

Quarterly Results

Third quarter, 2019

Most significant figures

(EUR Thousands)

	30/09/2019	31/12/2018	30/09/2018	y- o -y		Annual	
				Abs.	%	Abs.	%
Profit and Loss Account							
Net interest income	437,102	586,041	431,344	5,758	1.3%		
Gross Income	921,394	934,076	714,350	207,044	29.0%		
Recurring Gross Income	708,343	892,322	664,420	43,924	6.6%		
Pre-provision profit	491,086	367,761	292,946	198,140	67.6%		
Recurring Pre-provision profit	278,035	326,007	243,016	35,020	14.4%		
Profit before tax	111,918	69,104	79,994	31,924	39.9%		
Consolidated Net profit	82,056	82,252	70,018	12,038	17.2%		
Attributable Net profit	82,056	82,252	70,018	12,038	17.2%		
Business							
Total Assets	45,620,963	44,078,805	42,718,227	2,902,736	6.8%	1,542,158	3.5%
Equity	3,237,432	3,075,759	3,019,108	218,324	7.2%	161,673	5.3%
On-balance sheet retail funds	30,238,231	28,498,653	27,816,578	2,421,653	8.7%	1,739,578	6.1%
Off-balance sheet funds	4,648,220	4,293,159	4,482,648	165,572	3.7%	355,061	8.3%
Performing Loans	29,123,307	29,126,028	28,710,305	413,002	1.4%	(2,721)	(0.0%)
Risk management							
Gross Loans	31,234,400	31,584,989	31,342,332	(107,932)	(0.3%)	(350,589)	(1.1%)
Contingent risks	720,344	728,419	688,053	32,291	4.7%	(8,075)	(1.1%)
Non-performing loans	2,111,093	2,458,961	2,632,027	(520,934)	(19.8%)	(347,868)	(14.1%)
Non-performing contingent risks	8,011	6,257	5,914	2,097	35.5%	1,754	28.0%
NPL ratio (%)	6.63%	7.63%	8.24%	(1.61)		(1.00)	
NPL coverage ratio (%)	47.55%	43.60%	43.99%	3.56		3.95	
Liquidity							
LTD (%)	95.03%	101.65%	104.11%	(9.08)		(6.62)	
LCR (%)	216.96%	207.49%	207.24%	9.72		9.47	
NSFR (%)	127.60%	118.51%	116.69%	10.91		9.09	
Business gap	1,560,221	(491,371)	(1,181,247)	2,741,468	(232.1%)	2,051,592	(417.5%)
Solvency phased in							
CET1 ratio (%)	13.14%	12.51%	12.40%	0.74		0.63	
Tier 2 ratio (%)	1.70%	1.74%	1.73%	(0.04)		(0.04)	
Capital ratio (%)	14.83%	14.25%	14.13%	0.70		0.59	
Leverage ratio (%)	6.48%	6.39%	6.57%	(0.09)		0.09	
Solvency fully loaded							
CET1 ratio (%)	12.41%	11.54%	11.45%	0.96		0.87	
Tier 2 ratio (%)	1.70%	1.74%	1.74%	(0.04)		(0.04)	
Capital ratio (%)	14.11%	13.28%	13.18%	0.93		0.83	
Leverage ratio (%)	6.13%	5.89%	6.08%	0.05		0.24	
Profitability and efficiency							
ROA (%)	0.24%	0.19%	0.22%	0.02		0.05	
RORWA (%)	0.48%	0.35%	0.40%	0.08		0.13	
ROE (%)	3.46%	2.74%	3.13%	0.33		0.72	
Cost-income ratio (%)	46.70%	60.63%	58.99%	(12.29)		(13.93)	
Recurring cost-income ratio (%)	60.75%	63.47%	63.42%	(2.67)		(2.72)	
Other data							
Cooperative members	1,428,500	1,436,237	1,434,679	(6,179)	(0.4%)	(7,737)	(0.5%)
Employees	5,486	5,506	5,541	(55)	(1.0%)	(20)	(0.4%)
Branches	962	1,018	1,029	(67)	(6.5%)	(56)	(5.5%)

Balance Sheet

(EUR Thousands)

	30/09/2019	31/12/2018	30/09/2018	y- o -y		Annual	
				Abs.	%	Abs.	%
Cash, cash balances at central banks and other demand deposits	491,207	1,420,637	1,152,476	(661,269)	(57.4%)	(929,430)	(65.4%)
Financial assets held for trading	5,978	1,621	2,775	3,203	115.4%	4,357	268.8%
Financial assets designated at fair value through profit or loss	356,283	269,913	277,893	78,390	28.2%	86,370	32.0%
<i>Of which:</i>							
<i>Loans and advances to Customers</i>	235,552	155,920	155,607	79,945	51.4%	79,632	51.1%
Financial assets at fair value through other comprehensive income	2,536,185	606,847	724,015	1,812,170	250.3%	1,929,338	317.9%
Financial assets at amortised cost	38,228,688	37,741,263	36,455,602	1,773,086	4.9%	487,425	1.3%
<i>Of which:</i>							
<i>Loans and advances to Customers</i>	29,607,031	30,048,559	29,751,572	(144,541)	(0.5%)	(441,528)	(1.5%)
Derivatives – Hedge accounting	-	-	-	-	-	-	-
Investments in subsidiaries, joint ventures and associates	101,591	97,426	88,334	13,257	15.0%	4,165	4.3%
Tangible assets	1,025,252	999,629	995,433	29,819	3.0%	25,623	2.6%
Intangible assets	171,252	161,793	156,147	15,105	9.7%	9,459	5.8%
Tax assets	1,127,192	1,132,246	1,122,592	4,600	0.4%	(5,054)	(0.4%)
Other assets	1,207,857	1,241,317	1,303,845	(95,988)	(7.4%)	(33,460)	(2.7%)
Non-current assets and disposal groups classified as held for sale	369,479	406,113	439,115	(69,636)	(15.9%)	(36,634)	(9.0%)
TOTAL ASSETS	45,620,963	44,078,805	42,718,227	2,902,736	6.8%	1,542,158	3.5%
Financial liabilities held for trading	3,469	43	1,176	2,293	195.0%	3,426	7967.4%
Financial liabilities measured at amortised cost	41,767,600	40,394,174	38,992,949	2,774,651	7.1%	1,373,426	3.4%
<i>Of which:</i>							
<i>Central Banks deposits</i>	5,019,695	5,035,069	5,040,261	(20,566)	(0.4%)	(15,374)	(0.3%)
<i>Central counterparty deposits</i>	334,279	1,072,408	711,243	(376,964)	(53.0%)	(738,129)	(68.8%)
<i>Customer deposits</i>	30,238,231	28,498,653	27,816,578	2,421,653	8.7%	1,739,578	6.1%
<i>Debt securities issued</i>	2,414,801	2,416,041	3,192,226	(777,425)	(24.4%)	(1,240)	(0.1%)
Derivatives – Hedge accounting	107,247	123,754	141,554	(34,307)	(24.2%)	(16,507)	(13.3%)
Provisions	97,941	71,405	74,360	23,581	31.7%	26,536	37.2%
Tax liabilities	73,067	77,368	84,948	(11,881)	(14.0%)	(4,301)	(5.6%)
Other liabilities	307,334	344,865	412,549	(105,215)	(25.5%)	(37,531)	(10.9%)
<i>of which: Welfare funds</i>	5,706	4,905	6,062	(356)	(5.9%)	801	16.3%
TOTAL LIABILITIES	42,356,658	41,011,609	39,707,536	2,649,122	6.7%	1,345,049	3.3%
Equity	3,237,432	3,075,759	3,019,108	218,324	7.2%	161,673	5.3%
<i>Of which:</i>							
<i>Capital / Equity instruments issued other than capital / Treasury shares</i>	2,893,310	2,776,579	2,732,751	160,559	5.9%	116,731	4.2%
<i>Retained earnings / Revaluation reserves / Other reserves</i>	280,897	235,011	234,419	46,478	19.8%	45,886	19.5%
<i>Profit or loss attributable to owners of the parent</i>	82,056	82,252	70,018	12,038	17.2%	(196)	(0.2%)
<i>(-) Interim dividends</i>	(18,831)	(18,083)	(18,080)	(751)	4.2%	(748)	4.1%
Accumulated other comprehensive income	26,874	(8,563)	(8,417)	35,291	(419.3%)	35,437	(413.8%)
Minority interests	-	-	-	-	-	-	-
TOTAL EQUITY	3,264,305	3,067,196	3,010,691	253,614	8.4%	197,109	6.4%

Funds managed

(EUR Thousands)

	30/09/2019	31/12/2018	30/09/2018	y- o -y		Annual	
				Abs.	%	Abs.	%
Sight deposits	23,413,488	21,472,289	20,724,778	2,688,710	13.0%	1,941,199	9.0%
Term deposits	6,824,743	7,026,364	7,091,800	(267,057)	(3.8%)	(201,621)	(2.9%)
Customer deposits	30,238,231	28,498,653	27,816,578	2,421,653	8.7%	1,739,578	6.1%
On-balance sheet retail funds	30,238,231	28,498,653	27,816,578	2,421,653	8.7%	1,739,578	6.1%
Bonds and other securities *	2,854,286	2,962,547	3,418,604	(564,318)	(16.5%)	(108,261)	(3.7%)
Subordinated liabilities	406,671	412,364	413,227	(6,556)	(1.6%)	(5,693)	(1.4%)
Monetary market operations	2,154,098	2,567,425	1,389,984	764,114	55.0%	(413,327)	(16.1%)
Deposits from credit institutions	612,724	499,430	568,353	44,371	7.8%	113,294	22.7%
ECB	5,019,695	5,035,069	5,040,261	(20,566)	(0.4%)	(15,374)	(0.3%)
Wholesale funds	11,047,474	11,476,835	10,830,429	217,045	2.0%	(429,361)	(3.7%)
Total balance sheet funds	41,285,705	39,975,488	38,647,007	2,638,698	6.8%	1,310,217	3.3%
Mutual funds	2,694,782	2,391,135	2,556,166	138,616	5.4%	303,647	12.7%
Pension plans	827,300	787,634	789,448	37,852	4.8%	39,666	5.0%
Savings insurances	661,056	668,895	659,596	1,460	0.2%	(7,839)	(1.2%)
Fixed-equity income	465,083	445,495	477,438	(12,355)	(2.6%)	19,588	4.4%
Off-balance sheet funds	4,648,220	4,293,159	4,482,648	165,572	3.7%	355,061	8.3%
Customer funds under management	34,886,451	32,791,812	32,299,226	2,587,225	8.0%	2,094,639	6.4%
Funds under management	45,933,925	44,268,647	43,129,655	2,804,270	6.5%	1,665,278	3.8%

* Covered bonds, territorial bonds and securitization.

Loans and advances to Customers

(EUR Thousands)

	30/09/2019	31/12/2018	30/09/2018	y- o -y		Annual	
				Abs.	%	Abs.	%
General governments	705,182	715,007	789,455	(84,273)	(10.7%)	(9,825)	(1.4%)
Other financial corporations	1,115,125	1,137,699	916,606	198,519	21.7%	(22,574)	(2.0%)
Non-financial corporations	11,359,543	11,268,888	11,089,257	270,286	2.4%	90,655	0.8%
Households	17,666,455	18,154,917	18,268,683	(602,228)	(3.3%)	(488,462)	(2.7%)
Loans to customers (gross)	30,846,305	31,276,511	31,064,001	(217,696)	(0.7%)	(430,206)	(1.4%)
<i>Of which:</i>							
Real estate developers	923,343	1,108,232	1,192,799	(269,456)	(22.6%)	(184,889)	(16.7%)
Performing loans to customers	28,735,212	28,817,550	28,431,974	303,238	1.1%	(82,338)	(0.3%)
Non-performing loans	2,111,093	2,458,961	2,632,027	(520,934)	(19.8%)	(347,868)	(14.1%)
Other loans *	-	-	-	-	-	-	-
Debt securities from customers	388,095	308,478	278,331	109,764	39.4%	79,617	25.8%
Gross Loans	31,234,400	31,584,989	31,342,332	(107,932)	(0.3%)	(350,589)	(1.1%)
Performing Loans	29,123,307	29,126,028	28,710,305	413,002	1.4%	(2,721)	(0.0%)
<i>Credit losses and impairment</i>	<i>(1,003,721)</i>	<i>(1,072,032)</i>	<i>(1,156,822)</i>	153,101	(13.2%)	68,311	(6.4%)
Total lending	30,230,678	30,512,957	30,185,510	45,168	0.1%	(282,279)	(0.9%)
Off-balance sheet risks							
<i>Contingent risks</i>	720,344	728,419	688,053	32,291	4.7%	(8,075)	(1.1%)
<i>of which: non-performing contingent risks</i>	8,011	6,257	5,914	2,097	35.5%	1,754	28.0%
Total risks	31,954,744	32,313,408	32,030,385	(75,641)	(0.2%)	(358,664)	(1.1%)
Non-performing total risks	2,119,104	2,465,218	2,637,941	(518,837)	(19.7%)	(346,114)	(14.0%)

* Mainly reverse repurchase agreements

Risk management

(EUR Thousands)

	30/09/2019	31/12/2018	30/09/2018	y-o-y		Annual	
				Abs.	%	Abs.	%
Defaulting debtors							
Non-performing total risks	2,119,104	2,465,218	2,637,941	(518,837)	(19.7%)	(346,114)	(14.0%)
Total risks	31,954,744	32,313,408	32,030,385	(75,641)	(0.2%)	(358,664)	(1.1%)
NPL ratio (%)	6.63%	7.63%	8.24%	(1.61)		(1.00)	
Gross loans coverage	1,003,721	1,072,032	1,157,908	(154,187)	(13.3%)	(68,311)	(6.4%)
NPL coverage ratio (%)	47.55%	43.60%	43.99%	3.56		3.95	
Foreclosed assets							
Foreclosed assets (gross)	2,802,673	2,910,247	3,017,888	(215,214)	(7.1%)	(107,574)	(3.7%)
Foreclosed assets coverage	1,342,468	1,374,311	1,420,321	(77,853)	(5.5%)	(31,843)	(2.3%)
Foreclosed assets coverage ratio (%)	47.90%	47.22%	47.06%	0.84		0.68	
Foreclosed assets coverage ratio with debt forgiveness (%)	53.04%	52.04%	51.90%	1.14		1.00	
NPA ratio (%)	14.44%	15.57%	16.44%	(2.00)		(1.13)	
NPA coverage ratio (%)	47.75%	45.56%	45.63%	2.12		2.19	
NPA coverage ratio with debt forgiveness (%)	50.82%	48.37%	48.41%	2.41		2.45	
Loans impairment coverage breakdown							
Total coverage	1,020,632	1,088,713	1,174,379	(153,747)	(13.1%)	(68,081)	(6.3%)
Non-performing coverage	844,031	907,603	970,768	(126,737)	(13.1%)	(63,572)	(7.0%)
Performing coverage	176,602	181,111	203,612	(27,010)	(13.3%)	(4,509)	(2.5%)
NPL breakdown							
Past due >90 days	1,889,847	2,217,261	2,383,817	(493,970)	(20.7%)	(327,414)	(14.8%)
Doubtful non past due	221,246	241,700	248,210	(26,964)	(10.9%)	(20,454)	(8.5%)
Total	2,111,093	2,458,961	2,632,027	(520,934)	(19.8%)	(347,868)	(14.1%)
<i>Of which:</i>							
Forborne loans	1,313,940	1,570,691	1,728,475	(414,535)	(24.0%)	(256,751)	(16.3%)
NPL breakdown by segment							
General governments	168	40	250	(82)	(32.8%)	128	320.0%
Other financial corporations	1,821	904	897	924	103.0%	917	101.4%
Other corporations	1,023,205	1,241,435	1,354,223	(331,018)	(24.4%)	(218,230)	(17.6%)
Households	1,085,899	1,216,582	1,276,657	(190,758)	(14.9%)	(130,683)	(10.7%)
Total	2,111,093	2,458,961	2,632,027	(520,934)	(19.8%)	(347,868)	(14.1%)
<i>Of which:</i>							
Real estate developers	487,073	602,169	687,258	(200,185)	(29.1%)	(115,096)	(19.1%)
Forborne loans breakdown							
Non-performing	1,313,940	1,570,691	1,728,475	(414,535)	(24.0%)	(256,751)	(16.3%)
Performing	520,243	590,359	621,731	(101,488)	(16.3%)	(70,116)	(11.9%)
Total Forborne loans	1,834,183	2,161,050	2,350,206	(516,023)	(22.0%)	(326,867)	(15.1%)
REOs breakdown							
REOs (gross)	3,124,756	3,287,923	3,406,566	(281,809)	(8.3%)	(163,166)	(5.0%)
Foreclosed assets	2,802,673	2,910,247	3,017,888	(215,214)	(7.1%)	(107,574)	(3.7%)
Non-current assets held for sale	586,193	643,362	698,778	(112,585)	(16.1%)	(57,169)	(8.9%)
Inventories	2,216,480	2,266,885	2,319,110	(102,630)	(4.4%)	(50,405)	(2.2%)
RE Investments	322,083	377,676	388,678	(66,595)	(17.1%)	(55,592)	(14.7%)
REOs (coverage)	1,476,252	1,538,148	1,587,995	(111,743)	(7.0%)	(61,896)	(4.0%)
Foreclosed assets	1,342,468	1,374,311	1,420,320	(77,852)	(5.5%)	(31,843)	(2.3%)
Non-current assets held for sale	257,247	285,779	307,333	(50,086)	(16.3%)	(28,532)	(10.0%)
Inventories	1,085,221	1,088,532	1,112,987	(27,766)	(2.5%)	(3,311)	(0.3%)
RE Investments	133,784	163,837	167,674	(33,891)	(20.2%)	(30,053)	(18.3%)
REOs (% coverage)	47.24%	46.78%	46.62%	0.63		0.46	
Foreclosed assets	47.90%	47.22%	47.06%	0.84		0.68	
Non-current assets held for sale	43.88%	44.42%	43.98%	(0.10)		(0.54)	
Inventories	48.96%	48.02%	47.99%	0.97		0.94	
RE Investments	41.54%	43.38%	43.14%	(1.60)		(1.84)	

Foreclosed assets ^(*)

(EUR Thousands)

	30/09/2019	31/12/2018	30/09/2018	y-o-y		Annual	
				Abs.	%	Abs.	%
Foreclosed assets (gross)	2,802,673	2,910,247	3,017,888	(215,214)	(7.1%)	(107,574)	(3.7%)
Foreclosed assets coverage	(1,342,468)	(1,374,311)	(1,420,320)	77,853	(5.5%)	31,843	(2.3%)
Foreclosed assets (net)	1,460,205	1,535,937	1,597,567	(137,362)	(8.6%)	(75,731)	(4.9%)
Foreclosed assets coverage ratio (%)	47.90%	47.22%	47.06%	0.84		0.68	
Foreclosed assets coverage ratio with debt forgiveness (%)	53.04%	52.04%	51.90%	1.14		1.00	

According to the origin of the Loan

Foreclosed assets (gross)	2,802,673	2,910,247	3,017,888	(215,214)	(7.1%)	(107,574)	(3.7%)
Developers	1,820,461	1,883,737	1,944,826	(124,365)	(6.4%)	(63,277)	(3.4%)
Land	995,282	993,433	1,016,363	(21,080)	(2.1%)	1,850	0.2%
Finished buildings	650,644	712,933	749,574	(98,930)	(13.2%)	(62,289)	(8.7%)
Under construction	174,534	177,371	178,889	(4,354)	(2.4%)	(2,837)	(1.6%)
Homes	503,669	566,844	607,100	(103,430)	(17.0%)	(63,175)	(11.1%)
Other	478,544	459,666	465,962	12,581	2.7%	18,877	4.1%
Coverage	(1,342,468)	(1,374,311)	(1,420,320)	77,852	(5.5%)	31,843	(2.3%)
Developers	(946,496)	(962,124)	(996,685)	50,189	(5.0%)	15,628	(1.6%)
Land	(605,893)	(598,525)	(621,176)	15,283	(2.5%)	(7,367)	1.2%
Finished buildings	(246,959)	(269,886)	(280,242)	33,283	(11.9%)	22,927	(8.5%)
Under construction	(93,644)	(93,712)	(95,267)	1,623	(1.7%)	68	(0.1%)
Homes	(202,243)	(227,312)	(238,190)	35,947	(15.1%)	25,069	(11.0%)
Other	(193,729)	(184,875)	(185,445)	(8,284)	4.5%	(8,855)	4.8%
Foreclosed assets (net)	1,460,205	1,535,937	1,597,567	(137,362)	(8.6%)	(75,731)	(4.9%)
Developers	873,965	921,613	948,141	(74,176)	(7.8%)	(47,649)	(5.2%)
Land	389,390	394,907	395,187	(5,797)	(1.5%)	(5,517)	(1.4%)
Finished buildings	403,685	443,047	469,332	(65,648)	(14.0%)	(39,363)	(8.9%)
Under construction	80,890	83,659	83,622	(2,731)	(3.3%)	(2,769)	(3.3%)
Homes	301,426	339,531	368,909	(67,483)	(18.3%)	(38,105)	(11.2%)
Other	284,814	274,792	280,517	4,297	1.5%	10,023	3.6%
Coverage (%)	47.90%	47.22%	47.06%	0.84		0.68	
Developers	51.99%	51.08%	51.25%	0.74		0.92	
Land	60.88%	60.25%	61.12%	(0.24)		0.63	
Finished buildings	37.96%	37.86%	37.39%	0.57		0.10	
Under construction	53.65%	52.83%	53.25%	0.40		0.82	
Homes	40.15%	40.10%	39.23%	0.92		0.05	
Other	40.48%	40.22%	39.80%	0.68		0.26	
Coverage with debt forgiveness (%)	53.04%	52.04%	51.90%	1.14		1.00	
Developers	57.08%	55.93%	56.07%	1.02		1.15	
Land	64.67%	63.87%	64.64%	0.03		0.80	
Finished buildings	46.24%	45.53%	45.08%	1.16		0.71	
Under construction	55.93%	54.77%	55.06%	0.87		1.16	
Homes	44.89%	44.55%	43.70%	1.19		0.33	
Other	45.84%	44.91%	44.78%	1.06		0.94	

By asset type

Foreclosed assets (gross)	2,802,673	2,910,247	3,017,888	(215,214)	(7.1%)	(107,574)	(3.7%)
Finished houses	1,209,822	1,267,532	1,354,253	(144,432)	(10.7%)	(57,710)	(4.6%)
Lands	1,092,705	1,094,554	1,124,018	(31,313)	(2.8%)	(1,850)	(0.2%)
RED and under construction	168,127	219,675	222,000	(53,873)	(24.3%)	(51,549)	(23.5%)
Commercial	298,022	295,177	298,735	(713)	(0.2%)	2,845	1.0%
Other	33,998	33,308	18,882	15,116	80.1%	690	2.1%
Coverage	(1,342,468)	(1,374,311)	(1,420,320)	77,852	(5.5%)	31,843	(2.3%)
Finished houses	(456,641)	(479,816)	(503,059)	46,418	(9.2%)	23,175	(4.8%)
Lands	(654,461)	(646,953)	(672,597)	18,136	(2.7%)	(7,508)	1.2%
RED and under construction	(90,666)	(112,599)	(114,250)	23,584	(20.6%)	21,933	(19.5%)
Commercial	(126,348)	(122,931)	(122,444)	(3,904)	3.2%	(3,418)	2.8%
Other	(14,351)	(12,012)	(7,970)	(6,382)	80.1%	(2,340)	19.5%
Foreclosed assets (net)	1,460,205	1,535,937	1,597,567	(137,362)	(8.6%)	(75,731)	(4.9%)
Finished houses	753,180	787,716	851,194	(98,014)	(11.5%)	(34,535)	(4.4%)
Lands	438,244	447,601	451,421	(13,178)	(2.9%)	(9,357)	(2.1%)
RED and under construction	77,461	107,076	107,749	(30,288)	(28.1%)	(29,616)	(27.7%)
Commercial	171,674	172,247	176,290	(4,616)	(2.6%)	(573)	(0.3%)
Other	19,647	21,297	10,912	8,734	80.0%	(1,650)	(7.7%)
Coverage (%)	47.90%	47.22%	47.06%	0.84		0.68	
Finished houses	37.74%	37.85%	37.15%	0.60		(0.11)	
Lands	59.89%	59.11%	59.84%	0.06		0.79	
RED and under construction	53.93%	51.26%	51.46%	2.46		2.67	
Commercial	42.40%	41.65%	40.99%	1.41		0.75	
Other	42.21%	36.06%	42.21%	0.00		6.15	
Coverage with debt forgiveness (%)	53.04%	52.04%	51.90%	1.14		1.00	
Finished houses	44.79%	44.25%	43.55%	1.24		0.54	
Lands	63.75%	62.81%	63.47%	0.29		0.95	
RED and under construction	55.57%	53.54%	53.67%	1.90		2.03	
Commercial	47.56%	46.46%	45.94%	1.62		1.10	
Other	42.65%	36.95%	43.61%	(0.95)		5.71	

^(*) RE investments are not included.

Solvency

(EUR Thousands)

Phased-in	30/09/2019	31/12/2018	30/09/2018	y- o -y		Annual	
				Abs.	%	Abs.	%
Capital	2,893,310	2,776,579	2,732,751	160,559	5.9%	116,731	4.2%
Reserves and Results	509,671	475,045	473,351	36,320	7.7%	34,626	7.3%
AFS Surplus/ Others	3,597	(22,311)	(8,042)	11,639	(144.7%)	25,908	(116.1%)
Capital deductions	(398,705)	(347,264)	(335,261)	(63,444)	18.9%	(51,441)	14.8%
Ordinary Tier 1 Capital	3,007,873	2,882,049	2,862,799	145,074	5.1%	125,824	4.4%
CET1 ratio (%)	13.14%	12.51%	12.40%	0.74		0.63	
Tier2 Capital	388,000	400,000	400,000	(12,000)	(3.0%)	(12,000)	(3.0%)
Tier 2 ratio (%)	1.70%	1.74%	1.73%	(0.04)		(0.04)	
Eligible capital	3,395,873	3,282,049	3,262,799	133,074	4.1%	113,824	3.5%
Capital ratio (%)	14.83%	14.25%	14.13%	0.70		0.59	
Total risk-weighted assets	22,891,111	23,033,114	23,092,813	(201,702)	(0.9%)	(142,003)	(0.6%)
Credit risk	21,323,145	21,474,160	21,604,909	(281,764)	(1.3%)	(151,015)	(0.7%)
Operational risk	1,445,750	1,445,750	1,443,904	1,846	0.1%	-	-
Other risk	122,216	113,204	44,000	78,216	177.8%	9,012	8.0%
Fully-loaded							
Capital	2,893,310	2,776,579	2,732,751	160,559	5.9%	116,731	4.2%
Reserves and Results	334,585	279,360	277,666	56,919	20.5%	55,225	19.8%
AFS Surplus/ Others	3,597	(22,311)	(8,042)	11,639	(144.7%)	25,908	(116.1%)
Capital deductions	(398,705)	(388,387)	(365,439)	(33,266)	9.1%	(10,318)	2.7%
Ordinary Tier 1 Capital	2,832,787	2,645,242	2,636,936	195,851	7.4%	187,545	7.1%
CET1 ratio (%)	12.41%	11.54%	11.45%	0.96		0.87	
Tier2 Capital	388,000	400,000	400,000	(12,000)	(3.0%)	(12,000)	(3.0%)
Tier 2 ratio (%)	1.70%	1.74%	1.74%	(0.04)		(0.04)	
Eligible capital	3,220,787	3,045,242	3,036,936	183,851	6.1%	175,545	5.8%
Capital ratio (%)	14.11%	13.28%	13.18%	0.93		0.83	
Total risk-weighted assets	22,820,209	22,924,929	23,036,840	(216,631)	(0.9%)	(104,720)	(0.5%)
Credit risk	21,252,242	21,365,974	21,548,937	(296,695)	(1.4%)	(113,732)	(0.5%)
Operational risk	1,445,750	1,445,750	1,443,904	1,846	0.1%	-	-
Other risk	122,217	113,205	43,999	78,218	177.8%	9,012	8.0%

Profit & Loss Account

(EUR Thousands)

	30/09/2019	o/ATA	30/09/2018	o/ATA	y- o -y		31/12/2018	o/ATA
					Abs.	%		
Interest income	522,691	1.56%	530,258	1.69%	(7,567)	(1.4%)	708,691	1.67%
Interest expenses	(85,589)	(0.26%)	(98,914)	(0.32%)	13,325	(13.5%)	(122,650)	(0.29%)
NET INTEREST INCOME	437,102	1.30%	431,344	1.37%	5,758	1.3%	586,041	1.38%
Dividend income	6,097	0.02%	5,392	0.02%	705	13.1%	6,622	0.02%
Income from equity-accounted method	23,922	0.07%	21,469	0.07%	2,453	11.4%	30,983	0.07%
Net fees and commissions	183,024	0.55%	196,065	0.62%	(13,041)	(6.7%)	261,692	0.62%
Gains (losses) on financial transactions	296,262	0.88%	85,892	0.27%	210,370	244.9%	78,983	0.19%
Exchange differences [gain or (-) loss], net	1,798	0.01%	1,302	-	496	38.1%	1,535	-
Other operating incomes/expenses	(26,811)	(0.08%)	(27,114)	(0.09%)	303	(1.1%)	(31,780)	(0.07%)
of which: Mandatory transfer to Education and Development Fund	(3,814)	(0.01%)	(3,939)	(0.01%)	125	(3.2%)	(4,043)	(0.01%)
GROSS INCOME	921,394	2.75%	714,350	2.28%	207,044	29.0%	934,076	2.20%
Administrative expenses	(388,136)	(1.16%)	(378,520)	(1.21%)	(9,616)	2.5%	(511,036)	(1.21%)
Personnel expenses	(248,702)	(0.74%)	(235,823)	(0.75%)	(12,879)	5.5%	(320,210)	(0.76%)
Other administrative expenses	(139,434)	(0.42%)	(142,697)	(0.45%)	3,263	(2.3%)	(190,826)	(0.45%)
Depreciation and amortisation	(42,172)	(0.13%)	(42,884)	(0.14%)	712	(1.7%)	(55,279)	(0.13%)
PRE-PROVISION PROFIT	491,086	1.46%	292,946	0.93%	198,140	67.6%	367,761	0.87%
Provisions or (-) reversal of provisions	(61,043)	(0.18%)	(21,298)	(0.07%)	(39,745)	186.6%	(38,555)	(0.09%)
Impairment losses on financial assets	(255,073)	(0.76%)	(88,655)	(0.28%)	(166,418)	187.7%	(144,216)	(0.34%)
OPERATING INCOME	174,970	0.52%	182,993	0.58%	(8,023)	(4.4%)	184,990	0.44%
Impairment or reversal of impairment of investments in joint ventures or associates (net)	-	-	(22)	-	22	(100.0%)	(22)	-
Impairment losses on non financial assets	(30,208)	(0.09%)	(7,180)	(0.02%)	(23,028)	320.7%	(5,956)	(0.01%)
Gains or (-) losses on derecognition of non financial assets, net	(23,066)	(0.07%)	(89,493)	(0.29%)	66,427	(74.2%)	(97,320)	(0.23%)
Profit or (-) loss from non-current assets and disposal groups classified as held for sale	(9,779)	(0.03%)	(6,306)	(0.02%)	(3,473)	55.1%	(12,588)	(0.03%)
PROFIT BEFORE TAX	111,918	0.33%	79,994	0.25%	31,924	39.9%	69,104	0.16%
Tax	(29,862)	(0.09%)	(9,976)	(0.03%)	(19,886)	199.3%	13,148	0.03%
CONSOLIDATED NET PROFIT	82,056	0.24%	70,018	0.22%	12,038	17.2%	82,252	0.19%

Quarterly Yields & Costs

(EUR Thousands and annualised rates)

	30/09/2019				30/09/2018				31/12/2018			
	Average balance	Distribution (%)	Income or expense	Average rate (%)	Average balance	Distribution (%)	Income or expense	Average rate (%)	Average balance	Distribution (%)	Income or expense	Average rate (%)
Financial system	1,281,904	2.86%	107	0.01%	1,489,824	3.55%	326	0.03%	1,523,012	3.59%	385	0.03%
Loans to customers (gross) ^(a)	31,137,977	69.43%	423,541	1.82%	31,148,022	74.21%	457,817	1.97%	31,173,720	73.53%	603,769	1.94%
Securities portfolio	9,196,011	20.50%	75,276	1.09%	6,130,581	14.61%	48,104	1.05%	6,498,413	15.33%	72,462	1.12%
Other assets	3,232,348	7.21%	1,995	0.08%	3,206,230	7.64%	1,940	0.08%	3,200,342	7.55%	2,752	0.09%
Total earning assets^(b)	44,848,241	100.00%	500,918	1.49%	41,974,657	100.00%	508,188	1.62%	42,395,487	100.00%	679,368	1.60%
Customer deposits ^(c)	29,430,038	65.62%	21,045	0.10%	26,956,896	64.22%	18,575	0.09%	27,265,247	64.31%	24,993	0.09%
Sight deposits	22,405,924	49.96%	14,571	0.09%	19,736,163	47.02%	12,175	0.08%	20,083,388	47.37%	16,441	0.08%
Term deposits	7,024,114	15.66%	6,474	0.12%	7,220,733	17.20%	6,400	0.12%	7,181,859	16.94%	8,552	0.12%
Wholesale funds	11,143,837	24.85%	36,517	0.44%	10,867,175	25.89%	51,494	0.63%	10,989,107	25.92%	61,234	0.56%
Other funds	1,100,443	2.45%	6,254	0.76%	1,163,203	2.77%	6,775	0.78%	1,137,786	2.68%	7,099	0.62%
Equity	3,173,923	7.08%	-	-	2,987,385	7.12%	-	-	3,003,347	7.08%	-	-
Total funds^(d)	44,848,241	100.00%	63,816	0.19%	41,974,657	100.00%	76,844	0.24%	42,395,487	100.00%	93,326	0.22%
Customers' spread ^{(a)-(c)}				1.72				1.87				1.85
NII o/ATA ^{(b)-(d)}			437,102	1.30			431,344	1.37			586,041	1.38