfolios	5,475	(8.2)	(15.4)	5,963	5,475	(6.9)	(14.3)	5,878	-	-	-	-
Equity	5,285	20.3	11.9	4,393	3,070	16.3	7.0	2,639	861	2.4	(8.0)	841
• Shareholders' funds	4,884	20.4	11.6	4,055	3,066	16.7	7.4	2,627	820	6.1	(4.3)	773
• Other eligible funds	401	18.9	14.7	337	5	(62.1)	(65.2)	13	41	(39.6)	(47.8)	68
Total assets	81,672	21.2	12.2	67,399	50,408	15.4	6.2	43,678	-	-	-	-
ROE (%)	32.0			24.2	37.1			28.5	32.4			23.6
Efficiency ratio (%)	41.7			43.8	37.2			40.8	49.4			51.7
Efficiency incl. Depreciation and amortization (%)	45.1			48.5	40.4			45.3	51.5			54.4
NPL ratio (%)	2.76			4.14	2.27			3.36	-			-
Coverage ratio (%)	189.1			173.9	292.2			280.9	-			-

(1) At constant exchange rate.
(2) Excluding NPLs and Bancomer's old mortgage portfolio.
(3) Excluding deposits and repos issued by Bancomer's Markets unit.

The good performance was reflected in profitability. At the end of the quarter the ROE stands at 34.0% compared to 24.8% a year earlier.

> BANKS IN THE AMERICAS

Net attributable profit generated by banking business in the Americas Area came to €1.1 billion for the year to September. This was 67.7% more than the same period last year, due mainly to higher activity at practically all banks. Brief comments on the performance of each bank are provided below.

> Mexico

The Mexican economy continues to develop positively although certain signs of a slowdown have appeared. They do not affect the main indicators of banking activity and they will probably disappear by the end of the year. Inflation is clearly on a downward track and therefore interest rates have started to decline gradually. In this context BBVA Bancomer has performed very positively. In the first nine months of the year it has accumulated net attributable profit of €835m, a year-on-year increase of 73.6%. This figure includes €51m contributed by Hipotecaria Nacional. ROE now stands at 37.1%, amply exceeding the figure for the same period last year.

The sharp growth in profit was possible thanks to the surge in activity, especially lending, which grew 27.2% year-on-year (not including Hipotecaria Nacional). All products lines grew, especially consumer finance and credit cards (up 71.8%). Lending to small and medium enterprises was up 29.3% as were mortgages in Mexican pesos, where the balance increased by more than 40%. Funds under management (deposits, repos placed through the branch network and mutual funds) increased 9.7% over September 2004. The increase included sight and savings accounts (up 7.3%) and mutual funds (up 25.7%).

The result of the sharp increase in activity can be seen in net interest income, which grew 37.9% to €1.83 billion. Furthermore the positive business trend was also reflected by faster growth in net fee income. This rose 20.0% to €702m. The best performers were fees linked to transactional business. Net trading income benefited from interest rates that were steadier than the first part of the year. The increase in costs (20.2% including depreciation) was due to higher marketing activity and the impact of Hipotecaria Nacional. However ordinary revenues grew 35.1% and this meant the cost/income ratio (including depreciation) continued to improve. At 30-Sep-05 it stood at 40.4% compared to 45.3% a year earlier. Operating profit advanced 50.4% year-on-year to €1.45 billion.

Non-performing loans (NPL) continued the downward trend of recent quarters. As a result the NPL ratio improved to 2.27% from 3.36% in September 2004. Coverage was 292.2%.

> Other countries

In Argentina **BBVA Banco Francés** achieved high net attributable profit (€77m) in the first nine months on positive performance of recurrent earnings and capital gains generated from the sale of public assets previously provided in the group's books. Thus the bank achieved its double objective of decreasing the weight of the public sector on its balance sheet and reducing its position in inflation-adjustable assets.

Lending fell in year-on-year terms, affected by the above sale of public assets. However lending to the private sector increased 53.0% over 30-Sep-04 (a low base figure). The gains came mainly from short-term finance for companies but there were also significant increases in individual customers (cards and personal loans). Deposits maintained the buoyant trend of recent quarters, with year-on-year growth of 28.3%. These gains are reflected by net interest income (up 26.9%) and net fee income (up 40.8%). Together with a bigger contribution from treasury operations (on reactivation of market activity following the government’s debt swap), this caused operating profit to grow 52.0% to €149m.

BBVA Chile, with a year-on-year increase of 14.6% in lending, managed to offset adverse interest rates (in view of its balance sheet structure) and increased net interest income 2.2%. Net fee income grew 10.8% on higher activity, costs were controlled and the steady improvement in the NPL ratio opened the way to lower provisions. As a result net attributable profit rose to €21m, an improvement of 12.1% over the first nine months of 2004.

BBVA Colombia generated net attributable profit of €40m in the year to September. This was a year-on-year increase of 79.5%. Lending increased 25.1% on stronger consumer finance and mortgages, and customer funds were up 23.7%. Helped by a strict policy on cost of funds and in the context of record-low interest rates, net interest income increased 9.5%. The above advances, higher fee income (up 15.6%) and cost control, caused operating profit to climb 51.6% higher over the same period last year.

The banks in the **BBVA USA** unit generated net attributable profit of €31m. **BBVA Puerto Rico** continued to strengthen activity. Growth in lending is now 21.9% year-on-year. Individual customers (mortgages, cars and consumer finance) continue to be the most dynamic items with important increases. The advance in activity together with the positive changes in net fee income and the moderate increase in costs, has helped net attributable profit to reach €20m. **Laredo National Bancshares**, which joined the group in May has contributed with €8m to the net attributable profit and is in the implementation phase of new business plans. **Bancomer Bank USA**, the new name of Valley Bank has absorbed during the third quarter the offices that BTS had in California, the first step in the network expansion plan which will soon develop. **Bancomer Transfer Services (BTS)**, the leading entity in money transfers between USA and Mexico has increased the number of transactions by 10.6% and 13.9% the amount of funds transferred (more than 5.5 billion US dollars in Jan-Sep).

At **BBVA Banco Continental** in Peru, lending (up 28.1%) and customer funds (up 17.3%) boosted net interest income 29.0%. Together with contributions from treasury operations, ordinary revenues rose 29.1% and operating profit jumped 49.9%. Helped by lower provisions related to falls in NPLs, net attributable profit came to €37m, double the figure for the same period last year.

In the year to September **BBVA Banco Provincial** in Venezuela generated net attributable profit of €43m, supported by strong growth in net fee income (up 32.2%) and by defence of the financial margin in a context of regulated interest rates. It compensated the negative price effect with higher volume. Lending grew 78.1% year-on-year and customer funds were up 36.4%.

Net attributable profit in **Panama** came to €13m (similar to the same period last year). Net attributable profit in **Paraguay** was €7.5m (up 19.9%) and Uruguay managed €1m for the first nine months compared to a loss of €2.4m a year earlier.

> PENSION FUNDS AND INSURANCE

The pension fund managers and insurance companies in BBVA America contributed net attributable profit of €188m in the year to September. This was a year-on-year increase of 38.5%. Brief comments on the performance of the main companies are provided below.

> Pensions

The positive performance of revenues at **Afore Bancomer** was maintained in the third quarter despite a moderate advance in Mexican employment. Ordinary revenues for the year to September came to €146m, which was 6.4% higher than a year earlier. Net attributable profit came to €58m (up 12.8%).

In Chile, **AFP Provida** generated net attributable profit of €19m supported by a 16.2% increase in net fee income (on higher activity and increased subscriptions). It was also helped by higher contributions from the results of regulatory ratios and lower operating expenses.

Other pension managers include **Consolidar AFJP** in Argentina, with €6m. **Horizonte Perú** contributed €10.5m and **Horizonte Colombia** nearly €7m. All the above units recorded important increases in commercial activity. This spilled over into higher contributions and therefore greater fee income. They also obtained high financial returns, benefiting from the positive performance of markets.

> Insurance

In general all insurance companies in this area had a good quarter. **Seguros Bancomer** continues to be one of the best performers. Premiums in the first nine months of the year are 56% higher than the same period last year. Higher activity meant that the insurance business in Mexico contributed net attributable profit of €56m to the group, a year-on-year increase of 44.0%.

> INTERNATIONAL PRIVATE BANKING

The international private banking business continued to advance moderately in line with recent quarters. Total funds under management at 30-Sep-05 came to €15 billion. This was 5% more than a year earlier. The growth in customer funds continued to lift revenues and this, together with cost control, brought cumulative net attributable profit to €56m (3.8% higher than the first nine months of 2004. Of this figure, €31m corresponds to Andorra.

> Data per country (banking business, pensions and insurance) (Million euros)

	Operating profit				Net attributable profit			
Country	January-Sep. 05	Δ%	Δ% at constant exchange rate	January-Sep. 04	January-Sep. 05	Δ%	Δ% at constant exchange rate	January-Sep. 04
Mexico	1,620	45.3	45.5	1,115	949	65.9	66.1	572
Argentina	179	42.6	45.1	125	102	188.1	193.3	35
Chile	116	28.9	23.2	90	43	75.4	67.6	25
Colombia	92	69.1	52.6	54	53	86.4	68.3	28
United States (1)	73	5.5	8.8	69	32	(3.4)	(0.4)	33
Panama	20	10.7	14.1	18	13	(3.4)	(0.4)	13
Paraguay	8	(5.0)	1.7	9	7	12.0	19.9	7
Peru	146	48.2	44.6	99	47	85.1	80.5	26
Uruguay	(1)	(61.8)	(66.7)	(2)	1	n.m.	n.m.	(2)
Venezuela	84	(30.4)	(19.7)	121	45	(31.3)	(20.7)	65
Other countries (2)	2	(58.6)	(57.3)	6	3	123.4	130.3	1
TOTAL	**2,339**	**37.3**	**38.2**	**1,703**	**1,294**	**61.2**	**62.7**	**803**

(1) Includes Puerto Rico.
(2) Bolivia, Ecuador and Dominican Republic. In 2004 also includes El Salvador.

> Mexico (banking business, pensions and insurance). Income statement (Million euros)

	January-Sep. 05	Δ%	Δ% at constant exchange rate	January-Sep. 04
NET INTEREST INCOME	**1,833**	**37.8**	**38.0**	**1,330**
Net income from equity method	-	n.m.	n.m.	(3)
Net fee income	836	16.5	16.6	717
Income from insurance activities	164	18.9	19.0	138
CORE REVENUES	**2,833**	**29.8**	**30.0**	**2,183**
Net trading income	64	n.m.	n.m.	12
ORDINARY REVENUES	**2,897**	**32.0**	**32.2**	**2,194**
Net revenues from non-financial activities	(1)	n.m.	n.m.	2
Personnel and general administrative expenses	(1,117)	21.2	21.4	(921)
Depreciation and amortization	(84)	(4.1)	(4.0)	(88)
Other operating income and expenses (net)	(74)	3.0	3.2	(72)
OPERATING PROFIT	**1,620**	**45.3**	**45.5**	**1,115**
Impairment losses on financial assets (net)	(189)	2.5	2.6	(185)
• Loan loss provisions	(170)	(7.8)	(7.7)	(185)
• Other	(19)	n.m.	n.m.	-
Provisions (net)	(44)	(8.1)	(8.0)	(48)
Other income/losses (net)	(9)	(59.8)	(59.8)	(23)
• From disposal of equity holdings	-	-	-	-
• Other	(9)	(59.8)	(59.8)	(23)
PRE-TAX PROFIT	**1,377**	**60.2**	**60.4**	**860**
Corporate income tax	(425)	70.4	70.6	(250)
NET PROFIT	**952**	**56.1**	**56.3**	**610**
Minority interests	(3)	(92.1)	(92.1)	(38)
NET ATTRIBUTABLE PROFIT	**949**	**65.9**	**66.1**	**572**

> Corporate Activities

This area includes the results of ALCO (the assets and liabilities committee), the large industrial companies unit and the financial shareholdings unit. It also covers certain provisions such as early retirements, provisions at the corporate level and the costs of central units that have a strictly corporate function.

The main aspects in the third quarter were the practical absence of dividends and slightly negative trading income (€36m loss). This loss was mainly due to forex hedging of assets and movements stemming from the appreciation of Latin-American currencies against the euro. Other items on the income statement did not change

> Income statement (Million euros)

	January-Sep. 05	Δ%	January-Sep. 04
NET INTEREST INCOME	**(228)**	**107.2**	**(110)**
Net income from equity method	45	51.8	29
Net fee income	40	262.1	11
Income from insurance activities	(48)	90.6	(25)
CORE REVENUES	**(192)**	**101.9**	**(95)**
Net trading income	278	(35.1)	428
ORDINARY REVENUES	**86**	**(74.1)**	**333**
Net revenues from non-financial activities	2	n.m.	-
Personnel and general administrative expenses	(273)	17.8	(232)
Depreciation and amortization	(84)	1.6	(83)
Other operating income and expenses (net)	(7)	n.m.	-
OPERATING PROFIT	**(276)**	**n.m.**	**18**
Impairment losses on financial assets (net)	61	(18.9)	75
• Loan loss provisions	65	(15.9)	77
• Other	(4)	120.5	(2)
Provisions (net)	(244)	(58.5)	(587)
Other income/losses (net)	43	(84.9)	285
• From disposal of equity holdings	-	(99.9)	243
• Other	43	(0.1)	43
PRE-TAX PROFIT	**(416)**	**99.6**	**(208)**
Corporate income tax	172	(9.0)	189
NET PROFIT	**(243)**	**n.m.**	**(19)**
Minority interests	(15)	n.m.	27
NET ATTRIBUTABLE PROFIT	**(258)**	**n.m.**	**8**

> Relevant business indicators (Million euros and percentages)

	30-09-05	Δ%	30-09-04
Structural portfolio	25,867	11.3	23,235
Industrial and Financial portfolio	8,676	35.0	6,427
Equity	3,849	1.2	3,804
• Shareholders' funds	2,336	2.3	2,283
• Other eligible funds	1,513	(0.5)	1,521

significantly compared to other quarters this year. In the year to date, there was an operating loss of €276m compared to an operating profit of €18m in 2004.

Provisions for the year to September came to €244m. This was lower than the €587m provided in the same period last year owing basically to lower early retirements charges this year. Moreover, the first nine months of 2004 included €243m of capital gains (Banco Atlántico and Direct Seguros) while this year there have been no such sales of interests in other companies. As a result the area recorded a loss of €258m.

> ALCO

The assets and liabilities committee (ALCO) administers the group’s interest rate and exchange rate positions, group liquidity and shareholders’ equity. In the year to September the unit generated net attributable profit of €51m.

As part of its active management of interest rate exposure, at 30-Sep-05 ALCO held a portfolio of fixed income investments worth €25.87 billion to compensate or reduce the negative impact of a decline or continuation of interest rates, on the group’s net interest income. In the year to date this portfolio contributed €198m to net interest income and €56m to net trading income. In addition the unit conducts other hedging operations related to interest rates via a portfolio of options. This activity generated €22m.

Exchange rate exposure is mainly associated with the group's operations in Latin America. The most relevant currencies have appreciated against the euro in recent months and this has a positive effect on equity and on the regions’ results expressed in euros. However, in the year to September it generated €47m in costs (net of tax) for the coverage of equity, shared between net interest income and net trading income. At 30-Sep-05 overall coverage of BBVA’s equity in the Americas stands at 47% with perfect coverage of 41% in Mexico, 77% in Chile, 100% in the dollar area and 31% in Peru. These levels of coverage do not include the long position in US dollars held by some affiliate banks at local level.

> HOLDINGS IN INDUSTRIAL AND FINANCIAL COMPANIES

This item comprises the group’s holdings in listed industrial companies (mainly Telefónica, Iberdrola and Repsol YPF) and in financial entities (currently limited to Bradesco). These holdings are managed according to uniform criteria with the goal of maximising value, following strict principles of return, liquidity, rotation and use of economic capital. All these holdings are currently classified as “available for sale”.

In addition and until the Banca Nazionale del Lavoro operation is wound up, it continues to be part of the portfolio, although it is booked via the equity method.

At 30-Sep-05 the market value of the holdings portfolio (including equity swaps) stands at €8.68 billion with latent capital gains of €3.42 billion before tax.

In the first nine months of the year, industrial and financial holdings generated €104m in dividends and €274m in net trading income. Net attributable profit comes to €285m compared to €412m in the same period last year, which included capital gains of €218m on the sale of BBVA's interest in Banco Atlántico.

> Corporate social responsibility

The third quarter of 2005 has witnessed several important activities within the BBVA group's corporate social responsibility policy and also its increasing public acknowledgement.

Special mention should be given to BBVA's membership of the two most important international specialist CSR stock-market indices: FTSE4Good and Dow Jones Sustainability, both of which published their latest benchmarking in September. The FTSE4Good, which provides detailed rankings, recorded considerable progress in BBVA, placing it amongst the best banks world-wide, with an overall score of 75 points out of 100 (in 2004 it awarded it 60) and rating it especially highly along the economic and social dimensions. This compares against an average of 48 points and a best-of-class score of 84 from its peer banks. BBVA was also included on the more selective Dow Jones Sustainability Stoxx for the first time. This index tracks the leading sustainability-driven companies selected from the DJStoxx (the outstanding 20% in each industry).

Meanwhile the Fundación Empresa y Sociedad's yearly analysis of corporate social responsibility reports published by Spanish companies the previous year deemed BBVA's to be Spain's best such annual report in 2004.

The achievements of the group's banks in Latin America have also been publicly recognised. An article in the *Latin Finance* journal analysed the ethics, corporate governance, transparency, sustainability and social responsibility of banks in Argentina, Brazil, Chile, Colombia, Mexico and Peru. It considered BBVA Banco Francés (Argentina), BBVA Colombia, BBVA Bancomer (Mexico) and BBVA Banco Continental (Peru) amongst the best banks in these fields. Peru's Sociedad Nacional de Industrias awarded BBVA Banco Continental the 2005 National Prize for Quality. This covers various aspects of performance, giving a significant weighting to best practices in corporate social responsibility.

The principal initiatives related to corporate social responsibility over the quarter included the following:

- Launch of a new totally free loan to cover special needs under the umbrella of the BBVA Families Plan. The new product, called Préstamo Superación (literally: *the Overcoming Loan*) allows families with a disabled person in them to borrow up to a maximum of €3,000 without any interest or fees, to use for training, mobility and sensorial enhancement programmes or other kinds of medical, psychological or physiotherapy treatment.
- The public presentation of Anida's commitment to set aside 0.7% of its net profit for corporate social responsibility activities. Anida is the BBVA group's real estate company, and declared it will be funding nature-conservation projects and helping to roll out especially demanding practices in environmental care (ISO 14001 environmental quality certification, an environmentally certified wood and paper procurement policy and strict sustainability standards in its new property developments).
- The latest BBVA Quetzal Route expedition, in which young people from 52 countries explored little-known parts of Peru and Spain for a month and a half and were received by the Spanish king and queen on 15th July.
- Development of new exhibition programmes, with two new exhibits inaugurated this quarter.
- Various BBVA Foundation activities in the areas of training, dissemination of knowledge and research. The Foundation completed two important sociological studies ("Transatlantic Trends" and "Inmigración y transformación social en España" –*Immigration and Social Change in Spain*) and awarded two new research grants for biodiversity conservation, with a total budget of €2.4 million, selecting twelve projects to be funded.
- Roll-out of an on-line, distance-learning course to teach the over 22,000 employees in the Retail Banking network in Spain about money-laundering prevention.
- Launch of the "Passion for People" portal, with new initiatives for employees. These include an equity investment plan that offers group employees the possibility of buying BBVA shares under advantageous conditions.

Consolidated balance sheet (Million euros)

	30-09-05	∆%	30-09-04	30-06-05	31-12-04
Cash and balances at Central Banks	13,239	51.2	8,757	13,799	10,123
Trading portfolio assets	44,516	12.0	39,732	53,437	43,432
Other financial instruments at fair value	1,380	63.0	847	925	1,118
Financial instruments available for sale	52,874	3.0	51,322	52,315	58,053
Loans	235,305	18.5	198,566	231,303	197,483
• Due from banks	25,037	1.1	24,774	25,076	17,571
• Loans to customers	202,894	24.2	163,351	195,286	171,339
• Other	7,374	(29.4)	10,442	10,942	8,573
Fixed income portfolio held to maturity	3,930	42.1	2,766	3,519	2,195
Investments in associates	1,416	(7.9)	1,538	1,392	1,369
Property and equipment	4,256	6.6	3,991	4,249	3,939
Intangible assets	1,716	92.7	891	1,675	809
Other assets	16,195	(3.8)	16,838	15,078	14,223
TOTAL ASSETS	**374,828**	**15.2**	**325,247**	**377,694**	**332,743**
Trading portfolio liabilities	19,595	55.4	12,610	18,212	12,379
Other financial liabilities at fair value	768	(9.9)	852	775	834
Financial liabilities at amortised cost	304,209	13.1	269,088	310,616	271,179
• Deposits by Central Banks and banks	61,363	(10.9)	68,856	69,093	64,628
• Due to customers	166,128	11.8	148,651	168,204	149,030
• Marketable debt securities	62,434	50.2	41,564	59,666	45,503
• Subordinated debt	9,581	27.2	7,532	9,322	8,490
• Other	4,703	89.2	2,485	4,330	3,529
Insurance contract liabilities	10,215	25.7	8,128	9,680	8,840
Other liabilities	18,962	4.8	18,100	19,265	21,861
Loan capital	4,139	12.0	3,695	3,589	3,809
TOTAL LIABILITIES	**357,888**	**14.5**	**312,474**	**362,137**	**318,903**
Minority interests	924	52.0	608	837	746
Valuation adjustments	3,494	117.1	1,610	2,952	2,062
Shareholders' funds	12,522	18.6	10,556	11,767	11,032
EQUITY	**16,940**	**32.6**	**12,773**	**15,556**	**13,840**
TOTAL LIABILITIES AND EQUITY	**374,828**	**15.2**	**325,247**	**377,694**	**332,743**
MEMORANDUM ITEM:					
Contingent liabilities	26,978	34.9	20,003	24,640	21,653

Consolidated income statement (Million euros)

	January-Sep. 05	Δ%	January-Sep. 04
Core net interest income	5,003	14.7	4,364
Dividends	183	10.4	166
NET INTEREST INCOME	**5,187**	**14.5**	**4,530**
Net income by the equity method	79	11.6	70
Net fee income	2,875	13.1	2,541
Income from insurance activities	349	18.1	296
CORE REVENUES	**8,489**	**14.1**	**7,438**
Net trading income	839	16.3	722
ORDINARY REVENUES	**9,328**	**14.3**	**8,159**
Net revenues from non-financial activities	110	45.9	76
Personnel costs	(2,620)	9.3	(2,398)
General expenses	(1,562)	15.7	(1,350)
Depreciation and amortization	(323)	(4.4)	(338)
Other operating income and expenses (net)	(66)	(20.9)	(83)
OPERATING PROFIT	**4,867**	**19.7**	**4,065**
Impairment losses on financial assets (net)	(558)	(6.4)	(596)
• Loan-loss provisions	(531)	(10.7)	(595)
• Other	(27)	n.m.	(2)
Provisions (net)	(329)	(53.9)	(714)
Other income/losses (net)	151	(62.0)	396
• From disposal of equity holdings	19	(93.3)	283
• Other	132	16.1	113
PRE-TAX PROFIT	**4,130**	**31.1**	**3,151**
Corporate income tax	(1,207)	46.3	(825)
NET PROFIT	**2,924**	**25.7**	**2,326**
Minority interests	(196)	38.1	(142)
NET ATTRIBUTABLE PROFIT	**2,728**	**24.9**	**2,184**
EARNINGS PER SHARE CALCULATION			
Average ordinary shares in circulation (thousand)	3,390,852	0.7	3,365,943
Basic earnings per share	0.80	24.0	0.65
Diluted earnings per share	0.80	24.0	0.65

Statement of Changes in Equity (Million euros)

	Capital	Reserves	Profit for the year	Treasury shares	Valuation adjustments	Minority interest	Paid dividends	TOTAL EQUITY
BALANCE AT 31-12-04	**1,662**	**7,474**	**2,923**	**(10)**	**2,062**	**746**	**(1,015)**	**13,840**
Valuation adjustments					1,432	10		1,442
Profit retained		1,424	(1,424)					-
Dividends			(1,499)			(61)	237	(1,323)
Shares issued								-
Treasury stock				(2)				(2)
Profit for the year			2,728			196		2,924
Other		25				34		59
BALANCE AT 30-09-05	**1,662**	**8,922**	**2,728**	**(12)**	**3,494**	**924**	**(778)**	**16,940**

Reconciliation of equity due to application of new accounting regulation (Million euros)

GROUP EQUITY AT 31-12-03	**12,774**
ADJUSTMENTS AFTER FIRST APPLICATION OF IFRS	
Accrual of arrangement fees	(218)
Valuation of derivatives	(69)
Loan loss provisions (net)	(215)
Goodwill	(1,964)
Net provisions for pension fund	(906)
Valuation of pension fund liabilities externalized with Group companies	(394)
Valuation adjustments in assets linked to pension fund liabilities externalized with Group companies	265
Other (net)	(270)
Valuation adjustments	1,361
EQUITY AT 1-01-04	**10,364**
MOVEMENTS FROM 1-01-04 TO 30-09-04	
Share capital increase	1,999
Dividend	(676)
Profit for the period	2,185
Buy-out of Bancomer minorities	(1,376)
Valuation adjustments	(16)
Other	(314)
EQUITY AT 30-09-04	**12,165**
MOVEMENTS FROM 1-10-04 TO 31-12-04	
Profit for the period	738
Valuation adjustments	452
Dividend paid	(339)
Other	78
EQUITY AT 31-12-04	**13,095**

Reconciliation of profit due to application of new accounting regulation (Million euros)

	1Q 04	2Q 04	3Q 04	January-Sep. 04	2004
PROFIT ANNOUNCED IN 2004	**667**	**688**	**704**	**2,059**	**2,802**
ADJUSTMENTS IFRS	24	131	(30)	125	121
• Accrual of arrangement fees	(11)	(14)	(14)	(40)	(46)
• Valuation of derivatives and financial assets	(8)	8	13	14	(25)
• Loan loss provisions	23	-	(15)	8	(8)
• Goodwill	121	172	173	466	344
• Provisions for pension fund	-	-	-	(1)	-
• Securities portfolio (associates)	(33)	41	(61)	(53)	(137)
• Other	(68)	(75)	(126)	(268)	(8)
PROFIT ADJUSTED UNDER IFRS	**691**	**819**	**674**	**2,184**	**2,923**

Information by segments. January-September 2005 (Million euros)

INCOME STATEMENTS

	Retail Banking Spain and Portugal	Wholesale and Investment Banking	The Americas	Corporate Activities	TOTAL BBVA GROUP
Net interest income	2,313	313	2,789	(228)	5,187
Ordinary revenues	3,800	810	4,632	86	9,328
Operating profit	2,097	645	2,401	(276)	4,867
Pre-tax profit	1,850	617	2,079	(416)	4,130
Net attributable profit	1,204	447	1,335	(258)	2,728

RETAIL BANKING SPAIN AND PORTUGAL

	Financial Services	Asset Management and Private Banking	Rest of business	TOTAL AREA
Net interest income	2,271	26	15	2,313
Ordinary revenues	3,430	203	166	3,800
Operating profit	1,868	141	87	2,097
Pre-tax profit	1,632	138	80	1,850
Net attributable profit	1,064	90	51	1,204

WHOLESALE AND INVESTMENT BANKING

	Wholesale Banking	Global Markets and Distribution	Rest of business	TOTAL AREA
Net interest income	339	(32)	6	313
Ordinary revenues	518	271	21	810
Operating profit	401	163	82	645
Pre-tax profit	359	164	94	617
Net attributable profit	245	121	81	447

THE AMERICAS

	Banks in America		Pensions and insurance	Rest of business	TOTAL AREA
	Mexico	Rest of banks			
Net interest income	1,829	906	11	43	2,789
Ordinary revenues	2,589	1,335	585	123	4,632
Operating profit	1,454	583	302	62	2,401
Pre-tax profit	1,213	494	308	64	2,079
Net attributable profit	835	271	188	41	1,335

Information by segments. January-September 2004 (Million euros)

INCOME STATEMENTS

	Retail Banking Spain and Portugal	Wholesale and Investment Banking	The Americas	Corporate Activities	TOTAL BBVA GROUP
Net interest income	2,179	304	2,158	(110)	4,530
Ordinary revenues	3,502	647	3,678	333	8,159
Operating profit	1,835	453	1,760	18	4,065
Pre-tax profit	1,620	344	1,395	(208)	3,151
Net attributable profit	1,063	280	833	8	2,184

RETAIL BANKING SPAIN AND PORTUGAL

	Financial Services	Asset Management and Private Banking	Rest of business	TOTAL AREA
Net interest income	2,134	24	21	2,179
Ordinary revenues	3,173	188	141	3,502
Operating profit	1,637	129	68	1,835
Pre-tax profit	1,440	125	55	1,620
Net attributable profit	939	81	43	1,063

WHOLESALE AND INVESTMENT BANKING

	Wholesale Banking	Global Markets and Distribution	Rest of business	TOTAL AREA
Net interest income	323	(7)	(12)	304
Ordinary revenues	471	137	38	647
Operating profit	340	41	71	453
Pre-tax profit	207	24	114	344
Net attributable profit	143	39	98	280

THE AMERICAS

	Banks in America		Pensions and insurance	Rest of business	TOTAL AREA
	Mexico	Rest of banks			
Net interest income	1,328	780	14	36	2,158
Ordinary revenues	1,918	1,112	519	128	3,678
Operating profit	968	487	248	56	1,760
Pre-tax profit	713	402	229	51	1,395
Net attributable profit	482	186	135	30	833

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