Liberbank

Financial Report
2019 Second Quarter

August 1st, 2019

Index:

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1. Macroeconomic Environment

1.1 International Economic Situation

During the first half of 2019 there has been a downward revision of global growth expectations, coming from the accumulation of commercial tensions. A historic indicator of economic recessions is the flattening of the interest rate curves observed in the main developed countries.

While the global Gross Domestic Product (GDP) will grow at a more moderate rate than in the previous years, the most probable scenario still shows the continuity of the current expansive cycle. According to the International Monetary Fund (IMF), the global growth will reach 3.3% in 2019, three tenths below 2018, while from 2020 onwards, a stabilization of around 3.6% expected yearly.

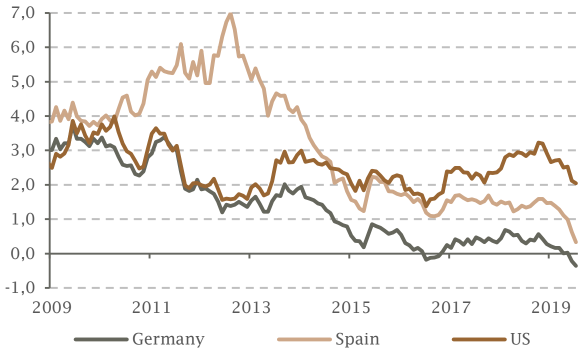
The U.S economy has been growing for ten consecutive years, the longest-standing expansion in recent history. The maturity of this cycle shows up clearly in the labor market, where unemployment rate remains below 4% since April 2018, two percentage points lower than the average of the last 50 years.

The Federal Reserve (FED) expects the GDP to advance by 2.1% in 2019 and by 2.0% in 2020. These figures are still above the long term growth estimates (1.9%). Nevertheless, inflation perspectives remain slightly below the FED's monetary policy target rate of 2%. This weak inflation background, in addition to the possibility that trade tensions may directly affect activity, cause the FED to seek a more accommodative monetary policy, aiming to sustain the current growth pace. In this context, the probability of cuts in the reference interest rates in the coming quarters (currently in the 2.25%-2.50% range) is considerably higher.

In Europe, the European Central Bank (ECB) revised slightly upwards the growth forecasts for 2019 to 1.2%, justified by a higher GDP increase than expected during the first quarter of the year. In the next months, the European economy is expected to remain penalized by the political uncertainty of some countries in the European Union, and by the trade tensions, particularly affecting it, given its high degree of openness. Thus, as the Fed has done in the US, the ECB has open the door to implementing more expansive monetary policies, which could include the lowering of the interest rates. The objective is to free up disposable income for households and businesses, favoring demand for credit, consumption and investment, which should boost inflation and growth.

The consequence of these measures by the central banks, on both sides of the Atlantic, has been a reduction of the government bonds yield. The 10-year US bond stays around 2% and the German bond continues to deepen into negative ground, down to -0.40%. In the case of Spain, the 10-year public debt interest rate is close to 0.20%, its lowest level in recent history, and the risk premium drops to 60 basis points, significantly below its average level since 2009 (182 basis points).

10 years government bond yields *%*



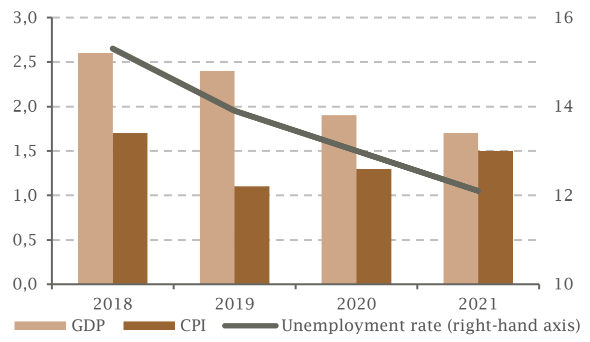
Source: Thomson Reuters

1.2. Spanish Economy

In the first quarter of 2019 the Spanish economy maintained the growth inertia observed in previous quarters. GDP increased by 0.7% between January and March, one tenth above that of 4Q18, justifying an upwards revision of the growth perspectives for the whole year. In particular, the Bank of Spain (BoS) estimates an economic growth of 2.4% for 2019, two tenths above that estimated at the beginning of the year. According to the BoS, this growth is sustained by the dynamism of the domestic demand, driven by an improvement of the financial situation of households and companies, and by the persistence of comfortable financial conditions. This contrasts with the unfavorable tone of exports, affected by the slowdown in international trade and industrial activity on a global scale, factors which could be related to the protectionist escalation. In the mid-term, the BoS expects the GDP to gradually decelerate as the effects of the expansionary monetary policy of recent years are attenuated. Specifically, the BoS projections point to a growth of 1.9% in 2020, and of 1.7% in 2021, which is consistent with a reduction in the unemployment rate (above two percentage points during the next three years) to below 12% by the end of 2021. Regarding inflation, the advance in economic activity is expected to favor a gradual upturn in prices.

Spain: macroeconomic projections

Annual rate, %



Source: Fed, ECB and BdE

1.3 Spanish Financial System

The Spanish economy has already been uninterruptedly deleveraging during 119 months. In this decade, the total credit stock shrank by 37%, with a higher drop in business credit (52%) than in household credit (20%). This scenario, combined with the regulatory changes, the irruption of new technologies mergers and acquisitions within the sector, required an adaptation of the installed capacity, bringing down the number of branches by 44% since its historical high, reached in 2008.

The most recent data (as of May 2019) show a decrease in the credit stock of 0.9% YoY. This figure is strongly conditioned by the evolution of business loans (-2.7% YoY), as household loans shows twelve consecutive months of growth (+0.2% YoY as of May).

18.713 million euros of new housing loans were formalized from January to May 2019, a 6.1% increase over the same period of 2018. Despite five consecutive years of growth, the current volume of new housing loans reamins around 75% below the highs recorded in the first months of 2006. As for corporates loans, the volume of new operations decreased by 5.3% between January and May 2019, compared to the same period the previous year, mainly due to the funding capacity coming from the business sector.

Savings in 2019 show a significant year-on-year growth in the total volume of deposits (+6.1% YoY in fundings as of May), with positive contributions from both households and corporates. In both cases, the growth comes from sight deposits, in contrast with the downward pace of term deposits, as a consequence of the low yield returned by saving instruments within the current low rates scenario.

Finally, it is noteworthy that the fall in funding cost and the unemployment decline, have provided a NPL reduction. The NPL credit volume over the whole credit decreased in May 2019 down to 5.6%, the lowest level since the end of 2010.

2. Highlights

01	Ranking IQOs national banks 1º	**Best national bank in service quality**
02	Tangible Book value per share 8%	**Tangible Book value per share increases by 8% YTD**
03	CET 1 Fully phased-in 15.9%	**Solvency levels strengthened in spite of increased regulatory requirements**
04	Customer funds YOY growth +5%	**Solid foundations of customer funds, steadily growing, specially in mutual funds (10.4% YoY)**
05	Performing loans YoY growth +8%	**Significant growth in performing loans**
06	NPL ratio +4.12%	**NPL ratio stands below sector average**
07	NPAs sale (in € millions) 263	**263€M of foreclosed assets sold during the semester, 292€M including property investments**
08	% NPAs coverage 50%	**NPAs shanks over 1.000€M in the last 12 months, while the coverage ratio remains stable**
09	LTD 95%	**Comfortable liquidity position and even growth of the balance sheet**
10	Pre-tax Profit (in € million) 90	**The Net interest income grows +4%, administrative costs decrease -6%. The cost of risk stands at 25 bps**

3. Key indicators

Key Indicators

In € Million	30/06/2019	31/03/2019	30/06/2018	% QoQ change	% Annual change
BALANCE SHEET					
Total Assets	40,235	40,617	40,361	-0.9%	-0.3%
Gross Performing Loans	23,525	22,812	21,867	3.1%	7.6%
Customer Funds	30,971	29,988	29,517	3.3%	4.9%
Total Equity	3,015	2,956	2,771	2.0%	8.8%
Loan to Deposits	95.2%	95.4%	94.7%	-0.2%	0.6%
PROFIT AND LOSS ACCOUNT				2Q19 Contribution	
Net Interest Income	230	114	221	116	4.1%
Gross Margin	339	150	363	188	-6.5%
Pre-impairment Income	144	51	160	93	-10.4%
Profit before taxes	90	28	103	62	-12.4%
Profit attributable to the Group	73	21	84	52	-14.0%
SOLVENCY					
Risk-weighted Assets	16,949	16,985	17,254	-0.2%	-1.8%
Common equity Tier 1	14.3%	14.0%	13.4%	0.2%	0.9%
Tier 1	14.3%	14.0%	13.9%	0.2%	0.4%
Solvency Ratio	15.9%	15.6%	15.4%	0.2%	0.4%
RISK MANAGEMENT					
Non-performing Loans (NPL)	1,011	1,076	1,584	-6.0%	-36.2%
Gross Foreclosed Assets	1,738	1,864	2,252	-6.8%	-22.8%
Non-performing Loans Ratio	4.1%	4.5%	6.8%	-0.4%	-2.6%
NPL coverage Ratio	50%	53%	52%	-2.8%	-2.3%
Foreclosed Assets coverage Ratio	50%	50%	49%	-0.4%	0.3%
BANKING BUSINESS AND RESOURCES (Units)					
Group employees	3,767	3,802	4,031	-0.9%	-6.5%
Employees (Liberbank, S.A.)	3,094	3,142	3,268	-1.5%	-5.3%
FTEs (Liberbank, S.A.) (1)	2,710	2,751	2,862	-1.5%	-5.3%
Branches	629	644	743	-2.3%	-15.3%
ATMs	1,270	1,274	1,337	-0.3%	-5.0%

Sources: Consolidated Public Finances, Bank of Spain's official statements and Other Internal Information Sources.

(1) *Full-Time Equivalent: calculated by dividing the hours actually worked through the year (considering the reduction in working hours arising from the current Temporary Collective Dismissal) by the hours scheduled in a full year.*

4. Financial Evolution

Consolidated balance sheet

In € Million	30/06/2019	31/03/2019	30/06/2018	% QoQ change	% Annual change
Cash, cash at central banks and other demand deposits	1,065	713	1,230	49.5%	-13.4%
Financial assets (FA) held for trading	14	14	19	-4.9%	-27.9%
Non-trading FA mandatorily at fair value through P&L	168	207	194	-18.7%	-13.6%
FA at fair value (FV) through o/ comprehensive income	836	1,765	1,968	-52.6%	-57.5%
Financial Assets at amortized cost	32,727	32,529	31,741	0.6%	3.1%
Debt securities	7,814	8,620	8,086	-9.4%	-3.4%
Loans and advances	24,913	23,909	23,656	4.2%	5.3%
of which: to customers	24,250	23,487	22,998	3.2%	5.4%
Derivatives – Hedge accounting	473	417	300	13.4%	57.7%
FV changes of hedged items in portfolio hedge of IR risk	123	78	12	57.8%	
Investments in subsidaries, joint ventures and associates	509	512	424	-0.6%	20.0%
Tangible assets	1,245	1,233	1,111	1.0%	12.1%
Intangible Assets	143	140	132	2.1%	8.6%
Tax assets and other Assets	2,009	2,030	2,060	-1.0%	-2.5%
Non current Assets held for sale	924	980	1,170	-5.8%	-21.1%
TOTAL ASSETS	**40,235**	**40,617**	**40,361**	**-0.9%**	**-0.3%**
Financial liabilities (FL) held for trading	14	15	20	-6.1%	-31.6%
FL measured at amortized cost	36,099	36,784	37,073	-1.9%	-2.6%
Deposits	35,440	36,150	36,358	-2.0%	-2.5%
Debt securities issued	420	400	546	5.2%	-23.0%
Other financial liabilities	239	234	169	2.5%	41.4%
Derivatives – Hedge accounting	747	513	110	45.7%	
Liabilities under insurance and reinsurance contracts	7	8	8	-4.3%	-7.2%
Provisions	123	135	170	-9.1%	-27.8%
Tax liabilities and other liabilities	230	208	209	10.8%	10.1%
TOTAL LIABILITIES	**37,220**	**37,661**	**37,590**	**-1.2%**	**-1.0%**
Minority Interest	0	0	0	0.0%	
Shareholder's Equity	2,849	2,824	2,669	0.9%	6.7%
Accumulated Other Comprehensive Income	165	132	101	25.0%	62.9%
TOTAL EQUITY	**3,015**	**2,956**	**2,771**	**2.0%**	**8.8%**
TOTAL EQUITY AND LIABILITIES	**40,235**	**40,617**	**40,361**	**-0.9%**	**-0.3%**

Source: Balance sheet consolidated account (FA: Financial Assets. FV: Fair Value. IR: Interest Rate).

The balance sheet of the Group decreases by 0.9% during the second quarter, reaching 40,235 million euros.

This quarterly reduction of the balance sheet is related with the wholesale business. Retail business, on the other hand remains growing at a good pace.

The two main asset headings are *Loans and Advances* and the securities portfolio, mainly reflected under the *Debt securities, Financial Assets at fair value through other comprehensive income* and *Investments in subsidiaries, joint ventures and associates.*

The balance sheet heading *Loans and Advances* include performing credit, which increases by 3.1% during the second quarter, and non-performing credit, which declines by 6.0%.

The securities portfolio drops 16.0% during the quarter. This fall is partially transitory, as new investments are going to be made at the beginning of the third quarter.

At the end of the semester, 91% of the securities portfolio is composed by fixed income, where 96% is sovereign debt bonds. The average yield is 1.5% and 94% is classified under the Amortized Cost portfolio.

Reduction of NPA continues to be a strategic priority for Liberbank. Proof of this is evidenced in the evolution of *Non-Current Assets Held for Sale*, 5.8% lower than at the end of March.

Customer funds registered under the *Deposits* heading of *Liabilities,* show a quarterly growth of 3.4%, concentrated in sight deposits. The *Deposits* heading also includes funding coming from wholesale markets, which decrease temporarily as do wholesale investments.

The Group's *Total Equity* grew by 2.0% driven by income generation and accumulated capital gains. Taking into account the amortization of treasury shares, the payment of dividends and the equity improvement, the tangible book value per share increases by 8% during the year.

Resources

In € Million	30/06/2019	31/03/2019	30/06/2018	% QoQ change	% Annual change
CUSTOMER FUNDS	30,971	29,988	29,517	3.3%	4.9%
Customer Funds On Balance Sheet	25,129	24,313	23,930	3.4%	5.0%
Public Administrations	2,193	1,904	1,800	15.2%	21.8%
Creditors and promissory notes	22,936	22,409	22,130	2.4%	3.6%
Demand Deposits	17,337	16,629	16,112	4.3%	7.6%
Term Deposits	5,599	5,778	5,977	-3.1%	-6.3%
Others (promissory notes)	0	1	40	-100.0%	-100.0%
Off-Balance Sheet Customer Funds	5,842	5,675	5,587	2.9%	4.6%
Mutual Funds	3,394	3,239	3,074	4.8%	10.4%
Pension Funds	1,467	1,460	1,493	0.5%	-1.7%
Saving Insurances	982	976	1,021	0.6%	-3.9%
REPURCHASE AGREEMENTS	1,836	3,041	2,554	-39.6%	-28.1%
WHOLESALE FUNDING (capital markets)	2,729	2,729	2,914	0.0%	-6.4%
Covered Bonds (non-retained)	2,634	2,634	2,800	0.0%	-6.0%
Bonds and EMTNs	95	95	95	0.0%	0.0%
Wholesale Promissory Notes	0	0	19	0.0%	-100.0%
TOTAL FUNDS	35,536	35,758	34,985	-0.6%	1.6%

Total customer funds amount to 30,971 million euros, growing 3.3% during the second quarter and 4.9% YoY.

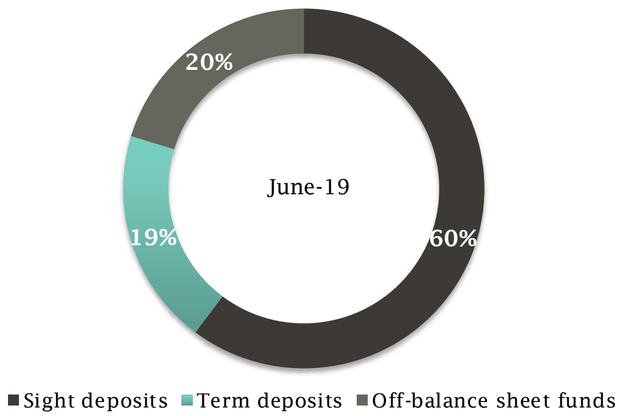
Most demanded saving products are sight deposits and mutual funds, with annual variation rates of +7.6% and +10.4% respectively.

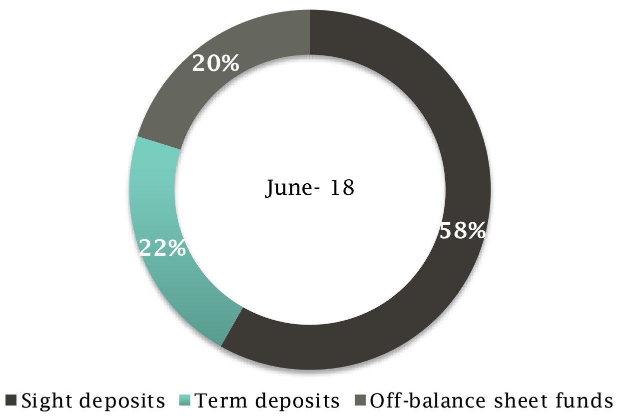
Mutual funds net subscriptions amount to 119 million euros during the second quarter, improving the previous three quarter's record (69 million euros on average per quarter), following a recovery of the markets, and offering a diversified range of investment products.

The Bank funds are mostly retail (customer funds amount 87% of the total). At the same time, these retail funds are mainly held by households (86% of the total), thus giving the Bank a very stable deposit base.

Household deposits and mutual funds show a YoY increase of +4.9% as of June, noticeably above the sector's average in Spain (+1.6% as of May), thereby strengthening the Bank's market share.

Retail resources





Gross performing loans

In € Million	30/06/2019	31/03/2019	30/06/2018	% QoQ change	% Annual change
Credit To Public Administrations	**2,575**	**2,280**	**1,712**	**12.9%**	**50.4%**
Credit To Private Sectors	**20,951**	**20,532**	**20,155**	**2.0%**	**3.9%**
Productive activities financing	5,771	5,745	5,607	0.5%	2.9%
Real Estate	281	321	217	-12.3%	29.9%
Other companies	5,490	5,424	5,390	1.2%	1.8%
Household financing	14,566	14,462	13,957	0.7%	4.4%
Consumer and other loans	852	822	770	3.7%	10.7%
Housing	13,714	13,640	13,187	0.5%	4.0%
Advances and unclassified risks	614	325	591	88.7%	3.8%
PERFORMING LOANS	23,525	22,812	21,867	3.1%	7.6%

Performing loans amount to 23,525 million euros, growing by 3.1% during the second quarter and +7.6% YoY.

Mortgages to Households, loans to companies, and credit to Public Administrations represent 58%, 25% and 11% of the total portfolio respectively. Real Estate loans stay at 1%.

Credit to Public Administrations grows steadily, +12.9% in the second quarter, substituting Government bonds investments.

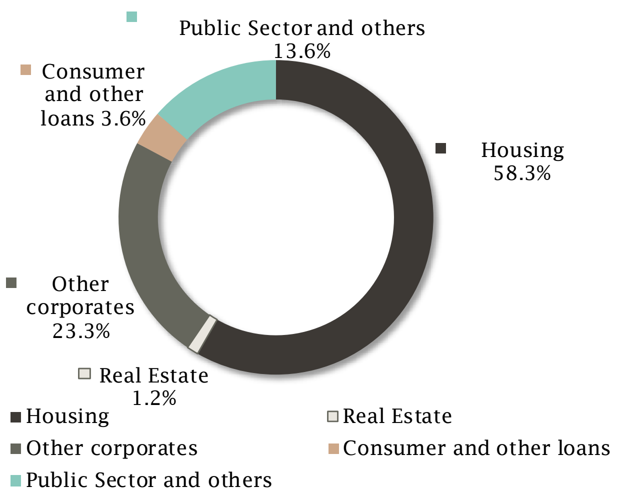
Loans to companies and households continues their expansionary pace, although more moderate during the second quarter (+0.5% and +0.7% respectively).

In the corporates segment, this second quarter moderation is related to a decrease in Real Estate loans. Liberbank maintains its commitment to the development of corporates' business, under the "Plan Sí", based on proximity, agility, product adaptation and competitive prices.

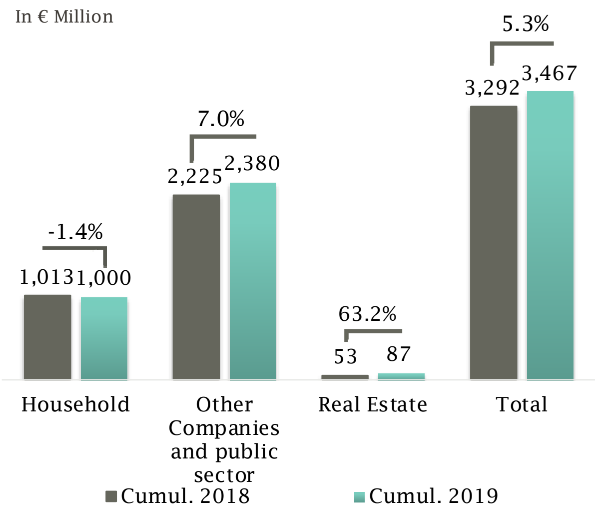
In the household segment, the enforcement of the Mortgage Law in mid-June, halted mortgage production for two weeks, resulting in a moderate growth for the quarter (+0.7%). In any case, YoY growth in lending to households remains high (+4.4%) compared to the sector's average in Spain (+0.2% as of May).

New operations amount to 3,467 million euros of loans and credits and another 1,017 million euros of discount operations, confirming, leasing and guarantees, meaning increases of 5.3% and 7.0%, respectively over the same period last year.

Gross performing loans sector breakdown



Cumulative Lending Operations



Gross NPL Evolution

In € Million	NPL 30/06/2019	NPL QoQ ch.	NPL YoY ch.	NPL Ratio 30/06/2019	NPL Ratio QoQ ch.	NPL Ratio YoY ch.
Productive Activity Financing	**536**	**-39**	**-388**	**8.5%**	**-0.6%**	**-5.7%**
Real Estate	119	-26	-266	29.8%	-1.3%	-34.2%
Other companies	417	-13	-123	7.1%	-0.3%	-2.0%
Household Financing	**457**	**-27**	**-184**	**3.0%**	**-0.2%**	**-1.4%**
Consumer and other loans	47	2	5	5.2%	0.0%	0.1%
Housing	410	-29	-189	2.9%	-0.2%	-1.4%
Demand Debtors, Public Admin and Other	**18**	**1**	**0**	**0.5%**	**-0.1%**	**-0.2%**
TOTAL GROSS NPL	**1,011**	**-65**	**-573**	**4.1%**	**-0.4%**	**-2.6%**

Sources: Bank of Spain's Official Statements and other Internal Information Sources.

Non-performing loans fell by 65 million euros during the second quarter, accumulating 573 million euros reduction in the last twelve months (-36.2%).

The NPL ratio decreases -38 bps in the quarter, and -263 bps. in the last twelve months, standing at 4.12%, below the Spanish banking sector average.

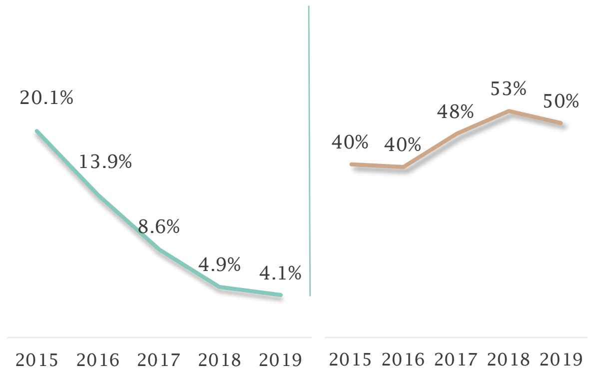
The coverage ratio stays at 50%. 41% of NPLs are household mortgages, with a high coverage level.

The annual volume of NPL entries declined by 13% compared to the same period of the previous year, staying below 50 million euros for the fifth consecutive quarter.

Refinanced loans decline to 501 million euros, and represents only 2.0% of the gross loans. 72% is classified as non-performing loan.

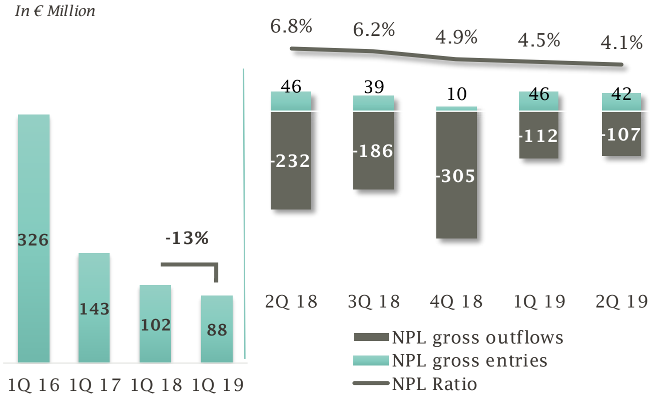
NPL ratio and Coverage

In € Million



Annual entries / NPL entries and outflows

In € Million



NPL Coverages

In € Million	NPL	Impairment losses	NPL minus Impairment losses	Coverage ratio	Guarantees*
Productive Activity Financing	**536**	**356**	**180**	**66.4%**	**227**
Real Estate	119	60	60	50.1%	78
Other companies	417	296	121	71.1%	149
Household Financing	**457**	**141**	**316**	**30.8%**	**371**
Consumer and other loans	47	43	3	93.1%	1
Housing	410	97	313	23.7%	371
Demand Debtors, Public Admin and Other Risks	**18**	**9**	**9**		**1**
TOTAL GROSS NPL	**1,011**	**505**	**505**	**50%**	**600**

** Guarantee= Limited appraisal value, calculated as the minimum value between the latest appraisal value and the outstanding debt.*

Gross Foreclosed Assets Evolution

(excluding property investments)

In € Million	30/06/2019	31/03/2019	30/06/2018	% QoQ ch.	% YoY ch.
Houses under construction	294	332	356	-11.3%	-17.3%
Finished houses	494	526	664	-6.0%	-25.6%
Land	720	772	988	-6.7%	-27.1%
Offices, premises, warehouses and other buildings	230	235	245	-2.2%	-6.2%
TOTAL GROSS FORECLOSED ASSETS	**1,738**	**1,864**	**2,252**	**-6.8%**	**-22.8%**

Foreclosed assets outflows, classified as *Non Current Assets Held for Sale*, amount to 143 million euros in the quarter, 263 million euros through the year, all of them retail sales. 41.4% of the quarter sales are Land and 18.0% Houses under construction.

The foreclosed assets portfolio falls by -6.8% in the second quarter and -22.8% in the last twelve months. The higher YoY falls correspond to Land (-27.1%) and Finished houses (-25.6%).

In addition, investment property sales amounted to 29 million euros of gross debt during the first half of the year.

The NPA's pool decreases by 1,087 million euros in the last twelve months (-28.3%), while its coverage level remains stable at 50%.

Impaired Assets Evolution (and their coverages)

In € Million	30/06/2019	31/03/2019	30/06/2018	QoQ ch.	YoY ch.
NPL	1,011	1,076	1,584	-65	-573
Foreclosed Assets	1,738	1,864	2,252	-126	-514
NON-PERFORMING ASSETS	**2,749**	**2,940**	**3,836**	**-191**	**-1,087**
NPA ratio	**10.5%**	**11.4%**	**14.9%**	**-1.0%**	**-4.5%**
NPL impairment losses	505	568	828	-62	-323
NPL coverage ratio	**50%**	**53%**	**52%**	**-2.8%**	**-2.3%**
Foreclosed assets impairment losses	861	930	1,109	-69	-248
Foreclosed assets coverage ratio	**50%**	**50%**	**49%**	**-0.4%**	**0.3%**
NPA coverage ratio (NPL + foreclosed assets)	**50%**	**51%**	**50%**	**-1.2%**	**-0.8%**

Profit and loss account

In € Million	30/06/2019	30/06/2018	% Annual change
Financial income	272	268	1.5%
Financial expenses	42	47	-10.9%
NET INTEREST INCOME	230	221	4.1%
Dividends	6	4	25.3%
Results from equity method stakes	23	24	-4.1%
Net fees	90	93	-2.6%
Gains (losses) on Financial Assets and Liabilities	16	30	-44.5%
Other operating results	-26	-9	189.7%
GROSS MARGIN	339	363	-6.5%
Administrative costs	174	184	-5.9%
Staff costs	118	120	-1.4%
Other general administrative costs	56	65	-14.1%
Amortizations	22	18	21.1%
PRE-IMPAIRMENT INCOME	144	160	-10.4%
Provisions	13	13	-2.3%
Impairment losses on financial assets (net)	29	31	-6.0%
Impairment losses on other assets (net)	2	8	
Other profits or losses	-9	-5	74.0%
PRE-TAX INCOME	90	103	-12.4%
Income tax	17	18	-5.8%
CONSOLIDATED NET PROFIT	73	84	-14.0%
Attributable Net Profit	73	84	-14.0%

Source: Profit and loss account.

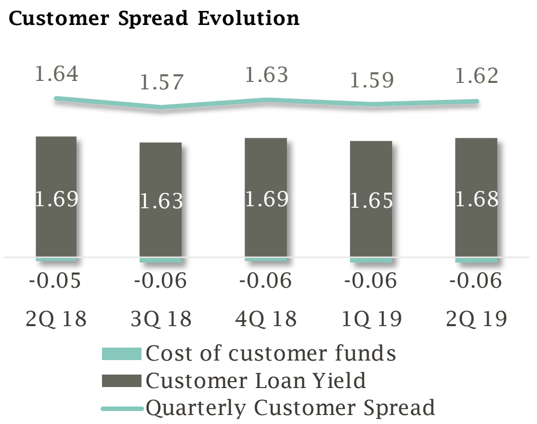
Income Statement Quarterly Evolution

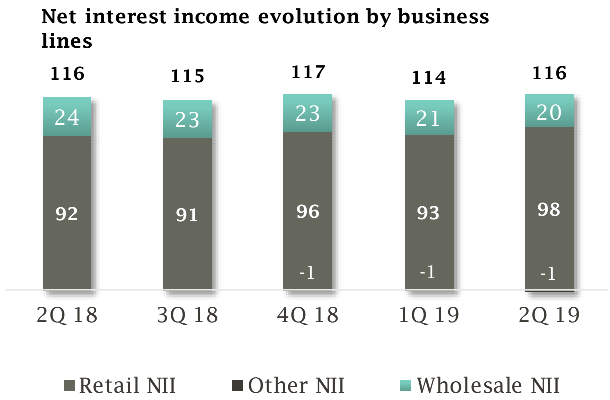
In € Million	30/06/2018	30/09/2018	31/12/2018	31/03/2019	30/06/2019
Financial income	140	135	139	134	138
Financial expenses	24	21	22	20	21
NET INTEREST INCOME	116	115	117	114	116
Dividends	4	0	1	5	0
Results from equity method stakes	22	2	3	2	21
Net fees	48	42	49	45	45
Gains (losses) on Financial Assets and Liabilities	3	6	-3	5	12
Other operating results	-3	-5	-50	-21	-5
GROSS MARGIN	191	160	117	150	188
Administrative costs	93	85	87	89	85
Staff costs	61	57	60	59	59
Administrative costs	32	28	27	30	26
Amortizations	9	9	10	11	11
PRE-IMPAIRMENT INCOME	89	66	20	51	93
Provisions	9	8	5	6	7
Impairment losses on financial assets (net)	14	13	13	14	16
Impairment losses on other assets (net)	0	1	0	0	2
Other gains or losses	-4	-8	-3	-3	-6
PRE-TAX INCOME	62	36	-1	28	62
Income tax	7	10	2	7	10
Profit from discontinued operations (net)	0	-2	4	0	0
CONSOLIDATED NET PROFIT	55	24	2	21	52
ATTRIBUTABLE NET PROFIT	55	24	2	21	52

Source: Profit and loss consolidated account

Quarterly contribution to the net interest income

In € Million	2Q 18	3Q 18	4Q 18	1Q 19	2Q 19
Financial income	140	135	139	134	138
Financial expenses	24	21	22	20	21
NET INTEREST INCOME	116	115	117	114	116





The strong progress of commercial activity reflects on the net interest income, which grows 4.1% YoY.

In the retail business, the net interest income is even higher, 5.9%, based on credit growth.

Within the current drop of interest rates scenario, increasingly deeper and prolonged over time, the customer spread remains stable. For the last four years it stayed around 1.60%, slightly rising in the last quarter, 3 bps. up to 1.62%.

New credit contributes positively to this improvement in the customer spread, with an average yield of 2.46% (credit to private sector), above last quarter's figure (+12 bps), and above the average profitability of the performing portfolio (1.71%).

Quarterly Net Interest Income Evolution

	2Q 2018			3Q 2018			4Q 2018			1Q 2019			2Q 2019		
	Aver.bal	Rate	FI/FE	Aver.bal	Rate	FI/FE	Aver.bal	Rate	FI/FE	Aver.bal	Rate	FI/FE	Aver.bal	Rate	FI/FE
Retail FI	22,577	1.7	96	23,334	1.6	95	23,466	1.7	99	23,569	1.6	97	24,099	1.7	101
of which: performing	20,792	1.8	93	21,817	1.7	93	22,125	1.7	95	22,451	1.7	95	23,040	1.7	98
Retail FE	22,882	0.1	3	23,674	0.1	3	23,910	0.1	3	24,198	0.1	4	24,410	0.1	4
Sight	15,558	0.0	1	15,923	0.0	1	16,032	0.0	1	16,514	0.0	1	16,777	0.0	1
Terms	5,944	0.1	2	5,935	0.1	2	5,783	0.1	2	5,798	0.1	2	5,707	0.1	2
Others	1,380	0.0	0	1,816	0.0	0	2,096	0.0	0	1,886	0.1	0	1,926	0.1	0
Wholesale FI	10,570	1.3	35	10,690	1.2	32	10,588	1.2	31	10,432	1.1	30	10,270	1.1	29
of which: fixed income	9,410	1.5	35	9,614	1.3	32	9,675	1.3	30	9,633	1.2	30	9,124	1.3	30
Wholesale FE	11,921	0.4	11	12,118	0.3	9	11,966	0.3	8	11,437	0.3	9	11,550	0.3	9
Financial Institutions	7,888	-0.4	-8	8,831	-0.3	-7	8,847	-0.3	-7	8,385	-0.3	-7	8,499	-0.3	-6
Repos PS and PA	55	0.0	0	67	0.0	0	51	0.0	0	38	0.0	0	27	0.0	0
Covered bonds	3,419	1.5	13	2,800	1.5	11	2,684	1.5	10	2,634	1.5	10	2,634	1.5	10
Bonds and others	558	3.9	5	420	5.0	5	384	5.6	5	380	5.6	5	390	5.6	5
Other FI & FE			0			0			-1			-1			-1

PS: Private Sectors; PA: Public Administrations; FE: Financial Expenses; FI: Financial Income

Fees

In € Million	2Q 2018	3Q 2018	4Q 2018	1Q 2019	2Q 2019	% Cum. Annual Change
FEES RECEIVED	50	44	51	48	48	-0.7%
Contingent liabilities	1	1	2	2	1	10.5%
Contingent commitments	0	0	0	0	0	-4.4%
Collections and payments	24	19	19	19	21	-6.7%
Securities services	1	1	1	1	1	-19.5%
Non banking financial products	14	14	20	18	16	14.1%
Others	9	8	9	8	8	-10.3%
FEES PAID	2	2	2	2	3	47.3%
NET FEES	48	42	49	45	45	-2.6%
RECURRENT NET FEES	43	42	45	45	45	2.5%

Source: Profit and loss account and own preparation

Net fees amount to 45 million euros, the same figure of the previous quarter, showing a +2.5% YoY growth (taking into account its recurrent components). The main lines supporting this growth are insurance products (+11.6% YoY), and mutual funds (+19.8% YoY), due to a more profitable product mix and to the growth in assets under management.

Results from equity method stakes total 21 million euros in the quarter, mainly coming from Oppidum, an investee operating in the electricity sector.

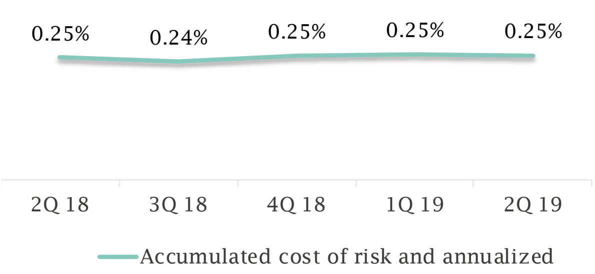
General administration costs decreased by -5.9% YoY, bringing the efficiency ratio close to 50%.

Provisions (net) registers 7 million euros in the quarter, mainly coming from the reorganization of the commercial network.

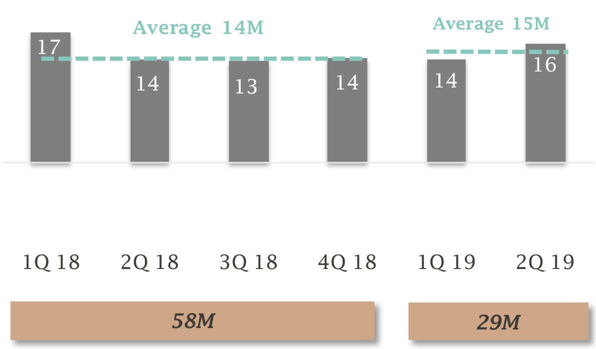
Impairment losses on financial assets (net) registers the credit impairments (16 million euros). The annualized cost of risk stands at 25 bps, in line with expected levels.

Finally, *Other gains or losses* registers -6 million euro, due to foreclosed sales results and the impairment of non-current assets held-for-sale.

Evolution of Cost of Risk



Loan Impairments



Solvency (Basel III phased-in)

In € Million	30/06/2019	31/03/2019	30/06/2018	Quarterly Change	Annual Change
CET 1 COMMON EQUITY TIER 1	**2,420**	**2,383**	**2,304**	**37**	**115**
Common equity Tier 1 (%)	14.3%	14.0%	13.4%	0.2%	0.9%
CAPITAL LEVEL 1/ TIER 1	**2,420**	**2,383**	**2,391**	**37**	**29**
Total TIER 1 (%)	14.3%	14.0%	13.9%	0.2%	0.4%
TOTAL CAPITAL	**2,690**	**2,653**	**2,661**	**37**	**29**
Solvency ratio (%)	15.9%	15.6%	15.4%	0.2%	0.4%
RISK WEIGHTED ASSETS	**16,949**	**16,985**	**17,254**	**-37**	**-305**
LEVERAGE RATIO	**6.3%**	**6.0%**	**6.0%**	**0.2%**	**0.2%**

The results for the first half of 2019, calculated according to Article 26(2) of Regulation (EU) No 575/2013 of the European Parliament and of the Council and Decision (EU) 2015/656 of the European Central Bank (ECB/2015/4), are included and are currently being approved by the European Central Bank at the date of preparation of these consolidated half-yearly summary accounts.

As of June 30th, 2019, Liberbank's CET 1 Common Equity Tier 1 stands at 14.3% (+92 bps YoY), Capital Tier 1 stands at the same figure and Total Capital stands at 15.9% (+45 bps YoY), far exceeding the requirements to date: Common equity Tier 1 ratio of 9.5% and Total Capital ratio of 13.0%.

The organic generation of results, the fall of NPAs and the increase of unrealized capital gains support the improvement of the capital ratios and offset the impact of several regulatory changes.

The Share

Market Information	2Q2019
Number of shares outstanding (*thousands*)	3,066,545
Average Daily Trading Volume (*#shares*)	6,124,684
Average Daily Trading Volume (*€*)	2,411,980
Maximum Share price (*€*)	0.43
Minimum Share price (*€*)	0.36
Closing Price (*€*)	0.38
Closing Market Capitalization (*k€*)	1,162,834

On 27th February, Liberbank's Board of Directors decided to submit to the General Shareholders Meeting the distribution of Liberbank's profit for 2018, proposing a dividend distribution amounting to 22 million euros, corresponding to a 20% pay-out of Liberbank's consolidated profit. On 30th April 2019, the General Shareholders Meeting approved the aforementioned dividend. The right to perceive this dividend (0.007239 euros per share), was accrued by those who already were shareholders of Liberbank on May 8th, and was paid on May 13th, 2019.

Regarding the shareholding structure, the Fundación Bancaria Caja de Ahorros de Asturias, together with the Fundación Bancaria Caja de Extremadura and the Fundación Bancaria Caja Cantabria own 23.21%, Oceanwood Capital Management Limited (including Oceanwood European Financial Select Opportunities Master Fund and Oceanwood Opportunities Master Fund) owns 17.10% (including financial instruments), Ernesto Luis Tinajero Flores (via Aivilo Spain SL) owns 7.09% and Fernando Masaveu Herrero (including Corporación Masaveu, Flicka forestal and Fundación María Cristina Masaveu) owns 5.52%. The remaining 47.08% of share capital is owned by wholesale and retail investors.

Liquidity

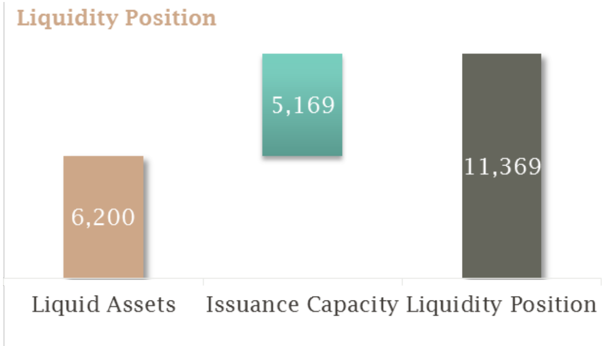
The Banking business grows in a balanced way, and Liberbank's liquidity position remains very solid.

The LTD ratio, which represents the percentage of credits funded by Retail deposits stands at 95%.

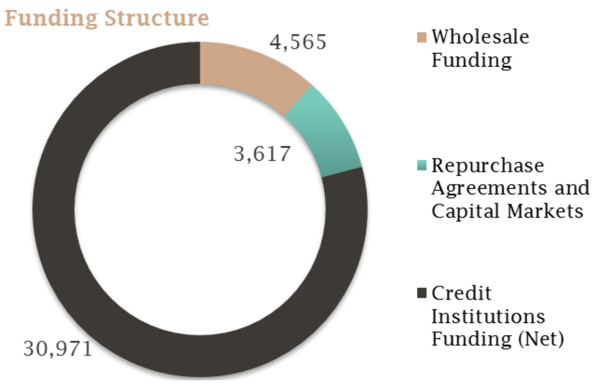
The LCR ratio, that indicates the short term liquidity level, stands at 249%, well above the regulatory requirements (100%).

The NSFR ratio, which measures the ratio between available stable funds and the desirable available stable funds according to the type of investments made by the Group, stands at 120%.

The Group's liquid assets amount to 6,200 million euros, immediately available. In addition, Liberbank has an issuance capacity of 5,169 million euros.



Liberbank's funding structure is grounded on a wide base of stable funds, highly diversified and low maturity concentration.



Debt Ratings

Fitch. On March 20th, 2019, the agency raised the long term rating up to BB+, with stable perspective and a Viability Rating (VR) of bb+.

DBRS. On June 14th, 2019, the agency confirmed the long term rating of Liberbank as BBB (low) and raised the perspective from negative to stable. The short term rating stands at R2 middle.

Moody's. On March 21st 2019, the agency revised upwards the long term credit rating of Liberbank from Ba3 to Ba2, with stable perspective. Moody's also improved the long-term counterparty risk rating (CR Assessment) from Ba1 to Baa3. In this way, the agency also revised upwards the covered bonds rating, from A1 to Aa2.

Significant subsequent events

On July 17th 2019, the public deed for the reduction of the share capital of Liberbank, S.A., was registered at the Mercantile Registry of Madrid. This reduction amounts to 516 thousand euros, through the redemption of 25,800,000 treasury shares at 0.02 euros par value per share, representing 0.841% of the total share capital. After this operation, the share capital totals 60,815 thousand euros, represented by 3,040,745,993 nominal shares at 0.02 par value per share. This capital reduction does not entail any variation in the calculation of earnings per share (neither basic nor diluted).

Digital Transformation

Liberbank customers can already associate their credit cards to any of the three existing payment platforms: Google Pay, Apple Pay and Samsung Pay.

This is a new advance, framed within the open banking strategy, where payments can be made via smartphone or smartwatch in a simple, safe, fast and convenient way.

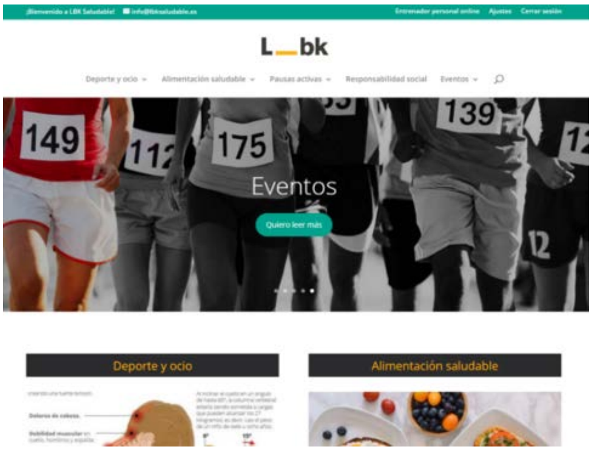
Within the framework of its open banking strategy, based on alliances with leading companies in customer solution, Liberbank has signed a strategic alliance with Google Cloud and Atmira to develop innovative and disruptive solutions in the banking sector, creating new functionalities based on Artificial Intelligence through the latest cloud infrastructure technology, Kubernetes.

Customer experience

During the second quarter, Liberbank implemented a personal customer service through remote managers, called “Junto a **tí**”.

This new channel seeks to merge the advantages of personal contact with new technologies, to provide a differential, customized and remote service to certain customers. This will materialized in a contact person available to answer to their needs and financial queries, through an extended and flexible service.

Employee experience



In June the new web LBK Saludable was launched to provide staff with information and initiatives promoting a healthy and active lifestyle.

The web includes content related to sport and leisure, healthy eating, active breaks, social responsibility, a calendar of events and options for participating and enlisting in the Bank’s volunteer program.

5. Glossary

In addition to the financial information presented in this document, prepared in accordance with IFRS, certain Alternative Performance Measures (APM) are included, as defined by the guidelines on Alternative Performance Measures published by the European Securities and Markets Authority (ESMA) on June 30 2015 (ESMA/2015/1057) ("the ESMA guidelines").

ESMA guidelines define an APM as a financial measure of historical or future financial performance, financial position, or cash flows, other than a financial measure defined or specified in the applicable financial reporting framework.

Liberbank uses some APMs, which have not been audited, aiming to contribute to a better understanding of the financial evolution of the Group. These measures should be considered additional information, and should by no means replace the financial information. Moreover, these measures might differ, both in their definition and calculation, from other similar measures calculated by other corporates, and therefore, may not be comparable.

Alternative Performance Measures (APM):

NPL (Non-performing Loans): Non-performing customer loans (gross) registered under the *"Financial Assets (FA) held for trading", "Non-trading FA mandatorily at fair value (FV) through P&L","FA at FV through other comprehensive income" and "Financial Assets at amortized cost"* heading, inside the "*Loan and receivables, to customers"* heading. As of June 30th, 2019, amount to 1,011 million euros (1,076 million euros as of March 31st, 2019 and 1,584 million euros as of June 30th, 2018), and is included in "Non-performing Loans", within the "Key indicators – Risk Management" section.

NCAHS (Non-current assets held for sale): Gross Foreclosed assets of real-estate nature registered under the "*Non-current assets held for sale"* heading. As of June 30th, 2019 amount to 1,738 million euros (1,864 million euros as of March 31st, 2019 and 2,252 million euros as of June 30th, 2018), and is included in "Gross foreclosed assets" within the "Key indicators – Risk Management" section.

NPL Ratio: Quotient between non-performing loans (gross) and total loans (gross). Numerator and denominator are registered under the *"Financial Assets (FA) held for trading", "Non-trading FA mandatorily at fair value (FV) through P&L","FA at FV through other comprehensive income" and "Financial Assets at amortized cost"* heading, inside the *"Loans and receivables"* heading of the public balance sheet. Neither numerator nor denominator, include repurchase agreements, value adjustments or debts accounted in the prudential balance sheet within the Other financial assets not related to Credit institutions heading. The NPL ratio stands at 4.1% as of June 30th, 2019 (4.5% as of March 31st, 2019 and 6.8% as of June 30th, 2018).

In € Million	30/06/2019	31/03/2019	30/06/2018	Report Section
NPL Ratio (1/2)	**4.1%**	**4.5%**	**6.8%**	**See "Key Indicators - Risk Management"**
(1) Gross NPL	**1,011**	**1,076**	**1,584**	**See "Key Indicators - Risk Management"**
(2) Total Gross Loans	**24,536**	**23,888**	**23,450**	
(+) Gross performing Loans	23,525	22,812	21,867	See "Key Indicators - Balance Sheet"
(+) NPL	1,011	1,076	1,584	See "Key Indicators - Risk Management"

RED NPL Ratio: Quotient between non-performing loans (gross) of the Real Estate Development sector, registered under the *"Financial Assets (FA) held for trading", "Non-trading FA mandatorily at fair value (FV) through P&L","FA at FV through other comprehensive income"* and *"Financial Assets at amortized cost"* heading, inside the "*Loan and receivables, to customers"* heading, and total loans (gross) of the Real Estate Development Sector, registered under the *"Financial Assets (FA) held for trading", "Non-trading FA* *mandatorily at fair value (FV) through P&L","FA at FV through other comprehensive income"* and *"Financial Assets at amortized cost"* heading, inside the "*Loan and receivables, to customers"* heading. As of June 30th, 2019 stands at 29.8% (31.1% as of March 31st, 2019 and 64.0% as of June 30th, 2018).

In € Million	30/06/2019	31/03/2019	30/06/2018	Report Section
Real Estate NPL Ratio (1/2)	**29.8%**	**31.1%**	**64.0%**	**See "Gross NPL Evolution - Productive Activity Financing - Real Estate"**
(1) Real Estate Gross NPL	**119**	**145**	**385**	See "Gross NPL Evolution - Productive Activity Financing - Real Estate"
(2) Real Estate Total Gross Loans	**401**	**466**	**602**	
(+) Performing Loans (under "Credit to Private Sectors - Productive activities financing - Real Estate")	281	321	217	See "Gross Performing Loans - Credit to Private Sectors - Productive activities financing - Real Estate"
(+) Gross NPL (under "Productive activities financing - Real Estate")	119	145	385	See "Gross NPL Evolution"

Loan to deposit: Quotient between customer loans (net) and Deposits. Loans are recorded under the *"Financial Assets (FA) held for trading", "Non-trading FA mandatorily at fair value (FV) through P&L","FA at FV through other comprehensive income"* and *"Financial Assets at amortized cost"* heading, inside the "*Loan and receivables, to customers"* heading of the public balance sheet, from which repurchase agreements are deducted. Deposits are registered under the *"Financial liabilities measured at amortized cost (Deposits)*" heading of the public balance sheet. For the purpose of this calculation covered bonds, repurchase agreements, central Banks and credit institutions deposits are deducted, and promissory notes and retail CoCos are added. As of June 30th, 2019 stands at 95.2% (95.4% as of March 31st, 2019 and 94.7% as of June 30th, 2018).

In € Million	30/06/2019	31/03/2019	30/06/2018	Report Section
Loan to deposits (1/2)	**95.2%**	**95.4%**	**94.7%**	**See "Key Indicators - Balance Sheet"**
(1) Loans (Net)	**24,418**	**23,693**	**23,190**	
(+) Loans and advances to customers	24,250	23,487	22,998	See "4. Financial Evolution - Consolidated Balance Sheet"
(+) Non-trading FA mandatorily at fair value through P&L	168	206	192	
(-) Repurchase agreements	0	0	0	
(2) Deposits	**25,637**	**24,837**	**24,495**	
(+) Customer Funds on Balance Sheet	25,129	24,313	23,930	See "Resources"
(+) Value adjustments	494	514	458	
(+) Debt securities issued	15	10	22	Internal Information
(+) Retail CoCos	0	0	86	

Liquidity Coverage Ratio (LCR): Quotient between high quality liquid assets and the Total net cash outflows (outflows minus inflows) expected during a 30 day stress scenario. As of June 30th, 2019 stands at 249%.

In € Million	30/06/2019
Liquidity Coverage Ratio (LCR) (1/2)	**249%**
(1) High quality liquid assets	**4,862**
(2) Total net cash outflows (outflows minus inflows) expected during a 30 day stress scenario	**1,955**

Net Stable Financial Ratio (NSFR): Quotient between the available stable funding and the required stable funding. This quotient must be at least, of 100% at every moment. The "available stable funding" is defined as the proportion of own and external resources expected to be reliable over the time horizon considered by the NSFR (1 year). The amount of stable funding required is a function of the liquidity characteristics and residual maturities of its various assets and off-balance sheet positions. As of June 30th, 2019 stands at 120%.

In € Million	30/06/2019
Net Stable Financial Ratio (NSFR) (1/2)	120%
(1) Available stable funding	30,763
(2) Required stable funding	25,596

Credit coverage Ratio: Defined as Credit impairment losses over NPL (gross). Numerator and denominator are registered under the *"Financial Assets (FA) held for trading", "Non-trading FA mandatorily at fair value (FV) through P&L","FA at FV through other comprehensive income"* and *"FA at Amortized cost"* inside the "*Loan and receivables, to customers"* heading of the public balance sheet. As of June 30th, 2019 stands at 50% (53% as of as of March 31st, 2019 and 52% as of as of June 30th, 2018).

In € Million	30/06/2019	31/03/2019	30/06/2018	Report Section
Credit coverage ratio (1/2)	50%	53%	52%	See "Key Indicators - Risk Management"
(1) NPL impairment losses	505	568	828	See "Impaired Assets Evolution (and their coverages)"
(2) Non-Performing Loans (NPL)	1,011	1,076	1,584	See "Key Indicators - Risk Management"

Foreclosed assets coverage Ratio: Defined as foreclosed assets impairment losses over foreclosed assets (gross). Numerator and denominator are recorded under the *"Non-current assets held for sale heading"*. As of June 30th, 2019 stands at 50% (50% as of as of March 31st, 2019 and 49% as of June 30th, 2018).

In € Million	30/06/2019	31/03/2019	30/06/2018	Report Section
Foreclosed assets coverage ratio (1/2)	50%	50%	49%	See "Key Indicators - Risk Management"
(1) Foreclosed assets impairment losses	861	930	1,109	See "Gross Foreclosed Assets Evolution"
(2) Gross Foreclosed Assets	1,738	1,864	2,252	See "Key Indicators - Risk Management"

Impaired assets coverage Ratio: Defined as Credit impairment losses, registered under the *"Financial Assets (FA) held for trading", "Non-trading FA mandatorily at fair value (FV) through P&L","FA at FV through other comprehensive income"* and *"Financial Assets at amortized cost"* heading, inside the "*Loan and receivables, to customers"* heading, plus foreclosed assets impairment losses registered under the "*Non-current assets held for sale"* heading, over NPL (gross), registered under the *"Financial Assets (FA) held for trading", "Non-trading FA mandatorily at fair value (FV) through P&L","FA at FV through other comprehensive income"* and *"Financial Assets at amortized cost"* heading, inside the "*Loan and receivables, to customers"* heading, plus foreclosed assets (gross), registered under the "*Non-current assets held for sale"* heading. As of June 30th, 2019 stands at 50% (51% as of March 31st, 2019 and 50% as of June 30th, 2018).

In € Million	30/06/2019	31/03/2019	30/06/2018	Report Section
Impaired assets coverage ratio (1/2)	**50%**	**51%**	**50%**	**See "Key Indicators - Risk Management"**
(1) Non-productive assets impairment losses	**1,366**	**1,497**	**1,937**	
(+) NPL impairment losses	505	568	828	See "Impaired Assets Evolution (and their coverages)"
(+) Foreclosed assets impairment losses	861	930	1,109	
(2) Non-productive assets	**2,749**	**2,940**	**3,836**	
(+) Gross Non-performing Loans	1,011	1,076	1,584	
(+) Gross Foreclosed assets	1,738	1,864	2,252	

Risk Cost: Quotient between the *"financial assets impairment losses (Loans)"* heading of the consolidated public profit and loss account (annualized when not corresponding to a full financial year), over Loans (gross), registered under the *"Financial Assets (FA) held for trading", "Non-trading FA mandatorily at fair value (FV) through P&L","FA at FV through other comprehensive income"* and *"Financial Assets at amortized cost"* heading *"Financial Assets at amortized cost"* heading, inside the "*Loan and receivables, to customers"* heading. The recurrence of impairments is taken into account while annualizing them. As of June 30th, 2019 stands at 0.25% (0.25% as of March 31st, 2019 and 0.25% as of June 30th, 2018).

In € Million	30/06/2019	31/03/2019	30/06/2018	Report Section
Cost of Risk (1/2)	**0.25%**	**0.25%**	**0.25%**	**See "Evolution of Cost of Risk"**
(1) Impairment losses on financial assets (net) (of Loans)	**29**	**14**	**31**	**See "Loan Impairments"**
(2) Total Gross Loans	**24,536**	**23,888**	**23,450**	
(+) Gross Performing Loans	23,525	22,812	21,867	See "Key Indicators - Balance Sheet"
(+) Non-performing Loans	1,011	1,076	1,584	See "Key Indicators - Risk Management"
Non-recurrent impairments (not annualized)	*-3*	*-2*	*4*	Internal Information

Customer spread: Defined as the difference between financial income from retail business (annualized when not corresponding to a full financial year), registered under the *"Financial Income"* heading of the public profit and loss consolidated account, and expressed in relative terms, over gross loans average balances, registered under the *"Financial Assets (FA) held for trading", "Non-trading FA mandatorily at fair value (FV) through P&L","FA at FV through other comprehensive income"* and *"Financial Assets at amortized cost"* heading, inside the "*Loan and receivables, to customers"* heading, minus retail financial costs (annualized when not corresponding to a full financial year), registered under the *"Financial expenses"* heading of the public profit and loss consolidated account and expressed in relative terms (over customer deposits average balances), registered under the *"Financial Liabilities at amortized costs"* heading. As of June 30th, 2019 stands at 1.62% (1.59% as of March 31st, 2019 and 1.64% as of June 30th, 2018).

In € Million	30/06/2019	31/03/2019	30/06/2018	Report Section
Customer Spread (1-2)	**1.62%**	**1.59%**	**1.64%**	**See "Customer Spread Evolution"**
(1) Quarterly Financial Income Rate (a/b)	**1.68%**	**1.65%**	**1.69%**	See "Quarterly Net Interest Income Evolution"
(a) Quarterly Financial Income coming from retail business	101	97	96	
(b) Gross Loans Average Balance	24,099	23,569	22,577	
(2) Quarterly Financial costs Rate (c/d)	**0.06%**	**0.06%**	**0.05%**	
(c) Quarterly retail financial costs	4	4	3	
(d) Customers resources on balance sheet average balance	24,410	24,198	22,882	

Tangible Book value per share: Quotient between "*Total Equity*" reduced by "*Minority Interests*" and "*Intangible Assets*" of the Balance sheet, and the number of outstanding shares. As of June 30th, 2019 stays at 0.94 (0.92 as of March 31st 2019 and 0.90 as of June 30th 2018). The number of outstanding shares as of June 30th 2019 takes into account the amortization of 25.8 million treasury shares, approved by the General Shareholder's Meeting on April 30th 2019.

In € Millions	30/06/2019	31/03/2019	30/06/2018	Report Section
Tangible Book value per share (1/2)	**0.94**	**0.92**	**0.90**	
(1) Tangible assets (a-b-c)	**2,872**	**2,816**	**2,639**	
(a) Total Equity	3,015	2,956	2,771	See "Consolidated Balance Sheet"
(b) Minority interests	0	0	0	See "Consolidated Balance Sheet"
(c) Intangible assets	143	140	132	See "Consolidated Balance Sheet"
(2) Nº of shares outstanding (thousands)	**3,041**	**3,067**	**2,936**	See "The share" and "Significant subsequent events"

Management indicators and public financial statements reconciliation:

Net Fees: includes "*Fees income and Fees costs*" headings of the public statement.

Gains (losses) on financial assets and liabilities: matches with the *"Gains or (-) losses on derecognition of financial assets and liabilities not measured at fair value through profit or loss, net"," Gains or (-) losses on financial assets and liabilities held for trading, net", "Gains or (-) losses on financial assets and liabilities designated at fair value through profit or loss, net"* and *"Gains or (-) losses from hedge accounting, net"* headings from the public account.

Other operating results (net): includes *"other operating income"* and *"other operating costs"* headings of the public account.

Operating Margin: equals the spread between *"Gross Margin"* and *"Administrative costs"* plus *"Amortizations"* headings of the public account.

Provisions: matches with *"Provisions or reversal of provisions"* heading of the public account.

Financial assets impairment losses (net): matches with the "*Financial assets not measured at fair value through profit or loss impairment losses or reversal of impairment losses*" heading of the public account.

Other assets impairment losses (net): matches with the "*Non-financial assets impairment losses or reversal of impairment losses*" heading of the public account.

Other gains / losses: matches with the "*Gains or (-) losses on derecognition of non-financial assets, net*", "*Negative goodwill recognized in profit or loss"* and *"Gains or losses coming from non-current assets and disposal groups classified as held for sale not qualifying as discontinued operations"*, all of them from the public account.

Pre-tax Income: matches with the *"Profit or loss before tax from continuing operations"* heading of the public account.

Income Tax: matches with the *"Tax expense or income related to profit or loss from continuing operations"* heading of the public account.