

**1Q2021 RESULTS****IBERCAJA EARNED A PROFIT OF 54.5 MILLION EUROS, +61% HIGHER THAN IN 1Q2020.**

- **Customer funds increased by 1.5% between January and March to 66,391 million euros. The increase in customer funds is due to the commercial dynamism in asset under management and life insurance products, the volume of which has grown by 4.2% (1,221 million euros) since 31 December 2020, thus recovering the pre-pandemic level of 46% of total customer funds**
- **Mutual funds continue their spectacular growth path: stock of mutual funds grew by 6.3% in the quarter up to more than 16,200 million euros; net new money inflows amounted to 685 million euros, 72.6% higher than in the fourth quarter of 2020; and market share increased for the tenth consecutive quarter to 5.6%, 8 basis points higher than at the end of 2020**
- **Pension plans also show outstanding performance in the first three months of this year, with year-on-year growth of 23.4% in individual pensions plans and 10.7% in employment pension plans**
- **New production of risk insurance premiums (life risk and non-life) rebound by 41.1% YoY, up to 17 million euros**
- **New lending productions increased by 29.9%, up to 1,376 million euros, compared to the same quarter of the previous year, of which 742 million euros, or 53.9%, corresponds to non-real estate companies. This boost has been reflected in loans to companies which have grown 6.9% or 520 million euros since 31 December 2020.**
- **The new financing operations to companies with ICO guarantee amounted to 167 million euros in the quarter. Since the start of the pandemic, 1,997 million euros have been granted, 81% of which have gone to the self-employed and SMEs**
- **Provisions in the quarter amounted to 33.9 million euros, 32.6% lower than in the first quarter of 2020, when an extraordinary provision of 34 million euros was made to cover the possible adverse effects of the pandemic**
- **The Entity maintains the strength of its balance sheet, with a CET1 fully loaded ratio of 12.6%, which is identical to the one achieved in December 2020**
- **The NPL ratio declined 20 basis points to 3.0% at the end of March, 150 basis points below the sector average, with a non-performing assets coverage ratio of 64.1%, 195 basis points higher than in December 2020**

- **On 14 April, the Bank presented the roadmap of its *Desafío 2021-2023 Strategic Plan* the aim of strengthening its own independent project**

Zaragoza, 6 May 2021 - The intense commercial activity carried out in the first quarter of the year has helped Ibercaja to increase its customer funds to 66,391 million euros, 1.5% more than at the end of 2020 and a new all-time record level.

In a quarter still marked by the pandemic, uncertainty and low interest rates, Ibercaja has continued to work with its individual customers, the self-employed, SMEs and companies by offering them financial solutions in response to their needs and preferences, has maintained the pace of lending under the ICO Line for the self-employed and companies and has responded with quality and efficiency to the growing use of its digital assets.

In this context, the Bank generated a net profit of 54.5 million euros in the first quarter of 2021, 61% more than in the same period of the previous year.

Ibercaja has maintained the financial resilience of its balance sheet, with a fully loaded CET1 capital ratio of 12.6%, a strong liquidity position, 13,950 million euros, and coverage ratio of non-performing assets of 64.1%.

In addition, on 14 April, the Bank presented its new *Desafío 2021-2023 Strategic Plan*, which is designed to grow in personal banking, business banking and insurance with the aim of strengthening its own independent project.

### **Intense activity in asset management, insurance and SME financing**

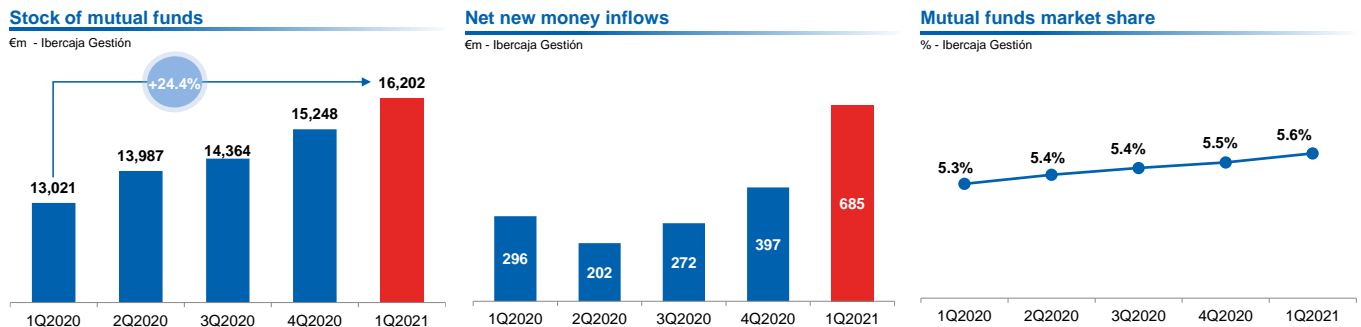
This performance of Ibercaja's activity in the first quarter is consistent with the commercial priorities it established for the new three-year strategic cycle that has just begun.

The 1.5% increase in customer funds (981 million euros) was due to the excellent performance of assets under management and life insurance products. This item grew by 4.2%, 1,221 million euros which, in year-on-year terms, represents an increase of 16.4% (4,301 million euros).

As a result, the weight of assets under management and life insurance products as a % of total customers funds rose to 46%, back to pre-pandemic levels. Ibercaja has the highest relative weight of asset management and life insurance products as a proportion of total customer funds in the Spanish banking sector.

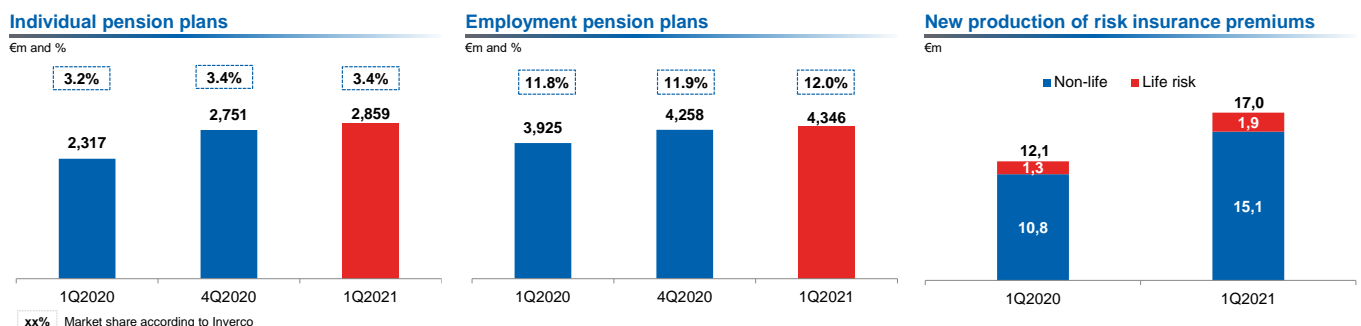
In particular, Ibercaja's mutual funds continue on an excellent growth path. The stock of mutual funds amounted to 16,202 million euros, 953 million euros more than at the end of 2020 (+6.3%) and 3,181 million euros more than at the end of March last year (+24.4%). Net new money inflows amounted to 685 million euros, 131.4% higher than in the first quarter of 2020 and 72.6% more than in the last three months of that year. Market share increased for the tenth consecutive quarter, reaching 5.6% at the end of March.

Ibercaja expanded its offer of investments funds in these three months, with two new ESG investment funds and two funds aimed at optimising the profitability of companies' stable surplus liquidity positions.



Pension plans also showed outstanding performance in the period under review. Stock of individual pension plans increased by 23.4% year-on-year (541 million euros) up to 2,859 million euros and increased their market share by 19 b.p. to 3.4%. Stock of employment pension plans increased by 421 million euros compared to 31 March 2020 (+10.7%), which also led it to an increase in market share of 15 bps to 12%.

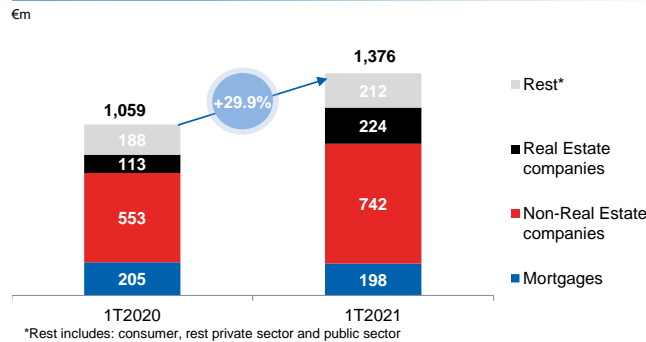
The commercial dynamism of the quarter led to a 41.1% increase in the production of new risk insurance premiums to 17 million euros. New premiums in life risk insurance grew 49.6% year-on-year and non-life insurance, on the other hand, increased by 40.0% year-on-year.



Lending activity was also strong in the first three months, with 1,376 million euros of new loans production, 29.9% more than in the same period of the previous year, driven mainly by financing to non-real estate companies (+34.1% year-on-year). As a result of the focus in companies, the stock of performing loans to companies grew 6.9% or 520 million euros since the end of 2020.

As part of its commitment to the corporate banking segment, the Bank restructured its organisation at the beginning of January, creating a new Corporate Banking area, which is working on designing a differential value proposition for this customer segment, and on greater specialisation of the service for this segment.

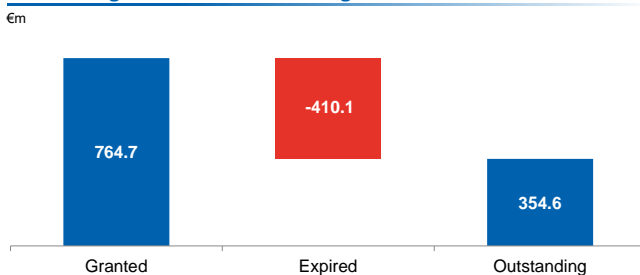
**New lending production**



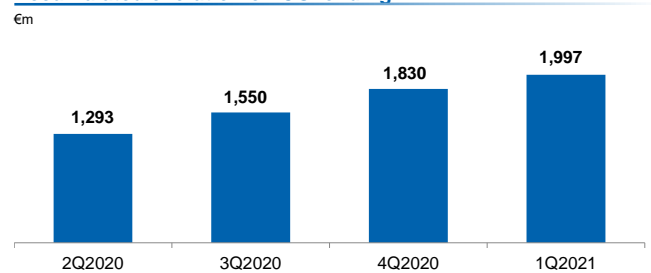
In addition, the Bank's response to its customers, particularly SMEs, in meeting their liquidity needs at the beginning of the pandemic and later for the recovery of their activity, has led to a considerable increase in lending activity to this segment. It is worth highlighting the granting of 167 million euros in loans under the ICO Covid credit facilities in the first quarter of 2021, 81% of which went to the self-employed and small and medium-sized enterprises. In total, since the beginning of the crisis, the Bank has granted 1,997 million euros of this type of loan with a partial guarantee from the State through the ICO. ICO Inversion amounts to 125 million euros. Likewise, 81% of the amount formalized in these ICO lines has been allocated to self-employed and SMEs.

In addition, the balance of outstanding moratoriums granted to alleviate the situation of the most vulnerable customers since the beginning of the pandemic decreased by 53.6% to 354.6 million euros at the end of March.

**Moratoria granted and outstanding as of 1Q2021**



**Accumulated evolution of ICO lending**

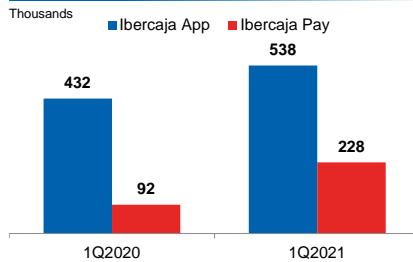


**Significant increase in the Bank's digital channel operations**

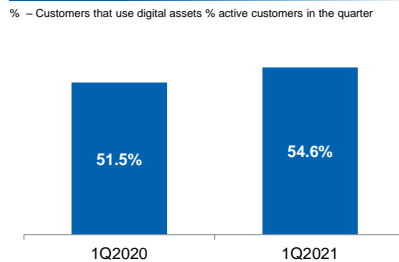
Digital banking transactions now account for 74.6% of the Bank's total transactions.

The number of digital customers grew by 10.4% year on year to reach 846,000 at 31 March, due to an increase in Ibercaja App users (+24.5%) and Ibercaja Pay users (+146.4%). In addition, 54.6% of the Bank's customers used the Bank's digital assets in the first quarter of the year.

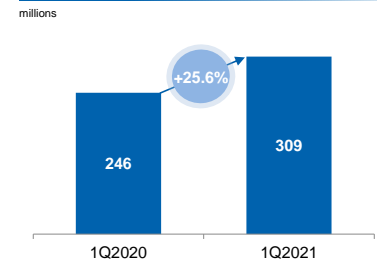
**Ibercaja App & Ibercaja Pay users**



**Digital customers % total customers**



**Digital banking operations**



Against the backdrop of the pandemic, the Bank responded quickly and with quality to the significant increase in the use of digital channels by its customers and launched Ibercaja Próxima, which provides a specialised and personalised non-face-to-face service; it upgraded its Digital Business Banking service and implemented a Beginners Mode into its mobile banking app to make it easier for customers who have never used *online* banking.

**Interest rates continue to have impact on recurring revenues**

Net interest margin stood at 122.7 million euros, 8.2% lower than in the same period in 2020, once again affected by the impact of negative interest rates in the performance of the loan portfolio.

Net fee income amounted to 97.8 million euros, representing a year-on-year increase of 3.3%. Non-banking fees improved 16.4% year-on-year to 9.2 million euros, mainly due to the positive performance of assets under management and risk insurance products in the last year.

On aggregate, recurring revenues, as the sum of both items (net interest margin and net fee income), amounted to 220.4 million euros, a decrease of 3.4% compared to the first three months of last year. Ibercaja expects recurring revenues to remain flat in 2021 thanks to improvement in activity in the coming quarters.

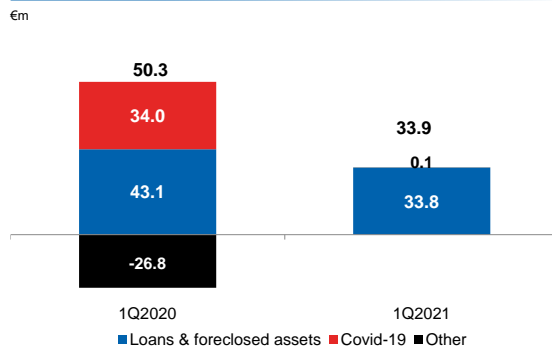
Trading income contributed 34.7 million euros between January and March 2021.

Total costs increased by 5.6% in the quarter. Costs are expected to ease from the second half of the year onwards, once the 750 exits of the employees included in the redundancy plan start to materialise.

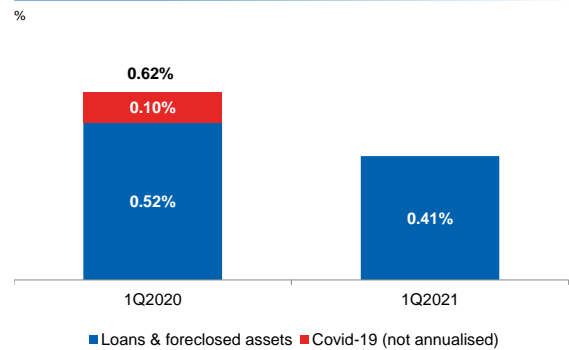
Pre-provision profit increased by 12.6% year-on-year, or by 12.8 million euros owing to the 8.5% growth in the gross margin in the period.

Provisions in the quarter amounted to 33.9 million euros, 32.6% less than in the first quarter of 2020, when an extraordinary provision of 34 million euros was made to cover the possible adverse effects of the pandemic.

**Total provisions**



**Cost of risk**



Lastly, Ibercaja generated a net profit of 54.5 million euros in the first quarter of 2021, 61% more than in the same period of the previous year.

**Ibercaja maintains its financial strength**

The Bank's balance sheet remains sound, with a CET1 fully loaded ratio of 12.6%, the same as at the end of 2020.

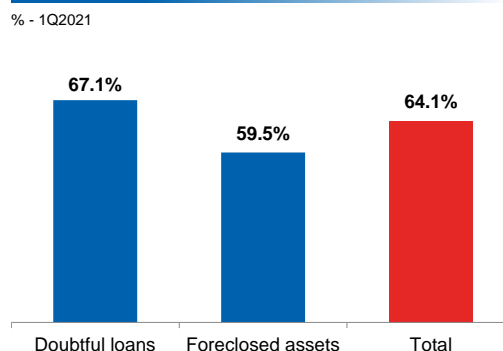
In Phased In terms, the CET1 ratio is 13.4%, while the Total Capital ratio is 17.9%. The excess capital in MDA terms amounts to 523 basis points, and 545 basis points versus 2021 SREP requirements.

Ibercaja also reinforced its comfortable liquidity position, with liquid assets growing by 2,397 million euros in the last twelve months to 13,950 million euros, bringing the LCR ratio to 398% and representing 24.1% of total assets.

The Bank continued to effectively manage irregular investments, reducing non-performing assets (doubtful loans + foreclosed assets) by 63 million euros, 3.8% from 2020 levels. The Bank's non-performing loans ratio continued to fall to 3.0%, 21 bps lower than at the end of the year, widening its positive spread against the sector's average to 150 basis points according to the latest information available at the end of February.

The Bank has increased the non-performing assets coverage ratio by 195 bps in the quarter to 64.1%.

**Coverage ratio**



## **A new advance in the commitment to sustainability**

This quarter, the Bank became one of the founding members of the *Net Zero Banking* (NZBA) alliance, led by the banking sector, sponsored by the UN and co-launched by the UNEP Finance Initiative and the Financial Services Task Force of the Sustainable Markets Initiative, set up to lead the transition to a low-carbon global economy.

This alliance is underpinned by the Bank's commitment towards society, sustainability, and the environment, and enables it to continue to pursue the Sustainable Development Goals of the United Nations 2030 Agenda.

The Financial Institution is also a signatory to the United Nations Principles for Responsible Banking and adheres to the recommendations of the *Task Force on Climate-Related Financial Disclosures*.

In December 2020, Ibercaja approved its new Sustainability Policy, which highlights and formalises the Group's commitment to sustainable development and the creation of value through its activity and includes the principles for progressively implementing ESG criteria in its global corporate strategy, in its range of products and services, in asset and investment management, and in credit risk management.

## 1Q2021 Main Figures

### P&L Account

€mm	1T2020	1T2021	Var. i.a
<b>Net Interest Income</b>	133,6	122,7	-8,2%
<b>Net Fee Income</b>	94,6	97,8	3,3%
<b>Trading income &amp; exchange differences</b>	8,6	34,7	n/a
<b>Other Operating Income (net)</b>	5,4	7,8	44,3%
<b>Gross Operating Income</b>	<b>242,2</b>	<b>262,9</b>	<b>8,5%</b>
<b>Operating Costs</b>	-140,5	-148,4	5,6%
<b>Pre-Provision Profit</b>	<b>101,7</b>	<b>114,5</b>	<b>12,6%</b>
<b>Total Provisions</b>	-50,3	-33,9	-32,6%
<b>Other Gains and Losses</b>	-1,2	-1,0	-16,7%
<b>Profit before Taxes</b>	<b>50,1</b>	<b>79,5</b>	<b>58,7%</b>
<b>Taxes &amp; Minorities</b>	-16,2	-25,0	53,9%
<b>Net income</b>	<b>33,9</b>	<b>54,5</b>	<b>61,0%</b>

### Commercial Activity & Balance Sheet

€mm	4T2020	1T2021	Var. T/T
<b>Customer Funds</b>	<b>65.411</b>	<b>66.391</b>	<b>1,5%</b>
of which "Core" deposits	36.165	35.925	-0,7%
of which Asset Management & Life Insurance	29.246	30.467	4,2%
<b>Gross Lending</b>	<b>31.590</b>	<b>31.867</b>	<b>0,9%</b>
of which performing loans ex REPO	28.956	29.295	1,2%
of which doubtful loans	1.013	956	-5,6%
<b>Total Assets</b>	<b>58.401</b>	<b>57.770</b>	<b>-1,1%</b>