IBERCAJA BANCO
2020 RESULTS

3rd March 2021



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I

KEY HIGHLIGHTS

KEY HIGHLIGHTS (1/2)

REINFORCEMENT OF THE BALANCE SHEET

12.6%

CET1 Fully Loaded increases 124 bps from December 2019 (+8 bps in 4Q) to **12.6%,** exceeding the Entity's strategic objective.

549 bps

MDA distance stands at **549 bps** vs. 327 bps close of 2019.

-14.9%

NPAs fall by **14.9%** or **€286m YTD**. NPLs ratio stands at 3.2% and Ibercaja extends its positive gap vs. sector to **123bps** (81bps in 4Q2019).

62.2%

The coverage ratio of NPAs stands at **62.2%** vs. 51.6% at the end of 2019.

KEY HIGHLIGHTS (2/2)

IBERCAJA MAINTAINS A SOUND COMMERCIAL ACTIVITY

+7.9% — **Customer funds** grow by **7.9% YoY**

1.167 €m — **2nd Entity in Spain** by volume of net new money flows into **mutual funds**

+18.2% — **New lending** grows by **18.2%**

RECURRING PROFIT BEFORE PROVISIONS REMAINS STABLE

-3.5% — **Recurring revenue** falls by **3.5% YoY**

-5.4% — **Recurring expenses** shrinks **5.4% YoY**

-0.2% — **Recurring pre-provision profit** remains **stable**

EXTRAORDINARY IMPACTS AMOUNT TO -€126M (PBT)

-151 €m — The estimated total cost of the **redundancy plan,** amounts to EUR **€151m**

-90 €m — The **additional COVID provisions** rise to **€90m** in the year

+115 €m — The entity generates **extraordinary trading income** totaling **€115m** in 4Q

EL BANCO DEL Vamos

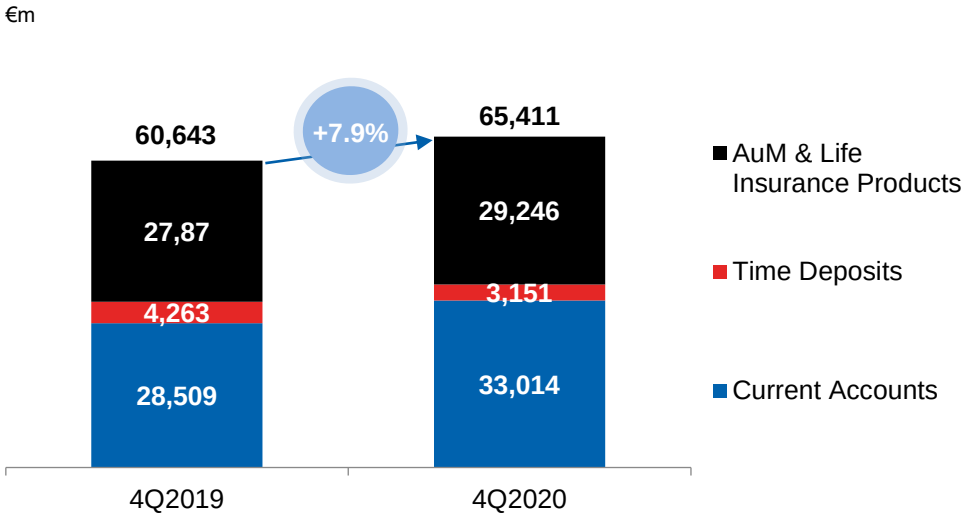
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COMMERCIAL ACTIVITY

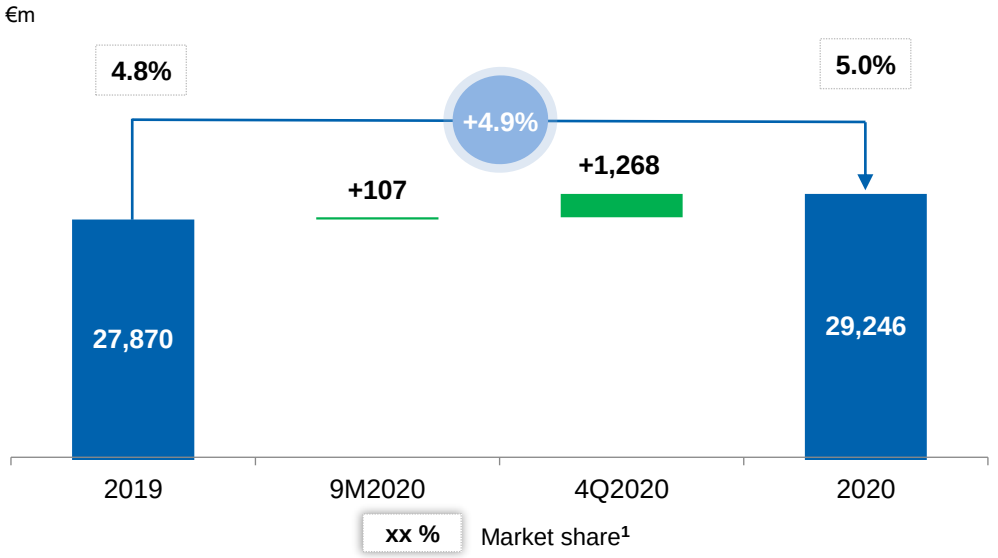
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CUSTOMER FUNDS

Customer funds



Assets under management and life insurance products evolution



Customer funds increase 7.9% YoY or €4,768m vs. end of 2019.

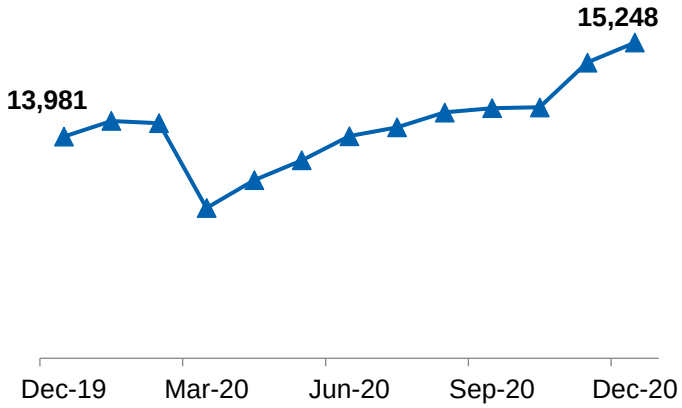
- **Total customer deposits** (current accounts and time deposits) grow **10.4%** YoY, driven by current accounts (+15.8%).
- **Assets under management and life insurance** advance by **4.9%,** +€1,375m, vs. end of 2019. In 4Q, growth reaches €1.268m. Despite the high volatility of markets throughout the year, assets under management and life insurance have a positive revaluation of €178m. **Market share in asset management and life[1] insurance reaches 5%** (+18 bps in the year).

[1] Source: ICEA, Inverco

MUTUAL FUNDS

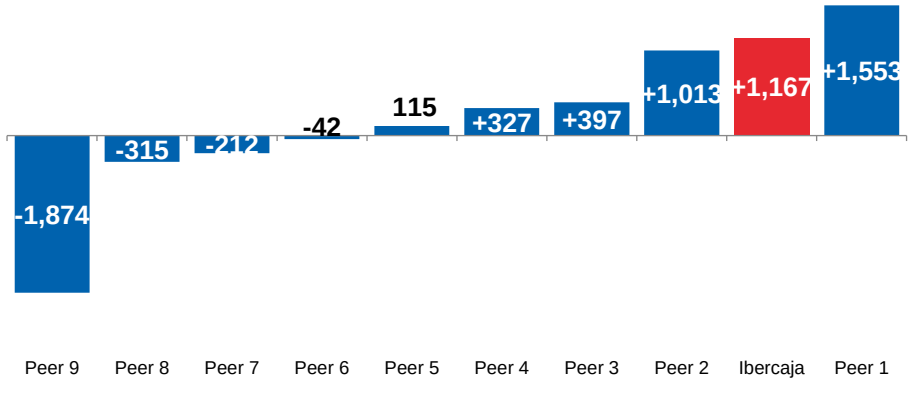
Stock of mutual funds

€m - Ibercaja Gestión



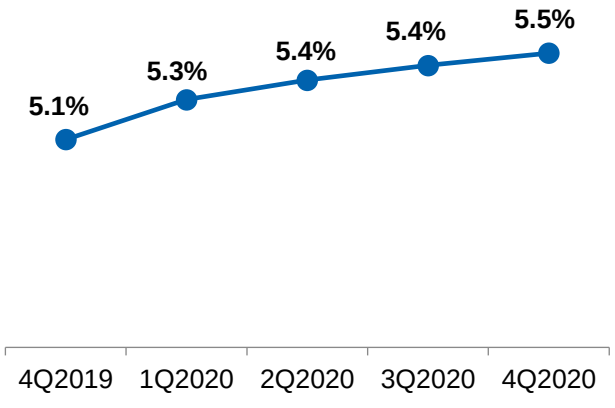
Net new money inflows

€m - 2020; 10 top mutual funds management groups in Spain



Mutual funds market share

% - Ibercaja Gestión



The stock of mutual funds grows €1,268m or 9.1% YoY (+6.2% QoQ) and stand above €15,000m.

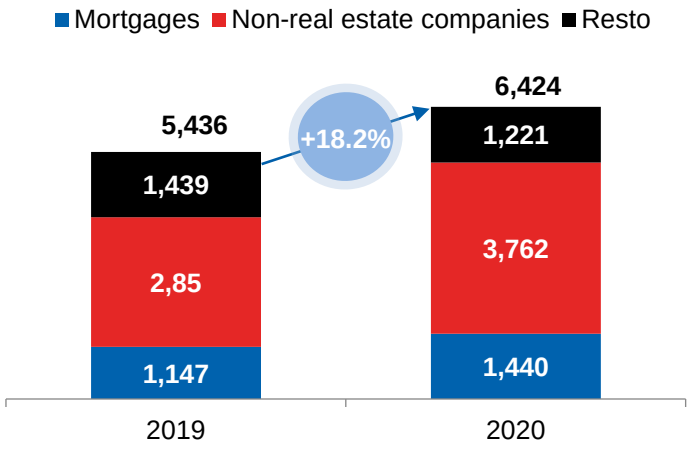
- **Ibercaja Gestión ranks 2nd in terms of net new money inflows in Spain with €1,167m** (+58.7% vs. 2019 levels).
- **Market share increases 46 bps in the year, up to 5.5%.**

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

CUSTOMER LOANS

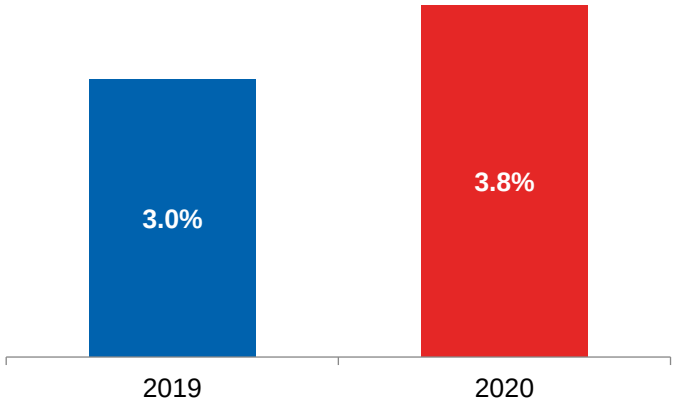
New lending production

€m



Market share in new mortgages

% -



Loan portfolio

€m

	4Q2019	4Q2020	Var.
Loans to Individuals	**20,524**	**20,383**	**-0.7%**
Mortgages	18,932	18,615	-1.7%
Consumer and Others[2]	1,592	1,768	11.1%
Loans to Companies	**7,718**	**7,498**	**-2.9%**
Non-Real Estate Companies	6,661	6,557	-1.6%
Real Estate Companies	1,058	941	-11.1%
Public sector and Others	**1,412**	**1,075**	**-23.9%**
Performing Gross Loans ex Repos	**29,654**	**28,956**	**-2.4%**
Repos	1,616	1,621	0.3%
Doubtful Loans	1,293	1,013	-21.7%
Total Gross Loans	**32,563**	**31,590**	**-3.0%**

Ibercaja maintains an intense commercial activity in new lending activities which exceeds €6,400m (+18.2% YoY).

- **New mortgage production** grows **25.6% YoY** and Ibercaja reaches a **market share** in new production of **3.8%**[1].
- **New lending to non-real estate companies** increased by **32.0% YoY** thanks to the strong momentum in ICO financing.

Stock of performing loans ex repos falls 2.4% YTD.

- 48.3% of the decline is explained by the variation in public sector and others. **Loans to the private sector** (families and businesses) falls **1.3%.**

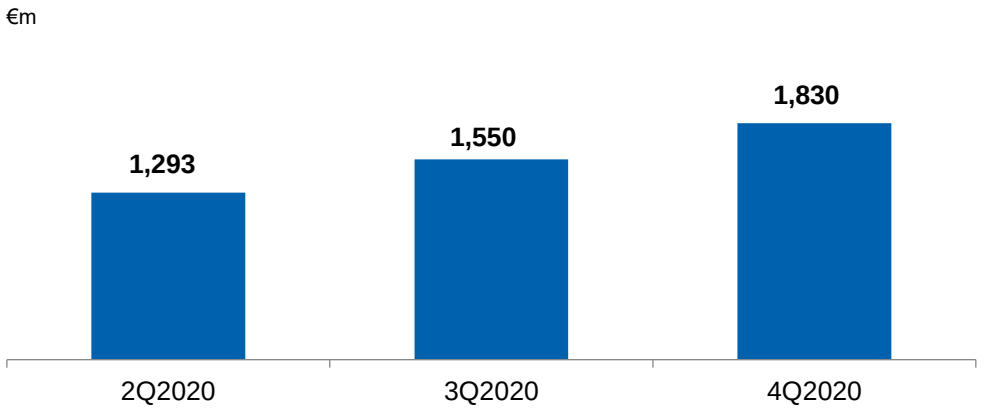
[1] Source: Bank of Spain
[2] Impact form advance payments to pensioners: +€166m

MORATORIA AND ICO GUARANTEED LENDING

Moratoria granted and outstanding as of 2020YE



Accumulated evolution of ICO lending



Outstanding moratoria amounts to €366m or 1.2% of gross lending.

- Outstanding **mortgage moratoria** amounts to **€308,3m**, or **1.6%** of the stock.
- Outstanding **consumer lending moratoria** stands at **€1,1m.**
- **Expired moratoria represents 50.6% of total** with no relevant impact in the NPL ratio**.**

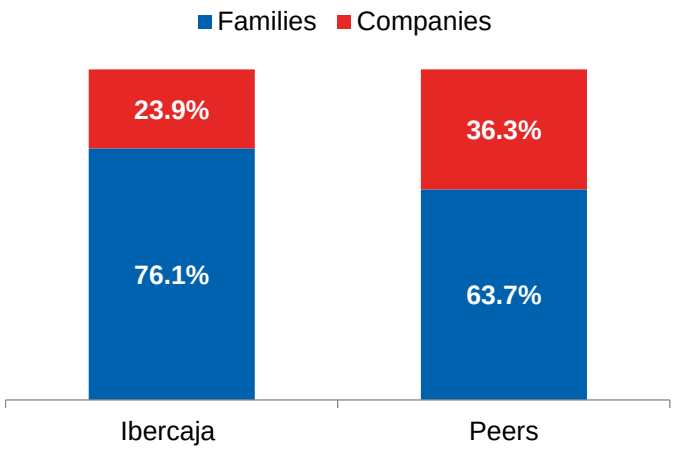
Ibercaja has granted €1,830m in loans with ICO guarantee (+€280m in the quarter).

- **82%** of loans have been granted to **SMEs and self-employed.**
- **ICO financing drawn (€1,454m) represents 18.3% of companies' loans. In most exposed sectors (transport, hospitality and leisure), this ratio reaches 24.3%**

A DEFENSIVE CREDIT PORTFOLIO

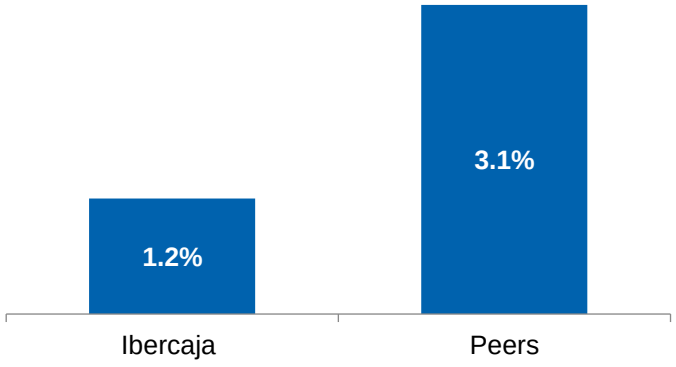
Loans to the private sector[1]

% - Source: EBA transparency exercise – FINREP criteria



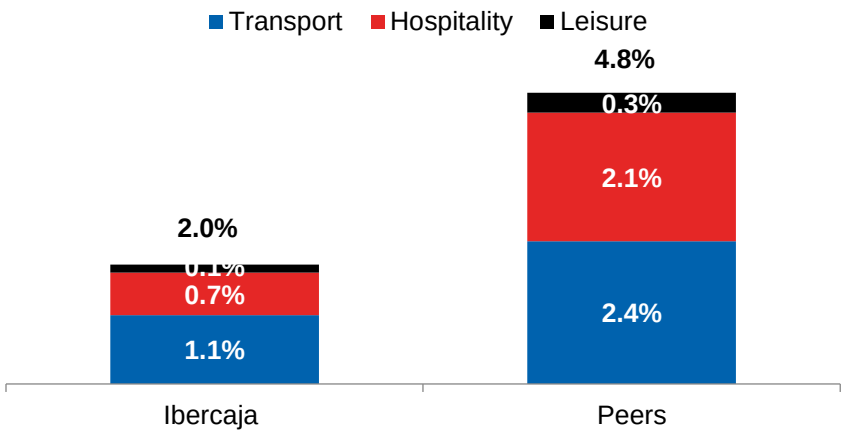
Moratoria as % of gross loans[2]

% - Source: results presentations



Loans to transport, hospitality and leisure % gross loans[1]

% - Source: EBA transparency exercise – FINREP criteria



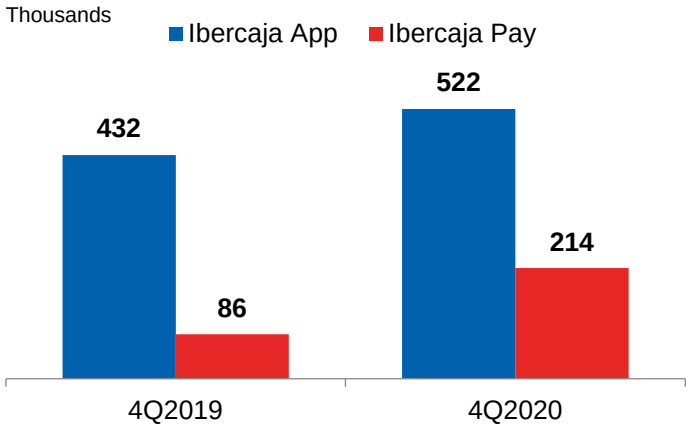
Ibercaja faces 2021 with a stronger and more defensive credit portfolio than the sector:

- The weight of **loans to families in Ibercaja**, with a lower expected loss, is **12.4 p.p**. higher than comparable entities.
- The **need for moratoria** on Ibercaja's credit portfolio, 1.2%, is **63% lower** than peers.
- Exposure to credit to **transport, hospitality and leisure** stands **59% lower** than peers.

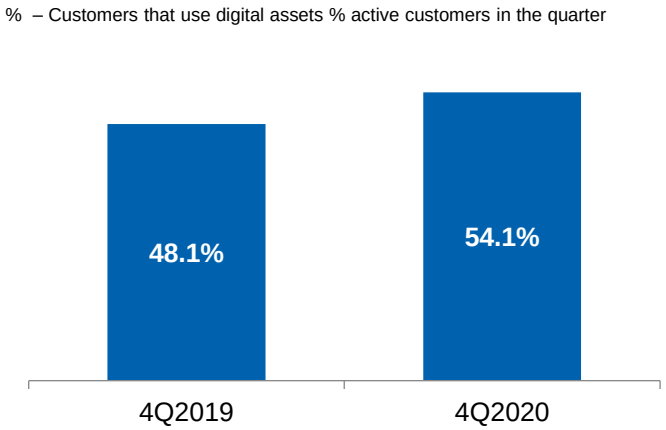
1 Peer group includes Caixabank, Sabadell, Bankinter, Bankia, Unicaja y Liberbank as of June 2020. Ibercaja refers to December 2020
2 Peer group includes Caixabank ex BPI, Sabadell ex TSB, Bankia, Unicaja y Liberbank as of December 2020

DIGITALIZATION

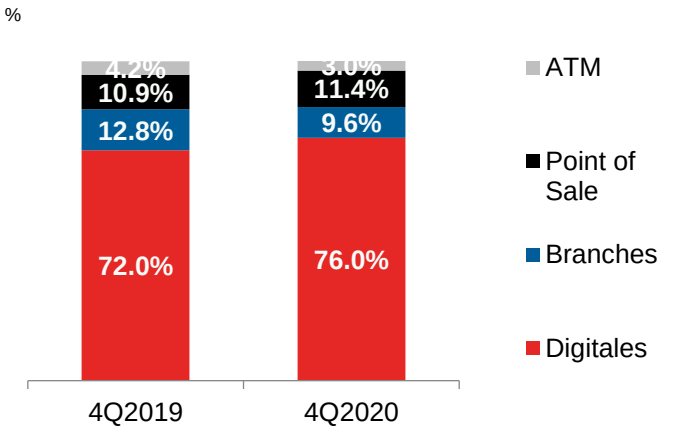
Ibercaja App & Ibercaja Pay users



Digital customers % total customers



Digital transactions % total



Digital customers grow 10.0% to 842,000.

- This growth is driven by the increase in usage of **Ibercaja App** (+20.7% YoY) and **Ibercaja Pay** (+148.4% YoY).

54.1% of customers have used the bank's digital assets in the last quarter.

Digitization is allowing for greater proximity: total interactions with customers increase by 84% YoY

Digital channels already account for 76.0% of the Bank's transactions (72% at the end of 2019).

- Digital channels represent **75%** of **new consumer lending**
- Since 2Q, **8.5%** of **new mortgages** (not subrogated) have been granted though digital channels.

LAUNCH OF SUSTAINABILITY POLICY

Ibercaja has approved a new sustainability policy that will drive the integration of the "ESG" aspects into its business strategy.

- The Entity formalizes a **global framework for action to grow in a sustainable, inclusive and environmentally friendly manner.**
- The new roadmap reinforces Ibercaja's social commitment to fulfilling its corporate purpose: **"Helping people build their life story".**



iberCaja SOSTENIBLE

Our Commitments

Signatory to the **United Nations Responsible Banking Principles**

Adherence to the **TCFD** Recommendations

Aligned with the **SDGs**

Our actions to combat climate change

- **Carbon neutrals by 2020**
- **100% green energy at Headquarters**
- **9.138Tn CO2** avoided with the purchase of green energy
- **1,174 Tn CO2** offset by our sustainable products
- **ISO14001** certification in environmental management

Our new products and services

- **7 Sustainable Investment Plans and Funds with more than €1,000M under management**
- **ONE credit / debit card** sustainable and inclusive (recycled PVC)
- **New sustainable financing products**

SUPPORTING SOCIETY DURING THE PANDEMIC

Ibercaja has implemented numerous measures to be a key part of recovery

- **ICO Covid-19 lines: 17,082** transactions granted for a total amount of **€1,830m (82% to SMEs and self-employed.**
- **Moratoria: 8,664** transactions granted for a total of **€741m** (of which €366m remain outstanding).
- **Retirement benefits advances: €4,056m** euros since the start of the pandemic.
- **Unemployment benefits advances: €635m.**
- Strengthening relationship channels with our customers:
  - Launch of **Ibercaja Proxima**: the personalized remote management service with 60 digital managers that serve almost 50,000 customers.
  - Call centres' activity increases by 51% in the year.
- Suspension of cash withdrawal fees at ATMs of other Spanish entities.
- Suspension of monthly POS fees during lockdown.
- Payment facilities for insurance premiums.
- Possibility of rescuing pension plans.
- Private donation plan.

EL BANCO DEL Vamos

III RESULTS

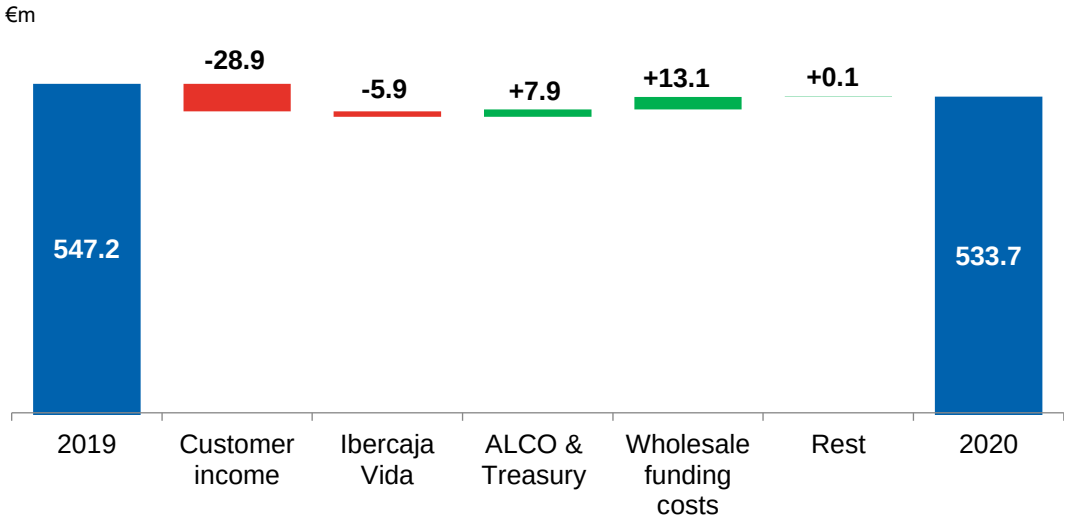
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P&L ACCOUNT

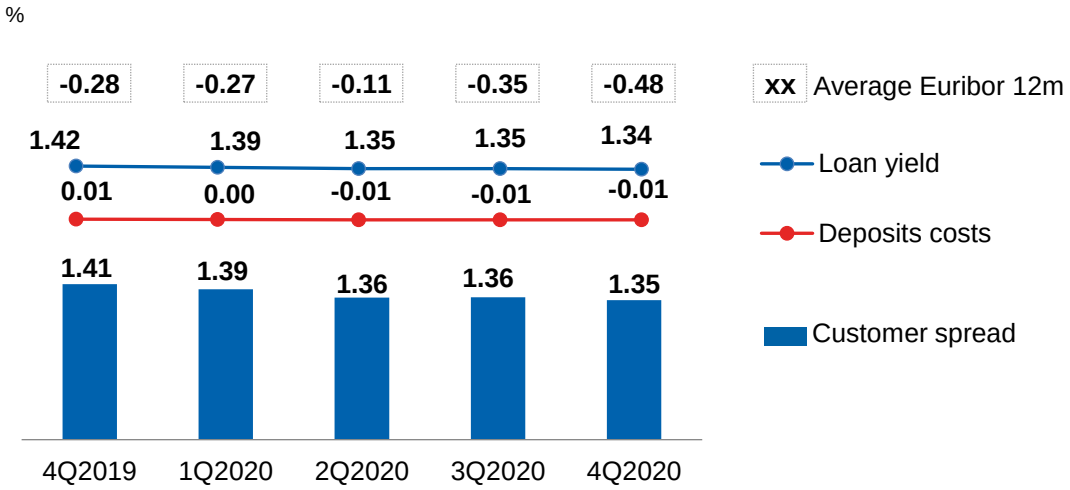
	€m		
	2019	2020	YoY
Net Interest Income	547.2	533.7	-2.5%
Net Fee Income	394.8	375.0	-5.0%
Recurring revenues	**942.1**	**908.7**	**-3.5%**
Gains/Losses on Financial Assets and Liabilities	7.1	119.2	n/a
of which: Sale of a Portfolio at Amortized Cost		114.6	n/a
Other Operating Income (net)	-22.6	-26.0	15.1%
Gross Operating Income	**926.6**	**1,001.8**	**8.1%**
Operating Costs	-600.1	-718.5	19.7%
of which: Recurring Costs	-600.1	-567.5	-5.4%
of wich: 2020 Redundancy Plan		-151.0	n/a
Pre-Provision Profit	**326.5**	**283.3**	**-13.2%**
Total Provisions	-184.5	-225.8	22.4%
of which: Covid-19		-90.1	n/a
Other Gains and Losses	-13.3	-4.0	-69.8%
Profit before Taxes	**128.6**	**53.5**	**-58.4%**
Taxes & Minorities	-44.6	-29.9	-33.1%
Net income	**84.0**	**23.6**	**-71.9%**

NET INTEREST INCOME

Net Interest Income breakdown



Customer spread

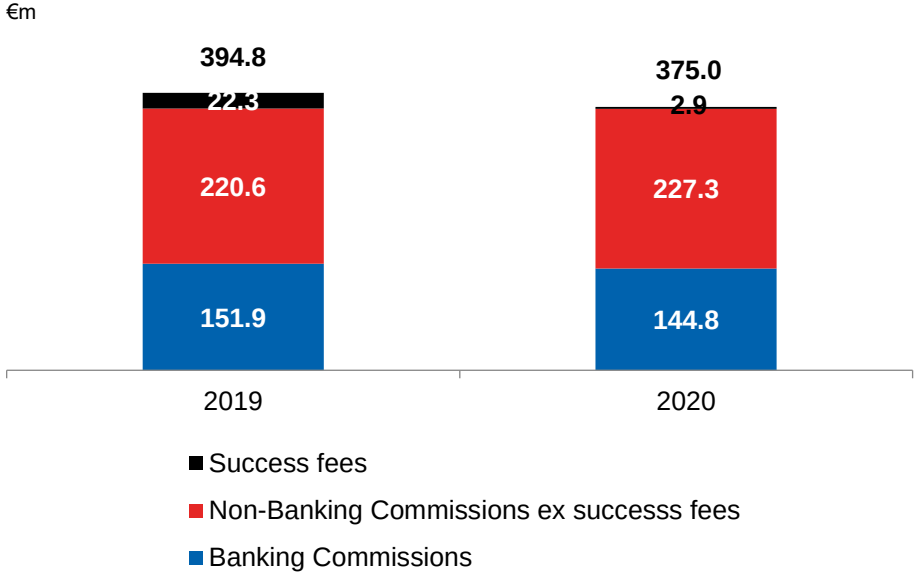


Interest margin shrinks by 2.5% YoY or €13.6m.

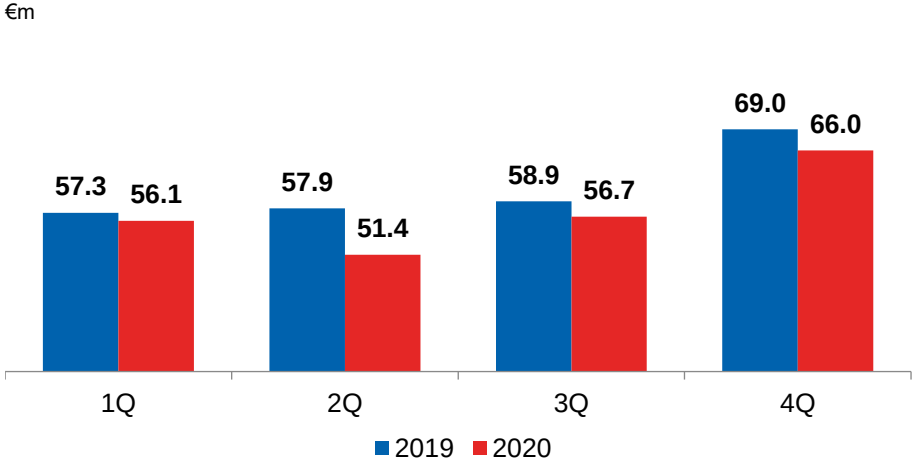
- **Customer income** falls **€28.9m** affected by falling credit revenues.
- **Tiering** and **refinancing Tier II debt** contributes positively to net interest income evolution.

NET FEE INCOME

Net fee income



Non-banking commissions



Net fee income falls back by 5.0% YoY or €19.9m euros due to falling success fees (€-19.5m).

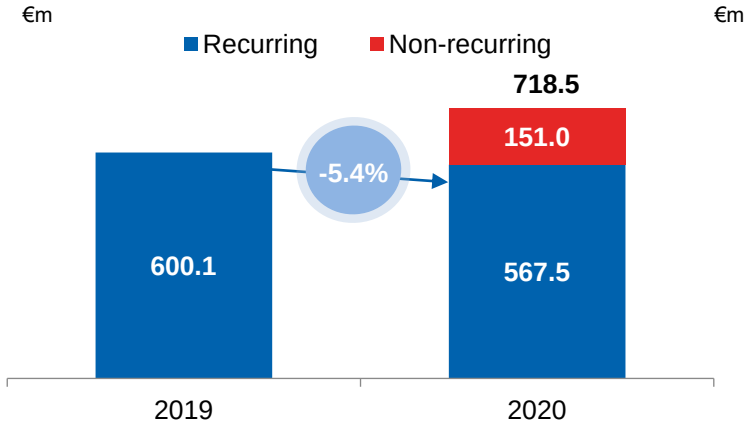
- **Excluding this item, net fee income remains stable (-0.1% YoY).**

In 4Q, total commissions grew by 12.6% vs. 3Q.

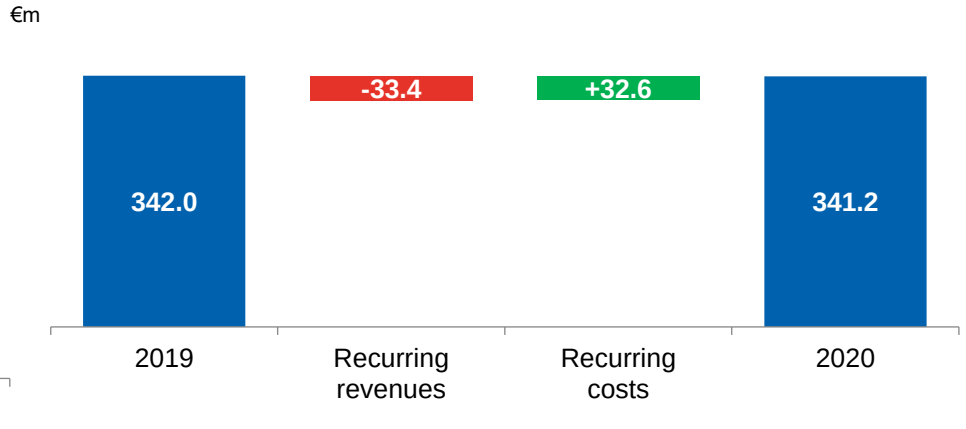
- The increase in assets under management allows **non-bank commissions to grow by 16.4% in 4Q vs. 3Q**.

COSTS AND PRE-PROVISION PROFIT

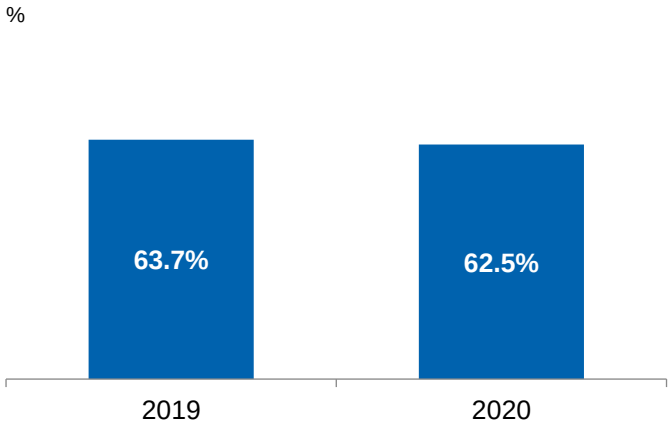
Total costs



Recurring pre-provision profit



Recurring cost to income ratio



Total expenditures increase by 19.7% YoY due to the extraordinary charge of EUR €151.0m related to the total estimated cost of the redundancy plan.

- The Redundancy Plan will apply to **750 employees**, **15% of the staff,** and departures will occur in a staggered manner until **June 2022.**

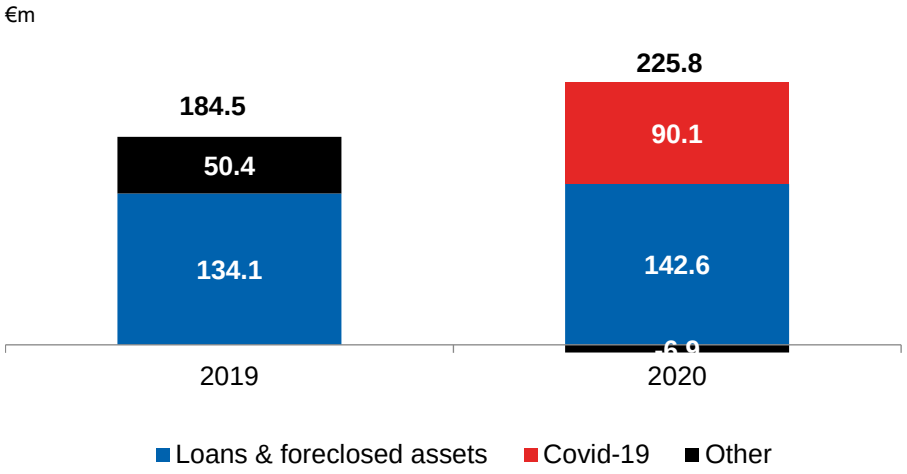
Recurring expenses fall 5.4% YoY or €33m as a result of the reduction in personnel expenses (-2.6%) and general expenses and amortization (-9.7%).

Thus, Ibercaja manages to compensate for the drop in recurring revenues and recurring pre-provision profit remains stable (-0.2% YoY) The recurring efficiency ratio is 62.5%.

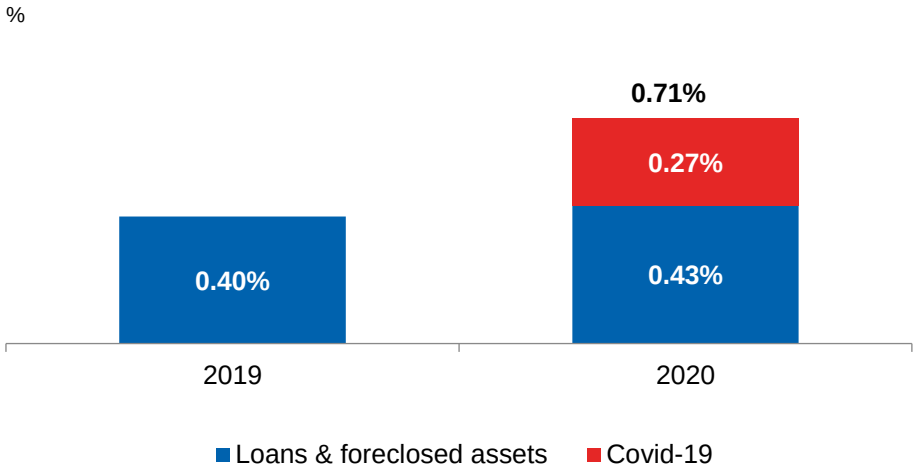
Pre-provision profit falls by 13.2% YoY due to the extraordinary cost of the Redundancy Plan, not fully offset by the extraordinary trading income generated in the quarter, €115m.

PROVISIONS

Total provisions



Cost of risk

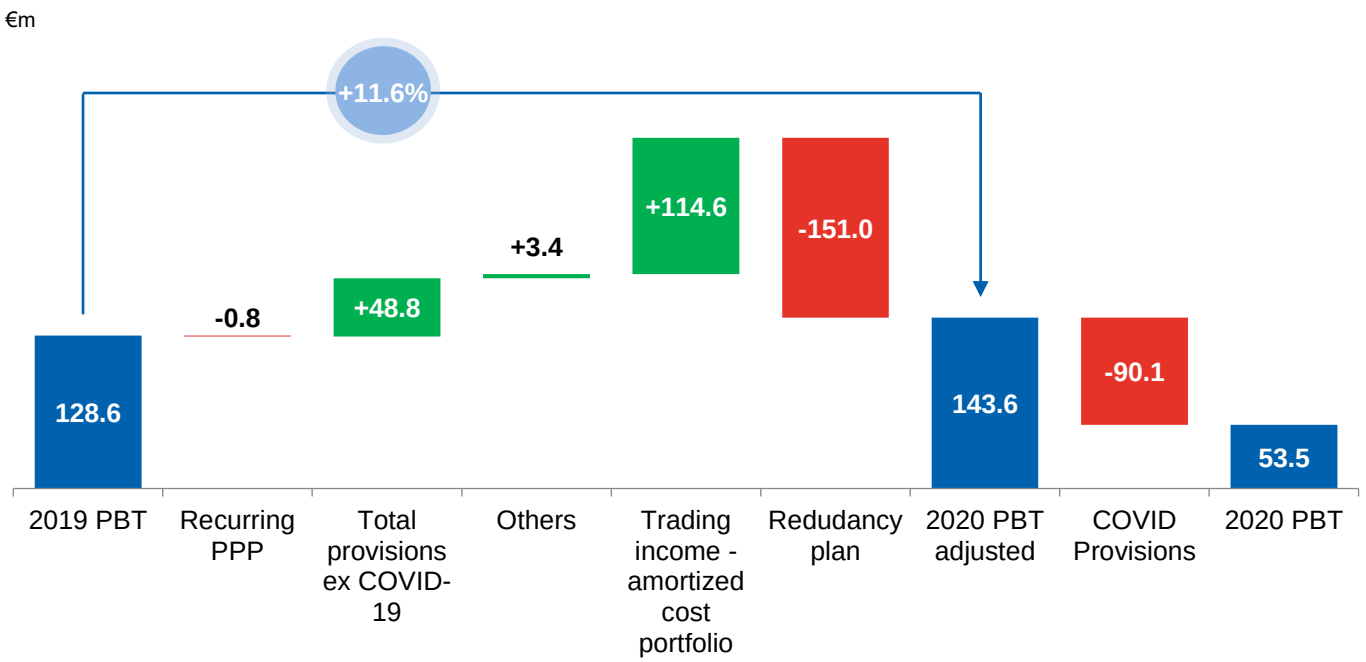


Total provisions grow 22.4% YoY. Total cost of risk stands at 71 bps.

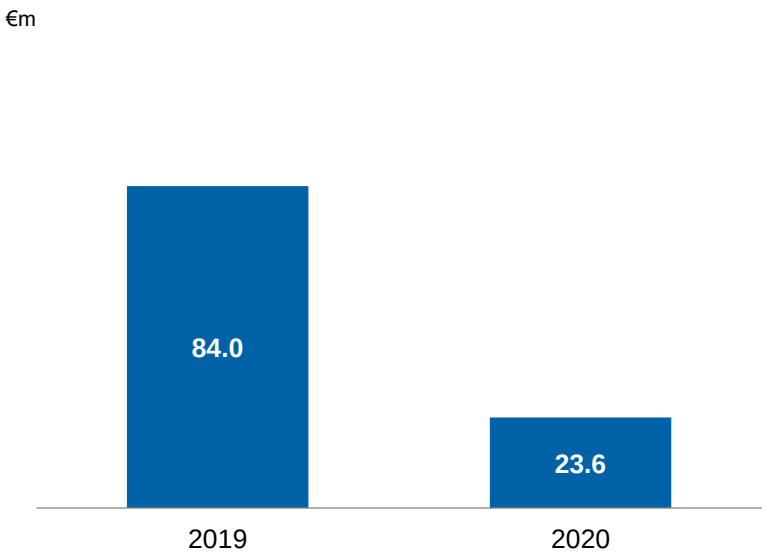
- **Provisions related to loans and foreclosed assets** grow by **6.3%YoY** or €8.5m. The **cost of risk related to loans and foreclosed assets** stands at **43 bps** vs. 40 bps recorded in 2019.
- Ibercaja has constituted a **provision of €90.1m** to cover the **potential impact of Covid-19** on the credit portfolio. This Covid fund represents an increase in the **cost of risk** of **27 bps.**

NET PROFIT

Var. profit before taxes in 2020



Net profit



The main extraordinary impacts (redundancy plan cost and Covid-19 provisions + trading income from the amortized cost portfolio sale) subtract €126m to profit before taxes.

- **Profit before taxes excluding COVID-19 provisions** increases by **11.6% YoY** even though the impact from the extraordinary cost of the Redundancy Plan.

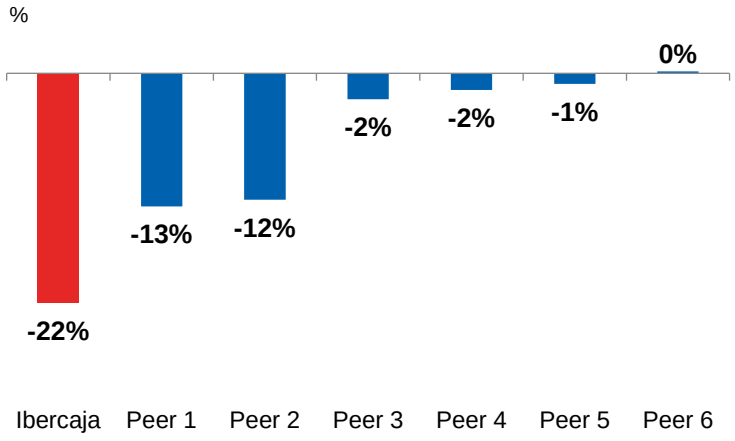
Net profit falls 71.9% YoY to €23.6m due to the impact of the extraordinary items.

IV

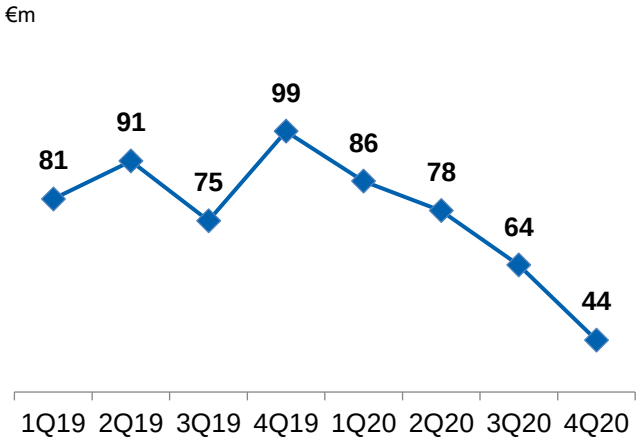
ASSET QUALITY, LIQUIDITY AND SOLVENCY

ASSET QUALITY (1/2)

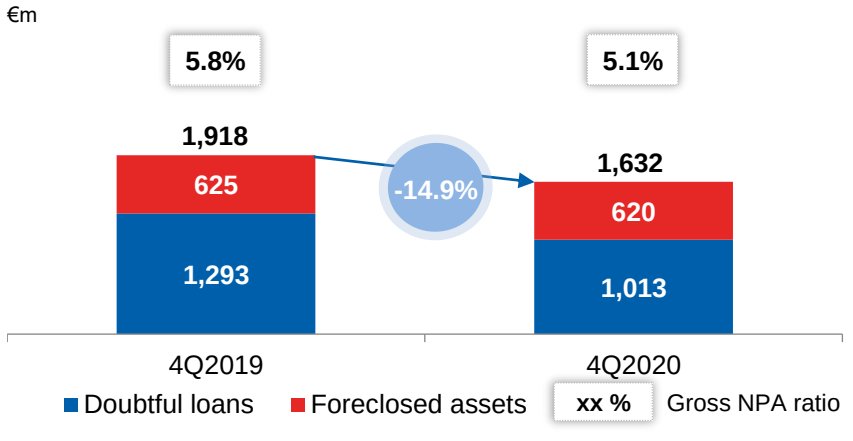
2020 NPL evolution



Gross NPL entries



Gross NPAs



Doubtful loans drop by 21.7% YoY or €280m, the biggest reduction among peers. NPL ratios fall 76 bps to 3.2% and Ibercaja increases its positive gap vs. sector, reaching 123 bps (vs. 81 bps at the end of 2019).

- **Gross NPL entries** shrink **21.8% YoY.**
- By segments, **companies NPL** fall **17.9% YoY** and **families NPL** shrink **24.4% YoY.**

Total stock of non-performing assets falls 14.9% YoY (-€286m) and NPA ratio falls 71 bps to 5.1%.

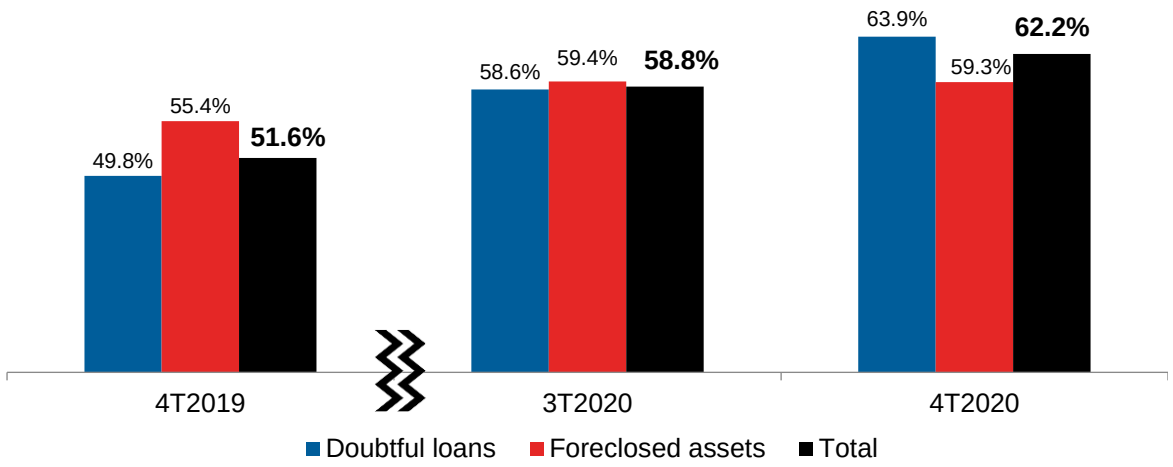
- **Foreclosed assets** fall **0.9% YoY** (-€5.4m).

Peer group includes: Caixabank, Bankia, Sabadell ex TSB, Bankinter, Liberbank and Unicaja

ASSET QUALITY (2/2)

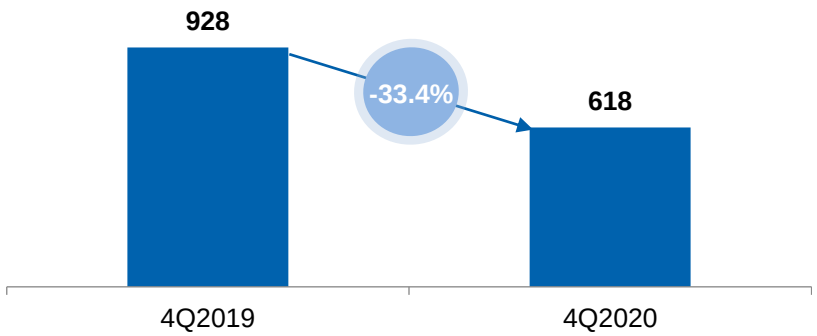
NPA coverage ratio

%



Net NPAs

€m



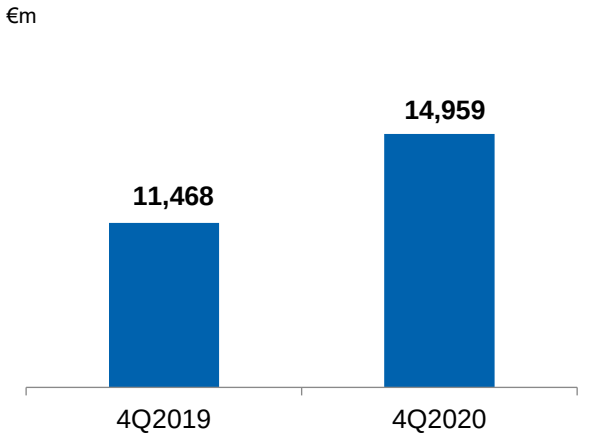
NPA coverage ratio stands at 62.2%, 10.5 p.p. above 2019YE levels (+3.3 p.p. in 4Q).

- **NPL coverage ratio** increases **14.1 p.p. YoY and reaches 63.9% (+5.3 p.p. in 4Q).**

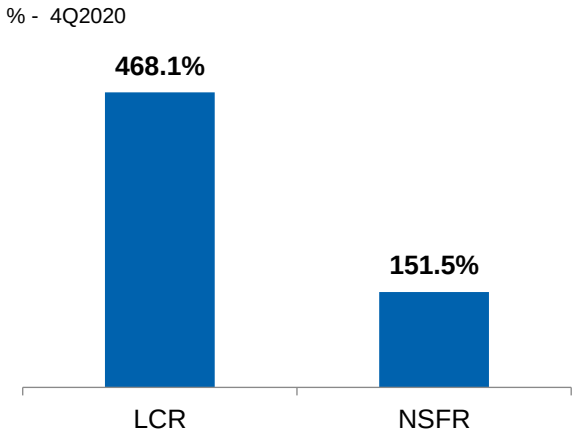
The reduction of gross non-performing assets coupled with the provisioning effort results in net non-performing assets falling €310m 33.4% YoY.

LIQUIDITY AND FUNDING PROFILE

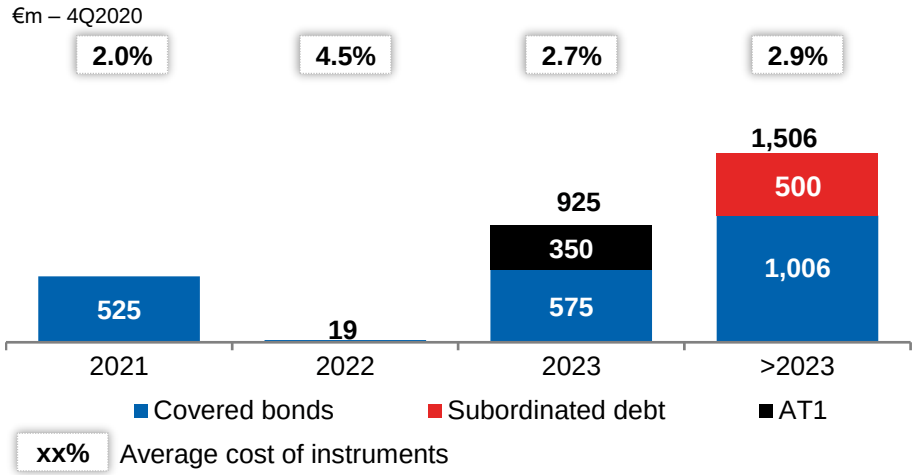
Liquid Assets



LCR and NSFR ratios



Maturity profile



Ibercaja has a sound liquidity position and shows a strong funding profile.

- **Liquid assets** grow **€3,492m**, **LCR ratio** stands at **468%** and **LTD ratio** reaches **81,1%.**

By the end of 2020 Ibercaja already meets its MREL requirements for 2022 with an MREL ratio of 15.77%* and a MREL leverage ratio of 7.36%.

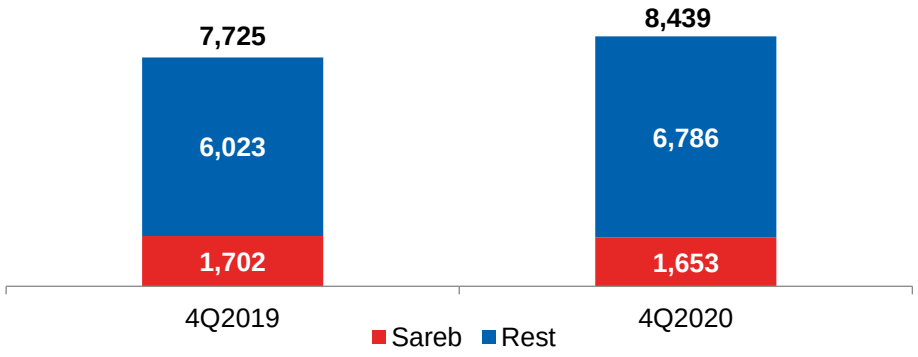
- **January 2022:** the percentage of own funds and eligible liabilities must be **15.38%**. In terms of MREL leverage ratio the requirement stands at 5.24%.
- **January 2024:** the percentage of own funds and eligible liabilities must be **18.42%.** In terms of MREL leverage ratio the requirement stands at 5.24%.

* Wtihout including capital allocated to the Combined Buffer Requirement (2.5% TREA)

ALCO PORTFOLIO

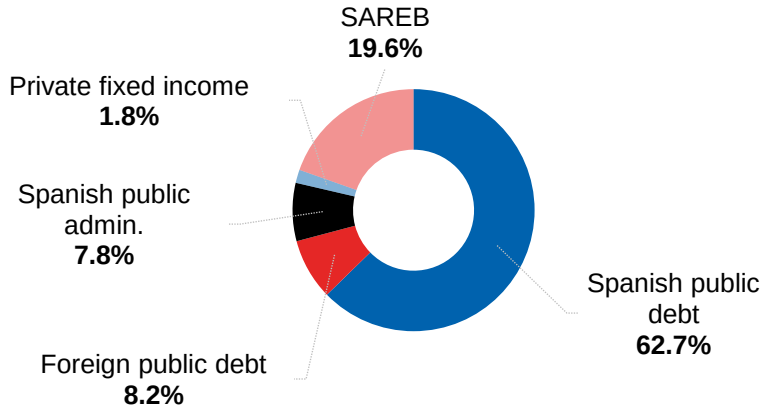
ALCO Portfolio

€m



ALCO portfolio breakdown

% - 4Q2020



Ibercaja has increased its ALCO portfolio[1] by 9.3% YoY.

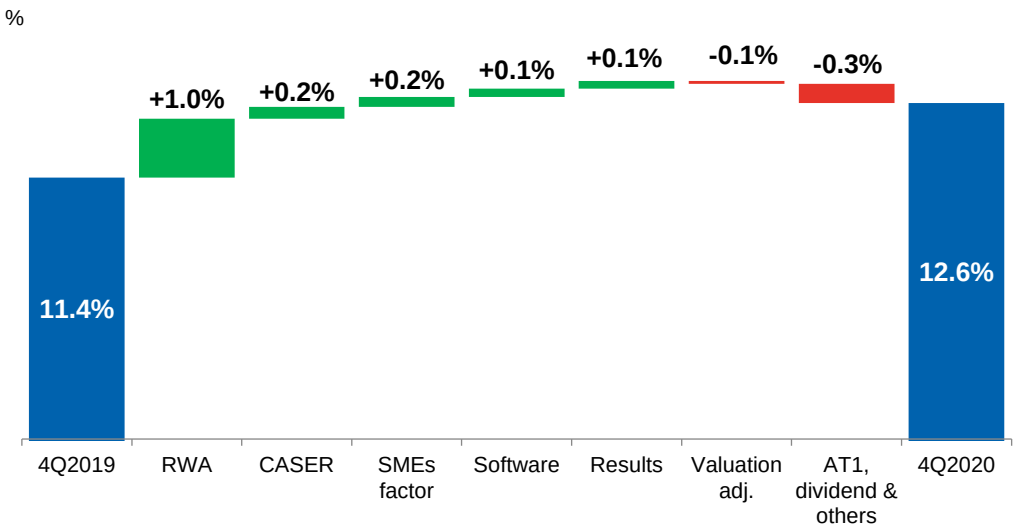
- The portfolio has a low risk profile compounded mainly by **Spanish sovereign risk**.
- **Average duration** of **3.9 years**[2].
- **Average yield** of **0.4%.**
- **99%** of the portfolio is classified as **amortised cost.**

In 4Q Ibercaja has sold an amortized cost portfolio amounting to €1,382m nominal value of which €300m have been executed through a forward sale. The spot sale has generated €114.6m of extraordinary trading income.

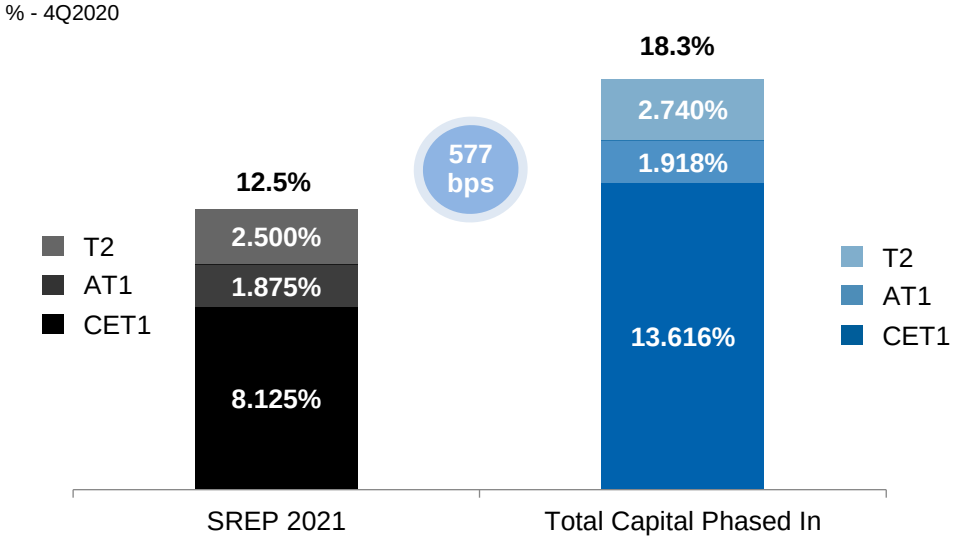
[1] Excludes insurance activity portfolio.
[2] Includes interest rate swaps.

SOLVENCY

CET1 Fully Loaded



SREP requirement vs. Total Capital



CET1 Fully Loaded ratio improves 124 bps YoY (+8 bps in 4Q) and reaches 12.6%, above Ibercaja's strategic target.

Total Capital Fully Loaded Ratio reaches 17.3% driven by the pre-emptive strategy executed by Ibercaja to complete its hybrid capital buffers.

In Phased In terms, CET1 ratio stands at 13.6% and Total Capital ratio at 18.3%. Leverage ratio reaches 6.3%.

- The **excess of capital vs. 2021 SREP requirement*** is **577 bps.** In **MDA** terms, the excess of capital amounts to **549 bps** vs. 327 bps as of 2019YE.

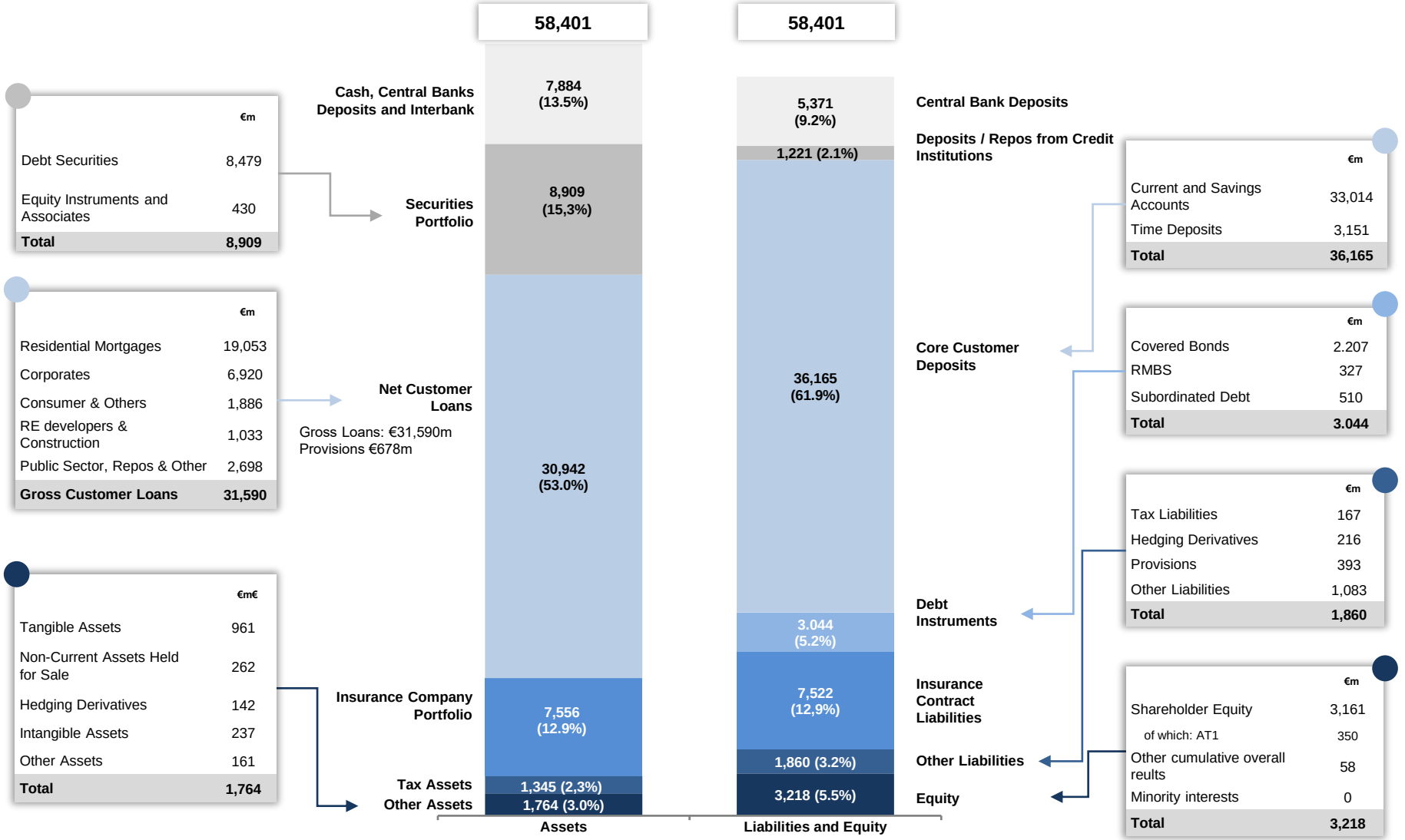
* 2021 SREP requirement stand in line with 2020 levels

V

ANNEX

CONSOLIDATED BALANCE SHEET

€m – 4Q2020



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



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