

iberCaja

EL BANCO DEL Vamos

IBERCAJA BANCO

Corporate Presentation

December 9th, 2021

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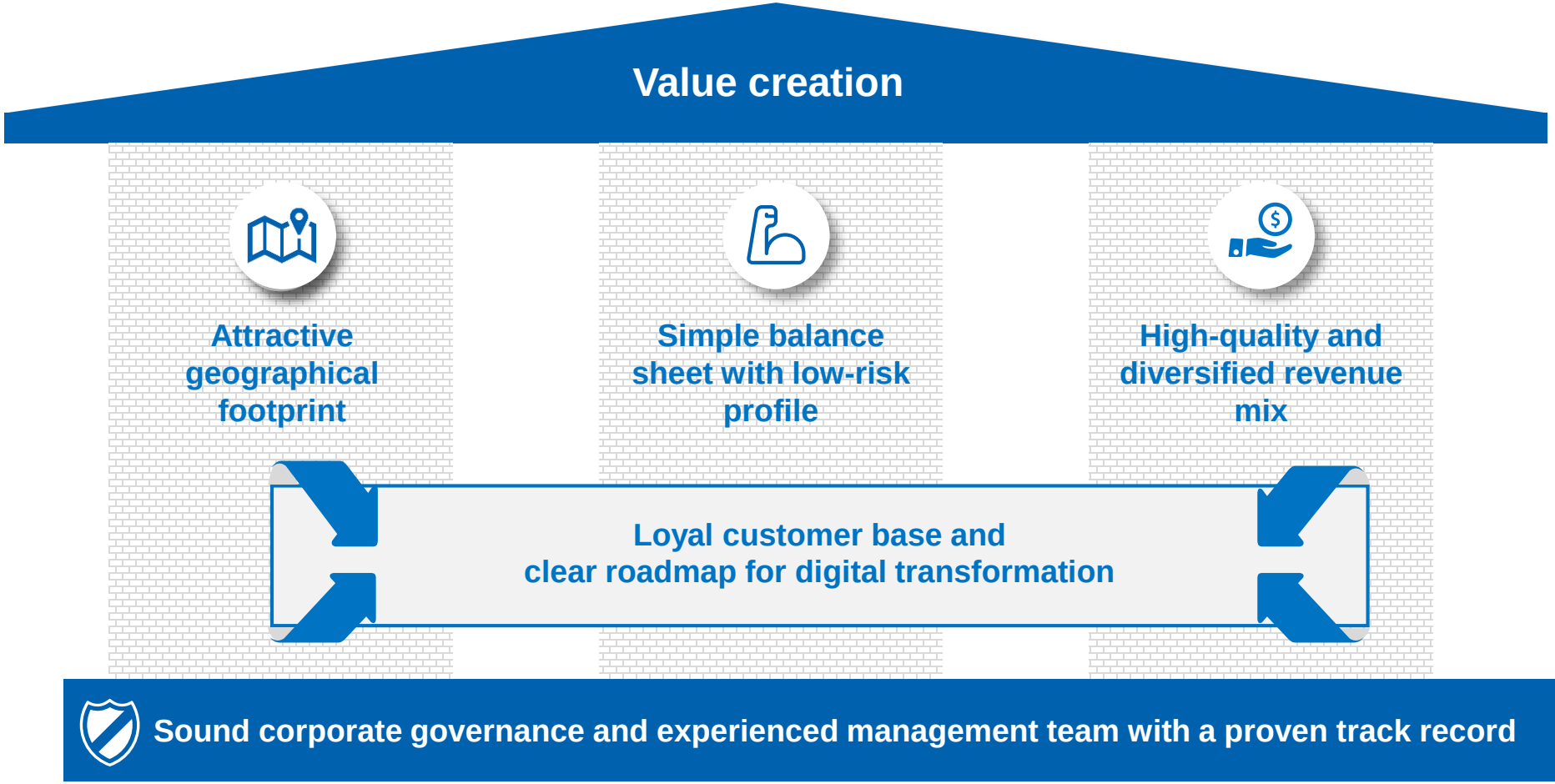
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A differentiated and resilient business model



Attractive geographical footprint

8 p.p
Ibercaja's regions GDP above national average

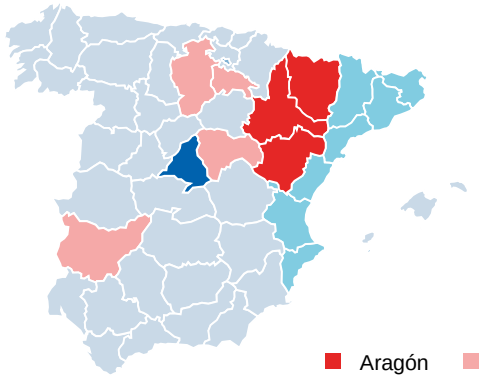
c.26%
Market share in Home Markets[4] in terms of loans and deposits

c.29%
Retail business volume[3] from Growth Markets

Unique geographical mix with a combination of solid leadership in Home Markets[1] and growth potential in key economic regions in Spain

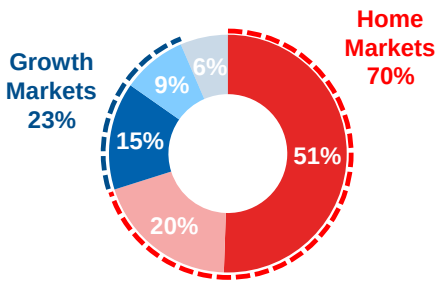
- **Ibercaja is mainly based in the northeast of Spain, which is the wealthiest area in the country.** As a result, GDP per capita in Ibercaja's regions stands 8 p.p. above Spanish average[2]
- **Ibercaja's Home Markets[1] account for 61.7% of retail business volume[3]:** Ibercaja benefits from a strong regional leadership in these regions, with a 26.4% market share[4] in terms of loans and deposits (which provide **stable and cheap funding**)
  - Undisputable leadership in **Aragón** with a **36.7%** market share[4] in terms of loans and deposits, which represents **44.1% of retail business volume[3]**
- **Long-established presence in Growth Markets[5] which account for 29.3% of retail business volume[3]**
  - **Madrid** is the **second most important market** for Ibercaja
  - Since 2018, **retail business volume[3]** in Growth Markets has increased by **11.8% or €3.0bn**

Ibercaja's main markets



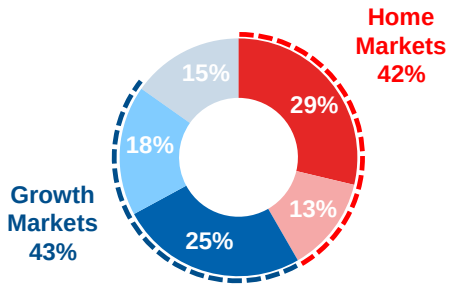
Retail customer funds[6]

% – September 2021



Performing loans excluding REPOs

% – September 2021



Aragón | Rest of Home Markets | Madrid | Mediterranean Basin | Rest of Spain

Source: Company information as of September 30, 2021; [1] Autonomous regions or provinces that were originally serviced by the Ibercaja Savings Bank, namely, Aragón, La Rioja and Guadalajara, together with, as result of the integration of Banco Caja3, Burgos and Badajoz; [2] Regional GDP weighted by retail business volume in all Ibercaja regions as of September 30, 2021. Source: INE, GDP per capita 2018 (latest available data); [3] Performing loans excluding reverse repurchase agreements plus retail customer funds; [4] Source: Bank of Spain as of June 2021 (latest available data); [5] Growth Markets refer to the autonomous regions or provinces where we expanded our business starting in 1989, namely, Madrid and the Mediterranean basin (Catalonia and Valencian Community); [6] Sum of retail deposits and asset management and life savings insurance funds

Simple balance sheet with low-risk profile

Housing
63%
of performing loans ex REPOs

Non-real estate activities
23%
of performing loans ex REPOs

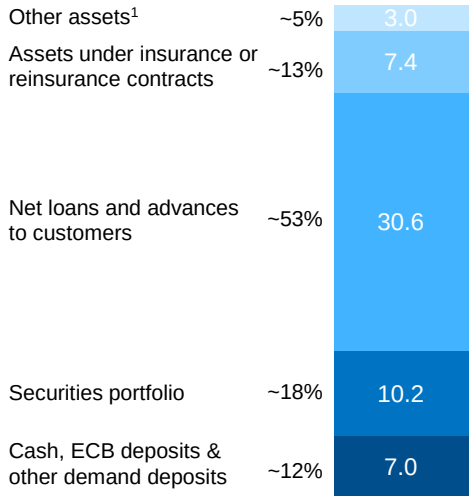
Ibercaja is a 100% retail-focused bank with a simple balance sheet and low-risk profile

- **Specialist in residential mortgages**, which represent **63%** of performing loans ex REPOs, with one of the highest quality mortgage portfolios in the sector
- **Growing focus on loans to non-real estate activities,** mostly SMEs, which account for **23%** of performing loans ex REPOs
- **Stable and balanced funding, with LTD ratio of 80%**

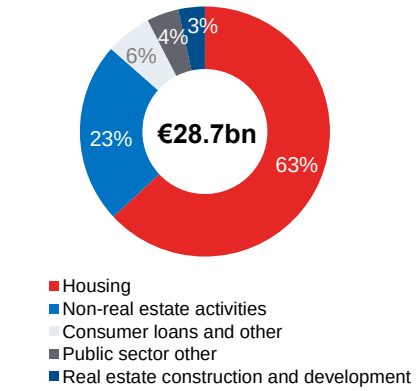
Balance sheet

%, €bn - September 2021

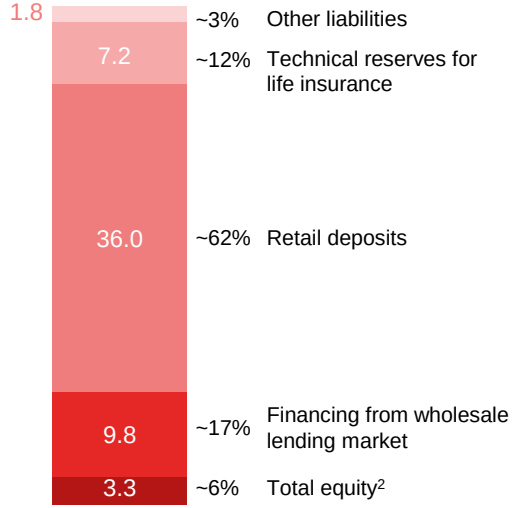
Assets: €58.2bn



Performing loans excluding reverse repurchase agreements



Liabilities and equity: €58.2bn

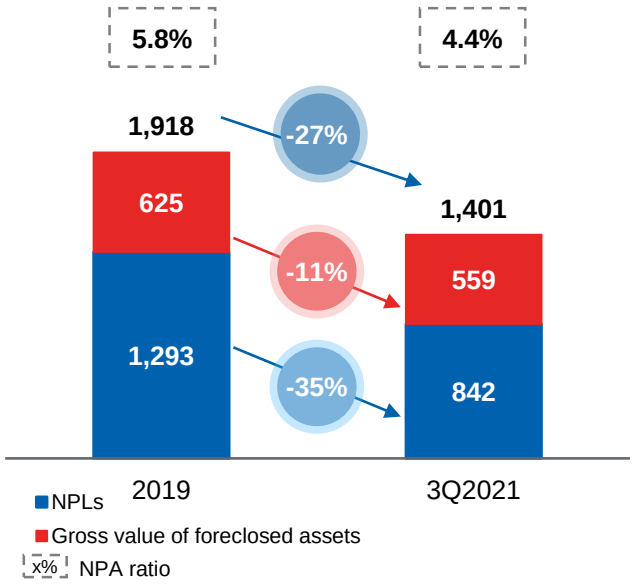


Source: Company information as of September 30, 2021; [1] Inventories is the main component of the caption "other assets" and records non-financial assets that are held for sale in the ordinary course of business, currently under production, building or development for this purpose or are planned to be consumed in the production process or in the provision of services; [2] Includes AT1 issuance amounting to €350mn

Significant NPA reduction despite the pandemic

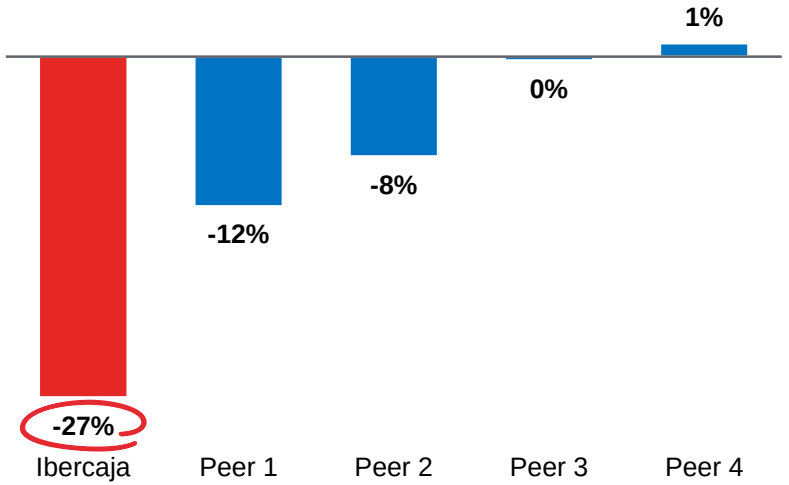
NPAs

€mm



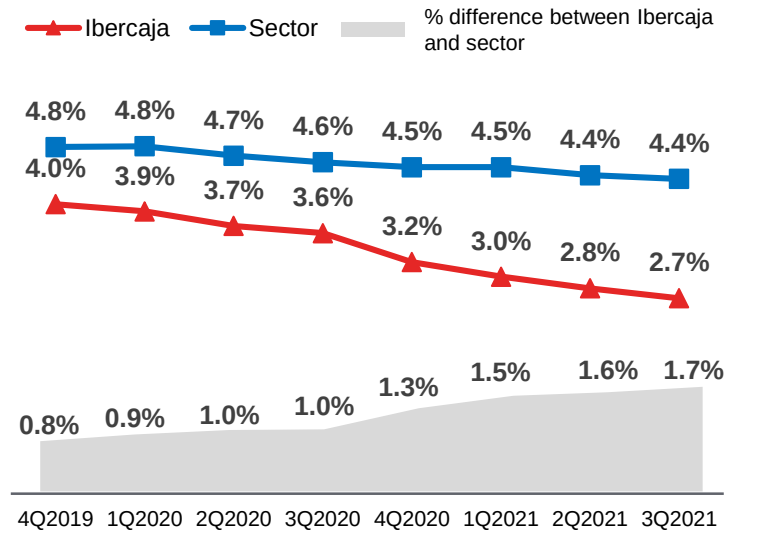
Change of NPAs since 2019[1]

%



NPL ratio[2]

%



Total stock of NPAs has fallen by 27% since 2019 (-€517mm), the sharpest decrease amongst peers, with NPA ratio falling 136bps to 4.4%

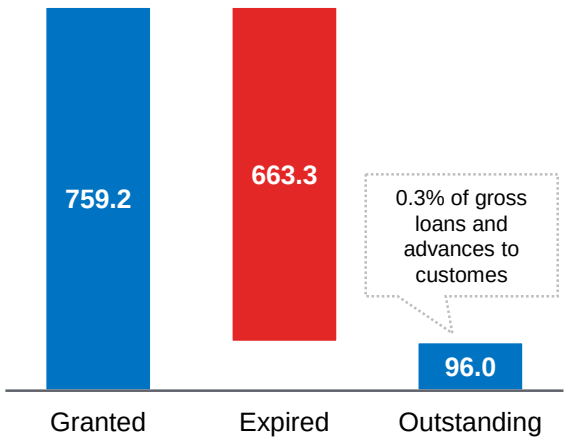
► **NPLs have dropped by 35%** vs. 2019 (-€451mm). **NPL ratio has fallen c.127bps to reach 2.7%** and **Ibercaja has increased the gap vs. sector to 165bps compared to 82bps as of December 2019**

Source: Company information as of September 30, 2021; [1] Peers' publicly available information as of September 30, 2021. Peers include: Bankinter, CaixaBank, Sabadell and Unicaja. Change of NPAs for Unicaja pro-forma in 2019 calculated as the sum of NPAs of Unicaja and Liberbank; [2] Source: Bank of Spain

Lower risk profile than peers

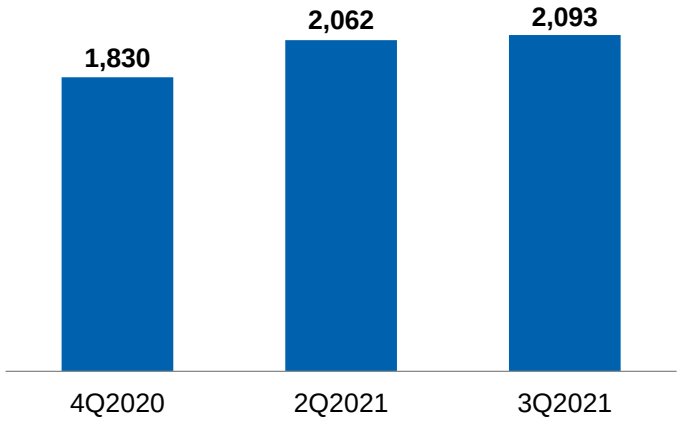
Moratoria granted vs. outstanding

€mm – September 2021



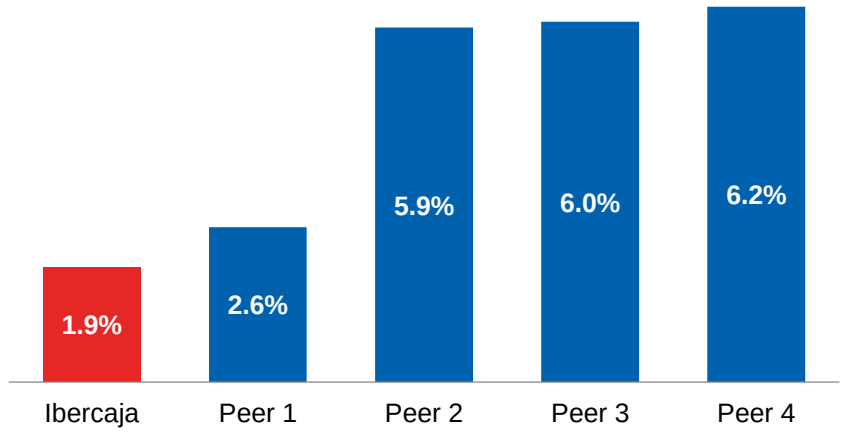
Accumulated evolution of granted ICO lending

€mm



Loans to sectors most affected by the covid-19 pandemic[1]

% gross loans - Transparency exercise – transport, hospitality[2], leisure[3]



Outstanding moratoria amounted to €96mm as of September 2021, representing 0.3% of gross loans and advances to customers

- **87.4% of granted moratoria** expired as of September 2021 with no significant impact in asset quality: **only 3.5% of expired moratoria has been classified as NPLs**

As of September 2021, Ibercaja has granted €2,093mm in loans with ICO guarantee

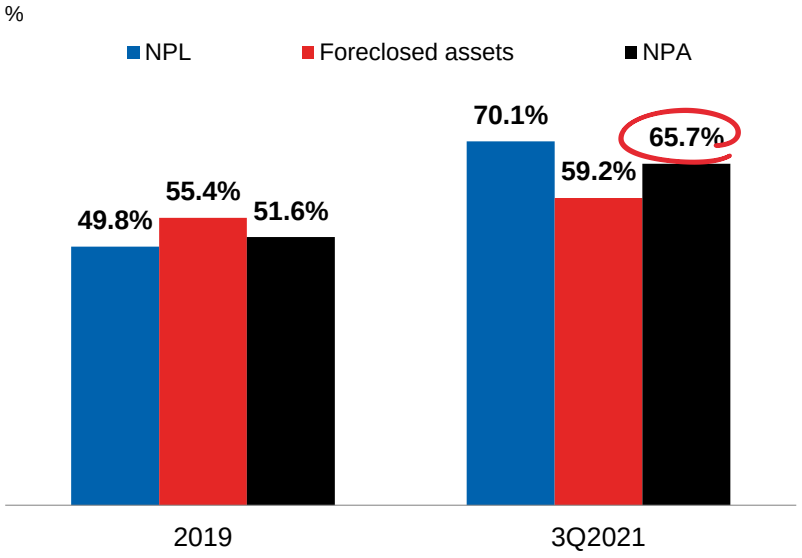
- **Guaranteed ICO financing outstanding (€1,661mm) represented 20% of total loans to business as of September 2021**

Ibercaja has the lowest exposure to economic sectors most affected by the pandemic

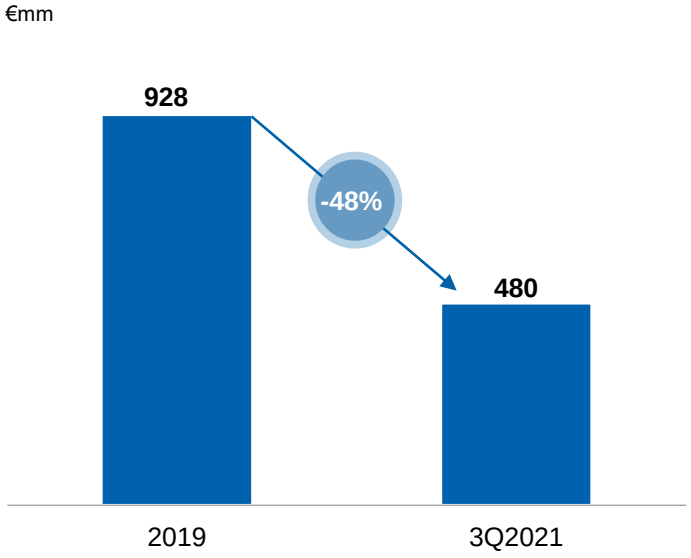
Source: Company information as of September 30, 2021; [1] Source: EBA Transparency Exercise as of June 30, 2020 for peers and Ibercja as of September 30, 2021. Peers include: Bankinter, CaixaBank, Sabadell and Unicaja; [2] Hospitality refers to accommodation and food service activities and art; [3] Leisure refers to entertainment and recreation

One of the lowest net NPA exposures in the Spanish financial system

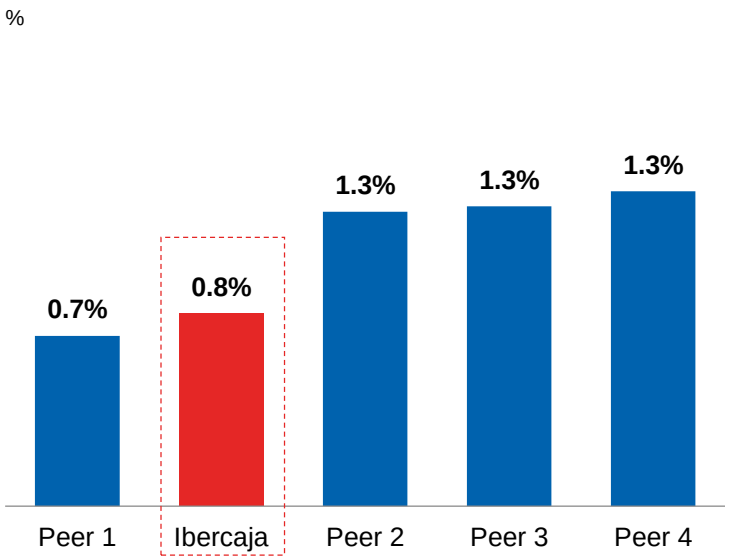
Coverage ratios



Net NPAs



Net NPAs % Total Assets[1]



NPA coverage ratio stands at 65.7%, close to 14 p.p. above 2019 levels

► **NPL coverage ratio has improved 20 p.p.** since 2019 and stands at 70.1%

As a result of gross NPA reduction and the provisioning effort, net NPAs have fallen €448mm or 48% since 2019 and represent just 0.8% of total assets as of September 2021

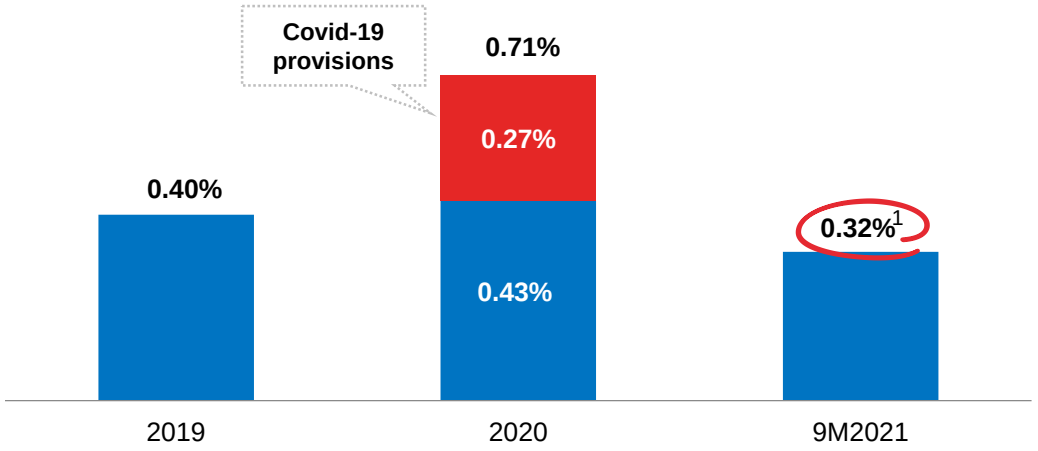
Ibercaja has one of the lowest net NPA exposures as percentage of total assets in the Spanish financial system

Source: Company information as of September 30, 2021; [1] Peers' publicly available information as of September 30, 2021. Peers include: Bankinter, CaixaBank, Sabadell and Unicaja

Cost of risk returning to normalised levels after covid-19 effort

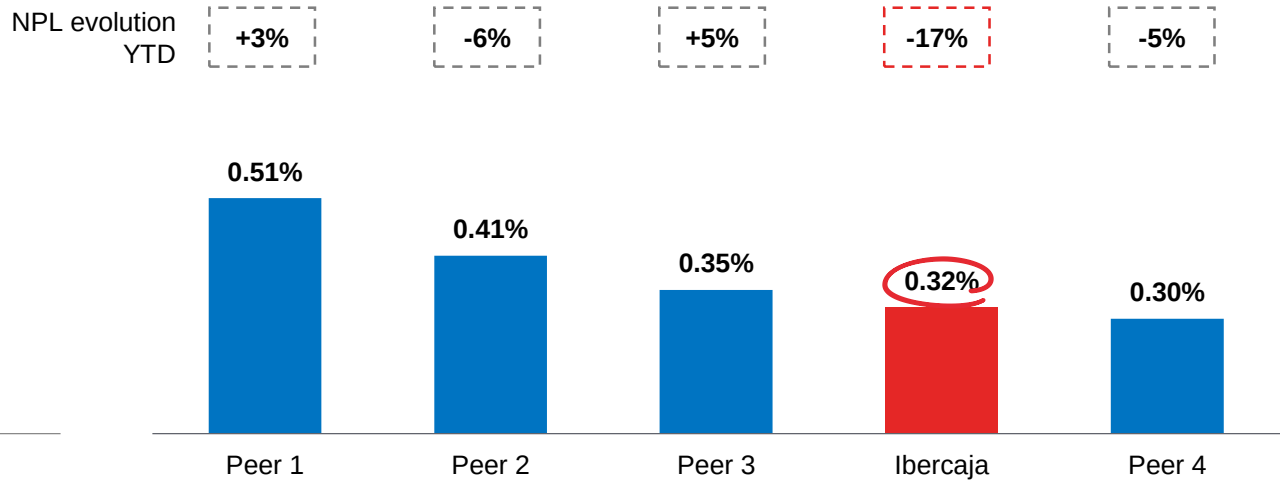
Cost of risk evolution

%



Cost of risk of Spanish peers[2]

% - September 2021



Ibercaja's cost of risk has started to normalize after conclusion of extraordinary covid-19 provisioning exercise carried out in 2020

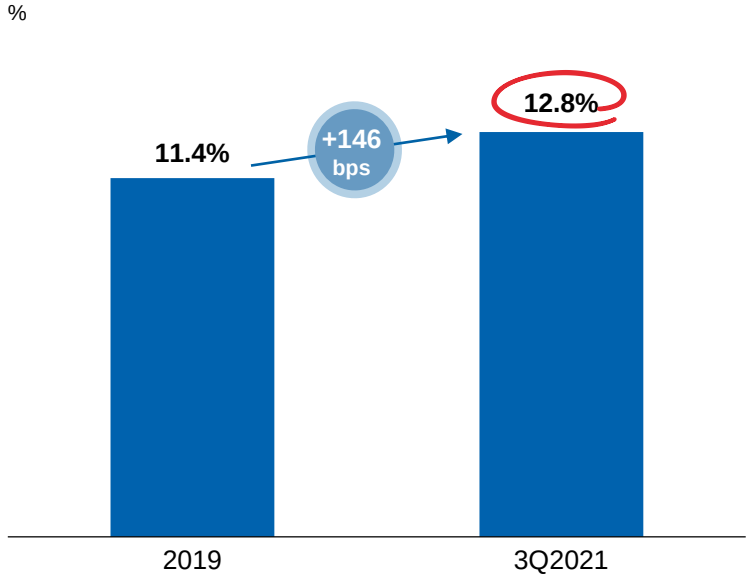
- **Cost of risk in September 2021 stood at 0.32%[1]**, decreasing 8bps since 2019. Ibercaja has achieved the biggest reduction in NPLs among peers as of September 2021, while posting one of the lowest reported costs of risk

As of September 2021, Ibercaja maintains an unused post-model adjustment of €52mm

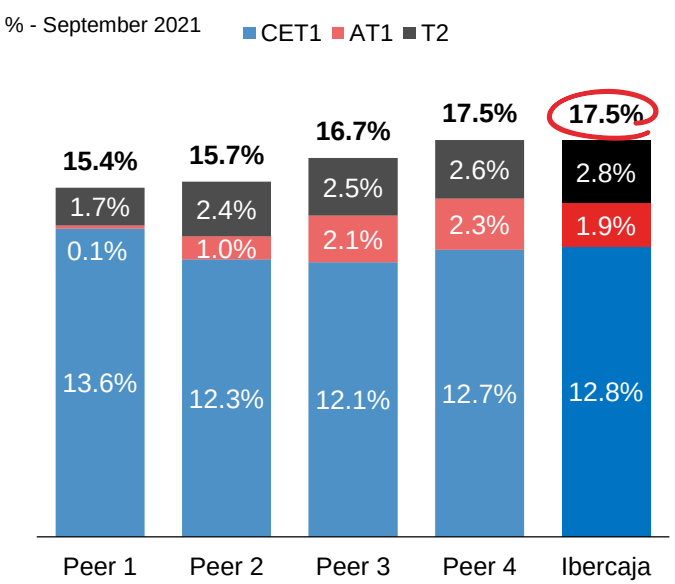
Source: Company information as of September 30, 2021; [1] Considers annualized September 30, 2021 provisions and impairment associated with credit risk and foreclosed assets (€78.0mm/3*4 = €104mm) divided by the average exposure for the last four quarters (gross loans and advances to customers and gross value of foreclosed assets, €32,202mm); [2] Peers' publicly available information as of September 30, 2021. Peers include: Bankinter, CaixaBank, Sabadell and Unicaja. As reported by each institution

Sound capital ratios based on standard models for RWA calculation

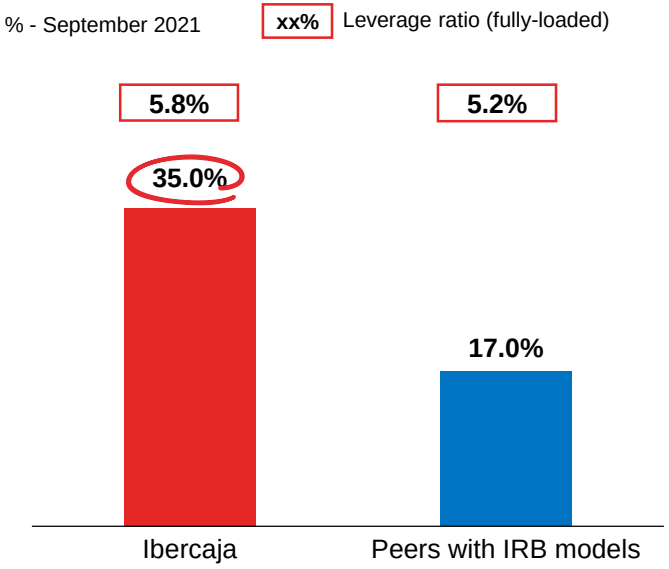
CET1 ratio (fully-loaded)



Total capital ratio (fully-loaded) benchmark[1]



RWAs / Exposure for residential mortages[2]



CET1 ratio (fully-loaded) has increased 146bps to 12.8% since 2019, with total capital ratio (fully-loaded) standing at 17.5%

Ibercaja has the highest total capital ratio (fully-loaded) among peers

Ibercaja targets the approval of IRB models by the ECB in the medium term

Source: Company information as of September 30, 2021; [1] Peers' publicly available information as of September 30, 2021. Peers include: Bankinter, CaixaBank, Sabadell and Unicaja; [2] Source: EBA Transparency Exercise as of June 30, 2020. Peers with IRB models include Bankinter, CaixaBank and Sabadell. RWAs include total RWAs exposed to residential mortgages

High-quality and diversified revenue mix

100%
Owned by Ibercaja

€32.2bn
Asset management and life savings insurance funds

42%
AuM & Bancassurance % recurring revenues

Ibercaja's Financial Group was established in late 1980 and is comprised of a group of subsidiaries specialized in the management of mutual funds, pension plans, insurance and leasing-renting businesses

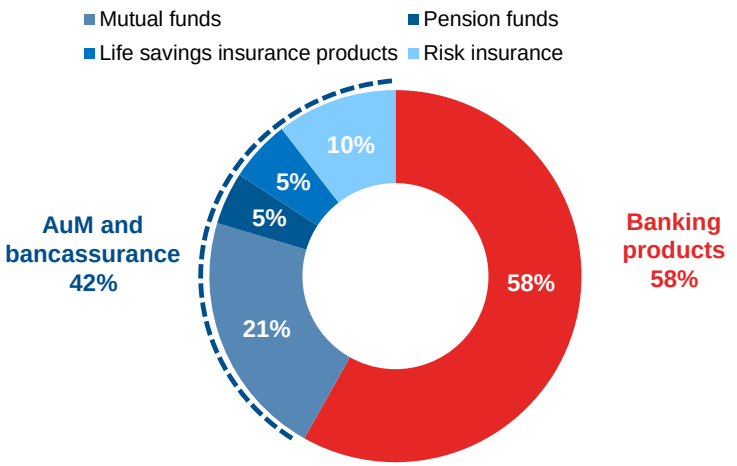
Ibercaja Banco

*(**100%** owned)*

Ibercaja Gestión	Mutual funds management	€17.7bn AuM[1]	5.8% market share[1]	6
Ibercaja Pensión	Pension funds management	€7.4bn AuM[1]	6.0% market share[1]	4
Ibercaja Vida	Life risk insurance	€6.8bn Tech. Res.[2]	3.5% market share[1]	7
Ibercaja Leasing	Leasing & Renting	€0.5bn Portfolio[3]	2.8% market share[1]	8
Ibercaja Mediación	Non-life risk insurance broker	€0.3bn Annual Premiums	Alliance with CASER	caser seguros

Breakdown of recurring revenues by product

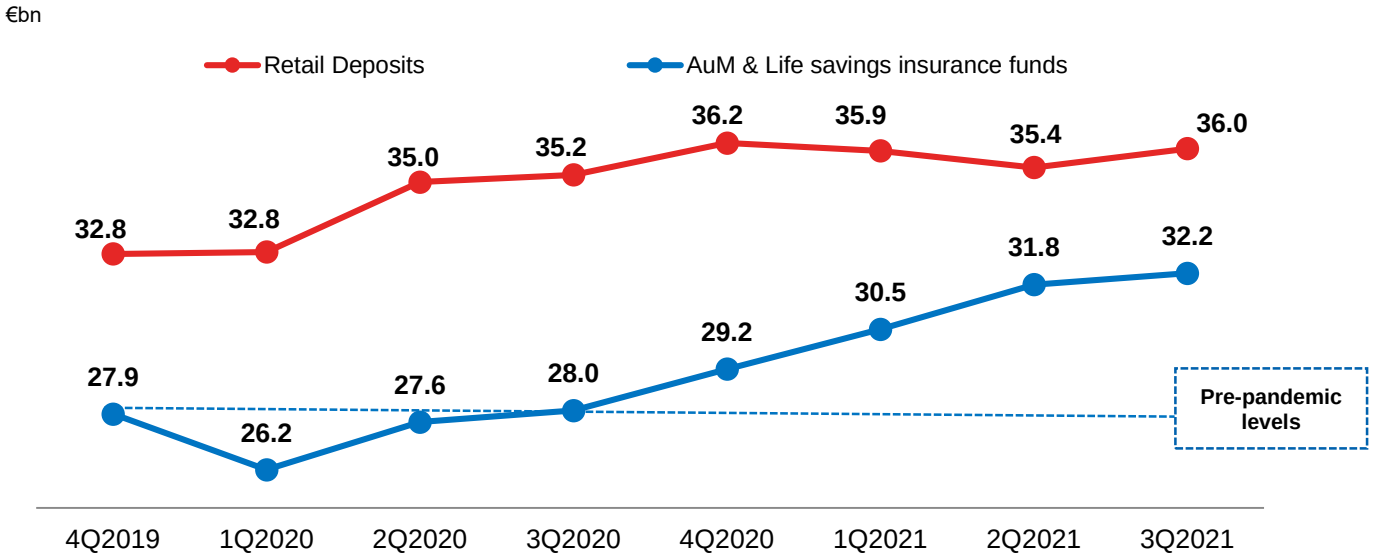
% - September 2021



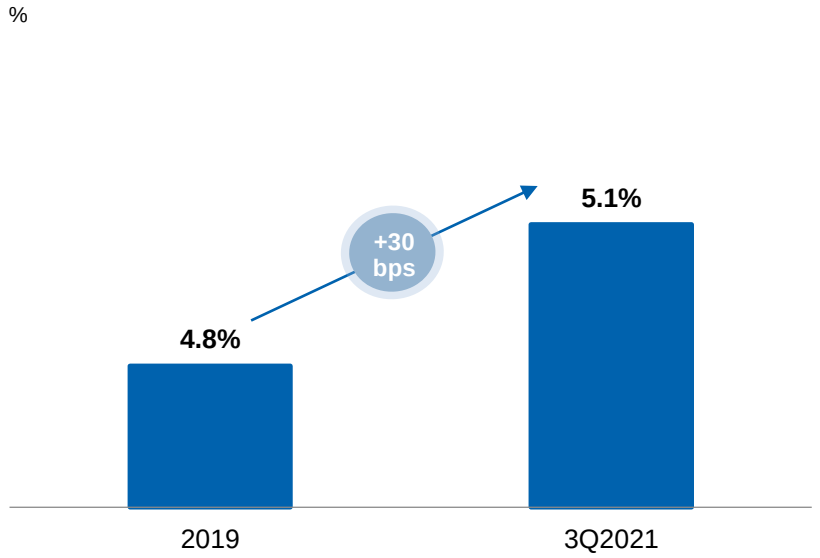
Source: Company information as of September 30, 2021; [1] Source: Inverco as of September 30, 2021; [2] ICEA as of September 30, 2021; [3] Asociación Española de Leasing as of September 30, 2021

Strong momentum in assets under management since 2019…

Retail customer funds evolution



Market share in asset management and life savings insurance funds[1]



Strong momentum in asset management and life savings insurance funds which have grown €4.3bn or 15.5% since 2019

- The evolution during the pandemic was very resilient and **Ibercaja was able to recover its 2019 levels in less than 6 months in terms of asset management and life savings insurance funds**
- **Market share in asset management and life savings insurance funds has increased by 30bps since 2019, reaching 5.1% in September 2021**

Source: Company information as of September 30, 2021; [1] Source: Inverco and ICEA as of September 30, 2021

… and drivers for further growth in assets under management and risk insurance remain in place

1

Negative interest rates

0% interest rate for new time deposits and start charging negative interest on sizeable deposits from large corporates and public companies

2

Increase in customer savings due to the pandemic

Ibercaja retail deposits stand 10% or €3.2bn above 2019 levels

3

Underpenetration of AuM and risk insurance in Spain

Financial assets in Spain represent just 201% of GDP vs. average 255% for EU countries[1] and UK

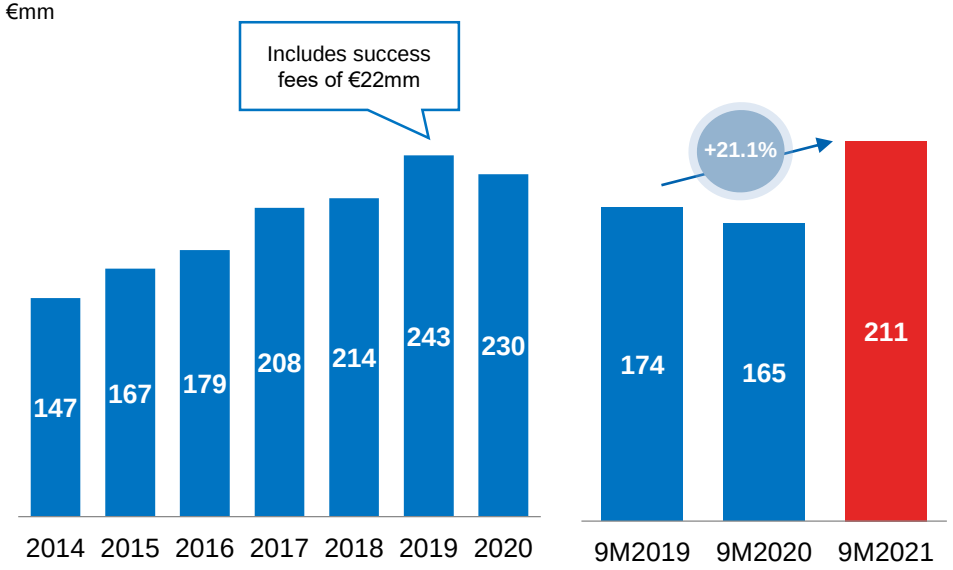
15.5%

Growth in asset management and life savings insurance funds since 2019

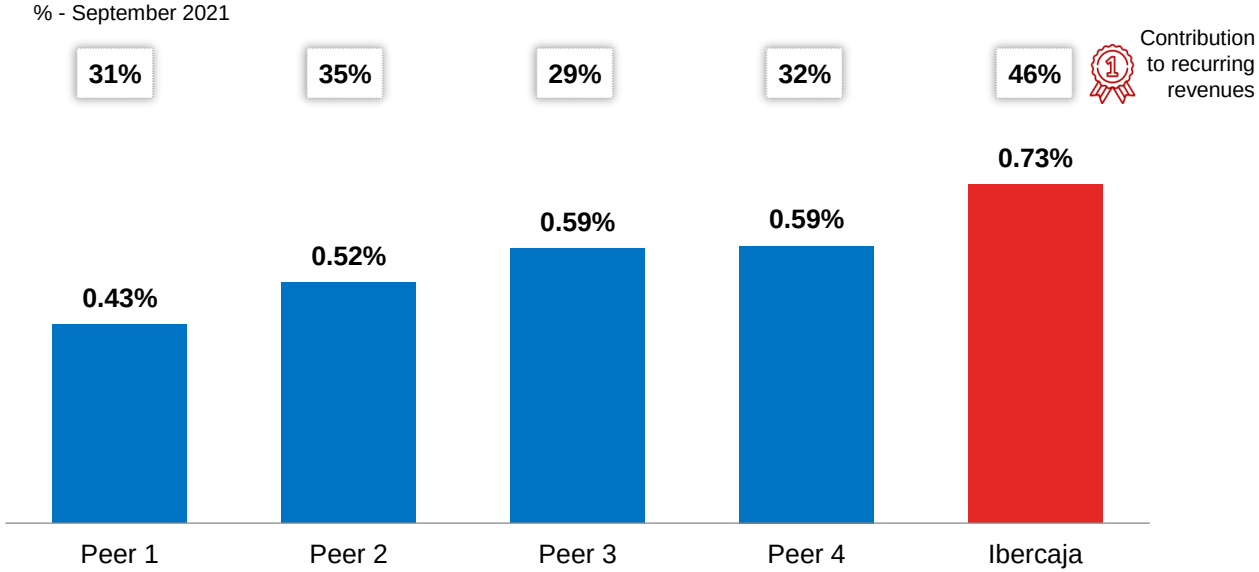
Source: Company information as of September 30, 2021; [1] Source: Inverco as of June 2021. Includes Austria, Denmark, Finland, France, Germany, Italy, Ireland, Netherlands, Portugal, Spain, Sweden

Structural growth in non-banking commissions

Non-banking commissions



Net fee income and exchange differences over average total assets[1]



Ibercaja's non-banking commissions have grown by 7.7% per year since 2014, contributing to offset the fall in net interest income

In September 2021, non-banking fees exceeded by 21.1% those registered in September 2019

As a result of this trend, Ibercaja's fees generation capacity is **clearly higher than other regional / mortgage-oriented banks and the contribution of non-banking commissions to average total assets is the largest among peers**

Source: Company information as of September 30, 2021; [1] Peers' publicly available information as of September 30, 2021. Peers include: Bankinter, CaixaBank, Sabadell and Unicaja

Loyal customer base and clear roadmap for digital transformation

20 years average customer tenure

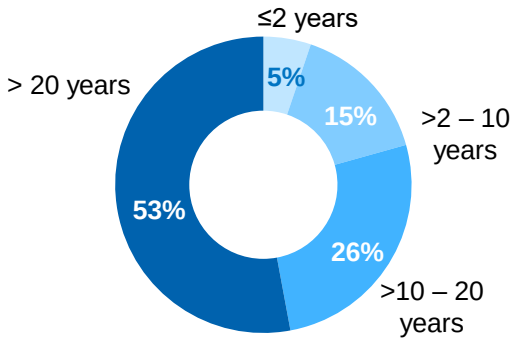
6.9 Average products / services per customer

2nd global customer satisfaction[1]

Ibercaja has developed a strong commercial model, recognized and awarded by a number of institutions, that provides best-in-class customer service levels. This customer-focused strategy has resulted in an average customer tenure of 20 years, with high cross-selling ratios reaching 6.9 products/services per customer on average

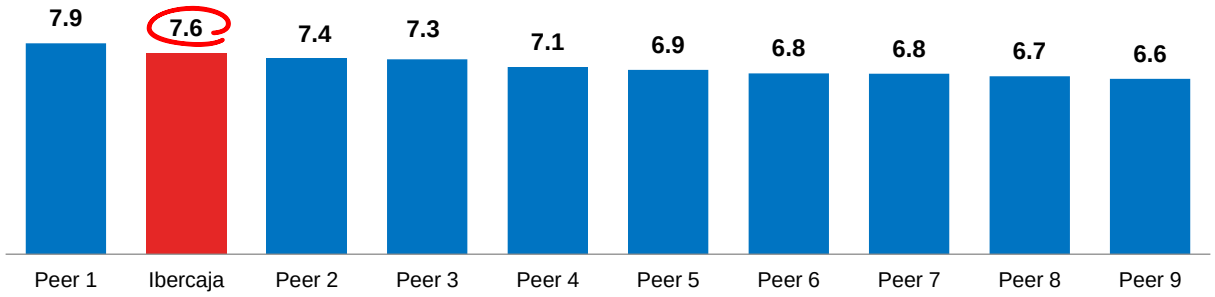
Customer tenure

Years, info for individual customers – September 2021



Global customer satisfaction[1]

September 2021



Source: Company information as of September 30, 2021; [1] Data as of September 30, 2021. The survey is named "Benchmarking Customer Satisfaction in the financial sector." This question is asked at the end of the survey when the respondents have been asked about all the questions: Taking into account all the above, value your Global Satisfaction as a customer of (Entity) from 0 to 10. Other domestic banks include: Abanca, Bankinter, BBVA, CaixaBank, Kutxabank, Liberbank, Sabadell, Santander and Unicaja

Loyal customer base and clear roadmap for digital transformation

57%
Growth in digital customers[1] since 2016

c.75%
Customers' transactions are digital

1st
Spanish banks Apps Ranking

Objective

The objective of our digital transformation is to bring Ibercaja's DNA (closeness, excellent service levels, tailor-made advisory solutions…) **to the digital world through an omnichannel model**

Our principles

Customer focus. Technology is at the service of our customer needs

Corporate focus and alignment. Shared vision embedded in our corporate strategy

Efficacy and agility. Being agile and learning fast is key

Strategic alliances. Focus on our core skills and promote alliances for others

Key catalyst and recent milestones

Ibercaja signed a strategic alliance with Microsoft in 2016. This alliance acted as a **catalyst** for the digital transformation of Ibercaja

Complete transformation of all digital channels of relationship with and sale to customers (APP, Digital Banking, Ibercaja Pay (wallet), Contact Centre, ATMs and Public Web)

New technological capabilities to increase the efficiency and commercial productivity of our branch managers (mobility, Commercial Systematics, business intelligence, remote sales capabilities and customer service)

Our App ranks first among other domestic banks in Play Store (4.8 stars) and Apple Store (4.5 stars)[2]

Source: Company information as of September 30, 2021; [1] Number of customers that have used the web or the app of Ibercaja at least once during the last month; [2] The calculation is a weighted average between the scores received from the users of Android and IOS Apps. Other domestic banks include: Abanca, Bankia, Bankinter, BBVA, CaixaBank, Kutxabank, Liberbank, Sabadell, Santander and Unicaja

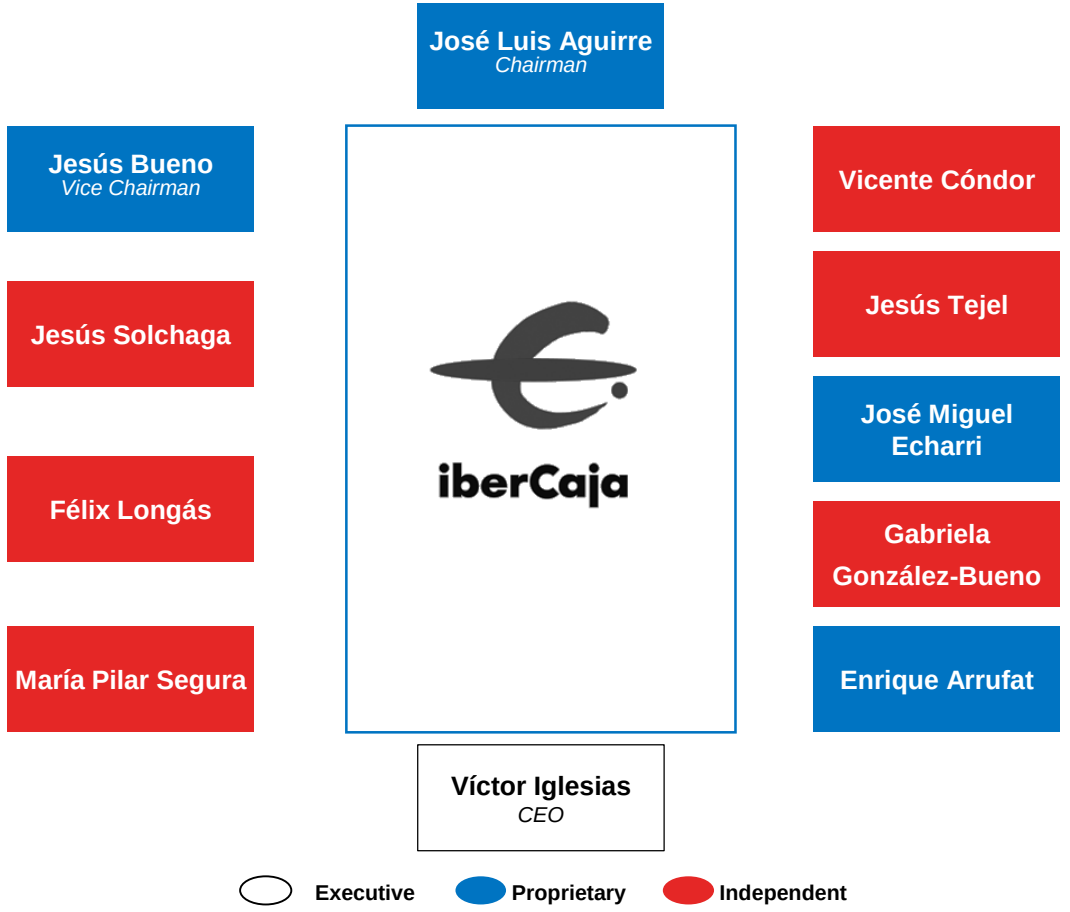
Sound corporate governance and experienced management team

Sound corporate governance, already complying with the main recommendations of the Spanish Corporate Governance Code

- ✓ Separation between executive CEO and non-executive chairman roles
- ✓ Board composed of 55% independent directors
- ✓ All board committees[1] chaired by an independent director

WE HAVE A CLEAR GOVERNANCE STRUCTURE

Ibercaja Board of Directors



Source: Company information as of September 30, 2021; [1] Audit and compliance, appointments, compensation and large risks and solvency committees

Sound corporate governance and experienced management team

76%
NPAs reduction since 2014

+740 bps
Total FL Capital Ratio since 2014

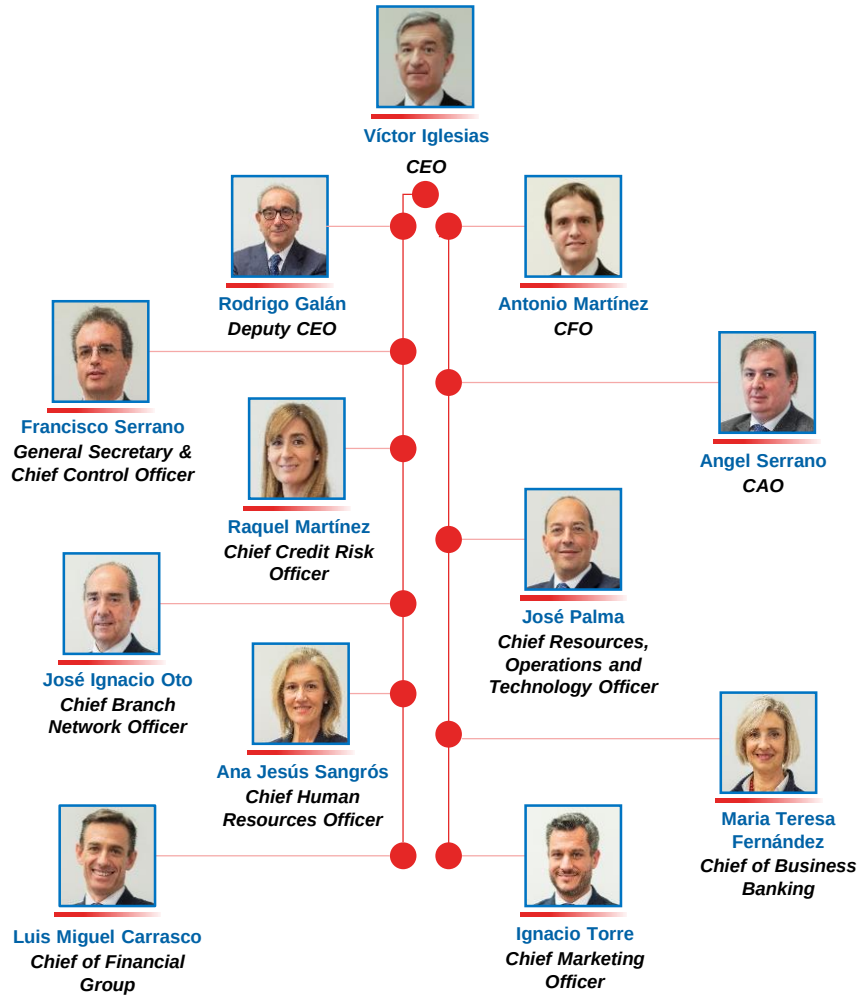
+46%
Retail business volume per employee since 2014

Experienced and aligned management team that is transforming Ibercaja

- ✓ Completed Caja3 integration and paid back €407mm of Caja3 CoCos with organically generated capital
- ✓ Active and disciplined strengthening of the balance sheet with no dilution to its shareholders
- ✓ One of the first regional banks in Europe to have completed its hybrid capital buckets
- ✓ Reducing the cost base of Ibercaja (-17% since 2014), while boosting its commercial franchise thanks to digital transformation

WE HAVE A COHESIVE MANAGEMENT TEAM

WE ARE FULLY ALLIGNED TO CREATE VALUE FOR OUR SHAREHOLDERS



Source: Company information as of September 30, 2021

Ibercaja has a clear commitment to sustainability

HELPING PEOPLE TO BUILD THEIR LIFE STORY, BECAUSE THEIR STORY WILL BECOME OURS

Corporate culture

Sustainability is intrinsically tied to our origins and our **145 years of history** (Former Savings Bank)

High involvement of our management team, with a **Sustainability Committee** chaired by our CEO and a **Sustainability Policy** approved by the Board of Directors.



Strong linkage with our regions

The current shareholders of Ibercaja are Foundations whose social commitment **reinforces the positioning of the Bank**

In 2020, the **Ibercaja Banking Foundation:**

- **Devoted €12.5mm to welfare programmes** covering education, cultural and social actions
- **0.9mm people benefited** from Fundación Bancaria Ibercaja welfare programs

Recent milestones and commitments

Founding member of **Net-Zero Banking Alliance**, aligned with the **Sustainable Development Goals, enrolled in the UN Responsible Banking Principles,** adherence to **TCFD recommendations**

Sustainable investments (mutual funds & pension plans) reach **€1.9bn** (+116% versus 2020)

Since 2016 **Ibercaja has reduced its emissions (scope 1, 2 and partially 3) by 88%. All direct emissions have been offset (scope 1)**

40% of our management positions are expected to be held by women by 2023





Source: Company information as of September 30, 2021

Desafío 2023: focus on improving our recurrent profitability

Revenues and Profitability

- Risk insurance
- Personal banking
- SMEs clients / corporate banking
- Customer knowledge & business intelligence
- Implementation of new service / product monetization strategy

With a clean balance sheet and a solid capital position …



Costs and Efficiency

- Evolution of operating model
- IRB model
- Pricing & efficient allocation of capital
- Digitalization and data governance
- Zero based budget

… we can fully focus on:

- ✓ Further improving our competitiveness and profitability
- ✓ Reinforcing our leadership in customer experience
- ✓ Accelerating our transformation
- ✓ Cross-cutting initiatives: talent, IT and sustainability

Source: Company information

Value creation roadmap: Successful Plan +2020 is a perfect starting point for Plan Desafio 2023

Plan +2020

Our focus was to reinforce our Balance Sheet…

	2017	3Q2021
NPA ratio	11.8%	4.4%
NPA coverage ratio	48%	66%
CET1 Fully Loaded	11.0%	12.8%

…while improving our profitability

Recurring cost to income ratio	69.7%	62.5% *(2020)*

VALUE CREATION

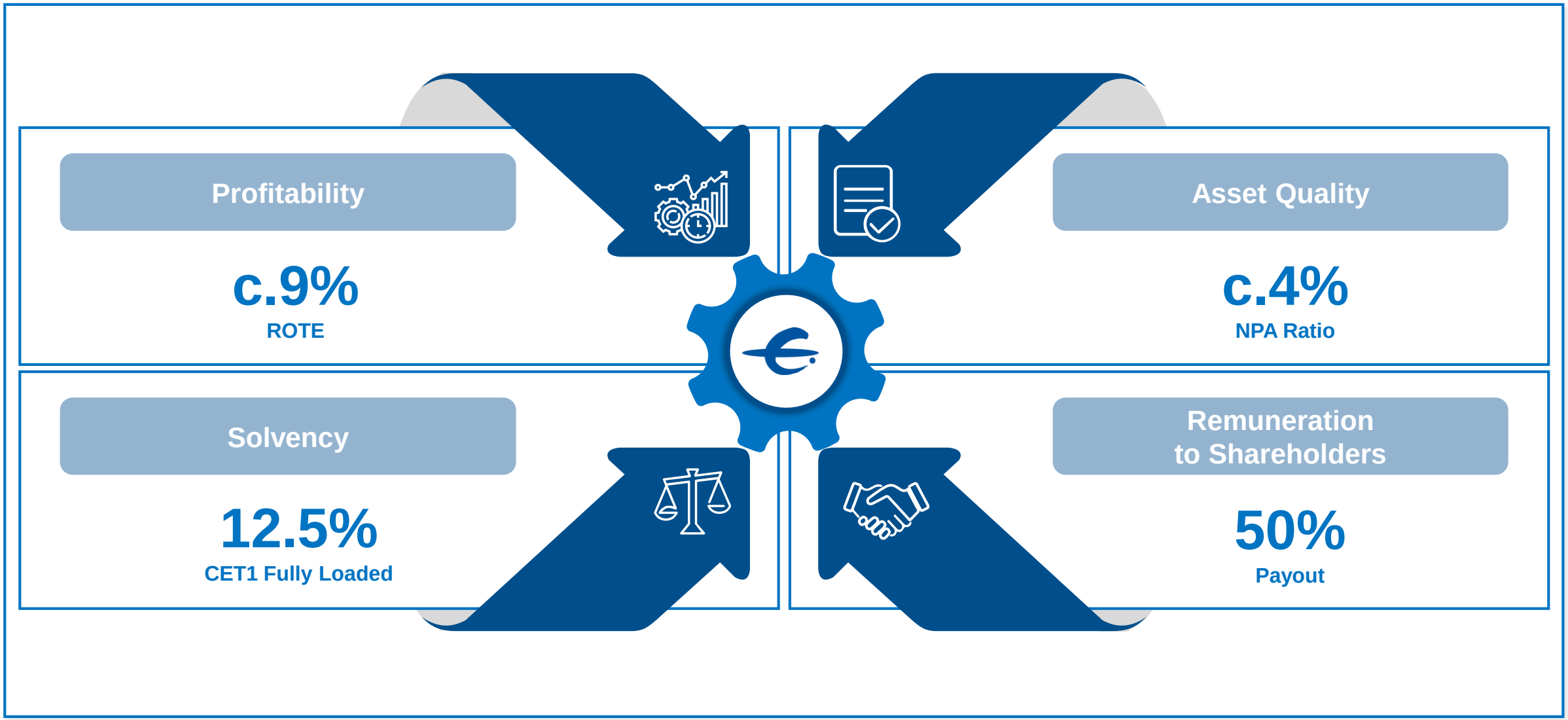
Plan Desafio 2023

Plan Desafio 2023 is focused on improving our recurring profitability

1. Operating costs reduction– 2021-2022 Redundancy Plan
2. Increase of fee income driven by non-banking commissions
3. Stabilization of cost of risk
4. Gradual recovery of net interest income towards pre-covid levels

Source: Company information

Medium-term targets



Source: Company information


iberCaja