

EL BANCO
DEL
Vanessa

IBERCAJA BANCO

1H2021 Results

30th July 2021

DISCLAIMER

Data, estimates, valuations and forecasts, as well as the rest of the contents of this presentation are published for information purposes only. Neither Ibercaja Banco nor any of its directors, managers or employees are obliged, neither implicitly nor expressly, to guarantee that these contents are exact, accurate or complete, to update them or to correct them if they detect any error or omission.

The purpose of this presentation is not to provide financial advice or offer any kind of financial product or service. Ibercaja Banco is not and will not be responsible if any part of this presentation is considered to form the basis of an investment decision. Ibercaja Banco notes that this presentation may contain forward looking statements. It should be considered that such forward-looking statements do not guarantee any future results and are only subjective opinions of Ibercaja Banco in relation to the evolution of its business and as such there may be different criteria, risks, uncertainties and many other relevant factors that may cause it to evolve very differently. In any event, data relating to past performance or profits cannot be relied upon for future performance or profits.

This document has not been submitted to the Spanish Securities Market Commission (Comisión Nacional del Mercado de Valores) for its approval or registration. In any case, it is subject to Spanish law applicable as at the date hereof and is not addressed to any natural or legal person in any other jurisdiction. For this reason, it may not comply with legal requirements of other jurisdictions.

Without prejudice to applicable legal requirements or any other limitations imposed by Ibercaja Banco, it is expressly prohibited any use of this presentation and the distinctive signs or symbols contained therein, including any sort of copy, distribution, transfer to third parties, public communication or transformation, through any mean or medium whatsoever, without prior and express authorization of the respective owners. Breach of this prohibition may constitute an infringement of current laws and may be sanctioned.

In addition to the financial information prepared under International Financial Reporting Standards (“IFRS”), this presentation contains certain alternative performance measures (“APMs”) as defined in the Guidelines on Alternative Performance Measures issued by the European Securities and Markets Authority on 5 October 2015 (ESMA/2015/1415). The APMs are performance measures that have been calculated using the financial information from the Ibercaja Banco Group but that are not defined or detailed in the applicable financial information framework and therefore have neither been audited nor are capable of being completely audited. These APMs are being used to allow for a better understanding of the financial performance of the Ibercaja Banco Group but should be considered only as additional information and in no case as a replacement of the financial information prepared under IFRS. Moreover, the way the Ibercaja Banco Group defines and calculates these APMs may differ to the way these are calculated by other companies that use similar measures, and therefore they may not be comparable.

TABLE OF CONTENTS

1. KEY HIGHLIGHTS	4
2. COMMERCIAL ACTIVITY	6
3. RESULTS	14
4. ASSET QUALITY, LIQUIDITY AND SOLVENCY	20
5. ANNEX	26



KEY HIGHLIGHTS

KEY HIGHLIGHTS

STRONG COMMERCIAL DYNAMISM YEAR TO DATE

+2.8%

Customer funds increase by 2.8% YTD.

+13.0%

Stock of mutual funds increases by 13.0%.

+5.0%

Performing gross loans ex repos to companies increase by 5.0%.

IBERCAJA CONTINUES TO REINFORCE ITS BALANCE SHEET

-9.6%

NPAs decrease by 9.6% YTD.

171 bps

NPL ratio (2.8%) is 171 bps below the sector*.

12.7%

CET1 FL ratio improves 14 bps in the semester to 12.7%.

IBERCAJA DOUBLES ITS NET PROFIT

+6.7%

Pre-provision profit improves by 6.7% YoY.

-50.9%

Total provisions decline by 50.9% YoY.

94.1 €m

Net profit grows by 121% YoY and stands at €94.1m.

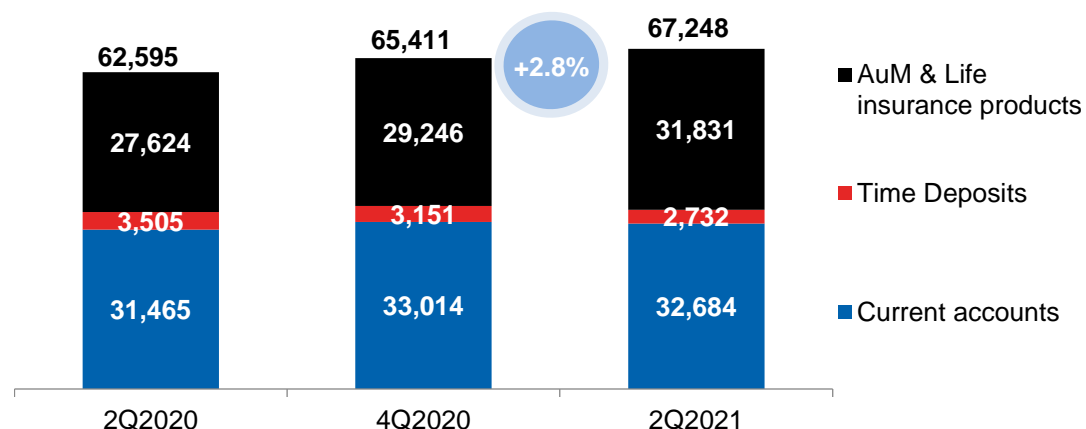


COMMERCIAL ACTIVITY

CUSTOMER FUNDS

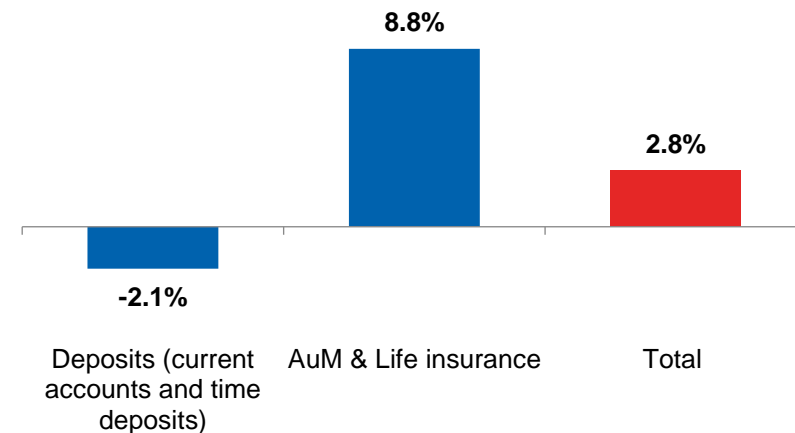
Customer funds

€m



Customer funds YTD evolution

%



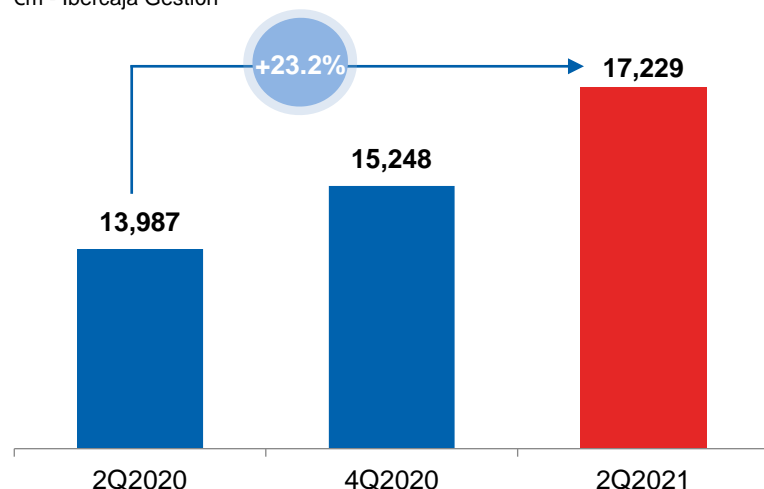
Customer funds increase by 2.8% or €1,837m vs. 4Q2020. YoY growth amounts to €4,653m or 7.4%.

- The **diversification of customer funds towards AuM and life insurance** leads to a reduction of **€749m** or **2.1% YoY** in customer deposits.
- **AuM and life insurance products** grew by **8.8%** or **€2,586m** in the first half of the year. AuM and life insurance products represent **47.3%** of total customer funds reaching all-time highs thanks to strong inflows and positive performance of financial markets.

MUTUAL FUNDS

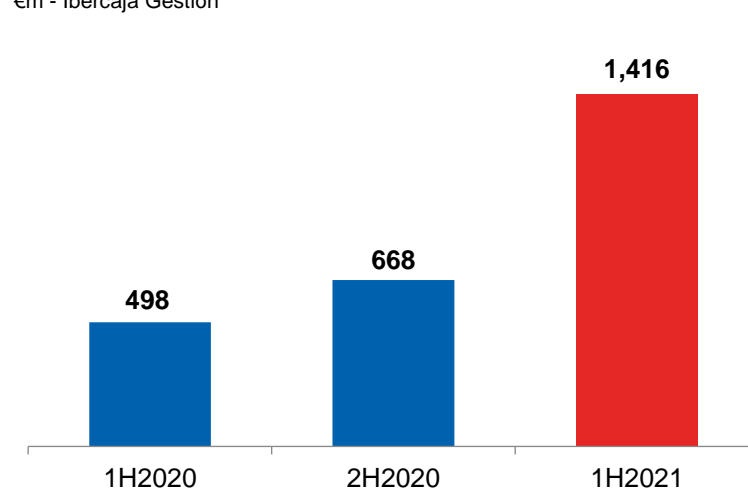
Stock of mutual funds

€m - Ibercaja Gestión



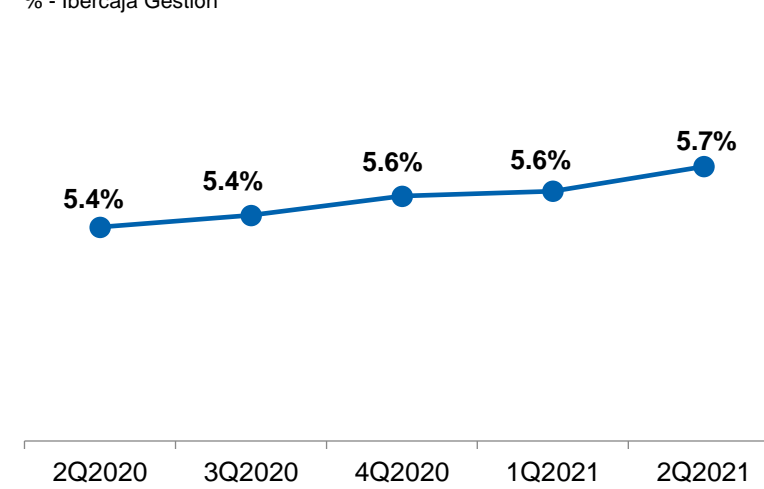
Net new money inflows

€m - Ibercaja Gestión



Mutual funds market share

% - Ibercaja Gestión



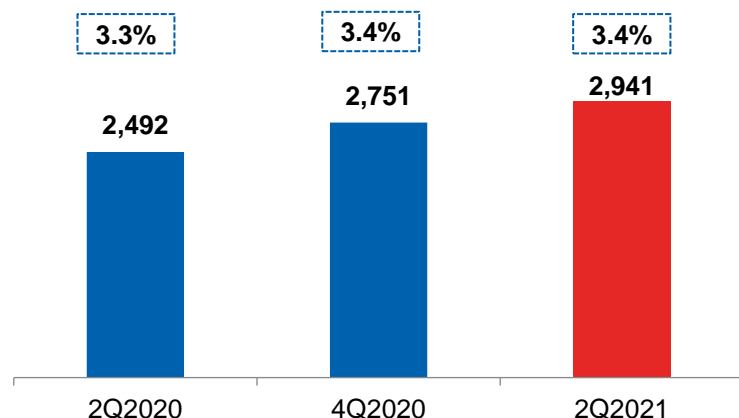
The stock of mutual funds grows €1,981m or 13.0% in the first half of the year and exceeds €17,220m. YoY, the growth amounts to €3,242m or +23.2%.

- Net new money inflows in the first half of the year amount to €1,416m (2.8x the volume recorded in 1H2020), representing 9.9% of mutual funds net inflows in Spain.
- Market share increases 19 bps in the year to 5.75% (+39 bps vs. 2Q2020).

PENSION PLANS AND RISK INSURANCE

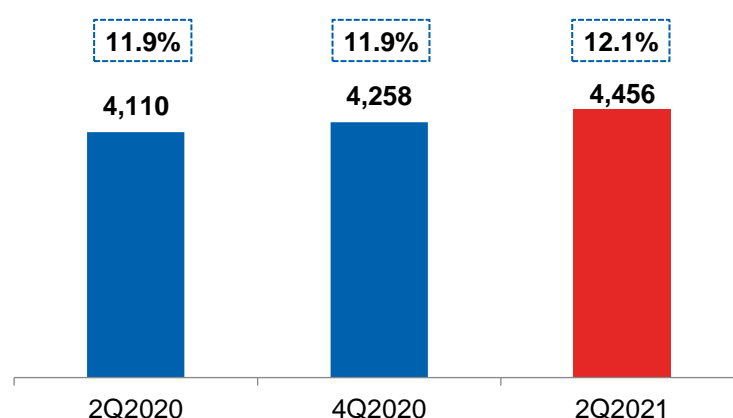
Individual pension plans

€m and % - Inverco



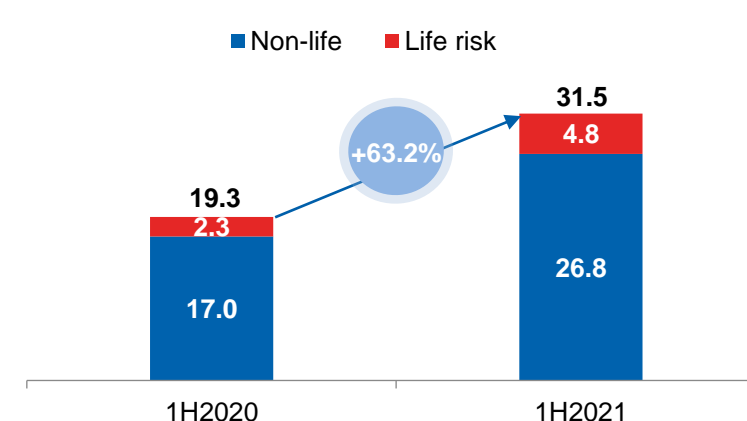
Employment pension plans

€m and % - Inverco



New production of risk insurance premiums

€m



Solid evolution in pension plans and new production of risk insurance premiums.

- Stock of **individual pension plans** grows by **6.9% vs. 4Q2020** or €190m, representing an increase of **6 bps** in Ibercaja's market share. In **employment pension plans**, Ibercaja grows by **4.7%** or €199m, increasing its market share by **12 bps**.
- **New production of risk insurance premiums** in the first half year increases by **63.2% YoY** (**57.4% in non-life** and **106.2% in life risk**).

CUSTOMER LOANS

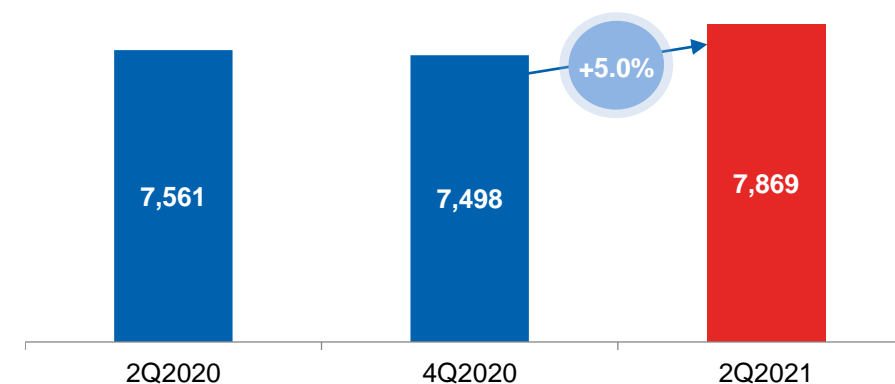
Customer Loans

€m

	2Q2020	4Q2020	2Q2021	YoY	YTD
Loans to individuals	20,710	20,383	19,932	-3.8%	-2.2%
Mortgages	18,659	18,615	18,206	-2.4%	-2.2%
Consumer and Others	2,051	1,768	1,726	-15.8%	-2.4%
Loans to companies	7,561	7,498	7,869	4.1%	5.0%
Non-Real Estate Companies	6,529	6,557	6,857	5.0%	4.6%
Real Estate Companies	1,032	941	1,012	-1.9%	7.6%
Public sector and Others	1,441	1,075	1,260	-12.6%	17.1%
Performing Gross Loans ex Repos	29,712	28,956	29,060	-2.2%	0.4%
Repos	1,617	1,621	1,615	-0.1%	-0.4%
Doubtful Loans	1,213	1,013	896	-26.1%	-11.6%
Total Gross Loans	32,541	31,590	31,571	-3.0%	-0.1%

Performing loans to companies

€M



Performing gross loans ex repos increase by 0.4% YTD.

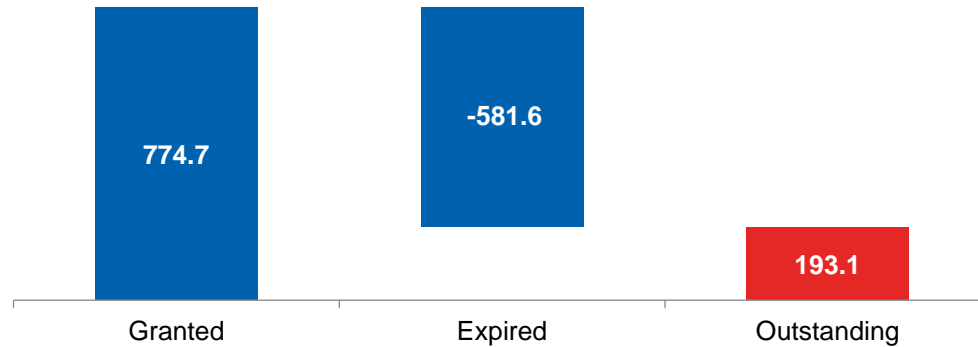
Loans to companies grow by 5.0% or €372m YTD.

- Ibercaja increases its market share in loans to companies by 9 bps* in the first half of the year..

MORATORIA AND ICO GUARANTEED LENDING

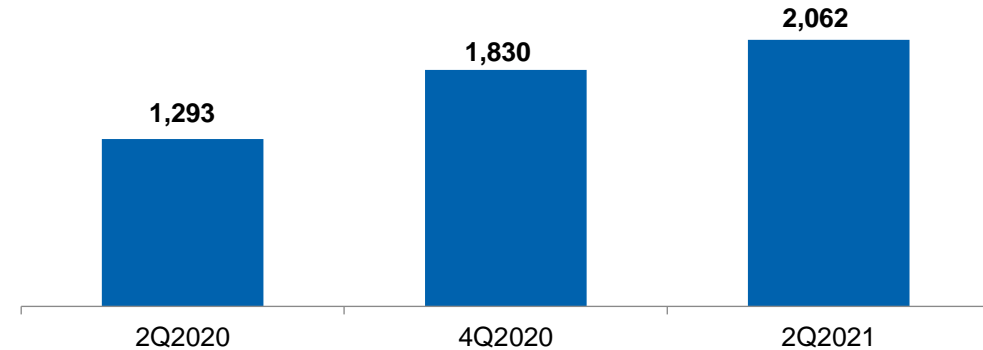
Moratoria granted vs outstanding as of 1H2021

€m - June 2021



Accumulated evolution of ICO lending

€m



Outstanding moratoria amounts to €193.1m and represents 0.6% of gross lending as of 1H2021.

- **Outstanding moratoria in mortgages** amounts to **€179.8m**, representing **0,9%** of mortgage lending.
- **75% of moratoria granted has expired** with no significant impact in asset quality: **only 3.6% of expired moratoria has been classified as doubtful.**

Ibercaja has granted €2,062m in loans with ICO guarantee.

- **81%** has been granted to **SMEs and self-employed.**
- **ICO financing drawn (€1,656m) remains stable in the quarter.**
- Only **37.3%** of the ICO granted has requested **term extension.**

DIGITALISATION

Ibercaja App and Ibercaja Pay users grow by 23.1% and 98.3% YoY, respectively.

The total number of **digital customers** grew by **7.7% YoY** to over **865,000**.

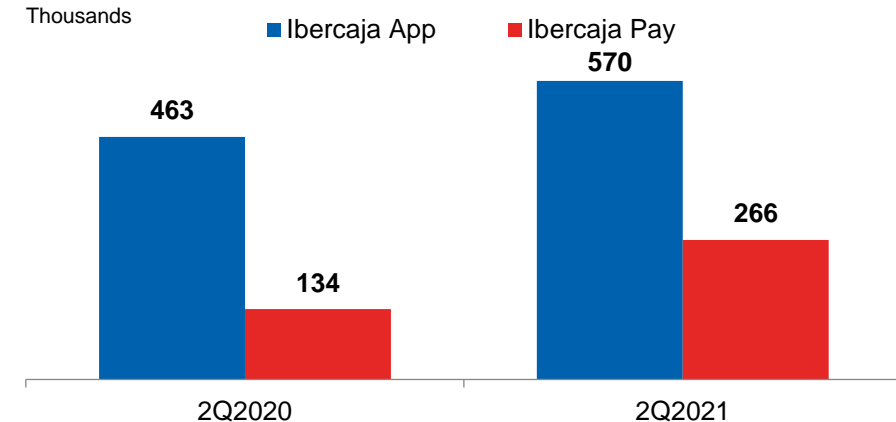
56.4% of clients used the Bank's digital assets in the last quarter.

Digital transactions represent 74.7% of total transactions.

The consumer pension project developed by Ibercaja and the fintech Pensumo (linking retirement savings with daily consumption) has been selected by Sandbox Financiero.

- This project is one of the 18 selected projects (out of a total of 67 initiatives submitted). **Only 4 projects are led by financial institutions.**
- The project is another step in **Ibercaja's commitment to promoting long-term savings** and consolidates Ibercaja's position as a **leading and innovative Entity** in the management of customer resources.

Ibercaja App & Ibercaja Pay users



Ibercaja & Pensumo



SUSTAINABILITY



Ibercaja is one of the founding entities of the Net Zero Banking Alliance, an initiative promoted by the United Nations that reflects the commitment of the financial sector to achieve net zero emissions from lending and investment portfolios by 2050.

During the semester Ibercaja has accelerated the launch of sustainable financing products and services:

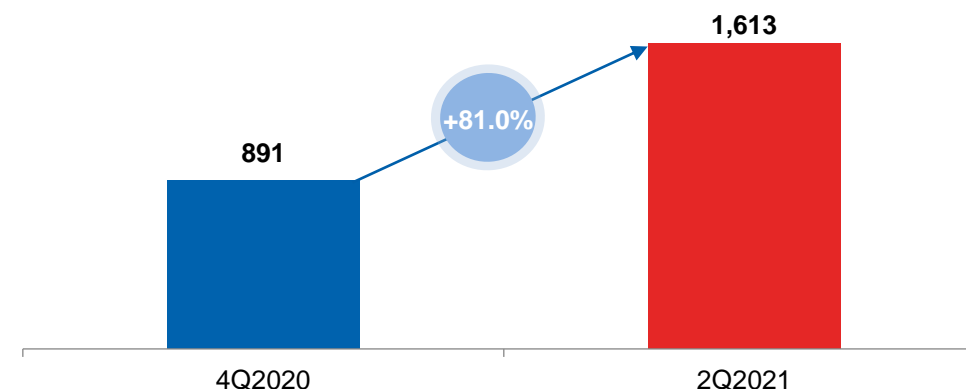
- **Loans to finance household energy efficiency:** Building +Sustainable and Housing +Sustainable...
- **Loans to finance the transformation of the business sector:** Investment + Sustainable Loans, Sustainable Crops Leasing, Renewable Energy Leasing...

Ibercaja continues to increase the weight of sustainable investment funds and pension plans within the Financial Group's product portfolio.

- The balance of **sustainable investment funds and pension plans** increases by **81%** in the first half of the year.

Sustainable Investment funds and pension plans

Thousands





RESULTS

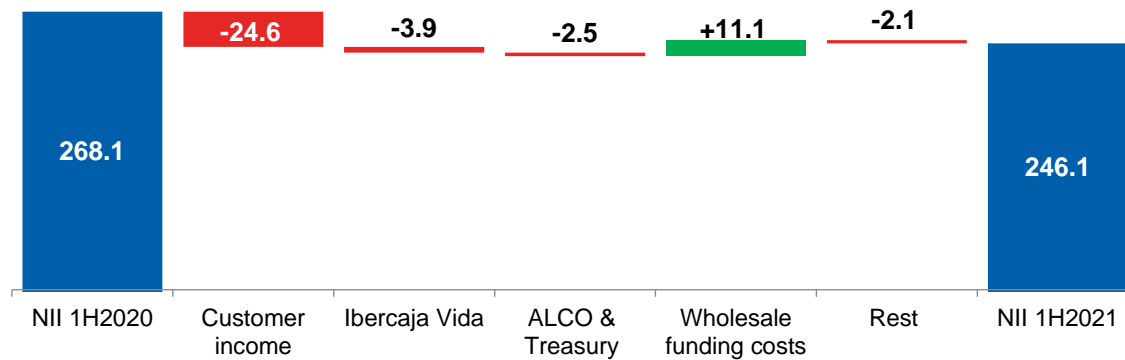
P&L

	€m		
	1H2020	1H2021	YoY.
Net Interest Income	268.1	246.1	-8.2%
Net Fee Income	182.0	202.9	11.5%
Recurring Revenues	450.2	449.0	-0.2%
Gains/Losses on Financial Assets and Liabilities	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	-70.1		
Other Gains and Losses	-1.4	-1.4	-0.4%
Profit before Taxes	64.9	134.8	107.6%
Taxes	-22.3	-40.7	82.4%
Net Income	42.6	94.1	120.8%

RECURRING REVENUES (1/2)

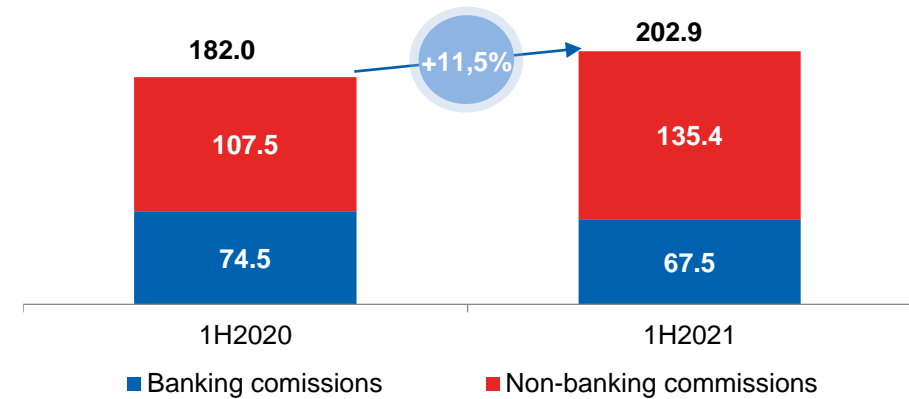
Net interest income breakdown

€m



Net fee income

€m



Net interest income drops by 8.2% or €22.0m YoY in the first half of the year. However, it increased by 0.6% QoQ.

- Repricing of the mortgage portfolio at Euribor historic lows has been completed in 1H2021.

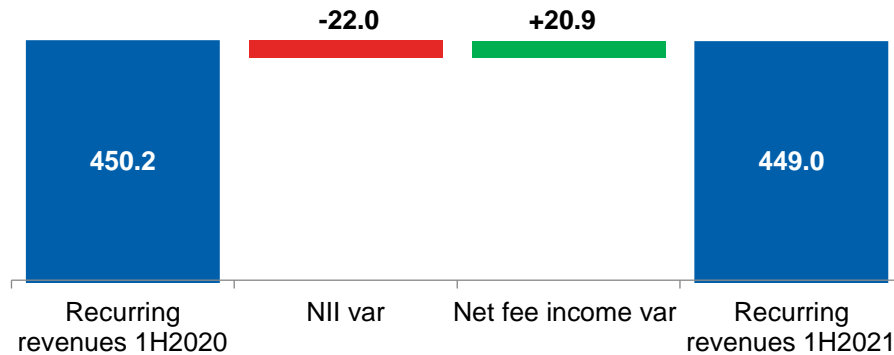
Net fee income increases by 11.5% YoY or €20.9m and by 7.3% QoQ.

- Non-banking commissions grow €27.9m or 25.9% YoY. In the second quarter, non-banking commissions exceed €70m (+7.3% QoQ and +36.3% YoY).

RECURRING REVENUES (2/2)

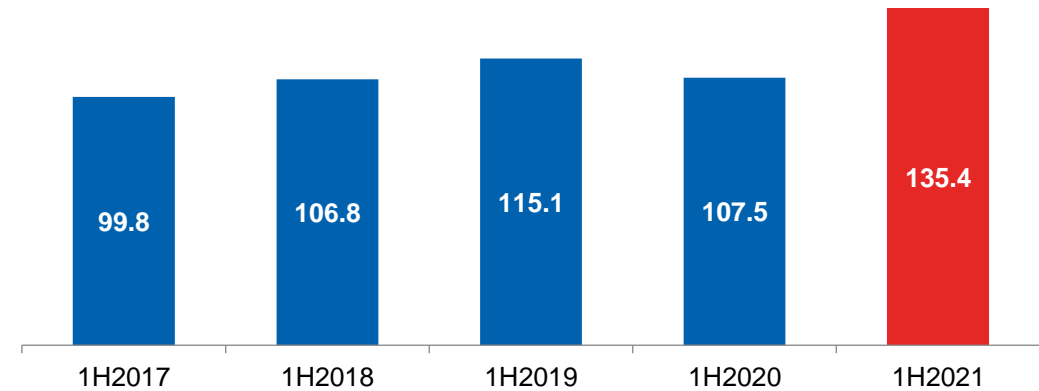
Recurring revenues variation

€m



Non-banking commissions evolution

€m



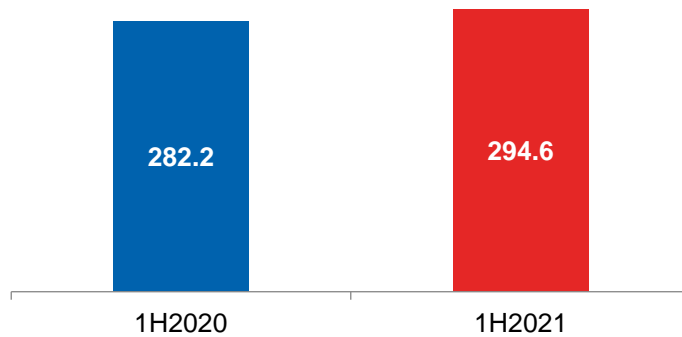
Recurring revenues remain-broadly stable YoY (-0.2%), in line with the target for the year.

Ibercaja Banco's differential positioning in asset management and bancassurance allows non-banking commissions to reach all-time highs in the half year and compensate for the fall in interest margin.

OPERATING COSTS AND PRE-PROVISION PROFIT

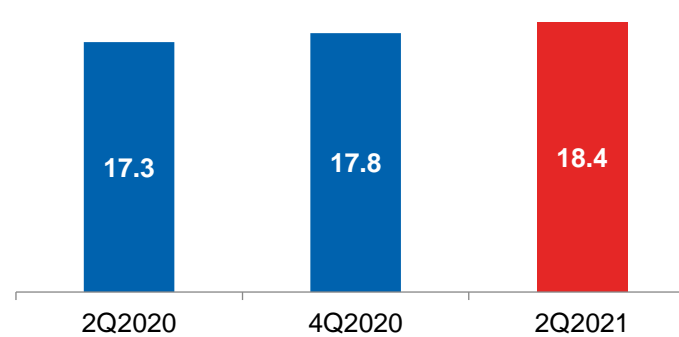
Operating costs

€m



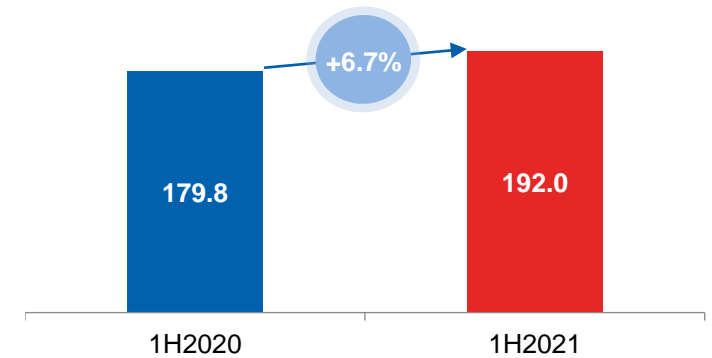
Business volume per employee

€m



Pre-provision profit

€m



Total operating costs increase by 4.4% YoY.

- As of July 1, **242 exits out of the 750 approved in the Redundancy Plan have taken place**, with personnel cost savings expected to materialise in the coming quarters. Total estimated cost of the plan was already booked in 2020.

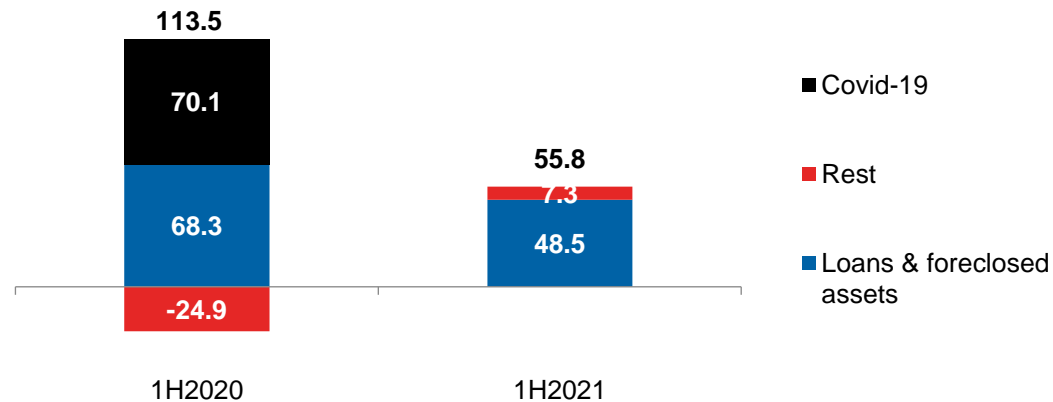
Business volume per employee grows by 6.9% YoY to €18.4m.

Pre-provision profit grows by 6.7% YoY or €12.1m due to the increase in gross margin (+5.3% YoY).

PROVISIONS

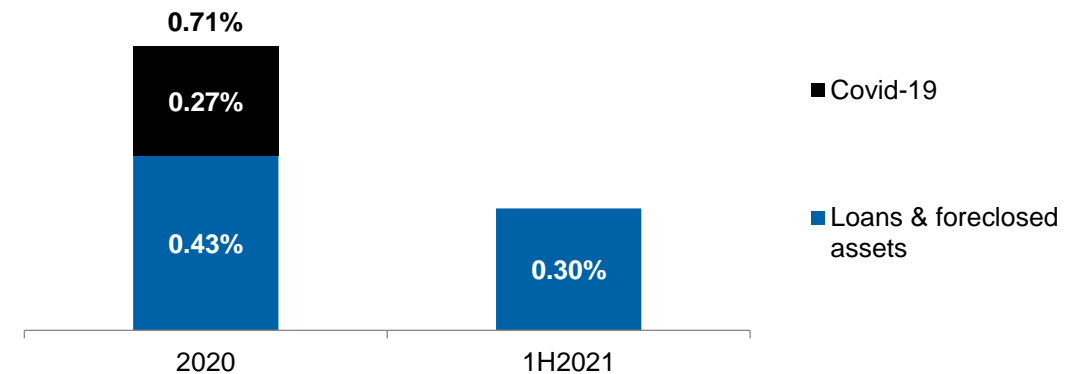
Total provisions

€m



Cost of risk

€m



Total provisions fall by 50.9% YoY or €57.7m.

Loans & foreclosed assets provisions (ex Covid provisions) decrease by 29.0% YoY or €19.8m.

- **Cost of risk** stands at **30 bps** in 1H2021 (vs. **71 bps** in 2020).
- Credit and real estate provisions amount to **€14.7m** in 2Q2021, **57% lower** than in 1Q2021.

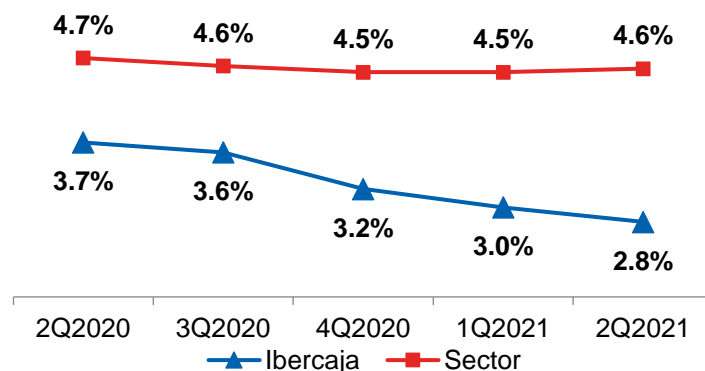
IV

ASSET QUALITY, LIQUIDITY AND SOLVENCY

ASSET QUALITY (1/2)

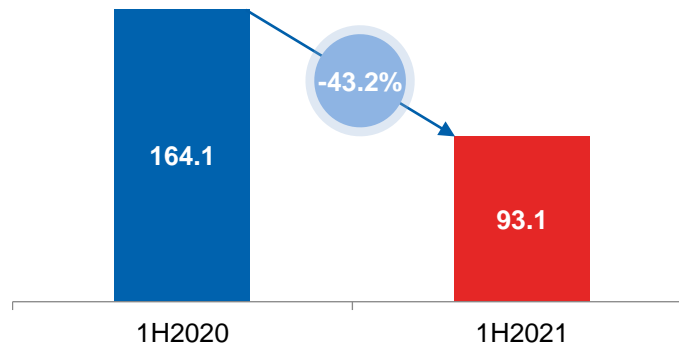
NPL ratio

% - Sector: credit institutions as of May 2021



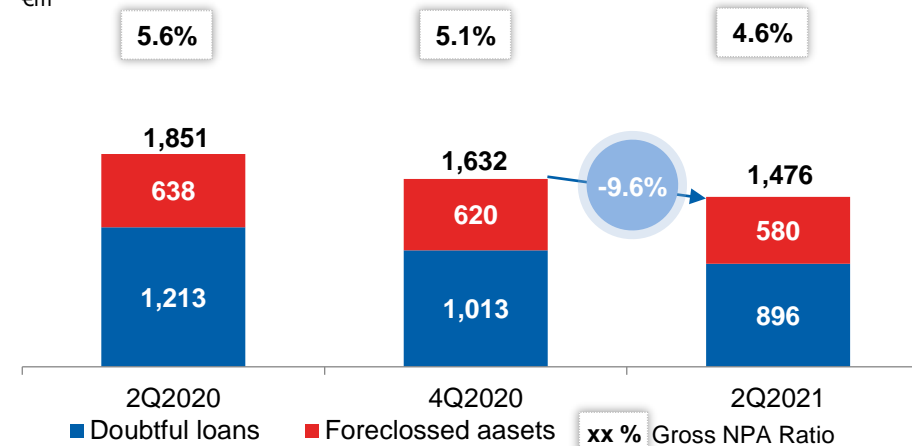
NPL entries

€m



Gross NPAs

€m



Doubtful loans decrease by 11.6% or €117m in 1H2021 (-26.1% and -€317m YoY), with Ibercaja clearly outperforming the sector :

- **NPL ratio** falls 37 bps to **2.8%** and **Ibercaja improves its positive gap vs. sector to 171 bps*** (vs. 130 bps in 4Q2020 and 94 bps in 2Q2020).
- **NPL entries in the semester drop by 43.2% YoY.**

Gross NPAs falls by 9.6% in 1H2021 or €156 million and NPA ratio drops by 48 bps to 4.6%. Since 2Q2020, NPAs have fallen €375m or 20.2%.

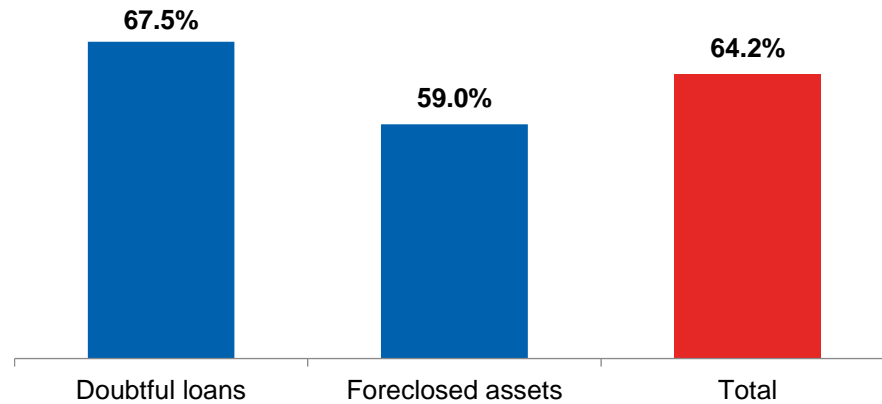
- **Sales of foreclosed assets** in 1H2021, (**€87.4m**), quadruple those recorded in 1H2020.

* NPL Ratio of the comparable to May 2021

ASSET QUALITY (2/2)

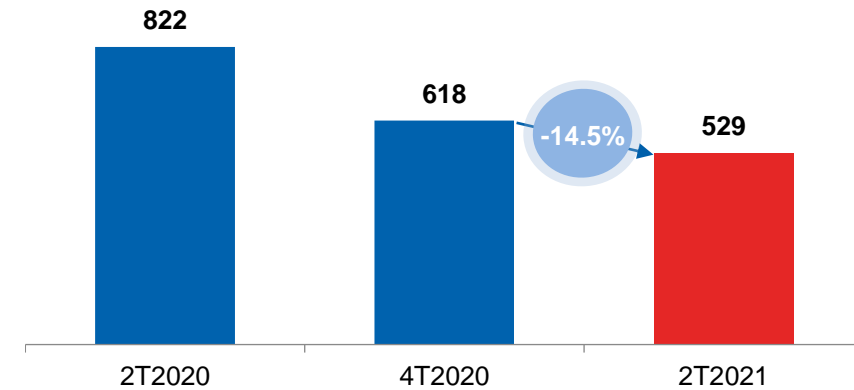
Coverage ratio

% - 2Q2021



Net NPAs

€m



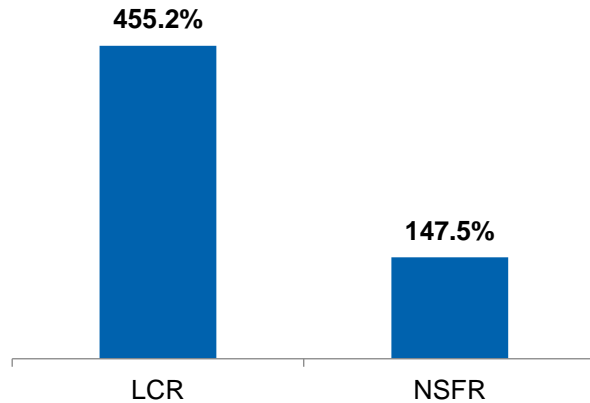
NPA coverage ratio stands at 64.2%, representing a 204 bps increase since 2020.

Net NPAs have fallen €89.3m or 14.5% in the first half of the year (-35.7% YoY).

LIQUIDITY AND FUNDING PROFILE

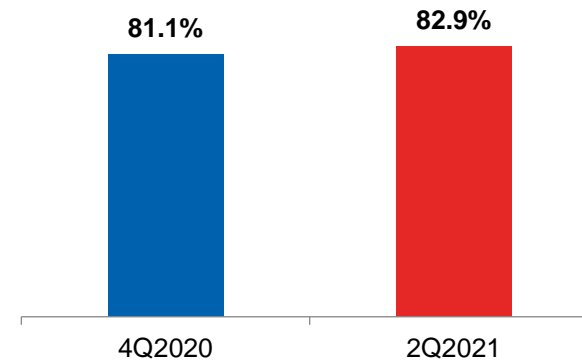
LCR and NSFR ratios

% - 2Q2021



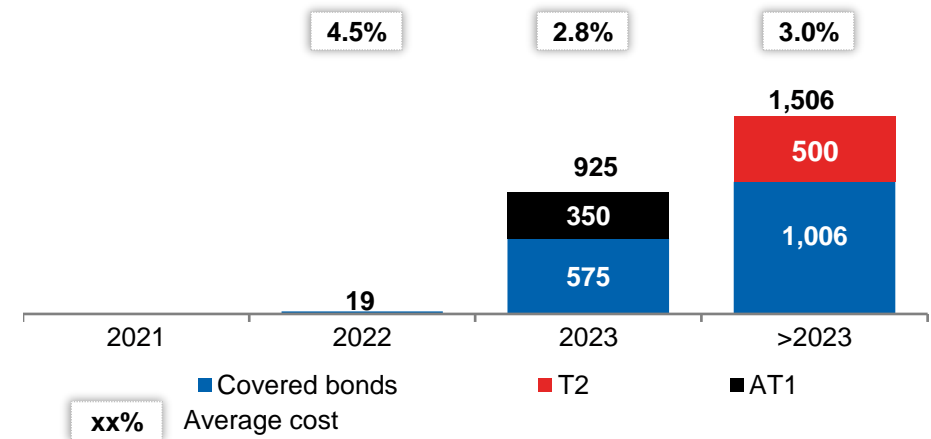
LTD ratio

%



Maturity profile

€m – 2Q2021

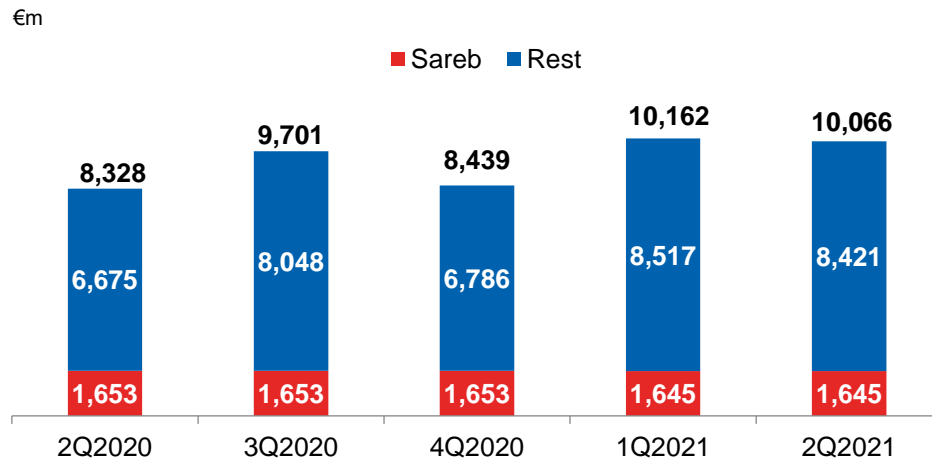


Ibercaja maintains a sound liquidity position and shows a strong funding profile.

- **LCR and NSFR** ratios stand at **455.2%** and **147.5%**, respectively.
- Drop in deposits leads to an **increase in the LTD ratio to 82.9%**.
- **No relevant maturities in the next 18 months.**

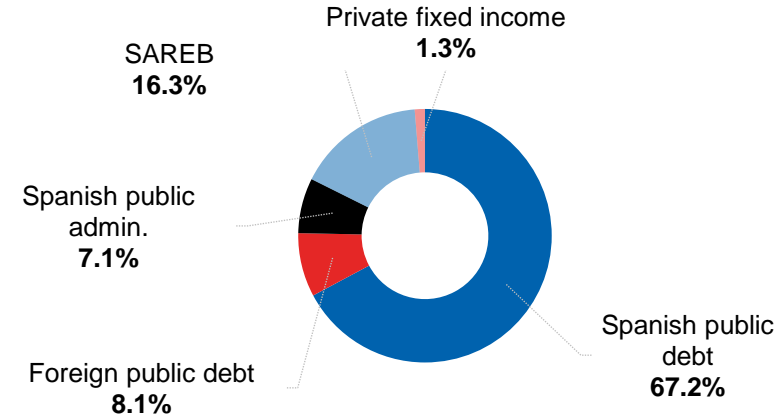
ALCO PORTFOLIO

ALCO portfolio



ALCO portfolio breakdown

% - 2Q2021



Ibercaja has maintained a stable ALCO¹ portfolio in the quarter (-0.9% vs. 1Q2021).

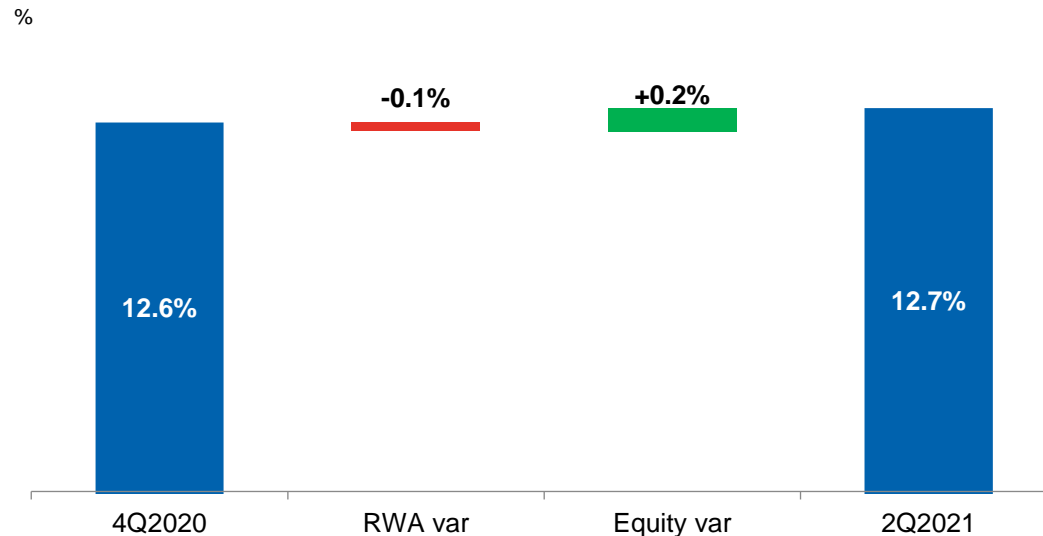
- The portfolio is mainly composed of Spanish sovereign debt.
- Average duration of 5.6 years².
- Average yield of 0.35% (0.42% ex SAREB).
- 95% of the portfolio is classified at amortised cost.

¹ Excludes insurance activity portfolio.

² Includes interest rate swaps.

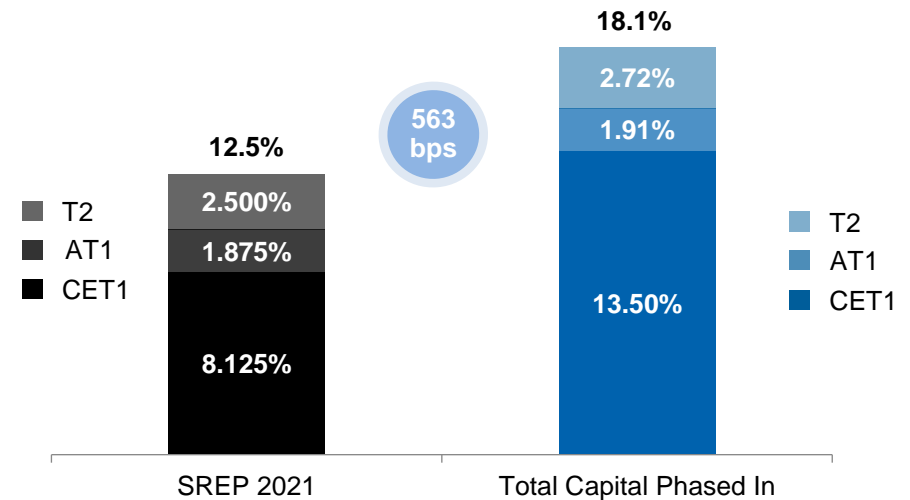
SOLVENCY

CET1 Fully Loaded



SREP Requirement 2021 vs. Total Capital ratio

% - 2Q2021



CET1 Fully Loaded ratio increased by 14 bps in 1H2021-to 12.7% and Total Fully Loaded Capital ratio reached 17.4%.

In Phased In terms, CET1 ratio stands at 13.5% and Total Capital ratio at 18.1%.

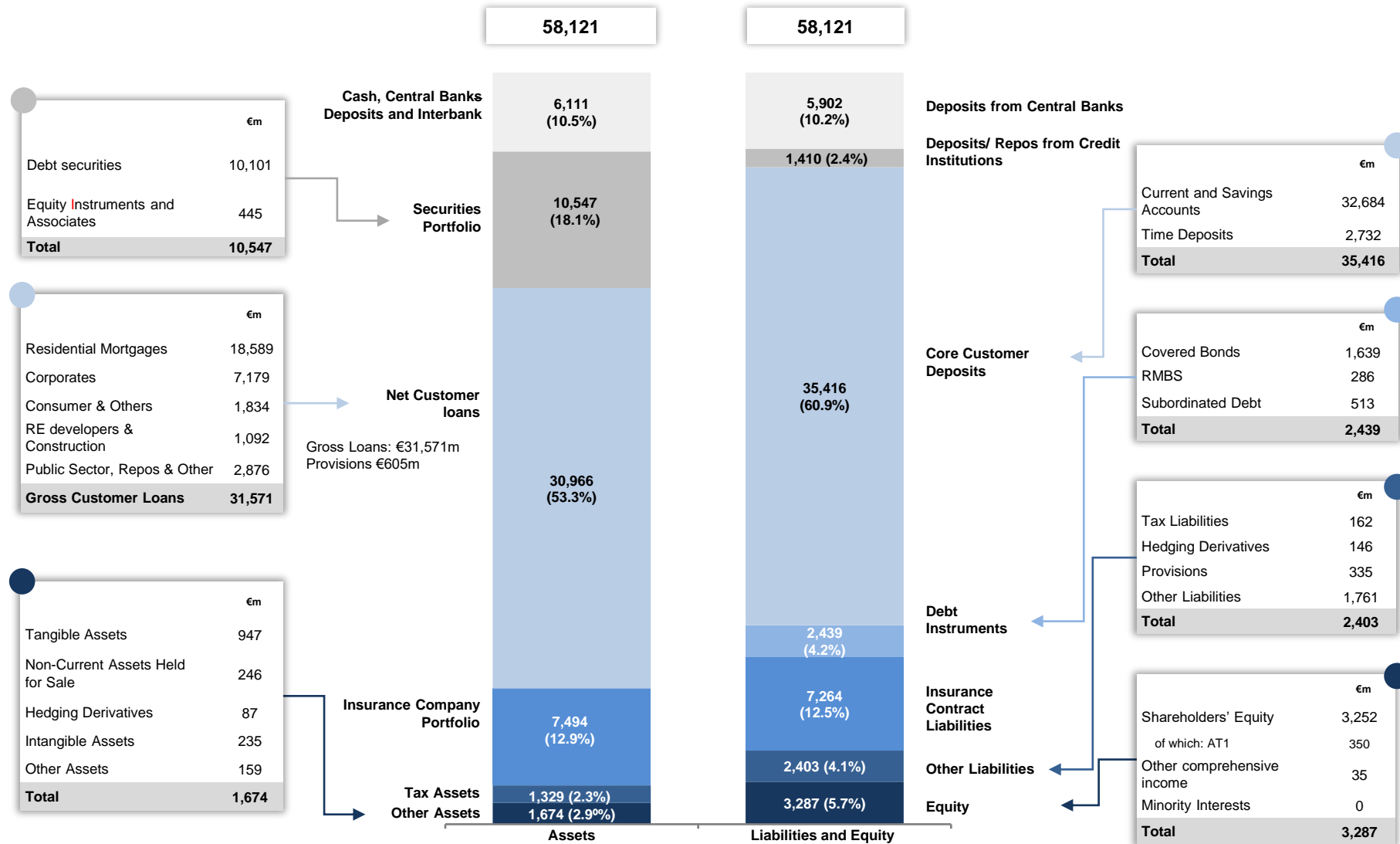
- Capital ratios are calculated using the **standard approach** for 100% of portfolios.
- Total capital ratio **exceeds capital requirements by more than 560 bps.**

V

ANNEX

CONSOLIDATED BALANCE SHEET

€m - 30/06/2021



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



THANK YOU

EL BANCO
DEL *Vamos*

Más información:
www.ibercaja.com
investors@ibercaja.es