

# Earnings presentation 1Q20

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May 4<sup>th</sup> 2020

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# 1Q 2020 - Highlights

## Strong core business

Recurrent NII	Fee Income
+8% YoY	+10% YoY

## Rigorous cost policy

OPEX	Efficiency <sup>(1)</sup>
-4.5% YoY	64% 1Q19
	58% 1Q20

## Conservative loan book

Underlying CoR <sup>(2)</sup>	Total CoR <sup>(2)</sup>
23 bps 1Q20	49 bps 1Q20

€ 23m of Covid19 provisions:

€ 16m Loans + € 7m REOs

## Resilient Capital

CET1 FL	CET1 FL buffer	MDA buffer
13.0%	€791m	275 bps

Caser <sup>(3)</sup>

+17 bps (CET1) & 37bps (Total)

(1) Like for Like comparison. Removing SRF contribution from 1Q19 and non-recurrent NII from 1Q20  
(2) LLP over average loans (3) Impacts will take place once Caser transaction is approved by the regulator.

# 1Q 2020 - Highlights

## Commercial activity

- Steady growth in volumes with limited effects from Covid-19 in the quarter.
  - **Total performing book increased +6.8% YoY and +0.7% QoQ** driven by mortgages (+1.2% QoQ) while corporates fell 1.9% QoQ due to the amortization of some large tickets.
  - **Customer funds increased +3.3% YoY and +0.3% QoQ.**
    - On balance sheet increased +1.4% QoQ.
    - Mutual funds fell 4.6% outperforming the sector by c.6 percentage points. Net inflows in the quarter are €126m, (+56% vs 1Q19).
  - Strengthening remote and digital capabilities. High convenience offered to clients with total availability of services.

## Profitability

- **Recurrent NII increased +8% YoY and +2% QoQ** supported by lower funding cost and lending growth that more than offset the 1Q seasonality and lower contribution from the fixed income portfolio.
- **Recurrent fees increased +10% YoY and +1% QoQ** supported by off balance sheet products and increased banking activity.
- **Opex down 4.5% YoY** while reinforcing digital channels.
- **Underlying cost of risk is 23bp** (49bp incl. Covid) in the quarter.
- The bank booked **generic provisions of € 23m** (€16m loans and €7m REOs) as precautionary measures.

# 1Q 2020 - Highlights

## Asset Quality

- **NPA ratio** drops from 8.6% to 8.2% QoQ. **Texas ratio** drops to 52%.
- **NPL ratio** falls from 3.3% to 3.2% in the quarter.
- **Gross real estate asset outflows** of € 100m, of which 61% is land.

## Solvency & Liquidity

- **CET1 ratio fully-loaded<sup>(1)</sup>** stands at 13.0%, +52bp YoY and flat QoQ, as market impact and lending growth are offset by organic generation, NPAs reduction and 2019 dividend added back to capital.
- **Caser transaction** is not included in the capital ratios reported. Positive impact of +17bps and +37bps in CET1 and total capital fully loaded respectively. Additionally, Liberbank will receive a € 43m cash payment maintaining the current commissions scheme for distribution <sup>(2)</sup>.
- **TBVps increased by € 0.06 to € 0.99, +7% YoY** (incl. share buy back programme).
- **Strong liquidity position.** LCR ratio stands at 248%, NSFR at 112% and LtD at 99%.

(1) CET1 FL incorporates the full impact of IFRS-9 (28pb) and the full net profit 2019 and 1Q20. It deducts the approved and executed but not cancelled share buy back programme as well as 71 bps of software intangible deductions.

(2) Subject to certain suspensive conditions as competition authority approvals that are expected to be met in the coming months.

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# Agenda

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**1. Covid-19 response**

**2. Commercial Activity**

**3. Results analysis**

**4. Asset Quality**

**5. Solvency**

**6. Liquidity and Fixed Income portfolio**

**7. Appendix**

# COVID-19 Liberbank's reponse (I/II)

## Employees

Remote work for 90% of HQ and c.50% branch network.

Liberbank's employees are contributing to the pandemic through different personal initiatives.

## Clients

Branch attention under appointment.

Pension payments advancements.

Actively contacted business clients to understand their needs and facilitate specific products like the ICO Lines.

## Business

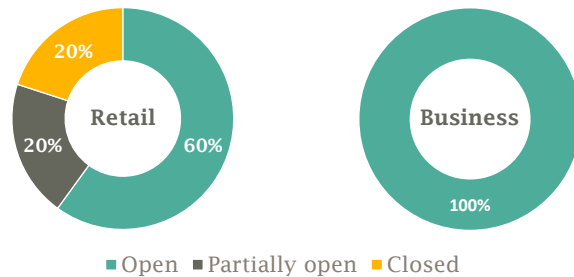
Robust technology allows the bank to serve our customers remotely.

Strengthened IT security.

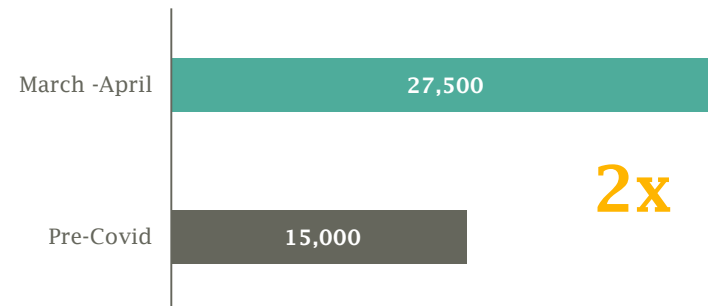
100% of branch ATMs available.

Contactless ATM withdrawal enabled.

## Branch Management

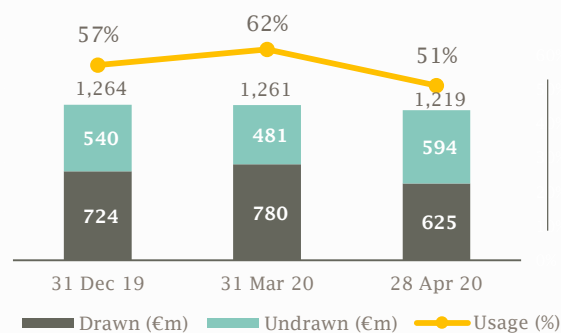


## Contact center. Avg weekly queries



# COVID-19 Liberbank's reponse (II/II)

## Credit lines



## Activity <sup>(1)</sup>

  
Residential mortgage

€ 114 m

April origination

  
Mutual funds

€ 14 m  
April net Inflows

+3% AuMs  
vs end - March 2020

## State guaranteed lines - ICO <sup>(1)</sup>

- Two tranches approved so far, worth €40 bn.
- Take up for Liberbank is €719m, 1.7% mkt share.
- It could add up to c. €958m of total lending, 17% of corporates loan book.

1<sup>st</sup> tranche use - 100%

2<sup>nd</sup> tranche use - 68%

## Moratorium <sup>(1)</sup>

Liberbank offers relief measures to support households via “public moratorium” and “private moratorium”.

  
Residential mortgage

€290m requested c.2% of the book

  
Consumer loans

€6m requested < 1% of the book

(1) Data as of April 30th.



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# Agenda

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2. Commercial Activity

3. Results analysis

4. Asset Quality

5. Solvency

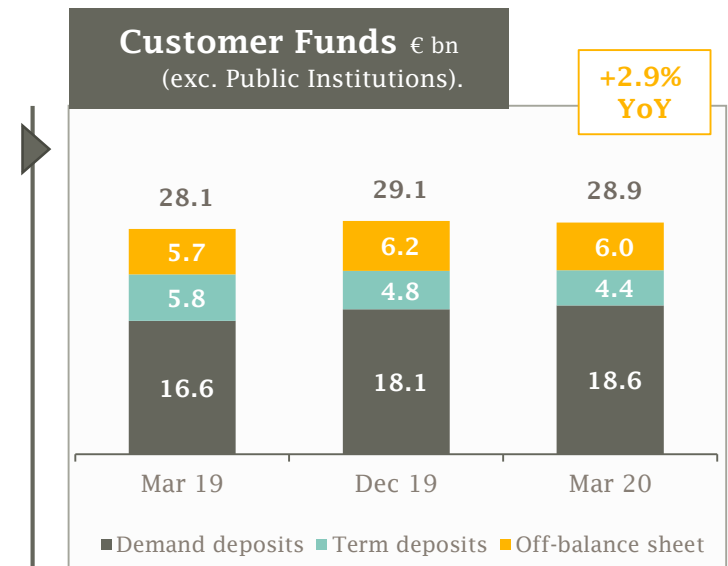
6. Liquidity and Fixed Income portfolio

7. Appendix

# Customer funds

## Total Customer Funds breakdown. € m

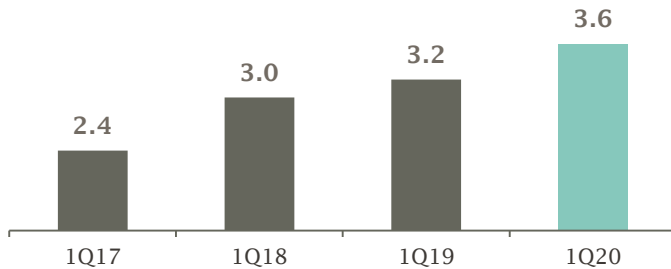
€ m	1Q19	4Q19	1Q20	QoQ	YoY
<b>Customer Funds</b>	<b>29,988</b>	<b>30,900</b>	<b>30,990</b>	<b>0.3%</b>	<b>3.3%</b>
<b>Customer Funds on Balance Sheet</b>	<b>24,313</b>	<b>24,675</b>	<b>25,018</b>	<b>1.4%</b>	<b>2.9%</b>
Public Institutions	1,904	1,826	2,096	14.8%	10.1%
Retail Customer	22,409	22,849	22,923	0.3%	2.3%
Demand deposits	16,629	18,066	18,559	2.7%	11.6%
Term deposits	5,778	4,783	4,363	-8.8%	-24.5%
Other	1	0	0	na	na
<b>Off-balance sheet</b>	<b>5,675</b>	<b>6,225</b>	<b>5,972</b>	<b>-4.1%</b>	<b>5.2%</b>
Mutual funds	3,239	3,772	3,597	-4.6%	11.0%
Pension Plans	1,460	1,481	1,420	-4.1%	-2.7%
Insurance Funds	976	972	955	-1.7%	-2.1%
<b>Number of branches</b>	<b>644</b>	<b>582</b>	<b>579</b>	<b>-0.5%</b>	<b>-10.1%</b>
<b>Customer funds per branch (€ m)<sup>(1)</sup></b>	<b>43</b>	<b>49</b>	<b>49</b>	<b>0.8%</b>	<b>14.1%</b>



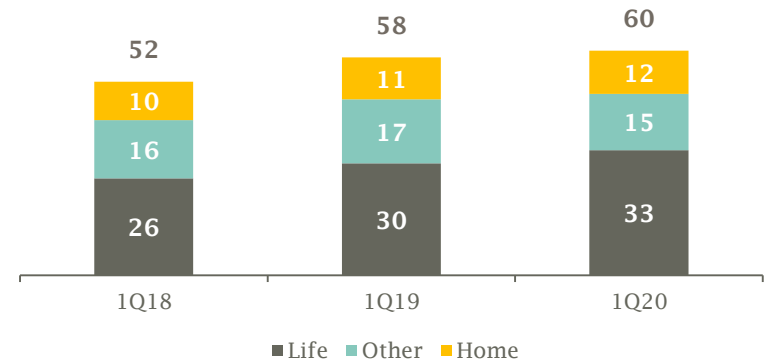
- Customer funds on balance sheet remain strong with customer deposits paying almost zero across the client base.
- Mutual funds' assets under management outperformed the sector by c.6 percentage points in the quarter.

# Off balance sheet products

Mutual funds AuMs. € bn.

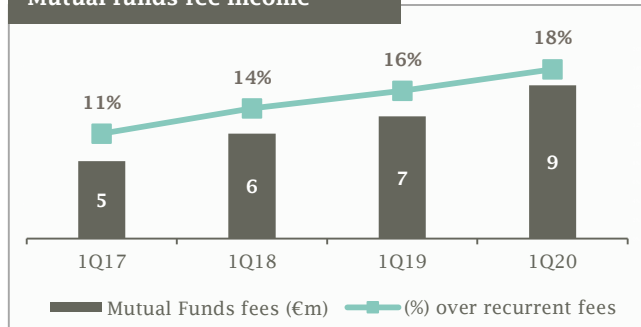


Insurance premiums. € m.

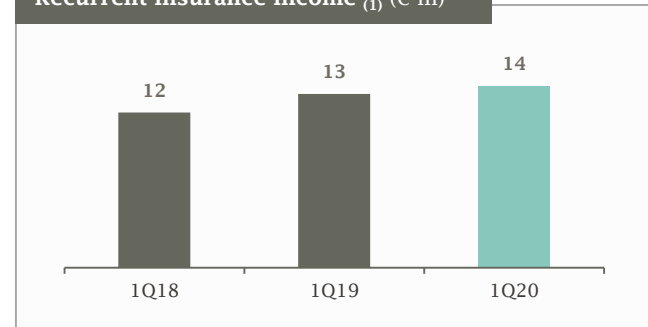


■ Life ■ Other ■ Home

Mutual funds fee income



Recurrent insurance income <sup>(1)</sup> (€ m)



- ➔ Mutual funds fees represent 18% of total recurrent fees in the 1st quarter, up 7 pp since 2017.
- ➔ Net inflows in the quarter are €126m, up 56% versus same quarter last year.
- ➔ Insurance premiums are up 5% YoY, lead by strong performance in life and home insurance which are up 12% and 3% respectively.

(1) Excludes dividend received in 1Q19

# Lending

## Performing loan book breakdown. Gross € m

€ m	1Q19	4Q19	1Q20	QoQ	YoY
Public sector	2,280	3,174	3,307	4.2%	45%
<b>Loans to businesses</b>	<b>5,745</b>	<b>5,690</b>	<b>5,581</b>	<b>-1.9%</b>	<b>-2.9%</b>
Real Estate Developers	321	300	341	13.8%	6.3%
Other Corporates	5,424	5,390	5,240	-2.8%	-3.4%
<b>Loan to individuals</b>	<b>14,462</b>	<b>14,972</b>	<b>15,130</b>	<b>1.1%</b>	<b>4.6%</b>
Residential mortgages	13,640	14,091	14,254	1.2%	4.5%
Consumer and others	822	881	876	-0.6%	6.6%
<b>Other loans</b>	<b>325</b>	<b>351</b>	<b>346</b>	<b>-1.6%</b>	<b>6.3%</b>
<b>Total performing book</b>	<b>22,812</b>	<b>24,186</b>	<b>24,364</b>	<b>0.7%</b>	<b>6.8%</b>
<b>Total performing book (exc Public sector)</b>	<b>20,532</b>	<b>21,013</b>	<b>21,056</b>	<b>0.2%</b>	<b>2.6%</b>

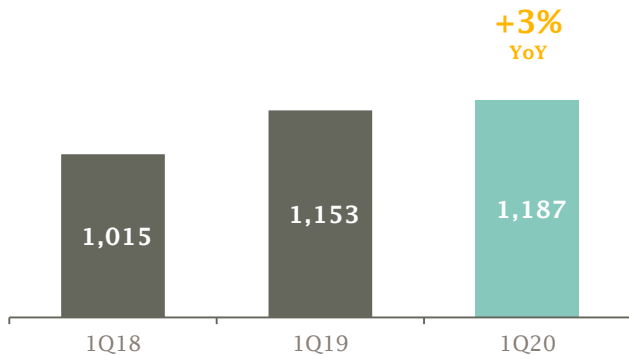
## Performing loan book growth. YoY



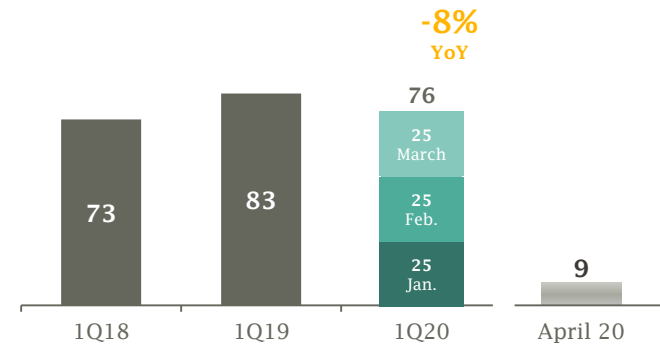
- Good commercial momentum leads to +6.8% YoY growth (+2.6% excl. public institutions).
- Mortgage book maintains the good pace with +4.5% YoY growth while “consumer and others” grows at +6.6% YoY.
- Corporate book falls in the quarter due to the amortization of some large tickets.

# Lending: new production

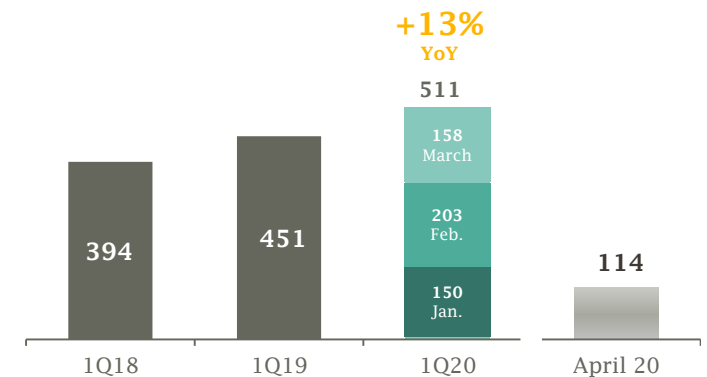
**Total lending** (excl. public sector). € m



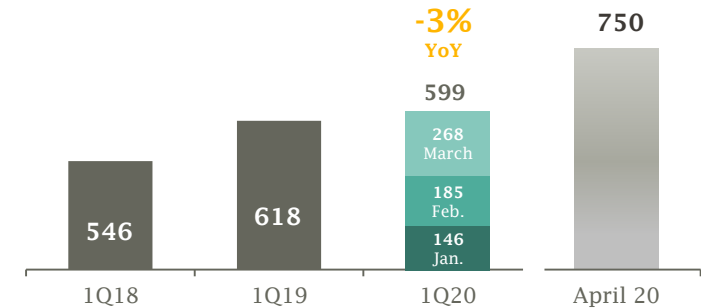
**Consumer lending**. € m



**Residential mortgage**. € m



**Corporates**. € m

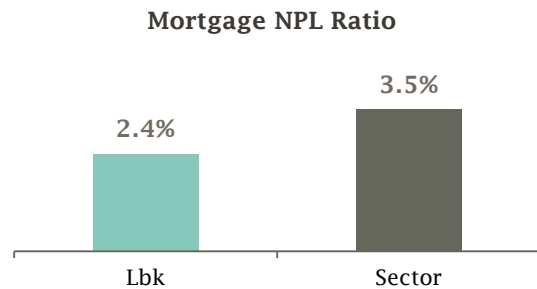


- Total new origination excluding public sector is +3% YoY, with no ICO lines signed in the quarter.
- Activity continues in April, corporates origination boosted by ICO credit lines.

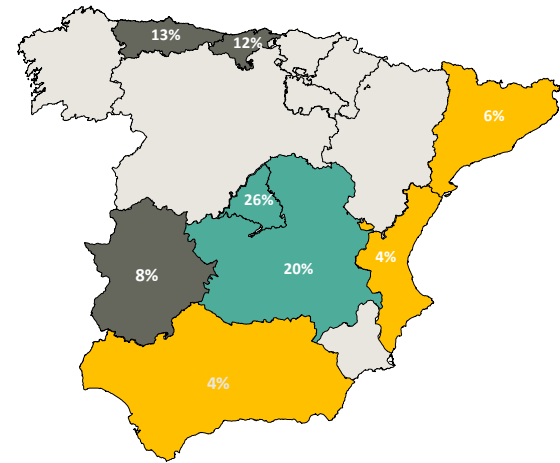
# Mortgage portfolio

## Total book. Key metrics

- 15% of the book comes from public employees.
- 27% affordability\* ratio in the portfolio.
- 93% is first home and 95% are domestic customers.
- 4% of the book has LTV > 80% versus 15% in the sector.
- Average LTV in the book is 51%.



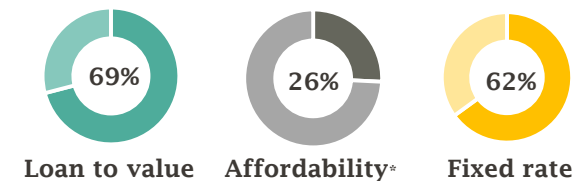
## Geographic breakdown



## 2018 - 2020 new origination.

- At least one of the borrowers has a **permanent job in 99% of the contracts.**
- 69% of mortgage contracts have two or more borrowers.
- All risk assessment and management processes are performed by bank staff independently of the origination channel.

## Metrics at origination



(\*) Affordability ratio: Mortgage payment over total monthly income.  
Note: 2018-20 origination LTV and affordability are calculated at origination.

# Performing loan book

## Performing book breakdown



### Low risk business portfolio is well diversified:

Sector	Weight (%)
Industry & manufacturing	3.2%
Wholesalers & retail	3.0%
Food industry	2.8%
Services & education	2.2%
Utilities	1.8%
Real Estate	1.6%
Logistics	1.5%
Financial activities	1.4%
Tourism, hotels & restaurants	1.4%
Healthcare	0.9%
Other	3.1%

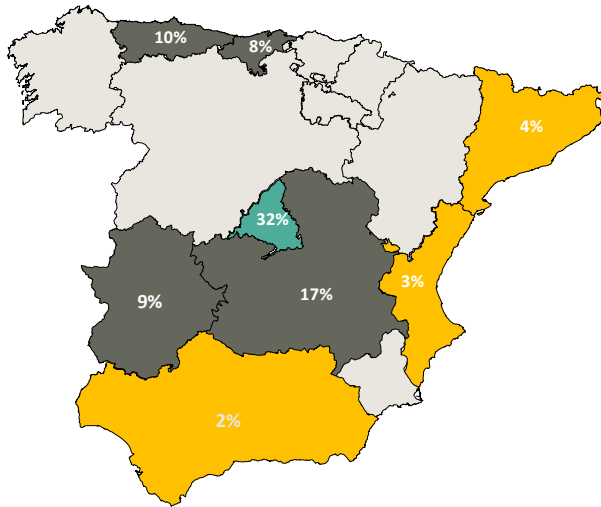
- Negligible exposure to Oil & Gas and airlines industries, €6 m total.
- Hotels, restaurants and tourism account for 1.4% of the loan book.

### Liberbank has a very conservative consumer loan book:

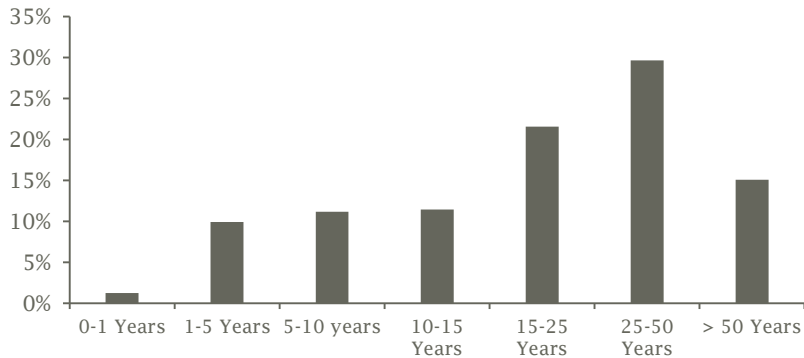
- **Pure consumer loans** amount to € 620m, **2.5% of the book.**
- **1.15% market share**, well below natural market share.
- **No open market** agreements for direct lending.
- Negligible **revolving credit**, € 23m.
- **Average yield of 6.5%**, portfolio is composed of mostly **pre approved loans to existing clients.**

# Business portfolio

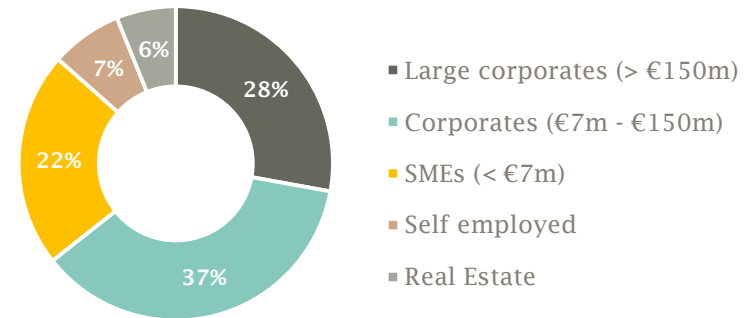
## Geographic breakdown



## Businesses age distribution



## Business book breakdown <sup>(1)</sup>






- **76%** of the book comes from **home regions and Madrid**.
- **Low volume of restructured loans** (€ 381m), 1.5% of the loan book, out of which 65% are NPLs.

(1) Breakdown by turnover volume.



# Digital transformation

			Consumer loans	Mortgage	Stocks	
	Digital Sales/total	1Q20 1Q19	20% 14%	7% 2%	56% 46%	Notable growth wary CAPEX
	Clients	1Q20 1Q19	Active Digital 43% 38%	New digital clients c. 10,000 in 1q20	Wallet / Bizum >50,000 clients	Multichannel client acquisition
	Activity	1Q20 1Q19	Wires 78% 73%	Queries 85% 82%	Payments (transactions) 1 Million	Increased efficiency & service



## Remote managers

- ✓ Capabilities to sell all retail products remotely.
- ✓ Increased efficiency both in terms of sales and costs.
- ✓ Improved NPS and customer support of the service.



## Online sales capabilities

- ✓ Well advanced remote mortgage origination platform. Launch expected in Q3.
- ✓ Consumer loan, credit card and accounts 100% online in place.
- ✓ Off balance sheet products.

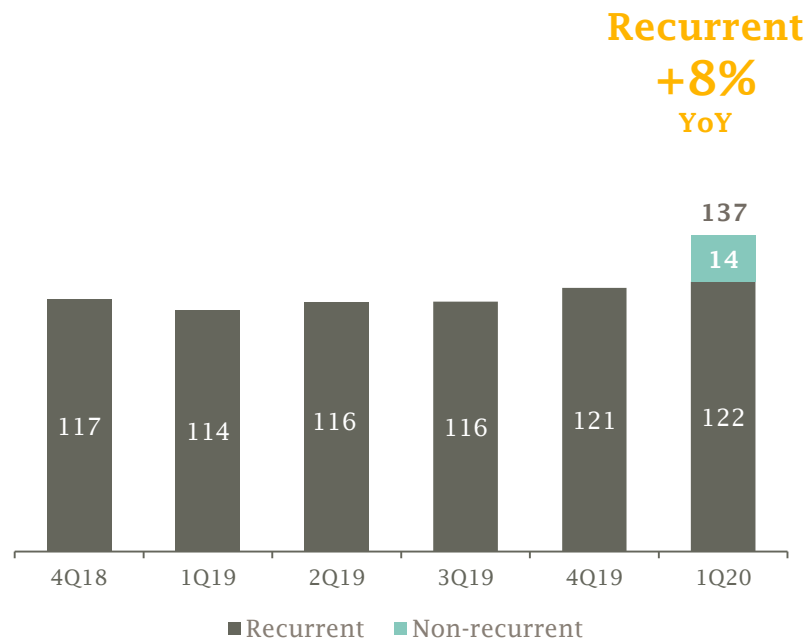
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# Agenda

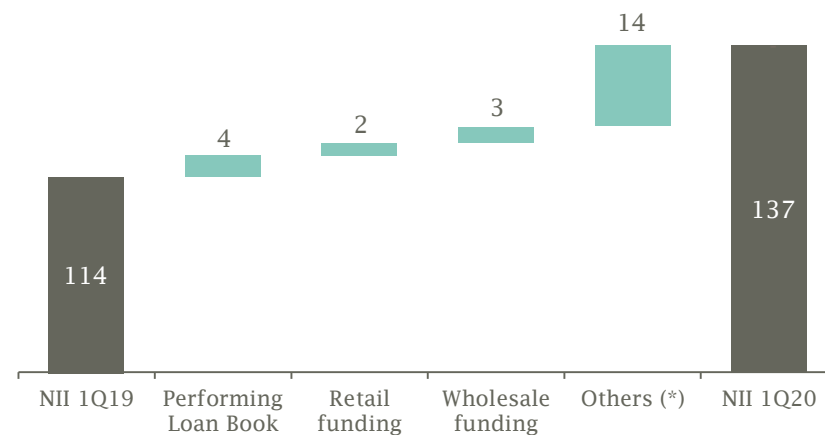
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1. Covid-19 response
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# Net Interest Income

NII performance. € m



NII YoY evolution. € m

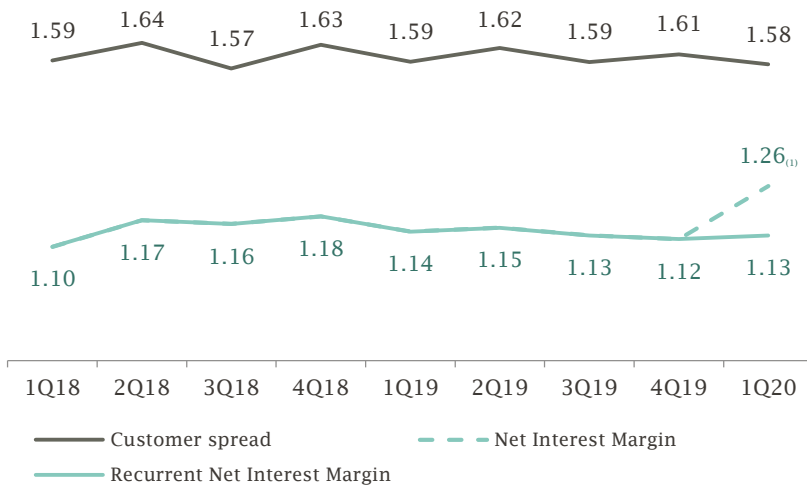


- ➔ Recurrent NII increased +8% YoY supported by loan book and lower wholesale and retail funding cost. Quarterly comparison (+2% QoQ) is affected by the 1Q seasonality and lower contribution from the fixed income portfolio that is more than offset by lower funding costs and performing loan book.
- ➔ Good commercial activity in the 1<sup>st</sup> quarter, increasing Euribor, lower cost of wholesale funding and a stable loan book allow for a supportive net interest income in 2020.

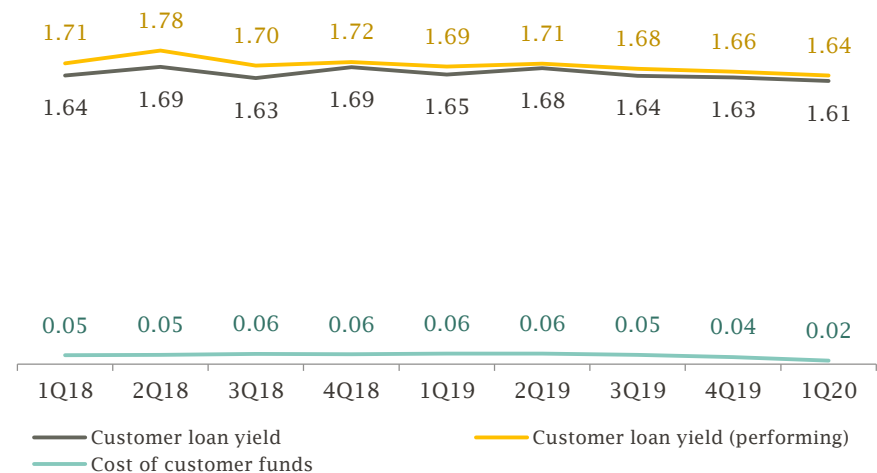
(\*) Includes mainly the DGF moratory interest.

# Net Interest Income: Margins

## Margin performance (%)



## Customer loan yield and cost funds (%)



→ Liberbank has been able to maintain stable margins despite lower reference rates.

(1) Explained by extraordinary income of € 14m from the DGF dispute.  
Note: NIM = NII / ATAs

# Net Interest Income: Asset yields

Quarterly yields on lending. Basis points <sup>(1)</sup>

Yield (bps)	1Q19	2Q19	3Q19	4Q19	1Q20
<b>Total Book (Back book)</b>	169	171	168	166	164
Back book (Exc. Public sector)	173	176	175	177	174
Front Book	149	149	124	190	186
Front Book (Exc. Public sector)	234	246	242	217	220
<b>Mortgages (Back book)</b>	128	133	136	135	133
Front Book	195	199	199	173	163
<b>SMEs (Back book)</b>	233	238	232	231	226
Front Book	260	271	254	263	266



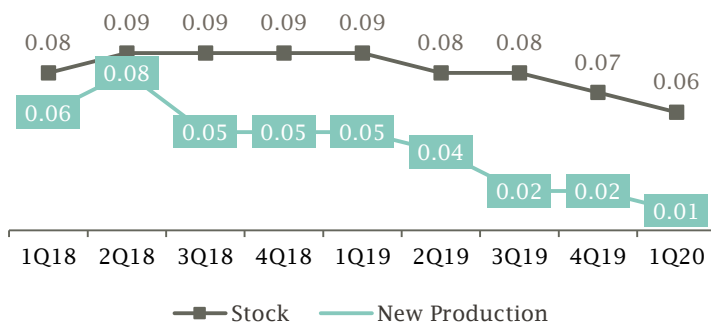
March mortgage front book stood at **171bps**

(1) The above rates refer to the drawn amounts and reflect actual contribution to NII

→ Front book yields (excl. Public sector) stand 46 bp above back book.

# Net Interest Income: Cost of funding

Term deposit cost performance (%) <sup>(1)</sup>

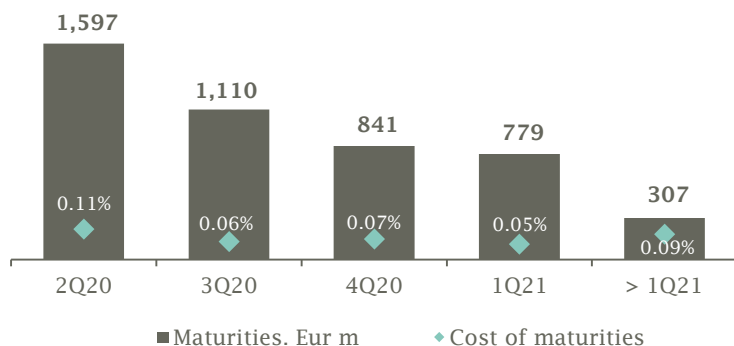


## Maturities of the quarter:

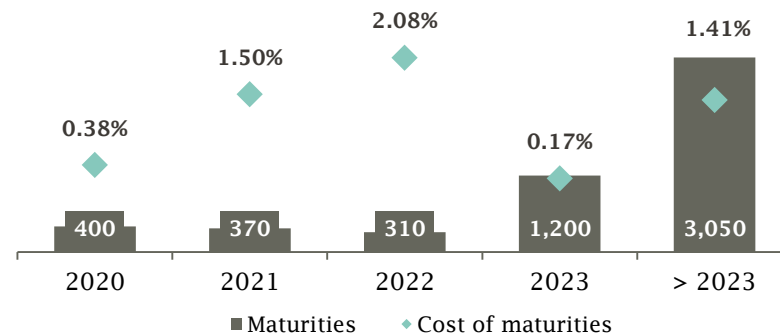
€ 1.7bn of term deposits at 8 bps.

€ 88m covered bonds at 118 bps.

Term Deposits. Maturity, cost and volume



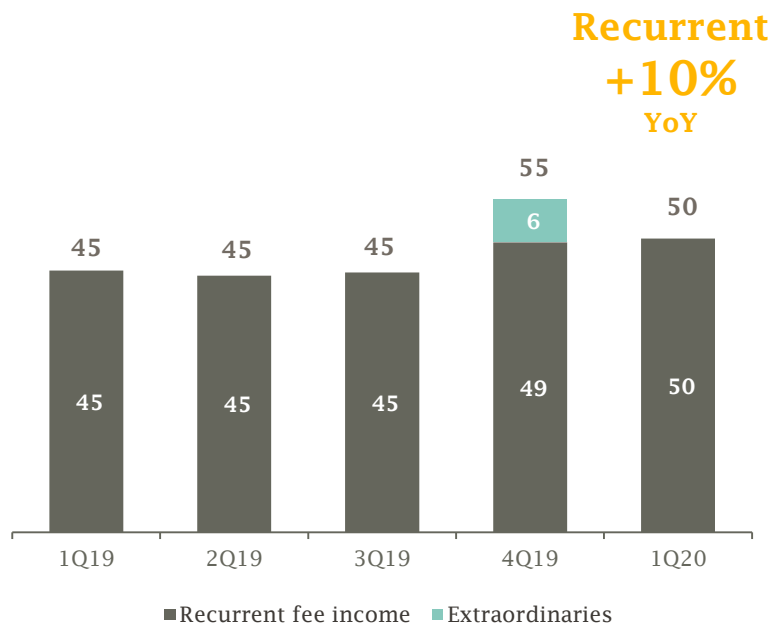
Capital Markets Maturities (€ m)



(1) Euro currency

# Fee Income

## Fee income performance (€ m)



## Fee income breakdown

€ m	1Q19	4Q19	1Q20	QoQ (%)	YoY (%)
<b>Total Fees</b>	45	55	50	-9.6%	9.6%
<b>Recurrent net fees</b>	45	49	50	1.0%	9.6%
<b>Banking fees</b>	27	29	29	-2.3%	6.8%
<b>Non-banking fees</b>	19	20	21	5.7%	13.6%
Mutual Funds	7	9	9	2.7%	25.9%
Insurance	10	10	10	3.2%	0.0%
Others*	2	2	2	32.9%	42.2%
<b>Non recurrent fees</b>	0	6	0	na	na

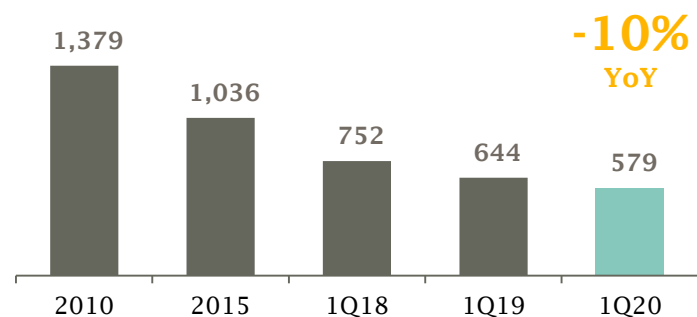
Note: Others include brokerage and pension funds among others

→ Recurrent fees increase +10% in 1Q20 vs 1Q19.

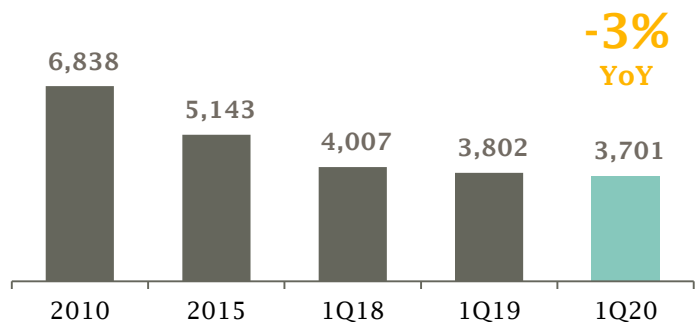
- Non-banking fees increase +14% in 1Q20 vs 1Q19, supported by mutual funds +26%.
- Banking fees show a positive trend mainly explained by increased activity.

# Costs

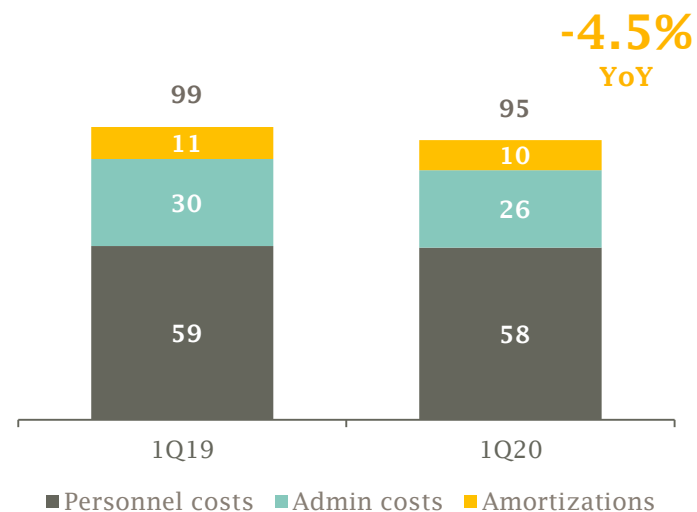
## Number of branches



## Number of employee



## Costs performance. € m



Efficiency (%) <sup>(1)</sup>	1Q19	1Q20
Cost to Income	64%	58%
Cost to Income (exc. Trading)	66%	60%

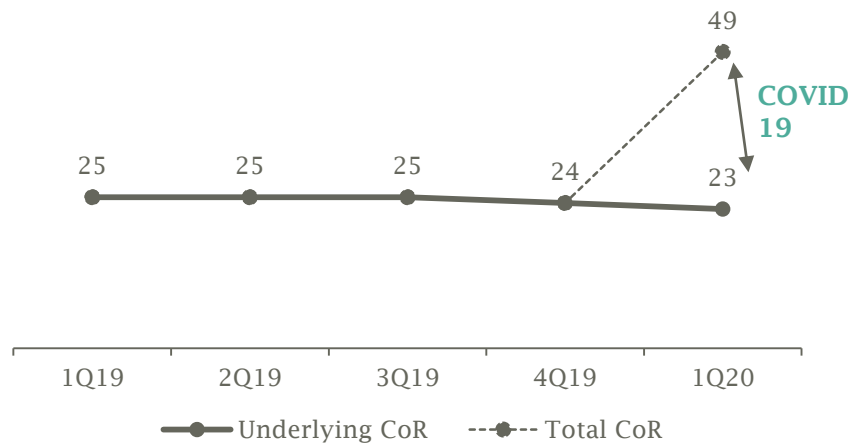
- Operating expenses fall by 4.5% YoY supported by administrative expenses and personnel costs.
- Cost to income ratio keeps improving.
- Liberbank keeps investing in restructuring the branch network and in digital transformation of the bank.

(1) Like for Like comparison. Removing SRF contribution from 1Q19 and non-recurrent NII from 1Q20

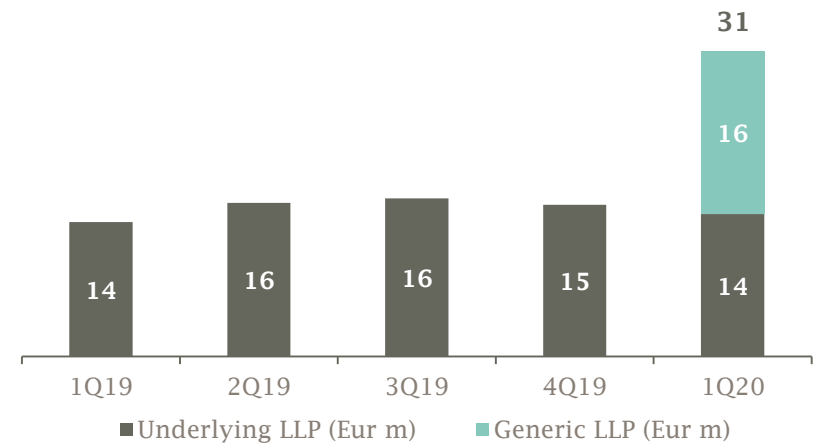


# Impairments

## Quarterly Cost of Risk <sup>(1)</sup>



## Quarterly loan loss provisions



→ Liberbank booked a € 16m generic credit provision, as a precautionary measure.

(1) CoR: annualized loan loss provisions divided by average loans.

# P&L

€m	1Q19	2Q19	3Q19	4Q19	1Q20	Var. QoQ		Var. YoY	
						€m	%	€m	%
Interest Income	134	138	137	140	154	13	10%	20	15%
Interest Cost	-20	-21	-20	-20	-17	3	-13%	3	-15%
<b>NET INTEREST INCOME</b>	<b>114</b>	<b>116</b>	<b>116</b>	<b>121</b>	<b>137</b>	<b>16</b>	<b>13%</b>	<b>23</b>	<b>20%</b>
Dividends	5	0	0	2	0	-2	-89%	-5	-96%
Results from equity method stakes	2	21	3	4	0	-4	-95%	-2	-89%
Net fees	45	45	45	55	50	-5	-10%	4	10%
Gains on financial assets & others	5	12	5	2	6	4	231%	1	16%
Other operating revenues/(expenses)	-21	-5	-11	-41	-15	26	-63%	6	-27%
<b>GROSS INCOME</b>	<b>150</b>	<b>188</b>	<b>159</b>	<b>142</b>	<b>177</b>	<b>35</b>	<b>25%</b>	<b>27</b>	<b>18%</b>
<b>Administrative expenses</b>	<b>-89</b>	<b>-85</b>	<b>-88</b>	<b>-79</b>	<b>-85</b>	<b>-6</b>	<b>8%</b>	<b>4</b>	<b>-4%</b>
Staff expenses	-59	-59	-60	-58	-58	0	0%	0	-1%
General expenses	-30	-26	-27	-20	-26	-6	30%	3	-11%
Amortizations	-11	-11	-11	-11	-10	0	-3%	1	-6%
<b>PRE PROVISION PROFIT</b>	<b>51</b>	<b>93</b>	<b>60</b>	<b>53</b>	<b>82</b>	<b>29</b>	<b>55%</b>	<b>31</b>	<b>61%</b>
Provisions	-6	-7	-5	-7	-4	3	-44%	2	-30%
Impairment on financial assets	-14	-16	-16	-15	-31	-15	101%	-17	126%
Impairment losses on other assets	0	-2	-2	-1	-2	-1	197%	-2	nm
Other profits or losses	-3	-6	-5	-18	-17	1	-5%	-14	nm
Discontinued operations (net)	0	0	0	0	0	0	-150%	0	nm
<b>PROFIT BEFORE TAXES</b>	<b>28</b>	<b>62</b>	<b>32</b>	<b>11</b>	<b>27</b>	<b>16</b>	<b>138%</b>	<b>-1</b>	<b>-3%</b>
Taxes	-7	-10	-8	3	-8	-11	nm	-1	7%
<b>NET INCOME ATTRIBUTABLE</b>	<b>21</b>	<b>52</b>	<b>24</b>	<b>15</b>	<b>19</b>	<b>5</b>	<b>34%</b>	<b>-2</b>	<b>-8%</b>

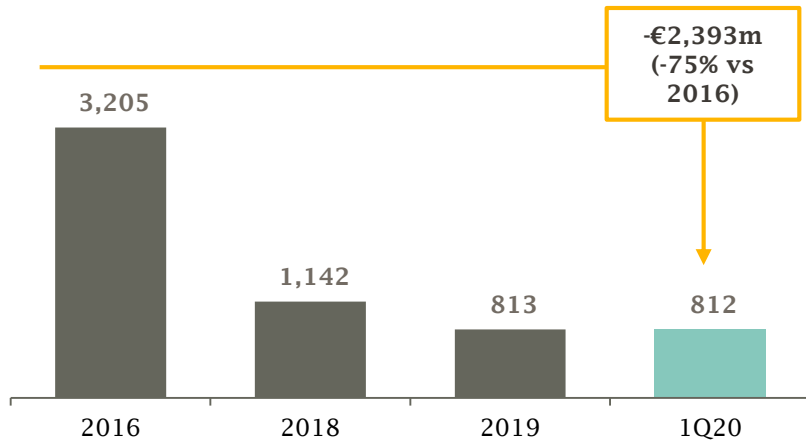
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# Agenda

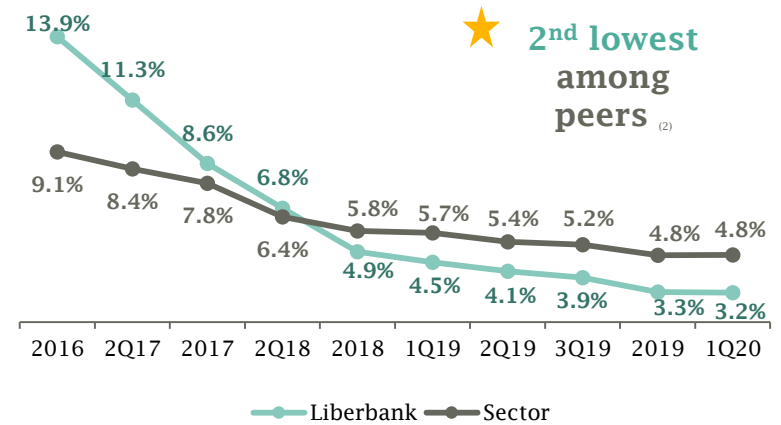
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1. Covid-19 response
  2. Commercial Activity
  3. Results analysis
  4. Asset Quality
  5. Solvency
  6. Liquidity and Fixed Income portfolio
  7. Appendix

# NPLs

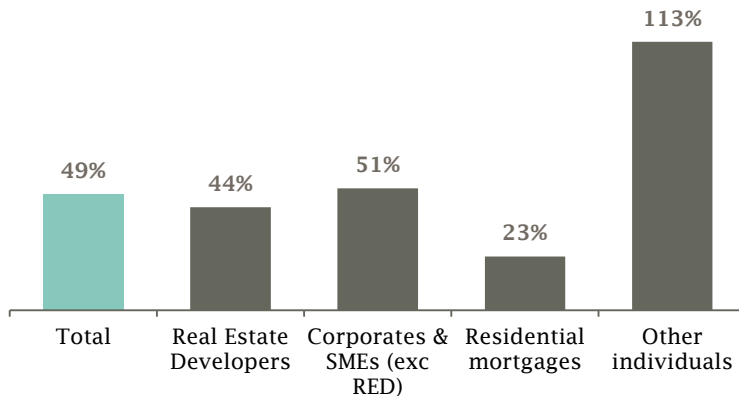
NPL evolution. € m



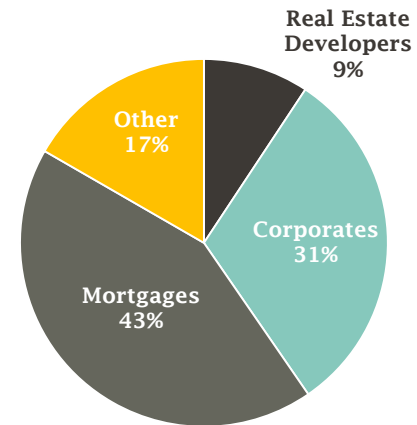
NPL ratio market evolution <sup>(1)</sup>



NPLs coverage.



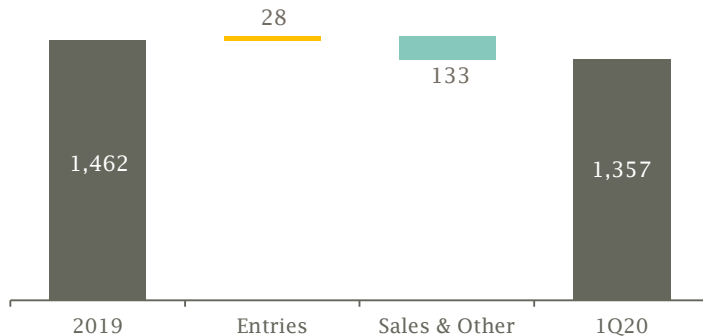
NPLs Mix



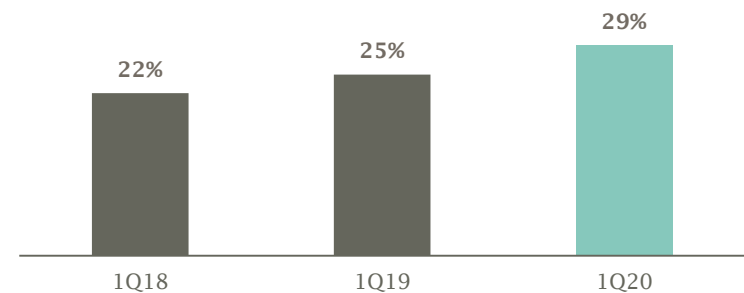
(1) NPLs over gross loan book (not including repos nor off-balance sheet assets). Source: Bank of Spain. February data.  
 (2) Spanish listed Banks as of most updated available figures.

# Foreclosed assets

## Foreclosed assets evolution (gross book value € m) (1)

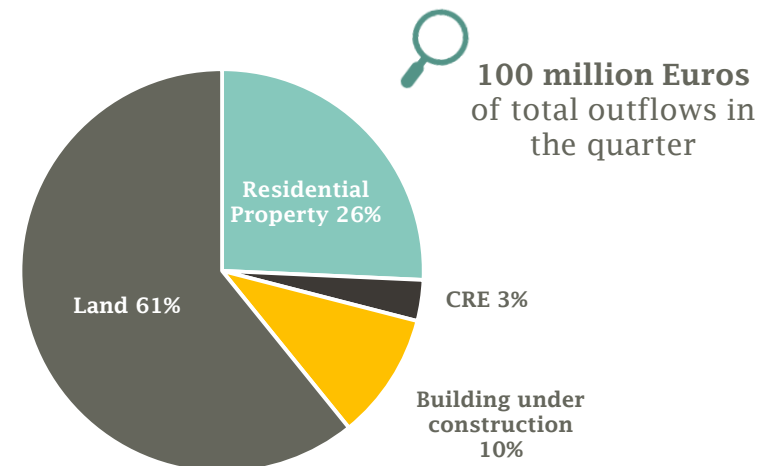


## Turnover rate (1), (2)



## Outflows mix. 1Q20 (1)

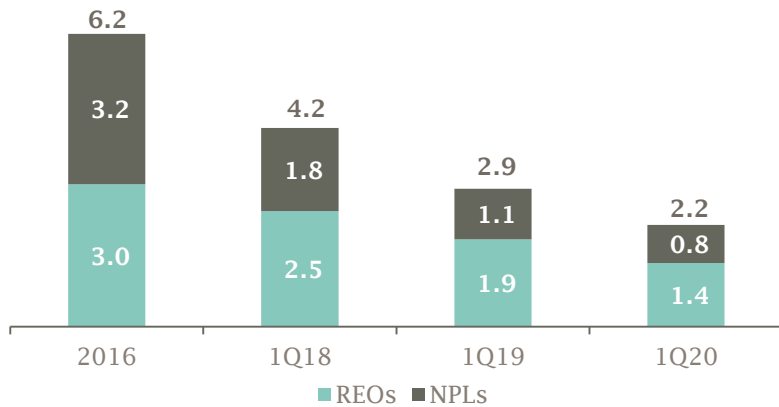
Foreclosed assets breakdown (€ m)	Gross Debt	NBV	NBV Mix	Coverage
Residential	373	209	29%	44%
Commercial RE	185	121	17%	35%
Building under construction	254	133	19%	48%
Land	545	255	35%	53%
<b>Total</b>	<b>1,357</b>	<b>718</b>	<b>100%</b>	<b>47%</b>



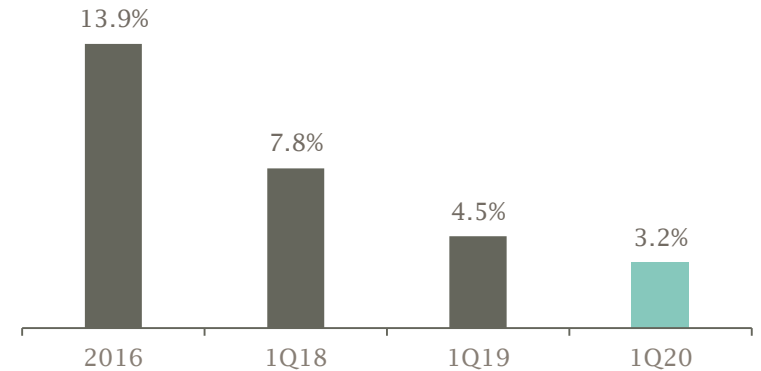
(1) Gross debt excluding investment properties  
 (2) Turnover = Annualized outflows over average foreclosed assets

# NPAs. Summary

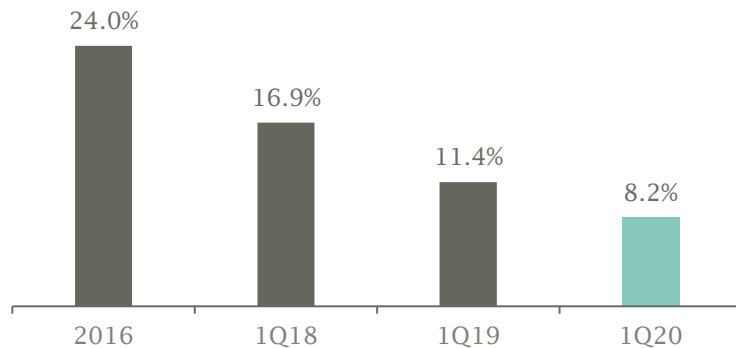
Gross NPA. € bn



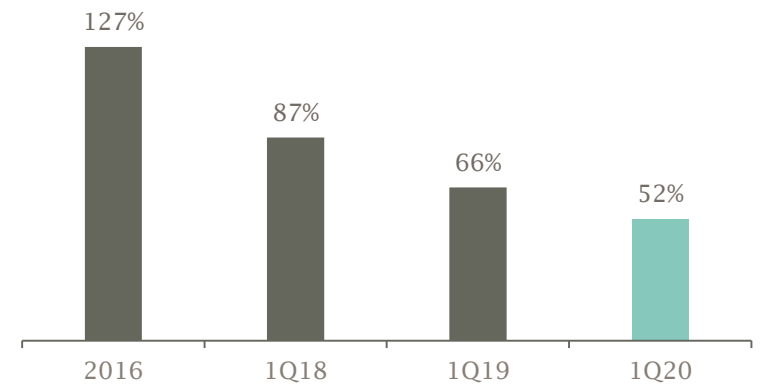
NPL ratio



NPA ratio<sup>(1)</sup>



Texas ratio<sup>(2)</sup>



(1) NPA ratio calculated as NPLs & foreclosed assets over gross loans and foreclosed assets (not including repos)

(2) Texas ratio calculated as gross NPLs & foreclosed assets over equity (excl. minority interests) and provisions related to NPLs & foreclosed assets

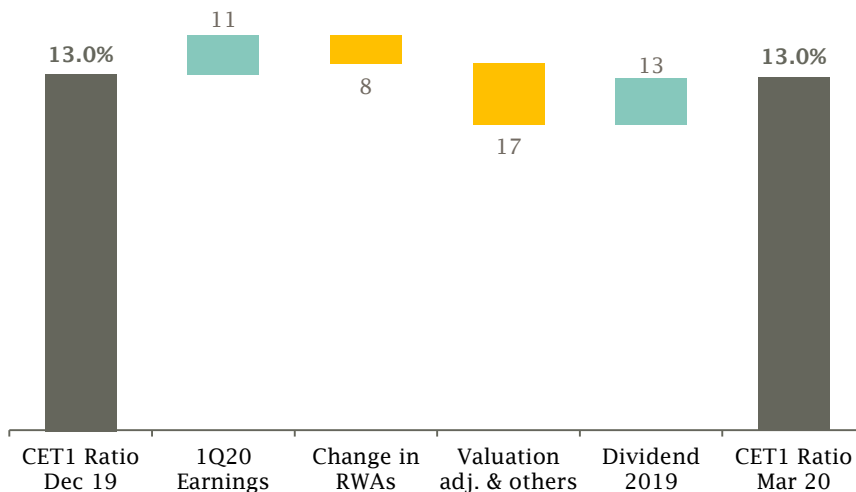
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# Agenda

- 
1. Covid-19 response
  2. Commercial Activity
  3. Results analysis
  4. Asset Quality
  5. Solvency
  6. Liquidity and Fixed Income portfolio
  7. Appendix

# Solvency

## CET1 fully-loaded performance <sup>(1) (2)</sup>



## Upside to CET1 and total capital fully-loaded

- **Caser transaction: +17bps and +37bps** in CET1 and total capital fully loaded.<sup>(3)</sup>
- **Market valuation** as of 30<sup>th</sup> April (EDP and fixed income portfolio) **+12bps**.
- **EC package**, pending details and impact calculation:
  - **Software-intangible** current deduction of € 123m (71pb).
  - **SME and infrastructure supporting factor: +3bps**.
- **2020 Organic capital generation.**
- **IRB models approval.**
- **IFRS9.** CET1-FL incorporates the full impact (28pb).

→ CET1 ratio fully-loaded stands at 13.0%, +52bp YoY and flat QoQ, as market impact and lending growth are offset by organic generation, NPAs reduction and 2019 dividend added back to capital ratios.

→ We expect potential upside to our CET1 due to Caser transaction, market evolution, recent legislative initiatives and organic generation among others.

(1) CET1 FL incorporates the full impact of IFRS-9. It includes full net profit 2019 and 1Q20. It fully deducts €123m of intangibles from software.

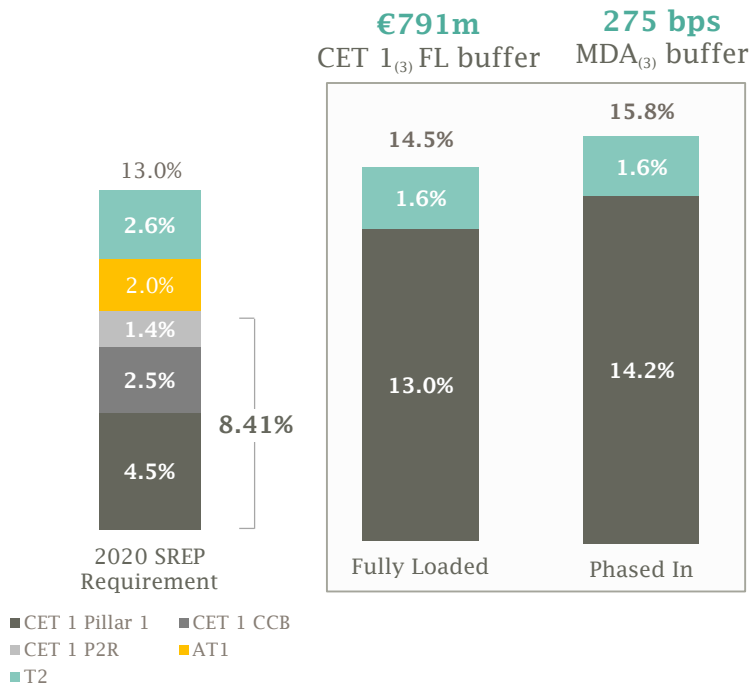
(2) The solvency ratios deduct 61.6 million treasury shares acquired under the share repurchase program approved in December 19.

(3) Caser, subject to final regulatory approval.

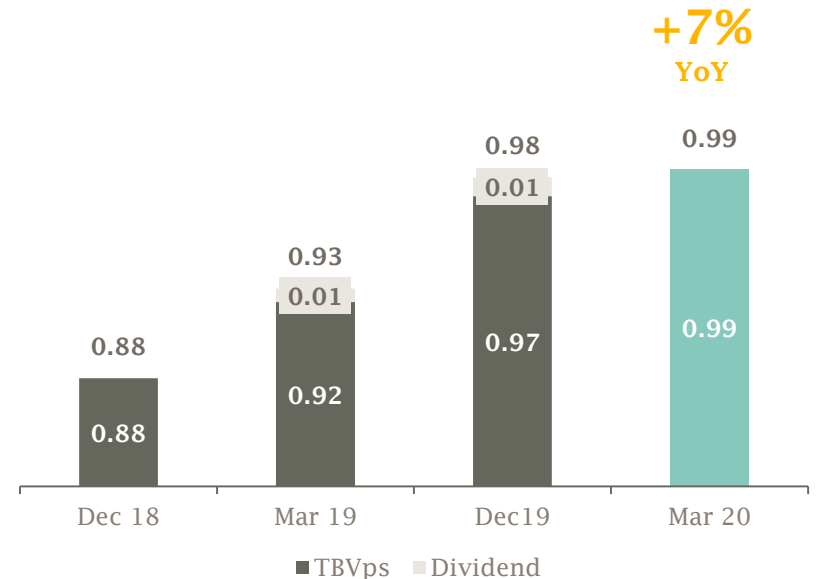


# Solvency

## Capital buffers <sup>(1) (2)</sup>



## TBVps <sup>(4)</sup>



- As of March 20, Liberbank has a 457 bp (€ 791m) buffer over the SREP-CET1 requirement<sub>(3)</sub> and 275bp MDA buffer<sub>(3)</sub>.
- The Board has established that the new proposed application of 2019 results, which will be submitted for approval by a new general shareholders meeting to be held within the legal term prescribed, is to apply the 2019 results in full to voluntary reserves, which means the cancellation of the dividend of € 22m against 2019 results, without prejudice to the possibility of eventually deciding to propose to such general shareholders meeting a distribution following a reevaluation of the situation when the uncertainties caused by the COVID-19 crisis disappear.

(1) CET1 FL incorporates the full impact of IFRS-9. It includes full net profit 2019 and 1Q20. It fully deducts €123m of intangibles from software.

(2) The solvency ratios deduct 61.6 million treasury shares acquired under the share repurchase program approved in December 19.

(3) Applying P2R (CRD-V) flexibility. Maximum distributable amount calculated as total capital phased in minus total SREP requirement.

(4) TBVps deduct 61.6 million treasury shares that are intended to be cancelled.

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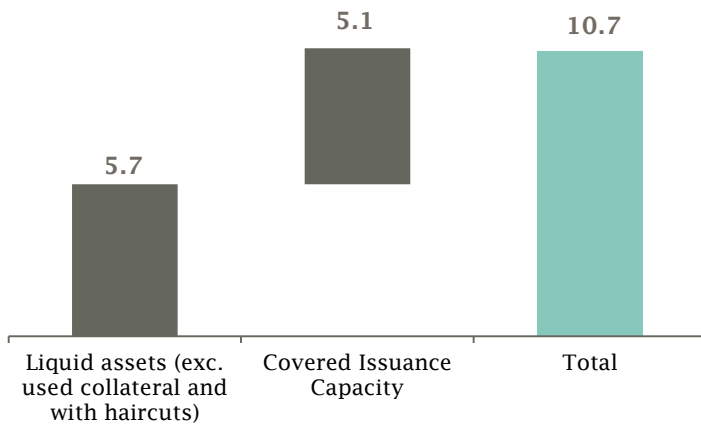
# Agenda

- 
1. Covid-19 response
  2. Commercial Activity
  3. Results analysis
  4. Asset Quality
  5. Solvency
  6. Liquidity and Fixed Income portfolio
  7. Appendix

# Liquidity position

## Liquidity position. € bn

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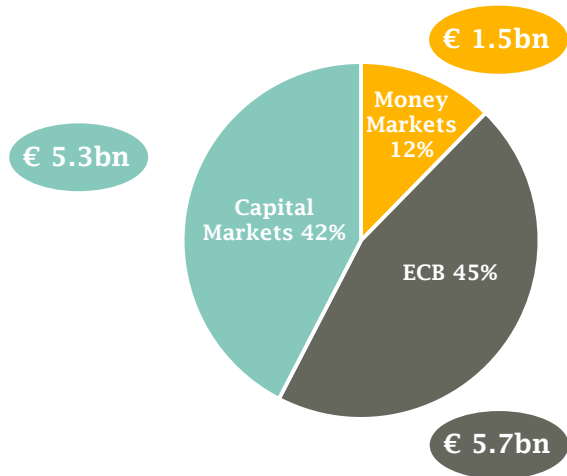
## Liquidity ratios

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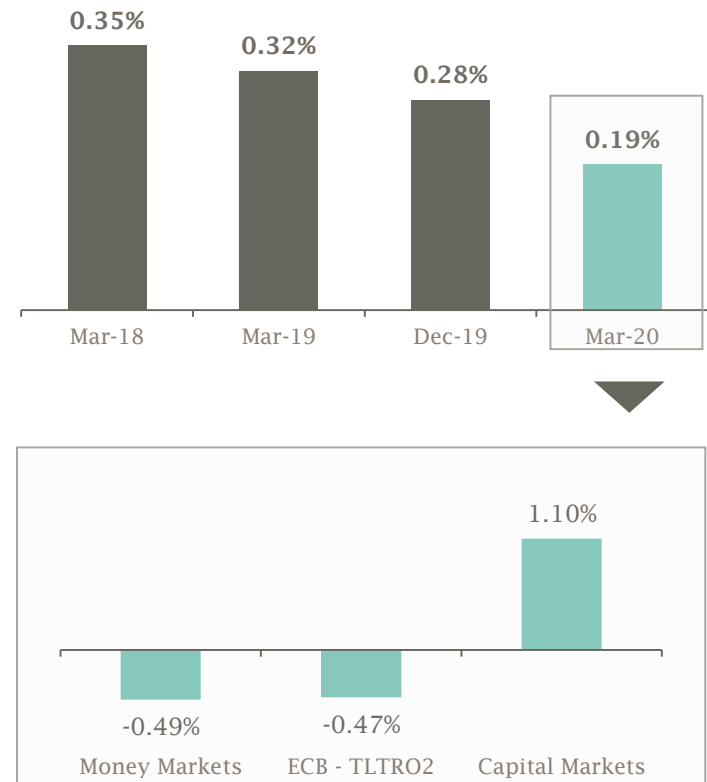
Ratio	1Q19	4Q19	1Q20
LtD	95%	100%	99%
LCR	265%	221%	248%
NSFR	123%	113%	112%

# Wholesale funding

Wholesale funding. Breakdown (€ bn)



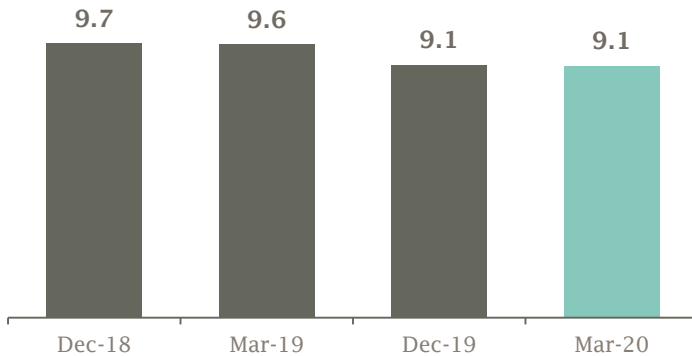
Wholesale Funding. Price Evolution (%)<sup>(1)</sup>



1. Price at the end of the period  
Source: Liberbank Treasury (inventarios)

# Fixed Income portfolio

**Fixed income portfolio. Evolution (€ bn) <sup>(1)</sup>**



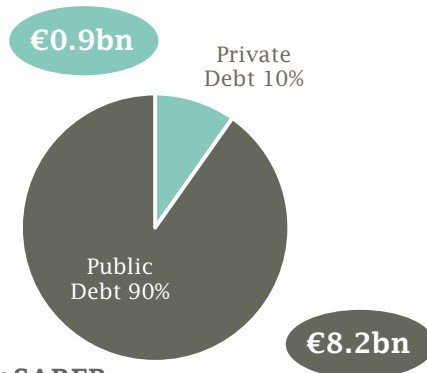
(1) Based in acquisition cost

**Fixed income portfolio. Breakdown <sup>(2)</sup>**

Portfolio	Amount (€ bn)	Yield	Duration
Fair value through OCI	0.4	1.13%	0.53
Amortised cost	8.7	1.33%	3.14
<b>Total</b>	<b>9.1</b>	<b>1.32%</b>	<b>3.04</b>

(2) Weighted average duration in years. Yields EOP.

**Fixed income portfolio. Issuer breakdown**



€ 1.7bn of SAREB bonds included.

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# Agenda

- 
1. Covid-19 response
  2. Commercial Activity
  3. Results analysis
  4. Asset Quality
  5. Solvency
  6. Liquidity and Fixed Income portfolio
  7. Appendix

# Policy support

## Spanish Government



- **Government guarantees (“ICO Lines):** Up to €100bn government backed loans for Corporates and SMEs, €40bn have already been approved. Coverage by the State stands between 60% and 80%. The full €100bn would represent c.25% of current business loan book in Spain and c.10% of GDP.
- **Payment holidays:** for customers in need for mortgages, consumer loans and SMEs.
- **ERTEs:** Facilitation of temporary layoffs or working hours reduction, remunerated by the state, up to 70% of the salary with certain limitations.
- **Salary support:** Mainly aimed at unemployed, self-employed and house workers.
- **Tax payment delays:** Mainly aimed at SMEs and self employed. Maximum of 6 months as of now.

## European Union



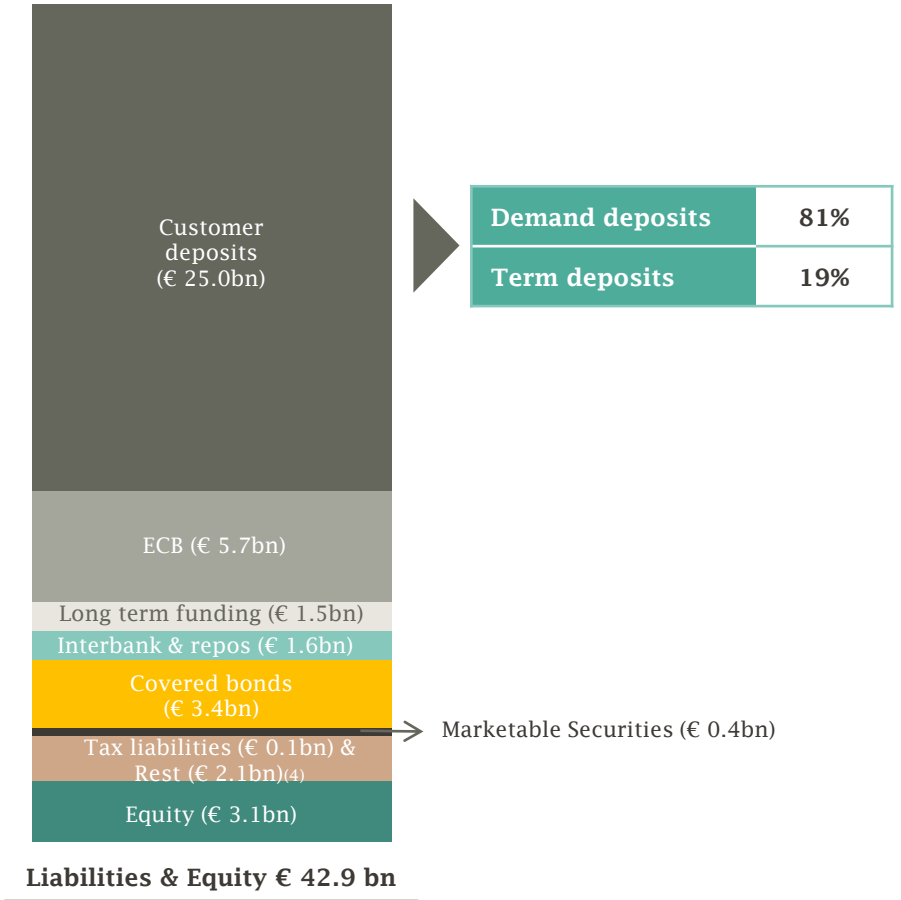
- **Corona response:** € 37bn investment supporting SMEs and health sector.
- **European investment bank:** € 25bn guarantees program for viable but vulnerable companies.
- **Working capital.** € 8bn of liquidity lines for c. 100k SMEs across Europe.
- **SURE Project:** € 100bn fund to help affected companies and employees across Europe, under discussion.

## Regulators



- **Pandemic Emergency Purchase Program:** Envelope of €750 bn until the end of 2020 with additional assets included and capital key flexibility.
- **TLTRO III:** Increased eligible amount, 50bps cost decrease for one year & relaxed collateral requirements.
- **Liquidity and solvency relaxation:** LCR allowed to drop below 100%, Banks allowed to operate below P2G, AT1 and T2 allowed to cover P2R.
- **ECB** has given flexibility in prudential treatment of loans backed by Covid-19 measures, and has asked not to apply excessive procyclical measures when applying IFRS 9.
- **Stress tests and NPE strategy:** Both postponed, NPE strategy until further notice and Stress test until 2021.

# Balance Sheet

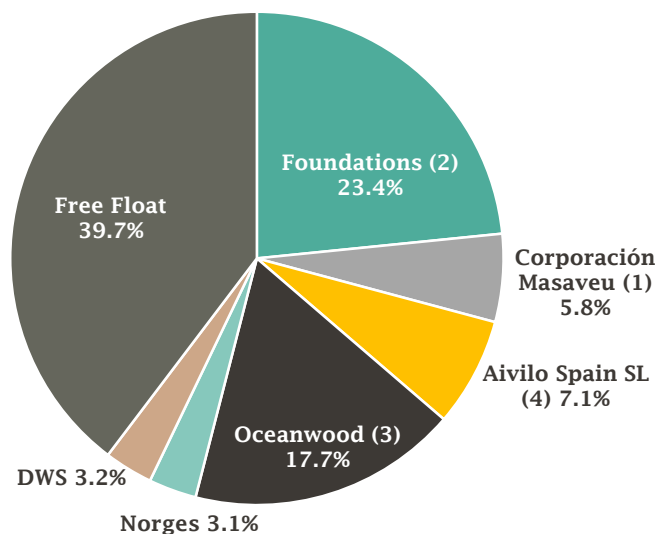


(1) Interbank include cash and interbank deposits  
 (2) Rest of assets include tangible and intangible assets and derivative hedging among others  
 (3) Assets currently held for sale  
 (4) Rest of liabilities include provisions, accrued interests and micro-hedging among others



# Shareholders and Book value

## Shareholder base



(1)Includes Flicka Forestal, Corporación Masaveu and Fundación María Cristina Masaveu  
 (2)Includes Fundación Caja Asturias, Fundación Caja Extremadura and Fundación Caja Cantabria  
 (3)Includes stake through derivatives  
 (4)Includes Inmosan SA  
 Source: CNMV as of March 31<sup>st</sup> 2020

## Share, Book value and Tangible Book Value<sup>(1)</sup>

	4Q19	1Q20
<b>Share and liquidity:</b>		
# O/S shares (m) <sup>(2)</sup>	3,041	2,979
Last price (€)	0.34	0.14
Max price (€)	0.34	0.35
Min price (€)	0.27	0.12
Avg. traded volume (#shares m)	4.4	6.2
Avg. traded volume (€ m)	1.34	1.66
Market Capitalization (€ m)	1,019	415
<b>Book Value:</b>		
BV. (€ m)	3,114	3,098
TBV. (€ m)	2,964	2,946
<b>Ratios:</b>		
BVps (€)	1.02	1.04
TBVps (€) <sup>(2)</sup>	0.98	0.99

(1) Book value deducting intangible assets  
 (2) 1Q20 deducts 61.6 million of treasury shares planned to be cancelled.

# **Liberbank**

## **Institutional Investors & Analysts Contact**

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