



Ibercaja Banco

1Q2022 Results

5th May 2022

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Table of Contents

1. Key highlights	4
2. Commercial activity	7
3. Results	14
4. Asset quality, liquidity and solvency	22
5. Annex	27



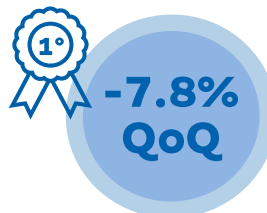
Key highlights

Key highlights

1

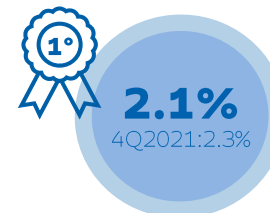
Ibercaja continues to improve its asset quality

NPLs



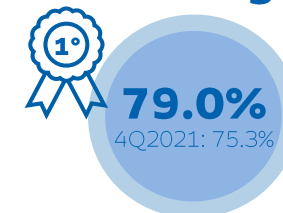
(System -0.7%)*

NPL Ratio



(System: 4.3%)*

NPL Coverage



(Peers: ~61%)**

2

All main P&L lines improve in 1Q2022

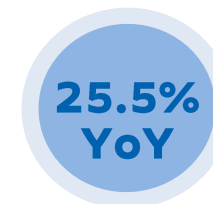
Recurring Revenues



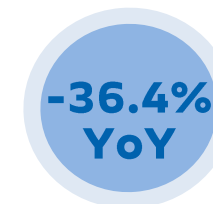
Costs



Recurring profit before provisions



Provisions



Key highlights

As a result,

3 Ibercaja achieves the highest net income in a 1Q in the recent history of the Entity

**Net
Income**

€63m

YoY

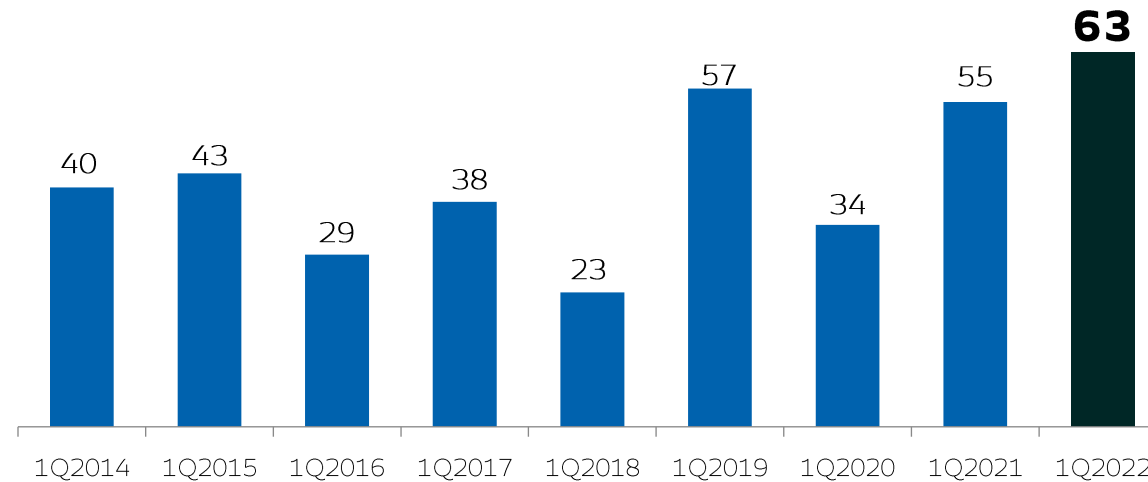
+15.2%

**ROTE
1Q annualised**

9.5%

Net Income 1Q

€m





Commercial activity

Customer funds

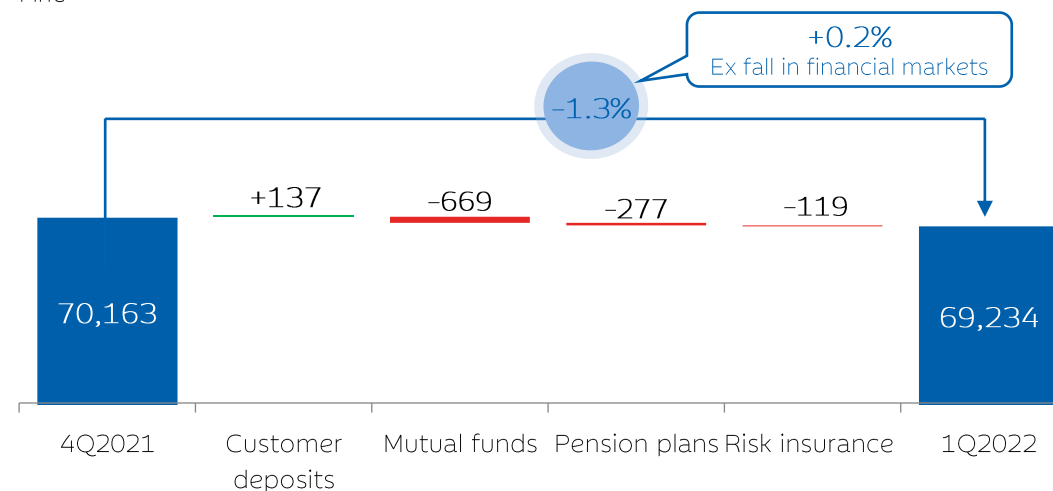
Customer funds

€m and %

	1Q2022	YoY	QoQ
Customer deposits	37,268	3.7%	0.4%
Current Deposits	34,943	6.0%	0.8%
Time Deposits	2,325	-21.7%	-5.4%
AuM & Life insurance products	31,966	4.9%	-3.2%
Mutual funds	18,931	9.1%	-3.4%
Pension plans	6,285	2.9%	-4.2%
Risk insurance	6,749	-3.7%	-1.7%
Customer funds	69,234	4.3%	-1.3%

Customer funds (YTD evolution)

Mn€



Customer funds decrease by 1.3% QoQ or €929m. Excluding the impact of the fall in financial markets, customer funds remain stable (+0.2%).

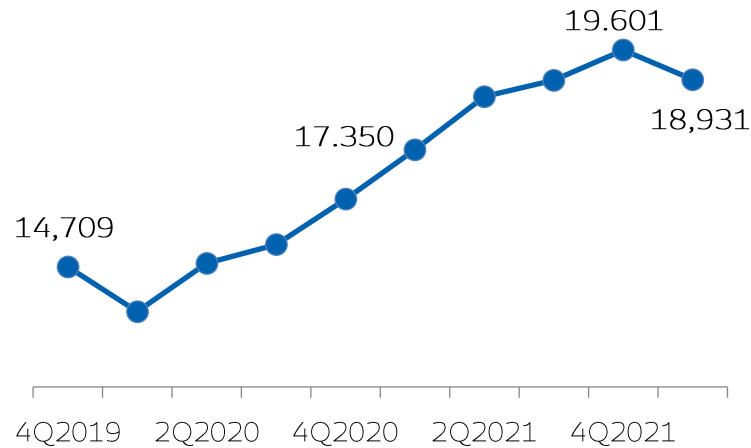
- ▶ AuM and life insurance products decrease by 3.2% QoQ or €1,066m. The decline is explained entirely by the fall in financial markets. Despite the increase in market volatility there has been no net outflows of customers funds.
- ▶ AuM and life insurance products represent 46.2% of total customer funds.

In YoY terms, customer funds grow 4.3% or €2,842m.

Mutual funds

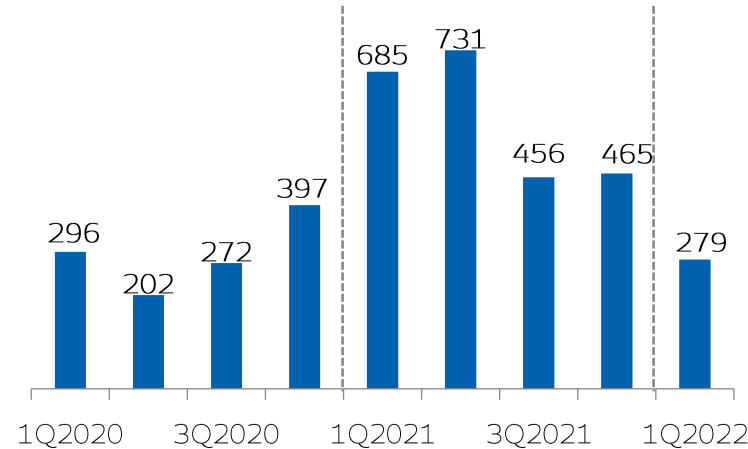
Stock of mutual funds

%-



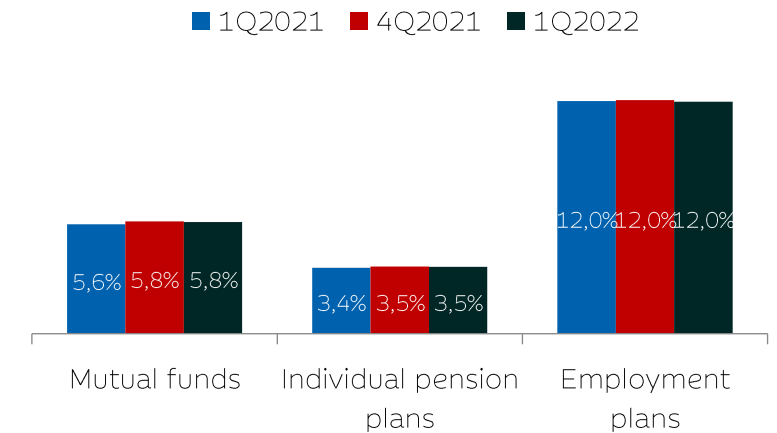
Net new money inflows

€m - Source: Inverco



Market share in AuM

%- Ibercaja Pension - Source: Inverco



The stock in mutual funds falls by 3.4% or €669m in the quarter, although it grows 9.1% YoY or €1,581m.

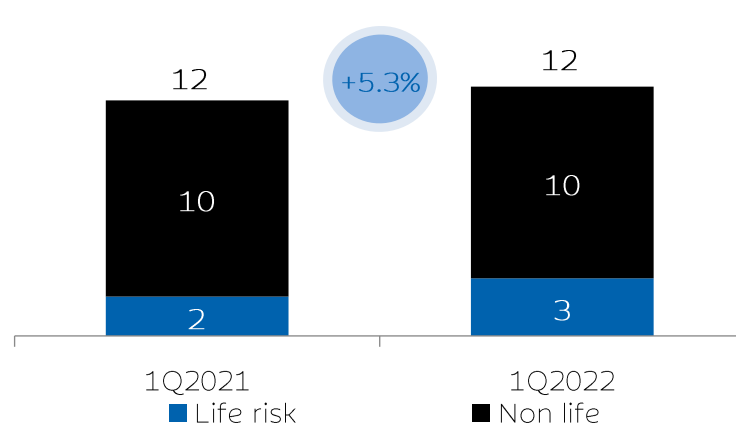
- High resilience in net new money inflows: Ibercaja's advisory model allows for no net outflows during the most volatile periods of the Ibercaja; instead Ibercaja increases its market share in net new money inflows: in 1Q2022 the market share in net new money inflows reached 10.7% vs. 9.1% registered throughout 2021. Since the start of the pandemic, market share in net new money inflows has been 12.8%.

Market share in mutual funds and pension plans remains stable in the quarter.

Risk insurance

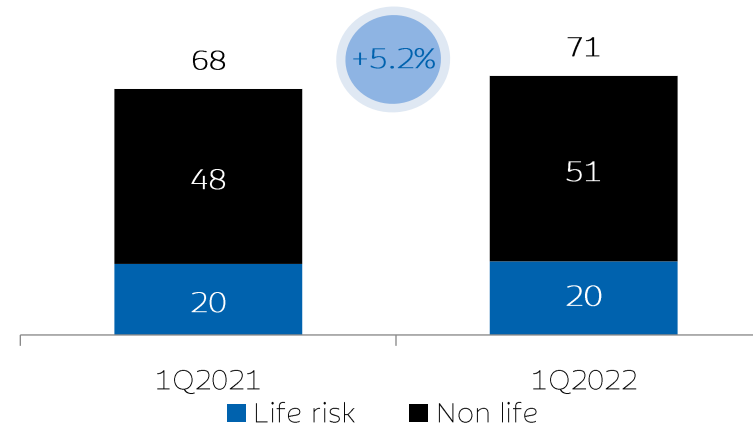
New production of risk insurance premiums

€m



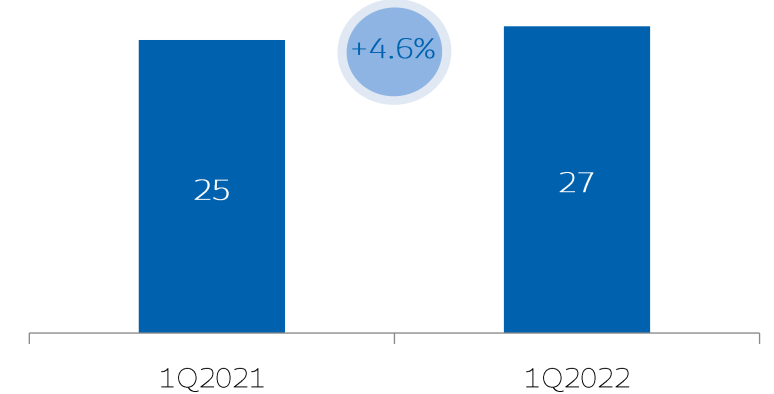
Risk insurance premiums (portfolio)

€m – premiums collected



Risk insurance revenues

€m –



New production of risk insurance premiums reaches €12m in 1Q2022, 5.3% higher than in 1Q2021.

- Strong boost in new production of life risk insurance, which increases by 45.6% YoY.

The risk insurance portfolio grows by 5.2% YoY up to €71m (+6.0% in non life and +3.6% in life risk).

The contribution to the gross margin of risk insurance reaches €27m in the quarter (+4.6% YoY).

Customer loans

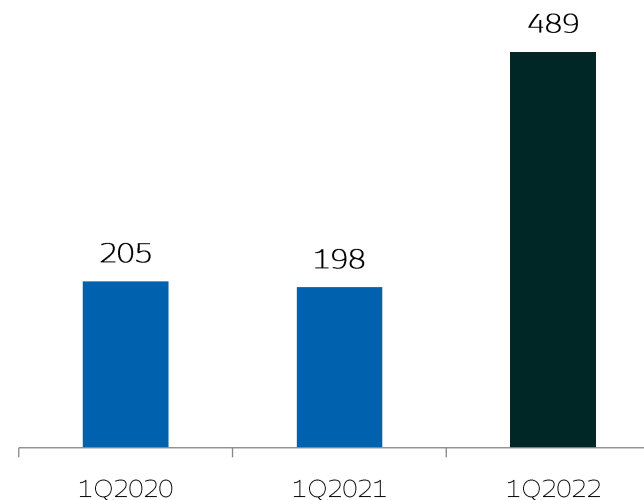
Customer loans

€m

	1Q2022	YoY	QoQ
Loans to households	19,758	-1.5%	-0.3%
Mortgages	18,108	-1.3%	0.0%
Consumer and others	1,650	-3.9%	-4.0%
Loans to companies	8,126	1.3%	1.4%
Non-Real estate companies	7,145	1.7%	1.5%
Real estate companies	981	-1.2%	0.8%
Public sector and others	1,188	-2.4%	15.6%
Performing gross loans ex repos	29,072	-0.8%	0.7%
Repos	1,618	0.1%	0.1%
Doubtful loans	661	-30.8%	-7.8%
Customer loans	31,351	-1.6%	0.5%

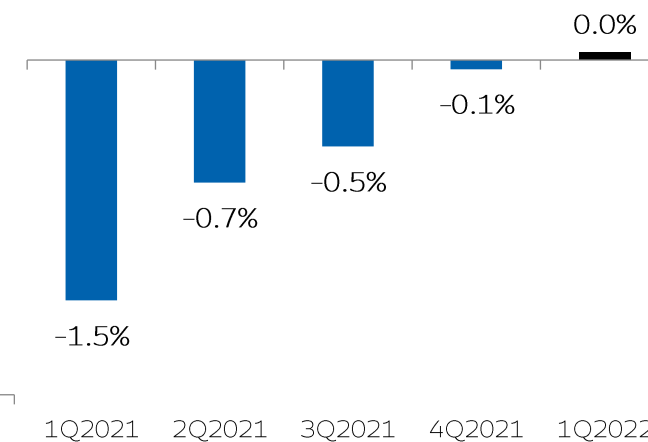
New mortgages production

€m



Mortgages loan book

% - QoQ



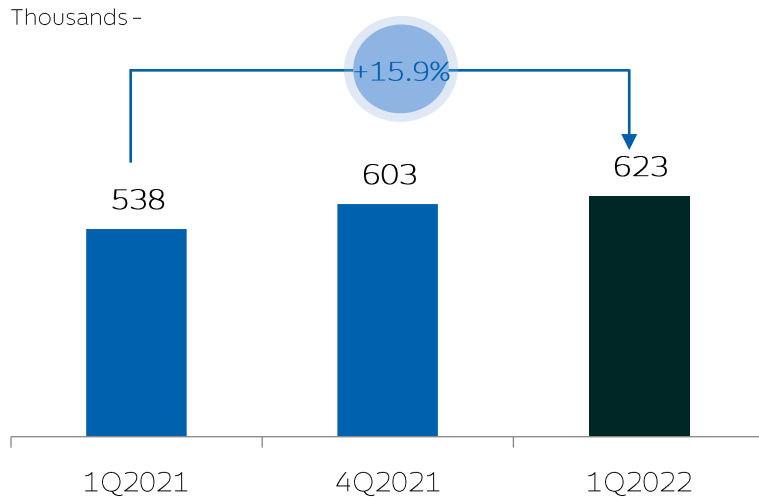
Loan portfolio increases in the quarter by 0.7% or €209m.

- ▶ Loans to companies grow by 1.4% vs 4Q2021 or €110m and Ibercaja increases its market share 6 bps¹ in the year.
- ▶ Mortgage portfolio stabilizes for the second consecutive quarter due to the increase in new mortgages production in the quarter, which reaches €489m (+2.5x YoY, maximum levels of new lending production in the last 5 years in a 1Q).

¹ Data as of March 2022

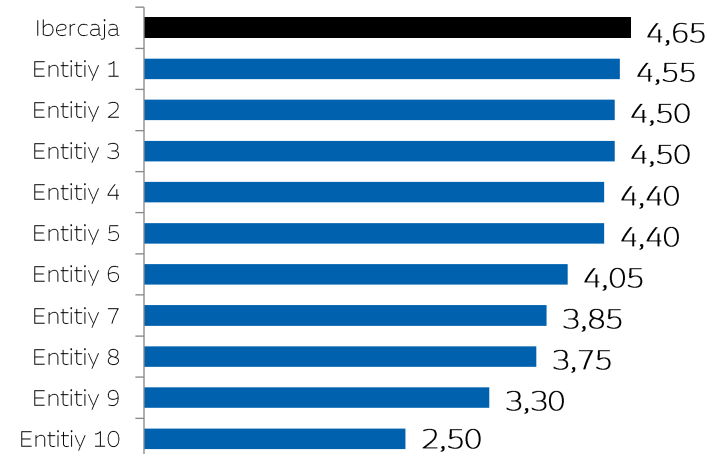
Digitalisation

Ibercaja App users

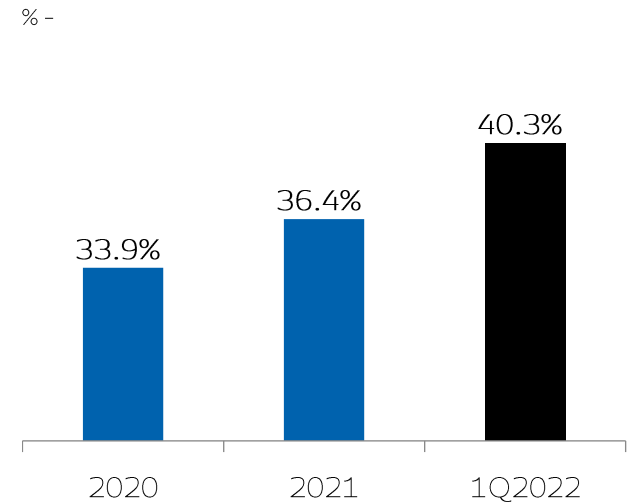


APPs Ranking¹

Scale 1-5 – Play Store Android and AppStore



Digital sales



The number of Ibercaja App users grow by 15.9% YoY and boost the number of digital customers by 4.6% YoY.

- Digital customers already represent 58.1% of the total.
- Since June 2021, Ibercaja App is leading the ranking in customer satisfaction with a score of 4.65 in Apple Store and Google Store.

The percentage of digital sales exceeds 40%.

- The weight of digital channels grows strongly in mortgages exceeding 26% (vs. 13% in 4Q2021) and in risk insurance up to 8% (vs. 5% in 4Q2021).

¹: The ranking is defined as a weighted average between the scores received from users of the Android and IOS Apps.. Peers includes :ABANCA, Bankia, Bankinter, BBVA, CaixaBank, Kutxabank, Liberbank, Sabadell, Santander and Unicaja (March 2021).

ESG Progress

E

€2,203m in sustainable investment
(according to art. 8 UE Taxonomy)

Financing and advisory services for energy
efficiency projects

Decarbonisation strategy

Carbon neutral (scopes 1 and 2)

- **Objective:** neutral in scope 3 in 20250.
Decarbonization pathways.
- 100% energy consumed is green

Influence on the value chain

43% Tier 1 and 2 suppliers
provide ESG information

S

Contribution of 460 thousand euros to
solidarity projects from Solidarity and
Sustainable products

+ 14m in social investment from Fundación
Ibercaja

€40 thousand aid to Ukraine from Ibercaja
Foundation project

“Somos empresa”



- +100 conciliation measures
- **Target:** 40% management positions held
by women by 2023

4,569 professionals trained in sustainability

5,227 beneficiaries of 2021 Financial
Education programs

Approval of the Decalogue of personalized
attention to senior clients

G



Sustainability Policy

Strategic Purpose and Sustainability
Initiative

ESG Policy Development by Ibercaja Group

ESG Commitments:



Action plan for integrating ECB expectations
on climate risks



Results

1Q2022 P&L account

	1Q2021	1Q2022	YoY
Net Interest Income	123	120	-2.1%
Net Fee Income	98	112	14.4%
Recurring Revenues	221	232	5.2%
Gains/Losses on Financial Assets and Liabilities	35	5	-86.2%
Other Operating Income (Net)	8	3	-65.9%
Gross Operating Income	263	240	-8.9%
Operating Expenses	-148	-142	-4.6%
Pre-Provision Profit	114	98	-14.4%
Total Provisions	-34	-22	-36.4%
Other Gains and Losses	-1	10	n/a
Profit Before Taxes	80	86	8.7%
Taxes	-25	-24	-5.4%
Net Income	55	63	15.2%

Net interest income

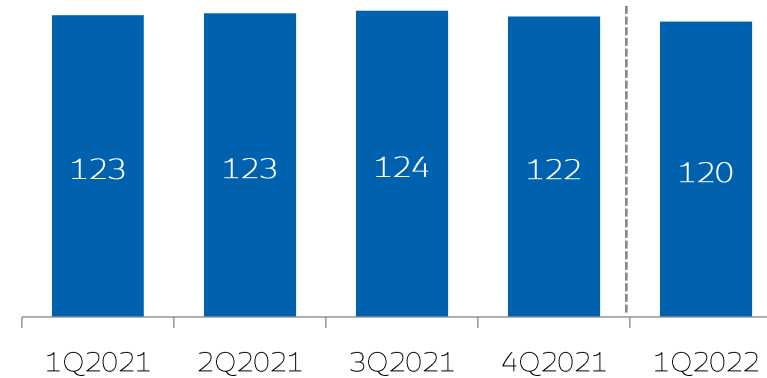
Net interest income variation

€m



Quarterly net interest income

€m



Net interest income falls 2.1% YoY or €3m.

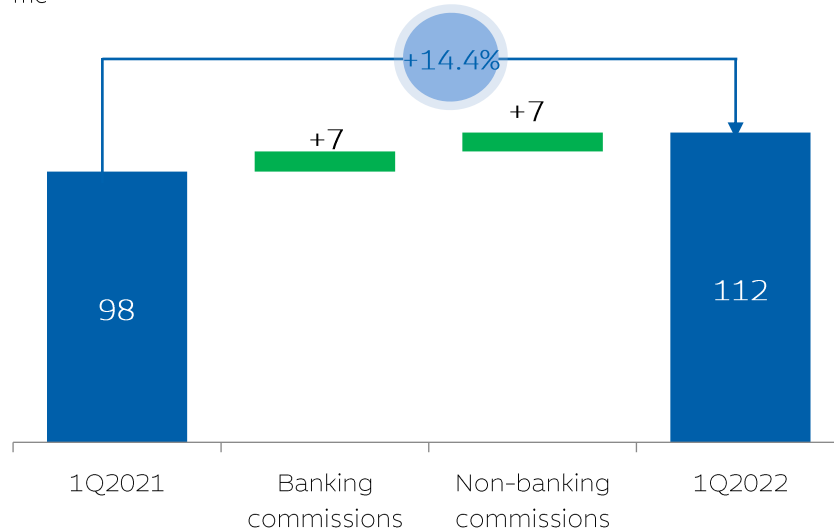
Ibercaja expects a recovery in net interest income in the second half of the year:

- The positive dynamics in new lending will drive interest income.
- Additionally, the Entity has greater leverage than the sector to increases in Euribor due to higher weight of the mortgage portfolio (62% of performing loans).

Net fee income

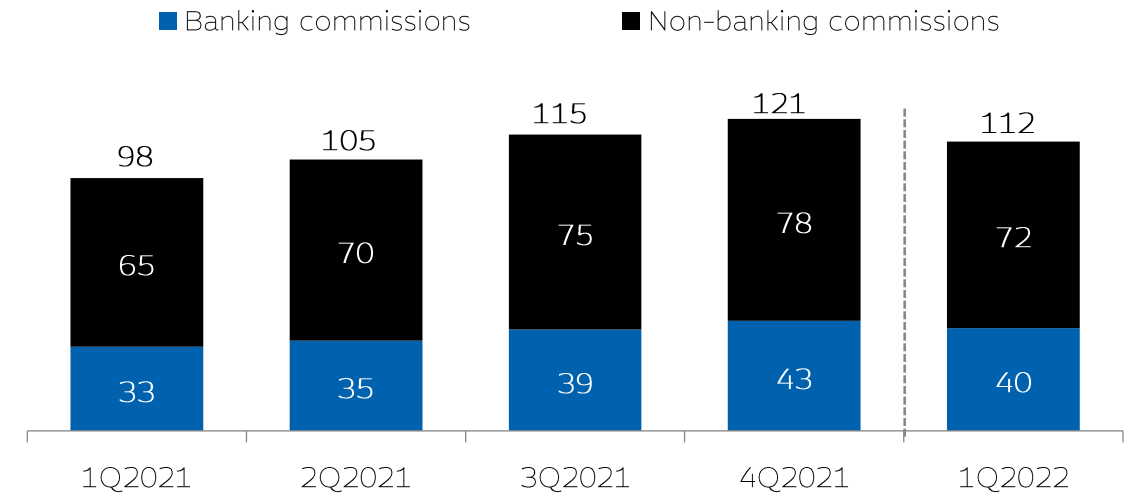
Net fee income variation

m€



Quarterly commissions

€m

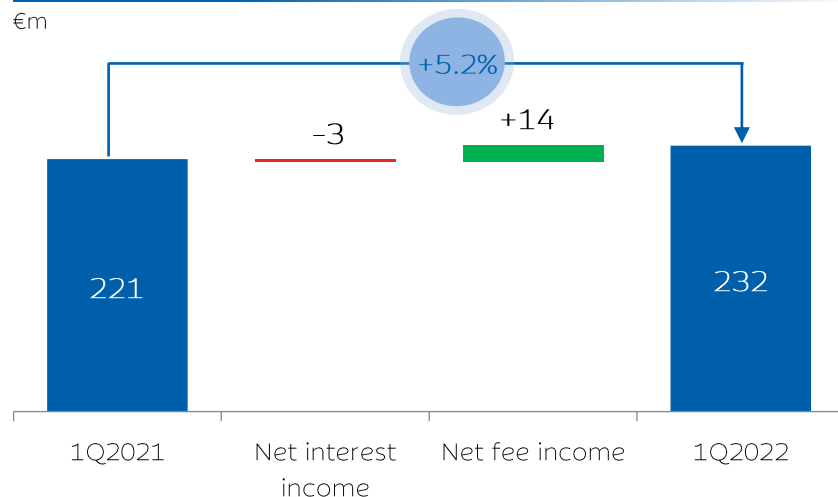


Net fee income grows 14.4% YoY or €14m.

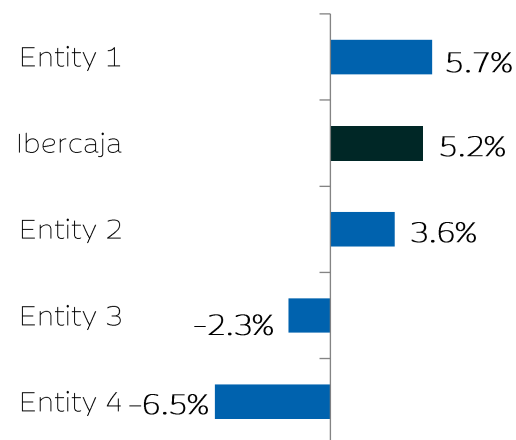
- The increase in banking activity and new tariffs boost **banking commissions** by €7m while the growth in AuM in YoY terms translates into growth in **non-banking commissions** of €7m.

Recurring revenues and gross operating income

Recurring revenues variation

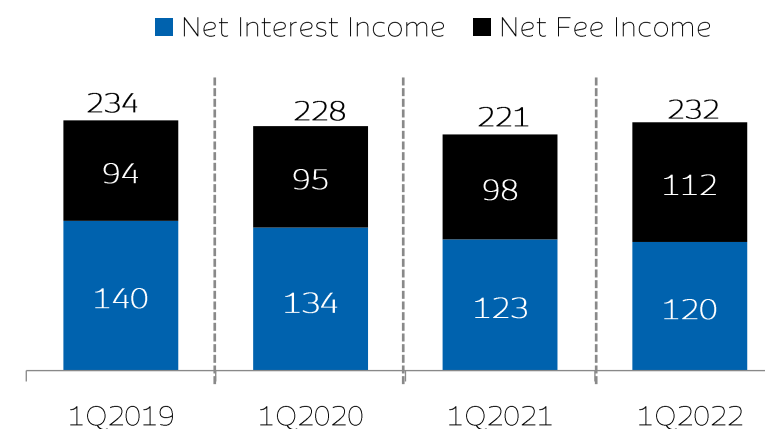
Recurring revenues YoY¹

% - 1Q2022 vs. 1Q2021



Recurring revenues

€m



Recurring revenues are up by 5.2% YoY or €12m, the second highest increase among peers.

The diversification of Ibercaja's revenues model allows for a recovery of recurring revenues to pre-pandemic levels.

Gross operating income falls by 8.9% YoY due to the absence of results from trading income.

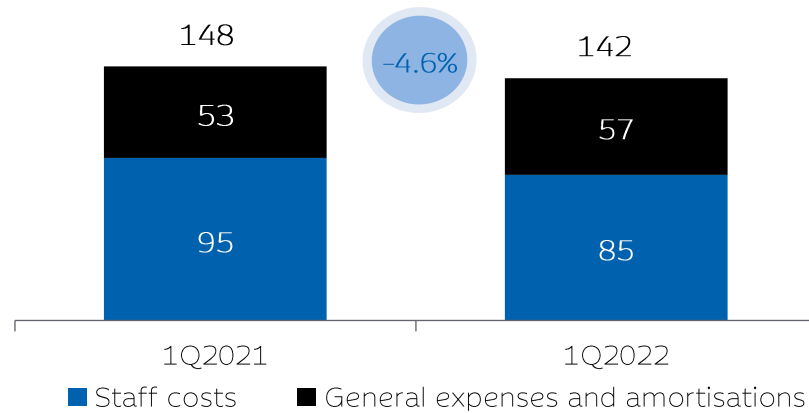
- Net interest income and net fee income represent 97% of the gross operating income in 1Q2022 and prove the recurrence of Ibercaja's revenues.

¹ Peers are: Bankinter, Caixabank, Sabadell and Unicaja

Operating costs

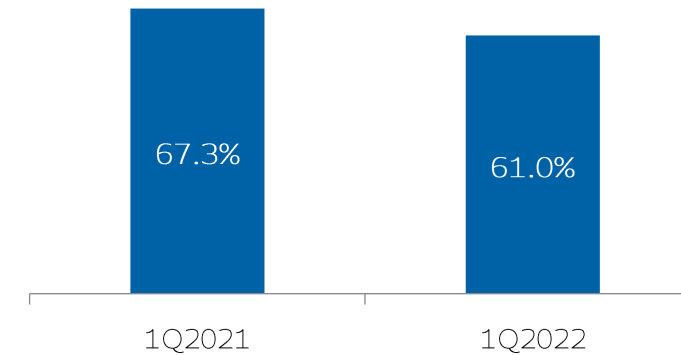
Operating costs

Mn€



Recurring cost to income ratio

%

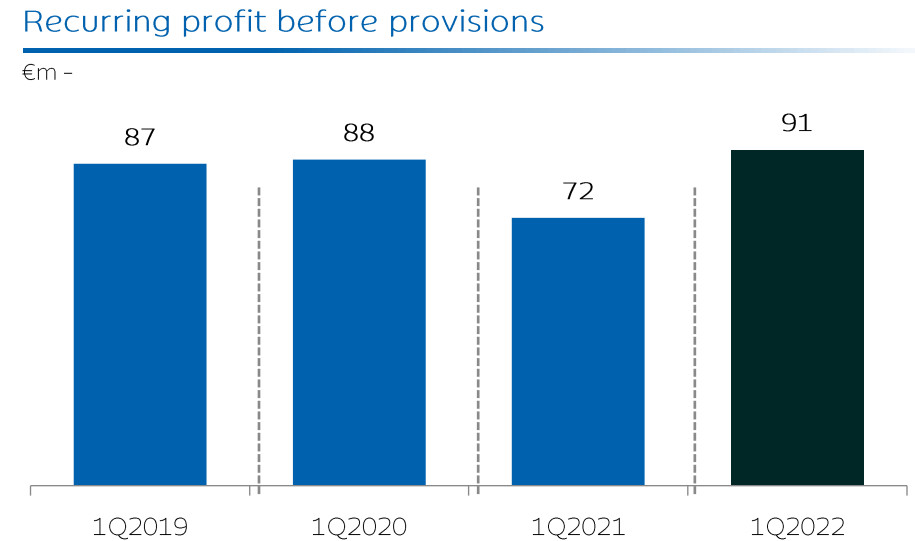
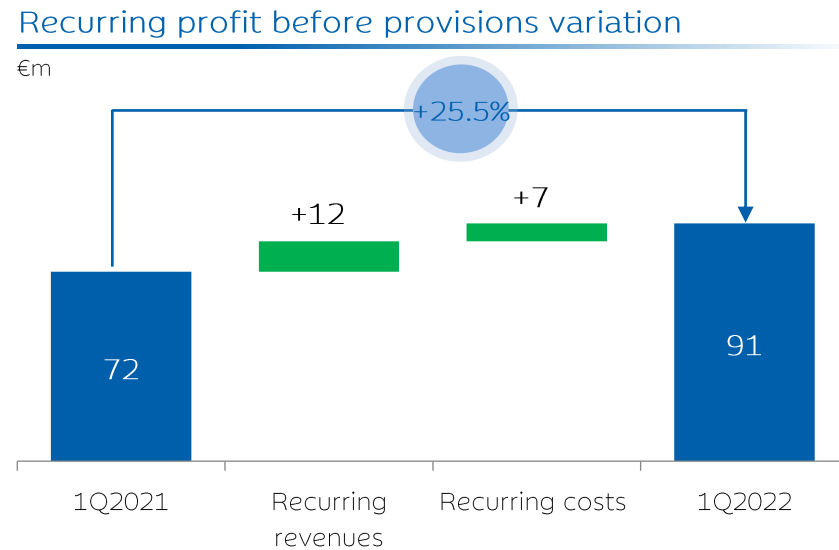


Recurring costs decrease 4.6% YoY or €7m.

- In 1Q2022 staff costs fall 10.5% YoY or €10m thanks to the cost savings derived from the 2021-2022 redundancy plan. As of March 2022, there have been 642 departures out of 750 approved, which represents a degree of execution of 86%. The remaining departures will materialise in 2Q2022.

Recurring cost to income ratio improves 6 p.p. to 61%.

Recurring profit before provisions



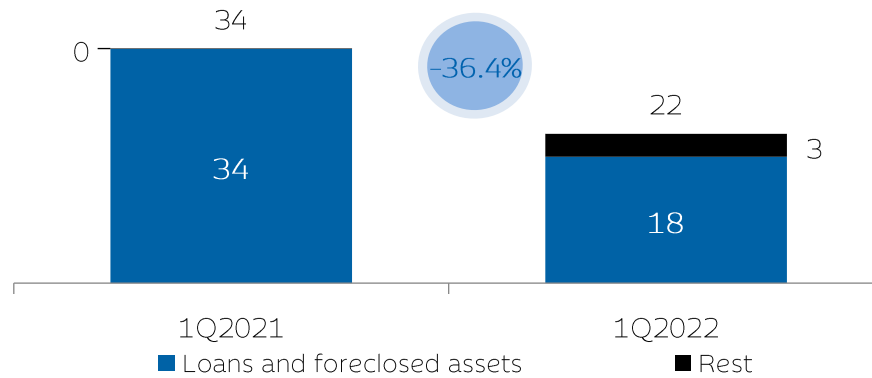
Recurring profit before provisions amount to €91m (+25.5% vs. 1Q2021).

In 1Q2022, recurring profit before provisions exceeds the levels that Ibercaja generated before the pandemic.

Provisions

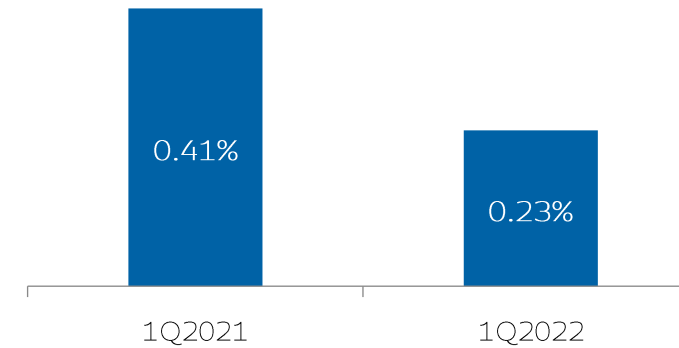
Total Provisions

€m



Cost of Risk

%



Total provisions record a drop of 36.4% YoY or €12m. Cost of risk provisions fall by 46.0% YoY or €16m.

- Cost of risk stands at 23 bps vs. 41 bps in 1Q2021 due to the excellent evolution in asset quality.

Ibercaja maintains an unused post-model adjustment of €52m.

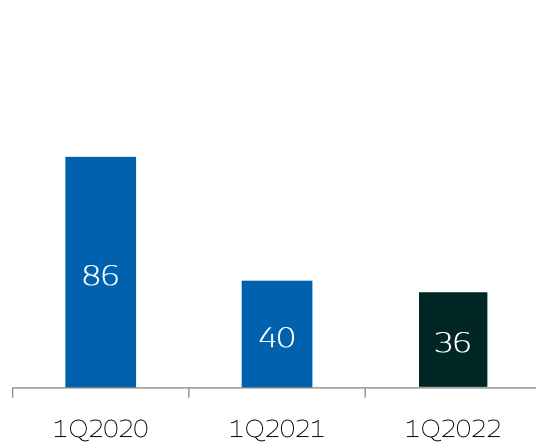
IV

Asset quality, liquidity and solvency

Non-performing assets

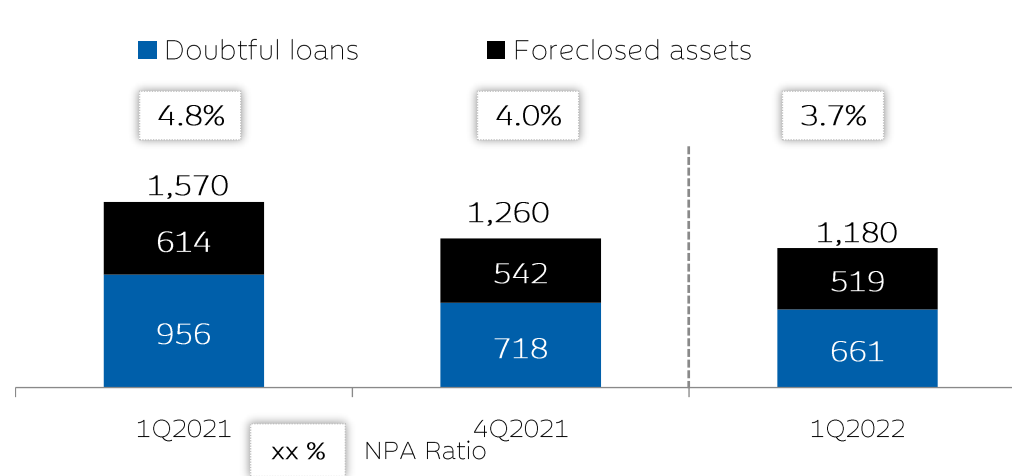
Gross NPLs entries

€m



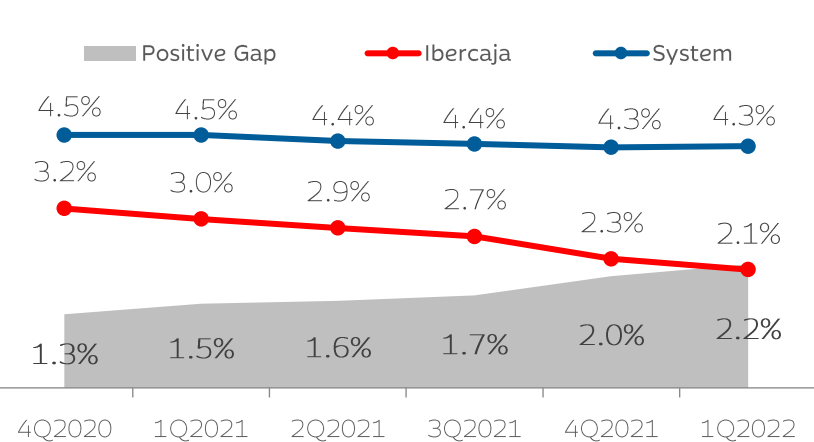
Gross NPAs

€m



NPL ratio evolution vs. sector

% - Sector: credit institutions as of February 2022, Bank of Spain



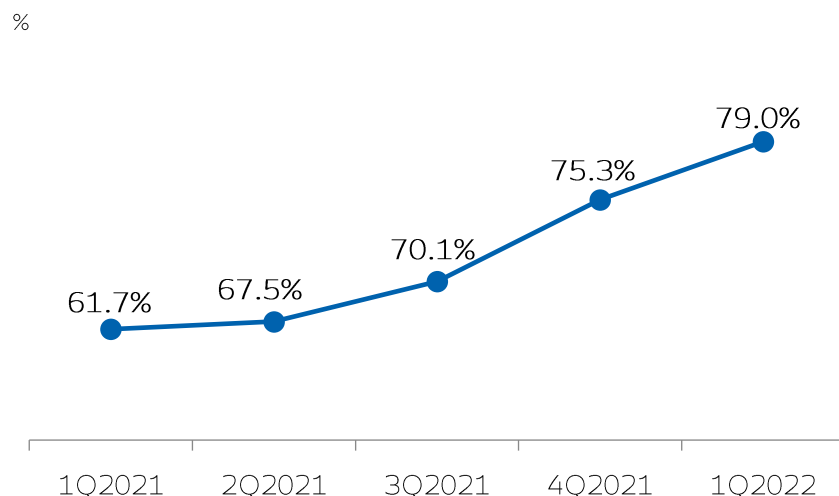
Doubtful loans continue to fall during the quarter (-7.8% vs. 4Q2021 or €56m) and NPL ratio decreases to 2.1%.

- Ibercaja widens its positive gap in NPL ratio vs. the sector to 220 bps.
- Gross NPLs entries reach a new low (-11% YoY) while recoveries remain at high levels.
- Mortgages moratoria has come to an end this quarter with no material impact on the cost of risk or gross NPLs entries.

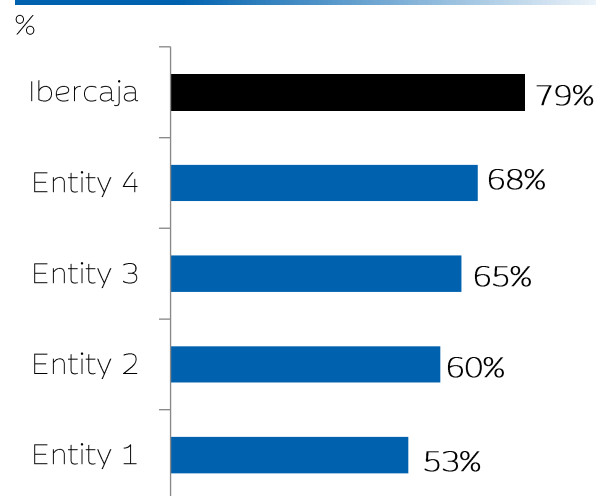
Gross NPAs fall by 6.3% in the quarter or €80m (-24.8% vs. 1Q2021) and NPA ratio decreases 27 bps to 3.7%.

Coverage ratios

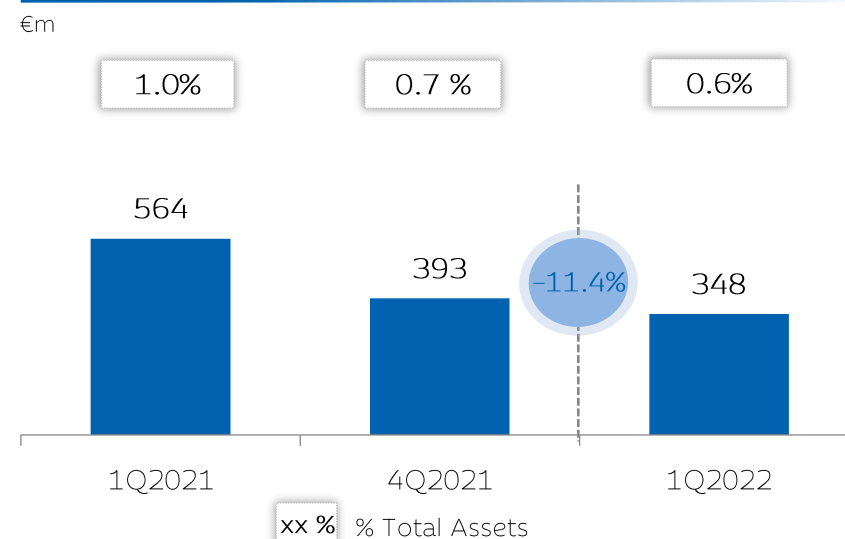
NPL coverage ratio



NPL coverage ratio vs peers¹



Net NPAs



NPLs coverage ratio continues to improve and reaches 79.0% (+3.7 p.p. in the quarter), the highest among peers.

NPAs coverage ratio improves 1.7 p.p. in the quarter up to 70.5%.

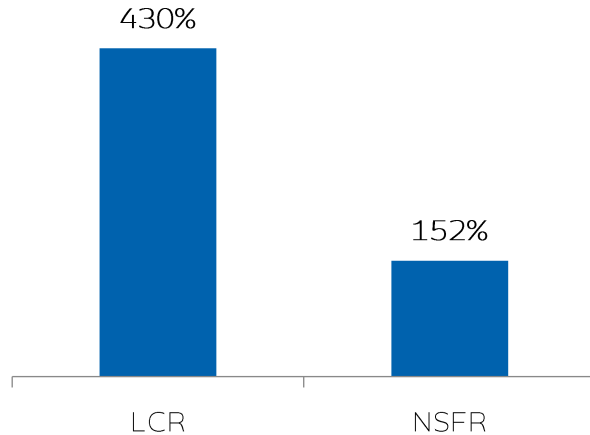
Net NPAs fall by 11.4% in the quarter to €45m (-38.2% vs 1Q2021). The weight over total assets falls to 0.6%.

¹ Peers are: Bankinter, Caixabank, Sabadell ex TSB and Unicaja

Liquidity and ALCO portfolio

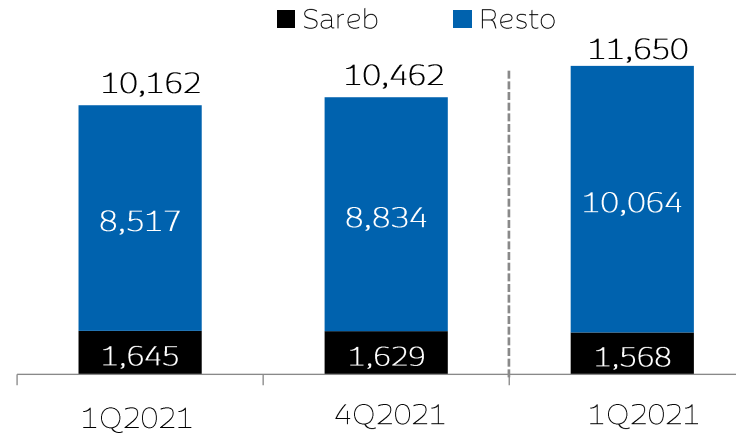
LCR and NSFR ratios

% - 1Q2022



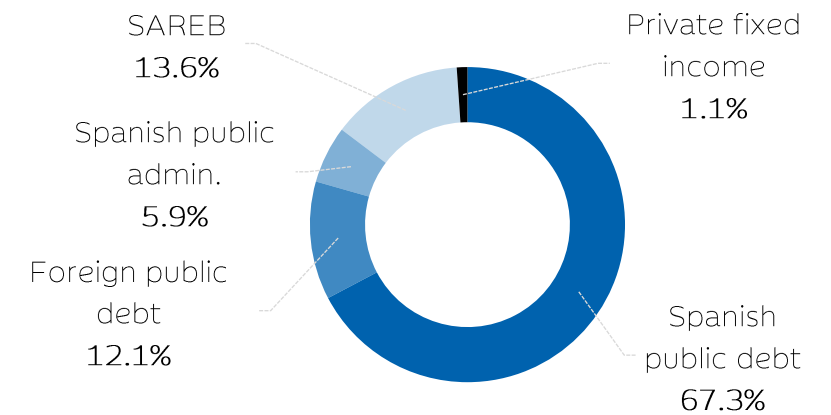
ALCO Portfolio

€m



ALCO Portfolio breakdown

% - 1Q2022



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

- ▶ LCR and NSFR ratios stand at 429.8% and 151.8%, respectively.
- ▶ LTD ratio stands at 78.4%.

The Entity increases its ALCO portfolio¹ in the quarter while maintaining a low risk profile.

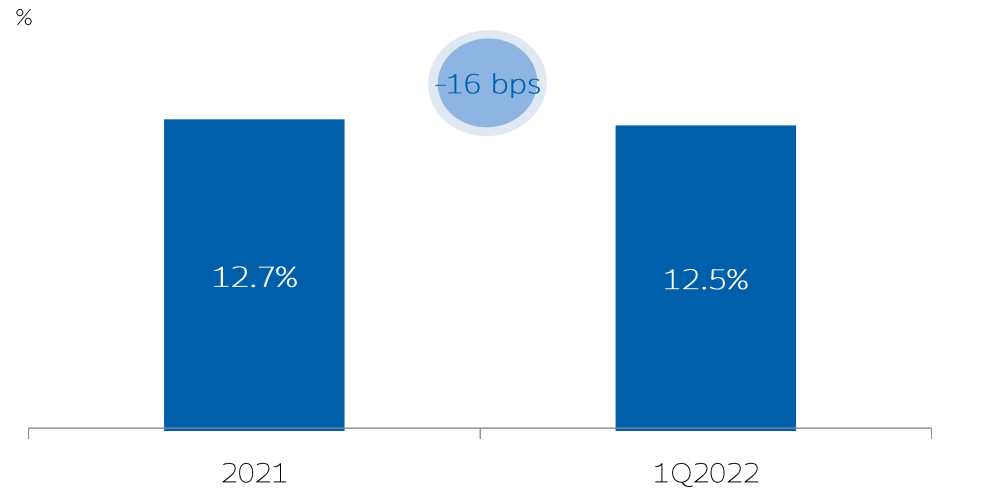
- ▶ The portfolio is mainly composed of Spanish sovereign debt (67.3%) with an average duration of 5.0 years² and an average yield of 0.4%.
- ▶ 95% of the portfolio is classified at amortised cost.

¹ Excludes insurance activity portfolio.

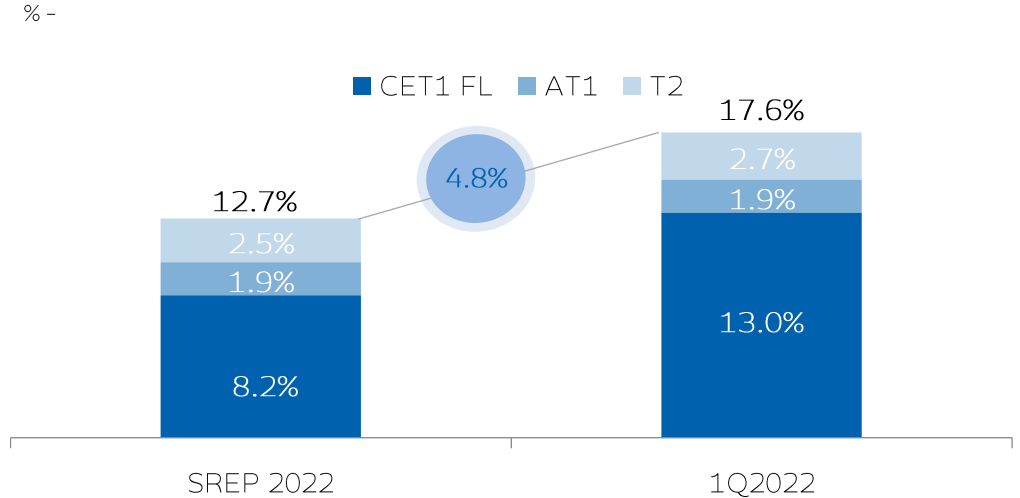
² Includes interest rate swaps.

Solvency

CET1 Fully Loaded



Capital Total Phased In vs. SREP requirements*



CET1 Fully Loaded ratio, based entirely on the standardised approach, stands at 12.55%, decreasing 16 bps vs 4Q2021 and remains in line with Ibercaja's medium-term target of 12.5%.

- Portfolio valuation adjustments have an impact of -30 bps in capital.
- The Entity accrues a 65% payout for capital calculation in the quarter.

Total Capital Fully Loaded ratio stands at 17.2% (17.6% in Phased-in terms).

MDA distance, which measures the excess capital vs. SREP requirements, stands at 477 bps.

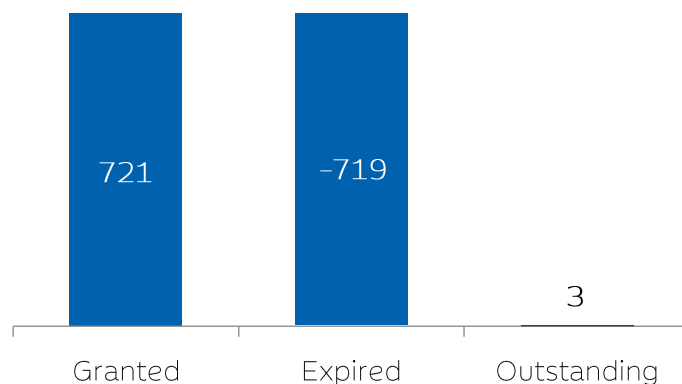
VI

Annex

Moratoria and ICO lending

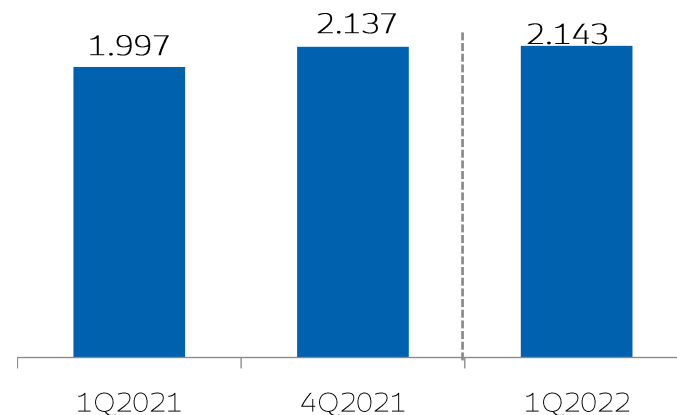
Outstanding granted moratoria

€m – 1Q2022



Evolution of ICO lending granted

€m – Accumulated amount



As of 1Q2021, outstanding moratoria is residual (€3m, it represents less than 0,01% of gross loans).

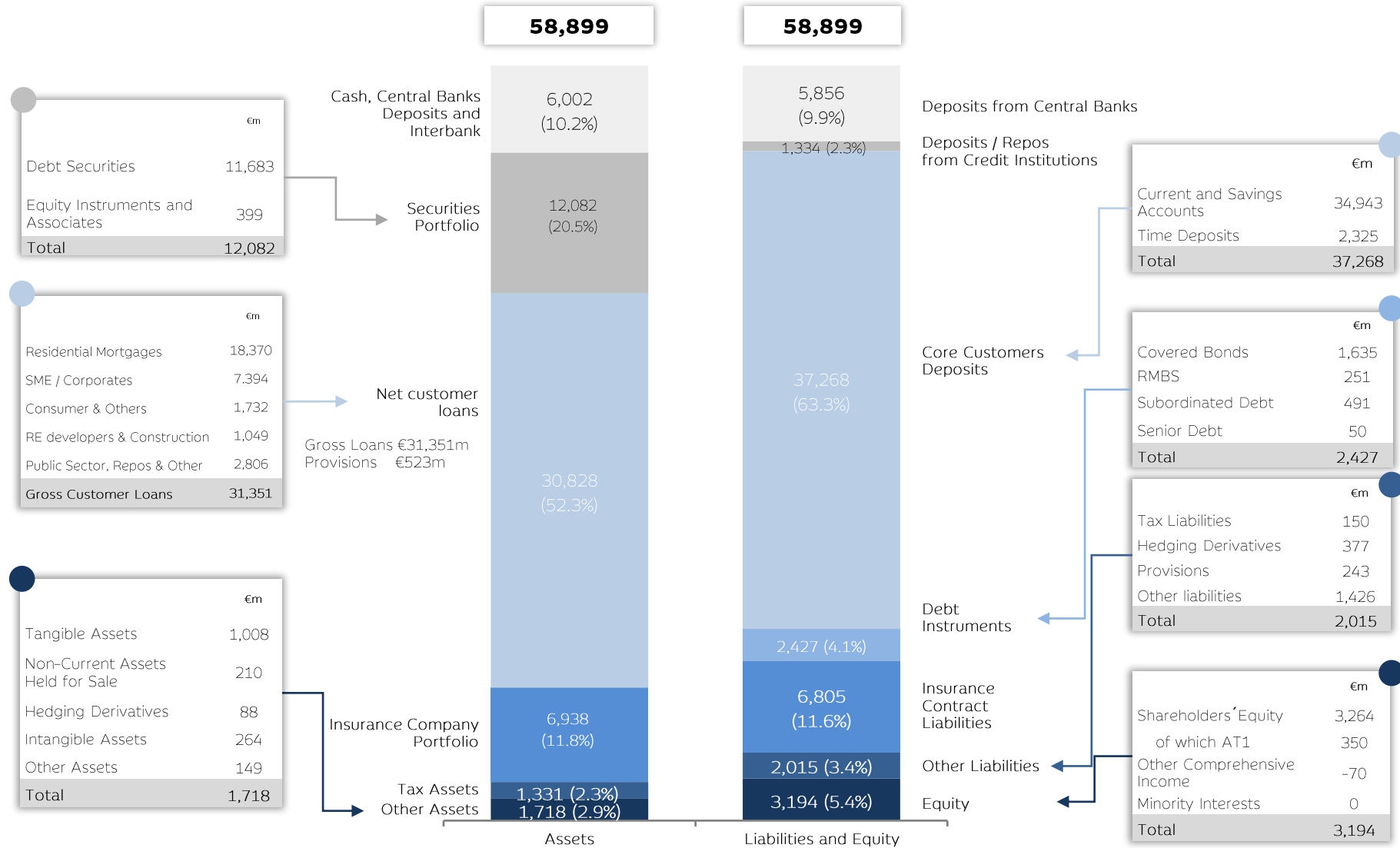
- The impact of this measure on the bank's asset quality has been marginal: only 3.2% has been classified as Stage 3 (€23m)

Ibercaja has granted €1,970m in loans with ICO guarantees. Outstanding ICO financing remains stable (€1.637m).

- 42.5% of ICO loans are already amortising capital.
- 2.4% of ICO financing is considered NPL and 18,5% is classified in Stage 2.

Balance sheet

€m – 31/03/2022



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
Net NPAs	Sum of doubtful balances in loans and advances to customers and net 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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