

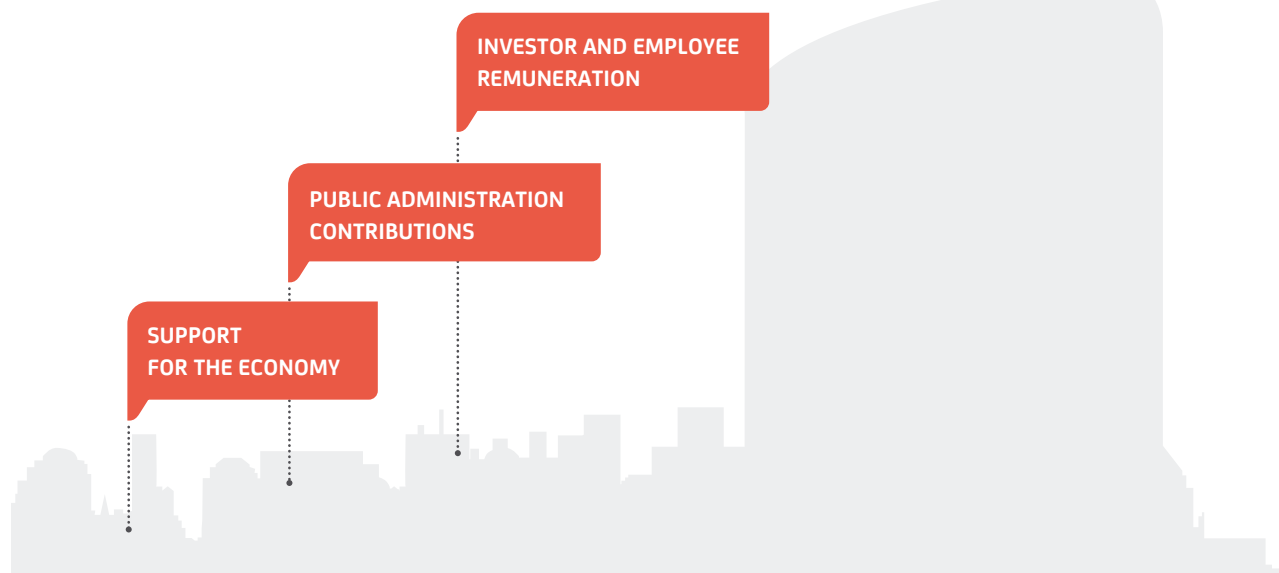
Financial Capital

Financial resources obtained from external providers and generated by our bank's activity, that are used to support clients' business and bank operations for the medium-long term.¹

OUR STOCKS OF CAPITAL



COMMUNITY IMPACTS



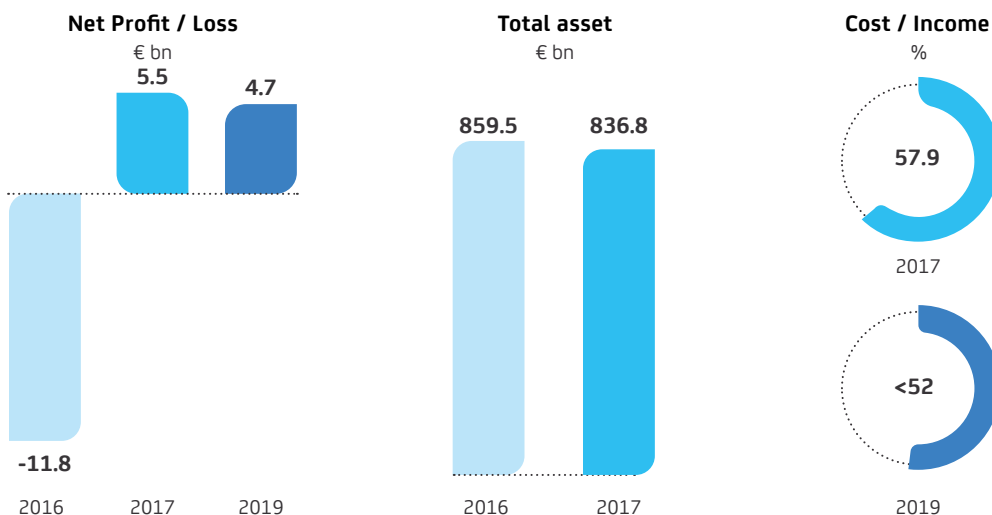
PRIORITIES 2018

- Continue to improve asset quality
- Cost discipline and efficiency measures to reduce cost income ratio and transform business processes

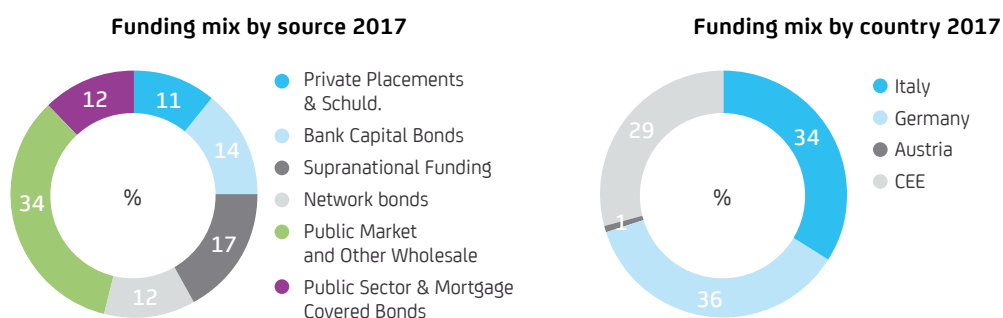
1. Financial data corresponds to information in our 2017 Consolidated Reports and Accounts. When not applicable, management data is used. For additional information on Group results, refer to the 2017 Consolidated Reports and Accounts and to the Presentation on 2017 preliminary results available on the investors section of the Group website. Refer to the Strategic Plan section for more information.



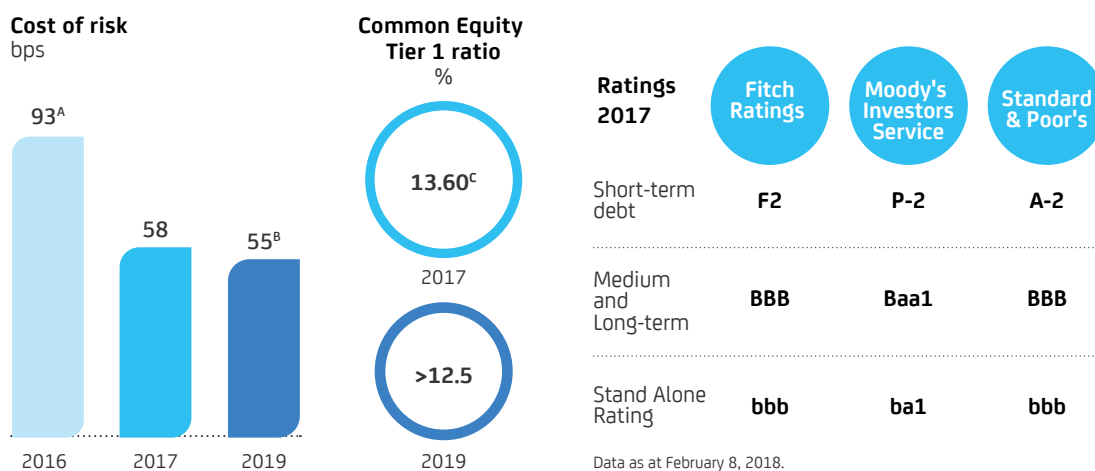
Solid Equity Position



Balanced funding mix



Long-term financial stability



A. Cost of risk adjusted for -€8.1 bn non recurring LLP in 4Q16, related to *Transform 2019*.

B. Original target for 2019 was 49 bps. Delta given by line adjustments for accounting changes on: NPEs time value accounting, NPEs accrued interest, reclassification of customers loans.

C. Fully loaded CET 1 ratio, 13.02 percent pro forma of IFRS9 and FINO.