

Income statement

CONSOLIDATED INCOME STATEMENT				
<small>(MILLION EUROS)</small>				
	1Q04	Δ%	1Q03	Memorandum item: Δ% at constant exchange rates
Financial revenues	2,932	(13.1)	3,375	(7.2)
Financial expenses	(1,392)	(23.8)	(1,827)	(18.7)
Dividends	144	41.5	102	45.5
NET INTEREST INCOME	1,684	2.1	1,650	9.0
Net fee income	824	2.3	806	9.1
CORE REVENUES	2,508	2.1	2,456	9.0
Net trading income	164	(16.5)	197	(14.0)
ORDINARY REVENUES	2,672	0.7	2,653	7.3
Personnel costs	(794)	(4.2)	(829)	0.6
General expenses	(434)	3.2	(420)	11.2
GENERAL ADMINISTRATIVE EXPENSES	(1,228)	(1.7)	(1,249)	4.1
Depreciation and amortization	(113)	(11.4)	(128)	(6.5)
Other operating income and expenses (net)	(52)	(12.3)	(59)	(3.0)
OPERATING PROFIT	1,279	5.2	1,217	12.5
Net income from companies accounted for by the equity method	84	219.3	26	207.8
Memorandum item: correction for payment of dividends	(102)	49.1	(68)	55.4
Amortization of goodwill	(132)	0.5	(131)	0.5
Net income from Group transactions	245	22.3	200	22.3
Net loan loss provisions	(291)	(9.8)	(323)	(2.0)
Net securities writedowns	-	-	-	-
Net extraordinary income (loss)	(118)	21.4	(97)	34.6
PRE-TAX PROFIT	1,067	19.6	892	25.7
Corporate income tax	(309)	48.0	(209)	55.7
NET PROFIT	758	11.0	683	16.6
Minority interests	(91)	(46.4)	(169)	(41.8)
• Preferred shares	(51)	(22.0)	(64)	(22.0)
• Minority interests	(40)	(61.6)	(105)	(55.9)
NET ATTRIBUTABLE PROFIT	667	29.9	514	35.0

CONSOLIDATED INCOME STATEMENT: QUARTERLY EVOLUTION

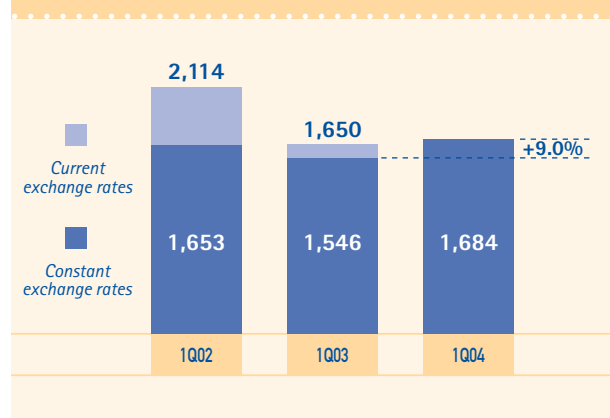
(MILLION EUROS)

	2004		2003		
	1Q	4Q	3Q	2Q	1Q
Financial revenues	2,932	2,994	2,978	3,190	3,375
Financial expenses	(1,392)	(1,408)	(1,372)	(1,653)	(1,827)
Dividends	144	132	69	161	102
NET INTEREST INCOME	1,684	1,718	1,675	1,698	1,650
Net fee income	824	815	850	792	806
CORE REVENUES	2,508	2,533	2,525	2,490	2,456
Net trading income	164	149	100	206	197
ORDINARY REVENUES	2,672	2,682	2,625	2,696	2,653
Personnel costs	(794)	(835)	(799)	(800)	(829)
General expenses	(434)	(471)	(435)	(442)	(420)
GENERAL ADMINISTRATIVE EXPENSES	(1,228)	(1,306)	(1,234)	(1,242)	(1,249)
Depreciation and amortization	(113)	(124)	(129)	(130)	(128)
Other operating income and expenses (net)	(52)	(43)	(55)	(62)	(59)
OPERATING PROFIT	1,279	1,209	1,207	1,262	1,217
Net income from companies accounted for by the equity method	84	98	170	89	26
Memorandum item: correction for payment of dividends	(102)	(105)	(32)	(114)	(68)
Amortization of goodwill	(132)	(208)	(130)	(170)	(131)
Net income from Group transactions	245	159	116	78	200
Net loan loss provisions	(291)	(223)	(207)	(524)	(323)
Net securities writedowns	-	-	-	-	-
Net extraordinary income (loss)	(118)	(200)	(52)	246	(97)
PRE-TAX PROFIT	1,067	835	1,104	981	892
Corporate income tax	(309)	(185)	(357)	(164)	(209)
NET PROFIT	758	650	747	817	683
Minority interests	(91)	(162)	(175)	(164)	(169)
• Preferred shares	(51)	(46)	(48)	(56)	(64)
• Minority interests	(40)	(116)	(127)	(108)	(105)
NET ATTRIBUTABLE PROFIT	667	488	572	653	514

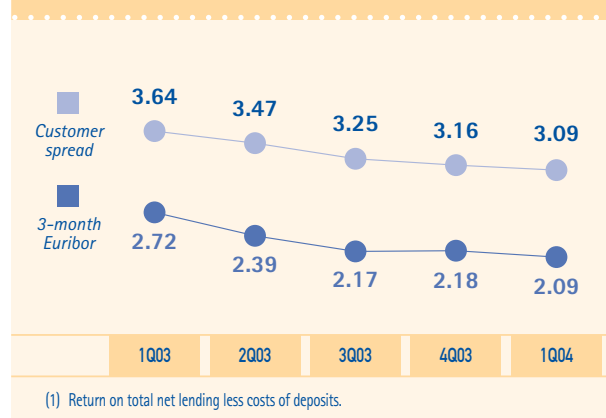
BREAKDOWN OF YIELDS AND COSTS

	1Q04		4Q03		3Q03	
	% of ATA	% Yield/Cost	% of ATA	% Yield/Cost	% of ATA	% Yield/Cost
Credit entities	10.3	3.60	10.0	4.30	10.2	3.79
• Euros	4.4	1.74	3.5	1.04	3.1	2.54
• Foreign currencies	5.9	4.99	6.5	6.06	7.1	4.35
Total net lending	53.0	4.88	53.0	5.02	53.2	5.09
• Euros	42.2	4.15	41.8	4.29	41.3	4.25
- Domestic	38.3	4.23	38.0	4.29	37.3	4.39
- Other	3.9	3.40	3.8	4.36	4.0	2.97
• Foreign currencies	10.8	7.71	11.2	7.72	11.9	7.99
Securities portfolio	28.6	4.50	28.4	4.32	28.0	4.20
• Fixed-income securities	25.3	4.29	25.2	4.15	24.7	4.37
- Euros	15.3	2.95	14.8	3.03	14.6	3.18
- Foreign currencies	10.0	6.34	10.4	5.72	10.1	6.11
• Equity securities	3.3	6.08	3.2	5.68	3.3	2.93
- Investments accounted for by the equity method	2.2	6.54	2.2	6.57	2.3	1.66
- Other investments	1.1	5.19	1.0	3.68	1.0	5.81
Non-interest earning assets	8.1	-	8.6	-	8.6	-
AVERAGE TOTAL ASSETS	100.0	4.26	100.0	4.34	100.0	4.28
Credit entities	21.0	2.81	21.3	3.36	20.0	3.05
• Euros	12.8	1.98	12.7	2.05	12.3	2.71
• Foreign currencies	8.2	4.12	8.6	5.32	7.7	3.58
Customer funds	64.2	1.99	63.8	1.89	65.1	1.92
• Customer deposits	50.0	1.79	49.3	1.66	50.9	1.66
- Euros	30.2	1.29	29.1	1.24	30.4	1.09
- Domestic deposits	18.8	1.14	19.1	1.13	19.3	1.14
- Other	11.4	1.53	10.0	1.46	11.1	0.98
- Foreign currencies	19.8	2.55	20.2	2.27	20.5	2.51
• Debt and other marketable debt securities	14.2	2.71	14.5	2.68	14.2	2.85
- Euros	12.7	2.54	12.8	2.50	12.3	2.62
- Foreign currencies	1.5	4.18	1.7	4.06	1.9	4.29
Shareholders' funds	4.7	-	4.2	-	4.2	-
Other non-interest bearing liabilities	10.1	-	10.7	-	10.7	-
AVERAGE TOTAL LIABILITIES	100.0	1.93	100.0	1.96	100.0	1.93
NET INTEREST INCOME/ATA		2.33		2.39		2.35

NET INTEREST INCOME (MILLION EUROS)



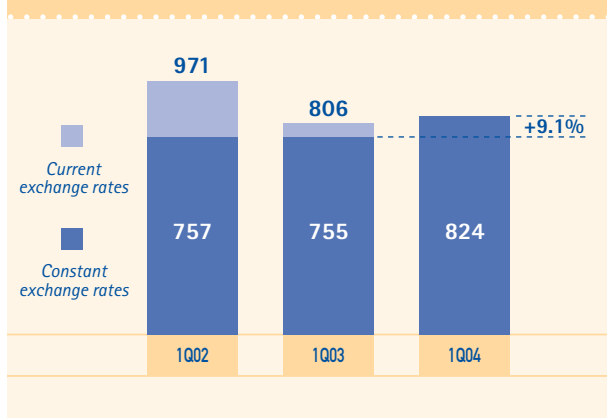
CUSTOMER SPREAD (DOMESTIC) ⁽¹⁾ (PERCENTAGE)



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

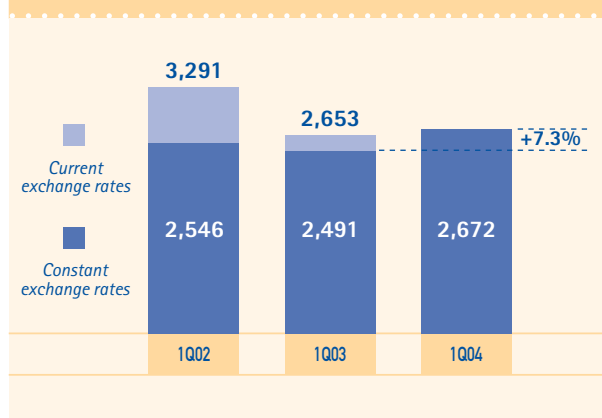
FEE INCOME

(MILLION EUROS)



ORDINARY REVENUE

(MILLION EUROS)



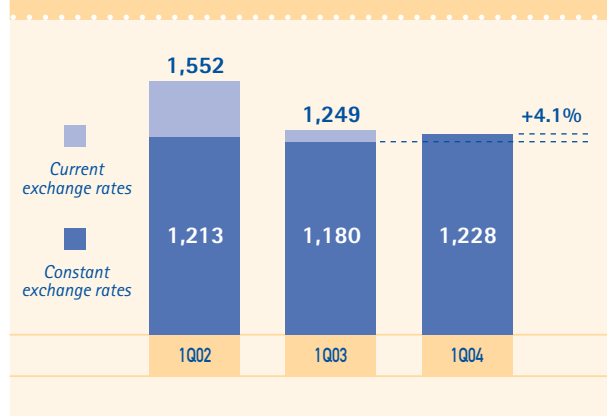
NET FEE INCOME

(MILLION EUROS)

	1Q04	Δ%	1Q03
NET FEE INCOME	824	2,3	806
Collection and payment services	327	(0.3)	327
• Credit and debit cards	139	0.1	139
• Other collection and payment services	188	(0.5)	188
Asset management	299	7.9	278
• Mutual and pension funds	274	6.6	258
• Managed portfolios	25	24.6	20
Other securities services	116	1.7	114
• Purchase/sale of securities	40	39.7	29
• Underwriting and placement	9	(58.6)	21
• Administration and custody services	67	4.8	64
Other fees	82	(5.5)	87

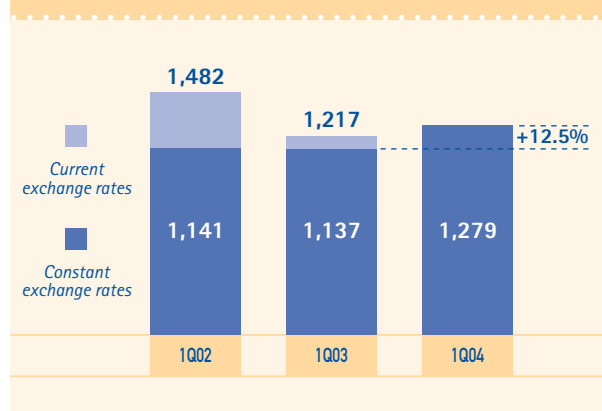
GENERAL ADMINISTRATIVE EXPENSES

(MILLION EUROS)



OPERATING INCOME

(MILLION EUROS)



GENERAL AND ADMINISTRATIVE EXPENSES			
(MILLION EUROS)			
	1Q04	Δ%	1Q03
PERSONNEL COSTS	794	(4.2)	829
Wages and salaries	591	(4.3)	617
• Fixed compensation	476	(5.5)	503
• Variable compensation	115	1.0	114
Employee welfare expenses	145	(3.6)	151
• Of which: pension funds	36	(5.0)	37
Training expenses and other	58	(4.6)	61
GENERAL EXPENSES	434	3.2	420
Premises	89	(2.2)	91
IT	98	10.8	89
Communications	47	(13.2)	54
Advertising and publicity	31	14.3	27
Corporate expenses	16	(0.8)	16
Other expenses	118	11.8	105
Levies and taxes	35	(8.1)	38
TOTAL GENERAL AND ADMINISTRATIVE EXPENSES	1,228	(1.7)	1,249

