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Ibercaja Banco has sold a €534m (gross book value) portfolio of real estate and SME loans to MELF Investment Holding II, S.A.R.L., a company belonging to Marathon Asset Management. These loans are mostly classified as doubtful.

- The sale represents c.40% of the stock of doubtful loans to real estate companies and SME lending as of March 2019. The loans granted to finance land included represent close to 50% of the portfolio.

- Proforma of this transaction the stock of NPL will fall c.22.4% vs. 1Q2019.

Ibercaja expects to reach a NPL ratio of ≈5.0% as of June 2019,  70 b.p. below sector average. The impact in P&L will amount to approximately -c.€25m (before taxes). The transaction will have a positive impact on CET1 Fully Loaded capital.
IBERCAJA BANCO HAS A PROVEN TRACK RECORD OF REDUCING NPAS

Proforma of this transaction, Ibercaja has reduced its stock of gross NPAs by close to €1.5bn in the last 12 months or 36.6%. Ibercaja expects NPA ratio to reach ≈7.2% by June 2019 vs. 11.3% in June 2018.

► Ibercaja Banco shows a disciplined NPA reduction strategy validated by institutional investors having completed four wholesale NPAs transactions since 2015 amounting up to c.€2.4bn.