

Quarterly Results

Second quarter, 2020



Most significant figures

(EUR Thousands)

	30/06/2020	31/12/2019	30/06/2019	y- o -y		Annual	
				Abs.	%	Abs.	%
Profit and Loss Account							
Net interest income	295,069	589,796	293,917	1,152	0.4%		
Gross Income	611,050	1,147,654	663,469	(52,419)	(7.9%)		
Recurring Gross Income	494,201	935,222	447,541	46,660	10.4%		
Pre-provision profit	328,684	573,542	375,602	(46,918)	(12.5%)		
Recurring pre-provision profit	211,835	361,110	159,674	52,161	32.7%		
Profit before tax	28,872	113,412	72,106	(43,234)	(60.0%)		
Consolidated Net profit	18,247	92,495	47,010	(28,763)	(61.2%)		
Attributable Net profit	18,247	92,495	47,010	(28,763)	(61.2%)		
Business							
Total Assets	52,725,077	47,406,455	45,334,985	7,390,092	16.3%	5,318,622	11.2%
Equity	3,362,903	3,304,672	3,200,803	162,100	5.1%	58,231	1.8%
On-balance sheet retail funds	33,339,582	30,561,447	29,799,437	3,540,145	11.9%	2,778,135	9.1%
Off-balance sheet funds	4,655,023	4,850,569	4,537,637	117,386	2.6%	(195,546)	(4.0%)
Performing Loans	31,082,845	29,574,566	29,436,858	1,645,987	5.6%	1,508,279	5.1%
Risk management							
Gross Loans	32,888,285	31,522,642	31,643,197	1,245,088	3.9%	1,365,643	4.3%
Contingent risks	750,140	706,355	732,415	17,725	2.4%	43,785	6.2%
Non-performing loans	1,805,440	1,948,076	2,206,339	(400,899)	(18.2%)	(142,636)	(7.3%)
Non-performing contingent risks	7,785	7,862	8,324	(539)	(6.5%)	(77)	(1.0%)
NPL ratio (%)	5.39%	6.07%	6.84%	(1.45)		(0.68)	
NPL coverage ratio (%)	55.65%	49.10%	46.91%	8.74		6.55	
Liquidity							
LTD (%)	90.93%	95.05%	96.96%	(6.03)		(4.12)	
LCR (%)	258.98%	212.33%	217.23%	41.75		46.65	
NSFR (%)	126.67%	124.03%	126.55%	0.12		2.64	
Business gap	3,134,257	1,569,745	941,860	2,192,397	232.8%	1,564,512	99.7%
Solvency phased in							
CET1 ratio (%)	12.94%	13.03%	12.86%	0.08		(0.10)	
Tier 2 ratio (%)	1.66%	1.66%	1.68%	(0.02)		0.00	
Capital ratio (%)	14.60%	14.69%	14.54%	0.06		(0.09)	
Leverage ratio (%)	5.55%	6.25%	6.29%	(0.74)		(0.70)	
Solvency fully loaded							
CET1 ratio (%)	12.35%	12.32%	12.14%	0.21		0.03	
Tier 2 ratio (%)	1.67%	1.67%	1.69%	(0.02)		0.00	
Capital ratio (%)	14.01%	13.98%	13.83%	0.19		0.03	
Leverage ratio (%)	5.30%	5.91%	5.94%	(0.64)		(0.61)	
Profitability and efficiency							
ROA (%)	0.07%	0.20%	0.21%	(0.14)		(0.13)	
RORWA (%)	0.16%	0.40%	0.41%	(0.25)		(0.24)	
ROE (%)	1.10%	2.89%	3.02%	(1.92)		(1.79)	
Cost-income ratio (%)	46.21%	50.02%	43.39%	2.82		(3.81)	
Recurring cost-income ratio (%)	57.14%	61.39%	64.32%	(7.18)		(4.25)	
Other data							
Cooperative members	1,440,626	1,430,086	1,428,750	11,876	0.8%	10,540	0.7%
Employees	5,448	5,483	5,486	(38)	(0.7%)	(35)	(0.6%)
Branches	930	956	964	(34)	(3.5%)	(26)	(2.7%)

Balance Sheet

(EUR Thousands)

	30/06/2020	31/12/2019	30/06/2019	y- o -y		Annual	
				Abs.	%	Abs.	%
Cash, cash balances at central banks and other demand deposits	3,427,419	1,930,275	1,080,923	2,346,496	217.1%	1,497,144	77.6%
Financial assets held for trading	5,158	3,944	4,339	819	18.9%	1,214	30.8%
Financial assets designated at fair value through profit or loss	424,817	358,490	301,415	123,402	40.9%	66,327	18.5%
<i>Of which:</i>							
<i>Loans and advances to Customers</i>	316,369	236,070	180,751	135,618	75.0%	80,299	34.0%
Financial assets at fair value through other comprehensive income	5,886,466	2,550,967	2,673,003	3,213,463	120.2%	3,335,499	130.8%
Financial assets at amortised cost	39,039,795	38,573,884	37,233,058	1,806,737	4.9%	465,911	1.2%
<i>Of which:</i>							
<i>Loans and advances to Customers</i>	31,107,380	29,929,506	30,031,013	1,076,367	3.6%	1,177,874	3.9%
Derivatives – Hedge accounting	-	-	-	-	-	-	-
Investments in subsidiaries, joint ventures and associates	106,511	118,938	93,943	12,568	13.4%	(12,427)	(10.4%)
Tangible assets	1,021,995	1,034,456	1,041,777	(19,782)	(1.9%)	(12,461)	(1.2%)
Intangible assets	187,050	179,439	166,438	20,612	12.4%	7,611	4.2%
Tax assets	1,129,472	1,133,590	1,115,349	14,123	1.3%	(4,118)	(0.4%)
Other assets	1,162,852	1,173,171	1,249,670	(86,818)	(6.9%)	(10,319)	(0.9%)
Non-current assets and disposal groups classified as held for sale	333,543	349,301	375,071	(41,528)	(11.1%)	(15,758)	(4.5%)
TOTAL ASSETS	52,725,077	47,406,455	45,334,985	7,390,092	16.3%	5,318,622	11.2%
Financial liabilities held for trading	3,047	2,440	2,778	269	9.7%	607	24.9%
Financial liabilities measured at amortised cost	48,709,996	43,579,880	41,294,943	7,415,053	18.0%	5,130,116	11.8%
<i>Of which:</i>							
<i>Central Banks deposits</i>	9,473,896	5,040,280	5,024,871	4,449,025	88.5%	4,433,616	88.0%
<i>Central counterparty deposits</i>	636,420	812,793	430,206	206,214	47.9%	(176,373)	(21.7%)
<i>Customer deposits</i>	33,339,582	30,561,447	29,799,437	3,540,145	11.9%	2,778,135	9.1%
<i>Debt securities issued</i>	2,398,973	2,409,330	2,406,308	(7,335)	(0.3%)	(10,357)	(0.4%)
Derivatives – Hedge accounting	81,190	112,743	108,076	(26,886)	(24.9%)	(31,553)	(28.0%)
Provisions	88,106	74,916	107,347	(19,241)	(17.9%)	13,190	17.6%
Tax liabilities	86,722	79,576	81,771	4,951	6.1%	7,146	9.0%
Other liabilities	401,783	230,729	519,364	(117,581)	(22.6%)	171,054	74.1%
<i>of which: Welfare funds</i>	10,965	4,800	6,516	4,449	68.3%	6,165	128.4%
TOTAL LIABILITIES	49,370,844	44,080,284	42,114,278	7,256,566	17.2%	5,290,560	12.0%
Equity	3,362,903	3,304,672	3,200,803	162,100	5.1%	58,231	1.8%
<i>Of which:</i>							
<i>Capital / Equity instruments issued other than capital / Treasury shares</i>	3,010,007	2,947,594	2,873,040	136,967	4.8%	62,413	2.1%
<i>Retained earnings / Revaluation reserves / Other reserves</i>	334,993	284,231	281,572	53,421	19.0%	50,762	17.9%
<i>Profit or loss attributable to owners of the parent</i>	18,247	92,495	47,010	(28,763)	(61.2%)	(74,248)	(80.3%)
<i>(-) Interim dividends</i>	(344)	(19,648)	(818)	474	(57.9%)	19,304	(98.2%)
Accumulated other comprehensive income	(8,670)	21,499	19,904	(28,574)	(143.6%)	(30,169)	(140.3%)
Minority interests	-	-	-	-	-	-	-
TOTAL EQUITY	3,354,234	3,326,171	3,220,707	133,527	4.1%	28,063	0.8%

Funds managed

(EUR Thousands)

	30/06/2020	31/12/2019	30/06/2019	y- o -y		Annual	
				Abs.	%	Abs.	%
Sight deposits	27,455,991	23,777,663	22,757,467	4,698,524	20.6%	3,678,328	15.5%
Term deposits	5,883,591	6,783,784	7,041,970	(1,158,379)	(16.4%)	(900,193)	(13.3%)
Customer deposits	33,339,582	30,561,447	29,799,437	3,540,145	11.9%	2,778,135	9.1%
On-balance sheet retail funds	33,339,582	30,561,447	29,799,437	3,540,145	11.9%	2,778,135	9.1%
Bonds and other securities *	2,715,461	2,800,005	2,891,879	(176,418)	(6.1%)	(84,544)	(3.0%)
Subordinated liabilities	393,847	402,547	404,327	(10,480)	(2.6%)	(8,700)	(2.2%)
Monetary market operations	1,486,416	3,714,853	2,158,001	(671,585)	(31.1%)	(2,228,437)	(60.0%)
Deposits from credit institutions	745,130	631,400	571,623	173,507	30.4%	113,730	18.0%
ECB	9,473,896	5,040,280	5,024,871	4,449,025	88.5%	4,433,616	88.0%
Wholesale funds	14,814,750	12,589,085	11,050,701	3,764,049	34.1%	2,225,665	17.7%
Total balance sheet funds	48,154,332	43,150,532	40,850,138	7,304,194	17.9%	5,003,800	11.6%
Mutual funds	2,756,411	2,893,771	2,574,904	181,507	7.0%	(137,360)	(4.7%)
Pension plans	825,847	832,230	823,656	2,191	0.3%	(6,383)	(0.8%)
Savings insurances	657,790	671,219	671,110	(13,320)	(2.0%)	(13,429)	(2.0%)
Fixed-equity income	414,975	453,348	467,968	(52,993)	(11.3%)	(38,373)	(8.5%)
Off-balance sheet funds	4,655,023	4,850,569	4,537,637	117,386	2.6%	(195,546)	(4.0%)
Customer funds under management	37,994,605	35,412,016	34,337,074	3,657,531	10.7%	2,582,589	7.3%
Funds under management	52,809,355	48,001,101	45,387,775	7,421,580	16.4%	4,808,254	10.0%

* Covered bonds, territorial bonds and securitization.

Loans and advances to Customers

(EUR Thousands)

	30/06/2020	31/12/2019	30/06/2019	y- o -y		Annual	
				Abs.	%	Abs.	%
General governments	639,526	469,029	770,175	(130,649)	(17.0%)	170,497	36.4%
Other financial corporations	1,322,345	1,157,366	1,112,813	209,532	18.8%	164,979	14.3%
Non-financial corporations	12,886,468	11,838,272	11,293,154	1,593,314	14.1%	1,048,196	8.9%
Households	17,580,221	17,657,433	17,865,917	(285,696)	(1.6%)	(77,212)	(0.4%)
Loans to customers (gross)	32,428,560	31,122,100	31,042,059	1,386,501	4.5%	1,306,460	4.2%
<i>Of which:</i>							
Real estate developers	785,832	852,469	990,567	(204,735)	(20.7%)	(66,637)	(7.8%)
Performing loans to customers	30,623,120	29,174,024	28,835,720	1,787,400	6.2%	1,449,096	5.0%
Non-performing loans	1,805,440	1,948,076	2,206,339	(400,899)	(18.2%)	(142,636)	(7.3%)
Other loans *	-	-	204,655	(204,655)	(100.0%)	-	-
Debt securities from customers	459,725	400,542	396,483	63,242	16.0%	59,183	14.8%
Gross Loans	32,888,285	31,522,642	31,643,197	1,245,088	3.9%	1,365,643	4.3%
Performing Loans	31,082,845	29,574,566	29,436,858	1,645,987	5.6%	1,508,279	5.1%
<i>Credit losses and impairment</i>	<i>(1,004,808)</i>	<i>(956,524)</i>	<i>(1,034,949)</i>	<i>30,141</i>	<i>(2.9%)</i>	<i>(48,284)</i>	<i>5.0%</i>
Total lending	31,883,474	30,566,118	30,608,247	1,275,227	4.2%	1,317,356	4.3%
Off-balance sheet risks							
<i>Contingent risks</i>	750,140	706,355	732,415	17,725	2.4%	43,785	6.2%
<i>of which: non-performing contingent risks</i>	7,785	7,862	8,324	(539)	(6.5%)	(77)	(1.0%)
Total risks	33,638,425	32,228,997	32,375,612	1,262,813	3.9%	1,409,428	4.4%
Non-performing total risks	1,813,225	1,955,938	2,214,663	(401,438)	(18.1%)	(142,713)	(7.3%)

* Mainly reverse repurchase agreements

Risk management

(EUR Thousands)

	30/06/2020	31/12/2019	30/06/2019	y- o -y		Annual	
				Abs.	%	Abs.	%
Defaulting debtors							
Non-performing total risks	1,813,225	1,955,938	2,214,663	(401,438)	(18.1%)	(142,713)	(7.3%)
Total risks	33,638,425	32,228,997	32,375,612	1,262,813	3.9%	1,409,428	4.4%
NPL ratio (%)	5.39%	6.07%	6.84%	(1.45)		(0.68)	
Gross loans coverage	1,004,808	956,524	1,034,949	(30,141)	(2.9%)	48,284	5.0%
NPL coverage ratio (%)	55.65%	49.10%	46.91%	8.74		6.55	
Foreclosed assets							
Foreclosed assets (gross)	2,700,595	2,709,536	2,832,091	(131,496)	(4.6%)	(8,941)	(0.3%)
Foreclosed assets coverage	1,319,705	1,292,866	1,357,395	(37,690)	(2.8%)	26,839	2.1%
Foreclosed assets coverage ratio (%)	48.87%	47.72%	47.93%	0.94		1.15	
Foreclosed assets coverage ratio with debt forgiveness (%)	54.34%	53.08%	52.93%	1.41		1.26	
NPA ratio (%)	12.66%	13.61%	14.61%	(1.95)		(0.95)	
NPA coverage ratio (%)	51.59%	48.29%	47.48%	4.11		3.30	
NPA coverage ratio with debt forgiveness (%)	54.83%	51.52%	50.44%	4.39		3.31	
Loans impairment coverage breakdown							
Total coverage	1,019,062	969,103	1,053,568	(34,506)	(3.3%)	49,959	5.2%
Non-performing coverage	749,491	761,643	885,259	(135,768)	(15.3%)	(12,152)	(1.6%)
Performing coverage	269,571	207,460	168,309	101,262	60.2%	62,111	29.9%
NPL breakdown							
Past due >90 days	1,652,133	1,760,555	1,986,443	(334,310)	(16.8%)	(108,422)	(6.2%)
Doubtful non past due	153,307	187,521	219,896	(66,589)	(30.3%)	(34,214)	(18.2%)
Total	1,805,440	1,948,076	2,206,339	(400,899)	(18.2%)	(142,636)	(7.3%)
<i>Of which:</i>							
Forborne loans	1,093,056	1,194,303	1,398,315	(305,259)	(21.8%)	(101,247)	(8.5%)
NPL breakdown by segment							
General governments	1	5	168	(167)	(99.4%)	(4)	(80.8%)
Other financial corporations	1,708	1,817	3,191	(1,483)	(46.5%)	(109)	(6.0%)
Other corporations	856,905	921,573	1,082,490	(225,585)	(20.8%)	(64,668)	(7.0%)
Households	946,826	1,024,682	1,120,490	(173,664)	(15.5%)	(77,856)	(7.6%)
Total	1,805,440	1,948,076	2,206,339	(400,899)	(18.2%)	(142,636)	(7.3%)
<i>Of which:</i>							
Real estate developers	357,675	419,233	523,317	(165,642)	(31.7%)	(61,558)	(14.7%)
Forborne loans breakdown							
Non-performing	1,093,056	1,194,303	1,398,315	(305,259)	(21.8%)	(101,247)	(8.5%)
Performing	567,180	547,843	542,733	24,447	4.5%	19,337	3.5%
Total Forborne loans	1,660,236	1,742,146	1,941,048	(280,812)	(14.5%)	(81,910)	(4.7%)
REOs breakdown							
REOs (gross)	3,005,578	2,991,714	3,196,584	(191,006)	(6.0%)	13,864	0.5%
Foreclosed assets	2,700,595	2,709,536	2,832,091	(131,496)	(4.6%)	(8,941)	(0.3%)
Non-current assets held for sale	531,266	549,671	602,107	(70,841)	(11.8%)	(18,405)	(3.3%)
Inventories	2,169,330	2,159,865	2,229,984	(60,654)	(2.7%)	9,465	0.4%
RE Investments	304,983	282,178	364,493	(59,510)	(16.3%)	22,805	8.1%
REOs (coverage)	1,448,291	1,410,768	1,518,863	(70,572)	(4.6%)	37,523	2.7%
Foreclosed assets	1,319,705	1,292,866	1,357,395	(37,690)	(2.8%)	26,839	2.1%
Non-current assets held for sale	239,741	239,906	265,947	(26,206)	(9.9%)	(165)	(0.1%)
Inventories	1,079,964	1,052,960	1,091,448	(11,484)	(1.1%)	27,004	2.6%
RE Investments	128,586	117,903	161,468	(32,882)	(20.4%)	10,683	9.1%
REOs (% coverage)	48.19%	47.16%	47.52%	0.67		1.03	
Foreclosed assets	48.87%	47.72%	47.93%	0.94		1.15	
Non-current assets held for sale	45.13%	43.65%	44.17%	0.96		1.48	
Inventories	49.78%	48.75%	48.94%	0.84		1.03	
RE Investments	42.16%	41.78%	44.30%	(2.14)		0.38	

Foreclosed assets ^(*)

(EUR Thousands)

	30/06/2020	31/12/2019	30/06/2019	y- o -y		Annual	
				Abs.	%	Abs.	%
Foreclosed assets (gross)	2,700,595	2,709,536	2,832,091	(131,496)	(4.6%)	(8,941)	(0.3%)
Foreclosed assets coverage	(1,319,705)	(1,292,866)	(1,357,395)	37,690	(2.8%)	(26,839)	2.1%
Foreclosed assets (net)	1,380,890	1,416,670	1,474,696	(93,806)	(6.4%)	(35,780)	(2.5%)
Foreclosed assets coverage ratio (%)	48.87%	47.72%	47.93%	0.94		1.15	
Foreclosed assets coverage ratio with debt forgiveness (%)	54.34%	53.08%	52.93%	1.41		1.26	

By asset type

	30/06/2020	31/12/2019	30/06/2019	y- o -y	Annual
Foreclosed assets (gross)	2,700,595	2,709,536	2,832,091	(131,496)	(4.6%)
Residential properties	1,278,998	1,289,997	1,399,035	(120,037)	(8.6%)
Of which: under construction	233,812	218,587	177,066	56,746	32.0%
Commercial properties	1,405,241	1,389,947	1,407,036	(1,795)	(0.1%)
Of which: countryside land	50,312	58,310	53,939	(3,627)	(6.7%)
Of which: under construction	2,694	2,168	2,168	526	24.3%
Of which: urban land	1,039,700	1,009,264	1,025,316	14,383	1.4%
Of which: developable land	10,218	9,833	8,767	1,451	16.6%
Others	16,356	29,593	26,020	(9,664)	(37.1%)

	30/06/2020	31/12/2019	30/06/2019	y- o -y	Annual
Coverage	(1,319,705)	(1,292,866)	(1,357,395)	37,690	(2.8%)
Residential properties	(525,604)	(516,013)	(563,560)	37,956	(6.7%)
Of which: under construction	(121,073)	(111,405)	(95,676)	(25,397)	26.5%
Commercial properties	(788,662)	(768,777)	(785,055)	(3,607)	0.5%
Of which: countryside land	(26,604)	(35,538)	(34,777)	8,173	(23.5%)
Of which: under construction	(1,536)	(1,215)	(1,230)	(306)	24.9%
Of which: urban land	(625,494)	(599,022)	(608,728)	(16,765)	2.8%
Of which: developable land	(7,289)	(7,658)	(7,027)	(262)	3.7%
Others	(5,438)	(8,075)	(8,779)	3,341	(38.1%)

	30/06/2020	31/12/2019	30/06/2019	y- o -y	Annual
Foreclosed assets (net)	1,380,890	1,416,670	1,474,696	(93,806)	(6.4%)
Residential properties	753,394	773,983	835,475	(82,081)	(9.8%)
Of which: under construction	112,739	107,183	81,390	31,349	38.5%
Commercial properties	616,579	621,169	621,981	(5,402)	(0.9%)
Of which: countryside land	23,708	22,773	19,162	4,546	23.7%
Of which: under construction	1,159	953	938	220	23.5%
Of which: urban land	414,206	410,242	416,588	(2,382)	(0.6%)
Of which: developable land	2,929	2,175	1,740	1,189	68.3%
Others	10,918	21,518	17,240	(6,323)	(36.7%)

	30/06/2020	31/12/2019	30/06/2019	y- o -y	Annual
Coverage (%)	48.87%	47.72%	47.93%	0.94	1.15
Residential properties	41.10%	40.00%	40.28%	0.81	1.09
Of which: under construction	51.78%	50.97%	54.03%	(2.25)	0.82
Commercial properties	56.12%	55.31%	55.79%	0.33	0.81
Of which: countryside land	52.88%	60.95%	64.47%	(11.60)	(8.07)
Of which: under construction	57.00%	56.03%	56.72%	0.27	0.96
Of which: urban land	60.16%	59.35%	59.37%	0.79	0.81
Of which: developable land	71.33%	77.88%	80.15%	(8.82)	(6.55)
Others	33.25%	27.29%	33.74%	(0.49)	5.96

	30/06/2020	31/12/2019	30/06/2019	y- o -y	Annual
Coverage with debt forgiveness (%)	54.34%	53.08%	52.93%	1.41	1.26
Residential properties	47.89%	46.60%	46.34%	1.56	1.29
Of which: under construction	108.30%	108.11%	114.96%	(6.65)	0.20
Commercial properties	60.53%	59.67%	59.87%	0.66	0.86
Of which: countryside land	60.06%	66.75%	69.94%	(9.87)	(6.69)
Of which: under construction	57.43%	56.41%	57.10%	0.33	1.01
Of which: urban land	64.09%	63.22%	63.07%	1.03	0.87
Of which: developable land	77.46%	82.66%	84.62%	(7.16)	(5.19)
Others	33.25%	27.29%	33.74%	(0.49)	5.96

(*) RE investments are not included.

Solvency

(EUR Thousands)

Phased-in	30/06/2020	31/12/2019	30/06/2019	y- o -y		Annual	
				Abs.	%	Abs.	%
Capital	3,010,007	2,947,594	2,873,040	136,967	4.8%	62,413	2.1%
Reserves and Results	478,248	508,321	484,823	(6,575)	(1.4%)	(30,073)	(5.9%)
AFS Surplus/ Others	(48,011)	3,382	(5,397)	(42,613)	789.5%	(51,392)	(1519.6%)
Capital deductions	(421,160)	(415,124)	(385,817)	(35,343)	9.2%	(6,036)	1.5%
Ordinary Tier 1 Capital	3,019,085	3,044,173	2,966,649	52,436	1.8%	(25,087)	(0.8%)
CET1 ratio (%)	12.94%	13.03%	12.86%	0.08		(0.10)	
Tier2 Capital	388,000	388,000	388,000	-	-	-	-
Tier 2 ratio (%)	1.66%	1.66%	1.68%	(0.02)		0.00	
Elegible capital	3,407,085	3,432,173	3,354,649	52,436	1.6%	(25,087)	(0.7%)
Capital ratio (%)	14.60%	14.69%	14.54%	0.06		(0.09)	
Total risk-weighted assets	23,335,545	23,357,888	23,068,389	267,156	1.2%	(22,343)	(0.1%)
Credit risk	21,699,209	21,693,601	21,482,321	216,888	1.0%	5,608	0.0%
Operational risk	1,522,646	1,522,646	1,445,750	76,896	5.3%	-	-
Other risk	113,690	141,641	140,318	(26,628)	(19.0%)	(27,951)	(19.7%)

Fully-loaded

Capital	3,010,007	2,947,594	2,873,040	136,967	4.8%	62,413	2.1%
Reserves and Results	334,059	333,234	309,736	24,323	7.9%	825	0.2%
AFS Surplus/ Others	(48,011)	3,382	(5,397)	(42,613)	789.5%	(51,392)	(1519.6%)
Capital deductions	(421,160)	(415,124)	(385,817)	(35,343)	9.2%	(6,036)	1.5%
Ordinary Tier 1 Capital	2,874,896	2,869,086	2,791,562	83,334	3.0%	5,810	0.2%
CET1 ratio (%)	12.35%	12.32%	12.14%	0.21		0.03	
Tier2 Capital	388,000	388,000	388,000	-	-	-	-
Tier 2 ratio (%)	1.67%	1.67%	1.69%	(0.02)		0.00	
Elegible capital	3,262,896	3,257,086	3,179,562	83,334	2.6%	5,810	0.2%
Capital ratio (%)	14.01%	13.98%	13.83%	0.19		0.03	
Total risk-weighted assets	23,284,175	23,291,332	22,996,628	287,547	1.3%	(7,157)	(0.0%)
Credit risk	21,647,839	21,627,044	21,410,560	237,279	1.1%	20,795	0.1%
Operational risk	1,522,646	1,522,646	1,445,750	76,896	5.3%	-	-
Other risk	113,690	141,642	140,318	(26,628)	(19.0%)	(27,952)	(19.7%)

Profit & Loss Account

(EUR Thousands)

	30/06/2020	o/ATA	30/06/2019	o/ATA	y- o -y		31/12/2019	o/ATA
					Abs.	%		
Interest income	344,090	1.40%	350,557	1.59%	(6,467)	(1.8%)	704,293	1.55%
Interest expenses	(49,021)	(0.20%)	(56,640)	(0.26%)	7,619	(13.5%)	(114,497)	(0.25%)
NET INTEREST INCOME	295,069	1.20%	293,917	1.33%	1,152	0.4%	589,796	1.30%
Dividend income	2,815	0.01%	3,139	0.01%	(324)	(10.3%)	8,705	0.02%
Income from equity-accounted method	17,555	0.07%	17,366	0.08%	189	1.1%	38,435	0.08%
Net fees and commissions	114,710	0.47%	122,148	0.55%	(7,438)	(6.1%)	245,260	0.54%
Gains (losses) on financial transactions	196,710	0.80%	242,721	1.10%	(46,011)	(19.0%)	295,677	0.65%
Exchange differences [gain or (-) loss], net	419	-	1,144	0.01%	(725)	(63.4%)	3,160	0.01%
Other operating incomes/expenses	(16,227)	(0.07%)	(16,966)	(0.08%)	739	(4.4%)	(33,379)	(0.07%)
of which: Mandatory transfer to Education and Development Fund	(632)	-	(2,551)	(0.01%)	1,919	(75.2%)	(3,803)	(0.01%)
GROSS INCOME	611,050	2.49%	663,469	3.00%	(52,419)	(7.9%)	1,147,654	2.53%
Administrative expenses	(252,597)	(1.03%)	(258,875)	(1.17%)	6,278	(2.4%)	(517,272)	(1.14%)
Personnel expenses	(163,172)	(0.66%)	(165,472)	(0.75%)	2,300	(1.4%)	(331,706)	(0.73%)
Other administrative expenses	(89,425)	(0.36%)	(93,403)	(0.42%)	3,978	(4.3%)	(185,566)	(0.41%)
Depreciation and amortisation	(29,769)	(0.12%)	(28,992)	(0.13%)	(777)	2.7%	(56,840)	(0.13%)
PRE-PROVISION PROFIT	328,684	1.34%	375,602	1.70%	(46,918)	(12.5%)	573,542	1.26%
Provisions or (-) reversal of provisions	(29,565)	(0.12%)	(61,372)	(0.28%)	31,807	(51.8%)	(53,362)	(0.12%)
Impairment losses on financial assets	(208,375)	(0.85%)	(185,637)	(0.84%)	(22,738)	12.2%	(333,633)	(0.74%)
OPERATING INCOME	90,744	0.37%	128,593	0.58%	(37,849)	(29.4%)	186,547	0.41%
Impairment or reversal of impairment of investments in joint ventures or associates (net)	-	-	-	-	-	-	-	-
Impairment losses on non financial assets	(32,386)	(0.13%)	(30,857)	(0.14%)	(1,529)	5.0%	(32,947)	(0.07%)
Gains or (-) losses on derecognition of non financial assets, net	(17,059)	(0.07%)	(16,676)	(0.08%)	(383)	2.3%	(27,338)	(0.06%)
Profit or (-) loss from non-current assets and disposal groups classified as held for sale	(12,426)	(0.05%)	(8,955)	(0.04%)	(3,471)	38.8%	(12,850)	(0.03%)
PROFIT BEFORE TAX	28,872	0.12%	72,106	0.33%	(43,234)	(60.0%)	113,412	0.25%
Tax	(10,625)	(0.04%)	(25,096)	(0.11%)	14,471	(57.7%)	(20,917)	(0.05%)
CONSOLIDATED NET PROFIT	18,247	0.07%	47,010	0.21%	(28,763)	(61.2%)	92,495	0.20%

Quarterly Yields & Costs

(EUR Thousands and annualised rates)

	30/06/2020				30/06/2019				31/12/2019			
	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	2,778,934	5.62%	37	0.00%	1,465,675	3.29%	68	0.01%	1,458,071	3.21%	138	0.01%
Loans to customers (gross) ^(a)	31,690,072	64.10%	273,129	1.73%	31,235,200	70.05%	285,470	1.84%	31,134,801	68.64%	569,725	1.83%
Securities portfolio	11,653,817	23.57%	51,175	0.88%	8,673,619	19.45%	49,722	1.16%	9,514,791	20.98%	101,431	1.07%
Other assets	3,315,422	6.71%	1,162	0.07%	3,216,172	7.21%	1,336	0.08%	3,252,220	7.17%	2,685	0.08%
Total earning assets^(b)	49,438,244	100.00%	325,503	1.32%	44,590,666	100.00%	336,595	1.52%	45,359,883	100.00%	673,980	1.49%
Customer deposits ^(c)	31,848,064	64.42%	9,492	0.06%	29,160,640	65.40%	13,951	0.10%	29,656,319	65.38%	29,047	0.10%
<i>Sight deposits</i>	25,467,735	51.51%	7,189	0.06%	22,070,069	49.49%	9,557	0.09%	22,680,272	50.00%	20,798	0.09%
<i>Term deposits</i>	6,380,330	12.91%	2,303	0.07%	7,090,571	15.90%	4,394	0.12%	6,976,048	15.38%	8,248	0.12%
Wholesale funds	13,259,105	26.82%	16,740	0.25%	11,175,958	25.06%	25,275	0.46%	11,432,887	25.20%	46,621	0.41%
Other funds	1,004,925	2.03%	4,202	0.84%	1,110,273	2.49%	3,452	0.63%	1,066,305	2.35%	8,516	0.80%
Equity	3,326,150	6.73%	0	-	3,143,796	7.05%	0	-	3,204,373	7.06%	0	-
Total funds^(d)	49,438,244	100.00%	30,434	0.12%	44,590,666	100.00%	42,678	0.19%	45,359,883	100.00%	84,184	0.19%
Customers' spread^{(a)-(c)}				1.67				1.75				1.73
NII o/ATA^{(b)-(d)}			295,069	1.20			293,917	1.33			589,796	1.30