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IBERCAJA BANCO

1H2024 Results

July 30th, 2024

EL BANCO DEL vamos



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Índice

01. KEY HIGHLIGHTS IN 1H2024

02. COMMERCIAL ACTIVITY

03. P&L ACCOUNT

04. ASSET QUALITY, LIQUIDITY AND SOLVENCY

05. ANNEX

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01.

Key Highlights in 1H2024



Key highlights in 1H2024

Recurring revenues grow by 7.2% YoY thanks to net interest income and net fee income

NII	Net Fee income	Adjusted cost to income [1]
+4.2% YoY	+6.5% YoY	51.5%

Credit risk provisions fall by 34.7% YoY and the cost of risk stands at 21 bps

NPA YTD	NPA ratio	NPA coverage
-5.5%	2.6%	80.5%

Adjusted net profit[2] is up by 21.2% YoY in line with the increase in profit before taxes

Adjusted ROTE[1]
13.1%

Ibercaja achieves a significant increase in its solvency ratios thanks to its strong results

CET1 FL	Total Capital FL	LCR
13.2%	17.7%	236%

[1] Considering 6 months of the bank tax

[2] 1S2023 net profit adjusted by the extraordinary fiscal income of €66m due to the liquidation of Cerro Murillo.

02.

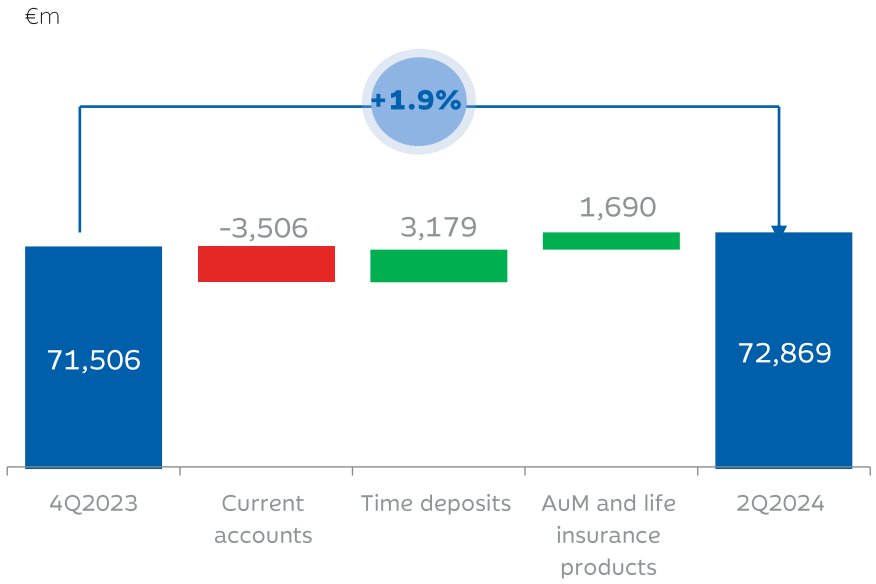
Commercial activity



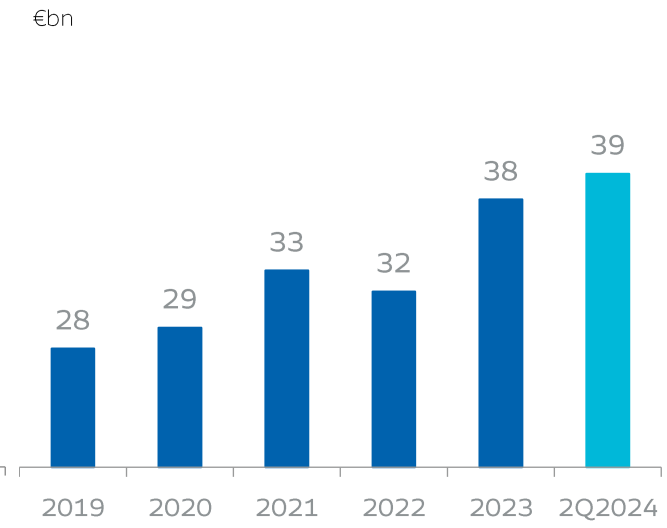
Customer funds (1/2)

	2Q2024	YTD
Customer deposits	**33,425**	**-1.0%**
Current Accounts	28,825	-10.8%
Time Deposits	4,600	+223.8%
AuM & Life insurance products	**39,444**	**+4.5%**
Mutual funds	25,146	+6.3%
Pension funds	6,716	+5.1%
Life insurance products	7,582	-1.6%
Customer funds	**72,869**	**+1.9%**

Customer funds evolution YTD



AuM & Life insurance products



Customer funds grow by 1.9% or €1,363m in the year. In YoY terms customer funds advance €3,453Mn (+5.0%).

- **Time deposits** haven been increased by **€3,179m**. The **cost of new family time deposits** in 1H2024 stands at **1.5%.**
- **AuM and life insurance** rise **€1,690m** or **4.5% in the year,** reaching **€39,444m.** The good performance of the markets together with the dynamism of customer net inflows allows the **volume of mutual funds** to reach **€25,146m,** historical maximum levels, representing an increase of **6.3% YoY.**

Customer funds (2/2)

Ibercaja Gestión has been chosen by Expanasion Allfunds as the best national asset management company for its excellent performance in 2023.

- Ibercaja Gestión, Ibercaja's subsidiary specialising in the management of mutual funds, **has been chosen in the thirty-fifth edition of the Expansión Alffunds awards as the best national asset management company.**
- Throughout 2023, **Ibercaja mutual funds achieved almost €3,500m of net new money inflows**, which meant that Ibercaja Gestión became the **national asset management company with the highest increase in its AuM.**
- In addition, the **returns obtained by Ibercaja Gestión's customers in 2023 were better than the sector average.**

Market share of mutual funds[1]





[1] Source: Inverco

Customer loans

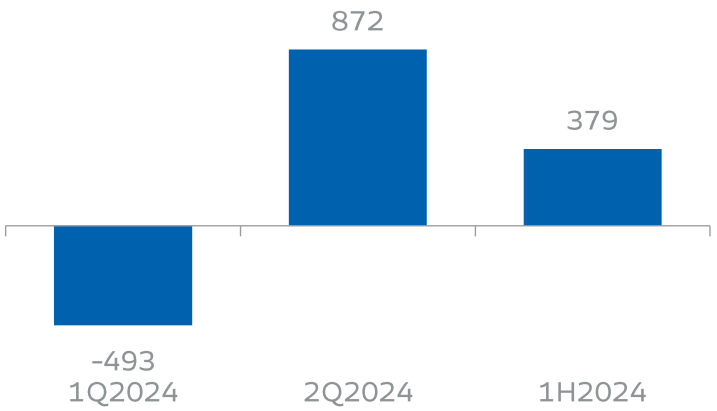
Performing loans ex repos

€m

	2Q2024	YTD
Loans to households	**19,233**	**+0.9%**
Mortgages	17,192	-1.2%
Consumer loans and others[1]	2,041	+22.9%
Loans to companies	**8,574**	**+0.5%**
Non-Real estate companies	7,467	-0.7%
Real estate companies	1,098	+9.7%
Public sector and others	**1,183**	**+16.9%**
Performing loans ex repos	**28,980**	**+1.3%**

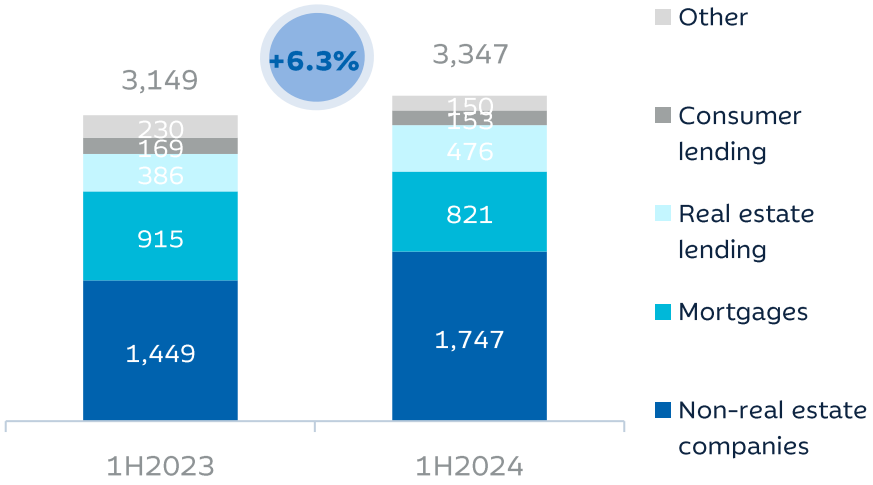
Performing loans ex repos QoQ[1]

€m



New lending

€m



Strong dynamism in the volume of new lending, which grows by 6.3% YoY to €3,347m.

- Strong evolution of **new lending to non-real estate companies**, which increases by **20.6% YoY to €1,747m.**

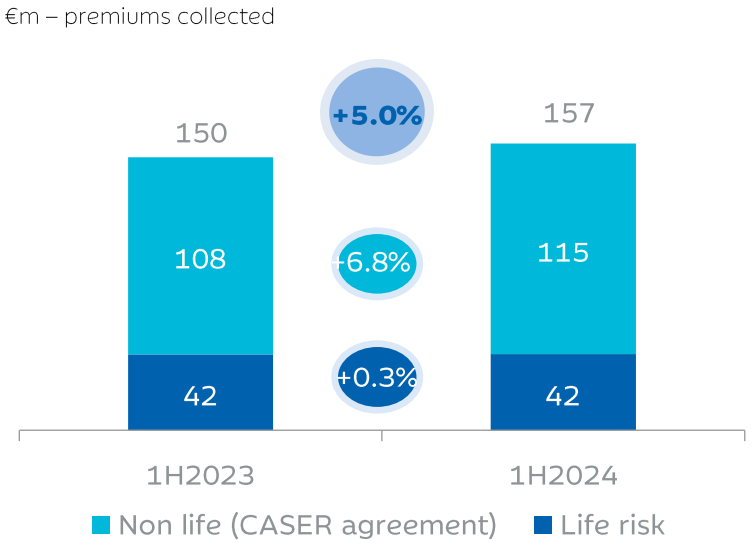
Performing loans excluding repos grow by 1.3% in the year to €28,980m.

- **Loans to companies** register a slight increase of **+0.5% YTD**. In Q2, **loans from non-real estate companies** grow by **3.4% QoQ** thanks to the high volume of new lending.
- **Mortgages** fall by **1.2%**, weighed down by the still high volume of prepayments.

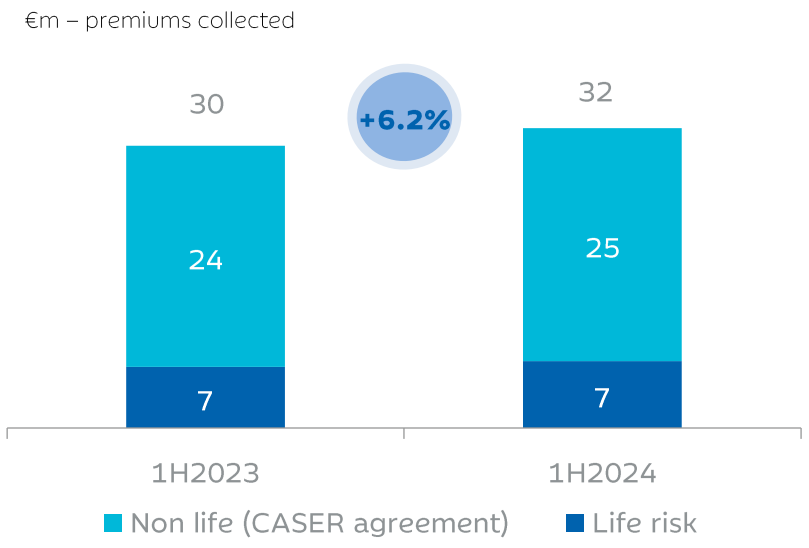
[1] Pension advances contribute €410m to the year's growth in the balance of "Others" as of June 2024.

Risk insurance

Risk insurance premiums (portfolio)



Risk insurance new production



New non-life premiums YoY evolution

%

Companies: +19.5% YoY

Home: +16.5% YoY

Health: +9.0% YoY

Risk insurance portfolio increases by 5.0% YoY to €157m, highlighting the good performance of non-life, +6.8% YoY.

New insurance premiums grow by 6.2% YoY (+9.3% in life risk, +5.4% in non-life).

- Strong YoY performance in **companies +19.5%, household +16.5%** and **health +9.0%.**

Ibercaja buys Orange Bank's technology platform

During the first half of 2024, Ibercaja has reached an agreement to acquire the technological platform and the specialized IT team of Orange Bank Spain, considered one of the most advanced in the Spanish financial system. This operation is key to achieve the strategic ambitions in consumer lending and payment businesses defined in the **2024-2026 Strategic Plan "Ahora Ibercaja" .**



"Agile" operating model with a qualified team with highly relevant profiles for Transformation

- Product-service-oriented operating model with a **focus on the customer** and the incorporation of an **IT team of highly qualified people**



Key functionalities to accelerate Ibercaja's Consumer business

- The platform has **widely developed functionalities** such as onboarding, pre-qualified loans and cards and the possibility of **developing new additional functionalities** such as non-pre-qualified consumer loans or point-of-sale loans



Modern, robust and scalable architecture aligned with Ibercaja's targeted architecture

- Platform based on a **cloud-native architecture** with a **specialized modern core**

Sustainability

Medioambiente

- The Transition Plan for **NZBA decarbonisation targets is being rolled out**. During 1H2024, Ibercaja hold training courses on decarbonisation for its employee base and 4 events on decarbonisation in collaboration with chambers of commerce and business organisations.
- The bank has continued to **support and finance its customers' sustainable projects**, highlighting operations for photovoltaic power generation and syndicated financing with sustainability annexes.
- The **partial compensation of the operational emissions footprint** has been carried out through reforestation projects in Burgos and León.



Social

- **Closeness and support for young people** has been promoted through various actions, highlighting Ibercaja' adherence to the **ICO line of guarantees to facilitate access to the first home** for young people and families with dependent children
- The **Accessibility Principles** for Ibercaja services and products have been published with the intention of aligning social commitment with the regulatory expectations that the Entity must implement.





Gobernanza

- As part of the **2024-2026 "Ahora Ibercaja" Strategic Plan, the global "Sustainability and Reputation" initiative has been developed,** with the Management Committee as a sponsor and which is deployed with multidisciplinary teams from different areas of the Bank, through 6 challenges: (i) ESG risk management (ii) ESG business strategy (iii) Integration of sustainability in the Group's companies (iv) ESG disclosure and reporting (v) ESG data strategy (vi) Management of reputation.



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03.

P&L Account



1H2024 Results

	1H2023	1H2024	YoY
Net Interest Income	321	335	4.2%
Net Fee Income	221	236	6.5%
Net income under insurance contracts	53	68	27.4%
Recurring Revenues	**596**	**638**	**7.2%**
Gains/Losses on Financial Assets and Liabilities	-4	-10	n.a
Other Operating Income (Net)	-26	-18	-32.1%
of which: temporary bank tax	-29	-40	39.9%
Gross Operating Income	**566**	**611**	**8.0%**
Operating Expenses	-296	-325	9.8%
Pre-Provision Profit	**270**	**286**	**6.0%**
Total Provisions	-70	-46	-34.6%
of which: Loans and Foreclosed Assets Provisions	-48	-31	-34.7%
Other Gains and Losses	1	3	n.a
Profit Before Taxes	**200**	**243**	**21.2%**
Taxes	-9[1]	-91	949.2%
Net Income	**192**	**152**	**-20.7%**

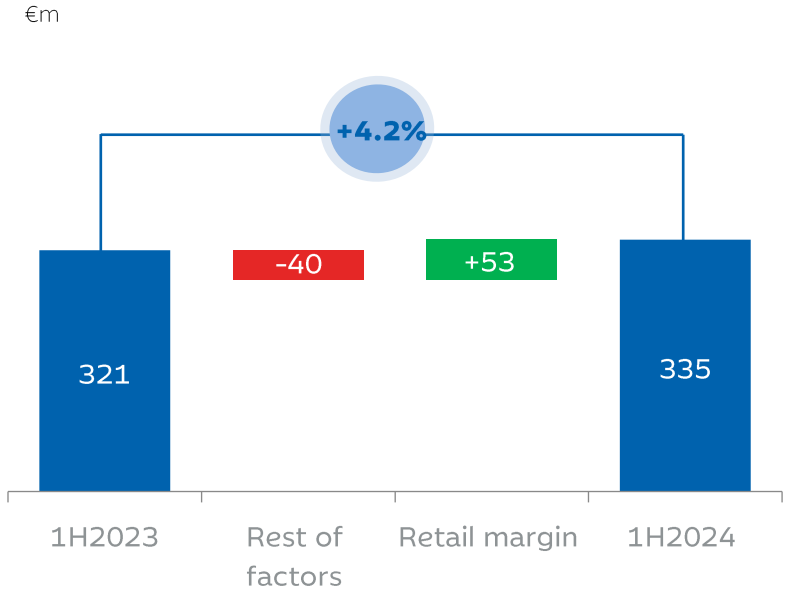
The net profit ex Cerro Murillo is up 21.2% YoY

[1] During the first half of the 2023 financial year, the company Cerro Murillo, S.A. was put into liquidation, which led to the activation of the future associated tax loss. This transaction resulted in the recognition of €66 million under the heading of deferred tax assets in the consolidated balance sheet and under the heading of income tax on income from continuing operations in the consolidated income statement.

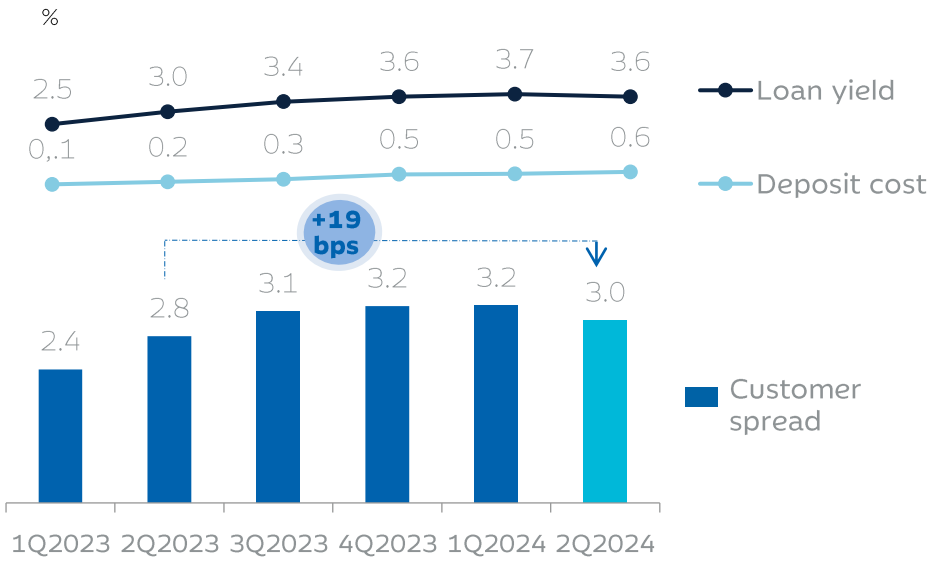
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Net interest income

NII breakdown evolution



Customer spread



Net interest income grows by 4.2% YoY or €14m thanks to the final phase of the repricing of the loan portfolio, while maintaining a very contained cost of retail savings.

The improvement in retail margin amounts to €53m. In 2Q24, customer spread reaches 3.0% (+19 bps vs. 2Q2023).

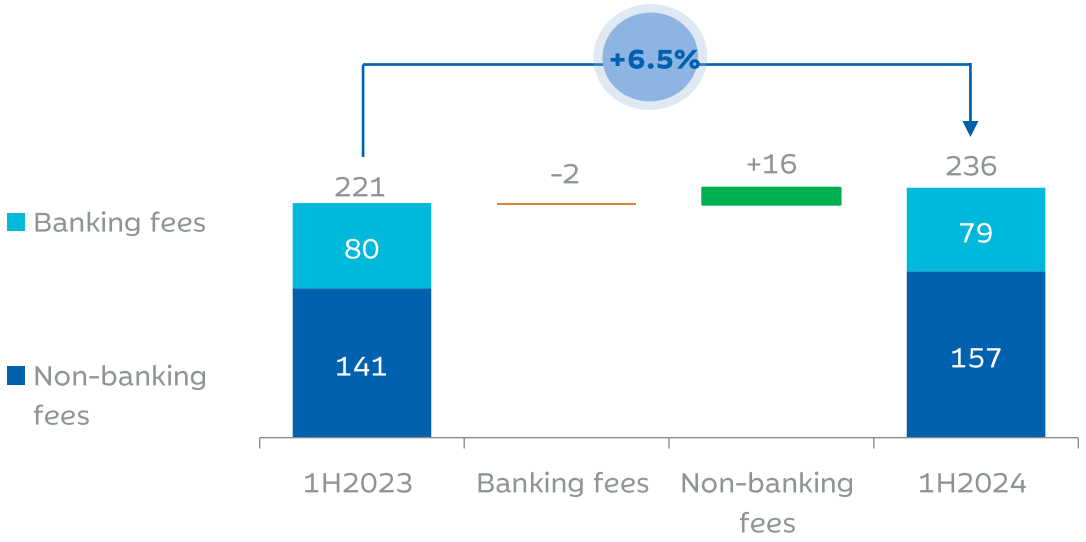
- **Loan yield** stands at **3.6%** and the **cost of deposits** stands at **0.6%. Deposit beta[1]** stands at **16%.**

The increase in wholesale funding costs as a result of the higher interest rate environment vs. 1H2023, both for long term (-€25m YoY) and short term (-€26m YoY) liabilities, reduces net interest income growth in the first half of 2024.

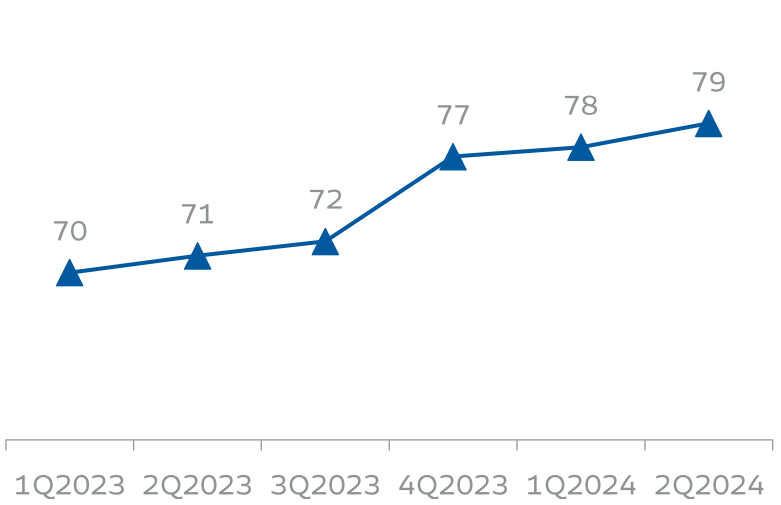
[1] Average cost of customer deposits in 1H2024 vs. average 12-month Euribor in the period (3.7%).

Net fee income

Net fee income breakdown evolution



Non-banking fees



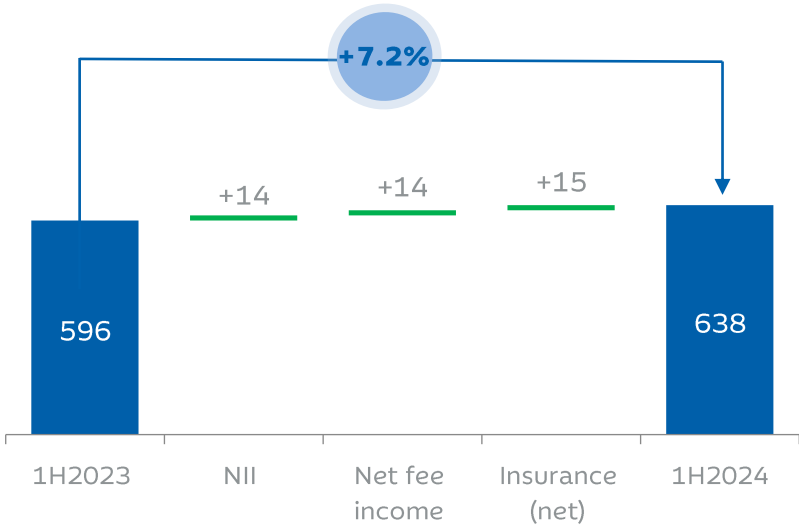
Net fee income grows by 6.5% YoY or €14m, fully explained by non-banking fees.

- In 1H2024, **non-banking fees** increase +**11.3% YoY** as a result of the exceptional performance in AuM and risk insurance products (non-life).
- **Banking fees** decrease by **1.9% YoY,** impacted by lower fees from NPLs due to the good performance of the Bank's loan portfolio.

Recurring revenues & gross operating income

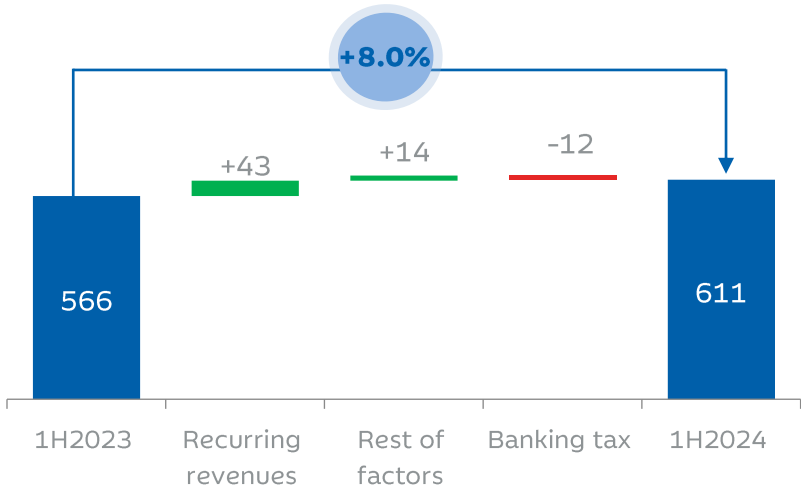
Recurring revenues breakdown evolution

€m



Gross operating income breakdown evolution

€m



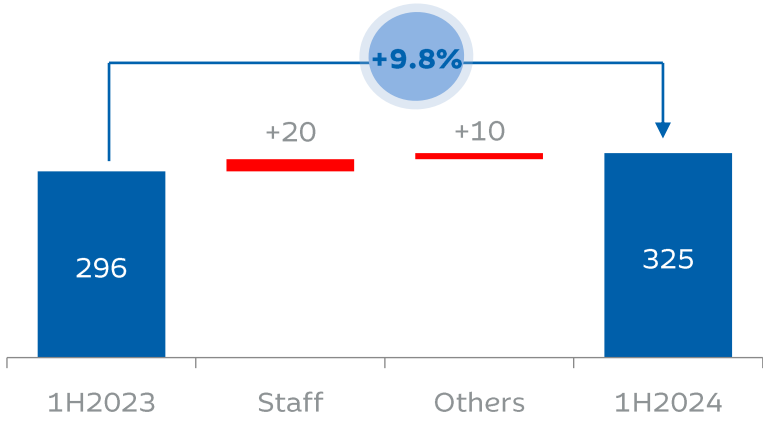
Recurring revenues grow by 7.2% YoY or €43m, explained by the good performance of net interest income (+€14m), net fee income (+€14m) and net insurance profit (+€15m).

Gross operating income, which includes €40m from the bank levy (+€12m vs. 1H2023), increases by 8.0% YoY to €611m.

Operating costs & pre-provision profit

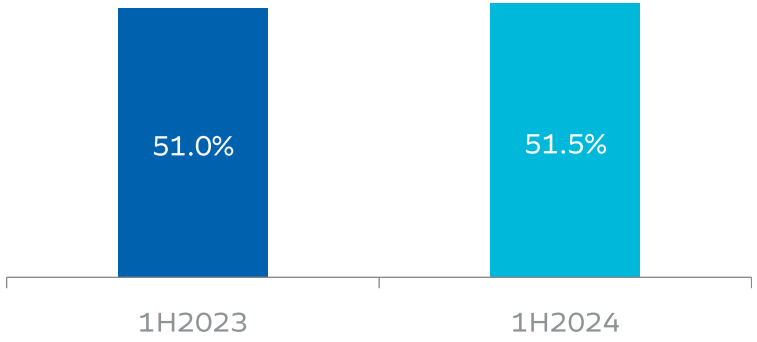
Operating costs

Mn€



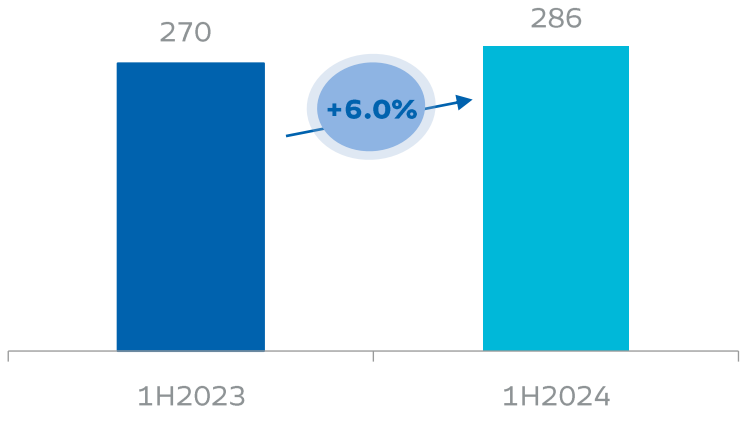
Adjusted cost to income ratio [1]

%



Pre-provision profit

Mn€



Operating costs increase by 9.8% YoY. Nearly 70% of the increase is due the increase in staff costs, +11,2% YoY., as a result of new collective agreement, and new-hires during the period.

Adjusted Cost to Income ratio[1], which takes into account the banking tax, stands at 51.5% and remains practically stable YoY.

- **Reported cost to income ratio** reaches **53.2% (vs. 52.3% in 1H2023).**

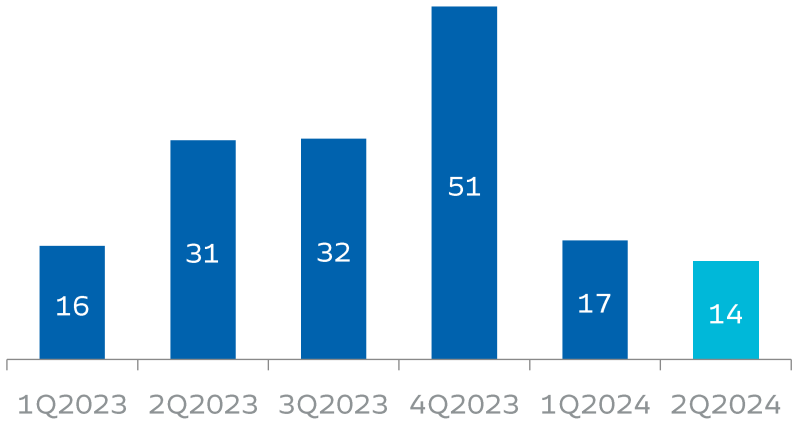
Pre-provision profit grows 6.0% YoY to €286m.

[1] Considering (6 months) of banking tax

Loans and foreclosed assets provisions

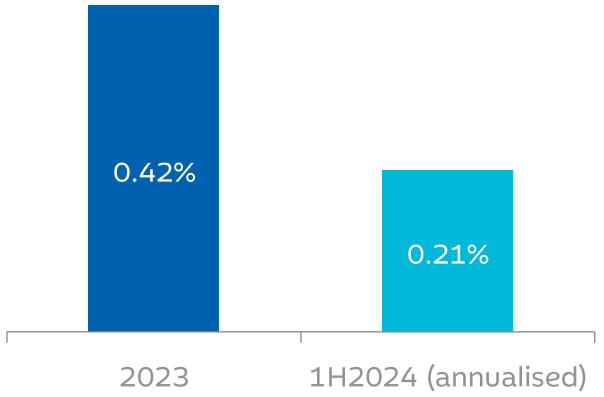
Loans and foreclosed assets provisions

€m



Cost of risk

%



Provisions for loans and foreclosed assets in the semester stands at €31m, €16m below 1H2023 levels.

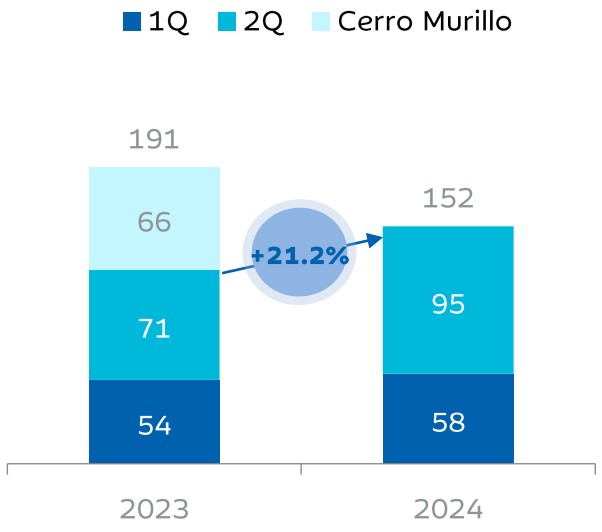
- **Cost of risk** stands at **21 bps.,** due to the good performance of bank's loans portfolio.

Ibercaja keeps provisions of €46,4m due to the uncertainty generated by the macroeconomic outlook and the potential effects it may have on the company´s customer portfolio.

Net income

Net income

€m



ROTE breakdown evolution YoY

€m



Ibercaja reaches a net income in 1H2024 of €152m with an adjusted ROTE[1] of 13.1%. Reported ROTE reaches 11.5%.

- Excluding the impact of the extraordinary income from Cerro Murillo in 2023, **net income would have increased by 21.2% YoY.**
- **Business dynamics** (revenues, costs and cost of risk) contributed **+1.6% to the ROTE for the first half of the year.**

[1] Considering 6 months of banking tax
* Includes other P&L items and change in shareholders' equity.

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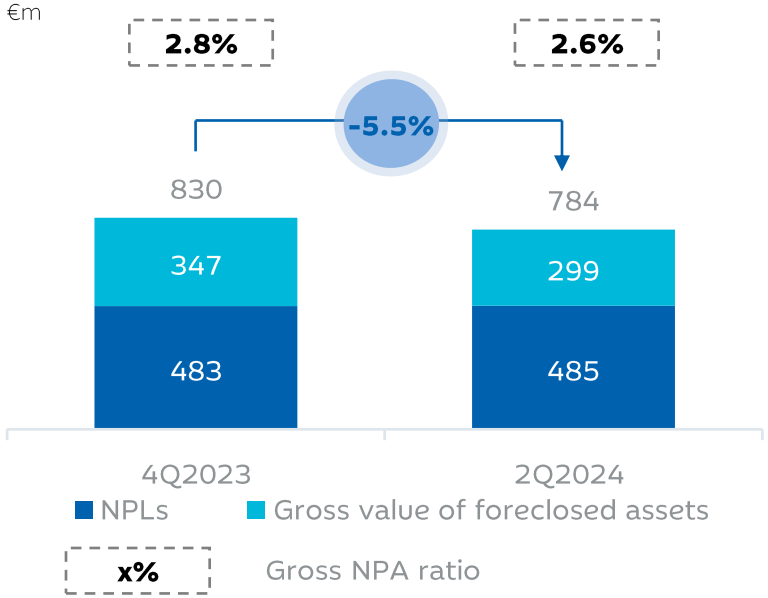
04.

Asset Quality, Liquidity and Solvency

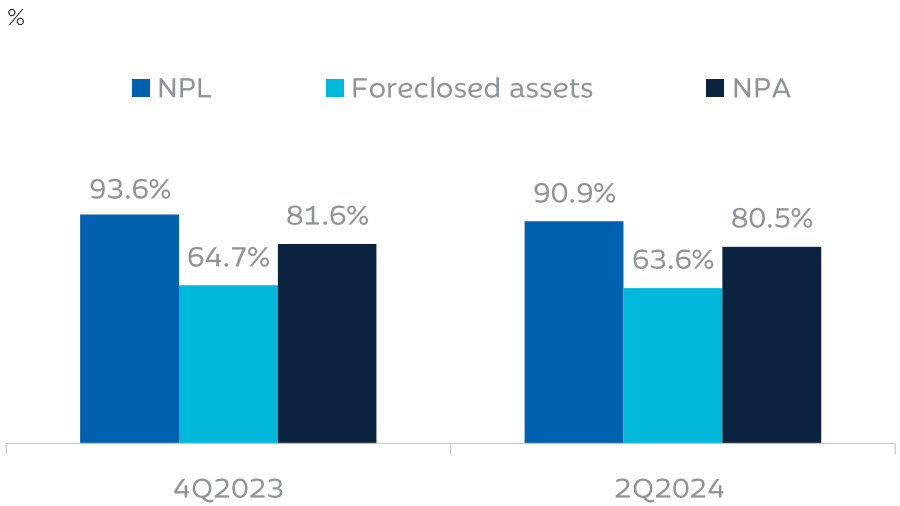


Asset quality

Gross NPA



NPA coverage ratio



Good performance In the stock of NPAs which falls 5.5% in the year or €46m, and NPA ratio stands at 2.6%.

- **NPLs remain flat** and **NPL ratio** stands at 1.6% with a **positive gap vs. sector at 198 bps**[1]
- **Foreclosed assets fall €46m€** or **13.8% in the year** thanks to asset sales evolution in the first half of the year.

NPA coverage ratio stands at 80.5% (90.9% for NPLs and 63.6% for foreclosed assets).

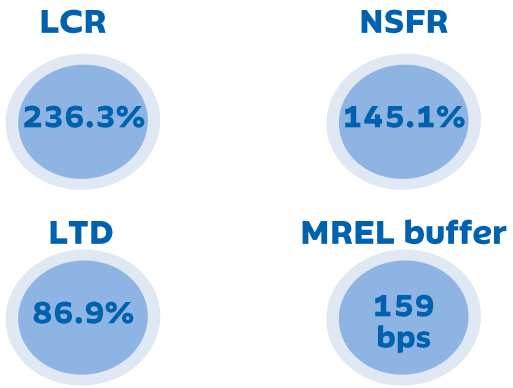
- **Net NPAs** stands at **€153m** and represent less than **0.3% of the bank's total assets**, one of the lowest in the Spanish financial system.

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

Liquidity and ALCO portfolio

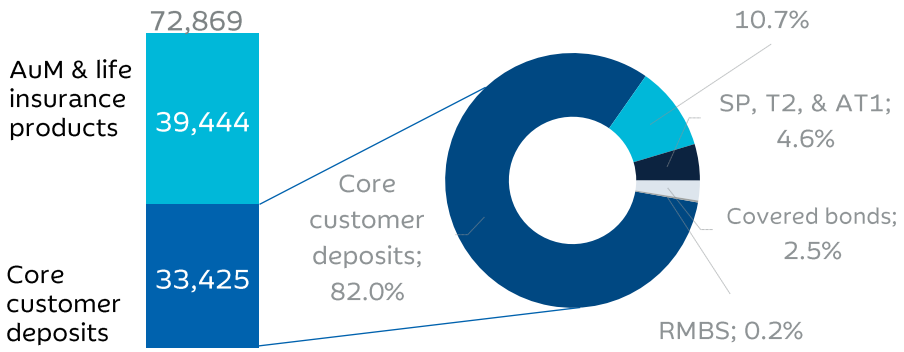
Main liquidity and funding ratios

% - 2Q2024



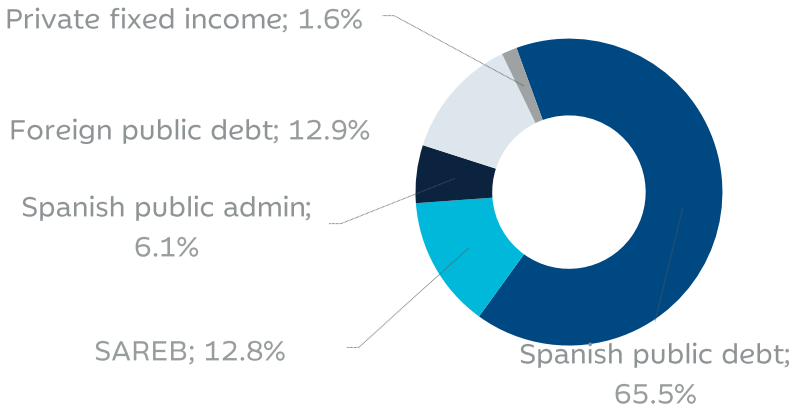
Breakdown of funding structure

% - 2Q2024



ALCO portfolio breakdown

% - 2Q2024



Ibercaja maintains a sound liquidity and funding position, with a highly granular deposit base.

- **LCR ratio** reaches **236.3%**. **Liquid assets** stand at **€12,849m€, 23.7% of total assets**.
- **Customer deposits** account for **82.0% of Ibercaja's external funding.**
- **LTD ratio** stands at **86.9%** and **NSFR ratio** reaches **145.1%.**
- **MREL ratio stands at 23.4%** and Ibercaja maintains a **buffer vs. MREL requirements of 159 bps.**

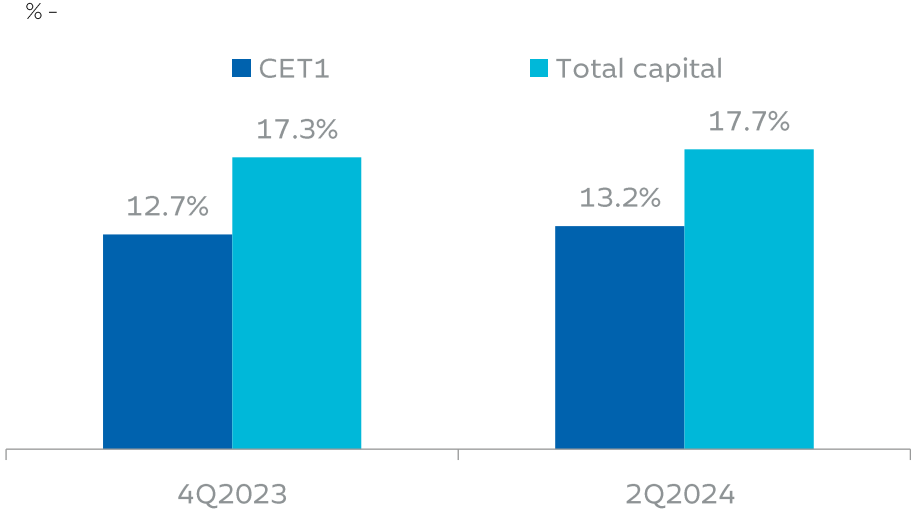
ALCO portfolio[1] decreases by 2.2% QoQ and stands at €10,810m.

- **Spanish sovereign debt accounts for 65.5% of the portfolio.** 94% of ALCO assets are considered as High-Quality Liquid Assets (HQLA). Duration stands at 2.6 years[2].

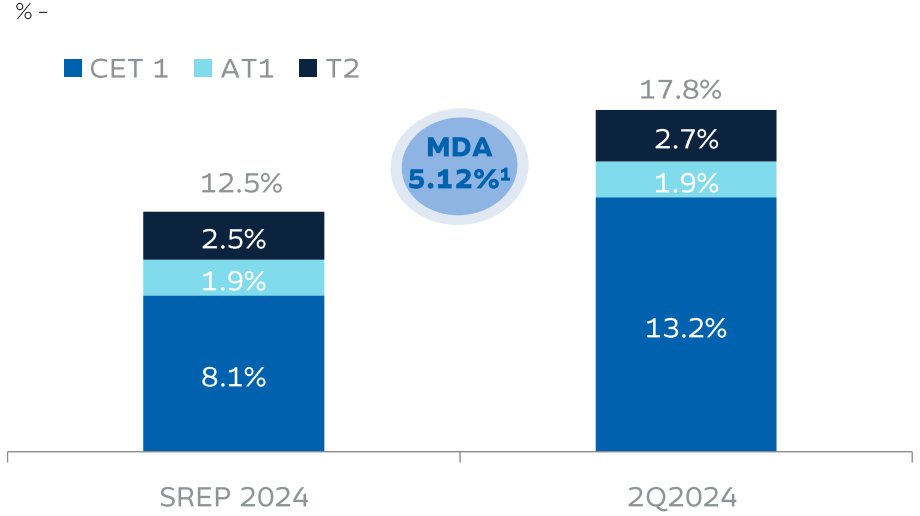
[1] Excludes insurance activity
[2] Includes interest rates swaps

Solvency

Solvency ratios – Fully loaded



Capital Total phased in vs. SREP



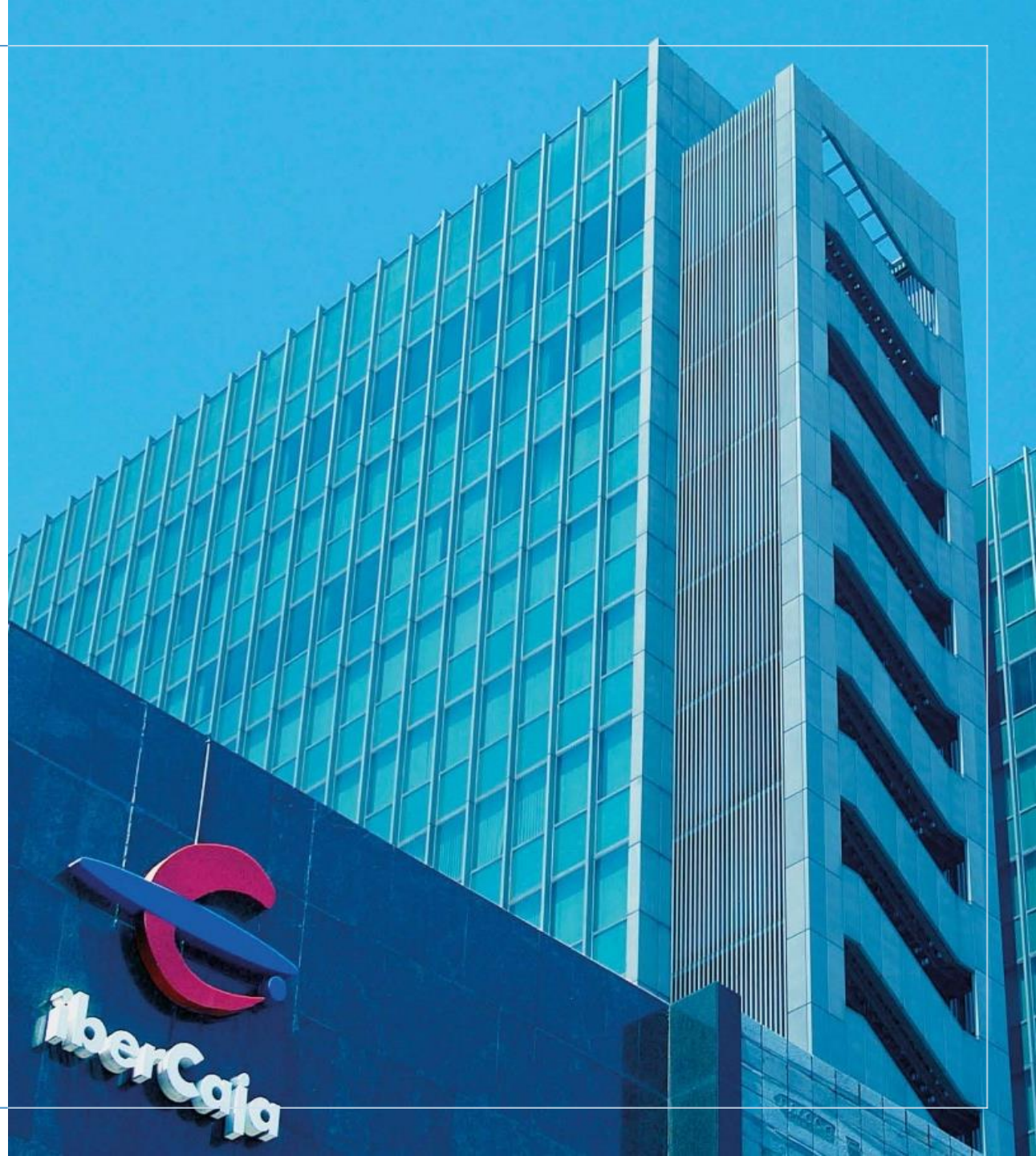
Ibercaja achieves a significant increase in solvency ratios in the first half of the year as a result of the strong profitability levels achieved and a payout ratio of 40%.

- **CET1 fully loaded ratio** reaches **13.2% (+50 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 512 bps.**

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

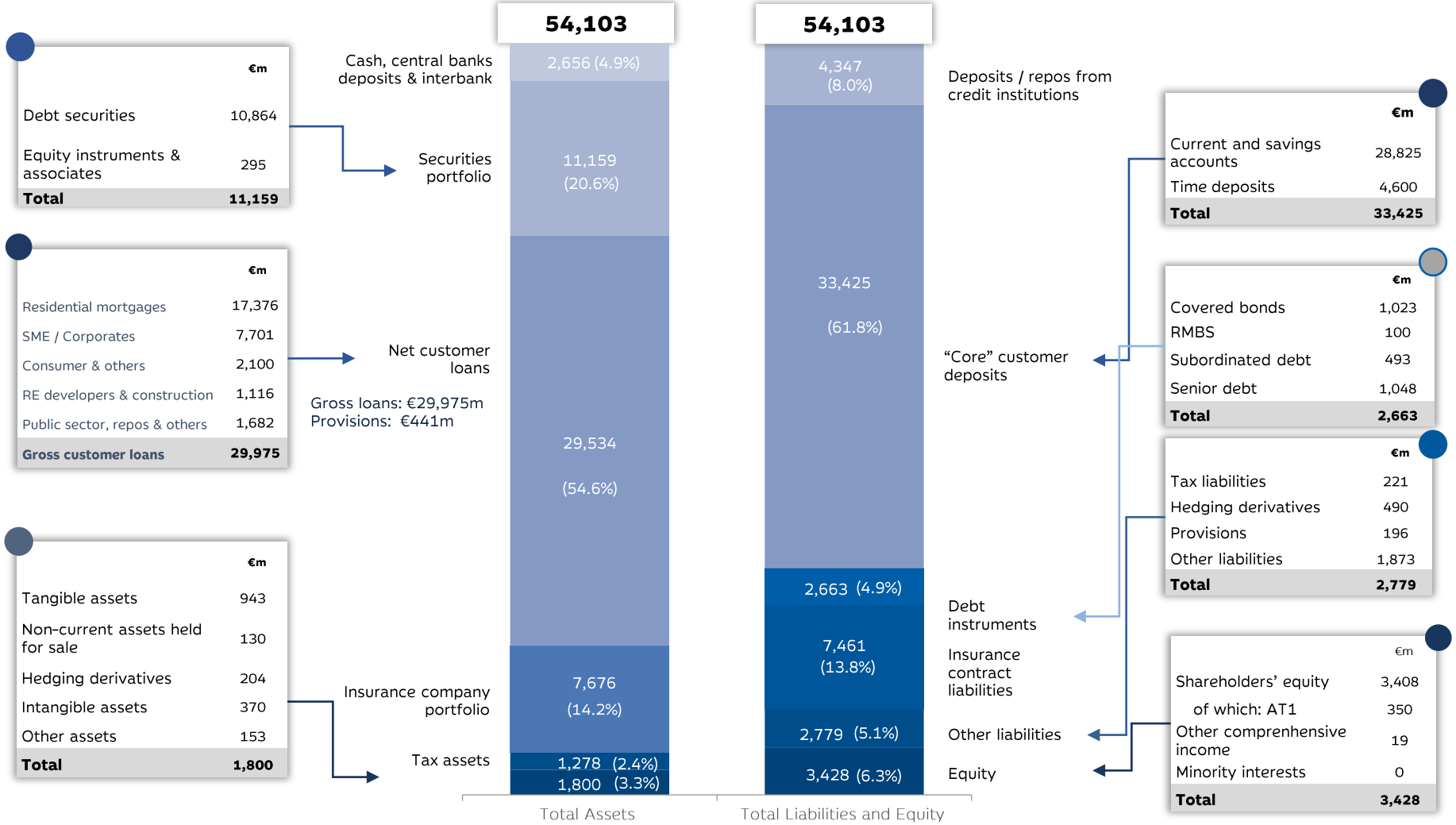
05.

Annex



Balance sheet

30-06-2024



Glossary

Ratio / MAR	Definición
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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