

**BALANCE SHEETS AS OF DECEMBER 31, 2003 AND 2002**

(Thousands of Euros)

| ASSETS  |  | DIC.03            | DIC.02            | LIABILITIES AND EQUITY                    |  | DIC.03            | DIC.02            |
|---|--|-------------------|-------------------|---|--|-------------------|-------------------|
| CASH ON HAND AND ON DEPOSIT AT CENTRAL BANKS: |  |                   |                   | DUE TO CREDIT ENTITIES                    |  |                   |                   |
| Cash on hand                                  |  | 82.303            | 97.293            | Demand deposits                           |  | 16.117            | 19.068            |
| Cash at Bank of Spain                         |  | 159.789           | 137.714           | Time or notification deposits             |  | 1.029.098         | 1.312.730         |
|   |  | 242.092           | 235.007           |   |  | 1.045.215         | 1.331.798         |
| GOVERNMENT DEBT SECURITIES                    |  | 2.055.022         | 2.322.406         | CUSTOMER DEPOSITS                         |  |                   |                   |
| DUE FROM CREDIT ENTITIES                      |  |                   |                   | Savings deposits-                         |  |                   |                   |
| Demand deposits                               |  | 69.801            | 38.549            | Demand                                    |  | 4.376.476         | 4.047.181         |
| Other   |  | 1.713.130         | 1.772.258         | Time                                      |  | 3.970.345         | 3.625.666         |
|   |  | 1.782.931         | 1.810.807         | Other deposits-                           |  |                   |                   |
| LOANS AND CREDITS                             |  | 7.731.602         | 7.003.924         | Demand                                    |  |                   | 4                 |
| DEBENTURES AND OTHER FIXED-INCOME SECURITIES  |  |                   |                   | Time                                      |  | 1.818.521         | 1.750.530         |
| Issued by the public sector                   |  | 54.132            | 55.607            |   |  | 10.165.342        | 9.423.381         |
| Other   |  | 443.045           | 400.129           | MARKETABLE DEBT SECURITIES                |  |                   |                   |
|   |  | 497.177           | 455.736           | Bonds and debentures outstanding          |  | 493.188           | 582.183           |
| COMMON STOCKS AND OTHER EQUITY SECURITIES     |  | 192.134           | 198.869           |   |  | 493.188           | 582.183           |
| SHAREHOLDINGS IN NON-GROUP COMPANIES          |  |                   |                   | OTHER LIABILITIES                         |  | 209.952           | 217.998           |
| Credit entities                               |  | 32.391            | 26.002            | ACCRUAL ACCOUNTS                          |  | 89.688            | 97.614            |
| Other shareholdings                           |  | 115.814           | 98.751            | PROVISIONS FOR CONTINGENCIES AND EXPENSES |  |                   |                   |
|   |  | 148.205           | 124.753           | Pension allowance                         |  | 36.297            | 41.178            |
| SHAREHOLDINGS IN GROUP COMPANIES              |  |                   |                   | Taxes provisions                          |  | 778               | 1.403             |
| Credit entities                               |  | -                 | -                 | Other provisions                          |  | 142.282           | 150.401           |
| Other   |  | 373               | 425               |   |  | 179.357           | 192.982           |
|   |  | 373               | 425               | GENERAL RISK ALLOWANCE                    |  | -                 |                   |
| INTANGIBLE ASSETS                             |  | 9.874             | 11.393            | NEGATIVE DIFFERENCE IN CONSOLIDATION      |  | 1.052             | 1.052             |
| GOODWILL IN CONSOLIDATION                     |  | 40.967            | 70.949            | CONSOLIDATED SURPLUS FOR THE YEAR:        |  |                   |                   |
| PROPERTY AND EQUIPMENT                        |  |                   |                   | Group                                     |  | 58.894            | 71.812            |
| Land and buildings for own use                |  | 158.755           | 163.058           | Minority interests                        |  | 7.699             | 7.703             |
| Other property                                |  | 73.486            | 42.904            |   |  | 66.593            | 79.515            |
| Furniture, installations and other            |  | 47.512            | 50.267            | SUBORDINATED DEBT                         |  | 256.583           | 156.583           |
|   |  | 279.753           | 256.229           | MINORITY INTERESTS                        |  | 161.074           | 159.932           |
| OTHER ASSETS                                  |  | 254.677           | 246.597           | ENDOWMENT FUND                            |  | 9                 | 9                 |
| ACCRUAL ACCOUNTS                              |  | 73.500            | 95.866            | RESERVES                                  |  | 580.791           | 563.211           |
| PRIOR YEARS' LOSSES AT CONSOLIDATED COMPANIES |  | 3.822             | 11.716            | REVALUATION RESERVES                      |  | 27.650            | 27.650            |
| CONSOLIDATED DEFICIT FOR THE YEAR             |  | -                 |                   | RESERVES AT CONSOLIDATED COMPANIES        |  | 35.635            | 10.769            |
|   |  |                   |                   | PRIOR YEARS' INCOME                       |  | -                 |                   |
| <b>TOTAL ASSETS</b>                           |  | <b>13.312.129</b> | <b>12.844.677</b> | <b>TOTAL LIABILITIES AND EQUITY</b>       |  | <b>13.312.129</b> | <b>12.844.677</b> |

**CONSOLIDATED STATEMENTS OF INCOME AND EXPENSES**

**DECEMBER 31, 2003 AND 2002**

(Thousands of Euros)

|  | (Debit)/Credit |                |
|--|----------------|----------------|
|  | DIC.03         | DIC.02         |
| INTEREST AND SIMILAR REVENUES  | 485.024        | 543.233        |
| <i>Of which: Fixed-income securities</i>   | 123.500        | 149.702        |
| INTEREST AND SIMILAR EXPENSES  | (202.863)      | (259.068)      |
| INCOME FROM EQUITY SECURITIES:   | 10.907         | 12.193         |
| <i>Common stocks and other equity securities</i>   | 5.397          | 6.794          |
| <i>Shareholdings in non-Group companies</i>  | 5.449          | 5.285          |
| <i>Holdings in Group companies</i>   | 61             | 114            |
| <b>NET INTEREST REVENUE</b>  | <b>293.068</b> | <b>296.358</b> |
| FEES COLLECTED   | 72.553         | 67.793         |
| FEES PAID  | (7.790)        | (8.616)        |
| GAINS (LOSSES) ON FINANCIAL TRANSACTIONS   | 36.501         | -24.541        |
| <b>NET ORDINARY REVENUE</b>  | <b>394.332</b> | <b>330.994</b> |
| OTHER OPERATING REVENUES   | 1.391          | 1.615          |
| GENERAL ADMINISTRATIVE EXPENSES:   | (226.382)      | (218.128)      |
| Personnel expenses   | (158.940)      | (150.227)      |
| <i>Of which:</i>   |                |                |
| <i>Wages and salaries</i>  | (117.176)      | (110.565)      |
| <i>Employee welfare expenses</i>   | (37.798)       | (37.259)       |
| <i>Of which: pensions</i>  | (11.590)       | (12.044)       |
| Other administrative expenses  | (67.442)       | (67.901)       |
| DEPRECIATION, AMORTIZATION AND WRITEDOWN OF PROPERTY AND EQUIPMENT AND INTANGIBLE ASSETS | (25.125)       | (30.001)       |
| OTHER OPERATING EXPENSES   | (3.211)        | (2.956)        |
| <b>NET OPERATING REVENUE</b>   | <b>141.005</b> | <b>81.524</b>  |
| NET INCOME (LOSS) FROM COMPANIES CARRIED BY THE EQUITY METHOD:                           | 4.284          | (3.597)        |
| Share in income of companies carried by the equity method                                | 19.455         | 11.577         |
| Share in losses of companies carried by the equity method                                | (9.661)        | (9.775)        |
| Value adjustments due to collection of dividends   | (5.510)        | (5.399)        |
| AMORTIZATION OF GOODWILL IN CONSOLIDATION  | (34.330)       | (12.466)       |
| GAINS ON GROUP TRANSACTIONS)   | 0              | 0              |
| LOSSES ON GROUP TRANSACTIONS   | 0              | (1.070)        |
| WRITEOFFS AND CREDIT LOSS PROVISIONS (Net)   | (39.579)       | (26.542)       |
| WRITEDOWN OF LONG-TERM FINANCIAL INVESTMENTS (Net)                                       | 829            | (861)          |
| PROVISION TO GENERAL RISK ALLOWANCE  | -              |                |
| EXTRAORDINARY INCOME   | 31.441         | 64.030         |
| EXTRAORDINARY LOSS   | (19.376)       | (26.368)       |
| <b>SURPLUS BEFORE TAXES</b>  | <b>84.274</b>  | <b>74.650</b>  |
| CORPORATE INCOME TAX   | (17.681)       | 5.136          |
| OTHER TAXES  |                | (271)          |
| <b>CONSOLIDATED SURPLUS FOR THE YEAR</b>   | <b>66.593</b>  | <b>79.515</b>  |
| Surplus attributed to minority interests   | 7.699          | 7.703          |
| Surplus attributed to the Group  | 58.894         | 71.812         |