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//ABANCA

Investor Presentation

January 2023



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TABLE OF CONTENTS

1. ABANCA overview
2. Financial Profile
3. Asset quality, solvency and liquidity
4. Sustainability Strategy and SDG Bond Framework



Key figures

Retail and SME Banking Group with a Profitable and Increasingly Diversified Business Model

	3Q22
Total assets (€M)	78,404
Loans & advances to customers (net) (€M)	46,044
Retail deposits (€M)	49,209
Off-balance sheet funds (€M)	11,747
Retail business volume (€M)	107,000
Basic margin (€M)	749.1
Retail LTD	93.6%
ROTE	4.4%

Strong corporate governance

Independent members of Board of Directors	9/12

Financial profile remains sound as the bank emerges strongly out of the pandemic

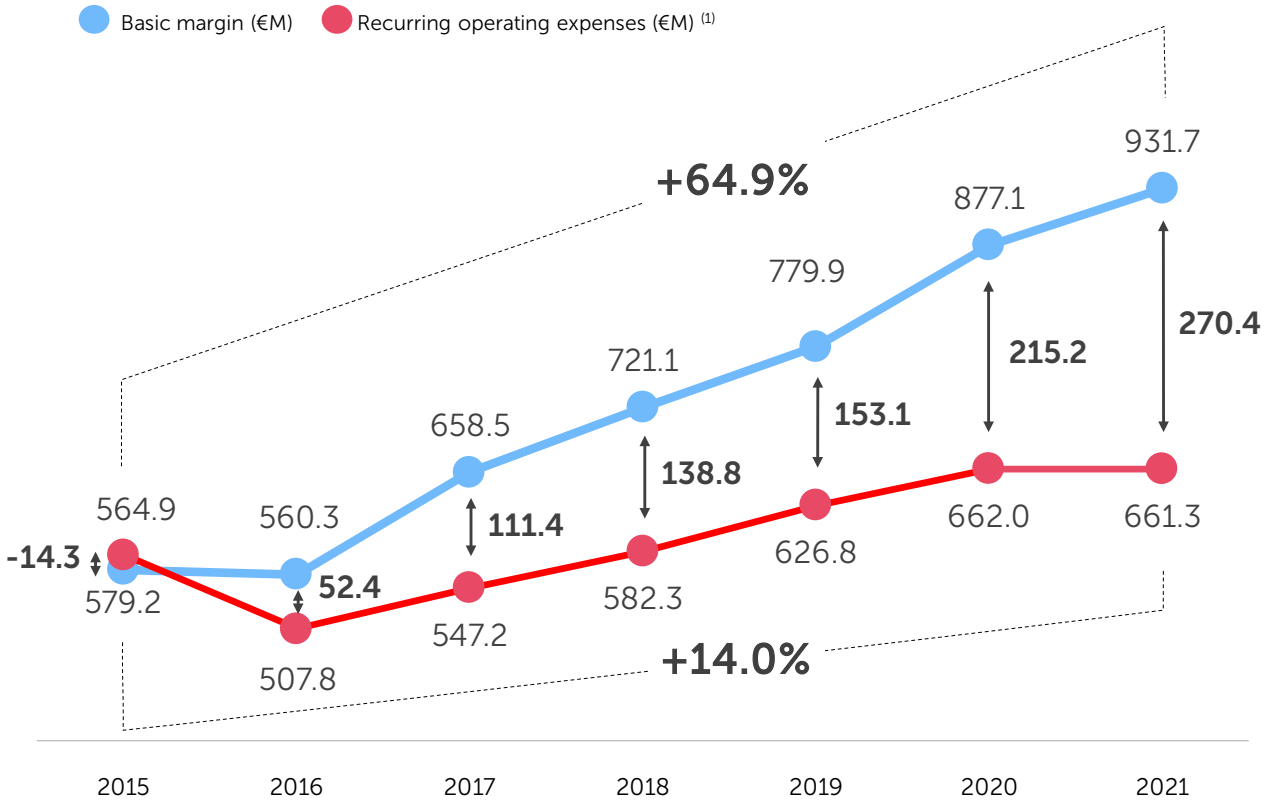
	3Q22
NPL ratio(1)	1.9%
NPA ratio(1)	3.0%
NPL Coverage ratio(1)	88.5%
NPA Coverage ratio(1)	79.1%
CET1 phased-in ratio	12.4%
CET1 fully loaded ratio	11.9%
Total capital phased-in ratio	16.3%
Texas ratio(1)	24.8%
LCR	259%
NSFR	127%

Source: ABANCA Group information. Unless otherwise stated, data refers to 'Sep22

(1) Pro forma taking into account sales of non-performing loans and foreclosed portfolios with accounting registration in 4Q. The asset quality ratios at the end of 3Q, without taking into account these sales, are as follows: Texas ratio 26.6%; NPL ratio 2.1%; non-performing assets ratio 3.3%; coverage of non-performing loans 82.9%; coverage of non-performing assets 75.9%; coverage of foreclosed assets 63.2%

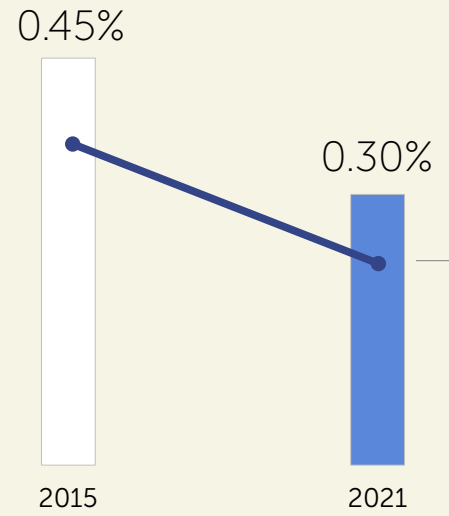
Profitable business model

Increasingly profitable business model thanks to the achievement of higher recurrent income and cost efficiency



+

Best in class asset quality which supports a Cost of Risk under control through the economic circle



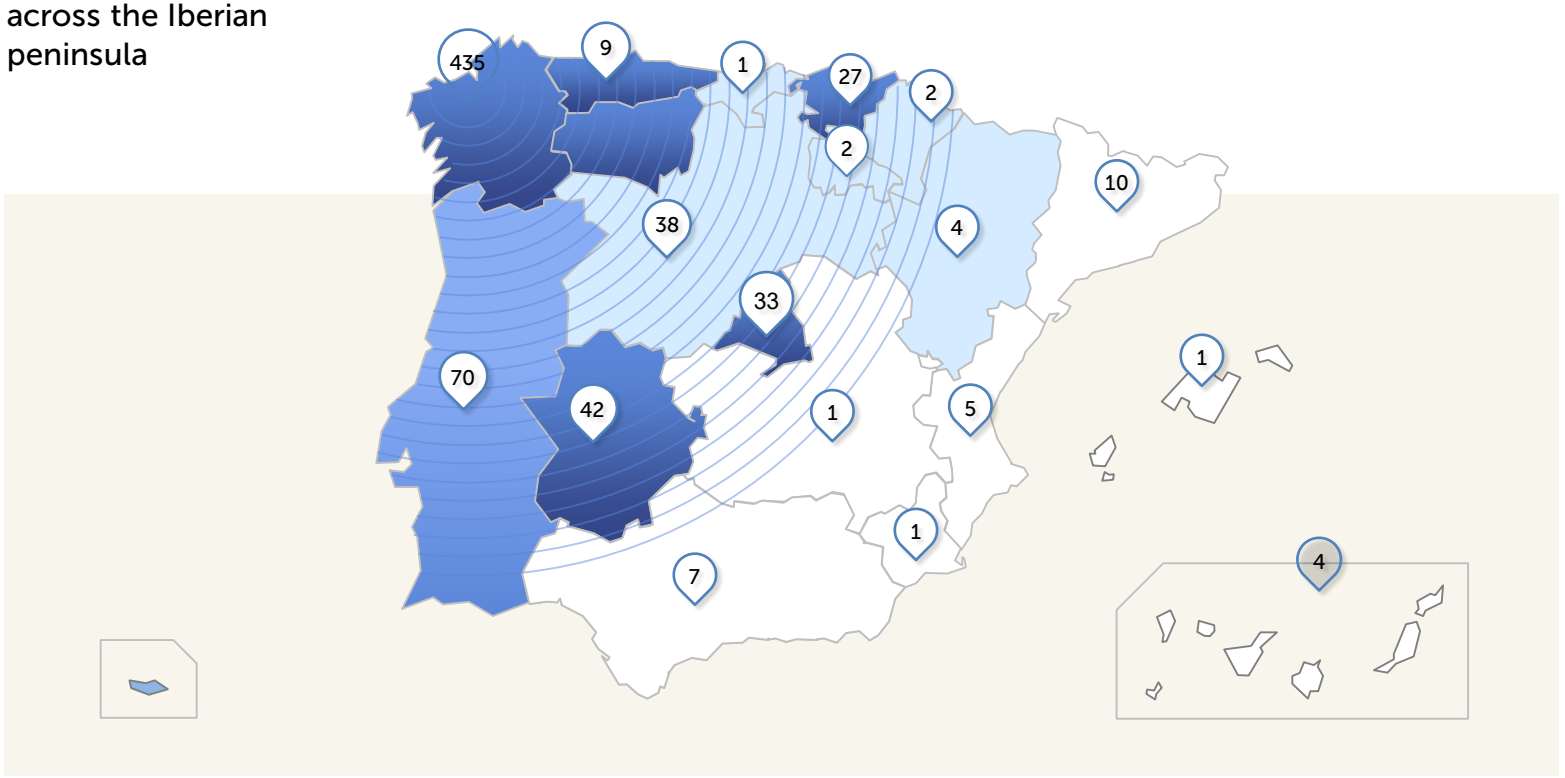
20-45 bp of annual CoR (ex Covid prov.) in the period 2015-2021

NPL ratio	9.9%	→ 2.1%
NPL coverage	61.0%	→ 85.3%

Source: ABANCA Group information. Unless otherwise stated, data refers to 'Sep22. Information previous to 2019 taking in consideration the current shareholders´ situation (as if reverse merger applied)
(1) Expenses deducting costs related to inorganic growth (attainment costs and amortizations of intangible assets generated in the transactions)

Iberian player with multi-channel strategy

Selective expansion across the Iberian peninsula



Market shares

GALICIA
Leader in Galicia

45.8% DEPOSITS

36.4% CREDIT

SPAIN

3.2% DEPOSITS

3.3% CREDIT

PORTUGAL

1.3% CREDIT

3.8% INVESTMENT FUNDS

ABANCA Conecta

\+ Remote communication

\+ Personalised attention through an agent

Top Rated Mobile Banking App in the Sector

Innovative products

+10% Increase of digital active customers

Source: ABANCA Group information. Unless otherwise stated, data refers to 'Sep22. Source of Portugal market shares: Bank of Portugal.
Source of market shares: Statement FI 132.E of the Bank of Spain (market shares in Galicia and Spain). Branches in Portugal Include 26 points of sale. Spain´s network does not include 22 point of sale.

Inorganic growth in business volume to create value

2017(1) — Popular Servicios Financieros

- In-depth **knowledge of the consumer financing business.**
- Historical record of promoters based on **high quality transactions in terms of payment capacity.**

2019(1) — DB PCB

Retail business in Portugal

- **Territory of logical geographic expansion** given the existing border links.
- **Growth of personal and private banking customers** that contribute positively to the potential for generating revenues from services.
- **Strengthening the capacity to generate business with enterprises**, taking advantage of the ABANCA's know-how.

2020(1) — Banco Caixa Geral

Geographic expansion strategy

- It complements the ABANCA's model and strategy, expanding the **commercial network in new provinces** (mainly Castilla y León) and **reinforcing the presence in Extremadura and Galicia**.
- Generation of value by means of **synergies**.

2021(1) — Bankoa

Geographic expansion strategy

- **Reinforces the positioning of ABANCA** in one of the wealthiest and dynamic areas in Spain, where the presence of ABANCA was limited.
- **Strengthens the strategic business segments for ABANCA**, such as enterprises and asset management.
- It offers **potential growth in business lines** such as working capital, companies, consumer finance and insurance.

2022(1) — Novo Banco

Geographic expansion strategy

- **The acquisition strengthens ABANCA's positioning** in strategic business segments for the bank:
  - Personal and Private Banking.
  - Enterprises specially aimed at the cross-border scope.
- It allows ABANCA to progress in efficiency, **given the synergies identified** in both costs and income.

Targobank

Strategy of geographic strengthening

- **The acquisition will strengthen ABANCA's position** as a national bank, increasing its commercial presence mainly on the Mediterranean side.
- It will allow ABANCA to gain in efficiency, **thanks to the synergies identified** in both costs and income.
- **Expected closing** in 2H23.

Proven successful model in incorporations

→ Bolt-on acquisitions under strict financial discipline

→ ABANCA keeps the control of the resulting entity at the same time that it creates shareholders value with significant sustainable ROIC

→ ABANCA approaches transactions under both capital and IT integration affordability

(1) Date of the end of the process after both legal/accounting effectiveness and IT integration. *ABANCA begins exclusive negotiations with Crédit Mutuel to acquire Targobank Spain ("Targobank"). The proposed transaction will continue in the coming weeks in accordance with the provisions of French law and it is expected to be closed in 2H23 approximately.

ABANCA Group + Targobank

Balance sheet[1]

	Targobank	ABANCA Group	Proforma ABANCA Group + Targobank	Var. Incorporated entity vs. ABANCA Group
Total assets	3,959	78,404	82,363	5.0%
Loans and advances to customers	3,175	46,044	49,219	6.9%
Deposits from customers	2,180	49,209	51,390	4.4%
Off-balance sheet funds	189	11,747	11,936	1.6%
Business volume	5,544	107,000	112,544	5.2%
Nº of points of sale	51	724	775	7.0%

TARGOBANK

- 5,544M€ business volume, 4.3% NPL ratio and coverage ratio of 71%.
- 146,000 customers, 541 employees and 51 branches, 12 of which include an enterprise banking center.
- Lending focused on individuals (50%) and enterprises (50%).

Impact CET 1*

-35 /-40 bp

Potential synergies

-4%

joint cost base ABANCA + Targobank thanks to run-rate cost synergies

ROIC

Run-rate ROIC around

24.0%

1 Information expressed in million euro, ABANCA Group as at 30/09/2022 and Targobank as at 30/06/2022 /* Impact calculated based on data from Targobank Jun22 and ABANCA Group Sep22. The actual impact in capital will be at closing date, in 2H23 approximately

Clear roadmap for the next years

Strategic Plan (2021-2024)

1 Focus on INCOME

+ Boost to Insurance (ASG)
+ Off-balance GAP reduction
+ Pricing/services: CoR and Bundling
+ Growth in Value Customers
+ Consumer & MoP

2 Focus on COSTS

+ **Optimising distribution model** Omnichannel: branch network reduction, remote management, digital, MK Automation,...
+ **Improve costs in transformation** Centralisation, efficient backs and Call center, revision of support structures and Central Services, processes...
+ Inorganic growth synergies
+ Open to explore market opportunities

3 Focus on RISK MANAGEMENT linked to current environment

+ Appetite framework on selective non-affected sectors
+ **Recovery.** Network involvement, anticipation model, governance and traceability...
+ **Cybersecurity.** Secure by design, resilience and risk culture plan...

4 Focus on TRANSFORMATION

+ Exponential On Going transformation
+ Service Tech Secure
+ Reskilling
+ Sustainability

"Emotional and Value Banking"

Strong corporate governance

Board of Directors formed by professionals with broad experience in the Financial Sector and with a majority of independent members



Juan Carlos Escotet

Chairman

Main shareholder and Chairman of Banesco International Financial Group



Francisco Botas

Chief Executive Officer

Former Chief Executive Officer of Banco Etcheverría



Pedro Raúl López Jácome

Ordinary member

Former Chairman of Multiplicas Casa de Bolsa

CEO of MWM Securities Group-Miura Financial Services



Carina Szpilka Lázaro

Ordinary member

Former CEO of ING Direct Spain



José García Montalvo

Ordinary member

Professor at Harvard University and Universidad Pompeu Fabra

Adviser for the EU, OECD and World Bank among others



José Ramón Rodrigo Zarza

Ordinary member

Former Deputy General Manager for Risk and Area Risk Manager for Latam of Banco Santander



Eduardo Eraña Guerra

Ordinary member

Former Chairman Visa Inc., Latam and Caribbean region



Leticia Iglesias

Ordinary member

Former Board Member and President of Global Risk Commission at BMN

Former Managing Director of ICJCE

Deputy Direction of CNMV



Ana da Cunha Barros

Ordinary member

Former Managing Director of Barclays, Portugal

Former Director of Citigroup, Portugal, Spain, US and UK



Manuel López Figueroa

Ordinary member

Former CEO of Banco Caixa Geral, S.A.



Rosa María Sánchez Yebra Alonso

Ordinary member

Former Secretary General of the Treasury and Financial Policy, Member of the Board of BdE and CNMV.

Vice-governor for Social Development Strategy at the CEB



José Manuel González-Páramo

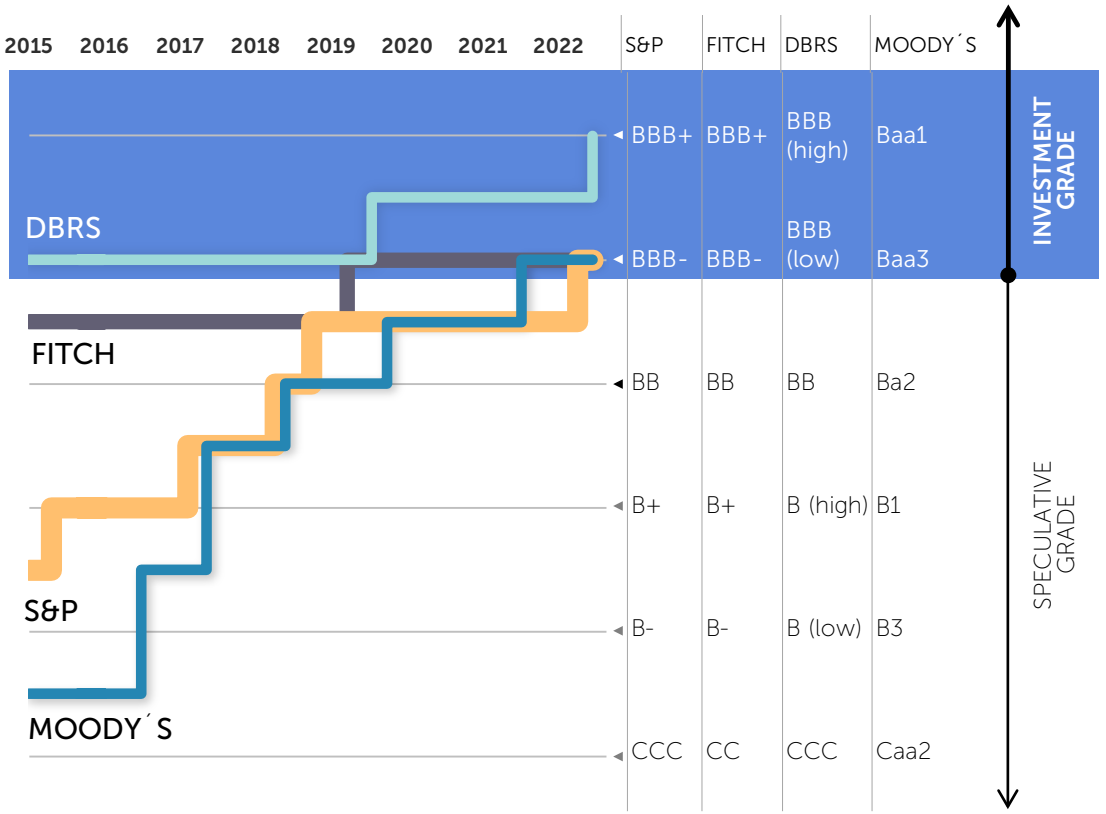
Ordinary member

Former Member of the Executive Commission/Board in the Governing Council of BdE and ECB

Former executive director and general manager and chair of the International Advisory Committee of one of the main Spanish financial institutions

Source: ABANCA Group information

Ratings



Clear rating track record from all rating agencies...

Investment grade by all the Rating agencies

STRONG RATING FUNDAMENTALS

Moody's	DBRS	Fitch	S&P
Stable	Stable	Stable	Stable
Aa1 Covered	AA (H)	AA+	**AA+** Covered
Aa2	AA	AA	AA
Aa3	AA (L)	AA-	AA-
A1	A (H)	A+	A+
A2	A	A	A
A3	A (L)	A-	A-
Baa1	**BBB (H)** Senior	BBB+	BBB+
Baa2	BBB	BBB	BBB
Baa3 Deposit SP	BBB (L)	**BBB-** Senior SP	**BBB-** Senior
Ba1	BB (H)	BB+	BB+
Ba2 Tier 2	BB	**BB** Tier 2	BB
Ba3	BB (L)	BB-	BB-
B1	B (H)	**B+** AT1	B+
B2	B	B	B
B3	B (L)	B-	B-
Caa1	CCC, CC, C (H)	CCC+	CCC+
Caa2	CCC, CC, C	CCC	CCC
Caa3	CCC, CC, C (L)	CCC-	CCC-

Source: ABANCA Group information.
Note: Range of ratings shown above does not represent full ratings scale of the rating agencies. A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating agencies

TABLE OF CONTENTS

1. ABANCA overview

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Recurrent profit reaches 149 million euros with an improvement in main lines

(million euros)	Sep-22	Sep-21	Var.
NET INTEREST INCOME	538.3	499.3	7.8%
Revenues from services provided	210.9	192.3	9.7%
BASIC MARGIN	749.1	691.6	8.3%
Dividends and share of profit or loss of equity-accounted investees	3.5	2.8	24.7%
Gains or losses on financial assets and liabilities (net)	23.3	120.8	-80.7%
Others (net)	19.2	-12.3	-
Gross margin	795.1	803.0	-1.0%
GROSS MARGIN without trading gains effect	795.1	705.4	12.7%
Operating expenses	566.0	511.2	10.7%
PRE-PROVISION MARGIN	229.1	291.8	-21.5%
Provisions and impairments	48.3	101.6	-52.4%
Credit allocations	52.0	114.3	-54.5%
One-off recoveries and others	-3.7	-12.7	-71.2%
Others	9.7	67.9	-85.6%
PBT	190.6	258.1	-26.2%
Tax and other	49.2	48.3	1.9%
Attributable profit	141.4	209.8	-32.6%
Accounting impact of Bankoa integration	-	-65.7	-
Dollar effect	7.5	-	-
ATTRIBUTABLE PROFIT (exc. one-offs)	148.8	144.1	3.3%

Basic margin improves **8.3%** thanks to the good performance of net interest income and revenues from services provided

Gross margin improves by **+12.7%** with an equal trading gains footing vs. Sep-2021

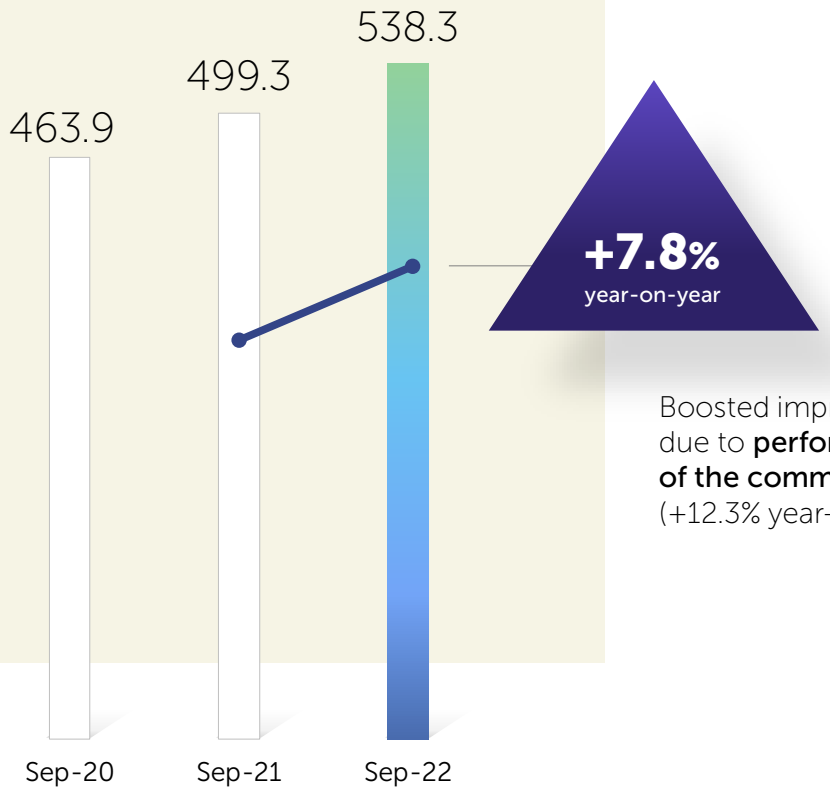
15bp Cost of risk, reflecting the **lending portfolio soundness**

ABANCA improves its recurring result by 3.3% to 149 million

Source: ABANCA Group information. Unless otherwise stated, data refers to 'Sep22
/ Accounting integration of Bankoa: effective date 01/01/2021. / Accounting integration of Novo Banco Spain: effective date 01/12/2021. / 2021 Figures: Taking into account the natures of some items registered as " Impairment of non-financial assets", they have been classified in "Provisions and impairments". Dollar effect: impact on costs and coverage in dollars

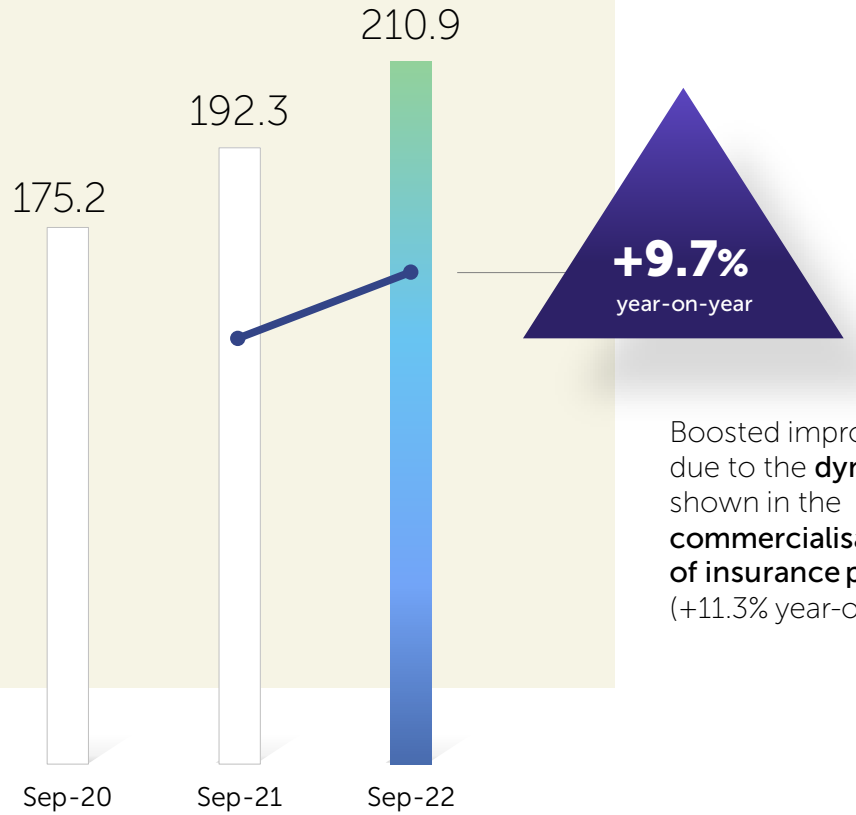
Sound growth in financial margin and revenues from services provided

Evolution of net interest income
(million euros)



Boosted improvement due to **performance of the commercial margin** (+12.3% year-on-year)

Revenues from services provided
(million euros)

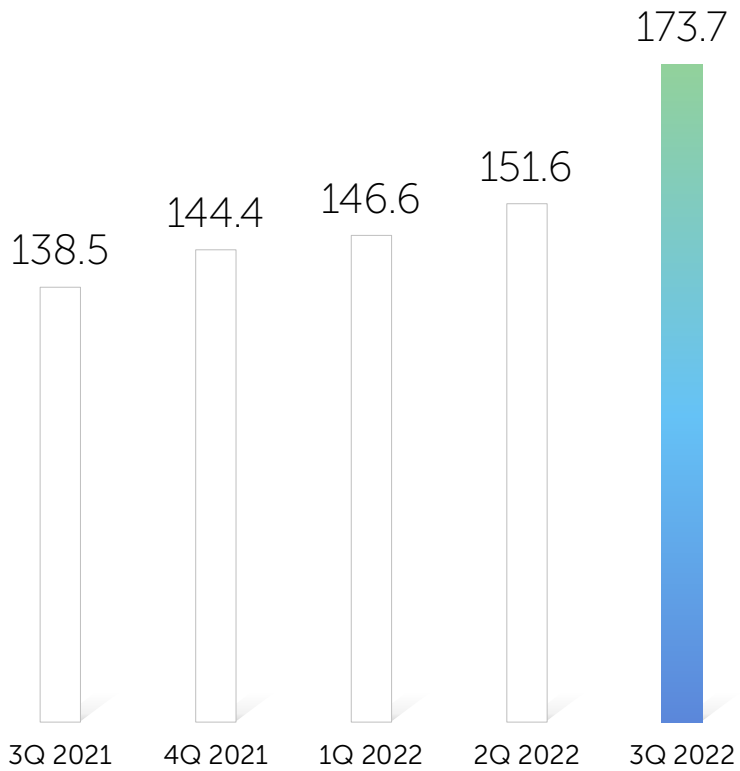


Boosted improvement due to the **dynamism** shown in the **commercialisation of insurance products** (+11.3% year-on-year)

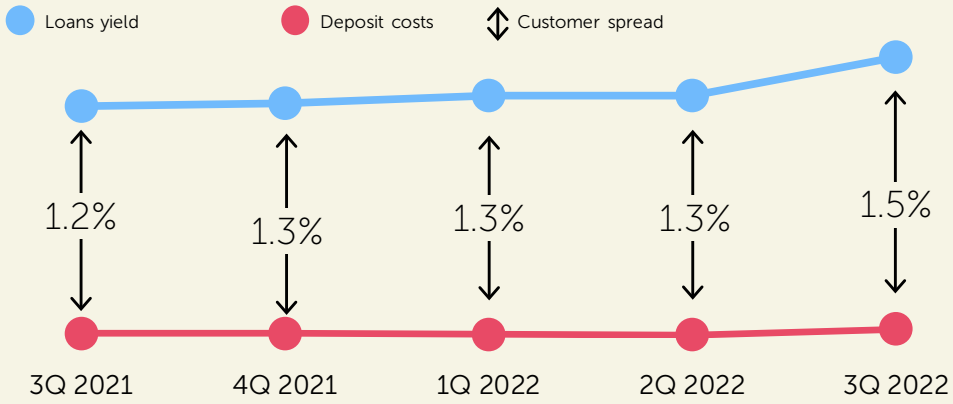
Source: ABANCA Group information. Unless otherwise stated, data refers to 'Sep22

Commercial margin evolution

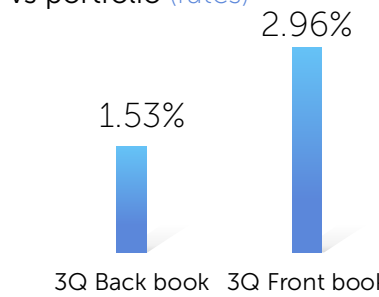
Commercial margin evolution (million euros)



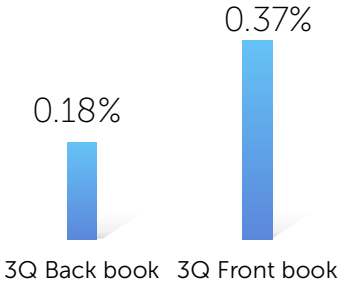
Commercial margin evolution (rates)



Loans- new production vs portfolio (rates)



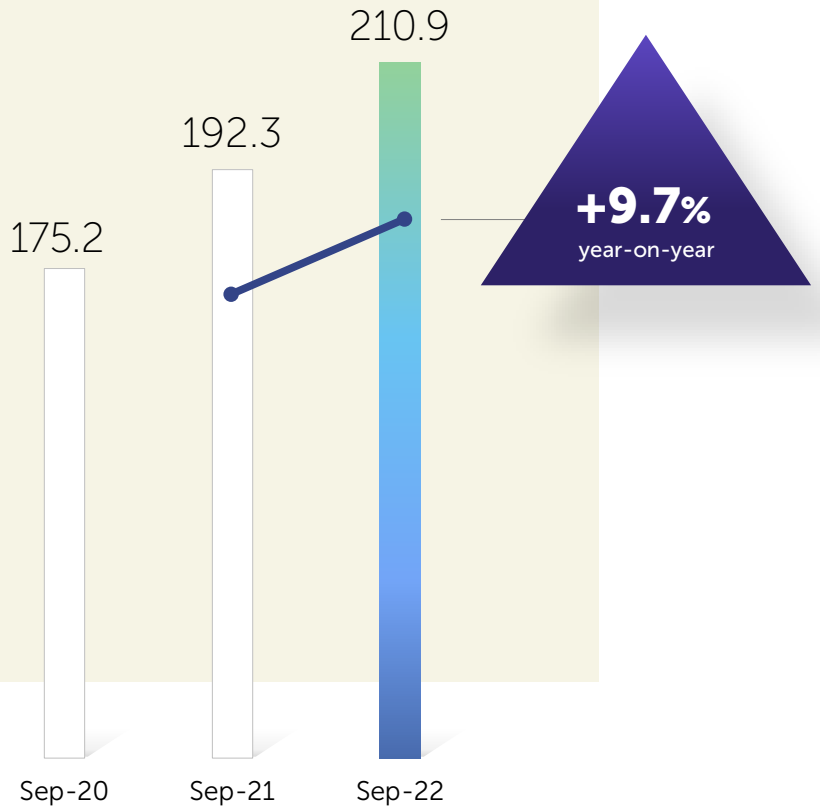
Term deposits - new production vs portfolio (rates)



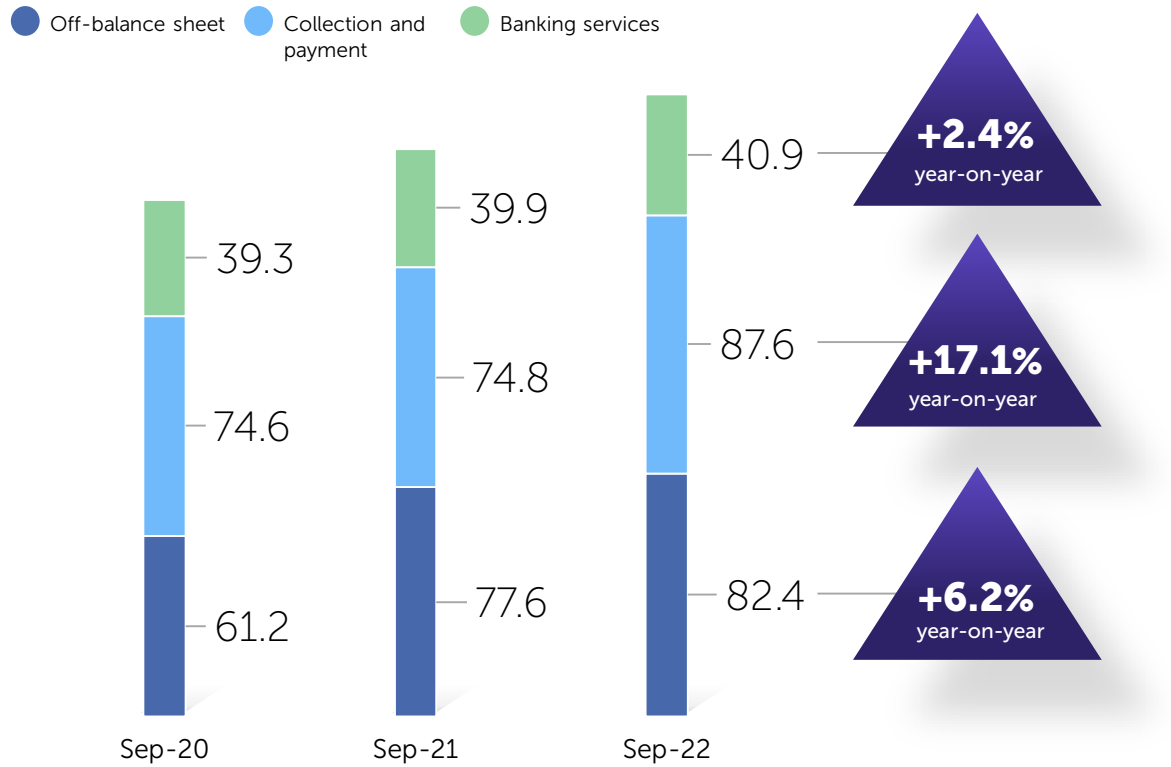
Source: ABANCA Group information. Unless otherwise stated, data refers to 'Sep22
/ Source of New production: ABANCA standalone. Loans front book excluding transactions with Public Administrations

The contribution of insurance and payment services give a boost to revenues from services provided

Revenues from services provided
(million euros)

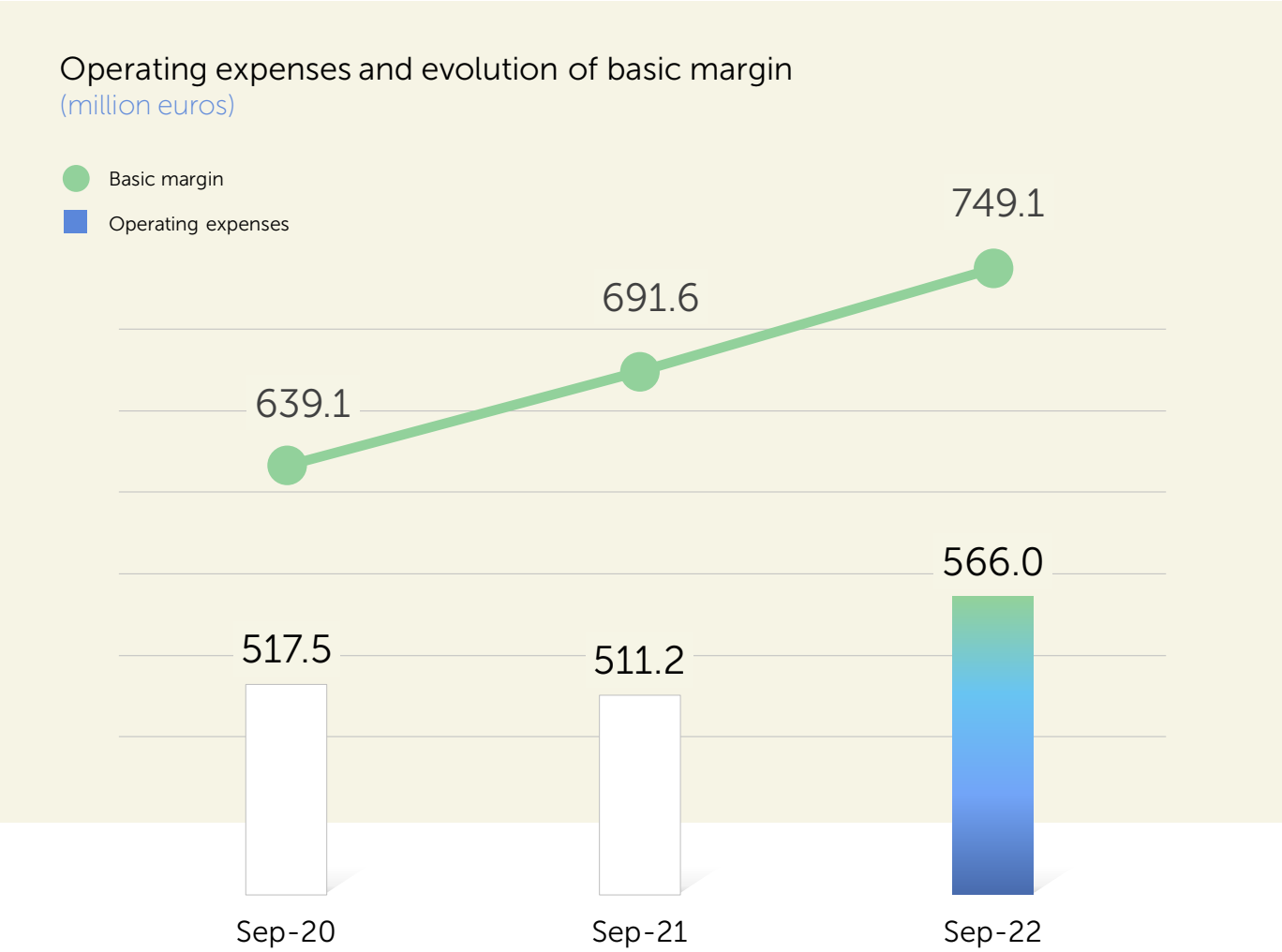


Main lines
(million euros)



Source: ABANCA Group information. Unless otherwise stated, data refers to 'Sep22

The intense growth in revenues supports efficiency



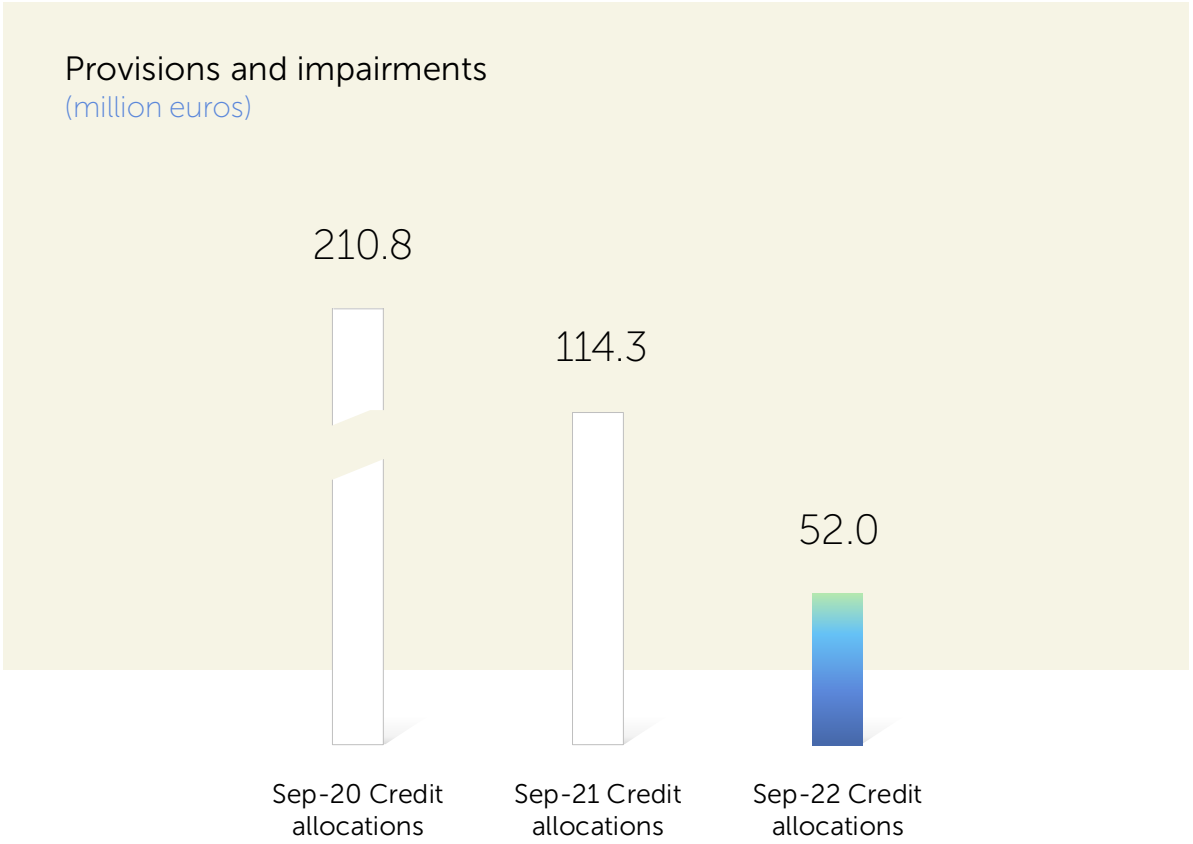
Variation of expenses conditioned by:

→ Incorporation of **Novo Banco to the consolidation perimeter**

→ Additional effort to **boost business generation** (new projects, launch of a national marketing campaign...)

Source: ABANCA Group information. Unless otherwise stated, data refers to 'Sep22

The high quality of assets is reflected in the control of the cost of credit



88.5%
NPL coverage

1.9%
NPL ratio

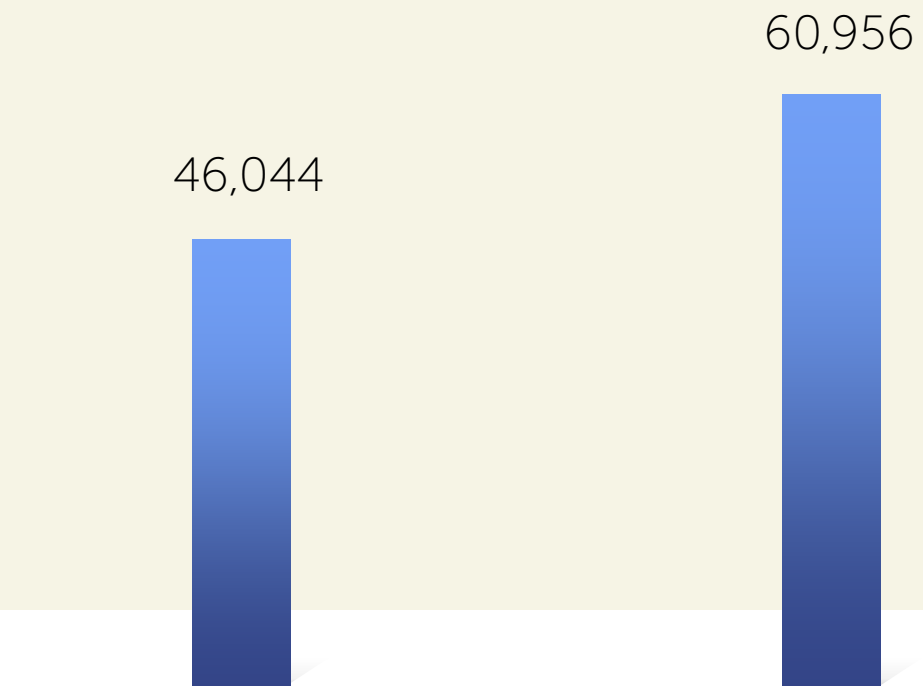
0.15% Cost of risk

ABANCA maintains **high levels of coverage** within its prudent risk management policy

Source: ABANCA Group information. Unless otherwise stated, data refers to 'Sep22

The business volume increased by 3.2% up to 107,000 million

Key figures
(million euros)



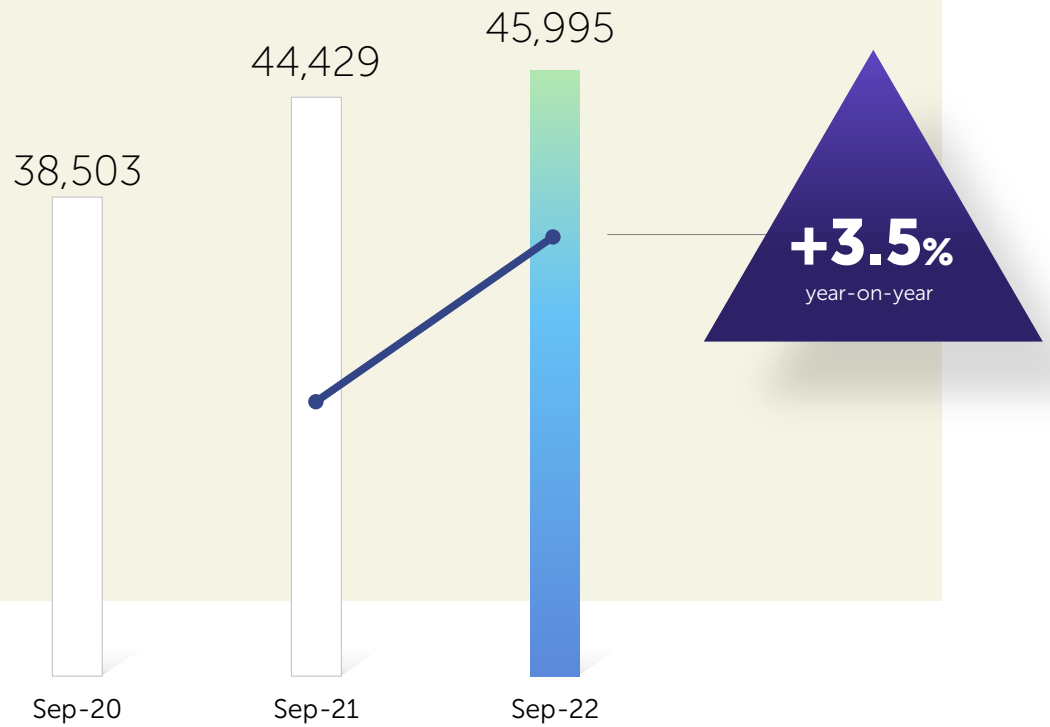
107,000
BUSINESS VOLUME

+3.2%
year-on-year

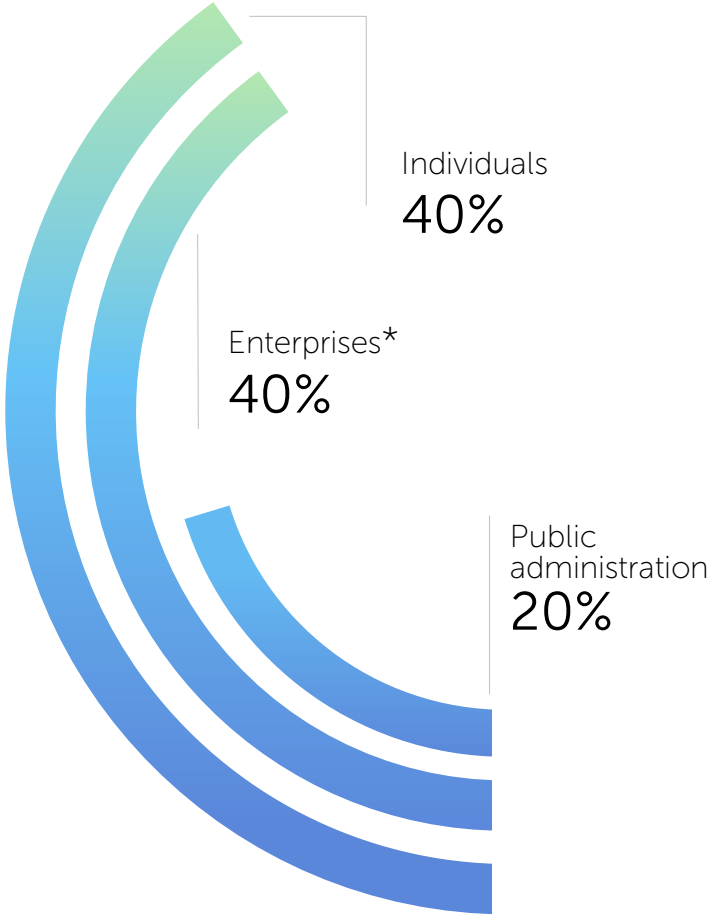
Source: ABANCA Group information. Unless otherwise stated, data refers to 'Sep22
/* Including: performing loan portfolio, non-performing loans, valuation adjustment and one-off activities

The performing loans portfolio increased 3.5%, focused on financing households and enterprises

Performing loan portfolio
(million euros)

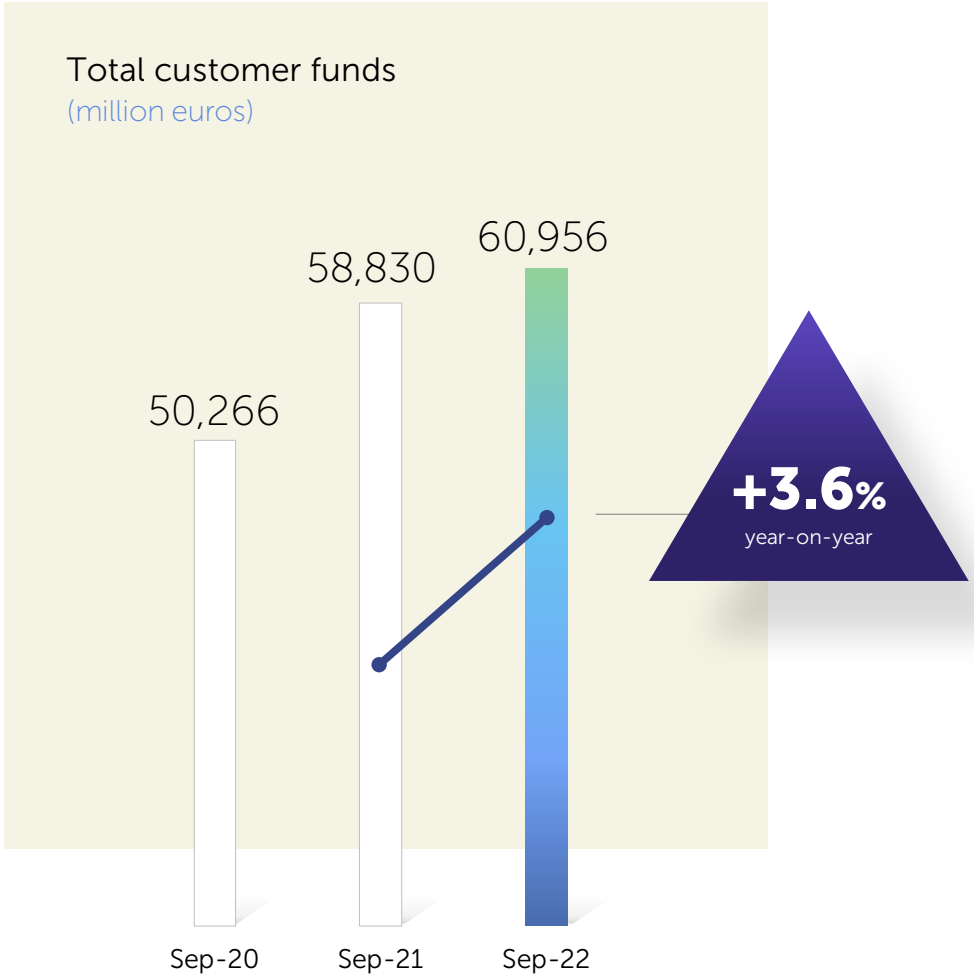


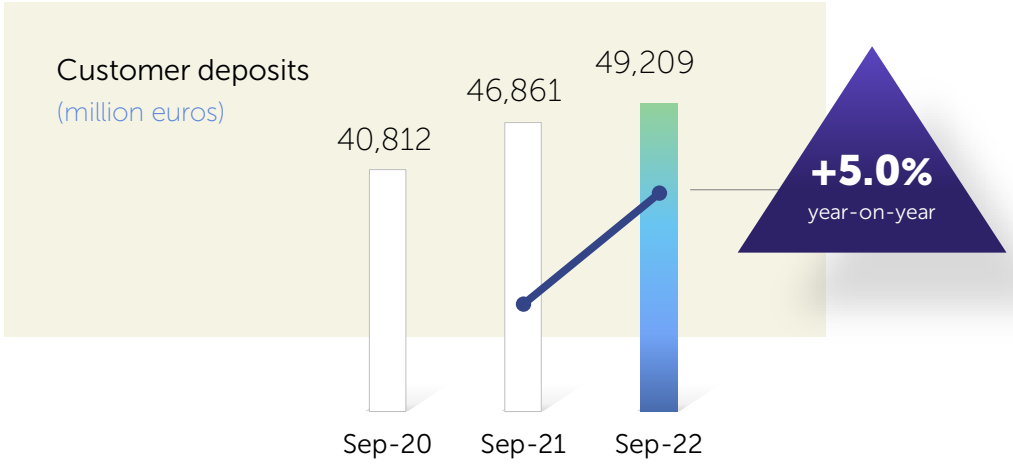
Loans and advances by type of customer

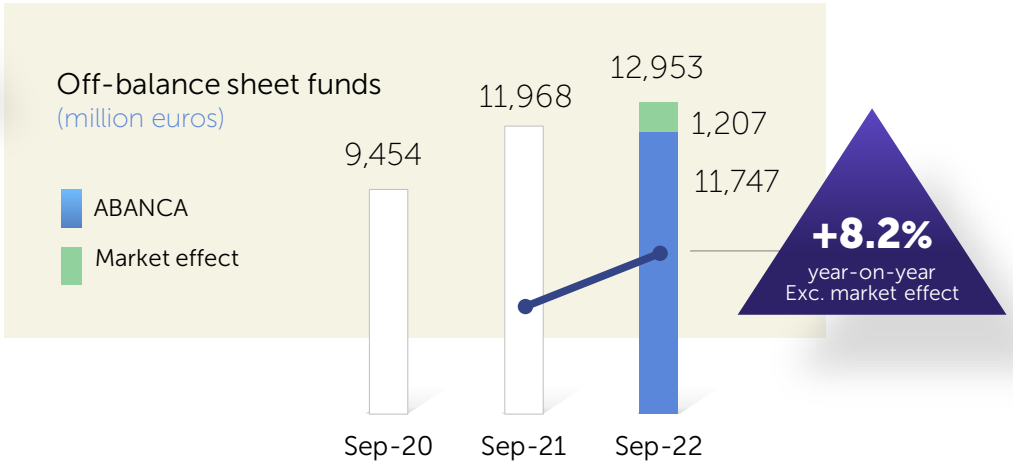


Source: ABANCA Group information. Unless otherwise stated, data refers to 'Sep22
/* Including real estate lending for an amount of €606M (1% weight of the total loans and advances)

The entity manages more than 60,000 million of customer funds, which represents a growth of 3.6%







+7.3%
VALUE CUSTOMERS

+1.4%
CARDS

+7.7%
POS DEVICES

DISCRETIONARY PORTFOLIO MANAGEMENT

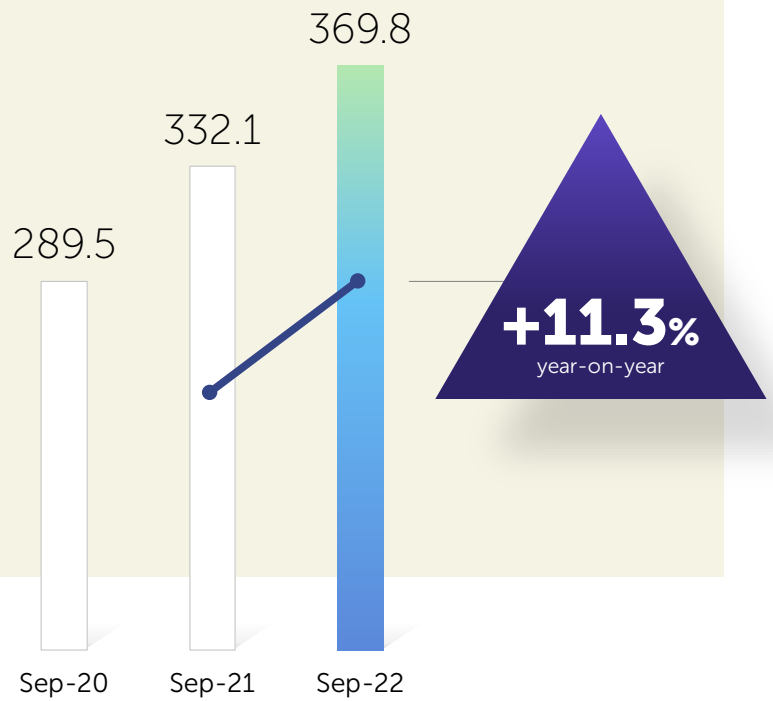
>1,200M€
Volume managed

>13,000
Customers

Source: ABANCA Group information. Unless otherwise stated, data refers to 'Sep22

The insurance business attained a high level of dynamism thanks to differential value offer for customers

Premiums of general and life-risk insurance
(million euros)



+18%
PREMIUMS PAYMENT PROTECTION INSURANCE PREMIUMS

+16%
CAR INSURANCE PREMIUMS

+15%
BUSINESS INSURANCE PREMIUMS

+11%
LIFE-RISK INSURANCE PREMIUMS

Development of new products with a differential value offer for customers

Own products



"Copiloto" car insurance

Payment protection insurance

Home insurance

Life insurance

Insurance for businesses

Differential value offer

Personalised customer service and agility in resolving the loss

Digital and innovative approach

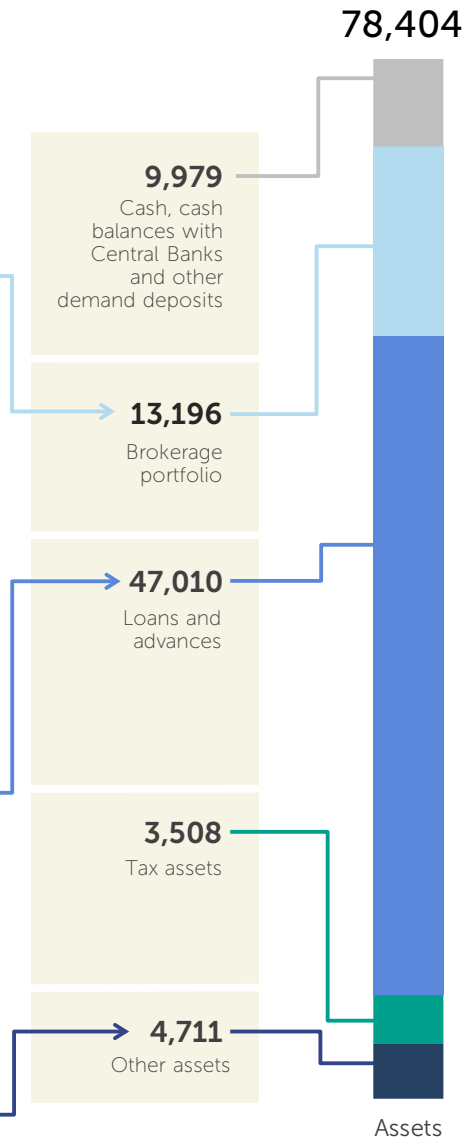
Long-term stability

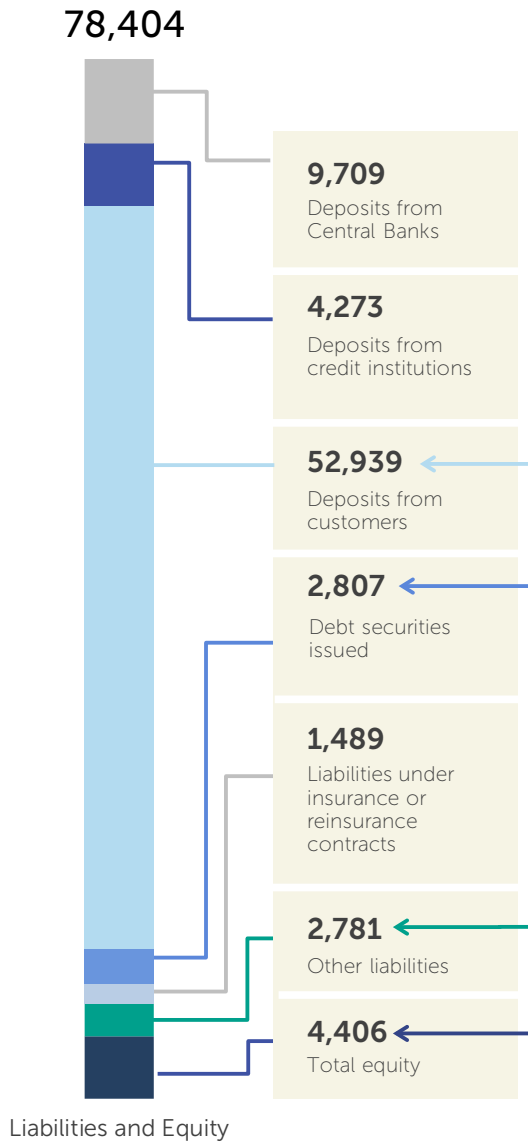
Source: ABANCA Group information. Unless otherwise stated, data refers to 'Sep22

Balance sheet distribution

(million euros)

Debt securities	12,834
Equity instruments and associates	362
Total	**13,196**
To customers (net)	46,044
Individuals	18,139
Corporations and SMEs	18,123
Real estate construction and property development	606
Civil engineering	370
Other purposes	17,147
Public administrations	9,385
Other financial corporations	397
To credit entities	966
Total	**47,010**
Tangible assets	1,197
Non-current assets and disposal groups classified as held for sale	1,354
Derivatives	1,289
Intangible assets	461
Other assets	411
Total	**4,711**



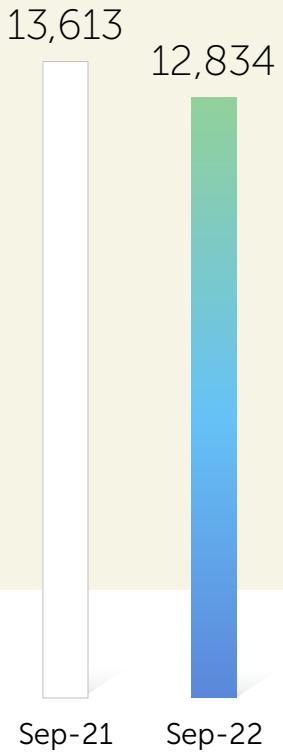


From retail customers	49,209
Demand	41,736
Term	7,473
Valuation adjustments	68
Repurchase agreements	2,422
Covered bonds issued and others	1,240
Total	**52,939**
Covered bonds issued	1,750
Subordinated debt	1,275
Of which: Other convertible securities	625
Other non-convertible securities	1,000
Own securities	(1,081)
Valuation adjustments	(137)
Total	**2,807**
Tax liabilities	144
Derivatives	914
Provisions	398
Liabilities in disposal groups classified as held for sale	761
Other liabilities	564
Total	**2,781**
Shareholders' equity	4,745
Accumulated other comprehensive income	(334)
Minority interests	(5)
Total	**4,406**

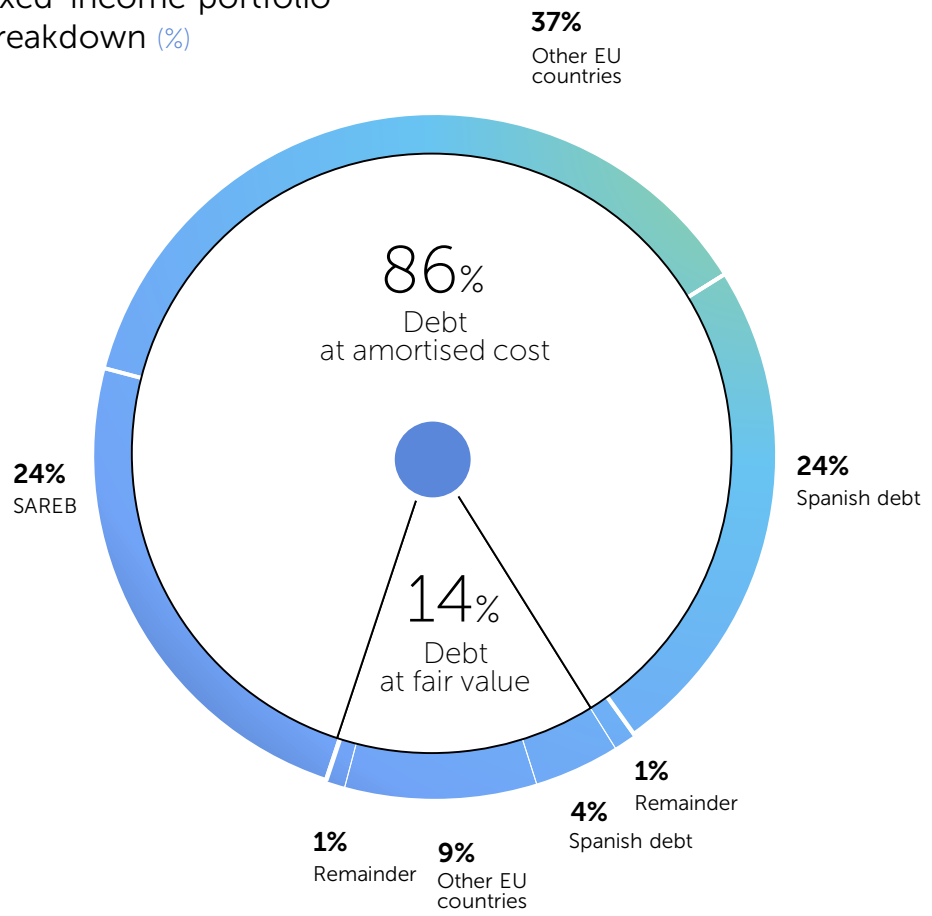
Source: ABANCA Group information. Unless otherwise stated, data refers to 'Sep22

Fixed-income portfolio evolution

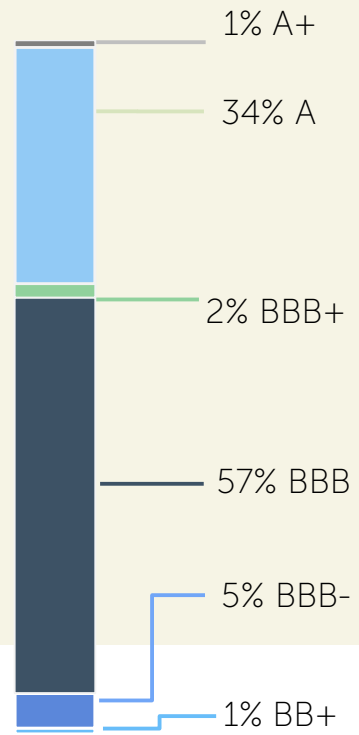
Fixed income portfolio
(million euros)



Fixed-income portfolio breakdown (%)



Breakdown of ALCO portfolio by rating (%)



Source: ABANCA Group information. Unless otherwise stated, data refers to 'Sep22

TABLE OF CONTENTS

1. ABANCA overview

2. Financial Profile

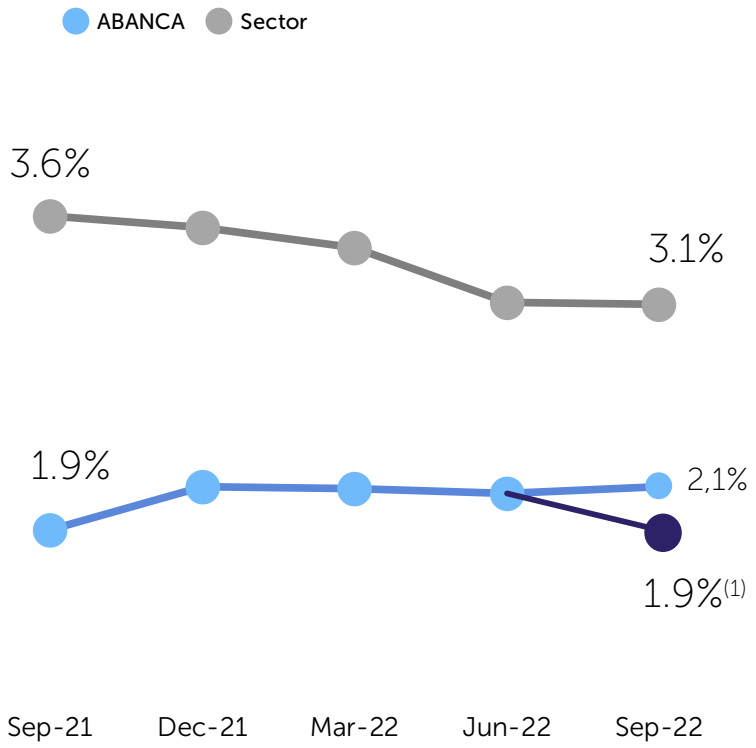
3. Asset quality, solvency and liquidity

4. Sustainability Strategy and SDG Bond Framework

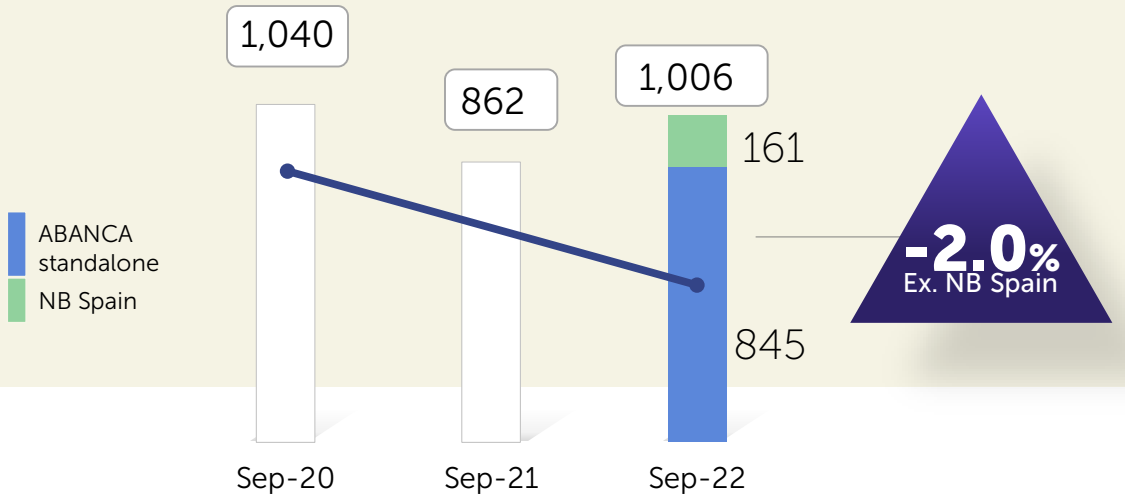


The NPL ratio decrease to 1.9% and stands well below the sector's average

NPL ratio evolution (%)



Non-performing loans evolution (million euros)



	Stage 1	Stage 2	Stage 3
% of total book	92.3%	5.5%	2.1%
Coverage	0.4%	5.1%	53.7%

ICO Transactions

3.568M€
Formalised

2.4%
are in non-performing status

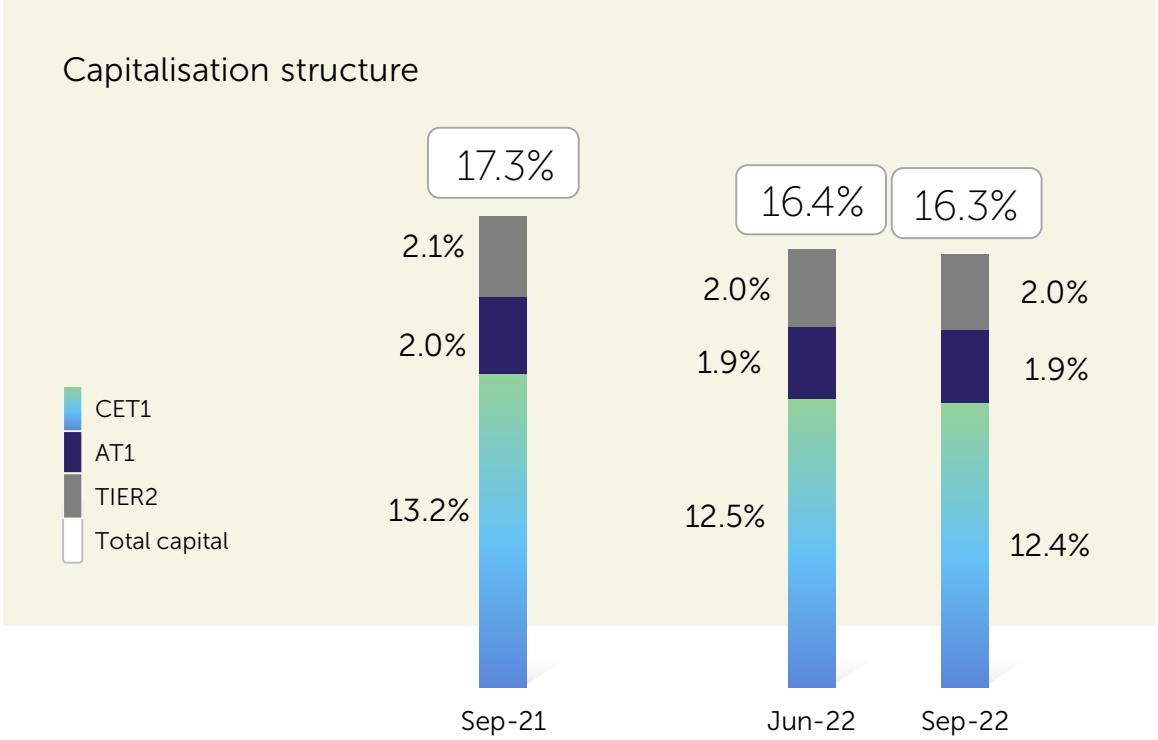
Source: ABANCA Group information. Unless otherwise stated, data refers to 'Sep22 / Spanish bkn. sector: Based on last available date according to data of the BdE: Sep22. (1) Proforma

High coverage levels on all products and segments

(million euros)	Net book value	% NPL	% Coverage
Public administration	**9,385**	**0.0%**	**83.3%**
Other financial institutions	**397**	**0.2%**	**314.8%**
Corporations and SMEs	**18,123**	**3.4%**	**97.8%**
Real estate construction and property development	606	3.3%	90.7%
Other purposes	17,147	3.4%	98.6%
Of which Corporations	9,545	1.7%	110.4%
Of which SMEs and self-employees	7,602	5.4%	94.0%
Civil engineering	370	4.7%	80.2%
Individuals	**18,139**	**2.0%**	**55.4%**
Mortgages and others	16,320	1.8%	46.9%
Consumer	1,819	3.9%	88.7%
TOTAL	**46,044**	**2.1%**	**82.9%**

Source: ABANCA Group information. Unless otherwise stated, data refers to 'Sep22

The capital ratio got up to 16.3% with 1,404 million excess on CET1 regulatory requirements



426bp
EXCEEDING CET1 CAPITAL REQUIREMENTS

376bp
EXCEEDING TOTAL CAPITAL REQUIREMENTS

1,404M€
EXCEEDING CET1 CAPITAL REQUIREMENTS

1,238M€
EXCEEDING TOTAL CAPITAL REQUIREMENTS

MREL ratio

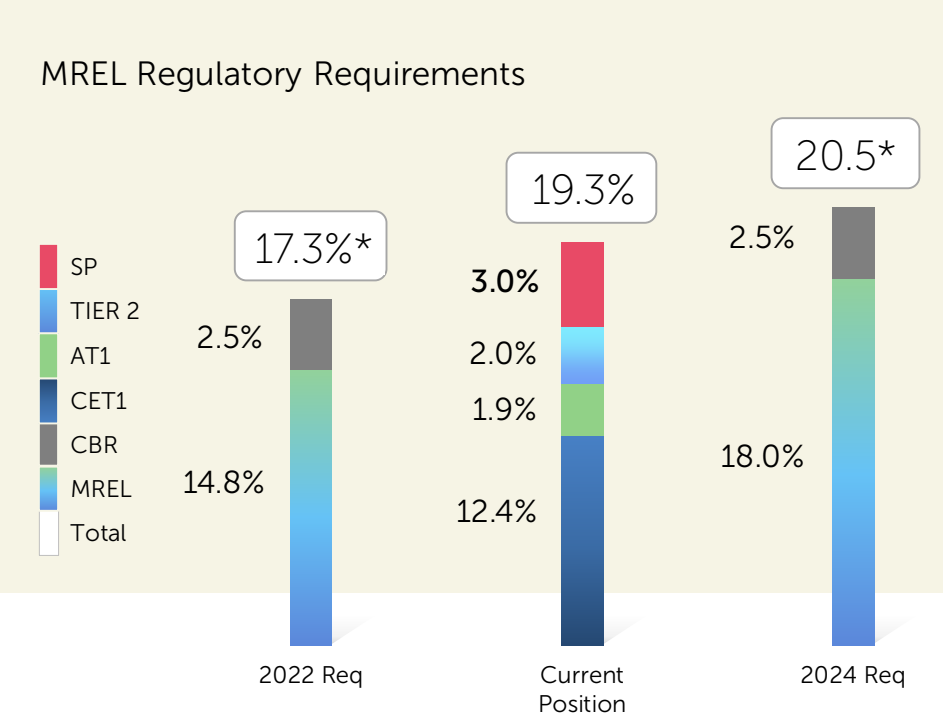
19.3%
+ 142 bp vs Jun-22

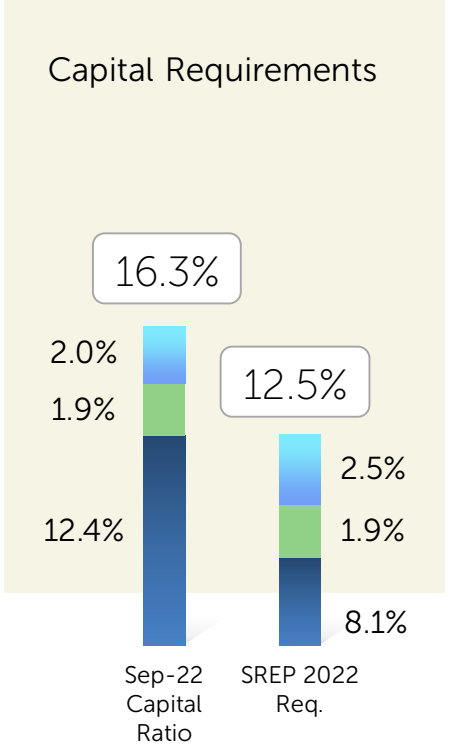
Meeting the MREL requirements set for 2022 (17.27*%)

Wide buffer on the established requirements thanks to a more diversified capital structure

Source: ABANCA Group information. Unless otherwise stated, data refers to 'Sep22
/ * Including the Combined Buffer Requirement (2.5% TREA).

ABANCA is comfortably meeting capital and MREL requirements and is well positioned for future regulatory changes





ABANCA's Public Issuances 2022

→ September 9th – € Green Senior Preferred

Funding Plan – In a Nutshell

→ Maintain the retail deposits as main source of funding for the entity

→ Access to wholesale markets based on prudency, anticipation and predictability

→ Issuance calendar determined by the compliance of MREL requirement and cautious management of liquidity, trying to minimize both the execution risk and the cost for the entity

RWA 5% higher
year-on-year

32.9bn
RWA density -31bps
year-on-year

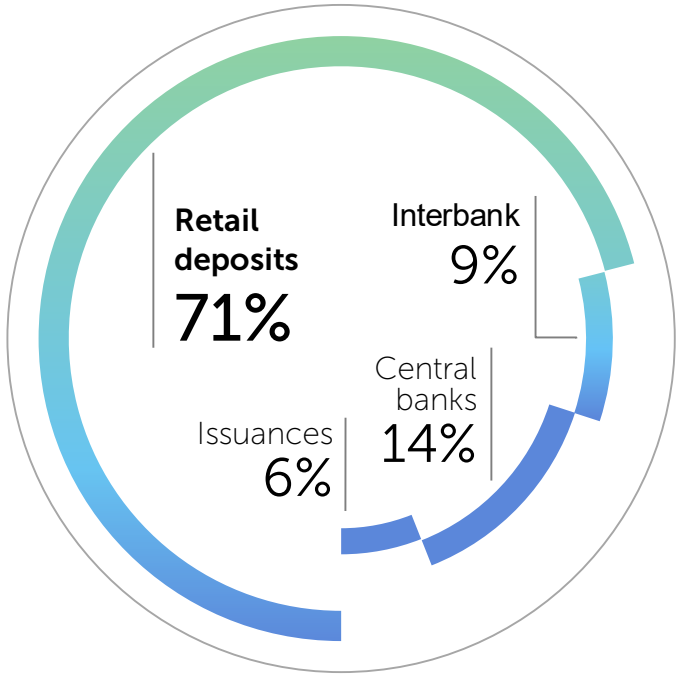
100% standardized RWA approach means **ABANCA is well positioned to benefit** from more granular approach under CRR3

- **No MREL subordination requirements** given institution size
- **Exceeding 2022 MREL requirements** and well positioned to meet 2024 requirements

Source: ABANCA Group information. Unless otherwise stated, data refers to 'Sep22
/ * Including the Combined Buffer Requirement (2.5% TREA).

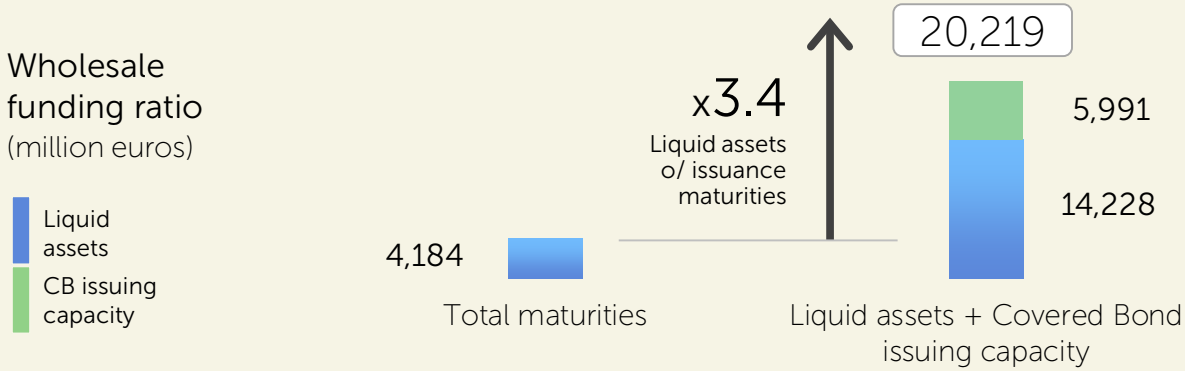
Sound liquidity position based on retail deposits

Funding structure

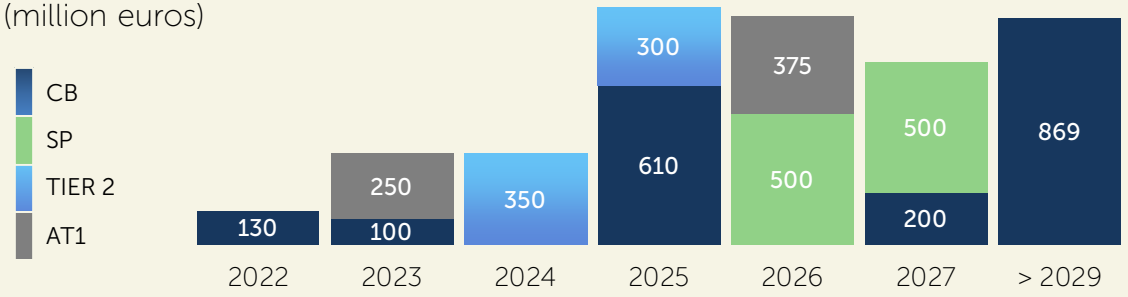


93.6%
retail LTD

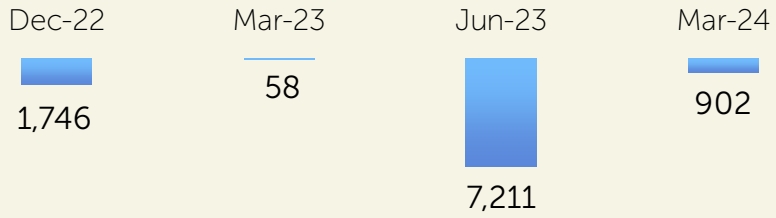
Wholesale funding ratio
(million euros)



Maturities & Next Call Dates
(million euros)



TLTRO III maturities
(million euros)



127% NSFR
NET STABLE FUNDING RATIO

259% LCR
LIQUIDITY COVERAGE RATIO

Source: ABANCA Group information. Unless otherwise stated, data refers to 'Sep22

TABLE OF CONTENTS

1. ABANCA overview

2. Financial Profile

3. Asset quality, solvency and liquidity

4. Sustainability Strategy and SDG Bond Framework



Sustainability Plan aligned with the UN SDGs

Sustainability Plan 2021 -2024

Goals & progress



- **Certification of 100% renewable energy** consumption: Signed PPA with Endesa
- **2050 Net Zero Emissions - set intermediate targets 2030:** carbon phase-out 2030; reduce carbon emissions intensity credit portfolio by 37% aviation; 25% steel production; 20% cement production.
- **Carbon neutrality* in our operations:** -29% **in scope 1, 2 & 3 carbon footprint in 2021 (baseline 2020)**
  3,427 (t CO2eq) emissions avoided in 2021
  100% offset emissions 2020
- **ZERO WASTE policy:**
  The bank has AENOR Zero Waste certificate for its headquarters (A Coruña, Madrid) and branch of Madrid-Serrano. Additionally, LEED and Oficina Española del Cambio Climático certifications were received.
- **Reforestation, plantation & maintenance:** support in reforestation projects (over 135,000 trees between 2021-2022)
- **100%** ABANCA team **trained in sustainable finance:** an increase of 46,7% since 2020 (includes ESG risk, Green MiFID II...)

- **Risk Management Master Plan** for climate change and the environment, following ECB guidelines
- Progressive and incremental approach of the **sustainable products** Catalogue
- **Launch of new Equality Plan 21-25:** actions in 10 areas (gender training; selection & hiring; promotion; remuneration & salary, etc). Main goal: achieve equality of treatment & opportunities between women and men & equal pay.

Priority Sustainable Development Goals



Global alliances



 / *Data from 2021 updated taking in consideration the updated information from MITECO (Ministry for Ecological Transition and the Demographic Challenge)

Sustainable Development Goals (SDG) Bond Framework overview

Key Elements

→ **Aligned:** ABANCA's SDG Bond Framework complies with ICMA Principles and their four common core components

→ **Traceable:** Every eligible facility has to be individually flagged, and metrics have to be calculated at individual project level

→ **Granular:** ABANCA is a retail bank, so anything ESG-related must be retail business conscious too

→ **Forward-Looking:** ABANCA will update this Framework with additional categories in the future, as ABANCA develops its qualification system to include new eligible categories aligned with the EU Taxonomy **substantial contribution criteria to the extent possible**

1 Use of Proceeds

- ABANCA's SDG Framework has been developed in line with ICMA's Green and Social Bond Principles and Sustainability Bond Guidelines (together, the "ICMA Principles")
- ABANCA has, on a best efforts basis, begun to adopt the technical screening criteria stated in the EU Taxonomy since its publication
- Eligible Green Business Lines: individual assets or projects linked to green buildings or renewable energy generation, linked to the EU Environmental Objectives and UN SDGs 7, 9 and 13
- Exclusions: Coal mining, fossil fuel extraction, tobacco, gambling

2 Project Evaluation & Selection

- Individual asset tagging system, designed to maximise efficiency and eventually EU Taxonomy alignment
- Impact metrics collected used at asset or project level
- Initial provisional ESG label assigned to each facility at Business Unit level and is then validated by the relevant Risk Committee
- The Social Responsibility & Sustainability Committee / Sustainability Work group assess and validate the registers of eligible assets following a pre-screening by the relevant business units, in accordance with the eligibility criteria set out in the Use of Proceeds section

3 Management of proceeds

- ABANCA's Treasury team will manage the net proceeds from the Notes
- An equivalent amount will be earmarked to the pool of Eligible assets
- Internal monitoring system to ensure the Eligible Portfolio always exceeds the allocated outstanding amount
- ABANCA contemplates a maximum of 3 years from the last issue date to fulfill this compromise
- ABANCA will temporarily invest any balance of the unallocated proceeds when possible and economically efficient, in cash or cash equivalent instruments according to its treasury management policy

4 Reporting

- ABANCA will provide annual Allocation and Impact reporting
- Allocation reporting: on an annual basis until full allocation the report will disclose information on amount of instruments issued, amount of proceeds allocated to each business line and the balance of unallocated proceeds (if any)
- Impact Report: will provide, where feasible, information on output, impact indicators, and will disclose information on methodologies and / or assumptions made to get to these impact indicators, aligned with best practice in the market

5 External review

- Second Party Opinion Provided by Sustainalytics found that the Framework aligns with market practice and the four core components of the ICMA Green Bond Principles
- Annual external assurance on allocation will be provided
- The selection and impact methodology will be separately audited by an external party

SDG Bond Framework: https://www.abancacorporacionbancaria.com/files/documents/sdg-bond-framework-oct-2022-en.pdf

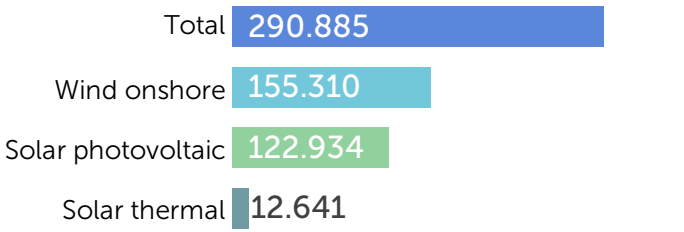
Green Bond portfolio overview and environmental impact

Outstanding Bonds

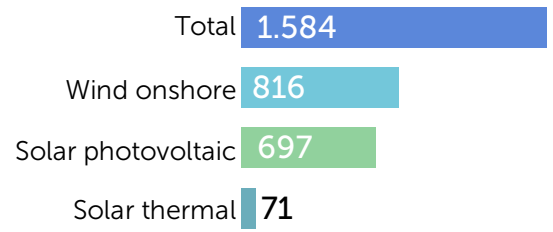
ISIN	Instrument	Amount Issued
ES0265936031	SP 2022 due 14/09/2028	EUR 500M
ES0265936023	SP 2021 due 08/09/2027	EUR 500M
Total		EUR 1,000M

Environmental impact

GHG emission avoided (estimated) (t CO2eq/year)



Annual generation (expected) (GWh)



Eligible green portfolio

As of December 2021, ABANCA's total renewable energy portfolio aligned with the EU Taxonomy (*) amounted to

€736,488,182

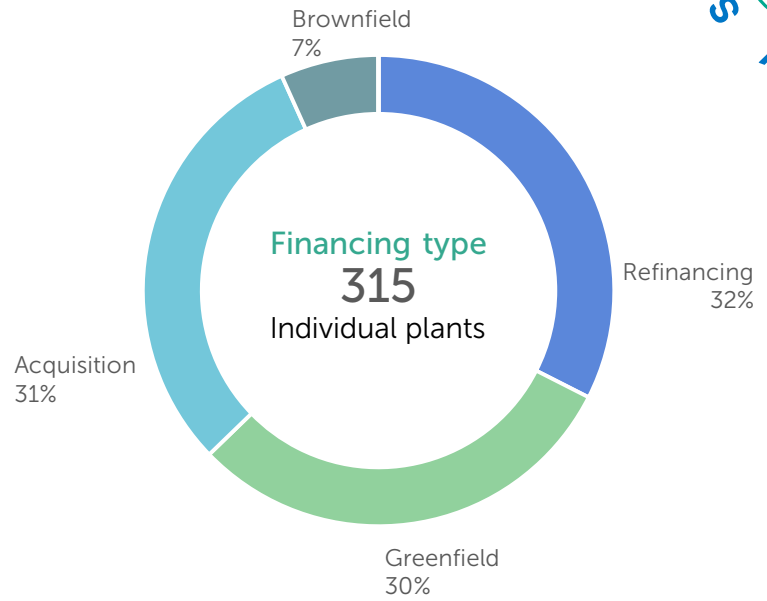
Eligible portfolio Output

Renewable Energy

797.61 MW
total installed capacity

1,584.41 GWh (**)
annual generation (expected)

290,884.46 tCO2eq/year(**)
estimated avoided emissions



Case Study



Elawan Energy

- **Location**: Spain, in Albacete province.
- **Type**: Photovoltaic, largest solar farm in Castile - La Mancha.
- **Technology**: five photovoltaic plants completed. The project is expected to supply enough clean energy to power 122,000 households, saving 140,000 Tm. CO_2e annually.
- **Capacity:** 250 MW (power generation approx.. 500 GWh/year).

Source: ABANCA Group information unless otherwise stated, data refers to 'Dec21
(*) ABANCA has taken into account for the selection and evaluation of its green business lines that the assets meet the criteria of the climate change mitigation target of the EU Taxonomy (Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021) for the economic activities 4.1, 4.2 and 4.3 of solar and wind power generation : 1) Substantial contribution to climate change mitigation 2) Do no significant harm (DNSH). Pending further assessment of the alignment with the minimum safeguards criteria.
(**) The impact indicators related to attributable energy and avoided emissions take into account the proportion that ABANCA holds in each financial project or facility.
Of the 315 eligible individual plants, 265 have been taken into account for the calculation of the impact indicators. Please see ABANCA Green Bond Report 2021 (https://www.abancacorporacionbancaria.com/en/investors/general/#2021)

Glossary

- ABANCA Group: ABANCA Corporación Bancaria S.A. consolidated
- ASG: ABANCA Seguros Generales
- AT1: Additional Tier 1
- BdE: Banco de España (Bank of Spain)
- CB: Covered Bonds
- CBR: Combined Buffer Requirement
- CEB: Council of Europe Development Bank
- CEO: Chief Executive Officer
- CET1: Common Equity Tier 1
- CNMV: Comisión Nacional de Mercado de Valores
- CoR: Cost of Risk
- CO2: Carbon dioxide
- CRR: Capital Requirement Regulation
- DB PCB: Deutsche Bank PCB
- ECB: European Central Bank
- EU: European Union
- GWh: Gigawatts hour
- ICJCE: Instituto de Censores Jurados de Cuentas de España
- ICMA: International Capital Market Association
- ICO: Instituto Crédito Oficial
- LCR: Liquidity Coverage Ratio
- LTD: Loan to Deposits Ratio
- MIFID: Markets in Financial Instruments Directive
- MK: Marketing
- MoP: Means of Payment
- MREL: Minimum Requirement for Own Funds and Eligible Liabilities
- MT: Metric tons
- MW: Megawatt
- NII: Net Interest Income
- NPA: Non-Performing Assets
- NPL: Non-Performing Loans
- NSFR: Net Stable Funding Ratio
- OECD: Organisation for Economic Co-operation and Development
- PBT: Profit before tax
- POS: Points of sale
- PPA: Power Purchase Agreement
- ROIC: Return on invested capital
- ROTE: Return on Tangible Equity
- RWA: Risk-weighted assets
- SAREB: Sociedad de Gestión de Activos
- SDG: Sustainable Development Goals
- SME: Small and Medium Enterprises
- SP: Senior Preferred
- SREP: Supervisory Review and Evaluation Process
- TREA: Total Risk Exposure Amount
- UK: United Kingdom
- UN: United Nations
- US: United States

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