

IBERCAJA BANCO

1Q2021 Results

6th May 2021

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I 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 STRENGHTENING 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.

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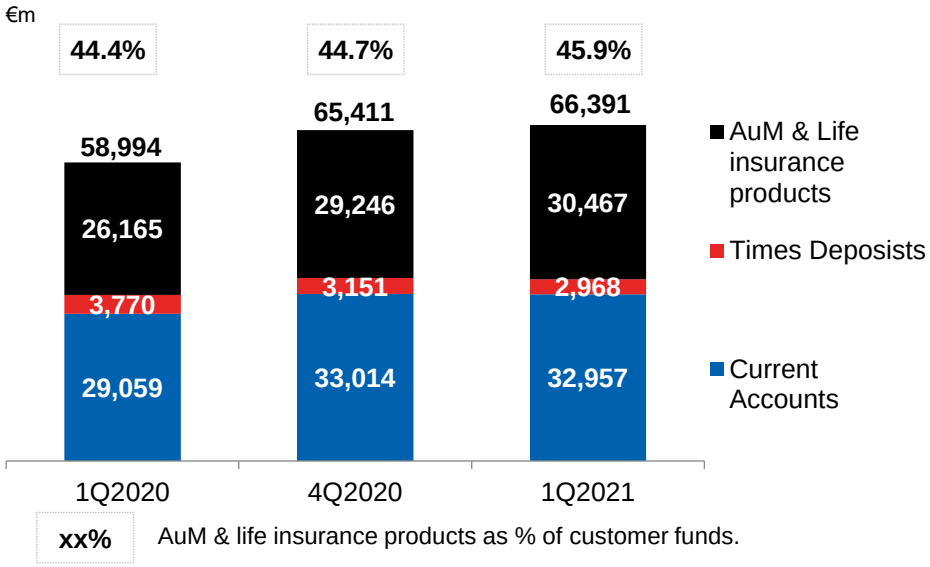
II

COMMERCIAL ACTIVITY

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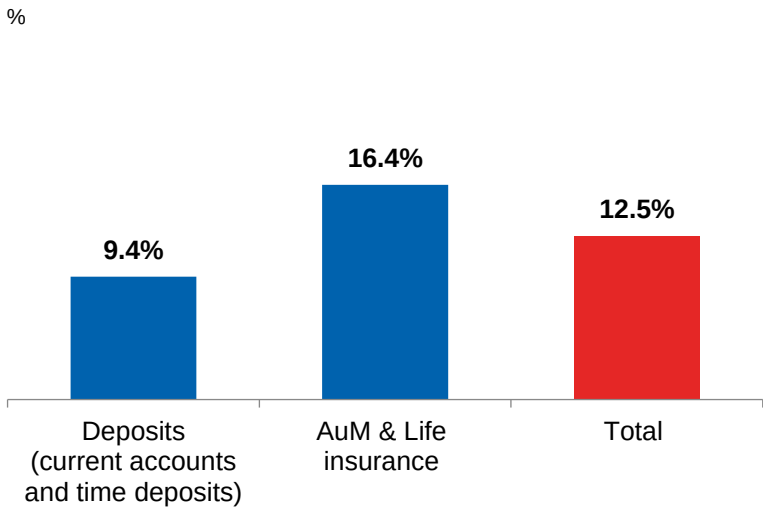
CUSTOMER FUNDS

Customer funds

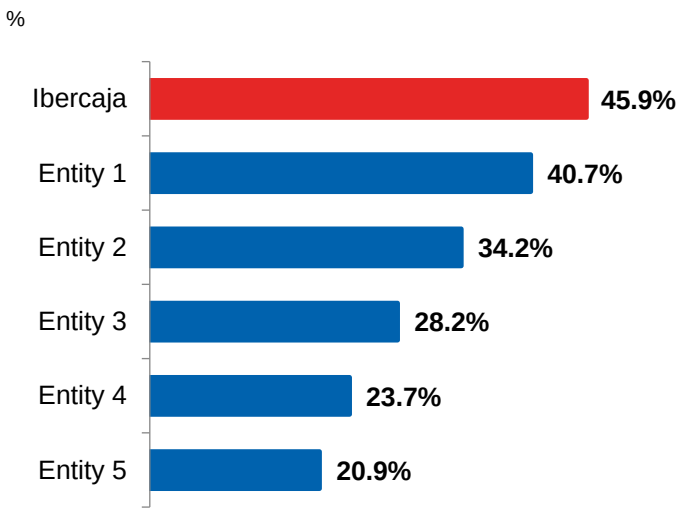


xx% AuM & life insurance products as % of customer funds.

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.

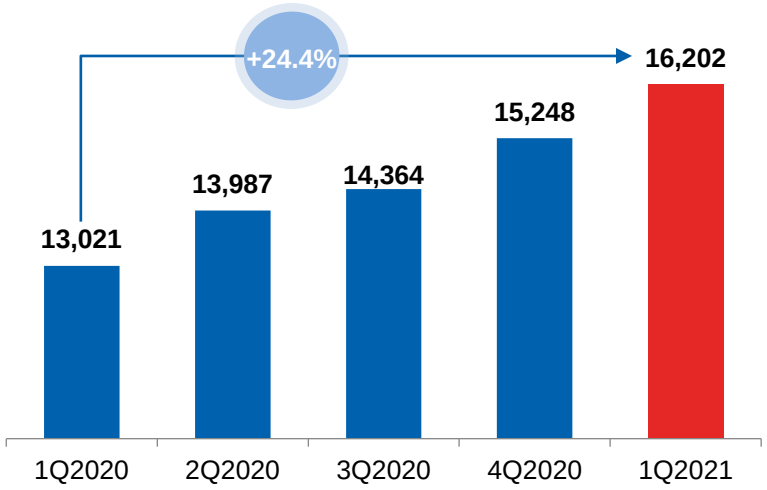
- The increase in customer funds is entirely explained by **AuM and life insurance products,** which grows by **4.2%** or **€1.221m**. On an annual basis, the growth amounts to **16.4%** or **€4.301m YoY.**
- The **weight of AuM and life insurance products in total customer funds** is **46%** and it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

Source: The comparable Entities are Caixabank, Sabadell ex TSB, Bankinter, Unicaja y Liberbank. Latest available data.

MUTUAL FUNDS

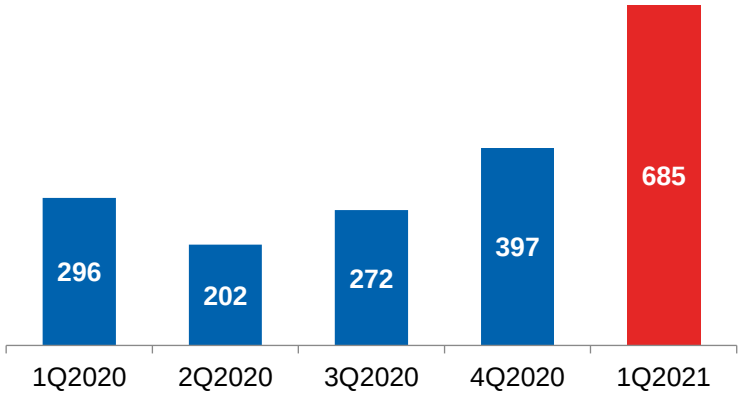
Stock of mutual funds

€m - Ibercaja Gestión



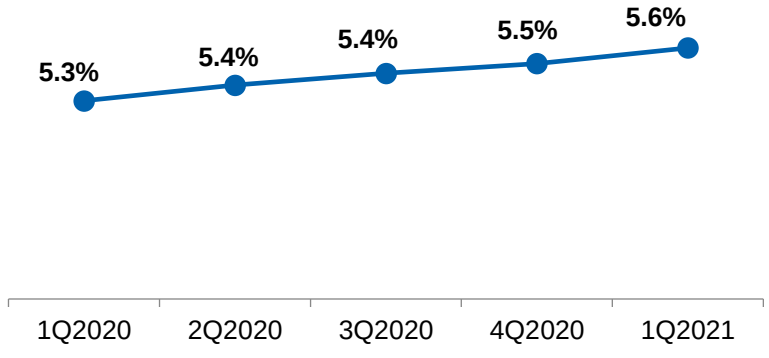
Net new money inflows

€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%.

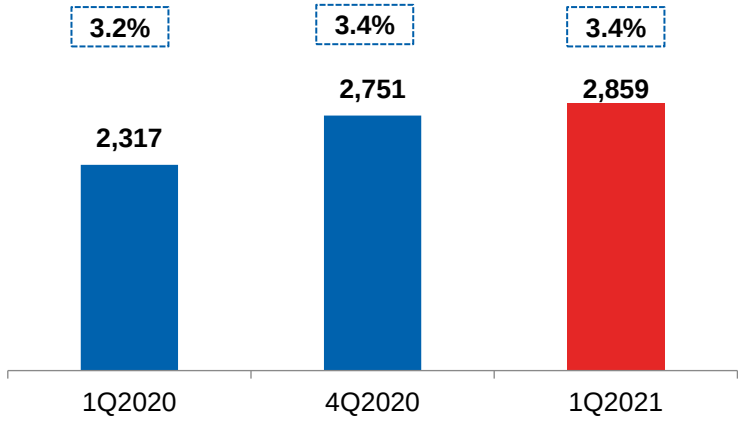
- **Net new money inflows amounts to €685m** (+131.4% YoY and +72.6% vs. 4Q2020) and Ibercaja Banco ranks **fourth in Spain in terms of net new money inflows.**
- **Market share increases 8 bps in the quarter up to 5.6%.**

Source: Inverco.

PENSION PLANS AND RISK INSURANCE

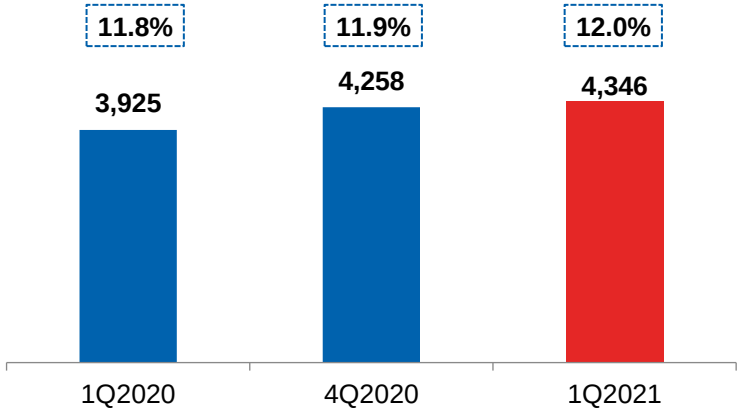
Individual pension plans

€m and %



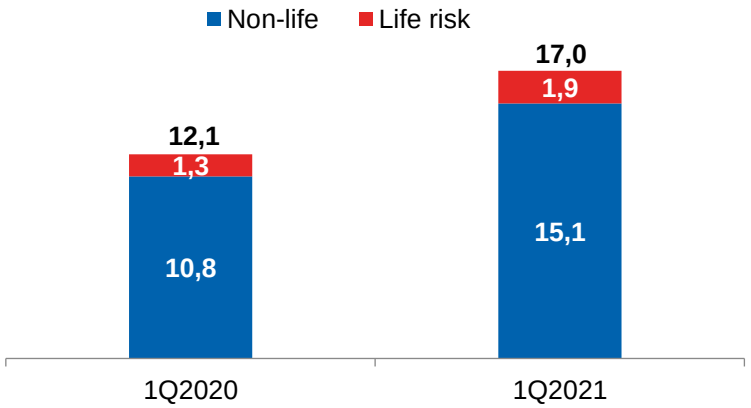
Employment pension plans

€m and %



New production of risk insurance premiums

€m



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

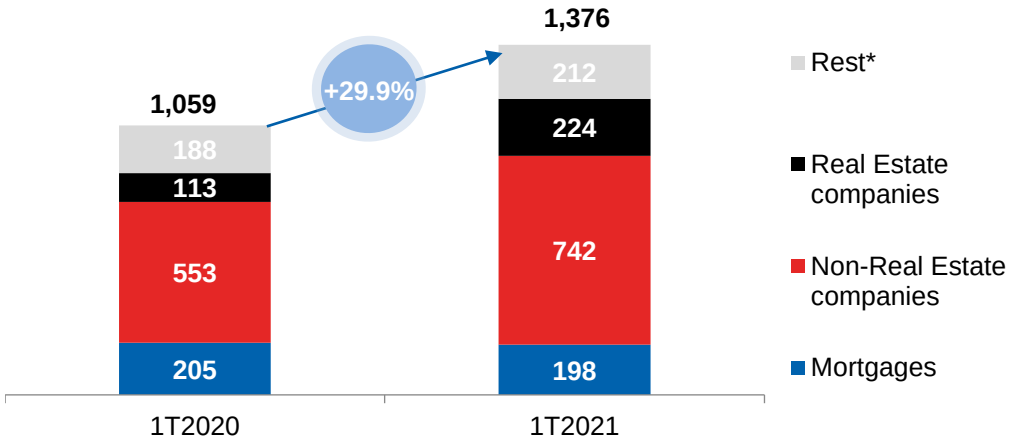
- Stock of **individual pension plans** grows by **23.4% YoY** or €541m and Ibercaja increases its **market share** by **19 bps** whereas in **employment pension plans** the Entity grows by **10.7% YoY** or €421m with a **market share rise** of **15 bps.**
- **New production of risk insurance premiums**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

xx% Market share according to Inverco

CUSTOMER LOANS

New lending production

€m



Cartera Crédito

€m

	1Q2020	4Q2020	1Q2021	Var. YoY	Var. QoQ
Loans to individuals	**20,396**	**20,383**	**20,060**	**-1.6%**	**-1.6%**
Mortgages	18,695	18,615	18,342	-1.9%	-1.5%
Consumer and Others	1,701	1,768	1,717	1.0%	-2.9%
Loans to companies	**7,597**	**7,498**	**8,018**	**5.5%**	**6.9%**
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%
Public sector and Others	**1,512**	**1,075**	**1,217**	**-19.5%**	**13.2%**
Perfoming Gross Loans ex Repos	**29,505**	**28,956**	**29,295**	**-0.7%**	**1.2%**
Repos	1,614	1,621	1,616	0.1%	-0.3%
Doubtful Loans	1,253	1,013	956	-23.7%	-5.6%
Total Gross Loans	**32,372**	**31,590**	**31,867**	**-1.6%**	**0.9%**

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.**

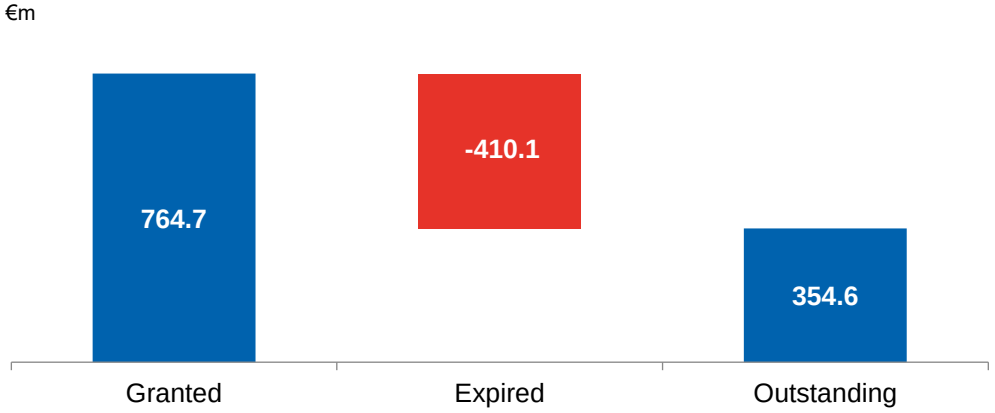
Preforming gross loans ex repos increases by 1.2% in the quarter.

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

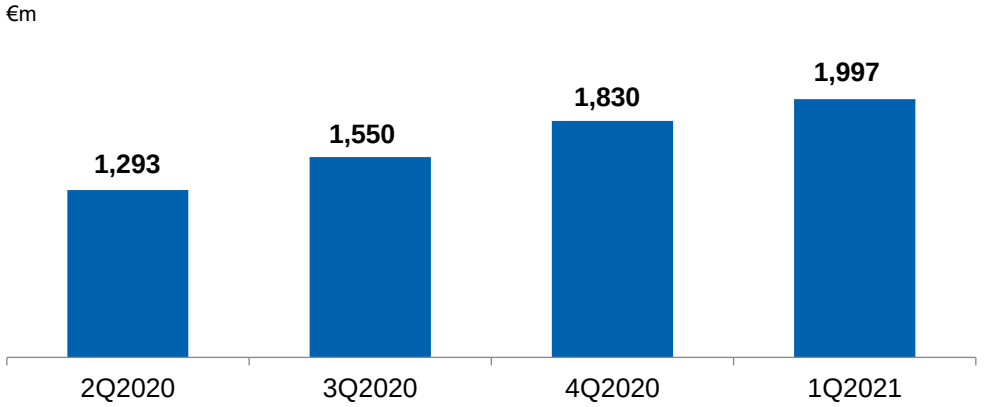
*Rest includes: consumer, rest private sector and public sector

MORATORIA AND ICO GUARANTEED LENDING

Moratoria granted and outstanding as of 1Q2021



Accumulated evolution of ICO lending



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

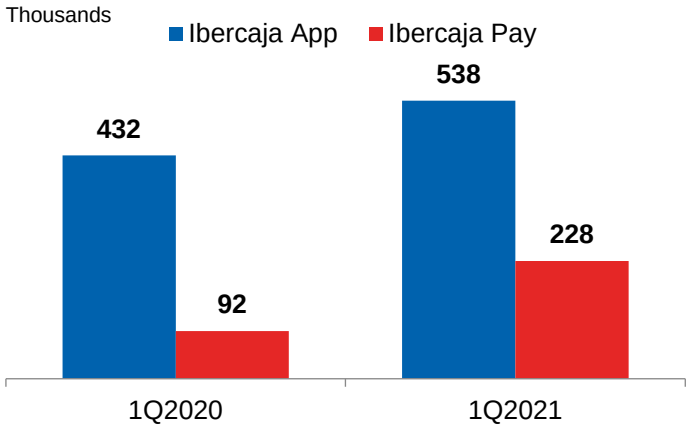
- **Outstanding moratoria** decreases by **3.1%** vs. 4Q2020.
- **Outstanding moratoria in mortgages** amounts to **€331.1m**, which represents **1.8%** of mortgage lending.
- **Outstanding moratoria in consumer lending** amounts to **€1m.**

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

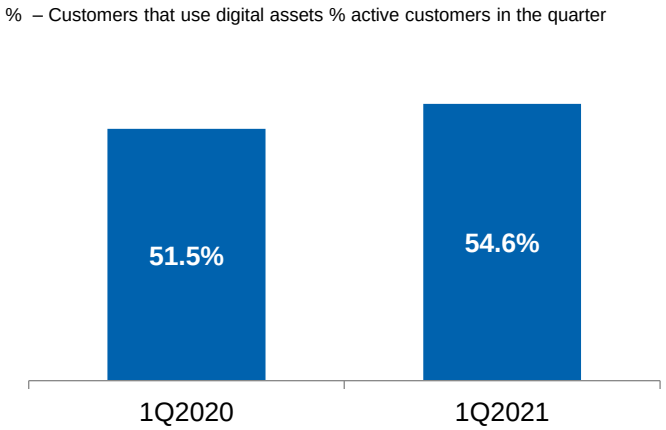
- **81%** of loans have been granted to **SMEs and self-employed.**
- **Investment ICO** operations amounts to **€125m.**
- **ICO financing drawn (€1,653m) represents 22% of companies´ lending.** In the **most affected sectors** (hospitality, transport and storage and leisure), this ratio reaches **27%.**

DIGITALISATION

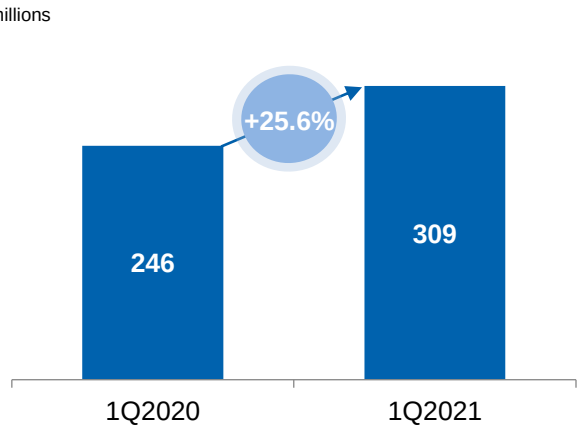
Ibercaja App & Ibercaja Pay users



Digital customers % total customers



Digital banking operations



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.

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III

RESULTS

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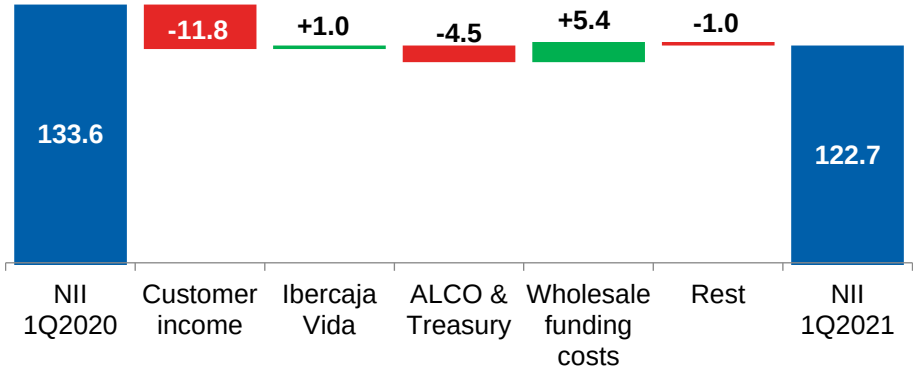
P&L ACCOUNT

	€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%
Gross Operating Income	**242.2**	**262.9**	**8.5%**
Operating Costs	-140.5	-148.4	5.6%
Pre-Provision Profit	**101.7**	**114.5**	**12.6%**
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%
Profit before Taxes	**50.1**	**79.5**	**58.7%**
Taxes & Minorities	-16.2	-25.0	53.9%
Net income	**33.9**	**54.5**	**61.0%**

NET INTEREST INCOME & NET FEE INCOME

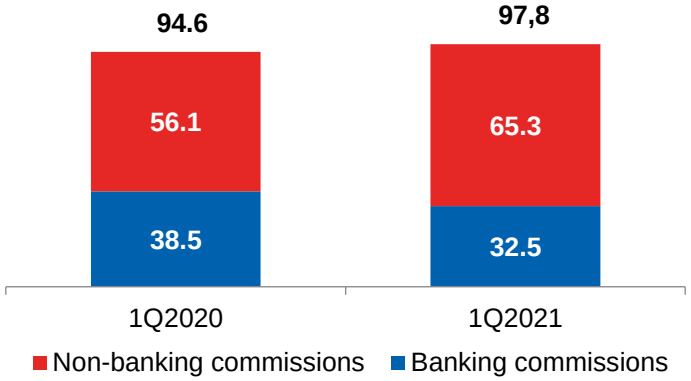
Net interest income breakdown

€m



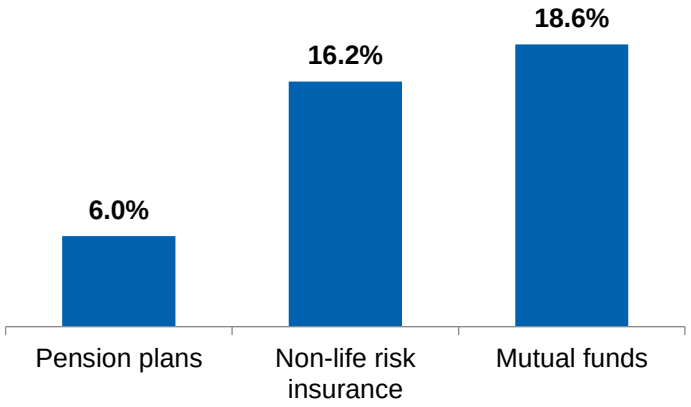
Net fee income

€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.

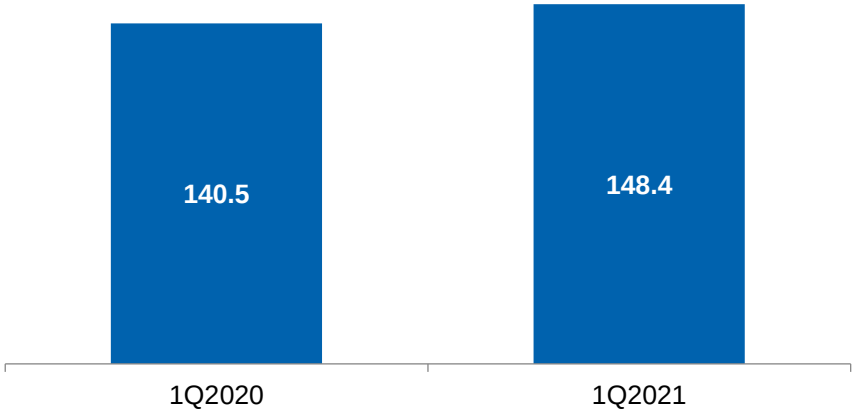
- **Non-banking commissions** rise **€9.2€ or 16.4% YoY** driven by assets under management evolution and non-life risk insurance distribution

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

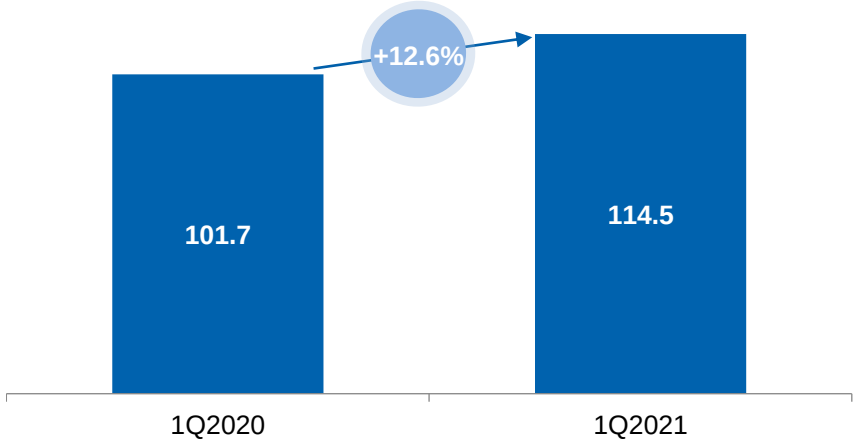
Costs

€m



Pre-provision profit

€m



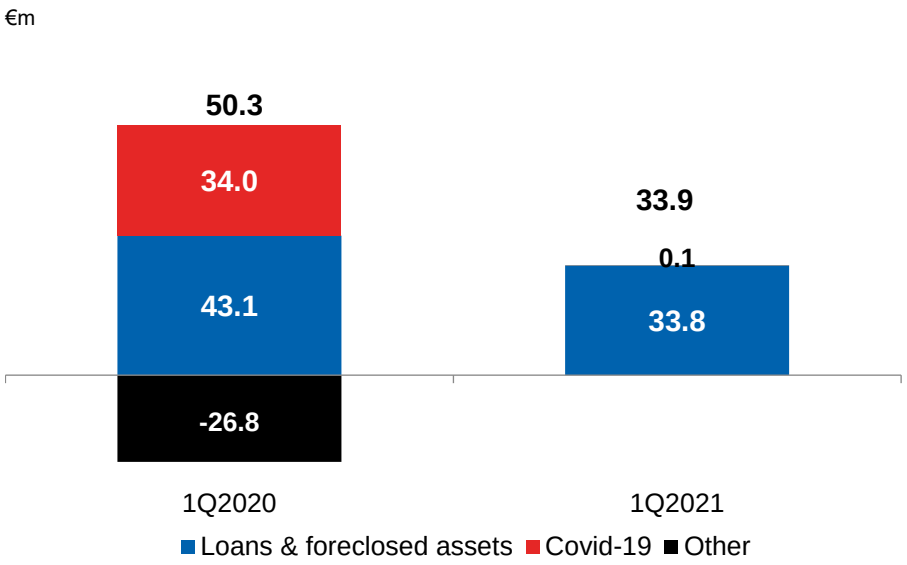
Total costs increase by 5.6% YoY.

- **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.**

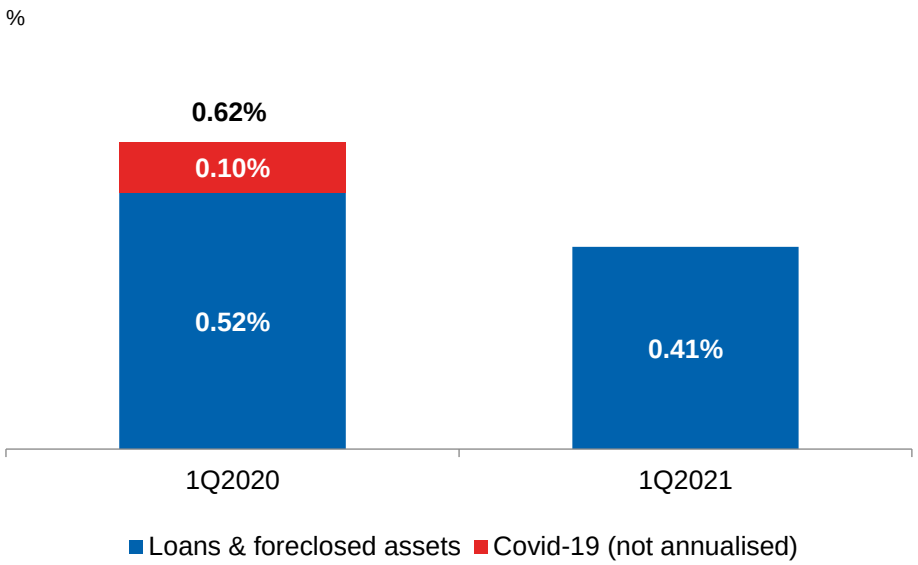
Pre-provision profit grows by 12.6% YoY or €12.8m due to the increase in gross margin (+8.5% YoY).

PROVISIONS

Total provisions



Cost of risk



Total provisions decrease by 32.6% YoY.

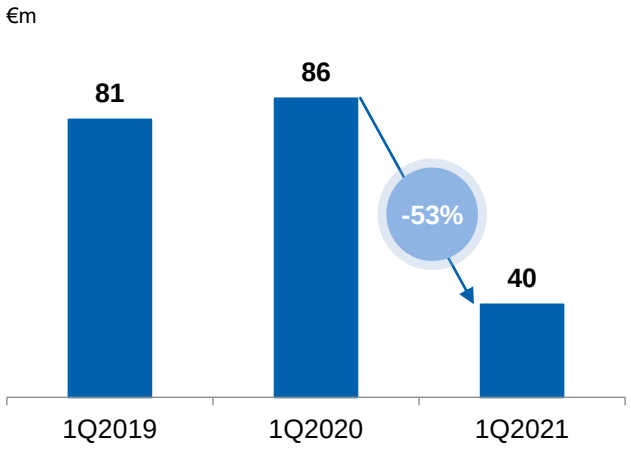
- Total **cost of risk** stands at **41 bps** vs. 62bps in 1Q2020.
- **Loans and foreclosed assets provisions** decrease by **21.6% YoY** or €9.3m YoY.

IV

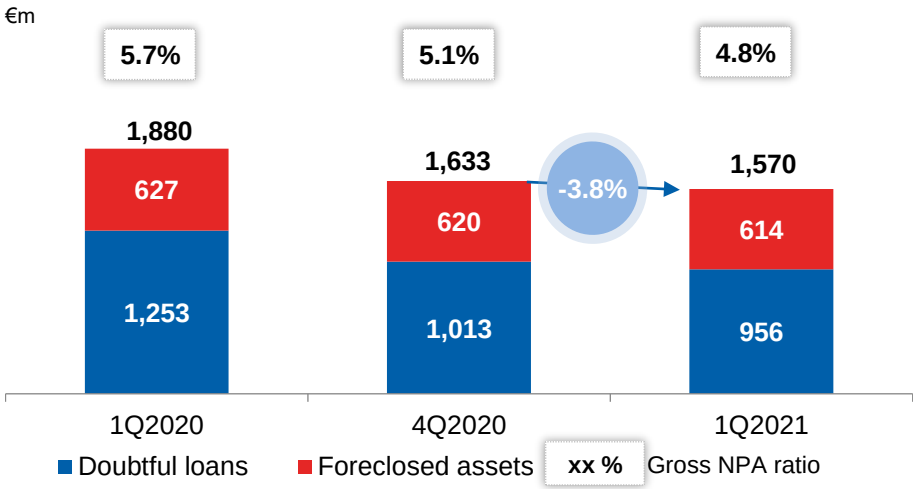
ASSET QUALITY, LIQUIDITY AND SOLVENCY

ASSET QUALITY (1/2)

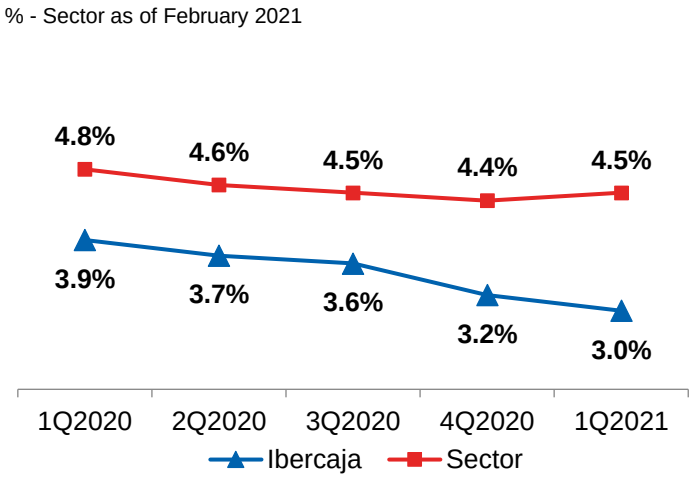
Gross NPL entries



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.**

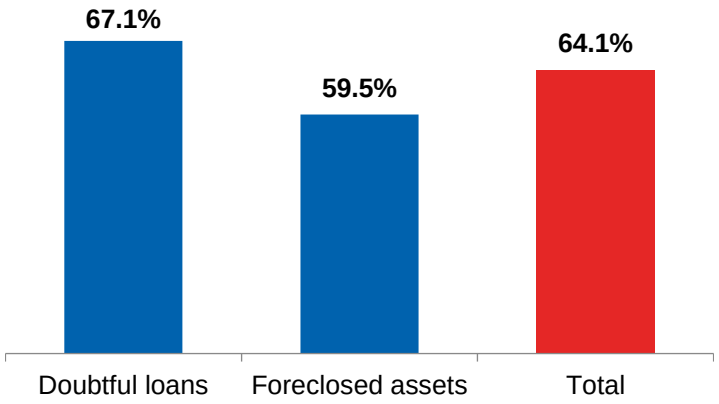
Total stock of non-performing assets falls 3.8% YoY (-€63m) and NPA ratio falls 24 bps to 4.8%. Since 1Q2020, Ibercaja has reduced the stock of non-performing assets by €310 or 16.5%.

* Source: Bank of Spain, Deposit Entities, NPL ratio as of February 2021

ASSET QUALITY (2/2)

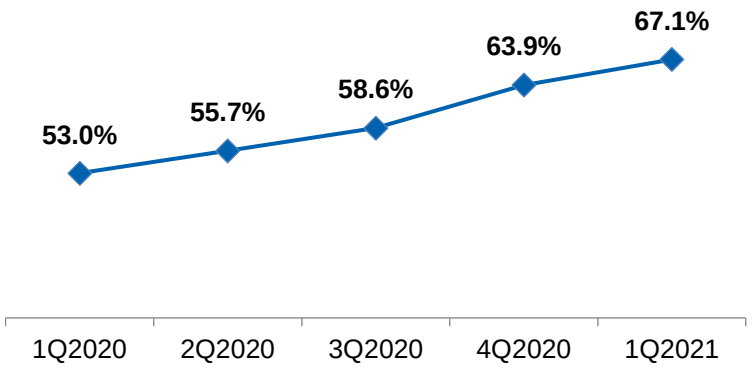
Coverage ratio

% - 1Q2021



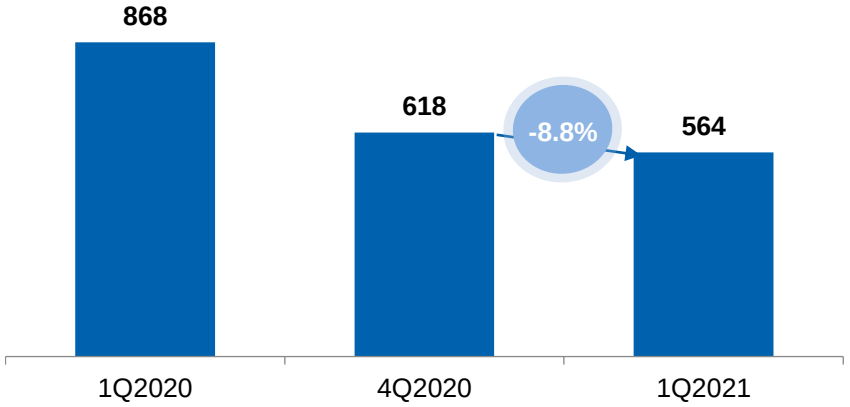
NPL coverage ratio

% - 1Q2021



Net NPAs

€m



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

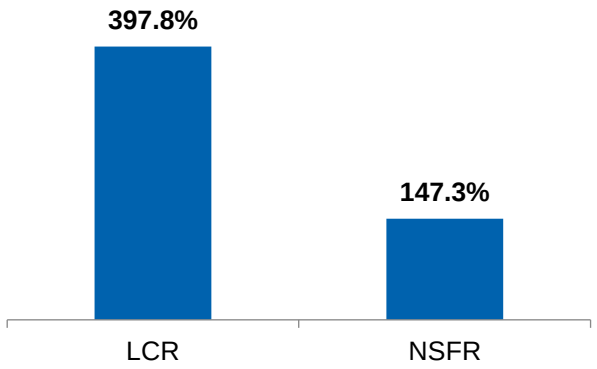
- **NPL coverage ratio improves 317 bps QoQ and reaches 67.1%.** Since 1Q2020, this ratio has improved 14 p.p.

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

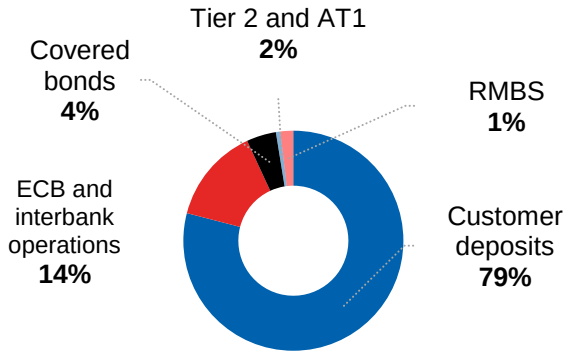
LCR and NSFR ratios

% - 1Q2021



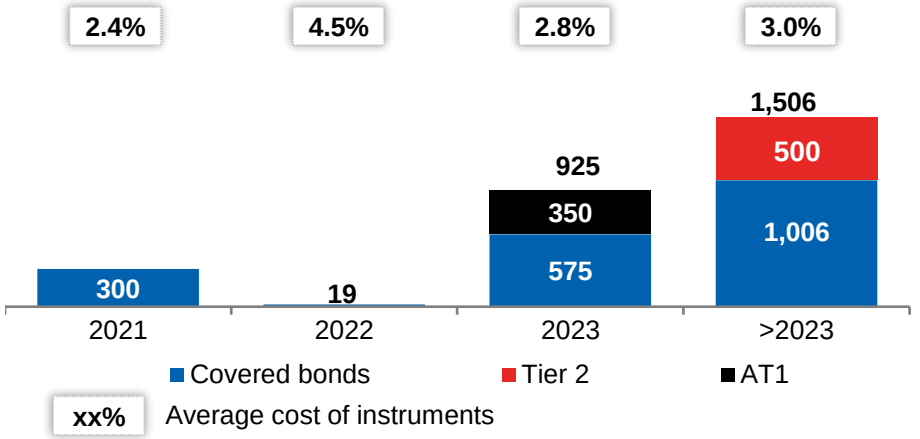
Gross external funding

% - 1Q2021



Maturity profile

€m – 1Q2021



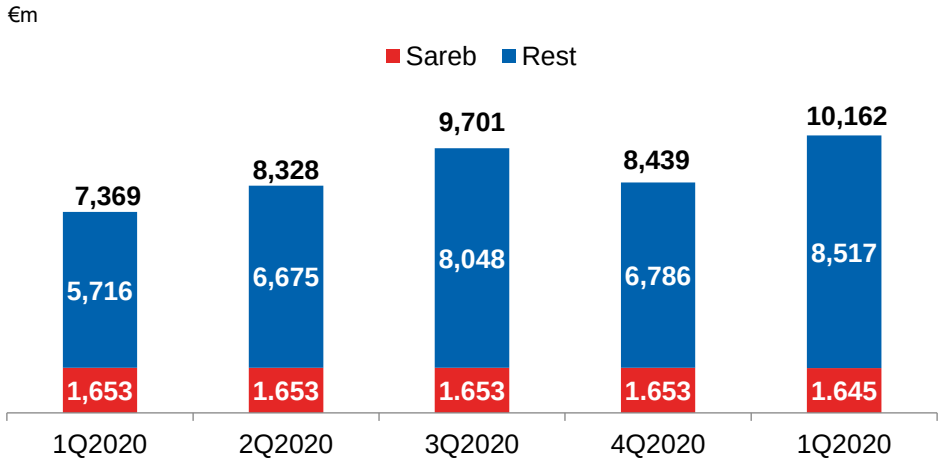
Ibercaja has a sound liquidity position and shows a strong funding profile.

- 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).

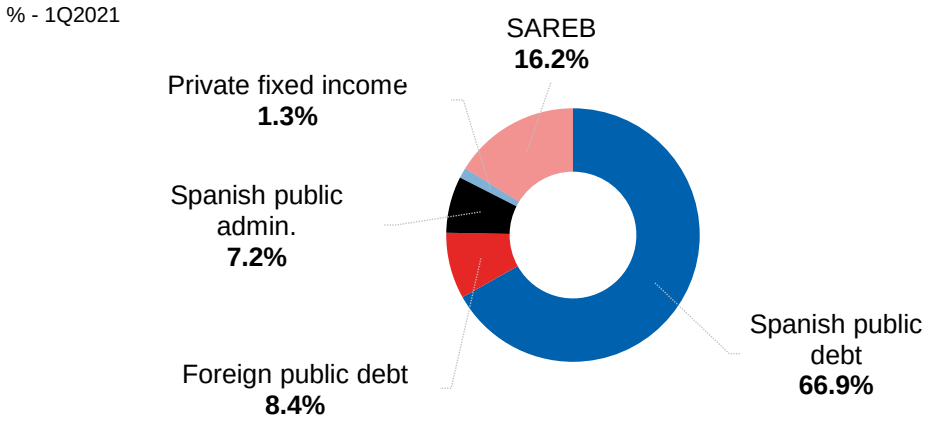
In 1Q2021 Ibercaja has increased its LTRO financing by €559m to €5,959m.

ALCO PORTOFOLIO

ALCO portfolio



ALCO portfolio breakdown



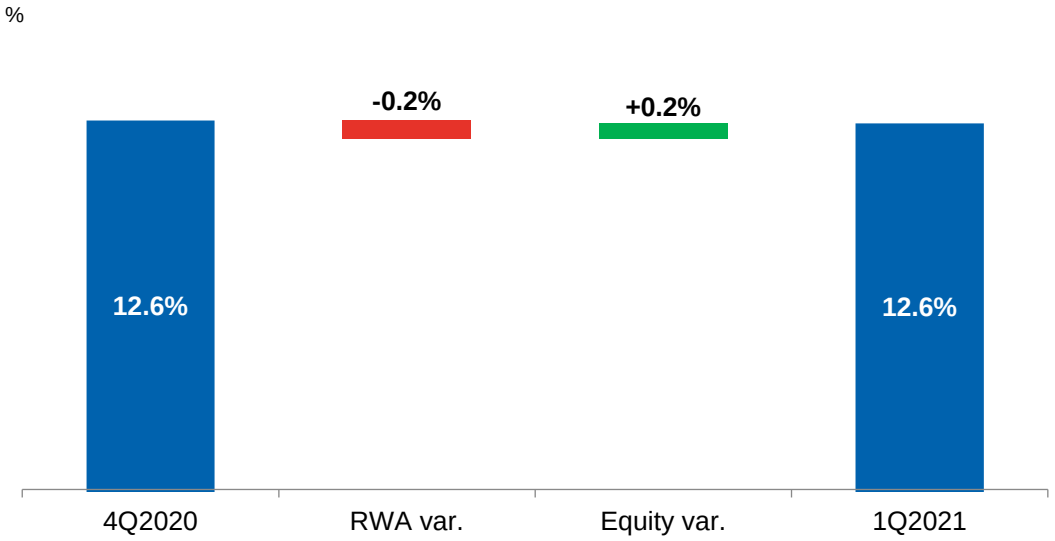
Ibercaja has increased its ALCO portfolio[1] by 20.4% QoQ.

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

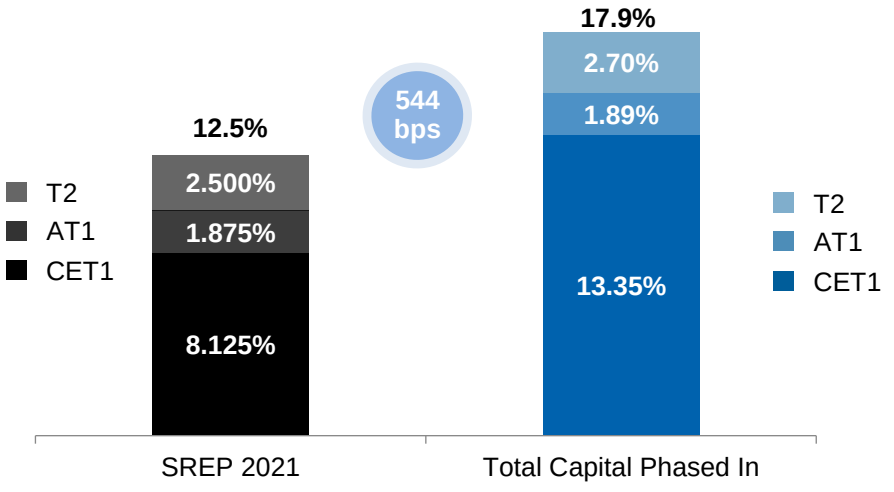
[1] Excludes insurance activity portfolio
[2] Includes interest rate swaps

SOLVENCY

CET1 Fully Loaded



SREP requirement vs. Total Capital ratio



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.**

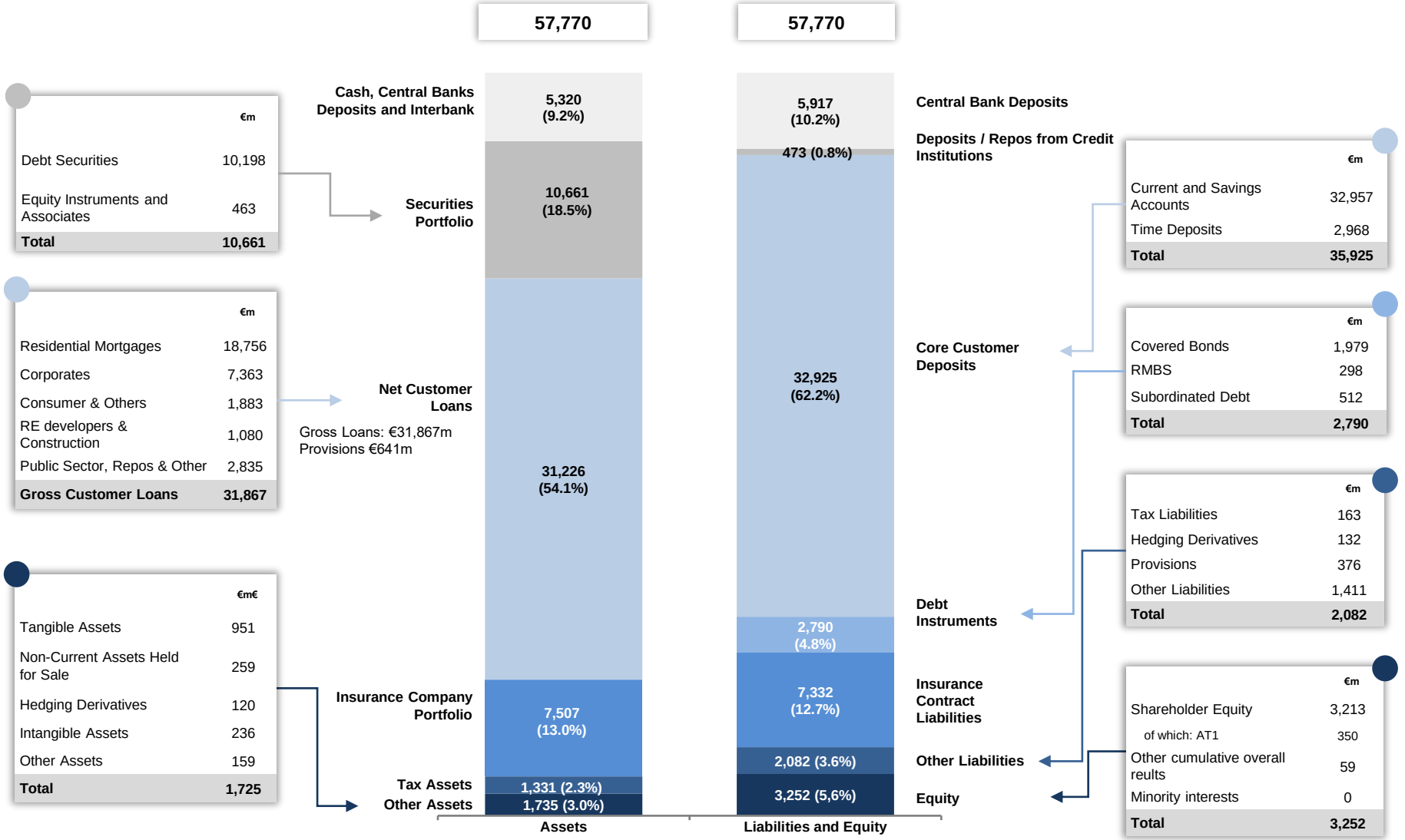
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ANNEX

ANNEX

CONSOLIDATED BALANCE SHEET

€m – 31/03/2021



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 income
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



THANK YOU

EL BANCO DEL vamos

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