

Liberbank

Financial Results

4Q 2017

February 7th 2018

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Latest trends. Key Highlights

Asset quality

- **Another strong quarter in asset quality, NPAs down € 935m** (-17% QoQ and -29% YoY).
- **NPA ratio** stands at 18.1% achieving the 2017YE target.
- **NPLs down € 430m QoQ. NPL ratio drops to 8.6%**, 189bp down QoQ and below the 9% target for year end.
- **Gross real estate assets sales** of € 156m in the 4Q17 and closing of the € 617m real estate portfolio transfer signed in October.
- **Coverage ratio⁽¹⁾ of NPAs stands at 51%** as of Dec17, 55% including write-offs⁽²⁾.

Solvency

- **Successful completion of the € 500m rights issue** with an oversubscription of 7.9x
- **CET1 ratio (FL)** stands at 11.9%. **CET1 phased-in ratio** stands at 13.4% and total capital ratio at 15.4%, well above regulatory requirements.
- **IFRS-9.** Limited impact on CET1-FL (-10bp) and increase of NPL coverage of 474bp and NPA coverage of c.200pb.
- **Migration to IRB models** keeps advancing

(1) Coverage ratio considering the impact of IFRS9 as at 31st December 2017
(2) Write-offs from foreclosed assets.

Latest trend. Key Highlights

Commercial activity

- **Loan performing book (exc. Public sector) increased +1.7% QoQ and +3.5% YoY:**
 - **Mortgages performing loan book: +0.8% QoQ and +1.7% YoY.**
 - **SMEs loan book** grew at 11% YoY and large corporates at 5% YoY.
 - **Consumer loan book: +23% YoY.**
- **Customer resources recover (+1.6% QoQ) and mutual funds growth accelerates (+14% QoQ and +30% YoY)** supported by JP Morgan agreement.
- The bank reached an agreement with EVO Payments to improve the **merchant acquiring** business, provide better service and increase customers loyalty.

Operating profit

- **Net interest income starts to turn around (+3% QoQ)** supported by retail business (larger volumes and higher front book prices) and NPL recoveries.
- Recurrent fees improve 1.4% YoY supported by mutual funds and insurance business (+8% YoY).
- **Operating costs⁽¹⁾ decreased 3% QoQ.** Cost cutting initiatives still ongoing, target to reduce operating costs below € 400m.
- Liberbank reiterates its CoR target 2018-20 below 25bps.

Liquidity

- Liberbank maintains a strong liquidity position, LCR ratio stands at c.406% and LtD at 91% as of Dec17.
- 96.5% of the deposits are retail, granular, sticky and with low average balance.

(1) Personnel and general expenses

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1. Asset Quality

2. Solvency

3. Commercial Activity

4. Results analysis

5. Liquidity and Fixed Income portfolio

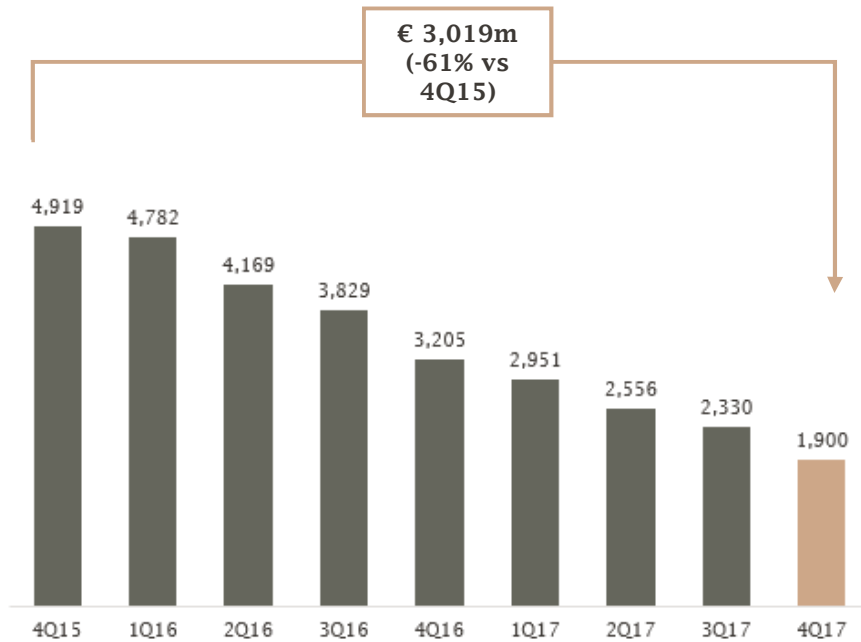
6. Closing remarks

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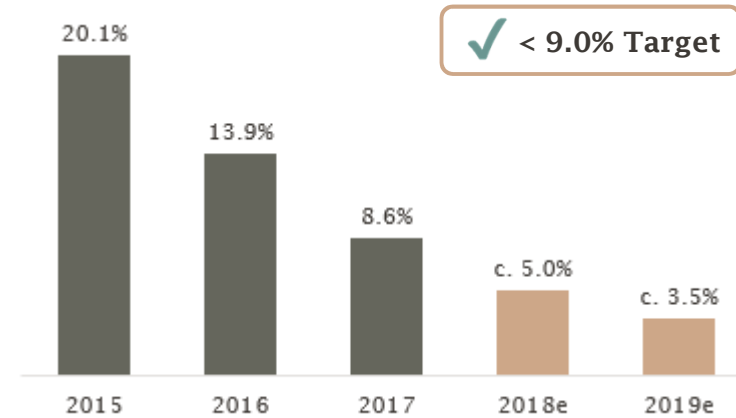
NPL trend

Asset Quality

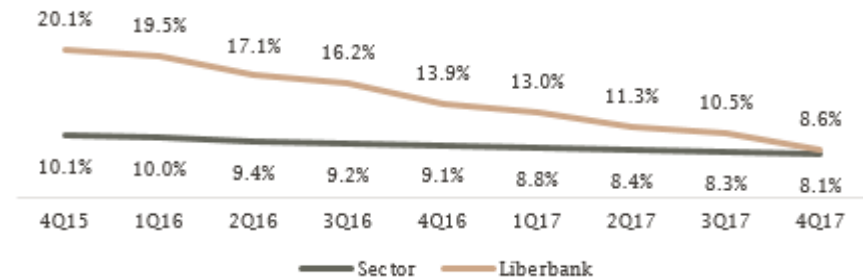
NPL evolution. Eur m



NPL ratio



NPL ratio (1)



- Further decline of NPLs, € 430m in the quarter and € 3,019m since Dec15 (-61%).
- Liberbank has closed the gap versus the industry in the last two years.
- The target is to continue reducing NPLs and reach an NPL ratio of c.5.0% in 2018.

(1) Source: Bank of Spain. November data

NPL recognition

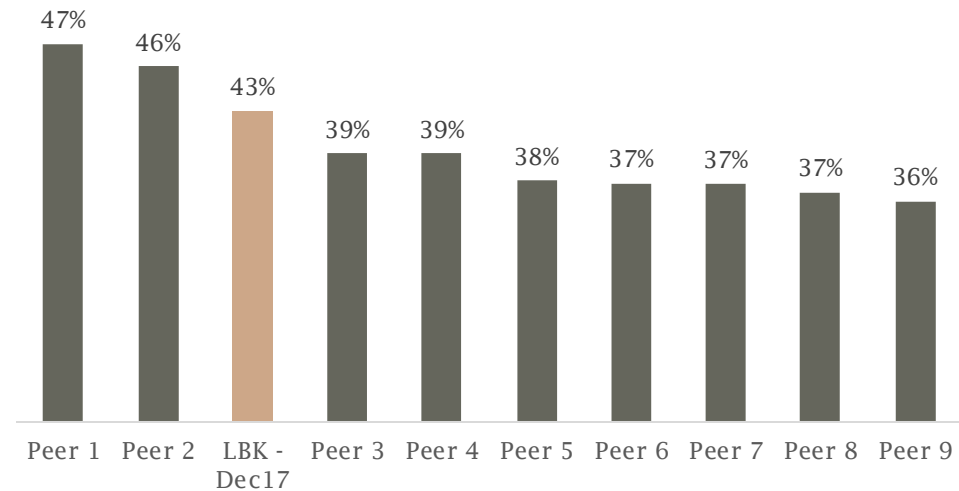
RE Developers loans. Eur bn



Refinanced loans. Eur bn



Coverage over NPLs. Jun17 ^{(1) (2)}



(1) Coverage = accumulated impairments of NPLs over NPLs. It excludes coverage on performing and watch list loans.
 (2) Source: jun17 EBA Transparency exercise of BFA, Criteria, SAB, BKT, Unicaja, Kutxa, Ibercaja, Abanca and B.Cooperativo

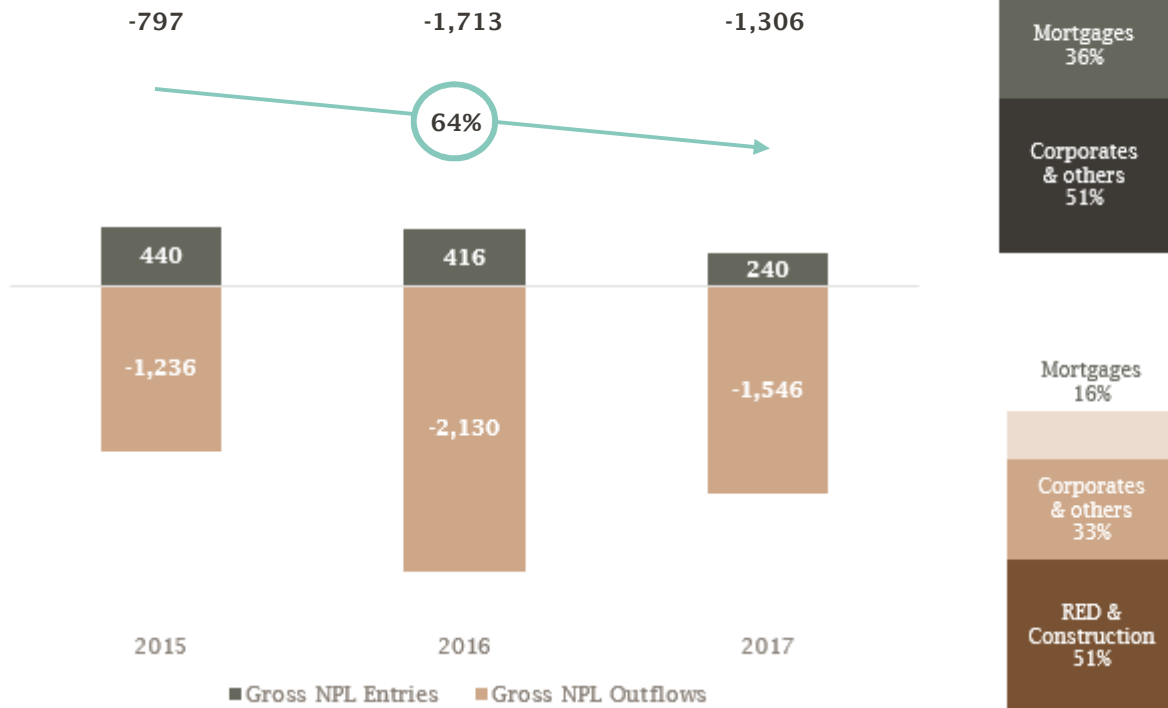
→ One of the drivers of the NPL reduction is the strong NPL recognition that reflects a prudent approach: 74% of the loans to RE Developers and 80% of the refinanced loans are classified as non-performing.

→ In addition, Liberbank’s accumulated impairments on NPLs over NPLs stand as one of the highest among peers.

NPL decrease

Asset Quality

NPL evolution (net) (Eur m)



Entries

- ✓ Entries are down 42% vs 2016
- ✓ Very limited entries coming from RE Developers
- ✓ c.22% NPL entries are subjective NPLs, above previous quarters

Outflows

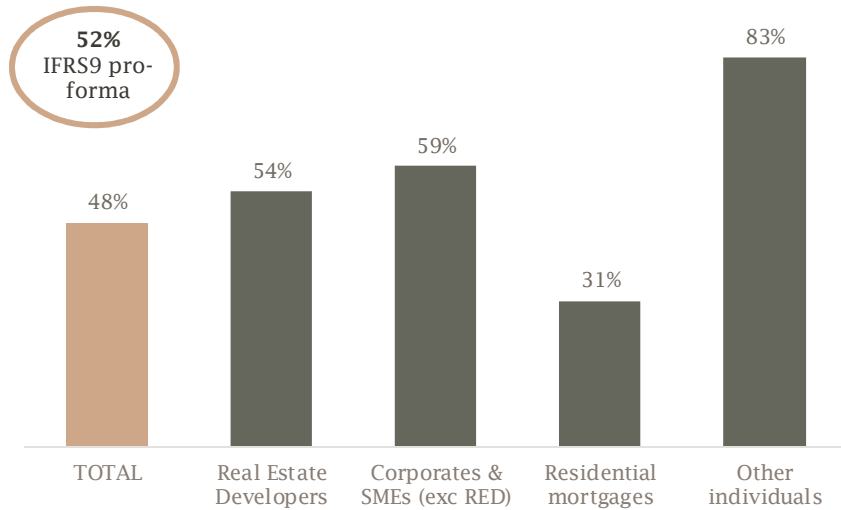
- ✓ Despite lower NPL stock and lower entries, outflows remain strong
- ✓ Cash recoveries increase in the quarter.
- ✓ Lower level of write offs, half vs 2017 avg.

→ NPLs keep falling thanks to our discipline in risk management, which results in a systematic early recognition of troubled loans and an improved recovery management system

Coverage

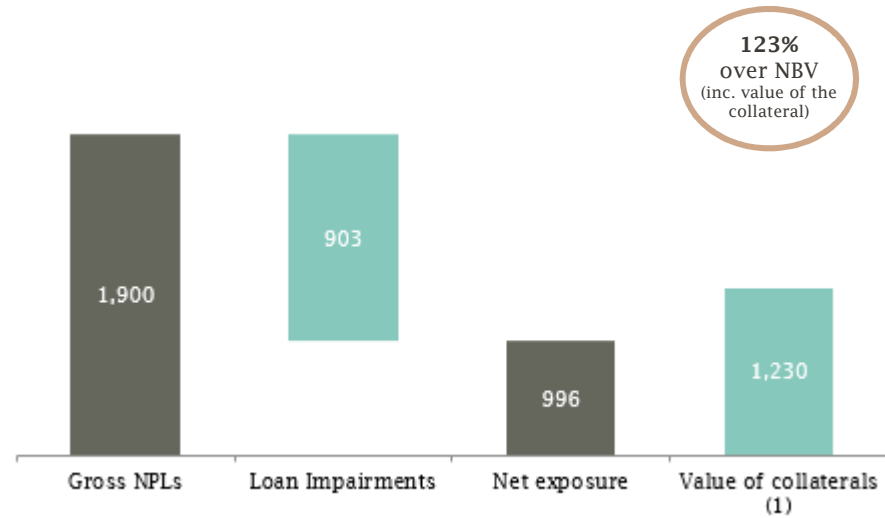
Asset Quality

Coverage over NPLs by segment

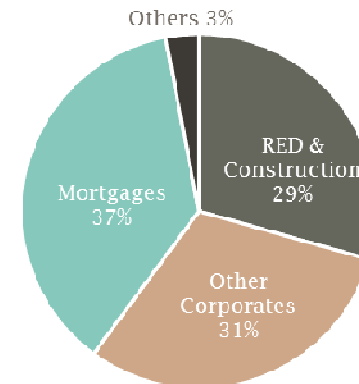


Coverage of NPLs including collateral.

Eur m



NPLs Mix 2017



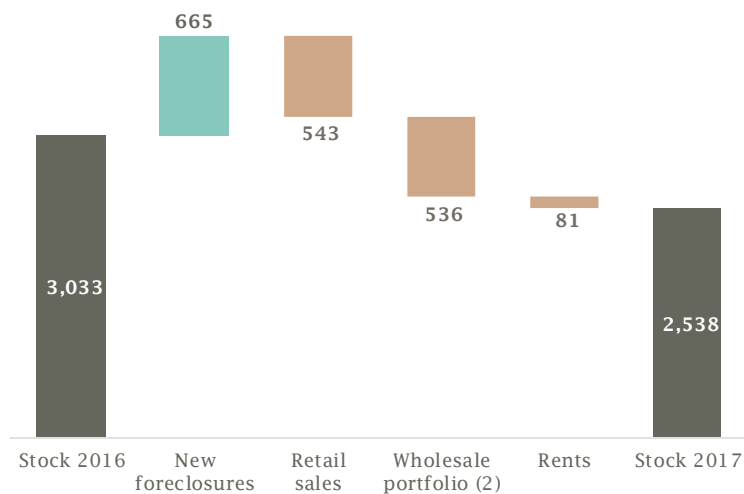
- Coverage over NPLs improves to 48% (52% IFRS9 pro-forma). Including the value of collaterals(1) it increases to 123%.
- Strong collateralization and high weight of residential mortgages should translate into lower coverage requirements.
- C.90% of the NPLs have a real collateral. Higher collateral value on the corporate loan book than peers.

(1) Maximum amount of the collateral or guarantee that can be considered, not considering excess value of collaterals

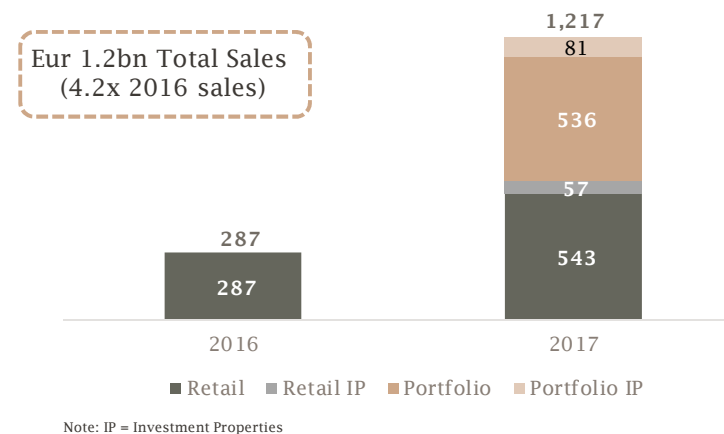
Foreclosed assets

Asset Quality

Foreclosed assets evolution⁽¹⁾. YoY
(gross book value). Eur m



Gross Real Estate assets reduction. Eur m



Foreclosed assets breakdown

Eur m	Gross Debt	NBV	NBV Mix	Coverage	Coverage inc write-offs ⁽³⁾
Residential	858	492	38%	43%	48%
Commercial RE	284	179	14%	37%	42%
Building under construction	419	209	16%	50%	57%
Land	977	402	31%	59%	67%
TOTAL	2,538	1,281	100%	50%	56%

→ Total real estate assets reduction during 2017 amounts to € 0.5bn. The 4Q is another strong quarter:

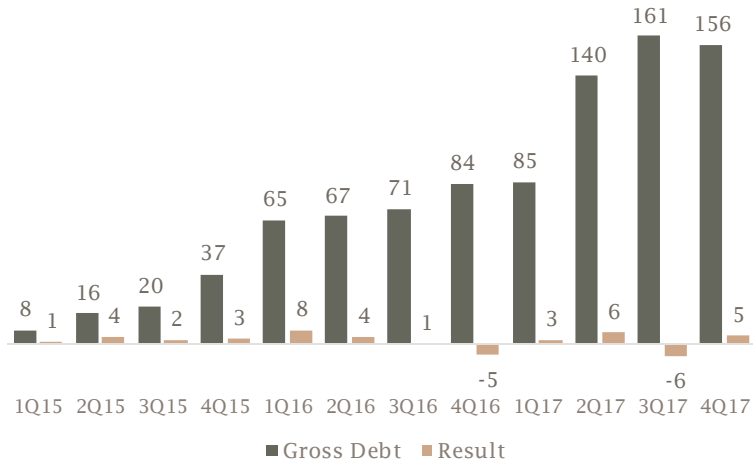
- **Direct/retail channel.** Liberbank sold € 156m gross value of foreclosed assets.
- **Wholesale channel.** Liberbank closed the transfer of a € 617m portfolio of gross RE assets, out of which € 81m are investment properties, to a company owned by Bain Capital (80%), Oceanwood (10%) and Liberbank (9.99%).

(1) Gross debt excluding investment properties
 (2) Wholesale portfolio sales do not include € 81m of assets sold from investment properties
 (3) Allocation of the write-offs coverage is proportional

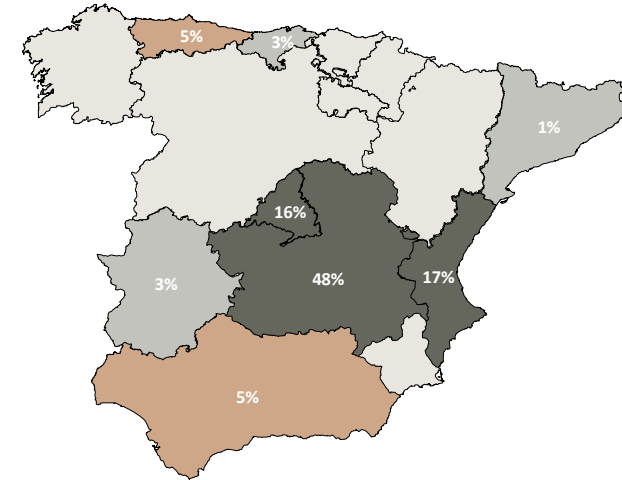
Foreclosed asset sales

Asset Quality

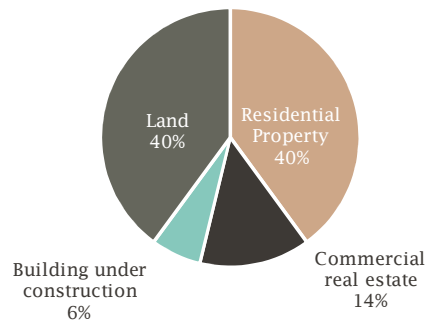
Latest gross retail sales. Eur m




Sales by region (Eur) 2017(1)



Sales mix. 2017 (1)





4,010 Units sold



€136,000 / unit

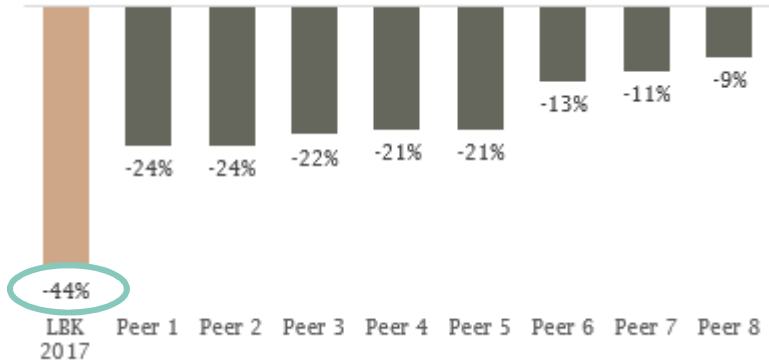
→ Another strong quarter with sales of € 156m gross. Good mix of sales, land accounts for 40% of total sales for the year.
 → Sales were still mainly achieved by Liberbank’s team as the integration with RE servicer is in progress

(1) Gross debt excluding investment properties

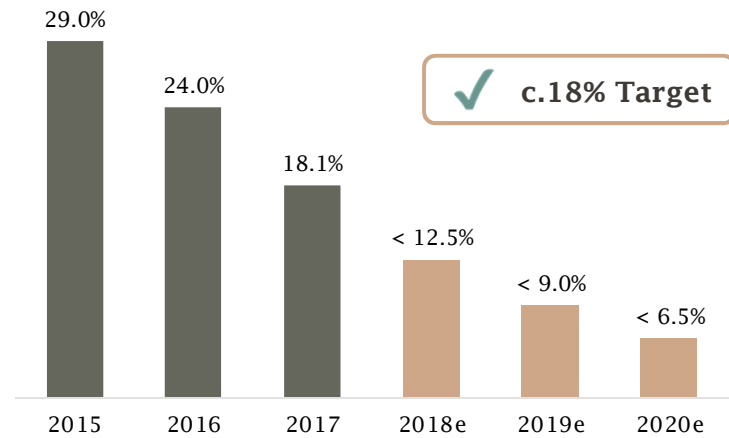
NPA evolution

Asset Quality

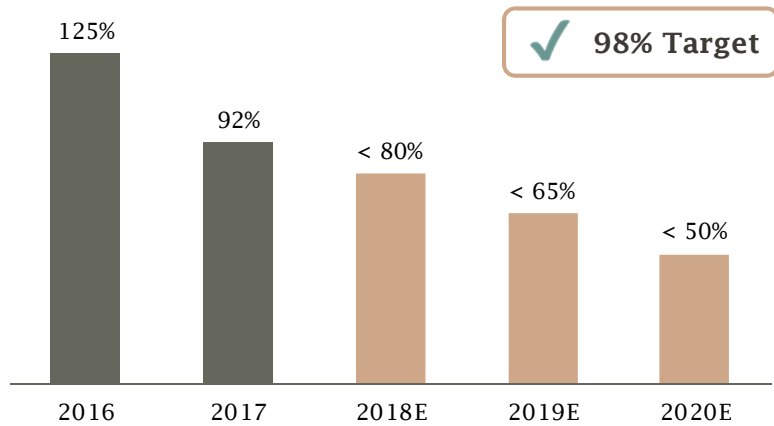
NPAs reduction (gross). 3Q17 vs 2015



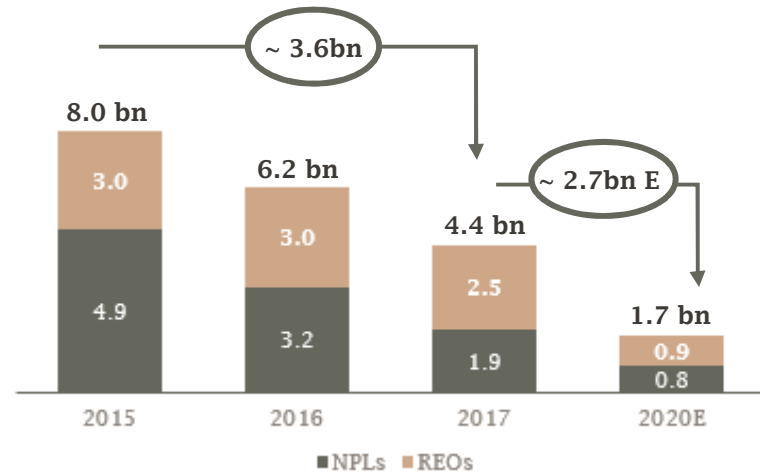
NPA ratio evolution (1)



Texas ratio evolution (2)



Gross NPAs evolution (€ bn)



(1) NPA ratio calculated as NPLs & foreclosed assets over gross loans and foreclosed assets
 (2) Texas ratio calculated as gross NPLs & foreclosed assets over equity (excl. minority interests) and provisions related to NPLs & foreclosed assets
 Note: Peers include Spanish domestic banks with available information as of Sep17. BKT includes Portugal.

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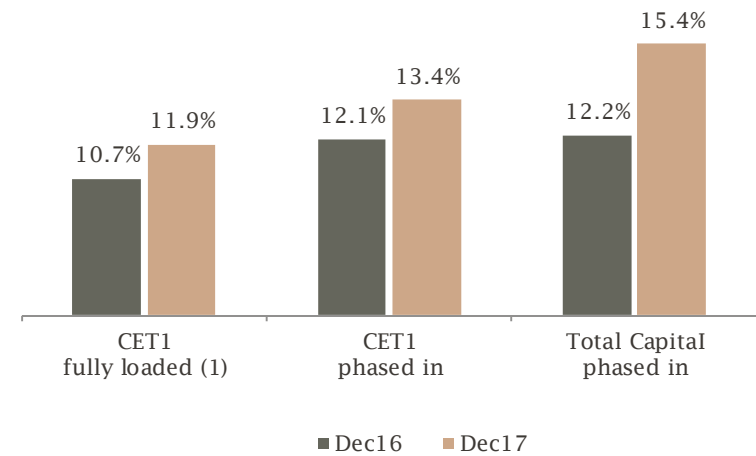
Solvency position

Solvency

CET1 fully-loaded performance



Capital ratios⁽¹⁾



- CET1 ratio (FL) in line with our 12.0% short-term target. Rights issue offset the impact from the reinforcement of coverage in the 3Q.
- All capital ratios increased during the year and stand well above regulatory requirements.
- Migration to IRB models **keeps advancing**.

(1) CET1 FL includes unrealised capital gains of the AFS Sovereign portfolio and the AT1 not absorbing deductions

Successful year in the Capital Markets

Solvency

Rights issue. November 17

Summary of the capital increase	
Total capital increase size (€m)	499
Free float pre-transaction	c.28.0%
Free float post-transaction	c.45.0%
Banking Foundations ownership pre-transaction	43.4%
Banking Foundations ownership post-transaction	24.4%
Theoretical ex-rights price ('TERP') (€) ⁽¹⁾	0.383
Oversubscription	7.9x

Inaugural T2. March 17

Summary of the Tier 2 issuance	
Size (€m)	300
Demand (€m)	c.1,000
Oversubscription	3.3x
Number of accounts	> 140
Coupon	6.875%
Re-offer spread	MS + 670bp
Current ⁽²⁾ spread	MS + 310bp

→ Liberbank successfully accessed the capital markets during the year:

→ **November 2017:** Completion of the € 500m rights issue with an oversubscription of 7.9x.

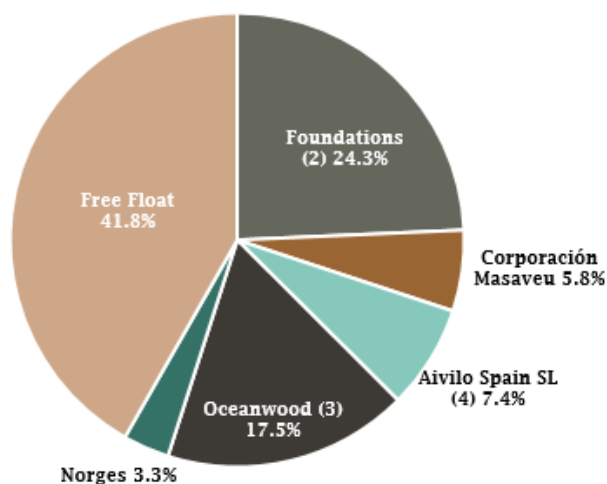
→ **March 2017:** € 300m inaugural T2 issuance. The investors have recognized the latest improvements of the bank (NPA reduction, increasing coverage and capital ratios among others) and the spread reduced from 670bp at issuance to current⁽¹⁾ 310bp.

(1) Based on placing price of the ABB of the Banking Foundations (€0.670/share as of 25 October 2017)
 (2) As of 5th of February 2018

Shareholders and Book Value

Solvency

Shareholder base



(1) Includes Flicka Forestal, Corporación Masaveu and Fundación Maria Cristina Masaveu
 (2) Includes Fundación Caja Asturias, Fundación Caja Extremadura and Fundación Caja Cantabria
 (3) Includes Oceanwood Capital Management and Oceanwood Opportunities Master Fund. Includes stake through derivatives
 (4) Includes Inmosan SA
 Source: CNMV as of 31st December 2017

Book value and Tangible Book Value

	Dec-17	Fully Diluted
# New shares (m)		120
# O/S shares (m)	2,927	3,047
BV (exc minorities). Eur m	2,683	2,776
TBV.Eur m (1)	2,557	2,650
BVps (Eur)	0.92	0.91
TBVps (Eur)	0.87	0.87
Last price (Eur)	0.44	0.44
PBV	0.48x	0.49x
PTBV	0.51x	0.51x

(1) Intangibles deduction
 Note: last price for CoCos conversion purpose as of 31st of December (Eur 0.44/sh)

Outstanding CoCos. Dec17

AT1 (CoCos)	Outstanding Amount (Eur m) (1)	Coupon	Min Strike	Maturity	Issuance date
Serie A	10	5.0%	5.39	17-Jul-2018	17-Apr-2013
Serie B	3	5.0%	3.54	17-Jul-2018	17-Apr-2013
Serie C	80	7.0%	0.68	17-Jul-2018	17-Apr-2013
TOTAL	93				

(1) Net of retained AT1s
 Source: Liberbank and Bloomberg

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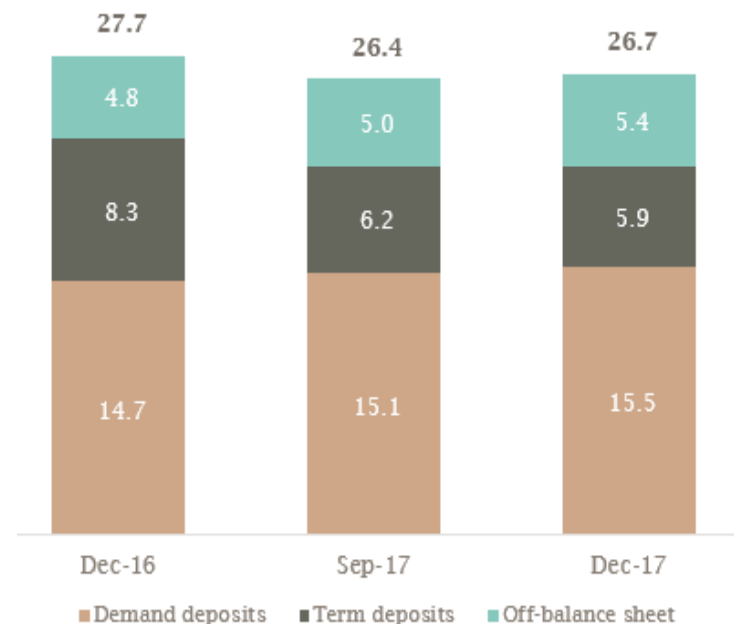
Customer funds

Commercial Activity

Customer Funds. Eur m

Eur m	4Q16	3Q17	4Q17	QoQ	YoY
Customer Funds	29,467	27,892	28,328	1.6%	-3.9%
Customer Funds on Balance Sheet	24,663	22,874	22,975	0.4%	-6.8%
Public Institutions	1,319	1,194	1,352	13.2%	2.5%
Retail Customer (resident)	23,060	21,431	21,386	-0.2%	-7.3%
Demand deposits	14,674	15,145	15,481	2.2%	5.5%
Term deposits	8,267	6,222	5,860	-5.8%	-29.1%
Other	118	64	44	-30.3%	-62.3%
Non resident customers	284	249	237	-4.7%	-16.6%
Off-balance sheet	4,804	5,017	5,354	6.7%	11.4%
Mutual funds	2,172	2,467	2,816	14.1%	29.6%
Pension Plans	1,511	1,500	1,497	-0.2%	-0.9%
Insurance Funds	1,121	1,050	1,041	-0.8%	-7.2%
Number of branches	896	779	771	-1.0%	-14.0%
Customer funds per branch (Eur m)	33	36	37	2.6%	11.7%

Customer Funds
(exc. Public Institutions). Eur bn⁽¹⁾



- Customer resources grew strongly during the 4Q (+1.6% QoQ) supported by off-balance sheet products.
- The switch from term deposits to demand deposits and off-balance sheet products continues.
- Mutual funds increases c. 30% YoY.

(1) Resident customers. Excluding Public Institutions, non-resident customers and other
Note: customer funds do not include repos

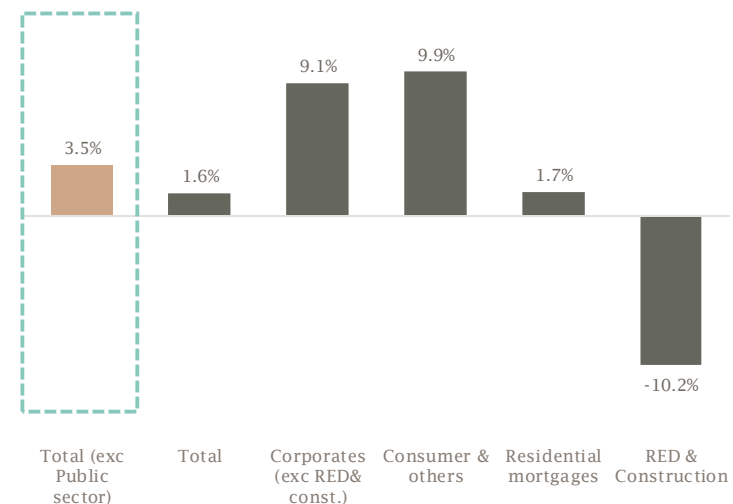
Lending

Commercial Activity

Performing Loan book breakdown. Gross. Eur m

Eur m	4Q16	3Q17	4Q17	QoQ	YoY
Public Sector	1,321	1,001	980	-2.0%	-25.8%
Loans to businesses	4,822	5,000	5,206	4.1%	8.0%
RED & Construction	297	289	266	-7.7%	-10.2%
Other corporates	4,525	4,712	4,939	4.8%	9.1%
Loan to individuals	13,353	13,513	13,629	0.9%	2.1%
Residential mortgages	12,713	12,825	12,925	0.8%	1.7%
Consumer and others	640	688	704	2.3%	9.9%
Other loans⁽¹⁾	304	299	296	-0.9%	-2.6%
Total performing book	19,800	19,812	20,111	1.5%	1.6%
Total performing book (exc Public sector)	18,479	18,811	19,131	1.7%	3.5%

Performing loan book growth. YoY



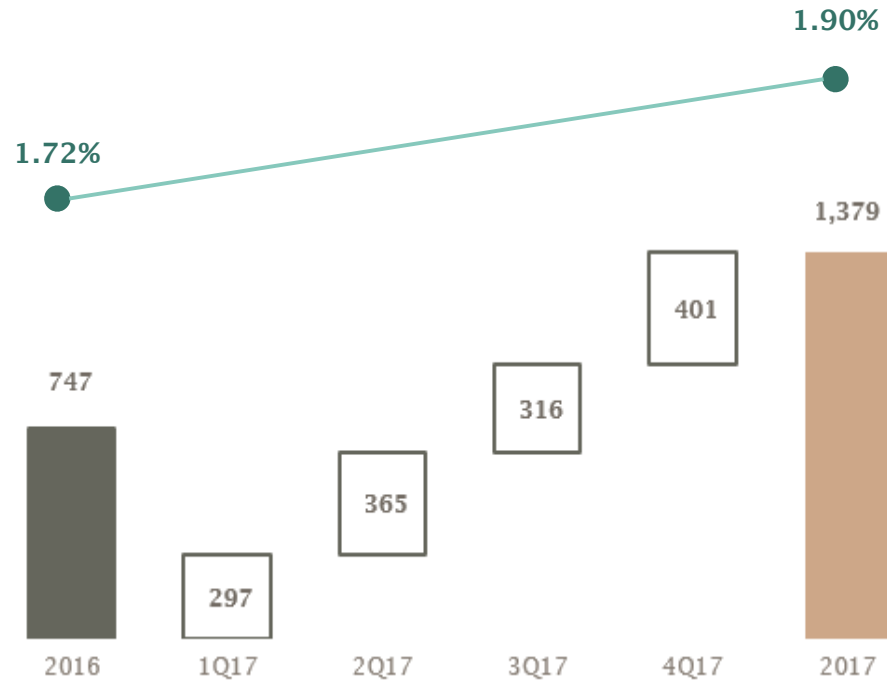
- Performing loan book (exc Public sector) increases +3.5% YoY.
- Mortgage book confirms the turnaround and grows +1.7% YoY while “consumer and others” increases +10% YoY.
- Corporate book (exc RED & construction) continues delivering a strong growth (+9.1% YoY).

(1) “Other loans” includes pension prepayments which are seasonally higher in June

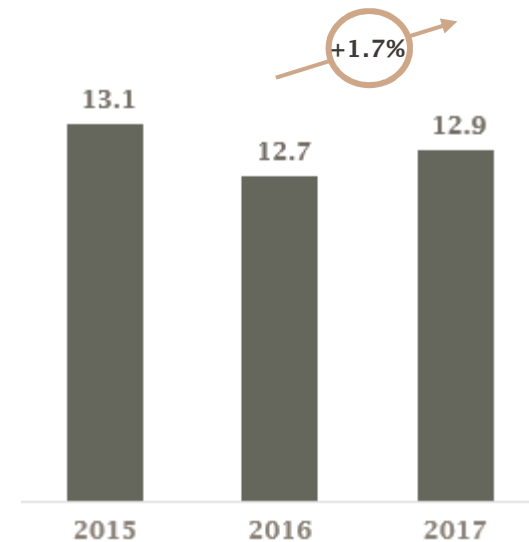
Lending: Mortgages

Commercial Activity

New production (Eur m)
& Front Book yields



Stock (Eur bn)

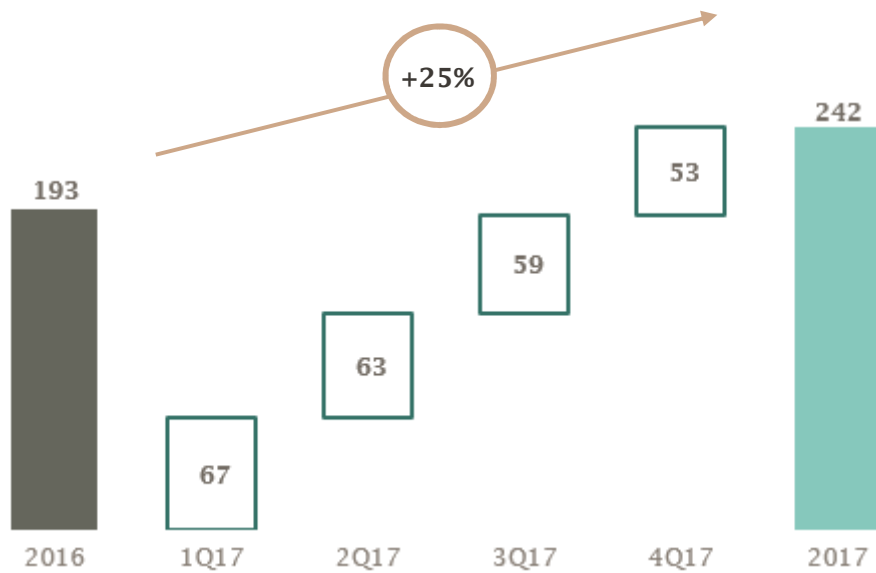


- ✓ New production LtV at 71%
- ✓ Front Book yield stands 75bps above Back Book in the 4Q17
- ✓ + 85% New production vs 2016
- ✓ +1.7% Stock growth

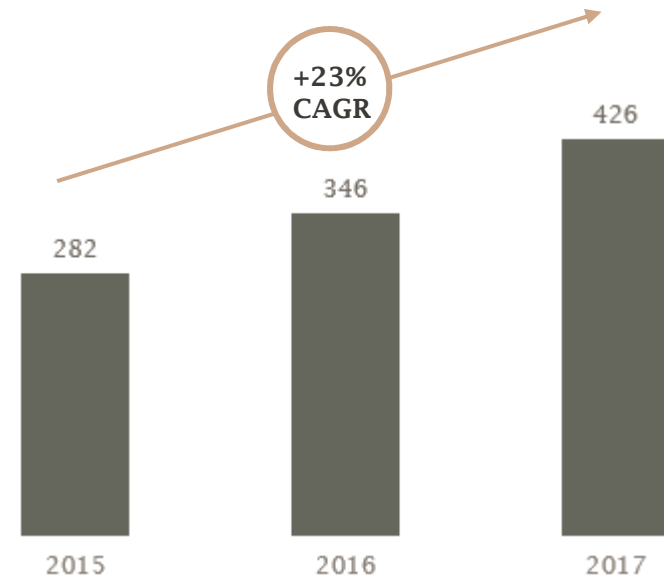
Lending: Consumer

Commercial Activity

New production (Eur m)



Stock (Eur m)



- ✓ New production mostly from existing customers
- ✓ Room to increase penetration further

- ✓ Pre-approved loans are c.20% of the new production
- ✓ NPL ratio and cost of risk under control

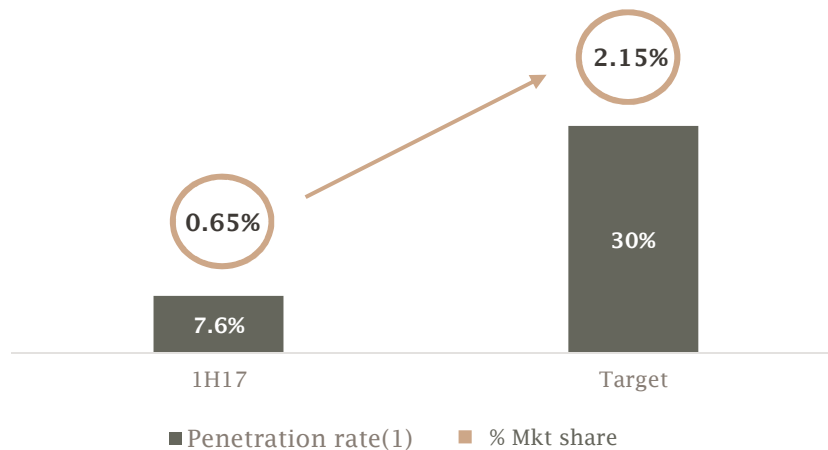
Merchant acquiring alliance

Commercial Activity



Liberbank signed an agreement with **Evo Payments International**

- Leading card payment acquirer and service provider, managing **over 500,000 merchants locations worldwide**. (Deutsche Bank, Postbank, Bank of Ireland, PKO, Citibanamex)
- The alliance will allow Liberbank to offer its clients a broader and more sophisticated **product offering**, faster response to **customer needs** and **specialized** sales network



- We expect the Alliance to bring Liberbank's penetration up to 30% reaching a 2.15% Market share
- Further penetration will improve even further our client knowledge and allow for better cross selling
- Increasing loyalty: customers with active PoS are more profitable and hold more deposits (4x).

- ➔ Transaction price is expected to be €7.9m once the deal is closed and will generate capital gains of €5.5m.
- ➔ Estimated positive impact on P&L going forward with the alliance.

(1) Penetration rate is the number of SMEs and corporate customers with active merchants over total customers

Digitalization



Liberbank Pay

- ✓ Mobile payment and card less ATM withdrawals in our app



Digital channels

- ✓ Digital signature
- ✓ 57% Pre-Approved personal loans (+29pp YoY)
- ✓ 22% Active digital clients (+3pp YoY)
- ✓ 80% Daily transactions (+5pp YoY)



Traditional channels

- ✓ Modernization of traditional branches



Liberbank is developing a full digital transformation that will translate into improved service, customer experience and profitability.

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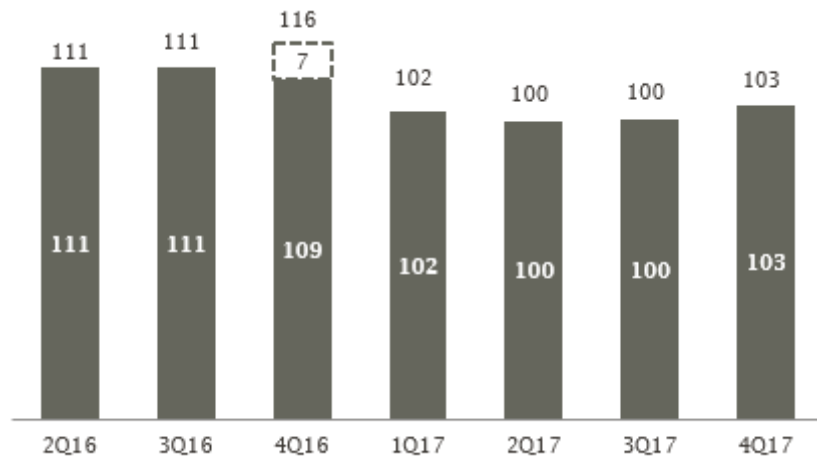
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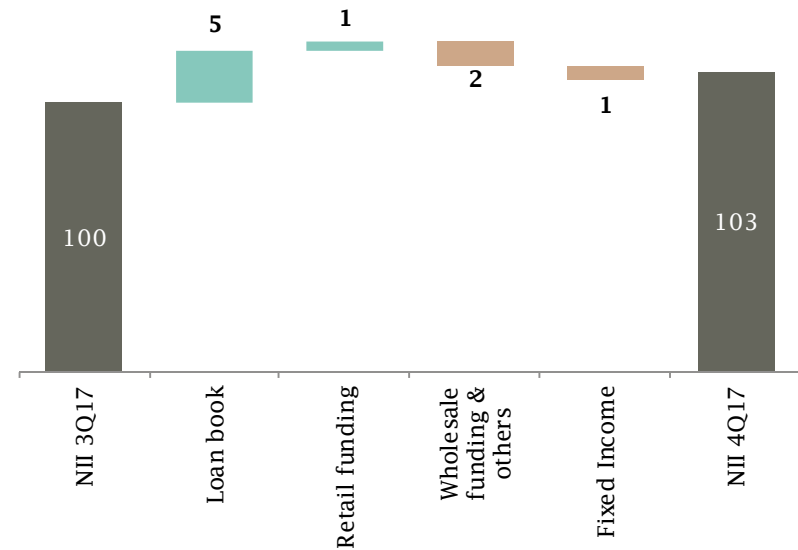
Net Interest Income

Net interest Income performance (Eur m)



(1) 4Q16 NII includes € 7m of extraordinary net interest income

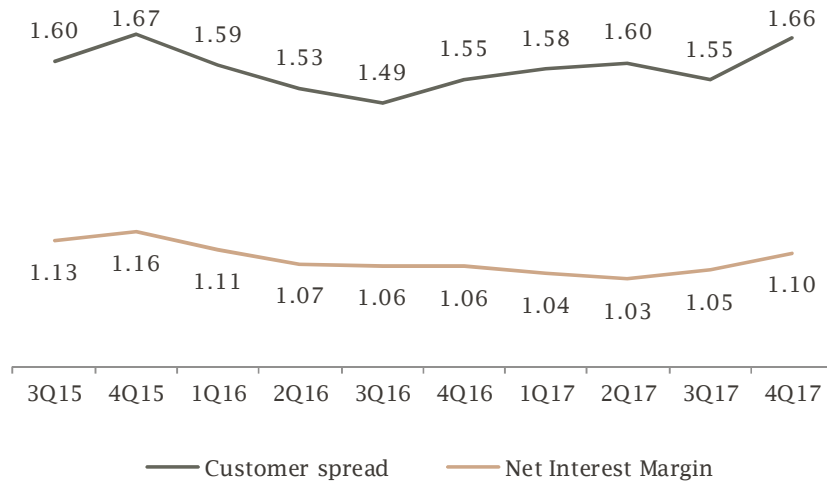
NII performance breakdown (Eur m)



- NII improved in the quarter supported by loan book (higher volumes, higher prices and cash recoveries from NPLs) more than offsetting the impact of lower reference rates.
- Conservative approach on wholesale business during 2017. Reinvestment of the Fixed income portfolio will have a positive impact on future NII.

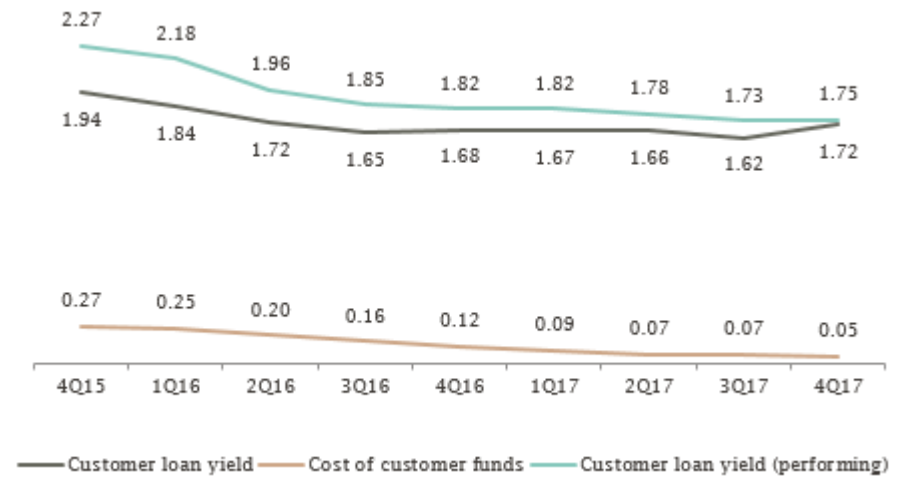
Net Interest Income: margins

Margin performance (%)⁽¹⁾



(1) 4Q16 NIM and customer spread exclude € 7m of extraordinary interest income
 Note: NIM = NII / ATAs

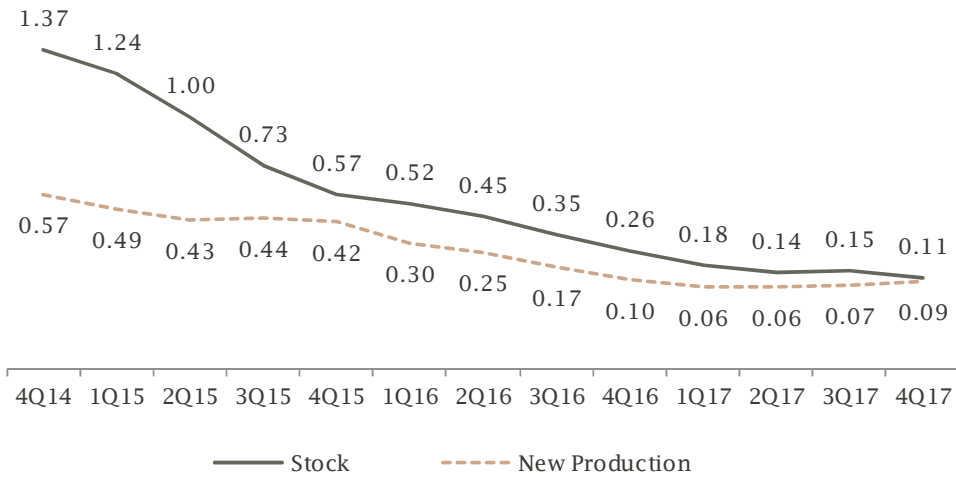
Customer loan yield and cost of customer funds (%)



- Customer spread improves 11pb YoY and QoQ supported by better pricing on the new production, NPL cash recoveries and lower cost of funding.
- Repricing of the loan book due to lower reference rates and renegotiation of mortgage floors close to finish.

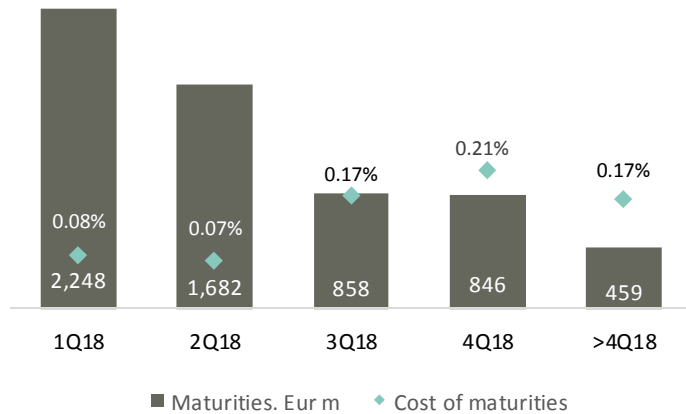
Net Interest Income: cost of funding

Term deposit cost performance (%)

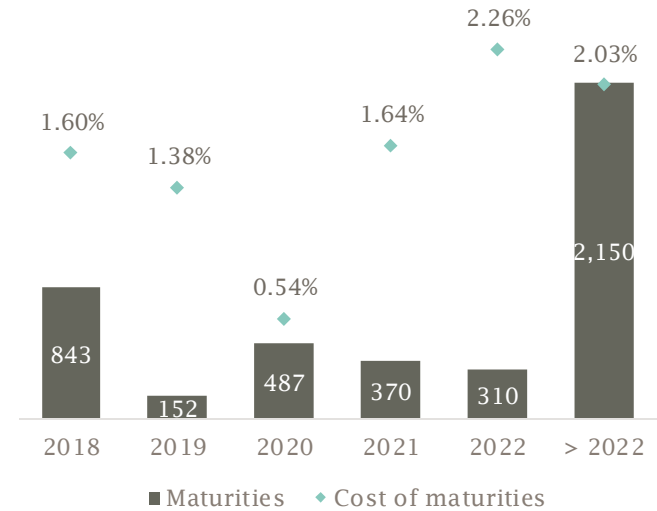


→ New term deposits cost of 7bp in Dec17.
 → €843m of maturities, mostly in mid-2018 with a 1.6% cost.

New Term Deposits. Maturity, cost and volume



Capital Markets Maturities (Eur m)



Net Interest Income: asset yields

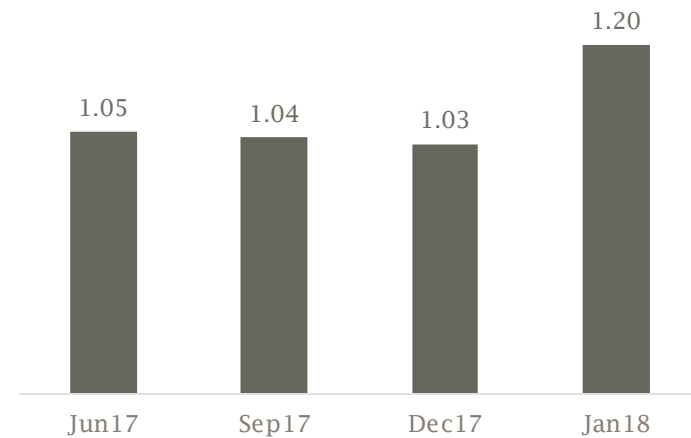
Quarterly yields on lending (%)

Basis points ⁽¹⁾	4Q16	1Q17	2Q17	3Q17	4Q17
Total loan book (yield)					
Back Book	182	182	178	173	175
Front Book	228	193	207	234	216
Mortgages (yield)					
Back Book	129	132	123	119	121
Front Book ⁽²⁾	178	179	189	191	196
SMEs (yield)					
Back Book	239	210	216	210	216
Front Book	233	240	227	228	210

(1) The above rates refer to the drawn amounts and reflect actual contribution to NII
 (2) Mortgages front book have higher yield during the first 18 months than the ones reflected above

Fixed Income portfolio Yield.

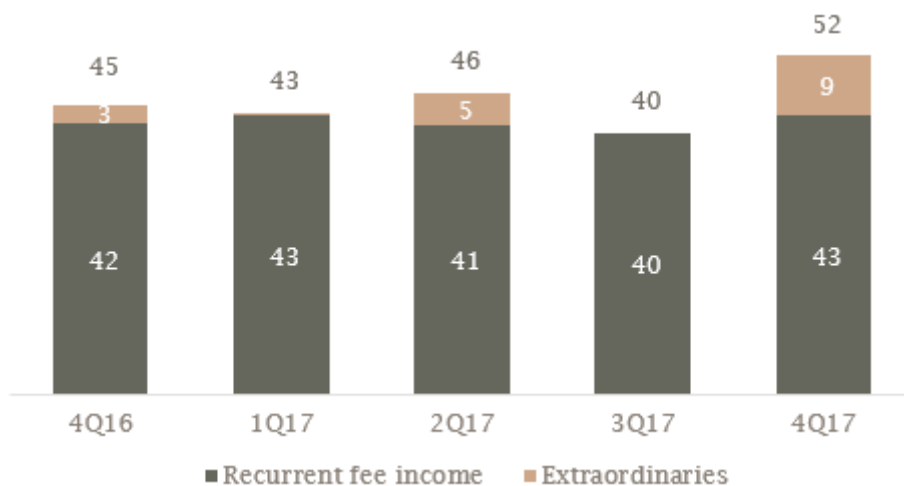
End of period (inc Sareb) (%)



→ Asset yields on new lending production continue to stay well above stock during the 4Q17.
 → SMEs and corporates production keeps driving up the total loan front book.

Fee Income

Fee income performance (Eur m)



Fee income breakdown

Eur m	2016	2017	YoY (%)
TOTAL FEES	182	182	-0.3%
TOTAL recurrent net fees	165	167	1.4%
Banking fees	114	110	-2.9%
Non-banking fees ⁽¹⁾	51	55	8.0%
Others	0	1	na
Non recurrent fees⁽²⁾	18	15	-16.0%

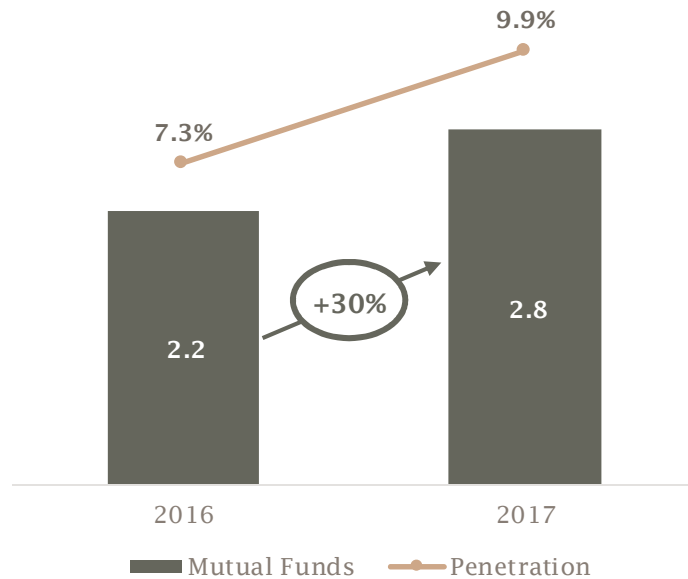
(1) Non-banking fees include fees from insurance, off-balance sheet business and brokerage
 (2) Non recurrent fees include fees from Sareb

→ **Recurrent fees increase +1.4% YoY.** Recurrent fees based on insurance and mutual funds increase +8.0% YoY while banking fees are mainly affected by the reduction of NPLs and the strong competition to capture and retain clients.

→ Increase of mutual funds and insurance products will support further growth of recurrent fees.

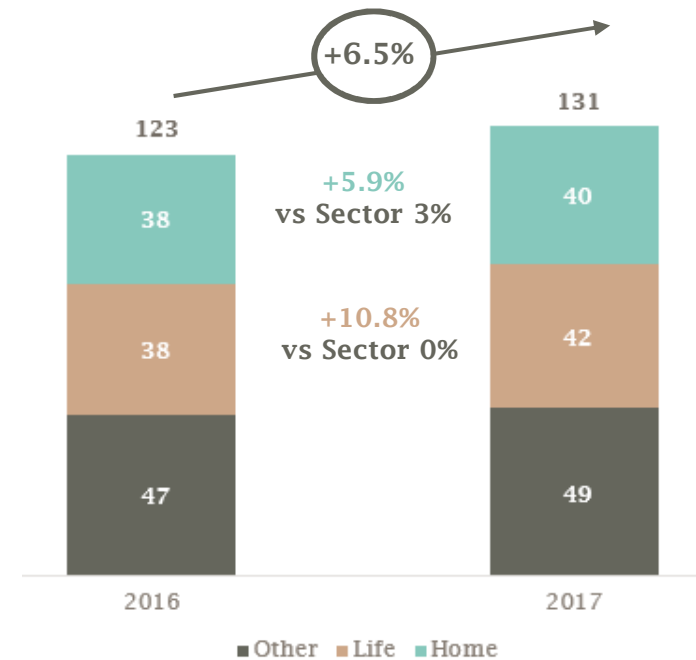
Off balance sheet

Mutual funds (Eur bn) (1)



Revenues contribution	€ 18m	€ 20m
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Insurance premiums (Eur m) (2)



Revenues contribution	€ 38m	€ 49m
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→ **Mutual Funds.** Strong quarter (+14% QoQ and +30% YoY). Net subscriptions during the quarter amounted to Eur 339m out of which more than 90% are JP Morgan funds.

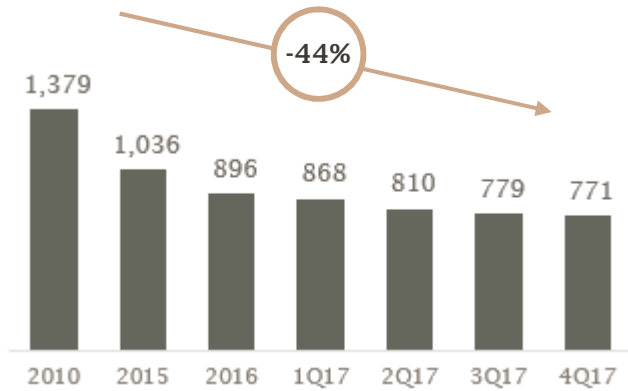
→ Room to increase penetration further and change the mix to more profitable funds.

→ **Insurance.** Activity is growing above the sector on the key products: home insurance (+6% YoY) and life risk insurance (+11% YoY).

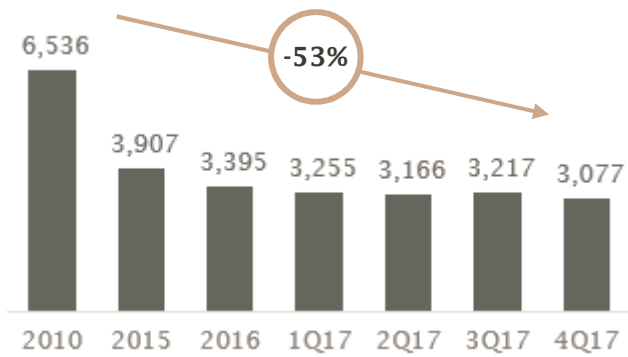
(1) Penetration defined as mutual funds AuM over customer resources
 (2) Source: Sector data from Direccion General de Seguros

Costs

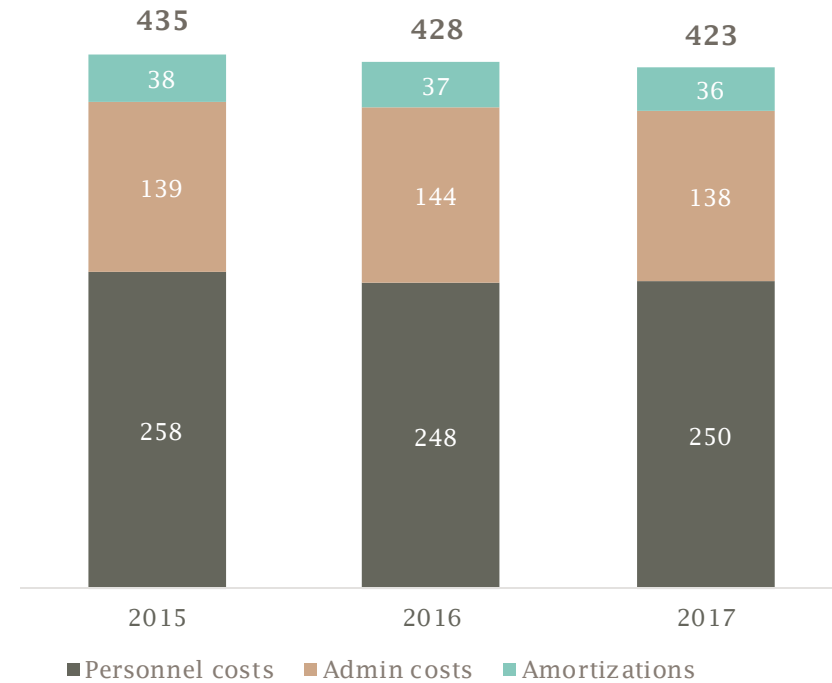
Number of branches



Number of FTEs



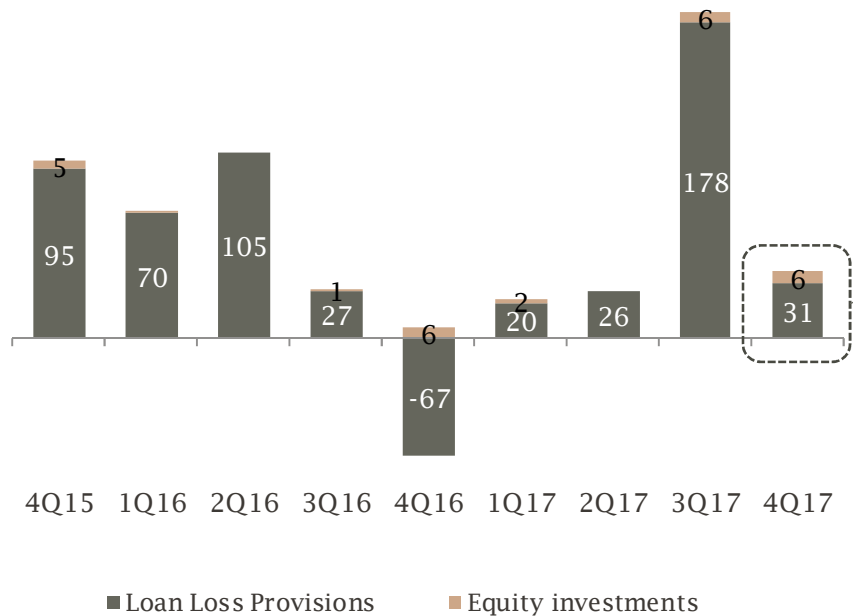
Costs performance (Eur m)



- Recurrent operating expenses fall 2% YoY.
- Room to reduce costs further, target is to reduce operating costs below € 400m. As part of those initiatives Liberbank booked a € 52m provision in the 2Q

Impairments

Impairments on financial assets (Eur m)



Impairments on financial and foreclosed assets impact. Eur m

Eur m	4Q17
Impairment on financial assets	-37
Equity	-6
Credit	-31
Other impairments ⁽¹⁾	31
NET IMPAIRMENTS	-6

(1) Other impairments in the P&L include mainly impact on foreclosed assets

→ Impairment on loan loss provision is mainly offset by the positive effect in foreclosed assets.
 → Liberbank reiterates its 2018-20 cost of risk **target below 25bp.**

P&L

Results

€m	4Q16	1Q17	2Q17	3Q17	4Q17	Var. 4Q17 vs 3Q17		2016		2017		Var. 2017 vs 2016	
						€m	%	€m	%	€m	%	€m	%
Interest Income	144	130	124	124	127	3	3%	605	505	-99	-16%		
Interest Cost	-28	-28	-24	-23	-24	0	2%	-150	-100	51	-34%		
NET INTEREST INCOME	116	102	100	100	103	3	3%	454	406	-49	-11%		
Dividends	0	0	1	0	1	1	nm	3	2	0	-17%		
Results from equity method stakes	3	2	23	4	15	11	nm	23	44	21	92%		
Net fees	45	43	46	40	52	12	28%	182	182	-1	0%		
Gains on financial assets & others	78	50	5	5	30	25	nm	346	89	-256	-74%		
Other operating revenues/(expenses)	-47	-20	0	-3	-54	-51	nm	-69	-78	-9	12%		
GROSS INCOME	195	178	175	146	146	0	0%	939	646	-293	-31%		
Administrative expenses	-93	-98	-96	-98	-95	3	-3%	-391	-387	-4	-1%		
Staff expenses	-62	-61	-61	-64	-63	1	-1%	-248	-250	-2	1%		
General expenses	-30	-37	-36	-34	-32	2	-6%	-144	-138	6	-4%		
Amortizations	-9	-11	-11	-3	-11	-7	nm	-37	-36	1	-3%		
PRE PROVISION PROFIT	93	69	68	45	41	-5	-10%	511	223	-288	-56%		
Provisions	-108	-1	27	-6	-26	-21	355%	-133	-7	126	nm		
Impairment on financial assets (net)	61	-22	-26	-184	-37	147	-80%	-143	-269	-126	88%		
Others	-15	-9	-32	-393	31	424	-108%	-85	-402	-317	nm		
PROFIT BEFORE TAXES	30	37	36	-537	8	545	-102%	151	-454	-606	nm		
Taxes	-18	-10	-3	163	3	-160	-98%	-48	152	200	nm		
NET INCOME	12	27	33	-374	11	385	-103%	103	-302	-405	nm		
NET INCOME ATTRIBUTABLE	29	32	35	-337	11	348	-103%	129	-259	-388	nm		

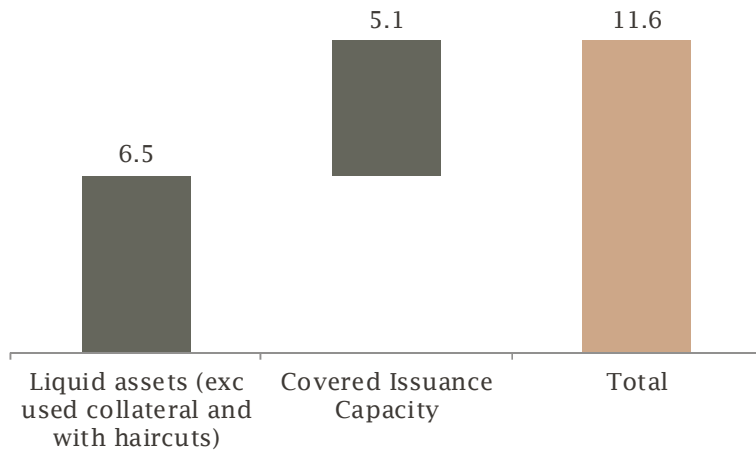
Agenda

1. Asset Quality
2. Solvency
3. Commercial Activity
4. Results analysis
5. Liquidity and Fixed Income portfolio
6. Closing remarks
7. Appendix

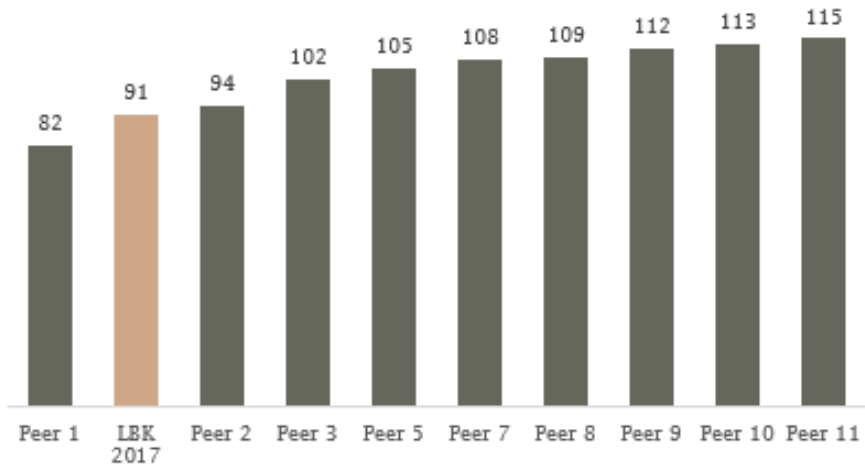
Liquidity position

Liquidity

Liquidity position. (€ bn)



LtD. Sep17



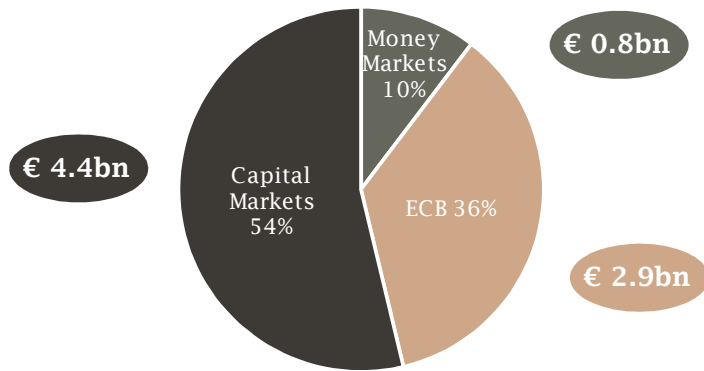
→ Liberkbank maintains a leading liquidity position in the market showing best in class liquidity ratios (LCR, NSFR and LTD)
 → LCR stands at 406% as of 2017 and NSFR at 129%, well above peers and requirements

Wholesale funding

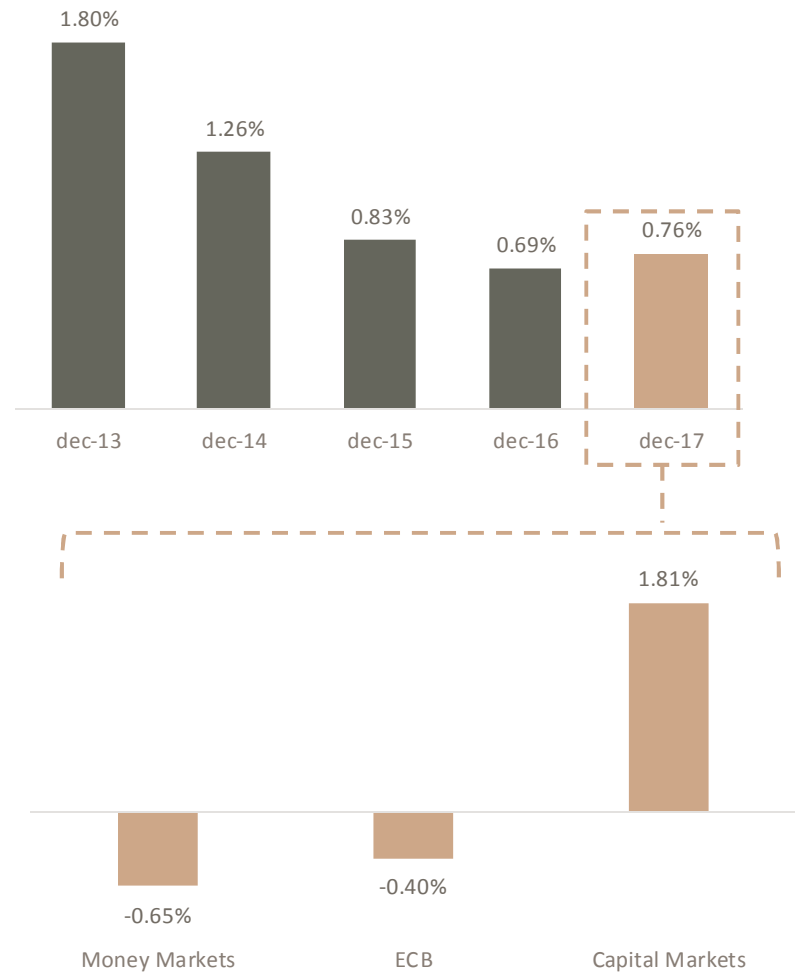
Wholesale funding

Wholesale Funding Breakdown

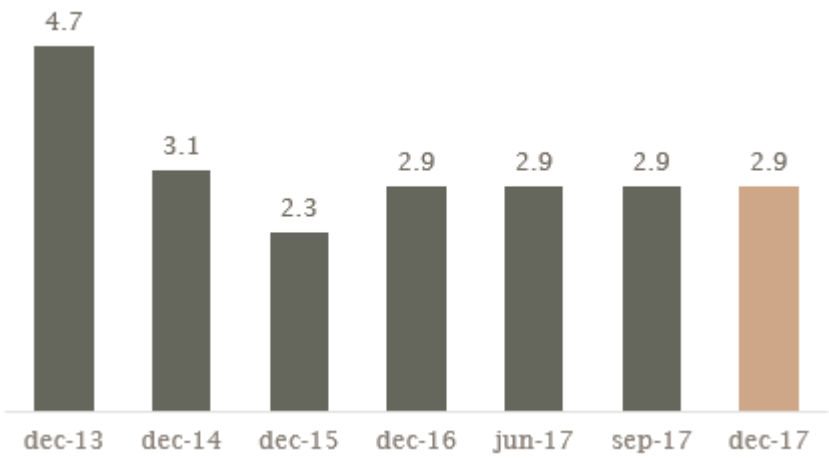
TOTAL - €8.1 bn⁽¹⁾



Wholesale Funding Price Evolution (%)⁽²⁾



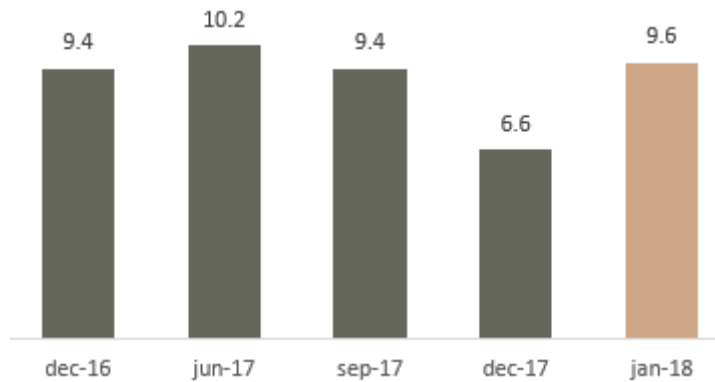
ECB funding position (€ bn)



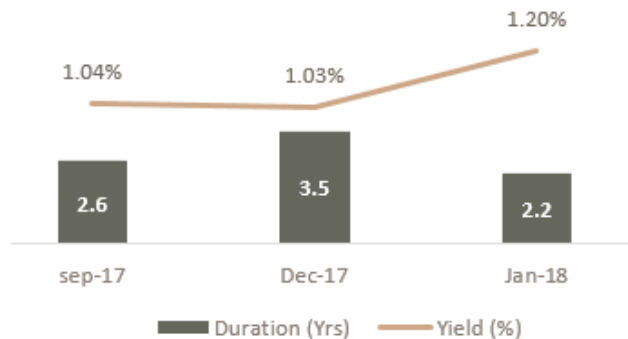
1. Excluding retained Covered Bonds. Not including AT1 CoCos and T2
 2. Price at the end of the period
 Source: Liberbank Treasury (inventarios)

Fixed Income portfolio

Fixed Income Portfolio evolution



Fixed Income Portfolio⁽²⁾

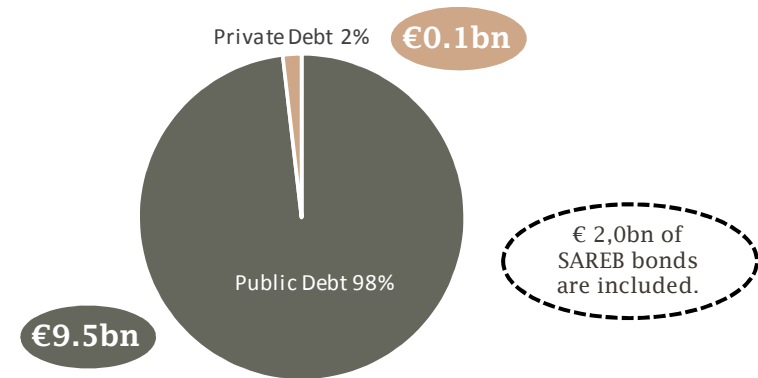


1. Accounting values. Including retained Covered Bonds. Including accrued coupon
 2. Weighted average duration in years.

Fixed Income Portfolio

Fixed Income Portfolio by Issuer. Jan18⁽¹⁾

TOTAL - €9.6bn



- ALCO portfolio reduced at the end of 2017 as result of the materialization of forward sales.
- Liberbank has reinvested again in Jan18 at lower duration and higher yield.

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Financial targets

	Target	2017	
NPL Ratio	< 9.0%	8.6%	✓
NPA Ratio	c.18%	18.1%	✓
NPA Coverage ratio	c.50%	51% ⁽¹⁾	✓
NPA reduction 2H17	> €800m	€ 1,232m	✓
Loan Portfolio	+ Growth	+1.6%, +3.5% (exc Public Administration)	✓
CET1 - FL ⁽²⁾	c.12%	11.9%	✓
Operating costs	Reduce	-2% YoY ⁽³⁾	✓

(1) Coverage ratio considering the impact of IFRS9 as of 31st December 2017.
 (2) CET1 FL includes unrealised capital gains of the AFS Sovereign portfolio and the AT1 not absorbing deductions
 (3) Excludes € 2m of extraordinary amortization in the 4Q17

Agenda

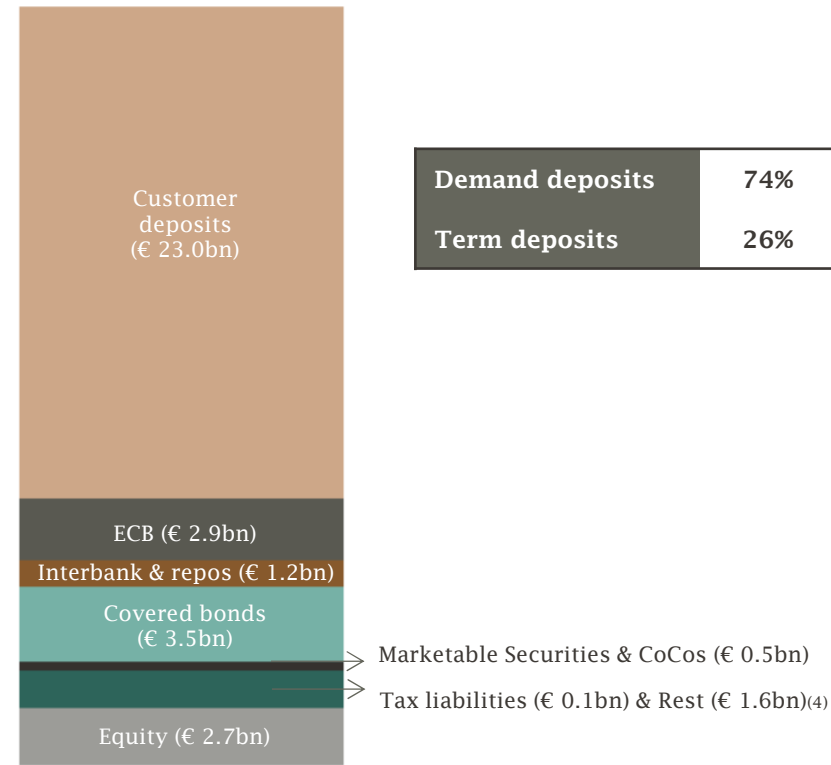
1. Asset Quality
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Balance Sheet

Appendix



Assets € 35.5 bn



Liabilities & Equity € 35.5 bn

Demand deposits	74%
Term deposits	26%

(1) Interbank include cash and interbank deposits
 (2) Rest of assets include tangible and intangible assets and derivative hedging among others
 (3) Assets currently held for sale
 (4) Rest of liabilities include provisions, accrued interests and micro-hedging among others

Liberbank

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