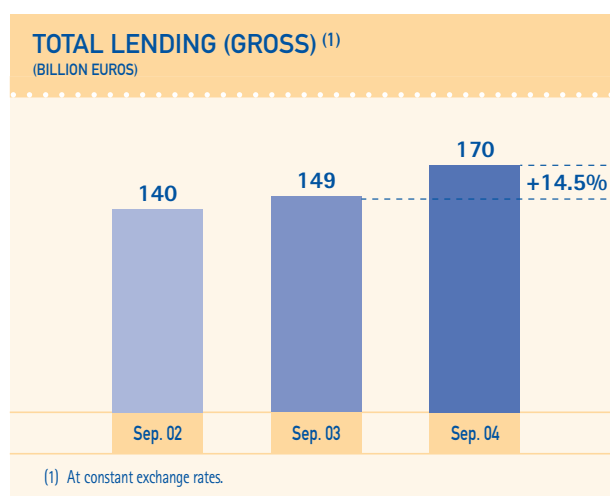
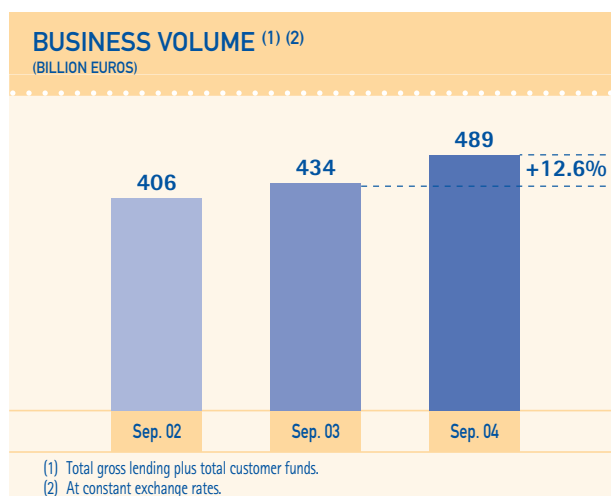


Balance sheet and activity

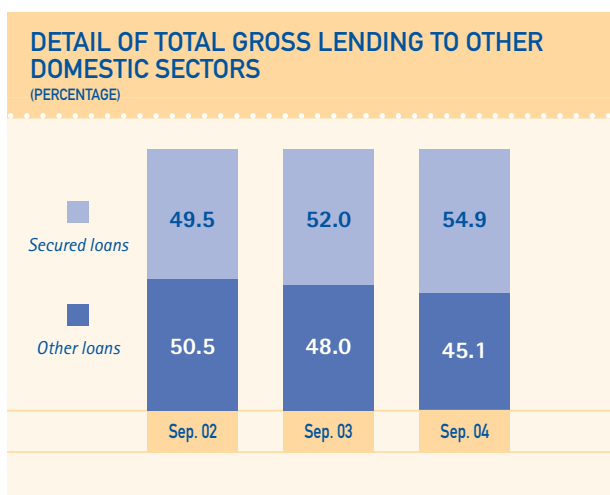
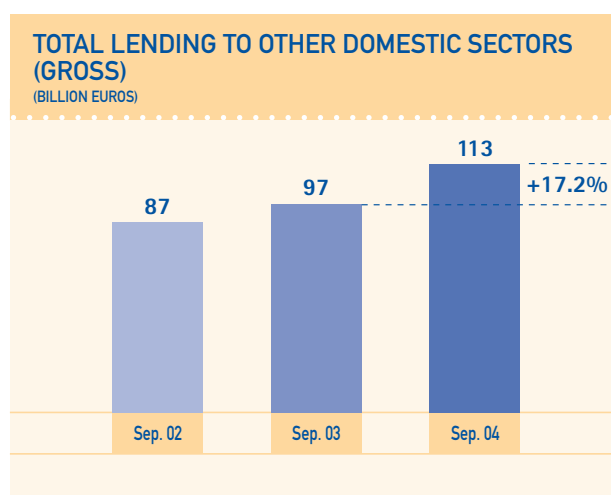
CONSOLIDATED BALANCE SHEETS				
<small>(MILLION EUROS)</small>				
	30-09-04	Δ%	30-09-03	30-06-04
Cash on hand and deposits at Central Banks	8,757	(9.2)	9,640	9,186
Due from credit entities	23,611	14.9	20,543	23,441
Total net lending	165,558	13.8	145,494	161,266
Fixed-income securities portfolio	71,161	(1.7)	72,371	78,478
• Government debt securities	18,881	2.0	18,512	20,600
• Debentures and other debt securities	52,280	(2.9)	53,859	57,878
Equity securities portfolio	9,782	8.0	9,056	13,150
• Accounted for by the equity method	5,561	(13.7)	6,446	7,732
• Other investments	4,221	61.7	2,610	5,418
Goodwill in consolidation	5,384	36.0	3,959	5,572
Property and equipment	3,830	(4.4)	4,004	3,826
Treasury stock	88	44.9	61	73
Accumulated losses at consolidated companies	3,525	0.9	3,493	3,518
Other assets	18,637	15.1	16,195	17,886
TOTAL ASSETS	310,333	9.0	284,816	316,396
Due to credit entities	69,895	10.1	63,468	75,028
On-balance-sheet customer funds	195,899	9.2	179,369	195,986
• Deposits	148,244	5.6	140,355	150,125
• Marketable debt securities	40,459	25.4	32,264	38,649
• Subordinated debt	7,196	6.6	6,750	7,212
Other liabilities	19,932	5.5	18,898	21,546
Net profit for the year	2,351	4.6	2,247	1,549
Minority interests	4,366	(17.7)	5,304	4,363
Capital	1,662	6.1	1,566	1,662
Reserves	16,228	16.2	13,964	16,262
TOTAL LIABILITIES AND EQUITY	310,333	9.0	284,816	316,396
Other customer funds managed	123,009	9.8	112,032	119,872
• Mutual funds	50,650	12.5	45,014	50,404
• Pension funds	41,140	5.1	39,160	39,670
• Customer portfolios	31,219	12.1	27,858	29,798
Contingent liabilities	20,002	27.0	15,745	19,143
MEMORANDUM ITEM:				
Average total assets	302,041	9.0	277,117	300,308
Average risk-weighted assets	175,607	6.7	164,536	173,414
Average shareholders' funds	13,978	15.3	12,124	13,784



TOTAL LENDING

(MILLION EUROS)

	30-09-04	Δ%	30-09-03	30-06-04
Public sector	14,493	18.5	12,233	14,370
Other domestic sectors	113,408	17.2	96,798	110,169
• Secured loans	62,209	23.5	50,357	59,336
• Commercial loans	8,022	12.8	7,111	7,800
• Other term loans	35,827	9.3	32,790	35,009
• Credit card debtors	1,003	-	1,003	1,018
• Other	1,411	(1.1)	1,426	2,171
• Financial leases	4,936	20.1	4,111	4,835
Non-domestic sector	40,214	5.2	38,238	39,100
• Secured loans	11,995	10.0	10,902	11,971
• Other loans	28,219	3.2	27,336	27,129
Nonperforming loans	1,952	(33.8)	2,948	1,995
• Public sector	85	27.5	67	82
• Other domestic sectors	624	(13.9)	725	620
• Non-domestic sectors	1,243	(42.4)	2,156	1,293
TOTAL LENDING (GROSS)	170,067	13.2	150,217	165,634
Loan loss provisions	(4,509)	(4.5)	(4,723)	(4,368)
TOTAL NET LENDING	165,558	13.8	145,494	161,266



VARIATIONS IN NONPERFORMING LOANS

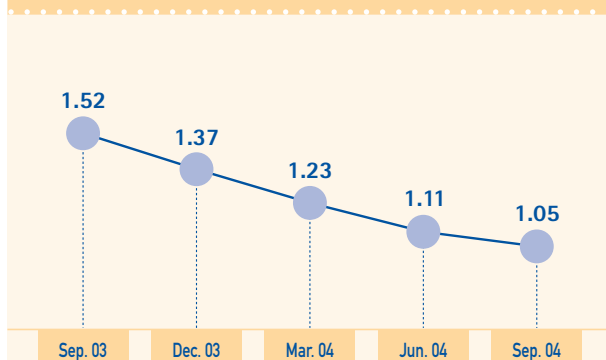
(MILLION EUROS)

	3Q04	2Q04	1Q04	4Q03
BEGINNING BALANCE ⁽¹⁾	2,045	2,150	2,320	2,520
Net variation	(43)	(105)	(170)	(200)
+ Entries	464	450	485	460
- Outflows	(418)	(357)	(390)	(424)
- Write-offs	(89)	(198)	(265)	(236)
PERIOD-END BALANCE ⁽¹⁾	2,002	2,045	2,150	2,320
MEMORANDUM ITEM:				
• Nonperforming loans	1,952	1,995	2,135	2,673
• Country risk (group 5)	(25)	(26)	(86)	(457)
• Nonperforming contingent liabilities	75	76	101	104

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

NONPERFORMING LOAN RATIO ⁽¹⁾

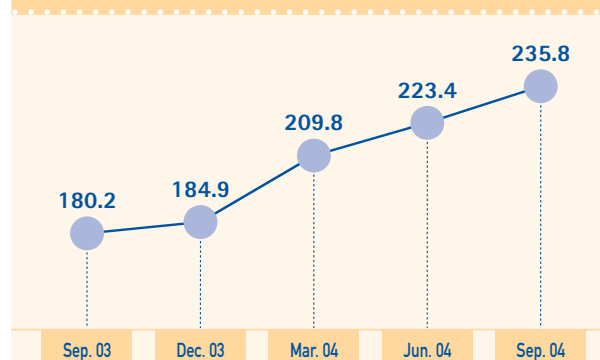
(PERCENTAGE)



(1) Nonperforming assets/Total risks.

COVERAGE RATIO

(PERCENTAGE)



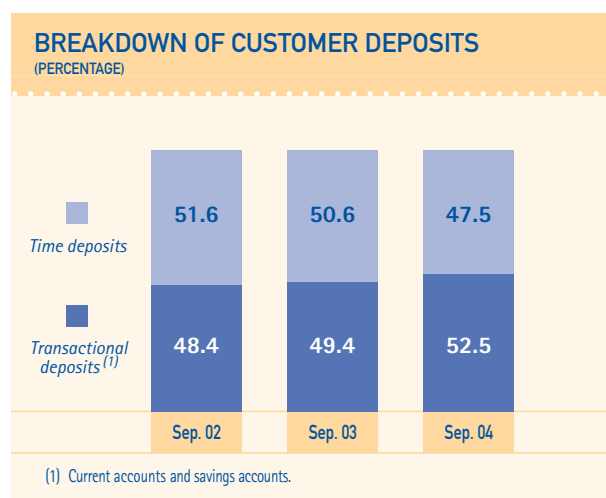
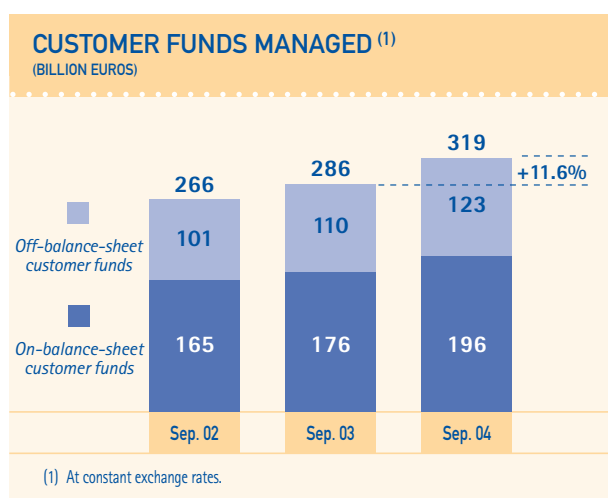
RISK MANAGEMENT

(MILLION EUROS)

	30-09-04	Δ%	30-09-03	30-06-04
TOTAL RISK EXPOSURE ⁽¹⁾				
Nonperforming assets	2,002	(20.6)	2,520	2,045
Total risks	190,044	14.9	165,415	184,751
Provisions	4,721	4.0	4,540	4,569
NPL ratio (%)	1.05		1.52	1.11
NPL coverage ratio (%)	235.8		180.2	223.4
CREDIT RISK				
NPL ratio (%)	1.15		1.96	1.20
NPL coverage ratio (%)	231.0		160.2	218.9
Coverage ratio including secured loans (%)	253.9		178.0	236.8
MEMORANDUM ITEM:				
Foreclosed assets	365	(8.8)	400	364
Foreclosed asset provisions	189	(5.5)	200	197
Coverage (%)	51.9		50.1	54.0

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

CUSTOMER FUNDS MANAGED (MILLION EUROS)				
	30-09-04	Δ%	30-09-03	30-06-04
ON-BALANCE-SHEET CUSTOMER FUNDS	195,899	9.2	179,369	195,986
DEPOSITS	148,244	5.6	140,355	150,125
Public sector	6,738	80.2	3,739	6,065
Other domestic sectors	71,103	5.7	67,247	73,180
• Current accounts	21,580	15.5	18,678	21,670
• Savings accounts	17,446	9.2	15,969	18,015
• Time deposits	18,579	(3.6)	19,279	17,640
• Assets sold under repurchase agreement	13,498	1.3	13,321	15,855
Non-domestic sector	70,403	1.5	69,369	70,880
• Current and savings accounts	25,653	10.0	23,316	25,832
• Time deposits	39,879	(0.5)	40,060	39,970
• Assets sold under repurchase agreement and other accounts	4,871	(18.7)	5,993	5,078
MARKETABLE DEBT SECURITIES	40,459	25.4	32,264	38,649
Mortgage bonds	16,229	38.3	11,732	14,726
Other marketable securities	24,230	18.0	20,532	23,923
SUBORDINATED DEBT	7,196	6.6	6,750	7,212
OTHER CUSTOMER FUNDS MANAGED	123,009	9.8	112,032	119,872
Mutual funds	50,650	12.5	45,014	50,404
Pension funds	41,140	5.1	39,160	39,670
Customer portfolios	31,219	12.1	27,858	29,798
TOTAL CUSTOMER FUNDS MANAGED	318,908	9.4	291,401	315,858



OTHER CUSTOMER FUNDS MANAGED				
<small>(MILLION EUROS)</small>				
	30-09-04	Δ%	30-09-03	30-06-04
SPAIN	66,785	14.6	58,281	66,181
MUTUAL FUNDS	41,613	16.2	35,818	41,198
Mutual Funds (ex Real Estate)	40,625	15.0	35,314	40,339
• Money market	11,956	10.8	10,788	11,837
• Fixed-income	13,140	13.8	11,552	12,758
Of which: Guaranteed	7,427	23.7	6,005	6,973
• Balanced	2,668	2.5	2,602	2,622
Of which: International funds	1,954	(21.7)	2,496	2,545
• Equity	12,548	27.9	9,808	12,630
Of which: Guaranteed	9,601	37.9	6,961	9,538
International funds	1,997	(13.8)	2,316	2,125
• Global	313	(44.5)	564	492
Real Estate investment trusts	988	95.8	504	859
PENSION FUNDS	12,644	10.2	11,475	12,555
Individual pension plans	6,667	14.2	5,836	6,632
Corporate pension funds	5,977	6.0	5,639	5,923
CUSTOMER PORTFOLIOS	12,528	14.0	10,988	12,428
REST OF THE WORLD	56,224	4.6	53,751	53,691
Mutual funds	9,037	(1.7)	9,196	9,206
Pension funds	28,496	2.9	27,685	27,115
Customer portfolios	18,691	10.8	16,870	17,370
OTHER CUSTOMER FUNDS MANAGED	123,009	9.8	112,032	119,872

GOODWILL IN CONSOLIDATION				
<small>(MILLION EUROS)</small>				
	30-09-04	Δ%	30-09-03	30-06-04
Global and proportional integration method	4,355	66.0	2,624	4,508
• Banks in America	3,755	96.8	1,908	3,878
• Pension fund management companies in America	382	(17.8)	464	402
• Other	218	(13.2)	252	228
Companies accounted for by the equity method	1,029	(22.9)	1,335	1,064
GOODWILL IN CONSOLIDATION	5,384	36.0	3,959	5,572