BANCO MONTEPIO
2018 CONSOLIDATED RESULTS

Unaudited information

(year-on-year changes, unless when stated otherwise)

(This is a translation of the original document in Portuguese. In the event of inconsistency the Portuguese version shall prevail for any and all purposes)

Lisbon, 11 March 2019

- **NET INCOME** in 2018 amounted to €12.6Mn, which compares to €6.4Mn in 2017. Net income in the fourth quarter of 2018 reflects the effect of a number of exceptional factors not related to the current operation of Banco Montepio:
    - The sale of Banco Terra Moçambique, which led to a reduction of €3.7Mn in the net income due to the recycling of the negative foreign exchange reserve, despite the fact that the sale was carried out at a higher value than the book value;
    - The sale of a non-performing loan portfolio (NPL) in the amount of €239Mn (ATLAS operation), which resulted in a reduction of €8.4Mn in the net income;
    - The cost with the foreign exchange risk hedging of a stake denominated in Brazilian Reais, carried out as a capital preservation measure, amounting to €4.1Mn;
    - The provision for an administrative fine resulting from an administrative proceeding imposed by Banco de Portugal related to events occurred between 2009 and 2014, amounting to €2.5M.

Excluding the effect from the factors described above, and if everything else was unchanged, net income for 2018 would have amounted to €30Mn.

- The amount of deferred taxes reflects the cancellation of a €33Mn Deferred Tax Asset that had been recorded in 2016 and that was related to the financial position held in Montepio Holding, on the assumption of its liquidation upon the sale of its subsidiaries, namely Finibanco Angola, Banco Terra Moçambique, Montepio Investimento and Montepio Crédito.

- The evolution of the Net income in 2018, when compared to 2017, also reveals the unfavourable impact related to the non-reccurence of gains realized in 2017 with the sale of a substantial part of the sovereign debt portfolio (€84Mn), which was offset, positively, by the reduction of the impairments and provisions charges affecting results by €94Mn.
- **NET INTEREST INCOME** amounted to €248Mn in 2018, compared to €266Mn in 2017, and reflects the negative impact related to the lower income from the sovereign debt portfolio sold in 2017 estimated at around €28Mn, and the positive effect related to the recalculation of the ECB interest of €8Mn. Excluding these effects, the Net interest income would have been virtually stable when comparing to the value achieved in 2017.
- **COMMISSIONS** amounted to €118Mn in 2018, a decrease of 1.2% when compared to 2017, and reflect the effect of lower revenues on credit related commissions.
- **RESULTS FROM FINANCIAL OPERATIONS** in 2018 stood at €9.6Mn, compared to €70.7Mn in 2017, evidencing the impacts related to the abovementioned gains obtained in 2017 from sovereign bonds, and to the negative impact from the foreign exchange revaluation recorded in 2018.
- **OTHER OPERATING INCOME** in 2018 stood at -€10Mn, compared to €36Mn in 2017, reflecting the gains realized in 2017 related to the sale of sovereign debt securities recorded in investments held to maturity of €15Mn, the €14Mn gains related to the sale of a NPL portfolio (Ėvora) and the gains related to the assignement of employees to other companies in the amount of €12Mn, in this case due to the reclassification to the staff costs caption.
- **IMPAIRMENTS FOR CREDIT RISKS** recorded in 2018 amounted to €76Mn, leading to a **COST OF RISK** of 55bp, compared to 109bp recorded in 2017. However, if we take into account the IFRS9 transition adjustment, which implied an impairment reinforcement of €146Mn against own capital, we would have a total amount of €222Mn, contributing to the strengthening of the non-performing loans' coverage and an effective cost of risk of 1.62%.

- **OPERATING COSTS** in 2018 amounted to €259.5Mn, reflecting a decrease of €9Mn compared to 2017, reflecting negatively the impact of the wages and careers unfreezing, of the increase in the costs with the Pension Fund and of the compensation payments to previous members of the corporate bodies, and reflecting positively the impact of the reclassification of income related to the assignment of employees to other companies.

- **COST-TO-INCOME**, excluding net gains from financial operations and other operating income, reached 69.3% in 2018, compared to 67.2% in 2017.

- **Customers' Deposits stood at €12,566Mn,** as a result of the retail and corporate customers' increase, despite the historically low interest rate environment and the increased competitive environment.

- **LOANS TO CUSTOMERS** (gross) stood at €13,078Mn on 31 December 2018, reflecting a decrease of 7.0% when compared to the amount recorded at the end of 2017, due to the reduction in mortgage and corporate loan portfolios, as well as to the write-off of a non-performing loan portfolio (sale of €209Mn of NPL and €150Mn in write-offs). Without these effects, the decrease in loans to customers would have been of 4.5%, in line with the evolution of the sector in the domestic activity.

- **COMMERCIAL GAP** recorded a favourable evolution, with the ratio of customers' loans to deposits[1] standing at 88.7%, compared to 92.4% at the end of 2017.

- **Non-performing exposures ratio (NPE) improved to 14.3%** versus 16.4% in December 2017 (a decrease of 2.1 percentage points, or 2.4 percentage points if compared against the pro-forma ratio in 2017 considering application of IFRS9), accomplishing the strategic goal aimed at reducing this ratio.

- **Credit and interest overdue by more than 90 days** decreased by €261Mn in December 2018, when compared to December 2017, whilst its ratio decreased from 8.2% in 2017 to 6.8% in 2018 (credit and interest overdue by more than 90 days coverage by impairment and provisions increased from 90.2% in 2017 to 108.4% in 2018).

[1] Loans to customers (net) / (Deposits from customers and other liabilities + Debt securities issued)

- **LIQUIDITY COVERAGE RATIO** (LCR) stood at 160.5% as at 31 December 2018, above the minimum regulatory requirement of 100% applicable in 2018, and compared with 153.2% at the end of 2017.

- **Funding from the ECB** reached €1,395Mn as of 31 December 2018, decreasing by €163Mn when comparing to the amount recorded at the end of 2017.

- The phasing-in **CET1** and **Total Capital** ratios stood at 13.5% and 14.1% respectively.

- **Shareholders' equity** decreased by €182Mn in 2018, reflecting in particular the effects from the following drivers:
    - IFRS9 transition adjustment in the negative amount of 96M€,
    - the accounting of negative foreign exchange reserves of €33Mn,
    - the unfavourable actuarial deviations of the Pension Fund of €35Mn,
    - the unfavourable change of fair value reserves of €37Mn, and, positively,
    - the accounting of the positive net income in the amount of €12,6Mn.

In 2018, Banco Montepio continued to carry out a set of initiatives aimed at developing and implementing an economically sustainable business model, in particular as regards balance sheet deleveraging, embodied in the reduction of the non-performing loans (NPL) and of the exposure to the real estate sector, and the improvement of liquidity levels, through the collection and retention of customers' deposits and the active management of the securities and other instruments portfolio.

Net assets stood at 18,369 million euros at the end of 2018, compared to 20,200 million euros at 31 December 2017. The evolution of Net assets compared to the end of 2017 reveals a reduction of 9.1% supported by the reductions of the Financial assets at fair value through other comprehensive income by 1,757 million euros (of which 459 million euros were recorded in the portfolio of Financial assets not held for trading at fair value through profit and loss), of the loan portfolio by 910 million euros and of the investment properties by 286 million euros (due to the deconsolidation of the real estate investment fund Valor Prime). Conversely, in 2018 the Other assets at amortized cost presented an increase of 1,256 million euros.

At 31 December 2018, total liabilities stood at 16,806 million euros, a decrease of 1,631 million euros compared to the value of 18,437 million euros presented at the end of 2017, evidencing the decreases in the Deposits from other credit institutions (-510 million euros), in the Debt securities issued (-450 million euros), in Other subordinated liabilities (-186 million euros) and in Deposits from central banks (-163 million euros). As of 31 December 2018, the Shareholders' Equity financed 8.5% of the Assets and the Customers' deposits remained as the main source of funding, representing 68.4% of the Assets.

Shareholders' Equity stood at 1,563 million euros at 31 December 2018, which represents a decrease of 200 million euros when compared to the end of 2017, due to the unfavourable impacts related to the IFRS9 transition adjustment of €96Mn, to the accounting of negative foreign exchange reserves of €33Mn and to the negative fair value reserves of €37Mn, impacts that have been partially offset by the positive net income of €12.6Mn recorded in 2018.

PROFITABILITY

In 2018, Banco Montepio reported a net income of 12.6 million euros, compared to 6.4 million euros in 2017, which represents a positive change of 96.5%.

The Net interest income in 2018 stood at 248.1 million euros, compared to the value of 266.2 million euros in 2017. The evolution of the Net interest income was unfavourably influenced by the interest decrease in the loan and securities portfolios, and favourably influenced by the reduction observed in the interest paid on customers' deposits and debt issued.

The decrease observed in 2018 in interest from loan and securities portfolios, when compared to 2017, was 49.6 million euros and 24.7 million euros respectively, with the impact of the sale of sovereign debt securities made in the course of 2017 reflecting in the evolution of interest on the securities portfolio.

In 2018, and when comparing to the previous year, interest paid on customers' deposits decreased by 27.8 million euros, benefiting from the reduction of the average rate applied, and interest paid on debt issued decreased by 19.5 million euros.

Net commissions from customers' services reached 118.4 million euros in 2018, representing a reduction of 1.2% when compared to the value of 119.8 million euros recorded in 2017, reflecting the unfavourable impact of the reduction of commissions associated with loans granting, despite the positive contribution of the initiatives to adjust the price adequacy to the value of the services provided by Banco Montepio, namely with respect to payment services such as deposit, account maintenance and cards related fees.

The net gains from financial operations totaled 9.6 million euros in 2018, compared with 70.7 million euros in 2017, as a result of lower gains from the sale of sovereign debt, namely Portuguese sovereign debt (8.2 million euros in 2018 compared to 73.4 million euros in 2017).

Operating costs in 2018 totaled 259.5 million euros, representing a decrease of 8.5 million euros (-3.2%) compared to the amount reported at the end of 2017, supported by the reduction of General and administrative expenses of 9.3 million euros (-10.6%).

The General and administrative expenses amounted to 77.7 million euros in 2018, compared to 87.0 million euros in 2017, benefiting from the lower costs recorded in the real estate investment funds that are part of the consolidation perimeter of Banco Montepio, as well as those related to external consultants, appraisers and advertisement.

Staff costs in 2018 totaled 155.9 million euros, in line with the previous year figures.

In 2018, Amortizations and depreciations totaled 25.9 million euros, an increase of 4.4% over the amount recorded in 2017.

In 2018, the Cost-to-income ratio, excluding the Net gains/losses from financial operations and Other operating income, stood at 69.3%, compared to 67.2% in 2017.

Impairments and provisions in 2018, calculated in accordance with IFRS9, reached 97.3 million euros, compared to 191.4 million euros recorded in 2017, which induced the favourable performance of the cost of credit risk from 1.09% in 2017 to 0.55% in 2018. Additionally, as part of the IFRS9 transition adjustment, it was registered an amount of 157.1 million euros related to impairments and provisions for loans, securities, deposits at other credit institutions and other assets.

Loan impairments are the main component of impairment charges, with an amount of 75.8 million euros, compared to 160.7 million euros recorded in 2017, representing a negative change of 52.8%.

The impairments recorded in 2018 for other financial assets amounted to 4.0 million euros, a decrease of 3.8 million euros compared to the amount recorded in the same period of 2017.

Regarding Impairments for other assets, the amount recorded in 2018 stood at 13.2 million euros, an increase of 5.4% when compared to the value presented in 2017; the Other provisions recorded a charge of 4.2 million euros, compared with 10.3 million euros in 2017.

ASSET QUALITY

In 2018, Banco Montepio continued to enhance the process of credit approval and granting with a view to achieving the goal of improving the assets' quality, thereby improving credit quality indicators, supported on the reduction of risk concentration, particularly in the construction and real estate sectors, leading to a reduction in the cost of credit risk.

On 31 December 2018, gross Loans to customers totaled 13,078 million euros, reflecting a decrease of 7.0% compared to the value of 14,063 million euros as of 31 December 2017, due to reductions in mortgage and corporate's loans, to a loan portfolio write-off in the amount of €150Mn, which were totally covered by impairments, and to the sale of a portfolio of non-performing loans (NPL) amounting to €209Mn.

As at 31 December 2018, the net Loan portfolio on presented a decrease of 910 million euros when comparing to the amount recorded at the end of 2017.

Within the scope of the Banco Montepio Transformation Plan, credit recovery relies on a more effective and integrated management of the non-performing loans (NPLs), through the maximization of recoveries and investment banking solutions, benefiting from the strategic focus in the segments of individuals, corporates (focusing on SMEs) and Social Economy entities.

In 2018, Banco Montepio implemented a series of initiatives aimed at reducing exposures to NPLs, to which contributed the loans write-off amounting to 150 million euros, which were totally covered by impairments, and the sale of NPLs accomplished in December 2018, amounting to a gross value of 239 million euros (of which €209Mn on-balance sheet).

The balance of non-performing exposures (NPE) progressed favourably in 2018 when compared to the end of 2017, standing at 1,873 million euros as of 31 December 2018, with the share of NPE in relation to the total gross customers' loans standing at 14.3% (versus 16.4% in 2017).

The coverage of NPE by on the balance sheet loan impairments amounted to 51.2% on 31 December 2018, compared with 44.9% at the end of 2017.

At the end of 2018, the securities and other instruments portfolio amounted to 2,215 million euros, which compares with 2,385 million euros at 31 December 2017. The evolution of the securities and other instruments portfolio when compared to the amount at the end of 2017 is driven, on the one hand, by the sale of sovereign debt securities and, on the other hand, by the creation of a Other assets at amortized cost portfolio comprising public debt, as well as the accounting reclassification of the participation units from the Financial assets at fair value through other comprehensive income to the Financial assets at fair value through profit and loss in the amount of 459 million euros.

The securities and other instruments portfolio, broken down by type of instrument, recorded in 2018 a decrease of 241 million euros in bonds and other debt instruments, which includes sovereign debt, going from 1,808 million euros on 31 December 2017 to 1,567 million euros as of 31 December 2018, prompting the decrease in the total portfolio.

The aggregate of Non-current assets held for sale and Investment properties recorded a year-on-year decrease of 22.6% as of 31 December 2018, changing from 1,281 million euros at the end of December 2017 to 991 million of euros on 31 December 2018, in line with the strategic guidelines embedded in the integrated real estate management and with the consequent exposure reduction to this sector of activity.

The Non-current assets held for sale shows, mainly, the amount associated with real estate resulting from the loans to customers' foreclosure, which decreased when compared to the end of 2017 by changing from 742 million euros on 31 December 2017 to 738 million euros as of 31 December 2018, reflecting the effect of the credit recovery and the good performance of real estate properties' sales made in the retail market in 2018.

With respect to investment properties, in which the real estate investment funds concolidated by Banco Montepio are accounted, presented a decrease of 53.0% since 31 December 2017, by changing from 539 million euros to 253 million at the end of 2018, reflecting, in particular, the deconsolidation of the Open Real Estate Investment Fund "Valor Prime" (*Fundo de Investimento Imobiliário Aberto Valor Prime*), an accomplishment within the strategic goal aimed at reducing exposure to real estate risk.

LIQUIDITY

In 2018, Banco Montepio continued to develop a set of initiatives aimed at the continuous strengthening of its liquidity position, contributing to ensure that the regulatory levels in force were comfortably met.

The management of the balance sheet of Banco Montepio enabled the Liquidity Coverage Ratio (LCR) to stand at 160.5% as of 31 December 2018 (versus 153.2% in 2017), above the minimum regulatory requirement of 100% applicable in 2018.

The performance of Customers' deposits, on the one hand, and of Loans to customers, on the other hand, led to a favourable evolution of the Loan-to-deposits ratio, calculated in accordance with Banco de Portugal Instruction No. 16/2004, which reached 96.6% on 31 December 2018, compared to 107.3% on 31 December 2017.

In 2018 Banco Montepio developed a set of initiatives related to the collection and retention of customers' resources, through an adequate management with the purpose of diversifying the sources of funding.

As at 31 December 2018, customers' deposits amounted to 12,566 million euros, reflecting the effect of the commercial dynamics imprinted, notwithstanding the circumstance of interest rates at historically low levels and an increased competition environment.

In 2018, Banco Montepio's liquidity position continued to perform favourably, with deposits with the European Central Bank (ECB) amounting to 1,406 million euros (-9.4% when compared to the end of 2017), an amount greater than the future liabilities before the ECB under the long-term funding programme (TLTRO-II), which amounted to 1,395 million euros, considering the value of the related interest.

The positioning of Banco Montepio in supporting the economy resulted in the ECB applying the lowest rate in the long-term financing lines embodied in the TLTRO-II. The interest rate of the funds taken from the ECB was set at -0.40%, which enabled Banco Montepio to derive maximum benefit from the Central Bank's support and financing policy to the economy.

The optimization of the own assets portfolio operations', particularly those eligible for ECB's monetary policy operations, translated into an improvement in the ratio between the total pool of eligible assets and their use, when compared to the same period of 2017. At the end of 2017 this ratio stood at 60%, having fallen to 53% at the end of 2018, whereas this positive evolution was driven by the 163 million euros amortization in 2018 of the ECB funding.

The funding obtained from the ECB amounted to 1,408 million euros as at 31 December 2018, an amount that stands at 1,395 million euros, considering the value of the related interest, which compares with 1,558 million euros recorded in December of the previous year. The total amount of the pool of eligible assets increased by 53 million euros when compared to the amount at the end of 2017. This positive balance between the increase in the pool of eligible assets and the reduction of the funding from the ECB is a result of the investment portfolio management policy of Banco Montepio, which focused on increasing the stock of eligible assets, and of the sale of assets not eligible for operations with the Eurosystem.

Thus, in terms of collateral available for obtaining liquidity, the value of eligible assets increased from 2,595 million euros at the end of 2017 to 2,648 million euros as at 31 December 2018, including the pool of unencumbered collateral assigned to the Collateralized Interbank Market (MIC), which at the end of 2018 amounted to 43 million euros, compared to 36 million euros on 31 December 2017.

The Repo operations decreased by 402 million euros between the end of 2017 and the end of 2018, changing from 1,275 million euros to 873 million euros, respectively.

CAPITAL

(million euro)	Dec-16	Dec-17	Dec-18
Common Equity Tier 1 Capital	1,331	1,572	1,457
Tier 1 Capital	1,331	1,572	1,458
Total Capital	1,392	1,580	1,514
Risk weighted assets	12,830	11,875	10,769
CRD IV / CRR - Phasing-in Ratios			
Common Equity Tier 1 Ratio	10.4%	13.2%	13.5%
Tier 1 Ratio	10.4%	13.2%	13.5%
Total Capital Ratio	10.9%	13.3%	14.1%
CRD IV / CRR - Fully implemented Ratios			
Common Equity Tier 1 Ratio	7.6%	11.6%	11.3%
Tier 1 Ratio	7.6%	11.7%	11.3%
Total Capital Ratio	8.2%	11.9%	11.9%
Leverage ratio - Phasing-In	6.1%	7.6%	7.8%
Leverage ratio - Full Implementation	4.5%	6.8%	6.5%

In accordance with the phasing-in rules in effect at the reference date.

The ratios as of 31 December 2018 are estimated and include the cumulative net results for the year.

In 2018, Banco Montepio recorded a favourable evolution of its capital ratios when compared to the same period of the previous year and to the end of 2016. As of 31 December 2018, the Common Equity Tier 1 (CET1) ratio reached 13.5% and the Total Capital ratio reached 14.1%, comparing favourably with 13.2% and 13.3% as at 31 December 2017, respectively. This evolution reflected, on one hand, the reduction of Risk-weighted assets and equivalents by 1,106 million euros when compared to 31 December 2017 (-9.3%), derived from the process of deleveraging non-core assets and from the management of the allocation of risk in both loans and debt securities portfolios and, on the other hand, the positive impact on shareholders' equity from having endorsed the Special Regime for Deferred Tax Assets, from the net income for the period and, particularly regarding the Total Capital ratio, from the €50Mn subordinated debt issued in December 2018.

KEY INDICATORS

	Dec-17	Dec-18	Change YoY
SOLVENCY (a)			
Common Equity Tier 1 ratio (CRD IV / CRR, phasing-in)	13.2%	13.5%	0.3 p.p.
Tier 1 ratio (CRD IV / CRR, phasing-in)	13.2%	13.5%	0.3 p.p.
Total Capital ratio (CRD IV / CRR, phasing-in)	13.3%	14.1%	0.8 p.p.
Risk Weighted Assets (EUR million)	11,875	10,769	(9.3%)
CREDIT RISK AND COVERAGE BY BALANCE SHEET LOAN IMPAIRMENTS			
Cost of credit risk	1.09%	0.55%	(0.5 p.p.)
Non-performing exposures (NPE) (c) / Gross customer loans	16.4%	14.3%	(2.1 p.p.)
NPE (c) coverage by Impairment for balance sheet loans	44.9%	51.2%	6.3 p.p.
Forborne exposures (c) / Gross customer loans	8.2%	7.2%	(1.0 p.p.)
EFFICIENCY AND PROFITABILITY			
Total operating income / Average total assets (b)	2.5%	2.0%	(0.5 p.p.)
Net income before income tax / Average total assets (b)	0.2%	0.3%	0.1 p.p.
Net income before income tax / Average total equity (b)	3.0%	3.1%	0.1 p.p.
Cost-to-income (Operating costs / Total operating income) (b)	53.0%	69.3%	16.3 p.p.
Cost-to-Income, excluding specific impacts (d)	67.2%	69.3%	2.1 p.p.
Staff costs / Total operating income (b)	30.9%	41.6%	10.7 p.p.
LOAN TO DEPOSIT RATIO			
Loans to customers (net) / Customers' deposits (b)	107.3%	96.6%	(10.7 p.p.)
EMPLOYEES AND DISTRIBUTION NETWORK (Number)			
Employees			
Group total	4 189	3,944	(245)
Banco Montepio	3 630	3 566	(64)
Branches			
Domestic - Banco Montepio	324	324	0
International	34	24	(10)
Finibanco Angola (e)	24	24	0
BTM (Mozambique)	10	0	(10)
Rep. Offices	5	5	0

(a) Pursuant to CRD IV / CRR (phasing-in). As of 31 December 2018 the ratios include the net income for the period and the adoption of the special deferred tax assets regime.
(b) Pursuant to Banco de Portugal Instruction No. 16/2004, as amended.
(c) EBA definition and in accordance with Banco de Portugal Instruction No. 4/2018
(d) Excludes results from financial operations and Other operating results.
(e) Includes Business Centers

CONSOLIDATED BALANCE SHEET

(million euro)	Dec-17	Dec-18
Cash and deposits at central banks	1,733.6	1,610.6
Loans and advances to credit institutions	50.2	68.7
Other loans and advances to credit institutions	312.2	208.6
Loans to customers	13,029.3	12,118.9
Financial assets held for trading	184.1	23.7
Financial assets at Fair Value through profit or loss	0.0	491.5
Financial assets at Fair Value through other comprehensive income	2,200.9	444.1
Hedging derivatives	0.0	5.7
Other assets at amortised cost	0.0	1,255.7
Inv. in associates and subsidiaries	4.1	4.3
Non-current assets held for sale	742.2	737.9
Non-current assets held for sale - Discontinuing operations	474.5	294.7
Investment properties	538.6	253.1
Other tangible assets	233.3	229.6
Intangible assets	31.4	32.3
Current tax assets	7.3	7.2
Deferred tax assets	466.0	498.0
Other Assets	192.3	84.6
TOTAL NET ASSETS	**20,200.0**	**18,369.3**
Deposits from central banks	1,557.8	1,395.3
Deposits from other credit institutions	1,786.7	1,277.0
Deposits from customers and other liabilities	12,561.0	12,565.7
Debt securities issued	1,544.1	1,093.9
Financial liabilities held for trading	16.2	13.5
Hedging derivatives	1.7	0.0
Non-current liabilities held for sale – Discontinuing operations	330.4	193.1
Provisions	27.1	31.9
Current tax liabilities	5.2	12.9
Other subordinated liabilities	236.2	50.0
Other liabilities	370.7	172.7
TOTAL LIABILITIES	**18,437.1**	**16,806.1**
Share Capital	2,420.0	2,420.0
Other equity instruments	6.3	6.3
Fair value reserves	27.9	-18.8
Other reserves and retained earnings	-730.6	-872.5
Consolidated profit/ (loss) attributable to the shareholders	6.4	12.6
Total equity attributable to the shareholders	1,730.1	1,547.7
Non-controlling interests	32.8	15.5
TOTAL EQUITY	**1,762.9**	**1,563.2**
TOTAL LIABILITIES AND EQUITY	**20,200.0**	**18,369.3**

Banco Montepio

CONSOLIDATED INCOME STATEMENT

(million euro)	Dec-17	Dec-18
Interest and similar income	420.6	364.2
Interest and similar expense	154.4	116.1
NET INTEREST INCOME	**266.2**	**248.1**
Income from equity instruments	12.6	8.1
Income from services, fees and commissions	119.8	118.4
Net gains/losses from financial operations	70.7	9.6
Other operating income	35.9	-9.8
NET OPERATING INCOME	**505.3**	**374.5**
Staff Costs	156.2	155.9
General and administrative expenses	87.0	77.7
Amortization and depreciation	24.8	25.9
OPERATING COSTS	**268.0**	**259.5**
Loan impairments	160.7	75.8
Other financial assets impairments	7.8	4.0
Other assets impairments	12.6	13.2
Other provisions	10.3	4.2
Earnings by equity method	0.2	0.3
EARNINGS BEFORE TAX AND NON-CONTROLLING INTERESTS	**46.1**	**17.9**
Tax	42.4	38.1
Non controlling interests	1.4	3.3
Income from discontinuing operations	4.1	36.1
NET INCOME	**6.4**	**12.6**

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