



Consolidated Results

Third quarter, 2017

Most significant figures

(EUR Thousands)

	30/09/2017	31/12/2016	30/09/2016	y- o -y		Annual	
				Abs.	%	Abs.	%
Profit and Loss Account							
Net interest income	421,807	557,698	420,178	1,629	0.4%		
Gross Income	727,417	1,013,368	749,874	(22,457)	(3.0%)		
Recurring Gross Income	659,802	850,023	623,362	36,440	5.8%		
Net Income before provisions	274,703	383,372	284,610	(9,907)	(3.5%)		
Recurring Net Income before provisions	207,088	220,027	158,099	48,989	31.0%		
Profit before tax	83,177	62,008	40,266	42,910	106.6%		
Consolidated Net profit	67,390	76,141	50,536	16,854	33.4%		
Attributable Net profit	67,390	76,137	50,531	16,859	33.4%		
Business							
Total Assets	39,910,114	39,166,082	38,980,061	930,053	2.4%	744,032	1.9%
Equity	3,037,411	2,932,913	2,897,546	139,865	4.8%	104,498	3.6%
On-balance sheet retail funds	26,344,761	25,353,410	25,495,644	849,117	3.3%	991,351	3.9%
Off-balance sheet funds	3,881,534	3,241,508	3,011,714	869,820	28.9%	640,026	19.7%
Loans to customers (gross)	30,984,903	31,000,143	30,943,475	41,428	0.1%	(15,240)	(0.0%)
Performing loans to customers	27,290,204	26,788,929	26,596,653	693,551	2.6%	501,275	1.9%
Risk management							
Gross Loans	31,304,389	31,339,783	31,566,849	(262,460)	(0.8%)	(35,394)	(0.1%)
Non-performing loans	3,694,699	4,211,214	4,346,822	(652,123)	(15.0%)	(516,515)	(12.3%)
NPL ratio (%)	11.80%	13.44%	13.77%	(1.97)		(1.64)	
Coverage ratio (%)	42.67%	42.07%	47.39%	(4.72)		0.60	
Total risks	36,182,868	35,695,013	36,090,179	92,689	0.3%	487,855	1.4%
Other non-performing assets	2,154	2,154	4,288	(2,134)	(49.8%)	-	-
Global NPL ratio (%)	10.22%	11.80%	12.06%	(1.84)		(1.58)	
Liquidity							
LTD (%)	107.12%	109.64%	107.47%	(0.35)		(2.52)	
LCR (%)	218.59%	283.00%	347.20%	(128.61)		(64.41)	
NSFR (%)	114.90%	115.54%	116.69%	(1.79)		(0.64)	
Commercial Gap position	(4,419,427)	(5,199,870)	(4,615,868)	196,441	(4.3%)	780,443	(15.0%)
Solvency phased in							
CET1 ratio (%)	11.44%	11.36%	11.56%	(0.12)		0.08	
Tier 2 ratio (%)	2.81%	1.60%	0.15%	2.66		1.21	
Capital ratio (%)	14.25%	12.96%	11.71%	2.54		1.29	
Leverage ratio (%)	6.61%	6.52%	6.40%	0.21		0.09	
Solvency fully loaded							
CET1 ratio (%)	11.21%	10.99%	11.02%	0.19		0.22	
Tier 2 ratio (%)	2.81%	1.60%	0.15%	2.66		1.21	
Capital ratio (%)	14.02%	12.59%	11.16%	2.86		1.43	
Leverage ratio (%)	6.49%	6.32%	6.12%	0.37		0.17	
Profitability and efficiency							
ROA (%)	0.23%	0.19%	0.17%	0.06		0.04	
RORWA (%)	0.38%	0.34%	0.31%	0.07		0.04	
ROE (%)	2.97%	2.65%	2.36%	0.61		0.32	
Cost-income ratio (%)	62.24%	62.17%	62.05%	0.19		0.07	
Recurring cost-income ratio (%)	68.61%	74.12%	74.64%	(6.03)		(5.51)	
Other data							
Cooperative members	1,432,822	1,428,900	1,426,418	6,404	0.4%	3,922	0.3%
Employees	5,712	6,036	6,068	(356)	(5.9%)	(324)	(5.4%)
Branches	1,077	1,191	1,207	(130)	(10.8%)	(114)	(9.6%)

Balance Sheet

(EUR Thousands)

	30/09/2017	31/12/2016	30/09/2016	y- o -y		Annual	
				Abs.	%	Abs.	%
Cash, cash balances at central banks and other demand deposits	589,387	668,874	466,140	123,247	26.4%	(79,487)	(11.9%)
Financial assets held for trading	1,379	913	801	578	72.2%	466	51.0%
Financial assets designated at fair value through profit or loss	123,377	93,590	46,083	77,294	167.7%	29,787	31.8%
<i>Of which:</i>							
<i>Loans and advances to Customers</i>	123,377	92,233	44,800	78,577	175.4%	31,144	33.8%
Available-for-sale financial assets	4,665,897	4,172,155	4,394,167	271,730	6.2%	493,742	11.8%
Loans and receivables	30,025,523	29,810,807	29,733,844	291,679	1.0%	214,716	0.7%
<i>Of which:</i>							
<i>Loans and advances to Customers</i>	29,604,544	29,476,094	29,462,089	142,455	0.5%	128,450	0.4%
Derivatives – Hedge accounting	9	10	2	7	350.0%	(1)	(10.0%)
Investments in subsidiaries, joint ventures and associates	86,562	96,679	85,513	1,049	1.2%	(10,117)	(10.5%)
Tangible assets	990,078	984,014	1,004,859	(14,781)	(1.5%)	6,064	0.6%
Intangible assets	227,960	249,058	256,113	(28,153)	(11.0%)	(21,098)	(8.5%)
Tax assets	1,047,222	1,068,533	1,016,415	30,807	3.0%	(21,311)	(2.0%)
Other assets	1,638,996	1,492,942	1,491,460	147,536	9.9%	146,054	9.8%
Non-current assets and disposal groups classified as held for sale	513,723	528,506	484,665	29,058	6.0%	(14,783)	(2.8%)
TOTAL ASSETS	39,910,114	39,166,082	38,980,061	930,053	2.4%	744,032	1.9%
Financial liabilities held for trading	528	437	661	(133)	(20.1%)	91	20.8%
Financial liabilities measured at amortised cost	36,086,121	35,385,599	35,513,412	572,709	1.6%	700,522	2.0%
<i>Of which:</i>							
<i>Central Banks deposits</i>	5,060,911	5,087,000	5,087,000	(26,089)	(0.5%)	(26,089)	(0.5%)
<i>Central counterparty deposits</i>	-	613,490	619,477	(619,477)	(100.0%)	(613,490)	(100.0%)
<i>Customer deposits</i>	26,344,761	25,318,081	25,495,644	849,117	3.3%	1,026,680	4.1%
<i>Debt securities issued</i>	2,690,475	2,351,789	2,274,491	415,984	18.3%	338,686	14.4%
Derivatives – Hedge accounting	115	647	681	(566)	(83.1%)	(532)	(82.2%)
Provisions	92,992	306,834	85,425	7,567	8.9%	(213,842)	(69.7%)
Tax liabilities	111,233	147,227	103,714	7,519	7.2%	(35,994)	(24.4%)
Other liabilities	547,735	371,155	364,854	182,881	50.1%	176,580	47.6%
<i>of which: Welfare funds</i>	6,028	7,808	8,953	(2,925)	(32.7%)	(1,780)	(22.8%)
TOTAL LIABILITIES	36,838,722	36,211,898	36,068,747	769,975	2.1%	626,824	1.7%
Equity	3,037,411	2,932,913	2,897,546	139,865	4.8%	104,498	3.6%
<i>Of which:</i>							
<i>Capital / Equity instruments issued other than capital / Treasury shares</i>	2,591,144	2,535,545	2,517,051	74,093	2.9%	55,599	2.2%
<i>Retained earnings / Revaluation reserves / Other reserves</i>	396,036	356,320	355,897	40,139	11.3%	39,716	11.1%
Accumulated other comprehensive income	33,981	20,727	13,224	20,757	157.0%	13,254	63.9%
Minority interests	-	544	544	(544)	(100.0%)	(544)	(100.0%)
TOTAL EQUITY	3,071,391	2,954,184	2,911,314	160,077	5.5%	117,207	4.0%

Funds managed

(EUR Thousands)

	30/09/2017	31/12/2016	30/09/2016	y- o -y		Annual	
				Abs.	%	Abs.	%
Sight deposits	18,513,575	16,214,090	15,566,672	2,946,903	18.9%	2,299,485	14.2%
Term deposits	7,831,186	9,103,991	9,928,972	(2,097,786)	(21.1%)	(1,272,805)	(14.0%)
Customer deposits	26,344,761	25,318,081	25,495,644	849,117	3.3%	1,026,680	4.1%
Other funds	-	35,329	-	-	-	(35,329)	(100.0%)
On-balance sheet retail funds (a)	26,344,761	25,353,410	25,495,644	849,117	3.3%	991,351	3.9%
Bonds and other securities *	3,003,886	3,084,850	3,139,956	(136,070)	(4.3%)	(80,964)	(2.6%)
Subordinated liabilities	413,049	100,773	-	413,049	100.0%	312,276	309.9%
Central counterparty deposits	-	613,490	619,477	(619,477)	(100.0%)	(613,490)	(100.0%)
ECB	5,060,911	5,087,000	5,087,000	(26,089)	(0.5%)	(26,089)	(0.5%)
Wholesale funds (b)	8,477,846	8,886,113	8,846,433	(368,587)	(4.2%)	(408,267)	(4.6%)
Total balance sheet funds (c) = (a) + (b)	34,822,607	34,239,523	34,342,077	480,530	1.4%	583,084	1.7%
Mutual funds	1,977,426	1,347,364	1,169,705	807,721	69.1%	630,062	46.8%
Pension plans	767,038	759,349	742,217	24,821	3.3%	7,689	1.0%
Savings insurances	629,492	606,841	586,440	43,052	7.3%	22,651	3.7%
Fixed-equity income	507,578	527,955	513,352	(5,774)	(1.1%)	(20,377)	(3.9%)
Off-balance sheet funds (d)	3,881,534	3,241,508	3,011,714	869,820	28.9%	640,026	19.7%
Customer funds under management (a) + (d)	30,226,295	28,594,918	28,507,358	1,718,937	6.0%	1,631,377	5.7%
Funds under management (c) + (d)	38,704,141	37,481,031	37,353,791	1,350,350	3.6%	1,223,110	3.3%

* Covered bonds, territorial bonds and securitization.

Loans and advances to Customers

(EUR Thousands)

	30/09/2017	31/12/2016	30/09/2016	y- o -y		Annual	
				Abs.	%	Abs.	%
General governments	888,860	900,139	907,122	(18,262)	(2.0%)	(11,279)	(1.3%)
Other financial corporations	639,207	587,909	512,189	127,018	24.8%	51,298	8.7%
Non-financial corporations	10,679,232	10,161,276	9,976,670	702,562	7.0%	517,956	5.1%
Households	18,777,604	19,350,819	19,547,494	(769,890)	(3.9%)	(573,215)	(3.0%)
Loans to customers (gross) ^(a)	30,984,903	31,000,143	30,943,475	41,428	0.1%	(15,240)	(0.0%)
<i>Of which:</i>							
Real estate developers	1,747,540	2,070,040	2,146,230	(398,690)	(18.6%)	(322,500)	(15.6%)
Performing loans to customers	27,290,204	26,788,929	26,596,653	693,551	2.6%	501,275	1.9%
Non-performing loans ^(b)	3,694,699	4,211,214	4,346,822	(652,123)	(15.0%)	(516,515)	(12.3%)
Other loans ^(c)	319,486	339,640	623,374	(303,888)	(48.7%)	(20,154)	(5.9%)
Gross Loans ^{(a) = (a) + (c)}	31,304,389	31,339,783	31,566,849	(262,460)	(0.8%)	(35,394)	(0.1%)
Performing Loans ^{(a) - (b)}	27,609,690	27,128,569	27,220,027	389,663	1.4%	481,121	1.8%
<i>Credit losses and impairment</i>	<i>(1,576,466)</i>	<i>(1,771,457)</i>	<i>(2,059,961)</i>	483,495	(23.5%)	194,991	(11.0%)
Total Loans and advances to Customers	29,727,921	29,568,327	29,506,889	221,032	0.7%	159,594	0.5%

Risk management

(EUR Thousands)

	30/09/2017	31/12/2016	30/09/2016	y- o -y		Annual	
				Abs.	%	Abs.	%
Defaulting debtors							
Non-performing loans (gross)	3,694,699	4,211,214	4,346,822	(652,123)	(15.0%)	(516,515)	(12.3%)
Gross loans	31,304,389	31,339,783	31,566,849	(262,460)	(0.8%)	(35,394)	(0.1%)
Gross loans coverage	(1,576,466)	(1,771,457)	(2,059,961)	483,495	(23.5%)	194,991	(11.0%)
NPL ratio (%)	11.80%	13.44%	13.77%	(1.97)		(1.64)	
NPL coverage ratio (%) (*)	42.67%	42.07%	47.39%	(4.72)		0.60	
Foreclosed Assets (gross) (**)	3,815,957	3,842,179	3,793,628	22,329	0.6%	(26,222)	(0.7%)
Foreclosed Assets (net)	2,021,733	2,049,207	2,020,346	1,387	0.1%	(27,474)	(1.3%)
Foreclosed assets coverage ratio (%)	47.02%	46.67%	46.74%	0.28		0.35	
NPA ratio (%)	17.15%	18.75%	18.96%	(1.81)		(1.60)	
NPA coverage (%)	44.88%	44.26%	47.09%	(2.21)		0.62	

Coverage breakdown (loan impairments breakdown)

Total coverage	1,610,001	1,819,721	2,084,481	(474,480)	(22.8%)	(209,720)	(11.5%)
Non-performing coverage	1,302,551	1,485,307	2,052,125	(749,574)	(36.5%)	(182,756)	(12.3%)
Performing coverage	307,450	334,414	32,356	275,094	850.2%	(26,964)	(8.1%)

NPL breakdown

Past due >90 days	3,325,915	3,750,646	3,875,286	(549,371)	(14.2%)	(424,731)	(11.3%)
Doubtful non past due	368,784	460,568	471,536	(102,752)	(21.8%)	(91,784)	(19.9%)
Total	3,694,699	4,211,214	4,346,822	(652,123)	(15.0%)	(516,515)	(12.3%)
Of which:							
Forborne loans	2,602,041	3,064,309	3,229,326	(627,285)	(19.4%)	(462,268)	(15.1%)

NPL breakdown by segment

General governments	2,632	3,041	4,581	(1,949)	(42.5%)	(409)	(13.4%)
Other financial corporations	601	8,999	9,066	(8,465)	(93.4%)	(8,398)	(93.3%)
Other corporations	2,177,003	2,545,771	2,656,084	(479,081)	(18.0%)	(368,768)	(14.5%)
Households	1,514,463	1,653,403	1,677,091	(162,628)	(9.7%)	(138,940)	(8.4%)
Total	3,694,699	4,211,214	4,346,822	(652,123)	(15.0%)	(516,515)	(12.3%)
Of which:							
Real estate developers	1,233,750	1,540,910	1,639,550	(405,800)	(24.8%)	(307,160)	(19.9%)

Forborne loans

Non-performing	2,602,041	3,064,309	3,229,326	(627,285)	(19.4%)	(462,268)	(15.1%)
Performing	815,321	1,359,360	2,772,735	(1,957,414)	(70.6%)	(544,039)	(40.0%)
Total Forborne loans	3,417,362	4,423,669	6,002,061	(2,584,699)	(43.1%)	(1,006,307)	(22.7%)

(*) It does not include the floor clauses provisions.

(**) Including the amount of the loans that is the origin of the foreclosed asset. Including 121 millions € financing to non consolidated firms holding foreclosed assets, in gross terms, and 48 M€ , in net terms.

Foreclosed assets

(EUR Thousands)

	30/09/2017	31/12/2016	30/09/2016	y- o -y		Annual	
				Abs.	%	Abs.	%
Foreclosed Assets (gross) ^(*)	3,815,957	3,842,179	3,793,628	22,329	0.6%	(26,221)	(0.7%)
Coverage ^(**)	(1,794,225)	(1,792,971)	(1,773,282)	(20,943)	1.2%	(1,254)	0.1%
Foreclosed Assets (net)	2,021,733	2,049,207	2,020,346	1,386	0.1%	(27,475)	(1.3%)
Foreclosed assets coverage ratio (%)	47.02%	46.67%	46.74%	0.28		0.35	

Foreclosed assets according to the origin of the Loan

Foreclosed assets (gross) ^(*)	3,815,957	3,842,179	3,793,628	22,329	0.6%	(26,221)	(0.7%)
Developers	2,315,342	2,404,535	2,419,604	(104,263)	(4.3%)	(89,193)	(3.7%)
Land	1,032,127	1,046,184	1,061,939	(29,812)	(2.8%)	(14,057)	(1.3%)
Finished buildings	1,075,148	1,139,110	1,138,788	(63,639)	(5.6%)	(63,962)	(5.6%)
Under construction	208,067	219,240	218,878	(10,811)	(4.9%)	(11,174)	(5.1%)
Homes	669,353	643,526	622,715	46,638	7.5%	25,827	4.0%
Other	711,284	672,855	629,400	81,884	13.0%	38,429	5.7%
Financing to entities holding real estate assets that have been foreclosed or received as	119,978	121,263	121,909	(1,931)	(1.6%)	(1,285)	(1.1%)

Coverage ^(**)	(1,794,225)	(1,792,971)	(1,773,282)	(20,943)	1.2%	(1,254)	0.1%
Developers	(1,143,180)	(1,179,434)	(1,182,884)	39,704	(3.4%)	36,254	(3.1%)
Land	(603,012)	(609,168)	(612,746)	9,734	(1.6%)	6,156	(1.0%)
Finished buildings	(428,302)	(453,317)	(455,156)	26,854	(5.9%)	25,016	(5.5%)
Under construction	(111,866)	(116,948)	(114,982)	3,115	(2.7%)	5,082	(4.3%)
Homes	(283,459)	(269,338)	(261,560)	(21,899)	8.4%	(14,121)	5.2%
Other	(295,015)	(271,941)	(256,228)	(38,787)	15.1%	(23,074)	8.5%
Financing to entities holding real estate assets that have been foreclosed or received as	(72,571)	(72,259)	(72,610)	40	(0.1%)	(312)	0.4%

Foreclosed assets (net)	2,021,733	2,049,207	2,020,346	1,386	0.1%	(27,475)	(1.3%)
Developers	1,172,162	1,225,101	1,236,721	(64,559)	(5.2%)	(52,939)	(4.3%)
Land	429,115	437,016	449,192	(20,078)	(4.5%)	(7,901)	(1.8%)
Finished buildings	646,847	685,793	683,632	(36,785)	(5.4%)	(38,946)	(5.7%)
Under construction	96,200	102,292	103,896	(7,696)	(7.4%)	(6,092)	(6.0%)
Homes	385,895	374,188	361,155	24,739	6.9%	11,707	3.1%
Other	416,269	400,914	373,172	43,097	11.5%	15,355	3.8%
Financing to entities holding real estate assets that have been foreclosed or received as payment in lieu of debts	47,407	49,004	49,299	(1,891)	(3.8%)	(1,597)	(3.3%)

Coverage (%)	47.02%	46.67%	46.74%	0.28		0.35	
Developers	49.37%	49.05%	48.89%	0.49		0.32	
Land	58.42%	58.23%	57.70%	0.72		0.20	
Finished buildings	39.84%	39.80%	39.97%	(0.13)		0.04	
Under construction	53.76%	53.34%	52.53%	1.23		0.42	
Homes	42.35%	41.85%	42.00%	0.35		0.49	
Other	41.48%	40.42%	40.71%	0.77		1.06	
Financing to entities holding real estate assets that have been foreclosed or received as	60.49%	59.59%	59.56%	0.93		0.90	

Foreclosed assets by asset type

Foreclosed assets (gross) ^(*)	3,815,957	3,842,179	3,793,628	22,329	0.6%	(26,221)	(0.7%)
Finished houses	1,695,580	1,758,491	1,741,044	(45,463)	(2.6%)	(62,911)	(3.6%)
Lands	1,242,685	1,254,093	1,264,358	(21,673)	(1.7%)	(11,408)	(0.9%)
RED and under construction	282,910	287,427	283,717	(807)	(0.3%)	(4,517)	(1.6%)
Commercial	411,026	392,671	388,922	22,104	5.7%	18,355	4.7%
Other	183,757	149,496	115,588	68,169	59.0%	34,260	22.9%

Coverage ^(**)	(1,794,225)	(1,792,971)	(1,773,282)	(20,943)	1.2%	(1,254)	0.1%
Finished houses	(668,913)	(695,699)	(691,743)	22,830	(3.3%)	26,786	(3.9%)
Lands	(719,406)	(723,981)	(724,422)	5,017	(0.7%)	4,575	(0.6%)
RED and under construction	(147,856)	(149,437)	(146,118)	(1,738)	1.2%	1,581	(1.1%)
Commercial	(169,214)	(155,808)	(153,228)	(15,986)	10.4%	(13,406)	8.6%
Other	(88,836)	(68,046)	(57,771)	(31,065)	53.8%	(20,790)	30.6%

Foreclosed assets (net)	2,021,733	2,049,207	2,020,346	1,386	0.1%	(27,475)	(1.3%)
Finished houses	1,026,667	1,062,792	1,049,300	(22,633)	(2.2%)	(36,125)	(3.4%)
Lands	523,279	530,112	539,936	(16,657)	(3.1%)	(6,834)	(1.3%)
RED and under construction	135,054	137,990	137,600	(2,545)	(1.8%)	(2,936)	(2.1%)
Commercial	241,812	236,863	235,694	6,118	2.6%	4,949	2.1%
Other	94,920	81,450	57,817	37,103	64.2%	13,471	16.5%

Coverage (%)	47.02%	46.67%	46.74%	0.28		0.35	
Finished houses	39.45%	39.56%	39.73%	(0.28)		(0.11)	
Lands	57.89%	57.73%	57.30%	0.60		0.16	
RED and under construction	52.26%	51.99%	51.50%	0.76		0.27	
Commercial	41.17%	39.68%	39.40%	1.77		1.49	
Other	48.34%	45.52%	49.98%	(1.64)		2.83	

(*) Including the amount of the loans that is the origin of the foreclosed asset. Including 120 millions € financing to non consolidated firms holding foreclosed assets, in gross terms, and 47 M€, in net terms.

(**) Including the provisions of the loans at the time of the repossession procedure. It does not include write-offs during the life of the original loan.

Solvency

(EUR Thousands)

Phased-in	30/09/2017	31/12/2016	30/09/2016	y- o - y		Annual	
				Abs.	%	Abs.	%
Capital	2,591,144	2,535,546	2,517,052	74,092	2.9%	55,598	2.2%
Reserves	437,496	396,273	355,897	81,599	22.9%	41,223	10.4%
AFS Surplus	27,184	12,436	3,531	23,653		14,748	118.6%
Minority	-	-	-	-	-	-	-
Capital deductions	(335,525)	(323,586)	(312,078)	(23,447)	7.5%	(11,939)	3.7%
Ordinary Tier 1 Capital	2,720,299	2,620,669	2,564,402	155,897	6.1%	99,630	3.8%
CET1 ratio (%)	11.44%	11.36%	11.56%	(0.12)		0.08	
Tier2 Capital	668,886	369,568	32,300	636,586	1970.9%	299,318	81.0%
Tier 2 ratio (%)	2.81%	1.60%	0.15%	2.66		1.21	
Elegible capital	3,389,185	2,990,237	2,596,702	792,483	30.5%	398,948	13.3%
Capital ratio (%)	14.25%	12.96%	11.71%	2.54		1.29	
Total risk-weighted assets ^{(a) + (b) + (c)}	23,778,280	23,069,970	22,176,999	1,601,281	7.2%	708,310	3.1%
Credit risk ^(a)	22,292,288	21,565,404	20,586,073	1,706,215	8.3%	726,884	3.4%
Operational risk ^(b)	1,431,675	1,431,675	1,518,834	(87,159)	(5.7%)	-	-
Other risk ^(c)	54,317	72,891	72,092	(17,775)	(24.7%)	(18,574)	(25.5%)

Fully-loaded

Capital	2,591,144	2,535,546	2,517,052	74,092	2.9%	55,598	2.2%
Reserves	437,495	396,273	355,897	81,598	22.9%	41,222	10.4%
AFS Surplus	33,981	20,727	13,224	20,757		13,254	63.9%
Minority	-	-	-	-	-	-	-
Capital deductions	(396,684)	(417,135)	(443,391)	46,707	(10.5%)	20,451	(4.9%)
Ordinary Tier 1 Capital	2,665,936	2,535,411	2,442,781	223,155	9.1%	130,525	5.1%
CET1 ratio (%)	11.21%	10.99%	11.02%	0.19		0.22	
Tier2 Capital	668,886	369,568	32,300	636,586	1970.9%	299,318	81.0%
Tier 2 ratio (%)	2.81%	1.60%	0.15%	2.66		1.21	
Elegible capital	3,334,822	2,904,979	2,475,082	859,740	34.7%	429,843	14.8%
Capital ratio (%)	14.02%	12.59%	11.16%	2.86		1.43	
Total risk-weighted assets ^{(a) + (b) + (c)}	23,778,280	23,069,970	22,176,999	1,601,281	7.2%	708,310	3.1%
Credit risk ^(a)	22,292,288	21,565,404	20,586,073	1,706,215	8.3%	726,884	3.4%
Operational risk ^(b)	1,431,675	1,431,675	1,518,834	(87,159)	(5.7%)	-	-
Other risk ^(c)	54,317	72,891	72,092	(17,775)	(24.7%)	(18,574)	(25.5%)

Consolidated Profit & Loss Account

(EUR Thousands)

	30/09/2017	o/ATA	30/09/2016	o/ATA	y- o -y		31/12/2016	o/ATA
					Abs.	%		
Interest income	509,208	1.72%	536,486	1.80%	(27,278)	(5.1%)	712,015	1.80%
Interest expenses	(87,401)	(0.29%)	(116,308)	(0.39%)	28,907	(24.9%)	(154,317)	(0.39%)
NET INTEREST INCOME	421,807	1.42%	420,178	1.41%	1,629	0.4%	557,698	1.41%
Dividend income	5,720	0.02%	4,167	0.01%	1,553	37.3%	4,909	0.01%
Income from equity-accounted method	16,525	0.06%	11,560	0.04%	4,965	42.9%	15,767	0.04%
Net fees and commissions	195,226	0.66%	190,916	0.64%	4,310	2.3%	261,452	0.66%
Gains (losses) on financial transactions	100,988	0.34%	128,628	0.43%	(27,640)	(21.5%)	186,150	0.47%
Exchange differences [gain or (-) loss], net	1,752	0.01%	1,804	0.01%	(52)	(2.9%)	2,764	0.01%
Other operating incomes/expenses	(14,601)	(0.05%)	(7,379)	(0.02%)	(7,222)	97.9%	(15,372)	(0.04%)
of which: Mandatory transfer to Education and Development Fund	(2,577)	(0.01%)	(188)	-	(2,389)	1270.8%	(1,949)	-
GROSS INCOME	727,417	2.45%	749,874	2.52%	(22,457)	(3.0%)	1,013,368	2.56%
Administrative expenses	(395,616)	(1.33%)	(408,416)	(1.37%)	12,800	(3.1%)	(554,455)	(1.40%)
Personnel expenses	(252,940)	(0.85%)	(258,041)	(0.87%)	5,101	(2.0%)	(350,625)	(0.89%)
Other administrative expenses	(142,677)	(0.48%)	(150,375)	(0.51%)	7,698	(5.1%)	(203,830)	(0.51%)
Depreciation and amortisation	(57,098)	(0.19%)	(56,848)	(0.19%)	(250)	0.4%	(75,541)	(0.19%)
NET INCOME BEFORE PROVISIONS	274,703	0.93%	284,610	0.96%	(9,907)	(3.5%)	383,372	0.97%
Provisions or (-) reversal of provisions	82,650	0.28%	(11,540)	(0.04%)	94,190	(816.2%)	(239,539)	(0.60%)
Impairment or (-) reversal of impairment on financial assets not measured at fair value through profit or loss	(175,759)	(0.59%)	(113,219)	(0.38%)	(62,540)	55.2%	22,253	0.06%
OPERATING INCOME	181,594	0.61%	159,851	0.54%	21,743	13.6%	166,086	0.42%
Impairment or reversal of impairment of investments in joint ventures or associates (net)	(2)	-	-	-	(2)	100.0%	-	-
Impairment or (-) reversal of impairment on non-financial assets	(71,346)	(0.24%)	(103,154)	(0.35%)	31,808	(30.8%)	(86,898)	(0.22%)
Negative goodwill recognised in profit or loss	-	-	-	-	-	-	-	-
Gains or (-) losses on derecognition of non financial assets, net	(14,572)	(0.05%)	5,326	0.02%	(19,898)	(373.6%)	6,630	0.02%
Profit or (-) loss from non-current assets and disposal groups classified as held for sale	(12,497)	(0.04%)	(21,756)	(0.07%)	9,259	(42.6%)	(23,809)	(0.06%)
PROFIT BEFORE TAX	83,177	0.28%	40,266	0.14%	42,911	106.6%	62,008	0.16%
Tax	(15,787)	(0.05%)	10,269	0.03%	(26,056)	(253.7%)	14,132	0.04%
CONSOLIDATED NET PROFIT	67,390	0.23%	50,536	0.17%	16,854	33.4%	76,141	0.19%

Quarterly Yields & Costs

(EUR Thousands and annualised rates)

	30/09/2017				30/09/2016			
	Average balance	Distribution (%)	Income or expense	Average rate (%)	Average balance	Distribution (%)	Income or expense	Average rate (%)
Financial system	1,191,852	3.01%	311	0.03%	1,474,082	3.71%	88	0.01%
Loans to customers without NPL (a)	27,168,851	68.52%	444,652	2.19%	26,837,283	67.57%	503,332	2.51%
Securities portfolio	4,407,791	11.12%	30,363	0.92%	4,443,589	11.19%	24,744	0.74%
Other assets	6,884,740	17.36%	33,882	0.66%	6,960,088	17.53%	8,322	0.16%
Total earning assets (b)	39,653,234	100.00%	509,208	1.72%	39,715,042	100.00%	536,486	1.80%
Financial system	738,328	1.86%	6,616	1.20%	826,809	2.08%	9,440	1.53%
Customer deposits ^(c)	25,917,880	65.36%	21,491	0.11%	25,456,836	64.10%	52,870	0.28%
<i>Sight deposits</i>	17,512,297	44.16%	10,715	0.08%	14,567,252	36.68%	7,012	0.06%
<i>Term deposits</i>	8,405,584	21.20%	10,775	0.17%	10,889,584	27.42%	45,858	0.56%
Wholesale funds	8,697,105	21.93%	57,311	0.88%	9,582,691	24.13%	50,115	0.70%
Other funds	1,270,532	3.20%	1,982	0.21%	993,691	2.50%	3,883	0.52%
Equity	3,029,389	7.64%	0	-	2,855,016	7.19%	0	-
Total funds (d)	39,653,234	100.00%	87,401	0.29%	39,715,042	100.00%	116,308	0.39%
Customers' spread (a)-(c)				2.08				2.23
NII o/ATA (b)-(d)			421,807	1.42			420,178	1.41