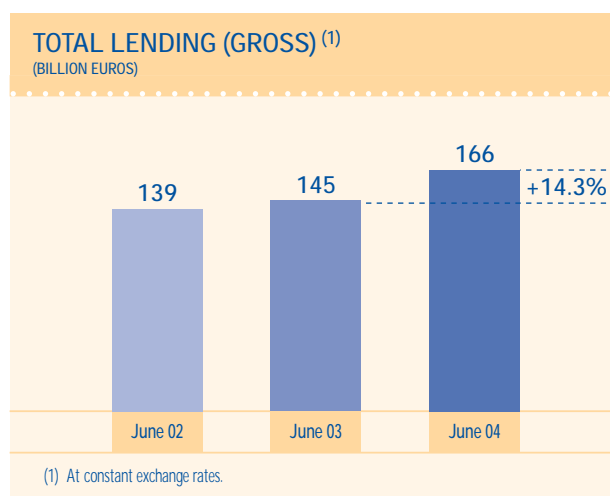
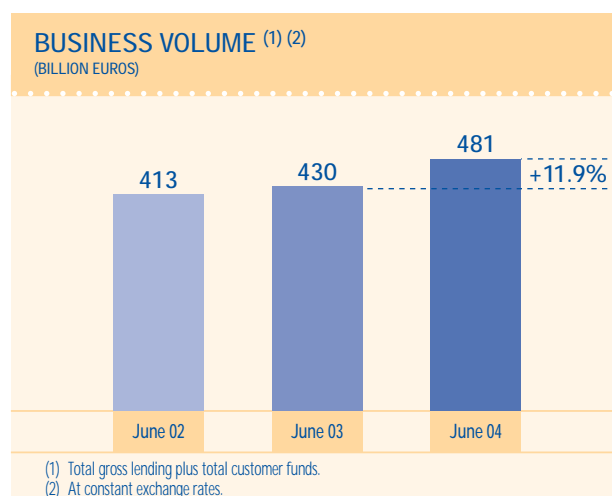


## Balance sheet and activity

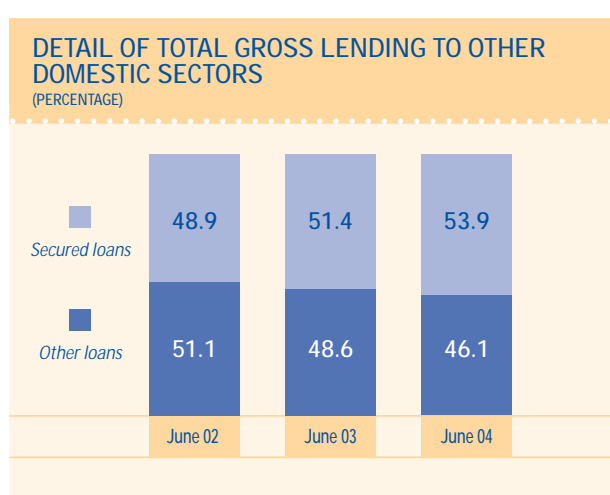
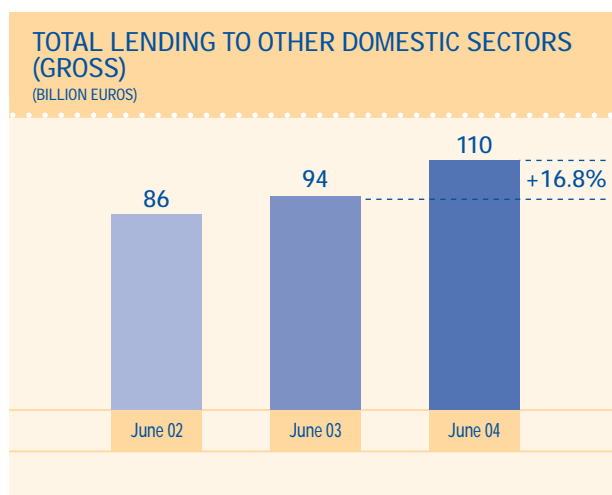
CONSOLIDATED BALANCE SHEETS				
(MILLION EUROS)				
	30-06-04	Δ%	30-06-03	31-03-04
Cash on hand and deposits at Central Banks	9,186	1.2	9,073	9,290
Due from credit entities	23,441	24.4	18,845	26,556
<b>Total net lending</b>	<b>161,266</b>	<b>13.1</b>	<b>142,637</b>	<b>152,901</b>
Fixed-income securities portfolio	78,478	13.8	68,982	76,801
• Government debt securities	20,600	14.2	18,032	18,671
• Debentures and other debt securities	57,878	13.6	50,950	58,130
Equity securities portfolio	13,150	37.1	9,588	9,529
• Accounted for by the equity method	7,732	18.1	6,545	5,790
• Other investments	5,418	78.0	3,043	3,739
Goodwill in consolidation	5,572	35.7	4,106	5,682
Property and equipment	3,826	(10.0)	4,254	3,878
Treasury stock	73	22.9	60	71
Accumulated losses at consolidated companies	3,518	4.7	3,360	3,671
Other assets	17,886	5.4	16,969	16,260
<b>TOTAL ASSETS</b>	<b>316,396</b>	<b>13.9</b>	<b>277,874</b>	<b>304,639</b>
Due to credit entities	75,028	41.7	52,964	68,558
On-balance-sheet customer funds	195,986	7.2	182,771	192,740
• Deposits	150,125	5.4	142,414	147,659
• Marketable debt securities	38,649	13.4	34,072	37,642
• Subordinated debt	7,212	14.8	6,285	7,439
Other liabilities	21,546	8.8	19,811	19,817
Net profit for the year	1,549	3.3	1,500	758
Minority interests	4,363	(19.9)	5,449	4,597
Capital	1,662	6.1	1,566	1,662
Reserves	16,262	17.7	13,813	16,507
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>316,396</b>	<b>13.9</b>	<b>277,874</b>	<b>304,639</b>
Other customer funds managed	119,872	7.0	112,024	118,500
• Mutual funds	50,404	12.6	44,772	48,853
• Pension funds	39,670	3.7	38,265	40,016
• Customer portfolios	29,798	2.8	28,987	29,631
Contingent liabilities	19,143	19.9	15,966	17,259
<b>MEMORANDUM ITEM:</b>				
Average total assets	300,308	9.4	274,429	293,343
Average risk-weighted assets	173,414	7.0	162,121	173,721
Average shareholders' funds	13,784	13.1	12,187	13,217



### TOTAL LENDING

(MILLION EUROS)

	30-06-04	Δ%	30-06-03	31-03-04
Public sector	14,370	15.6	12,427	13,358
Other domestic sectors	110,169	16.8	94,343	104,393
• Secured loans	59,336	22.3	48,516	55,839
• Commercial loans	7,800	8.8	7,171	7,943
• Other term loans	35,009	9.9	31,864	33,720
• Credit card debtors	1,018	4.7	972	975
• Other	2,171	17.1	1,854	1,391
• Financial leases	4,835	21.9	3,966	4,525
Non-domestic sector	39,100	3.6	37,724	37,335
• Secured loans	11,971	7.3	11,154	11,705
• Other loans	27,129	2.1	26,570	25,630
Nonperforming loans	1,995	(36.2)	3,126	2,135
• Public sector	82	26.2	65	72
• Other domestic sectors	620	(12.3)	707	676
• Non-domestic sectors	1,293	(45.1)	2,354	1,388
<b>TOTAL LENDING (GROSS)</b>	<b>165,634</b>	<b>12.2</b>	<b>147,620</b>	<b>157,221</b>
Loan loss provisions	(4,368)	(12.3)	(4,983)	(4,320)
<b>TOTAL NET LENDING</b>	<b>161,266</b>	<b>13.1</b>	<b>142,637</b>	<b>152,901</b>



## VARIATIONS IN NONPERFORMING LOANS

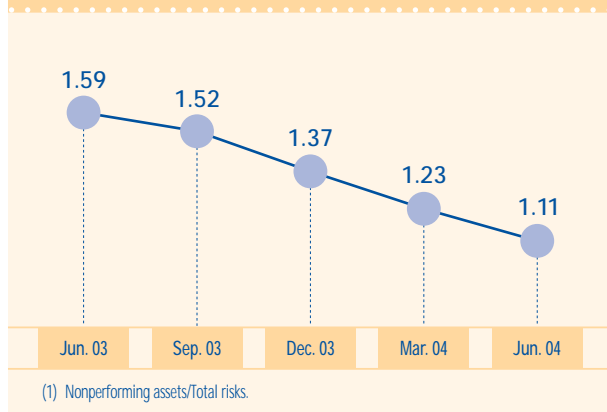
(MILLION EUROS)

	2004	1004	4Q03	3Q03
<b>BEGINNING BALANCE <sup>(1)</sup></b>	2,150	2,320	2,520	2,588
Net variation	(105)	(170)	(200)	(68)
+ Entries	450	485	460	517
- Outflows	(357)	(390)	(424)	(311)
- Write-offs	(198)	(265)	(236)	(274)
<b>PERIOD-END BALANCE <sup>(1)</sup></b>	2,045	2,150	2,320	2,520
<b>MEMORANDUM ITEM:</b>				
• Nonperforming loans	1,995	2,135	2,673	2,948
• Country risk (group 5)	(26)	(86)	(457)	(547)
• Nonperforming contingent liabilities	76	101	104	119

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

## NONPERFORMING LOAN RATIO <sup>(1)</sup>

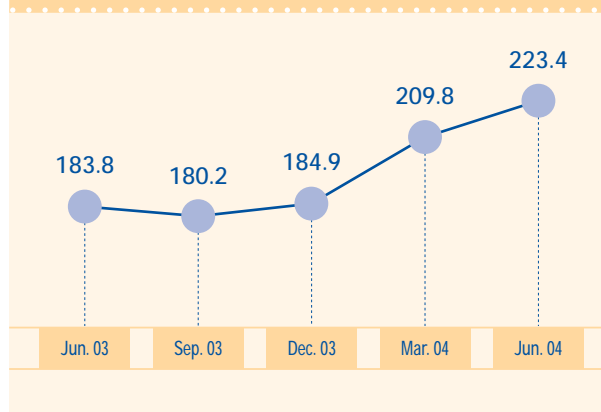
(PERCENTAGE)



(1) Nonperforming assets/Total risks.

## COVERAGE RATIO

(PERCENTAGE)



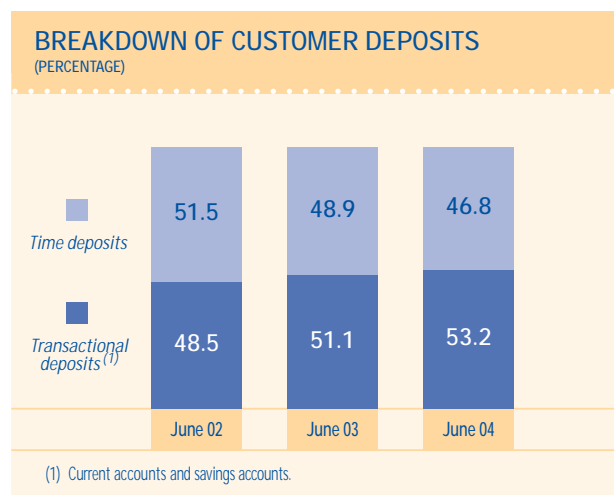
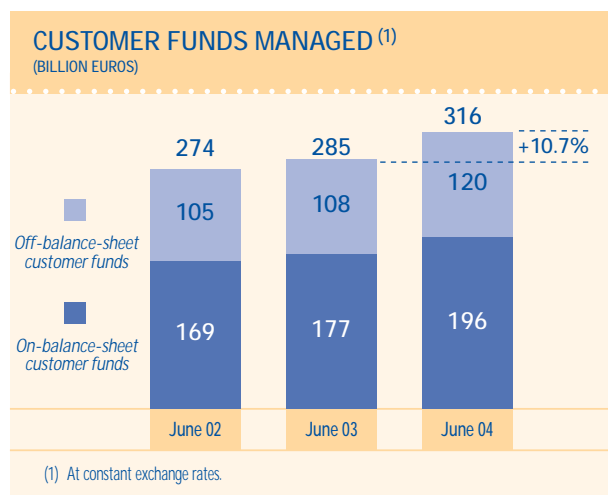
## RISK MANAGEMENT

(MILLION EUROS)

	30-06-04	Δ%	30-06-03	31-03-04
<b>TOTAL RISK EXPOSURE <sup>(1)</sup></b>				
Nonperforming assets	2,045	(21.0)	2,588	2,150
Total risks	184,751	13.4	162,955	174,394
Provisions	4,569	(3.9)	4,755	4,512
NPL ratio (%)	1.11		1.59	1.23
NPL coverage ratio (%)	223.4		183.8	209.8
<b>CREDIT RISK</b>				
NPL ratio (%)	1.20		2.12	1.36
NPL coverage ratio (%)	218.9		159.4	202.3
Coverage ratio including secured loans (%)	236.8		179.4	222.5
<b>MEMORANDUM ITEM:</b>				
Foreclosed assets	364	(19.4)	452	378
Foreclosed asset provisions	197	(10.4)	219	208
Coverage (%)	54.0		48.5	55.0

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

CUSTOMER FUNDS MANAGED (MILLION EUROS)				
	30-06-04	Δ%	30-06-03	31-03-04
<b>ON-BALANCE-SHEET CUSTOMER FUNDS</b>	<b>195,986</b>	<b>7.2</b>	<b>182,771</b>	<b>192,740</b>
<b>DEPOSITS</b>	<b>150,125</b>	<b>5.4</b>	<b>142,414</b>	<b>147,659</b>
Public sector	6,065	65.6	3,662	10,034
Other domestic sectors	73,180	7.1	68,355	67,523
• Current accounts	21,670	3.8	20,872	20,019
• Savings accounts	18,015	8.0	16,687	16,653
• Time deposits	17,640	(6.9)	18,945	18,835
• Assets sold under repurchase agreement	15,855	33.8	11,851	12,016
Non-domestic sector	70,880	0.7	70,397	70,102
• Current and savings accounts	25,832	6.5	24,247	24,943
• Time deposits	39,970	(0.5)	40,175	39,194
• Assets sold under repurchase agreement and other accounts	5,078	(15.0)	5,975	5,965
<b>MARKETABLE DEBT SECURITIES</b>	<b>38,649</b>	<b>13.4</b>	<b>34,072</b>	<b>37,642</b>
Mortgage bonds	14,726	25.7	11,717	14,735
Other marketable securities	23,923	7.0	22,355	22,907
<b>SUBORDINATED DEBT</b>	<b>7,212</b>	<b>14.8</b>	<b>6,285</b>	<b>7,439</b>
<b>OTHER CUSTOMER FUNDS MANAGED</b>	<b>119,872</b>	<b>7.0</b>	<b>112,024</b>	<b>118,500</b>
Mutual funds	50,404	12.6	44,772	48,853
Pension funds	39,670	3.7	38,265	40,016
Customer portfolios	29,798	2.8	28,987	29,631
<b>TOTAL CUSTOMER FUNDS MANAGED</b>	<b>315,858</b>	<b>7.1</b>	<b>294,795</b>	<b>311,240</b>



<b>OTHER CUSTOMER FUNDS MANAGED</b>				
<small>(MILLION EUROS)</small>				
	30-06-04	Δ%	30-06-03	31-03-04
<b>SPAIN</b>	<b>66,181</b>	<b>16.5</b>	<b>56,830</b>	<b>64,087</b>
<b>MUTUAL FUNDS</b>	<b>41,198</b>	<b>19.0</b>	<b>34,619</b>	<b>39,577</b>
Mutual Funds (ex Real Estate)	40,339	18.0	34,177	38,890
• Money market	11,837	11.1	10,653	11,141
• Fixed-income	12,758	6.4	11,995	11,976
Of which: Guaranteed	6,973	10.3	6,323	5,996
• Balanced	2,622	(5.1)	2,765	2,810
Of which: International funds	2,545	(4.1)	2,653	2,701
• Equity	12,630	54.5	8,174	12,527
Of which: Guaranteed	9,538	76.9	5,392	9,362
International funds	2,125	(6.7)	2,278	2,217
• Global	492	(16.6)	590	436
Real Estate investment trusts	859	94.5	442	687
<b>PENSION FUNDS</b>	<b>12,555</b>	<b>10.5</b>	<b>11,358</b>	<b>12,515</b>
Individual pension plans	6,632	15.1	5,761	6,609
Corporate pension funds	5,923	5.8	5,597	5,906
<b>CUSTOMER PORTFOLIOS</b>	<b>12,428</b>	<b>14.5</b>	<b>10,853</b>	<b>11,995</b>
<b>REST OF THE WORLD</b>	<b>53,691</b>	<b>(2.7)</b>	<b>55,194</b>	<b>54,413</b>
Mutual funds	9,206	(9.3)	10,153	9,276
Pension funds	27,115	0.8	26,907	27,501
Customer portfolios	17,370	(4.2)	18,134	17,636
<b>OTHER CUSTOMER FUNDS MANAGED</b>	<b>119,872</b>	<b>7.0</b>	<b>112,024</b>	<b>118,500</b>

<b>GOODWILL IN CONSOLIDATION</b>				
<small>(MILLION EUROS)</small>				
	30-06-04	Δ%	30-06-03	31-03-04
Global and proportional integration method	4,508	66.4	2,710	4,651
• Banks in America	3,878	96.4	1,975	3,989
• Pension fund management companies in America	402	(15.2)	474	427
• Other	228	(12.7)	261	235
Companies accounted for by the equity method	1,064	(23.8)	1,396	1,031
<b>GOODWILL IN CONSOLIDATION</b>	<b>5,572</b>	<b>35.7</b>	<b>4,106</b>	<b>5,682</b>