iberCaja

IBERCAJA BANCO

9M2024 Results

November 5th, 2024

EL BANCO DEL vamos



Disclaimer

Data, estimates, valuations and forecasts, as well as the rest of the contents of this presentation are published for information purposes only. Neither Ibercaja Banco nor any of its directors, managers or employees are obliged, neither implicitly nor expressly, to guarantee that these contents are exact, accurate or complete, to update them or to correct them if they detect any error or omission.

The purpose of this presentation is not to provide financial advice or offer any kind of financial product or service. Ibercaja Banco is not and will not be responsible if any part of this presentation is considered to form the basis of an investment decision. Ibercaja Banco notes that this presentation may contain forward looking statements. It should be considered that such forward-looking statements do not guarantee any future results and are only subjective opinions of Ibercaja Banco in relation to the evolution of its business and as such there may be different criteria, risks, uncertainties and many other relevant factors that may cause it to evolve very differently. In any event, data relating to past performance or profits cannot be relied upon for future performance or profits.

This document has not been submitted to the Spanish Securities Market Commission (Comisión Nacional del Mercado de Valores) for its approval or registration. In any case, it is subject to Spanish law applicable as at the date hereof and is not addressed to any natural or legal person in any other jurisdiction. For this reason, it may not comply with legal requirements of other jurisdictions.

Without prejudice to applicable legal requirements or any other limitations imposed by Ibercaja Banco, it is expressly prohibited any use of this presentation and the distinctive signs or symbols contained therein, including any sort of copy, distribution, transfer to third parties, public communication or transformation, through any mean or medium whatsoever, without prior and express authorization of the respective owners. Breach of this prohibition may constitute an infringement of current laws and may be sanctioned.

In addition to the financial information prepared under International Financial Reporting Standards ("IFRS"), this presentation contains certain alternative performance measures ("APMs") as defined in the Guidelines on Alternative Performance Measures issued by the European Securities and Markets Authority on 5 October 2015 (ESMA/2015/1415). The APMs are performance measures that have been calculated using the financial information from the Ibercaja Banco Group but that are not defined or detailed in the applicable financial information framework and therefore have neither been audited nor are capable of being completely audited. These APMs are being used to allow for a better understanding of the financial performance of the Ibercaja Banco Group but should be considered only as additional information and in no case as a replacement of the financial information prepared under IFRS. Moreover, the way the Ibercaja Banco Group defines and calculates these APMs may differ to the way these are calculated by other companies that use similar measures, and therefore they may not be comparable.

In case of disagreement, the Spanish version will prevail.

iberCaja

Índice

01. 9M2024 KEY HIGHLIGHTS

02. COMMERCIAL ACTIVITY

03. P&L ACCOUNT

04. ASSET QUALITY, LIQUIDITY AND SOLVENCY

05. ANNEX

iberCaja

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[1]: 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[2] increases by 17.7% YoY in line with profit before taxes evolution

Adjusted ROTE[1]: 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%

[1] Considering 9 months of the baking tax

[2] Net profit for 9M2023 is adjusted for the extraordinary tax revenue of €66m, due to the liquidation of Cerro Murillo.

02.

Commercial activity



Customer funds

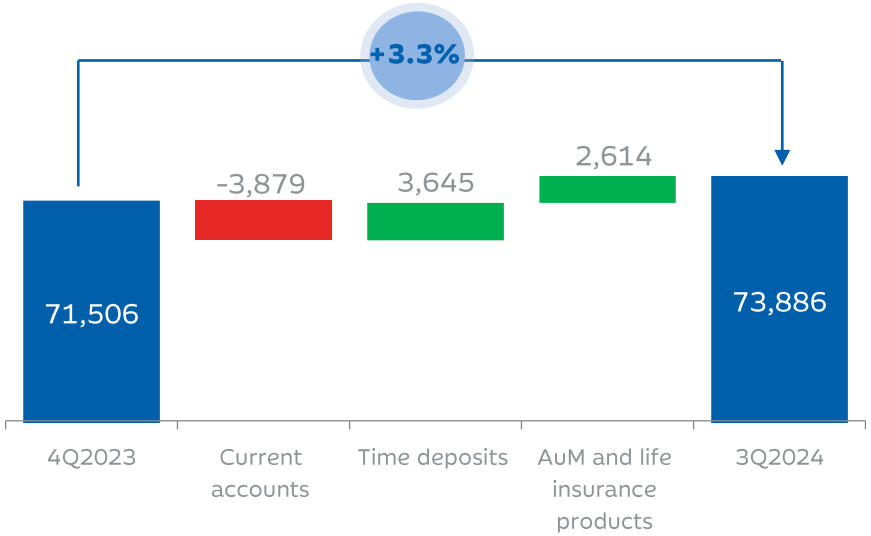
Customer funds

€m

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

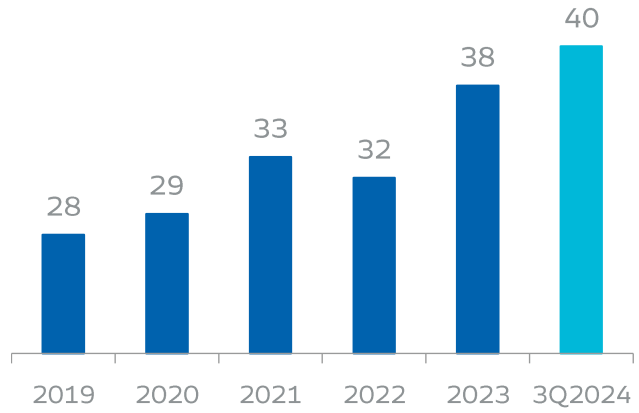
Customer funds evolution YTD

€m



AuM and life insurance products

Billion €



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

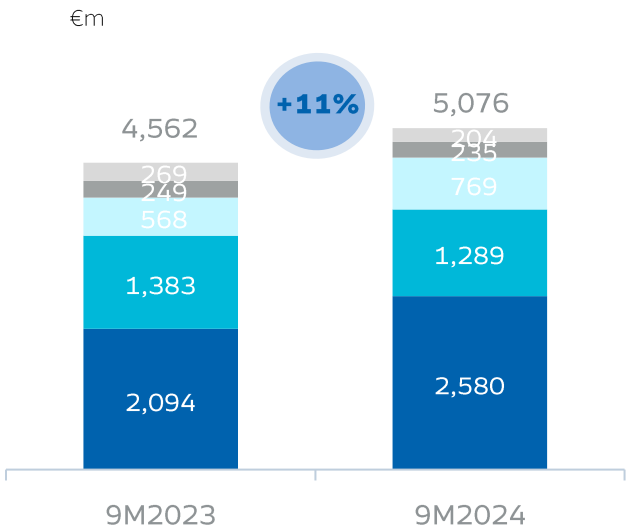
- **Time deposits** increase by **€3,645m** and accounts for **15% of total customer deposits**. The **cost** of new household time deposits in 9M2024 remains at **1.5%.**
- The excellent performance of the **financial markets** contributes **€1,654m** in the year.

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

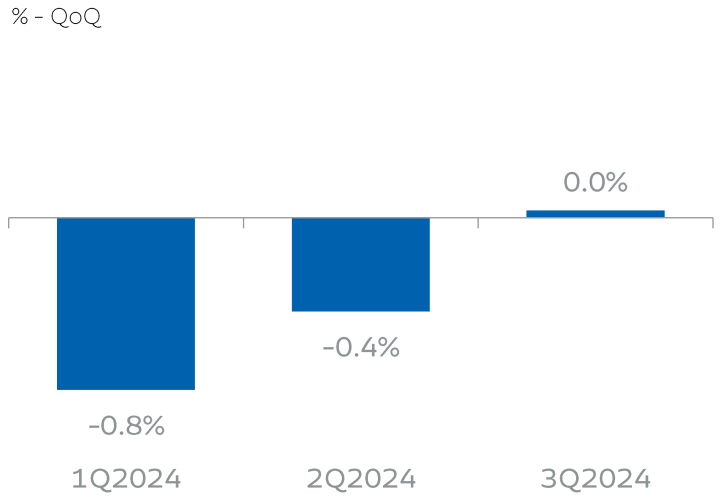


Performing loans ex repos

€m

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

Mortgages QoQ evolution



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

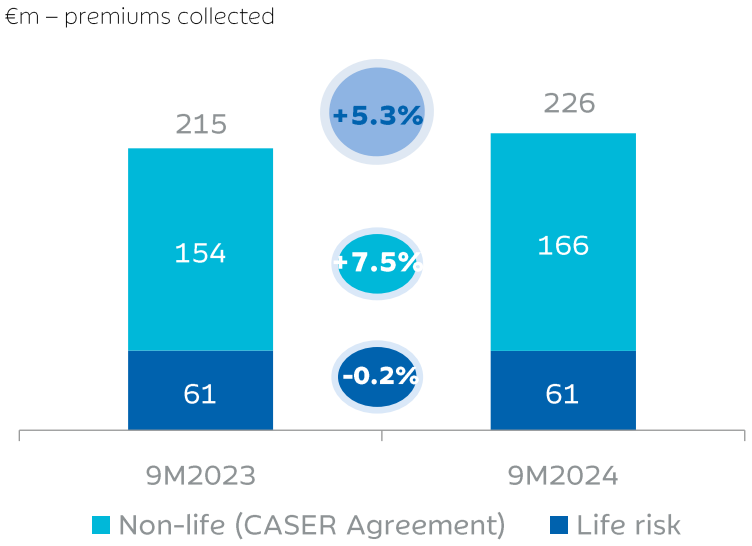
- This quarter, the good performance of **new lending to non-real estate companies** continues to stand out, increasing by **23.2% YoY** to **€2,580m**, and **+31% YoY in Q3.**
- Boost in **mortgages new production**, which amounts to **€467m** in Q3, **9.4%** higher than the previous quarter.

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

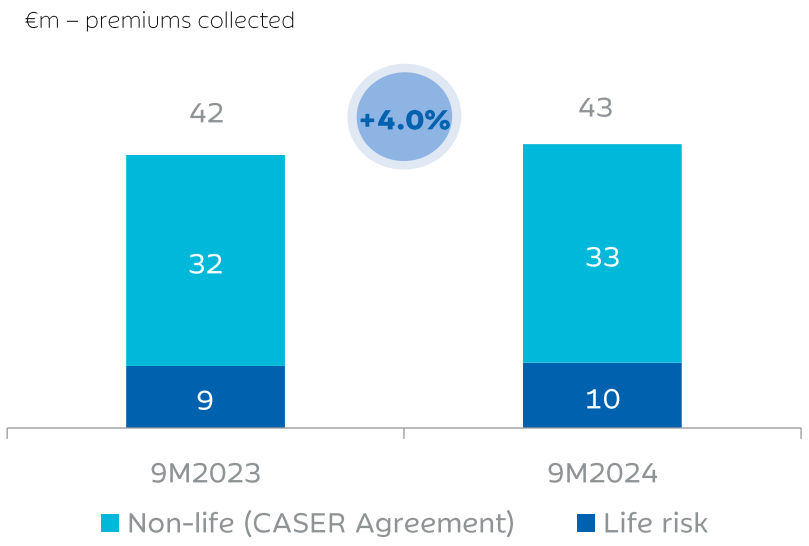
- **Loans to companies** register an increase of **+1.2%** in the year. In **Q3**, it represents a variation of **+6.7% YoY.**
- **Change of trend in mortgages as the portfolio remains stable** in the quarter due to the good performance of new lending and the decrease in early repayments.

Risk insurance

Risk insurance premiums (portfolio)



Risk insurance new production



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%.**

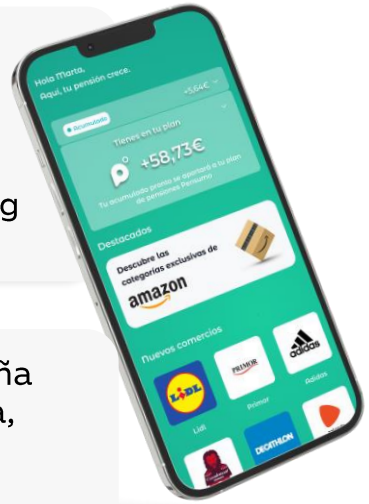
Ibercaja launches Pensumo – pension for consumption

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.

iberCaja

03.

P&L Account



9M2024 Results

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

Net profit ex Cerro Murillo is up by 17.7% YoY

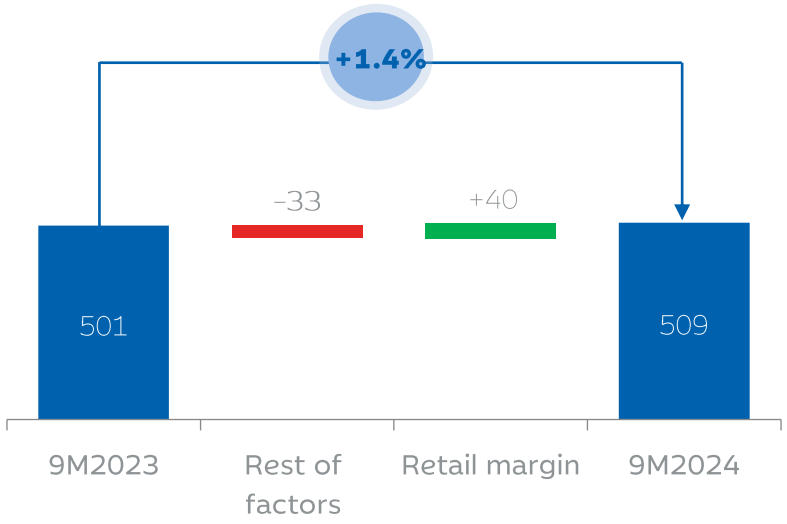
[1] During the first half of the 2023 financial year, the company Cerro Murillo, S.A. was put into liquidation, which led to the activation of the future associated tax loss. This transaction resulted in the recognition of €66 million under the heading of deferred tax assets in the consolidated balance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

iberCaja

Net interest income

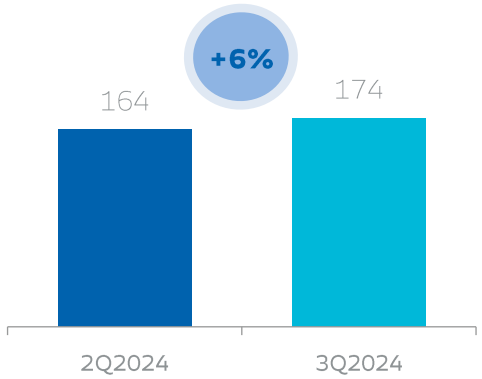
NII breakdown evolution

€m



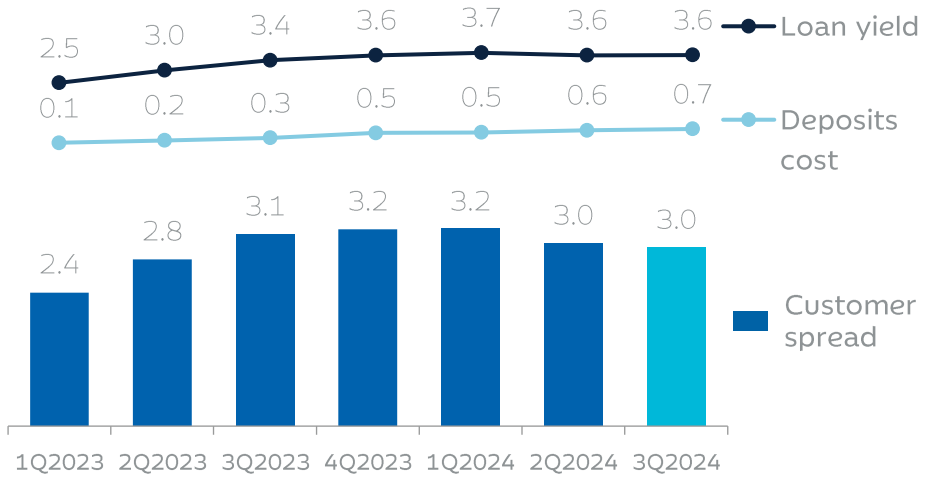
NII quarterly evolution

€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.

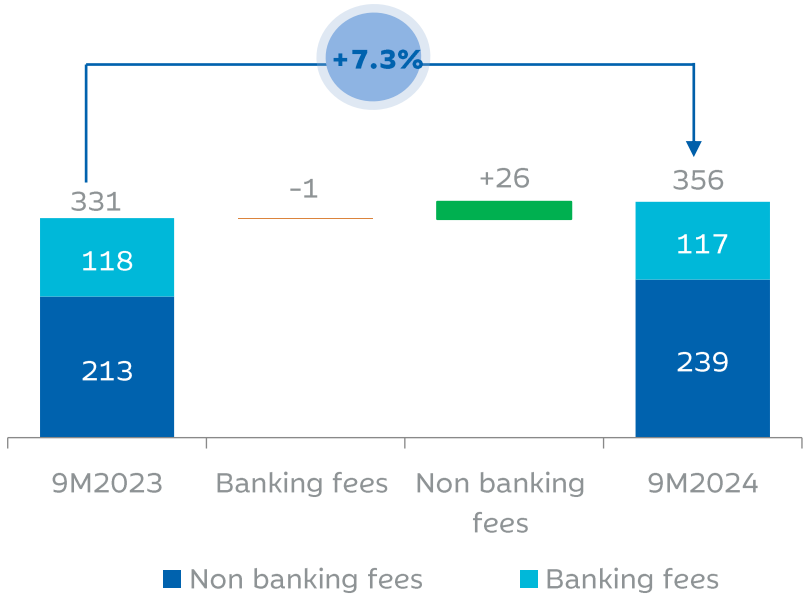
- **Loan yield** stands at **3.6%,** with the fall from the peak still limited and much less pronounced than market rates. The **cost of deposits** remains contained at **0.7%.** The **deposit beta[1]** stands at **18%.**

[1] Average cost of customer deposits in 9M2024 vs. Average 12-month Euribor in the period (3.52%).

Net fee income

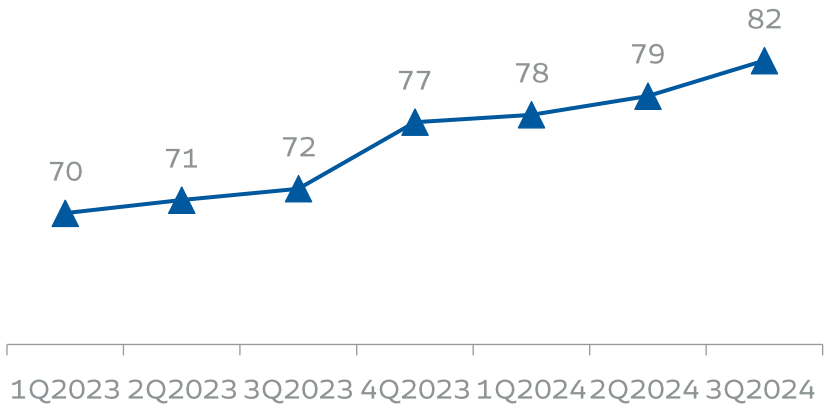
Net fee income breakdown evolution

€m



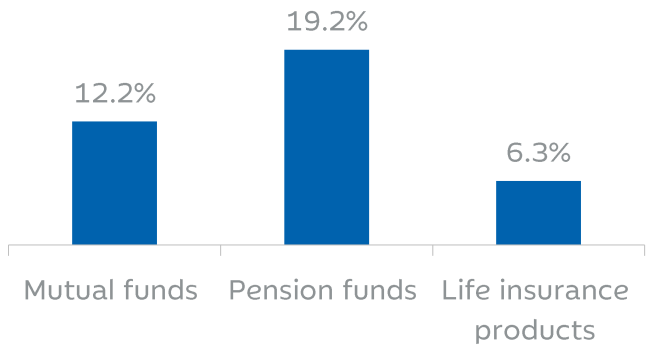
Non-banking fees

€m



YoY evolution by product

% - 9M2024 vs 9M2023



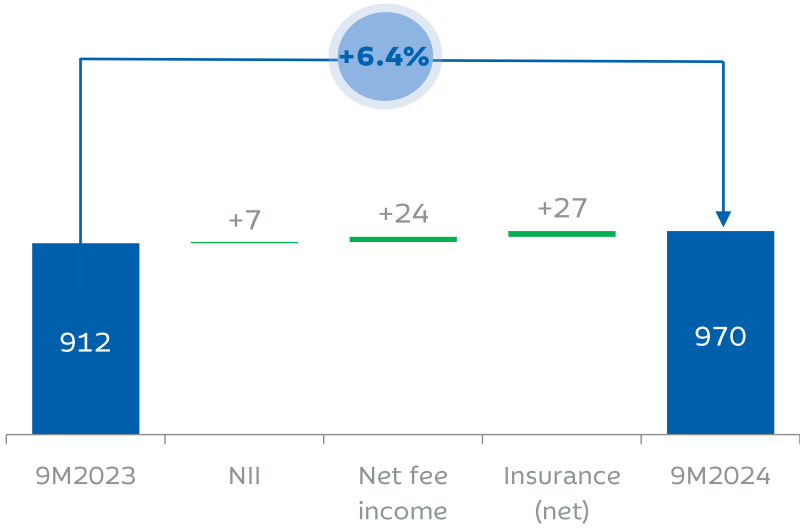
Net fee income increases by 7.3% YoY or €24m in the period, fully explained by the good performance of non-banking fees.

- 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

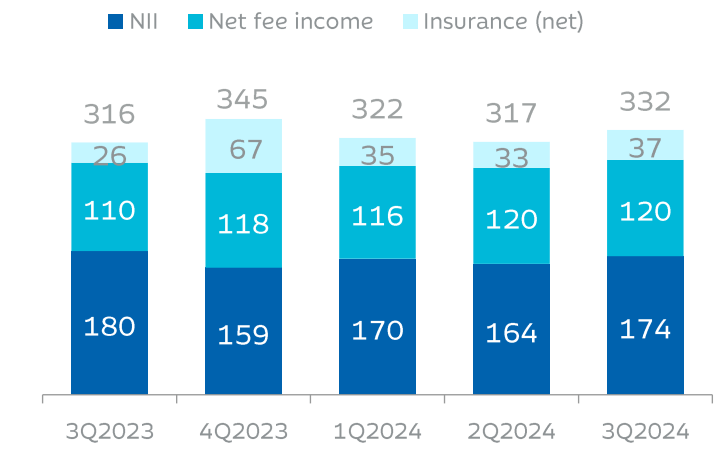
Recurring revenues evolution

€m



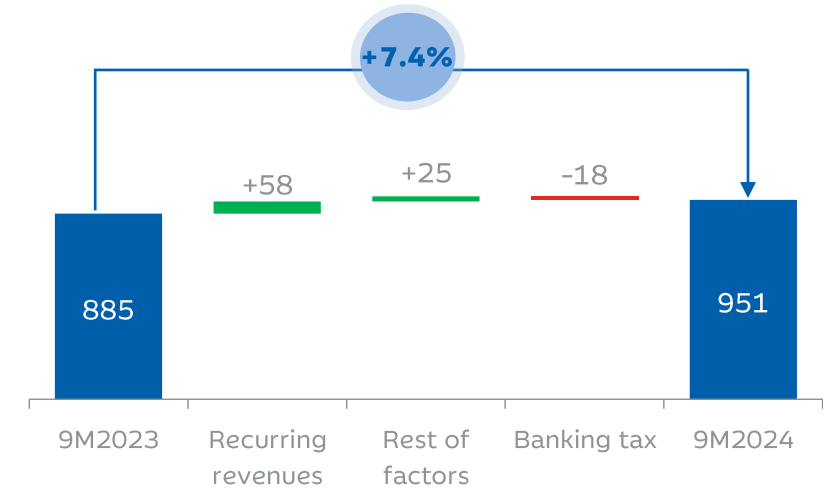
QoQ recurring revenues evolution

€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.

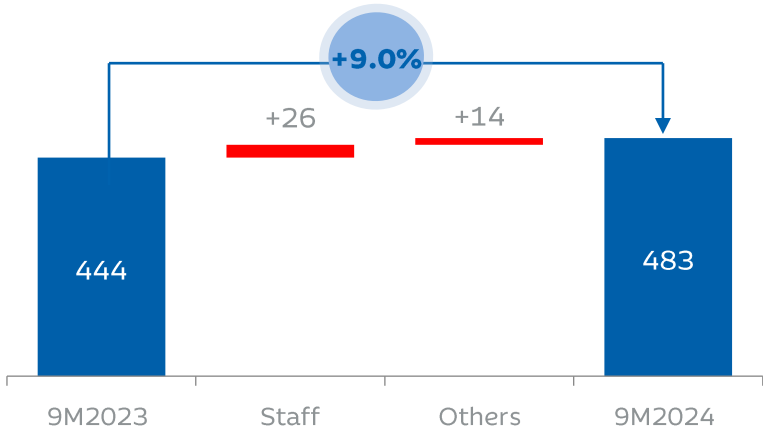
Gross operating income, which includes the impact of the bank levy (€47m,+€18m vs. 9M2023), advances 7.4% YoY to €951m.

iberCaja

Operating costs & pre-provision profit

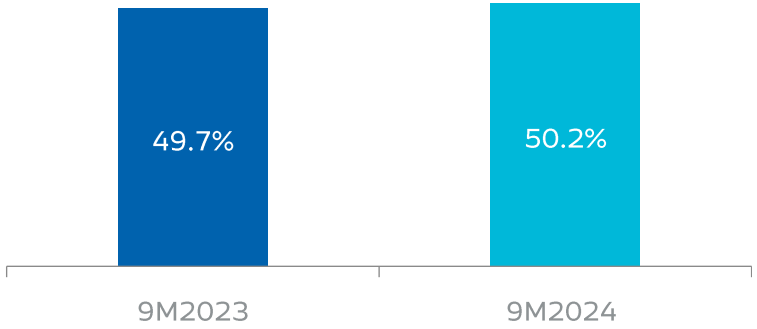
Operating costs

€m



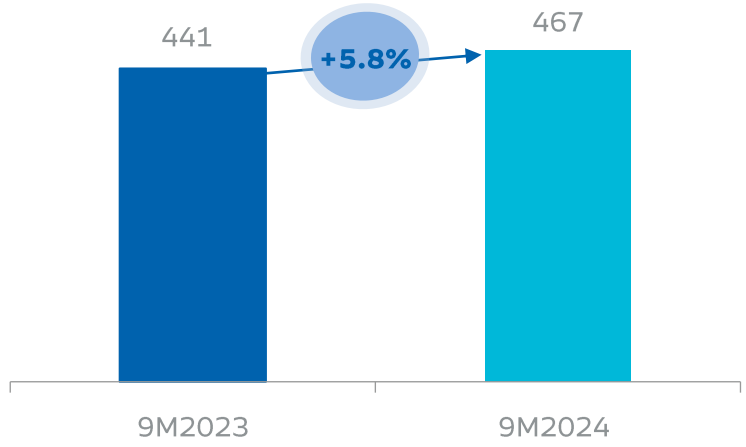
Adjusted cost to income ratio[1]

%



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[1], 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).**

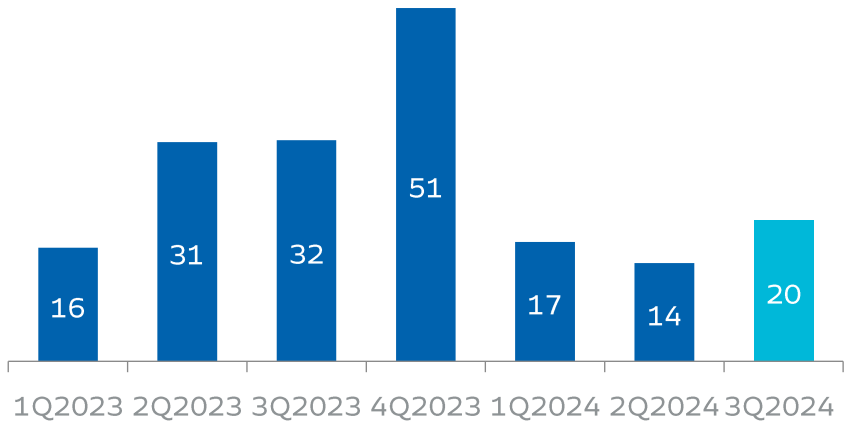
Pre-provision profit grows 5.8% YoY €467m.

[1] Considering 9 months of banking tax

Loans and foreclosed assets provisions

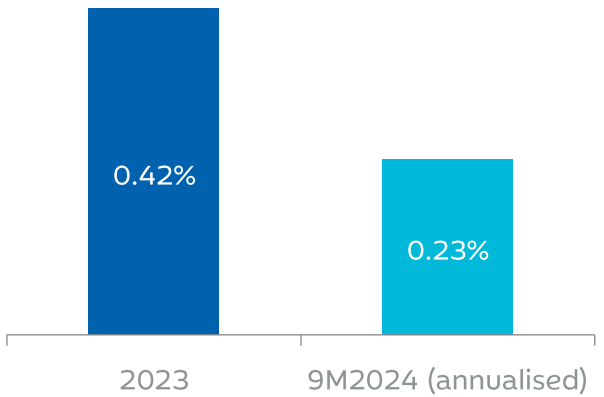
Loans and foreclosed assets provisions

€m



Cost of risk

%



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

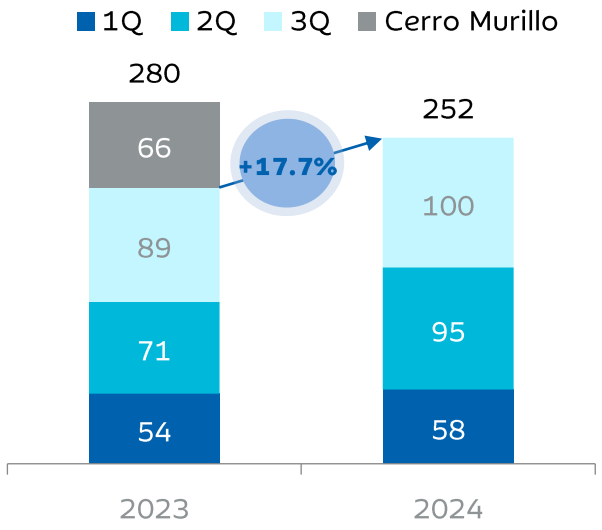
- **Cost of risk stands at 23 bps,** thanks to the good performance of bank's loan portfolio**.**

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

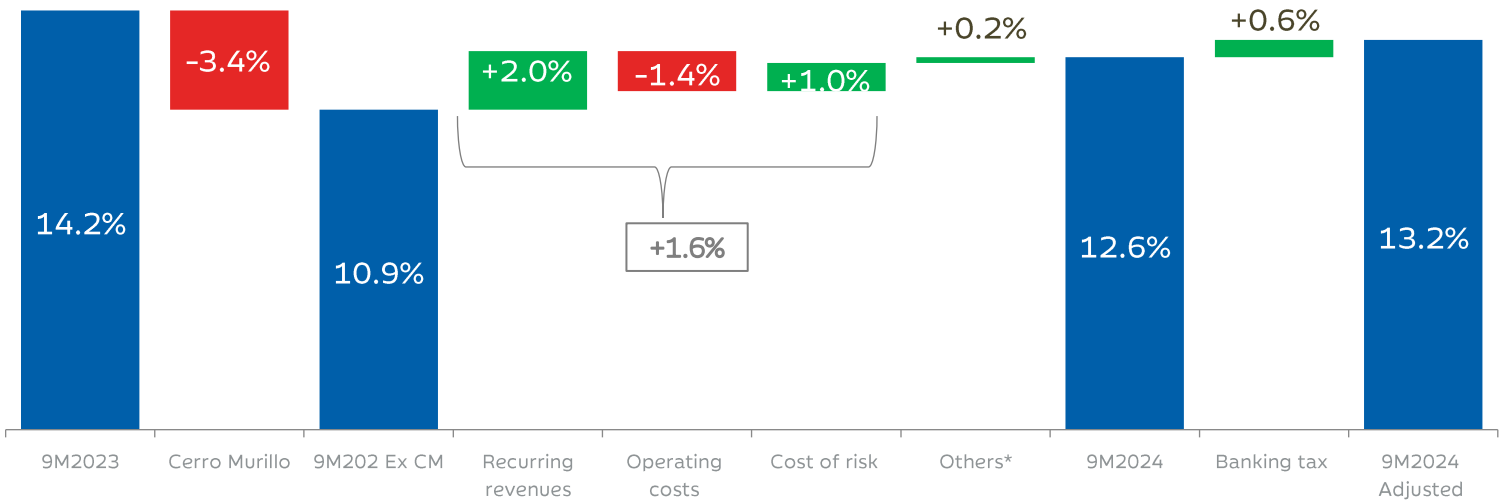
Net income

€m



ROTE breakdown evolution YoY

€m



Ibercaja achieves a net profit in 9M2024 of €252m with an adjusted ROTE[1] 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**.

[1] Considering 9 months of the tax on banks
* Includes other P&L items and changes in equity.

iberCaja

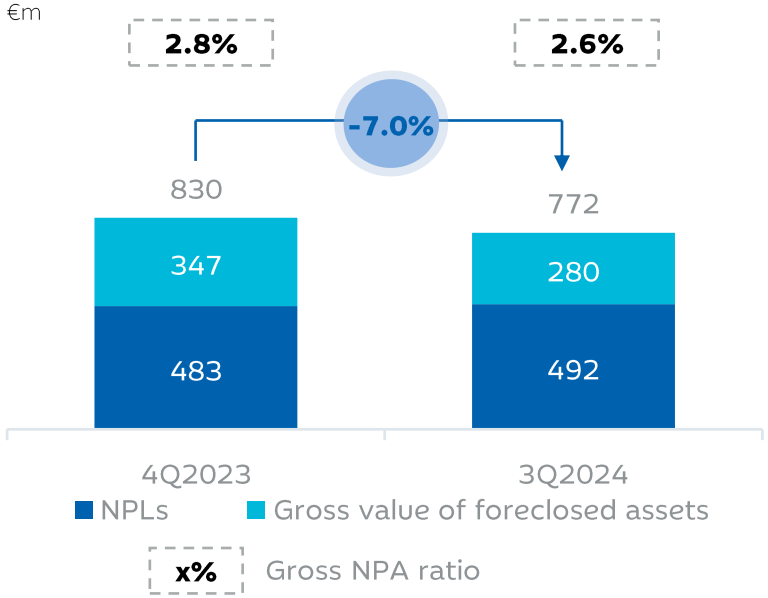
04.

Asset Quality, Liquidity and Solvency

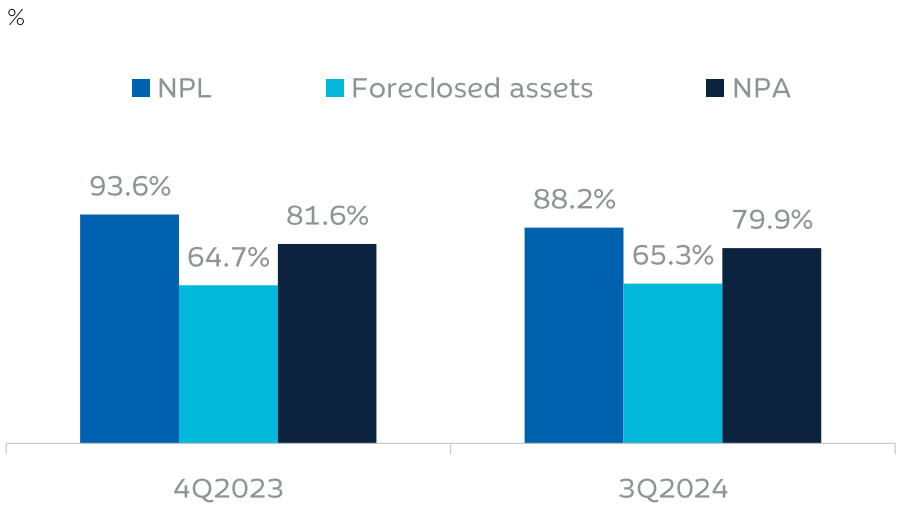


Asset quality

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**[1]
- **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).

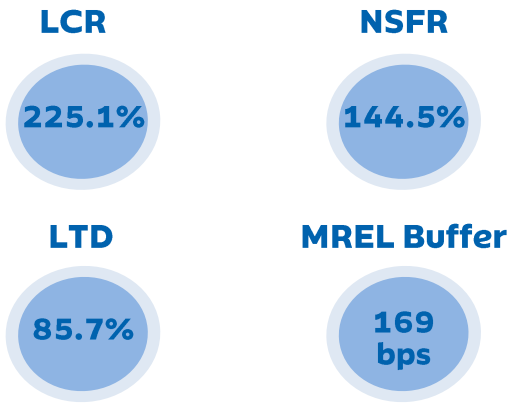
- **Net NPAs** amount to **€155m** and represent less than **0.3% of the bank's total assets**, one of the lowest in the Spanish financial system.

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

Liquidity and ALCO portfolio

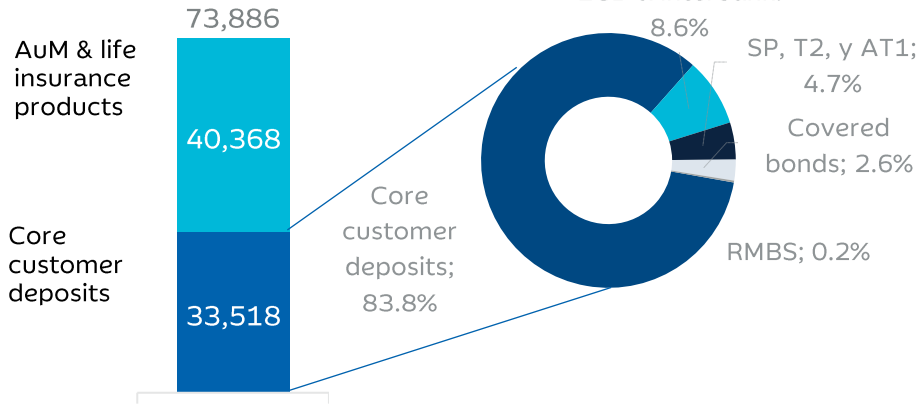
Main liquidity and funding ratios

% - 3Q2024



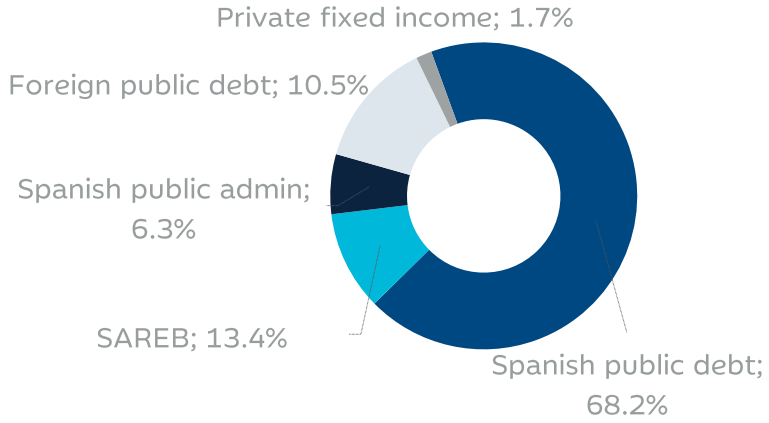
Breakdown of funding structure

% - 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.**

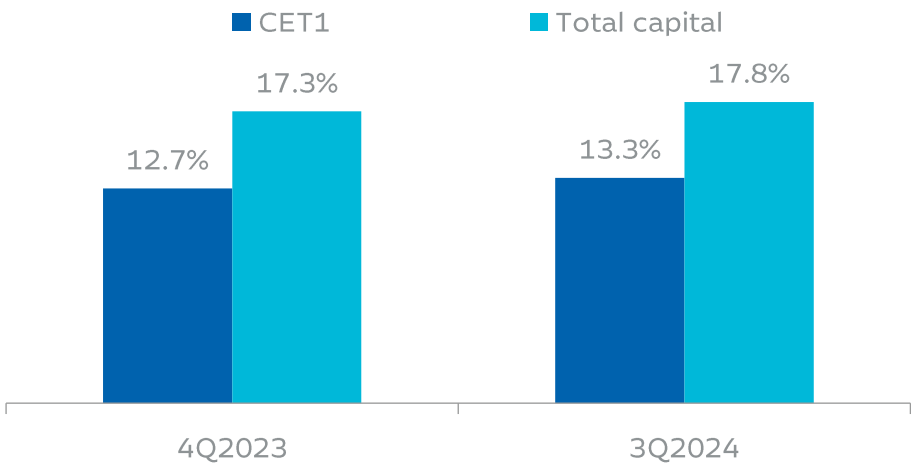
ALCO portfolio[1] decreases by 7.7% in the year to €10,390m.

- **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[2].

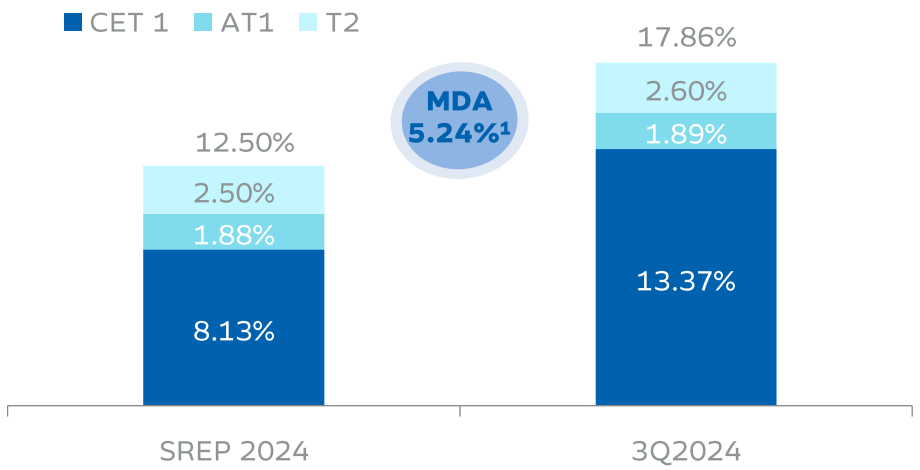
[1] Excludes insurance activity
[2] Includes interest rates swaps

Solvency

Solvency ratios – Fully loaded



Capital Total Phased-In vs. SREP



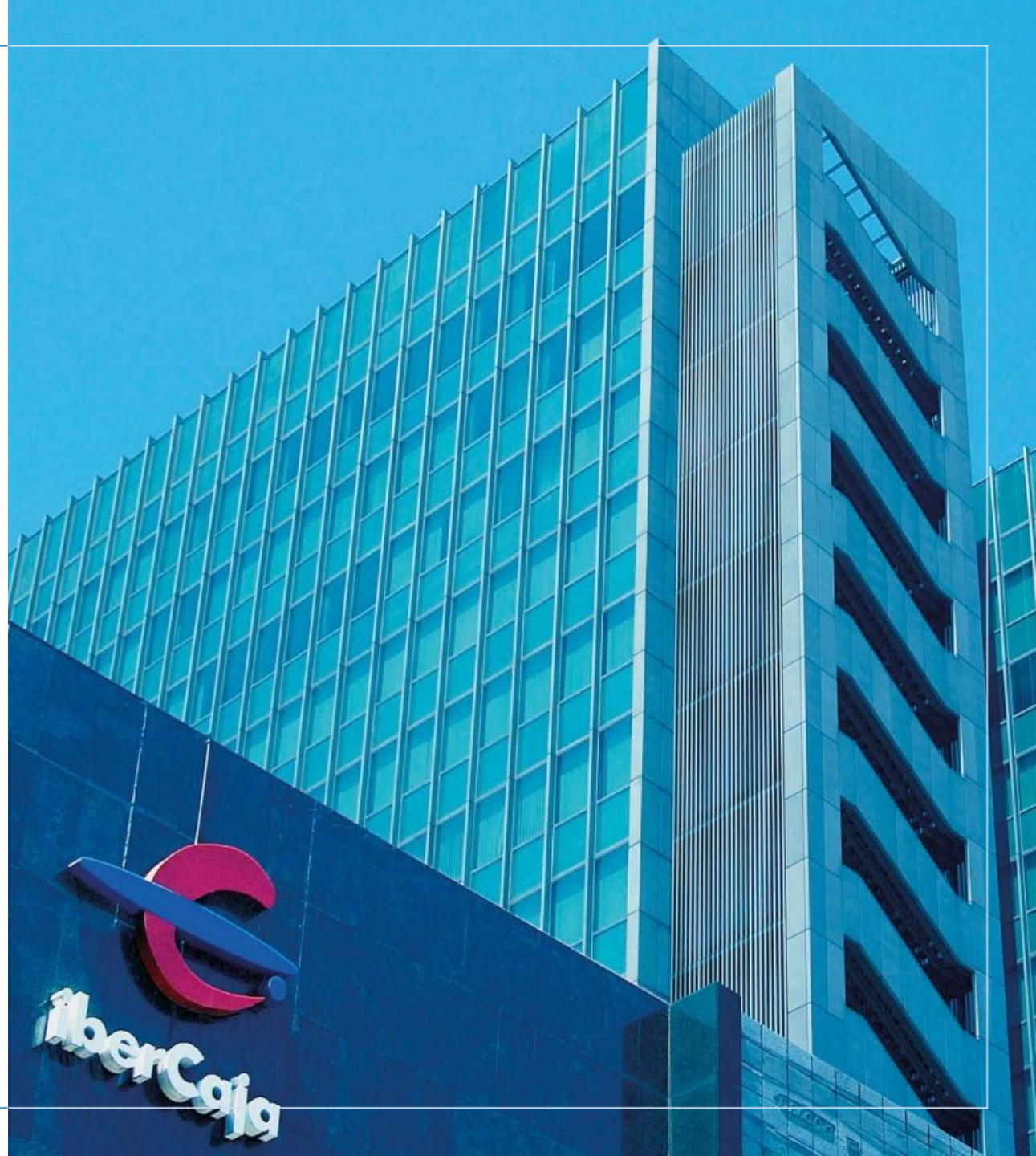
Strong profitability levels and a payout ratio of 40% boost solvency ratios in the period.

- **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.**

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

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.



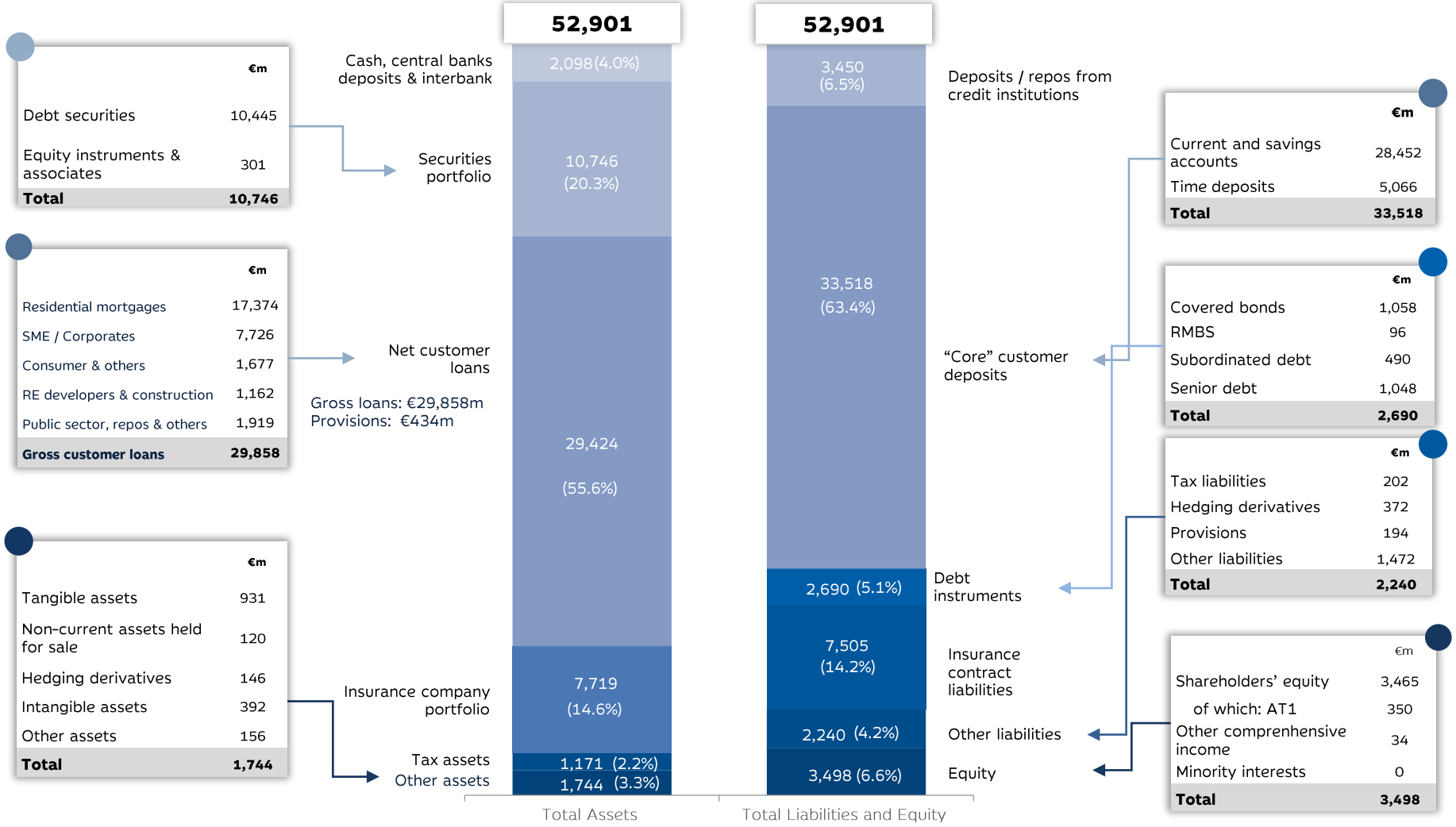
- **New functionalities related to accessibility have been incorporated in Ibercaja ATMs** that will provide more autonomy to people with visual impairment or difficulties in reading screens.

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

iberCaja


iberCaja
EL BANCO
DEL
vamos