

**RESULTS 1Q2020****IBERCAJA OBTAINS 33.9 MILLION EUROS OF NET PROFIT, AFTER ALLOCATING AN ADDITIONAL 34 MILLION EUROS FOR COVID-19 PROVISIONS**

- **The Bank has implemented various measures aimed at maintaining business continuity, as an essential service, to preserve the health of employees and customers, and to respond to the needs of the most vulnerable households, self-employed and SME customers**
- **97% of the branch network remains open, with a team rotation system being applied in the branch network that is making it possible to alternate between face-to-face care and teleworking, and more than 80% of headquarter employees are working from home**
- **More than 9,750 requests were received up to 30 April for the ICO special financing facility for the self-employed, SMEs and companies, for a total amount of more than 1.2 billion euros, which is above the quota assigned to the Bank**
- **Ibercaja is handling 6200 applications for a mortgage moratorium, representing an amount of 547 million euros, which is equivalent to 2.8% of the total balance of mortgages**
- **In March and April, more than 360.000 pensions and 61,000 unemployment benefits were paid in advance, for a total amount of 339 and 370 million euros, respectively, to all customers who have this income paid directly into the Bank**
- **The commercial activity for the quarter, up to the start of the pandemic, maintained the vigour of the previous quarters, although customer funds evolution has been conditioned by the sharp drop in the markets in the second half of March, and fall 2.7% compared to the same period in 2019 to 58,994 million euros; excluding market negative performance, customer funds grow 300 million euros**
- **In the first quarter, net new inflows to mutual funds amounted to 295 million euros, the second highest figure in the sector, which has enabled Ibercaja to gain 20 basis points of market share in the quarter up to 5.3%**
- **New lending grows 0.8% YoY despite the impact of impact of the health crisis in the second half of march**
- **The CET1 Fully Loaded ratio stands at 11.2% and the Fully Loaded Total Capital ratio at 15.4%**

- **NPL ratio at the end of March stood at 3.9%, 91 basis points lower than the sector average, with a coverage ratio of 53.8%, 2.2 percentage points more than in December 2019**

Zaragoza, 5 May 2020.- Ibercaja obtained a net profit of 33.9 million euros in the first quarter of 2020, 40.3% less than in the same period the previous year. The Bank has made an additional provision of 34 million euros, anticipating the possible effects of the current crisis caused by COVID-19.

Since the state of alarm has been applied in Spain, the entity has implemented various measures to preserve the health of employees and customers, maintain the continuity of the bank's activity as an essential service, support society and meet the needs of private, self-employed, SMEs and most vulnerable companies. Consequently, Ibercaja is validating and reinforcing its purpose and raison d'être in these complex circumstances: *"Help people build their life story because it will be our story"*.

Throughout these weeks, 97% of the branches of the commercial network have been kept open and 100% of the ATMs remain operational, where all the security and prevention measures established at all times by the health authorities have been applied. Rotating team shifts have been implemented in the branch network, allowing face-to-face support to be alternated with teleworking. In the case of the Bank's headquarters in Zaragoza, more than 80% of its employees are currently working from home.

The digitalisation strategy that the Bank has been deploying in recent years has also enabled it to maintain service quality, both through the various non-face-to-face channels through which it operates, and especially through direct, real-time, remote support, from managers to customers.

Operations on these channels account for 79% of the total, compared to 72% in 2019. In particular, the number of users of the Ibercaja App increased by 5.7% until April, to 457,000, and the number of calls received in the call centre by 58%. Consequently, the Bank has enhanced support in this channel and on 15 April it also launched Ibercaja Próxima, a new specialised and personalised remote service. This has all favoured the objective of minimising the number of trips the public have to make outside their homes during lockdown.

To channel donations from individuals and companies to cover the pressing needs of the most vulnerable people as a consequence of the spread of COVID-19 in Spain, Ibercaja and its shareholder Foundations (Ibercaja, Círculo de Burgos and Caja Badajoz), in collaboration with different local and autonomous institutions have put the "Vamos" solidarity platforms into operation in ten cities, provinces and Autonomous Communities, in which the Bank has the greatest presence. So far, a total of 700,000 euros have been received which, through third sector entities, are already materialising in aid for households without income and meals on wheels for the elderly, among other purposes.

## **Support measures for private clients, freelancers, SMEs and companies**

In response to the health and economic emergency, Ibercaja has implemented various measures to support its clients -individuals, the self-employed, SMEs and companies- and through these co-ordinated efforts meet their recurring financial needs that have been caused by this situation.

Thus, more than 367,000 pensions and more than 61,000 unemployment benefits, respectively, amounting to 330 million euros and 370 million euros, were paid in advance on March and April respectively to customers who have this income paid directly into their accounts.

Up to 30 April, more than 6,200 customer requests to defer mortgage payment have been handled, representing a portfolio of 547 million euros, which is equivalent to 2.8% of the total stock of mortgages. Ibercaja is also extending this deferment to the other loans to individuals, the first 100 applications of which were received in three days.

As for the special financing facility to cover the liquidity needs of the self-employed, SMEs and companies, backed by the State and managed by the ICO, Ibercaja has so far received more than 9,750 requests amounting to more than 1.2 billion euros, which is above the quota assigned to the Bank. The operations associated with the first tranche have already been fully formalised and those of the second tranche are also being formalised and evaluated.

The Bank launched the campaign *Vamos es ir siempre juntos* (Going is always going together) on 23 April, which gathers these and other measures that are available, so that customers and users can have access to and information on all of them quickly and easily in the space enabled for this purpose at [www.ibercaja.es](http://www.ibercaja.es)

## **Robustness of activity in the first three months of the year**

Commercial activity for the first three months, up to the start of this crisis, was just as robust as the previous quarters, although the customer funds evolution has been conditioned by the sharp drop in the markets in the second half of March, falling back 2.7% compared to the same period in 2019 to 58.994 billion euros. Excluding the negative market effect of 1.949 billion euros, this item would have increased by 300 billion euros.

In the first quarter, net new inflows to mutual funds amounted to 296 million euros, the second highest figure in the sector, which has allowed Ibercaja to gain 20 basis points of market share in the quarter up to 5.3%. The Bank's historical strengths in advising and specialised savings management have allowed it to gain market share, despite adverse market conditions.

On the financing side, the amount of new loans grew by 0.8% in the quarter compared to the same period of the previous year, up to 1.059 million euros, 52% of them being used to finance non-real estate companies.

In April, the strong increase in new loans stands out, which have multiplied by 2.3 times the average for the first quarter, reaching 805 million euros. The Entity's commitment in recent years to growth in the business segment, particularly SMEs, and the effort made for the prompt implementation of the extraordinary financing measures decreed to support the self-employed, SMEs and companies justify this exceptional behaviour. New mortgage granting also grew in April despite the almost complete standstill of economic activity in Spain.

### **Additional provisions (34 million euros) mark the quarter**

The interest margin was 133.6 million euros, 4.5% lower than that of the same quarter last year.

Net fee income amounts to 94.8 million euros, 1.1% higher than that of the same quarter last year.

Recurring revenues stand at 228.4 million euros, a 2.3% decrease vs. the same quarter last year.

Operating costs for the year have decreased by 4.1% year-on-year, thanks to the containment of general expenses, which have decreased by 12.2%, as a consequence of the efficiency measures that the Bank has been adopting in its organisational and digitalization processes.

As a result, recurring profit before provisions grows 0.8% YoY and amounts to 87.9 million euros thanks to the costs reduction which has made possible to offset the fall in revenues.

Total provision in the quarter amount to 50.3 million euros. This figure includes extraordinary credit provisions amounting to €34m associated with Covid-19

In conclusion, despite this significant additional provisioning, the dynamism of commercial activity, the diversification of income in savings management, the decrease in recurring costs and the sharp drop in non-performing assets have allowed IberCaja to achieve a net profit of 33.9 million euros in the first quarter of 2020.

**Sound position to face the new scenario**

Net non-performing assets (doubtful + foreclosed loans) decreased by 38 million euros between January and March, equivalent to 2.0% in the quarter, and stand at 5.7% with the coverage ratio reaching 53.8%, 2.2 percentage points above the end of 2019. During the quarter the Entity has main a continual effort to reduce these assets.

At the same time, the non-performing loans ratio decreases to 3.9% and is 91 basis points below the sector average with the latest available information for February.

The CET1 Fully Loaded ratio stands at 11.2% and the Fully Loaded Total Capital ratio at 15.4%. In Phased In terms, these ratios stand at 12% and 16.2%, respectively, exceeding the SREP requirements for 2020 (8.125% and 12.5%) by 390 basis points.

Likewise, Ibercaja's liquidity position remains comfortable, with liquid assets representing 22.3% of total assets and a sound financing profile and a LCR ratio of 326%.

In addition to the robust levels of coverage, solvency and liquidity, there is a diversified business model, in which 36% of recurrent revenues comes from asset management and bancassurance; a defensive credit portfolio focused on mortgages (63% of the total) and low exposure to the business sectors most affected by the crisis (less than 4.5% of total credit). These factors, in addition to the historical prudence in credit risk management, allow Ibercaja to face the abrupt change in the economic cycle that Spain is undergoing with guarantees.

**1Q2020 Main Figures**
**P&L Account**

€mm	1Q2019	1Q2020	YoY
<b>Net Interest Income</b>	139,9	133,6	-4,5%
<b>Net Fee Income</b>	93,8	94,8	1,1%
<b>Recurring Revenues</b>	<b>233,7</b>	<b>228,4</b>	<b>-2,3%</b>
<b>Trading Income</b>	18,6	8,4	-54,8%
<b>Other Operating Inc. / Exp. (Net)</b>	12,5	5,4	-57,0%
<b>Gross Operating Income</b>	<b>264,9</b>	<b>242,2</b>	<b>-8,6%</b>
<b>Operating Costs</b>	-146,5	-140,5	-4,1%
<b>Pre-Provision Profit</b>	<b>118,3</b>	<b>101,7</b>	<b>-14,1%</b>
<b>Total Provisions</b>	-39,3	-50,3	28,0%
of wich Covid-19		-34,0	n/a
<b>Other Gains and Losses</b>	1,1	-1,2	n/a
<b>Profit before Taxes</b>	<b>80,2</b>	<b>50,1</b>	<b>-37,5%</b>
<b>Taxes</b>	-23,4	-16,2	-30,5%
<b>Net Profit Attributable to Shareholders</b>	<b>56,8</b>	<b>33,9</b>	<b>-40,3%</b>

**Commercial Activity & Balance Sheet**

€mm	4Q2019	1Q2020	YoY
<b>Customer Funds</b>	<b>60.643</b>	<b>58.994</b>	<b>-2,7%</b>
of which "Core" deposits	32.772	32.829	0,2%
of which Asset Management & Life Insurance	27.870	26.165	-6,1%
<b>Gross Lending</b>	<b>32.563</b>	<b>32.372</b>	<b>-0,6%</b>
of which performing loans ex REPO	29.654	29.505	-0,5%
of which doubtful loans	1.293	1.253	-3,1%
<b>Total Assets</b>	<b>55.422</b>	<b>51.822</b>	<b>-6,5%</b>