

//ABANCA

Investor Presentation **Sep 2019**

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TABLE OF CONTENTS

1. ABANCA at a glance

2. **Profitable business model**

3. **Sound financial profile**

4. **Healthy capital position**

A. Appendix

   1. Cover pool information

   2. Other information



Key figures

	1H19
Total Assets (€bn)	52.6
Net profit (€m)	250
Gross margin (€m) / Var	491 / +1.5%
ROE	10.7%
Retail LTD	97.6%
Retail business volume (€bn)/ Var.	78.7 / +13.6%
New insurance premiums production (€m) / Var.	165 / +7.4%
NPA ratio / NPL ratio	5.6% / 3.3%
NPA Coverage / NPL Coverage	59.0% / 57.1%
CET1 / total capital fully loaded ratios (%)	14.0% / 16.1%
Texas ratio	34.5%
Weight of digital transactions over total	54.8%
Digital clients as % of total clients	53.9%
Available categories of product in digital banking	All (for individuals)
Fans[1] of ABANCA mobile (%)	57%
Independent members of the board of directors	Majority (5 of 8)
Risk appetite framework	Medium-low appetite
Environmental, Social & Governance factors	High level of compliance
	Commitment within strategic plan

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

Sound Financial Profile One of the Highest Solvency Positions in Spain

Fully-fledged Multi-Channel and Innovative Service

Strong Corporate Governance

Source: ABANCA Group information. Unless otherwise stated, data refers to 1H2019 from ABANCA Group. Notes: (1) Valuation of 9-10 out of 10

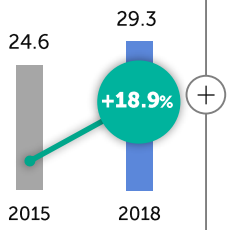
Our strong commercial dynamics and levers support profitability

Strong fundamentals supporting a RoE above 8% during last years...

Growing portfolio

Performing credit portfolio

€bn

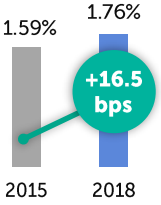


- ✓ Supportive macro fundamentals
- ✓ Strong commercial dynamics, with a clear focus on SMEs while focusing on high quality credit origination

Improving customer spread

Customer spread

%

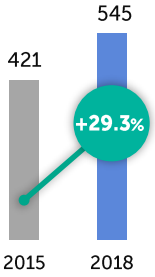


- ✓ Credit growth has enabled to maintain income level despite Euribor reduction
- ✓ Reduction in the cost of funding along with an increase in credit volume

Sustainable revenue growth

Net interest income

€m

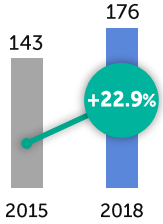


- ✓ Sustainable recurrent net interest income expansion driven by retail activity (9.8% yoy ex. one-offs)(1)
- ✓ Also positively impacted by expensive legacy covered bonds maturities

Significant commissions level

Net fees and commissions

€m

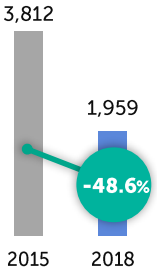


- ✓ Strong growth coming from value added products
- ✓ Significant potential advance in income expansion from business acquisitions in Portugal and Spain

Prudent risk management

NPAs reduction

€m

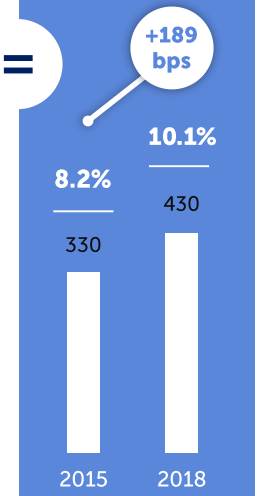


- ✓ Clear focus on risk management, with clear path to NPAs reduction
- ✓ Significant cost of risk reduction

Earnings resilience and RoE above 8%

RoE and Net profit

€m



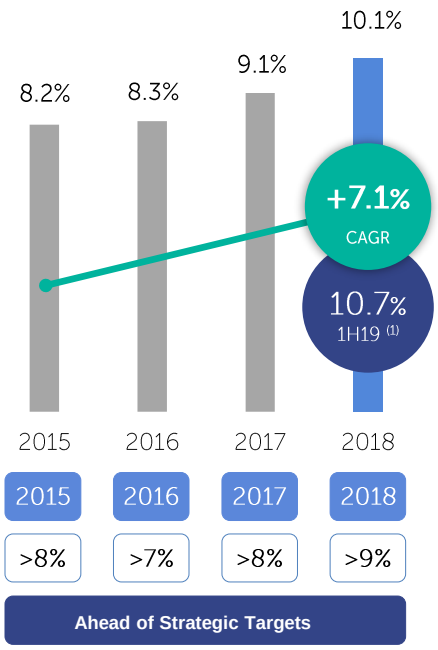
Source: ABANCA Group information. Notes: (1) Excluding one-off transactions (€8.2m).

Solid track record of strengthening both financial profile and profitability

Profitability has been **consolidated**

Profitability

RoE

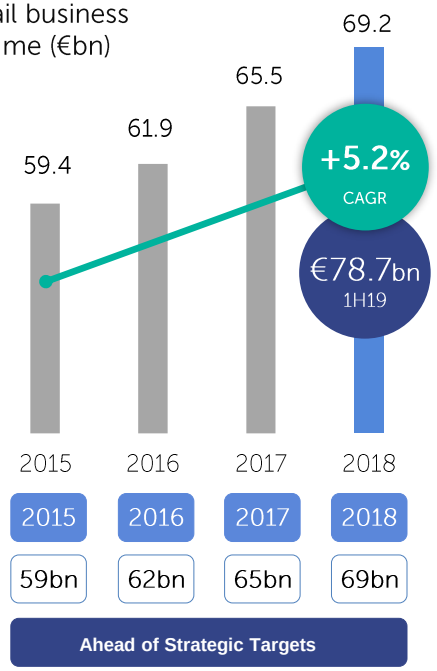


Consistent track record of profitability, with higher contribution of recurrent lines

Delivering Healthy Growth Profile

Growth

Retail business volume (€bn)

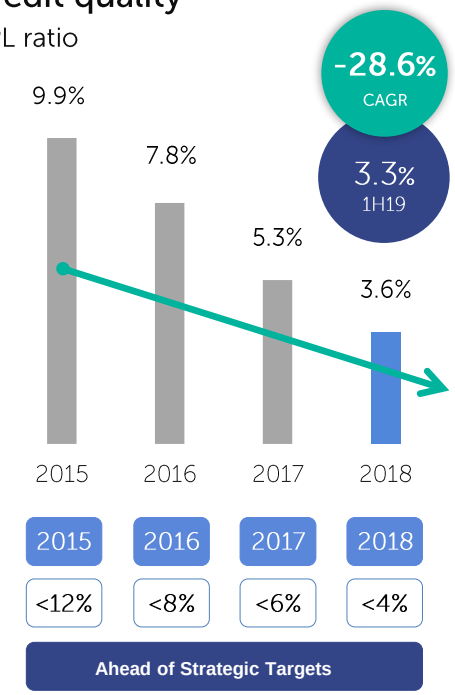


Stable funding structure based on Retail deposits

And **'Best in Class'** improvement in Asset Quality

Credit quality

NPL ratio

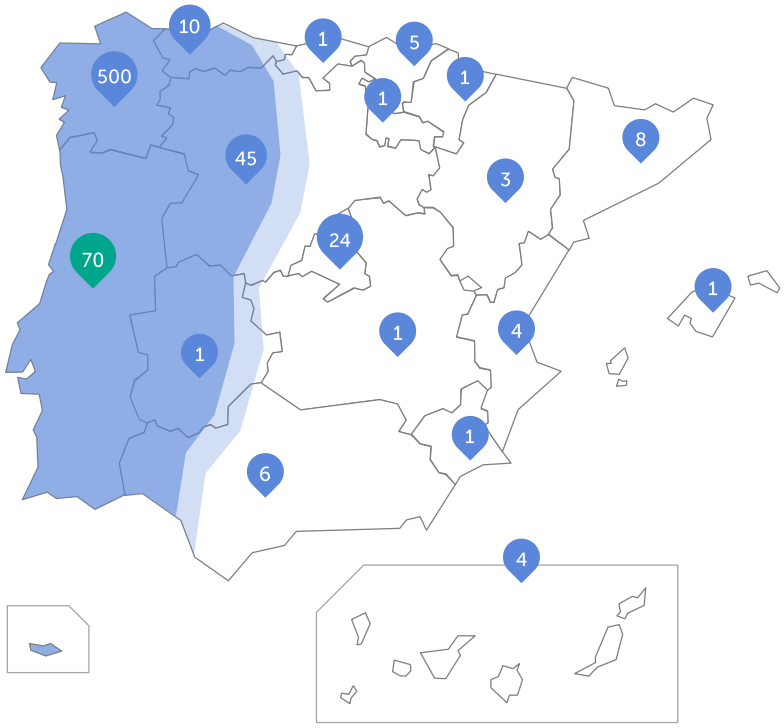


NPL ratio: Asset quality metrics in line with European peers

Source: ABANCA Group information. Notes: (1) Annualized figures for 1H19

Iberian player with a multi-channel strategy

Selective Expansion Across the Iberian Peninsula



Branches

Branches + other points of Sale

\+

Ongoing BCG incorporation

110 BCG in Spain (of which **42 branches in Extremadura)**

(0.3% market share for loans and deposits)

ABANCA MARKET SHARE IN GALICIA (ex BCG)	
Loans	Deposits
33.1%	41.4%

ESTIMATED MARKET SHARE IN SPAIN (INCLUDING BCG)	
Loans	Deposits
2.6%	3.0%

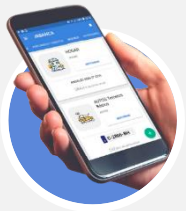
ABANCA INVESTMENT FUNDS MARKET SHARE (ex BCG)	
Galicia	Portugal
32.9%	7.0%

Best in Class Digital Solutions

4,4 App Store

4,5 Google play

Top Rated Mobile Banking App in the Sector



Insurance in Mobile Banking



Companies: Signing transactions through mobile

Source: ABANCA Group information. Unless otherwise stated, data refers to 1H2019 from ABANCA Group. (1) Source of market shares: Statement FI 132.E of the Bank of Spain (commercial market shares in Spain, as of Mar-19 and commercial market shares in Galicia, as of Dec-18). Source of investment funds: Inverco as of Mar-19 (Galicia) and Bank of Portugal as of Mar-19 (Portugal)

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Clear roadmap for the next years

Strategic Plan

Transform the organization

- A more flexible, simplified and cooperative organization
- Efficient digitalisation: Processes and customer relations
- Boosting an innovation culture

Customer experience

- Multi-channel relation and homogeneous experience with high standards
- Customer knowledge. Data base and analytics strengthening and monetising
- Fintech alliances: innovation, experience, opportunities

Recurring profitability levels above cost of capital

Boosting Insurance business

- Internalization of the operating capacity of the life insurance company and promotion of the non-life sector through a Joint Venture with an industrial partner → Recently announced partnership with Crédit Agricole Assurance to further enhance non-life insurance products value proposition
- Promote on-line transactions and sales

Focus on Retail Segments: Individuals and SMEs

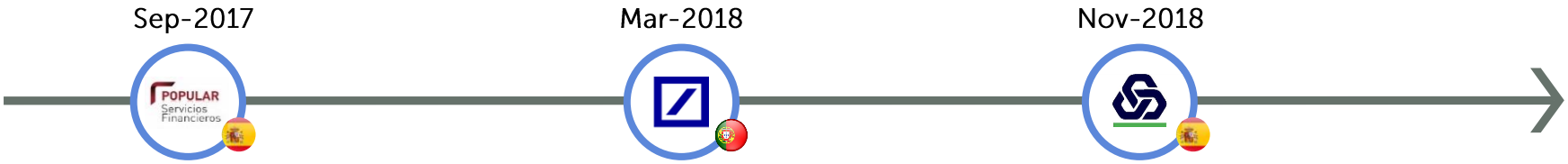
- Boost activities on consumer and means of payment through ABANCA Servicios Financieros, which expands and diversifies its activity in various sectors
- Incorporate payment solutions and acquiring opportunities arising in PSD2 contexts
- Enhance SMEs and working capital business through value services, structure of specialised management agents and new commercial procedures
- Organic and inorganic growth

Optimising Use of Capital: Allocation, RAROC, IRB Models

- Pricing strategy based on RAROC methodology
- IRB adoption

Inorganic growth in business volume to create value

Incorporation Track Record



Sep-2017	Mar-2018	Nov-2018
Announcement: 2Q 2017 Accounting incorporation: 3Q 2017 IT Integration: 4Q 2017	Announcement: 1Q 2018 Accounting incorporation: 2Q 2019 IT Integration: 2Q 2019	Announcement: 4Q 2018 Accounting incorporation: ongoing IT Integration: ongoing
Popular Servicios Financieros • Deep knowledge of the consumer business • Historic base of prescribers focused on transactions with good quality in terms of payment capacity	**DB PCB (DB Retail business in Portugal)** • Natural choice by geographical expansion given the existing border links • Growing private and personal clients positively contributing to fees potential • Reinforce DB's business generation capacity with corporations leveraging on ABANCA's know how	**Banco Caixa Geral, Strategic geographical expansion** • Complements ABANCA's model and strategy, extending commercial network in new provinces (mainly in Castilla León) and reinforcing presence in Extremadura and Galicia • Generates significant value through badwill and synergies

- Organic growth has been reinforced by bolt-on acquisitions under strict financial discipline
- Inorganic growth assures that ABANCA keeps the control of resulting entity at the same time that it creates shareholders value and sustainable double digit ROIC in the medium term
- ABANCA approaches transactions under both capital affordability and IT capacity of execution

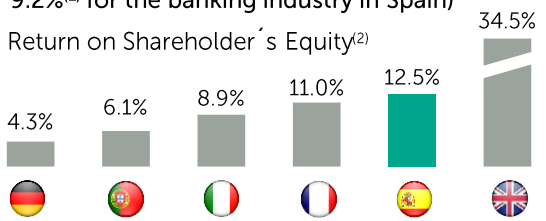
ABANCA boost its insurance activity as a lever to ringfence profitability from low interest rates

New Revenue Growth Opportunities — Captured through a **well Designed Strategy**

Spanish Insurance Market Attractiveness

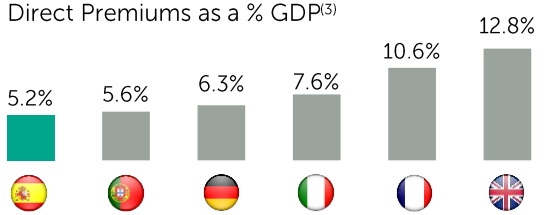
- ✓ Considered as one of the most profitable markets in Europe, as a result of the cost/ underwriting discipline of its participants (12.5% average return of the insurance industry vs 9.2%(1) for the banking industry in Spain)

Return on Shareholder´s Equity(2)



- ✓ More diversified and underpenetrated compared to other mature markets in Europe, pointing to additional growth potential

Direct Premiums as a % GDP(3)



Specialized and efficient approach

- *Life Insurance*
- *General Insurance*
- *Open Market*

- ✓ 100% value chain ownership
- ✓ Alliance with **Credit Agricole** to develop the P&C business in Iberia
- ✓ Lean self-service channel using a cutting-edge digital approach

Innovative Products

Omnichannel approach





Insurance Flat Rate

Mobile Insurance





On – off service

Commercial Dynamism

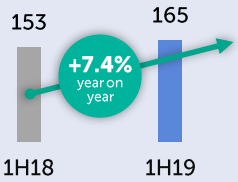
+16% CUSTOMERS HOLDING 5 OR MORE INSURANCE POLICIES

+42% BUSINESS INSURANCE

+18% HEALTH INSURANCE

+14% LIFE-RISK INSURANCE

Growing portfolio New Production (€m)



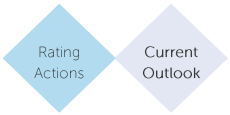
Source: ABANCA Group information. Unless otherwise stated, data refers to 1H2019 from ABANCA Group. OECD. Notes: (1) considers ABANCA, Santander (Spain), BBVA (Spain), CaixaBank, Bankia, Sabadell (Spain), Bankinter, Unicaja, Liberbank, Ibercaja and Kutxabank. (2) Data as of 2017. Considers both life and non-life insurance. (3) Data as of 2017 except for UK and France as of 2015.

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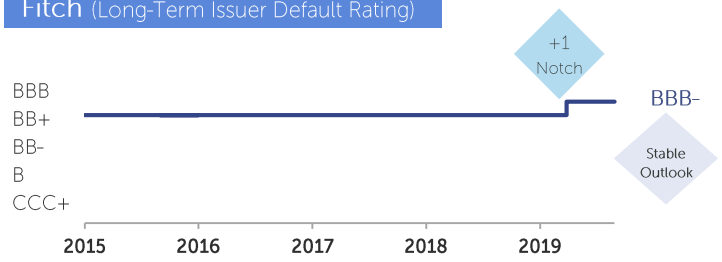
Recent rating upgrades are a further testament of exceptional performance

PERSISTENT IMPROVEMENT IN RATINGS

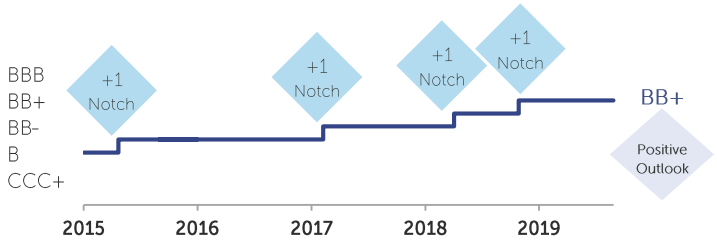
ABANCA's ratings since 2015
from three major rating agencies



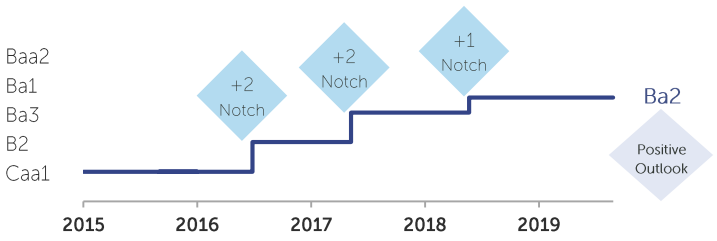
Fitch (Long-Term Issuer Default Rating)



S&P (Long-Term Issuer Credit Rating)



Moody's (Long-Term Deposit Rating)



Source: Fitch, S&P, Moody's and DBRS. Unless otherwise stated, rating position ABANCA's rating on the date of publication of this presentation.

STRONG RATING FUNDAMENTALS

- **Recent rating upgrades** have been supported by:
  - ABANCA's strong capital position, improving profitability, low and declining NPAs
  - Improving credit profile of Spain
- **Fitch** and **DBRS** granted **investment grade** rating on ABANCA
- Moody´s and S&P have positive rating outlook on ABANCA

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

Note: Range of ratings shown above does not represent full ratings scale of the rating agencies

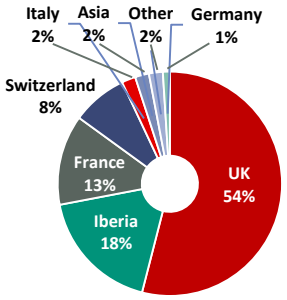
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And a succesfull year across capital markets validates diversified market access

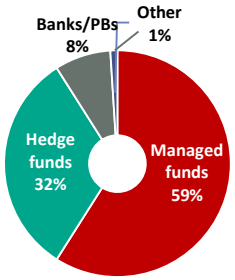
ADDITIONAL TIER 1 CAPITAL
Sep-18

Issuer:	ABANCA Corporación Bancaria, S.A.
Rating (M/F/S&P):	-/B/-
Issue Type:	AT1
Amount:	€250m
Pricing date:	24 September 2018
Maturity:	Perpetual Non-Call 5
First Call Date:	2 October 2023
Coupon:	7.500% quarterly; reset *mid swap* 5 years+ 732.6bps
Re-offer Price/Yield:	100%/7.714% per annum
Listing / ISIN:	AIAF (Madrid) / ES0865936001

Distribution by Geography

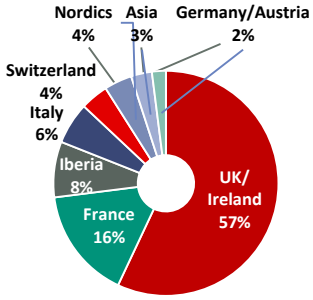


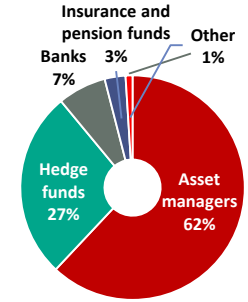
Distribution by Investor Type



SUBORDINATED TIER 2
Jan-19

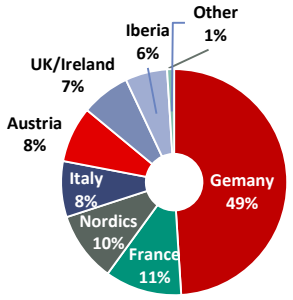
Issuer:	ABANCA Corporación Bancaria, S.A.
Rating (M/F/S&P):	Ba3/BB+/-
Issue Type:	Subordinated Tier 2
Amount:	€350m
Pricing date:	11 January 2019
Maturity:	18 January 2029
Call Date:	18 January 2024
Coupon:	6.125% Fixed, Annual, reset *mid swap* 5 years+ 592.7bps
Re-offer price:	100%
Listing / ISIN:	AIAF (Madrid) / ES0265936007

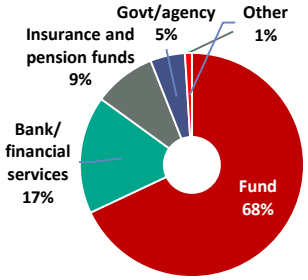




10-YR COVERED BOND
May-19

Issuer:	ABANCA Corporación Bancaria, S.A.
Rating (M/F/S&P):	Aa2/-/AA
Issue type:	Covered Bond
Amount:	€750m
Pricing date:	16 May 2019
Maturity:	28 May 2029
Call Date:	n/a
Coupon:	0.750%
Spread:	MS+38bps
Re-offer price:	99.34%
Listing / ISIN:	AIAF (Madrid) / ES0465936054





 Source: ABANCA Group information

Responsible finance at the heart of what we do

Member of the United Nations Global Compact

- By becoming a partner of the United Nations Global Compact ABANCA commits to align not only its strategies but also operations with universal principles on human rights, labour, environment and anti-corruption, as well as take actions that advance societal goals

Addressing Sustainable Development Goals

- They recognize that ending poverty and other deprivations must go hand-in-hand with strategies that improve health and education, reduce inequality, and spur economic growth – all while tackling climate change and working to preserve our oceans and forests
- ABANCA has the above goals embedded into its strategy(1)

Founding Member of the UNEP-FI group

- ABANCA is a founding signatory of the Principles of Responsible Banking of the United Nations
- Global partnership between the United Nations Environment Programme and the Financial sector
- Over 200 institutions, including banks, insurers and investors work with UNEP to understand today's environmental, social and governance challenges, why they matter to finance, and how to actively participate in addressing them
- ABANCA incorporates within its strategic objectives the execution of initiatives oriented to the fulfilment of the principles developed by UNEP FI

ESG Strategy Integrated Across the Group with Concrete Ambitions

Environmental

- **Energy Transition**: Project 'New Model of Branches' (Commitment to minimise climate impact)
- **Consumption Control**: Commitment to progressively substitute energy consumption by increasing the use of technology & developing disruptive business solutions using blockchain
- **Electrical Waste Management**: Agreements with some specialised companies to manage electrical and physical waste

Social

- **Commitment with Society**: As part of its CRS function ABANCA contributed to the reforestation of forests that suffered the impact of fires
- **Positive Impact Finance & Renewable Energy**: Portfolio management of socially responsible investment funds, sustainable lending, agreements in place allowing retail customers and SME's to finance renewable energy initiatives
- **Sustainable Client Service**: Ongoing development of ABANCA Digital

Governance

- **Policy Framework**: Ongoing development of a 'Corporate Sustainability Framework
- **Responsible Investments**: ABANCA participates of the Capital of the following companies dedicated to Renewable Energy Production
- **Code of Ethics & Conduct and an Anticorruption Policy**, which are biding to all employees
- **Equality and Conciliation Policy** to ensure equal opportunities and treatment between men and women in the ABANCA Group

Source: (1) See Corporate website: http://www.abancacorporacionbancaria.com/es/historico-memoria-rsc/

TABLE OF CONTENTS

1. **ABANCA at a glance**

2. **Profitable business model**

3. **Sound financial profile**

4. **Healthy capital position**

A. Appendix

   1. Cover pool information

   2. Other information



1H19 net profit got up to 250.1 million euros based on recurrent margin soundness

(€m)	Dec-17	Dec-18	Var Jun-18 / Jun-19	Jun-19
NET INTEREST INCOME	488.5	544.7	**5.6%**	**272.1**
Net fees and commissions	169.8	176.2	**5.7%**	**93.2**
NET BANKING INCOME	658.3	720.9	**5.6%**	**365.3**
Results from entities through equity method	7.4	9.8	-	**-3.3**
Dividend income	10.7	12.0	**-13.1%**	**7.5**
Gains or losses on financial assets and liabilities (net)	202.2	288.9	**-0.2%**	**107.9**
Others (net)	-67.4	19.0	**-15.1%**	**13.3**
GROSS MARGIN	811.2	1,050.6	**1.5%**	**490.6**
Operating expenditure	558.6	593.3	**9.1%**	**302.6**
Credit and other provisions	-53.9	38.3	-	**1.4**
Normalised loan provisions	63.8	57.2	**61.0%**	**23.7**
Other gains / losses	61.7	45.1	-	**80.2**
PROFIT BEFORE TAXES	368.2	464.0	**7.8%**	**266.7**
NET PROFIT	367.1	430.4	**1.3%**	**250.1**

Net interest income grew boosted by the improvement in the commercial margin

Basic margin grew **5.6%**, strengthening the capability of generation of recurring revenues of the entity

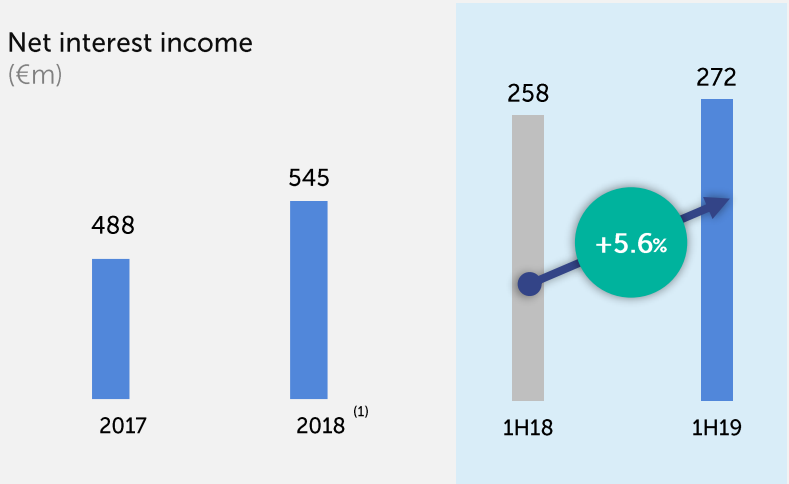
Gross margin improved **1.5%**, with a growing contribution by both the net interest income and fees

Business Profitability (RoE[(1)]) reached 10.7%

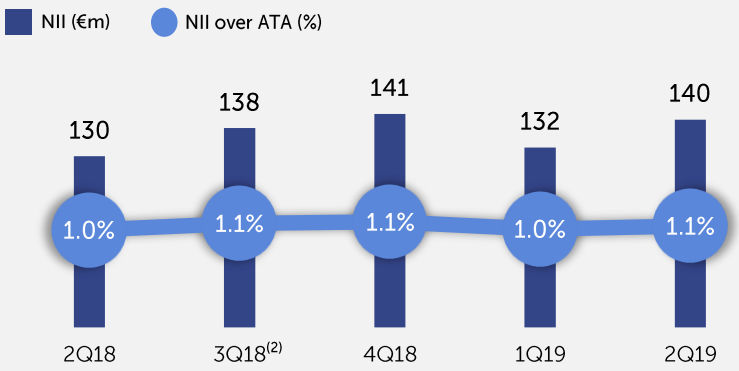
Source: ABANCA Group information. Unless otherwise stated, data refers to 1H2019 from ABANCA Group. Notes: (1) Annualized figures for 1H19.

Consistent improvement in NII driven by retail client activity

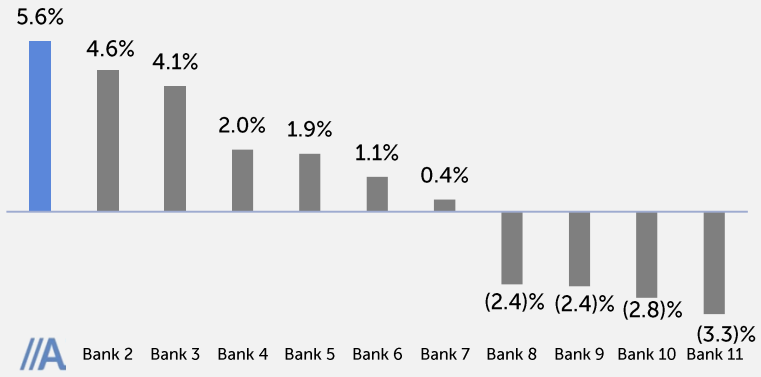
Net interest income (€m)



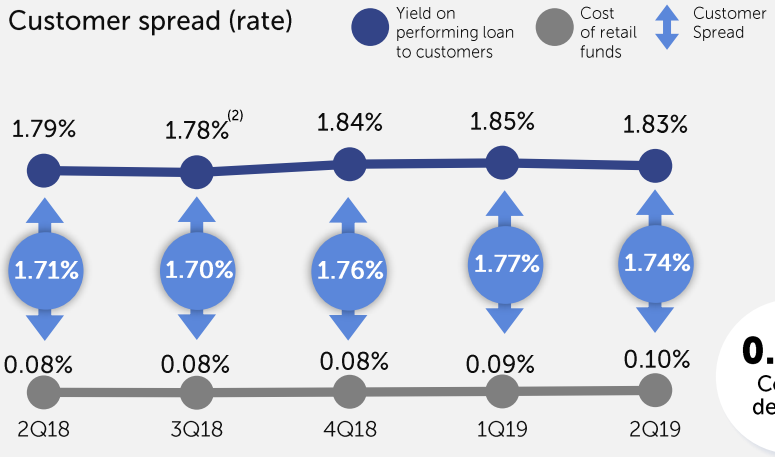
Net interest income quarterly evolution (€m)



Net interest income YoY change (1H18-1H19)



Customer spread (rate)



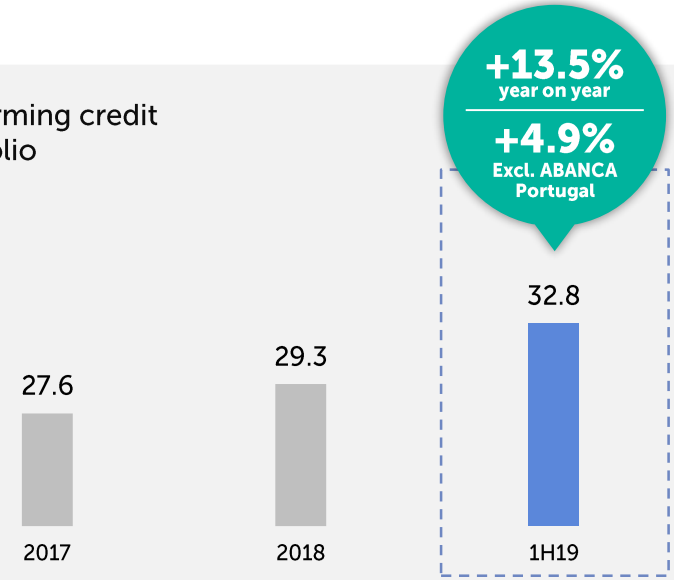
0.08% Cost of deposits (€)

Source: ABANCA Group information. Unless otherwise stated, data refers to 1H2019 from ABANCA Group. Companies 1H19 Financial Reports. Benchmark considers Santander (Spain), BBVA (Spain), CaixaBank, Bankia, Sabadell, Bankinter, Unicaja, Liberbank, Ibercaja and Kutxabank. Notes: (1) €536m ex. one-offs transactions (€8.2m) (2) ex. one-offs transactions (€8.2m)

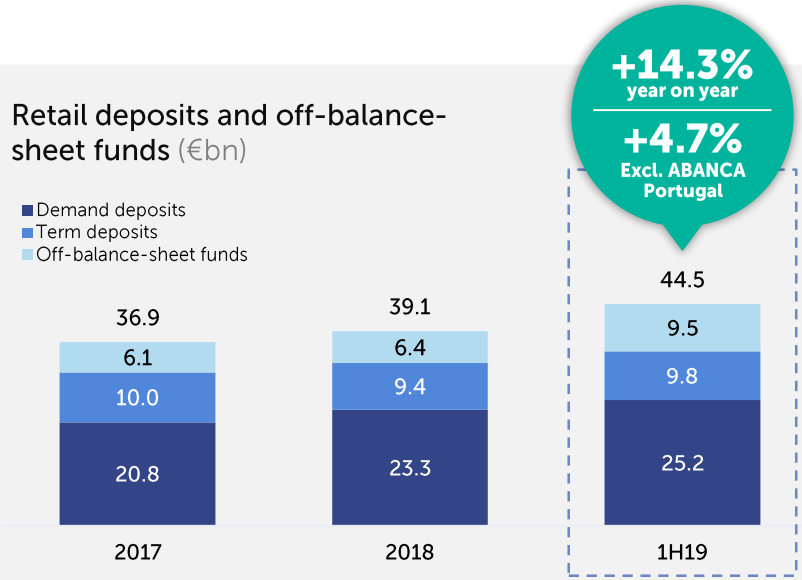
//ABANCA

Strong commercial dynamics that have supported growth in net banking income

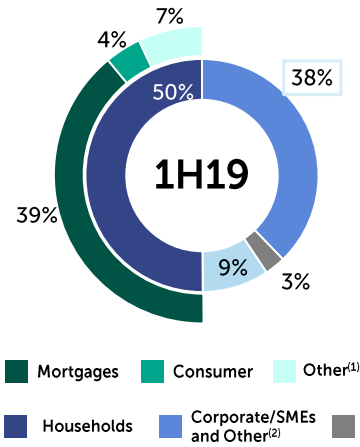
Performing credit portfolio (€bn)



Retail deposits and off-balance-sheet funds (€bn)



Loans and advances to customers by type of client (%)



Strategic Focus in SMEs Sector

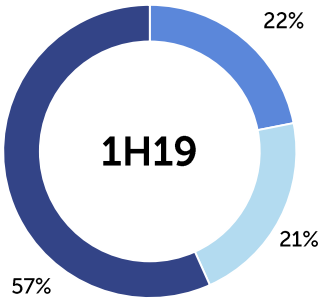
€1,127m SMEs new production in 1H 2019

% of Corporate/SMEs and other(2) over Total Loan Portfolio

34% in 2015 〉 38% in 1H 2019

0.8% Of new production that has been classified as NPL (at any time) since 2015

Client resources by nature (%)



Fee Business Focus

% of Off-balance-sheet funds over Total Customer Funds

13% in 2015 〉 21% in 1H 2019

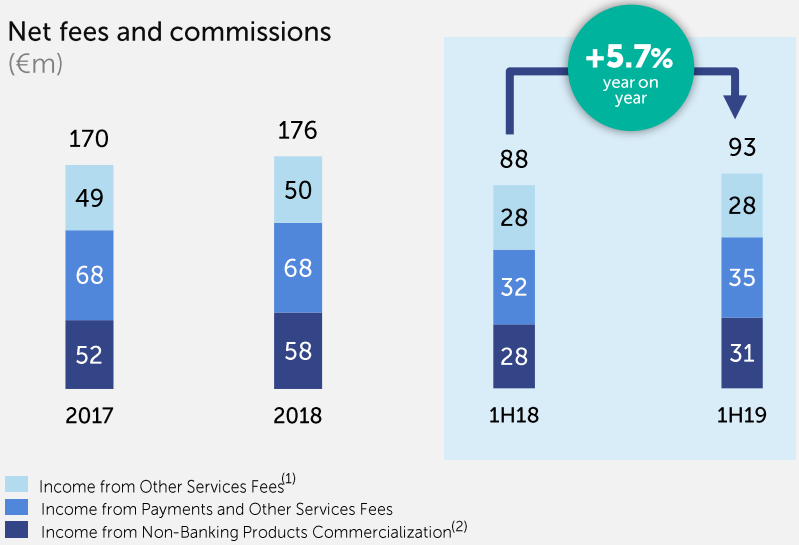
DB PCB incorporation

€3.0bn Off-balance sheet funds

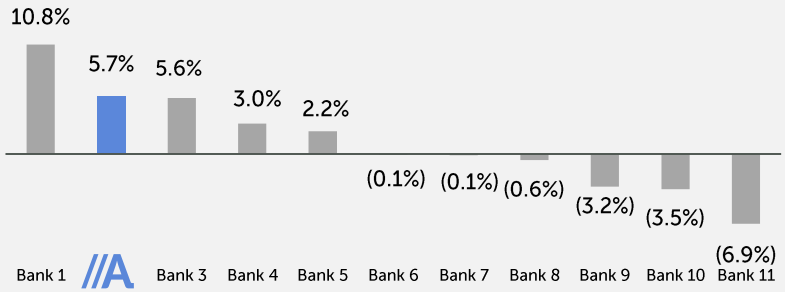
Source: ABANCA Group information. Unless otherwise stated, data refers to 1H2019 from ABANCA Group. Notes: (1) Includes Investment loans from DB PCB integration (2) Other includes: Other Financial Entities.

Fees reflect focus on asset gathering and insurance business

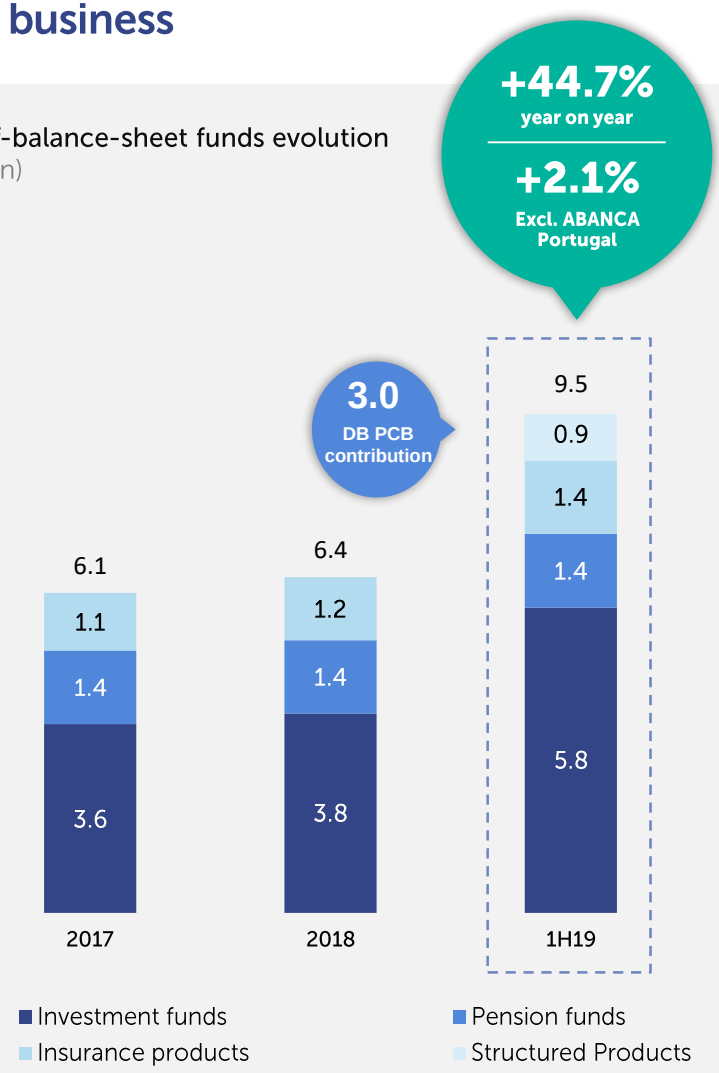
Net fees and commissions
(€m)



Banks net fees and commissions YoY change (1H18-1H19)



Off-balance-sheet funds evolution
(€bn)

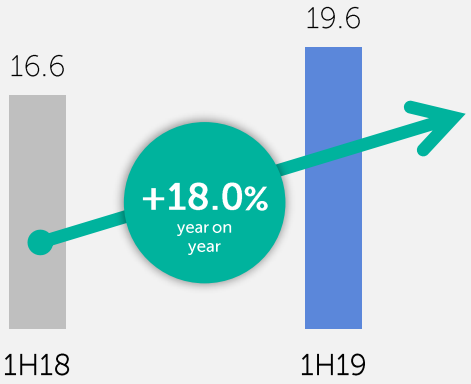


Source: ABANCA Group information. Unless otherwise stated, data refers to 1H2019 from ABANCA Group. Companies 1H19 Financial Reports. Benchmark considers Santander (Spain), BBVA (Spain), CaixaBank, Bankia, Sabadell, Bankinter, Unicaja, Liberbank, Ibercaja and Kutxabank. Notes: (1) Mainly includes commissions related to credit portfolio and contingent risks, as well as underwriting and recovery claims commissions. (2) Includes fees and commissions from off-balance-sheet funds.

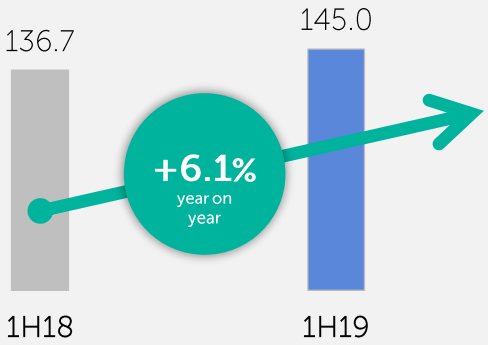
Alliance with Crédit Agricole Assurances to develop the general insurance business in Spain and Portugal

New insurance premiums production (€m)

General insurance



Life Insurance



Industrial Partner

CRÉDIT AGRICOLE ASSURANCES

Nº 1	Nº 1	Top 10
BANCASSURANCE in Europe	INSURER in France	INSURER in Europe

BY PREMIUM VOLUME

ABANCA
distribution and "Know Your Client"

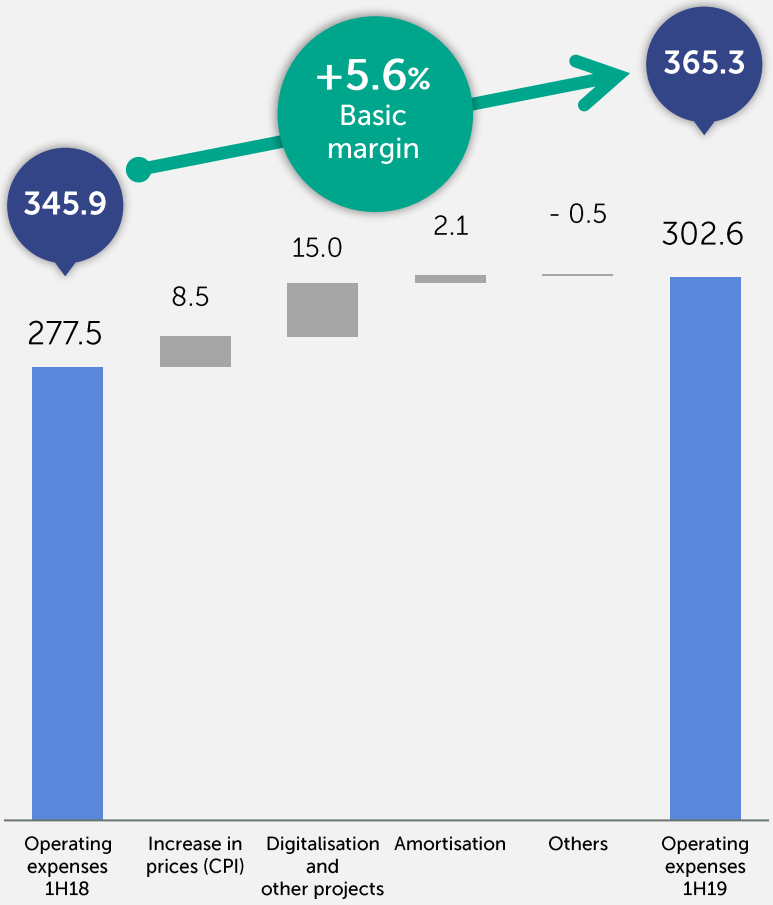
CRÉDIT AGRICOLE ASSURANCES
technical and product expertise

- → New insurance company with headquarters in Galicia
- → 50% ownership between both partners
- → Long-term stability
- → Digital and innovative approach

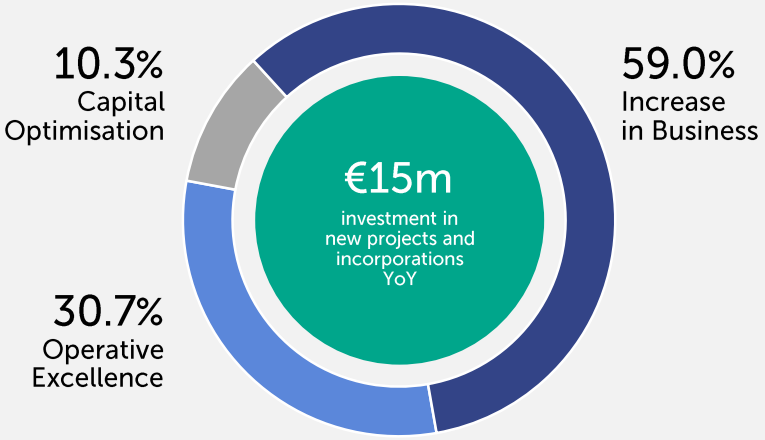
Source: ABANCA Group information. Unless otherwise stated, data refers to 1H2019 from ABANCA Group.

Investments to achieve higher income-gathering capabilities

Operating expenses (€m)



Distribution of the increase of expenditure aimed at projects



Despite recent acquisitions, cost to income ratio remains in line with the industry's ratio

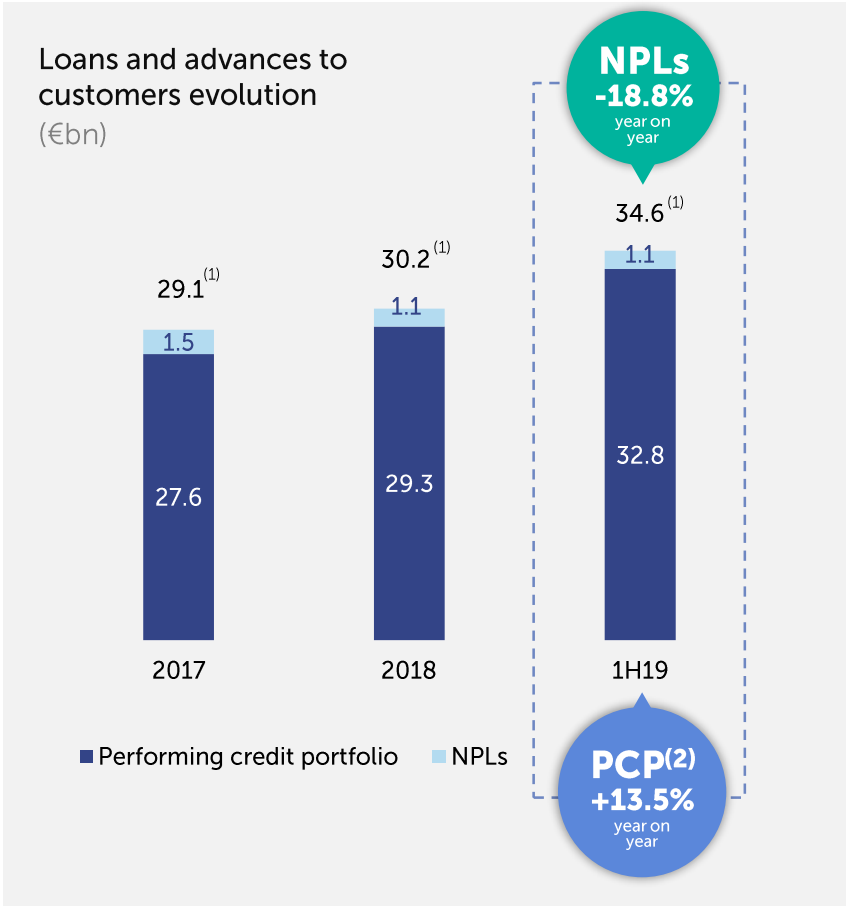
Cost to Income (%)	62%	ABANCA 1H19	59%	INDUSTRY 1H19

Source: ABANCA Group information. Unless otherwise stated, data refers to 1H2019 from ABANCA Group.

The improvement in asset quality leads to a reduction in cost of risk

> Significant reduction in credit impairments...

> ... due to the improvement in risk profile driven by NPL reduction





Source: ABANCA Group information. Unless otherwise stated, data refers to 1H2019 from ABANCA Group. Notes: (1) Includes Repurchase agreements, Valuation adjustments and amounts from extraordinary activities (€0.0bn in 2017, -€0.2bn in 2018 and €0.7bn in 1H19). (2) Performing Credit Portfolio.

TABLE OF CONTENTS

1. **ABANCA at a glance**

2. **Profitable business model**

3. **Sound financial profile**

4. **Healthy capital position**

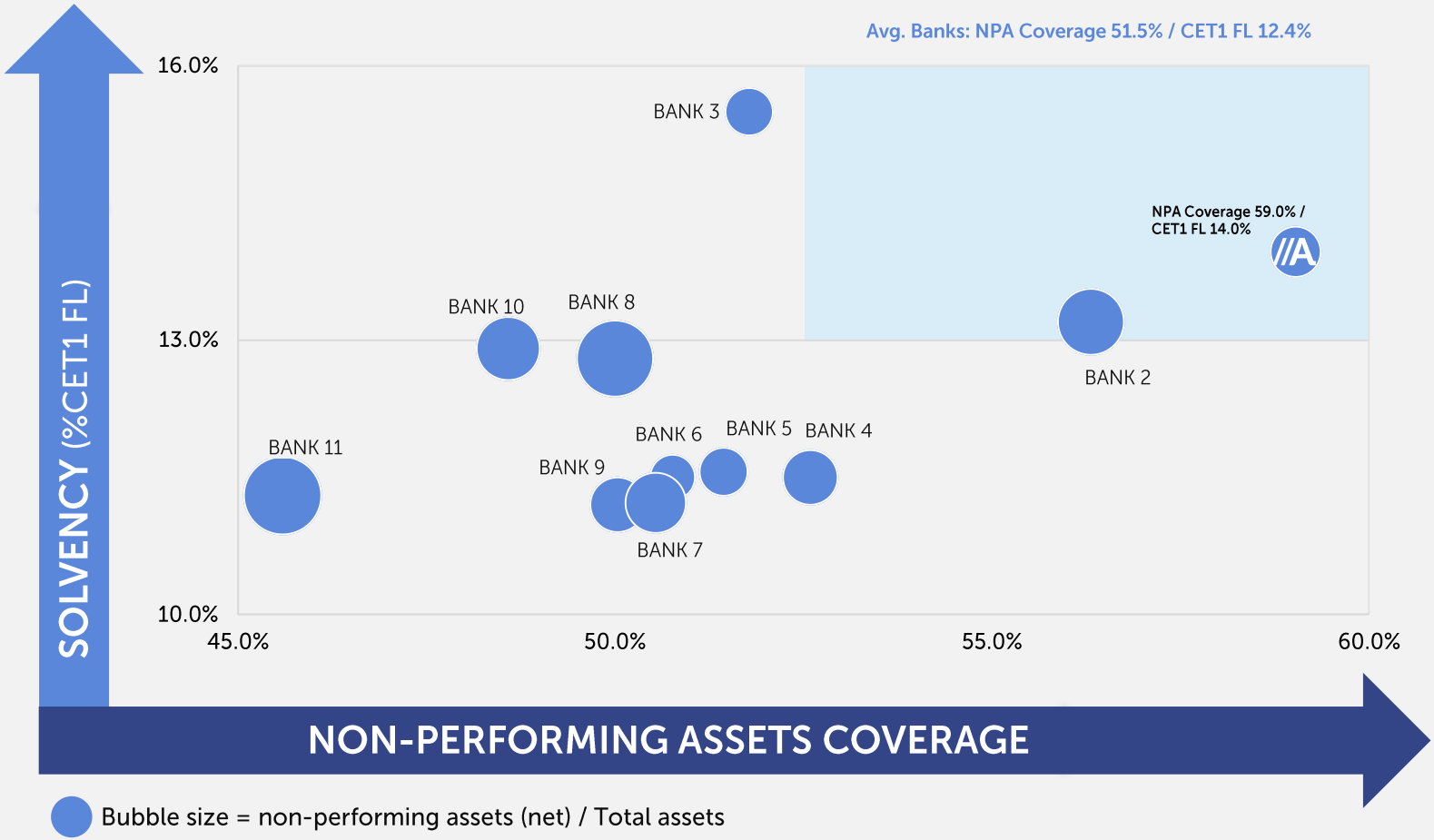
A. Appendix

   1. Cover pool information

   2. Other information



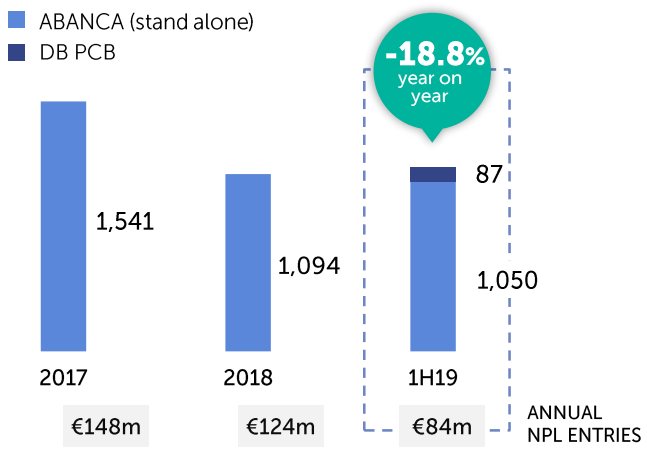
Comfortable common equity position with a sound NPA coverage level



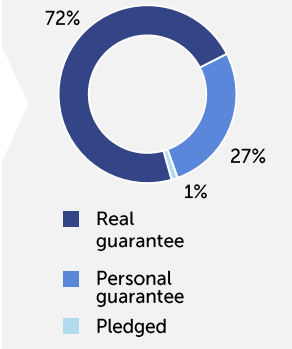
Source: ABANCA Group information. Unless otherwise stated, data refers to 1H2019 from ABANCA Group. Companies 1H19 Financial Reports. Benchmark considers Santander (Spain), BBVA (Spain), CaixaBank, Bankia, Sabadell, Bankinter, Unicaja, Liberbank, Ibercaja and Kutxabank (4Q18).

NPL reduction widens the gap with the sector in terms of asset quality

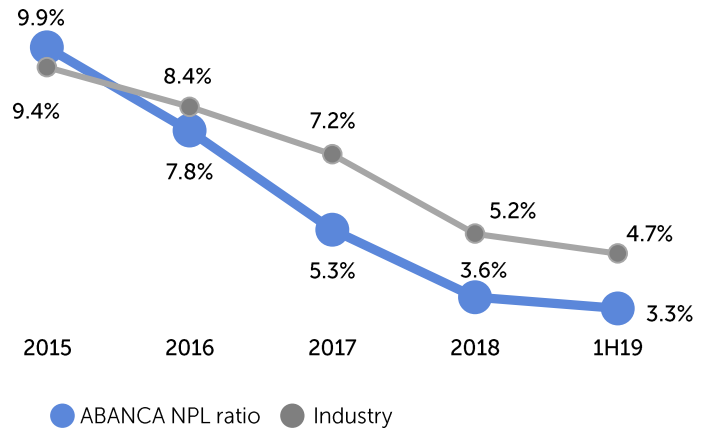
Non-performing loans (€m)



NPL collaterals (% 1H19)

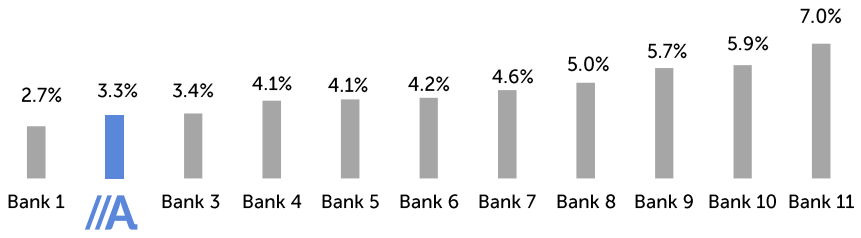


NPL ratio performance (%)

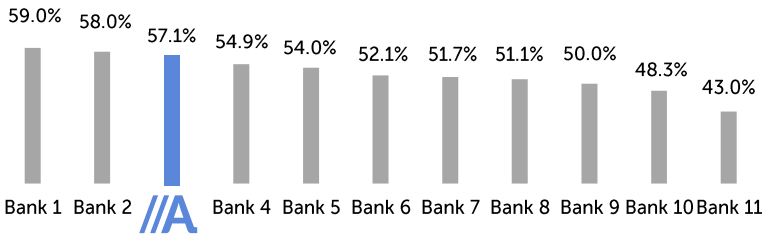


21 consecutive quarters decreasing NPL ratio

Banks NPL ratio benchmarking (%)



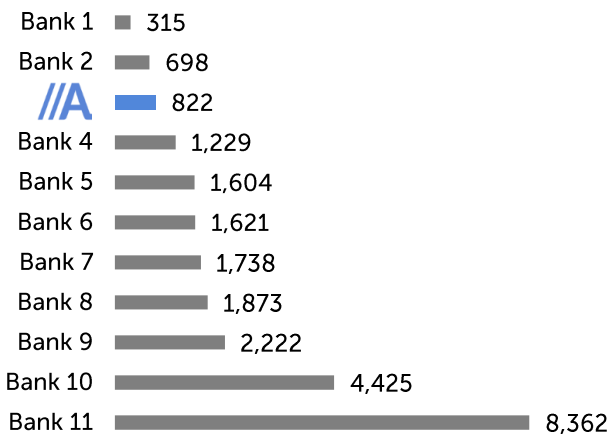
Banks NPL coverage benchmarking (%)

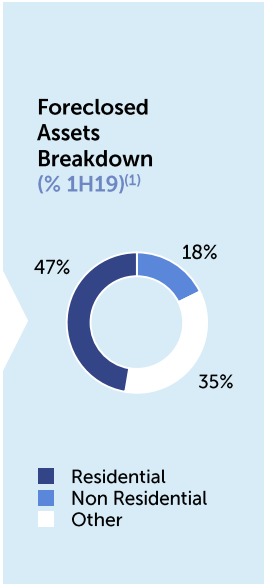


Source: ABANCA Group information. Unless otherwise stated, data refers to 1H2019 from ABANCA Group. Companies 1H19 Financial Reports. Benchmark considers Santander (Spain), BBVA (Spain), CaixaBank, Bankia, Sabadell, Bankinter, Unicaja, Liberbank, Ibercaja and Kutxabank (1Q2019 for NPLs coverage). NPL ratio of industry: data from Bank of Spain as of Jun-19.

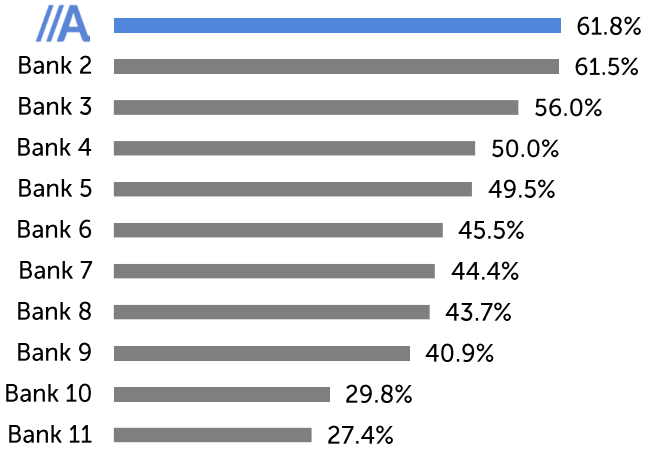
Limited weighting of foreclosed assets whilst maintaining great coverage levels

Foreclosed assets (gross) (€m)

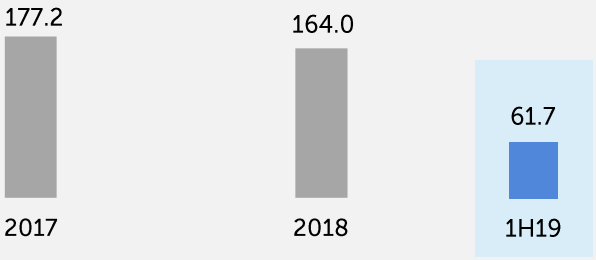




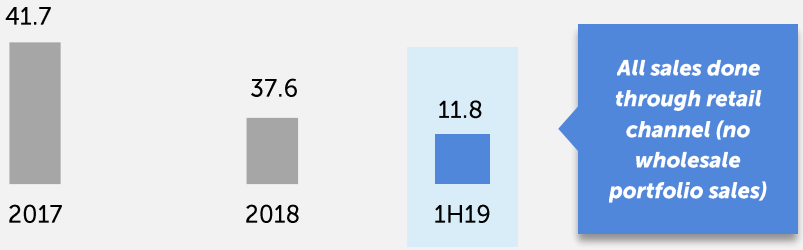
Coverage of foreclosed assets (%)



Foreclosed assets sold – volume(1) (€m)



Sales of foreclosed assets – profit(2) (€m)

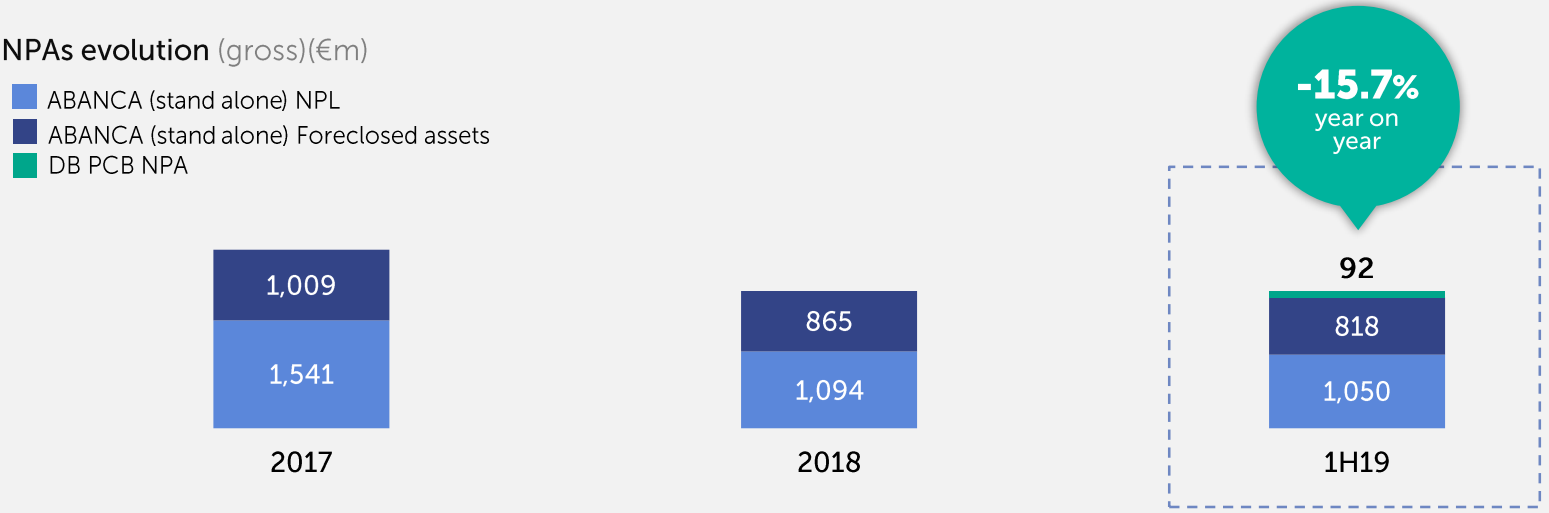


Source: ABANCA Group information. Unless otherwise stated, data refers to 1H2019 from ABANCA Group. Companies 1H19 Financial Reports. Benchmark considers Santander (Spain), BBVA (Spain), CaixaBank, Bankia, Sabadell, Bankinter, Unicaja, Liberbank, Ibercaja and Kutxabank (4Q18). Notes: (1) Gross book value. (2) Sales price minus commercialization costs minus Net Book Value.

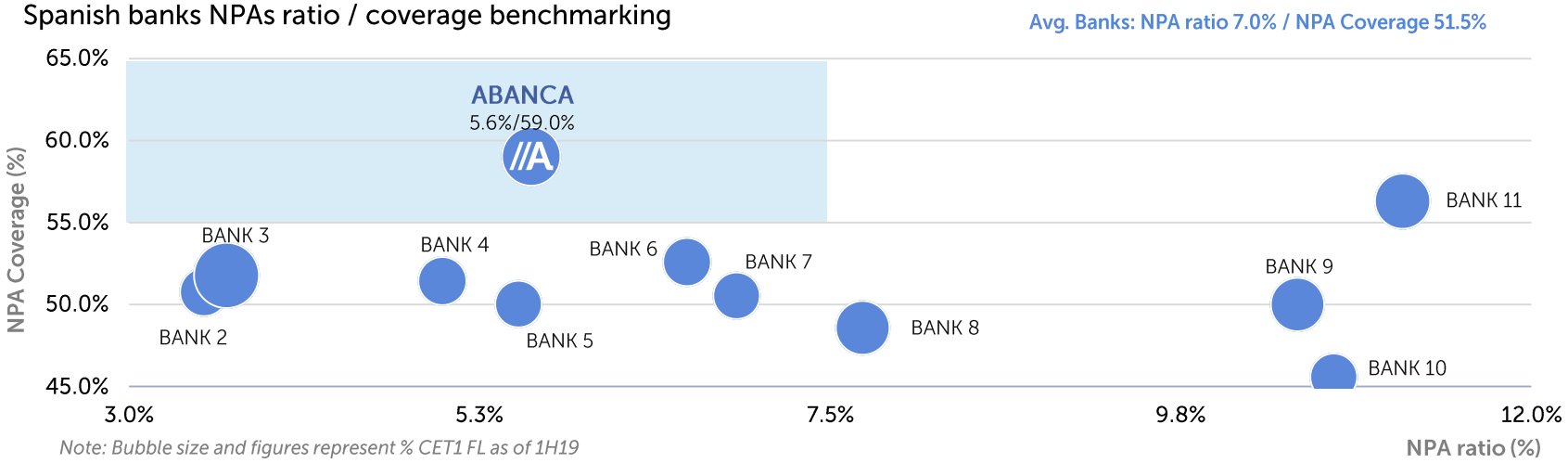
//ABANCA

Strong NPA reduction strategy whilst maintaining best in-class coverage levels

NPAs evolution (gross)(€m)



Spanish banks NPAs ratio / coverage benchmarking

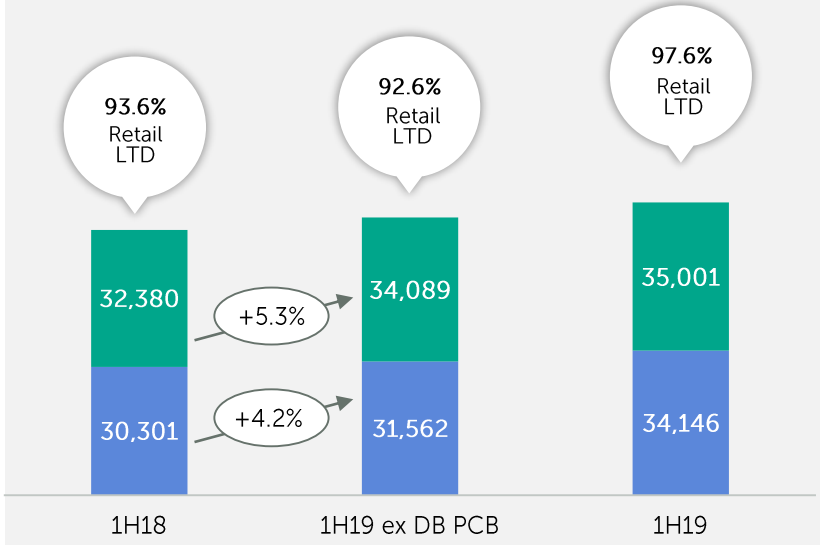


Note: Bubble size and figures represent % CET1 FL as of 1H19

Source: ABANCA Group information. Unless otherwise stated, data refers to 1H2019 from ABANCA Group. Companies 1H19 Financial Reports. Benchmark considers Santander (Spain), BBVA (Spain), CaixaBank, Bankia, Sabadell, Bankinter, Unicaja, Liberbank, Ibercaja and Kutxabank (4Q18).

Comfortable position in terms of liquidity

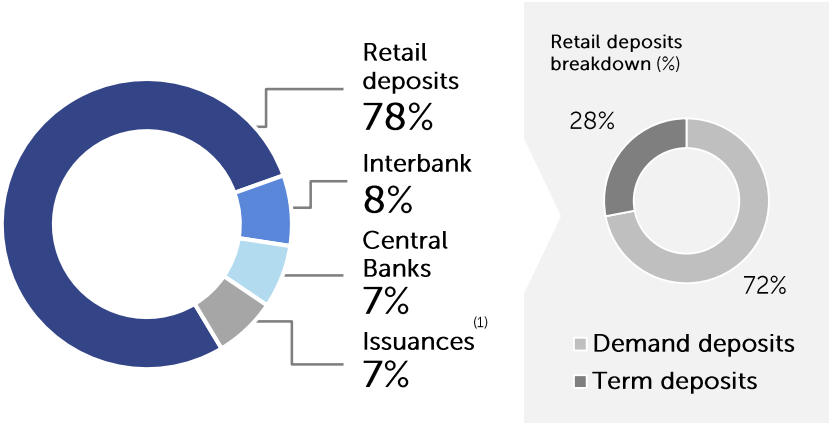
Retail loan to deposits ratio (%)



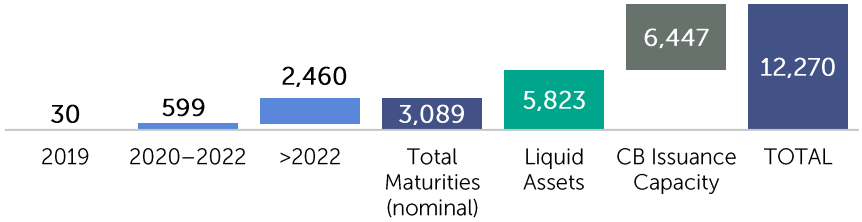
- ✓ Despite of the relevant growth in credit, ABANCA continues to maintain higher variations in collecting customer resources
- ✓ The recent acquisitions will balance ABANCA´s liquidity position towards to a more efficient situation in the current low interest rates framework

Target Retail LTD ~100%

Financing structure 1H19 (%)



Wholesale funding position 1H19 (€m)



129% NSFR NET STABLE FUNDING RATIO
Complying with Basel III

196% LCR LIQUIDITY COVERAGE RATIO
Complying with Basel III

1.9x Liquid assets / issued maturities

Source: ABANCA Group information. Unless otherwise stated, data refers to 1H2019 from ABANCA Group. Notes:
(1) Includes AT1 classified as *Equity instruments issued other than capital.*

TABLE OF CONTENTS

1. **ABANCA at a glance**
2. **Profitable business model**
3. **Sound financial profile**
4. **Healthy capital position**

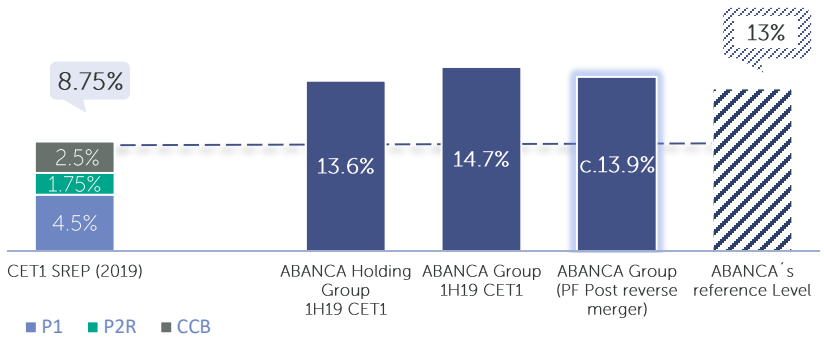
A. Appendix

   1. Cover pool information
   2. Other information

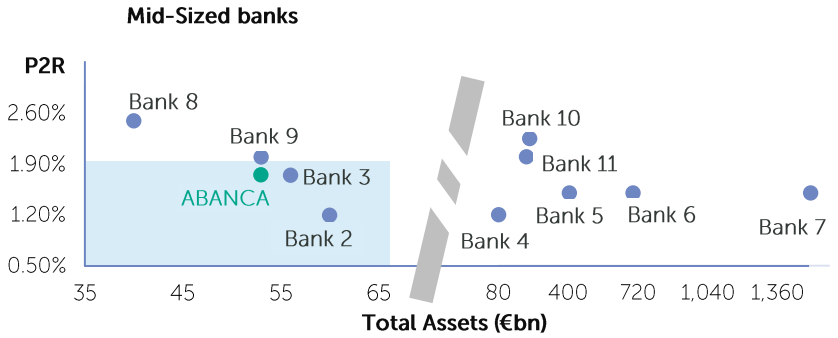


Healthy capital position
Strong capital buffer over SREP requirements

1H19 CET1 (Phase In) already shows a comfortable cushion



Strong performance underpins low P2R



ABANCA has one of the lowest P2R among Mid-sized Spanish peers

Capital REQUIREMENTS

- In Feb-19, the ECB set ABANCA's 2019 CET1 SREP and overall capital requirement (OCR) at 8.75% and 12.25% respectively. These include:
  - Pillar 1: Minimum CET1 / Total Capital requirement of 4.5% / 8.0%
  - Pillar 2 Requirement (P2R) of 1.75%
  - Capital Conservation Buffer of 2.50%
- Although AT1 and Tier 2 buckets are not fully covered, ABANCA has sufficient room to meet its OCR in full using CET1 capital only
- Post reverse merger of ABANCA Holding with the Bank, capital requirements are expected to be applied at highest level of consolidation (hereinafter, ABANCA Group)] (see Annex)

BUFFERS

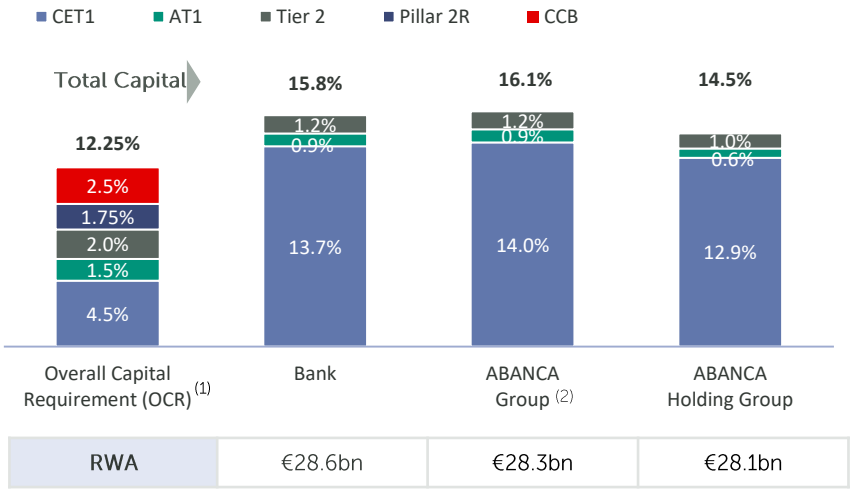
- ABANCA will maintain a reference level of CET1 of 13%
- Every level of consolidation has significant buffers above the CET1 and overall capital requirements
- ABANCA will continue to maintain strong capital buffers and further strengthen its loss-absorbency position
- The Bank's Distributable Items amounted to €965m as of Dec-18

Source: Unless otherwise stated, data refers to 1H2019 from ABANCA Group. Companies 1H19 Financial Reports. Benchmark considers Santander, BBVA, CaixaBank, Bankia, Sabadell, Bankinter, Unicaja, Liberbank, Ibercaja and Kutxabank (1Q2019).

Healthy capital position

High capital levels provides comfortable cushion for investors

Fully loaded capital position (1H19)

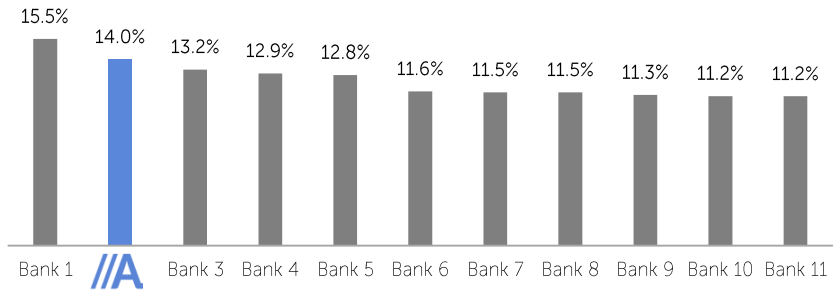


RWA	€28.6bn	€28.3bn	€28.1bn

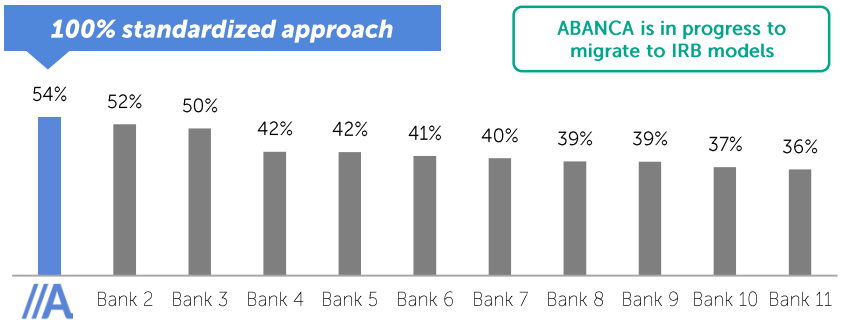
The reverse merge will streamline the eligibility of the capital instruments, thus increasing the surplus to the maximum level of consolidation

Conservative risk-weights add further resilience to ABANCA's capital position

Spanish banks fully loaded CET1 benchmarking (%)



Spanish banks density of RWAs benchmarking (%)

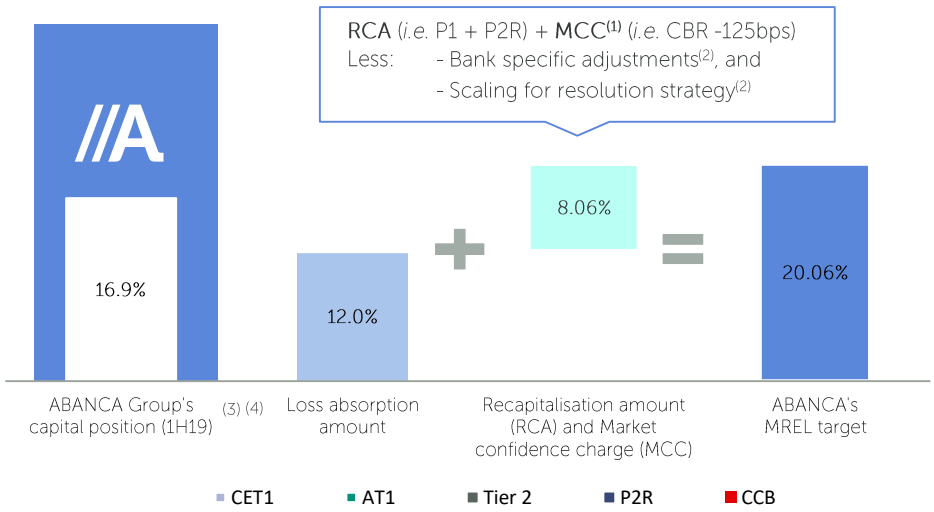


Source: Unless otherwise stated, data refers to 1H2019 from ABANCA Group. Companies 1H19 Financial Reports. Benchmark considers Santander, BBVA, CaixaBank, Bankia, Sabadell, Bankinter, Unicaja, Liberbank, Ibercaja and Kutxabank (1Q2019). (1) Overall Capital Requirement (OCR) represents the sum of Pillar 1, Pillar 2R and combined buffer requirements. (2) For presentation purposes only. At present, the regulatory minimum capital requirements are not applicable to ABANCA Group.

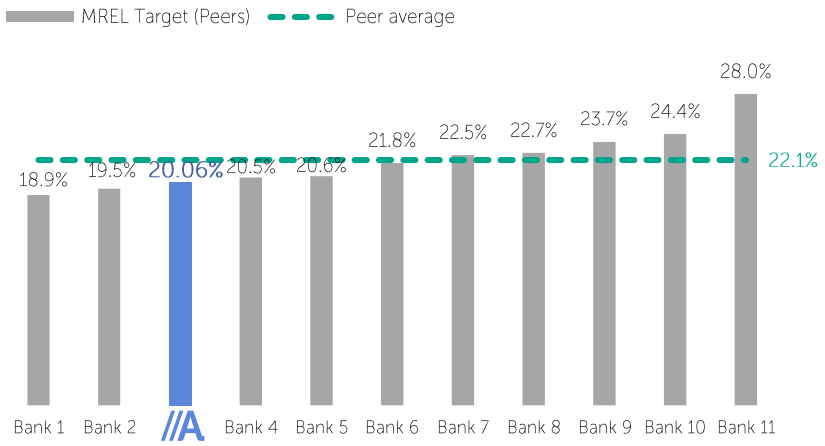
//ABANCA

Robust capital position facilitates MREL compliance

ABANCA's MREL Target



MREL Target Benchmarking (%)



ABANCA has one of the lowest MREL targets among Spanish banks

- ABANCA received the binding MREL targets in May 2019
- MREL Target is set at 10.55% TLOF (*i.e.* 20.06% of 2017 RWA) on a consolidated basis, to be met by 1 January 2022.
- ABANCA Group's 1H19 total capital (16.9% RWA in Phase-in and 16.1% RWA in Fully Loaded [4]) provides a steady base for MREL compliance (current gap[5] of €1.1bn is widely incorporated in ABANCA´s funding plan). There are no upcoming own funds maturities in the near future
- Forecasted MREL issuance is manageable and has been incorporated in the current Strategic Plan

ABANCA will continue to enhance loss-absorbency using organic growth and capital markets access

Source: ABANCA Group information. Unless otherwise stated, data refers to 1H2019 from ABANCA Group.
Companies 1H19 Financial Reports. Benchmark considers Santander, BBVA, CaixaBank, Bankia, Sabadell, Bankinter, Unicaja, Liberbank, Ibercaja and Kutxabank.
(1) In line with the 2018 MREL policy, the SRB has decided to set the default MCC (Market Confidence Charge) at the level of the Combined Buffer Requirement minus 125 bps;
(2) For 18-20 of 2018 SRB Policy for the first wave of resolution plans; (3) Phased-in position
(4) Excluding impact of ongoing reverse merger of ABANCA Holding Financiero by ABANCA Corporación Bancaria
(5) Calculated as 20.06% (MREL requirement) minus 16.1% (1H19 Total Capital in Fully Loaded basis)

TABLE OF CONTENTS

1. **ABANCA at a glance**
2. **Profitable business model**
3. **Sound financial profile**
4. **Healthy capital position**

A. Appendix
   1. Cover pool information
   2. Other information



Mortgage Portfolio Overview

Mortgage Portfolio Overview	
Total mortgage cover pool (€m)	15,739.3
Substitution assets	0
Outstanding covered bonds (€m)	2,483.4
Total OC	533.8%
Number of loans	194,802
Number of debtors	324,783
Average loan balance (€k)	80.8
Weighted Average LTV (%)	57.1%
Weighted Average Seasoning (months)	93.8
Weighted Average Maturity (years)	19.0
Weighted Average Rate (%)	1.3%
Arrears >90 days (%)	3.1%
Floating rate loans (%)	96.1%
Loans in Euros (%)	98.2%

Residential	
Total amount (€m)	12,713.8
Number of loans	182,919
Number of borrowers	308,346
Average loan balance (€k)	69.5
Interest only loans	0.2%
Weighted Average LTV (%)	56.5%
Weighted Average Maturity (years)	21.0
Weighted Average Rate (%)	1.1%
Floating Rate loans (%)	98.1%
Arrears >90 days (%)	2.3%
10 largest exposures (%)	0.2%

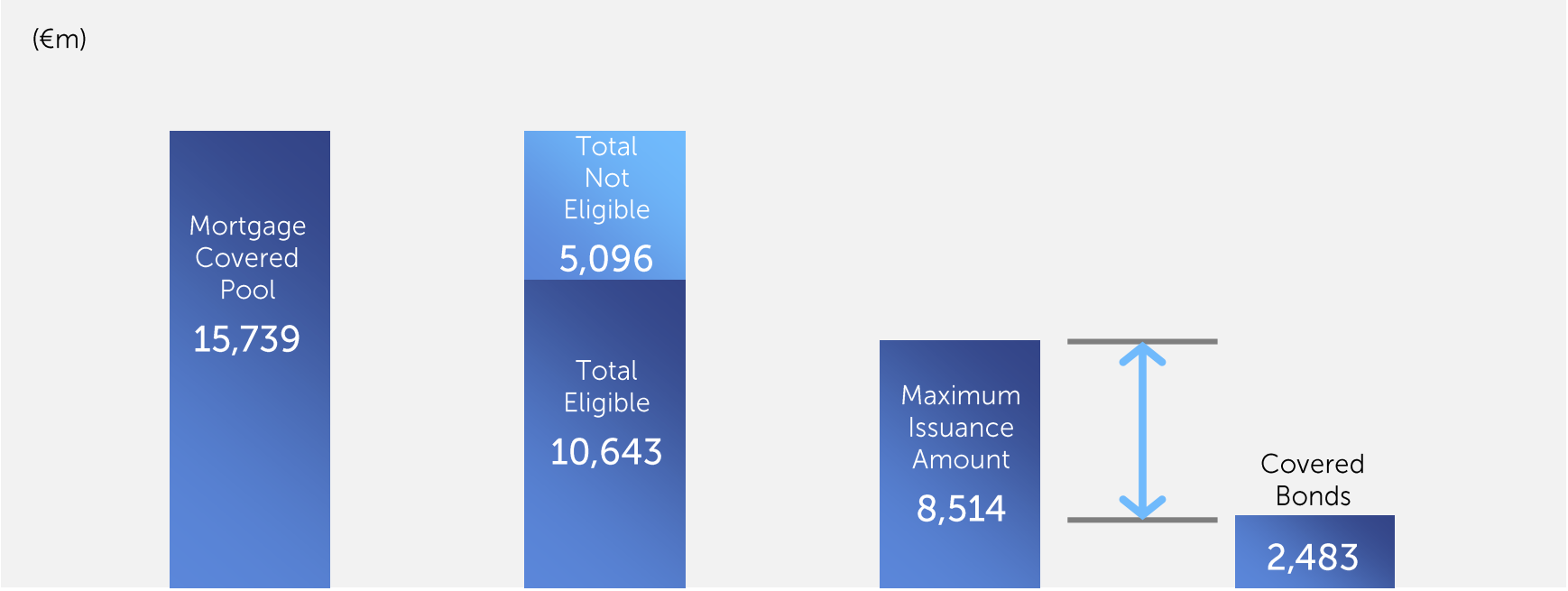
Commercial	
Total amount (€m)	3,025.5
Number of loans	11,883
Number of borrowers	16,437
Average loan balance (€k)	254.6
Interest only loans	18.3%
Weighted Average LTV (%)	59.7%
Weighted Average Maturity (years)	11.9
Weighted Average Rate (%)	2.5%
Floating Rate loans (%)	88.0%
Arrears >90 days (%)	6.5%
10 largest exposures (%)	9.7%

ABANCA Group information. Unless otherwise stated, data refers to 2Q19 from ABANCA Group

Outstanding Covered Bonds

ISIN	Issue Date	Maturity Date	Ccy	Nominal outstanding	Coupon type	Coupon	LCR status
ES0312362017	18-11-04	18-11-19	EUR	26,829,268	Fixed	4.26%	No
ES0312358015	31-03-05	31-03-20	EUR	116,666,666	Fixed	4.00%	No
ES0414958142	06-05-10	31-07-20	EUR	50,000,000	Fixed	4.90%	No
ES0312298054	24-03-06	24-03-21	EUR	300,000,000	Fixed	4.00%	2A
ES0312298021	14-12-05	14-12-22	EUR	129,629,630	Fixed	3.75%	No
ES0312298096	25-10-06	25-10-23	EUR	100,000,000	Fixed	4.25%	No
ES0317046003	23-05-05	23-05-25	EUR	200,000,000	Fixed	3.88%	No
ES0312342019	30-06-05	30-06-25	EUR	410,256,410	Fixed	3.75%	2A
ES0312298120	25-05-07	25-05-27	EUR	200,000,000	Fixed	4.76%	No
ES0465936054	28-05-19	28-05-29	EUR	750,000,000	Fixed	0.75%	1
ES0371622020	10-04-06	10-04-31	EUR	200,000,000	Fixed	4.25%	No

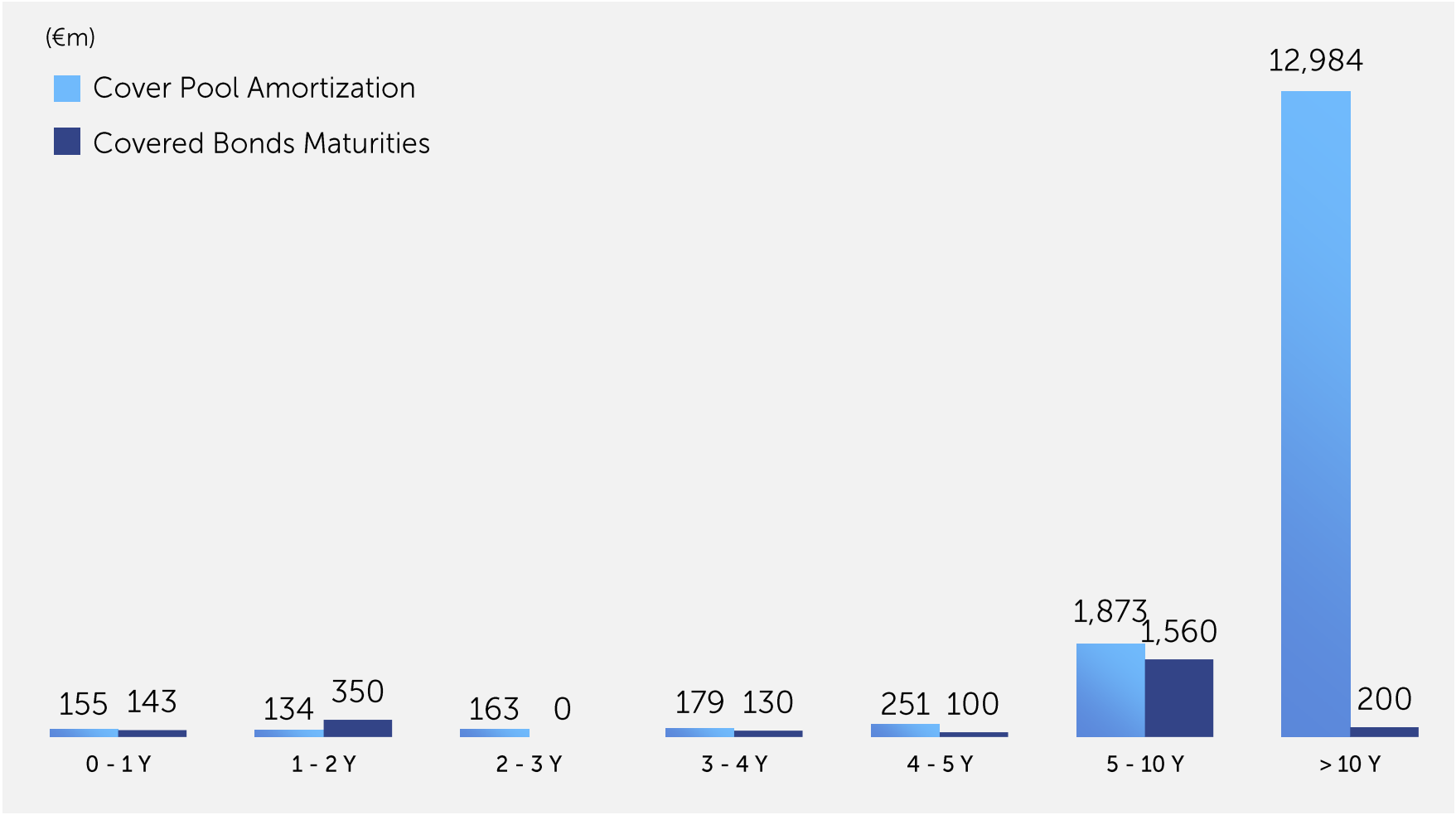
Over-collateralisation



Over-collateralisation (OC)	Legal / Regulatory	Actual
OC (%)	25.0%	533.8%
Eligible OC (%)		328.6%

 ABANCA Group information. Unless otherwise stated, data refers to 2Q19 from ABANCA Group

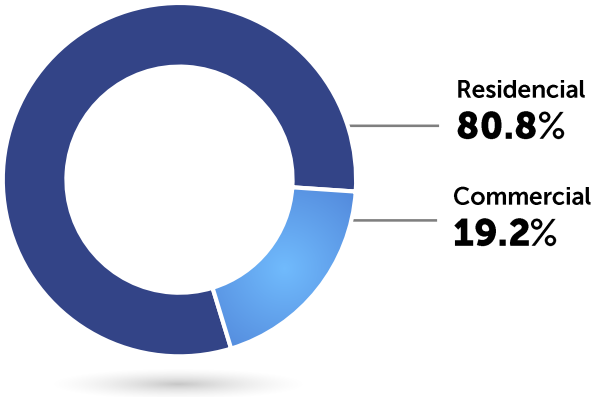
Amortization profile



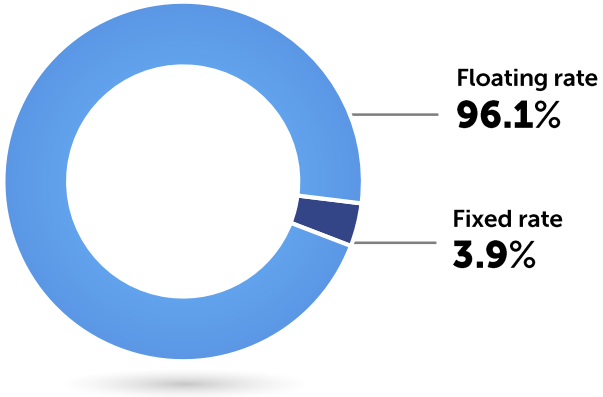
 ABANCA Group information. Unless otherwise stated, data refers to 2Q19 from ABANCA Group

Cover Pool Highlights

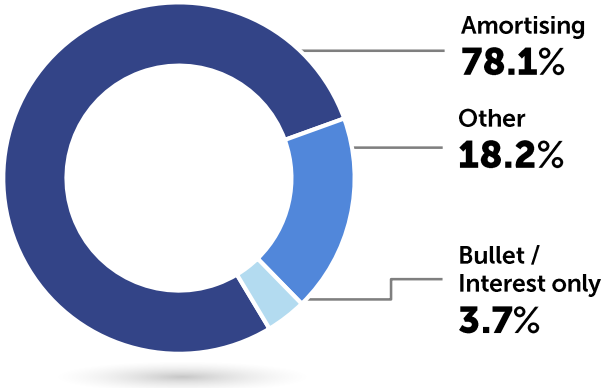
Residential/Commercial



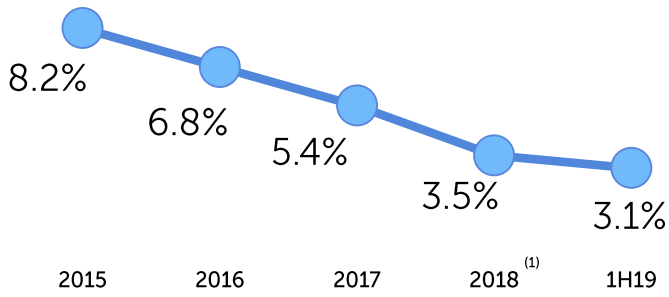
Breakdown by interest rate



Repayment type



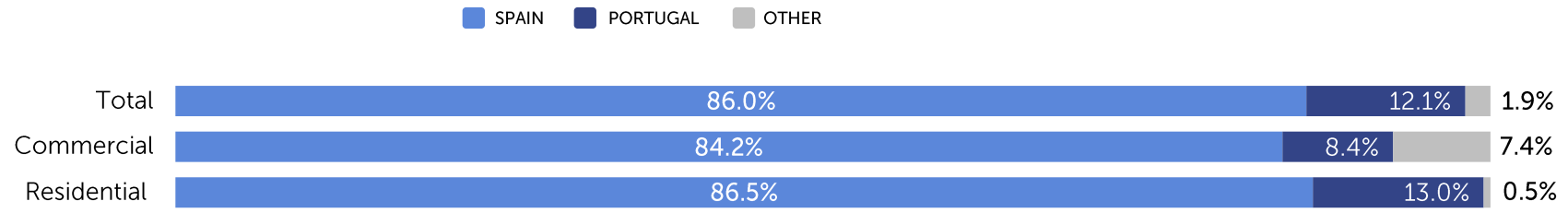
Arrears > 90 days



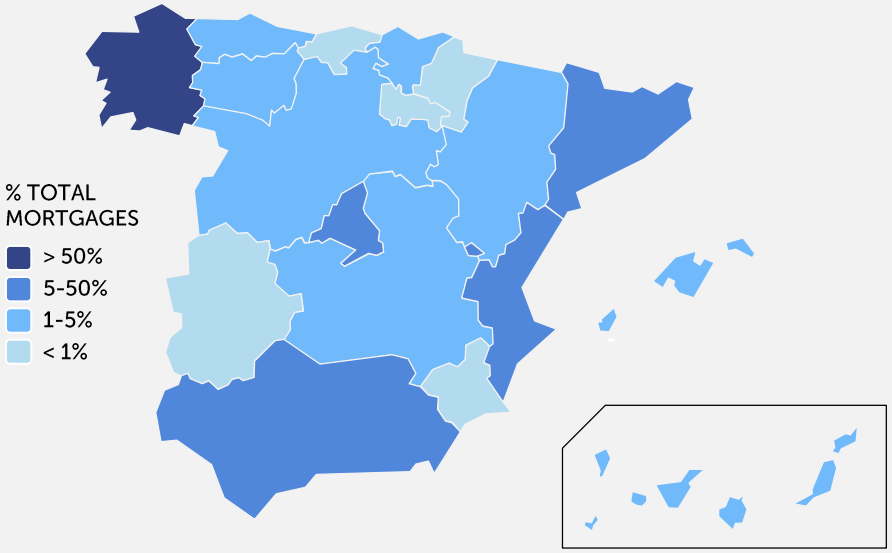
ABANCA Group information. Unless otherwise stated, data refers to 2Q19 from ABANCA Group.
Notes: (1) 2018 adjusted to current criteria

Cover Pool Highlights

Geographical Distribution

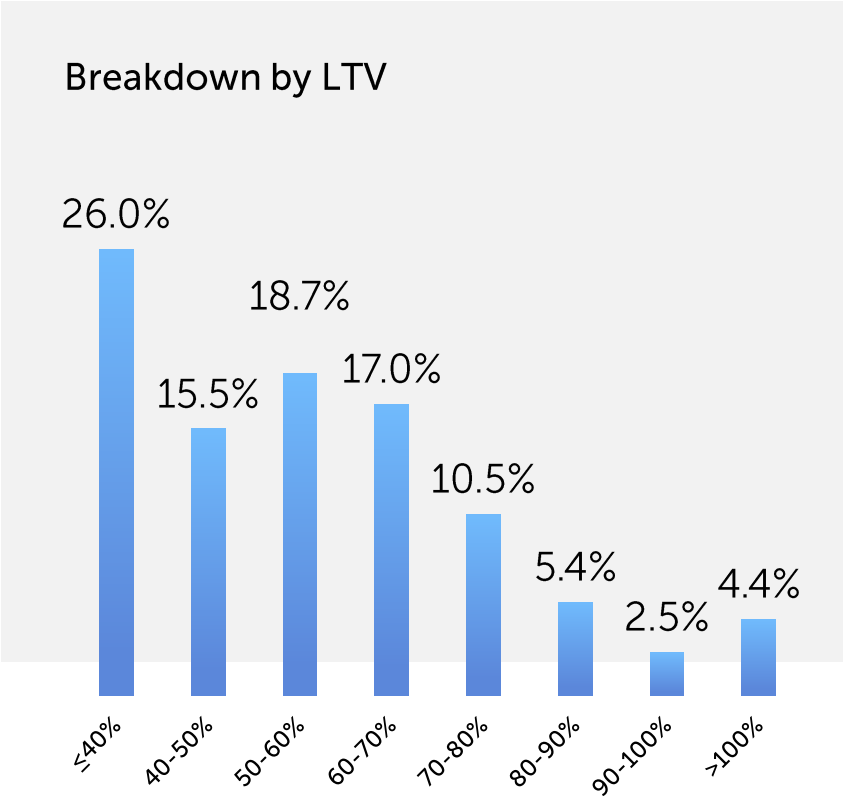


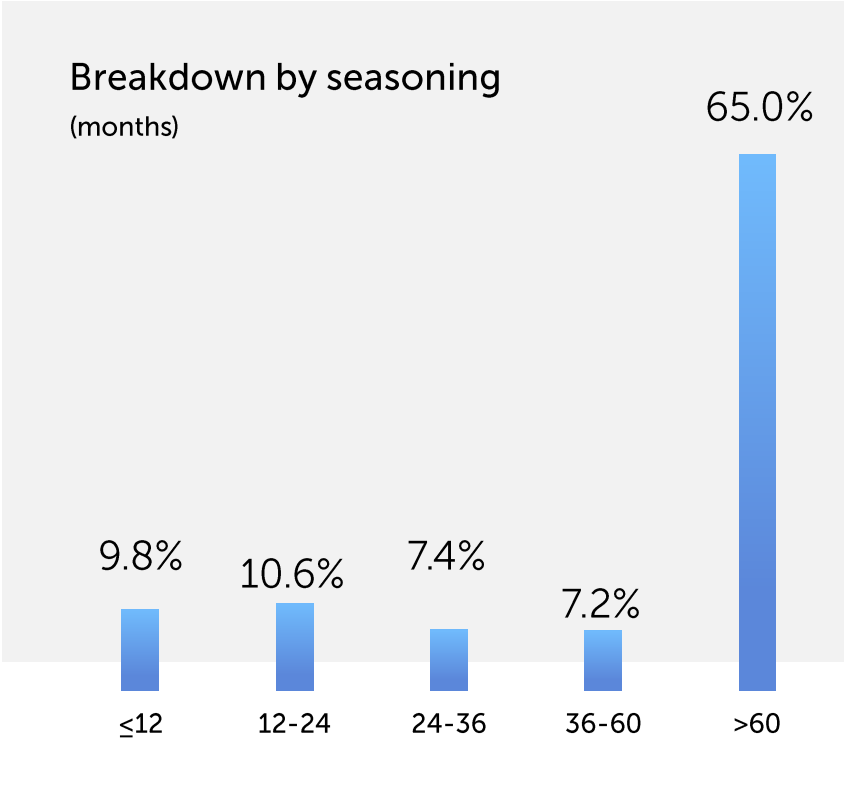
Geographical Distribution (Spain)



Balance per region	% Residential Loans	% Commercial Loans	% Total Mortgages
Andalusia	5.1%	4.9%	5.0%
Aragon	1.0%	1.2%	1.0%
Asturias	1.6%	2.4%	1.7%
Balearic Islands	1.4%	0.7%	1.2%
Basque Country	1.5%	2.9%	1.8%
Canary Islands	2.1%	2.1%	2.1%
Cantabria	0.5%	0.2%	0.4%
Castile La Mancha	1.2%	0.8%	1.1%
Castile León	4.4%	4.1%	4.4%
Catalonia	9.4%	5.3%	8.6%
Extremadura	0.4%	0.2%	0.3%
Galicia	52.0%	43.3%	50.4%
La Rioja	0.3%	0.3%	0.3%
Madrid	11.4%	24.4%	13.9%
Murcia	0.9%	0.8%	0.8%
Navarra	0.2%	0.6%	0.3%
Valencia	6.6%	5.9%	6.5%

Cover Pool Highlights





Weighted Average LTV: 57.1%

- 60.2% of the mortgage portfolio have LTV lower than 60%
- 87.7% of the mortgage portfolio have a LTV lower than 80%

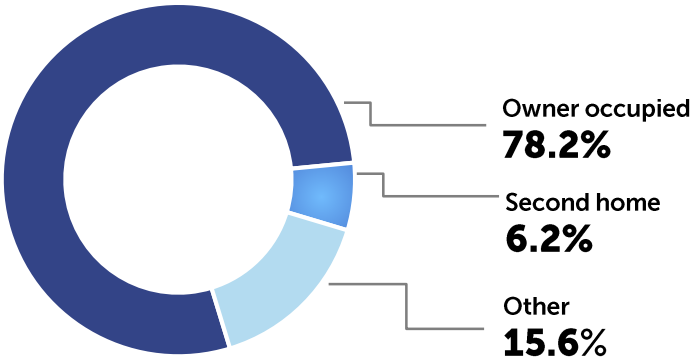
Weighted Average seasoning: 93.8 months

- 72.2% of the pool has a seasoning above 3 years

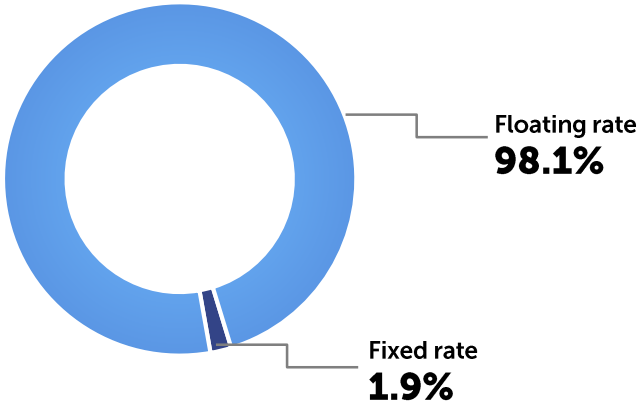
ABANCA Group information. Unless otherwise stated, data refers to 2Q19 from ABANCA Group

Residential Mortgage Portfolio

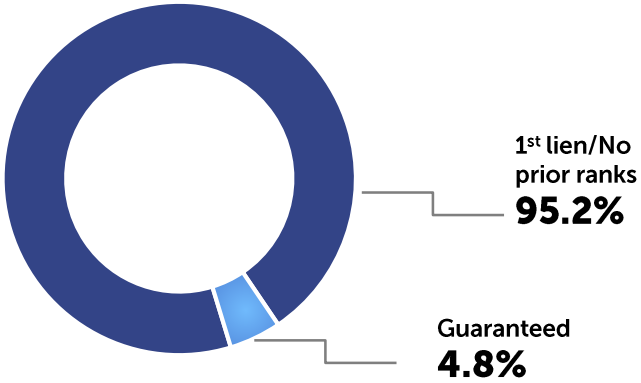
Breakdown by type of residence



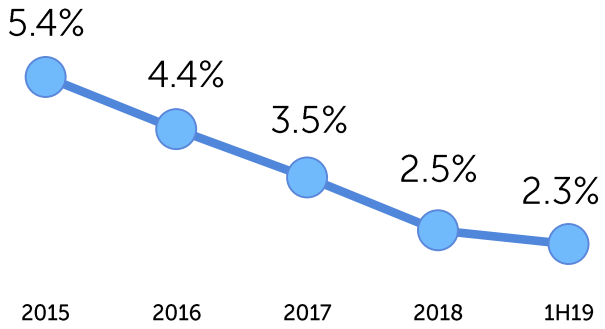
Breakdown by interest rate



Loan by ranking



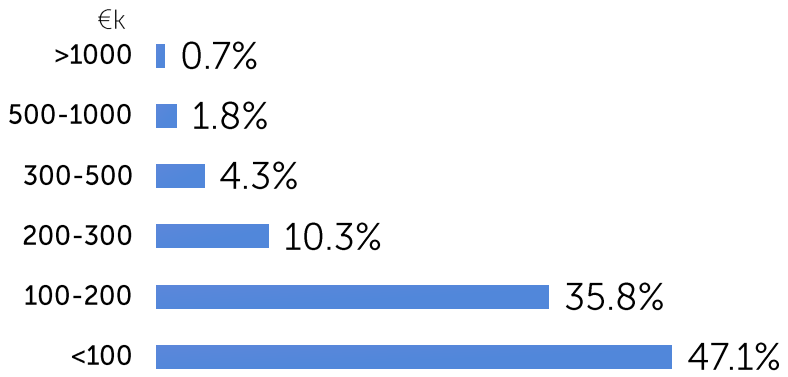
Arrears > 90 days



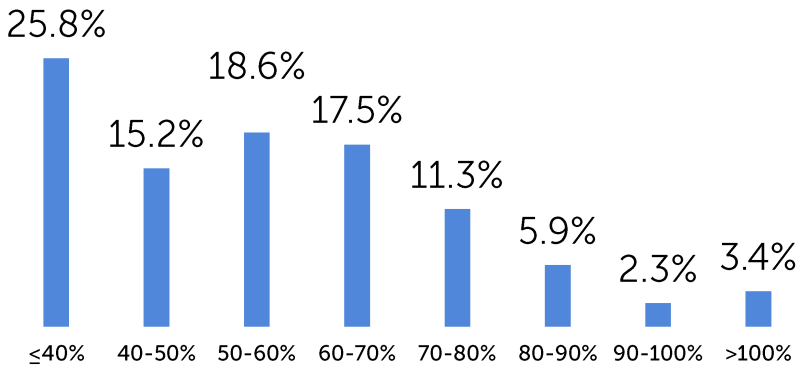
ABANCA Group information. Unless otherwise stated, data refers to 2Q19 from ABANCA Group.

Residential Mortgage Portfolio

Breakdown by loan size

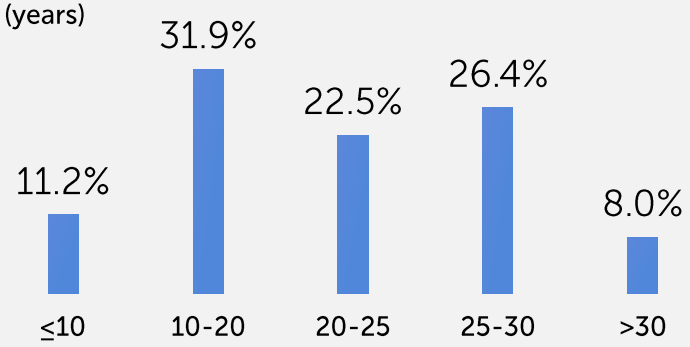


Breakdown by LTV



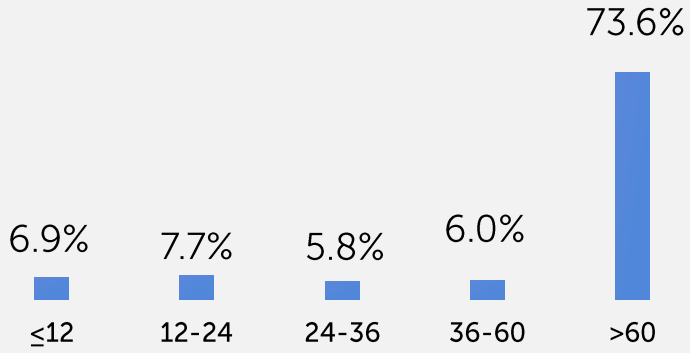
Breakdown by Maturity

(years)



Breakdown by Seasoning

(months)

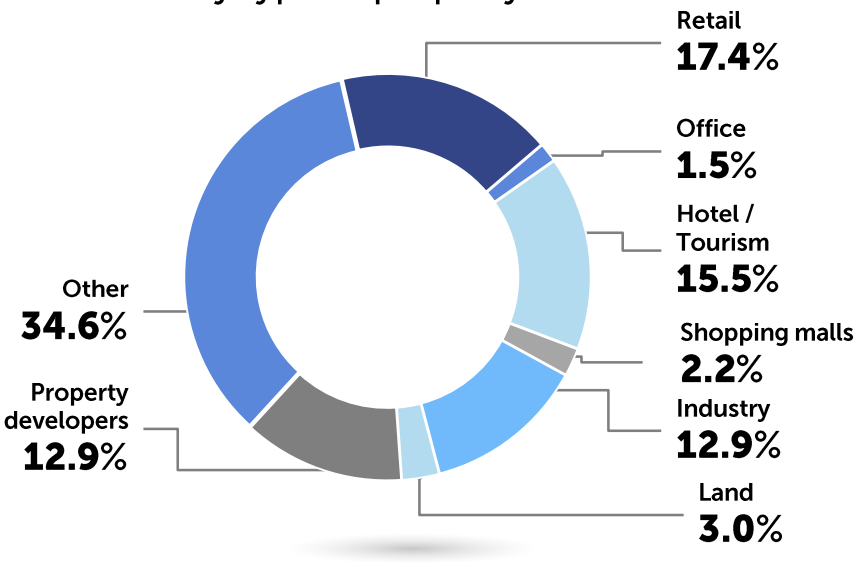


 ABANCA Group information. Unless otherwise stated, data refers to 2Q19 from ABANCA Group

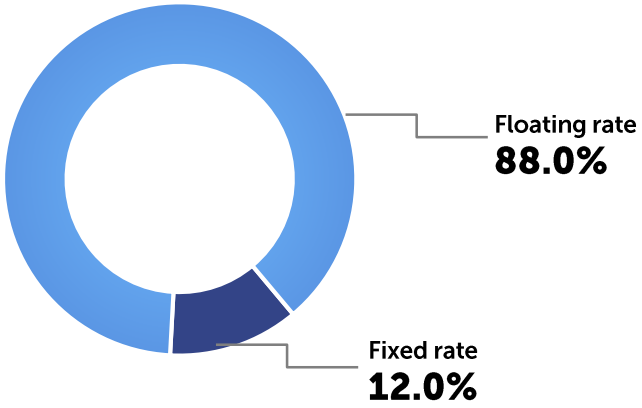
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Commercial Mortgage Portfolio

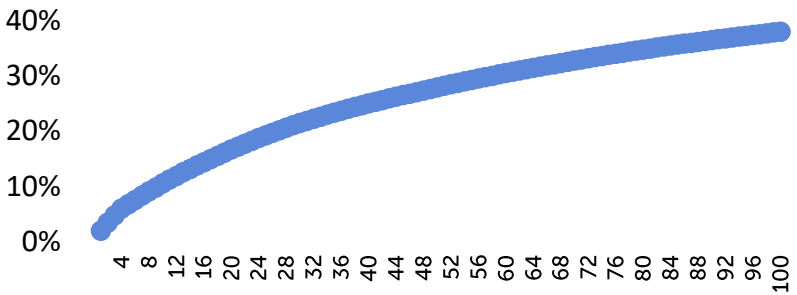
Breakdown by type of property



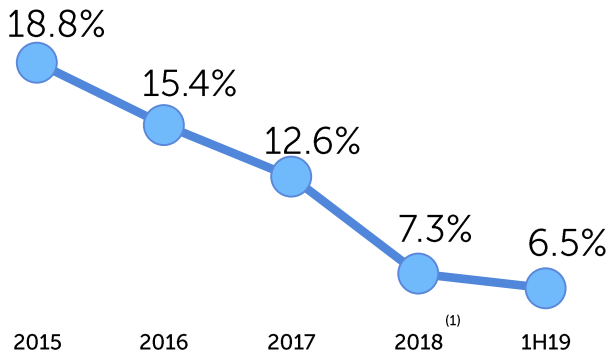
Breakdown by interest rate



Cumulative Top 100 Borrowers



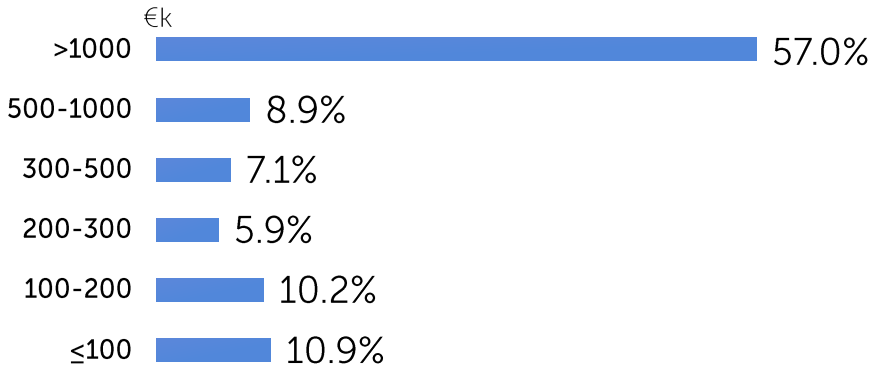
Arrears > 90 days



ABANCA Group information. Unless otherwise stated, data refers to 2Q19 from ABANCA Group.
Notes: (1) 2018 adjusted to current criteria

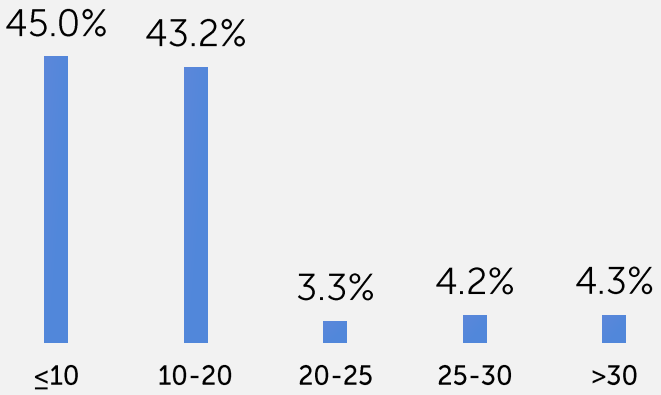
Commercial Mortgage Portfolio

Breakdown by loan size

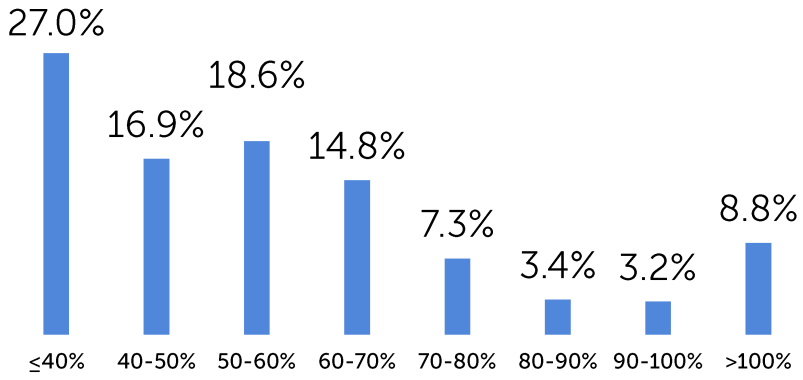


Breakdown by Maturity

(years)

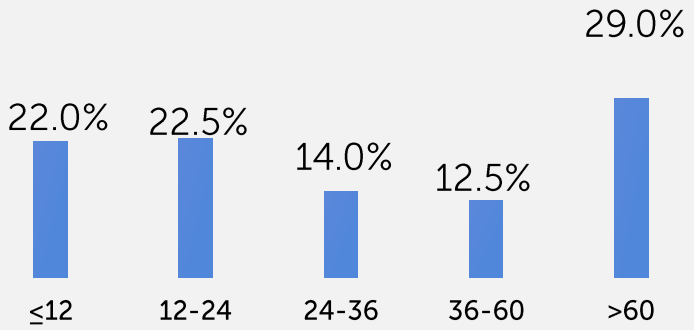


Breakdown by LTV



Breakdown by Seasoning

(months)



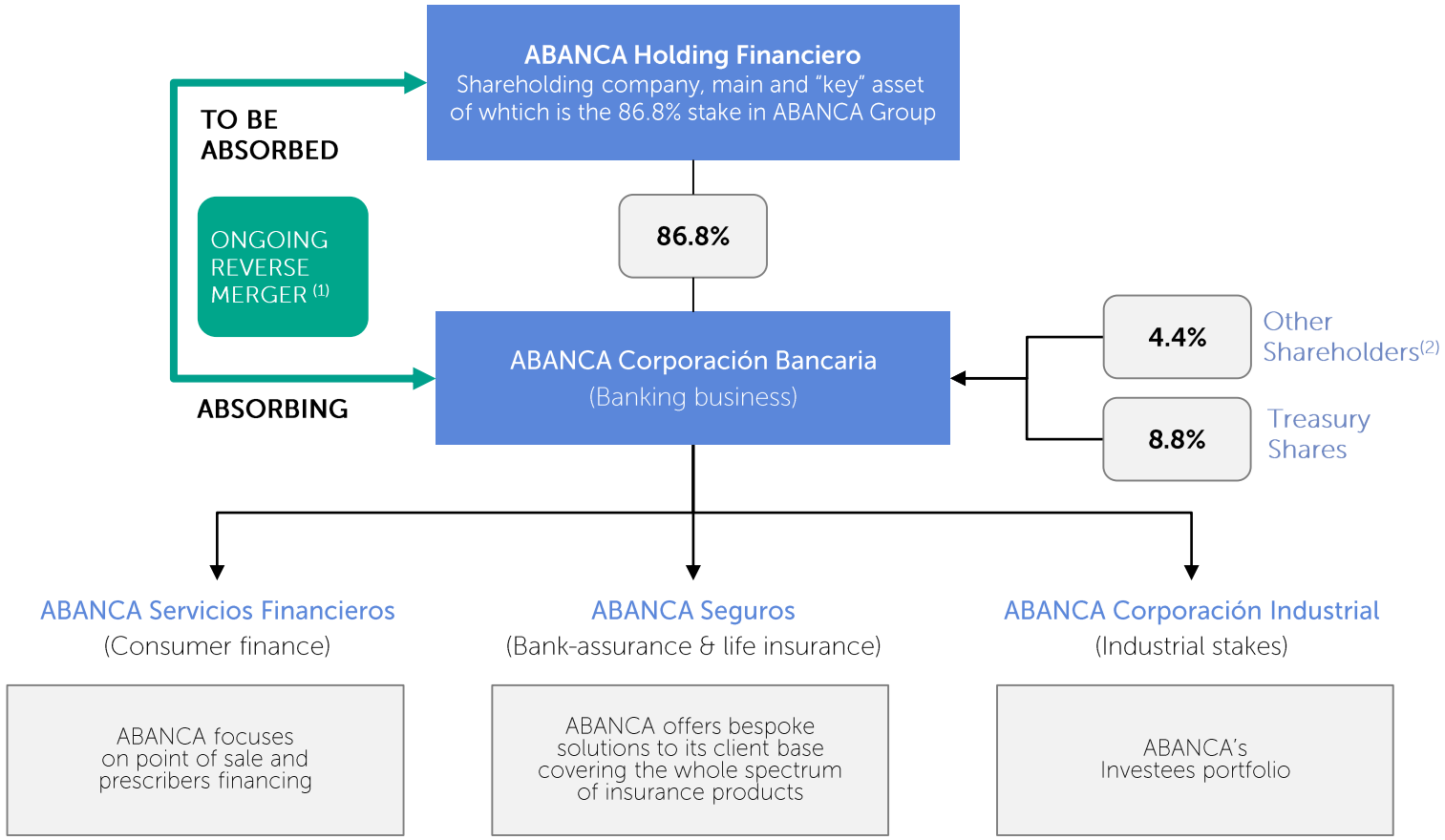
 ABANCA Group information. Unless otherwise stated, data refers to 2Q19 from ABANCA Group

Group structure

> Juan Carlos Escotet as controlling shareholder acquired ABANCA's seeds in 2014, NCG Banco, a clean bank that had already been restructured by the FROB

Simplified group structure maintaining the same majority shareholder

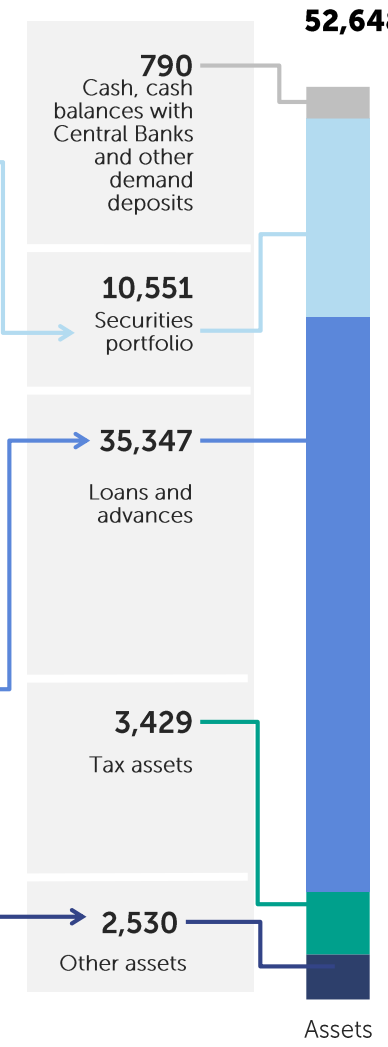
ABANCA will reinforce the capitalization in the maximum level of consolidation (so far ABANCA Holding Financiero)

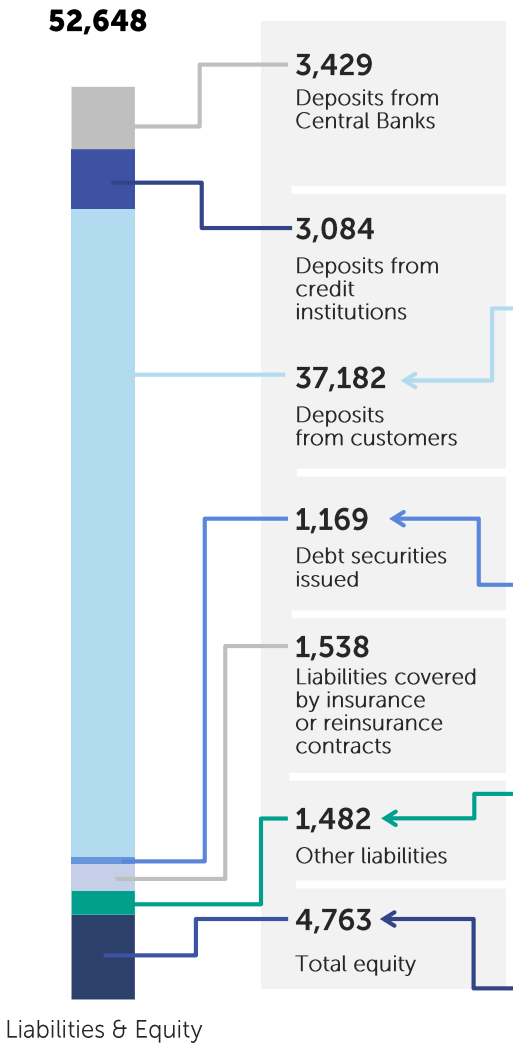


Source: ABANCA Group information. Unless otherwise stated, data refers to 1H2019 from ABANCA Group. Notes: (1) On June 2019, both the annual general shareholders' meeting of ABANCA Corporación Bancaria, S.A. and ABANCA Holding Financiero, S.A. approved the takeover merge between ABANCA Corporación Bancaria, S.A (as absorbing Company) and ABANCA Holding Financiero, S.A (as absorbed Company). (2) Includes 1.4% stake from Clearstream Banking, S.A. and 3.0% stake corresponding to other minorities.

1H19 balance sheet breakdown

	(€m)
Debt securities	10,038
Equity instruments and Associates	513
Total	**10,551**
Customers (net)	34,584
Households	17,434
Large corporations and SMEs	12,736
Construction and property development	999
Public works	329
Other purposes	11,408
Public administration	3,220
Other financial companies	1,194
Credit institutions	764
Total	**35,347**
Tangible assets	1,202
Non-current assets available-for-sale	392
Derivatives	174
Intangible Assets	368
Other assets	394
Total	**2,530**





	(€m)
Retail deposits	35,001
Demand deposits	25,250
Term deposits	9,751
Valuation adjustments	60
Repurchase agreements	438
Covered bonds issued	1,683
Total	**37,182**
Covered bonds issued	800
Subordinated debt	356
Others	0
Own securities	0
Valuation adjustments	13
Total	**1,169**
Tax liabilities	222
Derivatives	389
Provisions	321
Other liabilities	550
Total	**1,482**
Shareholders' equity	4,720
Other accumulated comprehensive income	43
Minority interests	0
Total	**4,763**

Source: ABANCA Group information. Unless otherwise stated, data refers to 1H2019 from ABANCA Group.

ABANCA

1H19 detail on fixed income portfolio

Debt Securities Portfolio Breakdown (€m)

Financial assets at fair value with changes in other comprehensive income	3,762
Spanish Debt	1,984
Other countries of EU Debt	1,609
Other Debt	168
Financial assets at amortised cost	6,247
SAREB	3,260
Spanish Debt	913
Other countries of EU Debt	2,075
Financial assets not intended for trading, which are necessarily valued at fair value through profit or loss	30
Financial assets held for trading	0
Total	**10,038**

Source: ABANCA Group information. Unless otherwise stated, data refers to 1H2019 from ABANCA Group.

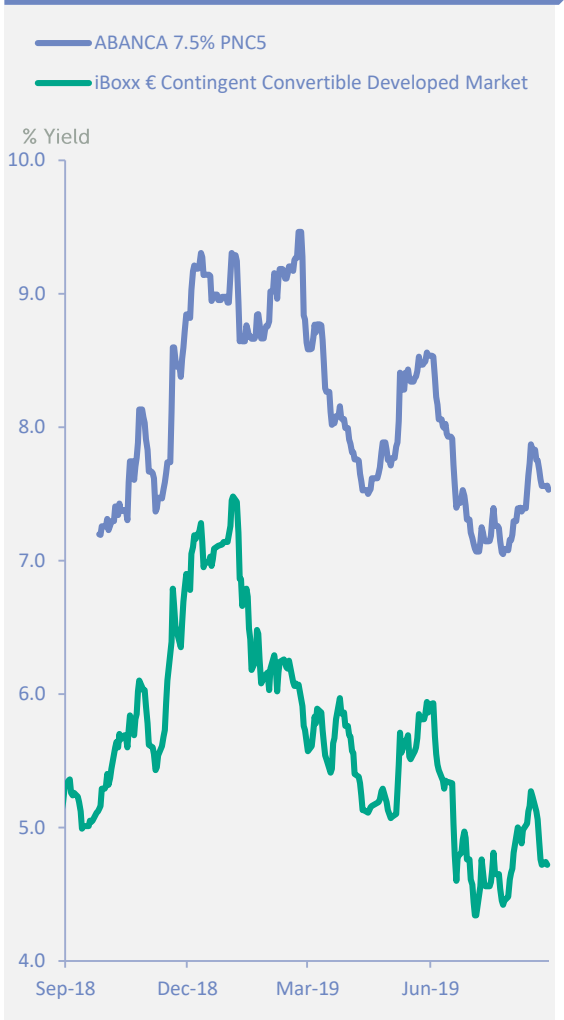
1H19 loans and advances to customers breakdown

(€m)	Net Book Value	% NPL	% Coverage
Public administration	3,220	0.0%	53.3%
Other financial entities	1,194	0.4%	64.4%
Corporates and SMEs	12,736	4.1%	81.2%
Real estate construction and property development	*999*	*3.0%*	*66.6%*
Other purposes	*11,408*	*4.2%*	*81.6%*
o/w. corporates	5,088	1.8%	136.2%
o/w. SMEs and freelancers	6,319	6.1%	69.1%
Civil works construction	*329*	*4.0%*	*98.3%*
Households	17,434	3.5%	34.1%
Mortgages and other	*16,081*	*3.5%*	*31.3%*
Consumer finance	*1,353*	*3.7%*	*64.9%*
TOTAL	**34,584**	**3.3%**	**57.1%**

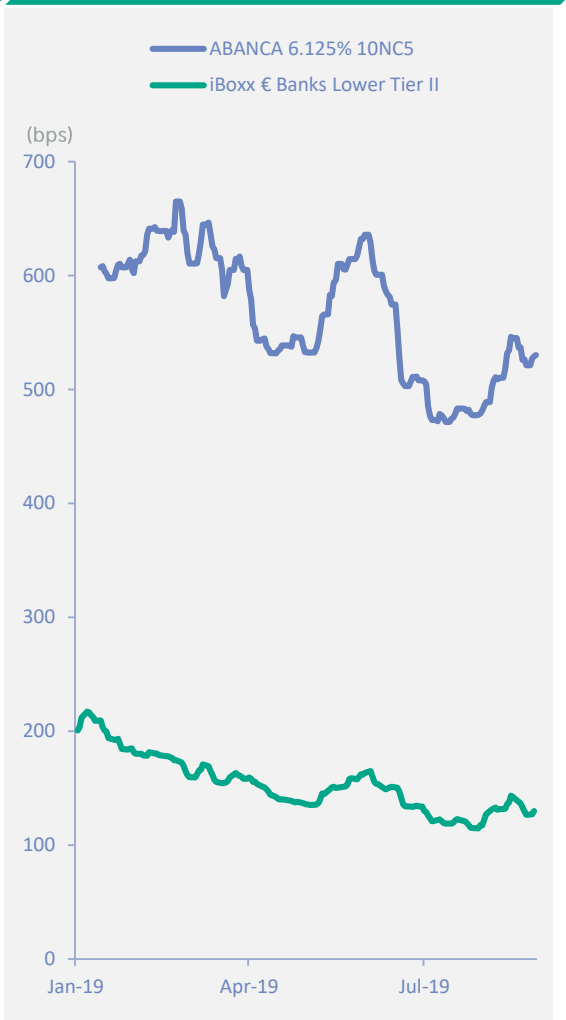
Source: ABANCA Group information. Unless otherwise stated, data refers to 1H2019 from ABANCA Group.

Solid Performance in the Secondary Market

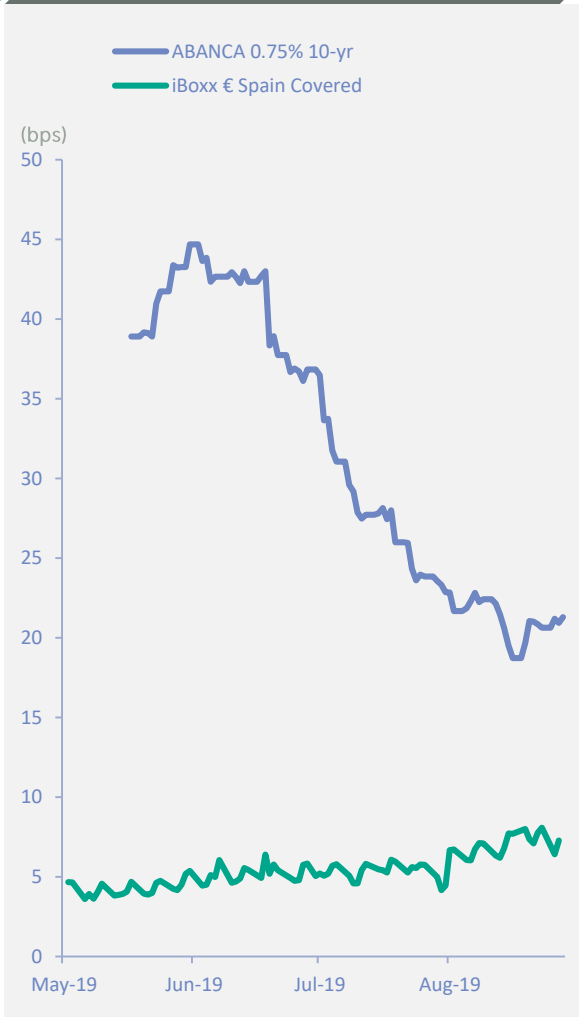
Additional Tier 1 Capital



Subordinated Tier 2



10-yr Covered Bond



 Source: Bloomberg as at 28th August, 2019

A successful story of growth

In **December 2013**, FROB sold 88.33% of the NCG Banco share Capital to ABANCA Holding for a price of €1,003m of which 40% was paid when the transaction was formalised, and the remaining 60% was to be paid in successive instalments until 2018

In **June 2014**, the transaction was formally approved and the EU agreed to a restructuring plan as well as a renovation of the originally agreed Term Sheet amending most of the original restrictions that were in place

In **August 2014**, the board of directors of Banco Etcheverria (owned by ABANCA Holding) approved the merger by absorption between Banco Etcheverria and NCG Banco. The merger was registered in the Commercial Registry in November 2014

In **December 2014**, the GSM agreed to change the Company name, thus becoming ABANCA Corporacion Bancaria, SA.

In **December 2016,** the Term Sheet's application period ended

In **February 2017**, ABANCA Holding early repaid the final outstanding amounts derived from the price of the sale of the 88.33% share of ABANCA's share capital

In **March 2017**, ABANCA purchased all shares of Popular Servicios Financieros EFC,SAU for a total of c. €39m

In **March 2018,** ABANCA was selected as acquirer in the sale process of Deutsche Bank AG private and commercial client banking unit in Portugal

In **November 2018**, ABANCA was selected as acquirer 99.79% of the share capital of Banco Caixa Geral, S.A.

Source: ABANCA Group information.

Glossary

- €bn: Billions of euros
- €m: Millions of euros
- €k: Thousands of euros
- CCy: Currency
- EUR: Euros
- ABANCA Group: ABANCA Corporación Bancaria, S.A. consolidated
- ABANCA Holding: ABANCA Holding Financiero, S.A.
- ABANCA Holding Group: ABANCA Holding Financiero, S.A. consolidated
- AT1: Additional Tier 1 capital
- Bps: Basis Points
- BCG: Banco Caixa Geral
- CAGR: Compound Annual Growth Rate
- CB: Covered Bonds
- CCB: Capital Conservation Buffer
- CET1: Common Equity Tier 1
- CRS: Corporate Social Responsibility
- DB PCB: Deutsche Bank's Private & Commercial Business Portugal
- FL: Fully Loaded
- GDP: Gross Domestic Product
- IRB: Internal Rating Based
- LCR: Liquidity Coverage Ratio
- LTD: Loan to Deposits Ratio
- LTV: Loan to Value
- MREL: Minimum Requirement for own funds and Eligible Liabilities
- NII: Net Interest Income
- NPA: Non-Performing Assets
- NPL: Non-Performing Loans
- NSFR: Net Stable Funding Ratio
- OC: Over-collateralisation
- Off-balance-sheet funds: Investment Funds, Pension Plans, Structured Products and Savings Insurance
- PSD2: Payment Services Directive 2
- RAROC: Risk-Adjusted Return On Capital
- RoE: Return on Equity
- ROIC: Return on Invested Capital
- RWA: Risk Weighted Assets
- SAREB: Sociedad de Gestión de Activos Procedentes de la Reestructuración Bancaria
- SME: Small and Medium Enterprises
- SREP: Supervisory Review and Evaluation Process
- The Bank: ABANCA Corporación Bancaria S.A.
- The Group: ABANCA Group
- TLOF: Total Liabilities and Own Funds
- UNEP-FI: United Nations Environment Programme Finance Initiative
- YoY: Year on Year

//ABANCA

