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IBERCAJA BANCO

9M2021 Results

3rd November 2021

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KEY HIGHLIGHTS

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

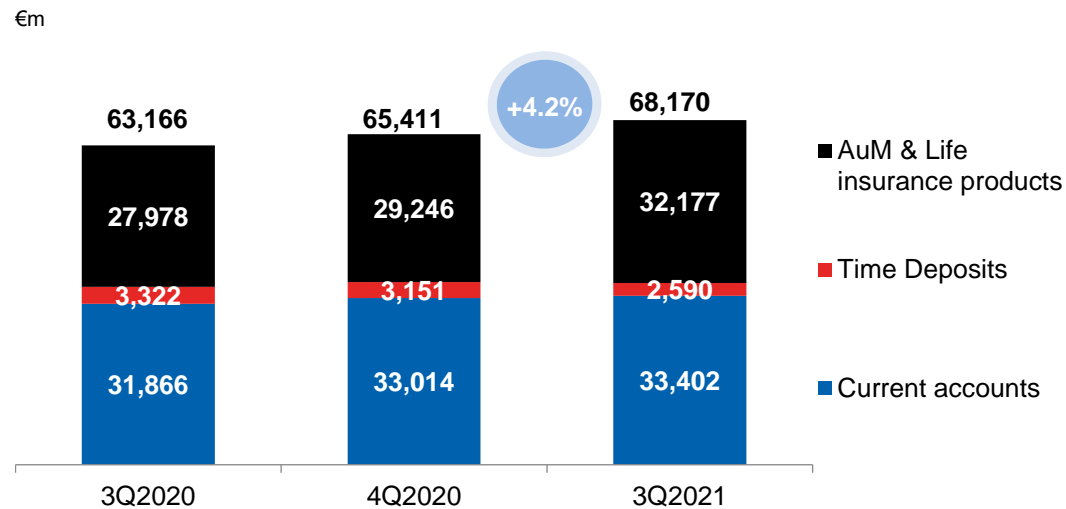
Net profit reaches **€146m** (+100.6% YoY).



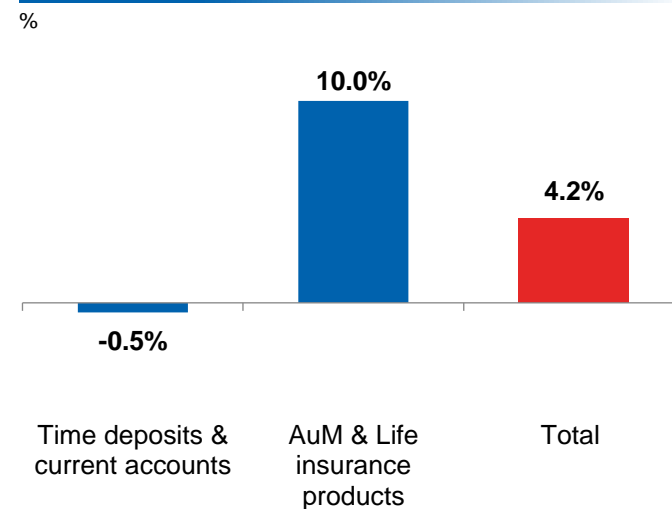
COMMERCIAL ACTIVITY

CUSTOMER FUNDS

Customer funds



Customer funds YTD evolution



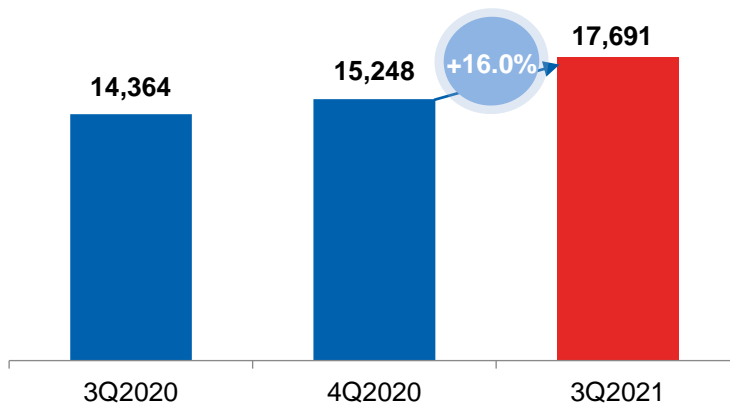
Customer funds increase by 4.2% or €2,759m vs. 4Q2020. YoY growth amounts to €5,004m or 7.9%.

- ▶ 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

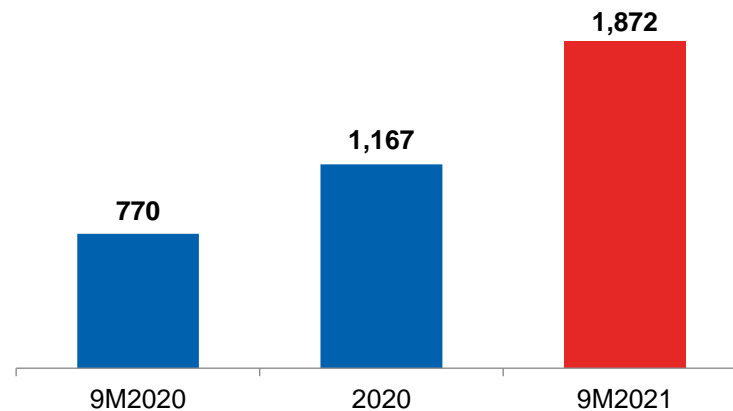
Stock of mutual funds

€m - Ibercaja Gestión – Inverco



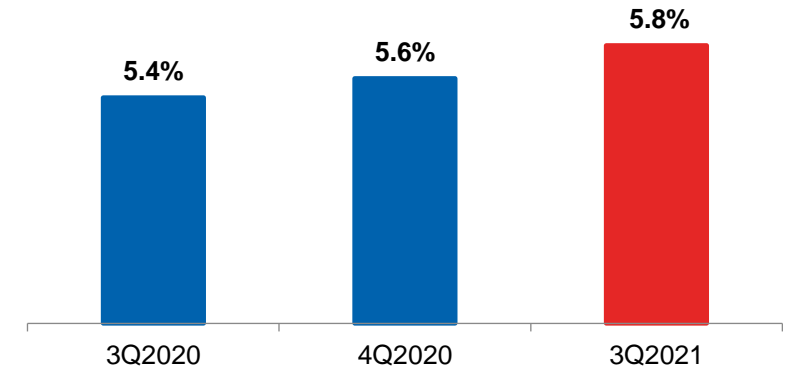
Net new money inflows

€m - Ibercaja Gestión – Inverco



Mutual funds market share

% - Ibercaja Gestión – Inverco



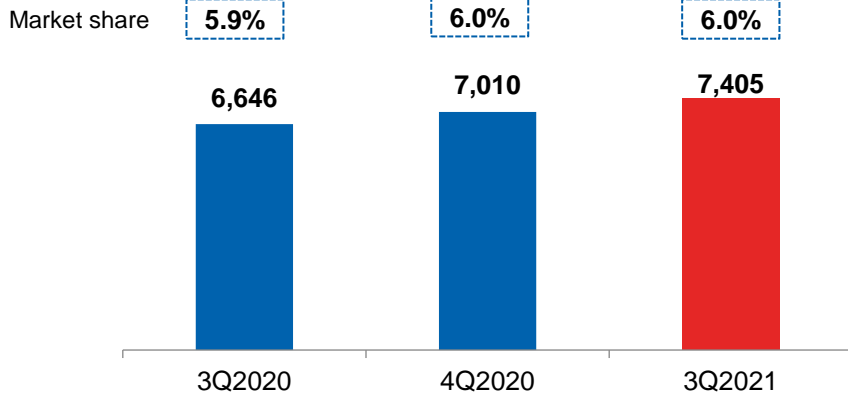
The stock of mutual funds grows €2,442m or 16.0% in the year and exceeds €17,690m.

- ▶ **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

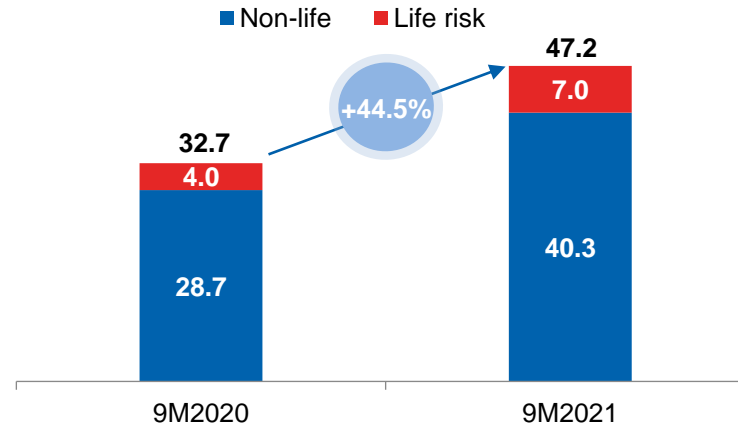
Pension plans

€m and % - Inverco



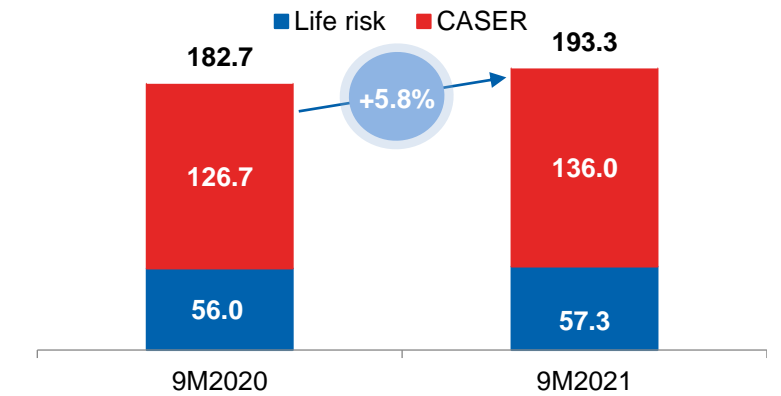
New production of risk insurance premiums

€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%.

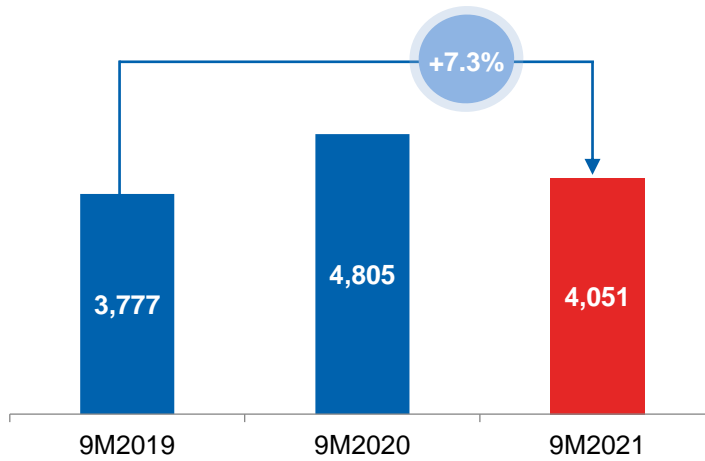
The portfolio of risk insurance premiums grows by 5.8 YoY.

- The **new production of 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%.

CUSTOMER LOANS

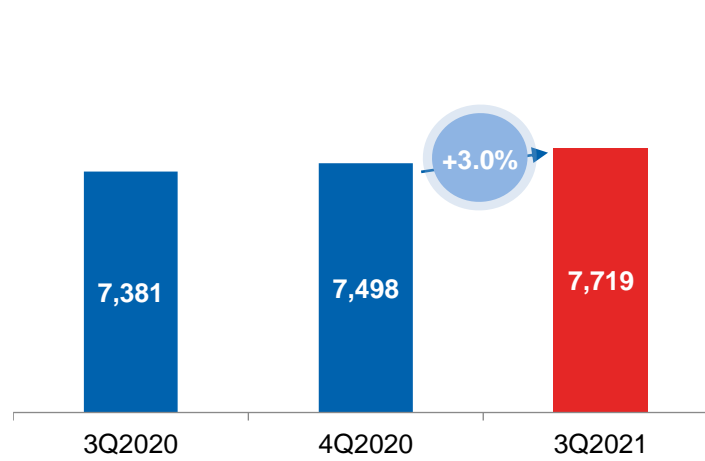
New lending production

€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. 9M2019 and stands over €4,000m.

Performing loans ex repos fall by 0.8% YTD.

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

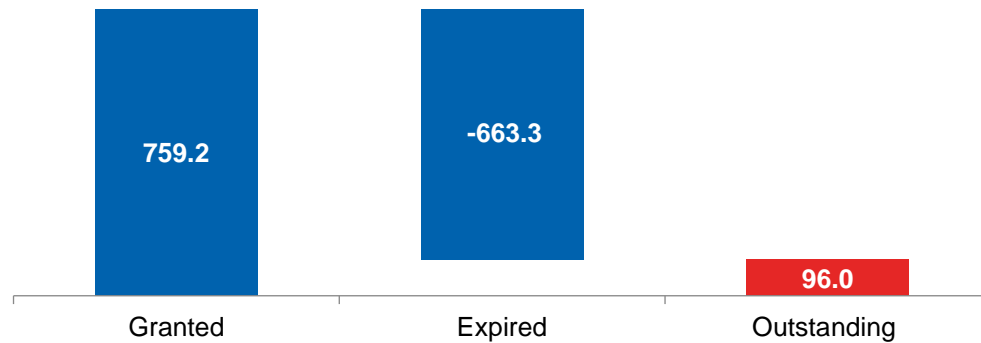
- Ibercaja increases its market share¹ in this segment by **8 bps** in the year.

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

MORATORIA AND ICO GUARANTEED LENDING

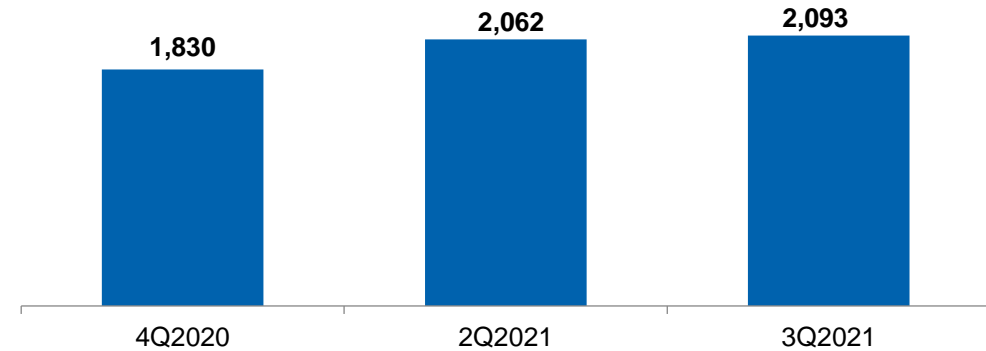
Outstanding granted moratoria in balance sheet

€m - September 2021



Accumulated evolution of ICO lending

€m



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

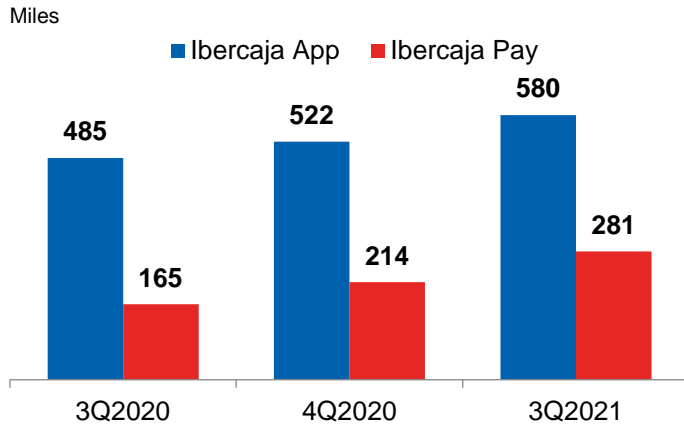
- ▶ **87.4%** of moratoria granted has expired: only **3.5%** of expired moratoria are doubtful.

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).

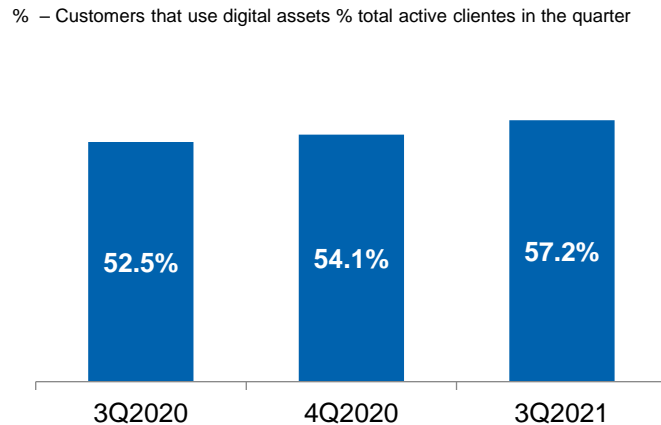
- ▶ **81%** has been granted to **SMEs and self-employed**.
- ▶ Around **40%** of ICO loans are already **amortising capital**.
- ▶ Just **1.2%** of ICO lending is **doubtful**.

DIGITALISATION

Ibercaja App and Ibercaja Pay users

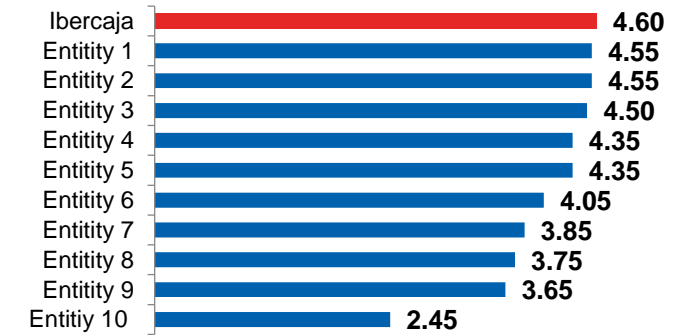


Digital customers % total



Banking APPs Ranking¹

1-5 Scale– 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.

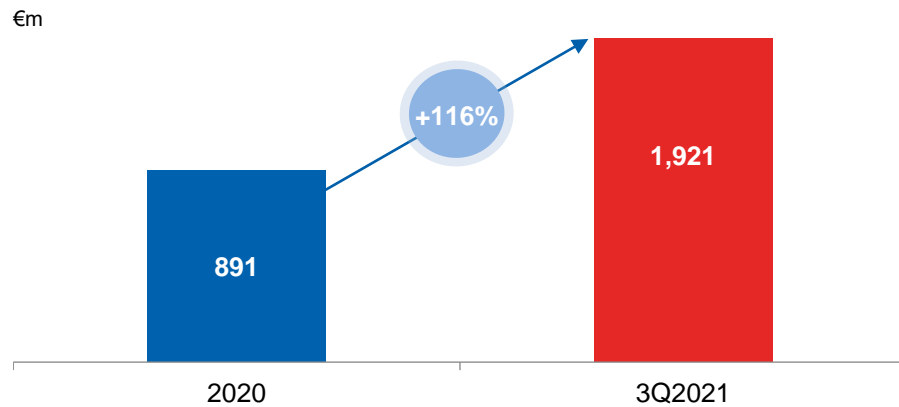
¹: The calculation of the score is a weighted average between the scores received from users of the Android and IOS Apps. Comparable entities: ABANCA, Bankia, Bankinter, BBVA, CaixaBank, Kutxabank, Liberbank, Sabadell, Santander and Unicaja

COMMERCIAL ACTIVITY

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.



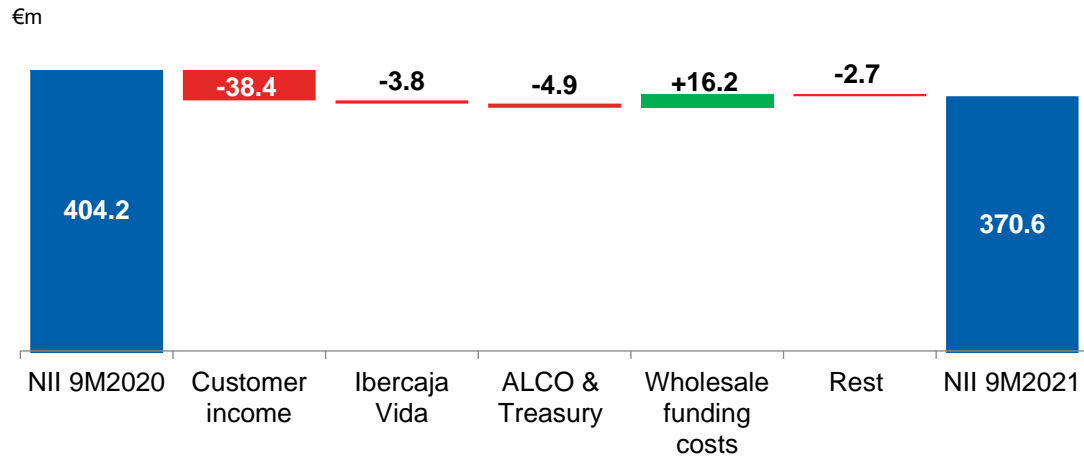
RESULTS

P&L ACCOUNT

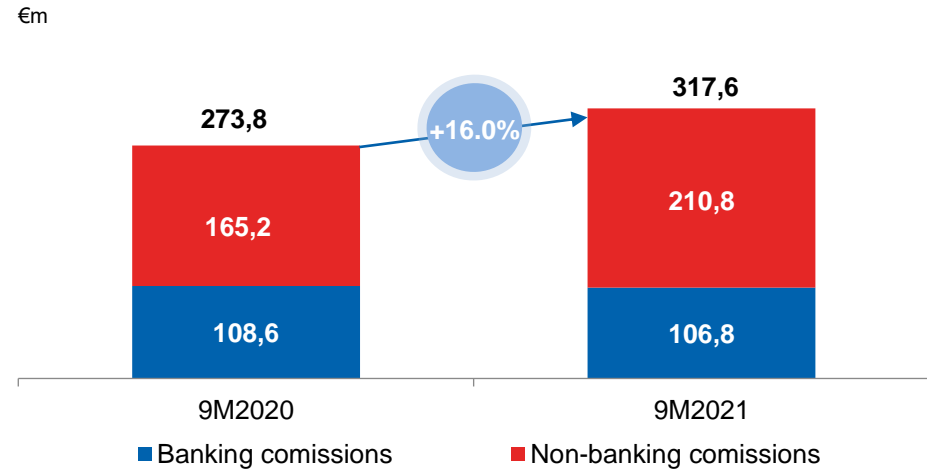
| | €m | | |
|--|--------------|--------------|---------------|
| | 9M2020 | 9M2021 | Var. |
| Net Interest Income | 404.2 | 370.6 | -8.3% |
| Net Fee Income | 273.8 | 317.6 | 16.0% |
| Recurring Revenues | 678.0 | 688.2 | 1.5% |
| Gains/Losses on Financial Assets and Liabilities | 4.4 | 39.5 | 790.4% |
| 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%.

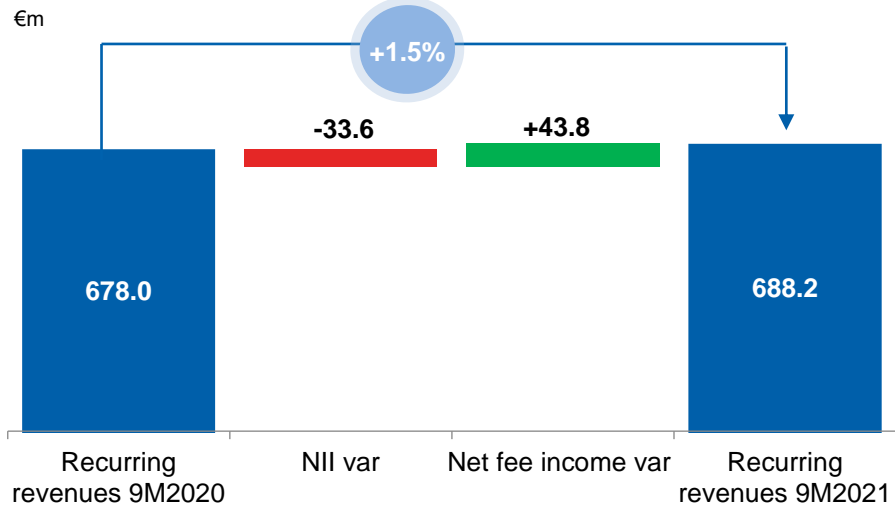
- ▶ Ibercaja has completed the repreciation of the loan portfolio at -0.5%.

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

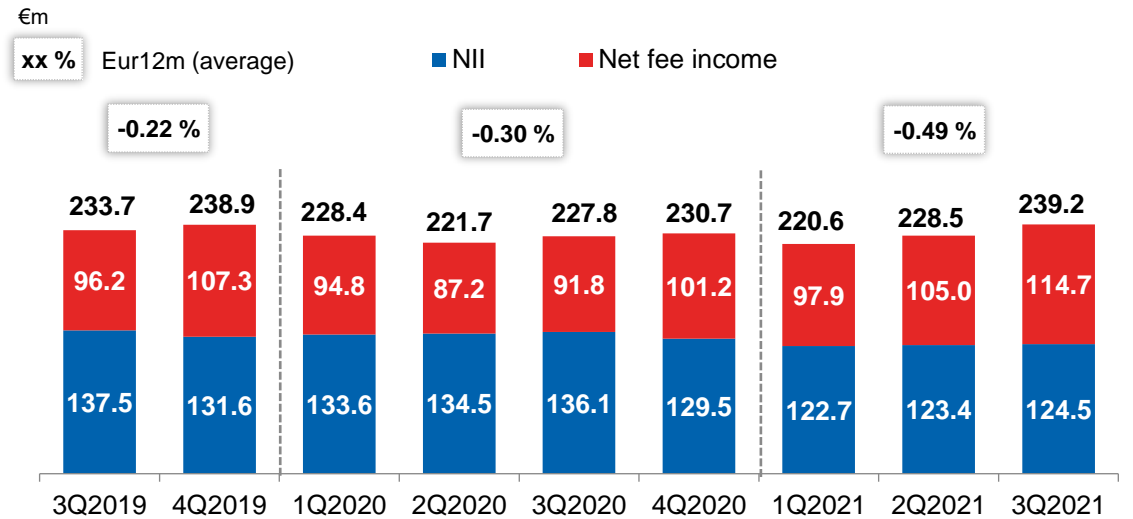
- ▶ Non-banking fees grow €45.6m or 27.6% YoY. These revenues reach an historic in in the quarter (€75.4m).

RECURRING REVENUES (2/2)

Recurring revenues variation



Recurring revenues

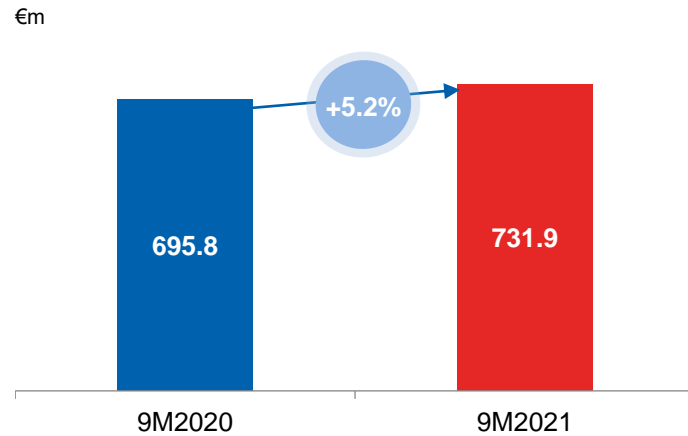


Recurring revenues increase by 1.5 YoY, exceeding the target of stability expected for 2021.

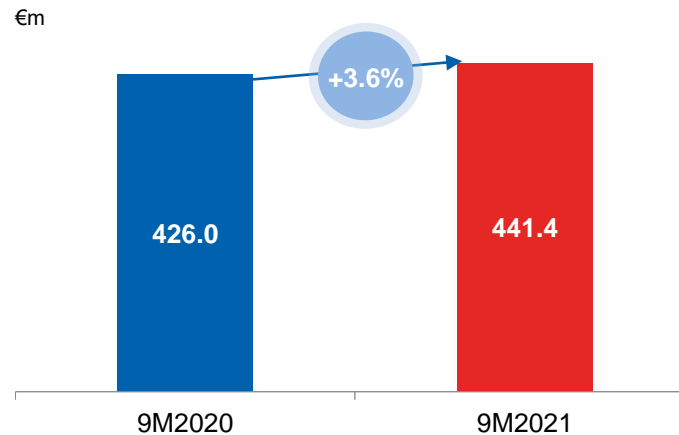
- In the quarter, recurring revenues amount to €239.2m, 4.7% above 2Q, reaching pre-pandemic levels, thanks to the commercial dynamism in asset management and despite the fall of Euribor.

PRE-PROVISION PROFIT

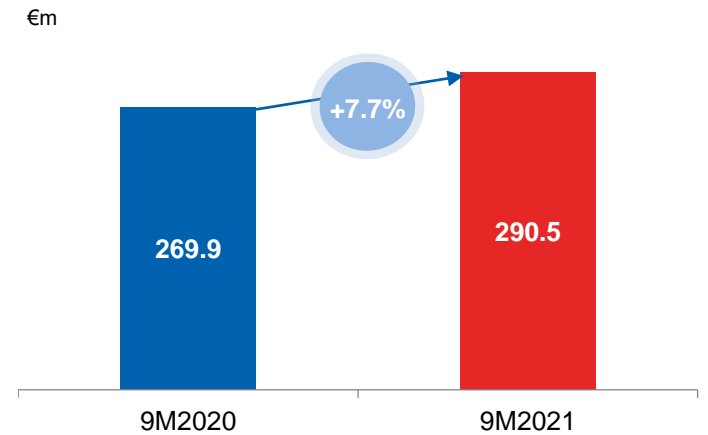
Gross operating income



Operating costs



Pre-provision profit



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

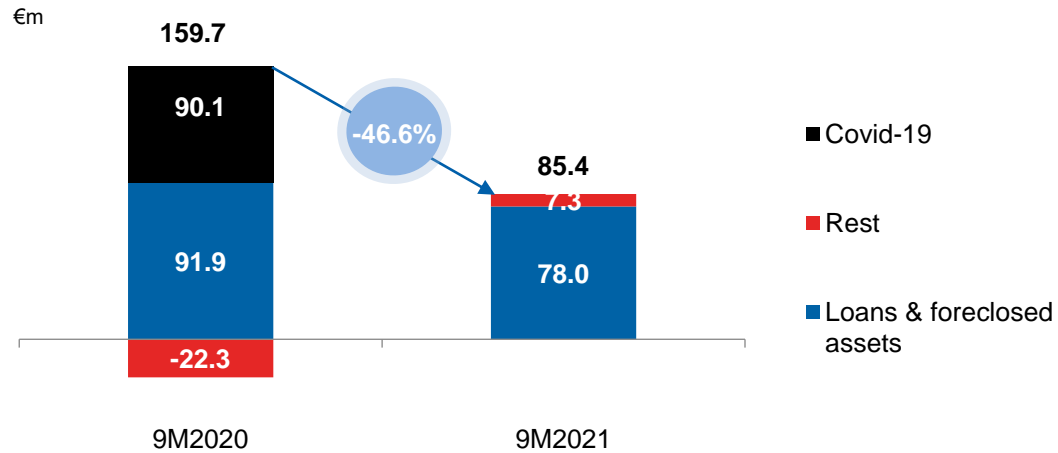
Operating costs rise by 3.6% YoY.

- ▶ 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.

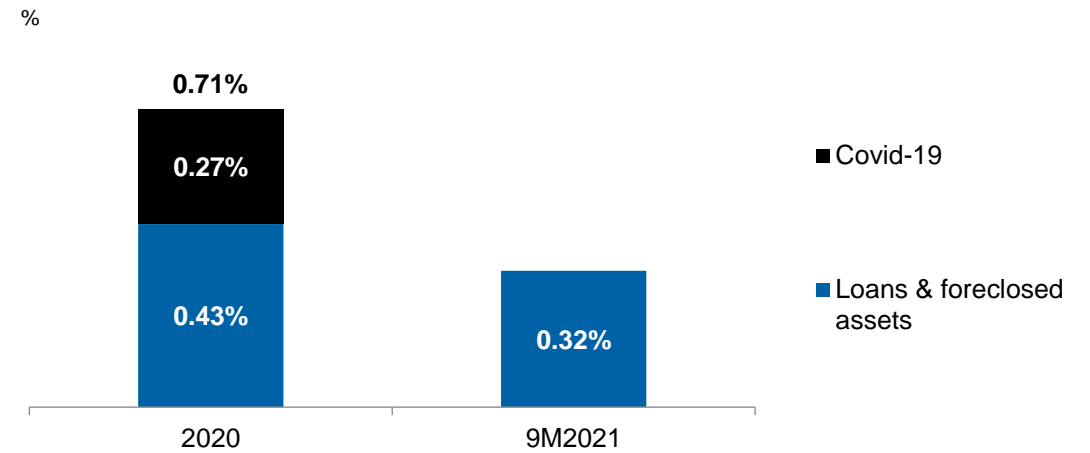
Pre-provision profit improved by 7.7% YoY or €20.7m.

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.

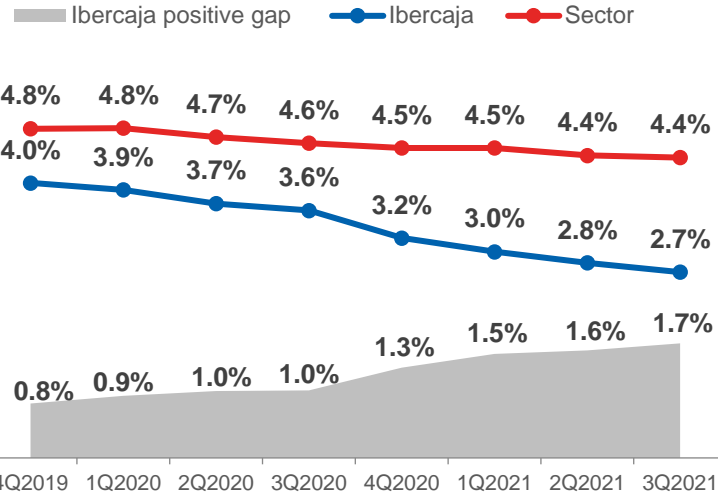
IV

ASSET QUALITY, LIQUIDITY AND SOLVENCY

ASSET QUALITY (1/2)

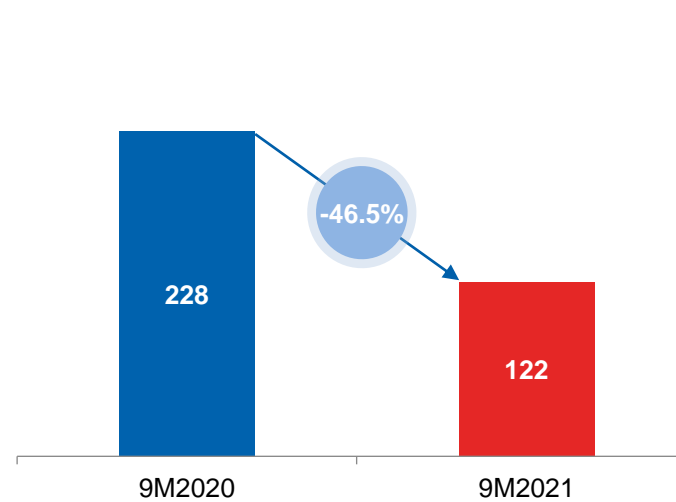
NPL ratio

% - Source: Bank of Spain



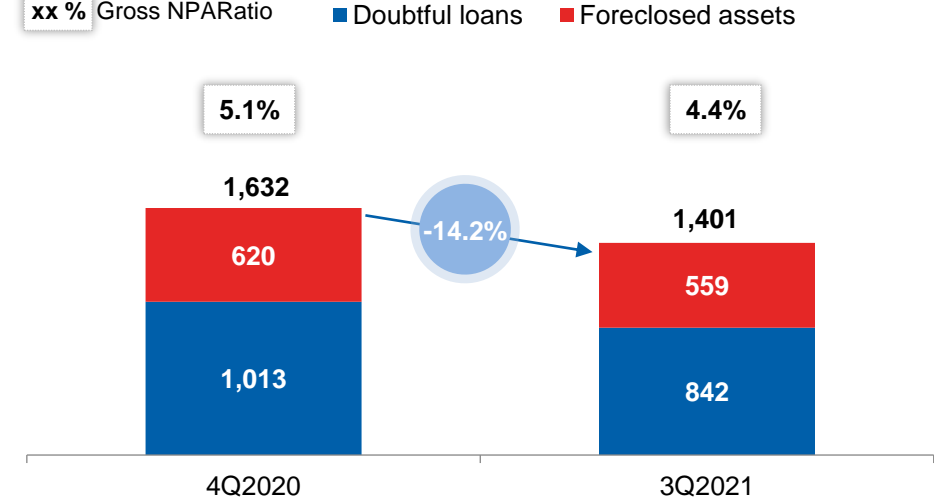
NPL entries

€M



Gross NPAs

Mn€



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

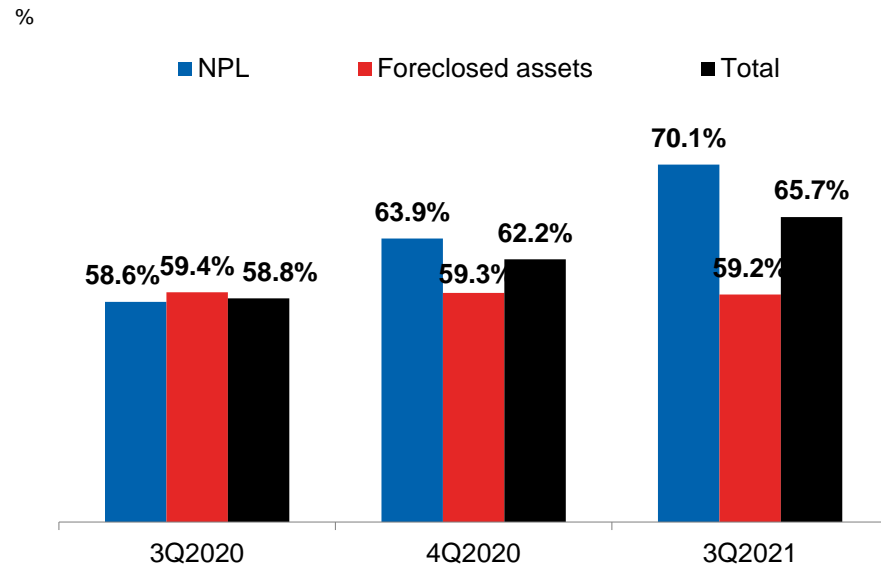
- ▶ **NPL ratio falls 51 bps in the year to 2.7% and Ibercaja improves its positive gap bs the sector to 173 bps*** (vs. 130 bps in 4Q2020 and 82 bps before the start of the pandemic).
- ▶ **NPL entries in the year drop by 46.5% YoY.**

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%.

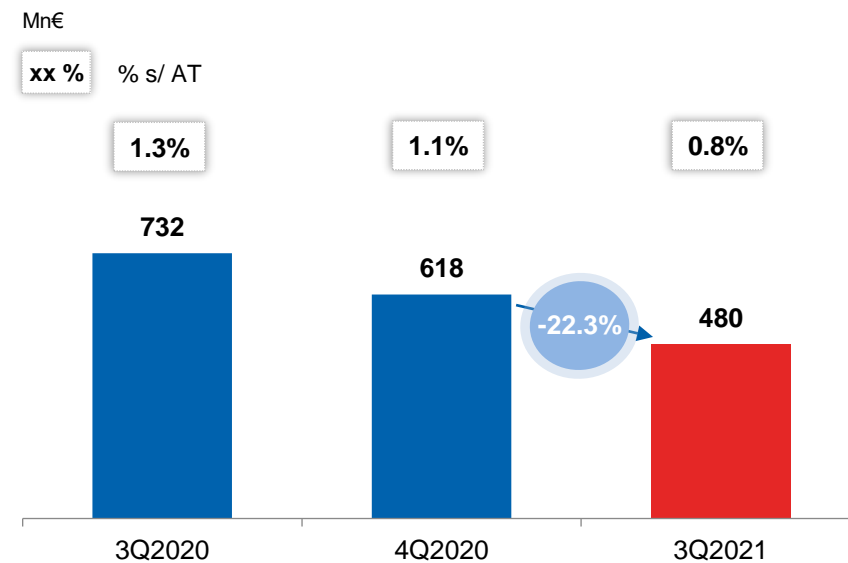
* NPL ratio of the peers as of August 2021– Bank of Spain

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.

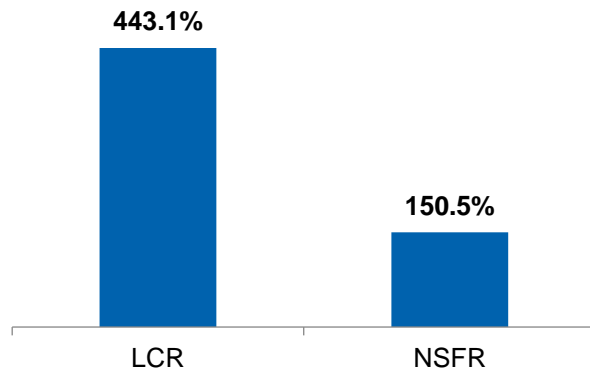
Net NPAs fall €138m or 22.3% YTD (-34.4% YoY).

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

LIQUIDITY AND ALCO PORTFOLIO

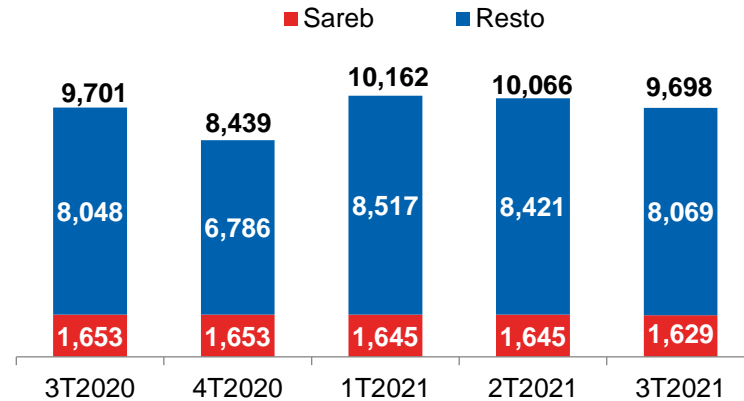
LCR and NSFR ratios

% - 3Q2021



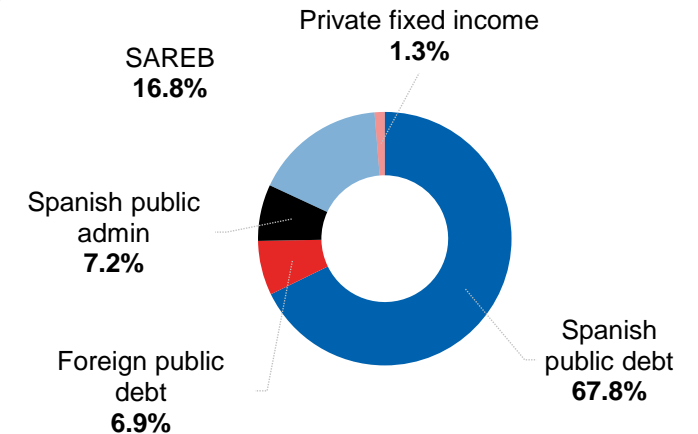
ALCO portfolio

€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 ALCO¹ portfolio during the quarter (-3.7% vs. 2Q2021).

- ▶ The portfolio is mainly composed of **Spanish sovereign debt** with an **average duration** of **5.4 years²** 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

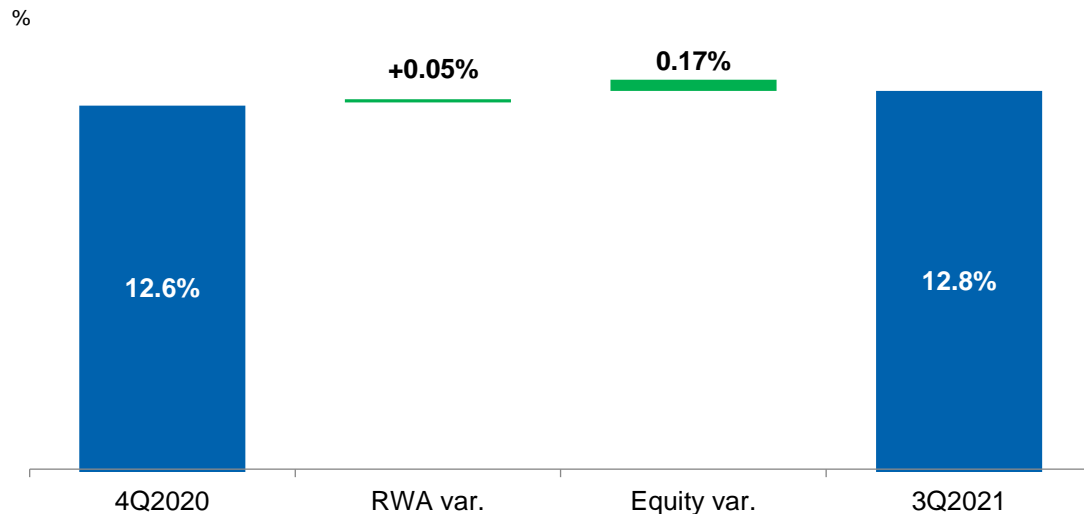
CET1 Fully Loaded ratio increased by 22 bps YTD (9 bps in 3Q) and reaches 12,8%. Capital Total Fully Loaded ratio stands at 17.5% after having completed the hybrid capital buckets.

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

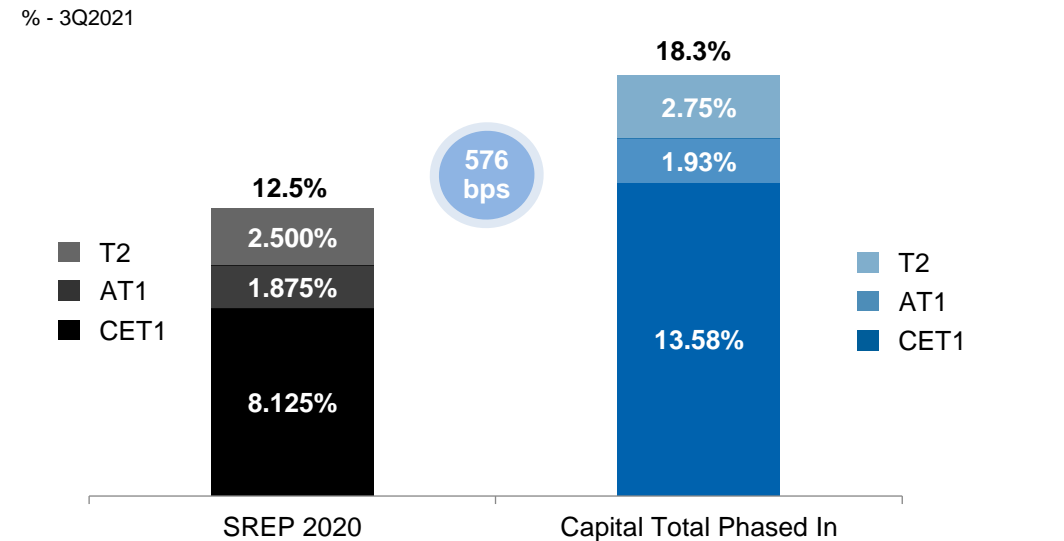
► Total capital ratio exceeds capital requirements by 576 bps. MDA reaches 546 bps.

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

CET1 Fully Loaded



SREP Requirement 2021 vs. Total Capital ratio

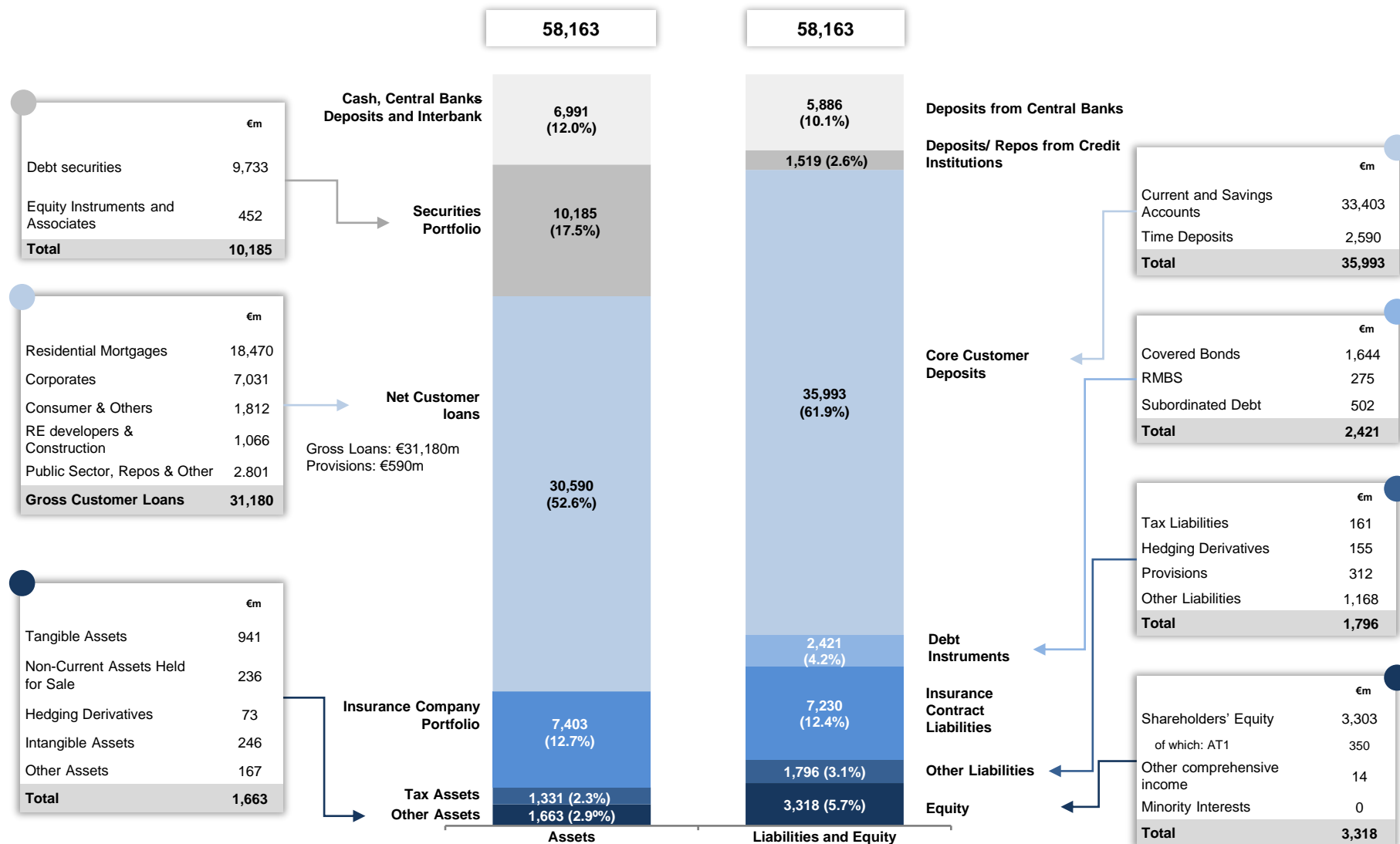


V

ANNEX

CONSOLIDATED BALANCE SHEET

€m- 30/09/2021



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 |



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