



Consolidated Results

First quarter, 2017

Most significant figures

(EUR Thousands)

	31/03/2017	31/12/2016	31/03/2016	y- o -y		Annual	
				Abs.	%	Abs.	%
Profit and Loss Account							
Net Interest Income	149.380	557.698	141.864	7.516	5,3%		
Gross Income	235.841	1.013.368	285.896	(50.055)	(17,5%)		
Recurring Gross Income	225.320	850.023	204.830	20.490	10,0%		
Net Income before provisions	87.329	383.372	129.285	(41.956)	(32,5%)		
Recurring Net Income before provisions	76.808	220.027	48.219	28.589	59,3%		
Profit before tax	34.950	62.008	7.653	27.297	356,7%		
Consolidated Net profit	24.666	76.141	13.613	11.053	81,2%		
Attributable Net profit	24.667	76.137	13.615	11.052	81,2%		
Business							
Total Assets	39.593.663	39.166.082	39.525.952	67.711	0,2%	427.581	1,1%
Equity	2.999.318	2.932.913	2.821.109	178.209	6,3%	66.405	2,3%
On-balance sheet retail resources	25.650.268	25.353.410	25.387.076	263.192	1,0%	296.858	1,2%
Off-balance sheet resources	3.558.107	3.241.508	2.713.486	844.621	31,1%	316.599	9,8%
Loans to customers (gross)	31.203.756	31.000.143	32.036.007	(832.251)	(2,6%)	203.613	0,7%
Performing loans to customers	27.091.503	26.788.929	26.986.362	105.141	0,4%	302.574	1,1%
Risk management							
Gross Loans	31.203.756	31.339.783	32.865.066	(1.661.310)	(5,1%)	(136.027)	(0,4%)
Non-performing loans	4.112.253	4.211.214	5.049.645	(937.392)	(18,6%)	(98.961)	(2,3%)
Doubtful assets	4.114.407	4.213.368	5.054.438	(940.031)	(18,6%)	(98.961)	(2,3%)
Total risks	36.400.330	35.695.013	36.978.656	(578.326)	(1,6%)	705.317	2,0%
Gross loans coverage	1.764.247	1.771.457	2.419.201	(654.954)	(27,1%)	(7.210)	(0,4%)
Global NPL ratio (%)	11,30%	11,80%	13,67%	(2,37)		(0,50)	
NPL ratio (%)	13,18%	13,44%	15,36%	(2,18)		(0,26)	
Global coverage ratio (%)	43,68%	43,09%	48,33%	(4,65)		0,59	
Coverage ratio (%)	42,90%	42,07%	47,91%	(5,01)		0,83	
Liquidity							
LTD (%)	109,47%	109,64%	110,32%	(0,85)		(0,17)	
LCR (%)	436,43%	516,90%	484,05%	(47,62)		(80,47)	
NSFR (%)	114,41%	115,54%	109,95%	4,46		(1,13)	
Commercial Gap position	(5.087.113)	(5.199.870)	(5.446.295)	359.182	(6,6%)	112.757	(2,2%)
Solvency							
CET 1 ratio (%)	11,34%	11,36%	11,09%	0,25		(0,02)	
Tier 2 ratio (%)	1,60%	1,60%	0,36%	1,24		-	
Capital ratio (%)	12,93%	12,96%	11,45%	1,48		(0,03)	
Profitability and efficiency							
ROA (%)	0,25%	0,19%	0,14%	0,11		0,06	
RORWA (%)	0,43%	0,34%	0,25%	0,18		0,09	
ROE (%)	3,35%	2,65%	1,95%	1,40		0,70	
Cost-income ratio (%)	62,97%	62,17%	54,78%	8,19		0,80	
Recurring cost-income ratio (%)	65,91%	74,12%	76,46%	(10,55)		(8,21)	
Other data							
Cooperative members	1.432.441	1.428.900	1.421.110	11.331	0,8%	3.541	0,2%
Employees	6.020	6.036	6.106	(86)	(1,4%)	(16)	(0,3%)
Branches	1.120	1.191	1.241	(121)	(9,8%)	(71)	(6,0%)

Balance Sheet

(EUR Thousands)

	31/03/2017	31/12/2016	31/03/2016	y- o -y		Annual	
				Abs.	%	Abs.	%
Cash, cash balances at central banks and other demand deposits	469.049	668.874	594.633	(125.584)	(21,1%)	(199.825)	(29,9%)
Financial assets held for trading	743	913	697	46	6,6%	(170)	(18,6%)
Financial assets designated at fair value through profit or loss	103.924	93.590	46.041	57.883	125,7%	10.334	11,0%
<i>Of which:</i>							
<i>Loans and advances to Customers</i>	102.485	92.233	44.800	57.685	128,8%	10.252	11,1%
Available-for-sale financial assets	4.591.654	4.172.155	3.953.278	638.376	16,1%	419.499	10,1%
Loans and receivables	30.065.974	29.810.807	30.671.903	(605.929)	(2,0%)	255.167	0,9%
<i>Of which:</i>							
<i>Loans and advances to Customers</i>	29.336.988	29.476.094	30.401.065	(1.064.077)	(3,5%)	(139.106)	(0,5%)
Held-to-maturity investments	-	-	8.333	(8.333)	(100,0%)	-	-
Derivatives – Hedge accounting	21	10	19.836	(19.815)	(99,9%)	11	110,0%
Investments in subsidiaries, joint ventures and associates	88.819	96.679	78.256	10.563	13,5%	(7.860)	(8,1%)
Tangible assets	980.660	984.014	824.089	156.571	19,0%	(3.354)	(0,3%)
Intangible assets	241.369	249.058	274.261	(32.892)	(12,0%)	(7.689)	(3,1%)
Tax assets	1.059.663	1.068.533	1.008.312	51.351	5,1%	(8.870)	(0,8%)
Other assets	1.466.868	1.492.942	1.417.550	49.318	3,5%	(26.074)	(1,7%)
Non-current assets and disposal groups classified as held for sale	524.919	528.506	628.761	(103.842)	(16,5%)	(3.587)	(0,7%)
TOTAL ASSETS	39.593.663	39.166.082	39.525.952	67.711	0,2%	427.581	1,1%
Financial liabilities held for trading	226	437	466	(240)	(51,5%)	(211)	(48,3%)
Financial liabilities measured at amortised cost	35.699.141	35.385.599	36.028.775	(329.634)	(0,9%)	313.542	0,9%
<i>Of which:</i>							
<i>Central Banks deposits</i>	5.071.297	5.087.000	3.865.970	1.205.327	31,2%	(15.703)	(0,3%)
<i>Central counterparty deposits</i>	700.137	613.490	1.060.701	(360.564)	(34,0%)	86.647	14,1%
<i>Customer deposits</i>	25.650.268	25.318.081	25.387.076	263.192	1,0%	332.187	1,3%
<i>Debt securities issued</i>	2.356.413	2.351.789	2.765.518	(409.105)	(14,8%)	4.624	0,2%
Derivatives – Hedge accounting	422	647	998	(576)	(57,7%)	(225)	(34,8%)
Provisions	303.143	306.834	104.532	198.611	190,0%	(3.691)	(1,2%)
Tax liabilities	148.367	147.227	115.531	32.836	28,4%	1.140	0,8%
Other liabilities	417.288	371.155	451.233	(33.945)	(7,5%)	46.133	12,4%
<i>of which: Welfare funds</i>	7.333	7.808	8.269	(936)	(11,3%)	(475)	(6,1%)
TOTAL LIABILITIES	36.568.587	36.211.898	36.701.535	(132.948)	(0,4%)	356.689	1,0%
Equity	2.999.318	2.932.913	2.821.109	178.209	6,3%	66.405	2,3%
<i>Of which:</i>							
<i>Capital / Equity instruments issued other than capital / Treasury shares</i>	2.585.485	2.535.545	2.456.840	128.645	5,2%	49.940	2,0%
<i>Retained earnings / Revaluation reserves / Other reserves</i>	432.299	356.320	397.120	35.179	8,9%	75.979	21,3%
Accumulated other comprehensive income	25.214	20.727	2.770	22.444	810,3%	4.487	21,6%
Minority interests	543	544	538	5	0,9%	(1)	(0,2%)
TOTAL EQUITY	3.025.076	2.954.184	2.824.417	200.659	7,1%	70.892	2,4%

Funds managed

(EUR Thousands)

	31/03/2017	31/12/2016	31/03/2016	y- o -y		Annual	
				Abs.	%	Abs.	%
Sight deposits	17.131.410	16.214.090	14.031.067	3.100.343	22,1%	917.320	5,7%
Term deposits	8.518.858	9.103.991	11.356.009	(2.837.151)	(25,0%)	(585.133)	(6,4%)
Customer deposits	25.650.268	25.318.081	25.387.076	263.192	1,0%	332.187	1,3%
Other resources	-	35.329	-	-	-	(35.329)	(100,0%)
On-balance sheet retail resources (a)	25.650.268	25.353.410	25.387.076	263.192	1,0%	296.858	1,2%
Bonds and other securities *	3.045.384	3.084.850	4.599.869	(1.554.485)	(33,8%)	(39.466)	(1,3%)
Subordinated liabilities	103.008	100.773	-	103.008	100,0%	2.235	2,2%
Central counterparty deposits	700.137	613.490	1.060.701	(360.564)	(34,0%)	86.647	14,1%
ECB	5.071.297	5.087.000	3.865.970	1.205.327	31,2%	(15.703)	(0,3%)
Wholesale resources (b)	8.919.826	8.886.113	9.526.540	(606.714)	(6,4%)	33.713	0,4%
Total balance sheet resources (c) = (a) + (b)	34.570.094	34.239.523	34.913.616	(343.522)	(1,0%)	330.571	1,0%
Investment funds	1.609.116	1.347.364	923.282	685.834	74,3%	261.752	19,4%
Pension funds	763.232	759.349	732.303	30.929	4,2%	3.883	0,5%
Savings insurances	621.707	606.841	558.416	63.291	11,3%	14.866	2,4%
Fixed-equity income	564.052	527.955	499.486	64.566	12,9%	36.097	6,8%
Off-balance sheet resources (d)	3.558.107	3.241.508	2.713.486	844.621	31,1%	316.599	9,8%
Customer resources under management (a) + (d)	29.208.375	28.594.918	28.100.562	1.107.813	3,9%	613.457	2,1%
Resources under management (c) + (d)	38.128.201	37.481.031	37.627.102	501.099	1,3%	647.170	1,7%

* Covered bonds, territorial bonds and securitization.

Loans and advances to Customers

(EUR Thousands)

	31/03/2017	31/12/2016	31/03/2016	y- o -y		Annual	
				Abs.	%	Abs.	%
General governments	936.220	900.139	1.080.578	(144.358)	(13,4%)	36.081	4,0%
Other financial corporations	599.076	587.909	523.924	75.152	14,3%	11.167	1,9%
Non-financial corporations	10.535.407	10.161.276	10.469.494	65.913	0,6%	374.131	3,7%
Households	19.133.053	19.350.819	19.962.011	(828.958)	(4,2%)	(217.766)	(1,1%)
Loans to customers (gross) ^(a)	31.203.756	31.000.143	32.036.007	(832.251)	(2,6%)	203.613	0,7%
<i>Performing loans to customers</i>	<i>27.091.503</i>	<i>26.788.929</i>	<i>26.986.362</i>	105.141	0,4%	302.574	1,1%
<i>Non-performing loans ^(b)</i>	<i>4.112.253</i>	<i>4.211.214</i>	<i>5.049.645</i>	(937.392)	(18,6%)	(98.961)	(2,3%)
Other loans ^(c)	-	339.640	829.059	(829.059)	(100,0%)	(339.640)	(100,0%)
Gross Loans ^{(d) = (a) + (c)}	31.203.756	31.339.783	32.865.066	(1.661.310)	(5,1%)	(136.027)	(0,4%)
Performing Loans ^{(a) - (b)}	27.091.503	27.128.569	27.815.421	(723.918)	(2,6%)	(37.066)	(0,1%)
<i>Credit losses and impairment</i>	<i>(1.764.247)</i>	<i>(1.771.457)</i>	<i>(2.419.201)</i>	654.954	(27,1%)	7.210	(0,4%)
Total Loans and advances to Customers	29.439.473	29.568.327	30.445.865	(1.006.392)	(3,3%)	(128.854)	(0,4%)

Risk management

(EUR Thousands)

	31/03/2017	31/12/2016	31/03/2016	y- o -y		Annual	
				Abs.	%	Abs.	%
Defaulting debtors							
Non-performing loans	4.112.253	4.211.214	5.049.645	(937.392)	(18,6%)	(98.961)	(2,3%)
Gross loans	31.203.756	31.339.783	32.865.066	(1.661.310)	(5,1%)	(136.027)	(0,4%)
NPL ratio (%)	13,18%	13,44%	15,36%	(2,18)		(0,26)	
Doubtful assets	4.114.407	4.213.368	5.054.438	(940.031)	(18,6%)	(98.961)	(2,3%)
Total risks	36.400.330	35.695.013	36.978.656	(578.326)	(1,6%)	705.317	2,0%
Global NPL ratio (%)	11,30%	11,80%	13,67%	(2,37)		(0,50)	
Foreclosed Assets	1.985.238	2.000.203	1.889.073	96.165	5,1%	(14.965)	(0,7%)
NPA ratio (%)	18,37%	18,82%	20,45%	(2,08)		(0,45)	
Coverage							
Non-performing Loans ⁽¹⁾	4.112.253	4.211.214	5.049.645	(937.392)	(18,6%)	(98.961)	(2,3%)
Non-performing Credit Institutions	2.154	2.154	4.793	(2.639)	(55,1%)	-	-
Non-performing Values representing debt	-	-	-	-	-	-	-
Contingent risks troubled assets	10.142	9.917	26.997	(16.855)	(62,4%)	225	2,3%
Doubtful total risk ^(a)	4.124.549	4.223.285	5.081.435	(956.886)	(18,8%)	(98.736)	(2,3%)
Gross loans coverage ⁽²⁾	1.764.247	1.771.457	2.419.201	(654.954)	(27,1%)	(7.210)	(0,4%)
Credit Institutions coverage	-	2.154	4.667	(4.667)	(100,0%)	(2.154)	(100,0%)
Values representing debt coverage	1.714	2.302	7.181	(5.467)	(76,1%)	(588)	(25,5%)
Contingent risks provisions	35.610	43.808	24.872	10.738	43,2%	(8.198)	(18,7%)
Total coverage ^(b)	1.801.571	1.819.721	2.455.921	(654.350)	(26,6%)	(18.150)	(1,0%)
General coverage	339.411	334.414	79.322	260.089	327,9%	4.997	1,5%
Specific coverage	1.462.160	1.485.307	2.376.599	(914.439)	(38,5%)	(23.147)	(1,6%)
Country-risk coverage	-	-	-	-	-	-	-
Global coverage ratio (%) ^{(b)/(a)}	43,68%	43,09%	48,33%	(4,65)		0,59	
Coverage ratio (%) ^{(2)/(1)}	42,90%	42,07%	47,91%	(5,01)		0,84	

Solvency phased in

(EUR Thousands)

	31/03/2017	31/12/2016	31/03/2016	y- o -y		Annual	
				Abs.	%	Abs.	%
Capital	2.585.486	2.535.546	2.456.841	128.645	5,2%	49.940	2,0%
Reserves	396.762	396.273	355.798	40.964	11,5%	489	0,1%
AFS Surplus	20.171	12.436	(7.978)	28.149		7.735	62,2%
Minority	-	-	-	-	-	-	-
Capital deductions	(355.497)	(323.586)	(328.943)	(26.554)	8,1%	(31.911)	9,9%
Ordinary Tier 1 Capital	2.646.922	2.620.669	2.475.717	171.205	6,9%	26.253	1,0%
CET 1 ratio (%)	11,34%	11,36%	11,09%	0,25		(0,02)	
Tier2 Capital	373.060	369.568	79.248	293.812	370,8%	3.492	0,9%
Tier 2 ratio (%)	1,60%	1,60%	0,36%	1,24		-	
Computable capital	3.019.982	2.990.237	2.554.965	465.017	18,2%	29.745	1,0%
Capital ratio (%)	12,93%	12,96%	11,45%	1,48		(0,03)	
Total risk-weighted assets ^{(a) + (b) + (c)}	23.347.786	23.069.970	22.316.587	1.031.199	4,6%	277.816	1,2%
Credit risk ^(a)	21.844.823	21.565.404	20.715.276	1.129.547	5,5%	279.419	1,3%
Operational risk ^(b)	1.431.675	1.431.675	1.518.834	(87.159)	(5,7%)	-	-
Other risk ^(c)	71.288	72.891	82.477	(11.189)	(13,6%)	(1.603)	(2,2%)

Consolidated Profit & Loss Account

(EUR Thousands)

	31/03/2017	o/ATA	31/03/2016	o/ATA	y- o -y	
					Abs.	%
Interest income	176.763	1,82%	187.839	1,89%	(11.076)	(5,9%)
Interest expenses	(27.383)	(0,28%)	(45.975)	(0,46%)	18.592	(40,4%)
NET INTEREST INCOME	149.380	1,54%	141.864	1,43%	7.516	5,3%
Dividend income	361	-	197	-	164	83,4%
Income from equity-accounted method	4.416	0,05%	4.517	0,05%	(101)	(2,2%)
Net fees and commissions	61.566	0,63%	62.458	0,63%	(892)	(1,4%)
Gains (losses) on financial transactions	22.127	0,23%	81.796	0,82%	(59.669)	(72,9%)
Exchange differences [gain or (-) loss], net	849	0,01%	484	-	365	75,3%
Other operating incomes/expenses	(2.858)	(0,03%)	(5.420)	(0,05%)	2.562	(47,3%)
of which: Mandatory transfer to Education and Development Fund	(1.062)	(0,01%)	(238)	-	(824)	346,1%
GROSS INCOME	235.841	2,43%	285.896	2,88%	(50.055)	(17,5%)
Administrative expenses	(129.621)	(1,33%)	(137.136)	(1,38%)	7.515	(5,5%)
Personnel expenses	(85.013)	(0,88%)	(85.826)	(0,86%)	813	(0,9%)
Other administrative expenses	(44.608)	(0,46%)	(51.310)	(0,52%)	6.702	(13,1%)
Depreciation and amortisation	(18.891)	(0,19%)	(19.475)	(0,20%)	584	(3,0%)
NET INCOME BEFORE PROVISIONS	87.329	0,90%	129.285	1,30%	(41.956)	(32,5%)
Provisions or (-) reversal of provisions	2.316	0,02%	(8.410)	(0,08%)	10.726	(127,5%)
Impairment or (-) reversal of impairment on financial assets not measured at fair value through profit or loss	(38.635)	(0,40%)	(85.064)	(0,86%)	46.429	(54,6%)
OPERATING INCOME	51.009	0,53%	35.811	0,36%	15.198	42,4%
Impairment or (-) reversal of impairment on non-financial assets	(14.049)	(0,14%)	(22.710)	(0,23%)	8.661	(38,1%)
Negative goodwill recognised in profit or loss	-	-	-	-	-	-
Gains or (-) losses on derecognition of non financial assets, net	(1.090)	(0,01%)	8.501	0,09%	(9.591)	(112,8%)
Profit or (-) loss from non-current assets and disposal groups classified as held for sale	(920)	(0,01%)	(13.948)	(0,14%)	13.028	(93,4%)
PROFIT BEFORE TAX	34.950	0,36%	7.653	0,08%	27.297	356,7%
Tax	(10.283)	(0,11%)	5.960	0,06%	(16.243)	(272,5%)
CONSOLIDATED NET PROFIT	24.666	0,25%	13.613	0,14%	11.053	81,2%

Quarterly Yields & Costs

(EUR Thousands and annualised rates)

	31/03/2017				31/03/2016			
	Average balance	Distribution (%)	Income or expense	Average rate (%)	Average balance	Distribution (%)	Income or expense	Average rate (%)
Financial system	1.235.047	3,14%	83	0,03%	1.532.147	3,83%	50	0,01%
Loans to customers without NPL ^(a)	26.940.216	68,41%	149.635	2,25%	27.006.609	67,53%	170.945	2,55%
Securities portfolio	4.234.300	10,75%	8.504	0,81%	4.355.673	10,89%	12.938	1,19%
Other assets	6.970.310	17,70%	18.541	1,08%	7.099.266	17,75%	3.906	0,22%
Total earning assets ^(b)	39.379.873	100,00%	176.763	1,82%	39.993.695	100,00%	187.839	1,89%
Financial system	761.763	1,93%	2.408	1,28%	882.214	2,21%	3.343	1,52%
Customer deposits ^(c)	25.484.175	64,71%	8.148	0,13%	25.344.406	63,37%	22.225	0,35%
<i>Sight deposits</i>	16.672.750	42,34%	3.591	0,09%	13.784.415	34,47%	1.938	0,06%
<i>Term deposits</i>	8.811.425	22,38%	4.557	0,21%	11.559.991	28,90%	20.287	0,71%
Wholesale resources	8.902.970	22,61%	15.854	0,72%	9.973.833	24,94%	19.642	0,79%
Other funds	1.241.336	3,15%	973	0,32%	982.113	2,46%	765	0,31%
Equity	2.989.630	7,59%	0	-	2.811.130	7,03%	0	-
Total funds ^(d)	39.379.873	100,00%	27.383	0,28%	39.993.695	100,00%	45.975	0,46%
Customers' spread ^{(a)-(c)}				2,12				2,19
NII o/ATA ^{(b)-(d)}			149.380	1,54			141.864	1,43