

Retail Banking in Spain and Portugal

INCOME STATEMENT

(MILLION EUROS)

	Retail Banking Spain and Portugal			Memorandum item:			
	2004	Δ%	2003	Commercial and SME Banking		Asset Management and Private Banking	
	2004	Δ%	2003	2004	Δ%	2004	Δ%
NET INTEREST INCOME	3,348	3.9	3,221	2,952	2.2	44	6.8
Net fee income	1,647	11.6	1,476	1,389	11.1	230	12.4
CORE REVENUES	4,995	6.3	4,697	4,342	4.9	274	11.4
Net trading income	54	21.5	44	50	25.1	1	(0.5)
ORDINARY REVENUES	5,048	6.5	4,741	4,392	5.1	275	11.4
Personnel costs	(1,405)	1.0	(1,391)	(1,272)	0.7	(51)	(0.9)
General expenses	(703)	(3.5)	(728)	(610)	(3.8)	(30)	(2.7)
GENERAL ADMINISTRATIVE EXPENSES	(2,108)	(0.5)	(2,119)	(1,882)	(0.8)	(81)	(1.6)
Depreciation and amortization	(102)	(10.8)	(114)	(90)	(10.8)	(4)	4.8
Other operating income and expenses	(46)	6.4	(44)	(44)	8.5	(1)	21.6
OPERATING PROFIT	2,792	13.3	2,465	2,377	10.9	189	18.1
Net income (loss) from companies accounted for by the equity method	(26)	n.m.	8	2	n.m.	-	-
Amortization of goodwill	-	-	-	-	-	-	-
Net income (loss) from Group transactions	29	n.m.	(1)	-	n.m.	1	n.m.
Net loan loss provisions	(580)	17.8	(492)	(490)	9.0	(4)	(4.8)
Net extraordinary income (loss)	9	n.m.	(10)	18	n.m.	(3)	32.1
PRE-TAX PROFIT	2,225	12.9	1,970	1,906	13.2	182	19.0
Corporate income tax	(743)	14.2	(650)	(647)	15.0	(62)	21.5
NET PROFIT	1,482	12.3	1,320	1,259	12.2	121	17.8
Minority interests	(72)	(11.4)	(81)	(58)	(16.5)	(4)	(38.7)
NET ATTRIBUTABLE PROFIT	1,410	13.8	1,239	1,201	14.1	116	22.0

BALANCE SHEETS

(MILLION EUROS)

	31-12-04	Δ%	31-12-03	31-12-04	Δ%	31-12-04	Δ%
Total net lending	109,591	20.0	91,295	102,601	20.4	839	9.7
Securities portfolio	579	8.1	535	14	52.9	28	(81.4)
Liquid assets	2,233	9.1	2,048	1,247	4.0	380	198.5
Inter-area positions	18,585	9.5	16,975	17,243	11.4	933	(26.4)
Property and equipment and intangible assets	660	0.1	659	548	0.9	10	(0.8)
Other assets	1,059	9.3	969	535	2.1	130	105.8
TOTAL ASSETS/LIABILITIES AND EQUITY	132,707	18.0	112,481	122,187	18.6	2,319	(2.6)
Deposits	54,197	4.4	51,888	50,288	4.6	1,277	(0.8)
Debt securities	6	-	6	-	-	-	-
Equity	8,126	14.0	7,130	6,931	16.0	407	(25.0)
• Shareholders' funds	4,707	14.1	4,125	3,998	16.0	240	(25.6)
• Other eligible funds	3,419	13.8	3,005	2,933	16.0	167	(24.2)
Liquid liabilities	4,262	22.6	3,477	32	29.4	1	(60.7)
Inter-area positions	60,460	33.6	45,257	59,972	33.9	300	0.5
Other liabilities	5,656	19.8	4,723	4,964	19.2	335	34.1
OTHER CUSTOMER FUNDS MANAGED							
• Mutual funds	41,988	13.8	36,912	36,303	12.7	5,117	20.9
• Pension funds	13,967	12.4	12,422	7,091	17.8	6,637	7.3
• Customer portfolios	8,768	21.8	7,199	1,224	70.7	7,544	16.4

SIGNIFICANT RATIOS

(PERCENTAGE)

	31-12-04	31-12-03	31-12-04	31-12-04
ROE	32.0	30.9	32.3	48.9
Efficiency ratio	41.8	44.7	42.8	29.5
NPL ratio (Nonperforming assets/Total risks)	0.61	0.85	0.58	0.04
Coverage ratio	379.4	269.5	389.6	n.m.