

IBERCAJA BANCO

# 9M2024 Results

November 5<sup>th</sup>, 2024

EL BANCO  
DEL  
*Vamos*



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01. **9M2024 KEY HIGHLIGHTS**

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02. **COMMERCIAL ACTIVITY**

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03. **P&L ACCOUNT**

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04. **ASSET QUALITY, LIQUIDITY AND  
SOLVENCY**

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05. **ANNEX**

01.

## **9M2024** **Key Highlights**





# 9M2024 key highlights



**Recurring revenues grow 6.4% YoY**

Net interest  
income

**+1.4%  
YoY**

Net Fee  
Income

**+7.3%  
YoY**

Adjusted Cost to  
Income ratio<sup>1</sup>

**50.2%**



**Credit risk provisions fall by 35.3% YoY and the  
cost of risk stands at 23 bps**

NPAs var.

**-7.0%  
YTD**

NPA Ratio

**2.6%**

NPA Coverage

**79.9%**



**Adjusted net profit<sup>2</sup> increases by 17.7% YoY in line  
with profit before taxes evolution**

Adjusted ROTE<sup>1</sup>

**13.2%**



**Ibercaja achieves a significant rise in its solvency  
thanks to a strong profitability and a moderate  
payout ratio**

CET1 FL

**13.3%**

MDA Distance

**524  
bps**

LCR

**225%**

02.

## Commercial activity



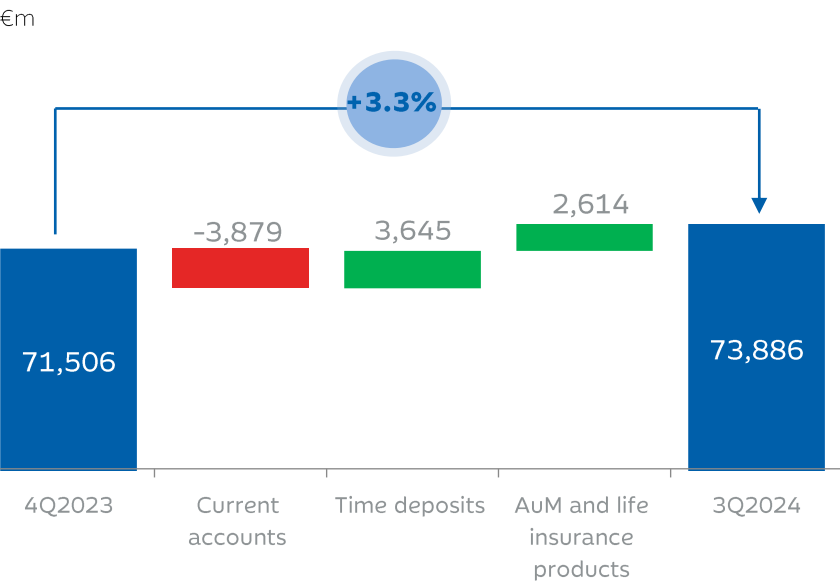
# Customer funds

## Customer funds

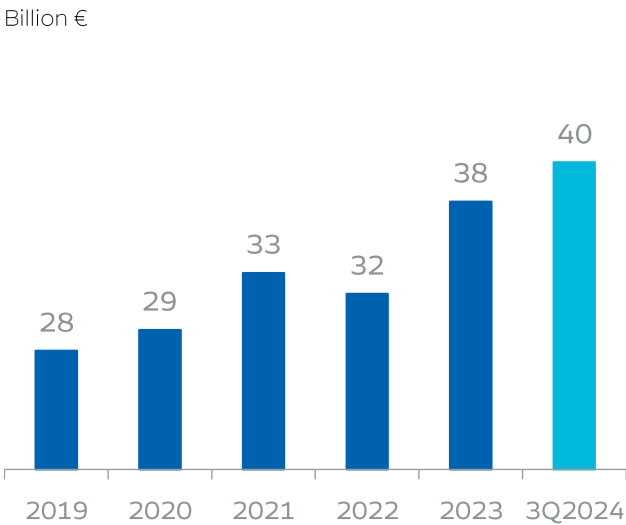
€m

	3Q2024	YTD
<b>Customer deposits</b>	<b>33,518</b>	<b>-0.7%</b>
Current Accounts	28,452	-12.0%
Time Deposits	5,066	n.a
<b>AuM &amp; Life insurance products</b>	<b>40,368</b>	<b>6.9%</b>
Mutual funds	25,950	9.7%
Pension funds	6,794	6.3%
Life insurance products	7,624	-1.0%
<b>Customer funds</b>	<b>73,886</b>	<b>3.3%</b>

## Customer funds evolution YTD



## AuM and life insurance products



**Customer funds grow by 3.3% or €2,380m YTD. In YoY terms, the growth amounts to €4,470m (+6.4%).**

- **Time deposits** increase by **€3,645m** and accounts for **15% of total customer deposits**. The **cost** of new household time deposits in 9M2024 remains at **1.5%**.
- The excellent performance of the **financial markets** contributes **€1,654m** in the year.

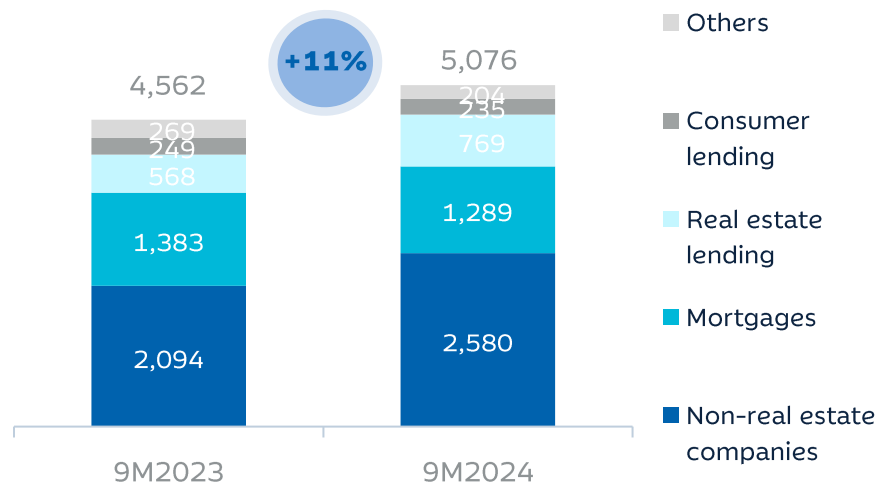
**AuM and life insurance products reach all-time highs, exceeding €40,000m, +6.9% in the year.**

- **AuM and life insurance** accounts for **54.6%** of total customer funds.

# Customer loans

## New lending

€m



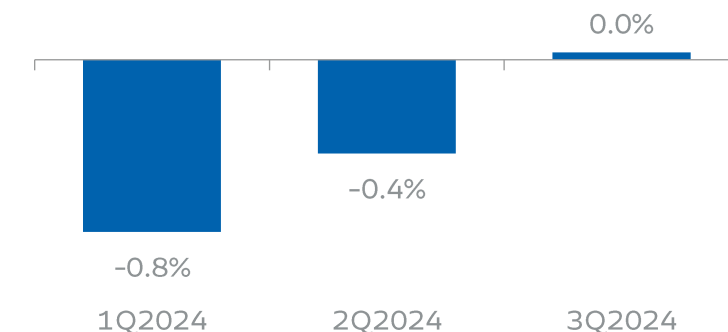
## Performing loans ex repos

€m

	3Q2024	YTD
<b>Loans to households</b>	<b>18,817</b>	<b>-1.3%</b>
Mortgages	17,198	-1.2%
Consumer loans and others <sup>1</sup>	1,618	-2.5%
<b>Loans to companies</b>	<b>8,631</b>	<b>1.2%</b>
Non-Real estate companies	7,490	-0.5%
Real estate companies	1,141	13.9%
<b>Public sector and others</b>	<b>1,219</b>	<b>20.5%</b>
<b>Performing loans ex repos</b>	<b>28,667</b>	<b>0.2%</b>

## Mortgages QoQ evolution

% - QoQ



**The volume of new lending in the year improves by 11.3% YoY to €5,076m.**

- This quarter, the good performance of **new lending to non-real estate companies** continues to stand out, increasing by **23.2% YoY** to **€2,580m**, and **+31% YoY in Q3**.
- Boost in **mortgages new production**, which amounts to **€467m** in Q3, **9.4%** higher than the previous quarter.

**Performing loans excluding repos grow by 0.2% in the year thanks to the dynamism in companies and the change in trend in mortgages.**

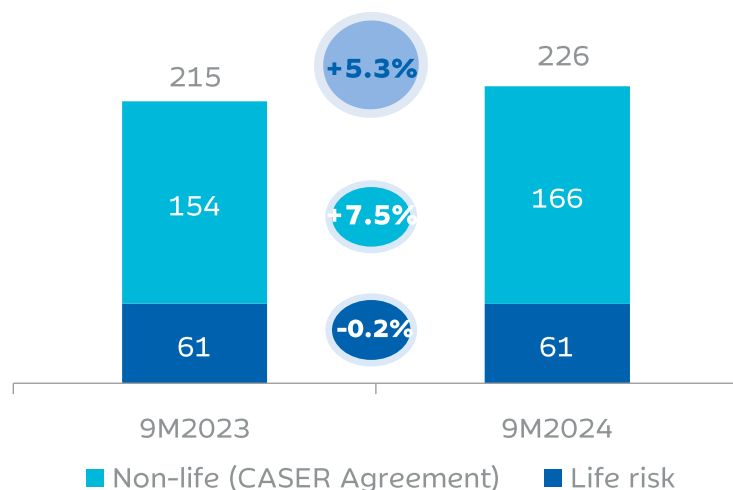
- **Loans to companies** register an increase of **+1.2%** in the year. In **Q3**, it represents a variation of **+6.7% YoY**.
- **Change of trend in mortgages as the portfolio remains stable** in the quarter due to the good performance of new lending and the decrease in early repayments.



# Risk insurance

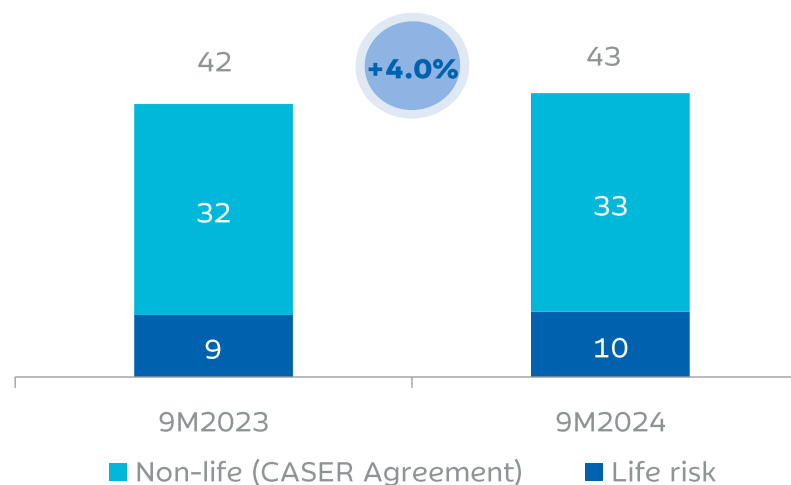
## Risk insurance premiums (portfolio)

€m – premiums collected



## Risk insurance new production

€m – premiums collected



## New non-life premiums YoY evolution

%



**Companies: +15.9% YoY**



**Home: +18.6% YoY**



**Health: +2.3% YoY**

**Risk insurance portfolio increases by 5.3% YoY to €226m, with a strong performance of non-life, 7.5% YoY.**

**New insurance premiums grow by 4.0% YoY (+4.9% in Life Risk, +3.8% in Non-Life).**

- Strong YoY performance in companies +15.9%, home +18.6% and health +2.3%.**

# Ibercaja launches Pensumo – pension for consumption

In October 2024, Ibercaja launched Pensumo to the market, positioning itself as the first European solution to distribute pension for consumption.

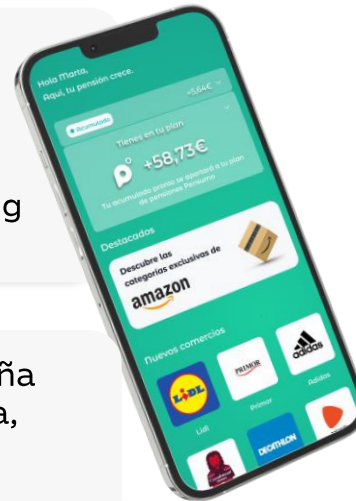
- This App allows its users to receive contributions in **an individual pension plan** (Pensumo Pension Plan managed by Ibercaja Pensión) every time they shop at a commercial establishment associated with Pensumo with a credit, debit or prepaid financial card, thus **linking retirement savings with consumption**.
- Ibercaja reinforces its **innovation position** to promote the democratization of savings management.

## Value generation for users and businesses

- ✓ **Users:** for each purchase made, a percentage is received which can be accumulated to Pensumo Pension Plan, the plan grows due to **daily habits, a simple system and no associated costs**.
- ✓ **Businesses:** It allows to **increase sales** (average ticket and recurrence); have more **visibility** through the app and attract new consumers; help customers save for their retirement (developing the business's CSR); **no registration fees or minimum contract period**.

## Initial agreements and CSR and Social Commitment

- ✓ **Support for establishments and online platforms:** Agreements with Amazon, Hostelería de España and the Fintech Coinscrap Finance (with more than 100 establishments, including Dectahlon, Ikea, Fnac, Lidel, Adidas, Sephora...).
- ✓ **Pensumo is positioned as the only loyalty pension plan by consumption and with social compromise:** a contribution to sustainable economic growth by adding to retail activity a measurable social benefit such as the generation of a pension in each transaction.



03.

## **P&L Account**





# 9M2024 Results

	9M2023	9M2024	YoY
<b>Net Interest Income</b>	501	509	1.4%
<b>Net Fee Income</b>	331	356	7.3%
<b>Net income under insurance contracts</b>	79	106	33.6%
<b>Recurring Revenues</b>	<b>912</b>	<b>970</b>	<b>6.4%</b>
<b>Gains/Losses on Financial Assets and Liabilities</b>	-8	-4	-45.8%
<b>Other Operating Income (Net)</b>	-19	-15	-20.1%
of which: temporary bank tax	-29	-47	62.1%
<b>Gross Operating Income</b>	<b>885</b>	<b>951</b>	<b>7.4%</b>
<b>Operating Expenses</b>	-444	-483	9.0%
<b>Pre-Provision Profit</b>	<b>441</b>	<b>467</b>	<b>5.8%</b>
<b>Total Provisions</b>	-111	-73	-34.8%
of which: Loans and Foreclosed Assets Provisions	-79	-51	-35.3%
<b>Other Gains and Losses</b>	2	4	n.a
<b>Profit Before Taxes</b>	<b>332</b>	<b>398</b>	<b>20.0%</b>
<b>Taxes</b>	-52	-146	n.a
<b>Net Income</b>	<b>280</b>	<b>252</b>	<b>-10.0%</b>

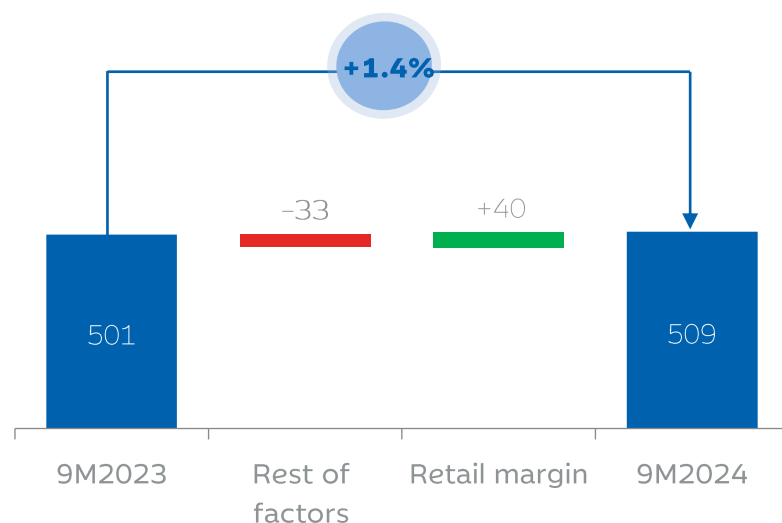
Net profit ex Cerro Murillo is up by 17.7% YoY



# Net interest income

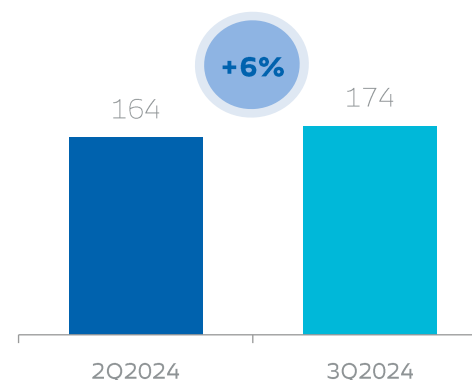
## NII breakdown evolution

€m



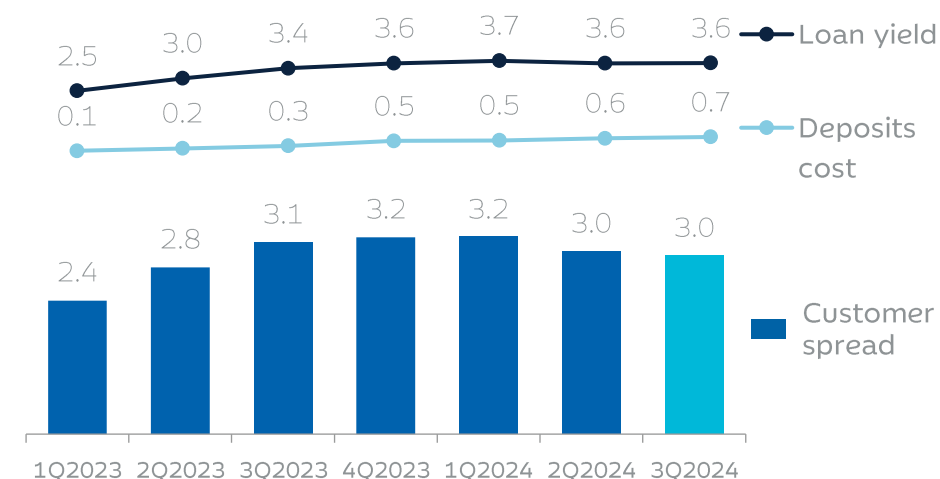
## NII quarterly evolution

€m



## Customer spread

%



**Net interest income in September grows by 1.4% YoY or €7m. In quarterly terms, NII in Q3 registers an increase of 5.9% or €10m.**

- This quarterly improvement is mainly due to a **lower cost of wholesale financing (+€9m QoQ)** thanks to the repricing of issuances at lower rates and the recent repayment of senior debt.

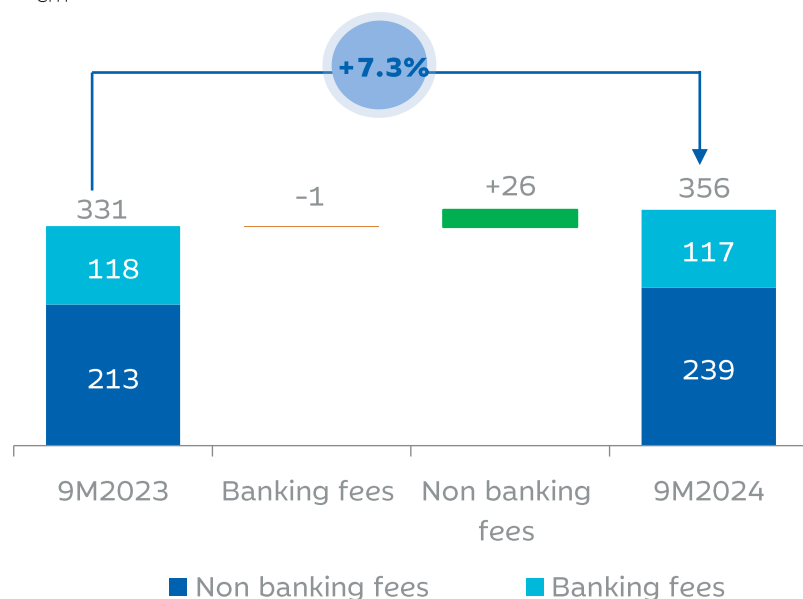
**Customer spread improves by €40m. In Q3, customer spread remains stable at 3.0%, 2.4x higher than before the interest rate hikes.**

- **Loan yield** stands at **3.6%**, with the fall from the peak still limited and much less pronounced than market rates. The **cost of deposits** remains contained at **0.7%**. The **deposit beta<sup>1</sup>** stands at **18%**.

# Net fee income

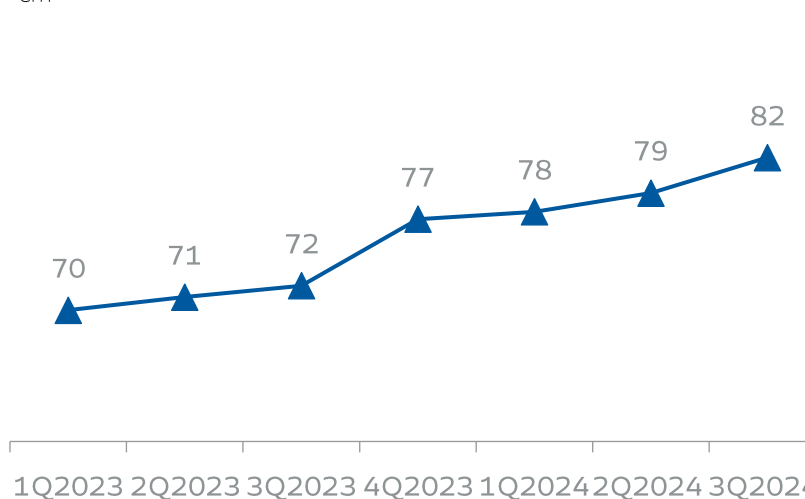
## Net fee income breakdown evolution

€m



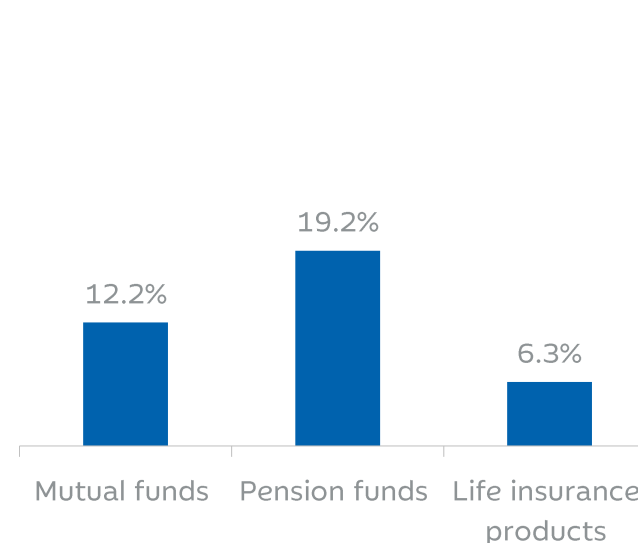
## Non-banking fees

€m



## YoY evolution by product

% - 9M2024 vs 9M2023



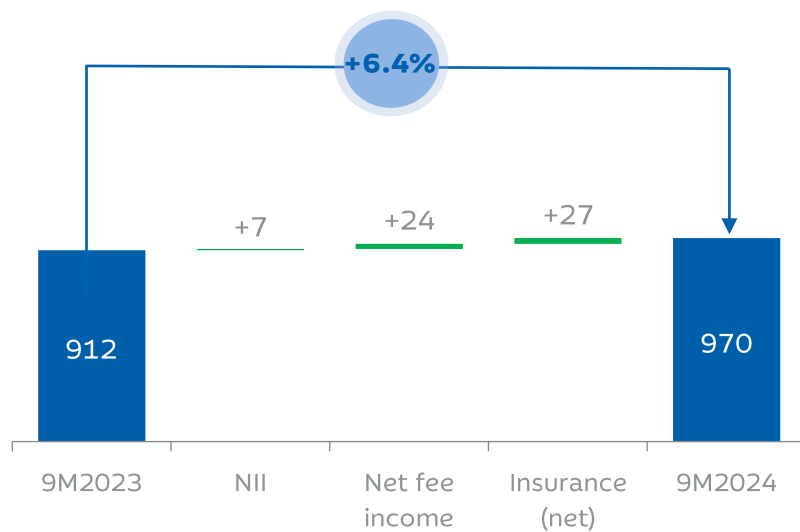
**Net fee income increases by 7.3% YoY or €24m in the period, fully explained by the good performance of non-banking fees.**

- As of September, **non-banking fees** perform exceptionally well and advance **+12.3% YoY** as a result of the increase in volumes in AuM and risk insurance products (non-life).
- Banking fees** decrease by **1.2% YoY**, impacted by lower fees for NPLs due to the good performance of the bank's loan portfolio.

# Recurring revenues & gross operating income

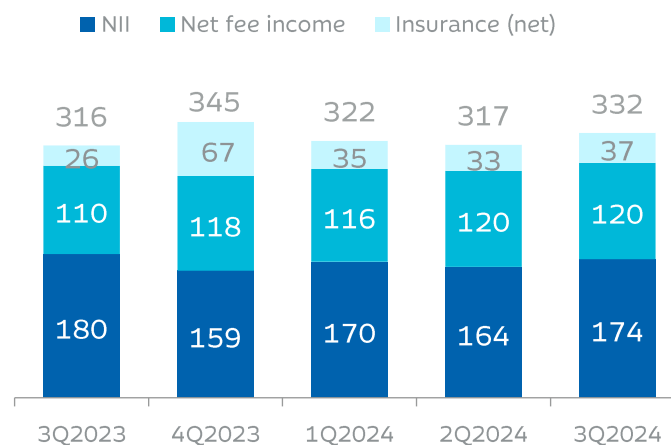
## Recurring revenues evolution

€m



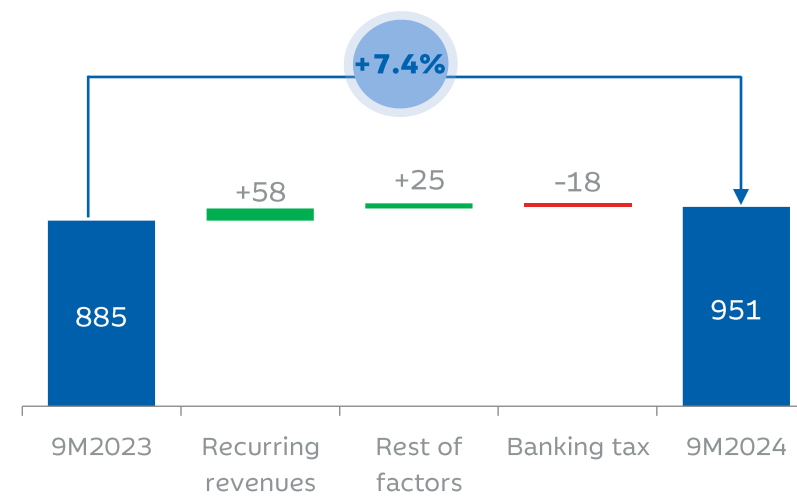
## QoQ recurring revenues evolution

€m



## Gross operating income evolution

€m



Recurring revenues keep growing by 6.4% YoY or €58m, explained by the strength of net fee income (+€24m), net insurance profit (+€27m) and, to a lesser extent, the positive evolution of net interest income (+€7m).

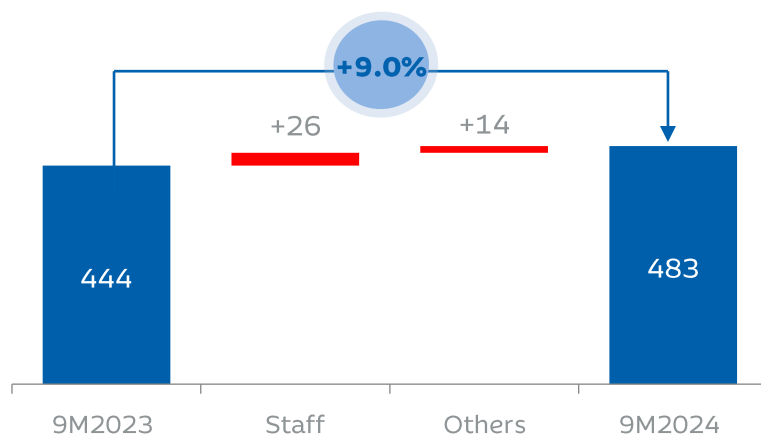
In 3Q2024, recurring revenues advance 4.6% QoQ thanks to the favourable evolution of the net interest income in the quarter.

Gross operating income, which includes the impact of the bank levy (€47m, +€18m vs. 9M2023), advances 7.4% YoY to €951m.

# Operating costs & pre-provision profit

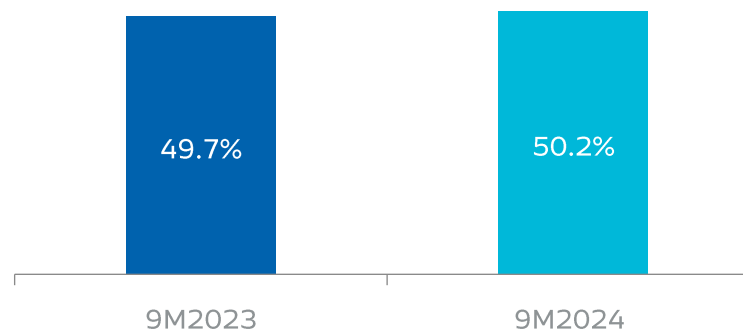
## Operating costs

€m



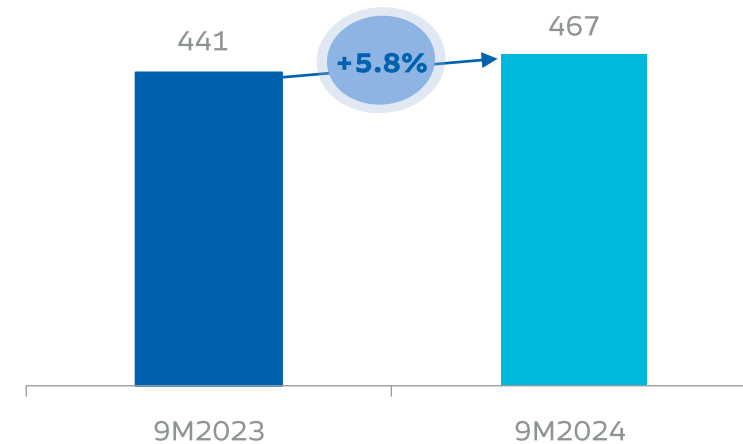
## Adjusted cost to income ratio<sup>1</sup>

%



## Pre-provision profit

€m



### Operating costs increase by 9.0% YoY.

- **Staff costs** grow **€25m YoY** (60% as a result of the union agreement).

### Adjusted cost to income ratio<sup>1</sup>, which takes into account the banking tax, stands at 50.2%, slightly above 9M2023.

- **Reported cost to income ratio** reaches **50.9% (vs. 50.1% in 9M2023)**.

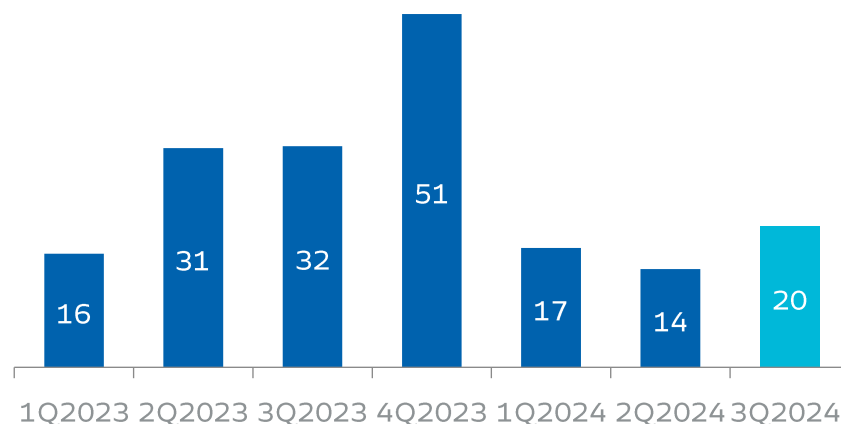
### Pre-provision profit grows 5.8% YoY €467m.



# Loans and foreclosed assets provisions

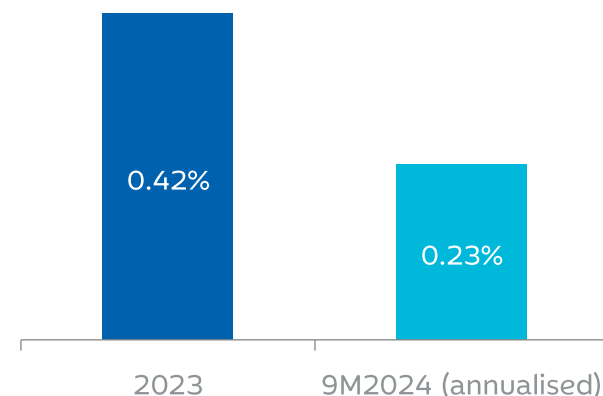
Loans and foreclosed assets provisions

€m



Cost of risk

%



**Provisions for loans and foreclosed assets in the period stand at €51m, 35.3% below 9M2023 levels.**

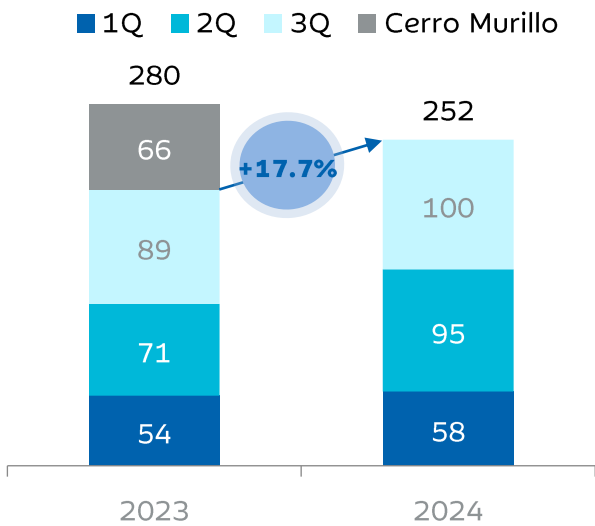
- **Cost of risk stands at 23 bps**, thanks to the good performance of bank's loan portfolio.

**Ibercaja keeps provisions of €45.4m due to the uncertainty generated by the macroeconomic outlook and the potential effects it may have on the company's customer portfolio.**

# Net income

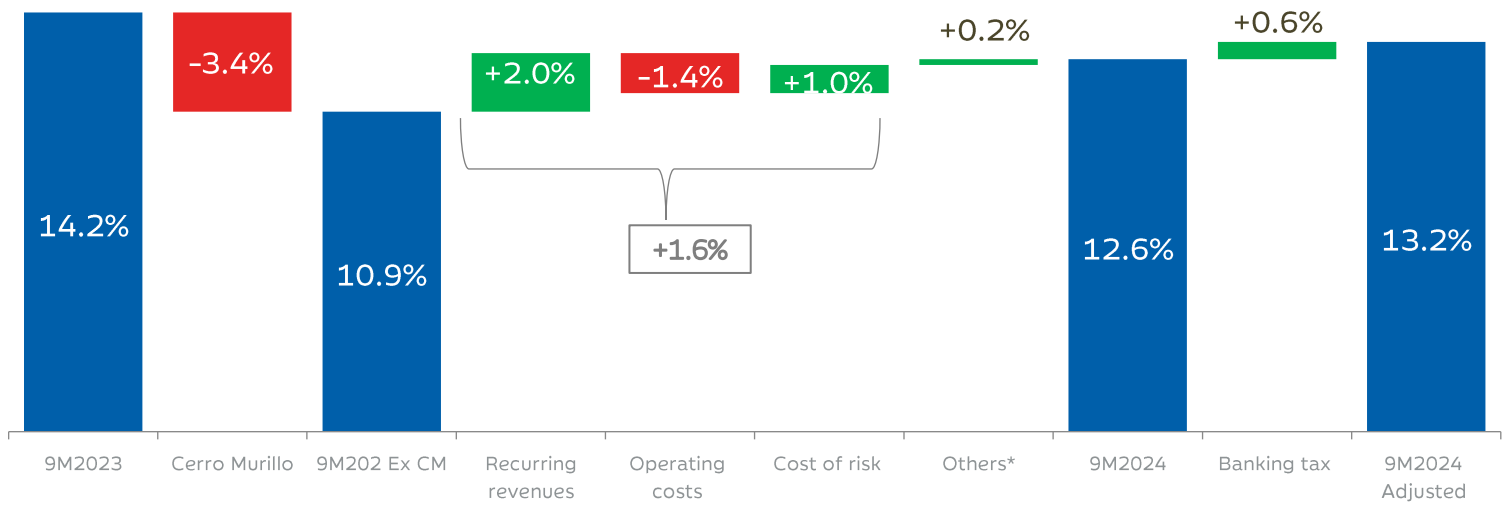
## Net income

€m



## ROTE breakdown evolution YoY

€m



Ibercaja achieves a net profit in 9M2024 of €252m with an adjusted ROTE<sup>1</sup> of 13.2%. The reported ROTE reaches 12.6%.

- Excluding the impact of the extraordinary income of Cerro Murillo in previous year, **net profit** in 9M2024 would have increased by **17.7% YoY**, in line with the **growth of profit before tax (+20.0% YoY)**.
- **Business dynamics (revenues, expenses and cost of risk)** contributes **+1.6% to ROTE** as of September 2024.
- **Net profit for 3Q standalone increases by 6.0% QoQ and 13.1% YoY.**

<sup>1</sup> Considering 9 months of the tax on banks  
\* Includes other P&L items and changes in equity.

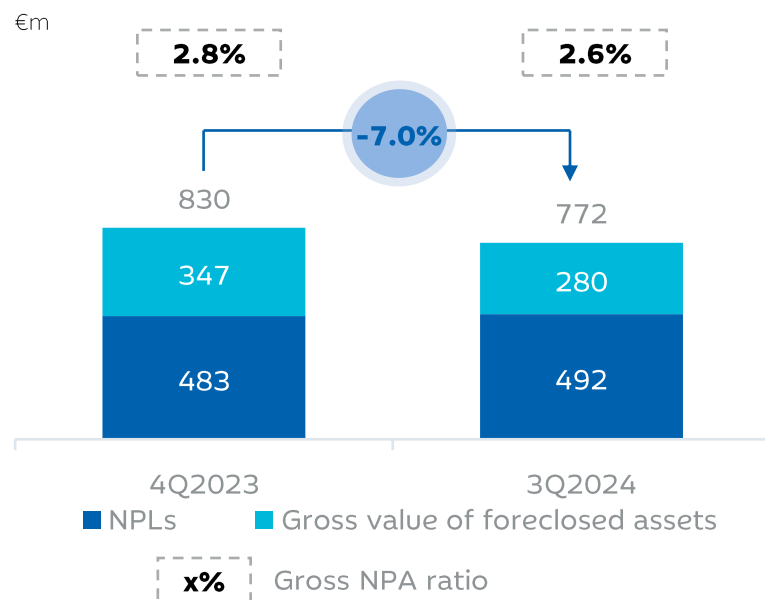
04.

## **Asset Quality, Liquidity and Solvency**

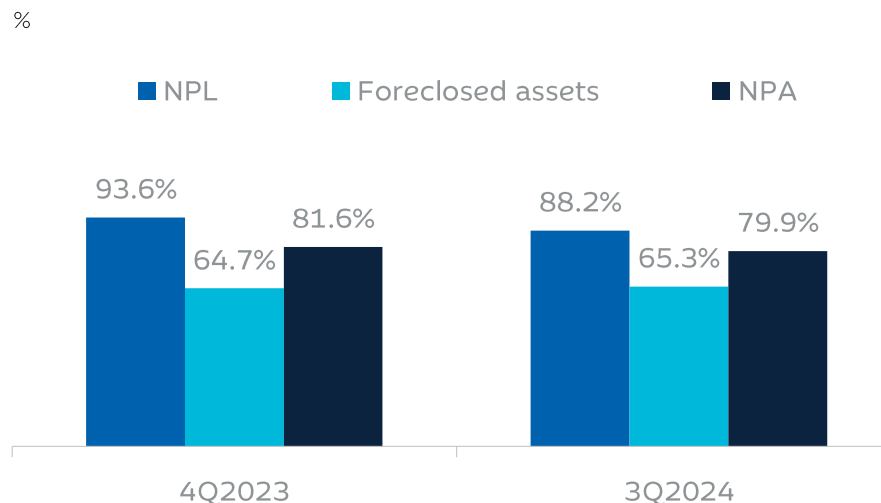


# Asset quality

## Gross NPA



## NPA coverage ratio



**Good performance in the stock of NPAs which falls 7.0% in the year or €58m, and NPA ratio stands at 2.6%.**

- **NPLs remain flat (+1.8%)** and **NPL ratio** stands at **1.6%** with a **positive gap vs. sector of 179 bps<sup>1</sup>**
- **Foreclosed assets fall €67m or 19.2% in the year** thanks to asset sales.

**NPA coverage ratio stands at 79.9% (88.2% for NPLs and y 65.3% for foreclosed assets).**

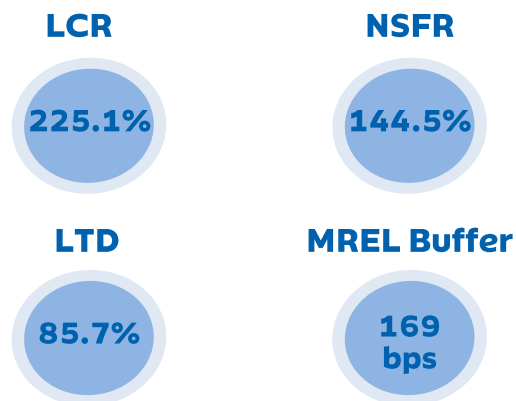
- **Net NPAs** amount to **€155m** and represent less than **0.3% of the bank's total assets**, one of the lowest in the Spanish financial system.



# Liquidity and ALCO portfolio

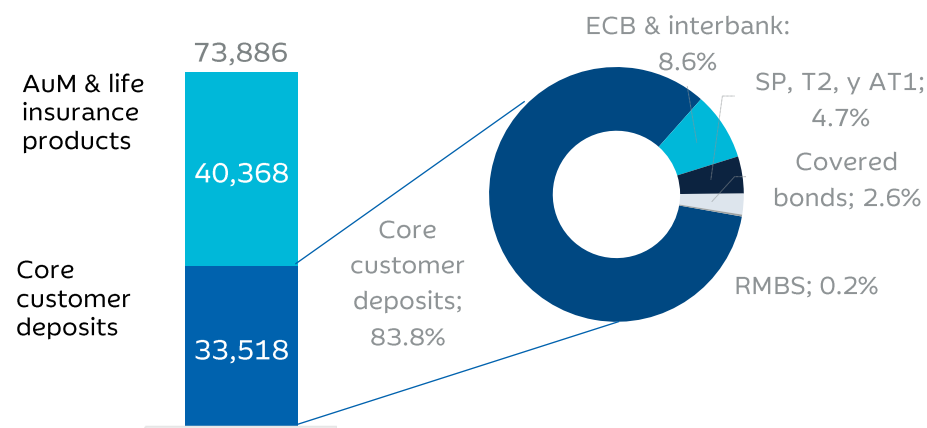
## Main liquidity and funding ratios

% - 3Q2024



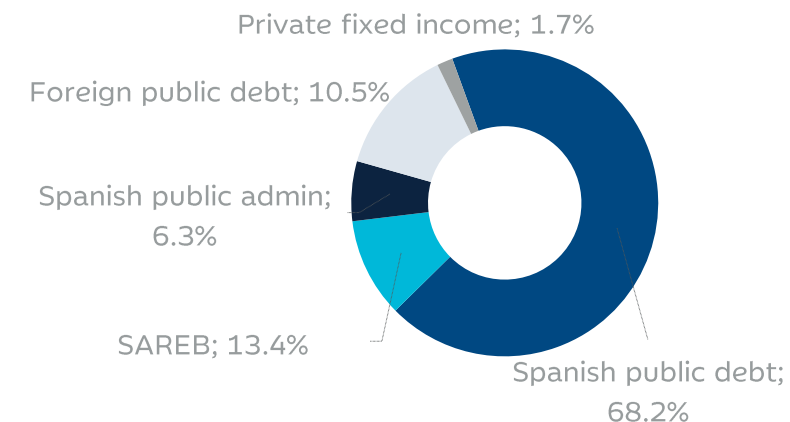
## Breakdown of funding structure

% - 3Q2024



## ALCO portfolio breakdown

% - 3Q2024



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

- **LCR ratio** reaches **225.1%**. **Liquid assets** stand at **€13,195m**, **24.9% of total assets**.
- **Customer deposits** account for **83.8% of Ibercaja's external funding**.
- **LTD ratio** stands at **85.7%** and **NSFR ratio** reaches **144.5%**.
- **MREL ratio** stands at **23.5%** and Ibercaja maintains a **buffer vs. MREL requirements of 169 bps**.

**ALCO portfolio<sup>1</sup> decreases by 7.7% in the year to €10,390m.**

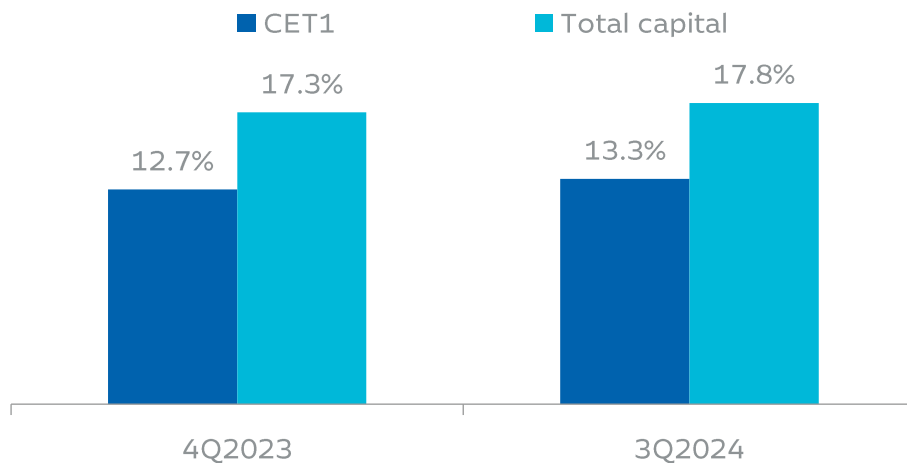
- **Spanish sovereign debt accounts for 68.2% of the portfolio**. 94% of ALCO assets are considered as High-Quality Liquid Assets (HQLA). Duration stands at 2.1 years<sup>2</sup>.

<sup>21</sup> <sup>1</sup> Excludes insurance activity  
<sup>2</sup> Includes interest rates swaps

# Solvency

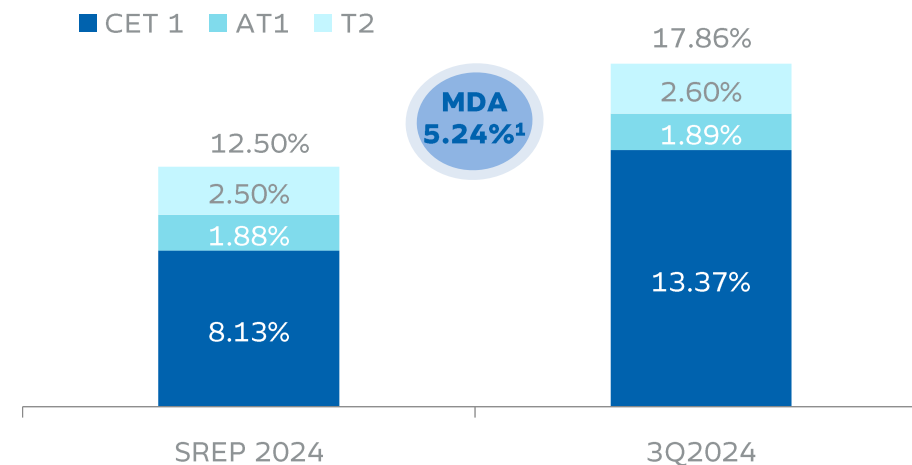
## Solvency ratios – Fully loaded

% -



## Capital Total Phased-In vs. SREP

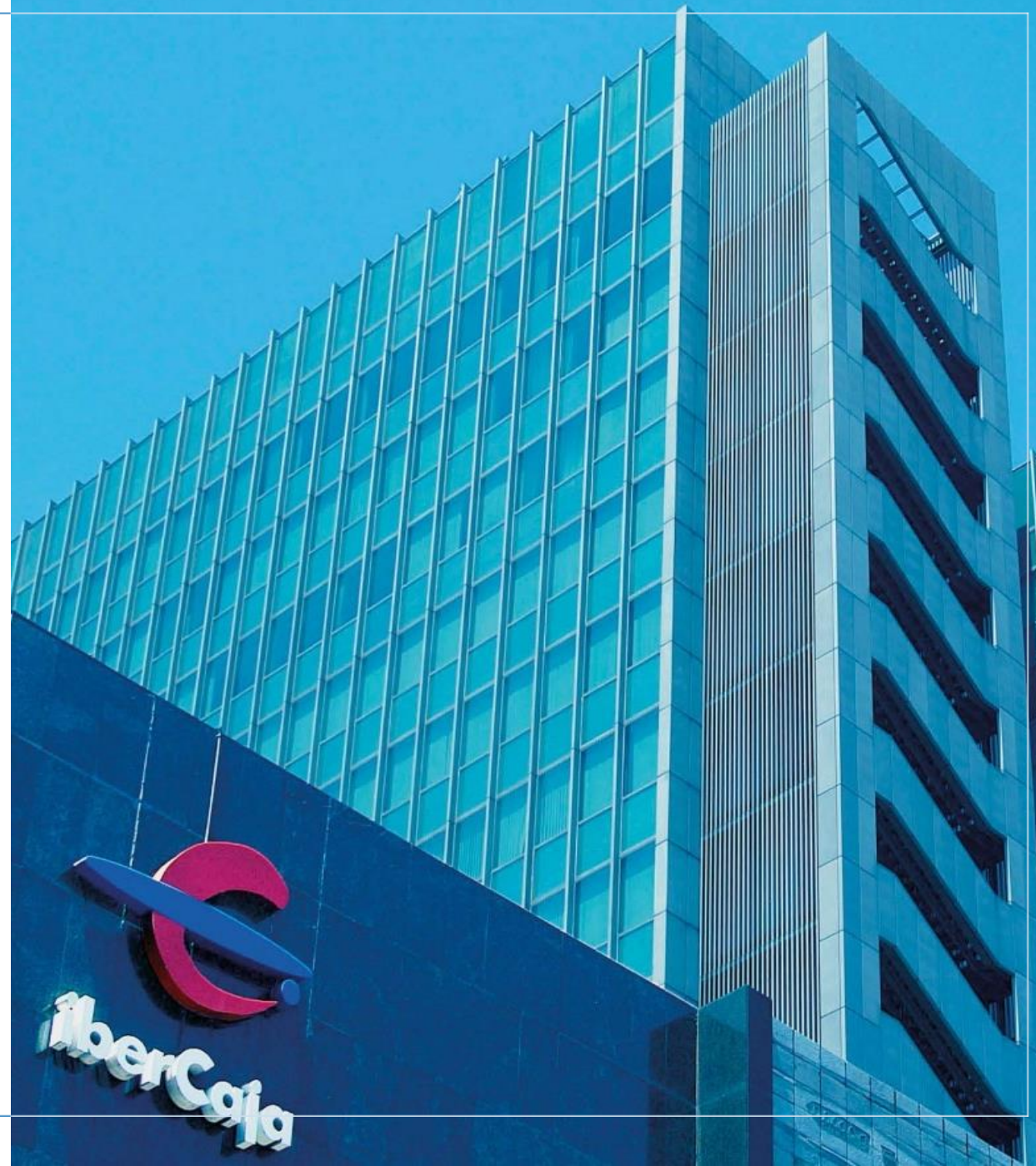
% -



**Strong profitability levels and a payout ratio of 40% boost solvency ratios in the period.**

- **CET1 fully loaded ratio** reaches **13.3% (+63 bps YTD)**
- **Total capital fully loaded** reaches **17.8%** (17.9% phased-in).
- Ibercaja has an efficient capital structure, and its **MDA ratio stands at 524 bps**.

05.  
**Annex**

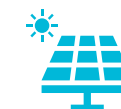


# Sustainability: actions in 3Q2024



## Environment

- Two new **decarbonisation targets for 2030** have been published in the Commercial Real Estate and Coal Mining sectors, complementing those already published in the Electricity Generation, Iron and Steel Production and Residential Real Estate sectors.
- The offer of investment funds has been expanded with the **launch of the Ibercaja RF Horizon 2027 fund**, a private fixed income fund of good credit quality with **sustainability criteria**.
- The bank has continued to **support and finance its customers' sustainable projects**, highlighting operations for photovoltaic power generation and syndicated financing with sustainability annexes.
- An agreement has been signed with El Consorci de la Zona Franca de Barcelona (CZFB) through which the Bank will be BEARTH sponsor of the sustainability vertical **of the fifth edition of BNEW** (*Barcelona New Economy Week*).



## Social

- **Pensumo has been launched**, a pioneering application that will boost savings for Spanish people. The Project aims to link retirement savings with consumption, redirecting the economic flows generated by the daily lifestyle towards the future pension.
  - “Pensumo it is the fourth pillar of our pension system, and Ibercaja is the first entity to offer it”
- Different **initiatives for young people and seniors** have been promoted:
  - “My First Housing” program is renewed for the third consecutive year in the community of Madrid.
- **New functionalities related to accessibility have been incorporated in Ibercaja ATMs** that will provide more autonomy to people with visual impairment or difficulties in reading screens.



## Governance

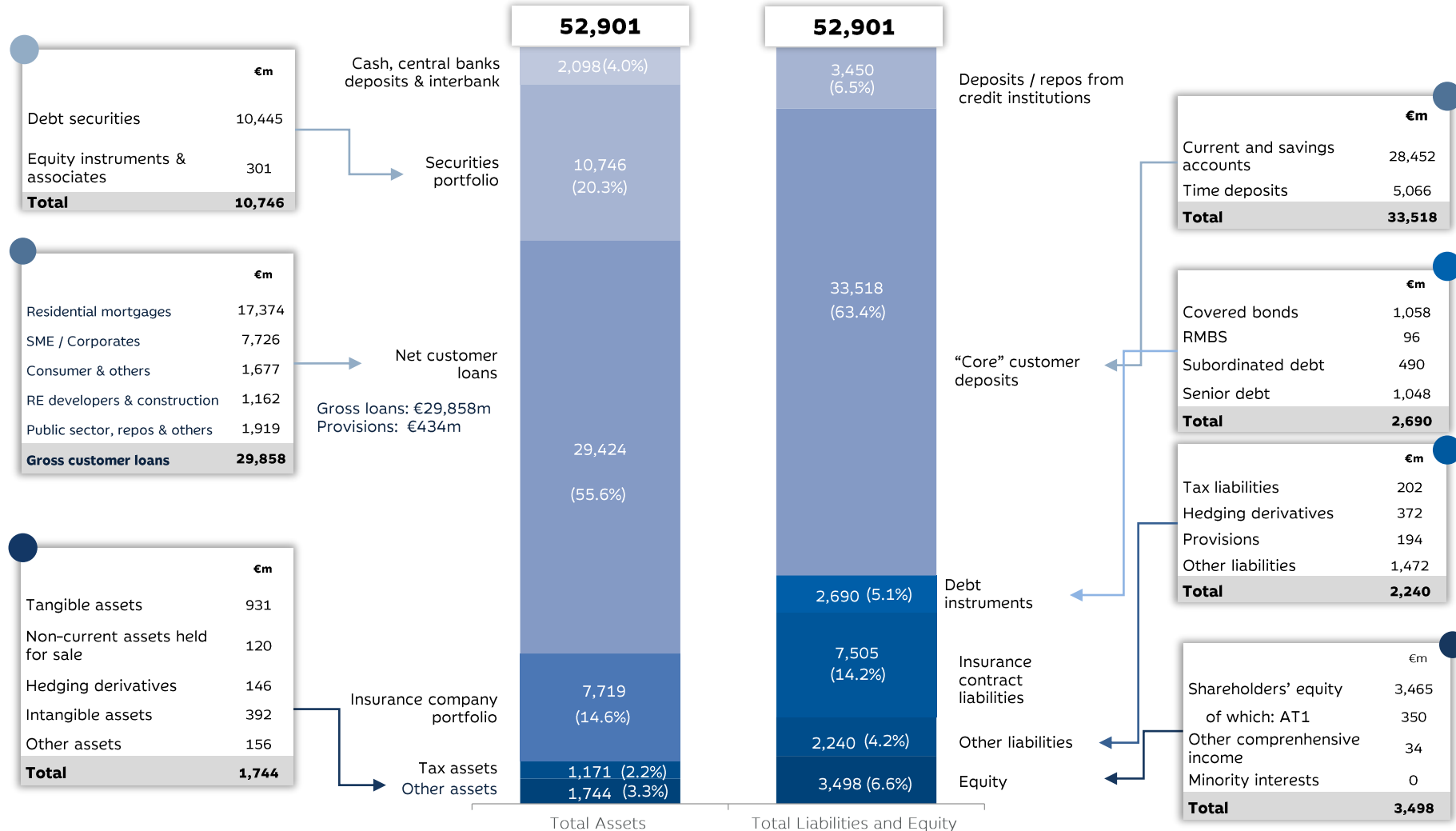
- University of Zaragoza students were awarded in the different programmes developed in the 2023-2024 academic year by the **Chair of Sustainable Finance** that Ibercaja carries out in collaboration with the University.





# Balance sheet

30-09-2024



# 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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