

# Consolidated Results

First quarter, 2018



## Most significant figures

(EUR Thousands)

	31/03/2018	31/12/2017	31/03/2017	y- o -y		Annual	
				Abs.	%	Abs.	%
<b>Profit and Loss Account</b>							
Net interest income	150,259	548,142	149,380	879	0.6%		
Gross Income	252,557	977,558	235,841	16,716	7.1%		
Recurring Gross Income	247,119	859,657	225,320	21,799	9.7%		
Net Income before provisions	101,269	363,139	87,329	13,940	16.0%		
Recurring Net Income before provisions	95,831	245,239	76,808	19,023	24.8%		
Profit before tax	31,531	97,808	34,950	(3,419)	(9.8%)		
Consolidated Net profit	31,476	80,058	24,666	6,810	27.6%		
Attributable Net profit	31,476	80,058	24,667	6,809	27.6%		
<b>Business</b>							
Total Assets	41,857,368	40,507,329	39,593,663	2,263,705	5.7%	1,350,039	3.3%
Equity	2,916,797	3,052,262	2,999,318	(82,521)	(2.8%)	(135,465)	(4.4%)
On-balance sheet retail funds	26,375,755	25,940,869	25,650,268	725,487	2.8%	434,886	1.7%
Off-balance sheet funds	4,341,743	4,126,567	3,558,107	783,636	22.0%	215,176	5.2%
Performing Loans	28,412,853	27,968,427	27,272,137	1,140,716	4.2%	444,426	1.6%
<b>Risk management</b>							
Gross Loans	31,580,050	31,329,017	31,384,390	195,660	0.6%	251,033	0.8%
Contingent risks	661,198	650,724	614,817	46,381	7.5%	10,474	1.6%
Non-performing loans	3,167,197	3,360,590	4,112,253	(945,056)	(23.0%)	(193,393)	(5.8%)
Non-performing contingent risks	5,800	7,402	10,142	(4,342)	(42.8%)	(1,602)	(21.6%)
NPL ratio (%)	9.84%	10.53%	12.88%	(3.04)		(0.69)	
NPL coverage ratio (%)	46.60%	40.28%	42.90%	3.70		6.32	
<b>Liquidity</b>							
LTD (%)	108.99%	110.08%	109.47%	(0.48)		(1.09)	
LCR (%) *	192.04%	214.62%	230.22%	(38.18)		(22.58)	
NSFR (%)	112.14%	112.30%	114.41%	(2.27)		(0.16)	
Commercial Gap position	(4,842,233)	(5,081,043)	(5,087,113)	244,880	(4.8%)	238,810	(4.7%)
<b>Solvency phased in (**)</b>							
CET1 ratio (%)	11.3%	11.2%	11.3%	(0.02)		0.26	
Tier 2 ratio (%)	1.7%	2.2%	1.6%	0.06		(0.01)	
Capital ratio (%)	13.0%	13.4%	12.9%	0.06		0.25	
Leverage ratio (%)	5.9%	6.4%	6.5%	(0.64)		(0.57)	
<b>Solvency fully loaded (**)</b>							
CET1 ratio (%)	10.4%	10.9%	11.1%	(0.71)		0.23	
Tier 2 ratio (%)	1.7%	2.2%	1.6%	0.07		(0.01)	
Capital ratio (%)	12.1%	13.1%	12.7%	(0.64)		0.22	
Leverage ratio (%)	5.8%	6.3%	6.4%	(0.57)		(0.48)	
<b>Profitability and efficiency</b>							
ROA (%)	0.31%	0.20%	0.25%	0.06		0.11	
RORWA (%)	0.53%	0.34%	0.43%	0.10		0.19	
ROE (%)	4.27%	2.64%	3.35%	0.92		1.63	
Cost-income ratio (%)	59.90%	62.85%	62.97%	(3.07)		(2.95)	
Recurring cost-income ratio (%)	61.22%	71.47%	65.91%	(4.69)		(10.25)	
<b>Other data</b>							
Cooperative members	1,433,250	1,433,980	1,432,441	809	0.1%	(730)	(0.1%)
Employees	5,584	5,586	6,020	(436)	(7.2%)	(2)	(0.0%)
Branches	1,046	1,057	1,120	(74)	(6.6%)	(11)	(1.0%)

\* LCR re-calculated for all the dates excluding the contribution of the amount available in the assets pledge policy with Bank of Spain.

\*\* Annual variation from 01/01/2018

## Balance Sheet

(EUR Thousands)

	31/03/2018	31/12/2017	31/03/2017	y- o -y		Annual	
				Abs.	%	Abs.	%
Cash, cash balances at central banks and other demand deposits	683,864	1,083,920	469,049	214,815	45.8%	(400,056)	(36.9%)
Financial assets held for trading	1,986	2,142	743	1,243	167.3%	(156)	(7.3%)
Financial assets designated at fair value through profit or loss	294,785	123,733	103,924	190,861	183.7%	171,052	138.2%
<i>Of which:</i>							
<i>Loans and advances to Customers</i>	154,690	123,733	102,485	52,205	50.9%	30,957	25.0%
Financial assets at fair value through other comprehensive income	400,632	4,895,235	4,591,654	(4,191,022)	(91.3%)	(4,494,603)	(91.8%)
Financial assets at amortised cost	36,080,715	30,011,204	30,065,974	6,014,741	20.0%	6,069,511	20.2%
<i>Of which:</i>							
<i>Loans and advances to Customers</i>	29,674,168	29,579,017	29,336,988	337,180	1.1%	95,151	0.3%
Derivatives – Hedge accounting	-	-	21	(21)	(100.0%)	-	-
Investments in subsidiaries, joint ventures and associates	71,190	93,219	88,819	(17,629)	(19.8%)	(22,029)	(23.6%)
Tangible assets	993,911	1,002,326	980,660	13,251	1.4%	(8,415)	(0.8%)
Intangible assets	211,274	221,026	241,369	(30,095)	(12.5%)	(9,752)	(4.4%)
Tax assets	1,110,583	1,052,749	1,059,663	50,920	4.8%	57,834	5.5%
Other assets	1,545,516	1,539,894	1,466,868	78,648	5.4%	5,622	0.4%
Non-current assets and disposal groups classified as held for sale	462,910	481,881	524,919	(62,009)	(11.8%)	(18,971)	(3.9%)
<b>TOTAL ASSETS</b>	<b>41,857,368</b>	<b>40,507,329</b>	<b>39,593,663</b>	<b>2,263,705</b>	<b>5.7%</b>	<b>1,350,039</b>	<b>3.3%</b>
Financial liabilities held for trading	394	532	226	168	74.3%	(138)	(25.9%)
Financial liabilities measured at amortised cost	38,398,963	36,657,371	35,699,141	2,699,822	7.6%	1,741,592	4.8%
<i>Of which:</i>							
<i>Central Banks deposits</i>	5,050,604	5,055,698	5,071,297	(20,693)	(0.4%)	(5,094)	(0.1%)
<i>Central counterparty deposits</i>	2,271,801	998,148	700,137	1,571,664	224.5%	1,273,653	127.6%
<i>Customer deposits</i>	26,375,755	25,940,869	25,650,268	725,487	2.8%	434,886	1.7%
<i>Debt securities issued</i>	2,676,490	2,666,045	2,356,413	320,077	13.6%	10,445	0.4%
Derivatives – Hedge accounting	15,701	48	422	15,279	3620.6%	15,653	32610.4%
Provisions	88,770	114,211	303,143	(214,373)	(70.7%)	(25,441)	(22.3%)
Tax liabilities	96,789	108,998	148,367	(51,578)	(34.8%)	(12,209)	(11.2%)
Other liabilities	334,921	572,342	417,288	(82,367)	(19.7%)	(237,421)	(41.5%)
<i>of which: Welfare funds</i>	4,374	4,962	7,333	(2,959)	(40.4%)	(588)	(11.9%)
<b>TOTAL LIABILITIES</b>	<b>38,935,539</b>	<b>37,453,501</b>	<b>36,568,587</b>	<b>2,366,952</b>	<b>6.5%</b>	<b>1,482,038</b>	<b>4.0%</b>
Equity	2,916,797	3,052,262	2,999,318	(82,521)	(2.8%)	(135,465)	(4.4%)
<i>Of which:</i>							
<i>Capital / Equity instruments issued other than capital / Treasury shares</i>	2,659,605	2,602,380	2,585,485	74,120	2.9%	57,225	2.2%
<i>Retained earnings / Revaluation reserves / Other reserves</i>	259,853	387,604	432,299	(172,446)	(39.9%)	(127,751)	(33.0%)
<i>Profit or loss attributable to owners of the parent</i>	31,476	80,058	24,667	6,809	27.6%	(48,582)	(60.7%)
<i>(-) Interim dividends</i>	(34,137)	(17,779)	(43,134)	8,997	(20.9%)	(16,358)	92.0%
Accumulated other comprehensive income	5,032	1,565	25,214	(20,182)	(80.0%)	3,467	221.5%
Minority interests	-	-	543	(543)	(100.0%)	-	-
<b>TOTAL EQUITY</b>	<b>2,921,829</b>	<b>3,053,828</b>	<b>3,025,076</b>	<b>(103,247)</b>	<b>(3.4%)</b>	<b>(131,999)</b>	<b>(4.3%)</b>

## Funds managed

(EUR Thousands)

	31/03/2018	31/12/2017	31/03/2017	y- o -y		Annual	
				Abs.	%	Abs.	%
Sight deposits	19,215,504	18,477,861	17,131,410	2,084,094	12.2%	737,643	4.0%
Term deposits	7,160,251	7,463,008	8,518,858	(1,358,607)	(15.9%)	(302,757)	(4.1%)
<b>Customer deposits</b>	<b>26,375,755</b>	<b>25,940,869</b>	<b>25,650,268</b>	<b>725,487</b>	<b>2.8%</b>	<b>434,886</b>	<b>1.7%</b>
<b>On-balance sheet retail funds</b>	<b>26,375,755</b>	<b>25,940,869</b>	<b>25,650,268</b>	<b>725,487</b>	<b>2.8%</b>	<b>434,886</b>	<b>1.7%</b>
Bonds and other securities *	2,940,949	2,959,370	3,045,384	(104,435)	(3.4%)	(18,421)	(0.6%)
Subordinated liabilities	420,205	412,171	103,008	317,197	307.9%	8,034	1.9%
Central counterparty deposits	2,271,801	998,148	700,137	1,571,664	224.5%	1,273,653	127.6%
ECB	5,050,604	5,055,698	5,071,297	(20,693)	(0.4%)	(5,094)	(0.1%)
<b>Wholesale funds</b>	<b>10,683,559</b>	<b>9,425,387</b>	<b>8,919,826</b>	<b>1,763,733</b>	<b>19.8%</b>	<b>1,258,172</b>	<b>13.3%</b>
<b>Total balance sheet funds</b>	<b>37,059,314</b>	<b>35,366,256</b>	<b>34,570,094</b>	<b>2,489,220</b>	<b>7.2%</b>	<b>1,693,058</b>	<b>4.8%</b>
Mutual funds	2,401,143	2,196,249	1,609,116	792,027	49.2%	204,894	9.3%
Pension plans	787,833	790,191	763,232	24,601	3.2%	(2,358)	(0.3%)
Savings insurances	648,154	637,625	621,707	26,447	4.3%	10,529	1.7%
Fixed-equity income	504,612	502,502	564,052	(59,440)	(10.5%)	2,110	0.4%
<b>Off-balance sheet funds</b>	<b>4,341,743</b>	<b>4,126,567</b>	<b>3,558,107</b>	<b>783,636</b>	<b>22.0%</b>	<b>215,176</b>	<b>5.2%</b>
<b>Customer funds under management</b>	<b>30,717,498</b>	<b>30,067,436</b>	<b>29,208,375</b>	<b>1,509,123</b>	<b>5.2%</b>	<b>650,062</b>	<b>2.2%</b>
<b>Funds under management</b>	<b>41,401,057</b>	<b>39,492,823</b>	<b>38,128,201</b>	<b>3,272,856</b>	<b>8.6%</b>	<b>1,908,234</b>	<b>4.8%</b>

\* Covered bonds, territorial bonds and securitization.

## Loans and advances to Customers

(EUR Thousands)

	31/03/2018	31/12/2017	31/03/2017	y- o -y		Annual	
				Abs.	%	Abs.	%
General governments	831,504	783,290	936,220	(104,716)	(11.2%)	48,214	6.2%
Other financial corporations	938,240	646,487	599,076	339,164	56.6%	291,753	45.1%
Non-financial corporations	11,068,290	10,954,820	10,535,407	532,883	5.1%	113,470	1.0%
Households	18,465,685	18,669,637	19,133,053	(667,368)	(3.5%)	(203,952)	(1.1%)
<b>Loans to customers (gross)</b>	<b>31,303,719</b>	<b>31,054,234</b>	<b>31,203,756</b>	<b>99,963</b>	<b>0.3%</b>	<b>249,485</b>	<b>0.8%</b>
<i>Of which:</i>							
Real estate developers	1,519,360	1,605,970	1,986,710	(467,350)	(23.5%)	(86,610)	(5.4%)
Performing loans to customers	28,136,522	27,693,644	27,091,503	1,045,019	3.9%	442,878	1.6%
Non-performing loans	3,167,197	3,360,590	4,112,253	(945,056)	(23.0%)	(193,393)	(5.8%)
<b>Other loans *</b>	-	-	-	-	-	-	-
<b>Debt securities from customers</b>	<b>276,331</b>	<b>274,783</b>	<b>180,634</b>	<b>95,697</b>	<b>53.0%</b>	<b>1,548</b>	<b>0.6%</b>
<b>Gross Loans</b>	<b>31,580,050</b>	<b>31,329,017</b>	<b>31,384,390</b>	<b>195,660</b>	<b>0.6%</b>	<b>251,033</b>	<b>0.8%</b>
<b>Performing Loans</b>	<b>28,412,853</b>	<b>27,968,427</b>	<b>27,272,137</b>	<b>1,140,716</b>	<b>4.2%</b>	<b>444,426</b>	<b>1.6%</b>
<i>Credit losses and impairment</i>	<i>(1,474,860)</i>	<i>(1,351,449)</i>	<i>(1,764,247)</i>	<i>289,387</i>	<i>(16.4%)</i>	<i>(123,411)</i>	<i>9.1%</i>
<b>Total lending</b>	<b>30,105,189</b>	<b>29,977,533</b>	<b>29,620,107</b>	<b>485,082</b>	<b>1.6%</b>	<b>127,656</b>	<b>0.4%</b>
<b>Off-balance sheet risks</b>							
<i>Contingent risks</i>	<i>661,198</i>	<i>650,724</i>	<i>614,817</i>	<i>46,381</i>	<i>7.5%</i>	<i>10,474</i>	<i>1.6%</i>
<i>of which: non-performing contingent risks</i>	<i>5,800</i>	<i>7,402</i>	<i>10,142</i>	<i>(4,342)</i>	<i>(42.8%)</i>	<i>(1,602)</i>	<i>(21.6%)</i>
<b>Total risks</b>	<b>32,241,248</b>	<b>31,979,741</b>	<b>31,999,207</b>	<b>242,041</b>	<b>0.8%</b>	<b>261,507</b>	<b>0.8%</b>
<b>Non-performing total risks</b>	<b>3,172,997</b>	<b>3,367,992</b>	<b>4,122,395</b>	<b>(949,398)</b>	<b>(23.0%)</b>	<b>(194,995)</b>	<b>(5.8%)</b>

\* Mainly reverse repurchase agreements

## Risk management

(EUR Thousands)

	31/03/2018	31/12/2017	31/03/2017	y- o -y		Annual	
				Abs.	%	Abs.	%
<b>Defaulting debtors</b>							
Total risks	3,172,997	3,367,992	4,122,395	(949,398)	(23.0%)	(194,995)	(5.8%)
Non-performing total risks	32,241,248	31,979,741	31,999,207	242,041	0.8%	261,507	0.8%
<b>NPL ratio (%)</b>	<b>9.84%</b>	<b>10.53%</b>	<b>12.88%</b>	<b>(3.04)</b>		<b>(0.69)</b>	
Gross loans coverage	(1,475,946)	(1,353,603)	(1,764,247)	288,301	(16.3%)	(122,343)	9.0%
<b>NPL coverage ratio (%)</b>	<b>46.60%</b>	<b>40.28%</b>	<b>42.90%</b>	<b>3.70</b>		<b>6.32</b>	
Foreclosed Assets (gross)	3,644,654	3,677,937	3,810,341	(165,687)	(4.3%)	(33,283)	(0.9%)
Foreclosed Assets (net)	1,914,853	1,929,686	2,032,945	(118,092)	(5.8%)	(14,833)	(0.8%)
<b>Foreclosed assets coverage ratio (%)</b>	<b>47.46%</b>	<b>47.53%</b>	<b>46.65%</b>	<b>0.81</b>		<b>(0.07)</b>	
<b>Foreclosed assets coverage ratio with debt forgiveness (%)</b>	<b>51.63%</b>	<b>51.57%</b>	<b>50.10%</b>	<b>1.53</b>		<b>0.06</b>	
<b>NPA ratio (%)</b>	<b>15.17%</b>	<b>15.91%</b>	<b>18.39%</b>	<b>(3.22)</b>		<b>(0.74)</b>	
<b>NPA coverage (%)</b>	<b>47.06%</b>	<b>44.07%</b>	<b>44.70%</b>	<b>2.36</b>		<b>2.99</b>	
<b>NPA coverage with debt forgiveness (%)</b>	<b>49.39%</b>	<b>46.41%</b>	<b>46.49%</b>	<b>2.90</b>		<b>2.98</b>	
<b>Coverage breakdown (loan impairments breakdown)</b>							
<b>Total coverage</b>	<b>1,493,978</b>	<b>1,370,065</b>	<b>1,801,571</b>	<b>(307,593)</b>	<b>(17.1%)</b>	<b>123,913</b>	<b>9.0%</b>
Non-performing coverage	1,235,059	1,184,174	1,462,160	(227,101)	(15.5%)	50,885	4.3%
Performing coverage	258,920	185,891	339,411	(80,491)	(23.7%)	73,029	39.3%
<b>NPL breakdown</b>							
Past due >90 days	2,889,794	3,023,404	3,616,125	(726,331)	(20.1%)	(133,610)	(4.4%)
Doubtful non past due	277,403	337,186	496,128	(218,725)	(44.1%)	(59,783)	(17.7%)
<b>Total</b>	<b>3,167,197</b>	<b>3,360,590</b>	<b>4,112,253</b>	<b>(945,056)</b>	<b>(23.0%)</b>	<b>(193,393)</b>	<b>(5.8%)</b>
<i>Of which:</i>							
<i>Forborne loans</i>	2,161,955	2,302,142	2,956,521	(794,566)	(26.9%)	(140,187)	(6.1%)
<b>NPL breakdown by segment</b>							
General governments	436	2,105	4,036	(3,600)	(89.2%)	(1,669)	(79.3%)
Other financial corporations	911	694	8,999	(8,088)	(89.9%)	217	31.3%
Other corporations	1,799,059	1,927,318	2,450,030	(650,971)	(26.6%)	(128,259)	(6.7%)
Households	1,366,791	1,430,473	1,649,188	(282,397)	(17.1%)	(63,682)	(4.5%)
<b>Total</b>	<b>3,167,197</b>	<b>3,360,590</b>	<b>4,112,253</b>	<b>(945,056)</b>	<b>(23.0%)</b>	<b>(193,393)</b>	<b>(5.8%)</b>
<i>Of which:</i>							
<i>Real estate developers</i>	1,007,290	1,081,190	1,451,520	(444,230)	(30.6%)	(73,900)	(6.8%)
<b>Forborne loans</b>							
Non-performing	2,161,955	2,302,142	2,956,521	(794,566)	(26.9%)	(140,187)	(6.1%)
Performing	730,039	760,905	1,100,095	(370,056)	(33.6%)	(30,866)	(4.1%)
<b>Total Forborne loans</b>	<b>2,891,994</b>	<b>3,063,047</b>	<b>4,056,616</b>	<b>(1,164,622)</b>	<b>(28.7%)</b>	<b>(171,053)</b>	<b>(5.6%)</b>

## Foreclosed assets

(EUR Thousands)

	31/03/2018	31/12/2017	31/03/2017	y- o -y		Annual	
				Abs.	%	Abs.	%
Foreclosed Assets (gross)	3,644,654	3,677,937	3,810,341	(165,687)	(4.3%)	(33,283)	(0.9%)
Coverage	(1,729,801)	(1,748,250)	(1,777,396)	47,595	(2.7%)	18,450	(1.1%)
Foreclosed Assets (net)	1,914,853	1,929,686	2,032,945	(118,092)	(5.8%)	(14,833)	(0.8%)
Foreclosed assets coverage ratio (%)	47.46%	47.53%	46.65%	0.81		(0.07)	
Foreclosed assets coverage ratio with debt forgiveness (%)	51.63%	51.57%	50.10%	1.53		0.06	

### Foreclosed assets according to the origin of the Loan

Foreclosed assets (gross)	3,644,654	3,677,937	3,810,341	(165,687)	(4.3%)	(33,283)	(0.9%)
Developers	2,265,693	2,321,201	2,503,389	(237,695)	(9.5%)	(55,508)	(2.4%)
Land	1,103,868	1,103,685	1,151,258	(47,390)	(4.1%)	184	0.0%
Finished buildings	968,953	1,021,140	1,135,544	(166,591)	(14.7%)	(52,188)	(5.1%)
Under construction	192,872	196,376	216,587	(23,715)	(10.9%)	(3,503)	(1.8%)
Homes	728,683	704,224	645,635	83,048	12.9%	24,459	3.5%
Other	650,278	652,512	661,317	(11,039)	(1.7%)	(2,234)	(0.3%)

Coverage	(1,729,801)	(1,748,250)	(1,777,396)	47,595	(2.7%)	18,450	(1.1%)
Developers	(1,162,112)	(1,179,468)	(1,242,107)	79,996	(6.4%)	17,357	(1.5%)
Land	(673,115)	(666,465)	(674,820)	1,705	(0.3%)	(6,649)	1.0%
Finished buildings	(382,121)	(405,643)	(450,974)	68,853	(15.3%)	23,522	(5.8%)
Under construction	(106,876)	(107,360)	(116,314)	9,438	(8.1%)	484	(0.5%)
Homes	(300,106)	(297,760)	(267,294)	(32,812)	12.3%	(2,346)	0.8%
Other	(267,583)	(271,022)	(267,994)	412	(0.2%)	3,439	(1.3%)

Foreclosed assets (net)	1,914,853	1,929,686	2,032,945	(118,092)	(5.8%)	(14,833)	(0.8%)
Developers	1,103,582	1,141,733	1,261,281	(157,700)	(12.5%)	(38,151)	(3.3%)
Land	430,754	437,219	476,438	(45,685)	(9.6%)	(6,466)	(1.5%)
Finished buildings	586,832	615,497	684,570	(97,738)	(14.3%)	(28,666)	(4.7%)
Under construction	85,996	89,016	100,273	(14,277)	(14.2%)	(3,020)	(3.4%)
Homes	428,576	406,464	378,341	50,235	13.3%	22,113	5.4%
Other	382,695	381,490	393,323	(10,628)	(2.7%)	1,205	0.3%

Coverage (%)	47.46%	47.53%	46.65%	0.81		(0.07)	
Developers	51.29%	50.81%	49.62%	1.67		0.48	
Land	60.98%	60.39%	58.62%	2.36		0.59	
Finished buildings	39.44%	39.72%	39.71%	(0.28)		(0.29)	
Under construction	55.41%	54.67%	53.70%	1.71		0.74	
Homes	41.18%	42.28%	41.40%	(0.22)		(1.10)	
Other	41.15%	41.54%	40.52%	0.62		(0.39)	

Coverage with debt forgiveness (%)	51.63%	51.57%	50.10%	1.53		0.06	
Developers	55.53%	55.00%	53.20%	2.34		0.54	
Land	64.17%	63.51%	60.93%	3.24		0.66	
Finished buildings	45.69%	45.84%	45.35%	0.35		(0.15)	
Under construction	56.79%	56.00%	55.01%	1.78		0.79	
Homes	45.08%	45.82%	44.33%	0.76		(0.74)	
Other	45.03%	45.31%	43.81%	1.22		(0.28)	

### Foreclosed assets by asset type

Foreclosed assets (gross)	3,644,654	3,677,937	3,810,341	(165,687)	(4.3%)	(33,283)	(0.9%)
Finished houses	1,649,055	1,675,314	1,736,012	(86,956)	(5.0%)	(26,258)	(1.6%)
Lands	1,224,088	1,218,675	1,263,358	(39,270)	(3.1%)	5,413	0.4%
RED and under construction	269,323	268,433	291,855	(22,531)	(7.7%)	890	0.3%
Commercial	386,816	394,147	399,935	(13,119)	(3.3%)	(7,330)	(1.9%)
Other	115,370	121,367	119,181	(3,810)	(3.2%)	(5,997)	(4.9%)

Coverage	(1,729,801)	(1,748,250)	(1,777,396)	47,595	(2.7%)	18,450	(1.1%)
Finished houses	(639,896)	(661,121)	(679,237)	39,341	(5.8%)	21,225	(3.2%)
Lands	(730,158)	(721,593)	(728,827)	(1,331)	0.2%	(8,565)	1.2%
RED and under construction	(143,554)	(142,438)	(152,456)	8,901	(5.8%)	(1,116)	0.8%
Commercial	(156,760)	(161,057)	(156,776)	16	(0.0%)	4,297	(2.7%)
Other	(59,432)	(62,041)	(60,100)	668	(1.1%)	2,609	(4.2%)

Foreclosed assets (net)	1,914,853	1,929,686	2,032,945	(118,092)	(5.8%)	(14,833)	(0.8%)
Finished houses	1,009,159	1,014,193	1,056,775	(47,616)	(4.5%)	(5,034)	(0.5%)
Lands	493,931	497,083	534,532	(40,601)	(7.6%)	(3,152)	(0.6%)
RED and under construction	125,769	125,995	139,399	(13,630)	(9.8%)	(226)	(0.2%)
Commercial	230,056	233,089	243,159	(13,103)	(5.4%)	(3,033)	(1.3%)
Other	55,938	59,326	59,080	(3,142)	(5.3%)	(3,388)	(5.7%)

Coverage (%)	47.46%	47.53%	46.65%	0.81		(0.07)	
Finished houses	38.80%	39.46%	39.13%	(0.32)		(0.66)	
Lands	59.65%	59.21%	57.69%	1.96		0.44	
RED and under construction	53.30%	53.06%	52.24%	1.06		0.24	
Commercial	40.53%	40.86%	39.20%	1.33		(0.34)	
Other	51.51%	51.12%	50.43%	1.09		0.40	

Coverage with debt forgiveness (%)	51.63%	51.57%	50.10%	1.53		0.06	
Finished houses	44.30%	44.72%	43.92%	0.38		(0.42)	
Lands	62.92%	62.41%	60.05%	2.87		0.51	
RED and under construction	55.03%	54.73%	53.64%	1.40		0.30	
Commercial	45.08%	45.49%	43.34%	1.74		(0.41)	
Other	51.78%	51.35%	51.72%	0.06		0.43	

## Solvency

(EUR Thousands)

	31/03/2018	01/01/2018	31/12/2017	31/03/2017	y- o -y		Annual (*)	
					Abs.	%	Abs.	%
<b>Phased-in</b>								
Capital	2,659,605	2,602,380	2,602,380	2,585,486	74,119	2.9%	57,225	2.2%
Reserves	448,631	419,113	430,361	396,762	51,869	13.1%	29,518	7.0%
AFS Surplus	5,032	20,215	1,252	20,171	(15,139)	(75.1%)	(15,183)	(75.1%)
Minority	-	-	-	-	-	-	-	-
Capital deductions	(390,526)	(395,753)	(356,284)	(355,497)	(35,029)	9.9%	5,227	(1.3%)
<b>Ordinary Tier 1 Capital</b>	<b>2,722,742</b>	<b>2,645,956</b>	<b>2,677,709</b>	<b>2,646,922</b>	<b>75,820</b>	<b>2.9%</b>	<b>76,786</b>	<b>2.9%</b>
<b>CET1 ratio (%)</b>	<b>11.3%</b>	<b>11.1%</b>	<b>11.2%</b>	<b>11.3%</b>	<b>(0.02)</b>		<b>0.26</b>	
<b>Tier2 Capital</b>	<b>400,000</b>	<b>400,000</b>	<b>522,396</b>	<b>373,060</b>	<b>26,940</b>	<b>7.2%</b>	<b>-</b>	<b>-</b>
<b>Tier 2 ratio (%)</b>	<b>1.7%</b>	<b>1.7%</b>	<b>2.2%</b>	<b>1.6%</b>	<b>0.06</b>		<b>(0.01)</b>	
<b>Elegible capital</b>	<b>3,122,742</b>	<b>3,045,956</b>	<b>3,200,106</b>	<b>3,019,982</b>	<b>102,760</b>	<b>3.4%</b>	<b>76,786</b>	<b>2.5%</b>
<b>Capital ratio (%)</b>	<b>13.0%</b>	<b>12.7%</b>	<b>13.4%</b>	<b>12.9%</b>	<b>0.06</b>		<b>0.25</b>	
<b>Total risk-weighted assets</b>	<b>24,048,425</b>	<b>23,915,106</b>	<b>23,935,148</b>	<b>23,347,786</b>	<b>700,639</b>	<b>3.0%</b>	<b>133,319</b>	<b>0.6%</b>
Credit risk	22,552,469	22,418,503	22,438,544	21,844,823	707,646	3.2%	133,966	0.6%
Operational risk	1,443,904	1,443,904	1,443,904	1,431,675	12,229	0.9%	0	0.0%
Other risk	52,052	52,700	52,700	71,288	(19,236)	(27.0%)	(648)	(1.2%)
<b>Fully-loaded</b>								
Capital	2,659,605	2,602,380	2,602,380	2,585,486	74,119	2.9%	57,225	2.2%
Reserves	243,210	223,392	430,361	396,762	(153,552)	(38.7%)	19,818	8.9%
AFS Surplus	5,032	20,215	1,565	25,214	(20,182)	(80.0%)	(15,183)	(75.1%)
Minority	-	-	-	-	-	-	-	-
Capital deductions	(420,027)	(427,796)	(425,057)	(417,979)	(2,048)	0.5%	7,769	(1.8%)
<b>Ordinary Tier 1 Capital</b>	<b>2,487,819</b>	<b>2,418,192</b>	<b>2,609,250</b>	<b>2,589,483</b>	<b>(101,664)</b>	<b>(3.9%)</b>	<b>69,627</b>	<b>2.9%</b>
<b>CET1 ratio (%)</b>	<b>10.4%</b>	<b>10.1%</b>	<b>10.9%</b>	<b>11.1%</b>	<b>(0.71)</b>		<b>0.23</b>	
<b>Tier2 Capital</b>	<b>400,000</b>	<b>400,000</b>	<b>522,396</b>	<b>373,060</b>	<b>26,940</b>	<b>7.2%</b>	<b>-</b>	<b>-</b>
<b>Tier 2 ratio (%)</b>	<b>1.7%</b>	<b>1.7%</b>	<b>2.2%</b>	<b>1.6%</b>	<b>0.07</b>		<b>(0.01)</b>	
<b>Elegible capital</b>	<b>2,887,819</b>	<b>2,818,192</b>	<b>3,131,646</b>	<b>2,962,543</b>	<b>(74,724)</b>	<b>(2.5%)</b>	<b>69,627</b>	<b>2.5%</b>
<b>Capital ratio (%)</b>	<b>12.1%</b>	<b>11.8%</b>	<b>13.1%</b>	<b>12.7%</b>	<b>(0.64)</b>		<b>0.22</b>	
<b>Total risk-weighted assets</b>	<b>23,967,759</b>	<b>23,825,239</b>	<b>23,935,148</b>	<b>23,347,786</b>	<b>619,973</b>	<b>2.7%</b>	<b>142,520</b>	<b>0.6%</b>
Credit risk	22,471,804	22,328,635	22,438,544	21,844,823	626,981	2.9%	143,169	0.6%
Operational risk	1,443,904	1,443,904	1,443,904	1,431,675	12,229	0.9%	0	0.0%
Other risk	52,051	52,700	52,700	71,288	(19,237)	(27.0%)	(649)	(1.2%)

\* Annual variation calculated with 01/01/18

## Consolidated Profit & Loss Account

(EUR Thousands)

	31/03/2018	o/ATA	31/03/2017	o/ATA	y- o -y		31/12/2017	o/ATA
					Abs.	%		
Interest income	181,150	1.78%	176,763	1.82%	4,387	2.5%	670,865	1.68%
Interest expenses	(30,890)	(0.30%)	(27,383)	(0.28%)	(3,507)	12.8%	(122,723)	(0.31%)
<b>NET INTEREST INCOME</b>	<b>150,259</b>	<b>1.48%</b>	<b>149,380</b>	<b>1.54%</b>	<b>879</b>	<b>0.6%</b>	<b>548,142</b>	<b>1.38%</b>
Dividend income	243	0.00%	361	0.00%	(119)	(32.8%)	7,919	0.02%
Income from equity-accounted method	6,959	0.07%	4,416	0.05%	2,543	57.6%	23,101	0.06%
Net fees and commissions	66,679	0.66%	61,566	0.63%	5,113	8.3%	267,093	0.67%
Gains (losses) on financial transactions	38,352	0.38%	22,127	0.23%	16,225	73.3%	153,768	0.39%
Exchange differences [gain or (-) loss], net	492	-	849	0.01%	(357)	(42.0%)	2,124	0.01%
Other operating incomes/expenses	(10,428)	(0.10%)	(2,858)	(0.03%)	(7,570)	264.8%	(24,590)	(0.06%)
of which: Mandatory transfer to Education and Development Fund	(1,687)	(0.02%)	(1,062)	(0.01%)	(625)	58.9%	(2,372)	(0.01%)
<b>GROSS INCOME</b>	<b>252,557</b>	<b>2.49%</b>	<b>235,841</b>	<b>2.43%</b>	<b>16,716</b>	<b>7.1%</b>	<b>977,558</b>	<b>2.45%</b>
Administrative expenses	(130,725)	(1.29%)	(129,621)	(1.33%)	(1,104)	0.9%	(538,417)	(1.35%)
Personnel expenses	(84,771)	(0.83%)	(85,013)	(0.88%)	242	(0.3%)	(340,980)	(0.86%)
Other administrative expenses	(45,955)	(0.45%)	(44,608)	(0.46%)	(1,347)	3.0%	(197,437)	(0.50%)
Depreciation and amortisation	(20,563)	(0.20%)	(18,891)	(0.19%)	(1,672)	8.8%	(76,001)	(0.19%)
<b>NET INCOME BEFORE PROVISIONS</b>	<b>101,269</b>	<b>1.00%</b>	<b>87,329</b>	<b>0.90%</b>	<b>13,940</b>	<b>16.0%</b>	<b>363,139</b>	<b>0.91%</b>
Provisions or (-) reversal of provisions	(1,621)	(0.02%)	2,316	0.02%	(3,936)	(170.0%)	41,988	0.11%
Impairment losses on financial assets	(33,125)	(0.33%)	(38,635)	(0.40%)	5,510	(14.3%)	(166,837)	(0.42%)
<b>OPERATING INCOME</b>	<b>66,523</b>	<b>0.66%</b>	<b>51,009</b>	<b>0.53%</b>	<b>15,514</b>	<b>30.4%</b>	<b>238,291</b>	<b>0.60%</b>
Impairment or reversal of impairment of investments in joint ventures or associates (net)	-	-	-	-	-	-	(2)	-
Impairment losses on non financial assets	(21,662)	(0.21%)	(14,049)	(0.14%)	(7,612)	54.2%	(92,907)	(0.23%)
Gains or (-) losses on derecognition of non financial assets, net	(7,842)	(0.08%)	(1,090)	(0.01%)	(6,752)	619.5%	(23,520)	(0.06%)
Profit or (-) loss from non-current assets and disposal groups classified as held for sale	(5,488)	(0.05%)	(920)	(0.01%)	(4,568)	496.6%	(24,054)	(0.06%)
<b>PROFIT BEFORE TAX</b>	<b>31,531</b>	<b>0.31%</b>	<b>34,950</b>	<b>0.36%</b>	<b>(3,419)</b>	<b>(9.8%)</b>	<b>97,808</b>	<b>0.25%</b>
Tax	(55)	-	(10,283)	(0.11%)	10,228	(99.5%)	(17,750)	(0.04%)
<b>CONSOLIDATED NET PROFIT</b>	<b>31,476</b>	<b>0.31%</b>	<b>24,666</b>	<b>0.25%</b>	<b>6,810</b>	<b>27.6%</b>	<b>80,058</b>	<b>0.20%</b>

## Quarterly Yields & Costs

(EUR Thousands and annualised rates)

	31/03/2018				31/03/2017			
	Average balance	Distribution (%)	Income or expense	Average rate (%)	Average balance	Distribution (%)	Income or expense	Average rate (%)
<b>Financial system</b>	1,274,551	3.09%	151	0.05%	1,235,047	3.14%	83	0.03%
Loans to customers (gross) <sup>(a)</sup>	31,178,977	75.71%	157,072	2.04%	31,101,950	78.98%	150,492	1.96%
Securities portfolio	5,482,832	13.31%	15,773	1.17%	4,234,300	10.75%	8,504	0.81%
Other assets	3,245,989	7.88%	8,153	1.02%	2,808,576	7.13%	17,684	2.55%
<b>Total earning assets<sup>(b)</sup></b>	<b>41,182,349</b>	<b>100.00%</b>	<b>181,150</b>	<b>1.78%</b>	<b>39,379,873</b>	<b>100.00%</b>	<b>176,763</b>	<b>1.82%</b>
<b>Financial system</b>	742,362	1.80%	1,430	0.78%	761,763	1.93%	2,408	1.28%
<b>Customer deposits<sup>(c)</sup></b>	26,158,312	63.52%	6,468	0.10%	25,484,175	64.71%	8,148	0.13%
<i>Sight deposits</i>	18,846,683	45.76%	4,300	0.09%	16,672,750	42.34%	3,591	0.09%
<i>Term deposits</i>	7,311,630	17.75%	2,168	0.12%	8,811,425	22.38%	4,557	0.21%
<b>Wholesale funds</b>	10,054,473	24.41%	22,252	0.90%	8,902,970	22.61%	15,854	0.72%
<b>Other funds</b>	1,239,374	3.01%	741	0.24%	1,241,336	3.15%	973	0.32%
<b>Equity</b>	2,987,829	7.26%	0	-	2,989,630	7.59%	0	-
<b>Total funds<sup>(d)</sup></b>	<b>41,182,349</b>	<b>100.00%</b>	<b>30,890</b>	<b>0.30%</b>	<b>39,379,873</b>	<b>100.00%</b>	<b>27,383</b>	<b>0.28%</b>
<b>Customers' spread<sup>(a)-(c)</sup></b>				1.94				1.83
<b>NII o/ATA<sup>(b)-(d)</sup></b>			150,259	1.48			149,380	1.54