

BBVA

Adjustments to IFRS 2004 Results: Group and Business Areas

July 21st 2005

BBVA Group 2004 results under IFRS: statement of adjustments

BBVA GROUP 2004	IFRS Preliminary	New IFRS adjustments	IFRS 2004
NET INTEREST INCOME EX-DIVIDENDS	5.867	8	5.876
DIVIDENDS	282	-27	255
NET INTEREST INCOME	6.149	-19	6.131
NET INCOME EQUITY METHOD	113	-16	97
NET FEE INCOME	3.399	14	3.413
INCOME FROM INSURANCE ACTIVITIES	360	30	391
CORE REVENUES	10.022	9	10.031
NET TRADING INCOME	939	61	999
ORDINARY REVENUES	10.961	70	11.030
NET REVENUES FROM NON-FINANCIAL ACTIVITIES	140	-13	126
PERSONNEL COSTS	-3.260	13	-3.247
GENERAL EXPENSES	-1.829	-22	-1.851
DEPRECIATION AND AMORTIZATION	-448	0	-448
OTHER OPERATING INCOME & EXPENSES	-125	15	-110
OPERATING PROFIT	5.438	63	5.501
IMPAIRMENT LOSSES ON FINANCIAL ASSETS	-946	-12	-958
LOAN LOSS PROVISIONS	-766	-18	-784
OTHER IMPAIRMENT LOSSES	-180	5	-174
OTHER PROVISIONS	-821	-30	-851
OTHER GAINS/LOSSES	453	-8	445
SALE OF FINANCIAL STAKES	308	0	308
OTHER	144	-8	136
PRE-TAX PROFIT	4.124	12	4.137
CORPORATE INCOME TAX	-1.022	-7	-1.029
NET INCOME	3.103	5	3.108

Additional adjustments to 2004 results (1)

<u>Upfront fees:</u>	Impact on <u>Net A. Profit</u>	<u>Business Division</u>
<ul style="list-style-type: none"> • Fine-tuning adjustments in subsidiaries 	+1	Retail Banking
<p><u>Pensions:</u></p> <ul style="list-style-type: none"> • Change in accounting criteria. Pension fund liabilities externalised with group insurance companies are now classified as internal pension funds 	+25	Corporate Activities
<p><u>Iberia:</u></p> <ul style="list-style-type: none"> • Classified as Available for Sale. Thus Iberia's results do not accrue to the income from associates line. Dividends received from Iberia accrue in the dividend line 	-10	Wholesale and Investment Banking
<p><u>Valuation of Derivatives in Bancomer:</u></p> <ul style="list-style-type: none"> • Some of the derivatives held by BBVA Bancomer have been classified as hedging derivatives after demonstrating their efficacy 	+23	America (Mexico)

Additional adjustments to 2004 results(2)

	<u>Impact on Net A. Profit</u>	<u>Business Division</u>
<u>Loan loss provisions:</u> <ul style="list-style-type: none"> • Minor methodology adjustments in Colombia and Argentina. Additionally, reallocation of guarantees to Other Provisions from Loan Loss Provisions 	-19	America
<u>Reclassifications among P&L lines</u>	+0	Corporate Activities
<u>Inter-group activities</u>	+0	America (Insurance)
<u>Other</u>	-10	