

1H 2021 RESULTS**IBERCAJA EARNs A PROFIT OF 94.1 MILLION EUROS, 121% MORE THAN IN THE SAME PERIOD OF THE PREVIOUS YEAR**

- **The strong commercial dynamism of the first half of the year has led to a 2.8% increase in customer funds, to a historical high of 67,248 million euros**
- **Assets under management and life insurance have gone up by 8.8% between January and June (+2,586 million euros) and continue increasing its weight over the total funds (47.3%), the sector's best diversification results**
- **The balance of mutual funds grew by 1,981 million euros in the first half of 2021 (+13.0%) to 17,229 million euros, due to the strength of the extraordinary performance of net customer inflows amounting to 1,416 million euros (2.8 times year on year) and the positive performance of financial markets**
- **Performing loans to companies grow 372 million euros, a 5% increase year to date and Ibercaja increases its market share in this segment by 9 basis points**
- **Since the start of the pandemic, Ibercaja has formalised 2,062 million euros in corporate loans associated with ICO facilities (partially guaranteed by the state), 81% of which were granted to self-employed workers and SMEs. In the first half of 2021, these loans amounted to 232 million euros**
- **The number of digital customers has gone up by 7.7% when compared to June 2020, to over 865,000. The mobile banking app (Ibercaja app) and the payment app (Ibercaja Pay) have gained the most users in the last year, 23.1% and 98.3% respectively**
- **Provisions in the first six months of the year amounted to 55.8 million euros, 50.9% year on year decrease (113.5 million euros in the first half of 2020).**
- **The bank is maintaining the strength of its balance sheet, with a CET1 fully-loaded capital ratio of 12.7%, 14 basis points up from the end of 2020**
- **The non-performing loan ratio declined 37 basis points to 2.8% at the end of June, 171 basis points below the sector average, with a coverage ratio of non-performing assets of 64.2%, 204 basis points higher than in December 2020**
- **Ibercaja celebrated its 145th anniversary in May and keeps its strong commitment to remaining an independent, competitive bank that is useful to its customers, the regions and society as a whole; objectives that are included in its new Desafío 2023 Strategic Plan**

Zaragoza, 30 July 2021. The strong commercial dynamism shown by Ibercaja in the first half of the year has led to a 2.8% increase in its customer funds (1,837 million euros) to a historical high of 67,248 million euros. Additionally, the bank's diversification strategy in recent years as regards its handling of assets under management and life insurance products has led to this item representing 47.3% of total customer funds at the end of June.

Against a backdrop of economic recovery, albeit still strongly influenced by the pandemic and persistent low interest rates, the bank has registered 94.1 million euros in net profit in the first half of 2021 (121% year on year).

Ibercaja has maintained the financial soundness of its balance sheet, with CET1 a fully-loaded capital ratio of 12.7%, a strong liquidity position, 13,853 million euros, and coverage ratio of non-performing assets of 64.2%.

The bank celebrated its 145th anniversary in May and keeps its strong commitment to remaining an independent, competitive bank that is useful for its customers, the regions and society as a whole; objectives that are included in its new Desafío 2023 Strategic Plan

Mutual funds inflows and loans to companies – drivers of activity

Ibercaja's performance in the first half of the year reflects its efforts to grow in personal and private banking, insurance and corporate banking segments as set forth in the Desafío 2023 Plan (its three-year strategic roadmap).

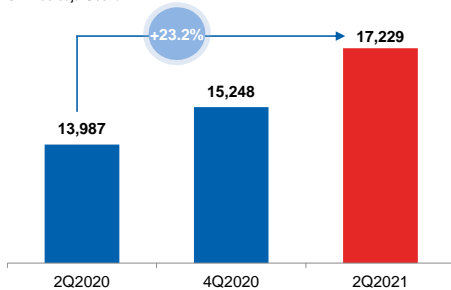
The 2.8% increase in customer funds in the first half of 2021 (1,837 million euros) is explained by the excellent performance of its assets under management and insurance products. This item has amounted to 2,586 million euros (+8.8%) since 31 December 2020, to 31,831 million euros. And it represents 47.3% of the bank's customer funds. Ibercaja has the highest relative weight of asset management and life insurance as a proportion of total customer funds of any financial institution in the Spanish banking sector.

In particular, Ibercaja's mutual funds continue on its excellent growth path. The volume assets under management amounted to 17,229 million euros, 1.981 million euros more than at the end of 2020 (+13%) and 3.242 million euros more than at the end of June last year (+23.2%). Net contributions in the period amounted to 1.416 million euros, up 2.8 times year on year. Ibercaja is the fourth banking group in Spain in terms of investment fund contributions between January and June. Its market share has grown in the last eleven consecutive quarters, to 5.75% at the end of June (+39 basis points in the last 12 months).

In line with its commitment to sustainability, Ibercaja keeps expanding the number of investment funds and pension plans that follow an ESG-based investment strategy. At the end of June, the volume of managed sustainable investment funds and pension plans amounted to 1,613 million euros, up by 81% on the end of 2020.

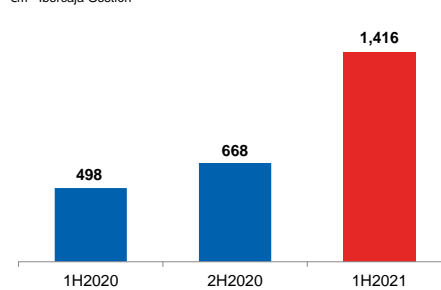
Stock of mutual funds

€m - Ibercaja Gestión



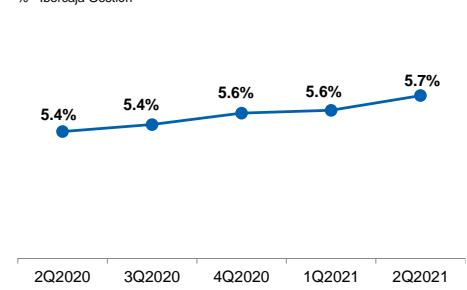
Net new money inflows

€m - Ibercaja Gestión



Mutual funds market share

% - Ibercaja Gestión

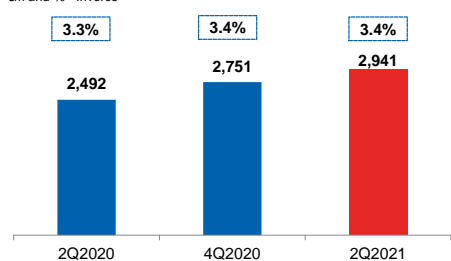


Pension plans also showed robust performance in the period under review. Individual pension plans increased by 6.9% since the end of 2020 (190 million euros) in the balance under management to 2,941 million euros and increased their market share by 6 b.p. to 3.4%. The volume of employment plans increased by 199 million euros compared to 31 December (+4.7%), which also led it to increase its share in the sector by 12 b.p. to 12.1%.

New life and non-life risk insurance premiums also registered a substantial increase of 63.2% year on year, following the bank's decision to grow this line of product as laid down in its new strategic plan. New life-risk insurance premiums have gone up by 106.2% year on year, while new non-life insurance premiums have risen by 57.4%.

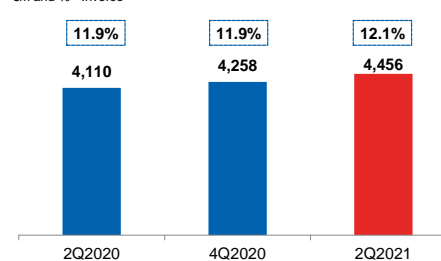
Individual pension plans

€m and % - Inverco



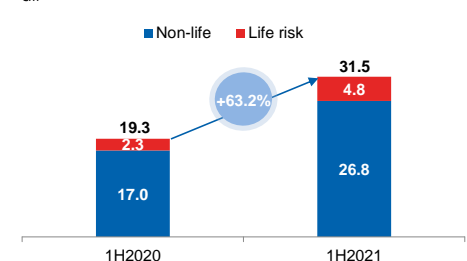
Employment pension plans

€m and % - Inverco



New production of risk insurance premiums

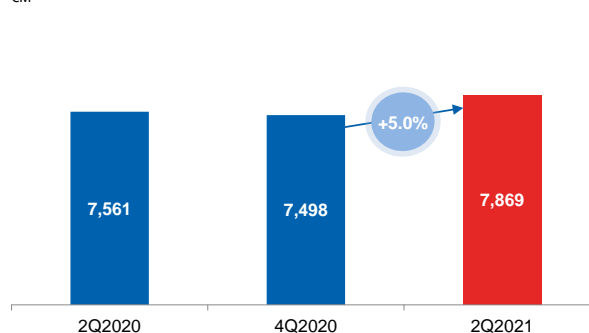
€m



Performing loans to companies grow 372 million euros, a 5% increase year to date and Ibercaja increases its market share in this segment by 9 basis points.

Performing loans to companies

€M



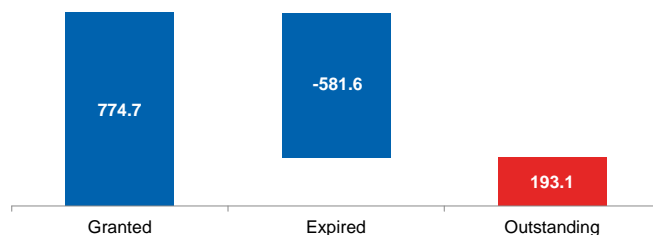
Against a backdrop of economic reactivation in the first half of the year, Ibercaja's new Corporate Banking area is fostering business with this customer segment. This year, the bank will primarily focus on supporting its customers to facilitate access to funds from the NextGenerationEU plan and to advise them on how to identify opportunities and apply for aid. In June, Ibercaja joined Mazars and Silo, expert European fund management companies, to provide a tailored service under special terms and conditions for its customers.

The number of new deals associated with the ICO COVID facilities has gone down, amounting to 232 million euros in the first half of the year, and reflecting a reduction in the need for this type of financing. Since the beginning of the crisis, the bank has granted 2,062 million euros of this type of loan with a partial guarantee from the state through the ICO. Of the financed amount, 81% went to self-employed workers and small- and medium-sized enterprises.

In addition, the balance of outstanding moratoriums on loans to individuals granted to alleviate the situation of the most vulnerable customers since the beginning of the pandemic decreased by 75% to 193.1 million euros at the end of June.

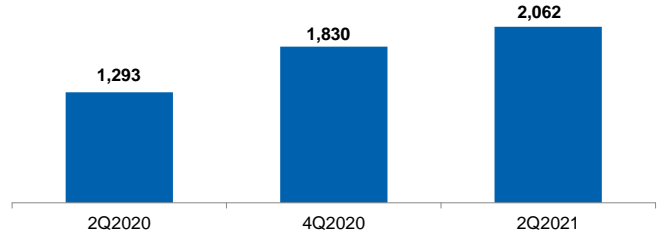
Moratoria granted vs outstanding as of 1H2021

€m - June 2021



Accumulated evolution of ICO lending

€m



More digital customers and innovative project in the first financial sandbox

Ibercaja's digitalisation maintains a steady course with more than 865,000 digital customers, 7.7% more than on 30 June 2020, thanks to an increase in the number of mobile *app* users (+23.1%) and *Ibercaja Pay* users (+98.3%). In addition, 56.4% of customers used the bank's digital assets in the last quarter and 74.7% of transactions were carried out through digital banking.

As a highlight in the first half of 2021, it is worth mentioning that that the "Pension by Consumption" project designed by Ibercaja and the fintech Pensumo was one of the 18 projects selected in the first call for applications of the sandbox developed by the Spanish Ministry of Economic Affairs and Digital Transformation. A sandbox aimed at promoting innovation and disruption in the financial system. This initiative is further proof of Ibercaja's commitment to offering its customers innovative solutions to generate future savings, and another step forward in its relationship with customers through remote channels.

Euribor, at historical lows, impacts the retail margin

Net interest margin stood at 246.1 million euros, 8.2% lower than in the same period in 2020, once again affected by the impact of negative interest rates in the performance of the loan portfolio.

Net fee income amounted to 202.9 million euros in the first half of the year, representing a year-on-year increase of 11.5% or 20.9 million euros. Non-banking commissions rose by 25.9% year on year or 27.9 million euros, mainly due to the positive performance of the assets under management and risk insurance in the last 12 months.

On aggregate, recurring revenues, as the sum of both items (net interest margin and net fee income), remain stable at 449 million euros (-0.2% year on year), in line with the bank's target for 2021.

Trading income contributed 35.6 million euros between January and June 2021.

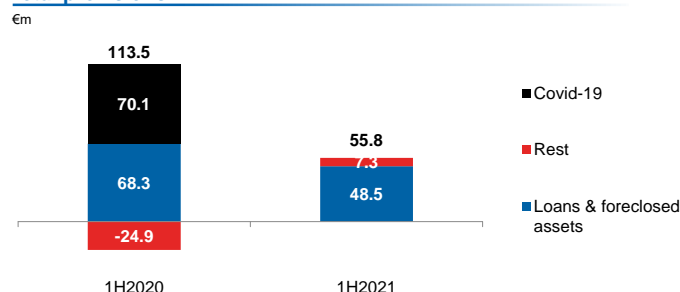
Total expenses went up by 4.4% year on year. In the coming months, cost reductions will become apparent when employees leave under the workforce adjustment plan (ERE). This restructuring, which has been agreed with a majority of employee representatives, will also contribute to the adaptation of the retail model to current consumer habits and, at the same time, improve the bank's productivity and profitability levels. In June, the business volume per employee went up by 6.9% year on year to 18.4 million euros (up from 17.3 million euros at the end of June 2020).

The profit before provisions increased by 6.7% year on year (+12.1 million euros) owing to the 5.3% growth in the gross margin in the period.

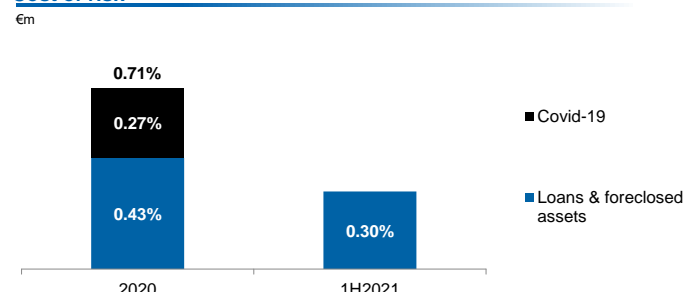
Provisions in the quarter amounted to 55.8 million euros, 50.9% less than in the first half of 2020, when an extraordinary provision of 70.1 million euros was made to cover the possible adverse effects of the pandemic crisis. Provisions for loans and foreclosed assets have gone down by 19.8 million euros, 29% less year on year.

Lastly, Ibercaja generated a net profit of 94.1 million euros in the first half of 2021, 121% more than in the same period of the previous year.

Total provisions



Cost of risk



Ibercaja maintains its financial strength and its asset quality is over the system's average

The bank is maintaining the financial strength of its balance sheet, with a fully-loaded CET1 capital ratio of 12.7%, 14 basis points up from the end of 2020.

In *Phased In* terms, the CET1 capital is 13.5%, while the Total Capital ratio is 18.1%. The excess capital in terms of 2021 SREP requirements stands at 563 basis points.

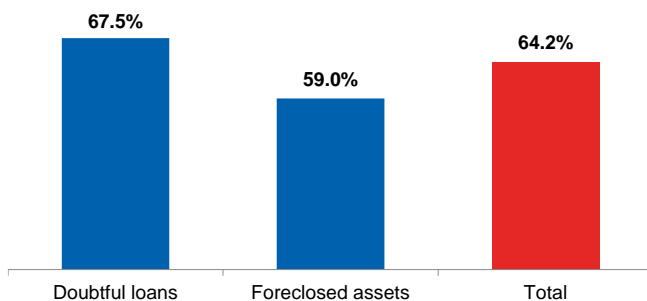
Ibercaja maintains its strong liquidity position, with LCR and NSFR ratios of 455.2% and 147.5% respectively. The loan-to-deposit ratio has gone up to 82.9% (from 81.1% at 31 December 2020) as a result of a reduction in deposits.

The bank continued to effectively manage irregular investments, reducing non-performing assets (doubtful loans + foreclosed assets) by 156 million euros, 9.6% from January to June. The bank's NPL rate continued to fall to 2.8%, 37 b.p. lower than at the end of the year, widening its positive difference to the sector's average to 171 b.p., according to the latest information available at the end of May.

Net non-performing assets dropped by 89.3 million euros in the first half of the year, 14.5% since the end of the year and 35.7% year on year. The bank has increased the coverage ratio of toxic assets by 204 percentage points in the first half to 64.2%.

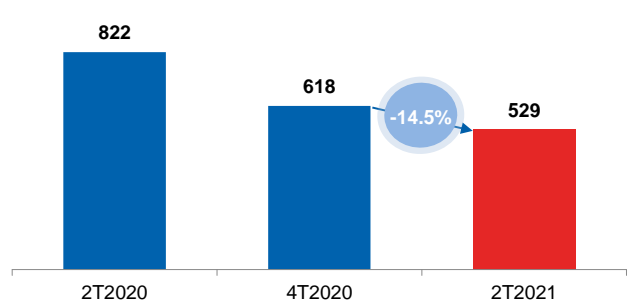
Coverage ratio

% - 2Q2021



Net NPAs

€m



New sustainable products in the first half

Following from its commitment to sustainable development and value creation through its operations and in line with the principles set forth in its Sustainability Policy, in the first half of the year, Ibercaja has accelerated its launch of sustainable finance products and services. Examples include loans to for improving the energy efficiency of homes and buildings, loans to transform the business sector, loans for sustainable investments, leasing for sustainable harvests and loans for renewable energies.

Ibercaja is also marketing sustainable investment funds and pension plans under the financial group's portfolio. Its offerings already include four investment funds and three pension plans that apply ESG criteria. Also, in June, the bank donated 460,000 euros to five charity projects set up by not-for-profit entities and associations, funds representing part of the management fees paid by the unitholders of the Sostenible and Solidario investment fund and pension plan. Subscribers to these products were

able to vote for their preferred choice of charity, by taking part in an initiative by the bank to inform them of the supported causes, and to make prospects and society as a whole aware of the differentiating alternative offered by these investment products.

In these first six months, the bank became one of the founding members of the Net Zero Banking (NZBA) alliance, led by the banking sector, sponsored by the UN and co-launched by the UNEP Finance Initiative and the Financial Services Task Force of the Sustainable Markets Initiative, set up to lead the transition to a low-carbon global economy.

1H2021 Main Figures

P&L Account

€mm	1H2020	1H2021	YoY
Net Interest Income	268,1	246,1	-8,2%
Net Fee Income	182,0	202,9	11,5%
Recurring revenues	450,16	449,04	-0,2%
Trading income & exchange differences	2,1	35,6	n/a
Other Operating Income (net)	9,8	2,0	-79,9%
Gross Operating Income	462,1	486,6	5,3%
Operating Costs	-282,2	-294,6	4,4%
Pre-Provision Profit	179,8	192,0	6,7%
Total Provisions	-113,5	-55,8	-50,9%
of which Covid-19 provisions	-70,1		
Other Gains and Losses	-1,4	-1,4	-0,4%
Profit before Taxes	64,9	134,8	107,6%
Taxes & Minorities	-22,3	-40,7	82,4%
Net income	42,6	94,1	120,8%

Commercial Activity & Balance Sheet

€mm	4Q2020	2Q2021	YTD
Customer Funds	65.411	67.248	2,8%
of which "Core" deposits	36.165	35.416	-2,1%
of which Asset Management & Life Insurance	29.246	31.831	8,8%
Gross Lending	31.590	31.571	-0,1%
of which performing loans ex REPO	28.956	29.060	0,4%
of which doubtful loans	1.013	896	-11,6%
Total Assets	58.401	58.121	-0,5%