BEM-VINDO AO ABANCA
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4. ABANCA’s current situation
1. INCORPORATION OF DEUTSCHE BANK PCB PORTUGAL

The process has been successfully completed on the scheduled date (09/06/2019) and without impact on customer service

**SCOPE**
- 69,133 customers
- 338,000 contracts
- 276,000,000 records

**CUSTOMER COMMUNICATION**
- 20 events with customers
- Since March, 25% time of management agents aimed at the incorporation

**TEAM**
- 430 people
- 290,000 working hours

**REBRANDING OF BRANCHES**
- 100 people team
- 73 centres
- 2,500 brand stands

Other examples of ABANCA’s capability in incorporation processes

+ Banco Etcheverría
+ Pastor Servicios Financieros
1. Incorporation of Deutsche Bank PCB Portugal

**Not only we migrated** to a new platform: We started a new project **keeping our strengths...**

**INVESTMENTS**

1. Leadership in the Portuguese market (35% market share in international funds)

2. Open architecture with access to 856 international funds

3. Agreements with top-rated banks and agencies (JP Morgan, Pimco...)

ABANCA
1. Incorporation of Deutsche Bank PCB Portugal

... and enhancing operational capabilities...

TECHNOLOGY

Development of **new channels**
- Mobile banking
- Online banking
- Online broker

Surface and digital signature
Streamlining and improvement of customer experience in the contracting process

Improvement of the **Openfinance advice** tool
1. Incorporation of Deutsche Bank PCB Portugal

... as well as business capabilities

**ENTERPRISES**

- **Boost to financing:** confirming, factoring...
- **Specialised** branches and management agents
- **International** approach: COMEX and support for Iberian market

**INSURANCE**

- **Life and non-life:** unit-link, home, car, life, health
## 2. OUR PROJECT IN PORTUGAL

We manage a **quality business** based on **high value customers**

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
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</thead>
<tbody>
<tr>
<td>Business volume</td>
<td>€7,363 million</td>
<td>€4,065 million</td>
</tr>
<tr>
<td>Credit</td>
<td>€3,298 million</td>
<td>79,000 Customers</td>
</tr>
<tr>
<td>Total assets</td>
<td>€3,662 million</td>
<td></td>
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</table>

99% loyalty
We are in the **main towns and economic centres** of Portugal.

**16/20**
Portuguese districts

<table>
<thead>
<tr>
<th>Points of sale</th>
<th>Portugal</th>
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<tbody>
<tr>
<td>ABANCA Private Banking</td>
<td>+</td>
</tr>
<tr>
<td>ABANCA Enterprises</td>
<td></td>
</tr>
</tbody>
</table>

29
Local talent with autonomy and decision power

500 collaborators

Decision-making in Portugal

Own corporate governance bodies

+ PEDRO PIMENTA
  Country Head

+ SERGIO TARRASONE
  Audit

+ NUNO LEAL
  Sales

+ CLAUDIA FREITAS
  Products

+ CRISTINA PEIXOTO
  Client Dialogue

+ ANTÓNIO ALVES
  Backoffice

+ GONÇALO LOPES
  Processes, IT & PMO

+ JOÃO P. GOMES
  Risk

+ TERESA PORTELA
  Credit

+ SUSANA GOMES
  Human Resources

+ RITA RENDEIRO
  Legal

+ ROSENO RODRIGUEZ
  Finance
We want to grow and establish ourselves as one of the best banks in Portugal.

2021 Business Targets

- €9,400 million Business volume
- €5,400 million Customer funds
- €4,150 million Assets
- €4,000 million Credit
3. PORTUGAL IN THE ABANCA GROUP

Portugal has been our most important international market for 19 years.

Other projects of ABANCA in Portugal:

→ SOGEVINUS
5th wine cellar per turnover and the oldest wine cellar of Vinho do Porto in Portugal (Kopke, founded in 1639)

→ ABANCA SERVICIOS FINANCIEROS
3rd point-of-sale financial entity for individuals in Portugal
3. Portugal in the ABANCA Group

Portugal, a priority forward market for ABANCA

- Part of our strategy of establishment in the Iberian market
- Inherent market led by the economic interrelationship with Spain
- Learning opportunity for ABANCA: best practices of private banking in Portugal applicable to Spain
- Reference for growth in Spain
3. Portugal in the ABANCA Group

We grow in Portugal and Spain through strategic transactions with an Iberian vocation

Retail business volume (million euros)

- Deutsche Bank PCC Portugal and Banco Caixa Geral España

<table>
<thead>
<tr>
<th>Year</th>
<th>Germany PCC Portugal</th>
<th>Banco Caixa Geral España</th>
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</thead>
<tbody>
<tr>
<td>2014</td>
<td>57,467</td>
<td>82,713</td>
</tr>
<tr>
<td>2015</td>
<td>59,450</td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td>61,930</td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>65,531</td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td></td>
<td>69,213</td>
</tr>
</tbody>
</table>

*Incorporation scheduled in 2019.

70 Points of sale Portugal

726 Branches in Spain
4. ABANCA’s CURRENT SITUATION

Our results confirm ABANCA as one of the most **profitable**, **dynamic and solvent entities** in the Spanish financial sector.

**DATA BY DECEMBER 2018**

- **430M€** net profit
- **58.5%** NPA coverage
- **3.6%** NPL ratio
- **11.4%** ROTE
- **-29.0%** non-performing loans
- **92.3%** LTD
- **14.9%** CET 1
- **614 bp** exceeding CET1 capital requirements

**Ranking by assets Portugal (M€)**

<table>
<thead>
<tr>
<th>Rank</th>
<th>Entity 1</th>
<th>Entity 2</th>
<th>Entity 3</th>
<th>Entity 4</th>
<th>Entity 5</th>
<th>Entity 6</th>
<th>Entity 7</th>
<th>Entity 8</th>
<th>Entity 9</th>
<th>Entity 10</th>
<th>Entity 11</th>
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<tr>
<td></td>
<td>77,607</td>
<td>58,455</td>
<td>55,350</td>
<td>55,174</td>
<td>43,831</td>
<td>35,786</td>
<td>18,272</td>
<td>17,658</td>
<td>7,091</td>
<td>5,705</td>
<td>3,795</td>
</tr>
</tbody>
</table>

**ABANCA Total business**
4. ABANCA’s current situation

The **rating agencies** have rated us to **investment grade**

**ABANCA has successfully opened the European subordinated debt market** in 2019

1. **1st SPANISH ENTITY**
   in the report
   “El pulso de la banca”
   from Álvarez & Marsal (2018)

<table>
<thead>
<tr>
<th>GROWTH</th>
<th>EFFICIENCY</th>
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<tbody>
<tr>
<td>PROFITABILITY</td>
<td>RISK</td>
</tr>
<tr>
<td>SOLVENCY</td>
<td>CAPITAL</td>
</tr>
</tbody>
</table>

**Tier 2**
350M
18 Jan 2019

**AT1**
250M
02 Oct 2018

- High demand: 2x volume issued
- Full placement in 4 hours
- Large number of investors

**Ratings constantly improving**
Long Term rating / Outlook

- **BBB (Low)**
  Positive
- **BBB-**
  Stable
- **BB+**
  Stable
- **Ba2**
  Positive

**Investment grade**

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15 Ratings by March 2019
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