

9M2020 RESULTS**IBERCAJA REDUCES ITS NPL RATIO TO 3.6% AND RAISES ITS CAPITAL RATIO TO 12.5%**

- Net profit stands at €98.7 million euros, a 7.9% year-on-year increase; excluding the extraordinary income from CASER distribution agreement, net profit decreases 32% year-on-year
- The Entity has increased its customer funds by 4.2% between January and September, up to 63,166 million euros, and has moved up one place to fifth in the national ranking of asset management and life insurance products in Spain, with a balance of 27,978 million euros
- Once again, net contributions to mutual funds amounting to 770 million euros stand out (+91% year on year). This is the second highest figure in the sector in this period and has allowed Ibercaja to gain 38 basis points of market share so far this year, reaching a new all-time record of 5.4%
- The granting of new loans in these nine months totals 4,804 million euros, representing a year-on-year growth of 27.2%, driven by the formalisation of financing to non-real estate companies, 2,907 million euros (+43.7% year-on-year), and mortgages, 1,061 million euros (+32.5% year on year)
- The financing granted in operations with a partial guarantee from the ICO amounts to 1,550 million euros up to the end of September, of which 77% has gone to the self-employed and SMEs
- The Entity has set aside an additional 20 million euros for contingencies arising from the crisis caused by COVID-19, in addition to the 70.1 million euros set aside for this purpose in the first half of the year
- The Bank continued to strengthen its balance sheet, with CET1 Fully Loaded ratio improving by 116 basis points over the year to 12.5%, in line with its strategic objective
- NPL ratio at the end of September was 3.6%, 113 basis points below the sector average, with a NPA coverage ratio of 58.8%, 721 more basis points than in December 2019
- The total number of digital customers grew by 5.9% in the year to 805,000, thanks to an increase in mobile app users (+16.4%) and Ibercaja Pay users (+94%); 76.3% of transactions are now carried out via digital channels, compared to 72% at the end of 2019

Zaragoza, 4 November 2020. - Ibercaja obtained a net profit of 98.7 million euros in the first nine months of 2020. This is 7.9% more than in the same period last year, after intensive commercial activity, despite the situation caused by the pandemic. Excluding the extraordinary income from CASER distribution agreement, net profit decreases 32% year-on-year. In addition, NPL ratio at the end of September was 3.6%.

The Entity has allocated additional provisions of 20 million euros in the third quarter as a precaution against the possible economic effects of the current crisis caused by COVID-19, with the fund created to cover this contingency since the beginning of the pandemic amounting to 90.1 million euros.

The Bank continued to strengthen its balance sheet, recording an improvement in the CET1 Fully Loaded ratio of 116 basis points in the year, to 12.5%, in line with its strategic target. It also has a strong liquidity position, 13,764 million euros, and a coverage ratio of non-performing assets of 58.8%, 721 basis points higher than at the end of 2019.

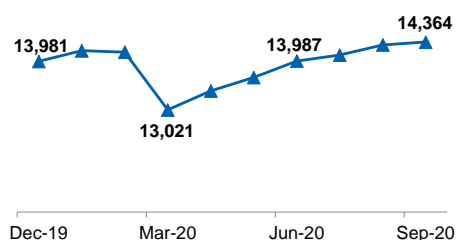
More customer funds and strong growth in the lending activity

Customer funds increased by 4.2% over the nine months to 63,166 million euros, mainly driven by current accounts, which grew by 11.8% in this period (+3,357 million euros). The bank also moved up one place to fifth in the national ranking for assets under management and life insurance products, which amounted to 27,978 million euros, 0.4% more than at the end of 2019.

The stock of mutual funds grew by 1,343 million euros to 14,364 million euros since the end of March, a 10.3% increase and 2.7% more than in December 2019.

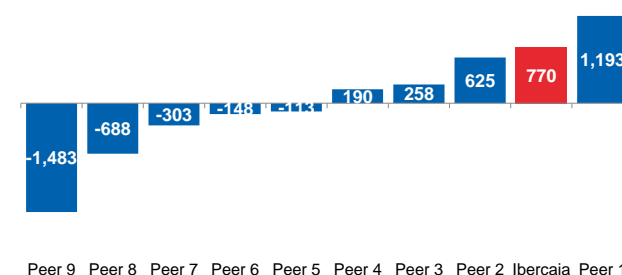
Stock of mutual funds

€m - Ibercaja Gestión



Net new money inflows

€m- 9M2020; 10 top mutual funds management groups in Spain



Source: Inverco; The top 10 mutual funds management groups are Caixabank, Santander, BBVA, Bankia, Kutxabank, Sabadell, Ibercaja, Bankinter, Mutua Madrileña and Unicaja

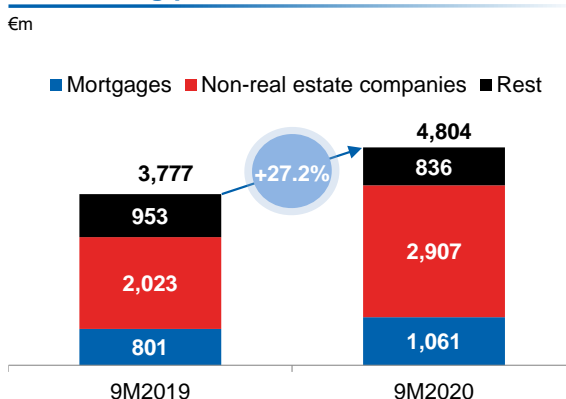
The market recovery since April and the strength of investors' new money inflows have allowed Ibercaja Gestión to achieve this positive performance and become the second largest bank in Spain in terms of net new money inflows between January and September, with 770 million euros, 91% more than in the same period last year. As a

result, Ibercaja's mutual fund management company achieved a new record market share of 5.4%, 38 basis points more than a year ago.

The customer-oriented management model, based on advice, profitability, innovation and quality in the management of the Financial Group's companies, is a significant competitive advantage in a scenario such as the current one, with interest rates at negative levels.

The lending activity in the first nine months of the year was particularly strong, with 4,804 million euros of new lending, 27.2% more than in the same period last year. This was mainly supported by the granting of mortgages for a total of 1,061 million euros, 32.5% more than in the same period last year, and by loans to non-real estate companies, which increased by 43.7% year on year.

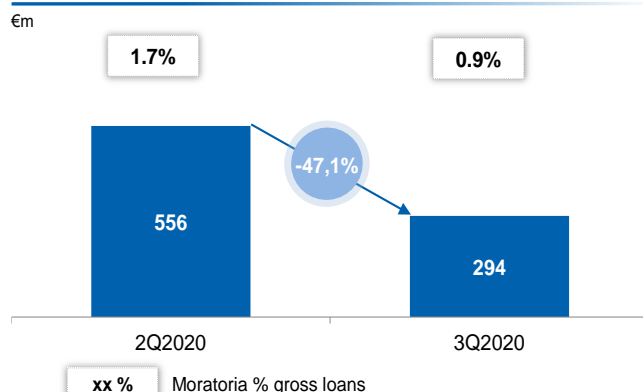
New lending production



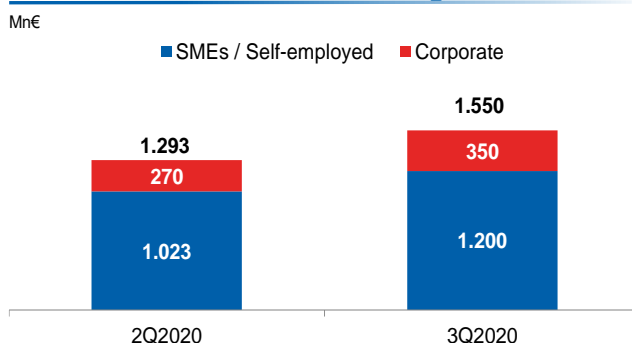
The special attention paid to the most urgent needs of companies and the efficiency in implementing the measures adopted by the Bank over these months has led to an increase in lending activity in this segment. This notably includes the granting of 1,550 million euros in operations involving ICO Liquidity Lines, 77% of which was allocated to the self-employed and SMEs.

The outstanding moratoria on loans fell by 47.1% in the third quarter to 294 million euros, representing 0.9% of the bank's total gross lending. This significant reduction shows that, after overcoming the initial impact of uncertainty caused by the state of alarm declared in March, in recent months families have progressively regained more stability in their income streams.

Outstanding moratoria



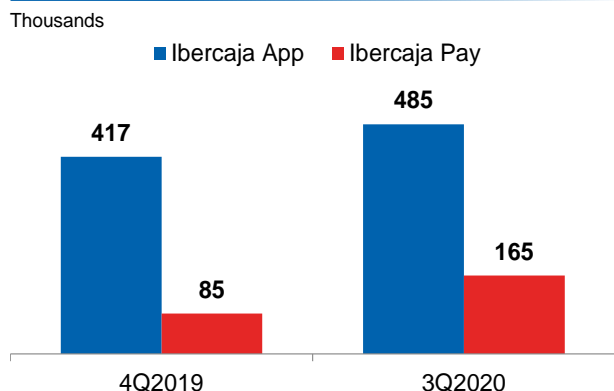
Accumulated evolution of ICO lending



Increase in digital customers and the use of non-face-to-face channels

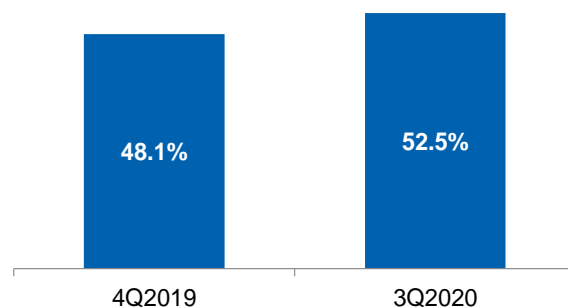
The total number of digital customers grew by 5.9% in the year to reach 805,000 at 30 September, thanks to an increase in mobile app users (+16.4%) and *Ibercaja Pay* users (+94%). In addition, 52.5% of customers used the Bank's digital assets in the last quarter and 76.3% of transactions are now carried out through the Bank's various non-face-to-face channels, compared to 72% at the end of last year.

Ibercaja App & Ibercaja Pay users



Digital customers % total customers

% – Customers that use digital assets % active customers in the quarter



During the last few months, Ibercaja has been strengthening the support it provides through these channels and has launched new services to respond to the growing demand from customers. It launched *Ibercaja Próxima*, which provides a specialised and personalised non-face-to-face service. It upgraded its Digital Business Banking service with a new technological platform, with more functions and operations and a simpler and more intuitive design and format layout. It also implemented a "Beginners Mode" into its mobile banking app, to make it easier for customers who have never used *online* banking.

The progress in the digitalisation process which the Bank has been encouraging in recent years has helped to speed up the implementation of all these services in the last six months. This is complemented by strengthening the activity and meeting the needs of its customers with the same quality of service, in a situation where face-to-face operations are limited.

Increased provision allocations and cost reductions

Net interest income stood at 404.2 million euros, 2.8% lower than in the same period in 2019, due to the negative interest rate environment in which retail banking activity has been carried out in recent years.

Net fee income amounted to 272.8 million euros between January and September, representing a year-on-year decline of 5.1% or 14.8 million euros. The sharp fall in the markets in the first quarter led to a decrease in mutual fund revaluation fees of 13.2 million euros.

Nevertheless, the increase in the balance of assets under management in the last three months means that non-banking fees are growing by 10.4% quarter on quarter and are recovering to the levels they were at in September 2019.

Recurrent revenues, as the sum of both items (net interest income and net fee income), amounted to 677.0 million euros, a 3.7% year-on-year decrease.

Operating cost declined by 3.4% year on year, as a result of the ongoing monitoring and review of general expenses.

Recurring cost to income ratio stands at 62.9% as of September 2019.

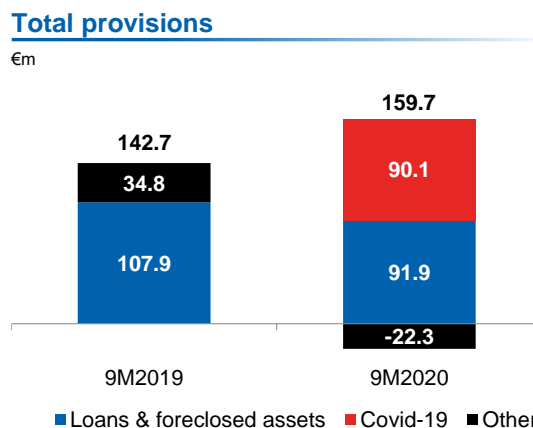
In this sense, in line with the general capacity adjustment processes underway in the sector, Ibercaja has initiated the procedure for applying a new redundancy plan, which will be negotiated in the coming weeks with workers' representatives, in order to continue progressing towards achieving profitability levels that exceed the cost of capital. As in previous redundancy plans, Ibercaja expects this process to be mainly implemented through voluntary redundancies.

"Other operating profit/(loss)" shows the positive contribution of 52.6 million euros, which was recorded in the second quarter, derived from the novation of the agreement for the distribution of non-life insurance products with CASER. This agreement includes a total fixed fee of 70 million euros and variable fees depending on the fulfilment of objectives for up to 50 million euros.

Therefore, pre-provision profit totals 306.8 million euros, 6.3% more than that recorded between January and September 2019, due to the aforementioned fee for the renewal of the non-life insurance distribution contract.

Total provisions up to the end of September amounted to 159.7 million euros. This amount includes 90.1 million euros that the Bank has provided as an extraordinary

measure, anticipating the potential impact on earnings of the effects of the economic crisis being caused by COVID-19.



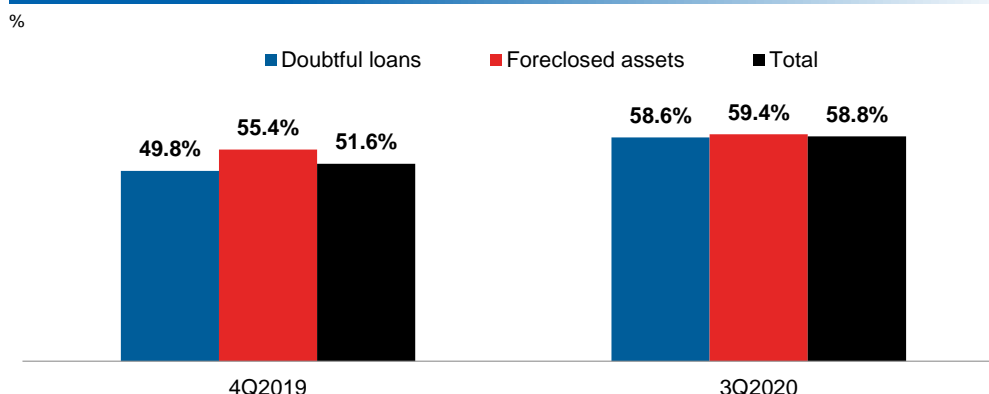
In conclusion, despite this significant additional provisioning, the dynamism of commercial activity, the diversification of income coming from assets under management, the decrease in recurring costs and the fees earned from the risk insurance marketing agreement with CASER have enabled Ibercaja to achieve a net profit of 98.7 million euros in the first nine months of 2020, 7.9% more than between January and September 2019. Excluding the extraordinary income from CASER distribution agreement, net profit decreases 32% year-on-year.

Strengthening financial soundness

The Bank carried out an effective management of its non-performing assets during these nine months, achieving a reduction in non-performing assets (doubtful + foreclosed assets) of 140 million euros, 7.3% so far this year, of which 72.3 million euros correspond to the third quarter of the year. As a result, the Bank's NPL ratio continued to fall between January and September to 3.6%, 113 basis points below the sector average, with the latest information available dating from the end of August.

The Bank increased the coverage ratio of non-performing assets by 325 basis points in the last three months alone, to 58.8%, which is 721 basis points more than at the end of 2019.

NPA coverage ratio



The Bank has strengthened its balance sheet, with CET1 Fully Loaded ratio improving by 116 basis points over the year to reach 12.5%.

In terms of *Phased In*, CET1 ratio is 13.5%, while the Total Capital ratio is 18.1%. The excess capital in MDA terms, has increased to 536 basis points from 327 basis points at the end of 2019.

Ibercaja also improved its already healthy liquidity position, with growth in liquid assets of 2,296 million euros in these nine months, bringing the LCR ratio to 432%.

In addition to the strong levels of solvency and coverage of non-performing assets and liquidity, there is also: a diversified business model, in which 37% of recurrent revenues comes from asset management and bancassurance; and a low-risk credit portfolio, focused on mortgages (67% of the total, excluding the public sector and financial institutions) and with low relative exposure to the business sectors most affected by the crisis (less than 5.5% of total lending). These factors, bolstered by the traditional and unique prudence in credit risk management, guarantee Ibercaja's ability to face the abrupt change in the economic cycle caused by the pandemic.

A supportive and sustainable bank

Within the framework of its commitment to sustainability, in September, Ibercaja also joined the declaration made by the United Nations on its 75th anniversary in favour of inclusive multilateralism. It also supported, together with the Ibercaja Foundation, the *#apoyamoslosods* (*#supporttheods*) campaign promoted by the Spanish Network of the Global Compact, to mark the fifth anniversary of the approval of Agenda 2030.

In 2006, Ibercaja adhered to the Principles of the United Nations Global Compact, the world's largest sustainability initiative. Furthermore, since the approval of Agenda 2030 five years ago, it has been working on aligning its corporate management with the SDGs, which allows it to find new business opportunities, improve the relationship with its stakeholders and foster innovation.

Continuing with the solidarity initiatives carried out in recent months, in September Ibercaja launched a special edition of "Impulso Solidario", an initiative aimed at employees with the objective of strengthening the entity's purpose, its social commitment and the participation of its staff. On this occasion, the aim of this call for proposals was to alleviate the effects of the health, economic and social crisis caused by COVID-19. To this end, the employees of Ibercaja and the Ibercaja Foundation have put forward projects from non-profit organisations aimed at groups that have been particularly affected by the pandemic and that are aimed at stimulating a quick and inclusive recovery.

9M2020 Main Figures

P&L Account

€mm	9M2019	9M2020	YoY
Net Interest Income	415,6	404,2	-2,8%
Net Fee Income	287,6	272,8	-5,1%
Recurring Revenues	703,2	677,0	-3,7%
Trading Income	17,0	4,4	-73,9%
Other Operating Inc. / Exp. (Net)	9,7	51,4	431,4%
of wich: CASER - June 2020		52,6	n/a
Gross Operating Income	729,9	732,8	0,4%
Operating Costs	-441,2	-426,0	-3,4%
Pre-Provision Profit	288,7	306,8	6,3%
Total Provisions	-142,7	-159,7	12,0%
of wich Covid-19		-90,1	n/a
Other Gains and Losses	-3,7	-2,3	-38,5%
Profit before Taxes	142,3	144,8	1,7%
Taxes	-50,9	-46,2	-9,3%
Net Profit Attributable to Shareholders	91,4	98,7	7,9%

Commercial Activity & Balance Sheet

€mm	4Q2019	3Q2020	Var.
Customer Funds	60.643	63.166	4,2%
of which "Core" deposits	32.772	35.189	7,4%
of which Asset Management & Life Insurance	27.870	27.978	0,4%
Gross Lending	32.563	32.041	-1,6%
of which performing loans ex REPO	29.654	29.266	-1,3%
of which doubtful loans	1.293	1.158	-10,4%
Total Assets	55.422	57.465	3,7%

