

**2019 RESULTS****IBERCAJA OBTAINS A NET PROFIT OF 84 MILLION EUROS AND GENERATES 82 BASIS POINTS OF CET1 CAPITAL IN THE YEAR**

- **The net profit doubles year-on-year based on a strong commercial activity, the diversification of revenues, lower recurring costs and the strong reduction in the stock of NPA**
- **Customer funds grow 6.6% year-on-year amounting for the first time to over 60,000 million euros; Madrid and Mediterranean Basin are the two main markets with a 10.6% rise year-on-year**
- **CET1 Fully Loaded ratio improves 82 basis points in 2019 and reaches 11.4%, while Total Capital Fully Loaded ratio stands at 15.5%**
- **Non-performing assets –doubtful exposures and foreclosed assets – decrease 1,124 million euros or 36.9% in 2019; NPA coverage ratio stands at 51.6%**
- **NPL ratio improves 277 basis points year-on-year and stands at 4%, 80 basis points below sector average**
- **Assets under management and life insurance products grow 9.9% reaching 27,870 million euros, representing 46% of total customer funds.**
- **Ibercaja Banco reaches a market share of 5.1% in mutual funds, 27 basis points higher year-on-year, due to an increase of 13.4% in its outstanding balance for a total balance around 14,000 million euros.**
- **Gross subscriptions to pension funds increase 12% year-on-year, which contribute to the growth of this business line by 9.5% year-on-year, up to 6,794 million euros**
- **New lending reaches 5,434 million euros; 52% have been granted to non-residential companies and Madrid and Mediterranean Basin account for 48% of new lending**
- **Growth in net fee income from asset gathering and bancassurance business allows for a stabilization of recurring revenues**

Zaragoza, March 3rd, 2020.- Ibercaja Banco has obtained a net profit of 84 million euros in 2019, doubling the profit of previous year, due to a strong commercial activity, the diversification of revenues, lower recurring costs and the strong reduction in the stock of NPA.

Ibercaja has continued pushing its business model transformation and has intensified the activity with customers, mainly in customer funds. This item increases 6.6% year-on-year for a total balance of over 60,000 million euros for the first time. This has been possible as assets under management and life insurance products have shown a very positive evolution, representing more than 67% of total customer funds increase. Particularly, and for the first time, mutual funds market share reaches 5.1%, 27 basis points higher year-on-year.

Recurring revenues evolution stabilizes, with a small decrease of 0.6% year-on-year. Ibercaja Banco has increased its recurring revenues 3.8% since 2016 and continues favoring the more profitable business lines of its credit portfolio and developing asset management and life insurance segments, in a scenario where interest rates are at historically low levels.

Recurring profit before provisions reaches 342 million euros, 2.2% year-on-year, due to a 2.1% recurring costs decrease in 2019.

In 2019, Ibercaja Banco has been able to reduce its stock of NPA by 36.9% while increasing its CET1 Fully Loaded capital ratio in 82 basis points.

### **60,600 million euros in customer funds**

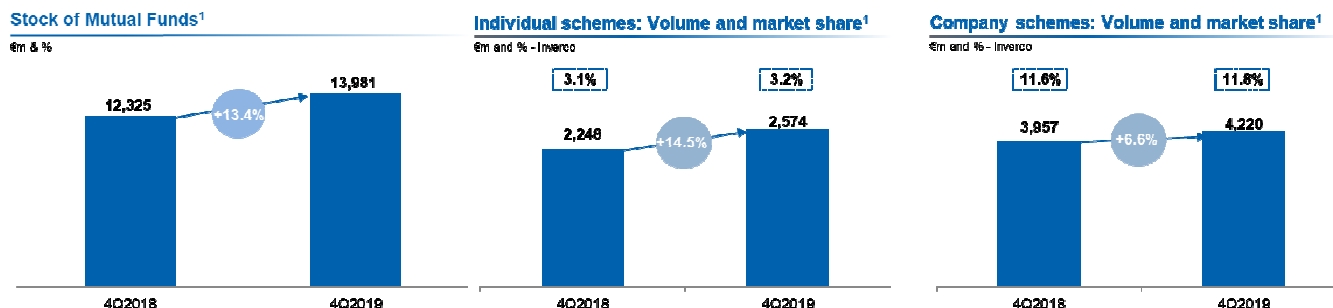
Total customer funds administered by Ibercaja Banco have reached 60,643 million euros at 2019 year-end, 3,735 million euros more than previous year or 6.6% increase. This strength is a consequence, among other factors, of the positive evolution of customer funds in Madrid and Mediterranean Basin where customer resources have increased 10.6% year-on-year (+1,376 million euros).

The evolution of assets under management and life insurance products keep supporting this growth. The balance of these two business lines amounts to 27,870 million euros, 2,502 million euros more than previous year or 9.9% increase. This total balance represents 46% of total customer funds.

It is worth mentioning the evolution of mutual funds that grow 13.4% in 2019 (+1,656 million euros), reaching a total balance of 13,981 million euros. This positive evolution has permitted Ibercaja Gestión to reach a market share of 5.1% (+27 basis points year-on-year).

Pension funds have also shown a remarkable performance in the year, with an increase in gross subscriptions of 12%. This evolution means a total balance for 2019 year-end of 6,794 million euros, 9.5% year-on-year. Ibercaja Pensión, the

pension funds management company, has increased in 2019 its market share in individual and collective plans 11 and 17 basis points, respectively.



<sup>1</sup> Source: Inverco

Customer-oriented business model, based on advisory, the profitability, the innovation and the quality in the management of the companies within the Financial Group, constitute a relevant competitive advantage in the current scenario of negative interest rates and the uncertainty regarding economic growth.

**Loans to non-residential companies represent 52% of new loans.**

Regarding assets, Ibercaja Banco has granted 5,434 million euros in new loans and credits to customers in 2019, with 52% of the total amount being lent to non-residential companies.

Madrid and Mediterranean Basin concentrate 48% of new loans and credits operations to companies and families which shows the commitment that Ibercaja Banco has with reinforcing its positioning in these two regions.

Moreover, the stock of working capital grows 8.5 year-on-year for a total amount of 7,643 million euros at 2019 year-end.

**Stabilisation of recurring revenues**

Net interest income accounts for 547.2 million euros, a 4.4% decrease year-on-year due to a lower contribution of revenues from ALCO portfolio. Retail margin, spread between revenues from credit activities and deposits costs, stands at 1.43% versus 1.39% of previous year.

Net commissions improve 5.1% year-on-year up to 394.8 million euros, driven mainly by revenues associated with asset management and insurance products (+13.6 year-on-year) which represent 61.5% of total revenues from commissions.

Commissions represent 41.9% of Ibercaja Banco recurring revenues that at 2019 year-end stand at 942 million euros, a 0.6% decrease year-on year. Ibercaja Banco has increased this item by 3.8% since 2016 and continues favoring the more profitable business lines of its credit portfolio and developing asset management and life insurance segments, in a scenario where interest rates are

at historically low levels. In this way, asset management and bancassurance business lines represent 38.1% of total recurring revenues.

Operating costs fall 10.3% year-on-year thanks to the absence of extraordinary expenses. In 2018, this item included 55.8 million euros associated with the redundancy plan agreed with the majority of worker representatives in May 2017.

Recurring costs fall 2.1% year-on-year due to efficiency measures carried out by Ibercaja Banco. To continue improving its efficiency in a negative interest rate scenario, and taking a similar step than other peers, Ibercaja Banco has started negotiations to apply a new redundancy plan in 2020.

Profit before provisions increases 9.7% year-on-year up to 326.5 million euros.

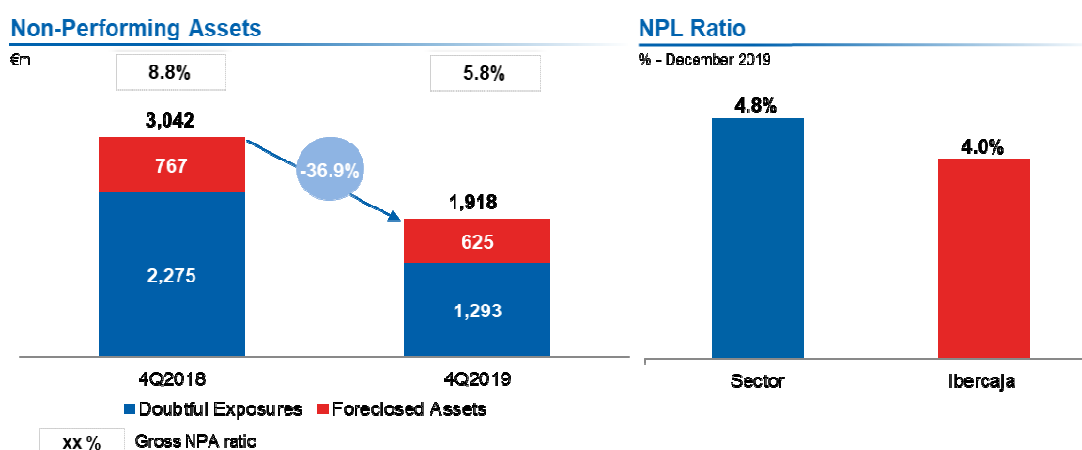
The active management of non performing exposures that Ibercaja Banco is applying, together with available coverage levels due to previous years provisioning efforts, permits to achieve a cost of risk of 40 basis points at 2019 year-end, 14 basis points below than at 2018 year-end.

As a result, the dynamism of commercial activity with customers, the diversification of revenues, lower recurring costs and the strong reduction in the stock of NPA have permitted Ibercaja Banco to achieve a net profit of 84 million euros in 2019, doubling the net profit obtained the previous year.

### NPL ratio stands 80 basis points below sector average

The stock of non-performing assets (doubtful + foreclosed assets) decreases 36.9% year-on-year (1.124 million euros) for a 2019 year-end stock of 1.918 million euros.

NPL ratio falls 277 basis points in the year reaching a ratio of 4.0% which permits Ibercaja Banco to maintain a position 80 basis points below sector average.



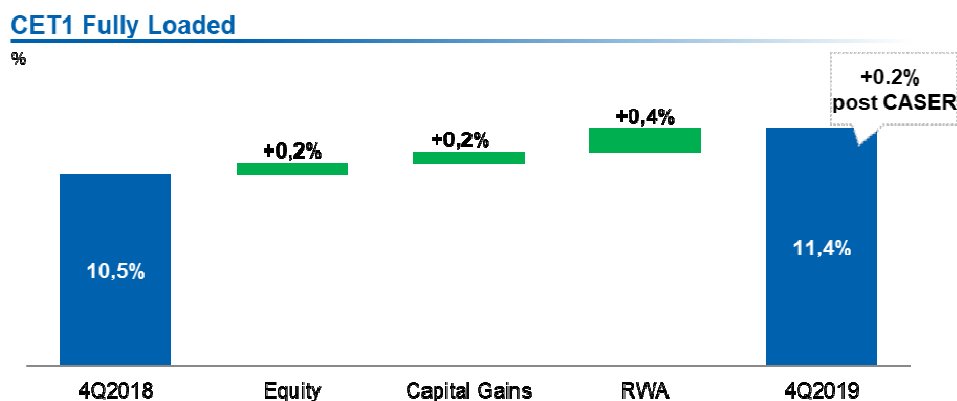
Additionally, NPA coverage ratio increases up to 51.6%.

The reduction of gross problematic assets, based on the commitment with this objective from the branch network and the sale of wholesale portfolios, together with the provisioning effort, makes net problematic assets to fall 548 million euros (-37.1%) year-on-year. Their weight over total assets decreases to 1.7%, 113 basis points lower than previous year.

### Continuous improvement in solvency levels

Ibercaja has generated 82 basis points of capital during 2019. As a result, CET1 Fully-Loaded ratio stands at 11.4% and Total Capital Fully-Loaded ratio reaches 15.5%.

The sale of a 4.45% participation in CASER to Helvetia will mean an increase of 0,2% in CET1 Fully-Loaded ratio, once the transaction is completely finalized in the first half of 2020.



In Phased-In terms, these ratios stand at 12.3% and 16.4%, respectively, 300 basis points above SREP requirements for 2019 in both cases (9% and 12.5%, respectively).

Moreover, available liquid assets represent 20.7% of total assets supporting Ibercaja Banco strong liquidity position. Additionally, Ibercaja Banco shows a prudent funding profile with customer retail deposits accounting for 77% of gross external funding.

**Main milestones of the year**

During 2019, Ibercaja Banco has achieved different goals, taking important steps for the fulfillment of the targets of its 2018-2020 Strategic Plan.

In June, it closed the sale of "Ordesa" portfolio; it consisted on 534 million euros of doubtful loans, allowing for a reduction of problematic assets, one of the main goals in the current strategic cycle.

The success in the marketing of "Cuenta Vamos" has permitted to attract funds for an amount of 390 million euros

The progress on digital transformation is favoring a better service to its customers through its digital channels, reaching 766,000 digital customers (+13.1 year-on-year) and supporting that 7 out of 10 new operations are done through these means.

As part of its commitment with sustainability and in line with the United Nations 2030 Agenda for Sustainable Development, among other factors, Ibercaja Banco obtained in September 2019 the EFR Label granted by "Fundación Más Familia", Ibercaja Banco renewed ISO 14001 with respect to environmental practices and joined both the #CEOPorLaDiversidad alliance, sponsored by Adecco and CEOE Foundation and the initiative established by CSR Europe, "CEOs call to action", to which main European corporations have adhered.

## 2019 Main Figures

### P&L Account

€mm	2018	2019	Var.
<b>Net Interest Income</b>	572,2	547,2	-4,4%
<b>Net Fee Income</b>	375,6	394,8	5,1%
<b>Recurring Revenues</b>	<b>947,7</b>	<b>942,1</b>	<b>-0,6%</b>
<b>Trading Income</b>	43,6	7,1	-83,7%
<b>Other Operating Inc. / Exp. (Net)</b>	-24,7	-22,6	-8,5%
<b>Gross Operating Income</b>	<b>966,6</b>	<b>926,6</b>	<b>-4,1%</b>
<b>Operating Costs</b>	-668,8	-600,1	-10,3%
of which: Recurring Costs	-613,1	-600,1	-2,1%
of which: Redundancy Plan	-55,8	0,0	n/a
<b>Pre-Provision Profit</b>	<b>297,7</b>	<b>326,5</b>	<b>9,7%</b>
<b>Total Provisions</b>	167,3	184,5	10,3%
<b>Other Gains and Losses</b>	-49,6	-13,3	-73,1%
<b>Profit before Taxes</b>	<b>80,8</b>	<b>128,6</b>	<b>59,1%</b>
<b>Taxes &amp; Minorities</b>	40,0	44,6	11,5%
<b>Net Profit Attributable to Shareholders</b>	<b>40,8</b>	<b>84,0</b>	<b>105,9%</b>

### Commercial Activity & Balance Sheet

€mm	4T2018	4T2019	Var.
<b>Customer Funds</b>	<b>56.908</b>	<b>60.643</b>	<b>6,6%</b>
of which "Core" deposits	31.540	32.772	3,9%
of which Asset Management & Life Insurance	25.368	27.870	9,9%
<b>Gross Lending</b>	<b>33.724</b>	<b>32.563</b>	<b>-3,4%</b>
of which performing loans ex REPO	29.746	29.654	-0,3%
of which doubtful loans	2.275	1.293	-43,1%
<b>Total Assets</b>	<b>52.706</b>	<b>55.422</b>	<b>5,2%</b>