

5. Credit risk

5.1. Definitions and policies for losses and provisioning assessment

Credit risk is associated with the potential losses and with the uncertainty concerning the expected returns due to the failure of the borrower – and of its guarantor, if there is one – or of the issuer of a security or of the counterparty of a contract in complying with their duties.

Past due loans, for accounting purposes, correspond to the global value of the credits and instalments due and not collected associated to credit agreements recognised in the balance sheet in any form whatsoever. Thus, all the credits (capital) that have not been settled 30 days after their maturity date are accounted in past due loans.

This framework also includes the capital instalments contractually foreseen for future periods but that, due to the non-payment of one of the instalments (of capital or of interests) may, in accordance with the law, be considered due and there are doubts on whether they will be paid.

A loan, including its components of principal, interest and expenses, is “non performing” whenever a previously established limit has been exceeded, whenever a contractual covenant has been breached or when an overdraft situation has occurred (with no previous approval and after its liquidation has been requested to the debtor). Materiality thresholds per client segment are defined for the monitoring of credit risk.

Restructured credits (Forborne) are credit operations for which deferral measures have been granted. Deferral measures are concessions made to a debtor that is going through or will soon go through difficulties in meeting its financial commitments (financial difficulties).

Since January 1, 2019, the credit impairment calculation process incorporates the general principles defined by IFRS 9 and the guidelines issued by Banco de Portugal through Circular Letter 2018/0000062.

All customers in default (i.e. classified with Risk Grade 15 on the Bank's internal rating scale) are considered as having objective signs of impairment, in accordance with the provisions of the definition of default, which were subject to change at the beginning of 2020, presented below:

- Days past due: The obligor is more than 90 days past due on any obligation above the following thresholds: 100 Euros, for retail obligors or above 500 Euros for non-retail obligors; and 1% of total (on-balance sheet) exposure (irrespective of whether it is a retail obligor or not).
- Non-accrual status: The obligor has had at least one obligation that has ceased to recognize interest income because of a perceived decline in its credit quality.
- Debtor with credit impairment: The obligor has been submitted to the individual impairment analysis and it has been concluded as having objective signals of impairment.
- Sale of the credit obligation: The obligor's exposure(s) have been sold – partially or in full – with a material loss (5%).
- Restructuring due to financial difficulties: The debtor was subject to a restructuring due to financial difficulties with an economic loss higher than 1%.
- Bankruptcy: The obligor that has filed for bankruptcy (insolvency) or similar arrangement: (i) PEAP; or (ii) EPR; or (iii) PER; or (iv) “Pré-insolvência”.
- Credit arrears after restructuring due to financial difficulties: The debtor has a significant credit obligation overdue for more than 30 days on a restructured credit obligation.
- Restructuring recurrence: The debtor has a restructured obligation and requests additional restructuring measures, regardless of the loss/gain from the restructuring.
- Legal recovery proceedings: The obligor that is sent to legal recovery proceedings
- Guarantors of exposures in default: The obligor is a guarantor of a defaulted exposure, provided that (i) the guarantee has been officially claimed; and (ii) after the foreseen contractual period the overdue amount has not been paid.

- Credit fraud: The debtor has participated in credit fraud.
- Cross default at the BCP Group level: The common obligor (between BCP and any other Group entity) is in a default status in any entity of BCP Group.
- Breach of covenants in a credit agreement: The debtor that, as a result of a case-by-case analysis, is considered to have any other indication of reduced probability of payment, taking into consideration the breach of covenants in a credit agreement.
- Contagion of default in economic group: The debtor who, as a result of a case-by-case analysis, is considered to have any other indication of reduced probability of payment, taking into consideration the contagion of default at the level of a group of related debtors.
- Days past due on joint credit obligations: The obligor has, together with other obligors classified as in default, a significant credit obligation overdue for more than 90 days (or 30 days in case of a restructured credit obligation) - in this case, the materiality thresholds are analysed considering only the amounts of the obligation.

Clients representing high risk and exposure for which objective signs of impairment exist (Stage 3) are submitted to individual impairment analysis.

That individual analysis in a regular process for the allocation of a recovery expectation concerning all the exposures, as well as of a term expected for the recovery. The impairment amount for each client is based, essentially, in the prospects of repayment and repayment term, concerning monetary, financial or physical assets. This periodic process is based on the elements that are relevant for the impairment assessment, namely:

- Financial and economic data based on the Client's most recent accounting statements.
- Qualitative data that characterise the Client's situation in what concerns the economic viability of the business.
- Projected cash-flows for clients that are analysed in a 'going concern' perspective.
- Creditworthiness track-record of the Client within the Bank and the financial system.

Collateral and guarantees data are of particular importance, especially in real estate companies and in cases for which economic viability is reduced ("gone concern" approach).

The Bank has a conservative approach towards the treatment of collateral, materialised in the use of haircuts, aiming at incorporating the assets' devaluation risk, the costs inherent to their selling and the maintenance costs and term that occur until the sale.

For each client, impairment is calculated as the difference between the respective exposure and the total of expected cash-flows for the various operations, discounted at the effective interest rate of each operation.

The credits that are not subject to individual impairment analysis are grouped, taking into consideration their risk features and impairment assessed is based on homogeneous populations (collective analysis), defined in accordance to the risk grade and the segment of clients.

For these cases, the following main parameters are used for impairment assessment:

- PD: Probability of Default ('1-year' for credits in Stage 1, 'lifetime' for credits in Stage 2);
- LGD: Loss Given Default;
- CCF: Credit Conversion Factor applicable to the undrawn off-balance amount.

These parameters are estimated through statistical internal models, including macro-economic adjustments in a forward-looking perspective. Those models are updated annually and submitted for appreciation to the Models' Validation and Monitoring Office. Considering the extraordinary impacts of the pandemic outbreak COVID-19, the macroeconomic scenarios were updated extraordinarily in June and December 2020.

The results of the impairment assessment process are duly registered in accounting terms.

In accordance with Banco de Portugal Circular Letter No. CC / 2017/00000020, the Bank has defined in its internal regulations a policy for the classification, derecognition and monitoring of credits considered uncollectible. The Bank recognizes a credit as written off to the balance sheet when there are no reasonable expectations of its recovery in whole or in part. This registration occurs after all the recovery actions carried out have proved unsuccessful. Thus, when a credit reaches 100% impairment, its classification as uncollectible should be considered. However, even if a loan does not yet have 100% impairment, it can also be classified as uncollectible if there are no expectations of recovery. In this case, impairment should be recognized for the remaining amount. In the case of credits that still have collateral, write-offs can only be made on the part not covered, if there is evidence of the uncollectibility of the excess on the value of the collateral and it is 100% covered by impairment. The credit uncollectibility decision is the responsibility of the Credit Decision Bodies, under the proposal of the recovery area responsible for the Client's management. As a rule, the removal of an uncollectible credit from the balance sheet is irreversible, so, if any amount related to these credits is recovered, the recovery amount is recognized as an income in the profit and loss account. Loans written off are recorded in off-balance sheet items when they are derecognised from the balance sheet and kept until the moment of the definitive extinguishment of the liabilities.

On each balance date, an evaluation of the objective evidence of impairment is made. A financial asset or group of financial assets is impaired whenever there is objective evidence of impairment, resulting of one or more events that occurred after its initial recognition, such as: (i) for listed securities, a continued or significant price devaluation, and (ii) for unlisted securities, when that event (or events) has an impact in the financial asset, or group of financial assets, estimated future cash flow value that can be reasonably estimated. According to the Group's policies, 30% of devaluation of the fair value of a debt instrument is considered a significant devaluation and the one-year period is assumed as a continued devaluation of the fair value below acquisition cost.

If impairment is detected in a debt instrument classified as financial asset at fair value through other comprehensive income, the accumulated loss (measured as the difference between the acquisition cost and the fair value, excluding impairment losses previously recognised against results) is allocated to fair value changes and recognised in the results. If, in a subsequent period, the fair value of the debt instruments classified as financial assets at fair value through other comprehensive income increases and that increase may be objectively related with an event that occurred after the recognition of the impairment loss in the results, the impairment loss is reverted against results.

Finally, provisions are recognised when (i) the Group has a current liability (legal or deriving from practices or policies that imply the recognition of certain liabilities), (ii) it is likely that its payment is demanded and (iii) when a reliable estimation of the value of that liability can be made.

In cases where the discount effect is material, provisions are recorded, corresponding to the present value of expected future payments, discounted at a rate that reflects the risk associated with the liability.

The provisions are reviewed in the end of each reporting date and adjusted to show the better estimation, being reverted to results in the same proportion as unlikely payments. The provisions are derecognised by using them to pay the liabilities for which they have initially been made for or when the same are no longer required.

The conciliation of the general and specific credit risk adjustments, concerning exposures subject to impairment, is presented in Table 21.

TABLE 21 – TEMPLATE 16 / EU CR2-A – CHANGES IN THE STOCK OF GENERAL AND SPECIFIC CREDIT RISK ADJUSTMENTS

31/12/2020			(Thousand euros)
	Accumulated specific credit risk adjustment ⁽¹⁾	Accumulated general credit risk adjustment ⁽²⁾	
OPENING BALANCE IN 1 JULY	1,888,854	368,732	
Increases due to amounts set aside for estimated loan losses during the period	264,590	100,459	
Decreases due to amounts reversed for estimated loan losses during the period	-471,316	-2,414	
Decreases due to amounts taken against accumulated credit risk adjustments	-39,564	-55,023	
Transfers between credit risk adjustments	-6,773	6,773	
Impact of exchange rate differences			
Business combinations including acquisitions and disposals of subsidiaries			
Other adjustments	-55		
CLOSING BALANCE IN 31 DECEMBER	1,635,736	418,527	
Recoveries on credit risk adjustments recorded directly to the statement of profit and loss	9,791		
Specific credit risk adjustments directly recorded to the statement of profit and loss			

30/06/2020			(Thousand euros)
	Accumulated specific credit risk adjustment ⁽¹⁾	Accumulated general credit risk adjustment ⁽²⁾	
OPENING BALANCE IN 1 JANUARY	2,128,413	304,683	
Increases due to amounts set aside for estimated loan losses during the period	223,497	88,285	
Decreases due to amounts reversed for estimated loan losses during the period	-423,934	-1,470	
Decreases due to amounts taken against accumulated credit risk adjustments	-62,516	-13,598	
Transfers between credit risk adjustments	9,168	-9,168	
Impact of exchange rate differences			
Business combinations including acquisitions and disposals of subsidiaries			
Other adjustments	14,224		
CLOSING BALANCE IN 30 JUNE	1,888,854	368,732	
Recoveries on credit risk adjustments recorded directly to the statement of profit and loss	12,889		
Specific credit risk adjustments directly recorded to the statement of profit and loss			

(1) Impairment for credit in stage 3

(2) Impairment for credit in stages 1 and 2

The changes in the stock of defaulted and impaired loans and debt securities is shown in table 22.

TABLE 22 – TEMPLATE 17 / EU CR2-B - CHANGES IN THE STOCK OF DEFAULTED AND IMPAIRED LOANS AND DEBT SECURITIES

(Thousand euros)

	Gross carrying value of defaulted exposures	
	Dec 20	Jun 20
OPENING BALANCE ^(*)	3,954,703	4,217,702
Loans and debt securities that have defaulted or impaired since the last reporting period	339,181	612,892
Returned to non-defaulted status	-125,648	-135,882
Amounts written off	-176,304	-117,170
Other changes	-670,610	-622,839
CLOSING BALANCE ^(**)	3,321,321	3,954,703

^(*) 31/12/2019 for Jun 2020; 30/06/2020 for Dec 2020

^(**) 30/06/2020 for Jun 2020; 31/12/2020 for Dec 2020

The decrease in the final balance between December 2020 and June 2020 reflects the reduction in NPE in the Group.

5.2. Credit quality

The following tables present the breakdown of both on-balance and off-balance sheet items' credit quality, excluding counterparty credit positions (except in the Table 30).

TABLE 23 - TEMPLATE 11 / EU CR1-A – CREDIT QUALITY OF EXPOSURES BY EXPOSURE CLASS AND INSTRUMENT

(Thousand euros)

	Dec 2020						
	a	b	c	d	e	f	g
	Gross carrying values of		Specific credit risk adjustment	General credit risk adjustment	Accumulated write-offs	Credit risk adjustment charges of the period	Net values (a+b-c-d)
Defaulted exposures	Non-defaulted exposures						
Central Governments or Central Banks							
Institutions							
Corporates	1 722 753	17 679 556		1 181 752			18 220 557
Retail	1 017 537	31 214 128		396 473			31 835 193
Equity		1 391 890		22 571			1 369 319
TOTAL IRB APPROACH	2 740 290	50 285 574		1 600 796			51 425 068
Central Governments or Central Banks		19 726 743		3 355			19 723 388
Regional Governments or Local Authorities		1 262 288		2 914			1 259 374
Public Sector Entities		300 668		421			300 247
Multilateral Development Banks		40 029					40 029
International Organisations							
Institutions		2 609 300		968			2 608 333
Corporates		9 206 833		108 712			9 098 121
Retail		5 960 587		93 430			5 867 157
Secured by mortgages on immovable property		2 083 650		13 018			2 070 633
Exposures in default	882 512			350 440			532 072
Items associated with particularly high risk		5 738		130			5 607
Covered bonds							
Claims on institutions and corporates with a short-term credit assessment							
Collective Investment Undertakings		100 317					100 317
Equity exposures		29 967					29 967
Other exposures		90 941					90 941
TOTAL STANDARDISED APPROACH	882 512	41 417 061		573 388			41 726 185
TOTAL	3 622 802	91 702 634		2 174 184			93 151 253

	Jun 2020						
	a	b	c	d	e	f	g
	Gross carrying values of		Specific credit risk adjustment	General credit risk adjustment	Accumulated write-offs	Credit risk adjustment charges of the period	Net values (a+b-c-d)
Defaulted exposures	Non-defaulted exposures						
Central Governments or Central Banks							
Institutions							
Corporates	2 183 778	16 731 084		1 417 096			17 497 767
Retail	1 087 740	30 589 735		348 215			31 329 260
Equity		1 379 789		18 247			1 361 543
TOTAL IRB APPROACH	3 271 518	48 700 608		1 783 557			50 188 569
Central Governments or Central Banks		18 863 772		3 501			18 860 271
Regional Governments or Local Authorities		1 129 881		2 137			1 127 744
Public Sector Entities		305 893		390			305 503
Multilateral Development Banks		40 856					40 856
International Organisations							
Institutions		3 048 875		3 156			3 045 719
Corporates		9 346 320		53 070			9 293 250
Retail		5 726 281		65 320			5 660 961
Secured by mortgages on immovable property		2 249 681		13 222			2 236 459
Exposures in default	916 356			365 488			550 868
Items associated with particularly high risk		1 541		6			1 535
Covered bonds							
Claims on institutions and corporates with a short-term credit assessment							
Collective Investment Undertakings		108 899					108 899
Equity exposures		32 832					32 832
Other exposures							
TOTAL STANDARDISED APPROACH	916 356	40 854 831		506 288			41 264 899
TOTAL	4 187 874	89 555 440		2 289 846			91 453 468

TABLE 24 - TEMPLATE 12 / EU CR1-B – CREDIT QUALITY OF EXPOSURES BY INDUSTRY OR COUNTERPARTY TYPES

31/12/2020 (Thousand euros)

	Gross carrying values of		Specific credit risk adjustment	General credit risk adjustment	Accumulated write-offs	Credit risk adjustment charges of the period	Net values (a+b-c-d)
	Defaulted exposures	Non-defaulted exposures					
Mortgage credit	622,878	24,301,411		174,076			24,750,214
Services	697,802	10,091,769		411,319			10,378,251
Consumer credit	746,580	14,556,134		602,664			14,700,050
Construction	447,797	2,334,137		173,514			2,608,419
Other activities - national	601,581	25,317,833		417,608			25,501,807
Other activities - international	2	292		1			292
Wholesale business	89,842	2,298,610		71,347			2,317,105
Other	416,321	11,189,334		301,084			11,304,572
TOTAL	3,622,802	90,089,520		2,151,612			91,560,710

30/06/2020 (Thousand euros)

	Gross carrying values of		Specific credit risk adjustment	General credit risk adjustment	Accumulated write-offs	Credit risk adjustment charges of the period	Net values (a+b-c-d)
	Defaulted exposures	Non-defaulted exposures					
Mortgage credit	684,346	24,150,350		143,221			24,691,475
Services	680,097	9,809,008		388,147			10,100,958
Consumer credit	1,069,162	13,403,513		834,914			13,637,761
Construction	488,688	2,191,513		146,572			2,533,630
Other activities - national	580,162	25,558,583		325,858			25,812,887
Other activities - international		332		2			330
Wholesale business	116,616	2,206,046		89,571			2,233,091
Other	568,800	10,714,576		343,316			10,940,059
TOTAL	4,187,871	88,033,919		2,271,599			89,950,191

TABLE 25 - TEMPLATE 13 / EU CR1-C – CREDIT QUALITY OF EXPOSURES BY GEOGRAPHY

31/12/2020		(Thousand euros)					
	a	b	c	d	e	f	g
	Gross carrying values of		Specific credit risk adjustment	General credit risk adjustment	Accumulated write-offs	Credit risk adjustment charges of the period	Net values (a+b-c-d)
	Defaulted exposures	Non-defaulted exposures					
Portugal	2,665,038	64,190,346		1,586,371			65,269,013
Poland	860,481	23,250,320		522,727			23,588,074
Mozambique and other	97,284	2,648,854		42,515			2,703,622
TOTAL	3,622,802	90,089,520		2,151,612			91,560,710

30/06/2020		(Thousand euros)					
	a	b	c	d	e	f	g
	Gross carrying values of		Specific credit risk adjustment	General credit risk adjustment	Accumulated write-offs	Credit risk adjustment charges of the period	Net values (a+b-c-d)
	Defaulted exposures	Non-defaulted exposures					
Portugal	3,190,794	60,466,136		1,735,294			61,921,636
Poland	813,840	24,780,863		446,581			25,148,122
Mozambique and other	183,240	2,786,920		89,724			2,880,437
TOTAL	4,187,874	88,033,919		2,271,599			89,950,195

TABLE 26 - TEMPLATE 1 - EBA/GL/2018/10 – CREDIT QUALITY OF FORBORNE EXPOSURES

(Thousand euros)

	Dec 2020							
	a	b	c	d	e	f	g	h
	Gross carrying amount/nominal amount of exposures with forbearance measures				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		Collateral received and financial guarantees received on forborne exposures	
	Performing forborne	Non-performing forborne		Of which impaired	On performing forborne exposures	On non-performing forborne exposures		Of which collateral and financial guarantees received on non-performing exposures with forbearance measures
			Of which defaulted					
1.Loans and advances	977 113	1 698 089	1 693 152	1 668 508	-47 623	-851 991	1 307 344	682 124
2. Central banks								
3. General governments	53 925				-1 515		43 310	
4. Credit institutions								
5. Other financial corporations	47 859	125 743	125 743	125 743	-1 720	-101 892	62 427	23 851
6. Non-financial corporations	541 865	1 090 805	1 087 408	1 090 803	-41 731	-602 341	707 237	449 859
7. Households	333 464	481 542	480 000	451 962	-2 657	-147 759	494 371	208 414
8. Debt securities		9 035	9 035	9 035		-2 245	6 790	6 790
9. Loan commitments given	1 808	1 092	1 092	1 092	-11	-213	607	148
TOTAL	978 921	1 708 216	1 703 279	1 678 635	-47 635	-854 449	1 314 741	689 062

Jun 2020								
	a	b	c	d	e	f	g	h
	Gross carrying amount/nominal amount of exposures with forbearance measures				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		Collateral received and financial guarantees received on forborne exposures	
	Performing forborne	Non-performing forborne		Of which impaired	On performing forborne exposures	On non-performing forborne exposures		Of which collateral and financial guarantees received on non-performing exposures with forbearance measures
			Of which defaulted					
1.Loans and advances	1 075 593	2 001 875	1 978 524	1 959 465	-49 957	-988 020	1 543 957	826 819
2. Central banks								
3. General governments	70 807				-1 391		50 391	
4. Credit institutions								
5. Other financial corporations	70 615	175 396	175 396	175 396	-1 802	-122 664	110 512	49 306
6. Non-financial corporations	572 986	1 308 034	1 304 594	1 308 032	-42 582	-733 639	819 639	523 683
7. Households	361 184	518 445	498 534	476 036	-4 182	-131 717	563 415	253 829
8. Debt securities	9 216				-72		9 145	
9. Loan commitments given	2 655	1 710	1 710	1 710	21	948	501	33
TOTAL	1 087 464	2 003 585	1 980 235	1 961 175	-50 008	-987 072	1 553 603	835 997

TABLE 27 - TEMPLATE 2 - EBA/GL/2018/10 – QUALITY OF FORBEARANCE

(Thousand euros)	Dec 2020	Dec 2019
	a	a
	Gross carrying amount of forborne exposures	Gross carrying amount of forborne exposures
Loans and advances that have been forborne more than twice	196 029	650 247
Non-performing forborne loans and advances that failed to meet the non-performing exit criteria	945 947	71 279

Regarding the item “Non-productive forborne loans and advances that failed to meet non-performing exit criteria”, the evolution between the two reported dates is explained by the implementation of new definition of default and by a different interpretation of concepts arising from the entry into force in June / 2020 of the new FINREP taxonomy 2.9. In December 19, only operations that did not present any other reason for marking as NPE were included, other than the criteria for demarcating the restructured operations. Since June / 2020, this item covers all operations that maintain the NPE classification after one year of restructuring.

TABLE 28 - TEMPLATE 3 - EBA/GL/2018/10 – CREDIT QUALITY OF PERFORMING AND NON-PERFORMING EXPOSURES BY PAST DUE DAYS

(Thousand euros)

	Dec 2020											
	a	b	c	d	e	f	g	h	i	j	k	l
	Montante escriturado bruto / Montante nominal											
	Performing exposures			Non-performing exposures								
	Not past due or past due ≤ 30 days	Past due > 30 days and ≤ 90 days		Unlikely to pay that are not past due or are past due ≤ 90 days	Past due > 90 days ≤ 180 days	Past due > 180 days ≤ 1 year	Past due > 1 year ≤ 2 years	Past due > 2 years ≤ 5 years	Past due > 5 years ≤ 7 years	Past due > 7 years	Of which defaulted	
1. Cash balances at central banks and other demand deposits	4 985 242	4 985 242										
2. Loans and advances	52 250 199	52 160 233	89 967	3 295 271	1 551 189	173 927	277 515	315 885	719 655	105 362	151 738	3 278 072
3. Central Banks	291 587	291 587										
4. General governments	1 124 732	1 124 732		1		0	0	0	0		1	1
5. Credit institutions	683 258	683 258										
6. Other financial corporations	715 186	715 185	1	220 694	129 834	1 759	69	19 974	59 413	9 587	59	220 694
7. Non-financial corporations	17 730 541	17 725 550	4 991	1 812 790	864 822	71 210	156 024	120 637	485 593	44 669	69 835	1 805 108
8. Of which SME	13 581 096	13 576 140	4 955	1 117 968	717 291	59 930	99 353	88 331	87 060	33 139	32 865	1 113 258
9. Households	31 704 896	31 619 921	84 975	1 261 785	556 533	100 959	121 421	175 274	174 649	51 107	81 843	1 252 269
10. Debt securities	19 533 341	19 533 341		100 320	98 559			1 722		40		100 320
11. Central banks	269 823	269 823										
12. General governments	14 624 945	14 624 945										
13. Credit institutions	358 984	358 984		1	1							1
14. Other financial corporations	1 396 473	1 396 473										
15. Non-financial corporations	2 883 115	2 883 115		100 320	98 558		1 722		40			100 320
16. Off-balance sheet exposures	15 398 008			442 711								434 309
17. Central banks												
18. General governments	115 299											
19. Credit institutions	730 122											
20. Other financial corporations	622 735			16 064								16 064
21. Non-financial corporations	11 111 301			411 021								403 759
22. Households	2 818 551			15 626								14 486
TOTAL	87 181 548	71 693 573	89 967	3 838 302	1 649 748	173 927	277 515	317 606	719 655	105 402	151 738	3 812 701
NPL Ratio	5,93%											

For the purpose of this calculation, loans and advances classified as held for sale, cash balances at central banks and other demand deposits are excluded.

Jun 2020												
	a	b	c	d	e	f	g	h	i	j	k	l
	Gross carrying amount / nominal amount											
	Performing exposures				Non-performing exposures							
		Not past due or past due ≤ 30 days	Past due > 30 days and ≤ 90 days		Unlikely to pay that are not past due or are past due ≤ 90 days	Past due > 90 days ≤ 180 days	Past due > 180 days ≤ 1 year	Past due > 1 year ≤ 2 years	Past due > 2 years ≤ 5 years	Past due > 5 years ≤ 7 years	Past due > 7 years	Of which defaulted
1.Loans and advances	50 995 428	50 865 826	129 602	3 934 107	1 873 065	310 220	314 939	335 847	827 600	99 464	172 972	3 884 884
2.Central Banks	111 493	111 493										
3.General governments	1 192 178	1 192 178	0	1		0	0	0	0		1	1
4.Credit institutions	923 155	923 155		0		0						
5. Other financial corporations	779 184	779 176	8	276 440	150 654	1 822	1 182	53 720	63 368	5 634	59	276 440
6.Non-financial corporations	16 735 215	16 719 936	15 279	2 288 318	1 156 036	157 839	172 318	125 616	566 989	38 541	70 980	2 272 705
7.Of which SME	12 969 680	12 955 693	13 987	1 368 486	932 953	122 232	66 527	87 334	106 829	18 596	34 014	1 358 463
8. Households	31 254 203	31 139 888	114 316	1 369 347	566 375	150 559	141 439	156 511	197 242	55 289	101 931	1 335 737
9. Debt securities	20 278 435	20 278 435		94 092	92 293		1 759			40		94 092
10. Central banks	539 111	539 111										
11. General governments	14 640 603	14 640 603										
12.Credit institutions	281 598	281 598										
13. Other financial corporations	1 732 512	1 732 512		7 750	7 750							7 750
14.Non-financial corporations	3 084 611	3 084 611		86 342	84 543		1 759			40		86 342
15.Off-balance sheet exposures	14 747 374			505 208								496 264
16. Central banks												
17. General governments	110 828			10								
18.Credit institutions	723 915											
19. Other financial corporations	433 867			17 745								17 745
20.Non-financial corporations	10 712 116			472 484								463 852
21. Households	2 766 648			14 970								14 667
TOTAL	86 021 237	71 144 261	129 602	4 533 407	1 965 358	310 220	316 698	335 847	827 600	99 504	172 972	4 475 240

TABLE 29 - TEMPLATE 4 - EBA/GL/2018/10 – PERFORMING AND NON-PERFORMING EXPOSURES AND RELATED PROVISIONS

(Thousand euros)

	Dec 2020														
	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
	Gross carrying amount/nominal amount						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions						Accumulated partial write-off	Collateral and financial guarantees received	
	Performing exposures			Non-performing exposures			Performing exposures – accumulated impairment and provisions			Non-performing exposures – accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions				On performing exposures	On non-performing exposures
	Of which stage 1	Of which stage 2		Of which stage 2	Of which stage 3		Of which stage 1	Of which stage 2		Of which stage 2	Of which stage 3				
1. Cash balances at central banks and other demand deposits	4 985 242	4 985 242													
2. Loans and advances	52 250 199	44 720 871	7 182 606	3 295 271	5 177	3 267 264	-406 852	-169 340	-237 512	-1 643 540	-1 257	-1 628 715		37 858 109	1 202 007
3. Central Banks	291 587	291 587													
4. General governments	1 124 732	906 419	218 312	1	0	1	-4 444	-763	-3 681	-1	0	-1		331 104	
5. Credit institutions	683 258	683 199	58				-45	-42	-3					6	
6. Other financial corporations	715 186	517 219	197 967	220 694	0	220 694	-8 524	-2 403	-6 121	-187 175		-187 175		509 916	32 352
7. Non-financial corporations	17 730 541	14 049 532	3 671 542	1 812 790	171	1 812 048	-266 638	-105 063	-161 575	-986 659	-61	-986 337		12 587 765	682 314
8. Of which SME	13 581 096	10 495 983	3 075 831	1 117 968	168	1 117 230	-218 863	-82 398	-136 465	-556 545	-61	-556 224		10 272 315	466 263
9. Households	31 704 896	28 272 916	3 094 727	1 261 785	5 006	1 234 520	-127 201	-61 069	-66 133	-469 705	-1 196	-455 203		24 429 319	487 341
10. Debt securities	19 533 341	18 197 634	124 389	100 320		16 904	-10 416	-9 614	-802	-73 755		-7 021		570 156	9 870
11. Central banks	269 823	269 823					-215	-215							
12. General governments	14 624 945	14 624 792					-4 660	-4 660							
13. Credit institutions	358 984	358 984		1		1									
14. Other financial corporations	1 396 473	182 565	14 513				-291	-249	-42					49 398	
15. Non-financial corporations	2 883 115	2 761 470	109 876	100 320		16 903	-5 251	-4 491	-760	-73 755		-7 021		520 758	9 870
16. Off-balance sheet exposures	15 398 008			442 711								81 102		2 755 227	192 432
17. Central banks															
18. General governments	115 299													694	
19. Credit institutions	730 122													41 994	
20. Other financial corporations	622 735			16 064								2 971		105 261	
21. Non-financial corporations	11 111 301			411 021								76 280		2 568 613	191 300
22. Households	2 818 551			15 626								1 851		38 665	1 132
TOTAL	87 181 548	62 918 505	7 306 995	3 838 302	5 177	3 284 167	-417 268	-178 954	-238 314	-1 717 294	-1 257	-1 554 635		41 183 492	1 404 309

	Jun 2020														
	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
	Gross carrying amount/nominal amount						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions						Accumulated partial write-off	Collateral and financial guarantees received	
	Performing exposures			Non-performing exposures			Performing exposures – accumulated impairment and provisions			Non-performing exposures – accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions				On performing exposures	On non-performing exposures
	Of which stage 1	Of which stage 2		Of which stage 2	Of which stage 3		Of which stage 1	Of which stage 2		Of which stage 2	Of which stage 3				
1.Loans and advances	50 995 428	43 817 247	6 851 967	3 934 107	12 151	3 880 449	-351 028	-153 743	-197 285	-1 897 495	-3 294	-1 878 247		36 310 788	1 556 492
2.Central Banks	111 493	111 493													
3.General governments	1 192 178	940 642	251 535	1	0	1	-4 513	-1 032	-3 481	0	0	0		367 098	
4.Credit institutions	923 155	922 969	186	0			-75	-63	-12					377	
5.Other financial corporations	779 184	557 277	221 906	276 440	0	276 440	-10 514	-3 211	-7 302	-206 539		-206 539		427 953	65 317
6.Non-financial corporations	16 735 215	13 688 900	3 043 097	2 288 318	135	2 287 195	-217 899	-87 149	-130 750	-1 245 484	-30	-1 245 133		11 220 274	903 173
7.Of which SME	12 969 680	10 448 319	2 518 291	1 368 486	134	1 367 376	-170 939	-62 421	-108 518	-645 141	-29	-644 791		9 496 616	630 286
8.Households	31 254 203	27 595 967	3 335 244	1 369 347	12 015	1 316 813	-118 026	-62 288	-55 739	-445 472	-3 264	-426 574		24 295 087	588 002
9.Debt securities	20 278 435	18 905 071	71 836	94 092		10 675	-13 836	-12 879	-957	-77 340		-10 606		794 461	69
10. Central banks	539 111	539 111					-487	-487							
11. General governments	14 640 603	14 640 489					-4 706	-4 706							
12.Credit institutions	281 598	281 598													
13. Other financial corporations	1 732 512	438 112	5 000	7 750		7 750	-855	-854	-1	-7 750		-7 750		183 988	
14.Non-financial corporations	3 084 611	3 005 761	66 836	86 342		2 925	-7 788	-6 832	-956	-69 589		-2 856		610 473	69
15.Off-balance sheet exposures	14 747 374			505 208								89 458		2 571 882	188 677
16. Central banks															
17. General governments	110 828			10										519	
18.Credit institutions	723 915													48 757	
19. Other financial corporations	433 867			17 745								2 826		127 248	402
20.Non-financial corporations	10 712 116			472 484								85 504		2 350 837	187 060
21. Households	2 766 648			14 970								1 128		44 521	1 215
TOTAL	86 021 237	62 722 317	6 923 803	4 533 407	12 151	3 891 124	-364 864	-166 621	-198 242	-1 974 835	-3 294	-1 799 396		39 677 131	1 745 238

TABLE 30 - TEMPLATE 5 - EBA/GL/2018/10 – QUALITY OF NON-PERFORMING EXPOSURES BY GEOGRAPHY

		Dec 2020					
		a	b	d	e	f	g
		Gross carrying/nominal amount					
			Of which non-performing	Of which subject to impairment	Accumulated impairment	Provisions on off-balance-sheet commitments and financial guarantees given	Accumulated negative changes in fair value due to credit risk on non-performing exposures
1.	On balance exposures	81 377 877	3 395 592	78 501 764	-2 054 263		-80 299
2.	<i>Portugal</i>	50 241 274	2 272 190	48 754 935	-1 365 660		-66 753
3.	<i>Poland</i>	20 742 431	799 904	20 268 988	-491 029		-11 266
4.	<i>Mozambique and others</i>	10 394 172	323 498	9 477 842	-197 575		-2 281
5.	Off balance exposures	15 840 719	442 711			-103 830	
6.	<i>Portugal</i>	11 823 509	424 682			-89 330	
7.	<i>Poland</i>	3 069 682	7 417			-11 096	
8.	<i>Mozambique and others</i>	947 528	10 611			-3 404	
TOTAL		97 218 595	3 838 302	78 501 764	-2 054 263	-103 830	-80 299

Includes Loans and advances (with cash balances at central banks and other demand deposits), Debt securities, Derivatives and Equity instruments.

Detail by countries of residence with weight greater than 5%

Dec 2019						
	a	b	d	e	f	g
	Gross carrying/nominal amount			Accumulated impairment	Provisions on off-balance-sheet commitments and financial guarantees given	Accumulated negative changes in fair value due to credit risk on non-performing exposures
		Of which non-performing	Of which subject to impairment			
1. On balance exposures	77 250 145	4 300 301	74 387 893	-2 433 097		-78 393
2. <i>Portugal</i>	47 228 960	3 031 812	45 881 632	-1 692 950		-66 735
3. <i>Poland</i>	22 306 026	770 518	21 721 572	-443 641		-10 446
4. <i>Mozambique and others</i>	7 715 159	497 971	6 784 690	-296 506		-1 212
5. Off balance exposures	14 299 966	484 029			-116 560	
6. <i>Portugal</i>	10 610 310	467 405			-101 721	
7. <i>Poland</i>	2 693 625	10 017			-12 388	
8. <i>Mozambique and others</i>	996 032	6 607			-2 451	
TOTAL	91 550 111	4 784 330	74 387 893	-2 433 097	-116 560	-78 393

TABLE 31 - TEMPLATE 6 - EBA/GL/2018/10 – CREDIT QUALITY OF LOANS AND ADVANCES BY INDUSTRY

(Thousand euros)

Dec 2020					
	a	b	d	e	f
	Gross carrying amount		Of which loans and advances subject to impairment	Accumulated impairment	Accumulated negative changes in fair value due to credit risk on non-performing exposures
	Of which non-performing				
1. Agriculture, forestry and fishing	391 317	14 962	391 303	-8 597	0
2. Mining and quarrying	100 813	4 383	100 809	-2 396	
3. Manufacturing	3 857 553	269 380	3 850 520	-161 643	-15
4. Electricity, gas, steam and air conditioning supply	302 424	259	302 416	-1 724	-7
5. Water supply	224 609	15 477	224 594	-17 099	-2
6. Construction	1 730 174	230 538	1 729 941	-136 106	-24
7. Wholesale and retail trade	3 648 157	168 879	3 647 154	-139 502	-96
8. Transport and storage	1 192 842	51 990	1 192 437	-44 108	-24
9. Accommodation and food service activities	1 348 911	111 403	1 348 822	-67 645	-19
10. Information and communication	461 633	21 720	461 502	-19 816	-4
11. Financial and insurance activities	287 210	17 466	287 154	-16 947	-2
12. Real estate activities	1 719 246	127 364	1 719 220	-84 118	
13. Professional, scientific and technical activities	1 299 498	80 434	1 299 191	-63 922	-35
14. Administrative and support service activities	599 721	93 300	599 548	-72 515	-26
15. Public administration and defence, compulsory social security	74 161		74 161	-83	
16. Education	139 873	20 127	139 789	-6 957	-4
17. Human health services and social work activities	331 564	25 048	331 506	-9 408	-2
18. Arts, entertainment and recreation	356 564	181 918	356 534	-100 835	
19. Other services	1 477 061	378 142	1 476 946	-299 616	0
20. TOTAL	19 543 331	1 812 790	19 533 549	-1 253 036	-260

Dec 2019					
	a	b	d	e	f
	Gross carrying amount		Of which loans and advances subject to impairment	Accumulated impairment	Accumulated negative changes in fair value due to credit risk on non-performing exposures
	Of which non-performing				
	314 286	16 120	314 265	-6 448	
	80 542	2 336	80 541	-1 985	
	3 495 234	238 292	3 494 155	-128 770	-22
	312 977	307	312 969	-2 571	-6
	187 526	15 466	187 500	-9 548	-2
	1 673 727	420 679	1 673 407	-252 997	-15
	3 195 576	213 569	3 194 343	-142 648	-102
	1 269 351	53 457	1 268 796	-38 792	-42
	1 135 525	148 272	1 135 397	-84 009	-17
	393 856	8 037	393 606	-7 810	-6
	1 641 971	230 243	1 641 940	-109 832	
	1 133 853	251 525	1 133 461	-211 117	-17
	546 454	87 680	545 856	-77 257	-24
	53 971	0	53 971	-24	
	123 657	20 306	123 560	-6 335	-2
	270 877	4 978	270 765	-3 995	-1
	262 769	119 833	262 727	-66 606	0
	1 509 332	588 686	1 509 123	-422 417	-4
	17 601 482	2 419 786	17 596 382	-1 573 159	-259

TABLE 32 - TEMPLATE 7 - EBA/GL/2018/10 – COLLATERAL VALUATION – LOANS AND ADVANCES

(Thousand euros)

		Dec 2020											
		a	b	c	d	e	f	g	h	i	j	k	l
		Loans and advances											
			Performing	Of which past due > 30 days ≤ 90 days		Unlikely to pay that are not past due or are past due ≤ 90 days	Of which past due ≥ 90 dias						
Past due > 90 days ≤ 180 days	Past due > 180 days ≤ 1 year						Past due > 1 year ≤ 2 years	Past due > 2 years ≤ 5 years	Past due > 5 years ≤ 7 years	Past due > 7 years			
1	Cash balances at central banks and other demand deposits	4 985 242	4 985 242										
2	Gross carrying amount	55 545 471	52 250 199	89 967	3 295 271	1 551 189	1 744 083	173 927	277 515	315 885	719 655	105 362	151 738
3	Of which secured	41 428 888	39 101 416	53 789	2 327 472	1 166 229	1 161 243	74 111	172 826	150 081	578 141	68 376	117 708
4	Of which secured with immovable property	30 467 129	28 998 475	51 127	1 468 654	908 582	560 072	44 337	143 807	95 802	135 895	63 570	76 661
5	Of which instruments with LTV higher than 60% and lower or equal to 80%	8 146 925	7 888 582		258 344	180 755	77 588						
6	Of which instruments with LTV higher than 80% and lower or equal to 100%	4 194 944	3 910 336		284 607	224 606	60 001						
7	Of which instruments with LTV higher than 100%	2 798 417	2 456 512		341 905	151 787	190 118						
8	Accumulated impairment for secured assets	-1 338 597	-230 643	-4 273	-1 107 954	-493 421	-614 533	-30 562	-55 284	-69 839	-373 764	-31 989	-53 095
9	Collateral												
10	Of which value capped at the value of exposure	32 409 867	31 379 010	47 248	1 030 857	589 500	441 357	34 350	105 523	67 829	161 873	34 586	37 196
11	Of which immovable property	29 171 424	28 257 053	46 956	914 371	570 775	343 596	33 755	97 759	65 094	76 208	34 436	36 343
12	Of which value above the cap	42 834 271	40 519 453	48 160	2 314 818	1 185 011	1 129 807	54 408	307 955	173 384	461 832	67 935	64 293
13	Of which immovable property	34 679 609	33 066 830	46 639	1 612 779	948 029	664 750	51 297	243 774	76 236	176 583	58 573	58 289
14	Financial guarantees received	6 650 249	6 479 099	1 951	171 151	72 048	99 103	8 701	11 500	10 697	39 648	1 322	27 234
15	Accumulated partial write-off												

Dec 2019													
	a	b	c	d	e	f	g	h	i	j	k	l	
	Loans and advances												
	Performing			Non-performing									
				Of which past due ≥ 90 dias									
						Unlikely to pay that are not past due or are past due ≤ 90 days							
				Of which past due > 30 days ≤ 90 days				Past due > 90 days ≤ 180 days	Past due > 180 days ≤ 1 year	Past due > 1 year ≤ 2 years	Past due > 2 years ≤ 5 years	Past due > 5 years ≤ 7 years	Past due > 7 years
1	Gross carrying amount	53 535 693	49 329 535	137 258	4 206 158	1 978 933	2 227 225	220 514	357 084	295 748	990 264	177 034	186 581
2	Of which secured	39 048 668	36 060 793	72 870	2 987 875	1 522 589	1 465 286	108 381	250 080	182 664	630 612	133 691	159 859
3	Of which secured with immovable property	30 885 470	28 793 442	66 588	2 092 029	1 201 820	890 208	78 880	133 420	137 555	293 415	128 210	118 729
4	Of which instruments with LTV higher than 60% and lower or equal to 80%	9 732 344	9 479 633		252 711	160 459	92 252						
5	Of which instruments with LTV higher than 80% and lower or equal to 100%	4 544 159	4 159 555		384 605	254 471	130 134						
6	Of which instruments with LTV higher than 100%	3 758 054	2 768 386		989 668	474 738	514 930						
7	Accumulated impairment for secured assets	-1 573 492	-145 466	-4 781	-1 428 027	-619 172	-808 855	-31 394	-165 129	-99 886	-418 602	-50 620	-43 223
8	Collateral												
9	Of which value capped at the value of exposure	30 865 975	29 523 652	62 513	1 342 323	785 487	556 836	63 408	71 219	74 262	204 370	55 390	88 188
10	Of which immovable property	28 888 765	27 720 738	61 870	1 168 027	722 158	445 869	61 864	67 831	73 086	111 956	46 308	84 823
11	Of which value above the cap	28 074 032	26 391 511	54 551	1 682 521	1 042 867	639 654	58 438	121 148	66 849	312 479	27 420	53 320
12	Of which immovable property	24 287 798	23 230 959	53 971	1 056 840	743 351	313 488	55 116	56 262	55 799	76 403	24 239	45 669
13	Financial guarantees received	4 637 791	4 465 634	5 050	172 157	78 980	93 177	12 709	12 401	7 492	5 838	27 230	27 506
14	Accumulated partial write-off												

TABLE 33 - TEMPLATE 8 - EBA/GL/2018/10 – CHANGES IN THE STOCK OF NON-PERFORMING LOANS AND ADVANCES

(Thousand euros)

		Dec 2020		Dec 2019	
		a	b	a	b
		Gross carrying amount	Related net accumulated recoveries	Gross carrying amount	Related net accumulated recoveries
1	Initial stock of non-performing loans and advances	4 206 158		5 548 123	
2	Inflows to non-performing portfolios	1 218 597		1 312 697	
3	Outflows from non-performing portfolios	2 129 484		2 654 662	
4	Outflow to performing portfolio	335 915		671 342	
5	Outflow due to loan repayment, partial or total	430 147		576 897	
6	Outflow due to collateral liquidation				
7	Outflow due to taking possession of collateral	171 307		202 011	
8	Outflow due to sale of instruments	827 092		464 388	
9	Outflow due to risk transfer				
10	Outflow due to write-off	238 768		638 704	
11	Outflow due to other situations	126 255		101 319	
12	Outflow due to reclassification as held for sale				
14	Final stock of non-performing loans and advances	3 295 271		4 206 158	

Flows of the year excluding segmentation adjustments of EUR 422 261 thousand

TABLE 34 - TEMPLATE 9 - EBA/GL/2018/10 – COLLATERAL OBTAINED BY TAKING POSSESSION AND EXECUTION PROCESSES

(Thousand euros)

		Dec 2020		Jun 2020	
		a	b	a	b
		Collateral obtained by taking possession		Collateral obtained by taking possession	
		Value at initial recognition	Accumulated negative changes	Value at initial recognition	Accumulated negative changes
1	Property, plant and equipment (PP&E)				
2	Other than PP&E	1 190 803	-191 071	1 395 664	-234 067
3	Residential immovable property	214 348	-10 017	237 394	-20 923
4	Commercial Immovable property	633 928	-136 355	759 693	-169 044
5	Movable property (auto, shipping, etc.)	9 673	-4 437	11 072	-3 264
6	Equity and debt instruments	329 628	-38 895	382 667	-38 526
7	Others	3 226	-1 367	4 838	-2 309
8	TOTAL	1 190 803	-191 071	1 395 664	-234 067

TABLE 35 - TEMPLATE 10 - EBA/GL/2018/10 – COLLATERAL OBTAINED BY TAKING POSSESSION AND EXECUTIO PROCESSES – VINTAGE BREAKDOWN

		Dec 2020											
		a	b	c	d	e	f	g	h	i	j	k	l
		Debt balance reduction		Total collateral obtained by taking possession									
						Foreclosed ≤ 2 years		Foreclosed > 2 years ≤ 5 years		Foreclosed >5 years		Of which non-current assets held-for-sale	
		Gross carrying amount	Accumulated negative changes	Value at initial recognition	Accumulated negative changes	Value at initial recognition	Accumulated negative changes	Value at initial recognition	Accumulated negative changes	Value at initial recognition	Accumulated negative changes	Value at initial recognition	Accumulated negative changes
1	Collateral obtained by taking possession classified as PP&E												
2	Collateral obtained by taking possession other than that classified as PP&E	1 499 726	-277 368	1 190 803	-191 071	258 289	-10 970	521 946	-60 000	410 568	-120 100	930 190	-159 720
3	Residential immovable property	245 887	-43 716	214 348	-10 017	129 764	-1 318	46 577	-2 370	38 007	-6 328	214 348	-10 017
4	Commercial immovable property	760 569	-188 561	633 928	-136 355	108 493	-3 826	262 481	-34 644	262 954	-97 886	633 928	-136 355
5	Movable property (auto, shipping, etc.)	9 673	-4 437	9 673	-4 437	6 637	-1 473	50	-42	2 986	-2 923	9 673	-4 437
6	Equity and debt instruments	480 371	-39 288	329 628	-38 895	13 156	-4 354	211 722	-22 718	104 750	-11 824	69 015	-7 544
7	Others	3 226	-1 367	3 226	-1 367	240	0	1 116	-227	1 871	-1 140	3 226	-1 367
8	Total	1 499 726	-277 368	1 190 803	-191 071	258 289	-10 970	521 946	-60 000	410 568	-120 100	930 190	-159 720

		Dec 2019											
		a	b	c	d	e	f	g	h	i	j	k	l
		Debt balance reduction		Total collateral obtained by taking possession									
						Foreclosed ≤ 2 years		Foreclosed > 2 years ≤ 5 years		Foreclosed >5 years		Of which non-current assets held-for-sale	
		Gross carrying amount	Accumulated negative changes	Value at initial recognition	Accumulated negative changes	Value at initial recognition	Accumulated negative changes	Value at initial recognition	Accumulated negative changes	Value at initial recognition	Accumulated negative changes	Value at initial recognition	Accumulated negative changes
1	Collateral obtained by taking possession classified as PP&E												
2	Collateral obtained by taking possession other than that classified as PP&E	1 296 558	-300 229	1 086 281	-194 857	302 092	-10 689	423 410	-56 405	360 779	-127 763	1 086 281	-194 857
3	Residential immovable property	542 569	-123 180	454 921	-74 564	162 928	-2 581	182 167	-23 823	109 826	-48 160	454 921	-74 564
4	Commercial immovable property	740 099	-173 299	617 470	-116 543	129 889	-8 086	236 797	-29 023	250 784	-79 434	617 470	-116 543
5	Movable property (auto, shipping, etc.)	13 890	-3 750	13 890	-3 750	9 275	-22	4 446	-3 559	169	-169	13 890	-3 750
6	Equity and debt instruments												
7	Others												
8	Total	1 296 558	-300 229	1 086 281	-194 857	302 092	-10 689	423 410	-56 405	360 779	-127 763	1 086 281	-194 857

TABLE 36 - TEMPLATE 1 - EBA/GL/2020/07 – INFORMATION ON LOANS AND ADVANCES SUBJECT TO LEGISLATIVE AND NON-LEGISLATIVE MORATORIA

(Thousand euros)

	Dec 2020														
	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
	Gross carrying amount							Accumulated impairment, accumulated negative changes in fair value due to credit risk							Gross carrying amount
	Performing			Non Performing				Performing			Non Performing				Inflows to non-performing exposures
			Of which: exposures with forbearance measures	Of which: Instruments with significant increase in credit risk since initial recognition but not credit-impaired (Stage 2)		Of which: exposures with forbearance measures	Of which: Unlikely to pay that are not past-due or past-due <= 90 days			Of which: exposures with forbearance measures	Of which: Instruments with significant increase in credit risk since initial recognition but not credit-impaired (Stage 2)		Of which: exposures with forbearance measures	Of which: Unlikely to pay that are not past-due or past-due <= 90 days	
1. Loans and advances subject to moratorium	8 814 127	8 170 851	492 317	2 309 639	643 275	503 946	636 520	388 042	105 518	29 698	85 041	282 524	245 754	281 986	35 868
2. of which: Households	4 202 029	4 107 036	137 572	781 891	94 994	49 253	89 545	15 547	8 044	920	5 404	7 503	3 725	7 081	5 750
3. of which: Collateralised by residential immovable property	3 726 308	3 650 810	122 431	696 962	75 498	40 695	71 729	5 043	2 683	494	2 246	2 360	1 306	2 300	3 497
4. of which: Non-financial corporations	4 516 450	3 988 894	353 395	1 481 533	527 556	433 971	526 249	350 557	95 166	28 377	77 415	255 391	222 401	255 276	30 118
5. of which: Small and Medium-sized Enterprises	4 111 347	3 609 107	323 470	1 326 112	502 240	415 758	500 933	328 753	87 220	26 168	71 305	241 534	212 568	241 418	30 118
6. of which: Collateralised by commercial immovable property	1 653 337	1 454 731	79 947	662 967	198 606	150 430	198 552	110 375	32 088	3 014	28 252	78 288	63 586	78 287	23 776

The Portuguese Government, through Decree-Law no. 10-J / 2020, of 26 March, instituted a moratorium on credits before financial institutions with the objective of supporting families and companies in an adverse context of sharp drop in income caused by the pandemic COVID-19. This public moratorium establishes exceptional measures to protect the credits of the beneficiary entities in the context of the pandemic COVID-19, allowing the deferral of the fulfilment of responsibilities, when they represent credits assumed by the beneficiary entities before the Bank, which are not due on the date of receipt of the declaration. adherence to the public moratorium.

With the evolution of the economic crisis generated by the pandemic COVID-19, in June 2020, the Portuguese Government extended the scope and deadline of the public moratorium. Thus, Decree-Law No. 26/2020 introduced changes to the public moratorium, regarding the term, the deadline for accession and the scope of the beneficiaries and operations covered. With these changes, bank customers began to benefit from an extension of the term of the public moratorium. The moratorium term initially set at six months, until September 30, 2020, was extended until March 31, 2021. This new term is applicable not only to new moratoria but also to those that were subscribed in periods prior to the extension. Within the scope of these amendments, a deadline for adhering to the public moratorium was also set, which can be requested until 30 September 2020. Based on this framework, the Bank started to offer credit moratoriums designed to protect, namely, companies, sole proprietors and other professionals, private institutions of social solidarity, non-profit associations and other entities of the social economy, which bring together the requirements of the law. The moratorium was applied across all sectors, except the financial sector.

In the case of private individuals, loans with mortgage guarantee (with multiple purposes, namely mortgage credit, including credit granted for the acquisition of secondary own housing or for the purpose of leasing), as well as the financial leasing of real estate and property contracts are covered. consumer credit for the purpose of education, including for academic and professional training.

Following the guidance issued by the EBA on public and private moratoriums applied to credit operations in the context of the COVID-19 pandemic, the Portuguese Banking Association provided access to two private moratoriums aimed at natural persons, residents or non-residents in Portugal, one of which relates to mortgage credit and the other to non-mortgage credit (e.g. personal or automobile). In the case of non-mortgage credit, the moratoriums contracted until June 30, 2020 are granted for a period of 12 months, counting from the date of contracting. The moratoriums that will be contracted after June 30, 2020 will end on June 30, 2021. In the case of mortgage credit, the moratoria will last until March 31, 2021. These arrears involve payments associated with credit including instalments of capital, capital, rent, interest, commissions, and other charges. The Bank does not attribute a direct economic loss associated with the granting of default.

	Jun 2020														
	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
	Gross carrying amount							Accumulated impairment, accumulated negative changes in fair value due to credit risk							Gross carrying amount
	Performing			Non Performing				Performing			Non Performing				Inflows to non-performing exposures
		Of which: exposures with forbearance measures	Of which: Instruments with significant increase in credit risk since initial recognition but not credit-impaired (Stage 2)		Of which: exposures with forbearance measures	Of which: Unlikely to pay that are not past-due <= 90 days			Of which: exposures with forbearance measures	Of which: Instruments with significant increase in credit risk since initial recognition but not credit-impaired (Stage 2)		Of which: exposures with forbearance measures	Of which: Unlikely to pay that are not past-due <= 90 days		
1. Loans and advances subject to moratorium	10 465 080	9 799 828	504 046	2 429 163	665 251	433 677	655 336	345 427	110 270	29 881	79 537	235 158	170 941	233 870	103 889
2. of which: Households	5 525 180	5 415 763	129 069	915 734	109 418	52 944	106 653	33 255	20 952	1 020	8 763	12 303	2 775	12 129	23 060
3. of which: Collateralised by residential immovable property	4 718 903	4 628 711	114 621	801 632	90 191	45 533	88 038	14 657	7 195	521	4 008	7 462	1 002	7 446	16 093
4. of which: Non-financial corporations	4 844 299	4 308 195	373 663	1 462 964	536 104	361 184	528 954	291 332	87 788	28 777	69 335	203 544	148 918	202 430	80 829
5. of which: Small and Medium-sized Enterprises	4 197 927	3 687 255	353 270	1 248 641	510 672	348 359	505 000	278 557	79 378	27 404	64 868	199 178	147 797	198 435	80 792
6. of which: Collateralised by commercial immovable property	1 116 547	948 524	77 711	430 584	168 023	123 265	167 963	68 490	19 411	2 042	17 330	49 078	34 971	49 078	2 398

TABLE 37 - TEMPLATE 2 - EBA/GL/2020/07 – BREAKDOWN OF LOANS AND ADVANCES SUBJECT TO LEGISLATIVE AND NON-LEGISLATIVE MORATORIA BY RESIDUAL MATURITY OF MORATORIA

Regarding the legislative moratorium (Decree-Law No. 26/2020), the moratorium term was initially fixed at six months, until September 30, 2020, having subsequently been extended until March 31, 2021. This new term is applicable not only to the new moratoriums but also to those that were subscribed in periods prior to the extension.

With regard to the moratorium within the scope of the Portuguese Banking Association, in the case of non-mortgage credit, the moratoria contracted until June 30, 2020 are granted for a period of 12 months, counting from the date of contracting and any moratoriums to be contracted after June 30, 2020 will end on June 30, 2021. In the case of mortgage credit, the moratoria will last until March 31, 2021.

(Thousand euros)

Dec 2020									
	a	b	c	d	e	f	g	h	i
	Number of obligors	Gross carrying amount							
			Of which: legislative moratoria	Of which: expired	Residual maturity of moratoria				
					<= 3 months	> 3 months <= 6 months	> 6 months <= 9 months	> 9 months <= 12 months	> 1 year
1. Loans and advances for which moratorium was offered	148 065	11 034 681							
2. Loans and advances subject to moratorium (granted)	147 756	10 969 087	8 224 930	2 154 960	767 694	100 384	7 946 049	0	0
3. of which: Households		5 822 651	3 452 952	1 620 622	744 159	90 158	3 367 713	0	0
4. of which: Collateralised by residential immovable property		4 924 905	3 385 794	1 198 596	420 121	2 867	3 303 321	0	0
5. of which: Non-financial corporations		5 049 253	4 674 796	532 804	23 536	10 226	4 482 688	0	0
6. of which: Small and Medium-sized Enterprises		4 445 032	4 261 385	333 685	2 660	1 104	4 107 583	0	0
7. of which: Collateralised by commercial immovable property		1 725 280	1 690 487	71 943	14 282	807	1 638 248	0	0

Jun 2020									
	a	b	c	d	e	f	g	h	i
	Number of obligors		Of which: legislative moratoria	Of which: expired	Gross carrying amount				
					Residual maturity of moratoria				
					<= 3 months	> 3 months <= 6 months	> 6 months <= 9 months	> 9 months <= 12 months	> 1 year
1. Loans and advances for which moratorium was offered	163 954	10 848 123							
2. Loans and advances subject to moratorium (granted)	162 261	10 688 029	9 231 116	222 949	934 684	874 977	8 485 746	169 672	0
3. of which: Households		5 619 859	4 162 947	94 678	763 202	683 385	3 908 922	169 672	0
4. of which: Collateralised by residential immovable property		4 798 260	3 711 340	79 357	575 765	490 434	3 652 540	163	0
5. of which: Non-financial corporations		4 972 569	4 972 569	128 271	171 483	191 593	4 481 223	0	0
6. of which: Small and Medium-sized Enterprises		4 261 246	4 261 246	63 319	99 385	44 927	4 053 615	0	0
7. of which: Collateralised by commercial immovable property		1 116 592	1 116 592	44	24 699	25 861	1 065 988	0	0

TABLE 38 - TEMPLATE 3 - EBA/GL/2020/07 – INFORMATION ON NEWLY ORIGINATED LOANS AND ADVANCES PROVIDED UNDER NEWLY APPLICABLE PUBLIC GUARANTEE SCHEMES INTRODUCED IN RESPONSE TO COVID-19 CRISIS

(Thousand euros)

	Dec 2020			
	a	b	c	d
	Gross carrying amount	of which: forborne	Maximum amount of the guarantee that can be considered	Gross carrying amount
			Public guarantees received	Inflows to non-performing exposures
1. Newly originated loans and advances subject to public guarantee schemes	2 369 072	18	1 931 615	3 683
2. of which: Households	14 128			0
3. of which: Collateralised by residential immovable property	260			0
4. of which: Non-financial corporations	2 352 281	18	1 916 959	3 683
5. of which: Small and Medium-sized Enterprises	2 180 750			2 678
6. of which: Collateralised by commercial immovable property	74 141			1 501

In the context of the new Coronavirus pandemic, the Portuguese Government created lines of support for the economy that allow companies to access credit to support the treasury under more favourable conditions. This support has been made available in stages and distributed in specific lines:

- i. Lines with autonomous guarantee provided by Mutual Guarantee Societies up to 90% (100% coverage of the Fundo de Garantia Mútua - FGM) in the case of credit granted to micro and small companies (except for the Capitalizar 2018 Lines – Subline Covid-19 e Investe RAM Covid-19), as well as the Covid-19 Social Sector Support Line;
- ii. Lines with autonomous guarantee provided by Mutual Guarantee Societies up to 80% (coverage of the FGM in 100%) in the case of larger companies, Linha Capitalizar 2018 - Subline Covid-19 and Linha Investe RAM Covid-19
- iii. iii) Line only with interest subsidies (partial) in the case of the Support Line to the Fishing Sector Covid-19.

In sectorial terms, the lines cover a very wide universe, covering practically all sectors of economic activity, with some lines allocated to specific sectors.

The lines that fit into the different sectors and according to a certain dimension are as follows:

- Capitalize 2018 - Subline COVID-19 - SMEs and Large Companies - € 400 million
- COVID-19 ECONOMY SUPPORT LINE, which includes the following specific lines:
 - a) Specific Line “Covid 19 - Support for Catering Companies and the like” - € 600 million
 - b) Specific Line “Covid 19 - Support to Tourism Companies” - € 900 million
 - c) Specific Line “Covid 19 - Support to Travel Agencies, Tourist Entertainment, Event Organizers and Similar” - € 200 million
 - d) Specific Line “Covid 19 - Support for Economic Activity” - € 4,500 million,

Note: With the signature of the addendum to the Protocol, the specific lines identified in a) to d) cease and a specific Line with a € 400 million ceiling will be created, aimed at Medium-sized companies, Small Mid Caps and Mid Caps with an autonomous guarantee provided by a Mutual Guarantee Society up to 80%.

- COVID MPE: Micro and Small Enterprises - € 1,000 million
- COVID Açores: SMEs and Small Mid Caps - € 150 million
- COVID Support Madeira 2020: Small, Medium and Large Companies - € 20 million
- COVID Investe RAM: SMEs and Large Companies in the Autonomous Region of Madeira - € 100 million
- COVID Social Sector: IPSS and private non-profit entities equipped with SMEs - € 165 million
- COVID Support to the Fishing Sector - € 20 million

For the most representative lines, namely the four specific lines integrated in the COVID-19 Economy Support Lines and the line for Micro and Small Companies, the term of the operations may go up to 6 years after contracting the operation, with an 18-month grace period. The financing operations covered by the support lines are only intended to finance treasury needs. Therefore, the financial restructuring and / or consolidation of live credit or the liquidation or replacement of financing previously agreed with the Bank or the acquisition of land and other properties in use, as well as properties for general use, cannot be used for these operations. that do not already have (before the acquisition) characteristics appropriate to the technical requirements of the company's production process.

	Jun 2020			
	a	b	c	d
	Gross carrying amount		Maximum amount of the guarantee that can be considered	Gross carrying amount
		of which: forborne	Public guarantees received	Inflows to non-performing exposures
1. Newly originated loans and advances subject to public guarantee schemes	1 694 273	0	1 427 086	449
2. of which: Households	566			0
3. of which: Collateralised by residential immovable property	0			0
4. of which: Non-financial corporations	1 691 370	0	1 424 698	449
5. of which: Small and Medium-sized Enterprises	1 582 971			449
6. of which: Collateralised by commercial immovable property	25 379			0

5.3. Concentration risk management

The Group's policy relating to the identification, measurement and evaluation of the concentration risk in credit risk is defined by the Board of Directors and applies across the BCP Group.

The monitoring of the concentration risk and the follow-up of major risks is made, at Group level, based on the concept of "Economic Groups" and "Customer Groups" – sets of connected Customers (individual persons or companies), which represent a single entity from a credit risk perspective, such that if one of them is affected by financial problems, one or all of the others, will probably face difficulties to fulfil their debtor obligations. The Customer connections that originate a Customer group include the formal participation on the same economic group, the evidence that a direct or indirect control relationship exists, including the control by an individual Customer (criteria of capacity of control) of a company or the existence of a strong commercial interdependency or common sources of funding that cannot be replaced on a short term (criteria of economic dependency). The identification of connected clients is an integral part of the credit granting and monitoring processes of each entity.

For the control of credit concentration risk and limit the exposure to this risk, there are limits defined for exposures to Sovereign risk, Institutions (banks/financial institutions), large exposures (Corporate single-name exposures), geographic concentration (country risk), for the portfolio of exposures to leveraged transactions and to the exposure to sectors of activity.

These limits apply to the 'Net exposures'(*) at stake, relating either to a counterparty or a group of counterparties – cases for banks, Sovereigns and large exposures single-name –, to the leveraged transactions portfolio and to set of exposures to an activity sector or to a country (the counterparty country of residence). The measurement of concentration on sovereign risks and of geographic concentration exclude the countries in which the Group operates (Portugal, Poland and Mozambique) and their respective Sovereigns.

Except for the exposure to sectors of activity and leveraged transactions portfolio, the concentration limits are established by taking into consideration the credit worthiness of the debtors at stake in what concerns their rating grades/probability of Default (PD) (internal or external ratings; country rating in the case of geographic concentration).

The concentration limits for Corporate single-name exposures apply only to non-NPE positions, since the NPE positions are covered by the NPE reduction Plan.

The limits in force as at 31 December 2020, for the exposure to Sovereigns, Institutions, Single-name, leveraged transactions portfolio and geographical (For a given Customer/Group of Customers in the second and third cases) are the following, in terms of the Net Exposure weight over the Consolidated Own Funds:

TABLE 39 – LIMITS FOR SINGLE NAME CONCENTRATION

Limit = Max. % of Net Exposure over the Consolidated Own Funds				
Risk quality	Risk grades	Sovereigns	Institutions	Countries
1st Tier	1 - 3	25,0%	10,0%	40,0%
2nd Tier	4 - 6	10,0%	5,0%	20,0%
3rd Tier	7 - 12	7,5%	2,5%	10,0%

Risk quality	Risk grades	Single name
High	1 - 5	7,0%
Average good	6 - 7	4,5%
Average low	8 - 9	3,0%
Low	10 - 11	0,6%
Restricted credit	12 - 13	0,3%

(*) Net exposure = EAD x LGD, assuming that PD=1 and considering LGD=45% whenever own estimates for LGD do not exist.

As at 31 December 2020:

- There were no exposure excesses to Sovereigns, Institutions or countries.
- There were 2 Economic Groups with net exposure above the established Single-name limits for their respective risk grade, less one Economic Group than as by the end of 2019. For each client with an exposure excess a specific plan is prepared, aiming at reducing the exposure and bringing it within the established limits.

It should also be referred that the measurement of this concentration type is also done within the Group RAS (Risk Appetite Statement) scope.

In what concerns the limit for exposure to sectors of activity, in force on 31/12/2020, this is defined as a maximum of 40% per sector of activity, in terms of the weight of the Net Exposure for each sector of activity over the Own Funds of each Group Entity. As of 31/12/2020, there was no excess over this limit.

It should also be noted that the limit of 25% of consolidated Own Funds for the Group's exposure to leveraged transactions portfolio also did not register any excess.

The Bank's Executive Committee and the Committee for Risk Assessment are regularly informed on the evolution of the credit concentration risk metrics (against the mentioned limits) and on major risks, which are assessed by measuring the weights of the net exposure values in question in terms of the consolidated Own Funds level. For such measurements, the Risk Office uses a database on credit exposures (the Risk Office Datamart), monthly updated by the Group's systems, which also feeds a simulation tool for supporting the analysis of the impact on changes on the Customers exposures in the consumption of the respective concentration limits, used by the Credit Division within the scope of credit analysis for large clients.

5.4. Characterisation of the exposures

The exposures taken into consideration for the calculation of the own funds requirements for credit risk comprise the Banking Book exposures registered in the consolidated balance sheet and in off-balance sheet accounts related, namely, with loans and advances to customers, other loans and advances to credit institutions, investments in financial instruments, the ownership of other assets, the guarantees and commitments assumed and hedging derivatives. These exposures do not include those handled within the scope of the trading portfolio, but the ones related to securitisation are considered.

Total exposures, net of impairment and amortization, amounted to 93,151 million euros on December 31, 2020 and 85,303 million euros on December 31, 2019, with table 40 showing the breakdown of this amount by risk classes. defined in CRD IV / CRR.

TABLE 40 – TEMPLATE 7 / EU CRB-B – TOTAL AND AVERAGE NET AMOUNT OF EXPOSURES

(Thousand euros)	Dec 2020		Dec 2019	
	a	b	a	b
	Net value of exposures at the end of the period	Average net exposures over the period	Net value of exposures at the end of the period	Average net exposures over the period
Central Governments or Central Banks				
Institutions				
Corporates	18 220 557	17 044 802	15 606 892	15 253 444
Of which: Specialised lending	1 219 017	1 208 295	1 196 612	1 313 519
Of which: SME				
Retail	31 835 193	31 237 437	30 752 476	29 776 953
Secured by real estate property				
SME				
Non-SME				
Qualifying revolving				
Other retail				
SME				
Non-SME				
Equity	1 369 319	1 378 410	1 395 614	1 468 311
TOTAL IRB APPROACH	51 425 068	49 660 650	47 754 983	46 498 708
Central Governments or Central Banks	19 723 388	17 663 261	15 677 842	15 342 330
Regional Governments or Local Authorities	1 259 374	1 057 371	817 743	855 590
Public Sector Entities	300 247	327 771	301 102	183 479
Multilateral Development Banks	40 029	40 366	41 422	27 852
International Organisations				
Institutions	2 608 333	2 846 920	2 702 844	2 800 147
Corporates	9 098 121	9 327 681	9 571 935	9 087 922
Of which: SME				
Retail	5 867 157	5 616 866	5 478 742	4 516 005
Of which: SME				
Secured by mortgages on immovable property	2 070 633	2 165 868	2 259 723	1 980 163
Of which: SME				
Exposures in default	532 072	523 594	501 508	487 011
Items associated with particularly high risk	5 607	4 503	1 514	1 514
Covered bonds				
Claims on institutions and corporates with a short-term credit assessment				
Collective Investments Undertakings	100 317	124 462	155 294	165 348
Equity exposures	29 967	33 133	38 652	33 762
Other exposures	90 941	62 047		
TOTAL STANDARDISED APPROACH	41 726 185	39 793 841	37 548 319	35 481 122
TOTAL	93 151 253	89 454 491	85 303 301	81 979 829

The table below provides the geographical distribution of the Group's original risk positions at the end of 2020 and 2019.

TABLE 41 – TEMPLATE 8 / EU CRB-C - GEOGRAPHICAL BREAKDOWN OF EXPOSURES

(Thousand euros)

	Dec 2020				Dec 2019			
	a	b	m	n	a	b	m	n
	Portugal	Poland	Other	Total	Portugal	Poland	Other	Total
Central Governments or Central Banks								
Institutions								
Corporates	16 764 539	5 445	1 450 573	18 220 557	14 571 519	8 931	1 026 443	15 606 892
Retail	23 155 845	6 815 688	1 863 659	31 835 193	22 044 674	6 916 431	1 791 372	30 752 476
Equity	1 307 782	61 537		1 369 319	1 348 795	46 819		1 395 614
TOTAL IRB APPROACH	41 228 166	6 882 670	3 314 232	51 425 068	37 964 988	6 972 180	2 817 815	47 754 983
Central Governments or Central Banks	11 489 958	4 143 192	4 090 238	19 723 388	8 347 923	5 432 475	1 897 444	15 677 842
Regional Governments or Local Authorities	1 200 177	59 148	49	1 259 374	749 035	67 825	883	817 743
Public Sector Entities	174 439	36 747	89 061	300 247	174 522	21 144	105 435	301 102
Multilateral Development Banks			40 029	40 029			41 422	41 422
International Organisations								
Institutions	939 601	75 564	1 593 168	2 608 333	976 508	66 931	1 659 405	2 702 844
Corporates	3 708 842	4 473 910	915 368	9 098 121	3 992 672	4 767 823	811 439	9 571 935
Retail	324 484	5 250 933	291 740	5 867 157	355 070	4 825 050	298 622	5 478 742
Secured by mortgages on immovable property	52 726	1 752 894	265 012	2 070 633	71 283	1 855 163	333 276	2 259 723
Exposures in default	64 667	388 754	78 651	532 072	78 269	340 184	83 055	501 508
Items associated with particularly high risk		4 330	1 277	5 607			1 514	1 514
Covered bonds								
Claims on institutions and corporates with a short-term credit assessment								
Collective Investment Undertakings	100 314		2	100 317	155 291		3	155 294
Equity exposures			29 967	29 967			38 652	38 652
Other exposures	22 211	61 987	6 743	90 941				
TOTAL STANDARDISED APPROACH	18 077 420	16 247 459	7 401 305	41 726 185	14 900 573	17 376 596	5 271 150	37 548 319
TOTAL	59 305 587	23 130 129	10 715 538	93 151 253	52 865 561	24 348 776	8 088 964	85 303 301

The sectoral distribution of the Group's original risk positions at the end of 2020 and 2019 is provided in the next Table.

TABLE 42 – TEMPLATE 9 / EU CRB-D - CONCENTRATION OF EXPOSURES BY INDUSTRY OR COUNTERPARTY TYPES

31/12/2020	(Thousand euros)								
	Mortgage credit	Services	Consumer credit	Construction	Other activities, national	Other activities, international	Wholesale business	Other	Total
Central Governments or Central Banks									
Institutions									
Corporates		7,017,914		1,886,367	1,035,187		1,343,718	6,937,371	18,220,557
Retail	23,722,085	552,807	5,002,017	332,207	315,955	52	327,874	1,582,195	31,835,193
Equity								1,369,319	1,369,319
TOTAL IRB APPROACH	23,722,085	7,570,721	5,002,017	2,218,574	1,351,141	52	1,671,593	9,888,885	51,425,068
Central Governments or Central Banks		4,461,387		1,000	14,688,707	212		572,082	19,723,388
Regional Governments or Local Authorities		702			1,251,574			7,098	1,259,374
Public Sector Entities		174,439			50,110		73,773	1,925	300,247
Multilateral Development Banks					40,029				40,029
International Organisations									
Institutions		1,928,209			680,124				2,608,333
Corporates		498,710		334,908	5,804,993	28	479,878	1,979,605	9,098,121
Retail		25,795	5,085,793	33,599	493,252		78,349	150,369	5,867,157
Secured by mortgages on immovable property	1,013,350	30,905	9,989	7,051	973,677		6,867	28,794	2,070,633
Exposures in default	14,779	8,248	280,452	13,287	163,527	1	6,646	45,133	532,072
Items associated with particularly high risk		935			4,673				5,607
Covered bonds									
Claims on institutions and corporates with a short-term credit assessment									
Collective Investment Undertakings								100,317	100,317
Equity exposures								29,967	29,967
Other exposures								90,941	90,941
TOTAL STANDARDISED APPROACH	1,028,129	7,129,329	5,376,234	389,845	24,150,665	240	645,513	3,006,230	41,726,185
TOTAL	24,750,214	14,700,050	10,378,251	2,608,419	25,501,807	292	2,317,105	12,895,115	93,151,253

31/12/2019

(Thousand euros)

	Mortgage credit	Services	Consumer credit	Construction	Other activities, national	Other activities, international	Wholesale business	Other	Total
Central Governments or Central Banks									
Institutions									
Corporates		6,234,924		1,724,859	849,554		1,067,594	5,729,961	15,606,892
Retail	23,668,854	366,776	5,030,921	265,685	235,031	36	224,189	960,985	30,752,476
Equity								1,395,614	1,395,614
TOTAL IRB APPROACH	23,668,854	6,601,700	5,030,921	1,990,544	1,084,585	36	1,291,782	8,086,560	47,754,983
Central Governments or Central Banks		4,243,630		1,000	10,789,388	234		643,590	15,677,842
Regional Governments or Local Authorities		664			809,595			7,484	817,743
Public Sector Entities		174,522			26,379		96,920	3,281	301,102
Multilateral Development Banks					41,422				41,422
International Organisations									
Institutions		2,012,664			690,179				2,702,844
Corporates		548,697		288,049	6,341,486	48	423,781	1,969,873	9,571,935
Retail		33,045	4,590,315	36,058	571,356	1	81,014	166,953	5,478,742
Secured by mortgages on immovable property	1,146,047	15,879	36,180	29,292	980,778		8,795	42,751	2,259,723
Exposures in default	12,880	8,664	231,908	19,903	163,955		3,136	61,063	501,508
Items associated with particularly high risk		1,144			370				1,514
Covered bonds									
Claims on institutions and corporates with a short-term credit assessment									
Collective Investment Undertakings								155,294	155,294
Equity exposures								38,652	38,652
Other exposures									
TOTAL STANDARDISED APPROACH	1,158,927	7,038,910	4,858,403	374,302	20,414,907	283	613,645	3,088,940	37,548,319
TOTAL	24,827,781	13,640,610	9,889,324	2,364,847	21,499,492	319	1,905,427	11,175,501	85,303,301

The table below provides the Group's original risk positions by residual maturity term at the end of 2020 and 2019.

TABLE 43 – TEMPLATE 10 / EU CRB-E - MATURITY OF EXPOSURES

31/12/2020

(Thousand euros)

	Term to maturity < 1 Y	1 Y < Term to maturity < 5 Y	5 Y < Term to maturity < 10 Y	Term to maturity > 10 Y	Total
Central Governments or Central Banks					
Institutions					
Corporates	7,911,057	3,977,455	4,627,146	1,704,899	18,220,557
Retail	3,424,654	2,796,060	3,378,751	22,235,728	31,835,193
Equity				1,369,319	1,369,319
TOTAL IRB APPROACH	11,335,711	6,773,515	8,005,897	25,309,945	51,425,068
Central Governments or Central Banks	5,699,809	6,595,839	7,374,281	53,459	19,723,388
Regional Governments or Local Authorities	215,061	159,067	689,491	195,754	1,259,374
Public Sector Entities	52,540	62,024	11,476	174,206	300,247
Multilateral Development Banks	17,920		22,109		40,029
International Organisations					
Institutions	1,376,213	361,162	810,828	60,129	2,608,333
Corporates	6,460,242	2,001,733	531,082	105,063	9,098,121
Retail	871,657	1,755,619	1,411,461	1,828,420	5,867,157
Secured by mortgages on immovable property	339,770	328,702	243,105	1,159,055	2,070,633
Exposures in default	309,582	113,155	57,483	51,852	532,072
Items associated with particularly high risk	1,247	4,360			5,607
Covered bonds					
Claims on institutions and corporates with a short-term credit assessment					
Collective Investment Undertakings				100,317	100,317
Equity exposures				29,967	29,967
Other exposures				90,941	90,941
TOTAL STANDARDISED APPROACH	15,344,042	11,381,662	11,151,318	3,849,163	41,726,185
TOTAL	26,679,752	18,155,177	19,157,216	29,159,108	93,151,253

31/12/2019

(Thousand euros)

	Term to maturity < 1 Y	1 Y < Term to maturity < 5 Y	5 Y < Term to maturity < 10 Y	Term to maturity > 10 Y	Total
Central Governments or Central Banks					
Institutions					
Corporates	6,937,629	3,742,872	3,026,624	1,899,767	15,606,892
Retail	2,083,321	4,054,643	2,533,646	22,080,867	30,752,476
Equity				1,395,614	1,395,614
TOTAL IRB APPROACH	9,020,950	7,797,515	5,560,270	25,376,248	47,754,983
Central Governments or Central Banks	5,961,966	7,508,619	2,137,818	69,438	15,677,842
Regional Governments or Local Authorities	109,218	122,826	547,481	38,218	817,743
Public Sector Entities	49,169	77,651		174,281	301,102
Multilateral Development Banks		19,226	22,196		41,422
International Organisations					
Institutions	1,602,466	318,896	769,065	12,417	2,702,844
Corporates	5,934,048	3,091,621	429,299	116,967	9,571,935
Retail	608,373	2,077,212	1,556,673	1,236,484	5,478,742
Secured by mortgages on immovable property	335,419	280,110	242,575	1,401,619	2,259,723
Exposures in default	259,914	113,603	88,980	39,012	501,508
Items associated with particularly high risk	1,467	47			1,514
Covered bonds					
Claims on institutions and corporates with a short-term credit assessment					
Collective Investment Undertakings				155,294	155,294
Equity exposures				38,652	38,652
Other exposures					
TOTAL STANDARDISED APPROACH	14,862,040	13,609,811	5,794,086	3,282,382	37,548,319
TOTAL	23,882,990	21,407,326	11,354,356	28,658,630	85,303,301

5.5. Own funds requirements for credit risk

5.5.1. FRAMEWORK OF THE APPROACHES USED

As at 31 December 2020 and 2019, the Group determined the own funds requirements for credit risk in accordance with the authorisations granted by the Supervisor for the approach to calculate risk weighted assets (RWA).

For the portfolio that, on those dates, fitted the standardised approach, the original exposures were classified in line with regulatory risk classes according to the nature of the counterparty, to which specific regulatory weights are applied after carrying out some adjustments – such as the ones related with provisions and value corrections, the ones due to the application of CCF, namely, in the case of off-balance sheet exposures, and those resulting from risk mitigation – thus finding the value of the risk weighed assets.

In the capital requirements calculation based on the standardised approach, the exposures are weighted according to the provisions of the CRR. In the risk class "Central Government and Central Banks", credit ratings of issuers or issues are used, provided they have been attributed by recognised credit rating agencies (ECAI – External Credit Assessment Institutions), for the purpose of determining the respective risk quality levels, as per which the corresponding risk weights are applied as defined by the CRR (no. 2 of article 114, Section 2, Chapter 2, Title II, Part III). Whenever the same issuer or issue has two or more risk evaluations, the second-best rating attributed is used. The credit rating of the issuer is applicable to all of its operations, whereas the rating for a specific issue is only considered for that same issue. The ECAI used by the Group were Standard & Poor's, Moody's and Fitch Ratings. Exposures of unrated clients are treated in accordance with no. 1 of article 114, Section 2, Chapter 2, Title II, Part III of the CRR.

Regarding the "Institutions" risk class, the risk weight of the exposures results from the existence of specific ratings and the exposures' terms-to-maturity or from the existence of the sovereign rating at stake and the exposures original term, as defined by articles 119 to 121 of the CRR.

Concerning the risk classes "Central Government and Central Banks" and "Institutions", in Portugal, the Group uses the standardised approach, pursuant to the conditions for permanent partial use of such approach, defined by article 150, Section 1, Chapter 3, Title II, Part III of the CRR.

On 31 December 2020 and 2019, according to the supervisory authorisations granted for the Group's activities in Portugal, the Bank used the internal ratings-based approach for the exposure classes "Corporates" and "Retail Exposures" (in both cases, with own LGD estimates), "Equity exposures" and "Items representing securitisation positions". Regarding the Corporates exposure class, the exposures treated under the simplified rating system were weighted using the standardised approach. From 31 December 2012, also, according to the supervisory authorisations granted for the Group's activities in Poland, the Bank used the internal ratings-based approach for "Retail Exposures" (with own LGD estimates), regarding the positions of individual clients guaranteed by residential real estate collateral and the retail renewable positions (QRRE – Qualified Retail Renewable Exposures).

For all the other geographies where the Group operates, the consolidated own funds requirements as at 31 December 2020 and 2019 were estimated following the standardised approach.

Also, in Portugal:

- Risk weighted assets as at 31 December 2020 and 2019 for exposures to Customers that exceptionally did not receive an internal risk level were computed according to the standardised approach, considering a PD corresponding to risk grade 12 of the Group Master Scale.
- Within the Corporates risk class, the Bank used the standardised approach for a set of exposures to churches, sports clubs and other non-profit organisations, in accordance with the supervisory authorisation for a permanent partial use of this approach, for these cases.

5.5.2. IRB APPROACH – PARAMETERS AND GENERAL INFORMATION

In the IRB Approach, the weight of exposures to determine the value of risk weighted assets is based on the PD corresponding to the various internal risk ratings of the Customers, using internal rating systems and models, adequate for each Customers segment/sub-segment.

In addition, in this approach, the computation of the risk weighted assets also uses the internally estimated LGD as well as CCF factors on off-balance sheet exposures. On the IRB approach, the effect of the credit risk decrease by means of collaterals for credit exposures is incorporated into the estimate of the risk weighted assets through the LGD parameters.

The internal ratings are given based on the Rating Master Scale, common to all the rating systems and models used, presented in Table 44.

TABLE 44 - RATING MASTER SCALE AND RELATION BETWEEN INTERNAL AND EXTERNAL GRADES

Risk grades	Minimum PD	Maximum PD	Description
1	0.01%	0.05%	Maximum security (only for sovereign risks)
2	0.05%	0.07%	Superior quality
3	0.07%	0.14%	Very high quality
4	0.14%	0.28%	High quality
5	0.28%	0.53%	Very good quality
6	0.53%	0.95%	Good quality
7	0.95%	1.73%	Medium/high quality
8	1.73%	2.92%	Medium quality
9	2.92%	4.67%	Medium/low quality
10	4.67%	7.00%	Low quality
11	7.00%	9.77%	Very low quality
12	9.77%	13.61%	Conditioned access to credit
13 ^(*)	13.61%	27.21%	Weak signs of impairment
14 ^(*)	27.21%	100.00%	Strong signs of impairment
15 ^(*)	100.00%	100.00%	<i>Default</i>

^(*) Processual risk grade; the presented values of maximum and minimum PD for RG 13 and 14 are indicative, being applied the observed PD.

Risk grades	Fitch	Standard & Poor's	Moody's
1	AAA, AA+	AAA, AA+	Aaa, Aa1
2	AA-, AA	AA-, AA	Aa2, Aa3
3	A, A+	A, A+	A1, A2
4	A-, BBB+	A-, BBB+	A3, Baa1
5	BBB	BBB	Baa2
6	BBB-	BBB-	Baa3
7	BB+	BB+	Ba1
8	BB	BB	Ba2
9	BB-	BB-	Ba3
10	B+	B+	B1
11	B	B	B2
12	≤ B-	≤ B-	≤ B3

The risk ratings attributed by the rating systems and models are valid for one year and are periodically revised/updated or whenever there are grounds to do so (e.g. requests for new loans or evidence of a decrease in the debtor's credit quality).

The Rating Division is responsible for risk ratings - a unit that is independent from the credit decision-making bodies and areas - even though most risk scores are granted by automatic decision-making models used for the debtors of the Retail exposure class.

All customers are rated, but the corresponding PD are only used to compute own funds requirements through the IRB Approach for exposures that fit the risk classes for which the Supervisor authorised the use of this approach.

The rating models included in the various rating systems are regularly subject to validation, carried out in 2019 by the validation unit of the Office for the Validation and Monitoring of Models (GAVM), integrated in the second line of defense, which is independent from the units that are responsible for the development and maintenance of rating models. In addition, GAVM's validation unit is also responsible for ensuring that the Group's Rating Master Scale is up-to-date and correct.

The conclusions of GAVM's validation, as well as its amendment/improvement recommendations and proposals, are analysed and ratified by a specific Validation Committee, whose composition varies according to the type of model analysed. The proposals to amend the models originated in the Validation Committees are submitted to the approval of the Risk Commission.

Besides its responsibilities regarding the PD models and the Rating Master Scale, GAVM is also responsible for validating the models used to estimate LGD and CCF parameters. Regarding these models, the Bank estimates them all based on the methods validated by the Supervisor within the scope of the process to approve the use of the IRB approach.

In terms of LGD parameters, the computation model used is based on the gathering and analysis of past data on credit risk losses, and all losses verified are computed and the various cash flows underlying credit recovery processes are discounted, including financial losses.

CCF are estimated based on the analysis of data on the use of credit lines and limits within the time frame of one year prior to the defaults.

It should be underlined that there is a model owner for each credit risk model – PD, LGD and CCF – responsible for:

- Ensuring compliance with the regulatory requirements for storing input and output data;
- Ensuring the adequacy of the model's documentation, including the development documentation, development samples and all the documents regarding changes to the model;
- Being the senior responsible in charge of all requests pertaining to the decision process based on the model;
- Changing the model whenever necessary;
- Ensuring the existence of monitoring processes;
- Ensuring the necessary support to the GAVM pursuant to the model validation work and do DAU in the internal audit performed.

In addition, regarding the rating systems in which rating models are integrated, there is also a rating system owner, who is responsible for:

- Ensuring the necessary support to the GAVM within the scope of the analysis of the rating systems decision flow;
- Promoting the execution of changes to the rating system whenever necessary.

The Bank has defined a model risk management framework, duly documented in the form of a specific group code, which is applied throughout the model's life cycle and based on a robust governance structure that ensures a holistic understanding of the application and use of models, the identification, measurement, monitoring, management and risk mitigation of the model. In this framework, all models are identified in the model inventory and the respective risks are identified and assessed. The continuous use and performance of the models are monitored to ensure that they are used within the scope and for the purpose for which they were approved and, furthermore, that they continue to function as expected. The models are monitored by the GAVM and audited by the Internal Audit Division, with a frequency based on their objective risk rating, or as prescribed by the regulation.

The models in force at the Bank are approved by the Subcommittee on Monitoring and Validation of Models or by the Risk Committee, as applicable. The Risk Office is responsible for requesting the approval of the use of risk models from the Supervisory Authorities, when applicable.

The next table shows the off-balance credit facilities' amounts and their use, weighted by using own estimates for CCF (in accordance with article 452 (iii) e) of the CRR):

TABLE 45 – CREDIT FACILITIES OUTSIDE OF THE BALANCE SHEET

31/12/2020 (Thousand euros)								
	Original exposure		Exposure at risk		Risk weighted assets		% RWA	
	Non-used	Used	Non-used	Used	Non-used	Used	Non-used	Used
Corporate	11,027,210	19,130,536	4,908,312	18,590,597	3,516,759	13,601,987	71,6%	73,2%
Large Corporate	6,207,408	9,808,245	3,152,961	9,371,277	2,370,148	7,845,463	75,2%	83,7%
Small and medium Corporate	4,394,923	8,247,434	1,460,128	8,149,692	869,534	4,753,454	59,6%	58,3%
Specialised lending	424,879	1,074,857	295,223	1,069,628	277,077	1,003,070	93,9%	93,8%
Equity	75,362	1,919,002	75,362	1,919,002	140,619	3,599,770	186,6%	187,6%

31/12/2019 (Thousand euros)								
	Original exposure		Exposure at risk		Risk weighted assets		% RWA	
	Non-used	Used	Non-used	Used	Non-used	Used	Non-used	Used
Corporate	9,749,205	18,366,694	4,173,641	17,755,704	3,151,201	13,891,398	75,5%	78,2%
Large Corporate	5,467,163	9,995,469	2,669,058	9,529,618	2,040,006	7,417,338	76,4%	77,8%
Small and medium Corporate	3,765,662	7,410,443	1,147,916	7,269,310	777,814	5,639,154	67,8%	77,6%
Specialised lending	516,379	960,782	356,666	956,777	333,381	834,906	93,5%	87,3%
Equity	83,842	1,865,754	83,842	1,865,754	148,917	3,526,903	177,6%	189,0%

In accordance with paragraphs h) and i) of Art. 452 of the CRR, it also refers that in 2019/2020 the relevant IRB portfolio parameters, including cases in default (PD = 100%), were, respectively, the following:

- Average LGD: 29%/29%;
- Average CCF: 54%/52%;
- Average PD: 9.2%/7.6%.

5.5.3. IRB APPROACH – “CORPORATES” RISK CLASS

In this risk class, the computation of own funds requirements using the IRB Approach is based on the weights resulting from the risk assessment made by the Project Finance rating system and on the PD that correspond to the risk ratings given by the Real Estate Promotion and the Corporates rating system.

In the first case, the Bank uses several rating models to grant risk scores (and the respective PD used to compute the applicable weights): Large, Mid and Small Corporate models, models for Holdings of Economic Groups and for Investment Holdings, models for Real Estate Promotion projects and companies (in both cases, with specific approaches to investment or development cases), Real Estate Investment Funds model and Small Real Estate Companies/Small Real Estate Projects models.

In the second case, the Bank uses the Project Finance rating model, which consists on the mapping between the scoring of a specific questionnaire and one of four possible classifications (besides the possibility of default) for the risks in question, which then define the weights to be used in the computation of risk weighted assets in accordance with no. 5 of article 153, Sub-Section 2, Section 2, Chapter 3, Title II, Part III of the CRR.

The risk grades attributed by these models result from two evaluation components: a quantitative component (economic-financial grade, based on the Customer's accounting data) and a qualitative component, based on an evaluation questionnaires / matrix of qualitative factors, which in the Large Corporate model are different according to the Client's sector of activity and include the Sector Risk itself (The Bank's Economic Studies Area developed and runs periodically a sectoral risk model). The risk grade resulting from these two components may be adjusted (upwards or downwards) by checking several situations that are typified and pre-defined in specific internal regulations. Subsequently, the degree of risk is adjusted according to the economic group to which the company belongs (if applicable), with a parent and affiliate template to determine the level of relevance of the company in the group itself (e.g. core, strategic) and as a consequence, the level of adjustment that the company's degree of risk can / should be subject to (are called Group Adjustments).

Finally, if the rating analyst proposes an override to the Client's Integrated Rating, this must be approved by the Rating Committee, resulting in the Final Rating. However, the overrides are not frequent.

Table 46 summarises these rating models and systems:

TABLE 46 - CORPORATES RATING MODELS AND SYSTEMS

	Large Corporate Model: quantitative component (quantitative score, based on accounting data and taking into consideration the Client's activity sector) + qualitative component (based on expert judgment and following sectorial rating matrixes that incorporate the sectors' risk) + adjustments stemming from pre-defined situations (including those arising from the identification of "imminent risk" evidence) + Group adjustments.
Rating system for Corporates	Small and Mid Corporate Models: quantitative component (economic/financial grade based on accounting data and taking into consideration the Client's activity sector) + qualitative component (based on information gathered by the commercial area on specific templates for that purpose) + adjustments stemming from pre-defined situations (including those arising from the identification of imminent risk evidence) + Group adjustments.
	Business Model for Real Estate Development/Model for Investment Companies/Real Estate income: quantitative component (specific ratios, financial score, financial flexibility) + qualitative component (sector, management quality, assets/projects quality, market and competitiveness) + adjustments stemming from pre-defined situations (including those arising from the identification of imminent risk evidence) + Group adjustments.
	Model for Small Real Estate agents (development projects / investment / income): quantitative component + qualitative component + adjustments stemming from pre-defined situations or from the identification of imminent risk evidence.
	Rating model for Project Finance: scoring of specific questionnaires on the financial strength, the politic and regulatory frameworks, other features of the operation, the ability of sponsors/shareholders and the package of collaterals.
Rating system for Projects	Model for Real Estate Promotion Projects for sale / Model for Real Estate Promotion Projects for income/Model for Real Estate Investment Funds: quantitative component (specific ratios, financial score, financial flexibility) + qualitative component (sector, management quality, assets/projects quality, market and competitiveness) + adjustments stemming from pre-defined situations (including those arising from the identification of imminent risk evidence) + Group adjustments.
	Model for small Real Estate Projects (for sale / income): quantitative component + qualitative component + adjustments stemming from pre-defined situations (including those arising from the identification of imminent risk evidence) + Group adjustments.

5.5.4. IRB APPROACH – “RETAIL PORTFOLIO” RISK CLASS

In this risk class, the risk weighted assets calculation by the IRB Approach is based on the PD that correspond to the risk scores given by the rating systems for Small Businesses and for Individuals.

In these rating systems, the attribution of risk scores is made using two types of automated decision models: (i) a behavioural model (TRIAD), based on the past financial data of the Customers at the Bank (executed by computer on a monthly basis), which is complemented by (ii) acceptance scoring models, used whenever the behavioural model does not apply (new Customers for instance) and defined based on the credit product the Customer wants or on the products the Customer already has.

In the Small Businesses Rating System, the TRIAD model is composed by two assessment grids that allow the model to fit the evaluated Customer's profile. In this rating system, as mentioned before, risk scores may also be granted by an acceptance scoring model designed for the segment in question.

In the Individuals Rating System, the TRIAD model is composed by four assessment grids defined based on the products already owned by the Customer, and the complementary acceptance scoring models are defined based on the credit product the Customer wants or on the products the Customer already has.

The rating systems and models used by the Bank for the Retail Portfolio are broken down in Table 47:

TABLE 47 - RETAIL PORTFOLIO RATING MODELS AND SYSTEMS

Rating system for Small Business	TRIAD model - automatic decision based on Client financial behaviour and two scorecards (according to the Client profile).
	Application Scoring model for the Small Businesses (whenever TRIAD cannot be applied - e.g. new Clients).
Rating system for Individuals	TRIAD model - Automatic decision based on Client financial behaviour and four scorecards (according to the products already owned by the Client).
	Application Scoring model for Individuals (whenever TRIAD cannot be applied - e.g. new customers), for each intended product or for products already owned by the Client.

Table below shows the values related to PD Backtesting, by risk class, at the end of 2020 and 2019.

TABLE 48 – TEMPLATE 24 / EU CR9 – IRB METHOD – BACKTESTING OF PD PER EXPOSURE CLASS

31/12/2020							
Exposure class	PD range	Weighted average PD (%)	Arithmetic average PD by obligors	Number of obligors		Defaulted obligors in the year	Of which, new obligors
				End of previous year	End of the year		(Units) Average historical annual default rate 2017/2020
1. CORPORATES	0 to <0.25	0.19%	0.18%	1,425	1,640	1	0.04%
	0.25 to <1	0.59%	0.55%	2,997	3,749		0.02%
	1 to <5	2.42%	2.39%	3,552	5,075	12	0.36%
	5 to <16	9.64%	9.54%	3,478	6,919	132	2.98%
	16 to <99	54.51%	49.87%	214	265	84	33.30%
	100	100.00%	100.00%	720	1,108	1,067	388
1.1 Specialised lending	0 to <0.25						
	0.25 to <1	0.69%	0.69%	43	47		
	1 to <5	1.30%	1.30%	8	9		
	5 to <16	11.50%	11.50%	7	7	1	3.57%
	16 to <99						
	100	100.00%	100.00%	1	1	1	
1.2 SME	0 to <0.25	0.19%	0.18%	817	961	1	0.07%
	0.25 to <1	0.56%	0.56%	2,205	2,806		0.01%
	1 to <5	2.46%	2.34%	2,725	4,019	7	0.30%
	5 to <16	9.37%	9.57%	2,893	5,321	100	3.01%
	16 to <99	55.13%	50.20%	176	216	70	33.23%
	100	100.00%	100.00%	606	849	815	243
2. RETAIL	0 to <0.25	0.13%	0.12%	1,042,590	1,143,723	1,057	0.07%
	0.25 to <1	0.52%	0.52%	448,416	498,456	3,495	0.47%
	1 to <5	2.25%	2.25%	285,910	333,038	6,832	1.60%
	5 to <16	9.34%	10.07%	270,540	345,507	27,326	6.53%
	16 to <99	43.07%	45.22%	16,083	18,959	8,311	41.88%
	100	100.00%	100.00%	57,472	62,576	58,105	5,104

2.1 Secured by real estate	0 to <0.25	0.13%	0.12%	238,312	271,502	217	24	0.07%
	0.25 to <1	0.52%	0.52%	59,204	63,617	232	20	0.32%
	1 to <5	2.28%	2.28%	38,582	40,946	582	33	1.23%
	5 to <16	9.26%	9.28%	25,251	25,902	1,427	19	6.73%
	16 to <99	42.01%	42.01%	2,435	2,492	764	3	31.21%
100		100.00%	100.00%	7,045	7,294	5,838	249	
2.1.1 SME	0 to <0.25	0.15%	0.15%	9,460	9,671	5		0.04%
	0.25 to <1	0.55%	0.54%	4,026	4,214	6		0.11%
	1 to <5	2.26%	2.23%	3,072	3,198	28		0.80%
	5 to <16	9.68%	9.77%	2,710	2,797	201		5.72%
	16 to <99	48.16%	46.76%	143	144	53		42.84%
100		100.00%	100.00%	409	412	353	3	
2.1.2 Non-SME	0 to <0.25	0.12%	0.11%	228,852	261,831	212	24	0.07%
	0.25 to <1	0.52%	0.52%	55,178	59,403	226	20	0.33%
	1 to <5	2.28%	2.29%	35,510	37,748	554	33	1.26%
	5 to <16	9.20%	9.21%	22,541	23,105	1,226	19	6.84%
	16 to <99	41.68%	41.72%	2,292	2,348	711	3	30.73%
100		100.00%	100.00%	6,636	6,882	5,485	246	
2.2 Qualifying Revolving	0 to <0.25	0.12%	0.12%	735,466	795,703	693	25	0.07%
	0.25 to <1	0.52%	0.52%	296,776	327,692	2,143	32	0.46%
	1 to <5	2.24%	2.26%	188,030	222,153	4,183	51	1.54%
	5 to <16	10.17%	10.26%	186,592	249,363	18,234	14	5.83%
	16 to <99	42.33%	45.44%	10,615	12,817	5,489	2	40.21%
100		100.00%	100.00%	39,364	41,954	39,571	2,590	
2.3 Other Retail	0 to <0.25	0.17%	0.16%	68,812	76,518	147	2	0.13%
	0.25 to <1	0.53%	0.52%	92,436	107,147	1,120	8	0.61%
	1 to <5	2.19%	2.17%	59,298	69,939	2,067	43	2.04%
	5 to <16	9.41%	9.65%	58,697	70,242	7,665	78	8.68%
	16 to <99	47.17%	46.62%	3,033	3,650	2,058	30	61.16%
100		100.00%	100.00%	11,063	13,328	12,696	2,265	
2.3.1 SME	0 to <0.25	0.17%	0.15%	33,371	38,971	49	2	0.05%
	0.25 to <1	0.54%	0.53%	22,441	30,164	191	7	0.34%
	1 to <5	2.27%	2.22%	16,353	23,752	471	43	1.33%
	5 to <16	10.05%	10.08%	32,808	43,029	3,915	78	5.85%
	16 to <99	50.76%	48.13%	690	1,166	379	30	48.75%
100		100.00%	100.00%	2,521	4,522	4,360	2,001	
2.3.2 Non-SME	0 to <0.25	0.17%	0.18%	35,441	37,547	98		0.19%
	0.25 to <1	0.52%	0.52%	69,995	76,983	929	1	0.70%
	1 to <5	2.11%	2.15%	42,945	46,187	1,596		2.28%
	5 to <16	8.81%	8.98%	25,889	27,213	3,750		10.68%
	16 to <99	44.60%	45.90%	2,343	2,484	1,679		64.44%
100		100.00%	100.00%	8,542	8,806	8,336	264	

31/12/2019

(Units)

Exposure class	PD range	Weighted average PD (%)	Arithmetic average PD by obligors	Number of obligors		Defaulted obligors in the year	Of which, new obligors	Average historical annual default rate 2017/2019
				End of previous year	End of the year			
1. CORPORATES	0 to <0.25	0.20%	0.18%	1,257	1,335			0.03%
	0.25 to <1	0.61%	0.55%	2,711	2,962	1		0.03%
	1 to <5	2.40%	2.32%	3,127	3,515	10		0.36%
	5 to <16	9.51%	9.76%	2,971	3,601	67		2.96%
	16 to <99	51.62%	49.66%	189	206	35	1	31.35%
100		100.00%	100.00%	741	753	749	12	
1.1 Specialised lending	0 to <0.25							
	0.25 to <1	0.69%	0.68%	49	49			
	1 to <5	1.30%	1.30%	9	9			
	5 to <16	11.50%	11.50%	4	4			
	16 to <99							
100		100.00%	100.00%	1	1	1		
1.2 SME	0 to <0.25	0.19%	0.18%	708	744			0.05%
	0.25 to <1	0.57%	0.55%	1,947	2,134			0.02%
	1 to <5	2.41%	2.30%	2,308	2,623	9		0.31%
	5 to <16	9.70%	9.86%	2,419	2,985	53		2.99%
	16 to <99	51.27%	49.39%	138	152	23	1	30.89%
100		100.00%	100.00%	602	613	610	11	
2. RETAIL	0 to <0.25	0.13%	0.13%	866,164	1,005,518	609	31	0.06%
	0.25 to <1	0.52%	0.52%	444,843	524,239	1,864	72	0.37%
	1 to <5	2.22%	2.20%	293,103	355,260	4,065	85	1.35%
	5 to <16	9.29%	10.06%	253,075	353,109	13,088	286	5.35%
	16 to <99	33.54%	40.62%	18,587	20,975	6,941	129	38.68%
100		100.00%	100.00%	53,509	55,779	54,504	2,270	
2.1 Secured by real estate	0 to <0.25	0.13%	0.12%	221,788	234,430	149	6	0.07%
	0.25 to <1	0.52%	0.52%	62,309	65,800	178	3	0.31%
	1 to <5	2.26%	2.27%	41,379	43,120	371	1	1.16%
	5 to <16	9.23%	9.25%	27,450	28,088	1,608	6	7.12%
	16 to <99	30.76%	30.08%	3,395	3,429	936	1	31.19%
100		100.00%	100.00%	9,319	9,351	8,946	32	
2.1.1 SME	0 to <0.25	0.15%	0.15%	8,651	8,911	5	,	0.04%
	0.25 to <1	0.55%	0.55%	3,848	4,097	6	,	0.10%

	1 to <5	2.27%	2.23%	3,118	3,377	17	,	0.77%
	5 to <16	9.68%	9.83%	2,770	2,900	125	,	5.15%
	16 to <99	44.46%	44.61%	136	138	56	,	44.68%
	100	100.00%	100.00%	544	548	535	4	
2.1.2 Non-SME	0 to <0.25	0.12%	0.12%	213,137	225,519	144	6	0.07%
	0.25 to <1	0.52%	0.52%	58,461	61,703	172	3	0.32%
	1 to <5	2.25%	2.28%	38,261	39,743	354	1	1.20%
	5 to <16	9.17%	9.18%	24,680	25,188	1,483	6	7.34%
	16 to <99	29.89%	29.47%	3,259	3,291	880	1	30.67%
	100	100.00%	100.00%	8,775	8,803	8,411	28	
2.2 Qualifying Revolving	0 to <0.25	0.13%	0.13%	582,044	702,033	394	22	0.06%
	0.25 to <1	0.53%	0.52%	303,111	361,686	1,297	56	0.38%
	1 to <5	2.12%	2.19%	196,859	244,822	2,828	69	1.31%
	5 to <16	9.85%	10.21%	178,524	267,701	8,440	250	4.52%
	16 to <99	39.98%	41.95%	12,473	14,433	4,492	115	36.38%
	100	100.00%	100.00%	34,814	36,737	36,104	1,923	
2.3 Other Retail	0 to <0.25	0.16%	0.17%	62,332	69,055	66	3	0.10%
	0.25 to <1	0.52%	0.52%	79,423	96,753	389	13	0.41%
	1 to <5	2.14%	2.20%	54,865	67,318	866	15	1.58%
	5 to <16	9.38%	9.75%	47,101	57,320	3,040	30	7.25%
	16 to <99	46.41%	46.10%	2,719	3,113	1,513	13	59.23%
	100	100.00%	100.00%	9,376	9,691	9,454	315	
2.3.1 SME	0 to <0.25	0.16%	0.15%	28,869	32,680	7	1	0.03%
	0.25 to <1	0.53%	0.53%	18,692	23,678	51	1	0.18%
	1 to <5	2.12%	2.26%	13,223	18,524	125	1	0.90%
	5 to <16	10.05%	10.54%	18,295	25,344	614	14	3.88%
	16 to <99	49.59%	49.34%	648	739	260	8	48.06%
	100	100.00%	100.00%	2,080	2,208	2,167	128	
2.3.2 Non-SME	0 to <0.25	0.16%	0.18%	33,463	36,375	59	2	0.16%
	0.25 to <1	0.52%	0.52%	60,731	73,075	338	12	0.49%
	1 to <5	2.16%	2.18%	41,642	48,794	741	14	1.81%
	5 to <16	8.91%	9.12%	28,806	31,976	2,426	16	9.41%
	16 to <99	44.38%	45.09%	2,071	2,374	1,253	5	62.04%
	100	100.00%	100.00%	7,296	7,483	7,287	187	

The figures for the risk positions of portfolios treated by the IRB approach, with reference to 31 December and 30 June 2020 are presented in the following tables (49 – 52), which reflect the different risk classes of the portfolios for Corporate, retail, Specialised Lending and Equity.

TABLE 49 – TEMPLATE 21 / EU CR6 (I) – CREDIT RISK EXPOSURES BY EXPOSURE CLASS AND PD RANGE - CORPORATES

31/12/2020

(Thousand euros, Units)

	PD scale	Original on-balance-sheet gross exposures	Off-balance-sheet exposures pre-CCF	Average CCF	EAD post CRM and post CCF	Average PD	Number of obligors	Average LGD	Average maturity	RWA	RWA density	EL	Value adjustments and provisions
CORPORATE	0.01% to 0.05%												
	0.05% to 0.07%	20,009	85,000	0.05%	58,424	0.05%	15	42.26%	365	6,524	11.2%	12	
	0.07% to 0.14%	2	2,150	42.03%	906	0.10%	97	42.26%	1,659	402	44.4%	0	
	0.14% to 0.28%	919,670	851,570	83.08%	1,632,304	0.20%	475	37.63%	672	538,056	33.0%	1,228	
	0.28% to 0.53%	311,408	569,184	84.36%	795,189	0.40%	470	41.42%	724	440,723	55.4%	1,317	
	0.53% to 0.95%	969,426	704,634	77.92%	1,538,575	0.69%	420	40.23%	1,011	1,212,089	78.8%	4,331	
	0.95% to 1.73%	549,236	371,055	78.43%	797,871	1.26%	283	39.56%	1,185	822,281	103.1%	4,096	
	1.73% to 2.92%	817,238	472,166	60.66%	1,059,567	2.20%	287	35.72%	900	1,054,283	99.5%	8,656	
	2.92% to 4.67%	929,610	430,296	52.12%	1,004,264	3.33%	403	35.86%	957	1,147,694	114.3%	13,215	
	4.67% to 7.00%	243,892	127,771	45.63%	261,843	5.15%	219	36.29%	989	349,601	133.5%	5,525	
	7.00% to 9.77%	157,959	84,829	34.59%	179,610	7.97%	102	36.57%	887	274,316	152.7%	5,416	
	9.77% to 13.61%	457,957	190,488	38.76%	521,588	11.24%	248	36.06%	1,253	944,145	181.0%	21,545	
	13.61% to 100.00%	3,986	8,722	42.65%	7,494	48.30%	39	33.01%	1,087	12,631	168.6%	1,222	
	100.00% (default)	941,372	135,965	35.59%	989,757	100.00%	143	70.82%	1,038	138,937	14.0%	669,520	
	SUBTOTAL	6,321,765	4,033,830	69.20%	8,847,391	12.87%	3,201	41.60%	931	6,941,682	78.46%	736,085	-757,322
SME	0.01% to 0.05%												
	0.05% to 0.07%	115	164	83.09%	172	0.03%	3	43.29%	503	13	7.4%	0	
	0.07% to 0.14%	17,344	2,821	49.27%	15,899	0.08%	82	35.36%	1,349	3,025	19.0%	5	
	0.14% to 0.28%	100,554	123,826	75.06%	166,876	0.17%	510	37.35%	648	33,387	20.0%	123	
	0.28% to 0.53%	288,628	219,850	70.61%	364,064	0.33%	1,040	38.63%	794	120,718	33.2%	558	
	0.53% to 0.95%	422,911	295,809	63.96%	481,120	0.53%	1,116	38.88%	773	205,364	42.7%	1,293	
	0.95% to 1.73%	543,980	242,169	67.50%	514,463	0.94%	1,163	39.08%	842	283,424	55.1%	2,569	
	1.73% to 2.92%	606,350	218,738	52.23%	465,392	1.52%	949	39.24%	854	309,854	66.6%	4,141	
	2.92% to 4.67%	712,028	592,994	30.26%	680,506	2.83%	886	37.21%	807	505,690	74.3%	9,141	
	4.67% to 7.00%	590,071	311,186	35.05%	557,038	4.70%	849	36.55%	914	465,894	83.6%	11,757	
	7.00% to 9.77%	335,425	120,595	31.89%	308,496	6.84%	478	36.16%	851	287,889	93.3%	9,069	
	9.77% to 13.61%	1,040,180	333,317	36.26%	954,801	9.47%	2,271	35.36%	1,036	1,018,612	106.7%	37,765	
	13.61% to 100.00%	36,036	9,164	26.35%	35,976	46.36%	153	36.84%	1,268	46,106	128.2%	6,500	
	100.00% (default)	487,449	152,451	25.61%	526,492	100.00%	699	50.83%	1,166	159,394	30.3%	290,743	
	SUBTOTAL	5,181,071	2,623,085	45.97%	5,071,297	11.89%	10,199	38.56%	897	3,439,369	67.82%	373,664	-418,000
TOTAL		11,502,836	6,656,915	-	13,918,688	-	13,400	-	-	10,381,051	74.6%	1,109,749	-1,175,322

NOTE: This data does not include the exposures on Derivatives and Specialised Lending.

30/06/2020

(Thousand euros. Units)

	PD scale	Original on-balance-sheet gross exposures	Off-balance-sheet exposures pre-CCF	Average CCF	EAD post CRM and post CCF	Average PD	Number of obligors	Average LGD	Average maturity	RWA	RWA density	EL	Value adjustments and provisions
CORPORATE	0.01% to 0.05%												
	0.05% to 0.07%		5,036	0.09%	4,369	0.05%	11	42.26%	371	492	11.3%	1	
	0.07% to 0.14%	2	8,268	49.21%	4,071	0.10%	79	42.26%	1,219	1,451	35.6%	2	
	0.14% to 0.28%	1,022,803	855,668	80.99%	1,720,488	0.20%	431	37.86%	746	596,024	34.6%	1,303	
	0.28% to 0.53%	398,581	569,287	74.71%	827,936	0.40%	439	41.72%	640	441,369	53.3%	1,381	
	0.53% to 0.95%	697,679	651,062	79.00%	1,220,665	0.68%	406	39.79%	776	849,526	69.6%	3,398	
	0.95% to 1.73%	527,810	203,327	72.92%	668,102	1.25%	266	38.76%	1,144	663,955	99.4%	3,355	
	1.73% to 2.92%	1,411,205	396,421	65.63%	1,613,473	2.22%	281	36.67%	786	1,581,560	98.0%	13,579	
	2.92% to 4.67%	691,786	402,733	47.95%	737,428	3.32%	374	38.23%	887	885,318	120.1%	10,371	
	4.67% to 7.00%	175,658	71,942	43.35%	185,723	5.35%	180	38.09%	1,009	264,703	142.5%	4,157	
	7.00% to 9.77%	59,476	83,258	42.99%	90,296	7.90%	111	38.48%	520	134,940	149.4%	2,869	
	9.77% to 13.61%	538,615	224,756	39.72%	623,202	11.40%	271	35.38%	1,252	1,107,250	177.7%	25,314	
	13.61% to 100.00%	4,020	6,653	34.54%	6,318	50.28%	38	29.45%	1,237	9,567	151.4%	943	
	100.00% (default)	1,287,989	184,547	32.74%	1,348,403	100.00%	167	71.29%	1,071	199,736	14.8%	899,752	
	SUBTOTAL	6,815,625	3,662,957	67.20%	9,050,476	16.48%	3,054	43.05%	875	6,735,892	74.43%	966,425	-987,235
SME	0.01% to 0.05%												
	0.05% to 0.07%	11	203	64.94%	142	0.05%	4	38.02%	365	9	6.0%	0	
	0.07% to 0.14%	9,545	5,250	73.83%	8,684	0.06%	75	38.03%	985	1,271	14.6%	3	
	0.14% to 0.28%	127,933	135,253	71.18%	179,846	0.16%	565	39.58%	760	40,600	22.6%	141	
	0.28% to 0.53%	344,215	260,469	67.15%	424,354	0.33%	1,064	38.70%	835	151,756	35.8%	650	
	0.53% to 0.95%	499,810	273,197	64.35%	543,965	0.55%	1,201	38.83%	857	261,874	48.1%	1,456	
	0.95% to 1.73%	585,168	270,651	62.04%	556,984	0.97%	1,155	39.08%	834	326,598	58.6%	2,792	
	1.73% to 2.92%	454,336	263,836	46.53%	391,169	1.57%	875	39.03%	818	267,709	68.4%	3,459	
	2.92% to 4.67%	622,240	368,582	33.69%	575,252	2.86%	849	36.96%	902	460,639	80.1%	7,699	
	4.67% to 7.00%	459,260	259,151	32.77%	462,616	5.02%	762	36.10%	881	404,904	87.5%	9,658	
	7.00% to 9.77%	293,118	129,103	34.09%	295,329	7.29%	423	35.63%	924	299,699	101.5%	8,585	
	9.77% to 13.61%	782,898	299,116	36.28%	770,906	9.98%	1,831	34.96%	995	907,810	117.8%	30,372	
	13.61% to 100.00%	37,299	15,915	30.05%	40,920	49.00%	134	36.58%	1,173	56,970	139.2%	7,479	
	100.00% (default)	550,728	154,982	28.78%	595,327	100.00%	721	51.95%	1,249	120,445	20.2%	334,328	
	SUBTOTAL	4,766,561	2,435,706	47.32%	4,845,494	13.50%	9,659	38.95%	919	3,300,284	68.11%	406,622	-424,442
TOTAL		11,582,186	6,098,663	-	13,895,969	-	12,713	-	-	10,036,177	72.2%	1,373,047	-1,411,677

NOTE: This data does not include the exposures on Derivatives and Specialised Lending.

TABLE 50 – TEMPLATE 21 / EU CR6 (II) – CREDIT RISK EXPOSURES BY EXPOSURE CLASS AND PD RANGE - RETAIL

31/12/2020

(Thousand euros, Units)

	PD scale	Original on-balance-sheet gross exposures	Off-balance-sheet exposures pre-CCF	Average CCF	EAD post CRM and post CCF	Average PD	Number of obligors	Average LGD	Average maturity	RWA	RWA density	EL	Value adjustments and provisions
SECURED BY REAL ESTATE	0.01% to 0.05%												
	0.05% to 0.07%	124,358	3,776	95.29%	127,910	0.05%	1,690	15.88%		2,979	2.3%	10	
	0.07% to 0.14%	10,733,654	50,616	99.01%	10,919,353	0.09%	196,458	20.82%		522,466	4.8%	2,041	
	0.14% to 0.28%	4,640,334	40,248	96.73%	4,717,576	0.20%	65,731	18.67%		364,756	7.7%	1,734	
	0.28% to 0.53%	2,370,831	16,344	92.41%	2,391,177	0.40%	36,458	19.07%		315,965	13.2%	1,810	
	0.53% to 0.95%	1,479,009	9,995	90.54%	1,476,168	0.70%	23,042	20.02%		304,726	20.6%	2,079	
	0.95% to 1.73%	992,625	6,776	91.53%	983,347	1.29%	15,641	21.33%		324,571	33.0%	2,708	
	1.73% to 2.92%	646,486	3,087	83.43%	631,414	2.28%	10,289	21.60%		301,532	47.8%	3,106	
	2.92% to 4.67%	652,941	1,771	111.19%	665,361	3.71%	11,285	19.74%		384,112	57.7%	4,904	
	4.67% to 7.00%	433,819	1,124	56.23%	383,647	5.93%	6,674	19.62%		282,018	73.5%	4,491	
	7.00% to 9.77%	280,489	903	88.13%	248,658	8.53%	4,211	19.71%		218,790	88.0%	4,268	
	9.77% to 13.61%	648,088	6,884	74.70%	567,036	11.49%	9,582	16.30%		454,728	80.2%	10,625	
	13.61% to 100.00%	141,024	27	97.10%	141,043	37.90%	2,052	25.11%		193,066	136.9%	11,712	
	100.00% (default)	601,771	34	59.44%	601,792	100.00%	8,206	38.04%		666,236	110.7%	199,052	
	SUBTOTAL	23,745,429	141,583	94.76%	23,854,483	3.58%	391,319	20.48%		4,335,944	18.18%	248,539	-164,927
QUALIFYING REVOLVING RETAIL EXPOSURES	0.01% to 0.05%												
	0.05% to 0.07%	1,875	199,459	20.77%	43,295	0.05%	110,700	63.52%		980	2.3%	14	
	0.07% to 0.14%	103,876	781,653	44.08%	448,399	0.08%	462,385	56.75%		13,882	3.1%	211	
	0.14% to 0.28%	97,468	550,267	24.59%	232,793	0.20%	269,155	57.26%		14,860	6.4%	262	
	0.28% to 0.53%	98,517	234,943	29.72%	168,334	0.40%	186,642	57.22%		18,903	11.2%	381	
	0.53% to 0.95%	74,589	111,596	37.35%	116,269	0.71%	113,332	58.25%		21,009	18.1%	478	
	0.95% to 1.73%	64,969	64,793	45.42%	94,399	1.29%	82,573	59.98%		27,784	29.4%	727	
	1.73% to 2.92%	55,046	37,901	48.71%	73,508	2.26%	61,433	61.60%		33,722	45.9%	1,024	
	2.92% to 4.67%	47,818	25,854	47.73%	60,157	3.78%	52,277	62.75%		40,347	67.1%	1,427	
	4.67% to 7.00%	33,452	14,611	47.48%	40,390	6.06%	41,199	62.53%		36,898	91.4%	1,532	

	7.00% to 9.77%	26,091	16,394	44.62%	33,406	9.32%	36,981	62.84%		39,922	119.5%	1,965	
	9.77% to 13.61%	19,823	45,029	14.16%	26,200	11.50%	137,042	60.63%		33,917	129.5%	1,827	
	13.61% to 100.00%	37,514	4,682	66.85%	40,644	24.32%	27,888	65.55%		69,525	171.1%	6,409	
	100.00% (default)	47,322	5,479	10.47%	47,896	100.00%	68,075	80.50%		88,281	184.3%	32,767	
	SUBTOTAL	708,360	2,092,661	34.28%	1,425,690	5.18%	1,649,682	59.36%		440,031	30.86%	49,024	-45,365
OTHER RETAIL – SME	0.01% to 0.05%												
	0.05% to 0.07%	3,215	11,768	43.75%	8,014	0.05%	214	37.96%		363	4.5%	2	
	0.07% to 0.14%	96,827	121,380	38.20%	134,012	0.08%	19,055	30.67%		8,507	6.3%	42	
	0.14% to 0.28%	397,756	152,093	39.48%	348,512	0.13%	22,235	28.56%		33,697	9.7%	206	
	0.28% to 0.53%	599,744	113,775	38.69%	356,296	0.21%	17,538	27.47%		51,353	14.4%	403	
	0.53% to 0.95%	444,510	71,447	35.58%	228,654	0.36%	12,350	27.89%		45,954	20.1%	462	
	0.95% to 1.73%	273,210	41,743	33.74%	142,609	0.74%	8,808	27.76%		37,184	26.1%	530	
	1.73% to 2.92%	147,229	60,731	75.20%	114,456	1.58%	5,352	32.80%		43,336	37.9%	927	
	2.92% to 4.67%	84,246	10,750	69.08%	98,282	2.79%	6,384	29.68%		33,824	34.4%	1,081	
	4.67% to 7.00%	54,138	8,287	36.14%	31,619	4.18%	3,089	30.57%		12,299	38.9%	598	
	7.00% to 9.77%	29,054	2,988	25.89%	14,623	5.54%	1,712	30.82%		6,144	42.0%	396	
	9.77% to 13.61%	179,822	65,279	31.92%	96,293	8.18%	15,266	31.47%		45,638	47.4%	3,680	
	13.61% to 100.00%	12,189	13,235	28.58%	15,250	48.19%	1,142	36.65%		11,575	75.9%	2,837	
	100.00% (default)	92,364	79,067	23.66%	111,075	100.00%	6,508	58.80%		153,965	138.6%	52,993	
	SUBTOTAL	2,414,304	752,543	39.24%	1,699,695	5.33%	119,653	30.06%		483,840	28.47%	64,158	-79,223
OTHER RETAIL – NON SME	0.01% to 0.05%												
	0.05% to 0.07%	22,684	8,562	54.14%	27,294	0.05%	803	15.10%		643	2.4%	2	
	0.07% to 0.14%	116,363	26,362	74.48%	141,493	0.10%	5,473	17.72%		6,591	4.7%	25	
	0.14% to 0.28%	426,254	37,911	59.81%	459,042	0.20%	34,927	20.77%		40,849	8.9%	191	
	0.28% to 0.53%	542,186	25,294	57.36%	554,628	0.40%	50,230	26.08%		96,767	17.4%	578	
	0.53% to 0.95%	319,170	9,348	70.54%	326,957	0.70%	31,222	27.53%		82,096	25.1%	630	
	0.95% to 1.73%	209,737	7,438	65.55%	211,105	1.29%	21,763	27.07%		68,291	32.3%	742	
	1.73% to 2.92%	129,778	2,388	81.69%	128,863	2.29%	12,913	29.42%		53,456	41.5%	872	
	2.92% to 4.67%	78,710	2,143	71.24%	79,343	3.69%	8,299	27.03%		32,552	41.0%	793	
	4.67% to 7.00%	64,387	2,008	80.59%	61,177	5.89%	6,823	27.20%		26,472	43.3%	981	

7.00% to 9.77%	42,112	1,897	53.36%	40,351	8.28%	5,089	29.55%		20,123	49.9%	989	
9.77% to 13.61%	88,122	3,526	38.02%	86,055	11.48%	8,467	33.63%		54,102	62.9%	3,328	
13.61% to 100.00%	17,033	996	21.00%	17,235	46.31%	1,868	29.56%		13,568	78.7%	2,308	
100.00% (<i>default</i>)	188,750	2,749	24.36%	189,420	100.00%	16,371	59.38%		246,606	130.2%	92,752	
SUBTOTAL	2,245,285	130,622	62.20%	2,322,962	9.82%	204,248	28.01%		742,116	31.95%	104,190	-106,957
TOTAL	29,113,379	3,117,410		29,302,831		2,364,902			6,001,931		465,910	-396,473

NOTE: This data does not include the exposures on Derivatives and Specialised Lending.

30/06/2020

(Thousand euros. Units)

	PD scale	Original on-balance-sheet gross exposures	Off-balance-sheet exposures pre-CCF	Average CCF	EAD post CRM and post CCF	Average PD	Number of obligors	Average LGD	Average maturity	RWA	RWA density	EL	Value adjustments and provisions
SECURED BY REAL ESTATE	0.01% to 0.05%												
	0.05% to 0.07%	122,130	2,529	95.30%	124,496	0.05%	1,781	15.88%		2,900	2.3%	10	
	0.07% to 0.14%	10,415,157	53,023	98.35%	10,606,174	0.09%	190,256	21.03%		513,092	4.8%	1,999	
	0.14% to 0.28%	4,473,621	37,596	97.83%	4,550,687	0.20%	64,006	18.77%		355,298	7.8%	1,684	
	0.28% to 0.53%	2,433,925	18,220	93.37%	2,454,473	0.40%	37,379	19.14%		326,971	13.3%	1,865	
	0.53% to 0.95%	1,411,261	10,982	84.69%	1,421,517	0.70%	22,256	20.36%		299,605	21.1%	2,037	
	0.95% to 1.73%	979,721	9,480	93.93%	975,247	1.29%	15,764	21.53%		325,483	33.4%	2,710	
	1.73% to 2.92%	694,483	6,524	99.31%	686,641	2.28%	10,986	21.52%		327,177	47.6%	3,365	
	2.92% to 4.67%	707,299	1,784	109.50%	717,216	3.71%	12,019	19.50%		411,078	57.3%	5,218	
	4.67% to 7.00%	492,929	1,493	76.63%	443,236	5.93%	7,282	19.58%		326,906	73.8%	5,173	
	7.00% to 9.77%	306,234	1,056	82.13%	266,815	8.52%	4,596	19.69%		236,102	88.5%	4,569	
	9.77% to 13.61%	722,737	3,716	67.05%	632,742	11.48%	10,894	16.34%		515,125	81.4%	11,882	
	13.61% to 100.00%	174,832	11	94.30%	174,835	43.61%	2,557	22.60%		210,315	120.3%	15,587	
	100.00% (<i>default</i>)	665,831	71	99.96%	665,902	100.00%	8,742	32.38%		754,474	113.3%	179,764	
	SUBTOTAL	23,600,160	146,485	95.28%	23,719,980	4.03%	388,518	20.48%		4,604,526	19.41%	235,864	-138,883

QUALIFYING REVOLVING RETAIL EXPOSURES	0.01% to 0.05%												
	0.05% to 0.07%	1,747	178,878	20.28%	38,018	0.05%	110,680	63.26%		857	2.3%	12	
	0.07% to 0.14%	96,604	739,485	43.69%	419,677	0.08%	430,389	57.14%		13,059	3.1%	199	
	0.14% to 0.28%	93,654	548,303	24.60%	228,557	0.20%	274,587	57.59%		14,666	6.4%	259	
	0.28% to 0.53%	100,817	232,597	31.06%	173,070	0.40%	193,729	57.57%		19,539	11.3%	394	
	0.53% to 0.95%	76,461	109,577	39.38%	119,609	0.71%	119,275	58.29%		21,630	18.1%	493	
	0.95% to 1.73%	62,944	63,451	46.88%	92,688	1.29%	83,842	59.75%		27,175	29.3%	711	
	1.73% to 2.92%	52,058	37,064	48.34%	69,973	2.26%	62,088	60.89%		31,733	45.4%	964	
	2.92% to 4.67%	46,147	25,089	47.61%	58,092	3.77%	54,181	61.63%		38,250	65.8%	1,352	
	4.67% to 7.00%	31,864	14,911	46.19%	38,752	6.05%	43,413	61.49%		34,790	89.8%	1,443	
	7.00% to 9.77%	24,833	10,549	44.00%	29,475	9.28%	34,208	62.56%		34,994	118.7%	1,720	
	9.77% to 13.61%	22,262	43,331	14.07%	28,357	11.50%	162,305	59.65%		36,115	127.4%	1,945	
	13.61% to 100.00%	37,288	4,582	72.89%	40,629	23.41%	31,112	64.58%		67,977	167.3%	5,994	
	100.00% (default)	49,822	4,823	9.60%	50,285	100.00%	68,638	80.09%		90,462	179.9%	34,463	
	SUBTOTAL	696,502	2,012,639	34.32%	1,387,180	5.44%	1,668,447	59.42%		431,248	31.09%	49,948	-45,453
OTHER RETAIL – SME	0.01% to 0.05%												
	0.05% to 0.07%	2,838	13,582	43.99%	7,796	0.04%	202	35.95%		345	4.4%	1	
	0.07% to 0.14%	113,668	127,874	41.63%	137,049	0.07%	17,576	29.45%		8,466	6.2%	42	
	0.14% to 0.28%	364,037	154,498	40.17%	312,519	0.13%	19,826	27.88%		29,549	9.5%	181	
	0.28% to 0.53%	445,229	104,392	40.87%	306,236	0.24%	14,772	27.91%		45,406	14.8%	356	
	0.53% to 0.95%	332,363	67,066	32.19%	209,431	0.41%	10,891	27.79%		41,749	19.9%	420	
	0.95% to 1.73%	234,528	45,408	31.59%	132,706	0.81%	8,165	28.31%		35,375	26.7%	504	
	1.73% to 2.92%	142,831	23,976	36.48%	78,584	1.49%	5,686	29.58%		25,923	33.0%	555	
	2.92% to 4.67%	97,946	20,145	45.78%	95,235	2.75%	6,792	29.24%		33,098	34.8%	1,057	
	4.67% to 7.00%	46,994	6,511	25.60%	25,715	4.12%	3,154	30.89%		10,190	39.6%	496	
	7.00% to 9.77%	27,992	4,810	19.19%	15,692	6.71%	1,759	31.21%		6,498	41.4%	419	
	9.77% to 13.61%	138,207	58,660	29.70%	83,474	9.47%	16,129	32.31%		39,670	47.5%	3,200	
	13.61% to 100.00%	12,205	15,654	27.51%	16,158	49.39%	1,365	37.43%		12,402	76.8%	3,043	
	100.00% (default)	91,904	92,066	23.56%	113,598	100.00%	6,892	50.70%		178,251	156.9%	43,329	
	SUBTOTAL	2,050,742	734,642	35.92%	1,534,193	6.23%	113,209	29.69%		466,922	30.43%	53,603	-61,177

OTHER RETAIL – NON SME	0.01% to 0.05%												
	0.05% to 0.07%	20,082	5,735	59.03%	23,467	0.05%	879	16.58%		607	2.6%	2	
	0.07% to 0.14%	108,162	17,621	81.59%	127,633	0.10%	5,119	17.39%		5,833	4.6%	22	
	0.14% to 0.28%	434,414	44,173	54.75%	467,531	0.20%	34,991	21.73%		43,602	9.3%	203	
	0.28% to 0.53%	541,572	20,943	62.44%	555,390	0.40%	51,269	26.14%		97,112	17.5%	580	
	0.53% to 0.95%	335,292	30,379	51.61%	352,311	0.70%	32,889	26.68%		85,743	24.3%	658	
	0.95% to 1.73%	214,310	5,819	73.75%	215,280	1.30%	21,659	28.79%		74,091	34.4%	805	
	1.73% to 2.92%	114,220	2,386	66.25%	112,902	2.29%	13,089	28.25%		44,941	39.8%	733	
	2.92% to 4.67%	85,100	2,446	81.25%	86,851	3.69%	9,631	27.00%		35,589	41.0%	867	
	4.67% to 7.00%	68,419	788	68.85%	64,836	5.89%	7,393	28.68%		29,585	45.6%	1,096	
	7.00% to 9.77%	48,274	714	39.70%	45,252	8.28%	5,683	29.01%		22,147	48.9%	1,089	
	9.77% to 13.61%	118,468	3,293	30.93%	113,583	11.48%	10,559	32.81%		69,640	61.3%	4,284	
	13.61% to 100.00%	28,880	1,140	23.04%	29,126	45.92%	3,390	30.76%		23,845	81.9%	4,032	
	100.00% (default)	180,323	2,901	25.34%	181,058	100.00%	14,480	56.08%		248,999	137.5%	81,617	
	SUBTOTAL	2,297,516	138,335	58.85%	2,375,221	9.64%	211,031	27.94%		781,734	32.91%	95,988	-102,701
TOTAL		28,644,920	3,032,102	-	29,016,574	-	2,381,205	-		6,284,430	-	435,404	-348,215

NOTE: This data does not include the exposures on Derivatives and Specialised Lending.

TABLE 51 – TEMPLATE 5 / EU CR10 (I)– IRB (SPECIALISED LENDING)

31/12/2020 (Thousand euros)

Regulatory categories	Remaining maturity	On-balance-sheet amount	Off-balance-sheet amount	Risk weight	Exposure amount	RWA	Expected losses
Category 1	Less than 2.5 years			50%			
	Equal to or more than 2.5 years	25,585		70%	25,625	16,808	102
Category 2	Less than 2.5 years			70%			
	Equal to or more than 2.5 years	754,313	187,517	90%	907,555	807,429	7,260
Category 3	Less than 2.5 years			115%			
	Equal to or more than 2.5 years	203,676	18,445	115%	205,336	233,086	5,749
Category 4	Less than 2.5 years			250%			
	Equal to or more than 2.5 years	21,081	4,802	250%	23,677	50,151	1,894
Category 5	Less than 2.5 years						
	Equal to or more than 2.5 years	869	2,728		2,826	0	1,413
TOTAL	Less than 2.5 years						
	Equal to or greater than 2.5 years	1,005,524	213,492		1,165,018	1,107,474	16,419

30/06/2020 (Thousand euros)

Regulatory categories	Remaining maturity	On-balance-sheet amount	Off-balance-sheet amount	Risk weight	Exposure amount	RWA	Expected losses
Category 1	Less than 2.5 years			50%			
	Equal to or more than 2.5 years	29,365		70%	29,427	20,599	118
Category 2	Less than 2.5 years			70%			
	Equal to or more than 2.5 years	796,294	204,975	90%	966,849	868,414	7,735
Category 3	Less than 2.5 years			115%			
	Equal to or more than 2.5 years	124,125	41,504	115%	125,902	144,395	3,525
Category 4	Less than 2.5 years			250%			
	Equal to or more than 2.5 years	12,550	3,270	250%	14,177	35,443	1,134
Category 5	Less than 2.5 years						
	Equal to or more than 2.5 years	5,011	3,287		6,445	7,094	1,711
TOTAL	Less than 2.5 years						
	Equal to or greater than 2.5 years	967,346	253,036		1,142,799	1,075,946	14,223

TABLE 52 – TEMPLATE 5 / EU CR10 (II) – IRB (EQUITY POSITIONS)

31/12/2020 (Thousand euros)

Equities under the simple risk-weighted approach

Categories	On-balance-sheet amount	Off-balance-sheet amount	Risk weight	Exposure amount	RWA	Own funds requirements	Expected losses
Private equity exposures	893,269		190%	893,269	1,697,211	135,777	7,146
Exchange-traded equity exposures	4,706		290%	4,706	13,646	1,092	38
Other equity exposures	146,182		370%	146,182	540,872	43,270	3,508
TOTAL	1,044,156			1,044,156	2,251,729	180,138	10,692

30/06/2020 (Thousand euros)

Equities under the simple risk-weighted approach

Categories	On-balance-sheet amount	Off-balance-sheet amount	Risk weight	Exposure amount	RWA	Own funds requirements	Expected losses
Private equity exposures	891,037		190%	891,037	1,692,970	135,438	7,128
Exchange-traded equity exposures	9,002		290%	9,002	26,106	2,089	72
Other equity exposures	148,385		370%	148,385	549,026	43,922	3,561
TOTAL	1,048,424			1,048,424	2,268,102	181,448	10,762

The following table shows the breakdown of RWA flows in the last quarter of 2020:

TABLE 53 – TEMPLATE 23 / EU CR8 – RWA FLOW STATEMENTS OF CCR EXPOSURES UNDER THE IRB APPROACH

	31 Dec 2020		30 Sep 2020	
	RWA amounts	Capital requirements	RWA amounts	Capital requirements
RWA AS AT THE END OF THE PREVIOUS REPORTING PERIOD ^(*)	21,272,546	1,702,163	21,066,834	1,685,347
Asset size	43,150	35,876	109,092	9,050
Asset quality				
Model updates				
Methodology and policy				
Acquisitions and disposals				
Foreign exchange movements	-20,724	-5,241	-28,845	-2,308
Other	-39,452	8,091	125,464	10,074
RWA AS AT THE END OF THE REPORTING PERIOD ^(**)	21,255,520	1,700,442	21,272,546	1,702,163

^(*) 30/06/2019 for Sep 2019; 30/09/2019 for Dec 2019

^(**) 30/09/2019 for Sep 2019; 31/12/2019 for Dec 2019

5.5.5. STANDARDISED APPROACH – EXPOSURES AND RISK WEIGHTS BY REGULATORY RISK CLASSES

TABLE 54 – TEMPLATE 20 / EU CR5 – STANDARDISED APPROACH

The on- and off-balance sheet risk positions within the scope of the regulatory consolidation, net from specific credit risk adjustments and cancellations, post conversion factors and post CRM techniques, relative to portfolios that are treated under the standardised approach, as at 31 December 2020 and 2019, are broken down in the following table:

(Thousand euros)

Exposure classes	Dec 2020															Deducted	Total	Of which unrated
	Risk weights																	
	0%	2%	4%	10%	20%	35%	50%	70%	75%	100%	150%	250%	370%	1250%	Outras			
Central Governments or Central Banks	21 881 784				5 682		29 791			813 506	407 148						23 137 912	3 595 664
Regional Governments or Local Authorities					702 178						0						702 178	702 178
Public Setor Entities	104				0		30 572			174 232	15 211						220 119	42 923
Multilateral Development Banks	40 029																40 029	
International Organisations																		
Institutions		303 411			1 018 599		261 365			112 783	10 972						1 707 131	736 799
Corporates										5 051 616	149 711						5 201 327	4 676 738
Retail									5 294 034								5 294 034	140 286
Secured by mortgages on immovable property						1 073 618	448 235		64 844	200 944	86 316						1 873 957	67 249
Exposures in default										374 044	107 135						481 179	92 033
Items associated with particularly high risk											4 450						4 450	1 155
Covered bonds																		
Claims on institutions and corporates with a short-term credit assessment																		
Collective Investment Undertakings										0	20 563				79 754		100 317	
Equity exposures												29 967					29 967	
Other exposures										90 941							90 941	
TOTAL	21 921 917	303 411			1 726 459	1 073 618	769 964		5 358 878	6 818 066	801 506	29 967			79 754		38 883 540	10 055 024

Exposure classes	Dec 2019															Deducted	Total	Of which unrated
	Risk weights																	
	0%	2%	4%	10%	20%	35%	50%	70%	75%	100%	150%	250%	370%	1250%	Outras			
Central Governments or Central Banks	15 299 335				7 768		30 580			1 079 425	238 801						16 655 909	1 173 303
Regional Governments or Local Authorities					571 614		43			4	405				85		572 151	572 015
Public Setor Entities	107				30		13 509			174 308	75 925						263 879	85 883
Multilateral Development Banks	41 422																41 422	
International Organisations																		
Institutions					1 266 961		202 572			80 634	1 305				228 192		1 779 663	587 947
Corporates					14 156		46 931			5 378 053	134 768				72 378		5 646 287	4 996 235
Retail							0		4 988 160	0					0		4 988 160	182 074
Secured by mortgages on immovable property					94		514 187		73 227	227 303	108 096				1 245 598		2 168 504	47 750
Exposures in default	1 794									259 553	193 409				0		454 757	56 812
Items associated with particularly high risk											1 511						1 511	
Covered bonds																		
Claims on institutions and corporates with a short-term credit assessment																		
Collective Investment Undertakings											21 421				133 873		155 294	
Equity exposures										1 155		37 497					38 652	
Other exposures																		
TOTAL	15 342 658				1 860 623		807 821		5 061 387	7 200 436	775 642	37 497			1 680 125		32 766 190	