

Financial information

At the end of 2015, Cecabank had 11,982 million euros in assets and a CETI ratio of 25.33 per cent

Activity

Cecabank, S.A. Balance Sheet as of 31 December 2015 and 2014 (thousands of euros)

Activo	2015	2014*
1. Cash and balances at central banks (Note 5)	61.560	196.387
2. Financial assets held for trading (Note 6.1)	2.560.723	2.832.794
2.1 Loans and advances to credit institutions	-	-
2.2 Loans and advances to customers	-	-
2.3 Debt instruments	1.135.252	1.046.083
2.4 Equity instruments	63.160	67.867
2.5 Trading derivatives	1.362.311	1.718.844
Memorandum item: Loaned or advanced as collateral	309.418	219.885
3. Other financial assets at fair value through profit and loss (Note 6.2)	2.786.463	3.624.938
3.1 Loans and advances to credit institutions	2.698.393	2.748.641
3.2 Loans and advances to customers	29.954	876.297
3.3 Debt instruments	-	-
3.4 Equity instruments	58.116	-
Memorandum item: Loaned or advanced as collateral	332.398	833.752
4. Available-for-sale financial assets (Note 7)	4.202.012	2.585.344
4.1 Debt instruments	4.112.932	2.523.149
4.2 Equity instruments	89.080	62.195
Memorandum item: Loaned or advanced as collateral	716.426	296.605
5. Loans and receivables (Note 8)	2.035.666	1.355.848
5.1 Loans and advances to credit institutions	1.226.997	923.917
5.2 Loans and advances to customers	767.445	389.102
5.3 Debt instruments	41.224	42.829
Memorandum item: Loaned or advanced as collateral	38.673	-
6. Held-to-maturity investments	-	-
Memorandum item: Loaned or advanced as collateral	-	-
7. Changes in the fair value of hedged items of portfolio hedges of interest rate risk	-	-
8. Hedging derivatives (Note 9)	222	19
9. Non-current assets held for sale (Note 10)	18.487	18.504
10. Investments (Note 11)	416	867
10.1 Associates	-	312
10.2 Jointly controlled entities	-	451
10.3 Group entities	416	104
11. Insurance contracts linked to pensions	-	-
13. Tangible assets (Note 12)	53.363	53.232
Property, plant and equipment	52.375	52.208
For own use	52.375	52.208
Other assets leased out under operating leases	-	-
Assigned to welfare projects	-	-
Investment properties	988	1.024
Memorandum item: Acquired under a financial lease	-	-
14. Intangible assets	83.865	39.264
14.1 Goodwill	-	-
14.2 Otro activo intangible (Nota 13)	83.865	39.264
15. Tax assets	128.172	124.116
15.1 Current	535	226

(*) Presented solely and exclusively for the purposes of comparison.
 Notes 1 to 41 and Appendices I to IV of the accompanying Notes to the Financial Statements form an integral part of the balance sheet as of 31 December 2015.

03 Our Business Model

1. **Strategic lines** | Economic and regulatory environment | Building the future | Business lines
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3. **Business risk** | The risk function at Cecabank

15.2 Deferred (Note 20)	127.637	123.890
16. Other assets (Note 14)	51.697	31.685
Total assets	11.982.646	10.862.998

Memorandum accounts

Contingent liabilities (Note 27.1)	76.982	72.750
Contingent commitments (Note 27.3)	412.074	724.862

Liabilities	2015	2014*
1. Financial liabilities held for trading (Note 6.1)	2.273.135	2.267.416
1.1 Deposits from central banks	-	-
1.2 Deposits from credit institutions	-	-
1.3 Customer deposits	-	-
1.4 Marketable debt securities	-	-
1.5 Trading derivatives	1.327.114	1.661.534
1.6 Short positions	946.021	605.882
1.7 Other financial liabilities	-	-
2. Other financial liabilities at fair value through profit or loss (Note 6.2)	1.109.908	1.365.643
2.1 Deposits from central banks	-	-
2.2 Deposits from credit institutions	675.885	692.386
2.3 Customer deposits	434.023	673.257
2.4 Marketable debt securities	-	-
2.5 Subordinated liabilities	-	-
2.6 Other financial liabilities	-	-
3. Financial liabilities at amortized cost (Note 15)	7.256.944	5.941.940
3.1 Deposits from central banks	-	-
3.2 Deposits from credit institutions	1.181.969	1.532.528
3.3 Customer deposits	5.829.642	3.922.701
3.4 Marketable debt securities	-	-
3.5 Subordinated liabilities	-	-
3.6 Other financial liabilities	245.333	486.711
4. Changes in the fair value of hedged items of portfolio hedges of interest rate	-	-
5. Hedging derivatives (Note 9)	4.418	6.073
6. Liabilities associated with non-current assets held for sale	-	-
8. Provisions	210.378	196.268
8.1 Provisions for pensions and similar obligations (Note 35)	91.094	84.498
8.2 Provisions for tax and other legal contingencies	-	-
8.3 Provisions for contingent risks and commitments (Note 16)	16	16
8.4 Other provisions (Note 16)	119.268	111.754
9. Tax liabilities (Note 20)	44.214	52.938
9.1 Current	4.376	3.077
9.2 Deferred	39.838	49.861
11. Other liabilities (Note 14)	112.714	101.007
12. Capital repayable on demand	-	-
Total liabilities	11.011.711	9.931.285

Equity

1. Own funds	901.434	837.894
1.1 Capital	112.257	112.257
1.1.1 Registered capital (Note 18)	112.257	112.257
1.1.2 Less: Uncalled capital	-	-
1.2 Share premium (Note 18)	615.493	615.493
1.3 Reserves (Note 19)	96.522	55.659
1.4 Other equity instruments	-	-
1.4.1 Equity component of compound financial instruments	-	-
1.4.2 Non-voting equity units and associated funds	-	-
1.4.3 Other equity instruments	-	-
1.5 Less: Treasury shares	-	-

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1.6 Income	77.162	54.485
1.7 Less: Dividends and remuneration	-	-
2. Valuation adjustments	69.501	93.819
2.1 Available-for-sale financial assets (Note 17)	61.241	87.779
2.2 Cash flow hedges (Note 17)	-	-
2.3 Hedges of net investments in foreign operations	-	-
2.4 Exchange differences	-	-
2.5 Non-current assets held for sale	-	-
2.7 Other valuation adjustments (Note 17)	8.260	6.040
Total equity	970.935	931.713
Total equity and liabilities	11.982.646	10.862.998

Income Statement

Cecabank S.A. Income Statement for the financial years ended as of 31 December 2015 and 2014 (thousands of euros)

	Ingresos / (Gastos)	
	2015	2014*
1. Interest and similar income (Note 28)	67.414	93.951
2. Interest and similar charges (Note 29)	(20.618)	(21.492)
3. Remuneration of capital having the nature of a financial liability	-	-
A. Net interest income		
4. Return on equity instruments (Note 30)	5.474	29.717
5. Fee and commission income (Note 31)	128.130	108.351
6. Fee and commission expense (Note 32)	(16.251)	(18.666)
8. Net gains (losses) from financial operations (Note 33)	20.375	(34.149)
8.1 Held for trading	8.371	(50.233)
8.2 Other financial instruments at fair value through profit or loss	(1.215)	(63)
8.3 Financial instruments not measured at fair value through profit or loss	15.588	16.250
8.4 Other	(2.369)	(103)
9. Exchange differences (net)	51.754	36.500
10. Other operating income (Note 34)	46.694	45.803
11. Other operating expense (Note 37)	(4.251)	(711)
B. Gross income		
12. Administrative expenses	(115.585)	(119.921)
12.1 Personnel expenses (Note 35)	(52.773)	(54.760)
12.2 Other general administrative expenses (Note 36)	(62.812)	(65.161)
13. Depreciation and amortization (Note 39)	(49.688)	(39.696)
14. Provisions (net) (Note 16)	(32.251)	(19.291)
15. Impairment losses on financial assets (net) (Notes 22 and 38)	19.291	14.765
15.1 Loans and receivables	20.204	18.867
15.2 Other financial instruments not measured at fair value through profit or loss	(913)	(4.102)
C. Net operating income		
16. Impairment losses on other assets (net)	-	-
16.1 Goodwill and other intangible assets	-	-
16.2 Other assets	-	-
17. Gains (losses) on disposal of assets not classified as non-current assets held for sale (Note 11)	4.988	(1)
18. Negative goodwill on business combinations	-	-
19. Gains (losses) on non-current assets held for sale not classified as discontinued operations	-	-
D. Profit before tax	105.476	75.160
20. Income tax (Note 20)	(28.314)	(20.675)
21. Mandatory transfer to welfare projects and funds	-	-
E. Profit for the year from continuing operations	77.162	54.485
22. Profit (Loss) from discontinued operations (net)	-	-
E. Profit for the year	77.162	54.485

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Notes 1 to 41 and Appendices I to IV of the accompanying Notes to the Financial Statements form an integral part of the income statement for financial year 2015.

Sound capital structure

At the end of financial year 2015 Cecabank's solvency ratio was of 25.33%, with 99.4% of capital being common Tier 1 capital, i.e. the Tier 1 ratio stood at 25.18%.

A key element in management was and is to maintain a sound capital structure in terms of quantity and quality.

Cecabank's Board of Directors established a minimum capital ratio of 14%. This ratio is established in terms of Common Equity Tier 1 (CET1). In addition, the Risk Tolerance Framework establishes a wide margin for this ratio which the entity must use for operating in normal situations. Both levels are currently easily surpassed.

Cecabank's comfortable solvency position enables it to cover present and future capital requirements and the risks not considered in Pillar 1. Moreover, these ratios are lower than would be obtained by applying the solvency regulations without transitory clauses (fully loaded Basel III).

Ratings

As of 31 December 2015, the ratings Cecabank had been given by the international rating agencies, Fitch Ratings, Moody's y Standard & Poor's, are as follows:

Cecabank				
Agencia	Corto plazo	Largo plazo	Perspectivas	Fecha
Moody's	P-2	Baa2	stable	17/06/2015
Fitch	F-2	BBB-	stable	04/11/2015
S&P	A-2	BBB	stable	02/02/2016

The strategic reorientation and the success of its implementation were key factors in the upgrading of the different agencies' credit ratings and now all three ratings are Investment Grade. In general, when rating our bank, the agencies highlighted the success of the following as positive elements:

- The liquidity position
- The strategic reorientation of the bank
- The conservative risk profile

CET 1
25.33%



Eurozone average: : (September 2015)

Tier 1 capital

