

EL BANCO  
DEL  
*Vanessa*

# IBERCAJA BANCO

## 1Q2021 Results

6<sup>th</sup> May 2021

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# KEY HIGHLIGHTS

# KEY HIGHLIGHTS OF THE QUARTER

## NOTABLE UPTICK IN COMMERCIAL ACTIVITY

**+1.5%**

**Customer funds** increase by 1.5% vs. 4Q2020.

**+6.3%**

**Stock of mutual funds** increases by 6.3% in the quarter.

**+1.2%**

**Performing gross loans ex repos** grows 1.2% in the quarter.

## CONTINUED STRENGTHENING OF THE BALANCE SHEET

**-3.8%**

**NPA** decrease by 3.8% vs. 4Q2020.

**64.1%**

**NPA coverage ratio** improves 195 bps and stands at 64.1%.

**12.6%**

**CET1 FL** remains stable at 12.6%.

## STRONG INCREASE IN NET PROFIT

**+12.6%**

**Pre-provision profit** improves by 12,6% YoY.

**-32.6%**

**Total provisions** decline by 32,6% YoY.

**54.5  
€m**

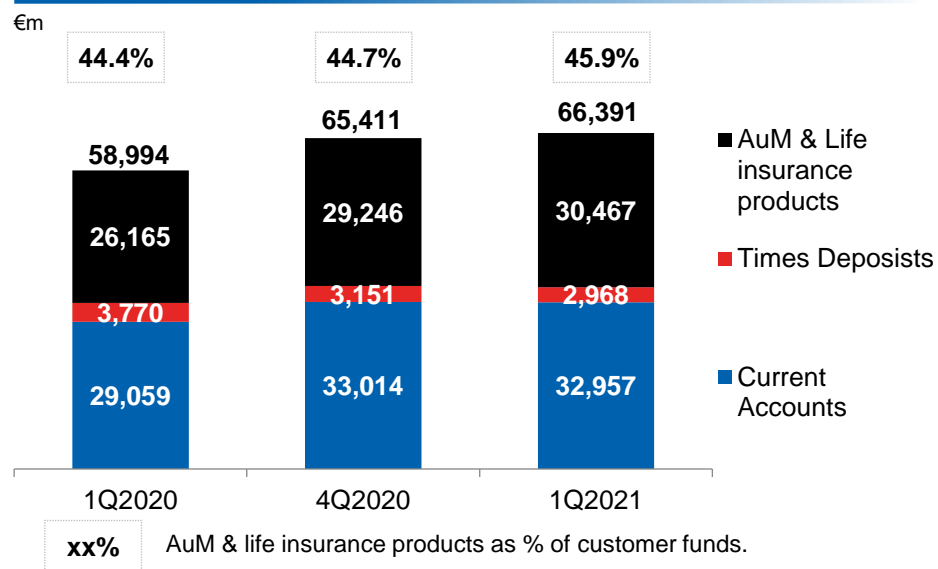
**Net profit** grows by 61% YoY and stands at €54.5m.



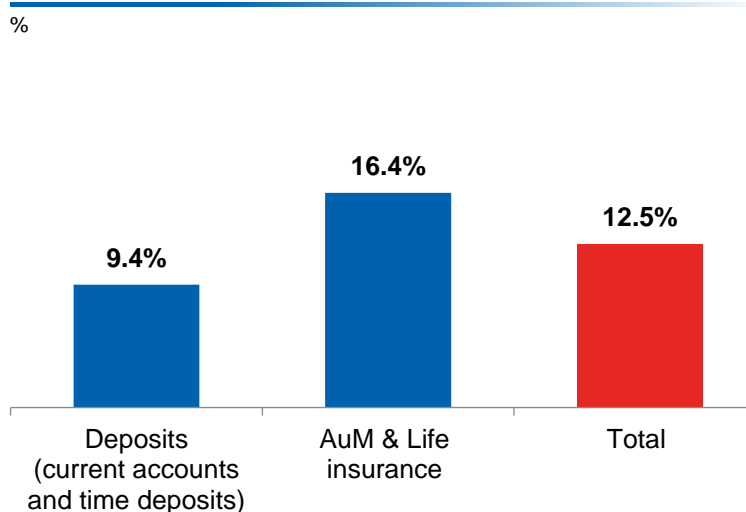
# COMMERCIAL ACTIVITY

# CUSTOMER FUNDS

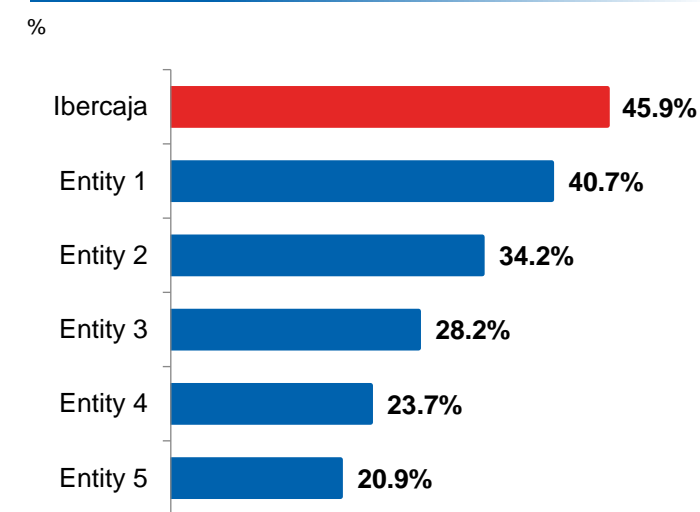
## Customer funds



## Customer funds YoY evolution



## % AuM and life insurance



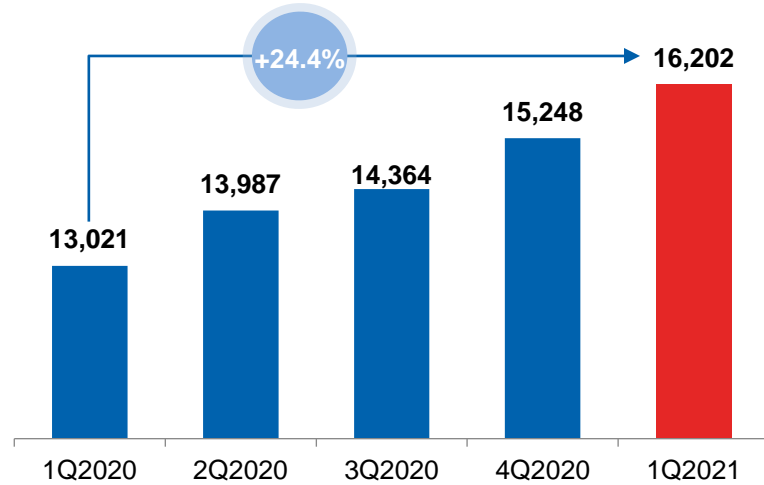
**Customers funds improve by 1.5% or €981m vs. 4Q2020. On an annual basis the growth amounts to €7,397m or 12.5% YoY.**

- The increase in customer funds is entirely explained by **AuM and life insurance products**, which grows by 4.2% or €1.221m. On an annual basis, the growth amounts to 16.4% or €4.301m YoY.
- The **weight of AuM and life insurance products in total customer funds** is 46% and it is placed again at pre-pandemic levels. Among the comparable Entities, **Ibercaja registers the greatest % of AuM and life insurance products.**

# MUTUAL FUNDS

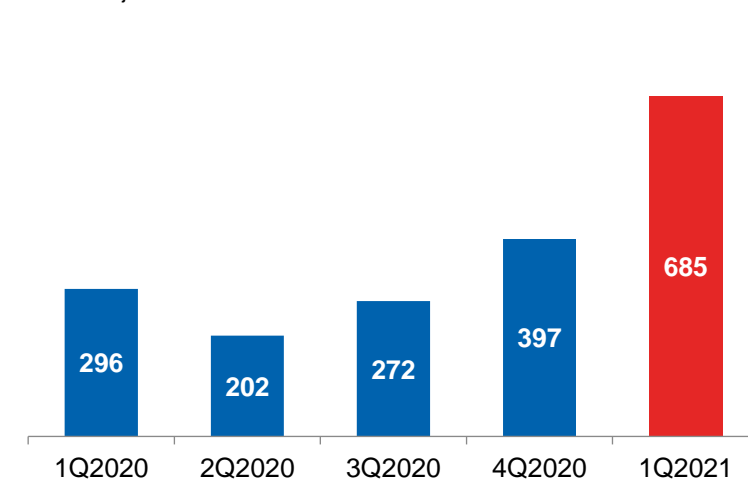
## Stock of mutual funds

€m - Ibercaja Gestión



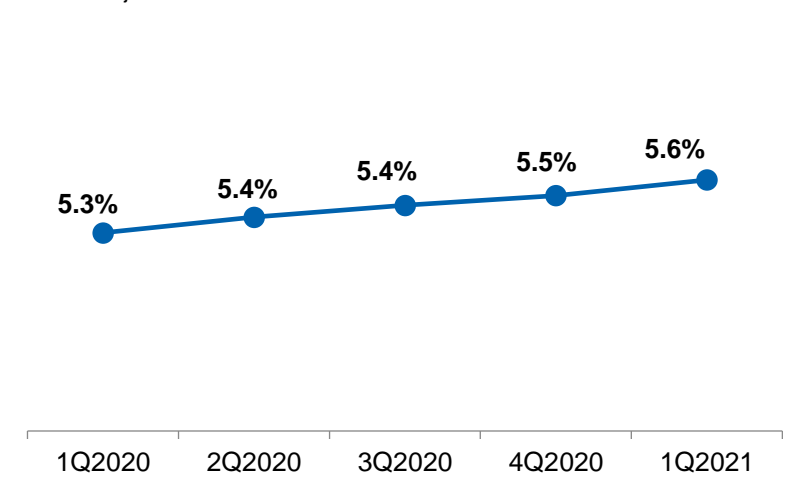
## Net new money inflows

€m - Ibercaja Gestión



## Mutual funds market share

% - Ibercaja Gestión



The stock of mutual funds grows €953m or 6.3% in the quarter and exceeds €16,200m. In YoY terms, this growth amounts to €3,181m or +24.4%.

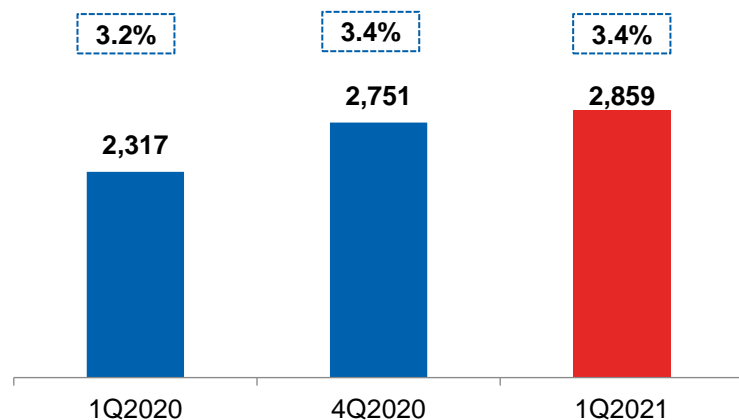
- Net new money inflows amounts to €685m (+131.4% YoY and +72.6% vs. 4Q2020) and Ibercaja Banco ranks fourth in Spain in terms of net new money inflows.
- Market share increases 8 bps in the quarter up to 5.6%.



# PENSION PLANS AND RISK INSURANCE

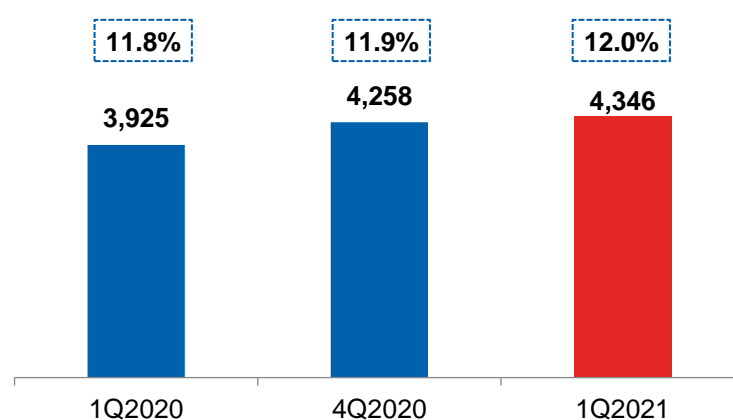
## Individual pension plans

€m and %



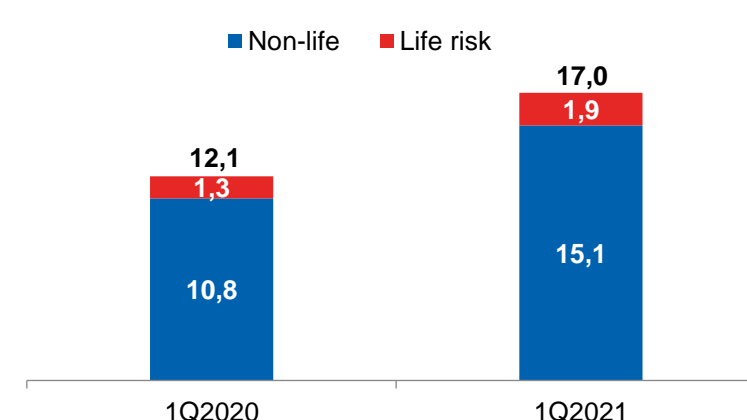
## Employment pension plans

€m and %



## New production of risk insurance premiums

€m



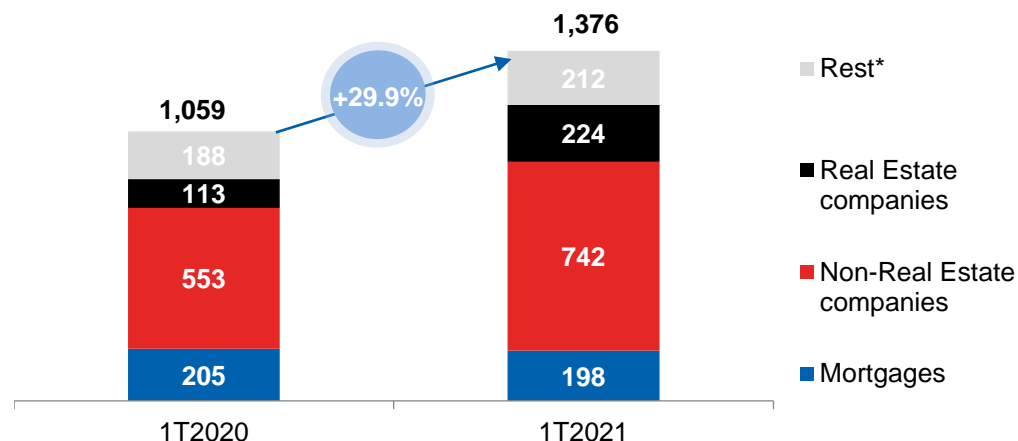
**Very positive development in pension plans and risk insurance based on a greater commercial dynamism and good market evolution.**

- Stock of **individual pension plans** grows by **23.4% YoY** or €541m and Ibercaja increases its **market share** by **19 bps** whereas in **employment pension plans** the Entity grows by **10.7% YoY** or €421m with a **market share rise** of **15 bps**.
- **New production of risk insurance premiums** (life risk and non-life) increases by **41.1% YoY** up to €17m. New production of non-life insurance increases by 40.0% YoY and life risk insurance rises by 49.6% YoY.

# CUSTOMER LOANS

## New lending production

€m



## Cartera Crédito

€m

	1Q2020	4Q2020	1Q2021	Var. YoY	Var. QoQ
<b>Loans to individuals</b>	<b>20,396</b>	<b>20,383</b>	<b>20,060</b>	<b>-1.6%</b>	<b>-1.6%</b>
Mortgages	18,695	18,615	18,342	-1.9%	-1.5%
Consumer and Others	1,701	1,768	1,717	1.0%	-2.9%
<b>Loans to companies</b>	<b>7,597</b>	<b>7,498</b>	<b>8,018</b>	<b>5.5%</b>	<b>6.9%</b>
Non-Real Estate Companies	6,490	6,557	7,025	8.2%	7.1%
Real Estate Companies	1,107	941	993	-10.3%	5.6%
<b>Public sector and Others</b>	<b>1,512</b>	<b>1,075</b>	<b>1,217</b>	<b>-19.5%</b>	<b>13.2%</b>
<b>Performing Gross Loans ex Repos</b>	<b>29,505</b>	<b>28,956</b>	<b>29,295</b>	<b>-0.7%</b>	<b>1.2%</b>
Repos	1,614	1,621	1,616	0.1%	-0.3%
Doubtful Loans	1,253	1,013	956	-23.7%	-5.6%
<b>Total Gross Loans</b>	<b>32,372</b>	<b>31,590</b>	<b>31,867</b>	<b>-1.6%</b>	<b>0.9%</b>

Ibercaja maintains an intense activity in granting loans, with an increase in new lending production of 29.9% YoY.

- New lending to non-real estate companies grows by 34.1% YoY.

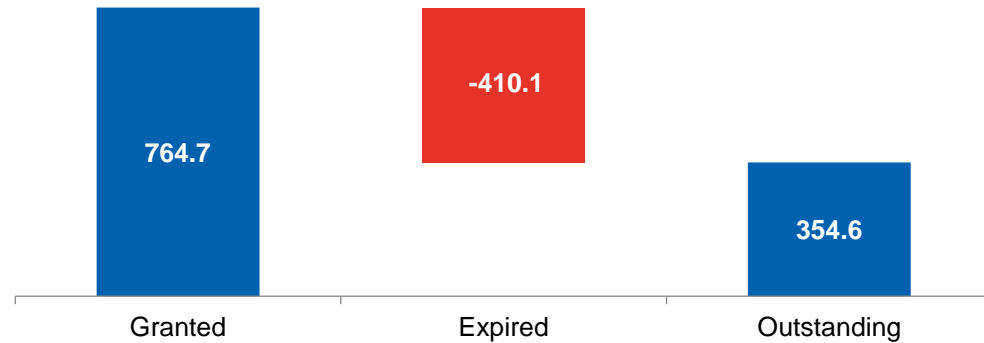
Performing gross loans ex repos increases by 1.2% in the quarter.

- Loans to companies grows by 6.9% or €520m vs. 2020YE.

# MORATORIA AND ICO GUARANTEED LENDING

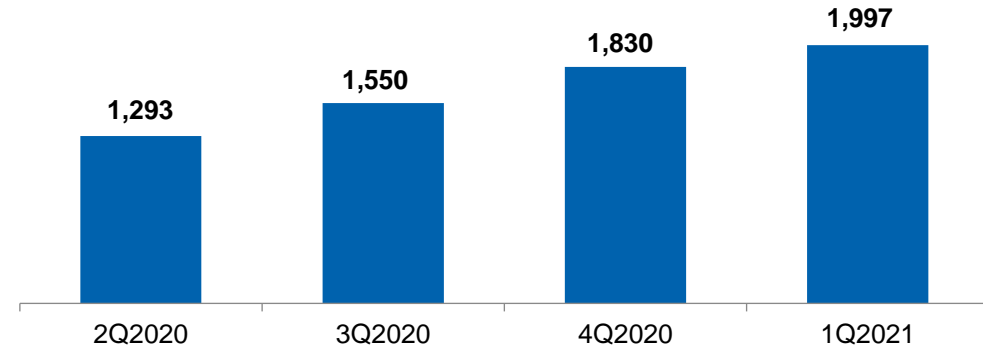
Moratoria granted and outstanding as of 1Q2021

€m



Accumulated evolution of ICO lending

€m



**Outstanding moratoria amounts to €355m, un 1.1% of gross lending.**

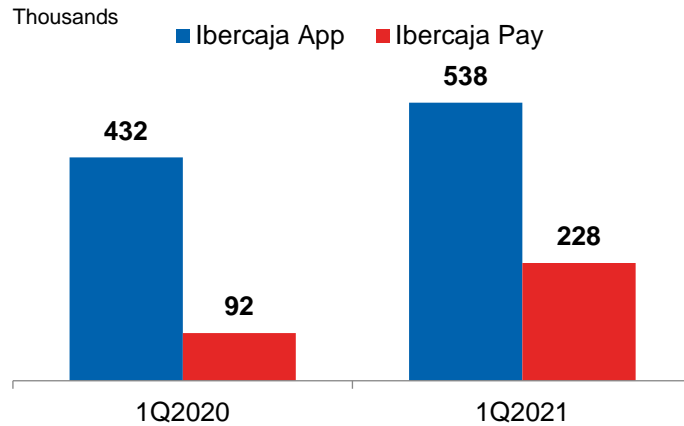
- **Outstanding moratoria** decreases by **3.1%** vs. 4Q2020.
- **Outstanding moratoria in mortgages** amounts to **€331.1m**, which represents **1.8%** of mortgage lending.
- **Outstanding moratoria in consumer lending** amounts to **€1m**.

**Ibercaja has granted €1,997m in loans with ICO guarantee (+€167m in the quarter).**

- **81%** of loans have been granted to **SMEs and self-employed**.
- **Investment ICO** operations amounts to **€125m**.
- **ICO financing drawn (€1,653m)** represents **22%** of companies' lending. In the **most affected sectors** (hospitality, transport and storage and leisure), this ratio reaches **27%**.

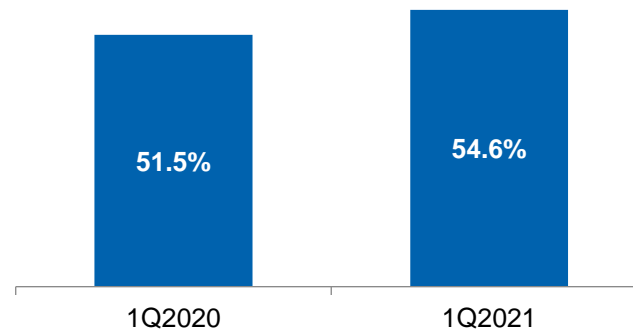
# DIGITALISATION

## Ibercaja App & Ibercaja Pay users



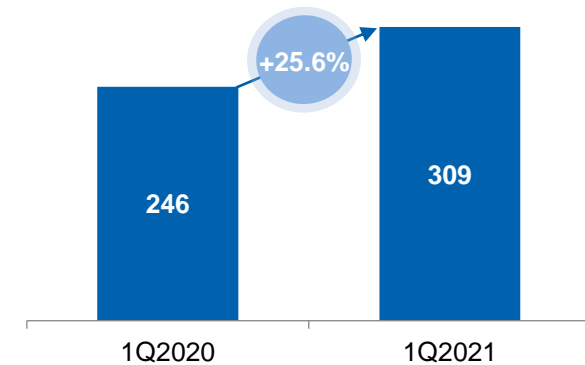
## Digital customers % total customers

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



## Digital banking operations

millions



**Ibercaja App users grow by 24,5% YoY and Ibercaja Pay users grow by +146,4% YoY.**

- Total **digital customers** increase by **10.4% YoY** up to **846,000**.

**54.6% of the Bank's clients have used the Bank's digital assets in the last quarter.**

**Significant increase in digital banking operations (+25.6% YoY) representing 74.6% of the Bank's total operations.**



# RESULTS

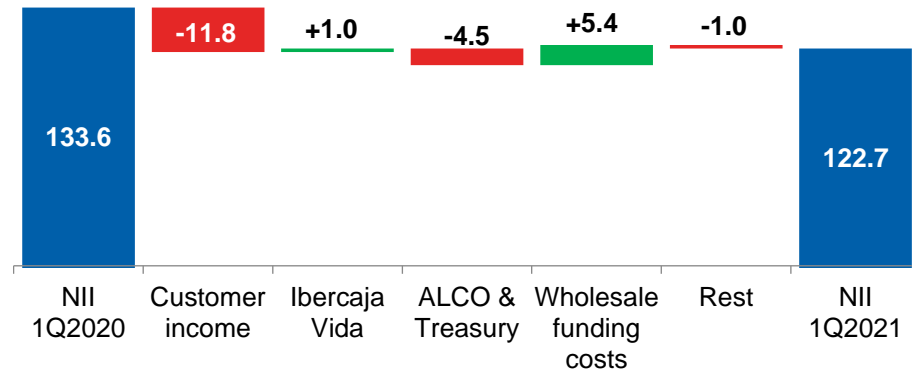
# P&L ACCOUNT

	€m		
	1Q2020	1Q2021	Var.
Net Interest Income	133.6	122.7	-8.2%
Net Fee Income	94.6	97.8	3.3%
Gains/Losses on Financial Assets and Liabilities	8.6	34.7	n/a
Other Operating Income (net)	5.4	7.8	44.3%
<b>Gross Operating Income</b>	<b>242.2</b>	<b>262.9</b>	<b>8.5%</b>
Operating Costs	-140.5	-148.4	5.6%
<b>Pre-Provision Profit</b>	<b>101.7</b>	<b>114.5</b>	<b>12.6%</b>
Total Provisions	-50.3	-33.9	-32.6%
of which: Covid-19	-34.0		n/a
Other Gains and Losses	-1.2	-1.0	-16.7%
<b>Profit before Taxes</b>	<b>50.1</b>	<b>79.5</b>	<b>58.7%</b>
Taxes & Minorities	-16.2	-25.0	53.9%
<b>Net income</b>	<b>33.9</b>	<b>54.5</b>	<b>61.0%</b>

# NET INTEREST INCOME & NET FEE INCOME

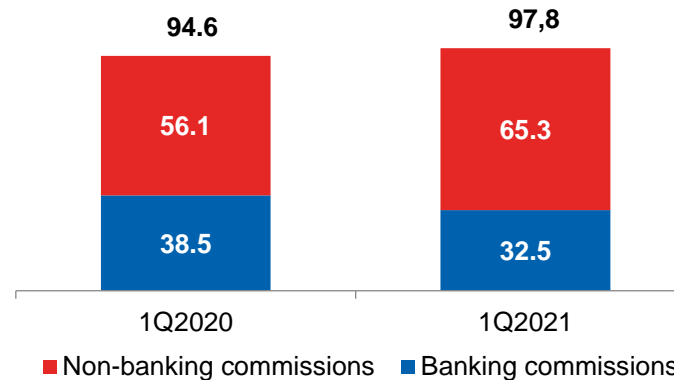
## Net interest income breakdown

€m



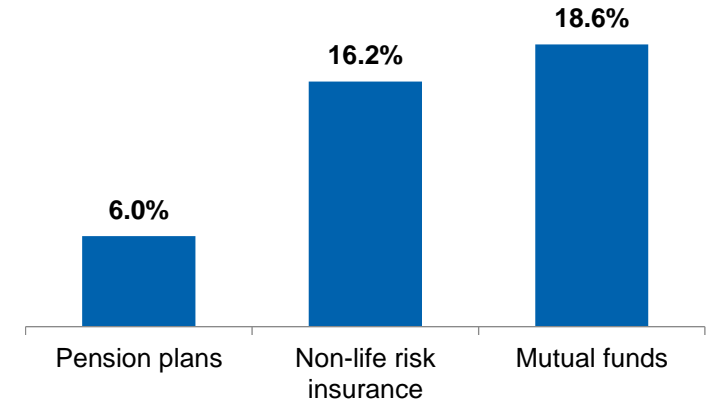
## Net fee income

€m



## Non-banking commissions YoY evolution

%



### Net interest income falls 8.2% YoY or €10.9m.

- Repricing of loans at Euribor at historical minimum levels and the fall in the stock of loans on a YoY basis impacts customer income evolution

### Net fee income grows by 3.3% YoY or €3.1m.

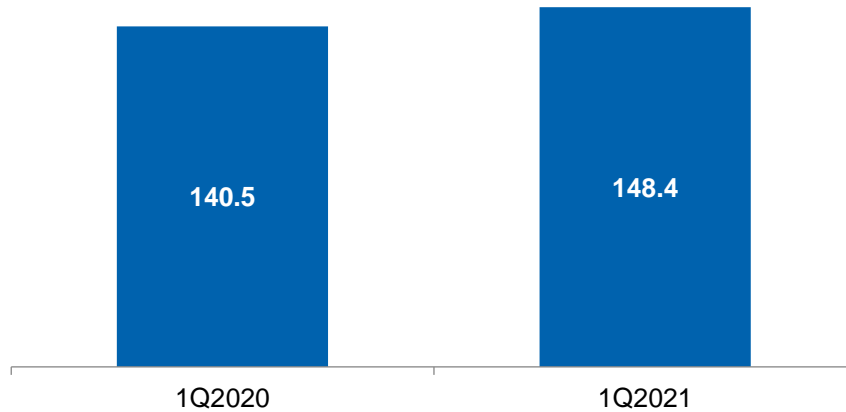
- **Non-banking commissions** rise **€9.2€** or **16.4% YoY** driven by assets under management evolution and non-life risk insurance distribution

**Recurring revenues fall 3.4% YoY. Ibercaja expects recurring revenues to remain flat in 2021 thanks to the improvement in activity in coming quarters.**

# COSTS AND PRE-PROVISION PROFIT

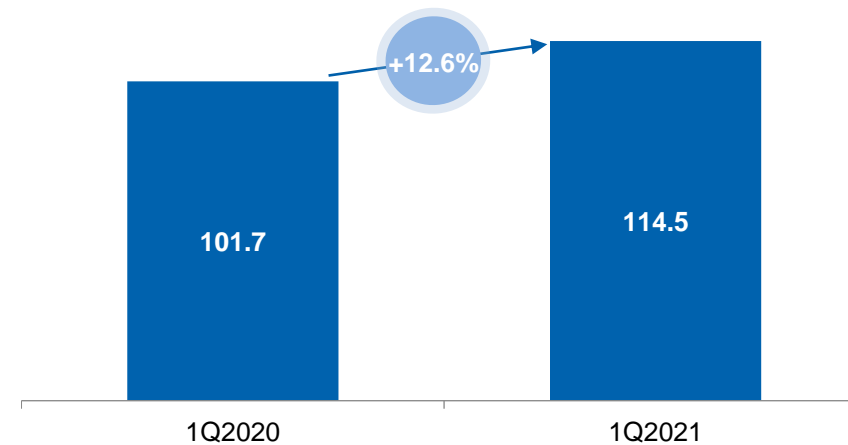
## Costs

€m



## Pre-provision profit

€m



**Total costs increase by 5.6% YoY.**

- **Redundancy plan departures (750 employees, 15% of the staff) will start in the second quarter and take place in a staggered manner until June 2022.**

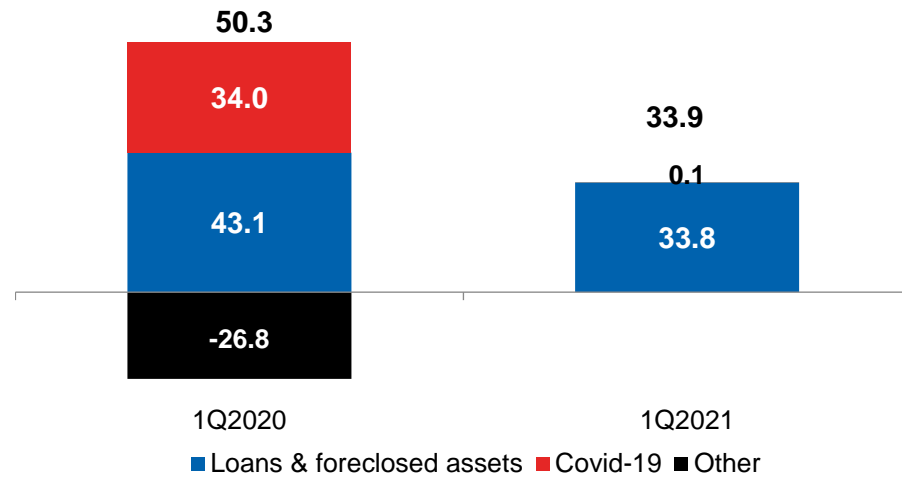
**Pre-provision profit grows by 12.6% YoY or €12.8m due to the increase in gross margin (+8.5% YoY).**



# PROVISIONS

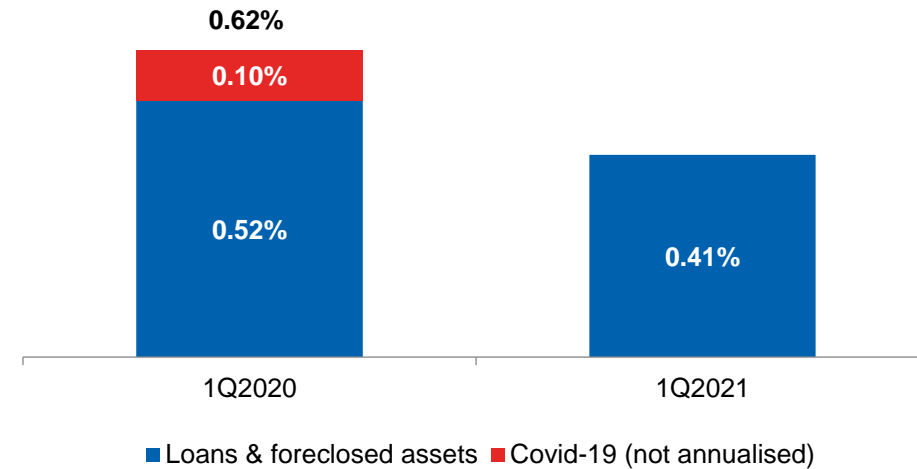
## Total provisions

€m



## Cost of risk

%



### Total provisions decrease by 32.6% YoY.

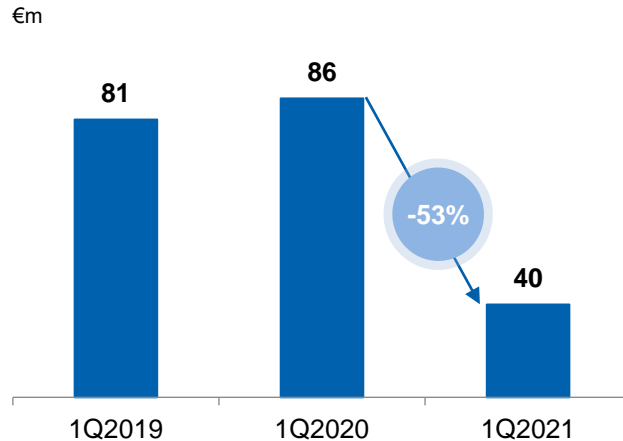
- Total **cost of risk** stands at **41 bps** vs. 62bps in 1Q2020.
- **Loans and foreclosed assets provisions** decrease by **21.6% YoY** or €9.3m YoY.

# IV

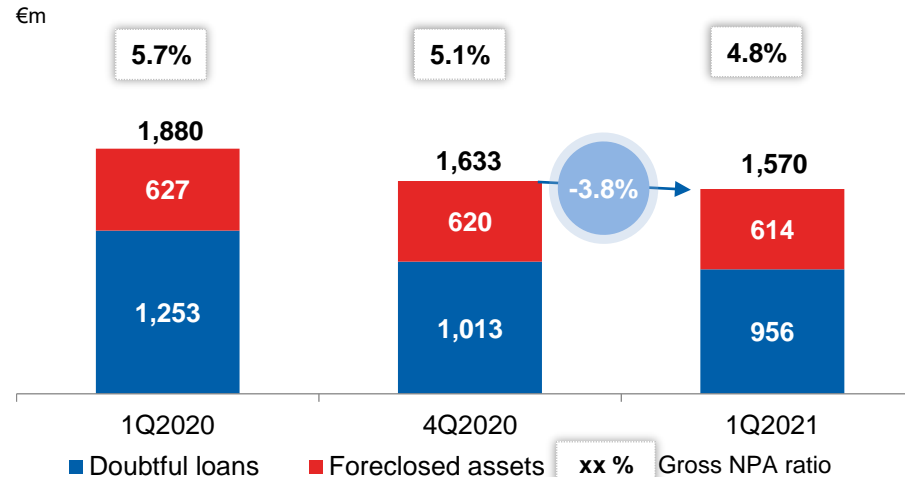
## ASSET QUALITY, LIQUIDITY AND SOLVENCY

# ASSET QUALITY (1/2)

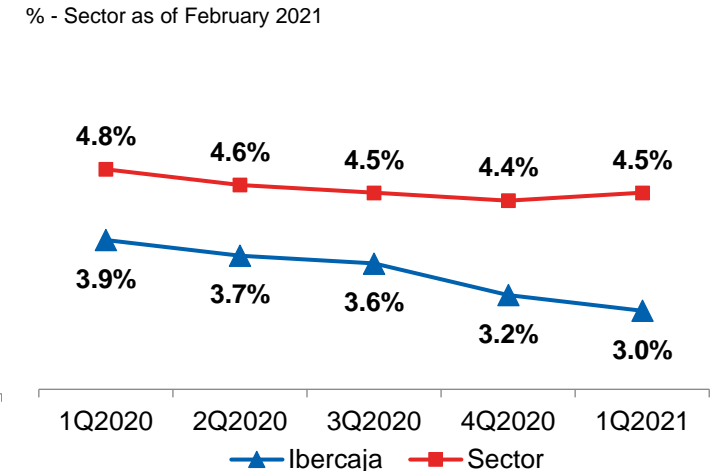
## Gross NPL entries



## Gross NPAs



## NPL ratio



Doubtful loans drop by 5.6% QoQ or €57m as a result of the reduction in gross NPL entries of 52.9% YoY. NPL ratio falls 21 bps to 3,0% and Ibercaja increases its positive gap vs. sector, reaching 150 bps.\* (vs. 123 bps at the end of 2020 and 88 bps as of 1Q2020).

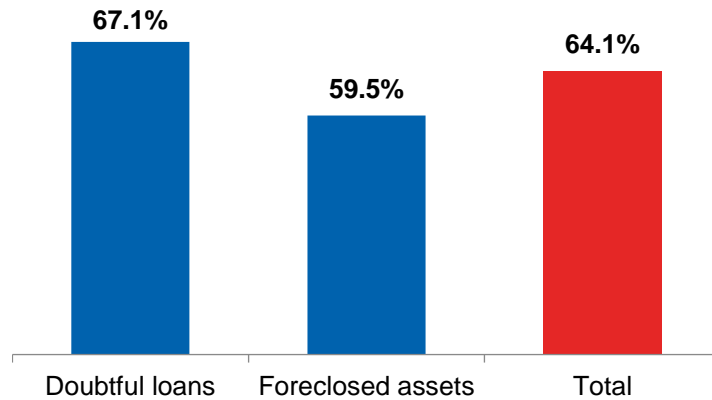
- By segments, **companies NPL** fall 6.5% QoQ and **families NPL** shrinks 5.0% QoQ.

Total stock of non-performing assets falls 3.8% YoY (-€63m) and NPA ratio falls 24 bps to 4.8%. Since 1Q2020, Ibercaja has reduced the stock of non-performing assets by €310 or 16.5%.

# ASSET QUALITY (2/2)

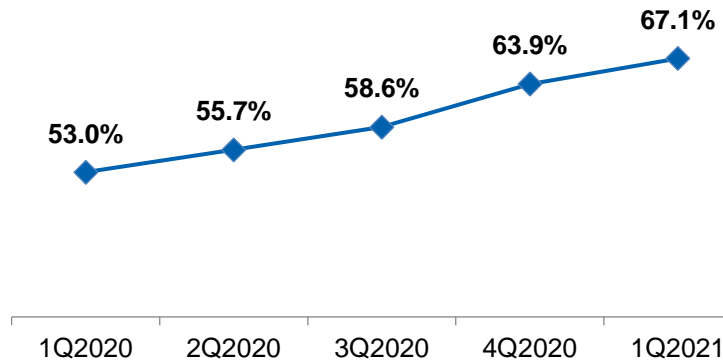
## Coverage ratio

% - 1Q2021



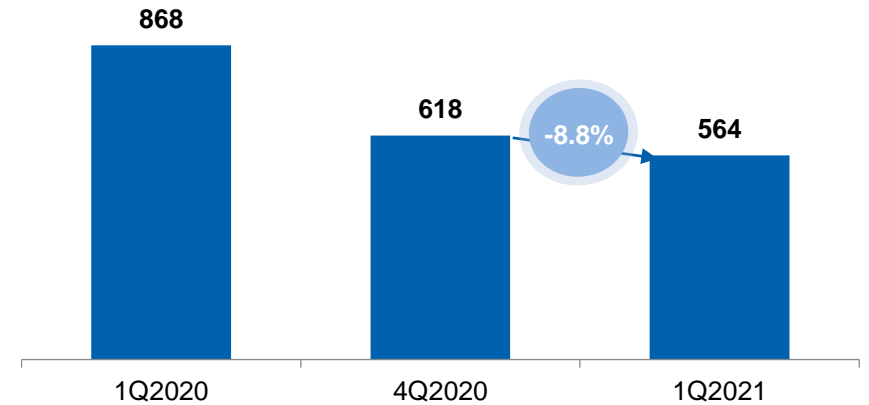
## NPL coverage ratio

% - 1Q2021



## Net NPAs

€m



**NPA coverage ratio stands at 64.1%, 195 bps above 4Q2020 levels.**

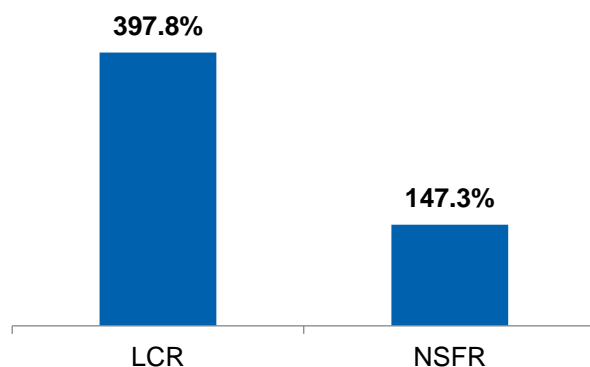
► **NPL coverage ratio improves 317 bps QoQ and reaches 67.1%.** Since 1Q2020, this ratio has improved 14 p.p.

**As a result of the provisioning effort net non-performing assets fall €54.3m or 8.8% QoQ (-35.1% YoY).**

# LIQUIDITY AND FUNDING PROFILE

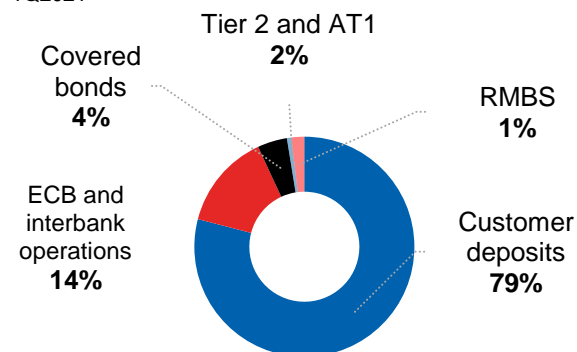
## LCR and NSFR ratios

% - 1Q2021



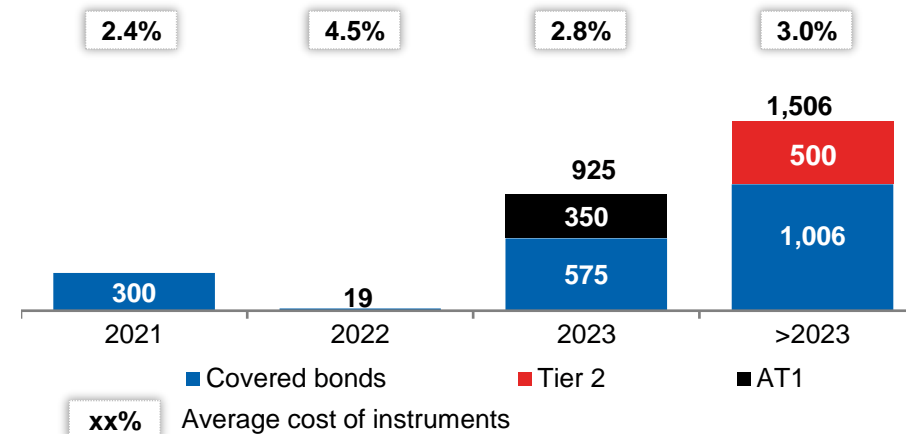
## Gross external funding

% - 1Q2021



## Maturity profile

€m - 1Q2021



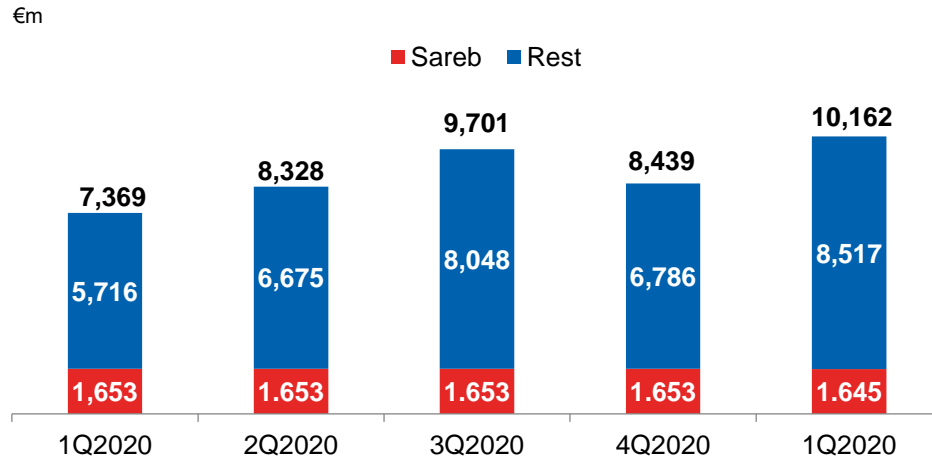
**Ibercaja has a sound liquidity position and shows a strong funding profile.**

- ▶ Liquid assets grow **€2.397m YoY** to €13,950m and account for **24.1% of total assets**..
- ▶ **LCR and NSFR ratios** stand well above regulatory requirements, **397.8%** and **147.3%** respectively.
- ▶ **Customer deposits** represent **79% of gross external funding** and **LTD ratio** stands at **82.4%** (81.1% in 4Q2020).

**In 1Q2021 Ibercaja has increased its LTRO financing by €559m to €5,959m.**

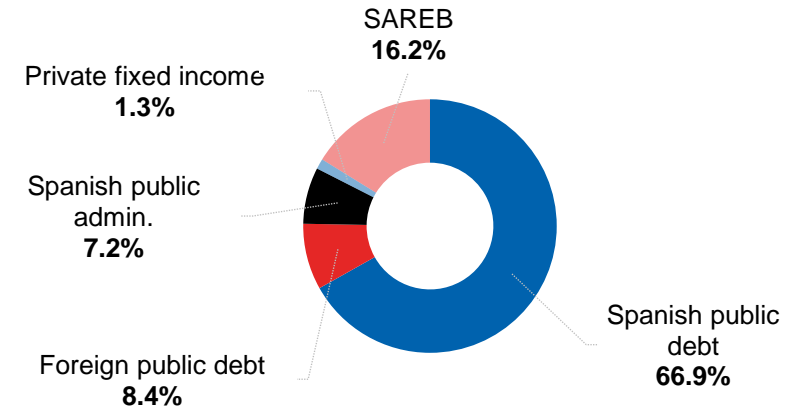
# ALCO PORTFOLIO

## ALCO portfolio



## ALCO portfolio breakdown

% - 1Q2021



**Ibercaja has increased its ALCO portfolio<sup>1</sup> by 20.4% QoQ.**

- No changes in the risk profile of the portfolio, mainly composed of **Spanish sovereign risk**.
- **Average duration of 5.8 years<sup>2</sup>.**
- **Average yield of 0.35%** (0.42% ex. SAREB).
- **95%** of the portfolio is classified as **amortised cost**.

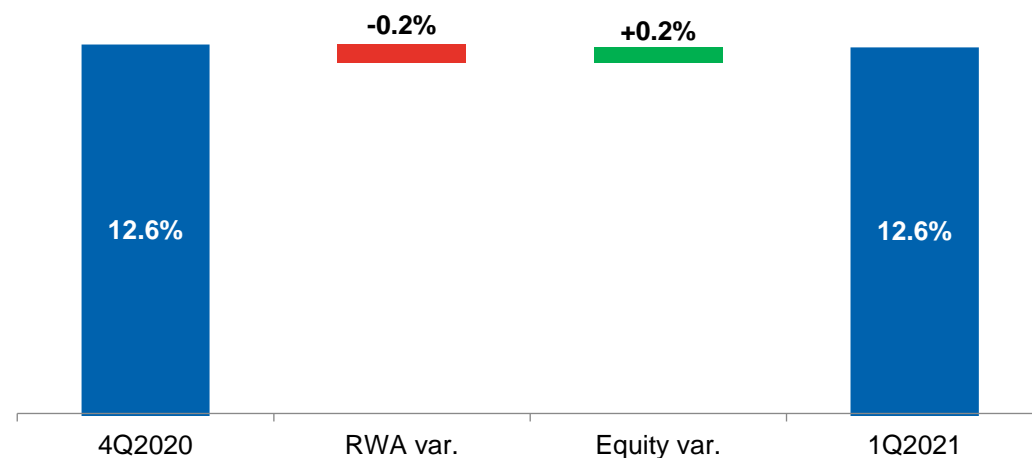
<sup>1</sup> Excludes insurance activity portfolio

<sup>2</sup> Includes interest rate swaps

# SOLVENCY

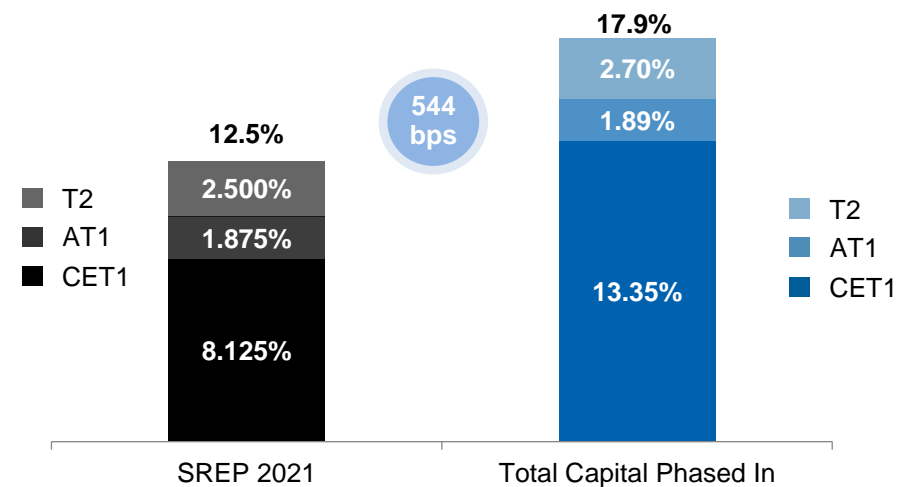
## CET1 Fully Loaded

%



## SREP requirement vs. Total Capital ratio

% - 1Q2021



**CET1 Fully Loaded ratio remains stable at 12.6% in the quarter and Total Capital Fully Loaded ratio stands at 17.2%.**

**In Phased In terms, CET1 ratio stands at 13.4% and Total Capital ratio at 17.9%. Leverage ratio reaches 6.2%.**

► The **excess of capital vs. 2021 SREP requirement** is **544 bps**. In **MDA terms**, the excess of capital amounts to **523 bps**.

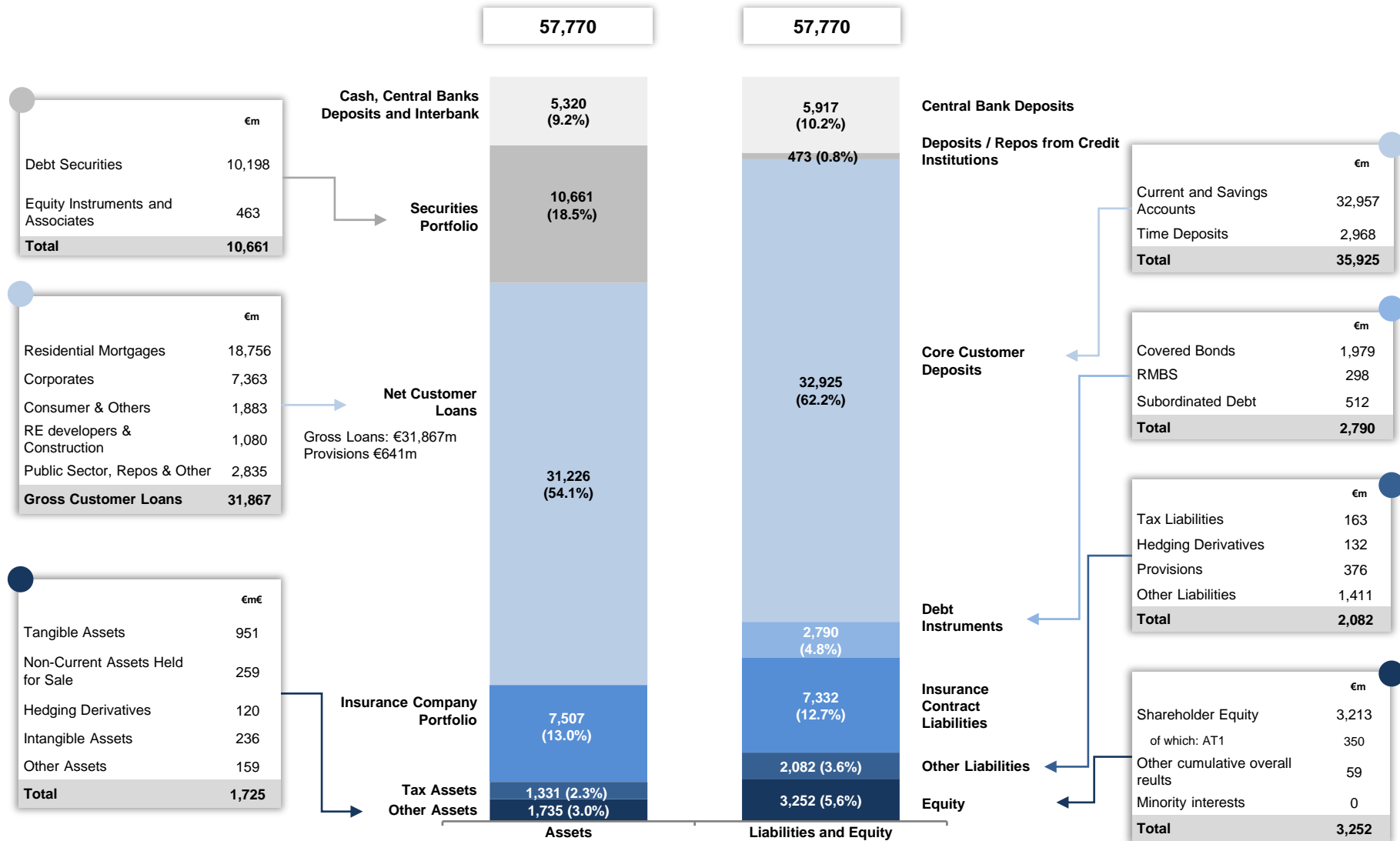
V

ANNEX



# CONSOLIDATED BALANCE SHEET

€m – 31/03/2021



# GLOSSARY

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



THANK YOU

EL BANCO  
DEL  
*Vamos*

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[investors@ibercaja.es](mailto:investors@ibercaja.es)