

Information on solvency and asset quality. Definitions

Variable	Definition
Key performance indicators	
Return on equity (a)	ROE (Return on Equity) or financial return is an indicator that measures the return on capital invested by the shareholders. Specifically, it measures the profitability obtained by the company on its own funds. It is calculated as follows: Net Profit or Loss (annualized) / Total net equity at the end of the reference period. For the calculation of the indicators corresponding to the first, second and third quarters, the net result that appears in the income statement of those quarters is annualized because in these periods the amount of the income statement does not correspond to a full year of activity.
Return on assets (a)	ROA (Return on Assets) or economic return is an indicator that measures the profitability of the total assets of the entity. Express the economic profitability of the company, regardless of the way in which the asset is financed (with own resources or resources from third parties). It is calculated as follows: Net Profit or Loss (annualized) / Total assets at the end of the reference period. For the calculation of the indicators corresponding to the first, second and third quarters, the net result that appears in the income statement of those quarters is annualized because in these periods the amount of the income statement does not correspond to a full year of activity.*
Cost-to-income ratio	The efficiency ratio is an indicator that relates the income obtained with the expenses necessary to achieve it. An entity will be more efficient the lower its efficiency ratio. It is calculated as follows: (Administration expenses + Depreciation expenses) / Total Operating income. For its calculation, the accumulated data is used directly from the income statement.
Cost of Risk	It is calculated as follows: provisions for impairment losses / gross loans and advances at the end of the reference period. For the calculation of the indicators corresponding to the first, second and third quarters, the provisions for impairment that appears in the income statement of those quarters is annualized because in these periods the amount of the income statement does not correspond to a full year of activity.
(a) In the consolidated statements, the net result is the result attributed to the dominant entity.	
Capital adequacy and its components (b)	
Total risk exposure amount	Sum of the total risk exposures. For more information about the different risks and their calculation form see the detail of the Risk exposures composition.
Total capital - Amount	It includes both level 1 and level 2 capital instruments (capital instruments and subordinated loans of lower quality than Tier 1 capital) with the characteristics established in Regulation (EU) No. 575/2013.
Total capital - Ratio	Total capital on total risk exposure expressed as a percentage.
Tier 1 - Amount	Consists of the sum of the Common Equity Tier 1 capital and Additional Tier 1 capital (intermediate capital category of lower quality than Common Equity Tier 1 capital) in accordance with Regulation (EU) No 575/2013.
Tier 1 - Ratio	Tier 1 capital on total risk exposure expressed as a percentage.
CET1 - Amount	Higher quality capital instruments as established in Regulation (EU) No 575/2013, issued directly by the entity, considered net equity for accounting purposes and being reported separately in the balance sheet.
CET1 - Ratio	Common Equity Tier 1 capital on total risk exposure expressed as a percentage.
(b) In accordance with the transitional provisions laid down in Regulation (EU) No 575/2013.	
Leverage ratio and its components (c)	
Tier 1 capital	Tier 1 capital amount (see previous section).
Total exposure	Sum of the exposure values of all assets and off-balance sheet items not deducted when determining the Tier 1 capital referred to in the previous section, as well as the additions by counterparty credit risk in accordance with the valuations and methodology established in Article 429 of Regulation (EU) No 575/2013.
Leverage ratio	It is calculated as follows: Tier 1 capital / Total exposure of the previous section.
(c) In accordance with the transitional provisions laid down in Regulation (EU) No 575/2013.	

Risk exposures composition

Credit risk weighted exposure amounts	Sum of the exposures (include all debt instruments: loans and advances, debt securities and off-balance sheet exposures) weighted subject to credit risk, that is, the possibility of suffering losses arising from the debtor's default on its obligations contractual. Each exposure is weighted according to the risk each one poses to the entity in accordance with the provisions of Regulation (EU) No 575/2013. The regulation provides a series of percentages (called risk weights) that, applied to the value of each of the exposures, determines the aforementioned risk-weighted exposure.
of which: standardised Approach (SA)	The entity classifies its exposures subject to credit risk according to external ratings (provided by rating agencies) and calculates the weighted exposures to credit risk by applying the percentages indicated in Regulation (EU) No 575/2013.
Market risk exposure amount	Sum of weighted exposures subject to market risk. The entity could suffer losses derived from adverse movements in the market prices of the trading instruments with which it operates.
of which: market risk exposure under SA	The entity calculates the own funds requirements for market risk according to the different standard methodologies described in Regulation (EU) No. 575/2013.
Operational risk exposure amount	Risk of losses due to the inadequacy or failure of procedures, people or internal systems, or external events, including legal risk. These losses could arise from events such as internal and external fraud, labor relations and job security; practices with clients, products and businesses; damage to material assets or incidents in the business and system failures.
of which: operational risk exposure under TSA/ASA (d)	The entity calculates the own fund requirements due to operational risk based on the activity indicators of each line of business, as defined in Regulation (EU) No 575/2013.
Other	Sum of: - Settlement/delivery risk exposure amount: the weighted exposures subject to liquidation and delivery risk. The entity could suffer losses derived from those operations with elements of the trading portfolio that remain unsettled after the stipulated date. - Risk exposure for credit valuation adjustment: requirement of additional capital that is intended to cover the losses that the entity may suffer as a result of the fall in the market value of a product due to the possible worsening in the credit quality of the counterparty in the case, mainly of derivative products. - Additional amounts to the exposure to risk, due, among others, to general fixed expenses and large exposures in the trading portfolio.
Total risk exposure amount	Amount of the total of the previous exposures: credit risk, settlement / delivery, market risk, operational risk, credit risk adjustment and others.

(d) Method not in force in the amendment of Regulation (EU) No 575/2013 as of January 1, 2025. Data available until Dec-24

Minimum Requirement for own funds and Eligible Liabilities (MREL)

Own funds	Own funds (eligible): includes both Tier 1 and Tier 2 capital instruments that meet the eligibility criteria set out in Regulation (EU) N° 575/ 2013.
Eligible liabilities	Liabilities that meet the eligibility criteria set out in Regulation (EU) N° 575/2013.
of which: subordinated liabilities	Eligible liabilities that meet the subordination requirements with respect to ordinary liabilities.
MREL capacity	Total own funds and eligible liabilities.
Subordinated part of MREL capacity	Total own funds and eligible liabilities that meet the conditions of subordination to ordinary liabilities.
MREL capacity in terms of total risk exposure amount	Total own funds and eligible liabilities on total risk exposure amount expressed as a percentage.
Subordinated part of MREL capacity in terms of total risk exposure amount	Total own funds and eligible subordinated liabilities on total risk exposure expressed as a percentage.

Asset quality: total exposures

Total exposures	Gross book value of all debt instruments: loans and advances, debt securities and off-balance sheet exposures, except those held for trading. Off-balance-sheet exposures include the following revocable and irrevocable items: loan commitments granted, financial guarantees granted and other commitments granted.
Total exposures: Non-performing - Amount	Gross book value of the exposures listed in the previous section that are classified as non-performing: (a) significant exposures in default with amounts due for more than 90 days; (b) non-default exposures for which it is considered unlikely that the debtor fully complies with its credit obligations without the execution of the actual guarantee, regardless of whether or not there are past due amounts or the number of days from the maturity of the amounts.
Total exposures: Performing - Amount	Gross book value of all debt instruments: loans and advances, debt securities and off-balance sheet exposures, except those held for trading that do not meet the requirements for classification as non-performing in the previous category.
Total exposures: Non-performing - Ratio	Total non-performing exposures on the total of exposures expressed as a percentage.
Total exposures: Performing - Ratio	Total performing exposures on the total of exposures expressed as a percentage.
Coverage ratio of performing exposures	Amount of the hedges of the accumulated impairment losses of the non-performing exposures on the total non-performing exposures expressed in percentage. From 1 January 2018, the year of entry into force of IFRS 9. Financial instruments, the impairment is calculated following the expected loss model. For risks classified as non-performing, the expected loss will correspond to the default events that have already occurred.
Coverage ratio of non-performing exposures	Amount of the hedges of the accumulated impairment losses of the performing exposures on the total of the performing exposures expressed in percentage. From 1 January 2018, the year of entry into force of IFRS 9. Financial instruments, the impairment is calculated following the expected loss model. For the risks classified as normal or normal in special surveillance, the expected loss will be that resulting from the events of non-compliance that may occur in the operation in the twelve months following the reference date or throughout the life of the asset, respectively.

Asset quality: loans and advances

Loans and advances	Gross book value of loans and advances against all sectors of the economy excluding exposures held for trading.
Non-performing loans and advances - Amount	Gross book value of the loans and advances listed in the previous section that are classified as non-performing: (a) significant loans and advances in default with amounts due for more than 90 days; (b) non-default loans and advances for which it is considered unlikely that the debtor fully complies with its credit obligations without the execution of the actual guarantee, regardless of whether or not there are past due amounts or the number of days from the maturity of the amounts.
Performing exposures: Loans and advances - Amount	Gross book value of loans and advances against all sectors of the economy excluding exposures held for trading that do not meet the requirements for classification as non-performing in the previous category.
Non-performing loans and advances - Ratio	Total non-performing loans and advances on total loans and advances expressed as a percentage.
Performing exposures: Loans and advances - Ratio	Total performing loans and advances on total loans and advances expressed as a percentage.
Coverage ratio of non-performing loans and advances	Amount of the hedges of the accumulated impairment losses of the non-performing loans and advances on the total non-performing loans and advances expressed in percentage. From 1 January 2018, the year of entry into force of IFRS 9. Financial instruments, the impairment is calculated following the expected loss model. For risks classified as non-performing, the expected loss will correspond to the default events that have already occurred.
Coverage ratio of performing loans and advances	Amount of the hedges of the accumulated impairment losses of the performing loans and advances on the total of the performing loans and advances expressed in percentage. From 1 January 2018, the year of entry into force of IFRS 9. Financial instruments, the impairment is calculated following the expected loss model. For the risks classified as normal or normal in special surveillance, the expected loss will be that resulting from the events of non-compliance that may occur in the operation in the twelve months following the reference date or throughout the life of the asset, respectively.

Asset quality: forbearance

Forborne exposures	Amount of the total exposures for which forbearance measures have been applied. These measures consist of concessions towards a debtor that is experiencing or about to experience difficulties in meeting its financial commitments ('financial difficulties').
Forborne exposures: Non-performing - Amount	Forborne exposures that are classified as non-performing (see definition of Total non-performing exposures).
Forborne exposures: Performing - Amount	Forborne exposures that do not meet the requirements for classification as non-performing in the previous category.
Forborne exposures: Non-performing - Ratio	Total non-performing forborne exposures on total forborne exposures expressed as a percentage.
Forborne exposures: Performing - Ratio	Total performing forborne exposures on total forborne exposures expressed as a percentage.
Coverage ratio of non-performing forborne exposures	Amount of the hedges of the accumulated impairment losses of the non-performing forborne exposures on the total non-performing forborne exposures expressed in percentage. From 1 January 2018, the year of entry into force of IFRS 9. Financial instruments, the impairment is calculated following the expected loss model. For risks classified as non-performing, the expected loss will correspond to the default events that have already occurred.
Coverage ratio of performing forborne exposures	Amount of the hedges of the accumulated impairment losses of the performing forborne exposures on the total of the performing forborne exposures expressed in percentage. From 1 January 2018, the year of entry into force of IFRS 9. Financial instruments, the impairment is calculated following the expected loss model. For the risks classified as normal or normal in special surveillance, the expected loss will be that resulting from the events of non-compliance that may occur in the operation in the twelve months following the reference date or throughout the life of the asset, respectively.

Asset quality: fair value hierarchy

Total assets	Total asset at the end of the reference period.
Total financial assets at fair value - Amount	Total financial assets measured at fair value. Sum of the Level 1, 2 and 3 asset categories.
Total financial assets at fair value - Ratio	Total financial assets measured at fair value on total assets expressed as a percentage.
Level 1 - Amount	Level 1 financial assets measured at fair value in accordance with the provisions of paragraph 72 of IFRS 13. Its valuation has been carried out directly using the quoted price, observable and captivable from independent sources, and referred to active markets.
Level 1 as a share of total assets	Level 1 financial assets on total assets expressed as a percentage.
Level 2 - Amount	Level 2 financial assets measured at fair value in accordance with the provisions of paragraph 72 of IFRS 13. Its valuation has been carried out by applying techniques that use variables obtained from observable data in the market, either directly or indirectly.
Level 2 as a share of total assets	Level 2 financial assets on total assets expressed as a percentage.
Level 3 - Amount	Level 3 financial assets measured at fair value in accordance with the provisions of paragraph 72 of IFRS 13. Its valuation has been carried out through techniques in which variables not obtained from observable data in the market are used.
Level 3 as a share of total assets	Level 3 financial assets on total assets expressed as a percentage.

Asset quality: loans and advances subject to impairment review

Total loans and advances subject to impairment review	Loans and advances at amortised cost and fair value through other comprehensive income.
Stage 1 loans and advances - Amount	Loans and advances where credit risk has not increased significantly since initial recognition.
Stage 1 loans and advances - Ratio	Stage 1 loans and advances subject to impairment review on total loans and advances subject to impairment review expressed as a percentage.
Coverage ratio of stage 1 loans and advances	Amount of the hedges of the accumulated impairment losses of the stage 1 loans and advances subject to impairment review on total loans and advances subject to impairment review expressed as a percentage. From 1 January 2018, the year of entry into force of IFRS 9. Financial instruments, the impairment is calculated following the expected loss model. For risks classified as non-performing, the expected loss will correspond to the default events that have already occurred.
Stage 2 loans and advances - Amount	Loans and advances that have had a significant increase in credit risk since initial recognition.
Stage 2 loans and advances - Ratio	Stage 2 loans and advances subject to impairment review on total loans and advances subject to impairment review expressed as a percentage.
Coverage ratio of stage 2 loans and advances	Amount of the hedges of the accumulated impairment losses of the stage 2 loans and advances subject to impairment review on total loans and advances subject to impairment review expressed as a percentage. From 1 January 2018, the year of entry into force of IFRS 9. Financial instruments, the impairment is calculated following the expected loss model. For risks classified as non-performing, the expected loss will correspond to the default events that have already occurred.
Stage 3 loans and advances - Amount	Loans and advances assets that have objective evidence of impairment at the reporting date.
Stage 3 loans and advances - Ratio	Stage 3 loans and advances subject to impairment review on total loans and advances subject to impairment review expressed as a percentage.
Coverage ratio of stage 3 loans and advances	Amount of the hedges of the accumulated impairment losses of the stage 3 loans and advances subject to impairment review on total loans and advances subject to impairment review expressed as a percentage. From 1 January 2018, the year of entry into force of IFRS 9. Financial instruments, the impairment is calculated following the expected loss model. For risks classified as non-performing, the expected loss will correspond to the default events that have already occurred.
Purchased or originated credit-impaired loans and advances	Loans and advances that suffers credit impairment on the date of the initial recognition.
Purchased or originated credit-impaired - Ratio	Purchased or originated credit-impaired loans and advances on total loans and advances subject to impairment review expressed as a percentage.
Coverage ratio of purchased or originated credit-impaired loans and advances	Amount of the hedges of the accumulated impairment losses of the purchased or originated credit-impaired loans and advances on total loans and advances subject to impairment review expressed as a percentage. From 1 January 2018, the year of entry into force of IFRS 9. Financial instruments, the impairment is calculated following the expected loss model. For risks classified as non-performing, the expected loss will correspond to the default events that have already occurred.

Loan-to-deposit ratio

Loans and advances to non-financial corporations and households	Amount of the total loans and advances to non-financial corporations and households.
Deposits to non-financial corporations and households	Amount of the total deposits and advances to non-financial corporations and households.
Loan-to-deposit ratio	Loans and advances to non-financial corporations and households on deposits to non-financial corporations and households expressed as a percentage.

Deposits to total funding ratio

Deposits from credit institutions and other financial corporations to total funding ratio	Deposits from credit Institutions and from other financial companies to total funding amount expressed as a percentage.
Deposits from non-financial corporations to total funding ratio	Deposits from non-financial companies to total funding amount expressed as a percentage.
Deposits from households to total funding ratio	Deposits from households to total funding amount expressed as a percentage.

Net stable funding ratio

Available stable funding	Numerator of the net stable funding ratio: composed of elements of net equity and liabilities to which a factor is applied based on their stability on the entity's balance sheet.
Capital	Elements of regulatory capital and other capital elements.
Retail deposits	Retail deposits weighted based on their balance sheet stability.
Other non-financial customers	Deposits from other non-financial clients, except central banks.
Others	Rest of elements that count as available stable funding, the amount calculated as the difference between the total available stable funding deducting the amount of capital, retail deposits and other customer deposits.
Required stable funding	Denominator of the net stable funding ratio: composed of asset items to which a factor is applied based on their stability on the entity's balance sheet.
Loans	Amount of loans eligible as stable funding required.
Of which: residential	Amount of loans with a mortgage on residential real estate eligible as stable funding required.
Others	Rest of concepts computable as required stable funding.
Net stable funding ratio	Available stable funding to required stable funding expressed as a percentage.

Liquidity coverage ratio and its components

Liquidity buffer	Numerator of the liquidity coverage ratio: the volume of liquid assets free of charges, consisting of cash or assets that can be converted into cash with little or no loss of value in primary markets, in order to respond to liquidity needs in a liquidity stress scenario of 30 calendar days.
of which: Level 1 assets unadjusted	Higher quality and more liquid assets that include cash, certain assets against or guaranteed by central banks and public administrations, reserves in central banks under established conditions and certain assets issued by credit institutions or exposures in the form of guaranteed bonds. The level of these assets is not limited, they can represent an unlimited proportion of the fund.
Net liquidity outflow	Denominator of the liquidity coverage ratio: total expected cash outflows, minus total expected cash inflows, in the specified stress scenario for the subsequent 30 calendar days.
Liquidity coverage ratio	It is calculated as follows: Liquidity buffer / Net liquidity outflow.

NOTE: The ratios are calculated by aggregating separately the numerator and the denominator for the sample of banks, and then dividing them.