

Income statement

CONSOLIDATED INCOME STATEMENT				
(MILLION EUROS)				
	1H04	Δ%	1H03	Memorandum item: Δ% at constant exchange rates
Financial revenues	6,043	(7.9)	6,565	(2.3)
Financial expenses	(2,908)	(16.4)	(3,480)	(11.5)
Dividends	384	46.1	263	47.6
NET INTEREST INCOME	3,519	5.1	3,348	11.4
Net fee income	1,650	3.3	1,598	9.4
CORE REVENUES	5,169	4.5	4,946	10.7
Net trading income	274	(32.0)	403	(28.8)
ORDINARY REVENUES	5,443	1.8	5,349	7.7
Personnel costs	(1,579)	(3.1)	(1,629)	1.4
General expenses	(866)	0.5	(862)	7.5
GENERAL ADMINISTRATIVE EXPENSES	(2,445)	(1.8)	(2,491)	3.5
Depreciation and amortization	(225)	(12.8)	(258)	(8.5)
Other operating income and expenses (net)	(103)	(14.9)	(121)	(6.8)
OPERATING PROFIT	2,670	7.7	2,479	14.5
Net income from companies accounted for by the equity method	156	35.6	115	37.2
Memorandum item: correction for payment of dividends	(230)	26.2	(182)	28.0
Amortization of goodwill	(313)	4.0	(301)	4.0
Net income from Group transactions	307	10.4	278	10.4
Net loan loss provisions	(514)	(39.3)	(847)	(36.4)
Net securities writedowns	-	-	-	-
Net extraordinary income (loss)	(188)	n.m.	149	n.m.
PRE-TAX PROFIT	2,118	13.1	1,873	18.9
Corporate income tax	(569)	52.6	(373)	64.1
NET PROFIT	1,549	3.3	1,500	8.0
Minority interests	(194)	(41.7)	(333)	(36.5)
• Preferred shares	(103)	(14.1)	(120)	(14.1)
• Minority interests	(91)	(57.1)	(213)	(50.9)
NET ATTRIBUTABLE PROFIT	1,355	16.1	1,167	20.1

CONSOLIDATED INCOME STATEMENT: QUARTERLY EVOLUTION

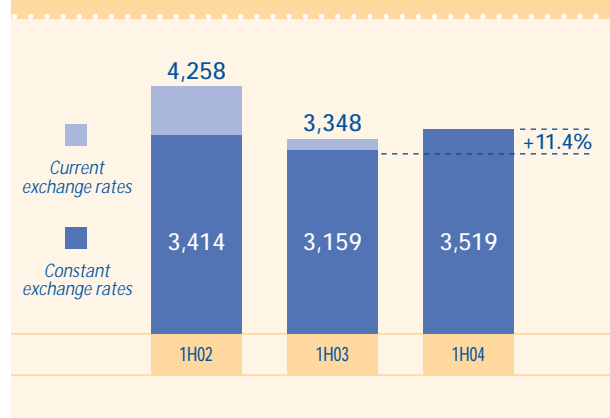
(MILLION EUROS)

	2004		2003			
	2Q	1Q	4Q	3Q	2Q	1Q
Financial revenues	3,111	2,932	2,994	2,978	3,190	3,375
Financial expenses	(1,516)	(1,392)	(1,408)	(1,372)	(1,653)	(1,827)
Dividends	240	144	132	69	161	102
NET INTEREST INCOME	1,835	1,684	1,718	1,675	1,698	1,650
Net fee income	826	824	815	850	792	806
CORE REVENUES	2,661	2,508	2,533	2,525	2,490	2,456
Net trading income	110	164	149	100	206	197
ORDINARY REVENUES	2,771	2,672	2,682	2,625	2,696	2,653
Personnel costs	(785)	(794)	(835)	(799)	(800)	(829)
General expenses	(432)	(434)	(471)	(435)	(442)	(420)
GENERAL ADMINISTRATIVE EXPENSES	(1,217)	(1,228)	(1,306)	(1,234)	(1,242)	(1,249)
Depreciation and amortization	(112)	(113)	(124)	(129)	(130)	(128)
Other operating income and expenses (net)	(51)	(52)	(43)	(55)	(62)	(59)
OPERATING PROFIT	1,391	1,279	1,209	1,207	1,262	1,217
Net income from companies accounted for by the equity method	72	84	98	170	89	26
Memorandum item: correction for payment of dividends	(128)	(102)	(105)	(32)	(114)	(68)
Amortization of goodwill	(181)	(132)	(208)	(130)	(170)	(131)
Net income from Group transactions	62	245	159	116	78	200
Net loan loss provisions	(223)	(291)	(223)	(207)	(524)	(323)
Net securities writedowns	-	-	-	-	-	-
Net extraordinary income (loss)	(70)	(118)	(200)	(52)	246	(97)
PRE-TAX PROFIT	1,051	1,067	835	1,104	981	892
Corporate income tax	(261)	(309)	(185)	(357)	(164)	(209)
NET PROFIT	791	758	650	747	817	683
Minority interests	(103)	(91)	(162)	(175)	(164)	(169)
• Preferred shares	(52)	(51)	(46)	(48)	(56)	(64)
• Minority interests	(51)	(40)	(116)	(127)	(108)	(105)
NET ATTRIBUTABLE PROFIT	688	667	488	572	653	514

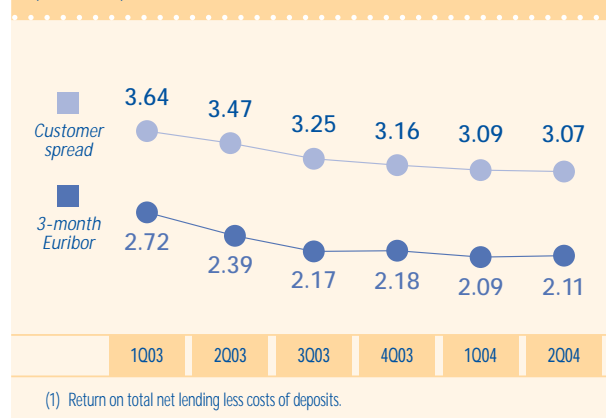
BREAKDOWN OF YIELDS AND COSTS

	2Q04		1Q04		4Q03	
	% of ATA	% Yield/Cost	% of ATA	% Yield/Cost	% of ATA	% Yield/Cost
Credit entities	10.2	3.76	10.3	3.60	10.0	4.30
• Euros	4.3	2.13	4.4	1.74	3.5	1.04
• Foreign currencies	5.9	4.94	5.9	4.99	6.5	6.06
Total net lending	52.6	4.88	53.0	4.88	53.0	5.02
• Euros	42.1	4.01	42.2	4.15	41.8	4.29
- Domestic	39.0	4.13	38.3	4.23	38.0	4.29
- Other	3.1	2.52	3.9	3.40	3.8	4.36
• Foreign currencies	10.5	8.35	10.8	7.71	11.2	7.72
Securities portfolio	28.7	4.99	28.6	4.50	28.4	4.32
• Fixed-income securities	25.2	4.43	25.3	4.29	25.2	4.15
- Euros	16.1	2.89	15.3	2.95	14.8	3.03
- Foreign currencies	9.1	7.15	10.0	6.34	10.4	5.72
• Equity securities	3.5	9.00	3.3	6.08	3.2	5.68
- Investments accounted for by the equity method	2.1	7.91	2.2	6.54	2.2	6.57
- Other investments	1.4	10.67	1.1	5.19	1.0	3.68
Non-interest earning assets	8.5	-	8.1	-	8.6	-
AVERAGE TOTAL ASSETS	100.1	4.39	100.0	4.26	100.0	4.34
Credit entities	22.3	2.81	21.0	2.81	21.3	3.36
• Euros	13.5	2.14	12.8	1.98	12.7	2.05
• Foreign currencies	8.8	3.83	8.2	4.12	8.6	5.32
Customer funds	63.3	2.04	64.2	1.99	63.8	1.89
• Customer deposits	48.7	1.85	50.0	1.79	49.3	1.66
- Euros	29.4	1.23	30.2	1.29	29.1	1.24
- Domestic deposits	18.2	1.06	18.8	1.14	19.1	1.13
- Other	11.2	1.50	11.4	1.53	10.0	1.46
- Foreign currencies	19.3	2.79	19.8	2.55	20.2	2.27
• Debt and other marketable debt securities	14.6	2.68	14.2	2.71	14.5	2.68
- Euros	13.2	2.47	12.7	2.54	12.8	2.50
- Foreign currencies	1.4	4.71	1.5	4.18	1.7	4.06
Shareholders' funds	4.7	-	4.7	-	4.2	-
Other non-interest bearing liabilities	9.7	-	10.1	-	10.7	-
AVERAGE TOTAL LIABILITIES	100.0	1.99	100.0	1.93	100.0	1.96
NET INTEREST INCOME/ATA		2.40		2.33		2.39

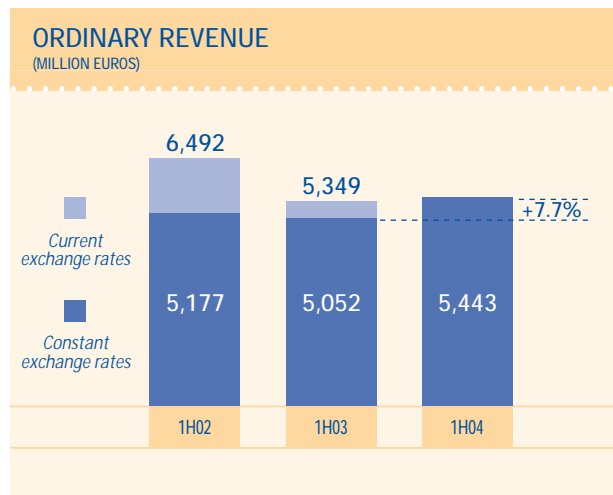
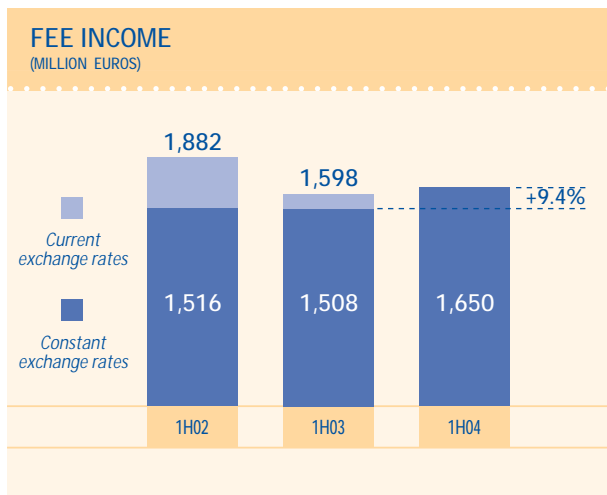
NET INTEREST INCOME (MILLION EUROS)



CUSTOMER SPREAD (DOMESTIC) ⁽¹⁾ (PERCENTAGE)

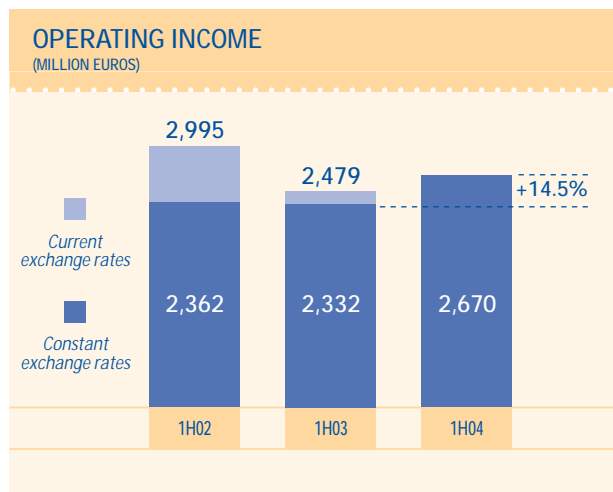
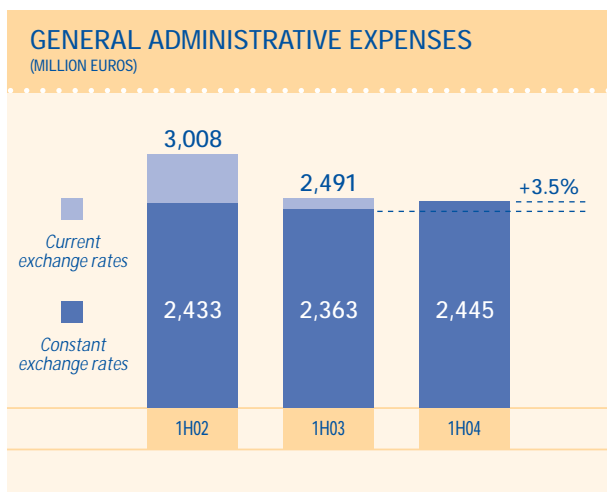


(1) Return on total net lending less costs of deposits.



NET FEE INCOME (MILLION EUROS)

	1H04	Δ%	1H03
NET FEE INCOME	1,650	3.3	1,598
Collection and payment services	666	(0.3)	667
• Credit and debit cards	279	(1.4)	282
• Other collection and payment services	387	0.6	385
Asset management	577	9.7	526
• Mutual and pension funds	531	9.6	485
• Managed portfolios	46	10.1	41
Other securities services	235	4.5	226
• Purchase/sale of securities	72	23.0	59
• Underwriting and placement	27	(21.1)	34
• Administration and custody services	136	3.0	133
Other fees	172	(4.1)	179

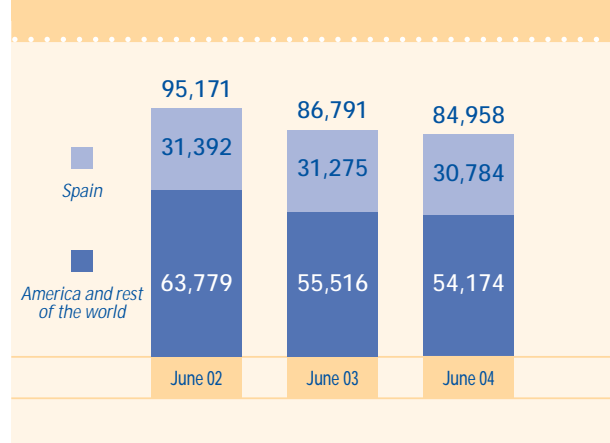


GENERAL AND ADMINISTRATIVE EXPENSES

(MILLION EUROS)

	1H04	Δ%	1H03
PERSONNEL COSTS	1,579	(3.1)	1,629
Wages and salaries	1,179	(2.6)	1,211
• Fixed compensation	955	(3.4)	989
• Variable compensation	224	1.1	222
Employee welfare expenses	285	(4.6)	298
• Of which: pension funds	67	(11.0)	75
Training expenses and other	115	(4.0)	120
GENERAL EXPENSES	866	0.5	862
Premises	176	(2.9)	181
IT	199	11.9	178
Communications	90	(13.4)	104
Advertising and publicity	68	11.0	62
Corporate expenses	35	2.9	34
Other expenses	226	(0.2)	226
Levies and taxes	72	(6.9)	77
TOTAL GENERAL AND ADMINISTRATIVE EXPENSES	2,445	(1.8)	2,491

NUMBER OF EMPLOYEES



NUMBER OF BRANCHES

