

IBERCAJA BANCO

9M2021 Results

3rd November 2021

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EL BANCO DEL vamos

I KEY HIGHLIGHTS

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KEY HIGHLIGHTS

BUSINESS GROWTH IN KEY SEGMENTS

+16.0% The stock of **mutual funds** increases by **16.0%** since December.

+44.5% **New production of risk insurance premiums** grows by **44.5% i.a.**

+3.0% **Performing gross loans ex repos to companies** rises by **3.0%** vs. 4Q2020.

CONTINUOUS REINFORCEMENT OF THE BALANCE SHEET

2.7% **NPL ratio** decreases by 51 bps to **2.7%**.

70.1% **NPL coverage ratio** stands at **70.1%.**

12.8% **CET1 FL** increases by 22 bps in the year to **12.8%.**

NOTABLE INCREASE IN NET PROFIT

+1.5% **Recurring revenues** raise by **1.5%YoY.**

-46.6% **Total provisions** decrease by **46.6% YoY.**

€146m **Net profit** reaches **€146m** (+100.6% YoY).

EL BANCO DEL Vamos

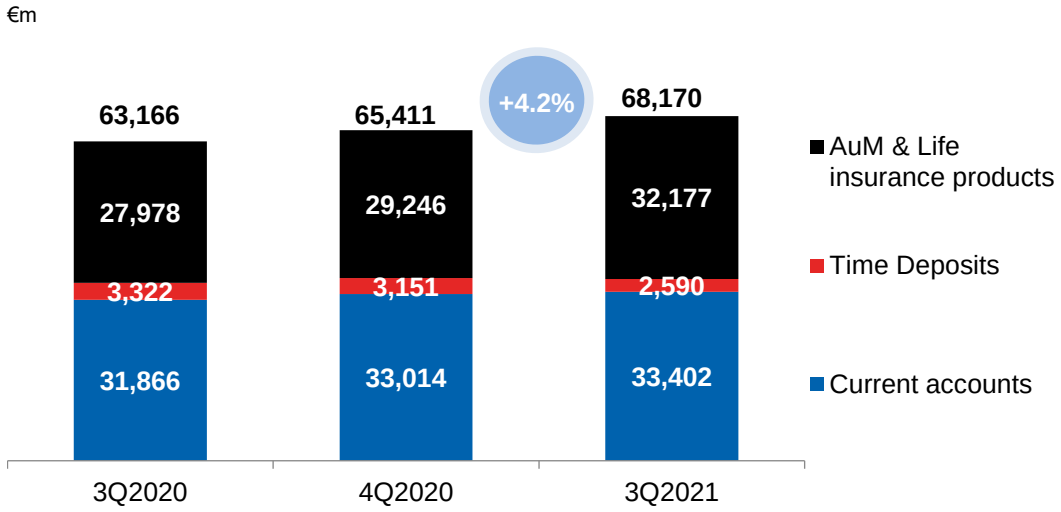
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COMMERCIAL ACTIVITY

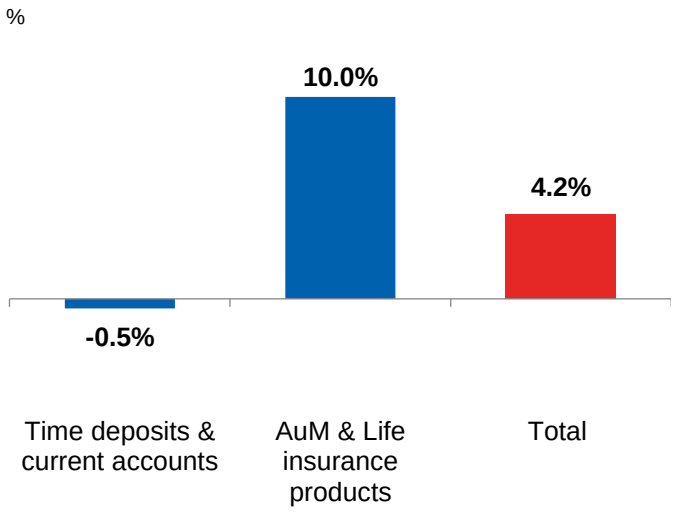
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CUSTOMER FUNDS

Customer funds



Customer funds YTD evolution



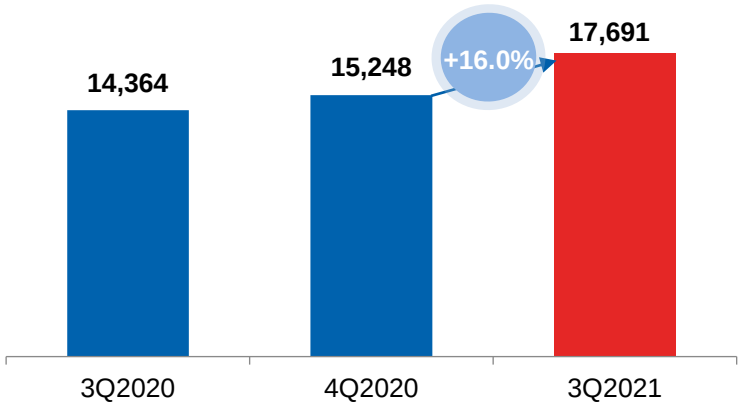
Customer funds increase by 4.2% or €2,759m vs. 4Q2020. YoY growth amounts to €5,004m or 7.9%.

- The **diversification of customer funds towards AuM and life insurance products** leads to a reduction of **€173m** or **0.5% YoY in customer deposits.**
- **AuM and Life insurance products** grow by **10.0%** or **€2,932m** YTD. AuM and Life insurance products represent **47.2%** of total customer funds (vs. 44.7% at the end of 2020).

MUTUAL FUNDS

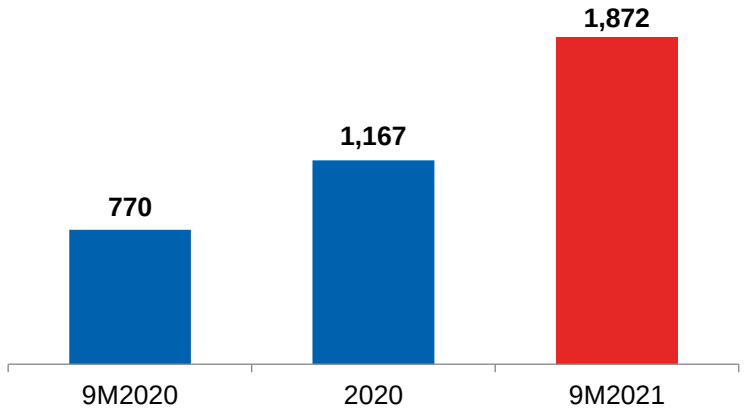
Stock of mutual funds

€m - Ibercaja Gestión – Inverco



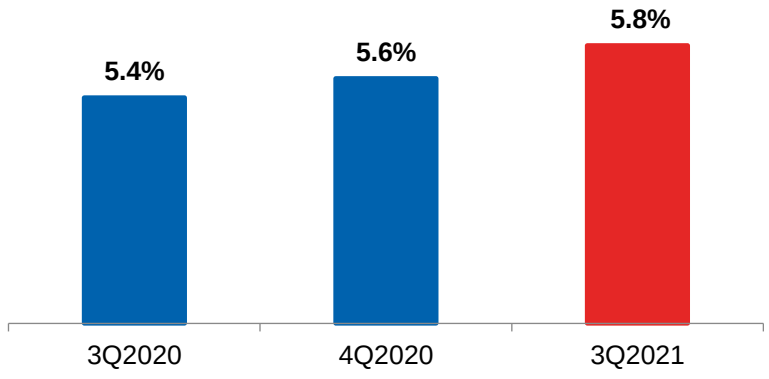
Net new money inflows

€m - Ibercaja Gestión – Inverco



Mutual funds market share

% - Ibercaja Gestión – Inverco



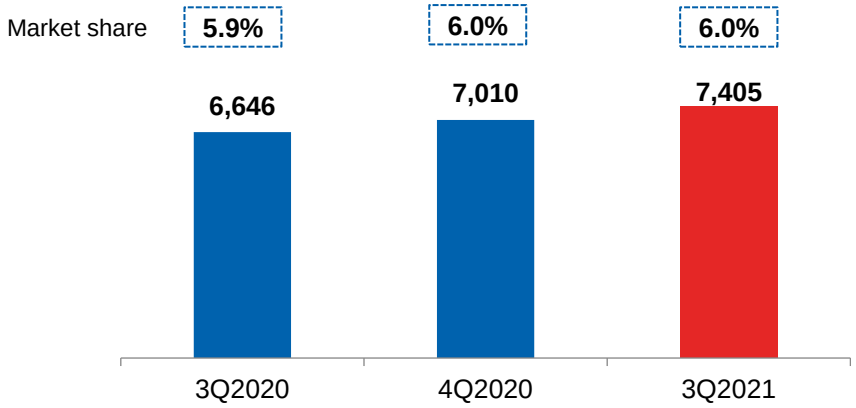
The stock of mutual funds grows €2,442m or 16.0% in the year and exceeds €17,690m.

- **Net new money inflows in the year amount to €1,872m** (2.4x the volume recorded in 9M2020).
- Ibercaja captures **9.3% of net new money inflows to mutual funds in Spain in the year.**
- **Market share** increases **21 bps** in the year to **5.8%** (+33 bps vs. 3Q2020).

PENSION PLANS AND RISK INSURANCE

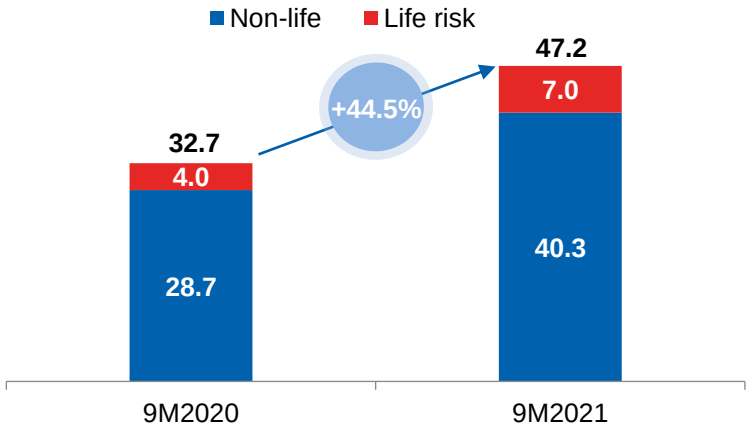
Pension plans

€m and % - Inverco



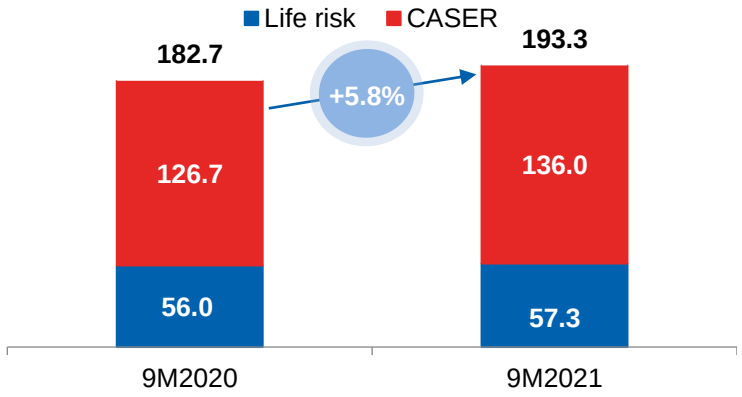
New production of risk insurance premiums

€M



Risk insurance premiums (portfolio)

€m- premiums collected



The stock of pension plans rises by 5.6% in the year or €395m and Ibercaja increases its market share to 6.0%.

The portfolio of risk insurance premiums grows by 5.8 YoY.

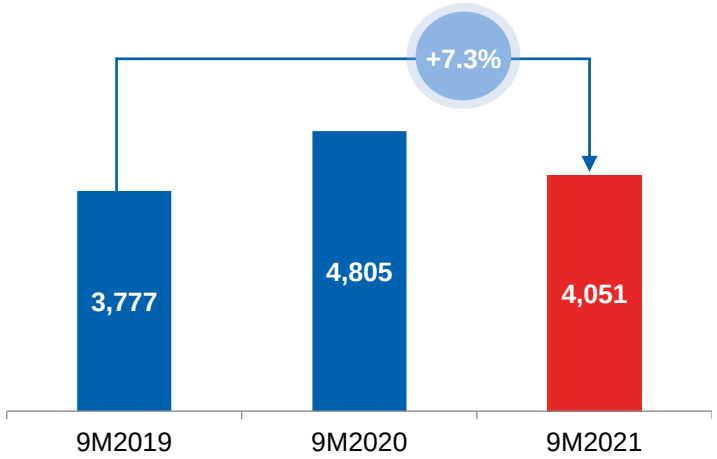
- The **new production os risk insurance premiums** in the nine months of the years increases by **44.5% YoY**, with an increase in non-life products of 40.5% and life risk products of 72.4%.

xx% Market share according to Inverco

CUSTOMER LOANS

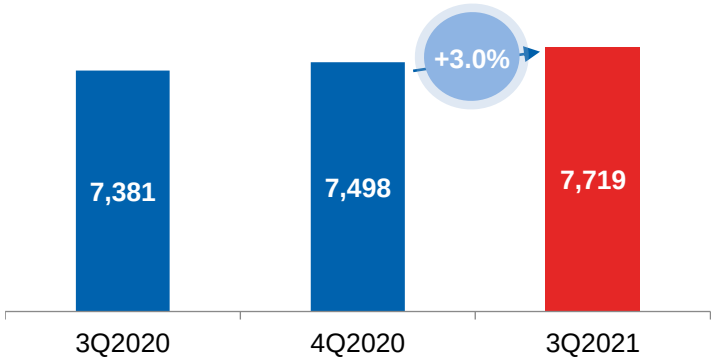
New lending production

€m



Performing loans to companies

€m



Customer Loans

€m

	4Q2020	3Q2021	Var.
Loans to individuals	**20,383**	**19,819**	**-2.8%**
Mortgages	18,615	18,110	-2.7%
Consumer and Others	1,768	1,709	-3.3%
Loans to companies	**7,498**	**7,719**	**3.0%**
Non-Real Estate Companies	6,557	6,729	2.6%
Real Estate Companies	941	990	5.2%
Public sector and Others	**1,075**	**1,180**	**9.7%**
Performing Gross Loans ex Repos	**28,956**	**28,718**	**-0.8%**
Repos	1,621	1,620	-0.1%
Doubtful Loans	1,013	842	-16.8%
Loans to individuals	**31,590**	**31,180**	**-1.3%**

New lending production exceed pre-Covid levels, with an increase of 7.3% vs. 9M20219 and stands over €4,000m.

Performing loans ex repos fall by 0.8% YTD.

Loans to companies grow by 3.0% or €221m YTD.

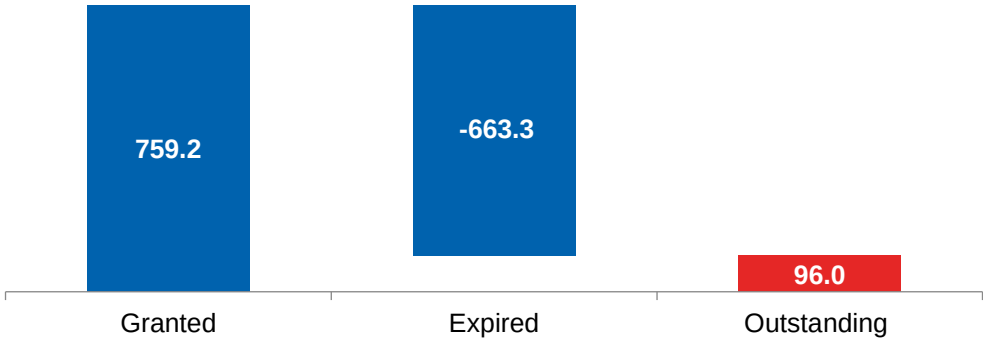
- Ibercaja increases its market share[1] in this segment by **8 bps** in the year.

[1] Source: Bank of Spain, accumulated as of August 2021.

MORATORIA AND ICO GUARANTEED LENDING

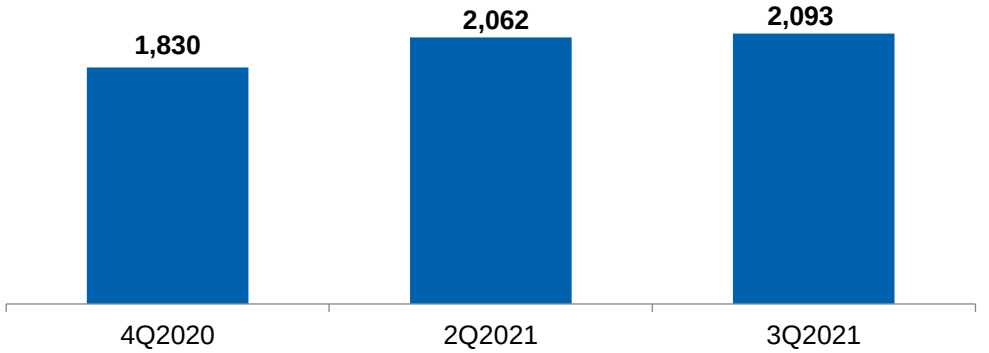
Outstanding granted moratoria in balance sheet

€m - September 2021



Accumulated evolution of ICO lending

€m



Outstanding moratoria (€96.0m) represents 0.3%os gross lending as of 3Q2021.

- **87.4% of moratoria granted has expired: only 3.5% of expired moratoria are doubtful.**

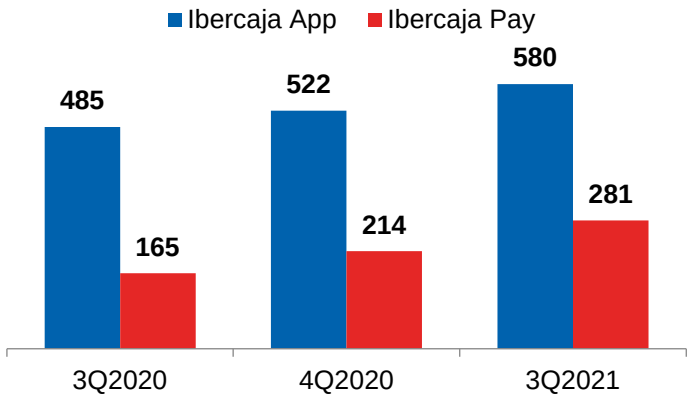
Ibercaja has granted €2,093m in loans with ICO guarantee. ICO financing drawn (€1,661m) remains stable in the quarter (vs. €1,656m in 2Q2021).

- **81%** has been granted to **SMEs and self-employed**.
- Around **40%** of ICO loans are already **amortising capital.**
- Just **1.2%** of ICO lending is **doubtful.**

DIGITALISATION

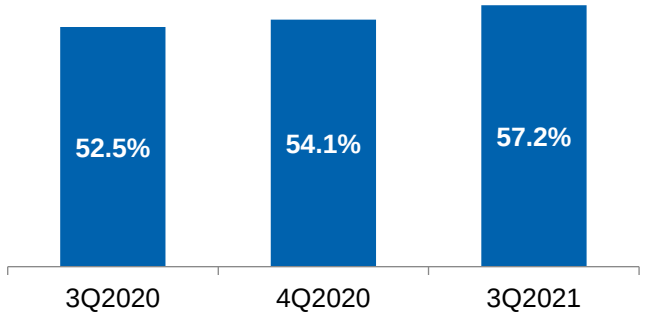
Ibercaja App and Ibercaja Pay users

Miles



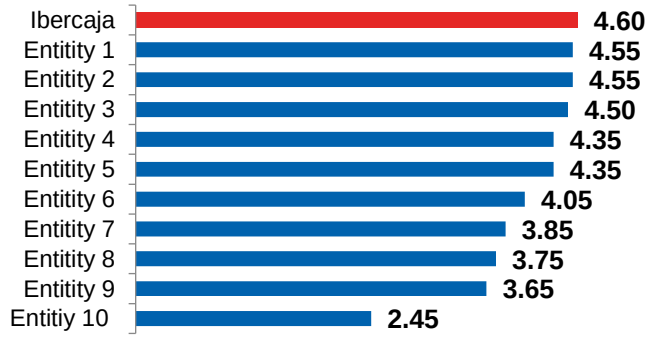
Digital customers % total

% – Customers that use digital assets % total active clientes in the quarter



Banking APPs Ranking[1]

1-5 Sacle– Play Store Android and AppStore



The number of customers that use Ibercaja App grows by +11.2% in the year and Ibercaja Pay 31.6%.

- The total number of **digital customers** exceeds **865,000.**

57,2% of the customers used Bank´s digital assets in the quarter.

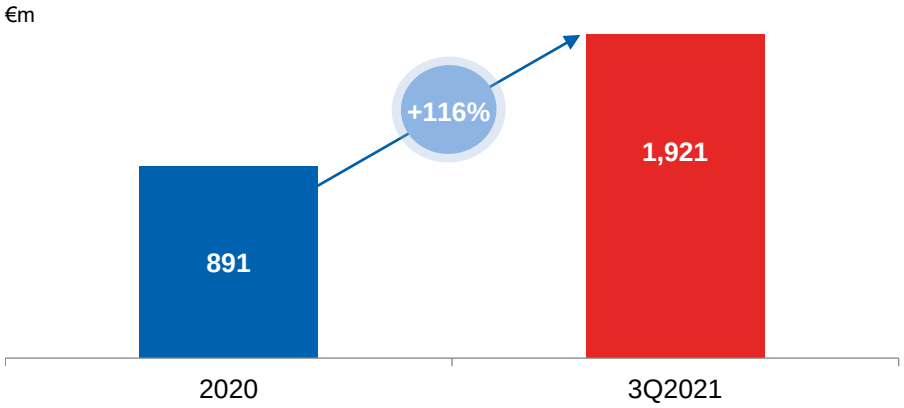
Digital transactions represent 74.8% of total transactions.

Ibercaja leads for the fourth consecutive month the Ranking of APPs of valuation in the main application stores with a score of 4.6 out of 5.

[1]: The calculation of the score is a weighted average between the scores received from users of the Android and IOS Apps. Comparable entities: ABANCA, Bankia, Bankinter, BBVA, CaixaBank, Kutxabank, Liberbank, Sabadell, Santander and Unicaja

SUSTAINABILITY

Total sustainable investment





SRI investment figures in pension plans and ESG investment funds continue to grow (+116% vs. 2020).

Ibercaja has organized the Planet Week as a way to raise awareness among customers about sustainability.

- Ibercaja has organized, with national scope, among others **business days, round tables, volunteer actions,** sustainability blog publications, contests, eco-councils, etc., achieving a wide dissemination and repercussion in the media.

Ibercaja has obtained the "Cálculo-Reduzco" seal (scopes 1,2 and partially 3) granted by the Spanish Office of Climate Change.

- **All direct emissions have been offset (scope 1).**
- **Since 2016 Ibercaja** has reduced its emissions (scope 1, 2 and partially 3**) by 88%.**
- **100% of electricity is green,** from renewable sources.

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III

RESULTS

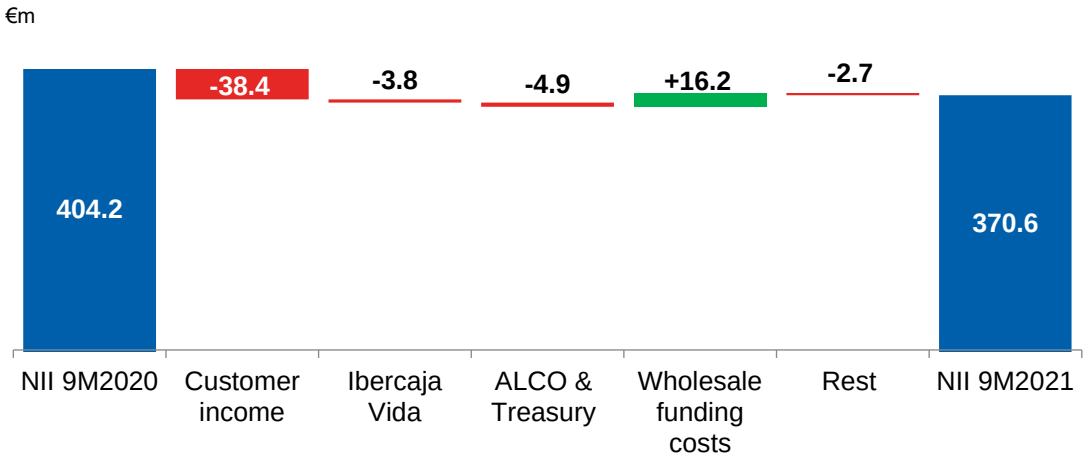
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P&L ACCOUNT

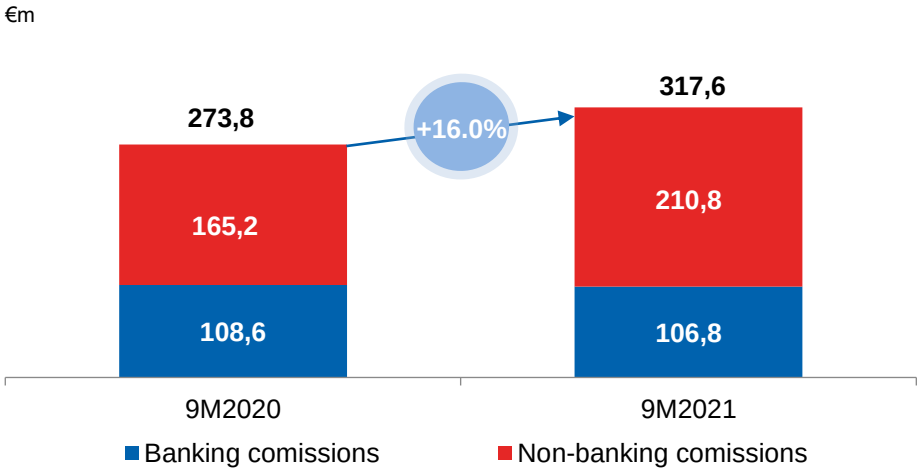
	€m		
	9M2020	9M2021	Var.
Net Interest Income	404.2	370.6	-8.3%
Net Fee Income	273.8	317.6	16.0%
Recurring Revenues	**678.0**	**688.2**	**1.5%**
Gains/Losses on Financial Assets and Liabilities	4.4	39.5	790.4%
Other Operating Income (Net)	13.4	4.2	-69.0%
Gross Operating Income	**695.8**	**731.9**	**5.2%**
Operating Costs	-426.0	-441.4	3.6%
Pre-Provision Profit	**269.8**	**290.5**	**7.7%**
Total Provisions	-159.7	-85.3	-46.6%
of which: COVID-19	-90.1		n/a
Other Gains and Losses	-2.3	1.1	n/a
Profit before Taxes	**107.8**	**206.3**	**91.3%**
Taxes	-35.0	-60.3	72.1%
Net Interest Income	**72.8**	**146.0**	**100.6%**

RECURRING REVENUES (1/2)

Net interest income breakdown



Net fee income



NII in the first nine months of the year decreases by 8.3% or €33.6m. QoQ, it increases by 0.8%.

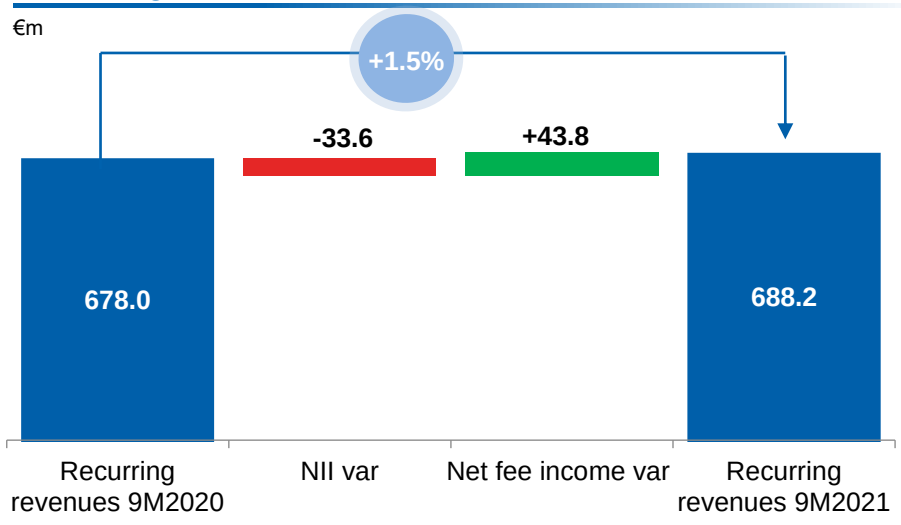
- **Ibercaja has completed the repreciation of the loan portfolio at -0.5%.**

Net fee income rise 16.0% YoY due to the strong boost of off-balance sheet managed savings. QoQ, they increase by 9.2%.

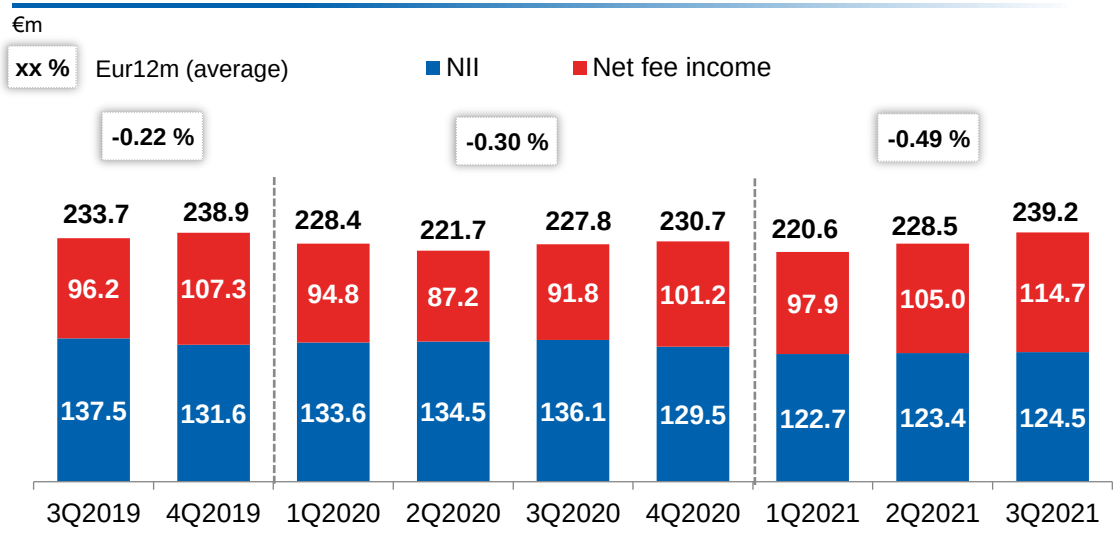
- **Non-banking fees grow €45.6m or 27.6% YoY. These revenues reach an historic in in the quarter (€75.4m).**

RECURRING REVENUES (2/2)

Recurring revenues variation



Recurring revenues

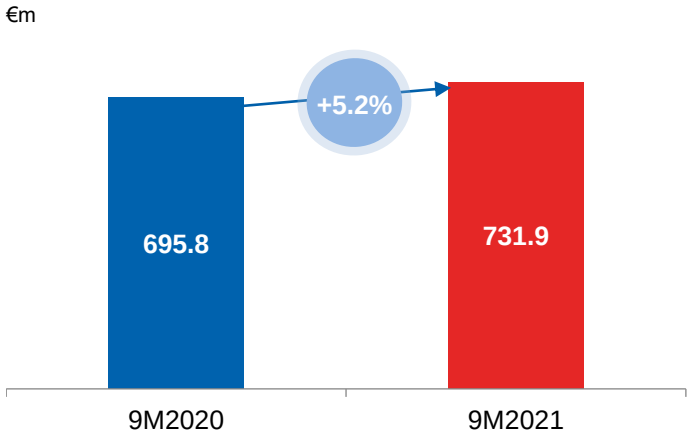


Recurring revenues increase by 1.5 YoY, exceeding the target of stability expected for 2021.

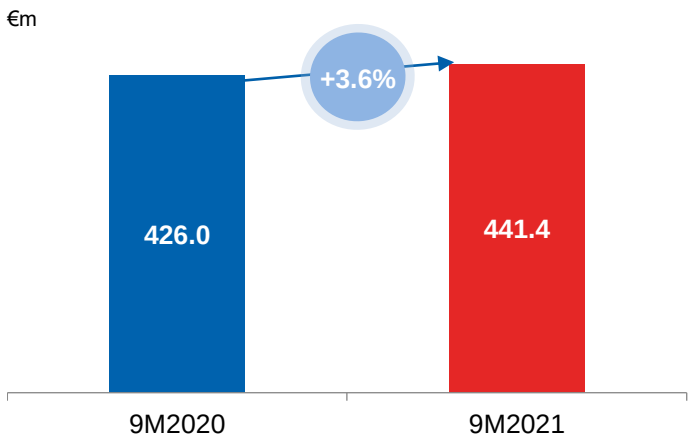
- **In the quarter, recurring revenues amount to €239.2m, 4.7% above 2Q, reaching pre-pandemic levels,** thanks to the commercial dynamism in asset management and despite the fall of Euribor.

PRE-PROVISION PROFIT

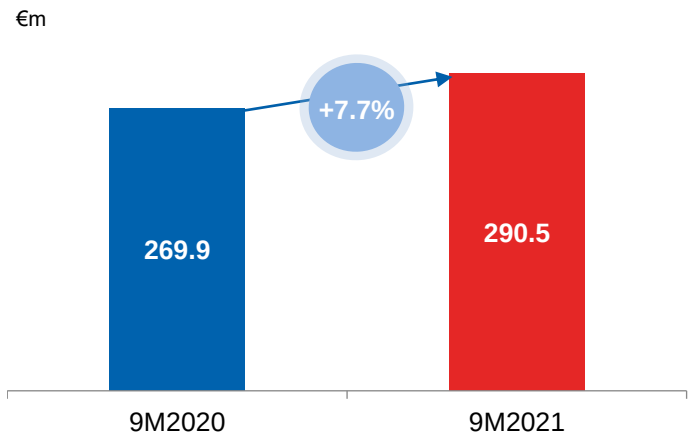
Gross operating income



Operating costs



Pre-provision profit



Gross operating income increases by 5.2% YoY up to €731.9m.

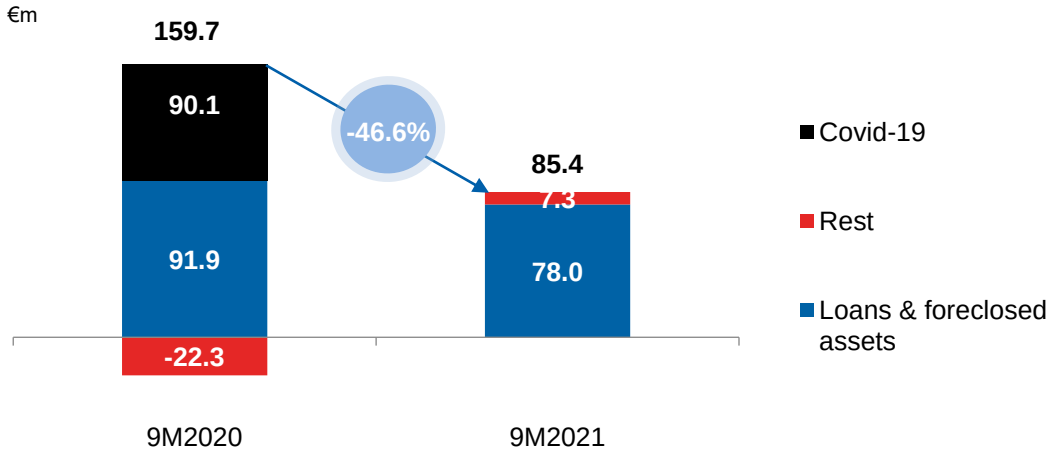
Operating costs rise by 3.6% YoY.

- The slowdown of activity in 2020 as a result of the pandemic and the launch of the new Strategic Plan explain the increase in the cost base.
- It is expected that by the end of the year 66% of the departures of the Redundancy Plan will have been executed and the cost savings will begin to materialize in the income statement.

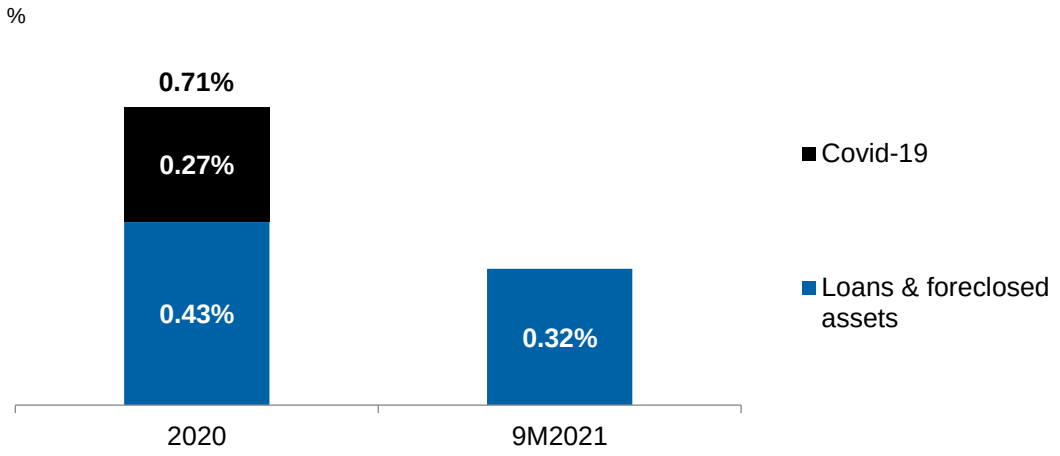
Pre-provision profit improved by 7.7% YoY or €20.7m.

PROVISIONS

Total provisions



Cost of risk



Total provisions fall 46.6% YoY or €74.4m after having constituted in 2020 extraordinary provisions of €90.1m due to Covid-19.

- **Loans and foreclosed assets provisions** (ex. Covid-19) **fall by 15.1%YoY,** due to less NPLs entries..

Cost of risk stands at 32 bps vs 71 bps registered in 2020.

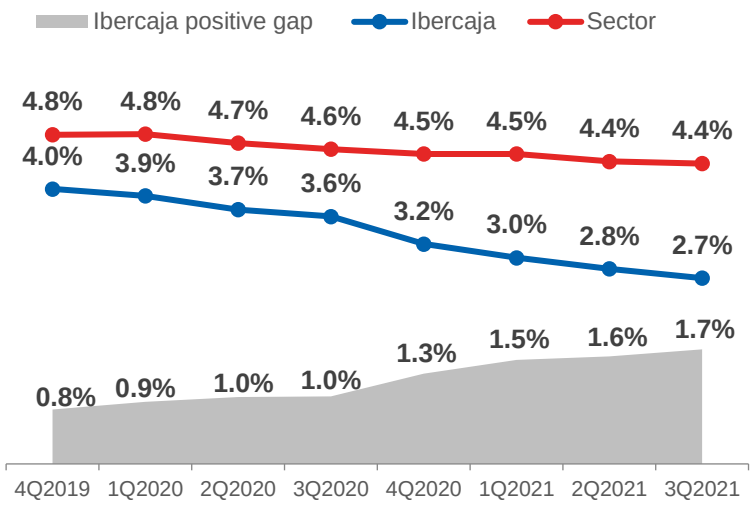
IV

ASSET QUALITY, LIQUIDITY AND SOLVENCY

ASSET QUALITY (1/2)

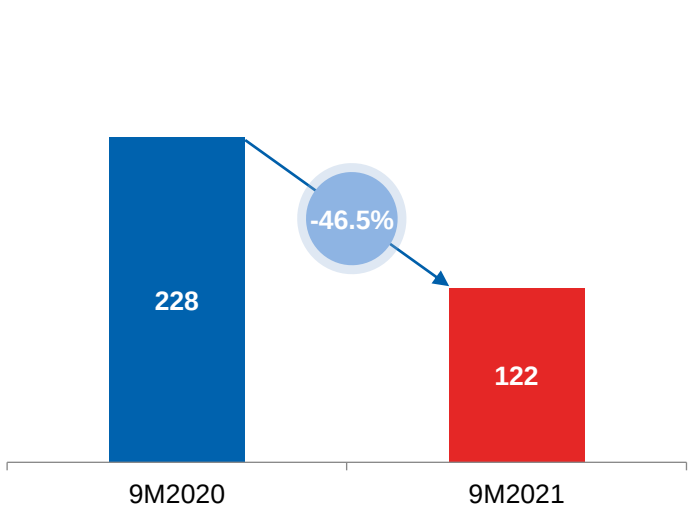
NPL ratio

% - Source: Bank of Spain



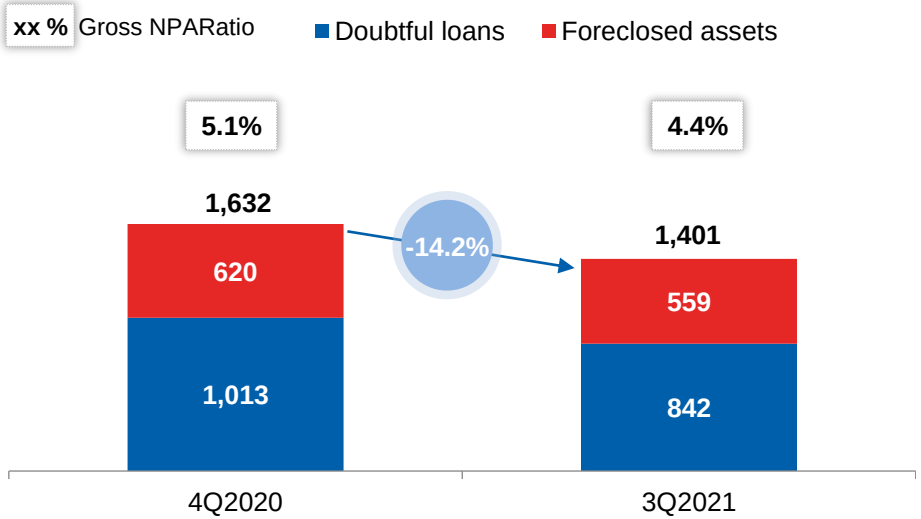
NPL entries

€M



Gross NPAs

Mn€



Doubtful loans decrease by 16.8% in the year or €171m (-27.3% y €316m YoY.

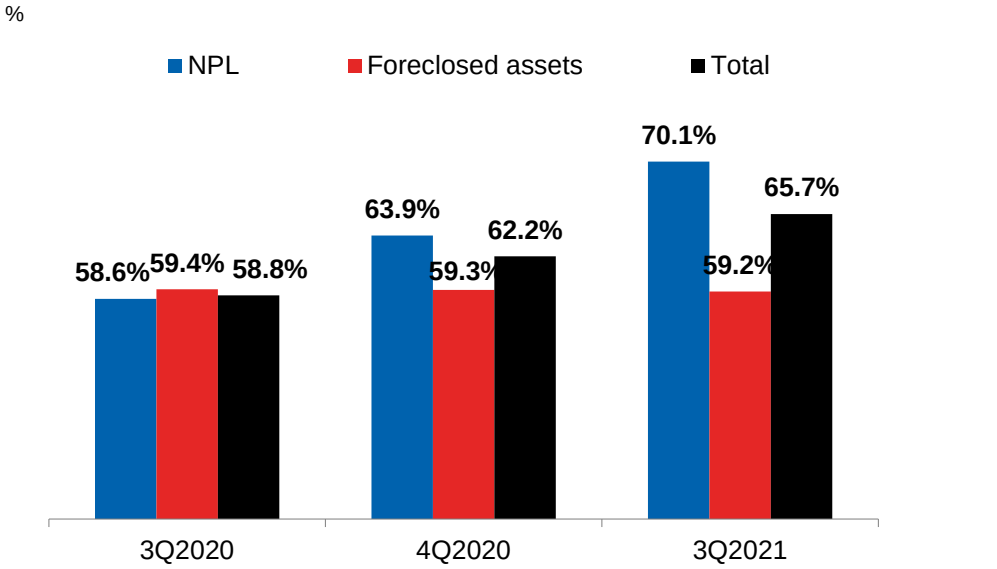
- **NPL ratio** falls 51 bps in the year to **2.7%** and **Ibercaja improves its positive gap bs the sector to 173 bps*** (vs. 130 bps in 4Q2020 and 82 bps before the start of the pandemic).
- **NPL entries in the year drop** by **46.5% YoY.**

Gross NPAs falls by 14.2% in 2021 or €231m and NPA ratio drops by 65 bps to 4,4%. In 3Q2021, NPAs fall by €75m or 5.1%.

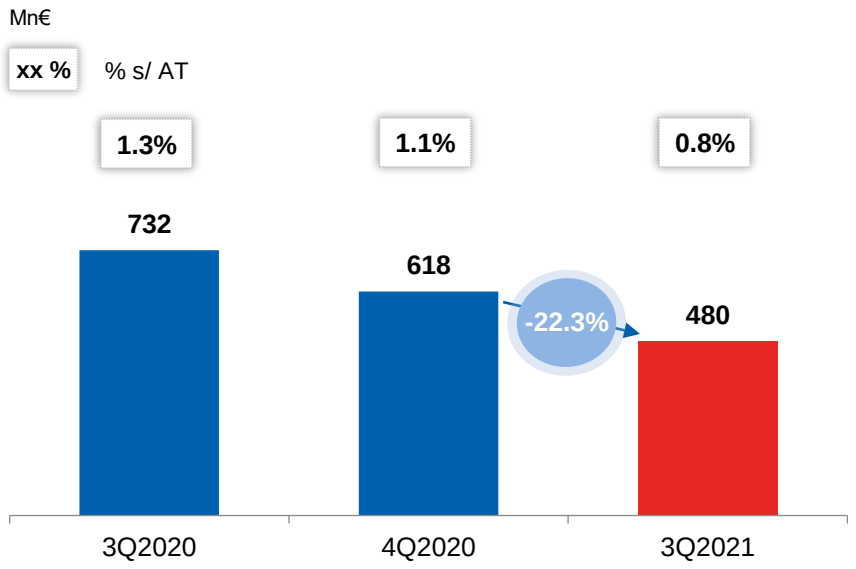
* NPL ratio of the peers as of August 2021– Bank of Spain

ASSET QUALITY (2/2)

Coverage ratio



Net NPAs



NPA coverage ratio continues to improve and reaches 65.7%, 359 bps above 2020 year end levels.

- **NPL coverage ratio** stands at **70,1%, a** 620 bps increase vs. 4Q2020.

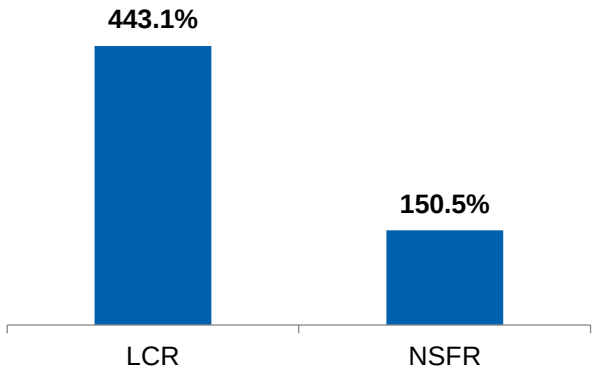
Net NPAs fall €138m or 22.3% YTD (-34.4% YoY.).

- Net NPAs account for **0.8% of total assets** vs.1.1% in 4Q2020.

LIQUIDITY AND ALCO PORTFOLIO

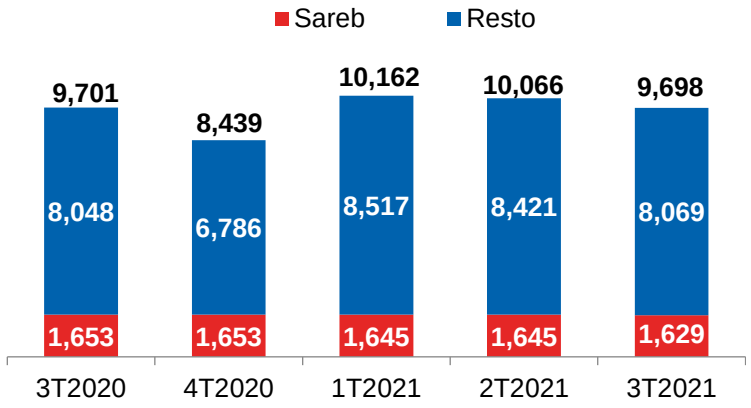
LCR and NSFR ratios

% - 3Q2021



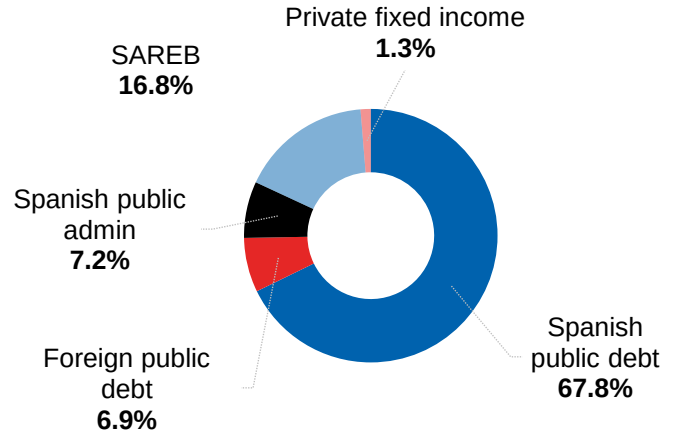
ALCO portfolio

€m



ALCO portfolio breakdown

% - 3Q2021



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

- **LCR** and **NSFR** ratios stand at **443.1%** y **150.5%,** respectively.
- **LTD ratio** stands at **80.5%.** Customer deposits account for 78% of external funding.

Ibercaja has reduced its ALCO[1] portfolio during the quarter (-3.7% vs. 2Q2021).

- The portfolio is mainly composed of **Spanish sovereign debt** with and **average duration** of **5.4 years**[2] and an **average yield** of **0.34%**(0,42% ex SAREB).
- **97%** of the portfolio is classified at **amortised cost.**

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

SOLVENCY

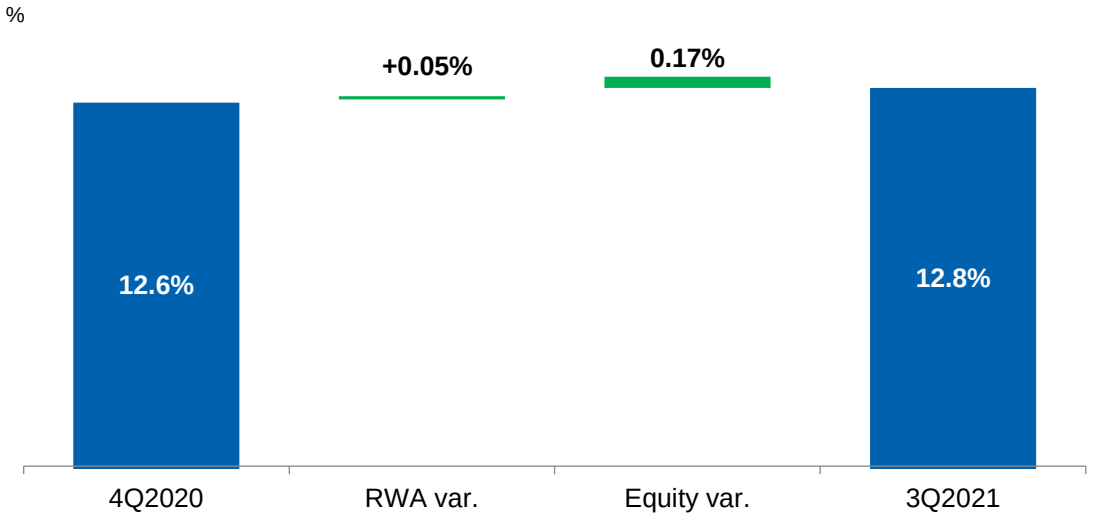
CET1 Fully Loaded ratio increased by 22 bps YTD (9 bps in 3Q) and reaches 12,8%. Capital Total Fully Loaded ratio stands at 17.5% after having completed the hybrid capital buckets.

In Phased In terms, CET1 ratio stands at 13.6% and Total Capital ratio at 18.3%. Leverage ratio reaches 6.1%.

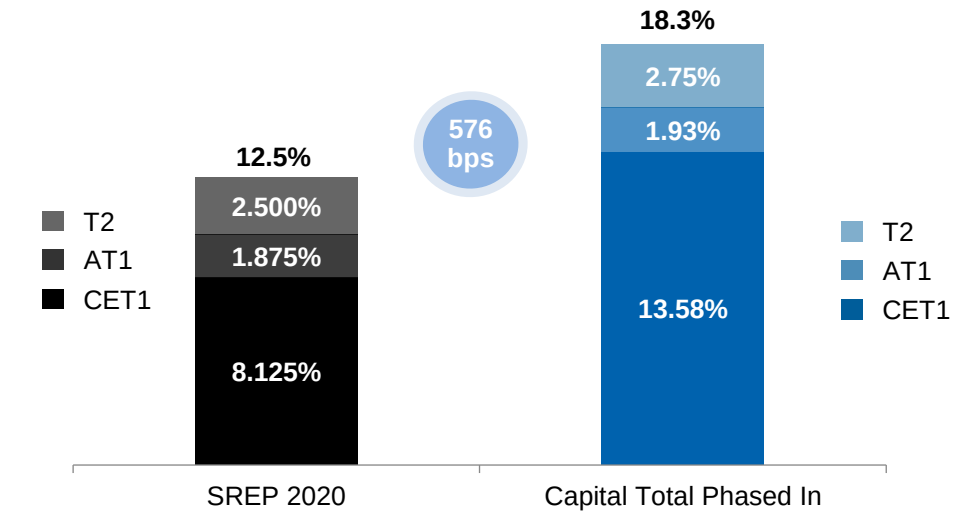
► **Total capital ratio exceeds capital requirements** by **576 bps. MDA reaches 546 bps.**

Ibercaja has paid a 50%dividend against 1H2021 results (€47m).

CET1 Fully Loaded



SREP Requirement 2021 vs. Total Capital ratio



EL BANCO DEL vamos

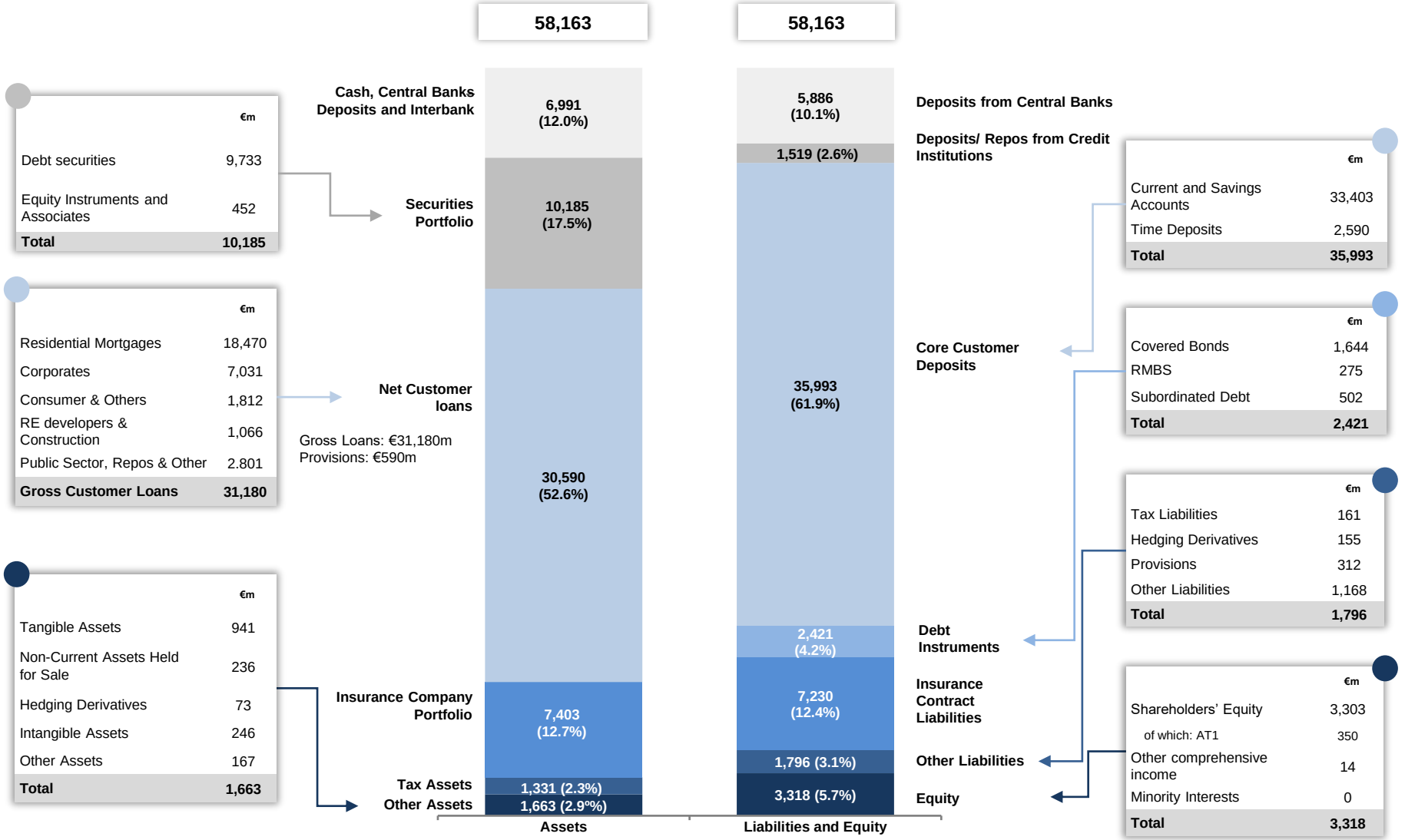
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ANNEX

ibercaja

CONSOLIDATED BALANCE SHEET

€m- 30/09/2021



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 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



GRACIAS

EL BANCO DEL vamos

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