IBERCAJA BANCO
9M2019 RESULTS

October 30th, 2019



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Además de la información financiera preparada bajo las Normas Internacionales de Información Financiera ("NIIF"), esta presentación incluye ciertas medidas alternativas de rendimiento (“MAR”) definidas en las Directrices sobre Medidas Alternativas de Rendimiento publicadas por la Autoridad Europea de Valores y Mercados (“ESMA”) el 5 de octubre de 201 5(ESMA/2015/1415). Las MAR son medidas de rendimiento que se han calculado utilizando la información financiera del Grupo Ibercaja Banco, pero que no están definidas ni detalladas en el marco de información financiera aplicable y que, por lo tanto, no han sido auditadas, ni son susceptibles de ser auditadas de manera completa .Estas MAR y se han utilizado para permitir una mejor comprensión del rendimiento financiero del Grupo Ibercaja Banco, pero deben considerarse sólo como información adicional, y en ningún caso sustituyen a la información financiera preparada según las NIIF. Además, la forma en que el Grupo Ibercaja Banco define y calcula estas MAR puede diferir de la forma en que son calculadas por otras compañías que usan medidas similares y, por lo tanto, pueden no ser comparables. Para obtener mayor información sobre las MAR utilizadas, incluida su definición o una conciliación entre los indicadores de gestión aplicables y la información financiera presentada en los estados financieros consolidados preparados según las NIIF, se deben consultar las Cuentas anuales consolidadas al 31 de diciembre de 2018 e informe de gestión consolidado correspondiente al ejercicio 2018, disponible en el sitio web de Ibercaja Banco (www.ibercaja.com).

EL BANCO DEL vamos

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KEY HIGHLIGHTS

KEY HIGHLIGHTS

SIGNIFICANT INCREASE IN NET PROFIT

91.4 €m — Net profit grows 26% YoY and reaches €91.4m

+23.8% — Profit before provisions grows 23.8% YoY thanks to revenues stability and cost reduction

-17.1% — Provisions for credits and foreclosed assets fall 17.1% YoY

STRONG NPA REDUCTION

-26.9% — NPAs decrease 26.9% YTD

-218 b.p. — Gross NPA ratio falls 218 b.p. to 6.6%

58 b.p. — NPL ratio stands 4,6%, 58 p.b. below sector average as of August

SOUND CAPITAL GENERATION

11.4% — CET1 Fully Loaded Ratio reaches 11.4%

+85 b.p. — Ibercaja generates 85 b.p. of CET1 YTD

15.5% — Total Capital Fully Loaded ratio stands at 15.5%

II

COMMERCIAL ACTIVITY

CUSTOMER FUNDS

Customer funds have increased 3.3% YTD or €1,871m and reach €58,600m.

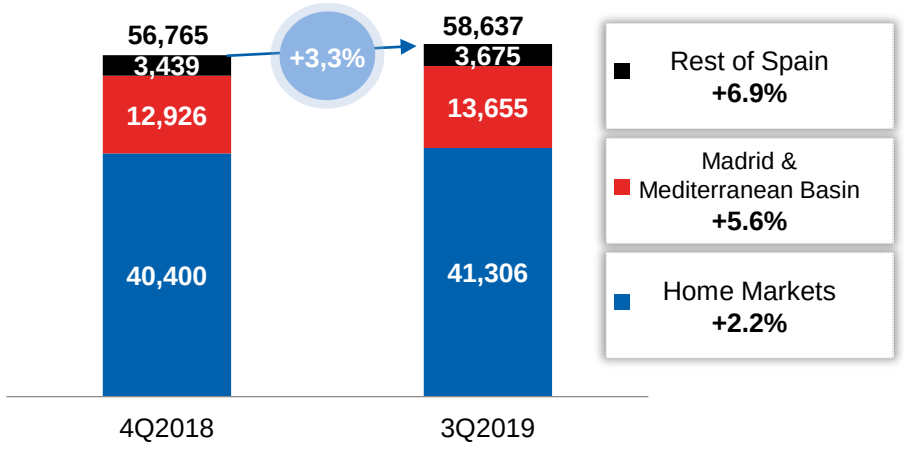
- Customer funds in **Madrid and Mediterranean Basin** grow **5.6% YTD** or **€729m.**

Ibercaja continues improving its customer funds mix:

- **Assets under management and life insurance products** grow **6.6% YTD** or **€1,665m** (**89% total customer funds increase) up to €26,800m**.
- The increase accounts for **Customer deposits** grow **0.7%** YTD. **Current accounts** represent **86%** of total customer deposits**.**

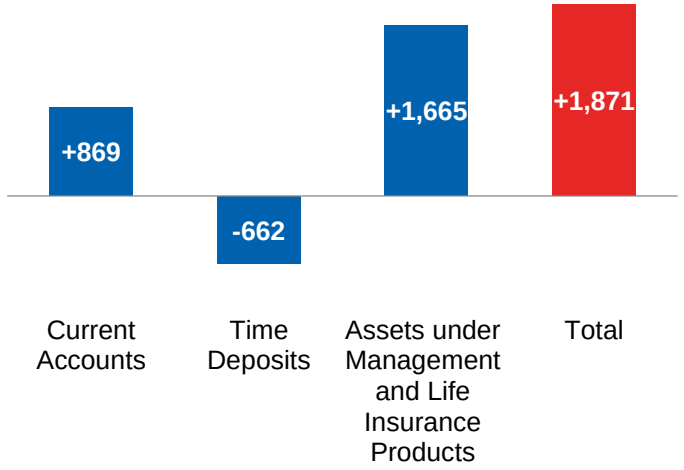
Customer Funds

€m and %



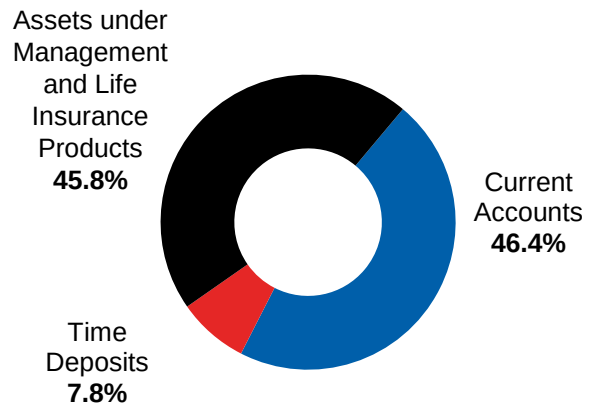
Customer Funds Evolution Breakdown

€m – 3Q2019 vs. 4Q2018



Customer Funds Breakdown by Product

% - 3Q2019

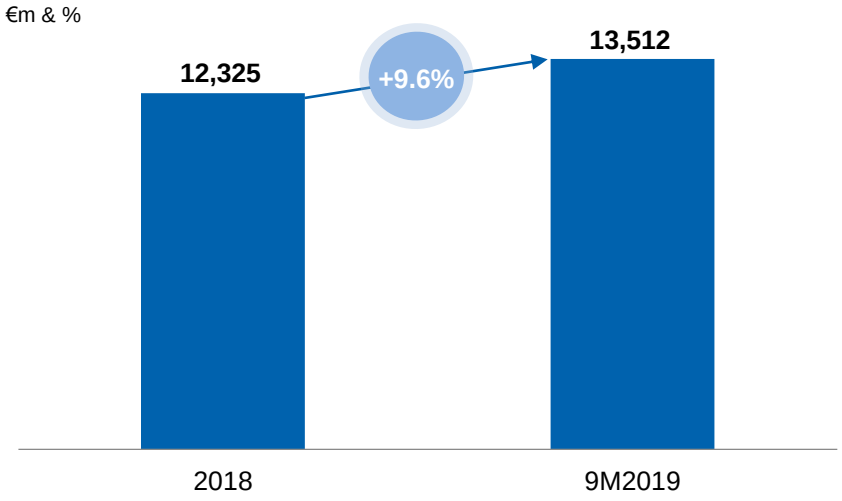


MUTUAL FUNDS

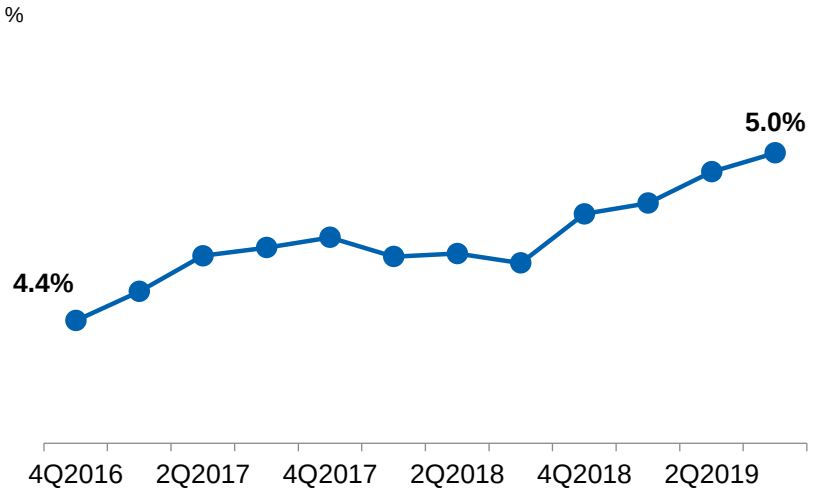
Outstanding evolution in mutual funds:

- The **stock of mutual funds** grows **9.6**% YTD or €1,187m and reaches **€13,500m.**
- **Ibercaja reaches a market share of 5.0%[1] in mutual funds,** a historical milestone for the company. Ibercaja has gained 20 b.p. of market share since 2018YE.
- **45%** of funds are **balanced funds or equity funds.**

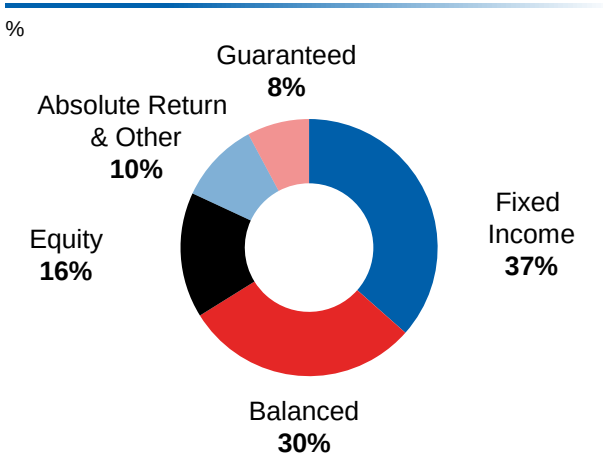
Stock of Mutual Funds[1]



Mutual Funds Market Share[1]



Mututal Funds Breakdown



[1] Source: Inverco

CUSTOMER LOANS

Performing gross loans ex repos fall 0.3% YTD.

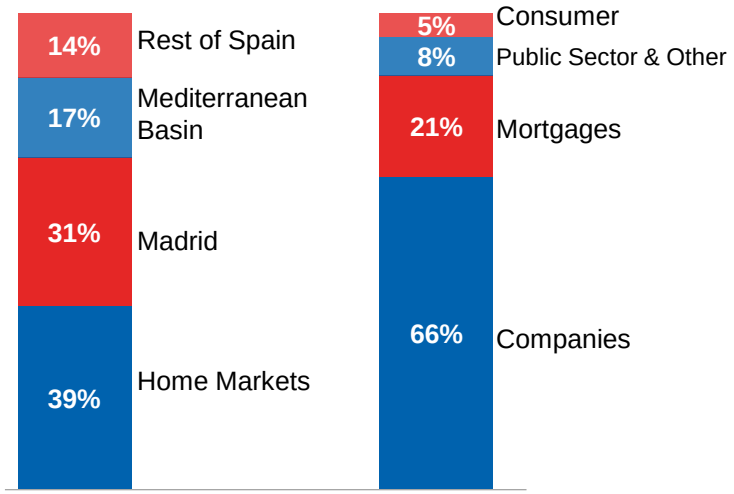
New lending reaches €3,776m with a diversification strategy focused in Madrid & Mediterranean Basin (48% of new lending) and companies (66% of new lending)..

- **New mortgages with fixed rate** grow **23.1% YoY** and account for 37% of new mortgage production.

Accumulated working capital financing grows 11.3% YoY.

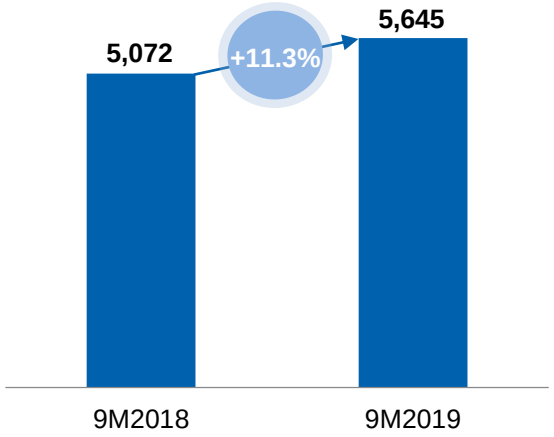
New Lending Production

% - 9M2019



Accumulated Working Capital Financing

€m



Loan Portfolio

€m

	4Q2018	3Q2019	Var.
Loans to Individuals	20,999	20,570	-2.0%
Mortgages	19,492	19,086	-2.1%
Consumer and Others	1,507	1,484	-1.6%
Loans to Companies	7,745	7,624	-1.6%
Non-Real Estate Companies	6,786	6,573	-3.1%
Real Estate Companies	959	1,051	9.5%
Public Sector and Others	1,002	1,458	45.6%
Performing Gross Loans ex Repos	**29,746**	**29,652**	**-0.3%**
Repos	1,704	1,607	-5.7%
Doubtful Loans	2,275	1,524	-33.0%
Gross Loans	**33,724**	**32,782**	**-2.8%**

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III RESULTS

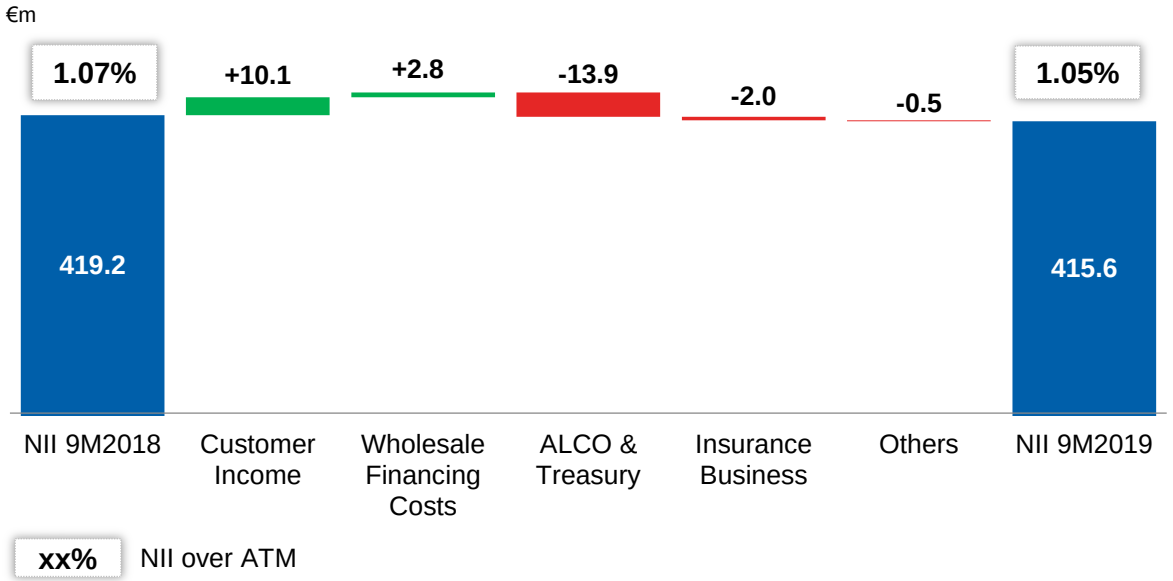
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P&L ACCOUNT

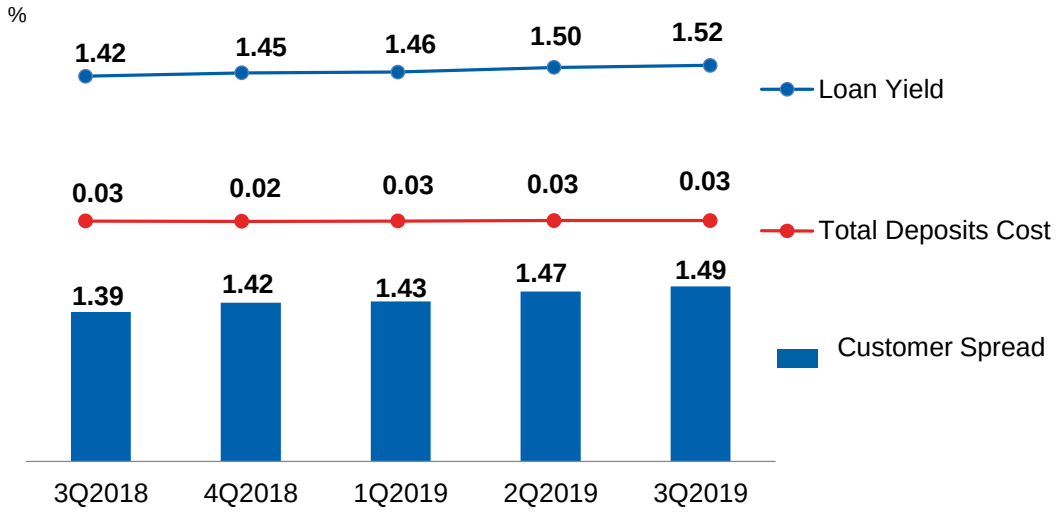
	€m		
	9M2018	9M2019	YoY
Net Interest Income	419.2	415.6	-0.8%
Net Fee Income	279.8	287.6	2.8%
Recurring Revenues	**699.0**	**703.2**	**0.6%**
Gain/Losses on Financial Assets and Liabilities	42.3	17.0	-59.9%
Other Operating Income (net)	3.1	9.7	209.2%
Gross Operating Income	**744.4**	**729.9**	**-2.0%**
Operating Costs	-511.2	-441.2	-13.7%
of which: Recurring Costs	-455.7	-441.2	-3.2%
of which: Redundancy Plan	-55.5	0.0	n/a
Pre-Provision Profit	**233.2**	**288.7**	**23.8%**
Total Provisions	-106.2	-142.7	34.4%
Other Gains and Losses	-11.3	-3.7	-67.1%
Profit before Taxes	**115.8**	**142.3**	**22.9%**
Taxes & Minorities	-43.2	-50.9	17.7%
Net Profit Attributable to Shareholders	**72.5**	**91.4**	**26.0%**

NET INTEREST INCOME

Net Interest Income Breakdown



Customer Spread

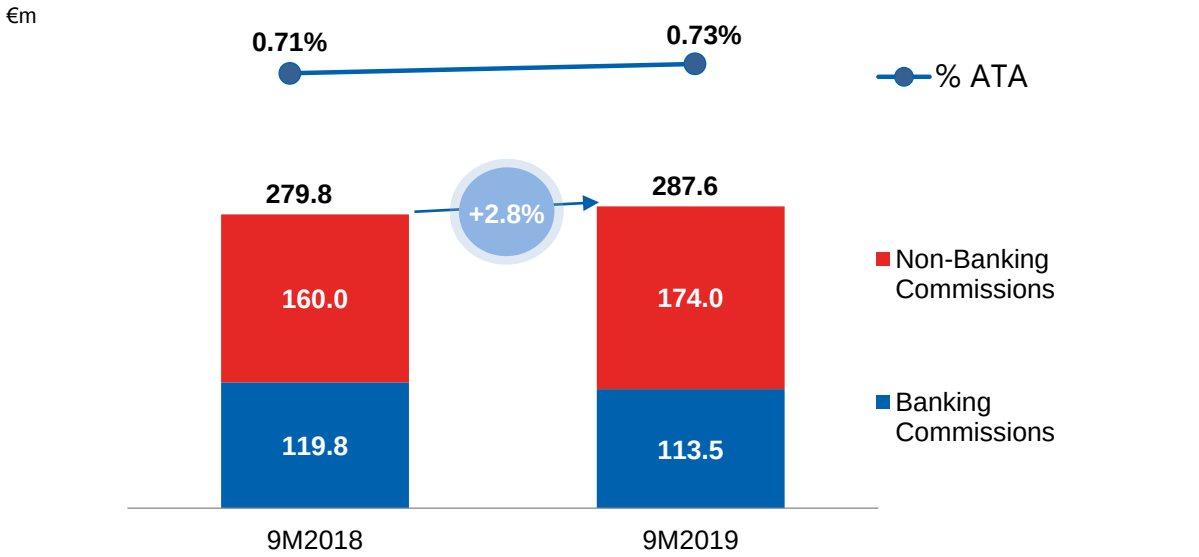


Net interest income decreases 0.8% YoY or €3.5m.

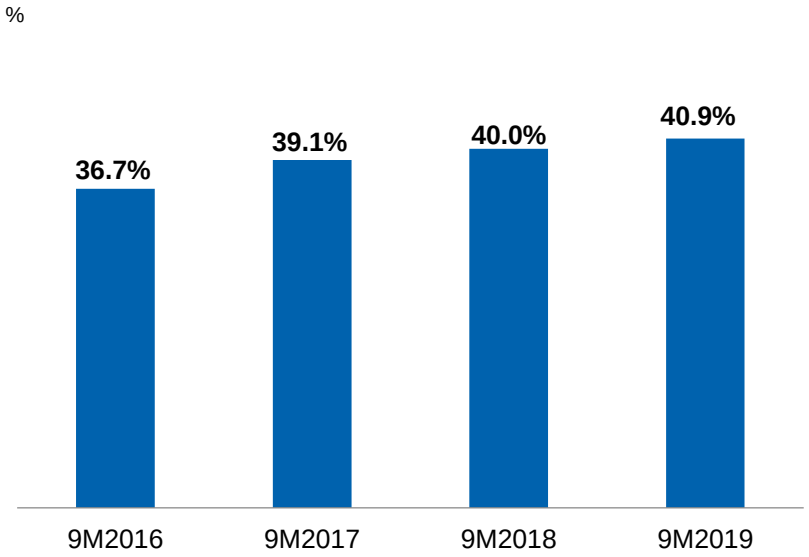
- **Customer income,** loans revenues minus customer deposits costs, **grows 3.2% YoY or €10.1m. In terms of %, customer spread reaches 1.49%** vs. 1.39% in 3Q2018.
- **ALCO portfolio and treasury revenues** fall **€13.9m**. The **ALCO portfolio** accounts for **10.6%** of financial revenues.

NET FEE INCOME

Net Fee income



Net Fee Income as % of Recurring Revenues



Net fee income grows 2.8% YoY.

- **Non-banking commissions*** (mutual funds, risk insurance and pension funds) rise **8.8% YoY.** These commissions represent **60.5% of total net fee income.**
- **Banking commissions** decrease **5.3% YoY.**

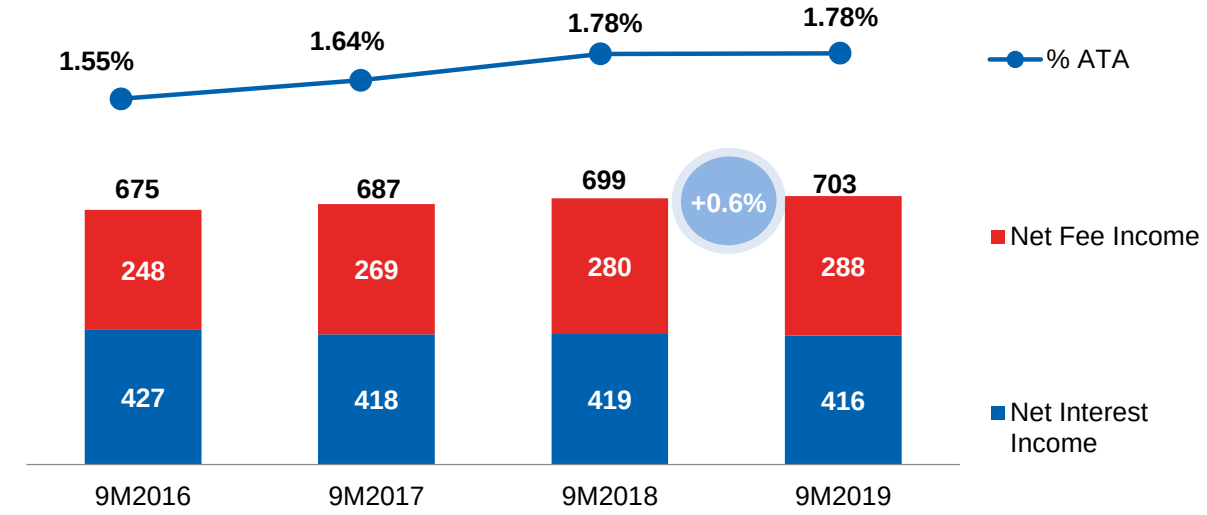
Net fee income accounts for 40.9% of recurring revenues.

* Includes both commissions from non-banking financial products' commercialization and commissions from asset management

RECURRING REVENUES

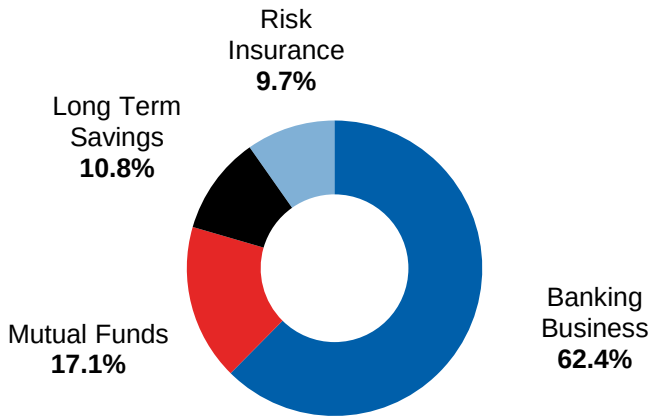
Recurring Revenues

€m and %



Recurring Revenues Breakdown

% - 9M2019



Revenue diversification through asset management and bancassurance has allowed Ibercaja to increase its recurring revenues during the last 3 years.

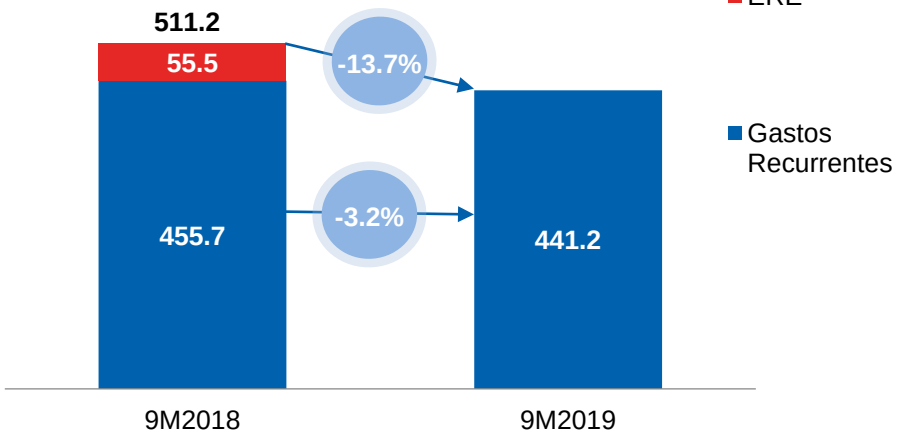
- **Recurring revenues grow 0.6% YoY.**
- **Revenues from asset management and bancassurance** account for **37.6% of Ibercaja's recurring revenues.**

Recurring revenues account for 96% of Ibercaja's gross operating income.

OPERATING COSTS

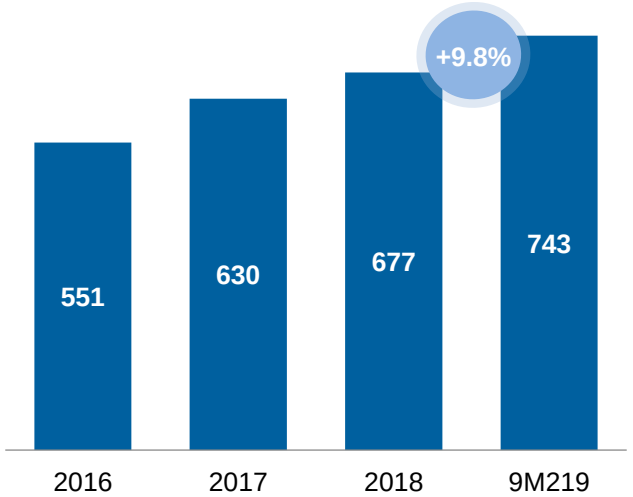
Operating Costs

€m



Digital Customers[1]

000



Ibercaja APP Customers	+25.9% YTD
Ibercaja Pay Customers	+115% YTD
% Digital Operations[2]	71.4% vs. 64% in 2018

Total operating costs fall 13.7% YoY as no extraordinary expenses have been recorded in the first nine months of 2019.

► **Recurring costs fall 3.2% YoY.**

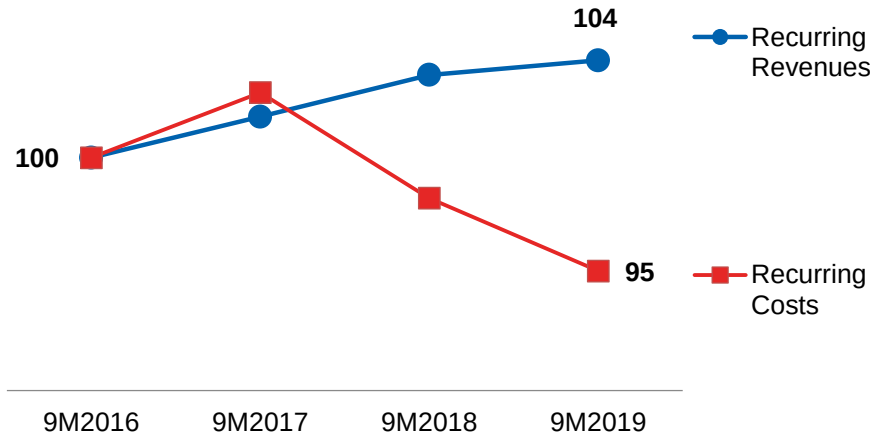
Digital customers grow 9.8% YTD, driven by an increase in Ibercaja app's customers.

[1] Number of customers that have used the web or the app of Ibercaja **during the last month**
[2] % of customer operations that are executed through Ibercaja's digital assets (website and apps).

PROFIT BEFORE PROVISIONS

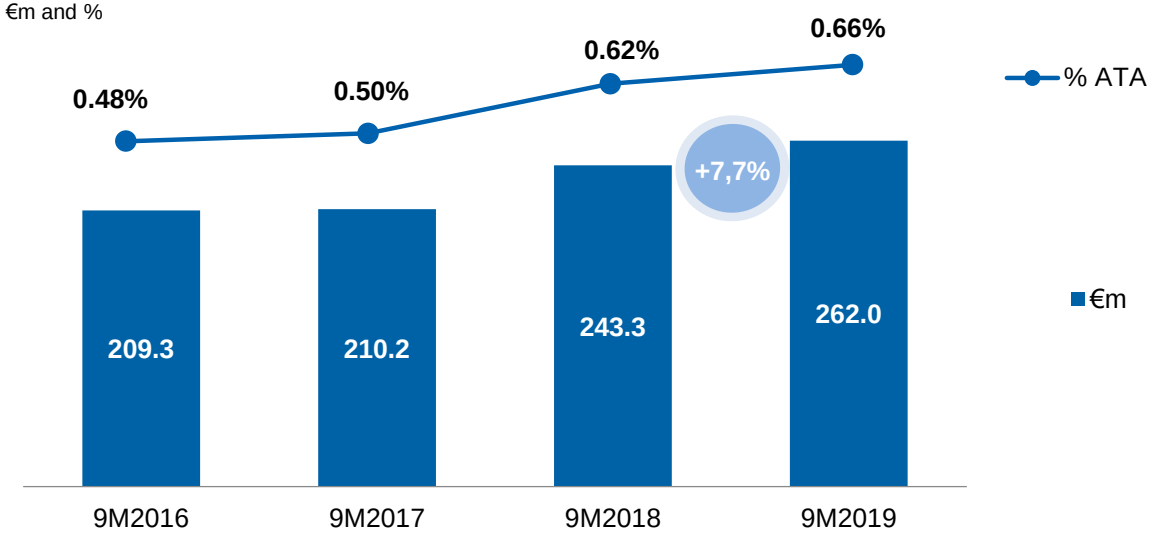
Recurring Revenues & Costs

9M2016 base year = 100



Recurring Profit before Provisions

€m and %



Since 2016 Ibercaja is taking the necessary measures in terms of revenue generation and cost adjustments in order to improve its operating leverage going forward:

► **Since 2016 recurring revenues have grown 4% and operating costs have fallen 5%.**

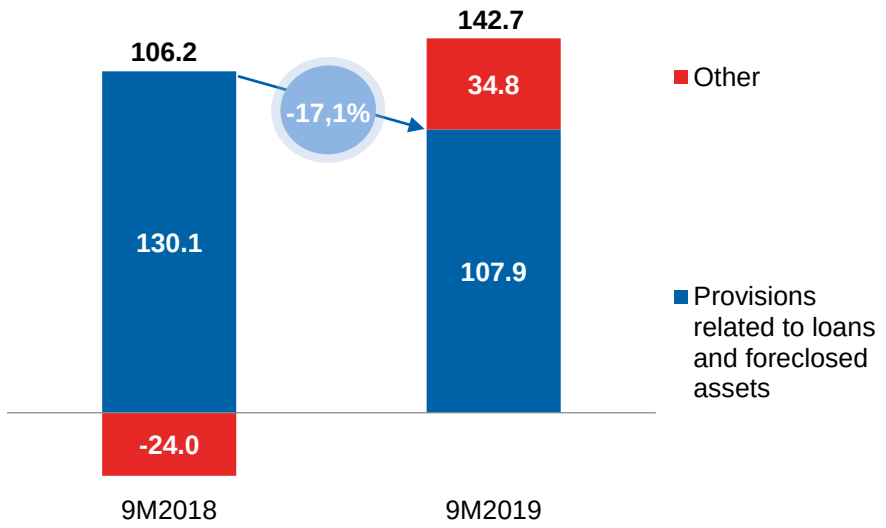
In 2019, improvement of operating "jaws" has resulted in recurring profit before provisions growing 7.7% YoY.

Profit before provisions increases 23.8% YoY and reaches €288.7m.

PROVISIONS

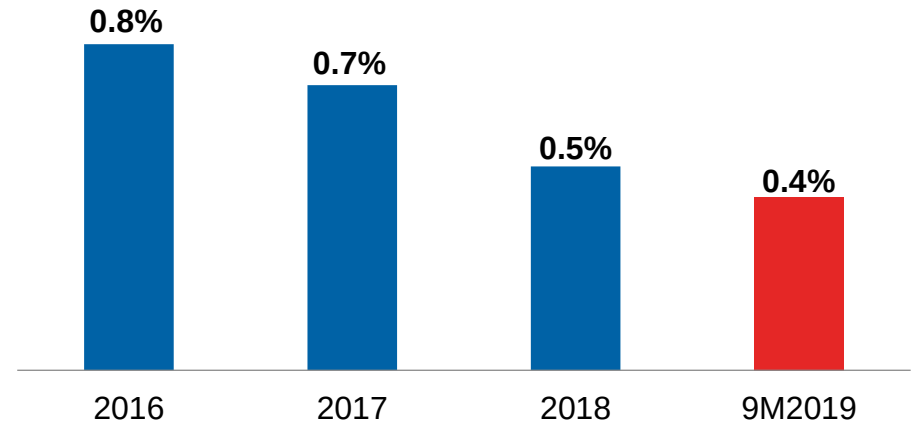
Total Provisions

€m



Cost of Risk

%



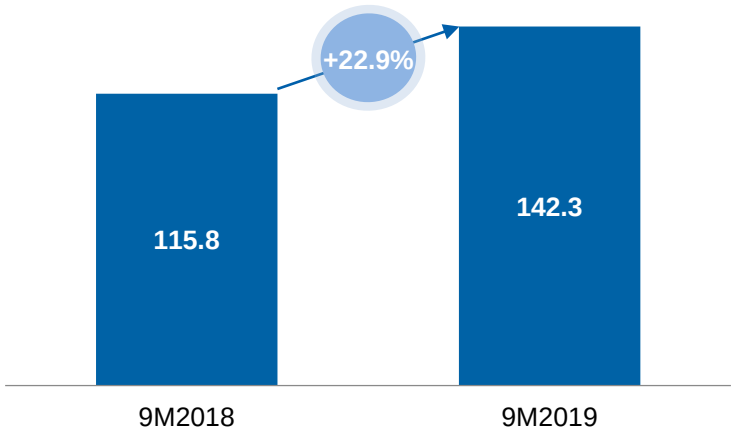
Total provisions grow 34.4% YoY.

- **Provisions related to loans and foreclosed assets** fall **17.1% YoY.**
- **Cost of risk** stands at **43 b.p.**

NET PROFIT

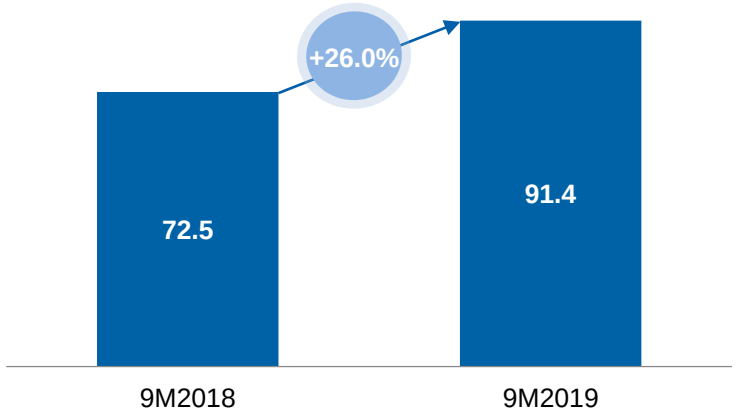
Profit before Taxes

€m



Net Profit

€m



Profit before taxes increases 22.9% YoY up to €142.3m.

Net profit reaches €91.4m, which represents a 26% YoY increase.

IV

ASSET QUALITY, LIQUIDITY AND SOLVENCY

ASSET QUALITY (1/2)

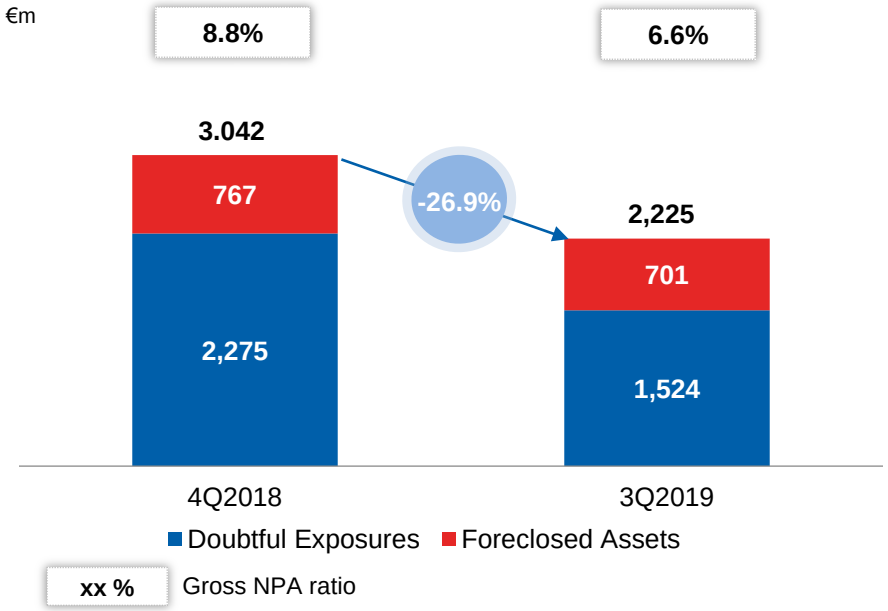
Non-performing assets –doubtful exposures and foreclosed assets– decrease 26.9% YTD or €817m.

NPA ratio falls 218 b.p. since December 2018 and reaches 6.6%.

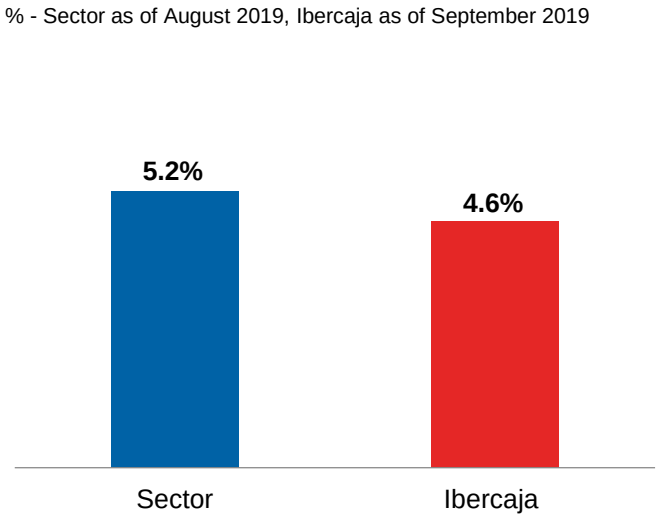
NPL ratio falls 209 b.p. YTD to 4.6% and stands 58 b.p. below sector average as of August.

► **Gross NPL entries** fall **23.5% YoY** while **recoveries** grow **5.0% YoY** (excluding wholesale transactions).

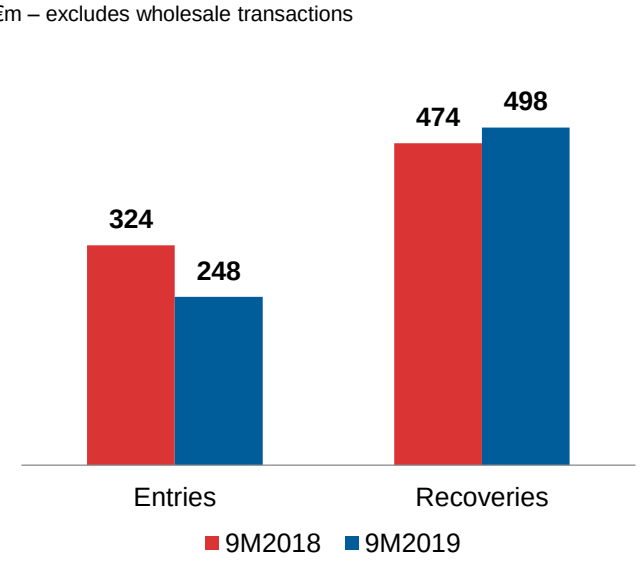
Non-Performing Assets



NPL Ratio



NPL Entries & Recoveries



ASSET QUALITY (2/2)

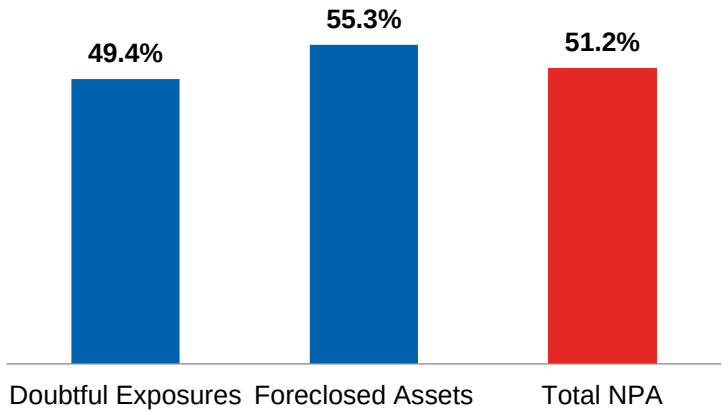
Coverage ratio of non-performing assets stands at 51.2%.

€391m / 26.5% reduction in net non-performing assets YTD driven by a reduction of gross non-performing assets togheter with the provisioning effort. **Its weight as % of total assets represents just 2.1% (-75 b.p. YTD).**

After executing Cierzo and Ordesa transactions[1], **doubtful residential mortgages, with a lower expected loss, account for 49.5% of non-performing loans.**

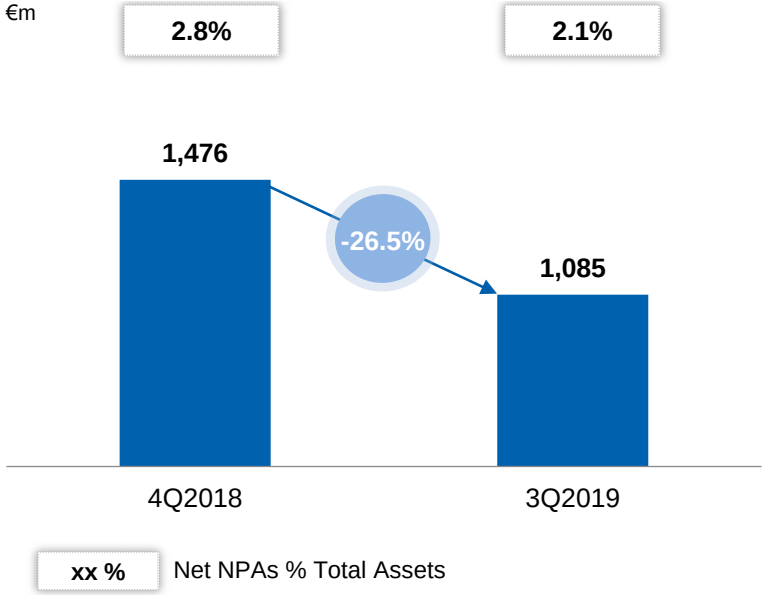
NPA Coverage ratio

3Q2019 - %



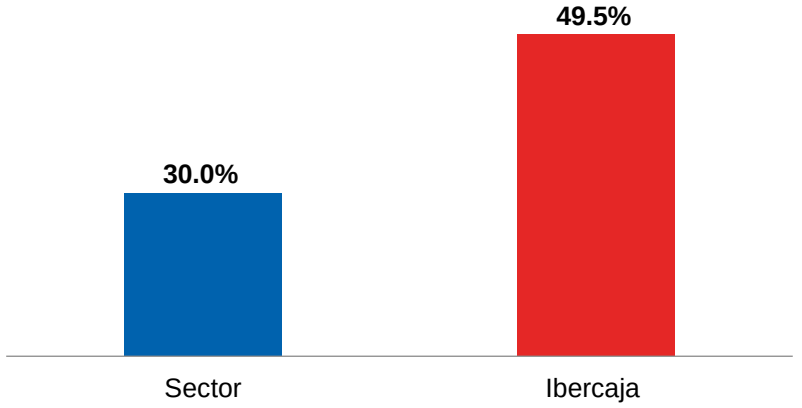
Net Non-performing Assets

€m



Doubtful Mortgages as % of NPL

% - Sector as of June 2019, Ibercaja as of September 2019



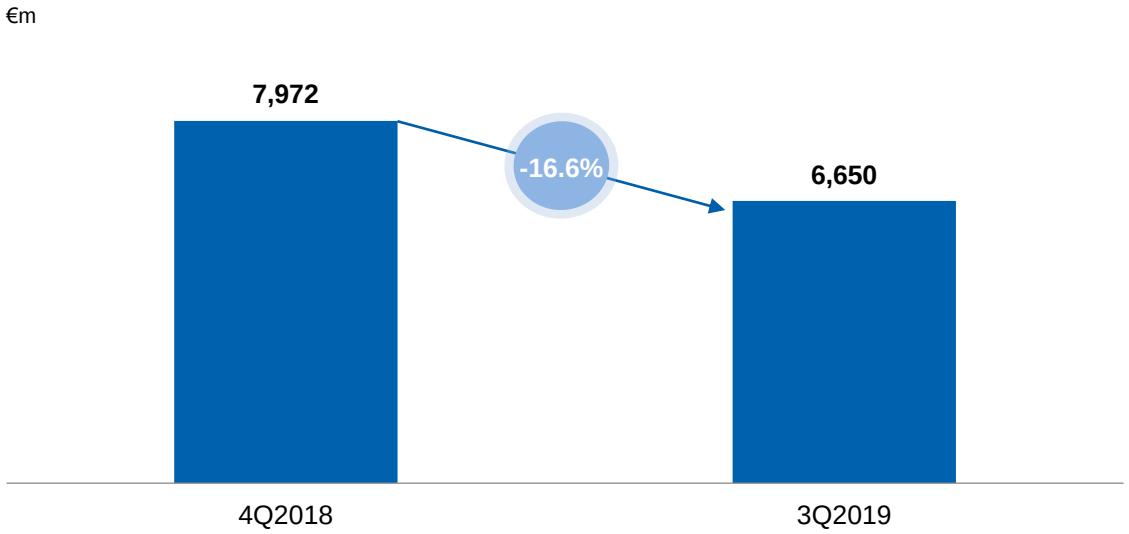
[1] Wholesale transactions that took place in 4Q2018 and 2Q2019 mainly focused in foreclosed assets and doubtful loans to companies with a gross value of €641m and €534m, respectively

ALCO PORTFOLIO

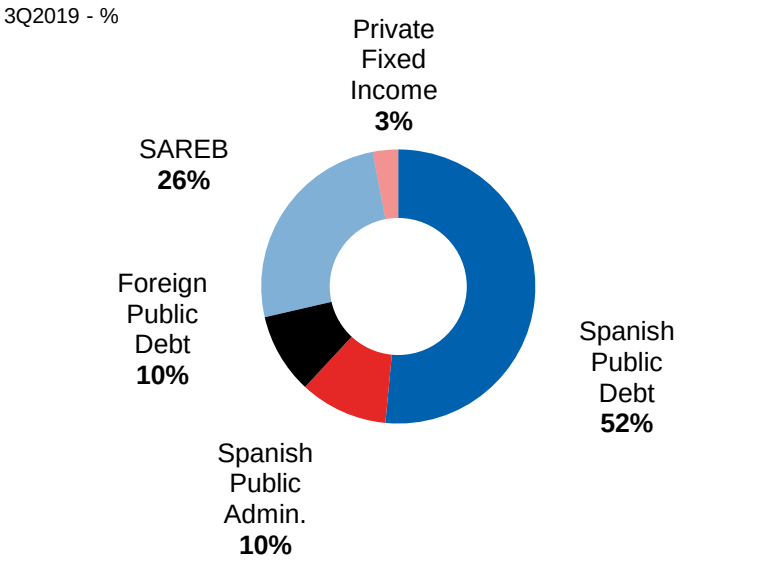
Fixed-income portfolio stands at €6,650m[1]. This portfolio has a low risk profile and is mainly composed of Spanish sovereign debt.

- **Average duration of 2.6 years**[2].
- **Average yield stands at 1.0%.**
- **95%** of the portfolio is classified at **amortised cost.**

ALCO Portfolio



ALCO Portfolio Breakdown



[1] ALCO portfolio does not include insurance portfolio
[2] Includes interest rates swaps.

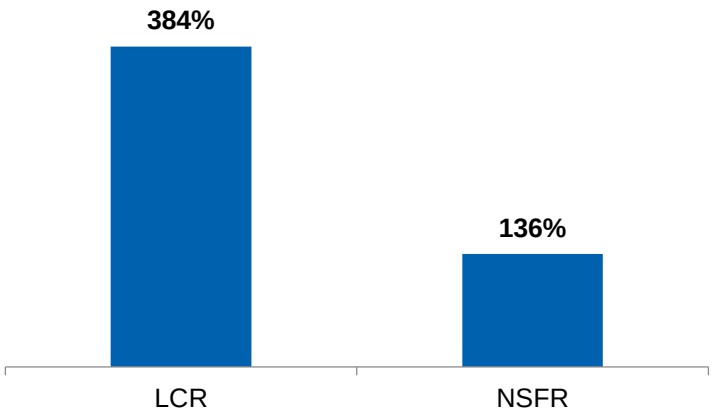
LIQUIDITY AND FUNDING PROFILE

Ibercaja holds a comfortable liquidity position (liquid assets account for 20.7% of total assets) and a prudent funding profile (customer deposits account for 79% of gross external funding).

- **LCR and NSFR ratios** stand well above regulatory requirements.
- **LTD ratio** stands at **95.8%**

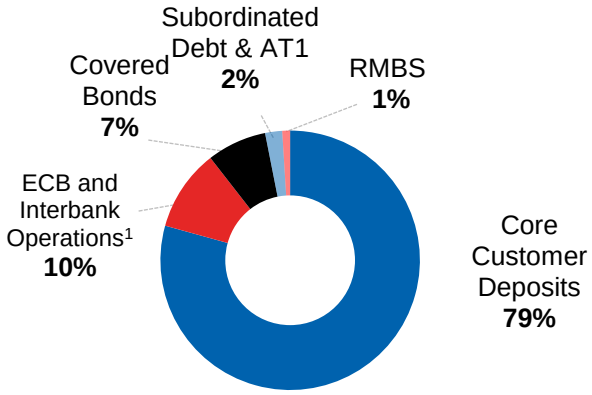
LCR and NSFR Ratios

% - 3Q2019



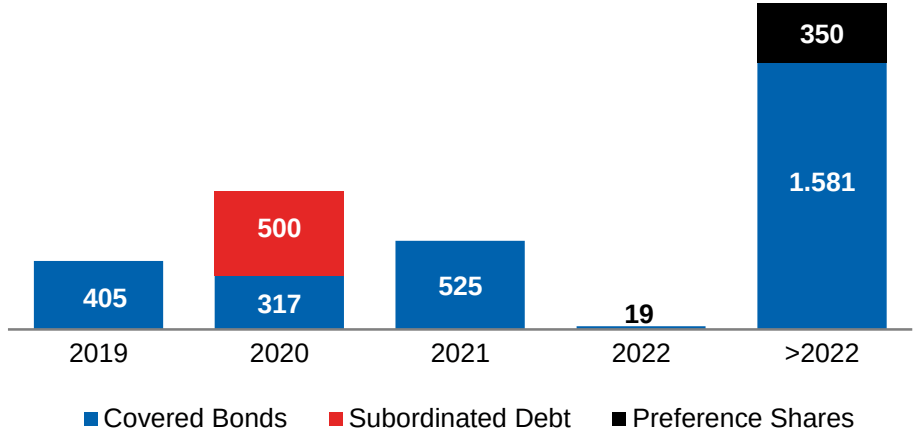
Gross External Funding

% - 3Q2019



Maturity Profile

€m - 3Q2019



[1] Includes long term funding from institutional banks such as ICO and EIB

SOLVENCY

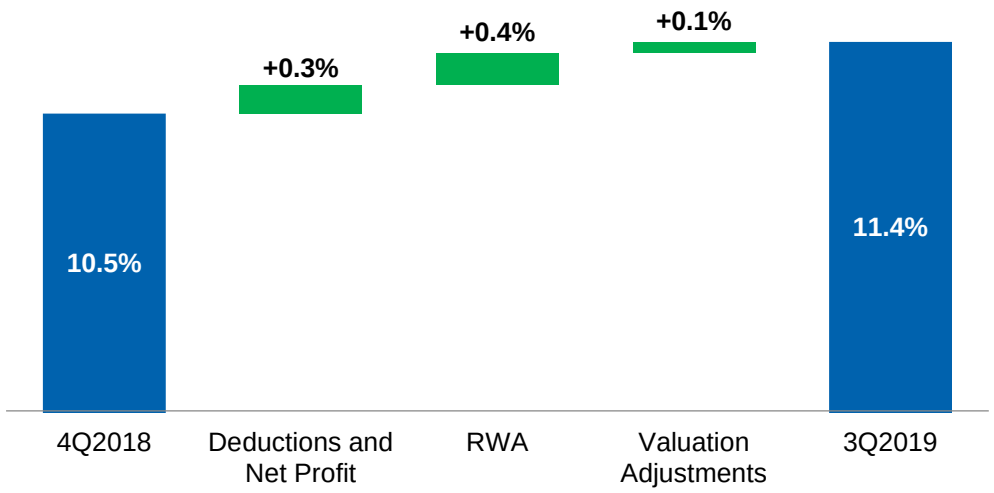
Ibercaja has generated 85 b.p. of capital YTD. CET1 Fully Loaded ratio reaches 11.4% while Total Capital Fully Loaded ratio stands at 15,5% Fully Loaded leverage ratio is 5.7%.

In Phased-In terms, CET1 ratio stands at 12.3% and Total Capital at 16.4% vs. 9% and 12.5% requirements, respectively.

- Phased-In solvency ratios stand **more than 300 b.p. above 2019 SREP requirements.**

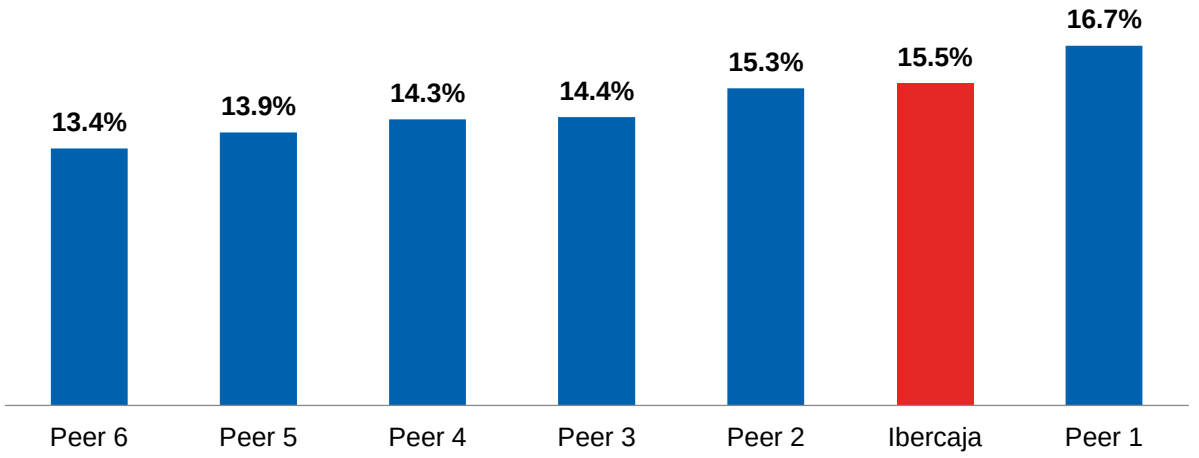
CET1 Fully Loaded

%



Total Capital Fully Loaded

% - 3Q2019; 2Q2019 data for peers (Bankia, Bankinter Caixabank, Liberbank, Sabadell y Unicaja)

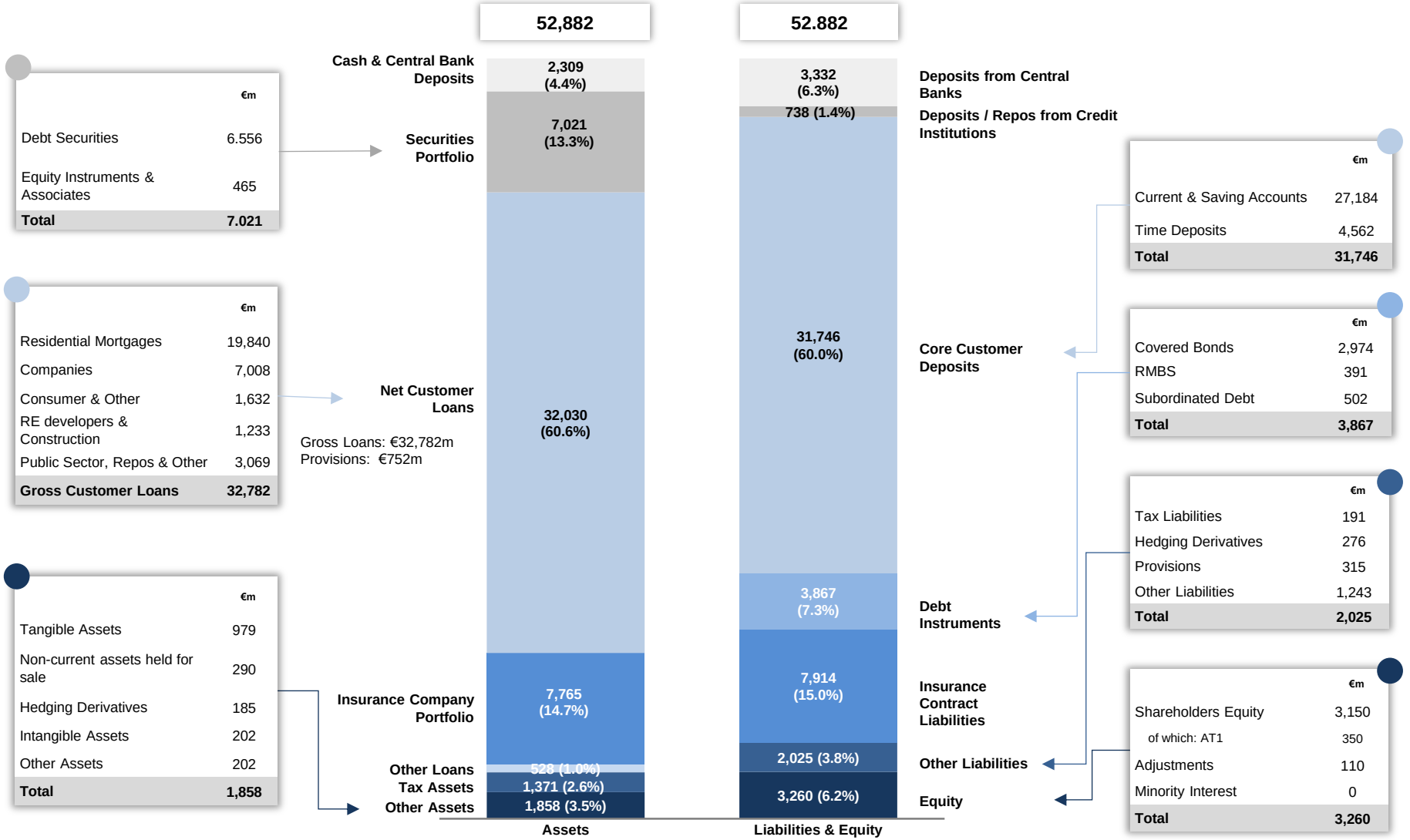


V

ANNEX

CONSOLIDATED BALANCE SHEET

€m- 30/09/2019



ANNEX

GLOSSARY

Ratio / APM	Definition
Customer Spread	Difference between the average yield on the loan portfolio and the cost of retail deposits (ex. repos and covered bonds)
Recurring Revenues	Net interest income plus net fee and commission income plus net exchange differences
Recurring Costs	Personnel expenses plus other administration expenses plus amortisation and depreciation minus extraordinary expenses (redundancy plan)
Recurring Profit before Provisions	Recurring revenues minus recurring costs
NPL ratio	Doubtful balances in loans and advances to customers divided by gross loans and advances to customers
NPL coverage ratio	Loans and advances to customers impairments divided by balances in loans and advances to customers
Foreclosed Assets coverage ratio	Foreclosed assets impairment losses (since loan origination) divided by gross foreclosed assets
Non-performing Assets (“NPAs”)	Sum of doubtful balances in loans and advances to customers and gross foreclosed assets
NPA ratio	Gross non-performing assets divided by gross loans and advances to customers plus gross foreclosed assets
NPA coverage ratio	Sum of foreclosed assets impairments and loans and advances to customers impairments divided by gross non-performing assets
Cost of Risk	Sum of impairments associated with credit risk and foreclosed assets divided by the average balance of the sum of gross loans and foreclosed assets
Liquid Assets % Total Assets	Total liquid assets divided by total assets. Liquid assets include unencumbered public debt + available & eligible fixed income assets (after ECB haircut applied)
Loans-to deposits ratio	Net customer loans (ex. repos) divided by customer deposits (ex. repos and covered bonds)
Net Stable Funding Ratio	Amount of available stable funding relative to the amount of required stable funding
Liquidity Coverage Ratio	High quality liquid assets divided by net outflows during the following 30 days
ALCO portfolio	Bank’s fixed-income portfolio. Excludes the fixed-income portfolio of the insurance company

THANKS¡

For further information:
www.ibercaja.com
investor@ibercaja.es



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