



Adjustments to IFRS 2004 Results: Group and Business Areas

July 21st 2005

BBVA Group 2004 results under IFRS: statement of adjustments

BBVA GROUP 2004	IFRS Preliminary	New IFRS adjustments	IFRS 2004
NET INTEREST INCOME EX-DIVIDENDS	5.867	8	5.876
DIVIDENDS	282	-27	255
NET INTEREST INCOME	6.149	-19	6.131
NET INCOME EQUITY METHOD	113	-16	97
NET FEE INCOME	3.399	14	3.413
INCOME FROM INSURANCE ACTIVITIES	360	30	391
CORE REVENUES	10.022	9	10.031
NET TRADING INCOME	939	61	999
ORDINARY REVENUES	10.961	70	11.030
NET REVENUES FROM NON-FINANCIAL ACTIVITIES	140	-13	126
PERSONNEL COSTS	-3.260	13	-3.247
GENERAL EXPENSES	-1.829	-22	-1.851
DEPRECIATION AND AMORTIZATION	-448	0	-448
OTHER OPERATING INCOME & EXPENSES	-125	15	-110
OPERATING PROFIT	5.438	63	5.501
IMPAIRMENT LOSSES ON FINANCIAL ASSETS	-946	-12	-958
LOAN LOSS PROVISIONS	-766	-18	-784
OTHER IMPAIRMENT LOSSES	-180	5	-174
OTHER PROVISIONS	-821	-30	-851
OTHER GAINS/LOSSES	453	-8	445
SALE OF FINANCIAL STAKES	308	0	308
OTHER	144	-8	136
PRE-TAX PROFIT	4.124	12	4.137
CORPORATE INCOME TAX	-1.022	-7	-1.029
NET INCOME	3.103	5	3.108

Additional adjustments to 2004 results (1)

Upfront fees:

- Fine-tuning adjustments in subsidiaries

Pensions:

- Change in accounting criteria. Pension fund liabilities externalised with group insurance companies are now classified as internal pension funds

Iberia:

- Classified as Available for Sale. Thus Iberia's results do not accrue to the income from associates line. Dividends received from Iberia accrue in the dividend line

Valuation of Derivatives in Bancomer:

- Some of the derivatives held by BBVA Bancomer have been classified as hedging derivatives after demonstrating their efficacy

Impact on Net A. Profit

Business Division

+1

Retail Banking

+25

Corporate
Activities

-10

Wholesale and
Investment Banking

+23

America
(Mexico)

Additional adjustments to 2004 results(2)

<u>Loan loss provisions:</u>	<u>Impact on Net A. Profit</u>	<u>Business Division</u>
• Minor methodology adjustments in Colombia and Argentina. Additionally, reallocation of guarantees to Other Provisions from Loan Loss Provisions	-19	America
<u>Reclassifications among P&L lines</u>	+0	Corporate Activities
<u>Inter-group activities</u>	+0	America (Insurance)
<u>Other</u>	-10	