Press release
28/02/2022

2021 RESULTS

IBERCAJA POST A NET PROFIT OF 151 MILLION EUROS IN 2021

- **The Bank closes 2021 with a substantial improvement in profitability based on the strong evolution in asset quality and the growth in recurring revenues driven by asset under management business**
- **Strong results generation together translates into capital generation and allows for an improvement in shareholder remuneration. The proposed total dividend amounts to 98 million euros which represents a 65% payout ratio**
- **Customer funds grow 7.3% year-on-year and reach 70,163 million euros thanks to assets under management and life insurance products which grow 12.9% year-on-year and reach 47.1% of customer funds**
- **Ibercaja has achieved a historical growth in mutual funds and pension plans which have increased by more than 4,000 million euros; this increase represents 85% of total customer funds growth in the year**
- **Ibercaja's mutual funds growth exceeds market evolution and results in 22 basis point market share increase reaching 5.78%; net new money inflows amount to 2,337 million euros which double 2020 levels**
- **Ibercaja gains market share in individual pension plans (+11 basis points) and employment plans (+11 basis points)**
- **Mutual funds and pension plans under ESG principles more than doubles year on year and stands above 2.100 million euros proving Ibercaja compromise with sustainability**
- **The new Business Banking unit has allowed for a commercial impulse in this segment resulting in loans to companies growing almost 7% year-on-year and in 8 basis points market share increase**
- **New risk insurance premiums (life and non-life) grow 47.0% year-on-year and amount 47 million euros**
- **Recurring revenues grow 2.5% year-on-year, thanks to the excellent evolution in non-banking commissions which compensate the negative impact in revenues of the Euribor fall**
- **Doubtful loans fall 29.2% year-on-year, a reduction significantly above the levels achieved by the system; Ibercaja's NPL ratio stands at 2.3%, 199 basis points below the system average, and the NPL coverage ratio reaches 75.4% vs. 63.9% as of 4Q2020**

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- **Ibercaja continues to reinforce its solvency levels with a year-on-year improvement of its CET1 Fully Loaded ratio of 12 basis points, reaching 12.7% above its 12.5% strategic target**
- **Digital customers grow 4.3% year on year, reaching 879,000 and Ibercaja APP users amount to 603,000**

Zaragoza, February 28th, 2022.- Ibercaja has post a net profit of 151 million euros in 2021. The Bank closes the year with a significant improvement in profitability thanks to the growth in recurring revenues driven by assets under management and the strong evolution of its asset quality indicators. This improvement translates into strong capital generation that allows for an increase in shareholder remuneration, stablishing a payout ratio of 65%.

In an environment with interest rates at record minimum levels, Ibercaja has continued strengthening is commercial activity, growing customer funds by 7.3% and reaching 70,163 million euros. In addition, the Bank has reinforced its solvency levels, with CET1 Fully Loaded ratio reaching 12.7%, above the strategic target of 12.5%. Moreover, its NPL ratio has fallen 91 basis points to 2.3% while the NPA coverage ratio (doubtful loans + foreclosed assets) has improved by 7 percentage points reaching 68.8%

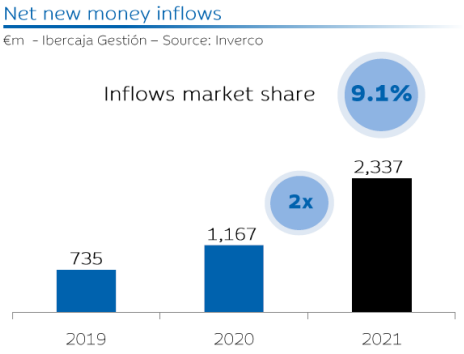
Outstanding evolution in assets under management

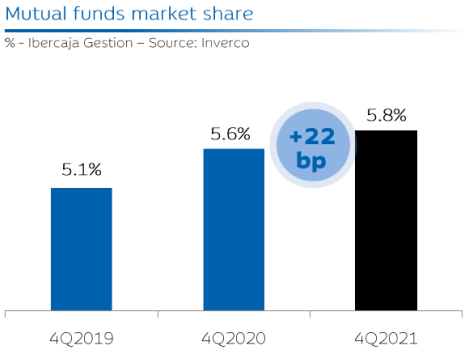
In the first year of the Strategic Plan “Desafio 2023”, the commercial activity of the bank has remained solid, with significant advances in key segments such as assets under management, risk insurance and loans to companies.

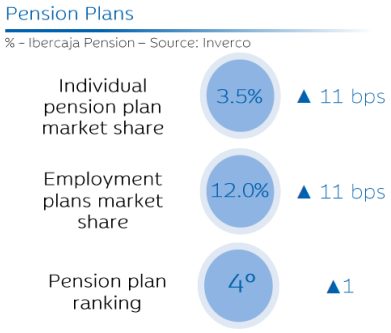
Customer funds have grown 7.3% year on year, reaching 70,163 million euros, driven mainly by assets under management and life insurance products which have grown 12.9% year on year and account for 47.1% of customer funds.

Ibercaja has achieved an historic growth in mutual funds and pension plans, which have risen by more than 4,000 million euros and represent 85% of the increase in customer funds. In mutual funds, net new money inflows reach 2,337 million euros which represents a market share of 9.1% and double the amount reached in 2020. Mutual funds market share stands at 5.8%, a 22 basis points increase in the year and a new maximum level for Ibercaja.

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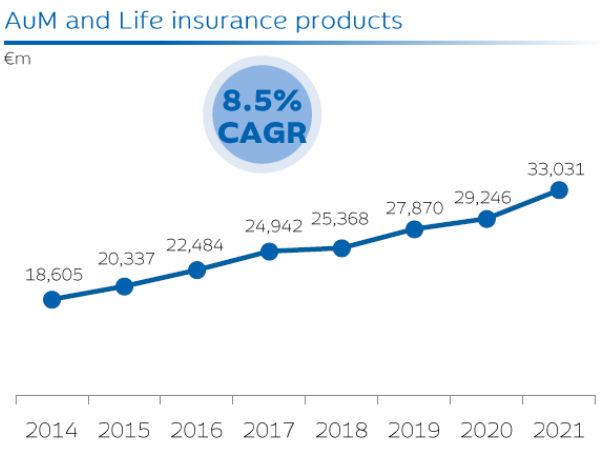


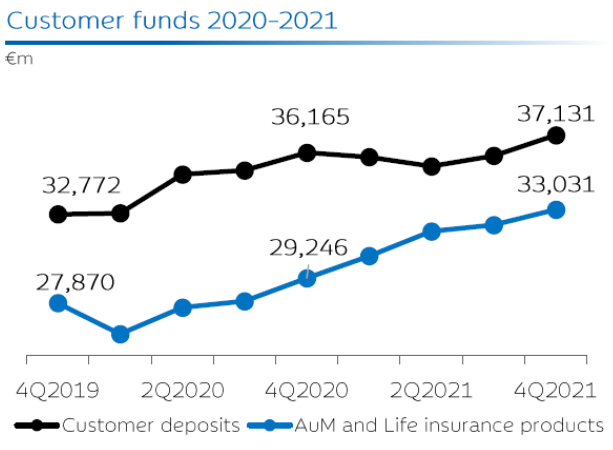
The stock of individual pension plans has grown 12% year-on-year while in employment plans the advance reaches 7%. In both segments Ibercaja has increase its market share by 11 basis points.

Mutual funds and pension plans under ESG principles more than doubles year-on-year and stands above 2.100 million euros proving Ibercaja's compromise with sustainability.

Best in class customer funds mix

Ibercaja has a strong focus in diversifying its customer funds to more value-added products. Since 2014, the stock of assets under management and life insurance products has grown 8.5% annually. This trend has not been affected by the pandemic, with assets under management and life insurance products growing 5,161 million euros (8.9% annual growth) since 2019YE levels. Moreover, the stock of customer deposits stands 4,359 million euros above pre-pandemic levels and constitute a future lever for growth in assets under management.





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Positive momentum in loans to companies

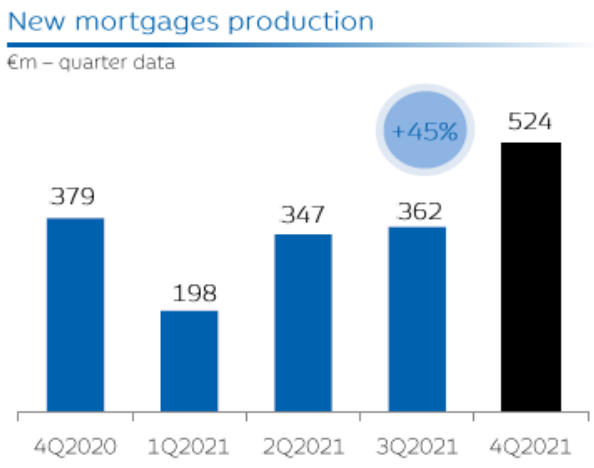
In 2021, Ibercaja has maintained its support for the recovery of the economic activity.

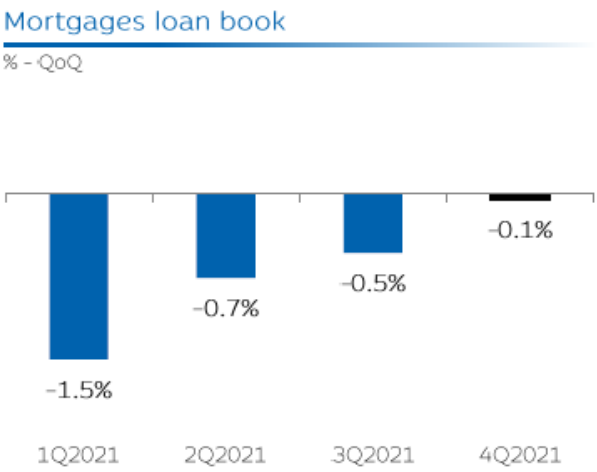
The new Business Banking Area, created in January 2021, has provided a significant additional commercial boost to this segment. As a result, performing loans to companies grew by 6.9% (518 million euros), increasing market share by 8 basis points during the year.

Thus, lending activity has performed outstandingly well over the last twelve months, with 5,421 million euros in new loan production, recovering pre-Covid levels. It is worth noting that 60% of new loans have been granted to companies. In addition, working capital financing has performed remarkably well with an increase of 15.7% with respect to 2020.

In this regard, in order to facilitate investment by companies, in collaboration with the renowned specialized consulting firms Mazars and Silo, Ibercaja has made available to customers an advisory service to access the funds from the *Next Generation EU* plan, with the aim of taking advantage of the investment opportunities they bring with them.

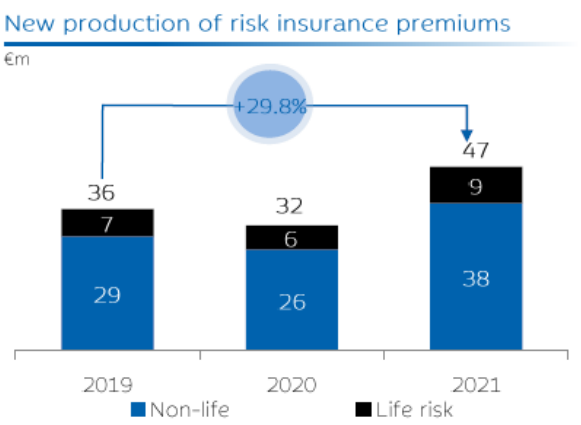
Regarding new mortgage origination, the evolution during the year has shown an upwards trend. Thus, new production in the fourth quarter was 45% above third quarter levels, with a market share in new mortgage origination of 3.4% and a stabilization of the portfolio in the 4Q. Ibercaja continues to improve its mortgage processes and has launched new commercial campaigns with a special focus on young first-time homebuyers.

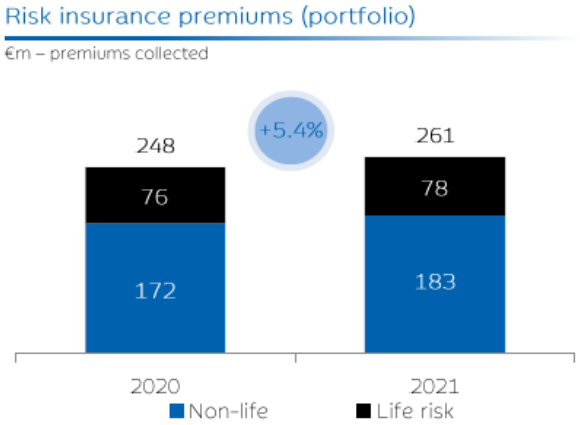




Risk insurance commercial activity also recorded strong growth in new premium production, which reached 47 million euros, 47% higher than in 2020 and 30% above the level recorded in 2019. Overall, the insurance premium portfolio increased by 5.4% year-on-year.

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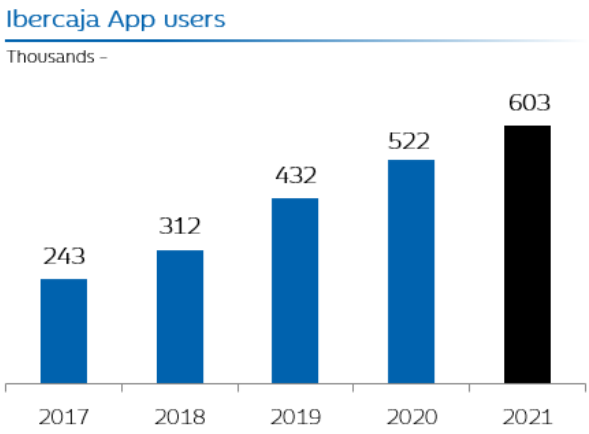


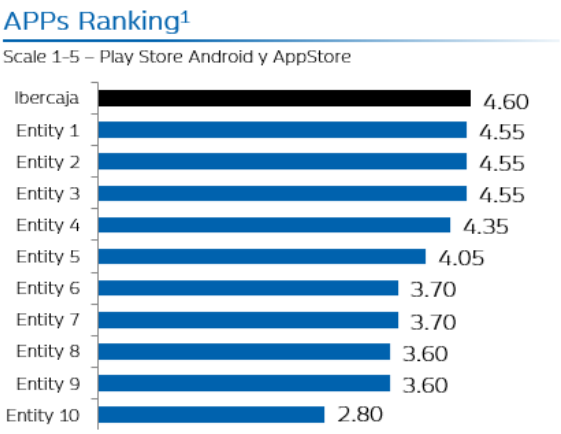
Digital managers project

Following the itinerary of the Strategic Plan "Desafío 2023", Ibercaja has intensified its digital transformation in response to the acceleration of this trend produced during the pandemic. Digital customers (879,000) grow 4.3% year-on-year driven by those who use the Ibercaja App, which grow more than 15% and reach 603,000 users by the end of 2021.

Thus, Ibercaja´s digital customers already represent 57.6% of the total. For customers who are between 18 and 65 years old, the percentage exceeds 70%, while for those over 65 years old it exceeds 25% for the first time. The app maintains its leadership in customer satisfaction with a score of 4.6 out of 5 on the Apple Store and Google Play.

The percentage of digital sales has exceeded 36% in the year. In pre-approved loans and in securities, it already exceeds 90% and it is growing strongly in new digital products: digital mortgages reach 13% over total new production vs. 6% one year ago. Risk insurance products reach 5% in the first year of digital commercialization.





In addition to introducing relevant developments and improvements in digital banking applications, in 2021 the digital managers project has been launched. It is a team of professionals that accompanies the client, through non-face-to-face channels, with a

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more personalized and specialized attention. In this way, Ibercaja advances in the implementation of an omnichannel model, focused on the customer experience, which seeks to offer the same level of service quality and advice through digital channels as in its physical branches.

Firm commitment to sustainability

In line with Ibercaja´s commitment to sustainability, products that follow ESG (environmental, social and governance) criteria have exceeded €2.1bn in 2021 (compared to €891m in 2020), increasing the weight of sustainable investment products in the portfolio from 4.5% in 2020 to 9.40%.

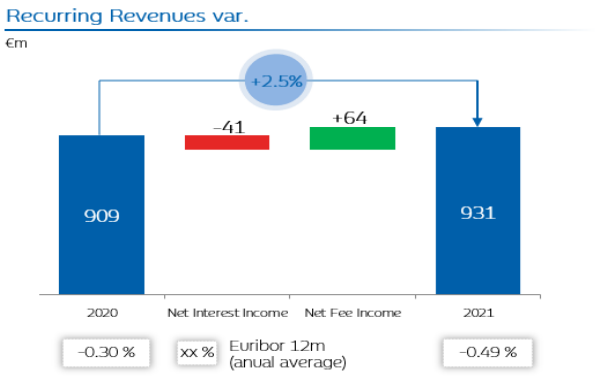
Ibercaja has launched new financing initiatives, such as the following programs "Vivienda + Sostenible", "Edificio + Sostenible", "Vamos Coche", etc.

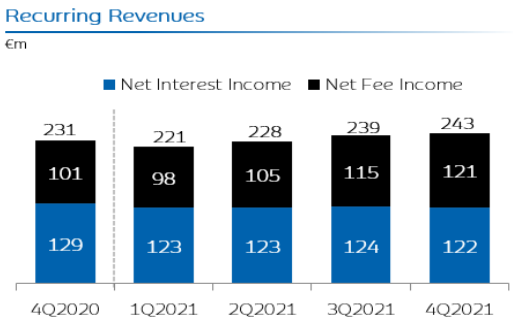
Additionally, in 2021 total emissions (scope 1 and 2) were 874 Tn/CO_2, 31.8% lower than the previous year´s emissions. With the CO_2 emissions reduction, Ibercaja is pursuing the goal of reducing its carbon footprint by 100% (scope 1 and 2 and partially 3) by 2030. To this end, the total electrical energy consumed at Ibercaja is 100% green energy.

Likewise, Ibercaja continues to advance in its goal of becoming a leader and benchmark in ESG matters, for which it has joined the *Net Zero Asset Managers* initiative in 2021, a platform in addition to others with which has been collaborating, such as *Climate Action 100+, Access to Medicine Foundation or Carbon Disclosure Project.*

Recurring revenue strength

Recurring revenues have increased 2.5% up to 931 million euros, exceeding the 2021 objective.





Net interest income fell by 7.7% year-on-year, mainly explained by the repreciation of the loan portfolio to an Euribor at historic lows.

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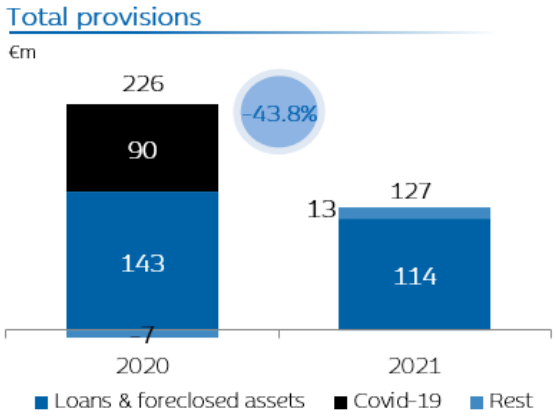
Net fee income amount to 438 million euros, up 16.9% compared to the end of 2020, explained by the excellent track record of assets under management. Specifically, non-banking commissions rose by 25.5% to 289 million euros, due to strong growth in volumes and the increase in success fees, thanks to the positive performance of the markets in the year.

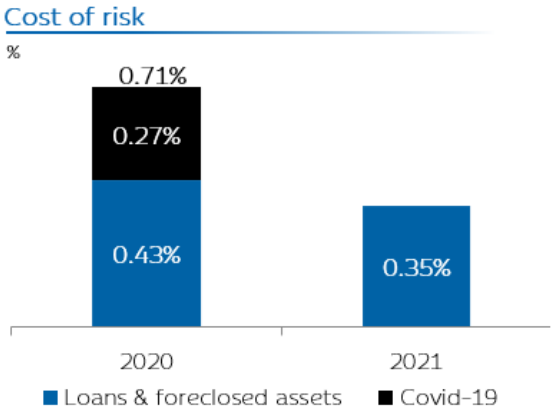
Operating expenses reduction

Operating expenses were reduced by 14.9% to 611 million euros. Excluding the impact of the costs derived from the Redundancy Plan (151 million in 2020 and 13 million additional costs in 2021), recurring expenses (598 million) have increased by 5.4% returning to 2019 levels.

As of December 31, 2021, there have been 525 departures of the 750 approved in the 2021-2022 Redundancy Plan and the closure of 117 offices. In 2022, the costs savings derived from the Redundancy Plan will begin to materialize, with the objective of reducing the recurring cost base by 40 million euros.

Total provisions fell by 43.8%, 99 million less than in 2020. Cost of risk provisions fell by 51.1% after the 90 million Covid provisions recorded in 2020. Excluding this item, the fall is 20.1% or 29 million euros. Thus, the cost of risk in 2021 stands at 35 basis points compared to 43 basis points registered in 2020.





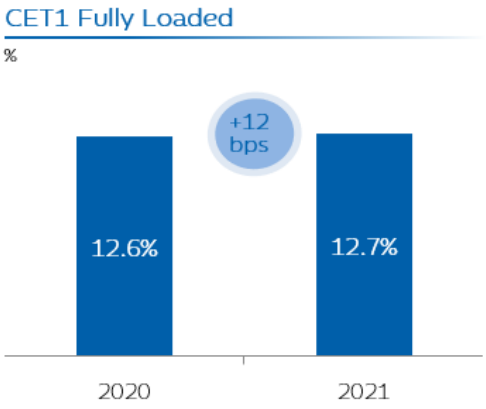
Net attributable profit stands at 151 million euros, 127 million euros higher than in 2020. The ROTE (ratio of net income to average tangible equity) reached 5.7%, compared to 0.9% in 2020.

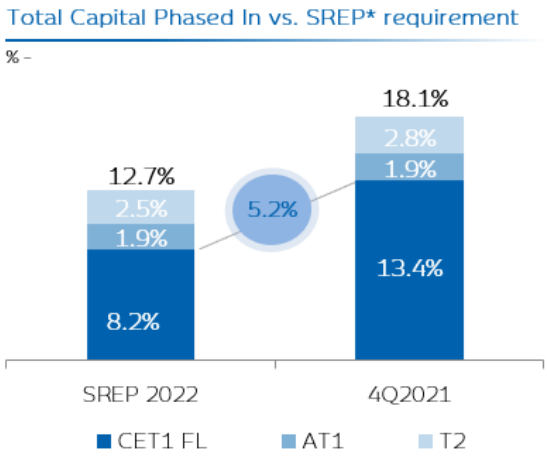
Financial robustness: CET1 Fully Loaded reaches 12.7%

Ibercaja maintains the financial strength of its capital ratios with a CET1 Fully Loaded of 12.7% (12 basis points more than in 2020), exceeding the medium-term target set by the Entity of 12.5%. Total Capital Fully Loaded stands at 17.4%. These ratios are above 2021 SREP Requirements as well as those that will come into force in March

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2022. The MDA ratio, which measures the excess capital versus SREP Requirements, stands at 520 basis points, the highest among comparable entities.





Ibercaja maintains a high liquidity position and shows a solid financing structure based on retail customer deposits. Thus, loan to deposits ratio stands at 78.2%. Available liquidity accounts for 26% of the balance sheet and covers all wholesale debt maturities.

In 2021, the reduction on non-performing assets on the balance sheet continued, with a strong evolution compared to the sector.

Thus, doubtful loans have decreased by 29.2% compared to -4.8% of the sector, with the NPL ratio falling by 91 basis points to stand at 2.3%. The positive gap versus the Spanish financial system widens to 199 basis points. The degree of coverage of NPLs rose 11.4 percentage points to 75.3%.

Non-productive assets, doubtful loans and foreclosed assets, is reduced by 373 million euros. Therefore, NPA ratio stands at 4.0%, decreasing 110 basis points since December 2020. The degree of coverage of NPAs stands at 68.8% and rises almost 7 percentage points.

The extraordinary pace of reduction of non-performing assets, the improvement of profitability and as a result the strong capital generation, allow Ibercaja to raise its remuneration to shareholders. Thus, Ibercaja has proposed a total dividend, charged to the results of 2021, of 98 million euros, equivalent to a payout of 65%.

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P&L ACCOUNT 2021

	2020	2021	Var. YoY
Net Interest Income	534	493	-7.7%
Net Fee Income	375	439	16.9%
Recurring Revenues	**909**	**931**	**2.5%**
Gains/Losses on Financial Assets and Liabilities	119	47	-60.8%
Other Operating Income (Net)	-26	-26	-0.9%
Gross Operating Income	**1,002**	**952**	**-4.9%**
Operating Expenses	-719	-611	-14.9%
of which: Recurring expenses	-567	-598	5.4%
of which: Redundancy Plan 2021-2022	-151	-13	n/a
Pre-Provision Profit	**283**	**341**	**20.4%**
Total Provisions	-226	-127	-43.8%
of which: COVID-19	-90	0	n/a
Other Gains and Losses	-4	1	n/a
Profit before Taxes	**53**	**215**	**301.7%**
Taxes	-30	-64	113.6%
Net Income	**24**	**151**	**539.7%**

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