

Income statement

CONSOLIDATED INCOME STATEMENT

(MILLION EUROS)

	9M04	Δ%	9M03	Memorandum item: Δ% at constant exchange rates
Financial revenues	9,172	(3.9)	9,543	1.9
Financial expenses	(4,434)	(8.6)	(4,852)	(3.3)
Dividends	523	57.4	332	58.7
NET INTEREST INCOME	5,261	4.7	5,023	10.8
Net fee income	2,523	3.0	2,448	9.4
CORE REVENUES	7,784	4.2	7,471	10.4
Net trading income	369	(26.6)	503	(23.7)
ORDINARY REVENUES	8,153	2.2	7,974	8.2
Personnel costs	(2,359)	(2.8)	(2,428)	1.6
General expenses	(1,294)	(0.2)	(1,297)	6.8
GENERAL ADMINISTRATIVE EXPENSES	(3,653)	(1.9)	(3,725)	3.4
Depreciation and amortization	(340)	(12.1)	(387)	(7.8)
Other operating income and expenses (net)	(144)	(18.3)	(176)	(10.7)
OPERATING PROFIT	4,016	9.0	3,686	15.6
Net income from companies accounted for by the equity method	309	8.3	285	10.1
Memorandum item: correction for payment of dividends	(298)	39.5	(214)	41.2
Amortization of goodwill	(496)	15.2	(431)	15.2
Net income from Group transactions	358	(9.0)	394	(9.1)
Net loan loss provisions	(714)	(32.2)	(1,054)	(28.8)
Net securities writedowns	-	-	-	-
Net extraordinary income (loss)	(240)	n.m.	97	n.m.
PRE-TAX PROFIT	3,233	8.6	2,977	14.1
Corporate income tax	(882)	20.8	(730)	27.9
NET PROFIT	2,351	4.6	2,247	9.6
Minority interests	(292)	(42.6)	(508)	(37.4)
• Preferred shares	(147)	(12.6)	(168)	(12.6)
• Minority interests	(145)	(57.3)	(340)	(51.3)
NET ATTRIBUTABLE PROFIT	2,059	18.4	1,739	22.6

CONSOLIDATED INCOME STATEMENT: QUARTERLY EVOLUTION

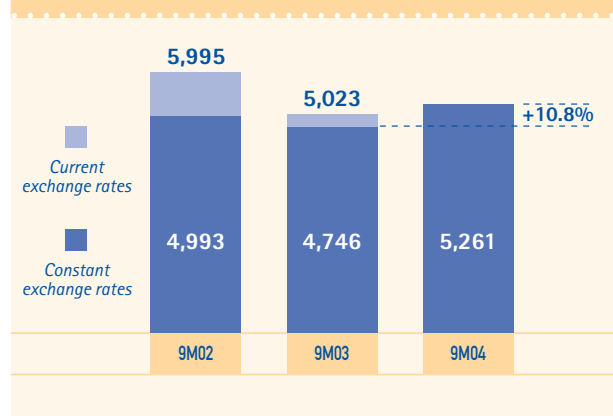
(MILLION EUROS)

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

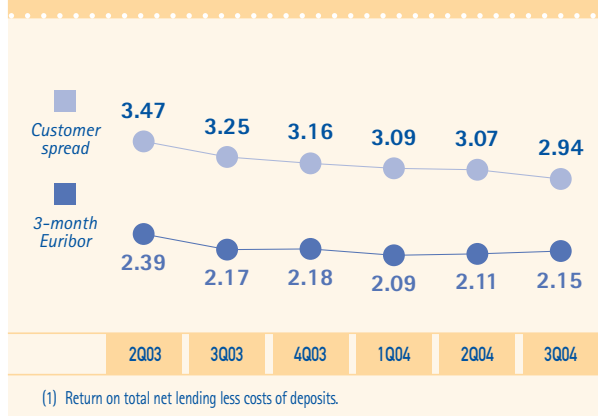
BREAKDOWN OF YIELDS AND COSTS

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

NET INTEREST INCOME (MILLION EUROS)



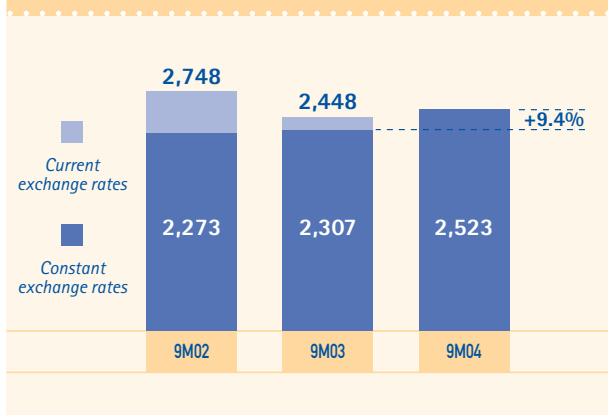
CUSTOMER SPREAD (DOMESTIC) ⁽¹⁾ (PERCENTAGE)



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

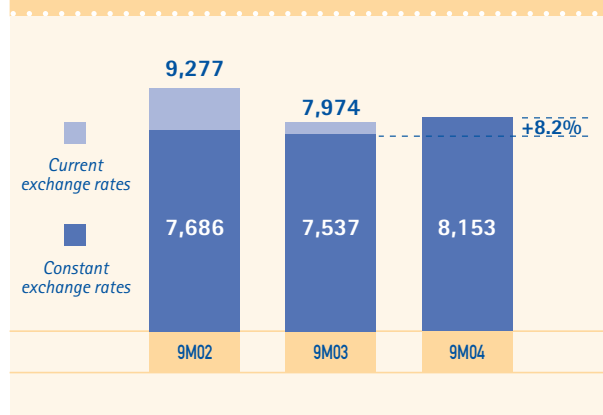
FEE INCOME

(MILLION EUROS)



ORDINARY REVENUE

(MILLION EUROS)



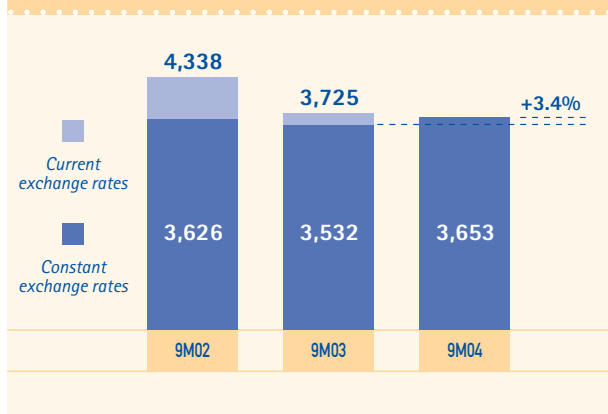
NET FEE INCOME

(MILLION EUROS)

	9M04	Δ%	9M03
NET FEE INCOME	2,523	3.0	2,448
Collection and payment services	1,018	(1.2)	1,029
• Credit and debit cards	436	0.7	433
• Other collection and payment services	582	(2.5)	596
Asset management	883	8.6	813
• Mutual and pension funds	814	8.2	752
• Managed portfolios	69	13.1	61
Other securities services	345	1.7	340
• Purchase/sale of securities	98	10.4	89
• Underwriting and placement	47	(1.8)	47
• Administration and custody services	200	(1.3)	204
Other fees	277	4.1	266

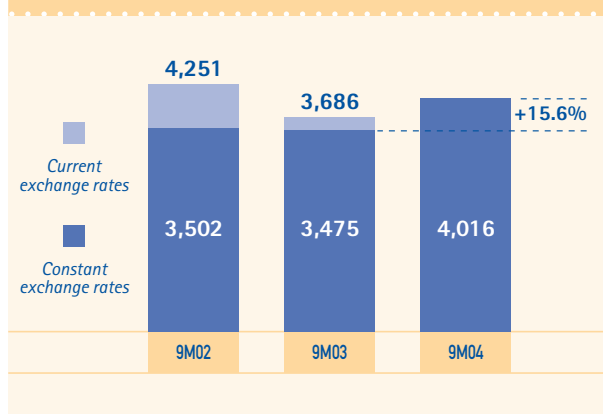
GENERAL ADMINISTRATIVE EXPENSES

(MILLION EUROS)



OPERATING INCOME

(MILLION EUROS)



GENERAL AND ADMINISTRATIVE EXPENSES			
<small>(MILLION EUROS)</small>			
	9M04	Δ%	9M03
PERSONNEL COSTS	2,359	(2.8)	2,428
Wages and salaries	1,766	(2.3)	1,807
• Fixed compensation	1,428	(3.3)	1,477
• Variable compensation	338	2.2	330
Employee welfare expenses	420	(5.5)	445
• Of which: pension funds	95	(15.5)	113
Training expenses and other	173	(1.5)	176
GENERAL EXPENSES	1,294	(0.2)	1,297
Premises	264	(3.2)	273
IT	303	12.9	269
Communications	135	(10.5)	150
Advertising and publicity	104	5.0	99
Corporate expenses	50	4.0	48
Other expenses	337	(1.8)	344
Levies and taxes	101	(12.2)	114
TOTAL GENERAL AND ADMINISTRATIVE EXPENSES	3,653	(1.9)	3,725

