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IBERCAJA BANCO

1Q2024 Results

May 7th, 2024

EL BANCO DEL vamos



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01.

Key Highlights in 1Q2024



Key Highlights in 1Q2024



Pre-provision profit grows 7.3% YoY boosted by the increase in recurring revenues (+10.4% YoY)

NII	Net Fee income	Adjusted cost to income [1]
+8.2% YoY	+6.3% YoY	51.6%



Sound asset quality evolution in 1Q2024 results in a cost of risk of just 23 bps

NPA YTD	NPA ratio	NPA coverage
-2.2%	2.7%	82%



Net income increases 5.9% YoY to €58m (after paying €40 in bank tax)

ROTE	Adjusted ROTE[1]
8.8%	13.5%



Ibercaja achieves a significant increase in solvency ratios

CET1 FL
13.1%

[1] Taking into account ¼ (3 months) of bank tax

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02.

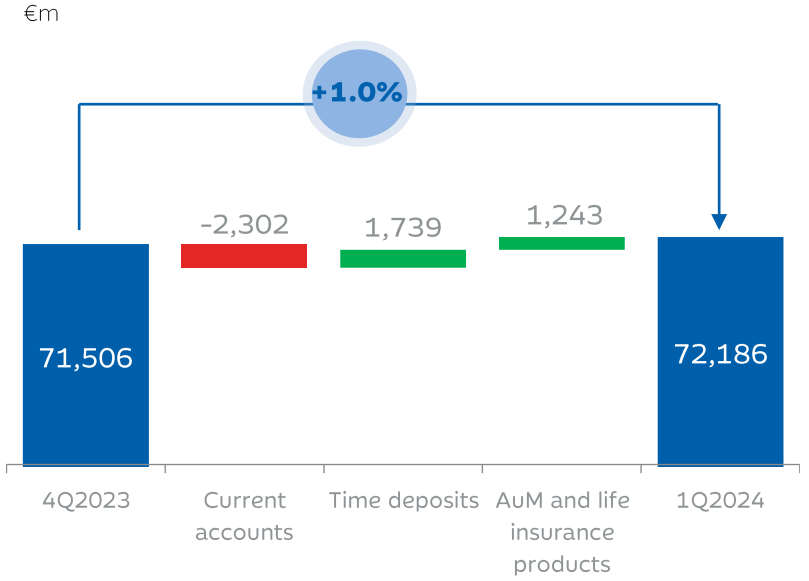
Commercial Activity



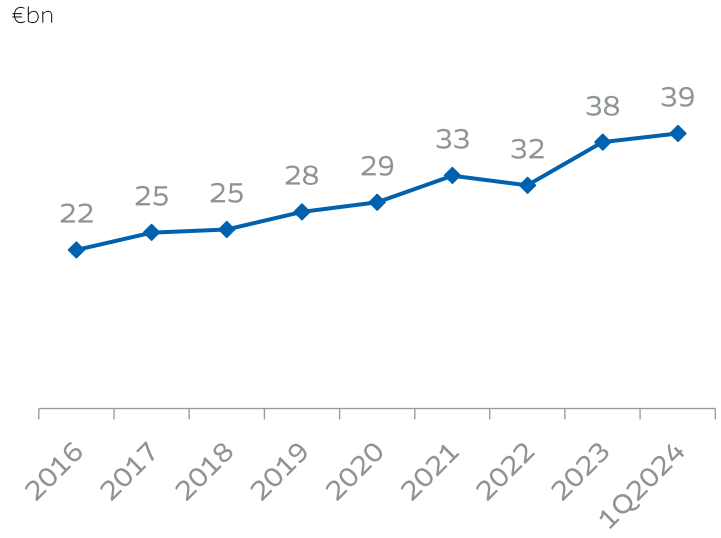
Customer funds (1/2)

	1Q2024	YTD
Customer deposits	**33,189**	**-1.7%**
Current Accounts	30,029	-7.1%
Time Deposits	3,160	+122%
AuM & Life insurance products	**38,998**	**+3.3%**
Mutual funds	24,670	+4.3%
Pensions funds	6,643	+3.9%
Life insurance products	7,685	-0.3%
Customer funds	**72,186**	**+1.0%**

Customer funds evolution QoQ



AuM & Life insurance products



Customer funds increase +1.0% or €680m QoQ. On a yearly basis, customer funds grow €3,616m (+5.3%).

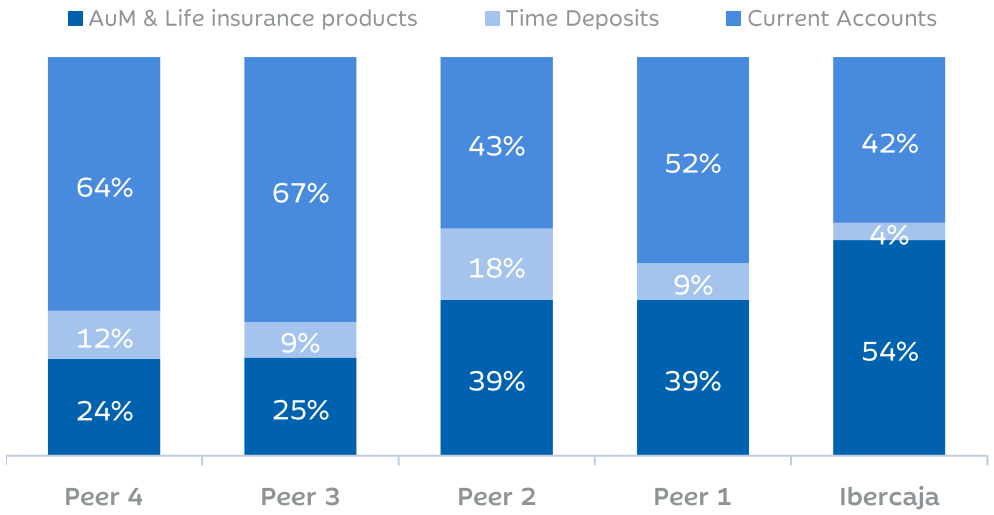
- **Asset management and life insurance products** grew **€1,243m or 3.3% QoQ** and reach **almost €39,000m** thanks to net inflows and market evolution. Net new money inflows in mutual funds[1] reach €621m in the quarter. Ibercaja has captured **8.6% of total net new money into mutual funds in the quarter.**
- **Time deposits** grow **€1,739m.** The **cost of new time deposits** stands at **1.4%**

[1] Inverco as of March 2024.

Customer funds (2/2)

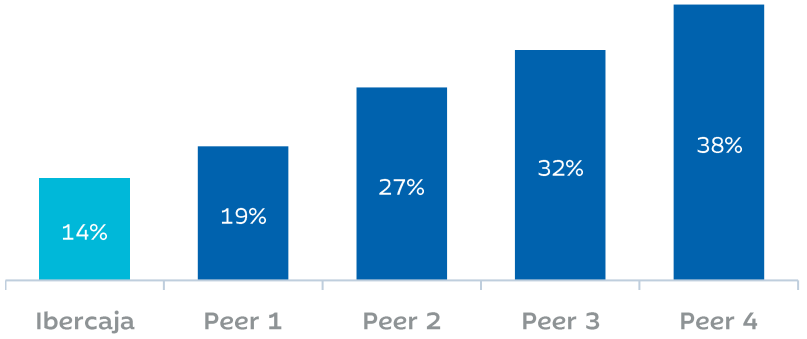
Customer funds breakdown

% - 1Q2024



Deposit beta[1]

% - 1Q2024 – Average cost of customer deposits in 1Q2024 vs. average 12-month Euribor in the period (3.7%).



Thanks to its financial advisory model, Ibercaja has the most diversified customer funds mix resulting in the lowest deposit beta among peers.

- **Asset management and life insurance products** for **54%** of total customer funds.
- **Deposit beta stands at 14%[1]**

[1] Average cost of customer deposits in 1Q2024 vs. average 12-month Euribor in the period (3.7%).
Peers include domestic listed banks: CABK, SAB, UNI, BKT. Information as of March 2024, latest publicly available information.

Customer loans

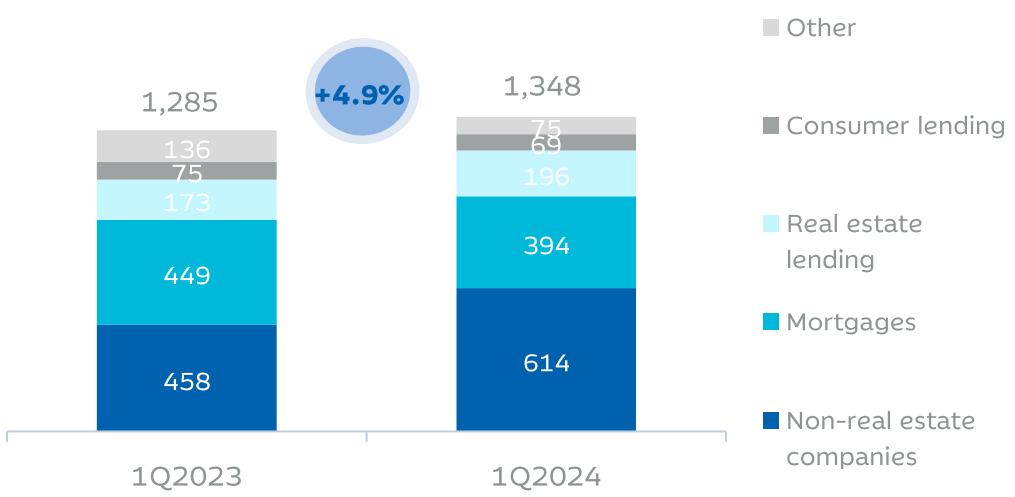
Performing loans ex repos

€m

	1Q2024	YTD
Loans to households	**18,888**	**-0.9%**
Mortgages	17,268	-0.8%
Consumer loans and others	1,620	-2.4%
Loans to companies	**8,260**	**-3.2%**
Non-Real estate companies	7,228	-4.0%
Real estate companies	1,031	3.0%
Public sector and others	**971**	**-4.0%**
Performing loans ex repos	**28,118**	**-1.7%**

New lending

€m



Performing loans fall by 1.7% QoQ due to early prepayments, seasonality and lower working capital utilization.

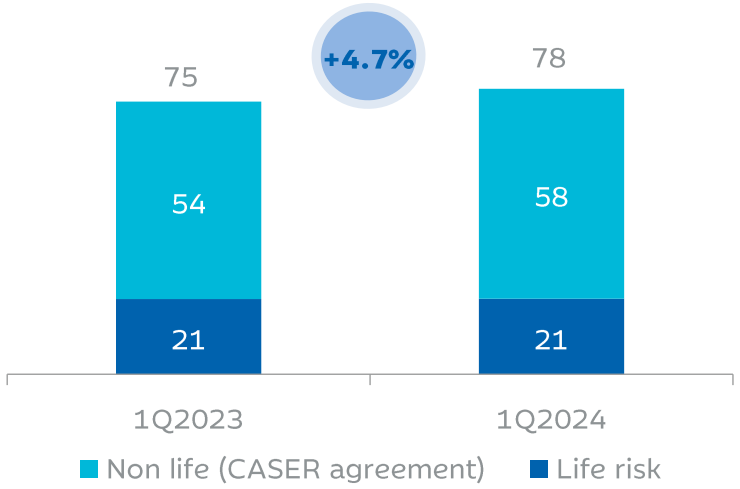
Ibercaja grows its new loan production by 4.9% YoY.

- **New lending to non-real estate companies grow 34.1% YoY**

Risk insurance

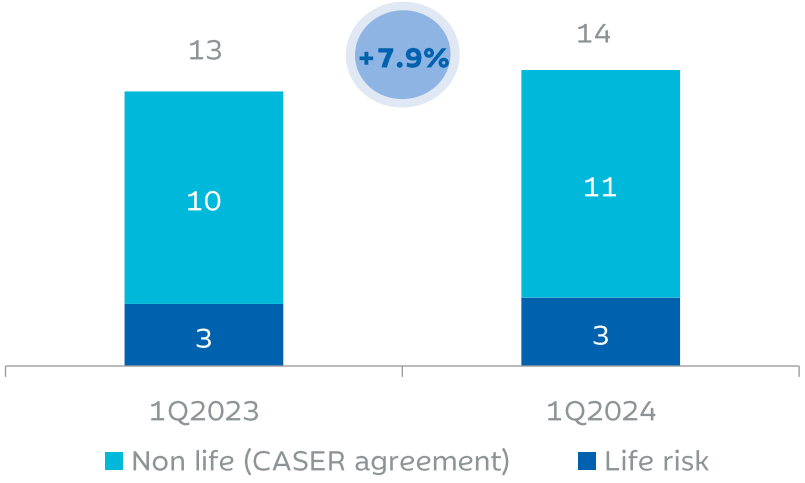
Risk insurance premiums (portfolio)

€m – premiums collected



Risk insurance new production

€m – premiums collected



New non-life premiums YoY evolution

%

Auto: +18.3% YoY

Companies: +10.5% YoY

Home: +6.5% YoY

Risk insurance premiums advance 4.7% YoY (6.4% in non-life and 0.3% in life risk) to €78m.

New premiums perform positively and grow 7.9% YoY (+10.0% in life risk, +7.3% in non-life).

- **Strong performance** in **auto +18.3% YoY, companies +10.5% YoY** and **home +6.5% YoY.**

Sustainability: Key highlights 1Q2024

Environment

- Another step has been taken in the mobilisation of sustainable finance with the issuance of the **bank's first green bond** for an amount of **€500M**, aimed at **financing mortgages and sustainable projects.** The issue received a demand of more than €3,800M.
- The transition of the agricultural sector has continued to be promoted, as part of the agreement signed with **Eagronom,** which will offer the Bank's clients in the agri-food sector **a service to certify the carbon sequestration of their farms, issue the corresponding cred**it and negotiate it in the market for subsequent payment to the farmer.
- The bank has continued to **support and finance its clients' sustainable projects**. Of particular note is the Next Gen Advance loan to GFM Energía Solar, a family business in Castilla-La Mancha that is a pioneer in renewable energies.

Social

- It has obtained the **AENOR Healthy Organisation** certificate, which recognises the organisation's commitment to the well-being of the employee base. It is the first **Spanish financial institution to obtain this recognition**.
- A **new Equality Plan** has been signed with which the Entity continues to make progress in terms of equal opportunities, offering greater facilities for the reconciliation of personal, family and professional life.
- **Volunteer activities** have continued to be promoted, with **more than 700 people** joining each quarter. Of particular note is the internal initiative "Move without a Footprint", which includes the **planting of 4,000 trees for reforestation**.
- **Social development projects have continued to be supported with donations**, highlighting projects to fight Parkinson's or to improve the autonomy of people with disabilities. The donation is part of the "**Your Money with Heart**" initiative.



Governance

- The strategic triennium has been completed, framed within the **2023 Challenge Plan, where the integration of sustainability and corporate purpose into the activity has been particularly relevant.**
- Of particular note is the **integration of ESG parameters into the risk appetite statement and the definition of a Carbon Footprint Reduction Strategy and the configuration of a line of savings-investment and financing products** to accompany its clients in advancing on the path to sustainability.



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03.

P&L Account



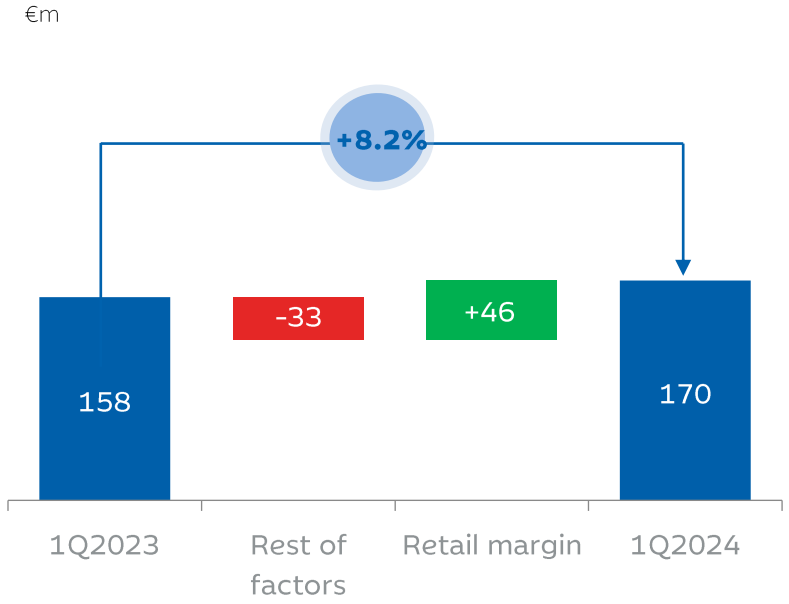
1Q2024 P&L account

	1Q2023	1Q2024	YoY
Net Interest Income	158	170	8.2%
Net Fee Income	109	116	6.3%
Net income under insurance contracts	25	35	42.2%
Recurring Revenues	**291**	**322**	**10.4%**
Gains/Losses on Financial Assets and Liabilities	1	-8	n.a
Other Operating Income (Net)	-26	-27	2.3%
of which: temporary bank tax	-29	-40	39.9%
Gross Operating Income	**265**	**287**	**8.2%**
Operating Expenses	-150	-164	8.9%
Pre-Provision Profit	**115**	**123**	**7.3%**
Total Provisions	-22	-20	-12.9%
of which: Loans and Foreclosed Assets Provisions	-16	-17	5.0%
Other Gains and Losses	0	1	n.a
Profit Before Taxes	**92**	**105**	**13.6%**
Taxes	-38	-47	24.6%
Net Income	**54**	**58**	**5.9%**

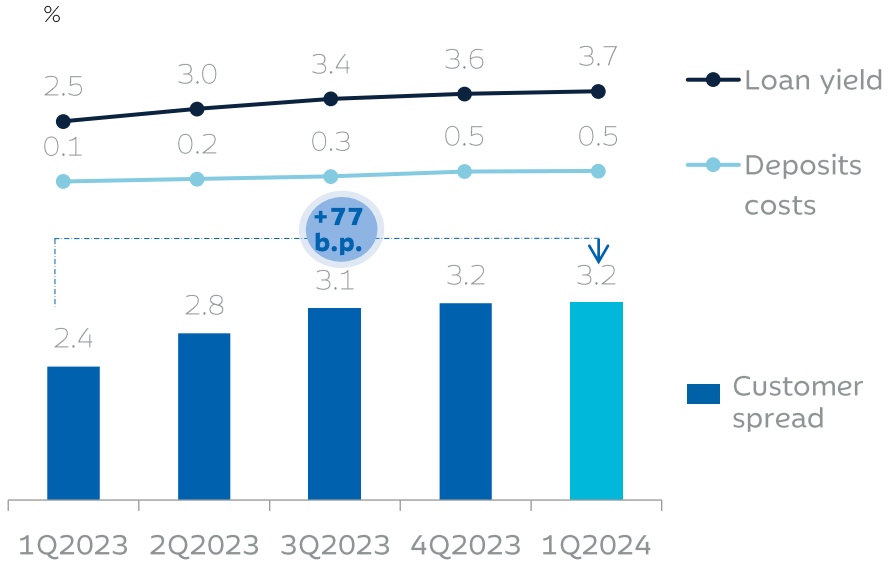
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Net interest income

NII breakdown



Customer spread



Net interest income increases by 8.2% YoY or €13m.

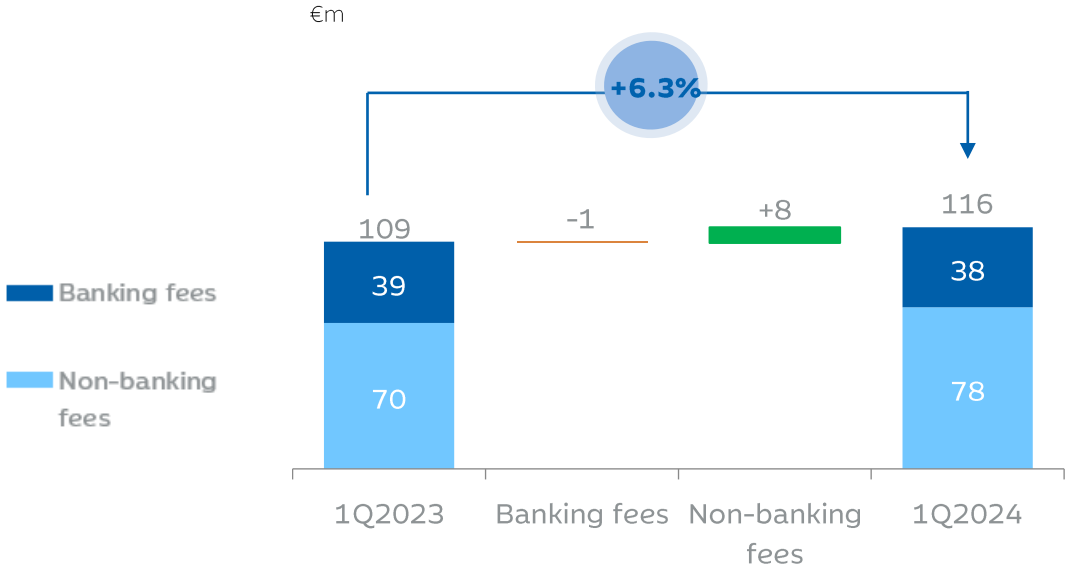
Retail margin improves €46m YoY.

- The **loan yield** stands at **3.7%** and the **deposits cost** remains at **0.5%** despite the increase in time deposits. **Customer spread** in 1Q24 remains at **3.2% (+77bps YoY)**

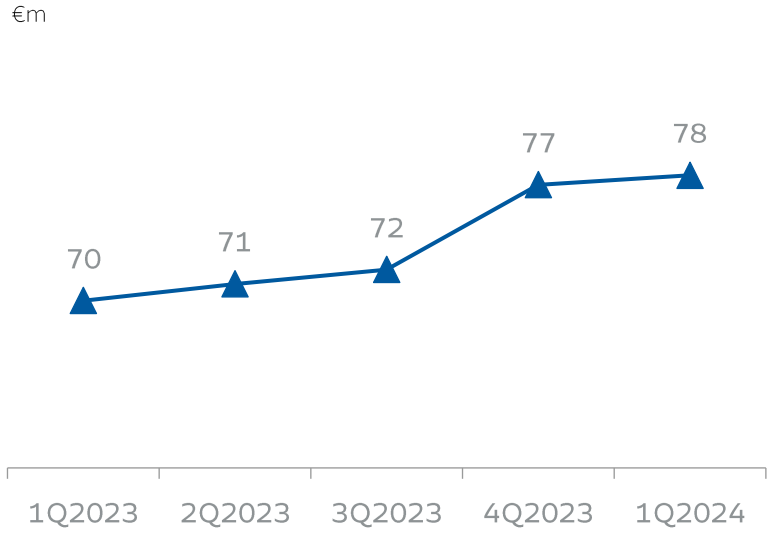
The increase in the costs of wholesale funding both in long-term (-16m) and short-term (-20m) reduces the NII growth.

Net fee income

Net fee income breakdown



Non-banking fees



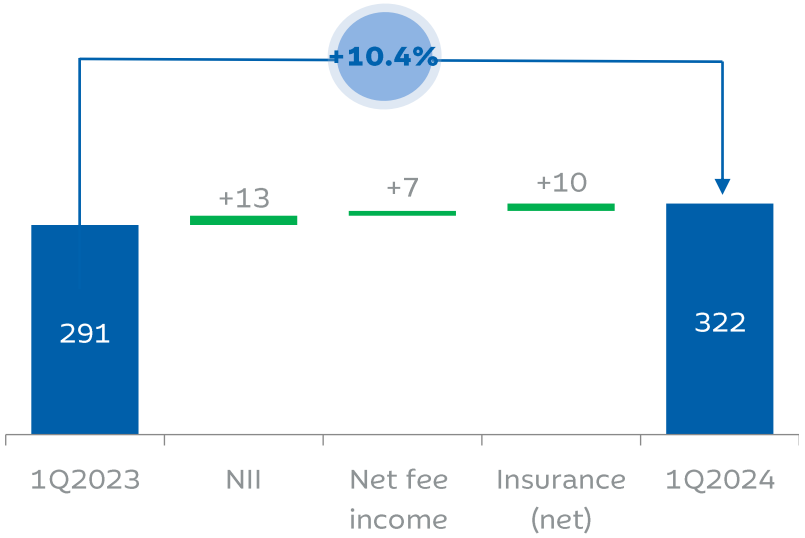
Net fee income increases by 6.3% YoY or €7m.

- The main driver of this evolution is the growth in **non-banking fees (+10.7% YoY)** as a result of the strong momentum in AuM (net new money inflows and good market evolution). On the other hand, banking fees decrease 1.7% YoY.

Recurring revenues & gross operating income

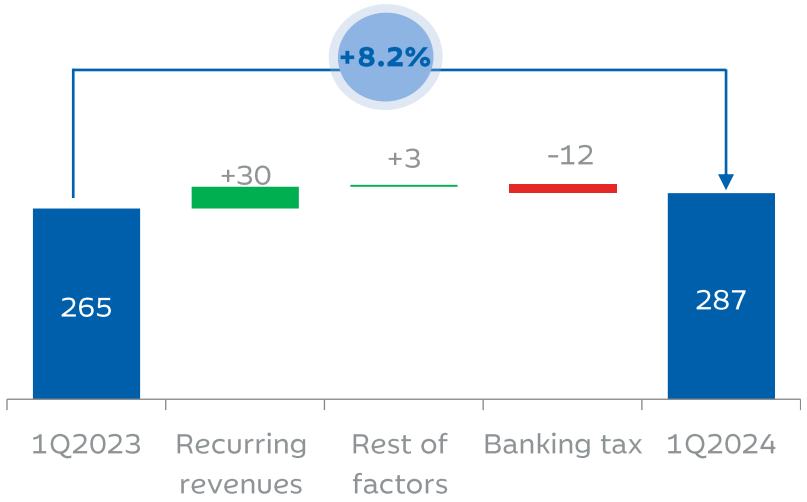
Recurring revenues breakdown

€m



Gross operating income breakdown

€m



Recurring revenues grow 10.4% YoY driven by the good performance in NII, fees and insurance revenues.

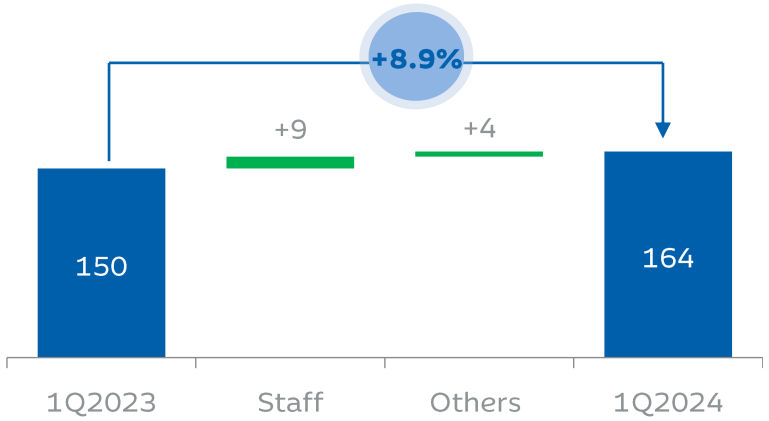
Gross margin, which includes impact of the temporary bank tax amounting to €40m (which represents an increase of €12m vs. 1Q2023), advances 8.2% YoY reaching €287m.

- **Excluding the banking tax**, gross margin would have grown **11.3% YoY.**

Operating costs & pre-provision profit

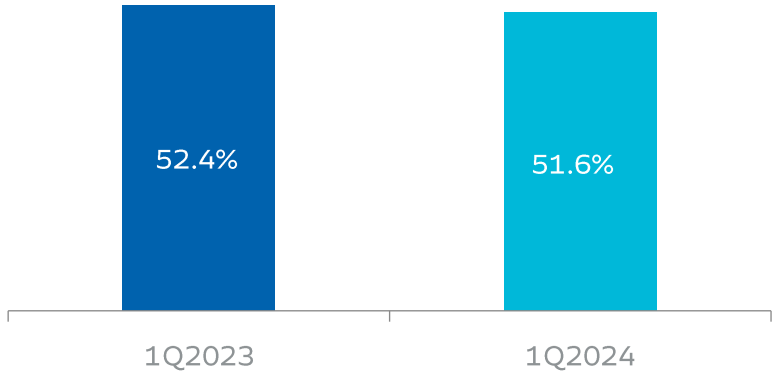
Operating costs

€m



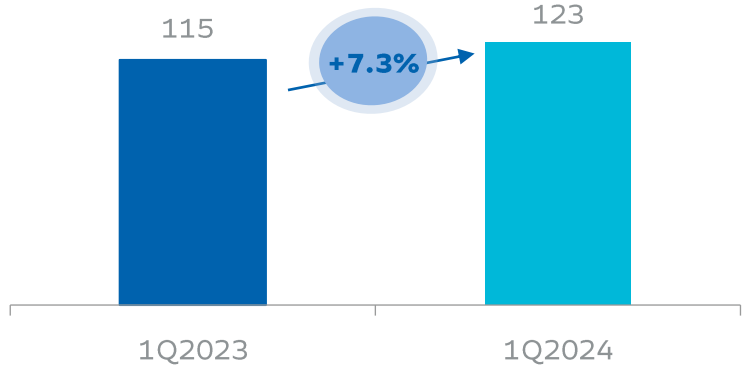
Adjusted cost to income ratio [1]

%



Pre-provision profit

€m



Operating costs increase 8.9% YoY mainly due to the increase in staff costs as a result of the new collective agreement and the increase in the employee base.

Ibercaja maintains its cost to income ratio:

- **Adjusting for the bank tax[1],** the cost to income ratio would be **51.6%. vs. 52.4% in 1Q2023.**
- **Reported cost to income ratio** reaches **57.0% (vs. 56.7% in 1Q2023), impacted by the bank tax.**

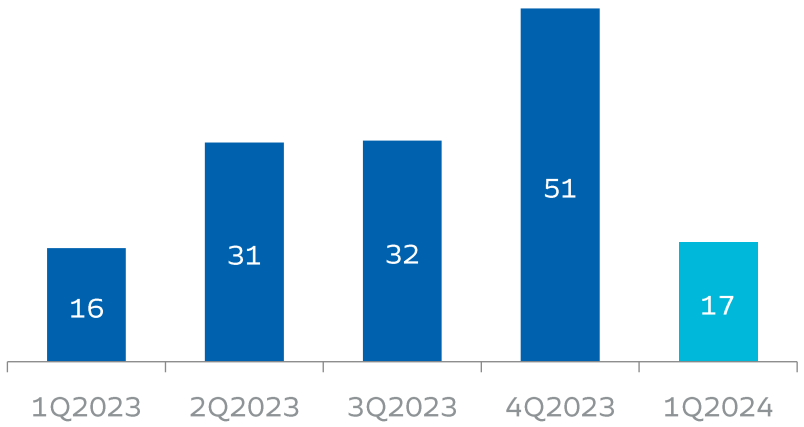
Pre-provision profit grows 7.3% YoY to €123m.

[1] Taking into account ¼ (3 months) of bank tax

Loans and foreclosed assets provisions

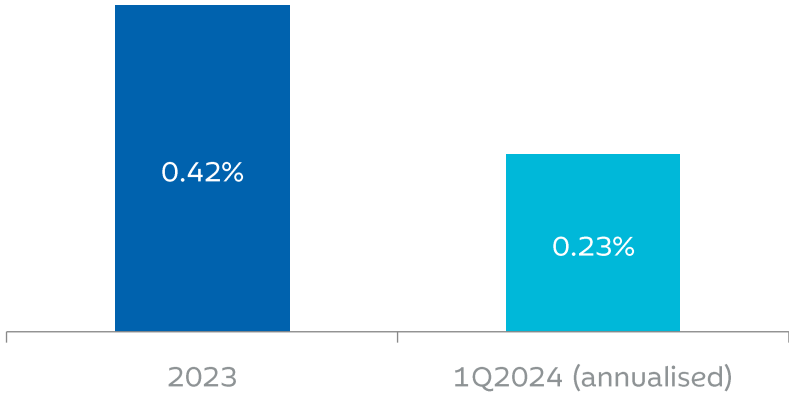
Loans and foreclosed assets provisions

€m



Cost of risk

%

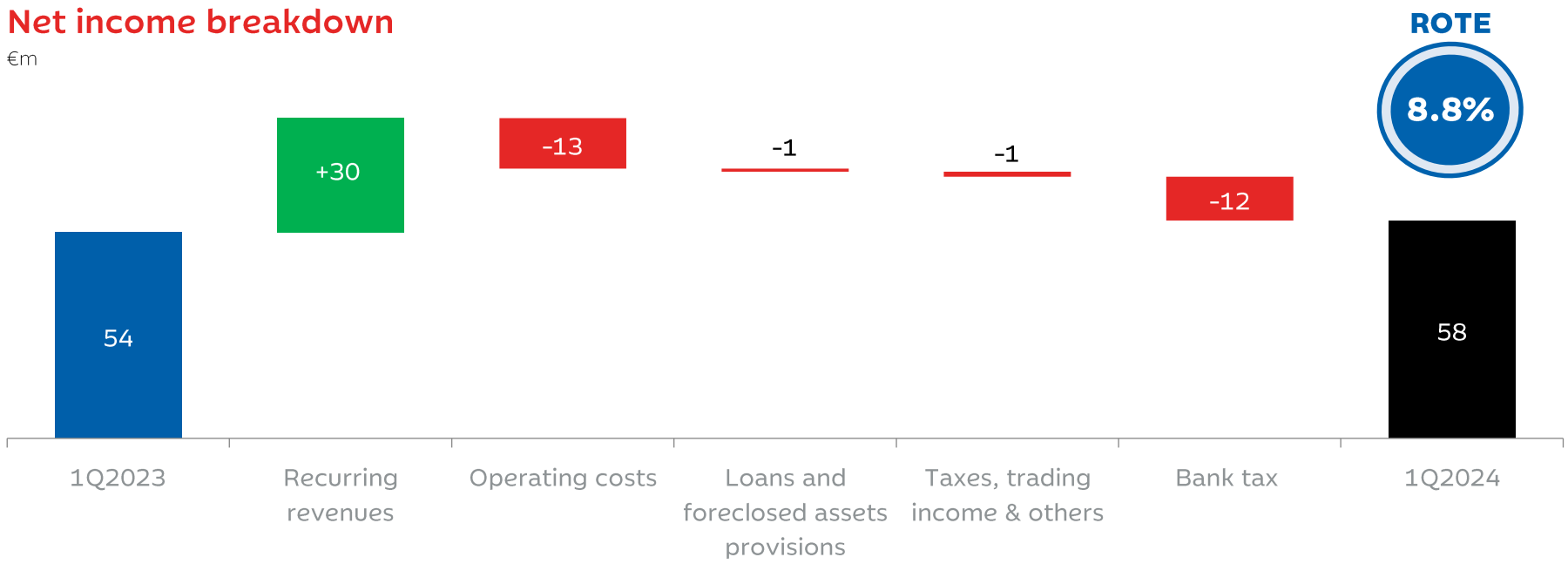


After a strong provisioning effort at the end of 2023 resulting in strong coverage ratios and sound asset quality evolution in 1Q2024, provisions for loans and foreclosed assets in 1Q24 stands at just €17m.

- **Cost of risk** stands at **23 bps.**

Ibercaja keeps provisions of €48m due to the uncertainty generated by the macroeconomic outlook and the potential effects it may have on the company´s customer portfolio.

Net income



Ibercaja reaches a net income in 1Q24 of €58m with a ROTE of 8.8%.

- The **improvement in recurring revenues** is the **main driver** for the increase in net income

Adjusted ROTE[1] reaches 13.5%.

[1] Taking into account ¼ (3 months) of bank tax

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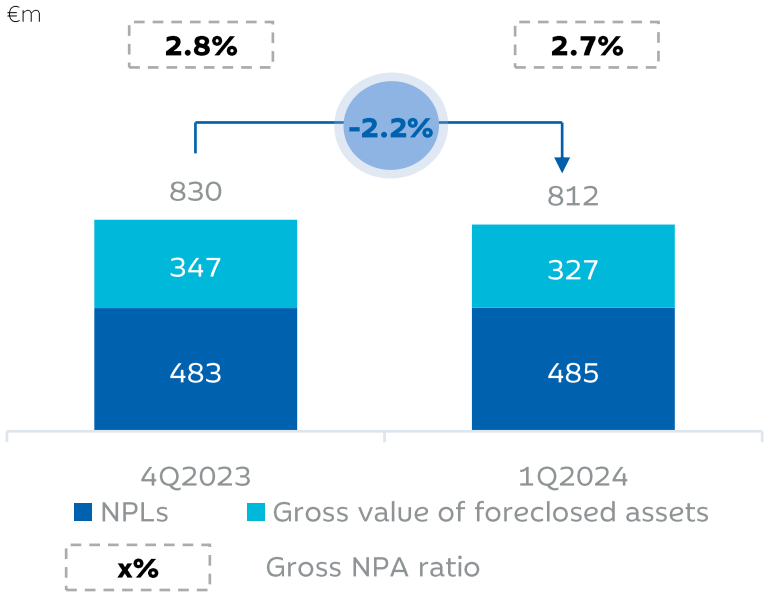
04.

Asset Quality, Liquidity and Solvency

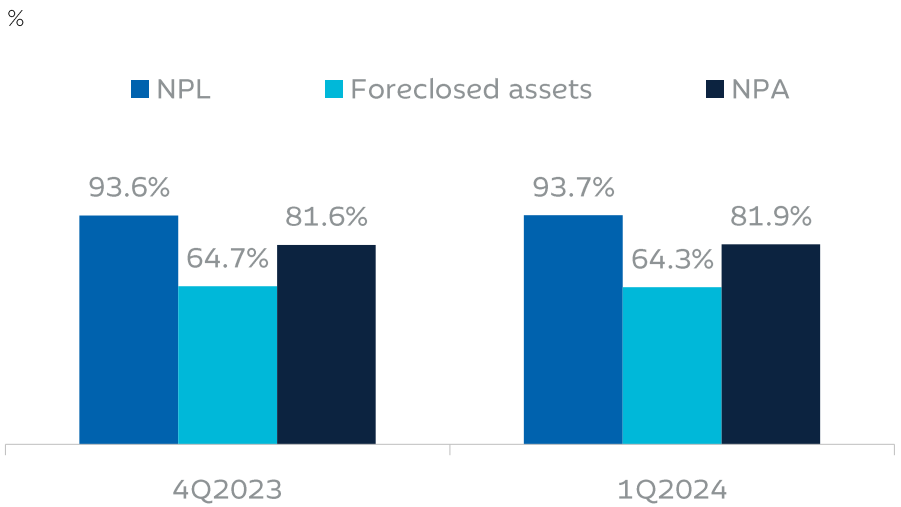


Asset quality

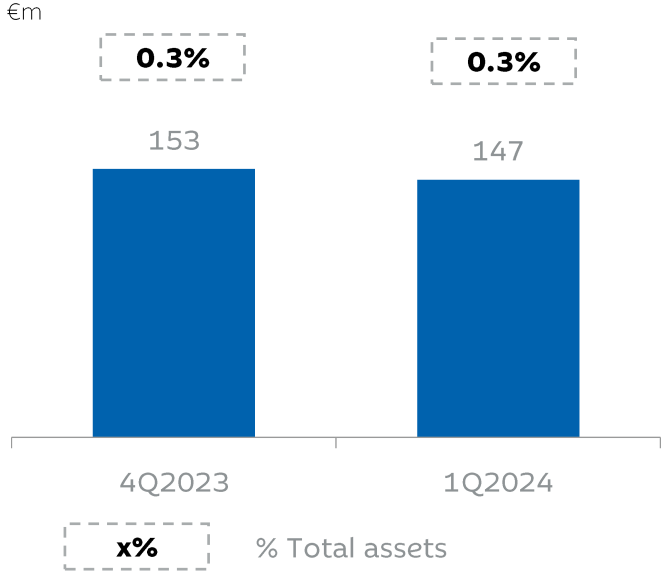
Gross NPA



NPA coverage ratio



Net NPAs



Stock of NPAs falls 2.2% YTD or €18m, and NPA ratio stands at 2.7%.

- **NPLs remain flat (+€1m)** while **foreclosed assets fall €20m or 5.7% YTD thanks to the strong evolution in assets sales.**
- **NPL ratio** stands at **1.7%** and Ibercaja maintains its positive gap vs. sector[1] at 197 bps.

After a strong provisioning effort in 4Q2023, NPA coverage ratio remains at 81.9%.

- **Coverage ratios of NPLs and foreclosed assets stands at 93.7% and 64.3% respectively in 1Q24.**

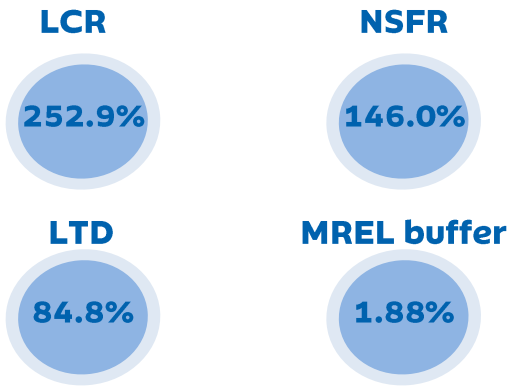
Net NPAs stands at €147m and represent less than 0.3% of the bank's total assets, the lowest in the Spanish financial system.

[1] Bank of Spain as of February (latest publicly available information)

Liquidity and ALCO portfolio

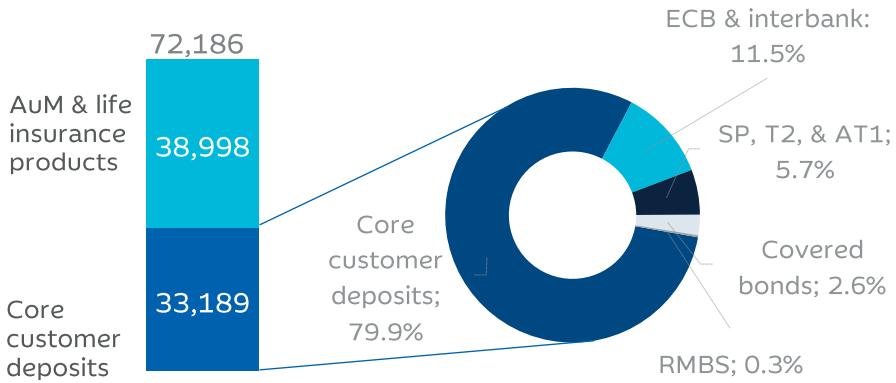
Main liquidity and funding ratios

% - 1Q2024



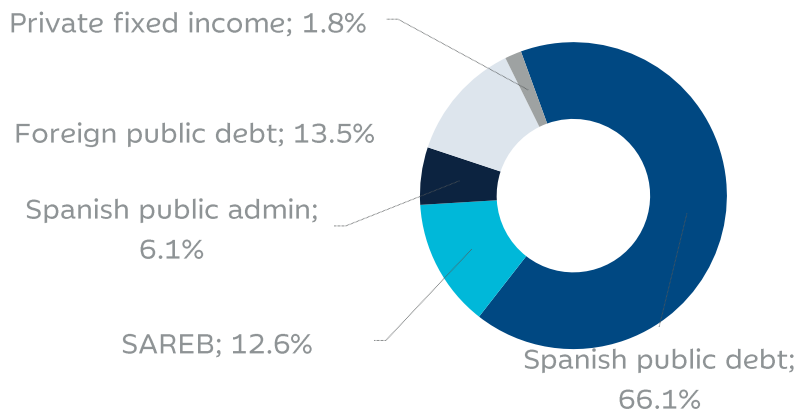
Breakdown of funding structure

% - 1Q2024



ALCO portfolio breakdown

% - 1Q2024



Ibercaja maintains a sound liquidity and funding position

- **LCR ratio** reaches **252.9%**. **Liquid assets** stand at **€13,079m** or **24.2% of total assets**.
- **Customer deposits** account for **80% of Ibercaja's external funding.**
- **LTD ratio** stands at **84.8%** and **NSFR ratio** reaches **146.0%.**
- Ibercaja maintains a **buffer vs. its 2024 MREL requirements of 188 bps.**

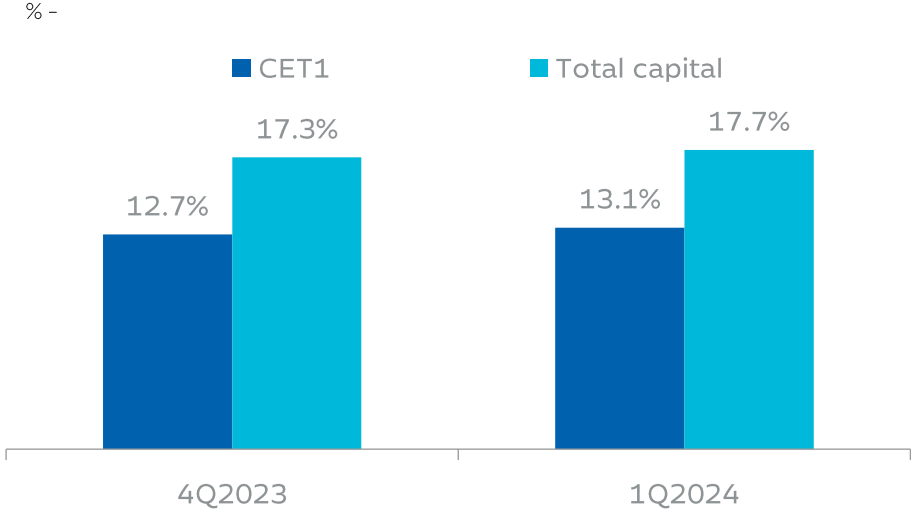
ALCO portfolio[1] decreases by 1.8% QoQ and stands at €11,055m.

- **Spanish sovereign debt accounts for 66.1% of the portfolio.** 94% of ALCO assets are considered as High-Quality Liquid Assets (HQLA). Duration stands at 2.8 years[2].

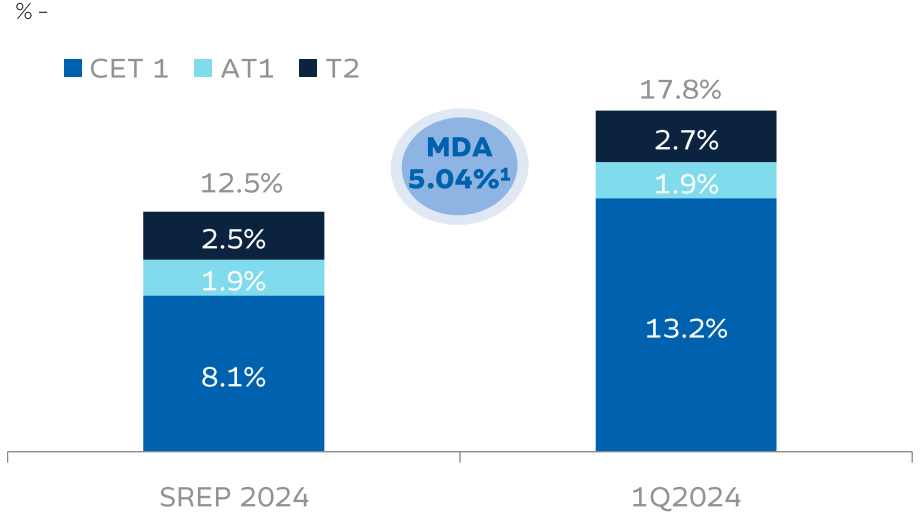
[1] Excludes insurance activity
[2] Includes interest rates swaps

Solvency

Solvency ratios – Fully loaded



Total capital phased in vs. SREP



Ibercaja achieves a significant increase in solvency ratios:

- **CET1 fully loaded ratio stands at 13.1% (+41 bps YTD).**
- **Total capital fully loaded reaches 17.7%** (17,8% phased in).
- Ibercaja has an efficient capital structure, and its **MDA ratio stands at 504 b.p.**

The Entity has accrued a pay-out ratio of 40%.

Ibercaja Banking Foundation has entirely fulfilled the Reserve Fund, €326m as of March 2024 (1.75% of RWAs).

[1] MDA distance excludes AT1 & T2 excess vs. SREP requirement

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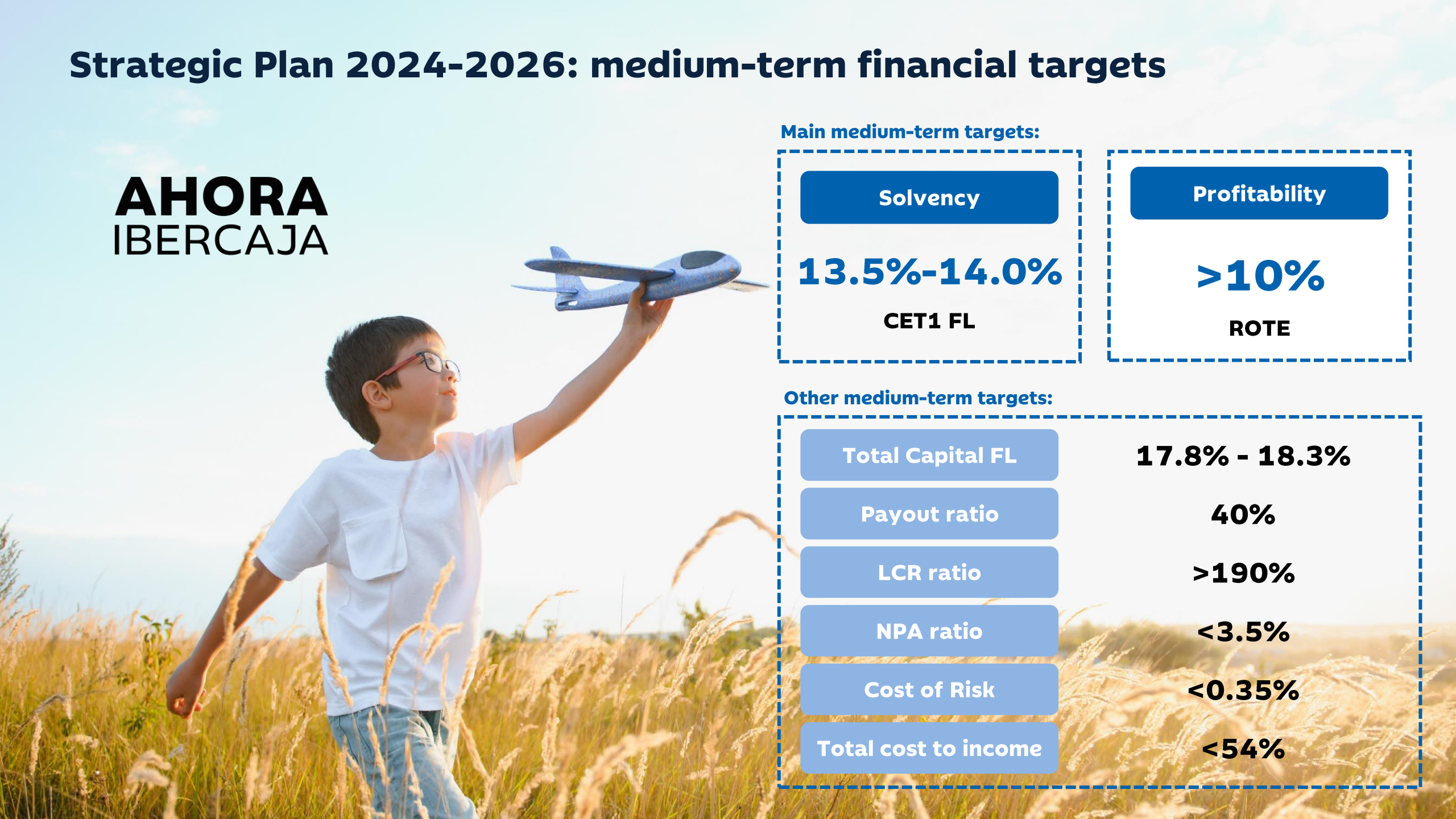
05.

New Strategic Plan 2024-2026



Strategic Plan 2024-2026: medium-term financial targets

AHORA
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Main medium-term targets:

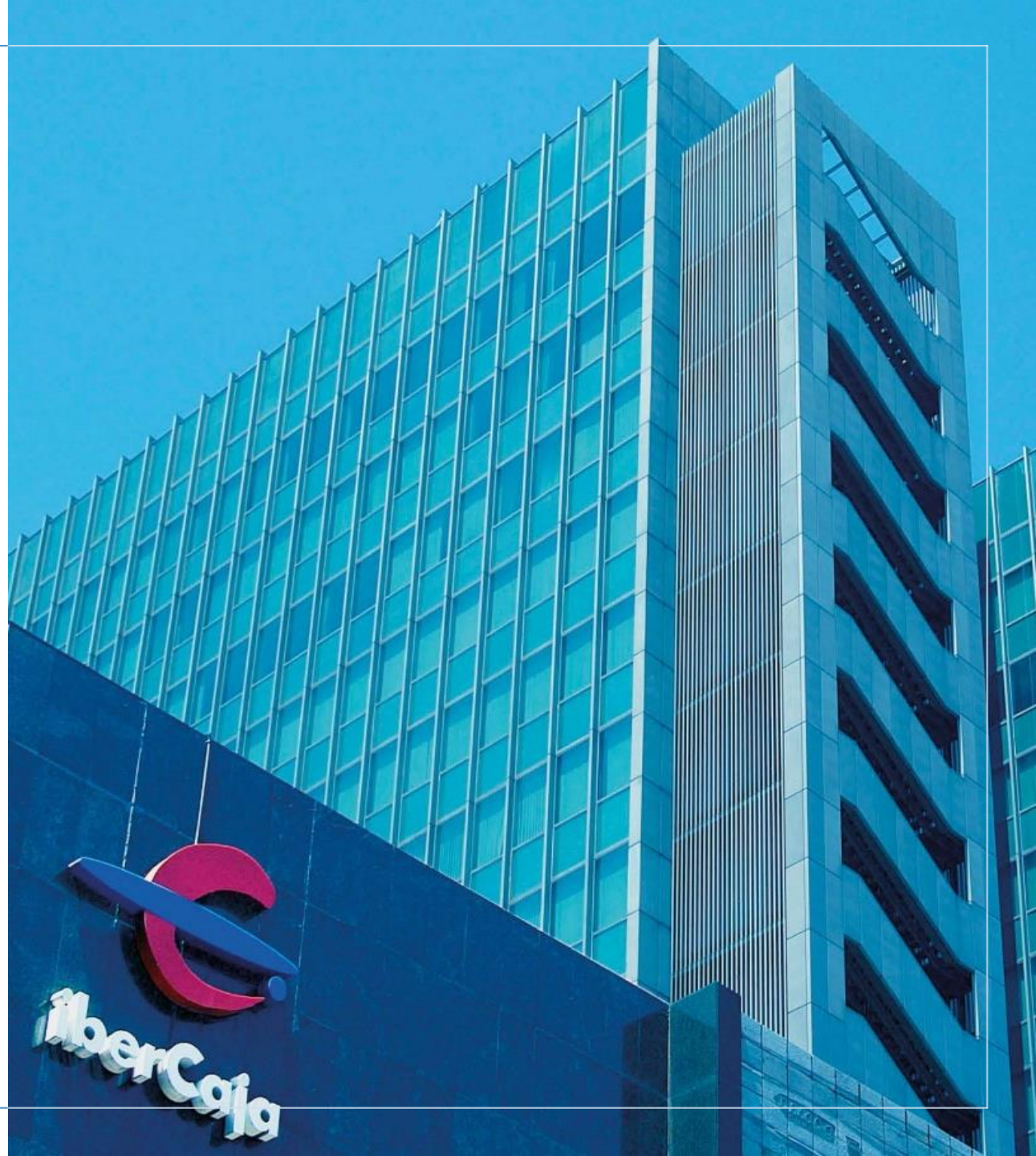
Solvency	Profitability
13.5%-14.0%	**>10%**
CET1 FL	ROTE

Other medium-term targets:

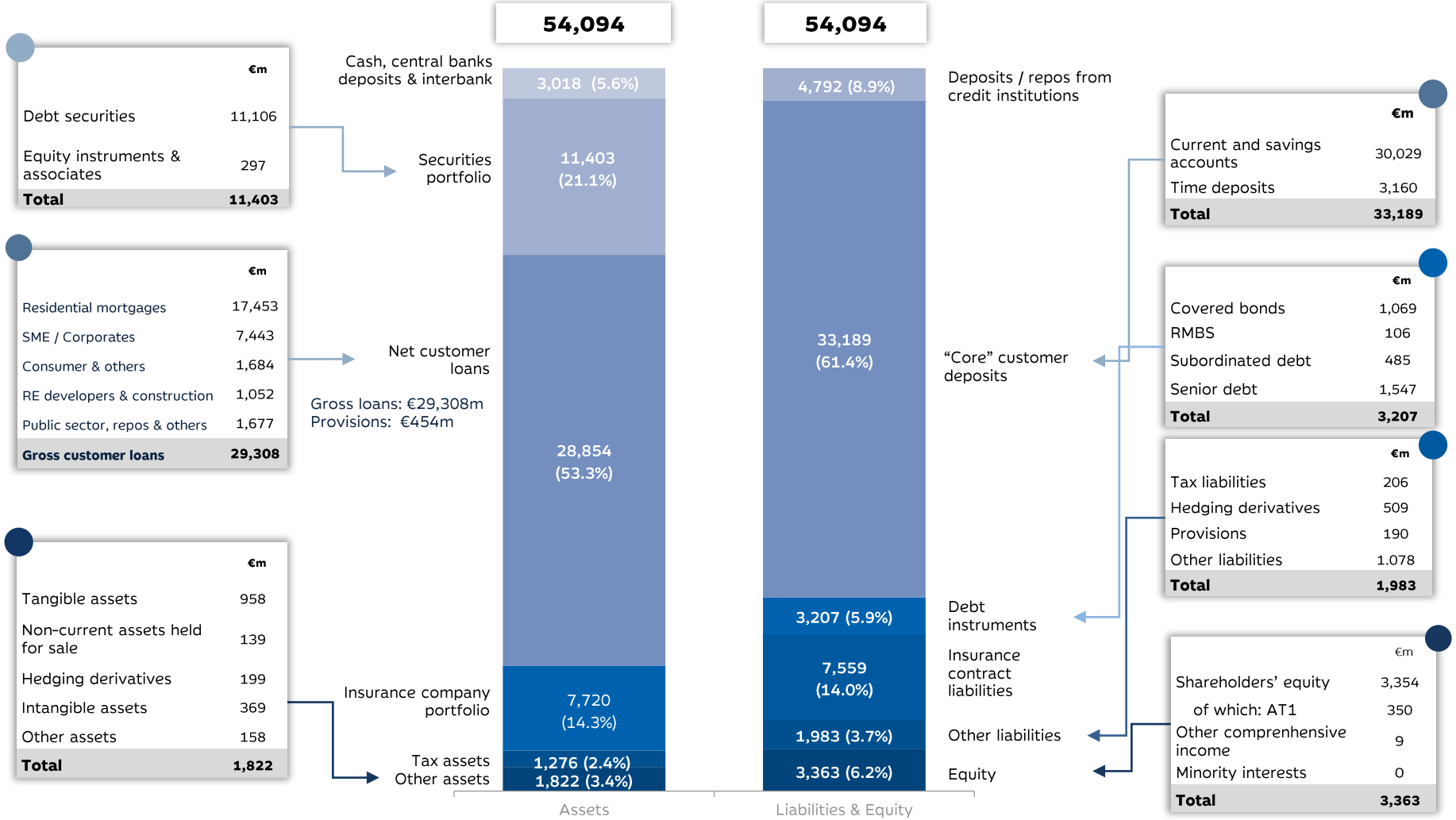
Total Capital FL	17.8% - 18.3%
Payout ratio	40%
LCR ratio	>190%
NPA ratio	<3.5%
Cost of Risk	<0.35%
Total cost to income	<54%

06.

Annex



Balance sheet
€m – 31/03/2024



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 plus Income and expense under insurance contracts
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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