

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			
<small>(MILLION EUROS)</small>			
	9M04	Δ%	9M03
Retail Banking in Spain and Portugal	1,026	12.3	914
Wholesale and Investment Banking	377	11.5	338
America	866	60.0	541
Corporate Activities	(210)	n.m.	(54)
BBVA GROUP NET ATTRIBUTABLE PROFIT	2,059	18.4	1,739

ROE AND EFFICIENCY RATIO				
<small>(PERCENTAGE)</small>				
	ROE		Efficiency ratio	
	9M04	9M03	9M04	9M03
Retail Banking in Spain and Portugal	31.7	30.5	42.7	45.1
Wholesale and Investment Banking	22.6	22.3	29.0	30.1
America	25.8	21.8	42.4	44.9
BBVA GROUP	19.7	19.2	44.8	46.7

Retail Banking in Spain and Portugal

INCOME STATEMENT

(MILLION EUROS)

	Retail Banking Spain and Portugal			Memorandum item:			
	9M04	Δ%	9M03	Commercial and SME Banking		Asset Management and Private Banking	
	9M04	Δ%	9M03	9M04	Δ%	9M04	Δ%
NET INTEREST INCOME	2,476	2.7	2,411	2,193	1.3	32	5.7
Net fee income	1,191	11.6	1,067	1,006	11.0	169	14.7
CORE REVENUES	3,667	5.4	3,478	3,199	4.2	201	13.2
Net trading income	39	15.7	33	36	18.6	1	96.6
ORDINARY REVENUES	3,706	5.5	3,512	3,235	4.3	202	13.4
Personnel costs	(1,058)	1.9	(1,038)	(960)	1.8	(37)	(6.3)
General expenses	(524)	(3.7)	(544)	(456)	(3.9)	(22)	(5.7)
GENERAL ADMINISTRATIVE EXPENSES	(1,582)	-	(1,582)	(1,417)	(0.1)	(59)	(6.1)
Depreciation and amortization	(78)	(10.5)	(87)	(69)	(10.6)	(3)	5.9
Other operating income and expenses	(34)	(11.3)	(39)	(32)	(13.2)	(1)	(6.9)
OPERATING PROFIT	2,012	11.5	1,804	1,718	9.5	139	24.8
Net income (loss) from companies accounted for by the equity method	(14)	n.m.	13	2	n.m.	1	(10.9)
Amortization of goodwill	-	-	-	-	-	-	-
Net income (loss) from Group transactions	27	n.m.	-	-	-	-	-
Net loan loss provisions	(420)	13.5	(370)	(362)	7.0	(4)	10.8
Net extraordinary income (loss)	12	95.9	6	17	103.0	(3)	61.6
PRE-TAX PROFIT	1,619	11.4	1,454	1,374	11.0	133	24.2
Corporate income tax	(540)	13.1	(477)	(465)	13.0	(45)	27.4
NET PROFIT	1,079	10.5	976	908	10.1	88	22.6
Minority interests	(53)	(15.1)	(62)	(42)	(20.9)	(3)	(38.6)
NET ATTRIBUTABLE PROFIT	1,026	12.3	914	866	12.2	85	27.5

BALANCE SHEETS

(MILLION EUROS)

	30-09-04		30-09-03		30-09-04		30-09-04	
	30-09-04	Δ%	30-09-03	Δ%	30-09-04	Δ%	30-09-04	Δ%
Total net lending	103,642	19.2	86,923		96,849	19.4	871	16.8
Securities portfolio	634	19.9	529		14	59.3	177	(37.0)
Liquid assets	2,037	(11.5)	2,302		1,106	(2.3)	245	41.0
Inter-area positions	17,000	8.2	15,710		15,779	10.3	832	(26.3)
Property and equipment and intangible assets	659	0.8	654		548	1.8	10	18.2
Other assets	1,059	42.6	743		554	19.3	66	70.8
TOTAL ASSETS/LIABILITIES AND EQUITY	125,032	17.0	106,861		114,851	17.7	2,201	(7.4)
Deposits	51,563	2.6	50,252		47,779	3.0	1,235	(3.2)
Debt securities	6	-	6		-	-	-	-
Equity	7,766	10.5	7,027		6,629	14.0	369	(35.6)
• Shareholders' funds	4,498	11.3	4,043		3,823	14.0	217	(36.3)
• Other eligible funds	3,268	9.5	2,984		2,806	14.0	152	(34.7)
Liquid liabilities	4,095	22.0	3,358		31	(66.4)	1	(81.2)
Inter-area positions	56,629	34.7	42,047		56,101	34.7	347	8.6
Other liabilities	4,972	19.2	4,172		4,311	17.4	249	23.2
OTHER CUSTOMER FUNDS MANAGED								
• Mutual funds	41,363	16.7	35,449		35,986	15.1	4,846	28.4
• Pension funds	12,858	10.1	11,678		6,283	14.2	6,354	6.3
• Customer portfolios	8,271	17.8	7,023		1,026	42.3	7,245	15.0

SIGNIFICANT RATIOS

(PERCENTAGE)

	30-09-04	30-09-03	30-09-04	30-09-04
ROE	31.7	30.5	31.8	47.8
Efficiency ratio	42.7	45.1	43.8	29.2
NPL ratio (Nonperforming assets/Total risks)	0.62	0.90	0.59	0.03
Coverage ratio	369.4	254.8	384.1	n.m.

Retail Banking in Spain and Portugal includes business with customers who are individuals, retailers or small and medium enterprises plus the management of investment and pensions funds, and insurance products. It also includes the special financial services unit (Finanzia and Uno-e) and it conducts the e-banking business, consumer finance, the distribution of cards and renting.

In the third quarter this area consolidated the upward trend in results. Operating profit for the first nine months of 2004 rose to 2,012 million euros, an increase of 11.5% over the same period in 2003 (11.0% in the first half and 8.1% in the first quarter). This was due to greater activity in lending and customer funds, to the action taken to defend customer spreads, to the positive trend in net fee income and to the zero increase in expenses. The performance in operating profit carried over to attributable net income which grew 12.3% to 1,026 million euros. This brought the ROE to 31.7% compared to 30.5% for the first nine months of 2003.

At 30-Sep-04 total lending was nearly 104 billion euros and year-on-year growth accelerated to 19.2% (18.0% at 30-Jun-04). Lending to individuals performed well especially in residential mortgages, increasing by 24.4% (23.3% in June). This also applies to consumer loans (up 14.5%) and SMEs and small businesses lending (which surged 20.0%).

Total customer funds managed by the area (deposits, mutual funds and pension funds) also grew faster – 9.2% year-on-year (8.9% in June). During the first nine months of 2004 they increased by 6,105 million euros (3,865 million euros in the same period last year). There was considerable activity in the sale of mutual funds. This was general in nature and not focused on a particular product or type. It was the result of the innovative products and personalised customer service. Mutual funds grew 15.0% year-on-year compared to 10.4% for the banking system as a whole. Thus BBVA Gestión is the fund manager with the greatest gain in market share (an increase of 56 basis points since December 2003 and 77 basis points in the last 12 months) bringing market share at 30-Sep-04 to 19.09%. Stable funds (mainly time deposits, mutual funds and pension funds) increased 10.5% compared to 30-Sep-03 while transactional deposits grew 7.9%.

The high levels of business activity and monitored pricing of assets and liabilities led to a year-on-year increase in net interest income of 2.7% in the year to date. Net fee income grew 11.6%, confirming the significant and growing recovery observed since the beginning of the year.

This applied to mutual and pension funds as well as other fee income (12.3% and 11.1%, respectively). Thus in the first nine months of the year core revenues and ordinary revenues grew 5.4% and 5.5%, respectively.

The area recorded a new improvement of 2.4 points in the cost/income ratio which fell to 42.7%. This demonstrates the positive performance of revenues together with stable costs. Furthermore, the percentage of costs covered by fee income (the recurrency ratio) increased 7.8 percentage points to 75.3%.

Up to September, 420 million euros have been booked to loan-loss provisions. This is 13.5% more than the same period last year and it took the form of generic provisions based on the sharp increase in business activity and increases in statistical reserves. The non-performing loan ratio continued to improve, to 0.62% at 30-Sep-04 (0.90% a year earlier), and it remains below average for the banking sector. Coverage increased to 369.4%, compared to 254.8% at 30-Sep-03, following the 17.8% decline in non-performing assets and the 19.2% increase in reserves. As a result attributable net income now stands at 1,026 million euros as mentioned above.

The results in Commercial and SME Banking, which together represent more than 84% of Retail Banking in Spain and Portugal exhibited the same trends: strong revenues and fee income, and a new improvement in the cost/income ratio. Operating profit grew 9.5% and attributable net income grew 12.2% to 866 million euros.

With regards to the individuals segment, residential mortgage loans grew strongly. In the third quarter some 3.2 billion euros in new mortgages was concluded. Cumulative turnover for the year came to nearly 10 billion euros, increasing 44.2% compared to the same period last year. Including developers, the total volume of mortgages signed came to 16.4 billion euros. This was 44.8% higher than the first nine months of 2003. In addition, the *Mutua Solred BBVA* card for customers of the Mutua Madrileña insurance company was launched in the third quarter following an agreement between this insurer and the Repsol Group.

As part of the Commercial Financial Services Plan, the sales force that specialises in SMEs and small businesses was extended, now covering a total of 1,640 branches. At 30-Sep-04 lending activity was growing at more than 20% (22% in leasing and more than 35% in renting, factoring and confirming). During the quarter a multirisk

policy was launched for SMEs and small businesses and a life policy for business owners. Furthermore a new vendor agreement was signed with AUSA that extends renting of construction equipment to SMEs. Another agreement was signed with Michelin providing preferential financial conditions to customers of its finance network.

With regard to mutual funds BBVA Gestión has exceeded its target market share. The positive figures mentioned above reflect the success of the seven *Planes Renta* where total sales climbed to 1,730 million euros in the year-to-date. The BBVA *Triple Óptimo* I and II funds booked 900 million euros, the BBVA *4-100 Ibex* I and II funds nearly 300 million euros and the BBVA *Vencimiento 2009* fund nearly 400 million euros. It should also be noted that BBVA Gestión continues to be the leader in terms of fee income with 1.351% at 30-Sep-04. This is 10 basis points higher than the weighted average of the top 12 managers (which handle 80% of assets in this sector). Moreover BBVA Propiedad (a real-estate investment fund) achieved assets of 988 million euros, 95.8% more than at 30-Sep-03, and a return of 6.9%. This is 60 basis points above the banking system average in this category.

Total assets in the pension funds managed by the Group in Spain rose to 12.64 billion euros – with year-on-year growth of 10.2% (14.2% in individual plans and 6.0% in plans for employees and associates). According to the latest data (June 2004), BBVA continues to lead in this sector with an overall 19.9% market share. In individual pension plans the market share is 17.2% and the average fee income has increased 6 basis points since the beginning of the year thanks to the *Planes Protección*. In the case of plans for employees and associates, market share continues to rise and now stands at 23.5%. It should be remembered that in July BBVA won a tender for management and custody of the central government employee pension scheme in competition with the main Spanish financial institutions. This plan has an initial value of 55 million euros and some 530,000 participants. It increases the number of beneficiaries of employee pension plans by 75% (at 31-Dec-03 there were some 700,000). Thus the pension unit is now servicing more than 1,300,000 participants and beneficiaries.

At 30-Sep-04 the private banking unit was managing 12.77 billion euros. This is an increase of 6.4% over the end of 2003. Of this amount, 6.84 billion euros are managed by BBVA *Patrimonios* which has received net contributions of 644 million euros in 2004 – this is 10.5% higher than the amount of stable funds under

management at 31-Dec-03. Apart from the funds transferred to BBVA *Patrimonios*, the personal banking unit directly manages 5.93 billion euros. Its campaigns attracted 335 million euros up to September, 5.2% more than the stable funds at 31-Dec-03.

The increased activity carried over to the income statement of the asset management and private banking unit. Year-on-year it increased attributable net income by 27.5% to 85 million euros – boosted by net fee income (up 14.7%) and cost cutting (costs were down 6.1%). Total assets under management by the unit exceeded 64 billion euros, growing 14.1% year-on-year.

In the insurance business, BBVA Seguros had net income before tax of 153 million euros. This was 9% higher than a year earlier. It maintained its leadership in *bancassurance* with regard to life policies. There were a number of marketing initiatives in the third quarter. They included the single premium policy financed through a mortgage which improved the percentage of life insurance policies sold in connection with mortgage operations to more than 65%. The *Keyman* product range, aimed at businesses, sold more than 8,000 life insurance policies in the quarter. In addition the campaign to bundle life and home insurance succeeded in increasing year-on-year activity by more than 25%.

The Special Financial Services unit increased lending to 2,973 million euros at 30-Sep-04 after generating 447 million euros in new finance in the quarter. This was an increase of 17.6% year-on-year and brought cumulative turnover to 1,685 million euros. The increase extended to all products. Vehicle finance rose 40%, equipment 20% and equipment renting 26%. In vehicle renting, purchases climbed 125% to 8,885 units. Funds managed by this unit rose to 955 million euros due to growth in off-balance sheet funds and the launch of *Doble Tipo*, a 6-month deposit that gathered more than 40 million euros in the third quarter. Uno-e obtained operating profit of 12 million euros in the quarter (compared to a 7-million euro deficit in the first nine months of 2003). Pre-tax profit came to 8 million euros (compared to a 10-million euro loss in 2003).

BBVA Portugal, with a year-on-year increase of 43% in mortgage loans and 20.5% in mutual funds, again increased its market share by 22 basis points in total lending and by 27 basis points in mutual funds over the last 12 months. Operating profit grew by 22.9% thanks to net interest income (up by 3.4%), net fee income (up by 9.1%) and cost control (a 3.4% increase). The attributable net income is 5 million euros.

Wholesale and Investment Banking

INCOME STATEMENT

(MILLION EUROS)

	Wholesale and Investment Banking			Memorandum item:			
	9M04	Δ%	9M03	Wholesale Banking		Markets	
				9M04	Δ%	9M04	Δ%
NET INTEREST INCOME	583	12.3	519	375	(1.0)	138	40.8
Net fee income	162	18.7	136	121	17.0	44	22.2
CORE REVENUES	744	13.6	655	496	2.8	182	35.8
Net trading income	22	(74.7)	88	28	76.1	9	(84.9)
ORDINARY REVENUES	767	3.1	744	524	5.2	190	(0.2)
Personnel costs	(149)	1.7	(147)	(85)	(2.7)	(56)	9.6
General expenses	(73)	(5.3)	(77)	(36)	0.3	(34)	(10.3)
GENERAL ADMINISTRATIVE EXPENSES	(222)	(0.7)	(224)	(120)	(1.8)	(90)	1.2
Depreciation and amortization	(5)	(44.1)	(9)	(3)	(11.9)	(1)	(69.3)
Other operating income and expenses	(3)	(13.0)	(4)	(3)	(3.0)	(1)	16.4
OPERATING PROFIT	537	5.7	507	398	7.8	98	1.9
Net income (loss) from companies accounted for by the equity method	22	(37.4)	35	(9)	n.m.	-	-
Amortization of goodwill	(2)	(3.2)	(2)	-	-	-	-
Net income (loss) from Group transactions	81	156.2	32	-	-	-	-
Net loan loss provisions	(150)	58.3	(95)	(132)	53.6	(15)	n.m.
Net extraordinary income (loss)	7	n.m.	(2)	11	n.m.	(4)	(83.3)
PRE-TAX PROFIT	495	4.0	476	267	(6.5)	80	9.7
Corporate income tax	(93)	(12.0)	(106)	(81)	(4.0)	(2)	(86.7)
NET PROFIT	401	8.6	369	186	(7.5)	78	28.5
Minority interests	(25)	(21.7)	(32)	(17)	(26.3)	(5)	(2.2)
NET ATTRIBUTABLE PROFIT	377	11.5	338	170	(5.2)	73	31.3

BALANCE SHEETS

(MILLION EUROS)

	30-09-04		Δ%	30-09-03		30-09-04		Δ%
Total net lending	41,025	2.2		40,161	38,668	5.1	2,231	(30.2)
Securities portfolio	30,135	8.0		27,916	3,334	(10.9)	25,482	9.7
Liquid assets	52,748	27.0		41,518	6,661	(44.6)	45,979	57.0
Inter-area positions	45,191	5.5		42,842	-	-	45,088	5.3
Property and equipment and intangible assets	44	(4.2)		46	39	(2.5)	5	(19.3)
Other assets	7,308	9.3		6,689	537	6.9	6,704	9.5
TOTAL ASSETS/LIABILITIES AND EQUITY	176,453	10.9		159,172	49,240	(7.3)	125,489	19.9
Deposits	53,783	11.8		48,122	17,907	(7.4)	35,875	24.9
Debt securities	5,153	(15.9)		6,129	5,153	(15.9)	-	-
Equity	3,937	9.4		3,599	2,338	4.3	834	28.0
• Shareholders' funds	2,304	9.2		2,109	1,248	4.2	496	27.9
• Other eligible funds	1,633	9.6		1,489	1,090	4.4	337	28.0
Liquid liabilities	79,933	14.3		69,913	8,170	(4.4)	71,442	16.4
Inter-area positions	24,634	5.8		23,274	14,131	(8.8)	10,075	38.4
Other liabilities	9,012	10.8		8,135	1,541	13.6	7,264	9.8
OTHER CUSTOMER FUNDS MANAGED								
• Mutual funds	742	(4.5)		777	727	(6.5)	16	n.m.
• Pension funds	2	2.2		2	2	2.2	-	-
• Customer portfolios	4,257	7.4		3,965	4,257	7.4	-	-

SIGNIFICANT RATIOS

(PERCENTAGE)

	30-09-04		30-09-03		30-09-04		30-09-04	
ROE	22.6		22.3		18.8		21.2	
Efficiency ratio	29.0		30.1		23.0		47.4	
NPL ratio (Nonperforming assets/Total risks)	0.28		0.67		0.30		-	
Coverage ratio	469.7		177.6		435.8		-	

Wholesale and Investment Banking comprises the domestic and international global corporate banking units, institutional banking, and the global markets and distribution unit that includes the trading rooms in Europe and in New York, equities and bond distribution and the depository and custodial services. It also includes the business and real estate projects unit, and global transaction services.

Lending handled by this area rose to 41,025 million euros with a year-on-year increase of 2.2%. In terms of average balances the increase was 3.7% compared to 3.2% at the end of June. Institutional Banking was the unit that grew most (9.7%). Asset quality also continues to improve as shown by the non-performing loan ratio of 0.28% which compares favourably with 0.67% at 30-Sep-03, while coverage climbed to 469.7% from the figure of 177.6% a year earlier. Deposits and off-balance sheet funds in this area increased 10.2% over the amount at 30-Sep-03 (7.9% on average balances). Both figures were higher than the 3.4% and 4.8%, respectively, recorded at the end of June.

In the first nine months of the year net interest income increased 12.3% over the same period in 2003 while net fee income grew 18.7%. This brought the increase in core revenues to 13.6%. However, lower net trading income (mainly in the Global Markets unit although partly compensated by higher dividends) meant that ordinary revenues increased by only 3.1% to 767 million euros. This increase, together with the 0.7% decline in general expenses, resulted in a 1.1 point improvement in the cost/income ratio to 29.0% compared to 30.1% for the first nine months of 2003. Operating profit rose to 537 million euros, a year-on-year increase of 5.7%.

Items below the operating profit line on the income statement include income from group transactions related to Business and Real Estate Projects (which was higher than a year earlier). They also include a 58.3% increase in loan-loss provisions that was mainly due to transfers to general provisions and statistical reserves by the global corporate banking unit. Thus attributable net income for this area came to 377 million euros which was 11.5% higher than the first nine months of 2003. ROE was 22.6%, also comparing favourably with the figure of 22.3% a year earlier.

Wholesale Banking, which includes Global Corporate Banking and Institutional Banking, achieved an operating profit of 398 million euros in the year to September. This was 7.8% higher than the same period in 2003 (4.0% higher in the first half). Revenues grew faster, especially fee income, and cost reductions were deeper. After the loan-loss provisions mentioned above, attributable net income came to 170 million euros.

The strategy at Global Corporate Banking continues to focus on moderate growth in lending, on action to defend customer spreads and on the achievements in fee income (which grew 15.8%). Operating profit for the first nine months came to 271 million euros, up 4.1% over the same period a year ago, and attributable net income came to 91 million euros.

Lending operations led by BBVA in the third quarter included joint underwriting of finance for the take-over of Fomento de Construcciones y Contratas S.A. (controlled by Veolia Environment) by Dominum Dirección y Gestión S.A., finance for the Real Ocaña-La Roda tollway with a total value of 522 million euros and a four-year, \$600m syndicated loan for Codelco.

Mandates in the area of fixed-income securities included an issue of 200 million euros of subordinate debt by Eroski, a ten-year 1 billion euro issue by Repsol International Finance SA and underwriting of a four-year 500 million euro issue by KBC IFIMA NV. Attention is drawn to a two-year 150 million euro issue by Paccar Financial Europe BV. This was the first time the financial arm of this US truck manufacturer tapped the euro market.

In the first nine months of the year Institutional Banking generated attributable net income of 78 million euros – 21.3% higher than the same period in 2003. Increases in lending activities and funds under management (with year-on-year growth of more than 8% on average balances), together with action to defend spreads, higher fee income and cost control, brought the cost/income ratio to 19.3%. This was a 4.4 point improvement over the first nine months of 2003 and operating profit grew 16.5%.

In the third quarter Institutional Banking won a competitive tender to manage the current accounts of the

Spanish State Council and of the Spanish National Transplant Centre. Furthermore a co-operation agreement was signed with AECEMCO – an organisation that co-ordinates and represents special employment centres and promotes integration of the handicapped. This will help BBVA in its commitment to corporate social responsibility.

In addition, the Institutional Banking unit and the European Investment Bank signed a new general loan agreement for 200 million euros. This will be used to finance investments by regional governments – in line with the goals of the European Union.

In the first nine months the Global Markets and Distribution unit achieved attributable net income of 73 million euros, an increase of 31.3%. Operating profit was 98 million euros, which was slightly higher than the first nine months of 2003, although trading income was lower.

The third quarter saw continued sales of dynamically-managed products linked to international hedge funds. Furthermore BBVA was appointed as the co-ordinator of the Cintra IPO. This company is a subsidiary of the Ferrovial group. BBVA is also the underwriter for a share issue by Arcelor (the steel producer). In the OTC market, BBVA continued to be the leader with a cumulative market share of 11.35% at 30-Sep-04, according to stock-exchange figures.

In regard to the Transactional Services unit, attention is drawn to the Dealogic league tables for trade finance in the first half of 2004. BBVA is in first place world-wide based by number of mandates and fourth by amount insured (second in Latin America). For the third year running Global Finance ranked BBVA as the Best Trade Finance Bank in Spain.

In factoring and confirming, BBVA consolidated its leadership with a market share of 35.5% according to figures for end of June published recently by the Spanish Factoring Association. Year-on-year growth was 22.3% for the nine months to September.

Electronic banking in Spain is used by nearly 64,000 companies and institutions. In the first nine months of 2004 activity grew 9.8% by number of transactions and 35.7% by volumes. Moreover, BBVA was recognised by Global Finance as the best Internet bank in Spain for companies and institutions.

In the first nine months of the year the Business and Real Estate Projects unit achieved attributable net income of 165 million euros, a year-on-year increase of 60.8%. This was generated by improvements in dividends from associate companies, in net trading income and in group operations. In the third quarter the bank sold its 17.1% stake in Vidrala with capital gains of 19 million euros.

This unit is currently handling a portfolio of 113 investments with a book value of 927 million euros. There are latent capital gains of 801 million euros. By sector, 43.2% of the book value is in the real estate sector and 27.4% in market services.

In the third quarter, BBVA's real estate developer, Anida, continued with the rotation and value adding generation of its portfolio of projects. Turnover reached 68 million euros and it has invested in various property projects entailing 300,000 m² of construction in Madrid, Cáceres and Zaragoza.

Furthermore, the Yucatan Project was launched in July. The aim is to invest in new real estate projects and in partnerships with developers, through a local office and the creation of Mexican subsidiaries of Anida.

America

INCOME STATEMENT

(MILLION EUROS)

	9M04	Δ%	Δ% at constant exchange rates	9M03
NET INTEREST INCOME	2,268	5.4	20.9	2,152
Net fee income	1,284	(1.5)	10.6	1,303
CORE REVENUES	3,552	2.8	16.9	3,455
Net trading income	80	(59.5)	(55.1)	197
ORDINARY REVENUES	3,632	(0.5)	13.0	3,652
Personnel costs	(857)	(7.1)	5.1	(923)
General expenses	(684)	(4.5)	8.4	(717)
GENERAL ADMINISTRATIVE EXPENSES	(1,541)	(6.0)	6.5	(1,640)
Depreciation and amortization	(153)	(14.6)	(4.9)	(179)
Other operating income and expenses	(106)	(5.2)	9.6	(112)
OPERATING PROFIT	1,831	6.4	21.3	1,721
Net income (loss) from companies accounted for by the equity method	42	0.4	13.1	41
Amortization of goodwill	-	-	-	-
Net income (loss) from Group transactions	1	(94.2)	(94.5)	13
Net loan loss provisions	(214)	(42.6)	(33.5)	(373)
Net extraordinary income (loss)	(212)	19.2	35.7	(178)
PRE-TAX PROFIT	1,447	18.2	33.7	1,225
Corporate income tax	(413)	19.3	35.1	(346)
NET PROFIT	1,035	17.7	33.2	879
Minority interests	(169)	(50.1)	(42.9)	(338)
NET ATTRIBUTABLE PROFIT	866	60.0	79.9	541

BALANCE SHEETS

(MILLION EUROS)

	30-09-04	Δ%	Δ% at constant exchange rates	30-09-03
Total net lending	27,632	4.7	11.9	26,387
Securities portfolio	20,706	(19.7)	(12.5)	25,795
Liquid assets	17,425	(14.4)	(6.9)	20,366
Inter-area positions	422	2.3	4.6	413
Property and equipment and intangible assets	1,830	(14.5)	(8.2)	2,141
Other assets	4,524	(33.7)	(28.0)	6,823
TOTAL ASSETS/LIABILITIES AND EQUITY	72,540	(11.5)	(4.2)	81,924
Deposits	49,564	0.6	8.7	49,245
Debt securities	1,972	33.5	41.8	1,478
Equity	5,331	6.3	13.6	5,015
• Shareholders' funds	4,642	43.2	52.5	3,242
• Other eligible funds	688	(61.2)	(58.2)	1,772
Liquid liabilities	9,031	(41.8)	(36.8)	15,528
Inter-area positions	742	16.4	18.9	637
Other liabilities	5,900	(41.1)	(35.7)	10,022
OTHER CUSTOMER FUNDS MANAGED				
• Mutual funds	8,545	(2.8)	3.3	8,787
• Pension funds	28,280	2.9	5.5	27,480
• Customer portfolios	18,691	9.2	13.6	17,123

SIGNIFICANT RATIOS

(PERCENTAGE)

	30-09-04	30-09-03
ROE	25.8	21.8
Efficiency ratio	42.4	44.9
NPL ratio (Nonperforming assets/Total risks)	3.66	4.76
Coverage ratio	151.5	151.3

This business area comprises the ten banking companies that the BBVA Group manages on the American continent, plus its insurance companies in seven countries and pension fund managers in ten. The area also includes the Group's international private banking business in Andorra, Miami and Switzerland.

The year 2004 is proving positive and economic growth in the region will be around 5% – the highest figure in the last six years. The situation is boosting banking activity. However, interest rates vary widely across the continent. They are significantly higher in some countries and at a minimum level or in decline in others. This has a positive impact on net interest income in countries such as Mexico and a negative impact due to the price effect in countries such as Venezuela and Chile. With regard to exchange rates, it should be noted that although the overall effect of variations in local currencies against the dollar, and of the dollar against the euro, is negative, the result is less pronounced than last year.

The overall situation has been highly favourable for the area's results. Thus in the first nine months of the year attributable net income rose to 866 million euros, a year-on-year surge of 60% in current euros and practically 80% at constant exchange rates. Even net income before minority interests (which eliminates the effect of the Bancomer take-over at the beginning of the year) grew by 33.2% at constant exchange rates. Unless otherwise indicated, all variations below are calculated at constant exchange rates. Furthermore year-on-year growth has improved progressively for all revenue figures on the income statement – whether at current or constant exchange rates.

Net interest income grew 20.9% (15.5% in the first half) and as mentioned above, this is the result of the uneven price effect depending on the country in question and it is also the result of greater business activity. Recovery of lending activity, which had been established as one of the main goals for the year, is growing faster month-by-month. Lending handled by all the Group's banks in the region (excluding the old Bancomer mortgage portfolio and non-performing assets) increased by 22.7% on final balances at the end of September (the figure being 17.0% on average balances) – compared to 15.8% and 12.5%, respectively, at 30-Jun-04. This increase was

particularly strong in credit cards, consumer loans and mortgages. With regard to customer funds (traditional fund gathering, repos placed through the branch network and mutual funds) year-on-year growth of 11.4% was maintained in September. In the case of deposits, growth was 13.2% and it was more than 20% in current and savings accounts. This indicates a significant structural improvement.

Fee income grew by 10.6% but net trading income declined by 55.1% to 80 million euros due to the negative effect of interest rate hikes – especially in Mexico.

Operating expenses, including amortisation, grew 5.4% and in most countries this was lower than the inflation rate. As a result, operating profit increased 21.3%, which was a clear improvement compared to 11.2% in the first half. For the first time in recent years, the increase is greater than the impact of currency depreciation. Thus in current euros terms, the growth rate of 6.4% was positive. Furthermore the fastest-growing part of operating profit consists of recurrent earnings. Excluding net trading income, these earnings are growing at more than 30%. The cost/income ratio (personnel and general expenses over ordinary revenues) stands at 42.4%, which is 0.8 points lower than the first half and 2.5 points lower than the first nine months of 2003. The recurrency ratio, which measures the percentage of general expenses covered by fee income, was 83.3%. This is 0.9 points more than in June and 3.9 points more than last year.

The strong performance of items above the operating profit line on the income statement is complemented by an improvement below the line. The provisions made in past years allow for a reduction in 2004 and this year is also favoured by a clear improvement in non-performing loans. These declined from 4.76% a year earlier to 3.66%. Thus the aggregate of provisions and extraordinary items fell 10.3% and pre-tax profit therefore rose 33.7%. After deducting taxes and minority interests this results in the figures for attributable net profit given above. ROE was 25.8% (21.8% in the first nine months of 2003).

In the third quarter the Mexican economy confirmed the signs of recovery detected in previous quarters and forecast growth for 2004 was revised upwards. In

INCOME STATEMENT

(MILLION EUROS)

Memorandum item:	Mexico			Banking in America		
	9M04	Δ%	Δ% at constant exchange rates	9M04	Δ%	Δ% at constant exchange rates
NET INTEREST INCOME	1,458	5.6	23.1	765	5.6	18.5
Net fee income	779	(7.6)	7.7	235	11.9	22.2
CORE REVENUES	2,238	0.6	17.3	1,000	7.0	19.4
Net trading income	-	n.m.	n.m.	53	(42.6)	(36.6)
ORDINARY REVENUES	2,238	(2.6)	13.6	1,053	2.6	14.3
Personnel costs	(497)	(8.6)	6.6	(268)	(6.7)	3.6
General expenses	(380)	(8.7)	6.5	(244)	0.3	11.8
GENERAL ADMINISTRATIVE EXPENSES	(877)	(8.6)	6.5	(512)	(3.5)	7.3
Depreciation and amortization	(83)	(17.8)	(4.2)	(54)	(16.3)	(11.2)
Other operating income and expenses	(81)	(11.7)	2.9	(26)	26.8	40.5
OPERATING PROFIT	1,197	4.5	21.9	461	12.2	26.4
Net income (loss) from companies accounted for by the equity method	17	(24.6)	(12.1)	1	8.9	11.4
Amortization of goodwill	-	-	-	-	-	-
Net income (loss) from Group transactions	-	-	-	-	-	-
Net loan loss provisions	(197)	(43.1)	(33.6)	(15)	(41.0)	(36.9)
Net extraordinary income (loss)	(124)	33.3	55.4	(64)	(14.2)	(3.4)
PRE-TAX PROFIT	893	22.6	42.9	384	22.6	38.8
Corporate income tax	(276)	23.4	43.8	(106)	9.7	19.3
NET PROFIT	617	22.2	42.5	277	28.5	48.1
Minority interests	(37)	(82.3)	(79.3)	(91)	9.4	29.2
NET ATTRIBUTABLE PROFIT	580	94.8	127.1	186	40.4	59.5

BALANCE SHEETS

(MILLION EUROS)

	30-09-04	Δ%	Δ% at constant exchange rates	30-09-04	Δ%	Δ% at constant exchange rates
Total net lending	13,135	2.1	12.4	12,959	8.9	13.8
Securities portfolio	15,336	(24.8)	(17.3)	4,892	3.9	10.3
Liquid assets	10,405	(19.3)	(11.2)	3,869	0.8	15.0
Inter-area positions	132	29.0	41.9	29	37.3	68.3
Property and equipment and intangible assets	1,131	(12.0)	(3.1)	571	(21.6)	(18.2)
Other assets	2,997	(40.4)	(34.4)	1,342	(8.8)	(3.7)
TOTAL ASSETS/LIABILITIES AND EQUITY	43,136	(17.9)	(9.7)	23,662	4.4	11.1
Deposits	30,045	0.4	10.5	15,951	4.3	11.1
Debt securities	579	(30.9)	(24.0)	1,395	118.2	121.8
Equity	2,961	17.0	28.7	1,729	16.8	24.6
• Shareholders' funds	2,951	105.4	126.0	1,357	18.4	25.8
• Other eligible funds	9	(99.1)	(99.1)	372	11.4	20.5
Liquid liabilities	5,691	(51.8)	(46.9)	2,705	(5.4)	0.7
Inter-area positions	132	(1.3)	8.6	21	16.8	46.3
Other liabilities	3,728	(49.3)	(44.2)	1,862	(22.1)	(16.0)
OTHER CUSTOMER FUNDS MANAGED						
• Mutual funds	5,214	(4.2)	5.4	1,064	3.6	5.5
• Pension funds	6,661	3.7	14.1	-	-	-
• Customer portfolios	8,445	31.3	44.5	85	(79.3)	(73.8)

SIGNIFICANT RATIOS

(PERCENTAGE)

	30-09-04	30-09-04
ROE	28.0	19.2
Efficiency ratio	39.2	48.6
NPL ratio (Nonperforming assets/Total risks)	2.94	4.86
Coverage ratio	266.0	77.1

addition, the volatility of long-term interest rates was lower while short-term rates rose steadily and slowly. These factors indicate that economic activity in the country is clearly on the upturn and this is being translated into an expansion in lending without precedent in recent years.

In such a favourable environment, BBVA Bancomer maintained its high rate of growth in activity and results. It continues to position itself as the leading financial entity in Mexico. Cumulative net profit of the Group's Mexican subsidiaries in the first nine months of the year was 617 million euros, an increase of 42.5% compared to the same period in 2003 (22.2% in current euros). Moreover the Group's larger holding in BBVA Bancomer – 99.7% following the take-over in the first quarter of this year – helped attributable net profit to rise to 580 million euros, 127% more than the previous year (94.8% more at current exchange rates). Of this amount, 485 million euros are contributed by the banking business, 61 million by the pension fund manager and 34 million by the insurance companies.

Lending activity continues to grow vigorously. This is demonstrated by the performance of manageable lending (which excludes the old mortgage portfolio and NPLs). It grew faster year-on-year: 28.0% (24.6% on average balances) compared to 22.1% in June and 17.5% in March. This acceleration is across the board and affects all the main business lines. Consumer credit and credit cards are growing 52.5% year-on-year, loans to small and medium-sized enterprises increased by more than 50% while mortgage loans (excluding the old mortgage portfolio) are growing at 24.0%.

Total customer funds managed by BBVA Bancomer (traditional fund gathering, repos placed through the branch network and mutual funds) increased 12.6% compared to September 2003 despite year-on-year stability of repos and the negative effect of markets on the assets of mutual funds. The situation with deposits is much more positive with year-on-year growth of 15.8%. The best performers continue to be current and savings accounts in pesos and these grew around 17%. The growth in term deposits was somewhat lower (10.4%) compared to September last year. It can be seen that low cost liabilities continue to gain ground against other deposits and this helps to create a less onerous financial structure. The higher growth in

business activity, the increase in short-term interest rates and an increasingly profitable balance sheet structure meant that net interest income rose to 1,458 million euros, which was 23.1% higher than the first nine months of 2003.

Net fee income came to 779 million euros, 7.7% more than the same period in 2003. The best performance continues to be provided by activities associated with transactional business (cards, account administration, cheques and payment orders). The high volatility of long-term interest rates, especially in the second quarter, had a very negative effect on markets in the entire Mexican financial sector. Because of this, BBVA Bancomer's trading income shows a substantial decline compared to last year's figures.

General expenses continued to be largely contained despite higher activity during the year. This, together with the sharp rise in revenues, meant that the cost/income ratio continued to improve and now stands at 39.2% (2.6 percentage points lower than the same period last year). Furthermore 88.8% of general expenses is now covered by net fee income, compared to 87.8% in the same period of 2003.

Operating profit rose to 1,197 million euros, a year-on-year increase of 21.9%. This is double the figure of 10.9% recorded at the end of the half year and is even positive (4.5%) in current euro terms.

The better economic climate in Mexico, together with appropriate risk management policies, meant that BBVA Bancomer continued to improve the non-performing loan ratio. At the end of September this stands at 2.94% (3.72% at 30-Sep-03) and coverage is 266.0%. This improvement in asset quality led to lower loan-loss provisioning requirements during the year.

The most relevant aspects of the other countries in the region for the first nine months of 2004 are summarised below:

In the year to September Banco Provincial de Venezuela obtained attributable net income of 64 million euros. This was an increase of 22.8% at constant exchange rates. This positive development was largely due to the 44.3% increase in net fee income, the higher returns from trading income and the positive effect of provisions

and extraordinary items (mainly due to loan recoveries). These factors compensated for the decline in net interest income. Despite the sharp growth in business activity, interest income was affected by the significant decline in interest rates over the last twelve months.

In Chile, performance was also positive during the year. In the first nine months attributable net income grew 10.3% to 22 million euros. The sustained and important increase in activity helped the bank to compensate for the effect of an adverse interest-rate environment and to achieve a substantial increase in net fee income (17.6%). The strong performance of items above the operating profit line on the income statement is complemented by lower provisioning needs. AFP Provida generated attributable net income of 8 million euros despite an extraordinary charge to cover insurance costs that were higher than expected. These costs were associated with expired policies pending payment that were regularised ahead of time as a precaution. Aside from these factors, higher business activity and net fee income (up 22.3%) managed to offset lower contributions from regulatory ratios that were affected by market conditions.

Banco Continental de Peru achieved attributable net income of 19 million euros (up 41.0%) with positive performance in all items on the income statement. Revenues – net interest income plus fee income – grew 8.5%, expenses were flat and provisioning requirements were lower due to improvements in the quality of the portfolio. AFP Horizonte obtained attributable net income of 8 million euros.

In Argentina the positive performance of the manageable part of the Banco Francés income statement led to attributable net income of 18 million euros in the first nine months of the year. Strict control of the cost of liabilities and higher returns on assets pegged to inflation, together with much higher

transactional business, led to a notable increase in net interest income and net fee income. These items were also helped by the gradual recovery in brokerage business and the growth in lending. The effect was aided by effective cost control and positive contributions in the form of loan recoveries. In the pensions and insurance area, the Consolidar Group generated attributable net income of 13 million euros.

The performance of BBVA Colombia in 2004 has confirmed the radical turnaround in recent years. It achieved the highest net attributable profit in its history: 25 million euros, compared to 4 million euros for the same period of 2003. The key to this change can be found in the surge in activity, which favoured all sources of revenue. Special attention is drawn to net interest income which grew 22.0% year-on-year and to the moderate advance in expenses. The Group's other companies in Colombia, AFP Horizonte and the insurance companies, contributed 8 million euros in attributable net income.

BBVA Puerto Rico probably faces the most challenging economic environment of any group company in Latin America. A slight rise in business activity has been accompanied by lower interest rates and higher provisioning associated with certain isolated operations. As a result, attributable net income came to 25 million euros – similar to 2003.

In other countries the Group obtained the following attributable net income for the first nine months of the year: 14 million euros in Panama (up 11.5%) and 6 million euros in Paraguay (up 12.6%). Uruguay reduced its losses to 6 million euros (14 million euros in 2003).

Lastly, international private banking continued to develop slowly but surely. It generated an attributable net income of 54 million euros.

Corporate Activities

INCOME STATEMENT			
<small>(MILLION EUROS)</small>			
	9M04	Δ%	9M03
NET INTEREST INCOME	(66)	11.3	(59)
Net fee income	(114)	95.6	(58)
CORE REVENUES	(180)	53.0	(118)
Net trading income	229	23.7	185
ORDINARY REVENUES	49	(27.4)	67
Personnel costs	(295)	(8.0)	(320)
General expenses	(13)	n.m.	41
GENERAL ADMINISTRATIVE EXPENSES	(307)	10.0	(279)
Depreciation and amortization	(105)	(6.9)	(113)
Other operating income and expenses	-	n.m.	(22)
OPERATING PROFIT	(364)	4.8	(347)
Net income (loss) from companies accounted for by the equity method	259	32.3	196
Amortization of goodwill	(495)	15.3	(429)
Net income (loss) from Group transactions	249	(28.7)	349
Net loan loss provisions	70	n.m.	(216)
Net extraordinary income (loss)	(47)	n.m.	270
PRE-TAX PROFIT	(328)	85.2	(177)
Corporate income tax	164	(17.9)	199
NET PROFIT	(164)	n.m.	22
Minority interests	(45)	(40.5)	(76)
NET ATTRIBUTABLE PROFIT	(210)	n.m.	(54)
BALANCE SHEETS			
<small>(MILLION EUROS)</small>			
	30-09-04	Δ%	30-09-03
Total net lending	(1,865)	(28.5)	(2,607)
Securities portfolio	29,427	9.4	26,889
Liquid assets	(23,502)	52.5	(15,408)
Inter-area positions	19,392	177.2	6,995
Property and equipment and intangible assets	1,542	(2.2)	1,576
Other assets	11,917	87.5	6,357
TOTAL ASSETS/LIABILITIES AND EQUITY	36,911	55.1	23,802
Deposits	(4,590)	43.8	(3,191)
Debt securities	26,761	13.8	23,509
Equity	7,362	7.0	6,884
• Shareholders' funds	2,832	9.7	2,581
• Other eligible funds	4,530	5.3	4,303
Liquid liabilities	-	-	-
Inter-area positions	-	-	-
Other liabilities	7,377	n.m.	(3,399)

This area comprises the Group's holdings in large industrial corporations and financial institutions; the activities and earnings of the central support units such as the Assets and Liabilities Committee; and other activities that, due to their nature, cannot be assigned to a particular business area. The latter include country-risk provisioning and amortisation of goodwill (except that related to business projects in the Wholesale Banking Area).

In the first nine months of 2004 the ordinary revenues of this area rose to 49 million euros compared to 67 million euros for the same period in 2003. After including corporate expenses, operating profit presented a deficit of 364 million euros, which was similar to the deficit of 347 million for the first nine months of 2003. However attributable net profit is 156 million euros lower than last year and this is mainly due to the greater amount earmarked for amortisation of goodwill (Bancomer) and the decline in capital gains.

The large industrial corporations unit mainly manages the bank's holdings in Telefónica, Repsol and Iberdrola, which make up 90% of the portfolio. Active management of the investments resulted in an increase of 40.6% in operating profit compared to the same period in 2003, rising to 133 million euros. The contribution of companies carried by the equity method also increased year-on-year. Thus the unit generated attributable net income of 232 million euros in the year to September compared to 161 million euros in the same period last year.

The financial stakes unit did not conduct any relevant operations in the third quarter, maintaining the holdings in BNL and Bradesco. In the first quarter of 2004 the holding in Banco Atlántico was sold with capital gains of 218 million euros while in 2003 the sale of the bank's interest in Crédit Lyonnais reported capital gains of 343 million euros. Lower taxes on the capital gains generated by the sale of Banco Atlántico explain the

lower corporate taxes in 2004. Thus the attributable net profit for the first nine months of 2004 comes to 192 million euros and this is 31 million less than the same period a year earlier.

The Assets and Liabilities Committee administers the Group's interest rate and exchange rate positions, group liquidity and shareholders' equity. Ordinary revenues came to 322 million euros at 30-Sep-04 compared to 268 million euros at the same date last year. The higher figures are the result of active management of exchange-rate risk and of the structural portfolio associated with interest-rate risk. The size of the interest-rate portfolio at 30-Sep-04 was 23.2 billion euros.

The Corporate Activities Area includes personnel and administration expenses, depreciation and other operating expenses generated by headquarters. It also absorbs other costs of an institutional nature that cannot be assigned to a particular area (corporate IT costs, severance payments, etc). The aggregate of these concepts, 412 million euros in the year to 30-Sep-04, is similar to the same period last year.

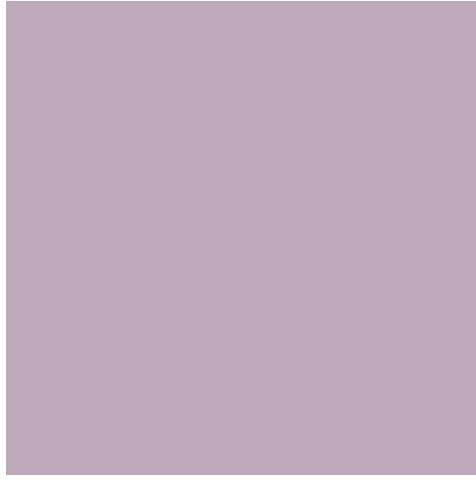
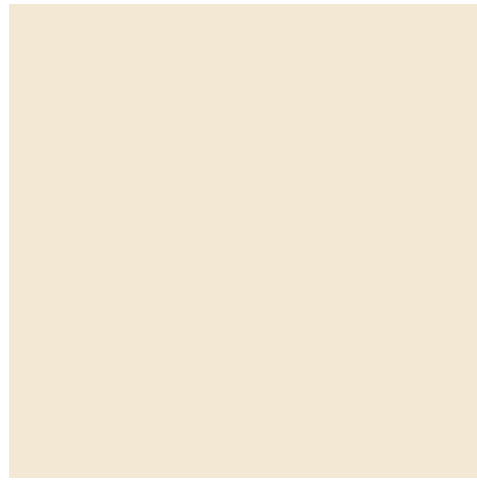
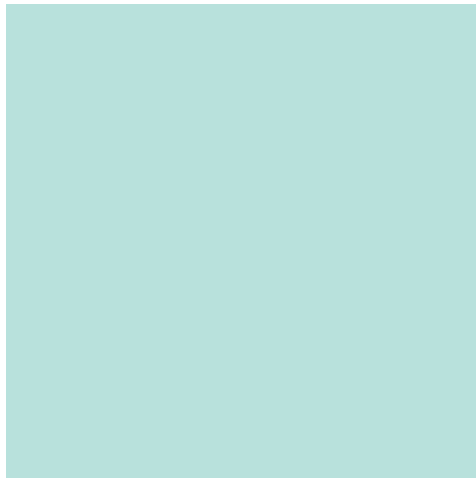
Some 495 million euros were earmarked for amortisation of goodwill. This was 66 million euros more than the first nine months of 2003. The additional 120 million euros arising from the purchase of Bancomer were partly absorbed by the 39 million euros of early amortisation of Bradesco goodwill done in June 2003 and lower amortisation of various holdings (mainly Crédit Lyonnais, Gas Natural and Wafabank) following divestments.

Lastly, it should be pointed out that the business volume figures (for the Retail, Wholesale and the Americas areas) record intergroup transactions as an integral part of their activities and business management. All intergroup transactions eliminated during consolidation are assigned to the Corporate Activities Area and therefore some items on its balance sheet may contain negative amounts.

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