

Quarterly Results

Fourth quarter, 2019



Most significant figures

(EUR Thousands)

	31/12/2019	31/12/2018	y - o - y	
			Abs.	%
Profit and Loss Account				
Net interest income	589,796	586,041	3,755	0.6%
Gross Income	1,147,654	934,076	213,578	22.9%
Recurring Gross Income	935,222	892,322	42,901	4.8%
Pre-provision profit	573,542	367,761	205,781	56.0%
Recurring pre-provision profit	361,109	326,007	35,103	10.8%
Profit before tax	113,412	69,104	44,308	64.1%
Consolidated Net profit	92,495	82,252	10,243	12.5%
Attributable Net profit	92,495	82,252	10,243	12.5%
Business				
Total Assets	47,406,455	44,078,805	3,327,650	7.5%
Equity	3,304,672	3,075,759	228,913	7.4%
On-balance sheet retail funds	30,561,447	28,498,653	2,062,794	7.2%
Off-balance sheet funds	4,850,569	4,293,159	557,410	13.0%
Performing Loans	29,574,566	29,126,028	448,538	1.5%
Risk management				
Gross Loans	31,522,642	31,584,989	(62,347)	(0.2%)
Contingent risks	706,355	728,419	(22,064)	(3.0%)
Non-performing loans	1,948,076	2,458,961	(510,885)	(20.8%)
Non-performing contingent risks	7,862	6,257	1,605	25.7%
NPL ratio (%)	6.07%	7.63%	(1.56)	
NPL coverage ratio (%)	49.10%	43.60%	5.50	
Liquidity				
LTD (%)	95.05%	101.65%	(6.60)	
LCR (%)	212.33%	207.49%	4.84	
NSFR (%)	124.03%	118.51%	5.52	
Business gap	1,569,745	(491,371)	2,061,116	(419.5%)
Solvency phased in				
CET1 ratio (%)	13.03%	12.51%	0.52	
Tier 2 ratio (%)	1.66%	1.74%	(0.08)	
Capital ratio (%)	14.69%	14.25%	0.44	
Leverage ratio (%)	6.25%	6.39%	(0.14)	
Solvency fully loaded				
CET1 ratio (%)	12.32%	11.54%	0.78	
Tier 2 ratio (%)	1.67%	1.74%	(0.08)	
Capital ratio (%)	13.98%	13.28%	0.70	
Leverage ratio (%)	5.91%	5.89%	0.02	
Profitability and efficiency				
ROA (%)	0.20%	0.19%	0.01	
RORWA (%)	0.40%	0.35%	0.05	
ROE (%)	2.89%	2.74%	0.15	
Cost-income ratio (%)	50.02%	60.63%	(10.61)	
Recurring cost-income ratio (%)	61.39%	63.47%	(2.08)	
Other data				
Cooperative members	1,430,086	1,436,237	(6,151)	(0.4%)
Employees	5,483	5,506	(23)	(0.4%)
Branches	956	1,018	(62)	(6.1%)

Balance Sheet

(EUR Thousands)

	31/12/2019	31/12/2018	y- o -y	
			Abs.	%
Cash, cash balances at central banks and other demand deposits	1,930,275	1,420,637	509,638	35.9%
Financial assets held for trading	3,944	1,621	2,323	143.3%
Financial assets designated at fair value through profit or loss	358,490	269,913	88,577	32.8%
<i>Of which:</i>				
<i>Loans and advances to Customers</i>	236,070	155,920	80,150	51.4%
Financial assets at fair value through other comprehensive income	2,550,967	606,847	1,944,120	320.4%
Financial assets at amortised cost	38,573,884	37,741,263	832,621	2.2%
<i>Of which:</i>				
<i>Loans and advances to Customers</i>	29,929,506	30,048,559	(119,053)	(0.4%)
Derivatives – Hedge accounting	-	-	-	-
Investments in subsidiaries, joint ventures and associates	118,938	97,426	21,512	22.1%
Tangible assets	1,034,456	999,629	34,827	3.5%
Intangible assets	179,440	161,793	17,647	10.9%
Tax assets	1,133,590	1,132,246	1,344	0.1%
Other assets	1,173,172	1,241,317	(68,146)	(5.5%)
Non-current assets and disposal groups classified as held for sale	349,301	406,113	(56,812)	(14.0%)
TOTAL ASSETS	47,406,455	44,078,805	3,327,650	7.5%
Financial liabilities held for trading	2,440	43	2,398	5628.6%
Financial liabilities measured at amortised cost	43,579,880	40,394,174	3,185,706	7.9%
<i>Of which:</i>				
<i>Central Banks deposits</i>	5,040,280	5,035,069	5,211	0.1%
<i>Central counterparty deposits</i>	812,793	1,072,408	(259,615)	(24.2%)
<i>Customer deposits</i>	30,561,447	28,498,653	2,062,794	7.2%
<i>Debt securities issued</i>	2,409,330	2,416,041	(6,711)	(0.3%)
Derivatives – Hedge accounting	112,743	123,754	(11,011)	(8.9%)
Provisions	74,916	71,405	3,511	4.9%
Tax liabilities	79,576	77,368	2,208	2.9%
Other liabilities	230,729	344,865	(114,136)	(33.1%)
<i>of which: Welfare funds</i>	4,800	4,905	(105)	(2.1%)
TOTAL LIABILITIES	44,080,285	41,011,609	3,068,676	7.5%
Equity	3,304,672	3,075,759	228,913	7.4%
<i>Of which:</i>				
<i>Capital / Equity instruments issued other than capital / Treasury shares</i>	2,947,594	2,776,579	171,015	6.2%
<i>Retained earnings / Revaluation reserves / Other reserves</i>	284,231	235,011	49,220	20.9%
<i>Profit or loss attributable to owners of the parent</i>	92,495	82,252	10,243	12.5%
<i>(-) Interim dividends</i>	(19,648)	(18,083)	(1,565)	8.7%
Accumulated other comprehensive income	21,499	(8,563)	30,062	(351.1%)
Minority interests	-	-	-	-
TOTAL EQUITY	3,326,171	3,067,196	258,975	8.4%

Funds managed

(EUR Thousands)

	31/12/2019	31/12/2018	y- o -y	
			Abs.	%
Sight deposits	23,777,663	21,472,289	2,305,374	10.7%
Term deposits	6,783,784	7,026,364	(242,580)	(3.5%)
Customer deposits	30,561,447	28,498,653	2,062,794	7.2%
On-balance sheet retail funds	30,561,447	28,498,653	2,062,794	7.2%
Bonds and other securities *	2,800,004	2,962,547	(162,543)	(5.5%)
Subordinated liabilities	402,547	412,364	(9,817)	(2.4%)
Monetary market operations	3,714,853	2,567,425	1,147,428	44.7%
Deposits from credit institutions	631,400	499,430	131,970	26.4%
ECB	5,040,280	5,035,069	5,211	0.1%
Wholesale funds	12,589,084	11,476,835	1,112,249	9.7%
Total balance sheet funds	43,150,531	39,975,488	3,175,043	7.9%
Mutual funds	2,893,771	2,391,135	502,636	21.0%
Pension plans	832,230	787,634	44,596	5.7%
Savings insurances	671,219	668,895	2,324	0.3%
Fixed-equity income	453,348	445,495	7,853	1.8%
Off-balance sheet funds	4,850,569	4,293,159	557,410	13.0%
Customer funds under management	35,412,016	32,791,812	2,620,204	8.0%
Funds under management	48,001,100	44,268,647	3,732,453	8.4%

* Covered bonds, territorial bonds and securitization.

Loans and advances to Customers

(EUR Thousands)

	31/12/2019	31/12/2018	y- o -y	
			Abs.	%
General governments	469,030	715,007	(245,977)	(34.4%)
Other financial corporations	1,157,366	1,137,699	19,667	1.7%
Non-financial corporations	11,838,270	11,268,888	569,382	5.1%
Households	17,657,434	18,154,917	(497,483)	(2.7%)
Loans to customers (gross)	31,122,100	31,276,511	(154,411)	(0.5%)
<i>Of which:</i>				
Real estate developers	852,469	1,108,232	(255,763)	(23.1%)
Performing loans to customers	29,174,024	28,817,550	356,474	1.2%
Non-performing loans	1,948,076	2,458,961	(510,885)	(20.8%)
Other loans *	-	-	-	-
Debt securities from customers	400,542	308,478	92,064	29.8%
Gross Loans	31,522,642	31,584,989	(62,347)	(0.2%)
Performing Loans	29,574,566	29,126,028	448,538	1.5%
<i>Credit losses and impairment</i>	<i>(956,524)</i>	<i>(1,072,032)</i>	<i>115,508</i>	<i>(10.8%)</i>
Total lending	30,566,117	30,512,957	53,160	0.2%
Off-balance sheet risks				
<i>Contingent risks</i>	<i>706,355</i>	<i>728,419</i>	<i>(22,064)</i>	<i>(3.0%)</i>
<i>of which: non-performing contingent risks</i>	<i>7,862</i>	<i>6,257</i>	<i>1,605</i>	<i>25.7%</i>
Total risks	32,228,997	32,313,408	(84,411)	(0.3%)
Non-performing total risks	1,955,938	2,465,218	(509,280)	(20.7%)

* Mainly reverse repurchase agreements

Risk management

(EUR Thousands)

	31/12/2019	31/12/2018	y- o -y	
			Abs.	%
Defaulting debtors				
Non-performing total risks	1,955,938	2,465,218	(509,280)	(20.7%)
Total risks	32,228,997	32,313,408	(84,411)	(0.3%)
NPL ratio (%)	6.07%	7.63%	(1.56)	
Gross loans coverage	956,524	1,072,032	(115,508)	(10.8%)
NPL coverage ratio (%)	49.10%	43.60%	5.50	
Foreclosed assets				
Foreclosed assets (gross)	2,709,536	2,910,247	(200,711)	(6.9%)
Foreclosed assets coverage	1,292,866	1,374,311	(81,445)	(5.9%)
Foreclosed assets coverage ratio (%)	47.72%	47.22%	0.49	
Foreclosed assets coverage ratio with debt forgiveness (%)	53.08%	52.04%	1.04	
NPA ratio (%)	13.61%	15.57%	(1.96)	
NPA coverage ratio (%)	48.29%	45.56%	2.73	
NPA coverage ratio with debt forgiveness (%)	51.52%	48.37%	3.15	
Loans impairment coverage breakdown				
Total coverage	969,103	1,088,713	(119,610)	(11.0%)
Non-performing coverage	761,643	907,603	(145,960)	(16.1%)
Performing coverage	207,461	181,111	26,350	14.5%
NPL breakdown				
Past due >90 days	1,760,555	2,217,261	(456,706)	(20.6%)
Doubtful non past due	187,521	241,700	(54,179)	(22.4%)
Total	1,948,076	2,458,961	(510,885)	(20.8%)
<i>Of which:</i>				
<i>Forborne loans</i>	1,194,303	1,570,691	(376,388)	(24.0%)
NPL breakdown by segment				
General governments	5	40	(35)	(87.0%)
Other financial corporations	1,817	904	913	101.0%
Other corporations	921,573	1,241,435	(319,862)	(25.8%)
Households	1,024,682	1,216,582	(191,901)	(15.8%)
Total	1,948,076	2,458,961	(510,885)	(20.8%)
<i>Of which:</i>				
<i>Real estate developers</i>	419,233	602,169	(182,936)	(30.4%)
Forborne loans breakdown				
Non-performing	1,194,303	1,570,691	(376,388)	(24.0%)
Performing	547,843	590,359	(42,516)	(7.2%)
Total Forborne loans	1,742,146	2,161,050	(418,904)	(19.4%)
REOs breakdown				
REOs (gross)	2,991,714	3,287,923	(296,209)	(9.0%)
Foreclosed assets	2,709,536	2,910,247	(200,711)	(6.9%)
Non-current assets held for sale	549,671	643,362	(93,691)	(14.6%)
Inventories	2,159,865	2,266,885	(107,020)	(4.7%)
RE Investments	282,178	377,676	(95,497)	(25.3%)
REOs (coverage)	1,410,768	1,538,148	(127,379)	(8.3%)
Foreclosed assets	1,292,866	1,374,311	(81,445)	(5.9%)
Non-current assets held for sale	239,906	285,779	(45,873)	(16.1%)
Inventories	1,052,960	1,088,532	(35,572)	(3.3%)
RE Investments	117,903	163,837	(45,935)	(28.0%)
REOs (% coverage)	47.16%	46.78%	0.37	
Foreclosed assets	47.72%	47.22%	0.49	
Non-current assets held for sale	43.65%	44.42%	(0.77)	
Inventories	48.75%	48.02%	0.73	
RE Investments	41.78%	43.38%	(1.60)	

Foreclosed assets ⁽¹⁾

(EUR Thousands)

	31/12/2019	31/12/2018	y-o-y	
			Abs.	%
Foreclosed assets (gross)	2,709,536	2,910,247	(200,711)	(6.9%)
Foreclosed assets coverage	(1,292,866)	(1,374,311)	81,445	(5.9%)
Foreclosed assets (net)	1,416,670	1,535,937	(119,266)	(7.8%)
Foreclosed assets coverage ratio (%)	47.72%	47.22%	0.49	
Foreclosed assets coverage ratio with debt forgiveness (%)	53.08%	52.04%	1.04	

According to the origin of the Loan

Foreclosed assets (gross)	2,709,536	2,910,247	(200,711)	(6.9%)
Developers	1,762,540	1,883,737	(121,197)	(6.4%)
Land	976,636	993,433	(16,796)	(1.7%)
Finished buildings	572,610	712,933	(140,323)	(19.7%)
Under construction	213,294	177,371	35,922	20.3%
Homes	466,175	566,844	(100,669)	(17.8%)
Other	480,821	459,666	21,155	4.6%
Coverage	(1,292,866)	(1,374,311)	81,445	(5.9%)
Developers	(919,891)	(962,124)	42,232	(4.4%)
Land	(594,962)	(598,525)	3,563	(0.6%)
Finished buildings	(216,102)	(269,886)	53,784	(19.9%)
Under construction	(108,827)	(93,712)	(15,114)	16.1%
Homes	(188,495)	(227,312)	38,817	(17.1%)
Other	(184,479)	(184,875)	395	(0.2%)
Foreclosed assets (net)	1,416,670	1,535,937	(119,266)	(7.8%)
Developers	842,649	921,613	(78,965)	(8.6%)
Land	381,674	394,907	(13,233)	(3.4%)
Finished buildings	356,508	443,047	(86,539)	(19.5%)
Under construction	104,467	83,659	20,808	24.9%
Homes	277,679	339,531	(61,852)	(18.2%)
Other	296,342	274,792	21,550	7.8%
Coverage (%)	47.72%	47.22%	0.49	
Developers	52.19%	51.08%	1.12	
Land	60.92%	60.25%	0.67	
Finished buildings	37.74%	37.86%	(0.12)	
Under construction	51.02%	52.83%	(1.81)	
Homes	40.43%	40.10%	0.33	
Other	38.37%	40.22%	(1.85)	
Coverage with debt forgiveness (%)	53.08%	52.04%	1.04	
Developers	57.47%	55.93%	1.54	
Land	64.82%	63.87%	0.95	
Finished buildings	46.32%	45.53%	0.78	
Under construction	55.03%	54.77%	0.27	
Homes	45.22%	44.55%	0.67	
Other	44.20%	44.91%	(0.70)	

By asset type

Foreclosed assets (gross)	2,709,536	2,910,247	(200,711)	(6.9%)
Finished houses	1,174,238	1,267,532	(93,294)	(7.4%)
Lands	1,077,871	1,094,554	(16,683)	(1.5%)
RED and under construction	120,290	219,675	(99,385)	(45.2%)
Commercial	294,841	295,177	(337)	(0.1%)
Other	42,296	33,308	8,988	27.0%
Coverage	(1,292,866)	(1,374,311)	81,445	(5.9%)
Finished houses	(453,460)	(479,816)	26,356	(5.5%)
Lands	(642,773)	(646,953)	4,180	(0.6%)
RED and under construction	(63,162)	(112,599)	49,437	(43.9%)
Commercial	(119,570)	(122,931)	3,360	(2.7%)
Other	(13,900)	(12,012)	(1,889)	15.7%
Foreclosed assets (net)	1,416,670	1,535,937	(119,266)	(7.8%)
Finished houses	720,778	787,716	(66,938)	(8.5%)
Lands	435,097	447,601	(12,503)	(2.8%)
RED and under construction	57,128	107,076	(49,948)	(46.6%)
Commercial	175,270	172,247	3,023	1.8%
Other	28,396	21,297	7,099	33.3%
Coverage (%)	47.72%	47.22%	0.49	
Finished houses	38.62%	37.85%	0.76	
Lands	59.63%	59.11%	0.53	
RED and under construction	52.51%	51.26%	1.25	
Commercial	40.55%	41.65%	(1.09)	
Other	32.86%	36.06%	(3.20)	
Coverage with debt forgiveness (%)	53.08%	52.04%	1.04	
Finished houses	45.77%	44.25%	1.51	
Lands	63.65%	62.81%	0.84	
RED and under construction	54.60%	53.54%	1.05	
Commercial	46.07%	46.46%	(0.39)	
Other	33.28%	36.95%	(3.67)	

⁽¹⁾ RE investments are not included.

Solvency

(EUR Thousands)

Phased-in	31/12/2019	31/12/2018	y- o -y	
			Abs.	%
Capital	2,947,594	2,776,579	171,015	6.2%
Reserves and Results	508,320	475,045	33,275	7.0%
AFS Surplus/ Others	3,382	(22,311)	25,693	(115.2%)
Capital deductions	(415,124)	(347,264)	(67,860)	19.5%
Ordinary Tier 1 Capital	3,044,173	2,882,049	162,124	5.6%
CET1 ratio (%)	13.03%	12.51%	0.52	
Tier2 Capital	388,000	400,000	(12,000)	(3.0%)
Tier 2 ratio (%)	1.66%	1.74%	(0.08)	
Elegible capital	3,432,173	3,282,049	150,124	4.6%
Capital ratio (%)	14.69%	14.25%	0.44	
Total risk-weighted assets	23,357,888	23,033,114	324,774	1.4%
Credit risk	21,693,601	21,474,160	219,441	1.0%
Operational risk	1,522,646	1,445,750	76,896	5.3%
Other risk	141,641	113,204	28,437	25.1%

Fully-loaded

Capital	2,947,594	2,776,579	171,015	6.2%
Reserves and Results	333,234	279,360	53,874	19.3%
AFS Surplus/ Others	3,382	(22,311)	25,693	(115.2%)
Capital deductions	(415,124)	(388,387)	(26,737)	6.9%
Ordinary Tier 1 Capital	2,869,086	2,645,242	223,844	8.5%
CET1 ratio (%)	12.32%	11.54%	0.78	
Tier2 Capital	388,000	400,000	(12,000)	(3.0%)
Tier 2 ratio (%)	1.67%	1.74%	(0.08)	
Elegible capital	3,257,086	3,045,242	211,844	7.0%
Capital ratio (%)	13.98%	13.28%	0.70	
Total risk-weighted assets	23,291,332	22,924,929	366,403	1.6%
Credit risk	21,627,044	21,365,974	261,070	1.2%
Operational risk	1,522,646	1,445,750	76,896	5.3%
Other risk	141,642	113,205	28,437	25.1%

Profit & Loss Account

(EUR Thousands)

	31/12/2019	o/ATA	31/12/2018	o/ATA	y- o -y	
					Abs.	%
Interest income	704,293	1.55%	708,691	1.67%	(4,398)	(0.6%)
Interest expenses	(114,497)	(0.25%)	(122,650)	(0.29%)	8,153	(6.6%)
NET INTEREST INCOME	589,796	1.30%	586,041	1.38%	3,755	0.6%
Dividend income	8,705	0.02%	6,622	0.02%	2,083	31.5%
Income from equity-accounted method	38,435	0.08%	30,983	0.07%	7,452	24.1%
Net fees and commissions	245,260	0.54%	261,692	0.62%	(16,432)	(6.3%)
Gains (losses) on financial transactions	295,677	0.65%	78,983	0.19%	216,694	274.4%
Exchange differences [gain or (-) loss], net	3,160	0.01%	1,535	-	1,625	105.9%
Other operating incomes/expenses	(33,379)	(0.07%)	(31,780)	(0.07%)	(1,599)	5.0%
of which: Mandatory transfer to Education and Development Fund	(3,803)	(0.01%)	(4,043)	(0.01%)	240	(5.9%)
GROSS INCOME	1,147,654	2.53%	934,076	2.20%	213,578	22.9%
Administrative expenses	(517,272)	(1.14%)	(511,036)	(1.21%)	(6,236)	1.2%
Personnel expenses	(331,707)	(0.73%)	(320,210)	(0.76%)	(11,497)	3.6%
Other administrative expenses	(185,566)	(0.41%)	(190,826)	(0.45%)	5,260	(2.8%)
Depreciation and amortisation	(56,840)	(0.13%)	(55,279)	(0.13%)	(1,561)	2.8%
PRE-PROVISION PROFIT	573,542	1.26%	367,761	0.87%	205,781	56.0%
Provisions or (-) reversal of provisions	(53,362)	(0.12%)	(38,555)	(0.09%)	(14,807)	38.4%
Impairment losses on financial assets	(333,633)	(0.74%)	(144,216)	(0.34%)	(189,417)	131.3%
OPERATING INCOME	186,547	0.41%	184,990	0.44%	1,557	0.8%
Impairment or reversal of impairment of investments in joint ventures or associates (net)	-	-	(22)	-	22	(100.0%)
Impairment losses on non financial assets	(32,948)	(0.07%)	(5,956)	(0.01%)	(26,992)	453.2%
Gains or (-) losses on derecognition of non financial assets, net	(27,338)	(0.06%)	(97,320)	(0.23%)	69,982	(71.9%)
Profit or (-) loss from non-current assets and disposal groups classified as held for sale	(12,850)	(0.03%)	(12,588)	(0.03%)	(262)	2.1%
PROFIT BEFORE TAX	113,412	0.25%	69,104	0.16%	44,308	64.1%
Tax	(20,917)	(0.05%)	13,148	0.03%	(34,065)	(259.1%)
CONSOLIDATED NET PROFIT	92,495	0.20%	82,252	0.19%	10,243	12.5%

Quarterly Yields & Costs

(EUR Thousands and annualised rates)

	31/12/2019				31/12/2018			
	Average balance	Distribution (%)	Income or expense	Average rate (%)	Average balance	Distribution (%)	Income or expense	Average rate (%)
Financial system	1,458,071	3.21%	138	0.01%	1,523,012	3.59%	385	0.03%
Loans to customers (gross) ^(a)	31,134,801	68.64%	569,725	1.83%	31,173,720	73.53%	603,769	1.94%
Securities portfolio	9,514,791	20.98%	101,431	1.07%	6,498,413	15.33%	72,462	1.12%
Other assets	3,252,221	7.17%	2,685	0.08%	3,200,342	7.55%	2,752	0.09%
Total earning assets^(b)	45,359,883	100.00%	673,980	1.49%	42,395,487	100.00%	679,368	1.60%
Customer deposits^(c)	29,656,319	65.38%	29,047	0.10%	27,265,247	64.31%	24,993	0.09%
<i>Sight deposits</i>	22,680,272	50.00%	20,798	0.09%	20,083,388	47.37%	16,441	0.08%
<i>Term deposits</i>	6,976,048	15.38%	8,248	0.12%	7,181,859	16.94%	8,552	0.12%
Wholesale funds	11,432,886	25.20%	46,621	0.41%	10,989,107	25.92%	61,234	0.56%
Other funds	1,066,305	2.35%	8,516	0.80%	1,137,786	2.68%	7,099	0.62%
Equity	3,204,373	7.06%	0	-	3,003,347	7.08%	0	-
Total funds^(d)	45,359,883	100.00%	84,184	0.19%	42,395,487	100.00%	93,326	0.22%
Customers' spread^{(a)-(c)}				1.73				1.85
NII o/ATA^{(b)-(d)}			589,796	1.30		586,041	1.38	