3Q19 Covered Bonds Investor Presentation

ABANCA

November 2019
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1. ABANCA at a glance

2. Cover pool information
# ABANCA at a glance

## Highlights

### BUSINESS

<table>
<thead>
<tr>
<th></th>
<th>3Q19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Assets (€bn)</td>
<td>56.9</td>
</tr>
<tr>
<td>Retail business volume (€bn) / Var.</td>
<td>84.8 / +22.6%</td>
</tr>
<tr>
<td>Performing credit (€bn)</td>
<td>35.8</td>
</tr>
<tr>
<td>Retail deposits (€bn)</td>
<td>38.0</td>
</tr>
</tbody>
</table>

### ASSET QUALITY

<table>
<thead>
<tr>
<th></th>
<th>3Q19</th>
</tr>
</thead>
<tbody>
<tr>
<td>NPA ratio* / NPL ratio*</td>
<td>5.2% / 3.1%</td>
</tr>
<tr>
<td>NPA Coverage / NPL Coverage</td>
<td>59.7% / 57.8%</td>
</tr>
<tr>
<td>Texas ratio</td>
<td>37.2%</td>
</tr>
</tbody>
</table>

### PROFITABILITY

<table>
<thead>
<tr>
<th></th>
<th>3Q19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net profit (€m)</td>
<td>402</td>
</tr>
<tr>
<td>Basic margin (€m) / Var</td>
<td>571 / +6.9%</td>
</tr>
<tr>
<td>ROE</td>
<td>11.5%</td>
</tr>
</tbody>
</table>

### CAPITAL

<table>
<thead>
<tr>
<th></th>
<th>3Q19</th>
</tr>
</thead>
<tbody>
<tr>
<td>CET1 ratio (phase-in)</td>
<td>13.1%</td>
</tr>
<tr>
<td>Total capital ratio (phase-in)**</td>
<td>16.0%</td>
</tr>
</tbody>
</table>

### LIQUIDITY

<table>
<thead>
<tr>
<th></th>
<th>3Q19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail LTD</td>
<td>96.8%</td>
</tr>
<tr>
<td>Liquid assets (€bn)</td>
<td>7.0</td>
</tr>
<tr>
<td>CB issuance capacity (€bn)</td>
<td>6.9</td>
</tr>
</tbody>
</table>

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Source: ABANCA Group information. * Proforma data after the sale of non-performing asset portfolio (Oct-19) / ** Data including the recent Tier2 issuance (Oct-19)
ABANCA at a glance

Ratings

**Fitch** (Long-Term Issuer Default Rating)

- **BBB**
- **BB+**
- **BB-**
- **CCC+**

<table>
<thead>
<tr>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
</table>

**S&P** (Long-Term Issuer Credit Rating)

- **BBB**
- **BB+**
- **BB-**
- **CCC+**

<table>
<thead>
<tr>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
</table>

**Moody’s** (Long-Term Deposit Rating)

- **Baa2**
- **Ba1**
- **Baa3**
- **B2**
- **Caa1**

<table>
<thead>
<tr>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
</table>

**DBRS** (Long-Term Issuer Default Rating)

- **BBB**
- **BB+**
- **BB-**
- **CCC+**

<table>
<thead>
<tr>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
</table>

**Covered Bonds Rating**

- **AAA** Stable
- **BB+** Positive
- **Ba1** Positive

Maximum attainable rating for Spanish Covered Bonds

LCR eligibility of our recent issuances improved to HQLA Level 1

Quarterly reported Harmonised Transparency Template (HTT)
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1. ABANCA at a glance

2. Cover pool information
## Cover pool information
### Mortgage Portfolio Overview

<table>
<thead>
<tr>
<th>Mortgage Portfolio Overview</th>
<th>Residential</th>
<th>Commercial</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total mortgage cover pool (€m)</td>
<td>15,743.7</td>
<td></td>
</tr>
<tr>
<td>Substitution assets</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Outstanding covered bonds (€m)</td>
<td>2,483.4</td>
<td></td>
</tr>
<tr>
<td>Total OC</td>
<td>534.0%</td>
<td></td>
</tr>
<tr>
<td>Number of loans</td>
<td>193,981</td>
<td></td>
</tr>
<tr>
<td>Number of debtors</td>
<td>323,339</td>
<td></td>
</tr>
<tr>
<td>Average loan balance (€k)</td>
<td>81.2</td>
<td></td>
</tr>
<tr>
<td>Weighted Average LTV (%)</td>
<td>56.7%</td>
<td></td>
</tr>
<tr>
<td>Weighted Average Seasoning (months)</td>
<td>94.5</td>
<td></td>
</tr>
<tr>
<td>Weighted Average Maturity (years)</td>
<td>18.9</td>
<td></td>
</tr>
<tr>
<td>Weighted Average Rate (%)</td>
<td>1.3%</td>
<td></td>
</tr>
<tr>
<td>Arrears &gt;90 days (%)</td>
<td>3.1%</td>
<td></td>
</tr>
<tr>
<td>Floating rate loans (%)</td>
<td>96.1%</td>
<td></td>
</tr>
<tr>
<td>Loans in Euros (%)</td>
<td>98.0%</td>
<td></td>
</tr>
<tr>
<td>Total amount (€m)</td>
<td>12,621.8</td>
<td>3,122.0</td>
</tr>
<tr>
<td>Number of loans</td>
<td>182,150</td>
<td>11,831</td>
</tr>
<tr>
<td>Number of borrowers</td>
<td>306,967</td>
<td>16,372</td>
</tr>
<tr>
<td>Average loan balance (€k)</td>
<td>69.3</td>
<td>263.9</td>
</tr>
<tr>
<td>Interest only loans</td>
<td>0.2%</td>
<td>19.3%</td>
</tr>
<tr>
<td>Weighted Average LTV (%)</td>
<td>56.4%</td>
<td>58.3%</td>
</tr>
<tr>
<td>Weighted Average Maturity (years)</td>
<td>20.9</td>
<td>11.8</td>
</tr>
<tr>
<td>Weighted Average Rate (%)</td>
<td>1.1%</td>
<td>2.4%</td>
</tr>
<tr>
<td>Floating Rate loans (%)</td>
<td>98.1%</td>
<td>87.9%</td>
</tr>
<tr>
<td>Arrears &gt;90 days (%)</td>
<td>2.3%</td>
<td>6.3%</td>
</tr>
<tr>
<td>10 largest exposures (%)</td>
<td>0.2%</td>
<td>10.0%</td>
</tr>
</tbody>
</table>

### Residential
- Total amount (€m): 12,621.8
- Number of loans: 182,150
- Number of borrowers: 306,967
- Average loan balance (€k): 69.3
- Weighted Average LTV (%): 56.4%
- Weighted Average Maturity (years): 20.9
- Weighted Average Rate (%): 1.1%
- Floating Rate loans (%): 98.1%
- Arrears >90 days (%): 2.3%
- 10 largest exposures (%): 0.2%

### Commercial
- Total amount (€m): 3,122.0
- Number of loans: 11,831
- Number of borrowers: 16,372
- Average loan balance (€k): 263.9
- Interest only loans: 19.3%
- Weighted Average LTV (%): 58.3%
- Weighted Average Maturity (years): 11.8
- Weighted Average Rate (%): 2.4%
- Floating Rate loans (%): 87.9%
- Arrears >90 days (%): 6.3%
- 10 largest exposures (%): 10.0%
## Cover pool information
### Outstanding Covered Bonds

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

### Over-collateralisation

<table>
<thead>
<tr>
<th>(€m)</th>
<th>Mortgage Covered Pool</th>
<th>Total Not Eligible</th>
<th>Total Eligible</th>
<th>Maximum Issuance Amount</th>
<th>Covered Bonds</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>15,744</td>
<td>5,164</td>
<td>10,579</td>
<td>8,464</td>
<td>2,483</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Over-collateralisation (OC)</th>
<th>Legal / Regulatory</th>
<th>Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>OC (%)</td>
<td>25.0%</td>
<td>534.0%</td>
</tr>
<tr>
<td>Eligible OC (%)</td>
<td></td>
<td>326.0%</td>
</tr>
</tbody>
</table>
Cover pool information

Amortization profile

(€m)

- Cover Pool Amortization
- Covered Bonds Maturities

0 - 1 Y: 192
1 - 2 Y: 127
2 - 3 Y: 164
3 - 4 Y: 209/130
4 - 5 Y: 243/100
5 - 10 Y: 1,876/1,560
> 10 Y: 200

Total: 12,933
Cover pool information

Cover Pool Highlights

Residential/Commercial
- Residencial 80.2%
- Commercial 19.8%

Breakdown by interest rate
- Floating rate 96.1%
- Fixed rate 3.9%

Repayment type
- Amortising 77.7%
- Bullet / Interest only 4.0%
- Other 18.3%

Arrears > 90 days
- 2015: 8.2%
- 2016: 6.8%
- 2017: 5.4%
- 2018 (I): 3.5%
- 3Q19: 3.1%

Unless otherwise stated, data refers to 3Q19 from ABANCA. Notes: (I) 2018 adjusted to current criteria.
**Cover pool information**

**Cover Pool Highlights**

**Breakdown by LTV**

- 26.4% ≤40%
- 18.5% 40-50%
- 15.5% 50-60%
- 16.9% 60-70%
- 10.6% 70-80%
- 5.4% 80-90%
- 2.4% 90-100%
- 4.3% >100%

**Weighted Average LTV:** 56.7%

- 60.4% of the mortgage portfolio have LTV lower than 60%
- 87.9% of the mortgage portfolio have a LTV lower than 80%

**Breakdown by seasoning (months)**

- 63.9% >60
- 9.5% ≤12
- 11.0% 12-24
- 7.6% 24-36
- 8.0% 36-60

**Weighted Average seasoning:** 94.5 months

- 71.9% of the pool has a seasoning above 3 years
Cover pool information
Residential Mortgage Portfolio

Breakdown by type of residence:
- Owner occupied: 78.3%
- Second home: 6.2%
- Other: 15.5%

Breakdown by interest rate:
- Floating rate: 98.1%
- Fixed rate: 1.9%

Loan by ranking:
- 1st lien/No prior ranks: 95.3%
- Guaranteed: 4.7%

Arrears > 90 days:
- 2015: 5.4%
- 2016: 4.4%
- 2017: 3.5%
- 2018: 2.5%
- 3Q19: 2.3%
Cover pool information
Residential Mortgage Portfolio

Breakdown by loan size

<table>
<thead>
<tr>
<th>€k</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>&gt;1000</td>
<td>0.7%</td>
</tr>
<tr>
<td>500-1000</td>
<td>1.9%</td>
</tr>
<tr>
<td>300-500</td>
<td>4.4%</td>
</tr>
<tr>
<td>200-300</td>
<td>10.2%</td>
</tr>
<tr>
<td>100-200</td>
<td>35.7%</td>
</tr>
<tr>
<td>&lt;100</td>
<td>47.1%</td>
</tr>
</tbody>
</table>

Breakdown by Maturity (years)

- ≤10: 11.2%
- 10-20: 32.3%
- 20-25: 22.5%
- 25-30: 26.5%
- >30: 7.5%

Breakdown by Seasoning (months)

- ≤12: 6.3%
- 12-24: 8.2%
- 24-36: 6.1%
- 36-60: 6.5%
- >60: 72.9%

Breakdown by LTV

<table>
<thead>
<tr>
<th>LTV</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>≤40%</td>
<td>26.0%</td>
</tr>
<tr>
<td>40-50%</td>
<td>15.2%</td>
</tr>
<tr>
<td>50-60%</td>
<td>18.7%</td>
</tr>
<tr>
<td>60-70%</td>
<td>17.2%</td>
</tr>
<tr>
<td>70-80%</td>
<td>11.3%</td>
</tr>
<tr>
<td>80-90%</td>
<td>5.9%</td>
</tr>
<tr>
<td>90-100%</td>
<td>2.3%</td>
</tr>
<tr>
<td>&gt;100%</td>
<td>3.4%</td>
</tr>
</tbody>
</table>
Cover pool information

Commercial Mortgage Portfolio

Breakdown by type of property
- Retail: 17.0%
- Office: 1.4%
- Hotel / Tourism: 15.2%
- Shopping malls: 2.1%
- Industry: 12.6%
- Land: 2.8%
- Other: 35.5%
- Property developers: 13.4%

Breakdown by interest rate
- Floating rate: 87.9%
- Fixed rate: 12.1%

Cumulative Top 100 Borrowers

Arrears > 90 days
- 2015: 18.8%
- 2016: 15.4%
- 2017: 12.6%
- 2018: 7.3%
- 3Q19: 6.3%

Notes: (1) 2018 adjusted to current criteria
Breakdown by loan size

- >1000 €k: 58.7%
- 500-1000: 8.5%
- 300-500: 7.0%
- 200-300: 5.6%
- 100-200: 9.8%
- ≤100: 10.4%

Breakdown by LTV

- ≤40%: 28.2%
- 40-50%: 16.5%
- 50-60%: 17.5%
- 60-70%: 15.6%
- 70-80%: 7.7%
- 80-90%: 3.6%
- 90-100%: 3.0%
- >100%: 7.9%

Breakdown by Maturity (years)

- ≤10: 45.6%
- 10-20: 42.0%
- 20-25: 3.2%
- 25-30: 4.2%
- >30: 5.0%

Breakdown by Seasoning (months)

- ≤12: 22.5%
- 12-24: 22.8%
- 24-36: 13.4%
- 36-60: 13.9%
- >60: 27.4%
Glossary

- €bn: Billions of euros
- €m: Millions of euros
- €k: Thousands of euros
- ABANCA: ABANCA Corporación Bancaria, S.A
- Bp: Basis Points
- CCy: Currency
- CET1: Common Equity Tier 1
- EUR: Euros
- LCR: Liquidity Coverage Ratio
- LTD: Loan to Deposits Ratio
- LTV: Loan to Value
- NPA: Non-Performing Assets
- NPL: Non-Performing Loans
- OC: Over-collateralisation