

**Liberbank**

# Earnings presentation 4Q20

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February 2<sup>nd</sup> 2021

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# Agenda

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## 1. Liberbank & Unicaja Transaction

2. Summary

3. Commercial Activity

4. Asset Quality

5. Income Statement

6. Solvency

7. Liquidity and Fixed Income portfolio

8. Appendix

# Transaction summary

## Main Transaction terms

**Merger by absorption of Liberbank into Unicaja Banco.**

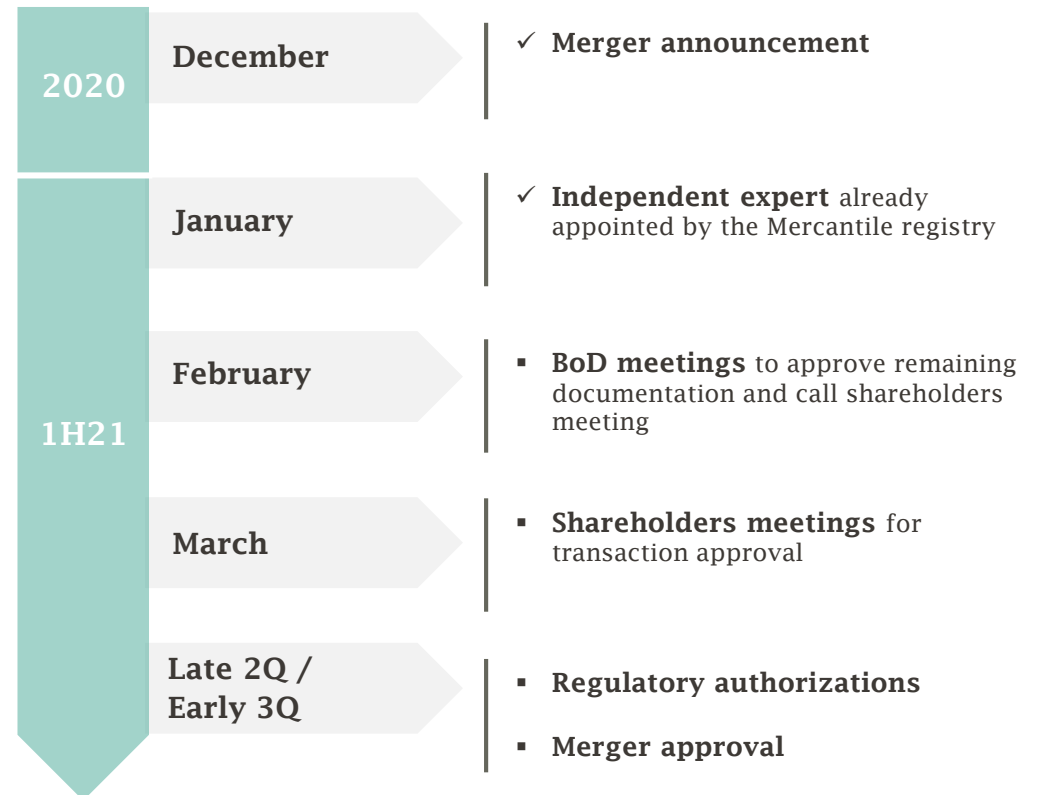
**Unicaja Banco will issue c. 1,075m<sup>(1)</sup> new shares** in exchange for Liberbank 100% share capital for an agreed exchange ratio 0.361x Unicaja Banco shares for each share of Liberbank.

**Resulting structure is 59.5% and 40.5%** of the share capital for Unicaja Banco and Liberbank respectively.

**C. €1.2bn pre-tax restructuring charges** for cost synergies, NPAs coverage reinforcement and other charges.



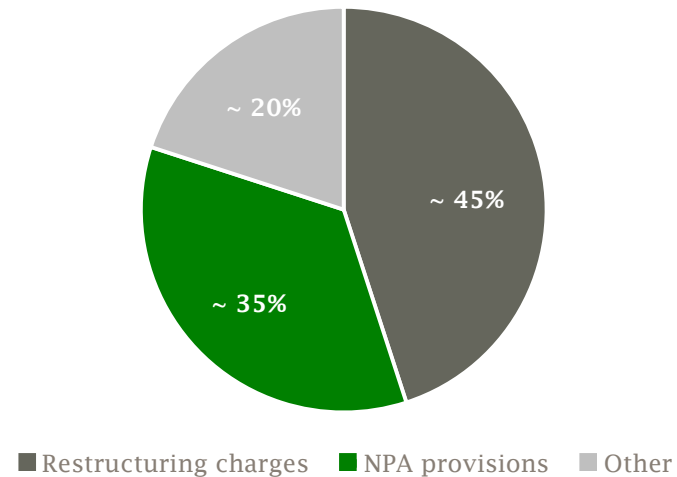
## Expected calendar



(1) Maximum number of new shares to be issued 1,075,299,764 based on exchange ratio of 1 new ordinary share of Unicaja Banco for every 2.7705 Liberbank shares

# Transaction adjustments

Transaction adjustments of c. €1.2bn (pre-tax)



## Key implications

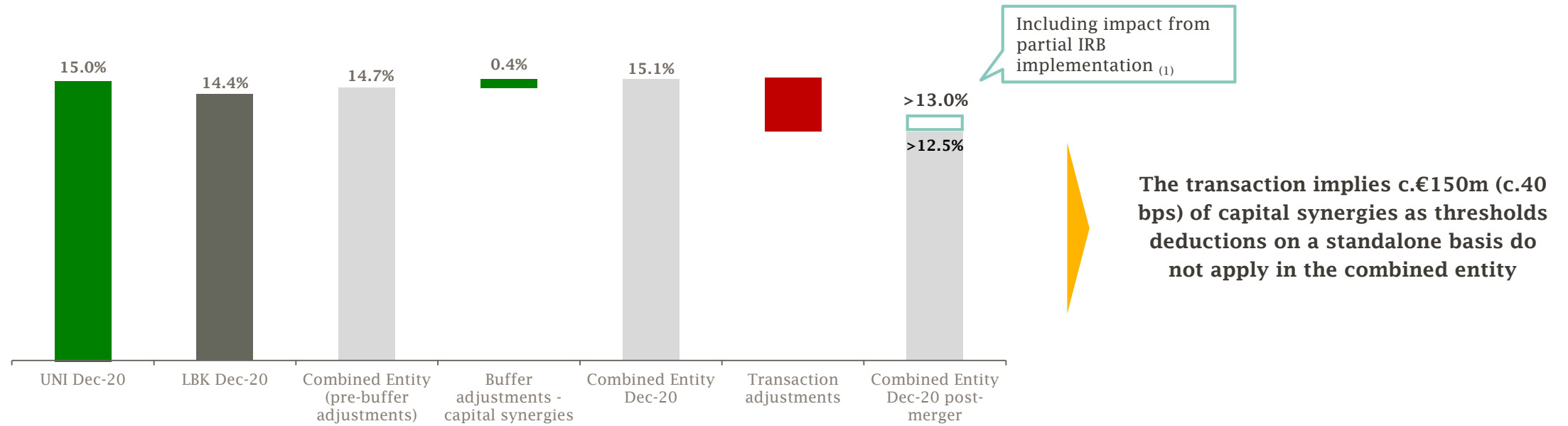
- **Restructuring charges** in order to generate cost synergies of €159m, equivalent to Liberbank's c.42% LTM cost base. Cost savings amount to €192m (51% of Liberbank's cost base) including Unicaja Banco's standalone plan<sup>(1)</sup> (already fully provisioned for).
- **NPA additional provision** to bring the pro forma NPL and NPA coverage to 74% and 69%, respectively, which is best in class in Spain and above the initial numbers announced to the market<sup>(2)</sup>. The combined entity displays a conservative loan portfolio and a low NPL ratio of 3.6% as of 4Q20 (-20bps QoQ).
- **Other charges** to cover FV adjustments, break up costs of strategic agreements and other contingencies.

The excess capital of the combined entity is deployed to significantly improve profitability going forward.

(1) €32m savings target from Unicaja Banco standalone plan.  
(2) Presentation on December 30<sup>th</sup> showed PF coverage ratios of 72% and 67% for NPLs and NPAs respectively.

# Capital synergies

## Combined entity CET1 fully-loaded capital position

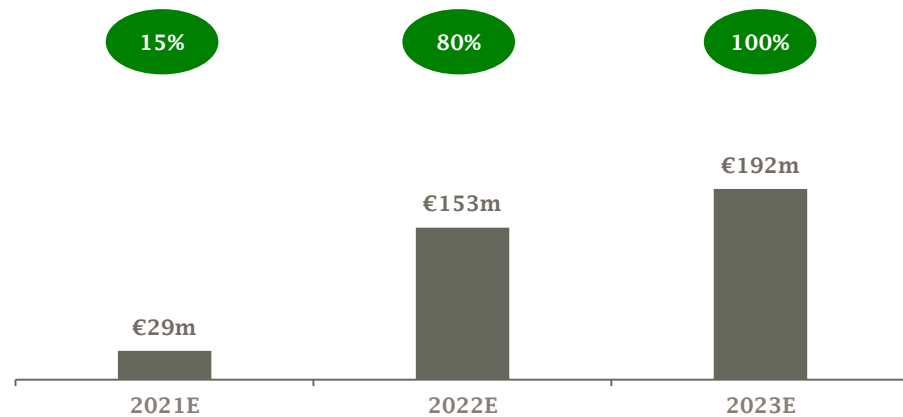


The combined entity has improved its capital position by 40bps in the fourth quarter, above preliminary expectations.

(1) Midpoint of the estimated range (0.4%-0.6%). It only includes estimated partial impact based on Unicaja Banco retail mortgage and consumer loan portfolios. Pending final approval by ECBs supervisory Board.

# Cost synergies

## Synergies calendar (incl. Unicaja Banco standalone plan<sup>(1)</sup>)



### Fast and low execution risk due to measures already agreed:

- c.€32m from Unicaja Banco standalone plan (already provisioned).
- c.€43m from Liberbank standalone plan related to EPCs<sup>(2)</sup>.
- c.€15m lower intangible amortization.

### Other cost savings initiatives:

- Lower real estate assets maintenance and administration expenses thanks to coverage reinforcement and provisions.
- Optimization of combined branch network.
- One single IT platform / operations optimization.
- Full integration of back offices and factories.
- Headquarters optimization.
- Leverage on economies of scale (e.g. joint purchasing).
- Marketing and advertising savings.
- Sharing of best practices.

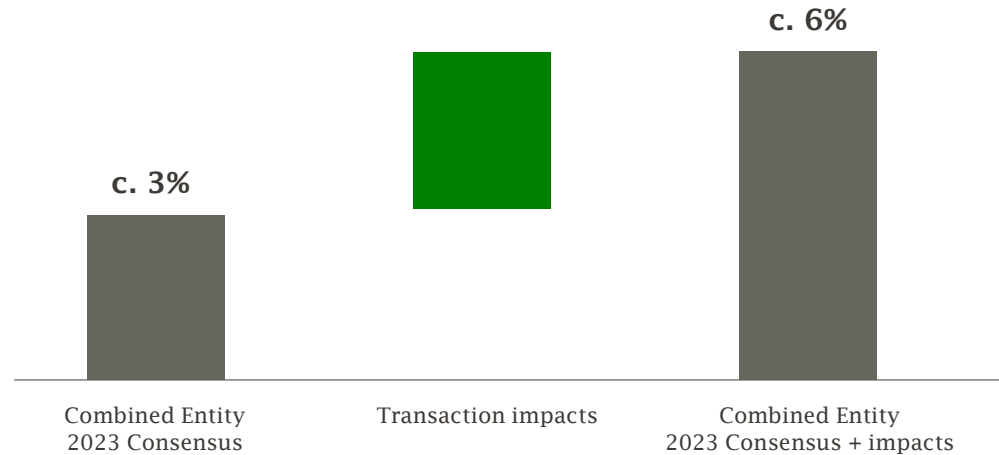
Previous integration experience, levers already identified and the sharing of productivity best practices make us confident that we will achieve the announced cost synergies according to the calendar that has been communicated to the market.

(1) Synergies include €32m of savings already provisioned by Unicaja Banco

(2) EPCs stand for employees not working and receiving agreed compensation (€35m cost) and for employees called to work that meet the requirement for EPC (€8m cost)

# Profitability

## 2023 Consensus implicit ROTE<sup>(1)</sup>



- **Cost synergies low execution risk.** Part of the measures to be implemented have already been agreed.
- **Revenue synergies:** Not considered in the projections, even though we think there are sizable opportunities to explore. Besides, a very limited branch overlap supports the current revenue generation.
- **Cost of Risk:** A best in class NPA coverage, coupled with a conservative lending mix, will translate into a lower cost of risk vs our peers.
- **Capital:** The ROTE presented is based on a c.14% CET1 fully-loaded ratio consensus estimate under standard capital models, well above regulatory requirements.



### Valuation multiples Combined entity PF<sup>(3)</sup>

PTBV 2020<sup>(2)</sup>  
**0.23x**

P/E 2023<sup>(3)</sup>  
**4.0x**

Excess capital allocated to improve significantly EPS going forward.

(1) Tangible book value based on consensus pay-out (2) Tangible Book Value as of Dec 2020 adjusted by the c.€1.2bn restructuring charges. Share prices as of January 28<sup>th</sup> 2021 (3) Net income based on consensus estimates and transactions impacts. Share prices as of January 28<sup>th</sup> 2021.



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# Main figures

## Strong core business

2020 vs 2019

Net Interest Income  
(recurrent)

**+6.6%**

Fee Income  
(recurrent)

**+5.7%**

Opex

**-1.9%**

## Commercial dynamism

Mutual funds

**+18.7%**  
YoY

Mortgage book  
(performing)

**+7.2%**  
YoY

## Conservative loan book

77% of the loan book are residential mortgages, public sector and ICO guarantees.

Cost of Risk

**59 bps**

2020

**15 bps**

2020 underlying

Reinforced Coverage

NPLs

**56.1%**

+596 bps YoY

NPAs

**52.4%**

+394ps YoY

## Robust Capital

CET1 FL

**14.4%**

+141bps YoY

CET1 FL buffer <sup>(1)</sup>

**€1,011m**

TBVps

**€1.07**

+10% YoY

(1) Applying P2R (CRD-V) flexibility.

# Summary

## Commercial activity

- **Performing book up 9.7% YoY** driven by mortgage book up 7.2% YoY.
  - **Residential mortgage** new lending market share<sup>(1)</sup> of c.7% in the year.
- **Mutual funds** up €0.4bn in the quarter, historical record of quarterly net inflows (c.€275m). AuMs +18.7% YoY.

## Profitability

- **Strong recurrent core revenues in the year, Net Interest Income +6.6% YoY and Fee income +5.7% YoY.**
- **OPEX is down by 1.9% versus 2019. Recurrent efficiency ratio** (excl. trading) for the year stands at 57%, down 6 percentage points versus 2019.
- **Recurrent pre-provision profit<sup>(2)</sup> (excl. trading) is €49m up, +22% YoY.**
- **Stronger pre-provision profit** allows to anticipate more non-recurrent credit impairments in the year, **44 bps<sup>(3)</sup> on top of the recurrent 15 bps credit impairments.**

## Asset quality

- **NPL ratio down** in the quarter from 3.0% to 2.9%. **Coverage ratio of 56.1%, +596bps YoY.**
- **NPA ratio down** in the quarter from 7.5% to 7.2%. **Coverage ratio of 52.4%, +394bps YoY.**

## Solvency

- **CET1 ratio fully-loaded<sup>(4)</sup> stands at 14.43%**, +141bps YoY and +30bps QoQ, supported by organic generation, mark to market capital gains, closing of insurance transaction (Caser), reduction of RWAs from state guaranteed loans and regulatory changes (intangibles and SMEs support factor).
- **TBVps** has increased to €1.07, +4% QoQ and +10% YoY.

(1) Data as of November, Chamber of notaries. (2) 2019 recurrent profit (excl. Trading) excludes €13.2m from Cecabank extension agreement. 2020 recurrent profit (excl. Trading) excludes €38m from Caser transaction, €14m NII extraordinary income in the 1Q20 and €7m personnel expenses in 2Q. (3) €121m credit impairments. (4) CET 1 FL includes the full net profit from 2019 and 2020.

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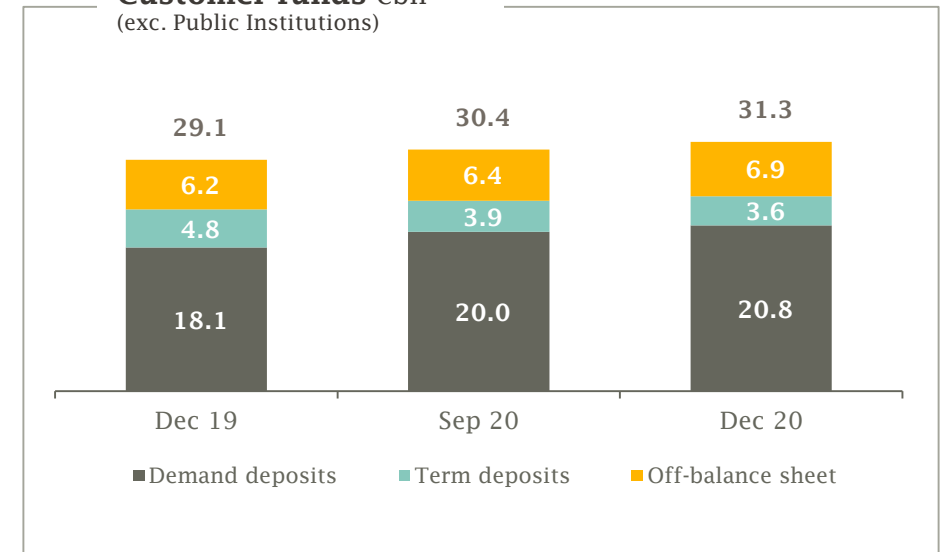
# Customer funds

## Total customer funds breakdown. €m

€m	4Q19	3Q20	4Q20	QoQ	YoY
<b>Customer Funds</b>	<b>30,900</b>	<b>32,955</b>	<b>33,658</b>	<b>2.1%</b>	<b>8.9%</b>
<b>Customer Funds on Balance Sheet</b>	<b>24,675</b>	<b>26,530</b>	<b>26,796</b>	<b>1.0%</b>	<b>8.6%</b>
Public Institutions	1,826	2,579	2,310	-10.5%	26.5%
Retail Customer	22,849	23,951	24,487	2.2%	7.2%
Demand deposits	18,066	20,026	20,842	4.1%	15.4%
Term deposits	4,783	3,924	3,644	-7.1%	-23.8%
<b>Off-balance sheet</b>	<b>6,225</b>	<b>6,425</b>	<b>6,862</b>	<b>6.8%</b>	<b>10.2%</b>
Mutual funds	3,772	4,047	4,477	10.6%	18.7%
Pension Plans	1,481	1,452	1,475	1.5%	-0.4%
Insurance Funds	972	925	910	-1.7%	-6.4%
<b>Number of branches</b>	<b>582</b>	<b>576</b>	<b>575</b>	<b>-0.2%</b>	<b>-1.2%</b>
<b>Customer funds per branch (€m)<sup>(1)</sup></b>	<b>49</b>	<b>53</b>	<b>54</b>	<b>2.3%</b>	<b>11.2%</b>



**Customer funds €bn**  
(exc. Public Institutions)

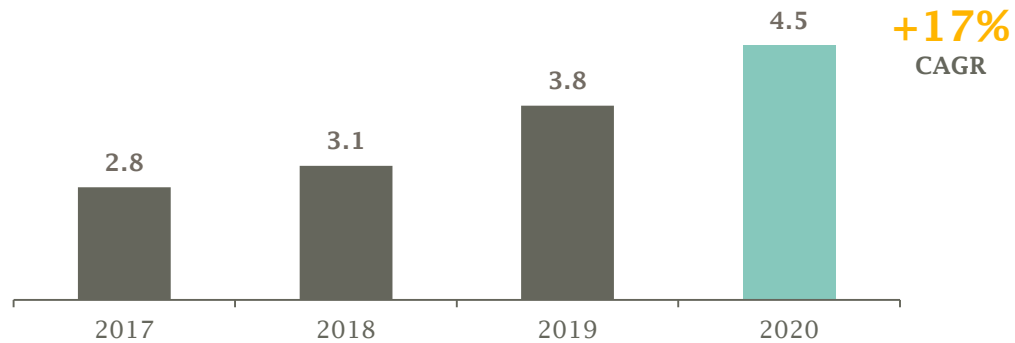


- Total customer funds increased by c. €0.7bn in the quarter, off balance sheet represents €0.4bn.
- Mutual funds keep increasing at strong pace, +10.6% QoQ with positive net inflows of €275m in the quarter.

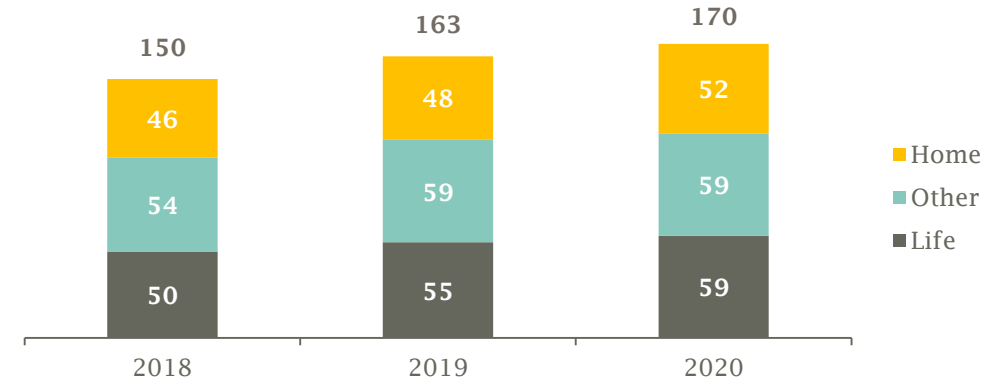
Note: customer funds do not include repos  
(1) Adjusted by agencies funds.

# Asset management and insurance

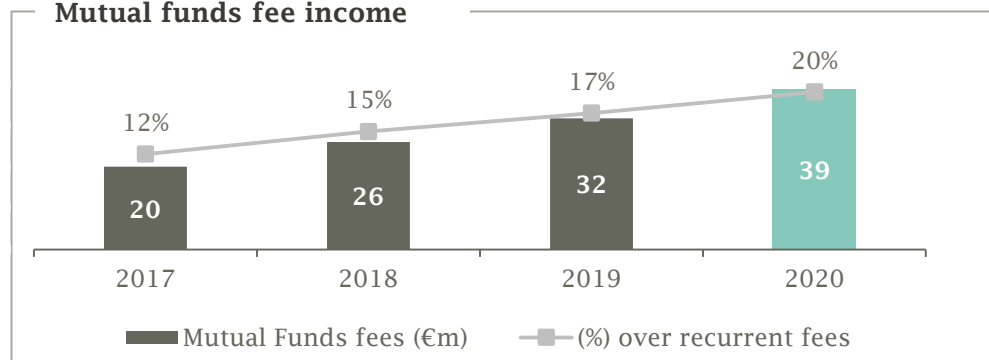
Mutual funds AuMs. €bn



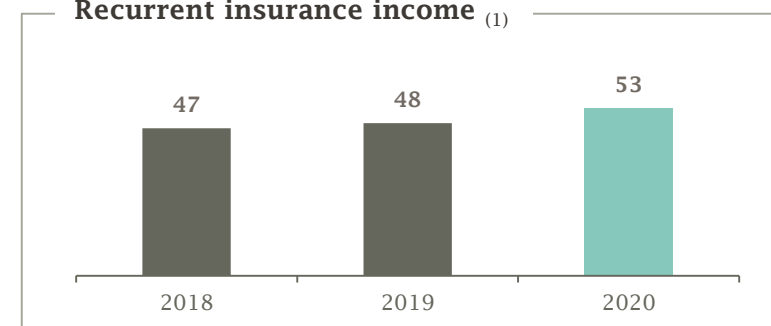
Insurance premiums. €m



Mutual funds fee income



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



→ Mutual funds penetration<sup>(2)</sup> has increased from 9% in 2016 to 15% as of December 2020.

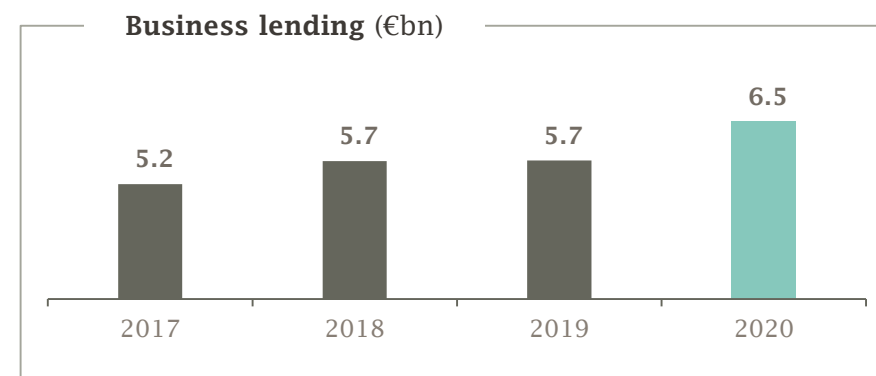
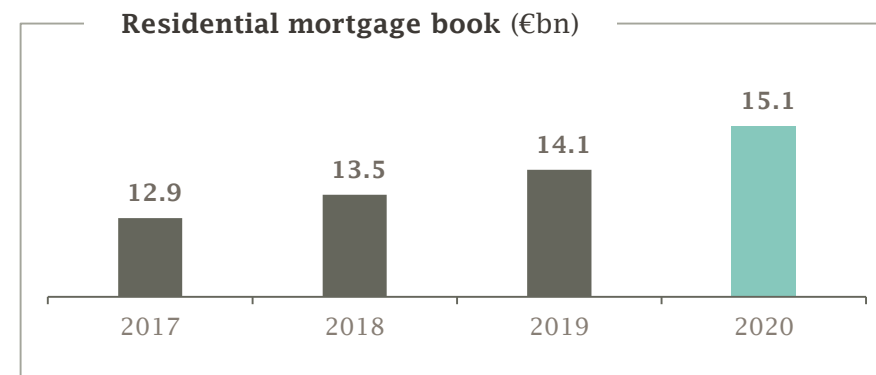
→ Residential mortgage franchise supports cross selling of insurance and other products at high conversion rates.

(1) Revenues come from fees and equity accounted income. It excludes dividends received from Caser.  
 (2) Mutual funds penetration measured as mutual funds over mutual funds and customer deposits.

# Lending: Performing loan book

## Performing loan book breakdown. Gross

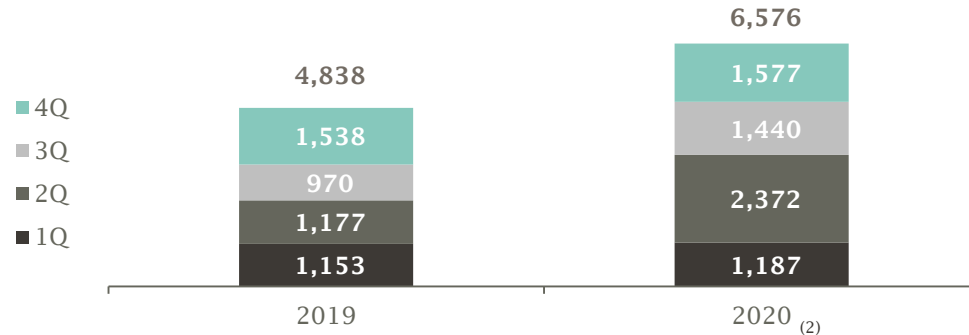
€m	4Q19	3Q20	4Q20	QoQ	YoY
Public sector	3,174	3,367	3,682	9.4%	16.0%
<b>Loans to businesses</b>	<b>5,690</b>	<b>6,477</b>	<b>6,454</b>	<b>-0.4%</b>	<b>13.4%</b>
Real Estate Developers	300	416	465	11.9%	55.1%
Other Corporates	5,390	6,062	5,989	-1.2%	11.1%
<b>Loan to individuals</b>	<b>14,972</b>	<b>15,616</b>	<b>16,066</b>	<b>2.9%</b>	<b>7.2%</b>
Residential mortgages	14,091	14,720	15,150	2.9%	7.5%
Consumer and others	881	896	917	2.3%	2.9%
<b>Other loans</b>	<b>351</b>	<b>331</b>	<b>328</b>	<b>-0.9%</b>	<b>-4.1%</b>
<b>Total performing book</b>	<b>24,186</b>	<b>25,791</b>	<b>26,530</b>	<b>2.9%</b>	<b>9.7%</b>
<b>Total performing book (exc Public sector)</b>	<b>21,013</b>	<b>22,425</b>	<b>22,848</b>	<b>1.9%</b>	<b>8.7%</b>



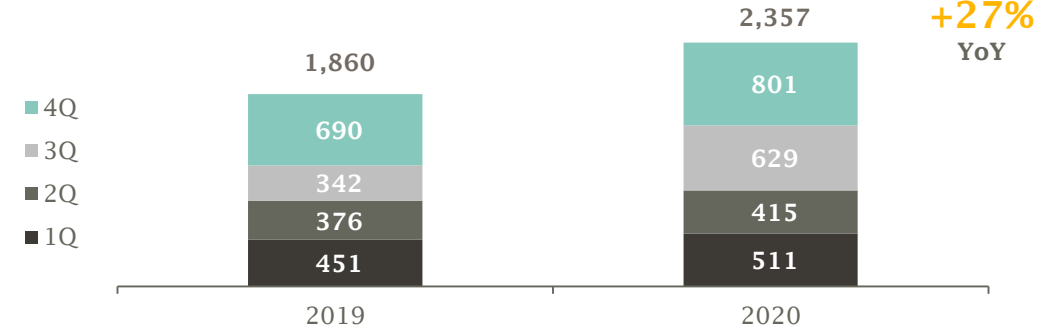
- Mortgage book keeps growing steadily since 2017 at attractive prices and low risk profile.
- Corporate book growth has been more focused in 2020 on the ICO scheme.

# Lending: New lending

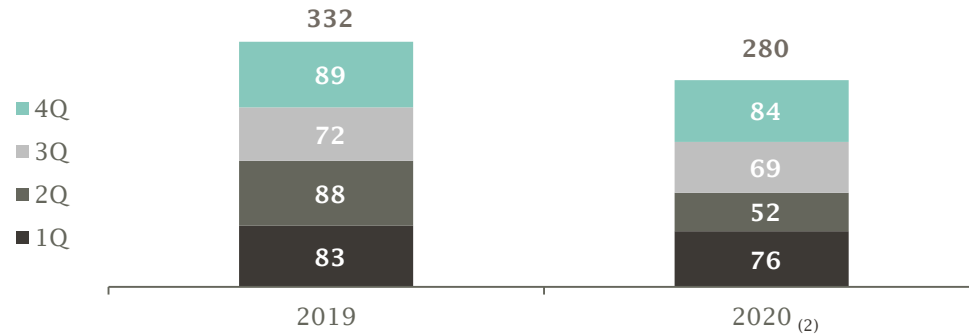
**Total lending. €m (excl. public sector)**



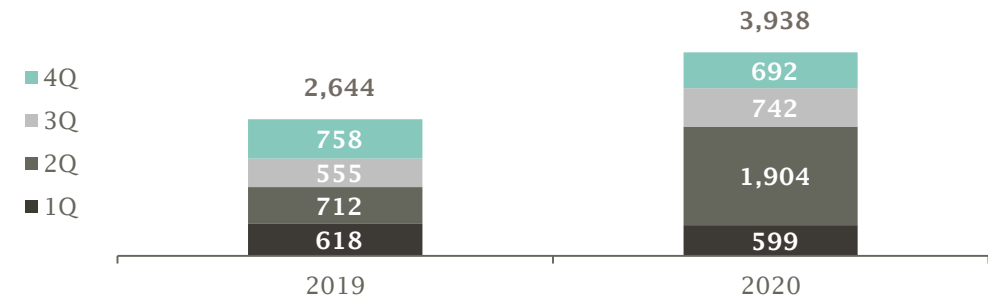
**Residential mortgage. €m**



**Consumer lending. €m**



**Corporates. €m**



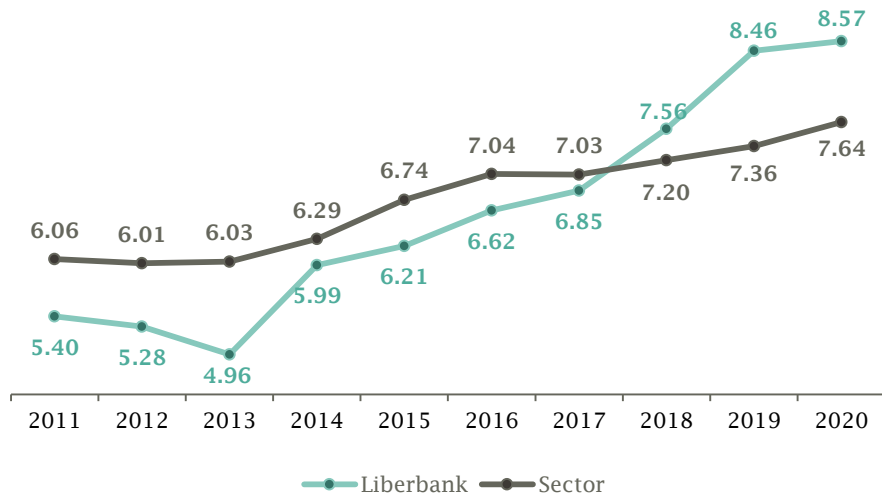
- Residential mortgages new lending up 27% in 2020, market share of c.7%<sup>(1)</sup> for the year.
- Corporates new lending heavily influenced by ICO schemes, as it accounts for 54% of total corporates new lending for the year.

1) Chamber of Spanish Notaries as of November.  
 2) 3Q data adjusted to show like for like data due to a portfolio migration.



# Quality of service

**Liberbank, one of the most dynamic banks in Spain at the moment, ranks as the first Spanish bank in terms of quality service under the Equos study. Best in class service to customers, supports current momentum and encourages future activity to remain strong.**



- **Liberbank has ranked #1 overall** in the 4<sup>th</sup> quarter of the year
- Liberbank leads the way in some of the most important metrics that support a strong commercial activity
  - Sales performance
  - Personal attention
  - Detailed explanation and attention
  - Sales support & cross selling
- **Branches renewed look & feel** is very supportive for a high quality attention perception by customers

**Liber**  **bank**



**Spanish Bank with the best score**

**Liberbank has improved its ranking from 11<sup>th</sup> to 2<sup>nd</sup> overall in the last three years.**

# Digital transformation

Digital transformation main pillars keep posting strong progress.



- 1 Scaling up remote capabilities.** Technology has never been as accessible as today, being selective on the right developments allows Liberbank to compete on digital banking. **100% digital mortgage platform just launched.**
- 2 Levering on strong partnerships:** launching Real Madrid's full digital onboarding and extending PlayStation's offer portfolio with **direct sale of PS5 to Liberbank clients.**

## Liberbank Digital business KPIs



### Remote sales / total <sup>(1)</sup>

- **35%** Consumer loans
- **12%** Residential mortgages



### Clients

- **56%** of Active digital clients
- **c. 23k** PlayStation clients
- **c. 131k** Wallet / Bizum clients



### Digital activity

- **115k** conversations managed by AI virtual assistant
- **c. 90%** Queries are done remotely



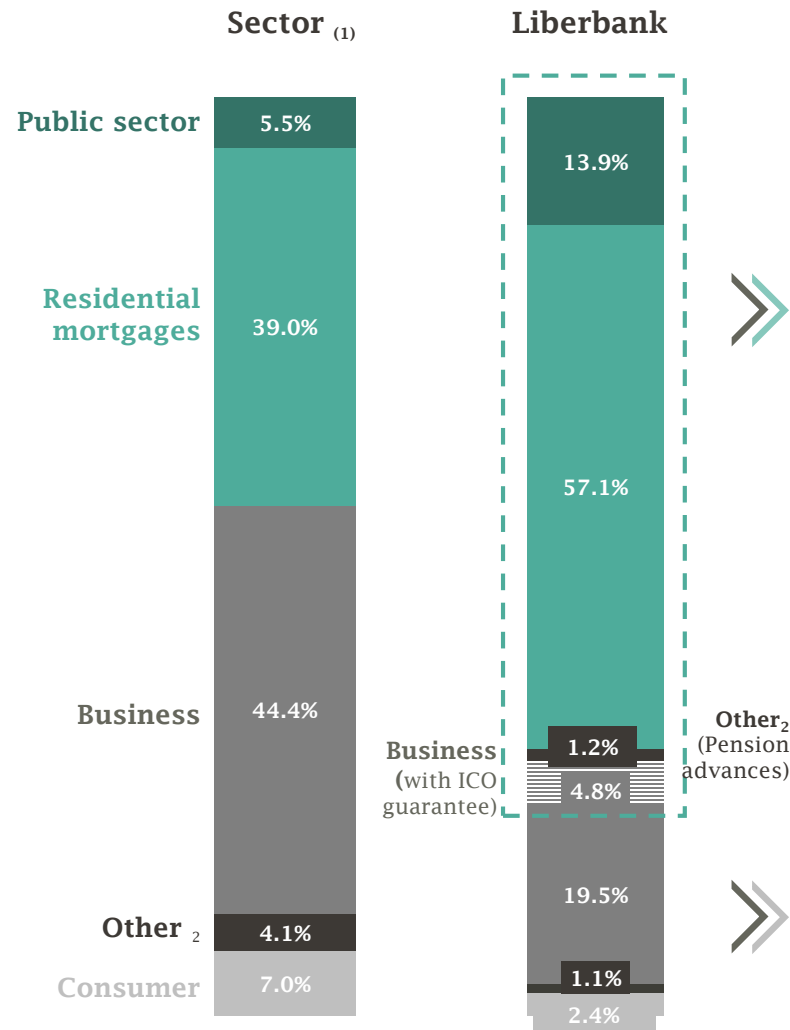
1) Accumulated data for the year, # of contracts.

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# Performing loan book: Low risk profile



**77%** of the performing loan book can be considered very low risk exposures

## Low risk loan book

- **Low risk loan book:** 77% is public sector, residential mortgages, business lending with an ICO guarantee and pension payment advances classified as “other loans”.
- **Pension advances** in the case of Liberbank are advances to customers from their public administration pension which should also be considered public sector exposure.

## Consumer loan book

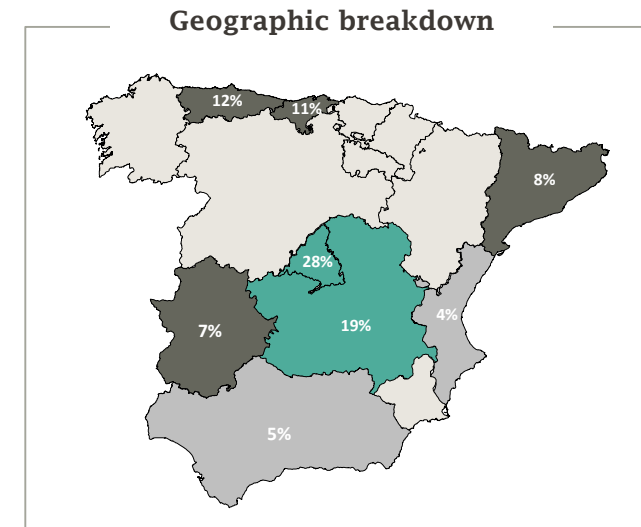
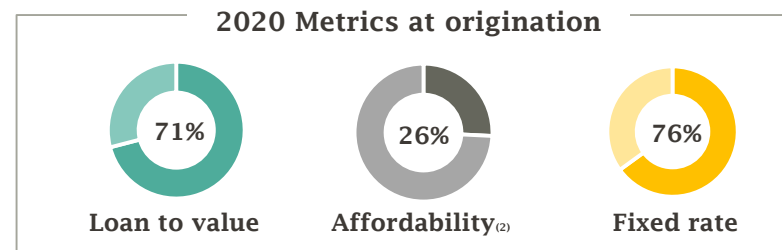
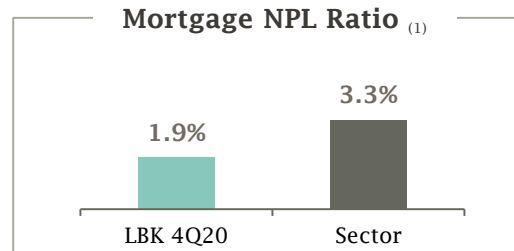
- Pure consumer lending book of €635m, representing 2.4% of our total performing loan book (vs c.7%<sup>(3)</sup> peers).
- NPL ratio of c.4.6% on the back of a low risk portfolio with an average yield of 6.6%.
- Revolving credit exposure is negligible, c. €8m.
- > 80% of consumer loan clients have their monthly income within the bank.
- Consumer loan moratoria is negligible, **c.1% of the book.**

1) Data from Bank of Spain as of September 2020  
 2) Other loans in the case of Liberbank are mainly pension advances from public administration.  
 3) Peers are Spanish listed banks

# Performing loan book: Residential mortgages

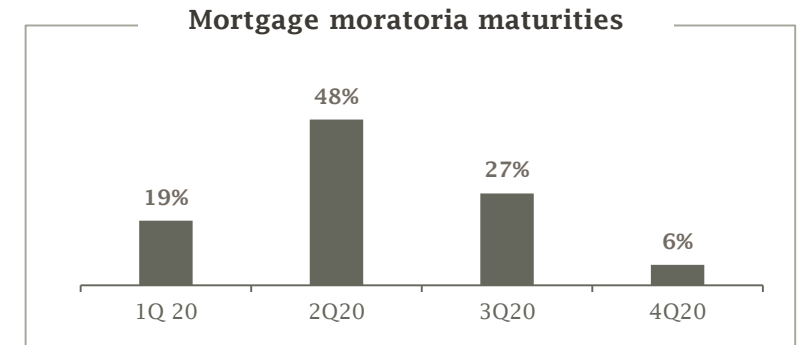
## Total book. Key metrics

- **Domestic borrowers** explain **94%** of the loan book.
- **90%** of the mortgage book have first residences as collateral.
- **68%** of the mortgages have two or more borrowers.



## Residential mortgage moratoria

- Mortgages under moratoria represent **5.5%** of the mortgage loan book as of end-2020.
- **Around €100m of mortgage moratoria have expired, out of which 99% are performing.**



1) Data from Bank of Spain as of September  
 2) Calculated as mortgage payment over total household income

# Performing loan book: Business lending

## Defensive business loan book

- **Low exposure to most affected sectors.**
  - **Airline and oil & gas:** Negligible.
  - **Tourism:** 1.3% of total book.

Sector	Weight / total book (%)
Wholesalers & retail	3.0%
Food industry	2.9%
Industry & manufacturing	2.7%
Services & education	2.2%
Real Estate	2.1%
Utilities	2.1%
Logistics	1.6%
Tourism	1.3%
Financial activities	1.2%
Healthcare	0.9%
Other	3.4%

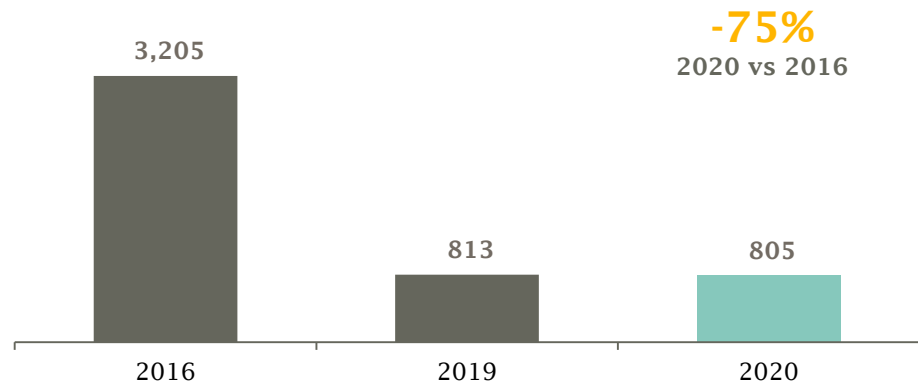
## State guaranteed loans (ICO)

- **20% of the business loan book is already backed by the Government** under the ICO scheme. It would increase to 24% including undrawn amounts.
- **ICO liquidity:** Total amount of €2,136m granted as of year-end.
  - 22% of the total amount is **still undrawn**.
  - 94% of the allocated quota has **been granted**.
- **ICO Investment:** €135m allocated to Liberbank for the first €8bn tranche approved by the government, **38% has been granted**.
- **Corporate deposits have increased by c.€0.5bn in the year, +27%.**

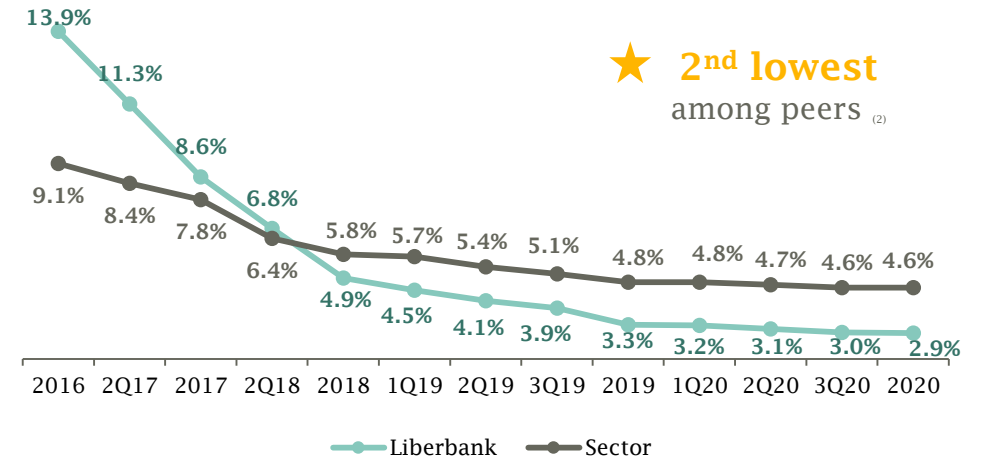


# Non performing loans

NPL stock evolution. €m



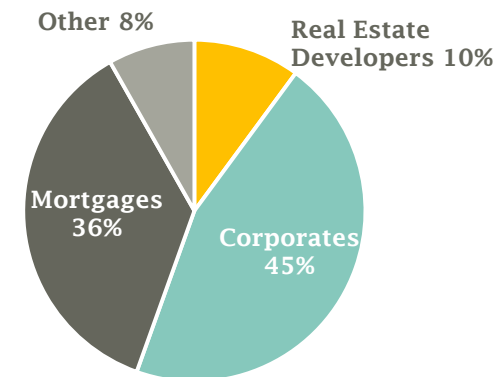
NPL ratio benchmarking <sup>(1)</sup>



NPLs coverage



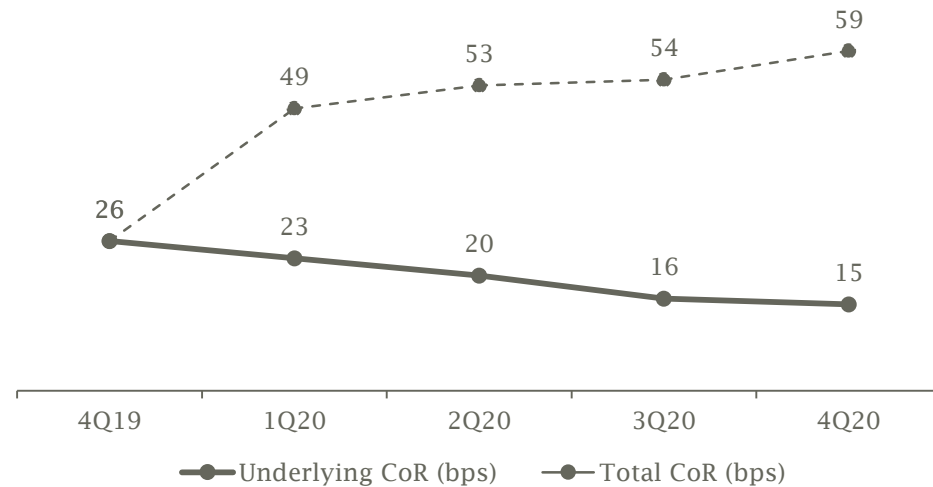
NPLs mix



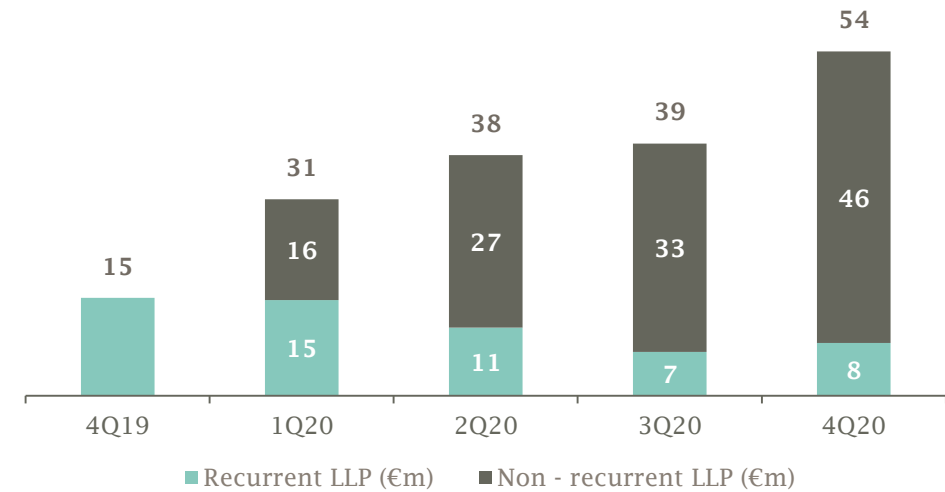
(1) NPLs over gross loan book (not including repos nor off-balance sheet assets). Source: Bank of Spain. November data.  
 (2) Spanish listed Banks as of most updated available figures.

# Impairments

Cost of Risk<sup>(1)</sup>. bps



Quarterly loan loss provisions. €m



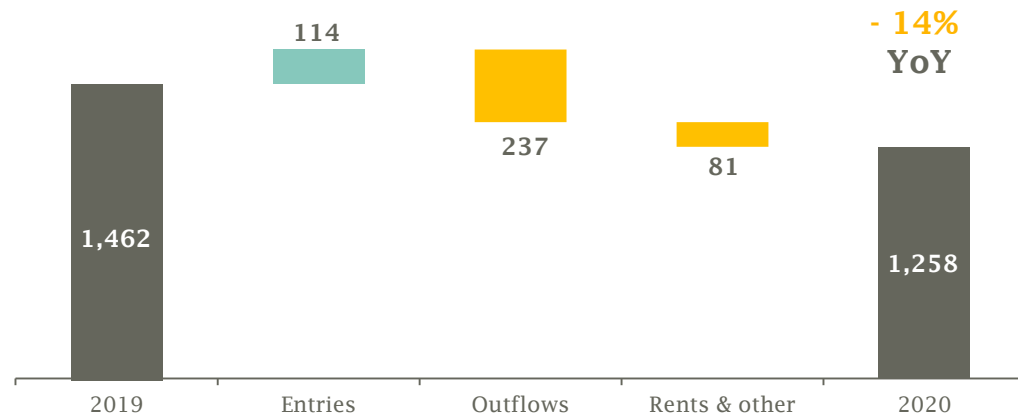
→ Total non-recurrent credit impairments amount to €121m, 44bps<sup>(1)</sup> in the year.

(1) Accumulated loan loss provision / gross loans.



# Foreclosed assets

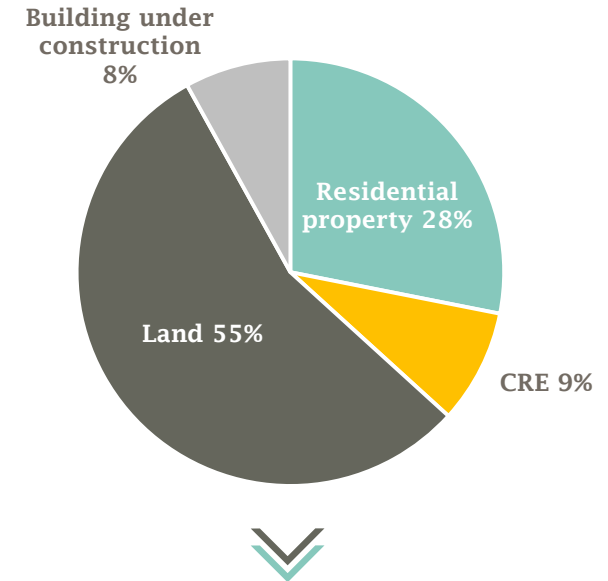
Foreclosed assets stock evolution. €m



Foreclosed assets (€m)	Gross Debt	NBV	NBV Mix	Coverage
Residential	330	167	27%	49%
Commercial RE	175	110	17%	37%
Building under construction	255	134	21%	47%
Land	497	216	34%	56%
<b>Total</b>	<b>1,258</b>	<b>628</b>	<b>100%</b>	<b>50%</b>

+252 bps YoY

Outflows mix. 2020 <sup>(1)</sup>

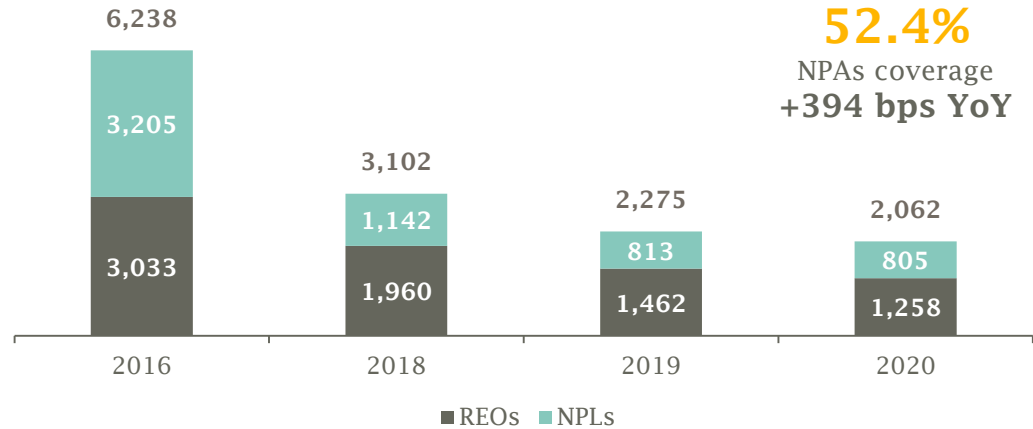


- €49m of outflows in the quarter, €237m during the year disposed with no losses at Net Book Value.
- Prudent provisioning effort on foreclosed assets in 2020 related to Covid-19, €63m.

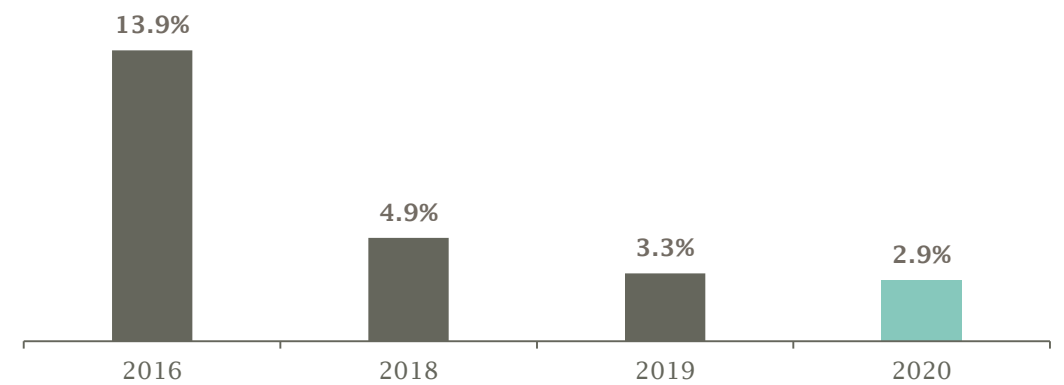
(1) Gross debt excluding investment properties

# Non performing assets

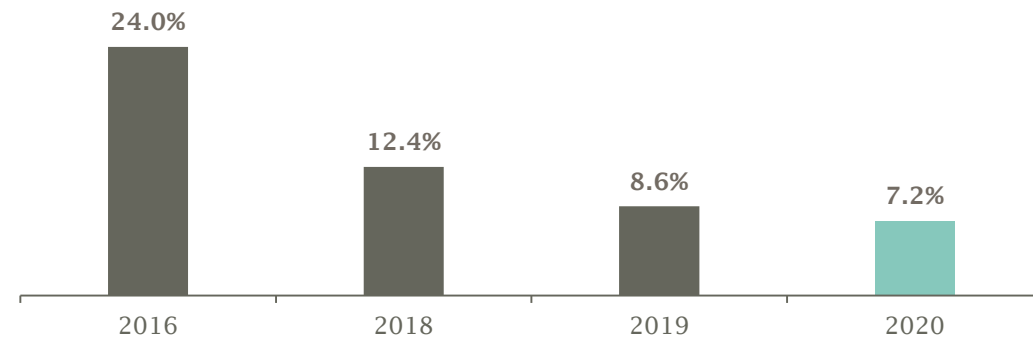
Gross NPAs. €m



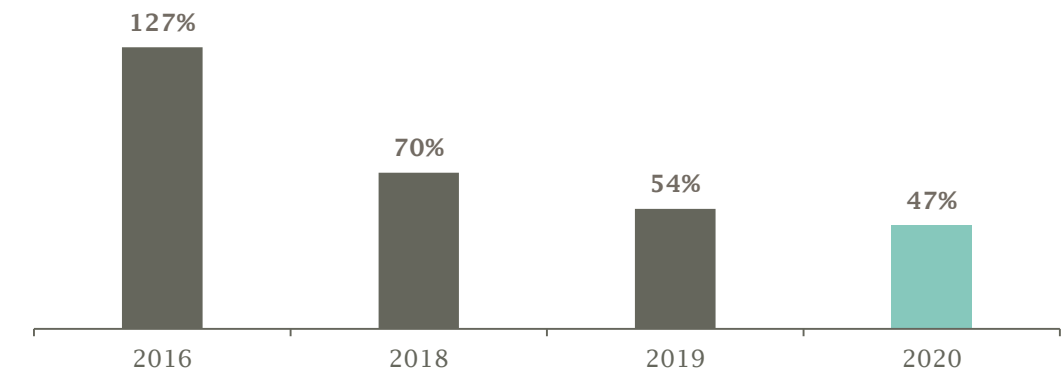
NPL ratio



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

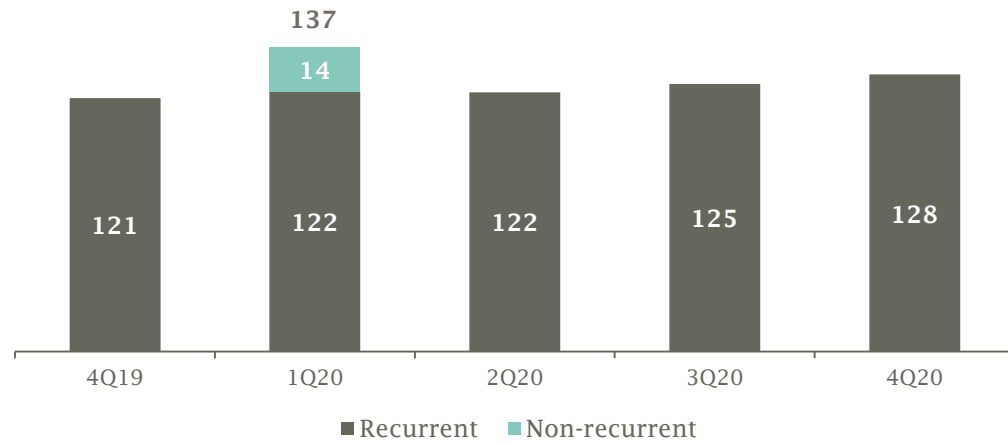
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# Agenda

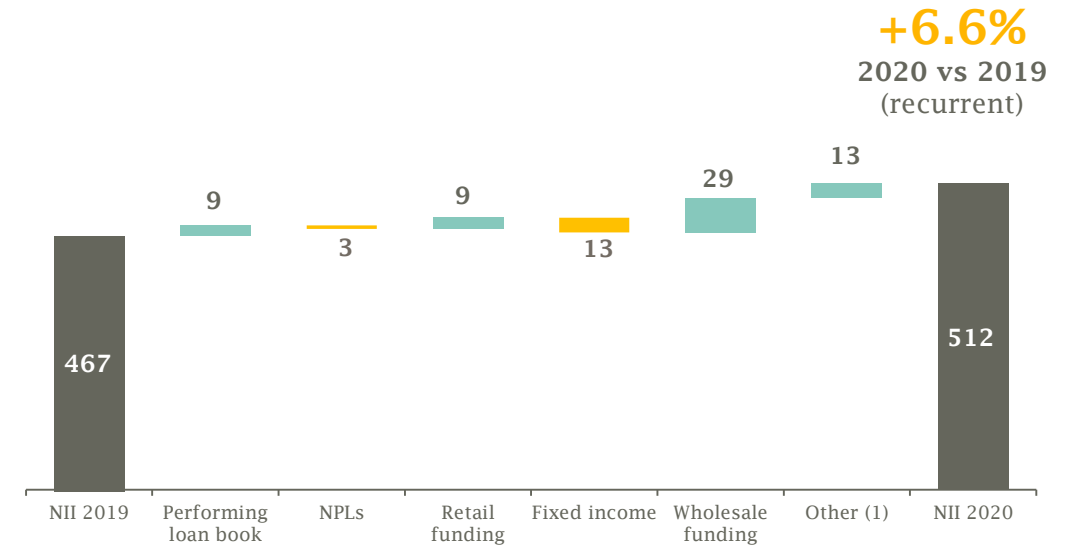
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# Net interest income

NII performance<sup>(1)</sup>. €m



NII yearly evolution

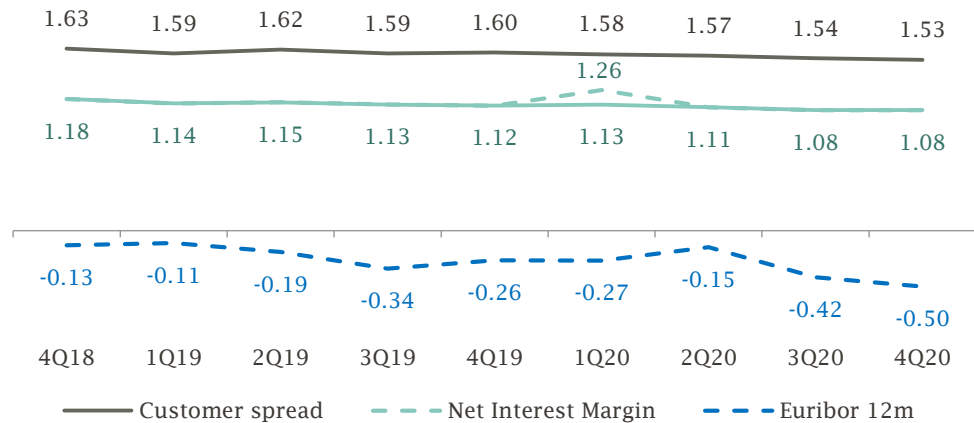


→ Recurrent net interest income up by 6.6% in 2020 supported by loan book growth and cheaper retail and wholesale funding costs that more than offset a lower contribution from the fixed income portfolio and NPLs.

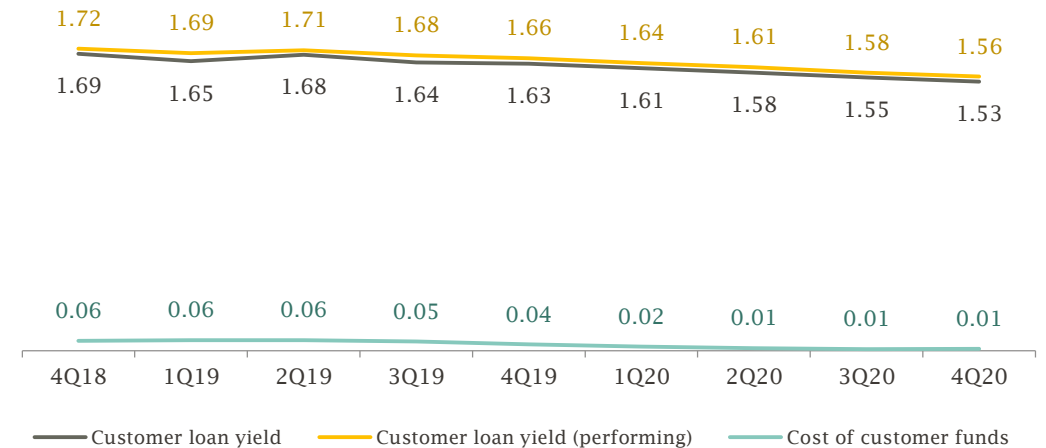
(1) Includes the DGF extraordinary in 1Q20 of €14.1m

# Net interest income: Margins

Margin performance <sup>(1),(2)</sup> (%)



Customer loan yield and cost of funds



- The customer spread and NIM remain quite resilient despite the extremely low interest rate environment. Around 50% of the bank's loan book is at fixed rate.
- Sticky and growing customer resources at 0 bps on new customer deposits.

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

# Net interest income: Asset yields

## Lending yields. Basis points <sup>(1)</sup>

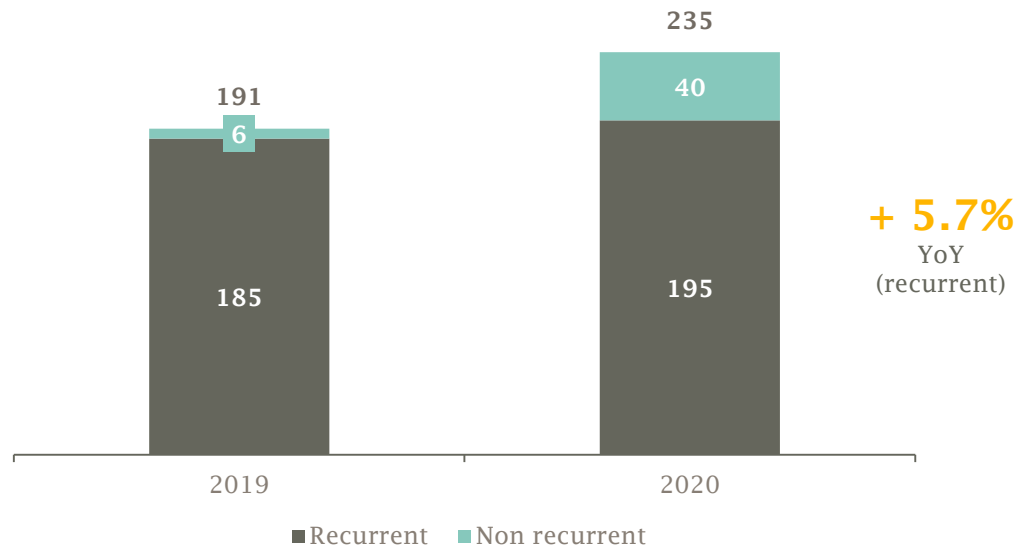
Yield (bps)	4Q19	1Q20	2Q20	3Q20	4Q20
<b>Total Book (Back book)</b>	166	164	161	158	156
Front Book	190	186	168	175	134
Front Book (exc. Public sector)	217	220	170	183	177
<b>Mortgages (Back book)</b>	135	133	134	136	136
Front Book	173	163	158	154	154
<b>SMEs (Back book)</b>	231	226	224	208	207
Front Book	263	266	185	189	210

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

- Mortgage front book flattish QoQ in a record quarter in terms of new lending.
- Front book (exc. Public sector) remains above back book, despite Euribor decrease.

# Fee income

## Fee income evolution. €m



## Fee income breakdown

€m	4Q19	3Q20	4Q20	2019	2020	YoY (%)
<b>Total Fees</b>	55	48	52	191	235	23.5%
<b>Recurrent net fees</b>	49	48	50	185	195	5.7%
<b>Banking fees</b>	29	29	27	113	114	0.5%
<b>Non-banking fees</b>	20	19	23	72	82	13.9%
Mutual Funds	9	10	11	32	39	21.9%
Insurance	10	8	10	33	36	7.1%
Others*	2	2	2	7	8	10.2%
<b>Non recurrent fees</b>	6	0	2	6	40	na

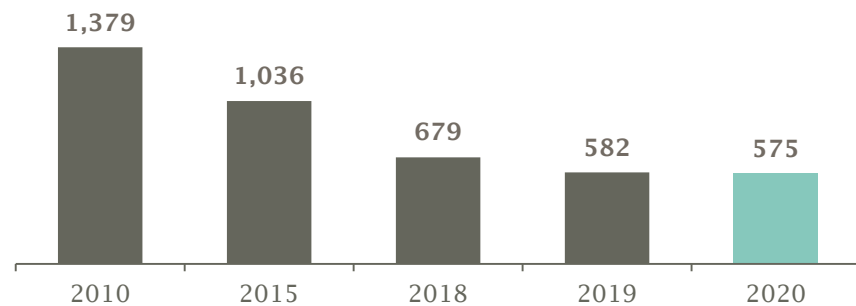
Note: Others include brokerage and pension funds among others

→ Recurrent fees increased by 5.7% in 2020.

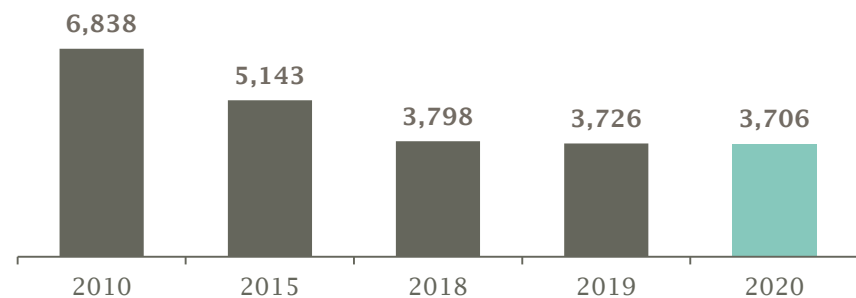
- Strong banking and non-banking commercial dynamics support recurrent fee income growth in the year.

# Costs

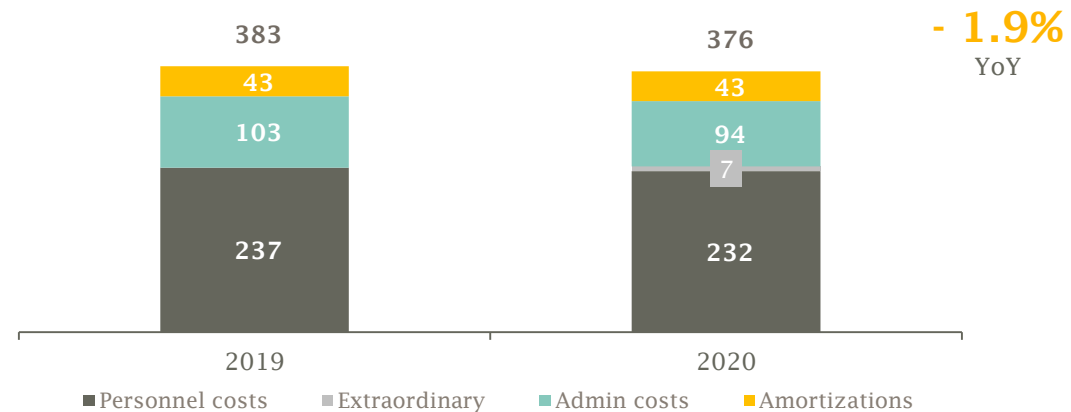
## Number of branches



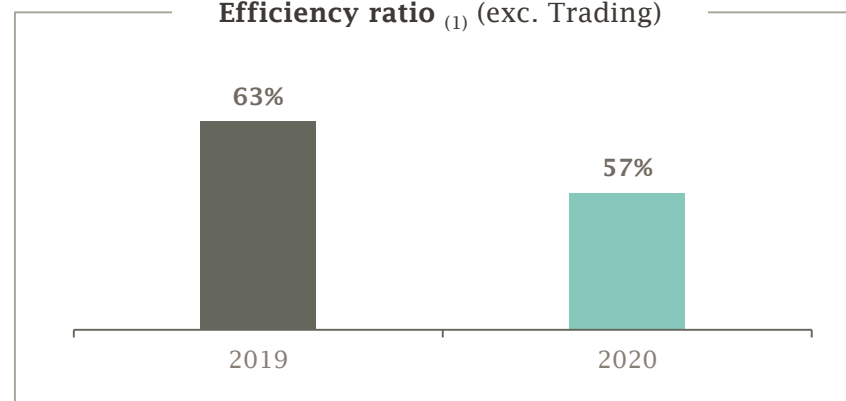
## Number of employees



## Costs evolution. €m



## Efficiency ratio <sup>(1)</sup> (exc. Trading)



(1) Like for Like comparison. Removes NII extraordinary, Casser fees, dividends and non recurrent personnel expenses.



# Profit and loss statement

€m	3Q19	4Q19	1Q20	2Q20	3Q20	4Q20	2019	2020	2020 vs 2019	
									€m	%
Interest Income	137	140	154	140	143	146	548	583	34	6%
Interest Cost	-20	-20	-17	-17	-18	-18	-81	-71	11	-13%
<b>Net Interest Income</b>	<b>116</b>	<b>121</b>	<b>137</b>	<b>122</b>	<b>125</b>	<b>128</b>	<b>467</b>	<b>512</b>	<b>45</b>	<b>10%</b>
Dividends	0	2	0	0	0	1	8	2	-6	-78%
Results from equity method stakes	3	4	0	25	5	5	30	34	4	12%
Net fees	45	55	50	86	48	52	191	235	45	23%
Gains on financial assets & others	5	2	6	0	-1	1	23	6	-17	-75%
Other operating revenues/(expenses)	-11	-41	-15	-14	-6	-50	-78	-85	-7	9%
<b>Gross Income</b>	<b>159</b>	<b>142</b>	<b>177</b>	<b>219</b>	<b>171</b>	<b>137</b>	<b>640</b>	<b>704</b>	<b>64</b>	<b>10%</b>
<b>Administrative expenses</b>	<b>-88</b>	<b>-79</b>	<b>-85</b>	<b>-91</b>	<b>-83</b>	<b>-74</b>	<b>-340</b>	<b>-333</b>	<b>7</b>	<b>-2%</b>
Staff expenses	-60	-58	-58	-64	-59	-58	-237	-239	-2	1%
General expenses	-27	-20	-26	-26	-24	-17	-103	-94	9	-9%
Amortizations	-11	-11	-10	-10	-11	-12	-43	-43	0	-1%
<b>Pre Provision Profit</b>	<b>60</b>	<b>53</b>	<b>82</b>	<b>118</b>	<b>77</b>	<b>51</b>	<b>257</b>	<b>328</b>	<b>71</b>	<b>28%</b>
Provisions	-5	-7	-4	-4	-4	-13	-26	-26	0	0%
Impairment on financial assets	-16	-15	-31	-38	-39	-54	-60	-162	-101	168%
Impairment losses on other assets	-2	-1	-2	-9	-2	-3	-5	-16	-11	207%
Other profits or losses	-5	-18	-17	-41	-4	0	-32	-63	-30	93%
<b>Profit Before Taxes</b>	<b>31</b>	<b>11</b>	<b>28</b>	<b>25</b>	<b>27</b>	<b>-19</b>	<b>133</b>	<b>61</b>	<b>-72</b>	<b>-54%</b>
Taxes	-8	3	-8	-4	-9	1	-22	-20	2	-9%
<b>Net Income Attributable</b>	<b>24</b>	<b>15</b>	<b>19</b>	<b>21</b>	<b>18</b>	<b>-18</b>	<b>111</b>	<b>41</b>	<b>-70</b>	<b>-63%</b>

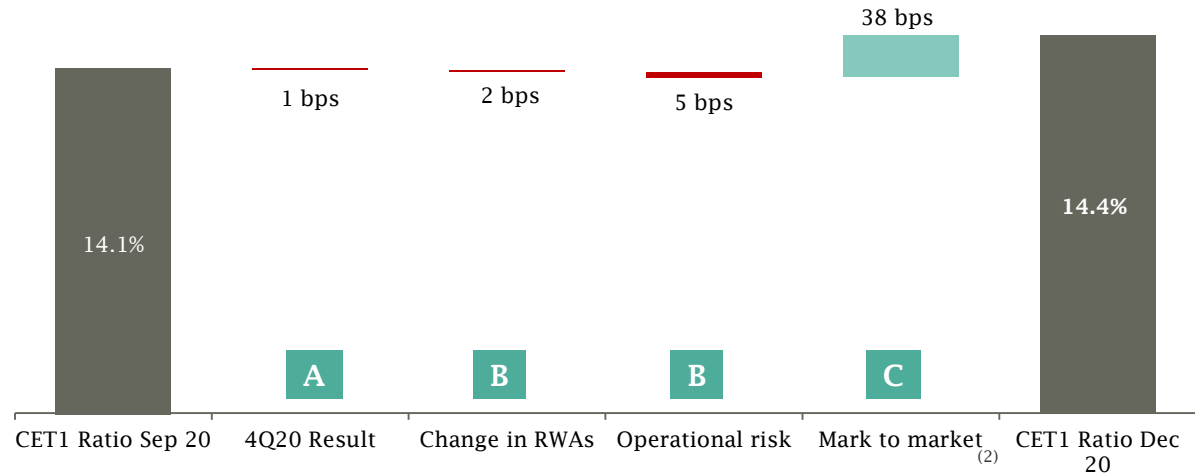
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# Solvency

## CET 1 fully loaded quarterly evolution <sup>(1)</sup>



**A** **4Q20 result.** Pension plan's change on assumptions imply a negative impact in "provisions" in the P&L although it has no impact on capital. Accordingly, 4Q20 results are almost neutral on capital.

**B** **RWAs:** Inflation in the quarter coming from:

- Higher lending volumes
- Operational risk RWAs as gross income increases

**C** **Mark to market:** Oppidum<sup>(2)</sup> revaluation during the 4Q (€121m) is not fully reflected in Liberbank's standalone capital ratios as we have surpassed our significant non-financial stakes threshold on a standalone basis (€58m deduction). The €58m deduction will be reversed in the combined entity (15bps).

→ CET1 ratio fully-loaded stands at 14.43%, +30bp QoQ explained by mark to market exposures, partially offset by RWAs inflation.

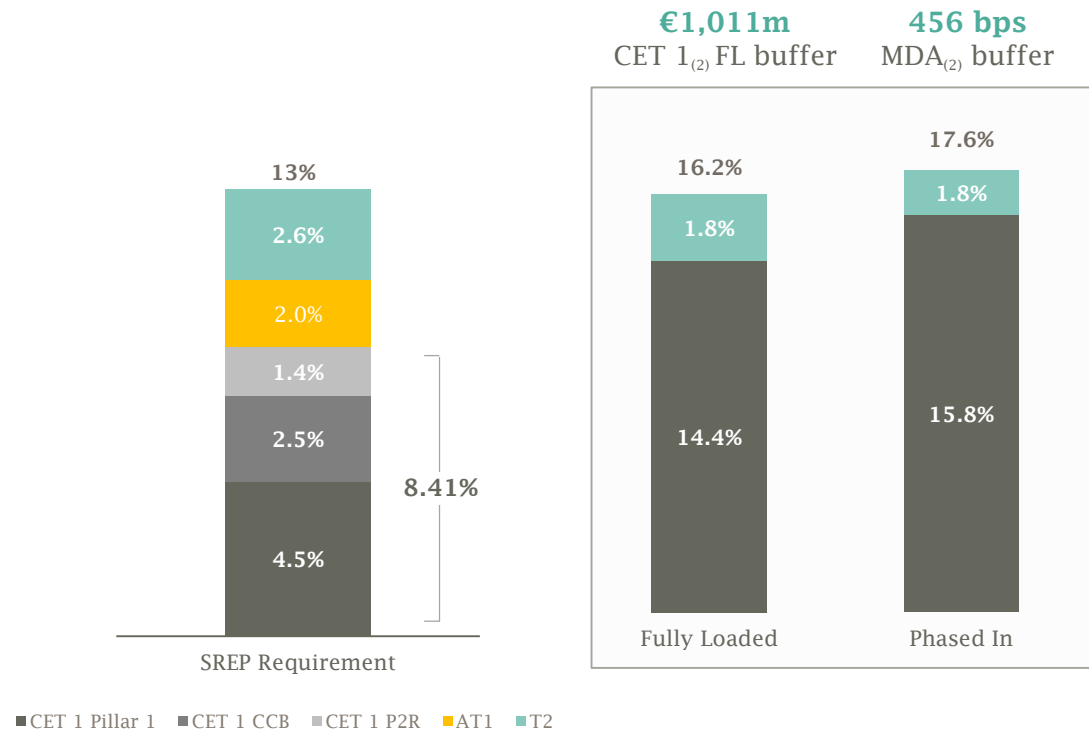
→ Total capital ratio fully-loaded stands at 16.22%, +164 bps in 2020.

(1) CET1 FL incorporates the full impact of IFRS-9, which would translate into an additional 29 bps of capital. It includes full net profit 2019 and 2020 with no dividend accrual.

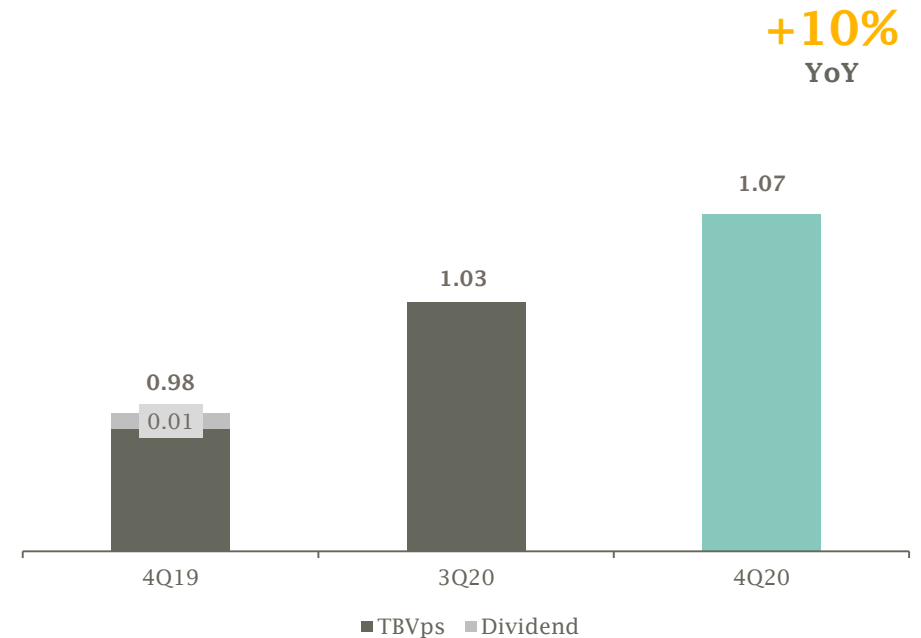
(2) Oppidum is the vehicle holding the 3.2% indirect stake Liberbank holds in EDP among other assets.

# Solvency

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



## TBVps



- CET1 fully-loaded regulatory buffer over the SREP-CET1 requirement is over €1bn. MDA buffer stands at 456bps.
- TBVps increased by 10% YoY ,thanks to growing equity and the cancellation of c.2% of the share capital from the buyback program.

(1) CET1 FL incorporates the full impact of IFRS-9. It includes full net profit 2019 and 2020.  
 (2) Applying P2R (CRD-V) flexibility. Maximum distributable amount calculated as total capital phased in minus total SREP requirement.

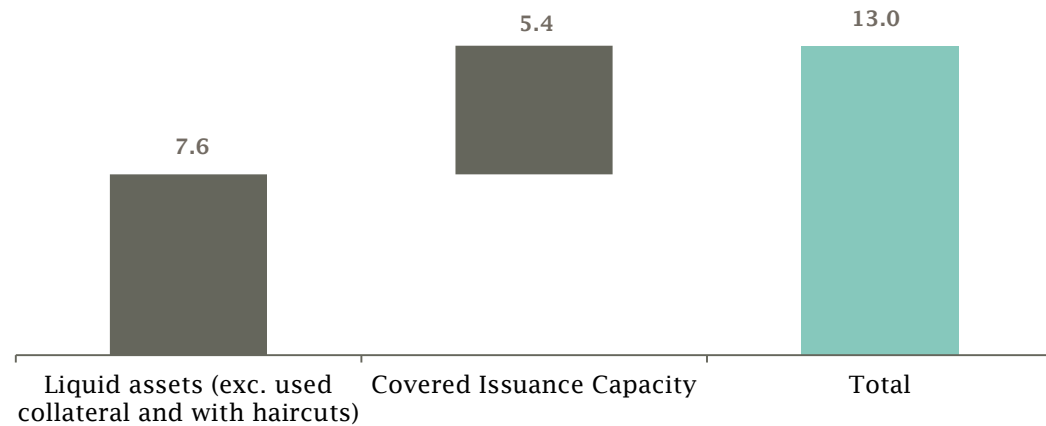
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# Liquidity position

## Liquidity position. €bn

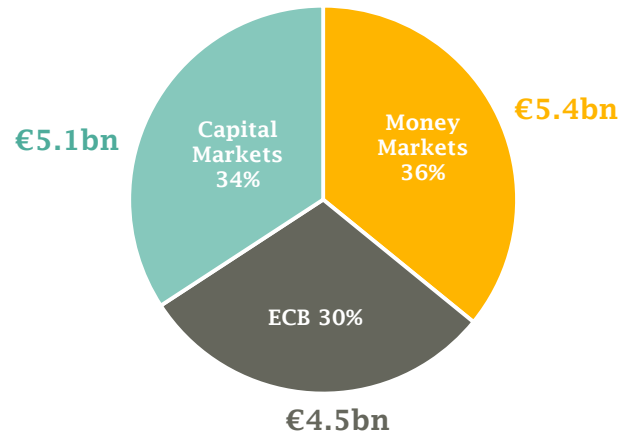


## Liquidity ratios

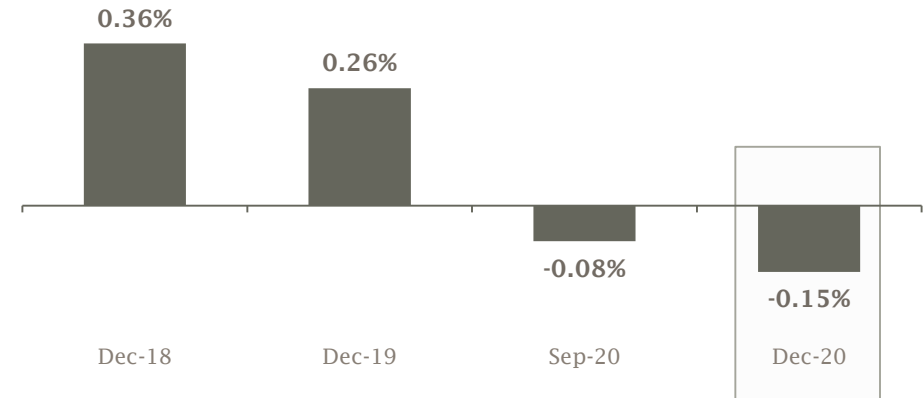
Ratio	4Q19	3Q20	4Q20
LtD	100%	99%	101%
LCR	221%	217%	222%
NSFR	113%	120%	118%

# Wholesale funding

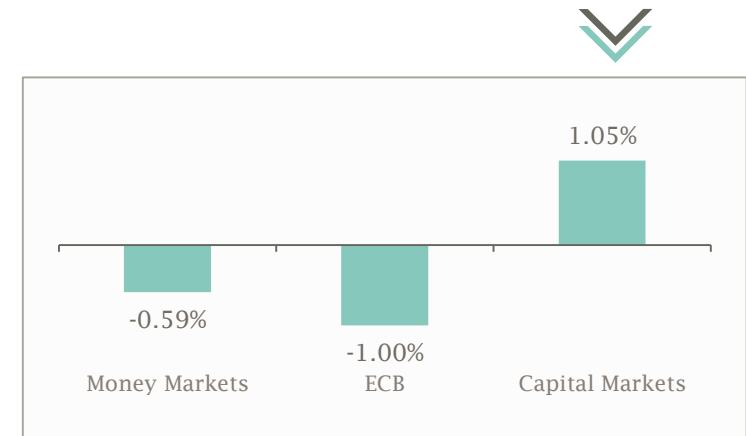
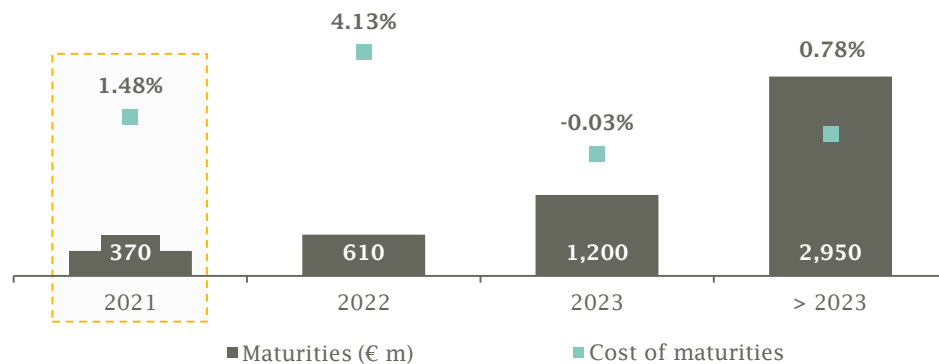
## Wholesale funding. Breakdown



## Wholesale Funding. Price Evolution (%) (2)



## Capital markets (1). Maturities

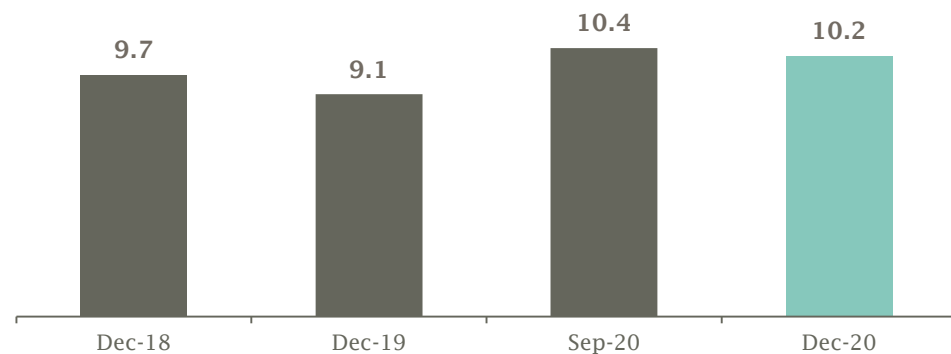


(2) EoP cost

(1) Include covered bonds, long term repos and subordinated liabilities at call date.

# Fixed income portfolio

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



(1) Based in acquisition cost

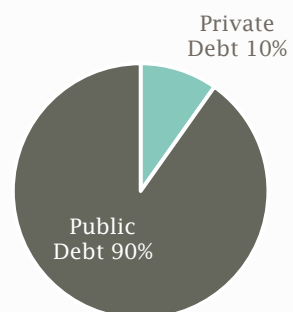
**Fixed income portfolio.** Breakdown <sup>(2)</sup>

Portfolio	Amount (€bn)	Yield	Duration
Fair value through OCI	0.5	0.18%	5.1
Amortised cost	9.6	0.94%	2.9
<b>Total</b>	<b>10.2</b>	<b>0.90%</b>	<b>3.0</b>

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



## Issuer breakdown



Issuer	€bn	%
Private Debt	1.0	10%
Public Debt	9.2	90%
ow SAREB	1.7	16%
<b>Total</b>	<b>10.2</b>	<b>100%</b>

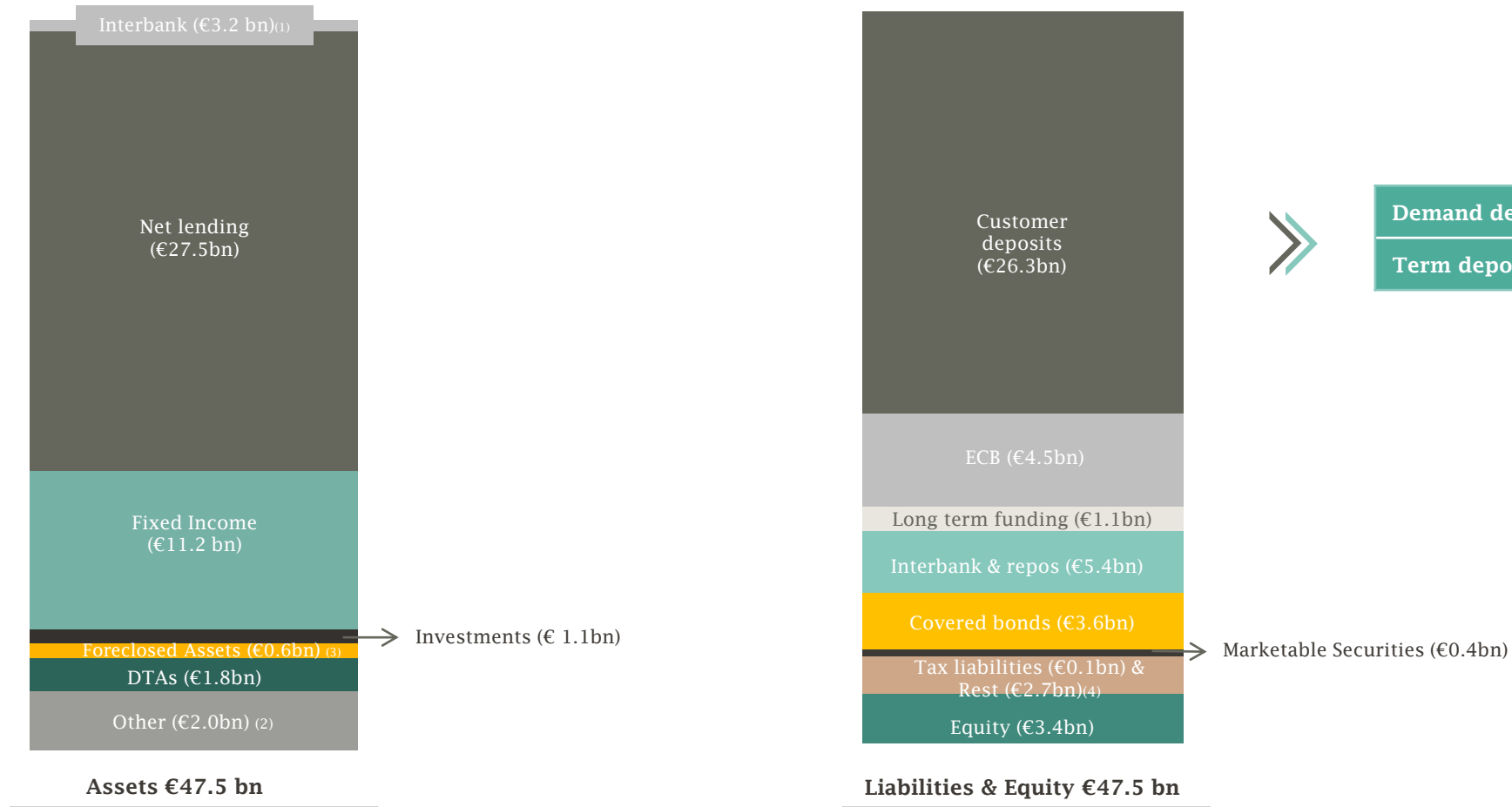


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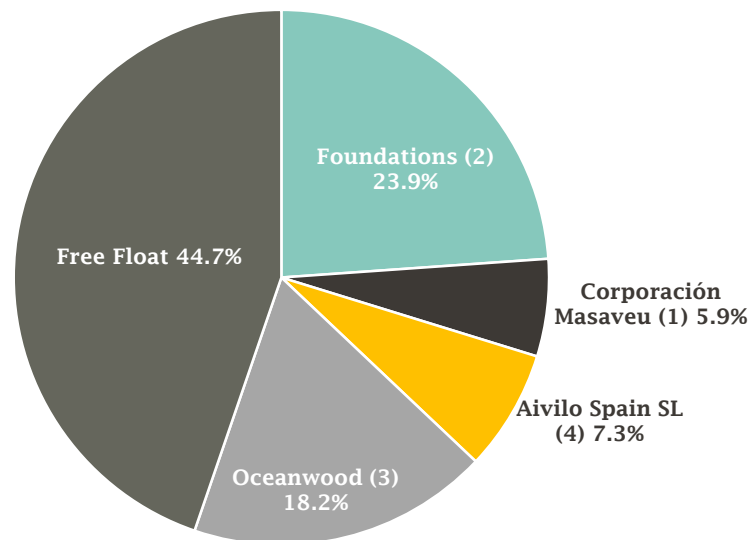
# Balance Sheet



(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

## Shareholding 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 December 31<sup>st</sup> 2020

## Share metrics and book value <sup>(1)</sup>

	3Q20	4Q20
<b>Share and liquidity:</b>		
# O/S shares (m) <sup>(2)</sup>	2,979	2,979
Last price (€)	0.23	0.25
Max price (€)	0.27	0.29
Min price (€)	0.15	0.22
Avg. traded volume (#shares m)	7.4	7.4
Avg. traded volume (€m)	1.61	1.92
Market Capitalization (€m)	676	751
<b>Book Value:</b>		
BV. (€m)	3,232	3,353
TBV. (€m)	3,075	3,190
<b>Ratios:</b>		
BVps (€)	1.08	1.13
TBVps (€)	1.03	1.07

(1)Book value deducting intangible assets

# **Liberbank**

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