BBVA

QUARTERLY REPORT

Results 2004

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Contents

BBVA Group Highlights

BBVA GROUP HIGHLIGHTS (CONSOLIDATED FIGURES))	31-12-04	31-12-03	∆%
BALANCE SHEET (million euros)			
Total assets	311,072	287,150	8.3
Total lending (gross)	174,615	153,271	13.9
On-balance-sheet customer funds	199,485	182,831	9.1
Other customer funds managed	124,499	113,075	10.1
Total customer funds managed	323,984	295,905	9.5
Shareholders' funds (including profit for the year) (1)	15,554	12,410	25.3
INCOME STATEMENT (million euros)			
Net interest income	7,069	6,741	4.9
Core revenues	10,448	10,004	4.4
Ordinary revenues	11,053	10,656	3.7
Operating profit	5,440	4,895	11.1
Pre-tax profit	4,149	3,812	8.8
Net attributable profit	2,802	2,227	25.8
DATA PER SHARE AND MARKET CAPITALIZATION			
Share price	13.05	10.95	19.2
Market capitalization (million euros)	44,251	34,995	26.4
Net attributable profit	0.83	0.70	19.2
Book value	4.59	3.88	18.1
PER (Price/earnings ratio; times)	15.8	15.7	
P/BV (Price/book value ratio; times)	2.8	2.8	
SIGNIFICANT RATIOS (%)			
Operating profit/ATA	1.79	1.75	
ROE (Net attributable profit / Average equity)	20.0	18.4	
ROA (Net profit/Average total assets)	1.05	1.04	
RORWA (Net profit/Risk weighted average assets)	1.79	1.74	
Efficiency ratio	44.9	47.2	
NPL ratio (Nonperforming assets/Total risks)	0.95	1.37	
NPL coverage ratio	247.2	184.9	
CAPITAL ADEQUACY RATIOS (BIS regulations) (%)			
Total	12.5	12.7	
Core capital	6.0	6.2	
TIER I	8.1	8.5	
OTHER INFORMATION			
Number of shares (million)	3,391	3,196	
Number of shareholders	1,081,020	1,158,887	
Number of employees	84,117	86,197	
• Spain	30,765	31,095	
• America (2)	51,370	53,100	
• Rest ot the world	1,982	2,002	
Number of branches	6,848	6,924	
• Spain	3,375	3,371	
• America (2)	3,293	3,353	
• Rest of the world	180	200	

N.B.: Non-audited data. Consolidated statements follow generally accepted accounting principles of Bank of Spain Circular 4/91 and later Circulars.

(1) After distribution of fiscal year earnings.
(2) Including those relating to the BBVA Group's banking and pension fund management activities in all the Latin-American countries in which it is present.

BBVA Group in 2004

In 2004 the world's economy was stronger than the year before, with China and the United States as the principal engines of growth while high oil prices were the main concern. Latin America enjoyed its best year in recent times with significant growth in all the main countries. However, growth in the European Union was considerably more modest although in Spain it was similar to the 2.5% recorded in 2003. These circumstances led the Federal Reserve to lift its reference rate gradually to 2.25% while the European Central Bank held its rate steady at 2.0%. Short-term market rates in the euro zone remained stable while long-term rates have declined. Thus the slope of the interest rate curve has flattened. However, in Mexico, short-term rates have continued to rise from the second quarter onwards.

Currency markets were relatively stable until the end of the year when the dollar fell further against the euro. This effect spilled over into the main Latin-American currencies. The table on the next page shows the final exchange rates at 31-Dec-04 (used to convert the balance sheet and other key figures from local currency to euros). It also shows the average rate for the year (used to convert the local income statements) and the figures for previous years. The Mexican peso, which has the greatest effect on the group's financial statements, depreciated 13.0%; the Venezuelan bolivar fell 21.9%, the Argentine peso 9.0% and the US dollar 9.1%. The Chilean peso revalued by 2.9%.

The year-on-year percentage variations at constant exchange rates are also shown in this report. This is done to facilitate a comparison between the different items on the income statement excluding the effect of variations in exchange rates. These figures are given below where relevant. Likewise, remarks related to changes in the balance sheet and in the key indicators also include variations calculated at constant exchange rates if these are significant.

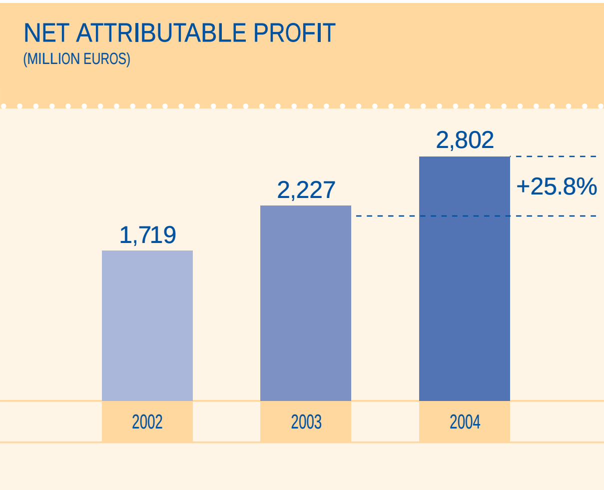
The most relevant aspects of the BBVA Group in 2004 are summarised below:

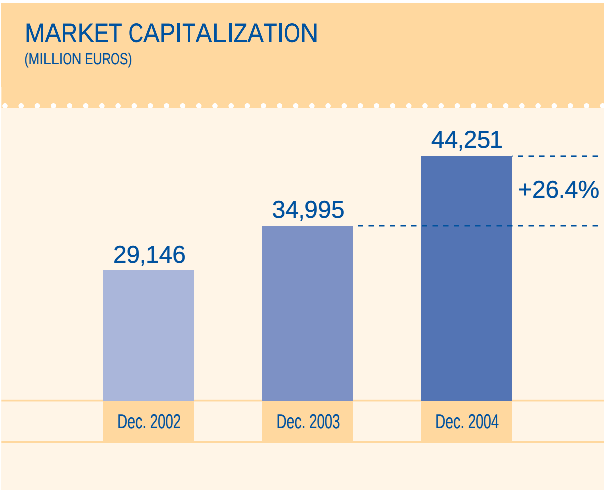
- Attributable net profit rose to €2,802m. This was 25.8% more than 2003 and an all-time record for BBVA (the increase was 30.4% at constant exchange rates). In quarterly terms, attributable net profit grew steadily throughout the year, reaching the highest figure ever recorded by BBVA in the 4th quarter.

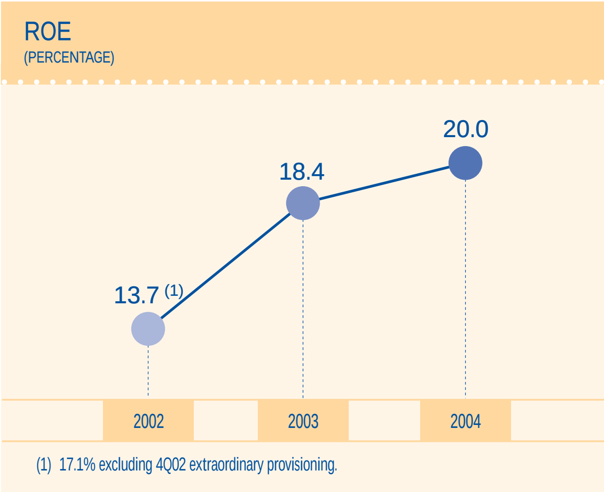
- Earnings per share increased 19.2%, ROE rose to 20.0% (18.4% in 2003) and ROA was 1.05%.

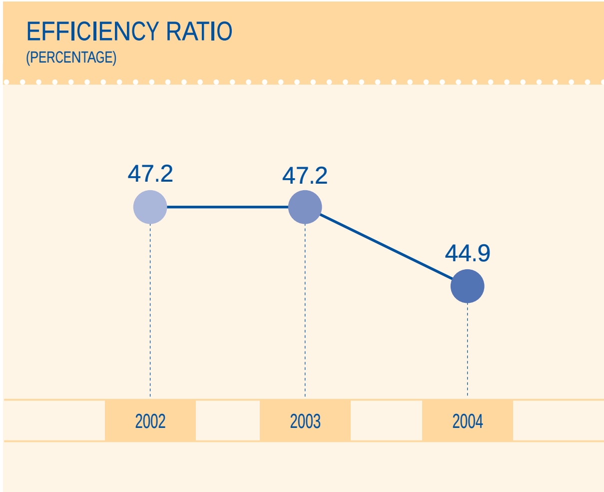
- The high quality of the Group's results stems from the growth in operating profit. This increased 11.1% to €5,440m (an increase of 17.3% at constant exchange rates). In fact the figure has grown steadily quarter-by-quarter throughout the year.

- All business areas recorded important increases in operating profit: 13.3% in Retail Banking, 7.2% in Wholesale Banking and 11.6% in the Americas (where it grew 26.0% at constant rates).









- Net interest income came to €7,069m, which was 4.9% more than 2003 (10.5% at constant rates). This was due to faster business growth in Spain and the Americas, spurred by record low interest rates in the domestic market and rising interest rates in Mexico.
- Growth in net fee income also reflected higher business activity, growing 3.6% to €3,379m (9.4% at constant exchange rates).
- Operating expenses fell by 1.3% and increased by only 3.6% at constant rates. Together with the increase in revenue, this led to an improvement in the cost/income ratio, which fell to 44.9% (47.2% in 2003). This improvement was shared by all business areas.
- Retail Banking in Spain and Portugal grew throughout the year in terms of both business volume and results. Lending increased by 20% and customer funds by 10.1%. The combined effect of the 6.5% growth in ordinary revenues and the containment of expenses led to a 13.3% increase in operating profit and a 13.8% increase in attributable net profit (which rose to €1,410m).
- Lending and deposits also grew faster in the Wholesale and Investment Banking Area. The increase in net interest income and net fee income, together with the fall in expenses, compensated for lower net trading income. Thus operating profit grew 7.2% and attributable net income grew 10.1% to €515m.
- In the Americas all items on the income statement grew quarter-by-quarter during the year and this area also generated increasingly higher profits. For the first time in recent years growth was higher in all quarters in terms of current rates. The increase in business activity (30.1% in lending and 12.3% in traditional fund gathering at banks operating in local currencies), together with the changes in

EXCHANGE RATES (1)

	End of period Exchange Rates			Average Exchange Rates	
	31-12-04	Δ% on 31-12-03	Δ% on 30-09-04	2004	Δ% on 2003
Mexican peso	15.1823	(6.5)	(6.8)	14.0382	(13.0)
Argentine peso	4.0488	(8.1)	(8.2)	3.6664	(9.0)
Chilean peso	759.30	(1.4)	(0.2)	757.58	2.9
Colombian peso	3,205.13	9.5	1.3	3,257.33	(0.3)
Peruvian new sol	4.4745	(2.1)	(7.3)	4.2399	(7.2)
Venezuelan bolivar	2,610.97	(22.6)	(8.8)	2,341.92	(21.9)
U.S. dollar	1.3621	(7.3)	(8.9)	1.2438	(9.1)

(1) Expressed in currency/euro.

interest rates, boosted the more recurrent earnings, particularly net interest income. Operating profit recorded an annual increase of 11.6% (26.0% at constant exchange rates); net profit grew 24.6% and attributable net profit – influenced by lower minority interests in Bancomer – grew by 70.8% (91.4% at constant rates) to €1,239m.

- The picture in Mexico was particularly encouraging. Business activity grew further, focusing on the most profitable product lines. In local currency terms lending grew 37.6% and customer funds 11.4%. The cost/income ratio went below 40% and there were higher increases year-on-year in all the items on the income statement. Operating profit increased by 11.2% (27.9% at constant exchange rates) and net profit by 28.9% (48.2% at constant rates). Attributable net profit came to €841m, which was more than double 2003.

- The Group once again improved asset quality, the NPL ratio had fallen to 0.95% by the end of the year (compared to 1.37% at the end of 2003). Coverage increased to 247.2% compared to 184.9% a year earlier.

- Capital adequacy continued to be strong with core capital standing at 6.0% on 31-Dec-04 (achieving the goal set for the year), Tier I was 8.1% and the BIS ratio was 12.5%.

- The steady improvement in BBVA's finances and the success of its strategy have been widely recognised by the market: the share price rising 19.2% during the year. This increase was the highest among large European banking groups and it outperformed both the general and specific indices. The buoyant share price and the capital expansion meant that the Group's market capitalisation increased 26.4% to €44.25 billion at 31-Dec-04.

- The proposed dividend per share for 2004, to be submitted to the General Shareholders Meeting for approval, will be €0.442 per share. This is an increase of 15.1% compared to the €0.348 per share paid against 2003 results.

One of the cornerstones of the BBVA Group's strategy is the quest for profitable growth through organic or non-organic activities. In terms of growth in core business, 2004 witnessed the emergence of numerous initiatives in all business areas. These included the financial services plan, the customer programme and the launch of BBVA Patrimonios by the Retail Banking Area for Spain and Portugal; expansion of the bank's brands in Latin-American markets by Wholesale and Investment Banking, including Anida (the name that BBVA uses for its new real estate strategy); and the creation of a technology centre in Monterrey; the new business strategy for Finanzia México and the enhanced synergy between banking, insurance and pension business in Chile, by the Americas Area.

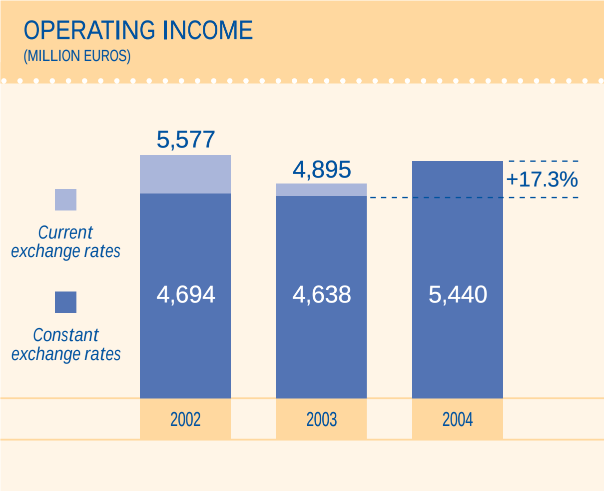
Examples of non-organic growth include the $4.1–billion takeover bid for Bancomer's minority holdings. This was financed partly by an increase in capital of nearly €2 billion. Following this operation, BBVA now holds 99.7% of Bancomer. Another operation in Mexico was the agreement to acquire 100% of Hipotecaria Nacional (the largest private mortgage lender) for $375m. This transaction has been finalised in January 2005.

Further international expansion focused on the Hispanic market in the USA with the acquisition of Valley Bank in California for $17m and Laredo National Bancshares (LNB), a financial group in Texas, for $850m. The latter operation will be concluded at the beginning of 2005. In order to strengthen and co-ordinate the above operations within the Americas Area, a new US retail banking unit has been set up. It consists of LNB, Valley Bank, Bancomer Transfer Services and BBVA Puerto Rico.

Income for the period

In 2004 the BBVA Group obtained attributable net income of €2,802m. This is an all-time record for the Group. Compared to 2003 (€2,227m) it represents an increase of 25.8%. This figure would be 30.4% excluding the impact of the depreciation in Latin-American currencies on the Group's results in this region.

This important increase is mainly due to the positive performance of operating profit and therefore reflects



improved fundamentals. In absolute terms the increase in operating profit is similar to the rise in attributable net profit. Thus the intermediate items on the statement have almost zero effect.

Operating profit came to €5,440m. This was 11.1% higher than the €4,895m obtained in 2003 (17.3% at constant exchange rates). The trend during the year has been upwards with increasingly higher figures (9.0% for January-September, 7.7% for January-June and 5.2% for January-March).

All business areas are contributing to the improvement in operating profit. Retail Banking in Spain and Portugal grew 13.3% and Wholesale and Investment Banking 7.2%. For the first time in recent years the effect of currency depreciation in the Americas was overcome and the increase in operating profit was 11.6% (26.0% at constant exchange rates). This was due to good performance by Mexico (11.2% or 27.9% at constant rates) as well as by the rest of this area (12.2% or 22.6% at constant rates). Furthermore the ALCO (through the active management of structural interest rate and currency risks) and the large industrial companies unit (through the active management of the portfolio of investments) also reported significant increases in net trading income and dividends, thus contributing to the growth in operating profit.

This favourable trend in operating profit is due to the increase in net interest income and in net fee income and to the containment of costs.

Net interest income in 2004 was €7,069m. This was 4.9% more than the previous year (at constant exchange rates the increase was 10.5%).

In the domestic market lower interest rates continued to put spreads under pressure. Therefore the retail and wholesale banking areas focused their efforts on price management and the growth in lending and customer funds thus increasing net interest income by 3.9% and 10.0% respectively. The corresponding increase in the Americas was 8.0% at current exchange rates and 22.8% at constant rates. Here the increase in business activity (which is focused on the more profitable products) and price management were complemented by higher interest rates in countries such as Mexico.

Net fee income was €3,379m, growing 3.6% over the previous year (9.4% at constant exchange rates). It grew 11.6% in Retail Banking in Spain and Portugal, 24.0% in Wholesale Banking and 9.5% in the Americas at constant exchange rates.

Thus core revenues rose to €10,448m, some 4.4% higher than 2003 (10.1% higher at constant exchange rates). Together with net trading income, which fell 7.1% (a fall of 3.6% at constant rates), ordinary revenues came to €11,053 in 2004 with an annual increase of 3.7% (an increase of 9.3% at constant rates). It should be noted that core revenues grew throughout the year. The annual increases in terms of both current and constant exchange rates were increasingly higher.

Operating expenses fell by 1.3% (they grew by 3.6% at constant rates). This was a result of flat domestic activity and an increase of 6.7% in the Americas in local currency terms.

The growth in ordinary revenues and the containment of costs led to a new improvement in the cost/income ratio which stands at 44.9% (2.3 points better than the 47.2% recorded in 2003). This means that the BBVA Group remains at the head of large banks in the euro area in regard to this important index. The improvement was seen in all business areas. The ratio in Retail Banking in Spain and Portugal was 41.8% (an improvement of 2.9 points over the figure of 44.7% in 2003). In Wholesale and Investment Banking it was 29.9% (1.8 points better than the 31.7% for the previous year) and in the Americas it was 42.1% (an improvement of 3.4 points with regard to 45.5% in 2003).

Income from companies carried by the equity method came to €360m which was 6.1% lower than the previous year. This was because dividends (which came to €437m, an increase of 36.9% over 2003) were a bigger proportion of the gross contribution of €797m (which was 13.4% higher than the €702m recorded in 2003). A charge for €37m was made in the last quarter in order to bring to zero the contribution of BNL to this line of the income statement in 2004.

The bank's portfolio of investments contributed €592m to income from Group transactions. This was an annual increase of 7.0%. The most relevant operation during the year was the sale of the holding in Banco Atlántico which generated €218m. In addition capital gains on interests held by the Wholesale Banking unit and the large industrial corporations unit rose to €138m and €150m, respectively.

The Group has earmarked €931m for loan-loss provisions, 27.1% less than the €1,277m in 2003, which included €285m for increasing coverage of exposure associated with country risk in Argentina, from 50% to 75%. It also included other provisions related to that country with simultaneous write-back of special funds, included under extraordinary items. A reduction in non-performing loans (NPL) allowed specific provisions to be reduced while coverage for the statistical and generic provisions was increased to €600m, the latter due to growth in lending.

Amortisation of goodwill accounted for €582m during the year. This figure was less than the 2003 figure of €639m, which included extraordinary items of €119m (Bradesco y Gas Natural). Of the amount provided in 2004, €243m was for amortisation of goodwill at Bancomer (where the period of amortisation has been extended from 10 years to 20 years), and €193m for Banca Nazionale del Lavoro of which €145m is the early cancellation (made in the last quarter) of all goodwill related to this entity.

Net extraordinary items generated a deduction of €730m. This included €572m (€372m net of tax) booked in the fourth quarter for early retirement of 1,372 employees during year. In previous years this was charged against reserves in accordance with the authorisation by the Bank of Spain.

After deducting provisions for corporate income tax, net income came to €3,192m, some 10.2% more than 2003 (15.4% at constant exchange rates). Of this amount, €390m was generated by minority interests. This figure was 41.7% less than in 2003 due mainly to the decline in minority interests at Bancomer following the takeover in the first quarter of 2004. It was also due to the exchange rate effect and to the lower cost of preferred stock following repayment of old issues and lower interest rates on new issues made during the year.

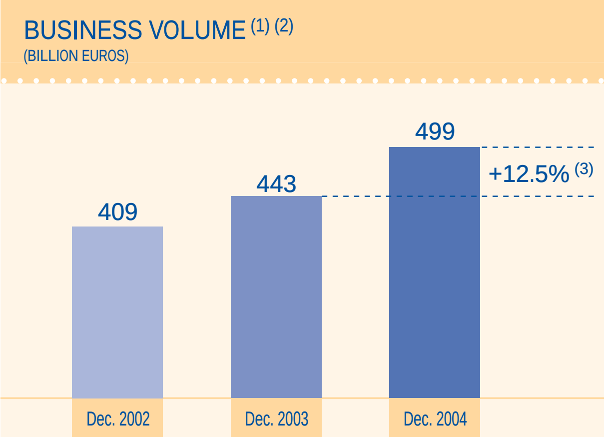
Therefore the Group's attributable net profit in 2004 came to €2,802m rising 25.8% over the figure of €2,227m in the previous year. This percentage would be 30.4% at constant exchange rates. Earnings per share therefore rose to €0.83 compared to €0.70 in 2003, an increase of 19.2% (which is less than the rise in attributable net profit due to the capital increase of €1,999m in February 2004).

The growth in net income led to a 20.0% rise (compared to 18.4% in 2003) in return on equity (ROE) despite higher equity due the above-mentioned capital increase. Thus BBVA continues to be one of the top banks in the euro zone in regard to this ratio. Return on assets (ROA) stands at 1.05% and the return on risk-weighted assets (RORWA) is 1.79% (these were 1.04% and 1.74%, respectively, in 2003).

Balance sheet and business activity

The key indicators for the BBVA Group in 2004 confirm the faster growth of high-street banking business. The increases in the main items are higher than those recorded in 2003 in Spain and in the Americas (whether at current or constant exchange rates).

Total assets at 31-Dec-04 came to €311 billion and this figure is 8.3% higher than a year earlier (10.0%



(1) Total gross lending plus total customer funds. (2) At constant exchange rates.
(3) Increase of 14.9% in lending and 11.2% in funds under management.

higher at constant rates). Total business volume, which is the aggregate of gross lending and total customer funds under management, came to €499 billion. This was 11.0% higher than the €449 billion recorded at 31-Dec-03. At constant exchange rates this figure increases to 12.5%. Both figures are significantly higher than in 2003 (3.1% at current rates and 8.4% at constant rates).

Lending to customers accounted for €175 billion. This is 13.9% more than the figure of €153 billion at the end of 2003 (14.9% at constant rates). It should be noted that this business has been growing progressively faster over the last eight quarters.

Two securitisation operations were carried out in the fourth quarter of 2004. One of these involved €1 billion of car finance and the other, also €1 billion, entailed loans to SMEs. These amounts were accordingly removed from the Group's balance sheet. Together with similar operations by BBVA and BCL in previous years, the total volume of securitisation is close to €4 billion. If these are taken into consideration, the rate of increase in lending would be 14.6% in euros and 15.6% at constant exchange rates.

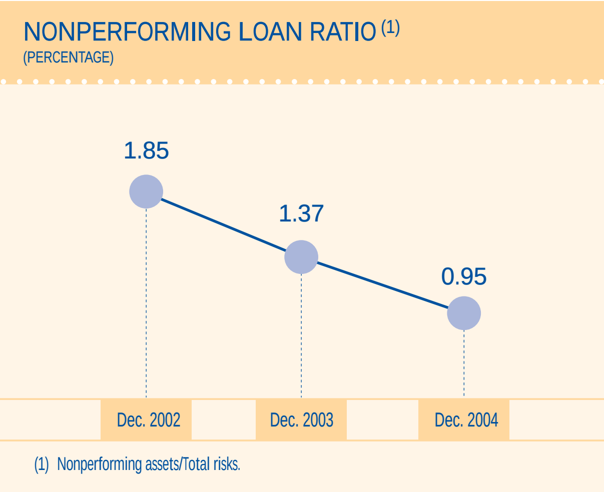
Lending to other resident sectors came to €117 billion with an annual increase of 15.0% (16.2% if securitised loans are included). Growth was therefore higher than in 2003 (13.4%) and in 2002 (8.9%). Secured loans continued to be the main engine of growth in this area. They increased by 21.7% (22.3% with securitised loans). This was due to the buoyant market for housing finance. Leasing increased by 22.0%, commercial loans by 11.1% and other loans by nearly 8% with securitisation.

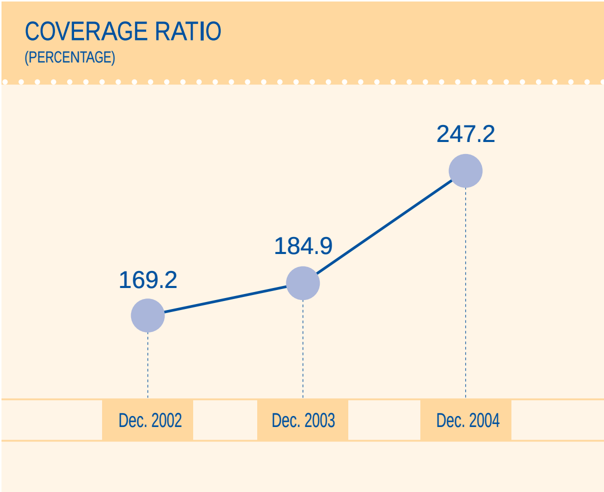
Lending to the public sector rose to €15 billion at an annual rate of 15.3% and lending to non-residents came to €41 billion, an increase of 13.7% at current exchange rates and 17.9% at constant rates. This is in contrast to the decline recorded in 2003. Thanks to selective growth in some countries in previous years, the improved economic situation in Latin America has opened the way to a more general increase in lending in 2004.

The important level of lending growth in 2004 was compatible with a significant improvement in asset quality. Non performing assets assets during the year declined 31.9% to €1,820m compared to €2,673m at 31-Dec-03. Thus the NPL ratio, defined as bad debts (including contingent liabilities but excluding group 5 country risk) divided by total risk, fell to 0.95% at the end of the year, from 1.37% at 31-Dec-03. This ratio has so far declined for eight quarters running. The NPL ratio for lending alone has fallen even faster, from 1.74% in December 2003 to 1.04%. It stands at a record low of 0.55% for loans to other resident sectors in Spain at the end of 2004 (0.72% at 31-Dec-03). This is below the average for the sector.

Bad debts are falling in all business areas while total lending is increasing. Therefore there is a general decline in the NPL ratio. In Retail Banking in Spain and Portugal it stands at 0.61% (0.85% at 30-Dec-03), in Wholesale and Investment Banking it is 0.19% (0.50% at 30-Dec-03) and in the Americas 3.18% (previously 4.46%). The figure for the latter area was due to improvements in Mexico (2.60% at year-end compared to 3.72% at 31-Dec-03) and in the other banks in the region.

The above decline in bad debts was accompanied by an increase in provisions, mainly in the form of greater generic and statistical provisions. Coverage has increased from 184.9% at 31-Dec-03 to 247.2% at the end of 2004.





Total customer funds managed by the Group came to €324 billion at the end of the 2004. This was an increase of 9.5% over the figure of €296 billion at 31-Dec-03. The increase at constant exchange rates is 11.2%. Both figures are higher than those recorded in 2003 (2.3% at current rates and 8.4% at constant rates). While in 2003 growth in total customer funds was mainly concentrated in off-balance sheet items, in 2004 it has been more even, with greater increases in deposits due to the recovery in fixed deposits.

Customer funds on the balance sheet came to €199.5 billion, 9.1% more than at the end of 2003 (10.9% at constant rates). In the domestic market deposits by other residential sectors came to €72 billion. This was 9.8% higher than at the end of 2003 when the increase was 2.6%. Deposits excluding repos grew 8.7% to €59 billion (3.9% in 2003) with increases of 7.2% in current and savings accounts, and 11.8% in term deposits. The aggregate of deposits, mutual funds and pension funds grew at an annual rate of 10.6% (7.3% in 2003).

Deposits by non-residents were €70 billion with year-on-year increases of 4.2% at current exchange rates and 8.7% at constant rates. In 2003 they declined by 8.3% at current rates and grew by 6.0% at constant rates. Public sector deposits came to €5 billion. This figure was affected by the lower balance awarded in the Treasury auction, compared to the figure at 31-Dec-03.

Lastly, marketable debt securities grew 28.9% to €44 billion (including an increase of 63.0% in mortgage warrants) and subordinate debt grew by 9.6% to €8 billion.

Off-balance-sheet customer funds (mutual funds, pension funds and customers' portfolios and assets) managed by the Group came to €124.5 billion. The annual increase of 10.1% was higher than in 2003 (3.9%) and same observation applies to the other relevant business figures.

More than half of these funds, €69 billion, were contributed by Spain with an annual increase of 13.9%. Of this amount, mutual funds accounted for €42.2 billion (up 13.3%) following growth of 12.0% in mutual funds and doubling of assets in the BBVA Propiedad real estate fund. Pension funds increased to €13.5 billion (a rise of 10.6%) including an increase of 14.2% in individual pension plans thanks to the BBVA Protección products. The bank was also awarded deposit and management of the central government employees' pension fund. This is the biggest by number of participants (530,000). Customers' portfolios and assets under management account for the remaining €13.3 billion – having grown 19.3%.

In other countries where the Group operates, off-balance-sheet funds came to €55.5 billion with a year-on-year increase of 5.7% at current exchange rates. At constant rates this becomes an increase of 8.9%. Of these, €28 billion are pension funds, €18.7 billion are customers' portfolios and €8.8 billion are mutual funds.

Capital base

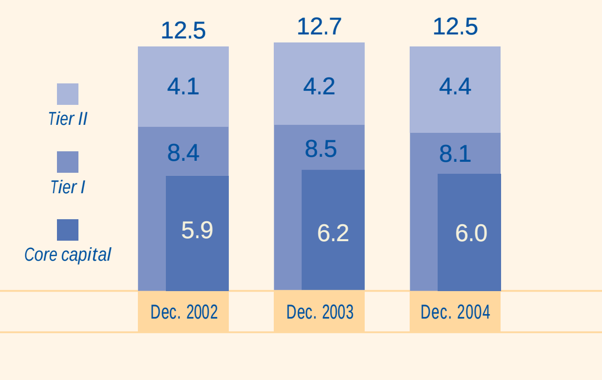
At 31st December 2004 the capital base of the BBVA Group came to €22,647m based on the criteria of the Bank for International Settlements (BIS). This figure is 4.9% higher than at 31-Dec-03 and capital surplus is €8,157m. Core capital came to €10,910m, representing 6.0% of risk-weighted assets, achieving the goal set for the year. Tier I capital is 8.1% and the BIS ratio stands at 12.5%.

During 2004 the acquisition of minority interests in Bancomer and the increase in business (risk-weighted assets increased by 6.5%) created new demands for capital. These were covered by the capital increase of €1,999m and by retained profits.

With the object of optimising the bank's capital structure, preference securities of BBVA International Ltd. were amortised in June (€700m of the B series with a 6.24% coupon) and in December (€1,000m of the C series with a 5.76% coupon). At the same time two issues of preference securities were made by BBVA Capital Finance, a wholly-owned subsidiary of the Group based in Spain. These entailed €500m in June and €1,125m in December. Both were placed through the bank's branch network. Following these operations the weight of preference securities in basic equity fell by 1.2 points, to 25.8%.

In regard to the second category of equity (Tier II), €1,000m of subordinated debt was issued in October

CAPITAL BASE: BIS RATIO
(PERCENTAGE)



and $100m of subordinated debt issued by BBVA Capital Funding in 1995 was retired. Thus Tier II has increased to 4.4% during the year.

The BBVA share price

In 2004 the international stock markets confirmed the recovery that started in 2003 and shares in Spain performed positively.

In 2004 the BBVA share price outperformed the main European banks, rising 19.2% since 31-Dec-03. This was significantly higher than the 6.9% increase in the Euro Stoxx 50 index and the 10.9% increase in Euro Stoxx Banks. These indices represent the average of the general market and of the banking sector in the euro zone. It also outperformed the 17.4% rise in the Ibex 35. The increase in the share price together with the capital increase mean that BBVA's market capitalisation at the end of 2004 comes to €44,251m. This is an increase of €9,256m or 26.4% since 31-Dec-03. In terms of market value, BBVA is the third largest bank in the Euro Stoxx 50.

During the year 9,040 million BBVA shares were traded on the electronic continuous market. This was 11.5% more than in 2003 and it represents 266.6% of share capital. Average daily turnover was 36 million shares or 1.06% of the bank's capital. The average amount traded daily was €403m and this was 35.4% higher than 2003.

In regard to a shareholder remuneration stemming from 2004 earnings, three dividends of €0.10 per share were paid in July and October 2004, and January 2005. After adding a final dividend of €0.142, whose approval will be proposed at the General Shareholders Meeting, the total dividend received by shareholders against 2004 earnings will come to €0.442 per share. This is an increase of 15.1% over the €0.384 paid against 2003 results. Thus pay-out is at 53.5% and the yield, calculated on the share price at the end of the year, will be 3.39%.

Income statement

CONSOLIDATED INCOME STATEMENT
(MILLION EUROS)

	2004	∆%	2003	Memorandum item: ∆% at constant exchange rates
Financial revenues	12,466	(0.6)	12,537	5.0
Financial expenses	(6,101)	(2.5)	(6,260)	2.7
Dividends	704	51.6	464	52.4
NET INTEREST INCOME	7,069	4.9	6,741	10.5
Net fee income	3,379	3.6	3,263	9.4
CORE REVENUES	10,448	4.4	10,004	10.1
Net trading income	605	(7.1)	652	(3.6)
ORDINARY REVENUES	11,053	3.7	10,656	9.3
Personnel costs	(3,184)	(2.4)	(3,263)	1.7
General expenses	(1,779)	0.6	(1,768)	7.2
GENERAL ADMINISTRATIVE EXPENSES	(4,963)	(1.3)	(5,031)	3.6
Depreciation and amortization	(453)	(11.2)	(511)	(7.2)
Other operating income and expenses (net)	(197)	(10.0)	(219)	(1.7)
OPERATING PROFIT	5,440	11.1	4,895	17.3
Net income from companies accounted for by the equity method	360	(6.1)	383	(3.7)
Memorandum item: correction for payment of dividends	(437)	36.9	(319)	37.8
Amortization of goodwill	(582)	(9.0)	(639)	(9.0)
Net income from Group transactions	592	7.0	553	7.0
Net loan loss provisions	(931)	(27.1)	(1,277)	(24.1)
Net securities writedowns	-	-	-	-
Net extraordinary income (loss)	(730)	n.m.	(103)	n.m.
PRE-TAX PROFIT	4,149	8.8	3,812	14.2
Corporate income tax	(957)	4.6	(915)	10.3
NET PROFIT	3,192	10.2	2,897	15.4
Minority interests	(390)	(41.7)	(670)	(36.7)
• Preferred shares	(190)	(11.4)	(214)	(11.4)
• Minority interests	(200)	(56.0)	(456)	(50.2)
NET ATTRIBUTABLE PROFIT	2,802	25.8	2,227	30.4

CONSOLIDATED INCOME STATEMENT: QUARTERLY EVOLUTION
(MILLION EUROS)

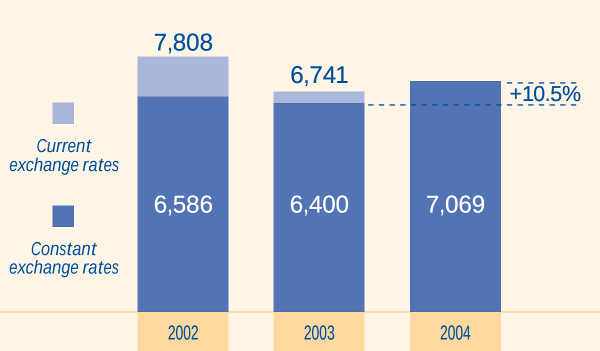
	2004				2003			
	4Q	3Q	2Q	1Q	4Q	3Q	2Q	1Q
Financial revenues	3,294	3,129	3,111	2,932	2,994	2,978	3,190	3,375
Financial expenses	(1,667)	(1,526)	(1,516)	(1,392)	(1,408)	(1,372)	(1,653)	(1,827)
Dividends	181	139	240	144	132	69	161	102
NET INTEREST INCOME	1,808	1,742	1,835	1,684	1,718	1,675	1,698	1,650
Net fee income	856	873	826	824	815	850	792	806
CORE REVENUES	2,664	2,615	2,661	2,508	2,533	2,525	2,490	2,456
Net trading income	236	95	110	164	149	100	206	197
ORDINARY REVENUES	2,900	2,710	2,771	2,672	2,682	2,625	2,696	2,653
Personnel costs	(825)	(780)	(785)	(794)	(835)	(799)	(800)	(829)
General expenses	(485)	(428)	(432)	(434)	(471)	(435)	(442)	(420)
GENERAL ADMINISTRATIVE EXPENSES	(1,310)	(1,208)	(1,217)	(1,228)	(1,306)	(1,234)	(1,242)	(1,249)
Depreciation and amortization	(113)	(115)	(112)	(113)	(124)	(129)	(130)	(128)
Other operating income and expenses (net)	(53)	(41)	(51)	(52)	(43)	(55)	(62)	(59)
OPERATING PROFIT	1,424	1,346	1,391	1,279	1,209	1,207	1,262	1,217
Net income from companies accounted for by the equity method	51	153	72	84	98	170	89	26
Memorandum item: correction for payment of dividends	(139)	(68)	(128)	(102)	(105)	(32)	(114)	(68)
Amortization of goodwill	(86)	(183)	(181)	(132)	(208)	(130)	(170)	(131)
Net income from Group transactions	234	51	62	245	159	116	78	200
Net loan loss provisions	(217)	(200)	(223)	(291)	(223)	(207)	(524)	(323)
Net securities writedowns	-	-	-	-	-	-	-	-
Net extraordinary income (loss)	(490)	(52)	(70)	(118)	(200)	(52)	246	(97)
PRE-TAX PROFIT	916	1,115	1,051	1,067	835	1,104	981	892
Corporate income tax	(75)	(313)	(260)	(309)	(185)	(357)	(164)	(209)
NET PROFIT	841	802	791	758	650	747	817	683
Minority interests	(98)	(98)	(103)	(91)	(162)	(175)	(164)	(169)
• Preferred shares	(43)	(44)	(52)	(51)	(46)	(48)	(56)	(64)
• Minority interests	(55)	(54)	(51)	(40)	(116)	(127)	(108)	(105)
NET ATTRIBUTABLE PROFIT	743	704	688	667	488	572	653	514

BREAKDOWN OF YIELDS AND COSTS

	4Q04		3Q04		2Q04		1Q04	
	% of ATA	% Yield/Cost	% of ATA	% Yield/Cost	% of ATA	% Yield/Cost	% of ATA	% Yield/Cost
Credit entities	8.2	4.45	8.6	3.90	10.2	3.76	10.3	3.60
• Euros	3.5	2.28	3.2	2.01	4.3	2.13	4.4	1.74
• Foreign currencies	4.7	6.06	5.4	5.02	5.9	4.94	5.9	4.99
Total net lending	56.1	4.88	55.0	4.79	52.6	4.88	53.0	4.88
• Euros	45.2	3.90	44.0	3.87	42.1	4.01	42.2	4.15
- Domestic	42.3	4.00	41.0	4.00	39.0	4.13	38.3	4.23
- Other	2.9	2.39	3.0	2.20	3.1	2.52	3.9	3.40
• Foreign currencies	10.9	8.97	11.0	8.46	10.5	8.35	10.8	7.71
Securities portfolio	26.5	5.16	27.3	4.50	28.7	4.99	28.6	4.50
• Fixed-income securities	23.1	4.91	23.6	4.43	25.2	4.43	25.3	4.29
- Euros	14.6	3.21	15.5	2.98	16.1	2.89	15.3	2.95
- Foreign currencies	8.5	7.82	8.1	7.22	9.1	7.15	10.0	6.34
• Equity securities	3.4	6.81	3.7	4.90	3.5	9.00	3.3	6.08
- Investments accounted for by the equity method	1.7	10.42	2.0	4.55	2.1	7.91	2.2	6.54
- Other investments	1.7	3.18	1.7	5.30	1.4	10.67	1.1	5.19
Non-interest earning assets	9.2	-	9.1	-	8.5	-	8.1	-
AVERAGE TOTAL ASSETS	100.0	4.51	100.0	4.26	100.0	4.39	100.0	4.26
Credit entities	21.5	2.80	22.6	2.58	22.3	2.81	21.0	2.81
• Euros	12.9	2.08	14.0	2.00	13.5	2.14	12.8	1.98
• Foreign currencies	8.6	3.87	8.6	3.52	8.8	3.83	8.2	4.12
Customer funds	63.7	2.35	62.8	2.11	63.3	2.04	64.2	1.99
• Customer deposits	47.5	2.13	47.3	1.94	48.7	1.85	50.0	1.79
- Euros	27.7	1.30	26.8	1.25	29.4	1.23	30.2	1.29
- Domestic deposits	19.6	1.12	18.7	1.06	18.2	1.06	18.8	1.14
- Other	8.1	1.75	8.1	1.68	11.2	1.50	11.4	1.53
- Foreign currencies	19.8	3.29	20.5	2.84	19.3	2.79	19.8	2.55
• Debt and other marketable debt securities	16.2	2.99	15.5	2.65	14.6	2.68	14.2	2.71
- Euros	15.0	2.80	14.2	2.44	13.2	2.47	12.7	2.54
- Foreign currencies	1.2	5.56	1.3	4.84	1.4	4.71	1.5	4.18
Shareholders' funds	4.6	-	4.7	-	4.7	-	4.7	-
Other non-interest bearing liabilities	10.2	-	9.9	-	9.7	-	10.1	-
AVERAGE TOTAL LIABILITIES	100.0	2.16	100.0	1.99	100.0	1.99	100.0	1.93
NET INTEREST INCOME/ATA		2.35		2.27		2.40		2.33

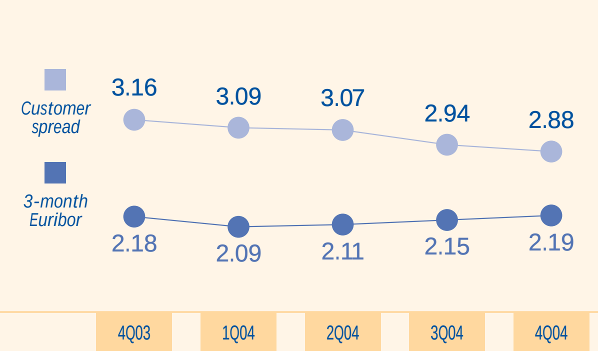
NET INTEREST INCOME

(MILLION EUROS)



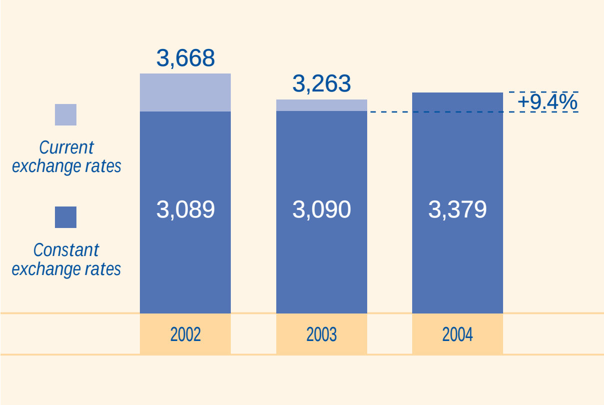
CUSTOMER SPREAD (1) (DOMESTIC)

(PERCENTAGE)

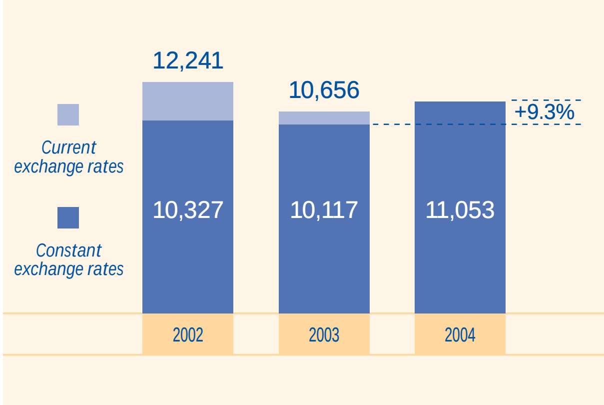


(1) Return on total net lending less costs of deposits.

FEE INCOME
(MILLION EUROS)



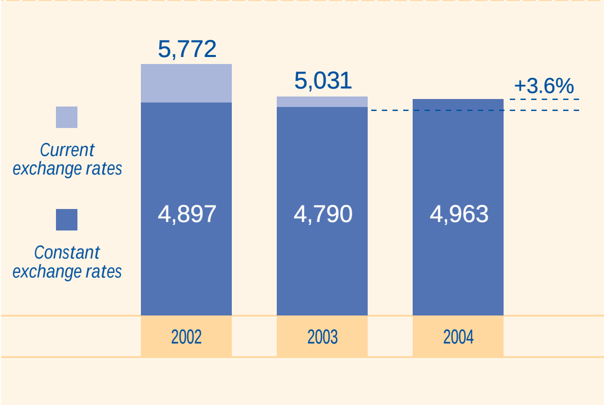
ORDINARY REVENUE
(MILLION EUROS)



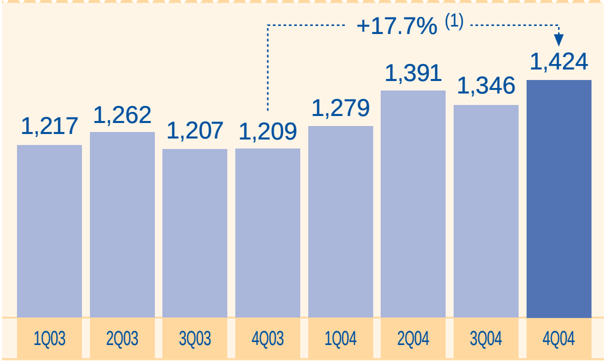
NET FEE INCOME
(MILLION EUROS)

	2004	Δ%	2003
NET FEE INCOME	3,379	3.6	3,263
Collection and payment services	1,371	(1.1)	1,387
• Credit and debit cards	594	1.1	588
• Other collection and payment services	777	(2.7)	799
Asset management	1,159	7.3	1,080
• Mutual and pension funds	1,062	6.9	994
• Managed portfolios	97	12.9	86
Other securities services	468	2.3	457
• Purchase/sale of securities	135	4.7	129
• Underwriting and placement	67	12.7	59
• Administration and custody services	266	(1.1)	269
Other fees	381	12.3	339

GENERAL ADMINISTRATIVE EXPENSES
(MILLION EUROS)



OPERATING PROFIT
(MILLION EUROS)

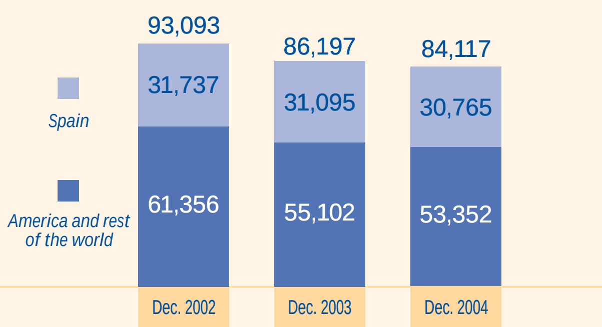


(1) At constant exchange rates: +22.4%.

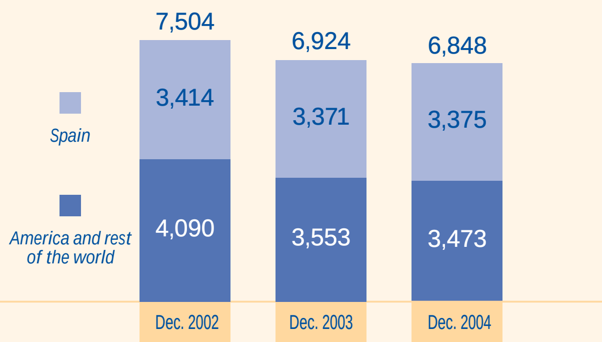
GENERAL AND ADMINISTRATIVE EXPENSES
(MILLION EUROS)

	2004	∆%	2003
PERSONNEL COSTS	3,184	(2.4)	3,263
Wages and salaries	2,416	(1.7)	2,458
• Fixed compensation	1,903	(2.4)	1,951
• Variable compensation	513	1.3	507
Employee welfare expenses	542	(5.2)	571
• Of which: pension funds	112	(17.0)	135
Training expenses and other	226	(3.3)	234
GENERAL EXPENSES	1,779	0.6	1,768
Premises	358	(1.3)	362
IT	408	10.1	370
Communications	178	(10.5)	199
Advertising and publicity	142	5.7	135
Corporate expenses	71	5.2	68
Other expenses	480	(1.1)	485
Levies and taxes	142	(4.5)	149
TOTAL GENERAL AND ADMINISTRATIVE EXPENSES	4,963	(1.3)	5,031

NUMBER OF EMPLOYEES



NUMBER OF BRANCHES

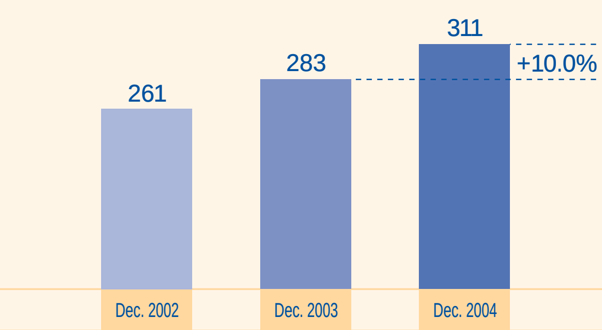


Balance sheet and activity

CONSOLIDATED BALANCE SHEETS
(MILLION EUROS)

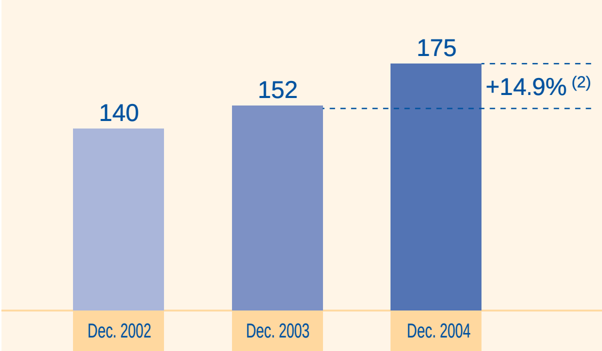
	31-12-04	Δ%	31-12-03	30-09-04
Cash on hand and deposits at Central Banks	10,122	24.8	8,110	8,757
Due from credit entities	16,176	(22.6)	20,907	23,611
Total net lending	170,248	14.4	148,827	165,558
Fixed-income securities portfolio	70,959	(1.3)	71,881	71,161
• Government debt securities	18,370	(3.0)	18,945	18,881
• Debentures and other debt securities	52,589	(0.7)	52,936	52,280
Equity securities portfolio	12,620	29.6	9,740	9,782
• Accounted for by the equity method	6,354	(4.4)	6,648	5,561
• Other investments	6,266	102.6	3,092	4,221
Goodwill in consolidation	5,229	41.1	3,707	5,384
Property and equipment	3,782	(0.2)	3,790	3,830
Treasury stock	18	(72.2)	66	88
Accumulated losses at consolidated companies	3,821	5.8	3,611	3,525
Other assets	18,097	9.6	16,511	18,637
TOTAL ASSETS	311,072	8.3	287,150	310,333
Due to credit entities	65,336	6.1	61,570	69,895
On-balance-sheet customer funds	199,485	9.1	182,831	195,899
• Deposits	147,051	4.3	141,049	148,244
• Marketable debt securities	44,326	28.9	34,382	40,459
• Subordinated debt	8,108	9.6	7,400	7,196
Other liabilities	20,533	6.2	19,342	19,932
Net profit for the year	3,192	10.2	2,897	2,351
Minority interests	4,435	(18.3)	5,426	4,366
Capital	1,662	6.1	1,566	1,662
Reserves	16,429	21.5	13,518	16,228
TOTAL LIABILITIES AND EQUITY	311,072	8.3	287,150	310,333
Other customer funds managed	124,499	10.1	113,075	123,009
• Mutual funds	51,041	11.6	45,752	50,650
• Pension funds	41,490	3.7	40,016	41,140
• Customer portfolios	31,968	17.1	27,307	31,219
Contingent liabilities	21,653	30.0	16,652	20,002
MEMORANDUM ITEM:				
Average total assets	303,250	8.6	279,245	302,041
Average risk-weighted assets	177,909	7.1	166,050	175,607
Average shareholders' funds	14,044	16.4	12,069	13,978

TOTAL ASSETS (1)
(BILLION EUROS)



(1) At constant exchange rates.

TOTAL LENDING (GROSS) (1)
(BILLION EUROS)

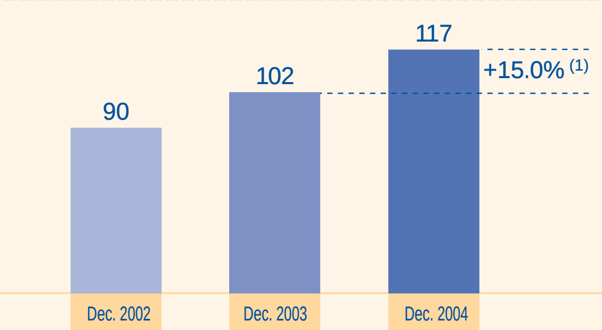


(1) At constant exchange rates.
(2) Including securitized loans: +15.6%.

TOTAL LENDING
(MILLION EUROS)

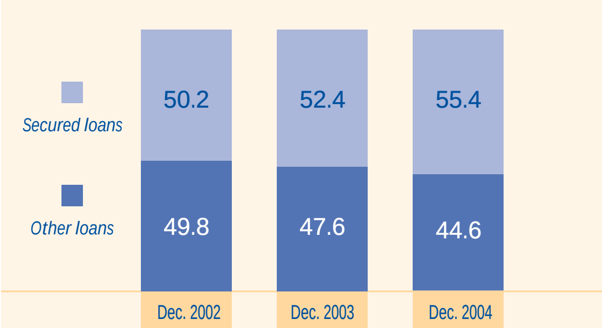
	31-12-04	∆%	31-12-03	30-09-04
Public sector	15,376	15.3	13,334	14,493
Other domestic sectors	116,781	15.0	101,532	113,408
• Secured loans	64,691	21.7	53,166	62,209
• Commercial loans	9,231	11.1	8,309	8,022
• Other term loans	34,937	5.2	33,222	35,827
• Credit card debtors	1,067	(0.9)	1,076	1,003
• Other	1,669	10.8	1,507	1,411
• Financial leases	5,186	22.0	4,252	4,936
Non-domestic sector	40,638	13.7	35,732	40,214
• Secured loans	12,300	17.4	10,473	11,995
• Other loans	28,338	12.2	25,259	28,219
Nonperforming loans	1,820	(31.9)	2,673	1,952
• Public sector	107	54.6	69	85
• Other domestic sectors	648	(11.6)	734	624
• Non-domestic sectors	1,064	(43.1)	1,870	1,243
TOTAL LENDING (GROSS)	174,615	13.9	153,271	170,067
Loan loss provisions	(4,367)	(1.7)	(4,444)	(4,509)
TOTAL NET LENDING	170,248	14.4	148,827	165,558

TOTAL LENDING TO OTHER DOMESTIC SECTORS (GROSS)
(BILLION EUROS)



(1) Including securitized loans: +16,2.

DETAIL OF TOTAL GROSS LENDING TO OTHER DOMESTIC SECTORS
(PERCENTAGE)



VARIATIONS IN NONPERFORMING LOANS
(MILLION EUROS)

	4Q04	3Q04	2Q04	1Q04
BEGINNING BALANCE (1)	2,002	2,045	2,150	2,320
Net variation	(146)	(43)	(105)	(170)
+ Entries	401	464	450	485
- Outflows	(375)	(418)	(357)	(390)
- Write-offs	(172)	(89)	(198)	(265)
PERIOD-END BALANCE (1)	1,856	2,002	2,045	2,150
MEMORANDUM ITEM:				
• Nonperforming loans	1,820	1,952	1,995	2,135
• Country risk (group 5)	(10)	(25)	(26)	(86)
• Nonperforming contingent liabilities	46	75	76	101

(1) Including contingent liabilities but excluding country risk (group 5).

RISK MANAGEMENT
(MILLION EUROS)

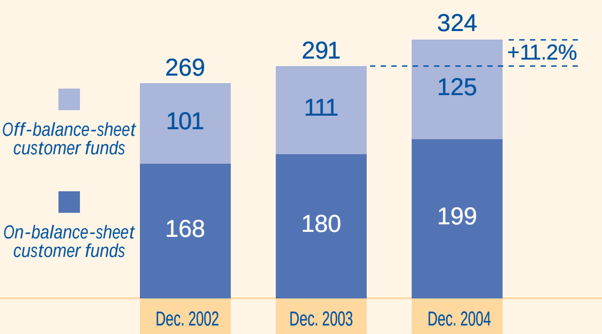
	31-12-04	Δ%	31-12-03	30-09-04
TOTAL RISK EXPOSURE (1)				
Nonperforming assets	1,856	(20.0)	2,320	2,002
Total risks	196,258	15.8	169,466	190,044
Provisions	4,587	6.9	4,290	4,721
NPL ratio (%)	0.95		1.37	1.05
NPL coverage ratio (%)	247.2		184.9	235.8
CREDIT RISK				
NPL ratio (%)	1.04		1.74	1.15
NPL coverage ratio (%)	240.0		166.3	231.0
Coverage ratio including secured loans (%)	263.3		184.2	253.9
MEMORANDUM ITEM:				
Foreclosed assets	324	(13.3)	373	365
Foreclosed asset provisions	167	(17.3)	202	189
Coverage (%)	51.7		54.2	51.9

(1) Including contingent liabilities but excluding country risk (group 5).

CUSTOMER FUNDS MANAGED
(MILLION EUROS)

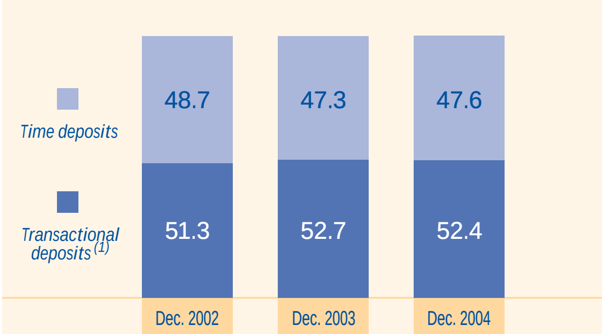
	31-12-04	Δ%	31-12-03	30-09-04
ON-BALANCE-SHEET CUSTOMER FUNDS	199,485	9.1	182,831	195,899
DEPOSITS	147,051	4.3	141,049	148,244
Public sector	4,850	(40.2)	8,115	6,738
Other domestic sectors	72,372	9.8	65,917	71,103
• Current accounts	21,441	7.9	19,874	21,580
• Savings accounts	18,236	6.4	17,144	17,446
• Time deposits	19,532	11.8	17,466	18,579
• Assets sold under repurchase agreement	13,163	15.1	11,433	13,498
Non-domestic sector	69,829	4.2	67,017	70,403
• Current and savings accounts	25,812	5.2	24,536	25,653
• Time deposits	39,962	5.9	37,747	39,879
• Assets sold under repurchase agreement and other accounts	4,055	(14.3)	4,734	4,871
MARKETABLE DEBT SECURITIES	44,326	28.9	34,382	40,459
Mortgage bonds	19,143	63.0	11,741	16,229
Other marketable securities	25,183	11.2	22,641	24,230
SUBORDINATED DEBT	8,108	9.6	7,400	7,196
OTHER CUSTOMER FUNDS MANAGED	124,499	10.1	113,075	123,009
Mutual funds	51,041	11.6	45,752	50,650
Pension funds	41,490	3.7	40,016	41,140
Customer portfolios	31,968	17.1	27,307	31,219
TOTAL CUSTOMER FUNDS MANAGED	323,984	9.5	295,905	318,908

CUSTOMERS FUNDS MANAGED (1)
(BILLION EUROS)



(1) At constant exchange rates.

BREAKDOWN OF CUSTOMERS DEPOSITS
(PERCENTAGE)



(1) Current accounts and savings accounts.

OTHER CUSTOMER FUNDS MANAGED
(MILLION EUROS)

	31-12-04	Δ%	31-12-03	30-09-04
SPAIN	69,006	13.9	60,596	66,785
MUTUAL FUNDS	42,212	13.3	37,245	41,613
Mutual Funds (ex Real Estate)	41,070	12.0	36,673	40,625
• Money market	12,019	12.7	10,666	11,956
• Fixed-income	13,592	22.9	11,057	13,140
Of which: Guaranteed	7,963	42.0	5,609	7,427
• Balanced	2,444	2.1	2,393	2,668
Of which: International funds	1,832	(19.9)	2,288	1,954
• Equity	12,606	4.9	12,019	12,548
Of which: Guaranteed	9,606	7.2	8,957	9,601
International funds	1,961	(19.2)	2,426	1,997
• Global	409	(24.1)	538	313
Real Estate investment trusts	1,142	99.7	572	988
PENSION FUNDS	13,501	10.6	12,208	12,644
Individual pension plans	7,320	14.2	6,413	6,667
Corporate pension funds	6,181	6.7	5,795	5,977
CUSTOMER PORTFOLIOS	13,293	19.3	11,143	12,528
REST OF THE WORLD	55,493	5.7	52,479	56,224
Mutual funds	8,829	3.8	8,507	9,037
Pension funds	27,989	0.7	27,808	28,496
Customer portfolios	18,675	15.5	16,164	18,691
OTHER CUSTOMER FUNDS MANAGED	124,499	10.1	113,075	123,009

GOODWILL IN CONSOLIDATION
(MILLION EUROS)

	31-12-04	Δ%	31-12-03	30-09-04
Global and proportional integration method	4,436	67.3	2,651	4,355
• Banks in America	3,848	96.2	1,961	3,755
• Pension fund management companies in America	379	(15.3)	447	382
• Other	209	(13.9)	243	218
Companies accounted for by the equity method	793	(24.9)	1,056	1,029
GOODWILL IN CONSOLIDATION	5,229	41.1	3,707	5,384

Capital base

CAPITAL BASE (BIS REGULATIONS)
(MILLION EUROS)

	31-12-04	30-09-04	31-12-03
CAPITAL (TIER I)	14,708	14,620	14,392
Capital stock	1,662	1,662	1,566
Reserves (1)	12,432	12,527	9,731
Minority interests	4,586	4,511	5,837
• Preferred shares	3,798	3,695	3,891
• Other	788	816	1,946
Deductions	(5,275)	(5,463)	(3,745)
Net attributable profit	2,802	2,059	2,227
Dividends	(1,499)	(676)	(1,224)
OTHER ELIGIBLE CAPITAL (TIER II)	7,939	7,237	7,192
Subordinated debt	7,077	6,291	6,328
Revaluation reserves and other	1,713	1,631	1,590
Deductions	(851)	(685)	(726)
CAPITAL BASE	22,647	21,857	21,584
Minimum capital requirement	14,490	14,597	13,602
CAPITAL SURPLUS	8,157	7,260	7,982
MEMORANDUM ITEM:			
Risk-weighted assets	181,131	182,462	170,024
BIS RATIO (%)	12.5	12.0	12.7
CORE CAPITAL	6.0	6.0	6.2
TIER I (%)	8.1	8.0	8.5
TIER II (%)	4.4	4.0	4.2

(1) Not including revaluation reserves, since these are considered as TIER II.

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 BBVA SHARE

	31-12-04	30-09-04	31-12-03
Number of shareholders	1,081,020	1,117,771	1,158,887
Number of shares issued	3,390,852,043	3,390,852,043	3,195,852,043
Daily average number of shares traded	36,013,282	35,629,208	32,436,618
Daily average trading (million euros)	403.45	390.30	297.86
Maximum price (euros)	13.11	11.48	10.99
Minimum price (euros)	10.15	10.15	6.83
Closing price (euros)	13.05	11.08	10.95
Book value per share (euros)	4.59	4.62	3.88
Market capitalization (million euros)	44,251	37,571	34,995

SHARE PERFORMANCE RATIOS

	31-12-04	30-09-04	31-12-03
Price/Book value (times)	2.8	2.4	2.8
PER (Price/Earnings; times)	15.8	14.1	15.7
Yield (Dividend/Price; %)	3.39	3.88	3.51

SHARE PRICE INDEX
(31-12-03=100)

Business areas

This section reports the activity and results of the BBVA Group broken down into business areas. The contribution of each area is then discussed separately.

The presentation of information by area is a basic tool for controlling and monitoring the different businesses. Preparation starts with the low-level business units where all the initial accounting data are kept. These units are then classified and combined in accordance with the defined structure of the areas to arrive at the composition of each one. Likewise, the Group's companies are also assigned to a business area depending on their activity. If this activity is too diverse, then the area is broken down into the corresponding units as necessary.

Once the composition of each area has been defined, the necessary management adjustments inherent in the model are applied. These adjustments include a charge for the use of equity via the allocation of economic capital commensurate with the risks incurred by each business. Capital requirements are assessed 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 relative risk in each area. This amount is used as a basis to determine the return generated on the equity of each business (ROE). Following this, other equity eligible funds issued by the Group (subordinate debt and preferred stock) are assigned together with their associated costs. There is one exception to this system of allocating equity. The Americas Area (except for Argentina and international private banking that follow the above mentioned method) continues to book equity based on a hypothetical consolidated subgroup in each country. Thus the core equity figures used correspond to the BBVA Group's interest in each case. Amounts associated with minority interests are recorded under *Other eligible funds.*

The internal transfer charges are adjusted for maturity and interest rate revision period for the different assets and liabilities that make up each unit's balance sheet. This is part of the permanent improvement process for management information by business area.

Direct and indirect expenses are assigned to areas except for those items where there is no close and defined link to the businesses in question, ie, when they are clearly of a corporate or institutional nature in the context of the overall Group.

Lastly, it should be noted that the procedure followed to balance the activities of each business (Retail, Wholesale and the Americas) does not include the elimination of intergroup transactions that affect different areas. It is considered that these are an integral part of the activity and operation of each business. Thus, intergroup eliminations arising from the consolidation process are assigned to the Corporate Activities Area. This means that certain items on its balance sheet may contain negative amounts.

In regard to the composition of the business areas it should be noted that given the continuing normalisation of the financial situation in Argentina and therefore of the financial statements of Group companies in that country, these statements are now incorporated in the Americas Area. In previous years, Argentina was reported under Corporate Activities by the equity method. The figures for previous periods in these two areas, which are presented for comparative purposes, incorporate these modifications and have been prepared using uniform criteria.

Consequently the composition of the Group's 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 includes individual customers and SMEs in the domestic market, the Finanzia/Uno-E group (e-banking business, consumer finance, distribution of cards and renting), BBVA Portugal, the private banking business, the mutual fund and pension managers and the results of the insurance business.

- **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 rooms in Spain, Europe and New York, the origination and distribution of equities and the depository and custodial services. Business and real estate projects not associated with Group interests in large companies is also included.

- **The Americas:** this area covers the activity and results of the Group's subsidiaries in Latin America and their subsidiary undertakings, including pension managers, insurance companies and international private banking. As mentioned above, the Group's companies in Argentina are also included in this area.

- **Corporate Activities:** this contains the Group's holdings in large industrial companies and in financial entities, as well as the activities and results of support units such as the Assets and Liabilities Committee (ALCO). The area also includes those items which, due to their nature, cannot be assigned to other business areas. Examples of these items are country risk provisions and the write-off of goodwill (except in the case of interests held by the business and real estate projects unit which comes under the Wholesale and Investment Banking Area).

NET ATTRIBUTABLE PROFIT BY BUSINESS AREA
(MILLION EUROS)

	2004	Δ%	2003
Retail Banking in Spain and Portugal	1,410	13.8	1,239
Wholesale and Investment Banking	515	10.1	468
America	1,239	70.8	725
Corporate Activities	(363)	76.3	(206)
BBVA GROUP NET ATTRIBUTABLE PROFIT	2,802	25.8	2,227

ROE AND EFFICIENCY RATIO
(PERCENTAGE)

	ROE		Efficiency ratio	
	2004	2003	2004	2003
Retail Banking in Spain and Portugal	32.0	30.9	41.8	44.7
Wholesale and Investment Banking	23.1	23.0	29.9	31.7
America	27.8	22.2	42.1	45.5
BBVA GROUP	20.0	18.4	44.9	47.2

Business areas evolution

This section reports on the aspects most relevant to the performance of the BBVA group's business areas during 2004.

Retail Banking in Spain and Portugal

2004 was characterised by a sustained increase in business volumes and the generation of ever-higher earnings. The combination of strong growth in lending and customer funds, adequate pricing, the upbeat performance of fee income and lower expenses has enabled operating profit to increase 13.3% over the previous year. This favourable performance was reflected in attributable profit, which grew 13.8%.

Lending rose 20% over the year (13.9% in 2003), behaving especially positively in residential mortgages (+25.3%), SMEs and small businesses (+19.7%), and consumer lending (+16.2%). The figure for non-performing loans dropped 14.3% and the NPL ratio went down to 0.61%, well below the ratio for the banking industry as a whole.

Total assets under management (deposits, mutual funds and pension funds) grew 10.1% during the year (7.3% in 2003), a rise equivalent to 10,591 million euros (7,122 million in 2003). Stable customer funds (time deposits and mutual and pension funds) showed a year-on-year growth of 11.0%, while transactional deposits were up 7.9%. The 12.0% increase in assets under management in mutual funds compared favourably against the 11.0% recorded by the industry as a whole. Consequently, market share on 31-12-04 reached 18.7%, gaining 16 basis points over the year.

Core revenues in Retail Banking showed an increase of 6.5% during the year, with net interest income rising 3.9% and fee income 11.6% (+10.7% in fund-management fees and +12.1% in other fees). Since general administrative expenses were down 0.5% against 2003, the cost-income ratio improved to 41.8% and, as stated above, operating profit was up 13.3%.

Although the NPL ratio for the area dropped further in 2004, loan loss provisions swelled by 17.8% against the previous year, as generic provisioning grew apace with the rapidly growth of lending activities and because of the increase in the statistical provision.

All this produced an attributable profit for the area of 1.41 billion euros, showing an increase of 13.8% and ROE went up to 32.0% (30.9% in 2003).

Wholesale and Investment Banking

During 2004 this area has confirmed its growing capacity to generate earnings, obtaining an attributable profit of 515 million euros, 10.1% up on 2003, a year during which, it had already risen 22.5%.

Lending recorded a year-on-year growth of 5.9% or 9.3% excluding the Markets division activity. The sharp fall in non-performing loans has pushed the NPL ratio down to 0.19% as of 31-12-04, compared to the 0.50% at which it stood one year earlier. At the same time, the coverage ratio has gone up to 723.4% from its previous 233.8%. Meanwhile, customer funds (deposits and off-balance-sheet funds) have recorded year-on-year growth of 14.1%.

Net interest income grew 10.0% against the previous year, and fee income 24.0%, such that core revenues rose 12.9%. Lower earnings from net trading income, especially those of the Markets division, brought the increase in ordinary revenues to 3.9%.

This increase in earnings, along with lower general administrative expenses, which went down 1.9%, improved the cost-income ratio by 1.8 points, helping it to reach 29.9%. Operating profit rose 7.2% over the year, up to 701 million euros.

The gross contribution from business and real estate projects booked under the equity method was up 23.9% over 2003, although net earnings were down due to lower dividend revenues. Portfolio turnover pushed the contribution of income from Group transactions and extraordinary net income up to 153 million euros, more than double the previous year.

However, 214 million euros were set aside for loan-loss provisions, 50.1% more than in 2003. Since specific provisions went down as the NPL ratio dropped, this higher figure was due to transfers to the statistical provision and to the generic provision, the latter being a consequence of higher limits of committed loans and the growth of contingent liabilities.

All this produced an attributable profit of 515 million euros and a ROE of 23.1%.

The Americas

The results of the Americas area in 2004 were especially encouraging. Attributable profit grew 70.8% to 1,239 million euros. Even net profit –prior to the effect of the buyout of the minority interests in Bancomer– managed to increase 24.6%, despite the local currencies´ depreciation against the euro. For the first time in recent years, growth both in business volumes and in all income-statement items expressed in local currencies outstripped their depreciation and consequently they all recorded positive increases in current euros.

The more buoyant economic environment in Latin America enabled the lending portfolio of all the group's banks throughout the region to recover (excluding the old Bancomer mortgage portfolio and non-performing loans). It grew at 22.8% year on year (30.1% in local currencies), spurred on mainly by credit-cards, consumer loans and mortgages. Customer funds (current and savings accounts, deposits as well as repos and mutual funds) rose 5.1% (12.3% at constant rates).

This increase in business volumes, along with the pricing effect (due to interest rate changes which varied from one country to the next but was positive in overall terms) led to an 8.0% year-on-year increase in net interest income (22.8% at constant rates). Fee income rose 9.5% at constant exchange rates, while net trading income shrunk due to the negative impact of rising interest rates, especially in Mexico. Thus, ordinary revenues grew 2.5% in euros and 15.4% at constant rates.

Higher earnings and moderate costs (-5.1% in euros and +6.7% in local currency) made it possible to further boost efficiency, as the cost-income ratio improved to 42.1% (3.4 points better than the 2003 figure of 45.5%), and operating profit reached 2.5 billion euros, with growth rates of 11.6% and 26.0% at current and constant rates, respectively.

Better asset quality, with the NPL ratio dropping to 3.18%, as against the 4.46% on 31-12-03, meant lower provisions for loan losses. Net profit increased to the above-mentioned 24.6% (40.3% at constant rates). After the effect of the Bancomer minorities' buyout, attributable profit was 1,239 million euros (+70.8% in euros and +91.4% at constant rates), pushing ROE up to 27.8%, significantly above the 22.2% from 2003.

Mexico accounted for over 60% of all the area's income items. The substantial growth in business (37.6% growth in lending and 11.4% growth in customer funds in pesos) alongside the effect of rising interest rates, drove net interest income up to 10.3% in euros and 26.8% in pesos. This increase together with moderate cost growth pushed operating profit to 1,654 million euros (+11.2% and +27.9% at current and constant rates, respectively) and the cost-income ratio improved 3.1 points, reaching 39.1%. With lower provisioning, net profit grew 28.9% (48.2% in local currency) and, as the part of net profit corresponding to minority interests went down, attributable profit rose to 841 million euros, more than double that obtained in 2003.

Corporate Activities

This area contains very different kinds of businesses: the activities and earnings of support units as well as certain items that cannot be allocated to other group business areas.

The increase of net trading income to 333 million euros (41.2% up on the previous year) was the result of active management of the structural interest-rate risk portfolio and the positions to cover exchange-rate risk, both managed by the ALCO unit (Assets and Liabilities Committee) as well as the equities portfolio managed by the Industrial Holdings unit. Dividends rose reaching 197 million euros, coming mainly from holdings in the industrial portfolio. Net income from companies carried by the equity method also rose and reached 268 million euros. However, there was a reduction in earnings from group transactions, whose biggest item this year was 218 million from the sale of the stake in Banco Atlántico, as against the 343 million recorded in 2003 from the sale of Crédit Lyonnais stake. This area also includes general administrative expenses, depreciation and other operating expenses of the headquarters and items which due to their nature cannot be assigned to other business areas; in 2004 these amounted to a similar level to that of the previous year.

Some 579 million euros were put into the amortisation of goodwill from the group's industrial and financial holdings and in its Latin-American affiliates, as compared to 637 million euros in 2003. Of these, 119 million were one-off payments (Bradesco and Gas Natural).

The extraordinaries included 572 million euros for the cost of early retirements taken in 2004 (372 million net of taxes).

All this produced a loss of 363 million euros for the area, as compared with the 206 million euro loss from 2003.

Retail Banking in Spain and Portugal

INCOME STATEMENT
(MILLION EUROS)

	Retail Banking Spain and Portugal			Memorandum item: Commercial and SME Banking		Asset Management and Private Banking	
	2004	Δ%	2003	2004	Δ%	2004	Δ%
NET INTEREST INCOME	3,348	3.9	3,221	2,952	2.2	44	6.8
Net fee income	1,647	11.6	1,476	1,389	11.1	230	12.4
CORE REVENUES	4,995	6.3	4,697	4,342	4.9	274	11.4
Net trading income	54	21.5	44	50	25.1	1	(0.5)
ORDINARY REVENUES	5,048	6.5	4,741	4,392	5.1	275	11.4
Personnel costs	(1,405)	1.0	(1,391)	(1,272)	0.7	(51)	(0.9)
General expenses	(703)	(3.5)	(728)	(610)	(3.8)	(30)	(2.7)
GENERAL ADMINISTRATIVE EXPENSES	(2,108)	(0.5)	(2,119)	(1,882)	(0.8)	(81)	(1.6)
Depreciation and amortization	(102)	(10.8)	(114)	(90)	(10.8)	(4)	4.8
Other operating income and expenses	(46)	6.4	(44)	(44)	8.5	(1)	21.6
OPERATING PROFIT	2,792	13.3	2,465	2,377	10.9	189	18.1
Net income (loss) from companies accounted for by the equity method	(26)	n.m.	8	2	n.m.	-	-
Amortization of goodwill	-	-	-	-	-	-	-
Net income (loss) from Group transactions	29	n.m.	(1)	-	n.m.	1	n.m.
Net loan loss provisions	(580)	17.8	(492)	(490)	9.0	(4)	(4.8)
Net extraordinary income (loss)	9	n.m.	(10)	18	n.m.	(3)	32.1
PRE-TAX PROFIT	2,225	12.9	1,970	1,906	13.2	182	19.0
Corporate income tax	(743)	14.2	(650)	(647)	15.0	(62)	21.5
NET PROFIT	1,482	12.3	1,320	1,259	12.2	121	17.8
Minority interests	(72)	(11.4)	(81)	(58)	(16.5)	(4)	(38.7)
NET ATTRIBUTABLE PROFIT	1,410	13.8	1,239	1,201	14.1	116	22.0

BALANCE SHEETS
(MILLION EUROS)

	31-12-04	Δ%	31-12-03	31-12-04	Δ%	31-12-04	Δ%
Total net lending	109,591	20.0	91,295	102,601	20.4	839	9.7
Securities portfolio	579	8.1	535	14	52.9	28	(81.4)
Liquid assets	2,233	9.1	2,048	1,247	4.0	380	198.5
Inter-area positions	18,585	9.5	16,975	17,243	11.4	933	(26.4)
Property and equipment and intangible assets	660	0.1	659	548	0.9	10	(0.8)
Other assets	1,059	9.3	969	535	2.1	130	105.8
TOTAL ASSETS/LIABILITIES AND EQUITY	132,707	18.0	112,481	122,187	18.6	2,319	(2.6)
Deposits	54,197	4.4	51,888	50,288	4.6	1,277	(0.8)
Debt securities	6	-	6	-	-	-	-
Equity	8,126	14.0	7,130	6,931	16.0	407	(25.0)
• Shareholders' funds	4,707	14.1	4,125	3,998	16.0	240	(25.6)
• Other eligible funds	3,419	13.8	3,005	2,933	16.0	167	(24.2)
Liquid liabilities	4,262	22.6	3,477	32	29.4	1	(60.7)
Inter-area positions	60,460	33.6	45,257	59,972	33.9	300	0.5
Other liabilities	5,656	19.8	4,723	4,964	19.2	335	34.1
OTHER CUSTOMER FUNDS MANAGED							
• Mutual funds	41,988	13.8	36,912	36,303	12.7	5,117	20.9
• Pension funds	13,967	12.4	12,422	7,091	17.8	6,637	7.3
• Customer portfolios	8,768	21.8	7,199	1,224	70.7	7,544	16.4

SIGNIFICANT RATIOS
(PERCENTAGE)

	31-12-04	31-12-03	31-12-04	31-12-04
ROE	32.0	30.9	32.3	48.9
Efficiency ratio	41.8	44.7	42.8	29.5
NPL ratio (Nonperforming assets/Total risks)	0.61	0.85	0.58	0.04
Coverage ratio	379.4	269.5	389.6	n.m.

Wholesale and Investment Banking

INCOME STATEMENT
(MILLION EUROS)

	Wholesale and Investment Banking			Memorandum item: Wholesale Banking		Memorandum item: Markets	
	2004	Δ%	2003	2004	Δ%	2004	Δ%
NET INTEREST INCOME	746	10.0	678	497	(1.7)	163	29.7
Net fee income	220	24.0	177	158	16.3	66	44.1
CORE REVENUES	966	12.9	856	655	2.1	229	33.6
Net trading income	51	(58.7)	123	35	60.7	30	(60.6)
ORDINARY REVENUES	1,017	3.9	979	690	4.0	258	4.8
Personnel costs	(203)	(0.9)	(205)	(114)	(2.8)	(77)	4.1
General expenses	(101)	(3.7)	(105)	(48)	1.0	(48)	(9.0)
GENERAL ADMINISTRATIVE EXPENSES	(304)	(1.9)	(310)	(162)	(1.7)	(125)	(1.3)
Depreciation and amortization	(6)	(31.4)	(9)	(4)	(12.8)	(2)	(53.7)
Other operating income and expenses	(5)	(6.0)	(5)	(4)	(0.8)	(1)	13.9
OPERATING PROFIT	701	7.2	654	519	6.2	130	13.7
Net income (loss) from companies accounted for by the equity method	34	(47.7)	65	(16)	n.m.	-	-
Amortization of goodwill	(2)	(4.3)	(2)	-	94.1	-	-
Net income (loss) from Group transactions	138	n.m.	32	-	n.m.	-	-
Net loan loss provisions	(214)	50.1	(143)	(191)	51.1	(18)	82.0
Net extraordinary income (loss)	16	(58.1)	37	15	35.8	(3)	(87.9)
PRE-TAX PROFIT	672	4.4	644	328	(12.8)	110	33.3
Corporate income tax	(121)	(10.1)	(135)	(102)	(8.6)	(7)	(49.4)
NET PROFIT	551	8.3	509	226	(14.6)	103	50.1
Minority interests	(36)	(12.6)	(41)	(23)	(22.7)	(9)	35.9
NET ATTRIBUTABLE PROFIT	515	10.1	468	204	(13.6)	94	51.6

BALANCE SHEETS
(MILLION EUROS)

	31-12-04	Δ%	31-12-03	31-12-04	Δ%	31-12-04	Δ%
Total net lending	41,672	5.9	39,366	40,671	9.3	768	(52.4)
Securities portfolio	28,950	14.1	25,364	3,280	(3.9)	24,757	19.2
Liquid assets	46,614	6.3	43,835	7,516	(16.3)	38,989	12.4
Inter-area positions	45,892	4.6	43,857	-	n.m.	45,840	3.1
Property and equipment and intangible assets	45	(1.2)	45	39	(0.1)	5	(7.8)
Other assets	7,099	14.9	6,177	391	0.1	6,671	16.3
TOTAL ASSETS/LIABILITIES AND EQUITY	170,271	7.3	158,644	51,898	5.1	117,029	9.1
Deposits	51,042	3.7	49,203	20,881	14.6	30,160	(1.4)
Debt securities	5,839	11.1	5,255	5,839	11.1	-	-
Equity	3,731	8.1	3,451	2,349	5.7	784	32.7
• Shareholders' funds	2,155	7.6	2,003	1,252	5.5	463	31.7
• Other eligible funds	1,576	8.9	1,447	1,097	6.0	322	34.2
Liquid liabilities	75,887	9.4	69,376	6,716	(20.1)	69,171	13.5
Inter-area positions	23,817	1.4	23,486	14,521	4.8	8,825	(0.9)
Other liabilities	9,955	26.4	7,873	1,591	12.5	8,088	29.4
OTHER CUSTOMER FUNDS MANAGED							
• Mutual funds	753	(2.7)	774	732	(3.2)	21	15.6
• Pension funds	-	n.m.	2	-	n.m.	-	-
• Customer portfolios	4,525	14.7	3,944	4,525	14.7	-	-

SIGNIFICANT RATIOS
(PERCENTAGE)

	31-12-04	31-12-03	31-12-04	31-12-04
ROE	23.1	23.0	16.7	20.0
Efficiency ratio	29.9	31.7	23.5	48.5
NPL ratio (Nonperforming assets/Total risks)	0.19	0.50	0.20	-
Coverage ratio	723.4	233.8	674.2	-

America

INCOME STATEMENT
(MILLION EUROS))

	2004	Δ%	Δ% at constant exchange rates	2003
NET INTEREST INCOME	3,065	8.0	22.8	2,838
Net fee income	1,694	(1.5)	9.5	1,720
CORE REVENUES	4,759	4.4	17.7	4,558
Net trading income	168	(32.5)	(25.3)	249
ORDINARY REVENUES	4,927	2.5	15.4	4,807
Personnel costs	(1,139)	(6.2)	5.3	(1,214)
General expenses	(936)	(3.7)	8.4	(972)
GENERAL ADMINISTRATIVE EXPENSES	(2,075)	(5.1)	6.7	(2,186)
Depreciation and amortization	(210)	(10.0)	(0.6)	(234)
Other operating income and expenses	(142)	(3.1)	10.8	(147)
OPERATING PROFIT	2,500	11.6	26.0	2,240
Net income (loss) from companies accounted for by the equity method	83	2.3	15.6	81
Amortization of goodwill	-	-	-	-
Net income (loss) from Group transactions	22	61.7	58.8	14
Net loan loss provisions	(272)	(36.1)	(27.4)	(426)
Net extraordinary income (loss)	(306)	(1.9)	11.1	(311)
PRE-TAX PROFIT	2,027	26.9	42.8	1,598
Corporate income tax	(568)	33.1	49.8	(427)
NET PROFIT	1,459	24.6	40.3	1,171
Minority interests	(220)	(50.6)	(43.9)	(446)
NET ATTRIBUTABLE PROFIT	1,239	70.8	91.4	725

BALANCE SHEETS
(MILLION EUROS)

	31-12-04	Δ%	Δ% at constant exchange rates	31-12-03
Total net lending	27,849	8.0	14.1	25,793
Securities portfolio	24,268	(6.3)	(0.2)	25,902
Liquid assets	16,328	(7.1)	(0.8)	17,571
Inter-area positions	445	2.2	5.1	435
Property and equipment and intangible assets	1,768	(16.9)	(12.2)	2,128
Other assets	4,335	(31.2)	(26.7)	6,305
TOTAL ASSETS/LIABILITIES AND EQUITY	74,992	(4.0)	2.0	78,134
Deposits	49,110	3.3	9.9	47,540
Debt securities	1,990	45.6	53.3	1,367
Equity	4,965	8.2	14.4	4,590
• Shareholders' funds	4,315	39.4	47.1	3,095
• Other eligible funds	650	(56.5)	(53.8)	1,495
Liquid liabilities	12,351	(12.3)	(7.0)	14,086
Inter-area positions	596	(18.3)	(16.7)	729
Other liabilities	5,980	(39.1)	(34.9)	9,823
OTHER CUSTOMER FUNDS MANAGED				
• Mutual funds	8,299	2.9	7.4	8,066
• Pension funds	27,756	0.6	3.0	27,591
• Customer portfolios	18,675	15.5	18.6	16,164

SIGNIFICANT RATIOS
(PERCENTAGE)

	31-12-04	31-12-03
ROE	27.8	22.2
Efficiency ratio	42.1	45.5
NPL ratio (Nonperforming assets/Total risks)	3.18	4.46
Coverage ratio	145.2	140.5

INCOME STATEMENT
(MILLION EUROS)

Memorandum item:	Mexico 2004	Mexico ∆%	Mexico ∆% at constant exchange rates	Banking in America 2004	Banking in America ∆%	Banking in America ∆% at constant exchange rates
NET INTEREST INCOME	1,991	10.3	26.8	1,013	4.1	16.8
Net fee income	1,014	(7.6)	6.2	323	12.4	22.9
CORE REVENUES	3,005	3.5	19.0	1,337	6.0	18.2
Net trading income	54	(50.1)	(42.7)	75	(23.8)	(15.9)
ORDINARY REVENUES	3,060	1.6	16.8	1,412	3.8	15.7
Personnel costs	(656)	(7.5)	6.3	(362)	(5.3)	4.9
General expenses	(541)	(4.0)	10.3	(335)	1.6	13.2
GENERAL ADMINISTRATIVE EXPENSES	(1,197)	(6.0)	8.1	(697)	(2.1)	8.7
Depreciation and amortization	(113)	(14.8)	(2.1)	(70)	(13.0)	(7.9)
Other operating income and expenses	(96)	(20.0)	(8.0)	(33)	17.7	30.2
OPERATING PROFIT	1,654	11.2	27.9	612	13.5	28.2
Net income (loss) from companies accounted for by the equity method	49	(14.7)	(1.9)	2	74.7	69.8
Amortization of goodwill	-	-	-	-	-	-
Net income (loss) from Group transactions	1	(43.0)	(34.5)	7	n.m.	n.m.
Net loan loss provisions	(231)	(42.4)	(33.8)	(38)	68.6	61.3
Net extraordinary income (loss)	(186)	7.3	23.3	(89)	(27.2)	(18.0)
PRE-TAX PROFIT	1,286	32.6	52.4	493	24.8	42.6
Corporate income tax	(407)	41.2	62.3	(120)	9.9	19.8
NET PROFIT	879	28.9	48.2	373	30.6	51.9
Minority interests	(38)	(86.4)	(84.3)	(120)	11.4	32.5
NET ATTRIBUTABLE PROFIT	841	107.3	138.2	253	42.2	63.2

BALANCE SHEETS
(MILLION EUROS)

	31-12-04	∆%	∆% at constant exchange rates	31-12-04	∆%	∆% at constant exchange rates
Total net lending	13,539	8.2	15.8	12,879	9.2	14.7
Securities portfolio	18,832	(7.2)	(0.7)	4,961	0.4	6.1
Liquid assets	9,467	(11.5)	(5.3)	3,911	13.7	29.3
Inter-area positions	109	(2.3)	4.6	22	n.m.	n.m.
Property and equipment and intangible assets	1,067	(14.2)	(8.2)	545	(28.1)	(25.0)
Other assets	2,942	(37.4)	(33.0)	1,166	(6.3)	(0.3)
TOTAL ASSETS/LIABILITIES AND EQUITY	45,957	(7.3)	(0.8)	23,485	5.9	12.8
Deposits	29,538	2.0	9.2	15,977	8.5	16.0
Debt securities	532	(31.0)	(26.2)	1,460	144.9	152.7
Equity	2,738	21.2	29.7	1,625	11.7	19.0
• Shareholders' funds	2,732	98.7	112.6	1,278	12.9	19.4
• Other eligible funds	6	(99.3)	(99.3)	346	7.4	17.6
Liquid liabilities	9,253	(10.1)	(3.8)	2,572	(15.5)	(11.9)
Inter-area positions	104	(27.9)	(22.9)	21	n.m.	n.m.
Other liabilities	3,793	(49.3)	(44.2)	1,830	(22.1)	(16.0)
OTHER CUSTOMER FUNDS MANAGED						
• Mutual funds	4,973	2.6	9.7	1,006	3.4	5.7
• Pension funds	6,435	7.1	14.6	-	-	-
• Customer portfolios	8,773	50.4	61.0	85	(41.8)	(27.0)

SIGNIFICANT RATIOS
(PERCENTAGE)

	31-12-04	31-12-04
ROE	30.4	19.4
Efficiency ratio	39.1	49.3
NPL ratio (Nonperforming assets/Total risks)	2.60	4.17
Coverage ratio	242.5	77.1

Corporate Activities

INCOME STATEMENT
(MILLION EUROS)

	2004	∆%	2003
NET INTEREST INCOME	(91)	n.m.	4
Net fee income	(181)	63.6	(111)
CORE REVENUES	(271)	154.4	(107)
Net trading income	333	41.2	236
ORDINARY REVENUES	61	(52.5)	129
Personnel costs	(437)	(3.6)	(453)
General expenses	(39)	n.m.	37
GENERAL ADMINISTRATIVE EXPENSES	(476)	14.3	(416)
Depreciation and amortization	(135)	(12.0)	(153)
Other operating income and expenses	(4)	(84.0)	(24)
OPERATING PROFIT	(553)	19.1	(464)
Net income (loss) from companies accounted for by the equity method	268	17.6	228
Amortization of goodwill	(579)	(9.1)	(637)
Net income (loss) from Group transactions	404	(20.5)	508
Net loan loss provisions	135	n.m.	(216)
Net extraordinary income (loss)	(449)	n.m.	182
PRE-TAX PROFIT	(774)	94.0	(399)
Corporate income tax	475	60.2	296
NET PROFIT	(299)	191.6	(103)
Minority interests	(63)	(38.7)	(103)
NET ATTRIBUTABLE PROFIT	(363)	76.3	(206)

BALANCE SHEETS
(MILLION EUROS)

	31-12-04	∆%	31-12-03
Total net lending	(4,145)	72.9	(2,398)
Securities portfolio	29,700	1.1	29,386
Liquid assets	(18,328)	14.4	(16,021)
Inter-area positions	19,951	143.2	8,205
Property and equipment and intangible assets	1,512	(3.6)	1,569
Other assets	11,369	63.7	6,947
TOTAL ASSETS/LIABILITIES AND EQUITY	40,059	44.7	27,688
Deposits	(4,904)	10.2	(4,451)
Debt securities	29,900	10.1	27,152
Equity	8,414	5.3	7,991
• Shareholders' funds	3,074	40.7	2,184
• Other eligible funds	5,340	(8.0)	5,806
Liquid liabilities	-	-	-
Inter-area positions	-	-	-
Other liabilities	6,649	n.m.	(3,004)

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