

9M2021 RESULTS

IBERCAJA POSTS PROFIT OF 146 MILLION EUROS, DOUBLING LAST YEAR'S FIRST NINE MONTHS

- A strong marketing drive in personal, private and SMEs segments, which are key segments for the Bank under its Desafío 2023 plan, led to a 4.2% rise in customer funds over the year, reaching a new record high of 68,170 million euros.
- Diversification into asset management and life insurance products drove a 10% increase in total assets under management between January and September (+2,932 million euros), which accounted for 47.2% of total customer funds.
- In the first nine months of 2021, mutual funds again displayed excellent performance, showing growth of 16% to more than 17,690 million euros, with new inflows of 1,872 million euros, 2.4 times higher than in the same period of the previous year, while growing market share by 21 basis points to 5.8%.
- New lending returned to pre-pandemic levels at more than 4,000 million euros, an increase of 7.3% compared to the same period of 2019.
- Performing loans to companies grew by 221 million euros or 3.0% in these three quarters, with 8 b.p. market share increase despite a slowdown in demand across the sector.
- Ibercaja's mobile app topped 580,000 users, 11.2% more than at the end of last year, and for the fourth consecutive month headed the APPs league table of app store reviews with a score of 4.6 out of 5. Total digital customers reach 865,000.
- Recurring revenues rose by 1.5% year-on-year to 688.2 million euros, exceeding the Bank's stability target for this line item for the whole of 2021.
- Provision charges for the nine-month period came to 85.3 million euros, 46.6% less than in the same period last year (159.7 million euros), when an extraordinary provision was recognised due to the pandemic.
- The Bank strengthened its balance sheet with an increase in the CET1 *Fully Loaded* capital ratio to 12.8%, 22 basis points higher than at year-end 2020.
- NPL ratio fell by 51 basis points during the year and, by the end of September, stood at 2.7%, 173 basis points below the industry average, with a coverage ratio of non-performing assets of 65.7%, 359 basis points higher than in December 2020.
- In support of its firm commitment to sustainability, from 18 to 24 October Ibercaja, its Foundation and its Financial Group hosted "Planet Week", comprising nationwide actions to raise awareness among stakeholders and help them achieve a more sustainable future.

Zaragoza, 3 November 2021. Ibercaja's marketing drive in the personal, private and SMEs segments, which are key under its strategic Desafío 2023 plan, has achieved 4.2% growth in customer funds, or 2,759 million euros, in the first nine months of the year, to climb to a new all-time high of 68,170 million euros.

The Bank posted a profit of 146 million euros through September, 100.6% more than in the same period last year, in a context of economic recovery after the pandemic, now held back by the uncertainty surrounding the energy crisis, a shortage of industrial supplies and ongoing low interest rates.

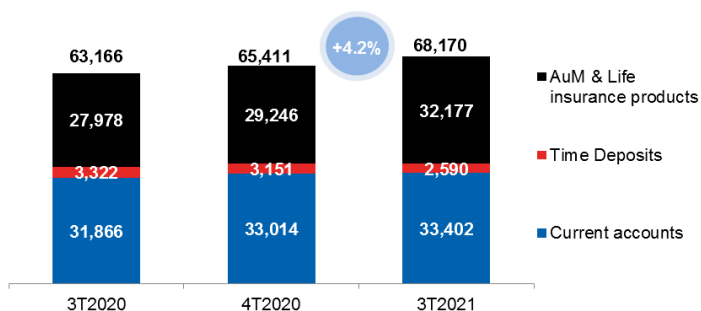
Moreover, the Bank continued to strengthen its financial position by raising its CET1 Fully Loaded capital ratio by 22 basis points to 12.8%, reducing non-performing assets by 14.2% and trimming the non-performing assets ratio by 51 basis points to 2.7%.

Outstanding performance in asset management and lending to businesses

The increase in customer funds in the first nine months of the year was due to the strong performance of assets under management and life insurance products. The line item grew by 2,932 million euros (+10.0%) since year-end 2020 to 32,177 million euros. These products now account for 47.2% of the Bank's total customer funds as a result of the strategy of diversification into asset management and life insurance.

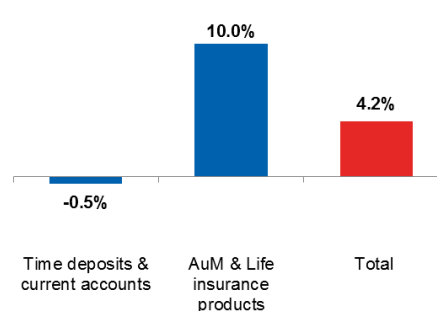
Customer funds

€m



Customer funds YTD evolution

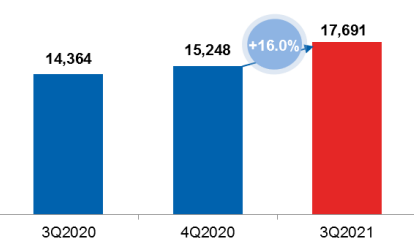
%



Mutual funds again displayed an excellent performance in the period, with 16% growth in assets under management to more than 17,690 million euros. New inflows came to 1,872 million euros, 2.4 times higher than in the same period of the previous year; while market share grew 21 basis points to 5.8%.

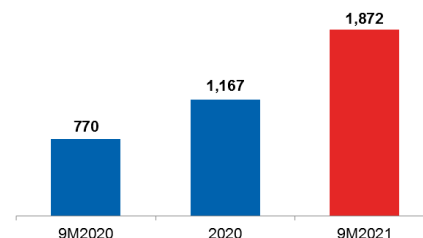
Stock of mutual funds

€m - Ibercaja Gestión - Inverco



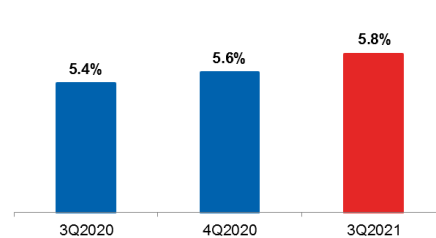
Net new money inflows

€m - Ibercaja Gestión - Inverco



Mutual funds market share

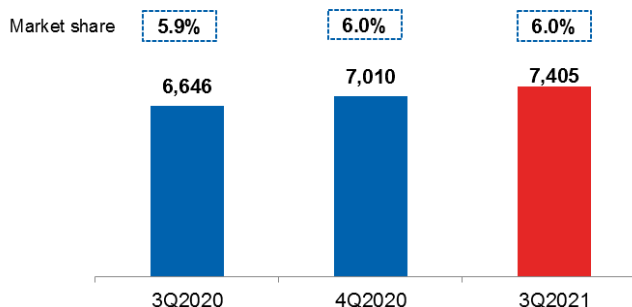
% - Ibercaja Gestión - Inverco



Pension plans also showed robust performance in the period ended 30 September, with a 5.6% rise since year-end 2020 (395 million euros), allowing Ibercaja to reach a 6% market share in this business.

Pension plans

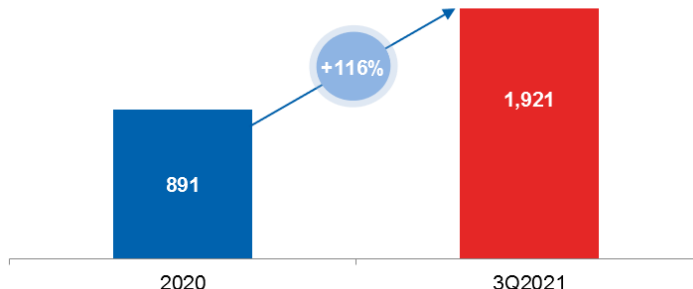
€m and % - Inverco



Mutual funds and pension plans that invest with ESG criteria achieved a strong advance and already exceed 1,920 million euros in volume under management. This considerable increase reflects the Bank's response to the new needs of customers and the wider community. The sustainability-led marketing strategy is reinforced by the Financial Group.

Total sustainable investment

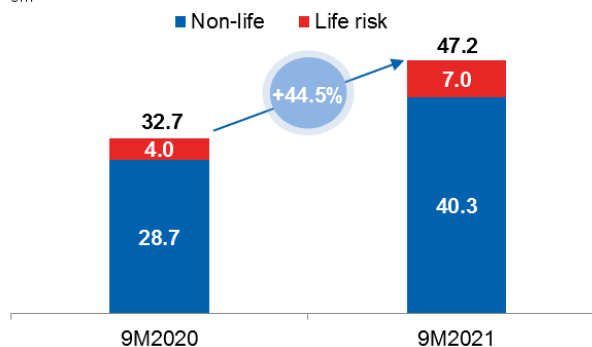
€m



New risk insurance premiums also registered a substantial increase of 44.5% year on year, following the Bank's decision to grow this product range as laid down in its new strategic plan. New life-risk insurance premiums have gone up by 72.4% year on year, while new non-life insurance premiums have risen by 40.5%.

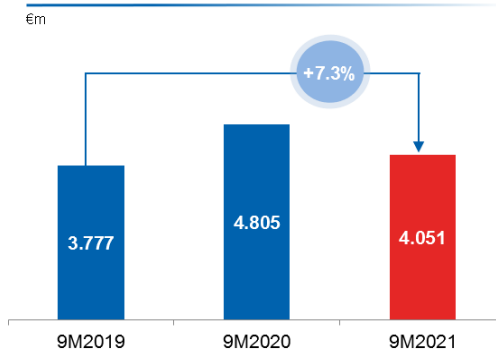
New production of risk insurance premiums

€M



New credit and loan originations reached pre-pandemic levels at more than 4,000 million euros, an increase of 7.3% compared to the same period of 2019.

New lending production



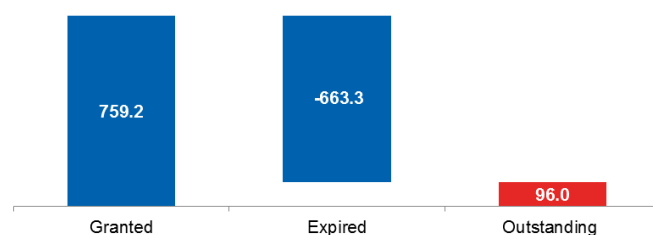
As a result of the reinforced marketing effort in the SME segment driven by the new Business Banking Area created at the beginning of the year, performing loans to companies saw growth of 221 million euros since year-end 2020, 3.0% in these first nine months, so Ibercaja gained 8 b.p. of market share in this segment.

Since the beginning of the crisis, the Bank has granted 2,093 million euros of this type of loan with a partial guarantee from the State through the ICO. 81% was allocated to self-employees and small and medium-sized companies, in line with the structure of this customer segment at the Bank.

In addition, the balance of outstanding moratoriums on loans to individuals granted to alleviate the situation of the most vulnerable customers during the pandemic decreased by 87.4% to 96 million euros at the end of September.

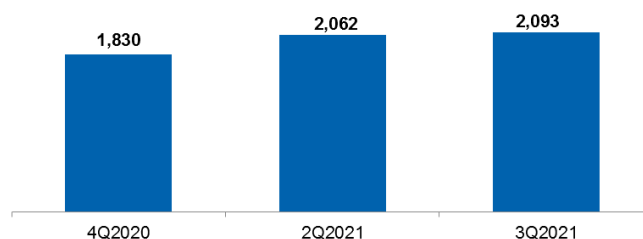
Outstanding granted moratoria in balance sheet

€m - September 2021



Accumulated evolution of ICO lending

€m



Digitalisation continues to move forward at the Bank, which has more than 865,000 digital customers. Specifically, Ibercaja's mobile app reached 580,000 users, 11.2% more than at the end of last year, and for the fourth consecutive month it led the APPs league table of app store ratings with a score of 4.6 out of 5. Ibercaja Pay increased the number of its users by 31.6%.

In addition, 57.2% of customers used the Bank's digital assets in the last quarter and 74.8% of transactions were carried out through digital banking.

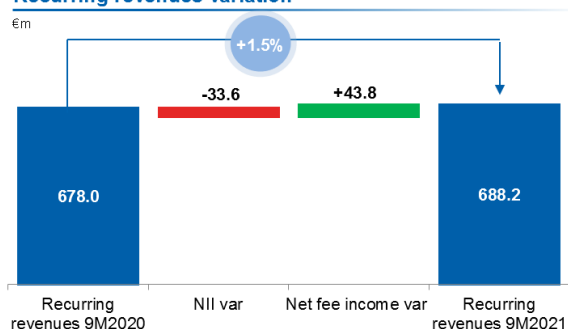
Recurring revenues improve and outperform stability target for 2021

Net interest income stood at 370.6 million euros, 8.3% 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.

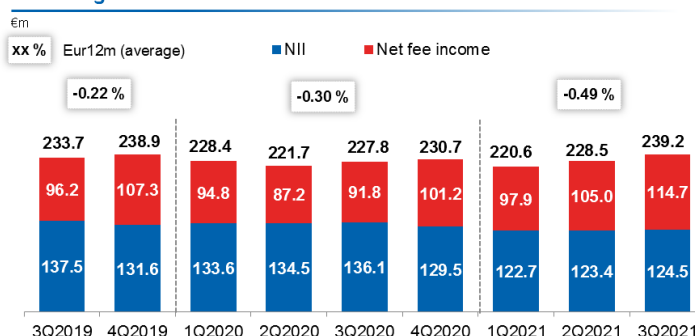
Net fees and commissions amounted to 317.8 million euros in these nine months of 2021, an increase of 16.0% year-on-year (+43.8 million euros). Non-banking commissions rose by 27.6% year on year or 45.6 million euros, mainly due to the positive performance of the assets under management and life insurance products in the last year.

Overall, recurring revenues increased by 1.5% year-on-year as the sum of both items (net interest income and net fee income), exceeding the Bank's stability target for the year as a whole. Recurring revenues reached 239.2 million euros in the third quarter, 4.7% higher than in the second quarter and back to pre-pandemic levels due to the marketing drive focused on asset management.

Recurring revenues variation



Recurring revenues

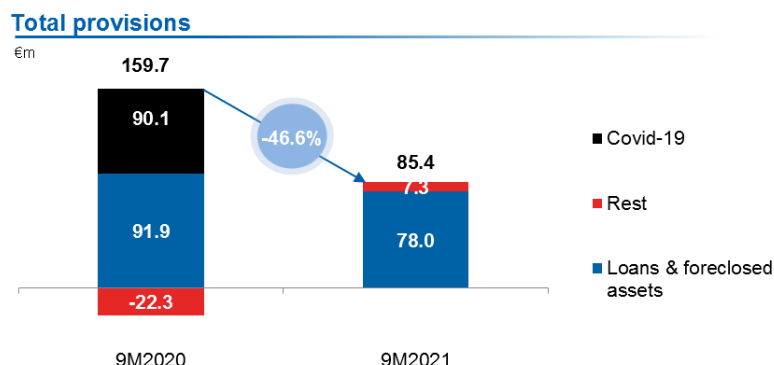


Total expenses grew 3.6% year on year. However, in the coming months, cost savings will become visible when departures of employees covered by the regulated workforce restructuring materialise. Terminations are occurring over a staggered timetable and will continue through to June 2022.

This restructuring, which was 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.

Profit before write-downs increased by 7.7% year on year (+20.7 million euros) owing to the 5.2% growth in gross margin in the period.

Provisions totalled 85.4 million euros in the nine-month period, down 46.6% compared to the first nine months of 2020. The 2020 provisions included 90.1 million euros to cover the potential impact of the pandemic. Provisions for loans and real estate fell by 13.9 million euros, or 15.1% year-on-year.



Lastly, Ibercaja generated a net profit of 146 million euros in the first nine months of 2021, 100.6% more than in the same period of the previous year.

Ibercaja strengthened its financial position and asset quality is higher than the industry average

The Bank strengthened its balance sheet, boosting its CET1 *Fully Loaded* capital ratio by 9 basis points in the third quarter (+22 basis points for the year) to 12.8%.

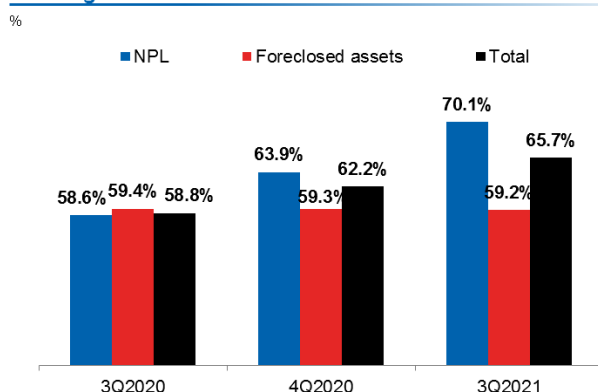
In terms of *Phased In*, common equity tier 1 (CET1) capital is 13.6%, while the Total Capital ratio is 18.3%. The excess capital in terms of 2021 SREP requirements stands at 576 basis points.

Ibercaja also retained its strong liquidity position, with an LCR and NSFR ratio of 443.1% and 150.5%, respectively. The loan-to-deposits ratio stood at 80.5% (down from 81.1% at 31 December 2020).

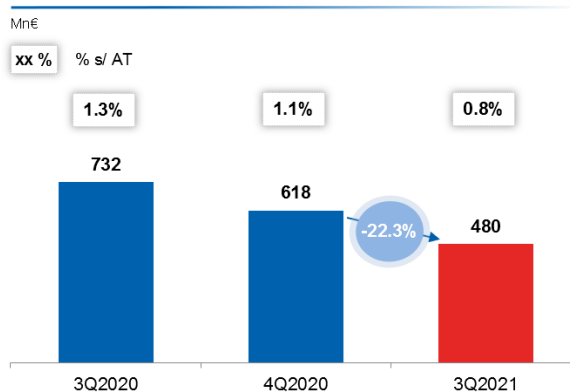
The Bank continued to effectively manage irregular investments, reducing gross non-performing assets (doubtful loans + foreclosed assets) by 231 million euros, 14.2% from January to June. The bank's NPL rate continued to fall to 2.7%, 51 bp lower than at the end of the year, widening its positive difference to the sector's average to 173 bp, according to the latest information available at the end of August.

Net non-performing assets fell by 138 million euros at the end of September, down 22.3% from the end of the previous year and 34.4% from the end of September last year. The Bank has increased the coverage ratio of non-performing assets by 359 basis points in the first nine months to 65.7%.

Coverage ratio



Net NPAs



The Board of Directors of Ibercaja decided to distribute an interim dividend for 2021 among its shareholder foundations in the amount of 47 million euros. This figure is equivalent to 50% of the Bank's earnings during the first half of the year.

Boosting sustainability

As part of its commitment to sustainable development, Ibercaja hosted "Planet Week" from 18 to 24 October 2021, as a contribution to Global Climate Action Day, 24th October.

Under the tagline "this week, you and the planet both win" and the theme "protect the environment and fight climate change", the Bank rolled out nationwide actions aimed at raising awareness and encouraging engagement by employees and customers of the Bank and society in general to convey the momentum that Ibercaja, Ibercaja Foundation and the Financial Group are applying in their roadmaps to help achieve the UN Sustainable Development Goals.

Throughout the week, business conferences, volunteer actions, contests, daily communications to employees, newsletter to customers and other actions were carried out, achieving wide participation and coverage in the media and social networks.

In October, for the first time, the Bank earned the "Calculo-reduzco" seal awarded by the Spanish Climate Change Office, which recognises the Bank's commitment to reducing its carbon footprint through an emissions reduction plan. Since Ibercaja started to monitor its Scope 1, 2 and 3 carbon footprint in 2016, it has cut its CO₂ emissions by 88%.

The Bank offset all its direct emissions in 2020, 1,282 Tn/CO₂, through the Zero CO₂ initiative run by ECODES, under the "Conservation of the Amazon in Madre de Dios, Peru" project, thus achieving carbon neutrality since last year. The goal is to achieve neutrality of emissions across the entire portfolio by 2050.

Last July, the Bank passed the AENOR follow-up audit for renewal of certification of its environmental management system in accordance with the ISO 14001-2015 standard.

9M2021 Main Figures

P&L Account

€mm	9M2020	9M2021	YoY
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%
Trading income & exchange differences	4.4	39.5	n/a
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 provisions	-90.1		
Other Gains and Losses	-2.3	1.1	n/a
Profit before Taxes	107.8	206.3	91.3%
Taxes & Minorities	-35.0	-60.3	72.1%
Net income	72.8	146.0	100.6%

Commercial Activity & Balance Sheet

€mm	4Q2020	3Q2021	YTD
Customer Funds	65,411	68,170	4.2%
of which "Core" deposits	36,165	35,993	-0.5%
of which Asset Management & Life Insurance	29,246	32,177	10.0%
Gross Lending	31,590	31,180	-1.3%
of which performing loans ex REPO	28,956	28,718	-0.8%
of which doubtful loans	1,013	842	-16.8%
Total Assets	58,401	58,163	-0.4%