

Liberbank

Financial Results 2Q 2017

27th July 2017

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Latest trends. Key Highlights

- Decisive proactive actions on legacy assets with best-in class track record
 - Solvency keeps improving and liquidity position remains strong
 - Good development of the commercial activity

Asset quality

- NPLs down € 395m QoQ. NPL ratio drops to 11.3%, 171bp down QoQ. We review down our previous guidance and expect NPL ratio to stand at < 9.0% by year end, c.5% in 2018 and 3.5% in 2019.
- Sales of foreclosed assets of € 75m in the quarter, historical record, with capital gains of € 6m.
- Total NPAs down € 380m in the quarter, 6.3% QoQ and 19% YoY. NPA ratio target of c.20% in 2017, c.16% in 2018 and c.12.5% in 2019. Wholesale transactions would accelerate the plan further.

RE Servicer

- Liberbank has received several binding offers up to € 85m to outsource the management of its RE assets.
- Positive impact on future profitability and stable partnership with a prestigious industrial partner to strengthen the entity's strategy of boosting the sale of RE assets.
- The RE servicer commits to fulfill an ambitious divestment Plan (€ 410m, € 625 and € 850m in 2017-18-19 respectively⁽¹⁾).

Solvency

- The CET1 ratio stands at 12.4% and 11.3% (+25bp QoQ) under phased-in and fully loaded Basel III criteria. Total capital ratio (phased-in) stands at 14.3%, well above regulatory requirements.
- Migration to IRB models calendar well on track. Liberbank estimates, subject to the ECB approval, the RWAs on the mortgage portfolio could fall by more than Eur 3.0bn.

(1) Gross sales and rents

Latest trend. Key Highlights

Liquidity

- Liberbank maintains a strong liquidity position, LCR ratio stands at c.300% and LtD at 90% as of jun-17.
- 96.5% of the deposits are retail, granular, sticky and with low average balance.

Commercial activity

- Liberbank reached an agreement with JP Morgan Asset Management to distribute their products through our branch network.
- Plan to increase AuMs from € 2.5bn to € 4.5bn.
- Mortgages performing loan book starts to grow (+0.8% QoQ) while consumer book and corporate book (exc RED&construction) maintain a strong growth (+9.7% and +5.4% YoY respectively).

Operating profit

- Customer spread keeps improving, +2bp QoQ and non-banking recurrent fees improve 9% YoY.
- Bank well-positioned for interest rate recovery.
- Ability to improve profitability in the Fixed Income portfolio.
- Costs remain under control. Liberbank continues to apply different initiatives to reduce costs further.
- Recurrent loan impairments well below 40bp target.

Agenda

1. Asset Quality

2. Solvency

3. Commercial Activity

4. Results analysis

5. Liquidity and Fixed Income portfolio

6. Closing remarks

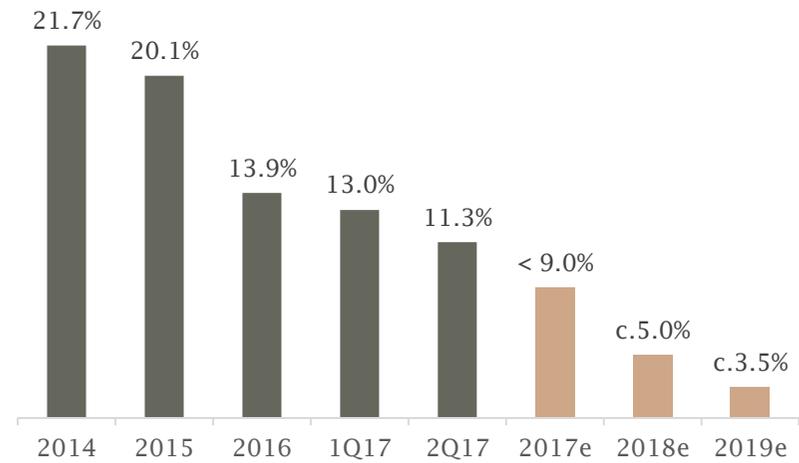
7. Appendix

NPL trend

NPL evolution. Eur m



NPL ratio evolution

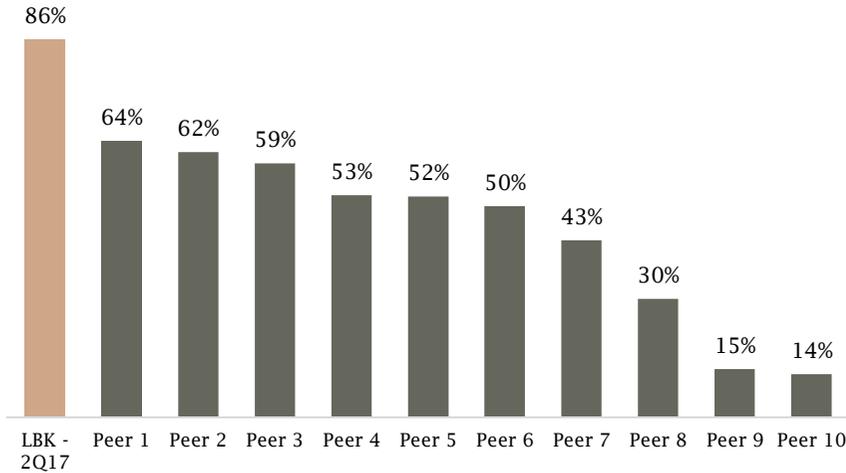


- Further decline of NPLs, € 395m in the quarter and € 2,817m in the last twenty four months (-52% since 2Q15).
- The NPL ratio keeps falling, 171bp QoQ and 587bp YoY.
- The target is to continue reducing NPLs and reach an NPL ratio of c.5.0% in 2018.

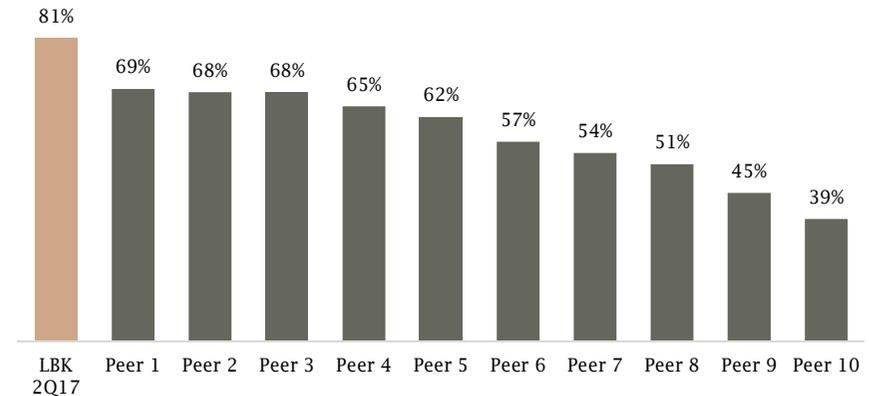
NPL recognition

Asset Quality

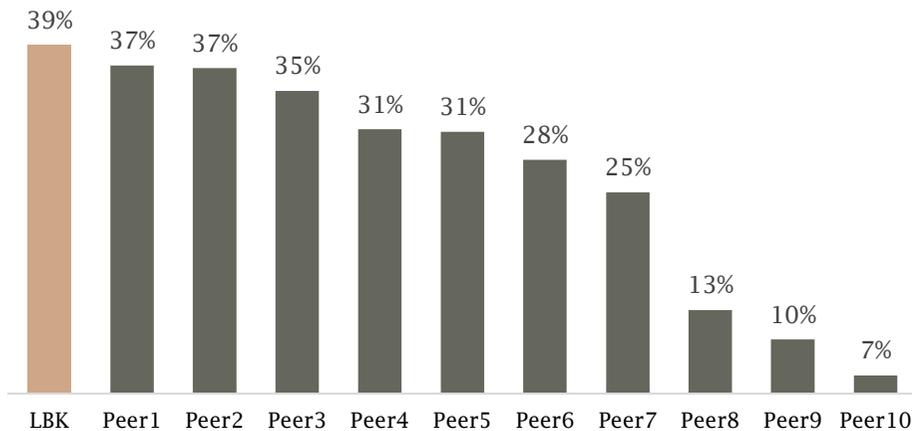
RED loans. NPL ratio⁽¹⁾



Refinanced loans. NPL ratio⁽¹⁾



RED coverage over total exposure ⁽²⁾



→ Liberbank has recognized 86% of the loans to RED and 81% of the refinanced loans as non-performing, reflecting a prudent approach.

→ Liberbank's coverage over total exposure to real estate developers stand the highest in the sector.

(1) Source: 2016 annual report of Liberbank, Bankia, Caixabank, Sabadell, BKT, Unicaja, Kutxa, Ibercaja, Abanca and SAN and BBVA Spain when possible
 (2) Coverage over total real estate developer exposure, it includes performing, watch-list and NPLs. Source: 2016 annual report

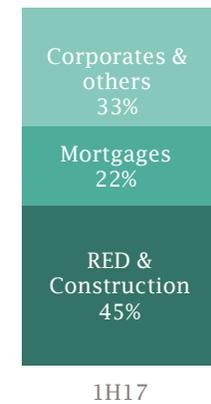
NPL decrease

Asset Quality

NPL evolution (Eur m)



- ### Entries
- ✓ Entries are down almost 50% YoY
 - ✓ Very limited entries coming from RED
 - ✓ Eur 18m come from a big ticket alone
 - ✓ c.25% NPL entries are subjective NPLs

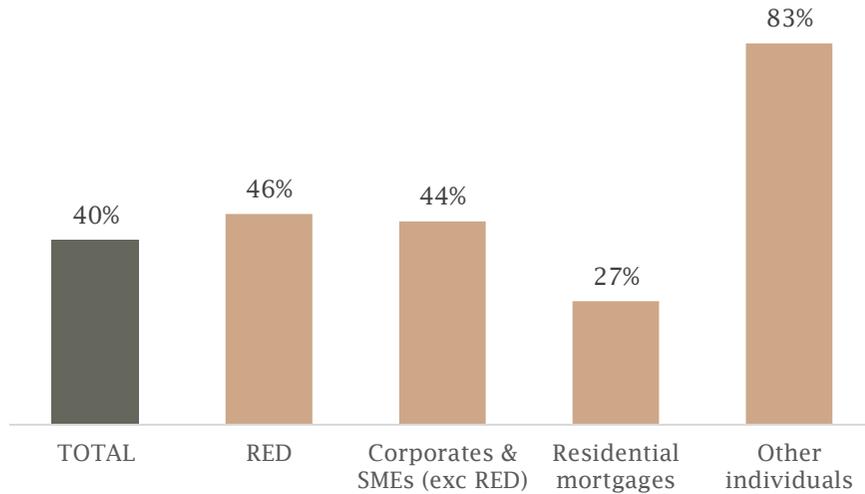


- ### Outflows
- ✓ Despite lower NPL stock and lower entries, outflows remain strong
 - ✓ Weight of write offs keeps decreasing
 - ✓ Foreclosed assets sales keep increasing with gains

→ NPLs keep falling thanks our discipline in risk management, which results in a systematic early recognition of troubled loans.
 → NPL exits remain high on the back of new initiatives to recover faster and with lower cost (friendly repossession, rentals, early recoveries...).

Coverage

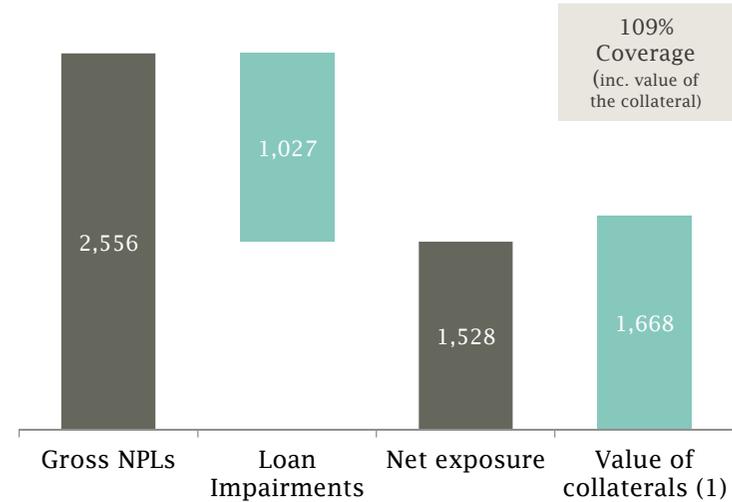
Coverage over NPLs by segment



Asset Quality

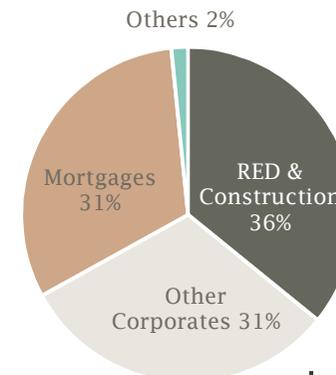
Coverage of NPLs including collateral.

Eur m



- Strong collateralization and high weight of residential mortgages should translate into lower coverage requirements.
- Coverage over NPLs stand at 40%. If we include the value of the collaterals⁽¹⁾ it increases to 109%.
- C.90% of the NPLs have a real collateral. Higher collateral value on the corporate loan book than peers.

NPLs mix. Jun17

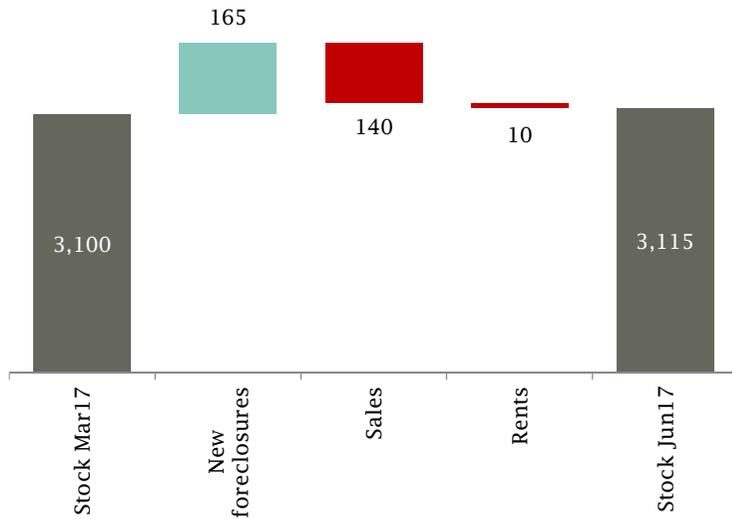


(1) Maximum amount of the collateral or guarantee that can be considered, not considering excess value of collaterals

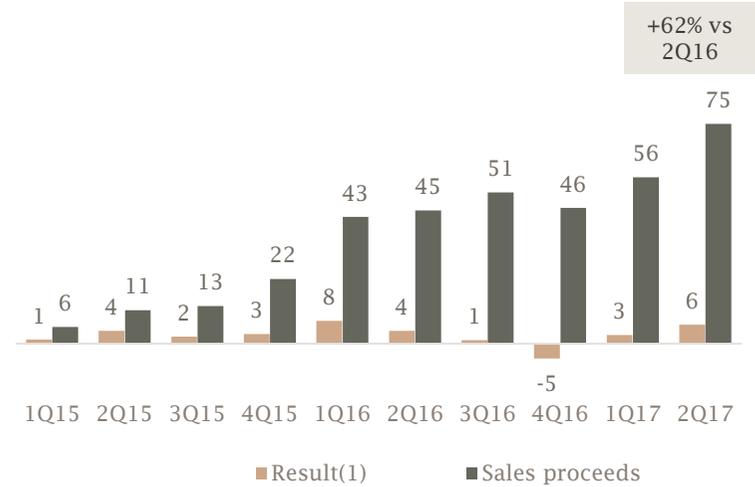
Foreclosed assets

Asset Quality

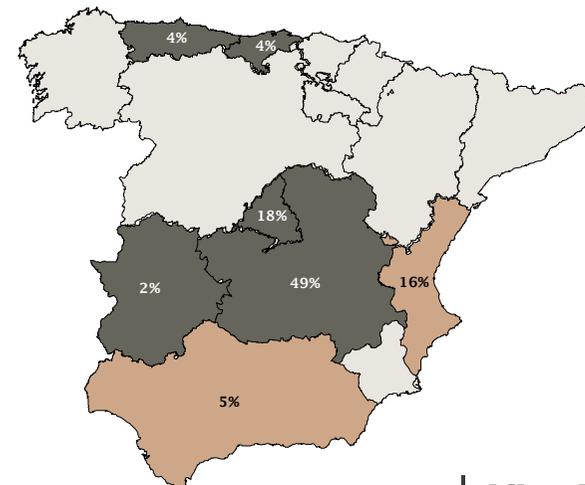
Foreclosed assets evolution
(gross book value). Eur m



Latest sales. Eur m



Sales by region (Eur). 2Q17 (2)



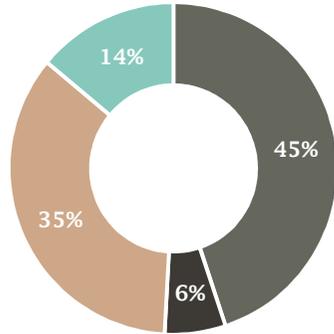
- ➔ Another quarter with historical record sales (+62% YoY).
- ➔ Stock increased slightly as NPLs recovery process accelerates.
- ➔ Liberbank is allocating resources to generate revenues through rents. Average gross yield on rented properties of c.4.6%.

(1) Difference between sale price and net book value. In the case of the APS, profits imply the recovery of APS funds.
(2) Sales breakdown based on gross debt

Real Estate commercial results

Asset Quality

Sales mix. 1H17⁽¹⁾



- Residential property
- Land
- Building under construction
- Other



1,117 Units sold



€120,000 / unit



€300,000 / land plot

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mihabitans
Liberbank Vivienda

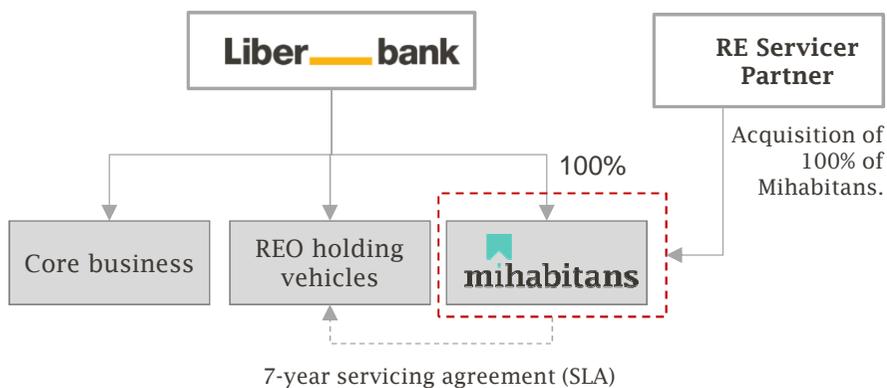
- Good mix of sales up to date where land accounts for c.35% selling granular and small tickets
- Active marketing and promotions to grow sales and increasing investments in assets to improve sales

(1) Mix based on gross debt

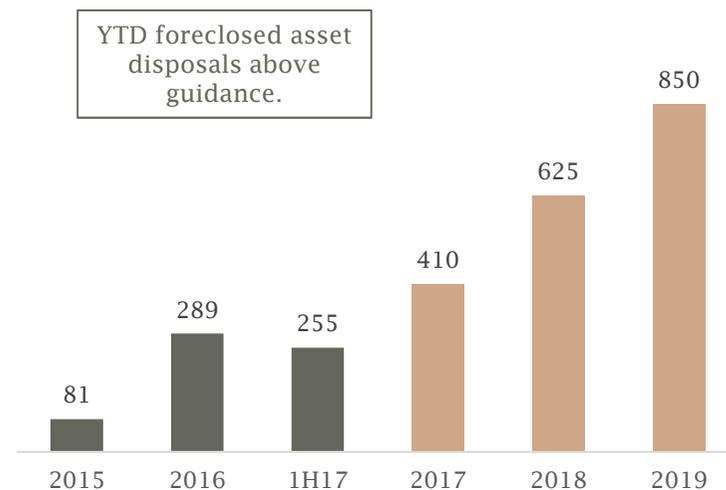
Sale of Mihabitans & SLA agreement

Asset Quality

Transaction structure



Gross sales and rents. Eur m



- ➔ Liberbank has received several binding offers up to € 85m to sell Mihabitans (Liberbank’s RE management platform) together with a SLA agreement.
- ➔ Liberbank would partner with one of the top-notch servicing platform in Spain, aimed to:
 - Accelerate REO divestment plan by improving management and commercialization capabilities of Mihabitans.
 - Generation of core-business through a strategic agreement with the RE Servicer partner, to act as a preferred mortgage lender (both for Liberbank and third parties assets ⁽¹⁾).
- ➔ The RE Servicer partner would commit to the existing REO divestment plan together with an SLA fee-structure at market level (management and commercialization rates).

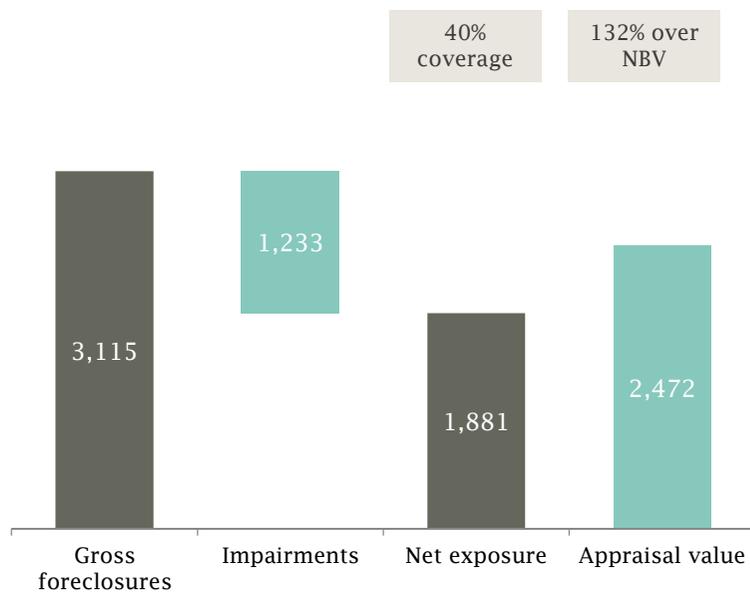
Source: Company data.

(1) Under certain circumstances and absence of exclusivity agreement with another partner

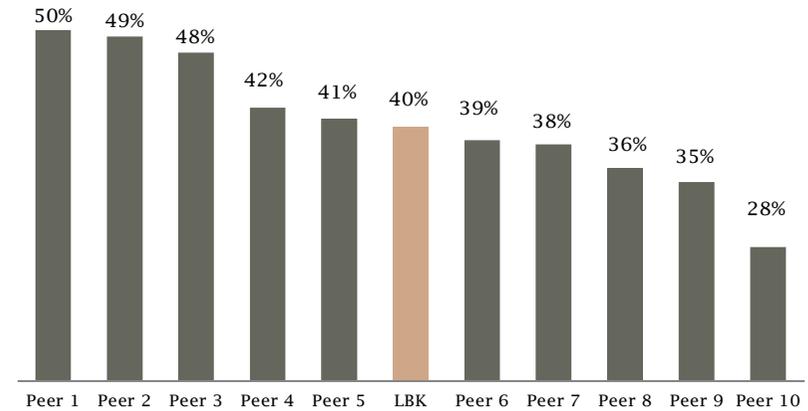
Foreclosed assets

Asset Quality

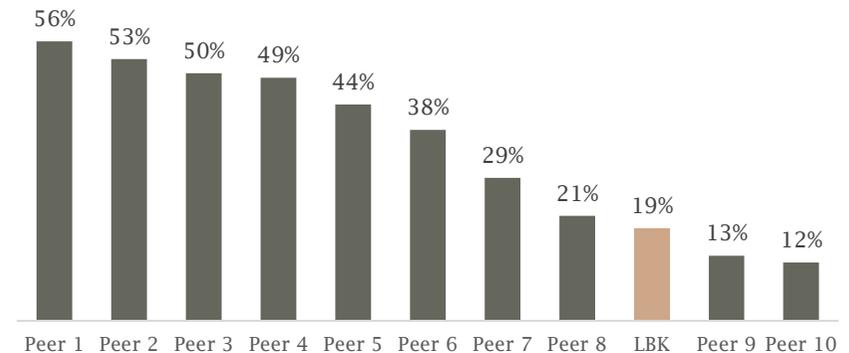
Net book value vs appraisal value



Coverage of foreclosures⁽¹⁾



Investment property over foreclosures⁽²⁾

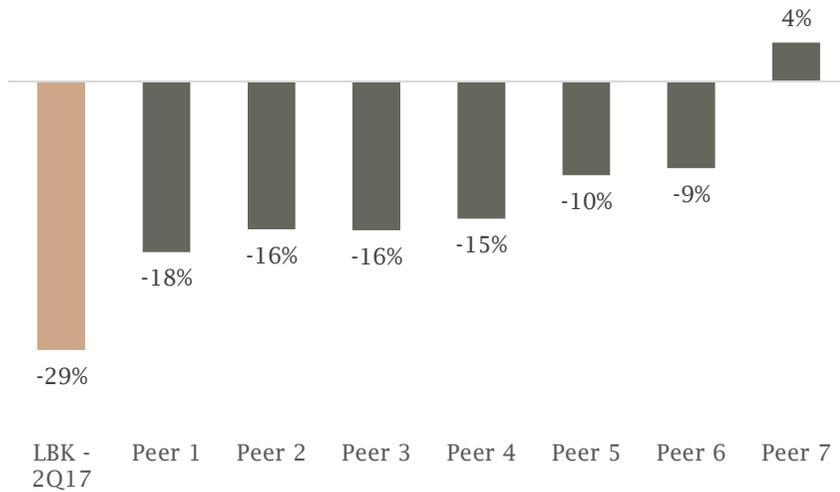


- Liberbank coverage stands in line with peers with more updated appraisals and less foreclosures classified as investment properties.
- Appraisal value stands at € 2.5bn above the € 1.9bn net book value, 81% of the assets were updated in 2016-17 and 93% of the appraisals are individual, non-statistic.
- Liberbank has significant room to rent foreclosed assets.

(1) Peers are Spanish domestic banks with available information to compare on a Like for Like basis. Kutxabank and Unicaja as of Dec2015.
 (2) Ratio calculated as Investment Properties divided by Foreclosures on the Transparency Information section.
 Peers are Spanish domestic Banks. Source: 2016 annual reports.

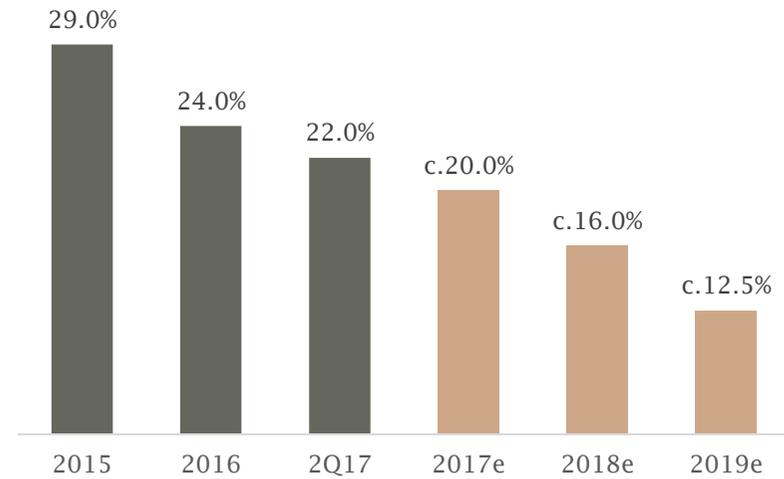
NPA trend

NPAs reduction (gross). 1Q17 vs 2015



Note: Peers are Spanish listed Banks. For international banks it only includes Spanish business

NPA ratio⁽¹⁾ targets



(1) NPA ratio calculated as NPLs & foreclosed assets over gross loans and foreclosed assets

→ Liberbank continues to show the largest reduction of gross NPAs since Dec2015 among the listed banks.
 → Liberbank expects to reach an NPA ratio of c.16.0% in 2018 in line with peers. NPA ratio targets could improve with wholesale portfolio transactions.

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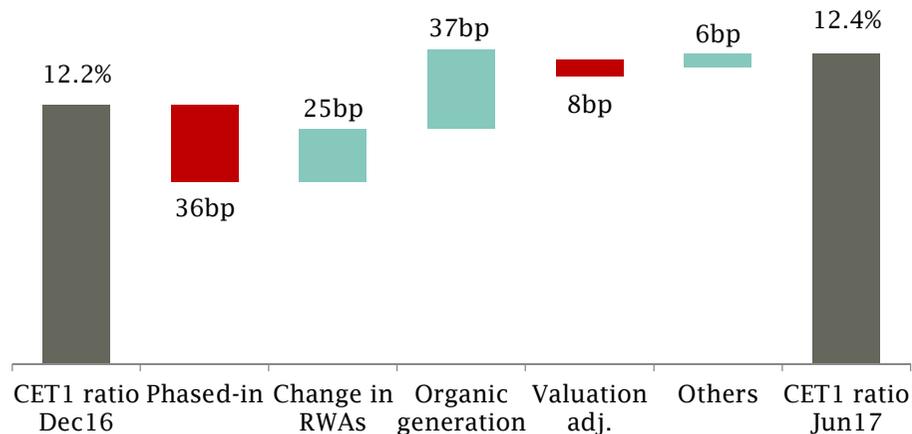
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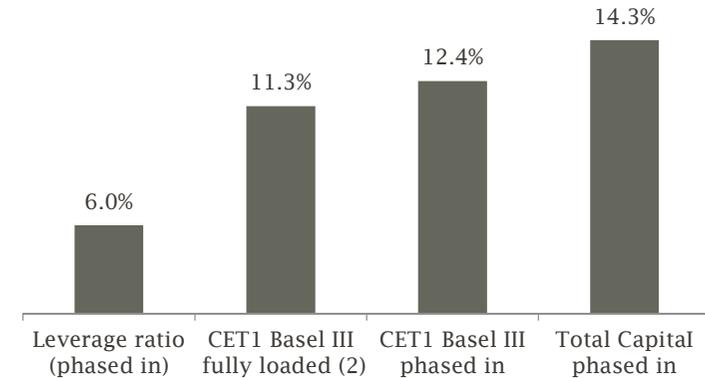
Solvency position

Solvency

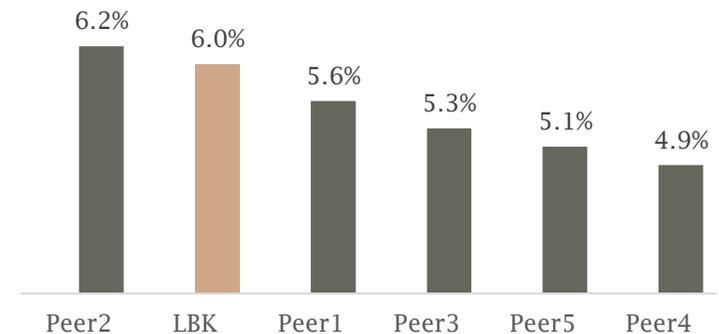
CET1 phased-in performance⁽¹⁾



Capital ratios. Jun17⁽¹⁾



Capital Leverage ratio (phased-in). Jun17⁽³⁾



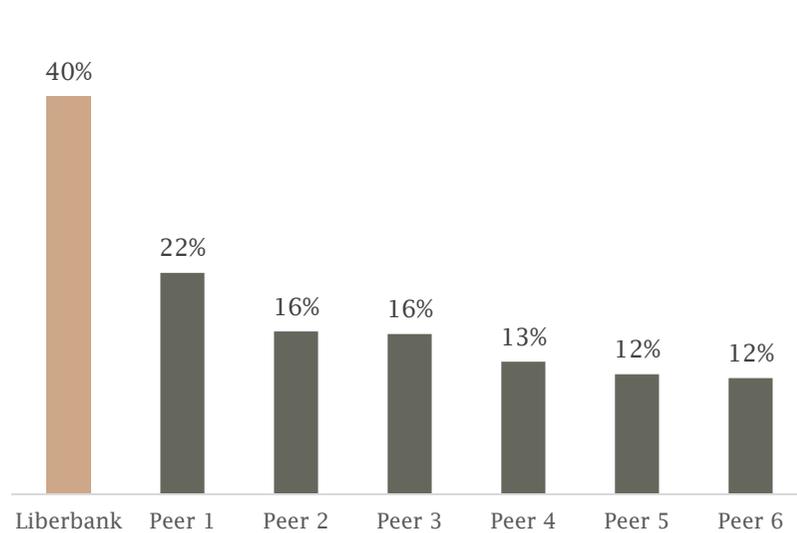
- Excluding regulatory impact (phased-in calendar) and valuation adjustments the CET ratio (phased-in) improved 68bp YtD supported by organic capital generation and lower RWAs.
- CET1 fully loaded continues to increase, +25pb QoQ.
- Leverage ratio stands at 6.0% as of Jun17.

(1) Capital ratios include retained earnings
 (2) CET1 FL includes unrealised capital gains of the AFS Sovereign portfolio and the AT1 not absorbing deductions
 (3) Peers include listed Banks, excluding SAN & BBVA. Popular as of Dec16

Solvency position

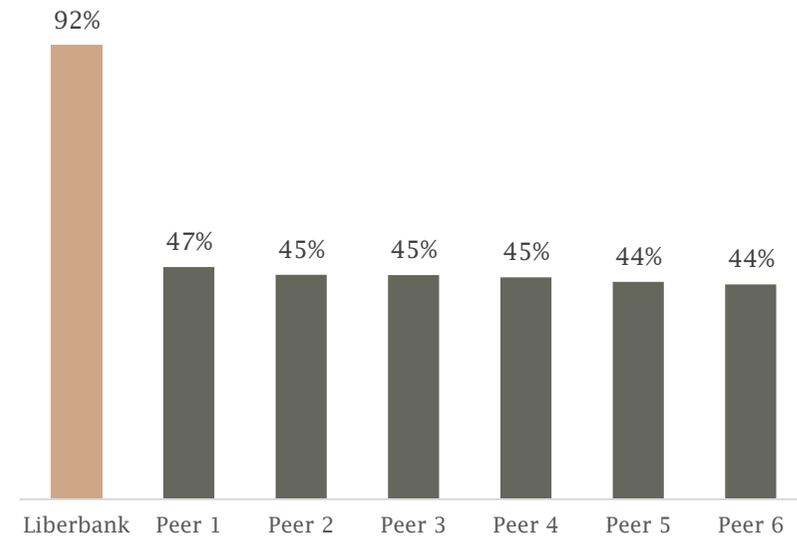
Solvency

Density of RWAs on retail mortgages (Liberbank standard model vs IRB models). Jun16



Source. 2016 EBA Transparency Exercise (retail non-SME secured on real estate property).
IRB banks: Santander, BBVA, Popular, Sabadell, Criteria (Caixabank), Bankinter

Density of RWAs on corporate loans (Liberbank standard model vs IRB models). Jun16



Source. 2016 EBA Transparency Exercise
IRB banks: Santander, BBVA, Popular, Sabadell, Criteria (Caixabank), BFA (Bankia)

- Besides organic capital generation Liberbank holds different levers to continue improving its capital position in the future.
- One of the most important lever is the migration to IRB models. Calendar continues well on track. Liberbank estimates that, subject to the ECB approval, RWAs could fall by more than € 3.0bn only in the mortgage book.

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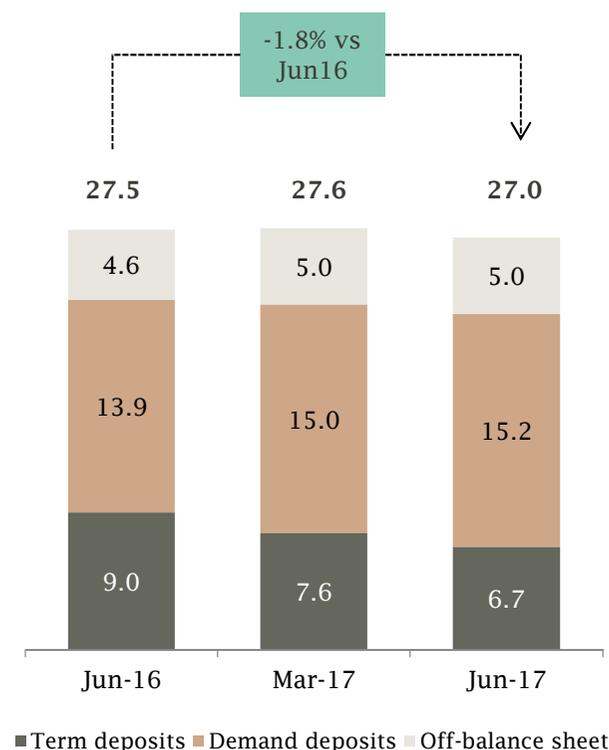
Customer funds

Commercial Activity

Customer Funds. Eur m

| Eur m | 2Q16 | 1Q17 | 2Q17 | QoQ | YoY |
|--|---------------|---------------|---------------|--------------|---------------|
| CUSTOMER FUNDS | 29,195 | 29,162 | 28,703 | -1.6% | -1.7% |
| Customer Funds on Balance Sheet | 24,606 | 24,167 | 23,678 | -2.0% | -3.8% |
| Public Institutions | 1,290 | 1,261 | 1,322 | 4.9% | 2.5% |
| Retail Customer (resident) | 23,012 | 22,624 | 22,089 | -2.4% | -4.0% |
| Demand deposits | 13,923 | 14,984 | 15,239 | 1.7% | 9.5% |
| Term deposits | 8,961 | 7,602 | 6,717 | -11.7% | -25.0% |
| Other | 129 | 37 | 133 | nm | 3.4% |
| Non resident customers | 304 | 283 | 267 | -5.6% | -12.0% |
| Off-balance sheet funds | 4,588 | 4,994 | 5,025 | 0.6% | 9.5% |
| Mutual funds | 1,986 | 2,383 | 2,454 | 3.0% | 23.6% |
| Pension Plans | 1,507 | 1,516 | 1,503 | -0.9% | -0.3% |
| Insurance Funds | 1,095 | 1,095 | 1,068 | -2.5% | -2.5% |
| Number of branches | 1,008 | 868 | 810 | -6.7% | -19.6% |

Customer Funds (exc Public Institutions). Eur bn⁽¹⁾



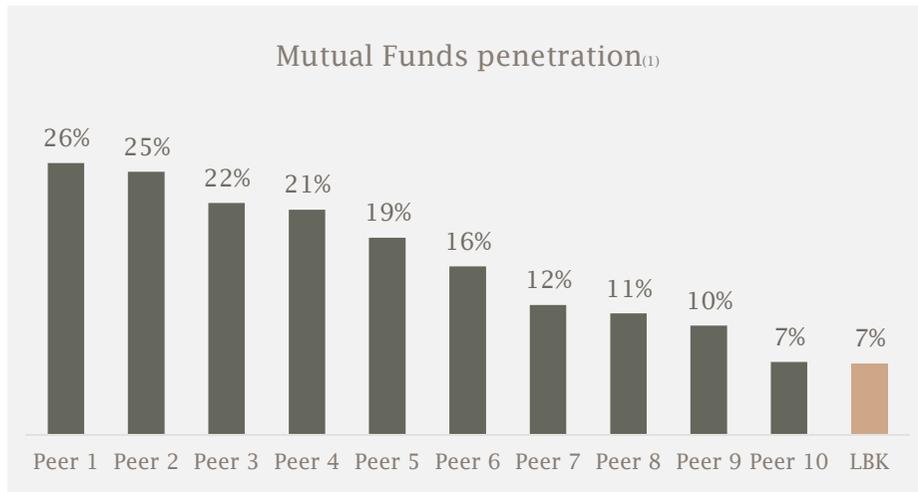
- We highlight the ability of Liberbank to retain customers and resources while reducing costs and **closing branches (20% YoY and 7% QoQ)**.
- The switch from term deposits to demand deposits and off-balance sheet products continues. Another strong quarter of growth of mutual funds, 23.6% YoY.
- Liberbank maintains its leadership in its core regions (25.1% market share in deposits as of Mar17), reaching 34% in some of them.

(1) Resident customers. Excluding Public Institutions, non-resident customers and other
Note: customer funds do not include repos

Mutual funds partnership



-  Increase fee generation capacity
-  Fund distribution agreement.
-  Extensive Branch network training, product marketing alliance and advising materials.
-  Active participation in the generation of proposals for Branch network and Private Banking.



➔ Liberbank has great potential to grow the weight of Mutual funds due to our current position and the partnership with JP Morgan will be a key milestone in the process.

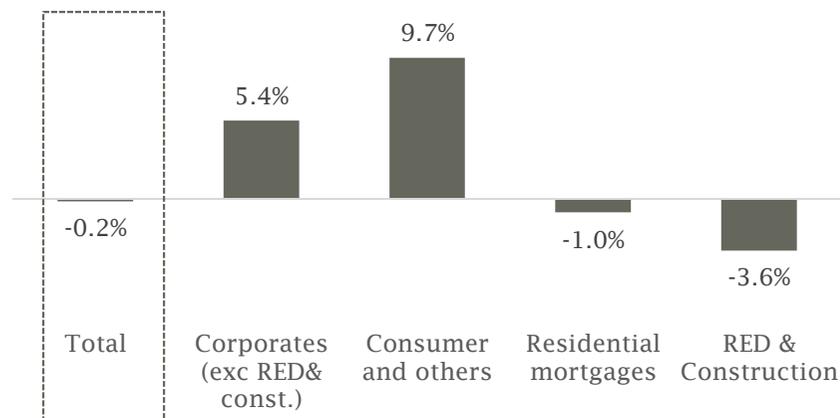
(1) Calculated as mutual funds / retail deposits + mutual funds as of Dec16
Peers included: Unicaja, Cajamar, Bankia, Popular, Caixabank, Sabadell, BBVA, Santander, Kutxa, Ibercaja

Lending

Performing Loan book breakdown. Gross, Eur m

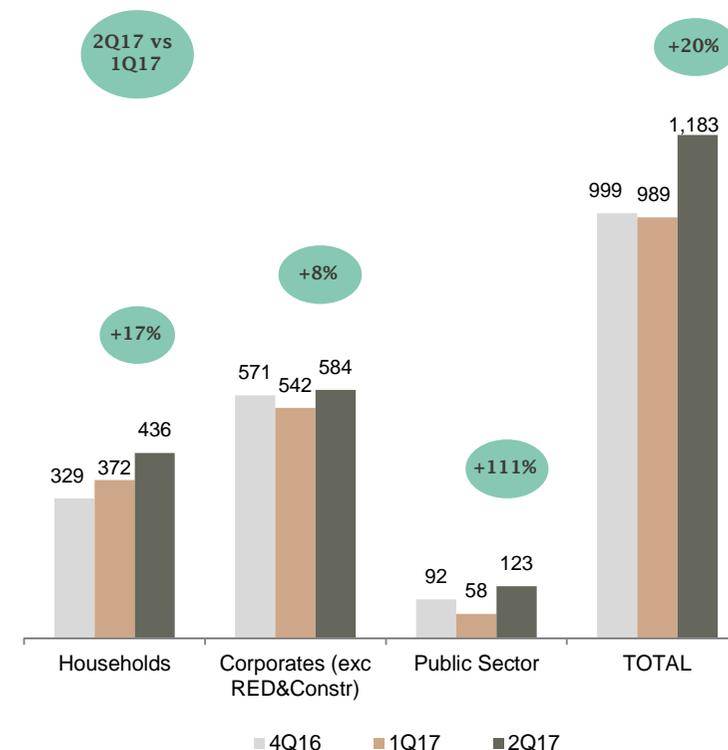
| Eur m | 2Q16 | 1Q17 | 2Q17 | QoQ | YoY |
|-----------------------------------|---------------|---------------|---------------|--------------|--------------|
| Public Sector | 1,322 | 1,262 | 1,131 | -10.4% | -14.5% |
| Loans to businesses | 4,697 | 4,868 | 4,923 | 1.1% | 4.8% |
| RED & Construction | 289 | 283 | 279 | -1.6% | -3.6% |
| Other corporates | 4,408 | 4,585 | 4,645 | 1.3% | 5.4% |
| Loan to individuals | 13,532 | 13,346 | 13,467 | 0.9% | -0.5% |
| Residential mortgages | 12,914 | 12,693 | 12,789 | 0.8% | -1.0% |
| Consumer and others | 618 | 653 | 678 | 3.8% | 9.7% |
| Other loans⁽¹⁾ | 593 | 302 | 583 | 93.1% | -1.7% |
| Total performing loan book | 20,144 | 19,777 | 20,104 | 1.7% | -0.2% |

Performing loan book growth. YoY



Commercial Activity

New Production breakdown⁽²⁾. Eur m



- Performing loan book remains flattish. Mortgage book confirms the change in the trend and for the first time in a long time the stock grows (+0.8% QoQ). Mortgages and consumer new production performs very well during the 2Q17 +75% YoY.
- Corporate book (exc RED&construction) continue delivering strong increase (+5.4% YoY).

(1) "Other loans" includes pension prepayments which are seasonally higher in June
 (2) Including credit lines and other contingent lending

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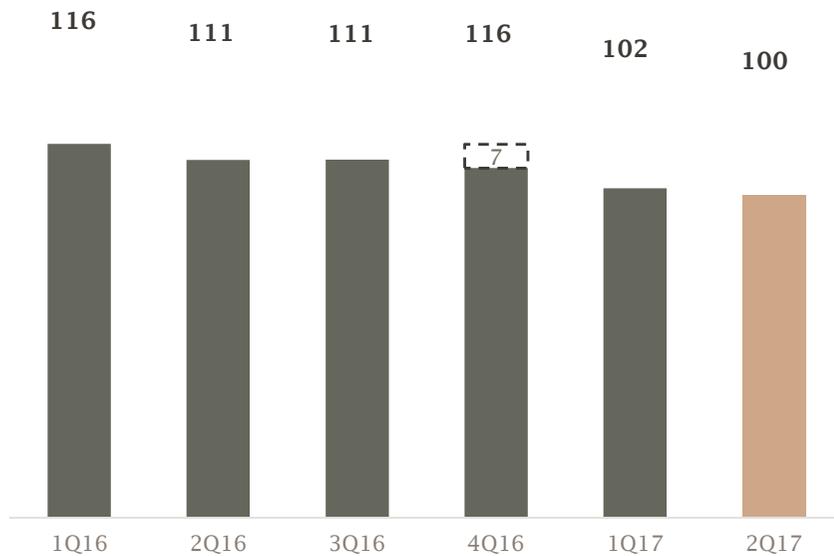
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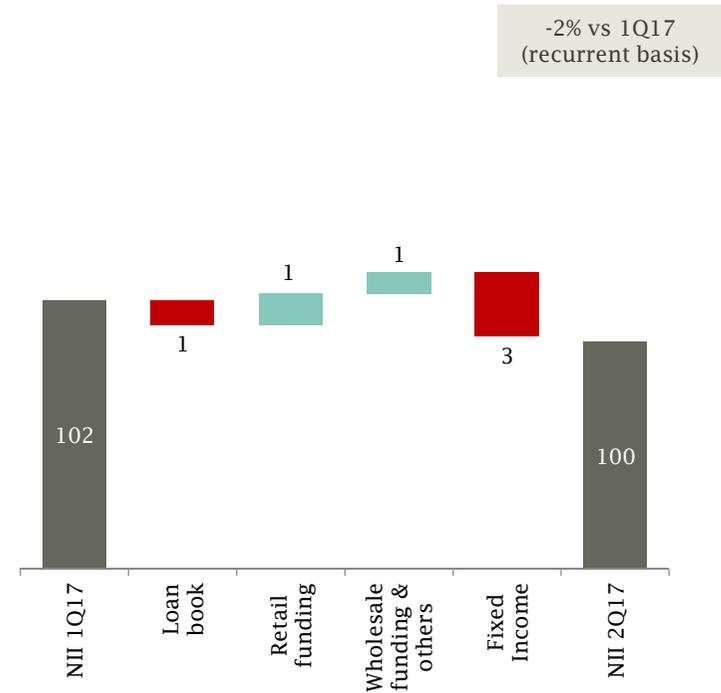
Net Interest Income

Net interest Income performance (Eur m)



(1) 4Q16 NII includes € 7m of extraordinary net interest income

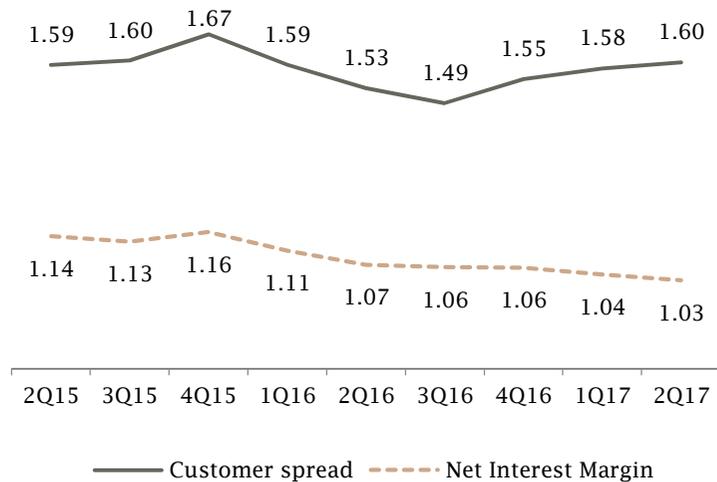
NII performance breakdown (Eur m)



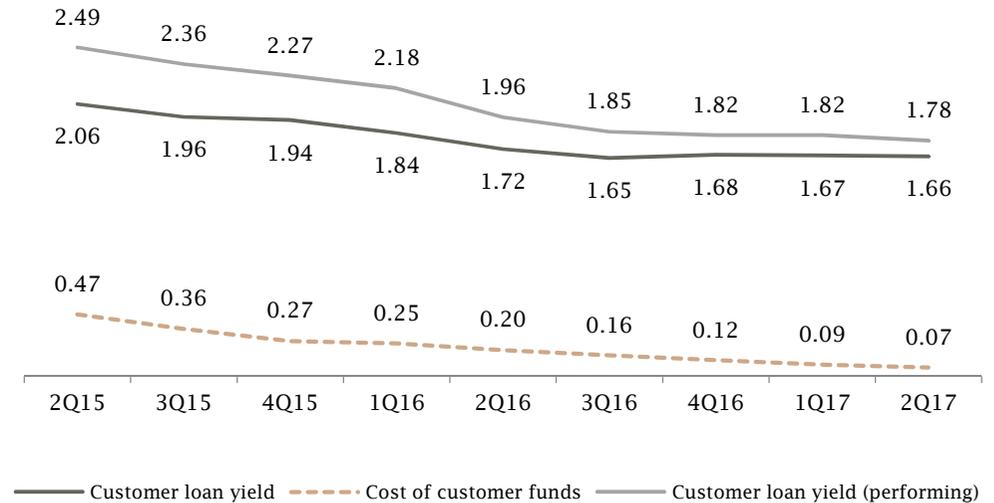
- Liberbank reiterates its NII guidance (-10% YoY).
- Retail business NII keeps improving supported by lower cost of funding and flattish yield on loan book despite lower reference rates.
- Conservative approach on wholesale business during the 1H to reduce volatility and take advantage of future higher interest rates. Reinvestment of the Fixed income portfolio will have a higher positive impact on future NII.

Net Interest Income: margins

Margin performance (%)⁽¹⁾



Customer loan yield and cost of customer funds (%)



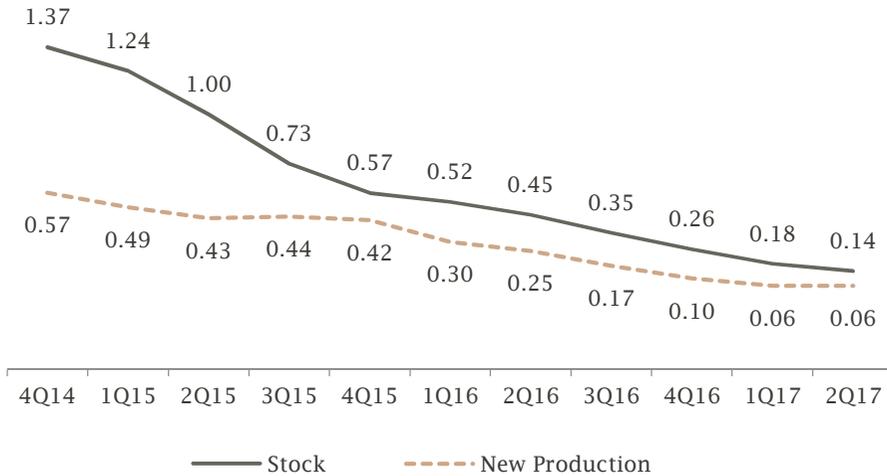
(1) 4Q16 NIM and customer spread exclude € 7m of extraordinary interest income
 Note: NIM = NII / ATAs

→ Customer spread keeps improving, 2pb QoQ and 7pb YoY as loan yield remains flattish and cost of customer funds continues to decrease.

→ Repricing of the loan book due to lower reference rates and renegotiation of mortgage floors close to finish.

Net Interest Income: cost of funding

Term deposit cost performance (%)

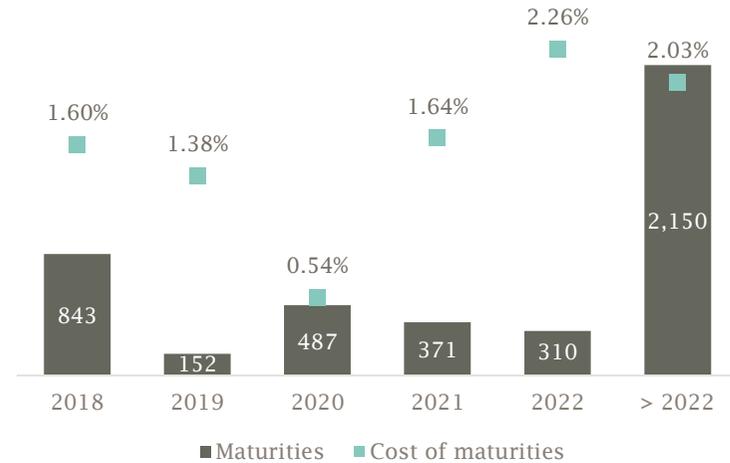


- ➔ The cost of the new retail term deposits keeps reducing, 5pb as of July.
- ➔ € 974m of covered bonds matured during the 1H17 (cost of 1.4%).
- ➔ No more wholesale maturities during the year.

New Term Deposits. Maturity, cost and volume



Capital Markets Maturities (Eur m)



Net Interest Income: asset yields

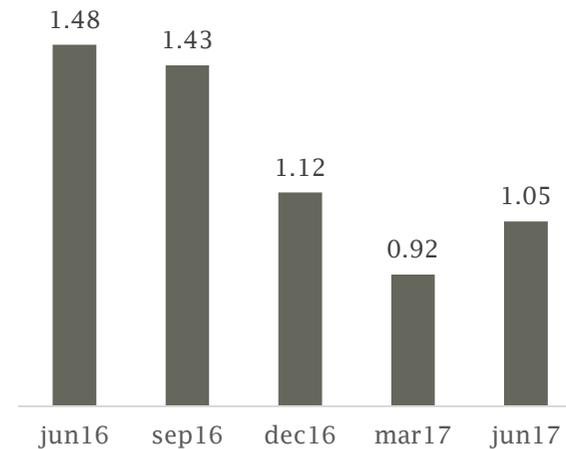
Results

Quarterly yields on lending (%)

| Basis points ⁽¹⁾ | 3Q16 | 4Q16 | 1Q17 | 2Q17 |
|--------------------------------|------|------|------|------|
| Total loan book (yield) | | | | |
| Back Book | 185 | 182 | 182 | 178 |
| Front Book | 182 | 221 | 194 | 207 |
| Mortgages (yield) | | | | |
| Back Book | 135 | 129 | 132 | 123 |
| Front Book ⁽²⁾ | 173 | 178 | 179 | 189 |
| SMEs (yield) | | | | |
| Back Book | 265 | 263 | 245 | 248 |
| Front Book | 270 | 258 | 257 | 259 |

(1) The above rates refer to the drawn amounts and reflect actual contribution to NII
 (2) Mortgages front book have higher yield during the first 18 months than the ones reflected above

Fixed Income portfolio Yield. End of period (inc Sareb) (%)



- Asset yields on new lending production continue to stay above stock during the 2Q17.
- 64% of the new production of residential mortgages during the 1H was at fixed rate.

Fee Income

Fee income performance (Eur m)



Fee income breakdown

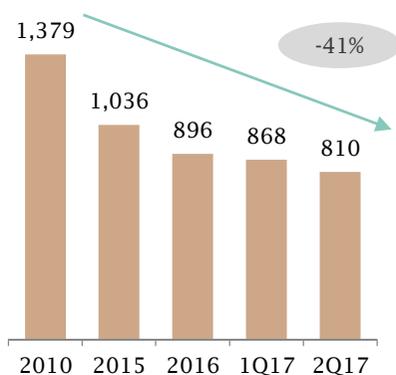
| Eur m | 1H16 | 1H17 | YoY (%) |
|---|-----------|-----------|-------------|
| TOTAL FEES | 93 | 89 | -4% |
| TOTAL recurrent net fees | 82 | 84 | 2% |
| Banking fees | 57 | 55 | -2% |
| Non-banking fees ⁽¹⁾ | 25 | 27 | 9% |
| Others | 0 | 1 | na |
| Non recurrent fees⁽²⁾ | 11 | 5 | -50% |

(1) Non-banking fees include fees from insurance, off-balance sheet business and brokerage
 (2) Non recurrent fees include fees from Sareb

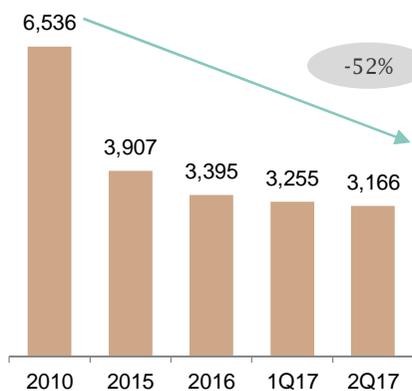
→ **Recurrent fees increase +2% YoY.** Fees based on insurance and mutual funds increase +9% YoY while banking fees are affected by competition for clients.
 → JP Morgan agreement will support further growth of mutual funds fees.

Costs

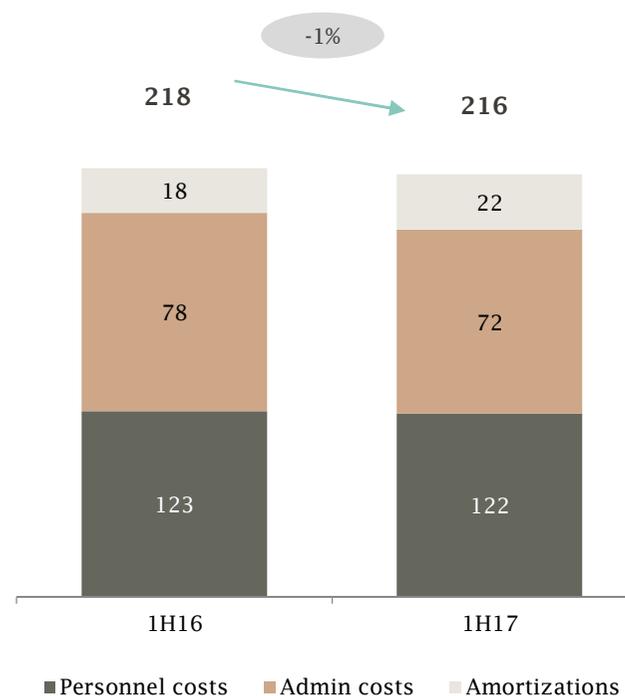
Number of branches



Number of FTEs



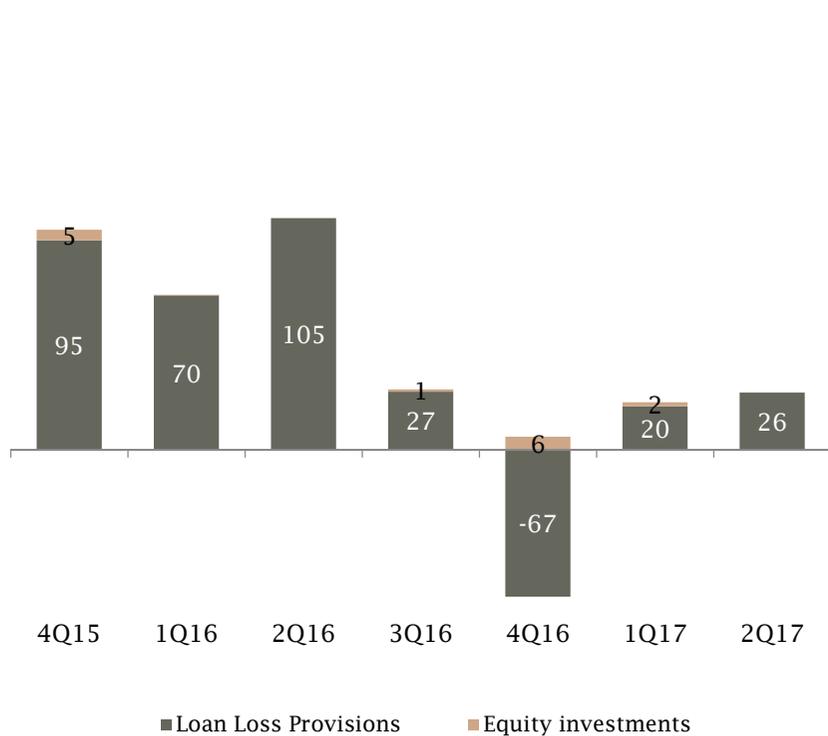
Costs performance (Eur m)



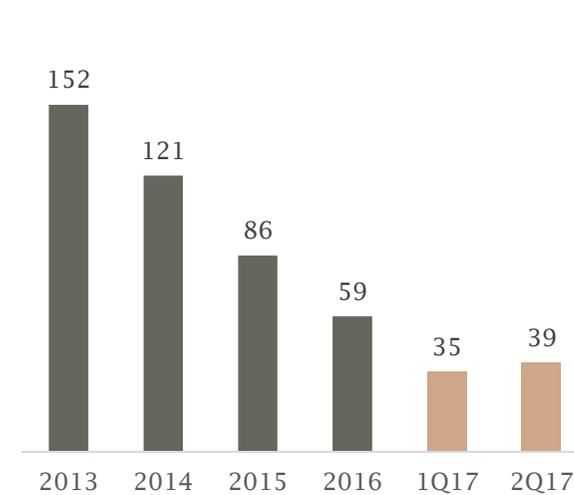
- Personnel and administrative costs decrease 1% YoY during the 1H17. The strong decrease of general expenses (-7% YoY) is partially offset by higher amortizations due to investments in IRB models, overhaul of the branch network and increase of rented RE assets.
- Liberbank reached an agreement with the trade unions in June 2017 that will imply to extend some of the temporary cost savings initiatives and the early retirement of up to 525 employees. Liberbank booked a € 52m provision to cover those initiatives.

Cost of risk

Impairment losses (Eur m)



Cost of risk (bp)⁽¹⁾



(1) LLP during the year over average gross loan portfolio.

→ Loan loss provision continue to normalize. The 2Q was affected by a single name impact.
 → Recurrent cost of risk keeps going down below the 40bp target for 2017.

P&L

Results

| €m | 2Q16 | 3Q16 | 4Q16 | 1Q17 | 2Q17 | Var. 2Q17 vs 1Q17 | | 1H16 | 1H17 | Var. 1H17 vs 1H16 | |
|--------------------------------------|-------------|------------|------------|------------|------------|-------------------|------------|-------------|-------------|-------------------|-------------|
| | | | | | | €m | % | | | €m | % |
| Interest Income | 151 | 146 | 144 | 130 | 124 | -6 | -5% | 316 | 254 | -62 | -19% |
| Interest Cost | -40 | -35 | -28 | -28 | -24 | 4 | -14% | -88 | -52 | 36 | -41% |
| NET INTEREST INCOME | 111 | 111 | 116 | 102 | 100 | -2 | -2% | 228 | 202 | -26 | -11% |
| Dividends | 1 | 2 | 0 | 0 | 1 | 1 | nm | 1 | 2 | 1 | nm |
| Results from equity method stakes | 21 | 0 | 3 | 2 | 23 | 20 | nm | 20 | 25 | 5 | 26% |
| Net fees | 45 | 43 | 45 | 43 | 46 | 3 | 7% | 93 | 89 | -4 | -4% |
| Gains on financial assets & others | 48 | 36 | 78 | 50 | 5 | -46 | -91% | 232 | 55 | -177 | -76% |
| Other operating revenues/(expenses) | -3 | -2 | -47 | -20 | 0 | 20 | nm | -20 | -20 | 0 | 1% |
| GROSS INCOME | 223 | 190 | 195 | 178 | 175 | -3 | -2% | 554 | 353 | -201 | -36% |
| Administrative expenses | -103 | -98 | -93 | -98 | -96 | 2 | -2% | -201 | -194 | 7 | -3% |
| Staff expenses | -62 | -62 | -62 | -61 | -61 | 0 | -1% | -123 | -122 | 1 | -1% |
| General expenses | -40 | -36 | -30 | -37 | -36 | 1 | -3% | -78 | -72 | 6 | -8% |
| Amortizations | -9 | -10 | -9 | -11 | -11 | 0 | 4% | -17 | -22 | -5 | 28% |
| PRE PROVISION PROFIT | 111 | 83 | 93 | 69 | 68 | -1 | -2% | 335 | 137 | -198 | -59% |
| Provisions | 91 | -13 | -108 | -1 | 27 | 28 | nm | -12 | 25 | 37 | nm |
| Impairment on financial assets (net) | -105 | -28 | 61 | -22 | -26 | -4 | 20% | -175 | -48 | 127 | -73% |
| Others | -65 | -1 | -15 | -9 | -32 | -23 | nm | -69 | -41 | 28 | -41% |
| PROFIT BEFORE TAXES | 32 | 41 | 30 | 37 | 36 | -1 | -3% | 80 | 74 | -6 | -8% |
| Taxes | -3 | -13 | -18 | -10 | -3 | 7 | -69% | -17 | -13 | 4 | -22% |
| NET INCOME | 30 | 27 | 12 | 27 | 33 | 6 | 22% | 63 | 61 | -2 | -4% |
| NET INCOME ATTRIBUTABLE | 35 | 27 | 29 | 32 | 35 | 3 | 9% | 73 | 67 | -6 | -8% |

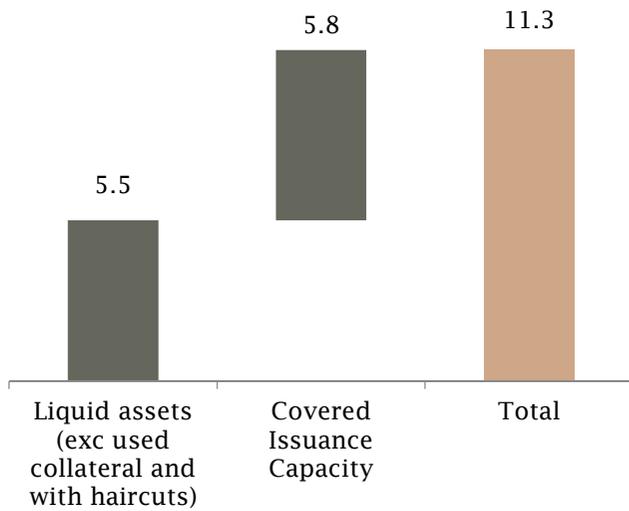
Agenda

1. Asset Quality
2. Solvency
3. Commercial Activity
4. Results analysis
5. Liquidity and Fixed Income portfolio
6. Closing remarks
7. Appendix

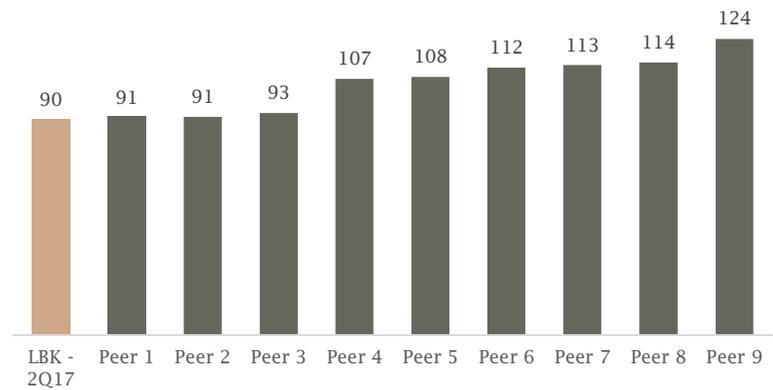
Liquidity position

Liquidity

Liquidity position. (€ bn)



LtD. Dec16 (1)



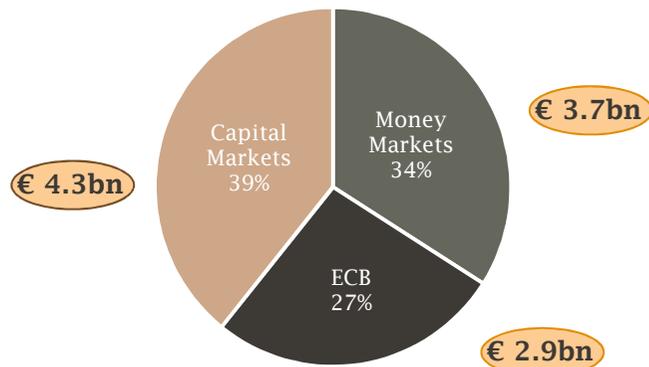
- Liberbank maintains a strong liquidity position.
- LCR stands at 297% as of 2Q17, well above requirements.

Wholesale funding

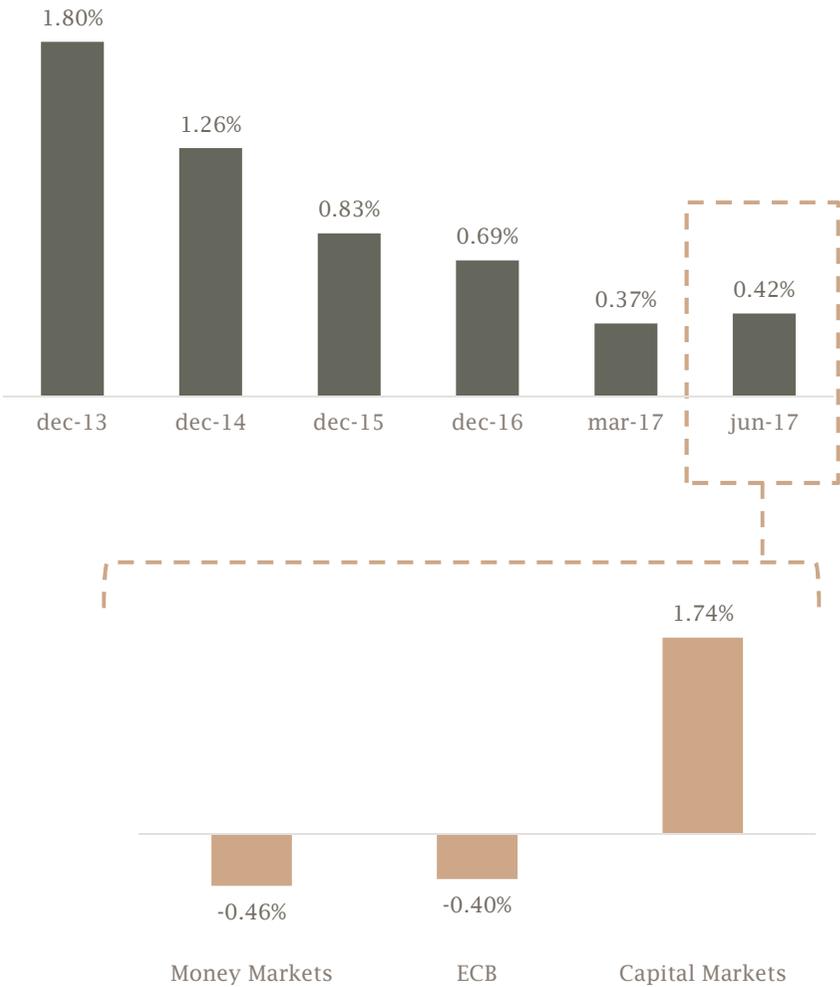
Wholesale funding

Wholesale Funding Breakdown

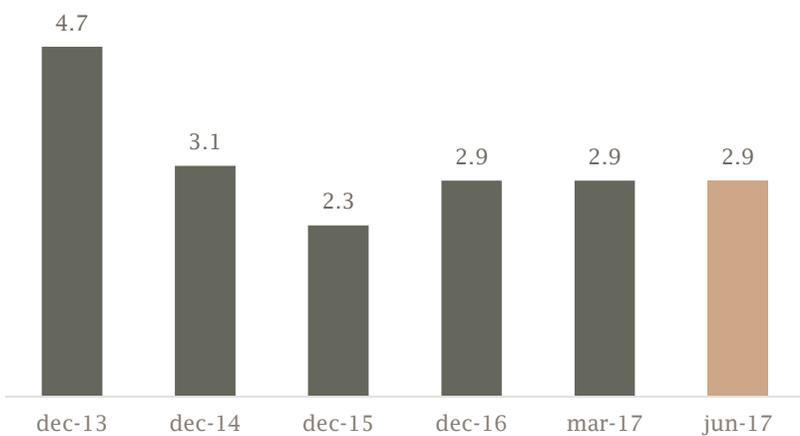
TOTAL - €10.9bn⁽¹⁾



Wholesale Funding Price Evolution (%)⁽²⁾



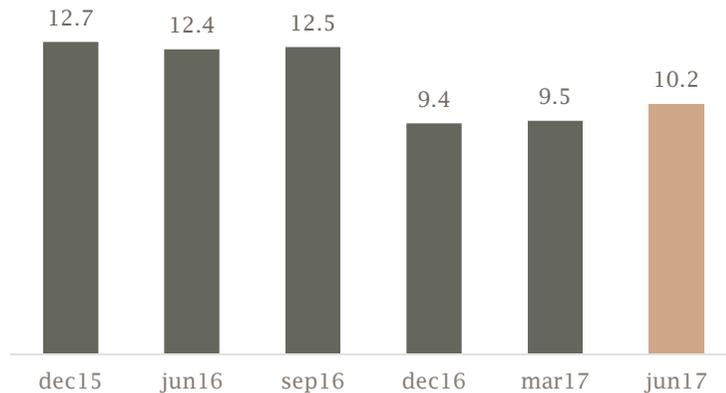
ECB funding position (€ bn)



1. Excluding retained Covered Bonds. Not including AT1 CoCos and T2
 2. Price at the end of the period
 Source: Liberbank Treasury (inventarios)

Fixed Income portfolio

Fixed Income Portfolio evolution



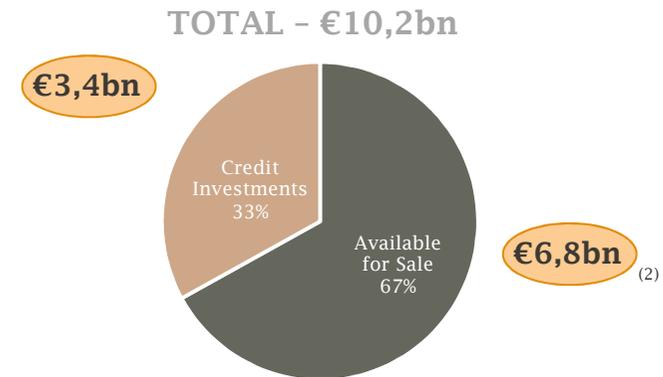
Fixed Income Portfolio⁽³⁾

| Breakdown | Yield | Duration | Unrealised gains |
|--------------------|--------------|-------------|------------------|
| Available for Sale | 1.10% | 1.71 | 74 |
| Credit Investments | 0.94% | 5.45 | 3 |
| TOTAL | 1.05% | 2.95 | 77 |

1. Accounting values. Including retained Covered Bonds. Including accrued coupon
 2. Including unrealised capital gains as of 30th of June2017
 3. Weighted average duration in years.

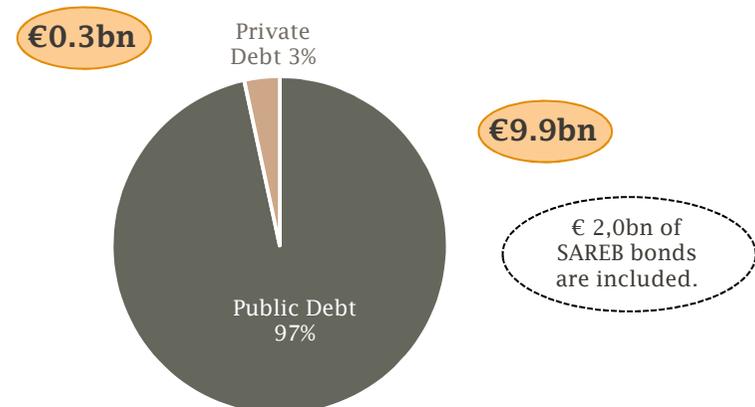
Fixed Income Portfolio

Fixed Income Portfolio breakdown⁽¹⁾



Fixed Income Portfolio by Issuer⁽¹⁾

TOTAL - €10.2bn



Agenda

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Closing remarks

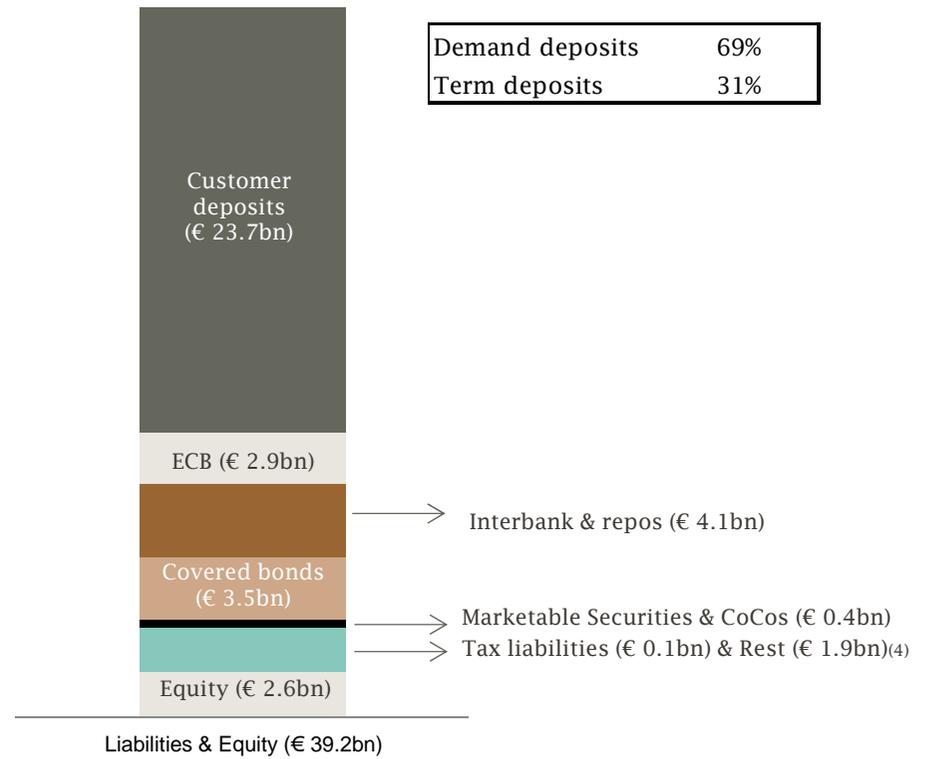
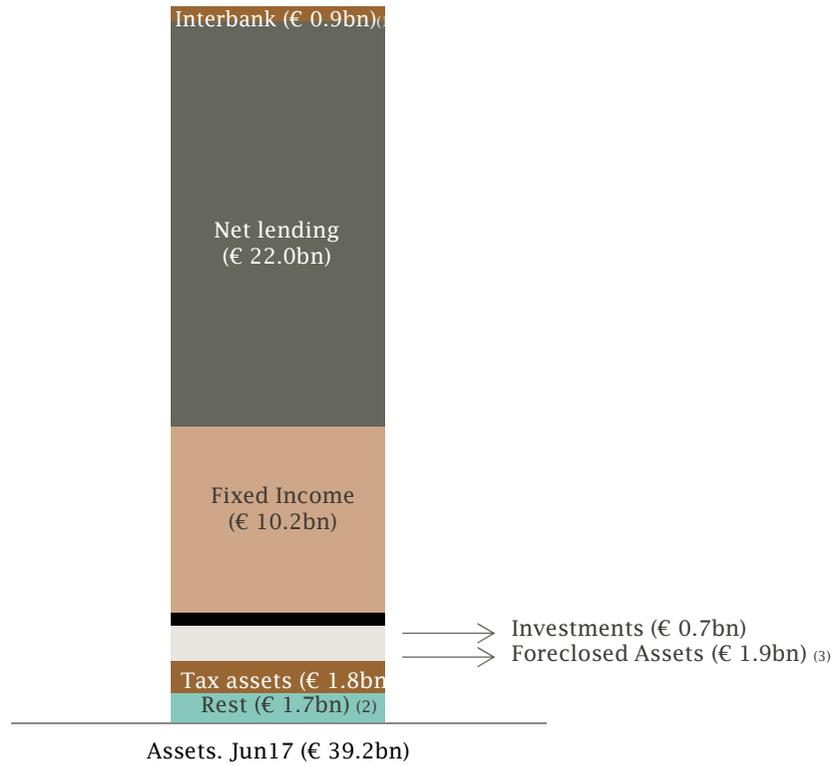
- Liberbank continues to take decisive proactive actions on legacy assets combined with best-in class track record.
 - Liberbank reviews for the second time this year the asset quality targets on the back of a better performance.
 - NPL and NPA ratio target of 3.5% and 12.5% in 2019.
- Capital position keeps improving and liquidity position remains strong.
- Higher customer spreads with better volume dynamics.
- Cost base further reduced with cost-savings actions.
- Reaching agreements with top-notch industrial partners in the RE Servicer and mutual funds arena.

Agenda

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Balance Sheet.

Appendix

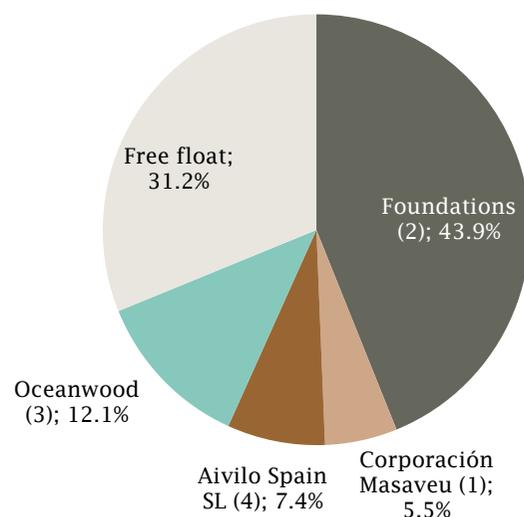


(1) Interbank include cash and interbank deposits
 (2) Rest of assets include tangible and intangible assets and derivative hedging among others
 (3) Assets currently held for sale
 (4) Rest of liabilities include provisions, accrued interests and micro-hedging among others

Shareholders and Book Value

Appendix

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 Oceanwood Capital Management and Oceanwood Opportunities Master Fund. Includes stake through derivatives
 (4) Includes Inmosan SA
 Source: CNMV as of 3rd July 2017

Book value and Tangible Book Value

| | Jun-17 | Fully Diluted |
|----------------------------|--------|---------------|
| # New shares (m) | | 69 |
| # O/S shares (m) | 928 | 997 |
| BV (exc minorities). Eur m | 2,535 | 2,631 |
| TBV. Eur m ⁽¹⁾ | 2,408 | 2,504 |
| BVps (Eur) | 2.73 | 2.64 |
| TBVps (Eur) | 2.59 | 2.51 |
| Last price (Eur) | 1.01 | 1.01 |
| PBV | 0.37x | 0.38x |
| PTBV | 0.39x | 0.40x |

(1) Intangibles deduction
 Note: last price for CoCos conversion purpose as of 21st of July (Eur 1.005sh)

Outstanding CoCos. Jun17

| AT1 (CoCos) | Outstanding Amount (Eur m) ⁽¹⁾ | Coupon | Min Strike | Maturity | Issuance date |
|--------------|---|--------|------------|-------------|---------------|
| Serie A | 10 | 5.0% | 9.72 | 17-Jul-2018 | 17-Apr-2013 |
| Serie B | 3 | 5.0% | 6.39 | 17-Jul-2018 | 17-Apr-2013 |
| Serie C | 83 | 7.0% | 1.23 | 17-Jul-2018 | 17-Apr-2013 |
| TOTAL | 96 | | | | |

(1) Net of retained AT1s
 Source: Liberbank and Bloomberg

Liberbank

Institutional Investors & Analysts Contact

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