

Key Group figures

| € million / % | January - June | | Year-on-year | 2Q18 | Quarter-on-quarter |
|---|----------------|------------|---------------|--------------------|--------------------|
| | 2018 | 2017 | | | |
| INCOME STATEMENT | | | | | |
| Net interest income | 2,432 | 2,349 | 3.5% | 1,229 | 2.3% |
| Net fee and commission income | 1,293 | 1,252 | 3.3% | 668 | 6.7% |
| Gross income | 4,654 | 4,280 | 8.7% | 2,392 | 5.7% |
| Recurring administrative expenses, depreciation and amortisation | (2,304) | (2,216) | 4.0% | (1,155) | 0.5% |
| Pre-impairment income stripping out extraordinary expenses | 2,350 | 2,064 | 13.8% | 1,237 | 11.1% |
| Pre-impairment income | 2,342 | 1,958 | 19.6% | 1,232 | 11.0% |
| Profit/(loss) attributable to the Group | 1,298 | 839 | 54.6% | 594 | (15.7%) |
| INDICATORS OF PROFITABILITY (Last 12 months) | | | | | |
| Cost-to-income ratio | 53.1% | 55.1% | (2.0) | 53.1% | (0.8) |
| Cost-to-income ratio stripping out extraordinary expenses | 53.0% | 52.2% | 0.8 | 53.0% | 0.3 |
| ROE | 8.6% | 5.4% | 3.2 | 8.6% | 0.5 |
| ROTE | 10.4% | 6.5% | 3.9 | 10.4% | 0.6 |
| ROA | 0.6% | 0.4% | 0.2 | 0.6% | 0.1 |
| RORWA | 1.4% | 0.9% | 0.5 | 1.4% | 0.1 |
| OTHER INDICATORS | | | | | |
| | June 2018 | March 2018 | December 2017 | Quarter-on-quarter | Year-to-date |
| BALANCE SHEET | | | | | |
| Total assets | 396,117 | 384,419 | 383,186 | 3.0% | 3.4% |
| Equity | 24,099 | 24,649 | 24,683 | (2.2%) | (2.4%) |
| Customer funds | 366,163 | 351,420 | 349,458 | 4.2% | 4.8% |
| Loans and advances to customers, gross | 225,744 | 223,249 | 223,951 | 1.1% | 0.8% |
| RISK MANAGEMENT | | | | | |
| Non-performing loans (NPL) | 12,714 | 13,695 | 14,305 | (981) | (1,591) |
| Non-performing loan ratio | 5.3% | 5.8% | 6.0% | (0.5) | (0.7) |
| Cost of risk (last 12 months) | 0.24% | 0.29% | 0.34% | (0.05) | (0.10) |
| Provisions for non-performing loans | 7,172 | 7,597 | 7,135 | (425) | 37 |
| NPL coverage ratio | 56% | 55% | 50% | 1 | 6 |
| Net foreclosed available for sale real estate assets ¹ | 5,553 | 5,810 | 5,878 | (257) | (325) |
| Foreclosed available for sale real estate assets coverage ratio | 59% | 58% | 58% | 1 | 1 |
| LIQUIDITY | | | | | |
| Total Liquid Assets | 79,892 | 73,216 | 72,775 | 6,676 | 7,117 |
| Loan to deposits | 102% | 107% | 108% | (5) | (6) |
| Liquidity Coverage Ratio (last 12 months) | 199% | 194% | 185% | 5 | 14 |
| CAPITAL ADEQUACY | | | | | |
| Fully-loaded Common Equity Tier 1 (CET1) | 11.4% | 11.6% | 11.7% | (0.2) | (0.3) |
| Fully-loaded Tier 1 | 12.9% | 13.1% | 12.3% | (0.2) | 0.6 |
| Fully-loaded total capital | 15.7% | 16.1% | 15.7% | (0.4) | |
| Fully-loaded Risk-Weighted Assets (RWAs) | 147,754 | 148,328 | 148,626 | (574) | (872) |
| Fully-loaded leverage ratio | 5.4% | 5.7% | 5.3% | (0.3) | 0.1 |
| SHARE INFORMATION | | | | | |
| Share price (€/share) | 3.706 | 3.872 | 3.889 | (0.166) | (0.183) |
| Market capitalization | 22,157 | 23,150 | 23,248 | (993) | (1,091) |
| Book value per share (€/share) | 4.00 | 4.05 | 4.06 | (0.05) | (0.06) |
| Tangible book value per share (€/share) | 3.29 | 3.34 | 3.35 | (0.05) | (0.06) |
| Net income attributable per share (€/share) (12 months) | 0.35 | 0.33 | 0.28 | 0.02 | 0.07 |
| PER (Price/Profit) | 10.64 | 11.89 | 14.02 | (1.25) | (3.38) |
| Tangible PBV (Market value/ book value of tangible assets) | 1.13 | 1.16 | 1.16 | (0.03) | (0.03) |
| OTHER DATA (units) | | | | | |
| Employees | 37,286 | 37,107 | 36,972 | 179 | 314 |
| Branches ² | 5,239 | 5,318 | 5,379 | (79) | (140) |

(1) Exposure in Spain.

(2) Does not include branches outside Spain and Portugal and Portugal or representative offices.

Results

The Group's Income statement

Year-on-year performance

| € million | 1H18 | 1H17 | Change | % |
|--|--------------|--------------|------------|-------------|
| Net interest income | 2,432 | 2,349 | 83 | 3.5 |
| Dividend income | 121 | 121 | | |
| Share of profit/(loss) of entities accounted for using the equity method | 503 | 268 | 235 | 87.7 |
| Net fee and commission income | 1,293 | 1,252 | 41 | 3.3 |
| Gains/(losses) on financial assets and liabilities and others | 293 | 177 | 116 | 64.8 |
| Income and expense under insurance or reinsurance contracts | 282 | 233 | 49 | 21.0 |
| Other operating income and expense | (270) | (120) | (150) | |
| Gross income | 4,654 | 4,280 | 374 | 8.7 |
| Recurring administrative expenses, depreciation and amortisation | (2,304) | (2,216) | (88) | 4.0 |
| Extraordinary expenses | (8) | (106) | 98 | (92.9) |
| Pre-impairment income | 2,342 | 1,958 | 384 | 19.6 |
| Pre-impairment income stripping out extraordinary expenses | 2,350 | 2,064 | 286 | 13.8 |
| Allowances for insolvency risk | (248) | (472) | 224 | (47.5) |
| Other charges to provisions | (283) | (763) | 480 | (62.9) |
| Gains/(losses) on disposal of assets and others | (70) | 282 | (352) | |
| Profit/(loss) before tax | 1,741 | 1,005 | 736 | 73.1 |
| Income tax expense | (401) | (149) | (252) | |
| Profit/(loss) after tax | 1,340 | 856 | 484 | 56.5 |
| Profit/(loss) attributable to minority interest and others | 42 | 17 | 25 | |
| Profit/(loss) attributable to the Group | 1,298 | 839 | 459 | 54.6 |