Ibercaja Banco, S.A.
and subsidiaries
(Ibercaja Banco Group)

Consolidated financial statements at 31 December 2024
and consolidated directors' report for 2024

Audit Report on Financial Statements
issued by an Independent Auditor

IBERCAJA BANCO, S.A. AND SUBSIDIARIES
Consolidated Financial Statements and
Consolidated Management Report
for the year ended
December 31, 2024

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AUDIT REPORT ON CONSOLIDATED FINANCIAL STATEMENTS ISSUED BY AN INDEPENDENT AUDITOR

Translation of a report and financial statements originally issued in Spanish. In the event of discrepancy, the Spanish-language version prevails

To the shareholders of IBERCAJA BANCO, S.A.:

Audit report on the consolidated financial statements

Opinion

We have audited the consolidated financial statements of Ibercaja Banco, S.A. (the parent) and its subsidiaries (the Group), which comprise the consolidated balance sheet at December 31, 2024, the consolidated income statement, the consolidated statement of other comprehensive income, the consolidated statement of changes in equity, the consolidated cash flow statement, and the notes thereto, for the year then ended.

In our opinion, the accompanying consolidated financial statements give a true and fair view, in all material respects, of consolidated equity and the consolidated financial position of the Group at December 31, 2024, and of its financial performance and its consolidated cash flows, for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union (IFRS-EU), and other provisions in the regulatory framework applicable in Spain.

Basis for opinion

We conducted our audit in accordance with prevailing audit regulations in Spain. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

We are independent of the Group in accordance with the ethical requirements, including those related to independence, that are relevant to our audit of the consolidated financial statements in Spain as required by prevailing audit regulations. In this regard, we have not provided non-audit services nor have any situations or circumstances arisen that might have compromised our mandatory independence in a manner prohibited by the aforementioned requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our audit opinion thereon, and we do not provide a separate opinion on these matters.

Estimate of impairment losses due to credit risk of the loans and advances portfolio at amortized cost

Description	The Group's portfolio of loans and advances to customers at amortized cost presented a balance of Euros 29,748 million at December 31, 2024, net of valuation adjustments. Valuation adjustments included Euros 414 million of provisions for impairment losses due to credit risk, as disclosed in note 11.4 to the accompanying consolidated financial statements. Estimating provisions for impairment on the portfolio of loans and advances to customers at amortized cost is important and complex. It considers a number of variables, such as classification of the financial assets, the use of measurement methods and models, and the estimate of assumptions used in the calculation, such provisions are calculated on both an individual and collective basis and it requires high degree of judgment by management according to the principles and policies applied by the Group, as described in note 2.3 to the accompanying consolidated financial statements. The methodology used for the individual estimates primarily entails identifying and classifying impaired exposures or those in which there has been a significant increase in risk since their approval, examining forecasts of the debtors' future cash flows or, where appropriate, the estimates of the realizable value of the related guarantees. Meanwhile, collective estimates of impairment losses are performed by means of internal models that use large databases, different macroeconomic scenarios, and present, past, and future information. Estimating impairment losses is a highly automated and complex process that relies on segmentation criteria for exposures and the use of judgement in determining exposure at default (EAD) and the parameters of expected loss: probability of default (PD) and loss given default (LGD). The Group periodically recalibrates and performs contrast test on its internal models and analyzes sensitivity to macroeconomic scenarios with a view to improving their predictive power on the basis of actual past experience. Additionally, as described in note 11.5 of the accompanying consolidated financial statements, given the uncertainty that persists in the current macroeconomic context, the Group maintains certain additional adjustments of a temporary nature that complement the impairment losses resulting from the internal models that have been considered necessary to reflect the particular characteristics of borrowers or portfolios that may not be identified in the general process of collective estimation of impairment losses. As a result, we determined the estimate of impairment loss allowances for credit risk on the portfolio of loans and advances at amortized cost to be a key audit matter.

Our response

Our audit approach in relation to this matter included understanding the processes put in place by management to estimate impairment of loans and advances to customers at amortized cost due to credit risk, the analysis and evaluation of the internal control environment and the relevant controls established in the aforementioned processes, as well as the performance of detailed tests, for which we have involved our credit risk specialists, focusing on the evaluation of the methodology applied by the Group for the calculation of expected losses, the data and assumptions used in the determination of the expected loss parameters, the macroeconomic variables used and the qualitative and quantitative criteria to adjust the collective provisions resulting from the internal models, as well as in the arithmetic correction of the calculations.

Our procedures related to the assessment of the design and implementation of the relevant controls and verification of their operating effectiveness focused primarily on:

- Reviewing the credit risk management framework, including the design and approval of accounting policies, and of the methodologies and models for estimating expected loss.
- Reviewing the criteria for classification of transactions into stages based on credit risk, taking into account the age of the defaults, the conditions of the operation, including refinancing or restructuring, and the monitoring controls or alerts established by the Group, including those of the files of borrowers whose analysis is carried out individually. Reviewing the methods and assumptions used to estimate EAD, PD and LGD and to determine the macroeconomic variables and the integrity, accuracy an updating of the databases used to calculate expected losses.
- Verifying the reliability and coherence of the data sources used and evaluation of the integrity of the data used and the control and management process established on them.
- Reviewing of the governance framework on additional adjustments to impairment losses identified in the general.
- Reviewing of the reports made by the Internal Validation Unit in relation to the recalibration and backtesting of the collective impairment loss estimation models.

Our tests of detail on the estimated impairment losses included the following:

- We assessed the suitability of accounting policies applied by the Group in accordance with the applicable financial reporting framework, as well as the internal credit risk and valuation models for real estate assets (collaterals).
- Carrying out detailed tests on a sample of files whose process of estimating impairment losses is carried out individually to evaluate the correct classification, as well as estimating and recording, where appropriate, the corresponding impairment losses.

- Carrying out selective checks on the completeness, accuracy and updating of the databases used by the Group to determine the classification of exposures (staging) and the estimation of the parameters of expected losses (for example, the age of defaults, existence of forbearance and collateral values) as well as the reasonableness of the hypotheses and assumptions made about the future evolution of the macroeconomic variables. We also performed tests of detail on a sample of transactions to assess the correctness of their classification and segmentation for purposes of estimating impairment.
- Evaluation with the assistance of our credit risk specialists, the approach and methodology used by the Group for collectively estimating impairment losses by analyzing a sample of internal models. We also assessed the operation of the expected loss calculation engine by recalculating impairment losses on a collective basis for a sample of credit portfolios.
- Assessing the need for additional adjustments to the expected losses identified by the internal models, as well as a review of the reasonableness of the assumptions and information used by the Group to estimate such adjustments.

In addition, we assessed whether the disclosures in the notes to the consolidated financial statements were prepared in conformity with the criteria provided in the financial reporting framework applicable to the Group.

Assessment of goodwill recoverability

Description

In note 2.16.1 to the accompanying consolidated financial statements, the Group describes the relevant principles and criteria applied by management to verify whether there is impairment of the goodwill recorded by the Group as at December 31, 2024 amounting to €145 million (see Note 16.1).

This goodwill is associated with a single cash generating unit (CGU) that encompasses the Group's entire business. To estimate the recoverable amount of the CGU, the Group uses business projections that are based on assumptions about the future developments in the economic situation and other key business assumptions (credit trends, delinquency, sources of financing, interest rates or capital requirements), as well as the discount rate and long-term growth rate used to discount expected cash flows. The assessment of the CGU and some of these assumptions are carried out by management's experts.

Given that the assessment impairment of goodwill is a process that requires a high degree of judgment and estimation, especially given the uncertainties related to the economic and geopolitical environment, we determined this to be a key audit matter.

Our response

Our audit procedures, which have been carried out with the collaboration of our valuation experts, included primarily:

- Reviewing the criterion used for defining the Group's CGU to which the goodwill is associated.
- Evaluating methodology used for estimating impairment of goodwill and determining any losses .
- Reviewing the annual valuation report prepared by an external expert, which serves as a basis for Management to carry out its assessment of the impairment of goodwill and evaluate the assumptions used to determine the discount rate and growth in perpetuity.

- Evaluating assumptions used by the Management to construct financial projections (growth rates, interest rate curves, cost of risk, capital requirements, etc.).
- Reviewing the sensitivity analysis carried out by the Management to evaluate the impact of changes in the main variables on the result of the impairment test.

In addition, we assessed whether the disclosures in the notes to the consolidated financial statements were prepared in conformity with the criteria provided in the financial reporting framework applicable to the Group.

Valuation of liabilities for life insurance contracts

Description

The Group's insurance business is carried out through its Ibercaja Vida Compañía de Seguros y Reaseguros S.A. subsidiary, whose products (insurance contracts) are marketed primarily through the Group's bank branches.

The Group recognises the liabilities associated with those contracts in accordance with IFRS 17 "Insurance Contracts". Obligations created by insurance contracts are presented in the consolidated balance sheet under "Liabilities under insurance or reinsurance contracts", which amounted to €7,527 million as at 31 December 2024, of which €7,426 million related to "Liabilities for remaining coverage" (see Note 20).

In Note 2.19 to the accompanying consolidated financial statements, the Group describes the significant principles and policies applied for recognising these liabilities. In the case of "Remaining Coverage Liabilities", the Group values insurance contracts in accordance with measurement models established by the applicable regulations, mainly the general model ("Building Block Approach" or "BBA") or its variant ("Building Block Approach Modified" or "Modified BBA") and the variable fee approach ("VFA"). The applicable model is determined according to the characteristics of the insurance contracts.

These measurement models incorporate management judgment and estimation components when determining the value of insurance contract liabilities for remaining coverage, such as the present value of future cash flows, the determination of the non-financial risk adjustment, and the contractual service margin.

The determination of the present value of future cash flows requires the use of complex actuarial models, as well as assumptions, both financial and non-financial, determined by the Group's Management, such as discount rate, mortality rates, assumptions on redemptions and expenses, expected loss ratios or definition of coverage units. among others. On the other hand, as described in Note 2.19, for "Insurance contracts issued that are liabilities – Liabilities for claims incurred", the value of the liability is determined as the present value of future flows plus an adjustment for non-financial risk.

Therefore, we have determined the measurement of liabilities under insurance contracts for remaining coverage to be key audit matters.

Our response

Our audit procedures, which have been assisted by our actuarial specialists, have consisted, among others, of obtaining an understanding of the process of valuation of insurance contract liabilities, which has included an evaluation of the design, including the controls of the information systems related to the valuation and recording of these liabilities.

In addition, our substantive procedures in relation to the measurement of insurance contract liabilities for remaining coverage as of December 31, 2024 have been:

- Assessing the suitability of the accounting policies adopted by the Group.
- Assessing the completeness and accuracy of the key data used by the Group to estimate the present value of future cash flows.
- Finally, for a sample of products, these detailed procedures entailed:
  - Reviewing the suitability of the actuarial models used to determine and recalculate the present value of the future cash flows.
  - Checking the approach and the reasonableness of the non-financial risk adjustment.
  - Checking the approach and reasonableness of the contractual service margin at initial recognition and the change and amortisation of the contractual service margin during the period based on the coverage unit defined.
  - Checking the suitability of the yield curves used to discount cash flows.

Finally, we assessed whether the accompanying consolidated financial statements contain the disclosures required under the financial reporting framework applicable to the Group.

Assessment of the Group´s ability to recover deferred tax assets

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Description

In accordance with the Group's accounting policies, as explained in note 2.14 to the attached consolidated financial statements, deferred tax assets are only recognized if it is considered likely that sufficient tax gains will be obtained in the future to make them effective. As indicated in note 25,4 to the accompanying consolidated financial statements, at December 31, 2024, the Group maintains deferred tax assets amounting to 1,128 million euros, of which the recovery of 536 million euros is guaranteed through the monetization mechanisms established in Royal Decree Law 14/2013 and Article 130 of the Corporate Tax Law.

Management evaluates the Group's ability to recover deferred tax assets based on estimates of future tax gains, made on the basis of the Group's financial projections and business plans, and considering the applicable tax regulations. Given that the assessment of the Group's ability to recover deferred tax assets is a complex process that requires a high degree of judgment and estimation, we determined this process to be key audit matter.

Our response

We carried out audit procedures, with the involvement of our valuation and tax specialists, to evaluate the assumptions considered by management to estimate the recovery of deferred tax assets, focusing our analysis on the economic and financial assumptions used by the Group to estimate future tax benefits considering the applicable legal regulations. In addition, we carried out a sensitivity analysis of the results and evaluated whether the attached consolidated financial statements contain the disclosures required by the regulatory financial reporting framework applicable to the Group.

Automated financial information systems

Description

The continuity of the Group's business processes is highly dependent on its technological infrastructure.

In this context, it is necessary to assess aspects as the organization and the management framework that allows an adequate management of technological risks that could affect to the Information Systems, and the physical and logical security controls he maintenance, development and exploitation of the systems, databases and applications used in the process of elaboration of financial Information to mitigate the potential risk of fraud or error as a result of changes to applications. Therefore, we have considered these risks associated with the use of information systems as a key issue in our audit.

Our response

In the context of our audit and with, with the collaboration of our information systems specialists, we evaluated the control environment of the Group regarding the operation systems, databases and key applications involved in the preparation of financial information. In this regard, our work consisted primarily testing the general access controls to the systems, changes in the management and development of applications, and security, as well as the application controls established in the key processes for financial reporting.

Other information: consolidated management report

Other information refers exclusively to the 2024 consolidated management report, the preparation of which is the responsibility of the parent company's directors and is not an integral part of the consolidated financial statements.

Our audit opinion on the consolidated financial statements does not cover the consolidated management report. Our responsibility for the consolidated management report, in conformity with prevailing audit regulations in Spain, entails:

a. Checking only that the consolidated non-financial statement and certain information included in the Corporate Governance Report and in the Board Remuneration Report, to which the Audit Law refers, was provided as stipulated by applicable regulations, and if not, disclose this fact.

b. Assessing and reporting on the consistency of the remaining information included in the consolidated management report with the consolidated financial statements, based on the knowledge of the Group obtained during the audit, in addition to evaluating and reporting on whether the content and presentation of this part of the consolidated management report are in conformity with applicable regulations. If, based on the work we have performed, we conclude that there are material misstatements, we are required to disclose this fact.

Based on the work performed, as described above, we have verified that the information referred to in paragraph a) above is provided as stipulated by applicable regulations and that the remaining information contained in the consolidated management report is consistent with that provided in the 2024 consolidated financial statements and its content and presentation are in conformity with applicable regulations.

Responsibilities of the parent company´s directors and the audit committee for the consolidated financial statements

The directors of the parent company are responsible for the preparation of the accompanying consolidated financial statements so that they give a true and fair view of the equity, financial position and results of the Group, in accordance with IFRS-EU, and other provisions in the regulatory framework applicable to the Group in Spain, and for such internal control as they determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors of the parent company are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The audit committee is responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with prevailing audit regulations in Spain will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with prevailing audit regulations in Spain, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure, and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the audit committee of the parent company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit committee of the parent company with a statement that we have complied with relevant ethical requirements, including those related to independence, and to communicate with them all matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the audit committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters.

We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Report on other legal and regulatory requirements

Additional report to the audit committee

The opinion expressed in this audit report is consistent with the additional report we issued to the audit committee on March 6, 2025.

Term of engagement

The ordinary general shareholders' meeting held on April 13, 2023 appointed us as auditors for one year, commencing on January 1, 2024.

Previously, we were appointed by resolution of the Ordinary General Shareholders' Meeting held on November 19, 2019 for a period of 3 years, counted from the fiscal year that began on January 1, 2021.

ERNST & YOUNG, S.L.
(Registered in the Official Register of Auditors under Nº S0530)

(Signed on the original version in Spanish)

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José Carlos Hernández Barrasús
(Registered in the Official Register of Auditors under Nº 17469)

March 6, 2025

IBERCAJA BANCO, S.A.

PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND CONSOLIDATED DIRECTORS' REPORT

At its meeting on 27 February 2025 in Zaragoza, pursuant to the prevailing legislation, the Board of Directors of Ibercaja Banco, S.A. resolved to authorise for issue the 2024 consolidated financial statements, comprising the consolidated balance sheet, the consolidated income statement, the consolidated statement of other comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows, the notes to the consolidated financial statements (Notes 1 to 45 and Appendices I to IV) and the 2024 consolidated directors' report, which were set forth on official stamped paper and were numbered correlatively. Those documents were approved by means of the Directors' signatures, which appear below.

To the best of our knowledge, the 2024 consolidated financial statements, prepared in accordance with the applicable accounting principles, present fairly the equity, financial position, results and cash flows of the Company and subsidiaries forming the Ibercaja Banco Group. The 2024 consolidated directors' report presents fairly the performance, results and position of the Company and subsidiaries forming the Ibercaja Banco Group, together with a description of the main risks and uncertainties facing them.

SIGNATORIES:

FRANCISCO SERRANO GILL DE ALBORNOZ
Spanish ID: 18.427.047-E
Chair

JESÚS BARREIRO SANZ
Spanish ID: 17.846.451-S
Non-Director Secretary

VÍCTOR IGLESIAS RUIZ
Spanish ID: 25.143.242-X
CEO

JOSÉ MIGUEL ECHARRI PORTA
Spanish ID: 72.635.556-S
Full member

VICENTE CÓNDOR LÓPEZ
Spanish ID: 17.187.842-B
Full member

MARÍA NATIVIDAD BLASCO DE LAS HERAS
Spanish ID: 25.432.469-N
Full member

FÉLIX LONGÁS LAFUENTE
Spanish ID: 17.140.782-D
Full member

MARÍA LUISA GARCÍA BLANCO
Spanish ID: 30.523.732-H
Full member

JESÚS TEJEL GIMÉNEZ
Spanish ID: 17.144.682-E
Full member

ENRIQUE ARRUFAT GUERRA
Spanish ID: 17.852.947-W
Full member

MARÍA PILAR SEGURA BAS
Spanish ID: 17.856.825-Q
Full member

MARÍA LÓPEZ VALDÉS
Spanish ID: 18.048.816-A
Full member

Ibercaja Banco, S.A.
and subsidiaries
(Ibercaja Banco Group)

Consolidated financial statements at
31 December 2024

IBERCAJA BANCO, S.A. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS AT 31 DECEMBER 2024 AND 2023
(Thousands of euros)

ASSETS	Note	2024	2023 (*)
Cash on hand, cash balances at central banks and other demand deposits	**6**	**2,044,522**	**1,999,017**
Financial assets held for trading	**7**	**19,499**	**24,884**
Derivatives		19,499	24,884
Debt securities		-	-
Memorandum item: loaned or delivered as collateral with the right to sell or pledge		-	-
Non-trading financial assets mandatorily measured at fair value through profit or loss	**8**	**1,442,131**	**1,485,994**
Equity instruments		1,441,158	1,484,702
Debt securities		-	-
Loans and advances		973	1,292
Customers		*973*	*1,292*
Memorandum item: loaned or delivered as collateral with the right to sell or pledge		-	-
Financial assets designated at fair value through profit or loss	**9**	**436,971**	**444,475**
Debt securities		436,971	444,475
Memorandum item: loaned or delivered as collateral with the right to sell or pledge		-	-
Financial assets at fair value through other comprehensive income	**10**	**4,546,079**	**4,729,521**
Equity instruments		229,509	238,388
Debt securities		4,316,570	4,491,133
Memorandum item: loaned or delivered as collateral with the right to sell or pledge		-	-
Financial assets at amortised cost	**11**	**41,646,758**	**42,692,570**
Debt securities		11,631,013	12,558,457
Loans and advances		30,015,745	30,134,113
Credit institutions		*267,385*	*790,740*
Customers		*29,748,360*	*29,343,373*
Memorandum item: loaned or delivered as collateral with the right to sell or pledge		-	-
Derivatives – hedge accounting	**12.1**	**164,610**	**154,553**
Fair value changes of the hedged items in a portfolio with interest rate risk hedging		-	-
Investments in joint ventures and associates	**13**	**79,400**	**80,223**
Joint ventures		32,527	31,557
Associates		46,873	48,666
Assets under insurance or reinsurance contracts	**14**	**1,053**	**804**
Tangible assets	**15**	**949,210**	**977,792**
Property, plant and equipment		768,678	783,936
For own use		*616,961*	*642,607*
Assigned under operating lease		*151,717*	*141,329*
Investment property		180,532	193,856
Of which: assigned under operating lease		*88,776*	*88,972*
Memorandum item: acquired under finance lease		-	-
Intangible assets	**16**	**427,350**	**366,407**
Goodwill		144,934	144,934
Other intangible assets		282,416	221,473
Tax assets	**25**	**1,135,710**	**1,276,474**
Current tax assets		7,804	10,147
Deferred tax assets		1,127,906	1,266,327
Other assets	**17**	**140,020**	**140,016**
Inventories		62,225	64,186
Rest of other assets		77,795	75,830
Non-current assets and disposal groups classified as held for sale	**18**	**107,335**	**143,750**
TOTAL ASSETS		**53,140,648**	**54,516,480**

(*) Presented for comparison purposes only (Note 1.4).

The accompanying Notes 1 to 45 and the Appendices are an integral part of the consolidated balance sheet at 31 December 2024.

IBERCAJA BANCO, S.A. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS AT 31 DECEMBER 2024 AND 2023
(Thousands of euros)

LIABILITIES	Note	2024	2023 (*)
Financial liabilities held for trading	**7**	**147,733**	**145,070**
Derivatives		147,733	145,070
Financial liabilities at fair value through profit or loss		-	-
Memorandum item: subordinated liabilities		-	-
Financial liabilities at amortised cost	**19**	**41,041,470**	**42,399,639**
Deposits		38,302,200	39,619,294
Central banks		-	-
Credit institutions		*757,894*	*4,402,017*
Customers		*37,544,306*	*35,217,277*
Debt securities issued		1,631,592	1,684,814
Other financial liabilities		1,107,678	1,095,531
Memorandum item: subordinated liabilities		*497,968*	*479,715*
Derivatives – hedge accounting	**12.1**	**350,619**	**537,768**
Fair value changes of the hedged items in a portfolio with interest rate risk hedging	**12.2**	**(35,780)**	**(79,093)**
Liabilities under insurance or reinsurance contracts	**20**	**7,526,611**	**7,576,470**
Provisions	**21**	**218,931**	**197,245**
Pensions and other post-employment defined benefit obligations		63,199	62,891
Other long-term employee remuneration		5,616	4,376
Lawsuits and litigation for outstanding taxes		12,982	12,937
Commitments and guarantees given		21,040	20,354
Other provisions		116,094	96,687
Tax liabilities	**25**	**196,179**	**197,564**
Current tax liabilities		574	526
Deferred tax liabilities		195,605	197,038
Other liabilities	**22**	**188,662**	**224,358**
Liabilities within disposal groups classified as held for sale		-	-
TOTAL LIABILITIES		**49,634,425**	**51,199,021**

(*) Presented for comparison purposes only (Note 1.4).

The accompanying Notes 1 to 45 and the Appendices are an integral part of the consolidated balance sheet at 31 December 2024.

IBERCAJA BANCO, S.A. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS AT 31 DECEMBER 2024 AND 2023
(Thousands of euros)

EQUITY	Note	2024	2023 (*)
Shareholders' equity	**23**	**3,511,366**	**3,302,298**
Capital		214,428	214,428
Paid-in capital		*214,428*	*214,428*
Called-up capital		-	-
Memorandum item: uncalled capital		-	-
Share premium		-	-
Equity instruments issued other than capital		350,000	350,000
Equity component of compound financial instruments		-	-
Other equity instruments issued		*350,000*	*350,000*
Other equity items		-	-
Retained earnings		867,905	742,305
Revaluation reserves		1,971	3,272
Other reserves		1,841,151	1,856,144
Accumulated reserves or losses on investments in jointly-controlled entities and associates		*(29,684)*	*(37,359)*
Other		*1,870,835*	*1,893,503*
(Treasury shares)		-	-
Profit attributable to owners of the parent		336,832	304,396
(Interim dividends)		(100,921)	(168,247)
Accumulated other comprehensive income		**(5,143)**	**14,959**
Items that will not be reclassified to profit or loss		44,832	48,739
Actuarial gains/(losses) on defined benefit pension plans	24.1	*2,643*	*5,101*
Non-current assets and disposal groups classified as held for sale		-	-
Share in other income and expense recognised in joint ventures and associates		-	-
Changes in the fair value of equity instruments measured at fair value changes through other comprehensive income	24.3	*42,189*	*43,638*
Ineffectiveness of fair value hedges of equity instruments measured at fair value through other comprehensive income		-	-
Changes in the fair value of equity instruments measured at fair value through other comprehensive income (hedged item)		-	-
Changes in the fair value of equity instruments measured at fair value through other comprehensive income (hedging instrument)		-	-
Changes in the fair value of financial liabilities at fair value through profit or loss attributable to changes in credit risk		-	-
Items that may be reclassified to profit or loss		(49,975)	(33,780)
Hedges of net investment in foreign operations (effective portion)		-	-
Foreign currency translation		-	-
Hedging derivatives. Cash flow hedge reserve (effective portion)	24.2	*11,954*	*7,469*
Changes in the fair value of debt instruments measured at fair value through other comprehensive income	24.3	*(61,928)*	*(41,248)*
Hedging instruments (undesignated items)			
Non-current assets and disposal groups classified as held for sale		-	-
Share in other income and expense recognised at joint ventures and associates		*(1)*	*(1)*
Non-controlling interests	**23.2**	**-**	***202***
Accumulated other comprehensive income		-	-
Other items		-	*202*
TOTAL EQUITY		**3,506,223**	**3,317,459**
TOTAL EQUITY AND LIABILITIES		**53,140,648**	**54,516,480**
Memorandum item: off-balance sheet exposures			
Loan commitments given	**27.3**	**3,550,340**	**3,347,542**
Financial guarantees granted	**27.1**	**113,897**	**107,269**
Other commitments given		**887,179**	**790,638**

(*) Presented for comparison purposes only (Note 1.4).

The accompanying Notes 1 to 45 and the Appendices are an integral part of the consolidated balance sheet at 31 December 2024.

IBERCAJA BANCO, S.A. AND SUBSIDIARIES

CONSOLIDATED INCOME STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2024 AND 2023
(Thousands of euros)

	Note	2024	2023 (*)
Interest income	**28**	**1,400,925**	**1,180,490**
Financial assets at fair value through other comprehensive income		108,900	96,148
Financial assets at amortised cost		1,256,256	1,055,055
Other		35,999	28,970
(Interest costs)	**29**	**724,038**	**519,772**
(Expenses on share capital repayable on demand)		**-**	**-**
INTEREST MARGIN		**676,887**	**660,718**
Income from dividends	**30**	**8,446**	**12,679**
Share of profit/(loss) of equity-accounted entities	**31**	**(2,836)**	**(5,673)**
Fee and commission income	**32**	**501,174**	**470,285**
(Fee and commission expenses)	**33**	**19,077**	**19,502**
Gains/(losses) on derecognition of financial assets and liabilities not measured at fair value through profit or loss, net	**34**	**(4,452)**	**1,297**
Financial assets at amortised cost		(8,812)	(1,040)
Other financial assets and liabilities		4,360	2,337
Gains/(losses) on financial assets and liabilities held for trading, net	**34**	**6,671**	**7,407**
Reclassification of financial assets from fair value through other comprehensive income		-	-
Reclassification of financial assets from amortised cost		-	-
Other gains or (-) losses		6,671	7,407
Gains/(losses) on non-trading financial assets valued mandatorily at fair value through profit or loss, net	**34**	**120,773**	**117,166**
Reclassification of financial assets from fair value through other comprehensive income		-	-
Reclassification of financial assets from amortised cost		-	-
Other gains or (-) losses		120,773	117,166
Gains/(losses) on financial assets and liabilities designated at fair value through profit or loss, net	**34**	**(134,667)**	**(132,156)**
Gains/(losses) from hedge accounting, net	**34**	**1,504**	**(1,677)**
Net exchange differences	**35**	**(465)**	**(895)**
Other operating income	**36**	**72,147**	**43,260**
(Other operating expenses)	**37**	**64,785**	**112,755**
Income from assets under insurance or reinsurance contracts	**20**	**189,908**	**195,721**
(Liability expenses covered by insurance or reinsurance contracts)	**20**	**47,427**	**49,411**
GROSS INCOME		**1,303,801**	**1,186,186**
(Administration expenses)		**559,527**	**540,480**
(Staff expenses)	38	382,806	371,992
(Other administration expenses)	39	176,721	168,488
(Amortisation and depreciation)	**15 and 16**	**91,251**	**81,671**
(Provisions or (-) reversal of provisions)	**21**	**50,301**	**28,730**
(Impairment or (-) reversal of impairment on financial assets not measured fair value through profit or loss or (-) net gain on change)		**65,596**	**93,819**
(Financial assets at fair value through other comprehensive income)	10	442	1,054
(Financial assets at amortised cost)	11.5	65,154	92,765
(Impairment or (-) reversal of impairment on investments in joint businesses or associates)	**13**	**(1,777)**	**3,327**
(Impairment or (-) reversal of impairment on non-financial assets)	**40**	**13,918**	**14,695**
(Tangible assets)		3,330	13,010
(Intangible assets)		4,551	307
(Other)		6,037	1,378
Gains/(losses) on derecognition of non-financial assets, net	**41**	**(743)**	**(303)**
Negative goodwill recognised in profit or loss		**-**	**-**
Gains (losses) on non-current assets and disposal groups of items classified as held for sale not qualifying as discontinued operations	**42**	**(15,814)**	**(32,060)**
PROFIT/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS		**508,428**	**391,379**
(Expense or (-) income from taxes on income from continuing operations)	**25**	**171,596**	**87,003**
PROFIT/(LOSS) AFTER TAX FROM CONTINUING OPERATIONS		**336,832**	**304,376**
Profit/(loss) after tax from discontinued activities		**-**	**-**
PROFIT/(LOSS) FOR THE YEAR		**336,832**	**304,376**
Attributable to non-controlling interests		-	(20)
Attributable to owners of the parent		336,832	304,396

(*) Presented for comparison purposes only (Note 1.4).

The accompanying Notes 1 to 45 and the Appendices are an integral part of the consolidated income statement for 2024.

IBERCAJA BANCO, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF RECOGNISED INCOME AND EXPENSE FOR THE YEARS ENDED 31 DECEMBER 2024 AND 2023
(Thousands of euros)

	Note	2024	2023 (*)
PROFIT/(LOSS) FOR THE YEAR		**336,832**	**304,376**
OTHER COMPREHENSIVE INCOME	**24**	**(11,599)**	**24,335**
Items that will not be reclassified to profit or loss		**(5,090)**	**10,008**
Actuarial gains/(losses) on defined benefit pension plans		(3,511)	3,197
Non-current assets and disposal groups of items held for sale		-	-
Share in other income and expense recognised in joint ventures and and associates		-	-
Changes in the fair value of equity instruments measured at fair value through other comprehensive income		(3,760)	11,101
Gains/(losses) resulting from hedge accounting of equity instruments at fair value through other comprehensive income, net		-	-
Changes in the fair value of equity instruments measured at fair value through other comprehensive income (hedged item)		-	-
Changes in the fair value of equity instruments measured at fair value through other comprehensive income (hedging instrument)		-	-
Changes in fair value of financial liabilities at fair value through profit or loss attributable to changes in credit risk		-	-
Income tax relating to items not to be reclassified	25.4	2,181	(4,290)
Items that may be reclassified to profit or loss		**(6,509)**	**14,327**
Hedges of net investment in foreign operations (effective portion)		-	-
Valuation gains/(losses) taken to equity		-	-
Transferred to the income statement		-	-
Other reclassifications		-	-
Currency translation		-	-
Valuation gains/(losses) taken to equity		-	-
Transferred to the income statement		-	-
Other reclassifications		-	-
Cash flow hedges (effective portion)		6,407	12,223
Valuation gains/(losses) taken to equity		*6,407*	*12,223*
Transferred to the income statement		-	-
Transferred to initial carrying amount of hedge items		-	-
Other reclassifications		-	-
Hedging instruments (undesignated items)		-	-
Valuation gains/(losses) taken to equity		-	-
Transferred to the income statement		-	-
Other reclassifications		-	-
Debt instruments at fair value through other comprehensive income		(15,705)	8,246
Valuation gains/(losses) taken to equity		*(11,345)*	*10,583*
Transferred to the income statement	34	*(4,360)*	*(2,337)*
Other reclassifications		-	-
Non-current assets and disposal groups of items held for sale		-	-
Valuation gains/(losses) taken to equity		-	-
Transferred to the income statement		-	-
Other reclassifications		-	-
Share in other income and expense recognised in joint ventures and associates		-	(1)
Corporation tax relating to items that may be reclassified to profit or loss	25.4	2,789	(6,141)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**325,233**	**328,711**
Attributable to non-controlling interests		-	(20)
Attributable to owners of the parent		325,233	328,731

(*) Presented for comparison purposes only (Note 1.4).

The accompanying Notes 1 to 45 and the Appendices are an integral part of the consolidated statement of recognised income and expense at 31 December 2024.

IBERCAJA BANCO, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF TOTAL CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2024

(Thousands of euros)

												Non-controlling interests		
	Capital	Share premium	Equity instruments issued other than capital	Other equity items	Retained earnings	Revaluation reserves	Other reserves	(Treasury shares)	Attributable to owners of the parent (Note 4)	(Interim dividends)	Accumulated other comprehensive income (Note 24)	Accumulated other comprehensive income	Other items	Total (Note 23)
I. Closing balance at 31/12/2023	**214,428**	**-**	**350,000**	**-**	**742,305**	**3,272**	**1,856,144**	**-**	**304,396**	**(168,247)**	**14,959**	**-**	**202**	**3,317,459**
Effects of error correction	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Effects of changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-
II. Adjusted opening balance	**214,428**	**-**	**350,000**	**-**	**742,305**	**3,272**	**1,856,144**	**-**	**304,396**	**(168,247)**	**14,959**	**-**	**202**	**3,317,317**
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**336,832**	**-**	**(11,599)**	**-**	**-**	**325,233**
Other changes in equity	**-**	**-**	**-**	**-**	**125,600**	**(1,301)**	**(14,993)**	**-**	**(304,396)**	**67,326**	**(8,503)**	**-**	**(202)**	**(136,469)**
Issuance of common shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Issuance of preference shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Issuance of other equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Exercise or maturity of other equity instruments issued	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Conversion of debt into equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital reduction	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends (or other shareholder remuneration) (Note 4)	-	-	-	-	(14,379)	-	-	-	-	(100,921)	-	-	-	(115,300)
Reclassification of financial instruments from equity to liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reclassification of financial instruments from liabilities to equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers between equity components	-	-	-	-	139,979	(1,301)	5,974	-	(304,396)	168,247	(8,503)	-	-	-
Increase/(decrease) in equity due to business combinations	-	-	-	-	-	-	-	-	-	-	-	-	(202)	(202)
Share-based payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other increases/(decreases) in equity	-	-	-	-	-	-	(20,967)	-	-	-	-	-	-	(20,967)
	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. Closing balance at 31/12/2024	**214,428**	**-**	**350,000**	**-**	**867,905**	**1,971**	**1,841,151**	**-**	**336,832**	**(100,921)**	**(5,143)**	**-**	**-**	**3,506,223**

The accompanying Notes 1 to 45 and the Appendices are an integral part of the consolidated statement of total changes in equity at 31 December 2024.

IBERCAJA BANCO, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF TOTAL CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2023 (*)

(Thousands of euros)

	Capital	Share premium	Equity instruments issued other than capital	Other equity items	Retained earnings	Revaluation reserves	Other reserves	(Treasury shares)	Attributable to owners of the parent (Note 4)	(Interim dividends)	Accumulated other comprehensive income (Note 24)	Non-controlling interests: Accumulated other comprehensive income	Non-controlling interests: Other items	Total (Note 23)
I. Closing balance at 31/12/2022	**214,428**	**-**	**350,000**	**-**	**678,673**	**3,280**	**1,940,826**	**-**	**202,120**	**(101,072)**	**(110,312)**	**-**	**-**	**3,177,943**
Effects of error correction	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Effects of changes in accounting policies	-	-	-	-	-	-	(43,810)	-	(20,249)	-	92,111	-	-	28,052
II. Adjusted opening balance	**214,428**	**-**	**350,000**	**-**	**678,673**	**3,280**	**1,897,016**	**-**	**181,871**	**(101,072)**	**(18,201)**	**-**	**-**	**3,205,995**
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**304,396**	**-**	**24,335**	**-**	**(20)**	**328,711**
Other changes in equity	**-**	**-**	**-**	**-**	**63,632**	**(8)**	**(40,872)**	**-**	**(181,871)**	**(67,175)**	**8,825**	**-**	**222**	**(217,247)**
Issuance of common shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Issuance of preference shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Issuance of other equity instruments (Note 23)	-	-	350,000	-	-	-	-	-	-	-	-	-	-	350,000
Exercise or maturity of other equity instruments issued	-	-	(350,000)	-	-	-	-	-	-	-	-	-	-	(350,000)
Conversion of debt into equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital reduction	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends (or other shareholder remuneration) (Note 4)	-	-	-	-	(20,200)	-	-	-	-	(168,247)	-	-	-	(188,447)
Reclassification of financial instruments from equity to liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reclassification of financial instruments from liabilities to equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers between equity components	-	-	-	-	83,832	(8)	(11,850)	-	(181,871)	101,072	8,825	-	-	-
Increase/(decrease) in equity due to business combinations	-	-	-	-	-	-	-	-	-	-	-	-	222	222
Share-based payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other increases/(decreases) in equity	-	-	-	-	-	-	(29,022)	-	-	-	-	-	-	(29,022)
	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. Closing balance at 31/12/2023	**214,428**	**-**	**350,000**	**-**	**742,305**	**3,272**	**1,856,144**	**-**	**304,396**	**(168,247)**	**14,959**	**-**	**202**	**3,317,459**

(*) Presented for comparison purposes only (Note 1.4).

IBERCAJA BANCO, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE THE YEARS ENDED 31 DECEMBER 2024 AND 2023
(Thousands of euros)

	Note	2024	2023 (*)
A) CASH FLOWS FROM OPERATING ACTIVITIES		**360,859**	**832,058**
Profit/(loss) for the year	**23**	**336,832**	**304,376**
Adjustments to obtain cash flows from operating activities		**(668,993)**	**408,502**
Amortisation and depreciation	15 and 16	91,251	81,671
Other adjustments		(760,244)	326,831
Net increase/decrease in operating assets		**2,346,069**	**306,245**
Financial assets held for trading		5,385	293
Non-trading financial assets mandatorily measured at fair value through profit or loss		43,863	61,716
Financial assets designated at fair value through profit or loss		7,504	(11,427)
Financial assets at fair value through other comprehensive income		125,456	(597,640)
Financial assets at amortised cost		2,158,828	805,578
Other operating assets		5,033	47,725
Net increase/(decrease) in operating liabilities		**(1,543,097)**	**(234,610)**
Financial liabilities held for trading		2,663	14,920
Financial liabilities at fair value through profit or loss		-	-
Financial liabilities at amortised cost		(1,353,617)	(1,257,204)
Other operating liabilities		(192,143)	1,007,674
Corporation tax credit/(payments)		**(109,952)**	**47,545**
B) CASH FLOWS FROM INVESTING ACTIVITIES		**(92,356)**	**(107,137)**
Payments		**(212,253)**	**(154,350)**
Tangible assets		(118,761)	(70,728)
Intangible assets		(91,958)	(81,623)
Investments in joint ventures and associates		-	(148)
Subsidiaries and other business units		-	-
Non-current assets and liabilities classified as held for sale		(1,534)	(1,851)
Other payments related to investing activities		-	-
Receipts		**119,897**	**47,213**
Tangible assets		86,976	11,385
Intangible assets		-	-
Investments in joint ventures and associates		37	50
Subsidiaries and other business units		-	-
Non-current assets and liabilities classified as held for sale		32,884	35,778
Other receipts related to investing activities		-	-
C) CASH FLOWS FROM FINANCING ACTIVITIES		**(222,998)**	**(308,127)**
Payments		**(722,998)**	**(1,154,365)**
Dividends	4	(115,300)	(188,447)
Subordinated liabilities		-	-
Redemption of own equity instruments		-	(350,000)
Acquisition of own equity instruments		-	-
Other payments related to financing activities		(607,698)	(615,918)
Receipts	**19.4**	**500,000**	**846,238**
Subordinated liabilities		-	-
Issuance of own equity instruments		-	346,238
Disposal of own equity instruments		-	-
Other receipts related to financing activities		500,000	500,000
D) EFFECT OF EXCHANGE RATE FLUCTUATIONS		**-**	**-**
E) NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C+D)		**45,505**	**416,794**
F) CASH AND CASH EQUIVALENTS AT START OF PERIOD		**1,999,999**	**1,582,223**
G) CASH AND CASH EQUIVALENTS AT END OF PERIOD		**2,044,522**	**1,999,017**
MEMORANDUM ITEMS:			
COMPONENTS OF CASH AND CASH EQUIVALENTS AT END OF PERIOD			
Of which: in the possession of Group companies but not drawable by the Group		-	-
Cash	**6**	263,809	248,060
Cash equivalents at central banks	**6**	1,615,250	1,545,051
Other financial assets	**6**	165,463	205,906
Minus: bank overdrafts repayable on demand		-	-

(*) Presented for comparison purposes only (Note 1.4).

Notes 1 to 45 and the Appendices are an integral part of the consolidated statement of cash flows at 31 December 2024.

Ibercaja Banco, S.A. and subsidiaries

Notes to the consolidated financial statements for the year ended 31 December 2024

Contents

Ibercaja Banco, S.A. and subsidiaries

Notes to the consolidated financial statements for the year ended 31 December 2024

1. Introduction, basis of presentation and other information

1.1 Introduction

Ibercaja Banco, S.A. (hereinafter, Ibercaja Banco, the Bank or the Company), is a credit institution, 88.04% owned by Fundación Bancaria Ibercaja (hereinafter, the Foundation), subject to the rules and regulations issued by the Spanish and European Union economic and monetary authorities.

Ibercaja Banco's registered office is located at Plaza de Basilio Paraíso 2 Zaragoza (Spain), and it is filed at the Zaragoza Companies Registry in volume 3865, book 0, sheet 1, page Z-52186, entry 1. It is also registered in the Bank of Spain Special Register under number 2085. Its corporate website (electronic headquarters) is www.ibercaja.com, on which its Articles of Association and other public information can be viewed. During the 2024 financial year the Bank has not changed its corporate name.

Its corporate purpose extends to all manner of general banking activities, transactions, business, contracts and services permitted under prevailing law and regulations, including the provision of investment and auxiliary services.

In addition to the operations carried out directly, the Bank is the parent of a group of dependent entities that engage in various activities and which, together with it, make up the Ibercaja Banco Group (hereinafter, the "Group" or the Ibercaja Banco Group).

Likewise, the Foundation also prepares consolidated financial statements of the Group of which it is the parent (Ibercaja Group). Its registered office is at Joaquín Costa, nº 13, Zaragoza. At the date of preparation of these consolidated financial statements, the Foundation had not prepared either individual or consolidated financial statements.

Note 45 contains the Bank's balance sheets, income statements, statements of recognised income and expense, statements of total changes in equity and statements of cash flows for the years ended 31 December 2024 and 2023, in accordance with the same accounting policies and measurement bases applied in the Group's consolidated financial statements.

The Ibercaja Banco Group's 2023 consolidated financial statements were approved at the Bank's AGM held on 10 April 2024.

Both the consolidated financial statements and the financial statements of the Parent Company and its subsidiaries for the year ended 31 December 2024 are pending approval, if applicable, by their respective General Shareholders' Meetings. However, the Bank's directors believe that they will be approved without any modifications.

1.2 Basis of presentation of the consolidated financial statements.

These consolidated financial statements were prepared in accordance with the accounting policies, accounting standards and measurement bases applicable under the International Financial Reporting Standards as adopted by the European Union (EU-IFRSs) and considering Bank of Spain Circular 4/2017 of 27 November ("Circular 4/2017"), and subsequent modifications; accordingly, they fairly present the Group's equity and financial condition at 31 December 2024, and the consolidated results of its operations and consolidated cash flows during the year then ended.

The consolidated financial statements of the Group for 2024 have been prepared by the directors of the Company, at a meeting of its Board of Directors held on 27 February 2025, applying the consolidation criteria and the accounting principles and policies and measurement bases described in Note 2, so as to present fairly the consolidated equity and consolidated financial condition of the Group at 31 December 2024 and the consolidated results of its operations and its consolidated cash flows for the year then ended.

These financial statements, unless stated otherwise, are prepared in thousands of euros from the accounting records kept by the Company and by other entities included in the Group. However, given that the accounting policies and valuation standards used by some of the Group companies may differ from those used in preparing the Group's financial statements for 2024, adjustments and reclassifications have been made as necessary in the consolidation process to make said accounting policies and valuation standards consistent with the EU-IFRS used by the Company.

1.3 Estimates made

The consolidated financial statements corresponding to 2024 contained opinions and estimates have been made on certain occasions to quantify the value of certain assets, liabilities, revenues, expenses and obligations recorded therein. These estimates basically relate to:

- Impairment losses on certain financial assets and the estimate of the guarantees associated with them (Notes 2.3, 10 and 11), in particular as regards the changes arising from changes in portfolios as a result of specific business models, the consideration of the “significant increase in credit risk (SICR)” and “default”, and the introduction of forward-looking information,

- The assumptions used in the actuarial calculation of post-employment remuneration liabilities and commitments and other long-term obligations to employees (Notes 2.13, 38.2 and 38.3),

- the measurement of goodwill and other intangible assets (Note 16).

- useful life of tangible and intangible assets (Notes 2.15 and 2.16),

- the valuation of real estate assets (Notes 2.18, 15.2, 17 and 18),

- the probability of occurrence of those events deemed to be contingent liabilities and, where appropriate, the provisions required to cover such events (Notes 2.20 and 21),

- the fair value of certain financial assets (Note 26),

- the income tax expense and the recoverability of deferred tax assets (Notes 2.14, 25.3 and 25.4),

- the valuation of investments in joint ventures and associates (Note 13),

- the determination of returns from investments in joint ventures and associates (Note 13),

- the discount rate used in the valuation of the lease liability (Note 2.10); and

- the methodologies and assumptions used in the valuation of insurance contracts, including determination of the contract's limits, units of coverage, risk adjustment for non-financial risks, discount rates, and the investment component (Note 2.19 and 20).

It should be noted that these estimates are associated with inherent uncertainty, especially in the current macroeconomic and geopolitical context, where the degree of uncertainty for the Bank's operations has risen considerably.

The estimates described above have been made on the basis of the best available information available at 31 December 2024. For this reason, future events may require them to be modified in the coming years, which would occur in accordance with prevailing regulations, prospectively recognising the effects of the change in estimate in the income statements for the years in question.

1.4 Comparative information relating to 2023

Under the regulations in force, the information contained in these consolidated financial statements for 2023 is presented exclusively for the purpose of comparison with the information for 2024, in order to aid understanding.

1.5 Agency agreements

Neither at year-end 2024 and 2023 nor at any time during the two years did the Group have any “agency agreements” in force within the meaning of article 21 of Royal Decree 84/2015, of 13 February.

1.6 Investments in credit institutions

Pursuant to article 28 of Royal Decree 84/2015, neither at 31 December 2024 and 2023 nor at any time during the two years did the Group own direct or indirect equity interests in the capital of Spanish or foreign credit institutions exceeding 5% of the share capital or voting rights of such entities.

1.7 Capital management and requirements

1.7.1 Minimum capital ratios

The Group determines its minimum own funds required in accordance with the regulatory framework in line with Directive 2013/36/EU (CRD) and Regulation (EU) 575/2013 (CRR), and subsequent amendments to both regulations issued by the various supervisors and regulators of the banking system, in order to provide greater stability and resilience to the financial system in the face of potential disruptions or crises.

The minimum requirements for own funds established by the regulations mentioned are calculated based on the Group's exposure to risk concentration and to credit, exchange rate, market and operational risks and risks of financial assets and liabilities held for trading.

The Prudential Relevance Report, published on the Bank's corporate website (under the section "Shareholders and investors - Economic and financial information - Information of Prudential Relevance"), describes the current regulatory framework and, in greater detail, the regulatory capital, risk-weighted assets and minimum capital ratios.

Pursuant to the requirements established in the CRR, credit institutions must comply at all times with a CET 1 ratio of 4.5%, Tier I of 6% and a total capital ratio of 8%. However, under the new regulatory framework, the regulators may request the entities to maintain additional levels of capital.

Accordingly, on 5 December 2024, the Bank published the decision of the European Central Bank (ECB) with respect to the prudent minimum capital requirements for the Bank, on knowing the results of the Supervisory Review and Evaluation Process (SREP). This decision means that Ibercaja Banco must maintain, from 1 January 2025, a Common Equity Tier 1 phased-in (CET1) ratio of 8,069% and a Total Capital phased-in ratio of 12.4%. This total capital requirement includes the minimum demanded for Pillar 1 (4.5% CET 1 and 8% of total capital), the Pillar 2 requirement (1,069% for CET1 and 1.9% for total capital) and the capital conservation buffer (2.5%).

It should be noted that the capital conservation buffer will remain in effect until 1 October 2025, at which time an additional counter-cyclical buffer of 0.5%, as established for exposures in Spain, will be required.

At 31 December 2024, Ibercaja Banco's consolidated ratios, CET1 of 13.38% and total capital of 17.85%, stood at 5.31% and 5.45%, respectively, above the regulatory requirements established for 2025.

	2024	2023
Capital ratios		
Eligible common equity tier 1 (thousands of euros) (a)	*2,555,331*	*2,398,332*
Additional eligible equity tier 1 (thousands of euros) (b)	*355,901*	*350,000*
Eligible equity tier 2 (thousands of euros) (c)	*497,968*	*500,000*
Risks (thousands of euros) (d)	19,098,038	18,609,328
Common equity tier 1 ratio (CET 1) (A)=(a)/(d)	*13.38%*	*12.89%*
Additional tier 1 capital ratio (AT 1) (B)=(b)/(d)	*1.86%*	*1.88%*
Tier 1 capital ratio (Tier 1) (A)+(B)	*15.24%*	*14.77%*
Tier 2 capital ratio (Tier 2) (C)=(c)/(d)	*2.61%*	*2.69%*
Total capital ratio (A)+(B)+(C)	**17.85%**	**17.46%**

Regarding the leverage ratio, understood as an indicator for measuring the solvency of financial institutions from a non-risk-weighted perspective that complements risk-based requirements, it should be noted that, in accordance with the CRR, the Supervisor has set a 3% compliance rate for financial institutions. The Group's ratio is 334 bp above this requirement:

	2024	2023
Leverage		
Tier 1 capital (thousands of euros) (a)	2,911,232	2,748,322
Exposure (thousands of euros) (b)	45,934,426	47,431,422
Leverage ratio (a)/(b)	**6.34%**	**5.79%**

The reconciliation of accounting and eligible shareholders' equity is as follows:

	Thousands of euros	
	2024	2023
Share capital	*214,428*	*214,428*
Equity instruments issued other than capital	*350,000*	*350,000*
Retained earnings	*867,905*	*742,305*
Revaluation reserves	*1,971*	*3,272*
Other reserves	*1,841,151*	*1,856,144*
Profit attributable to the parent	*336,832*	*304,396*
Interim dividends	*(100,921)*	*(168,247)*
Shareholders' equity in public balance sheet	*3,511,366*	*3,302,298*
Accumulated other comprehensive income	(5,143)	14,959
Non-controlling interests	-	202
Equity in public balance sheet	**3,506,223**	**3,317,459**
Intangible assets	*(431,917)*	*(370,977)*
Intangible asset amortisation adjustment	*140,347*	*106,094*
Deferred tax assets	*(236,671)*	*(269,504)*
Adjustments to Common Equity Tier 1 due to prudential filters	*(13,562)*	*(9,193)*
Transitional adjustment for first-time application of IFRS9 9	*8,117*	*23,008*
Proposed distribution of dividends	*(33,812)*	*(14,391)*
Deduction for insufficient coverage of doubtful transactions	*(9,188)*	*(9,765)*
Additional deductions ordinary tier 1 capital	*(24,200)*	*(24,200)*
Equity instruments ineligible as CET1	*(350,000)*	*(350,000)*
Non-controlling interests	*-*	*(202)*
Differences in public equity for prudential purposes	*(6)*	*(7)*
Total adjustments and deductions	**(950,892)**	**(919,137)**
Total common equity tier 1 (CET1)	**2,555,331**	**2,398,322**
Equity instruments eligible as AT1	*355,901*	*350,000*
Other temporary adjustments for additional tier 1 capital	*-*	*-*
Total additional tier 1 capital (AT1)	**355,901**	**350,000**
Total tier 1 capital (T1)	**2,911,232**	**2,748,322**
Subordinated financing and other	497,968	500,000
Total tier 2 capital (T2)	**497,968**	**500,000**
Total eligible shareholders' equity	**3,409,200**	**3,248,322**

Below are the details at 31 December 2024 and 2023 of the consolidable Group's eligible shareholders' equity (phased-in), indicating each of its components and deductions, broken down into common equity tier 1 instruments, additional tier 1 capital instruments and tier 2 capital instruments:

	Thousands of euros	
	2024	**2023**
TOTAL ELIGIBLE SHAREHOLDERS' EQUITY	**3,409,200**	**3,248,322**
Tier 1 capital (T1)	**2,911,232**	**2,748,322**
Common equity tier 1 (CET1)	**2,555,331**	**2,398,322**
Equity instruments disbursed	214,428	214,428
Retained earnings and other reserves	2,709,050	2,598,442
Admissible results	202,099	121,758
Revaluation reserves	1,971	3,272
Non-controlling interests	-	-
Accumulated other comprehensive income	(5,143)	14,959
Adjustments to Common Equity Tier 1 due to prudential filters	(13,562)	(9,193)
Transitional adjustment for first-time application of IFRS9 9	8,117	23,008
Deductions of common equity tier 1 instruments (CET 1)	(561,629)	(568,352)
Deduction for insufficient coverage of doubtful transactions	*(9,188)*	*(9,765)*
Additional deductions ordinary tier 1 capital	*(24,200)*	*(24,200)*
Intangible assets	*(431,917)*	*(370,977)*
Intangible asset amortisation adjustment	*140,347*	*106,094*
Deferred tax assets dependent on future earnings	*(236,671)*	*(269,504)*
Additional tier 1 capital (AT1)	**355,901**	**350,000**
Additional Tier 1 capital instruments	355,901	350,000
Deductions of additional tier 1 capital instruments (AT 1)	-	-
Tier 2 capital (T2)	**497,968**	**500,000**
Subordinated financing, subordinated loans and others	497,968	500,000

1.7.2 Minimum requirement of own funds and eligible liabilities (MREL)

The Group determines its minimum requirement for own funds and eligible liabilities (MREL) in accordance with the regulatory framework in line with Directive 2014/59/EU (BRRD), taking into account Law 11/2015, of June 18, which transposes this Directive into the Spanish legislative framework. Subsequent modifications to both regulations, issued by the different supervisors and regulators, are also considered. Their purpose is to guarantee the continuity of the essential financial and economic functions of financial institutions, avoid significant negative repercussions on financial stability and adequately protect public funds by minimising dependence on extraordinary public financial aid.

The Single Resolution Board (SRB) is responsible for determining the MREL requirement, It establishes an MREL requirement for each institution based on such factors as their size, resolution strategy, risk profile, and potential for contagion to the financial system.

On 20 December 2024, the Bank published the Bank of Spain's communication on the MREL requirement, which the Group must comply with from the date of its communication. The total risk exposure (TREA), requirement will be 18.76%, rising to 21.26% if the current combined capital buffer requirement (CBR) is included. The leverage ratio exposure (LRE) requirement will be 5.23%.

Similarly to the minimum capital requirements, from 1 October 2025 the combined capital buffer requirement will increase by 0.5% to include the counter-cyclical capital buffer for credit exposures in Spain. In any event, the Bank has sufficient margin to absorb the increase in the required threshold.

Given the structure of the Group's own funds and eligible liabilities at 31 December 2024, the MREL ratio in RWAs stands at 23.5%, not including the capital used to cover the CBR (2.50% of RWAs) and 9.76% in terms of leverage ratio, thus complying with the above-mentioned MREL requirements.

These requirements are in line with the Group's funding plan.

1.7.3 *Capital management*

The Group sets a capital objective enabling it to permanently maintain sufficient means regarding prudential minimum requirements and capital guidelines, ensuring an adequate relationship between its risk profile and its own funds. The Bank manages its global risk profile through its Risk Appetite Framework (Note 3.3.), which includes these corporate objectives and early warning thresholds for the most significant indicators, including those related to capital management, in order to achieve effective compliance with the solvency objectives pursued, together with the analysis of the risks assumed.

Additionally, the Group undertakes an internal capital adequacy assessment process (ICAAP) (Note 3.3) to ensure that capital levels are sufficient, even in adverse or stressful situations for the Bank. The ICAAP is designed to complement regulatory capital Pillar 1 by identifying material risks to the Bank.

Using this identification of risk, the Group estimates the capital necessary above the regulatory capital requirement, incorporating internal methodologies tailored to each risk class.

To plan the Group's future capital needs appropriately, capital sources and consumption are forecast on the basis of business performance and expected results over a three-year period, aligned with the Group's Business Plan. Plausible, but unlikely, adverse scenarios are considered in order to verify whether business growth, risk exposure and the income statement could be jeopardised under particularly unfavourable conditions, as well as inverse scenarios, which serve to detect idiosyncratic vulnerabilities that could have a significant impact on solvency if they materialise.

This management and ongoing monitoring of capital allows the Board of Directors, as the Group's highest decision-making body, to assess the solvency position and to decide on a level of own funds consistent with the business strategy and risk profile.

1.7.4 *Information of prudential relevance*

In order to comply with market disclosure requirements, the Board of Directors approved the information of prudential relevance disclosure policy (Basel Pillar 3); consequently, Ibercaja Group will make such information public on its web page prior to the publication and approval of the 2024 consolidated financial statements (Note 1.1).

1.7.5 *Credit ratings granted*

The credit ratings granted to Ibercaja Banco, S.A. in 2024 and 2023 are as follows:

	Date		Short-term		Long term		Outlook	
Company	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
Standard&Poors	April 2024	July 2023	A3	A3	BBB-	BBB-	Positive	Stable
Moody’s	December 2024	December 2023	P2	NP	Baa1	Baa2	Stable	Stable
Fitch Ratings	May 2024	May 2023	F3	F3	BBB	BBB-	Stable	Stable

1.8 Single Resolution Fund and Deposit Insurance Fund

1.8.1 *Single Resolution Fund*

Law 11/2015, of 18 June, together with its regulatory enactment through Royal Decree 1012/2015, led to the transposition into Spanish law of Directive 2014/59/EU, establishing the new framework for the resolution of credit institutions and investment services companies, and regulated the creation of the National Resolution Fund.

As part of the enactment of such regulation, on 1 January 2016, the Single Resolution Fund entered into force, which was established as a financing instrument for the Single Resolution Board, which is the European authority that will take resolution decisions to effectively implement the resolution measures adopted. The Single Resolution Fund will be maintained with the contributions made by investment services companies and credit institutions availing themselves of such Fund.

Under Regulation (EU) 2015/63, the calculation of the contribution of each entity will take into account the proportion that it represents with respect to the total aggregate of total liabilities of all banks included, net of own funds and the guaranteed amount of the deposits, adjusted with the Company's risk profile.

The Single Resolution Board, in its session on 21 February 2024, determined that the single resolution fund had reached the target level of 1% of covered deposits and, therefore, it was not necessary to make any ex-ante contributions in 2024, meaning that the Bank did not incur any expenses for this item in 2024 (€11,421 thousand in 2023; Note 37).

1.8.2 Deposit Guarantee Fund

The Company is a member of the Deposit Guarantee Fund of Credit Institutions.

Royal Decree-Law 2606/1996, of 20 December, amended by Royal Decree 1012/2015, of 6 November, stipulates that the Management Committee of the Deposit Guarantee Fund will calculate the annual contributions of the companies included in the Deposit Guarantee Fund for Credit Institutions.

The Management Committee of the Deposit Insurance Fund for credit institutions, pursuant to Article 6 of Royal Decree-Law 16/2011 and Article 3 of Royal Decree 2606/1996, set the contribution to be made for all institutions adhering to the deposit insurance sub-fund at 1.8 per thousand of the amount of insured deposits at 31 December each year. Each institution's contribution is calculated on the basis of the amount of insured deposits and their risk profile, taking into account indicators such as capital adequacy, asset quality and liquidity, introduced by Bank of Spain Circular 5/2016 of 27 May, as amended by Circular 1/2018 of 31 January. Likewise, the contribution to the securities guarantee compartment was set at 2/1000 of 5% of the guaranteed amount of the securities and other financial instruments at 31 December each year.

The Management Committee of the Deposit Guarantee Fund, at its meeting on 3 April 2024, agreed to eliminate contributions to the DGF's deposit guarantee compartment, maintaining for 2024 only the securities guarantee compartment contributions.

The expense for ordinary contributions accrues in full at year end. Accordingly, at that time, the balance sheet included the liability for the contribution paid in the first quarter of the subsequent year (€352 thousand and €50,983 thousand at 31 December 2024 and 2023, respectively; Note 22).

In 2024, the expense incurred as a result of all the contributions to this body was €358 thousand (€51,258 thousand in 2023; Note 37).

1.9 Minimum reserve ratio

At 31 December 2024, and throughout 2024, the Company complied with the minimums required by the minimum reserve ratio. In compliance with the legal obligations prescribed by the European Central Bank, the daily average of the minimum reserves to be held at 31 December 2024 amounted to €349,010 thousand (€339,039 thousand at 31 December 2023).

1.10 Events after the reporting period

- On 11 February 2025, Ibercaja Banco S.A. ("Ibercaja") agreed to carry out a cash repurchase offer addressed to the holders of the bonds issued by the Bank in the subordinated bonds issue named "€500,000,000 Fixed Rate Reset Subordinated Notes due 23 July 2030", with a first early redemption date of 23 July 2025. Holders of the Bonds were able to send sales offers from the day of the announcement until 18 February 2025.
  In parallel, on 11 February 2025, Ibercaja set the economic terms of an issue of subordinated bonds (Fixed Rate Reset Subordinated Notes) (the "Bonds") for a nominal amount of €500 million, with a redemption date of 18 August 2036, without prejudice to the possibility of early redemption at Ibercaja's option between 18 May 2031 (inclusive) and 18 August 2031 (inclusive). The Bonds will be issued at 99,608% and will bear fixed interest, payable in arrears, of 4,125% per annum until 18 August 2031. Thereafter, interest will be calculated by applying a 1.90% margin to the 5-year Mid-Swap Rate.

  On 19 February 2025, following on from the announcement of the buy-back offer, Ibercaja announced the result of the offer. The Bank accepted the purchase of Obligations for a nominal amount of €445,900,000, with a purchase price of 100.0%.

- The ninth final provision of Law 7/2024, of 20 December, established the Tax on Interest Margin and Commissions (IMIC) for certain financial institutions. This direct progressive tax is levied on the interest and commission margins arising from the business carried out in Spain by credit institutions, financial credit institutions, and branches of foreign credit institutions, obtained, respectively, in the tax periods beginning in 2024, 2025, and 2026. The tax is due on the day following the end of the tax period.

On 25 December 2024, Royal Decree-Law 9/2024, of 23 December, came into force. This modified the accrual of the tax, establishing that it will accrue on the last day of the calendar month following the end of the tax period for institutions that pay tax on that date. On 22 January 2025, the above-mentioned Royal Decree-Law was not ratified by the Spanish Parliament's Congress of Deputies and was therefore repealed as of that date, without cancelling its effects during its validity.

The Group has not recorded any impact arising from the introduction of this tax in its consolidated financial statements.

- On 14 February 2025, Ibercaja Banco, S.A. executed a contract for the sale of a portfolio of written-off credit and non-performing loans, with a nominal value of €133 million and €7 million, respectively, to the company Bulnes Capital S.L. This transaction resulted in an insignificant positive result in the consolidated income statement.

1.11 Changes in accounting estimates and criteria

In 2024, no amendments with a significant impact on the Group were made to the accounting regulations applicable to the Group with respect to those applied in the previous period.

Standards and interpretations that are not effective at 31 December 2024

At the date of authorisation for issue of these consolidated financial statements, new International Financial Reporting Standards and Interpretations had been published which were not mandatory at 31 December 2024. Although, in some cases, the International Accounting Standards Board ("IASB") allows the application of the amendments prior to their effective date, the Group has not applied them early.

A description of the most relevant standards and interpretations for the Group is included:

Standards and Interpretations	Title
Amendment to IFRS 9 and IFRS 7 (*)	Classification and measurement of financial instruments.
IFRS 18 (**)	Presentation and disclosure in financial statements.

(*) Applicable for financial years beginning on or after 1 January 2026.
(**) Applicable for financial years beginning on or after 1 January 2027.

Amendments to IFRS 9 and IFRS 7 - Classification and measurement of financial instruments

The amendments clarify that financial liabilities are written off on the "settlement date". However, they introduce an accounting policy option to write off liabilities settled through an electronic payment system before the settlement date, provided certain conditions are met.
The amendments also clarify, through additional guidelines, the classification of financial assets with ESG (Environment, Social, and Governance) characteristics. Clarifications have also been made concerning non-recourse loans and contractually linked instruments. Finally, new disclosures have been introduced for financial instruments with on-going characteristics and equity instruments classified at fair value through other comprehensive income.

The amendments are effective for years commencing on or after 1 January 2026.

IFRS 18 - Presentation and disclosure in financial statements

IFRS 18 introduces, among other changes, three main new requirements to improve companies' reporting of their financial performance and provide investors with a better basis for analysing and comparing companies:

- It improves the comparability of the financial performance statement by introducing three new categories: operating, investing, and financing; as well as new subtotals: operating income and earnings before financing and income tax.

- It provides greater transparency of management-defined performance metrics by introducing new guidelines and breakdowns.

- It offers guidelines to provide a more useful grouping of information in financial statements.

This standard will be applicable from 1 January 2027.

The Group does not expect any material impact from these changes.

2. Accounting policies and measurement bases

The most significant accounting policies and principles and measurement bases applied in the preparation of these consolidated financial statements are described below. There are no accounting principles or measurement bases that, having a material effect on the 2024 financial year, have not been applied in its preparation.

2.1 Business combinations and consolidation

2.1.1 Subsidiaries

“Subsidiaries” are those companies over which the Bank has the ability to exercise control, which is generally, although not exclusively, expressed by the direct or indirect ownership of over 50% of the voting rights of the investees or, if this percentage is less or nil, by the existence of other circumstances or agreements that grant control. In line with the prevailing standards, control is deemed to be the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Appendices I and II provide significant information on these companies.

The financial statements of the subsidiaries are consolidated using the equity method, as defined by the prevailing standards: Consequently, all balances arising from transactions performed between companies consolidated using this method and which were significant were eliminated on consolidation. Also, the ownership interest of third parties in:

- the Group’s equity was recognised under “Non-controlling interests” in the consolidated balance sheet,

- consolidated profit for the year was posted under “Profit/(loss) attributable to non-controlling interests” in the consolidated income statement.

The results of subsidiaries acquired during the year are consolidated only taking into consideration those relating to the period between the date of acquisition and the close of that year. Alongside this, the results of subsidiaries disposed of during the year are consolidated only taking into consideration those relating to the period between the start of that year and the disposal date.

2.1.2 Joint ventures

“Jointly controlled entities” are deemed to be those companies, although not subsidiaries, with which contractual agreements of joint control exist, whereby decisions on significant activities are taken unanimously by the entities that share control, with entitlement to their net assets.

These entities are accounted for using the “equity method”.

Appendices I and II provide significant information on these companies.

2.1.3 Associates

An “associate” is an enterprise over which the Bank has significant influence, but with which it does not form a decision-making unit nor is it subject to joint control therewith. In general, although not exclusively, this capacity is presumed when a direct or indirect ownership interest is held equal to or exceeding 20% of the voting rights of the investee.

In the consolidated financial statements, associates are accounted for using the “equity method”, as defined by the prevailing standards:

If, as a consequence of the losses incurred, an associate reported negative equity, it would be recognised in the consolidated balance sheet as zero, since the Group is not obliged to provide it with financial support, and a provision for liability would be recognised under “Provisions” on the liability side of the balance sheet.

Appendices I and II provide significant information on these entities.

2.1.4 Structured entities

A structured entity is an entity designed in a manner that its voting and/or similar rights are not a decisive factor when determining control thereover.

When the Group forms or holds ownership interests in entities to transfer risks or to provide access to investments, it analyses whether it has control thereover and, therefore, whether the entities formed should be consolidated, mainly taking into account the following factors:

- Analysis of the Group's influence over the entity's activities that are important with a view to determining said entity's profit.
- Implicit or explicit commitments to provide financial support to the entity.
- Significant exposure of the Group to the variable returns of the entity's assets.

These entities include the so-called “asset securitisation funds” consolidated by the Group when contractual financial aid agreements exist (commonly used on the securitisations market). In the securitisations performed by the Group, the transferred risks cannot be derecognised from the asset side of the balance sheet and the securitisation fund issues are recognised as liabilities on the Group's balance sheet.

The Group does not hold any significant interests in the companies and investment and pension funds managed by the Group itself that would constitute a potential indication of control or meet the criteria for consolidation as defined in IFRS 10 Consolidated Financial Statements. Therefore, these investment vehicles marketed to customers are not consolidated.

Note 27.5 provides details of the Group's structured entities and Appendix III provides details of the percentages held by the Group in the companies and mutual and pension funds managed by the Group.
At 31 December 2024 and 2023 there were no unconsolidated structured entities.

2.1.5 Business combinations

A business combination is the union of two or more entities or independent economic units within a single entity or group of entities in which the acquirer obtains control over the other entities.

At the acquisition date, the acquirer will include the assets, liabilities and contingent liabilities of the acquired company in its financial statements, including the intangible assets not recognised by the latter, initially booking all of them at their fair value.

Any excess of the cost of the ownership interests in the entities over their corresponding carrying amounts acquired, adjusted on the date of the first business combination, are allocated as follows:

- Where they can be allocated to specific assets of the companies acquired, they are recognised by increasing the value of the assets (or reducing the value of the liabilities) whose fair values were higher (lower) than the carrying amounts at which they had been recognised in the acquired entities’ balance sheets and whose accounting treatment is similar to that of the Group’s equivalent assets (liabilities).
- If they are attributable to specific intangible assets, they are explicitly recognised in the consolidated balance sheet provided that their fair value at the date of acquisition can be measured reliably.
- The remaining non-attributable differences are recognised as goodwill, which is allocated to one or more specific cash-generating units.

Negative differences, once their amount has been established, are recognised in the consolidated income statement.

Acquisitions of non-controlling interests, subsequent to the takeover of the entity, are recognised as an addition to the business combination.

In those cases in which the cost of the business combination or the fair values assigned to the identifiable assets, liabilities or contingent liabilities of the acquired entity cannot be definitively determined, the initial recognition of the business combination will be deemed to be provisional. In any case, the process must be completed within a maximum of one year from the acquisition date, effective on that date.

2.2 Financial instruments

2.2.1 Initial recognition of financial instruments

Financial instruments are initially recognised in the consolidated balance sheet when the Group becomes a party to the contract originating them, in accordance with the provisions thereof. Specifically, debt instruments, such as credits and monetary deposits, are recognised from the date on which the legal right to receive or a legal obligation to pay cash, respectively, arises. Financial derivatives are generally recognised on their trading date.

Regular way purchases and sales of financial assets are recognised on the date on which the benefits, risks, rights and duties attaching to all owners are for the purchaser which, depending on the type of financial asset bought or sold, may be the trading date or the settlement or delivery date. In particular, transactions carried out in the spot currency market are recognised on the settlement date, transactions carried out with equity instruments traded on Spanish secondary securities markets are recognised on the trade date and transactions carried out with debt instruments traded on secondary Spanish securities markets are recognised on the settlement date.

2.2.2 Derecognition of financial instruments

A financial asset is derecognised from the consolidated balance sheet when any of the following circumstances occur:

- the contractual rights over the cash flows they generate have expired, or
- the financial asset is transferred, together with substantially all its risks and benefits, or
- the risks and rewards associated with the transferred financial asset are not substantially transferred or retained - this being the case of sales of financial assets with an acquired call or written put option that are not deeply in or out of the money, or securitisations in which the transferor assumes subordinated financing or other credit enhancements for part of the transferred asset and other similar cases - if the transferor does not retain control of the transferred financial asset, it is derecognised and any rights or obligations retained or created as a result of the transfer are recognised.

A financial liability is derecognised from the balance sheet when the related obligation is extinguished or when it is re-purchased by the Group.

2.2.3 Fair value and amortised cost of the financial instruments

The fair value of a financial instrument on a given date is taken to be the amount for which it could be bought or sold on that date by two knowledgeable interested parties in an arm’s length transaction. The most objective and common reference for the fair value of a financial instrument is the price that would be paid for it on an organised, transparent and deep market (“quoted price” or “market price”).

If there is no market price for a given financial instrument, its fair value is estimated on the basis of the price established in recent transactions involving similar instruments and, in the absence of this information, of valuation techniques commonly used by the international financial community, taking into consideration the specific features of the instrument to be measured and, particularly, the various types of risk associated with it.

Specifically, the fair value of the financial derivatives traded in organised, transparent and deep markets, included in the trading portfolios, is similar to their daily quoted price and if, for exceptional reasons, the quoted price at a given date cannot be determined, these financial derivatives are measured using methods similar to those used to measure OTC derivatives.

The fair value of OTC derivatives or derivatives traded in scantly deep or transparent organised markets is taken to be the sum of the future cash flows arising from the instrument, discounted to present value at the date of measurement (“present value” or “theoretical close”) using valuation techniques recognised by the financial markets: “net present value” (NPV), option pricing models, etc.

All investments in equity instruments and contracts relating to such instruments are measured at fair value.

Amortised cost is the amount at which a financial asset or liability is measured at initial recognition, as corrected by principal repayments and by the cumulative amortisation of any difference between that initial amount and the maturity amount of the financial instrument, using the effective interest rate method. In the case of financial assets, amortised cost also includes any impairment loss allowances.

The effective interest rate is the discount rate that matches the gross carrying amount of a financial asset or the carrying amount of a financial liability to estimated cash flows over the expected life of the instrument, based on the contractual terms and disregarding expected credit losses. For fixed-rate financial instruments, the effective interest rate is the contractual interest rate set upon acquisition, adjusted by any fees and transaction costs that in accordance with current legislation form part of the effective yield or cost of the instrument and must therefore be considered in the calculation of the effective interest rate. For financial instruments at variable interest rates, the effective interest rate is estimated in a similar way to the transactions at a fixed interest rate, with the contractual interest rate of the transaction being recalculated on each review date, taking into account the changes to future cash flows from the transaction.

2.2.4 Classification and measurement of financial assets and liabilities

<u>Business model and contractual cash flow characteristics of financial assets</u>

Financial assets are classified into different categories depending on the business model under which they are managed and the contractual characteristics of their cash flows.

"Business model" means the way in which the Group manages its financial assets to generate cash flows, having regard to how groups of financial assets are managed together to achieve a specific objective. So a business model does not depend on the Group's intentions for an individual instrument but is determined for a wider set of instruments.

Specifically, the business models used by the Group consist of holding financial assets to collect their related contractual cash flows, selling such assets, or a combination of both approaches (mixed model):

- Holding financial assets to collect their related contractual cash flows: the Group's objective is to hold financial assets to collect their related contractual cash flows. In accordance with the requirements of the standard, debt instruments managed under this model are rarely or never sold, i.e., sales are merely accessory and subject to restrictions. However, the Group takes the view that sales of financial assets close to maturity and sales prompted by increased credit risk or the need to manage concentration risk are consistent with this business model.

- Sale of financial assets: the Group's objective is to realise financial assets.

- Mixed model: the Group's objective combines collection of contractual cash flows and realisation of financial assets. For financial instruments managed under the mixed model, sales are essential and not accessory; therefore, sales are unrestricted.

Based on the characteristics of its contractual cash flows, a financial asset is initially classified into one of the following categories:

- Financial assets whose contractual terms give rise, on specified dates, to cash flows consisting only of payments of principal and interest on principal outstanding.

- Other financial assets:

For the purposes of this classification, the principal of a financial asset is its fair value at the time of initial recognition. That amount may change over the life of the financial asset: for example, after repayments of principal. Interest is defined as the sum of the consideration for the time value of money, for financing and structural costs, and for the credit risk associated with the principal amount outstanding during a specified period, plus a profit margin.

Although, given the nature of the Group's business, almost none of its debt instruments give rise to cash flows other than payments of principal and interest, the Group monitors compliance with the contractual conditions of its financial assets (solely payments of principal and interest, SPPI test) and classifies such assets accordingly.

The main function of this test is to discriminate which products contained in the "holding of financial assets to receive their contractual cash flows" and "mixed model" business models can be measured at amortised cost and at fair value through other comprehensive income, or, conversely, must be measured at fair value through profit or loss.

The following are the judgements that guide the analysis to determine that the contractual cash flows of a financial instrument are only payments of principal and interest on the amount of principal outstanding:

- Principal: variables such as leverage or transaction currency are taken into account.

- Interest: account is taken of variables such as the time value of money, credit risk, other basic risks and costs such as liquidity risk or administrative costs associated with holding the financial asset and the profit margin.

- Contract terms that change the timing or amount of contractual cash flows.
- De minimis or non-genuine features: instruments that do not pass the SPPI test provided that the impact identified is considered to be insignificant or that the event affecting compliance with the SPPI test is extremely exceptional, highly abnormal and very unlikely to occur.

- Non-recourse assets: instruments with contractual cash flows that are described as principal and interest but that are not solely payments of principal and interest on the outstanding amount of principal.

- Contractually related instruments: situations in which an institution prioritizes payments to holders of multiple contractually related instruments that create credit concentration risk.

Classification and portfolios of financial instruments for presentation and measurement purposes

Financial instruments are mainly classified in the Group's consolidated balance sheet in accordance with the categories listed below:

• **Financial assets at amortised cost**: this category includes financial assets that are managed under a business model that holds assets to collect their contractual cash flows and whose contractual terms give rise to cash flows on specified dates, which are solely principal and interest payments on the outstanding principal amount.

  This portfolio includes financing to third parties from typical credit and lending activities, debt securities satisfying the two conditions set out above, and debts incurred by purchasers of goods and by users of services. Finance leases in which the Group acts as lessor are also included.

  Financial assets included in this category are initially measured at fair value, adjusted by transaction costs directly attributable to the acquisition of the financial asset. Following their acquisition, the assets classified under this category are measured at amortised cost, using the effective interest rate method.

  Income and expenses from financial instruments at amortised cost are recognised on the following basis:

  - Accrued interest is recognised under “Interest income” in the consolidated income statement, using the effective interest rate of the transaction on the gross carrying amount of the transaction (except in the case of non-performing assets, where the rate is applied to the net carrying amount).

  - Other changes in value are recognised as income or expense when the financial instrument is derecognised; when it is reclassified; when there are exchange differences (see Note 2.5.3) and when there are impairment losses or gains due to subsequent recovery.

• **Financial assets at fair value through other comprehensive income**: this category mainly includes debt instruments acquired to manage the Group’s balance sheet, which are managed using a mixed business model whose objective combines collection of contractual cash flows and sales, and whose contractual terms give rise to cash flows on specified dates, which are solely payments of principal and interest on the outstanding principal amount.

  In addition, the Group has opted to include in this portfolio the investments it holds in equity instruments that should not be classified to the portfolio of “Financial assets held for trading” and that, but for the use of this option, would be classified as financial assets mandatorily measured at fair value through profit or loss. This optional treatment is applied instrument by instrument.

  Instruments included in this category are initially measured at fair value, adjusted by transaction costs directly attributable to the acquisition of the financial asset. After acquisition, financial assets included in this category are measured at fair value through other comprehensive income.

  Income and expenses of financial assets at fair value through other comprehensive income are recognised on the following basis:

  - Accrued interest or, where applicable, accrued dividends are recognised in the consolidated income statement.

– Exchange differences are recognised in the income statement in the case of monetary financial assets and in other comprehensive income, net of tax effects, in the case of non-monetary financial assets.

– For debt instruments, impairment losses or gains on subsequent recovery are recognised in the consolidated income statement.

– Other changes in value are recognised, net of tax effects, in other comprehensive income.

When a debt instrument at fair value through other comprehensive income is derecognised, the cumulative gain or loss in other comprehensive income is reclassified to profit or loss for the period. However, when an equity instrument at fair value through other comprehensive income is derecognised, the amount of the gain or loss recognised in other comprehensive income is reclassified not to profit or loss but to an item of reserves.

- **Financial assets and liabilities at fair value through profit or loss:** this category includes the following financial instruments:

– Financial assets and liabilities held for trading: financial assets or liabilities acquired to be sold in the short term or that are part of a portfolio of identified financial instruments managed jointly and for which there is evidence of a recent pattern of short-term profit-taking, together with derivative instruments that do not comply with the definition of a financial guarantee contract and have not been designated as hedging instruments, including those segregated derivatives of hybrid financial instruments pursuant to the regulations in force.

The held-for-trading portfolio also covers short positions arising from sales of assets acquired temporarily under a non-optional reverse repurchase agreement or borrowed securities.

– Financial assets not held for trading mandatorily measured at fair value through profit or loss: financial assets whose contractual terms do not pass the SPPI test, i.e., they do not give rise to cash flows consisting solely of principal and interest payments on the outstanding principal amount, as defined in the previous section.

– Financial assets and liabilities designated at fair value through profit or loss: in order to avoid differences between the measurement criteria for associated assets and liabilities, the Group classifies in this portfolio debt instruments that are managed jointly with insurance contract liabilities (“Unit linked”), measured at their fair value.

A financial asset is classified to the portfolio of financial assets held for trading or the portfolio of non-trading financial assets mandatorily measured at fair value through profit or loss if the Group’s business model for its management or the characteristics of its contractual cash flows do not warrant classification to any of the financial asset portfolios described above.

Financial instruments classified at fair value through profit or loss are initially measured at fair value, and directly attributable transaction costs are recognised immediately in the income statement.

Income and expenses of financial instruments at fair value through profit or loss are recognised on the following basis:

– Changes in fair value are recognised directly in the consolidated income statement, distinguishing, for non-derivative instruments, between the portion attributable to the instrument's accrued income, which is recognised as interest or dividends depending on its nature, and the remainder, which is recorded as gains/losses on financial transactions with a balancing entry under the headings “Gains/losses on financial assets and liabilities held for trading (net)”, “Gains/losses on non-trading financial assets mandatorily measured at fair value through profit or loss (net)” and “Gains/losses on financial assets and liabilities designated at fair value through profit or loss (net)” of the consolidated income statement.

– Accrued interest on debt instruments is calculated using the effective interest method.

In relation to derivative instruments, the Group manages both those classified as “Financial assets and liabilities held for trading” and those classified as hedging derivatives on the basis of their net exposure to their credit risk; accordingly, it estimated their fair value by taking into account such net exposure, as indicated in section 48 of IFRS 13.

- **Financial liabilities at amortised cost:** this category of financial instruments includes those financial liabilities that do not belong to any of the above categories and reflect the typical funding activities of financial institutions.

Financial liabilities included in this category are initially measured at fair value, adjusted by the transaction costs directly attributable to their issue. Subsequently, they are valued at their amortised cost, calculated through the application of the effective interest rate method.

The interest accruing on these securities, calculated using such method, is registered under the “Interest cost” heading in the consolidated income statement.

Despite the foregoing, the financial instruments that must be considered to be non-current assets and disposal groups on sale under prevailing regulations are recognised in the consolidated financial statements in accordance with the criteria set forth in Note 2.18.

<u>Reclassifications between portfolios of financial instruments</u>

Current regulations state that when, and only when, an entity changes its business model for the management of financial assets, it shall reclassify all affected financial assets. In the case of portfolio reclassifications, it should be borne in mind, among other considerations, that:

- The reclassification would be made prospectively from the date of reclassification;

- changes in the business model occur very infrequently; and,

- financial liabilities cannot be reclassified between portfolios.

There have been no reclassifications in the financial asset portfolios in 2024 or 2023.

2.3 Impairment of financial assets

A financial asset or other form of exposure to credit risk is considered to be impaired when there is objective evidence that events have occurred that:

- in the case of debt instruments (loans and advances and debt securities), have an adverse impact on future cash flows as estimated at the time of entering into the transaction.

- in the case of other exposures involving credit risk other than debt instruments, an adverse impact on the future cash flows that would be due in the case of the drawdown of the loan commitment and the cash flows that are expected to be collected if the loan commitment is drawn, or in the case of financial security granted, on the payments that the entity expects to make.

Impairment losses on debt instruments arising in the period are recognised as an expense under “Impairment or reversal of impairment of financial assets not measured at fair value through profit or loss” in the consolidated income statement, and is recorded against an allowance account that reduces the carrying amount of the asset.

Allowances for impairment losses on exposures involving credit risk other than debt instruments are recorded on the liability side of the balance sheet as a provision. Impairment losses arising in the period for these exposures are recognised as an expense in the consolidated income statement.

Subsequent reversals of previously recognised impairment losses are immediately recognised as income in the consolidated income statement for the period.

The calculation of the impairment of financial assets is based on the type of instrument and on other circumstances that may affect them, once the guarantees received have been taken into account. For debt instruments at amortised cost, the Group recognises both allowance accounts, when provisions for bad debts are recognised to cover estimated losses, and direct write-offs against the asset, when it is considered that the likelihood of recovery is remote.

Interest accrual is recognised in the consolidated income statement by applying the effective interest rate to the gross carrying amount of the transaction, in the case of transactions classified as normal risk (stage 1) and normal risk under special watch (stage 2); while such recognition is carried out by applying the effective interest rate at amortised cost, i.e. adjusted for any impairment correction, in the case of transactions classified as non-performing risk (stage 3).

Following are the criteria applied by the Group to determine potential impairment losses in each of the different financial instrument categories, together with the method used to calculate the allowances recognised for such impairment.

Debt instruments and other exposures involving credit risk

Within the framework of EU-IFRS, International Financial Reporting Standard 9, “Financial Instruments”, which sets the criteria for measurement and impairment of financial assets, it is considered important to link credit risk monitoring policies to the accounting recognition of provisions under IFRS.

Credit risk management constitutes a priority for the Group, in order to provide sustainable balanced growth and to guarantee the soundness of the Bank’s financial and equity position at all times and to optimise the return/risk ratio. These principles are followed in the “Loan and discount risk management policy and procedure manual”.

To determine impairment losses, the Group performs an individual monitoring of at least the significant debtors and a collective monitoring of the groups of financial assets with similar credit risk characteristics that are indicative of the debtor's ability to pay all amounts due. When a specific instrument cannot be included in any group of assets with similar risk characteristics, it is exclusively analysed individually to estimate the impairment loss.

The credit risk characteristics considered for grouping instruments are, among others: type of instrument, debtor’s sector of activity, geographical area of activity, type of security, age of past-due amounts and any other factor relevant to the estimation of future cash flows.

The Group has policies, methods and procedures in place to estimate expected losses as a result of credit risk exposures, relating both to insolvency attributable to counterparties and to country risk. These policies, methods and procedures are applied to the arrangement, study and formalisation of debt instruments and off-balance sheet exposure, and to the identification of their possible impairment and, where appropriate, to the calculation of the amounts required to hedge the estimated losses.

The Group has established criteria to identify borrowers and bond issuers displaying significant increases in risk or objective evidence of impairment and classify them on the basis of their credit risk.

The following sections describe the classification principles and methodology used by the Group.

Classification category definitions

Credit exposures are classified according to credit risk as follows:

- Performing (stage 1): a transaction is considered to be at this stage when no significant increase in risk has occurred since its initial recognition. Where appropriate, the impairment loss allowance will reflect the expected credit losses arising from possible default during the 12 months following the reporting date.

- Performing on special watch (stage 2): when the risk has significantly increased from the date on which the transaction was initially recognised, but without leading to impairment, the transaction will be classified to stage 2. Where appropriate, the amount of the impairment loss allowance will reflect the expected losses arising from default during the residual life of the financial instrument.

- Non-performing (stage 3): a transaction will be catalogued as stage 3 when it shows effective signs of impairment as a result of one or more events that have already occurred and will lead to a loss. Where appropriate, the amount of the impairment loss allowance will reflect the expected losses due to credit risk during the expected residual life of the financial instrument.

  – Due to borrower default: transactions with some part of the principal, interest or contractually agreed expenses is past-due, generally speaking, more than 90 days, unless they should be classified as written-off. Guarantees provided shall also be included in this category when the guarantor has defaulted under the guaranteed transaction. Furthermore, the amounts of all transactions of a single holder are included when the transactions with overdue sums, generally speaking, and as mentioned above, are past-due more than 90 days, account for more than 20% of the amounts receivable.

  – For reasons other than borrower default: transactions in which, not classifiable as written-off or non-performing due to default, there are reasonable doubts about their full repayment under the contractual terms; in addition to off-balance-sheet exposures not classified as non-performing due to default, concerning which payment by the Group is likely and recovery is doubtful.

In order to determine the existence of reasonable doubt as to the full repayment of these transactions, the Bank performs an analysis of indicators on transactions that are not overdue by more than 90 days, which may or may not automatically classify the transaction as stage 3.

The indicators analysed for those borrowers whose provisioning is determined on an individual basis, which do not automatically classify the operation as stage 3, are as follows:

- - Negative equity or equity that has significantly decreased in the last financial year.
- Negative EBITDA for two years or a significant decrease in EBITDA for one year.
- Very significant decrease in revenue and in operating income.
- Significant decrease in cash flow generated in the last three years or in the last year.
- Accumulation of defaults with other credit institutions.
- Borrower has defaults equal to or greater than 91 days in less than 20% of exposure, and there are doubts about its total repayment.

The indicators analysed that lead to the automatic classification of the transaction as stage 3 are the following:

- Transaction that ceases to have amounts overdue for 91 or more days but is not classified in Stage 1 as there are other transactions classified in Stage 3.
- Refinancing with a Stage 3 rating as it meets the conditions for reclassification to non-performing.
- The borrower is in uncured insolvency proceedings.
- The transactions of holders that are declared or are known to be in insolvency proceedings without a winding-up petition.
- Transaction claimed judicially or in the process of enforcement of the security interest.

- Write-off: transactions for which, after individual analysis, it is considered that there is no reasonable expectation of full or partial recovery due to a significant or irrecoverable deterioration in the creditworthiness of the transaction or the holder. The entity considers in any case that there is no reasonable expectation of recovery for the following cases:
  - The risks of customers who are declared to be insolvent and for whom it is known that the liquidation phase has been or will be declared, except for those which have effective collateral covering at least 10% of the gross carrying amount of the transaction.
  - Non-performing risks due to borrower default that have been classified as such for more than four years or, before reaching this age when the amount not covered by effective guarantees has been maintained with a credit risk coverage of 100% for more than two years, unless those balances have effective collateral covering at least 10% of the gross carrying amount of the transaction.

In the above circumstances, the Group derecognises any amount recognised along with the provision from the balance sheet, without prejudice to any actions that may be taken to seek collection until the contractual rights to receive sums are extinguished definitively by expiry of the statute-of-limitations period, remission or any other cause.

Transactions purchased or originated with credit impairment

As at 31 December 2024, there were no transactions purchased or originated with credit impairment. In recent years, the Bank has not acquired assets at a significant discount in accordance with the materiality threshold established by Group management.

Transaction classification criteria

The Group applies a range of criteria to classify borrowers, bond issuers and transactions among the different categories, depending on the related credit risk. These include:

- Automatic criteria,

• Specific refinancing criteria, and

• Indicator-based criteria.

Automatic factors and specific refinancing classification criteria constitute the classification and cure criteria against the entirety of the portfolio.

Furthermore, to facilitate advance identification of significantly increased risk or indications of impairment of transactions, the Group has constructed a series of indicators, distinguishing between significant and non-significant borrowers, which encompass all default events and signals depending on the composition of the relevant portfolio. This methodology is based on the Group's experience in Credit Risk, in the composition of its portfolio and loss events identified by the Group; in addition, it proactively seeks to identify potential impairment in advance. Specifically, non-significant borrowers who, having surpassed the automatic classification algorithm, fail to meet any of the conditions to be transferred to either the non-performing or special watch categories, are assessed using indicators; the objective of these indicators is to identify weaknesses that may involve the assumption of greater losses than other similar transactions classified as performing. These indicators are based on the best current estimate of the likelihood of being classified non-performing associated with each transaction.

To assess the significant increase in credit risk, the quantitative measurement indicators used in the ordinary management of credit risk will be taken into account, such as the increased risk of a breach in any of the key indicators for which a threshold has been previously defined which depends on the management practices of each portfolio; for example, non-payments of between 30 and 90 days will be considered, together with increases in the reporting Probability of Default (PD) with respect to the PD at the origination date, based on established thresholds. Other qualitative variables are also considered such as signs of whether an unimpaired transaction is considered to be refinanced, or the consideration of operations included in a special debt sustainability agreement.

The definition of default (accounting arrears) is based on non-payment of more than 90 days, except in the cases mentioned above, although, in accordance with the EBA (4.3.1.89 to - 4.3.1.90), indicators of subjective default (unlikeliness to pay events) have been established as described above.
Operations classified as doubtful are reclassified to performing when, as result of the partial or full collection of outstanding amounts in the case of doubtful exposures due to default, or because the cure period has been completed in the case of doubtful exposures for reasons other than default, the reasons that gave rise to the classification of the operation as doubtful no longer apply, unless reasons subsist for maintaining it in this category.

As a result of these procedures, the Group classifies its borrowers in the categories of performing under special watch or non-performing, or maintains them as performing.

<u>Individual classification</u>

The Group has established an exposure threshold for considering borrowers as significant, based on EAD (exposure at default) levels.

On the basis of credit risk management and monitoring criteria, the Group has identified the following as individually significant borrowers:

• Borrowers/issuers with EAD (exposure at default) in excess of €3 million.

• Borrowers classified as doubtful for reasons other than default due to non-automatic factors (manually identified default).

• Borrowers without appreciable risk classified as doubtful for accounting purposes, irrespective of EAD.

For significant borrowers assessed through individual analyses, a trigger system has been established to identify significant increases in risks or signs of deterioration. The triggers system covers signs of impairment or of weaknesses through the definition of:

• Triggers with different pre-alert thresholds to identify increased risk and signs of impairment.

• Specific triggers that indicate a significant increase in risk.

• Specific triggers that indicate signs of impairment.

A team of expert risk analysts analyses borrowers with activated triggers to conclude on the existence or otherwise of a significant increase of risk or objective evidence of impairment and, in the event that there is evidence of impairment, whether the event(s) causing the loss have any impact on estimated future cash flows from the financial asset or group of financial assets.

The indicator system for significant borrowers is automated and takes into account the specific characteristics of the differentiated behaviour segments in the loan portfolio. The issues to be identified by the indicator system are as follows:

- Significant financial difficulty faced by the issuer or obligor.
- Breach of contract terms, default or delay in interest payments.
- For financial difficulties, the borrower is granted concessions or benefits that would not otherwise be taken into account.
- Probability of borrower insolvency: cases where there is a high probability that the borrower will be declared insolvent or will have to be restructured.

The Group carries out an annual review of the reasonableness of the thresholds and coverage used in the individual analyses, unless the borrower's financial situation changes substantially, making a review of that situation necessary.

According to the specified levels, a volume of borrowers that allows a reasonable coverage of the total credit exposure is above the significance threshold, which requires them to be subjected to an individual expert analysis.

<u>Collective classification</u>

Both for borrowers that exceed the aforementioned materiality threshold and those that do not exceed the materiality threshold, and additionally have not been classified as non-performing or under special watch by the automatic classification algorithm, the Group has constructed a synthetic indicator to identify exposures that display significantly increased risk or weaknesses which could entail losses that are higher than those in other similar transactions classified as performing. In this respect the Group has laid down thresholds that, once exceeded, entail an automatic classification as performing exposure under special watch due to the significant increase in risk or weaknesses.

The methods used to determine whether the credit risk of an instrument has increased significantly since initial recognition must take into account the characteristics of the instrument (or group of instruments) and past default patterns in comparable financial instruments. In order to define the significant increase in risk (SICR) at the Group, qualitative variables and quantitative measurement indicators used in ordinary credit risk management are taken into account. The latter include increases in the probability of default (PD) with respect to the PD at the time of the origin of the operation, based on a series of thresholds.

For debtors assessed in line with a group approximation, thresholds were defined based on the comparison of PD during the expected lifetime of the operation. If insufficient past information of a granular nature is available, thresholds were defined based on the comparison of a current 12 months PD PIT versus a PD PIT involving 12 months of origination for such period. These thresholds were determined in such a way that the NPL rates observed, for a sufficiently long period, are statistically different.

<u>Refinancing and restructuring</u>

Once a transaction has been identified as refinancing, refinanced or restructured, it may only be classified as non-performing or under special watch.

The following refinancing or restructuring operations are classified as doubtful:

- Operations reclassified from doubtful exposures or which are refinanced to avoid their classification as doubtful due to default.
- Operations with a grace period exceeding 24 months.
- Operations with reductions higher than the impairment that would be applicable if they were classified under exposures subject to special watch.

- Transactions based on an unsuitable payment plan - because the plan has been repeatedly breached, because it has been modified to avoid default, or because it is based on expectations that are not properly supported by macroeconomic forecasts.

For a refinancing or restructuring classified as non-performing to be upgraded to “under special watch”, all the criteria that generally determine the classification of transactions outside the category of non-performing risk must be satisfied, and, furthermore:

- It has been concluded, following an exhaustive review of the borrower’s assets and financial position, that it is unlikely the borrower will encounter financial difficulties.

- One year has elapsed from the date of refinancing or restructuring.

- Accrued principal repayments and interest payments must be met, reducing the renegotiated capital. The transaction cannot have overdue amounts.

- The principal and interest due at the time of the refinancing or which were written off as a result thereof must be paid. The presence of contractual terms that delay repayment, such as grace periods, entails that the transaction remains under special watch.

- The borrower must not have any other operations involving amounts overdue by more than 90 days on the date of the potential reclassification.

Refinancing or restructuring operations that do not meet the above conditions for classification as non-performing will be classified as exposures under special watch. They must remain under special watch for a trial period, until the following requirements are met:

- It has been concluded, following an exhaustive review of the borrower’s assets and financial position, that it is unlikely the borrower will encounter financial difficulties.

- A minimum of two years elapse from the formalisation of the operation or from reclassification from doubtful exposures.

- The borrower has paid principal and interest accruing since the date of the refinancing or since the date of reclassification from non-performing exposure.

- The principal and interest due at the time of the refinancing or which were written off as a result thereof must be paid. The presence of contractual terms that delay repayment, such as grace periods, will imply that the operation remains under special watch.

- The borrower must not have any other operations involving amounts overdue by more than 30 days at the end of the trial period.

During the trial period described, a new refinancing or restructuring of the refinanced or restructured operations, or the existence of amounts overdue by more than 30 days, will entail the reclassification of these operations to doubtful exposures for reasons other than default, provided that they were classified as doubtful before the trial period.

Credit risk management policies and procedures applied by the Group guarantee detailed monitoring of borrowers, indicating that provisions need to be recorded when there is evidence of impairment in a borrower's solvency. The Group records any bad-debt provisions that may be necessary in transactions in which the borrower's situation thus requires, before restructuring or refinancing operations are formally approved.

For refinanced operations, the algorithm provides for their initial classification on the basis of their characteristics, mainly the existence of financial difficulties for the borrower and certain contractual terms, such as lengthy grace periods; subsequently, the algorithm changes the initial classification on the basis of the cure periods established.

The Group’s refinancing, restructuring, renewal and renegotiation policies are described in Note 3.5.5.2 to these financial statements.

Determination of provisions

Once the accounting classification of the borrower and of the related transactions has been determined, credit risk allowances are calculated. These allowances can be calculated by individual analysis or collective analysis.

The criteria for selecting portfolios for creating internal models for collective impairment testing follow the principles of materiality and complexity, and provide results that are in line with the real situation of the transactions in the current economic environment.

The Group applies the following policies for calculating credit risk loss provisions.

The amount of impairment loss provisions is calculated on the basis of whether or not there has been a significant increase in credit risk since the initial recognition of the transaction and whether or not an event of default has occurred. Thus, the allowance for impairment losses on transactions is equal to:

- The expected credit losses over twelve months, when the risk of an event of default in the transaction has not increased significantly since initial recognition (stage 1).

- The expected credit losses over the lifetime of the transaction, if the risk of an event of default in the transaction has increased significantly since initial recognition (stage 2).

- The expected credit losses over the lifetime of the transaction, if an event of default has occurred (stage 3).

The Group uses forward-looking information in the calculation of the expected loss, for which it uses scenario projection models.

The application of a range of scenarios to reflect the effect of non-linearity of losses entails estimation of the allowances required in different scenarios, including those that are unlikely but plausible. Specifically, three macroeconomic scenarios have been considered, a central scenario, an adverse scenario and a favourable scenario, which have been defined at Group level, with probabilities of occurrence of 60%, 35% and 5% respectively, taking into account the current uncertainty about the development of the current economy. Timescales of three years are considered to cast these projections and the most relevant variables considered are the performance of GDP, the unemployment rate and housing prices, among others.

– Base case scenario:

  The labour market still offers room for growth, offsetting the limited productivity gains caused by low investment levels in recent years. There is a moderate slowdown in growth due to less expansive demographics.

– Adverse scenario:

  The mismatch between wages and productivity leads to the destruction of jobs, meaning that consumption behaviour is more negative. The public sector's capacity to react remains limited.

– Favourable scenario:

  The pricing power of companies is maintained and allows for the expansion of activity and wages, leading to higher growth and inflation.

The Group estimated the pre-payment rates for a range of different products and segments based on observed historical data. These pre-payment rates are applied to determine the expected loss on the exposures classified in Stage 1 and Stage 2. Also, the repayment table agreed for each transaction is applied.

Further, operations identified as not having appreciable risk (essentially operations with central banks, public administrations and companies, and financial institutions, all belonging to the European Union or certain countries regarded as non-risk, as well as advances to social security pensioners) are given a percentage of 0% (based on an analysis of past such operations and backtesting analysis), except for operations classed as non-performing, in which an individual impairment estimate is carried out. In this estimate, the amount of the provisions required for the credit risk allocable to the debtor and for the relevant country risk are calculated. When it is necessary to provide for both the debtor's credit risk and the country risk, more demanding provisioning criteria are applied.

The Group's exposure metric for provisioning purposes considers currently drawn down balances and the estimate of the amounts that are expected to be disbursed in the event that off-balance-sheet exposures become doubtful, through the application of a Credit Conversion Factor or CCF.

For transactions classified as non-performing, an estimate is made of expected losses, defined as the difference between the current exposure amount and the estimated future cash flows, as described below.

Subsequently, those cash flows are discounted at the current effective interest rate of the financial asset (if the contractual rate is fixed) or at the contractual interest rate effective on the date of discounting (if the contractual rate is variable).
The various Group methodologies are described in the following sections.

Individualised provision estimates

In order to estimate the credit risk provisions due to the insolvency of a financial instrument, the Group makes an individualised estimate of the expected credit losses of those financial instruments that are considered to be material and with sufficient information to make such calculation.

On this point, it should be noted that the Bank estimates collectively the positions classified in Stage 1 of individually significant borrowers (except for borrowers with an exposure of more than €50 million), since on the basis of its historical experience and the hedge monitoring analyses performed, the individualised estimate of the hedges of these borrowers would be considerably lower than that calculated by the collective estimate.

The Group has developed a method for estimating these allowances: calculating the difference between the carrying amount of the asset and the present value of the future cash flows expected to be collected (excluding future credit losses not incurred), discounted at the current effective interest rate of the financial asset. Furthermore, the calculation of the present value of the estimated future cash flows of a collateralised financial asset reflects the cash flows that may result from enforcement of the security, less costs of obtaining and selling the collateral, whether or not enforcement is probable, with application of a haircut to the collateral.

The following methods for calculating the recoverable amount of assets tested individually have been established:

a) Generation of cash flows by the activity itself (going concern): this will be applied for borrowers with respect to which it is estimated that future cash flows can be generated in the course of business, which will allow the repayment of part or all of the debt concerned. In addition, these flows could be supplemented by potential sales of equity assets that are not essential for the generation of said cash flows.

b) Enforcement of guarantees (gone concern): this will be applied for borrowers that are not capable of generating cash flows in the course of their business, the only means of recovering the investment being the foreclosure and liquidation of their assets.

c) Mixed approach: individual analysis of the borrower in which the two previous approaches are combined, enforcing secondary (non-essential) collateral.

The Group uses macroeconomic scenarios in its method for calculating provisions for individually material borrowers via an add-on calculated on the basis of the Group's internal models.

Collective provision estimates

The Group estimates expected credit losses as a group in cases where they are not estimated individually.

The criteria for selecting portfolios for creating internal models involve the principles of significance and complexity, and provide results that are in line with the real situation of the operations in the current economic environment.

The Group has conducted a prior study of the operations used in the collective calculation of provisions. As a result of this study, the Group has chosen the following portfolios to be used in the development of internal methodologies:

- Home purchases,

- Credit cards, and

- Companies.

  The following portfolios are excluded from the utilisation of internal models:

- Consumer,

- Self-employed, and

- Property developers.

For the excluded portfolios, apart from the borrowers that are subject to individual analysis, the Group makes a group calculation of coverage based on the models prepared at sector level by the Bank of Spain on the basis of experience and the information it has on the Spanish banking sector, as well as forecasts of future conditions. In any case, these models are periodically checked retrospectively to ensure the reasonableness of the provision.

When calculating a collective impairment loss, the Group, in accordance with IFRS 9 and taking into account Bank of Spain Circular 4/2017, mainly takes into consideration the following aspects:

- The impairment estimate process takes into account all credit exposures except performing loans with no appreciable risk for which impairment estimation methods are used based on statistical data and models that aggregate the average behaviour across Spanish banking institutions. The Group recognises an impairment loss equal to the best available estimate under internal models, bearing in mind all available relevant information on conditions at the end of the period to which the calculation relates. The Group has identified the following transactions without appreciable risk for the estimation of credit risk allowances:

  – Transactions with central banks.

  – Transactions with the government bodies of European Union countries, including those arising from reverse repurchase loans of debt securities.

  – Transactions with central governments of countries classified in group 1 for country-risk purposes.

  – Transactions in the name of deposit insurance funds and resolution funds, provided that they are comparable in credit quality to those of the European Union.

  – Transactions with credit institutions and credit financial institutions of European Union countries and, in general, of countries classified in Group 1 for country-risk purposes.

  – Transactions with Spanish mutual guarantee companies and with government bodies or government-controlled companies from other countries classified in Group 1 for country-risk purposes whose main activity is credit insurance or guarantee.

  – Transactions with non-financial corporations that qualify as public-sector.

  – Advances on pension benefits and pay packets corresponding to the following month, provided that the paying entity is a government body and the payments are made to the bank on standing orders, and

  – Advances other than loans.

- In order to make a group assessment of impairment, financial assets are grouped according to the similarity in characteristics relating to credit risk (such as type of product, purpose of financing, trade identifier, guarantees, etc.) in order to estimate differentiated risk parameters for each homogeneous group. This segmentation is different according to the estimated risk parameter and allows for a more precise calculation of expected losses by taking into account the different elasticities of the risk parameters to the cycle and maturity. The segmentation takes into account historical loss experience observed for a uniform group of assets (segment), once the present economic situation has been analysed, which is representative of the unreported losses incurred that will take place in that segment. This segmentation distinguishes risk, and is aligned with management and is being used in the Group's internal models, having been applied on various occasions by the internal control units and the supervisor. Finally, it is subjected to backtesting and the regular update and review of estimates to include all available information.

The Group has developed internal models for the collective calculation of impairment losses in which the aggregate amount of a credit risk loss is determined on the basis of the following parameters:

- Probability of impairment (PI): probability of an asset becoming impaired (corresponding to a borrower or uniform borrower group) within a specific time horizon (appropriate to the period for the identification/emergence of impairment).

- Probability of recovery: probability of asset being recovered expressed as a percentage, in the event of the impairment event occurring (determined using the PI parameter).

- Discounting of guarantees: percentage loss in the value of guarantees.

- Exposure at the time of Default: Group's exposure when the borrower impairment materialises (on the basis of which the above-mentioned probability of impairment is determined).

Classification and Provision for credit risk due to country risk

Country risk is considered to be the risk arising in counterparties resident in a specific country due to circumstances other than ordinary commercial risk (sovereign risk, transfer risk or risks arising from international financial activity). The Group classifies transactions with third parties into groups according to the economic performance of the respective countries, their political situation, regulatory and institutional framework, and payment ability and history.

Debt instruments or off-balance-sheet exposures with final obligors resident in countries with persistent difficulties in servicing their debt are considered non-performing assets due to the materialisation of country risk: the possibility of recovery is considered doubtful. The same applies to off-balance-sheet exposures for which the likelihood of recovery is considered remote, unless they are to be classified as write-offs.

Allowances are estimated in two stages: first, we estimate the allowance for insolvency risk and then the additional allowance for country risk.

Provision levels for this risk are not significant in relation to the impairment provisions recognised by the Group.

Guarantees

In-rem and personal guarantees are regarded as efficient when the Group has demonstrated their validity in mitigating credit risk. The analysis of guarantee efficiency takes into account the time required to enforce the guarantees and the Group's capacity and experience in this respect.

Under no circumstances are guarantees whose efficiency depends substantially on the credit quality of the debtor or corporate group to which the debtor belongs regarded as admissible as efficient guarantees.

The Group's collateral valuation criteria are in line with current regulations. Specifically, the Group applies policies for selecting and engaging valuation companies which aim to ensure their independence and the quality of the valuations. All the valuation companies and agencies used are entered in the Special Valuation Companies Register of the Bank of Spain and the valuations are conducted in accordance with the provisions of Order ECO/805/2003 on rules for valuing real estate and certain rights for certain financial purposes.

Real-estate guarantees in loan operations and properties are appraised at the time they are granted or acquired, the latter by purchase, adjudication or dation in payment, and when an asset suffers a significant decline in value. In addition, minimal updating criteria are applied that guarantee an annual frequency in the case of impaired assets (special vigilance, non-performing and repossessed assets or assets received in settlement of debts), or on a three-yearly basis for very large debts performing normally without any symptoms of latent risk. Statistical methods are used to update the appraisals, when the regulations so permit, especially for the above assets when exposure and risk is low.

2.4 Accounting hedges

The Group employs derivative financial instruments as part of its strategy to reduce exposure to interest rate and foreign exchange risks, where the transactions in question fulfil applicable legal requirements.

The Group designates a transaction as a hedge from inception. In the documentation relating to hedge operations, the hedged and hedging instruments are identified adequately along with the nature of the risk to be covered and the criteria or methods followed by the Group to appraise their efficiency over the term of the operation.

The Group only considers hedging operations to be those which are highly efficient throughout their term. A hedge is regarded as being highly efficient if the fluctuations arising in the fair value or in the cash flows attributed to the hedged risk over the duration of the hedge are almost entirely offset by the fluctuations in the fair value or the cash flows, as applicable, of the hedging instruments.

To assess whether a hedge is effective, the Group analyses whether, from inception to the finalisation of the term defined for the operation, it may be expected prospectively that any changes in the fair value or the cash flows of the hedged item that are attributable to the hedged risk are almost entirely offset by changes in the fair value or the cash flows, as applicable, of the hedging instruments and that, retrospectively, the gains or losses on the hedge operation are within a range of 80% to 125% of the gains or losses on the hedged item.

Hedging operations performed by the Group are classified into the following categories:

- Fair value hedges: they hedge the exposure to changes in fair value of financial assets and liabilities or unrecognised firm commitments, or an identified portion of such assets, liabilities or firm commitments, that is attributable to a particular risk, provided that it affects the consolidated statement of profit or loss.

- Cash flow hedges: hedge exposure to variability in cash flows that is attributable to a particular risk associated with a recognised financial asset or liability or with a highly probable forecast transaction and could affect the consolidated statement of profit or loss.

In fair value hedges, the differences in the fair value of both hedging instruments or hedged items, involving hedged type of risk are recognised directly in the consolidated statement of profit or loss.

In cash flow hedges, changes to the fair value arising in the portion of the effective hedge of the hedging instruments are recognised temporarily in “Accumulated other comprehensive income – Items that may be reclassified to profit or loss – Hedging derivatives. Cash flow hedge (effective portion) reserve until the time when the hedged transactions occur. At this moment, the amounts previously recognised in equity are taken to the statement of profit and loss in a symmetrical manner to the hedged cash flows. Gains or losses on the hedging instrument corresponding to the ineffective portion of cash flow hedging operations are recognised directly in the income statement. Financial instruments hedged in this type of hedging transaction are recognised in the manner explained in Note 2.2, without any changes for their consideration as hedged items.

As well as the above hedging operations, the Group carries out fair value hedges of foreign exchange risk for a certain amount of financial assets (or financial liabilities) which form part of the instruments in its portfolio, but not specific instruments, which in accounting terms are usually called macro-hedges.

In fair value macro-hedges, changes to the fair value of hedged items attributable to interest rate risk are recognised directly in the statement of profit and loss, but the balancing entry is recognised in “Assets – Fair value changes of the hedged items in portfolio hedge of interest rate risk” or “Liabilities – Fair value changes of the hedged items in portfolio hedge of interest rate risk” depending on the substance of the hedged item, rather than in the items under which the hedged items are recognised.

The accounting technique known as a macro-hedge requires the periodic assessment of its efficiency and therefore efficiency is verified on a quarterly basis by checking that the net position of assets and liabilities that mature or are repriced in the corresponding time band is higher than or equal to the amount hedged (sum of the hedging instruments in that band). Therefore, inefficiencies arise when the amount hedged is higher than the net asset and liabilities in the same time band, with the fair value of the inefficient portion immediately recognised in the consolidated income statement.

The Group discontinues hedge accounting when the hedging instrument expires or is sold, when the hedge no longer qualifies for hedge accounting or, lastly, when the designation as a hedge is revoked.

Where fair value hedge accounting is interrupted as stated in the preceding paragraph, the value adjustments made for hedge accounting purposes are recognised in the statement of profit or loss until the maturity date of the hedged items, applying the effective interest rate as recalculated on the interruption date of the hedge.

In turn, in the event of an interruption of a cash flow hedge, the cumulative gain or loss recognised in equity remain in equity until the forecast transaction occurs, at which point it is recognised in the statement of profit and loss. However, if it is expected that the transaction will not be carried out, the cumulative gain or loss is recognised immediately in the consolidated statement of profit or loss.

2.5 Foreign currency transactions

2.5.1 Functional currency

Ibercaja Group's presentation and functional currency is the euro. All balances and transactions denominated in currencies other than the euro are therefore foreign currency balances and transactions.

The equivalent value of the main asset and liabilities balances on the consolidated balance sheet recorded in foreign currency breaks down as follows based on the nature of the items making them up and the most significant currencies in which they are denominated:

	Equivalent value in thousand euro			
	2024		2023	
	Assets	Liabilities/ Equity	Assets	Liabilities/ Equity
Breakdown by type of portfolio -	**182,300**	**9,393**	**151,633**	**14,687**
Financial assets/liabilities at fair value with changes in profit or loss or in equity	96,991	-	89,308	-
Financial assets/liabilities at amortised cost	85,309	27,545	62,325	31,266
Other	-	(18,152)	-	(16,579)
Breakdown by type of currency -	**182,300**	**9,393**	**151,633**	**14,687**
US dollar	156,213	3,580	146,701	10,175
Pound sterling	20,343	2,857	2,774	2,711
Swiss franc	603	558	759	698
Japanese yen	638	227	313	154
Canadian dollar	89	5	1	20
Norwegian krone	2,170	-	41	-
Chinese yuan	283	281	193	104
Other	1,961	1,885	851	825

2.5.2 Conversion criteria for foreign currency balances

Transactions in foreign currencies are initially recognised at the equivalent value in euro based on the exchange rates prevailing at the date of the transactions. Monetary balances denominated in foreign currency are subsequently converted to the functional currency at the exchange rate prevailing on the date of issue of the financial information.

Furthermore:

- Non-monetary items valued at historical cost are translated into the functional currency at the exchange rate prevailing on the date of acquisition.

- Non-monetary items stated at fair value are translated into the functional currency at the exchange rate prevailing on the date on which the fair value is determined.

2.5.3 Recognition of exchange rate differences

Exchange differences that arise when translating balances in foreign currency to the entities' functional currency are recorded in general at net value under Differences on exchange (net) on the consolidated income statement, with the exception of exchange differences on financial instruments recognised at fair value through profit or loss, which are recorded on the consolidated income statement under “Gain/(loss) on financial assets and liabilities held for trading, net” and “Gain/(loss) on financial assets and liabilities at fair value through profit or loss, net”, without differentiating them from other fair value fluctuations.

Exchange differences arising on foreign currency equity instruments whose fair value is adjusted against equity are recognised in consolidated equity under "Accumulated other comprehensive income - Items that will not be reclassified to profit or loss - Changes in the fair value of equity instruments measured at fair value through other comprehensive income" in the consolidated balance sheet until they are realised. When an equity instrument at fair value through other comprehensive income is derecognised, the amount of exchange differences arising on these financial instruments is not reclassified to profit or loss, but to an item of reserves alongside the gains or losses recorded in accumulated other comprehensive income from changes in fair value.

2.6 Recognition of income and expenses

The paragraphs below summarise the most significant accounting criteria applied by the Group in recognising income and expense:

2.6.1 Interest income, interest expenses, dividends and similar items

As a general rule, interest income, interest expense and similar items are recognised on a time proportion basis using the effective interest method. Dividends received from other companies are recognised as income when the right to receive them is declared by the consolidated entities. Dividends for which the right to receive payment has been declared prior to initial recognition shall not form part of the carrying amount of the equity instrument and shall not be recognised as income. If the distribution relates to income generated by the issuer prior to the date of initial recognition, the dividends are not recognised as income but as a reduction of the carrying amount of the instrument.

2.6.2 Fees, commissions and similar items

Commission and fee income and expenses which are not included in the calculation of the effective interest rate on transactions and/or which do not form part of the acquisition cost of financial assets or liabilities other than those classified at fair value through profit or loss are recognised on the consolidated income statement using accounting policies that vary according to the nature of the item concerned. The most significant fee and commission items are as follows:

- Those linked to acquisitions of financial assets and liabilities carried at fair value through profit or loss, which are reflected in the statement of profit or loss when payment is made.

- Those arising on transactions or services with a lengthy duration, which are recorded in the consolidated statement of profit or loss over the term of the transaction or service.

- Those relating to a one-off event, which are recorded when the originating event takes place.

2.6.3 Non-financial income and expense

They are recognised for accounting purposes when the goods are delivered or the non-financial service is rendered. To determine the amount and timing of recognition, a five-step model is followed: identify the contract with the customer, identify the separate obligations of the contract, determine the transaction price, allocate the transaction to each identified obligation, and finally recognise revenue as and when obligations are satisfied.

2.6.4 Deferred receipts and payments

Deferred receipts and payment are recognised for accounting purposes at the amount resulting from discounting the expected cash flows to net present value at market rates.

2.6.5 Contributions to the Single Resolution Fund and Deposit Insurance Fund.

In accordance with IFRIC 21 "Levies", recognition of the obligation, which entails recording the amount accrued to date, takes place upon receipt of the payment notification (second quarter for the contribution to the Single Resolution Fund and fourth quarter for the contribution to the Deposit Insurance Fund).

2.7 Offsetting of financial instruments

Asset and liability balances are offset, i.e. reported in the consolidated balance sheet at their net amount, when, and only when, they arise from transactions in which a contractual or legal right of set-off exists and the Company intends to settle them on a net basis, or to realise the asset and settle the liability simultaneously.

2.8 Transfers of financial assets

The accounting treatment of transfers of financial assets depends on the extent to which the risks and rewards associated with the transferred assets are transferred to third parties:

- If the Group transfers substantially all the risks and rewards of transferred assets to third parties, the transferred financial asset is derecognised and any right or obligation retained or created in the transfer is recognised simultaneously.

- If the risks and rewards associated with the financial asset transferred are substantially retained, as in the case of financial asset securitisations in which subordinated financing or another kind of credit improvement is maintained which substantially absorbs the loan losses expected for the securitised assets, the financial asset transferred is not written off the consolidated balance sheet and continues to be measured using the criteria used prior the transfer. Conversely, the following items are recognised and not offset:

  – An associated financial liability in an amount equal to the price received, which is subsequently measured at amortised cost.

  – The income from the financial asset which is transferred but not written off, and the expenses derived from the new financial liability.

Therefore, financial assets are only derecognised from the consolidated balance sheet when the cash flows they generate have been extinguished, when the risks and rewards involved have been substantially transferred to third parties, and when the transferor does not retain control of the transferred financial asset.

Note 27.5 summarises the most significant circumstances of the main asset transfers in effect in the Group at year-end.

2.9 Financial guarantees and provisions made thereon

Financial guarantees are agreements in which the Group undertakes to pay specified sums for the account of a third party in the event that payment is not made by the third party, irrespective of the form of the obligation: collateral, financial guarantee, irrevocable documentary credit issued or guaranteed by the entity, etc.

At the time of initial recognition, the Group accounts for the financial guarantees provided under liabilities in the consolidated balance sheet at fair value, which is generally equal to the present value of the commissions and returns to be received on such contracts over the term of the same with, as the balancing entry under assets on the consolidated balance sheet, the amount of likened commissions and returns collected at inception and accounts receivable at the present value of the commissions and returns pending collection. These amounts are amortised on a straight-line basis over the term of the contracts in the consolidated income statement.

Financial guarantees, whatever the holder or instrumentation, are analysed periodically to determine the credit risk to which they are exposed and, where appropriate, to estimate the need to create a provision for them, which is determined by applying criteria similar to those used to quantify impairment losses on debt instruments, as explained in Note 2.3 above.

Provisions set aside for these operations are recognised under “Provisions – Commitments and guarantees given” on the liability side of the consolidated balance sheet. Additions to and reversals from these provisions are recognised in the consolidated income statement under ““Provisions or reversal of provisions”.

When a provision is required for financial guarantees, the associated commissions pending accrual, carried in the consolidated balance sheet under “Other liabilities”, are reclassified to the relevant provision.

Income from guarantee instruments is recorded under “Fee and commission income” in the consolidated income statement and is calculated by applying the rate established in the underlying contract to the nominal amount of the guarantee (Note 32).

2.10 Accounting of operating leases

The Group should identify at the beginning of the lease whether a contract is a lease or contains a lease component and this conclusion will only be reassessed in the event of a change in the terms and conditions of the contract. According to the criteria of the Standard, a contract is a lease if it gives the customer the right to exercise control over the use of the asset identified in the contract for a period of time in exchange for a consideration.

The Standard provides two exemptions from the recognition of lease assets and liabilities, which may be applied in the case of short-term contracts and those whose underlying asset is of low value, which the Group has decided to use.

<u>Leases in which the bank acts as lessee</u>

The lease term corresponds to the non-cancellable period of a lease, plus the periods covered by the option to extend the lease if it is reasonably certain that the lessee will exercise the option and the periods covered by the option to terminate the lease if it is reasonably certain that the lessee will not exercise the option.

The lease liabilities, which are initially recognised under “Financial liabilities at amortised cost - other financial liabilities” in the balance sheet, include the net present value of the following lease payments:

- fixed payments (including essentially fixed payments), less any lease incentive receivable,
- variable lease payments that depend on an index or rate,
- amounts expected to be paid by the lessee as residual value guarantees,
- the exercise price of a call option if the lessee is reasonably certain that it will exercise that option, and
- lease termination penalty payments, if the term of the lease reflects the lessee's exercise of that option.

Subsequent to their initial recognition, they are measured at amortised cost using the effective interest rate method.

Lease payments are discounted using the interest rate implicit in the lease. The discount rate used was determined by the institution's Capital Strategy and Balance Sheet Unit, which calculated a financing curve that approximates the cost of funding the Group through senior debt.

When the implicit interest rate cannot be readily calculated, use is made of the incremental interest rate, which is defined as the interest rate that a lessee would have to pay for borrowing, for a term similar to the duration of the lease and with similar security, funds necessary to obtain an asset of similar value to the asset by right of use in a similar economic environment.

Each lease payment is allocated between liabilities and finance expense. The interest expense is charged to income over the term of the lease in such a way as to produce a constant periodic interest rate on the remaining balance of the liability for each year. Interest expense on lease liabilities are recognised in the consolidated income statement under “Interest expense - Other liabilities”.

Right-of-use assets are initially measured at cost, which includes the following:

- the amount of the initial valuation of the lease liability,
- any lease payment made on or before the start date less any lease incentive received,
- any initial direct cost and
- restoration costs.

Such assets are measured subsequent to initial recognition at cost corrected by:

- the accumulated depreciation and impairment, and
- any revaluation of the corresponding lease liability.

Depreciation is calculated over the useful life of the asset or the shorter of the two lease terms on a straight-line basis. The annual provisions for depreciation are charged to the income statement under “Depreciation - Tangible assets” and are calculated on the basis of the following average years of the different underlying asset classes comprising the rights of use, as follows:

	Years of estimated useful life
Branch offices	1 to 20
Sale & lease-back	8 to 28
Other	2 to 8

The criteria for impairment of these assets are similar to those used for tangible assets (Note 2.15).

Leases in which the bank acts as lessor

Finance leasing

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of the leased item of an underlying asset.

Whenever consolidated entities act as the lessor of an asset in a finance lease transaction, the sum of the present values of the amounts that will be received from the lessee plus the guaranteed residual value, are recorded as financing provided to third parties and are therefore recognised under “Financial assets at amortised cost” in the consolidated balance sheet, in accordance with the nature of the lessee.

Note 11.4 sets out information on these leases.

Operating lease

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of the leased item of an underlying asset.

When the consolidated entities act as lessors in operating leases, the acquisition cost of the leased assets is presented under “Tangible assets” as “Investment property” or as “Other assets leased out under operating lease”, depending on the substance of the leased assets. These assets are depreciated in accordance with the policies adopted for similar property, plant and equipment for own use and the income from lease contracts is recognised in the consolidated income statement on a straight-line basis under “Other operating income”.

The impacts of these leases are presented in Note 15.2 in the consolidated income statement.

2.11 Assets managed

Third party assets managed by the consolidated companies are not included in the consolidated balance sheet. Fees generated by this activity are recorded under “Fee income” in the consolidated income statement. Note 27.4 provides information on the third-party assets managed at year end.

2.12 Investment funds and pension funds managed by the Group

Investment funds and pension funds managed by consolidated companies are not recognised in the Group’s consolidated balance sheet since the related assets are owned by third parties. Fees and commissions earned on the services rendered to these funds by Group companies (asset management services, portfolio deposits, etc.) are recognised under “Fee income” in the consolidated income statement.

Note 27.4 provides information on the investment funds and pension funds managed by the Group at the year end.

2.13 Personnel expenses

2.13.1 Post-employment benefits

Post-employment remuneration is remuneration paid to employees after the end of their period of employment. All post-employment obligations are classified as defined contribution plans or defined benefit plans, based on the conditions of these obligations.

The Bank’s post-employment commitments with its employees are treated as “Defined contribution plans” when the Bank makes predetermined contributions to a separate entity, on the basis of the agreements reached with each specific group of employees, without any legal or effective obligation to make additional contributions were the separate entity unable to pay benefits to the employees for the services rendered in the current year and in prior years. Post-employment commitments that do not fulfil the above-mentioned conditions are treated as “Defined benefit plans”.

<u>Defined contribution plans</u>

The Group's pension commitments to active employees are arranged through a defined contribution system for retirement and a defined benefit system for death and disability during active employment, the latter being covered by annual insurance policies.

Defined contribution plans are recognised under “Staff costs” in the consolidated income statement. The contributions made by the defined contribution plan promoters amounted to €15,217 thousand in 2024 and €14,046 thousand in 2023 (Note 38).

<u>Defined benefit plans</u>

With respect to defined benefit plans, the Group recognises the present value of post-employment obligations less the fair value of the plan assets, under “Provisions - Pensions and other post-employment defined benefit obligations” and “Provisions - Other long-term employee remuneration” on the liabilities side of the balance sheet. The liabilities for defined benefits are calculated annually by independent actuaries using the projected unit credit method.

“Plan assets” are the assets linked to a certain defined benefit obligation that will be directly used to settle these obligations and that meet the following conditions:

- They are not owned by the Bank, but rather by a legally separate, non-related third party.

- They are available to be used only to pay or fund employee benefits and are not available to Bank's own creditors, even in the event of bankruptcy.

- They cannot be returned to the Bank unless the assets remaining in the scheme are sufficient to meet all obligations of the scheme and of the Bank relating to employee benefits, or unless assets are to be returned to the Bank to reimburse it for employee benefits previously paid.

- They may not be non-transferable financial instruments issued by the Bank.

The present value of the defined benefit obligations with staff is determined by discounting the future cash flows estimated at discount rates for corporate bonds with high credit ratings that are consistent with the currency and estimated terms that the liabilities for post-employment benefits will be settled.

The expected return on plan assets for defined benefit plans and reimbursement rights are determined using the same discount rate as for calculating the present value of the obligations.

Post-employment benefits are recognised as follows:

- In the statement of profit or loss: the cost of services provided by employees, both during the year and in prior years (where not recognised in prior years), net interest on the provision (assets), and the gain or loss arising on settlement.

- In the statement of changes in equity: new measurements of the provision (asset) as a result of actuarial gains or losses, of yields on plan assets that have not been included in net interest on the provision (assets), and changes in the present value of the assets due to changes in the present value of flows available to the entity, which are not included in net interest on the provision (assets). The amounts not recorded in net interest under equity will not be reclassified to the income statement in a subsequent period.

Actuarial gains and losses arise from differences between the previous actuarial assumptions and what has actually occurred and the effects of changes in actuarial assumptions.

Pension supplements for serving or retired personnel

Post-employment commitments acquired by the Group with serving and retired personnel derive from the various Collective Agreements and are related to supplements to Social Security pensions in cases retirement, widowhood, orphanhood, permanent disability or major disability.

Post-employment commitments acquired by the Group with retired personnel included in the "Ibercaja Employee Pension Plan" derive from the Collective Agreement and are related to supplements to Social Security pensions in cases retirement, widowhood, orphanhood, permanent disability or major disability.

In addition, the Group has retirement supplements commitments with former retired employees and management personnel which are externalised through insurance policies with Caser, Compañía de Seguros y Reaseguros, S.A. and Ibercaja Vida, S.A.U.

2.13.2 Other long term employee remuneration

Commitments with staff taking early retirement, widowhood commitments and disability commitments prior to retirement that depend on length of service and other similar items will be processed for accounting purposes, as applicable, as established in defined benefit post-employment plans, except that actuarial gains and losses are recognised immediately in the income statement.

The Group has no commitments towards early retirees to pay salary complements and other welfare charges from the time of early retirement to the date of actual retirement.

2.13.3 Severance payments

Severance payments are recognised as a personnel expense when the Group undertakes to terminate the employment relationship before the normal retirement date, or to pay severance indemnities as a result of an offer made to encourage voluntary termination of employment by employees.

2.13.4 Other employee benefits

The Group has committed to providing employees with certain goods and services at partially or totally subsidised prices, in accordance with the collective bargaining agreement and the Corporate or Company Agreements. The most relevant employee benefits are credit facilities.

Employees of Ibercaja Banco, S.A. with indefinite contracts are generally entitled to request loans or credit facilities, subject to a maximum limit based on their annual salary, once their trial period has ended.

- Home loans: the maximum amount to be granted is that determined by the value of the dwelling plus the expenses inherent to the acquisition thereof, which must be duly supported and may not exceed five annuities, which are considered as comprising the items referred to in Article 41 of the Collective Agreement, plus the family support. If this second limit is applicable, the resulting amount may not be less than 230,000 euros under a Resolution of the Board of Directors. The maximum term is 35 years and the applicable interest rate is equal to 60% of the one-year Euribor rate in April and October, subject to a minimum of 0.50% and a maximum of 5.25%.

- Personal loan/credit: the maximum capital to be financed is 25% of the employee's annual remuneration with respect to the corresponding items from those provided for in Article 41 of the Collective Agreement, plus the family support. However, with prior authorization from the Human Resources Department, any employee may obtain up to €30,000. The maximum term is 10 years and the applicable interest rate is the one-year Euribor rate in October, with a minimum of 0%.

- Welfare support: to meet fully justified essential needs. The amount will not exceed six gross monthly payments, including all fixed items that make up the monthly salary, and will be repaid in monthly instalments consisting of 10% of the gross salary.

2.13.5 Multiannual incentive plan

On 27 June 2024, Ibercaja Banco's General Shareholders' Meeting approved the terms and conditions of the long-term incentive plan (the "Plan") for the Group's key executives, linked to the "Now Ibercaja" 2026 Strategic Plan. This Plan is aimed at a group of 36 members of staff (the "Beneficiaries") whose professional activities have a significant impact on the Bank's risk profile.

The Plan is linked to the permanence of the Beneficiaries and the achievement of objectives in the 2024-2026 period. The assessment of the degree of achievement of the multi-annual objectives shall be measured from the start date to the end date.

The maximum amount of the incentive shall be fixed as a percentage of the annual fixed remuneration for each Beneficiary. The deferred incentive shall be paid in the first quarter of 2027, 2028, 2029 and 2030, respectively. Each deferred incentive payment will be made 45% in cash and the remaining 55% in instruments linked to the Bank's value and subject to a one-year holding period.

The degree of achievement of the multi-annual objectives will be determined on the basis of:

I. Achievement of the Bank's shareholder return target for the 2024-2026 period.
II. Achievement of the tangible equity performance target for 2026.
III. Meeting the Fully Loaded Common Equity Tier I ratio target set for 2026.
IV. Increase in the number of committed customers.
V. Improved competitiveness.
VI. Improved reputational health.
VII. Implementation of the climate transition plan.

The total value of these commitments, on completion of the Strategic Plan in 2026, is €6,213 thousand. At 31 December 2024, the Group recognised a provision in the amount of €1,969 thousand. (Note 5.2)

2.14 Income tax

The corporation tax expense is recognised in the consolidated income statement, except when it results from a transaction whose outcome is recognised directly in equity, in which case the corporation tax is recognised with a balancing entry in equity.

The corporate income tax expense is calculated as the tax payable on the taxable profit for the year, adjusted for the changes arising during the financial year in the assets and liabilities recognised as a result of timing differences, tax credits and relief and possible tax loss carryforwards (Note 25).

As mentioned in Note 25, Ibercaja Banco forms part of a Tax Group, the parent of which is Fundación Bancaria Ibercaja, in accordance with Chapter VII of Title VII of the Corporate Income Tax Law.

A timing difference is a difference between the carrying amount and the taxable amount of an asset or liability. A taxable amount is one which will generate a future obligation to make a payment to the tax authorities and a deductible amount is one that will generate the right to a refund or a reduction in a payment to the tax authorities in the future.

Timing differences, tax-loss carryforwards yet to be offset and tax deductions not yet applied are recorded as deferred tax assets and/or liabilities. The amounts are recognised at the tax rates that are expected to apply when the asset is realised or the liability is settled.

Deferred tax assets are only recognised when it is probable that sufficient future taxable profit will be obtained against which the deferred tax asset can be utilised. Deferred tax liabilities are recognised for practically all taxable temporary differences.

Tax credits and relief, and credits for tax loss carryforwards are amounts that, after performance of the activity or obtainment of the profit or loss giving entitlement to them, are not used for tax purposes in the related tax return until the conditions for doing so established in the tax regulations are met, provided that the Group considers it probable that they will be used in future periods. Note 25 gives details of the assets recorded in this respect.

Current tax assets and liabilities are those which, respectively, are regarded as being recoverable or payable within 12 months as from the year end. Deferred tax assets and liabilities are those which, respectively, are expected to be recovered or paid in future years.

Deferred tax assets and liabilities are reviewed at each balance sheet date to verify that they remain in force, and the appropriate adjustments are made on the basis of the results of the review.

2.15 Tangible assets

In general, tangible assets are presented on the balance sheet at cost, this being the fair value of any consideration paid plus all cash payments made or committed net of accumulated depreciation and any value adjustment resulting from comparing the carrying value of each item with its recoverable amount.

Depreciation is calculated using the straight-line method on the basis of the acquisition cost of the assets less their residual value. The land on which buildings and other structures stand has an indefinite life and, therefore, is not depreciated.

The annual provisions for depreciation are charged to the consolidated statement of profit or loss under "Depreciation - Tangible assets" and are calculated on the basis of the following average years of estimated useful life of the various assets, as follows:

	Years of estimated useful life
Properties for own use	25 to 100
Furniture	6 to 17
Fixtures	5 to 17
Computer equipment and installations	4 to 8

At each balance sheet date, the consolidated entities assess whether there is any internal or external indication that a tangible asset is impaired (i.e. its carrying amount exceeds its recoverable amount). If any such indication exists, the carrying amount of the asset is written down to its recoverable amount and future depreciation charges are adjusted in proportion to the asset's adjusted carrying amount and its new remaining useful life, in the event that a re-estimation of this is necessary. This reduction in the carrying amount is charged, as necessary to "Impairment or reversal of impairment of the value of non-financial assets (net)" in the consolidated income statement.

Similarly, if there is an indication of a recovery in the value of a deteriorated tangible asset, the consolidated entities recognise the reversal of the impairment loss recognised in prior periods, through the corresponding credit to the heading "Impairment or reversal of impairment of the value of non-financial assets (net)" in the consolidated statement of profit or loss, and adjusts the future depreciation charges accordingly.

"Investment property" in the consolidated balance sheet includes the net values of land, buildings and other structures which are held either for rental purposes or to generate a possible capital gain on their sale as a result of possible future increases in their respective market prices.

Foreclosed assets that, depending on their nature and purpose, are classified as real-estate investments by the Group, are initially recognised at the lower of the fair value net of sales cost and the acquisition cost, which is understood as the net carrying value of the debts that give rise to them, with the net value calculated pursuant to the provisions of the applicable regulations as set out in Note 2.18. Subsequently, these foreclosed assets are subject to the corresponding estimated impairment losses that, as applicable, are generated; to this end, an appraisal is carried out on whether the lease operation meets the following requirements:

- the lessee's payment capacity is sufficient to repay the amounts agreed in the contract, and
- the market value of the asset in the price of the lease exceeds its carrying amount.

In the event that either of these two points are not met, the estimated fair value will be calculated using the internal methodologies set out in Note 2.18.

Additionally, at least once every year, the estimated useful life of the elements of property, plant and equipment is reviewed, in order to detect significant changes in them that, if produced, will be adjusted through the corresponding correction charged to the statement of profit or loss for future years in concept of their depreciation by virtue of the new useful lives.

Repair and maintenance expenses relating to fixed assets for own use are charged to "Other administrative expenses" on the consolidated income statement (Note 39).

2.16 Intangible assets

Intangible assets are identifiable non-monetary and non-physical assets that arise from an acquisition from third parties or have been developed internally.

2.16.1 Goodwill

The positive difference between the price paid in a business combination and the acquired portion of the net fair value of the assets, liabilities and contingent liabilities of the acquired entities is recognised under assets on the balance sheet as goodwill. Goodwill represents a payment made by the group in anticipation of the future economic benefits from assets of an acquired entity that are not capable of being individually or separately identified and recognised. It is recognised only if it has been purchased for valuable consideration through a business combination. Goodwill is not amortised, but at the end of each accounting period it is subject to analysis for any possible impairment that would reduce its recoverable value to below its stated net cost and, if found to be impaired, is written down against the consolidated income statement.

In order to verify if any impairment has taken place, the goodwill acquired in a business combination will be allocated from the date of acquisition among the cash generating units of the acquiring entity which are expected to benefit from the synergies produced by the business combination, irrespective of whether other assets or liabilities of the acquired entity are allocated to these units or groups of units. Each unit or group of units among which the goodwill is distributed:

a) will represent the lowest level of detail within the entity to which the goodwill is assigned for internal control purposes; and

b) will not be larger than an operating segment, as defined in Note 27.8.

Therefore, in the annual impairment test on goodwill, the recoverable amount of the CGU (higher of fair value or value in use) containing the goodwill is compared with that unit's carrying value.

To detect possible indications of goodwill impairment, value appraisals are undertaken generally based on the medium-term dividend discount model, having regard to the following parameters:

- Key business assumptions. The cash flow projections used in the measurement are based on these assumptions. For businesses engaging in financial operations, projections are made for variables such as: changes in lending volumes, default rates, customer deposits and interest rates, as well as capital requirements.

- The period covered by the projections: This is usually three years, after which a recurring level is attained in terms of both income and profitability. These projections take account of the economic outlook at the time of the valuation.

- Discount rate. The present value of estimated future dividends, from which a value in use is derived, is calculated from a discount rate taken as the capital cost of the entity from the standpoint of a market participant. To do this the Capital Asset Pricing Model (CAPM) is used.

- The rate of growth used to extrapolate cash flow projections beyond the year in which they are considered standardised. Based on long-term estimates for the main macroeconomic numbers and key business variables, and bearing in mind the current financial market outlook at all times, a rate of growth in perpetuity is estimated.

Goodwill impairment losses are not reversed in a subsequent period.

2.16.2 Other intangible assets

Intangible assets other than goodwill are carried in the consolidated balance sheet at acquisition or production cost, net of accumulated amortisation and any impairment losses.

Intangible assets may have indefinite useful lives when, on the basis of the analyses performed, it is concluded that there is no foreseeable limit to the period during which they are expected to generate cash flows and they are not amortised. Rather, at each accounting close, the Group reviews the assets' remaining useful lives in order to ensure that they are still indefinite. The Group has not identified any assets of this kind.

Intangible assets with a finite useful life are amortised over the useful life, applying policies similar to those followed for the depreciation of tangible assets. The annual amortisation of intangible assets with finite useful lives is recognised under "Depreciation – Intangible assets" in the income statement and is calculated on the basis of the years of estimated useful life as follows:

	Years of estimated useful life
Computer software	3 to 14

The Group recognises any impairment loss in the carrying amount of these assets and makes a balancing entry under "Impairment or reversal of impairment of non-financial assets (net) - tangible assets" in the consolidated income statement. The policies for recognising impairment losses on these assets and for reversing impairment losses recognised in prior years are similar to those for property, plant and equipment (Note 2.15).

2.17 Inventories

This item in the consolidated balance sheet includes the non-financial assets that the consolidated entities:

- hold for sale in the ordinary course of business,
- are in the process of making, building or developing for such purposes, or
- expect to consume in production or the provision of services.

Inventories are valued at the lower of their cost, including all acquisition and conversion costs and other direct and indirect costs incurred in bringing the inventories to their present condition and location, and their net realisable value. The net realisable value of inventories is their estimated selling price in the ordinary course of business, less the estimated cost of completing production and selling expenses.

The cost of inventories which are not ordinarily interchangeable is determined on an individual basis and the cost of other inventories is determined by applying the average weighted cost method. Decreases in and, if applicable, subsequent recoveries of the net realisable value of inventories, below their carrying amount, are recognised in the consolidated income statement in the financial year they are incurred, under "Impairment or reversal of impairment of non-financial assets (net) - Other".

The carrying value of inventories which are written off the consolidated balance sheet is recorded as an expense in the consolidated statement of profit or loss under "Other operating expenses" in the year the income from their sale is recognised.

For assets foreclosed or received in settlement of debts which, according to their nature and purpose (in production, construction or development), are classified as inventories, the Group applies criteria similar to those described in Note 2.18 for said assets.

2.18 Non-current assets and disposal groups classified as held for sale

Under this heading, assets whose carrying amount will be recovered principally through a sale transaction rather than through continuing use are recognised, provided that the sale is considered highly probable.

These are valued on the acquisition date and thereafter at the lower of carrying value and fair value of the estimated costs to sell. Assets that would otherwise be subject to depreciation and amortisation are not depreciated or amortised while they remain in the category of non-current assets held for sale.

In particular, repossessed real estate assets or assets received in settlement of debts by the Group in order to partially or fully meet the payment obligations of its debtors are considered non-current assets and disposal groups of items that are classified as held for sale, unless the decision has been taken to make continuing use of these assets or they are used in operations as leased properties.

- The carrying value at the date of acquisition of non-current assets and disposal groups of items that are classified as held for sale from foreclosures or received in settlement of debts is defined as the outstanding amount receivable of loans or credit facilities from which they originate net of any related provisions according to their accounting classification before receiving said assets. These repossessed assets or assets received in settlement of debts are treated as collateral. This carrying amount is compared with the previous carrying amount and the difference is recognised as a an increase or release of provisions, as applicable.

To estimate the provisions mentioned, the recoverable amount of the guarantee is taken to be fair value less estimated costs to sell of the repossessed assets or assets received in settlement of debts, since the Group has sufficient sales experience to ratify its capacity to realise the assets at fair value.

- To determine the fair value of selling costs, the repossessed assets or assets received in settlement of debts are measured initially on the basis, as a reference value, of the market value calculated in complete individual appraisals applying the policies and criteria described under Guarantees in Note 2.3. In addition, the Group assesses whether it is necessary to apply a discount to this reference value given its experience in sales and the average time that similar assets are held on the balance sheet.

  With the exception of the certain properties, which do not account for a significant amount in this portfolio, classified under Other properties, to which the discount on the reference value provided by the Bank of Spain is applied as an alternative solution given its experience and the information it has on the Spanish banking sector, the Group has developed internal methodologies for estimating discounts on reference values and selling costs, taking into account its experience in selling similar assets.

For the purposes of determining impairment after the foreclosure date or receipt as payment, when the fair value of costs to sell exceeds the carrying amount, the difference is recognised in the consolidated income statement as income from impairment reversals, subject to the limit of the accumulated impairment since the initial recognition of said assets. When an asset has surpassed the average period for holding properties, the Company reviews the procedure for determining fair value. Therefore, no impairment reversal income is recognised for these assets.

The Group carries out regular comparison and reference exercises for the estimates made and has devised backtesting methods for comparing estimated and actual losses.

As a result of these analyses, the Group makes changes to internal methodologies when regular backtesting brings to light significant differences between estimated losses and actual losses.

The backtesting methods and analyses are also revised by internal control.

Gains and losses generated on the disposal of non-current assets and disposal groups of items classified as held for sale and impairment losses and impairment reversals, where applicable, are recognised under “Profit or (-) loss on non-current assets and disposal groups classified as held for sale not qualifying as discontinued operations” on the consolidated income statement. The remaining income and expenses associated with these assets and liabilities are disclosed by nature.

2.19 Insurance transactions

On 1 January 2023, IFRS 17 “Insurance contracts” came into force, replacing IFRS 4 “Insurance contracts”. This involved making major changes to the accounting principles that an institution must apply to the recognition, measurement, presentation and disclosure of insurance contracts, in order to achieve greater homogeneity and increase the comparability between institutions.

The new standard establishes minimum requirements for grouping insurance contracts in units of account by considering three levels: portfolios (contracts subject to similar risks and managed together), cohorts and onerousness.

The accounting policies, principles and measurement bases relating to financial instruments that, following the adoption of IFRS 17, have been applied by the Group in the preparation of these financial statements are specified below.

Grouping and classification

When grouping insurance contracts, Ibercaja Group takes into account whether they are subject to similar risks and are managed jointly, are profitable or onerous, and their year of issue or cohort, using this last criterion to group contracts issued in the calendar year, i.e. between 1 January and 31 December of each year. In general, the Group classifies the profitability of contracts into two groups: onerous contracts, and contracts that are not onerous contracts or that have no significant possibility of becoming onerous.
As the Group has opted for the fair value transition approach, for long-term contracts issued prior to the transition date (1 January 2022), it has not been necessary to aggregate contracts by previous cohorts.

The Group has assessed whether its contracts accept a significant insurance risk from another party, agreeing to compensate the policyholder if an uncertain future event occurs that adversely affects it. From this evaluation all insurance contracts that were under the scope of IFRS 4 have been concluded to meet the definition of an insurance contract and, therefore, the introduction of IFRS 17 does not imply any reclassification.

Valuation methods for insurance contracts

The valuation of insurance contracts is based on a model that uses updated assumptions at each closing, with several calculation approaches.

- **General Model (BBA):** the default method for the valuation of insurance contracts, unless the conditions for applying one of the other two methods are met.

  The General Model requires entities to value insurance contracts as the total of:

  – **Compliance flows:** comprising the estimate of future cash flows from the contract discounted to reflect the time value of money, the financial risk associated with future cash flows, to the extent they have not been included in estimates of future cash flows, and a risk adjustment for the uncertainty associated with non-financial assumptions.

  – **Contractual Service Margin (CSM):** represents the expected unearned profit from insurance contracts, which will be recognised, accordingly as the service is provided in the future, under the "Income from assets covered by insurance or reinsurance contracts" heading in the consolidated income statement. The CSM is, at the end of each financial year, the carrying amount determined at the beginning of the financial year, adjusted by:

    ▪ the effect of the new contracts added;

    ▪ interest credited to the CSM calculated at the discount rates determined on the date of initial recognition;

    ▪ changes in cash flows from compliance to the extent that the change relates to future service, unless the change results from a change in cash flows arising from compliance allocated to a group of underlying insurance contracts that does not adjust the CSM;

    ▪ the effect of exchange differences on the CSM; and

    ▪ the amount recognised in profit or loss for the period for services rendered in that period.

    The general criterion for releasing the CSM will be based mainly on the benefits insured, depending on the type of product, the method being considered to reflect the insurance coverage provided in each period. For this purpose, the amount of benefits provided for policyholders at any given time will be taken into account according to the different levels of coverage.

- **Variable Fee Approach (VFA):** applicable to direct participation contracts. These contracts, in addition to the benefits guaranteed at the start of the contract, offer policyholders the opportunity to participate in the return of a pool of assets and/or surpluses generated from other sources of benefits, which are clearly identified.

  In this type of contract, the Group undertakes to pay a consideration equal to the fair value of the underlying items from which a variable fee is deducted as remuneration for the services to be provided in the future. The Group expects that, in the initial recognition, a substantial part of any change in the amounts payable to the policyholder will vary with the change in the fair value of the underlying items. Under this valuation method, the CSM is adjusted for changes in the Group's fair value share of the underlying items. Changes in the obligation to pay the policyholder an amount equal to the fair value of the underlying items do not relate to future service and do not adjust the CSM. Similarly to the BBA method, the CSM will be recorded under the "Income from assets covered by insurance or reinsurance contracts" heading in the consolidated income statement, accordingly as the insurance service is provided.

- **Premium Allocation Approach (PAA):** a simplification of the general model applicable at the Group's discretion for contracts with a hedge period equal to or less than one year, or for longer-term contracts where the valuation of the remaining hedging liability does not differ significantly from that calculated under the general approach.

  Liabilities for incurred claims will be calculated by including all future cash flows arising from compliance related to unpaid incurred claims, using discount rates and risk adjustment for non-financial risk.

In the initial recognition, the remaining coverage asset/liability will comprise:

- Received premiums in the initial recognition;
- less cash flows from the purchase of the insurance on that date; and
- any amount arising from derecognition on that date of the asset or liability recognised for the cash flows from the insurance purchase.

At the time of the initial recognition, and throughout the contract coverage period, it is assessed whether any facts and circumstances indicate that such contracts generate losses. A group of contracts is considered to be loss-making to the extent that the cash flows from compliance exceed the carrying amount. In these cases, a loss is recognised under the "Liability expenses covered by insurance or reinsurance contracts" heading in the consolidated income statement and the "Liabilities under insurance contracts" heading in the consolidated balance sheet for the remaining coverage, which will be amortised progressively over the period of validity of the contracts.

For this type of contract, the Group has opted for the accounting policy option of recognising insurance purchase cash flows as expenses when they are incurred.

The Group, based on the defined models, values insurance and reinsurance contracts as follows:

	Valuation method (*)
Insurance contracts	
Renewable annual life insurance	PAA
Systematic savings insurance	BBA
Investment savings insurance	BBA
Insured benefit plans	BBA
Life annuities insurance	BBA
Group insurance	BBA
Unit linked insurance	VFA
Reinsurance contracts	
Transferred	PAA

(*) For contracts with a duration of less than one year and for contracts with a duration of more than one year, but for which a material valuation other than the BBA is not expected to occur, they will be valued using the PAA method.

Discount rate

The Group uses the discount rates currently used for SII, these being the risk-free curve provided by EIOPA plus a liquidity premium. If applicable, it also adds Volatility Adjustment or Matching Adjustment (bottom-up approach). For the different immunised groups, their corresponding matching is used.

The top-down methodology is used to obtain the discount rates to be applied to the new production of the immunised groups, starting with a discount rate of a reference financial instrument with characteristics similar to those of the liability and eliminating the probability of default.

For these subsequently issued contracts, the Group avails itself of the exception provided for in the adoption of the standard by the European Union regarding annual cohorts in products with matched flows.

Non-financial risk adjustment

The risk adjustment for non-financial risk represents the compensation required for bearing uncertainty regarding the amount and timing of the associated cash flows. When determining the adjustment for non-financial risk, the current solvency regulations applicable to the insurance company have been taken into account. The following initial parameters are used: CoC (6%), the capital requirement of the standard formula (Solvency II SCR) and the hedging units, a rate is determined that corresponds to the non-financial risk per coverage unit. Finally, the adjustment for non-financial risk will be obtained as the sum of the coverage units for this rate, adjusted for the market effect.

Onerous Contracts

The Group has classified the contracts valued under the General Model into onerous level groups, taking into account compliance flows, acquisition expenses and any other attributable cash flows. The evaluation is usually carried out on a contract-by-contract basis. By default, contracts valued according to the Simplified Model are assumed to be not onerous in their initial recognition, unless there are facts and circumstances to indicate otherwise.

Analogous to the contractual service margin, which represents the estimated future profit of the insurance contract, the loss component is the estimated loss of the contract. The accounting records for these two items differ in their timing: the margin is deferred over the duration of the contract, according to the contractual limits, while the loss component is recognised in the income statement as soon as its existence becomes known. Over the life of a contract, the assumptions used to project future cash flows may change. Consequently, the expected profitability of a contract may increase or decrease. This means that a group of contracts initially classified as onerous may become more onerous, or, conversely, the cash flow assumptions used in the subsequent measurement may change so much that the previously recognised loss could be reversed.

Accounting entries for insurance contracts

The assets and liabilities of the Group's insurance companies are recorded, depending on their nature, under the corresponding headings in the consolidated balance sheet.

Ceded reinsurance contracts, estimated using the PAA method, are recognised in the consolidated balance sheet under the “Assets under insurance or reinsurance contracts” heading.

The rest of insurance and reinsurance contracts, estimated according to any of the three valuation methods, are recognised in the consolidated balance sheet under the “Liabilities under insurance or reinsurance contracts” heading.

For the recognition of expenses and interest income from insurance contracts arising from the change in the discount rate, due to both the effect of the time value of money and the effect of financial risk, the Group has chosen the accounting policy option of disaggregating these expenses and interest income to recognise them between “Interest margin” and “Accumulated other comprehensive income”, with the aim of minimising accounting asymmetries in the valuation and recognition of financial investments under IFRS 9 and insurance contracts under IFRS 17.

The Group has chosen to disaggregate changes in the risk adjustment into financial and non-financial, so that the change in the value of the risk adjustment, resulting from the effect of the time value of money and changes in this value, is recorded as the financial profit/(loss) of the insurance.

Income from ordinary insurance activities comprises amounts related to changes in liabilities for remaining coverage and allocation of the portion of the premium related to the recovery of insurance acquisition cash flows. All this income is recorded under the “Income from liabilities under insurance or reinsurance contracts” heading in the consolidated income statement.

Insurance service expenses include claims and other insurance service expenses incurred, amortisation of cash flows from insurance acquisition, changes related to past services (i.e., changes in cash flows related to liabilities for claims incurred); and losses on contract groups and reversals of these losses. The loss component corresponds to the losses attributable to each contract group, both those with losses at initial recognition and those that come to have losses at a later time. The loss component is released according to the systematic allocation of compliance cash flows. It is updated to reflect subsequent changes in estimates of future service-related compliance cash flows. All these expensed are recorded under the “Expenses from liabilities under insurance or reinsurance contracts” heading in the consolidated income statement.

Ordinary insurance income and insurance service expenses exclude any investment components, which are understood to be the amounts that an insurance contract requires to be reimbursed to the policyholder even if an insured event does not occur.

As set out in IFRS 17, fixed and variable expenses, such as accounting, human resources, IT technology and support, write down, buildings rental and maintenance, and utility costs, directly attributable to the fulfilment of insurance contracts, will be recorded under the “Expenses from liabilities covered by insurance or reinsurance contracts” heading in the consolidated income statement.

2.20 Provisions and contingent liabilities

In preparing the consolidated financial statements a distinction is made between:

- Provisions: credit balances covering present obligations at the date of the balance sheet arising from past events which could give rise to pecuniary losses for the entities that are considered likely to occur, are certain as to their nature but uncertain as to their amount and/or timing.

- Contingent liabilities: possible obligations that arise from past events and whose existence is conditional on the occurrence or non-occurrence of one or more future events not within the control of the consolidated entities.

The Group's consolidated financial statements include all the material provisions with respect to which it is considered more likely than not that the obligation will have to be settled. Contingent liabilities are not recognised in the consolidated financial statements, although they are disclosed in accordance with applicable regulations (Note 27.1).

Provisions, which are quantified taking into account the best information available concerning the consequences of the event from which they derive and are re-estimated at each accounting close if new information comes to light, are used to cover the specific obligations for which they were originally recognised and reversed in full or in part when such obligations cease to exist or decrease.

Provisions considered necessary in accordance with the above criteria are debited or credited to "Provisions or reversal of provisions" on the consolidated statement of profit or loss.

At year end, certain litigation and claims were ongoing against the consolidated companies arising from the ordinary course of their operations. The Group's legal advisers and directors consider that the outcome of such lawsuits and proceedings will not have a material effect on the consolidated financial statements in the years in which they are settled.

2.21 Consolidated statements of recognised income and expenses

In accordance with the options established in IAS 1.81, the Group has chosen to present separately a statement showing the components of consolidated profits ("consolidated income statement") and a second statement which, on the basis of consolidated profits for the year, reflects the components of the remaining income and expenses for the year recognised directly in equity ("Consolidated statement of comprehensive income").

The "Consolidated statement of comprehensive income" shows the income and expense generated by the Group as a result of its activity during the year, distinguishing between items of income and expense that are recognised in profit and loss for the year and items of income and expense that, as required under current regulations, are recognised directly in consolidated equity.

In general, income and expenses recognised directly in equity are disclosed at the gross amount and the relevant tax effect is reflected under "Corporate Income Tax".

Therefore, this statement shows:

a) Consolidated profit/(loss) for the year.

b) The net amount of income and expenses recognised as "Accumulated other comprehensive income" in equity, which will not be reclassified to profit or loss.

c) The net amount of income and expenses recognised in equity, which may be reclassified to profit or loss.

d) Corporation tax accrued on the items indicated in (b) and (c) above, except for adjustments to other comprehensive income arising from investments in associates or jointly controlled entities accounted for using the equity method, which are presented on a net basis.

e) Total consolidated recognised income and expenses, calculated as the sum of the foregoing letters, showing separately the amount attributed to the parent and the amount attributed to non-controlling interests.

2.22 Total statement of changes in equity

The “Total statement of changes in equity” presents all changes in equity, including those arising from changes in accounting criteria and the correction of errors. This statement therefore reflects a reconciliation of the carrying value at the beginning and end of the year for all items forming part of consolidated equity, grouping movements on the basis of their nature into the following items:

a) Adjustments due to changes in accounting principles and correction of errors: Includes changes in consolidated equity due to the retroactive adjustment to financial statement balances because of changes in accounting principles or to correct errors.

b) Comprehensive income for the year comprises an aggregate of all the aforementioned items recognised in the statement of comprehensive income.

c) Other changes in equity includes the remaining items recognised in equity, such as capital increases or decreases, distribution of earnings, treasury share transactions, equity-based payments, transfers between equity items, and any other increase or decrease in consolidated equity.

2.23 Consolidated statement of cash flows

The following expressions are used with the following meaning in the consolidated cash flow statement:

- Cash flows: inflows and outflows of cash and cash equivalents, understood as on-demand investments.
- Operating activities: the ordinary activities of credit institutions. Activities involving financial instruments are regarded as operating activities, with certain exceptions such as the equity instruments classified as financial assets at fair value through other comprehensive income which are strategic investments and subordinate financial liabilities.
- Investing activities: the acquisition, sale or other disposal of long-term assets and other investments not included in cash and cash equivalents.
- Financing activities: activities that result in changes in the size and composition of equity and liabilities do not form part of operating activities.

For the purposes of preparing the consolidated cash flow statement, “cash and cash equivalents” are considered to be short-term, highly liquid investments with an insignificant risk of changes in value. The Group therefore treats the following financial assets and liabilities as cash or cash equivalents:

- The Group’s own cash, which is recognised in the consolidated balance sheet under “Cash and cash balances at central banks and other demand deposits” (Note 6).
- Net demand balances held with Central Banks, recognised in the consolidated balance sheet under “Cash and cash balances at central banks and other demand deposits” (Note 6).
- Net balances of demand deposits at credit institutions other than the balances at central banks. Debtor balances are recognised in the consolidated balance sheet under “Cash and cash balances at central banks and other demand deposits” (Note 6).

3. Risk management

3.1 General principles

The Ibercaja Banco Group's risk management is based on the strategic principles described below:

- Maintain a medium-low risk profile for the Group that allows it to achieve a balanced and healthy financial position and achieve stable and recurring income over time, meeting the profitability, liquidity and solvency objectives set out in the Group's Business Plan.
  - Generate adequate levels of recurrent risk-adjusted returns underpinned by a strong capital and liquidity base.
  - Having a comfortable liquidity position to meet payment obligations and protect depositors' interests.
  - Maintain a solvency level above regulatory minimums, in line with the Group's risk profile and appetite.

- Achieve low or moderate relative exposure to all risks.
- Avoid any form of excessive concentration of risks (individual, economic groups, by sector, etc).
- Prevent the materialisation of non-financial risk through active and continuing risk management.
- Ensure prudent limits to vulnerable exposures to climate and environmental risks.

- Comply at all times with regulatory requirements and with self-set capital and liquidity targets.
- Maintain effective risk governance that is led by the Board of Directors and senior management and extends to all areas involved.
- Foster a risk-aware culture, supporting better understanding by the organisation of the level and nature of risks to which the Group is exposed.
- Securing the trust of customers, investors, employees, suppliers and other stakeholders.

3.2 Catalogue of material risks for Ibercaja Group

The material risks identified by Ibercaja Group in the course of its business are as follows:

- Credit and counterparty risk: the probability of generating loss due to borrowers' breach of payment obligations, and loss of value due to impairment in borrowers' credit quality. It comprises the following sub-categories:
  - Risk of concentration: the probability of incurring losses as a result of a position or group of positions that are sufficiently important with respect to capital, total assets or the general risk level, and could endanger the solidity of the Group.
  - Real estate risk: the probability of generating loss due to impairment of properties used as collateral in financing transactions, or acquired through foreclosure, arising from falling prices in the real estate market.
  - Sovereign risk: the probability of loss being generated due breach of payment obligations by sovereign issuers, and of loss of value due to impairment in the credit quality of sovereign issuers.
  - Private fixed-income risk: the probability of generating loss due to breach of payment obligations by issuers of private fixed-income, and of loss of value due to impairment in the credit quality of such issuers.
  - Leveraged transaction risk: probability of generating losses from leveraged transactions, defined in accordance with the Guidance on Leveraged Transactions (ECB May 2017) and the EBA Guidelines on Loan Origination and Monitoring (EBA/GL/2020/06).
  - Migration risk: probability of the investment's credit quality level deteriorating.
- Operational risk: probability of generating losses due to inadequacy or failure of internal processes, people and systems, or due to external events. Includes the following sub-categories:
  - Conduct risk: the risk of legal or regulatory penalties, financial or reputational loss suffered by a Bank due to breach of laws, regulations, rules, standards for the self-regulation of the Organisation, and codes of conduct applicable to its activities
  - Technology risk: the risk of loss due to breach of confidentiality, failure of systems and data integrity, inadequacy or unavailability of systems and data, or inability to change information technology (IT) in a timely manner and at reasonable costs when environmental or business needs change.
  - Model Risk: the potential loss that an institution may incur as a result of decisions based primarily on the results of internal models, due to errors in the conception, application or use of such models.

In addition to the above operational risks, reputational risk is considered a non-financial risk:

- Reputational risk: current or future risk to the institution's earnings, equity or liquidity, arising from a negative perception on the part of its stakeholders that could adversely affect the Bank's ability to maintain its activity or establish new business relationships

- Market risk: the probability of generating losses in asset and liability positions as a result of adverse movements in market factors such as interest rates, credit spreads, exchange rates, stock prices or commodity prices.

- Interest rate risk (IRRBB): probability of generating losses, via the financial margin or economic value of the Group, as a result of adverse changes in interest rates that affect sensitive asset, liability and off-balance sheet items not recorded in the trading portfolio. It comprises the following sub-categories:

  - Mismatch or gap risk: the probability of generating losses due to the different pace at which interest-rate-sensitive balance sheet items mature or are repriced.

  - Basis risk: the probability of generating losses due to the impact of interest rate fluctuations on instruments for which repricing is determined using different benchmarks, even when the other repricing conditions are the same.

  - Optionality risk: the probability of generating losses due to the Group or customer exercising express or implicit options to alter the level or timing of cash flows from a transaction in assets, liabilities or off-balance sheet items.

- Credit spread risk (CSRBB): the probability of generating losses as a result of fluctuations in the market credit spread due to changes in the price of credit risk or the liquidity premium that are not explained by movements in interest rates, credit quality or probability of default.

- Liquidity and financing risk: the probability of not holding or not having access to sufficient liquid funds to meet payment obligations.

- Business risk: the probability of generating losses due to a potential inability of the Group to achieve its strategic objectives, mainly due to changes in the competitive environment. Impacts of other kinds (whether linked to macroeconomic variables, financial markets or credit, etc.) are quantified under their corresponding risks.

- Climate and environmental risk: climate risk refers to the potential financial impacts that may arise from climate change and society's responses to mitigate or adapt to these changes. These risks are primarily classified as transition climate risks, related to the adaptation process towards a low-carbon, climate-resilient economy, and physical climate risks, arising from the direct effects of climate change on the physical environment. The latter are divided into: acute risk, from short-term climatic events; and chronic risk, from gradual and sustained changes in the climate. Environmental risks relate to the potential financial effects of the degradation of natural capital, defined as the set of natural resources (e.g., plants, animals, air, water, soil, and minerals) that combine to produce a flow of services to people and businesses.

- Adequacy of own funds: the possibility of the volume or quality of capital being inadequate to meet business objectives, regulatory requirements, or market expectations.

- Geopolitical risk: understood as the probability of the Group suffering adverse impacts on its financial stability, operations and profitability, as a result of political, economic or social events at a global or national level.

- Underwriting risk: as a financial conglomerate, Ibercaja Banco must specifically manage and control its insurance activity risk, understood as the probability of generating losses due to an increase in the value of liabilities as a result of a departure from the assumptions used to estimate them. This risk comprises the following sub-categories:

  - Mortality risk: the probability of incurring losses due to increased mortality rates.

  - Longevity risk: the probability of incurring losses due to an increase in the survival of insured parties.

  - Disability risk: the probability of incurring losses due to increased disability rates.

  - Portfolio surrender or downside risk: probability of incurring losses due to changes in surrender rates.

  - Expense risk: the probability of incurring losses due to an increase in insurance contract execution expenses.

  - Catastrophic risk: the probability of incurring losses resulting from uncertainty in pricing assumptions and provisioning for extreme or extraordinary events.

3.3 Global risk management processes and tools

To manage its risks and maintain a medium-low risk profile, the Group has a comprehensive risk management system to identify, assess, control, and mitigate the relevant risks it faces, ensuring its sustainability and financial stability. The main tools and processes implemented are the following:

Risk Appetite Framework (RAF)

The Group's risk management is organised through the Risk Appetite Framework (RAF). The key aim of the RAF is to establish a set of principles, procedures, controls and systems through which the Group's risk appetite is specified, communicated and monitored.

Risk appetite is the level or profile of risk that the Group is willing to accept and maintain, in terms of type and amount, and its level of tolerance. Risk appetite must be geared towards achieving the targets of the strategic plan, in accordance with the lines of action established in that plan.

The management of the various levels and types of risk has the objective of attaining a risk profile that falls within the desired appetite level defined based on established limits and the most adequate management measures to do so are implemented.

The RAF contains the risk appetite statement, quantitative and qualitative risk limits, the governance of the various governing and management bodies that oversee and monitor implementation, and early risk indicators and tolerance metrics.

The Risk Appetite Framework (RAF) is characterised by:

- Alignment with the strategic plan and capital planning.
- Integration into the Group's risk culture, with the involvement of all its organisational levels.
- Flexibility and adaptability to changes in the businesses and market conditions and therefore it must be regularly reviewed at least once a year.
- Associated with the information management systems.

Therefore, the RAF ensures alignment between the business strategy and the desired risk profile, promoting decision-making consistent with the Group's financial capacity.

Internal capital/liquidity adequacy assessment processes (ICAAP & ILAAP)

The internal capital/liquidity adequacy assessment processes (ICAAP & ILAAP) seek to ensure the Group's viability and the adequacy of its own and liquid resources to meet the risks assumed or the obligations incurred, even in adverse scenarios or conditions of stress.

This requires prospective assurance that all material risks are identified, managed effectively (with an appropriate combination of measurement and controls), and covered by a sufficient amount of high-quality capital, in the case of ICAAP, and by a sufficient amount of liquid assets and stable sources of financing, in the case of ILAAP. To do this, a recurring process is carried out that allows:

- In relation to capital:
  - Identify material risks whose materialisation could impair the capital base of the Group.
  - Assess the Group's capacity to manage the main risks identified: policies, mitigation limits, tools, governance and monitoring.
  - Quantify capital needs, additional to Pillar 1, for material risks using internal methodologies.
  - Conduct a capital planning exercise based on a projection of the Group's Business Plan.

- – Realise severe but plausible adverse scenarios.
- – Assess the results of the self-assessment and identify whether there are capital shortfalls relative to the levels needed to cover the requirements of Pillar 1, Pillar 2, the combined buffer, the capital guideline and the economic quantification.
- – Establish action plans to respond to any situation of capital shortage.
- – Present a formal and unequivocal statement on the adequacy of the Group’s capital.

- In relation to liquidity:
  - – Identify the material risks whose materialisation could impair the Group's liquidity position.
  - – Assess the Group's capacity to manage the main risks identified: policies, mitigation limits, tools, governance and monitoring.
  - – Assess the adequacy of the funding strategy in line with the business model and its risk profile, as well as the extent to which financial planning contributes to improving the funding profile.
  - – Assess the ability to cope with unexpected liquidity stress, considering the possibility of facing stress conditions specific to the nature of the Group, the financial system or a combination of both.
  - – Assess the availability of alternative sources of funding in case of changes in market conditions.
  - – Present a formal and unequivocal statement on the adequacy of the Group's liquidity.

<u>Recovery Plan</u>

Ibercaja Banco's Recovery Plan is a response to the requirement under Directive 2014/59/EU of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms, or “Bank Recovery and Resolution Directive” (BRRD).

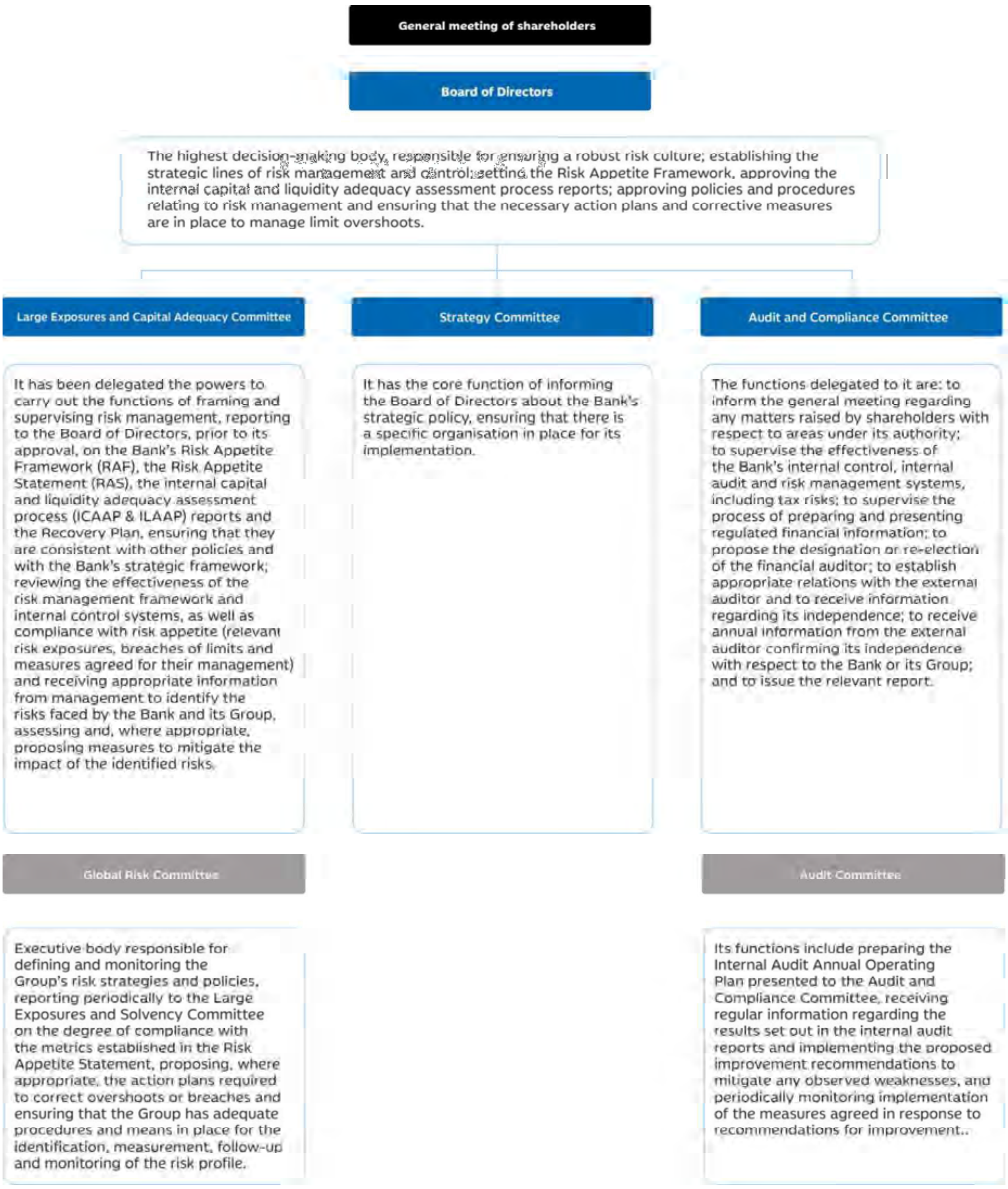
It establishes a preventive framework to restore the Bank's viability in the event of severe financial crisis. The main objectives of the plan are:

- Provide a detailed view of the Bank, including an analysis of its main lines of business and critical economic functions.
- Describe the plan's governance process and the model of escalation and decision-making in a situation of continuity, early warning and recovery.
- Identify the set of recovery indicators that are to be monitored periodically to anticipate any situations of severe stress.
- Set out the recovery measures selected to be taken in a recovery situation in order to restore the Bank's capital and liquidity position. For each recovery measure, a feasibility and financial impact analysis was carried out, and an operational plan for its implementation and a communication plan were prepared. The requirements from an information management perspective were analysed, and a test of the effectiveness of the measures in meeting hypothetical crisis scenarios was carried out.
- Design the internal and external communication plan to be carried out in a recovery situation.
- Describe the preparatory measures that the Bank will undertake.

The processes and tools described (RAF, ICAAP & ILAAP and the Recovery Plan) are consistent with one another, form part of the risk management processes in place, and are reviewed and approved by the Bank’s Board of Directors at least once a year, ensuring proactive and robust management of the risks faced by the Bank.

3.4 Governance Model

The Ibercaja Banco Group has a robust organisational structure that allows it to ensure effective risk management and control. The governance structure provides adequate channels of communication to convey information and decisions at all levels of the organisation. The Governing Bodies and Executive Committees that directly address risk management and control are as follows:



The Ibercaja Banco Group is a financial conglomerate and its insurance business is significant, so it manages the risks arising from the banking and insurance businesses jointly (Note 27.8). The boards of directors of the subsidiaries are responsible for approving the respective risk appetite proposals once they have been validated by the Global Risk Committee and the Major Risks and Solvency Committee.

The organisational scheme provides the Group with a global structure of governance and risk management, in proportion to the complexity of the Ibercaja Banco Group's business, with three lines of defence:

- First line of defence: formed by the Bank's risk-taking business and support units. Under the general principle that the primary party responsible for control must be person responsible for each business area, they must have effective risk management processes (identification, measurement or evaluation, vigilance, mitigation and communication of risks).

- Second line of defence: organizationally located in the Control Area Directorate (reporting to the Chief Risk Officer, CRO), it has ultimate responsibility for carrying out internal control functions in risk management, both financial and non-financial, acting independently of the business and support units. To carry out its functions, it is configured through: the Risk Control Directorate, which monitors and reports on risks, as well as reviewing the application of management policies and control procedures by the first line; the Regulatory Compliance Directorate, which is responsible for checking that the Bank's policies, procedures and daily activities comply with current legislation, regulations and applicable internal policies, including, specifically, the prevention of money laundering and terrorist financing, and for supervising standards of conduct and transparency; and the Customer Service Unit.

- Third line of defence: located in Ibercaja Banco's Internal Audit Department, which reports hierarchically to the Board of Directors through the Audit and Compliance Committee.

3.5 Exposure to credit risk

Defined as the possibility of losses being generated due to borrowers defaulting on their payment and losses in value due to the impairment of borrowers' credit ratings.

3.5.1 Strategies and policies for the credit risk management

Credit risk management is geared towards facilitating sustained and balanced growth in loans and receivables while guaranteeing at all times the soundness of the Company's position in financial and equity terms, so as to optimise the return / risk ratio within levels of tolerance established by the Board of Directors based on the defined management principles and operational policies.

The Board of Directors approves the management framework, strategies, policies and limits for the management of this risk, following a report from the Large Exposures and Solvency Committee, documented in the "Credit Risk Management Framework" and the "Risk Models Management Framework" and the various policy manuals that implement those frameworks. The Board of Directors is responsible for authorising risks that exceed the competence of the operating circuit.

The Bank periodically carries out direct contact actions with customer and their management agents. These actions are intended to supplement the latest information available in their financial statements, especially for borrowers who may show signs of weakness according to the Bank's rating or monitoring systems. Additionally, they are intended to identify borrowers who may have been affected by a specific event (e.g., the COVID crisis, the war in Ukraine, inflationary tensions, DANA, etc.). Using this information, different actions are designed for the management, monitoring, anticipation and accounting classification of exposures.

The impact of these crises, the support measures granted and their characteristics, as well as macroeconomic forecasts have been considered in the projection of the financial statements for the coming years, with special attention to the foreseeable development of inflows and outflows of non-performing loans, accounting provisioning and solvency.

3.5.2 Credit risk granting, monitoring and recovery policies

The loan portfolio is segmented into groups of customers with homogeneous risk profiles susceptible to different treatment through the application of specific evaluation models.

a) In relation to the granting of credit risk, the following policies have been implemented:

- Classifications of risk for borrower groups through the establishment of prior exposure limits, in order to avoid inappropriate risk concentrations.

- Criteria for the admission of new operations and limits to granting powers, depending on the customer segment being financed.

- Methodology for operations analysis based on type and correspondence to different segments.

- Internal credit rating models integrated with decision-taking systems for the various areas of the retail business.

- Requirements necessary to provide each operation with legal safeguards.

- Risk mitigation techniques.

- Pricing policies in line with customers' credit quality.

The credit risk management policy is structured through a decentralised lending arrangement based on a formally established delegation of powers and set out in risk manuals.

The Bank has risk concession policies established in its "Credit Risk Acceptance Policy", in accordance with Law 2/2011 of 4 March on Sustainable Economy, Order EHA/2899/2011 of 28 October on transparency and protection of customers of banking services and Bank of Spain Circular 5/2012, of 27 June on transparency of banking services and responsibility in the granting of loans and credit, the General Framework of Annex IX of Circular 4/2017 and in accordance with the Guidelines on Loan Origination and Monitoring (Guidelines on Loan Origination and Monitoring EBA/GL/2020/06) published in May 2020.

With respect to granting loans, the manual considers essential criteria to be the reasonableness of the proposal, the analysis of the borrower's payment capacity and the prudent valuation of guarantees. Real-estate collateral is always appraised by independent valuation companies (authorised by the Bank of Spain).

In terms of banking services customer protection and transparency standards, the Group performs the following actions:

- Current rates (interest, fees and expenses) applied to the various financial products are displayed at branches.

- Rates in force are reported quarterly to the Bank of Spain.

- The rates applied to its products can be consulted on the Company's website.

- Customers are provided with documentation setting out contractual conditions before any contract is signed. A copy of the contract is subsequently given to the customer.

- Every January, customers receive personal reports giving details of interest, fees and expenses applied during the preceding year in the products they have contracted.

The Internal Audit Department, as part of the control actions performed at the branches, is responsible for overseeing compliance with the established policies and procedures.

b) In the area of credit risk monitoring, the main objective is to identify in advance any impairment in borrowers' risk quality, to take corrective action and minimise the negative impact of classifying the exposure as Stage 2 or ultimately defaulting on the exposure.

The credit risk monitoring function is carried out on the basis of individual monitoring of customers whose exposure or risk profile requires greater attention, monitoring at the portfolio level, as well as individual monitoring of the metrics and thresholds of the Risk Appetite Framework, and another series of operational or second level indicators, which complement the aforementioned metrics.

Some of the credit risk monitoring conducted at the Bank, including classification and estimation of allowances for exposures, is based on Annex IX "Analysis and Coverage of Credit Risk", of Bank of Spain Circular 4/2017, of 27 November. Those regulatory provisions require institutions to have policies in place for credit risk assessment, monitoring and control that require the utmost care and diligence in the study and rigorous evaluation of the credit risk of transactions, both when granted and throughout their term of effect. Under this Circular, the Bank considers borrowers with respect to which exposure exceeds €3 million to be individually material borrowers.

In addition, the "Guidelines on lending and loan monitoring" issued by the European Banking Authority (EBA/GL/2020/06), which are applicable at June 2021, are of particular relevance. These guidelines apply to the risk management practices, policies, processes and procedures used for lending and the monitoring of non-doubtful exposures, as well as their integration into overall risk management frameworks. In particular, section 8 of these Guidelines refers specifically to the Monitoring Framework that financial institutions must have.

The principles, procedures and key tools on which the monitoring function is based to carry out its work effectively are set out in the Bank's Credit Risk Monitoring Policy.

c) Integrated management risk is completed by recovery policies aimed at avoiding or minimising potential default through specific recover circuits based on the quantity and nature of the operations concerned and with the involvement of various internal and external managers to tailor the actions required by each situation.

3.5.3 Country risk

This is defined as the possibility of incurring losses due to the failure of a country to comply with payment obligations due to circumstances other than normal commercial risk. Comprises sovereign risk, transfer risk and other risks inherent to international financial activities.

Countries are classified into six groups in accordance with Bank of Spain Circular 4/2017, on the basis of their rating, economic performance, political situation, regulatory and institutional framework, payment capacity and payment record.

With regard to sovereign risk, the Company has maximum limits for public debt issued by European Union States and other States, also based on their corresponding ratings.

3.5.4 Information on the credit risk of financial instruments

There follows a description of the credit quality of debt securities in the portfolio of non-trading financial assets mandatorily measured at fair value through profit or loss (Note 8) and of the portfolio of financial assets at amortised cost (Note 11) at 31 December 2024 and 2023:

	Thousands of euros			
	31/12/2024			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Gross amount	**40,347,388**	**1,252,644**	**468,828**	**42,068,860**
Accumulated negative changes in fair value due to credit risk from non-performing exposures	**-**	**-**	**1,278**	**1,278**
Allowances for impairment of assets	**93,643**	**77,664**	**248,544**	**419,851**
Of which: calculated collectively	*93,643*	*63,352*	*170,386*	*327,381*
Of which: calculated separately	-	*14,312*	*78,158*	*92,470*
Net amount	**40,253,745**	**1,174,980**	**219,006**	**41,647,731**

	Thousands of euros			
	31/12/2023			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Gross amount	**41,198,048**	**1,469,792**	**483,298**	**43,151,138**
Accumulated negative changes in fair value due to credit risk from non-performing exposures	**-**	**-**	**2,896**	**2,896**
Allowances for impairment of assets	**82,771**	**106,875**	**264,734**	**454,380**
Of which: calculated collectively	*82,771*	*89,458*	*191,294*	*363,523*
Of which: calculated separately	-	*17,417*	*73,440*	*90,857*
Net amount	**41,115,227**	**1,362,917**	**215,668**	**42,693,862**

Impairment adjustments to collectively calculated assets amount to €13 thousand at 31 December 2024 (€31 thousand at 31 December 2023) due to country risk.

In relation to the maximum level of exposure to credit risk, the most significant sectors of activity are detailed in relation to non-trading financial assets mandatorily measured at fair value through profit or loss (Note 8) and financial assets at amortised cost (Note 11), by transaction purpose:

	Thousands of euros	
	2024	2023
Public sector	10,858,490	11,935,206
Credit institutions	686,378	1,231,100
Real estate construction and development	1,133,571	1,024,017
Other production activities	10,116,766	9,607,210
Housing acquisition and refurbishment	17,574,422	17,590,261
Consumer and other household lending	747,653	715,413
Other sectors not classified	951,580	1,047,931
	42,068,860	**43,151,138**

With respect to the maximum level of exposure to credit risk, financial assets at amortised cost (Note 11) secured by collateral or credit enhancements are as follows:

	Thousands of euros	
	2024	2023
Mortgage guarantees	19,434,668	19,477,501
Pledges - financial assets	67,953	63,174
Off-balance sheet guarantees – public sector, credit institutions, mutual guarantee funds	2,056,907	2,410,471
Guarantees - public sector debt	499,443	702,327
	22,058,971	**22,653,473**

Guarantees received and financial guarantees granted break down as follows at 31 December 2024 and 2023:

	Thousands of euros	
	2024	2023
Value of collateral	19,276,950	19,324,231
Of which: guarantees normal risks on special watch	*757,278*	*938,515*
Of which: guarantees non-performing risks	*239,183*	*265,471*
Value of other collateral	5,970,416	6,332,994
Of which: guarantees normal risks on special watch	*501,119*	*600,112*
Of which: guarantees non-performing risks	*201,172*	*182,038*
Total value of the collateral received	**25,247,366**	**25,657,225**

	Thousands of euros	
	2024	2023
Loan commitments given (Note 27.3)	**3,550,340**	**3,347,542**
Of which: amount classified as normal on special watch	*102,534*	*111,829*
Of which: classified as non-performing	*2,866*	*3,137*
Amount recognised under liabilities on the balance sheet (Note 21)	*8,846*	*7,500*
Financial guarantees granted (Note 27.1)	**113,897**	**107,269**
Of which: amount classified as normal on special watch	*5,873*	*9,218*
Of which: classified as non-performing	*7,636*	*4,695*
Amount recognised under liabilities on the balance sheet (Note 21)	*6,664*	*6,722*
Other commitments given	**887,179**	**790,638**
Of which: amount classified as normal on special watch	*576*	*1,163*
Of which: classified as non-performing	*20,050*	*21,489*
Amount recognised under liabilities on the balance sheet (Note 21)	*5,530*	*6,132*

At December 2024 the LTV (loan to value, reflecting the relationship between the financial transaction balance and the value of the guarantee associated with that transaction) of Ibercaja Group's mortgage portfolio stood at 54.57% (54.69% at December 2023).

The classification of non-trading financial assets mandatorily measured at fair value through profit or loss (Note 8), of fixed-income assets at fair value through other comprehensive income (Note 10) and financial assets at amortised cost (Note 11) that are impaired, distinguishing between those where impairment arises from non-payment and those where it emerges from other factors, is as follows:

	Thousands of euros	
	2024	2023
Customer default	315,798	379,552
Other factors	153,030	103,746
	468,828	**483,298**

The main factors taken into account to calculate impairment for reasons other than non-payment are those reflected in Note 2.3.

There are generally no non-performing financial assets that are not impaired. The only exceptions to this rule are transactions where the Public Sector is the titleholder or which are secured through a cash guarantee and the amount involved is insignificant. Note 11.4.1 includes a breakdown of assets due and not impaired, stating whether they have been outstanding for less than 90 days.

3.5.5 Information concerning risk concentration, refinancing and restructuring

3.5.5.1 Information concerning risk concentration

Below is a breakdown of the carrying amount of the distribution of customer loans by activity at 31 December 2024 and 2023:

	Thousands of euros							
	2024							
				Collateralised loans Carrying amount based on latest available appraisal (loan to value)				
	Total	**Of which: mortgage collateral**	**Of which: other collateral**	**Less than or equal to 40%**	**Greater than 40% and less than or equal to 60%**	**Greater than 60% and less than or equal to 80%**	**Greater than 80% and less than or equal to 100%**	**Greater than 100%**
Public administrations	**557,824**	**35,772**	**-**	**9,266**	**17,477**	**1,762**	**-**	**7,267**
Other financial institutions and individual entrepreneurs (financial business activity)	**599,429**	**8,211**	**500,052**	**2,027**	**5,969**	**-**	**500,267**	**-**
Non-financial companies and individual entrepreneurs (non-financial business activity)	**8,911,126**	**1,925,502**	**61,951**	**876,184**	**629,287**	**405,437**	**36,148**	**40,397**
Real estate construction and development (including land)	1,112,791	1,088,417	20	425,888	357,532	291,606	11,075	2,336
Civil engineering	5,114	17	-	17	-	-	-	-
Other purposes	7,793,221	837,068	61,931	450,279	271,755	113,831	25,073	38,061
Large corporations	*3,870,337*	*82,472*	*1,243*	*36,938*	*16,780*	*19,077*	*979*	*9,941*
SMEs and individual entrepreneurs	*3,922,884*	*754,596*	*60,688*	*413,341*	*254,975*	*94,754*	*24,094*	*28,120*
Other household	**19,103,135**	**17,475,997**	**47,581**	**3,878,511**	**5,712,907**	**6,655,845**	**924,172**	**352,143**
Homes	17,451,445	17,205,293	24,784	3,727,708	5,634,813	6,617,112	909,607	340,837
Consumer	724,027	51,430	10,332	35,870	13,712	6,472	3,894	1,814
Other purposes	927,663	219,274	12,465	114,933	64,382	32,261	10,671	9,492
Total	**29,171,514**	**19,445,482**	**609,584**	**4,765,988**	**6,365,640**	**7,063,044**	**1,460,587**	**399,807**
Memorandum item: refinancing, refinanced and restructured operations	**253,311**	**169,208**	**286**	**40,472**	**49,135**	**51,926**	**13,122**	**14,839**

	Thousands of euros							
	2023							
	Total	Of which: mortgage collateral	Of which: other collateral	Collateralised loans Carrying amount based on latest available appraisal (loan to value)				
				Less than or equal to 40%	Greater than 40% and less than or equal to 60%	Greater than 60% and less than or equal to 80%	Greater than 80% and less than or equal to 100%	Greater than 100%
Public administrations	**583,631**	**39,223**	**-**	**6,637**	**22,996**	**1,829**	**-**	**7,761**
Other financial institutions and individual entrepreneurs (financial business activity)	**715,746**	**9,003**	**702,867**	**666**	**1,819**	**6,302**	**703,047**	**36**
Non-financial companies and individual entrepreneurs (non-financial business activity)	**8,529,718**	**1,915,706**	**64,610**	**887,618**	**712,521**	**285,558**	**45,890**	**48,099**
Real estate construction and development (including land)	994,017	966,856	20	391,648	404,214	164,642	4,747	1,625
Civil engineering	5,607	22	-	22	-	-	-	-
Other purposes	7,530,094	948,198	64,590	495,948	308,307	120,916	41,143	46,474
Large corporations	*3,321,464*	*78,753*	*1,393*	*33,368*	*19,671*	*14,666*	*8,545*	*3,896*
SMEs and individual entrepreneurs	*4,208,630*	*869,445*	*63,197*	*462,580*	*288,636*	*106,250*	*32,598*	*42,578*
Other household	**19,100,991**	**17,508,203**	**38,570**	**4,011,717**	**5,519,081**	**6,514,182**	**1,049,006**	**452,787**
Homes	17,433,572	17,185,206	19,030	3,840,520	5,426,579	6,463,292	1,033,318	440,527
Consumer	690,221	64,976	10,663	44,678	17,055	8,484	4,094	1,328
Other purposes	977,198	258,021	8,877	126,519	75,447	42,406	11,594	10,932
Total	**28,930,086**	**19,471,505**	**806,047**	**4,906,638**	**6,256,417**	**6,807,871**	**1,797,943**	**508,683**
Memorandum item: refinancing, refinanced and restructured operations	**303,506**	**207,198**	**396**	**47,625**	**57,966**	**63,023**	**20,451**	**18,529**

The carrying amount of the risks classified by business and geographic area are set out below, including loans and advances, debt securities, equity instruments, trading derivatives, hedge derivatives, shares and contingent risks.

- Total activity:

	Thousands of euros				
	2024				
	Spain	Other EU	America	Rest of the world	Total
Central banks and credit institutions	**2,474,026**	**223,073**	**2,672**	**9,478**	**2,709,249**
Public administrations	**13,175,227**	**1,938,794**	**94,838**	**-**	**15,208,859**
Central government	12,213,524	1,938,794	94,838	-	14,247,156
Other public administrations	961,703	-	-	-	961,703
Other financial companies and individual entrepreneurs (financial business activity)	**913,599**	**236,356**	**2,470**	**8,872**	**1,161,297**
Non-financial companies and individual entrepreneurs (non-financial business activity)	**11,584,851**	**953,462**	**17,927**	**7,647**	**12,563,887**
Real estate construction and development (including land)	1,429,468	-	-	-	1,429,468
Civil engineering	12,839	1,516	-	-	14,355
Other purposes	10,142,544	951,946	17,927	7,647	11,120,064
Large corporations	4,353,895	943,500	13,906	7,519	5,318,820
SMEs and individual entrepreneurs	5,788,649	8,446	4,021	128	5,801,244
Other household	**19,211,732**	**54,422**	**8,660**	**29,466**	**19,304,280**
Homes	17,360,664	53,191	8,417	29,174	17,451,446
Consumer	723,306	469	145	107	724,027
Other purposes	1,127,762	762	98	185	1,128,807
Total	**47,359,435**	**3,406,107**	**126,567**	**55,463**	**50,947,572**

	Thousands of euros				
	2023				
	Spain	Other EU	America	Rest of the world	Total
Central banks and credit institutions	**2,718,526**	**454,080**	**4,321**	**13,638**	**3,190,565**
Public administrations	**14,337,799**	**2,060,151**	**89,308**	**-**	**16,487,258**
Central government	13,287,791	2,060,151	89,308	-	15,437,250
Other public administrations	1,050,008	-	-	-	1,050,008
Other financial companies and individual entrepreneurs (financial business activity)	**937,303**	**237,449**	**2,421**	**9,842**	**1,187,015**
Non-financial companies and individual entrepreneurs (non-financial business activity)	**11,234,220**	**851,637**	**21,278**	**8,055**	**12,115,190**
Real estate construction and development (including land)	1,284,405	-	-	-	1,284,405
Civil engineering	13,395	-	-	-	13,395
Other purposes	9,936,420	851,637	21,278	8,055	10,817,390
Large corporations	3,827,814	838,131	17,054	7,548	4,690,547
SMEs and individual entrepreneurs	6,108,606	13,506	4,224	507	6,126,843
Other household	**19,079,066**	**57,737**	**8,163**	**33,304**	**19,178,270**
Homes	17,336,345	56,513	7,742	32,971	17,433,571
Consumer	689,331	535	252	103	690,221
Other purposes	1,053,390	689	169	230	1,054,478
Total	**48,306,914**	**3,661,054**	**125,491**	**64,839**	**52,158,298**

- Activity in Spain:

	Thousands of euros								
	2024								
	Aragon	Madrid	Catalonia	Comm. of Valencia	Andalusia	Castilla León	Castilla La Mancha	Other	Total
Central banks and credit institutions	**2,331,543**	**59,041**	**-**	**39,171**	**3,150**	**-**	**1**	**41,120**	**2,474,026**
Public administrations	**163,913**	**160,790**	**5,585**	**44,804**	**106,216**	**130,044**	**14,960**	**335,391**	**13,175,227**
Central government (*)	-	-	-	-	-	-	-		12,213,524
Other public administrations	163,913	160,790	5,585	44,804	106,216	130,044	14,960	335,391	961,703
Other financial institutions and individual entrepreneurs (financial business activity)	**223,096**	**677,895**	**409**	**74**	**284**	**1,261**	**100**	**10,480**	**913,599**
Non-financial companies and individual entrepreneurs (non-financial business activity)	**3,780,785**	**2,891,845**	**1,241,172**	**695,429**	**710,679**	**420,254**	**273,430**	**1,571,257**	**11,584,851**
Real estate construction and development (including land)	270,144	693,807	91,303	64,488	121,706	62,912	21,328	103,780	1,429,468
Civil engineering	5,376	7,117	-	-	5	317	-	24	12,839
Other purposes	3,505,265	2,190,921	1,149,869	630,941	588,968	357,025	252,102	1,467,453	10,142,544
Large corporations	*778,431*	*1,432,439*	*694,399*	*306,627*	*242,678*	*99,553*	*60,828*	*738,940*	*4,353,895*
SMEs and individual entrepreneurs	*2,726,834*	*758,482*	*455,470*	*324,314*	*346,290*	*257,472*	*191,274*	*728,513*	*5,788,649*
Other household	**4,636,267**	**5,804,252**	**1,988,886**	**1,607,933**	**1,193,602**	**761,695**	**1,063,061**	**2,156,036**	**19,211,732**
Homes	3,511,712	5,559,406	1,899,761	1,538,170	1,148,700	696,788	998,792	2,007,335	17,360,664
Consumer	294,072	115,480	53,305	46,188	26,325	37,047	44,166	106,723	723,306
Other purposes	830,483	129,366	35,820	23,575	18,577	27,860	20,103	41,978	1,127,762
Total	**11,135,604**	**9,593,823**	**3,236,052**	**2,387,411**	**2,013,931**	**1,313,254**	**1,351,552**	**4,114,284**	**47,359,435**

(*) The risk pertains to the Central Government and is not allocated by Autonomous Region.

	Thousands of euros								
	2023								
	Aragon	Madrid	Catalonia	Region of Valencia	Andalusia	Castilla León	Castilla La Mancha	Other	Total
Central banks and credit institutions	**2,292,486**	**278,656**	**-**	**77,237**	**3,014**	**-**	**1**	**67,132**	**2,718,526**
Public administrations	**186,474**	**158,719**	**5,954**	**48,746**	**85,115**	**140,761**	**15,852**	**408,387**	**14,337,799**
Central government (*)	-	-	-	-	-	-	-		13,287,791
Other public administrations	186,474	158,719	5,954	48,746	85,115	140,761	15,852	408,387	1,050,008
Other financial institutions and individual entrepreneurs (financial business activity)	**95,862**	**837,807**	**783**	**155**	**422**	**1,426**	**129**	**719**	**937,303**
Non-financial companies and individual entrepreneurs (non-financial business activity)	**3,812,592**	**2,568,812**	**1,268,065**	**659,970**	**645,794**	**458,143**	**288,991**	**1,531,853**	**11,234,220**
Real estate construction and development (including land)	223,304	573,523	123,966	57,848	95,753	69,744	24,591	115,676	1,284,405
Civil engineering	5,616	7,181	-	-	9	534	-	55	13,395
Other purposes	3,583,672	1,988,108	1,144,099	602,122	550,032	387,865	264,400	1,416,122	9,936,420
Large corporations	*754,207*	*1,166,196*	*625,433*	*266,100*	*216,684*	*106,005*	*59,094*	*634,095*	*3,827,814*
SMEs and individual entrepreneurs	*2,829,465*	*821,912*	*518,666*	*336,022*	*333,348*	*281,860*	*205,306*	*782,027*	*6,108,606*
Other household	**4,705,420**	**5,617,272**	**1,934,278**	**1,606,522**	**1,161,429**	**775,921**	**1,097,848**	**2,180,376**	**19,079,066**
Homes	3,700,464	5,374,208	1,841,729	1,533,142	1,115,195	709,140	1,036,129	2,026,338	17,336,345
Consumer	279,610	109,052	51,589	42,267	24,760	36,165	40,822	105,066	689,331
Other purposes	725,346	134,012	40,960	31,113	21,474	30,616	20,897	48,972	1,053,390
Total	**11,092,834**	**9,461,266**	**3,209,080**	**2,392,630**	**1,895,774**	**1,376,251**	**1,402,821**	**4,188,467**	**48,306,914**

(*) The risk pertains to the Central Government and is not allocated by Autonomous Region.

The concentration of credit quality risk in debt securities based on the counterparty's rating at 31 December 2024 and 2023 is detailed below:

	Thousands of euros			
	2024			
	Non-trading financial assets mandatorily at fair value through profit or loss	Financial assets designated at fair value through profit or loss	Financial assets at fair value through other comprehensive income	Financial assets at amortised cost
AAA / AA	-	6,973	582,963	367,660
A	-	304,758	2,628,198	7,846,235
BBB	-	125,240	1,105,409	3,389,230
BB	-	-	-	27,888
B	-	-	-	-
CCC	-	-	-	-
Unrated	-	-	-	-
Total	**-**	**436,971**	**4,316,570**	**11,631,013**

	Thousands of euros			
	2023			
	Non-trading financial assets mandatorily at fair value through profit or loss	Financial assets designated at fair value through profit or loss	Financial assets at fair value through other comprehensive income	Financial assets at amortised cost
AAA / AA	-	7,059	384,526	239,915
A	-	315,856	2,961,115	8,455,653
BBB	-	121,560	1,143,471	3,834,353
BB	-	-	-	28,536
B	-	-	-	-
CCC	-	-	-	-
Unrated	-	-	2,021	-
Total	**-**	**444,475**	**4,491,133**	**12,558,457**

3.5.5.2 Information concerning refinancing and restructuring

The Group follows a policy aimed at utilising operations refinancing and restructuring as credit risk management instruments which, when implemented prudently and appropriately, contribute to improving risk quality, based on individualised analyses focused on providing economic viability to borrowers that, at some stage of the transaction, undergo transitory difficulties to meeting their payments commitments promptly at the time they fall due. The policy is aimed at:

- Ensuring the economic feasibility of borrowers and operations (grant of interest free periods, increase in timeframes, etc.).

- Improving as far as possible the Group's risk position through the delivery of additional effective guarantees and the review of existing guarantees.

<u>Acceptance of transactions:</u>

In general, refinancing/restructuring transactions must meet the following requirements:

- Feasibility analysis based on the existence of the customer's intention and capacity to pay which although impaired with respect to inception, should exist under the new conditions.

- Bringing instalments into line with the client's real payment capacity following an up-to-date analysis of the borrower's supporting economic-financial situation.
- Assessment of the borrower's/operation's compliance record.

- Assessment of the effectiveness of existing guarantees and new guarantees to be provided. To this end, the following are considered effective guarantees:

  – Guarantees pledged over cash deposits, listed equity instruments and debt securities.

  – Mortgage guarantees over housing, offices and multi-purpose entities and rural properties.

  – Personal guarantees (guarantee deposits, new holders etc.) fully covering the guaranteed risk.

<u>Sanction</u>:

The branch network is not authorised to sanction refinancing or restructuring transactions. The transactions are authorised by a specific circuit other than the admission circuit, which is completely separate from the commercial network.

In 2012, Ibercaja adhered to the Code of Good Practices for viable restructuring of mortgage-backed debts on primary residences, as regulated in Royal Decree 6/2012 and subsequently amended in Royal Decree Law 19/2022, of 22 November.

A breakdown of refinancing and restructuring balances at 31 December 2024 and 2023 can be seen below:

	Thousands of euros			
	2024		2023	
	Total	Of which: default/non-performing	Total	Of which: default/non-performing
Gross amount	**335,057**	**168,020**	**412,011**	**189,535**
Accumulated negative changes in fair value due to credit risk from non-performing exposures	**1,278**	**1,278**	**2,896**	**2,896**
Allowances for impairment of assets	**80,468**	**69,307**	**105,609**	**88,290**
Of which: collective	*38,759*	*29,135*	*55,862*	*44,595*
Of which: individual	*41,709*	*40,172*	*49,747*	*43,695*
Net amount	**253,311**	**97,435**	**303,506**	**98,349**
Value of the collateral received	**364,870**	**175,189**	**432,398**	**194,796**
Value of collateral	202,087	96,453	249,210	118,962
Value of other collateral	162,783	78,736	183,188	75,834

On 31 December 2024, the Group assessed the renegotiated transactions, and according to their better judgement identified and provided those that having not mediated renegotiation could have been past-due or impaired, for a global risk amount of €167,037 thousand (€222,476 thousand on 31 December 2023).

The reconciliation of the gross amounts of refinanced and restructured transactions at 31 December 2024 and 2023 is as follows:

	Thousands of euros	
	2024	**2023**
Balance at 1 January	**412,011**	**402,512**
(+) Refinancing and restructuring in the period	76,328	119,304
Memorandum item: impact recognised in the income statement for the period	*7,909*	*10,650*
(-) Debt repayments	90,649	49,994
(-) Foreclosures	9,335	6,416
(-) Derecognitions (reclassification to written-off assets)	9,653	9,491
(+)/(-) Other changes (*)	(43,645)	(43,904)
Balance at 31 December	**335,057**	**412,011**

(*) Includes operations that are no longer classified as refinancing, refinanced or restructured as the requirements for reclassification from performing exposures under special vigilance to performing exposures have been met (Note 2.3).

On 31 December 2024, the details of the refinanced and restructured transactions are as follows:

	Thousands of euros							
	Total							
	Unsecured loans		Secured loans				Accumulated impairment or accumulated losses in fair value due to credit risk	Carrying amount
	No. of transactions	Gross carrying amount	No. of transactions	Gross carrying amount	Maximum amount of the collateral that can be considered			
					Real estate collateral	Other collateral		
Credit institutions	-	-	-	-	-	-	-	-
Public administrations	1	119	-	-	-	-	-	119
Other financial companies and individual entrepreneurs (financial business activity)	1	16	-	-	-	-	(5)	11
Non-financial companies and individual entrepreneurs (non-financial business activity)	1,463	106,623	302	72,465	57,693	335	(48,175)	130,913
Of which: financing for real estate construction and development	*2*	*1,029*	*44*	*19,509*	*18,056*	*6*	*(4,691)*	*15,847*
Other household	1,032	11,998	1,774	143,836	135,662	29	(33,566)	122,268
Total	2,497	118,756	2,076	216,301	193,355	364	(81,746)	253,311
Additional information								
Financing classified as non-current assets and disposal groups of items classified as held for sale	-	-	-	-	-	-	-	-

	Thousands of euros							
	Of which: default/non-performance							
	Unsecured loans		Secured loans				Accumulated impairment or accumulated losses in fair value due to credit risk	Carrying amount
	No. of transactions	Gross carrying amount	No. of transactions	Gross carrying amount	Maximum amount of the collateral that can be considered			
					Real estate collateral	Other collateral		
Credit institutions	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Public administrations	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Other financial companies and individual entrepreneurs (financial business activity)	**1**	**16**	**-**	**-**	**-**	**-**	**(5)**	**11**
Non-financial companies and individual entrepreneurs (non-financial business activity)	**488**	**51,745**	**195**	**45,548**	**31,465**	**217**	**(43,396)**	**53,897**
Of which: financing for real estate construction and development	-	-	*36*	*15,567*	*14,155*	*6*	*(4,362)*	*11,205*
Other household	**736**	**9,418**	**829**	**61,293**	**56,480**	**29**	**(27,184)**	**43,527**
Total	**1,225**	**61,179**	**1,024**	**106,841**	**87,945**	**246**	**(70,585)**	**97,435**
Additional information								
Financing classified as non-current assets and disposal groups of items classified as held for sale	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

On 31 December 2023, the details of the refinanced and restructured transactions are as follows:

	Thousands of euros							
	Total							
	Unsecured loans		Secured loans				Accumulated impairment or accumulated losses in fair value due to credit risk	Carrying amount
	No. of transactions	Gross carrying amount	No. of transactions	Gross carrying amount	Maximum amount of the collateral that can be considered			
					Real estate collateral	Other collateral		
Credit institutions	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Public administrations	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Other financial companies and individual entrepreneurs (financial business activity)	**4**	**646**	**-**	**-**	**-**	**-**	**(355)**	**291**
Non-financial companies and individual entrepreneurs (non-financial business activity)	**1,539**	**123,199**	**424**	**87,599**	**67,849**	**461**	**(57,583)**	**153,215**
Of which: financing for real estate construction and development	2	1,605	66	24,421	19,664	6	(8,281)	17,745
Other household	**1,376**	**15,952**	**2,218**	**184,615**	**170,748**	**31**	**(50,567)**	**150,000**
Total	**2,919**	**139,797**	**2,642**	**272,214**	**238,597**	**492**	**(108,505)**	**303,506**
Additional information								
Financing classified as non-current assets and disposal groups of items classified as held for sale	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

	Thousands of euros							
	Of which: default/non-performance							
	Unsecured loans		Secured loans				Accumulated impairment or accumulated losses in fair value due to credit risk	Carrying amount
	No. of transactions	Gross carrying amount	No. of transactions	Gross carrying amount	Maximum amount of the collateral that can be considered			
					Real estate collateral	Other collateral		
Credit institutions	-	-	-	-	-	-	-	-
Public administrations	-	-	-	-	-	-	-	-
Other financial companies and individual entrepreneurs (financial business activity)	**4**	**646**	-	-	-	-	**(355)**	**291**
Non-financial companies and individual entrepreneurs (non-financial business activity)	**459**	**40,363**	**264**	**47,633**	**29,546**	**68**	**(47,595)**	**40,401**
Of which: financing for real estate construction and development	-	-	56	13,691	9,499	6	(6,670)	7,021
Other household	**996**	**12,486**	**1,154**	**88,407**	**78,995**	**31**	**(43,236)**	**57,657**
Total	**1,459**	**53,495**	**1,418**	**136,040**	**108,541**	**99**	**(91,186)**	**98,349**
Additional information								
Financing classified as non-current assets and disposal groups of items classified as held for sale	-	-	-	-	-	-	-	-

The detail of the refinanced or restructured transactions is attached that, after the restructuring or refinancing, have been classified as non-performing during fiscal years 2024 and 2023:

	Thousands of euros	
	2024	2023
Public administrations	-	-
Other legal persons and individual entrepreneurs	**25,454**	**15,528**
Of which: financing for real estate construction and development	7,992	150
Other individuals	**13,635**	**22,221**
Total	**39,089**	**37,749**

3.5.6 Policies for the management of problematic assets

Ibercaja Banco, S.A. establishes specific policies relating to the management of assets of the real estate sector.

These policies are focused on favouring the compliance of the obligations of the borrowers and mitigate the risks to which the Group is exposed. In this sense, alternatives are searched for that allow for the completion and sale of the projects, analysing the renegotiation of the risks if it improves the credit position of the Group and with the basic purpose that the borrower can maintain his/her commercial activity. To do so, they keep in mind the previous experience with the borrower, the apparent willingness of payment and the improvement of the Group in terms of expected loss, seeking to increase the guarantees of the credits and not increase the customer's risk.

Additionally the Group supports the promoters once the promotions are finished, working together in the management and speeding up of sales.

In the case that the support measurements are not possible or sufficient, other alternatives are searched for such as the granting in payment or the purchase of assets, with legal claim and subsequent acquisition of real estate being the last option.

All those assets that form part of the Group's balance sheet are managed seeking their divestment or lease.

To do so, the Group has agreements with third parties or has instrumental companies, specialised in the management of urban projects, sale of real estate and lease of real estate assets.

The Group has specific Units to implement these strategies and coordinate the actions of instrumental subsidiaries, the branch office network and the rest of actors involved.

3.5.6.1 Credit investment linked to development and real estate activities and to retail mortgages

On 31 December 2024 and 2023, the details of the financing for the property construction and development and the hedging thereof is the following:

	Thousands of euros							
	Gross amount		Excess over collateral value (*)		Accumulated impairment		Net value	
	2024	2023	2024	2023	2024	2023	2024	2023
Financing for real estate construction and development (including land) (businesses in Spain)	**1,151,745**	**1,037,300**	**178,066**	**119,234**	**19,343**	**24,174**	**1,132,402**	**1,013,126**
Of which: default/non-performance	*19,770*	*20,929*	*6,212*	*10,809*	*12,425*	*17,432*	*7,345*	*3,497*
Memorandum item: written-off assets	**118,454**	**114,129**	-	-	-	-	-	-

(*) Excess of the gross exposure on the maximum recoverable amount of the effective collateral calculated according to Circular 04/2017. That is, the positive difference between the gross carrying amount of the financial assets and the maximum recoverable amount of the effective collateral.

	Thousands of euros	
	Carrying amount	
Memorandum item: Data from the public consolidated balance sheet	**2024**	**2023**
Loans to customers, excluding Public Administrations (businesses in Spain)	28,613,690	28,346,455
Total assets (total businesses)	53,140,648	54,516,480
Impairment loss and provisions for exposures classified as normal (total businesses)	183,991	202,049

The breakdown of the heading of the financing for the property construction and development (including land), on 31 December 2024 and 2023 is the following:

	Thousands of euros	
	Gross carrying amount	
	2024	**2023**
Without real estate collateral	**24,844**	**25,493**
With real estate guarantee	**1,126,901**	**1,011,807**
Buildings and other completed constructions	256,132	244,312
Home loans	*236,065*	*216,910*
Other	*20,067*	*27,402*
Buildings and other constructions under construction	776,818	690,454
Home loans	*776,529*	*690,113*
Other	*289*	*341*
Land	93,951	77,041
Consolidated urban land	*63,445*	*73,907*
Other land	*30,506*	*3,134*
Total	**1,151,745**	**1,037,300**

Below a detail of the collateral received and financial guarantees granted in relation to the financing for property construction and development is shown (including undeveloped land) on 31 December 2024 and 2023.

Collateral received:

	Thousands of euros	
	2024	**2023**
Value of collateral	1,092,146	976,240
Of which: guarantees default/non-performing risks	*17,513*	*15,262*
Value of other collateral	372,110	338,980
Of which: guarantees default/non-performing risks	*15,147*	*9,952*
Total value of the collateral received	**1,464,256**	**1,315,220**

Financial guarantees granted:

	Thousands of euros	
	2024	2023
Financial guarantees granted related to real estate construction and development	**4,335**	**3,529**
Amount recognised under liabilities on the balance sheet	2,315	2,628

On 31 December 2024 and 2023, the breakdown of loans to households for housing acquisition, is the following:

	Thousands of euros			
	Gross carrying amount		Of which: non-performing	
	2024	2023	2024	2023
Housing acquisition loans	**17,354,869**	**17,339,556**	**158,683**	**175,816**
Without mortgage loan	232,514	231,724	879	1,235
With mortgage loan	17,122,355	17,107,832	157,804	174,581

The breakdown of the loans with mortgage loan to households for housing acquisition according to the percentage that implies the gross carrying amount over the latest appraisal amount (loan to value) on 31 December 2024 and 2023 is the following:

	Thousands of euros					
	2024					
	Gross carrying amount based on latest appraisal amount (loan to value)					
	Less than or equal to 40%	Greater than 40% and less than or equal to 60%	Greater than 60% and less than or equal to 80%	Greater than 80% and less than or equal to 100%	Greater than 100%	Total
Gross carrying amount	3,667,602	5,601,751	6,610,827	902,095	340,080	**17,122,355**
Of which: default/non-performance	*50,962*	*66,667*	*34,634*	*4,489*	*1,052*	***157,804***

	Thousands of euros					
	2023					
	Gross carrying amount based on latest appraisal amount (loan to value)					
	Less than or equal to 40%	Greater than 40% and less than or equal to 60%	Greater than 60% and less than or equal to 80%	Greater than 80% and less than or equal to 100%	Greater than 100%	Total
Gross amount	3,768,467	5,399,291	6,462,012	1,035,794	442,268	**17,107,832**
Of which: default/non-performance	*45,148*	*69,460*	*50,174*	*7,814*	*1,985*	***174,581***

On 31 December 2024 92.7% of the housing acquisition loan with real estate collateral has an LTV lower than 80% (91.4% on 31 December 2023).

3.5.6.2 Repossessed assets; assignments of assets in lieu of payment.

As at 31 December 2024 and 2023, the following information relates to assets repossessed or accepted as payment for debts:

	Thousands of euros			
	2024			
	Gross carrying amount (*)	Total allowances for impairment losses	Of which: Allowances for impairment losses from the time of the foreclosure	Carrying amount
Real estate assets acquired from loans for real estate construction and development	**159,003**	**(119,539)**	**(69,827)**	**39,464**
Buildings and other completed constructions	25,344	(14,792)	(7,133)	10,552
Home loans	*14,156*	*(8,218)*	*(4,151)*	*5,938*
Other	*11,188*	*(6,574)*	*(2,982)*	*4,614*
Buildings and other constructions under construction	1,758	(1,324)	(634)	434
Home loans	*1,398*	*(1,015)*	*(461)*	*383*
Other	*360*	*(309)*	*(173)*	*51*
Land	131,901	(103,423)	(62,060)	28,478
Consolidated urban land	*51,448*	*(41,137)*	*(20,102)*	*10,311*
Other land	*80,453*	*(62,286)*	*(41,958)*	*18,167*
Real estate assets acquired in mortgage loans to households for housing acquisition	**69,042**	**(40,180)**	**(18,980)**	**28,862**
Other foreclosed or received real estate assets in payment of debt	**45,003**	**(27,484)**	**(12,627)**	**17,519**
	273,048	**(187,203)**	**(101,434)**	**85,845**

(*) Amount before deducting the allowances for impairment loss.

	Thousands of euros			
	2023			
	Gross carrying amount (*)	Total allowances for impairment losses	Of which: Allowances for impairment losses from the time of the foreclosure	Carrying amount
Real estate assets acquired from loans for real estate construction and development	**204,759**	**(145,158)**	**(77,678)**	**59,601**
Buildings and other completed constructions	26,550	(15,161)	(6,393)	11,389
Home loans	*14,844*	*(7,950)*	*(3,582)*	*6,894*
Other	*11,706*	*(7,211)*	*(2,811)*	*4,495*
Buildings and other constructions under construction	3,579	(2,738)	(913)	841
Home loans	*3,219*	*(2,444)*	*(755)*	*775*
Other	*360*	*(294)*	*(158)*	*66*
Land	174,630	(127,259)	(70,372)	47,371
Consolidated urban land	*61,514*	*(46,510)*	*(22,141)*	*15,004*
Other land	*113,116*	*(80,749)*	*(48,231)*	*32,367*
Real estate assets acquired in mortgage loans to households for housing acquisition	**87,317**	**(47,569)**	**(22,838)**	**39,748**
Other foreclosed or received real estate assets in payment of debt	**54,866**	**(31,714)**	**(13,998)**	**23,152**
	346,942	**(224,441)**	**(114,514)**	**122,501**

(*) Amount before deducting the allowances for impairment loss.

The breakdown of the carrying amount of assets foreclosed or received as payment for debts classified by balance sheet item as at 31 December 2024 and 2023 is as follows:

	Thousands of euros				
	2024				
	Gross carrying amount	Allowances for impairment losses from lending	Accumulated depreciation	Allowances for impairment losses from the time of the foreclosure	Carrying amount
Tangible assets – Investment property	12,276	(2,256)	(299)	(3,436)	6,285
Other assets - Inventories	26,633	(5,606)	-	(16,830)	4,197
Non-current assets and disposal groups classified as held for sale	234,139	(77,551)	(57)	(81,168)	75,363
	273,048	**(85,413)**	**(356)**	**(101,434)**	**85,845**

	Thousands of euros				
	2023				
	Gross carrying amount	Allowances for impairment losses from lending	Accumulated depreciation	Allowances for impairment losses from the time of the foreclosure	Carrying amount
Tangible assets - Investment property	11,444	(2,263)	(304)	(3,374)	5,503
Other assets - Inventories	31,593	(8,566)	-	(15,375)	7,652
Non-current assets and disposal groups classified as held for sale	303,905	(98,740)	(54)	(95,765)	109,346
	346,942	**(109,569)**	**(358)**	**(114,514)**	**122,501**

3.6 Exposure to operational risk

This is defined as the risk of loss resulting from a lack of adequacy or failure of internal processes, personnel and systems, or a loss arising from external events, and therefore encompasses sub-categories such as conduct risk, technological risk or model risk, among others.

3.6.1 Strategies and policies for the operational risk management

The Board of Directors approves the strategies, policies and limits for the management of this risk, following a report from the Major Risks and Solvency Committee, documented in the Operational Risk Policy, which in turn derives from the Risk Control Function Policy and has procedures for monitoring and controlling operational risk developed in the Operational Risk Manual.

The Group currently has a management an assessment model for this risk, which basically contemplates the following points:

- General aspects: definition of operational risk, categorisation and assessment of risks.
- Methodologies applied for the identification, assessment and measuring of operational risks.
- Scope of application of the methodologies and personnel that participate in the management of this risk.
- Indicators, limits and tolerance ranges.

- Generation of stress scenarios.

- Models of support to the management (management, control and mitigation of the operational risk): information derived from the previous methodologies and implementation of measures directed at the mitigation of this risk.

- Action plans for the mitigation of operational risk

The scope of application of the model of management and assessment model of the operational risk is extended both to business units and support of Ibercaja Banco, and the Group companies.

Its application and effective use in each of the units and subsidiary companies are developed in a decentralised manner. The Non-Financial Risk Control Unit, together with other units and subsidiaries, coordinates risk measurement and carries out risk monitoring, analysis and communication.

Finally, it should be noted that the Non-Financial Risk Control Unit is incorporating into its activity those aspects linked to Environmental Risk that affect the Operational Risk area.

3.6.2 Procedures for measurement, management and control

The Group, in applying the adopted model for the operational risk management, use the following methodologies combined, which are supported by specific IT tools:

- Qualitative methodology, based on the identification and expert assessment of operational risks and the existing controls in the processes and activities, together with the breakdown and analysis of risk indicators. In 2024, 679 operational risks were reviewed and self-assessed. This process concluded that there was a medium-low risk profile.

- Quantitative methodology, supported in the identification and analysis of the real losses fluctuations in the Group, which are recorded in the database established for that purpose (BDP).

The quantification of real losses recorded in the data base of losses in 2024 shows a total annual net loss (net of direct recoveries and insurance) for operational risk events of €23,590 thousand, corresponding to 18,713 events, of which 12,324 events for €12,326 thousand result from write-downs linked to the return of mortgage expenses. If the provisions linked to these write-downs and other provisions associated with different losses, which were also extraordinary, are discounted, the total annual net loss is €4,664 thousand.

Real operational losses were small in relation to capital requirements, consistent with the overall result of the qualitative assessment mentioned above.

Streamlining in processes of operational risk management and control resulting from the established policies and methodologies, allow the Bank to calculate from December 2010 the capital consumption for Operational Risk by standard method, in accordance with that established in Regulation (EU) No. 575/2013.

3.7 Exposure to the interest rate risk

This is defined as the current or future risk to the Group's capital or earnings as a result of adverse fluctuations in interest rates, or in market credit spreads, affecting the positions of its investment portfolio.

The sources of the interest rate risk are the gap, base or optionality risks. In particular, gap risk arises from the different timing of interest rate-sensitive balance sheet instruments, as a result of differences in the timing of their repricing or maturities. Basis risk derives from the different benchmark indices used for repricing, interest rate-sensitive asset and liability instruments. Optionality risk arises from embedded or explicit options that arise when either the Bank or the customer have the option of altering future cash flows if it benefits them.

3.7.1 Strategies and policies for the management of interest rate and credit spread risk

The aim of risk management is to contribute to the maintenance of the current and future profitability in the adequate levels, preserving the economic value of the Group.

The Board of Directors establishes the strategies, policies and limits for the management of this risk, following a report from the Large Risk and Solvency Committee, documented in the interest rate risk management and CSRBB policy, and in the Risk Control Function Policy.

3.7.2 Procedures for measurement and control

The Group manages the exposure to the risk that derives from the transactions of their portfolio, both at the time of its agreement and in its subsequent monitoring, and incorporate to its analysis horizon the assessment established for the business and the expectations respect to the interest rates, as well as the proposals of management and hedging, simulating different behaviour scenarios.

The Company's tools measure the effects of interest rate movements on the intermediation margin and the economic value, simulate scenarios depending on the assumptions used for interest rate behaviour and business performance, and help estimate the potential impact on capital and on results of abnormal fluctuations of the market, so that the results can be considered in the establishment and review of risk policies and limits and in the planning and decision-making process.

As to optionality risk, behavioural models are available that provide the key assumptions on the sensitivity and duration of demand savings transactions, as their maturity date is not contractually specified, and on early repayments on loans, early redemption of time deposits, and duration of non-performing assets, always based on historical experience for different scenarios.

In the same way, the effect that the variations in interest rates have on the financial margin and economic value is controlled by the establishment of limits to the exposure. The limits allow for maintaining the exposure to the interest rate risk within the levels compatible with the approved policies.

Below, the sensitivity profile is shown of the balance of the Group to the interest rate risk on 31 December 2024 and on 31 December 2023, indicating the carrying amount of those financial assets and liabilities affected by this risk, which appear classified depending on the estimated term until the review date of the interest rate or maturity.

On 31 December 2024:

	€ million						
	Terms until the review of the effective interest rate or maturity						
	Up to 1 month	**1 to 3 months**	**Between 3 months and 1 year**	**Sensitive Balance**	**Insensitive Balance**	**1 to 5 years**	**Over 5 years**
Assets	**4,438**	**6,490**	**12,345**	**23,273**	**22,318**	**9,408**	**12,910**
Financial assets with fixed interest rates and other assets without determined maturity	2,399	259	1,389	4,047	16,391	6,377	10,014
Financial assets at fixed rate hedged with derivatives	427	-	1,984	2,411	1,271	458	813
Financial assets at variable interest rate	1,612	6,231	8,972	16,815	4,656	2,573	2,083
Liabilities	**12,122**	**4,807**	**7,273**	**24,202**	**21,389**	**6,222**	**15,167**
Financial liabilities with fixed interest rates and other liabilities without determined maturity	11,249	3,189	6,266	20,704	23,294	7,907	15,387
Financial liabilities at fixed rate hedged with derivatives	850	1,500	1,006	3,356	(1,912)	(1,685)	(227)
Financial liabilities at variable interest rate	23	118	1	142	7	-	7
Difference or Gap in the period	**(7,684)**	**1,683**	**5,072**	**(929)**	**929**	**3,186**	**(2,257)**
Difference or accumulated Gap	**(7,684)**	**(6,001)**	**(929)**	**(929)**	**929**	**2,257**	
Average gap	(7,684)	(6,422)	3,098	(3,745)			
% of total assets	(16,85)	(14,09)	6,79	(8,21)			

On 31 December 2023:

	€ million						
	Terms until the review of the effective interest rate or maturity						
	Up to 1 month	**1 to 3 months**	**Between 3 months and 1 year**	**Sensitive Balance**	**Insensitive Balance**	**1 to 5 years**	**Over 5 years**
Assets	**6,713**	**6,536**	**10,967**	**24,216**	**22,744**	**9,798**	**12,946**
Financial assets with fixed interest rates and other assets without determined maturity	3,054	323	1,644	5,021	18,251	7,028	11,223
Financial assets at fixed rate hedged with derivatives	(11)	-	1,100	1,089	1,993	1,344	649
Financial assets at variable interest rate	3,670	6,213	8,223	18,106	2,500	1,426	1,074
Liabilities	**14,262**	**3,499**	**5,992**	**23,753**	**23,207**	**8,163**	**15,044**
Financial liabilities with fixed interest rates and other liabilities without determined maturity	13,390	1,813	4,471	19,674	25,126	8,348	16,778
Financial liabilities at fixed rate hedged with derivatives	859	1,513	1,520	3,892	(1,927)	(185)	(1,742)
Financial liabilities at variable interest rate	13	173	1	187	8	-	8
Difference or Gap in the period	**(7,549)**	**3,037**	**4,975**	**463**	**(463)**	**1,635**	**(2,098)**
Difference or accumulated Gap	**(7,549)**	**(4,512)**	**463**	**463**	**(463)**	**2,098**	
Average gap	(7,549)	(5,272)	3,618	(2,412)			
% of total assets	(16,07)	(11,23)	7,70	(5,14)			

Sensitive balances will be considered those whose maturity or repricing occurs in the next twelve months. This period is established as a reference to quantify the effect of the variation of the interest rates on the Group's annual net interest income.

The Gap that appears in the box represents the difference between the sensitive assets and liabilities in each period, i.e. the net balance exposed to changes in prices. The average gap of the period is -€3,745 million, -8.21% of the asset (€2,412 million, -5.14% of the asset at 31 December 2023).

The Group maintains an interest rate risk management strategy aimed at minimising the interest rate sensitivity of the financial margin and its economic value. In this regard, the Bank's equity duration remains at levels close to zero, reflecting a balanced asset and liability structure in terms of sensitivity to interest rate changes.

According to data at 31 December 2024, the impact on the Company's interest margin of a 200 basis point increase in interest rates is -€72.6 million, -13.07% on the interest margin for the next 12 months, while, with a decrease of 200 basis points the impact is -€57.3 million, in this case also negative due to activation of the legal floors of 0% on the remuneration of demand savings accounts and retail term deposit bases, -10.32% on the interest margin for the next 12 months (at December 2023, -€38.15 million and -6.86% due to increases and -€39.85 million and -7.16% due to decreases) on the assumption of maintaining the size and structure of the balance sheet and that interest rate movements occur instantaneously and are the same for all points of the balance sheet. curve, with a floor that goes from minus 150 bp, rising progressively until reaching zero in the 50-year period.

The impact on the economic value of the Company in the event of a rise of 200 basis points in interest rates is €17.33 million, 0.30% of the economic value of assets and liabilities, and in the event of a fall of 200 basis points is -€59.50 million, -1.02% of the economic value of assets and liabilities (in December 2023, -€93.05 million and -1.57% in the event of a rise and -€147.62 million and 2.50% in the event of a fall), under the assumption that interest rate movements occur instantaneously and are the same for all points on the curve, with a progressive floor ranging from minus 150 bps, rising progressively until reaching zero in the 50-year period.

3.8 Exposure to liquidity and financing risk

It is defined as the possibility of incurring losses due to not having access to sufficient liquid funds to meet payment obligations.

3.8.1 *Strategies and policies for the liquidity risk management*

The management and control of the liquidity risk are governed by the principles of financial autonomy and balance equilibrium, guaranteeing the continuity of the business and the availability of sufficient liquid resources to fulfil the payment commitments associated with the cancellation of the liabilities on their respective maturity dates without compromising the capacity of answering before strategic opportunities of market.

The Board of Directors establishes the strategies, policies and limits for the management of this risk, following a report from the Large Risk and Solvency Committee, documented in the “Liquidity risk management policy” and in the “Risk control function policy”.

The strategies for attracting resources in the retail segments and the use of alternative sources of short-, medium- and long-term liquidity, allow the Group to have the necessary resources to attend the solvent credit demand derived from the commercial activity and maintain the positions of treasury within the parameters of management established in the Framework of risk appetite and in the Liquidity manual.

3.8.2 *Procedures for measurement and control*

The measurement of the liquidity risk considers the estimated treasury flows of the assets and liabilities, as well as the guarantees or additional instruments that it has to ensure alternative sources of liquidity that could be required.

Likewise, the development established for the business and the expectations respect to the interest rates are incorporated, as well as the proposals of management and hedging, simulating different behaviour scenarios. These procedures and analysis techniques are reviewed with the necessary frequency to ensure their correct operation.

Progress is made in the short-, medium- and long-term to know the needs of financing and the compliance of the limits, that have in mind the most recent macroeconomic tendencies, for its incidence in the development of the different assets and liabilities of the balance sheet, as well as in the contingent liabilities and derived products. In the same way, the liquidity risk is controlled via the establishment of tolerance ranges compatible with the approved policies.

In addition, the Group is prepared to meet possible crises, both internal and in the markets in which they operate, with action plans that guarantee sufficient liquidity at the lowest cost possible.

At 31 December 2024, the Company's available liquidity amounted to €12,757 million (€12,134 million at 31 December 2023), coupled with an issuance capacity of €8,062 million (€8,180 million at 31 December 2023). Total availability stood at €20,819 million (€20,314 million at 31 December 2023), €505 million up on the close of last year. In 2024, wholesale maturities were outstanding for a nominal amount of €578 million: senior debt (€500 million), securitisation bonds owned by third parties (€78 million).

The collateral policy with the ECB contains pledged assets with a discounted value of €5,907 million at 31 December 2024 (31 December 2023: €6,495 million), of which nothing was drawn down at 31 December 2024, leaving ample liquidity available to meet liquidity needs.

In addition to the policy mentioned, the Company has very different sources of financing. There is a large base of retail deposits of €30,485 million (€29,486 million at 31 December 2023), of which 86% had stable balances. The Bank also has financing collateralised by securities in the amount of €2,465 million (€4,792 million at 31 December 2023), €317 million of which is transacted with central counterparties. In addition, wholesale issues of a total €2,980 million (€3,058 million at 31 December 2023), characterised by diversification of maturities, and deposits from the Group's financial institutions amounting to €300 million (€409 million at 31 December 2023), and deposits from other customers of €3,782 million (€3,798 million at 31 December 2023), among others.

The Company’s balance sheet does not have major exposures of liquidity risk in their assets or in their financing sources.

In relation to other contingent risks, the Group controls the position of:

- Financing received from investment funds and pension plans with clauses that cause the reimbursement depending on reversals in the credit qualification of Ibercaja Banco. At the end of 2024, there was no amount affected by the reversal of a qualification scale.

- Liability derivatives for €224 million, that have required the contribution of additional guarantees for 225 million as well as asset derivatives for €1 million, for those that have received additional guarantees for €1 million. In addition, those transacted through the clearing house contributed additional collateral of €33 million.

- Financing collateralised by securities of €4,619 million, which required the provision of additional collateral of €44 million in cash (collateral includes both repurchase agreements and reverse repurchase agreements).

- International card transactions with CECA cards require collateral of €11 million in fixed income.

- The hedging of the principal and interest maturities of the next 6 months of covered bonds requires a contribution of guarantees of €1,060 million in fixed income.

Ibercaja Banco has signed framework agreements of compensation or "netting", and their appendices of guarantee exchange, with all the entities that operate in OTC (over the counter, for its letters in English) derivatives and in simultaneous transactions. Their signature is a prerequisite for those entities with which this type of transaction will be started. Ibercaja Banco participates as a direct member in the central chambers of compensation of simultaneous transactions LCH Clearnet and MEFF Clear, and in Eurex for the operation with some classes of derivatives of interest rates, being a normal market practice extended among the participants after regulation EMIR goes into effect.

Below a breakdown is offered of the available liquidity:

	Thousands of euros	
	2024	2023
Cash and central banks	1,878,959	1,792,730
Available in policy	5,907,198	6,494,859
Eligible off-policy assets	4,652,003	3,498,954
Other marketable assets not eligible for ECB	318,591	347,533
Accumulated available balance	**12,756,751**	**12,134,076**

The LCR (Liquidity Coverage Ratio) of Ibercaja Group at 31 December 2024 amounted to 231% (247% at 31 December 2023). The breakdown of liquid assets at 31 December 2024 under the criteria established for calculating the LCR ratio is as follows:

	Thousands of euros					
	2024			2023		
	Balance sheet figure	Weighting (%)	Weighted balance	Balance sheet figure	Weighting (%)	Weighted balance
Cash and central banks	1,529,949	100,00	1,529,949	1,456,969	100,00	1,456,969
Tier 1 fixed-income	6,392,391	100,00	6,392,391	6,368,420	100,00	6,368,420
Central government sovereign debt	6,429,112	100,00	6,429,112	6,906,137	100,00	6,906,137
Regional government sovereign debt	410,711	100,00	410,711	461,221	100,00	461,221
Foreign government debt	661,592	100,00	661,592	901,752	100,00	901,752
SAREB/ICO	517,444	100,00	517,444	1,448,059	100,00	1,448,059
FADE/FROB/State-backed bonds	38,268	100,00	38,268	40,728	100,00	40,728
Reverse repurchase agreement for Tier 1 fixed-income assets	499,443	100,00	499,443	702,327	100,00	702,327
Fixed-income repos	(2,164,179)	100,00	(2,164,179)	(4,091,804)	100,00	(4,091,804)
NCC1 covered bonds	15,663	93,00	14,566	200,000	93,00	186,000
TIER 1 ASSETS	**7,938,003**		**7,936,906**	**8,025,389**		**8,011,389**
Non-financial entity NCC1 bonds	8,916	85,00	7,579	1,177	85,00	1,001
NCC2 covered bonds	-	-	-	-	-	-
TIER 2A ASSETS	**8,916**		**7,579**	**1,177**		**1,001**
NCC1 securitisations	-	-	-	-	-	-
Non-financial entity NCC 2/3 bonds	20,254	50,00	10,127	21,501	50,00	10,750
NCC3 covered bonds	-	-	-	-	-	-

Disposable equities	62,102	50,00	31,051	60,471	50,00	30,235
TIER 2B ASSETS	**82,356**		**41,178**	**81,972**		**40,985**
LIQUID ASSETS	**8,029,275**		**7,985,663**	**8,108,538**		**8,053,375**

The LCR ratio data for Ibercaja Group are:

	Thousands of euros					
	2024			**2023**		
	Balance sheet figure	**Weighting (%)**	**Weighted balance**	**Balance sheet figure**	**Weighting (%)**	**Weighted balance**
TIER 1 ASSETS (70% limit)	7,938,003	99,99	7,936,906	8,025,389	99,83	8,011,389
TIER 2 ASSETS	8,916	85,00	7,579	1,177	85,00	1,001
TIER 2B ASSETS	82,356	50,00	41,178	81,972	50,00	40,985
LIQUID ASSETS	**8,029,275**		**7,985,663**	**8,108,538**		**8,053,375**
Stable deposits	*26,270,700*	*5,00*	*1,313,535*	*24,983,187*	*5,00*	*1,249,159*
Non-stable deposits	*3,743,954*	*10,00*	*374,395*	*3,977,136*	*10,00*	*397,714*
RETAIL CUSTOMER DEPOSITS	30,014,654	5,62	1,687,930	28,960,323	5,69	1,646,873
Unsecured wholesale financing	4,594,499	40,04	1,839,755	4,369,055	40,91	1,787,396
Additional requirements	4,254,936	11,54	491,184	3,830,615	10,55	404,111
GROSS OUTFLOWS			**4,018,869**			**3,838,380**
INFLOWS - Maximum allowed inflows (75% outflows)	1,085,644	51,81	562,429	1,110,365	52,32	580,905
NET OUTFLOWS			**3,456,440**			**3,257,475**
LIQUIDITY COVERAGE RATIO (LCR)			**231.04%**			**247.23%**

Below the breakdown by terms of the contractual maturities of assets and liabilities is presented (liquidity gap) on 31 December 2024 and 31 December 2023:

	Thousands of euros						
	On demand	Up to 1 month	Between one and three months	Between three months and one year	Between one and five years	After 5 years	Total
ASSET							
Deposits in credit institutions	66,892	766	29,448	-	-	68,357	165,463
Loans to other financial institutions	-	39	79	50,838	14,941	26,123	92,020
Temporary acquisitions of securities and securities lending	-	499,443	-	-	-	-	499,443
Loans (including matured, non-performing, written-off and foreclosed)	-	939,528	1,303,723	2,696,045	8,244,191	17,180,180	30,363,667
Securities portfolio settlement	-	303,795	153,270	397,285	4,562,718	4,263,491	9,680,559
Hedging derivatives	-	8,806	-	3,053	71,937	55,038	138,834
Trading derivatives	-	-	-	-	-	-	-
Interest margin	-	79,633	133,323	540,772	-	-	753,728
Total on 31 December 2024	**66,892**	**1,832,010**	**1,619,843**	**3,687,993**	**12,893,787**	**21,593,189**	**41,693,714**
Total on 31 December 2023	**68,651**	**2,030,466**	**1,646,800**	**4,191,781**	**13,203,354**	**21,450,704**	**42,591,756**
LIABILITIES							
Wholesale issues	-	766	1,544	1,347,347	1,597,597	32,181	2,979,964
Deposits from credit institutions	5,642	18,395	-	300	-	2,368	26,705
Deposits from other financial institutions and bodies	444,382	(83,008)	-	13	-	-	361,387
Deposits from large non-financial companies	156,837	1	-	-	-	-	156,838
Financing from the rest of the customers	28,056,419	588,919	1,541,051	4,032,424	47,294	612	34,266,719
Funds for brokered loans	-	2,837	3,480	21,567	69,084	11,649	108,617
Financing with secured securities	-	2,164,164	301,233	-	-	-	2,465,412
Other net outflows	-	31,077	53,680	322,026	80,135	22,775	509,693
Hedging derivatives	-	16,611	21,978	13,954	13,259	-	65,802
Formalised loans pending settlement	-	840,437	-	-	-	-	840,437
Commitments available for third parties	3,550,550	-	-	-	-	-	3,550,340
Financial guarantees issued	8,415	2,408	59	129	7,925	2,104	21,040
Total on 31 December 2024	**32,222,035**	**3,582,622**	**1,923,025**	**5,738,412**	**1,815,171**	**71,689**	**45,352,954**
Total on 31 December 2023	**35,673,043**	**4,641,282**	**519,282**	**2,747,908**	**2,789,156**	**108,909**	**46,479,580**
2024 gap period	**(32,155,143)**	**(1,750,612)**	**(303,182)**	**(2,050,419)**	**11,078,616**	**21,521,500**	
2023 gap period	**(35,604,392)**	**(2,610,816)**	**1,127,518**	**1,443,873**	**10,414,198**	**21,341,795**	
Accumulated gap (without demand savings) 2024		**(1,750,612)**	**(2,053,794)**	**(4,104,213)**	**6,974,403**	**28,495,903**	
Accumulated gap (without demand savings) 2023		**(2,610,816)**	**(1,483,298)**	**(39,425)**	**10,374,773**	**31,716,568**	

Includes maturities of principal and interests and does not take assumptions of a new business.

The amounts shown in the table above correspond to the undiscounted contractual amounts.

The maturity of the demand deposits is not determined contractually. It has been entered in the first time slot (demand) even though for the most part, these deposits are stable.

The financing of the rest of the customers include the embedded derivative in the structured deposits.

Loan commitments amounted to €3,550 million (€3,348 million at 31 December 2023). While these commitments are available immediately for the customers, and therefore would have "demand" nature in accordance with IFRS 7, in the practice of cash flow outputs they are distributed in all the time slots.

In relation with the financial guarantee contracts issued, the nominal amount of the guarantee does not necessarily have to represent an actual obligation of settlement or of liquidity needs, which will depend on if they meet the conditions so that the amount of the committed guarantee should be settled.

The Group only hopes to produce a cash outflow in relation with financial guarantee contracts that have qualified as non-performing and special watch. The amount that is expected to be settled of these contracts is recorded under “Provisions for contingent risks and commitments”, in the heading Provisions (Note 21), for an amount of €21,040 million (€20,354 million on 31 December 2023).

Long-term wholesale financing maturities are shown in the following boxes.

On 31 December 2024:

	Thousands of euros						
	On demand	Up to 1 month	1 to 3 months	Between 3 months and 1 year	1 to 5 years	Over 5 years	Total
Senior debt	-	-	-	-	1,050,000	-	1,050,000
Government-backed debt	-	-	-	-	-	-	-
Subordinated and preferential	-	-	-	500,000	350,000	-	850,000
Bonds and mortgage- and sector-covered bonds	-	-	-	841,026	165,000	-	1,006,026
Securitisations	-	766	1,544	6,973	32,474	32,181	73,938
Promissory notes and certificates of deposit	-	-	-	-	-	-	-
Wholesale issues	**-**	**766**	**1,544**	**1,347,999**	**1,597,474**	**32,181**	**2,979,964**
Financing with long-term secured securities	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Maturities in the period	**-**	**766**	**1,544**	**1,347,999**	**1,597,474**	**32,181**	**2,979,964**
Accumulated maturities	**-**	**766**	**2,310**	**1,350,309**	**2,947,783**	**2,979,964**	

The wholesale issues appear as net treasury shares. However, multi-seller covered bonds appear for their gross amount issued while the treasury shares are recognised as available liquidity in accordance with the preparation criteria of the LQ statements of the Bank of Spain.

On 31 December 2023:

	Thousands of euros						
	On demand	Up to 1 month	1 to 3 months	Between 3 months and 1 year	1 to 5 years	Over 5 years	Total
Senior debt	-	-	-	500,000	550,000	-	1,050,000
Government-backed debt	-	-	-	-	-	-	-
Subordinated and preferential	-	-	-	-	850,000	-	850,000
Bonds and mortgage- and sector-covered bonds	-	-	-	-	1,006,025	-	1,006,025
Securitisations	-	1,960	3,896	17,218	69,634	59,145	151,853
Promissory notes and certificates of deposit	-	-	-	-	-	-	-
Wholesale issues	**-**	**1,960**	**3,896**	**517,218**	**2,475,659**	**59,145**	**3,057,878**
Financing with long-term secured securities	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Maturities in the period	**-**	**1,960**	**3,896**	**517,218**	**2,475,659**	**59,145**	**3,057,878**
Accumulated maturities	**-**	**1,960**	**5,856**	**523,074**	**2,998,733**	**3,057,878**	

The wholesale issues appear as net treasury shares. However, multi-seller covered bonds appear for their gross amount issued while the treasury shares are recognised as available liquidity in accordance with the preparation criteria of the LQ statements of the Bank of Spain.

The diversification policy at the time of the maturities of the wholesale issues, will permit the Company to cover the maturities of the next financial years, maintaining ample liquidity.

Thus, keeping in mind the available liquidity (€12,757 million), the Company could cover the total of the maturities of the long-term wholesale financing (€2,980 million). Additionally, it is able to issue €8,062 million (total availability of €20,819 million).

3.9 Exposure to other risks

3.9.1 Exposure to market and counterparty risk

3.9.1.1 Strategies and policies for the market and counterparty risk management

a) Market risk

This is defined as the possibility of incurring losses due to maintaining market positions as a result of adverse movements in financial variables or risk factors (interest rates, exchange rates, share prices, etc.) that determine the value of those positions.

The Bank manages the market risk, trying to obtain an adequate financial profitability in relation to the assumed risk level, keeping in mind certain levels of overall exposure, exposure due to segmentation rates (portfolios, instruments, ratings), structure of the portfolio and portfolio/risk objectives. In their management and control they apply analysis of sensitivity and simulation of stress scenarios for the estimation of their impact in the profits and equity.

The Board of Directors approved the strategies, policies and main limits for the management of this risk, following a report from the Large Exposures and Solvency Committee, documented in the "Ibercaja Banco market risk policy" and the "Bank's risk appetite framework".

b) Counterparty risk

The possibility of default by counterparties in financial transactions (fixed income, interbank, derivatives, etc.).

The Board of Directors approves the strategies, policies and limits for the management of this risk, following a report from the Large Risk and Solvency Committee, documented in the "Ibercaja Banco Group risk lines policy".

For the management of the counterparty risk, the Company has policies for identification, measuring, monitoring, control and mitigation. The "Ibercaja Banco Group risk lines policy" also establishes the criteria, methods and procedures for granting risk lines, the proposed limits, the process of arranging and documenting operations, as well as the procedures for monitoring and controlling risks for financial institutions, rated public administrations and listed and/or rated companies, with the exception of developer companies, which are subject to specific control and monitoring by the Developer Credit Risk Concession unit, part of the Credit Risk Area Directorate.

The lines of risk are established essentially depending on the ratings assigned by the credit qualification agencies, of the reports that these agencies issue and of the expert analysis of their financial statements.

For the granting of transactions with counterparty risk to the entities previously mentioned, the Economic and Financial Analysis area and the governing bodies will be responsible for managing the assumption of risk, applying the fixed limits for the lines of credit.

The Company uses specialised tools for the management, control and measuring of the counterparty risk, with the aim of considering the risk consumption of each product and gather the risk consumption at the Group level under one application.

3.9.1.2 Procedures for measurement and control

a) Market risk

The portfolios exposed to market risk (the trading portfolio and the portfolio of financial assets at fair value through other comprehensive income) are characterised by their high liquidity and absence of materiality in the trading activity, meaning that the market risk assumed by the trading activity is not very significant overall. Most of the exposure, in terms of the carrying amount, of the financial assets that make up this portfolio is mainly concentrated in ratings with levels equal to A, as reported in Note 3.5.5.1. For credit rating purposes, this exposure is within the Group's risk appetite levels.

The Group monitors the maximum potential impact on equity of the portfolio of financial assets at fair value through other comprehensive income by applying an adverse scenario to price fluctuations in the financial assets that make up the portfolio, given a trust level of 99.9% and a 3-month time horizon. At 31 December 2024, the impact on the Group's equity resulting from applying the adverse scenario would be -€48.85 million (-€53.67 million at 31 December 2023), at the Group's risk appetite levels.

To determine the adverse scenario mentioned above, the historical performance of the various assets is analysed over a sufficiently long period of time (generally, from 1 January 1999) to obtain representative results.

In the event of any trading activity, the Bank would monitor the expected loss of the trading portfolio using the Conditional Value at Risk (Expected Shortfall) method, given a 99% trust level and a 10-day time horizon as a result of changes in the risk factors that determine the price of financial assets. As mentioned, at 31 December 2024 and 2023, the Bank was not significantly exposed to trading activity.

b) Counterparty risk

The limits authorised by the Board of Directors are established by investment volume weighted by the term of the investment and the instrument type.

Additionally, the legal limits are respected for the concentration and grand exposures in application of Regulation (EU) No. 575 / 2013 and subsequent amendments to Regulation No. 2019/876.

The monitoring systems ensure that the consumed risks are kept within the established limits at all times. They incorporate controls regarding the variations produced in the ratings, and in general of the borrower's solvency.

Among the techniques for counterparty risk mitigation appear the compensation or netting master agreements, the guarantee agreements, the reduction of portfolios in the case of adverse credit events, the reduction of the lines of risk in the case of decreases in the rating or negative news of some company and the timely monitoring of the companies' financial information.

With those entities with whom they have agreed on a compensation of risks and an agreement on guarantee contribution, in accordance with the requirements demanded by the Bank of Spain, the risk may be computed by the net resulting position.

3.9.2 Exchange rate risk management

It is defined as the possibility of incurring in losses derived from the negative fluctuations in the exchange rates of the currencies in which the assets, liabilities and transactions are denominated off the Company's balance sheet.

The Company does not maintain significant positions in foreign currency in a speculative nature. They do not hold open positions in foreign money that is not speculative of a significant amount either.

The Company's policy is to limit this type of risk, mitigating it generally speaking, at the time it presents itself via the agreement on symmetrical active or passive transactions or via financial derivatives that allow their coverage.

3.9.3 Exposure to sovereign debt

Below, the following information is detailed regarding the exposure to sovereign debt, which includes all the positions with public entities, on 31 December 2024 and 2023:

• Breakdown of the carrying amount of the exposure per country:

	Thousands of euros	
	2024	**2023**
Spain	13,150,492	14,326,911
Italy	1,355,729	1,732,374
Portugal	27,823	19,901
United States	94,838	89,308
France	379,059	222,616
Belgium	16,225	65,607
Other	175,256	18,700
Total gross amount	**15,199,422**	**16,475,417**
(Impairment losses)	-	*(1)*
Total net amount	**15,199,422**	**16,475,416**
Of which: of the insurance company	*4,619,978*	*4,793,802*

• Breakdown of the carrying amount of the exposure per portfolio in which the assets are recorded:

	Thousands of euros	
	2024	**2023**
Financial assets designated at fair value through profit or loss	10,640	306,832
Financial assets at fair value through other comprehensive income	4,757,658	4,202,054
Financial assets at amortised cost	10,431,124	11,966,530
Total	**15,199,422**	**16,475,416**
Of which: of the insurance company	*4,619,978*	*4,793,802*

The carrying amount shown in the above table corresponds to the maximum credit risk exposure in relation to each financial instrument.

- Breakdown of the term to residual maturity of the exposure per portfolio in which the assets are recorded:

	Thousands of euros					
	2024					
	Up to 3 months	From 3 months to 1 year	1 to 3 years	3 to 5 years	Over 5 years	Total
Financial assets designated at fair value through profit or loss	-	1,410	9,230	-	-	10,640
Financial assets at fair value through other comprehensive income	76,293	737,590	1,187,000	586,302	2,170,473	4,757,658
Financial assets at amortised cost	1,850,696	419,919	2,775,153	789,597	4,595,759	10,431,124
Total	**1,926,989**	**1,158,919**	**3,971,383**	**1,375,899**	**6,766,232**	**15,199,422**
Of which: of the insurance company	151,585	759,270	1,191,221	572,501	1,945,401	4,619,978

	Thousands of euros					
	2023					
	Up to 3 months	From 3 months to 1 year	1 to 3 years	3 to 5 years	Over 5 years	Total
Financial assets designated at fair value through profit or loss	11,004	4,883	36,430	19,964	234,551	306,832
Financial assets at fair value through other comprehensive income	125,052	543,858	1,055,227	470,525	2,007,392	4,202,054
Financial assets at amortised cost	1,178,509	829,755	3,047,441	2,219,334	4,691,491	11,966,530
Total	**1,314,565**	**1,378,496**	**4,139,098**	**2,709,823**	**6,933,434**	**16,475,416**
Of which: of the insurance company	289,537	634,321	1,280,193	647,230	1,942,521	4,793,802

- Other information

  - Fair value. The fair value of instruments in the portfolio of financial assets held for trading, the portfolio of financial assets designated at fair value through profit or loss and the portfolio of financial assets at fair value through other comprehensive income matches the carrying amount indicated above.

    Note 26 specifies the valuation methodology of the portfolio of financial assets at amortised cost, in which it is observed that the fair value detailed does not differ significantly from the carrying amount. The fair value associated to the sovereign risk is obtained via valuation techniques from level 1 (the description of them is given in Note 26).

  - The effect of a rise of 100 basis points in the interest rate would have an effect on the fair value of -3.96% (-4.23% in 2023).

3.9.4 Reputational risk management

Reputational risk is defined as the current or future risk to the entity's earnings, equity or liquidity arising from a negative perception by its stakeholders (customers, employees, society in general, regulators, shareholders, suppliers, counterparties, investors, market analysts, etc.) that could adversely affect the Group's ability to maintain its activity or establish new business relationships.

Reputational risk management aims to protect one of the Group's main intangible assets, its corporate reputation, by preventing the occurrence of events that could have a negative impact on its image and the perception of its stakeholders.

3.9.4.1 Strategies and policies for reputational risk management

In 2024, Ibercaja Group continued to work on integrating reputational risk into the management of the Group's global risk. Thus, in accordance with established internal governance practices, the Reputational Risk Management Framework has been adapted, approving the Reputational Risk Management Policy and the Reputational Risk Management Manual as independent documents:

- The Reputational Risk Management Policy, approved by the Board of Directors, establishes the principles, functions and responsibilities for the proper identification, management and control of reputational risks.

- The Reputational Risk Management Manual, approved by the Global Risk Committee and the Sustainability and Reputation Committee, establishes the procedures for the correct identification, management, evaluation and control of potential reputational risks to which the Group is exposed.

In 2024, the internal reporting system was strengthened and approved by the Sustainability and Reputation Committee. The Sustainability and Reputation Committee monitors, quarterly, all the reputation dashboard metrics, the proactive reputation management plans, and any identified reputational risk alerts. It reports monthly to the second line on the evolution of the reputation scorecard and on the main risk alerts identified, and monitors daily any mentions of Ibercaja in the listening tools.

Given the cross-cutting nature of this intangible asset, every six months the Sustainability and Reputation Area shares with the first lines of management and those responsible for monitoring and controlling reputation, studies of the evolution of the main reputation monitoring indicators, sharing strong points, areas for improvement and possible sources of reputational risk.

3.9.4.2. Procedures for measurement, management and control

Ibercaja Group gives maximum importance to the management and control of reputation as a method to prevent, avoid and/or manage possible reputational risk, and for its positive impact on the creation of value. In this line, the “Now Ibercaja 2026” Strategic Plan includes the IN13 Sustainability and Reputation initiative, which has the specific Challenge 6 to improve reputation. The objective of this strategic line is to strengthen Ibercaja's corporate reputation as a differentiating factor of its relational banking model and its commitment to sustainability, and to manage reputational risk. In 2024, Ibercaja Group focused on reputational risk management, strengthening actionable measurement, monitoring and reporting, and, in particular, preventing the risk of greenwashing. A Guide to Greenwashing Risk Prevention has been prepared for the Group, establishing guidelines for its identification, prevention and management.

Within the framework of actionable measurement, as a preventive approach to reputational risk management and control, Ibercaja Group has continued to work, along with the first lines of defence, to identify key indicators that have strengthened the reputation scorecard. In 2024, the Bank also developed a new metric for monitoring corporate reputation: the Reputational Health Indicator, with the Reputational Impetus Indicator as a sub-metric. These indicators comprise RAF and management metrics that reflect reality (management metrics) and the perception of the main stakeholders (customers, employees, society and markets). Given their importance, they have been integrated into both the reputation scorecard and the strategic scorecard.

Reputational risk has a wide relationship with the rest of the risks due to the amplifying effect that it can have on them. A large part of this risk is derived from operational risk, i.e. those that are managed as if they were just another operational risk, with a potential impact on Ibercaja Group's corporate reputation. Within this risk category, the Group monitors and assesses regulatory or non-compliance risk (imposition of sanctions, especially if publicly disclosed) with controls, processes and procedures aimed at ensuring compliance with applicable internal and external regulations. Additionally, and as a key function of control, to mitigate the risk of suffering possible negative impacts derived from regulatory incompliance, the Group has a verification function for regulatory compliance, with supervisory powers in areas especially relevant such as the prevention of money laundering and terrorism financing, the protection of the investor in the sale of financial instruments and lending of investment services (MIFID), the behaviour regulations in the area of Stock Market, the regulations on communication of transactions suspected of abusing the market, etc.

In addition, as an important part of the management process, a reputational risk map is drawn up annually using a qualitative methodology, in line with that defined in Ibercaja Group's operational risk management framework. Thus, the reputational risk map consists of the identification of reputational risks classified by their nature as follows: risks arising from operational risk and pure reputational risks (including reputational risks arising from climate events and greenwashing risk). The map identifies risk managers and mitigating factors. In 2024, work was carried out on prioritising risks with the aim of establishing a "reputation risk heat map".

In 2024, the process of proactive reputation management, based on the analysis of the previously mentioned Reputational Health and Reputational Impetus indicators, focused on two key stakeholders: employees and society. In the employee stakeholder group, intangible asset knowledge has been strengthened by Corporate Excellence, a strategic partner in reputation and reputational risk management.

In relation to Ibercaja Group, alliances and collaboration agreements have been established to strengthen communication and awareness. Transparent disclosure has continued of the Group's ESG actions and progress, given their importance in building our reputation, and of the objectives achieved through the voluntarily commitments made to the 2030 Agenda, the Global Compact, the Principles for Responsible Banking, and the Net Zero Banking Alliance, among others.

The Group continues to make progress in strengthening its image and improving its reputation by fostering a culture of reputational risk management and by transparent disclosure of its commitment to stakeholders.

3.10 Management of climate-related risks

ESG refers to environmental, social and governance factors with a potential impact on the balance sheet of financial institutions. ESG risk management helps to identify opportunities and threats that can have a positive or negative impact on institutions:

- Environmental risks ("A") refer to the potential financial impacts that may arise from climate change and society's responses to mitigate or adapt to these changes. Climate risks are primarily classified as transition climate risks, related to the adaptation process towards a low-carbon, climate-resilient economy, and physical climate risks, arising from the direct effects of climate change on the physical environment. The latter are divided into: acute risk, from short-term climatic events; and chronic risk, from gradual and sustained changes in the climate. Environmental risks relate to the potential financial effects of the degradation of natural capital, defined as the set of natural resources (e.g., plants, animals, air, water, soil, and minerals) that combine to produce a flow of services to people and businesses.

- Social risks ("S") refer to risk arising from any negative financial impact on institutions associated with current or future impacts of social factors on their counterparties or investments.

- Governance ("G") risks arise from negative financial or reputational impact resulting from weaknesses on the part of commercial counterparties or investees, such as transparency, market conduct, anti-corruption policies, tax compliance or other behaviour considered ethical by stakeholders.

Ibercaja Group, committed to integrating ESG risks, is making progress in analysing the risks arising from climate change and environmental deterioration, their impact on customers and on its financial activity, for gradual integration into risk management procedures, in compliance with supervisory expectations.

Ibercaja identifies ESG risks, and especially climate and environmental risks, as risk factors that are likely to impact prudential risks through its counterparties and/or invested assets via certain transmission channels.

3.10.1 Strategies and policies

Ibercaja, aware of its role in the transition to a sustainable economy, considers the impact of its activities on the environment and society in its strategy and assumes the challenge of ensuring that its business objectives drive sustainable development, preserving natural resources, and promoting a more just and inclusive society. Through its Sustainability Policy, Ibercaja maintains its commitment to align its commercial strategy with long-term objectives that enable economic growth and help to respond to social and environmental challenges, identifying its greatest potential for contribution.

The Bank has an ESG Risk Governance Policy that establishes the governance framework for these risks and assigns specific roles and responsibilities for their management and monitoring; and Ibercaja Group's ESG Exclusion Policy, applicable to financing and investment, designed to avoid or control risks that may arise from certain activities that are controversial due to their environmental, social, ethical or reputational risk. For this purpose, it establishes a number of general and sector exclusions to serve as mitigating factors against ESG risk.

In 2024, given the importance that the climate and environmental risk materiality assessment has gained due to increasing effect of climate change and environmental degradation on the environment, it has developed a Climate and Environmental Materiality Guide with the aim of carrying out an exhaustive analysis of the materiality of C&E (climate and environmental) risks, considering climate transition risk, resulting from the evolution towards a low-carbon economy, physical climate risk, related to exposure to extreme weather events, and environmental risk not directly related to climate change.

Ibercaja Group, Ibercaja Pensión and Ibercaja Gestión asset managers, committed to social development and care and protection of the environment through socially responsible investment, have different policies aimed at measuring, controlling and mitigating climate risks in their investments. The most important of these are the Policy on Sustainability Risk Integration, the Policy on Adverse Impact on Sustainability Factors, adherence to Ibercaja Group's ESG Exclusion Policy and the Engagement Policy.

3.10.2 Procedures for measurement, management and control

Measuring climate and environmental risks allows us to advance in understanding their effects and their transmission channels, analysing them as risk factors that could affect prudential risk. To this end, a Climate Risk Map has been developed for Ibercaja Group to identify and assess the impact for the first lines of defence of the main climate risks that could affect prudential risk. This map uses a qualitative methodology with a top-down approach to ascertain the qualitative materiality of climate risks in the different prudential risk categories, for different climate scenarios and time horizons. The map is reviewed and updated annually.

In its measurement of environmental risks in 2024 Ibercaja has deepened its analysis of their materiality in credit risk, with the aim of understanding the potential impact of these risks on its exposure to different economic activities. Ecosystem services and impact drivers have thus been analysed, and the sectors subject to the greatest dependencies or impacts on the portfolio of productive activities have been identified.

Regarding social and governance risks, aware that social and governance factors can also be essential to maintaining any organisation's ability to generate value, Ibercaja analyses the prudential risks that may be most subject to these factors, independently and for different time horizons (short, medium, and long term).

Qualitative ESG risk analysis is deepened by prospective quantification to determine the potential impact of climate risks on prudential risk. In this context, Ibercaja has developed quantitative methodologies based on the different climate scenarios for credit risk, business risk and operational risk, as explained below.

Regarding credit risk, in 2024, Ibercaja assessed transition and physical climate risk in its portfolio of productive activities and its mortgage portfolio:

- In its portfolio of productive activities, Ibercaja Group analysed the potential impact of climate transition risk by identifying the most carbon-intensive industries, based on emissions data calculated and provided by PCAF (Partnership for Carbon Accounting Financials), and analysed their evolution in the short, medium, and long term, following the approach proposed by UNEP FI in Phase II of the Project on Assessment and Management of Climate-Related Financial Risk for Financial Institutions. In this way, a prospective quantification method has been developed for different scenarios aligned with the Network for Greening the Financial System (NGSF) and the Intergovernmental Panel on Climate Change (IPCC) and for different time horizons. The potential impact of physical climate risks, whether acute or chronic, has been analysed based on the average maturity of the operations contracted by its customers, the geographic area, and the vulnerability of economic activity to physical climate risks.

- In its mortgage portfolio, Ibercaja has assessed the potential impact of climate transition risk by analysing the regulatory context and the energy efficiency certificates of buildings. Physical climate risks have been analysed by locating properties that are in areas potentially impacted by acute or chronic physical climate risk.

Following the analyses conducted and in light of the materiality of climate risks in credit risk, Ibercaja has developed a methodology to quantify capital needs for transition and physical climate risks in the productive activities portfolio and the mortgage portfolio.

Credit risk can be affected by climate risks, primarily through physical and transition risks, which can impact counterparty payment capacity and the valuation of collateral used, and so, expected credit losses.

In 2024, the Group began incorporating climate risk factors into the process of calculating expected losses on its credit portfolios, using models and information that consider both potential damage to collateral and the impact on customer payment capacity due to physical and transition risks. At 31 December 2024, the impact recognised for these risks was not significant. The Group will continue working to incorporate the information available at any given time into these models.

Regarding operational risk, Ibercaja Group has continued to develop the operational risk map, including analysis of physical climate risks related to transition risk from a Group perspective, and bad greenwashing practices. In 2024, to progress in the prospective quantification of the impact of climate risks on operational risk, Ibercaja Group developed a methodology called Climate VaR, which includes longer time horizons (2025-2050) to analyse the potential impact of climate risk on operational risk. Ibercaja uses this complementary theoretical exercise, based on the Operational VaR methodology, to analyse and review its results in relation to the Standard Method calculation of operational risk capital consumption, in accordance with Basel II requirements (consumption under Pillar 1).

In terms of business risk, in order to assess the potential impact of climate risks on its business model in the short, medium and long term, and to integrate them into its financial planning, Ibercaja conducted a Business Environment Scan (BES). This analysis shows how climate risks could affect the gross margin in Ibercaja Group's material portfolios (productive activities portfolio and mortgage portfolio) over different time horizons. The results of these analyses show climate risks not to be material in business risk, the productive activities portfolio and the mortgage portfolio.

With regard to liquidity risk, climate factors are included both in the financial markets portfolio and the Ibercaja Vida portfolio, applying a depreciation of non-sustainable bonds; and in market risk an analysis is made of the climate transition risk of the sectors where proprietary trading is carried out.

In line with its ESG Risk Governance Policy, Ibercaja is working to include ESG factors in its risk management and control. In this context, general and sector-specific ESG exclusions have been added to the credit risk admission processes, implementing Ibercaja Group's ESG Exclusion Policy. With the aim of progressing in its customer analysis and integrating climate risks into credit risk management, Ibercaja implemented ESG questionnaires to assess its customer ESG profiles and incorporated decarbonisation forms into systems to monitor the transition plans of counterparties operating in sectors with 2030 decarbonisation targets. In its credit risk monitoring processes, Ibercaja has indicators that monitor the climate transition risk of its productive activities portfolio, its mortgage portfolio and its real estate development segment.

In order to limit exposure to sectors with high transition climate risk, Ibercaja has defined tier 1 metrics within the Risk Appetite Framework for credit risk and market risk. These metrics are thresholded, with limits set on financing or investment in high carbon-emitting sectors. Monitoring and follow-up of these metrics are subject to the governance established in the Risk Appetite Framework, with regular assessment of the degree of compliance by the Control areas and reporting to Ibercaja Group's senior management and governing bodies Regarding the management and control of operational risk, Ibercaja Group keeps the operational risk map linked to the climate risk map permanently updated with the progress made, and the Non-Financial Risk Control Unit has specific functions in the coordination of ESG risk control.

Important in asset management are its response to the new disclosure obligations for pension plans and investment funds, under Regulation 2019/2088 (SFDR) on sustainability-related disclosure in the financial services, and the setting of decarbonisation goals, driving implementation of the measurement of environmental risks and analysis of major adverse events (MAEs). The reporting on these matters is published annually on the Ibercaja Gestión and Ibercaja Pensión corporate websites.

Detailed information on ESG risk management has been included in the 2024 Consolidated Directors' Report (chapters 6 and 11.2).

4. Appropriation of profit and earnings per share

4.1 Appropriation of profit

The proposed appropriation of the profit of Ibercaja Banco, S.A. from fiscal year 2024, which the Board of Directors will propose for its approval to the General Shareholders' Meeting, and that which was approved from fiscal year 2023 are the following:

	Thousands of euros	
	2024	**2023**
Distribution		
To dividends:	134,733	182,626
To retained earnings:	125,310	105,403
Legal reserve	-	-
Capitalisation reserves (*)	*41,575*	*22,013*
Voluntary reserve	*83,735*	*83,390*
Profit/(loss) for the year	**260,043**	**288,029**

(*) This reserve will be unavailable for the period, with the conditions and exceptions envisaged in article 25 of Corporate Income Tax Law 27/2014, of 27 November.

The General Meeting of Shareholders held on 10 April 2024 approved the distribution of a dividend charged against 2023 results in the amount of €182,626 thousand; taking into account that an interim dividend of €168,247 thousand had already been paid to shareholders in 2023.

On 30 May 2024, the Board of Directors of Ibercaja Banco, taking into the account the aforementioned recommendations agreed, in accordance with Article 277 of the Corporate Enterprises Act, to distribute among shareholders an interim dividend of €23,009 thousand in proportion to their respective holdings in the share capital of the Bank. This interim dividend was paid in full on 31 May 2024.

Below, is the accounting statement prepared in accordance with the legal requirements and which demonstrated the existence of sufficient liquidity to distribute the interim dividend approved:

	Thousands of euros
Profit before tax from 1 January 2024 to 31 March 2024	**90,483**
Estimate of Corporate Income Tax	(35,160)
Legal reserve	-
Attributed profit/(loss)	-
Maximum amount of possible distribution	**55,323**
Amount to be distributed	**23,009**

	Thousands of euros
Balance in cash and cash equivalents at 1 January 2024	**1,861,557**
Cash flows from operating activities	1,706
Cash flows from investing activities	(12,577)
Cash flows from financing activities	492,017
Effect of exchange rate fluctuations	-
Balance in cash and cash equivalents at 31 March 2024	**2,342,703**
Interim dividend distributed	(23,009)
Balance in cash and cash equivalents at 31 March 2024 following the dividend distribution	**2,319,694**

On 29 August 2024, the Board of Directors of Ibercaja Banco, taking into the account the aforementioned recommendations agreed, in accordance with Article 277 of the Corporate Enterprises Act, to distribute among shareholders an interim dividend of €37,825 thousand in proportion to their respective holdings in the share capital of the Bank. This interim dividend was paid in full on 30 August 2024.

Below, is the accounting statement prepared in accordance with the legal requirements and which demonstrated the existence of sufficient liquidity to distribute the interim dividend approved:

	Thousands of euros
Profit before tax from 1 January 2024 to 30 June 2024	**209,439**
Estimate of Corporate Income Tax	(69,091)
Legal reserve	-
Attributed profit/(loss)	(23,009)
Maximum amount of possible distribution	**117,339**
Amount to be distributed	**37,825**

	Thousands of euros
Balance in cash and cash equivalents at 1 January 2024	**1,861,557**
Cash flows from operating activities	408,895
Cash flows from investing activities	(24,545)
Cash flows from financing activities	(53,357)
Effect of exchange rate fluctuations	-
Balance in cash and cash equivalents at 30 June 2024	**2,192,550**
Interim dividend distributed	(37,825)
Balance in cash and cash equivalents at 30 June 2024 following the dividend distribution	**2,154,725**

On 28 November 2024, the Board of Directors of Ibercaja Banco, taking into the account the aforementioned recommendations agreed, in accordance with Article 277 of the Corporate Enterprises Act, to distribute among shareholders an interim dividend of €40,087 thousand in proportion to their respective holdings in the share capital of the Bank. This interim dividend was paid in full on 29 November 2024.

Below, is the accounting statement prepared in accordance with the legal requirements and which demonstrated the existence of sufficient liquidity to distribute the interim dividend approved:

	Thousands of euros
Profit before tax from 1 January 2024 to 30 September 2024	**340,270**
Estimate of Corporate Income Tax	(102,233)
Legal reserve	-
Attributed profit/(loss)	(60,834)
Maximum amount of possible distribution	**177,203**
Amount to be distributed	**40,087**

	Thousands of euros
Balance in cash and cash equivalents at 1 January 2024	**1,861,557**
Cash flows from operating activities	(3,284)
Cash flows from investing activities	(61,161)
Cash flows from financing activities	(99,165)
Effect of exchange rate fluctuations	-
Balance in cash and cash equivalents at 30 September 2024	**1,697,947**
Interim dividend distributed	(40,087)
Balance in cash and cash equivalents at 30 September 2024 following the dividend distribution	**1,657,860**

Additionally, the Board of Directors will propose to the General Shareholders' Meeting that they agree to distribute a dividend out of 2024 profits for €134,733 thousand, taking into account that the shareholders have already been paid an interim dividend of €100,921 thousand, and €33,812 thousand were pending distribution.

4.2 Earnings per share

Basic earnings per share: determined by dividing the net profit attributable to the Group for the year by the weighted average number of outstanding shares, excluding the average number of treasury shares held, during that period.

Diluted earnings per share: for its calculation, both the amount of profit or loss attributable to ordinary shareholders and the weighted average number of shares outstanding, net of treasury shares, are adjusted for all dilutive effects inherent in potential ordinary shares (share options, warrants and convertible debt).

Basic and diluted earnings per share at 31 December 2024 and 2023 are detailed below:

	2024	2023
Earnings per share numerator		
Profit attributable to the parent	336,832	304,396
Adjustment: Remuneration of other equity instruments (AT1)	(22,356)	(25,419)
Profit attributable to owners of the parent adjusted	314,476	278,977
Earnings per share denominator		
Average weighted number of shares	214,427,597	214,427,597
Basic and diluted earnings per share (euros)	**1.47 €**	**1.30 €**

At 31 December 2024 and 2023 there are no dilutive effects on the earnings per share calculation.

5. **Information on the Board of Directors and Senior Management of the Parent**

Under the provisions of the Bank of Spain Circular 4/2017, the "key management personnel and executives" of the Parent, are deemed to be those persons having authority and responsibility for planning, directing and controlling the activities of the Parent, directly or indirectly, including any member of the Board of Directors and Senior Management. By virtue of their positions, this group of persons is considered a "related party" and, as such, subject to the disclosure requirements described in this Note.

Persons who have certain kinship or personal relationships with "key management personnel and executives" are also considered related parties, along with controlling companies, with significant influence or significant voting rights from key personnel or any of the persons in their family environment. The transactions carried out by the Ibercaja Banco Group with related parties are disclosed in Note 43.

5.1 Remuneration to the Board of Directors of the Parent

The remunerations and other benefits received in 2024 by the members of the Board of Directors of the Parent, in their status as Directors or Secretary of the Board of Directors of the Parent is detailed below by item individually:

		Thousands of euros							
Members of the Board of Directors	Position	Remuneration		Attendance fees	Remuneration for membership of the Board	Life insurance premiums	Remuneration for membership of Board Committees	Other items	Total
		Fixed	Variable						
Francisco Serrano Gill de Albornoz	Chair	405.3	-	-	50.0	2.4	-	49.2	506.9
Víctor Iglesias Ruiz	Chief Executive Officer	453.5	167.6	-	50.0	2.6	-	56.3	730.0
María Lopez Valdés	Full member	-	-	-	50.0	0.5	25.0	6.2	81.7
María Luisa García Blanco	Full member	-	-	-	50.0	1.3	25.0	7.6	83.9
María Natividad Blasco de las Heras	Full member	-	-	-	50.0	1.3	25.0	4.8	81.1
Vicente Cóndor López	Full member	-	-	-	50.0	7.4	50.0	4.8	112.2
Jesús Tejel Giménez	Full member	-	-	-	50.0	4.8	50.0	6.2	111.0
Félix Longás Lafuente	Full member	-	-	-	50.0	5.3	27.5	3.4	86.2
José Miguel Echarri Porta	Full member	-	-	-	50.0	-	22.5	2.0	74.5
Enrique Arrufat Guerra	Full member	-	-	-	50.0	6.2	35.0	7.6	98.8
María Pilar Segura Bas	Full member	-	-	-	50.0	2.9	42.5	6.2	101.6
Jesús Barreiro Sanz	Non-Director Secretary	-	-	-	75.0	6.8	-	7.6	89.4

The remunerations and other benefits received in 2023 by the members of the Board of Directors of the Parent, in their status as Directors or Secretary of the Board of Directors of the Parent is detailed below by item individually:

		Thousands of euros							
Members of the Board of Directors	Position	Remuneration		Attendance fees	Remuneration for membership of the Board	Life insurance premiums	Remuneration for membership of Board Committees	Other items	Total
		Fixed	Variable						
Francisco Serrano Gill de Albornoz	Chair	394.0	-	-	50.0	2.1	-	57.7	503.8
Víctor Iglesias Ruiz	Chief Executive Officer	438.0	154.9	-	50.0	2.3	-	64.5	709.7
María Lopez Valdés	Full member	-	-	-	50.0	0.4	25.0	5.9	81.3
María Luisa García Blanco	Full member	-	-	-	50.0	1.4	25.0	7.3	83.7
María Natividad Blasco de las Heras	Full member	-	-	-	50.0	1.4	25.0	4.6	81.0
Vicente Cóndor López	Full member	-	-	-	50.0	6.6	50.0	4.6	111.2
Jesús Tejel Giménez	Full member	-	-	-	50.0	4.4	50.0	5.9	110.3
Félix Longás Lafuente	Full member	-	-	-	50.0	4.8	27.5	3.3	85.6
José Miguel Echarri Porta	Full member	-	-	-	50.0	-	22.5	1.9	74.4
Enrique Arrufat Guerra	Full member	-	-	-	50.0	5.6	35.0	7.2	97.8
María Pilar Segura Bas	Full member	-	-	-	50.0	2.5	42.5	5.9	100.9
Jesús Barreiro Sanz	Non-Director Secretary	-	-	-	75.0	6.8	-	7.2	89.0

The remuneration of directors in their capacity as such shall consist of (a) fixed annual allowances for their membership of the board of directors and, where appropriate, its committees; (b) an annual allowance to be determined by the board for those directors with special dedication and duties; and (c) such remuneration in kind and insurance as may be established at any given time. The maximum remuneration that may be paid by the Company to all directors in their capacity as such shall not exceed the amount determined for such purpose in the Remuneration Policy approved by the General Shareholders' Meeting and shall remain in force until the General Shareholders' Meeting resolves to amend it.

With regard to the annual fixed allowance to be received by the proprietary director appointed by the shareholder foundation, Fundación Caja de Ahorros de la Inmaculada de Aragón, for the purposes of the above information it is stated that, as a general rule, the annual allowance is allocated to the proprietary director appointed at the proposal of the aforementioned shareholder foundation, but, in application of the legislation on the sector applicable to them, it has been paid directly to the shareholder foundation.

In the section “Remuneration for membership on Board committees”, the gross amounts accrued by the Chairpersons of the internal committees of the Board of Directors are calculated.

Insurance premiums other than life insurance (health and accident), and contributions to pension plans are included in the “Other items” section.

Additionally, in 2024, €75 thousand was paid to both the Chair (for his role as a member of the Management Committee until being appointed a member of the Board of Directors) and the CEO due to the ending of the Long-Term Incentive Plan detailed in Note 5.2.

The Company does not have any pension obligations with former members of the Board of Directors.

5.2 Remuneration of senior management of the Parent

For the purposes of preparing the consolidated financial statements, Senior Management staff were considered to be those who had held the position of Chief Executive Officer and employees of the management team (the Ibercaja Banco Management Committee and the Head of Ibercaja Banco's Internal Audit Department), as detailed in the Annual Corporate Governance Report for 2024. However, it should be noted that, due to a remodelling of the management structure by the Bank at the start of 2024 in order to drive the new 2024-2026 Strategic Plan, four new members were appointed to the Ibercaja Banco Management Committee. Also, one Committee member retired.

At 31 December 2024, the Management Committee (including the Chief Executive Officer) was made up of 15 people (12 people at 31 December 2023), jointly identified as Senior Management.

The remunerations accrued by Senior Management are shown in the following table, as was previously defined, for 2024 and 2023:

Thousands of euros	Short-term remuneration		Post-employment benefits		Total	
	2024	2023	2024	2023	2024	2023
Senior Management	4,277	3,059	250	242	**4,527**	**3,301**

In 2024 and 2023, no pension remunerations were recognised for former members of Senior Management. In relation to life insurance premiums (death contingency), in 2024 and 2023, remunerations of €48 thousand and €43 thousand, respectively, were recognised for a former member of Senior Management and a former board member.

In relation to the Long-Term Incentive Plan, linked to the 2021-2023 Strategic Plan, the Group maintains the provision for this item at €3,647 thousand (€4,376 thousand at 31 December 2023) (Note 21).

The Plan, which applied to a group of 29 staff members whose professional activities significantly impact the Bank's risk profile and was subject to meeting multi-annual objectives for the period 2021-2023, ended on 31 December 2023. The deferred incentive was paid, and will be paid, in the first quarter of 2024, 2025, 2026, 2027 and 2028, respectively. Each deferred incentive payment will be made 45% in cash and the remaining 55% in instruments linked to the Bank's value and subject to a one-year holding period.

Thus, the change of €322 thousand in this provision for the period corresponds to the deferred incentive paid in 2024 to Senior Management.

Additionally, in 2024, in accordance with the new 2024-2026 Strategic Plan described in Note 2.13.5, €1,969 thousand was accrued, of which €1,301 thousand corresponds to members of Senior Management.

5.3 Duties of loyalty of the Directors

As of 31 December 2024, with respect to the requirements of articles 229 and 230 of the Corporate Enterprises Act, the members of the Ibercaja Banco Board of Directors, as well as the persons related thereto referenced in article 231 of the aforementioned Law, have confirmed that they do not carry out, on their own account or the account of others, activities which actually or potentially constitute effective competition with those carried out by the Company or which, in any other way, permanently conflict with the Company's interests.

5.4 Transactions with significant shareholders

In 2024 and 2023, there were no transactions outside the ordinary course of business or other than at arm's length with significant shareholders, except:

- Service level agreement (legal, fiscal, technological, marketing, communication, etc. council) formalised with Fundación Bancaria Ibercaja for the amount of €163 thousand (€157 thousand at 31 December 2023).
- Rental of Ibercaja Banco property used by Fundación Bancaria Ibercaja to carry out its activities for the amount of €115 thousand (€111 thousand at 31 December 2023).
- Service level agreement (use and management of installations, artistic assets, etc.) by Fundación Bancaria Ibercaja to Ibercaja Banco for the amount of €1,210 thousand (€1,125 thousand at 31 December 2023).

All the operations to be formalised with the shareholder foundations are previously reported by the Audit and Compliance Committee and are subject to the approval of the Board of Directors of the Parent.

6. Cash on hand, cash balances at central banks and other demand deposits

The balances in this consolidated balance sheet heading at 31 December 2024 and 2023 were as follows:

	Thousands of euros	
	2024	**2023**
Cash	263,809	248,060
Cash balances at central banks	1,615,250	1,545,051
Other demand deposits	165,463	205,906
	2,044,522	**1,999,017**

The average effective interest rate on debt instruments classified in this portfolio in 2024 was 4.05% (1.62% in 2023).

7. Financial assets and liabilities held for trading

7.1 Breakdown of the balance and maximum credit risk - debit balances

The financial assets included in this category at 31 December 2024 and 2023 are detailed below, classified by geographical areas, counterparty classes and type of instrument:

	Thousands of euros	
	2024	2023
By geographical areas		
Spain	8,292	14,655
Rest of the countries in the European Monetary Union	4,184	2,164
Rest of Europe	7,023	8,065
Rest of the world	-	-
	19,499	**24,884**
By counterparty classes		
Credit institutions	7,556	14,532
Other resident sectors	11,943	10,352
	19,499	**24,884**
By type of instruments		
Debt securities	-	-
Derivatives not traded in organised markets	19,499	24,884
	19,499	**24,884**

The carrying amount shown in the above table corresponds to the maximum credit risk exposure in relation to each financial instrument.

7.2 Breakdown of the balance - credit balances

The financial liabilities included in this category at 31 December 2024 and 2023 are detailed below, classified by geographical areas, counterparty classes and type of instrument:

	Thousands of euros	
	2024	2023
By geographical areas		
Spain	147,079	143,485
Rest of the countries in the European Monetary Union	654	1,585
Rest of Europe	-	-
Rest of the world	-	-
	147,733	**145,070**
By counterparty classes		
Credit institutions	147,307	143,124
Other resident sectors	426	1,946
	147,733	**145,070**
By type of instruments		
Derivatives not traded in organised markets	147,733	145,070
Of which: segregated embedded derivatives of hybrid financial instruments	-	-
	147,733	**145,070**

7.3 Financial derivatives held for trading

The details, by product type, of the fair and notional value of the financial derivatives held for trading at 31 December 2024 and 2023 are shown below:

	Thousands of euros			
	Fair value			
	Tax receivables		Tax payables	
	2024	2023	2024	2023
Not matured foreign currency purchases and sales	**-**	**2,586**	**2,016**	**-**
Security/index options	**7,022**	**8,065**	**377**	**377**
Interest rate options	**6**	**94**	**153**	**230**
Other interest rate transactions	**12,471**	**14,139**	**145,187**	**144,463**
Interest rate swaps (IRSs)	12,471	14,139	145,187	144,463
	19,499	**24,884**	**147,733**	**145,070**

	Thousands of euros	
	Notional	
	2024	2023
Not matured foreign currency purchases and sales	**174,584**	**137,426**
Security/index options	**121,267**	**121,267**
Interest rate options	**-**	**-**
Security/index embedded derivatives	**-**	**-**
Other interest rate transactions	**896,216**	**937,123**
Interest rate swap embedded derivatives	-	-
Retail market derivatives	854,567	895,478
Distribution of derivatives	41,649	41,645
	1,192,067	**1,195,816**

In addition to the balances detailed in the previous table, the notional value of the securities options (credit balances) derived from the return guarantee granted by the Group to Investment Funds commercialised by it amounted to €419,965 thousand at 31 December 2024 (€535,695 thousand at 31 December 2023).

8. Non-trading financial assets mandatorily at fair value through profit or loss

The financial assets included in this category at 31 December 2024 and 2023 are detailed below, classified by geographical areas, counterparty classes and type of instruments:

	Thousands of euros	
	2024	**2023**
By geographical areas		
Spain	1,443,409	1,442,199
Rest of the countries in the European Monetary Union	-	46,691
Rest of Europe	-	-
Total gross amount	**1,443,409**	**1,488,890**
Accumulated negative changes in fair value due to credit risk from non-performing exposures	(1,278)	(2,896)
Total net amount	**1,442,131**	**1,485,994**
Of which: equity instruments related to the insurance activity	*1,441,158*	*1,472,334*
Of which: debt securities related to the insurance activity	-	-
By counterparty classes		
Credit institutions	-	-
Other resident sectors	1,443,409	1,442,199
Other non-resident sectors	-	46,691
	1,443,409	**1,488,890**
By type of instruments		
Debt securities	-	-
Credits and loans	2,251	4,188
Shares	-	-
Ownership interests in Investment Funds	1,441,158	1,484,702
	1,443,409	**1,488,890**

The Group classifies financial assets to this portfolio when their contractual terms do not give rise to cash flows consisting solely of principal and interest payments (SPPI test). The portfolio also includes equity assets (investment fund units) that are managed jointly with insurance liabilities (“Unit linked”) measured at fair value, which make up almost the entire balance.

The carrying amount shown in the above table corresponds to the maximum credit risk exposure in relation to each financial instrument.

The average effective interest rate on debt instruments classified in this portfolio in 2024 was 1.03% (1.48% in 2023).

9. Financial assets designated at fair value through profit or loss

The financial assets included in this category as at 31 December 2024 and 2023 are detailed below, classified by geographical areas, counterparty classes and type of instrument:

	Thousands of euros	
	2024	2023
By geographical areas		
Spain	228,547	239,085
Rest of the countries in the European Monetary Union	208,291	205,259
Rest of Europe	-	-
Rest of the world	133	131
	436,971	**444,475**
By counterparty classes		
Credit institutions	103,524	106,405
Resident public administrations	228,030	238,567
Non-resident public administrations	105,284	99,372
Other non-resident sectors	133	131
	436,971	**444,475**
By type of instruments		
Debt securities	436,971	444,475
	436,971	**444,475**

The Group classifies to this portfolio the fixed-income assets that are managed jointly with insurance contract liabilities measured at fair value.

The carrying amount shown in the above table corresponds to the maximum credit risk exposure in relation to each financial instrument.

The average effective interest rate on debt instruments classified in this portfolio in 2024 was 2.86% (2.91% in 2023).

10. Financial assets at fair value through other comprehensive income

10.1 Breakdown of the balance and maximum credit risk

The financial assets included in this category as at 31 December 2024 and 2023 are detailed below, classified by geographical areas, counterparty classes and type of instrument:

	Thousands of euros	
	2024	2023
By geographical areas		
Spain	3,263,203	3,624,365
Rest of the countries in the European Monetary Union	1,121,976	933,790
Rest of Europe	18,877	17,035
Rest of the world	142,825	155,328
Total gross amount	**4,546,881**	**4,730,518**
(Impairment losses)	(802)	(997)
Total net amount	**4,546,079**	**4,729,521**
Of which: equity instruments related to the insurance activity	*26,494*	*31,093*
Of which: debt securities related to the insurance activity	*3,718,870*	*3,942,293*
By counterparty classes		
Credit institutions	107,732	115,874
Resident public administrations	3,085,103	3,367,569
Non-resident public administrations	1,016,852	881,198
Other resident sectors	184,343	198,551
Other non-resident sectors	152,851	167,326
Total gross amount	**4,546, 881**	**4,730, 518**
By type of instruments		
Debt securities:	4,317,372	4,492,130
Public sector debt	*3,060,623*	*3,338,971*
Other public administrations	*23,507*	*27,595*
Foreign government debt securities	*1,016,852*	*881,198*
Issued by financial institutions	*97,613*	*106,117*
Other fixed-income securities	118,777	138,249
Other equity instruments:	229,509	238,388
Shares in listed Spanish companies	*29,112*	*33,450*
Shares in non-listed Spanish companies	*131,151*	*132,751*
Shares in listed foreign companies	*36,547*	*31,217*
Shares in non-listed foreign companies	*45*	*45*
Ownership interests in Investment Funds	*15,617*	*23,862*
Ownership interests in Venture Capital Funds	*17,037*	*17,063*
Total gross amount	**4,546,881**	**4,730,518**

The carrying amount shown in the above table corresponds to the maximum credit risk exposure in relation to each financial instrument.

At 31 December 2024 and 2023, “Other equity instruments” included the investment that the Bank holds in SAREB, which was fully impaired.

The entirety of losses from impairment related to the hedge against credit risk of debt securities, which are reversible, are detailed in the table above.

This heading includes a balance of €113,717 thousand (€113,717 thousand at 31 December 2023) relating to the shareholding in Caser.

The average effective interest rate on debt instruments classified in this portfolio during 2024 was 2.32% (2.16% during 2023), which includes the effect of the revenue reversals from risk hedging for interest rate risk.

10.2 Impaired debt securities

At 31 December 2024 and 2023 there were no impaired debt securities.

10.3 Credit risk hedges and others

The changes in the impairment losses recognised to cover the credit risk of the debt instruments included in this portfolio in 2024 and 2023 are presented below:

	Thousands of euros	
	2024	**2023**
Opening balance	**997**	**1,060**
Transfer charged to profit for the year	3,386	13,232
Reversal of provisions taken to income statement	(2,944)	(12,178)
Amounts used	-	-
Exchange differences and other movements	(637)	(1,117)
Closing balance	**802**	**997**
Of which:		
- Individually determined	-	-
- Collectively determined	*802*	*997*

The impairment losses indicated in this Note are recognised in the consolidated income statement under “Impairment or reversal of impairment of financial assets not measured at fair value through profit or loss - Financial assets at fair value through other comprehensive income)”.

11. Financial assets at amortised cost

The items making up this consolidated balance sheet caption at 31 December 2024 and 2023 are as follows:

	Thousands of euros	
	2024	**2023**
Debt securities (Note 11.2)	**11,631,013**	**12,558,457**
Loans and advances	**30,015,745**	**30,134,113**
Credit institutions (Note 11.3)	267,385	790,740
Customers (Note 11.4)	29,748,360	29,343, 373
	41,646,758	**42,692,570**

11.1 Breakdown of the balance and maximum credit risk

The financial assets included in this category as at 31 December 2024 and 2023 are detailed below, classified by geographical areas, counterparty classes and type of instrument:

	Thousands of euros	
	2024	**2023**
By geographical areas		
Spain	39,804,444	40,426,750
Rest of the countries in the European Monetary Union	1,593,478	1,786,283
Rest of Europe	59,368	79,773
Rest of the world	609,319	854,144
Total gross amount	**42,066,609**	**43,146,950**
(Impairment losses)	(419,851)	(454,380)
Total net amount	**41,646,758**	**42,692,570**
Of which: debt securities related to the insurance activity	*2,046,180*	*1,803,283*
Of which: loans and advances related to the insurance activity	*915*	*1,555*
By counterparty classes		
Credit institutions	686,378	1,231,231
Resident public administrations	10,064,800	10,768,415
Non-resident public administrations	793,665	1,166,737
Other resident sectors	29,540,736	29,114,523
Other non-resident sectors	981,030	866,175
Total gross amount	**42,066,609**	**43,146,950**
By type of instruments		
Debt securities	11,636,571	12,563,283
Credits and loans	29,084,678	28,675,218
Reverse repurchase agreements	500,040	902,859
Other	845,320	1,005,590
Total gross amount	**42,066,609**	**43,146,950**

The carrying amount shown in the above table corresponds to the maximum credit risk exposure in relation to each financial instrument, except for:

- The asset corresponding to the current value of the fees outstanding on financial guarantees, registered under “Other” (in the breakdown by type of instrument), amounted to €1,218 thousand at 31 December 2024 (€1,334 thousand at 31 December 2023). In Note 27.1, the nominal value of the financial guarantees is broken down, which implies the maximum level of exposure to the credit risk.

This item also includes the balances of “Other financial assets” detailed in notes 11.3 and 11.4.

- The assets transferred to securitisation funds that were not derecognised from the balance sheet, in accordance with that stipulated in Note 2.8, shall be registered under heading “Credits and loans” (in the breakdown by type of instrument) and at 31 December 2024 they amounted to €1,107,035 thousand (€1,450,292 thousand at 31 December 2023), with their breakdown detailed in Note 27.5. The maximum level of exposure to credit risk is collected by the value of all the positions of the Group in the mentioned securitisation funds, which amounts to €1,129,512 thousand at 31 December 2024 (€1,436,844 thousand at 31 December 2023). The amount of the bonds issued by the securitisation funds that were subscribed by third parties outside the Group amounts to €62,518 thousand at 31 December 2024 (€138,278 thousand at 31 December 2023), with their breakdown detailed in Note 19.3.

11.2 Debt securities

The breakdown by financial assets included in the debt securities category at 31 December 2024 and 2023 is as follows:

	Thousands of euros	
	2024	2023
Debt securities	**11,636,571**	**12,563,283**
Impaired assets	-	-
Total gross amount	**11,636,571**	**12,563,283**
(Impairment losses)	(5,558)	(4,826)
Total net amount	**11,631,013**	**12,558,457**

This heading includes, among others, SAREB bonds, with an irrevocable guarantee from the Spanish central government, whose nominal value at 31 December 2024 was €1,387,700 thousand (€1,432,000 thousand at 31 December 2023).

All the securities recognised under this heading are recorded as Stage 1 (Note 11.5).

The average effective interest rate on debt instruments classified in this portfolio during 2024 was 1.92% (1.26% during 2023).

11.3 Credit institutions

The breakdown of the financial assets included in the “credit institutions” category at 31 December 2024 and 2023 is as follows:

	Thousands of euros	
	2024	2023
Time or at notice:	**18,589**	**203,374**
Fixed-term deposits	18,213	3,213
Reverse repurchase agreement	-	200,000
Other accounts	376	161
Other financial assets:	**248,644**	**581,635**
Cheques payable by credit institutions	266	193
Cash guarantees	239,624	572,114
Other items	8,754	9,328
Impaired assets	**-**	**-**
Valuation adjustments	**152**	**5,731**
Total gross amount	**267,385**	**790,740**
(Impairment losses)	-	-
Total net amount	**267,385**	**790,740**

The average effective interest rate on debt instruments classified in this portfolio during 2024 was 2.00% (0.51% during 2023).

11.4 Customers

The breakdown by financial assets included in the Loans and advances to customers category at 31 December 2024 and 2023 is as follows:

	Thousands of euros	
	2024	2023
Credits and loans	**29,084,678**	**28,675,675**
Commercial loans	648,883	615,198
Secured loans	18,923,773	18,947,277
Other term loans	7,535,357	7,162,095
Finance leases	527,571	493,663
Receivables on demand and others	794,499	811,586
Impaired assets	467,550	480,402
Valuation adjustments	187,045	164,997
Reverse repurchase agreement	**500,040**	**702,859**
Other financial assets	**577,935**	**414,850**
Financial transactions pending settlement	276	275
Cash guarantees	169,144	168,923
Financial guarantee fees	1,218	1,334
Other items	407,297	244,318
Total gross amount	**30,162,653**	**29,792,927**
(Impairment losses)	(414,293)	(449,554)
Total net amount	**29,748,360**	**29,343,373**

Finance leases in which the Group is the lessor are described below:

- The interest rate is variable.
- There is a purchase option in the lessee's favour arranged as the last instalment of the contract, through which the lessee may obtain the ownership of the asset at a cost which is significantly lower than the asset's market value at that time. As it may be considered reasonably certain that the lessee will exercise this purchase option, its value is recorded as a debt claim together with the rest of the minimum payments to be made by the lessee.

Details of finance leases for the year are as follows:

- At 31 December 2024, the gross investment totals €527,571 thousand (€493,663 thousand at 31 December 2023).
- The present value of future minimum lease payments receivable during the non-cancellable part of the lease period (assuming that any existing rights to extend the lease or purchase options are not exercised) at 31 December 2024 is €155,201 thousand within one year (€141,613 thousand in 2023), €323,962 thousand between one and five years (€252,954 thousand in 2023) and €2,107 thousand at over five years (€35,810 thousand in 2023).
- Unaccrued financial income totals €44,113 thousand in 2024 (€49,540 thousand in 2023).
- The residual value of these leases amounts to €22,647 thousand at 31 December 2024 (€29,607 thousand at 31 December 2023).
- Impairment adjustments to finance leases amount to €8,455 thousand at 31 December 2024 (€8,651 thousand at 31 December 2023).

"Valuation adjustments" at 31 December 2023 included an amount of €4,427 thousand corresponding to the adjustment to the amortised cost of the covered assets pending accrual after the interruption of the macro-hedges described in Note 12.2; in 2024 this accrual ended.

The average effective interest rate on debt instruments classified in this portfolio during 2024 was 3.42% (2.95% during 2023).

11.4.1. Overdue, impaired and unimpaired assets

There follows a breakdown of credit to customers considered to be impaired because of credit risk at 31 December 2024 and 2023, classified according to the period elapsed since the maturity of the oldest unpaid amount of each transaction at those dates:

	Thousands of euros					
	Not yet due	**Up to 6 months**	**6 to 9 months**	**9 to 12 months**	**Over 12 months**	**Total**
31 December 2024	151,679	57,125	39,020	33,211	186,515	**467,550**
31 December 2023	100,852	79,174	49,077	27,783	223,516	**480,402**

The detail of the impaired assets by counterparty classes is as follows:

	Thousands of euros	
	2024	**2023**
Resident public administrations	-	178
Other resident sectors	460,932	472,701
Other non-resident sectors	6,618	7,523
	467,550	**480,402**

In general, the matured assets are not considered impaired until the length of service of the non-payment surpasses 90 days. The detail of the unimpaired matured assets by counterparty classes and length of service as at 31 December 2024 and 2023 is as follows:

	Thousands of euros			
	2024			
	Less than one Month	**1 to 2 months**	**Between 2 months and 90 days**	**Total**
Credit institutions	-	-	-	-
Resident public administrations	-	-	-	-
Other resident sectors	34,227	1,983	1,861	38,071
Other non-resident sectors	41	4	3	48
	34,268	**1,987**	**1,864**	**38,119**

	Thousands of euros			
	2023			
	Less than one Month	**1 to 2 months**	**Between 2 months and 90 days**	**Total**
Credit institutions	-	-	-	-
Resident public administrations	-	-	-	-
Other resident sectors	28,326	9,313	4,969	42,608
Other non-resident sectors	50	7	8	65
	28,376	**9,320**	**4,977**	**42,673**

11.5 Credit risk hedges and others

The changes in the gross balance of financial assets included in this category in 2024 and 2023 are presented below:

	Thousands of euros			
	2024			
	Stage 1	Stage 2	Stage 3	Total
Gross balance at 1 January	**41,196,196**	**1,469,469**	**480,402**	**43,146, 950**
Transfers:	(107,460)	(58,953)	166,413	-
from stage 1 to stage 2:	*(547,109)*	*547,109*	-	-
from stage 1 to stage 3	*(62,133)*	-	*62,133*	-
from stage 2 to stage 3	-	*(141,605)*	*141,605*	-
from stage 3 to stage 2	-	*36,396*	*(36,396)*	-
from stage 2 to stage 1	*500,853*	*(500,853)*	-	-
from stage 3 to stage 1	*929*	-	*(929)*	-
Increases	8,474,380	200,740	37,939	8,713,059
Decreases	(9,217,261)	(358,935)	(142,207)	(9,718,403)
Transfers to write-offs	-	-	(74,997)	(74,997)
Other movements	-	-	-	-
Gross balance at 31 December	**40,346,415**	**1,252,644**	**467,550**	**42,066,609**

	Thousands of euros			
	2023			
	Stage 1	Stage 2	Stage 3	Total
Gross balance at 1 January	**42,319, 069**	**1,476,221**	**492,727**	**44,288,017**
Transfers:	(277,824)	137,041	140,783	-
from stage 1 to stage 2:	*(695,024)*	*695,024*	-	-
from stage 1 to stage 3	*(58,169)*	-	*58,169*	-
from stage 2 to stage 3	-	*(119,068)*	*119,068*	-
from stage 3 to stage 2	-	*36,203*	*(36,203)*	-
from stage 2 to stage 1	*475,118*	*(475,118)*	-	-
from stage 3 to stage 1	*251*	-	*(251)*	-
Increases	9,764,909	202,889	37,855	10,005,653
Decreases	(10,609,398)	(346,359)	(118,293)	(11,074,050)
Transfers to write-offs	-	-	(72,670)	(72,670)
Other movements	-	-	-	-
Gross balance at 31 December	**41,196,756**	**1,469,792**	**480,402**	**43,146,950**

The changes in impairment losses recognised to cover the credit risk of financial assets included in this category in 2024 and 2023 are presented below:

	Thousands of euros			
	2024			
	Stage 1	Stage 2	Stage 3	Total
Balance at 1 January	**82,771**	**106,875**	**264,734**	**454,380**
Of which:				
- Individually determined	-	*17,417*	*73,440*	*90,857*
- Collectively determined	*82,771*	*89,458*	*191,294*	*363,523*
Changes through profit or loss:	**(77,679)**	**54,784**	**93,086**	**70,191**
Increases in origination	*36,679*	*24*	*3*	*36,706*
Changes due to changes in credit risk	*(76,972)*	*61,700*	*86,368*	*71,096*
Changes in calculation method	-	-	-	-
Other	*(37,386)*	*(6,940)*	*6,715*	*(37,611)*
Changes other than through profit or loss:	**88,551**	**(83,995)**	**(109,276)**	**(104,720)**
Transfers:	88,551	(83,995)	(4,556)	-
from stage 1 to stage 2:	*(11,795)*	*11,795*	-	-
from stage 1 to stage 3:	*(103)*	-	*103*	-
from stage 2 to stage 3:	-	*(19,853)*	*19,853*	-
from stage 3 to stage 2	-	*24,512*	*(24,512)*	-
from stage 2 to stage 1	*100,449*	*(100,449)*	-	-
from stage 3 to stage 1	-	-	-	-
Existing provisions utilised	-	-	(95,610)	(95,610)
Other movements	-	-	(9,110)	(9,110)
Balance at 31 December	***93,643***	***77,664***	***248,544***	***419,851***
Of which:				
Individually determined	-	*14,312*	*78,158*	*92,470*
Collectively determined	*93,643*	*63,352*	*170,386*	*327,381*

	Thousands of euros			
	2023			
	Stage 1	Stage 2	Stage 3	Total
Balance at 1 January	**90,485**	**104,840**	**251,251**	**446,576**
Of which:				
- Individually determined	-	*14,212*	*72,689*	*86,901*
- Collectively determined	*90,485*	*90,628*	*178,562*	*359,675*
Changes through profit or loss:	**(82,619)**	**77,772**	**106,613**	**101,766**
Increases in origination	*48,549*	*9*	*10*	*48,568*
Changes due to changes in credit risk	*(91,533)*	*85,917*	*100,219*	*94,603*
Changes in calculation method	-	-	-	-
Other	*(39,635)*	*(8,154)*	*6,384*	*(41,405)*
Changes other than through profit or loss:	**74,905**	**(75,737)**	**(93,130)**	**(93,962)**
Transfers:	74,905	(75,737)	832	-
from stage 1 to stage 2:	*(13,009)*	*13,009*	-	-
from stage 1 to stage 3:	*(140)*	-	*140*	-
from stage 2 to stage 3:	-	*(18,228)*	*18,228*	-
from stage 3 to stage 2	-	*17,480*	*(17,480)*	-
from stage 2 to stage 1	*87,998*	*(87,998)*	-	-
from stage 3 to stage 1	*56*	-	*(56)*	-
Existing provisions utilised	-	-	(84,706)	(84,706)
Other movements	-	-	(9,256)	(9,256)
Balance at 31 December	***82,771***	***106,875***	***264,734***	***454,380***
Of which:				
- Individually determined	-	*17,417*	*73,440*	*90,857*
- Collectively determined	*82,771*	*89,458*	*191,294*	*363,523*

On 20 September 2024, Ibercaja Banco, S.A. entered into a contract for the sale of a loan book of mostly NPLs with a nominal value of €8,541 thousand to the company PSD LUX S.A.R.L. The negative impact of the operation, €2,257 thousand was recognised under “Net gains or losses derecognised in financial asset and liability accounts not measured at fair value through profit or loss” of the consolidated income statement (Note 34).

On 27 December 2024, Ibercaja Banco, S.A. entered into a contract for the sale of a loan book of mostly NPLs with a nominal value of €2,043 thousand to the company PSD LUX S.A.R.L. The negative impact of the operation, €750 thousand was recognised under “Net gains or losses derecognised in financial asset and liability accounts not measured at fair value through profit or loss” of the consolidated income statement (Note 34).

On 27 December 2024, Ibercaja Banco, S.A. entered into a contract for the sale of a loan book of mostly NPLs with a nominal value of €33,113 thousand to the company Axactor España, S.L. The negative impact of the operation, €6,394 thousand was recognised under “Net gains or losses derecognised in financial asset and liability accounts not measured at fair value through profit or loss” of the consolidated income statement (Note 34).

On 22 December 2023, Ibercaja Banco, S.A. entered into a contract for the sale of a loan book of mostly NPLs with a nominal value of €21,678 thousand to Cabin V L2, S.a.r.l. The negative impact of the operation, €1,520 thousand, was recognised under “Net gains or losses derecognised in financial asset and liability accounts not measured at fair value through profit or loss” of the consolidated income statement (Note 34).

The balance of provision utilisation in 2024 relates mainly to provisions covering transactions derecognised from the consolidated balance sheet amounting to €74,997 thousand (€72,670 thousand in 2023). In addition, in 2024 it includes the provisions derecognised from the balance sheet of the loan books mentioned in the three previous paragraphs amounting to €20,613 thousand (31 December 2023: €12,036 thousand).

“Other” includes releases generated by the write-downs of provisions for operations cancelled due to collections during the period. Write-downs of provisions in operations that have been removed from the balance sheet are included in the concept of “Use of provisions”

The concept of “Other movements” includes the transfer of the non-performing loan allowance that the credit transaction had which were paid through the awarding or granting in payment for the overall or partial satisfaction of the debt, in accordance with the criteria described in Note 2.18.

The detail of the impaired losses by counterparty classes is as follows:

	Thousands of euros	
	2024	**2023**
Resident public administrations	-	1
Other resident sectors	418,540	452,727
Other non-resident sectors	1,311	1,652
	419,851	**454,380**

The various items recognised in 2024 and 2023 under “Impairment or reversal of impairment of financial assets not measured at fair value through profit or loss - Financial assets at amortised cost” in the consolidated income statements for those years are presented below:

	Thousands of euros	
	2024	**2023**
Impairment losses credited to allowances for assets	70,191	101,766
Recovery of written-off assets	(5,037)	(9,001)
	65,154	**92,765**

The movement of the consolidated Loans and receivables derecognised in 2024 and 2023 is as follows:

	Thousands of euros	
	2024	2023
Balances at the start of the year	**467,688**	**426,370**
Use of the Accumulated impairment balance	59,074	62,669
Contractually required interests	12,808	8,908
Direct write-down to the profit and loss account	-	-
Main cash payment to the counterparties	(4,899)	(8,843)
Interest cash payment to the counterparties	(133)	(127)
Forgiveness	(8,010)	(19,148)
Limitation period	(112)	(1,661)
Foreclosure of tangible assets	-	-
Debt refinancing or restructuring	-	-
Sales	(1,023)	(480)
Other items	-	-
Balance at the close of the year	**525,393**	**467,688**

The accrued interest pending payment, registered in memorandum accounts, associated with impaired financial assets, amounted to €26,672 thousand at 31 December 2024 (€31,899 thousand at 31 December 2023).

In this context, the Group, in its process of recalibrating the credit risk models in 2024, has updated, using the information available at year-end, the macroeconomic variables that affect the forward-looking information of the impairment coverage models.

The main projected variables (since October 2024), considered at 31 December 2024 and 2023, are as follows:

	2024	2025	2026
GDP growth			
Base Scenario	2.9%	2.5%	2.1%
Best-case scenario	3.1%	3.0%	2.5%
Pessimistic scenario	2.5%	0.2%	(1.3%)
Unemployment rate			
Base Scenario	11.6%	11.2%	10.8%
Best-case scenario	11.4%	10.6%	9.9%
Pessimistic scenario	11.9%	13.0%	14.0%
House price growth			
Base Scenario	7.0%	10.0%	5.0%
Best-case scenario	7.2%	10.6%	5.9%
Pessimistic scenario	5.0%	1.0%	(1.0%)

	2023	2024	2025
GDP growth			
Base Scenario	2.5%	1.6%	1.4%
Best-case scenario	2.7%	2.4%	2.1%
Pessimistic scenario	2.3%	(0.2%)	(0.5%)
Unemployment rate			
Base Scenario	12.0%	11.3%	10.9%
Best-case scenario	11.9%	10.9%	10.1%
Pessimistic scenario	12.1%	12.5%	13.7%
House price growth			
Base Scenario	2.5%	(0.6%)	1.6%
Best-case scenario	3.5%	1.5%	3.7%
Pessimistic scenario	1.5%	(2.7%)	(0.4%)

The weighting of the scenarios for 2024 and 2023 is as follows:

	2024	2023
Best-case scenario	5%	5%
Base scenario	60%	60%
Pessimistic scenario	35%	35%

The Group has analysed its loan portfolio taking into account the different types and segmentation of customers affected by the economic situation, their characteristics (companies, individuals, self-employed, etc.) and the sector to which each borrower belongs (NACE).

The biggest current uncertainties are in macroeconomic and geopolitical risks. These risks could materialise in the form of an escalation of the conflict in Ukraine, tensions in the Middle East, or increased trade protectionism. Geopolitical uncertainty and polarisation of trade would lead to a fragmentation of global trade (tariff policies, trade retaliation, etc.), with a severe impact on supply chains and an increase in production costs, especially in the sectors most dependent on energy and raw materials. In the EU, this would translate into a prolonged decline in GDP, particularly affecting exporting countries and trade-intensive sectors. Low demand and economic uncertainty would lead to rising unemployment, which in turn would further depress consumption and investment.

Additionally, the recent DANA even in the east of Spain has impacted the Bank's offices, businesses, customers and guarantees in the area.

Finally, continuing to monitor adaptation towards a more sustainable economy, the potential impact that certain companies could have when transitioning to a more sustainable production model has been taken into account.

These uncertainties are not covered by the Group's credit risk models, so the Bank has recorded a post-model adjustment in the amount of €54,776 thousand, with the following breakdown by stage and purpose:

	Thousands of euros			
	2024			
	Stage 1	Stage 2	Stage 3	Total
Companies and self-employed	31,442	7,074	9,127	47,643
Mortgages to individuals	4,005	2,549	300	6,854
Other segments	48	131	100	279
Total	**35,495**	**9,754**	**9,527**	**54,776**

This post-model adjustment has a temporary nature until the reasons for the post-model adjustment disappear or materialise. This fund has been set up in accordance with the guidelines issued by supervisors and regulators and, by its nature, its constitution and monitoring has duly documented processes subject to strict governance.

The Group closely monitors the trend of both the sectors and the most relevant individual borrowers that could be affected by these events, in order to adapt its credit risk coverage to the different scenarios that may arise.

12. Derivatives - hedge accounting (assets and liabilities) and fair value changes of the hedged items in a portfolio with interest rate risk hedging

12.1 Derivatives – hedge accounting

The breakdown, by product type, of the fair value of the financial derivatives designated as hedging instruments in fair value hedge and cash flow transactions at 31 December 2024 and 2023 is as follows:

	Thousands of euros			
	Fair value			
	Tax receivables		Tax payables	
	2024	2023	2024	2023
Interest rate swaps (IRSs)	161,128	154,553	350,619	518,866
Forward Rate Agreements (FRA´s)	3,482	-	-	18,902
	164,610	**154,553**	**350,619**	**537,768**

The carrying amount shown in the previous table represents the maximum level of exposure to credit risk with respect to the financial instruments included therein, except for the derivative assets contracted in which there are netting or compensation agreements, and that also have a collateral agreement consisting of the formalisation of deposits for an amount equivalent to the net fair value of the derivative transactions, so that in the event of non-payment of the derivative operations by one of the parties, the other party is not required to satisfy the obligations associated with the deposit.

Under “Derivatives - hedge accounting”, a net credit balance of €50,315 thousand at 31 December 2024 (credit balance of €96,515 thousand at 31 December 2023) is recognised for macro hedges on mortgage bonds and demand deposits.

The Group has not offset the financial instruments that give rise to these guarantee deposits and has maintained the separate recognition of assets and liabilities without recording a net position, as the conditions described in Note 2.7 are not fulfilled. The breakdown of the carrying amount of the financial instruments associated with these agreements and asset and liability deposits that are generated with the counterparties (for both the hedging and trading derivatives that are detailed in Note 7.3), is as follows:

	Thousands of euros	
	Instruments subject to offset arrangements.	
	2024	2023
Derivative assets	1,292	1,665
Derivative liabilities	224,302	332,880

	Thousands of euros	
	Deposits subject to derivative offset arrangements	
	2024	2023
Deposits recognised under assets	224,802	333,142
Deposits recognised under liabilities	1,170	1,790

The purpose of all fair value hedges carried out by the Group is to hedge the risk of changes in the fair value of debt instruments, assets or liabilities issued at a fixed rate, due to changes in the reference interest rate. This risk is established in the increase of the fair value of the financial liabilities against reference interest rate decreases and decreases in the fair value of the financial assets in the event of their increases. To mitigate this risk, the Group arranges interest rate swaps, the value of which varies similarly and symmetrically to the changes in value of the hedged items.

The purpose of the cash flow hedges is to stabilise the impact on the interest margin of interest associated with inflation-indexed public debt, eliminating the underlying risk of the benchmark index. To hedge this risk, interest rate swaps were arranged on the market that convert the issue's inflation-indexed floating rate into a fixed rate.

In the event of ineffectiveness in fair value or cash flow hedges, the Bank mainly considers the following causes:

– Possible economic events affecting the Bank (e.g.: default).

– Due to changes and possible differences with respect to the market in the collateralised and non-collateralised curves used in the valuation of derivatives and hedged items, respectively.

– Possible differences between the nominal value, settlement/repricing dates and credit risk of the hedged item and the hedging instrument.

Note 3 analyses the nature of the Group's main risks covered by these financial instruments.

A breakdown of the maturities of the notional amounts of the hedging instruments used by the Group at 31 December 2024 and 2023 is shown below:

	Thousands of euros					
	2024					
	Up to 1 month	1 to 3 months	Between 3 months and 1 year	1 to 5 years	Over 5 years	Total
Fair value hedges	**390,000**	**50,000**	**1,341,026**	**1,665,000**	**2,618,600**	**6,064,626**
Interest rate swaps (IRSs)	-	-	1,341,026	1,665,665	2,618,600	5,624,626
Forward Rate Agreements (FRA´s)	390,000	50,000	-	-	-	440,000
Average interest rate	-	-	-	-	1,27%	0,55%
Cash flow hedges	**-**	**-**	**-**	**257,875**	**253,500**	**511,375**
Interest rate swaps (IRSs)	-	-	-	257,875	253,500	511,375
Average interest rate	-	-	-	-	-	-

	Thousands of euros					
	2023					
	Up to 1 month	1 to 3 months	Between 3 months and 1 year	1 to 5 years	Over 5 years	Total
Fair value hedges	**257,015**	**157,019**	**509,745**	**3,016,526**	**1,883,600**	**5,823,905**
Interest rate swaps (IRSs)	2,015	22,019	509,745	3,016,016	1,883,883	5,433,433
Forward Rate Agreements (FRAs)	255,000	135,000	-	-	-	390,000
Average interest rate	-	-	-	-	0,37%	0,13%
Cash flow hedges	**-**	**-**	**-**	**550,000**	**253,500**	**803,500**
Interest rate swaps (IRSs)	-	-	-	550,000	253,500	803,500
Average interest rate	-	-	-	-	-	-

A breakdown of the hedging instruments used by the Group at 31 December 2024 and 2023 is shown below:

	Thousands of euros 2024			
	Notional	Assets	Liabilities	Change in the FV used to calculate hedging ineffectiveness
Fair value hedges	**6,064,626**	**141,893**	**102,926**	**98,570**
Interest rate swaps (IRSs)	5,624,624	138,411	102,926	87,323
Forward Rate Agreements (FRA´s)	440,000	3,482	-	11,247
Cash flow hedges	**511,375**	**22,717**	**247,693**	**17,077**
Interest rate swaps (IRSs)	511,375	22,717	247,693	17,077

	Thousands of euros 2023			
	Notional	Assets	Liabilities	Change in the FV used to calculate hedging ineffectiveness
Fair value hedges	**5,823,905**	**133,753**	**202,969**	**61,202**
Interest rate swaps (IRSs)	5,433,905	133,753	184,067	74,994
Forward Rate Agreements (FRAs)	390,000	-	18,902	(13,792)
Cash flow hedges	**803,500**	**20,800**	**334,799**	**10,671**
Interest rate swaps (IRSs)	803,500	20,800	334,799	10,671

A breakdown of the items hedged the Group at 31 December 2024 and 2023 is shown below:

	Thousands of euros 2024					
	Carrying amount of the hedged item		Adjustment of cumulative FV in the hedged instrument		Change in the FV used to calculate hedging ineffectiveness	Cash flow hedges reserve
	Assets	Liabilities	Assets	Liabilities		
Fair value hedges	**2,524,883**	**2,719,628**	**(96,908)**	**(19,959)**	**(97,067)**	**-**
Transactions with clients	-	-	-	-	(299)	-
Loans	-	1,219,628	-	(19,959)	(50,046)	-
Fixed Income	2,524,883	-	(96,908)	-	(9,137)	-
Savings demand deposit hedge	-	1,500,000	-	-	(37,585)	-
Cash flow hedges	**761,766**	**-**	**-**	**-**	**-**	**11,954**
Fixed Income	761,766	-	-	-	-	11,954

	Thousands of euros 2023					
	Carrying amount of the hedged item		Adjustment of cumulative FV in the hedged instrument		Change in the FV used to calculate hedging ineffectiveness	Cash flow hedges reserve
	Assets	Liabilities	Assets	Liabilities		
Fair value hedges	**1,788,344**	**3,297,428**	**(76,633)**	**(70,305)**	**(62,882)**	**-**
Transactions with clients	-	33,482	-	(299)	(3,440)	-
Loans	-	1,763,946	-	(70,006)	(62,879)	-
Fixed Income	1,788,344	-	(76,633)	-	53,435	-
Savings demand deposit hedge	-	1,500,000	-	-	(49,998)	-
Cash flow hedges	**1,136,136**	**-**	**-**	**-**	**-**	**7,469**
Fixed Income	1,136,136	-	-	-	-	7,469

The following table shows the impact on the consolidated income statement and consolidated statement of other comprehensive income of the hedging relationships designated by the Group at 31 December 2024 and 2023:

	Thousands of euros			
	2024			
	Change in value of hedging instrument recognised in other comprehensive income	Ineffectiveness recognised in profit or loss	Amount reclassified from equity to profit or loss	
			Hedging interruption	Recognition in profit or loss of the hedged transaction
Fair value hedges	**-**	**1,503**	**-**	**-**
Transactions with clients	-	(19)	-	-
Loans	-	228	-	-
Fixed Income	-	1,294	-	-
Cash flow hedges	**4,485**	**-**	**-**	**(3,984)**
Fixed Income	4,485	-	-	(3,984)

	Thousands of euros			
	2023			
	Change in value of hedging instrument recognised in other comprehensive income	Ineffectiveness recognised in profit or loss	Amount reclassified from equity to profit or loss	
			Hedging interruption	Recognition in profit or loss of the hedged transaction
Fair value hedges	**-**	**(1,680)**	**-**	**-**
Transactions with clients	-	(241)	-	-
Loans	-	(747)	-	-
Fixed Income	-	(692)	-	-
Cash flow hedges	**8,556**	**-**	**-**	**(14,523)**
Fixed Income	8,556	-	-	(14,523)

At 31 December 2024 and 2023, there were no accounting hedges that failed the effectiveness test.

12.2 Fair value changes of the hedged items in a portfolio with interest rate risk hedging

As explained in Note 2.4, these gains or losses arising from changes in the fair value of the interest rate risk of the financial instruments effectively hedged in fair value macro-hedging transactions are charged or credited under these headings of the consolidated balance.

The breakdown of adjustments to financial assets and liabilities via macro-hedges at 31 December 2024 and 2023 is as follows:

	Thousands of euros			
	Fair value			
	Tax receivables		Tax payables	
	2024	2023	2024	2023
Mortgage loans	-	-	-	-
Financial liabilities	-	-	(35,780)	(79,093)
	-	**-**	**(35,780)**	**(79,093)**

With respect to the assets affecting the micro-hedges, Banco Grupo Cajatres, S.A.U. signed an option contract on interest rates in 2012, for which it would pay the positive difference between the floor rate and Euribor rate at 12 months (or zero if this difference is negative) on the current notional in since the period 2013. The starting and maximum notional value of the option amounted to 2,672 billion euros, covering the cost of the floor value included in the mortgage loans in the portfolio on interest rate variations. In 2015 the Group decided to interrupt the micro-hedge. The change to the amortised cost of the hedged assets on the hedge interruption date, for an amount of €140.9 million, is accrued over the initially designated hedging period. At 31 December 2023, the adjustment pending accrual was €4,427 thousand, recognised under "Financial assets at amortised cost - Customers" on the asset side of the balance sheet (Note 11.4). In 2024 this accrual ended.

The nominal amount of financial liabilities corresponding to own issues, covered bonds, transactions and deposits with customers, covered by interest rate swaps (IRSs), amounted to €1,800,897 thousand at 31 December 2024 (€1,800,897 thousand at 31 December 2023).

At 31 December 2024 and 2023, there were no accounting hedges that failed the effectiveness test.

13. Investments in joint ventures and associates

13.1 Investments in associates

This heading of investments in associates in the consolidated balance sheets at 31 December 2024 and 2023 is broken down as follows:

	Thousands of euros	
	2024	2023
Equity instruments	48,551	52,121
Impairment losses	(1,678)	(3,455)
Total net amount	**46,873**	**48,666**

The balance of "Investments in subsidiaries, joint ventures and associates – Associates" of the consolidated balance sheets as at 31 December 2024 and 2023 included goodwill associated with these investments. The breakdown of this goodwill, based on the Bank in which they originated, is shown below:

	Thousands of euros	
	2024	2023
Henneo	11,149	11,149
	11,149	**11,149**

The movement of the impairment losses of the associated entities in 2024 and 2023 is as follows:

	Thousands of euros	
	2024	2023
Opening balance	**3,455**	**128**
Transfers	**(1,777)**	**3,327**
Transfer charged to profit for the year	-	3,327
Recovered amount credited to the profit for the year	(1,777)	-
Recovered amount credited to profit for the previous years	**-**	**-**
Amounts used	**-**	**-**
Other movements	**-**	**-**
Closing balance	**1,678**	**3,455**

13.2 Investments in joint ventures

Appendices I and II show a breakdown of the investments in joint ventures held by the Group at 31 December 2024 and 2023, with related details.

There are no impairment losses or goodwill associated with these investments.

14. Assets under insurance or reinsurance contracts

At 31 December 2024 and 2023, the entirety of the budget under this heading of consolidated balances corresponds to the profit-sharing of the reinsured policies.

The reconciliation between the opening and closing balances under this heading in 2024 and 2023 is as follows:

	Thousands of euros
Balances at 31 December 2022	**1,162**
Transfers	(358)
Balances at 31 December 2023	**804**
Transfers	249
Balances at 31 December 2024	**1,053**

15. Tangible assets

Movements in this consolidated balance sheet heading in 2024 and 2023 are as follows:

	Thousands of euros			
	For own use	Investment property	Assigned under operating lease	Total
Cost				
Balances at 1 January 2023	**1,352,599**	**359,968**	**123,633**	**1,836,200**
Additions	45,178	2,673	32,046	79,897
Disposals due to sales or through other means	(17,546)	(27,640)	(782)	(45,968)
Other transfers and other movements	-	1,375	7,546	8,921
Balances at 31 December 2023	**1,380,231**	**336,376**	**162,443**	**1,879,050**
Additions	42,705	2,332	81,796	126,833
Disposals due to sales or through other means	(29,863)	(23,092)	(68,174)	(121,129)
Other transfers and other movements	-	874	1,096	1,970
Balances at 31 December 2024	**1,393,073**	**316,490**	**177,161**	**1,886,724**
Accumulated depreciation				
Balances at 1 January 2023	**(686,913)**	**(93,890)**	**(19,376)**	**(800,179)**
Disposals due to sales or through other means	8,155	6,065	11,690	25,910
Allowances recognised in profit or loss	(44,687)	(5,697)	(13,428)	(63,812)
Other transfers and other movements	188	(22)	-	166
Balances at 31 December 2023	**(723,257)**	**(93,544)**	**(21,114)**	**(837,915)**
Disposals due to sales or through other means	6,755	7,389	11,790	25,934
Allowances recognised in profit or loss	(45,337)	(5,087)	(14,362)	(64,786)
Other transfers and other movements	94	151	(1,758)	(1,513)
Balances at 31 December 2024	**(761,745)**	**(91,091)**	**(25,444)**	**(878,280)**
Impairment losses				
Balances at 1 January 2023	**(14,796)**	**(43,075)**	**-**	**(57,871)**
Transfer charged to profit for the year (Note 40)	(323)	(12,687)	-	(13,010)
Recovered amount credited to profits (Note 40)	-	-	-	-
Applications and other movements	752	6,786	-	7,538
Balances at 31 December 2023	**(14,367)**	**(48,976)**	**-**	**(63,343)**
Transfer charged to profit for the year (Note 40)	(361)	(2,969)	-	(3,330)
Recovered amount credited to profits (Note 40)	-	-	-	-
Applications and other movements	361	7,078	-	7,439
Balances at 31 December 2024	**(14,367)**	**(44,867)**	**-**	**(59,234)**
Net tangible assets				
Balances at 31 December 2023	**642,607**	**193,856**	**141,329**	**977,792**
Balances at 31 December 2024	**616,961**	**180,532**	**151,717**	**949,210**

At 31 December 2024, fully depreciated property, plant and equipment in use amounted to €428,739 thousand (€407,331 at 31 December 2023).

In 2013, Ibercaja Banco, S.A. and Banco Grupo Cajatres, S.A.U. availed themselves of the possibility offered by Article 9 of Law 16/2012 to update the tax value of property, plant and equipment, and certain buildings for own use and property investments were accordingly updated.

The amount of the tax update in Ibercaja Banco, S.A. amounted to €17,888 thousand, generating a share of 5% to be paid for this update, for an amount of €894 thousand. Given the revaluation of assets as a consequence of a tax law not permitted in the IFRS-EU, the carrying amount of the assets did not incur any variation in consolidated terms.

At Banco Grupo Cajatres, S.A.U., the amount of the tax update amounted to €36,094 thousand, generating a share of 5% to be paid for this update, for an amount of €1,805 thousand. However, given that the fiscally revaluated assets had already been revaluated for accounting purposes in 2010 when the Institutional Protection Scheme founded the Company, there was no increase in their carrying amount since the new tax value did not surpass the carrying amount before the update in any case.

In the Ibercaja Banco, S.A. individual financial statements of 2016, the information required by section 12 of article 9 of Law 16/2012 is set forth on the updated elements that were found in the Company equity.

15.1 Property, plant and equipment for own use

The breakdown, according to its nature, of the parties that include the balance under this heading of the consolidated balance at 31 December 2024 and 2023 is the following:

	Thousands of euros			
	Cost	**Accumulated depreciation**	**Impairment losses**	**Net balance**
Computer equipment and installations	202,433	(143,928)	-	58,505
Furniture, vehicles and other installations	383,305	(325,179)	-	58,126
Buildings	637,506	(175,989)	(14,367)	447,150
Construction in progress	3,928	-	-	3,928
Use rights under lease	153,059	(78,161)	-	74,898
Of which: Branch offices	*115,481*	*(59,953)*	-	*55,528*
Of which: Sale & lease-back	*29,676*	*(14,253)*	-	*15,423*
Of which: Other	*7,902*	*(3,955)*	-	*3,947*
Balances at 31 December 2023	**1,380,231**	**(723,257)**	**(14,367)**	**642,607**
Computer equipment and installations	197,146	(154,745)	-	42,401
Furniture, vehicles and other installations	384,229	(330,418)	-	53,811
Buildings	635,705	(181,584)	(14,367)	439,754
Construction in progress	9,108	-	-	9,108
Use rights under lease	166,885	(94,998)	-	71,887
Of which: Branch offices	*124,993*	*(70,587)*	-	*54,406*
Of which: Sale & lease-back	*34,557*	*(19,924)*	-	*14,633*
Of which: Other	*7,335*	*(4,487)*	-	*2,848*
Balances at 31 December 2024	**1,393,073**	**(761,745)**	**(14,367)**	**616,961**

No third party termination benefits were received in 2024 for asset impairment, and there were no pending termination benefits to be received at 31 December 2023.

There are no significant material asset acquisition commitments for its own use or restrictions on its ownership at 31 December 2024 and 2023.

15.2 Investment property

The rental income coming from the Group's investment properties amounted to €4,937 thousand in 2024 (€4,752 thousand in 2023) (Note 36), other related expenses amounted to €1,372 thousand (€1,251 thousand in 2023) (Note 37) and operating expenses were incurred due to depreciation and amortisation in an amount of €5,087 thousand (€5,697 thousand in 2023) (Note 15).

87% of the net carrying amount of the investment properties (85% in 2023) is based on appraisals made by experts with recognised professional capacity and recent experience in the location and category of the investment properties subject to assessment. The appraisals of these properties were carried out by the Group's approved appraisal firms: TINSA, Sociedad de Tasación, Tasvalor, UVE Valoraciones, Gesvalt, Valum, Tecnitasa, Eurovaloraciones and AT Valor.

Note 18 sets out the criteria applied to determine the fair value of these assets.

The following table displays a classification by type of asset of the investment properties. The carrying amount (excluding impairment losses) of these assets, which was valued by an independent surveyor, is as follows:

	Thousands of euros			
	carrying amount (without impairment losses)		Of which: appraised by an independent appraiser	
	2024	2023	2024	2023
Investment property	**225,399**	**242,832**	**196,397**	**206,172**
Residential	86,035	100,553	83,983	97,904
Commercial and industrial	139,342	142,008	112,392	107,997
Agricultural	22	271	22	271

The fair value calculated by independent appraisals for the assets amounts to €185,664 thousand at 31 December 2024 (€196,885 thousand at 31 December 2023).

Appraisals of rental assets have a level 2 in the fair value hierarchy (Note 18).

There are no significant commitments for the acquisition or maintenance of investment properties, nor restrictions on their ownership as at 31 December 2024 and 2023.

15.3 Property, plant and equipment assigned under operating lease

The Group includes the assets associated with renting contracts under this heading, which amounted to €151,717 thousand at 31 December 2024 (€141,329 thousand at 31 December 2023). In 2024, the rental income coming from these assets amounted to €25,056 thousand (€23,764 thousand in 2023) (Note 36) and operating expenses due to depreciation amounted to €14,362 thousand (€13,428 thousand in 2023) (Note 15).

15.4 Impairment losses

In 2024, €361 thousand of impairment losses on property, plant and equipment for own use and €2,969 thousand of impairment losses on investment property were recognised (impairment losses of €323 thousand and €12,687 thousand in 2023, respectively) (Note 40).

16. Intangible assets

16.1 Goodwill

The breakdown of the parties that include the balance of this heading of the consolidated balance at 31 December 2024 and 2023 is the following:

	Thousands of euros	
Company	**2024**	**2023**
Banco Grupo Cajatrés, S.A.U.	128,065	128,065
Caja Badajoz Vida y Pensiones, S.A. de Seguros	16,869	16,869
	144,934	**144,934**

On 23 May 2013, the market was notified that Ibercaja Banco, S.A.U., Banco Grupo Cajatres, S.A. and its respective shareholder savings banks had agreed the inclusion of the banks through a share exchange process and subsequent merger by absorption of Banco Grupo Cajatres, S.A. into Ibercaja Banco, S.A.U.

On 25 July 2013, after satisfaction of the conditions precedent and the required administrative exemptions and authorisations having been secured, Ibercaja Banco became the owner of 100% of the share capital of Banco Grupo Cajatres, S.A. To this end, Ibercaja Banco carried out a 325.5 million euro capital increase subscribed for by the shareholders of Banco Grupo Cajatres, S.A. in exchange for all that bank's share capital. The new shareholders thereby obtained a joint holding of 12.20% in the share capital of Ibercaja Banco.

As a result of the difference between the consideration for the business acquired and the total at the acquisition date of the fair value of the assets and liabilities and the amount of the non-controlling interests, goodwill in the amount of €128,065 thousand was recognised in the consolidated financial statements. This goodwill takes into consideration, among other factors, the future results, the expected synergies of the combination of the acquirer and the acquiree and other intangible assets that do not qualify for separate recognition.

The goodwill associated with the company Caja Badajoz Vida y Pensiones, S.A. de Seguros was established as a consequence of the acquisition of 50% of this entity on 3 September 2014 that was not owned by the Group at the close of 2013.

This acquisition took place as part of the reorganisation of the Group's insurance business as a result of the takeover of Banco Grupo Cajatres, S.A.U. in 2013. In 2015 Caja Badajoz Vida y Pensiones, S.A. de Seguros (absorbed company) was merged by absorption into Ibercaja Vida, Compañía de Seguros y Reaseguros, S.A.U. (Absorbing Company).

For the purposes of distributing the goodwill of that referred to in Note 2.16.1, in accordance with IAS 36 Impairment of Assets, the Group considered that there was only one cash-generating unit coinciding with the entirety of its balance, since the goodwill is controlled at the highest level for the purposes of internal management and there are no differentiated operational segments, in accordance with that indicated in Note 27.8. Ibercaja Banco has therefore been considered to be the cash-generating unit to which the goodwill is allocated.

The Group determines the recoverability of goodwill at the end of each reporting period in accordance with paragraph 96 of that IAS by comparing the recoverable amount of the CGU (higher of fair value or value in use) containing the goodwill is compared with that unit's carrying value.

The Group calculated the value in use by the cash-generating unit which constitutes Ibercaja Banco at the close of the year based on the valuation made by an independent expert (Deloitte Strategy, Risk & Transactions, S.L.U.) It was concluded that there was no need to record any impairment of the same.

In accordance with IAS 36, value in use has been calculated using discounted cash flows. The projected flows are the potentially distributable dividends based on the expected profit in an explicit 3-year projected scenario, net of compliance with the minimum solvency requirements defined by the supervisor. These flows have been discounted using market rates adjusted to the estimated cost of capital in accordance with the capital asset pricing model (CAPM) (Note 2.16).

The main criteria used to calculate value in use are as follows:

- Cash flows estimated from the Company's business plan

  - The yield curve considered in the Business Plan forecasts a widespread decline in benchmark indices, which will negatively impact the interest margin in 2025; however, the adjustment in creditor costs and the Bank's commercial ambition in business volumes allow for a recovery in the interest margin in the following years.

  - Increase in bank fees for asset management, mainly due to growth in volumes.

  - Worsening efficiency ratio, due to operating expenses growing faster than the gross margin. The increase in expenses results mainly from staff costs, which increased due to application of the collective bargaining agreement and an average increase in the workforce.

  - Stability of the cost of risk. The evolution of the macroeconomic environment and the fall in interest rates means the volume of defaults remains stable, while dynamism in the reduction of foreclosed assets and the reduction of the portfolio continue.

It should be noted that the projections for previous years have been reasonably met with the results obtained in those years. However, on occasions, the downward deviations from the projections for previous years arose mainly from differences between the actual rates and the rate curve used or from some extraordinary event that could not have been known at the time the projection was made (e.g. the sale of a loan portfolio or foreclosure, since they are made when there is a perceived appetite in the market and the market is not always able to anticipate it).

With the exception of these cases, the Bank's projections do not usually show other significant downward deviations. However, in some cases, these downward deviations have been offset by upward deviations in other income statement headings, either due to improved income statement performance or to the use of levers to offset negative impacts. Nevertheless, the preparation of the projections has taken into account the strategic line set by the Bank, so that it follows a continuous and clearly defined pathway.

In addition, the uncertainty surrounding the making of projections of distributable cash flows, due to doubts about the future development of the main macroeconomic variables, means the Group has been extremely prudent in its estimates.

- Discount rate

  The discount rate has been calculated on the basis of the capital asset pricing model (CAPM). In this formula, the following has continued to be considered: a risk-free rate of 3.10% (3.00% in 2023), estimated based on the IRR of the Spanish 10-year bond at 31 December 2024, obtained from Capital IQ; a beta adjusted by the Blume methodology of comparable listed companies taking the average and the median at 31 December 2024 of 1.09% (1.10% in 2024), a market risk premium of 6% (5.9% in 2023), and a risk premium estimated as the spread of the IRR of Ibercaja's preference shares with respect to the average and median of the IRRs of comparable companies at 31 December 2024, the central value of which amounts to 1.11%. Taking these factors into consideration, the discount rate calculated on the basis of profit after tax is 10.75% (10.4% in 2023), while the discount rate calculated on the basis of profit before tax is 15.4% (15.5% in 2023).

- Rate of growth in perpetuity of the cash flow starting in 2029.

  The rate has been set at 1.7% (1.6% in 2023), a level similar to EIU and IMF estimates for Spain's long-term growth.

A sensitivity analyses of the valuation was made for possible reasonable changes in the key variables of the valuation (rate of growth in perpetuity of the cash flows and discount rate), it being observed that, in no case, would the calculated value in use be lower than the carrying amount of the cash-generating unit, which would imply an impairment of goodwill. The discount rate should vary at 525 bp (366 bp in 2023) so that, after incorporating the effects at the recoverable amount that are a consequence of this change to other variables, the value in use of the cash generating unit is equal to its value carrying amount.

16.2. Other intangible assets

The detail of this heading is as follows:

	Thousands of euros			
	Cost	**Accumulated depreciation**	**Impairment losses**	**Net balance**
Computer software	367,054	(145,410)	(171)	221,473
Trade mark	7,500	(7,500)	-	-
Customer relationships (Core deposits) of Banco Grupo Cajatrés, S.A.U.	45,031	(45,031)	-	-
Balances at 31 December 2023	**419,585**	**(197,941)**	**(171)**	**221,473**
Computer software	455,807	(168,669)	(4,722)	282,416
Balances at 31 December 2024	**455,807**	**(168,669)**	**(4,722)**	**282,416**

The “Trademark” includes the estimated value of the brands of the now extinct savings banks that gave rise to Banco Grupo Cajatrés, S.A. (CAI, Caja Círculo and Caja Badajoz).

The cost of the asset “Customer relationships with Banco Grupo Cajatrés, S.A.U.” included the net present value, which, at the time of the acquisition of this entity, meant a saving of the costs that the demand deposits and term of this entity represented compared to other alternative financing sources.

Movements in this consolidated balance sheet heading throughout 2024 and 2023 are as follows:

	Thousands of euros			
	Computer software	Trade mark	Customer relationships of Banco Grupo Cajatres	Total
Cost				
Balances at 1 January 2023	**286,575**	**7,500**	**45,031**	**339,106**
Additions	88,117	-	-	88,117
Disposals due to sales or through other means	(5,800)	-	-	(5,800)
Other transfers and other movements	(1,838)	-	-	(1,838)
Balances at 31 December 2023	**367,054**	**7,500**	**45,031**	**419,585**
Additions	92,291	-	-	92,291
Disposals due to sales or through other means	(3,538)	(7,500)	(45,031)	(56,069)
Other transfers and other movements	-	-	-	-
Balances at 31 December 2024	**455,807**	**-**	**-**	**455,807**
Accumulated depreciation				
Balances at 1 January 2023	**(129,305)**	**(7,500)**	**(43,470)**	**(180,275)**
Disposals due to sales or through other means	193	-	-	193
Allowances recognised in profit or loss	(16,298)	-	(1,561)	(17,859)
Other transfers and other movements	-	-	-	-
Balances at 31 December 2023	**(145,410)**	**(7,500)**	**(45,031)**	**(197,941)**
Disposals due to sales or through other means	3,205	7,500	45,031	55,736
Allowances recognised in profit or loss	(26,464)	-	-	(26,464)
Other transfers and other movements	-	-	-	-
Balances at 31 December 2024	**(168,669)**	**-**	**-**	**(168,669)**
Impairment losses				
Balances at 1 January 2023	**(815)**	**-**	**-**	**(815)**
Transfer charged to profit for the year (Note 40)	(307)	-	-	(307)
Recovered amount credited to profit for the year (Note 40)	-	-	-	-
Applications and other movements	951	-	-	951
Balances at 31 December 2023	**(171)**	**-**	**-**	**(171)**
Transfer charged to profit for the year (Note 40)	(4,551)	-	-	(4,551)
Recovered amount credited to profit for the year (Note 40)	-	-	-	-
Applications and other movements	-	-	-	-
Balances at 31 December 2024	**(4,722)**	**-**	**-**	**(4,722)**
Net intangible assets				
Balances at 31 December 2023	**221,473**	**-**	**-**	**221,473**
Balances at 31 December 2024	**282,416**	**-**	**-**	**282,416**

At 31 December 2024, fully-amortised intangible assets still in use amounted to €91,307 thousand (€144,182 thousand at 31 December 2023).

17. Other assets

This heading in the consolidated balance sheets at 31 December 2024 and 2023 breaks down as follows:

	Thousands of euros	
	2024	2023
Accruals and deferred income	44,814	40,709
Inventories	102,375	97,663
Transactions in transit	5,541	3,763
Other	27,440	31,358
Total gross amount	**180,170**	**173,493**
(Impairment losses)	(40,150)	(33,477)
Total net amount	**140,020**	**140,016**

Impairment analysed in the above table relates entirely to Inventories.

Movements in Inventories during 2024 and 2023 are as follows:

	Thousands of euros		
	Foreclosed assets	Other assets	Total
Cost			
Balances at 1 January 2023	**49,841**	**77,931**	**127,772**
Additions	-	532	532
Disposals due to sales or through other means	(25,427)	(3,827)	(29,254)
Other transfers and other movements	(1,387)	-	(1,387)
Balances at 31 December 2023	**23,027**	**74,636**	**97,663**
Additions	-	3,422	3,422
Disposals due to sales or through other means	(5,120)	(5,592)	(10,712)
Other transfers and other movements	3,120	8,882	12,002
Balances at 31 December 2024	**21,027**	**81,348**	**102,375**
Impairment losses			
Balances at 1 January 2023	**(36,710)**	**(17,948)**	**(54,658)**
Transfer charged to profit for the year (Note 40)	(1,224)	(154)	(1,378)
Recovered amount credited to profits (Note 40)	-	-	-
Applications and other movements	22,559	-	22,559
Balances at 31 December 2023	**(15,375)**	**(18,102)**	**(33,477)**
Transfer charged to profit for the year (Note 40)	(2,472)	(3,565)	(6,037)
Recovered amount credited to profits (Note 40)	-	-	-
Applications and other movements	1,017	(1,653)	(636)
Balances at 31 December 2024	**(16,830)**	**(23,320)**	**(40,150)**
Net inventories			
Balances at 31 December 2023	**7,652**	**56,534**	**64,186**
Balances at 31 December 2024	**4,197**	**58,028**	**62,225**

In inventories, all foreclosed assets consist of property.

The valuations of the above assets have been restated principally in the last year. The valuations have at all times been carried out by experts with recognised professional capacity and recent experience in the location and category of the assets valued. The appraisals of these properties were carried out by the Group's approved appraisal firms: TINSA, Sociedad de Tasación, Tasvalor, UVE Valoraciones, Gesvalt, Valum, Tecnitasa, Eurovaloraciones and AT Valor.

Note 18 sets out the criteria applied to determine the fair value of these assets.

The breakdown of the inventory-related expenses for 2024 and 2023 is as follows:

	Thousands of euros	
	2024	**2023**
Costs to sell inventories sold during the year	9,695	6,695
Impairment losses on inventories (Note 40)	6,037	1,378
Impairment write-downs	*6,037*	*1,378*
Reversals of impairment write-downs	-	-
Total net amount	**15,732**	**8,073**

18. Non-current assets and disposal groups classified as held for sale

At 31 December 2024 and 2023, this consolidated balance sheet item breaks down as follows:

	Thousands of euros	
	2024	**2023**
Foreclosed assets	**156,531**	**205,111**
Residential	138,007	172,512
Industrial	17,169	30,927
Agricultural	1,355	1,672
Other assets	**41,437**	**42,157**
Residential	33,991	35,667
Industrial	1,092	133
Agricultural	6,354	6,357
Total gross amount	**197,968**	**247,268**
(Impairment losses)	(90,633)	(103,518)
Total net amount	**107,335**	**143,750**

Movements in this consolidated balance sheet heading in 2024 and 2023 are as follows:

	Thousands of euros		
	Foreclosed assets	Other assets	Total
Cost			
Balances at 1 January 2023	**233,210**	**37,257**	**270,467**
Additions	32,283	7,532	39,815
Disposals due to sales or through other means	(53,473)	(3,634)	(57,107)
Other transfers and other movements	(6,909)	1,002	(5,907)
Balances at 31 December 2023	**205,111**	**42,157**	**247,268**
Additions	9,943	1,528	11,471
Disposals due to sales or through other means	(58,737)	(2,431)	(61,168)
Other transfers and other movements	214	183	397
Balances at 31 December 2024	**156,531**	**41,437**	**197,968**
Impairment losses			
Balances at 1 January 2023	**(88,450)**	**(5,725)**	**(94,175)**
Net transfer charged to profit for the year (Note 42)	(34,292)	(1,664)	(35,956)
Applications and other movements	26,977	(364)	26,613
Balances at 31 December 2023	**(95,765)**	**(7,753)**	**(103,518)**
Net transfer charged to profit for the year (Note 42)	(19,439)	(2,983)	(22,422)
Applications and other movements	34,036	1,271	35,307
Balances at 31 December 2024	**(81,168)**	**(9,465)**	**(90,633)**
Net non-current assets held for sale			
Balances at 31 December 2023	**109,346**	**34,404**	**143,750**
Balances at 31 December 2024	**75,363**	**31,972**	**107,335**

The Group has a Realisation Plan for non-current assets held for sale, which includes the Sales financing policy. The Plan entails the collaboration of the real estate agent network, the disclosure of specific information on the Company's web page and the existence of a unit dedicated to the disposal of assets foreclosed as payment for debts.

According to the Group's historical experience, non-current assets held for sale remain on the balance sheet for an average of between one and three years. Since the majority relate to real estate assets, the Group considers it possible that part of these assets may remain on the balance sheet for longer than the Group's historical experience would indicate in view of the market situation.

Non-current assets are realised in cash, with a deferral for a prudent time period to preserve the Group's interests through adequate legal formulae or financing secured by mortgage under the usual conditions for this type of transactions.

There are no gains pending recognition since sales fulfil the following conditions:

- the purchaser is not controlled by the seller,
- the Group retains none of the significant risks or rewards associated with ownership of the asset sold,
- the Group does not retain any involvement in the asset's current management associated with ownership and does not retain effective control,
- the percentage of the sale financed by the entity for the purchase does not exceed that which the latter would obtain from a non-related credit institution,
- the purchaser's present and future payment capacity is sufficient to repay the loan, and the financing plan and conditions are similar to those granted by the Group to finance acquisitions of similar assets not owned by it.

In 2024, the Group financed 4.90% of sales (4.97% in 2023). Loans granted during the year to finance sales of this type of assets amount to €1,515 thousand (€2,167 thousand at 31 December 2023) and the accumulated amount of loans granted is €590,481 thousand (€588,966 thousand at 31 December 2023).

The following table sets out a classification by type of asset of non-current assets for sale. In addition, the balance appraised by an independent appraiser is indicated.

	Thousands of euros			
	carrying amount (without impairment losses)		Of which: appraised by an independent appraiser	
	2024	2023	2024	2023
Non-current assets held for sale	**197,968**	**247,268**	**177,981**	**230,965**
Residential	171,998	208,179	152,707	202,692
Industrial	18,261	31,060	18,261	21,105
Agricultural	7,709	8,029	7,013	7,168

The fair value calculated by independent appraisals for the assets amounts to €193,776 thousand at 31 December 2024 (€263,559 thousand at 31 December 2023).

The Group has a corporate policy that ensures the professional competence, independence and objectivity of external appraisal companies, in accordance with the provisions of the regulations, which require appraisal companies to meet the requirements of neutrality and credibility so that the use of their estimates does not undermine the reliability of their appraisals. This policy establishes that all the appraisal companies with which the Group works must be registered with the Official Register of the Bank of Spain and their appraisals must be carried out in accordance with the methodology established in Order ECO/805/2003 of 27 March and subsequent amendments.

The appraisal techniques are used generally by all appraisal companies depending on the type of real estate asset. By regulatory requirement, these companies generally employ observable market data and other factors that market participants would consider in setting the price, limiting as much as possible the use of subjective considerations and unobservable or unverifiable data.

In order to determine the appraisal value, the necessary verifications are carried out to ascertain the characteristics and real situation of the object of the appraisal, which, in accordance with the provisions of the aforementioned Order, are as follows:

- The physical identification of the property, by means of its location and ocular inspection by a competent technician, verifying whether its surface area and other characteristics match the description in the documentation used to carry out the valuation, as well as the existence of visible easements and its apparent state of construction or conservation.

- The state of occupation of the property and the use or exploitation for which it is intended.

- In the case of housing, the public protection regime.

- The architectural heritage protection regime.

- The suitability of the property for the urban planning in force, and, if applicable, the existence of the right to the urban development that is being valued.

Different valuation methods have been used to calculate the market value of the assets acquired depending on the type of asset involved. Generally speaking, the residual method has been used to value land and the construction work underway, the discounted cash flow method for assets for rent and the comparison method for finished buildings and elements thereof. The main features of these methods are as follows:

- Residual method: The final market value is determined on the basis of the projected selling prices of the units to be built. This amount is reduced by development, construction and financial costs and the developer's industrial margin, to arrive at the price of the land. In those cases where the management and development period is higher than the normal average for a development, a project timeline is estimated and forecast cash flows are discounted at an appropriate market rate (dynamic residual method).

  In calculating the residual value using the dynamic calculation procedure, the following steps are followed: calculate cash flows; select the discount rate; and apply the calculation formula. The following are taken as cash flows: the collections and, where applicable, the credit deliveries expected to be obtained from the sale of the property to be developed; and the payments expected to be made for the various costs and expenses during construction or refurbishment, including payments for the credits granted. These charges and payments will be applied on the dates foreseen for the marketing and construction of the property.

  The following requirements must be met for the use of the residual method:

  – The existence of adequate information to determine the most likely property development to be carried out under the applicable planning regime or, in the case of land with completed buildings, to check whether it complies with the planning regime.

  – The existence of sufficient information on construction costs, necessary development costs, financial costs, if any, and marketing costs to enable an estimate to be made of the normal costs and expenses for an average developer and for a development of similar characteristics to the one to be developed.

  – The existence of market information allowing for the calculation of the most likely selling prices of the elements included in the development or in the building at the dates foreseen for their commercialisation.

  – The existence of sufficient information on the performance of similar developments.

  In order to be able to apply the residual method using the dynamic calculation procedure, it will also be necessary to have information on the construction or renovation periods, the marketing of the property and, where appropriate, the urban development management and the execution of the development.

- Method of updating rents: to determine the value of property that is rented or leased, the present value is calculated according to the market rent and/or present rent, taking into account the return required on each type of asset.

  Calculating the market value used to update rents requires the valuer to estimate the cash flows, estimate the reversion value, choose the discount rate and apply the calculation formula.

  For the use of the updating method, at least one of the following requirements must be met:

  – There must be a rental market that is representative of comparable properties. In order to presume such an existence, there will be a need to have at least six pieces of rental income data on comparable properties that adequately reflect the current situation of this market and to have sufficient data on rental transactions or offers to identify suitable parameters to perform the homogenisation of rents on comparable properties.

  – The existence of a lease on the property under valuation.

  – The valued real estate is producing or is likely to produce income as real estate linked to an economic activity and there is also sufficient accounting data from the operation or adequate information on average structural ratios of the relevant branch of activity.

- Comparison method: It is based on the principle of replacement under which the property to be valued is compared with other properties, the value of which is known. The methodology is based on the obtainment of comparable homogeneous products, taking into account purchase-sales operations in the area, the supply of similar properties and the opinions of other real estate market operators. In order to arrive at a definitive value, the value obtained is adapted to the specific characteristics of the property, according to its physical and structural condition, the design and lay-out of its surface area, location and other factors (planning status, immediate environment etc.).

The following general rules are used to calculate the value by comparison:

- The qualities and characteristics of the appraised property that influence its value are established. In the case of buildings of an historic or artistic nature, in order to establish these qualities and characteristics, the particular value of the elements of the building that give it that nature is also considered.

- The real estate market segment of comparable properties is analysed and, on the basis of concrete information on actual transactions and firm offers, corrected where necessary, current cash purchase prices for these properties are obtained.

- A representative sample of the prices obtained after the previous analysis is selected from among the prices corresponding to the comparable properties, to which the necessary homogenisation procedure is applied. In the selection process, those prices that are abnormal must first be compared in order to identify and eliminate both those from transactions and offers that do not meet the conditions required in the definition of the market value of the goods concerned and, in the case of a valuation for the purpose foreseen in the aforementioned Order, those that may include speculative elements.

- The comparable properties are homogenised using the criteria, coefficients and/or weightings that are appropriate for the property in question.

- The value of the property, net of marketing costs, is assigned on the basis of the homogenised prices, after deduction of the easements and limitations of ownership that apply to it and that have not been taken into account in the application of the preceding rules.

In order to use the comparison method, the following requirements must be met:

- There must be a representative market for comparable properties.

- Sufficient data on transactions or bids to be able, in the area concerned, to identify appropriate parameters to perform the homogenisation of comparable properties.

- Sufficient information on at least six transactions or offers of comparable properties that adequately reflect the current state of that market.

Hence, real estate assets awarded have a level 3 in the fair value hierarchy.

The appraisals were carried out by the following approved appraisal firms: TINSA, Sociedad de Tasación, Tasvalor, UVE Valoraciones, Gesvalt, Valum, Tecnitasa, Eurovaloraciones and AT Valor.

19. Financial liabilities at amortised cost

The items making up this consolidated balance sheet caption at 31 December 2024 and 2023 are as follows:

	Thousands of euros	
	2024	**2023**
Deposits	**38,302,200**	**39,619,294**
Central banks	-	-
Credit institutions (Note 19.1)	*757,894*	*4,402,017*
Customers (Note 19.2)	*37,544,306*	*35,217,277*
Debt securities issued (Note 19.3)	**1,631,592**	**1,684,814**
Other financial liabilities (Note 19.4)	**1,107,678**	**1,095,531**
	41,041,470	**42,399,639**

19.1 Deposits - Credit institutions

The breakdown, by transaction type, of the balances of this item in the accompanying consolidated balance sheets at 31 December 2024 and 2023 is shown below:

	Thousands of euros	
	2024	**2023**
On demand:	**10,057**	**11,559**
Other accounts	10,057	11,559
Time or at notice:	**743,527**	**4,358,301**
Fixed-term deposits	108,837	88,554
Assets sold under repurchase agreements	618,263	4,266,803
Other accounts	16,427	2,944
Valuation adjustments	**4,310**	**32,157**
	757,894	**4,402,017**

The average effective interest rate on debt instruments classified in this caption in 2024 was 3.55% (2.71% in 2023).

19.2 Deposits - Customer

The breakdown of the balance under this heading in the consolidated balance sheets at 31 December 2024 and 2023, based on the geographical location, nature and counterparties of the transaction concerned, is indicated below:

	Thousands of euros	
	2024	**2023**
Geographic location		
Spain	37,441,262	35,109,952
Other	103,044	107,325
	37,544,306	**35,217,277**
By nature		
Demand deposits	28,697,586	32,331,054
Current Accounts	*24,370,204*	*26,263,470*
Savings accounts	*4,270,643*	*6,027,889*
Other demand deposits	*56,739*	*39,695*
Term deposits	6,875,747	2,366,689
Fixed-term deposits	*5,859,100*	*1,341,580*
Non-marketable mortgage covered bonds and bonds issued (Note 44.1)	*1,006,026*	*1,006,026*
Hybrid deposits	-	-
Other term deposits	*10,621*	*19,083*
Assets sold under repurchase agreements	*1,837,149*	*455,000*
Valuation adjustments	133,824	64,534
	37,544,306	**35,217,277**
By counterparties		
Resident public administrations	2,575,725	1,850,549
Other resident sectors	34,865,537	33,259,403
Non-resident public administrations	12	12
Other non-resident sectors	103,032	107,313
	37,544,306	**35,217,277**

The average effective interest rate on debt instruments classified in this item in 2024 was 1.00% (0.46% in 2023).

The item “Non-marketable mortgage covered bonds and bonds issued” (in the breakdown by nature) includes unique mortgage covered bonds issued under Law 2/1981 (25 March) governing the Mortgage Market in the amount of €1,006,026 thousand (€1,006,026 thousand at 31 December 2023). The mortgage covered bonds were issued at variable or fixed rates of interest. The fixed-interest issues are hedged for interest-rate risk by means of interest rate swaps.

19.3 Debt securities issued

This heading in the consolidated balance sheets at 31 December 2024 and 2023 breaks down as follows:

	Thousands of euros	
	2024	2023
Nominal value of mortgage covered bonds (Note 44.1)	4,500,000	3,750,000
Treasury shares	(4,500,000)	(3,750,000)
Nominal value of other securities linked to transferred financial assets	62,518	138,278
Nominal value of preferred ordinary bonds	1,050,000	1,050,000
Nominal value of subordinated bonds	500,000	500,000
Valuation adjustments	19,074	(3,464)
	1,631,592	**1,684,814**

In 2024, mortgage bonds with a nominal amount of €750 million matured (note 44.1). On 20 February 2024, Ibercaja Banco issued two mortgage covered bonds, each for a nominal amount of €750 million, maturing on 20 February 2034 and 2036. The price of the issues was 100% and they will accrue a quarterly coupon equivalent to the three-month Euribor plus an annual margin of 0.8% and 1%, respectively. Both bonds have been retained by the Bank and will appear as treasury shares.

On 20 April 2023, Ibercaja Banco issued two mortgage covered bonds, each for a nominal amount of €1,000 million, maturing on 20 April 2033 and 2037. The price of the issues was 100% and they will accrue a quarterly coupon equivalent to the three-month Euribor plus an annual margin of 0.8% and 1%, respectively. Both bonds have been retained by the Bank and appear as treasury shares.

Details regarding each issue of preferred ordinary bonds are as follows:

			Thousands of euros	
			Nominal amount	
Issue	Nominal interest	Maturity	2024	2023
2 December 2021	Mixed	2 December 2027	50,000	50,000
9 June 2022	Mixed	15 June 2025	-	500,000
7 June 2023	Fixed	7 June 2027	500,000	500,000
30 January 2024	Fixed	30 July 2028	500,000	-
			1,050,000	**1,050,000**

On 31 January 2024, Ibercaja Banco, S.A. issued senior preferred green bonds for an amount of €500 million maturing on 30 July 2028, although the issue may be redeemed early, at the Bank's option, as of 30 July 2027. The issue price was 99,861% and the bonds will accrue a fixed annual coupon of 4,375% up to 30 July 2027. From this date, they will accrue a fixed interest equal to the 1-year swap rate plus a margin of 1.65%.

On 15 June 2024, as anticipated in its “Other Relevant Information” communication to the CNMV on 20 May 2024, having obtained the necessary authorisations, the Group proceeded to carry out the early redemption of the amount of the issue of preferred ordinary bonds called “€500,000,000 Fixed Rate Reset Senior Preferred Notes due June 2025”. The nominal amount of €100 thousand has been paid for each outstanding security plus accrued and unpaid interest up to the aforementioned date (excluded), in accordance with the terms and conditions of the issuance prospectus.

On 31 May 2023, Ibercaja Banco, S.A. set the economic terms for an issue of preferred ordinary bonds for an amount of €500 million maturing on 7 June 2027, without prejudice to their eligibility for early redemption, at the Ibercaja's option, as of 7 June 2026. The issue price was 99.72% and the bonds will accrue a fixed annual coupon of 5.62% up to 7 June 2026. From this date, they will accrue a fixed interest equal to the 1-year swap rate plus a margin of 2.45%.

A breakdown of the security issues associated with financial assets transferred is as follows:

Type	Nominal interest	Issuance date	Maturity date	Nominal value of issue	Thousands of euros Amount subscribed 2024	2023
TDA3 securitisation bonds	Variable	12/05/2006	(*)	1,007,000	-	35,174
TDA4 securitisation bonds	Variable	18/10/2006	(*)	1,410,500	33,698	40,944
TDA5 securitisation bonds	Variable	11/05/2007	(*)	1,207,000	20,698	24,687
TDA6 securitisation bonds	Variable	25/06/2008	(*)	1,521,000	8,122	9,508
TDA ICO-FTVPO securitisation bonds	Variable	15/07/2009	(*)	447,200	-	27,965
TDA7 securitisation bonds	Variable	18/12/2009	(*)	2,070,000	-	-
					62,518	**138,278**

(*) These bonds are redeemed as the mortgage loans that have been assigned to the relevant securitisation fund are repaid.

In 2024, early settlement was made of the TDA Ibercaja ICO-FTVPO mortgage securitisation fund and of the TDA Ibercaja 3 mortgage securitisation fund (Note 27.5)

In 2023, early settlement was made of the TDA 2 asset securitisation fund (Note 27.5)

The average effective interest rate on debt instruments classified in this caption during 2024 was 5.65% (4.49% during 2023).

Details regarding each issue of subordinated bonds are as follows:

Issue	Nominal interest	Maturity	Thousands of euros Nominal amount 2024	2023
23 January 2020	Fixed	23 July 2030 (*)	500,000	500,000
			500,000	**500,000**

(*) The Group reserves the right to redeem these issues once five years have elapsed as from the issue date. Early redemption by the issuer is also possible within five years as from the issue date for causes deriving from a change in the tax treatment of the product and/or its treatment as an equity instrument. Such redemption must be authorised by the competent regulator from time to time.

The bonds of the 2020 issue qualify as Tier 2 capital instruments (Tier 2) for the purposes of the own funds requirements to which it is subject under Regulation (EU) 575/2013 of 26 June 2013 on prudential requirements for credit institutions and investment firms.

These issues are subordinated and come behind all common creditors with respect to debt seniority.

Issues of subordinated bonds have been authorised by the competent Regulator to be classified as eligible own funds.

Interest accrued on subordinated liabilities during the financial year 2024 amounted to €14,412 thousand (€14,376 thousand in 2023).

The average effective interest rate on debt instruments classified in this caption during 2024 was 7.02% (6.40% during 2023).

Below follows a reconciliation of the carrying value of the liabilities originating from financing activities according to changes that generate cash flows and those that do not:

	Thousands of euros	
	2024	**2023**
Opening balance	**479,715**	**462,654**
Cash flows	-	-
Redemption of subordinate bonds issued by Ibercaja Banco, S.A.	-	-
Redemption of preference shares	-	-
No impact on cash flows	18,253	17,061
Valuation adjustments	*18,253*	*17,061*
Closing balance	**497,968**	**479,715**

19.4 Other financial liabilities

This heading in the consolidated balance sheets at 31 December 2024 and 2023 breaks down as follows:

	Thousands of euros	
	2024	**2023**
Bonds payable	83,779	71,884
Guarantees received	58,636	10,208
Collection accounts	638,870	598,729
Special accounts	31,793	49,444
Financial guarantees	1,903	2,138
Other items	292,697	363,128
Total net amount	**1,107,678**	**1,095,531**

“Other items” include deposits arranged for the net value of assets purchased or sold under repurchase agreements with the same counterparty on the basis of the offset agreements concluded for repos or reverse repos. The balance also includes lease liabilities amounting to €78,018 thousand (€80,862 thousand in 2023, Note 2.10).

The Group has not offset the financial instruments that give rise to these guarantee deposits and has maintained the separate recognition of assets and liabilities without recording a net position, as the conditions described in Note 2.7 are not fulfilled. The carrying value of financial instruments covered by these agreements and deposits payable and receivable generated with the counterparties are as follows:

	Thousands of euros	
	Instruments subject to offset arrangements.	
	2024	**2023**
Assets under repos	-	-
Liabilities under repos	2,070	5,571

	Thousands of euros	
	Deposits subject to repo offset arrangements.	
	2024	**2023**
Deposits recognised under assets	1,960	5,570
Deposits recognised under liabilities	-	3,000

19.5 Information on average payment period for suppliers. Additional Provision Three. "Disclosure requirement" of Law 15/2010 of 5 July

Pursuant to Final Provision Two of Law 31/2014, of 3 December, amending Additional Provision Three of Law 15/2010, of 5 July, amending Law 3/2004, of 29 December, on measures to combat late payment in commercial transactions, and in connection with the information to be included in the notes to the financial statements on the deferral of payments to suppliers in commercial transactions, calculated in accordance with the Spanish Institute of Accounting and Auditing's Ruling of 29 January 2016, the information for 2024 and 2023 is as follows:

	2024	2023
	Days	
Average supplier payment period	36	31
Ratio of settled transactions	33	27
Ratio of transactions pending payment	195	214
	Thousands of euros	
Total payments made	530,410	605,986
Total payments outstanding	6,749	14,441
	Units	
Number of invoices paid within the legal deadline (*)	96,973	113,272
Percentage of total paid invoices	93.7%	90.0%
Payments made within the legal deadline (*)	475,465	488,020
Percentage of total payments made	89.6%	84.0%

(*) The Second Transitional Provision of Law 15/2010 of 5 July, which contains measures to combat late payment in commercial transactions, sets out that the maximum legal period for payments between companies is 30 calendar days, although it may be extended to a maximum of 60 calendar days, provided that both parties agree.

20. <u>Liabilities under insurance or reinsurance contracts</u>

The Group undertakes its insurance business in Spain. The main product offered by Ibercaja Group is life insurance, both to cover the risk of death (risk insurance) and life insurance savings. Within life risk insurance, a distinction is made between independently sold products and products offered to customers with mortgage or consumer loans, the principal of these loans being covered in the event of the customer's death.

The insurance business generates different risks, including risks in common with those of the Group, such as credit, market, liquidity and operational risk. Similar methodologies are used for their measurement, control and monitoring (Note 3), although their management is differentiated due to the particular characteristics of the insurance business, such as the coverage of the obligations contracted and the long term of the commitments.

In addition, the insurance activity generates differential risks that are specific to this business and of a probabilistic nature, such as:

- Technical Risk: this arises because of deviations in the estimation of insurance claims, whether in terms of the number or amount of such claims or the moment when they occur.

- Longevity risk: the risk of incurring higher benefit payments than expected due to an increase in the life expectancy of the insured parties.

The insurance activity is fully integrated into the Group's risk management framework. From the definition of risk appetite to management limits, the governance model, the acceptance process, the organisational scheme and the development of computer systems/models, everything is designed with a global approach under consistent, homogeneous criteria, aligned with all other financial businesses in the Group. This also means that control activities and the flow of information are fully integrated into internal processes, in everything from local *reporting* to the Group's management bodies.

The breakdown by product type of the “Liabilities covered by insurance or reinsurance contracts” chapter of the consolidated balance sheets as at 31 December 2024 and 2023 is presented in the following table:

	Thousands of euros	
	2024	2023
Remaining coverage liability	**7,425,943**	**7,469,805**
Life insurance	**7,425,943**	**7,469,805**
Individual	7,171,168	7,203,938
Group	254,775	265,867
Liabilities for incurred claims	**100,668**	**106,665**
Total	**7,526,611**	**7,576,470**

The “Liabilities covered by insurance or reinsurance contracts” heading in the consolidated balance sheets includes the liabilities recognised for insurance or reinsurance contracts of consolidated insurance companies in accordance with the provisions of IFRS 17. In 2024 and 2023, the Group did not maintain any liabilities for reinsurance contracts. The breakdown of the balance under this heading, depending on the valuation model, is as follows:

On 31 December 2024:

	Thousands of euros				
	Risk		Saving	Direct part.	Total
	BBA	PAA	BBA	VFA	
Liabilities under insurance contracts					
Estimates of the present value of cash flows	4,416	-	5,753,472	1,406,406	**7,164,164**
Estimates of the present value of cash flows - PAA	-	25,136	-	-	**25,136**
Contractual service margin	7,069	-	154,219	43,263	**204,551**
Risk adjustment	621	-	24,339	6,743	**31,703**
Liabilities for claims incurred	776	33,489	60,665	5,738	**100,668**
Total	**12,882**	**58,625**	**5,992,695**	**1,462,409**	**7,526,611**

On 31 December 2023:

	Thousands of euros				
	Risk		Saving	Direct part.	Total
	BBA	PAA	BBA	VFA	
Liabilities under insurance contracts					
Estimates of the present value of cash flows	3,376	-	5,759,065	1,417,901	**7,180,342**
Estimates of the present value of cash flows - PAA	-	24,554	-	-	**24,554**
Contractual service margin	5,263	-	147,497	56,144	**208,904**
Risk adjustment	487	-	41,271	14,247	**56,005**
Liabilities for claims incurred	896	33,124	67,902	4,743	**106,665**
Total	**10,022**	**57,678**	**6,015,735**	**1,493,035**	**7,576,470**

The movements in liabilities covered by insurance contracts, distinguishing between the remaining coverage liability and the liability for claims incurred in 2024 and 2023, is shown below:

On 31 December 2024:

	Remaining coverage liability		Liabilities for incurred claims	Total
	Excl. loss offset	Loss offset		
Opening balance	**7,417,203**	**52,602**	**106,665**	**7,576,470**
Insurance service profit/(loss)	**(174,170)**	**(3,972)**	**35,332**	**(142,810)**
Insurance income	**(186,883)**	**-**	**-**	**(186,883)**
Amounts related to changes in remaining coverage liability	(186,328)	-	-	(186,328)
Recovery of insurance acquisition cash flows	(555)	-	-	(555)
Other items	-	-	-	-
Insurance service expenses	**12,713**	**(3,972)**	**35,332**	**44,073**
Claims incurred and other insurance service expenses	-	-	35,332	35,332
Amortisation of insurance acquisition cash flows	12,713	-	-	12,713
Adjustments to the liability for claims incurred	-	-	-	-
Losses (reversals) on onerous contracts	-	(3,972)	-	(3,972)
Net financial income/expense of the insurance	**364,235**	**181**	**-**	**364,416**
Financial profit/(loss) for interest crediting	174,617	181	-	174,798
Financial profit/(loss) for changes in financial assumptions	121,722	-	-	121,722
Expenses/interest income from issued insurance contracts recognised as “Other Comprehensive Income”	67,896	-	-	67,896
Investment offset cash flows	**(205,742)**	**(24,394)**	**(41,329)**	**(271,465)**
Closing balance	**7,401,526**	**24,417**	**100,668**	**7,526,611**

On 31 December 2023:

	Remaining coverage liability		Liabilities for incurred claims	Total
	Excl. loss offset	Loss offset		
Opening balance	**6,272,047**	**62,993**	**103,159**	**6,438,199**
Insurance service profit/(loss)	**(180,389)**	**2,364**	**31,617**	**(146,408)**
Insurance income	**(192,838)**	**-**	**-**	**(192,838)**
Amounts related to changes in remaining coverage liability	(192,432)	-	-	(192,432)
Recovery of insurance acquisition cash flows	(406)	-	-	(406)
Other items	-	-	-	-
Insurance service expenses	**12,449**	**2,364**	**31,617**	**46,430**
Claims incurred and other insurance service expenses	-	-	31,617	31,617
Amortisation of insurance acquisition cash flows	12,449	-	-	12,449
Adjustments to the liability for claims incurred	-	-	-	-
Losses (reversals) on onerous contracts	-	2,364	-	2,364
Net financial income/expense of the insurance	**430,906**	**219**	**-**	**431,125**
Financial profit/(loss) for interest crediting	152,495	219	-	152,714
Financial profit/(loss) for changes in financial assumptions	135,908	-	-	135,908
Expenses/interest income from issued insurance contracts recognised as “Other Comprehensive Income”	142,503	-	-	142,503
Investment offset cash flows	**894,639**	**(12,974)**	**(28,111)**	**853,554**
Closing balance	**7,417,203**	**52,602**	**106,665**	**7,576,470**

The Group recognised income from reinsurance contracts of €3,025 thousand (€2,883 thousand at 31 December 2023) and reinsurance contract expenses of €3,354 thousand (€2,981 thousand at 31 December 2023).

The changes in liabilities covered by insurance contracts, distinguishing between their different valuation components (excluding obligations measured using the PAA method) for the years 2024 and 2023 is presented in the following table:

On 31 December 2024:

	Current value of future cash flows	Risk adjustment	Contractual service margin (1)	Total
Opening balance	**7,253,883**	**56,005**	**208,904**	**7,518,792**
Insurance service profit/(loss)	**20,540**	**(24,312)**	**(76,984)**	**(80,756)**
Changes related to current services	**(42,575)**	**(6,044)**	**(70,484)**	**(119,103)**
Release of the contractual service margin	-	-	(70,484)	(70,484)
Release of risk adjustment	-	(6,044)	-	(6,044)
Experience adjustment	(42,575)	-	-	(42,575)
Changes related to future service	**63,115**	**(18,268)**	**(6,500)**	**38,347**
Changes to estimates that adjust the contractual service margin	117,746	(20,556)	(56,252)	40,938
Changes in estimates resulting in losses (reversals) on onerous contracts	(2,868)	-	-	(2,868)
Contracts initially recognised in the year	(51,763)	2,288	49,752	277
Changes related to past service	-	-	-	-
Adjustments to the liability for claims incurred	-	-	-	-
Net financial income/expense of the insurance	**290,033**	**10**	**72,631**	**362,674**
Financial profit/(loss) for interest crediting	169,715	800	4,283	174,798
Financial profit/(loss) for changes in financial assumptions	52,422	(790)	68,348	119,980
Expenses/interest income from issued insurance contracts recognised as “Other Comprehensive Income”	67,896	-	-	67,896
Cash flows	**(332,724)**	-	-	**(332,724)**
Closing balance	**7,231,732**	**31,703**	**204,551**	**7,467,986**

(1) The transitional approach to calculating the contractual service margin was the fair value approach.

On 31 December 2023:

	Current value of future cash flows	Risk adjustment	Contractual service margin (1)	Total
Opening balance	**6,126,646**	**57,609**	**200,600**	**6,384,855**
Insurance service profit/(loss)	**19,000**	**(7,411)**	**(65,761)**	**(54,172)**
Changes related to current services	**(4,789)**	**(7,164)**	**(63,532)**	**(75,485)**
Release of the contractual service margin	-	-	(63,532)	(63,532)
Release of risk adjustment	-	(7,164)	-	(7,164)
Experience adjustment	(4,789)	-	-	(4,789)
Changes related to future service	**23,789**	**(247)**	**(2,229)**	**21,313**
Changes to estimates that adjust the contractual service margin	80,252	(2,428)	(61,136)	16,688
Changes in estimates resulting in losses (reversals) on onerous contracts	4,723	-	-	4,723
Contracts initially recognised in the year	(61,186)	2,181	58,907	(98)
Changes related to past service	-	-	-	-
Adjustments to the liability for claims incurred	-	-	-	-
Net financial income/expense of the insurance	**351,253**	**5,807**	**74,065**	**431,125**
Financial profit/(loss) for interest crediting	147,838	859	4,017	152,714
Financial profit/(loss) for changes in financial assumptions	62,557	3,303	70,048	135,908
Expenses/interest income from issued insurance contracts recognised as “Other Comprehensive Income”	140,858	1,645	-	142,503
Cash flows	**756,984**	-	-	**756,984**
Closing balance	**7,253,883**	**56,005**	**208,904**	**7,518,792**

(1) The transitional approach to calculating the contractual service margin was the fair value approach.

The residual maturities of the estimates of the value of the cash flows are as follows:

	Thousands of euros				
	Under 1 year	1 to 3 years	3 to 5 years	Over 5 years	Total
2024	3,106,154	790,270	670,509	2,597,620	**7,164,553**
2023	2,655,563	625,565	1,024,185	2,875,029	**7,180,342**

The classification and valuation models used to calculate the liabilities covered by insurance or reinsurance contracts are detailed in Note 2.19 of these consolidated financial statements.

In general, to estimate the compliance flows valued using the General Model, the Group has used tables based on the company's own experience to estimate discounted future cash flows for all units of account, except when the entity has not had sufficient historical data to build the assumptions, in which cases regulatory tables have been used.

Reconciliation of expenses directly attributable to insurance contracts by type

Expenses directly attributable to insurance contracts are recognised under the “Insurance service profit/(loss)”. The reporting of such expenses, when allocated according to their nature, would be as follows:

	Thousands of euros	
	2024	2023
Personnel expenses	2,860	2,644
Other administration expenses	2,345	2,077
Amortisation and depreciation	555	287
	5,760	**5,008**

21. Provisions

The breakdown of movements in 2024 and 2023 indicating the purpose of the provisions recognised in the consolidated balance sheet at 31 December 2024 and 2023, is as follows:

	Thousands of euros				
	Pensions and other post-employment defined benefit obligations	**Other long-term employee remuneration**	**Lawsuits and litigation for outstanding taxes**	**Commitments and guarantees given**	**Other provisions**
Balances at 1 January 2023	**65,034**	**3,088**	**10,628**	**20,001**	**120,304**
Allowances charged to income statement					
Interest expense	134	-	-	-	-
Allowances to provisions and other	-	598	3,058	14,914	28,187
Staff costs (Note 38)	2,470	1,288	-	-	-
Reversal of provisions taken to income statement	-	-	-	(14,735)	(892)
Provisions utilised	(311)	(598)	(749)	-	(50,912)
Other movements	(4,436)	-	-	174	-
Balances at 31 December 2023	**62,891**	**4,376**	**12,937**	**20,354**	**96,687**
Allowances charged to income statement					
Interest expense	173	-	-	-	-
Allowances to provisions and other		498	674	14,211	48,898
Staff costs (Note 38)	2,322	1,702	-	-	1,197
Reversal of provisions taken to income statement	-	-	-	(13,414)	(566)
Provisions utilised	(313)	(960)	(629)	-	(30,122)
Other movements	(1,874)	-	-	(111)	-
31 December 2024	**63,199**	**5,616**	**12,982**	**21,040**	**116,094**

The composition of the provisions items “Pensions and other post-employment defined benefit commitments” and “Other long-term employee remuneration” is broken down in Note 38 “Staff costs”. Other movements discloses the variation of exterior commitments implemented through pension plans and insurance policies without breaking down the financial and actuarial components and the benefits paid, with the information provided in the aforementioned Note.

The caption “Provision – Commitments and guarantees given” reflects impairment losses associated with financial guarantees (Note 27.1) and other off-balance-sheet exposures (Note 27.3) granted by the Group.

Post-employment benefits and other long-term commitments

As mentioned in Note 2.13, the Group has undertaken certain post-employment commitments with personnel. These pension and long-term remuneration commitments, carried as provisions in the balance sheet at 31 December 2024 and 2023, are analysed below:

	Thousands of euros	
	2024	**2023**
Liabilities		
Externalised post-employment benefits	58,618	58,506
Non-externalised post-employment benefits	4,581	4,385
Long-term incentive plan (Note 2.13.5)	5,616	4,376
	68,815	**67,267**

The net balance in the consolidated balance sheet for defined benefit plans breaks down as follows:

	Thousands of euros	
	2024	2023
Commitments relating to:		
Post-employment benefits (Note 38.2)	17,724	22,740
Other long-term remuneration - pre-retirement (Note 38.3)	(5,616)	(4,376)
(Shortfall)/Surplus	**12,108**	**18,364**
Impact of limit on assets	(2)	-
Net asset (liability) on balance sheet:	**12,106**	**18,364**
Assets linked to pensions (*)	57,989	62,135
Net pension assets (**)	22,932	23,496
Net pension (provision)	(68,815)	(67,267)

(*) Financial assets at the subsidiary Ibercaja Vida, S.A.U.
(**) Amount recorded under "Other assets" in the consolidated balance sheet.

The costs recognised in the consolidated income statement for employee benefits are as follows:

	Thousands of euros	
	2024	2023
Defined benefit plans (Note 38)	(2,322)	(2,470)
Contributions to defined contribution plans (Note 38)	(15,217)	(14,046)
interest expense and similar charges (net)	(26)	(93)
Transfers to provisions (*)	(498)	(598)
Actuarial gains (-) losses on long-term employee benefits	-	-
	(18,063)	**(17,207)**

(*) Includes annual provision for training, educational assistance for children, etc.

The amounts recognised in the consolidated statement of changes in equity are as follows:

	Thousands of euros	
	2024	2023
Actuarial gains or (-) losses on post-employment benefits	(3,509)	3,670
Limitation on assets	(2)	(473)
	(3,511)	**3,197**

The main financial and actuarial assumptions used in measuring the commitments are as follows:

	2024	2023
Technical interest rate	2,92% - 3,64%	3,51% - 3,92%
Expected return on assets	2,92% - 3,64%	3,51% - 3,92%
Annual pension revision rate	1,00% - 3,00%	1,00% - 3,00%
Annual salary increase rate	2,00% - 3,00%	2,00% - 3,00%
Growth in Social Security contribution bases	1,00%	1,00%
Retirement age	63 - 67 years	63 - 67 years
Mortality tables	PER 2020	PER 2020
Life expectancy		
Employees retiring in FY 2024/2023		
Men	24,60	24,46
Women	28,31	28,18
Employees retiring in FY 2044/2043		
Men	67,10	26,99
Women	30,61	30,51

The technical interest rates taken into account for calculating the present value of benefit flows are applied based on the duration of each commitment and the reference curve has been determined taking as a reference high-quality (AA) corporate bonds issued in the same currency and within the payment period estimated for the payment of the benefits at the date referred to in the financial statements. The method applied for building the discount rate curve is based on high-quality Euro-Denominated Corporate bonds (AA) selected by reference to Bloomberg data as the principal source.

The average weighted duration of the post-employment obligations is 8.97 years and the weighted average discount rate was 3.07%.

Other provisions

Below is the detail and movement during the nine months of 2024 in “Provisions - Other provisions” in the consolidated balance sheet:

	Thousands of euros					
	Balances at 31 December 2023	**Transfers**	**Reversals**	**Amounts used**	**Other movements**	**Balances at 31 December 2024**
Floor clauses	10,403	4,038	(66)	(2,423)	-	11,952
ERE (downsizing plan) Provisions	66,402	-	-	(7,935)	1,199	59,666
Mortgage expenses	6,631	21,195	-	(7,833)	(1)	19,992
Delivery demands on account of home purchases (purchasers with or without guarantee)	3,416	242	-	(414)	-	3,244
Other provisions	9,835	23,423	(500)	(11,517)	(1)	21,240
Total	**96,687**	**48,898**	**(566)**	**(30,122)**	**1,197**	**116,094**

Costs of the workforce downsizing plan

At of 31 December 2024, the “Provisions – other provisions” heading includes the labour cost of the 2020 redundancy plans pending disbursement for an amount of €59,666 thousand (€66,402 thousand at 31 December 2023, corresponding to the years 2017 and 2020). In 2024, payments were made in the amount of €7,935 thousand.

Floor clauses

As regards the possible impact of having to refund the amounts received under the so-called interest rate floor clauses, whether as a result of the hypothetical voiding by the courts of the floor clauses, or by virtue of Royal Decree Law 1/2018 of 20 January, on measures to protect consumers regarding floor clauses, the Company has allocated reserves to cover a hypothetical legal risk deriving from the potential elimination of the floor clauses in mortgages. These provisions would be sufficient to cover a maximum estimated amount of €11,952 thousand at 31 December 2024.

The IRPH clause in mortgage loans.

On 14 December 2017, the Spanish Supreme Court, in a bid to unify to various approaches followed by the provincial courts, ruled that the Mortgage Loan Reference Index (known as the IRPH) was valid and not abusive, given that it is an official index and as such should not undergo a transparency analysis.

On 3 March 2020, the CJEU delivered a ruling under Case C-125/18, in which it clarified that a clause that fixes the interest rate on the basis of an official reference rate is subject to Consumer Directive 93/13, and therefore, a national judge may examine whether the reference rate has been informed to the consumer in a transparent manner, unless this official rate is applied to the loan contract by application of a mandatory rule, as is the case, for example, in Spain, with the subsidised mortgage loans.

Following this ruling, the various Spanish provincial courts continued to apply different criteria.

Through the order of 17 November 2021, the CJEU confirmed what it had previously expressed in its ruling of 3 March 2020, clarifying that, for transparency to exist, it is not necessary to deliver a prospectus to the consumer before signing the contract that included the previous change in the index, or that the contract should include a specific definition thereof, since the information related to the IRPH “is subject to official communication”, and hence, an attentive shrewd consumer would easily have knowledge of this information when taking out their loan.

Subsequently, in its judgement of 13 July 2023, the CJEU issued a preliminary ruling on transparency control for an assessment of the potentially abusive nature of the Mortgage Loan Benchmark Index (IRPH) clause, as an index established by a regulatory or administrative act. With regard to assessing the transparency and potentially abusive nature of a clause in a variable interest rate mortgage loan contract that designates, as the benchmark for periodic review of the applicable interest rate, an index set in an officially published circular to which an increase is applied, it ruled pertinent the information in another circular, which makes it a requirement to apply a negative spread to this index so as to align the interest rate with the market rate, and also that it is necessary to carry out a separate examination to determine whether such information is sufficiently accessible to an average consumer.

In its latest ruling, on 12 December 2024, the CJEU, while upholding the transparency of the IRPH as an official index, also indicates that its use can be abusive if the professional person involved does not clearly explain its definition and effects. The judges must assess whether the consumer received sufficient information to understand the economic implications. If the professional involved fails to accredit properly either of these two aspects, the IRPH will not have passed the transparency control and, consequently, will be deemed abusive and void, thus having no effect within the framework of the credit contract. The CJEU rules on the inherent effects of the declaration of nullity and, although it does not clear up all the uncertainties, it does clarify that expulsion of the clause from the contract can not lead to termination of the contract, pursuant to Article 1303 of the Civil Code.

In the case of the Group, the largest loan book referenced to IRPH comes from agreed or VPO loans, in which the interest rate is mandatorily imposed by the government and, therefore, the clause of these loans is outside the scope of application of the Consumer Directive, as has been affirmed by the CJEU ruling.

The rest of the IRPH-linked loan book is scant and many of these loans have already been repaid. As a result, the number of claims received for this legal contingency has been very low.

As all the final decisions delivered at the date of authorisation for issue of these financial statements have been favourable for the Group and given also that current case law on this matter generally treats the IRPH as a non-abusive clause, the Group has decided not to provision any amount for this legal risk, as it considers that the probability of the Group having to disburse funds that include economic benefits to settle this obligation to be remote.

Mortgage expenses

In its ruling of 23 December 2015, the Spanish Supreme Court declared the nullity of the expense clause of the mortgage clauses due to its abusive nature, since it attributed the payment of all expenses to the consumer. According to its criteria, there was a serious imbalance in the contract's features in favour of the lending banks and against the consumers. The nullity led to the expulsion of the loan contract clause, which means, in line with the Supreme Court doctrine set in its ruling of 23 January 2019 that the Spanish laws must apply to determine how pays each of the loan expenses.

The CJEU Ruling of 16 July 2020 recognises that, once the costs clause has been declared unfair, national law can be applied to regulate the distribution of the costs of mortgage creation and cancellation in the absence of an agreement between the parties. In these paragraphs, in particular, the Court expressly mentions the possibility of not refunding to the consumer amounts imposed on him by national law (such as Stamp Duty).

In short, the CJEU confirms the validity of the interpretation made by the Supreme Court in such a way that it will be up to the national judge to determine, in the absence of an agreement as the expense clause has been eliminated, which of the costs borne by the consumer were imposed on him by the provisions of national law. And these national provisions are the ones that have been applied by the Supreme Court in its case law.

Subsequently, in relation to the statute of limitations, the Supreme Court, in its Judgement of 14 June 2024, stated that: "(i) Directive 93/13 does not prevent the statute of limitations for the action to claim mortgage expenses from beginning on the day on which the judgement declaring the abusive nature of the expenses clause became final, because it is from this moment that the consumer has certain knowledge of the irregularity of the clause; and this does not violate the principle of legal certainty since it is the professional involved who, taking advantage of a position of superiority, has caused a situation that Directive 93/13 prohibits and seeks to avoid. (ii) (iii) This is without prejudice to the professional involved having the capacity to prove, in each case, that the consumer had or could reasonably have had knowledge of the unfairness of the clause before a judgement declaring its nullity was issued, providing specific evidence for this purpose regarding their relationship with the consumer, in accordance with the applicable national evidence regime. (…)."

Based on the foregoing and in view of how these contingencies are panning out, the Bank has estimated that the risk to be covered in relation to this contingency amounted to €19,992 thousand at 31 December 2024.

Amounts paid on account to the Bank in connection with home purchases

According to the Supreme Court judgment of 21 December 2015, in the sale and purchase of homes under Law 57/1968, credit institutions that accept deposits from buyers into an account held by the developer without requiring the opening of a special account and the related security are liable to the buyers for the total amounts advanced by the buyers and deposited in the account(s) that the developer holds with such institution in the event of insolvency of the developer. At 31 December 2024, the Group had recognised a provision in the amount of €3,244 thousand to cover amounts received on account for home purchases, whether or not they have been subject to judicial recovery proceedings.

Other provisions

The remainder of the balance relates to the coverage of other ordinary business risks of the Group.

22. Other liabilities

This heading in the consolidated balance sheets at 31 December 2024 and 2023 breaks down as follows:

	Thousands of euros	
	2024	**2023**
Personnel expense apportionment	18,562	35,131
Transactions in transit	863	2,479
Contribution to Deposit Guarantee Fund (Note 1.8.2)	352	50,983
Other	168,885	135,765
	188,662	**224,358**

At 31 December 2024 and 2023, "Other" mainly includes supplier expenses that have been accrued by the Group.

23. Shareholders' funds and non-controlling interests

23.1 Shareholders' equity

The breakdown of shareholders' equity at 31 December 2024 and 2023 is as follows:

	Thousands of euros	
	2024	2023
Capital	214,428	214,428
Equity instruments issued other than capital	350,000	350,000
Retained earnings	867,905	742,305
Legal reserve	*66,504*	*66,504*
Goodwill reserve	*-*	*12,807*
Voluntary reserves	*755,079*	*638,685*
Capitalisation reserves	*46,322*	*24,309*
Revaluation reserves	1,971	3,272
Other reserves	1,841,151	1,856,144
Legal reserve	*13,672*	*13,672*
Accumulated reserves or losses on investments in jointly-controlled entities and associates	*(29,684)*	*(37,359)*
Other reserves	*1,857,163*	*1,879,831*
Of which: from the issue of equity instruments other than capital	*(134,578)*	*(112,222)*
Profit/(loss) for the year	336,832	304,396
Interim dividends	(100,921)	(168,247)
Total	**3,511,366**	**3,302,298**

The equity instruments issued other than capital correspond to an issue of preference shares and are authorised by the competent supervisor to be classified as eligible tier-1 capital (Note 1.7.2).

On 25 January 2023, Ibercaja, S.A. carried out an issue of preference shares with a principal reduction mechanism for a nominal amount of €350 million. The preference shares were issued at par value and carry remuneration, to be paid on a quarterly basis, of 9,125% a year up to (but not including) 25 July 2028. From that moment onwards, the remuneration will be revised every five years with application of a margin of 6,833% at the five-year mid-swap rate. In any event, payment of the remuneration is subject to certain conditions, and is discretionary for the issuer.

Preference shares are perpetual, without prejudice to their eligibility for redemption under certain conditions, at the discretion of the company. In addition, the nominal value of each of them may decrease to 0.01 euros if the Common Equity Tier 1 (CET1) of Ibercaja Group falls below 5,125%. This issue has been admitted for listing and trading on the AIAF fixed-income market.

On 6 April 2023, an early amortisation occurred for preference shares recognised in the balance sheet at 31 December 2022. A nominal amount of €200,000 plus accrued and unpaid interest up (but not including) the above-mentioned date was paid for each outstanding share, in accordance with the terms and conditions of the issuance prospectus.

Accrual and payment of the coupon of these instruments is recognised in "Other reserves" of equity. At 31 December 2024, this payment amounted to €31,937 thousand, €22,356 thousand net of the tax effect. (€36,313 thousand, €25,419 thousand, net of the tax effect at 31 December 2023).

In 2024, the Group increased the capitalisation reserves by €22,013 thousand, in accordance with the provisions of article 25 of the Corporate Income Tax Law, so that the carrying amount of the capitalisation reserves in the balance sheet is €46,322 thousand (Note 4.1).

In accordance with the definition of distributable items in the CRR regulations, in article 4, section 1, paragraph; the balance thereof, at 31 December 2024, was €650,618 thousand (€558,183 thousand at 31 December 2023).

"Interim dividends" includes the interim dividend out of 2024 profit, distributed among the shareholders in 2024 (Note 4.1).

23.1.1 Capital

Share capital at 31 December 2024 consisted of 214,427,597 shares (214,427,597 shares at 31 December 2023), with a par value of €1 each, fully subscribed and paid out, of the same class and series. The Bank's shares are represented by bearer certificates.

The shareholders of Ibercaja Banco, S.A. are as follows:

	2024	2023
Fundación Bancaria Ibercaja	88,04%	88,04%
Fundación Caja de Ahorros de la Inmaculada de Aragón	4,73%	4,73%
Cajacírculo Fundación Bancaria	3,33%	3,33%
Fundación Ordinaria Caja de Badajoz	3,90%	3,90%

23.1.2 Reserves

Appendix II includes a breakdown by company of the balance in “Accumulated reserves or losses on investments in jointly-controlled entities and associates” and the other accumulated reserves.

23.1.2.1 Legal reserve

In accordance with the consolidated text of the Corporate Enterprises Act, companies that record profits for the financial year must transfer 10% of the profits to the legal reserve until the balance in the reserve reaches at least 20% of share capital. The legal reserve may not be used to offset losses unless it exceeds the aforementioned limit and no other sufficient reserves are available for such purpose.

The legal reserve may be used to increase the share capital provided that the remaining reserve balance does not fall below 10% of the balance of share capital after the increase.

23.1.2.2 Goodwill reserve

The goodwill reserve is recognised pursuant to the previous Article 273.4 of the Corporate Enterprises Act, (eliminated in financial statements for periods commencing on or after 1 January 2016) and is not available for distribution. Law 22/2015 of 20 July on the Auditing of Accounts stipulates that in periods commencing on or after 1 January 2016 the goodwill reserve will be reclassified to voluntary reserves of the company.

In compliance with the provisions of the previous paragraph, in 2024, the goodwill reserve was reclassified to voluntary reserves in the amount of €12,807 thousand.

23.1.2.3 Revaluation reserves

The revaluation reserves are the result of the accounting restatement carried out on the first-time adoption of IFRS-EU and may not be distributed, directly or indirectly, unless the capital gain has been realised, this being understood as when:

a) The part of the restated assets corresponding to the reserve has been depreciated.

b) The restated assets have been transferred or written off the balance sheet.

23.2 Non-controlling interests

Movements in non-controlling interests in 2024 and 2023 are set out below for each subsidiary included in the balance:

Movements in 2024:

	Thousands of euros					
Company	**Balance at 31.12.23**	**Increases in shareholding**	**Decreases in shareholding**	**Attributed profit/(loss)**	**Other changes in equity**	**Balance at 31.12.24**
Pensumo, Pensión por Consumo, S.L.	202	-	-	-	(202)	-
Total	202	-	-	**-**	**(202)**	**-**

Movements in 2023:

	Thousands of euros					
Company	**Balance at 31.12.22**	**Increases in shareholding**	**Decreases in shareholding**	**Attributed profit/(loss)**	**Other changes in equity**	**Balance at 31.12.23**
Pensumo, Pensión por Consumo, S.L.	-	222	-	(20)	-	202
Total	-	**222**	-	**(20)**	**-**	**202**

The financial highlights of the companies included in non-controlling interests are set out below at 31 December 2023:

	Thousands of euros		
Company	**Assets**	**Liabilities**	**Profit/(loss) after tax**
Pensumo, Pensión por Consumo, S.L.	1,574	7	(155)

24. Accumulated other comprehensive income

24.1 Actuarial gains/(losses) on defined benefit pension plans

As at 31 December 2024 the amount of accumulated actuarial gains on defined benefit pension plans was €2,643 thousand (actuarial gains of €5,101 thousand at 31 December 2023).

24.2 Hedging derivatives. Cash flow hedge reserve (effective portion)

At 31 December 2024, the amount of gains taken to equity for cash flow hedges amounted to €11,954 thousand (gains of €7,469 thousand at 31 December 2023).

24.3 Financial assets at fair value through other comprehensive income

This heading on the consolidated balance sheets reflects the net amount of changes in fair value of assets which, as described in Note 2, must be classified as an integral part of the Group's consolidated equity, net of the relevant tax effect (detailed in Note 25.4).

A breakdown of valuation adjustments, net of the tax effect, and fair value hierarchies (detailed in Note 26) is as follows:

	Thousands of euros				
	2024				
	Valuation adjustments	Fair value	Fair value hierarchy		
			Level 1	Level 2	Level 3
Listed equity instruments	1,183	92,204	92,204	-	-
Unlisted equity instruments	41,006	137,305	-	113,717	23,588
Listed fixed income	(61,928)	4,316,570	4,219,207	97,363	-
Total	**(19,739)**	**4,546,079**	**4,311,411**	**211,080**	**23,588**

	Thousands of euros				
	2023				
	Valuation adjustments	Fair value	Fair value hierarchy		
			Level 1	Level 2	Level 3
Listed equity instruments	1,937	98,385	98,385	-	-
Unlisted equity instruments	41,701	140,003	-	113,717	26,286
Listed fixed income	(41,248)	4,491,133	4,423,354	67,779	-
Total	**2,390**	**4,729,521**	**4,521,739**	**181,496**	**26,286**

25. Tax position

25.1 Consolidated Tax Group

Within the framework of the spin-off process, and in accordance with applicable legislation, in 2011 Ibercaja Banco and la Caja de Ahorros y Monte de Piedad de Zaragoza, Aragón y Rioja (now Fundación Bancaria Ibercaja) decided to form a Corporate Income Tax Consolidated Group (No. 579/11). Since 2012, the other Group companies that could join the tax group have been included and therefore Corporate Income Tax is assessed on a consolidated basis.

As a result of the securities exchange in July 2013 in which Ibercaja Banco acquired control over Banco Grupo Cajatrés, as from the tax period starting 1 January 2014, Banco Grupo Cajatrés and its investees that met the relevant requirements were included in the consolidated tax group.

Fundación Bancaria Ibercaja is also the parent entity of the VAT group (No. 78/11) which includes all qualifying group companies which have voluntarily agreed to join.

25.2 Years open to inspection

The Group and its entities' corporate income tax for 2018 and subsequent years are subject to review by the tax authorities.

Due to possible different interpretations of the applicable tax regulations, there may be certain tax contingencies which cannot be objectively quantified. However, in the opinion of the Group's Board of Directors and Management, should these contingencies result in actual liabilities they will not have a significant effect on the financial position and the results obtained by the Group.

In January 2024, Fundación Bancaria Ibercaja, as parent of the Ibercaja tax consolidation group, was notified of the start of verification and investigation proceedings in relation to the temporary levy on credit institutions and financial credit establishments paid in 2023. A notice of disagreement was signed on 25 September 2024, and the corresponding written statement of arguments was submitted on 24 October 2024, within the period granted for this purpose. At year-end, the Spanish tax authorities had not responded to these arguments, meaning that the settlement document was pending issue.

25.3 Reconciliation of book and tax income

The reconciliation of consolidated profit before taxes for 2024 and 2023 and corporation tax expense is as follows:

	Thousands of euros	
	2024	**2023**
Consolidated profit(loss) before tax	**508,428**	**391,379**
Corporate income tax at the 30% tax rate	152,528	117,414
Effect of permanent differences	18,998	14,148
Other adjustments on consolidation	318	2,700
Tax deductions and tax credits	(226)	(23)
Other business combination tax adjustments	-	(66,313)
Write-off of deferred tax assets	-	8,789
Corporate income tax expense for the year	**171,618**	**76,715**
Adjustments to prior-year tax expense	(22)	10,288
Total corporate income tax expense	**171,596**	**87,003**
Of which: current tax expense	*58,121*	*84,316*
Of which: deferred tax expense	*113,475*	*2,687*

Corporate Income Tax expense increased by €77,053 thousand in 2024 due to the deferred taxes related to the origination and reversal of temporary differences (decrease of €30,271 thousand in 2023).

In the first half of 2023, the company Cerro Murillo, S.A. (in liquidation) was put into liquidation, leading to activation of the associated future tax loss. This transaction resulted in €66,313 thousand being recognised under the “Deferred tax assets” heading in the consolidated balance sheet and under the “expense/income from on income from continuing operations” heading in the consolidated income statement.

In its ruling 11/2024 of 18 January 2024, published in the Official State Gazette on 20 February 2024, the Constitutional Court declared the unconstitutionality of certain corporate income tax measures introduced by Royal Decree-Law 3/2016 of 2 December. These measures were reintroduced in Law 7/2024, of 20 December, which is applicable for the fiscal year 2024.

Prior to the publication of this ruling, Fundación Bancaria Ibercaja, as parent of the Ibercaja fiscal consolidation group, requested rectification of the corporate income tax returns affected by these measures (fiscal years 2018 to 2022). At year-end, the Spanish tax authorities had not responded to this request for rectification and refund of undue income.

Additionally, Law 7/2024 establishes a complementary tax to guarantee a minimum overall level of taxation for multinational groups and large national groups, a tax on the interest margin and fees of certain financial institutions, and a tax on liquids for electronic cigarettes and other tobacco-related products, and modifies other tax regulations.

This Law transposes Council Directive (EU) 2022/2523 of 15 December 2022, which incorporates the Pillar Two rules into the European legal framework.
The approved Law is applicable to tax periods beginning on or after 31 December 2023, meaning that the Group is subject to Pillar Two rules at the end of this fiscal year.

Pursuant to the terms of Article 6.1 of Law 7/2024, Ibercaja Group is a large national group and could therefore be subject to the National Complementary Tax established in this Law if the Group's effective tax rate in Spain is lower than the minimum tax rate. However, the third transitional provision of this Law establishes an exemption from paying the national Complementary Tax in the first five years from the first day of the tax period in which the large national group is subject to application of the Law for the first time, the group's parent being responsible for submitting the informative tax return and settling the complementary tax for all of the group's companies.

In years prior to 2015, income was generated that qualified for the then-applicable tax credit for reinvestment of extraordinary profits, the relevant reinvestment commitment having been fulfilled. The following table shows the extraordinary gains that resulted in the tax credit:

	Thousands of euros	
Year income obtained	**Income**	**Year of reinvestment**
1998	3,498	2001
1999	190	2001
2001	6,001	2002
2002	6,017	2002
2003	4,181	2003
2004	6,707	2004
2005	4,486	2007
2006	14,633	2005-2007
2007	3,380	2007
2008	101,953	2007-2011
2009	1,598	2008-2012
2010	4,403	2009-2010
2011	17,729	2010-2011
2012	1,406	2012
2013	1,165	2012-2013
2014	9,229	2013-2014

Note: data for 2010 and prior years relate to operations of Caja de Ahorros y Monte de Piedad de Zaragoza, Aragón y Rioja (now Fundación Bancaria Ibercaja).

25.4 Deferred tax assets and liabilities

Based on tax legislation in force in Spain, there are certain timing differences and tax credits that should be taken into account when calculating consolidated corporation tax expense. The balance of and movements in the deferred tax assets and liabilities recorded in the consolidated balance sheets at 31 December 2024 and 2023 are as follows:

	Thousands of euros	
	Deferred tax liabilities	**Deferred tax assets**
Balances at 31 December 2022	**1,312,148**	**229,741**
Prior-year restatement and other	35,076	4,856
Generated during the year	37,833	2,345
Applied during the year	(72,474)	(4,079)
Change in deferred tax assets and liabilities applied to equity	(46,256)	(35,825)
Balances at 31 December 2023	**1,266,327**	**197,038**
Prior-year restatement and other	(53,770)	(16,475)
Generated during the year	18,261	2,661
Applied during the year	(97,349)	(5,569)
Change in deferred tax assets and liabilities applied to equity	(5,563)	17,950
Balances at 31 December 2024	**1,127,906**	**195,605**

Below follows a breakdown of the Group’s deferred tax assets and liabilities by type of temporary difference and tax credit:

	Thousands of euros			
	Deferred tax assets		Deferred tax liabilities	
	2024	2023	2024	2023
Impairment of financial assets	543,557	633,954	2,530	2,530
Pension commitments and other provisions	57,834	48,082	-	-
Fixed assets	33,515	35,781	112,019	117,431
Foreclosed assets	93	1,635	-	-
Other adjustments	68,032	80,015	7,158	21,129
Total temporary differences with a balancing item in income statement	**703,031**	**799,467**	**121,707**	**141,090**
Temporary differences with a balancing item in equity	**109,787**	**115,350**	**73,898**	**55,948**
Tax credit for tax-loss carryforwards	315,078	351,115	-	-
Tax credit for deductions pending application	10	395	-	-
Total tax credits	**315,088**	**351,510**	**-**	-
	1,127,906	**1,266,327**	**195,605**	**197,038**

Below follows a breakdown of income tax relating to each item included in the statement of recognised income and expense:

	Thousands of euros	
	2024	2023
Actuarial losses and gains on defined benefit pension plans	1,053	(959)
Changes in the fair value of equity instruments measured at fair value through other comprehensive income	1,128	(3,331)
Items that will not be reclassified to profit or loss	**2,181**	**(4,290)**
Debt instruments at fair value through other comprehensive income	4,711	(2,474)
Valuation gains/(losses) taken to equity	*3,403*	*(3,175)*
Transferred to the income statement	*1,308*	*701*
Reversal of deferred tax liabilities	-	-
Cash flow hedges	(1,922)	(3,667)
Other recognised income and expenses	-	-
Items that may be reclassified to profit or loss	**2,789**	**(6,141)**
	4,970	**(10,431)**

No significant temporary differences associated with investments in subsidiaries, branches and associates or interests in joint arrangements have arisen which could give rise to deferred tax liabilities not recognised on the balance sheet.

Under current tax and accounting regulations, certain temporary differences must be taken into account when quantifying the relevant corporate income tax expense on continuing operations.

In 2013, Royal Decree-Law 14/2013 classed as assets guaranteed by Spain's Central Government those tax assets generated by impairment losses on loans or other assets as a result of the possible insolvency of debtors unrelated to the taxpayer; this status was subsequently extended to impairment losses on public corporations and on provisions for or contributions to pension plans and, if applicable, pre-retirement plans (“monetisable tax assets”).

Monetisable tax assets may be converted into debt claims against the tax administration in the event that the taxpayer records book losses or the entity is liquidated or declared to be insolvent by a court. They may also be exchange for government securities once 18 years have elapsed as from the last day of the tax period in which the assets were recognised in the accounts. In order to maintain the Central Government's guarantee, the assets are subject to an annual charge of 1.5% of their amount as from 2016 (Note 37).

In 2024, the net amount of deferred tax assets and liabilities related to temporary differences amounted to €617,213 thousand (€717,779 thousand at 31 December 2023).

As noted above, a portion of deferred tax assets arising from temporary differences are enforceable against the public authorities in the above circumstances (monetisable assets), meaning that recoverability is not dependent on the existence of future taxable profits, so the recognition of the relevant amounts is justified. At 31 December 2024, deferred tax assets amounted to €536 million (€632 million at 31 December 2023).

In addition, at 31 December 2024 there were deferred tax assets for tax-loss carryforwards and for unused tax credits amounting to €315,088 thousand (€351,510 thousand at 31 December 2023). The vast majority of these tax assets result from the prior-year losses, which were extraordinary and non-recurring, due basically to the write-down of real estate assets in 2012 and of renegotiated assets in 2013, as disclosed in the financial statements for those years.

The tax credits described in the preceding paragraph were recorded for accounting purposes on the premise that future tax benefits might be obtained that will allow the tax-loss carryforwards to be offset in a reasonable time. According to applicable regulations, there is no time limit for offsetting these deferred tax assets.

In accordance with Ibercaja Banco's business plan, approved by the Bank's Board of Directors on 31 January 2025, and with the management projections that have served as the basis for the goodwill impairment test and other regulatory reporting, sufficient future taxable profits will be generated to allow the recovery of these deferred tax assets, and therefore the Company considers that there is convincing objective evidence for the recognition of the deferred tax assets. Note 16.1 describes the justification of the basic assumptions used in determining the business plan considered by the Company, as well as the justification of the significant deviations therefrom in previous years that could jeopardise its fulfilment.

According to the business plan estimates referred to above, in 2024 the estimated period for recovering the recognised deferred tax assets is no more than 15 years.

26. <u>Fair value of financial assets and liabilities</u>

Set out below is the breakdown of the fair value of financial assets and liabilities at 31 December 2024 and 2023 compared with their corresponding carrying value reflected in the balance sheet at that same date. Similarly, a breakdown of fair value is included on the basis of the appraisal system (levels 1, 2 and 3):

	Thousands of euros				
	2024				
	Total balance sheet	Fair value	Fair value hierarchy		
			Level 1	Level 2	Level 3
Cash on hand, cash balances at central banks and other demand deposits	2,044,522	2,044,522	-	2,044,522	-
Financial assets held for trading	19,499	19,499	-	19,499	-
Non-trading financial assets mandatorily at fair value through profit or loss	1,442,131	1,442,131	1,441,158		973
Financial assets designated at fair value through profit or loss	436,971	436,971	436,971	-	-
Financial assets at fair value through other comprehensive income	4,546,079	4,546,079	4,311,411	211,080	23,588
Financial assets at amortised cost (*)	41,646,758	42,354,428	9,213,034	2,278,715	30,862,679
Derivatives – hedge accounting	164,610	164,610	3,482	161,128	
Total financial assets	**50,300,570**	**51,008,240**	**15,406,056**	**4,714,944**	**30,887,240**
Financial liabilities held for trading	147,733	147,733	-	147,356	377
Financial liabilities at amortised cost	41,041,470	39,198,396	-	39,198,396	-
Derivatives – hedge accounting	350,619	350,619	-	350,619	-
Total financial liabilities	**41,539,822**	**39,696,748**	**-**	**39,696,371**	**377**

(*) The fair value of debt securities amounts to €10,974,334 thousand.

	Thousands of euros				
	2023				
	Total balance sheet	Fair value	Fair value hierarchy		
			Level 1	Level 2	Level 3
Cash on hand, cash balances at central banks and other demand deposits	1,999,017	1,999,017	-	1,999,017	-
Financial assets held for trading	24,884	24,884	-	24,884	-
Non-trading financial assets mandatorily at fair value through profit or loss	1,485,994	1,485,994	1,484,484	-	1,292
Financial assets designated at fair value through profit or loss	444,475	444,475	444,475	-	-
Financial assets at fair value through other comprehensive income	4,729,521	4,729,521	4,521,521	181,496	26,286
Financial assets at amortised cost (*)	42,692,570	43,140,307	9,922,922	2,466,365	30,751,689
Derivatives – hedge accounting	154,553	154,553	-	154,553	
Total financial assets	**51,531,014**	**51,978,751**	**16,373,169**	**4,826,315**	**30,779,267**
Financial liabilities held for trading	145,070	145,070	-	144,693	377
Financial liabilities at amortised cost	42,399,639	39,976,929	-	39,976,929	-
Derivatives – hedge accounting	537,768	537,768	18,902	518,866	-
Total financial liabilities	**43,082,477**	**40,659,767**	**18,902**	**40,640,488**	**377**

(*) The fair value of debt securities amounts to €11,682,012 thousand.

The criteria used to determine fair value have been as follows:

- Level 1: using prices quoted on active markets for financial instruments.

- Level 2: using prices quoted on active markets for similar instruments or other valuation techniques in which all significant inputs are based on directly or indirectly observable market data.

• Level 3: using valuation techniques in which some significant inputs are not based on observable market data.

In particular, the valuation techniques used in levels 2 and 3 and assumptions used to determine fair value have been:

• Debt securities and interest rate swaps: valuation techniques based on discounted cash flows, using the interest rate curve and the market spread for similar instruments, have been used.

• Options: valued by applying models accepted as standard in the market. In those cases where no valuation model is available, they are valued through the quotation provided by counterparties.

• Equity instruments measured at fair value: in general, provided that directly or indirectly observable market data is available, their fair value is obtained from listed prices or transactions in active markets for similar instruments. If sufficient market information is not available, fair value is determined by discounting the estimated cash flows, which are derived from business plans of the investees, generally for a period of five years, calculating a residual value for the remaining period. These flows have been discounted using market rates and adjusted at the average cost of capital.

• Financial assets at amortised cost – Loans and advances - Customers: the valuation technique used is based on discounting the estimated future cash flows, considering maturity and repricing dates and calculating interest based on the interbank interest rate curve, without considering a "spread" for credit risk. Additionally, the early amortisation of 4.27% of the total has been taken into account. This percentage is based on the Group's historical data and is used in internal management.

The impact of a 100 basis point rise in the interbank interest rate curve would bring about a -2.36% reduction in fair value.

In this case, it is estimated that there are no major differences owing to the credit risk between the carrying value and fair value of customer loans since the Group has quantified the level of credit risk provisions for its loan risk portfolio in accordance with applicable accounting legislation and which is considered sufficient to cover that risk. Nonetheless, since there is no market for those financial assets, the amount at which they may be exchanged between interested parties could differ from the net value reflected since the potential acquirer would take into account the expected losses and recorded in accordance with applicable legislation and their best estimates of possible future losses.

• Customer deposits: The valuation technique used was based on discounting the estimated future cash flows, considering maturity and repricing dates and calculating interest based on the interbank interest rate curve.

• Marketable debt securities and subordinated liabilities: Valued using market prices or spreads for similar instruments.

The reasons why there may be differences between the fair value and carrying value of financial instruments are as follows:

• In the fixed-income instruments issued, the fair value of the instrument varies depending on the development of market interest rates. The longer the residual life of the instrument, the greater the variation.

• In variable income instruments, fair value may differ from carrying value if margins relative to the reference interest rate have changed since the issuing of the instrument. If margins remain constant, the fair value coincides with the carrying value only on repricing dates. On all other dates, there is an interest rate risk for the flows that have already been calculated.

The Group performs an analysis to assess whether levels of fair value hierarchy in which financial instruments are classified may have changed. If transfers between these levels occur, they are treated has having taken place at the end of the quarter in which they are identified. During 2024 and 2023 there were no financial instruments no longer measured using level 2 and 3 criteria and which have been measured with level 1 criteria.

For certain financial instruments (mainly the portfolio of financial assets and liabilities held for trading, the portfolio of financial assets not held for trading mandatorily measured at fair value through profit or loss, the portfolio of financial assets designated at fair value through profit or loss, and operations related to financial derivatives) there is a balancing entry in the income statement for fair value changes. Details of the effect on the income statement arising from changes in fair value are as follows, classified on the basis of the hierarchical level of the instrument's fair value:

	Thousands of euros	
	2024	2023
Level 1	(1,811)	(27,986)
Level 2	93,397	81,705
Level 3	(239)	(99)
	91,347	**53,620**

Set out below in the fair value hierarchy of Level 3 fair value, there is a reconciliation of opening balances to closing balances, separately revealing changes during the year attributable to the following:

	Thousands of euros			
	Financial assets held for trading	**Financial assets not held for trading mandatorily measured at fair value through profit or loss**	**Financial assets at fair value through other comprehensive income**	**Financial liabilities held for trading**
Balances at 1 January 2024	**-**	**1,292**	**26,286**	**377**
Profit/(loss) recognised in the income statement and/or statement of recognised income and expense	-	(239)	(254)	-
Purchases	-	-	530	-
Sales	-	(80)	(2,974)	-
Issues	-		-	-
Settlements and maturities	-	-	-	-
Transfers from or to Level 3 in or outside the portfolios described	-	-	-	-
Balances at 31 December 2024	**-**	**973**	**23,588**	**377**

	Thousands of euros			
	Financial assets held for trading	**Financial assets not held for trading mandatorily measured at fair value through profit or loss**	**Financial assets at fair value through other comprehensive income**	**Financial liabilities held for trading**
Balances at 1 January 2023	**-**	**1,496**	**27,764**	**377**
Profit/(loss) recognised in the income statement and/or statement of recognised income and expense	-	(99)	(1,335)	-
Purchases	-	-	218	-
Sales	-	-	(334)	-
Issues	-	-	-	-
Settlements and maturities	-	(105)	(27)	-
Transfers from or to Level 3 in or outside the portfolios described	-	-	-	-
Balances at 31 December 2023	**-**	**1,292**	**26,286**	**377**

The fair value of investments in venture capital funds is determined according to the valuations regularly provided by the fund manager. The valuation criteria are generally based on the guidelines set by the EVCA (European Private Equity and Venture Capital Association).

Considering the amount of these investments, the Group believes that the changes that would occur in their fair value as a result of reasonably possible changes in the variables that determine the value would not have a significant impact on the results, total assets or equity of the Group.

27. Other significant information

27.1 Contingent risks

The following table breaks down financial guarantees granted at 31 December 2024 and 2023 in accordance with the maximum risk assumed by the Group:

	Thousands of euros	
	2024	**2023**
Guarantees and other sureties	**813,924**	**778,815**
Financial guarantees	113,897	107,269
Guarantees and other sureties	700,027	671,546
Irrevocable letters of credit	**17,487**	**16,072**
Irrevocable documents issued	17,487	16,072
Irrevocable documents confirmed	-	-
Assets associated with third-party obligations	**-**	**234**
	831,411	**795,121**

A significant portion of these amounts will mature without any payment obligation arising for the Group and therefore the full amount recorded for these commitments cannot be considered to be an actual future need for financing or liquidity to be granted to third parties.

The income obtained from collateral instruments is recorded under the headings "Fee and commission income" and "Interest income" (in the amount relating to the restatement of the commission values) in the consolidated income statement and are calculated by applying the rate established contractually based on the nominal amount of the guarantee.

Provisions recorded to cover these guarantees, which have been calculated by applying criteria similar to those for the calculation of the impairment of financial assets at amortised cost, are included under the heading "Provisions - Commitments and guarantees given" in the balance sheet (Note 21).

At 31 December 2024 and 2023, the Group had not identified any contingent liability.

27.2 Assets loaned or pledged

The breakdown of these assets is as follows:

	Thousands of euros	
	2024	**2023**
Assets under repos	2,533,439	4,968,701
Assets associated with Bank of Spain policy (*)	1,703,527	3,024,876
	4,236,966	**7,993,577**

(*) There is an additional €4,198,682 thousand (€3,463,066 thousand in 2023) relating to own securitisation bonds and mortgage covered bonds that are also associated with the Bank of Spain policy obtained to secure monetary policy operations in the Eurosystem.

The fair value of the assets provided or used as security do not differ from their carrying amount.

27.3 Contingent commitments

At 31 December 2024 and 2023, the limits on financing contracts granted and the undrawn balances were as follows:

	Thousands of euros			
	2024		2023	
	Limit granted	Undrawn balance	Limit granted	Undrawn balance
Drawable by third parties	**6,545,381**	**3,550,340**	**6,289,507**	**3,347,542**
Available immediately	3,742,280	2,239,551	3,716,643	2,129,514
Available subject to conditions	2,803,101	1,310,789	2,572,864	1,218,028
Securities subscribed pending disbursement	**-**	**1,268**	**-**	**1,268**
Documents in clearing houses	**-**	**168,397**	**-**	**101,517**
	6,545,381	**3,720,005**	**6,289,507**	**3,450,327**

The amounts available relate to variable interest operations.

Provisions recorded to cover these exposures, which have been calculated by applying criteria similar to those for the calculation of the impairment of financial assets at amortised cost, are included under the caption "Provisions - Commitments and guarantees given" in the balance sheet (Note 21).

27.4 Third-party funds managed and marketed by the Group and securities depository

Details of the balance of off-balance sheet customer funds that have been marketed by the Group in 2024 and 2023 are indicated in the following table:

	Thousands of euros	
	2024	2023
Collective Investment Institutions	26,647,972	23,657,462
Pension funds	6,886,666	6,391,689
Insurance products	56,524	66,422
Discretionary portfolio management (*)	4,705,442	4,162,991
	38,296,604	**34,278,564**
Of which: managed by the Group	*37,398,770*	*32,984,984*

(*) Mainly includes discretionary managed Collective Investment Institutions.

Set out below is a breakdown of the securities deposited by third parties with the Group at 31 December 2024 and 2023:

	Thousands of euros	
	2024	2023
Fixed Income	694,926	1,825,705
Equity	2,924,905	2,644,211
	3,619,831	**4,469,916**

27.5 Securitisation of assets

The Group has securitised assets by assigning loans from its portfolio to a securitisation fund in which, due to the agreed transfer terms, the Company has continued to bear the substantial risks and rewards of the securitised assets and therefore these assets have been retained in full in the balance sheet. Details of the balances recorded in relation to these operations are set out below:

	Thousands of euros	
	2024	**2023**
Assets transferred to TDA Ibercaja 3, FTA in 2006	-	114,531
Assets transferred to TDA Ibercaja 4, FTA in 2006	145,733	177,267
Assets transferred to TDA Ibercaja 5, FTA in 2007	159,398	190,481
Assets transferred to TDA Ibercaja 6, FTA in 2008	271,995	319,186
Assets transferred to TDA Ibercaja ICO-FTVPO, FTH in 2009	-	39,423
Assets transferred to TDA Ibercaja 7, FTA in 2009	529,909	609,404
	1,107,035	**1,450,292**

On 26 February 2024, the TDA Ibercaja ICO-FTVPO, Mortgage Securitisation Fund, was settled early, leading to the early amortisation of the securitisation bond that backed the fund for an amount of €28,261 thousand.

On 27 December 2024, the TDA Ibercaja 3 mortgage securitisation fund was liquidated early, leading to the early write down of the securitisation bond backed by the fund for an amount of €95,727 thousand.

On 26 April 2023, the TDA Ibercaja 2, Asset Securitisation Fund was liquidated early, leading to the early amortisation of the securitisation bond backed by the fund for an amount of €40,990 thousand.

Note 11.1 provides details concerning the Company's exposure in securitisation funds and the amount of securitisation fund liabilities that have been subscribed by non-Group third parties.

Note 26 details the calculation criteria for estimating the fair value of customer loans, under which the securitised assets included in the above table are recorded.

The fair value of the liabilities issued by securitisation funds at 31 December 2024 and 2023, which are backed by the transferred assets mentioned above, is as follows:

	Thousands of euros	
	2024	**2023**
Liabilities issued by TDA Ibercaja 3, FTA in 2006	-	113,363
Liabilities issued by TDA Ibercaja 4, FTA in 2006	145,573	176,186
Liabilities issued by TDA Ibercaja 5, FTA in 2007	158,968	189,319
Liabilities issued by TDA Ibercaja 6, FTA in 2008	269,465	313,217
Liabilities issued by TDA Ibercaja ICO-FTVPO, FTH in 2009	-	39,372
Liabilities issued by TDA Ibercaja 7, FTA in 2009	517,774	580,092
	1,091,780	**1,411,549**

27.6 Assets received under guarantees

Assets received under guarantees at 31 December 2024 amounted to €5,384 thousand (€5,384 thousand at 31 December 2023). The fair value of the assets received as security do not differ from their carrying amount.

27.7 Environment

The Group’s operations as a whole are subject to laws and principles of environmental protection, the fight against climate change and biodiversity conservation. Compliance with current environmental regulations and with voluntarily assumed commitments is verified by internal and external auditors within the framework of the Environmental Management System. In addition, the Bank maintains procedures to ensure compliance.

The Group has adopted the appropriate measures to protect and improve the environment and to minimise possible environmental impacts, and complies with current environmental legislation.

The Sustainability Report describes in detail all the actions and strategies carried out by the Group in this area.

27.8 Segmentation

The ultimate decision-making body responsible for defining the operating segments is the Group's Management Committee. The Group has concluded that there are no distinct segments, as the results of its activities are not examined on an independent basis by Management, for the following reasons:

- The types of products marketed by the Group's insurance companies are, in part, substitutes for bank savings products and are subject to similar risks.
- The use of the commercial network of Ibercaja Banco, S.A. as the majority distribution channel for the products of the Group's insurance companies affects the relationship of dependence between the two sectors.
- The existence of a common customer base and the linkage of the two brands from the consumer's point of view mean that operational risk is interrelated between the two sectors of banking and insurance.
- All strategic, commercial and regulatory analysis is carried out at the Group level.

Nevertheless, in accordance with applicable regulations, information on the distribution of the Group’s revenues by geographical area and product type have been included in this Note.

The Group carries out all its activity in Spain. The Group therefore considers it has a single geographical segment for operating purposes.

The breakdown of the Group's ordinary revenue (which includes interest income, dividend income, fees and commissions received, gains on financial assets and liabilities and other operating income) by type of product or service is as follows.

	Thousands of euros			
	Ordinary revenue from third-party customers		Gross margin excl. gains on financial assets and liabilities	
	2024	2023	2024	2023
Banking	1,815,870	1,572,771	1,186,088	1,070,509
Insurance.	346,094	320,806	128,349	124,813
	2,161,964	**1,893,577**	**1,314,437**	**1,195,322**

The reconciliation between total ordinary income and gross income excluding gains and losses on financial transactions is shown below:

	Thousands of euros	
	2024	2023
Ordinary revenue from third-party customers	**2,161,964**	**1,893,577**
(Interest costs)	724,038	519,772
Share of profit/(loss) of equity-accounted entities	(2,836)	(5,673)
(Fee and commission expenses)	19,077	19,502
(Net gains or (-) losses on the disposal of financial asset and liability accounts not measured at fair value through profit or loss)	(4,452)	1,297
(Net gains or (-) losses on financial assets and liabilities held for trading)	6,671	7,407
(Net gains or (-) losses on financial assets not held for trading mandatorily measured at fair value through profit or loss)	120,773	117,166
(Net gains or (-) losses on financial assets and liabilities designated at fair value through profit or loss)	(134,667)	(132,156)
(Net gains or (-) losses from hedge accounting)	1,504	(1,677)
(Net exchange differences)	(465)	(895)
(Other operating expenses)	64,785	112,755
(Liability expenses covered by insurance or reinsurance contracts)	47,427	49,411
Gross margin excl. gains on financial assets and liabilities	**1,314,437**	**1,195,322**

28. Interest income

The breakdown of the balance under this consolidated income statement heading in 2024 and 2023, based on the financial instrument portfolios from which the income originates, is as follows:

	Thousands of euros	
	2024	2023
Financial assets held for trading	-	-
Non-trading financial assets mandatorily valued at fair value through profit or loss	189	137
Financial assets designated at fair value through profit or loss	12,347	12,450
Financial assets at fair value through other comprehensive income	108,900	96,148
Financial assets at amortised cost	1,256,026	1,055,372
Interest rate hedging derivatives	1,021	(23,488)
Other assets	18,834	32,584
Interest income from liabilities	3,608	7,287
	1,400,925	**1,180,490**

29. **Interest expense**

The breakdown of the balance under this consolidated income statement heading in 2024 and 2023, based on the financial instrument portfolios from which the income originates, is as follows:

	Thousands of euros	
	2024	2023
Financial liabilities at amortised cost	447,488	264,495
Interest rate hedging derivatives	97,715	97,963
Insurance contracts	174,798	152,714
Other liabilities	3,543	4,473
Interest expense from assets	494	127
	724,038	**519,772**

The “Other liabilities” item includes €2,295 thousand for interest expenses on lease liabilities (Note 2.10) (€2,246 thousand at 31 December 2023).

30. **Income from dividends**

The amount recorded under this heading relates in full to dividends from equity instruments in the portfolio of Financial assets at fair value through other comprehensive income, amounting to €8,446 thousand at 31 December 2024 (€12,679 thousand at 31 December 2023).

31. **Share of profit/(loss) of equity-accounted entities**

Appendix II provides a breakdown by company of the balance under this consolidated income statement heading in 2024 and 2023.

32. **Fee and commission income**

Fee and commission income accrued in 2024 and 2023, classified in accordance with the item generating the fees, is reflected in the following table:

	Thousands of euros	
	2024	2023
Contingent risk fees	7,734	8,348
Contingent commitment fees	4,485	3,496
Foreign currency exchange fees	172	168
Collection and payment services fees	133,533	138,447
Securities services fees	42,406	37,909
Non-bank financial product marketing fees	297,968	265,993
Other fees	14,876	15,924
	501,174	**470,285**

33. **Fee and commission expense**

Expenses for fees accrued in 2024 and 2023, classified in accordance with the item generating the fees, are reflected in the following table:

	Thousands of euros	
	2024	2023
Fees and commissions assigned to other entities	9,375	9,068
Fees and commissions paid for securities transactions	2,120	2,146
Other fees	7,582	8,288
	19,077	**19,502**

34. Profit/(loss) on financial assets and liabilities

The breakdown of the balance under this consolidated income statement heading in 2024 and 2023, based on the financial instrument portfolios from which the balances originate, is as follows:

	Thousands of euros	
	2024	2023
Net gains or losses on the disposal of financial asset and liability accounts not measured at fair value through profit or loss.	**(4,452)**	**1,297**
Financial assets at fair value with changes in OCI	4,360	2,337
Financial assets at amortised cost	(8,812)	(1,040)
Financial liabilities at amortised cost	-	-
Net gains/(losses) on financial assets and liabilities held for trading	**6,671**	**7,407**
Gains/losses on non-trading financial assets mandatorily valued at NAV with changes in PL, net	**120,773**	**117,166**
Net gains/(losses) on financial assets and liabilities designated at fair value through profit or loss	**(134,667)**	**(132,156)**
Net gain/(loss) from hedge accounting	**1,504**	**(1,677)**
Adjustments to hedged instruments (fair value hedge)	(97,066)	(62,880)
Hedge derivative (fair value hedge)	98,570	61,203
	(10,171)	**(7,963)**

At 31 December 2024, the heading “Gains/losses on derecognition of financial assets and liabilities not measured at fair value through profit or loss, net - Financial assets at amortised cost” includes both the impact of the sale of a portfolio of non-performing loans arranged in September 2024 (Note 11.5), with a negative impact of €2,257 thousand, and the impact of sales of non-performing loans arranged in December 2024 (Note 11.5), with a negative impact of €750 thousand and €6,394 thousand, respectively.

At 31 December 2023, the “Gains/(losses) on derecognition of financial assets and liabilities not measured at fair value through profit or loss, net, net – Financial assets at amortised cost” heading reflected the impact of the sale of a portfolio of non-performing loans arranged at the end of 2023 (Note 11.5), with a negative impact of €1,520 thousand.

35. Net exchange differences

This consolidated income statement heading is analysed below for 2024 and 2023:

	Thousands of euros	
	2024	2023
Translation into euro of monetary items denominated in foreign currency	(368)	855
Foreign currency trading	(97)	(1,750)
	(465)	**(895)**

No gain or loss was obtained on the cancellation of exchange differences recorded in consolidated equity, in accordance with the provisions of Note 2.5.3.

36. Other operating income

This consolidated income statement heading is analysed below for 2024 and 2023:

	Thousands of euros	
	2024	2023
Income from investment property (Note 15.2)	4,937	4,752
Income from other operating leases (Note 15.3)	25,056	23,764
Sales and income from provision of services	2,979	4,425
Other items	39,175	10,319
	72,147	**43,260**

The heading “Other items” includes in 2024 income of €25,000 thousand from profit-sharing with Caser, agreed in the insurance mediation contract signed between Caser and Ibercaja Mediación de Seguros.

37. Other operating expenses

This consolidated income statement heading is analysed below for 2024 and 2023:

	Thousands of euros	
	2024	2023
Operating expenses on investment properties (Note 15.2)	1,372	1,251
Contribution to National Resolution Fund (Note 1.8.1)	-	11,421
Contribution to Deposit Guarantee Fund (Note 1.8.2)	358	51,258
Other items	63,055	48,825
	64,785	**112,755**

At 31 December 2024, “Other items” includes the charge of €690 thousand (€2,025 thousand at 31 December 2023) for converting deferred tax assets into debt claims against the Spanish tax administration (Note 25.4).

In 2024, the Bank did not receive any requests from the Single Resolution Board to make contributions to the SRF as the minimum target for available-for-sale financial assets, of at least 1% of the guaranteed deposits held in member states participating in the Fund, was met at 31 December 2023.

The Management Committee of the Deposit Guarantee Fund, at its meeting on 3 April 2024, agreed to eliminate contributions to the DGF's deposit guarantee compartment, maintaining for 2024 only the securities guarantee compartment contributions.

The balance also includes an impact of €53,402 thousand (€28,913 thousand in 2023) due to the temporary levy on credit institutions. This tax has been regulated by Law 38/2022 of 27 December for the establishment of temporary energy taxes and taxes on credit institutions and financial credit establishments and which creates the temporary solidarity tax on large fortunes and amends certain tax regulations, which makes it compulsory for credit institutions operating in Spanish territory whose total interest and fee income for 2019 is equal to or greater than €800 million to pay a non-tax public benefit during 2023 and 2024, which is payable on the first day of the calendar year of those years. The amount of the benefit to be paid will be the result of applying the percentage of 4.8% to the sum of the interest margin and the income and expenses from commissions derived from the activity carried out in Spain and which appear in the income statement of the tax consolidation group to which the credit institution belongs for the calendar year prior to the year in which the obligation to pay arose.

38. Personnel expenses

This consolidated income statement heading is analysed below for 2024 and 2023:

	Thousands of euros	
	2024	2023
Wages and salaries	286,774	279,425
Social security contributions	75,320	72,320
Defined benefit plans	2,322	2,470
Contributions to defined contribution plans (Note 2.13.1)	15,217	14,046
Severance payments	1,143	876
Other staff costs	2,030	2,855
	382,806	**371,992**

38.1 Number of employees

The distribution by category and gender of the Group's employees at 31 December 2024 and 2023 is as follows:

	31/12/2024			31/12/2023		
	Men	Women	Total	Men	Women	Total
GR. 1 Senior Management	10	4	14	9	3	12
GR. 1 Levels I to V	1,234	826	2,060	1,195	754	1,949
GR. 1 Levels VI to X	968	1,383	2,351	963	1,416	2,379
GR. 1 Levels XI to VIII	324	363	687	287	324	611
GR. 2 and Cleaning service	12	1	13	12	1	13
	2,548	**2,577**	**5,125**	**2,466**	**2,498**	**4,964**

At 31 December 2024 and 2023, the entire workforce is based in Spain.

The average number of Group employees in 2024 and 2023 is as follows:

	2024	2023
GR. 1 Senior Management	15	12
GR. 1 Levels I to V	2,010	1,896
GR. 1 Levels VI to X	2,177	2,431
GR. 1 Levels XI to VIII	491	551
GR. 2 and Cleaners	13	13
	4,706	**4,903**

At 31 December 2024, the average number of Group employees with a disability of 33% or more is 59 (50 employees at 31 December 2023).

38.2 Staff costs - post-employment benefits

Net figures recognised in the balance sheet for defined benefit post-employment plans at December 2024 and 2023 are as follows:

	Thousands of euros	
	2024	2023
Present value of obligations financed	(159,297)	(156,998)
Fair value of plan assets	177,021	179,738
(Shortfall)/Surplus	**17,724**	**22,740**
Impact of limit on assets	(2)	-
Net asset (liability) on balance sheet:	**17,722**	**22,740**
Assets linked to pensions (*)	57,989	62,135
Net pension assets (**)	22,932	23,496
Net pension (provision)	(63,199)	(62,891)

(*) Financial assets at the subsidiary Ibercaja Vida Compañía de Seguros y Reaseguros, S.A.U
(**) Amount recorded under "Other assets" in the consolidated balance sheet.

The reconciliation of opening and closing balances reflecting the present value of post-employment defined benefit plan obligations during 2024 and 2023 is as follows:

	Thousands of euros	
	2024	2023
Initial value of obligations financed	**(156,998)**	**(164,336)**
Cost of services for the current year	(2,322)	(2,470)
Interest expense	(6,608)	(5,137)
Past service cost	-	-
Gains/(losses) on plan settlements and reductions	-	-
Recalculation of values:		
Gains/(losses) on changes in demographic assumptions	-	-
Gains/(losses) on changes in financial assumptions	(7,622)	(8,856)
Gains/(losses) due to experience	889	9,399
Benefits paid	13,364	14,402
Other increases or (-) decreases	-	-
Final present value of obligations	**(159,297)**	**(156,998)**

The reconciliation of opening and closing balances reflecting the present value of post-employment defined benefit plan assets during 2024 and 2023 is as follows:

	Thousands of euros	
	2024	2023
Initial fair value of plan assets	**179,738**	**182,244**
Interest income	6,582	5,044
Gains/(losses) on plan settlements and reductions	-	-
Recalculation of values:		
Yield on plan assets excluding interest (expense)/income	-	-
Gains/(losses) on changes in financial assumptions	(438)	(843)
Gains/(losses) due to experience	3,662	3,468
Change in asset limit, excluding interest expense	(2)	29
Employer contributions	527	3,887
Member contributions	-	-
Benefits paid	(13,050)	(14,091)
Transfers and other	**-**	**-**
Final fair value of plan assets	**177,019**	**179,738**

The breakdown of the main types of plan assets at 31 December 2024 and 2023 is as follows:

	2024	2023
Shares	17,95%	16,10%
Debt instruments	74,58%	75,18%
Constructions	-	-
Demand deposits	7,47%	8,72%
Other assets	-	-
Total	**100,00%**	**100,00%**

The analysis of the expected termination of non-discounted post-employment benefits in the coming 10 years is as follows:

	2024	2025	2026	2027	2028	2029-2033
Probable post-employment benefits	14,193	13,928	13,428	12,890	12,278	53,300

Changes in the main assumptions will give rise to changes in the calculation of the obligations. The sensitivity of post-employment plan obligations to changes in the main assumptions is detailed below:

	Change in bps	Increase in assumptions	Decrease in assumptions
Discount rate	50 bp	(4.37%)	5.01%
Pension increase rate	50 bp	4.97%	(4.40%)
Salary increase rate	50 bp	0.16%	(0.16%)

The sensitivity analysis relates to individual changes in each assumption while the remainder remain constant.

The value of the obligation and the fair value of the assets for the purposes of the post-employment defined benefit plan for the current year and the previous four are as follows:

	2024	2023	2022	2021	2020
Present value of obligations financed	(159,297)	(156,998)	(164,336)	(229,644)	(254,922)
Fair value of plan assets	177,021	179,738	182,272	225,283	225,608
Surplus/(Shortfall)	**17,724**	**22,740**	**17,936**	**(4,361)**	**(29,314)**
Impact of limit on assets	(2)	-	(28)	(473)	(638)
Asset (liability) on balance sheet:	**17,722**	**22,740**	**17,908**	**(4,834)**	**(29,952)**
Insurance contracts related to pensions	57,989	62,135	66,690	78,998	84,845
Net pension assets	22,932	23,496	16,252	5,407	4,328
Net pension assets (Provision)	(63,199)	(62,891)	(65,034)	(89,239)	(119,125)

38.3 Staff costs – long term employee remuneration

The net figures recognised in the balance sheet for long-term remuneration payable to early retirees under defined benefit plans at December 2024 and 2023 are as follows:

	Thousands of euros	
	2024	2023
Present value of obligations financed	(5,616)	(4,376)
Fair value of plan assets	-	-
Net liability on balance sheet:	**(5,616)**	**(4,376)**
Assets linked to pensions	-	-
Net pension assets	-	-
Net pension assets (Provision)	(5,616)	(4,376)

The reconciliation of opening and closing balances reflecting the present value of obligations under defined benefit plans for early retirees during 2024 and 2023 is as follows:

	Thousands of euros	
	2024	2023
Initial value of obligations financed	**(4,376)**	**(3,088)**
Cost of services for the current year	(1,702)	(1,288)
Interest expense	-	-
Past service cost	(498)	(598)
Gains/(losses) on plan settlements and reductions	-	-
Recalculation of values:	-	-
Gains/(losses) on changes in demographic assumptions	-	-
Gains/(losses) on changes in financial assumptions	-	-
Gains/(losses) due to experience	-	-
Benefits paid	960	598
Final present value of obligations	**(5,616)**	**(4,376)**

The analysis of the expected termination of other non-discounted long-term employee remuneration in the coming 10 years is as follows:

	Thousands of euros					
	2025	2026	2027	2028	2029	2030-2034
Probable post-employment benefits	912	912	1,306	1,306	394	786

Changes in the main assumptions will not give rise to changes in the calculation of the obligations.

39. Other administration expenses

This consolidated income statement heading is analysed below for 2024 and 2023:

	Thousands of euros	
	2024	2023
Buildings, installations and office equipment	24,931	28,221
Equipment maintenance, licences, works and computer software	31,721	27,403
Communications	11,012	12,279
Advertising and publicity	5,731	6,112
Charges and taxes	17,831	18,758
Other management and administration expenses	85,495	75,715
	176,721	**168,488**

The item “Charges and taxes” includes the Tax on Deposits in Credit Institutions amounting to €10,662 thousand at 31 December 2024 (€11,613 thousand in 2023).

- Other information

The fees relating to the services provided by the audit company Ernst & Young, S.L. regarding the financial statements of Ibercaja Banco and the Group companies in 2024 and 2023 are as follows:

	Thousands of euros	
	2024	2023
From audit services to the Group	1,025	1,016
From other assurance services	475	522
From other services	77	-
	1,577	**1,538**

The amount indicated in the previous table for audit services includes the total fees for these audit services, regardless of their billing date.

The other assurance services of the audit company relate mainly to other services requested of the auditor.

In 2024 and 2023, no services have been provided by other companies that use the Ernst & Young brand.

40. Impairment or reversal of impairment in non-financial assets

This consolidated income statement heading is analysed below for 2024 and 2023:

	Thousands of euros	
	2024	**2023**
Tangible assets (Note 15)	**3,330**	**13,010**
Property, plant and equipment	361	323
Investment property	2,969	12,687
Intangible assets (Note 16)	**4,551**	**307**
Goodwill	-	-
Other intangible assets	4,551	307
Other assets (Note 17)	**6,037**	**1,378**
	13,918	**14,695**

41. Net gains/(losses) on derecognition of non-financial assets

This consolidated income statement heading is analysed below for 2024 and 2023:

	Thousands of euros	
	2024	**2023**
Gains on disposal of assets not classified as non-current assets held for sale	(780)	(353)
Gains/(losses) on disposal of shareholdings	37	50
	(743)	**(303)**

42. Profit/(loss) on non-current assets and disposal groups classified as held for sale not qualifying as discontinued operations

This consolidated income statement heading is analysed below for 2024 and 2023:

	Thousands of euros	
	2024	**2023**
Impairment losses on other non-current assets for sale (Note 18)	(22,422)	(35,956)
Gains/(losses) on disposal of other non-current assets for sale	6,608	3,896
	(15,814)	**(32,060)**

43. Related parties

The balances recorded on the consolidated balance sheets at 31 December 2024 and 2023 and in the consolidated income statements for 2024 and 2023 are as follows:

	Thousands of euros									
	2024					2023				
	Shareholder	Associates	Jointly cont. entities	Other related parties (*)	Related individuals (**)	Shareholder	Associates	Jointly cont. entities	Other related parties (*)	Related individuals (**)
ASSETS										
Loans and receivables	171,404	488	1,869	-	8,736	72,812	171	-	-	8,277
Counterparties under insurance contracts	-	-	-	-	-	-	-	-	-	-
LIABILITIES										
Deposits	148,541	4,639	771	157,897	13,698	136,800	5,249	717	214,600	14,311
Liabilities under insurance contracts linked to pensions	-	-	-	-	-	-	-	-	-	-
Provisions	-	1	-	-	-	-	2	-	-	-
PROFIT / (LOSS)										
Expenses										
Interest expense	5	25	132	-	42	-	3	125	-	17
Fees, commissions and other expenses	1,210	-	-	-	2	1,125	-	-	-	2
Income										
Interest income	-	19	61	5,947	234	-	10	9	10,317	235
Fees, commissions and other income	299	-	-	-	1	277	-	-	-	1
Dividends	**115,300**	**-**	**-**	**-**	**-**	**188,447**	**-**	**-**	**-**	**-**
OTHER										
Contingent liabilities	-	987	-	-	-	-	1,226	-	-	-
Commitments	-	-	4,101	-	665	-	-	6,007	-	520

(*) Investment funds and companies and pension funds.
(**) Senior management, Board of Directors, relatives to the second degree and their related entities.

The financial operations included have been carried out in accordance with the usual operating processes of the Group's parent entity and at arm's length. Arm's length terms are also applied in other operations with related parties. For these purposes, the preferred valuation method taken into account is the comparable uncontrolled price method.

44. Other disclosure requirements

44.1 Information on the mortgage market

In accordance with Royal Decree 716/2009, of 24 April, whereby certain aspects of Law 2/1981, of 25 March, governing the mortgage market and other rules on the financial mortgage system were developed, and Bank of Spain Circular 3/2010, of 29 June, the Board of Directors approved the "Loan and discount risk management policy and procedure manual" drawn up by the Company to guarantee compliance with legislation governing the mortgage market, including guidance on the following:

- The relationship between the amount of the loan and appraisal value (in accordance with MO ECO/805/2003) of the mortgaged property and the selection of valuation companies authorised by the Bank of Spain.

- The relationship between the debt and the borrower's capacity to generate income, verification of the information provided by the borrower and the borrower's solvency, and the existence of other additional guarantees.

- The balance between the flows deriving from the hedging portfolio and those deriving from the payments due on the instruments issued.

The General Shareholders' Meeting of Ibercaja Banco, S.A. is authorised to issue debentures or other fixed income securities and has empowered the Board of Directors to issue any kind of loans for a maximum amount, including mortgage securities.

Royal Decree-Law 24/2021 of 2 November has transposed Directive (EU) 2019/2162 of the European Parliament and of the Council of 27 November 2019 on the issuance and public supervision of covered bonds. This new regulation sets out that the volume of covered bonds issued by an institution is covered, at all times, by the credit rights linked to the assets that form part of the cover pool (a pool of assets whose purpose is to fully guarantee the institution's obligations to the holders of the covered bonds throughout the life of the bonds). This cover pool must have a minimum overcollateralisation level of 5% of the principal amount of the issues. However, the bank approved a more restrictive limit, setting the minimum voluntary over-collateralisation at 20%.

At 31 December 2024, the degree of over-collateralisation of the cover pool of covered bonds was 28.42% (47.44% if the liquidity buffer established at that date is taken into account). At 31 December 2023, these ratios reached 41.25% and 44.73%, respectively.

At that date 99.71% of transactions in the mortgage portfolio have been formalised through loans (99.66% at 31 December 2023). Of these, instalments are collected on a monthly basis for 98.45% (98.25% at 31 December 2023). The operations formalised at variable interest rates are 82.42% of the total (83.14% at 31 December 2023) and of these, 89.76% are tied to Euribor (88.22% at 31 December 2023).

The nominal value of mortgage covered bonds issued by the Bank is as follows:

	Thousands of euros	
	2024	2023
	Mortgage covered bonds issued	Mortgage covered bonds issued
Mortgage covered bonds (Note 19.3)	**4,500,000**	**3,750,000**
Ibercaja September 2018 II	-	750,000
Ibercaja December 2018	1,000,000	1,000,000
Ibercaja April 2023 I	1,000,000	1,000,000
Ibercaja April 2023 II	1,000,000	1,000,000
Ibercaja February 2024 I	750,000	-
Ibercaja February 2024 II	750,000	-
AYT covered bonds (Note 19.2)	**506,026**	**506,026**
AYT 10 Single Covered Bond (20 years)	341,026	341,026
AYT Cajas Global 2027 Covered Bond Series XIII	165,000	165,000
TDA covered bonds (Note 19.2)	**500,000**	**500,000**
TDA 6 Single Covered Bond	250,000	250,000
TDA 6 Single Covered Bond (Extension)	250,000	250,000

None of the issues has been made through a public offering and all are denominated in euros. At 31 December 2024 and 31 December 2023, the Bank has not issued mortgage bonds and does not have any replacement assets assigned to such bonds.

The requirements for disclosure of information relating to the mortgage market, established in Article 19 of Royal Decree-Law 24/2021, are available on the Bank's corporate website.

44.2 Customer care service

As it does every year, Ibercaja Group's Customer Service Department prepares a report in compliance with the requirement of article 17.1 of Order ECO/734/2004 of 11 March on Customer Service Departments and Services and the Customer Ombudsman of Financial Institutions and the requirement of article 9 of the Regulations for the Defence of Ibercaja Group's Customers. This annual report is presented and submitted for the consideration of the Board of Directors of the Group companies and contains the summary of its activity over the year, a statistical analysis of the complaints, claims and suggestions dealt with and the decisions adopted, together with a summary of the main criteria with which a response has been given to the most significant claims, a series of recommendations and suggestions raised in their study. All of this due to its work within the group, which situates it as one of the units charged with guaranteeing adequate risk control, compliance with laws, regulations, supervisory requirements and the entity's internal policies and procedures, together with a unit favouring the prudent business conduct of Ibercaja Group.

For these purposes, Ibercaja Group comprises the following companies: Ibercaja Banco, S.A.; Ibercaja Gestión S.A.U; Ibercaja Pensión S.A.U; Ibercaja Mediación de Seguros, S.A.U.; Ibercaja Renting, S.A.U., Ibercaja Servicios de Financiación, E.F.C., S.A.U. and Ibercaja Vida, S.A.U.

In accordance with the aforementioned provisions, the Board of Directors of Ibercaja Banco, S.A. will submit for its consideration the two statistical reports of Ibercaja Group's Customer Service Department, comprising the complaints and claims handled, the decisions issued and the general criteria contained in the decisions and recommendations or suggestions, as well as the changes implemented with a view to better achieving the aims that inform its actions, the summary of which is as follows:

a. A summary of this information is included below:

In 2024, the Customer Care Service (CCS) of Ibercaja Group managed a total of 68,106 cases, which can be classified into two groups:

- Claims and grievances regarding mortgage arrangement costs: 50,912

- Other claims, grievances, suggestions and floor clause refunds: 17,194, divided among the different classification families existing in accordance with Bank of Spain Circular 4/2021, of November 2021, and other mortgage loan clauses. Base on the nature of the cases, the classification is as follows: 60,985 claims, 6,164 grievances, 37 suggestions and 920 refund requests related to the interest rate hedging instrument clause (commonly known as the “floor clause”).

- The average resolution time for these procedures is around 13 days, while the maximum period established by the regulation for consumer customers is 30 days.

b. Special out-of-court procedure for resolving claims relating to floor clauses under the terms of Royal Legislative Decree 1 of 20 January 2018

Since February 2017, Ibercaja Group's Customer Care Service has also been responsible for resolving claims regarding interest rate floor clauses within the framework of Royal Decree Law 1 of 20 January 2017, through the Interest Rate Floor Clauses Claims Service (SERS). This service is voluntary for consumers and compulsory for Ibercaja, and consumer customers who do not use this procedure and go to court are not entitled to legal costs if Ibercaja agrees to their claims before the response to the lawsuit. In 2024, 920 claims were received, of which 16 remained open at 31 December. 950 claims were resolved, 74 of them in favour of the claimant. In 2024, as in the previous year, in addition to the operations that still have floor clauses, claims are also being resolved favourably for customers demanding the refund of novated loans in which only the surplus amounts collected for the floor clause are requested, from their activation to the date on which the novation was signed, in line with the Supreme Court case law, which has granted validity to these agreements.

The average time taken to resolve complaints and claims in 2024 is around 24 days for the floor clause resolution procedure, which is within the current regulatory requirement, as the Royal Decree stipulates 90 days as the maximum period for replying.

General criteria contained in the decisions

The decisions have been issued with the utmost regard for good corporate governance and banking practices, transparency and consumer protection, taking into account the views formally expressed by customers and the reports issued by the branches, departments and Group companies concerned. Moreover, all decisions were reached on the basis of the contractual documents signed with the customers.

45. Financial statements of Ibercaja Banco, S.A. for the years ended 31 December 2024 and 2023

Set out below are the balance sheets at 31 December 2024 and 2023, together with the income statements, statements of recognised income and expense, total statements of changes in equity and statements of cash flow of the parent entity for the years ended 31 December 2024 and 2023, all such statements drawn up in accordance with Bank of Spain Circular 4/2017, as discussed in Note 1.2 to the individual financial statements of Ibercaja Banco at 31 December 2024.

IBERCAJA BANCO, S.A.

BALANCE SHEETS AT 31 DECEMBER 2024 AND 2023
(Thousands of euros)

ASSETS	2024	2023
Cash on hand, cash balances at central banks and other demand deposits	**1,945,812**	**1,861,557**
Financial assets held for trading	**12,688**	**13,909**
Derivatives	12,688	13,909
Debt securities	-	-
Memorandum item: loaned or delivered as collateral with the right to sell or pledge	-	-
Non-trading financial assets mandatorily at fair value through profit or loss	**973**	**1,292**
Equity instruments	-	-
Debt securities	-	-
Loans and advances	973	1,292
Customers	*973*	*1,292*
Memorandum item: loaned or delivered as collateral with the right to sell or pledge	-	-
Financial assets designated at fair value through profit or loss	**-**	**-**
Memorandum item: loaned or delivered as collateral with the right to sell or pledge	-	-
Financial assets at fair value through other comprehensive income	**737,419**	**707,316**
Equity instruments	199,761	204,506
Debt securities	537,658	502,810
Memorandum item: loaned or delivered as collateral with the right to sell or pledge	-	-
Financial assets at amortised cost	**39,835,295**	**41,186,619**
Debt securities	9,628,439	10,803,882
Loans and advances	30,206,856	30,382,737
Credit institutions	*249,020*	*787,277*
Customers	*29,957,836*	*29,595,460*
Memorandum item: loaned or delivered as collateral with the right to sell or pledge	-	-
Derivatives – hedge accounting	**164,610**	**154,553**
Fair value changes of the hedged items in a portfolio with interest rate risk hedging	**-**	**-**
Investments in subsidiaries, joint ventures and associates	**705,484**	**724,064**
Subsidiaries	621,239	639,301
Joint ventures	38,226	38,226
Associates	46,019	46,537
Tangible assets	**691,146**	**713,677**
Property, plant and equipment	546,314	558,613
For own use	*546,314*	*558,613*
Assigned under operating lease	-	-
Investment property	144,832	155,064
Of which: assigned under operating lease	*75,453*	*75,039*
Memorandum item: acquired under finance lease	-	-
Intangible assets	**276,479**	**215,430**
Goodwill	-	-
Other intangible assets	276,479	215,430
Tax assets	**1,054,252**	**1,207,998**
Current tax assets	5,324	5,821
Deferred tax assets	1,048,928	1,202,177
Other assets	**164,526**	**143,954**
Insurance contracts linked to pensions	57,984	58,110
Inventories	599	563
Rest of other assets	105,943	85,281
Non-current assets and disposal groups classified as held for sale	**27,246**	**27,619**
TOTAL ASSETS	**45,615,930**	**46,957,988**

IBERCAJA BANCO, S.A.

BALANCE SHEETS AT 31 DECEMBER 2024 AND 2023
(Thousands of euros)

LIABILITIES	2024	2023
Financial liabilities held for trading	**3,427**	**3,043**
Derivatives	3,427	3,043
Financial liabilities at fair value through profit or loss	**-**	**-**
Memorandum item: subordinated liabilities	-	-
Financial liabilities at amortised cost	**41,290,526**	**42,626,045**
Deposits	38,637,243	39,985,259
Central banks	-	-
Credit institutions	*757,945*	*4,401,988*
Customers	*37,879,298*	*35,583,271*
Debt securities issued	1,568,831	1,545,952
Other financial liabilities	1,084,452	1,094,834
Memorandum item: subordinated liabilities	*497,968*	*479,715*
Derivatives – hedge accounting	**350,619**	**537,768**
Fair value changes of the hedged items in a portfolio with interest rate risk hedging	**(35,780)**	**(79,093)**
Provisions	**217,239**	**195,362**
Pensions and other post-employment defined benefit obligations	63,199	62,891
Other long-term employee remuneration	5,616	4,376
Lawsuits and litigation for outstanding taxes	11,664	11,619
Commitments and guarantees given	21,040	20,388
Other provisions	115,720	96,088
Tax liabilities	**123,804**	**117,759**
Current tax liabilities	-	-
Deferred tax liabilities	123,804	117,759
Other liabilities	**154,857**	**186,740**
Liabilities within disposal groups classified as held for sale	**-**	**-**
TOTAL LIABILITIES	**42,104,692**	**43,587,624**

IBERCAJA BANCO, S.A.

BALANCE SHEETS AT 31 DECEMBER 2024 AND 2023
(Thousands of euros)

EQUITY	2024	2023
Shareholders' equity	**3,516,050**	**3,394,848**
Capital	214,428	214,428
Paid-in capital	*214,428*	*214,428*
Called-up capital	-	-
Memorandum item: uncalled capital	-	-
Share premium	-	-
Equity instruments issued other than capital	350,000	350,000
Equity component of compound financial instruments	-	-
Other equity instruments issued	*350,000*	*350,000*
Other equity items	-	-
Retained earnings	895,323	789,921
Revaluation reserves	2,327	2,327
Other reserves	1,894,850	1,918,390
(Treasury shares)	-	-
Profit/(loss) for the year	260,043	288,029
(Interim dividends)	(100,921)	(168,247)
Accumulated other comprehensive income	**(4,812)**	**(24,484)**
Items that will not be reclassified to profit or loss	38,037	29,189
Actuarial gains/(losses) on defined benefit pension plans	*845*	*(10,287)*
Non-current assets and disposal groups classified as held for sale	-	-
Changes in the fair value of equity instruments measured at fair value changes through other comprehensive income	*37,192*	*39,476*
Ineffectiveness of fair value hedges of equity instruments measured at fair value through other comprehensive income	-	-
Changes in the fair value of equity instruments measured at fair value through other comprehensive income (hedged item)	-	-
Changes in the fair value of equity instruments measured at fair value through other comprehensive income (hedging instrument)	-	-
Changes in the fair value of financial liabilities at fair value through profit or loss attributable to changes in credit risk	-	-
Items that may be reclassified to profit or loss	(42,849)	(53,673)
Hedges of net investment in foreign operations (effective portion)	-	-
Foreign currency translation	-	-
Hedging derivatives. Cash flow hedge reserve (effective portion)	*11,954*	*7,469*
Changes in the fair value of debt instruments measured at fair value through other comprehensive income	*(54,803)*	*(61,142)*
Hedging instruments (undesignated items)	-	-
Non-current assets and disposal groups classified as held for sale	-	-
TOTAL EQUITY	**3,511,238**	**3,370,364**
TOTAL EQUITY AND LIABILITIES	**45,615,930**	**46,957,988**
Memorandum item: off-balance sheet exposures		
Loan commitments given	**3,815,251**	**3,598,795**
Financial guarantees granted	**113,897**	**107,269**
Other commitments given	**888,366**	**791,997**

IBERCAJA BANCO, S.A.

INCOME STATEMENTS FOR
THE YEARS ENDED 31 DECEMBER 2024 AND 2023
(Thousands of euros)

	2024	2023
Interest income	**1,251,681**	**1,069,211**
Financial assets at fair value through other comprehensive income	9,331	7,163
Financial assets at amortised cost	1,217,168	1,037,968
Other	25,182	24,080
(Interest costs)	**560,262**	**383,042**
(Expenses on share capital repayable on demand)	**-**	**-**
INTEREST MARGIN	**691,419**	**686,169**
Income from dividends	**152,524**	**194,581**
Fee and commission income	**327,833**	**315,147**
(Fee and commission expenses)	**13,045**	**13,305**
Gains/(losses) on derecognition of financial assets and liabilities not measured at fair value through profit or loss, net	**(4,435)**	**1,718**
Financial assets at amortised cost	(8,769)	(1,349)
Other financial assets and liabilities	4,334	3,067
Gains/(losses) on financial assets and liabilities held for trading, net	**(2,997)**	**(2,084)**
Reclassification of financial assets from fair value through other comprehensive income	-	-
Reclassification of financial assets from amortised cost	-	-
Other gains or (-) losses	(2,997)	(2,084)
Gains/(losses) on non-trading financial assets valued mandatorily at fair value through profit or loss, net	**(239)**	**(99)**
Reclassification of financial assets from fair value through other comprehensive income	-	-
Reclassification of financial assets from amortised cost	-	-
Other gains or (-) losses	(239)	(99)
Gains/(losses) on financial assets and liabilities at fair value through profit or loss, net	-	-
Gains/(losses) from hedge accounting, net	**1,504**	**(1,677)**
Net exchange differences	**(465)**	**(895)**
Other operating income	**51,596**	**47,668**
(Other operating expenses)	**60,208**	**106,717**
GROSS INCOME	**1,143,487**	**1,120,506**
(Administration expenses)	**535,573**	**517,498**
(Staff expenses)	367,240	358,308
(Other administration expenses)	168,333	159,190
(Amortisation and depreciation)	**79,737**	**83,735**
(Provisions or (-) reversal of provisions)	**50,267**	**28,388**
(Impairment or (-) reversal of impairment on financial assets not measured fair value through profit or loss or (-) net gain on change)	**64,400**	**89,019**
(Financial assets at fair value through other comprehensive income)	(58)	(59)
(Financial assets at amortised cost)	64,458	89,078
(Impairment or (-) reversal of impairment on investments in subsidiaries, joint ventures and associates)	**32,365**	**63,449**
(Impairment or (-) reversal of impairment on non-financial assets)	**6,783**	**11,790**
(Tangible assets)	2,362	11,329
(Intangible assets)	4,551	307
(Other)	(130)	154
Net gains/(losses) on derecognition of non-financial assets	**(760)**	**(629)**
Negative goodwill recognised in profit or loss	**-**	**-**
Gains or (-) losses on non-current assets and disposal groups of items classified as held for sale that do not qualify as discontinued operations	**(691)**	**(1,981)**
PROFIT/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	**372,911**	**324,017**
Expense or (-) income from taxes on income from continuing operations	**112,868**	**35,988**
PROFIT/(LOSS) AFTER TAX FROM CONTINUING OPERATIONS	**260,043**	**288,029**
Profit/(loss) after tax from discontinued activities	**-**	**-**
PROFIT/(LOSS) FOR THE YEAR	**260,043**	**288,029**

IBERCAJA BANCO, S.A.

STATEMENTS OF RECOGNISED INCOME AND EXPENSE FOR THE YEARS ENDED 31 DECEMBER 2024 AND 2023
(Thousands of euros)

	2024	2023
PROFIT/(LOSS) FOR THE YEAR	**260,043**	**288,029**
OTHER COMPREHENSIVE INCOME	**18,489**	**28,877**
Items that will not be reclassified to profit or loss	**7,665**	**8,083**
Actuarial gains/(losses) on defined benefit pension plans	15,903	3,676
Non-current assets and disposal groups of items held for sale	-	-
Changes in the fair value of equity instruments measured at fair value through other comprehensive income	(4,921)	7,778
Gains/(losses) resulting from hedge accounting of equity instruments at fair value through other comprehensive income, net	-	-
Changes in the fair value of equity instruments measured at fair value through other comprehensive income (hedged item)	-	-
Changes in the fair value of equity instruments measured at fair value through other comprehensive income (hedging instrument)	-	-
Changes in fair value of financial liabilities at fair value through profit or loss attributable to changes in credit risk		
Income tax relating to items not to be reclassified	(3,317)	(3,371)
Items that may be reclassified to profit or loss	**10,824**	**20,794**
Hedges of net investment in foreign operations (effective portion)	-	-
Valuation gains/(losses) taken to equity	-	-
Transferred to the income statement	-	-
Other reclassifications	-	-
Currency translation	-	-
Valuation gains/(losses) taken to equity	-	-
Transferred to the income statement	-	-
Other reclassifications	-	-
Cash flow hedges (effective portion)	6,407	12,223
Valuation gains/(losses) taken to equity	*6,407*	*12,223*
Transferred to the income statement	-	-
Transferred to initial carrying amount of hedge items		
Other reclassifications	-	-
Hedging instruments (undesignated items)	-	-
Valuation gains/(losses) taken to equity	-	-
Transferred to the income statement	-	-
Other reclassifications		
Debt instruments at fair value through other comprehensive income	9,056	17,483
Valuation gains/(losses) taken to equity	*13,390*	*20,550*
Transferred to the income statement	*(4,334)*	*(3,067)*
Other reclassifications	-	-
Non-current assets and disposal groups of items held for sale	-	-
Valuation gains/(losses) taken to equity	-	-
Transferred to the income statement	-	-
Other reclassifications	-	-
Corporation tax relating to items that may be reclassified to profit or loss	(4,639)	(8,912)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**278,532**	**316,906**

IBERCAJA BANCO, S.A.

STATEMENT OF TOTAL CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2024
(Thousands of euros)

	Thousands of euros											
	Capital	Share premium	Equity instruments issued other than capital	Other equity items	Retained earnings	Revaluation reserves	Other reserves	(Treasury shares)	Profit/(loss) for the year (Note 4)	(Interim dividends)	Accumulated other comprehensive income	Total
I. Closing balance at 31/12/2023	**214,428**	**-**	**350,000**	**-**	**789,921**	**2,327**	**1,918,918**	**-**	**288,029**	**(168,247)**	**(24,484)**	**3,370,370**
Effects of error correction	-	-	-	-	-	-	-	-	-	-	-	-
Effects of changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-	-
II. Adjusted opening balance	**214,428**	**-**	**350,000**	**-**	**789,921**	**2,327**	**1,918,390**	**-**	**288,029**	**(168,247)**	**(24,484)**	**3,370,364**
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**260,043**	**-**	**18,489**	**278,532**
Other changes in equity	**-**	**-**	**-**	**-**	**105,402**	**-**	**(23,540)**	**-**	**(288,029)**	**67,326**	**1,183**	**(137,658)**
Issuance of common shares	-	-	-	-	-	-	-	-	-	-	-	-
Issuance of preference shares	-	-	-	-	-	-	-	-	-	-	-	-
Issuance of other equity instruments	-	-	-	-	-	-	-	-	-	-	-	-
Exercise or maturity of other equity instruments issued	-	-	-	-	-	-	-	-	-	-	-	-
Conversion of debt into equity	-	-	-	-	-	-	-	-	-	-	-	-
Capital reduction	-	-	-	-	-	-	-	-	-	-	-	-
Dividends (or other shareholder remuneration) (Note 4)	-	-	-	-	(14,379)	-	-	-	-	(100,921)	-	(115,300)
Reclassification of financial instruments from equity to liabilities	-	-	-	-	-	-	-	-	-	-	-	-
Reclassification of financial instruments from liabilities to equity	-	-	-	-	-	-	-	-	-	-	-	-
Transfers between equity components	-	-	-	-	119,781	-	(1,182)	-	(288,029)	168,247	1,183	-
Increase/(decrease) in equity due to business combinations	-	-	-	-	-	-	-	-	-	-	-	-
Share-based payments	-	-	-	-	-	-	-	-	-	-	-	-
Other increases/(decreases) in equity	-	-	-	-	-	-	(22,358)	-	-	-	-	(22,358)
III. Closing balance at 31/12/2024	**214,428**	**-**	**350,000**	**-**	**895,323**	**2,327**	**1,894,850**	**-**	**260,043**	**(100,921)**	**(4,812)**	**3,511,238**

IBERCAJA BANCO, S.A.

STATEMENT OF TOTAL CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2023
(Thousands of euros)

	Thousands of euros											
	Capital	Share premium	Equity instruments issued other than capital	Other equity items	Retained earnings	Revaluation reserves	Other reserves	(Treasury shares)	Profit/(loss) for the year (Note 4)	(Interim dividends)	Accumulated other comprehensive income	Total
I. Closing balance at 31/12/2022	**214,428**	**-**	**350,000**	**-**	**592,815**	**2,327**	**1,957,105**	**-**	**282,084**	**(101,072)**	**(62,185)**	**3,235,502**
Effects of error correction	-	-	-	-	-	-	-	-	-	-	-	-
Effects of changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-	-
II. Adjusted opening balance	**214,428**	**-**	**350,000**	**-**	**592,815**	**2,327**	**1,957,105**	**-**	**282,084**	**(101,072)**	**(62,185)**	**3,235,502**
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**288,029**	**-**	**28,877**	**316,906**
Other changes in equity	**-**	**-**	**-**	**-**	**197,106**	**-**	**(38,715)**	**-**	**(282,084)**	**(67,175)**	**8,824**	**(182,044)**
Issuance of common shares	-	-	-	-	-	-	-	-	-	-	-	-
Issuance of preference shares	-	-	-	-	-	-	-	-	-	-	-	-
Issuance of other equity instruments (Note 20)	-	-	350,000	-	-	-	-	-	-	-	-	350,000
Exercise or maturity of other equity instruments issued	-	-	(350,000)	-	-	-	-	-	-	-	-	(350,000)
Conversion of debt into equity	-	-	-	-	-	-	-	-	-	-	-	-
Capital reduction	-	-	-	-	-	-	-	-	-	-	-	-
Dividends (or other shareholder remuneration) (Note 4)	-	-	-	-	(20,200)	-	-	-	-	(168,247)	-	(188,447)
Reclassification of financial instruments from equity to liabilities	-	-	-	-	-	-	-	-	-	-	-	-
Reclassification of financial instruments from liabilities to equity	-	-	-	-	-	-	-	-	-	-	-	-
Transfers between equity components	-	-	-	-	181,012	-	(8,824)	-	(282,084)	101,072	8,824	-
Increase/(decrease) in equity due to business combinations	-	-	-	-	36,294	-	(1,836)	-	-	-	-	34,458
Share-based payments	-	-	-	-	-	-	-	-	-	-	-	-
Other increases/(decreases) in equity	-	-	-	-	-	-	(28,055)	-	-	-	-	(28,055)
III. Closing balance at 31/12/2023	**214,428**	**-**	**350,000**	**-**	**789,921**	**2,327**	**1,918,390**	**-**	**288,029**	**(168,247)**	**(24,484)**	**3,370,364**

IBERCAJA BANCO, S.A.
STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED 31 DECEMBER 2024 AND 2023
(Thousands of euros)

	2024	2023
A) CASH FLOWS FROM OPERATING ACTIVITIES	**351,670**	**765,475**
Profit/(loss) for the year	**260,043**	**288,029**
Adjustments to obtain cash flows from operating activities	**279,906**	**468,416**
Amortisation and depreciation	79,737	83,735
Other adjustments	200,169	384,681
Net increase/decrease in operating assets	**1,339,329**	**1,365,815**
Financial assets held for trading	1,221	2,071
Non-trading financial assets mandatorily at fair value through profit or loss	319	-
Financial assets designated at fair value through profit or loss	-	-
Financial assets at fair value through other comprehensive income	(46,109)	112,025
Financial assets at amortised cost	1,399,371	1,203,196
Other operating assets	(15,473)	48,523
Net increase/(decrease) in operating liabilities	**(1,462,435)**	**(1,423,978)**
Financial liabilities held for trading	384	(4,800)
Financial liabilities at fair value through profit or loss	-	-
Financial liabilities at amortised cost	(1,332,447)	(1,349,409)
Other operating liabilities	(130,372)	(69,769)
Corporation tax credit/(payments)	**(65,173)**	**67,193**
B) CASH FLOWS FROM INVESTING ACTIVITIES	**(120,177)**	**(87,408)**
Payments	**(132,335)**	**(101,372)**
Tangible assets	(27,417)	(20,070)
Intangible assets	(91,168)	(79,855)
Investments in subsidiaries, joint ventures and associates	(13,350)	(1,447)
Other business units	-	-
Non-current assets and liabilities classified as held for sale	(400)	-
Other payments related to investing activities	-	-
Receipts	**12,158**	**13,964**
Tangible assets	11,729	13,008
Intangible assets	-	-
Investments in subsidiaries, joint ventures and associates	37	-
Other business units	-	-
Non-current assets and liabilities classified as held for sale	392	956
Other receipts related to investing activities	-	-
C) CASH FLOWS FROM FINANCING ACTIVITIES	**(147,238)**	**(228,413)**
Payments	**(647,238)**	**(1,074,650)**
Dividends	(115,300)	(188,447)
Subordinated liabilities	-	-
Redemption of own equity instruments	-	(350,000)
Acquisition of own equity instruments	-	-
Other payments related to financing activities	(531,938)	(536,203)
Receipts	**500,000**	**846,237**
Subordinated liabilities	-	-
Issuance of own equity instruments	-	346,237
Disposal of own equity instruments	-	-
Other receipts related to financing activities	500,000	500,000
D) EFFECT OF EXCHANGE RATE FLUCTUATIONS	**-**	**-**
E) NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS (A+B+C+D)	**84,255**	**449,654**
F) CASH AND CASH EQUIVALENTS AT START OF PERIOD	**1,861,557**	**1,411,903**
G) CASH AND CASH EQUIVALENTS AT END OF PERIOD	**1,945,812**	**1,861,557**
MEMORANDUM ITEMS		
COMPONENTS OF CASH AND CASH EQUIVALENTS AT END OF PERIOD		
Cash	263,805	248,057
Cash equivalents at central banks	1,615,250	1,545,050
Other financial assets	66,757	68,450
Minus: bank overdrafts repayable on demand	-	-

APPENDIX I

INFORMATION ON INVESTMENTS IN SUBSIDIARIES, ASSOCIATES AND JOINTLY CONTROLLED ENTITIES

Group companies:

Company	Address	Country of residence	Shareholding (%)			
			2024		2023	
			Direct	Indirect	Direct	Indirect
Badajoz Siglo XXI, S.A.U.	Pº Fluvial, 15, Badajoz	Spain	100.00%	-	100.00%	-
Cerro Goya, S.L.U.	Pº Constitución, 4, 5ª planta, Zaragoza	Spain	100.00%	-	100.00%	-
Cerro Murillo, S.A.U (in liquidation)	Pº Constitución, 4, 5ª planta, Zaragoza	Spain	100.00%	-	100.00%	-
Ibercaja Gestión de Inmuebles, S.L.U.	Pº Constitución, 10, entlo. izda., Zaragoza	Spain	100.00%	-	100.00%	-
Ibercaja Gestión, S.G.I.I.C., S.A.U	Pº Constitución, 4, 3ª planta, Zaragoza	Spain	100.00%	-	100.00%	-
Ibercaja Servicios de Financiación, E.F.C, S.A.U.	Pº Constitución, 4, 1ª planta, Zaragoza	Spain	100.00%	-	100.00%	-
Ibercaja Mediación de Seguros, S.A.U.	Pº Constitución, 4, 1ª planta, Zaragoza	Spain	100.00%	-	100.00%	-
Ibercaja Pensión, E.G.F.P., S.A.U.	Pº Constitución, 4, 8ª planta, Zaragoza	Spain	100.00%	-	100.00%	-
Ibercaja Vida, S.A.U.	Pº Constitución, 4, 8ª planta, Zaragoza	Spain	100.00%	-	100.00%	-
Ibercaja Technology Services, S.A.U. (*)	Pza. Basilio Paraíso, 2, Zaragoza	Spain	100.00%	-	-	-
Inmobinsa Inversiones Inmobiliarias, S.A.U	Pº Constitución, 4, 5ª planta, Zaragoza	Spain	100.00%	-	100.00%	-
Residencial Murillo, S.A.U.	Pº Constitución, 4, 5ª planta, Zaragoza	Spain	100.00%	-	100.00%	-
Ibercaja Connect, S.L.U.	C/ Bari, 49, Zaragoza	Spain	100.00%	-	100.00%	-
Ibercaja Renting, S.A.U.	Pº Constitución, 4, 1ª planta, Zaragoza	Spain	100.00%	-	100.00%	-
Pensumo, Pensión por Consumo, S.L.U.	Pº Constitución, 4, 5ª planta, Zaragoza	Spain	100.00%	-	87.10%	-

(*) Company incorporated in the financial year.

Joint ventures:

Company	Address	Country of residence	Shareholding (%)			
			2024		2023	
			Direct	Indirect	Direct	Indirect
Aramón Montañas de Aragón, S.A.	Pza. Aragón,1, Zaragoza	Spain	50%	-	50%	-

Associates:

Company	Address	Country of residence	Shareholding (%)			
			2024		2023	
			Direct	Indirect	Direct	Indirect
Centro de Transportes Aduana de Burgos, S.A.	Ctra. Madrid-Irún (Villafría), (KM 245), Burgos	Spain	25.45%	-	25.45%	-
Cerro de Mahí, S.L.	Pza. Roma, F-1, 1ª planta, of. 5, Zaragoza	Spain	-	33.33%	-	33.33%
Concessia Cartera y Gestión de Infraest., S.A.	C/ Severo Ochoa, 3, of 4B, Las Rozas Madrid	Spain	30.15%	-	30.15%	-
Districlima Zaragoza, S.L.	Avda. Ranillas, 107, Zaragoza	Spain	35.00%	-	35.00%	-
Henneo	Pº Independencia, 29, Zaragoza	Spain	39.94%	-	39.94%	-
Northwind Finco, S.L. (*)	C/ Vía de los Poblados, 3, Ed.1, Parque Empresarial Cristalia, Madrid	Spain	-	-	-	20.00%
Proyectos y Realizaciones Aragonesas de Montaña, Escalada y Senderismo, S.A.	Camino Molinos, 32, Zaragoza	Spain	31.29%	-	31.29%	-
Rioja Nueva Economía, S.A.	Gran Vía Rey Juan Carlos I, 9, Logroño	Spain	43.20%	-	43.20%	-
Sociedad Gestora del Conjunto Paleontológico de Teruel, S.A.	Pol. Ind. Los Llanos, s/n, Teruel	Spain	23.42%	-	23.42%	-
Sociedad para la Promoción y Desarrollo Empresarial de Teruel, S.A.	C/ Los Enebros, 74, Teruel	Spain	22.17%	-	22.17%	-
Viacajas, S.L.	C/ Alcalá, 27, Madrid	Spain	23.90%	-	23.90%	-

(*) Company liquidated in the financial year

APPENDIX II

FINANCIAL INFORMATION ON INVESTMENTS IN SUBSIDIARIES, ASSOCIATES AND JOINTLY CONTROLLED ENTITIES

Group companies:

Company	Date of fin. statements	Contribution to consolidated earnings		Contribution to consolidated reserves		Non-controlling interests	
		2024	2023	2024	2023	2024	2023
Badajoz Siglo XXI, S.A.U.	Dec-24	(463)	(775)	(21,454)	(20,703)	-	-
Cerro Goya, S.L.U.	Dec-24	(2,992)	(1,720)	(4,431)	(4,346)	-	-
Cerro Murillo, S.A.U. (in liquidation)	Dec-24	(42,577)	(52,903)	103,514	39,209	-	-
Ibercaja Technology Services, S.A.U. (*)	Dec-24	157	-	(3)	-	-	-
Ibercaja Banco, S.A.	Dec-24	195,950	221,661	2,467,404	2,525,547	-	-
Ibercaja Gestión, S.A.U.	Dec-24	57,391	48,159	13,395	10,287	-	-
Ibercaja Gestión de Inmuebles, S.L.U.	Dec-24	61	78	531	453	-	-
Ibercaja Servicios de Financiación, E.F.C, S.A.U.	Dec-24	250	(3,024)	9,696	12,658	-	-
Ibercaja Mediación de Seguros, S.A.U.	Dec-24	52,308	30,862	2,197	2,207	-	-
Ibercaja Pensión, S.A.U.	Dec-24	12,983	10,759	9,376	9,373	-	-
Ibercaja Renting, S.A.U.	Dec-24	(653)	(220)	858	(2)	-	-
Ibercaja Vida, S.A.U.	Dec-24	77,720	74,395	67,972	43,694	-	-
Inmobinsa Inversiones Inmobiliarias, S.A.U.	Dec-24	1,802	1,537	37,792	38,794	-	-
Pensumo, Pensión por Consumo, S.L.U.	Dec-24	(642)	(135)	(155)	-	-	202
Residencial Murillo, S.A.U.	Dec-24	(11,644)	(18,467)	53,782	(18,466)	-	-
Ibercaja Connect, S.L.U	Dec-24	17	(138)	237	375	-	-

(*) Company incorporated in the financial year.

Company	Date of financial statements	Financial information					
		2024			2023		
		Capital	Reserves and val. adj.	Profit/(loss).	Capital	Reserves and val. adj.	Profit/(loss)
Badajoz Siglo XXI, S.A.U.	Dec-24	40,950	(7,812)	(493)	40,950	(7,029)	(760)
Cerro Goya, S.L.U.	Dec-24	13,360	(12)	(3,001)	4,982	(8)	(1,627)
Cerro Murillo, S.A.U. (in liquidation)	Dec-24	29,265	-	(20,700)	146,566	(79,879)	(37,422)
Ibercaja Technology Services, S.A.U. (*)	Dec-24	1,500	(3)	157	-	-	-
Ibercaja Banco, S.A.	Dec-24	214,428	2,686,686	260,043	214,428	2,517,907	288,028
Ibercaja Gestión, S.A.U.	Dec-24	2,705	(23,440)	57,391	2,705	(30,640)	48,131
Ibercaja Gestión de Inmuebles, S.L.U	Dec-24	120	534	58	120	456	78
Ibercaja Servicios de Financiación, E.F.C, S.A.U.	Dec-24	5,006	9,448	445	5,006	9,655	-
Ibercaja Mediación de Seguros, S.A.U.	Dec-24	60	(19,374)	52,311	60	(25,574)	30,869
Ibercaja Pensión, S.A.U.	Dec-24	11,010	844	12,974	11,010	(566)	10,742
Ibercaja Renting, S.A.U.	Dec-24	482	570	(409)	500	(2)	(182)
Ibercaja Vida, S.A.U.	Dec-24	135,065	61,804	82,058	135,065	55,359	66,951
Inmobinsa Inversiones Inmobiliarias, S.A.U.	Dec-24	40,051	33,565	1,686	40,051	32,321	1,382
Pensumo, Pensión por Consumo, S.L.U	Dec-24	222	1,845	(642)	172	1,550	(155)
Residencial Murillo, S.A.U.	Dec-24	78,759	-	(12,156)	182,817	(78,457)	(25,602)
Ibercaja Connect, S.L.U.	Dec-24	480	237	18	480	191	46

(*) Company incorporated in the financial year.

Joint ventures:

Company	Contribution to consolidated earnings		Contribution to consolidated reserves		Value of shareholding	
	2024	2023	2024	2023	2024	2023
Aramón Montañas de Aragón, S.A.	577	2,718	(22,980)	(26,091)	32,527	31,557

The most significant information relating to joint ventures is shown below:

	Thousands of euros	
	Financial information	
	2024	2023
Company	Aramon, Montañas de Aragón, S.A. (*)	Aramon, Montañas de Aragón, S.A. (*)
Current assets	5,671	10,802
Non-current assets	114,549	111,701
Cash and cash equivalents	2,580	7,482
Current liabilities	20,845	18,019
Non-current liabilities	25,193	31,376
Current financial liabilities	14,882	10,853
Non-current financial liabilities	23,019	29,145
Ordinary income	48,549	61,293
Dividends paid	-	-
Total recognised income and expense	*304*	5,175
Profit/(loss) from ordinary activities	*304*	*5,175*
Profit/(loss) after tax from discontinued operations	-	-
Other recognised income and expense	-	-
Depreciation	387	1,615
Amortisation and depreciation	9,035	10,291
Interest income	-	-
Interest expense	(981)	(1,247)
Income tax expense/(income)	1,464	(669)

(*) Financial information at 30 September of the year under way.

Associates:

The most significant information relating to associates is shown below:

Company	Contribution to consolidated earnings		Contribution to consolidated reserves		Value of shareholding	
	2024	2023	2024	2023	2024	2023
Concessia Cartera y Gestión de Infraestructuras, S.A. (*)	(2,298)	(761)	(1,631)	(870)	1,278	3,576
Henneo (formerly Grupo Heraldo) (*)	2,649	1,269	(748)	(1,989)	33,320	30,699
Rioja Nueva Economía (*)	889	(2,694)	(827)	1,995	4,298	3,536
Northwind Finco, S.L (*) (**)	(4,110)	(5,145)	-	(8,017)	-	4,060
Cerro de Mahi, S.L (*)	(1,000)	(1,415)	(5,842)	(4,427)	1,710	2,711
Sociedad para la Promoción y Desarrollo Empresarial de Teruel, S.A. (*)	232	255	2,115	1,860	3,772	3,540
Other companies	225	100	229	180	2,495	544

(*) The financial information corresponding to these companies is based on the most recent data available (actual or estimated) at the time of preparation of the notes to these financial statements.
(**) Company liquidated in the financial year.

	Thousands of euros										
	Financial information										
	2024					2023					
Company	Concessia Cartera y Gestión de Infra., S.A. (*)	Henneo (formerly Grupo Heraldo) (*)	Rioja Nueva Economía, S.A. (*)	Sociedad para la Promoción y Desarrollo Empresarial de Teruel, S.A. (*)	Cerro de Mahi, S.L (*)	Concessia Cartera y Gestión de Infra., S.A. (*)	Henneo (formerly Grupo Heraldo) (*)	Rioja Nueva Economía, S.A. (*)	Sociedad para la Promoción y Desarrollo Empresarial de Teruel, S.A. (*)	Northwind Finco, S.L (*) (**)	Cerro de Mahi, S.L (*)
Current assets	1,424	109,866	14,518	10,946	47	9,110	93,439	16,120	13,326	8,171	43
Non-current assets	2,879	46,348	19,484	8,347	24,010	2,858	48,915	22,253	5,922	86,474	24,010
Current liabilities	65	65,009	14,230	13	22	38	62,767	17,834	193	51,026	14
Non-current liabilities	-	19,160	-	513	550	68	17,802	1,600	674	-	447
Ordinary income	-	200,114	123,288	421	2	-	172,092	62,649	470	-	2
Dividends paid	-	-	-	-	-	-	-	-	-	-	-
Total recognised income and expense	(257)	9,240	1,155	864	(107)	(2,526)	4,628	(812)	1,012	(3,906)	(60)
Profit/(loss) from ordinary activities	*(257)*	*9,240*	*1,155*	*864*	*(107)*	*(2,526)*	*4,628*	*(812)*	*1,012*	*(3,906)*	*(60)*
Profit/(loss) after tax from discontinued operations	-	-		-	-	-	-	-	-	-	-
Other recognised income and expense	-	-		-	-	-	-	-	-	-	-

(*) The financial information corresponding to these companies is based on the most recent data available (actual or estimated) at the time of preparation of the notes to these financial statements.
(**) Company liquidated in the financial year.

APPENDIX III

INFORMATION ON HOLDINGS IN COMPANIES AND INVESTMENT AND PENSION FUNDS MANAGED BY THE GROUP ITSELF

	Shareholding (%)			
	2024		2023	
	Not related to Unit Linked schemes	Related to Unit Linked schemes	Not related to Unit Linked schemes	Related to Unit Linked schemes
IBERCAJA AHORRO RENTA FIJA FI	-	13.90%	-	27.52%
IBERCAJA ALL STAR FI	-	-	-	9.13%
IBERCAJA BLACKROCK CHINA FI	-	3.29%	-	2.17%
IBERCAJA BOLSA ESPAÑA FI	-	10.25%	-	10.73%
IBERCAJA BOLSA EUROPA FI	-	3.90%	-	3.57%
IBERCAJA BOLSA INTERNACIONAL FI	-	16.49%	-	17.63%
IBERCAJA BOLSA USA FI	-	2.99%	-	6.54%
IBERCAJA CAPITAL GARANTIZADO FI	-	1.26%	-	1.44%
IBERCAJA COLECTIVOS FONDO DE PENSIONES	-	0.37%	-	0.45%
IBERCAJA CORTO PLAZO EMPRESAS 2 FI	-	-	0.66%	-
IBERCAJA DEUDA ALTO RENDIMIENTO FI	-	-	0.02%	-
IBERCAJA DEUDA CORPORATIVA 2025 FI	-	11.01%	-	12.21%
IBERCAJA DEUDA PUBLICA LP FI	0.81%	-	-	-
IBERCAJA DIVIDENDO GLOBAL FI	-	2.25%	0.51%	0.62%
IBERCAJA ESPAÑA - ITALIA ABRIL 2024 FI	-	-	0.05%	-
IBERCAJA DYNAMIC STRATEGY IF	-	-	-	4.71%
IBERCAJA FINANCIERO FI	-	0.39%	-	0.34%
IBERCAJA GLOBAL BRANDS FI	-	16.58%	0.20%	15.85%
IBERCAJA HIGH YIELD FI	-	0.16%	-	0.23%
IBERCAJA HORIZONTE FI	-	29.76%	-	43.40%
IBERCAJA INFRAESTRUCTURAS FI	-	6.76%	-	-
IBERCAJA JAPON FI	-	0.64%	-	0.61%
IBERCAJA MEGATRENDS FI	-	10.79%	-	9.96%
IBERCAJA OBJETIVO 2024 FI	-	-	6.29%	-
IBERCAJA OPORTUNIDAD RENTA FIJA FI	-	33.15%	-	53.72%
IBERCAJA PERFILADO 30 ASG FI	-	-	77.95%	-
IBERCAJA PLUS FI	-	-	-	0.53%
IBERCAJA RENTA FIJA 2026 FI	-	2.81%	-	0.49%
IBERCAJA RENTA FIJA 2027 FI	-	4.36%	-	2.94%
IBERCAJA RENTA FIJA EMPRESAS FI	-	-	3.00%	-
IBERCAJA RF HORIZONTE 2024 FI	-	-	1.26%	-
IBERCAJA RF HORIZONTE 2029 FI	-	10.68%	-	-
IBERCAJA RF HORIZONTE 2030 FI	0.01%	-	-	-
IBERCAJA RF PRIVADA 2025 FI	0.01%	-	-	-
IBERCAJA SANIDAD FI	-	13.52%	-	9.12%
IBERCAJA SELECCION RENTA FIJA FI	-	1.71%	-	1.51%
IBERCAJA SMALL CAPS FI	-	12.19%	-	17.34%
IBERCAJA SUSTAINABLE AND SOLIDARITY IF	-	0.03%	-	0.02%
IBERCAJA TECNOLOGICO FI	-	11.01%	-	12.01%

APPENDIX IV

ANNUAL BANKING REPORT

On 27 June 2014, the Official State Gazette published Act 10/2014 on the organisation, supervision and solvency of credit institutions, which transposed Article 89 of Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC (CRD IV) and repealing Directives 2006/48/EC and 2006/49/EC.

In compliance with Article 87 and Transitional Provision 12 of Act 10/2014, credit institutions are required to publish, as an appendix to their audited financial statements and for each country in which they operate, the following information on a consolidated basis for the last completed financial year:

a) Name, nature and geographical location of the activity
b) Business volume
c) Number of equivalent full-time employees
d) Gross profit/(loss) before tax
e) Corporate income tax
f) Grants and public aid received

Accordingly, all this information is set out below.

a) Name, nature and geographical location of the activity

Ibercaja Banco is a credit institution. Its registered office is located at Plaza de Basilio Paraíso 2 and it is filed at the Companies Registry of Zaragoza at volume 3865, book 0, sheet 1, page Z-52186, entry 1. It is also entered on the Bank of Spain Special Register under number 2085. Its corporate website (electronic headquarters) is www.ibercaja.com, where its Articles of Association and other public information can be viewed.

Ibercaja Banco, S.A. engages in the banking business and is subject to the standards and regulations governing banking institutions operating in Spain.

In addition to the operations carried out directly, the Bank is the parent of a group of dependent entities that engage in various activities and that, together with it, make up the Ibercaja Banco Group. The Bank is therefore required to draw up the Group's consolidated annul accounts, as well as its own individual annual accounts.

The consolidated Group carries out all its activity in Spain.

b) Business volume

Information on consolidated business volume is as follows, by country. Business volume for these purposes means gross income, as shown on the Group's consolidated income statement at the end of 2024.

	Thousands of euros
	31/12/2024
Spain	1,303,801
	1,303,801

c) Number of equivalent full-time employees.

Equivalent full-time employees by country were as follows at year-end 2024:

	No. of employees
	31/12/2024
Spain	5,125
	5,125

d) Gross profit/(loss) before tax.

	Thousands of euros
	31/12/2024
Spain	508,428
	508,428

e) Corporate income tax.

	Thousands of euros
	31/12/2024
Spain	171,596
	171,596

f) Grants and public aid received.

No significant grants or public aid of any kind were received by Ibercaja Banco, S.A. or any Group company in 2024.

Other information

The return on the Group's assets during the year, calculated as net profit divided by the total balance sheet, was 0.63%.

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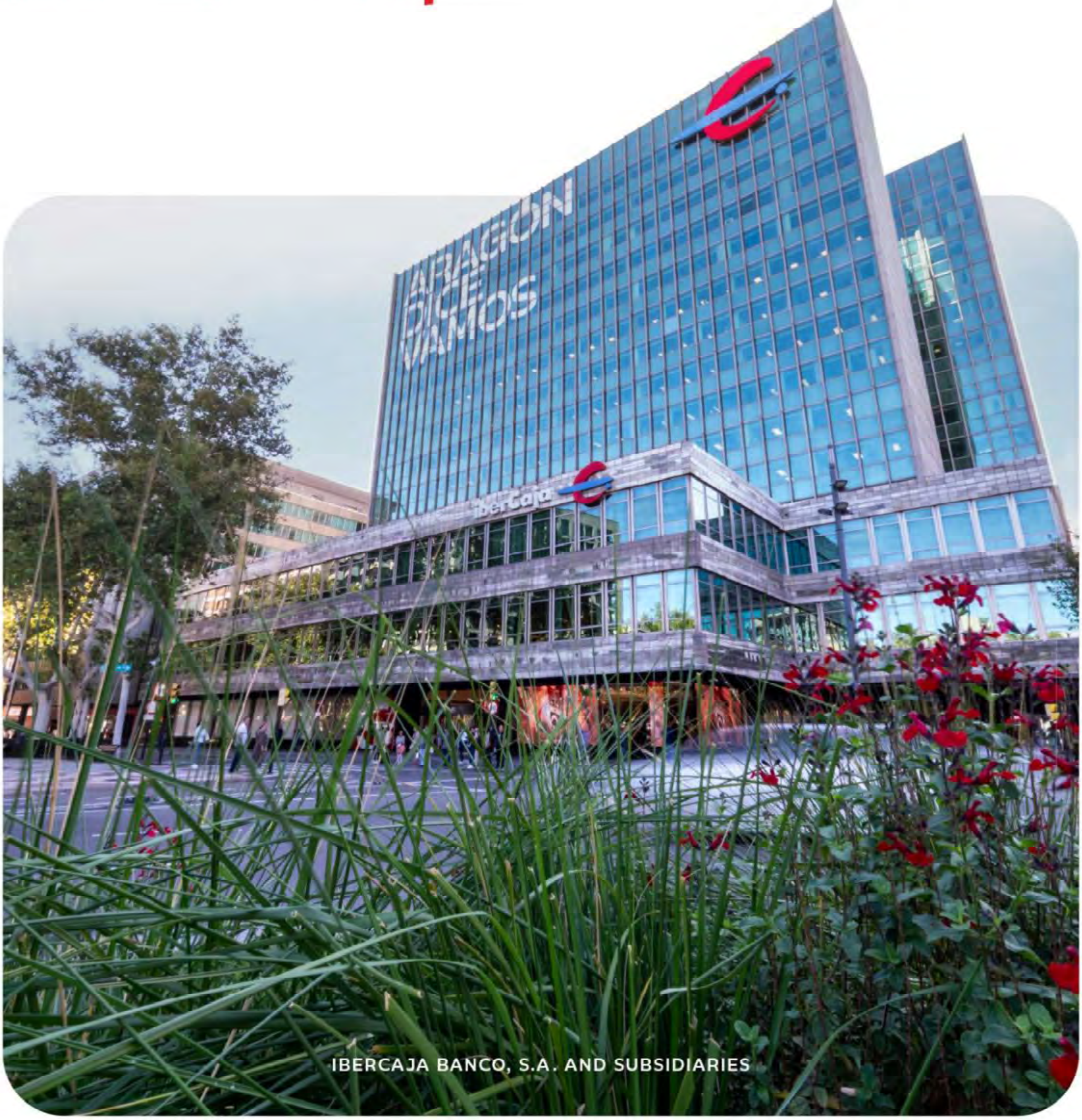
2024
consolidated directors' report



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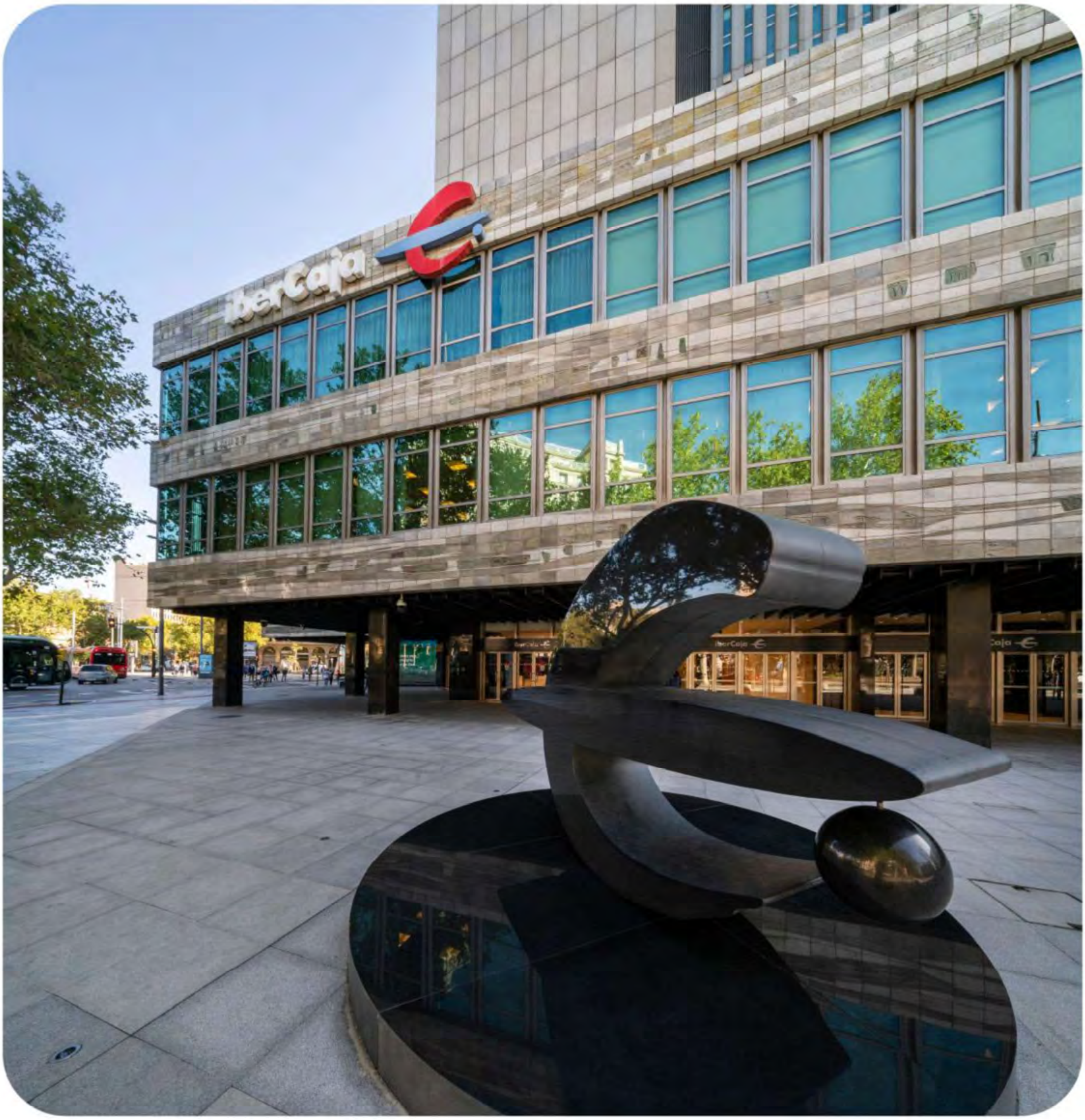

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1. Letter from the Chair and CEO

2-6, 2-22, 3-3

In 2024, the conflicts that marked the **geopolitical situation** in the previous year have become chronic. These have been added to by another factor of uncertainty arising from the **election result in the United States** and the implementation of economic policy measures announced by the Trump administration, confirming that the main unknown affecting the development of the global economy in 2025 will once again be geopolitics.

Despite this, the global economy has shown a certain dynamism, which has not been homogeneous across regions. The **United States** has experienced greater growth, with GDP above 2.5%, showing strong **resilience**, especially in the employment and real estate markets, which is expected to continue throughout 2025. Furthermore, the US economy has several factors that will work in its favour in the coming quarters, such as the application of expansionary fiscal measures, both in terms of spending and tax reductions, and the moderate impact of the interest rate cuts already implemented.

On the other hand, the **Chinese economy** has seen another year of **relative weakness** as it absorbs the consequences of the bursting of its real estate bubble and a loss of demographic momentum. Its economic growth has slowed to less than half the rate maintained over the past three decades. In particular, it shows a considerable **sluggishness in domestic demand**, both in household consumption and productive investment, despite the injection of public spending being carried out by its public administration.

In the **eurozone**, the two biggest economies, France and Germany, are experiencing a **low growth cycle** and, in Germany's case, even a **technical recession**, which explains the limited progress made by all the countries in the Union taken as whole. The turbulent political situation in France has driven up the country's risk premium in the public debt market, approaching around 80 basis points, exceeding the Spanish risk premium as of the last quarter of 2024.

The **easing of price tensions** that began in the second half of 2023 was confirmed in 2024, with the downward trend in both headline and underlying rates establishing itself as the year's predominant characteristic. Thus, there has been convergence towards the target levels set by the Central Banks.

In this situation, the **European Central Bank** has begun to relax its monetary policy, gradually reducing interest rates with the aim of stimulating economic activity and, at the same time, adjusting it to the new inflation parameters. An asymmetry in the measures applied in this area has also become evident, with the Federal Reserve, for its part, halting the rate cut process at the beginning of 2025.

In this context, **Spain has stood out for its economic strength**, consolidating itself as the main driving force of the European Union in terms of GDP growth and job creation. The absence of significant endogenous imbalances in the system (in the indebtedness of economic agents, the prices of real estate assets, the valuations of financial assets, the capitalisation of companies, etc.) provides a solid foundation to underpin the country's current growth cycle.

The positive differential performance of the Spanish economy compared to the rest of the eurozone is supported by three important factors of a more cyclical nature: **public consumption**, the **tourism boom** and **strong exports**.

In the first place, public administrations have managed to mobilise more spending without unbalancing their accounts thanks to two levers: **greater revenue,** obtained through the main taxes, such as personal income tax, corporate income tax and VAT, on not deflating their brackets; and funds from the different **Next Generation** lines promoted by the European Union.

The second factor has been the boom in tourism, particularly from other countries, 2024 being not only a **record year for the number of travellers**, with more than 94 million visitors, but also in average unit spending, thus boosting consumption in commerce, hospitality, accommodation, leisure services, entertainment, etc.

The third situational factor has been the continued vigour of the **exporting sector**, which has been remarkably successful in adapting to the turbulent international situation, considering that two-thirds of the country's exports are to European market, which have shown a notable sluggishness.

Thus, although the perception of risk associated with geopolitical instability has increased in 2024, all these situational elements have allowed **the Spanish risk premium to stay at historically low levels**, anchored below 70 basis points.

In the **banking sector**, 2024 has been a **very positive year,** staying in line with what was recorded in 2023, thanks to the favourable economic environment of growth above 2% in which the retail activity has been undertaken, with boosted dynamism in both savings and financing business volumes. The context of growth has also led to greater job creation, which **has revitalised home purchases, facilitated savings capacity and reduced the default rate**, which has been at its lowest level in 15 years, both for households and businesses. The strength of financial institutions' balance sheets has strengthened the sector's ability to continue in smoothly financing the real economy.

On the other hand, this year **typical banking business margins** have started to be affected by **the downward path of interest rates compared to 2023**. They have gone from levels of around 4% in 2023 to around 2.5% at year-end 2024. However, the effect of this downward trend is being felt gradually due to the progressive nature of the **repricing of credit portfolios**. In fact, much of the mortgage financing in recent years has been arranged at a fixed rate, protecting these transactions from falling interest rates. In addition, financial institutions have supplemented their income with revenues associated with asset management, such as investment funds and pension plans, and with bancassurance. This is added to by the strong performance of the loan portfolio, which has led to a reduction in credit risk provisions and foreclosed assets during the year and a contained cost of risk. All of this has resulted in 2024 being a **record year for net profits generated by the Spanish banking sector** and has helped in achieving a recurring profitability, based almost entirely on the retail business, which covers the cost of capital.

At Ibercaja, 2024 saw the launch of the new **2024-2026 "Now Ibercaja" Strategic Plan**, approved by the Board of Directors in April and subsequently presented to the public via the media and to the entire workforce in a comprehensive roadshow that toured across Spain and was attended by all Ibercaja Group employees.

This Strategic Plan presents two main lines of work: **customer and resilience**. The line focused on the **customer** further develops lines of business that have been a priority in recent years, such as corporate banking and personal and private banking, and also establishes new commercial priorities in areas that have so far received less support from the Bank, such as the youth group, the self-employed and SME segment, and consumer finance and payment methods. In this context, the Bank has restructured its operational and management structure with a new organisational chart that was approved by the Board of Directors on 10 January 2024.

In the strategic line of **resilience**, the Bank will continue to strengthen its solvency in line with what it has achieved in recent years, preserving asset quality throughout the entire financing management cycle (admission, monitoring, and, where appropriate, recovery) and will also maintain ample liquidity levels.

Furthermore, it will strengthen its technological, cybersecurity and transformation capabilities while progressing in the integration of sustainability factors. A total annual investment of over €125 million has been budgeted for this purpose, primarily aimed at driving transformation.

The Bank has strengthened the **financial firmness of its balance sheet**, closing the year with a fully-loaded CET1 capital ratio of 13.3%, preserving a comfortable liquidity position with an LCR of 231%, and placing the NPL ratio at its lowest level in the last fifteen years (1.6%), which puts the non-performing loans ratio at 2.4%, with coverage of 81.2%.

Ibercaja has achieved an outstanding improvement in recurring profitability in 2024, the first year of this strategic cycle, obtaining consolidated after-tax profits of **€337 million**, 10.7% more than in 2023, equivalent to a **ROTE of 12.6%.**

The Group's significant profit-generating capacity in recent years, and its distribution through dividends, has allowed **Fundación Bancaria Ibercaja**, the Bank's main shareholder, to **cover the entire reserve fund**, equivalent to 1.75% of the Bank's RWAs, in the first quarter of 2024, a year and a half ahead of the deadline of the end of 2025 established by the Law on Savings Banks and Banking Foundations.

Ibercaja has once again reaffirmed its special **commitment to good corporate governance, society, territories and the environment** that has characterised it since it was established in 1876, in line with the distinctive corporate DNA that has been forged over its history of almost 150 years.

Not for nothing is Ibercaja's **ownership model** unique: its shareholders are four foundations originating in the what used to be savings banks, and these foundations channel the surplus generated into activities throughout the country to promote equality, regional development and access to culture, and to encourage entrepreneurship.

Here it should be noted that, in November 2024, Ibercaja Banco and Fundación Ibercaja launched the **"DANA Emergency in Spain" platform** to channel donations from individuals and companies intended to cover the most pressing needs of people and families affected by the floods that occurred in the areas affected by the DANA weather event.

In 2024, the Bank continued to develop the **"Your money with heart"** initiative, which donated more than €1.2 million to Spanish society in the year, sourced from the investment fund and sustainable and solidarity pension plan fees of Ibercaja Gestión and Ibercaja Pensión, to support various non-profit organisations, mainly in the fields of social welfare, health research, care for children and the elderly, and preservation of the environment.

In 2024, Ibercaja renewed its commitment to the **Funcas programme for the stimulation of financial education** – the “Funcas Educa Programme”, which has been running since 2018, to develop face-to-face and digital activities aimed at increasing the financial literacy of Spaniards, particularly young people and the elderly.

Also, in line with previous years, Ibercaja has promoted and supported hundreds of **alliances with public and private institutions and associations**, through collaboration agreements and sponsorship agreements, in different areas: entrepreneurship and business, sport, culture and leisure, labour market inclusion, etc.

In short, Ibercaja's commitment to **sustainability not only defines its strategy but also inspires its culture and is integrated right across the organisation**, encompassing all executive and functional areas to achieve efficient management, responding to supervisory expectations, and advancing the integration of environmental, social and governance risks into the Bank's processes.

In environmental and social matters, the Bank has maintained its strong **commitment to the Global Compact and the Sustainable Development Goals (SDGs)** promoted by the United Nations, and its strategy is aligned with the **UNEP-FI Principles for Responsible Banking**.

In this line, Ibercaja is firmly committed to the decarbonisation of its credit portfolio. as seen in its participation in numerous initiatives and working groups such as the **Partnership for Carbon Accounting Financials y la Net Zero Banking Alliance**.

In people management, Ibercaja is certified as a **family-responsible company**, with the EFR seal granted by the Másfamilia Foundation and AENOR's Healthy Organisation Management System (SIGOS) certificate, highlighting its commitment to the **well-being of all its workers**, who can benefit from different measures that contribute to their work-life balance.

In short, in 2024 the Bank has again put into practice its corporate purpose, **“help people build their life story because it will be our story”**, which permanently guides all strategic decisions and all the day-to-day actions of the governing bodies, the management team and each and every one of the Bank's employees.

Maintaining its essence and founding spirit, Ibercaja contributes to the **economic, social and territorial development in its areas of operation**, continuing its history of commitment to our country.

Francisco Serrano Gill de Albornoz

CHAIR

Víctor Iglesias Ruiz

CEO

Main figures: economic and sustainable impact

2

iberCaja

Economic Impact 2024

Relevant figures resulting from the bank's performance

Capital adequacy and liquidity

13.3% (+64 b.p)
CET1 fully loaded

17,8% (+54 b.p)
total capital, fully loaded

231,0%
LCR

5,3%
MDA Distance

Asset Quality

-2,9%
Change in non-performing assets

1.6% (-7 b.p)
Loan NPL ratio

2,4% (-40 b.p)
problem asset index

81,2% (-0,3 p.p.)
coverage of problem assets

National dimension

€53,141 million
Total assets

€105,000 million (+4.9%)
Retail turnover

892
branch offices

1.097
ATMs

5,125 (4,730 parent)
employees

1.6 million
cards

966.737
digital customers

75%
digital transactions

26%
digital mortgage sales

Off-balance sheet market shares

3 POSITION	11,8% employment and associated pension plans
5 POSITION	6,5% Investment funds
6 POSITION	3,7% individual pension plans
7 POSITION	3,6% life insurance

Market shares

2,5%
share of credit and households

2,3%
share of creditors

6,5%
share of asset management and insuran-

3,5%
market share for funds

Commercial activity

€7,017 million
loans and credit arranged

+4,4%
performing loans to company

+8 b.p
market share of companies

+6,0%
retail funds

+3,9%
new insurance origination

Resultados

€337 million (+10.7%)
net profit

€1,301 million (+3.5%)
recurrent revenues

12,6%
ROTE

40%
pay-out

Recognition

AENOR EXCELENCIA EN EL SERVICIO 3 SERVICIO PERSONALIZADO · AENOR ASESORAMIENTO PATRIMONIO PERSONAL · RSA 2025 · efr IBERCAJA BANCO · AENOR Gestión Ambiental · EXCELENCIA 600 EFQM

EL BANCO DEL Vamos

iberCaja

Sustainable Impact | 2024

Society and environment

+€18 million
Investment in social action by Fundación

+1 million
Beneficiaries of social action

100
Towns served as the only bank present

€1.237.605
delivered to worthy causes by customers of the Investment Fund and the Sustainable and Solidarity Pension Plan

People

5,125 (4,730 parent)
People who work in the Ibercaja Group

35,3%
Management positions held by women

298
Young university students carried out internships at Ibercaja Banco centres

96
Work-life balance measures, making us a family-responsible company

Compromiso con la sostenibilidad

€4,454 million
Managed in sustainable investment (as per art. 8)

(efr) certification

SIGOS certification

EFQM 600 seal

Committed to the 2030 Agenda

Signatory to:

UN Global Compact

UN Principles for Responsible Banking

Net Zero Banking Alliance

Adherence to TCFD recommendations

Member of CEOs for diversity alliance

2-2

Innovation and digitisation

75% +
Transactions through digital banking

100%
Bank employees with mobility

Families and businesses

892
Branches across Spain

23%
Branches in towns or villages with fewer than 1,000 inhabitants

+335.000
SME and self-employed customers place their trust in Ibercaja

228
Business managers who specialise in large companies

Environment

Commitment to carbon neutrality (Scope 1 and 2)

100% green energy
Endesa's Sustainable Energy Statement

6,776 t CO_2
avoided by purchasing green energy

+580.000
Cards using recycled plastic purchased

95%
reduction in GHG scope 1 and 2 emissions, compared to 2016

ISO 14001
Certification in environmental management

Recognition

Purpose:
"Help people build their life story because it will be our story."

We promote the SUSTAINABLE DEVELOPMENT GOALS

Keys points of this document

3

3. Scope of the document

2-2,

> This 2024 Consolidated Directors' Report contains the most relevant economic and sustainability information on Ibercaja Banco and its subsidiaries.

The Consolidated Directors' Report brings together in a **single document all the relevant financial and sustainability information of Ibercaja Group**. The aim is to make the best and most complete information available to all stakeholders in a transparent manner. This report as a whole provides an overview of the strategic lines, activities, business model, financial results and commitment to sustainability (environmental, social and personnel issues, governance, human rights, anti-corruption and anti-bribery). Its content is published on the **corporate website**, with the aim of making it accessible to all interested parties. This report is reviewed and approved by the highest governing body as part of the process of reviewing and approving the company's consolidated financial statements.

Ibercaja is a national banking institution belonging to the Finance sector and with its head office in Plaza Paraíso 2, Zaragoza. More information on Ibercaja's shareholding and organisational structure is detailed in chapter 4.1 of this Report. The specific scope of the sustainability information is given in Chapter 11 of this document.

Presentation of the Group and its context

4

4.1 Purpose, mission, vision, values and Code of Ethics

2-6, 2-15, 2-16, 2-23

> Ibercaja is a different kind of bank, driven by a corporate purpose focused on people and the environment. The mission, vision and values define this purpose and define the way the Bank undertakes banking and the value proposition for customers, employees, investors and society at large.

Corporate purpose

Ibercaja's Corporate Purpose is **"To help people build the story of their lives, because it will be our story"**. It is the Bank's raison d'être, that which gives meaning to the daily work of its professionals and which is very present in its strategy. Ibercaja works by and for people, it wants to help, accompany and support them in their life decisions, building and walking together with mutual commitment.

The Purpose is completed by the **mission** and **vision**, based on the Bank's **corporate values**, which have marked the Bank's path since its foundation.

Mission

Ibercaja's mission is to **improve the life of families and companies**, helping them to manage their finances by offering a personalised global financial service so they can attain their own objectives.

Vision

The vision sets the path for the Bank to follow, towards what it wants to be and towards the goal: **be an excellent bank**. The commitment to stakeholders and to caring for the environment focuses on promoting sustainable development, preserving natural resources and promoting a fairer and more inclusive society.

Values

Ibercaja's corporate values, which define its business culture and have guided its path since its inception, are proximity, professionalism, commitment, excellence, soundness and adaptability. They are the basis of the Bank's ethical commitments and are reflected in its Code of Ethics.

Code of ethics

The Code of Ethics, first approved in 2018 by the Board of Directors and reviewed and updated in 2024, **states the ethical commitments and principles of action of Ibercaja employees** and is available in the Internal Regulations. In addition, there is a training pill on **Corporate Culture and Ethics.**

The **Ethical Management Handbook** establishes the internal functions and processes necessary to ensure the implementation of the Code. The **whistle-blowing channel** is a specific independent channel available to Ibercaja staff to report possible violations of the Code and for queries about its interpretation. Further details on Ibercaja's Ethical Management Model are given in section 11.4.1.

Corporate Brand

The brand, which is the Bank's internal and external identification, is one of Ibercaja's most valuable intangible assets: it represents the identity, values and corporate purpose, and makes them visible at every point of contact with customers and society. Since 2018, the **"El Banco del vamos" communication concept** has aimed to capture the brand's DNA, the result of 147 years of history, and help to convey the Corporate Purpose.

This concept has been applied in all institutional and commercial actions, helping to show a Bank that is approachable, transparent, honest in the information we offer, proactive, committed and dynamic, where people and their important moments in life are at the centre of decisions.

A review and update of the brand strategy was carried out in 2024. The project's objective was to define a strategy aligned with the brand's DNA and purpose, placing the customer at the centre and simplifying some concepts, with the goal of generating greater recognition and consideration of the brand. To achieve this, the brand concept has been redefined, as well as its architecture, verbal and visual identity. The work carried out in interactions with customers and key stakeholders will be implemented in 2025.

4.2. Description, shareholding and organisational structure

2-1, 2-2, 2-6

> Ibercaja is a national banking entity specialised in the business of individuals and companies, whose objective is to generate value for its customers, shareholders and society in general.

The **Group primarily engages in retail banking, and carries out practically all of its business in Spain**.

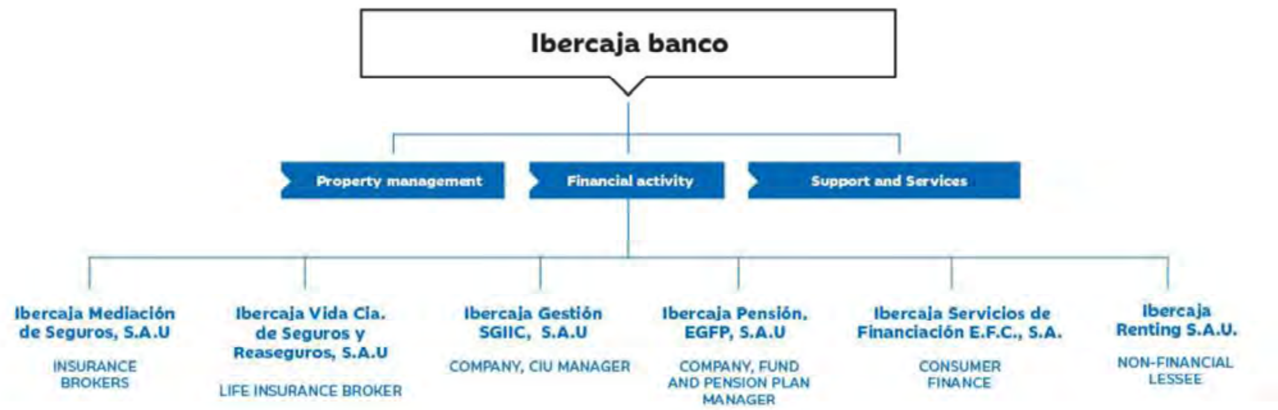
The Bank was created in 2011 following the spin-off and transfer to Ibercaja Banco of the financial business of the former Caja de Ahorros y Monte de Piedad de Zaragoza, Aragón y Rioja, now transformed into the Ibercaja Banking Foundation, in accordance with the provisions of the Banking Foundations Act. **In 2013, the Bank acquired Banco Caja3**, a bank formed as a result of the spin-off and subsequent merger of the financial business of three former savings banks: Caja de Ahorros de la Inmaculada (currently Fundación Caja Inmaculada), Caja Badajoz (currently Fundación Caja Badajoz) and Caja de Ahorros Círculo de Burgos (currently Fundación Caja Círculo), which have since been transformed into foundations and are the Bank's current minority shareholders, together with Fundación Bancaria Ibercaja, which is its majority shareholder. In 2014, Ibercaja absorbed Banco Cajatres.

Shareholder structure

From an organisational standpoint, the **Bank is the parent of a group of subsidiaries**, the most notable of which-are the **asset management and insurance** subsidiaries, comprising companies specialising in investment funds, pension plans and bancassurance, and the **consumer financing and renting subsidiaries.**

Organisational structure

The most relevant companies within the scope of consolidation are as follows:



4.3 Corporate governance

2-11, 2-12, 2-13, 2-14, 2-19, 2-20, 2-23, 3-3

> Ibercaja's governance structure carries out its functions efficiently guided by the rules and codes of good corporate governance.

The **internal governance model** consists of the **General Meeting of Shareholders and the Board of Directors**, which has an Executive Committee and five advisory committees.

Ibercaja Group's governing bodies, along with their composition and their internal rules, are governed by the **Articles of Association and the Regulations of the Board of Directors**, the contents of which are compliant, among other regulations, with the law on the organisation, supervision and solvency of credit institutions, the Corporate Enterprises Act, the Audit Act, the guidelines issued by international bodies such as the EBA or the ESMA, and the Code of Good Governance of Listed Companies, which is taken as a benchmark of best practices in this field. Here it is to be noted that there is a **separation of functions** between the non-executive Chair and the executive CEO; **45.5% of the Board of Directors members are** independent; and the **Audit and Compliance Committee, the Major Risks and Solvency Committee, the Compensation Committee, and the Nominations Committee** are all **chaired by an independent director.**

The **composition, independence** and manner of action of the governing bodies, the codes of conduct and internal rules of mandatory compliance, the established **monitoring systems,** the **communication policy and transparency, the fight against fraud and corruption and confidentiality in the handling of information** all form the **basis of Ibercaja's corporate governance**.

General Shareholders' Meeting

The General Shareholders Meeting is the **most senior decision-making body at the Bank** and its resolutions are binding on the Board of Directors. The General Meeting has the broadest of authorities to govern the Bank and may validly adopt resolutions regarding any matters submitted for deliberation, in accordance with applicable law and the Bank's own Articles of Association. The functioning of the General Shareholders' Meeting is regulated in section 5 of the Articles of Association, which are accessible through the **corporate website** in the **Shareholders and Investors section**, setting out in articles 13 to 23 the regulation of the Meeting, the place and time of the meetings, the right to attend and representation, the rules governing the constitution of the general meeting, the drawing up of attendance lists, deliberation, the manner of adopting resolutions, the casting of remote votes prior to the meeting and the adoption of resolutions.

Board of Directors

Meanwhile, the Board of Directors has the **broadest of authorities to manage, administer and represent the Company** and, except for those matters reserved for the General Meeting, it is the highest decision-making body at the Bank. The Board has six committees: the Executive Committee and internal advisory committees on appointments, remuneration, audit and compliance, major risks and solvency, and strategy.

The composition of the Board of Directors at 31 December 2024 was as follows:

POSITION	DIRECTOR	CATEGORY
Chair	Francisco Serrano Gill de Albornoz	Proprietary
CEO	Víctor Manuel Iglesias Ruiz	Executive
Full member	Vicente Evelio Condor López	Independent
Full member	Jesús Tejel Giménez	Independent
Full member	María Pilar Segura Bas	Independent
Full member	Luis Enrique Arrufat Guerra	Proprietary
Full member	José Miguel Echarri Porta	Proprietary
Full member	Félix Santiago Longás Lafuente	Independent
Full member	María López Valdés	Independent
Full member	Natividad Blasco de las Heras	Proprietary
Full member	María Luisa García Blanco	Proprietary

9,00	45.5	45,5	20
% of Executive Directors	% of proprietary Directors	% of independent Directors	Number of meetings (2024)

All appointments of the members of the Board of Directors have been endorsed by the Nomination Committee, prior to their formal appointment, and have been subject to the mandatory individual and collective evaluation, in accordance with the terms established in the Policy for the evaluation of suitability and diversity of the members of the Board of Directors of Ibercaja Banco, S.A., as required by current legislation.

The search and selection processes for advisors are based on the following general principles:

- **They ensure compliance with the applicable regulations**, the Articles of Association, the Regulations of the Board of Directors and the Policy on the suitability and diversity of the members of the Bank's Board of Directors, in force at any given time.
- **The selection processes for directors are based on an analysis of the Bank's needs**. This analysis will be carried out by the Board of Directors with the advice of the Appointments Committee.
- **They encourage the number of independent directors to be at least 40%** of the total number of external directors on the Board of Directors, ensuring that there is an appropriate balance between proprietary and independent directors (currently 50% of external directors are independent).
- **They strive for diversity in the composition of the Board of Directors,** both in terms of gender, age and experience, with the objective that the least represented gender should represent at least 36 per cent of the total number of directors (currently 36 per cent of the total number of directors) and 40 per cent of the total number of external directors (currently 40 per cent of the total number of external directors), and encouraging the Board to be composed of members with different profiles, not only with expertise in finance, but also in other areas, such as law, sustainability, technology, auditing, etc., so that the Board as a whole is enriched in its decision-making by different points of view in line with the reference recently set as an objective by the Council and the European Parliament for listed companies to be met before 2026.
- They ensure that the **process of searching for, selecting, appointing, re-electing or replacing** members of the Board of Directors does not affect the normal functioning of the Board of Directors or the management of the Bank.

- The Nomination Committee proposes the **appointment or replacement of independent directors** and the Board of Directors proposes the a**ppointment or replacement of proprietary** and executive directors. Proprietary directors are proposed in advance, at the request of the shareholder the candidate is to represent.

- In addition to what is set out in the Suitability and Diversity Policy for members of the Bank's Board of Directors, prior to taking up their position, all candidates must **obtain approval of suitability from the European Central Bank**, which is sent a complete dossier of extensive and complete information on them, such as training, professional experience and, where applicable, current professional situation, skills, and membership of different boards of directors.

The academic background, experience and professional career of the directors is available on the **Bank's corporate website**.

According to article 28 of the current Articles of Association, directors shall hold office for a term of four years and may be re-elected one or more times for terms of the same duration. The appointment of the directors shall lapse when, upon expiry of the term, the next General Meeting has been held or the legal term for convening the meeting that is to decide on the approval of the financial statements has elapsed.

At 31 December 2024, the average term of the position of director was 5 years and 4 months; the number of directors in the 2024 has not changed, remaining at 11 directors.

Executive committee

The powers vested by the Board of Directors in the Executive Committee are expressly set out in the Board of Directors' Regulations and are as follows:

- Hear and adopt **proposals to grant, modify, novate or cancel any risk transactions** that, in accordance with the provisions approved by the Board of Directors, fall within its authority. It will also hear and adopt resolutions regarding proposals to acquire assets by the Bank in lieu of receivables that must be submitted to the Committee in accordance with the Asset Management Policies and Manuals.

- Hear and adopt resolutions regarding **personnel matters** (disciplinary cases, granting of leaves of absences, etc.), except in those cases in which the decision falls to the CEO or to the plenary Board of Directors' Meeting, since it involves employees that report directly to the CEO.
- Hear and adopt resolutions regarding **matters relating to the Bank's assets** (properties, expenses, purchases, etc.) and investments and divestments in investee companies that must be submitted for its consideration in accordance with internal Policies and Manuals, except for those that must be decided by shareholders at a General Meeting in accordance with the law.
- **When appropriate, shall grant the authority that is necessary or advisable** to execute the resolutions adopted.

The composition of the Executive Committee at 31 December 2024 was as follows:

POSITION	DIRECTOR	CATEGORY
Chair	Francisco José Serrano Gill de Albornoz	Proprietary
Full member	Víctor Manuel Iglesias Ruiz	Executive
Full member	Vicente Cóndor López	Independent
Full member	Enrique Arrufat Guerra	Proprietary
Full member	Jesús Tejel Giménez	Independent

20.00	**40.00**	**40.00**	**24**
% of Executive Directors	% of proprietary Directors	% of independent Directors	Number of meetings (2024)

Nominations Committee

The Nominations Committee is responsible for **proposing nominations** to the Board of Directors. It is responsible for reviewing the criteria to be followed for the composition of the Governing Board and the selection of candidates, ensuring that the selection procedures are conducive to diversity of gender, experience and knowledge; and it is responsible for regularly assessing the suitability of the Bank's directors and senior officials and the conditions of their contracts, establishing a representation target for the less-represented gender on the Board, making proposals for the appointment, re-election or removal of independent directors, reporting on the members who should be on each of the committees, reporting on proposals for appointment, and examining and organising the succession of the Chair and the Chief Executive Officer in accordance with the provisions of the policy on the succession of members of the Bank's Board of Directors.

The composition of the Nomination Committee at 31 December 2024 was as follows:		
POSITION	DIRECTOR	CATEGORY
Chair	Maria Pilar Segura Bas	Independent
Full member	Félix Santiago Longás Lafuente	Independent
Full member	Maria López Valdés	Independent
Full member	María Luisa García Blanco	Proprietary

0.00	25.00	75.00	4
% of Executive Directors	% of proprietary Directors	% of independent Directors	Number of meetings (2024)

Remuneration Committee

The Compensation Committee has the duty of **reporting, advising and proposing matters regarding compensation** for directors, general managers and similar personnel, and the remaining members of the so-called Identified Staff, i.e. the persons whose professional activity has a significant impact on the Bank's risk profile. All of this while ensuring the transparency of remuneration and observance of the remuneration policy by the Company.

The composition of the Remuneration Committee at 31 December 2024 was as follows:		
POSITION	DIRECTOR	CATEGORY
Chair	Maria Pilar Segura Bas	Independent
Full member	Félix Santiago Longás Lafuente	Independent
Full member	Maria López Valdés	Independent
Full member	María Luisa García Blanco	Proprietary

0.00	25.00	75.00	5
% of Executive Directors	% of proprietary Directors	% of independent Directors	Number of meetings (2024)

Audit and compliance committee

The committee's duties are expressly stipulated in the Regulations of the Board of Directors.

In particular: inform the general meeting on any matters raised by shareholders with respect to areas under its authority, supervise the effectiveness of the **Bank's internal control** (in particular overseeing the Compliance function and, to this end, study its Annual Operating Plan). With regard to **the procedures for the prevention of money laundering and terrorist financing** in place at any given time, supervision of application of the regulations on conduct and transparency, control of regulatory follow-up and dialogue with supervisors, and internal audit and risk management systems: supervise the process of presenting financial information, propose the appointment or reappointment of the auditor and verifier of sustainability information, establish the appropriate relationships with the external auditor to receive information on issues related to its independence, and receive annually from the external auditor written confirmation of its independence.

It will also act as a communication channel between the Board and the sustainability information verifier, and will oversee fulfilment of the sustainability information verifier's contract, ensuring that the Company and its Group adequately comply with current regulations, particularly on the disclosure of sustainability information.

The composition of the Audit and Compliance Committee at 31 December 2024 was as follows:

POSITION	DIRECTOR	CATEGORY
Chair	Vicente Condor López	Independent
Full member	Natividad Blasco de las Heras	Proprietary
Full member	Félix Santiago Longás Lafuente	Independent
Full member	José Miguel Echarri Porta	Proprietary
Full member	Jesús Tejel Giménez	Independent

0.00	40.00	60.00	12
% of Executive Directors	% of proprietary Directors	% of independent Directors	Number of meetings (2024)

On 1 March 2024, Vidente Condor López was appointed Chair of the Audit and Compliance Committee, replacing Jesús Tejel Giménez, who continued as a full member of the Committee.

Large exposures and solvency committee

The Committee has the primary duty of **advising the Board as to the overall current and future risk appetite** of the Bank and its Group, and the strategy in this respect. It also assists the Board with supervising the application of that strategy by the senior management by monitoring the Bank's solvency levels and proposing any action deemed appropriate for improvement. It verifies, and reports to the Board of Directors, the actions of the Bank's Control Department as a second line of defence. It proposes to the Board and oversees the establishment of limits by type of risk and business, financial and non-financial

The composition of the Large Exposures and Solvency Committee at 31 December 2024 was as follows:		
POSITION	DIRECTOR	CATEGORY
Chair	Jesús Tejel Giménez	Independent
Full member	Vicente Condor López	Independent
Full member	Natividad Blasco de las Heras	Proprietary
Full member	Maria Pilar Segura Bas	Independent
Full member	Luis Enrique Arrufat Guerra	Proprietary

0.00	**40.00**	**60.00**	**14**
% of Executive Directors	% of proprietary Directors	% of independent Directors	Number of meetings (2024)

On 1 March 2024, Jesús Tejel Giménez was appointed Chair of the Large Exposures and Solvency Committee, replacing Vicente Condor López, who continued as a full member of the Committee.

Strategy committee

Its core function is to report to the Board of Directors on the Company's strategic policy. The Committee has **periodically evaluated the new Strategic Plan, which includes the sustainability strategy,** approved by the Board of Directors, which is of great importance for the proper management of the Bank in the medium and long term, together with the capital scorecard, as well as **quarterly monitoring of budgetary developments**, in accordance with the mandates contained in the aforementioned Strategic Plan, and has reported the conclusions obtained to the Board of Directors.

The composition of the Strategy Committee at 31 December 2024 was as follows:		
POSITION	DIRECTOR	CATEGORY
Chair	Francisco José Serrano Gill de Albornoz	Proprietary
Full member	María López Valdés	Independent
Full member	María Luisa García Blanco	Proprietary
Full member	Luis Enrique Arrufat Guerra	Proprietary
Full member	José Miguel Echarri Porta	Proprietary

0.00	**80.00**	**20.00**	**5**

% of Executive Directors	% of proprietary Directors	% of independent Directors	Number of meetings (2024)

"Information on the **composition of the different governing bodies and the remuneration policy** is disclosed in the **Annual Corporate Governance Report** and is also available on the Bank's corporate website, www.ibercaja.com under ""Shareholders and investors – Corporate governance and Remuneration policy".

Performance assessment - self-assessment of the Board and committees

Law 10/2014, of 26 June, on the regulation, supervision and solvency of credit institutions assigns responsibility to the **Board of Directors** for the **oversight, control and periodic assessment of the effectiveness of the corporate governance system**. The European Banking Authority (EBA) Guidelines on internal governance (EBA/GL/2021/05) and the Bank of Spain's guidelines on the internal capital adequacy assessment process at credit institutions provide for the management body to periodically assess the individual and collective efficiency and effectiveness of its corporate governance activities, practices and procedures, as well as the functioning of the delegated committees.

This obligation is stipulated in the Corporate Enterprises Act for listed companies and in the CNMV'S Code of Good Governance. These legal obligations and good practices are included in the Bank's Board of Directors' Regulations, which stipulate that one of the Board's duties is to annually prepare a self-assessment report of its performance and that of its internal committees. Every three years this performance evaluation is carried out by an external evaluator, the last external evaluation having been carried out in reference to the 2023 financial year.

Suitability of the members of the Board of Directors

All members of the Board of Directors must **comply**, in order to be appointed and hold the position of director, requirements in the terms required by current regulations and those included in the **Bank's internal governance rules**.

Ibercaja Banco's internal regulatory framework for analysis of the suitability of members of the Board of Directors is set by the following documents: (i) Statutes of the Bank;

(ii) Regulations of the Board of Directors; (iii) Policy on evaluating the suitability and diversity of the members of the board of directors of Ibercaja Banco SA; iv) Policy on evaluating the suitability of holders of key functions of Ibercaja Banco S.A.; v) Manual for development of the policies on evaluation of the suitability and diversity of members of the Board of Directors, and of the suitability of the holders key functions at Ibercaja Banco. Along with these documents, the Bank has a Succession Policy for members of the board of directors, including its chair and CEO, which completes the list of documents referring to this matter.

The **policy for assessing the suitability and diversity** of the members of the Bank's Board of Directors is adapted to the EBA/GL/2021/06 Guidelines and the European Central Bank (ECB) Guidelines for assessing suitability, which establish the criteria and systems to be taken into account for assessing the suitability of the members of the Bank's Board of Directors individually and as a whole.

This Policy shall apply to the members of the Board of Directors of Ibercaja Banco when there are relevant changes in its composition and on an ongoing basis when, in the light of any new relevant event, situations arise that make it advisable to reassess the suitability of the directors either individually or as a whole.

For example, it will be reassessed, if necessary, whether the time commitment of a member of the Board of Directors is sufficient if he or she takes up an additional position or starts new relevant activities, including in the political field. In any event, an individual a re-evaluation and of the Board as a whole will be conducted at least once a year.

In line with this policy, to **assess the suitability of the aforementioned key posts**, which, in any case, must take place prior to their appointment, the following is taken into account:

- They must be of **sufficiently good repute**; and must at all times hold the appropriate reputation and maintain high levels of integrity and honesty, ensuring that there is no objective and demonstrable reason to indicate to the contrary.
- They must possess sufficient **knowledge, skills and experience** for the performance of their duties; to assess their theoretical knowledge, the academic level and profile of the person to be appointed will be taken into account. In addition, they must all possess essential theoretical banking knowledge.
- They must be able to **act with honesty, integrity and independent judgement** to effectively assess and challenge the decisions of the Board of Directors in its

management function and other relevant management decisions, when necessary, as well as to effectively supervise and monitor management decision-making.

- **In evaluating independent judgement, the Bank assesses whether the person to be appointed**: 1) possesses the necessary behavioural skills (including the courage, conviction, and fortitude to effectively evaluate and challenge decisions proposed by other Board members, the ability to question Board members in their management role; and the ability to resist “groupthink”); 2) whether they have any conflicts of interest (actual or potential). Situations that could generate actual or potential conflicts of interest, whether personal, business, professional, economic, or financial, will be taken into account.

- **They must be able** to **devote sufficient time to the performance of their duties in the Bank.** At least the following shall be taken into account: (a) the number of positions held concurrently in financial and non-financial corporations; (b) the geographical location of the person to be appointed and the travel time required for the role; (c) the number of scheduled meetings of the Board of Directors and its committees; (d) positions held concurrently in organisations that do not predominantly pursue commercial purposes; (e) any necessary meetings to be held, in particular with competent authorities or other internal or external interest groups; (f) the nature of the specific post and the responsibilities to be assumed, including specific functions; (g) other external professional or political activities, and any other relevant functions and activities; (h) the necessary integration and training; (i) any other relevant responsibilities of the member that institutions consider necessary to take into account when assessing their ability to commit sufficient time; and (j) where applicable, any relevant available benchmarks on time commitment.

When selecting members of the Board of Directors, the Bank should seek to incorporate a broad set of qualities and abilities to achieve a diversity of viewpoints and experiences and to promote independent opinions and sound decision-making within the governing body.

The Bank takes into account the following aspects regarding diversity:

- **Academic and professional profile:** For these purposes, knowledge in the fields of banking and finance, economics, law, accounting, auditing, administration, financial regulation, information technology and quantitative methods will be considered relevant to the financial services sector.

- **Gender:** The selection process will take into account gender diversity criteria to ensure a balanced presence of women on the Board of Directors. The Bank will promote diversity objectives for the less represented gender. In this regard, this Policy promotes the objective of the less represented gender holding at least thirty-six percent (36%) of the total positions on the Board of Directors.
- **Age:** The presence of Directors of different ages will be valued as providing positive diversity in the perception and approach to debating the issues to be analysed and agreed upon by the Board of Directors.

The Bank will ensure that the principle of equal opportunities is respected, ensuring that there is no discrimination based on gender, race, skin colour, ethnic or social origin, genetic characteristics, religion or belief, membership of a national minority, heritage, birth, disability, age, or sexual orientation.

When promoting diversity objectives, the Bank, in establishing the objectives, will take account of the results of diversity benchmarking exercises published by the competent authorities, the EBA or other relevant international bodies and organisations. The Bank maintains databases containing relevant information on succession planning for members of the Board of Directors.

The Bank has a training programme for new members of the Board of Directors and promotes **training sessions**. In 2024, such sessions covered the following topics: regulatory oversight; objectives and implications of implementing and using IRB internal models; introduction to IFRS 17; sustainability: practical issues regarding CSRD for Ibercaja directors; Basel IV; Data Governance and reporting systems: supervisory context and data governance framework; and analysis of the macroeconomic prospects for 2025.

Management team

CEO	Víctor Iglesias
General Secretary	Jesús Sierra
Retail Business Area Manager	Antonio Martínez
Corporate Banking Area Directorate	Teresa Fernández
Asset Management and Insurance Area manager	Luis Miguel Carrasco
Credit Risk Area Directorate	Sergio Fernández
Finance Area Directorate	Raquel Martínez
Resources Area Directorate	José Palma
People Area Directorate	José Ignacio Oto
Strategy, Transformation and Data Area Directorate	Ignacio Torre
Control Area Directorate	Ana Jesús Sangrós
Payments and Consumer Business Area Directorate	Víctor Royo
Sustainability and Reputation Area Directorate	María Campo
Brand and Institutional Relations Area Directorate	Enrique Barbero
Internal Audit Directorate (reports to the Audit and Compliance Committee)	Ángel Carlos Serrano

The meeting of the Board of Directors, held on 10 January 2024, defined a **new structure for the Bank's senior management.** It comprises thirteen Area Managers reporting directly to the Chief Executive Officer, nine of which are General Managers, one a Deputy General Manager and three Deputy Managers; in addition, the Bank's Management Committee is completed by the Internal Audit Area, which reports to the Audit and Compliance Committee, with the rank of Deputy Manager.

Remuneration of Governing bodies and Senior Management

The position of member of the Board of Directors is remunerated, in accordance with article 34 of the Bylaws. The **maximum amount of the annual remuneration of all the directors is approved by the General Shareholders' Meeting** and remains in force until their modification is approved. Unless otherwise resolved by the General Shareholders' Meeting, the distribution of remuneration among the directors shall be established by resolution of the Board of Directors, following a favourable report from the Remuneration Committee, taking into consideration the special duties and responsibilities inherent to the position, as well as sector and market practices (sector comparables based on size, market capitalisation, among other factors). Remuneration shall be set to reward the level of responsibility and career development of the Bank's Directors, ensuring both internal fairness and external competitiveness.

In particular, the **Board of Directors** shall be responsible for **setting the remuneration of the chief executive officer and the terms and conditions of his contract with the Bank**, in accordance with current legislation and the director remuneration policy.

In general, directors' remuneration shall be based on the following principles:

- **Prudent and effective risk management:** the Policy shall promote and be consistent with sound and effective risk management, and shall not provide incentives to take risks beyond the level tolerated by the Bank.
- **Alignment with business strategy:** the Policy is linked to the achievement of the Bank's business strategy, objectives, values and long-term interests.
- **Decision-making:** avoid conflicts of interest by setting performance targets to be achieved to which remuneration can be linked, avoiding the risk of such conflicts of interest.
- **Sustainability over time**, so as not to encourage excessive or undue assumption of risk, and should be aligned with the Bank's solvency and capitalisation needs, maintaining adequate proportionality between the remuneration paid to directors and the responsibilities assumed and the volume of assets and nature of the Bank, also ensuring equality in the remuneration schemes of the directors from the point of view of gender diversity, and in particular, preventing excessive remuneration of independent external directors from circumventing their independence.
- **Alignment with long-term interests:** the valuation of any performance-based component shall focus on long-term results and take into account the current and future risks associated with them.

- **Transparency:** the Policy shall be transparent and known to the persons to whom it applies from time to time, so that they can have a clear idea at the beginning of the financial year of the total amount of remuneration they could achieve at the end of the financial year. Decisions taken by the governing bodies competent for remuneration matters shall be duly recorded in the minutes of the relevant meetings. The approved quantitative aspects in force from time to time shall be set out in an appendix to this Directors' Remuneration Policy.
- **Simplicity:** the rules for the management of remuneration shall be drafted in a clear and concise manner, simplifying as far as possible the description of the rules, the calculation methods and the conditions for their achievement.
- **Adequate ratio between fixed and variable components:** in those cases in which the remuneration system of a director provides for a variable component, the fixed component shall constitute a sufficiently large part of the total remuneration, in order to allow the variable component sufficient flexibility to permit its modulation, to the extent that it is possible not to satisfy it by means of the "malus" and "clawback" clauses that have been established. In order to avoid any excessive risk-taking, a maximum shall be set for the ratio between the fixed and the variable component of the total remuneration.

The remuneration policy of the members of the Board of Directors and senior management staff (Management Committee) is aimed at establishing a **remuneration scheme appropriate to the dedication and responsibility assumed**, all in accordance with the provisions of current legislation, and promoting sound and effective risk management, which does not imply an assumption of excessive risks.

The setting of global and specific targets for variable remuneration is linked to prudent risk management, with some of its main features in relation to ex ante adjustments being as follows:

- **Depends on and is adapted to the individual performance** of beneficiaries and the results of the Bank, considering the impact of the underlying economic cycle and the present and future risks.
- **Flexibility and alignment with the Entity's strategic interests,** without limiting its ability to reinforce its solvency.

- **Setting of certain upper and lower limits** that clearly mitigate risks associated with their potential impact on the income statement and on the Entity's own funds.

Without prejudice to the foregoing, the Bank has established ex post adjustment clauses for variable remuneration (pre-malus, malus and clawback clauses) that may be applied up to 100% of the total variable remuneration. In any case, the variable component of the remuneration may be reduced at the time of its performance evaluation, in the event of a negative performance of the Bank's results or of its capital ratios, either in relation to previous years or to those of similar entities, or a negative performance of other parameters such as the degree of achievement of budgetary targets, and provided that a requirement or recommendation by the competent authority to the Bank to restrict its dividend policy is in force.

Ibercaja's Remuneration Policy is coherent with the Sustainability Policy and the principles and values of the Bank with regard to managing environmental, social and corporate governance risks. It is in line with the provisions of Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector with regard to establishing a remuneration system based on equal opportunities and non-discrimination, contributing to the Bank's good corporate governance, coherent with the internal code of conduct and mitigates an unreasonable assumption of risks.

In addition, the Bank has approved a long-term incentive with the objective of aligning the interests of certain key executives of the Bank with the corporate strategy and long-term value creation.

Only the Chief Executive Officer and the Chair receive a salary for the performance of their duties, in addition to the remuneration they receive as members of the Board of Directors in accordance with the provisions of the Articles of Association.

The remuneration of the members of the Board in their capacity as such consists of: (a) fixed annual allowances for their membership of the Board of Directors and, where appropriate, its committees and (b) a fixed annual allowance to be determined by the board for those directors who have special dedication and duties and (c) such remuneration in kind and insurance as may be established from time to time, all in accordance with Article 34 of the Articles of Association in force.

Thus, the average annual remuneration of directors, taking into account that the Board's composition throughout the year has always been 11 members, including the Chief Executive Officer and the Chair (7 male and 4 female directors), amounts to €179.3 thousand, without taking into account the long-term incentive plan. The average annual remuneration of directors in their capacity as such, also taking into account that the Board's composition throughout the year has been 11 members, is €86 thousand (the average remuneration of male directors is €85.7 thousand and that of female directors is €87 thousand).

Quantitative data on directors' remuneration are provided in the annual directors' remuneration report disclosed on the **Bank's corporate website** and both directors' and senior management remuneration in the Annual Corporate Governance Report (sections C.1.6 and C.1.7), also available on the **corporate website**.

Conflicts of interest of the administrative, management and supervisory bodies

The members of the governing bodies of Ibercaja Banco **comply with the requirements established in the Corporate Enterprises Act**, and no conflicts of interest have been disclosed between persons, their private interests and other duties, and their activity at the Bank.

The members of the Board have the obligation adopt the measures that are necessary to avoid situations in which there may be a conflict of interest with the business and their duties to the Bank, as is stipulated in the Board of Directors' Regulations.

No conflicts of interest of the Entity's directors that could affect the performance of their position as provided in article 229 of the Corporate Enterprise Act have been reported. In those specific situations in which a director considers that a potential conflict of interest could be involved, the director has refrained from intervening in the deliberations and participating in the voting.

In accordance with article 36 of the current Regulations of the Board of Directors, the situations of conflict of interest in which directors are involved shall be disclosed in the annual report, which is available to all stakeholders on the Bank's corporate website.

Internal Rules and Control Organs

Ibercaja has established internal rules and control bodies to ensure full and rigorous compliance with the Bank's good governance measures, including the following:

- **Code of ethics**, which include a memorandum of operating conduct and security that affects all the Bank's employees.
- **Documentary framework for managing the risk of non-compliance with regulations**.

- **Internal Code of Conduct in the securities market**, applicable to the Board of Directors, Senior Management and employees of the Bank who operate or whose professional activity is related to the securities market, or who may have access to privileged information or other relevant information of the Bank.
- **Body for reporting suspicious activities involving market abuse**.
- **Regulations for the Defence of the Customer** of Ibercaja Group and the **Style Manual for customer service**, which contains the general criteria for customer service.
- **Retail savings product marketing manual**, in accordance with MiFID regulations.
- **Conflicts of interest policy**, prepared in accordance with MiFID regulations, whose purpose is to objectively manage conflicts of interest that may arise between Ibercaja Group and its customers.
- **Ibercaja Group's representative before SEPBLAC, a specialised Technical Unit, and the Anti-Money Laundering and Counter-Terrorism Financing Prevention Committee** (internal control body-ICB), which has been assigned the functions established in the anti-money laundering and counter-terrorism financing regulations.
- **Data Processing Officer** (DPO) of the Group and Privacy Office, whose duty is to ensure compliance with the personal data protection regulations.
- **Control body of the criminal risk prevention system and the internal information system (SII) – whistleblower channel -**.
- **Tax compliance management and control model**.

Control functions

The Group has an internal control system in place to oversee the financial and operational risks inherent in its business activities. The Control Area Directorate brings together the second line of defence, formed by the Risk Control Directorate, the Regulatory Compliance Directorate and the Customer Care Unit. The Director of this Area is also the CRO of the Bank.

The **Risk Control Directorate,** the Bank's second line of defence, verifies compliance with the risk limits approved by the Board of Directors, and the Regulatory Compliance Directorate supervises observance of the laws that govern the Group's business activities. In addition, the **Internal Audit Directorate,** the Bank's third line of defence, reviews the proper functioning of the risk monitoring systems, while verifying compliance with established policies, procedures and standards. The **Audit and Compliance Committee** of the Board of Directors supervises the effectiveness of internal audit and control and the systems for managing the risk of non-compliance with regulations.

The head of the Control Area (CRO) reports regularly to the Major Risks and Solvency Committee, while the head of the Regulatory Compliance Directorate (which reports to the CRO) and the head of Internal Audit report regularly to the Audit and Compliance Committee.

The chairpersons of these committees, as well as the CRO directly, report to the plenary meeting of the Board of Directors on all matters within the scope of their respective competences.

Commitment to privacy

Ibercaja has a Privacy Policy, which is developed by its Internal Privacy Regulations. **The Privacy Policy demonstrates Ibercaja's high degree of commitment**, both to compliance with the legislation on the Protection of Personal Data and to best practices.

Aspects such as the capture and use of data in compliance with the principle of purpose, compliance with the duty to provide adequate information, processing of personal data on the appropriate legal basis, proper management of consent, retention periods, international data transfers, the relationship with third parties who process personal data on behalf of Ibercaja, attention to the rights of the data subjects (customers, employees and other third parties), management of personal data breaches, both in terms of communication to the Spanish Data Protection Agency and communication to data subjects in the event that their rights and freedoms may be violated, are included in the **Privacy Policy and in the criteria and procedures of the Privacy Regulations that develops it.**

Ibercaja has a **Data Protection Officer (DPO)**, registered with the Spanish Data Protection Agency and a **Data Privacy Office to support the tasks of the DPO.** The functions carried out by the DPO, on their own or through the Privacy Office, include advising the Bank on privacy issues, contacting data subjects, both for the exercise of rights and for dealing with data protection queries, through the various channels enabled for this purpose (Ibercaja's public website, branch network, DPO e-mail box, e-banking and postal mail). The DPO, in coordination with the Bank's People Department, establishes the Bank's privacy training and awareness programmes and reports directly to the Board of Directors, through the Ibercaja CEO.

There is a **continuous review of the Privacy Impact Assessments**, with a complete methodology for analysing the processing and carrying out privacy audits of a general nature or aspects or processing that pose a greater risk to the rights and freedoms of the data subjects.

4.4 Economic and financial environment

3-3

> The economic cycle shows reasonable growth and a notable normalisation of prices following the inflationary episode of recent years. However, geopolitical risks and recent expectations of tighter tariffs are increasing uncertainty.

World economic scenario

The **world economy** shows moderate but reasonable growth. According to the IMF's autumn projections, global GDP is expected to grow by 3.2% in 2024, a tenth of a percentage point less than in 2023 and slightly below the 3.5% average of the past forty years. For 2025, it expects a similar growth of 3.2%.

The **United States** economy has continued to grow at high rates. The IMF expects GDP growth to reach 2.8% in 2024, following an equally strong 2.9% in 2023. It forecasts a slight slowdown to 2.2% for 2025. The cycle's resilience is reflected in the state of industrial profits and the positive trend in consumption. Neither do the industrial and real estate sectors point to a recession. Nevertheless, it is important to keep watch on a labour market that has given mixed signals in recent months and the significant budget imbalance, which, combined with the negative current account balance, continues to pose a threat to global financial stability.

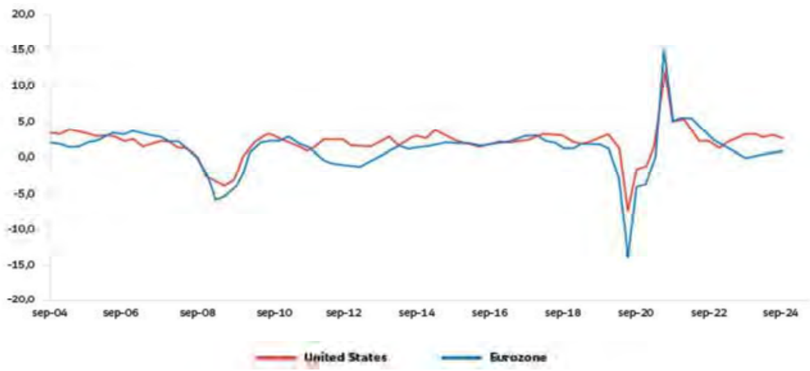
In **China**, GDP continues to grow at modest rates compared to previous cycles. For 2024, the IMF expects an increase of 4.8%, following the 5.2% increase in 2023. A further slowdown is expected in 2025, down to 4.5% according to its projections. Since 2020, annual growth has fallen below 5%, while it averaged 7.7% in the previous decade and 10% in the three decades before that. The sharp decline in residential construction investment (a cumulative drop of -27% over three years), coupled with the lowest investment productivity of the last fifteen years, appears to be the underlying problem facing the Chinese economy. The real estate implosion has a significant knock-on effect on the entire production system and may take a long time to reverse despite the monetary and fiscal stimulus announced by the authorities in recent months, given the unfavourable demographic conditions.

The **eurozone** economy scarcely improved in 2024, following low growth in 2023 (0.4%). The IMF estimates growth of 0.8% in 2024 and a further slight improvement in 2025, to 1.2%. Household savings remain at very high levels, so the increase in household income fails to boost either consumption or investment. Growth is quite uneven between countries more oriented toward the service sector and those that are more industrialised and affected by the decline in trade with Russia. Of particular concern is the economic stagnation in Germany, which appears to be suffering largely from structural problems, such as higher energy prices compared to before the war in Ukraine and trade tensions with China and the United States. This is a reminder that geopolitical risks continue to introduce greater uncertainty into economic expectations than has been the case in previous cycles.

The inflationary episode, unprecedented in four decades, which reached its worst stages in the second half of 2022 and the first half of 2023, has subsided in most advanced countries. **Price growth has moderated** to rates closer to the targets set by the major central banks, but without reaching them.

In the case of the **United States**, the CPI rose by 8.0% in 2022, a level not seen since 1981, moderating to 4.1% in 2023 and **2.9% in 2024**. The underlying rate fell from 6.2% to 4.8% and 3.4% in the same periods. If imputed rent (a measure estimating what owners would pay if they had to pay rent for their home but not representing a real expense for households) is excluded, the increase in prices in 2024 would be barely 2.1%, from a maximum of 8.7% in 2022. In the **eurozone**, the **CPI** slowed in 2024 to **2.4%** from 5.4% in 2023 and 8.4% in 2022. The underlying rate moderated to 2.8% in 2024 from a peak of 4.9% the previous year. Although some price pressures for services are still evident due to changing consumer habits and rising wages, price growth is expected to moderate in 2025, to 2.0% in the eurozone and 1.9% in the United States, according to the IMF's autumn forecasts. However, in the United States, the expected increase in tariffs from the new administration could rekindle price tensions.

Year-on-year GDP change



Monetary policy and financial markets

The **European Central Bank i**nitiated the cycle of intervention rate cuts in June 2024 with a movement of -25 bp. In September, it also lowered the deposit rate by -25 bp to 3.5% and, as announced in March, reduced the spread against the main refinancing operations rate to 15 bp. It was thus acknowledged that this benchmark, historically considered the most significant, has become secondary to the marginal deposit facility, which has a greater influence on the evolution of short-term interest rates, including the Euribor. In October and December, further reductions were made, leaving the deposit rate at 3%. Financial markets expect continued monetary easing in the coming months, given that there is less concern about price trends and the lack of economic dynamism, particularly in Germany. The **12-month Euribor** reflects the forecast of additional cuts and averaged 2.44% in December, having reached a maximum of 4.16% in October 2023.

The **Federal Reserve** of United States made its first cut in September, although it was only -50 bps. After two additional quarter-point cuts, **the intervention rate ended the year in the range of 4.25-4.5%**. The reduced concern about inflation will contribute to continued reductions in policy rates, although the current context does not seem to justify reductions beyond rates considered neutral, especially as long-term trends such as the decline in the working-age population and less productive globalisation point to structurally higher price growth than in previous cycles. Added to these factors, the protectionist policies expected in the United States could lead to higher prices and require less monetary easing by the Federal Reserve.

After reaching cycle highs in October 2023, **long-term interest rates have shown high volatility**. The US 10-year sovereign rate fell by -100 bps from the year's highs and by -140 bps from the October 2023 highs (5%). However, in the last quarter a rebound brought it to over 4.5% by the end of the year. Movements, within similar trends, have been somewhat gentler in the eurozone. Germany's ten-year rate fell by -70 bps from its yearly highs and by -100 bps from its 2023 highs (3%) to 2.35% at the end of December. Spain's 10-year benchmark traded closer to the bottom of last year's range, reaching 3.05% at the end of December, compared to highs of 4% a year earlier and a 2024 low of 2.85%, thanks to a contained risk premium, which fell to 70 bps from a level above 110 bps in October 2023. A notable development in recent months has been the increase in France's risk premium, due to its political instability and public deficit, and it now exceeds the premium required for Spain.

Stock market performance was positive in 2024 thanks to economic growth and moderation in interest rates. At 31 December, the US S&P 500 had accumulated a 23.3% increase for the year after gaining 24.2% in 2023, the European Stoxx 600 was up 6.0% (12.7% in 2023) and the Ibex was up 14.8% (22.8% in 2023). The Shanghai Stock Exchange rose 12.7% after trading with losses for most of the year, prior to the monetary stimulus announcements. From a sector perspective, in Europe there were notable increases in banks (26%), insurance (18.2%) and telecommunications (16.2%) stood out, and notable falls in chemicals (-8.3%), basic resources (-11.3%) and auto (-12.2%).

The Spanish economy

Spain's economic situation remains favourable, more so than previously estimated and anticipated. The Spanish National Institute of Statistics (INE) has revised upwards the national accounting record: the **GDP** in 2023 was 2.5% higher than previously estimated, approaching €1.5 trillion. In constant terms, the revised growth rate for 2023 is 2.7%; for 2022 6.2%, for 2021 6.7% and for 2020 -10.9%. On the other hand, the national accounting estimate of people in employment (full-time equivalent employment) was revised downward by -1.2% in 2023, resulting in a 3.7% improvement in productivity per employee compared to the previous estimate. In addition to this revision, data is available up to the third quarter of 2024, when GDP grew by 3.3% year-on-year.

The IMF estimated GDP growth of 3.1% in January in 2024 and forecasts 2.3% for 2025. The Bank of Spain presented slightly higher figures in December: 2.5% for 2025. Compared to the pre-pandemic situation, Spain's GDP expansion has been driven by strong growth in services exports, both tourism and non-tourism, and by public sector consumption.

Household consumption is taking longer to react, but it appears to be gaining traction as price tensions ease and employment and wage growth remain high. Business investment has not yet revived as it appears to be suffering from uncertainty and rising costs.

As in the eurozone, **price** tensions have fallen significantly in Spain compared to the situation in 2022 and much of 2023. If we look at the entire year 2024, the CPI grew by 2.8% year-on-year, after 3.5% in 2023 and a peak of 8.4% in 2022. The underlying rate increased by 2.9% from a peak of 6.0% in 2023. Compared to 2019, the largest price increases were in food and beverages (34.6%) and hotels, cafés and restaurants (21.5%), while the rest of the consumer groups rose less than the CPI (18.5%) and even fell in the case of communications (-2.4%). If we look at the evolution of wages since 2019, which had grown by 18.3% by the third quarter of 2024, it can be said that the effect of the inflationary shock has practically been absorbed in aggregate terms, albeit unevenly, with a loss of purchasing power in food and beverages and, to a lesser extent, restaurants, and gains in other consumer groups. This is detrimental to lower-income households, which spend a larger proportion of their income on food.

With regard to the **labour market**, the Active Population Survey (EPA) for the third quarter in Spain showed an acceleration in employment to 2.2% year-on-year, from 1.8%. Labour force growth slowed to 0.8% year-on-year, and the number of unemployed fell by -9.3% year-on-year, the largest decline since the third quarter of 2022. The unemployment rate thus fell to 10.6%. Social security affiliation data has been less volatile than the LFS data and shows a significant expansion in employment (2.4%) in 2024, despite a slowdown. Thus, the labour market situation remains positive, although with some noticeable weakness in levels of growth that are difficult to sustain given demographic trends, in addition to possible greater difficulties for companies in finding new hires in a context of rising job costs due to wage increases in recent years.

The **real estate sector** experienced a strong recovery in 2024. Housing sales grew by 9.1% year-on-year from January to November, according to General Council of Notaries records. In twelve months, more than 700,000 homes were sold, closer to the peak of 740,000 reached in 2022 than to the low of 642,000 in 2023. The number of mortgages granted in the year-to-date period through November is 9.9% higher than the same period last year, and the total amount granted is up 12.4%. Housing supply appears to have begun to respond, growing by 17.1% year-on-year up to October. However, this starts from very low levels, with barely 125,000 new construction permits issued in twelve months, while to cover the annual increase in the need for homes, the demand for second homes from Spaniards and foreigners, and the replacement of a rather ageing housing stock, could exceed 300,000. In this context of dynamic demand and limited supply, house prices continue to rise. INE data (based on transactions) shows an acceleration in the third quarter of 2024 to 8.1% year-on-year. The price level is 7.1% higher than at the peak of the real estate bubble, although there are significant regional disparities. The positive trend in employment and wages, along with the containment of interest rates, suggests continued dynamism in this new real estate cycle, which is also driven by underlying demographic changes (the retirement-age population is increasing after a cumulative decline of -30% over fifteen years). However, the price tensions generated by the shortage of supply pose a risk until they are resolved, which requires speeding up the construction of new homes.

4.5 Positioning and Strategic Plan

2-1, 2-6

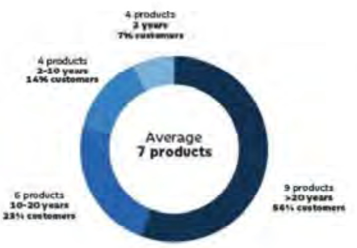
4.5.1 Business positioning and markets in which it operates

Ibercaja has a full-service banking model, focused especially on the retail segment, also offering asset management and insurance products. The Bank has a leadership position in its traditional regional locations and is gaining weight in its growth markets

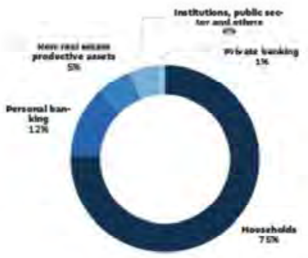
The Ibercaja Banco Group, with a balance of **€53,141 million**, is the tenth largest in terms of asset volume in the Spanish banking system[1]. On a national scale, the Group has a market share of 2.5%[2] in household and non-financial enterprise loans, 3.5%[2], in the segment of residential property purchases by individuals, and 2.4%[2] in household and corporate deposits.

Ibercaja has a stable base of **1.7 million customers** (management units) and is committed to a full-service banking model, focused on the retail business and based on expert advice, quality of service and innovation. This model, seeking service excellence and long-term value creation, translates into long-term customer relationships with greater loyalty based on the number of products and services purchased.

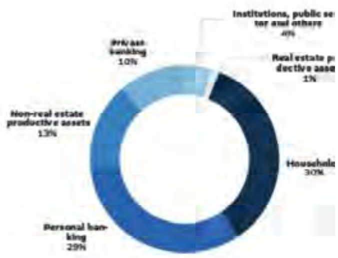
Customers and products by years contracted



Number of customers - CGUs



Business volume



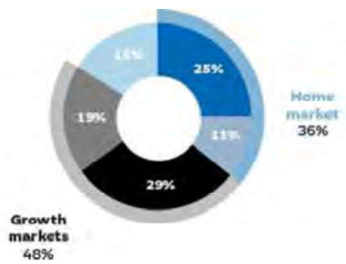
The **retail nature of the business** is reflected in the balance sheet structure and the low risk profile. Housing loans account for 59.6% of normal lending (excluding repos) and retail deposits for 86.0% of borrowed funds.

[1] Ranking established with data reported by institutions at year-end 2024
[2] Bank of Spain, December 2024, latest information available

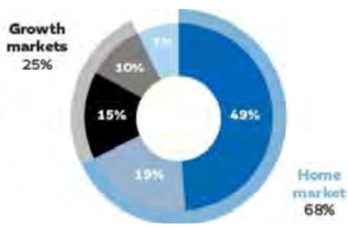
Ibercaja owns 100% of the capital of a set of companies specialising in **asset management (investment funds and pension plans), bancassurance, consumer finance services, and financial leasing (renting)**, through which it offers a wide variety of products specifically geared towards retail customers to complement more traditional banking services. In its **asset management and insurance business,** the Bank manages a total of **€41,176**[3] billion in asset management (investment funds and pension plans) and insurance (technical provisions), achieving an aggregate market share of **5.6%** in this product range[4].

Regarding the markets in which it operates, Ibercaja is present exclusively in Spain and has a **leading position in its traditional area of operation** (the autonomous communities of Aragón and La Rioja and the provinces of Guadalajara, Burgos and Badajoz), where **60% of customers** are concentrated and where **59% of the total retail business volume is obtained**. The market share[5] in this territory, 27% in private sector deposits and 19% in credit, is 39% and 26%, respectively, in Aragon. It also has a **significant presence in other areas of major economic significance such as Madrid and the Mediterranean Coast** (including the regions of Catalonia and Valencia), **called its growth markets**, which account for 31% of the Bank's customers and turnover.

Performing loans ex ATAs



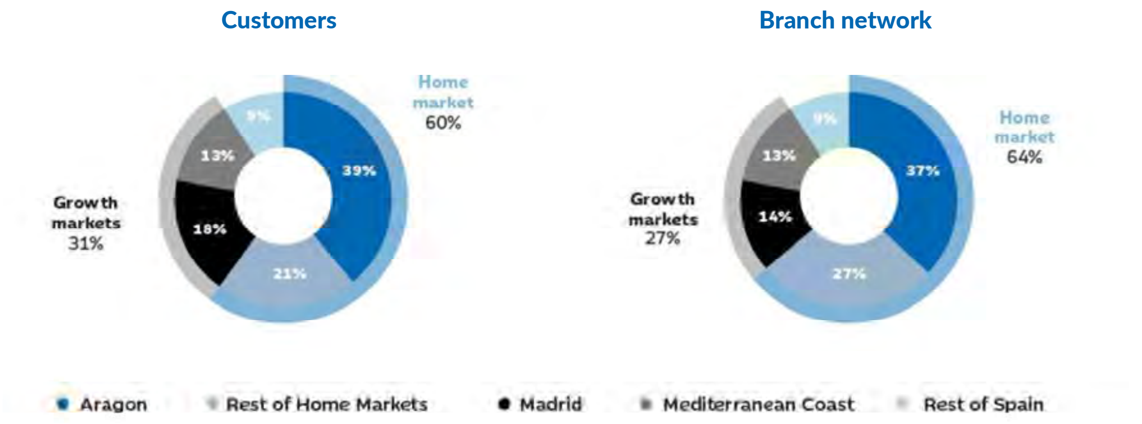
Total retail resources*



Retail business volume**

**Includes demand and term deposits (excluding bonds, temporary transfer of assets and others) and asset and life insurance management
** Retail business volume in normal situation: loans and advances to customers ex reverse repurchase agreements and doubtful assets + retail deposits + asset management and insurance.

[3] Calculated using internal information
[4] Own calculation based on December 2024 data from Inverco and ICEA, the latest information available
[5] Bank of Spain, September 2024, latest information available



The **distribution of offices by autonomous region** is: 329 points of sale in Aragón, 129 in the Madrid, 84 in Extremadura, 68 in Castilla y León, 69 in Catalonia, 56 in La Rioja, 56 in Castilla-La Mancha, 44 in Valencia, 27 in Andalusia and 30 in other autonomous regions. At December 2024, the network totalled **892 branches**, of which 291 were rural.

Distribution of Ibercaja Banco's branch network

The **number of employees** in the Group totals **5,125 (4,730 at the parent)**.

Commercial efficiency is being increased by **specialising more employees** to serve different types of customers and their specific needs. Supporting the branch network, providing a high value-added service, are **226 managers specialised in corporate banking, 153 commercial business managers (micro-enterprises, shops, and self-employed workers), 86 private banking specialists, 520 personal banking managers, and 331 customer managers. Additionally, there are 130 digital managers** helping customers who need to engage with financial experts through channels other than the traditional branches.

4.5.2 “Now Ibercaja” Strategic Plan

> The new “Now Ibercaja” Strategic Plan focuses on the customer, on commercial growth, on resilience, and on the transformation of the Bank.

In April 2024, the Chair and CEO of Ibercaja presented the **new 2026 Strategic Plan**, which, under the name “**Now Ibercaja**”, will be the roadmap for the Bank for the next three years.

This new Strategic Plan is structured around **two major programmes: Customer and Resilience**, and has two **key objectives**: achieve **sustainable profitability** over time at levels that allow the Bank to cover its cost of capital and **increase the Bank's capital base**.

With this Strategic Plan Ibercaja has set **two main financial objectives** in the medium term: it will strengthen its **solvency**, raising the **CET1 fully loaded** ratio to a range of **between 13.5% and 14%,** and will maintain a **profitability** that allows it to cover its cost of capital **with a ROTE of over 10%.** It also wants to keep its **LCR liquidity ratio above 190%,** with active and rigorous credit risk management to maintain the quality of the asset portfolio with a **non-performing assets ratio below 3.5%**, and maintaining an **efficiency ratio below 54%.** At year-end 2024, the Bank has a fully loaded CET1 ratio of 13.3%, with a non-performing assets ratio of 1.6% and a ROTE of 12.6%.

At the **commercial level**, Ibercaja has proposed the new roadmap as a boost to business growth, focusing on attracting and expanding its customer base. In this regard, a **target has been set for a cumulative increase of 10% in “committed” customers over the next three years**, with 50,000 new individual customers, 6,000 new business customers and 2,000 new customers from SMEs and large companies.

The “Now Ibercaja” plan is materialised in 13 Initiatives grouped into the two central programmes:

The customers and profitable growth programme

In the customers programme we work with a proposal of **global service and a consistent personalised customer experience** to create significant, continuous and lasting value for customers.

Initiative 1. Personal banking and premium/private banking. Be the Bank that best helps its customers to make their financial decisions through professional, comprehensive and personalised advice, supported by powerful functionality and tools.

Initiative 2. Young people with banking needs. To be an attractive, open and continuously evolving financial option in a recognised omnichannel and relational ecosystem to provide an empathetic and comprehensive response to young people's early financial needs in the transition to financial adulthood.

Initiative 3. Self-employed, businesses and micro-SMEs. Be the trusted banking provider for small businesses that account for the majority of the country's productive activities.

Initiative 4. SMEs and large companies. Be a benchmark provider for companies with an appropriate risk profile, consolidating its position of recognition as a bank valued for its relationship with companies.

Initiative 5. Payments and consumer finance business. Capture more business and more added value in these products through the new specific Directorate created with the new management structure established last year.

Initiative 6. Life insurance. Complement advice to customers, individuals and companies, with individualised solutions that cover their personal, family and financial risks in order to provide them with peace of mind and security as a source of value creation.

Some of the key milestones achieved within the customer programme in 2024 include: creation of the **Premium Personal Banking** segment, review and **improvement of the mortgage process** for home financing, the **new model for business relationships**, creation of a sales team to promote employment **plan**s, and implementation of **retention and loyalty plans for risk insurance.**

Resilience programme

The resilience programme allows us to **strengthen the response capacity,** not only to overcome any adversities that may arise, but even to be able to prosper in them.

Initiative 7: Technological capabilities. To leverage technological competitive advantage, “armouring” operational resilience, and being a key enabler to consolidate its “customer centric” banking model.

Initiative 8: Process transformation and optimisation. Integrate process management into the Bank's DNA as a key approach to improve the customer experience, accelerate transformation and reduce the time to market of innovations to take advantage of the opportunities offered by the ever-changing market.

Initiative 9: Data capabilities. Ensure excellence and value creation in data management to meet stakeholder expectations, projecting an image of transparency, credibility and innovation.

Initiative 10: Application of AI and new computing capabilities. Actively and rigorously explore the opportunities of the digital economy, which has raised enormous expectations about its impact on business productivity.

Initiative 11: Leadership and talent. To continue to recruit new talent and retain existing talent in order to be a Bank recognised as an employer brand.

Initiative 12: Financial planning and risk management. To manage with orthodoxy and prudence all the risks inherent to retail banking in an environment of strong market competition, change, high regulatory and supervisory intensity.

Initiative 13: Sustainability and reputation. Strengthen Ibercaja's corporate reputation, highlighting its differential relational banking model, its commitment to society and its regional environment.

Some of the **important milestones** achieved in the customer programme in 2024 are: improvement in the workplace through the **biometric authentication**, definition and implementation of the **transformation branch**, creation of a **360 customer data model**, design and launch of the **observatory of the environment** of innovation trends**,** the first edition of the **management capture programme Xplora Talento** and integration of **climate risks in the ICAAP**.

4.6. Lines of the Group's Business Model

2-1, 2-2, 2-6, 3-3, 417-1, FS6, FS14

Ibercaja's business model has traditionally focused on three main areas: Retail Business, Corporate Banking, and Asset Management and Insurance. In 2024, the Payments and Consumer Business gained importance with the creation of a dedicated Area Directorate to promote this kind of business.

4.6.1 Retail business

> The Retail Business Department drives the Bank's commercial strategy in retail, personal and private banking, for the self-employed, businesses, micro-enterprises and institutions, both in physical branches and through other digital channels.

This segment has more than **1.7 million customers**. Within the new "Now Ibercaja" Strategic Plan, the main objective of the Retail Business Department is **growth in activity, with the focus on attracting and expanding its customer base**.

The Bank aims to increase the number of "committed" customers by 10% over the next three years, resulting in 50,000 new individual private customers and 6,000 new self-employed clients, businesses and micro-enterprises. Three major programmes have been defined to meet this challenge: The first focuses on **updating the personal banking model** in addition to strengthening the segments of **premium personal banking** and private banking. The other two initiatives are new approaches in this strategic cycle intended to **strengthen Ibercaja's positioning among young customers with financial needs, as well as among businesses, self-employed workers, and micro-SMEs**.

In 2024, in addition to intense commercial activity, the following **strategic milestones within the initiatives already mentioned** should be noted:

Review of the offer and the mortgage process

In 2024, work has been done to **diagnose and improve the mortgage process**. This has allowed us to begin implementing a roadmap to be more **agile and so improve customer service**, with cornerstones based on simplicity and reduced process times. Ibercaja has also been **one of the first banks to market the new ICO Joven (Young) housing line**, as a reinforcement and complement to the current commercial offer aimed at facilitating access to housing for those under 35 years of age, simplifying the offer and allowing financing with an LTV of >80% and very competitive economic conditions.

New business strategy and value proposition for young people

In 2024, steps were taken to build a **more attractive value proposition for young people**, developing improvements from multiple perspectives: (1) improving the commercial conditions of the Cuenta Vamos and Cuenta Contucasa accounts; (2) the aforementioned new ICO Joven housing line; (3) a new digital banking service for families, "Portucuenta," and (4) revising the fees policy for the young segment.

New premium banking model

Within the scope of the Strategic Plan and taking a **customer's perspective**, work was carried out in 2024 to **analyse the needs of personal banking customers,** defining a **new management model** for those customers who require more intensive management of their savings and investments, as well as **specific products and services.** This new service will be launched commercially in the course of 2025.

Improved savings advice

In 2024, the customer savings **advisory model** was analysed, taking into account the **perspective of the customer and of the managers** who advise, and the **relationship channel** (in the branch or remotely via phone and video calls). In 2025, the roadmap will be implemented to provide the most appropriate service for each customer.

Management model for the Business segment

In 2024, an **internal analysis of the business segment** was carried out with the aim of achieving a comprehensive understanding of the current situation in all its areas and defining the roadmap that will allow the Bank to implement a business model for this group. At the same time, a **diagnosis of the experience of this group** was made. Based on the results obtained, an action plan has been defined with measures to improve the experience of business customers.

Continuous improvement system for the customer experience

In 2024, a set of methodologies has been redesigned to allow Ibercaja to continue differentiating itself through the experience it provides to its customers by: 1) Improving the **customer-to-customer** experience, automatically detecting the interactions in which a customer's expectations may be lower than what they experience; 2) Improving the service provided by the Bank's **branches and managers** and 3) **Identify and prioritise** the global projects that need to be designed and implemented, with regard to the customer segment, the channel and the product, to contribute to improving the business by providing greater value to the customer.

Particularly important among the main segments of the **Retail Business Department** are: **consumer banking**, which includes family, personal banking and private banking and is the main segment for the Bank; and **business banking**, a new strategic initiative within the “Now Ibercaja” Plan:

A) Consumer banking

Consumer banking manages **1.6 million customers** who contribute more than 90% of the retail business volume and concentrate 67% of credit and 86% of retail resources. Their high level of engagement with the Bank can be seen in the average customer age of 21 years, and in the average number of 7 products or services arranged.

1. Families

Families provide the largest number of customers, **1.5 million**, and account for 22% of customer funds and 60% of financing.

The Bank has continued to enjoy the trust of its customers in managing their financial assets. In 2024, **customers were able to achieve attractive returns through intermediation products**, as well as the **launch of term deposits**, which allow them to obtain returns without assuming risk.

Ibercaja has recorded a high level of activity in **arranged mortgages, totalling €2,047 billion, 6.7% higher than the previous year**. The Bank has maintained its **commitment to financing** housing for individuals, financing up to 95% for younger people and offering a special age bonus for mortgage interest for people aged up to 35 years. This year, **digital mortgage brokers** have again been particularly important, facilitating the entire process of providing information and contracting housing financing remotely. Digital mortgage sales account for **26% of the total**.

2. Personal banking

More than **175,000 personal banking customers** have a savings balance exceeding €100,000. This segment contributes more than 50% of the investment savings balance of Individuals with an average linkage that is double that of the household segment.

The **540 specialised managers** offer alternatives such as investment funds, pension plans, savings insurance, and, since January 2024, also term deposits. The new personal banking model (face-to-face and remote) is consolidated. The current team of **83 personal digital banking managers** serves almost 23,000 customers, and we will continue to expand this model over the coming years.

In 2024 Ibercaja renewed the service excellence management certification in the Personal Banking segment, issued by Aenor.

3. Private banking

Aimed at customers, household management units or companies with financial wealth in excess of €500,000, it has more than **19,000 customers**. The team dedicated to private banking services comprises **86 professionals**, distributed in various towns and cities.

The range of financial assets available is very broad, including securities listed on national and international markets, investment funds, structured deposits, investment insurance and life annuities, the **most important service being Discretionary Portfolio Management, which has grown by more than 18%** (50% of Private Banking clients have signed a contract of this type).

B) Business Banking

The new strategic business initiative, focused on microenterprises, retailers and self-employed individuals, defines the roadmap that will guide business activity for the next strategic cycle, aiming to grow its committed customer base in this segment. One of the fundamental pillars in the quality of service provided to customers and the achievement of objectives is the commercial network specialised in business, composed of more than **150 commercial business managers**. The main lines of work to be carried out as part of the Strategic Plan are:

- **Transform the value proposition**: position businesses as a strategic segment, with friendly service that is also professional and comprehensive.
- **Customer knowledge**: enhance comprehensive management of customers by having knowledge of them and customising proposals.
- **Financing solutions**: continue providing financing products and services to boost business growth.
- **Dissemination**: communicate the proposal effectively from branch colleagues to the end customer.

Some important examples of the progress made in 2024 are:

1. Launch of a **welcome offer** that allows businesses to begin their relationship with the Bank without fees and conditions for 6 months.
2. Launch of the new **Now Your Business financing line**: Now Your Business loan and Now Your Business credit account.
3. Access for these customers to the **Next Generation** EU Funds, boosting the digitisation and growth of businesses and SMEs through different partnerships.
4. Marketing of the **Simplified Pension Plans for the Self-Employed**.
5. Financial support for **customers in the agricultural sector** through **ICO SAECA loans** and different **agriculture insurance lines.**

4.6.2 Corporate banking

> Ibercaja maintains its commitment from the previous Strategic Plan, continuing to grow and gain market share in the SME and large corporate segments with the goal of becoming the benchmark bank for these groups.

This segment has more than 75,000 business customers. **The commercial network specialising** in this area has **378** marketing staff who offer professional advice based on trust, proximity, a differential quality of service and personalised attention: **228 Corporate Banking Managers** who provide service to SMEs and large companies. These are joined by **51 Technical managers,** who offer agile administrative support to customers in their daily operations, a pool of **specialists in Factoring, Confirming, Comex, Leasing, Insurance and Sustainability and Next Generation European Funds**, and a **Corporate and Syndicated Banking Financing unit** made up of 9 experts.

In 2024, a team of 6 specialists in Occupational Pension Plans has been incorporated. All this activity is managed through 25 specialised centres (8 Corporate Business Centres and 17 Corporate Business Spaces) in the main Spanish cities.

Initiative within the Strategic Plan to strengthen relations with companies

The **Strategic Business Initiative**, launched within the new Strategic Plan, aims to make us a **leading provider** for companies with a good risk profile, and to be a **bank recognised by the market and valued by customers for its relationship model with companies**.

Ibercaja's ambition to continue strengthening its position in the business segment translates into business objectives for the period 2024-2026. **increase market share by 30 bps** placing it above 2% and **increase the number of committed customers by 10%.**

The Bank has initiated **new projects, actions and improvements** that will transform the way Ibercaja works with companies, providing them with a comprehensive service and generating an excellent quality of experience and treatment. Some of the most important matters on which work has already begun are:

- **The B2B culture is being extended throughout the Bank**, by strengthening the capabilities of individuals and teams, and adopting certain processes that will standardise the management of companies in Ibercaja.

- Growth models based on the **business intelligence and data integration,** which allow target companies to be attracted and growth in the area of customer companies with solutions tailored to their needs.

- New **digital capabilities**, innovative solutions and tools to facilitate business and customers' daily activities.

- Creation of the **Customer Analytics and Automation** unit, very significant in integrating data into management and improving business monitoring and decision-making.

A year with business performance and consolidation of a specialised team

In 2024, the impact of corporate business on the Bank's balance sheet and income statement increased:

- The **market share** increased by 8bp.

- The **trading volume of capital** was close to €11 billion, with year-on-year growth of more than 5%. Highlights are the dynamism of specific products such as Factoring, which experienced growth of over 30%, and Easypay, which finances 13% of domestic payments volume.

- **The corporate banking segment has driven new loan and credit production for non-real estate productive assets, recording** an increase of 14.4% year-on-year, exceeding €3.4 billion. The positive evolution of leasing for financing production equipment stands out, with annual volume growth of 24%.
- The **level of non-performing loans has been well contained**, to below 2.9%.

- An improvement of **6% in the pace of company acquisition**, with over €1 million in turnover. Ibercaja works with 1 in 10 Spanish SMEs, 1 in 3 corporate companies, and 60% of Ibex companies.

ICO Dana credits; standing with companies in moments of truth

The terrible Dana weather event that devastated the province of Valencia, also causing significant damage in several other areas along the Mediterranean Coast, put to the test the Bank's ability to adapt. Loan moratoriums have been provided, compensation advances offered free of charge, support provided in the processing of aid and applications to the insurance compensation consortium, and ICO Dana financing options have been implemented.

4.6.3 Asset management and insurance

> Asset management and insurance provide customers with innovative investment solutions tailored to their risk profiles, strengthening their relationship with Ibercaja and diversifying their business and sources of recurrent revenues.

The subsidiaries that are part of the Asset Management and Insurance Area Management **specialise in the management of investment funds, pension plans and insurance business**. These companies are 100% owned by Ibercaja. The offer of products, are aimed at both individuals and companies, is distributed mainly through the branch network and digital channels, thus complementing the Bank's range of banking products and services. The innovation and specialised offer are differential values in asset management and insurance. At year-end 2024, the **turnover of these subsidiaries reached new historical highs**.

The companies that form part of the Asset Management and Insurance Area Management[6] are:

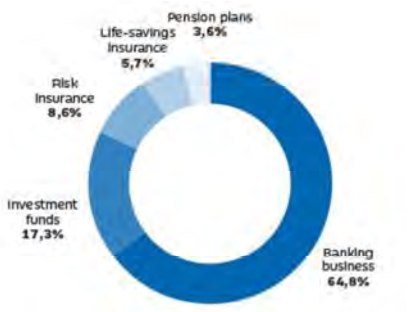
IBERCAJA BANCO

IBERCAJA GESTIÓN	CIU Manager	Assets	25.792[1]	#5
IBERCAJA PENSIÓN	Pension plan management company	Assets	8.097[1]	#4
IBERCAJA VIDA	Life insurance broker	Technical provisions	7.519[1]	#7
IBERCAJA MEDIACIÓN	Insurance brokers	Premiums	339	caser Grupo Helvetia

(Figures expressed in millions of euros)

Asset management and insurance account for **35.2% of the Group's recurrent revenues** and **54.3% of the retail customer funds** managed by the Bank, giving rise to one of the most diversified mix of savings and income generation in the Spanish banking system.

Contribution to recurring revenues:



[6] Source: Inverco and ICEA at December 2024. Ibercaja Gestión includes the Ibercaja management company and other companies.

Ibercaja has a **market share** in these products much higher than that recorded in traditional banking products, standing at **5.6%** in the total off-balance sheet resources of the Spanish financial system, and reaching 6.5% in investment funds and 6.1% in pension plans.

A detailed explanation of the most relevant aspects of each of the companies, as well as the progress made in 2024, is shown below.

A) Investment funds

Ibercaja Gestión, SGIIC, S.A. is the company tasked with managing the Group's collective investment undertakings (CIUs).

The subsidiary ended the year with a **managed volume of €25,792 million**, which was **over €3,000 million**, or **13.4%, more than in the previous** year, thanks to the excellent performance of contributions and the positive market tone that has driven revaluations.

Ibercaja Gestión recorded €1,560 million in contributions, representing the fifth consecutive year exceeding €1,000 million in net collections.

The good performance of the financial markets and good management of funds has allowed a **revaluation of €1,483 million**. Ibercaja Gestión's funds reached a **weighted average return of 6.5% in 2024**. It is worth highlighting the Ibercaja Tecnológico fund, with a return of over 40%, which places it as the most profitable fund among all the technology funds marketed in Spain.

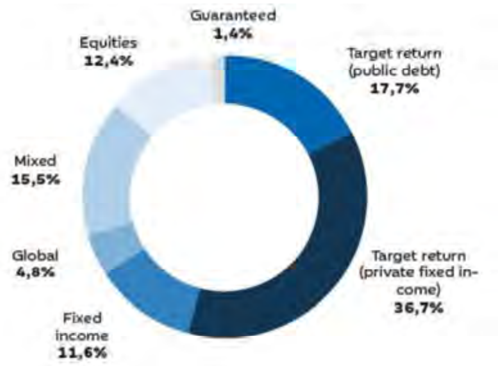
The **market share** stands at **6.5%**, occupying fifth position in the national ranking by volume managed. The **number of customers** of Ibercaja with investment funds continues to grow, standing at more than **251,500**. Thus, at the end of 2024, the significant growth in business volume and market share recorded in previous years has been consolidated.

At the beginning of 2024, Ibercaja Gestión was named **Best National Investment Fund Manager in 2023** at the thirty-fifth edition of the Expansión All-Funds Awards.

Commercial strategy

The **commercial strategy** pursued in 2024 consisted of transferring customers, as short-term solutions expired, mainly from public debt to **medium-term solutions that also invest in private fixed income**. Thus, the predominant solution in 2024 was fixed income, and, within this, target return funds, which accounted for 54.4% of managed assets.

Investment fund mix



During the year, Ibercaja Gestión launched eight different target return proposals, offering its customers solutions that have allowed them to optimise their returns according to their risk profile and investment term. These funds have raised more than €2,000 million during their marketing period.

New funds	Release/Renewal Date	Investment Policy
Ibercaja España-Italia febrero 2025, FI (formerly Ibercaja España-Italia 2023)	19/01/2024	Spanish and Italian government bond fund, maturity Feb-25
Ibercaja RF Privada 2025, FI	16/02/2024	Private fixed income (up to 45% HY), maturity Jun-25
Ibercaja RF Horizonte 2029, FI	16/02/2024	Private fixed income (max 10% HY), maturity Jun-29
Ibercaja Deuda Corporativa 2026, FI (formerly Ibercaja Deuda Corporativa 2024)	01/03/2024	Private fixed income (up to 75% HY), maturity Jul-26
Ibercaja RF Horizonte 2028, FI	26/04/2024	Private fixed income (max 10% HY), maturity Jun-28
Ibercaja Deuda Pública LP, FI	17/05/2024	Eurozone Public Debt (Directed to GDC and equity)
Ibercaja España-Italia enero 2026, FI (formerly Ibercaja España-Italia junio 2024)	12/07/2024	Spanish and Italian government bond fund, maturity Jan-26
Ibercaja RF Horizonte 2027, FI	13/09/2024	Private fixed income (max 10% HY), maturity Mar-27

Funds managed with ESG criteria exceeded **€3,648 million** at year-end, increasing by more than €800 million in the year and setting a record for volume managed with these characteristics. In this range of products, it is worth highlighting the **Ibercaja Sostenible y Solidario** fund, which remains one of Ibercaja Gestión's largest funds, with 24,816 shareholders and assets of €548 million, which will allow it to donate approximately €750,000 to social and environmental projects.

Ibercaja Gestión's success is due, in addition to it always offering a quality product, to the **support provided for the marketing of funds in the business network**. To achieve this goal, the following actions were carried out during 2024:

- **Generation of content such as presentations, podcasts, market reports, etc. to provide value to customers**, which help distribute funds and strengthen the image of Ibercaja Gestión.
- **High activity in supporting the Network,** with training sessions and meetings with institutional and private banking customers. Over the course of this year, more than 160 meetings have been held.

B) Pension funds

Ibercaja Pensión, EGFP, S.A. is the Group company engaged in **managing different kinds of pension plans**. The company is a signatory of the United Nations Principles for Responsible Investment and a founding member of Spainsif, the Spanish forum for Socially Responsible Investment.

The **assets managed** by Ibercaja Pensión at the end of 2024 totalled **€8,097 million**, representing a 7.4% increase on 2023. The favourable evolution of the year in the markets, together with the performance of Ibercaja Pensión, has allowed it to achieve historic business volumes and consolidate its market share, ranking fourth among management companies nationwide. The **market share** stands at **6.2%** and the **number of investors** at **314,811**.

Evolution in 2024 by product type:

- **Individual system pension plans**: The volume managed increased by €316 million (+10.1% YOY) reaching a figure of €3,436 million. The market share advanced significantly to 3.7% (an increase of 5 bp).
- **Employment plans**: assets stand at €4,660 million, 5.4% more than in 2023. The market share of employment and associated plans stands at 11.8%, consolidating Ibercaja Pensión's position as the third largest Spanish management company. A total of 17 plans are administered, with 72,046 unit holders and beneficiaries.

Commercial strategy

The **commercial strategy** in the period was marked by Royal Decree 668/2023, of 18 July 2023 on the **promotion of occupational pension plans**, amending the Regulations on Pension Plans and Funds. In this regard, the Company has been very active in taking advantage of the business opportunities arising from this regulation. Ibercaja Pensión aims to strengthen its already prominent third position in the sector in terms of the volume of assets managed in employment plans, and encourage the purchase of these future savings products. Some of the most notable actions in 2024 to promote the growth of these products are:

- **Creation of a new Employment Plans Marketing Division**. The new team comprises a sales director and five regional managers who support the branch network managers to strengthen Ibercaja's position as a specialist in employment plan advice.
- **Creation of Publicly Promoted Occupational Pension Funds**: Ibercaja Pensión has been **one of only five institutions selected**, through a public tender, to manage the **new Publicly Promoted Employment Pension Funds (FPEPP)**, a model promoted by the public sector and to be managed by private institutions. Although commercial development was initially planned to begin in 2024, for reasons beyond the control of the selected management institutions, it has been delayed and is now expected to begin in 2025.
- **Continued promotion of Simplified Pension Plans for the Self-Employed**: In this new category launched in 2023 within Employment Plans, **Ibercaja's performance in 2024 has been very notable**, growing its assets by 161% and its investors by 68%, reaching by the end of 2024 a **market share** for managed assets of 7.2%, thus providing savings solutions and tax optimisation for retirement to the self-employed group. **The returns** on these plans have been very positive in 2024, standing at 8.2% and 12.8% in the Balanced Self-Employed Plan and the Growth Self-Employed Plan, respectively.

Simplified self-employed plans

		ASSETS		
		2024	2023	Annual Incr.
Growth	Mixed equities	9.63	3.70	160%
Balanced	Mixed fixed income	8.06	3.09	161%
TOTAL		**17,69**	**6.79**	**161%**

		HOLDERS		
		2024	2023	Annual Incr.
Growth	Mixed equities	1,494	906	65%
Balanced	Mixed fixed income	1,389	808	72%
TOTAL		**2,883**	**1,714**	**68%**

Figures in millions of euros.

- Another highlight is **the launch in 2024 of the individual pension plan "Pensumo Pension Plan"** integrated into "Ibercaja Pensiones Confianza, F.P.", a mixed Fixed Income Fund, which promotes environmental or social aspects (art. 8 Regulation (EU) 2019/2088) and channels contributions made in favour of holders by companies through commercial programmes or sponsorship campaigns offered by Ibercaja Group company "Pensumo, Pensión por Consumo, S.L.", through its app.

C) Insurance business

The Group's insurance business is carried on through two companies, an insurer and an insurance broker, providing products and specialised support to Ibercaja Banco's branch network: Ibercaja Vida Compañía de Seguros y Reaseguros and Ibercaja Mediación de Seguros.

Ibercaja Vida Compañía de Seguros y Reaseguros S.A.U.

Ibercaja Vida Compañía de Seguros y Reaseguros S.A.U. specialises in life insurance, with a distinguished track record in the bancassurance business since 1996.

The Bank designs **savings life insurance and life risk insurance brokered through Ibercaja Mediación** and distributed through Ibercaja Banco's commercial network and digital channels.

Regarding **technical provisions**, after the strong performance of the previous year, 2024 has been a year of consolidation of this growth. At year-end, there is a volume of provisions of **€7,519 million**. Within the sector, Ibercaja Vida maintains its position of seventh in the Spanish insurance ranking, with a **market share**[7] of 3.6%.

The excellent performance of the income statement, balance sheet and risk management allows us to place **the solvency ratio at 231%**, against 195% en 2023, well above the established legal requirement of 100%.

Commercial strategy

Regarding the **commercial strategy**, currently, Ibercaja Vida is a leading company in the **finalist savings market**, focused on products that offer customers **high liquidity linked to great flexibility**, which allows customers to perceive them as safe and versatile products when it comes to managing their savings.

Ibercaja Vida has an extensive **range of life savings products: systematic savings insurance, investment savings** (life annuities, temporary annuities, deferred capital and insured pension plans) and **Unit Linked**. In the life savings business, the Company focuses its strategy on seeking **most profitable alternatives** for its customers and create **stronger loyalty and savings commitments**, offering a wide range of products with different terms (short, medium, long and even lifetime). In this context, **customer advice is key**. **Mathematical provisions for life insurance savings** stood at **€7,476 million** in 2024, distributed as follows:

	2024		2023	
	€Mn	%	€Mn	%
Systematic savings insurance	2,625	35.1	2,527	33.4
Savings and investment insurance	3,084	41.3	3,223	42.6
Unit Linked	1,459	19.5	1,489	19.7
Group insurance	308	4.1	326	4.3
TOTAL	**7,476**	**100.0**	**7,565**	**100.0**

[7] ICEA December 2024

Another of the fundamental pillars on which Ibercaja Vida bases its commercial offer continues to be its **wide range of life insurance products**, with different coverages that adapt to the different protection needs of customers. In 2024, Ibercaja Vida has continued to invest in this range of products, complementing the life insurance services offered to customers and consolidating the new products launched in 2023.

Investment portfolio

At year-end Ibercaja Vida managed an amount of **€7,855 million**, with a **clearly conservative profile** (59% made up of European Public Debt, diversified by country and term). 2024 has been an excellent year in terms of **optimizing portfolio profitability** thanks to the interest rate trend and the correct anticipation with which the Company has managed these portfolios.

Risk insurance initiative in the new Strategic Plan

The “Now Ibercaja” Strategic Plan includes an initiative focused on the development of risk insurance. Important progress made in the year:

- Application of **dynamic pricing models,** both at the time of contracting and renewing, which increases the success of new contracts and the degree of customer loyalty.
- In order to achieve a **better customer experience, digital services of prevention and well-being** have been added at no cost, such as 24-hour medical guidance, psychological and nutritional guidance, health programmes to get in shape or manage stress, second medical opinion, etc.
- Ibercaja Vida has continued to advance in the **technological transformation** that began in 2023. To this end, various projects have been launched, a highlight being the change towards a **core technology** that covers both business and user needs in an agile and efficient manner.

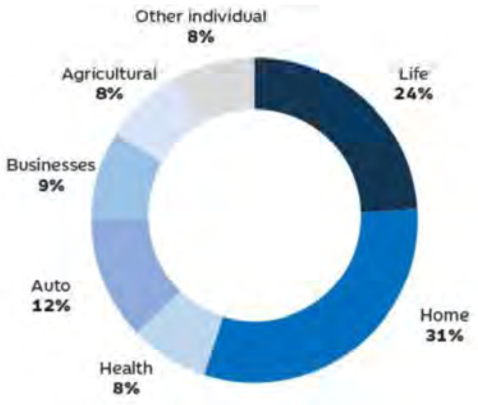
Ibercaja Mediación de Seguros, S.A.U

Ibercaja Mediación de Seguros S.A.U. is engaged in the distribution of **risk insurance (life and non-life) and retirement savings for** individuals and companies through the Bank's network of branches and digital channels.

The company's activity also extends to operations regulated by Royal Legislative Decree 1/2002, which approves the Consolidated Text of the Pension Plans and Funds Regulation Act. The Company has a strategic alliance with Caser in the non-life insurance area.

The **risk insurance premiums,** brokered by Ibercaja Insurance Brokerage, of **€339 million**, grew by 5.6% compared to the previous year, with a **total of 922,094 policies**.

Net Risk Insurance Premiums



By type:

- **Life insurance premiums stand at €82 million**. Ibercaja Vida, with €78 million of premiums brokered in individual life insurance, it is the leading insurer in the life insurance business. The rest of the premium volume of life insurance policies comes mainly from Caser.

- **Non-life insurance premiums, €257 million, increased 7.6%**. The boost to the activity is the outcome of the commercial effort and the alliance with Caser for is distribution through the network of offices. The most notable advances were in the auto (10.6% YOY), business (9.3% YOY) and health (9.2% YOY) lines.

Commercial strategy

In 2024, Ibercaja Mediación promoted the following actions:

- **Simplification of the home insurance contracting process**. New quote assistant, as well as new coverage for detached houses and single-family homes.
- New operation of **Civil Liability Insurance for Directors/Senior Managers in SMEs**.

- Launch of the **new Caser Expert Trade Insurance**, improving customer advice and after-sales service by establishing an exclusive telephone number for these policyholders.
- Simplification of the advice and contracting process **for property insurance** for homeowners' associations, and for **health insurance**, and updating of the product range.
- Improvements in the **Caser rent protection** insurance, incorporating the possibility of contracting a payment default guarantee without a deductible, thus adapting to the coverage of the sector.
- New **"recommender" for business insurance** in which five fundamental insurance policies for the transfer of risk for this line of business can be quoted simultaneously.
- **Customer loyalty programmes** (Platinum, Gold and Silver), for both individuals and companies.

4.6.4 Payments and consumer business

> Ibercaja is committed to continuous transformation in the area of payments and consumer financing as a key pillar to providing innovative solutions to the most common financial needs of individual customers, businesses and companies.

Importance of the Payments and Consumer Business

At the beginning of 2024, the new Payments and Consumer Business Directorate was created with the aim of defining and implementing a **growth strategy for the payments, consumer financing and renting business.** The new directorate comprises the Consumer Financing and Renting Solutions unit, a Business Payment Solutions unit (for companies, businesses and institutions), and the Individuals Payment Solutions unit.

The creation of this Directorate aims to achieve the **specialisation** necessary to handle the transformation process required due to the following **challenges**:

- **Constant evolution** due to the high competitiveness of large banks and new entrants, taking payments, consumer financing and leasing as the basic pillars of the commercial relationship.

- **Regulatory focus** to promote greater competitiveness, digitalization, security and transparency in the different areas within the scope of the initiative.
- Need to **increase business vision/strategy, as well as risk management** to respond to continuous technological and social advances: Smart POS, pay-per-use, Bizum roadmap, mobile payments, BNPL, Euro Digital, etc.
- **Tension in profitability** in the different areas due to high competitiveness and regulatory pressure.

Additionally, the Payments and Consumer Financing Business Directorate also includes the subsidiaries Ibercaja Servicios de Financiación, Ibercaja Renting and Pensumo, Pensión por Consumo.

Consumer Financing and Renting

In 2024, the positive evolution of recent years has been maintained, with **growth close to 20% in new consumer financing production,** in line with the established objective.

This growth has been leveraged by the launch and continuous evolution of products with a special focus on **pre-qualified loans, auto loans, and home improvement loans.**

In 2024, **the consolidation of the new company, Ibercaja Servicios de Financiación, stands out.** A company owned 100% by Ibercaja Group, it specialised in the design and deployment of auto financing offerings. Its highlight this year was the launch of products aimed at the young segment, as well as a specific product for customers affected by the DANA weather event.

A highlight in the area of **renting** is the launch of new campaigns and new products, such as industrial vehicle renting, which allows us to respond to the existing demand from customers in productive activities. This continuous innovation has been achieved thanks to the team of Ibercaja Renting, a new company created in 2023, which aims to ensure the necessary specialisation in this dynamic business line, adaptable to the needs of different segments.

Beyond these evolutionary improvements that have enabled fulfilment of the objectives defined in the consumer financing and leasing business plan in 2024, the deployment of innovative solutions in line with the ambitious transformation objectives defined in the "Now Ibercaja" Strategic Plan is planned for 2025.

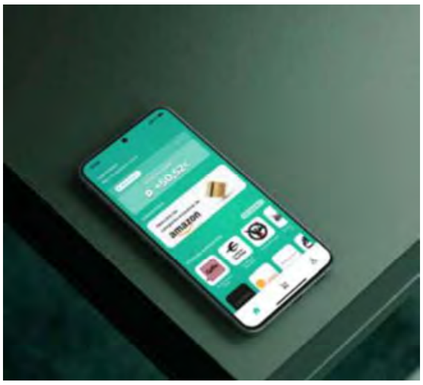
To achieve this, in 2024 **the technological platform and specialized IT team was acquired from Orange Bank.** This led to the **creation of a new company, 100% owned**

by Ibercaja Group, Ibercaja Technology Services. This company will develop new use cases in 2025, including new point-of-sale financing solutions and improved digital contracting for consumer products, renting and cards.

Pensumo

In the previous Strategic Plan, an important milestone was reached with the entry of the transformative "Pension by Consumption" project into the Financial Sandbox.

The testing phase was completed, with Fintech Pensumo and the Directorate General for Insurance and Pension Funds jointly approving the regulatory framework required to be able to launch the project on the market in 2024. Thus, the Pensumo project promoted by Ibercaja Banco became the **first project in the Spanish Financial Sandbox to adapt financial regulations to provide a pioneering and innovative service to society.**



2024 saw the deployment of the personal pension plan "Pensumo Pension Plan" managed by Ibercaja Pensión. This is a disruptive project in which unit holders receive contributions in their favour made by companies through commercial programmes or sponsorship campaigns. This product is available to both Ibercaja Banco customers and non-customers.

A total of some 150 companies and businesses have joined, and the goal is to reach 1,000 partnerships in the coming months.

Payments Business

The "Now Ibercaja" Strategic Plan aims to promote the continuous implementation of new capabilities in the payments sector in order to respond to its constant transformation. In 2024, the following initiatives can be highlighted:

- **Deployment of Android POS:** the deployment of new Android POS terminals has been undertaken with the aim of providing points of sale with greater functionality. In 2025, the entire current set of devices will be upgraded, and they will be equipped with greater value-added functionality for strategic segments for the Company.

- **Bizum ID:** in line with the sector, the new Bizum ID feature has been rolled out. This innovative system will allow consumers to authenticate and register on digital platforms using only their Bizum ID.

- **E6000+ programme:** the previous E6000 Privileges Programme has been completely renewed. This programme aims to provide greater ease of use of the cashback programmes offered by various retailers and businesses as an additional benefit to using these advantages. This program will be rolled out decisively in early 2025.

- **AEAT (Spanish tax authority) tax collection:** Ibercaja Banco has been selected as one of the four financial institutions that will collect various AEAT taxes through a pioneering new card payment system. This new platform will be deployed throughout the first half of 2025.

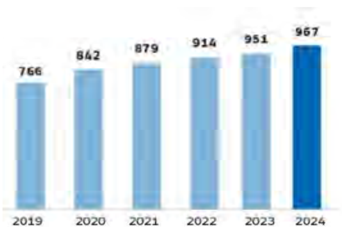
4.6.5 Progress in digital transformation and multi-channelling

To improve the non-face-to-face relationship, several lines of work have been identified:

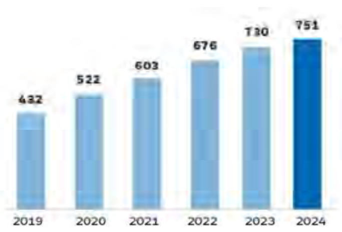
- **More and better understanding of the Bank's customers**: the objective is to have all customer information accessible and up-to-date, through a review of the data inventory, defining the taxonomy that the Bank needs.

- **Evolution of non-face-to-face channels**: the objective is to offer customers agile, simple relationship channels with broad functional and operational coverage. Non-face-to-face channels must facilitate the defined relationship model, and, based on this analysis, a roadmap for action has been established. The number of **digital banking users** has risen by **1.7% YOY**, driven by the good performance of mobile banking. 75% of all transactions are digital and **more than 40% of product sales are now through digital channels.**

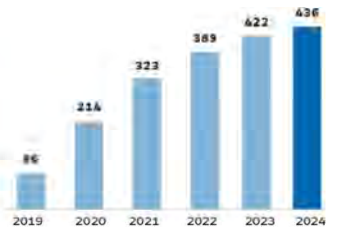
Digital banking users active per month



Mobile banking users active per month



Mobile payment users active per month



Thousands of users.

- **Evolve the non-face-to-face relationship model for managers**: in the previous strategic cycle, the digital role was consolidated and in 2024 the need to continue evolving this model has become evident. One of the main challenges is ensuring that the tools managers use get closer to the customer, make their work easier, and are as consistent as possible. A review of the tools used by managers has been conducted and the identified needs have been conceptualised.

- **Increase value propositions to customers**: measuring commercial activity and systematising its monitoring was a priority in 2024. In this regard, work was done on a dashboard, on systematizing the process within teams, and on a roadmap for the following years regarding the analysis of digital behaviour with the aim of providing solutions to customer needs.

Main financial figures of Ibercaja Group

5

iberCaja

5.1 Most significant financial aspects in Ibercaja Group

2-6, 3-3

Highly dynamic business volumes, profitability levels at historic highs, and solid progress in capital levels in the first year of the new "Now Ibercaja" Strategic Plan.

> Ibercaja achieves high commercial activity in customer funds, as well as in credit arrangements, both in companies and mortgages, which allows it to boost the growth of customer credit.

- The **retail funds** have grown **6.0% YOY** to stand at **€75,803 million**, far exceeding the figures of previous years. The Bank has continued its strategy of diversifying customer funds, increasing its **term deposit** balance (excluding mortgage bonds) to **€5,390 million**. At the same time, it has maintained high activity in **asset management and insurance**, with **investment funds** particularly noteworthy, reaching **record levels of €26,648 million**, representing growth of **12.6% YOY**.
- In **non-real estate productive assets,** the Bank has registered a high level of activity, with an increase in **new arrangements of 14.4% YOY** to reach €3,448 million. This dynamism in new arrangements and the good behaviour of current assets in the last quarter have allowed growth of the portfolio in this segment of **3.4%.**
- The **mortgage portfolio** has shown a change in trend this year and has stabilised for the first time since 2010, driven by the evolution of **new arrangements** in this segment, which increased by **6.7% YOY**, due to a lower volume of early repayments.
- **New life and non-life premium income has risen** by **3.9%** YoY to stand at **€58 million**. New non-life production increased by 3.9% YOY thanks to the dynamism in the corporate branch (+15% YOY), while life insurance production grew by 3.7% YOY.

- **Ibercaja has met the commercial objectives of the Business Plan agreed with Caser** for the period 2019-2024 and has recorded income for meeting the objectives in the amount of **€25 million.**

Ibercaja achieved net profit of €337 million and a ROTE of 12.6% thanks to strong revenue growth and reduced provisions due to the strong performance of its loan portfolio during the year.

- **Recurrent revenues** increased **3.5% YOY** to **€1,301 million**, driven primarily by the strong performance of net fees for the year and, to a lesser extent, by a resilient interest margin.

- **Operating expenses rose 4.6% YOY** to **€651** million, reflecting increased personnel costs due to the implementation of the collective bargaining agreement and an increase in the average workforce. **The efficiency ratio** stands at **49.9%**, improving one percentage point on 2023 (ex. extraordinary bonus).

- **Credit and foreclosed property write-offs**, amounting to **€88 million**, were **32.0% lower** than the previous year, due to the strong performance of the loan portfolio. The **cost of risk**, calculated as the percentage of impairments on loans and real estate in relation to average exposure, was **29 basis points**, against 42 basis points in 2023.

- The **net profit attributable to the Parent** stands at **€337 million,** against €304 million recorded in 2023, representing an **increase of 10.7% YOY.** Excluding the extraordinary taxable profit from Cerro Murillo in 2023, net profit would have increased by 41.5% YOY.

- Thus, the **ROTE** for 2024 stands at **12.6%**, a 1 percentage point improvement on what was recognised in 2023.

Ibercaja continues to increase its solvency ratio in line with its strategic objective, while continuing to reduce the volume of problem assets and maintaining a comfortable liquidity position.

- **Non-performing assets decreased by 3.0% YOY**, and the **NPL ratio** fell by 7 basis points to **1.6%**, 177 basis points lower than the other credit institutions. The **coverage ratio** of non-performing assets remains at a very high level of **88.6%.** The level of **foreclosed assets** fell by **21.3% YOY** thanks to the good performance of sales during the year. Thus, **problem assets decreased 10.6%** to €742 million. The **problem asset ratio** improved by 31 basis points to **2.4%** and the coverage ratio is **81.2%**.

- Ibercaja maintains a **sound liquidity and financing position**, the **LCR ratio** is **231.0%**, the **NSFR ratio** is **146.8%** and the **r ratio of credit to retail financing (LTD)** is **84.5%**.

- Ibercaja has continued to increase its **capital level** during the year thanks to the good performance of profitability and a contained pay-out. Thus, the **Fully Loaded CET1** advanced 64 basis points to **13.3%** while the **Total Capital** stood at **17.8%**. Ibercaja has an **MDA distance** of **531**. The **MREL ratio** is **23.5%** of risk-weighted assets, and Ibercaja exceeds the requirements with a **buffer of 221 basis points**.

Key financial data

BALANCE SHEET	31/12/2024	31/12/2023	Change (%)
Total assets	53,141	54,516	(2.5)
Gross loans and advances to customers	30,165	29,797	1.2
Performing loan portfolio exc. reverse repurchase agreements	29,196	28,612	2.0
Total retail resources	75,803	71,506	6.0
Equity	3,506	3,317	5.7
Retail turnover	105,000	100,118	4.9

PROFITS (thousands of euros)	31/12/2024	31/12/2023	Change (%)
Interest margin	676,887	660,718	2.4
Gross income	1,303,801	1,186,464	9.9
Income before write-offs	653,023	564,313	15.7
Profit attributable to the parent	336,832	304,396	10.7

EFFICIENCY AND PROFITABILITY	31/12/2024	31/12/2023	Change (%)
Cost-to-income ratio (total operating expenses/gross margin)	49.9%	52.4%	(4.8)
ROA (profit attributable to the parent company/total average assets)	0.6%	0.6%	10.5
RORWA (profit attributable to the parent company/APRs)	1.8%	1.6%	7.8
ROE (profit attributable to the parent company/average own funds)	11.0%	10.3%	6.7
ROTE (profit attributable to the parent company/average tangible own funds)	12.6%	11.6%	8.5

RISK MANAGEMENT	31/12/2024	31/12/2023	Change (%)
Non-performing balances (loans and advances to customers)	469	483	(3.0)
Non-performance rate of loans and advances to customers (%)	1.6%	1.6%	(4.2)
Ratio of Problem assets (%)	2.4%	2.8%	(11.5)
Coverage of doubtful risks	415	452	(8.2)
Non-performing loans coverage ratio (%)	88.6%	93.6%	(5.4)
Coverage of exposure to distressed assets (%)	81.2%	81.5%	(0.4)

LIQUIDITY	31/12/2024	31/12/2023	Change (%)
Liquid assets/total assets (%)	24.0%	22.3%	7.9
Loan-to-deposit ratio (LtD)	84.5%	84.9%	(0.5)
LCR ratio (%)	231.0%	247%	(6.5)
NSFR ratio (%)	146.8%	141.3%	3.9

SOLVENCY	31/12/2024	31/12/2023	Change (%)
CET1, phase-in (%)	13.4%	12.9%	3.8
Solvency ratio, phase-in (%)	17.9%	17.5%	2.3
Leverage ratio, phase-in (%)	6.3%	5.8%	9.4
CET1 - fully loaded (%)	13.3%	12.7%	5.0
Total capital, fully loaded (%)	17.8%	17.3%	3.1
Leverage ratio, fully loaded (%)	6.3%	5.7%	10.5

ADDITIONAL INFORMATION	31/12/2024	31/12/2023	Change (%)
No. Group employees	5,125	4,964	3.3
No. of offices	892	892	–

Rounded figures in millions of euros Y%.

5.2 Analysis of the main balance sheet figures

2-6

The high level of commercial activity and the favourable macroeconomic environment are driving growth in the Bank's business volumes. Excellent profitability levels combined with a contained pay-out drive equity growth.

Key figures on the consolidated balance sheet:

	31/12/2024	31/12/2023	Change	Change (%)
Cash and credit institutions	2,311,907	2,789,757	(477,850)	(17.1)
Loans and advances to customers	29,749,333	29,344,665	404,668	1.4
Securities portfolio	18,134,621	19,297,378	(1,162,757)	(6.0)
Tangible assets	949,210	977,792	(28,582)	(2.9)
Intangible assets	427,350	366,407	60,943	16.6
Other assets	1,568,227	1,740, 481	(172,254)	(9.9)
Total assets	**53,140,648**	**54,516,480**	**(1,375,832)**	**(2.5)**
Deposits from credit institutions and central banks	757,894	4,402,017	(3,644,123)	(82.8)
Customer deposits	37,544,306	35,217,277	2,327,029	6.6
Debt securities issued	1,631,592	1,684,814	(53,222)	(3.2)
Liabilities under insurance contracts	7,526,611	7,576,470	(49,859)	(0.7)
Provisions	218,931	197,245	21,686	11.0
Other liabilities	1,955,091	2,121,198	(166,107)	(7.8)
Total liabilities	**49,634,425**	**51,199,021**	**(1,564,596)**	**(3.1)**
Equity	**3,506,223**	**3,317,459**	**188,764**	**5.7**
Total equity and liabilities	**53,140,648**	**54,516,480**	**(1,375,832)**	**(2.5)**

Figures in thousands of euros.

Assets

Total assets on the consolidated balance sheet amounted to **€53,141 million,** down 2.5% on the €54,517 million recognised at December 2023.

Loans and advances to customers increased 1.4% YOY to €29,749 million. In gross terms, the portfolio stands at 30,165 million. "Sound" credit, which excludes non-performing assets and reverse repos, stands at €29,196 million, an increase of **€585 million or +2.0% in the year**. **Arranged loans and credits** show an excellent progress in the year, reaching a total of **€7,022 million**, 9.9% higher than the previous year.

By **geographical markets**, Madrid and the Mediterranean Coast accounted for 51.0% of new arrangements, Madrid being the main market, with 32.4% of the total, while the Home Market accounts for 31.8%. The Bank maintains a low risk profile, with **home purchase loans** accounting for 59.6% of total "healthy" credit. **Ibercaja is progressively increasing its focus on lending to non-real estate productive assets**, which now represents 30.5% of the credit balance.

Distribution of loans and advances to customers by purpose:

	31/12/2024	31/12/2023	Change	Change (%)
Loans to households	19,055,677	19,067,118	(11,441)	(0.1)
Home loans	17,408,717	17,406,676	2.041	0,0
Consumer loans and other	1,646,960	1,660,442	(13,482)	(0,8)
Corporate loans	8,904,428	8,532,952	371,477	4.4
Non-real estate productive activities	7,786,829	7,531,468	255,366	3,4
Real estate development	1,117,599	1,001,488	116,111	11,6
Public sector and other	1,236,346	1,011,708	224,638	22.2
Gross loans, ex impairment and reverse repos	**29,196,451**	**28,611,777**	**584,674**	**2.0**
Reverse repurchase agreement	499,423	702,327	(202,905)	(28.9)
Impaired assets	468,828	483,010	(14,182)	(2.9)
Gross loans and advances to customers	**30,164,702**	**29,797,114**	**367,588**	**1.2**
Impairment losses and others	(415,369)	(452,449)	37,080	(8.2)
Loans and advances to customers	**29,749,334**	**29,344,665**	**404,669**	**1.4**

Figures in thousands of euros.

The amount of **healthy credit for companies** stands at **€8,904 million**, representing an increase in the year of **4.4%** and resulting in a **market share of +8 basis points**. In **non-real estate productive assets,** the Bank has registered a high level of activity, with an increase in new arrangements of 14.4% YOY to €3,448 million. Thus, the volume has increased by **3.4%** thanks to the activity of arrangements and the good performance of working capital in the last quarter of the year. The balance of **real estate developments**, which represents 3.8% of healthy loans, increased by **11.6%** in the year thanks to the good performance of arrangements.

The level of **healthy loans to households** remained **stable** in the year. Its main component, **loans for home purchases**, have changed their trend this year and the portfolio **has stabilised** for the first time since 2010 (+€2 million in the year), due to growth in new transactions in this segment of 6.7% YOY, thanks to the momentum in the Spanish real estate market and a lower volume of early repayments. Meanwhile, **consumer credit and other household financing**, accounting for 5.6% of the total, remained **stable** in the year.

Asset quality indicators (doubtful assets, foreclosed assets and coverage)

	31/12/2024	31/12/2023
Non-performing loans and advances to customers	468,828	483,298
Gross loans and advances to customers	30,164,702	29,797,114
Non-performance rate of loans and advances to customers (%)	**1.55%**	**1.62%**
Distressed assets (non-performing loans and advances to customers + repossessions)	741,876	830,240
Exposure (loans and advances to customers + foreclosed assets)	30,437,750	30,144,056
Problem asset index	**2.44%**	**2.75%**
Non-performing loans and advances to customers	468,828	483,298
Coverage of doubtful risks	415,369	452,449
Coverage of non-performing risks (%)	**88.60%**	**93.62%**
Foreclosed assets (gross carrying amount)	273,048	346,942
Coverage of foreclosed assets	187,203	224,441
Coverage of foreclosed assets (%)	**68.56%**	**64.69%**
Distressed assets (non-performing loans and advances to customers + repossessions)	741,876	830,240
Coverage of problem assets (%)	602,572	676,890
Coverage rate of Problem assets (%)	**81.22%**	**81.53%**

Figures in thousands of euros.

The Bank has managed to reduce the volume of **non-performing assets**, with contained default entries and high effectiveness in the exits and sales of foreclosed assets. **Non-performing assets (loans and advances to customers), €468 million at December 2024**, fell 3.0% YOY. **The NPL ratio of 1.6%** is down 7 basis points in the year and is one of the lowest in the Spanish banking system, standing 177 basis points below the level of the other credit institutions taken as a whole[8]. **The coverage ratio is 88.6%**.

At year-end 2024, given the high degree of uncertainty in the current macroeconomic and geopolitical context, the Bank maintains a **provision (PMA) of €54.8 million,** to cover exposures of customers who may suffer a deterioration in their credit quality in the short to medium term. Specifically, this provision covers macroeconomic risk, non-financial risks (geopolitical risk and climate transition risk), and the potential effects of the DANA weather event.

The **portfolio of foreclosed properties**, recorded under the balance sheet items "investment property", "inventories" and "non-current assets held for sale" amounted to **€273 million gross**, **21.3% lower** than in December 2023 thanks to the good performance of sales during the year. The coverage of all real estate was **68.6%**, with coverage of land assets reaching 78.4%. The net value of foreclosed assets, €86 million, decreased by 29.9% and represented less than 0.2% of total assets.

Problem assets, the sum of non-performing loans and advances to customers and foreclosed real estate, **was down €88 million or 10.6% on the previous year**, standing at **€742 million at December 2024**. The problem asset ratio of **2.4%** shows an improvement of 32 basis points in the year, and the coverage ratio for the set of problem assets is **81.2%**. Problem assets, net of hedges, stand at €139 million and represent less than 0.3% of the Bank's total assets, one of the lowest levels in the Spanish financial system.

Refinanced loans amounted to €335 million, **18.3% lower than at year-end 2023** and account for only 1.1% of gross loans and advances to customers. 50.1% of refinanced loans are classified as non-performing and their coverage is 42.0%.

As regards the **distribution of the loan portfolio by stages**, Ibercaja has classified 4.2% of gross lending as Stage 2, compared to 4.9% in 2023. Stage 2 coverage is at 6.2%.

The **Group's portfolio of fixed-income securities, shares and equity interests in companies** amounts to **€18,135 million**, of which €7,664 million corresponds to the insurance business.

The **portfolio affected by banking activity, €10,471** million, is down by €1,138 million in the year, mainly due to the decrease in volumes in the Bank's ALCO portfolio in the year.

[8] Source: Bank of Spain, December 2024, the latest information available.

- The **ALCO portfolio** managed by the parent decreased by 10.1% in the year to **€10,128 million.** This portfolio is composed of low-risk bonds, mainly Spanish government bonds (68.8%) and Sareb bonds (13.7%), with an average duration, including hedges, of 1.7 years and an average portfolio yield of 1.0% in the year. 94.7% of these financial assets are classified at amortised cost. The objective here is to soundly manage balance sheet interest rate risk, generate recurring earnings to strengthen the interest margin and help maintain comfortable levels of liquidity.
- **Equity**, at **€282 million**, comprised investments in unlisted companies in strategic sectors for the Bank or intended for the territorial development of the regions in which the Bank operates, together with listed shares of domestic and foreign companies. It was down €17 million in the year.

The portfolio assigned to the insurance business, at €7,664 million, stayed at the same levels as at the end of the previous year.

- **Fixed income**, at **€6,196 million**, grew by only €11 million in the year. These assets are mainly classified as "Financial assets at fair value through other comprehensive income".
- **Equities**, **at €1,468 million**, were down €36 million.

Breakdown of the securities portfolio

	31/12/2024	31/12/2023	Change	Change (%)
Non-trading financial assets mandatorily at fair value through profit or loss	**1,441,158**	**1,484,702**	**(43,544)**	**(2.9)**
Debt securities	1,441,158	1,484,702	(43,544)	(2.9)
Financial assets designated at fair value through profit or loss	**436,971**	**444,475**	**(7,504)**	**(1.7)**
Debt securities	436,971	444,475	(7,504)	(1.7)
Financial assets at fair value through other comprehensive income	**4,546,079**	**4,729,521**	**(183,442)**	**(3.9)**
Debt securities	4,316,316	4,491,133	(174,563)	(3.9)
Equity instruments	229,509	238,388	(8,879)	(3.7)
Financial assets at amortised cost	**11,631,013**	**12,558,457**	**(927,444)**	**(7.4)**
Debt securities	11,631,013	12,558,457	(927,444)	(7.4)
Investments in joint ventures and associates	**79,400**	**80,223**	**(823)**	**(1.0)**
Total securities portfolio	**18,134,621**	**19,297,378**	**(1,162,757)**	**(6.0)**

Figures in thousands of euros.

Figures in thousands of euros

BY ACTIVITY AREA	31/12/2024	31/12/2023	Change	Change (%)
Banking business	**10,471,005**	**11,609,331**	**(1,138,326)**	**(9,8)**
Of which: fixed income - ALCO portfolio	10,128,050	11,262,779	(1,134,729)	(10.1)
Of which: fixed income - subsidiaries portfolio	60,540	46,666	13,874	29.7
Of which: equity	282,415	299,886	(17,471)	(5.8)
Insurance business	**7,663,616**	**7,688,045**	**(24,429)**	**(0.3)**
Of which: fixed income	6,195,964	6,184,618	11,346	0.2
Of which: equity (Unit Linked)	1,467,652	1,503,427	(35,775)	(2.4)
Total securities portfolio	**18,134,621**	**19,297,378**	**(1,162,757)**	**(6.0)**

The **active balance in central banks, credit institutions and cash** stands at **€2,312 million**, a reduction of €478 million explained by the decrease in positions in credit institutions during the year. **Liabilities to central banks and credit institutions** stand at **€758 million**, against €4,402 million in 2023. The increase in the customer deposit base has allowed a reduction of more than €3,600 million in deposits held by credit institutions.

Breakdown of cash and assets at credit institutions and deposits from credit institutions and central banks

	31/12/2024	31/12/2023	Change	Change (%)
Cash and cash balances at central banks and other demand deposits	2,044,522	1,999,017	45,505	2.3
Credit institutions (financial assets at amortised cost)	267,385	790,740	(523,355)	(66.2)
Cash and credit institutions	**2,311,907**	**2,789,757**	**(477,850)**	**(17.1)**
Central bank deposits	—	—	—	—
Deposits from credit institutions	757,894	4,402,017	(3,644,123)	(82.8)
Deposits from credit institutions and central banks	**757,894**	**4,402,017**	**(3,644,123)**	**(82.8)**

Figures in thousands of euros

Tangible assets stand at **€949 million**, which represents a decrease of €29 million compared to December 2023. This is mainly explained by a €26 million reduction in assets for own use and, to a lesser extent, a €13 million reduction in investment property. Assets transferred under operating lease increased by €10 million this year.

Intangibles assets, standing at **€427 million**, comprise goodwill, other items generated from the acquisition of Caja3 and computer software. This item **is up by €61 million in the year due to investments within the Strategic Plan.**

The **tax assets of**, **€1,135 million are down €141 million in the year**.

Equity and liabilities

Core customer deposits, which include demand deposits, term deposits excluding bonds, and temporary asset transfers, ended the year with a balance of **€34,627 million**, a 2.6% increase on 2023. Following the success of the strategy of diversifying customer funds towards intermediation products in 2023, this year the Bank has aimed to stabilise balances by arranging **term deposits**, which have increased to €5,930 million, at a moderate cost (1.54% in households).

At the same time, high activity has been maintained in **intermediation products; specifically, investment funds, pension plans and life insurance**. By product type, investment funds stood at €26,648 million (+12.6% YOY), pension plans at €6,887 million (+7.7% YOY), and life insurance at €7,641 million (-0.8% YOY). These products, which offer high expected returns for the customer, as a whole **are up 9.1% in the year to €41,176 million**, an historic high in terms of managed volume of off-balance sheet funds.

Thus, **retail funds** under management, both on and off the balance sheet, amounted to **€75,803 million**, up **+6.0%** on year-end 2023. Excluding market valuations (+€2,129 million), retail funds increased 3.0%.

Details of total retail funds

	31/12/2024	31/12/2023	Change	Change (%)
Retail deposits	34,627,379	33,751,789	875,590	2.6
Demand deposits	28,697,586	32,331,054	(3.633,468)	(11,2)
Term deposits (exc. mortgage-backed bonds)	5,929,793	1,420,735	4.509,058	317,4
Asset management and insurance	41,175,761	37,754,178	3,421,583	9.1
Total retail resources	**75,803,140**	**71,505,967**	**4,297,173**	**6.0**

Figures in thousands of euros

Debt securities issued, amounting to **€1,631 million**, remained stable in the year (+53 million).

Liabilities covered by insurance or reinsurance contracts, standing at **€7,527 million**, remained practically stable in the year: -0.7%.

Provisions on the liability side of the balance sheet, standing at **€219 million**, comprise funds for pensions and similar commitments, outstanding labour costs and other provisions, which have increased by 22 million in the year.

Equity stands at **€3,506 million**, **€189 million more than at year-end 2023**. The growth is largely explained by an increase in equity (+209 million in the year), thanks to the positive performance of profitability during the year as well as a contained pay-out ratio of 40%. In contrast, the “Accumulated other comprehensive income” item is down -20 million in the year.

5.3 Income statement

3-3

Positive business performance has led to a 10.7% YOY increase in net profit, reaching a record high of €337 million and a ROTE of 12.6%.

Main headings of the income statement

	31/12/2024	31/12/2023	Change	Change (%)
Interest margin	676,887	660,718	16,169	2.4%
Net fees, commissions and exchange differences	481,632	449,888	31,744	7.1%
Profit/(loss) of insurance contracts (net)	142,481	146,310	(3,829)	(2.6)%
Recurrent revenues	**1,301,000**	**1,256,916**	**44,084**	**3.5%**
Gains/(losses) on financial assets and liabilities	(10,171)	(7,963)	(2,208)	27.7%
Other operating profit/(loss)	12,972	(62,489)	75,461	(120.8)%
Other operating income and expenses	7,362	(69,495)	76,857	(110.6)%
Dividends	8,446	12,679	(4,233)	(33.4)%
Earnings at equity-accounted entities	(2,836)	(5,673)	2,837	(50.0)%
Gross income	**1,303,801**	**1,186,464**	**117,337**	**9.9%**
Operating expenses	(650,778)	(622,151)	(28,627)	4.6%
Income before write-offs	**653,023**	**564,313**	**88,710**	**15.7%**
Provisions, impairments and other write-offs	(150,461)	(176,527)	26,066	(14.8)%
Other gains/(losses)	5,866	3,599	2,267	63.0%
Pre-tax income	**508,428**	**391,379**	**117,049**	**29.9%**
Taxes	(171,596)	(87,002)	(84,594)	97.2%
Consolidated profit/(loss) for the year	**336,832**	**304,376**	**32,456**	**10.7%**
Profit/(loss) attributable to the Parent	**336,832**	**304,396**	**32,436**	**10.7%**

Figures in thousands of euros.

The **interest margin** amounted to **€677 million**, noting a **year-on-year increase of 2.4%**, thanks to the improvement in the customer margin and the performance of the fixed-income portfolio, which offsets the increase in the cost of wholesale financing.

Loan income was up **13.2%** on 2023 thanks to higher yields across all portfolio segments. The average portfolio rate for the year is **3.6%** (against 3.2% in the previous year). Performance gone up and down over the year due to changes in interest rates, but it should be noted that the decrease has been less pronounced than the drop in market rates, which is explained by the lag in revaluation and the lower sensitivity of the portfolio.

The **cost of retail financing** increased by **€112 million** in the year to **0.6%** of retail creditor, mainly due to the increase in the volume of term deposits with retail customers, in line with the strategy set by the Bank for the year.

The customer spread, measured as the difference between the credit yield and the cost of retail financing, stood at **3.0%**, 8 basis points higher than the **2.9%** recorded in 2023.

The **yield on the fixed income portfolio** is **€115 million** and represents 8.2% of interest income. The increased contribution of this heading to the interest margin, +€18.2 million YOY, is mainly due to the improvement in the average yield of SAREB bonds.

The **cost of wholesale issues** was up **€10 million** on the previous year, due mainly to the repricing of issues to higher rates.

Breakdown of the interest margin

	2024			2023			Change 24/23		
	Average balance	Cost Perfor	Cost Perfor (%)	Average balance	Cost Perfor	Cost Perfor (%)	Volume effect	Effect rate	Net change
(rounded figures in millions of euros)									
Financial intermediaries	3,871	103	2.65	3,540	55	1.54	5	43	48
Loans and advances to customers (a)	28,169	1,010	3.59	28,247	893	3.16	(2)	120	117
Fixed income portfolio	10,922	115	1.06	11,346	97	0.86	(4)	22	18
Income from insurance activity	7,826	160	2.04	7,389	130	1.76	8	22	29
Other assets	3,290	13	0.40	3,504	6	0.17	—	8	7
ASSETS (c)	**54,078**	**1,401**	**2.59**	**54,026**	**1,180**	**2.19**	**1**	**219**	**220**
							—	—	
Financial intermediaries	4,483	161	3.58	3,913	100	2.55	15	46	61
Retail deposits (b)	33,363	209	0.63	34,283	97	0.28	(3)	115	112
Wholesale issues	2,905	173	5.96	2,911	163	5.59	—	11	10
Costs of insurance activity	7,511	175	2.33	7,053	153	2.17	10	12	22
Other liabilities	5,816	6	0.11	5,866	7	0.12	—	(1)	(1)
LIABILITIES (d)	**54,078**	**724**	**1.34**	**54,026**	**520**	**0.96**	**1**	**204**	**204**
Customer spread (a-b)			2.96			2.88			
Balance sheet spread (c-d)			1.25			1.22			

Note: In accordance with accounting regulations, income derived from the application of negative rates is recognised according to its nature. "Financial intermediaries" on the assets side includes the negative interest on the financial intermediaries' balances on the liabilities side, the most significant of which is the income from TLTRO III. Symmetrically, "Financial intermediaries" on the liabilities side includes negative interest on the balances of financial intermediaries on the assets side.

Net fees and exchange differences totalled **€482 million, up 7.1% on 2023**. The good performance is entirely due to fees for **asset marketing and management**, which **grew 12.6% YOY** following the exceptional amount of net contributions for the year and the positive impact of market valuations.

Fees from banking activity fell 3.0% YOY, mainly impacted by the drop in default fees and the adjustment of rates in strategic customer segments.

Details of net fees and commissions

	31/12/2024	31/12/2023	Change	Change (%)
Fees for contingent liabilities and commitments	12,220	11,843	377	3.2
Collection and payment services fees	133,533	138,447	(4,914)	(3.5)
Securities services fees	42,406	37,909	4,497	11.9
. Administration, custody and trading of securities	8,586	8,324	262	3.1
. Asset management	33,820	29,585	4,235	14.3
Non-bank financial product marketing fees	297,968	265,993	31,975	12.0
Other fees	15,047	16,094	(1,046)	(6.5)
Fees received	**501,174**	**470,285**	**30,889**	**6.6**
Fees paid	**(19,076)**	**(19,502)**	**426**	**(2.2)**
Net exchange differences	**(465)**	**(895)**	**429**	**(48.0)**
Net fees, commissions and exchange differences	**481,632**	**449,889**	**31,744**	**7.1**
of which: Fees for marketing and asset management	326,949	290,356	36,593	12.6
of which: Banking fees and commissions	154,684	159,533	(4,849)	(3.0)

Figures in thousands of euros.

Income from the insurance contracts (net) amounted to **€142 million,** compared to €146 million recorded for the previous year.

Recurrent revenues, aggregated interest margin and net fees, and exchange differences and income from insurance contracts (net), **increased by 3.5% YoY** to **€1,301 million**. The strong performance of net fees in the year and, to a lesser extent, a resilient interest margin, explain the increase in recurrent revenues.

Income from financing transactions stood at **-€10 million**, compared to -€8 million in 2023.

The net amount of other operating income and expense in the income statement was **€13 million,** compared to €62 million in the previous year. It is important to note the **end of contributions to the FUR and FGD funds,** which in 2023 resulted in a total expense of **€62.7 million**. The **levy on banks** is included in this item and has represented a total expense of **€54 million** (€47.6 million for the expense in 2024 and an additional €6.4 million for the 2023 adjustment) against €29 million in the previous year. Under this heading, following achievement of the objectives set in the first five years of the **Business Plan signed with Caser, income for meeting objectives has been recorded for an amount of €25 million.**

Dividend income stands at **€8 million**, against €13 million in 2023, explained entirely by the lower dividend from Caser.

The **income of entities accounted for using the equity method** amounts to **-€3 million,** compared to -€6 million in the previous year.

Gross income was **€1,304 million**, **9.9% higher YOY.** The better performance was mainly due to the good performance of recurrent revenues and a higher contribution from net other operating income and expenses in the year.

Operating expenses, of **€651 million**, increased by **4.6% YoY** (excluding the extraordinary bonus to the workforce in 2023, expenses increased by 7.7% YoY). **Staff costs** increased by **2.9%** YOY Excluding the extraordinary bonus, they increased by 8.1% YOY due to implementation of the collective bargaining agreement, the increase in average headcount, and, to a lesser extent, the increase in Social Security contribution bases resulting from the above. **Other administrative expenses** increased by **4.9%,** while **write downs** rose by **11.7%** due entirely to the write-down of intangibles following the investment made and commissioning in 2023.

Breakdown of operating expenses

	31/12/2024	31/12/2023	Change	Change (%)
Wages and salaries	(286,774)	(279,425)	(7,349)	2.6
Social security contributions	(75,320)	(72,320)	(3,000)	4.1
Contribution to pension funds and insurance policies	(17,539)	(16,516)	(1,023)	6.2
Severance payments	(1,143)	(876)	(267)	30.4
Other staff costs	(2,030)	(2,853)	823	(28.9)
Personnel expenses	**(382,806)**	**(371,991)**	**(10,816)**	**2.9**
Buildings, installations and office equipment	(24,931)	(28,221)	3,290	(11.7)
Systems maintenance, licences, IT development and software	(31,721)	(27,403)	(4,318)	15.8
Communications	(11,012)	(12,279)	1,267	(10.3)
Advertising and publicity	(5,731)	(6,112)	381	(6.2)
Charges and taxes	(17,831)	(18,758)	927	(4.9)
Other management and administration expenses	(85,489)	(75,721)	(9,769)	12.9
Other general administrative expenses	**(176,721)**	**(168,488)**	**(8,233)**	**4.9**
Depreciation and amortisation	**(91,251)**	**(81,671)**	**(9,580)**	**11.7**
Operating expenses	**(650,778)**	**(622,151)**	**(28,627)**	**4.6**
Recurring operating expenses	**(650,778)**	**(604,336)**	**(46,442)**	**7.7**
Staff costs without extraordinary bonus	(382,806)	(354,177)	(28,629)	8.1
Other general administrative expenses + amortisation	(267,972)	(250,159)	(17,813)	7.1

Figures in thousands of euros

The **efficiency ratio,** measured as operating expenses over gross margin, stands at **49.9%**, a one percentage point improvement on 2023 excluding the extraordinary staff bonus.

Profit before provisions stands at **€653 million**, 15.7% higher than the previous year, as a result of the strong increase in recurrent revenues.

Provisions and write-downs recorded as losses on impairment of financial assets, non-financial assets, non-current assets held for sale and allowances for provisions amount to **€150 million**, representing a downturn of **14.8%** on the previous year.

Credit and foreclosed property write-offs, amounting to **€88 million**, were 32.0% lower than the previous year, due to the strong performance of the loan portfolio. The cost of risk, calculated as the percentage of impairments on loans and real estate in relation to average exposure, was **29 basis points, against 42 basis points** in 2023.

The heading **Transfers to provisions (net)** includes provisions for pensions, lawsuits, pending tax litigation, commitments and guarantees given and other provisions. At year-end 2024, a net provision is recorded of **€50 million**, to cover legal contingencies and other ordinary business risks of the Group.

"Other **gains and losses"** include the results of the sale of property, plant and equipment and business interests, as well as the payment of fees for the marketing of foreclosed properties. This heading records income of **€6 million,** compared to €4 million in the previous year.

The **Group's profit before tax** was **€508 million**, representing an increase of **29.9% YOY or €117 million** thanks to the positive evolution of the Bank's business. The corporate income tax expense was €172 million, against €87 in the previous year. This increased tax expense is primarily due to the liquidation of the Cerro Murillo subsidiary in the second quarter of 2023, which generated revenue of €66 million. This difference in the tax contribution compared to last year hinders the performance of **net profit attributable to the parent**, which stands at **€337 million**, against €304 million recorded in 2023, representing an **increase of 10.7% YOY. Excluding the impact of extraordinary taxable profit from Cerro Murillo in 2023, net profit would have increased by 41.5% YOY.** The **ROTE for 2024** stands at **12.6%**, a 1 percentage point improvement on what was recognised in 2023.

5.4 Funding and liquidity structure

The Bank has a strong liquidity and financing position, with ratios well above regulatory requirements.

Ibercaja has traditionally employed a **conservative liquidity policy**, as it seeks to finance the growth of its lending activity with retail customer funds. The Bank prudently manages its liquidity and ensures that its sources of financing are balanced and well-diversified, anticipating fund needs so as to honour its obligations as these fall due without conditioning its investment activity to the climate of wholesale financing markets. The basic principles governing its strategy are documented in the Liquidity Risk Management Manual.

The **liquidity risk measurement** considers the estimated **cash flows** of assets and liabilities and the **forecasts made through the business plan**, so that the financing plan takes into account the expected growth of the various balance sheet items depending on the macroeconomic environment and the ambition of the Bank.

Note 3.8 to the **financial statements for 2024** provides a more detailed explanation of the Bank's **strategy and policies for managing liquidity risk**, as well as the associated measurement and control procedures.

Retail customer deposits amounted to **€34,627 million** and are the **main source of borrowed funds, accounting for 86.0% of the Bank's total**. The **loan to deposit ratio (LTD) stands at 84.5%**. Of the total retail deposits, 86.2% are considered stable and 87% of deposits are covered by the FGD (Deposit Guarantee Fund). The 20 largest depositors account for around 2.9% of Ibercaja's total deposits. **Customer deposits,** which in addition to retail deposits include multi-issuer covered bonds, repos and others, account for **93.2%** of total funding (84.5% in December 2023).

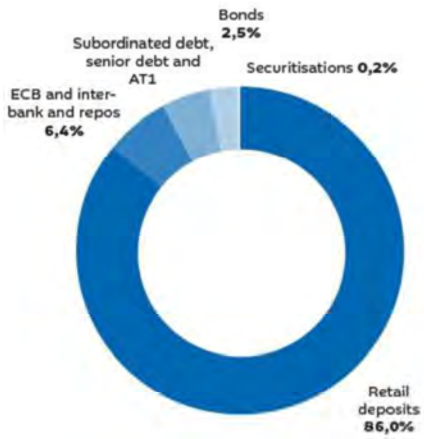
Wholesale funding supplements funding obtained from individuals and companies. It is focused on the medium and long term and includes positions taken in interbank markets and ECB auctions, covered bonds, securitisations, subordinated liabilities and other issues. This funding represents **14.0% of external funding** (compared to 19% in 2023).

Central bank deposits remain at **€0 million**.

The **deposits from credit institutions**, **of €758 million**, represent **1.9%** of external financing, compared to 10.6% at the end of 2023. The decrease of €3,644 million is explained by maturities in the ALCO portfolio that have not been renewed and by an increase in deposits with customers, in line with the Banks's strategy, in 2024. This figure, together with repos, amounts to €2,595 million, representing 6.4% of external financing.

Debt securities issued, which include single covered bonds, senior debt, Tier 2 subordinated debt and securitisations, stand at **€1,632 million**, down €53 million, due to maturities of covered bonds and securitisations, representing 4.1% of external funding. AT1 represents 0.9% of external financing.

Breakdown of the financing structure



Composition of external funding

	31/12/2024		31/12/2023		Change	
	Balance	%	Balance	%	Balance	%
Central bank deposits	–	–	–	–	–	0.0
Deposits from credit institutions	757,894	1.9	4,402,017	10.6	(3,644,123)	-82.8
Customer deposits	37,544,306	93.2	35,217,277	84.5	2,327,030	6.6
. Of which: retail deposits	34,627,379	86.0	33,751,789	81.0	875,590	2.6
Debt securities issued	1,631,592	4.1	1,684,814	4.0	(53,223)	-3.2
AT1 issue	350,000	0.9	350,000	0.8	–	0.0
EXTERNAL FUNDING	**40,283,792**	**100.0**	**41,654,108**	**100.0**	**(1,370,317)**	**-3.3**
Retail financing	34,627,379	86.0	33,751,789	81.0	875,590	2.6
Wholesale financing	5,656,413	14.0	7,902,319	19.0	(2,245,907)	-28.4

Figures in thousands of euros.

Ibercaja maintains a **solid liquidity position**. At December 2024, the **liquidity coverage ratio (LCR)**, which measures the level of high-quality liquid assets free of charges needed to overcome a liquidity stress scenario at 30 days, stands at **231.0%.** The **available liquidity** of **€12,757 million**, represents 24.0% of total assets. Counting the issuance capacity for mortgage-covered bonds and regional covered bonds, of €8,062 million, **total liquidity available** came to **€20,819 million**. The **maturities of wholesale market issuances** present a staggered redemption schedule through to 2028. The total liquidity available covers debt maturities 7.2 times.

Liquid assets and funding capacity
€Mn - December 2024

Institutional maturities
€Mn - December 2024

The collateral policy with the ECB includes pledged assets with a discountable value of €5,907 million, all available to satisfy the Bank's liquidity needs since no amount has been drawn down.

Regarding the funding profile, the **NSFR** ratio stands at **146.8%**. This indicator shows the proportion of funding for one year covered by stable liabilities, the aim being to ensure an even balance sheet structure that limits excessive reliance on short-term wholesale funding.

Liquidity indicators

	31/12/2024	31/12/2023	Change	Change (%)
Cash and central banks	1,878,959	1,792,730	86,229	4.8
Available in policy	5,907,198	6,494,859	(587,661)	(9.0)
Eligible off-policy assets	4,652,003	3,498,954	1,153,049	33.0
Other assets not eligible for ECB	318,591	347,533	(28,942)	(8.3)
AVAILABLE LIQUIDITY	**12,756,751**	**12,134,076**	**622,675**	**5.1**
Issuance capacity for mortgage covered and public sector mortgage-backed bonds	8,062,169	8,179,659	(117,490)	(1.4)
TOTAL AVAILABLE LIQUIDITY	**20,818,920**	**20,313,735**	**505,185**	**2.5**

Available liquidity / total assets (%)	24.0%	22.3%
Loan-to-deposit ratio (%)	84.5%	84.9%
LCR (%)	231.0%	247.2%
NSFR (%)	146.8%	141.3%

Figures in thousands of euros.

Expected liquidity trends and fluctuations:

Business development projections suggest that the Group will have adequate levels of liquidity in the short and medium term, in line with both internal management and regulatory limits. The Bank has a high weight of retail funding, which is highly stable, and wholesale issues are of little relevance and staggered maturity. However, in the event of a hypothetical increase in liquidity tensions in the economy or a contraction in the credit market affecting liquidity and the deposit base, the Group, in addition to its current comfortable liquidity position, has various sources of funding (issuance of senior debt and covered bonds, as well as recourse to ECB funding through pledging of fixed-income securities, own issues and securitisation of assets), and, if necessary, would implement the specific Contingency Plan it has established for crisis situations.

5.5 Capital management

> Ibercaja has continued to increase its capital level during the year thanks to the good performance of profitability and a contained pay-out.

The **Group's capital management** is designed to ensure that **regulatory requirements are fulfilled** at all times and to maintain an **adequate relationship between the risk profile and own funds.** Capital adequacy is self-assessed by the Bank on a regular basis through processes to identify, measure and aggregate risks in order to determine the capital needed to cover them. As a result of this process, a capital target is set with adequate slack in terms of both actual needs and minimum capital requirements, and projections of capital sources and consumption are made on the basis of activity and expected results in the medium term.

The expected changes in Ibercaja Banco's capital and solvency ratios shows the Bank's ability to cope with potential stress situations in the current macroeconomic and financial environment. In addition, the Bank has a recovery plan in place to guarantee its ability to react to potential situations of deterioration in its solvency. Ibercaja is working on implementation of Basel IV, which will take place in 2025.

Key solvency ratios

The **phased-in CET1** ratio, which measures the relationship between Tier 1 capital and risk-weighted assets, was **13.4%**. Having fully completed the hybrid capital buffers with the AT1 and T2 issues, Ibercaja maintains an efficient capital structure and the total capital at 31 December 2024 amounted to €3,409 million, representing a **total capital ratio** of **17.9%**

In terms of **Fully Loaded**, **CET1** showed an **advance of 64 basis points in the year** to **13.3%** while **total capital** stood at **17.8%**.

The **Ibercaja Group's leverage ratio**, which shows the relationship between the capital and assets of a credit institution regardless of the degree of risk of those assets, stood at **6.3%** at December 2024, and 6.3% in fully loaded terms.

The calculation of weighted assets for Ibercaja's solvency ratios is based entirely on **standard models**, which results in a higher valuation of assets at risk than that considered in advanced models.

Developments in the main solvency ratios

	Phased in		Fully loaded	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023
Tier 1 capital	2,911	2,748	2,903	2,712
Common Equity Tier 1	2,555	2,398	2,547	2,362
Additional Tier 1 capital	356	350	356	350
Tier 2 capital	498	500	498	500
Total Capital	3,409	3,248	3,401	3,212
Risk-weighted assets	19,098	18,609	19,094	18,598
RWA density (RWAs/total assets)	35.9%	34.1%		
Tier I (%)	15.2%	14.8%	15.2%	14.6%
CET1 (%)	13.4%	12.9%	13.3%	12.7%
AT1 (%)	1.9%	1.9%	1.9%	1.9%
Tier 2 (%)	2.6%	2.7%	2.6%	2.7%
Total capital ratio (%)	17.9%	17.5%	17.8%	17.3%
Leverage ratio (%)	6.3%	5.8%	6.3%	5.7%
Ratio MREL s/ APRs (%)	23.5%	23.1%		
Ratio MREL s/ LRE (%)	9.8%	9.1%		

Figures in thousands of euros.

PRES and MREL requirements

In December 2024 the European Central Bank formally communicated to Ibercaja the decision regarding the new minimum prudential capital requirements for 2025, once the results of the Supervisory Review and Evaluation Process (SREP) were known.

These requirements have been lowered by 10 basis points with respect to those required for 2024. Thus, Ibercaja must maintain, **as of 1 January 2025, a Common Equity Tier 1 phased-in (CET1) ratio of 8,069% and a Total Capital phased-in ratio of 12.40%**. The total capital requirement includes the minimum Pillar 1 requirement (8%, of which CET1 4.5%), the Pillar 2 requirement (1.90%, of which at least 1,069% must be met with CET1) and the capital conservation buffer (2.5%). It should be noted that, starting 1 October 2025, the countercyclical capital buffer (CCyB) will increase by 0.5%.

Ibercaja has an **MDA distance** (excess capital over current SREP requirements taking into account potential shortfalls or excesses in AT1 and T2 buffers) of **531 basis points**, one of the highest in the Spanish financial system. Taking this MDA buffer into account, the Bank has sufficient margin to absorb the increase in the countercyclical capital buffer.

In accordance with the Bank Recovery and Resolution Directive (BRRD2), Ibercaja must comply with the **MREL requirements** starting 20 December 2024. According to the Bank of Spain's notification of the latest decision of the Single Resolution Board, the Group must have a minimum volume of own funds and eligible liabilities of 18.76% of the total risk exposure, which stands at 21.26% including the current combined requirement of capital buffers (2.5%). The latter will increase by 0.5% starting 1 October 2025. The MREL leverage ratio requirement is 5.23%.

The **MREL ratio** of the Bank at December 2024 amounts **to 23.5% of risk-weighted assets and 9.7%** in terms of leverage ratio. At 2024, **Ibercaja exceeds the MREL requirements** and has a buffer over requirements of 221 basis points in terms of risk-weighted assets.

Dividend policy

The Bank is no currently subject to any restrictions or limitations on the payment of dividends. In any event, it will distribute its profits in a prudent manner such that it does not affect the objective of maintaining an adequate capital buffer, even if there is an impairment of the economic situation and financial conditions.

The distribution of dividends is determined at the General Meeting of Shareholders on a recommendation submitted by the Board of Directors.

Taking into account current capital adequacy levels, projected earnings for the coming years and the capacity for organic generation of capital, the **pay-out ratio in 2024** will be **40%, in line with the Bank's medium-term strategic objective**.

The General Meeting of Shareholders held on 10 April 2024 approved the distribution of a dividend charged against 2023 results in the amount of €182,626 thousand; taking into account that an interim dividend of €168,247 thousand had already been paid to shareholders in 2023. Additionally, in 2024, the Board of Directors approved a distribution among shareholders, in proportion to their respective participation in the share capital of the Bank, of an interim dividend of **€23,009 thousand, €37,825 thousand and €40,087 thousand**, with a charge to the profits of the first, second and third quarter, respectively.

Additionally, the Board of Directors will propose that it is agreed to distribute a dividend out of 2024 profits for **€134,733 thousand**, given that the shareholders have already been paid an interim dividend of **€100,921 thousand**, and **€33,812 thousand** were pending approval and distribution.

Fundación Bancaria Ibercaja completed the provision to the Reserve Fund, equivalent to 1.75% of the Bank's RWA, in the first quarter of 2024, well in advance of the deadline of the end of 2025.

Information on treasury stock

In 2024, there have been no transactions involving own shares.

5.6. Credit agency ratings

In 2024, Ibercaja achieved credit rating upgrades from all three rating agencies, reflecting the Bank's recent financial progress and the improved prospects for the Spanish financial system as a whole.

- On 19 March 2024, **Moody's Investors Service,** upgraded the credit rating of Ibercaja Banco's long-term deposits from “Baa2” to “Baa1”, maintaining the stable outlook. This rating upgrade is part of the improved Macro Profile, resulting from more favourable operating and credit conditions in Spain, which has a positive impact on the credit profile of Spanish financial institutions.
- On 29 April 2024, **Standard & Poor's** upgraded Ibercaja Banco’s credit outlook from “stable” to “positive” and affirmed its “BBB-” rating. This change in outlook is associated with the increase in the “Industry Risk” factor assigned to the Spanish financial system, where S&P indicates that the increase in the system's profitability is structural.
- On 13 May 2024, **Fitch Ratings** upgraded Ibercaja Banco's credit rating from “BBB-” to “BBB”, placing its outlook at stable. This decision to upgrade the rating is based on the structural improvement in the Bank's profitability in recent years, as well as the positive evolution of asset quality levels.

Credit agency ratings

	LONG TERM	SHORT TERM	OUTLOOK	LAST REVIEW
Standard & Poor´s	BBB-	A-3	↑ Positive	29/04/2024
Moody’s (deposit rating)	↑ Baa1	P-2	Stable	05/12//2024
Fitch Ratings	↑ BBB	F3	Stable	13/05/2024

Risk management

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6. Risk management

2-12, 2-25, 3-3

> Risk management, both financial and non-financial, especially sustainability, is key to Ibercaja's business development strategy.

Global risk management is one of **Ibercaja's strategic priorities** in order to preserve its financial strength and grow the business in accordance with the risk appetite and tolerance levels determined by the governing bodies.

Risk management is structured through the **Risk Appetite Framework**, the aim of which is to establish a set of **principles, procedures, controls and systems through which the Group's risk appetite is specified, communicated and monitored**. Risk appetite is understood as the level of risk that the Bank is willing to assume and maintain, aligned with the objectives of the Strategic Plan. The **main foundations** underpinning the Group's Risk Appetite Framework are:

- **Maintain a medium-low risk profile**. By establishing metrics and controls that ensure:
    - Maintain credit risk with low default rates and adequate coverage, avoiding unwanted impacts on the income statement.
    - Avoid concentration of risks in any form.
    - Prevent the materialisation of operational, regulatory, legal or reputational risks.
    - Control capital volatility.
    - Ensure the stability of the Group's interest margin and economic value in the face of interest rate changes.
    - Maintain a liquidity position that ensures that payment obligations can be met.
    - Maintain suitable levels of risk-adjusted returns to ensure achievement of profit targets.
    - Prudent limits to vulnerable exposures to climate and environmental risks.

- **Comply with regulatory requirements** at all times, and with self-set capital and liquidity targets.
- Maintain **strong risk governance**, which includes all levels of risk management and has the effective involvement of senior management and the Board of Directors.
- Promote the **risk-aware culture** and ensure that the organisation understands the level and nature of risks to which it is exposed, through full integration of the Risk Appetite Framework guidelines into all levels of risk management and control.
- Maintain and reinforce **the trust** of customers, investors, employees, suppliers and other stakeholders, through the integration of key indicators that allow levels of risk not desired by stakeholders to be anticipated.

Credit risk

In order to preserve the **quality of the loan portfolio**, the Group carries out dynamic credit risk management, constantly assessing the situation and solvency of borrowers, the evolution of financed operations, and existing guarantees. Additionally, the most appropriate measures are actively and continuously implemented to anticipate borrower insolvency situations, as well as the correct accounting classification of their actual situation through the use of prospective information and indicators from the alert models.

As already seen in the first half of the year, delinquency and non-performing assets levels have remained low and have shown a slight downward trend in the year as a whole. **The NPL ratio ended 2024 at 1.6%**, improving on the data for the first half of the year, with continued effective management of recovery and a low volume of new NPLs. The **non-performing assets** ratio has improved by more than 30 bps in the year, following excellent management of the sale of foreclosed assets, up to **2.4%.**

At the same time, high levels of coverage of foreclosed assets have been maintained, exceeding 81%, ranking among the best in the sector and indicating a high degree of recoverability of loans. In this environment, the **cost of risk** assumed by the Bank in 2024 has been 0.29%, lower than initially expected since the macroeconomic risks latent at the beginning of the year have not substantially materialised.

While macroeconomic and geopolitical developments cannot be ruled out as potentially affecting borrowers' future payment capacity, the Bank's balance sheet maintains an additional provision beyond the expected loss estimated by internal credit risk models, in anticipation of the possible increase in risk that may occur in the short and medium term in customer exposures.

Liquidity risk

The Bank actively monitors the liquidity situation and its projections, as well as the actions to be taken in both normal and exceptional market situations created by internal causes or market behaviour.

Ordinary liquidity management has allowed us to maintain a sound position in the second half of 2024, in line with the provisions established in the financing plan and with the limits established in the Banks's Risk Appetite Framework. The volume of liquid assets at 31 December 2024 reached €12,757 million, 24.0% of total assets, and the **LCR ratio** stands at **231%.**

Interest Rate Risk and Market Risk

The four rate cuts (of 25 bps each) implemented by the European Central Bank in 2024, along with expectations of contained inflation and low economic growth, have allowed the 12-month Euribor to end the year close to 2.50%, comfortably below the yearly high of over 3.70% seen in April.

In this environment, long-term rates also ended below the annual highs seen in the first half of the year, while the main European stock indices ended 2024 positively, with increases of between 10 and 15% for the year. In 2025, geopolitical risk will continue to threaten market performance, with analysts and investors closely monitoring the economic and foreign policy established by the new U.S. administration and any increased protectionism it could foster.

The Bank constantly monitors the metrics associated with changes in **the prices of financial instruments in portfolios exposed to market risk**. The Bank also monitors the metrics that measure the impacts of interest rate risk on equity value and on the interest margin, in order to anticipate any potential impact of curve fluctuations and, where appropriate, evaluate possible balance sheet strategies to mitigate risk.

Operational Risk

The main objective of operational risk management at Ibercaja is **improve the quality and security of business and support processes**.

Ibercaja uses methodologies for the identification and expert assessment of operational risks, and to analyse actual losses. From the specific operational risks identified and defined, subcategories of operational risk have been obtained in a homogeneous manner for the entire group, including conduct risk, information and communications technology risk and model risk. The Bank has established procedures to improve operational processes and controls, reducing operational risk through mitigation plans. As a result of all the above, in 2024, low levels of risk materialisation have been maintained, within the medium-low risk profile declared by the Bank. However, as a general policy, the Bank anticipates probable future impacts and, in this regard, due to the growing impact associated with the repayment of mortgage expenses and arrangement fees, an additional provision has been made to adequately cover potential future impacts resulting from this situation.

Reputational risk

The Group places the greatest importance on reputational risk management, as a way to prevent, avoid and/or manage possible reputational risk and for its positive impact on the generation of value and stakeholder trust. An example of this is the strategic line on reputation management defined within the framework of the 2024-2026 Strategic Plan.

The Reputational Risk Management Framework has been adapted, approving the Reputational Risk Management Policy and the Reputational Risk Management Manual as independent documents. The internal reporting system has been strengthened, establishing active communications with the different areas on a quarterly, monthly, and, where appropriate, daily basis. With all of the above, **in 2024, the Bank's reputation has remained stable and has not experienced any significant events that have had a negative impact.**

Note 3 to **Ibercaja Banco Group's Annual Report** for 2024 **provides more extensive and detailed information** on the management of each type of risk.

ESG risk

Ibercaja identifies ESG risks, especially climate and environmental, as risk factors likely to impact prudential risks through its counterparties and/or invested assets. The Bank is making progress in analysing and quantifying these risks for their gradual integration into risk management frameworks, in compliance with supervisory expectations and regulatory requirements.

In 2024, Ibercaja has developed a new **Climate and Environmental Materiality Guide.** It contains the exhaustive materiality assessment carried out, and considers physical and transition climate risks and environmental risks. The qualitative materiality assessment is based on the **climate risk map**, which has been reviewed and updated, identifying the main risks that may affect the Group.

Progress has been made in the analysis of the materiality of **environmental risks**, with the development of a **matrix of dependencies and impacts** on the natural resources of financed economic activities. Progress has also been made in knowledge and identification of the risk of *greenwashing*, integrating it into the **reputational risk map**, and developing the **"Guide to *Greenwashing*** Risk Prevention". Finally, updates have been made to the **social risk map,** reviewing its potential impact on prudential risk, and to the **governance risk map**.

From these analyses, it has been concluded that **climate risks are material only to credit risk**, with a limited effect, given the Bank's medium-low risk profile. Therefore, Ibercaja has focused on prospective quantification of the potential impacts of climate risk on its productive and mortgage portfolio and on calculating the capital requirements arising from this credit risk exposure. To limit **climate transition risk**, Ibercaja monitors the concentration of credit exposure in sectors with high CO2 emissions intensity (measured as tCO2eq./€), a metric that **remained stable throughout 2024**, within the defined threshold limits.

In addition, in 2024, progress has continued in analysing the impact of climate risks on the **business, market, and operational risk**. The impact of climate risks on the business model has been analysed through the ***Business Environment Scan* (BES)**, which showed **climate risks to be non-material in business risk** as they did not exceed the defined benchmark threshold. A methodology was also developed for **prospective quantification to determine the potential impact of climate risks on operational risk**, which were found to be non-material.

To monitor climate risks in **market risk**, Ibercaja assesses the concentration of its securities portfolio in sectors with high CO_2 emissions intensity (measured as $tCO_2eq/€$) and monitors this metric, the limits of which are defined in line with the Bank's medium-low risk profile. In 2024, the **metric has remained stable,** within the defined threshold limits.

With regard to **liquidity risk**, a depreciation of non-sustainable bonds (analysing the difference in spreads between a green bond and a brown bond of the same equivalent issuer) continues to be applied in the liquidity self-assessment exercise, with the aim of integrating climate risks into this prudential risk.

In **underwriting risk**, as part of the own risk & solvency assessment (ORSA), Ibercaja Vida incorporates climate risks into the assessment of risk events that could impact its earnings.

Research, development and technology

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7. Research, development and technology

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> The great challenge facing the Bank is to develop future competitive capabilities, driving transformation and innovation.

Ibercaja aims to **transform its day-to-day processes and operations** to be more effective and efficient, and achieve the **best customer and employee experience** in line with the Bank's identity and value proposition. In short, achieving an ambidextrous organisation capable of innovating and operating, exploring and exploiting, managing the present with excellence and creating the future with vision.

The **main advances made in 2024**:

- Creation of the **process transformation office** with the main mission of establishing a framework that can be applied centrally and uniformly to any Ibercaja process. This makes it possible to scale the methods developed in the Transformation Plan, connecting all of the Bank's capabilities and aligning them with the Bank's Strategy, thereby optimizing profitability.

- Creation of the **observatory of the environment** of innovation trends. It constitutes a vehicle of research and support for innovation through which emerging trends can be detected and analysed to anticipate disruptive innovations. This observatory enables us to be at the forefront of product creation and to optimise customer relationships by optimising the experience.

- Creation of an **AI office.** Ibercaja believes that this technology is an opportunity to empower people and businesses, always seeking a fair impact on customers, society and the environment. The objective of this office is to achieve a scalable AI model in a *Data Driven* organisation, making it possible to ensure the investments made in AI are profitable.

- Implementation of the **360° Customer Vision** to have a complete data model oriented towards customer knowledge that improves commercial activity and management.

- **Acquisition of Orange Bank's technological platform.** In November 2024, Ibercaja completed this acquisition **of what is** considered one of the most advanced platforms in the Spanish financial system, and **integrated its**

specialized IT team, providing the necessary technological capabilities to ensure the platform's constant evolution and also a benchmark in the financial sector in agile methodologies. **This acquisition will contribute to the implementation of new transformative capabilities (technological, operational and human)** that will enable development of consumer financing and the payments business, as well as advancing the transformation process of the Bank's technological platform.

- Implementation of **biometric authentication,** enabling login to the work computer with password-free facial recognition and **fingerprint** recognition to accredit identification and access to Ibercaja's headquarters. These measures are designed to **reduce operational risk.**

The Bank continues with its firm commitment to innovation, as seen in its approval for 2025 of an **investment budget** of more than **€125 million.**

Business outlook and projections

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8. Business outlook and projections

Ibercaja closes the first year of its new “Now Ibercaja” Strategic Plan with a clear acceleration in customer sales and record profitability, and the Bank reiterates its two medium-term financial objectives.

High commercial dynamism and high levels of profitability

The solid evolution of the economy, the positive revaluation of the financial markets and the commercial dynamism of the Bank, thanks to the initiatives of the new Strategic Plan, **have driven customer funds to grow by 6.0% YOY, or €4,297 million**. The Bank has continued with the strategy of **diversification of customer assets:** the balance of term deposits has increased to €5,930 million, while the balance of investment funds reached an all-time high of €26,648 million at year-end, representing growth of 12.6% YOY.

The Bank has achieved a **significant increase in the volume of new loan and credit arrangements** with an increase of 9.9% YOY, a highlight being the positive performance in non-real estate productive assets (+14.4% YOY) due to Ibercaja's strategic focus on this segment. In 2024, **performing loans ex ATAs increased 2.0% YOY,** or €585 million, thanks to strong dynamism in companies and stabilising of the mortgage book.

As regards the evolution of the **returns, Ibercaja records a ROTE of 12.6%, a historical high for the Bank**. This high level of profitability was achieved thanks to the strong performance of **recurrent revenues, which grew by 3.5%,** supported by the strength of asset management and insurance fees, and **lower credit risk provisions**, which were down **32.0% YOY** due to the positive performance of asset quality.

In terms of **solvency**, the **fully loaded CET1** ratio rose 64 bp in the year to **13.3%** thanks to the high level of profitability generated during the year and application of a 40% pay-out.

The **successful launch of the “Now Ibercaja” Strategic Plan**, focused on the customer and resilience, lays the foundation for further progress in Ibercaja's **commercial and technological transformation,** which will gain momentum over the next two years.

Outlook for 2025

In 2025, the Bank expects the macroeconomic trends recorded in recent quarters to continue, with improvements in GDP and employment and moderation of inflation, which will support the **growth in savings and demand for credit.** The real estate market should also perform well, driven by, among other factors, the ECB's interest rate cuts.

In this macroeconomic environment, and **driven by the Strategic Plan initiatives,** Ibercaja expects **positive performance in its business volume figures,** both in assets and credit. The Bank's objective for assets is to achieve **balanced growth of creditors and asset management and life insurance products,** thus maintaining its differential position in diversification of assets. In **loans and advances to customers**, Ibercaja **aims to improve on the growth in 2024** thanks to the macroeconomic trends already mentioned and the Bank's commercial ambition. In businesses, Ibercaja aims to continue increasing its market share, while the main change compared to the previous year's trend will occur in the mortgage portfolio, which will now record positive growth.

In the **income statement**, 2025 will be marked by **repricing of the credit portfolio at lower rates** due to normalisation of interest rates by the ECB. Nevertheless, the **growth in business volume** mentioned above, the **expected positive performance of non-banking fees,** and a **moderate cost of risk** thanks to the expected favourable evolution of asset quality, will help **moderate the negative impact on earnings of the lower credit yield.**

In **solvency**, Ibercaja expects **to continue increasing its ratios** thanks to the capacity to generate organic capital from continued high profitability and a pay-out of 40%.

In the light of all this, **the Bank reiterates the two main medium-term objectives set in its "Now Ibercaja" Strategic Plan: generate a ROTE above 10% and place its Fully Loaded CET1 ratio in the range of 13.5%-14.0%.**

Events
after the reporting period

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9. Events after the reporting period

On 11 February 2025, Ibercaja Banco S.A. ("Ibercaja") agreed to carry out a cash repurchase offer addressed to the holders of the bonds issued by the Bank in the subordinated bonds issue named "€500,000,000 Fixed Rate Reset Subordinated Notes due 23 July 2030", with a first early redemption date of 23 July 2025. Holders of the Bonds will be able to send sales offers from the day of the announcement until 18 February 2025.

In parallel, on 11 February 2025, Ibercaja set the economic terms of an issue of subordinated bonds (Fixed Rate Reset Subordinated Notes) (the "Bonds") for a nominal amount of €500 million, with a redemption date of 18 August 2036, without prejudice to the possibility of early redemption at Ibercaja's option between 18 May 2031 (inclusive) and 18 August 2031 (inclusive). The Bonds will be issued at 99,608% and will bear fixed interest, payable in arrears, of 4,125% per annum until 18 August 2031. Thereafter, interest will be calculated by applying a 1.90% margin to the 5-year Mid-Swap Rate.

On 19 February 2025, following on from the announcement of the buy-back offer, Ibercaja announced the results of the offer. The Bank accepted the purchase of Obligations for a nominal amount of €445,900,000, with a purchase price of 100.0%.

The ninth final provision of Law 7/2024, of 20 December, established the Tax on Interest Margin and Commissions (IMIC) for certain financial institutions. This direct progressive tax is levied on the interest and commission margins arising from the business carried out in Spain by credit institutions, financial credit institutions, and branches of foreign credit institutions, obtained, respectively, in the tax periods beginning in 2024, 2025, and 2026. The tax is due on the day following the end of the tax period.

On 25 December 2024, Royal Decree-Law 9/2024, of 23 December, came into force. This modified the accrual of the tax, establishing that it will accrue on the last day of the calendar month following the end of the tax period for institutions that pay tax on that date. On 22 January 2025, the above-mentioned Royal Decree-Law was not ratified by the Spanish Parliament's Congress of Deputies and was therefore repealed as of that date, without cancelling its effects during its validity.

The Group has not recorded any impact arising from the introduction of this tax in its consolidated financial statements at year-end 2024.

On 14 February 2025, Ibercaja Banco, S.A. executed a contract for the sale of a loan book of written-off credit and of non-performing loans, with a nominal value of

€133 million and €7 million, respectively, to the company Bulnes Capital S.L. The transaction produced an insignificant positive result in the consolidated income statement.

Alternative Performance Measures

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10. Alternative Performance Measures

In accordance with the recommendations issued by the European Securities and Markets Authority (ESMA/2015/1415es), the **Alternative Performance Measures (APMs)** used in this report are defined below, alongside a **reconciliation with the balance sheet and income statement items** used to calculate them.

Ibercaja uses a range of APMs, which are unaudited, to aid understanding of the company's financial performance. APMs should be regarded as additional information. They do not replace financial information prepared under IFRS. The way in which the Group defines and calculates APMs may differ from performance measures calculated by other companies and, therefore, the APMs may not be comparable.

APMs related to the income statement

RECURRENT REVENUES:

Definition: the sum of the interest margin and net commission income and exchange differences (MAR defined and calculated below) and net income from insurance contracts.

Relevance of use: measures the evolution of revenues directly related to typical banking activity.

	(THOUSANDS OF EUROS)	31/12/2024	31/12/2023
+	Interest margin (1)	676,887	660,718
+	Net fees and commissions and exchange differences (2)	481,632	449,888
+	Profit/(loss) of insurance contracts (net)	142,481	146,310
=	**Recurrent revenues**	**1,301,000**	**1,256,916**

(1) Source: consolidated income statement in the financial statements.
(2) APM. See definition and calculation below.

NET COMMISSIONS AND EXCHANGE DIFFERENCES:

Definition: sum of net fee and commission income and fee and commission expense together with translation differences.

Relevance of use: measures revenues generated via commissions.

	(THOUSANDS OF EUROS)	31/12/2024	31/12/2023
+	Fee and commission income	501,174	470,285
-	Fee and commission expense	19,077	19,502
+	Net exchange differences	(465)	(895)
=	**Net fees, commissions and exchange differences**	**481,632**	**449,888**

Source: consolidated income statement in the financial statements.

NET INCOME FROM FINANCIAL OPERATIONS:

Definition: sum of gains/losses on derecognition of financial assets and liabilities not measured at fair value through profit or loss, gains/losses on financial assets and liabilities held for trading, gains/losses on non-trading financial assets mandatorily measured at fair value through profit or loss, gains/losses on financial assets and liabilities designated at fair value through profit or loss and gains/losses resulting from hedge accounting.

Relevance of its use: to know the amount of results related to the financial activity but which, due to their nature, cannot be considered as recurring income.

	(THOUSANDS OF EUROS)	31/12/2024	31/12/2023
+	Gains or losses on the disposal of financial asset and liability accounts not measured at fair value through profit or loss.	(4,452)	1,297
+	Gains/(losses) on financial assets and liabilities held for trading	6,671	7,407
+	Gains/(losses) on financial assets not held for trading mandatorily measured at fair value through profit or loss	120,773	117,166
+	Gains/(losses) on financial assets and liabilities designated at fair value through profit or loss	(134,667)	(132,156)
+	Gains/(losses) from hedge accounting	1,504	(1,677)
=	**Profit/(loss) on financial assets and liabilities**	**(10,171)**	**(7,963)**

Source: consolidated income statement in the financial statements.

OTHER OPERATING INCOME AND EXPENSES:

Definition: sum of dividend income, income from companies valued using the equity method, and the net of other operating income and expenses.

Relevance of use: measures revenues and expenses that do not derive entirely from financial activity, but are related to the business.

	(THOUSANDS OF EUROS)	31/12/2024	31/12/2023
+	Income from dividends	8,446	12,679
−	Share of profit/(loss) of equity-accounted companies	(2,836)	(5,673)
+	Other operating profit/(loss) (net)	7,362	(69,495)
=	**Other operating income and expenses**	**12,972**	**(62,489)**

Source: consolidated income statement in the financial statements

OPERATING EXPENSES:

Definition: sum of staff costs, other administration expenses and depreciation/amortisation.

Relevance of its use: indicator of the expenses incurred in the exercise of the activity.

	(THOUSANDS OF EUROS)	31/12/2024	31/12/2023
+	Personnel expenses	382,806	371,992
+	Other administration expenses	176,721	168,488
+	Amortisation and depreciation	91,251	81,671
=	**Operating expenses**	**650,778**	**622,151**

Source: consolidated income statement in the financial statements

RECURRING OPERATING EXPENSES:

Definition: operating expenses (MAR as defined and calculated above) excluding non-recurring items.

Relevance of its use: to measure the trends in of ordinary expenses generated by the activity (banking business, asset management and bancassurance), excluding non-recurring items, such the extraordinary bonus recognised in 2023.

	(THOUSANDS OF EUROS)	31/12/2024	31/12/2023
+	Operating expenses (1)	650,778	622,151
—	Non-recurring expenses (2)	-	17,815
=	**Recurring operating expenses**	**650,778**	**604,336**

(1) APM. See definition and calculation above. (2) Source: Note 38 to the financial statements.

INCOME BEFORE WRITE-OFFS:

Definition: gross margin minus operating expenses (administrative expenses and depreciation).

Relevance of use: to show profitability before write-downs.

	(THOUSANDS OF EUROS)	31/12/2024	31/12/2023
+	Gross income	1,303,801	1,186,464
—	Administrative expenses	559,527	540,480
—	Amortisation and depreciation	91,251	81,671
=	**Income before write-offs**	**653,023**	**564,313**

Source: consolidated income statement in the financial statements.

RECURRING INCOME BEFORE WRITE-DOWNS:

Definition: difference between recurrent revenues and recurrent operating expenses (APMs as defined and calculated above).

Relevance of its use: to measure the recurring profitability of the business before write-offs.

	(THOUSANDS OF EUROS)	31/12/2024	31/12/2023
+	Recurrent revenues (1)	1,301,000	1,256,916
—	Recurrent operating expenses (1)	650,778	604,336
=	**Recurring profit before provisions**	**650,222**	**652,580**

(1) APM. See definition and calculation above.

PROVISIONS, IMPAIRMENT AND OTHER WRITE-OFFS:

Definition: sum of provisions, impairment of financial assets not measured at fair value through profit or loss, impairment of investments in joint ventures and associates, impairment of non-financial assets and gains or losses on non-current assets and disposal groups classified as held for sale and not qualifying as discontinued operations, corresponding to impairment losses on other non-current assets held for sale.

Relevance of its use: indicator of the cost of provisions made during the year to cover the impairment of the value of assets.

	(THOUSANDS OF EUROS)	31/12/2024	31/12/2023
+	Provisions or (-) reversal of provisions	50,301	28,730
+	impairment or (-) reversal of the impairment of financial assets not measured at fair value through profit or loss.	65,596	93,819
+	Impairment or (-) reversal of impairment on investments in joint businesses or associates	(1,777)	3,327
+	Impairment or (-) reversal of impairment of non-financial assets	13,918	14,695
+	Impairment losses on other non-current assets for sale	22,422	35,956
=	**Provisions, impairments and other write-offs**	**150,460**	**176,527**

Source: consolidated income statement and note 42 to the financial statements.

OTHER GAINS AND LOSSES:

Definition: sum of gains/(losses) on the disposal non-financial assets and shareholdings and gains/(losses) on disposal of other non-current assets and held for sale within the heading of gains/(losses) on non-current assets and disposal groups of items classified as held for sale and not eligible for classification as discontinued operations.

Relevance of use: indicator of the impact on results of the derecognition/disposal of assets not related to ordinary activities.

	(THOUSANDS OF EUROS)	31/12/2024	31/12/2023
+	Gains or (-) losses on derecognition of non-financial assets and equity interests, net (1)	(743)	(303)
+	Gains/(losses) on disposal of other non-current assets for sale (2)	6,609	3,902
=	**Other gains/(losses)**	**5,866**	**3,599**

(1) Source: consolidated income statement in the financial statements.
(2) Source: Note 42 to the financial statements.

APMs related to the profitability

CUSTOMER SPREAD (%):

Definition: difference between the average yield on the loan portfolio and the cost of retail deposits.

Usage relevance: indicator of the profitability of retail business.

	(%)	31/12/2024	31/12/2023
+	Yields from consumer loans	3.59%	3.16%
	Ratio of interest income on the loan portfolio recorded in the year to the average balance of loans to customers		
-	Cost of retail deposits	0.63%	0.28%
	Ratio of interest expense on retail deposits recorded in the year to the average balance of retail deposits		
=	**Customer spread (%)**	**2.96%**	**2.88%**

Source: Bank's internal information.

EFFICIENCY RATIO:

Definition: ratio of recurrent operating expenses (APM as defined and calculated above) to gross margin.

Relevance of its use: to measure operational efficiency.

	(THOUSANDS OF EUROS)	31/12/2024	31/12/2023
Numerator	Total operating expenses (1)	650,778	622,151
Denominator	Gross income (2)	1,303,801	1,186,464
=	**Cost-to-income ratio (%)**	**49.91%**	**52.44%**

(1) APM. See definition and calculation above.
(2) Source: consolidated income statement in the financial statements.

ROA:

Definition: the ratio between the profit attributable to the parent company and the average consolidated total assets.

Relevance of its use: to measure the profitability of assets.

	(THOUSANDS OF EUROS)	31/12/2024	31/12/2023
Numerator	Profit/(loss) attributed to the parent (1)	336,832	304,396
Denominator	Total average consolidated assets (2)	54,078,157	54,025,881
=	**ROA (%)**	**0.62%**	**0.56%**

(1) Source: consolidated income statement in the financial statements.
(2) The average balance of total assets was calculated as a simple average of the monthly asset balances. The average monthly balance is the average of the closing balances weighted at 50% (i.e. the balance at the end of the reference month multiplied by 0.5 plus the balance at the end of the month immediately preceding the reference month multiplied by 0.5).

RORWA:

Definition: Parent company profits divided by risk-weighted assets.

Relevance of use: to measure the profitability of risk-weighted assets.

	(THOUSANDS OF EUROS)	31/12/2024	31/12/2023
Numerator	Profit/(loss) attributed to the parent (1)	336,832	304,396
Denominator	Risk-weighted assets phased in (2)	19,098,038	18,609,328
=	**RORWA (%)**	**1.76%**	**1.64%**

(1) Source: consolidated income statement in the financial statements.
(2) Source: Note 1.7.2 to the financial statements.

ROE:

Definition: ratio between the profit attributable to the parent company and the consolidated average shareholders' equity. Excludes the AT1 issue of €350 million recorded as equity.

Relevance of its use: to measure return on equity.

	(THOUSANDS OF EUROS)	31/12/2024	31/12/2023
Numerator	Profit/(loss) attributed to the parent (1)	336,832	304,396
Denominator	Average consolidated shareholders' equity (2)	3,058,541	2,949,971
=	**ROE (%)**	**11.01%**	**10.32%**

(1) Source: consolidated income statement in the financial statements.
(2) Calculated as a simple average of the quarterly closings since the previous December included, the first and last quarter being weighted by 0.5 and the rest by 1.

ROTE:

Definition: Parent company profits divided by average tangible consolidated shareholders' equity. Excludes the AT1 issue of €350 million recorded as equity.

Relevance of its use: to measure the return on tangible equity.

	(THOUSANDS OF EUROS)	31/12/2024	31/12/2023
Numerator	Profit/(loss) attributed to the parent (1)	336,832	304,396
Denominator	Average tangible consolidated shareholders' equity (2)	2,676,728	2,623,666
=	**ROTE (%)**	**12.58%**	**11.60%**

(1) Source: consolidated income statement in the financial statements.
(2) Calculated as a simple average of the quarterly closings since the previous December included, the first and last quarter being weighted by 0.5 and the rest by 1.

APMs related to capital adequacy

DENSITY OF RWAs:

Definition: ratio of risk-weighted assets to total assets.

Relevance of its use: to measure the risk profile of the balance sheet.

	(THOUSANDS OF EUROS)	31/12/2024	31/12/2023
Numerator	Risk-weighted assets phased in (1)	19,098,038	18,609,328
Denominator	Total consolidated assets (2)	53,140,648	54,516,480
=	**RWA density**	**35.94%**	**34.14%**

(1) Source: Note 1.7.2 to the financial statements.
(2) Source: consolidated balance sheet in the financial statements.

PAY-OUT RATIO:

Definition: ratio of the expected dividend to be distributed to shareholders to profit attributable to the parent.

Relevance of its use: to measure the shareholder return.

	(THOUSANDS OF EUROS)	31/12/2024	31/12/2023
Numerator	Distribution of dividends (1)	134,733	182,626
Denominator	Profit/(loss) attributed to the parent (2)	336,832	304,396
=	**Pay-out ratio (%)**	**40.00%**	**60.00%**

(1) Source: Note 4 to the financial statements.
(2) Source: consolidated income statement in the financial statements.

APMs related to asset quality

TROUBLED ASSETS:

Definition: aggregation of impaired assets of loans and advances to customers and the gross value of foreclosed assets.

Relevance of use: to assess the size of the nonperforming asset portfolio in gross terms.

	(THOUSANDS OF EUROS)	31/12/2024	31/12/2023
+	Impaired assets loans and advances to customers (1)	468,828	483,298
+	Gross value of foreclosed assets (2)	273,048	346,942
=	**Non-performing assets**	**741,876**	**830,240**

(1) Source: Note 3.5.4 to the financial statements.
(2) Source: Note 3.5.6.2 to the financial statements.

RATIO OF NON-PERFORMING LOANS AND ADVANCES TO CUSTOMERS:

Definition: non-performing loans on the consolidated balance sheet divided by gross loans and advances to customers.

Relevance of its use: to monitor the quality of the loan portfolio.

	(THOUSANDS OF EUROS)	31/12/2024	31/12/2023
Numerator	Impaired assets loans and advances to customers (1)	468,828	483,298
Denominator	Gross loans and advances to customers (2)	30,164,702	29,797,143
=	**Non-performing loans ratio (%)**	**1.55%**	**1.62%**

(1) Source: Note 3.5.4 to the financial statements.
(2) Source: Notes 8 and 11.4 to the financial statements.

TROUBLED ASSET RATIO:

Definition: ratio of distressed assets (APM as defined and calculated above) to the value of the exposure.

Relevance of use: to assess the size of the nonperforming asset portfolio in relative terms.

	(THOUSANDS OF EUROS)	31/12/2024	31/12/2023
Numerator	Problem assets (1)	741,876	830,240
Denominator	(a) Gross loans and advances to customers (2)	30,164,702	29,797,143
	(b) Gross value of foreclosed assets (3)	273,048	346,942
	(a) + (b) Value of exposure	30,437,750	30,144,085
=	**NPA ratio (%)**	**2.44%**	**2.75%**

(1) Source: APM. See definition and calculation above.
(2) Source: Notes 8 and 11.4 to the financial statements.
(3) Source: Note 3.5.6.2 to the financial statements. .

COST OF RISK:

Definition: percentage that write-offs associated with loans and advances to customers and foreclosed real estate represent in relation to the average exposure understood as the sum of gross loans and advances to customers and foreclosed real estate.

Relevance of its use: to monitor the cost of provisions on the loan portfolio and foreclosed assets.

	(THOUSANDS OF EUROS)	31/12/2024	31/12/2023
Numerator	Write-downs of loans and foreclosed properties (1)	88,419	130,027
Denominator	Average exposure (gross credit and property) (2)	30,084,463	30,790,051
=	**Cost of risk (%)**	**0.29%**	**0.42%**

(1) Source: internal Bank information. The write-down of the loan is the sum of the impairment of financial assets at amortised cost and the provisioning (reversal) of provisions for commitments and guarantees given. Foreclosed properties are classified according to their nature as non-current assets held for sale, investment property or inventories. Impairment losses are recognised under "Impairment or Reversal of Impairment Losses on Non-Financial Assets (Investment Property and Other)" (see note 40 to the consolidated financial statements) and "Impairment Losses on Non-Current Assets Held for Sale" (see note 42 to the consolidated financial statements).
(2) Calculated as a simple average of the quarterly closings since the previous December included, the first and last quarter being weighted by 0.5 and the rest by 1.

COVERAGE OF DOUBTFUL RISKS:

Definition: sum of impairment losses on loans and advances to customers and negative cumulative changes in fair value due to credit risk from doubtful exposures. Includes impairment losses of stages 1, 2 and 3.

Relevance of its use: to monitor the degree to which provisions associated with credit risk cover doubtful loans.

	(THOUSANDS OF EUROS)	31/12/2024	31/12/2023
+	Impairment losses on loans and advances to customers (1)	414,091	449,553
+	Accumulated negative changes in fair value of doubtful exposures (2)	1,278	2,896
=	**Coverage of doubtful risks**	**415,369**	**452,449**

(1) Source: Note 11.4 to the financial statements.
(2) Source: Note 8 to the financial statements.

COVERAGE RATIO FOR DOUBTFUL RISKS:

Definition: ratio of provisions for asset impairment (APM as defined and calculated above) to impaired assets of loans and advances to customers.

Relevance of its use: to monitor the degree to which provisions associated with credit risk cover doubtful loans.

	(THOUSANDS OF EUROS)	31/12/2024	31/12/2023
Numerator	Coverage of non-performing risks (1)	415,369	452,449
Denominator	Impaired assets loans and advances to customers (2)	468,828	483,298
=	**Non-performing loans coverage ratio (%)**	**88.60%**	**93.62%**

(1) Source: APM. See definition and calculation above.
(2) Source: Note 3.5.4 to the financial statements.

COVERAGE RATIO OF FORECLOSED ASSETS:

Definition: ratio of impairment losses on foreclosed assets (included since loan origination) to the gross value of foreclosed assets.

Relevance of its use: We use this APM to monitor the extent to which the provisions associated with foreclosed properties cover the gross value of those properties.

	(THOUSANDS OF EUROS)	31/12/2024	31/12/2023
Numerator	Correction of the impairment of foreclosed assets (1)	187,203	224,441
Denominator	Gross value of foreclosed assets (1)	273,048	346,942
=	**Foreclosed assets coverage ratio (%)**	**68.56%**	**64.69%**

(1) Source: Note 3.5.6.2 to the financial statements.

COVERAGE RATE OF THE ALLOCATED LAND:

Definition: ratio between value corrections for land impairment (included since the origination of the loan) and the gross foreclosed value of land.

Relevance of their use: Monitor the extent to which the provisions associated with land cover the gross value of such real estate.

	(THOUSANDS OF EUROS)	31/12/2024	31/12/2023
Numerator	Land value adjustments (1)	103,423	127,259
Denominator	Gross value of land (1)	131,901	174,630
=	**Foreclosed land coverage ratio (%)**	**78.41%**	**72.87%**

(1) Source: Note 3.5.6.2 to the financial statements.

COVERAGE RATIO OF TROUBLED ASSETS:

Definition: ratio between allowances for non-performing risks and foreclosed assets to problem exposure (APM as defined and calculated above).

Relevance of their use: To monitor the extent to which provisions associated with doubtful loans and foreclosed real estate cover the gross value of such exposure.

	(THOUSANDS OF EUROS)	31/12/2024	31/12/2023
Numerator	(a) Coverage of non-performing exposures (2)	415,369	452,449
	(b) Correction of the impairment of foreclosed assets (1)	187,203	224,441
	(a) + (b) Coverage of problem assets	602,572	676,890
Denominator	Problem assets (2)	741,876	830,240
=	**NPA coverage ratio (%)**	**81.22%**	**81.53%**

(1) Source: note 3.5.6.2 in the annual accounts.
(2) Source: APM. See definition and calculation above.

NET PROBLEM ASSETS AS A PERCENTAGE OF TOTAL ASSETS:

Definition: ratio of problem assets net of hedges (APM as defined and calculated above) to total assets.

Relevance of its use: to measure the weight of problem assets, after deducting the provisions related to such assets, on the balance sheet.

	(THOUSANDS OF EUROS)	31/12/2024	31/12/2023
Numerator	(a) Problem assets (1)	741,876	830,240
	(b) Coverage of Problem assets (1)	602,572	676,890
	(a) - (b) Problem assets net of coverage	139,304	153,350
Denominator	Total assets (2)	53,140,648	54,516,480
=	**Net NPAs over total assets (%)**	**0.26%**	**0.28%**

(1) Source: APM. See definition and calculation above.
(2) Source: consolidated balance sheet in the financial statements.

APMs related to business volume

RETAIL DEPOSITS:

Definition: sum of demand savings and traditional time deposits excluding mortgage bonds and repurchase agreements recorded under customer deposits in the consolidated balance sheet.

Relevance of its use: indicator of on-balance sheet retail financing.

	(THOUSANDS OF EUROS)	31/12/2024	31/12/2023
+	Demand deposits (1)	28,697,586	32,331,054
+	Term deposits (1)	6,875,747	2,366,689
-	Mortgage-backed bonds (including nominal amount and share premium)	945,954	945,954
	Nominal amount of mortgage-backed bonds (1)	1,006,026	1,006,026
	Mortgage-backed bond issue premium (2)	(60,072)	(60,072)
	Term deposits (excluding mortgage-backed bonds)	5,929,793	1,420,735
=	**Retail deposits**	**34,627,379**	**33,751,789**

(1) Source: Note 19.3 to the financial statements.
(2) Represents the difference between the nominal value of a security and the price at which it was issued. In this particular case, multi-issuer bonds (those where several entities participate in the total issue) were issued below par, at a cost below the nominal value.

ASSET MANAGEMENT AND INSURANCE:

Definition: sum of assets under management in investment companies and funds (including third-party funds, but excluding the assets of funds that invest in Ibercaja Gestión funds), pension plans and insurance.

Relevance of its use: this indicator is relevant due to the importance for Ibercaja of off-balance sheet savings as a source of the Group's income.

	(THOUSANDS OF EUROS)	31/12/2024	31/12/2023
+	Investment companies and funds (1)	26,647,972	23,657,462
+	Pension funds (1)	6,886,666	6,391,689
+	Insurance products (2)	7,641,123	7,705,027
=	**Asset management and insurance**	**41,175,761**	**37,754,178**

(1) Source: Note 27.4 in the consolidated financial statements.

TOTAL RETAIL FUNDS:

Definition: sum of retail deposits and asset management and insurance (APMs defined and calculated above).

Relevance of its use: indicator of the volume of retail savings managed by Ibercaja.

	(THOUSANDS OF EUROS)	31/12/2024	31/12/2023
+	Retail deposits (1)	34,627,379	33,751,789
+	Asset management and insurance (2)	41,175,761	37,754,178
=	**Total retail resources**	**75,803,140**	**71,505,967**

(1) Source: APM. See definition and calculation above.

RETAIL BUSINESS VOLUME:

Definition: sum of gross loans and advances to customers ex repos and impaired assets and total retail funds (APM as defined and calculated above).

Relevance of its use: indicator of the savings and credit of retail customers managed by Ibercaja.

	(THOUSANDS OF EUROS)	31/12/2024	31/12/2023
+	Loans and advances to customers ex impaired assets and reverse repos (1)	29,196,451	28,611,777
+	Total retail resources (2)	75,803,140	71,505,967
=	**Retail turnover**	**104,999,591**	**100,117,744**

(1) Source: notes 8 and 11.4 in annual accounts.
(2) Source: APM. See definition and calculation above.

APMs related to liquidity

CREDIT TO RETAIL FINANCING RATIO (LTD):

Definition: ratio of loans and advances to customers net of reverse repurchase agreements to retail deposits (APM as defined and calculated above).

Relevance of use: measures the proportion of loans and advances to customers funded by retail deposits.

	(THOUSANDS OF EUROS)	31/12/2024	31/12/2023
Numerator	(a) Net loans and advances to customers (1)	29,749,333	29,344,694
	(b) Reverse repurchase agreements (2)	499,443	702,327
	(a) – (b) Net loans ex reverse repos	29,249,890	28,642,366
Denominator	Retail deposits (3)	34,627,379	33,751,789
=	**LTD (%)**	**84.47%**	**84.86%**

(1) Source: consolidated balance sheet in the financial statements.
(2) Source: 11.4 in the financial statements.
(3) Source: APM. See definition and calculation above.

LIQUIDITY AVAILABLE:

Definition: sum of cash and central banks, available liquidity under credit facilities, eligible off-facility assets and other marketable assets not eligible by the central bank, in accordance with the criteria established in the Bank of Spain's official statement LQ 2.2.

Relevance of its use: to know the volume of available assets in the event of a possible outflow of customer deposits.

	(THOUSANDS OF EUROS)	31/12/2024	31/12/2023
+	Cash and central banks	1,878,959	1,792,730
+	Available in policy	5,907,198	6,494,859
+	Eligible off-policy assets	4,652,003	3,498,954
+	Other marketable assets not eligible for ECB	318,591	347,533
=	**Available liquidity**	**12,756,751**	**12,134,076**

Source: Note 3.8.2 to the financial statements.

AVAILABLE LIQUIDITY OVER TOTAL ASSETS:

Definition: ratio of available liquidity (APM as defined and calculated above) to total assets.

Relevance of its use: to know the weight of available liquidity over total assets.

	(THOUSANDS OF EUROS)	31/12/2024	31/12/2023
Numerator	Available liquidity (1)	12,756,751	12,134,076
Denominator	Total assets (2)	53,140,648	54,516,480
=	**Available liquidity**	**24.01%**	**22.26%**

(1) Source: APM. See definition and calculation above.
(2) Source: consolidated balance sheet in the financial statements.

TOTAL AVAILABILITY OF LIQUIDITY:

Definition: sum of available liquidity (APM as defined and calculated above) and capacity to issue mortgage bonds.

Relevance of its use: To know the volume of available assets in the event of a possible outflow of customer deposits.

	(THOUSANDS OF EUROS)	31/12/2024	31/12/2023
+	Available liquidity (1)	12,756,751	12,134,076
+	Capacity to issue mortgage bonds (2)	8,062,169	8,179,659
=	**Available liquidity**	**20,818,920**	**20,313,735**

(1) Source: APM. See definition and calculation above.
(2) Source: Note 3.8.2 to the financial statements.

Consolidated statement of non- financial information and information on sustainability

11

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11.1 General information

2-2, 2-6, 2-12, 2-13, 2-24, 2-19, 2-20, 2-22, 2-29, 3-1, 3-2, 3-3, 201-2

11.1.1 Introduction and regulatory context

11.1.1.1 Regulatory context

The European Union has proposed achieving climate neutrality by 2050 and, to this end, has embarked on a process of economic modernisation and transformation, which requires reorienting capital flows towards sustainable investments. In terms of sustainable finance, the first step toward supporting sustainable growth has been to define clear guidelines for the standardisation and homogenisation of sustainability information. The focus has been on prioritising clear and accessible information, allowing stakeholders to more accurately assess a company's sustainability.

In this context, Europe adopted **Directive 2014/95/EU** on Disclosure of Non-Financial Information, known as NFRD, which was transposed into Spanish law by **Law 11/2018 on Non-Financial Information and Diversity**. To strengthen this framework, on 12 December 2022, the European Commission approved **Directive 2022/1214/EU on Corporate Sustainability Reporting Directive**, known as CSRD, replacing the previous directive and significantly expanding both its scope and disclosure requirements.

The CSRD introduces the concept of **double materiality,** requiring companies to report not only on the risks and opportunities linked to sustainability that affect their financial performance, but also on the impacts of their activities on the environment and society. This comprehensive approach is aligned with the strategic objectives of the **European Union**, such as the **European Green Pact**, and seeks to provide a more complete and accurate picture of the social and environmental impact of companies. A key aspect of the CSRD to ensure the quality and comparability of the disclosed data is the development of the **European Sustainability Reporting Standards (ESRS)**. These standards provide detailed guidelines on how the Bank should report its impacts and how the information should be organised so that it is relevant, verifiable and comparable at European level.

This **document has been prepared in accordance with the provisions of the Spanish Commercial Code, the Spanish Corporate Enterprises Act, and in accordance with the requirements of the CSRD and additional disclosures under Law 11/2018 that are not included in the ESRS, responding to the recommendation of the CNMV and the ICAC institute of accounting.** Consequently, based on the sustainability committees of the Institute of Chartered Accountants of Spain (ICJCE), this document refers to the

consolidated statement of non-financial information and information on sustainability (the "Sustainability Report" for ease of reference). It also responds to **Regulation 2020/852 on the European** Green Taxonomy and Commission Delegated Regulations 2021/2139 and 2021/2178 as amended by Delegated Regulations (EU) 2022/1214, 2023/2485 and 2023/2486.

Ibercaja also reports on its commitment to the **Global Reporting Initiative (GRI)** indicators, the **Sustainable Development Goals of the 2030 Agenda**, the **10 principles of the Global Compact**, the **United Nations Principles for Responsible Banking**, and the recommendations of the **Task Force on Climate-Related Financial Disclosures (TCFD)**. In this line, Ibercaja participates in numerous initiatives and working groups such as the **Partnership for Carbon Accounting Financials (PCAF)**, **Net Zero Banking Alliance (NZBA)** and **Net Zero Asset Managers (NZAM)**, demonstrating its intention to decarbonise its portfolio.

11.1.1.2 Objective and scope of the Sustainability Report

This **2024 Sustainability Report aims to present the most relevant information about Ibercaja Banco and its subsidiaries regarding sustainability**.

The reporting scope coincides with that defined in the consolidated financial statements, which is composed of the Financial Group including Ibercaja Servicios de Financiación EFC S. A. U., Ibercaja Mediación de Seguros, S.A., Ibercaja Vida, S.A.U., Ibercaja Gestión SGIIC, S.A., Ibercaja Pensión EGFP, S.A., Ibercaja Renting S. A. U. and Pensumo, Pensión por Consumo S. L. All of this represents 100% of the Ibercaja Banco Group's scope of consolidation. Since these subsidiaries are included in the Ibercaja Banco Group Sustainability Report, they are exempt from publishing consolidated sustainability information.

When identifying the Bank's value chain, the definition used in that found in Delegated Regulation 2023/2772: "the entire range of activities, resources and relationships linked to the Bank's business model and the external environment in which it operates". This value chain has been taken into account when preparing the Sustainability Report, with regard to preparing the information to be disclosed and the information reported, including all policies, actions, goals and parameters.

The Company is not considered to have omitted any material aspects regarding intellectual property or know-how in areas that apply to the contents of the Report.

11.1.1.3 Specific circumstances of the Report

- The time horizons, used primarily for double materiality assessment, are in line with those given in ESRS 1 paragraph 6.4.
- Some metrics require estimates (mainly Scope 3 CO2 emissions categories, financial impact data for physical and transition risks, and intensity metrics within the context of financial portfolio decarbonisation objectives) but are not considered “high uncertainty.”
- This report responds to the CSRD Directive and Law 11/2018, as well as the Principles for Responsible Banking and the Global Reporting Initiative (GRI).
- The Bank has, in some cases, availed itself of the disclosure exemptions permitted by the standard's phase-in, such as part of the information in the E1-9 disclosure requirement.

11.1.1.4 External audit review

Ernst & Young, S.L. has issued an independent assurance report, with limited assurance scope in accordance with ISAE Standard 3000 (Revised), on the non-financial information and diversity indicators that respond to Law 11/2018, on the European Sustainability Reporting Standards (ESRS), on indicators that follow, as a reference, the criteria of GRI standards, and other criteria, including the Financial Services Sector Supplement to the GRI G4 Guide, and the United Nations Principles for Responsible Banking (UNEP FI), as well as the requirements set out in Article 8 of Regulation (EU) 2020/852 of the European Parliament and of the European Council on establishing a framework to facilitate sustainable investment (known as the EU Taxonomy Regulation). This Report is included in the “Independent Verification Report” Appendix of this document.

Finally, Ernst & Young, S.L. has issued an Auditor's Report on Information related to the Internal Control over Financial Reporting (ICFR) System, which is included as an Appendix to the Annual Corporate Governance Report.

11.1.2 Governance and internal control of sustainability

The sustainability governance system is structured through the Bank's existing governing bodies and executive committees, in accordance with the defined ESG functions and responsibilities, with the aim of integrating sustainability across all functional areas to achieve efficient management that meets supervisory expectations.

The Board of Directors is ultimately responsible for approving the sustainability strategy and is assisted by various special committees with expertise on the subject matter in hand. The Strategy Committee is responsible for reporting on and monitoring correct implementation of the sustainability strategy.

The **Reputation and Sustainability Department** is responsible for proposing and coordinating the implementation of the sustainability strategy, together with the **Sustainability and Reputation Committee**, a specialised, executive-level committee chaired by the CEO.

At management level, **all areas of the Bank participate in the implementation of a sustainability strategy**, which prioritises supervisory and regulatory requirements and is aligned with the UNEP-FI Principles for Responsible Banking. Cross-functional work at Group level is essential for the integration and alignment of strategic objectives in terms of Sustainability.

In December 2020, the Board of Directors of Ibercaja Banco approved the **Sustainability Policy**, which establishes the framework for the sustainability strategy. Since then, work has been under way to progressively integrate it into all areas of the Bank, through:

- Definition of roles and responsibilities in ESG matters.
- Development of specific ESG policies and updating of existing ones, incorporating sustainability factors.
- Integrating ESG aspects into manuals and procedures.

Further details on the Bank's global governance can be found in **section 4.3 Corporate Governance** of the Directors' Report.

11.1.2.1 Sustainability governance

Governing Bodies

Board of Directors	Body with maximum responsibility for ESG matters; it approves and promotes the Sustainability Policy and Sustainability Strategy.
→ Strategy committee	Reports to the Board on the Sustainability Strategy and monitors it
→ Large Exposures and Capital Adequacy Committee	Informs and advises the Board on ESG risk policies
→ Audit committee	Reviews sustainability information and performs functions for its external verification
→ Compensation Committee	Oversees the remuneration policy, which includes ESG objectives
→ Nomination Committee	Assesses the skills, knowledge and experience required by the Board in relation to climate and environmental risks

Management bodies

Management Committee	Monitors the Strategic Plan, including the Sustainability Strategy
Reputation and sustainability committee	Validates and supervises the Sustainability Strategy
Global Risk Committee	Defines and monitors the Group's risk strategies and policies, including ESG risk
ESG asset management committee	At Group level, it oversees the investment mandate for investment products with ESG characteristics
Environment committee	Oversees implementation of the internal environmental management system

This governance design permits the sustainability strategy to be a global project at the Group level, with a single roadmap that forms part of the current 2024-2026 "Now Ibercaja" Strategic Plan and is defined in **Initiative 13 "Sustainability and Reputation"** to respond to supervisory expectations, normative and regulatory requirements, and voluntarily acquired commitments. This strategic initiative prioritises lines of action and these are developed in a coordinated and consensual manner, achieving **consistent progress** and capturing all the synergies.

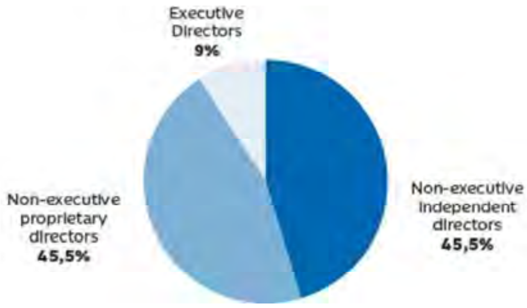
The functions and responsibilities of the Governing and Management Bodies for the proper integration of the Bank's Sustainability Strategy are detailed below:

Governing Bodies: Board of Directors and Committees reporting to the Board

The **Board of Directors** is the highest-level body in the Bank's governance model and ultimately responsible for approving, promoting and overseeing implementation of the Sustainability Policy and the sustainability strategy, addressing aspects such as climate change impact analysis, climate risk management, and transparent communication of sustainability progress. It also ensures that Board members receive training to enable them to fulfil their supervisory role. Specifically, the Board Members' Training Plan should include sustainability aspects.

As explained in section **4.3 Corporate governance** of this report, the Board of Directors is composed of six committees:

The Delegate Committee and the internal advisory committees on **Appointments**, **Remuneration, Audit and Compliance, Large Exposures and Capital Adequacy, and Strategy.** The distribution of its 11 members, as executive and non-executive, as well as the independence of each of them, is as follows:



In accordance with the provisions of European Directive 2022/2464 on sustainability disclosure, this Board of Directors represents 100% of Ibercaja Banco's employees, all of whom are subject to the applicable collective bargaining agreement and are represented by formal committees.

The **Strategy Committee** supports the Board's work on sustainability issues, with a particular focus on defining the sustainability strategy and ensuring that a specific organisation is in place to implement it.

The **main function of the Large Exposures and Solvency Committee** is to advise the Board of Directors on the different policies related to ESG risks and first-level metrics within the Risk Appetite Framework, as well as to inform the Board of Directors on how Ibercaja integrates ESG risk into the different prudential risks, assessing whether the allocation of resources that the Bank allocates to cover ESG risk is adequate.

The **Audit and Compliance Committee** reviews non-financial information, specifically, the sustainability information that the Company or its Group must disclose, in order to ensure that the Company and, where applicable, its Group of companies, comply with current regulations, especially those relating to sustainability. It also ensures that its members have the training and experience to properly understand sustainability-related information, including its auditing and verification.

The **Compensation Committee** oversees sustainability-related issues related to its specific functions, such as the compensation policy or the incentive system, as these contain specific sustainability aspects.

Lastly, the **Nominations Committee** takes part in the management of sustainability within the Bank by defining and reviewing the criteria for the composition of the Board of Directors in line with the Suitability and Diversity Assessment Policy of Ibercaja Banco, S.A., and in compliance with current regulations.

All appointments to the Board of Directors have been previously approved by the Nominations Committee and have undergone individual and collective evaluation, ensuring the suitability of the directors in terms of relevant experience and knowledge related to, among other matters, climate risks.

The processes of seeking and selecting directors are aimed at ensuring **diversity in the composition of the Board of Directors** in terms of gender, age and experience. The goal is for the less represented gender (women) to reach at least 36 percent of the total number of board members (currently women represent 40 percent), and 40 percent of the total number of external board members (women also currently at 40 percent). The incorporation of profiles from beyond the financial field, such as experts in law, sustainability, technology and auditing, among other disciplines, is one of the Nomination Committee's priorities, to ensure that the Board has multiple perspectives and makes more informed decisions. This commitment is aligned with the target recently set by the Council and the European Parliament for listed companies, to be reached before 2026. In 2022, three new female directors were appointed, one of them an expert in sustainability and ESG risk control.

The Board of Directors' diverse background and experience ensure proper oversight of business and sustainability issues. Some of them are, or have been, part of the Bank's management team, so the Board has extensive knowledge of the banking business. The Board includes retired state attorneys, as well as the Bank's former general secretary, ensuring expertise in business conduct. Finally, the Board includes members with experience in human rights, having served on United Nations committees on these matters.

Main sustainability issues addressed by the Board of Directors and Committees reporting to it

In 2024, the following topics related to the integration of sustainability have been presented to the Board of Directors and/or the various Board committees:

- Close and evaluation of the **2021-2023 Strategic plan, including the sustainability strategic line**.
- Presentation of the financial statements and the Directors' Report: approval of the **Statement of Non-financial Information (NFS)** within the 2023 Consolidated Directors' Report.
- Approval and monitoring of the **2024-2026 "Now Ibercaja" Strategic Plan, including the strategic sustainability line (Initiative 13 Sustainability and Reputation)**.
- Approval of the **2024 corporate variable remuneration (BONUS) objectives, including those related to ESG metrics**.
- Monitoring the sustainability strategy (Initiative 13 of the "Now Ibercaja" Strategic Plan), including, among others, the milestones for **setting NZBA Decarbonisation Targets and monitoring the Transition Plan**.
- Approval of the **2024 Action Plan to respond to the requirement for a horizontal review of climate risks**: presentation of supervisory feedback from the horizontal review of climate risks, with the recommendations received and approval of the Action Plan designed to address them.
- Performance and results of the **One-off Fit-for-55 climate risk exercise**.
- Approval of the **Double Materiality Assessment and Sustainability Report Structure for CSRD Implementation**: methodology and conclusions of the Double materiality assessment and disclosure structure of the Sustainability Report to comply with the CSRD directive.
- Approval of updating of the **Ibercaja Code of Ethics**.
- Approval of the **Ibercaja Group ESG Exclusion Policy** and second-line opinion report.
- Approval of the **Reputational risk management policy** and second-line opinion report.

Management bodies: Executive Committees

The **Management Committee** is responsible for monitoring the Strategic Plan, which includes the sustainability strategy.

The **Sustainability and Reputation Committee**, chaired by the CEO and comprising the managers of all functional areas, is responsible for validating and supervising the Bank's Sustainability Strategy, as well as the programmes and initiatives it develops, and ensuring their effective integration into management, facilitating and promoting their implementation. It is also responsible for ensuring the proper identification and management of ESG risks.

Main ESG issues addressed by the Sustainability Committee in 2024

- **Closure and assessment of milestone achievements in the "Purpose and Sustainability" strategic initiative** within "Challenge 2023" of the previous Strategic Plan 2021-23.
- **Presentation of the Sustainability and Reputation strategic initiative** within the 2024-2026 "Now Ibercaja" Strategic Plan. Lines of action for 2024 and defined milestones.
- Monitoring of **supervisory feedback** relating to climate risk management, including the approval of the **2024 Action Plan to respond to the Horizontal Review on climate risks.**
- Presentation of the update of the **Analysis of Impacts of Climate Factors**.
- Presentation of the **Environmental risk matrix** and the roadmap for its integration.
- Presentation of methodologies developed for the **Business Environmental Scan**.
- Presentation of the **Climate and Environmental Materiality Guide**.
- Presentation of **new NZBA Decarbonisation Targets** and monitoring of intensity metrics, as well as the **Transition Plan**.
- Monitoring of **eligible financing** within the **Green Bond** Working Group.
- Monitoring certifications and progress of the **Environmental Management System**.
- Presentation of the **Ibercaja Corporate Volunteering Manual** and monitoring of the Annual Corporate Volunteer Plan.

- Presentation of progress in the **Corporate Culture Project**: scorecard and next steps.
- Presentation of the updated **Code of Ethics** and **Ethics Management Manual**.
- Presentation of the **ESG Scorecard** and its **governance model**.
- Sustainability disclosure in the **Directors' Report**.
- Monitoring **implementation of the Principles of Responsible Banking**. Presentation of the feedback received from UNEP-FI and action plan.

There are also other Committees that perform sustainability functions, according to their specific responsibilities:

The **Global Risk Committee** is responsible for assessing ESG risk management integrated with the management of material risks identified in the Bank's Risk Appetite Framework. Specifically, it is responsible for reviewing proposed updates to the management policies for the various risks in terms of incorporating management criteria or guidelines for climate risk; monitoring the Group's risk profile by evaluating the indicators established in the RAF; and reviewing climate risk quantification methodologies.

Main ESG issues addressed by the Global Risk Committee in 2024

- Updating the RAF metric for Climate Transition Risk.
- **Updating the climate transition risk classification of economic activities.**
- **Updating Ibercaja Group's ESG Exclusion Policy.**
- Presentation of **ESG Exclusion Manuals.**
- Presentation of the **2024 Climate Risk Map.**
- **Methodology for Prospective Quantification of Climate Risks in Credit Risk and Operational Risk.**
- **Quantifying Capital Needs for Climate Risks in Credit Risk.**
- **Analysis of the potential impact of river flood risk on the value of real estate collateral.**
- **Presentation of the Climate Stress Testing Framework.**

The main function of the **ESG asset management committee** is to monitor the investment mandate in products catalogued as ESG. It is also responsible for continuing to promote Socially Responsible Investment (SRI) ensuring an offer of investment products adapted to customer preferences.

Main issues addressed by the ESG Committee in 2024

- **Evolution of investment portfolios** with ESG characteristics.
- Monitoring **competitive positioning** in the range of ESG savings-investment products.
- Overseeing **new regulatory requirements** relating to sustainability in the asset management environment.
- Presentation of **specific analyses or market studies** related to sustainability.

The **Environment Committee**, at executive level, is tasked with ensuring the compliance, supervising the efficiency and effectiveness of the Bank's environmental management system, and promoting awareness initiatives and environmental protection. Additionally, it is defined as the body that must review and approve the actions of Ibercaja's Environmental Policy.

Main issues addressed by the Environment Committee in 2024

- Presentation of **audit results** relating to the environmental management system.
- Results of review of the **Environmental Management System: approval of the Review Report by Management**.
- Review of the scope of the **environmental objectives** of the environmental management system.
- **Oversight** of the requirements of **environmental training and awareness-raising**.

Sustainability and Reputation Area Directorate

The **Sustainability and Reputation Area Directorate**, reporting directly to the CEO, is responsible for defining, promoting and coordinating Ibercaja Group's sustainability strategy, in collaboration with the departments involved in its implementation.

Details of the functions of the Sustainability and Reputation Area Directorate

- Define, develop and coordinate **Ibercaja's sustainability strategy**, collaborating with the areas involved in its implementation.
- Support **integration of ESG factors** in strategy, decision-making, business and risk management.
- Collaborate with other area managements in the identification of **impacts related to sustainability and opportunities associated with sustainability issues.**
- In relation to ESG risks, **collaborate with the areas involved in risk management** in the appropriate integration of ESG factors, specifically:
    - In the identification and analysis of relevant information from an ESG perspective for its appropriate incorporation into management.
    - In the identification, evaluation, measurement, control, and communication of ESG risks, promoting the development of identification and measurement systems and providing support in the necessary technical aspects.
    - In the implementation of ESG risk monitoring controls and methods.
    - In updating risk management policies and procedures, consistent with the Risk Appetite Framework, with respect to ESG risks.
    - In coordination with the Finance Area, promote and coordinate sustainability disclosure in accordance with regulatory requirements and supervisory expectations.
- Oversee **fulfilment of commitments and alliances with national and international organisations** in matters of sustainability.
- In coordination with the areas **involved, promote training, awareness, and internal and external communication initiatives on ESG aspects**.

Internal environmental management:

- **Define and promote the environmental strategy** of the Bank.

- **Oversee the Environmental Management System** and the current voluntary certifications.

- Promote **environmental protection and awareness-raising initiatives**.

- Oversee the Bank's ethical culture, promoting knowledge and application of the Code of Ethics.

In coordination with **Fundación Ibercaja and the People Area Directorate**, promote and drive the **Ibercaja volunteering programme**, promoting social action among employees and enhancing pride in belonging.

11.1.2.2 Monitoring and tracking impacts, risks and opportunities

Ibercaja has been integrating and managing sustainability aspects during several strategic cycles, so **many of the impacts, risks and opportunities (IROs) identified in the double materiality assessment are aligned with its strategic objectives**. The work done previously has been essential in providing a solid foundation for progressing in a structured manner towards comprehensive identification and management of material IROs.

This year, the Sustainability and Reputation Area Directorate has worked together with the rest of the Bank's area managers to establish the foundations of a robust system to ensure comprehensive and efficient management of IROs in the future, including:

- Clear definition of those responsible for reporting and its frequency.

- Evaluation and communication of the implementation of the measures adopted to address the IROs, and the results obtained.

- Integration of IROs into strategic definition processes.

In addition, the Governing Bodies have been informed of the material IROs and material issues identified this year, for consideration in strategic decision-making and in general oversight of the Bank's risks and opportunities.

This coordinated effort lays the foundation for implementation of an action plan that will ensure that, in the coming years, all required aspects continue to be managed and reported effectively, reflecting Ibercaja's commitment to sustainability and transparency.

11.1.2.3 Sustainability in remuneration systems

To **promote management that reflects a firm commitment to sustainability principles and fosters their integration into all functional areas**, it is necessary to **incorporate ESG objectives into variable remuneration schemes**. In this way, the interests of key stakeholders are aligned with the Bank's strategic sustainability objectives.

In this respect, **Ibercaja's Remuneration Policy is consistent with the Sustainability Policy** and with the principles and values of the Bank in the management of environmental, social and corporate governance risks and complies with the provisions of Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on the disclosure of information relating to sustainability in the financial services sector, establishing a remuneration system based on equal opportunities and non-discrimination.

The **corporate objectives of the 2024 variable remuneration scheme include specific ESG metrics**, linked to compliance with the 2024-2026 “Now Ibercaja” Strategic Plan. Specifically, a metric for integrating climate risk into Ibercaja's prudential risk management and another on implementation of the Transition Plan have been included (see more details on these in section **11.2 Climate and Environmental Information**). Additionally, a metric relating to the evolution of the Bank's reputation is also included in the variable remuneration scheme.

The Bank has defined a **long-term incentive**, with the objective of aligning the interests of certain key executives of the Bank with corporate strategy and long-term value creation. These multi-annual objectives also have **sustainability indicators**:

1) Implementation of the climate transition plan (5% of the total incentive).

2) Reputational health indicator (5% of the total incentive).

These remuneration schemes affect executive members of the Bank. With regard to the Board of Directors, it affects the Bank's sole executive director, the CEO.

11.1.2.4 Due diligence in the Bank's operations

Ibercaja has integrated the due diligence process into its daily practices along its entire value chain, encompassing suppliers, customers, and its own staff. This commitment is reflected in a set of **policies, manuals and procedures that guide their actions** and ensure alignment with the principles of sustainability, human rights, business ethics and responsible management.

Additionally, in preparing the **double materiality assessment**, potential non-compliance with **Human Rights** has been considered as a factor to determine the materiality of IROs. The Sustainability Report gives detail on how these due diligence practices are implemented.

In section **11.3.1 Own workforce, the Bank ensures respect for and protection of human rights through a robust regulatory framework**, with key documents such as: the **Code of Ethics**, which establishes principles of integrity, respect, and fairness in all labour relations; the **Equality Plan**, designed to guarantee non-discrimination and equal opportunities for all employees; and the **Occupational Risk Prevention Policies**, which reinforce Ibercaja's commitment to the safety and well-being of its employees. These documents support a comprehensive due diligence approach for the Bank's employees, ensuring that employment relationships are managed in an ethical and responsible manner.

In section **11.3.3 Customers and end users, Ibercaja discloses due diligence measures aimed at ensuring transparency, protection of consumer rights and sustainability in business relationships**.

These measures are reflected in documents such as the **Data Protection Policy**, which ensures the confidentiality and responsible use of customers' personal data; the **Code of Conduct**, which guarantees a transparent offering tailored to customer needs and aligned with ESG criteria; and the **Anti-Money Laundering and Counter-Terrorism Financing Policy**, which reflects the Company's commitment to responsible and secure financial practices. These documents reflect Ibercaja's principles of due diligence with customers, promoting relationships based on trust, security and respect.

Section **11.4.1 Business conduct**, explains how Ibercaja applies a rigorous due diligence approach to foster responsible practices with its suppliers. In this it is supported by documents such as the **Supplier Code of Conduct**, which establishes clear criteria on sustainability, human rights, regulatory compliance and business ethics, and the **Supplier Evaluation and Selection Procedures**, which ensure that its suppliers comply with established sustainability standards. This approach ensures that Ibercaja's relationships with suppliers contribute to a sustainable, environmentally friendly and socially responsible supply chain.

11.1.2.5 Control of the information disclosed in the Sustainability Report

Ibercaja discloses Sustainability information in the Consolidated Directors' Report, in accordance with established procedures and controls. For this purpose, Ibercaja has prepared a **Sustainability Information Disclosure Manual** to ensure that the information contained in the Management Report is correctly aligned with the preparation process carried out and with current regulations.

The manual details, among other aspects:

- The **areas responsible for information**.
- The function of each area involved in preparing the information to be disclosed.
- The preparation process.
- **Calendar** with the main key dates.
- **Controls** carried out on the information to be disclosed.

With the entry into force of the CSRD, Ibercaja will continue to advance its internal control system, enabling it to manage operational risks and establish appropriate controls to ensure the quality, accuracy and reliability of sustainability-related information.

This control system will work based on the following **pillars**:

- **A sound control environment**: fostering an organisational culture committed to sustainability.
- **Identification and assessment of risks**: developing a structured approach to identify potential risks that could compromise the integrity of disclosed information.
- **Control policies and activities**: implementing specific procedures that help mitigate the identified risks.
- **Information management and effective communication**: establishing an efficient flow of information between the different areas involved.

- **Continuous monitoring and improvement**: implementation of regular monitoring processes to verify that controls are functioning correctly and fulfilling their purpose.

These efforts seek to prevent, detect and correct potential errors or inconsistencies in the disclosed information, while also helping to effectively mitigate risks. Ibercaja demonstrates its commitment to providing reliable, high-quality sustainability information, strengthening the trust of its stakeholders and ensuring its contribution to sustainable development.

Additionally, any new developments in processes, and in information disclosed, arising from implementation of CSRD will be duly reflected in the Disclosure Manual.

11.1.3 Business model, sustainable strategy and value chain

> Ibercaja is aware of the challenge posed by sustainability, which is why it is making progress in integrating environmental, social and governance aspects into its business decisions and risk management to achieve long-term, sustainable value creation.

From the start, Ibercaja has been a Bank with a clear social commitment to the development of its activity, focused on supporting the country and the business fabric.

As previously mentioned in the Management Report, Ibercaja maintains a full-service banking model, focused especially on the retail segment, and also offering asset management and insurance products. The Bank has a leadership position in its traditional regional locations and is gaining weight in its growth markets.

Ibercaja has a stable base of 1.7 million customers (management units) and is committed to a full-service banking model, focused on the retail business and based on expert advice, quality of service and innovation. This model, seeking service excellence and long-term value creation, translates into relationships with longer-lasting customers who have greater loyalty as a result of the number of products and services purchased. It has 5,125 employees in the Group (4,730 in the parent company), all of them located in Spain.

As discussed in the Sustainability Policy, the Bank assumes the challenge of promoting sustainable development. It is currently able to offer a range of products that adapts to its customers' growing need for products with ESG characteristics, and it plans to continue expanding this offer.

- In **savings-investment**, the Bank has 16 ESG investment or pension funds, meaning that 77% of families with investment funds and pension plans have at least one sustainable savings-investment product.
- In **retail business**, Ibercaja offers sustainable options for vehicle loans and mortgages, and specific products for renovations that improve a home's energy efficiency.
- In **Corporate Banking**, the Bank offers loans for sustainable purposes, based on the EU taxonomy, as well as specific renewable energy and leasing products.

Additionally, it offers specific services such as Depencare, Dasit Telecare Service, Pensium, and eAgronom. The Sustainability Report details the actions taken to expand the Bank's sustainable offering.

Further details on the Bank's business strategy can be found in chapter **4.5 Positioning and Strategic Plan**, and there are further details on the Bank's sustainability offering in section **11.3.3 Consumers and end-users.**

In undertaking its financial activity, Ibercaja, in line with its corporate purpose, believes that its plans and actions should help ensure well-balanced economic growth, social cohesion and environmental protection. This purpose, as defined in chapter **4.1 Purpose, mission, vision, values and Code of Ethics**, **"Helping people build the story of their life, because it will be our story"**, is the Bank's reason for being and activating it has involved **integrating sustainability** across all areas of the Bank, as a fundamental part of the strategy. Ibercaja is **firmly committed to sustainability** and it works on integrating environmental, social and governance aspects in the undertaking of its financial activities and risk management.

11.1.3.1 Ibercaja's Sustainability Strategy

In the last strategic cycle, 2021-2023, Ibercaja developed **the "Purpose and sustainability" initiative** as an enabling, cross-cutting line of work to define the priority actions for **integrating ESG aspects into business and risk management**, in response to regulatory requirements and supervisory expectations.

With the aim of integrating sustainability more deeply, the new **2024-2026 "Now Ibercaja" Strategic Plan has a specific line**, **Initiative 13 "Sustainability and**

Reputation", which will allow Ibercaja to continue supporting its customers in the transition towards a decarbonised and inclusive economy, appropriately managing sustainability risks and opportunities and strengthening its reputation as a differential strength of the Bank.

> The Sustainability and Reputation initiative is sponsored by the Management Committee, ensuring progress on the defined objectives, challenges and milestones, with the goal of integrating sustainability into the Bank's strategy and business development.

Sustainability objectives in the 2024-2026 "Now Ibercaja" Strategic Plan

The initiative is based on four strategic objectives:

1	**Progress in ESG risk management**	Progress in consolidating and integrating ESG risk into prudential risk management and key risk management tools.
2	**Make use of ESG business opportunities**	Design the 2024-2026 sustainable business strategy for the different business segments and portfolios
3	**Strengthen internal and external sustainability reporting**	Progress in governance scorecards and in responding to regulatory requirements.
4	**Put emphasis on our reputation as a strength of the Group**	Proactive management based on measurement and monitoring, developing action plans to optimise reputation and minimise reputational risk, all with the aim of consolidating reputational risk management.

Sustainability challenges in the 2024-2026 "Now Ibercaja" Strategic Plan

The **Initiative operates** in response to a series of **challenges** that ensure compliance with the objectives set for the three years:

Challenge 1: Integration of ESG factors in risk management

Ibercaja prioritises the roadmap in accordance with the **supervisory expectations regarding climate risks**. Among other aspects, the Bank is strengthening the **integration of climate factors into prudential risk management and the ICAAP**, the inclusion of

climate risks in the Business Plan and analysis of prospective scenarios, with the development of a **stress testing framework**.

Challenge 2: Definition and monitoring of the ESG business strategy

Promoting the sustainable business strategy, identifying **business opportunities linked to sustainability**, in a manner aligned and consistent with its decarbonisation objectives. The goal is to support customers in their decarbonisation process, providing sustainable products and services (investment and financing) while strengthening the Bank's social commitment.

Challenge 3: Integrating sustainability into asset management and insurance

Integration of ESG factors into the **strategy and decision-making of the asset management and insurance subsidiaries**, responding to supervisory expectations, regulatory requirements and commitments made. The work covers: governance, risk measurement and management, the ESG business model, ESG reporting and implementation of applicable regulations.

Challenge 4: ESG disclosure and reporting requirements

Analysis and implementation of regulatory requirements for **sustainability disclosure**, highlighting the **progress made by Ibercaja Group in ESG and the creation of social value with transparency and veracity**.

Within the framework of this challenge, work has been done on the capture and governance of ESG data, the definition of criteria to meet regulatory requirements, and compliance with supervisory expectations, establishing plans to respond to the supervisory *feedback* on disclosure matters. Finally, progress is being made on a governance model for internal *reporting* on sustainability.

Challenge 5: Implementing the ESG data strategy

Implement the roadmap for integrating ESG data into the enterprise architecture, with a focus on scalability and flexibility, while consolidating the incorporation of this data into systems and strengthening their governance.

Challenge 6: Proactive reputation management

Reinforcing **corporate reputation** based on its measurement, and monitoring and identifying risks and opportunities. The main points of this challenge measurement and internal *reporting*, systematisation of reputational risk management, incorporation of the reputation axis into management and decision-making, and raising internal awareness of the value of reputation.

To meet the objectives and challenges of **Initiative 13 "Sustainability and Reputation"**, a series of **milestones** have been defined, aligned with the defined objectives and challenges, which are monitored by the Management Committee and the Board of Directors.

Therefore, the scorecard defined to monitor the Strategic Plan includes specific indicators for monitoring the **objectives of the Initiative**, demonstrating the global, top-level involvement of the Organisation to achieve them.

ESG Scorecard

As the Bank has deepened its understanding of ESG risks and developed its offering of sustainable products and services in recent years, various indicators and metrics have been implemented to monitor them. The has defined an **ESG Scorecard**, approved by the Sustainability and Reputation Committee, with the aim of monitoring compliance with the objectives defined in Initiative 13 "Sustainability and Reputation", and tracking the evolution of ESG business and ESG risk management.

Composition

The indicators are classified into 3 categories:

- **Strategic Plan**: monitoring of some of the strategic goals defined in the "Sustainability and Reputation" initiative.
- **ESG Business**: monitoring sustainability aspects in savings and investments, retail business and corporate banking.
- **ESG Risks**: monitoring of various climate risk indicators in the credit portfolio.

Governance

The Sustainability and Reputation Area Directorate is responsible for presenting the Scorecard to the Sustainability and Reputation Committee on a semi-annual basis. Governance determines the areas responsible for each indicator, which must be kept up to date and provided when required.

Corrective measures

The **Strategic Plan Indicators** have specific objectives set until 2026. Any deviation or non-compliance requires the presentation of corrective measures within the framework of the 2026 "Now Ibercaja" Strategic Plan.

ESG Risks: these are monitored regularly and, if the progress is negative, specific issues are analysed. In addition, there is an ESG indicator governed by Risk Appetite Framework (RAF) metrics.

Lastly, **in case of a negative evolution in the business indicators,** possible factors that may have influenced the process will be analysed and, if necessary, measures and action plans will be established with the aim of continuing to promote participation in financing for sustainable development.

11.1.3.2 The Bank's value chain

With the introduction of the CSRD, and following the regulatory bases and recommendations of EFRAG when identifying Ibercaja's own operations and existing business relationships, the Bank has carried out an exercise to identify its value chain, according to the following phases:

Phase 1. Identification of the perimeter of own operations

This involved identifying the group of individuals and legal entities that carry out the Bank's own operations. Specifically, the parent company is Ibercaja Banco, S.A., a financial institution that offers a wide range of banking and financial services and that is made up of other companies.

Some of the Group's most important companies:

1. Ibercaja Gestión SGIIC, S.A.U.: a company managing the Group's collective investment undertakings (CIUs).
2. Ibercaja Pensión, EGFP, S.A.U: a Group company engaged in managing different kinds of pension plans.
3. Ibercaja Vida Cia. De Seguros y Reaseguros, S.A.U: company specialising in life insurance.
4. Ibercaja Mediación de Seguros S.A.U.: a company engaged in the distribution of risk insurance (life and non-life) and retirement savings for individuals and companies.
5. Ibercaja Servicios de Financiación E.F.C., S.A., specialising in financing individuals through consumer loans for the purchase of vehicles.

Phase 2. Identifying the upstream perimeter

This involved identifying the entire perimeter of relationships in value chain phases upstream of those of the company's own operations: mainly **suppliers**. For this exercise, identification of commercial relationships undertaken with suppliers up to the end of 2024 has been carried out.

Once the list of suppliers was completed, they were segmented based on their activity, according to the following categories:

- Consulting, auditing and advisory services.
- Administrative management services.
- Legal advice.
- Financial (mainly ATMs, debt collection services and banks).
- Property management.
- Marketing services.
- Technology.

- Other (includes various services such as cash transportation, and document storage and management).

Phase 3. Identifying the downstream perimeter

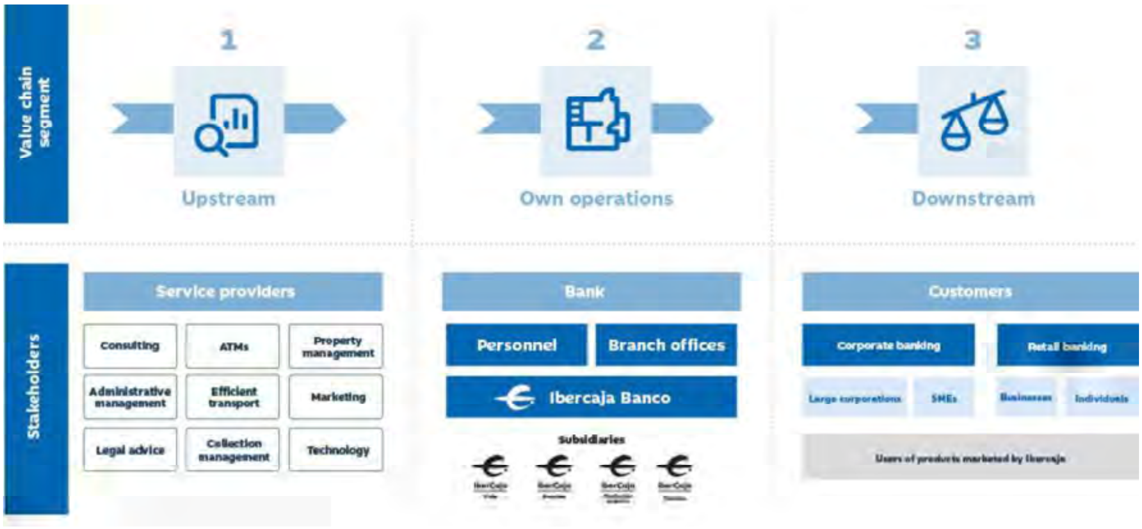
In a financial institution, the downstream perimeter refers to the activities or impacts that occur after the provision of financial products or services. Thus, to identify subsequent business relationships, an analysis was conducted of Ibercaja's customer portfolio, which can be divided into two categories: retail business and corporate banking.

The following products and services are offered to the range of customers:

- Retail financing: mortgages, personal loans and consumer credit.
- Payment services: cards, transfers and ATMs.
- Accounts and deposits: current accounts, demand deposits and term deposits.
- Cash and cheques.
- Guarantees.
- SMEs and self-employed workers: SME financing, credit policies, bank discounts, advances, confirming and factoring.
- Corporate banking.

Phase 4. Delimitation and illustration of the value chain

Finally, Ibercaja's value chain is defined using operational control, significant impact and relevance criteria, as reflected in the following illustration:



11.1.3.3 Stakeholder interests and opinions

Ibercaja **values deeply the opinions and expectations of its stakeholders** and takes them into account when defining its strategy and business model.

This approach ensures the alignment of strategic decisions with stakeholder expectations, strengthening the commitment to transparency and collaboration.

Definition of key stakeholders

Ibercaja defines stakeholders as **any group or individual that may have an impact on the Company or that may be influenced, directly or indirectly, by the achievement of the Bank's objectives**. These stakeholders are increasingly placing emphasis on the impact Ibercaja's activities have on society and the environment, an aspect that is addressed in defining the Bank's strategy.

Ibercaja has a **Stakeholders Map,** which is revised regularly. Preparing and keeping up to data the list of stakeholders involves identifying them and grouping them into categories to prioritise those with the most significant expectations in terms of their requirements. To gather the opinions, interests and expectations of stakeholders, Ibercaja uses various communication channels, such as surveys, meetings, focus groups, media, etc.

The results of all the consultations conducted help identify the opinions of the affected groups and prioritise them, thereby improving strategic decision-making within the Bank.

The **stakeholders map was updated in 2024** taking as a reference the exercise carried out in previous years, which was reviewed along with the stakeholders and their place in the value chain. Executives have also been included in the list as a specific category within Employee Stakeholders, due to their expert judgement on strategic issues. The list of stakeholders and how Ibercaja relates to them is as follows:

Main stakeholders	Main dialogue tools (non-exhaustive list)
Shareholders and Investors	Periodic surveys Reports Follow-up meetings
Customers	Suggestion box Periodic surveys Customer care service
Managers	Committees Periodic surveys Training programmes
Employees	Gatherings and Focus Groups Periodic surveys Training programmes
Suppliers	Satisfaction surveys Ibercaja suppliers portal Free telephone numbers and email contact mailboxes
Society	Periodic surveys Active listening in social networks Sponsorship meetings and gatherings/events

Relationship with stakeholders in the double materiality assessment

In addition to listening through established dialogue tools, within the framework of the double materiality assessment, specific consultations have been conducted with stakeholders to identify more fully their priorities of interest related to sustainability issues.

As a result, a number of topics have been identified as being of high importance, both for the Bank and its stakeholders:

- **Transparency.**
- **Appropriate support for the customer.**
- **Customer security and protection of their personal data.**
- **Workers' conditions and reducing the wage gap.**
- **The fight against corruption and bribery.**

The Bank has submitted to the Management Committee and the Board of Directors the results of the identification of topics relevant to stakeholders.

In this regard, alignment is seen of material issues with the Bank's strategic objectives, including:

- Strategic aspects related to the **generation of value for customers and shareholders**, as well as **increased transparency** towards all stakeholders.
- **Maintaining** the **highest standards in ethics, integrity and corporate culture of the Bank** and high standards of **regulatory compliance and risk management**.
- Improving procedures to combat **corruption and bribery**, as well as continuous monitoring and updating of the **control and supervision mechanisms**.
- The digital transformation, transparency, communication and excellence in **customer service**, as well as the full guarantee of **data privacy**.
- Progress towards the **consolidation of ESG aspects**, specifically those related to **climate change**, into the business and risk management.

Communication with stakeholders

Communications criteria

Transparency, veracity, diligence and neutrality are the essential criteria present in all the information flows generated by the Bank, both internally and externally. These flows are systematised through a **communication model** based on these four key criteria.

TRANSPARENCY	VERACITY
In all matters of public interest that do not compromise the required confidentiality of the activity.	So that it accurately responds to the information requests of the stakeholders.
DILIGENCE	**NEUTRALITY**
To provide timely information that recipients can make use of to their maximum benefit.	All stakeholders are entitled to information generated by Ibercaja in equal conditions.

Internal communication

Internal communication aims to foster a sense of belonging, commitment and alignment among staff around a common project, while also bringing together knowledge of the functions and activities carried out by the Bank's various areas.

In 2024 Internal Communication was integrated into the new **Communications, Brand and Institutional Relations Area**, and an internal content strategy has been designed and implemented, which, aligned with the Purpose, the narrative, and the corporate objectives, has been disseminated through the internal Somos Ibercaja portal to amplify the Bank's relevant news among the entire workforce.

As a result of this change, the range of published content has been expanded, allowing for a variety of content from all areas of the Group. As a result, the **number of news items published increased by 35% compared to 2023, and total views of these items increased by 46%.**

It is worth highlighting the **internal dissemination of the presentation of the new 2024-2026 “Now Ibercaja” Strategic Plan,** through a specific section on the aforementioned internal channel and the promotion of corporate culture, disseminating the content developed by the People Area.

External communication

Through its **relations with the media**, the Bank has developed its external communications activities, focusing on the 2024-2026 “Now Ibercaja” Strategic Plan. In addition to informing the media about the Bank's financial activity, including corporate banking, personal and private banking and the activity carried out by the assets and insurance companies, **communications aimed at customer** and business segments have intensified and have become a priority in the new Plan, as is the case with young people, the self-employed, businesses and SMEs, and the payment and consumer financing business.

At the same time, a continuous line of information has been maintained about the **Bank's progress in sustainability and its environmental, social and corporate governance commitments.**

Ibercaja maintains fluid relations with Spanish, foreign and specialist media, responding to requests for information and notifying society of significant events involving the Bank. Thus, a total of 746 media actions have been managed, pro-actively, 20% more than the previous year, generating 22,959 hits.

In 2024, Ibercaja's presence on social media was boosted. The dissemination of corporate content through the Bank's social media channels (LinkedIn, Instagram, X, Facebook, and YouTube) has been strengthened to achieve greater reach, audiences and interactions by adapting the formats to these channels.

Globally, **publications have increased by 5%, which has boosted the growth of the Ibercaja community by around 22%.** It is worth highlighting the strong performance of the LinkedIn corporate profile, where 493 posts were published (+21.4%), reaching 1,499,683 users (+63%) and 1,499,683 interactions (+129%), with an audience growth of over 26%.

This increase in corporate communication through LinkedIn has led to this social network naming Ibercaja first company in the ranking of "**Top Companies 2024 Spain" with less than 5,000 employees, which was an important milestone for the Bank as an employer brand.**

Institutional projection

Institutional projection has **the goal of positioning Ibercaja as a benchmark in the Spanish banking system for stakeholders**.

To this end, the Bank participates in the main economic and sectoral forums and meetings; collaborates with different general and specialised media; works in collaboration with institutions, sectoral and management associations; and organises its own events.

Ibercaja is a member of the Spanish Confederation of Savings Banks (CECA), which groups together Spanish banks that were once savings banks in their day. To further the legitimate interests of its member institutions, CECA acts as a spokesperson and sectoral liaison with parliaments and governments, as well as with the various regulatory and supervisory bodies, both at European and national level. Therefore, on almost all issues, Ibercaja channels its lobbying strategy through CECA.

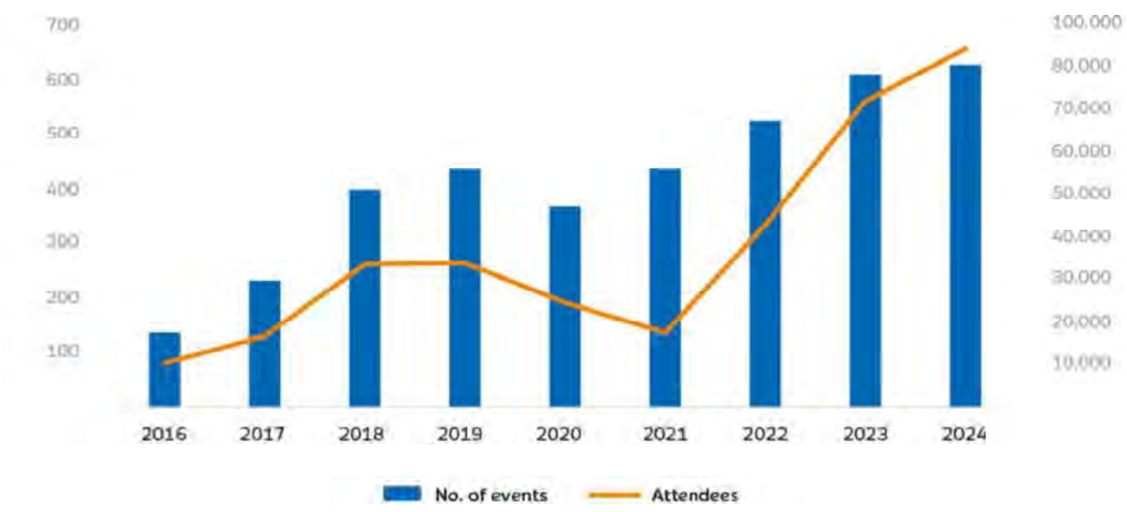
The Bank has **collaborated with multiple business and professional organisations,** national and regional, such as CEOE, CEPYME, the chambers of commerce of several cities (Madrid, Barcelona, Zaragoza, Burgos, Valencia), Association of Young Entrepreneurs (Zaragoza and Extremadura), Federation of Entrepreneurs of La Rioja, Federation of Business Associations, Association for the Progress of Management (APD), ADEA, Madrid Business Forum, etc.

In 2024, the activity of **institutional projection specifically aimed at companies has been set within the MÁS Ecosystem**, which has organised various activities in collaboration with several strategic partners throughout the country. Corporate and institutional events have increased again, reaching record highs in terms of the number of institutional events, meetings, and webinars held nationwide, as well as the number of attendees. 636 corporate events were held with a total of 185,587 attendees.

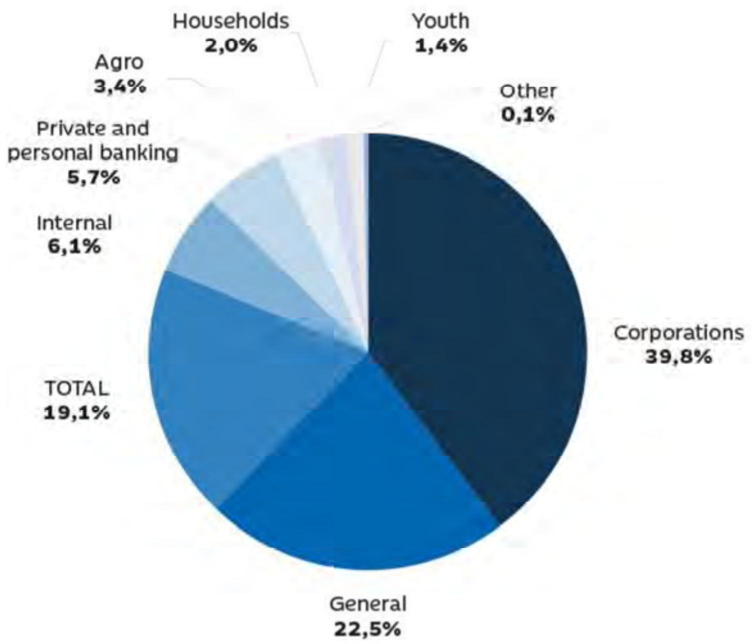
Regarding the type of partners, the majority of events, **84%, were held in collaboration with third parties** (business and professional organisations, institutions, professional associations, etc.). 11% were own events, organised by Ibercaja, and 5% were held in collaboration with the media.

short, 2024 was the year of greatest institutional outreach activity, surpassing events held in 2023 by 4%, events held in 2022 by 21.14%, and events held in 2019 by 46.33%. It also saw the highest number of attendees to date, with an 18% increase on last year.

Evolution of the number of events and attendees



Percentage of attendees by target audience



11.1.3.4 Material impacts, risks and opportunities and their interaction with the strategy and business model

The material impacts, risks and opportunities (IROs) **identified in the double materiality assessment** (see section **11.1.4 Double materiality assessment**) have a direct relationship with the different parts of the Bank's value chain and with the Bank's strategic issues.

- In **environment**, the Bank's business model focuses on the downstream part of its value chain, where the most relevant IROs in this area are concentrated. However, the IROs of the Company's own operations related to climate change adaptation and mitigation are also relevant.
- In **social aspects**, Ibercaja identifies as a priority those related to its own staff, that is, its entire workforce, and its customers, as these two groups represent the main sources of IROs, which are generated around them.
- Lastly, in elements related to governance and **business conduct** the focus is on the Bank's key internal aspects, such as business conduct and financial transparency, which generate a series of IROs of strategic importance.

To boost business through environmental, social and governance performance, Ibercaja has developed various financial solutions focused on its customer segments:

- In **retail business** products are offered that promote the financial and social inclusion of customers and provide innovative alternatives for sustainable savings. Ibercaja offers solutions to its customers tailored to their needs and expectations.
- In **corporate banking** Ibercaja offers innovative solutions based on the development of specialised knowledge, designing opportunities that arise from the transition towards more sustainable production models and empowering customers' active contributions to inclusive and equitable growth. The Bank aims to help companies adapt to current challenges, boosting their competitiveness and social responsibility.

Details of the sustainability initiatives promoted for the different customer segments can be found in the chapter **11.3.3 Customers and end users**.

Linking material impacts to strategy

Below is a detailed description of how these impacts **are linked to the Bank's strategy and business model**, identifying the key areas where Ibercaja can have short, medium, and long-term impact, and how this is reflected in the Bank's internal operations and business relationships.

Environmental impacts

Ibercaja is committed to **promoting projects that contribute to energy efficiency, housing and sustainable mobility**, initiatives that benefit the natural environment and respond to the growing sustainability needs and expectations of its customers. These projects are integrated into its business model, promoting the marketing of ESG products and services that improve environmental quality and support a transition towards a sustainable economy.

Increased **investment in sustainable projects** plays a key role in achieving environmental and social objectives, aligning with global sustainable development goals. In this way, Ibercaja strengthens its business strategy and actively contributes to the creation of social and environmental value.

Social impacts

Ibercaja identifies various impacts that are key to strengthening its relationships with customers, employees and society. The main example of this is the commitment to **optimise its external communication through active and effective customer listening** to increase transparency. This improved clarity of communication facilitates customer understanding and strengthens mutual trust, building stronger, mutually beneficial relationships. Ibercaja is committed to personalised treatment and advice and adequate support for customers, which significantly increases the quality of services and customer satisfaction.

Regarding its employees, Ibercaja focuses on their well-being, fostering an organisational culture based on equality, respect, and inclusion, with management based on the **family-responsible company model** (it is certified as a Family-Responsible Company), which ensures a **balance between personal, family and work life**. The work-life balance measures and social benefits implemented reinforce both the physical and mental well-being of employees, contributing to a healthier and more balanced work environment.

Lastly, the **security of customer personal and financial data** is a strategic priority due to the vulnerability associated with breaches in information systems. To mitigate this, continuous cybersecurity improvements are being implemented, ensuring the protection of sensitive information and preserving customer trust.

All these social impacts are aligned with Ibercaja's global strategy, which aims to **strengthen its position as a socially responsible organisation**. By integrating these aspects into its business model, it reinforces its commitment to the principles of sustainability and transparency. Ibercaja and the Fundación Ibercaja foundation also promote social and environmental initiatives, carrying out actions aimed at society as a whole and at vulnerable groups, primarily low-income families, the elderly, young people outside the education system and people with disabilities, among others.

Impacts in the field of business conduct

One of the most significant impacts is the **fostering of an ethical culture** that promotes an ethically sound way of acting with the Bank's key stakeholders, including customers, suppliers and employees. This commitment to business ethics is reflected in **transparency** in the disclosure and presentation of financial information, which ultimately leads to increased trust. Ibercaja considers **integrity** as an essential value that strengthens business relationships and public perception, with a positive impact on its image and reputation.

In line with this **ethical focus**, governance and corporate culture measures have been implemented (**Code of Ethics and Ethics Management Model**) to detect and prevent corruption and bribery. These actions not only improve transparency but also foster an ethical environment that supports inclusive and sustainable economic development, aligned with social and regulatory expectations.

Linking material risks and opportunities to strategy

Ibercaja has identified a series of **significant risks and opportunities related to environmental, social and governance issues**, with potential effects on the Bank's development and performance.

A detailed description follows of how environmental, social and business conduct factors influence decision-making and the creation of long-term value for shareholders, employees, customers and society at large, mitigating associated risks and capitalising on emerging opportunities to strengthen competitiveness and positioning in a constantly changing global marketplace.

Environmental risks and opportunities

The risks identified relate to **physical and transition climate risks**. These were the risks most present in the analysis, so, as a mitigating measure, Ibercaja will continue to take measures to integrate these types of risks into management.

In this regard, the Bank has defined and is implementing a **Transition Plan** that includes goals for achieving decarbonisation objectives to mitigate the effects of climate change.

These goals have been established with long-term time horizons to ensure Ibercaja's business model's resilience to these risks.

At the same time, Ibercaja must take advantage of the **growth opportunities offered by the sustainable transition**, green projects and customer decarbonisation, which aligns with its strategy of consolidating a leading position in the responsible and sustainable banking sector. The evolving demand for ESG products and the transition towards more sustainable business models open up new market opportunities and offer the opportunity to increase the supply of sustainable financial products, allowing the Bank to attract investors who are increasingly aware of the importance of sustainability in their investment decisions.

At strategic level, it enhances the brand image and positions Ibercaja in the market as an attractive option compared to competitors that are not aligned with sustainability principles.

Social risks and opportunities

In **social** aspects, Ibercaja's strategy is closely linked to maximising long-term value for customers, employees and shareholders (foundations with a social purpose), while promoting sustainable and responsible growth. Integrating risks and opportunities related to **cybersecurity, transparency, pay equity and corporate culture** into the strategic approach ensures that Ibercaja not only mitigates potential negative impacts but also capitalises on emerging trends that favour customer retention and subsequent loyalty, as well as internal talent, internal promotion and employee satisfaction.

Personalised attention, **continuous employee training** and the implementation of **flexible work practices** are key components of the Company's business model, which, when aligned with the its sustainability and social responsibility strategy, contribute to strengthening the Company's competitiveness in the market. Addressing reputational risks and regulatory demands proactively ensures its position in the sector, allowing it to adapt to a constantly evolving economic and social environment and to consolidate a relationship of trust with both its customers and employees.

Business conduct risks and opportunities

With regard to business conduct, potential risks are identified related to **fiscal transparency, control of compliance with anti-corruption laws and cases of bribery and corruption**. These are taken into account in the Bank's strategy and business model. These risks can affect financial stability and profitability and can also lead to a serious deterioration in corporate reputation and undermine investor and customer confidence. **Ibercaja adopts a rigorous approach that guarantees fiscal transparency**, which not only meets regulatory expectations but also **strengthens the relationship with investors and customers**, ensuring their long-term trust.

Additionally, in this area, the Bank has implemented various policies, such as **strict internal control and legal compliance policies**, in accordance with the **model of three lines of defence**, which are essential in preventing sanctions and mitigating risks associated with corruption and bribery. These measures are part of the Company's strategy, promoting an **organisational culture based on ethics and integrity**. In addition to reducing financial and legal risks, this culture contributes to a more transparent, sustainable, and responsible business environment.

Finally, it is important to highlight issues not directly linked to the disclosure obligation, but on which Ibercaja has been working constantly, such as **responsible tax policies**. This issue is of strategic importance to the Bank as it directly impacts profitability and competitiveness. Furthermore, it contributes to strengthening credibility and trust in the market, promoting transparent and ethical practices that improve the public perception of the institution. This commitment also strengthens the relationship with investors, who value companies that manage their tax obligations responsibly.

11.1.4 Double materiality assessment

In preparing the Sustainability Report, in accordance with the specifications of the new Corporate Sustainability Reporting Directive (CSRD), the Bank has carried out an exercise to identify what are material issues for Ibercaja's stakeholders: **double materiality assessment**.

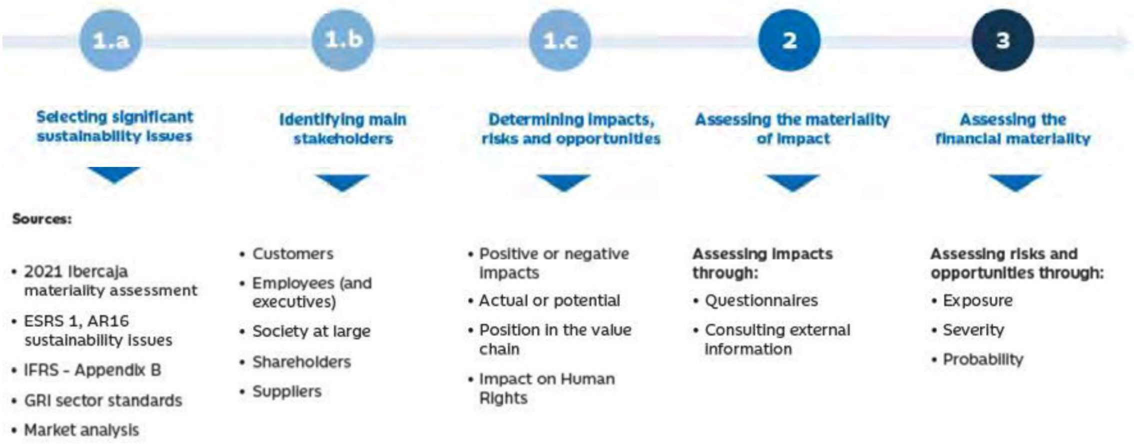
This analysis seeks to identify sustainability-related topics and subtopics of high importance to the Bank, so that they can be linked to the Bank's strategy and the initiatives it implements. In this regard, this chapter details the process carried out, which has two dimensions:

- **Impact materiality**: includes current or potential impacts, positive or negative, of the Bank's activities on the environment (people or environment), in the short, medium and long term.

- **Financial materiality**: includes sustainability issues that may generate significant risks or opportunities for the Bank's financial performance, information that is relevant to users of financial reports when making decisions.

This dual approach makes it possible to **identify issues that are material from an impact perspective, a financial perspective, or both perspectives**. In conducting the analysis, Ibercaja considered the full range of activities, assets, relationships and the transaction structure (payments to suppliers, i.e., B2B transactions) linked to its business model and the external environment in which it operates, after defining its value chain and identifying all the stakeholders involved, both upstream and downstream. For more details, see the section **11.1.3 Business model, sustainable strategy and value chain**. The phases of the exercise are shown below:

Phases of the double materiality exercise carried out by Ibercaja



1) **Pre-exercise analysis of components**. This phase lays the foundations for an adequate double materiality exercise based on the following stages:

1.a. Selection of **sustainability issues relevant** for the financial sector in general and for Ibercaja in particular.

1. b. Identification of the **Bank's main stakeholders** and definition of the method of interaction to understand their expectations and interests.

1.c. Determination of **impacts, risks and opportunities (IROs)**, considering all the activities carried out, the resources employed and the relationships of Ibercaja Group.

2) **Assessment of impact materiality**: the materiality of each of the identified impacts is analysed and assessed through the parameters of scale, scope, irremediability, and probability of occurrence in the short, medium and long term.

3) **Assessment of financial materiality**: each of the risks and opportunities are analysed, based on the combination of financial effects, magnitude and the probability of occurrence in the short, medium and long term.

This assessment exercise makes it possible to determine the material **impacts, risks and opportunities** for Ibercaja and, consequently, the list of sustainability issues that are relevant to its stakeholders and the primary users of financial information. After obtaining this list, the Bank proceeds to identify the **information to be disclosed** within the Sustainability Report, that is, it identifies the information points and disclosure requirements that must be included in the Sustainability Report.

The time horizons used in the double materiality assessment are in line with the requirements of Directive 2022/2464 (CSRD):

- Short Term: less than one year.
- Medium term: more than one year and up to five years.
- Long Term: more than five years.

A further breakdown follows of the **steps taken in the double materiality assessment exercise:**

11.1.4.1 Pre-exercise analysis of components

Selection of relevant topics and subtopics

To conduct the double materiality assessment, the Bank first carried out a process to identify the relevant topics and subtopics. This identification was based on both internal and external sources, the most relevant being:

1) 2021 Ibercaja materiality assessment.
2) ESRS 1, AR16 sustainability issues.
3) IFRS - Appendix B.
4) Global Reporting Initiative sector standards.
5) Competitor analysis (market practices).

Taking into account these sources of information, among others, Ibercaja has selected the most relevant topics and subtopics related to the proposed sustainability issues.

Identification of and interaction with stakeholders

Ibercaja has defined stakeholders as collectives, groups or individuals, both internal and external, that, from the Company's perspective, influence or are influenced by the

Company's activities and its environment. Based on this definition, those whose opinion is most relevant have been prioritised when identifying the issues that are material to Ibercaja Group. (for more detail, see the previous section **11.1.3 Business model, sustainable strategy and value chain**).

Below is the list of stakeholders identified by the Bank as relevant:

- Customers.
- Employees (and executives).
- Society at large.
- Shareholders.
- Suppliers.

For all these stakeholders, questionnaires were conducted on the topics previously selected as relevant. Each questionnaire was customised for the corresponding stakeholder, focusing on the subtopics most important for that stakeholder.

Identification and determination of the list of impacts, risks and opportunities

Once the relevant topics and subtopics have been selected, **specific IROs are prepared for each subtopic**. This process is carried out systematically and rigorously to obtain a comprehensive list of IROs and is documented.

Each subtopic is analysed in depth to identify all possible implications that may arise in terms of impact, risk and opportunity.

After identifying the IROs for each subtopic, they are classified according to several categories:

- **Effect of the IRO**: IROs are categorised as positive or negative. This categorisation affects the impacts, since risks will always be negative, and opportunities are always categorised as positive.
- **Nature of the IRO**: they are categorized as current or potential.
- Part of the **value chain** to which it belongs: a categorisation based on whether it affects own operations or the value chain, whether upstream or downstream.
- The effect on **human rights**: a categorisation based on whether or not the IRO has a potential negative impact on human rights issues.

This classification process is essential for assessing the materiality of IROs and ensuring that relevant sustainability issues are well identified and comprehensively and accurately addressed, and that resources are effectively allocated to manage risks and capitalise on opportunities, aligning with the Bank's strategy.

To ensure their **traceability in disclosures**, the complete list of IROs is linked to each ESRS. The following table identifies the scope and specific requirements for these IROs:

ESRS	Impacts	Risks	Opportunities	Total IROs
ESRS E1 – Climate Change	9	12	8	29
ESRS E2 - Pollution	2	1	0	3
ESRS E3 – Water and marine resources	4	2	0	6
ESRS E4 – Biodiversity and ecosystems	2	2	3	7
ESRS E5 – Use of resources and circular economy	3	3	1	7
ESRS S1 – Own workforce	16	11	3	30
ESRS S2 – Workers in the value chain	3	1	2	6
ESRS S3 – Affected communities	7	1	4	12
ESRS S4 – Consumers and end-users	9	6	2	17
ESRS G1 – Business conduct	7	7	1	15

11.1.4.2 Assessing the impact materiality

Impact materiality is the **study of the relative importance of the different effects that the Bank's activity has on its stakeholders, identified for each of the ESG topics**. Impact materiality has focused on analysing Ibercaja's financial activities, primarily its commercial relationships, and more specifically its retail business and corporate banking, taking the geographical location as Spain, particularly the Aragón region.

The assessment of impact materiality is carried out with **two inputs**:

- The launch of **questionnaires** to learn of the interests of key stakeholders when identifying the impacts that affect them.
- **Consulting external information** to assess the severity, probability and irremediability variables, in accordance with the variables defined by EFRAG, based on, among others, the following sources of information:
    - Applicable regulations: CSRD, Green Mifid II and Climate Change Law.
    - International standards and frameworks: Net Zero Banking Alliance (NZBA) and Task Force on Climate Related Financial Disclosure (TCFD).
    - Institutional information: Spanish National Institute of Statistics, Eurostat and the Spanish Official State Gazette.

Methodology for obtaining the opinions of stakeholders (questionnaires)

To include the opinion of stakeholders in the assessment of the materiality of each sustainability issue, the following **questionnaires** have been used, through which each stakeholder rated the different topics identified with a score of 1 to 10, where 1 is least important and 10 most important for them (methodologically, the results are subsequently adjusted to the scale of 1 to 5 in order to have the same range of values used in the rest of the analysis).

Methodology for evaluating external information

After reviewing the external information, based on the characteristics identified for each impact, different variables have been considered in the assessment:

The **severity** of an impact, both actual and potential, is assessed by:

- Scale: severity of impact.
- Scope: extent of impact in terms of number of individuals affected or geographical scope.

The materiality of an event is also measured by its **irremediability**, defined as the possibility of remedying the impact and restoring what is affected or the environment to its original state. The assessment is based on several variables:

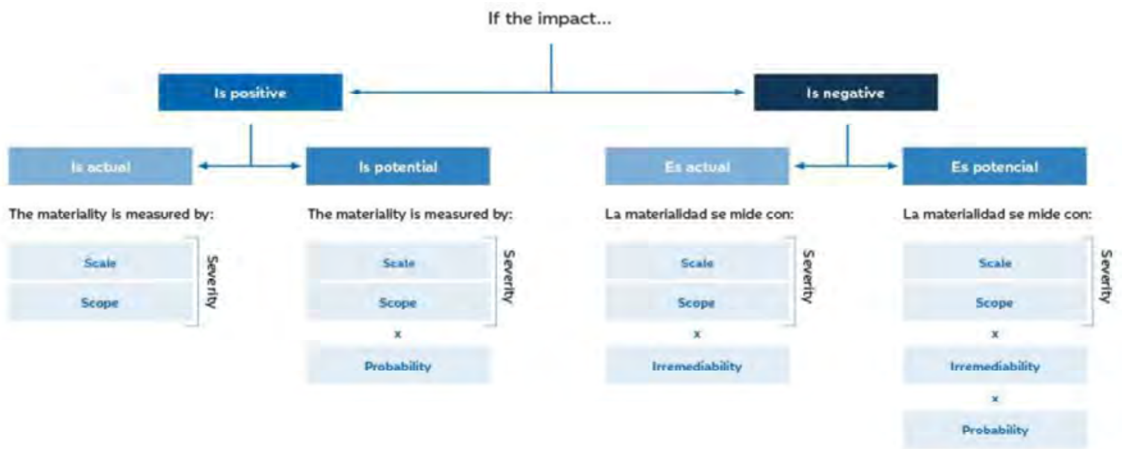
- Viability: technical and economic capacity to remedy.
- Predisposition: willingness and commitment to carry out remediation actions.
- Immediacy: possibility of implementing remediation actions in a short time.

Lastly, materiality assessment of **probability** is included, measured as the possibility of an event occurring within a specific time horizon. If an impact has been categorised as potential, either positive or negative, the probability of such an event occurring is assessed individually in each of the three following time horizons:

- Short term: less than one year.
- Medium term: more than one year and up to five years.
- Long term: more than five years.

The score given to the impact in the time horizon in which it is most likely to occur is used to assess the probability. These characteristics are interdependent and can influence each other.

Diagram of the methodology for assessing impact materiality based on external information



* If a potential negative impact affects Human Rights, only the severity, not the probability, will be taken into account.

Each impact in the assessment of levels of severity, irremediability and probability is accompanied by a justification based on the analysis of internal and external documents, and is thoroughly documented.

Grouping results and obtaining the final score

To determine the overall materiality score for each impact, the **materiality results were aggregated** based on the questionnaires completed by stakeholders and the materiality results were assessed to determine the severity and probability variables using external information.

For each topic, the ESRS standards are used to establish weightings for the final score to be assessed at the materiality threshold. That is to say, a relative weight is given to the stakeholder opinion given in the questionnaires and to the information consulted externally, according to the following table:

ESRS	Questionnaires for stakeholders	Consulting external information
ESRS E1 – Climate Change	0.25	0.75
ESRS E2 – Pollution	0.15	0.85
ESRS E3 – Water and marine resources	0.15	0.85
ESRS E4 – Biodiversity and ecosystems	0.15	0.85
ESRS E5 – Use of resources and circular economy	0.15	0.85
ESRS S1 – Own workforce	0.70	0.30
ESRS S2 – Workers in the value chain	0.50	0.50
ESRS S3 – Affected communities	0.50	0.50
ESRS S4 – Consumers and end-users	0.70	0.30
ESRS G1 – Business conduct	0.60	0.40

The result of using these weights is an overall score for each impact ranging from 1 to 5, where 1 represents the highest level and 5 the lowest for all variables evaluated. Once the assessment range was defined, the Bank set the **materiality threshold at 2.5**, meaning that results below this value are considered material. This threshold has been set using expert criteria and it is aligned with the sector.

The material impacts identified for the different standards are as follows:

ESRS	Impacts	Material impacts
ESRS E1 – Climate Change	9	4
ESRS E2 - Pollution	2	0
ESRS E3 – Water and marine resources	4	0
ESRS E4 – Biodiversity and ecosystems	2	0
ESRS E5 – Use of resources and circular economy	3	0
ESRS S1 – Own workforce	16	13
ESRS S2 – Workers in the value chain	3	0
ESRS S3 – Affected communities	7	3
ESRS S4 – Consumers and end-users	9	8
ESRS G1 – Business conduct	7	5

The great majority of impacts are directly linked to the ESRS topics. However, it was deemed necessary to add some specific impacts of the Bank linked to increasing the well-being of the new generations, the possibility of offering financial education to groups and customers, and ensuring fiscal transparency.

11.1.4.3 Assessing financial materiality

Financial materiality is defined as the **importance of sustainability information to the primary users of financial reports** in influencing the decisions they make based on the Company's sustainability status.

These risks and opportunities are identified along with their financial impact or driver, that is, the way each risk or opportunity is channelled into the Bank's financial dimensions or business.

- **Financial effect of risks**: for the risk inventory, the channel or driver has been determined based on the nature of the risk, aligned with other internal exercises developed to assess the impact of ESG risks on prudential risk. In this way, it is identified whether they materialise through an increase in credit risk, market risk, business risk, or, where appropriate, through liquidity risk. Aspects such as exposure to sanctions or loss of reputation due to regulatory breaches are reflected in this classification.

- **Financial effect of opportunities:** identifying for the inventory of opportunities, depending on their characteristics, whether they impact through potential growth in the balance sheet or through improvement in the income statement (due to income or cost reduction), or if they generate value indirectly through an improvement in brand image.

This concept is used as the basis for assessments, since the justifications and assessments for exposure and other variables in the materiality assessment are defined in accordance with how the risk or opportunity can be reflected in the financial dimensions.

Financial materiality methodology

Financial materiality assessments are carried out differently, depending on the characteristics of the risk or opportunity.

The materiality of risks and opportunities is defined based on variables:

- **Exposure:** the financial impact that the risk or opportunity may have on the income statement if it occurs. In this regard, thresholds have been defined to assign exposure values based on the Bank's volume of assets. Additionally, it should be noted that these exposure values are aligned with the information reported in the Bank's financial statements.
- **Severity:** the potential financial seriousness or severity that a risk or opportunity may have.

- **Probability:** the possibility of an event occurring within a specific time horizon. It is measured in the short, medium and long term.

Diagram of the methodology for assessing financial materiality

* If the issue affects human rights, only severity is taken into account, not probability.

The **assessment of magnitude and probability levels** is based on the **analysis of external information about the Company's own operations**, such as operational events, press releases and reputational risk maps, and **information related to financing or investment**, such as climate risk maps, taxonomy criteria, financial exposures, and benchmark scientific studies. For this analysis the following have been taken into account: **interconnections between risks and opportunities, and the impacts that the Bank generates on people and the environment**.

Financial materiality results

In the same was as for impact materiality, the assessment method **uses a range of 1 to 5**, where **1 represents the highest level and 5 the lowest for all variables evaluated**. Once the assessment range was defined, the Bank set the **materiality threshold at 2.5**, meaning that results below this value are considered material. This threshold has been set using expert criteria and it is aligned with the sector.

Identifying the materiality of each risk or opportunity helps identify which topics should be fully disclosed, which should disclose only aspects related to the material subtopics, and which should not be disclosed at all.

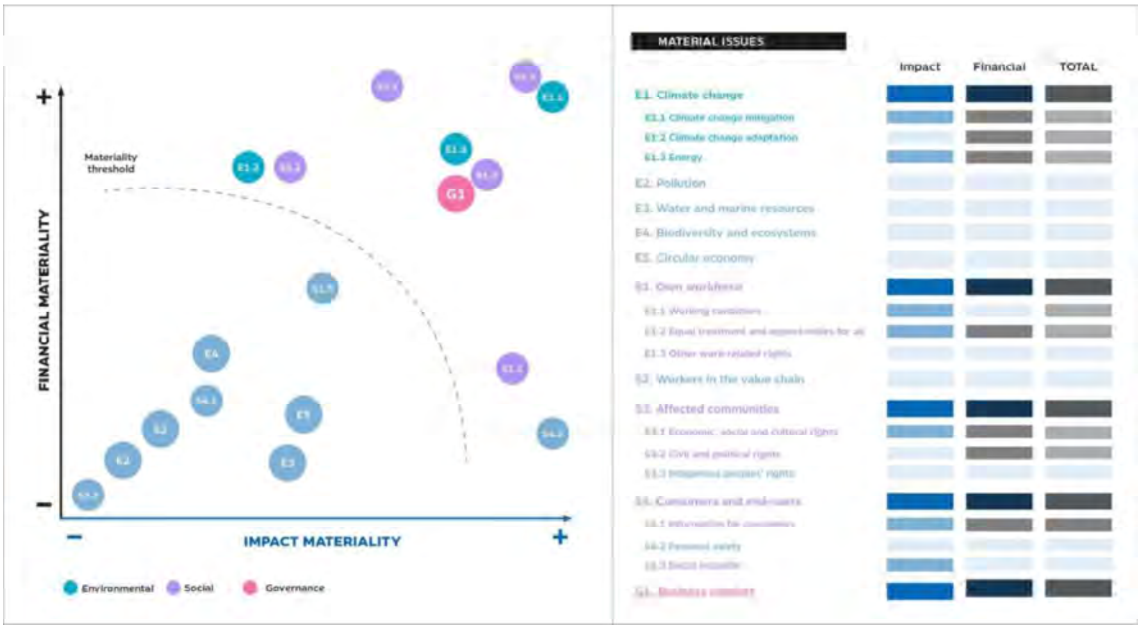
Below is a list of the material risks and opportunities identified for the different topics, ordered according to ESRS criteria:

ESRS	Risks	Material risks	Opportunities	Material opportunities
ESRS E1 – Climate Change	12	9	8	6
ESRS E2 - Pollution	1	0	0	0
ESRS E3 – Water and marine resources	2	0	0	0
ESRS E4 – Biodiversity and ecosystems	2	0	3	0
ESRS E5 – Use of resources and circular economy	3	0	1	0
ESRS S1 – Own workforce	11	2	3	2
ESRS S2 – Workers in the value chain	1	0	2	0
ESRS S3 – Affected communities	1		4	2
ESRS S4 – Consumers and end-users	6	2	2	1
ESRS G1 – Business conduct	7	3	1	0

11.1.4.4 Double materiality assessment results

The double materiality assessment yielded results that allow sustainability issues to be visualised and **prioritised from two perspectives: the environmental, social and governance impact of the Bank's activities on stakeholders;** and the **financial effect these same issues can have on the Bank**. Below is a breakdown of the results obtained and how they are linked to the organisation's sustainability strategy.

Double materiality matrix



The results obtained from this analysis have been displayed in a matrix that allows the topics to be prioritised according to their combined impact, both from a financial perspective and from the perspective of the ESG impact on stakeholders. The topics located in the high-priority quadrant (top right) are those with the greatest influence on the sustainability strategy and financial performance, and represent the focus of the Bank's management actions and resources.

Based on the results of this matrix, Ibercaja establishes the following action categories:

- **Corrective actions for high materiality issues**: the Bank implements specific strategies to mitigate and make use of high-materiality issues. For example, in cybersecurity and data protection, information security policies are being strengthened due to their importance in building customer trust and in preventing financial losses from cyberattack risks.
- **Monitoring of low-materiality issues**: although they do not require immediate action, issues with low materiality are reviewed periodically to identify any changes in their relevance. These issues may increase in priority as circumstances and regulations evolve.

Double materiality assessment, which evolved from the 2021 materiality assessment, has allowed the Bank to **comply with CSRD standards** and to identify opportunities for improving its relationship with the environment and its financial position. This holistic approach helps the Bank to **minimise risks and maximise their positive contribution** to achieve a more sustainable, resilient and inclusive economy.

Details of results in environmental matters

Following the methodology described in the section, the Bank has identified as material certain impacts, risks and opportunities linked to the three most prominent areas of sustainability: environmental, social and governance. In light of the growing importance to society of climate and environmental issues, this subsection provides details of the considerations taken into account in the materiality assessment of this specific area.

Climate change

To determine the materiality of climate change-related IROs, the Bank has focused its efforts on: assessing, from an impact and financial perspective, **climate change mitigation**, through an analysis of its total greenhouse gas (GHG) emissions across all phases of the value chain, and an analysis of the transition risks for its portfolio in global warming climate scenarios; and on **climate change adaptation**, with an assessment of the physical risks associated with its portfolio, also taking account of adverse climate scenarios and the sensitivity of assets to such risks.

The Bank based these assessments on the **climate risk impact analysis exercises** detailed throughout the Report. These analyses take into account the characteristics of Ibercaja's assets (geographic location and type of activity, among others) and are based on climate scenarios that help identify Ibercaja's vulnerability to these risks over different time horizons: short, medium and long term.

This climate change information, along with the double materiality methodology explained above, has led to **climate change being identified as one of the main issues discussed in the Report**.

Other environmental objectives

In contrast to climate change-related issues, after conducting the Bank's double materiality assessment for the **issues of pollution, water and marine resources, biodiversity and ecosystems, and resource use and the circular economy**, the Bank determined the **corresponding impacts, risks or opportunities to be non-material**.

However, it should be noted that the Bank has assessed each of these issues individually, in accordance with the defined methodology. More specifically, from an impact perspective, an assessment of external information has been conducted, and the Bank's main sustainability users have been consulted. From a financial perspective, the Bank has focused on the later stages of the value chain, assessing risks based on exposure to counterparty activities (NACE), and identifying opportunities in counterparty activities linked to the potential to contribute to the various environmental objectives under the Taxonomy Regulation.

Identification of the information to be disclosed

Once the results of the double materiality assessment were obtained, Ibercaja has proceeded to identify the information that should be included in its Sustainability Report. To this end, a process divided into two phases was been carried out:

- **Identification of material disclosure requirements:** as a result of the double materiality exercise, a list of material issues has been identified with associated disclosure requirements. Thus, if a topic is deemed material, its corresponding disclosure requirement must be disclosed.
- **Identification of datapoints to be disclosed:** once created the list of material disclosure requirements, the qualitative datapoints related to the requirements were automatically considered material, and quantitative datapoints were reviewed based on their correlation with the material issues found in the double materiality assessment.

This degree of correlation is determined based on two factors: first, the importance of the information with respect to the topic identified as material; and second, the information's capacity to influence the decision-making of sustainability users.

11.1.4.5 Impacts and material issues under the GRI standard

As detailed in the section **11.1.4 Double materiality assessment**, in 2024 Ibercaja conducted a **double materiality assessment** in line with the CSRD Directive with the aim of identifying the financial, economic, social and environmental matters that are priorities for its stakeholders and for its business, thus determining what information should be reported consistently with its strategic lines, and its correct dimensioning. In 2024, Ibercaja also updated the **qualitative analysis of its impacts**, taking into account the **double materiality approach and the requirements of GRI 3 – Material Issues**, with the aim of assessing both potential and actual impacts generated by the Group. Additionally, this analysis identifies the efforts Ibercaja has made towards remediation of these negative impacts and to reinforce the positive impact.

Below is a table with some examples of impacts, risks and opportunities analysed following GRI standards:

ESRS Topics	Main material issues and definition	Effect of the IRO: Positive	Effect of the IRO: Negative	Evaluation of the information consulted: Severity	Evaluation of the information consulted: Probability	Evaluation of the information consulted: Main actions
ESRS E1	**Climate change mitigation**					
	Effective climate risk management by reducing greenhouse gas emissions and establishing clear decarbonisation targets.	✓				Ibercaja's main actions are detailed in section 11.2 Climate and environmental information
	Potential risk of greenwashing in the marketing of loans as sustainable. This could lead to reputational impact and/or higher market access costs due to investor mistrust.		✓			
ESRS S1	**Equal treatment and opportunities for all**					
	Potential reputational damage in the event of a gender wage gap.		✓			Ibercaja's main actions are detailed in section 11.3.1 Own workforce
ESRS S1	**Working conditions**					
	Social dialogue and collective bargaining unify the interests of the Bank's employees, facilitating the achievement of better benefits.	✓				
	Failure to implement adequate safety measures could lead to an increase in occupational accidents and/or illnesses.		✓			
ESRS S3	**Affected communities**					
	Local community support programs, such as job creation, education and infrastructure, contribute to economic and social development, creating a more stable local environment that benefits both the community and the Bank in the long term.	✓				

<2 2 – 2,5 2,5 - 3 > 3 or not applicable

		Effect of the IRO		Evaluation of the information consulted		
ESRS Topics	Main material issues and definition	Positive	Negative	Severity	Likelihood	Main actions
ESRS S4	**Incidents related to information for consumers or end users**					
	Optimisation of external communication, facilitating active and effective customer listening.	✓				The main actions in this area are set out in chapter 11.3.3 Consumers and end-users
	Potential negative perception among customers in the event of a lack of transparency on the part of the Bank.		✓			
ESRS G1	**Supplier relationship management, including payment practices**					
	Strengthening the business relationship and improving the financial stability of suppliers after making payment (periodic payments to suppliers).	✓				The main actions in this area are set out in chapter 11.4 Information on governance and business conduct
ESRS G1	**Managing supplier relationships can affect stability, including payment practices.**					
	Delaying payments to suppliers could affect their financial stability and reduce the quality of the services provided.		✓			

<2 2 – 2.5 2.5 – 3 > 3 or not applicable

11.1.4.6 Contribution to the Sustainable Development Goals

Ibercaja promotes the objectives of sustainable development, based on the conviction of achieving the greatest possible contribution to sustainable development for people and the planet

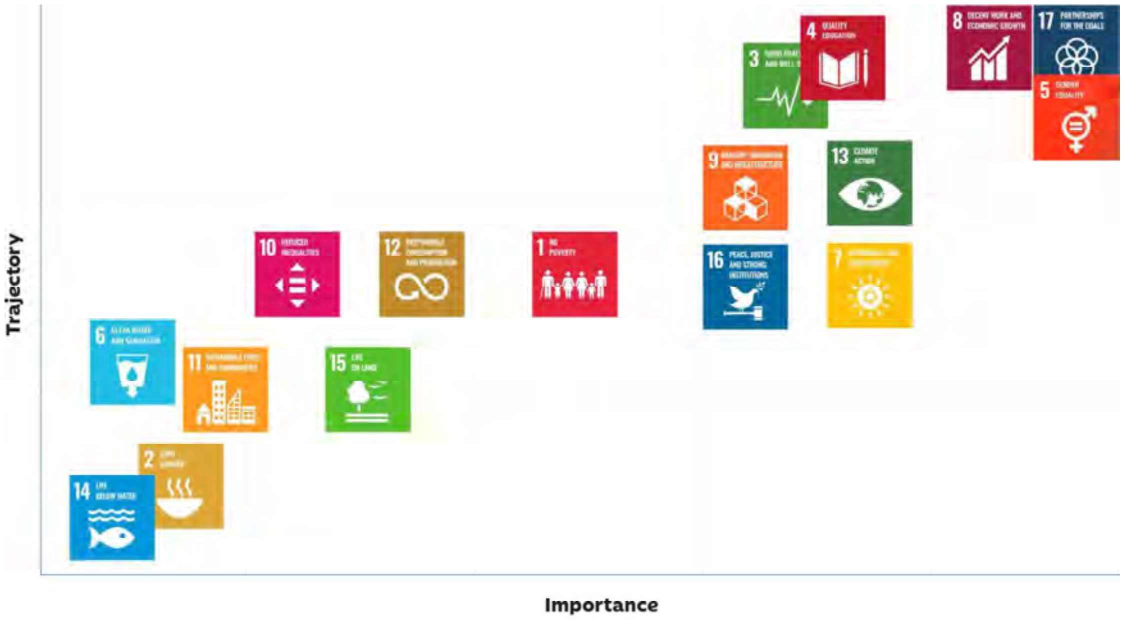
At Ibercaja, the **Sustainable Development Goals** (SDGs) of the 2030 agenda, approved in 2015 by the United Nations, serve as a guide **for advancing sustainability and implementing specific actions**, with a special focus on those Goals where the Bank can make the greatest contribution. In order to achieve maximum effectiveness, efforts are aligned with those Objectives more directly linked to financial activity and the activities of the Shareholder Foundations.

Analysis of the relevance of SDGs and prioritisation

Along these lines, with the aim of progressing towards achieving these goals, the Bank has conducted an **analysis of the relevance of the SDGs** to identify the objectives in which Ibercaja has the greatest capacity to take action to expand its impact and launch new projects.

The result of this analysis is presented in the following graph, which shows the importance of the Goals and which are most relevant to Ibercaja, where it can make the greatest contribution.

Matrix of SDG relevance analysis



Ibercaja prioritises the following goals

Furthermore, the materiality assessment carried out by Ibercaja in each strategic cycle takes into account the potential impact of the topics identified as material to achieving the SDGs.

Ibercaja continues to work on developing and incorporating the SDGs into its operations, committed to ensuring that its business activities drive their achievement within the timeframe established by the United Nations and in line with the principles of the Global Compact.

Among the main projects carried out in Ibercaja throughout 2024 that have contributed the most to achieving the SDGs are the following:

- Promotion and awareness of **healthy living habits**, both internally and externally. In 2024, the Bank received the MAZ healthy company award.
- The second Ibercaja sports challenge under the slogan "**Move without a footprint**": this second edition surpassed the participation rate of the first challenge, reinforcing the values of effort and teamwork, along with **health** benefits.
- Continuous encouragement and promotion of healthy habits, and related information, on the **SOMOS portal**.
- Development of internal and external initiatives that foster **support for projects that contribute to improving the lives of people** affected by illness and their families, as well as improving their quality of life.
- Participation continues in **sponsorships and sporting events** that promote healthy habits among society.

- **In-house training** for the largest number of professionals in both financial and sustainability matters, actively contributing to the development of internal talent. This training offer includes a specific course on the SDGs and the 2030 Agenda, in partnership with the Global Compact.
- Organisation of talks, conferences and seminars and **educational activities** for companies and society in general.
- **Good Habitz Platform**, a training proposal with multiple possibilities and online resources to enhance the talent and well-being of employees.
- **"Educa Initiative"**, developed by the Ibercaja Foundation, focused on parents and educators, placing at their disposal proposals that contribute to completing the education of youngsters and actively promoting their development.
- **"Basic Finance Programme"**, aimed at people of all ages, to promote financial education.

- Signing and approval of the **Equality Plan**.
- **Promotion of the continuous development** of skills and abilities, managing talent, which does not understand gender.
- **LeaderA Plan**, a programme that promotes female leadership in the bank, removing barriers to achieving gender equality.
- **Work-life balance** measures that allow all employees to achieve a balance between their personal, family and work life.

- Launch of the "**Xplora Talento**" management training programme, which aims to strengthen employees' professional growth and contribute to their development.
- Improved **employee value proposition,** including improved financing terms and FlexiPLAN options.
- Development of **an internal relationship model** that provides guidelines to employees on corporate behaviours, with regard to how to do things and how to relate to each other.
- Partnership agreements with Special Employment Centres and entities that promote the **inclusion on the labour market** of people with disabilities or at risk of exclusion.
- Boosting growth in their territories of action, participating in the main projects and developing programmes to promote **entrepreneurs**.
- **Quality training** for companies on essential aspects for managing and integrating sustainability into business.

- An action plan has been implemented to disseminate and raise awareness of **cybersecurity** among employees.
- Improved **data protection tools** catalogue, including specific controls with biometric authentication.
- **Technological transformation**, the main lever for change in business models.
- Project **Digital Challenge**, which provides all Ibercaja employees with mobile work equipment, improving their working conditions and the quality of service to customers.
- **Ibercaja Mobile Banking**, the main digital pledge in the area of individual customers.
- **Ibercaja Pay:** payment via mobile phone. Ibercaja customers can now register their cards with the main payment platforms.
- Adaptations at ATMs and websites to improve **universal accessibility** to financial services.
- **Correos Cash Service**, to improve the accessibility of cash for customers in rural areas.
- **Cash Back Service**, to enable customers to withdraw cash in shops.
- **Mobility City**, a museum that reflects the new mobility in cities and promotes the transformation of companies and services in the sector.

- Deployment of the **transition plan and new objectives** to achieve **decarbonisation** of the credit portfolio.
- Development and promotion of **investment and financing products** with ESG criteria.
- First issue of **a green bond** by the Bank, with demand exceeding €3,800 million.
- **Offsetting scope 1 emissions**, i.e., those that could not be avoided in certified absorption projects.
- Awarding of the **"Calculate, Reduce and Offset Seal"**: This is the second year that Ibercaja has obtained the full seal granted by the **Ministry of Agriculture, Livestock, Livestock and Livestock Development (MITERD)** for partially offsetting emissions in projects certified by the OECC.
- Obtaining additional regional seals, such as **Aragón Circular and RSA+**.
- Ibercaja continues to be **neutral in scope 2 emissions** as all the energy consumed comes from 100% renewable energy sources.
- **Internal and external** environmental awareness-raising campaigns.
- **Impulso Solidario** Initiative, which encourages employees of Ibercaja Banco, Financial Group and Foundation to participate in projects of non-profit organisations that improve the environment and the lives of the most disadvantaged groups.

17 PARTNERSHIPS FOR THE GOALS

- Active collaboration through agreements with the main **economic and social players** of the territories in which it operates.
- Signing of collaboration agreement with **International Cooperation**, promoting corporate volunteering.
- **Alliances** that favour significant progress in **sustainability** and socially responsible investment. The main initiatives of which Ibercaja forms part are:

11.1.5 Sustainability commitments

Task Force on Climate-Related Financial Disclosures (TCFD)

In 2019 Ibercaja adhered to the recommendations of the **Task Force on Climate-Related Financial Disclosures (TCFD)**, as a guide for the development of climate-related disclosures, so that the climate-related financial information published is consistent, reliable, comparable and clear and allows investors to take into account climate-related risks and support climate change adaptation.

Net Zero Banking Alliance (NZBA)

In April 2021 Ibercaja signed, as a founding member, the Net Zero Banking Alliance (NZBA), an initiative promoted by the United Nations that promotes the commitment of the banking sector worldwide to achieve CO2 neutrality of its own and its portfolio by 2050.

PCAF

In 2022, the Bank joined the **Partnership for Carbon Accounting in the Financial Industry** (PCAF) to work towards its commitment to achieve emission neutrality of its loan books and investment portfolios by 2050 or earlier.

United Nations Environment Programme Finance Initiative (UNEP-FI)

The Bank forms part of the UNEP-FI **United Nations Environment Programme Finance Initiative**, which seeks to mobilise private sector financing for sustainable development by fostering a financial sector that generates positive impacts for people and the planet.

Principles of Responsible Banking (PBR)

Ibercaja has been a signatory since 2019 of the **United Nations Principles for Responsible Banking**, as a framework for action for a financial system that acts as a lever for sustainable development. For this reason, the implementation of the PRBs is part of the sustainability project and is one of its main lines of action.

United Nations - Principles for Responsible Investment (UNPRI)

As a sign of the Group's commitment to sustainable investment, since 2011 Ibercaja Gestión has subscribed to the United Nations Principles for Socially Responsible Investment (UNPRI), which Ibercaja Gestión also subscribed to in 2021, with a Socially Responsible Investment Policy published on its website

Carbon Disclosure Project (CDP)

Ibercaja Gestión and Ibercaja Pensión are members of the **Carbon Disclosure Project**, an engagement platform and non-profit organisation that administers a system for companies to disclose environmental information so that investors can better manage their environmental impacts. The fund managers also collaborate with other platforms such as Climate Action 100+ and Access to Medicine Foundation.

Spanish network of the United Nations Global Compact

Ibercaja Banco has been a signatory of the **United Nations Global Compact** since 2006, confirming that the activity carried out is performed in accordance with the principles established by this initiative, with the Bank reporting annually on its involvement. In line with this commitment, it annually reports under the parameters established in the COP of the same Network.

Sustainable Development Goals (SDG)

Ibercaja works in alignment with the **Sustainable Development Goals** of the 2030 Agenda, also supporting their internal and external distribution. This commitment goes back to 2018, when a materiality assessment was carried out to identify the SDGs in which it has greatest capacity to influence and broaden impact.

Global Reporting Initiative (GRI)

Since 2005, Ibercaja has prepared its Annual Report in line with the GRI (**Global Reporting Initiative**) standards, providing true information on financial and non-financial aspects.

RSA in Aragon Seal

In 2024, Ibercaja obtained, for the ninth year running, the **RSA in Aragon Seal**, awarded by the Aragon Social Responsibility Board and coordinated by the Aragon Government, through the Aragon Institute for Development (IAF), in recognition of its social commitment.

RSA+ seal

In addition, it has had the **RSA+ Seal** since 2019, the year when it was created.

Other commitments

- The Bank, holder of the EFQM 500 Seal since 2007, advanced two levels, up to the 600-650 bracket, in the evaluation carried out in 2024. Thus, Ibercaja has obtained the **EFQM 600** seal for the first time. This certification highlights Ibercaja's transformational capacity; its strong customer focus; its commitment to governance and data quality; the importance of putting people at the centre; and its focus on sustainability across all ESG (environmental, social, and governance) aspects, as well as its investment in social action and volunteering.
- Since 2019, Ibercaja has formed part of the Spanish financial sector's **Collective Commitment to Climate Action** within the framework of COP25, promoted by the AEB, CECA and ICO. The agreement specifies the collective commitment of the main Spanish banks to measure the carbon footprint of their balance sheets and reduce the climate impact of their financial activity.

- The Environmental Management System (EMS) has been in place at the Bank since 2007, and it is externally certified by **AENOR**, which verifies compliance by the head office building with the requirements of the ISO 14001:2015 standard.

- In 2024, Ibercaja renewed its commitment and membership of **#CEOPorLaDiversidad**, led by Fundación Adecco and Fundación CEOE, whose mission is to unite companies around a common and innovative vision of diversity, which accelerates the development of strategies that contribute to business excellence, the competitiveness of talent and the reduction of inequality and exclusion in Spanish society.

- It participates in the **Sectoral Sustainable Finance Group and in the Sustainability Observatory**, coordinated by CECABank, in which legislative progress and supervisory expectations in the area of sustainability are analysed to identify the applicable requirements and to provide a response through action plans.

- Ibercaja holds the **RSA and RSA+ seals** awarded by the Government of Aragon since its creation in 2017, its commitment to corporate social responsibility and sustainability being revalidated annually.

- Since 2017, Ibercaja has held the **Solidar Certificate**, awarded by the Solidarity Business Association of Aragon, for its management to promote the integration of people with disabilities into the labour market. In 2022, this commitment was renewed until 2027.

- In 2024, the Bank gained **SIGOS** certification as a **Healthy Organisation**, thus becoming the first banking institution to obtain this certification.

- In 2022 the Bank obtained, for the fourth consecutive year, the Fundación Más Familia foundation's **Family Responsible Company (EFR) certification**, ascending to C+. In 2024, new EFR measures regarding place and time flexibility have been incorporated, and the conditions of some measures in the area of employment quality have been updated.

- In line with its commitment to care for and protect the environment, in 2024 Ibercaja renewed, for a period of one year, the **Aragon Circular Seal**. This Seal, awarded for the first time by the Government of Aragon in 2022, is given in recognition of the commitment of companies, self-employed workers and local entities to the circular economy model.

11.2 Climate and environment information

302-1, 302-4, 305-1,305-2, 305-3, 305-5

> Ibercaja is firmly committed to protecting the environment and combating climate change, managing its environmental impact, and promoting, through its activities, the transformation towards a more sustainable economy.

In accordance with its Sustainability Strategy, Ibercaja expresses its firm commitment to contribute to the development of a sustainable economy through its daily dealings with its customers and suppliers, based on its own internal environmental management. To this end, the Bank takes the Sustainable Development Goals, the Paris Agreement on Climate Change and the European Green Pact for reference, and follows the recommendations of the Task Force for Climate Related Financial Disclosures (TCFD).

11.2.1 Taxonomy of the European Union

Regulatory context

The **Taxonomy Regulation (EU) 2020/852, of European Parliament and the Council**, published on 22 June 2020, within the framework of the **European Green Pact**, aims to help create a fairer economy capable of generating employment in an equitable way, by defining those economic activities that can be considered environmentally sustainable.

In accordance with Article 8 of the Regulation, Ibercaja, being subject to Directive 2014/95/EU of the European Parliament and of the Council of 22 October 2014, amending Directive 2013/34/EU as regards disclosure of non-financial and diversity information by certain large companies and groups (hereinafter “NFRD”), must disclose how and to what extent its activities are associated with sustainable economic activities.

This year **Ibercaja responds to the obligations of Regulation 2023/2486 of 27 June 2023**, amending Commission Delegated Regulation 2021/2178 as regards the disclosure of specified public information on economic activities, and complementing the Taxonomy Regulation as regards the technical screening criteria for determining whether an activity contributes substantially to the environmental objectives of sustainable use and protection of water and marine resources, the transition towards a circular economy, pollution prevention and control, and the protection and restoration of biodiversity and ecosystems, as well as the requirements for determining that the activity does no significant harm (DNSH) to the other objectives. Following the Regulation's implementation schedule, and in accordance with Article 5 of the Regulation, **financial firms are required to disclose the proportion of their assets covered against exposures to eligible and non-eligible economic activities under the Taxonomy for the four environmental objectives as of 1 January 2024.**

Starting 1 January 2026, Ibercaja Group will also be required to report on the degree of alignment of its assets with the Taxonomy's six objectives, thus reinforcing its transparency and commitment to sustainability.

Reporting scope

Regulation 2023/2486 specifies the content and presentation of the information to be disclosed on eligibility for the six objectives of the Taxonomy and the alignment of the different economic activities with the two climate objectives of adaptation and mitigation. In accordance with Article 10 of the Regulation, financial institutions must disclose information on **key performance indicators**, covering the period from 1 January 2024 to 31 December 2024, in accordance with the templates set out in the Appendices. Regarding qualitative information, financial institutions must also complement these quantitative results with the information set out in Annex XI to the Regulation.

Ibercaja Group primarily engages in retail banking and carries out all of its business in Spain. Its corporate purpose extends to all manner of general banking activities, transactions, business, contracts and services permitted under prevailing law and regulations, including the provision of investment and auxiliary services.

In this case, the ultimate decision-making body responsible for defining the operating segments is the Management Committee. The Group has concluded that there are no distinct segments as the results of its activities are not examined on an independent basis. All strategic, commercial and regulatory analysis is carried out at the Group level.

Ibercaja Group discloses quantitative information on Taxonomy in accordance with Regulation (EU) 2023/2486 and the recommendations of the CNMV, which has led to changes in the reporting method this year. In particular, the information on asset management companies has changed its focus, as it is now reported in Annex IV instead of Annex VI, as in previous years. This means that in templates 1 and 3 of Annex VI, the data for asset managers has a different magnitude than in the T-1 section. In subsequent years, the information disclosed in T-1 may then be comparable.

The disclosure of information is structured as follows:

- **Banking activity**, in accordance with the templates in Annexes V and VI, applying the prudential consolidation perimeter, in line with the reporting requirements of financial institutions in Regulation (EU) 575/2013 and the Implementing Regulation of the Commission (EU) 2021/451 (FINREP).
- Information on **asset management** according to the template in Annexes III and IV, which details the proportion of investments made in economic activities that conform to the taxonomy.
- Lastly, information is reported on the **insurance segment** of the Group in accordance with Annexes IX and X of the Regulation.

On 30 October 2024, the CNMV published the "Report on the breakdowns related to the European Taxonomy of financial institutions," indicating that groups of companies with subsidiaries operating in different business segments – asset management, banking, investment or insurance services companies – must report each of these activities at consolidated level. To do so, they must consider the subsidiary entities that carry out these activities and provide consolidated indicators in accordance with the templates established in the Annexes to Delegated Regulation 2023/2486.

According to the aforementioned CNMV Report, the publication of a **consolidated global indicator of alignment with the Taxonomy** is required, calculated as the weighted average of the indicators corresponding to each activity, based on its contribution to the Group's consolidated revenue.

In this regard, Ibercaja provides an estimate of the revenue generated by its banking, insurance and asset management activities, for which alignment metrics have been calculated in accordance with the Taxonomy. This information is presented in a table that follows the format proposed in "Communication 2024/6691 of the Commission on the interpretation of certain legal provisions of the delegated act on disclosure of information pursuant to Article 8 of the EU Taxonomy Regulation", adopted on 8 November 2024 and included in its Annex II.

Process of calculating key performance indicators

Delegated Regulations 2021/2139, 2023/2485 and 2023/2486, which complement the Taxonomy Regulation and set out the criteria on which financial institutions should base their determination of whether an exposure qualifies as sustainable, include a **list of economic activities that can potentially contribute to one or more of the established environmental objectives**. In this context, an activity is considered eligible when it is included in this list of activities. In addition, for an activity to be considered **aligned with the Taxonomy, it must meet the technical selection criteria for substantial contributing to one of the six objectives, must not cause any significant harm to the rest of the objectives, and must comply with minimum social and human rights safeguards**.

In accordance with the provisions of Delegated Regulation (EU) 2021/2178 and in line with the nature of Ibercaja Group's business model, **the Bank discloses the Green Asset Ratio (GAR), which shows the exposures related to activities aligned with the Taxonomy as a proportion of the Bank's total assets.**

The GAR indicator has been developed in accordance with Annexes V and VI of Regulation 2021/2178 including the following templates, which are found in **Appendix E. Additional non-financial information, GRI contents and Taxonomy information:**

- **Template no. 0:** summary of key performance indicators. It includes the main results of the rest of the templates in Annex VI, breaking down the indicators according to the turnover and CapEx of the counterparties.

- **Template no. 1:** assets for the calculation of the Green Asset Ratio (GAR). Information is reported in absolute value on the on and off-balance sheet assets used for the calculation of the GAR ratio, specifying eligibility and alignment with the different objectives of the Taxonomy for each asset category. The information included in this template is reported in terms of stock and flow for both business volume and CapEx. In addition, this template includes information corresponding to the year prior to the current report (Q-1), allowing a comparison with the previous period. It should be noted that, in this year's information, assets under management are not comparable with those in Q-1, since asset management-related activity is reported starting this year under Annex IV.

- **Template no. 2:** GAR: information by sector. The information on financial firms subject to NFRD on alignment with climate objectives, both for turnover and CapEx, is broken down by NACE sector.

- **Template no. 3:** key performance indicator of the GAR stock view. The information on the template 1 balance sheet is reported in relative values in stock terms for turnover and CapEx. This template also includes information corresponding to the year prior to the current report (Q-1). As in template 1, assets under management are not comparable with those in Q-1, since asset management-related activity is reported starting this year under Annex IV.

- **Template no. 4:** key performance indicator of the GAR flow view. The information on the template 1 balance sheet is reported in relative values in flow terms for turnover and CapEx.

- **Template no. 5:** key result indicator for off-balance sheet exposures according to template 1. Specifically, the data corresponding to financial guarantees and assets under management are reported based on turnover and CapEx, both in a stock and a flow view.

In summary, the **Ibercaja Group discloses the consolidated indicators of its banking segment**, which give 2.72% based on revenues and 2.81% based on the CapEx of counterparties. For the calculation of the eligibility and alignment data of the reported exposures, the activities associated with such exposures have been categorised according to the technical selection criteria to determine the conditions under which the activities are considered to contribute substantially to the Climate Change Mitigation and Adaptation objectives set out in Annexes I and II of Delegated Regulation (EU) 2021/2139. Pursuant to Delegated Act 2023/2485, new details and definitions have been incorporated to improve clarity on how activities contribute to meeting climate objectives, and pursuant to Delegated Act 2023/2486, to meeting environmental objectives.

The information about these exposures has been obtained from the **analysis of available counterparty data in the company's systems for each asset class**. The Bank has based the evaluation of the eligibility and alignment of exposures on **actual data reported** from an information provider. The information on non-financial entities has been based on data published in 2023 since, at the date of the report, data for 2024 has yet not been published. Unlike last year's report, where this information was unavailable, it was possible to obtain data on financial institutions' alignment with the Taxonomy for this period.

Delegated Regulation 2023/2486 requires financial and non-financial institutions to report the **eligibility of their activities with regard to the four non-climate environmental objectives**. This information was first disclosed by non-financial entities in 2024, for the 2023 reporting period. However, given that it is still early in the disclosure process, **the amount of information reported by counterparties on these objectives remains very limited.**

In accordance with the provisions of article 7 of Delegated Regulation (EU) 2021/2178, the following exclusions have been applied in calculating the indicators previously detailed:

a. Exposures to central governments, central banks and supranational issuers have been excluded from the calculation of the numerator and denominator.
b. Derivatives have been excluded from the numerator.
c. Exposures of companies that are not required to publish non-financial information pursuant to Article 19a or 29a of Directive 2013/34/EU have been excluded from the numerator.

Below is the detail of the portfolios included in the 2024 Taxonomy report:

Portfolio type	Characteristics of the report
Investment portfolio	The eligibility and alignment for the climate objectives of the Group's own investments is reported according to the actual data provided by the issuers.
Loan portfolio – Business segment	The eligibility and alignment of non-earmarked financing operations with climate objectives is disclosed, based on actual data reported by counterparties. Work continues on reporting information on special-purpose financing operations to demonstrate compliance with the technical selection criteria, the DNSH, and minimum safeguards, and thus report eligibility and alignment.
Loan Portfolio – Retail (Mortgages)	Eligibility and alignment with the climate change mitigation objective are disclosed for collateral properties in the mortgage portfolio with a non-inferred Energy Efficiency Certificate (EEC). Therefore, information is not reported for collateral properties with an estimated EEC or without information. Along these same lines, to comply with the DNSH criterion for the Taxonomy's climate change adaptation objective, as provided in Annex I of Delegated Regulation (EU) 2021/2139, the Bank carries out an assessment of the physical risks associated with each of the properties, which is considered mandatory for compliance with the DNSH criterion.
Loan portfolio - Retail (Loans to individuals not linked to mortgages)	In 2024, Ibercaja has continued working to collect data and information on vehicle financing activities and loans for the renovation of existing buildings. Once these developments are completed, Ibercaja will be able to begin reporting the alignment of these operations.

Assets under management	Investments in third-party managers have been excluded due to the fact that the Bank does not have underlying data for the investments. Thus, the amount related to these investments has been excluded from all the tables since the level of granularity required by the template cannot be provided.

With respect to the information about the asset management segment within the Group, disclosed in the **Annex IV template of Appendix E** of this report, **the information on the activity of Ibercaja Gestión and Ibercaja Pensión**, the Group's management companies and pension funds, is disclosed. Both companies manage a diversified range of investment funds and pension plans with different strategies, including strategies focused on sustainability criteria and alignment with the EU Taxonomy, as set out in Annexes III and IV of Delegated Regulation 2021/2178.

The report presents the proportion of investments in managed funds and plans that conform to the Taxonomy, both in terms of the companies' underlying turnover and in terms of CapEx. For the calculation of this indicator, exposures to central governments, central banks and supranational issuers are excluded from the denominator, while the numerator does not include derivative positions or investments in companies not subject to the NFRD. Thus, the **percentage of aligned investments of Ibercaja Gestión and Ibercaja Pensión** is 3.77% of revenues and 5.02% of CapEx.

In the previous year, information relating to asset management activities was included in the specific section of Annex VI. However, in line with the guidelines published by the CNMV, this year the information is reported using the specific template for asset managers, included in Annexes III and IV.

The **information related to the insurance business of the Ibercaja Vida company**, the business of which is mainly based on life insurance, is presented in accordance with the provisions of Annexes IX and X of Delegated Regulation 2021/2178 and that appears in **template X of the aforementioned Annex E**.

The report includes information on the insurer's investments that are in line with the Taxonomy, both in terms of counterparties' turnover and CapEx, as well as a breakdown of the key performance indicator by climate objective. For the calculation of this key performance indicator, exposures to central governments, central banks and supranational issuers are excluded from the denominator, while the assets in the numerator do not include exposures to derivatives and non-NFRD companies. Thus, **Ibercaja Vida's percentage of aligned investments** is 5.95% of revenues and 7.53% of CapEx.

Ibercaja does not disclose the first template in Appendix X, related to the key performance indicator for non-life insurance underwriting, due to the non-materiality of this type of product within the Group's insurance company catalogue.

In order to comply with the Group's consolidated reporting requirements, **Ibercaja has calculated a consolidated alignment KPI**, obtained as the weighted average of the specific KPIs for each of its business activities: banking, insurance and asset management services. The weighting has been determined based on the contribution of the income generated by each activity to the total consolidated turnover of the Group, and for which consolidated data appears in the Consolidated KPI Template in Appendix E.

Annex XI of Delegated Regulation (EU) 2021/2178 on qualitative disclosures specifies that “Financial institutions must disclose additional or complementary information on the strategies of the financial company and the weight in their total activity of the financing of economic activities that comply with the Taxonomy”. In this regard, **Ibercaja continues to progress in the definition and creation of financing products and services aligned with the taxonomy criteria**.

Reporting on indicators in the Annex XII template (nuclear and gas)

In addition, the Taxonomy report also includes the disclosure of specific information on the alignment of activities related to fossil gas and nuclear energy in accordance with Article 2 and the templates in Annex XII of Regulation (EU) 2022/1214.

However, **due to the nature of its business model and environment, Ibercaja's banking activity is mainly focused on the retail segment, so no exposures have been identified in its loan portfolio to counterparties subject to the NFRD Directive and with activities linked to nuclear energy and fossil gas.**

Exposures to activities related to natural gas and nuclear energy do not represent a material amount for Ibercaja Group's banking, asset management and insurance activities. So, for the three lines of business, only the first template of Annex XII is included. It provides qualitative information on Ibercaja's exposure to activities linked to these sectors. Ibercaja Group will include the Taxonomy alignment of these activities in future reports if the exposure proves to be material[9]. The Annex XII template of qualitative information on Ibercaja's exposure to activities related to the nuclear and gas sectors is also found in **Annex E**.

[9] The Group sets the materiality threshold at 0.05% of the individual balance sheet of each business segment.

11.2.2 Climate change

The double materiality assessment conducted (see section **11.1.4 Double materiality assessment**) has determined that, in relation to climate change, the topics with the greatest materiality are:

- **Climate change mitigation.**
- **Climate change adaptation.**
- **Energy**.

The list of impacts, risks and opportunities (IRO) identified as material in the exercise is as follows:

Topic	IRO type	IROs
Climate change adaptation	Risk	Devaluation of assets due to unmanaged environmental risks, for example due to the effects of extreme weather events.
Climate change mitigation	Impact	Increased investment in sustainable projects, promoting the achievement of environmental and social objectives.
Climate change mitigation	Impact	Promotion of projects that contribute to, among other things, energy efficiency, sustainable housing and sustainable mobility, generating a benefit to society through the marketing of green products, improving the natural environment, and supporting customers in their sustainability expectations and needs.
Climate change mitigation	Impact	Reducing GHG emissions by setting clear decarbonisation targets and effectively managing risks arising from climate change
Climate change mitigation	Risk	Insufficient adaptation of the Bank to environmental and climate changes, incurring financial losses and damage to reputation.
Climate change mitigation	Risk	Insufficient adaptation of the business model to emissions reduction.
Climate change mitigation	Risk	Loans that may have lower yields or higher default rates from the Bank's perspective, due to limited demand arising from the higher initial cost of more energy-efficient products.
Climate change mitigation	Risk	Engaging in greenwashing practices due to the marketing of loans that are considered sustainable when in fact they are not, in accordance with applicable regulations and standards.
Climate change mitigation	Risk	Loss of customer market share if sustainable investment products are not offered, especially those also offered by major competitors.

Topic	IRO type	IROs
Climate change mitigation	Risk	Loss of value of financial assets due to a green asset bubble that harms the performance of investment funds.
Climate change mitigation	Risk	Loss of value of secured assets in the mortgage portfolio with high-consumption energy certificates.
Climate change mitigation	Risk	Financial losses due to the lack of resilience in the Bank's asset portfolio in the face of higher thresholds required by supervisors.
Climate change mitigation	Opportunity	Attracting new investors and customers interested in green projects.
Climate change mitigation	Opportunity	Increased offering of sustainable financial products to attract investors who are aware of the importance of sustainability.
Climate change mitigation	Opportunity	Increase in value of secured assets in the mortgage portfolio with low-consumption energy certificates.
Climate change mitigation	Opportunity	New market opportunities related to the transition the Bank's customers must make towards sustainable business models, allowing them to offer financial products and services linked to facilitating their transition.
Climate change mitigation	Opportunity	Linking decarbonisation goals to the Company's financing strategies to increase economic performance.
Energy	Impact	Reducing the negative impact on the environment by reducing fossil fuel consumption and gradually replacing it with renewable energy sources.
Energy	Opportunity	Increased financing and investment in products related to the use of renewable energy, given that its use is in a growth phase.

11.2.2.1 Policies related to climate change mitigation and adaptation

The Bank has a set of environmental policies aimed at mitigating and adapting to climate change, and which address other areas such as energy efficiency and the deployment of renewable energy. We detail these policies below: Sustainability Policy, Environmental Policy, ESG Risk Governance Policy, ESG Exclusions Policy, Engagement Policy, Due Diligence Policy and Sustainability Risk Integration Policy.

Sustainability Policy

The Sustainability Policy **applies across the whole Ibercaja Group and involves all of its areas and companie**s, which incorporate the principles defined in the Policy into their daily activities.

It was approved in December 2020 by the Bank's Board of Directors. The Board is **ultimately responsible** for approving it and for any possible modifications, upon receiving a report from the Strategy Committee and at the proposal of the Sustainability and Reputation Committee. The governing bodies of the Group's companies must adopt the appropriate decisions to integrate the provisions of this Policy in order to comply with it.

It establishes **the global action framework for the Group in matters of sustainability**, including the commitments voluntarily assumed by Ibercaja with its stakeholders to promote long-term sustainable, inclusive and environmentally-friendly growth. It gathers the environmental and sustainable development commitments that Ibercaja assumes in its **financial** activities.

Environmental policy

The body responsible for reviewing and approving the updated Environmental Policy is the **Environment Committee**, which, at executive level, is **responsible for overseeing its compliance**, monitoring the effectiveness and efficiency of the bank's environmental management system and promoting environmental awareness and protection initiatives.

This Policy, which applies to Ibercaja Banco, defines **its commitment to environmental protection and the fight against climate change**. Ibercaja assumes the responsibility **of mitigating the environmental impact of both its facilities and its financial activities**, aligning with global sustainability goals. The principles of the Environmental Policy are **aligned with the Sustainability Policy**, ensuring that they are linked with the Bank's strategic commitment.

The body responsible for reviewing and approving the updated Environmental Policy is the **Environment Committee**, which, at executive level, **is responsible for overseeing its compliance,** monitoring the effectiveness and efficiency of the bank's environmental management system and promoting environmental awareness and protection initiatives.

In its **banking and financial activity**, Ibercaja responds to the challenges of climate change and regulatory demands by incorporating environmental and climate aspects across all its organisation, guided by the objectives established in the Paris Agreement on Climate Change and advancing the implementation of the recommendations of the Task Force for Climate-Related Financial Disclosures (TCFD).

The principles of the Environmental Policy are **aligned with the Sustainability Policy**, ensuring that they are linked with the Bank's strategic commitment.

ESG Risk Governance Policy

This policy aims to **clarify the governance of environmental, social, and governance risks**, establish **their governance framework, and assign** specific roles and responsibilities for their **management and monitoring**.

It is applicable to **all the entities that are part of Ibercaja Group**, involving all the areas that incorporate the principles defined in it in their daily activity, roles and responsibilities.

The highest level of responsibility lies with the **Board of Directors**, which is responsible for approving and, where appropriate, amending the policy, following a report from the Large Exposures and Solvency Committee and a proposal from the Global Risk Committee. The policy is **reviewed annually**.

Ibercaja Group's ESG Exclusion Policy

Ibercaja has the **Ibercaja Group ESG Exclusion Policy,** applicable to financing and investment, which aims to avoid or control risks that may arise from certain controversial activities due to their environmental, social, ethical or reputational risks. The ESG Exclusion Policy establishes a number of general and sector exclusions to serve as mitigating factors against all of the ESG risks.

The ESG Exclusions Policy sets out a number of general and sector-specific exclusions:

- The **general exclusions** limit a customer's access to financing, or investment in an undertaking, based on criteria that are cross-cutting and independent of economic sectors. These exclusions are linked to the protection of human rights, labour rights, according to the ILO, responsible business conduct, the OECD Guidelines for Multinational Enterprises and areas protected by UNESCO and UCIN, among others.
- **Sector exclusions** limit financing and investment according to the sector of activity and are evaluated at customer and operational level. Regulated sectors include defence, mining, energy and agriculture and adult entertainment.

Other policies related to climate change mitigation and adaptation

Ibercaja follows a prudent and global management of both financial and non-financial risks. Non-financial risks include sustainability risks, which Ibercaja undertakes to identify and manage so that they may be gradually integrated into its overall risk management.

Asset management is important for achieving a more sustainable economy. Consequently, Ibercaja Group takes sustainability risks into account and integrates them into the investment decision-making process, both in the Bank and in its various asset management subsidiaries. We apply standards, principles and best practices when managing investments to generate long-term value for the Bank's customers.

For the purposes of sustainable asset management, the following policies have been defined:

- **Implication Policy**, which gathers the general principles, criteria and procedures related to the Bank's involvement in discretionary portfolio mandates entrusted to it by its customers.
- **Policy of due diligence related to adverse impacts on sustainability factors**, which serves as a framework for the identification, analysis and management of impacts on sustainability factors.
- **Sustainability Risk Integration Policy**, which establishes the principles, processes and governance framework that will govern the integration of sustainability (ESG) risks into investment decisions.

The Bank has these specific policies for both its asset management and insurance subsidiaries (Ibercaja Gestión, Ibercaja Pensión, and Ibercaja Vida) and for discretionary management within Ibercaja Banco.

11.2.2.2 Objectives related to climate change mitigation and adaptation

Ibercaja has made a firm commitment to **combating climate change**, integrating **specific mitigation and adaptation objectives into its sustainability strategy**.

In establishing these goals, Ibercaja has taken into account the current and future needs and priorities of the organisation, as well as those of its environment and the Bank's main stakeholders. Targets have been set for both Ibercaja's **own (operational) emissions** and its **financed emissions**.

a) Targets aimed at achieving neutrality of own (operational) emissions

Scope 1 and 2 of carbon neutrality

Ibercaja aims to achieve **scope 1 and 2 carbon neutrality through actions to reduce scope 1 emissions, improved energy efficiency, and 100% green energy certification,** as well as by **offsetting unavoidable emissions** through **national and international carbon absorption projects**.

These projects, certified under the most prestigious standards, consider environmental, social and biodiversity impacts.

As part of this commitment, at least **20% of the total offset emissions** will be achieved through **absorption projects registered with the Ministry for Ecological Transition and the Demographic Challenge**, generating a positive impact in the regions of Spain where Ibercaja operates.

This target is aligned with the Bank's commitment to **measure and disclose its carbon footprint**, establishing a transition plan to reduce its emissions.

The meeting of this target is measured in **tonnes of CO2 equivalent (t CO2e)**, covering **direct scope 1 emissions and indirect scope 2 emissions**, resulting from activities such as the consumption of fossil fuels and fugitive emissions of fluorinated gases.

In 2016, the base year and first year of calculation, Ibercaja set the goal of being carbon neutral by 2030. **In 2020, it achieved net-zero emissions for its own scope 1 and 2 emissions for the first time, maintaining its commitment to net-zero emissions and emissions reduction.**

Emissions neutrality can be maintained in part thanks to **Endesa's 100% Sustainable Energy Declaration**, in its commitment to energy from 100% renewable sources, certified by the CNMC through a Guarantee of Origin Certificate.

The **GHG emission reduction** targets are set for **absolute values** by 2030. In preparing the 2024 operational carbon footprint report, to be completed in 2025, in order not to lose the MITERD “Reduce” seal and to ensure that the emission ratios for each year are comparable, Ibercaja must recalculate its already registered footprint from previous years, taking **2021 as the reference value for calculating the expected reduction**.

70% reduction in GHG emissions from diesel consumption by 2030

Ibercaja has launched a plan to **reduce own emissions associated with the consumption of scope 1 diesel**. The plan involves replacing diesel boilers with more sustainable heating systems with a lower environmental impact and carbon footprint. Replacement has been planned for a total of thirteen branches within a 5-year time horizon (2025-2030). As a result of this action, a 40% reduction is expected compared to 2024. In terms of calculating the carbon footprint, taking the value calculated in 2021 as a reference, a 70% reduction in emissions is expected for this same period.

This target is aligned with **Ibercaja's commitment to the principle of pollution prevention**, prioritising the minimisation and/or **offsetting of negative environmental impacts**. Progress will be measured as an **absolute target**, expressed in **tonnes of CO2 equivalent (t CO2e)**.

The target's coverage includes **direct scope 1 emissions associated with the consumption of diesel fuel** for office heating. The **reference value** set for **the base year 2021** is de **231.47 t CO2e**. Since the electricity consumption has 100% renewable sources, there would be no scope 2 CO2e emissions.

The **boiler replacement planning** will be carried out between **2025 and 2030**, using data extracted from **the diesel supply bills**, expressed in litres, as the main source of information for calculating the reduction.

b) Targets aimed at achieving neutrality of emissions associated with the credit portfolio

Decarbonisation targets

Since April 2021, Ibercaja has been a (founding) member of the **Net Zero Banking Alliance (NZBA)**, a global initiative promoted by the United Nations that brings together banking institutions committed to **decarbonising their credit and investment portfolios by 2050**, in line with the goals of the Paris Agreement.

To meet its NZBA commitments, in 2022 Ibercaja set **interim decarbonization targets for its loan portfolio for 2030**. These targets were initially set for **three key sectors** in the transition to a low-carbon economy and the fight against climate change: **electricity generation, iron and steel production, and the residential mortgage portfolio**.

Additionally, **in 2024, Ibercaja published two new targets** for the **remaining material sectors** of its credit portfolio: **Commercial Real Estate and Coal Mining**.

Sector	Scenario	Scope covered	Metric	Baseline	2022	2023	2030 Objective
Electricity Generation	NZE 2050 (IEA)	1 y 2	kg CO_2 eq / MWh	**68**	**118** (+74%)	**82** (-31%)	**61** (-10%)
Iron and Steel Production	NZE 2050 (IEA)	1 y 2	kg CO_2 eq / t de steel	**966**	**900** (-7%)	**968** (+8%)	**869** (-10%)
Residential Real Estate	NZE 2050 (IEA) y CCREM 1,5°	1 y 2	kg CO_2 eq / m^2 year	**23**	**21,6** (-6%)	**21,4** (-1%)	**19** (-16%)
Commercial Real Estate	CCREM 1,5°	1 y 2	kg CO_2 eq / m^2 year	**27,3**	**27,3** (=)	**27,2** (-0,3%)	**19,8** (-28%)
Coal Mining	N/A	N/A	€M exposure (Phase out)	**<1**	**N/A**	**<1**	**0** (-100%)

These objectives are aligned with Ibercaja's **Sustainability Policy** and **ESG Risk Governance Policy,** reinforcing its commitment to the environment and sustainable management. Reference scenarios of the **International Energy Agency and CRREM** were used for its definition, using recognised **methodologies** such as **PCAF and PACTA**. The interim targets are aligned with the Bank's commitment to achieving Net Zero across its portfolio of financed emissions by 2050, and represent a fundamental step towards achieving this commitment.

Decarbonisation targets have been set primarily according to emissions intensity, which more accurately reflects the transition of the Bank's portfolio than absolute financed emissions.

Achieving these goals requires **collaboration across various areas of Ibercaja**, including the Sustainability and Reputation Area Directorate, the Credit Risk Area Directorate, the Retail Business Area Directorate, and Corporate Banking, among others.

Implementation of the transition plan

The transition plan for meeting decarbonisation goals is structured around seven pillars, each with specific actions or tasks. In total, 46 tasks have been defined to be deployed between 2024 and 2026. (see section **11.2.2.4 Transition plan for climate change mitigation**)

The Bank has defined an indicator within the Strategic Plan that monitors 46 tasks to be deployed in the 3 years following the definition of the Plan (2024, 2025 and 2026), classified into the 7 axes defined in the Transition Plan:

- 16 tasks to be carried out in 2024.
- 15 tasks to be carried out in 2025.
- 15 tasks to be carried out in 2026.

Exposure to sectors with climate transition risk

Ibercaja has set a target to **reduce the exposure of its credit and financial markets portfolios related to sectors considered to have high and very high transition risk**. This target is measured by a **first-level RAF** metric, designed to assess and manage exposure to these sectors based on sustainability criteria.

This initiative is aligned with the **Bank's Sustainability Policy** and **ESG Risk Governance Policy**. It also reinforces Ibercaja's focus on the **responsible management of its financial operations**, minimising risks associated with climate change.

Ibercaja's specific objective is to **keep exposure below 18%**. This level is measured as a relative **percentage target, calculated at the Bank's overall level, and covers Ibercaja's entire credit and financial markets portfolio**.

To define this goal, the Bank has used a methodology based on data from the P**artnership for Carbon Accounting Financials (PCAF)**, recognised as the primary reference for calculating financed emissions. This data allows us to identify the most carbon-intensive sectors and prioritise risk management in these areas. This metric has been designed with the **participation of the Bank's three lines of defence** in risk management.

The **time horizon** will **remain in effect** until a change in the Bank's risk appetite is considered.

Integration of climate risks into the management of Ibercaja's prudential risk.

Within the framework of the 2026 "Now Ibercaja" Strategic Plan, Ibercaja has established a goal of **integrating the quantification of the material impact of climate risks into prudential risk management**. This initiative is part of Challenge 1 (ESG Risk Management) of Initiative 13 (Sustainability and Reputation) and is **aligned** with the Bank's **ESG Risk Governance Policy**.

The goal is to incorporate the material impact of climate risks into six key prudential risk categories: credit, operational, market, business, liquidity and underwriting. This process will be carried out progressively over a period of 3 years.

Progress toward this goal will be measured through a defined metric that measures risk integration: (**no. of prudential risks in which the impact of climate risk has been integrated/total number of prudential risks managed**) ***100**. This metric allows the progress of integration to be monitored and ensures compliance with established objectives.

The scope of the goal is **cross-cutting** and involves **several areas** of the Bank, such as Sustainability and Reputation, Credit Risk, Retail Banking and Corporate Banking.

In 2024, the integration objectives for credit, business and operational risks were met.

11.2.2.3 Actions and resources related to climate change mitigation and adaptation

In 2024, Ibercaja implemented actions for climate change and energy mitigation and adaptation, both within the Bank itself and through financed operations, reflecting its commitment to the environment.

Initiatives carried out since 2016, aimed at reducing scope 1, 2 and 3 greenhouse gas (GHG) emissions, **have achieved an 89% reduction in operational emissions**.

a) Actions and resources to achieve emissions neutrality

In 2023, Ibercaja verified its 2023 Greenhouse Gas (GHG) inventory in accordance with the International Assurance Engagement Standard ISAE 3410, reinforcing its commitment to transparency and its commitment to calculating its environmental impact. In addition, the Bank registered its operational carbon footprint in the Carbon Footprint, Offsetting, and Absorption Projects Registry of the Ministry for Ecological Transition and the Demographic Challenge.

100% of Ibercaja's electricity consumption in 2023 came from **renewable energy sources with Guarantee of Origin**. However, there is a residual consumption percentage of 0.77%, corresponding to 21 supply points out of a total of 1,056, which generated 46.39 tonnes of CO2e. To address this situation, in 2024, **appropriate arrangements were made with the marketing companies to request delivery and certification of green energy** at these supply points, which is expected to reduce the residual carbon footprint generated.

At the same time, the Bank has continued to **prioritise energy efficiency in equipment and facilities. Emissions that could not be avoided or reduced have been fully offset** through **projects validated in accordance with the most prestigious standards** that look at environmental, social and biodiversity impacts.

Thanks to these actions, in 2024 Ibercaja gained the “Calculo/Reduzco” (I calculate, I reduce) seal for the fifth consecutive year and the full MITERD seal for the second year**.** Specifically, through MiTERD projects 38% of scope 1 emissions were offset (19.26% also including scope 3 categories certified by MiTERD). The remaining scope 1 emissions were offset by an ECODES project.

Some **more specific actions** have also been undertaken to reduce energy consumption based on **engineering and technological solutions**:

Replacement of lighting in the Central Building

In 2023, Ibercaja launched its **lighting renovation plan at the Ibercaja headquarters**, with work on **five floors of the tower**. This includes the installation of LED lights and automatic control systems to regulate lighting levels based on available natural light, and which also include presence monitoring.

In 2024, **the Bank continued the process of replacing lighting**. Currently, 54.68% of the surface area designated for administrative use already has this system (Floors P-0, P+10, P+11 and P+12 and partially in P+1, P+2 and S1). The Bank expects a **50% reduction in power consumption per floor**, as confirmed by a study conducted with a network analyser on floor 6.

Over a **three-year time horizon (2025-2027)**, the Blank plans to complete the renovation on all administrative floors of the building and, as a result, it is expected to achieve a **reduction in electricity consumption** of **6% in 2025** and of **8% in 2027**, taking **2022 consumption as a reference value**.

Lift modernisation project

In 2024, the Bank continued the **modernisation of the lift operating system in the Central Building, which began in 2023**, with the renovation of the six lift cores. The system incorporates a passenger cabin assignment model and uses a logarithm to find the best options in the set of lifts to minimise waiting times and the number of trips made per day per lift, considerably increasing their functionality and performance. The system is energy certified according to the VDI 4707 standard, which gives it an A rating of maximum efficiency. **The expected energy savings** will be around 13,000 kWh/year per lift. Work will be completed by 2025 and will result a total saving of 80,000 kWh.

Office eco-design

Ibercaja incorporates **sustainable criteria in office design**, prioritising the use of raw materials from more sustainable sources and follows criteria of high energy efficiency in equipment and facilities.

All the information is collected in two internal Bank documents on new office/branch design, following with the criteria outlined above:

- "Architecture manual for Proximity Banking branches."
- "Model Office. Fixtures. Design criteria".

Based on these criteria, some of the actions carried out are:

- The design and dimensioning of **air conditioning installations** is carried out according to the criterion of **maximum energy efficiency**.
- In **electrical installations,** priority is given to **highly energy-efficient** elements, such as lighting through systems that use light-emitting diode lamps (LEDs), time

control and regulation systems, segregated consumption meters for the different electrical circuits, etc.

- In the **design of branch fittings and furniture,** solutions are incorporated that take into account **both functional and ecological criteria**, such as the use of natural materials like wood, which contributes to the warmth of the premises, the performance and well-being of people and improves indoor air quality, the installation of shaped sound-absorbing panels, which improve acoustic comfort, the installation of LED lighting systems and the use of plants to provide a high degree of comfort and connection with nature.
- In all refurbishments and maintenance work carried out in branch offices, when the installation allows it, **LED lighting systems are incorporated, as well as energy-efficient air conditioning systems**. In addition, the illuminated signs are fitted with energy-saving LED lighting systems.

Through this initiative, the Bank expects to improve the energy efficiency of buildings and reduce their energy consumption, thereby **reducing emissions** associated with **scope 2 electricity generation**. It also **creates a more pleasant, productive and safe environment for employees**.

Other actions related to reducing our own emissions footprint

Replacing diesel boilers with heating systems of lower environmental impact

In 2024, Ibercaja conducted a study to **replace diesel boilers** in offices, implementing **more sustainable heating systems with a lower carbon footprint**. The renovation work in 13 offices has been planned such that, over a **five-year horizon (2025-2030)**, a reduction of **around 70%** is expected in diesel consumption, and, consequently, in associated emissions, taking **2021** consumption as a reference value. (this goal is detailed in section 2.2.2 Objectives related to climate change mitigation and adaptation)

Objectives: energy saving letters

Ibercaja has continued to promote **awareness-raising initiatives branches** regarding environmental protection, focusing on continuous improvement of energy savings and efficiency policies. Detailed information on electricity consumption and expenditure is sent to branches each year, along with a reminder of key aspects for moving towards more environmentally sustainable branches, thus raising awareness among Ibercaja staff.

Environmental Management System

Since 2007, the Bank has held environmental certification from AENOR, according to the international ISO 14001 standard. By adopting this standard, Ibercaja commits not only to complying with legal requirements but also to continuous environmental improvement.

Within the framework of this system, Ibercaja has worked to systematically identify the needs of its stakeholders. For example, through employee sustainability surveys, it identifies the most relevant environmental issues and how they can be integrated into the system to advance its continuous improvement.

This year, a follow-up audit of the environmental management system was conducted, and the analysis and establishment of objectives based on the suggestions obtained through the sustainability surveys was positively assessed.

Ibercaja Forest

In collaboration with Fundación Ibercaja, the Bank contributes with "Ibercaja Forest" to its commitment to preserving and caring for the environment. In addition to contributing to CO2 generation, it restores local areas degraded by fires, overgrazing, and fly-tipping. Already, nearly 60 hectares have been reforested and more than 70,000 trees planted through initiatives carried out in Tauste and Peñaflor (Zaragoza province) and in Albentosa (Teruel province).

b) Actions to reduce financed and investment emissions

Ibercaja is a founding member of the **Net Zero Banking Alliance** (NZBA), an initiative promoted by the United Nations that promotes the commitment of the banking sector worldwide to achieve **CO2 neutrality of its own and its portfolio emissions by 2050**. Ibercaja Gestión and Ibercaja Pensión are part of the **Net Zero Asset Managers** (NZAM) initiative, committed to achieving CO2 neutrality for their own and portfolio emissions by 2050 at the latest.

As part of this commitment, in 2024 Ibercaja has defined **new decarbonisation targets for 2030**, incorporating the **Commercial Real Estate and Coal sectors**. These are added to the three carbon-intensive sectors that were already prioritised for their importance to the Bank's business model: **Residential Real Estate, Electricity Generation, and Iron and Steel Production**.

In line with these objectives, Ibercaja has carried out the following actions:

Improving the energy rating of financed housing

Ibercaja has conducted a balance sheet analysis to identify the sectors in which it can act, achieving a positive impact on the environment and evaluating how this can influence the Bank's earnings. Following this analysis, efforts have focused on the **housing sector**, with the aim of **improving the energy rating of the homes financed**.

To achieve this objective, **various actions** have been undertaken:

- **Reduction of financed emissions**: prioritising loans for the purchase of more energy-efficient homes.
- **Reduction of mortgage portfolio transition risk: reducing risk of loss of housing equity value** to ensure that **home owners can maintain their repayment capacity**.
- **Increased volume of consumer financing**: offering **loans** for energy efficiency-related projects, such as the **installation of solar panels**.

Ibercaja has also launched a **commercial offer** aimed at **owners of housing** with an **Energy Efficiency Certificate (EEC) of less than or equal to E**. These customers have been offered a **renovation estimate** along with a **financing proposal tailored to their needs**. This initiative contributes to **reducing transition risks in the mortgage portfolio**.

The initiative was undertaken throughout 2024, based on the conclusions obtained by the Bank, additional actions are expected to be launched throughout 2025 and 2026.

Issuance of the first Green Bond

In 2024, Ibercaja **issued its first Green Bond**, intended to **finance sustainable projects** such as **energy-efficient housing, renewable energy,** and others aligned with **European Union environmental objectives and the UN Sustainable Development Goals**.

The expected outcome of Ibercaja's Green Bond issuance is the **channelling of €500 million in capital flows to sustainable projects**. This initiative seeks to contribute directly to the European Union's **environmental objectives** and the United Nations **Sustainable Development Goals**.

Launch of a private fixed-income fund with sustainability criteria

In 2024, Ibercaja Gestión launched **Ibercaja RF Horizonte 2027**, a **private fixed-income** fund **maturing in March 2027**, aimed at **customers with a conservative profile and interested in solutions that allow them to maximise their savings**. This fund **integrates ESG criteria** into its investment selection analysis, joining the other ten Ibercaja Gestión funds that consider sustainability aspects in their strategy.

The management team will conduct a **comprehensive evaluation of the assets**, assessing both their **credit quality and solvency,** as well as the **sustainability factors** associated with the selected companies.

ESG product offering

The Bank offers a **range of ESG products specifically for the different savings-investment, retail financing, and corporate financing segments**. Part of this offering is aimed at climate change mitigation and portfolio transition. In section **11.3.3. Consumers and end-users,** the Bank's ESG commercial offering is detailed in its different segments.

Agreement with eAgronom to promote carbon capture in the agri-food sector

In 2024, Ibercaja signed a **collaboration agreement** with eAgronom to offer its agri-food customers a service to allow them to **certify carbon capture on their farms**, issue the corresponding **carbon credits, and trade them on the market,** driving the transition towards **sustainable agricultural practices**. With this initiative, Ibercaja strengthens its **value proposition** to the agri-food sector, contributing to the **fight against climate change** and generating **additional income opportunities** for farmers.

This service promotes the transition to **sustainable agricultural practices** through a tillage system that meets **conservation** standards, increasing **CO_2 capture, saving water,** and improving farm **productivity**.

Support for BNEW as a sponsor of the sustainability sphere

In 2024, Ibercaja participated as a **sponsor** of the BEARTH sustainability area in the **fifth edition of BNEW** (Barcelona New Economy Week), as a demonstration of its firm

commitment to sustainability, supporting companies in the **transition towards a more sustainable business model**.

Initiatives for better climate risk management

The Bank, committed to integrating ESG risks, is making progress in analysing the risks arising from climate change and environmental deterioration, their impact on customers and on its financial activity, for gradual integration into risk management procedures, in compliance with supervisory expectations.

C) Actions to further the calculation and reduction of scope 3 emissions in the value chain

In addition to Ibercaja's commitment to achieving neutrality of its own and its portfolio emissions, Ibercaja has se a goal to expand its calculation of indirect scope 3 emissions.

The standard used for calculating GHG emissions is the **Greenhouse Gas Protocol,** which provides a comprehensive calculation methodology, dividing scope 3 emissions into 15 categories.

In 2024, the organisation's activities of most importance to the business were inventoried into the 15 categories, and potentially important emission sources were defined, establishing criteria for the evaluation and identification of significant indirect emissions.

As a result of the significance assessment, indirect emissions associated with paper consumption and employee commuting were identified as significant.

Reduction of paper consumption

The Bank's monitoring of paper consumption indicates a **notable reduction since 2016**.

The Bank has implemented various actions in 2024 to achieve a reduction in consumption: gathering and analysing employee suggestions, promoting synergies between teams, gathering consumption data, and conducting studies on the digitalisation of legal documentation sent to customers.

As part of the Bank's commitment to sustainability and process improvement, Ibercaja has set itself the challenge of **reducing paper consumption by 40% within two years (2026), taking into account the average consumption over the last three years.**

In 2025 and 2026, the Bank will continue to promote initiatives to keep driving the reduction of paper consumption.

11.2.2.4 Transition plan for climate change mitigation

In line with the commitments made to the NZBA and the expectations of its key stakeholders, Ibercaja has defined the **Transition Plan**. This plan contains the **key elements** to consider **for advancing** the **portfolio's emissions-neutral goals** in each of the five industrial sectors for which decarbonisation targets have been defined by 2024: **electricity generation, iron and steel production, residential real estate, commercial real estate, and coal mining**.

This Plan has been developed following fundamentally the guidelines and recommendations for Financial Institutions published by the **Glasgow Financial Alliance for Net Zero** (GFANZ) and, along with the intermediate decarbonisation targets, is a key step towards achieving a net-zero emissions portfolio by 2050. This is a fundamental commitment by financial institutions to achieve the objectives of the Paris Agreement and limit global warming to below 1.5 degrees Celsius compared to pre-industrial levels.

Through the Plan, Ibercaja provides its **stakeholders with a more detailed overview** of how it will address the transition towards decarbonisation and the path it is following to achieve it.

The Bank, committed to combating climate change, is not excluded from EU benchmarks harmonised with the Paris Agreement.

Structure of the transition plan

To prepare the Transition Plan, Ibercaja analysed decarbonisation trends in the target sectors and developed a decarbonisation strategy. The plan has been structured around seven axes:

- **Commercial actions** to encourage the decarbonisation of customers.
- **Partnerships** to offer decarbonisation services and support customers in their transition.
- **Advice on public subsidies** associated with the transition of the economy.
- **Internal training** related to decarbonisation.
- Evolution and adaptation of the **range of ESG products**.

- **Customer profile analysis** regarding progress in decarbonising their activities.
- **Events** to promote energy transition.

Governance of the transition plan

Ibercaja has developed a governance model for the Transition Plan that involves various areas within the Bank:

- **Sustainability and Reputation Area Directorate: coordinate and supervise compliance with the Transition Plan** and accountability to corporate bodies, analysing sector trends and new opportunities.
- **Credit Risk Area Directorate: monitoring the evolution of intensity metrics** used in the definition of decarbonisation objectives, as well as the RAF carbon-intensive sectors metric.
- **Corporate Banking Area Directorate**: **execute and supervise compliance and monitoring of the corporate engagement strategy**, implement the sustainability strategy in the business and promote and drive sustainable business growth.
- **Retail Business Area Directorate**: oversee and foster sustainable business growth and monitor compliance with the **retail customer engagement strategy**.
- **Corporate Projects Office** (Strategy, Transformation and Data Area Directorate): implement the **processes and incorporate into systems the developments necessary to comply with and monitor the Transition Plan**.
- **Corporate Information and Analysis** (Finance Area Directorate): extract the information necessary to **monitor and analyse decarbonisation objectives**.

The Transition Plan has been approved by the **Sustainability and Reputation Committee**, with a structure at executive level and chaired by the CEO. The Transition Plan is also monitored by the Sustainability and Reputation Committee.

Rolling out the transition plan

In 2024, Ibercaja began rolling out its Transition Plan, focusing on key actions related to sustainability and, more specifically, decarbonisation. The main lines of action were:

- **Commercial actions:** launching of a pilot project to promote energy efficiency reform in the mortgage portfolio. The Bank has also made progress in exploring models of one-to-one conversations on decarbonisation with its corporate customers.

- **Partnerships**: deployment of a pilot to offer decarbonisation-related services such as sustainability reports and CO2 footprint calculations.
- **Advice on public subsidies:** throughout the year, the bank has provided a service to its customers to support them in processing public subsidies such as Next Generation funds.
- **Internal training** related to decarbonisation: consisting of general training available to all Bank staff and specific training on NZBA sectors aimed at business managers and risk analysts.
- Evolution and adaptation of the **range of ESG products**: the Bank has reviewed its ESG product offering, changing the purpose of one of these products to adapt it to the requirements of the taxonomy. It also launched a sustainable mortgage product aimed at companies and expanded its savings-investment range with the launch of the Ibercaja RF Horizonte 2027 fund (for more details see section **1.3.3. Consumers and end-users**).
- **Customer profile analysis**: the Bank has progressed in technological developments to include both the home energy efficiency certificate for mortgage loans and the customer decarbonisation form developed within the framework of the Transition Plan. Additionally, the Bank monitors the increase in actual data related to its customer decarbonisation parameters.
- **Events**: the Bank has organised various events on decarbonisation in collaboration with chambers of commerce and business organisations. Several of these events were held in the Xplora space, located at Ibercaja's headquarters in Zaragoza, designed as a meeting point to better understand the environment and explore new management solutions.

At the same time, Ibercaja is making progress on its decarbonisation objectives for the **five defined industrial sectors**:

1. **Electricity generation**: reduce by **10% the emissions** related to sectors such as electricity generation and intensive industries, promoting their decarbonisation as a lever for other productive sectors.
2. **Iron and Steel Production Sector**: reduce emissions intensity by **10%**, supporting customers in **adopting cleaner technologies** to process these materials.

3. **Residential Real Estate**: reduce **associated emissions by 16% by 2030**, promoting the financing of sustainable housing and improving the energy efficiency of those with lower certifications.

4. **Commercial real estate**: achieve a **28% reduction in emissions intensity by 2030**, in line with the projections of the Spanish National Economic Plan (PNIEC).

5. **Coal mining**: complete a complete **phase-out of the sector by 2030**, a goal that could be achieved even sooner due to the near extinction of lending in this sector.

These objectives are aligned with the Bank's **Sustainability Policy**.

Transition plan indicators

The Bank has developed a series of indicators to monitor compliance with the Transition Plan and the decarbonisation objectives linked to it.

- Calculates annually the **emissions intensity in sectors** with decarbonisation goals.
- It has developed an **indicator, linked to the Strategic Plan, regarding the deployment of the Transition Plan** (see section **11.2.2.4 Transition plan for climate change mitigation**).
- It also has **indicators related to the Electricity Generation and Iron and Steel Production sectors**, which monitor, quarterly, the exposure in these sectors and the percentage of this exposure that is most emissions-intensive.
- It monitors, quarterly, both at stock and new production level, the % **of its mortgage portfolio by energy efficiency certificate**.

11.2.2.5 Other areas of action in line with the commitment to the environment

The Bank is firmly committed to protecting the environment and optimising the consumption of its resources. Thus, in 2024, it has undertaken the following lines of action responding to the objectives of the Environmental Management System.

Circular economy and waste management

Systematisation of recycling at branches

All new branches systematically incorporate specific bins for recycling (paper/cardboard, plastics and waste), accompanied by informative posters. In 2024, the initiative was implemented in 57 branches. At the end of the year, 45% of Ibercaja's own properties used for banking activities had recycling bins.

The goal for 2025-2026 is to complete the project by installing containers in 300 branches.

The expected result over a two-year time horizon (2025-2026) is for at least 70% of Ibercaja's own properties used for banking activities to have recycling bins.

Waste management

Regarding waste management, waste documentation is correctly managed, being highly controlled within the company through the implemented Environmental Management System and the monitoring of indicators. The scope of the management system is the Central Building, although good environmental practices extend to the branch network.

Recovery, reuse and donation of furniture

Ibercaja promotes the development of circularity through the recovery and reuse of furniture.

The Bank's tries to cover all its furniture needs with recovered furniture. Moreover, part of the furniture material recovered and in good condition (cabinets, chairs and tables) is donated to social and solidarity organisations. This action represents sustainable management of these assets, which are no longer considered waste but instead become a resource for new needs, generating a significant social and environmental impact.

Aragon Circular Seal

Ibercaja renewed its Aragon Circular Seal for a period of a year in 2024. This Seal, awarded for the first time by the Government of Aragon in 2022, is given in recognition of the commitment of companies, self-employed workers and local entities to the circular economy model.

In order to obtain this Seal, the incorporation of sustainable criteria in the design of the branches was taken into account, prioritising the choice of raw materials from more sustainable sources, high energy efficiency criteria in air conditioning equipment and installations, waste management, life cycle analysis, contribution to the value chain, training and awareness, reduction of energy consumption, etc.

Automatic renewal of the Seal depends on compliance with the commitments made.

Environmental awareness-raising

Awareness-raising campaigns and training help to promote the best environmental practices and to gain awareness to minimise waste generation. In this regard, in 2024, efforts have focused on integrating ESG aspects into the business and on understanding and applying CSRD regulations.

Moreover, as part of its firm commitment to the circular economy and environmental protection, Ibercaja continues to implement the issuing of sustainable cards made from recycled plastic. **In 2024, 96.35% of all cards issued were made from recycled PVC**.

11.2.2.6 Parameters related to climate change and energy mitigation and adaptation

Energy consumption

Total energy consumption related to Ibercaja's own operations was 27,443.36 MWh, broken down into the different energy types:

Summary table of the Bank's energy consumption:

Energy consumption	Comparative (2023)	2024
6) Total fossil energy consumption (MWh)	944.72	1,281.19
Proportion of fossil sources in total energy consumption (%)	3.41%	4.67%
7) Consumption of energy from nuclear sources (MWh)	-	-
Proportion of nuclear sources in total energy consumption (%)	n/a	n/a
8) Fuel consumption from renewable sources, such as biomass (which also includes industrial and municipal waste of biological origin, biogas, renewable hydrogen, etc.) (MWh)	-	-
9) Consumption of electricity, heat, steam and cooling purchased or acquired from renewable sources (MWh)	26,785.45	26,162.17

10) Consumption of self-generated renewable energy not used as fuel (MWh)	-	-
11) Total renewable energy consumption (MWh) (calculated as the sum of lines 8 to 10)	26,785.45	26,162.17
Proportion of renewable sources in total energy consumption (%)	96.59%	95.33%
Total energy consumption (MWh) (calculated as the sum of lines 6 and 11)	**27,730.17**	**27,443.36**

Note: Includes energy consumption in fixed installations; energy consumption of private vehicles is not included.

Gross scope 1, 2 and 3 greenhouse gas (GHG) emissions

Summary table of Ibercaja Banco's scope 1, 2 and 3 greenhouse gas emissions:

	Retrospective			Goal milestones and years			
	2023	2024	% N/N-1	2025	2030	-2050	Annual target%/ base year
Scope 1 GHG emissions							
Gross scope 1 GHG emissions (tCO_2eq)	**813.47**	**730.74**	-10%		700.00		15%
% of scope 1 GHG emissions from regulated emissions trading schemes (%)	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Scope 2 GHG emissions							
Gross scope 2 GHG emissions, location-based method (tCO_2eq)	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Gross scope 2 GHG emissions, market-based method (tCO_2eq)	**46.39**	**23.34**	n/a	n/a	n/a	n/a	n/a

Significant scope 3 GHG emissions							
Total gross indirect GHG emissions (scope 3) (tCO_2eq)	**982.10**	**1078.70**	10%	n/a	n/a	n/a	n/a
1. Goods and services purchased	153.94	246.82	60%	n/a	n/a	n/a	n/a
4. Transportation and distribution in previous phases	30.26	36.39	20%	n/a	n/a	n/a	n/a
6. Business trips	797.9	795.49	0%	n/a	n/a	n/a	n/a
Total GHG emissions	**1841.96**	**1832.78**		n/a	n/a	n/a	n/a

The Bank calculates its scope 2 emissions using the "market-based" method as it operates in a single geographic area. The Bank's intention is to work to disseminate the calculation using the "location-based" method in future exercises.

Ibercaja is committed to **measuring and publishing its carbon footprint**. This calculation helps the organisation to identify its main **sources of greenhouse gas emissions**, quantify emissions and, above all, to develop strategies that contribute to reducing both consumption and emissions. Ibercaja has recorded its **GHG emissions, covering scopes 1, 2 and partially offset scope 3**, as well as the consolidated total. Total GHG emissions in 2024 are **1,832 tCO2eq**.

Ibercaja has registered its carbon footprint in the **Registry of the Climate Change Office of the Ministry** for Ecological Transition and Demographic Challenge since 2016, and since 2022 it has partially offset scope 3 emissions.

The Bank has a carbon footprint report that includes the calculation of its scope 1, 2, and partially offset scope 3 emissions for the period 2023. It also includes the calculation criteria used, the method, the emission sources, and the evolution of the carbon footprint in the period 2016-2024.

Emission sources are considered to be all those that arise from the activities that the organisation controls. Since the first year of calculating the carbon footprint, 2016, Ibercaja has also taken into account its indirect scope 3 emissions partially within the transportation category (business travel by car and pouch courier).

In terms of methodology, the formula for calculating emissions in all cases is as follows:

Carbon footprint = Activity data x Emission factor

Where:

- Activity data: parameter defining the degree of activity (litres in the case of diesel, kWh in the case of electricity, km in the case of employee travel, etc.).
- Emission factor: amount of greenhouse gases emitted per unit of the "activity data" parameter.

The emission factors used to calculate Scopes 1 and 2 are those provided by the Ministry for Ecological Transition and Demographic Challenge (MITERD), based on official sources. For the calculation of Scope 3 emissions, the emission factors of the Defra - Greenhouse Gas Protocol have been used.

In determining the organisation's boundaries, the approach considered takes into account emissions from those sources that are under the operational control of the organisation and that therefore provide complete and accessible information.

The scope of the calculation is made at the level of the entire organisation, without including other Group companies (Ibercaja Vida, Insurance and Reinsurance Company, Ibercaja Mediación de Seguros, Ibercaja Gestión, Ibercaja Pensión, Ibercaja Leasing and Financing) and includes all the branches of the national network, functional administrative centres and the headquarters building located in Plaza Basilio Paraíso, in Zaragoza.

In the operational limits the organisation identifies the emissions associated with the operations included within the areas defined in the organisational limit.

The emitting sources included in the calculation according to scopes are detailed below:

SCOPE 1: Direct emissions

- Burning fossil fuels (natural gas and oil) for the thermal needs of buildings: the procedure for collecting data on energy consumption from natural gas and oil is based on bills from suppliers.
- Leaks from refrigeration and air-conditioning equipment operating with refrigerants composed of fluorinated gases: derived from the amount of gas leaked into the atmosphere and its GWP.
- Operation of vehicles owned by the Bank or controlled by the organisation: fuel consumption data is collected from owned vehicles, or vehicles controlled by the organisation, based on mileage data.

SCOPE 2: Indirect emissions

- Emissions associated with electricity consumption.

SCOPE 3: Other indirect emissions

Scope 3 indirect emissions are those generated as result from the Bank's activities but that occur in sources not owned and controlled by the Bank.

In 2024, the carbon footprint of the following emission sources continued to be calculated:

- Emissions associated with employee car travel for work: This data is obtained using the business travel expense management tool, where employees enter their mileage into the business travel and expense tracking app, which is subsequently multiplied it by an emissions factor.
- Mileage-related emissions from the courier service: the number of pouches per area of operation has been assessed by taking an average distance applicable to the whole area.

In the reporting year 2024, a **significance analysis of indirect scope 3 emissions** was performed. To this end, a discretionary inventory was drawn up of the activities relevant to its business and operations. The method for categorising the activities follows the **GHG Protocol**. Exclusions in the calculation of the identified categories, within scope 3, is justified using the **significance assessment**, which is carried out according to the following criteria:

- **Magnitude/volume of emissions**: represent a high percentage.
- **Degree of influence:** capacity of the organisation to monitor and reduce emissions.
- **Access to the information**: necessary to perform the calculations.
- **Data accuracy**: the level of data accuracy (complexity of organisation and monitoring).

The criteria for assessing significant sources also consider the sector's legal and regulatory compliance obligations. Most scope 3 emissions have been calculated using primary data.

As indicated in point **11.2.2.3 Actions and resources related to climate change mitigation and adaptation,** in this document, the 2024 operational footprint report will include the expansion of scope 3 and the recalculation of the carbon footprint of the three previous years (2023, 2022 and 2021).

Additionally, in 2024, the carbon footprint of emissions financed by the Bank has been recalculated following the PCAF methodology, giving a result of **1.98 MtCO2eq.**

Compared to 2023, emissions intensity has remained stable, while the calculation scope has expanded due to improved data quality, the footprint calculation being based on greater exposure and a greater proportion of data from real sources. It is noteworthy that the intensity of financed emissions, calculated using real-source data, has shown a decline over the past six months.

GHG absorption and GHG mitigation projects financed with carbon credits

Ibercaja offsets its own emissions by **purchasing carbon credits** generated through projects that **eliminate or reduce greenhouse gases**.

In 2024, the country's own **emissions for 2023 were offset** through national **projects** validated by the Ministry for Ecological Transition and Demographic Challenge, **and the Serra do Amolar Pantanal Protection project** in Brazil, validated by two of the voluntary carbon market's most prestigious standards: the Verified Carbon Standard (VCS) and the Climate Community and Biodiversity Standard (CCBS). The VCS validates the number of CO2 removals (carbon credits) and the CCBS ensures that the project promotes and generates positive community and biodiversity benefits.

Specifically, the distribution of the offset has been as follows:

- **200 tCO2e** in the **CO2 Forest Management "Tierras de Rueda I & II" in Gradefes** (León). Validated by the Ministry for Ecological Transition and Demographic Challenge.
- **125 tCO2e** in the **CO2 Forest Management "Juarros II"**, in San Adrián de Juarros (Burgos). Validated by the Ministry for Ecological Transition and Demographic Challenge.
- **535 tCO2e:** has been offset through **ECODES (Spanish Ecology and Development Foundation)** in the Serra do Amolar Pantanal protection project in Brazil.

The **unavoidable own emissions calculated for 2024 will be offset in 2025**. At least 20% will be carried out through projects registered in the Carbon Footprint, Offset and Carbon Dioxide Absorption Projects Register.

As part of the 2024 SOMOS "**We Are Healthy**" programme, Ibercaja promotes the "**Move Without a Footprint**" challenge. This is a team competition in which kilometres are added by walking or running, with the aim of generating healthy habits that also contribute to **reducing the impact of the carbon footprint**. In this action, Ibercaja and the Fundación Ibercaja foundation commit to **planting trees. in accordance with the number of kilometres walked or run, to contribute to the challenge of offsetting the Bank's own carbon footprint**. In 2021, 4,000 trees were planted, which **will offset 364 tCO2e.**

In addition, Ibercaja, in collaboration with eAgronom, offers the Bank's customers in the agri-food sector a service to certify the carbon capture of their farms, issue the corresponding carbon credit and trade it on the market for subsequent payment to the farmer (see section **11.2.2.3. Actions and resources related to climate change mitigation and adaptation**).

Detail of absorption of GHG from own operations

Absorptions	2024 (tCO2e)
CO2 Forest Management "Tierras de Rueda I & II" in Gradefes (León) (MITERD)	200
CO2 Forest Management "Juarros II", in San Adrián de Juarros (Burgos) (MITERD)	125
Serra do Amolar Pantanal, in Brazil (ECODES)	535
Total absorption of GHG from own operations	860

11.2.2.7 Expected financial effects of physical and transition risks

Banking book exposures with potential physical climate risk

Monetary amount[1] and proportion[2] of exposures [3] with potential physical risk						
	Chronic physical risk		Acute physical risk		Acute and chronic physical risk	
	Amount (M€)	%	Amount (M€)	%	Amount (M€)	%
Assets with **short term physical risk**	0.0	0.0%	194.5	0.7%	0.0	0%
Assets with **medium term physical risk**	59.5	0.2%	68.8	0.3%	52.2	0.2%
Assets with **long term physical risk**	13.7	0.1%	370.8	1.4%	13.9	0.1%
TOTAL	**26,660.1**	**0%**	**26,660.1**	**0%**	**26,660.1**	**0%**

[1] Gross carrying value of exposures to productive activities, loans secured by real estate, and recovered collateral, in millions of euros.
[2] Proportion of exposures with potential physical climate risk relative to total exposure.
[3] The amount of exposures with potential physical climate risk is consistent with the requirements included in Commission Implementing Regulation (EU) 2022/2453, Template 5: Banking Book. Physical risk linked to climate change: exposures subject to physical risk.

Location of significant financed assets with physical risk

Monetary amount[1] of exposures[2] with potential physical climate risk	
Location (NUTS3 code)	Exposure (M€)
Andalusia	89.2

Aragon	283.6
Canarias	5.4
Cantabria	0.1
Castilla y León	20.9
Castilla-La Mancha	26.1
Catalonia	64.4
Ceuta	0.0
Valencia Region	131.5
Extremadura	36.7
Galicia	5.9
La Rioja	16.9
Balearic Islands	0.4
Madrid Region	21.9

[1] Gross carrying value of exposures to productive activities, loans secured by real estate, and recovered collateral, in millions of euros.
[2] The amount of exposures with potential physical climate risk is consistent with the requirements included in Commission Implementing Regulation (EU) 2022/2453, Template 5: Banking Book. Physical risk linked to climate change: exposures subject to physical risk.

Breakdown of the book value of real estate assets in the mortgage portfolio by energy efficiency certificate

Book value of the company's real estate assets divided by Energy Certificate[1]	
	Amount (M€)
Real estate assets of the company with **Energy certificate A**	1,276
Real estate assets of the company with **Energy certificate B**	1,274
Real estate assets of the company with **Energy certificate C**	714
Real estate assets of the company with **Energy certificate D**	2,207
Real estate assets of the company with **Energy certificate E**	10,259
Real estate assets of the company with **Energy certificate F**	1,050
Real estate assets of the company with **Energy certificate G**	1,127
TOTAL	**17,905**

[1] Both actual and estimated Energy Certificates are included.

Since it is not considered material, Ibercaja does not have an internal CO2e price to value the investments made by the Bank.

Climate risk impact analysis

In 2024, to assess the portfolio's potential exposure to physical and transition risks and to comply with commitments such as the Principles for Responsible Banking, Ibercaja updated its Climate Risk Impact Analysis.

Mortgage portfolio

The updated analysis of climate, physical, and transition risks in the real estate collateral portfolio was conducted using information provided by ST Analytics: the assessment of the portfolio's susceptibility to physical risk impacts includes **coastal flooding, fires, desertification, and volcanic activity**. Additionally, Ibercaja has carried out an individual analysis of **flood risk**. The transition risk analysis is based on the energy efficiency certificate of the collateral properties.

As a result of the analysis carried out on climate factors in Ibercaja's retail segment, the Bank continues to identify business opportunities related to physical risks, including: the offering of insurance policies that cover the risk of property damage as a result of natural disasters and the possibility of financing infrastructure for the prevention of natural disasters and their adaptation to potential consequences. Among the opportunities arising from transition risk, the financing of housing renovations to improve their efficiency is consolidated as strategy to be followed, together with the potential public aid already announced by the Spanish government for this purpose (for more detail, see section **11.3.3. Consumers and end-users**).

Developer segment

In order to assess this business segment's predisposition to climate transition risks, Ibercaja has obtained the Energy Efficiency Certificate for the properties in its portfolio, provided directly by the development companies. The purpose is to determine the efficiency of the developments and enable monitoring of them.

The majority of the energy efficiency certificates in the Bank's developer portfolio have **rating A or B.**

Corporate portfolio

The Bank has assessed its concentration in activities with high intensity CO2 emissions (measured as tCO2eq./€M turnover) to measure its exposure to climate transition risk.

Additionally, it has conducted an exercise to assess medium and long-term transition risks in functions such as CAPEX, at-risk revenue, and increased costs.

With regard to **physical risk**, Ibercaja has assessed its exposure to short, medium, and long-term physical risks by analysing the predisposition to adverse weather events of various productive activities, based on a sector heat map. Exposure to adverse weather events has also been analysed according to the geographical location of the companies in the portfolio (deduced from the location of the counterparty headquarters), referencing the ThinkHazard tool's assessment.

With results of the climate risk assessment, **Ibercaja** has identified **business opportunities** linked to the financing of the CapEx investments needed to drive improvement of the energy efficiency of machinery and installations in the most carbon-intensive industries. In this context, examples that stand out are the financing of renewable energy sources or alternative sources, with loans to establish photovoltaic or wind installations or to develop new clean energy technologies, and sustainable mobility, as well as the offer of insurance to minimise farm and production plant risk.

ESG risk management and quantification of physical and transition risk

In 2020, the European Central Bank (ECB) published its "*Guidance on Climate-related and Environmental Risks*", which sets out 13 supervisory expectations on the integration of climate risks, organised into four blocks related to the business model and strategy, governance and risk appetite, risk management, and reporting. This document aims to **raise awareness and prepare the financial sector to incorporate climate and environmental risks into governance frameworks, business strategy, and transparent communication**, thereby improving climate and environmental information.

Since then, **Ibercaja has sought actively to identify, measure, manage, and control these risks,** aware of their potential impact on prudential risks and the business model through various transmission channels.

In 2024, within the framework of the **"Sustainability and Reputation" strategic initiative**, the Entity has made progress in **analysing the materiality of climate risks, developing a new Climate and Environmental Materiality Guide**, which compiles all the exercises conducted and the conclusions on qualitative and quantitative materiality.

The main progress made during the year in this area includes:

- Analysis of the potential impact of climate risks on the **material credit portfolio, particularly its material portfolios: productive activities and mortgage portfolio**. This analysis was carried out using prospective methodologies, which made it possible to quantify the potential impact of climate transition and physical risks on these portfolios, and to monitor the results through specific indicators, in order to implement mitigation measures integrated into risk management.

- **Prospective quantitative analysis** of the impact of climate risk on **operational risk**, developing a Climate VaR methodology
- Analysis of the potential impact of climate risk on **business risk**, through the development of a **Business Environment Scan**.
- The qualitative materiality assessment has also been strengthened through the revision of the **climate risk map** and the new **environmental risk matrix.**
- All of this has been included in the **new Climate and Environmental Materiality Guide.**

11.3 Company information

2-7, 2-23, 2-24, 2-25, 2-30, 417-1, 416-2, 407, 401-3, 405-1, 401-1, 401-2, 402-1, 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-7, 404-1, 404-2, 404-3, 202-1, 202-2, 203-1

11.3.1. Own workforce

Ibercaja aspires to be an attractive organisation for internal and external talent, with a dynamic, efficient, and committed team capable of adapting to change.

Ibercaja maintains its firm commitment to the Banks's own workforce in the following ways:

- **Ensuring compliance with legislation** on labour matters and proposing improvements beyond strict compliance with current legislation.
- **Managing human resources** to optimise the undertaking of the activity in terms of satisfaction and efficiency.
- **Promoting people-related projects** aligned with the Bank's strategy and vision.
- Designing **remuneration and incentive systems** that promote employee motivation and progress.
- Ensuring **full knowledge of each person** and managing their needs in an individual and personalised way.
- Promoting the designed **Leadership Model**, aligned with the corporate purpose and values that should guide the way of acting.
- Promoting the **development of employee talent**, assessing their capabilities, expectations and performance to achieve the greatest professional and personal satisfaction and efficiency in their work.
- Promoting a **socio-labour culture** with which to move forwards to achieve an improved quality of life for employees.
- **Defining KPIs** to facilitate data-driven decision-making, under a framework of continuous improvement.
- Maintaining an **appropriate framework for relations with employee representatives**.

These commitments are consistent with the information identified as relevant to stakeholders and users of the Report.

In this regard, as detailed previously in this document (see section **11.1.4 Double materiality assessment**), to develop disclosure on sustainable matters, the Bank has carried out an exercise to identify which topics are material for its stakeholders.

This exercise has shown that, in relation to its own workforce, the most relevant topics for the Bank are:

- **Equal treatment and opportunities for all.**
- **Working conditions**.

Below is a list of the analysed impacts, risks and opportunities identified as material:

Topic	IRB type	IROs
Equal treatment and opportunities for all	Impact	A safe and respectful work environment that helps improve employee satisfaction and security (preventing harassment and gender-based violence).
Equal treatment and opportunities for all	Impact	Developing employee skills through the implementation of training plans that consider their needs and expectations.
Equal treatment and opportunities for all	Impact	Optimising accessibility in the workplace for people with disabilities, to contribute to society.
Equal treatment and opportunities for all	Impact	Promotion and encouragement of measures for social and labour inclusion to support the development of the most vulnerable groups.
Equal treatment and opportunities for all	Impact	Reducing the wage gap.
Equal treatment and opportunities for all	Impact	Employee satisfaction with the possibility of internal promotions based on their performance assessment.
Equal treatment and opportunities for all	Opportunity	Continuous employee training in a financial institution improves service quality, increases customer satisfaction, and fosters innovation, which can lead to sustainable growth and a competitive advantage in the marketplace.
Equal treatment and opportunities for all	Risk	Potential reputational damage in the event of a gender wage gap.
Equal treatment and opportunities for all	Risk	Failure to comply with regulations related to the prevention of harassment and gender-based violence may result in legal sanctions and an impact on the Bank's reputation.
Working conditions	Impact	Heavy workloads and/or a lack of work-life balance could affect workers' well-being.

Topic	IRO type	IROs
Working conditions	Impact	Social dialogue and collective bargaining unify the interests of the Bank's employees, thus facilitating the achievement of better benefits.
Working conditions	Impact	Possible dissatisfaction among workers if adequate wages are not provided.
Working conditions	Impact	Improved employee well-being, both physical and mental, through the implementation of work-life balance measures and social benefits.
Working conditions	Impact	Failure to establish adequate controls to prevent unpaid overtime for employees could have a negative impact.
Working conditions	Impact	Failure to implement adequate safety measures could lead to an increase in occupational accidents and/or illnesses, which would affect the physical and mental health of workers and create a negative work environment.
Entity Specific	Impact	Focus on the well-being of new hires, promoting effective onboarding and improving their experience as candidates.
Entity Specific	Opportunity	Taking advantage of emerging trends in the workplace, such as remote work and flexible working hours, can make the company more attractive to a diverse and talented workforce, increasing productivity and, consequently, profitability.

11.3.1.1 Policies, management models, protocols and manuals related to the own workforce and the relationship with workers' representatives

As a general framework for action, Ibercaja is committed to protecting and respecting human rights in all its operations and labour practices, in line with the United Nations Guiding Principles on Business and Human Rights; the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work; and the OECD Guidelines for Multinational Enterprises. This commitment is reflected in its adherence to principles such as:

- Freedom of association and to form trade unions.
- Effective recognition of the right to collective bargaining.
- The elimination all forms of forced or compulsory work.
- The effective abolition of child labour.
- The elimination of discrimination in employment and occupations.
- The guarantee of a safe and healthy working environment.

In addition, Ibercaja has a series of **policies, approved by the Bank's Board of Directors,** that enable it to put its commitment to its employees into practice:

1. General remuneration policy.
2. Training Policy for Personnel who advise or provide information on financial instruments or investment services, market or provide information on real estate loans or credits, or participate directly in the distribution of insurance products.

Finally, the Bank also has fundamental **management models, protocols and manuals** that establish and promote responsible practices in relation to its personnel:

1. Code of ethics.
2. Corporate Culture Manual.
3. Equality Plan.
4. Work-life balance management model (Family Responsible Company).
5. Healthy organisation management system (SIGOS).
6. Occupational risk prevention management system.
7. Annual training plan.
8. Inspiring Leadership model.
9. Performance and potential assessment model.
10. SOMOS (We Are) relationship model.

General remuneration policy

It is **aligned** with its **Sustainability Policy** and with the Bank's principles and values for managing environmental, social and corporate governance risks.

This policy establishes the foundations of the remuneration system, compatible with Ibercaja's business strategy, objectives, values, and long-term interests, both in absolute terms and in comparison with the sector, thus preventing remuneration practices from undermining the Bank's soundness by incentivising excessive risk-taking behaviour.

Guarantees non-discrimination based on gender. Remuneration is based on equality between male and female workers for the same position or for work of equal value.

It applies to Ibercaja's executives and other employees and includes the main components of the Bank's salary structure:

- **Fixed remuneration**: the main element of the remuneration package for Ibercaja staff.
- **Variable remuneration**: applies to specific groups.
- **Corporate benefits**: complete the remuneration package, increasing employee loyalty and commitment.

Training Policy for Personnel who advise or provide information on financial instruments or investment services, market or provide information on real estate loans or credits, or participate directly in the distribution of insurance products.

Policy regarding the qualifications of personnel who provide information or advice on financial instruments, under the terms established in the Real Estate Credit Contracts Act and its implementing regulations (LCCI regulations); who are directly involved in the provision of investment services and insurance distribution, under the terms established by Royal Decree-Law 30/2020 and its implementing regulations (IDD regulations).

Other management models and protocols

In addition to these policies, Ibercaja has management models, protocols, documents and manuals that regulate and promote responsible practices in relation to its own staff:

1. **Code of Ethics**: sets out the voluntarily assumed ethical commitments as well as the internal and external rules applicable to all the people who are part of Ibercaja. For more information, see section **11.4. Information on governance and business conduct**.
2. **Corporate Culture Manual**: framework document that identifies the elements that form part of Ibercaja Group's corporate culture and establishes its internal relationship model, aligned with the corporate purpose and Ibercaja's way of banking. **This document also** ensures the activation and rooting of corporate culture. The manual outlines a series of essential behaviours common to all Bank employees, with the goal getting them internalised and incorporated into daily activities in a visible way (naturalising a series of behavioural patterns that are to be fostered).

3. **Equality Plan**: a fundamental document that promotes equal opportunities for men and women, prevents discrimination, and encourages work-life balance. It applies to the entire Ibercaja workforce.

4. **Work-life balance management model (Family Responsible Company)**: a dynamic management and continuous improvement process that allows us to keep advancing in the systematic development of family-friendly policies and practices in such a way that our organisation will be able to carry forward cultural change, based on the life project of each person, always ensuring the balance between personal, family and work life. It is described in more detail at the end of the chapter.

5. **Healthy organization management model (SIGOS)**: the application of this model constitutes for Ibercaja a sustainable line of work for implementing actions and processes and achieving short, medium and long-term objectives in the area of health and well-being. The model makes it possible to organise actions in this area in a consistent and structured way, with a view to identifying, planning, implementing, monitoring, assessing and improving all the activities that ensure greater well-being for Ibercaja workers, their family and community, setting up a management system based on continuous improvement.

6. **Occupational risk prevention management system**: Ibercaja has specific mechanisms aimed at ensuring the health and safety of its employees, preventing workplace accidents and promoting a safe environment. It is developed through the Occupational Risk Prevention Manual, which promotes the improvement of working conditions in order to raise the levels of safety, health and well-being in the organisation.

7. **Annual training plan**: represents Ibercaja's commitment to the development of the Bank's people. It supports the Bank's various strategic challenges, incorporates new resources into the branch network's training programmes, offers training to all Bank employees, responds to regulatory requirements regarding training, and measures the potential of acquired knowledge.

8. **Inspiring Leadership Model**: a framework for people recognised as leaders to exert a consistent, coherent influence on their teams, aligned with the Bank's strategy. The model has two axes on which the leader's behaviours are structured. The first axis represents the model's bases: people and results; and the second represents the time horizon: present and future.

9. **Performance and potential assessment model**: a process that allows us to know how the Bank's people have evolved throughout the year.

10. **SOMOS Relationship Model**: enables the activation of the corporate culture, in accordance with the elements that form part of it. This model focuses on a series of essential behavioural guidelines that should guide the way we do things and interact at Ibercaja. For more information, see section **11.4. Information on governance and business conduct**.

Collaboration with workers' representatives

Ibercaja maintains ongoing dialogue with the unions that represent its employees, promoting collective bargaining and collaboration on key issues such as labour rights, gender equality, diversity, and occupational health.

These relationships attempt to facilitate mutual engagement and commitment, in order to progress in improving the employment conditions for people who work at Ibercaja:

- Holding regular meetings with employee representatives.
- Reaching agreements with the Workers' Representatives to improve the conditions established in the collective bargaining agreement.
- Seeking consensus on solutions to specific situations that may arise.
- Providing the information and resources necessary for employee representatives to carry out their work appropriately.

Through this approach, Ibercaja seeks consensus on solutions in specific situations, avoiding confrontations and encouraging the active participation of employee representatives in projects and initiatives that impact the social and working conditions of the workforce. This commitment is complemented by key measures: the equality plan; the time and place flexibility agreement, to achieve work-life balance; and the updated anti-harassment protocols. These actions consolidate an organisational culture based on prevention and the comprehensive well-being of employees.

Throughout 2024, Ibercaja has made significant progress in labour matters. Some of the most important milestones are the signing of the sector-specific collective bargaining agreement and the call for internal competitive examinations, initiatives that reinforce its commitment to the well-being and professional development of its staff:

- On 18 April, Ibercaja and the FINE, COO, and UGT trade unions signed the new collective bargaining agreement, which includes an 11% salary increase over three years, a one-time payment of €1,000 in 2024, and an additional day off each year that the agreement is in effect.
- In August, the Board of Directors approved a call for internal promotions to Levels VIII and X, with 28 places available. The tests will be conducted in the second quarter of 2025. Employees that have been in place for at least 18 months are eligible to participate.

11.3.1.2 Commitment to equality and diversity

Ibercaja is firmly committed to equality and diversity in the work environment.

Ibercaja has an **Equality Plan**, updated on 25 January 2024, it incorporates 24 objectives distributed in 92 specific measures, covering areas such as selection and hiring, professional classification, training, promotion, working conditions, co-responsibility, female under-representation, remuneration, prevention of violence (sexual and workplace) and/or harassment (sexual, gender-based, moral, digital and discriminatory) at work, and occupational health.

Equality week

An initiative framed within the Family-Responsible Company Plan with a triple objective:

1. **Disseminate the agreements reached in the Equality Plan** that reinforce the commitment to the well-being of the people who make up Ibercaja.
2. **Raise awareness in directors,** who make the decisions about appointing new leaders, so that they commit to female talent.
3. **Encourage women with potential** to take a step forwards in their professional career.

At Ibercaja, we have worked for years to ensure that women can thrive in a work environment without structural barriers and have equal opportunities to achieve leadership positions.

This is not an isolated event, but is part of the Family-Responsible Company action plan, which involves increasing the presence of women in all areas of the organisation, including those with the greatest responsibility.

Within the framework of the plan, indicators are in place to show the progress in this area:

- Women represent 49.5% of the workforce (50.7% in age groups under 50 years).
- The level of executive positions stands at 35% (+ 5 percentage points compared to 2020).
- **40% of non-executive positions on the Board of Directors** are occupied by women.
- **50% of** internal vacancies were filled by women, while 44% of the applicants were women.
- **53% of internal promotions**, in 2024, were awarded to women.

Measures to prevent, mitigate and remedy discrimination

Ibercaja specifically considers the following grounds for discrimination: racial and ethnic origin, colour, gender, sexual orientation, gender identity, disability, age, religion, political opinion, national ancestry or social origin, or other forms of discrimination included in European Union and national legislation.

To ensure progress in initiatives that promote diversity and inclusion, avoiding all forms of discrimination, it has the following protocols and channels, among others:

Protocol for the prevention of violence (workplace and sexual) and/or harassment (sexual, gender-based, moral, digital or discriminatory).

One of the goals of the **2024 Equality Plan** is to prevent any situation of violence and/or harassment that may occur at work and, if it does occur, to provide rapid and effective protection.

Protocol for the prevention of violence (workplace and sexual) and/or harassment (sexual, gender- based, moral, digital or discriminatory)

WORKPLACE VIOLENCE

An unreasonable action, incident or behaviour in which a person is assaulted, threatened, humiliated, or injured as a direct result of their work. 2 types: physical violence and psychological violence.

SEXUAL VIOLENCE

Acts of a sexual nature that are not consensual or that condition the free development of sexual life in any public or private sphere, which includes sexual aggression and sexual harassment. It also includes the dissemination of acts of sexual violence through technological means.

SEXUAL HARASSMENT

Unwanted verbal or physical behaviour (words, gestures, attitudes or specific actions) of a sexual nature that violates a person's dignity and creates an intimidating, humiliating, or offensive environment.

GENDER-BASED HARASSMENT

Behaviour carried out on the basis of a person's gender, with the purpose or effect of violating their dignity and creating an intimidating, degrading, or offensive environment.

WORKPLACE HARASSMENT

A situation occurring in the workplace in which a person or group of people systematically and persistently exert psychological violence on another person in order to annul and destroy them physically and psychologically.

DIGITAL HARASSMENT

Behaviour involving any type of harassment against an individual victim or a group of victims, using ICT in the workplace.

WORKPLACE HARASSMENT

Any conduct committed on the basis of birth, racial or ethnic origin, gender, religion, belief or opinion, age, disability, sexual orientation or identity, gender expression, illness, language, personal or social condition that has the objective of violating a person's dignity.

The procedure may be initiated by any person who believes they are being subjected to harassment in any of the forms described, as well as by anyone who witnesses a situation that could be considered harassment.

Investigative committee for the prevention, management and resolution of situations of violence (workplace and sexual) and/or harassment

The purpose of the Investigative Committee is to ensure compliance with the standards of conduct contained in the Protocol. Investigative Committee is formed by:

- Two members of the People Area, one of them assigned to the Health and Labour Relations Unit.
- One of the workers' legal representatives.

Confidential Channel and action procedure

To report potential workplace violence and/or harassment, the **"Harassment Prevention" email address (prevencionacoso@ibercaja.es) has been set up** as a dedicated, confidential channel.

The procedure may be initiated by any person who considers that they are being subjected to violence and/or harassment in the workplace, in any of the forms provided for and defined in the Protocol (workplace and sexual violence and/or sexual harassment for gender, moral, digital or discriminatory reasons), or by anyone who witnesses a situation of this type.

The procedure to be followed is based on the principles of objectivity, rapidity, cross-examination and equality, while ensuring confidentiality at all times.

Commitments related to inclusion and diversity

Regarding inclusion, Ibercaja has made specific commitments to promote the **labour integration of vulnerable groups**. The Bank has had collaboration agreements for several years with special employment centres aimed at promoting the inclusion of people with disabilities or at risk of social exclusion.

Furthermore, Ibercaja promotes equal opportunities through initiatives to prevent discrimination based on racial or ethnic origin, gender, sexual orientation, gender identity, disability, age, religion, political opinions, national ancestry, or social origin.

11.3.1.3 Goals related to the management of own staff

Ibercaja maintains a firm commitment to its own employees, which is why it seeks actively to **improve the experience of its employees** through programmes focused on enhancing their skills and knowledge and through the provision of tools that facilitate interaction with them, such as the SOMOS Internal Portal.

Within the framework of the 2024-2026 “Now Ibercaja” Strategic Plan, goals have been established to continue on the path of incorporating new talent and retaining existing talent to become a bank recognized as an employer brand. The main lines of work planned for 2025 are presented below:

New program for recent graduates

Ibercaja has set the goal for 2025 of launching a specific programme to attract young talent, focusing on recent graduates with outstanding academic records. The main objective of this initiative is to incorporate the best profiles identified each year, with an estimated reach of 5 or 6 incorporations per year.

The program will include the temporary hiring of selected candidates, who will rotate through various departmental areas for several months, gaining a comprehensive view of the organisation and contributing to the development of their talent within Ibercaja.

Obtaining the certificate of *Top Employer*

Ibercaja aims to be recognised as one of the best **companies to work for, gaining the *Top Employer*** certificate.

This certification assesses 255 areas related to human resources management. The goal is to achieve a level of audit compliance that will allow us to obtain this prestigious recognition in the strategic cycle.

New jobs portal

Ibercaja aims to launch and deploy a new Jobs Portal, both internally and externally.

This portal will integrate all planned resources and content, including job postings, the value proposition for future employees, testimonials from current employees, and a dashboard for managing and tracking processes.

11.3.1.4 Actions and measures related to own staff

Ibercaja's People Area has actively participated in developing the **2024-2026 "Now Ibercaja" Strategic Plan** (more information in section 4.5 Positioning and strategic plan). In particular, it has contributed to **Initiative 11, "Leadership and Talent"**, which aims to **continue recruiting new talent and retaining the current team, consolidating Ibercaja's position as a leading employer brand**.

Ibercaja places special emphasis on monitoring and measuring the initiatives implemented, using the KPIs included in the **People Dashboard**, which allow the progress of the different initiatives to be monitored and, where appropriate, corrective actions to be implemented.

Furthermore, periodic pulse surveys are conducted to determine how employees assess the most significant measures, providing important input when it comes to preventing or detecting negative perceptions among staff.

Meeting weekly, the People Committee, led by the head the People Area and made up of all the area unit heads, is responsible for monitoring and improving the Bank's workforce.

In this context, the following actions were carried out in 2024:

Launch of the "Xplora Talento" management training programme

In 2024, Ibercaja, in collaboration with Deloitte and the Business Institute, launched a **programme specifically designed for its staff**. This programme aims to boost employees' professional growth and contribute to their skills development, aligning with the Bank's strategic priorities.

Evolution of the Employee Journey

The employee experience model allows measurement of the events and perceptions that help to provide an understanding of employees' key feelings and the impact they have on their daily lives and, consequently, on the business.

This allows actions to be prioritised based on what the workforce requires (the current experience) and what they would like to experience (the desired experience).

To this end, the model has evolved to identify 18 key moments, up from the previous 10, in an employee's life, differentiating between the professional and personal spheres.

Attracting talent

In 2024, Ibercaja defined a strategic framework for **attracting and capturing talent**. This process includes **development of the job portal**, a significant increase in talent forum participation, the development of **visual resources aimed at attracting candidates**, and the exploration of **new recruitment avenues**.

More than 180 of the new hires in 2024 were permanent. Of these, 128 were employees with a previous relationship with the Bank who were given permanent contracts.

Additionally, 298 students received training in central offices and services through internships, reinforcing Ibercaja's commitment to developing young talent.

Acknowledgements and awards

During 2024, Ibercaja has been recognised in several areas with awards and distinctions, including:

- 1st financial institution to gain the SIGOS Healthy Organization certification.
- 1st Edition of the event, “The health of Aragonese companies”.
- First company in the LinkedIn ranking of “Top Companies” Spain (< 5,000 employees).
- Brandon Hall Award, in the bronze best training category for the initiative: Profitability beyond price.
- Winner in the 10th MAZ Healthy Company Awards.
- Incorporation in the RAES (Aragonese Network of Healthy Companies) of the Government of Aragon.
- 2024 Talent and Merit Award in the “Large Company” category.
- Active participation in external events as an example of good practices.
- Presence at job fairs.

Improved employee value proposition

Ibercaja also implemented various initiatives in 2024 with the aim of improving the value proposition of all the Bank's employees, including the following:

Improvements in housing loan financing conditions

In view of the rise in interest rates and the consequent increases in the Euribor, the Ibercaja Retail Business Committee approved a series of **economic improvements in the conditions of mortgage financing for housing purposes for all members of the Bank with a permanent contract**.

In 2024, the following new features have been introduced:

- **A new fixed-rate loan**
- **Two new mixed-rate loans**

- **The possibility of novating the customer catalogue**

These measures ensure that Ibercaja employees always have the best available offer to finance their home purchase.

SOMOS "We Are Healthy" health and well-being programme

Ibercaja has continued to develop the "We Are Healthy" programme, designed to promote the physical and emotional well-being of its entire workforce through a wide range of activities aimed at fostering a healthy lifestyle and improving overall health.

In the 2024 edition, the programme has maintained its focus on four key areas: health promotion, postural hygiene, cardiovascular health, and balance and well-being. Furthermore, special emphasis has been placed on preventing the most common cancers (colon, prostate, and breast) and promoting physical activity, with initiatives such as a new step challenge and the consolidation of Ibercaja Activa.

Improvements to the FlexiPLAN flexible remuneration plan

Ibercaja has a flexible remuneration plan that allows all its employees' remuneration to be tailored to their personal needs. Up to 30% of gross salary is allocated to certain products or services, such as health insurance, childcare, transportation, restaurants, and training. This provides employees with significant tax savings and, therefore, an increase in their net salary.

In 2024, **the platform used to manage the flexible remuneration plan was updated**, improving the user experience by reducing the number of steps required to purchase products.

Evolution of the Job Map

In 2024, work was carried out on development of the Bank's job map as a starting point for improving other people management tools: personalising performance and potential assessments, adapting career paths and training itineraries.

Support for colleagues affected by the DANA weather event

Following the climatic events that occurred in the Valencia region in 2024, a **special mailbox has been set up to respond in a personalised way to specific requests from Ibercaja employees affected by the DANA event.**

Request have been primarily related to the a**vailability of new vehicles, loans and 0% interest advances.** These requests were handled urgently.

In addition, an **individualised psychological** service has been made available to affected workers to prevent and alleviate the emotional consequences of this tragedy.

11.3.1.5 Collaboration processes and relationships with workers

At Ibercaja, people are the central axis of the organisational strategy. Its commitment to employee development, well-being and engagement is reflected in initiatives that promote an inclusive, sustainable work environment oriented towards continuous improvement.

This objective is aligned with the values promoted by the **10 principles of the United Nations Global Compact**, of which Ibercaja is a signatory, strengthening its commitment to social and ethical responsibility.

In line with this commitment, as explained above, Ibercaja implements actions such as **improving the employee experience**, strengthening talent management, and using active listening tools, such as pulse surveys. It also fosters effective communication, team engagement, and social dialogue to ensure representation and consensus in key decisions.

To achieve these objectives, the Bank promotes **collaboration with its own staff and their representatives**, supported by a structure of people management processes that respond to both the Bank and its employees' strategic needs. This structure includes processes in various areas, such as admission, equality and reconciliation, promotion and professional development, training, remuneration and benefits, communication and participation, prevention and health, and social dialogue, each with its respective associated indicators.

Main means of collaboration with employees

Ibercaja has a team of **people managers** who cover all the branch network's regional offices, the corporate banking team, central services areas and subsidiaries. The goal of this team is for Ibercaja employees to **feel listened to and supported at key moments in their professional life cycle**, such as taking up a new role, an appointment, a transfer, a skills assessment, or when facing a personal or work-related problem.

To support their work, these managers have **specific tools**, such as management protocols for support at key moments, employee records to support management, and a new method for assessing skills and professional expectations.

Every year, more than 1,000 individual interviews are conducted with employees, and different diagnostic reports on Ibercaja's workforce are prepared. This employee relationship model is based on a methodology similar to the commercial management model applied to the Bank's customers:

1. **Knowledge of the employee:** knowledge of the person as a basis for management.
2. **Engagement pathway:** growth in trust and in Ibercaja's relationship with employees.
3. **Key moments in the life of an employee:** opportunity and “purpose” throughout the employee's life.
4. **Advice:** the best for the employee and for Ibercaja.

The Employee Experience Model, mentioned above, allows events and perceptions at key moments in our employees' personal and professional lives to be analysed to understand how they experience and feel those moments, and what the impact is on their day to day activities and, consequently, on the business.

Impulso Solidario solidarity initiative

This internal **participatory initiative linked to Ibercaja's social commitment** has three key objectives: supporting local communities by highlighting their social needs; involving employees in the Bank's social action to strengthen their sense of belonging and make them brand ambassadors; and fostering their commitment through meaningful causes.

In 2024, Ibercaja organised the 7th edition of Impulso Solidario, in which more than **70 employees** presented **62 solidarity projects**, **8 of which received a grant of €10,000 each**, selected by the Solidarity Funds Technical Committee through an anonymous voting system. These grants are channelled through Ibercaja Banco, Fundación Ibercaja, and the “**Your Money with Heart**” solidarity initiative of the Ibercaja Sustainable and Solidarity Investment Fund and the Ibercaja Sustainable and Solidarity Pension Plan.

Pulse surveys

In 2024, Ibercaja implemented pulse surveys as a **key active listening tool**, designed to obtain immediate feedback at key moments in its employees' work experience. This initiative has allowed 100% of the workforce to be consulted, accumulating a total of 5,805 responses. The results obtained have been used to evaluate critical indicators such as the employee's NPS (*net promoter score*), satisfaction and pride of belonging. This information has been used to design **personalised action plans** that respond to the specific needs identified at each stage of the employee experience.

Ideamos Juntos Channel

This channel is used to foster innovation and continuous improvement within Ibercaja, leveraging the knowledge and direct experience of employees. Since its creation in November 2022, more than 800 employees have submitted 2,500 contributions, many of which have already been implemented.

Ibercaja Activa

The **Ibercaja Activa** initiative is part of the Bank's **differential value proposition to its employees.** Its purpose is to act as a point of connection between people, regardless of their field of work, to energise, connect, and integrate the Bank's workforce and its subsidiaries, as well as retired people who wish to continue being part of the organisation.

This initiative allows Ibercaja workers to participate in various social, sports and cultural groups, promoting the **creation of shared spaces and interaction between the different groups linked to the Bank**.

Available groups include: Chess, Athletics, Basketball, Mountain Biking, Cycling, Skiing, Soccer, Golf, Card Games (Guiñote, Mus), Motorcycling, Flower Tribute, Paddle Tennis, Hiking, Tennis, Triathlon and Travel.

SOMOS Excellence Awards

The SOMOS Excellence Awards **draw attention to certain attitudes that exemplify Ibercaja's corporate culture and its unique way of doing things, according to Ibercaja's SOMOS Relationship Model** described previously in the chapter. This year the number awards was increased by 50%.

In 2024, 565 employees were recognized for exemplary actions carried out in 2023 aligned with the five pillars of the SOMOS Relationship Model:

Topic	IROs
Customer service	• The 3 best branches in 2023 for Customer Experience. • Agro strategy. • Ibercaja Gestión
Common objective	• More than 60 award-winner teams. • 154 management figures recognised.
Improve to move forward	• Pensumo Project. • Advanced Cybersecurity Strategy and Fraud Management.
Ibercaja Pride	• Ibercaja Xplora. • Award of Publicly Promoted Employment Pension Plans. • 25 years of the Aragon Economy magazine.
Sustainability in business	• Supervisory review and evaluation process (SREP). • 1st Issuance of Green Bonds.

25 and 40 years' service acknowledgements

Every year, Ibercaja recognises the commitment and loyalty of employees who have worked for 25 or 40 years.

In 2024, the CEO and the Management Committee paid tribute to the work of people who were incorporated in 1999 and 1984; a total of **136 people attended the internal celebration event that was organised**.

In addition to the activities described in the previous sections, Ibercaja has encouraged employees to actively participate in society through other initiatives such as the Corporate Volunteering Programme and the 2nd Move Without a Footprint Challenge. All such initiatives are detailed in section **11.3.2 Affected communities, society and vulnerable groups.**

11.3.1.6 EFR (family-responsible company) management model

Ibercaja's express desire to improve the quality of life and well-being of its employees is also reflected in the strategic orientation that the Bank's People Management Model gives to the element of work-life balance, providing a response, in the form of specific actions, to the commitments acquired.

Thus, in 2018, **Ibercaja Banco** decided to begin the process to gain the **EFR** (family-responsible company) **certification awarded by the Másfamilia Foundation**. This demonstrates the Bank's **commitment and assumption of responsibility in the field of work-life balance, and its strategic nature**. This certification accredits the efforts made thus far and ensures continued development through a standardised management model.

The EFR initiative responds to a **business culture** based on **flexibility, respect and mutual commitment** towards which Ibercaja also wants and is evolving.

As a result, in 2019, Ibercaja obtained EFR certification with regard to the Bank's employees, thus reinforcing its commitment to the people who form the organisation, in accordance with the corporate culture and purpose.

Work-life balance in Ibercaja

During the first certification cycle, which ended in 2022, the family-responsible company model in its standard 1000-1, was constituted as a reference framework for the management of the Bank's human capital, as it fits perfectly with the current SOMOS Relationship Model.

The organisational purpose, mission, vision and values provide the necessary sensitivity for the Bank to continue moving forward with this people management model.

The ultimate goal is to consolidate a **working methodology**, a dynamic management process and continuous improvement, which will make it possible to continue advancing in the **systematic development of family-friendly policies and practices** in such a way that the Bank will be able to carry forward cultural change, based on the life project of each person.

As a result of this work, in September 2022, **the certification as a family-responsible company was renewed, upgraded to the C+ scale**, highlighting as strong points the LeaderA Plan, whose objective is to improve the position of women in management positions, which currently stands at 34%, also underlining the good working atmosphere among members of the workforce and Ibercaja's commitment to sustainability.

Since the first family-responsible company certification was obtained, employees have enjoyed multiple benefits. These include place and time flexibility measures, infant care leave, financial aid for university degree studies and other studies or languages to complement their training, aid for the education of children and economic improvements linked to financing.

In 2024, **new EFR measures regarding place and time flexibility** have been incorporated, and the conditions of some measures in the area of employment quality have been updated.

It is worth noting the **support and active involvement of the Bank's CEO and the entire Management Committee** in this project from the outset, a sign of the leadership implemented in the Bank, with a clear focus on people.

"The people who make up Ibercaja have a key role in the Bank's future, and this management model, which has the firm commitment of the Management, is allowing us to respond to the needs of our employees and to advance in a business culture based on co- responsibility, flexibility, respect and mutual commitment."

Victor Iglesias Ruiz
Chief Executive Officer of Ibercaja

EFR team

The team is made up of **9 people** from different areas of the organisation, all of whom have received training accredited by the Másfamilia Foundation in Work-Life Balance Management according to the EFR Model.

EFR measures

In 2024, a catalogue is available of **96 EFR measures that improve on the legislation in force and the sector-specific agreement**.

Among these measures, the most valued are those related to flexible working hours, study grants and the FlexiPlan flexible remuneration scheme.

The Bank's employees have opted for work-life balance measures such as flexible working hours, leave, reduced working hours and leave of absence. In 2024, 558 people took advantage of these measures (454 for flexible working hours, 79 for reduced working hours, 11 for childcare leave and 14 for leave to care for family members).

In 2024, 87 employees were entitled to parental leave (52 men and 35 women), all of whom took the leave. All 87 returned to work after the end of parental leave.

These measures are available to all Ibercaja Banco workers through the main internal communication channels: Regulations and the **SOMOS Ibercaja** Internal Portal.

In parallel, the Bank regularly carries out internal marketing campaigns to promote and raise awareness of the most representative EFR measures.

In addition, the EFR initiatives implemented have been disseminated externally as a tool to achieve a positive impact on society, strengthen the Bank's image as an employer brand and involve Ibercaja's stakeholders in this project.

Improvement Objectives

In line with the Bank's culture and strategy, in 2022 the EFR team defined a new three-year action plan, approved by the Management Committee, to make further progress in improving the work-life balance of Ibercaja's people.

The plan was conceived along 5 priority lines of action with the objective of strengthening the EFR principles during the second certification cycle (2022-2025).

2022-2025 LINES OF ACTION	
L1. Leader essentials	Framework for people recognised as leaders to exert a homogeneous, coherent and aligned influence on their teams in line with our SOMOS Relationship Model.
L2. Improved information	Promote the mechanisation of the information derived from the monitoring of the EFR model and integration with people analytics for a better exploitation of the data.
L3. Employee value proposition	Advance in the implementation of new measures and work schemes that facilitate balance and well-being in people's lives.
L4. Training	Definition of the EFR training plan aimed both at people directly linked to the EFR model and at the rest of the staff.
L5. Communication and awareness-raising	Define new internal and external communication strategies to raise awareness of EFR measures, promote their use and extend the EFR culture to other stakeholders.

Each of these five main lines is associated with an action plan for its achievement, which includes intermediate objectives, deadlines for implementation and responsible persons.

11.3.1.7 Parameters related to own personnel

Some parameters related to Ibercaja Banco's own personnel are shown below (additional details can be found in Appendix E Additional non-financial information, content on Taxonomy).

In 2024 and 2023, 100% of employees were covered by collective bargaining agreements.

Distribution of Ibercaja Banco's workforce by gender

Gender	2024
No. of employees - Men	2,390
No. of employees - Women	2,340
Other	0
Not reported	0
Total employees	**4,730**

Gender	2023
No. of employees - Men	2,348
No. of employees - Women	2,279
Other	0
Not reported	0
Total employees	**4,627**

Gender	2022
No. of employees - Men	2,263
No. of employees - Women	2,202
Other	0
Not reported	0
Total employees	**4,465**

Distribution of the workforce by job category (No.)

	Gender		Total	Average age
2024 Job category	Man	Woman		
MANAGERS	608	332	940	47
MIDDLE MANAGERS	471	470	941	50
TECHNICAL STAFF	851	1046	1,897	48
CLERICAL STAFF	460	492	952	43
TOTAL	**2,390**	**2340**	**4,730**	**47**

Distribution of the workforce by job category (%)

	Gender		Total	Average age
2024 Job category	Man	Woman		
MANAGERS	64.7%	35.3%	940	47
MIDDLE MANAGERS	50.1%	49.9%	941	50

TECHNICAL STAFF	44.9%	55.1%	1.897	48
CLERICAL STAFF	48.3%	51.7%	952	43
TOTAL	**50.5%**	**49.5%**	**4.730**	**47**

Distribution of the workforce by age range

	2024	
Age range	No. of employees	% of employees
<= 30	564	12%
31-50	2032	43%
>50	2134	45%

Distribution of Ibercaja Banco's workforce by type of contract and gender

	2024		
Type of contract by gender	Woman	Man	Total
Total number of employees	2,340	2,390	4730
Number of permanent employees	2,232	2,286	4,518
Number of temporary employees	108	104	212
Number of employees with non-guaranteed hours	0	0	0
Number of full-time employees	**0**	**0**	**0**
Number of part-time employees	**0**	**0**	**0**

Distribution of Ibercaja Banco's workforce by type of contract and region

Type of contract	RETAIL BUSINESS	ARAGON TERRITORIAL DIVISION	MEDITERRANEAN COAST TERRITORIAL DIVISION	EXTREMADURA TERRITORIAL DIVISION	MADRID, NORTH-WEST AND SOUTH TERRITORIAL DIVISION
Number of employees	68	1,218	544	242	930
Number of permanent employees	68	1,133	510	233	881
Number of temporary employees		85	34	9	49
Number of full-time employees	**68**	**1,218**	**544**	**242**	**930**
Number of part-time employees	**0**	**0**	**0**	**0**	**0**

Type of contract	RIOJA, BURGOS & GUADALAJARA TERRITORIAL DIVISION	CENTRAL UNITS	CORPORATE BANKING DIVISION	TOTAL
Number of employees	552	841	335	4730
Number of permanent employees	531	835	327	4,518
Number of temporary employees	21	6	8	212
Number of full-time employees	**552**	**841**	**335**	**4,730**
Number of part-time employees	**0**	**0**	**0**	**0**

The classification by location is the organisation by Territorial Divisions of the Bank.

- ARAGON TERRITORIAL DIVISION; ARAGON AUTONOMOUS REGION
- MEDITERRANEAN COAST TERRITORIAL DIVISION; ANDALUSIA AUTONOMOUS REGION, BALEARIC ISLANDS, CASTILLA LA MANCHA, CATALONIA, VALENCIA AND MURCIA REGION
- EXTREMADURA AND SOUTH TERRITORIAL DIVISION; ANDALUSIA AUTONOMOUS REGION, CANARY ISLANDS AND EXTREMADURA
- MADRID AND NORTH-WEST TERRITORIAL DIVISION; AUTONOMOUS REGIONS OF CASTILLA LA MANCHA, CASTILLA Y LEON, GALICIA, MADRID AND PRINCIPALITY OF ASTURIAS
- RIOJA, BURGOS AND GUADALAJAR TERRITORIAL DIVISION; AUTONOMOUS REGIONS CANTABRIA, CASTILLA LA MANCHA, CASTILLA LEON, LA RIOJA, FORAL DE NAVARRA AND PAIS VASCO.

Wage gap

The wage gap reached 10.25% in 2024.

The formula used to calculate the wage gap was as follows:

$$\frac{\text{Average gross hourly wage level of male employees} - \text{Average gross hourly wage level of female employees}}{\text{Average gross hourly wage level of male employees}} \times 100$$

The average gross level has been determined using the average hourly wage.

Ratio of highest-paid person - workforce median

The ratio of the highest-paid person in the workforce to the median salary is 5.3.

The formula used to calculate this ratio is as follows:

$$\frac{\text{Total annual remuneration of the person with the highest salary in the company}}{\text{Median of remunerations}} \times 100$$

Average remunerations and their evolution broken down by gender

Gender	2023 - 2024 (Average remuneration €)		
	FIXED SAL. + BONUS 2024	INCR. COMP. 2023	FIXED SAL. + BONUS 2023
Men	57,529	4.87%	54858
Women	51,633	5.35%	49,012
Total	**54,612**	**5.07%**	**51,978**

Gender	2022 - 2023 (Average remuneration €)		
	FIXED SAL. + BONUS 2023	INCR. COMP. 2022	FIXED SAL. + BONUS 2022
Men	54,858	4.07%	52713
Women	49,012	4.59%	46,860
Total	**51,978**	**4.32%**	**49,826**

Average remuneration and its evolution broken down by age range

Age	2023 - 2024 (Average remuneration €)		
	FIXED SAL. + BONUS 2024	INCR. COMP. 2023	FIXED SAL. + BONUS 2023
Employees < = 30	29,580	7.14%	27609
Employees aged 31-40	46,480	4.06%	44,665
Employees aged 41-50	54,773	5.62%	51,857
Employees aged 51-60	62,058	4.95%	59,130
Employees >60	80,060	(6.11)%	85,267
Total employees	**54,612**	**5.07%**	**51,978**

Age	2022 - 2023 (Average remuneration €)		
	FIXED SAL. + BONUS 2023	INCR. COMP. 2022	FIXED SAL. + BONUS 2022
Employees < = 30	27,609	13.22%	24385
Employees aged 31-40	44,665	3.96%	42,963
Employees aged 41-50	51,857	4.95%	49,413
Employees aged 51-60	59,130	4.04%	56,832
Employees >60	85,267	2.10%	83,511
Total employees	**51,978**	**4.32%**	**49,826**

Average remuneration and its evolution broken down by job category

	2023 - 2024 (Average remuneration €)		
Job category	FIXED SAL. + BONUS 2024	INCR. COMP. 2023	FIXED SAL. + BONUS 2023
Managers	68,037	5.37%	64569
Middle managers	61,611	5.42%	58,441
Technical staff	51,070	4.25%	48,988
Clerical staff	41,498	3.39%	40,137
Total no. of employees	**54,612**	**5.07%**	**51,978**

	2022 - 2023 (Average remuneration €)		
Job category	FIXED SAL. + BONUS 2023	INCR. COMP. 2022	FIXED SAL. + BONUS 2022
Managers	64,569	4.37%	61,868
Middle managers	58,441	4.56%	55,892
Technical staff	48,988	4.79%	46,750
Clerical staff	40,137	2.21%	39,268
Total no. of employees	**51,978**	**4.32%**	**49,826**

Average remuneration of executives s and its evolution broken down by gender

	2023 - 2024 (Average remuneration €)		
Gender	FIXED SAL. + BONUS 2024	INCR. COMP. 2023	FIXED SAL. + BONUS 2023
Employees - Men	70,333	5.47%	66,682
Employees - Women	63,832	5.49%	60,508
Total employees	**68,037**	**5.37%**	**64,569**

	2022 - 2023 (Average remuneration €)		
Gender	FIXED SAL. + BONUS 2023	INCR. COMP. 2022	FIXED SAL. + BONUS 2022
Employees - Men	66,682	3.90%	64,179
Employees - Women	60,508	5.32%	57,450
Total employees	**64,569**	**4.37%**	**61,868**

Average remuneration of senior management and its evolution broken down by gender

Gender	2023 - 2024 (Average remuneration €)		
	FIXED SAL. + BONUS 2024	INCR. COMP. 2023	FIXED SAL. + BONUS 2023
Employees - Men	256,429	7.99%	237,459.00 €
Employees - Women	243,938	6.20%	229,699
Total employees	**253,098**	**7.54%**	**235,343**

Gender	2022 - 2023 (Average remuneration €)		
	FIXED SAL. + BONUS 2023	INCR. COMP. 2022	FIXED SAL. + BONUS 2022
Employees - Men	237,459	9.96%	21,597.00 €
Employees - Women	229,699	11.64%	205,752
Total employees	**235,343**	**10.40%**	**213,166**

The criteria followed for the calculation is different from that shown in financial statements.

Number of hours of absenteeism

	2022	2023	2024
Number of hours of absenteeism	314,708	304,822	313,186

Frequency and severity of occupational accidents

Occupational accidents	2024 (Gender)		
	Men	Women	**Total**
Frequency index	–	1.3532	**0.6684**
Severity index	0.0911	0.2357	**0.1625**

Occupational accidents	2023 (Gender)		
	Men	Women	**Total**
Frequency index	0.9078	2.0989	**1.4952**
Severity index	0.0660	0.3197	**0.1912**

Occupational accidents	2022 (Gender)		
	Men	Women	**Total**
Frequency index	1.1733	1.1529	**1.1944**
Severity index	0.1277	0.1169	**0.1388**

Number of accidents at work and recordable accident rate

	2024	
	Number	Accident rate
Accidents at work recorded	6	0.668384223

(*) The formula used to calculate this percentage must be as follows:

$$\frac{\text{Number of cases of accidents at work}}{\text{Number of hours of worked}} \times 1M$$

None of these accidents have resulted in fatalities in 2024.

Number of voluntary resignations and turnover rate by gender

	2024 Gender	
Reason for leaving	Women	Men
Voluntary resignation	6	12
Dismissal	6	15
Retirement	2	—
Death in service	1	1

	2023 Gender	
Reason for leaving	Women	Men
Voluntary resignation	10	16
Dismissal	8	13
Retirement	—	—
Death in service	1	2

	2022 Gender	
Reason for leaving	Women	Men
Voluntary resignation	7	13
Dismissal	94	139
Retirement	—	3
Death in service	2	3

Employees with disability

	2024					
	Number			Percentage		
	Men	Women	**Total**	Men	Women	**Total**
People with disabilities	20	34	**54**	37%	63%	**100%**

In 2023, the Bank's workforce included 50 employees a recognised disability.

Average number of training hours by gender

	2024		
	Men	Women	**Total**
Number of hours of training	157,397	160,226	**317,622**
Average number of hours of training	66	68	**67**

Average number of training hours by job category

	Number of hours of training 2024			Average number of hours of training (*)		
Job category	Woman	Man	**Total**	Woman	Man	**Total**
Managers	36,608	20,733	**57,340**	60	62	**61**
Middle managers	26,336	26,117	**52,453**	56	56	**56**
Technical staff	48,277	62,555	**110,832**	57	60	**58**
Clerical staff	46,176	50,822	**96,998**	100	103	**102**

	Number of hours of training		
Job category	2022	2023	2024
Managers	76,375	63,770	57,340
Middle managers	69,278	53,840	52,453
Technical staff	122,244	109,919	110,832
Clerical staff	115,160	105,446	96,998
Total no. of employees	**383,057**	**332,975**	**317,622**

Employees covered by a health and safety management system

	2024	
	Number of employees	Percentage
Employees covered by a health and safety management system	4,730	100%

11.3.2 Affected communities, society and vulnerable groups

The Ibercaja Banco Group promotes sustainable development and addresses social and environmental needs through its activities. Its commitment to society is demonstrated through its actions, which aim to generate a positive and lasting impact.

In the exercise to identify material issues for its stakeholders, Ibercaja has determined that, in relation to the affected stakeholders, the material issues are:

- **Economic, political, social and cultural rights.**
- **Civil and political rights of the communities.**
- **Affected communities.**

Below is a list of the impacts, risks and opportunities identified as material:

Topic	IRO type	IROs
Affected communities	Impact	Promoting economic and social development through local community support initiatives, such as job creation, education and infrastructure, creating a more stable local environment that benefits both the community and the Bank in the long term.
Civil and political rights of the communities	Impact	Equitable access to education, health, decent work and cultural participation, promoting equal opportunities and reducing poverty and social exclusion.
Economic, political, social and cultural rights	Impact	Support for SMEs to strengthen the local business community, creating a more robust and dynamic business environment that fosters innovation and economic development.
Economic, political, social and cultural rights	Opportunity	Support for SMEs, improving the Bank's public image, highlighting it as a key player in local or regional economic development, which can attract more customers and investors.
Economic, political, social and cultural rights	Opportunity	Developing initiatives linked to the development of the regions in which it operates improves the Bank's reputation and strengthens society's view of it as a benchmark in the regional market.

11.3.2.1 Policies related to affected groups, society and vulnerable groups

Ibercaja develops a banking model with a high level of social sensitivity, committed to sustainable development of its territories, paying great attention to preservation of the planet. Its objective is to generate value for the entire society. To achieve this in its **Sustainability Policy**, Ibercaja commits to:

- Contribute to the **sustainable development of the territory** by supporting the productive fabric and establishing **channels of collaboration and dialogue** with local players.
- Be sensitive to **social and environmental demands**, through its **financial activity**, with relevant products and services.
- Promote **financial education**, which favours financial inclusion and accessibility to financial services for those groups that may have more difficulties.
- To move forwards in **sustainability**:
    - Responsibly assume **commitments promoted by national and international organisations that** ensure **sustainable development**, human rights, good governance, ethical commitments and the fight against corruption and other illegal practices.
    - **Collaborate with organisations, entities and regulators** in the development of **sustainable actions**.
    - **Raise awareness and disseminate good practices** to help society in the transition towards a **sustainable economy**.
- Promote and support **corporate volunteer initiatives** that have a positive impact on society.
- Comply with all its tax obligations, making its **tax responsibility** clear.

More details on the Sustainability Policy can be found in various sections of the report, particularly in **11.2 Climate and Environmental Information**.

These commitments are reinforced by Ibercaja's adherence to the **United Nations Global Compact**, whose principles include respect for and protection of human rights, as well as the promotion of responsible practices in the labour and social spheres, and its alignment with the **United Nations Guiding Principles on Business and Human Rights** (for more details on business conduct, see section **11.4 Information on governance and business**

conduct), an international framework that establishes corporate responsibilities with respect to human rights and encourages its commitment to affected groups.

The Bank aligns its activity with the SDGs (see section **11.1.4 Double materiality assessment**). It should be noted that, to the extent that contributions of economic nature by the Bank to foundations and not-for-profit entities are made through accounts held in Ibercaja, the entities benefiting from these contributions are subject to the same controls for prevention of money laundering and financing of terrorism as other customers. In addition, given that due to their very nature, such entities are categorised as medium risk customers, in addition to the application of due diligence measures that are carried out in each customer registration or monitoring of the business relationship (e.g. check against blacklists), the Bank adopts additional control measures for the adequate management of the risk of money laundering or financing of terrorism.

11.3.2.2 Goals related to affected groups, society and vulnerable groups

Goal of increasing social impact

Within the framework of the 2024-2026 “Now Ibercaja” Strategic Plan, the Bank has set a goal to collaborate with the Ibercaja Foundation to increase the social impact of its initiatives.

Based on 2023 data, where more than 1,000,000 beneficiaries were recorded, a target has been set to increase the number of participants and beneficiaries of the actions carried out by the Ibercaja Foundation, according to the following percentages:

- 8% increase in 2024.
- 13% increase in 2025.
- 20% increase in 2026.

In 2024, the goal set has been achieved.

Corporate volunteering programme growth target

This programme is promoted by the Fundación Ibercaja foundation, in collaboration with Ibercaja Banco, and includes the participation of active and retired employees of Ibercaja Group and the Fundación Ibercaja.

As part of the 2024-2026 “Now Ibercaja” Strategic Plan, the Bank has set a three-year goal to increase participation in the Corporate Volunteering Programme. Starting from the data for 2023, when there were more than 400 volunteers, the Bank aims to increase the number of people participating in Ibercaja's volunteering actions by at least 10% each year until 2026.

The action taken by the Bank to achieve this goal is detailed later in the section.

11.3.2.3 Actions and measures related to events in the area of affected communities, society and vulnerable groups

The Ibercaja Banco Group is committed to sustainable growth in the region and to addressing social and environmental needs through its financial activities, primarily for the most vulnerable groups in the main areas where it operates, taking into account basic needs such as equitable access to education, healthcare and decent work. This commitment to society is reflected in all its actions, driven by the goal of generating a positive impact on economic stakeholders, including individuals, SMEs and large corporations.

The Bank puts this commitment into practice in its financial activities, where it pursues the goal of “Helping people build their life story,” with a close and relational approach to banking that puts the customer and people at the centre. This effort and the benefits obtained are directly returned to society through its **shareholder foundations**, which play a fundamental role in improving the lives of those most in need, caring for and protecting the environment, and promoting education and culture. These foundations work to drive tangible lasting change, contributing to the well-being of society and sustainable development. The most significant actions carried out by the main shareholder, Fundación Ibercaja, are highlighted below.

Actions carried out by Fundación de Ibercaja

In 2024, **Fundación Ibercaja** reaffirmed its commitment to society by implementing 3,130 initiatives that benefited **1,362,314 people**. These actions, as part of its **2022-2024 Strategic Plan**, cover **social action, mobility, culture, employment and business, education, and the environment**, with a net investment of **€18,288,388** (€23,870,963 gross investment) allocated to priority lines of action. The granting of aid has involved participation in 545 projects.

Since joining the Global Compact in 2018, Fundación Ibercaja has integrated the Sustainable Development Goals (SDGs) into its strategy, consolidating its position as a key player in the implementation of the 2030 Agenda. This commitment aligns with its century-old mission to create opportunities for all of society.

Communication and dialogue with **stakeholders** have been essential for Fundación Ibercaja in 2024. Internally, interaction platforms were strengthened, while externally, cultural, social and sustainability activities were promoted. With 140 press releases and 29 press conferences, the Foundation achieved **8,944 media impacts**, increasing its visibility by 4.66% compared to the previous year. Its digital community exceeded 130,000 followers.

Social action

In 2024, Fundación Ibercaja allocated a total of **€5,696,047** to this line of social action.

This year, 2024, Fundación Ibercaja launched the first edition of the **Call for Proposals on Social Innovation and Environmental Protection**, aimed at projects that conserve biodiversity and reduce environmental pollution. **28 projects** will benefit from a total of **€132,000**.

In addition, the traditional **Call for Social Projects** has been maintained, now in its twentieth edition, focusing on generating opportunities for social and employment integration, as well as meeting the basic needs of vulnerable groups. This call has benefited 343 initiatives throughout Spain, impacting 101,445 people. Third sector organisations have also received support through the International Cooperation Call, open for the first time to all Spanish associations, with funds allocated to projects abroad, allocating a total of **€130,000** to **40 projects**.

In addition to providing direct aid to social projects, Fundación Ibercaja has collaborated with **third sector** organisations in programmes and activities that provide a specific response to the needs of certain groups such as families with limited resources, the elderly, young people outside the education system or people with disabilities.

Notable actions carried out in 2024 include a solidarity campaign, in response to the consequences of the **DANA** weather event that hit Valencia at the end of the year, carried out in **collaboration with the Spanish Red Cross**, aimed entirely at alleviating the damage caused by the catastrophe. The total funds raised during 2024 from more than 8,300 donors exceeded €1,900,000, and an additional €210,000 were donated through collaboration agreements signed by Ibercaja Banco and Fundación Ibercaja with various institutions.

Employment

As part of its commitment to improving people's employability and the competitiveness of companies, the Ibercaja Foundation has a wide range of programmes and alliances with companies and institutions aimed at enhancing the skills of those who wish to embark on a new business venture, be more efficient and productive in their companies or acquire and improve skills to function in the new work environments of the digital era. In 2024, the Ibercaja Foundation allocated **€6,947,615** to employment programmes, activities and resources.

The Fundación Ibercaja Campus, located in the Monastery of Cogullada, has organised training programmes and activities for professional and personal development, aimed primarily at professionals and companies in the Ebro Valley.

Education

Fundación Ibercaja has continued its commitment to education through a wide range of programmes designed to complement and support training for new generations, with a total investment of **€3,742,622** in 2024.

The most notable initiatives include **"Educate for the Future"**, a programme focused on educational innovation, which in its 2024 edition has focused on artificial intelligence.

The **Learning to be an Entrepreneur** programme completed its 14^{th} edition, with a total of 62 schools participating in 2024. This programme, aimed at 5^{th} and 6^{th} year primary schoolchildren, aims to help them understand how the entrepreneurial world works from school, encouraging their entrepreneurial spirit, autonomy and personal initiative.

The **Financial Literacy** Programme reached its eleventh edition in 2024, having become an ideal complement to augment the financial culture of the public, with basic finance workshops and days for schoolchildren and activities for the general public. Managed by the Ibercaja Foundation, the programme responds to Ibercaja Banco's commitment to the National Financial Education Plan, led by the Bank of Spain and the Spanish National Securities Market Commission (CNMV). Its objective is to promote basic financial literacy for all citizens.

In 2024, Fundación Ibercaja launched the third edition of "**Schools 2030: Rescuers of the Planet**", in collaboration with Santillana, as part of its commitment to implementing the **Sustainable Development Goals**. The initiative is aimed at secondary school students so that they can work on the SDGs and the 2030 Agenda in a cross-cutting manner and in different areas.

Finally, Ibercaja's Educational Programs have **complemented the education of the youngest** through different activities adapted to the different educational stages, in key subjects such as financial education, mobility, art, science, technology, languages and the environment. In all, a total of 19,173 schoolchildren took part.

Culture

Fundación Ibercaja has reaffirmed its commitment to **promoting culture**, allocating a total of **€7,484,679** to promoting arts such as music and theatre, with 464,242 beneficiaries.

The Goya Museum has offered various temporary exhibitions, welcoming a **record total of 118,151 visitors**. Fundación Ibercaja's exhibition and conference centre, Patio de la Infanta, has also hosted interesting temporary exhibitions.

Fundación Ibercaja is open to the public through its **different cultural centres,** in Zaragoza, Huesca, Teruel, La Rioja and Guadalajara, providing a sounding board for its proposals giving a visible face to the people who make its work possible in all the places where it is present.

In 2024, the **20th anniversary of the Ibercaja Huesca Centre** was celebrated, with a complete programme of activities and events being organised throughout the year.

Promotion of sustainable mobility

Mobility City was consolidated in 2024 as a benchmark for disseminating and learning about sustainable mobility, with more than 187,491 visitors throughout the year. Mobility City has hosted highly significant **events**, such as the fourth edition of the **Driving Sustainable Mobility Awards**, recognising innovative projects in collaboration with Anfac, Sernauto, and Faconauto, and the **International Congress on Motorcycle Road Safety**, which brought together more than 200 experts and featured the “**MotoTech**” technology exhibition.

In terms of impact, the space has strengthened its position as a key meeting point for dialogue, innovation, and awareness-raising around sustainable mobility and urban planning.

Environment

Fundación Ibercaja has strengthened its commitment to sustainability and caring for the planet, aligning all its activities with the 2030 Agenda and the Sustainable Development Goals (SDGs). One of the most notable initiatives is **“Ibercaja Forest”**, a comprehensive reforestation project that seeks to restore ecosystems degraded by fires, overgrazing and debris dumps. To date, nearly 60 hectares with more than 70,000 trees of various species have been restored in locations such as Tauste, Peñaflor and Albentosa, thus contributing to preservation of biodiversity and **CO2 capture**.

In 2019, Fundación Ibercaja implemented a decarbonisation plan based on electrification, process improvement, energy efficiency, and emissions reduction. Year after year it has registered its carbon footprint in the MITERD Carbon Footprint Registry, and in 2024 gained the triple certification of **I calculate, reduce and offset**. Specifically, in 2024, the Ibercaja Foundation offset 100% of the direct emissions it was not able to reduce. These are the emissions produced in all of the Foundation's operational centres, thus achieving net-zero emissions.

Additionally, and consistent with its continuous improvement process and environmental commitment, Fundación Ibercaja has more than 40 KPIs that analyse other sources of indirect emissions in an annual procedure verified and audited by third parties, certified in accordance with the ISO 14064 standard.

Furthermore, the method used for this offset is supported by carbon rights generated by Fundación Ibercaja in the two carbon sinks it maintains in this registry, and which are part of the nearly 60 hectares, with more than 70,000 plants, that it has already promoted within its area of operation, demonstrating its regional commitment.

Compared to 2019, the average emissions per activity recorded over these five years are already below the 50% target set for 2030.

All the data can be consulted in the Ministry for Ecological Transition and the Demographic Challenge's register of carbon footprint, offsetting and absorption projects, thus ensuring its accuracy, traceability and transparency.

Actions carried out by Ibercaja Group

Ibercaja Group works closely to promote projects that foster social, cultural and educational development, including the following.

Solidarity initiatives: "Your money with heart" and "Solidarity Drive"

The **"Your Money with Heart"** initiative supports social and environmental projects through the investment fund and pension plan "Ibercaja Sostenible y Solidario". It is led by Ibercaja Group and carried out in collaboration with Fundación Ibercaja.

In 2024, this fund and the plan had funds of nearly **€900 million and more than 43,500 holders**. As well as being sustainable since their management incorporates ESG (environmental, social and governance) criteria, they are charitable since the management companies of both products **donate a portion of their management fees annually to social and environmental projects**.

In 2024, **donations exceeding €1.2 million were made to 23 non-profit organisations and associations** to carry out various charitable and environmental projects.

The "Impulso Solidario" initiative, as part of "Your Money with Heart," is aimed at strengthening the Bank's social commitment through the collaboration and direct participation of Ibercaja Group and Fundación Ibercaja staff, who submit social and environmental projects of different non-profit organisations and associations. The winning projects receive a grant from "Your Money with Heart" to contribute to their development.

Corporate volunteering programme

Ibercaja Banco and Fundación Ibercaja collaborate closely to offer active employees, retirees and family members of Ibercaja Group and Fundación Ibercaja the opportunity to participate in charitable activities that contribute to personal development and environmental protection, thereby conveying these values to society. It is a programme that seeks to motivate employees to contribute to equal opportunities in society, to improve the quality of life of people, preserve the natural environment or promote social cohesion and development, through its own initiatives or in collaboration with other institutions and entities.

In 2024, in line with the Strategic Plan, the participation and involvement of Ibercaja employees and the creation of partnerships have been strengthened, 25 activities being undertaken throughout the year with the active participation of more than 800 volunteers.

The solidarity actions carried out have been related to diverse areas of social responsibility, covering 9 of the 17 SDGs and demonstrating commitment to the community and the environment.

In addition, in 2024, the **Ibercaja Corporate Volunteering Manual** was prepared and approved. This manual, sets the conditions and reflects the rights and responsibilities for volunteers, and, above all, reinforces Ibercaja's commitment to its employees and society.

Well-being and healthy habits

In 2024, Ibercaja promoted various sports and leisure activities focused on well-being and healthy habits as a vehicle for transmitting its values.

The expected results include an increase in brand awareness and knowledge, and the strengthening of the values associated with Ibercaja, such as **sustainability, healthy living and solidarity**. These objectives are complemented by the promotion of healthy habits among employees and customers, as well as a positive impact on communities through charitable actions. Some of the actions to promote well-being and healthy habits can be found in the sponsorship section below.

Sponsorships

Ibercaja has promoted well-being and healthy habits through its sponsorships.

Some of the outstanding actions this year were:

- **Sport:** sponsorship of multiple races, including "Ibercaja Madrid runs for Madrid" and the "Madrid runs for Valencia" charity race to benefit people affected by the Dana weather event in Valencia; the Valencia 10K; and the "Rock'n'roll Series Madrid." Ibercaja sees **grassroots sports** as the main vehicle for educating people, especially the youngest, in healthy values and habits. In 2024, sponsorship of federations and clubs reached more than **320,000 young people doing sports.**

- **Culture:** Ibercaja Delicias Space in Madrid (in 2024, Ibercaja received the ESA Best of Europe Silver Sponsored award for this sponsorship); Teatro Principal theatre in Zaragoza; Festival 501, Muwi Festival, and Fiz Festival; "Christmas Magic" Park in Torrejón de Ardoz, declared a Festival of Tourist Interest; and the "Christmas Tales" light show in Zaragoza.

Special mention should go to the **Xplora space in Zaragoza**. In September 2024, its first anniversary was celebrated, and it has established itself as a place open to all citizens to exchange and share knowledge and experiences, both personal and professional. Since its inauguration, it has received around 20,000 visitors and has held an average of **1.03 events a day**.

11.3.3 Consumers and end-users

Ibercaja works responsibly with its customers to foster sustainable practices and create shared prosperity for the present and the future.

The **Bank's strategy is customer-oriented**, focusing on quality of service and differentiated advice to **create significant, continuous and lasting value** for customers.

This strategy, as detailed in section **11.1.3 Business model, sustainable strategy and value chain,** is based on enhancing the positive impact and minimising the negative impact on its environment, both in the Bank's own operations and in the activities of its customers. This approach seeks to ensure continued growth, improving profitability, and strengthening the organisation's positioning for being recognised as an agent of change that generates value and contributes to social and environmental progress.

In this regard, as detailed in section **11.1.4 Double materiality assessment**, the Bank has carried out a theoretical exercise to identify the topics relevant to its customers, identifying:

- **Incidents related to information for customers.**
- **Social inclusion of customers.**

Below is a list of potential impacts (positive or negative), risks and opportunities (IROs) that have been classified as relevant:

Topic	IRO type	IROs
Incidents related to information for consumers or end users	Impact	Potential mishandling and/or misuse of customers' private information.
Incidents related to information for consumers or end users	Impact	Customer vulnerability as a result of potential loss of financial and personal data due to breaches in the Bank's information systems.
Incidents related to information for consumers or end users	Risk	Potential losses resulting from a cybersecurity event that causes a leak of financial and personal information, impacting the Bank's reputation.

Topic	IRO type	IROs
Incidents related to information for consumers or end users	Impact	Decrease in the quality of the service offered and increase in dissatisfaction and customer loss due to the potential ineffectiveness of the complaints and claims system.
Incidents related to information for consumers or end users	Impact	Optimisation of external communication, facilitating active and effective customer listening.
Incidents related to information for consumers or end users	Impact	Potential damage when contracting due to difficulty in understanding the contractual and commercial information on Ibercaja products.
Incidents related to information for consumers or end users	Opportunity	High percentages of loyalty and retention in the Bank's customers due to providing personalised attention.
Social inclusion of consumers or end users	Impact	Improvement in the quality of services offered and customer satisfaction.
Social inclusion of consumers or end users	Risk	Negative perception among customers due to a potential lack of transparency on the part of the Bank.
Social inclusion of consumers or end users	Risk	Potential reputational risk arising from a lack of commercial and corporate transparency.
Entity-specific	Impact	Possibility of offering educational tools and resources that strengthen its customers' financial decision-making capacity.

11.3.3.1 Policies related to consumers and end users

Ibercaja is firmly **committed to sustainability, the protection of human rights and excellence in customer service**, aspects that serve as fundamental pillars of its corporate strategy. Through its **Sustainability Policy**, as mentioned previously, the Bank integrates sustainable development into its business model, identifying opportunities, adapting its offering, and raising customer awareness about the need to transition towards a decarbonised economy. This commitment is complemented by the implementation of responsible customer service practices, regulated by key documents that guarantee transparency, service quality, and respect for user rights.

Sustainability Policy

The **Sustainability Policy** includes Ibercaja's commitments to its customers:

- Work to get to know each customer in depth, to always offer them the products, services and information they need, adapted to their expectations and requirements.
- Align business strategy with the United Nations United Nations Principles of Responsible Banking.:
    - Identifying impacts and needs derived from sustainable development.
    - Adapting the offer to respond to these new needs, which promote sustainable business models and practices.
    - Sensitising our customers in the necessary transition towards a decarbonised economy, also identifying their sustainability preferences.
- Helping our customers to optimise the management of their finances, in a simple way, with the best advice, tools and information, thereby promoting their financial education.
- Paying special attention to transparency in the communication and marketing of products, providing the necessary information for the customer to be able to make informed advised decisions, avoiding information manipulation and protecting their integrity and honour.
- Always protect the confidentiality of customer data, maintaining the highest security standards.
- Establishing efficient dialogue channels that allow us to listen to our customers, as a basis for long-term mutual commitment, offering the highest quality of service.
- Providing maximum diligence to prevent and avoid the financing of illegal practices, complying with the Regulations for the Prevention of Money Laundering and Terrorist Financing.

This Policy also details the tools and mechanisms the Bank has established to protect and efficiently manage relationships with its customers, ensuring that all processes comply with the environmental, social and governance (ESG) criteria established by current regulations.

Policies in the area of retail business

In the area of retail business, there are a number of policies to ensure ethical and quality customer service, including:

- The **Launch of New Products and Services Governance Policy**: which regulates the aspects to be observed in the design and marketing of new products.
- The **Policy on Recording Telephone Conversations and Electronic Communications with Investment Customers**: establishes guidelines for recording telematic conversations with investment customers in accordance with current regulations, with the aim of strengthening customer protection, improving market surveillance, and increasing legal certainty.
- **Policy on Sustainability Risk Integration in Discretionary Portfolio Management and Advice**: its purpose is to establish the principles, processes and governance framework that govern the integration of sustainability risks into discretionary portfolio management investment decisions and investment advice proposals to customers, in order to mitigate risks and preserve value for the customer in the long term.
- **Policy on Due Diligence for Adverse Impacts on Sustainability Factors in Advisory and Discretionary Portfolio Management**: establishes the framework for the identification, analysis and management of impacts on sustainability factors, in accordance with the provisions of EU Regulation 2019/2088 on sustainability-related disclosures in the financial services sector.
- **Policy on Involvement in Discretionary Portfolio Management**: contains the general principles, criteria and procedures regarding the Bank's involvement in discretionary portfolio mandates entrusted by its customers, assuming the duty to ensure the generation of long-term value from investment in financial assets.
- **Incentive Policy for the Provision of Investment Services**: establishes the general principles for identification, processing, registration and inventory in setting incentives for the investment services it provides, including, when applicable, notification to customers.

These policies have been **approved by the Ibercaja Banco Board of Directors**.

Ethical management, commitment to excellence and other regulatory frameworks

Ibercaja conducts its business responsibly, integrating respect for and the promotion of **human rights** as a fundamental pillar of its strategy and principles, making commitments both nationally and internationally, and aligning its actions with current legislation and the strictest international standards. In this context, Ibercaja takes the **UN Universal Declaration of Human Rights**, the **Sustainable Development Goals (SDGs) of the 2030 Agenda** and the **UNEP-FI Principles for Responsible Banking** as its benchmarks.

Ibercaja integrates the defence of human rights as an essential principle applicable to the entire Group, consolidating its commitment to these fundamental values. This commitment is also reflected in the Bank's **Code of Ethics**, as mentioned in section **11.4 Information on governance and business conduct,** which is a key element in strengthening the corporate culture and ethical approach to management of both the Bank and its subsidiaries.

Continuing with the Bank's good practices and its commitment to business ethics and respect for human rights, it is noteworthy that, in both 2023 and 2024, Ibercaja was not subject to any sanctions nor involved in any criminal proceedings or incidents that could compromise these fundamental principles.

In addition to the aforementioned policies, Ibercaja has a manual and regulations aimed at the control, management and protection of customers and end users to ensure the highest quality of service and align this management with the ESG aspects required by current regulations:

- **Ibercaja Group Manual on the Customer Service Procedure**: defines the internal procedure for processing and addressing customer complaints and claims, in accordance with current regulations. It also establishes the organisational structure responsible for managing these cases and details the reporting process for the Control Area.
- **Ibercaja Group Customer Protection Rules**: regulate the operations of the Customer Care Service of Group subsidiaries, with the aim of ensuring attention and resolution of complaints and claims submitted by customers, in accordance with current regulations. They establish the deadlines, procedures for handling complaints and claims, and the responsibilities of the service, ensuring that it operates autonomously and independently. They also include provisions on public dissemination of the regulations and cooperation with supervisory bodies.

Both documents apply to all individuals and legal entities, Spanish or foreign, that qualify as users of the financial services of Ibercaja Group companies.

In accordance with its corporate policies, Ibercaja assumes responsibility for all customers and users affected by incidents arising from its activities, including both individuals and legal entities, both Spanish and foreign, direct customers, pension plan beneficiaries, and third parties involved in insurance contracts. To manage these incidents, the Bank has tools such as the **Customer Care Service (CCS), an ethical channel and a specific mailbox on its website, which receive complaints, claims and suggestions**.

In addition, Ibercaja has established a series of objectives related to customers within the framework of the 2024-2026 “Now Ibercaja” Strategic Plan. For more details, see section **4.6 Lines of the Group's Business Model**.

11.3.3.2 Actions and measures related to customers in the area of sustainability

Ibercaja, in its commitment to service excellence and sustainability, has integrated social, environmental and good governance criteria into its commercial strategy.

The Bank strives to mitigate ESG risks associated with its operations by promoting accessibility and personalised service, especially for the most vulnerable customer segments.

The Bank's objective is to provide excellent customer management, while aligning with supervisory expectations in ESG risk management. This includes identifying and assessing sustainability-related risks, prioritising corrective actions to minimise negative impacts. The Bank also seeks to align its work with the Sustainable Development Goals (SDGs) of the 2030 Agenda.

Additionally, Ibercaja identifies and assesses risks related to climate, environmental and social factors through an impact analysis, prioritising corrective actions to minimise potential negative impacts. This approach is guided by the Bank's efforts towards the objectives that best fit its financial activity and its social contribution. Thus, Ibercaja reaffirms its commitment to sustainability, respect for human rights, and the creation of shared value for its customers and society at large.

Social impact analysis

Ibercaja conducts an impact analysis as part of its commitment to the Principles for Responsible Banking. The climate and environmental aspects can be found in section **11.2.2.7 Expected financial effects of physical and transition risks.** Regarding the social aspect, Ibercaja focuses on vulnerable segments of young and senior people.

Young customers (<35 years) represent 23% of the total customers, with more than 396,000 customers holding a contract, while seniors (>65 years) represent 24% of the total customers, with more than 400,000 customers.

These two groups face different challenges in Spain. Per capita income and purchasing power have fallen in Spain in recent years, particularly affecting young people. This has contributed to the decline in the emancipation rate, which remains far below the European average.

The Spanish population faces a significant challenge due to demographic ageing. By 2050, one in three citizens will be 65 or older, and for every person in that age group, there will be only 1.7 between the ages of 16 and 64.

Furthermore, the transformation of the banking system over the last decade, along with factors such as the digital divide and socio-educational levels, has increased the vulnerability of the senior segment, despite it being a key market from a banking perspective. Throughout the chapter, the initiatives that the Bank carries out to support young people and seniors are detailed.

Monitoring indicators for young and senior people

	Dec. 2023	Dec. 2024
Senior customers who have been digital channel users	127,000	123,000
Senior customers with a personal manager	40%	38%
Senior customers with savings of over €10,000	263,038	269,908
Senior customers with savings plans	91,109	95,503
Average recurrent income of senior customers	1,888 €	1,888 €
Senior customers attended to by telephone; as many as 56,000 calls have been made	>28,000	> 33,000
Young customers with housing financing	>19,000.	> 20,000
Young customers with savings of over €10,000	61,024	66,276
Young customers with savings plans	>46,000	>46,000
Average recurrent income of young customers	1,373 €	1,374 €
Young customers with recurrent income	175,106	175,147

Actions in the area of retail business

Support for sustainable development

In 2024, Ibercaja continued to expand and improve its range of products and services to its customers to advance towards sustainable development.

The Bank currently offers a range of products aimed at promoting the acquisition of sustainable homes **(+Sustainable Mortgage)** and financing projects to improve energy efficiency and accessibility **(+Sustainable Housing and +Sustainable Building)**. Furthermore, throughout 2024, Ibercaja has made efforts to inform customers about the importance of investing in energy improvements for their homes and about the tax benefits they can enjoy.

In line with **sustainable consumption**, Ibercaja Renting has continued to incorporate new vehicles in the **Sustainable Renting** section, which opened in 2021, offering both private and professional customers and businesses **various alternatives for ECO and Zero Emission vehicles**.

The commercial offer of specific products to advance sustainable development is complemented by **sustainable investment products**, designed to facilitate the channelling of customer savings towards companies that align their strategy with the Sustainable Development Goals. These products comply with the provisions of the Sustainable Finance Disclosure Regulation 2019/2088.

The new Ibercaja Horizonte 2027 FI sustainable investment fund, launched in 2024, aims to expand its offering of savings and investment products to provide the ideal investment solution for each customer, regardless of their investment profile. This investment fund offers a sustainable alternative within the range of fixed-income funds with target returns.

This, in 2024, the range of ESG investment products has been expanded, reaching a total of 15 investment plans and funds with sustainable characteristics, with a managed volume of nearly €4,500 million. Details can be found in the Asset Management and Insurance section.

Support for young people

Ibercaja pays special attention to young people, working to r **respond in an empathetic and comprehensive way to their first financial needs and to accompany them in their “transition” to financial “adulthood”.**

The commitment to young people is reinforced with a specific line in the 2024-2026 “Now Ibercaja” Strategic Plan. The main challenges that the line aims to cover are:

- Improve **knowledge of the young customer profile** with analysis of its characteristics and needs.
- Development of a customer strategy for **digital channels**, with an omnichannel offering.
- Improve the **value proposition,** increasing the range of products and services.
- **Identify key moments in the life** of young people to be able to respond in the best way possible to their needs in each situation.
- Identify **non-financial needs**.
- Definition of **strategic positioning in the area of young people**.

The initiative within the Plan aligns with the commercial offering of specific **financing products** for young people, in areas such as their first major expenses, with a focus on **investment in education**, with products such as the **Youth Loan** and the **Ibercaja Postgraduate Masters Loan**.

In addition, to **encourage young people to save**, specific products have been designed to help them save to achieve their goals and cover their needs at different times in life.

An example of a **short-term savings product is the “Metas” (Goals) account**, a savings account with no commitments and a 1% return on the first €6,000. This is a product specifically designed to be easily contracted on the Bank's Mobile Banking app, which is the channel most commonly used by this customer profile. This product makes it easy to set different savings goals that can be achieved thanks to small regular contributions.

Probably the greatest difficulty that young people in Spain face when it comes to emancipating themselves is access to the **purchase of their first home**, since they do not usually have sufficient prior savings for the purpose.

For this reason, Ibercaja has created a differential product in the sector to help young people to start **saving in the medium term with the aim of buying a house: the Contucasa account**. It is a product similar to the “Goals Account”, but it also gives the right to a bonus of up to **€500** when the account holder takes out a mortgage loan with the Bank.

Additionally, to support young people who want to access their first home, Ibercaja has taken part in programmes promoted by different autonomous regions to encourage and facilitate young people's access to their first home, as in the case of the **My First Home programme of the Madrid and Castilla y León regions, and the Youth Housing Guarantee programme of the Andalusia region**.

Accompanying the launch of the **Youth Mortgage**, in 2024, the Bank designed a communication plan with the aim of explaining to young people all the aspects to be taken into account when buying a home, explaining key concepts such as what the Euribor is, the difference between fixed, mixed and variable mortgages, what expenses are associated with a mortgage, the recommended debt levels and the need to have prior savings.

To adapt to the most digital of profiles, in the last two years Ibercaja has developed a platform, in collaboration with several real estate portals, to **offer financing for the purchase of a home through 100%** online management, without the need for the customer to visit a branch.

To encourage young people to save over a longer term, Ibercaja has added a new pioneering savings product, Pensumo, to its range of systematic savings plans in insurance and pension plans (see details in the next section).

Support for senior customers

Ibercaja, in line with its commitment to service and social responsibility, places special emphasis on the quality of service provided to its senior customers. In response to the current social demand for financial inclusion of the elderly, and within the framework of the agreement recently signed by the AEB, CECA and UNACC, Ibercaja has continued to maintain its **decalogue of measures for the personalised care of senior customers through a variety of channels**.

This decalogue responds to the corporate purpose of “helping people build their life story” and is part of Ibercaja's commitment to sustainability, demonstrating its sensitivity to the social demands of the territory where it operates and promoting financial education to promote inclusion and accessibility to financial services for those groups that may have greater difficulties.

In this line, Ibercaja has maintained its **collaboration agreement with Pensium**, signed in 2022, to provide our customers with access to a solution that allows them to pay the expenses of care for the elderly in residences or in relatives' homes. With Pensium, families don't have to make any out-of-pocket payments to care for an elderly relative in need of assistance, as the cost of the residence or necessary care is financed through the rental of the home. Furthermore, the family does not lose ownership of the property under any circumstances.

Pensumo

In 2024, Ibercaja launched Pensumo, a pioneering app to make it easier for the Spanish to save for retirement without any additional effort. This tool was developed within the framework of the first Financial Sandbox promoted by the Treasury and the Directorate-General for Insurance and Pension Funds of the Ministry of Economy, Trade and Enterprise, on which the Bank has been working for more than two years.

Pensumo contributes to the pension system, Ibercaja being the first bank to offer it, and is open to all those who wish to join, whether or not they are customers of the Bank. The project's goal is to **link retirement savings with consumption** by redirecting the economic flows generated by the pension holders' daily lifestyle towards their future pension. New features will be added gradually to the app, such as the ability of reinforcement with voluntary savings.

The contributions received by consumers come from the participating businesses where purchases are made, the percentage being paid depending on the agreement reached with each establishment.

Actions in the area of asset management and insurance

Actions on sustainability

Ibercaja Group's asset management and insurance companies are participating in the "sustainability and reputation" strategic initiative, led by the Sustainability and Reputation Area Directorate, advancing in a coordinated manner towards integrating ESG aspects into decision-making and risk management.

Thus, the asset management companies Ibercaja Gestión and Ibercaja Pensión are developing their sustainability activities such as offering customers a wide range of sustainable products and carrying out engagement and active dialogue with listed companies in which they invest.

Several actions have also been launched related to governance, regulatory adaptation, risk management and the development of the sustainable products business, with the following achievements in sustainability in 2024:

ESG governance

In 2024, the subsidiaries approved their **ESG Exclusion Procedure Manuals** in a manner consistent with **Ibercaja Group's ESG Exclusion Policy.** They also reviewed the **other ESG policies** in force and participated in the development of the **Greenwashing risk prevention guide**.

EGG business development

As mentioned in the retail business section, the Bank has worked on the **design and development of new sustainable products** in accordance with its ESG strategy and positioning. Ibercaja Gestión and Ibercaja Pensión managed €4,454 million under sustainability criteria at the end of 2024, through a diversified range of 10 investment funds (€3,648 million) and 5 pension plans classified as sustainable according to article 8 of the sustainable finance disclosure regulation (€803 million), with a product offering that includes fixed, variable and mixed-income alternatives, which in 2024 grew by more than €1,000 million in managed assets and reinforces the commitment of Ibercaja's management companies to the transition to a green and inclusive economy.

ESG investment performance

	CLASSIFICATION	ASSETS	EQUITY INCR. 2024
PENSION PLANS			
Ahorro Renta Fija	Fixed income	109	3
Confianza Sostenible	Mixed fixed income	276	10
Sostenible y Solidario	Mixed equities	335	29
Dividendo Global	Equities	44	4
Megatrends	Equities	39	10
INVESTMENT FUNDS			
Ahorro Renta fija	Fixed income	1,074	463
RF Horizonte 2027	Fixed Income	604	604
Renta Fija Sostenible	Fixed income	165	126
Confianza Sostenible	Mixed fixed income	110	(6)
Sostenible y Solidario	Mixed equities	549	(53)
Dividendo Global	Equities	313	(19)
Infraestructuras	Equities	22	9
Megatrends	Equities	469	23
New Energy	Equities	37	(9)
Sanidad	Equities	305	(179)
SICAV			
Asguard		3	(1)
TOTAL		**4,454**	**1,015**

Involvement and active dialogue with invested companies

Dialogue is an integral part of the circular process of integrating ESG risks into investment analysis and management with a focus on medium to long-term engagement. In 2024, asset management companies have attended 55 shareholder meetings of both domestic and international companies with the support of a proxy advisor with ESG criteria.

In addition, collaboration has continued with engagement platforms, such as Climate Action 100+, Access to Medicine Foundation and Carbon Disclosure Project, to promote active dialogue with companies.

As signatories of the United Nations Principles for Responsible Investment (UNPRI), Ibercaja Gestión and Ibercaja Pensión have reported their progress in socially responsible investment for the first time, obtaining positive ratings in all areas and exceeding the median of the other signatories:

Summary Scorecard

Progress in the measurement and management of ESG risks

In 2024, the integration of **ESG data provision tools into the management system continued**, facilitating both investment decision-making and regulatory reporting.

Sustainability-related indicators in **risk appetite frameworks** have been reviewed, while functional analyses for the development and implementation of a corporate sustainability database have been completed, progressing towards the design of final scorecards.

This tool will enable the industrialisation of processes in the future, the storage of ESG data with integrity and quality criteria, and the generation of scorecards for monitoring risks and sustainability factors in the field of Asset Management and Insurance.

Regulatory adaptation

This year, the scope of the reporting on the **“Statement of main adverse impacts of investment decisions on sustainability factors”** has been expanded to include Ibercaja Vida and Ibercaja Pensión, in addition to those already included last year (Ibercaja Gestión and Ibercaja Banco's Discretionary Portfolio Management Service).

Similarly, the scope of the Taxonomy Reporting on investment eligibility and alignment has been expanded to include the six taxonomic objectives for non-financial entities and the two climate objectives for financial entities.

Finally, climate stress scenarios are being developed in the ORSA report of the insurance company Ibercaja Vida.

Actions in the area of corporate banking

The challenge of promoting sustainable finance is also reflected in the field of corporate banking, with the primary objective of supporting customers in their adaptation to a decarbonised economy. This is demonstrated by a notable increase in sustainable financing in 2024.

To support customers' transition and decarbonisation of their loan portfolio, and in line with NZBA's decarbonisation objectives, the Bank offers a specific range of ESG products in Corporate Banking:

- **+Sustainable Investment Loan**: to finance sustainable activities based on the objectives of the EU taxonomy.
- **+Sustainable Investment Mortgage Loan for productive activities**: a mortgage loan for productive activities with guarantees and sustainable energy rating.
- **Renewable Energy Financing Loan**: specifically for the financing of this activity.
- **Photovoltaic Energy Leasing:** leasing specifically for photovoltaic panels.
- **+Sustainable Leasing:** to offer leasing in activities based on the objectives of the EU taxonomy.

Main actions in 2024

In **partnerships**, to support SMEs in meeting the challenge to adapt to sustainability, the Company has implemented a pilot project in conjunction with an environmental consultancy firm to offer customers “sustainability services,” such as carbon footprint calculations, energy efficiency studies and energy savings plans, a report on the alignment of their activities with the SDGs, and a sustainability report.

As part of its support for companies, the Bank has continued to provide advice on the management of Next Generation Funds and to support financing for customer companies that have benefited from grants under the Recovery and Resilience Facility. All of this is undertaken by dedicated team and through collaboration agreements with specialised partners (AFI, Forvis, Mazars, and Silo), as well as through the “Next Gen Virtual Assistant” on the website, which offers all the information on the Next Generation Funds. Furthermore, in the area of subsidies, an agreement has been signed with ICO to market ICO loans from the Green Recovery and Resilience Facility.

With regard to **training**, training for business managers has continued, providing them with general training on sustainability and the sustainable products currently on offer. Specific training on sectors with NZBA objectives has also been provided to managers of companies with counterparts in these sectors.

The offer of **ESG products** was increased in 2024 through:

- Expansion of **+Sustainable Leasing,** to finance sustainable business projects of this kind (previously the product only covered sustainable crops; the sustainable purposes were expanded to promote progress).
- Launch of the **+Sustainable Investment Mortgage Loan** for productive activities. In addition, specific sustainability extensions have been added to the products created during corporate funding campaigns.

In terms of outreach, the Bank has participated in **dissemination workshops**, in collaboration with public and business organisations, on the main calls for subsidies to help companies transition towards decarbonisation, as well as events to share best practices in sustainability, decarbonisation in companies, and the circular economy.

Progress is being made in strengthening monitoring and ***reporting* of ESG business** in companies by creating indicators that will report in ESG Scorecard recurrently.

ICO Dana credits; standing with companies in moments of truth

2024 has once again been a year marked by some exceptional events that have impacted companies, retail businesses and self-employed workers.

The Dana weather event that devastated the province of Valencia and other areas of Spain, also had a significant impact on the Mediterranean Coast territorial division, putting to the test the Bank's ability to adapt. Once again, true to the corporate purpose, companies and businesses have been supported swiftly in their reconstruction process. Loan m**oratoriums have been provided, compensation advances offered free of charge, support provided in the processing of aid and applications to the insurance compensation consortium, and ICO Dana financing options have been implemented.** All of these measures have complemented state, regional and local subsidies and public aid, becoming effective measures for restoring activity in the affected areas.

11.3.3.3 Accessibility

As detailed in chapter 4.6 Lines of the Group's business model, Ibercaja follows a customer relationship model with active listening, its main tools being specialisation, advice, omnichannel relations and a personalised offer of products and services.

In accordance with the Bank's policies, Ibercaja takes into account all customers and end users who may be significantly affected by relevant impacts arising from the Bank's activities, whether through its own operations or through its value chain. In addition to direct customers, users include holders, promoters and beneficiaries of pension plans, as well as policyholders, insured parties, beneficiaries and injured third parties in insurance contracts.

The Bank's business model includes ensuring that the **groups considered most vulnerable** can access financial products and services and that these are **universally accessible**.

Ibercaja's strategy in this area focuses on eliminating technological, physical and sensory barriers, thus promoting an inclusive banking model that responds to the specific needs of each user.

Actions taken to promote accessibility

The first contact with Ibercaja customers, that is, the **communication** phase, is characterised by an inclusive and personalised approach. The main objective is to ensure that all users obtain clear and accessible information about the Bank's products and services. In this context, Ibercaja has implemented various **accessibility measures, both operational and physical,** reinforcing its commitment to fully address the needs of all its customers.

A notable example is the **Deaf Assistance Service**, launched in late 2019. This service, available in person at the Main Office in Zaragoza, allows people with hearing impairments to effectively access and understand the Bank's financial offering. Thus, Ibercaja underlines the importance it places on communication as a key tool for building trust and fostering close, transparent relationships with its customers.

Similarly, **VoiceOver functionality** has been added to mobile banking, allowing users with visual impairments to hear the fields and data displayed on screen and interact efficiently with the application. This application also has a **"Beginner Mode"**, a tool designed to help customers who have never used online banking. This feature simplifies the experience for new users and is supported by expert professionals who offer personalised advice to resolve any questions that may arise.

In order to meet the needs of customers in rural areas or small municipalities affected by the closure of bank branches, **Ibercaja has joined the Correos-Cash initiative**. This service allows users to do certain transactions, such as withdrawing or depositing money, at a post office, as well as receiving cash directly at their home. This measure expands the options available to customers in less-advantaged areas, reinforcing Ibercaja's commitment to accessibility and inclusion.

Regarding **physical accessibility**, in 2024, €38,682 was invested in seven tasks to remove architectural barriers, such as ramps and platforms.

Regarding accessibility to the headquarters building, **Plaza de Ibercaja and Xplora Space** were designed as open accessible spaces, eliminating architectural barriers, and have proved to be comfortable new spaces, easily accessible to citizens. The architectural design of the floor in the plaza makes it smooth and barrier-free, making it very simple for everyone to use and move around in it. Xplora was also designed as an accessible space, without architectural barriers to ensure easy access and comfortable movement inside, and is equipped with the new **Navilens** signage technology for the visually impaired.

In addition to the above, in 2023 Ibercaja made a detailed study of the regulatory requirements of the European Accessibility Law and the Royal Decree regulating the basic conditions of accessibility, all the laws published so far at national and regional level, to detect all the modifications required to **adapt commercial channels to universal accessibility** and provide all customers with full access to the products and services offered.

As a result of this work, Ibercaja's regulatory framework, published internally, contains the **Accessibility Guidelines mandatory for the launch of new products and services**.

The efforts made in 2023 and 2024 have resulted in the improvements to the Bank's ATMs, which include several new functionalities, including:

- **Multilingual voice-guided mode**: available in 20 languages, it offers greater autonomy for people with visual impairments or difficulty in reading screens. This feature allows the customer to interact with the ATM using headphones that, once connected to the ATM, activate voice-guided mode, blocking the ATM screen with a still image and guiding the user through the most common available operations.

- **Demo mode**: this is a new training new feature that allows the customer to emulate the flow of the different operations available at the ATM. Using dummy data, the user can navigate through the operation screens and view the different transaction options available.

- **Change of language**: allows both the ATM interface and the printed receipts to be in Spanish, Catalan, Basque, Galician, Valencian, English, French, German, Romanian, Arabic, Italian, Portuguese, Chinese, Japanese, Russian, Dutch, Swedish, Norwegian, Bulgarian or Ukrainian.

- **High contrast option**: allows the style of the ATM screen to be changed to a black background and yellow font, for high contrast that allows better viewing of the elements presented on the screen for people with visual impairments.

- **ATM locator**: allows the user to find nearby Ibercaja ATMs and consult their characteristics, as well as the real-time service status of the units associated with each ATM.

11.3.3.4 Customer care service

Ibercaja bases its relationship with customers and stakeholders **on trust, transparency and the constant search for excellence in service**. To achieve this, the Bank promotes open, two-way communication that allows effective identification and addressing of user needs and expectations.

This approach, focused on active listening and long-term commitment, translates into the implementation of **effective tools and channels of dialogue** that facilitate interaction with customers, thus consolidating a solid and lasting relationship. Details of these can be found in Chapter **11.1.3 Business model, sustainable strategy and value chain,** in the section on communication with stakeholders.

In line with this commitment, Ibercaja has a **Customer Care Service (CCS)**, through which customers and users of its services can submit complaints, claims, suggestions and improvement proposals. Thus, the el **CCS** is responsible for **managing complaints, claims and suggestions from customers and users**, playing a crucial role in attending and resolving incidents, as well as in the continuous improvement of the services offered.

Having completed, in 2023, the adaptation process to Circular 4/2021, of November 2021 of the Bank of Spain, in 2024, at the request of the Institutional Conduct Department of the Bank of Spain, the **CCS Regulations have been amended.** This new Regulation was supervised by the Regulator and approved by the Board of Directors of Ibercaja Banco, before coming into force in the first half of the year under review.

Additionally, the CCS is committed to actively monitoring and reviewing changes to the complaint resolution criteria of the Bank of Spain's Institutional Conduct Department, maintaining constant communication with other areas of the Bank. This comprehensive approach ensures responsive, effective service aligned with the expectations of customers, regulators, and other stakeholders.

Functions of the CCS

The Customer Care Service (CCS) handles complaints and claims through a structured process that includes gathering relevant information from the Bank's offices and departments. To make informed decisions, the CCS may request any data, clarifications, reports, or evidence it deems necessary.

Complaints and claims may be submitted in person or through a duly accredited representative, on paper or by electronic, telematic or computer means.

These means must guarantee the possibility of reading, printing and storing the documents, complying with the requirements of Law 59/2003, of 19 December, on electronic signatures. Complaints can be submitted directly to the CCS at any of the Group's offices open to the public, sent to the email address provided for this purpose, or registered directly on the Ibercaja Banco corporate website.

The Bank provides the CCS with the human, material, technical and organisational resources necessary for the proper performance of its functions. Furthermore, all Ibercaja departments and services have a duty to collaborate with the CCS, providing the information it requires to carry out its responsibilities.

In cases of favourable resolution involving financial compensation, the compensation instructions are sent in order to be paid within the established deadline.

For complex or delayed cases, on the 25th day after the case's opening date, the CCS informs the customer of the reasons for the delay and provides an estimated resolution time, ensuring that no claim goes unresolved within the established timeframe. This process ensures that reparations are effective and that incidents are handled with the utmost transparency and diligence.

If the legal deadline has passed and the customer is not satisfied with the response received from the Customer Care Service, they have one year to appeal to higher authorities, depending on the issue involved. These authorities include: the Bank of Spain Complaints Service, the CNMV Complaints Service, the Directorate General for Insurance and Pension Funds Complaints Service, and the legal system in force in the courts of justice. In turn, the CSG reports daily to the CCS on incidents in the day, ensuring continuous monitoring of operations.

All offices open to the public and Ibercaja Group and member company websites must provide customers with the relevant information in a clear and accessible manner. This information will include, first and foremost, the existence of the Customer Care Service, detailing its postal address and email address. This service must make clear its obligation to address and resolve complaints and claims submitted by customers within the established timeframes. Such complaints and claims may be submitted at any office of Ibercaja Group open to the public or to the email address specifically enabled for the purpose.

Information must also be provided on the existence of the complaints services of financial supervisory authorities, including the Bank of Spain, the National Securities Market Commission (CNMV), and the Directorate General for Insurance and Pension

Funds. The postal addresses of these services will be specified, emphasising the need to make the complaint to the Customer Care Service before contacting the aforementioned supervisory bodies.

It should be explained that the CCS's resolutions are binding on the Bank and so require immediate compliance.

CCS governance

The **Customer Care Service of Ibercaja Group reports to the Bank's Control Department**, forming, along with the Regulatory Compliance and Risk Control functions, the Bank's second line of risk management.

The CCS is overseen by the head of the Control Area, who holds weekly meetings with the CCS manager and monitors a scoreboard of key data such as admissions, resolutions, admissions/rejections, and amounts in favourable resolutions.

A detailed report is issued semi-annually to the Sustainability and Reputation Area Directorate, with a copy to Market Risk Control, Operational and Reputational Risk Control, Customer Experience, and Marketing. Additionally, the head of the Control Area presents a semi-annual summary of CCS data to the governing bodies and the Board of Directors, ensuring effective and transparent oversight.

In addition to the individual, private training plan designed for each CCS team member, the department has a pre-scheduled training plan.

Claims and complaints to the CCS

Pursuant to the Customer Protection Regulations, every customer or non-customer, consumer or non-consumer, user of Ibercaja or of any company in the Group, has the right to lodge complaints or claims with the Customer Care Service on the matters and under the rules defined in the regulations. The submission and processing of these claims is completely free of charge, reaffirming the Banks's commitment to accessibility and equity in customer service.

A total of 68,106 cases were submitted in 2024. Details of the data and variations with respect to 2023 are included below:

No. of Ibercaja Banco cases opened	2024	2023	% change
Complaints	**6,164**	**5,216**	**18%**
Claims	**60,985**	**21,964**	**178%**
Mortgage expenses	50,912	12,637	303%
Interest Rate Floor Clauses	**920**	**561**	**64%**
Suggestions	**37**	**38**	**(3)%**
Total	**68,106**	**27,779**	**145%**

Claims regarding mortgage expenses

As a new feature this year, the criteria for **claims arising from mortgage expenses** have been modified following various rulings and case law on this type of complaint. An automatic response system for statutes of limitations was implemented on 6 February 2024, aligning with the CJEU judgement of 25 January 2024.

Subsequently, on 15 June 2024, the Supreme Court established a clear framework for statutes of limitations, allowing for the return of transactions entered into between 1 January 1995, and 15 June 2019, unless there was a prior statute-barred claim. Claims associated with mortgage expenses represent the biggest increase in claims with the CCS.

2024 has been a key period for the management of claims related to loan arrangement expenses, marked by significant changes in resolution criteria. These adjustments, driven by new rulings and evolving case law, have redefined the framework for both financial institutions and consumers.

Claims associated with interest rate floor clauses

In relation to the so-called “floor clauses”, recent trends highlight the **efforts made by the Bank in recent years to address and resolve this type of claims**.

In 2024, repayments of amounts associated with floor clauses in novated loans have continued, from the activation of the clause until the date of novation, provided there is a prior claim within the last five years. On the other hand, in the case of non-novated loans, which are becoming less common, customer requests are met by eliminating the clause and paying the corresponding amounts from the beginning of the contract or, failing that, for the last five years if there is no previous claim.

Within this framework, the consolidation of the complaint and claim resolution periods achieved last year stands out, reaching an average of 25 days this year, significantly better than the established standard of 90 days. The resolution of floor clause claims is governed by Royal Decree Law 1/2017.

CCS incident resolution process

In order to have effective execution when resolving incidents, Ibercaja has a **specific protocol to provide rapid solutions to real incidents**. In 2024, the **average achieved** by the CCS for the **resolution of cases was 13.5 days. The regulation sets a period of up to 30 days**.

The period for admitting or rejecting applications has been completed in an average of 7 days, the maximum time limit being 10 days. The CCS seeks to optimise times and so is advancing in the automation and modernisation of internal processes.

Ibercaja Group operates in accordance with industry best practices, fostering an environment of trust and transparency in its relationships with customers and users. It guarantees comprehensive protection for those who lodge complaints or claims, ensuring that no retaliation of any kind is taken against them. This commitment reinforces respect for the rights of consumers and users, consolidating the Bank's mission to offer a service based on ethics, integrity and continuous improvement.

In conclusion, Ibercaja has managed to maintain admission and resolution times well below the limits required by the Regulator, demonstrating its commitment to the efficient and fair handling of customer complaints, even in an environment of growing demand and complexity.

Measures implemented in 2024 to improve the CCS

As it does every year, the Bank has reviewed the various regulations of Spain's autonomous regions regarding deadlines and specific complaint forms for consumer matters. This effort aims to ensure that Ibercaja's entire branch network remains aligned with the requirements of the region where it operates. To reinforce this alignment, a quarterly memorandum is published, accessible to all Bank staff, ensuring that they have up-to-date, accurate information on this matter.

In 2024, the CCS faced the challenge of **quickly adapting to legislative changes regarding mortgage expenses**. Thanks to this swift adaptation, the service has offered an effective response to the growing flow of cases and changes in the criteria for claims for financial compensation. As a result, the percentage of claims resolved in favour of customers has gone from just 2%, based on the previous criteria, to nearly 50%, in claims involving refunds for mortgage expenses.

In parallel, the CCS continues to refine the management tool implemented last year, which was designed in line with the new categories for the classification of complaints and claims introduced by the Circular. This improvement seeks to further streamline the service, consolidating Ibercaja's ability to respond efficiently to its customers' needs and regulatory requirements.

As a new feature, the scorecard implemented in 2023 at the request of the Control Area has been improved throughout 2024, so that it captures all of the service's activity in terms of registrations and resolutions, as well as the possible repercussions that complainants may have on the regulator. One of the functions that has increased most is the constant review of the criteria applied by the Regulator with respect to Customer Service resolutions and the permanent interdepartmental communication should any criteria need to be changed.

For this reason, and as a result of new developments this year, Ibercaja has modified the CCS Regulations. These modified Regulations were approved by the Bank's Board of Directors at the beginning of the year and approved by the Bank of Spain's Institutional Conduct Department. This new regulation has also been submitted to the CNMV and the DGS (Directorate General for Insurance and Pension Funds).

Continuous evolution of the CCS

Finally, it should be noted that for Ibercaja active listening and dialogue with its stakeholders is essential to develop its business model and achieve maximum positive impact and meet their expectations and needs.

The Bank has collaborated with customers and users in various phases, including the gathering of information through **surveys and mailboxes for complaints and suggestions**. The incidents are managed and resolved through the Customer Care Service (CCS). Performance is evaluated through customer surveys, with average figures for the admission and resolution of complaints well below the Regulator's requirements.

The Bank assesses the effectiveness of its corrective measures through satisfaction surveys, case load analysis, and average resolution times, which allow it to adjust and evolve its Customer Service System to respond to customer claims and complaints quickly and effectively.

11.3.3.5 Cybersecurity

Described below, are the main initiatives and measures implemented by Ibercaja in the area of cybersecurity, with the aim of ensuring the protection of customer and employee data, minimising risks, and strengthening the Bank's resilience against cyber threats.

Key actions are detailed, divided into several strategic areas: **customer** awareness campaigns**, employee training and awareness programmes, processes for detecting and managing security incidents, and advanced technical protection measures**. These initiatives seek to prevent cyberattacks and fraud, while optimizing incident management and strengthening the cybersecurity culture throughout the organisation.

The comprehensive approach includes coordination between internal areas, the use of advanced technological tools, and the constant updating of plans and processes. This allows Ibercaja to remain at the forefront of risk prevention, contributing to the fulfilment of its strategic objectives and earning the trust of customers, employees, and other stakeholders. The initiatives are as follows:

Cybersecurity and data protection actions

At Ibercaja, actions to improve cybersecurity messages for customers are defined and planned in a coordinated manner across several areas with responsibilities for Communications and Marketing, Branding, Fraud Prevention, and Cybersecurity. This is expected to result in increased awareness among customers and the general public, reducing their risk of falling victim to cybersecurity attacks and fraud.

Raising awareness among customers and the general public contributes to achieving Ibercaja's objectives and goals by helping to minimise cybersecurity and fraud risks.

Thus, an action plan has been established with different activities based on the dissemination channels: blog, newsletters, social media, digital banking, website, etc. Specific dates, campaigns, etc. are analysed to align the actions with the most appropriate timing.

Process for the detection, analysis, resolution and reporting of security incidents

Ibercaja has **established procedures and specific mechanisms for the detection, analysis, resolution and reporting of security incidents,** which are activated when necessary. These capabilities and processes are continuously updated and evolved, based on constant analysis of new threats and emerging risks.

The expected result is early detection of alerts related to possible incidents. Should any of these occur, the goal is to manage them as effectively as possible, minimising their impact and mitigating potential adverse effects. Additionally, the goal is to resolve the incident efficiently, identify lessons learned, and implement improvement plans to strengthen the response capacity for future risks.

Early detection and minimisation of security incidents are essential to achieving Ibercaja's objectives, as they ensure effective risk management and strengthen the Bank's resilience to potential threats.

The scope of these actions covers any potential cybersecurity incident that may occur within the Bank, ensuring an effective response aligned with established protocols.

Security incident management is an area that is **constantly evolving.** The incident detection and response team is continuously trained and updated to adapt to new threats and cyberattacks, ensuring a process of continuous improvement.

Information protection measures

The Bank has a **full catalogue of processes and tools designed to ensure the protection of information**. These measures include preventing unauthorised access, mitigating security breaches and cyberattacks, and implementing specific controls for remote work environments. These measures include the following:

- Biometric authentication.
- Web browsing and email protection.
- Encryption and policies for mobile devices (laptops, mobile phones).
- Advanced EDR antimalware.
- Detection and data loss prevention (DLP).
- Secure file transfer system.
- Anti-DDoS protection.
- Web application firewall (WAF).
- Firewalls and intrusion detection and prevention systems (IPS).
- NAC network authentication and segmentation.
- Fortified infrastructure base.
- VPN with two-factor authentication.

- Cloud security.

The objective of these measures is to **guarantee the protection of Ibercaja's technological assets and information through their effective implementation.** These actions contribute to the fulfilment of the Bank's strategic objectives by minimising cybersecurity risks, thereby protecting its critical assets and sensitive information.

The scope of these measures covers all of Ibercaja's technological assets and information, ensuring their security and resilience against potential threats. Since technology is constantly evolving, **the protective measures are continuously adapted**. The incorporation of new technologies strengthens cybersecurity risk prevention, while constant analysis of new threats ensures that this process is dynamic and sustainable over time.

Cybersecurity training and awareness initiatives for employees

In 2024, the phases implemented to establish the **Strategic Plan for Cybersecurity Training and Awareness** were as follows:

- Initial diagnosis: identification of needs and risks according to groups.
- Establishing a communication strategy.
- Planning training activities and awareness-raising measures such as the use of an intuitive platform with chatbot sessions.
- Implementation of the plan: preparation of materials, delivery of training and awareness-raising activities.
- Development of a scorecard to measure the Bank's level of cybersecurity training.

These initiatives have been implemented to improve awareness of current risks and threats, increase the cybersecurity awareness culture and maturity among employees, provide a continuous and personalised programme to improve security, and foster a change in user behaviour in the face of cyber threats.

Employee training and awareness plays a fundamental role in achieving Ibercaja's objectives, as it helps minimise cybersecurity risks. Cyber risk management requires defining and implementing specific action plans that address the various aspects of your exposure, with employee training being a key pillar of this approach.

The Strategic Training and Awareness Plan **applies to all Ibercaja employees**, regardless of their job title or geographic location.

The new strategy began development in mid-2023 and culminated in the launch of the Plan in March 2024. The goal is to ensure the annual updating and implementation of training and awareness plans, incorporating new activities, and maintaining a consistent approach that ensures continuity in training efforts.

11.4 Information on governance and business conduct

2-23, 2-24, 2-26, 2-27, 205-2, 205-3

Ibercaja's business conduct is based on ethical principles that are part of its strategy and seek to consolidate transparent, inclusive management committed to social well-being.

> Ibercaja's corporate culture is based on its underlying DNA and determines its internal relationship model and its approach to banking: honest and close relationship banking.

Ibercaja conducts its business in accordance with the principles established in the **UN Universal Declaration of Human Rights** and has **adhered to the United Nations Global Compact** since 2006. This promotes respect for human rights, as reflected in the Global Compact Progress Report, which stems from this initiative and is completed annually by the Bank.

Furthermore, in 2019, Ibercaja signed the **Principles for Responsible Banking (PBR)** under the auspices of the United Nations. These principles were created with the aim of providing a framework for the financial sector to align its strategy with long-term sustainable development and represent a collective commitment of financial institutions worldwide. The guidelines for the development of these Principles expressly mention the advisability of integrating the **Guiding Principles on Business and Human Rights** into their implementation.

Ibercaja also promotes respect for human rights, in line with the **Sustainable Development Goals of the 2030 Agenda**, conveying this commitment to the people, companies, and institutions with which it interacts, incorporating the defence of these rights into investment and project financing decisions and in its relationships with customers and suppliers. For this last group, the Bank has a **Supplier Code of Conduct** that sets out the values that are encouraged for responsible procurement, many of which are related to human rights.

As expressed in section **11.1.4 Double materiality assessment** with regard to the disclosure of information on sustainability, the Bank has determined the following topics related to business conduct as material for its stakeholders:

- **Corporate culture.**
- **Fight against corruption and bribery.**
- **Supplier relationship management.**
- **Fiscal transparency.**

The following is an analysis of potential impacts, risks and opportunities identified as material:

Topic	IRO type	IROs
Corporate culture	Impact	Promoting an ethical culture and acting with integrity with the main stakeholders affected by the Bank.
Supplier relationship management	Impact	Strengthening the business relationship and improving the financial stability of suppliers after making periodic payments to suppliers.
Supplier relationship management	Impact	Delay in payments to suppliers affecting their financial stability and reducing the quality of the services provided.
Corruption and bribery	Impact	Strengthening public trust, improving transparency, and fostering an ethical environment that promotes sustainable economic development through the implementation of strict measures in Ibercaja's governance and corporate culture.
Corruption and bribery	Risk	Financial losses from bribery and corruption cases that can lead to reputational damage and loss of investor and customer confidence, negatively impacting the Bank's stability and profitability.
Corruption and bribery	Risk	Sanctions due to a lack of effective control to ensure compliance with anti-corruption and anti-bribery laws.
Entity-specific	Impact	Increased confidence among customers, investors and society in general due to the Company's transparency in the presentation of financial documentation.
Entity-specific	Risk	Exposure to loss of investor and customer confidence, negatively affecting its financial and operational stability, due to a lack of fiscal transparency.

11.4.1 Corporate culture and policies related to business conduct

Ibercaja bases its business on six core values that must always be present: proximity, professionalism, commitment, excellence, solidity, and adaptability.

Corporate culture

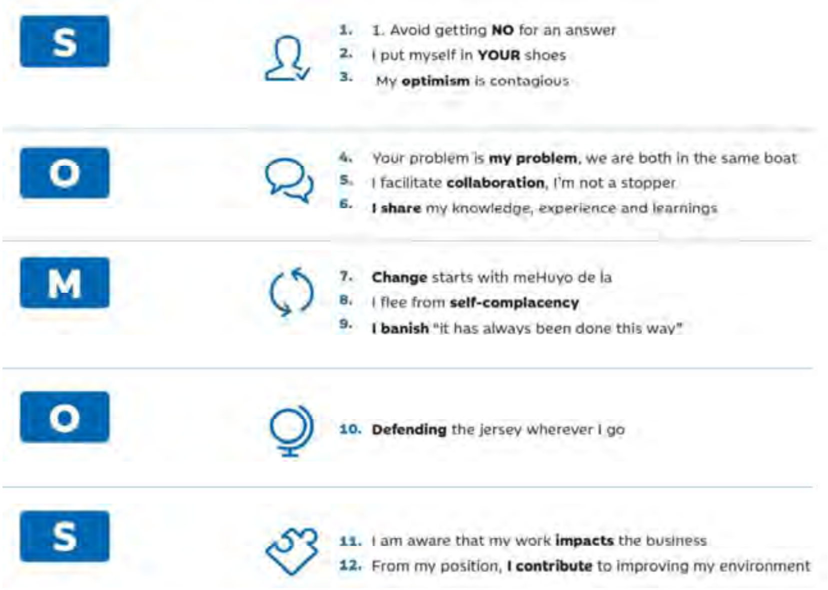
As detailed in section 4.2 Purpose, mission, vision and values, Ibercaja has a corporate purpose: "**Help people build their life story because it will be our story**", which acts as a beacon and guide for its business strategy. This Purpose is based on the mission, vision and corporate values, which constitute the foundation of the Bank's culture. All of these are aligned with the Bank's commitment to respect for human rights, and with the various policies and regulations that form the framework of its sound corporate governance.

Based on its mission, vision, and values, the Bank defines a corporate culture, which determines the way it operates and the relationships between people internally and externally. This is reflected in the Bank's Corporate Culture Manual. **The SOMOS (We ARE) relationship model, included in the Manual, structures this corporate culture around 5 axes**:

- **Customer Service (Internal and External):** continuously help the customer (internal and external), with honesty, putting ourselves in their shoes, to understand their needs, listen to them and try to provide a solution quickly.
- **Common objective:** build to activate the business, facilitating collaboration and teamwork.
- **Improve to move forward**: adaptation to changes, seeking the most efficient way to do things.
- **Ibercaja pride:** proud to be part of Ibercaja. Defend with arguments the different way of doing things at Ibercaja.
- **Business sustainability:** contribute value to a profitable and sustainable business over time, respecting the environment and committed to improving society.

This **SOMOS Relationship Model** is deployed in turn in the following behaviours, named as essential, which activate the 5 axes of the model and so the different elements of the Bank's culture:

12 essential behaviours



Ethical Management Model Framework

To activate the different elements of its corporate culture, Ibercaja focuses on ethical commitments that guide its banking practices and are based on the **"Ethical Management Model".** This model defines the functions and responsibilities, as well as the commitments and principles of the Bank's ethical management and is composed of:

- **Code of Ethics:** approved for the first time in 2018 by the Board of Directors and reviewed and updated in 2024, it includes the ethical commitments and principles of conduct for Ibercaja employees.
- **Ethical Management Manual:** details the internal functions and processes necessary to ensure application of the Code.
- **Whistleblower channel:** a specific and independent internal channel for reporting potential violations and for queries regarding the interpretation of the Code.

The Bank's actions, especially those related to business conduct, as included in this section, are based on the Bank's Code of Ethics. Additionally, the corporate culture, as well as policies and actions regarding business conduct, take into account the opinions of the Bank's stakeholders.

The Code of Ethics and the policies and manuals presented below are aligned with the United Nations conventions and commitments (United Nations Convention against Corruption).

The Bank's Code of Ethics

Compliance with the Code of Ethics is mandatory for all persons who are part of Ibercaja Banco, and it serves as a reference for all companies in Ibercaja Group. The governing bodies of these companies adopt the appropriate decisions to implement the provisions of the Code, and the Board of Directors of Ibercaja Banco is responsible for overseeing the ethical tone of the Bank.

The Code of Ethics reflects Ibercaja's corporate culture, calling for ethical behaviour and compliance with Ibercaja's values and conduct commitments. Integrity, honesty and professionalism are the values that best define the people who make up the Bank. This Code of Ethics is governed by seven basic principles of conduct that define and shape the Bank's ethical culture: be rigorous: know and comply with the rules; be honest and upright; for Ibercaja, the customer is at the centre; be exemplary; protect the Bank's reputation and safeguard information; be careful in the use of the Bank's resources; and be committed to the environment. The Code of Ethics can be found on the Bank's corporate website.

Whistleblower channel

As part of its commitment to ethical and responsible management, Ibercaja has implemented an **internal reporting channel (whistleblower channel)**, designed as a key tool in the process of reporting incidents in response to potential breaches of internal policies and the Code of Ethics.

Communications received through this internal notification channel will be treated in confidence and in accordance with data protection regulations, and will be examined by the Sustainability and Reputation Area Directorate, with the assistance of any unit or department relevant to the reported misconduct.

The Bank ensures that the person reporting the breach is adequately protected from any negative effects, such as retaliation, discrimination, or other unfair treatment, and protects the individuals to whom the notification refers from any negative effects if the investigation fails to find evidence to justify taking action against them.

In addition, the Bank's employees have access to a course on the Bank's code of ethics on the training portal.

Ibercaja Bank's internal regulations on securities conduct

The **main objective of Ibercaja Bank's internal regulations on securities conduct** is to establish the ethical standards and principles that regulate the actions of its employees and managers in operations related to the securities market, seeking to protect the confidentiality of information and promoting professional conduct in accordance with the standards and laws that apply to it as a bank.

These Regulations establish detailed guidelines for persons associated with the Bank, including the Bank's Board of Directors, senior management, and employees who operate in or whose professional activity is related to the securities market, or who may have access to inside information or other relevant information about the Bank. The Regulations require compliance with applicable securities market laws and internal regulations and detail the role of the Regulatory Compliance Directorate in monitoring regulatory compliance and reporting to the Board.

Regarding the prevention of market abuse, the Regulations specify duties related to insider information, including the obligation to report access to such information to the Regulatory Compliance Department and to refrain from using it for personal gain. It details the need to protect privileged information and maintain its confidentiality, with specific measures to prevent misuse of such information.

Ibercaja's policy on prevention and management of conflicts of interest

The **main objective of Ibercaja's policy on prevention and management of conflicts of interest, approved by the Board of Directors**, is to **identify, prevent and effectively manage situations that may cause or generate conflicts of interest between the Bank, its employees and customers**.

The Bank seeks to guarantee transparency, fairness, and the protection of customer interests, promoting trust and complying with applicable standards. This policy applies to members of the Board of Directors, senior management, and employees involved in the provision of investment and ancillary services, as well as in the distribution of insurance-based investment products.

The Policy sets out the process for identifying circumstances that constitute or may constitute a conflict of interest, as well as the specific procedures and measures to be adopted to prevent and manage such conflicts of interest. It also includes the creation of a registry of services or activities that give rise to conflicts of interest and the training of the competent personnel in this area.

Ibercaja Group's personal data protection policy

The main objective of **Ibercaja Group's personal data protection policy, approved by the Board of Directors, is to** ensure that data is processed responsibly, securely and confidentially, both for clients and employees, and for third parties such as suppliers. Its ultimate goal is to ensure compliance with current data protection regulations, respecting the rights of data subjects, and also establishing measures to prevent unauthorised access or loss of information.

The Bank ensures that data processing is carried out in compliance with the legal requirements contained in regulations (both Spanish and European) regarding the protection of personal data, such as compliance with a contract, legal obligations, public interest, legitimate interest and user consent.

t also details the technical and organisational measures adopted to protect the integrity and confidentiality of personal data, ensuring that it is used only for the stated purposes and that it is kept blocked when no longer needed.

11.4.2 Prevention and detection of corruption and bribery

> The fight against corruption, bribery, kickbacks and influence peddling are key pillars of Ibercaja's corporate policy and are aligned with an organisational culture based on the principle of "Zero Tolerance".

These pillars are supported by a series of policies, procedures and measures **accessible to all employees** through an internal platform, ensuring that they understand the implications of these practices and how to contribute to their prevention.

In 2024, as in the two previous years, **there have been no communications nor have any conducts been detected that constitute a crime, in general, or crimes of corruption or bribery, in particular. Ibercaja has not received any fines or convictions resulting from violations of anti-corruption or anti-bribery laws.**

Criminal risk prevention model at Ibercaja

Ibercaja has implemented a **comprehensive system for the prevention of criminal risk**, designed to mitigate the risk of illicit conduct by members of the organisation, including corruption and bribery practices. This system encompasses clear and detailed policies and procedures to prevent the offering, requesting, or accepting of improper benefits that could affect the company's business relationships.

This criminal risk prevention system is reviewed at least annually, and appropriate adjustments are made to promote effective criminal risk prevention, as well as the proper safeguarding of evidence justifying the controls.

To prevent criminal risks related to the crime of corruption in business, the Bank has preventive controls such as:

- **Measures and procedures for controlling expenses.** Internal regulations, which establish various hierarchical levels of authorisation for expenses and payments. Each form must have the corresponding signatures according to the established authorisation level. Depending on the amount, the form is analysed and approved, conditioned or rejected, as appropriate, by the corresponding authorisation level.

- **Centralised supplier selection and contracting procedure.** The Bank's suppliers must undergo a standard approval process before business relations may commence. This approval process ensures that contracts are signed under agreed and transparent conditions, and that there are no illicit practices related to procurement.

- **Centralised procedure for approval of commercial conditions.** Prohibition of entering into contractual commitments with customers outside the conditions approved by the Bank.

This model ensures **transparency in processes and internal supervision** in order to adequately manage business conduct risks. To this end, the Bank has an **Annual Operating Plan from the Regulatory Compliance Department**, which establishes the obligation to periodically report to the Audit and Compliance Committee and the Board of Directors on the conclusions resulting from monitoring implementation of the criminal risk prevention system. In addition, a specific committee (“Control Body”) is maintained to ensure the correct implementation and monitoring of these procedures. This committee is composed of positions that can form part of the collegial body. This body is not responsible for managing investigations, but rather for adopting proposals or making final decisions regarding the resolution of the case. In the event that an incident is reported that could be a case of corruption or bribery, the Internal Audit Department is responsible for conducting the investigation, ensuring independence from the management chain involved in the matter under investigation.

Internal manual of the criminal risk prevention system

The entire **criminal risk prevention system** is set out in an internal manual, structured in two main parts:

- **A general part**, which defines the structure of the organisational model, supervision, verification, monitoring and general procedures and controls that the Entity has in place to prevent the commission of criminal risks that, being susceptible to generate criminal liability for legal persons under the Criminal Code, may hypothetically occur due to the activities carried out. In this regard, Ibercaja has reviewed and updated its policies and procedures in accordance with the latest regulations, reflecting a proactive approach to corruption prevention, as required by the new legislation.

- **And a more detailed part**, where each of the identified criminal risks are explained, distributed in annexes for each type of crime (money laundering, business corruption, tax crimes, etc.). It is important to emphasise that the identification of these risks does not imply that specific incidents have occurred; rather, it is a proactive methodology to prevent potential illicit conduct that may be linked to the Bank's activities.

Finally, in line with the provisions of Law 2/2023, on the protection of persons who report regulatory violations and the fight against corruption, the **whistleblowing channel** (internal accusations) was updated, adapting the communication channel to ensure greater accessibility and security for whistleblowers. This system now allows for anonymous reporting, which strengthens the protection of confidentiality and the safety of those who report irregular practices, without fear of retaliation.

The Board of Directors approved the policy governing the **Internal Reporting System (SII)** and the new communication channel enabled for this purpose, which is accessible both through a link on the Bank's intranet and on the homepage of the corporate website. The new communication channel has been developed through a secure online platform, managed by EQS, which ensures the anonymity and protection of the informant's identity. This channel provides a question-and-answer guide on its use and, in particular, guarantees of confidentiality and protection against retaliation for using the channel. Only the Director of Regulatory Compliance, appointed by the Board of Directors, has access to the communications made, ensuring that the confidentiality or anonymity of informants is preserved at all times.

This channel is available to employees, as well as third-party suppliers and service providers, broadening the scope of the whistleblowing policy and allowing all parties professionally associated with Ibercaja to report potential violations related to corruption, bribery, or any other illicit conduct. In this regard, a disciplinary procedure has been implemented for failure to comply with employee obligations. This procedure is handled by the Human Resources Department and is based on the findings of the investigations conducted by the Internal Audit Directorate.

Integration of the criminal risk control system into the three lines of defence

The criminal risk control system is integrated into the management system in accordance with the three lines of defence risk management model implemented by the Bank:

- **As a first line of defence**, the business units are responsible for identifying, managing and mitigating risks in their areas of activity. They have "ownership" of the risk and are aware of the risks they face when undertaking operations.

- **Within the second line of defence**, there is the internal control framework, which guarantees adequate risk control, ensures responsible business conduct, the reliability of information (both financial and non-financial), and ensures compliance with the Bank's internal regulations and the established policies and procedures. This line includes risk control and regulatory compliance functions.

- **Finally, the third line of defence**, which has the internal audit function, is responsible for supervising the activities and evaluating the effectiveness of the risk control system, including the criminal legal risk, to ensure that the processes are adequate and effective.

Training for employees on corruption and bribery

It should be noted that in 2024, Ibercaja has intensified **its anti-corruption and anti-bribery training programmes**, adapting them to the specific requirements established by regulations and to the risks identified in operations.

Although there is no specific training policy on business conduct, the Bank has implemented various training programmes and activities for all employees, covering key aspects related to corporate culture, environmental awareness, and criminal risk prevention. The Bank also has a Prevention of Money Laundering (AML) and Terrorist Financing (CTF) Manual: The manual requires that all individuals within the Bank, depending on the relevance of their duties, be aware of their AML/CTF obligations, in addition to their responsibility to adequately comply with the Company's procedures in these areas.

In 2024, all members of the organisation had to the **internal regulations on the criminal risk prevention system**, as well as **to the internal information system (SII)** on the proper use of the whistleblower system. Additionally, training on the criminal risk prevention system, as well as procedures for reporting suspected irregular practices, is available to staff both in internal regulations and in the training programme established by the Human Resources Department. This training covers legal and regulatory aspects and also seeks to raise awareness at all levels of the organisation about the importance of maintaining the highest ethical standards.

In addition, the Bank has specific training on money laundering prevention on its employment portal, and specific courses are mandatory for certain positions identified within the Bank, such as Private Banking Manager, Business Manager and Branch Manager. In 2024, 344 people were required to undergo training in this area.

Important measures to combat money laundering

In 2024, Ibercaja has maintained its **firm commitment to preventing money laundering and terrorist financing**, in accordance with current regulations. 193 cases have been opened for the analysis of suspicious transactions that could be related to these illicit practices. Of these, 192 were reported to SEPBLAC after a thorough analysis confirmed signs of possible money laundering or terrorist financing. In 2023, 159 special investigation cases were opened and 153 were communicated to SEPBLAC.

Ibercaja Banco has the status of "reporting Bank" under anti-money laundering and counter-terrorism financing regulation (AML/CTF) and, therefore, it must apply the measures to prevent the Bank from being used for this purpose. To this end, it has **adequate internal control and communication procedures and bodies in order to uncover, impede and prevent the carrying out of transactions that may be related to money laundering or the financing of terrorist activities**.

The structure and content of these procedures and bodies, which are described in the corresponding manuals, meet the **principles of swiftness, security, efficiency, quality and coordination**, both in the internal transmission of relevant information and in the analysis and reporting to the competent authorities of such information pursuant to applicable law and regulations on the prevention of suspicious transactions.

A basic pillar of the AML/CFT system is the **due diligence** measures referred to in Law 10/2010 and the provisions of Royal Decree 304/2014 that implement it: formal identification of the client and the beneficial owner, as well as knowledge of their economic activity, which will include knowledge of the origin of the funds with which the customer seeks to operate with the Bank.

Consequently, and in line with the risk prevention and management model based on **three lines of risk management** implemented in the Bank:

- The first line of defence of AML&CTF lies in establishing relationships with customers. This relationship is the responsibility of the **branch network and business units**, which act as the first line of defence against the risk of money laundering and terrorist financing.
- The **second line of defence** lies in the **Regulatory Compliance Department, through the AML/CFT Unit**, which is responsible for implementing, supervising and coordinating compliance with the internal procedures established for the prevention of money laundering and terrorist financing. This unit is responsible for the ongoing monitoring of high-risk operations, conducting additional analysis if suspicious activity is detected, and providing guidance on the correct interpretation of current regulations. The unit also ensures that all employees receive ongoing training to identify and address potential cases of money laundering and terrorist financing.
- The **third line of defence** is represented by the **Internal Audit Directorate**, which is responsible for independently reviewing and evaluating the effectiveness of the Bank's risk control system and the AML/CFT measures implemented. This line conducts periodic audits and internal controls to verify that prevention and detection procedures are being applied correctly, identifying potential areas for improvement, and ensuring that the system remains efficient and compliant with legislation.

At all these levels of defence, the approach is **risk-based,** meaning that **due diligence measures and internal controls** are intensified in cases where there is a greater likelihood that transactions could be used for money laundering or terrorist financing. This allows Ibercaja to adapt dynamically to emerging risks, ensuring that preventive measures are more stringent when higher-risk operations are identified. In addition, policies and procedures are continually evaluated and adjusted based on any new risks that may arise.

Ibercaja Banco also maintains a robust **information and communication** system, ensuring that all parties involved in the process of preventing money laundering and terrorist financing are properly informed about established procedures and suspicious transactions. The communication system allows for **rapid and efficient transmission of internal information** between different units and the corresponding communication with the competent authorities when necessary.

With these procedures, **Ibercaja guarantees that its anti-money laundering and terrorist financing prevention system is effective, agile, and always in compliance with national and international regulations, as well as with the highest integrity standards.**

11.4.3 Supplier relationship management

> Ibercaja, in its **relationship with suppliers**, demands a **level of commitment** in line with the socially responsible practices that comply with the sustainability strategy, its environmental management system and the **Bank's Code of Ethics**.

Ibercaja's commitments to suppliers

Ibercaja aspires to generate stable relationships of trust and mutual benefit with its suppliers, based on ethics, transparency and compliance with the agreed commitments. Hence, as part of its **Sustainability Policy**, it assumes the following commitments:

- Guaranteeing **transparency when dealing with suppliers** and impartiality and objectivity of the Bank's employees who take part in the supplier selection processes.
- Oversee economic relationships which, **respecting the interests of both parties**, make it possible to obtain the maximum level of quality and commitment in the products served and in the services provided.
- Promote supplier compliance with sustainable practices and ensure application of the Global Compact principles, complying with **Ibercaja's Supplier Code of Conduct**, which sets out the responsible commitments they must assume: the highest level of ethics in their actions, **respect for human rights** and labour standards, environmental protection, the fight against corruption, and information confidentiality and security.

In order to ensure compliance with these socially responsible practices and promote application of the Global Compact principles, Ibercaja has a **Supplier Code of Conduct**.

Ibercaja's **commercial contracts** with its suppliers oblige them to adhere to the principles of the United Nations Global Compact on Human Rights, Labour Rights, Environmental Protection, and Anti-Corruption. The company commits to adopting measures within its organisation that lead to compliance with these principles and to ensuring compliance with them in contracts with third parties.

Suppliers are also required to comply with and enforce, within their sphere of influence, current environmental protection regulations, particularly those relating to waste management, establishing and maintaining a **corporate policy of sustainable development** and making every effort to improve their environmental practices.

Ibercaja has a **supplier management tool** with a web portal that allows for the **improvement and systematisation of supplier approval and risk management processes**, facilitating relationships and active listening between the Bank and this stakeholder group. The portal includes, within the documentation requirements, standards related to sustainability, both social and environmental (ISO14001, ISO 45001, ISO 26001, ISO 50001, EMAS), as well as aspects related to corporate social responsibility.

As to the transparency of non-financial information, suppliers are consulted as to whether they make an annual publication in this area, whether it follows any international *reporting* standards (e.g. GRI) and whether such information is verified by an independent external expert.

In 2024, continuing with improvements to the **supplier risk assessments,** Third-Party Risk Management is being designed to strengthen and complement the previously implemented approval process.

The most significant ones have been assessed, 242 (233 in 2023), which represent a total of **91% of the total volume** (92% in 2023) of purchase volumes managed, of which **192 have renewed their certification** (189 in 2023) and 39 have obtained it for the **first time** (40 in 2023).

Almost all positively evaluated suppliers are Spanish and their contracts are signed pursuant to Spanish legislation. Both the evaluation of suppliers and the management of contracts are part of the purchasing procedures, comply with standardised criteria and objectives and include control mechanisms to ensure compliance with the principles set out above and the commitments made.

Administrative management of these processes is conducted electronically, expediting the arrangements for payment of invoices and reducing paper consumption.

In addition, during 2024, work continued on improving the **Supplier Portal** to implement new features, enhancing internal control over information quality and strengthening supplier and service monitoring.

Within the framework of the **Bank's Environmental Management System**, the transmission of sustainability to the value chain is one of the main objectives, and suppliers assigned to it are monitored from an environmental perspective, in the corresponding external audits (AENOR) for the monitoring and/or renewal of ISO 14001, which the Organisation has had since 2007.

In this regard, by 2024, ESG criteria will be incorporated into more than 50% of competitive tenders.

Average supplier payment period

The average payment period for suppliers in 2024 was 44 days, well within the legal maximum of 60 days established by Law 15/2010, of 5 July, which establishes measures to combat against late payments in commercial transactions.

The Bank has no legal proceedings currently pending for late payments.

11.4.4 Fiscal transparency

The Group achieved a profit before tax of €508,428 thousand 2024 (€391,379 thousand in 2023 and €254,294 thousand in 2022 once the data was restated due to the entry into force of IFRS17). **Corporate income tax was €171,596 thousand in 2024 (€87,003 thousand in 2023 and €73,423 thousand in 2022).**

Ibercaja is firmly committed to tax responsibility. Furthermore, this report seeks to comply with Law 11/2018 on Non-Financial Information and Diversity, which has specific information requirements for fiscal transparency.

> Ibercaja is firmly committed to tax responsibility.

Within the framework of the spin-off process, and in accordance with applicable legislation, in 2011 Ibercaja Banco and la Caja de Ahorros y Monte de Piedad de Zaragoza, Aragón y Rioja (now Fundación Bancaria Ibercaja) decided to form a **Corporate Income Tax Consolidated Group** (No. 579/11). Since 2012, the other Group companies that could join the tax group have been included and therefore Corporate Income Tax is assessed on a consolidated basis.

As a result of the securities exchange in July 2013 in which Ibercaja Banco acquired control over Banco Grupo Caja3, as from the tax period starting 1 January 2014, Banco Grupo Caja3 and its investees that met the relevant requirements were included in the consolidated tax group.

Fundación Bancaria Ibercaja is also the parent entity of the VAT group (No. 78/11) which includes all qualifying group companies which have voluntarily agreed to join.

The Group and its companies are subject to inspection by the tax authorities for Corporate Income Tax for 2018 and subsequent years; in terms of other taxes, they are subject to inspection for periods from December 2019 onwards.

Due to possible different interpretations of the applicable tax regulations, there may be certain tax contingencies which cannot be objectively quantified. However, in the opinion of the Group's Board of Directors and Management, should these contingencies result in actual liabilities they will not have a significant effect on the financial position and the results obtained by the Group.

At a meeting held on 29 April 2021, Ibercaja Group's Board of Directors approved Ibercaja Group's Corporate **Tax Policy,** which sets out the **fundamental principles and guidelines governing Ibercaja's tax strategy, in accordance with applicable regulations and best tax practices**. The policy clearly states that the promotion of a suitable compliance culture is one of the Bank's core values and that, consequently, all tax-related actions must comply fully with applicable law and regulations.

Regarding tax governance, it states that the **Audit and Compliance Committee** is responsible for ensuring due compliance with the policy, reporting to the Board of Directors, and that the Regulatory Compliance Department will be responsible for periodically monitoring compliance with all applicable procedures in this regard.

Under the terms of the Tax Policy, the Bank's tax compliance risk profile is low.

The **Regulatory Compliance Department's Annual Operating Plan** includes, among its responsibilities, defining and overseeing the internal control framework for tax compliance, reviewing the existence of procedures, and identifying control milestones for compliance with applicable tax legislation in collaboration with the Tax Advisory Service. Thus, it is established that the conclusions of the reviews carried out and the proposed improvements issued will be included in the periodic reports that the aforementioned Regulatory Compliance Department submits to the Global Risk Committee and the Audit and Compliance Committee.

In fulfilling these duties, the Regulatory Compliance Department, in collaboration with Tax Advisory, has drawn up a **risk map** of potential non-compliances with tax obligations, taking into account the nature and activities of the Bank. This map has been the basis for establishing a tax risk matrix, while at the same time prescribing the priority areas for supervision and control.

In addition, **in 2024 work continued to promote knowledge of new developments and tax culture** with numerous talks and webinars, in collaboration with professional firms, professional associations and business organisations and various Chambers of Commerce, on various subjects such as pension plans, family businesses, tax and inheritance planning and end-of-year tax recommendations, which were published on social media along with other articles on taxation.

In 2024, Ibercaja again joined the “Empresa Solidaria” initiative, allocating 0.7% of its corporate income tax to social purposes. These funds help finance government programmes to move towards a more egalitarian, inclusive and just society, and support the achievement of the **Sustainable Development Goals of the United Nations 2030 Agenda**.

During the year Ibercaja Banco and Group companies did not receive any public subsidies or aid.

Appendices

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Appendix A. List of material disclosure requirements and relationship to other European Union legislation

Annex A.I: List of material disclosure requirements

Regarding compliance with the disclosure requirements established in preparing the Sustainability Report, and in accordance with ESRS 1, Ibercaja has included a table listing the material disclosure requirements along with the sections of the Sustainability Report where the information is published.

ESRS	Code	Disclosure requirement	Section
ESRS 2	**BP-1**	General basis for the preparation of sustainability statements	11.1.1.2 Objective and scope of the Sustainability Report
ESRS 2	**BP-2**	Information related to specific circumstances	11.1.1.2 Objective and scope of the Sustainability Report
ESRS 2	**GOV-1**	The role of the administrative, management and supervisory bodies	11.1.2.1 Sustainability governance
ESRS 2	**GOV-2**	Information provided to the company's administrative, management and supervisory bodies, and sustainability issues addressed by them	11.1.2.1 Sustainability governance
ESRS 2	**GOV-3**	Integrating sustainability-related performance into incentive systems	11.1.2.3 Sustainability in remuneration systems
ESRS 2	**GOV-4**	Statement on sustainability due diligence	11.1.2.4 Due diligence in the Bank's operations
ESRS 2	**GOV-5**	Risk management and internal controls for sustainability disclosure	11.1.2.5 Control of the information disclosed in the Sustainability Report
ESRS 2	**SBM-1**	Strategy, business model and value chain	11.1.3.1 Ibercaja's Sustainability Strategy 11.1.3.2 The Bank's value chain
ESRS 2	**SBM-2**	Stakeholder interests and opinions	11.1.3.3 Stakeholder interests and opinions
ESRS 2	**SBM-3**	Incidents, risks and opportunities of relative importance and their interaction with the strategy and business model	11.1.3.4 Material impacts, risks and opportunities and their interaction with the strategy and business model
ESRS 2	**IRO-1**	Description of the processes for determining and assessing material incidents, risks and opportunities	11.1.4.1 Pre-exercise analysis of components 11.1.4.2 Assessing impact materiality 11.1.4.3 Assessing financial materiality 11.1.4.4 Double materiality assessment results

ESRS	Code	Disclosure requirement	Section
ESRS 2	**IRO-2**	Disclosure requirements set out in the ESRS covered by the company's sustainability statement	11.1.4.4 Double materiality assessment results
ESRS E1	**E1-1**	Transition plan for climate change mitigation	11.2.2.4 Transition plan for climate change mitigation
ESRS E1	**E1-2**	Policies related to climate change mitigation and adaptation	11.2.2.1 Policies related to climate change mitigation and adaptation
ESRS E1	**E1-3**	Actions and resources related to climate change policies, parameters and goals	11.2.2.3 Actions and resources related to climate change mitigation and adaptation
ESRS E1	**E1-4**	Objectives related to climate change mitigation and adaptation	11.2.2.2. Objectives related to climate change mitigation and adaptation
ESRS E1	**E1-5**	Energy consumption and mix	11.2.2.6 Parameters related to climate change and energy mitigation and adaptation
ESRS E1	**E1-6**	Gross scope 1, 2 and 3 GHG emissions and total GHG emissions	11.2.2.6 Parameters related to climate change and energy mitigation and adaptation
ESRS E1	**E1-7**	GHG absorption and GHG mitigation projects financed with carbon credits	11.2.2.3 Actions and resources related to climate change mitigation and adaptation 11.2.2.6 Parameters related to climate change and energy mitigation and adaptation
ESRS E1	**E1-9**	Expected financial effects of material physical and transition risks and potential opportunities related to climate change	11.2.2.7 Expected financial effects of physical and transition risks
ESRS S1	**S1-1**	Policies related to own staff	11.3.1.1 Policies, management models, protocols and manuals related to the own workforce and the relationship with workers' representatives
ESRS S1	**S1-2**	Processes for collaborating with own employees and employee representatives regarding incidents	11.3.1.1 Policies, management models, protocols and manuals related to the own workforce and the relationship with workers' representatives 11.3.1.5 Collaboration processes and relationships with workers
ESRS S1	**S1-3**	Processes for remediating negative incidents and channels for employees to express their concerns	11.3.1.5 Collaboration processes and relationships with workers
ESRS S1	**S1-4**	Adoption of measures related to material incidents involving own personnel, approaches to mitigate material risks and exploit material opportunities related to own personnel and effectiveness of such actions	11.3.1.4 Actions and measures related to own staff
ESRS S1	**S1-5**	Goals related to managing materially negative incidents, driving positive incidents, and managing materially negative risks and opportunities	11.3.1.3 Goals related to the management of own staff
ESRS S1	**S1-6**	Characteristics of the company's employees	11.3.1.7 Parameters related to own staff

ESRS	Code	Disclosure requirement	Section
ESRS S1	**S1-8**	Coverage of collective bargaining and social dialogue	11.3.1.7 Parameters related to own staff
ESRS S1	**S1-9**	Diversity parameters	11.3.1.7 Parameters related to own staff
ESRS S1	**S1-10**	Adequate wages	11.3.1.7 Parameters related to own staff
ESRS S1	**S1-11**	Social protection	11.3.1.7 Parameters related to own staff
ESRS S1	**S1-12**	People with disabilities	11.3.1.7 Parameters related to own staff
ESRS S1	**S1-13**	Training and skills development parameters	11.3.1.7 Parameters related to own staff
ESRS S1	**S1-14**	Health and safety parameters	11.3.1.7 Parameters related to own staff
ESRS S1	**S1-15**	Work-life balance parameters	11.3.1.7 Parameters related to own staff
ESRS S1	**S1-16**	Remuneration parameters (wage gap and total remuneration)	11.3.1.7 Parameters related to own staff
ESRS S1	**S1-17**	Events, complaints and serious incidents related to human rights	11.3.1.7 Parameters related to own staff
ESRS S3	**S3-1**	Policies related to affected groups	11.3.2.1 Policies related to affected groups, society and vulnerable groups
ESRS S3	**S3-2**	Processes for collaborating with affected groups regarding incidents	11.3.2.1 Policies related to affected groups, society and vulnerable groups
ESRS S3	**S3-3**	Processes for remediating negative incidents and channels for affected groups to express their concerns	11.3.2.3 Actions and measures related to events in the area of affected communities, society and vulnerable groups
ESRS S3	**S3-4**	Adoption of measures related to material impacts on affected groups, approaches to managing material risks and exploiting material opportunities related to affected groups, and the effectiveness of such actions	11.3.2.3 Actions and measures related to events in the area of affected communities, society and vulnerable groups
ESRS S3	**S3-5**	Goals related to managing materially negative incidents, driving positive incidents, and managing materially negative risks and opportunities	11.3.2.2 Goals related to affected groups, society and vulnerable groups
ESRS S4	**S4-1**	Policies related to consumers and end users	11.3.3.1 Policies related to consumers and end users
ESRS S4	**S4-2**	Processes for collaborating with consumers and end users regarding incidents	11.3.3.2 Actions and measures related to customers in the area of sustainability

ESRS	Code	Disclosure requirement	Section
ESRS S4	**S4-3**	Processes for remediating negative incidents and channels for consumers and end users to express their concerns	11.3.3.2 Actions and measures related to customers in the area of sustainability 11.3.3.4 Customer care service
ESRS S4	**S4-4**	Adoption of measures related to material impacts on consumers and end-users, approaches to mitigate material risks and exploit material opportunities related to consumers and end-users and the effectiveness of such actions	11.3.3.2 Actions and measures related to customers in the area of sustainability 11.3.3.3 Accessibility
ESRS S4	**S4-5**	Goals related to managing materially negative incidents, driving positive incidents, and managing materially negative risks and opportunities	11.3.3.2 Actions and measures related to customers in the area of sustainability
ESRS G1	**G1-1**	Corporate culture and policies on corporate culture and business conduct	11.4.1 Corporate culture and policies related to business conduct
ESRS G1	**G1-2**	Supplier relationship management	11.4.3 Supplier relationship management
ESRS G1	**G1-3**	Prevention and detection of corruption and bribery	11.4.2 Prevention and detection of corruption and bribery
ESRS G1	**G1-4**	Confirmed cases of corruption or bribery	11.4.2 Prevention and detection of corruption and bribery
ESRS G1	**G1-6**	Payment practices	11.4.3 Supplier relationship management
ESRS ES	**Entity-specific**	Tax information	11.4.4 Fiscal transparency

Annex A.II: Relationship of disclosure requirements and datapoints with other European Union legislation

Disclosure requirements and related datapoint		Chapter	SFDR [1]	Pillar 3[2]	Regulation on benchmark indices[3]	European Climate Legislation[4]
ESRS 2 GOV-1	Gender diversity of the board of directors section 21(d)	11.1.2.1 Sustainability governance	✓		✓	
ESRS 2 GOV-1	Percentage of board members who are independent, paragraph 21(e)	11.1.2.1 Sustainability governance			✓	
ESRS 2 GOV-4	Due diligence statement section 30	11.1.2.4 Due diligence in the Bank's operations	✓			
ESRS 2 SBM-1	Participation in activities related to fossil fuels Section 40(d)(i)	Non-material	✓	✓	✓	
ESRS 2 SBM-1	Participation in activities related to the production of chemical substances, paragraph 40(d)(ii)	Non-material	✓		✓	
ESRS 2 SBM-1	Participation in activities related to the production of controversial weapons, paragraph 40(d)(iii)	Non-material	✓		✓	
ESRS 2 SBM-1	Participation in activities related to the cultivation and production of separated tobacco, paragraph 40(d)(iv)	Non-material			✓	
ESRS E1-1	Transition plan to achieve climate neutrality by 2050, paragraph 14	11.2.2.4 Transition plan for climate change mitigation				✓
ESRS E1-1	Companies excluded from benchmarks harmonised with the Paris Agreement, paragraph 16(g)	11.2.2.4 Transition plan for climate change mitigation		✓	✓	
ESRS E1-4	GHG emission reduction targets, paragraph 34	11.2.2.2. Objectives related to climate change mitigation and adaptation	✓	✓	✓	
ESRS E1-5	Consumption of energy from non-renewable fossil fuels, broken down by source (only sectors with high climate impact), paragraph 38	Non-material	✓			
ESRS E1-5	Energy consumption and mix, paragraph 37	11.2.2.6 Parameters related to climate change and energy mitigation and adaptation	✓			

Disclosure requirements and related datapoint		Chapter	SFDR [1]	Pillar 3[2]	Regulation on benchmark indices[3]	European Climate Legislation[4]
ESRS E1-5	Energy intensity related to activities in sectors with high climate impact, paragraphs 40 to 43	Non-material	✓			
ESRS E1-6	Gross scope 1, 2 and 3 GHG emissions and total GHG emissions, paragraph 44	11.2.2.6 Parameters related to climate change and energy mitigation and adaptation	✓	✓	✓	
ESRS E1-6	Gross GHG emissions intensity, paragraphs 53 to 55	11.2.2.6 Parameters related to climate change and energy mitigation and adaptation	✓	✓	✓	
ESRS E1-7	GHG absorption and carbon credits, paragraph 56	11.2.2.3 Actions and resources related to climate change mitigation and adaptation 11.2.2.6 Parameters related to climate change and energy mitigation and adaptation				✓
ESRS E1-9	Benchmark portfolio exposure to climate-related physical risks, paragraph 66	11.2.2.7 Expected financial effects of material physical and transition risks and potential opportunities related to climate change.			✓	
ESRS E1-9	Breakdown of monetary amounts by acute and chronic physical risk, paragraph 66(a)	11.2.2.7 Expected financial effects of material physical and transition risks and potential opportunities related to climate change.		✓		
ESRS E1-9	Location of important assets exposed to significant physical risks, paragraph 66(c).	11.2.2.7 Expected financial effects of material physical and transition risks and potential opportunities related to climate change.		✓		
ESRS E1-9	Breakdown of the book value of its real estate assets by energy efficiency, paragraph 67(c).	11.2.2.7 Expected financial effects of material physical and transition risks and potential opportunities related to climate change.		✓		

Disclosure requirements and related datapoint		Chapter	SFDR [1]	Pillar 3[2]	Regulation on benchmark indices[3]	European Climate Legislation[4]
ESRS E1-9	Degree of exposure of the portfolio to climate-related opportunities, paragraph 69	11.2.2.7 Expected financial effects of material physical and transition risks and potential opportunities related to climate change.			✓	
ESRS E2-4	Quantity of each pollutant listed in Annex II of the European Pollutant Release and Transfer Register (E-PRTR) released to air, water and soil, paragraph 28	Non-material	✓			
ESRS E3-1	Water and marine resources, paragraph 9	Non-material	✓			
ESRS E3-1	Specific policies, paragraph 13	Non-material	✓			
ESRS E3-1	Sustainable management of oceans and seas, paragraph 14	Non-material	✓			
ESRS E3-4	Total water recycled and reused, paragraph 28(c)	Non-material	✓			
ESRS E3-4	Total water consumption in m3 per net income from own operations, paragraph 29	Non-material	✓			
ESRS 2 - IRO 1 - E4	section 16(a)(i)	Non-material	✓			
ESRS 2 - IRO 1 - E4	section 16(b)	Non-material	✓			
ESRS 2 - IRO 1 - E4	section 16(c)	Non-material	✓			
ESRS E4-2	Sustainable agricultural or land use practices or policies, paragraph 24(b)	Non-material	✓			
ESRS E4-2	Sustainable marine or ocean practices or policies, paragraph 24(c)	Non-material	✓			
ESRS E4-2	Policies in response to deforestation, paragraph 24(d)	Non-material	✓			
ESRS E5-5	Non-recycled waste, paragraph 37(d)	Non-material	✓			

Disclosure requirements and related datapoint		Chapter	SFDR[1]	Pillar 3[2]	Regulation on benchmark indices[3]	European Climate Legislation[4]
ESRS E5-5	Hazardous waste and radioactive waste, paragraph 39	Non-material	✓			
ESRS 2 - SBM3 - S1	Risk cases of forced labour, paragraph 14(f)	11.1.3 Business model, sustainable strategy and value chain	✓			
ESRS 2 - SBM3 - S1	Risk cases of forced child labour, paragraph 14(g)	11.1.3 Business model, sustainable strategy and value chain	✓			
ESRS S1-1	Political commitments on human rights, paragraph 20	11.3.1.1 Policies, management models, protocols and manuals related to the own workforce and the relationship with workers' representatives	✓			
ESRS S1-1	Due diligence policies on issues addressed by fundamental International Labour Organisation Conventions 1 to 8 of the International Labour Organisation, paragraph 21	11.3.1.1 Policies, management models, protocols and manuals related to the own workforce and the relationship with workers' representatives			✓	
ESRS S1-1	Processes and measures for the prevention of human trafficking, paragraph 22	11.3.1.1 Policies, management models, protocols and manuals related to the own workforce and the relationship with workers' representatives	✓			
ESRS S1-1	Workplace accident prevention policy or management system, paragraph 23	11.3.1.1 Policies, management models, protocols and manuals related to the own workforce and the relationship with workers' representatives	✓			
ESRS S1-3	Grievance/complaints handling mechanisms, paragraph 32(c)	11.3.1.4 Collaboration processes and relationships with workers	✓			
ESRS S1-14	Number of fatalities and number and rate of occupational accidents, paragraphs 88(b) and (c)	11.3.1.7 Parameters related to own staff	✓		✓	
ESRS S1-14	Number of days lost due to injuries, accidents, deaths or illness, paragraph 88(e)	11.3.1.7 Parameters related to own staff	✓			

Disclosure requirements and related datapoint		Chapter	SFDR [1]	Pillar 3 [2]	Regulation on benchmark indices [3]	European Climate Legislation [4]
ESRS S1-16	Gender pay gap, unadjusted, paragraph 97(a)	11.3.1.7 Parameters related to own staff	✓		✓	
ESRS S1-16	Excessive pay gap between the CEO and employees, paragraph 97(b)	11.3.1.7 Parameters related to own staff	✓			
ESRS S1-17	Cases of discrimination, paragraph 103(a)	11.3.1.7 Parameters related to own staff	✓			
ESRS S1-17	Non-compliance with the United Nations Guiding Principles on Business and Human Rights and the OECD Guidelines, paragraph 104(a)	11.3.1.7 Parameters related to own staff	✓		✓	
ESRS 2 - SBM3 - S2	Significant risk of child labour or forced labour in the value chain, paragraph 11(b)	Non-material	✓			
ESRS S2-1	Political commitments on human rights, paragraph 17	Non-material	✓			
ESRS S2-1	Policies related to workers in the value chain, paragraph 18	Non-material	✓			
ESRS S2-1	Non-compliance with the United Nations Guiding Principles on Business and Human Rights and the OECD Guidelines, paragraph 19	Non-material	✓		✓	
ESRS S2-1	Due diligence policies on issues addressed by fundamental International Labour Organisation Conventions 1 to 8 of the International Labour Organisation, paragraph 19	Non-material			✓	
ESRS S2-4	Human rights issues and incidents connected to its upstream and downstream value chain, paragraph 36	Non-material	✓			
ESRS S3-1	Political commitments on human rights, paragraph 16	11.3.2.1 Policies related to affected groups, society and vulnerable groups	✓			
ESRS S3-1	Non-compliance with the UN Guiding Principles on Business and Human Rights, the ILO principles and the OECD Guidelines, paragraph 17	11.3.2.1 Policies related to affected groups, society and vulnerable groups	✓		✓	

Disclosure requirements and related datapoint		Chapter	SFDR[1]	Pillar 3[2]	Regulation on benchmark indices[3]	European Climate Legislation[4]
ESRS S3-4	Human rights problems and incidents, paragraph 36	11.3.2.3 Actions and measures related to events in the area of affected communities, society and vulnerable groups	✓			
ESRS S4-1	Policies related to consumers and end users, paragraph 16	11.3.3.1 Policies related to consumers and end users	✓			
ESRS S4-4	Non-compliance with the United Nations Guiding Principles on Business and Human Rights and the OECD Guidelines, paragraph 17	11.3.3.1 Policies related to consumers and end users	✓		✓	
ESRS G1-1	Human rights problems and incidents, paragraph 35	11.3.3.2 Actions and measures related to customers in the area of sustainability	✓			
ESRS G1-1	United Nations Convention against Corruption, paragraph 10(b)	11.4.1 Corporate culture and policies related to business conduct	✓			
ESRS G1-1	Protection of whistleblowers, paragraph 10(d)	11.4.1 Corporate culture and policies related to business conduct	✓			
ESRS G1-4	Fines for violating anti-corruption and bribery laws, paragraph 24(a)	11.4.2 Prevention and detection of corruption and bribery	✓		✓	
ESRS G1-4	Rules on combating corruption and bribery, paragraph 24(b)	11.4.2 Prevention and detection of corruption and bribery	✓			

[1] Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (OJ L 317, 9.12,2019, p. 1).
[2] Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (Capital Requirements Regulation, "CRR") (OJ L 176, 27.6,2013, p. 1).
[3] Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as references in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014 (OJ L 171, 29.6,2016, p. 1).
[4] Regulation (EU) 2021/1119 of the European Parliament and of the Council of 30 June 2021 establishing the framework for achieving climate neutrality and amending Regulations (EC) No 401/2009 and (EU) 2018/1999 ('European climate law') (OJ L 243, 9.7,2021, p. 1).

Appendix B: Compliance with Law 11/2018 and ESRS alignment

The following table lists the requirements of Law 11/2018, their correspondence with the chapters of the report, and the disclosure requirements of the ESRS.

		Contents	Scope/Perimeter	Related GRI standards	Report chapters	Disclosure requirements
General matters	General	Reporting framework Materiality assessment	Ibercaja Banco Group (*)	3-1 3-2 3-3	3, 11.1.1.2, 11.1.4	BP-1, IRO-1, SBM-3
General matters	Business model	Brief description of the group's business model, including: 1) its business environment. 2) its organisation and structure. 3) the markets in which it operates. 4) its objectives and strategies. 5) the main factors and trends that may affect its future performance.	Ibercaja Banco Group (*)	2-1 2-2 2-6	4.2, 4.3, 4.4, 4.5, 4.6, 8, 11.1.3	SBM-1
General matters	Policies	A description of the group's policies with respect to such issues, including: 1) the due diligence procedures applied for the identification, assessment, prevention and mitigation of significant risks and impacts. 2) the verification and control procedures, including what measures have been taken.	Ibercaja Banco Group (*)	2-23	11.2.2.1, 11.3.1.1, 11.3.2.1, 11.3.3.1, 11.4.1	E1, S1, S3, S4, G1

(*) Ibercaja Banco Group corresponds to 100% of the Group's scope of consolidation.

		Contents	Scope/Perimeter	Related GRI standards	Report chapters	Disclosure requirements
General matters	Policies	A description of the group's policies with respect to such issues, including: 1) the due diligence procedures applied for the identification, assessment, prevention and mitigation of significant risks and impacts. 2) the verification and control procedures, including what measures have been taken.	Ibercaja Banco Group (*)	2-23	11.2.2.1, 11.3.1.1, 11.3.2.1, 11.3.3.1, 11.4.1.	E1, S1, S3, S4, G1
	ST, MT and LT risks	The main risks related to these issues linked to the Group's activities	Ibercaja Banco Group (*)	2-12 3-3	6, 11.2.2, 11.3.1, 11.3.2, 1.3.3, 11.4.1, Appendix G	E1, S1, S3, S4, G1
General matters	KPIs	Key non-financial performance indicators that are relevant to the particular business and that meet the criteria of comparability, materiality, relevance and reliability. In order to facilitate the comparison of information, both over time and between banks, special use will be made of generally applicable non-financial key indicator standards that comply with the European Commission's guidelines in this area and the Global Reporting Initiative standards, and the report should mention the national, European or international framework used for each area	Ibercaja Banco Group (*)	General or specific GRI standards of the economic, environmental and social dimensions that are reported in the following blocks	11.2.2.6, 11.3.1.7, Appendix D, Appendix E, Appendix F, Appendix G	E1-5, E1-6, E1-7, S1-6, S1-7, S1-8, S1-9, S1-10, S1-11, S1-12, S1-13, S1-14, S1-15, S1-16, S1-17
	Taxonomy	Information requirements of Regulation (EU) 2020/852 on eligibility and alignment indicators	Ibercaja Banco Group (*)		Appendix E	

(*) Ibercaja Banco Group corresponds to 100% of the Group's scope of consolidation.

		Contents	Scope/Perimeter	Related GRI standards	Report chapters	Disclosure requirements
Environmental matters	Environmental management	General environmental: 1) Detailed information on the current and foreseeable effects of the company's activities on the environment and, where appropriate, health and safety, environmental assessment or certification procedures; 2) Resources dedicated to the prevention of environmental risks; 3) The application of the precautionary principle, the amount of provisions and guarantees for environmental risks. (E.g. derived from the Environmental Liability Law)	Ibercaja Banco Group (*)	2-12 2-23 3-3 201-2	11.1.3, 11.2.2.3, 11.2.2.4, 11.2.2.5, 11.2.2.6, 11.2.2.7, Appendix F, Appendix G	SBM-1, SBM-3, E1-1, E1-3, E1-7
	Pollution	Measures to prevent, reduce or repair emissions that severely affect the environment; taking into account any form of air pollution specific to an activity, including noise and light pollution.	Ibercaja Banco Group (*)	3-3 305-5	11.2.2.3, 11.2.2.4, Appendix F, Appendix G	-
	Circular economy and waste prevention and management	Measures for prevention, recycling, reuse, other forms of recovery and disposal of waste	Ibercaja Banco Group (*)	301-1	11.2.2.5, Appendix E	-
		Actions to combat food waste	Non-material			
	Sustainable use of resources	Consumption of water and water supply according to local constraints	Non-material			
		Consumption of raw materials and measures taken to improve the efficiency of their use	Ibercaja Banco Group (*)	3-3 301-1 301-2	11.2.2.5, Appendix E	-
		Consumption, direct and indirect, of energy, measures taken to improve energy efficiency and the use of renewable energies.	Ibercaja Banco Group (*)	3-3 302-1	11.2.2.3, 11.2.2.6, Appendix E	E1-5, E1-3

(*) Ibercaja Banco Group corresponds to 100% of the Group's scope of consolidation.

		Contents	Scope/Perimeter	Related GRI standards	Report chapters	Disclosure requirements
Environmental matters	Climate change	Greenhouse gas emissions generated as a result of the company's activities, including the use of the goods and services it produces.	Ibercaja Banco Group (*)	3-3 305-1 305-2 305-3 305-4 305-5	11.2.2.6, Appendix E	E1-6
		Measures adopted to adapt to the consequences of climate change	Ibercaja Banco Group (*)	3-3 201-2	11.2.2.3, 11.2.2.4, 11.2.2.6, Appendix F, Appendix G	E1-1, E1-3, E1-7
		Voluntary medium- and long-term reduction targets to reduce greenhouse gas emissions and the means implemented to for that purpose	Ibercaja Banco Group (*)	2-23 3-3	11.2.2.2, Appendix E, Appendix F, Appendix G	E1-4
	Protection of biodiversity	Measures taken to preserve or restore biodiversity	Non-material			
		Impacts caused by activities or operations in protected areas	Non-material			

(*) Ibercaja Banco Group corresponds to 100% of the Group's scope of consolidation.

		Contents	Scope/Perimeter	Related GRI standards	Report chapters	Disclosure requirements
Social and personnel aspects	Employment	Total number and distribution of employees by country, gender, age and job category	Ibercaja Banco S.A (92.2% of the Group's total workforce)	2-7 3-3 405-1	11.3.1.7, Appendix E	S1-6, S1-9
		Total number and distribution of types of employment contracts, annual average of permanent contracts, temporary contracts and part-time contracts by gender, age and job category, number of dismissals by gender, age and job category	Ibercaja Banco S.A (92.2% of the Group's total workforce)	2-7 401-1 405-1	11.3.1.7, Appendix E	S1-6
		Average remunerations and their trend broken down by gender, age and job category or equal value	Ibercaja Banco S.A (92.2% of the Group's total workforce)	405-1	11.3.1.7	S1-16
		Salary gap, the remuneration of equal jobs or the average remuneration in the company, the average remuneration of directors and executives, including variable remuneration, allowances, compensation, payment to long-term pension savings plans and any other payments, broken down by gender, implementation of policies for disconnection from work, employees with disabilities	Ibercaja Banco S.A (92.2% of the Group's total workforce)	3-3 2-19 2-20 405-1	11.3.1.7	S1-6, S1-16, S1-3, S1-12

		Contents	Scope/Perimeter	Related GRI standards	Report chapters	Disclosure requirements
Social and personnel aspects	Organisation of work	Organisation of working time	Ibercaja Banco S.A (92.2% of the Group's total workforce)	3-3 401-3 403-2	11.3.1.5	S1-3
		Number of hours of absenteeism			11.3.1.7	S1-14
		Measures aimed at facilitating the enjoyment of the work-life balance and encourage co-responsible exercise by both parents			11.3.1.5	S1-3
	Health and safety	Health and safety conditions at work	Ibercaja Banco S.A (92.2% of the Group's total workforce)	3-3 403-1 403-2 403-3 403-4 403-5 403-6 403-7 403-8	11.3.1.7	S1-14
		Occupational accidents, particularly their frequency and severity, broken down by gender			11.3.1.7	S1-14
		Occupational illnesses broken down by gender			11.3.1.7	S1-14
	Social relations	Organisation of social dialogue, including procedures for informing, consulting and negotiating with them	Ibercaja Banco S.A (92.2% of the Group's total workforce)	3-3 403-1 403-4 404-1	11.3.1.5	S1-2, S1-3
		Percentage of employees covered by collective bargaining agreements by country			11.3.1.7	S1-8
		The balance of collective agreements, particularly in the field of health and safety at work			11.3.1.7	S1-8
	Training[1]	Policies implemented in training.	Ibercaja Banco S.A (92.2% of the Group's total workforce)	3-3 404-1 404-2	11.3.1.1	S1.1
		The total number of training hours by job categories.			Appendix E	S1-13

[1] Additional comments on training: The average number of training hours per employee in 2024 was 67 hours. 100% of permanent employees receive regular performance and career development assessments.

		Contents	Scope/Perimeter	Related GRI standards	Report chapters	Disclosure requirements
Social and personnel aspects	Accessibility	Integration an universal accessibility for people with disability	Ibercaja Banco S.A (92.2% of the Group's total workforce)	3- 3	11.3.1.1, 11.3.1.7, Appendix F	S1-1, S1-12
	Equality	Measures adopted to foster equal treatment and opportunities between women and men	Ibercaja Banco S.A (92.2% of the Group's total workforce)	3- 3	11.3.1.1, 11.3.1.5	S1-1, S1-3
		Equality plans (Chapter III of Spanish Organic Law 3/2007, of 22 March, for the effective equality of women and men), measures taken to promote employment, protocols against sexual and gender-based harassment, integration and universal accessibility for people with disabilities			11.3.1.1, 11.3.1.5	S1-1, S1-3
		Policy against all forms of discrimination and, as applicable, management of diversity			11.3.1.1, 11.3.1.7	S1-1, S1-9

	Contents	Scope/Perimeter	Related GRI standards	Report chapters	Disclosure requirements
Human rights[2]	Application of due diligence procedures in the field of human rights and prevention of risks of human rights violations and, where appropriate, measures to mitigate, manage and redress any abuses committed	Ibercaja Banco Group (*)	2-23 3-3 406-1 407-1 408-1 409-1	11.1.2, 11.3.1.1, 11.3.1.4, 11.3.2.1, 11.3.3.1	GOV-4, S1-1, S1-4, S4-1, S4-3
	Complaints about cases of human rights violations			11.3.1.7	S1-17
	Promotion and compliance with the provisions of the fundamental conventions of the International Labour Organisation related to respect for freedom of association and the right to collective bargaining; the elimination of discrimination in employment and occupation; the elimination of forced or compulsory labour; and the effective abolition of child labour			11.3.1.1, 11.3.1.4	S1-1, S1-4
Corruption and bribery	Measures taken to prevent corruption and bribery	Ibercaja Banco Group (*)	3-3 2-23 2-24	11.4.1, 11.4.3	G1-1, G1-3
	Measures to combat money laundering, contributions to foundations and not-for-profit organisations.			11.3.2.3	G1-3

(*) Ibercaja Banco Group corresponds to 100% of the Group's scope of consolidation.

[2] Additional comments on training: Although the risk of human rights violations in Ibercaja's activities is low, the Bank has several mechanisms to prevent and mitigate any risk in this area. In 2024, the Institution was not subject to any sanctions or involved in any criminal proceedings or similar incidents that could infringe on human rights.

		Contents	Scope/Perimeter	Related GRI standards	Report chapters	Disclosure requirements
Information relating to the company	Company's commitments to sustainable development	Impact of the company's activity on local employment and development Impact of the company's activity on local communities and the territory Relationships with local community actors and the types of dialogue with them Partnership and sponsorship actions	Ibercaja Banco Group (*)	3-3 2-29	11.3.2.3	SBM-2, SBM-3
	Subcontracting and suppliers	Inclusion of social, gender equality and environmental issues in the procurement policy Consideration in relations with suppliers and subcontractors of their social and environmental responsibility Systems of supervision and audits and results thereof	Ibercaja Banco Group (*)	2-6 3-3	11.4.3	G1-2
	Consumers	Measures for consumer health and safety Complaint systems, complaints received and their resolution	Ibercaja Banco Group (*)	2-26 3-3	11.3.3.3, 11.4.1.3	S4-3, S4-4
	Tax information	Benefits obtained country by country Income tax paid Public grants received	Ibercaja Banco Group (*)	3-3 201-4 207-1 207-4	11.4.4	-

(*) Ibercaja Banco Group corresponds to 100% of the Group's scope of consolidation.

Appendix C. The 10 Principles of the Global Compact

The following table lists the ten principles of the Global Compact and the sections of the report that contain information on them, as well as their relationship with the GRI indicators.

	Principles of the Global Compact	Report chapters	GRI correspondence
Human rights	**1. Companies must support and respect the protection of fundamental Human Rights, recognised internationally, within their scope of action.**	4.2, 4.4, 11.3.1, Appendix F	2-7, 2-23, 401-2, 403-1, 403-2, 408-1, 409-1
	2. Businesses must make sure that they are not complicit in human rights abuses.	4.2, 4.4, 11.3.1, Appendix F	2-7, 2-23, 401-2, 403-1, 403-2 408-1, 409-1
Employment rules and standards	**3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.**	11.3.1	2-30, 401-2
	4. Businesses should support the elimination of all forms of forced or compulsory labour.	11.1.3, 11.3, 11.4.3	Ibercaja does not undertake its activity in developing countries
	5. Companies should support the effective abolition of child labour.	11.1.3, 11.3.1, 11.4.3	Ibercaja does not undertake its activity in developing countries
	6. Businesses should support the elimination of discrimination in respect of employment and occupation.	4.4, 11.3.1, 11.1.3, Appendix F, Appendix E	2-7, 403-1, 403-2, 404-1

	PRINCIPLE OF THE GLOBAL COMPACT	REPORT CHAPTERS	GRI CORRESPONDENCE
Environment	**7. Companies must maintain a preventive approach that favours the environment.**	11.2, Appendix E, Appendix F	301-1, 302-4, 305-1, 305-2, 305-3, 305-5
	8. Businesses should undertake initiatives to promote greater environmental responsibility.	11.1, 11.2, Appendix E, Appendix F	301-1, 302-4, 305-1, 305-2, 305-3, 305-5
	9. Companies must favour the development and proliferation of technologies that respect the environment.	11.1, 11.2	301-1, 302-4
Anti-corruption	**10. Businesses should work against corruption in all its forms, including extorsion and bribery.**	4.4, 6, 11.1, Appendix E, Appendix F	2-23, 2-26 205-2, 205-3

Appendix D. Table of alignment between GRI and ESRS

GRI standard	Content	Chapters or direct response	Disclosure requirement
GRI 1: Foundation 2023	**Reporting framework** **Materiality assessment**	Ibercaja has presented the information cited in this GRI content index for the period from 1 January 2024 to 31 December 2024 using the GRI Standards as a reference.	
GRI 2: General contents 2021	**2-1 Organisational details**	4.2, 4.5. 4.6 See Note 1.1 of the consolidated financial statements at 31 December	BP-1
	2-2 Entities included in the organisation's sustainability reports	3, 4.1, 4.6, 11.1 See Consolidated Financial Statements at 31 December 2023.	
	2-3 Reporting period, frequency and contact point	Ibercaja has presented the information cited in this GRI content index for the period from 1 January 2024 to 31 December 2024 using the GRI Standards as a reference. This report is annual. For any further information on this report, please contact Ibercaja's corporate responsibility email rsc@bercaja.es This report is expected to be published in the first quarter of 2025.	
	2-4 Restatements of information	The possible changes in the criteria applied with respect to the previous report, when they are significant, are reflected in the corresponding section and in the GRI indicators table.	
	2-5 External verification	3, 11.1, Appendix F, Appendix H	
	2-6 Activities, value chain and other business relationships	1, 4.1, 4.2, 4.5, 4.5.3, 5.1, 5.2, 7, 11.1.3, 11.1.4	SBM-1, SBM-2
	2-7 Employees	11.3.1, Appendix E	S1-6

GRI standard	Content	Chapters or direct response	Disclosure requirement
GRI 2: General contents 2021	**2-8 Workers who are not employees**	Ibercaja Banco carries out most of its activities using its own staff, with investees that collaborate in maintenance, editing, logistics and other works. There were no significant changes in the organisation's workforce.	
	2-11 Chair of the highest governing body	4.3 In 2024, the Chair of Ibercaja Banco did not have any executive functions.	
	2-12 Role of the highest governing body in overseeing the management of impacts	4.3, 6, 11.1.2, Appendix F, Appendix G	GOV-1, GOV-2
	2-13 Delegation of responsibility for managing impacts	4.3, 11.1.2, Appendix G	GOV-1
	2-14 Role of the highest governing body in sustainability reporting	4.3, 11.1.2	GOV-5
	2-15 Conflicts of interest	4.1	
	2-16 Communication of critical concerns	4.1	
	2-19 Remuneration policies	4.3, 11.1.2	GOV-3
	2-20 Process to determine remuneration	4.3, 11.1.2	GOV-3
	2-22 Statement on sustainable development strategy	1, 11.1.3	SBM-1
	2-23 Policy commitments	4.1, 4.3, 11.3.1, 11.3.2, 11.3.3, 11.4, Appendix F	S1-1, S3-1, S4-1, G1-1
	2-24 Embedding policy commitments	11.3.1, 11.3.2, 11.3.4, 11.4	S1-4, S3-4, S4-4, G1-1
	2-25 Processes to remediate negative impacts	3, 7, 11.3.1, 11.3.2, 11.3.4	S1, S3, S4
	2-26 Mechanisms for seeking advice and raising concerns	11.4.1 Ibercaja has a specific and independent ethical channel for reporting possible breaches of the Code and queries on its interpretation. Also included on the corporate website is an email address (rsc@ibercaja.es) to which anyone can send queries about the Bank's Code of Ethics.	G1-1, G1-3

GRI standard	Content	Chapters or direct response	Disclosure requirement
GRI 2: General contents 2021	**2-27 Compliance with laws and regulations**	11.4.2, 11.4.3 In 2024, the Group did not receive any significant sanctions or fines following a definitive breach of legislation or regulations, nor was there any knowledge of claims, files, lawsuits or litigation relating to social and economic areas. It should be noted that, in 2023, the appeal lodged against the €5,000,000 penalty imposed by the Governing Council of the Bank of Spain for inaccurate submission of the information to be reported to the Bank of Spain in the statement of “Interest rates on loan operations in Spain with the resident private sector, included in Annex 9 of Circular 5/2012 of the Bank of Spain”, was rejected, and a monetary loss for that amount was recognised. As of the date issue of this report, the sanction is not final, as it has been appealed before the Administrative Appeals Chamber of the National High Court, and the administrative litigation proceedings are currently pending a ruling.	G1-4, G1-6
	2-28 Membership of associations	2	
	2-29 Approach to stakeholder engagement	3, 11.1.3	SBM-2
	2-30 Collective bargaining agreements	11.3.1 100% of Ibercaja Banco employees are covered by Collective Bargaining Agreements and are represented on formal committees.	S1-8

GRI standard	Content	Chapter or direct response	Disclosure requirement
GRI 3: Material topics 2021	**3-1 Process to determine material topics**	11.1.4, Appendix G	IRO-1
	3-2 List of material topics	11.1.3	SBM-3
	3-3 Management of material topics	4.4, 4.6, 11.1.3	SBM-3

Ethical conduct, integrity and culture

GRI standard	Content	Chapter or direct response	Disclosure requirement
GRI 206: Unfair competition 2016	**206-1: Legal action related with unfair competition and monopolistic practices and against free competition**	In 2024, no significant sanctions or fines were received following a definitive breach of legislation or regulations, nor was there any knowledge of claims, files, lawsuits or litigation related to unfair competition, monopolistic practices or against free competition.	
GRI 408: Child labour	**408-1: Operations and suppliers at significant risk for incidents of child labour**	Ibercaja has not identified any centres or suppliers likely to have significant risks in relation to child exploitation. Moreover, all suppliers, when doing business with us, accept the Bank's Code of Ethics and Supplier Code of Conduct, which explicitly states zero tolerance for incidents of child exploitation. 11.3.2	
GRI 409: Forced or compulsory labour	**409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour**	Ibercaja has not identified any centres or suppliers likely to have significant risks in relation to forced labour. Moreover, all suppliers, when entering into business with us, accept the Bank's Code of Ethics and Supplier Code of Conduct, which explicitly states zero tolerance for forced labour. 11.3.1	
GRI 415: Public policy 2016	**415-1 Political contributions**	Ibercaja does not accept or offer contributions to political parties and/or representatives.	

Transparency in customer relations and communication with the GDIs

GRI standard	Content	Chapter or direct response	Disclosure requirement
GRI 3: Material topics 2021	**3-3 Management of material topics**	4.4, 4.6, 11.1.3	SBM-3
GRI 417: Marketing and labelling	**417-1: Requirements for product and service information and labelling**	4.6, 11.3.3	S4-1, S4-4
	417-2: Incidents of non-compliance concerning product and service information and labelling	In 2024, no significant sanctions or fines were received following a definitive breach of legislation or regulations, nor was there any knowledge of claims, files, lawsuits or litigation relating to the impact on the use and supply of products and services and in health and safety, or as a result of labelling.	S4-4
	417-3: Incidents of non-compliance concerning marketing communications	In 2024, no significant sanctions or fines were received following a definitive breach of legislation or regulations, nor was there any knowledge of claims, files, lawsuits or litigation relating to matters tied to marketing notifications.	S4-4

Excellence, professionalism and customer support

GRI standard	Content	Chapter or direct response	Disclosure requirement
GRI 3: Material topics 2021	**3-3 Management of material topics**	4.5.3, 11.1.3 In 2012, the Bank was the first Spanish bank to earn AENOR certification for excellence in personal banking advice, and since 2007 it has held the European Seal of Excellence 500+, awarded by the European Foundation for Quality Management (EFQM), which was renewed this year under the updated EFQM Model.	SBM-3
GRI 416 Health and safety of customers 2016	**416-2: Incidents of non-compliance concerning the health and safety impacts of products and services**	During 2024 no significant penalties or fines were received relating to the health and safety impacts of the product and service categories 11.3.3	S4-4

Digital transformation and cybersecurity

GRI standard	Content	Chapter or direct response	Disclosure requirement
GRI 3: Material topics 2021	**3-3 Management of material topics**	3, 4.5.2	

Risk management and regulatory compliance

GRI standard	Content	Chapter or direct response	Disclosure requirement
GRI 3: Material topics 2021	**3-3 Management of material topics**	11.1.3	SBM-3
GRI 207: Tax	**207-1 Tax approach**	11.4.4	
	207-2: Tax governance, risk control and management	11.4.4 The Company is currently working in this realm with the aim of reporting tax information on a cash basis, through the CECA Total Tax Contribution report and a specific report by Ibercaja.	

		11.4.4	
	207-4 Presentation of reports country by country	The Company does not currently have any permanent establishments in other countries and is therefore not required to issue this report.	

Economic performance and value creation

GRI standard	Content	Chapter or direct response	Disclosure requirement
GRI 3: Material topics 2021	**3-3 Management of material topics**	5.1, 5.3, 11.1.3, Appendix E, Appendix F, Appendix G	SBM-3
GRI 201: Economic performance 2016	**201-1 Direct economic value generated and distributed**	Appendix E	
	201-2 Financial implications and other risks and opportunities arising from climate change	11.1.3, Appendix F, Appendix G	SBM-3
	201-3 Obligations of the defined benefit plan and other retirement plans	100% of serving employees are included in the Pension Plan.	
	201-4 Financial assistance received from government	Ibercaja did not receive any type of aid from the Government.	
	FS 6: Breakdown of the portfolio for each line of business, by specific region, size (micro, SME, large company) and sector.	4.6	
	FS 8: Monetary value of products and services designed to deliver a specific environmental benefit by business line broken down by objective	Appendix E	
	FS 14: Initiatives to improve access to financial services for disadvantaged groups.	4.6, Appendix E	
	FS 13: Accessibility in depopulated or disadvantaged areas	In 2024, Ibercaja provided services in 100 towns as the only company present and 23% of branches provides service in towns with fewer than 1,000 inhabitants	

Data Protection

GRI standard	Content	Chapter or direct response	Disclosure requirement
GRI 3: Material topics 2021	**3-3 Management of material topics**	4.4, 11.1.3	SBM-3
GRI 418: Customer privacy 2016	**418-1: Substantiated complaints concerning breaches of customer privacy and losses of customer data**	11.4.4 In 2024, there were 1,044 case files relating to GDPR and 4,780 cancellations of online advertising unsubscribes. There is a fine from the Spanish Data Protection Agency in the amount of €300,000, which has been reduced to €180,000 (40%), due to recognition of responsibility and voluntary payment. A violation of Article 6.1 of the GDPR, in conjunction with Article 20.1(e) of the LOPDGDD (Spanish Data Protection and Guarantee of Digital Rights Act), is alleged for the various queries made to the EXPERIAN file to obtain data of a customer whose loan had been forgiven, after the contract was terminated. This sanction is final since no appeal was lodged with the Administrative Appeals Chamber.	S4-4

Corporate governance of the Entity

GRI standard	Content	Chapter or direct response	Disclosure requirement
GRI 3: Material topics 2021	**3-3 Management of material topics**	4.4, 11.1.3	SBM-3
GRI 205: Anti-corruption 2016	**205-1: Operations assessed for risks related to corruption**	11.4.2, Appendix E	G1-3
	205-2: Communication and training on anti-corruption policies and procedures	11.4.2 100% of Ibercaja Banco's current workforce has received training in criminal risk prevention, including the crime of corruption and bribery.	G1-3
	205-3: Confirmed incidents of corruption and actions taken	11.4.2 During 2024, no cases of corruption arose.	G1-4

Responsible supplier relations and partnership building

GRI standard	Content	Chapter or direct response	Disclosure requirement
GRI 3: Material topics 2021	**3-3 Management of material topics**	11.1.3	SBM-3
GRI 204: Procurement practices	**GRI 204: Procurement practices**	11.4.3 The percentage of purchases from local suppliers is 97.7%.	S3-1
GRI 407: Freedom of association and collective bargaining	**407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk**	11.3.1 Ibercaja has not identified any centres or suppliers likely to have significant risks in relation to the right to freedom of association and collective bargaining.	S1-4

Risk Management of Climate Change and other ESG risks

GRI standard	Content	Chapter or direct response	Disclosure requirement
GRI 3: Material topics 2021	**3-3 Management of material topics**	11.1.3, 6	SBM-3
GRI 305: Emissions 2016	**305-1: Direct (Scope 1) GHG emissions**	11.2.2, Appendix E	E1-6
	305-2: Indirect GHG emissions when generating energy (scope 2)	11.2.2, Appendix E	E1-6
	305-3: Other indirect (Scope 3) GHG emissions	11.2.2, Appendix E	E1-6
	305-5 Reduction of GHG emissions	11.2.2, Appendix E	E1-3, E1-7

Financial products with high social and/or environmental value

GRI standard	Content	Chapter or direct response	Disclosure requirement
GRI 3: Material topics 2021	**3-3 Management of material topics**	4.5.3	
	FS 10: Percentage and number of companies in the portfolio with which we have interacted on social or environmental issues	11.2.2, Appendix E	
	FS 11: Percentage of assets subject to positive or negative social or environmental analysis.	11.2.2, Appendix E	

Internal Environmental Management

GRI standard	Content	Chapter or direct response	Disclosure requirement
GRI 3: Material topics 2021	3-3 Management of material topics	11.1.3	SBM-3
GRI 301: Materials 2016	301-1: Materials used by weight or volume	Appendix E	
	301-2: Recycled inputs	Appendix E	
GRI 302: Energy	302-1: Energy consumption within the organisation	11.2.2, Appendix E	E1-5
	302-4 Reduction of energy consumption	11.2.2, Appendix E	E1-4
	302-3: Energy intensity	Appendix E	E1-5
306: Waste 2020	306-3: Waste generated	Appendix E	

Non-discrimination, Diversity and work-life balance

GRI standard	Content	Chapter or direct response	Disclosure requirement
GRI 3: Material topics 2021	3-3 Management of material topics	4.4, 11.1.3	SBM-3
GRI 401: Employment 2016	401-3 Parental leave	11.3.1	S1-15
GRI 405: Diversity and equal opportunity 2016	405-1: Diversity of governance bodies and employees	11.3.1, Appendix E	S1-9
GRI 406: Non-discrimination 2016	406-1: Incidents of discrimination and corrective actions taken	There were no incidents of discrimination and, therefore, no corrective actions in 2024.	S1-17

Attracting, retaining and developing talent

GRI standard	Content	Chapter or direct response	Disclosure requirement
GRI 3: Material topics 2021	**3-3 Management of material topics**	11.1.3	SBM-3
GRI 401: Employment 2016	**401-1: New employee hires and employee turnover**	Annex D	S1-6
	401-2: Benefits provided to full-time employees that are not provided to temporary or part-time employees	11.3.1	S1-11
GRI 402: Labour/management relations 2016	**402-1: Minimum notice periods for operational changes**	11.3.1 That stipulated in the prevailing legislation applies with regard to minimum advance notice period(s) relating to organisational changes, including if these notices are specific in the collective bargaining agreements.	S1-1, S1-4
GRI 403: Occupational health and safety 2018	**403-1 Occupational health and safety management system**	11.3.1	S1-1
	403-2 Hazard identification, risk assessment and the investigation of incidents	11.3.1	
	403-3 Occupational health services	11.3.1	
	403-4 Worker participation, consultation and communication on occupational health and safety	11.3.1	
	403-5 Training of workers on health and safety at work	11.3.1	
	403-6 Promoting the health of workers	11.3.1 The information reported relates to Ibercaja Banco's own personnel. In relation with the workers of the investees that collaborate in maintenance, editing, logistics and other works, they are not covered by the Ibercaja Banco prevention service. However, the risks associated with their work position are assessed and adequate measures are taken to preserve health and safety.	

GRI standard	Content	Chapter or direct response	Disclosure requirement
GRI 403: Occupational health and safety 2018	**403-7 Prevention and mitigation of the impacts on the health and safety of workers directly linked with commercial relations**	11.3.1 The information reported relates to Ibercaja Banco's own personnel. There are currently no external workers linked with commercial relations.	S1-3
	403-8 Coverage of the occupational health and safety management system	11.3.1 Ibercaja Banco has its own prevention service. In 2024, the Bank was awarded the AENOR SIGOS healthy company certification.	S1-14
GRI 404: Training and education 2016	**404-1: Average hours of training per year per employee**	11.3.1 The average number of training hours per employee in 2024 was 67 hours.	S1-13
	404-2: Programmes to improve employee aptitudes and transition assistance programmes	11.3.1	S1-1
	404-3: Percentage of employees who receive periodic evaluations of professional performance and development	11.3.1 100% of permanent employees receive regular performance and career development assessments.	S1-13

Commitment to society and respect for human rights

GRI standard	Content	Chapter or direct response	Disclosure requirement
GRI 3: Material topics 2021	**3-3 Management of material topics**	1, 4.3, 4.5.1, 4.5.3, 11.1.3	SBM-3
GRI 202: Market presence 2016	**202-1: Ratio of standard entry level wage by gender vs. local minimum wage**	11.3.1 The range of the relationships between the standard initial salary and the minimum local salary in places in which significant activities are performed: 149%	S1-10
	202-2: Proportion of senior executives hired from the local community.	11.3.2 Ibercaja Banco recruits 100% of its employees in Spain and 100% of senior executives are Spanish nationals.	S3-1, S3-5
GRI 203: Indirect economic impacts 2016	**203-1: Infrastructure investments and services supported**	11.3.2, Appendix E	S3-1, S3-5

Appendix E. Additional non-financial information, GRI content and Taxonomy information

2-7, 3-3, 201-1, 203-1, 205-1, 305-1, 305-2, 305-3, 305-5, 301-1, 301-2, 302-1, 302-4, 401-1, FS8, FS10, FS11, FS14, 302-3, 306-3

GRI 201-1

€ THOUSANDS	2022	2023	2024
Gross income	943,648	1,186,186	1,303,303
Net profit/(loss) discontinued operations	0	0	0
Gains or (-) losses on the derecognition of net non-financial assets and equity interests	5,720	(303)	(743)
Gains/(losses) non-current assets held for sale	2,152	3,896	6,608
Economic value generated	951,520	1,190,057	1,309,666
Dividends	121,272	182,626	202,099
Other general administrative expenses	164,628	168,488	176,721
Personnel expenses	329,712	371,992	382,806
Tax on profits and contributions and other taxes	72,423	87,003	171,596
Economic value distributed	688,035	810,109	933,222
Economic value withheld (VEG-VED)	263,485	379,948	376,444

2022 is restated under IFRS17

GRI 205-1

SUMMARY OF REVIEWS CONDUCTED	2022	2023	2024
Distribution Network Audit	143	137	140
Credit Risk Audit and Modelling	37	37	35
Financial Auditing and Regulatory Reporting Auditor	27	31	31
Systems Audit	15	15	15
TOTAL	**222**	**220**	**221**

BRANCH AUDITS	2022	2023	2024
Revised offices	127	117	116
Percentage of the average number of offices	13.76%	12.96%	12.87%

2-7, 405-1

The following tables present the distribution of Ibercaja Banco's workforce at 31 December 2024 according to gender, professional category, age, location and type of contract.

2024 JOB CATEGORY	MEN	WOMEN	TOTAL	AVERAGE AGE
Managers	608	332	940	47
Middle managers	471	470	941	50
Technical staff	851	1,046	1,897	48
Clerical staff	460	492	952	43
TOTAL	**2,390**	**2,340**	**4,730**	**47**

2023 JOB CATEGORY	MEN	WOMEN	TOTAL	AVERAGE AGE
Managers	613	319	932	47
Middle managers	454	450	904	49
Technical staff	777	971	1,748	47
Clerical staff	504	539	1,043	43
TOTAL	**2,348**	**2,279**	**4,627**	**47**

2022 JOB CATEGORY	MEN	WOMEN	TOTAL	AVERAGE AGE
Managers	602	315	917	47
Middle managers	444	444	888	48
Technical staff	705	853	1,558	47
Clerical staff	512	590	1,102	45
TOTAL	**2,263**	**2,202**	**4,465**	**47**

Job categories are defined as:
MANAGERS: up to branch managers
MIDDLE MANAGERS: up to assistant managers-responsible persons
TECHNICAL STAFF: specialist roles in branches and Technical staff/Experts in Central Services
CLERICAL STAFF: Branch Network and Central Services employees

AGE 2024	MEN	WOMEN	TOTAL
21 - 30 YEARS	292	272	564
31 - 40 YEARS	166	137	303
41 - 50 YEARS	823	906	1,729
51 - 60 YEARS	1,092	1,019	2,111
61 - 70 YEARS	17	6	23
TOTAL	**2,390**	**2,340**	**4,730**

AGE 2023	MEN	WOMEN	TOTAL
21 - 30 YEARS	255	235	490
31 - 40 YEARS	175	159	334
41 - 50 YEARS	890	951	1,841
51 - 60 YEARS	1,011	929	1,940
61 - 70 YEARS	17	5	22
TOTAL	**2,348**	**2,279**	**4,627**

AGE 2022	MEN	WOMEN	TOTAL
21 - 30 YEARS	177	167	344
31 - 40 YEARS	213	204	417
41 - 50 YEARS	973	1,013	1,986
51 - 60 YEARS	888	815	1,703
61 - 70 YEARS	12	3	15
TOTAL	**2,263**	**2,202**	**4,465**

Age classification is defined in 10-year bands.

2024 - GENDER	PERMANENT	TEMPORARY	TOTAL
MEN	2,286	104	2,390
WOMEN	2,232	108	2,340
TOTAL	**4,518**	**212**	**4,730**

2023 - GENDER	PERMANENT	TEMPORARY	TOTAL
MEN	2,228	120	2,348
WOMEN	2,155	124	2,279
TOTAL	**4,383**	**244**	**4,627**

2022 - GENDER	PERMANENT	TEMPORARY	TOTAL
MEN	2,170	93	2,263
WOMEN	2,109	93	2,202
TOTAL	**4,279**	**186**	**4,465**

The classification by type of contract uses the employee's contract type as at 31 December.
P: permanent contracts
T: temporary contracts

2024 JOB LEVEL	GENDER		TOTAL
	MEN	WOMEN	
GR.1 LEVEL I	16	6	22
GR.1 LEVEL II	23	12	35
GR.1 LEVEL III	348	157	505
GR.1 LEVEL IV	454	274	728
GR.1 LEVEL V	389	376	765
GR.1 LEVEL VI	260	318	578
GR.1 LEVEL VII	233	280	513
GR.1 LEVEL VIII	276	523	799
GR.1 LEVEL IX	82	123	205
GR.1 LEVEL X	45	23	68
GR.1 LEVEL XI	65	54	119
GR.1 LEVEL XII	187	193	380
GR.1 LEVEL XIII			
GR.1 LEVEL XIV			
GR.2 LEVEL I	1		1
GR.2 LEVEL II	10	1	11
GR.2 LEVEL IV	1		1
TOTAL	**2,390**	**2,340**	**4,730**

2023 JOB LEVEL	GENDER		TOTAL
	MEN	WOMEN	
GR.1 LEVEL I	15	5	20
GR.1 LEVEL II	25	12	37
GR.1 LEVEL III	314	139	453
GR.1 LEVEL IV	468	253	721
GR.1 LEVEL V	373	344	717
GR.1 LEVEL VI	252	315	567
GR.1 LEVEL VII	240	272	512
GR.1 LEVEL VIII	289	533	822
GR.1 LEVEL IX	94	158	252
GR.1 LEVEL X	34	31	65
GR.1 LEVEL XI	46	29	75
GR.1 LEVEL XII	186	187	373
GR.1 LEVEL XIII			
GR.1 LEVEL XIV			
GR.2 LEVEL I	1		1
GR.2 LEVEL II	10	1	11
GR.2 LEVEL IV	1		1
TOTAL	**2,348**	**2,279**	**4,627**

2022 JOB LEVEL	GENDER		TOTAL
	MEN	WOMEN	
GR.1 LEVEL I	15	4	19
GR.1 LEVEL II	24	12	36
GR.1 LEVEL III	302	124	426
GR.1 LEVEL IV	452	249	701
GR.1 LEVEL V	375	322	697
GR.1 LEVEL VI	238	302	540
GR.1 LEVEL VII	224	263	487
GR.1 LEVEL VIII	324	556	880
GR.1 LEVEL IX	104	183	287
GR.1 LEVEL X	32	40	72
GR.1 LEVEL XI	20	19	39
GR.1 LEVEL XII	69	47	116
GR.1 LEVEL XIII	72	80	152
GR.1 LEVEL XIV			
GR.2 LEVEL I	1		1
GR.2 LEVEL II	10	1	11
GR.2 LEVEL IV	1		1
TOTAL	**2,263**	**2,202**	**4,465**

Classification according to the job categories in the collective bargaining agreement.

2024 – AREAS	GENDER		TOTAL
	MEN	WOMEN	
BRANCH NETWORK DEPARTMENT	27	41	68
ARAGON TD (TERRITORIAL DIVISION)	628	590	1,218
MEDITERRANEAN COAST TD	281	263	544
EXTREMADURA & SOUTH TD	117	125	242
MADRID AND NORTH-WEST TD	420	510	930
RIOJA, BURGOS & GUADALAJARA TD	267	285	552
CENTRAL UNITS	440	401	841
CORPORATE BANKING DEPARTMENT	210	125	335
TOTAL	**2,390**	**2,340**	**4,730**

2023 – AREAS	GENDER		TOTAL
	MEN	WOMEN	
BRANCH NETWORK DEPARTMENT	16	18	34
ARAGON TD (TERRITORIAL DIVISION)	617	588	1,205
MEDITERRANEAN COAST TD	287	269	556
EXTREMADURA & SOUTH TD	184	187	371
MADRID AND NORTH-WEST TD	353	435	788
RIOJA, BURGOS & GUADALAJARA TD	263	284	547
CENTRAL UNITS	436	386	822
CORPORATE BANKING DEPARTMENT	192	112	304
TOTAL	**2,348**	**2,279**	**4,627**

2022 – AREAS	GENDER		TOTAL
	MEN	WOMEN	
BRANCH NETWORK DEPARTMENT	11	10	21
ARAGON TD (TERRITORIAL DIVISION)	608	573	1,181
MEDITERRANEAN COAST TD	270	264	534
EXTREMADURA & SOUTH TD	178	188	366
MADRID AND NORTH-WEST TD	352	432	784
RIOJA, BURGOS & GUADALAJARA TD	263	270	533
CENTRAL UNITS	394	362	756
CORPORATE BANKING DEPARTMENT	187	103	290
TOTAL	**2,263**	**2,202**	**4,465**

The classification by location is the organisation by Territorial Divisions (TD) of the Bank.

- TERRITORIAL DIVISION OF ARAGON; AUTONOMOUS COMMUNITY OF ARAGON
- TERRITORIAL DIVISION OF MEDITERRANEAN COAST; AUTONOMOUS COMMUNITY OF ANDALUCIA, BALEARIC ISLANDS, CASTILLA LA MANCHA, CATALONIA, VALENCIA AND REGION OF MURCIA
- TERRITORIAL DIVISION EXTREMADURA AND SOUTH; AUTONOMOUS COMMUNITY OF ANDALUCIA, CANARY ISLANDS AND EXTREMADURA
- TERRITORIAL DIVISION OF MADRID AND NORTH-WEST; AUTONOMOUS COMMUNITIES OF CASTILLA LA MANCHA, CASTILLA Y LEON, GALICIA, MADRID AND PRINCIPALITY OF ASTURIAS
- TERRITORIAL DIVISION OF RIOJA, BURGOS AND GUADALAJAR; AUTONOMOUS COMMUNITIES OF CANTABRIA, CASTILLA LA MANCHA, CASTILLA LEON, LA RIOJA, FORAL DE NAVARRA AND PAIS VASCO.

The following tables present the distribution of the workforce of Ibercaja in 2024 by gender, job category, age, location and type of contract in terms of average number of days.

AVERAGE NUMBER OF DAYS WORKED BY GENDER, TYPE OF CONTRACT AND OCCUPATIONAL CATEGORY

2024	PERMANENT			TEMPORARY		
	M	W	TOTAL	M	W	TOTAL
Managers	100%	100%	100%	0%	0%	0%
Middle managers	100%	100%	100%	0%	0%	0%
Technical staff	100%	100%	100%	0%	0%	0%
Clerical staff	75.16%	75.62%	75.39%	24.84%	24.38%	24.61%
TOTAL	**95.06%**	**94.81%**	**94.93%**	**4.94%**	**5.19%**	**5.07%**

2023	PERMANENT			TEMPORARY		
	M	W	TOTAL	M	W	TOTAL
Managers	100%	100%	100%	0%	0%	0%
Middle managers	100%	100%	100%	0%	0%	0%
Technical staff	100%	100%	100%	0%	0%	0%
Clerical staff	77.97%	78.15%	78.06%	22.03%	21.85%	21.94%
TOTAL	**95.33%**	**94.79%**	**95.07%**	**4.67%**	**5.21%**	**4.93%**

*There is one employee hired on a part-time basis.

2022	PERMANENT			TEMPORARY		
	M	W	TOTAL	M	W	TOTAL
Managers	100%	100%	100%	0%	0%	0%
Middle managers	100%	100%	100%	0%	0%	0%
Technical staff	100%	100%	100%	0%	0%	0%
Clerical staff	80.58%	85.83%	83.38%	19.42%	14.17%	16.62%
TOTAL	**95.60%**	**96.17%**	**95.88%**	**4.40%**	**3.83%**	**4.12%**

*There is one employee hired on a part-time basis

** Job categories are defined as:
MANAGERS: up to branch managers
MIDDLE MANAGERS: up to assistant managers-responsible staff
TECHNICAL STAFF: specialist roles in branches and Technical staff/Experts in Central Services
CLERICAL STAFF: Branch Network and Central Services employees
The table shows the distribution of days worked during the year, differentiating between temporary and permanent contracts, and distributing this information by gender and job group.

AVERAGE NUMBER OF DAYS BY GENDER, TYPE OF CONTRACT AND AGE RANGE

2024	PERMANENT		TOTAL	TEMPORARY		TOTAL
	M	W		M	W	
21 - 30 YEARS	59.27%	55.24%	57.33%	40.73%	44.76%	42.67%
31 - 40 YEARS	98.62%	98.02%	98.35%	1.38%	1.98%	1.65%
41 - 50 YEARS	100.00%	100.00%	100.00%	0%	0%	0%
51 - 60 YEARS	100.00%	100.00%	100.00%	0%	0%	0%
61 - 70 YEARS	100.00%	100.00%	100.00%	0%	0%	0%
Total	**95.06%**	**94.81%**	**94.93%**	**4.94%**	**5.19%**	**5.07%**

2023	PERMANENT		TOTAL	TEMPORARY		TOTAL
	M	W		M	W	
21 - 30 YEARS	53.25%	46.29%	49.88%	46.75%	53.71%	50.12%
31 - 40 YEARS	98.21%	97.55%	97.89%	1.79%	2.45%	2.11%
41 - 50 YEARS	100.00%	100.00%	100.00%	0%	0%	0%
51 - 60 YEARS	100.00%	100.00%	100.00%	0%	0%	0%
61 - 70 YEARS	100.00%	100.00%	100.00%	0%	0%	0%
Total	**95.33%**	**94.79%**	**95.07%**	**4.67%**	**5.21%**	**4.93%**

2022	PERMANENT		TOTAL	TEMPORARY		TOTAL
	M	W		M	W	
21 - 30 YEARS	40.87%	46.38%	43.53%	59.13%	53.62%	56.47%
31 - 40 YEARS	98.14%	98.82%	98.47%	1.86%	1.18%	1.53%
41 - 50 YEARS	100.00%	99.88%	99.90%	0%	0.12%	0.10%
51 - 60 YEARS	99.94%	100.00%	99.97%	0.06%	0%	0.03%
61 - 70 YEARS	100.00%	100.00%	100.00%	0%	0%	0%
Total	**95.60%**	**96.17%**	**95.88%**	**4.40%**	**3.83%**	**4.12%**

** Age classification is defined in 10-year bands.

In 2024, the **permanent workforce** increased by 135 employees. The **rotation rate** of the permanent workforce in 2024 was 6.87%.

CHURN NUMBER AND RATE (INCOMING AND OUTGOING EMPLOYEES)

2024	MAN		WOMAN		TOTAL	
	TOTAL	RATE	TOTAL	RATE	TOTAL	RATE
21 - 30 YEARS	94	4.22%	73	3.39%	167	3.81%
31 - 40 YEARS	19	0.85%	17	0.79%	36	0.82%
41 - 50 YEARS	14	0.63%	28	1.30%	42	0.96%
51 - 60 YEARS	28	1.26%	25	1.16%	53	1.21%
61 - 70 YEARS	3	0.13%		0.00%	3	0.07%
Total	**158**	**7.09%**	**143**	**6.64%**	**301**	**6.87%**

2023	MAN		WOMAN		TOTAL	
	TOTAL	RATE	TOTAL	RATE	TOTAL	RATE
21 - 30 YEARS	76	3.41%	60	2.78%	136	3.10%
31 - 40 YEARS	22	0.99%	20	0.93%	42	0.96%
41 - 50 YEARS	21	0.94%	37	1.72%	58	1.32%
51 - 60 YEARS	20	0.90%	19	0.88%	39	0.89%
61 - 70 YEARS	1	0.04%		0.00%	1	0.02%
Total	**140**	**6.28%**	**136**	**6.31%**	**276**	**6.30%**

2022	MAN		WOMAN		TOTAL	
	TOTAL	RATE	TOTAL	RATE	TOTAL	RATE
21 - 30 YEARS	55	2.53%	43	2.04%	98	2.29%
31 - 40 YEARS	13	0.60%	15	0.71%	28	0.65%
41 - 50 YEARS	22	1.01%	26	1.23%	48	1.12%
51 - 60 YEARS	150	6.91%	95	4.50%	245	5.73%
61 - 70 YEARS	6	0.28%		0.00%	6	0.14%
Total	**246**	**11.34%**	**179**	**8.49%**	**425**	**9.93%**

The **hiring rate** of permanent employees was 4.97% in 2024.

NUMBER AND RATE OF NEW HIRES (INCOMING EMPLOYEES)

2024	MAN		WOMAN		TOTAL	
	TOTAL	RATE	TOTAL	RATE	TOTAL	RATE
21 - 30 YEARS	84	3.77%	68	3.16%	152	3.47%
31 - 40 YEARS	13	0.58%	12	0.56%	25	0.57%
41 - 50 YEARS	6	0.27%	20	0.93%	26	0.59%
51 - 60 YEARS	6	0.27%	9	0.42%	15	0.34%
61 - 70 YEARS	0	0.00%	0	0.00%	0	0
Total	**109**	**4.89%**	**109**	**5.06%**	**218**	**4.97%**

2023	MAN		WOMAN		TOTAL	
	TOTAL	RATE	TOTAL	RATE	TOTAL	RATE
21 - 30 YEARS	69	3.10%	51	2.37%	120	2.74%
31 - 40 YEARS	13	0.58%	14	0.65%	27	0.62%
41 - 50 YEARS	9	0.40%	16	0.74%	25	0.57%
51 - 60 YEARS	8	0.36%	10	0.46%	18	0.41%
61 - 70 YEARS	0	0.00%	0	0.00%	0	0
Total	**99**	**4.44%**	**91**	**4.22%**	**190**	**4.33%**

2022	MAN		WOMAN		TOTAL	
	TOTAL	RATE	TOTAL	RATE	TOTAL	RATE
21 - 30 YEARS	52	2.40%	38	1.80%	90	2.10%
31 - 40 YEARS	10	0.46%	11	0.52%	21	0.49%
41 - 50 YEARS	11	0.51%	13	0.62%	24	0.56%
51 - 60 YEARS	6	0.28%	3	0.14%	9	0.21%
61 - 70 YEARS		0.00%		0.00%	0	0
Total	**79**	**3.64%**	**65**	**3.08%**	**144**	**3.37%**

21 people were laid off due to dismissal or termination of contract, with an average age of 47, and none of them is under 35 with children under 12.

2024 JOB CATEGORY	MEN	WOMEN	TOTAL	AVERAGE AGE
Managers	2		2	61
Middle managers	1	1	2	50
Technical staff	3	2	5	54
Clerical staff	9	3	12	44
Total	**15**	**6**	**21**	**49**

2023 JOB CATEGORY	MEN	WOMEN	TOTAL	AVERAGE AGE
Managers	2	1	3	51
Middle managers	2	1	3	41
Technical staff	2	2	4	47
Clerical staff	7	4	11	48
Total	**13**	**8**	**21**	**47**

2022 JOB CATEGORY	MEN	WOMEN	TOTAL	AVERAGE AGE
Managers	26	7	33	57
Middle managers	18	14	32	57
Technical staff	30	30	60	57
Clerical staff	65	43	108	56
Total	**139**	**94**	**233**	**57**

Quantitative environmental information DR2024

301-1, 301-2, 302-1, 302-3 CONSUMPTION

CONSUMPTION

WATER CONSUMPTION (m3)	2022	2023	2024
Water Consumption - Central Building	13,104.00	9,749.00	9,786.00
Water consumption - Branch network	25,900.91	25,741.03	25321.52
Total water consumption	**39,004.91**	**35,490.03**	**35,107.52**
Average water consumption per employee and year (Bank)	**8.69**	**7.76**	**7.46**

Specific observations: The table does not include water from the catchment and discharge wells used for the air conditioning system at the Headquarters.
Specific observations: The average number of employees is used to calculate the ratio per employee.

ENERGY CONSUMPTION (Gj)	2022	2023	2024

Electricity - headquarters	27,347.66	26,312.64	26,843.60
Electricity - branch network (*)	81,191.08	70,771.66	67,664.69
Total electricity consumption	**108,538,74**	**97,084,30**	**94,508.29**
Average electricity consumption per employee and year	24.19	21.23	20.09
Diesel - central building	73.85	73.85	73.85
Diesel - branch network	2,489.18	1,065.86	1,067.47
Natural Gas - branch network	3,638.26	1,604.6	3,146.48
Total fuel consumption	**6,201.29**	**2,744.31**	**4,287.80**
Average consumption of diesel and natural gas per employee/ year - Bank	**1.38**	**0.60**	**0.91**

Note: Includes energy consumption in fixed installations; energy consumption of private vehicles is not included.
(*) Remarks on branch network electricity consumption: the 2023 study of electricity consumption in branches was carried out in the period between October 2022 and November 2023. In 2023, the 2022 electricity consumption data and the 2021 and 2022 natural gas data have been updated.
(**) Diesel consumption in branches in 2023 has been modified following the review of distributions per surface area affected by banking activity, carried out during the GHG verification process in accordance with ISAE 3410 standard, in May 2024.

PAPER CONSUMPTION Tm	2022	2023	2024
Type DIN A4 white (Bank)	4.5	1.41	1.12
Recycled DIN A4 type (Bank)	188.15	208.98	234.91
Total type DIN A4 (Bank)	192.65	210.39	236.03
Type DIN A3 (Bank)	0.28	0.13	0.17
Envelopes	42.82	44.19	43.13
Rolls	47.43	48.80	53.61
Average total A4 paper consumption per employee - Bank	0.04	0.046	0.05
Total paper consumption	**283.18**	**303.51**	**332.94**

305-1, 305-2, 305-3, 305-5

EMISSION LEVEL IN t CO2e	2022	2023	2024
Emissions associated with diesel consumption (Bank total)	183.38	83.98	84.11
Emissions associated with natural gas consumption (Bank total)	184.39	81.32	159.46
Emissions associated with total fuel consumption in buildings	367.77	165.30	243.57
Emissions associated with electricity consumption (Central Building)	0	0	0
Emissions associated with electricity consumption (Branch network)	0	46.39	23.34
Emissions associated with transport using own vehicles	72.92	72.19	76.42
Emissions associated with fluorinated gas leaks (Bank total)	543.73	575.98	410.76
Emissions associated with the transport for business trips (by car)	768.55	797.90	795.49
Emissions associated with the transport for courier services	30.24	30.26	36.39
Emissions associated with paper consumption	143.25	153.94	246.82
Total emissions of CO_2	**1,926,46**	**1,841,96**	**1,832,78**
Total emissions of CO_2 per employee	0.43	0.40	0.39

Specific observations: The Ibercaja Banco Operational Carbon Footprint Report is prepared in accordance with the Greenhouse Gas Protocol. The emission factors used to calculate Scope 1 and 2 emissions are those provided by the Ministry for Ecological Transition and Demographic Challenge. The GHG Protocol (Green House Gas Protocol) is used to record scope 3 emissions.

100% of electricity supplied by ENDESA is generated from renewable energy sources. This energy is accredited through guarantees of origin by the CNMC (National Commission on Markets and Competition).
In 2024, the necessary recalculations and adjustments have been made to make the emission ratios for each year comparable.

TABLE OF CO_2 EMISSIONS – SCOPES 1, 2 and 3

SCOPE	EMITTING SOURCE	EMISSIONS (Tn CO_2 eq)		
		2022	2023	2024
1	**Fuel consumption in buildings**	367.77	214.39	243.57
	Leakage of fluorinated gases	543.73	491.16	410.76
	Fuel consumption of own vehicles	72.92	72.19	76.42
2	**Electricity consumption**	0	57	23
TOTAL EMISSIONS, SCOPE 1+2 (Tn $CO_{2\ eq}$)		**984.42**	**834.46**	**754.17**

SCOPE	EMITTING SOURCE	EMISSIONS (Tn CO_2 eq)		
		2022	2023	2024
3	**Employees travelling for work purposes (car)**	768.55	797.90	795.49
	Courier service	30.24	30.26	36.39
	Paper consumption	143.25	153.94	246.82
TOTAL EMISSIONS, SCOPE 3 (Tn CO_2 eq)		**942.04**	**982.10**	**1,078.70**

SCOPES	EMISSIONS (Tn CO2 eq)		
	2022	2023	2024
SCOPE 1 ($tCO_{2\ e}$)	984.42	777.74	730.74
SCOPE 2 ($tCO_{2\ e}$)	0	56.72	23.43
SCOPE 3 ($tCO_{2\ e}$)	798.79	828.16	1.078.70
TOTAL, SCOPE 1, 2 & 3 EMISSIONS (t CO2e)	**1,783.21**	**1,662.62**	**1,832.87**

In 2024, the necessary recalculations and adjustments were made to ensure that the emissions ratios for each year were comparable, and some adjustments were made to the information reported in previous years as a result of the verification of the adjusted carbon footprint in accordance with the International Standard on Assurance Engagements (ISAE) 3410, carried out in July 2024.

306-3

Waste	2022	2023	2024
Total, non-hazardous waste (t)	205.00	191.63	201.93
Total, hazardous waste (t)	5.99	4.64	3.74
Paper destroyed confidentially (tn) (*)	216.47	35.88	113.51
Total waste	**427.46**	**232.14**	**319.19**

(*) The amount of paper destroyed corresponds to the destruction of purged and obsolete daily documents certified according to the UNE-EN 15713 Standard - **Secure destruction of confidential material, Code of best practices**. The amount destroyed in 2024 corresponds to documents that expired on 31.12,2022 and were purged in 2023 and 2024.

FS14

CHANNEL OF RELATIONSHIP WITH CUSTOMERS	2022	2023	2024
% over-the-counter transactions	8.49%	7.84%	8.54%
% transactions carried out by remote banking	73.96%	74.14%	70.04%
% transactions carried out at ATM	2.72%	2.52%	2.82%
% transactions carried out at POS	14.83%	15.50%	18.60%
% operations performed on updater	0	0	0
Active digital banking users per month	914,418	950,941	966,737
Active mobile banking users per month	675,562	729,641	751,180
Active mobile payment users per month	388,797	421,797	436,500
Total visits to ibercaja.es homepage	34,729,503	34,729,503	65,226,366

FS8 (thousands of euros)

PARTICIPATED COMPANY	ENVIRONMENTAL PROJECT	INVESTMENT IBERCAJA			QUANTITATIVE INDICATOR
		2022	2023	2024	
Rioja Nueva Economía, S.A.	Bio-diesel plant in Calahorra and wind farm	4,627	4,627	4,627	Biodiesel plant with a capacity of 250,000 tonnes/year
Foresta Project	Forest plantations in Extremadura	5,226	5,444	5,549	Forest plantation of 633 ha. (reservoir of 232,545 trees)
Total Ibercaja investment		**9,853**	**10,071**	**10,175**	

Specific observations: In 2021, the stake in Prames was reclassified from Environment to Tourism, due to the change of corporate activity. Therefore, in order to homogeneous information, this stake is not included in the data for 2020.

FS10, FS11

IBERCAJA'S INVESTMENTS IN COMPANIES IN WHICH CSR IS SIGNIFICANT (THOUSANDS OF EUROS)	2022	2023	2024
Amounts	96,699	96,365	96,470
Corporations	19	19	19
% of total equity interests	45%	44%	44%

203-1

	2022			2023			2024		
BUSINESS SHAREHOLDINGS	INVESTMENT PAID	DIRECT WEALTH GENERATION	JOB CREATION	INVESTMENT PAID	DIRECT WEALTH GENERATION	JOB CREATION	INVESTMENT PAID	DIRECT WEALTH GENERATION	JOB CREATION
	Thousands of euros	Thousands of euros	Direct and indirect	Thousands of euros	Thousands of euros	Direct and indirect	Thousands of euros	Thousands of euros	Direct and indirect
Tourism sector	67,463	41,326	13,941	67,463	40,875	13,947	67,463	31,540	13,935
Food and agriculture industry	1,306	4,677	1,139	1,306	6,565	1,053	1,306	9,896	1,036
Other sectors	8,523	3,494	38,514	8,523	5,007	32,025	8,523	6,025	31,191
Total	**77,292**	**49,497**	**53,593**	**77,292**	**52,447**	**47,025**	**77,292**	**47,461**	**46,162**

Investment in strategic sectors (thousands of euros)	2022	2023	2024
Amounts	74,733	74,181	74,181

Annex VI template of Regulation (EU) 2021/2178

0. Summary of KPIs to be disclosed by credit institutions under Article 8 Taxonomy Regulation

		Total environmentally sustainable assets	KPI****	KPI*****	% coverage (over total assets)***	% of assets excluded from the numerator of the GAR (Article 7(2) and (3) and Section 1.1.2. of Annex V)	% of assets excluded from the denominator of the GAR (Article 7(1) and Section 1.2.4 of Annex V)
Main KPI	**Green asset ratio (GAR) stock**	927,91	2.71%	2.81%	74,60%	28.81%	25.40%

		Total environmentally sustainable assets	KPI****	KPI*****	% coverage (over total assets)***	% of assets excluded from the numerator of the GAR (Article 7(2) and (3) and Section 1.1.2. of Annex V)	% of assets excluded from the denominator of the GAR (Article 7(1) and Section 1.2.4 of Annex V)
Additional KPIs	*GAR (flow)*	150,23	4.09%	4.13%	83.20%	34.79%	16.80%
	Trading book*	-	-	-			
	Financial guarantees	0,01	0.04%	0.11%			
	Assets under management	-	-	-			
	Fees and commissions income**	-	-	-			

* For credit institutions that do not meet the conditions of Article 94(1) of the CRR or the conditions set out in Article 325a (1) of the CRR.
**Fees and commissions income from services other than lending and AuM.
Institutions shall disclose forward-looking information for these KPIs, including information in terms of targets, together with relevant explanations on the methodology applied.
***% of assets covered by the KPI over banks' total assets.
****based on the Turnover KPI of the counterparty.
*****based on the CapEx KPI of the counterparty, except for lending activities where for general lending Turnover KPI is used.

Note 1: Across the reporting templates: cells shaded in black should not be reported.
Note 2: Fees and Commissions (sheet 6) and Trading Book (sheet 7) KPIs shall only apply starting 2026. SMEs´ inclusion in these KPI will only apply subject to a positive result of an impact assessment.

1. Covered assets Stock (Revenue)

		Disclosure reference date T													
		Total [gross] carrying amount	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)			
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)		
					Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
	<u>**GAR - Covered assets in both numerator and denominator**</u>														
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	21,001.2	17,870.6	927.7	–	0.2	39.3	22.7	0.2	0.1	–	–	–	–	3.6
2	**Financial undertakings**	486.2	39.5	2.3	–	0.2	0.6	21.7	0.1	0.0	–	–	–	–	–
3	Credit institutions	334.3	39.1	1.9	–	0.2	0.4	0.1	0.1	0.0	–	–	–	–	–
4	Loans and advances	222.6	15.7	0.6	–	0.1	0.1	0.1	–	–	–	–	–	–	–
5	Debt securities, including UoP	106.8	23.4	1.3	–	0.1	0.3	0.1	–	0.0	–	–	–	–	–
6	Equity instruments	4.9				–	–	–	–	–	–	–	–		–
7	Other financial corporations	151.9	0.4	0.4	–	–	0.2	21.6	–	–	–	–	–	–	–
8	of which investment firms	–	–	–	–	–	–	–	–	–	–	–	–	–	–
9	Loans and advances	–	–	–	–	–	–	–	–	–	–	–	–	–	–
10	Debt securities, including UoP	–	–	–	–	–	–	–	–	–	–	–	–	–	–
11	Equity instruments	–	–	–		–	–	–	–	–					
12	of which management companies	–	–	–	–	–	–	–	–	–	–	–	–	–	–
13	Loans and advances	–	–	–	–	–	–	–	–	–	–	–	–	–	–
14	Debt securities, including UoP	–	–	–	–	–	–	–	–	–	–	–	–	–	–
15	Equity instruments	–	–	–		–	–	–	–	–	–				–
16	of which insurance undertakings	148.2	0.4	0.4	–	–	0.2	21.6	–	–	–	–	–	–	–
17	Loans and advances	34.5	0.1	0.1	–	–	0.1	5.0	–	–	–	–	–	–	–
18	Debt securities, including UoP	–	–	–	–	–	–	–	–	–	–	–	–	–	–
19	Equity instruments	113.7	0.3	0.3		–	0.2	16.6	–	–	–	–	–		–
20	**Non-financial undertakings**	332.8	53.7	42.9	–	–	38.7	1.0	0.1	0.1	–	–	–	–	3.6

		Disclosure reference date T													
		Total [gross] carrying amount	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				TOTAL (CCM + CCA)			
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)		
					Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
21	Loans and advances	331.4	53.2	42.5	–	–	38.4	1.0	0.1	–	0.1	–	–	–	–
22	Debt securities, including UoP	–	–	–	–	–	–	–	–	–	–	–	–	–	–
23	Equity instruments	1.3	0.5	0.4	–	0.0	0.3	0.0	–	–	–	–	–	–	–
24	**Households**	19,412.0	17,504.1	882.6		–	–	–	–	–	–	–	–		–
25	of which loans collateralised by residential immovable property	17,267.0	17,267.0	882.6	–	–	–	–	–	–	–				
26	of which building renovation loans	215.5	215.5	–	–	–	–	–	–	–	–				
27	of which motor vehicle loans	21.7	21.7		–	–	–	–	–	–	–				
28	**Local governments financing**	496.9	–	–	–	–	–								
29	Housing financing	–	–	–	–	–	–	–	–	–	–	–	–	–	–
30	Other local government financing	496.9	–	–	–	–	–	–	–	–	–	–	–	–	–
31	Collateral obtained by taking possession: residential and commercial immovable properties	273.3	273.3	–	–	–	–	–	–	–	–	–	–	–	–
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	13,213.6													
33	**Financial and Non-financial undertakings**	9,268.9													
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	8,763.7													
35	Loans and advances	8,593.4													
36	of which loans collateralised by commercial immovable property	720.6													
37	of which building renovation loans	499.2													
38	Debt securities	21.8													
39	Equity instruments	148.6													
40	Non-EU country counterparties not subject to NFRD disclosure obligations	163.8													

			Disclosure reference date T												
		Total [gross] carrying amount	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				TOTAL (CCM + CCA)			
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)		
					Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
41	Loans and advances	137.9													
42	Debt securities	20.8													
43	Equity instruments	5.2													
44	**Derivatives**	184.1													
45	**On demand interbank loans**	145.3													
46	**Cash and cash-related assets**	–													
47	**Other categories of assets (e.g. Goodwill, commodities etc.)**	3,615.3													
48	**Total GAR assets**	34,214.8	17,870.6	927.7	–	0.2	39.3	22.7	0.2	0.1	–	–	–	–	3.6
49	**Assets not covered for GAR calculation**	11,649.6													
50	**Central governments and Supranational issuers**	10,034.4													
51	**Central banks exposure**	1,615.3													
52	**Trading book**	–													
53	**Total assets**	45,864.4	17,870.6	927.7	–	0.2	39.3	22.7	0.2	0.1	–	–	–	–	3.6
	Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations														
54	Financial guarantees	12.1	0.2	0.0	–	0.0	0.0	0.0	0.0	–	–	–	–	–	–
55	Assets under management	–	–	–	–	–	–	–	–	–	–	–	–	–	–
56	Of which debt securities	–	–	–	–	–	–	–	–	–	–	–	–	–	–
57	Of which equity instruments	–	–	–	–	–	–	–	–	–	–	–	–	–	–

		Disclosure reference date T																	
			Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Total [gross] carrying amount	Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
					Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
	GAR - Covered assets in both numerator and denominator																		
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	21,001.2	3.6	–	–	–	9.6	–	–	–	0.0	–	–	–	17,906.5	927.9	–	0.2	39.4
2	**Financial undertakings**	486.2	–	–	–	–	–	–	–	–	–	–	–	–	61.2	2.3	–	0.2	0.6
3	Credit institutions	334.3	–	–	–	–	–	–	–	–	–	–	–	–	39.3	1.9	–	0.2	0.4
4	Loans and advances	222.6	–	–	–	–	–	–	–	–	–	–	–	–	15.8	0.6	–	0.1	0.1
5	Debt securities, including UoP	106.8	–	–	–	–	–	–	–	–	–	–	–	–	23.5	1.3	–	0.1	0.3
6	Equity instruments	4.9	–	–		–	–	–		–	–	–		–	–	–		–	–
7	Other financial corporations	151.9	–	–	–	–	–	–	–	–	–	–	–	–	22.0	0.4	–	0.0	0.2
8	of which investment firms	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
9	Loans and advances	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
10	Debt securities, including UoP	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
11	Equity instruments	–	–	–		–	–	–		–	–	–		–	–	–		–	–
12	of which management companies	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
13	Loans and advances	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
14	Debt securities, including UoP	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
15	Equity instruments	–	–	–		–	–	–		–	–	–		–	–	–		–	–
16	of which insurance undertakings	148.2	–	–	–	–	–	–	–	–	–	–	–	–	22.0	0.4	–	0.0	0.2
17	Loans and advances	34.5	–	–	–	–	–	–	–	–	–	–	–	–	5.1	0.1	–	0.0	0.1
18	Debt securities, including UoP	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
19	Equity instruments	113.7	–	–		–	–	–		–	–	–		–	16.9	0.3		0.0	0.2
20	**Non-financial undertakings**	332.8	3.6	–	–	–	9.6	–	–	–	0.0	–	–	–	67.9	43.0	–	0.0	38.8

			Disclosure reference date T																
		Total [gross] carrying amount	Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
					Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
21	Loans and advances	331.4	3.6	–	–	–	9.6	–	–	–	0.0	–	–	–	67.4	42.6	–	–	38.5
22	Debt securities, including UoP	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
23	Equity instruments	1.3	0.0	–		–	–	–		–	–	–		–	0.5	0.4		0.0	0.3
24	**Households**	19,412.0	–	–	–	–									17,504.1	882.6	–	–	–
25	of which loans collateralised by residential immovable property	17,267.0	–	–	–	–									17,267.0	882.6	–	–	–
26	of which building renovation loans	215.5	–	–	–	–									215.5	–	–	–	–
27	of which motor vehicle loans	21.7													21.7	–	–	–	–
28	Local governments financing	496.9	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
29	Housing financing	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
30	Other local government financing	496.9	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
31	Collateral obtained by taking possession: residential and commercial immovable properties	273.3	–	–	–	–	–	–	–	–	–	–	–	–	273.3	–	–	–	–
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	13,213.6	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
33	**Financial and Non-financial Undertakings**	9,268.9																	
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	8,763.7																	
35	Loans and advances	8,593.4																	
36	of which loans collateralised by commercial immovable property	720.6																	
37	of which building renovation loans	499.2																	
38	Debt securities	21.8																	
39	Equity instruments	148.6																	
39	Non-EU country counterparties not subject to NFRD disclosure obligations	163.8																	

		Disclosure reference date T																	
		Total [gross] carrying amount	Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
					Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
41	Loans and advances	137.9																	
42	Debt securities	20.8																	
43	Equity instruments	5.2																	
44	**Derivatives**	184.1																	
45	**On demand interbank loans**	145.3																	
46	**Cash and cash-related assets**	–																	
47	**Other categories of assets (e.g. Goodwill, commodities etc.)**	3,615.3																	
48	**Total GAR assets**	34,214.8	3.6	–	–	–	9.6	–	–	–	–	–	–	–	17,906.5	927.9	0.0	0.2	39.4
49	**Assets not covered for GAR calculation**	11,649.6																	
50	**Central governments and Supranational issuers**	10,034.4																	
51	**Central banks exposure**	1,615.3																	
52	**Trading book**	–																	
53	**Total assets**	45,864.4	3.6	–	–	–	9.6	–	–	–	–	–	–	–	17,906.5	927.9	0.0	0.2	39.4
	Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations																		
54	Financial guarantees	12.1	–	–	–	–	–	–	–	–	–	–	–	–	0.2	0.0	–	0.0	0.0
55	Assets under management*	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
56	Of which debt securities	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
57	Of which equity instruments	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–

1. This template shall include information for loans and advances, debt securities and equity instruments in the banking book, towards financial corporates, non-financial corporates (NFC), including SMEs, households (including residential real estate, house renovation loans and motor vehicle loans only) and local governments/municipalities (house financing).

2. The following accounting categories of financial assets should be considered: Financial assets at amortised cost, financial assets at fair value through other comprehensive income, investments in subsidiaries, joint ventures and associates, financial assets designated at fair value through profit or loss and non-trading financial assets mandatorily at fair value through profit or loss, and real estate collaterals obtained by credit institutions by taking possession in exchange in of cancellation of debts.

3. Banks with non-EU subsidiary should provide this information separately for exposures towards non-EU counterparties. For non-EU exposures, while there are additional challenges in terms of absence of common disclosure requirements and methodology, as the EU taxonomy and the NFRD apply only at EU level, given the relevance of these exposures for those credit institutions with non-EU subsidiaries, these institutions should disclose a separate GAR for non-EU exposures, on a best effort basis, in the form of estimates and ranges, using proxies, and explaining the assumptions, caveats and limitations

4. For motor vehicle loans, institutions shall only include those exposures generated after the date of application of the disclosure.

*Information regarding this section can be found in the Annex IV Template.

		Disclosure reference date T-1													
		Total [gross] carrying amount	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)			
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)		
					Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator														
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	20,888.8	17,971.8	523.3	–	0.0	0.1	0.3	–	–	–	–	–	–	–
2	**Financial undertakings**	841.6	–	–	–	–	–	–	–	–	–	–	–	–	–
3	Credit institutions	718.6	–	–	–	–	–	–	–	–	–	–	–	–	–
4	Loans and advances	573.7	–	–	–	–	–	–	–	–	–	–	–	–	–
5	Debt securities, including UoP	140.0	–	–	–	–	–	–	–	–	–	–	–	–	–
6	Equity instruments	4.9	–	–		–	–	–	–		–	–	–		–
7	Other financial corporations	123.0	–	–	–	–	–	–	–	–	–	–	–	–	–
8	of which investment firms	–	–	–	–	–	–	–	–	–	–	–	–	–	–
9	Loans and advances	–	–	–	–	–	–	–	–	–	–	–	–	–	–
10	Debt securities, including UoP	–	–	–	–	–	–	–	–	–	–	–	–	–	–
11	Equity instruments	–	–	–		–	–	–	–		–	–	–		–
12	of which management companies	–	–	–	–	–	–	–	–	–	–	–	–	–	–
13	Loans and advances	–	–	–	–	–	–	–	–	–	–	–	–	–	–
14	Debt securities, including UoP	–	–	–	–	–	–	–	–	–	–	–	–	–	–
15	Equity instruments	–	–	–		–	–	–	–		–	–	–		–
16	of which insurance undertakings	119.7	–	–	–	–	–	–	–	–	–	–	–	–	–
17	Loans and advances	5.7	–	–	–	–	–	–	–	–	–	–	–	–	–
18	Debt securities, including UoP	–	–	–	–	–	–	–	–	–	–	–	–	–	–
19	Equity instruments	114.0	–	–		–	–	–	–		–	–	–		–
20	**Non-financial undertakings**	316.0	69.5	33.4	–	0.0	0.1	0.3	–	–	–	–	–	–	–

		Disclosure reference date T-1													
		Total [gross] carrying amount	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)			
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)		
					Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
21	Loans and advances	312.3	68.7	33.0	–	–	–	–	–	–	–	–	–	–	–
22	Debt securities, including UoP	–	–	–	–	–	–	–	–	–	–	–	–	–	–
23	Equity instruments	3.7	0.8	0.5		0.0	0.1	0.3	–		–	–	–		–
24	**Households**	19,377.0	17,555.2	489.8		–	–	–	–	–	–				
25	of which loans collateralised by residential immovable property	17,245.4	17,245.4	489.8	–	–	–	–	–	–	–				
26	of which building renovation loans	286.4	286.4	–	–	–	–	–	–	–	–				
27	of which motor vehicle loans	23.4	23.4	–	–	–	–								
28	**Local governments financing**	7.3	–	–	–	–	–	–	–	–	–	–	–	–	–
29	Housing financing	–	–	–	–	–	–	–	–	–	–	–	–	–	–
30	Other local government financing	7.3	–	–	–	–	–	–	–	–	–	–	–	–	–
31	Collateral obtained by taking possession: residential and commercial immovable properties	347.0	347.0	–	–	–	–	–	–	–	–	–	–	–	–
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	13,923.8	–	–	–	–	–	–	–	–	–	–	–	–	–
33	**Financial and Non-financial undertakings**														
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations														
35	Loans and advances														
36	of which loans collateralised by commercial immovable property														
37	of which building renovation loans														
38	Debt securities														
39	Equity instruments														
40	Non-EU country counterparties not subject to NFRD disclosure obligations														

		Disclosure reference date T-1													
		Total [gross] carrying amount	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				TOTAL (CCM + CCA)			
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)		
					Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
41	Loans and advances	–													
42	Debt securities	–													
43	Equity instruments	–													
44	**Derivatives**	–													
45	**On demand interbank loans**	–													
46	**Cash and cash-related assets**	–													
47	**Other categories of assets (e.g. Goodwill, commodities etc.)**	–													
48	**Total GAR assets**	**34,812.6**	**17,971.8**	**523.3**	**0.0**	**0.0**	**0.1**	**0.3**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
49	**Assets not covered for GAR calculation**	–													
50	**Central governments and Supranational issuers**	–													
51	**Central banks exposure**	–													
52	**Trading book**	–													
53	**Total assets**	**47,009.3**	**17,971.8**	**523.3**	**0.0**	**0.0**	**0.1**	**0.3**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations															
54	Financial guarantees	12.3	–	–	–	–	–	–	–	–	–	–	–	–	–
55	Assets under management	11,334.9	53.2	16.8	–	–	9.8	64.3	9.2	–	1.5	–	–	–	–
56	Of which debt securities	9,517.3	15.5	7.3	–	–	2.3	29.2	9.1	–	1.5	–	–	–	–
57	Of which equity instruments	1,817.6	37.7	9.5	–	–	7.5	35.1	0.1	–	–	–	–	–	–

		Disclosure reference date T-1																	
		Total [gross] carrying amount	Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
					Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
	GAR - Covered assets in both numerator and denominator																		
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	20,888.8	–	–	–	–	–	–	–	–	–	–	–	–	17,972.0	523.3	–	0.0	0.1
2	**Financial undertakings**	841.6	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
3	Credit institutions	718.6	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
4	Loans and advances	573.7	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
5	Debt securities, including UoP	140.0	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
6	Equity instruments	4.9	–	–		–	–	–		–	–	–		–	–	–		–	–
7	Other financial corporations	123.0	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
8	of which investment firms	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
9	Loans and advances	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
10	Debt securities, including UoP	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
11	Equity instruments	–	–	–		–	–	–		–	–	–		–	–	–		–	–
12	of which management companies	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
13	Loans and advances	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
14	Debt securities, including UoP	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
15	Equity instruments	–	–	–		–	–	–		–	–	–		–	–	–		–	–
16	of which insurance undertakings	119.7	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
17	Loans and advances	5.7	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
18	Debt securities, including UoP	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
19	Equity instruments	114.0	–	–		–	–	–		–	–	–		–	–	–	–	–	–
20	**Non-financial undertakings**	316.0	–	–	–	–	–	–	–	–	–	–	–	–	69.8	33.4	–	0.0	0.1

			Disclosure reference date T-1																
			Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Total [gross] carrying amount	Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)		
					Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
21	Loans and advances	312.3	–	–	–	–	–	–	–	–	–	–	–	–	68.7	33.0	–	–	–
22	Debt securities, including UoP	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
23	Equity instruments	3.7	–	–		–	–	–		–	–	–		–	1.0	0.5	–	0.0	0.1
24	**Households**	19,377.0	–	–	–	–									17,555.2	489.8	–	–	–
25	of which loans collateralised by residential immovable property	17,245.4	–	–	–	–									17,245.4	489.8	–	–	–
26	of which building renovation loans	286.4	–	–	–	–									286.4	–	–	–	–
27	of which motor vehicle loans	23.4													23.4	–	–	–	–
28	Local governments financing	7.3	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
29	Housing financing	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
30	Other local government financing	7.3	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
31	Collateral obtained by taking possession: residential and commercial immovable properties	347.0	–	–	–	–	–	–	–	–	–	–	–	–	347.0	–	–	–	–
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	13,923.8	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
33	**Financial and Non-financial Undertakings**																		
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations																		
35	Loans and advances																		
36	of which loans collateralised by commercial immovable property																		
37	of which building renovation loans																		
38	Debt securities																		
39	Equity instruments																		
39	Non-EU country counterparties not subject to NFRD disclosure obligations																		

		Disclosure reference date T-1																	
		Total [gross] carrying amount	Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
					Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
41	Loans and advances																		
42	Debt securities																		
43	Equity instruments																		
44	**Derivatives**																		
45	**On demand interbank loans**																		
46	**Cash and cash-related assets**																		
47	**Other categories of assets (e.g. Goodwill, commodities etc.)**																		
48	**Total GAR assets**	34,812.6	–	–	–	–	–	–	–	–	–	–	–	–	17,972.0	523.3	–	0.0	0.1
49	**Assets not covered for GAR calculation**																		
50	**Central governments and Supranational issuers**																		
51	**Central banks exposure**																		
52	**Trading book**																		
53	**Total assets**	47,009.3	–	–	–	–	–	–	–	–	–	–	–	–	17,972.0	523.3	–	0.0	0.1
	Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations																		
54	Financial guarantees	12.3	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
55	Assets under management	11,334.9	–	–	–	–	–	–	–	–	–	–	–	–	117.4	26.0	–	–	11.3
56	Of which debt securities	9,517.3	–	–	–	–	–	–	–	–	–	–	–	–	44.7	16.4	–	–	3.8
57	Of which equity instruments	1,817.6	–	–	–	–	–	–	–	–	–	–	–	–	72.7	9.6	–	–	7.5

1. Covered assets Flow (Revenue)

		Disclosure reference date T													
		Total [gross] carrying amount	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)			
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)		
					Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator														
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	2,138.7	1,760.5	150.2	–	0.1	0.1	0.0	0.0	–	0.0	–	–	–	–
2	**Financial undertakings**	48.7	12.0	0.8	–	0.1	0.1	0.0	0.0	–	0.0	–	–	–	–
3	Credit institutions	48.7	12.0	0.8	–	0.1	0.1	0.0	0.0	–	0.0	–	–	–	–
4	Loans and advances	–	–	–	–	–	–	–	–	–		–	–	–	–
5	Debt securities, including UoP	48.7	12.0	0.8	–	0.1	0.1	0.0	0.0	–	0.0	–	–	–	–
6	Equity instruments	–	–	–		–	–	–	–	–	–	–	–		–
7	Other financial corporations	0.0	0.0	0.0	–	0.0	0.0	0.0	0.0	–	–	–	–	–	–
8	of which investment firms	–	–	–	–	–	–	–	–	–	–	–	–	–	–
9	Loans and advances	–	–	–	–	–	–	–	–	–	–	–	–	–	–
10	Debt securities, including UoP	–	–	–	–	–	–	–	–	–	–	–	–	–	–
11	Equity instruments	–	–	–		–	–	–	–	–					–
12	of which management companies	–	–	–	–	–	–	–	–	–	–	–	–	–	–
13	Loans and advances	–	–	–	–	–	–	–	–	–	–	–	–	–	–
14	Debt securities, including UoP	–	–	–	–	–	–	–	–	–	–	–	–	–	–
15	Equity instruments	–	–	–		–	–	–	–	–	–	–	–		–
16	of which insurance undertakings	0.0	0.0	0.0	–	0.0	0.0	0.0	0.0	–	–	–	–	–	–
17	Loans and advances	0.0	0.0	0.0	–	0.0	0.0	0.0	0.0	–	–	–	–	–	–
18	Debt securities, including UoP	–	–	–	–	–	–	–	–	–	–	–	–	–	–
19	Equity instruments	–	–	–		–	–	–	–	–	–	–	–		–
20	**Non-financial undertakings**	41.0	1.5	1.4	–	–	–	–	–	–	–	–	–	–	–

			Disclosure reference date T												
			Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)			
		Total [gross] carrying amount	Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)		
					Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
21	Loans and advances	41.0	1.5	1.4	–	–	–	–	–	–	–	–	–	–	–
22	Debt securities, including UoP	–	–	–	–	–	–	–	–	–	–	–	–	–	–
23	Equity instruments	–	–	–		0.0	0.0	0.0	–	–	–	–	–		–
24	**Households**	1,953.4	1,716.4	148.0		–	–	–	–	–	–				
25	of which loans collateralised by residential immovable property	1,695.3	1,695.3	148.0	–	–	–	–	–	–	–				
26	of which building renovation loans	17.3	17.3	–	–	–	–	–	–	–	–				
27	of which motor vehicle loans	3.8	3.8	–	–	–	–								
28	**Local governments financing**	64.9	–	–	–	–	–								
29	Housing financing	–	–	–	–	–	–	–	–	–	–	–	–	–	–
30	Other local government financing	64.9	–	–	–	–	–	–	–	–	–	–	–	–	–
31	Collateral obtained by taking possession: residential and commercial immovable properties	30.6	30.6	–	–	–	–	–	–	–	–	–	–	–	–
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	1,537.1													
33	**Financial and Non-financial undertakings**	1,490.5													
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	1,490.1													
35	Loans and advances	1,487.4													
36	of which loans collateralised by commercial immovable property	246.5													
37	of which building renovation loans	50.1													
38	Debt securities	–													
39	Equity instruments	2.7													
40	Non-EU country counterparties not subject to NFRD disclosure obligations	0.3													

			Disclosure reference date T													
		Total [gross] carrying amount	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)			
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)		
					Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
41	Loans and advances	0.3													
42	Debt securities	–													
43	Equity instruments	–													
44	**Derivatives**	4.8													
45	**On demand interbank loans**	–													
46	**Cash and cash-related assets**	–													
47	**Other categories of assets (e.g. Goodwill, commodities etc.)**	41.8													
48	**Total GAR assets**	**3,675.8**	**1,760.5**	**150.2**	**–**	**0.1**	**0.1**	**0.0**	**–**	**–**	**0.0**	**–**	**–**	**–**	**–**
49	**Assets not covered for GAR calculation**	742.4													
50	**Central governments and Supranational issuers**	742.4													
51	**Central banks exposure**	–													
52	**Trading book**	–													
53	**Total assets**	**4,418.2**	**1,760.5**	**150.2**	**–**	**0.1**	**0.1**	**0.0**	**–**	**–**	**0.0**	**–**	**–**	**–**	**–**
	Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations														
54	Financial guarantees	1.8	–	–	–	–	–	–	–	–	–	–	–	–	–
55	Assets under management	–	–	–	–	–	–	–	–	–	–	–	–	–	–
56	Of which debt securities	–	–	–	–	–	–	–	–	–	–	–	–	–	–
57	Of which equity instruments	–	–	–	–	–	–	–	–	–	–	–	–	–	–

		Disclosure reference date T																	
			Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Total [gross] carrying amount	Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
					Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
	GAR - Covered assets in both numerator and denominator																		
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	2,138.7	0.0	–	–	–	–	–	–	–	–	–	–	–	1,760.5	150.2	–	0.1	0.1
2	**Financial undertakings**	48.7	–	–	–	–	–	–	–	–	–	–	–	–	12.0	0.8	–	0.1	0.1
3	Credit institutions	48.7	–	–	–	–	–	–	–	–	–	–	–	–	12.0	0.8	–	0.1	0.1
4	Loans and advances	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
5	Debt securities, including UoP	48.7	–	–	–	–	–	–	–	–	–	–	–	–	12.0	0.8	–	0.1	0.1
6	Equity instruments	–	–	–		–	–	–		–	–	–		–	–	–		–	–
7	Other financial corporations	–	–	–	–	–	–	–	–	–	–	–	–	–	0.0	0.0	–	0.0	0.0
8	of which investment firms	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
9	Loans and advances	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
10	Debt securities, including UoP	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
11	Equity instruments	–	–	–		–	–	–		–	–	–		–	–	–		–	–
12	of which management companies	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
13	Loans and advances	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
14	Debt securities, including UoP	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
15	Equity instruments	–	–	–						–	–	–		–	–	–		–	–
16	of which insurance undertakings	0.0	–	–	–	–	–	–	–	–	–	–	–	–	0.0	0.0	–	0.0	0.0
17	Loans and advances	0.0	–	–	–	–	–	–	–	–	–	–	–	–	0.0	0.0	–	0.0	0.0
18	Debt securities, including UoP	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
19	Equity instruments	–	–	–		–	–	–		–	–	–		–	–	–		–	–
20	**Non-financial undertakings**	41.0	0.0	–	–	–	–	–	–	–	–	–	–	–	1.5	1.4	–	–	–

		Disclosure reference date T																	
		Total [gross] carrying amount	Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
					Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
21	Loans and advances	41.0	0.0		–	–	–	–	–	–	–	–	–	–	1.5	1.4	–	–	–
22	Debt securities, including UoP	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
23	Equity instruments	–	–	–		–	–	–		–	–	–		–	–	–		–	–
24	**Households**	1,953.4	–	–	–	–									1,716.4	148.0	–	–	–
25	of which loans collateralised by residential immovable property	1,695.3	–	–	–	–									1,695.3	148.0	–	–	–
26	of which building renovation loans	17.3	–	–	–	–									17.3	–	–	–	–
27	of which motor vehicle loans	3.8													3.8	–	–	–	–
28	Local governments financing	64.9	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
29	Housing financing	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
30	Other local government financing	64.9	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
31	Collateral obtained by taking possession: residential and commercial immovable properties	30.6	–	–	–	–	–	–	–	–	–	–	–	–	30.6	–	–	–	–
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	1,537.1	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
33	**Financial and Non-financial Undertakings**	1,490.5																	
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	1,490.1																	
35	Loans and advances	1,487.4																	
36	of which loans collateralised by commercial immovable property	246.5																	
37	of which building renovation loans	50.1																	
38	Debt securities	–																	
39	Equity instruments	2.7																	
39	Non-EU country counterparties not subject to NFRD disclosure obligations	0.3																	

		Disclosure reference date T																	
			Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Total [gross] carrying amount	Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
					Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
41	Loans and advances	0.3																	
42	Debt securities	–																	
43	Equity instruments	–																	
44	**Derivatives**	4.8																	
45	**On demand interbank loans**	–																	
46	**Cash and cash-related assets**	–																	
47	**Other categories of assets (e.g. Goodwill, commodities etc.)**	41.8																	
48	**Total GAR assets**	3,675.8	0.0	–	–	–	–	–	–	–	–	–	–	–	1,760.5	150.2	0.0	0.1	0.1
49	**Assets not covered for GAR calculation**	742.4																	
50	**Central governments and Supranational issuers**	742.4																	
51	**Central banks exposure**	–																	
52	**Trading book**	–																	
53	**Total assets**	4,418.2	0.0	–	–	–	–	–	–	–	–	–	–	–	1,760.5	150.2	0.0	0.1	0.1
	Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations																		
54	Financial guarantees	1.8	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
55	Assets under management*	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
56	Of which debt securities	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
57	Of which equity instruments	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–

1. This template shall include information for loans and advances, debt securities and equity instruments in the banking book, towards financial corporates, non-financial corporates (NFC), including SMEs, households (including residential real estate, house renovation loans and motor vehicle loans only) and local governments/municipalities (house financing).

2. The following accounting categories of financial assets should be considered: Financial assets at amortised cost, financial assets at fair value through other comprehensive income, investments in subsidiaries, joint ventures and associates, financial assets designated at fair value through profit or loss and non-trading financial assets mandatorily at fair value through profit or loss, and real estate collaterals obtained by credit institutions by taking possession in exchange in of cancellation of debts.

3. Banks with non-EU subsidiary should provide this information separately for exposures towards non-EU counterparties. For non-EU exposures, while there are additional challenges in terms of absence of common disclosure requirements and methodology, as the EU taxonomy and the NFRD apply only at EU level, given the relevance of these exposures for those credit institutions with non-EU subsidiaries, these institutions should disclose a separate GAR for non-EU exposures, on a best effort basis, in the form of estimates and ranges, using proxies, and explaining the assumptions, caveats and limitations.

4. For motor vehicle loans, institutions shall only include those exposures generated after the date of application of the disclosure.

*Information regarding this section can be found in the Annex IV Template.

1. Covered assets Stock (CAPEX)

		Disclosure reference date T													
		Total [gross] carrying amount	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)			
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)		
					Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
	<u>**GAR - Covered assets in both numerator and denominator**</u>														
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	21,001.2	17,912.2	959.1	–	0.2	52.4	23.9	1.2	–	0.0	0.0	–	–	–
2	**Financial undertakings**	486.2	40.3	3.3	–	0.2	0.8	21.7	0.1	–	0.0	–	–	–	–
3	Credit institutions	334.3	39.6	2.6	–	0.2	0.8	0.1	0.0	–	0.0	–	–	–	–
4	Loans and advances	222.6	15.9	0.8	–	0.1	0.2	0.1	0.0	–	–	–	–	–	–
5	Debt securities, including UoP	106.8	23.7	1.8	–	0.1	0.6	0.1	0.0	–	0.0	–	–	–	–
6	Equity instruments	4.9	–	–		–	–	–	–	–	–	–	–		–
7	Other financial corporations	151.9	0.7	0.7	–	–	–	21.6	0.0	–	–	–	–	–	–
8	of which investment firms	–	–	–	–	–	–	–	–	–	–	–	–	–	–
9	Loans and advances	–	–	–	–	–	–	–	–	–	–	–	–	–	–
10	Debt securities, including UoP	–	–	–	–	–	–	–	–	–	–	–	–	–	–
11	Equity instruments	–	–	–		–	–	–	–	–	–	–	–		–
12	of which management companies	–	–	–	–	–	–	–	–	–	–	–	–	–	–
13	Loans and advances	–	–	–	–	–	–	–	–	–	–	–	–	–	–
14	Debt securities, including UoP	–	–	–	–	–	–	–	–	–	–	–	–	–	–
15	Equity instruments	–	–	–		–	–	–	–	–	–	–	–		–
16	of which insurance undertakings	148.2	0.7	0.7	–	–	–	21.6	0.0	–	–	–	–	–	–
17	Loans and advances	34.5	0.2	0.2	–	–	–	5.0	0.0	–	–	–	–	–	–
18	Debt securities, including UoP		–	–	–	–	–	–	–	–	–	–	–	–	–
19	Equity instruments	113.7	0.5	0.5		–	–	16.6	0.0	–	–	–	–		–
20	**Non-financial undertakings**	332.8	94.5	73.2	–	0.0	51.6	2.2	1.2	–	0.0	0.0	–	–	–

		Disclosure reference date T													
			Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)			
		Total [gross] carrying amount	Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)		
					Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
21	Loans and advances	331.4	93.5	72.2	–	–	51.1	2.2	1.2	–	0.0	0.0	–	–	–
22	Debt securities, including UoP	–	–	–	–	–	–	–	–	–	–	–	–	–	–
23	Equity instruments	1.3	1.0	1.0		0.0	0.5	–	–	–	–	–	–		–
24	**Households**	19,412.0	17,504.1	882.6	–	–	–	–	–	–	–				
25	of which loans collateralised by residential immovable property	17,267.0	17,267.0	882.6	–	–	–	–	–	–	–				
26	of which building renovation loans	215.5	215.5	–	–	–	–	–	–	–	–				
27	of which motor vehicle loans	21.7	21.7	–	–	–	–								
28	**Local governments financing**	496.9	–	–	–	–	–								
29	Housing financing	–	–	–	–	–	–	–	–	–	–	–	–	–	–
30	Other local government financing	496.9	–	–	–	–	–	–	–	–	–	–	–	–	–
31	Collateral obtained by taking possession: residential and commercial immovable properties	273.3	273.3	–	–	–	–	–	–	–	–	–	–	–	–
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	13,213.6													
33	**Financial and Non-financial undertakings**	9,268.9													
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	8,763.7													
35	Loans and advances	8,593.4													
36	of which loans collateralised by commercial immovable property	720.6													
37	of which building renovation loans	499.2													
38	Debt securities	21.8													
39	Equity instruments	148.6													
40	Non-EU country counterparties not subject to NFRD disclosure obligations	163.8													

			Disclosure reference date T												
		Total [gross] carrying amount	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)			
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)		
					Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
41	Loans and advances	137.9													
42	Debt securities	20.8													
43	Equity instruments	5.2													
44	**Derivatives**	184.1													
45	**On demand interbank loans**	145.3													
46	**Cash and cash-related assets**	–													
47	**Other categories of assets (e.g. Goodwill, commodities etc.)**	3,615.3													
48	**Total GAR assets**	34,214.8	17,912.2	959.1	–	0.2	52.4	23.9	1.2	–	0.0	0.0	–	–	–
49	**Assets not covered for GAR calculation**	11,649.6													
50	**Central governments and Supranational issuers**	10,034.4													
51	**Central banks exposure**	1,615.3													
52	**Trading book**	–													
53	**Total assets**	45,864.4	17,912.2	959.1	–	0.2	52.4	23.9	1.2	–	0.0	0.0	–	–	–
	Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations														
54	Financial guarantees	12.1	0.2	0.0	–	0.0	0.0	0.0	0.0	–	–	–	–	–	–
55	Assets under management	–	–	–	–	–	–	–	–	–	–	–	–	–	–
56	Of which debt securities	–	–	–	–	–	–	–	–	–	–	–	–	–	–
57	Of which equity instruments	–	–	–	–	–	–	–	–	–	–	–	–	–	–

		Disclosure reference date T																	
			Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Total [gross] carrying amount	Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
					Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
	GAR - Covered assets in both numerator and denominator																		
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	21,001.2	3.5	–	–	–	9.5	–	–	–	0.0	–	–	–	17,949.1	960.3	–	0.2	52.4
2	**Financial undertakings**	486.2	–	–	–	–	–	–	–	–	–	–	–	–	62.0	3.4	–	0.2	0.8
3	Credit institutions	334.3	–	–	–	–	–	–	–	–	–	–	–	–	39.7	2.6	–	0.2	0.8
4	Loans and advances	222.6	–	–	–	–	–	–	–	–	–	–	–	–	15.9	0.8	–	0.1	0.2
5	Debt securities, including UoP	106.8	–	–	–	–	–	–	–	–	–	–	–	–	23.8	1.8	–	0.1	0.6
6	Equity instruments	4.9	–	–		–	–	–		–	–	–		–	–	–		–	–
7	Other financial corporations	151.9	–	–	–	–	–	–	–	–	–	–	–	–	22.3	0.7	–	–	–
8	of which investment firms	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
9	Loans and advances	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
10	Debt securities, including UoP	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
11	Equity instruments	–				–	–	–		–	–	–		–	–	–		–	–
12	of which management companies	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
13	Loans and advances	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
14	Debt securities, including UoP	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
15	Equity instruments	–	–	–		–	–	–		–	–	–		–	–	–		–	–
16	of which insurance undertakings	148.2	–	–	–	–	–	–	–	–	–	–	–	–	22.3	0.7	–	–	–
17	Loans and advances	34.5	–	–	–	–	–	–	–	–	–	–	–	–	5.2	0.2	–	–	–
18	Debt securities, including UoP		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
19	Equity instruments	113.7				–	–	–		–	–	–		–	17.1	0.6		–	–
20	**Non-financial undertakings**	332.8	3.5	–	–	–	9.5	–	–	–	0.0	–	–	–	109.7	74.4	–	0.0	51.6

		Disclosure reference date T																	
		Total [gross] carrying amount	Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
					Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
21	Loans and advances	331.4	3.5	–	–	–	9.5	–	–	–	0.0	–	–	–	108.7	73.4	–	–	51.1
22	Debt securities, including UoP	–	–	–	–	–	–	–	–	–		–	–	–	–	–	–	–	–
23	Equity instruments	1.3	0.0	–		–	–	–		–	–	–		–	1.0	1.0		–	0.5
24	**Households**	19,412.0	–	–	–	–									17,504.1	882.6	–	–	–
25	of which loans collateralised by residential immovable property	17,267.0	–	–	–	–									17,267.0	882.6	–	–	–
26	of which building renovation loans	215.5	–	–	–	–									215.5	–	–	–	–
27	of which motor vehicle loans	21.7													21.7	–	–	–	–
28	Local governments financing	496.9	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
29	Housing financing	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
30	Other local government financing	496.9	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
31	Collateral obtained by taking possession: residential and commercial immovable properties	273.3	–	–	–	–	–	–	–	–	–	–	–	–	273.3	–	–	–	–
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	13,213.6	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
33	**Financial and Non-financial Undertakings**	9,268.9																	
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	8,763.7																	
35	Loans and advances	8,593.4																	
36	of which loans collateralised by commercial immovable property	720.6																	
37	of which building renovation loans	499.2																	
38	Debt securities	21.8																	
39	Equity instruments	148.6																	
39	Non-EU country counterparties not subject to NFRD disclosure obligations	163.8																	

			Disclosure reference date T																
		Total [gross] carrying amount	Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
					Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
41	Loans and advances	137.9																	
42	Debt securities	20.8																	
43	Equity instruments	5.2																	
44	**Derivatives**	184.1																	
45	**On demand interbank loans**	145.3																	
46	**Cash and cash-related assets**	–																	
47	**Other categories of assets (e.g. Goodwill, commodities etc.)**	3,615.3																	
48	**Total GAR assets**	34,214.8	3.5	–	–	–	9.5	–	–	–	0.0	–	–	–	17,949.1	960.3	0.0	0.2	52.4
49	**Assets not covered for GAR calculation**	11,649.6																	
50	**Central governments and Supranational issuers**	10,034.4																	
51	**Central banks exposure**	1,615.3																	
52	**Trading book**	–																	
53	**Total assets**	45,864.4	3.5	–	–	–	9.5	–	–	–	0.0	–	–	–	17,949.1	960.3	0.0	0.2	52.4
	Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations																		
54	Financial guarantees	12.1	–	–	–	–	–	–	–	–	–	–	–	–	0.2	–	–	–	–
55	Assets under management*	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
56	Of which debt securities	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
57	Of which equity instruments	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–

1. This template shall include information for loans and advances, debt securities and equity instruments in the banking book, towards financial corporates, non-financial corporates (NFC), including SMEs, households (including residential real estate, house renovation loans and motor vehicle loans only) and local governments/municipalities (house financing).

2. The following accounting categories of financial assets should be considered: Financial assets at amortised cost, financial assets at fair value through other comprehensive income, investments in subsidiaries, joint ventures and associates, financial assets designated at fair value through profit or loss and non-trading financial assets mandatorily at fair value through profit or loss, and real estate collaterals obtained by credit institutions by taking possession in exchange in of cancellation of debts.

3. Banks with non-EU subsidiary should provide this information separately for exposures towards non-EU counterparties. For non-EU exposures, while there are additional challenges in terms of absence of common disclosure requirements and methodology, as the EU taxonomy and the NFRD apply only at EU level, given the relevance of these exposures for those credit institutions with non-EU subsidiaries, these institutions should disclose a separate GAR for non-EU exposures, on a best effort basis, in the form of estimates and ranges, using proxies, and explaining the assumptions, caveats and limitations.

4. For motor vehicle loans, institutions shall only include those exposures generated after the date of application of the disclosure.

*Information regarding this section can be found in the Annex IV Template.

		Disclosure reference date T-1													
		Total [gross] carrying amount	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)			
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)		
					Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator														
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	20,888.8	17,994.9	560.6	–	–	0.0	0.1	–	–	–	–	–	–	–
2	**Financial undertakings**	841.6	–	–	–	–	–	–	–	–	–	–	–	–	–
3	Credit institutions	718.6	–	–	–	–	–	–	–	–	–	–	–	–	–
4	Loans and advances	573.7	–	–	–	–	–	–	–	–	–	–	–	–	–
5	Debt securities, including UoP	140.0	–	–	–	–	–	–	–	–	–	–	–	–	–
6	Equity instruments	4.9	–	–		–	–	–	–		–	–	–		–
7	Other financial corporations	123.0	–	–	–	–	–	–	–	–	–	–	–	–	–
8	of which investment firms	–	–	–	–	–	–	–	–	–	–	–	–	–	–
9	Loans and advances	–	–	–	–	–	–	–	–	–	–	–	–	–	–
10	Debt securities, including UoP	–	–	–	–	–	–	–	–	–	–	–	–	–	–
11	Equity instruments	–	–	–		–	–	–	–		–	–	–		–
12	of which management companies	–	–	–	–	–	–	–	–	–	–	–	–	–	–
13	Loans and advances	–	–	–	–	–	–	–	–	–	–	–	–	–	–
14	Debt securities, including UoP	–	–	–	–	–	–	–	–	–	–	–	–	–	–
15	Equity instruments	–	–	–		–	–	–	–		–	–	–		–
16	of which insurance undertakings	119.7	–	–	–	–	–	–	–	–	–	–	–	–	–
17	Loans and advances	5.7	–	–	–	–	–	–	–	–	–	–	–	–	–
18	Debt securities, including UoP	–	–	–	–	–	–	–	–	–	–	–	–	–	–
19	Equity instruments	114.0	–	–		–	–	–	–		–	–	–		–
20	**Non-financial undertakings**	316.0	92.7	70.7	–	–	0.0	0.1	–	–	–	–	–	–	–

		Disclosure reference date T-1													
		Total [gross] carrying amount	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)			
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)		
					Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
21	Loans and advances	312.3	91.7	69.8	–	–	–	–	–	–	–	–	–	–	–
22	Debt securities, including UoP	–	–	–	–	–	–	–	–	–	–	–	–	–	–
23	Equity instruments	3.7	1.0	0.9		–	0.0	0.1	–		–	–	–		–
24	**Households**	19,377.0	17,555.2	489.9		–	–	–	–	–	–				
25	of which loans collateralised by residential immovable property	17,245.4	17,245.4	489.9	–	–	–	–	–	–	–				
26	of which building renovation loans	286.4	286.4	–	–	–	–	–	–	–	–				
27	of which motor vehicle loans	23.4	23.4	–	–	–	–								
28	**Local governments financing**	7.3	–	–	–	–	–	–	–	–	–	–	–	–	–
29	Housing financing	–	–	–	–	–	–	–	–	–	–	–	–	–	–
30	Other local government financing	7.3	–	–	–	–	–	–	–	–	–	–	–	–	–
31	Collateral obtained by taking possession: residential and commercial immovable properties	347.0	347.0	–	–	–	–	–	–	–	–	–	–	–	–
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	13,923.8	–	–	–	–	–	–	–	–	–	–	–	–	–
33	**Financial and Non-financial undertakings**														
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations														
35	Loans and advances														
36	of which loans collateralised by commercial immovable property														
37	of which building renovation loans														
38	Debt securities														
39	Equity instruments														
40	Non-EU country counterparties not subject to NFRD disclosure obligations														

		Disclosure reference date T-1													
		Total [gross] carrying amount	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)			
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)		
					Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
41	Loans and advances														
42	Debt securities														
43	Equity instruments														
44	**Derivatives**														
45	**On demand interbank loans**														
46	**Cash and cash-related assets**														
47	**Other categories of assets (e.g. Goodwill, commodities etc.)**														
48	**Total GAR assets**	34,812.6	17,994.9	560.6	–	–	0.0	0.1	–	–	–	–	–	–	–
49	**Assets not covered for GAR calculation**														
50	**Central governments and Supranational issuers**														
51	**Central banks exposure**														
52	**Trading book**														
53	**Total assets**	47,009.3	17,994.9	560.6	–	–	0.0	0.1	–	–	–	–	–	–	–
Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations															
54	Financial guarantees	12.3	–	–	–	–	–	–	–	–	–	–	–	–	–
55	Assets under management	11,334.9	26.1	19.5	–	–	2.3	126.6	65.2	–	–	–	–	–	–
56	Of which debt securities	9,517.3	14.2	14.4	–	–	1.9	117.2	65.1	–	–	–	–	–	–
57	Of which equity instruments	1,817.6	11.9	5.1	–	–	0.4	9.4	0.1	–	–	–	–	–	–

		Disclosure reference date T-1																	
		Total [gross] carrying amount	Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
					Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
	<u>**GAR - Covered assets in both numerator and denominator**</u>																		
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	20,888.8	–	–	–	–	–	–	–	–	–	–	–	–	17,995.0	560.6	–	–	0.0
2	**Financial undertakings**	841.6	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
3	Credit institutions	718.6	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
4	Loans and advances	573.7	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
5	Debt securities, including UoP	140.0	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
6	Equity instruments	4.9	–	–		–	–	–		–	–	–		–	–	–		–	–
7	Other financial corporations	123.0	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
8	of which investment firms	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
9	Loans and advances	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
10	Debt securities, including UoP	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
11	Equity instruments	–	–	–		–	–	–		–	–	–		–	–	–		–	–
12	of which management companies	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
13	Loans and advances	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
14	Debt securities, including UoP	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
15	Equity instruments	–	–	–		–	–	–		–	–	–		–	–	–		–	–
16	of which insurance undertakings	119.7	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
17	Loans and advances	5.7	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
18	Debt securities, including UoP	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
19	Equity instruments	114.0	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
20	**Non-financial undertakings**	316.0	–	–	–	–	–	–	–	–	–	–	–	–	92.8	70.8	–	–	0.0

		Disclosure reference date T-1																	
		Total [gross] carrying amount	Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
					Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
21	Loans and advances	312.3	–	–	–	–	–	–	–	–	–	–	–	–	91.7	69.8	–	–	–
22	Debt securities, including UoP	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
23	Equity instruments	3.7	–	–		–	–	–		–	–	–		–	1.0	1.0	–	–	0.0
24	**Households**	19,377.0	–	–	–	–									17,555.2	489.8	–	–	–
25	of which loans collateralised by residential immovable property	17,245.4	–	–	–	–									17,245.4	489.8	–	–	–
26	of which building renovation loans	286.4	–	–	–	–									286.4	–	–	–	–
27	of which motor vehicle loans	23.4													23.4	–	–	–	–
28	**Local governments financing**	7.3	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
29	Housing financing	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
30	Other local government financing	7.3	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
31	Collateral obtained by taking possession: residential and commercial immovable properties	347.0	–	–	–	–	–	–	–	–	–	–	–	–	347.0	–	–	–	–
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	13,923.8	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
33	**Financial and Non-financial Undertakings**																		
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations																		
35	Loans and advances																		
36	of which loans collateralised by commercial immovable property																		
37	of which building renovation loans																		
38	Debt securities																		
39	Equity instruments																		
39	Non-EU country counterparties not subject to NFRD disclosure obligations																		

			Disclosure reference date T-1																
			Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Total [gross] carrying amount	Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
					Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
41	Loans and advances																		
42	Debt securities																		
43	Equity instruments																		
44	**Derivatives**																		
45	**On demand interbank loans**																		
46	**Cash and cash-related assets**																		
47	**Other categories of assets (e.g. Goodwill, commodities etc.)**																		
48	**Total GAR assets**	34,812.6	–	–	–	–	–	–	–	–	–	–	–	–	17,995.0	560.6	–	–	0.0
49	**Assets not covered for GAR calculation**																		
50	**Central governments and Supranational issuers**																		
51	**Central banks exposure**																		
52	**Trading book**																		
53	**Total assets**	47,009.3	–	–	–	–	–	–	–	–	–	–	–	–	17,995.0	560.6	–	–	0.0
	Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations																		
54	Financial guarantees	12.3	–	–	–	–	–	–	–	–	–	–	–	–	0.0	0.0	–	–	–
55	Assets under management*	11,334.9	–	–	–	–	–	–	–	–	–	–	–	–	152.7	84.7	–	–	2.3
56	Of which debt securities	9,517.3	–	–	–	–	–	–	–	–	–	–	–	–	131.4	79.5	–	–	1.9
57	Of which equity instruments	1,817.6	–	–	–	–	–	–	–	–	–	–	–	–	21.3	5.2	–	–	0.4

1. This template shall include information for loans and advances, debt securities and equity instruments in the banking book, towards financial corporates, non-financial corporates (NFC), including SMEs, households (including residential real estate, house renovation loans and motor vehicle loans only) and local governments/municipalities (house financing).

2. The following accounting categories of financial assets should be considered: Financial assets at amortised cost, financial assets at fair value through other comprehensive income, investments in subsidiaries, joint ventures and associates, financial assets designated at fair value through profit or loss and non-trading financial assets mandatorily at fair value through profit or loss, and real estate collaterals obtained by credit institutions by taking possession in exchange in of cancellation of debts.

3. Banks with non-EU subsidiary should provide this information separately for exposures towards non-EU counterparties. For non-EU exposures, while there are additional challenges in terms of absence of common disclosure requirements and methodology, as the EU taxonomy and the NFRD apply only at EU level, given the relevance of these exposures for those credit institutions with non-EU subsidiaries, these institutions should disclose a separate GAR for non-EU exposures, on a best effort basis, in the form of estimates and ranges, using proxies, and explaining the assumptions, caveats and limitations.

4. For motor vehicle loans, institutions shall only include those exposures generated after the date of application of the disclosure.

*Information regarding this section can be found in the Annex IV Template.

1. Covered assets Flow (CAPEX)

		Disclosure reference date T													
			Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)			
		Total [gross] carrying amount	Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)		
					Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator														
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	2,138.7	1,763.2	151.9	–	0.1	0.2	0.0	0.0	–	0.0	–	–	–	–
2	**Financial undertakings**	48.7	12.2	1.0	–	0.1	0.2	0.0	0.0	–	0.0	–	–	–	–
3	Credit institutions	48.7	12.2	1.0	–	0.1	0.2	0.0	0.0	–	0.0	–	–	–	–
4	Loans and advances	–	–	–	–	–	–	–	–	–	–	–	–	–	–
5	Debt securities, including UoP	48.7	12.2	1.0	–	0.1	0.2	0.0	0.0	–	0.0	–	–	–	–
6	Equity instruments	–	–			–	–	–	–	–	–	–	–		–
7	Other financial corporations	0.0	0.0	0.0	–	–	–	0.0	0.0	–	–	–	–	–	–
8	of which investment firms	–	–	–	–	–	–	–	–	–	–	–	–	–	–
9	Loans and advances	–	–	–	–	–	–	–	–	–	–	–	–	–	–
10	Debt securities, including UoP	–	–	–	–	–	–	–	–	–	–	–		–	–
11	Equity instruments	–	–	–		–	–	–	–	–	–	–	–		–
12	of which management companies	–	–	–	–	–	–	–	–	–	–	–	–	–	–
13	Loans and advances	–	–	–	–	–	–	–	–	–	–	–	–	–	–
14	Debt securities, including UoP	–	–	–	–	–	–	–	–	–	–	–	–	–	–
15	Equity instruments	–	–	–		–	–	–	–	–	–	–	–		–
16	of which insurance undertakings	0.0	0.0	0.0	–	–	–	–	0.0	0.0	–	–	–	–	–
17	Loans and advances	0.0	0.0	0.0	–	–	–	–	0.0	0.0	–	–	–	–	–
18	Debt securities, including UoP	–	–	–	–	–	–	–	–	–	–	–	–	–	–
19	Equity instruments	–	–	–		–	–	–	–	–	–	–	–		–
20	**Non-financial undertakings**	41.0	4.1	2.9	–	–	–	–	0.0	0.0	–	–	–	–	–

		Disclosure reference date T													
			Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)			
		Total [gross] carrying amount	Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)		
					Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
21	Loans and advances	41.0	4.1	2.9	–	–	–	0.0	0.0	–	–	–	–	–	–
22	Debt securities, including UoP	–	–	–	–	–	–	–	–	–	–	–	–	–	–
23	Equity instruments	–	–	–		–	–	–	–	–	–	–	–		–
24	**Households**	1,953.4	1,716.4	148.0	–	–	–	–	–	–	–				
25	of which loans collateralised by residential immovable property	1,695.3	1,695.3	148.0	–	–	–	–	–	–	–				
26	of which building renovation loans	17.3	17.3	–	–	–	–	–	–	–	–				
27	of which motor vehicle loans	3.8	3.8	–	–	–	–								
28	**Local governments financing**	64.9	–	–	–	–	–	–	–	–	–	–	–	–	–
29	Housing financing	–	–	–	–	–	–	–	–	–	–	–	–	–	–
30	Other local government financing	64.9	–	–	–	–	–	–	–	–	–	–	–	–	–
31	Collateral obtained by taking possession: residential and commercial immovable properties	30.6	30.6	–	–	–	–	–	–	–	–	–	–	–	–
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	1,537.1													
33	**Financial and Non-financial undertakings**	1,490.5													
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	1,490.1													
35	Loans and advances	1,487.4													
36	of which loans collateralised by commercial immovable property	246.5													
37	of which building renovation loans	50.1													
38	Debt securities	–													
39	Equity instruments	2.7													
40	Non-EU country counterparties not subject to NFRD disclosure obligations	0.3													

		Disclosure reference date T													
		Total [gross] carrying amount	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)			
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)		
					Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
41	Loans and advances	0.3													
42	Debt securities	–													
43	Equity instruments	–													
44	**Derivatives**	4.8													
45	**On demand interbank loans**	–													
46	**Cash and cash-related assets**	–													
47	**Other categories of assets (e.g. Goodwill, commodities etc.)**	41.8													
48	**Total GAR assets**	3,675.8	1,763.2	151.9	–	0.1	0.2	0.0	0.0	–	0.0	–	–	–	–
49	**Assets not covered for GAR calculation**	742.4													
50	**Central governments and Supranational issuers**	742.4													
51	**Central banks exposure**	–													
52	**Trading book**	–													
53	**Total assets**	4,418.2	1,763.2	151.9	–	0.1	0.2	0.0	0.0	–	0.0	–	–	–	–
Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations															
54	Financial guarantees	1.8	–	–	–	–	–	–	–	–	–	–	–	–	–
55	Assets under management	–	–	–	–	–	–	–	–	–	–	–	–	–	–
56	Of which debt securities	–	–	–	–	–	–	–	–	–	–	–	–	–	–
57	Of which equity instruments	–	–	–	–	–	–	–	–	–	–	–	–	–	–

		Disclosure reference date T																	
			Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Total [gross] carrying amount	Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
					Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
	GAR - Covered assets in both numerator and denominator																		
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	2,138.7	0.9	–	–	–	–	–	–	–	0.0	–	–	–	1,764.2	151.9	–	0.1	0.2
2	**Financial undertakings**	48.7	–	–	–	–	–	–	–	–	–	–	–	–	12.2	1.0	–	0.1	0.2
3	Credit institutions	48.7	–	–	–	–	–	–	–	–	–	–	–	–	12.2	1.0	–	0.1	0.2
4	Loans and advances	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
5	Debt securities, including UoP	48.7	–	–	–	–	–	–	–	–	–	–	–	–	12.2	1.0	–	0.1	0.2
6	Equity instruments	–	–	–		–	–	–	–	–	–	–			–	–		–	–
7	Other financial corporations	–	–	–	–	–	–	–	–	–	–	–	–	–	0.0	0.0	–	–	–
8	of which investment firms	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
9	Loans and advances	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
10	Debt securities, including UoP	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
11	Equity instruments	–	–	–		–	–	–		–	–	–			–	–		–	–
12	of which management companies	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
13	Loans and advances	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
14	Debt securities, including UoP	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
15	Equity instruments	–	–	–		–	–	–		–	–	–		–	0.0	0.0		–	–
16	of which insurance undertakings	0.0	–	–	–	–	–	–	–	–	–	–	–	–	0.0	0.0	–	–	–
17	Loans and advances	0.0	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
18	Debt securities, including UoP	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
19	Equity instruments	–	–	–		–	–	–		–	–	–		–	–	–		–	–
20	**Non-financial undertakings**	41.0	0.9	–	–	–	–	–	–	–	0.0	–	–	–	5.0	2.9	–	–	–

		Disclosure reference date T																	
		Total [gross] carrying amount	Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
					Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
21	Loans and advances	41.0	0.9	–	–		–	–	–	–	–	–	–	–	5.0	2.9	–	–	–
22	Debt securities, including UoP	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
23	Equity instruments	–	–	–		–	–	–		–	–	–		–	–	–		–	–
24	**Households**	1,953.4	–	–	–	–									1,716.4	148.0	–	–	–
25	of which loans collateralised by residential immovable property	1,695.3	–	–	–	–									1,695.3	148.0	–	–	–
26	of which building renovation loans	17.3	–	–	–	–									17.3	–	–	–	–
27	of which motor vehicle loans	3.8													3.8	–	–	–	–
28	**Local governments financing**	64.9	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
29	Housing financing	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
30	Other local government financing	64.9	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
31	Collateral obtained by taking possession: residential and commercial immovable properties	30.6	–	–	–	–	–	–	–	–	–	–	–	–	30.6	–	–	–	–
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	1,537.1	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
33	**Financial and Non-financial Undertakings**	1,490.5																	
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	1,490.1																	
35	Loans and advances	1,487.4																	
36	of which loans collateralised by commercial immovable property	246.5																	
37	of which building renovation loans	50.1																	
38	Debt securities	–																	
39	Equity instruments	2.7																	
39	Non-EU country counterparties not subject to NFRD disclosure obligations	0.3																	

		Disclosure reference date T																	
			Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Total [gross] carrying amount	Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
					Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
41	Loans and advances	0.3																	
42	Debt securities	–																	
43	Equity instruments	–																	
44	**Derivatives**	4.8																	
45	**On demand interbank loans**	–																	
46	**Cash and cash-related assets**	–																	
47	**Other categories of assets (e.g. Goodwill, commodities etc.)**	41.8																	
48	**Total GAR assets**	3,675.8	0.9	–	–	–	–	–	–	–	0.0	–	–	–	1,764.2	151.9	0.0	0.1	0.2
49	**Assets not covered for GAR calculation**	742.4																	
50	**Central governments and Supranational issuers**	742.4																	
51	**Central banks exposure**	–																	
52	**Trading book**	–																	
53	**Total assets**	4,418.2	0.9	–	–	–	–	–	–	–	0.0	–	–	–	1,764.2	151.9	0.0	0.1	0.2
	Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations																		
54	Financial guarantees	1.8	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
55	Assets under management*	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
56	Of which debt securities	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
57	Of which equity instruments	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–

1. This template shall include information for loans and advances, debt securities and equity instruments in the banking book, towards financial corporates, non-financial corporates (NFC), including SMEs, households (including residential real estate, house renovation loans and motor vehicle loans only) and local governments/municipalities (house financing).

2. The following accounting categories of financial assets should be considered: Financial assets at amortised cost, financial assets at fair value through other comprehensive income, investments in subsidiaries, joint ventures and associates, financial assets designated at fair value through profit or loss and non-trading financial assets mandatorily at fair value through profit or loss, and real estate collaterals obtained by credit institutions by taking possession in exchange in of cancellation of debts.

3. Banks with non-EU subsidiary should provide this information separately for exposures towards non-EU counterparties. For non-EU exposures, while there are additional challenges in terms of absence of common disclosure requirements and methodology, as the EU taxonomy and the NFRD apply only at EU level, given the relevance of these exposures for those credit institutions with non-EU subsidiaries, these institutions should disclose a separate GAR for non-EU exposures, on a best effort basis, in the form of estimates and ranges, using proxies, and explaining the assumptions, caveats and limitations.

4. For motor vehicle loans, institutions shall only include those exposures generated after the date of application of the disclosure.

*Information regarding this section can be found in the Annex IV Template.

2. GAR sector information (Revenue)

Breakdown by sector - NACE 4 digits level (code and label)		Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)			
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
		Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCA)	Mn EUR	Of which environmentally sustainable (CCA)	Mn EUR	Of which environmentally sustainable (WTR)	Mn EUR	Of which environmentally sustainable (WTR)	Mn EUR	Of which environmentally sustainable (CE)	Mn EUR	Of which environmentally sustainable (CE)
1	**1013**	1,605,937.2	–			1,605,937.2	–			1,605,937.2	–			1,605,937.2	–		
2	**1039**	11,792,615.8	–			11,792,615.8	–			11,792,615.8	–			11,792,615.8	–		
3	**1711**	5,975,754.1	1,443,144.6			5,975,754.1	–			5,975,754.1	–			5,975,754.1	–		
4	**2013**	4,608,482.1	–			4,608,482.1	–			4,608,482.1	–			4,608,482.1	–		
5	**2120**	325,364.1	–			325,364.1	–			325,364.1	–			325,364.1	–		
6	**2410**	4,766,975.2	–			4,766,975.2	–			4,766,975.2	–			4,766,975.2	–		
7	**2442**	1,811,029.6	–			1,811,029.6	–			1,811,029.6	–			1,811,029.6	–		
8	**3020**	39,854,077.1	31,970,940.7			39,854,077.1	–			39,854,077.1	–			39,854,077.1	–		
9	**3811**	538,959.6	–			538,959.6	–			538,959.6	–			538,959.6	–		
10	**3821**	20,097,714.6	–			20,097,714.6	–			20,097,714.6	–			20,097,714.6	–		
11	**4120**	553,061.3	–			553,061.3	–			553,061.3	–			553,061.3	–		
12	**4212**	12,815.7	–			12,815.7	–			12,815.7	–			12,815.7	–		
13	**4222**	2,274,509.9	–			2,274,509.9	–			2,274,509.9	–			2,274,509.9	–		
14	**4321**	6,162,906.3	–			6,162,906.3	–			6,162,906.3	–			6,162,906.3	–		
15	**4643**	4,027,598.8	–			4,027,598.8	–			4,027,598.8	–			4,027,598.8	–		

Breakdown by sector - NACE 4 digits level (code and label)		Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)			
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
		Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCA)	Mn EUR	Of which environmentally sustainable (CCA)	Mn EUR	Of which environmentally sustainable (WTR)	Mn EUR	Of which environmentally sustainable (WTR)	Mn EUR	Of which environmentally sustainable (CE)	Mn EUR	Of which environmentally sustainable (CE)
16	**4711**	67,092,888.9	–			67,092,888.9	–			67,092,888.9	–			67,092,888.9	–		
17	**4719**	33,154,488.0	9,946.4			33,154,488.0	–			33,154,488.0	–			33,154,488.0	–		
18	**4771**	11,505,557.0	–			11,505,557.0	–			11,505,557.0	–			11,505,557.0	–		
19	**5110**	6,975,208.1	–			6,975,280.1	–			6,975,280.1	–			6,975,280.1	–		
20	**5223**	- 137,427.02	–			- 137,427.02	–			- 137,427.02	–			- 137,427.02	–		
21	**6110**	666.4	–			666.4	–			666.4	–			666.4	–		
22	**6202**	936,905.9	–			936,905.9	88,162.8			936,905.9	–			936,905.9	–		
23	**6209**	26,552,961.0	1,053,445.0			26,552,961.0	–			26,552,961.0	–			26,552,961.0	–		
24	**6420**	64,551,079.4	7,848,407.9			64,551,079.4	–			64,551,079.4	–			64,551,079.4	–		
25	**6492**	197,830.7	3,185.1			197,830.7	–			197,830.7	–			197,830.7	–		
26	**6499**	839,083.7	338,654.2			839,083.7	–			839,083.7	–			839,083.7	–		
27	**6920**	11,515,048.4	–			11,515,048.4	–			11,515,048.4	–			11,515,048.4	–		
28	**7112**	5,081,521.0	234,766.3			5,081,521.0	–			5,081,521.0	–			5,081,521.0	–		
29	**7490**	82,776.9	206.9			82,776.9	–			82,776.9	–			82,776.9	–		

Breakdown by sector - NACE 4 digits level (code and label)		Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)			
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
		Mn EUR	Of which environmentally sustainable (PPC)	Mn EUR	Of which environmentally sustainable (PPC)	Mn EUR	Of which environmentally sustainable (BIO)	Mn EUR	Of which environmentally sustainable (BIO)	Mn EUR	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)	Mn EUR	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)
1	**1013**	1,605,937.24	–			1,605,937.24	–			1,605,937.24	–		
2	**1039**	11,792,615.77	–			11,792,615.77	–			11,792,615.77	–		
3	**1711**	5,975,754.14	–			5,975,754.14	–			5,975,754.14	1,443,443.62		
4	**2013**	4,608,482.08	–			4,608,482.08	–			4,608,482.08	–		
5	**2120**	325,364.07	–			325,364.07	–			325,364.07	–		
6	**2410**	4,766,975.16	–			4,766,975.16	–			4,766,975.16	–		
7	**2442**	1,811,029.56	–			1,811,029.56	–			1,811,029.56	–		
8	**3020**	39,854,077.11	–			39,854,077.11	–			39,854,077.11	31,970,940.66		
9	**3811**	538,959.62	–			538,959.62	–			538,959.62	–		
10	**3821**	20,097,714.62	–			20,097,714.62	–			20,097,714.62	–		
11	**4120**	553,061.29	–			553,061.29	–			553,061.29	–		
12	**4212**	12,815.67	–			12,815.67	–			12,815.67	–		
13	**4222**	2,274,509.88	–			2,274,509.88	–			2,274,509.88	–		
14	**4321**	6,162,906.27	–			6,162,906.27	–			6,162,906.27	–		
15	**4643**	4,027,598.75	–			4,027,598.75	–			4,027,598.75	–		

Breakdown by sector - NACE 4 digits level (code and label)		Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				TOTAL (CCM + CCA)			
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
		Mn EUR	Of which environmentally sustainable (PPC)	Mn EUR	Of which environmentally sustainable (PPC)	Mn EUR	Of which environmentally sustainable (BIO)	Mn EUR	Of which environmentally sustainable (BIO)	Mn EUR	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)	Mn EUR	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)
16	**4711**	67,092,888.89	–			67,092,888.89	–			67,092,888.89	–		
17	**4719**	33,154,488.01	–			33,154,488.01	–			33,154,488.01	9,946.35		
18	**4771**	11,505,557.04	–			11,505,557.04	–			11,505,557.04	–		
19	**5110**	6,975,280.06	–			6,975,280.06	–			6,975,280.06	–		
20	**5223**	- 137,427.02	–			- 137,427.02	–			- 137,427.02	–		
21	**6110**	666.35	–			666.35	–			666.35	–		
22	**6202**	936,905.85	–			936,905.85	–			936,905.85	88,162.84		
23	**6209**	26,552,960.99	–			26,552,960.99	–			26,552,960.99	1,053,445.02		
24	**6420**	64,551,079.35	–			64,551,079.35	–			64,551,079.35	7,848,407.86		
25	**6492**	197,830.72	–			197,830.72	–			197,830.72	3,185.07		
26	**6499**	839,083.70	–			839,083.70	–			839,083.70	338,654.18		
27	**6920**	11,515,048.39	–			11,515,048.39	–			11,515,048.39	–		
28	**7112**	5,081,520.99	–			5,081,520.99	–			5,081,520.99	234,766.27		
29	**7490**	82,776.89	–			82,776.89	–			82,776.89	206.94		

1. Credit institutions shall disclose in this template information on exposures in the banking book towards those sectors covered by the Taxonomy (NACE sectors 4 levels of detail), using the relevant NACE Codes on the basis of the principal activity of the counterparty

2. The counterparty NACE sector allocation shall be based exclusively on the nature of the immediate counterparty. The classification of the exposures incurred jointly by more than one obligor shall be done on the basis of the characteristics of the obligor that was the more relevant, or determinant, for the institution to grant the exposure. The distribution of jointly incurred exposures by NACE codes shall be driven by the characteristics of the more relevant or determinant obligor. Institutions shall disclose information by NACE codes with the level of disaggregation required in the template.

2. GAR sector information (CAPEX)

Breakdown by sector - NACE 4 digits level (code and label)		Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)			
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
		Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCA)	Mn EUR	Of which environmentally sustainable (CCA)	Mn EUR	Of which environmentally sustainable (WTR)	Mn EUR	Of which environmentally sustainable (WTR)	Mn EUR	Of which environmentally sustainable (CE)	Mn EUR	Of which environmentally sustainable (CE)
1	**1013**	1,605,937.2	–			1,605,937.2	–			1,605,937.2	–			1,605,937.2	–		
2	**1039**	11,792,615.8	–			11,792,615.8	–			11,792,615.8	–			11,792,615.8	–		
3	**1711**	5,975,754.1	1,443,443.6			5,975,754.1	–			5,975,754.1	–			5,975,754.1	–		
4	**2013**	4,608,482.1	–			4,608,482.1	–			4,608,482.1	–			4,608,482.1	–		
5	**2120**	325,364.1	–			325,364.1	–			325,364.1	–			325,364.1	–		
6	**2410**	4,766,975.2	–			4,766,975.2	–			4,766,975.2	–			4,766,975.2	–		
7	**2442**	1,811,029.6	–			1,811,029.6	–			1,811,029.6	–			1,811,029.6	–		
8	**3020**	39,854,077.1	31,970,970.7			39,854,077.1	–			39,854,077.1	–			39,854,077.1	–		
9	**3811**	538,959.6	–			538,959.6	–			538,959.6	–			538,959.6	–		
10	**3821**	20,097,714.6	–			20,097,714.6	–			20,097,714.6	–			20,097,714.6	–		
11	**4120**	553,061.3	–			553,061.3	–			553,061.3	–			553,061.3	–		
12	**4212**	12,815.7	–			12,815.7	–			12,815.7	–			12,815.7	–		
13	**4222**	2,274,509.9	–			2,274,509.9	–			2,274,509.9	–			2,274,509.9	–		
14	**4321**	6,162,906.3	–			6,162,906.3	–			6,162,906.3	–			6,162,906.3	–		
15	**4643**	4,027,598.8	–			4,027,598.8	–			4,027,598.8	–			4,027,598.8	–		

Breakdown by sector - NACE 4 digits level (code and label)		Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)			
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
		Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCA)	Mn EUR	Of which environmentally sustainable (CCA)	Mn EUR	Of which environmentally sustainable (WTR)	Mn EUR	Of which environmentally sustainable (WTR)	Mn EUR	Of which environmentally sustainable (CE)	Mn EUR	Of which environmentally sustainable (CE)
16	**4711**	67,092,888.9	–			67,092,888.9	–			67,092,888.9	–			67,092,888.9	–		
17	**4719**	33,154,488.0	576,888.1			33,154,488.0	–			33,154,488.0	–			33,154,488.0	–		
18	**4771**	11,505,557.0	7,925.5			11,505,557.0	–			11,505,557.0	–			11,505,557.0	–		
19	**5110**	6,975,280.1	–			6,975,280.1	–			6,975,280.1	–			6,975,280.1	–		
20	**5223**	- 137,427.02	–			- 137,427.02	–			- 137,427.02	–			- 137,427.02	–		
21	**6110**	666.4	–			666.4	–			666.4	–			666.4	–		
22	**6202**	936,905.9	–			936,905.9	33,166.5			936,905.9	–			936,905.9	–		
23	**6209**	26,552,961.0	1,481,653.3			26,552,961.0	–			26,552,961.0	–			26,552,961.0	–		
24	**6420**	64,551,079.4	38,041,930.9			64,551,079.4	–			64,551,079.4	–			64,551,079.4	–		
25	**6492**	197,830.7	1,088.1			197,830.7	–			197,830.7	–			197,830.7	–		
26	**6499**	839,083.7	745,022.4			839,083.7	–			839,083.7	–			839,083.7	–		
27	**6920**	11,515,048.4	1,151.5			11,515,048.4	–			11,515,048.4	–			11,515,048.4	–		
28	**7112**	5,081,521.0	–			5,081,521.0	–			5,081,521.0	–			5,081,521.0	–		
29	**7490**	82,776.9	26,538.3			82,776.9	–			82,776.9	–			82,776.9	–		

Breakdown by sector - NACE 4 digits level (code and label)		Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)			
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
		Mn EUR	Of which environmentally sustainable (PPC)	Mn EUR	Of which environmentally sustainable (PPC)	Mn EUR	Of which environmentally sustainable (BIO)	Mn EUR	Of which environmentally sustainable (BIO)	Mn EUR	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)	Mn EUR	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)
1	**1013**	1,605,937.24	–			1,605,937.24	–			1,605,937.24	–		
2	**1039**	11,792,615.77	–			11,792,615.77	–			11,792,615.77	–		
3	**1711**	5,975,754.14	–			5,975,754.14	–			5,975,754.14	2,869,557.14		
4	**2013**	4,608,482.08	–			4,608,482.08	–			4,608,482.08	1,118,478.60		
5	**2120**	325,364.07	–			325,364.07	–			325,364.07	–		
6	**2410**	4,766,975.16	–			4,766,975.16	–			4,766,975,16	–		
7	**2442**	1,811,029.56	–			1,811,029.56	–			1,811,029.56	–		
8	**3020**	39,854,077.11	–			39,854,077.11	–			39,854,077.11	29,464,119.21		
9	**3811**	538,959.62	–			538,959.62	–			538,959.62	–		
10	**3821**	20,097,714.62	–			20,097,714.62	–			20,097,714.62	–		
11	**4120**	553,061.29	–			553,061.29	–			553,061.29	–		
12	**4212**	12,815.67	–			12,815.67	–			12,815.67	–		
13	**4222**	2,274,509.88	–			2,274,509.88	–			2,274,509.88	–		
14	**4321**	6,162,906.27	–			6,162,906.27	–			6,162,906.27	–		
15	**4643**	4,027,598.75	–			4,027,598.75	–			4,027,598.75	–		

Breakdown by sector - NACE 4 digits level (code and label)		Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				TOTAL (CCM + CCA)			
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
		Mn EUR	Of which environmentally sustainable (PPC)	Mn EUR	Of which environmentally sustainable (PPC)	Mn EUR	Of which environmentally sustainable (BIO)	Mn EUR	Of which environmentally sustainable (BIO)	Mn EUR	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)	Mn EUR	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)
16	**4711**	67,092,888.89	—			67,092,888.89	—			67,092,888.89	—		
17	**4719**	33,154,488.01	—			33,154,488.01	—			33,154,488.01	576,888.09		
18	**4771**	11,505,557.04	—			11,505,557.04	—			11,505,557.04	7,925.45		
19	**5110**	6,975,280.06	—			6,975,280.06	—			6,975,280.06	—		
20	**5223**	- 137,427.02	—			- 137,427.02	—			- 137,427.02	—		
21	**6110**	666.35	—			666.35	—			666.35	—		
22	**6202**	936,905.85	—			936,905.85	—			936,905.85	33,166.47		
23	**6209**	26,552,960.99	—			26,552,960.99	—			26,552,960.99	1,481,653.34		
24	**6420**	64,551,079.35	—			64,551,079.35	—			64,551,079.35	38,041,930.88		
25	**6492**	197,830.72	—			197,830.72	—			197,830.72	1,088.07		
26	**6499**	839,083.70	—			839,083.70	—			839,083.70	745,022.42		
27	**6920**	11,515,048.39	—			11,515,048.39	—			11,515,048.39	1,151.50		
28	**7112**	5,081,520.99	—			5,081,520.99	—			5,081,520.99	—		
29	**7490**	82,776.89	—			82,776.89	—			82,776.89	26,538.27		

1. Credit institutions shall disclose in this template information on exposures in the banking book towards those sectors covered by the Taxonomy (NACE sectors 4 levels of detail), using the relevant NACE Codes on the basis of the principal activity of the counterparty

2. The counterparty NACE sector allocation shall be based exclusively on the nature of the immediate counterparty. The classification of the exposures incurred jointly by more than one obligor shall be done on the basis of the characteristics of the obligor that was the more relevant, or determinant, for the institution to grant the exposure. The distribution of jointly incurred exposures by NACE codes shall be driven by the characteristics of the more relevant or determinant obligor. Institutions shall disclose information by NACE codes with the level of disaggregation required in the template.

3. GAR KPI stock (Revenue)

	% (compared to total covered assets in the denominator)	Disclosure reference date T																
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator																	
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	85.1%	4.4%	–	0.0%	0.2%	0.1%	0.0%	–	0.0%	–	–	–	–	0.0%	–	–	–
2	**Financial undertakings**	8.1%	0.5%	–	0.0%	0.1%	4.5%	0.0%	–	0.0%	–	–	–	–	–	–	–	–
3	Credit institutions	11.7%	0.6%	–	0.1%	0.1%	0.0%	0.0%	–	0.0%	–	–	–	–	–	–	–	–
4	Loans and advances	7.1%	0.2%	–	0.0%	0.0%	0.0%	0.0%	–	–	–	–	–	–	–	–	–	–
5	Debt securities, including UoP	21.9%	1.2%	–	0.1%	0.3%	0.1%	0.0%	–	0.0%	–	–	–	–	–	–	–	–
6	Equity instruments	–	–		–	–	–	–		–	–	–		–	–	–		–
7	Other financial corporations	0.3%	0.3%	–	0.0%	0.1%	14.2%	0.0%	–	–	–	–	–	–	–	–	–	–
8	of which investment firms	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
9	Loans and advances	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
10	Debt securities, including UoP	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
11	Equity instruments	–	–		–	–	–	–		–	–	–		–	–	–		–
12	of which management companies	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
13	Loans and advances	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
14	Debt securities, including UoP	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
15	Equity instruments	–	–		–	–	–	–		–	–	–		–	–	–		–

% (compared to total covered assets in the denominator)		Disclosure reference date T																
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
16	of which insurance undertakings	0.3%	0.3%	–	0.0%	0.1%	14.6%	0.0%	–	–	–	–	–	–	–	–	–	–
17	Loans and advances	0.3%	0.3%	–	0.0%	0.1%	14.6%	0.0%	–	–	–	–	–	–	–	–	–	–
18	Debt securities, including UoP	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
19	Equity instruments	0.3%	0.3%		0.0%	0.1%	14.6%	0.0%		0.0%	–	–		–	–	–		–
20	**Non-financial undertakings**	16.1%	12.9%	–	0.0%	11.6%	0.3%	0.0%	–	0.0%	–	–	–	–	1.1%	–	–	–
21	Loans and advances	16.0%	12.8%	–	–	11.6%	0.3%	0.0%	–	0.0%	–	–	–	–	1.1%	–	–	–
22	Debt securities, including UoP	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
23	Equity instruments	40.4%	28.8%		0.0%	19.8%	–	–		–	–	–		–	0.2%	–		–
24	**Households**	90.2%	4.5%	–	–	–	–	–	–	–					–	–	–	–
25	of which loans collateralised by residential immovable property	100.0%	5.1%	–	–	–	–	–	–	–					–	–	–	–
26	of which building renovation loans	100.0%	–	–	–	–	–	–	–	–					–	–	–	–
27	of which motor vehicle loans	100.0%	–	–	–	–	–											
28	**Local governments financing**	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
29	Housing financing	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
30	Other local government financing	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	100.0%	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
32	**Total GAR assets**	52.2%	2.7%	–	0.0%	0.1%	0.1%	0.0%	–	0.0%	–	–	–	–	0.0%	–	–	–

	% (compared to total covered assets in the denominator)	Disclosure reference date T													Proportion of total assets covered
		Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
				Of which transitional	Of which enabling			Of which transitional	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling	
	GAR - Covered assets in both numerator and denominator														
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0.0%	–	–	–	–	–	–	–	85.3%	4.4%	–	0.0%	0.2%	45.8%
2	**Financial undertakings**	–	–	–	–	–	–	–	–	12.6%	0.5%	–	0.0%	0.1%	1.1%
3	Credit institutions	–	–	–	–	–	–	–	–	11.7%	0.6%	–	0.1%	0.1%	0.7%
4	Loans and advances	–	–	–	–	–	–	–	–	7.1%	0.3%	–	0.0%	0.0%	0.5%
5	Debt securities, including UoP	–	–	–	–	–	–	–	–	22.0%	1.3%	–	0.1%	0.3%	0.2%
6	Equity instruments	–	–		–	–	–		–	–	–		–	–	–
7	Other financial corporations	–	–	–	–	–	–	–	–	14.5%	0.3%	–	0.0%	0.1%	0.3%
8	of which investment firms	–	–	–	–	–	–	–	–	–	–	–	–	–	–
9	Loans and advances	–	–	–	–	–	–	–	–	–	–	–	–	–	–
10	Debt securities, including UoP	–	–	–	–	–	–	–	–	–	–	–	–	–	–
11	Equity instruments	–	–		–	–	–		–	–	–		–	–	–
12	of which management companies	–	–	–	–	–	–	–	–	–	–	–	–	–	–
13	Loans and advances	–	–	–	–	–	–	–	–	–	–	–	–	–	–
14	Debt securities, including UoP	–	–	–	–	–	–	–	–	–	–	–	–	–	–
15	Equity instruments	–	–		–	–	–		–	–	–		–	–	–

	% (compared to total covered assets in the denominator)	Disclosure reference date T													
		Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					Proportion of total assets covered
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
				Of which transitional	Of which enabling			Of which transitional	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling	
16	of which insurance undertakings	–	–	–	–	–	–	–	–	14.8%	0.3%	–	0.0%	0.1%	0.3%
17	**Loans and advances**	–	–	–	–	–	–	–	–	14.8%	0.3%	–	0.0%	0.1%	0.1%
18	Debt securities, including UoP	–	–	–	–	–	–	–	–	–	–	–	–	–	–
19	Equity instruments	–	–		–	–	–		–	14.8%	0.3%		0.0%	0.1%	0.2%
20	Non-financial undertakings	2.9%	–	–	–	–	–	–	–	20.4%	12.9%	–	0.0%	11.7%	0.7%
21	Loans and advances	2.9%	–	–	–	–	–	–	–	20.3	12.9%	–	–	11.6%	0.7%
22	Debt securities, including UoP	–	–	–	–	–	–	–	–	–	–	–	–	–	–
23	Equity instruments	–	–		–	–	–		–	40.6%	28.8%		0.0%	19.8%	0.0%
24	**Households**									90.2%	4.5%	–	–	–	42.3%
25	of which loans collateralised by residential immovable property									100.0%	5.1%	–	–	–	37.6%
26	of which building renovation loans									100.0%	–	–	–	–	0.5%
27	of which motor vehicle loans														
28	Local governments financing	–	–	–	–	–	–	–	–	–	–	–	–	–	1.1%
29	Housing financing	–	–	–	–	–	–	–	–	–	–	–	–	–	–
30	Other local government financing	–	–	–	–	–	–	–	–	–	–	–	–	–	1.1%
31	Collateral obtained by taking possession: residential and commercial immovable properties	–	–	–	–	–	–	–	–	100.0%	–	–	–	–	0.6%
32	**Total GAR assets**	0.0%	–	–	–	–	–	–	–	52.3%	2.7%	–	–	0.1%	74.6%

1. Institution shall disclose in this template the GAR KPIs on stock of loans calculated based on the data disclosed in template 1, on covered assets, and by applying the formulas proposed in this template.

2. Information on the GAR (green asset ratio of 'eligible' activities) shall be accompanied with information on the proportion of total assets covered by the GAR.

3. Credit institutions can, in addition to the information included in this template, show the proportion of assets funding taxonomy relevant sectors that are environmentally sustainable (Taxonomy-aligned). This information would enrich the information on the KPI on environmentally sustainable assets compared to total covered assets.

4. Credit institutions shall duplicate this template for revenue based and CapEx based disclosures.

	% (compared to total covered assets in the denominator)	Disclosure reference date T-1																
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator																	
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	86.0%	2.5%	–	–	0.0%	0.0%	–	–	–	–	–	–	–	–	–	–	–
2	**Financial undertakings**	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
3	Credit institutions	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
4	Loans and advances	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
5	Debt securities, including UoP	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
6	Equity instruments	–	–		–	–		–		–	–	–		–	–	–		–
7	Other financial corporations	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
8	of which investment firms	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
9	Loans and advances	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
10	Debt securities, including UoP	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
11	Equity instruments	–	–		–	–	–	–		–	–	–		–	–	–	–	–
12	of which management companies	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
13	Loans and advances	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
14	Debt securities, including UoP	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
15	Equity instruments	–	–		–	–	–	–		–	–	–		–	–	–	–	–

% (compared to total covered assets in the denominator)		Disclosure reference date T-1																
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
16	of which insurance undertakings	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
17	Loans and advances	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
18	Debt securities, including UoP	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
19	Equity instruments	–	–		–	–	–	–		–	–	–		–	–	–		–
20	**Non-financial undertakings**	22.0%	10.6%	–	–	0.0%	0.1%	–	–	–	–	–	–	–	–	–	–	–
21	Loans and advances	22.0%	10.6%	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
22	Debt securities, including UoP	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
23	Equity instruments	20.9%	12.4%		0.0%	3.5%	7.0	–		–	–	–		–	–	–		–
24	**Households**	90.6%	2.5%	–	–	–	–	–	–	–					–	–	–	–
25	of which loans collateralised by residential immovable property	100.0%	2.8%	–	–	–	–	–	–	–					–	–	–	–
26	of which building renovation loans	100.0%	–	–	–	–	–	–	–	–					–	–	–	–
27	of which motor vehicle loans																	
28	Local governments financing	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
29	Housing financing	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
30	Other local government financing	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	100.0%	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
32	**Total GAR assets**	51.6%	1.5%	–	0.0%	0.0%	0.0%	–	–	–	–	–	–	–	–	–	–	–

	% (compared to total covered assets in the denominator)	Disclosure reference date T-1														Proportion of total assets covered
		Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
				Of which transitional	Of which enabling			Of which transitional	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling	
	GAR - Covered assets in both numerator and denominator														
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	–	–	–	–	–	–	–	–	86.0	2.5%	–	0.0%	0.0%	44.4%
2	**Financial undertakings**		–	–		–	–		–	–	–	–	–	–	1.8%
3	Credit institutions	–	–	–	–	–	–	–	–	–	–	–	–	–	1.5%
4	Loans and advances		–	–		–	–		–	–	–	–	–	–	1.2%
5	Debt securities, including UoP	–	–	–	–	–	–	–	–	–	–	–	–	–	0.3%
6	Equity instruments		–			–	–		–	–	–		–	–	0.0%
7	Other financial corporations	–	–	–	–	–	–	–	–	–	–	–	–	–	0.3%
8	of which investment firms		–	–		–	–		–	–	–	–	–	–	–
9	Loans and advances	–	–	–	–	–	–	–	–	–	–	–	–	–	–
10	Debt securities, including UoP	–	–	–		–	–		–	–	–	–	–	–	–
11	Equity instruments	–	–		–	–			–	–	–			–	–
12	of which management companies	–	–	–	–	–	–	–	–	–	–	–	–	–	–
13	Loans and advances		–	–		–	–		–	–	–	–	–	–	–
14	Debt securities, including UoP	–	–	–	–	–	–	–	–	–	–	–	–	–	–
15	Equity instruments	–	–		–	–	–		–	–	–		–	–	0.0%

% (compared to total covered assets in the denominator)		Disclosure reference date T														Proportion of total assets covered
		Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
				Of which transitional	Of which enabling			Of which transitional	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling	
16	of which insurance undertakings	–	–	–	–	–	–	–	–	–	–	–	–	–	0.3%
17	Loans and advances	–	–	–	–	–	–	–	–	–	–	–	–	–	0.0%
18	Debt securities, including UoP	–	–	–	–	–	–	–	–	–	–	–	–	–	–
19	Equity instruments	–	–		–	–	–		–	–	–		–	–	0.2%
20	**Non-financial undertakings**	–	–	–	–	–	–	–	–	22.1%	10.6%	–	–	0.0%	0.7%
21	Loans and advances	–	–	–	–	–	–	–	–	22.0%	10.6%	–	–	–	0.7%
22	Debt securities, including UoP	–	–	–	–	–	–	–	–	–	–	–	–	–	–
23	Equity instruments	–	–		–	–	–		–	27.9%	12.4%		0.0%	3.5%	–
24	**Households**									90.6%	2.5%	–	–	–	41.2%
25	of which loans collateralised by residential immovable property									100.0%	2.8%	–	–	–	36.7%
26	of which building renovation loans									100.0%	–	–	–	–	0.6%
27	of which motor vehicle loans									100.0%	–	–	–	–	0.0%
28	Local governments financing	–	–	–	–	–	–	–	–	–	–	–	–	–	0.0%
29	Housing financing	–	–	–	–	–	–	–	–	–	–	–	–	–	–
30	Other local government financing	–	–	–	–	–	–	–	–	–	–	–	–	–	0.0%
31	Collateral obtained by taking possession: residential and commercial immovable properties	–	–	–	–	–	–	–	–	100.0%	–	–	–	–	0.7%
32	**Total GAR assets**	–	–	–	–	–	–	–	–	51.6%	1.5%	–	–	0.0%	74.1%

1. Institution shall disclose in this template the GAR KPIs on stock of loans calculated based on the data disclosed in template 1, on covered assets, and by applying the formulas proposed in this template.

2. Information on the GAR (green asset ratio of 'eligible' activities) shall be accompanied with information on the proportion of total assets covered by the GAR.

3. Credit institutions can, in addition to the information included in this template, show the proportion of assets funding taxonomy relevant sectors that are environmentally sustainable (Taxonomy-aligned). This information would enrich the information on the KPI on environmentally sustainable assets compared to total covered assets.

4. Credit institutions shall duplicate this template for revenue based and CapEx based disclosures.

3. GAR KPI stock (CAPEX)

% (compared to total covered assets in the denominator)		Disclosure reference date T																
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator																	
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	85.3%	4.6%	–	0.0%	0.2%	0.1%	0.0%	–	0.0%	0.0%	–	–	–	0.0%	–	–	–
2	**Financial undertakings**	8.3%	0.7%	–	0.0%	0.2%	4.5%	0.0%	–	0.0%	–	–	–	–	–	–	–	–
3	Credit institutions	11.8%	0.8%	–	0.1%	0.2%	0.0%	0.0%	–	0.0%	–	–	–	–	–	–	–	–
4	Loans and advances	7.1%	0.4%	–	0.0%	0.1%	0.0%	0.0%	–	–	–	–	–	–	–	–	–	–
5	Debt securities, including UoP	22.2%	1.7%	–	0.1%	0.6%	0.1%	0.0%	–	0.0%	–	–	–	–	–	–	–	–
6	Equity instruments	–	–		–	–	–	–		–	–	–		–	–	–		–
7	Other financial corporations	0.5%	0.5%	–	–	–	14.2%	0.0%	–	–	–	–	–	–	–	–	–	–
8	of which investment firms	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
9	Loans and advances	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
10	Debt securities, including UoP	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
11	Equity instruments	–	–		–	–	–	–		–	–	–		–	–	–		–
12	of which management companies	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
13	Loans and advances	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
14	Debt securities, including UoP	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
15	Equity instruments	–	–		–	–	–	–		–	–	–		–	–	–		–

% (compared to total covered assets in the denominator)		Disclosure reference date T																
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
16	of which insurance undertakings	0.5%	0.5%	–	–	–	–	–	–	–	–	–	–	–	0.0%	–	–	–
17	Loans and advances	0.5%	0.5%	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
18	Debt securities, including UoP	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
19	Equity instruments	0.5%	0.5%		–	–	–	–		–	–	–		–	–	–		–
20	**Non-financial undertakings**	28.4%	22.0%	–	0.0%	15.5%	0.1%	–	–	0.0%	0.0%	–	–		1.0%	–	–	–
21	Loans and advances	28.2%	21.8%	–	–	15.4%	–	–	–	0.0%	0.0%	–	–	–	1.0%	–	–	–
22	Debt securities, including UoP	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
23	Equity instruments	75.6%	73.7%		0.0%	35.4%	7.0%	–		–	–	–			0.8%	–		–
24	**Households**	90.2%	4.5%	–	–	–	–	–	–	–					–	–	–	–
25	of which loans collateralised by residential immovable property	100.0%	5.1%	–	–	–	–	–	–	–					–	–	–	–
26	of which building renovation loans	100.0%	–	–	–	–	–	–	–	–					–	–	–	–
27	of which motor vehicle loans	100.0%	–	–	–	–	–											
28	Local governments financing	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
29	Housing financing	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
30	Other local government financing	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	100.0%	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
32	**Total GAR assets**	52.4%	2.8%	–	0.0%	0.2%	0.1%	–	–	0.0%	0.0%	–	–	–	0.0%	–	–	–

% (compared to total covered assets in the denominator)		Disclosure reference date T															Proportion of total assets covered
		Pollution (PPC)					Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which transitional	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling	
	<u>GAR - Covered assets in both numerator and denominator</u>															
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0.0%	–	–	–	–	–	–	–	–	85.5%	4.6%	–	0.0%	0.2%	45.8%
2	**Financial undertakings**	–	–	–	–	–	–	–	–	–	12.8%	0.7%	–	0.0%	0.2%	1.1%
3	Credit institutions	–	–	–	–	–	–	–	–	–	11.9%	0.8%	–	0.1%	0.2%	0.7%
4	Loans and advances	–	–	–	–	–	–	–	–	–	7.2%	0.4%	–	0.0%	0.1%	0.5%
5	Debt securities, including UoP	–	–	–	–	–	–	–	–	–	22.3%	1.7%	–	0.1%	0.6%	0.2%
6	Equity instruments	–	–		–	–	–	–		–	–	–		–	–	0.0%
7	Other financial corporations	–	–	–	–	–	–	–	–	–	14.7%	0.5%	–	–	–	0.3%
8	of which investment firms	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
9	Loans and advances	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
10	Debt securities, including UoP	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
11	Equity instruments	–	–		–	–	–	–		–	–	–		–	–	–
12	of which management companies	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
13	Loans and advances	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
14	Debt securities, including UoP	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
15	Equity instruments	–	–		–	–	–	–		–	–	–		–	–	–

% (compared to total covered assets in the denominator)		Disclosure reference date T															Proportion of total assets covered
		Pollution (PPC)					Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which transitional	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling	
16	of which insurance undertakings	–	–	–	–	–	0.0%	–	–	–	15.0%	0.5%	–	–	–	0.3%
17	**Loans and advances**	–	–	–	–	–	–	–	–	–	15.0%	0.5%	–	–	–	0.1%
18	Debt securities, including UoP	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
19	Equity instruments	–	–		–	–	–	–		–	15.0%	0.5%		–	–	0.2%
20	**Non-financial undertakings**	2.9%	–	–	–	–	0.0%	–	–	–	33.0%	22.3%	–	0.0%	15.5%	0.7%
21	Loans and advances	2.9%	–	–	–	–	0.0%	–	–	–	32.8%	22.1%	–	–	15.4%	0.7%
22	Debt securities, including UoP	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
23	Equity instruments	–	–		–	–	–	–		–	76.4%	73.7%		0.0%	35.4%	0.0%
24	**Households**	–	–	–	–	–	–	–	–	–	90.2%	4.5%	–	–	–	42.3%
25	of which loans collateralised by residential immovable property	–	–	–	–	–	–	–	–	–	100.0%	5.1%	–	–	–	37.6%
26	of which building renovation loans	–	–	–	–	–	–	–	–	–	100.0%	–	–	–	–	0.5%
27	of which motor vehicle loans	–	–	–	–	–										
28	**Local governments financing**	–	–	–	–	–	–	–	–	–	–	–	–	–	–	1.1%
29	Housing financing	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
30	Other local government financing	–	–	–	–	–	–	–	–	–	–	–	–	–	–	1.1%
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	–	–	–	–	–	–	–	–	–	100.0%	–	–	–	–	0.6%
32	**Total GAR assets**	0.0%	–	–	–	–	0.0%	–	–	–	52.5%	2.8%	–	–	0.1%	74.6%

1. Institution shall disclose in this template the GAR KPIs on stock of loans calculated based on the data disclosed in template 1, on covered assets, and by applying the formulas proposed in this template.

2. Information on the GAR (green asset ratio of 'eligible' activities) shall be accompanied with information on the proportion of total assets covered by the GAR.

3. Credit institutions can, in addition to the information included in this template, show the proportion of assets funding taxonomy relevant sectors that are environmentally sustainable (Taxonomy-aligned). This information would enrich the information on the KPI on environmentally sustainable assets compared to total covered assets.

4. Credit institutions shall duplicate this template for revenue based and CapEx based disclosures.

% (compared to total covered assets in the denominator)		Disclosure reference date T-1																
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator																	
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	86.1%	2.7%	–	–	0.0%	0.0%	–	–	–	–	–	–	–	–	–	–	–
2	**Financial undertakings**	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
3	Credit institutions	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
4	Loans and advances	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
5	Debt securities, including UoP	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
6	Equity instruments	–	–		–	–	–	–		–	–	–		–	–	–		–
7	Other financial corporations	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
8	of which investment firms	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
9	Loans and advances	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
10	Debt securities, including UoP	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
11	Equity instruments	–	–		–	–	–	–		–	–	–		–	–	–		–
12	of which management companies	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
13	Loans and advances	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
14	Debt securities, including UoP	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
15	Equity instruments	–	–		–	–	–	–		–	–	–		–	–	–		–

% (compared to total covered assets in the denominator)		Disclosure reference date T-1																
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
16	of which insurance undertakings	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
17	**Loans and advances**	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
18	Debt securities, including UoP	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
19	Equity instruments	–	–		–	–	–	–		–	–	–		–	–	–		–
20	**Non-financial undertakings**	29.3%	22.4%	–	–	0.0%	0.0%	–	–	–	–	–	–	–	–	–	–	–
21	Loans and advances	29.4%	22.4%	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
22	Debt securities, including UoP	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
23	Equity instruments	26.3%	24.8%		–	0.8%	2.5%	–		–	–	–		–	–	–		–
24	**Households**	90.6%	2.5%	–	–	–	–	–	–	–					–	–	–	–
25	of which loans collateralised by residential immovable property	100.0%	2.8%	–	–	–	–	–	–	–					–	–	–	–
26	of which building renovation loans	100.0%	–	–	–	–	–	–	–	–					–	–	–	–
27	of which motor vehicle loans																	
28	**Local governments financing**	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
29	Housing financing	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
30	Other local government financing	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	100.0%	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
32	Total GAR assets	51.7%	1.6%	–	–	0.0%	0.0%	–	–	–	–	–	–	–	–	–	–	–

% (compared to total covered assets in the denominator)		Disclosure reference date T-1														Proportion of total assets covered
		Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
				Of which transitional	Of which enabling			Of which transitional	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling	
	<u>GAR - Covered assets in both numerator and denominator</u>														
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	–	–	–	–	–	–	–	–	86.1%	2.7%	–	–	0.0%	44.4%
2	**Financial undertakings**		–	–		–	–		–	–	–	–	–	–	1.8%
3	Credit institutions	–	–	–	–	–	–	–	–	–	–	–	–	–	1.5%
4	Loans and advances		–	–		–	–		–	–	–	–	–	–	1.2%
5	Debt securities, including UoP	–	–	–	–	–	–	–	–	–	–	–	–	–	0.3%
6	Equity instruments		–			–	–		–	–	–		–	–	–
7	Other financial corporations	–	–	–	–	–	–	–	–	–	–	–	–	–	0.3%
8	of which investment firms		–	–		–	–		–	–	–	–	–	–	–
9	Loans and advances	–	–	–	–	–	–	–	–	–	–	–	–	–	–
10	Debt securities, including UoP	–	–	–		–	–		–	–	–	–	–	–	–
11	Equity instruments	–	–		–	–			–	–	–			–	–
12	of which management companies	–	–	–	–	–	–	–	–	–	–	–	–	–	–
13	Loans and advances		–	–		–	–					–	–	–	–
14	Debt securities, including UoP	–	–	–	–	–	–	–	–	–	–	–	–	–	–
15	Equity instruments	–	–		–	–	–		–	–	–		–	–	0.0%

		Disclosure reference date T-1													
% (compared to total covered assets in the denominator)		Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					Proportion of total assets covered
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
				Of which transitional	Of which enabling			Of which transitional	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling	
16	of which insurance undertakings	–	–	–	–	–	–	–	–	–	–	–	–	–	0.3%
17	Loans and advances	–	–	–	–	–	–	–	–	–	–	–	–	–	0.0%
18	Debt securities, including UoP	–	–	–	–	–	–	–	–	–	–	–	–	–	–
19	Equity instruments	–	–		–	–	–		–	–	–		–	–	0.2%
20	**Non-financial undertakings**	–	–	–	–	–	–	–	–	29.4%	22.4%	–	–	0.0%	0.7%
21	Loans and advances	–	–	–	–	–	–	–	–	29.4%	22.4%	–	–	–	0.7%
22	Debt securities, including UoP	–	–	–	–	–	–	–	–	–	–	–	–	–	–
23	Equity instruments	–	–		–	–	–		–	28.8%	27.3%		–	0.8%	0.0%
24	**Households**									90.6%	2.5%	–	–	–	41.2%
25	of which loans collateralised by residential immovable property									100.0%	2.8%	–	–	–	36.7%
26	of which building renovation loans									100.0%	–	–	–	–	0.6%
27	of which motor vehicle loans									100.0%	–	–	–	–	0.0%
28	**Local governments financing**	–	–	–	–	–	–	–	–	–	–	–	–	–	0.0%
29	Housing financing	–	–	–	–	–	–	–	–	–	–	–	–	–	–
30	Other local government financing	–	–	–	–	–	–	–	–	–	–	–	–	–	0.0%
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	–	–	–	–	–	–	–	–	100.0%	–	–	–	–	0.7%
32	**Total GAR assets**	–	–	–	–	–	–	–	–	51.7%	1.6%	–	–	0.0%	74.1%

1. Institution shall disclose in this template the GAR KPIs on stock of loans calculated based on the data disclosed in template 1, on covered assets, and by applying the formulas proposed in this template.

2. Information on the GAR (green asset ratio of 'eligible' activities) shall be accompanied with information on the proportion of total assets covered by the GAR.

3. Credit institutions can, in addition to the information included in this template, show the proportion of assets funding taxonomy relevant sectors that are environmentally sustainable (Taxonomy-aligned). This information would enrich the information on the KPI on environmentally sustainable assets compared to total covered assets.

4. Credit institutions shall duplicate this template for revenue based and CapEx based disclosures.

4. GAR KPI flow (Revenue)

	% (compared to total covered assets in the denominator)	Disclosure reference date T												
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator													
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	82.3%	7.0%	–	0.0%	0.0%	0.0%	0.0%	–	0.0%	–	–	–	–
2	**Financial undertakings**	24.6%	1.6%	–	0.2%	0.2%	0.1%	0.0%	–	0.0%	–	–	–	–
3	Credit institutions	24.6%	1.6%	–	0.2%	0.2%	0.1%	0.0%	–	0.0%	–	–	–	–
4	Loans and advances	–	–	–	–	–	–	–	–	–	–	–	–	–
5	Debt securities, including UoP	24.6%	1.6%	–	0.2%	0.2%	0.1%	0.0%	–	0.0%	–	–	–	–
6	Equity instruments	–	–		–	–	–	–		–	–	–		–
7	Other financial corporations	0.3%	0.3%	–	–	0.1%	14.6%	0.0%	–	–	–	–	–	–
8	of which investment firms	–	–	–	–	–	–	–	–	–	–	–	–	–
9	Loans and advances	–	–	–	–	–	–	–	–	–	–	–	–	–
10	Debt securities, including UoP	–	–	–	–	–	–	–	–	–	–	–	–	–
11	Equity instruments	–	–		–	–	–	–		–	–	–		–
12	of which management companies	–	–	–	–	–	–	–	–	–	–	–	–	–
13	Loans and advances	–	–	–	–	–	–	–	–	–	–	–	–	–
14	Debt securities, including UoP	–	–	–	–	–	–	–	–	–	–	–	–	–
15	Equity instruments	–	–		–	–	–	–		–	–	–		–
16	of which insurance undertakings	0.3%	0.3%	–	0.0%	0.1%	14.6%	0.0%	–	–	–	–	–	–
17	Loans and advances	0.3%	0.3%	–	0.0%	0.1%	14.6%	0.0%	–	–	–	–	–	–
18	Debt securities, including UoP	–	–	–	–	–	–	–	–	–	–	–	–	–
19	Equity instruments	–	–		–	–	–	–		–	–	–		–
20	**Non-financial undertakings**	3.6%	3.5%	–	–	–	–	–	–	–	–	–	–	–

% (compared to total covered assets in the denominator)		Disclosure reference date T												
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
21	Loans and advances	3.6%	3.5%	–	–	–	–	–	–	–	–	–	–	–
22	**Debt securities, including UoP**	–	–	–	–	–	–	–	–	–	–	–	–	–
23	Equity instruments	–	–		–	–	–	–		–	–	–		–
24	**Households**	87.9%	7.6%	–	–	–	–	–	–	–				
25	of which loans collateralised by residential immovable property	100.0%	8.7%	–	–	–	–	–	–	–				
26	of which building renovation loans	100.0%	–	–	–	–	–	–		–				
27	of which motor vehicle loans	100.0%	–	–	–	–								
28	**Local governments financing**	–	–	–	–	–	–	–	–	–	–	–	–	–
29	Housing financing	–	–	–	–	–	–	–	–	–	–	–	–	–
30	Other local government financing	–	–	–	–	–	–	–	–	–	–	–	–	–
31	Collateral obtained by taking possession: residential and commercial immovable properties	100.0%	–	–	–	–	–	–	–	–	–	–	–	–
31	**Total GAR assets**	47.9%	4.1%	–	0.0%	0.0%	0.0%	0.0%	–	0.0%	–	–	–	–

% (compared to total covered assets in the denominator)		Disclosure reference date T																	
		Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total new assets covered
			Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				
				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling	
	GAR - Covered assets in both numerator and denominator																		
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	–	–	–	–	–	–	–	–	–	–	–	–	82.3%	7.0%	–	0.0%	0.0%	48.4%
2	**Financial undertakings**	–	–	–	–	–	–	–	–	–	–	–	–	24.7%	1.6%	–	0.2%	0.2%	1.1%
3	Credit institutions	–	–	–	–	–	–	–	–	–	–	–	–	24.7%	1.6%	–	0.2%	0.2%	1.1%
4	Loans and advances	–	–		–	–	–		–	–	–		–	–	–	–	–	–	–
5	Debt securities, including UoP	–	–	–	–	–	–	–	–	–	–	–	–	24.7%	1.6%	–	0.2%	0.2%	1.1%
6	Equity instruments	–	–	–	–	–	–	–	–	–	–	–	–	–	–		–	–	–
7	Other financial corporations	–	–	–	–	–	–	–	–	–	–	–	–	14.8%	0.3%	–	0.0%	0.1%	0.0%
8	of which investment firms	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
9	Loans and advances	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
10	Debt securities, including UoP	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
11	Equity instruments	–	–		–	–	–		–	–	–		–	–	–		–	–	–
12	of which management companies	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
13	Loans and advances	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
14	Debt securities, including UoP	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
15	Equity instruments	–	–		–	–	–		–	–	–		–	–	–		–	–	–
16	of which insurance undertakings	–	–	–	–	–	–	–	–	–	–	–	–	14.8%	0.3%	–	0.0%	0.1%	0.0%
17	Loans and advances	–	–	–	–	–	–	–	–	–	–	–	–	14.8%	0.3%	–	0.0%	0.1%	0.0%
18	Debt securities, including UoP	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
19	Equity instruments	–	–		–	–	–		–	–	–		–	–	–		–	–	–
20	**Non-financial undertakings**	0.0%	–	–	–	–	–	–	–	–	–	–	–	3.6%	3.5%	–	–	0.0%	0.9

% (compared to total covered assets in the denominator)		Disclosure reference date T																	
		Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total new assets covered
			Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				
				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling	
21	Loans and advances	0.0%	–	–	–	–	–	–	–	–	–	–	–	3.6%	3.5%	–	–	0.0%	0.9%
22	Debt securities, including UoP	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
23	Equity instruments	–	–		–	–	–		–	–	–		–	–	–		–	–	–
24	**Households**	–	–	–	–									87.9%	7.6%	–	–	–	44.2%
25	of which loans collateralised by residential immovable property	–	–	–	–									100.0%	8.7%	–	–	–	38.4%
26	of which building renovation loans	–	–	–	–									100.0%	–	–	–	–	0.4%
27	of which motor vehicle loans													100.0%	–	–	–	–	0.1%
28	**Local governments financing**	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	1.5%
29	Housing financing	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
30	Other local government financing	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	1.5%
31	Collateral obtained by taking possession: residential and commercial immovable properties	–	–	–	–	–	–	–	–	–	–	–	–	100.0%	–	–	–	–	0.7%
32	**Total GAR Assets**	0.0%	–	–	–	–	–	–	–	–	–	–	–	47.9%	4.1%	–	0.0%	0.0%	83.2%

4. GAR KPI flow (CAPEX)

	% (compared to total covered assets in the denominator)	Disclosure reference date T												
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator													
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	82.4%	7.1%	–	0.0%	0.0%	0.0%	0.0%	–	0.0%	–	–	–	–
2	**Financial undertakings**	24.9%	2.0%	–	0.2%	0.5%	0.1%	0.0%	–	0.0%	–	–	–	–
3	Credit institutions	24.9%	2.0%	–	0.2%	0.5%	0.1%	0.0%	–	0.0%	–	–	–	–
4	Loans and advances	–	–	–	–	–	–	–	–	–	–	–	–	–
5	Debt securities, including UoP	24.9%	2.0%	–	0.2%	0.5%	0.1%	0.0%	–	0.0%	–	–	–	–
6	Equity instruments				–	–	–	–			–	–		–
7	Other financial corporations	0.5%	0.5%	–	–	–	14.6%	0.0%	–	–	–	–	–	–
8	of which investment firms	–	–	–	–	–	–	–	–	–	–	–	–	–
9	Loans and advances	–	–	–	–	–	–	–	–	–	–	–	–	–
10	Debt securities, including UoP	–	–	–	–	–	–	–	–	–	–		–	–
11	Equity instruments	–	–		–	–	–	–		–	–	–		–
12	of which management companies	–	–	–	–	–	–	–	–	–	–	–	–	–
13	Loans and advances	–	–	–	–	–	–	–	–	–	–	–	–	–
14	Debt securities, including UoP	–	–	–	–	–	–	–	–	–	–	–	–	–
15	Equity instruments	–	–		–	–	–	–		–	–	–		–
16	of which insurance undertakings	0.5%	0.5%	–	–	–	14.6%	0.0%	–	–	–	–	–	–
17	Loans and advances	0.5%	0.5%	–	–	–	14.6%	0.0%	–	–	–	–	–	–
18	Debt securities, including UoP	–	–		–	–	–	–	–	–	–	–	–	–
19	Equity instruments	–	–		–	–	–	–		–	–	–		–
20	**Non-financial undertakings**	9.9%	7.0%	–	–	–	0.0%	0.0%	–	–	–	–	–	–

% (compared to total covered assets in the denominator)		Disclosure reference date T												
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
21	Loans and advances	9.9%	7.0%	–	–	–	0.0%	0.0%	–	–	–	–	–	–
22	**Debt securities, including UoP**	–	–	–	–	–	–	–	–	–	–	–	–	–
23	Equity instruments	–	–		–	–	–	–		–	–	–		–
24	Households	87.9%	7.6%	–	–	–	–	–	–	–				
25	of which loans collateralised by residential immovable property	100.0%	8.7%	–	–	–	–	–	–	–				
26	of which building renovation loans	100.0%	–	–	–	–	–	–		–				
27	of which motor vehicle loans	100.0%	–	–	–	–								
28	**Local governments financing**	–	–	–	–	–	–	–	–	–	–	–	–	–
29	Housing financing	–	–	–	–	–	–	–	–	–	–	–	–	–
30	Other local government financing	–	–	–	–	–	–	–	–	–	–	–	–	–
31	Collateral obtained by taking possession: residential and commercial immovable properties	100.0%	–	–	–	–	–	–	–	–	–	–	–	–
31	**Total GAR assets**	48.0%	4.1%	–	0.0%	0.0%	0.0%	0.0%	–	0.0%	–	–	–	–

	% (compared to total covered assets in the denominator)	Disclosure reference date T																	
		Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total new assets covered
			Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				
				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling	
	GAR - Covered assets in both numerator and denominator																		
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0.0%	–	–	–	–	–	–	–	0.0%	–	–	–	82.5%	7.1%	–	0.0%	0.0%	48.4%
2	**Financial undertakings**	–	–	–	–	–	–	–	–	–	–	–	–	25.0%	2.0%	–	0.2%	0.5%	1.1%
3	Credit institutions	–	–	–	–	–	–	–	–	–	–	–	–	25.0%	2.0%	–	0.2%	0.5%	1.1%
4	Loans and advances	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
5	Debt securities, including UoP	–	–	–	–	–	–	–	–	–	–	–	–	25.0%	2.0%	–	0.2%	0.5%	1.1%
6	Equity instruments	–	–		–	–	–		–	–	–		–	–	–		–	–	–
7	Other financial corporations	–	–	–	–	–	–	–	–	–	–	–	–	15.0%	0.5%	–	–	–	0.0%
8	of which investment firms	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
9	Loans and advances	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
10	Debt securities, including UoP	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
11	Equity instruments	–	–		–	–	–		–	–	–		–	–	–		–	–	–
12	of which management companies	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
13	Loans and advances	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
14	Debt securities, including UoP	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
15	Equity instruments	–	–		–	–	–		–	–	–		–	–	–		–	–	–
16	of which insurance undertakings	–	–	–	–	–	–	–	–	–	–	–	–	15.0%	0.5%	–	–	–	0.0%
17	Loans and advances	–	–	–	–	–	–	–	–	–	–	–	–	15.0%	0.5%	–	–	–	0.0%
18	Debt securities, including UoP	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
19	Equity instruments	–	–		–	–	–		–	–	–		–	–	–		–	–	–
20	**Non-financial undertakings**	2.2%	–	–	–	–	–	–	–	0.0%	–	–	–	12.2%	7.0%	–	–	–	0.9%

% (compared to total covered assets in the denominator)		Disclosure reference date T																	
		Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total new assets covered
			Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				
				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling	
21	Loans and advances	2.2%	–	–	–	–	–	–	–	0.0%	–	–	–	12.2%	7.0%	–	–	–	0.9%
22	Debt securities, including UoP	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	0.0%
23	Equity instruments	–	–		–	–	–		–	–	–		–	–	–		–	–	0.0%
24	**Households**	–	–	–	–									87.9%	7.6%	–	–	–	44.2%
25	of which loans collateralised by residential immovable property	–	–	–	–									100.0%	8.7%	–	–	–	38.4%
26	of which building renovation loans	–	–	–	–									100.0%	–	–	–	–	0.4%
27	of which motor vehicle loans													100.0%	–	–	–	–	0.1%
28	**Local governments financing**	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	1.5%
29	Housing financing	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
30	Other local government financing	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	1.5%
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	–	–	–	–	–	–	–	–	–	–	–	–	100.0%	–	–	–	–	0.7%
32	**Total GAR Assets**	0.0%	–	–	–	–	–	–	–	0.0%	–	–	–	47.9%	4.1	–	0.0%	0.0%	83.2%

5. KPI off-balance sheet exposures (STOCK REV)

% (compared to total covered assets in the denominator)		Disclosure reference date T																
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
1	Financial guarantees (FinGuar KPI)	1.7%	0.0%	–	0.0%	0.0%	0.0%	0.0%	–	–	–	–	–	–	–	–	–	–
2	Assets under management (AuM KPI)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–

1. Institution shall disclose in this template the KPIs for off-balance sheet exposures (financial guarantees and AuM) calculated based on the data disclosed in template 1, on covered assets, and by applying the formulas proposed in this template.

2. Institutions shall duplicate this template to disclose stock and flow KPIs for off-balance sheet exposures.

% (compared to total covered assets in the denominator)		Disclosure reference date T												
		Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
				Of which Use of Proceeds	Of which enabling			Of which transitional	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
1	Financial guarantees (FinGuar KPI)	–	–	–	–	–	–	–	–	1.7%	0.0%	–	0.0%	0.0%
2	Assets under management (AuM KPI)	–	–	–	–	–	–	–	–	–	–	–	–	–

1. Institution shall disclose in this template the KPIs for off-balance sheet exposures (financial guarantees and AuM) calculated based on the data disclosed in template 1, on covered assets, and by applying the formulas proposed in this template.

2. Institutions shall duplicate this template to disclose stock and flow KPIs for off-balance sheet exposures.

5. KPI off-balance sheet exposures (FLOW REV)

% (compared to total covered assets in the denominator)		Disclosure reference date T																
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
1	Financial guarantees (FinGuar KPI)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
2	Assets under management (AuM KPI)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–

1. Institution shall disclose in this template the KPIs for off-balance sheet exposures (financial guarantees and AuM) calculated based on the data disclosed in template 1, on covered assets, and by applying the formulas proposed in this template

2. Institutions shall duplicate this template to disclose stock and flow KPIs for off-balance sheet exposures

% (compared to total covered assets in the denominator)		Disclosure reference date T												
		Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
				Of which Use of Proceeds	Of which enabling			Of which transitional	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
1	Financial guarantees (FinGuar KPI)	–	–	–	–	–	–	–	–	–	–	–	–	–
2	Assets under management (AuM KPI)	–	–	–	–	–	–	–	–	–	–	–	–	–

1. Institution shall disclose in this template the KPIs for off-balance sheet exposures (financial guarantees and AuM) calculated based on the data disclosed in template 1, on covered assets, and by applying the formulas proposed in this template

2. Institutions shall duplicate this template to disclose stock and flow KPIs for off-balance sheet exposures

5. KPI off-balance sheet exposures (STOCK CAPEX)

% (compared to total covered assets in the denominator)		Disclosure reference date T																
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
1	Financial guarantees (FinGuar KPI)	1.8%	0.1%	–	0.0%	0.1%	0.0%	0.0%	–	–	–	–	–	–	–	–	–	–
2	Assets under management (AuM KPI)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–

1. Institution shall disclose in this template the KPIs for off-balance sheet exposures (financial guarantees and AuM) calculated based on the data disclosed in template 1, on covered assets, and by applying the formulas proposed in this template

2. Institutions shall duplicate this template to disclose stock and flow KPIs for off-balance sheet exposures

% (compared to total covered assets in the denominator)		Disclosure reference date T												
		Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
				Of which Use of Proceeds	Of which enabling			Of which transitional	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
1	Financial guarantees (FinGuar KPI)	–	–	–	–	–	–	–	–	1.8%	0.1%	–	0.0%	0.1%
2	Assets under management (AuM KPI)	–	–	–	–	–	–	–	–	–	–	–	–	–

1. Institution shall disclose in this template the KPIs for off-balance sheet exposures (financial guarantees and AuM) calculated based on the data disclosed in template 1, on covered assets, and by applying the formulas proposed in this template

2. Institutions shall duplicate this template to disclose stock and flow KPIs for off-balance sheet exposures

5. KPI off-balance sheet exposures (FLOW CAPEX)

% (compared to total covered assets in the denominator)		Disclosure reference date T																
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
1	Financial guarantees (FinGuar KPI)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
2	Assets under management (AuM KPI)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–

1. Institution shall disclose in this template the KPIs for off-balance sheet exposures (financial guarantees and AuM) calculated based on the data disclosed in template 1, on covered assets, and by applying the formulas proposed in this template.

2. Institutions shall duplicate this template to disclose stock and flow KPIs for off-balance sheet exposures.

% (compared to total covered assets in the denominator)		Disclosure reference date T												
		Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
				Of which Use of Proceeds	Of which enabling			Of which transitional	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
1	Financial guarantees (FinGuar KPI)	–	–	–	–	–	–	–	–	–	–	–	–	–
2	Assets under management (AuM KPI)	–	–	–	–	–	–	–	–	–	–	–	–	–

1. Institution shall disclose in this template the KPIs for off-balance sheet exposures (financial guarantees and AuM) calculated based on the data disclosed in template 1, on covered assets, and by applying the formulas proposed in this template.

2. Institutions shall duplicate this template to disclose stock and flow KPIs for off-balance sheet exposures.

Annex IV template of Regulation (EU) 2021/2178

The weighted average value of all investments in financing, or associated with, economic activities that are taxonomy-compliant relative to the value of total assets covered by the KPI, with the following weightings for investments in companies: Based on turnover:% Based on CapEx:%	3.77% 5.02%	The weighted average value of all investments in financing, or associated with, taxonomy-compliant economic activities, with the following weightings for investments in companies: Based on turnover: [monetary amount] Based on CapEx: [monetary amount]	909,360,143.20 1,212,631,873.92
The percentage of assets covered by the KPI in relation to the total investments (total assets under management). Except for investments in sovereign entities. Coverage ratio:%	76.55%	The monetary value of the assets covered by the KPI. Except for investments in sovereign entities. Coverage: [monetary amount]	24,152,458,678.82

Additional and supplementary disclosures: breakdown of the denominator of the KPI			
The percentage of derivatives as a proportion of total assets covered by the key performance indicator.	3.52%	The monetary value of derivatives. [monetary amount]	850,561,044.80
The proportion of exposures to financial and non-financial undertakings from non-EU countries not subject to Articles 19a and 29a of Directive 2013/34/EU compared to the total assets covered by the key performance indicator: Non-financial undertakings: Financial undertakings:	2.80% 0.07%	Value of exposures to financial and non-financial undertakings not subject to Articles 19a and 29a of Directive 2013/34/EU: Non-financial companies: [monetary amount] Financial companies: [monetary amount]	676,895,570.94 16,510,910.68
The proportion of exposures to financial and non-financial undertakings from non-EU countries not subject to Articles 19a and 29a of Directive 2013/34/EU compared to the total assets covered by the key performance indicator: Non-financial undertakings: Financial undertakings:	26.78% 7.15%	Value of exposures to financial and non-financial undertakings from non-EU countries not subject to Articles 19a and 29a of Directive 2013/34/EU: Non-financial companies: [monetary amount] Financial companies: [monetary amount]	6,468,767,468.16 1,726,788,404.73
The proportion of exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU in the total assets covered by the key performance indicator: Non-financial undertakings: X% Financial undertakings: X%	33.08% 21.32%	Value of exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU: Non-financial companies: [monetary amount] Financial companies: [monetary amount]	7,990,792,764.47 5,150,447,653.84
The proportion of exposures to other counterparties and assets in the total assets covered by the key performance indicator: X%	5.27%	Value of exposures to other counterparties and assets: [monetary amount]	1,271,694,861.20
The value of all investments to finance economic activities not eligible under the taxonomy as a proportion of the value of total assets covered by the key performance indicator: X%	80.83%	Value of all investments to finance economic activities that are not eligible under the taxonomy: [monetary amount]	19,522,025,005.00
The value of all investments to finance economic activities eligible under the taxonomy, but that are not taxonomy-compliant, as a proportion of the value of total assets covered by the key performance indicator: X%	15.41%	Value of all investments to finance economic activities that are eligible under the taxonomy, but that are not taxonomy-compliant: [monetary amount]	3,721,073,530.62

Additional and supplementary disclosures: breakdown of the numerator of the KPI			
The proportion of exposures that are taxonomy-compliant in relation to financial and non-financial undertakings subject to Article 19a in the total assets covered by the key performance indicator: Non-financial undertakings: Based on turnover:% CapEx:% Financial undertakings: Based on turnover:% CapEx:%	3.50% 4.75% 0.26% 0.27%	Value of taxonomy-compliant exposures in relation to financial and non-financial undertakings subject to Article 19a: Non-financial undertakings: Based on turnover: [monetary amount] CapEx: [monetary amount] Financial undertakings: Based on turnover: [monetary amount] CapEx: [monetary amount]	846,268,113.47 1,146,968,485.76 63,092,092.73 65,663,388.17
The proportion of exposures that are taxonomy-compliant in relation to other counterparties and assets in the total assets covered by the key performance indicator: Based on turnover:% Based on investments in fixed assets:%	0.00% 0.00%	Value of exposures to other counterparties and assets that are taxonomy-compliant: Based on turnover: [monetary amount] CapEx: [monetary amount]	0.00 0.00

Breakdown of the numerator of the key performance indicator by environmental objective Taxonomy-compliant activities, provided that the assessment of social guarantees and absence of significant harm is positive:				
1) Climate change mitigation	Turnover:% CapEx:%	3.21% 4.46%	Transition activities: A% (turnover; CapEx) Facilitating activities: B% (turnover; CapEx)	0.16% 1.22% 0.25% 2.03%
2) Climate change adaptation	Turnover:% CapEx:%	0.31%	Facilitating activities: B% (turnover; CapEx)	0.31%
3) Sustainable use and protection of water and marine resources	Turnover:% CapEx:%	0.31%	Facilitating activities: B% (turnover; CapEx)	0.00%
4) Transition to a circular economy	Turnover:% CapEx:%	–	Facilitating activities: B% (turnover; CapEx)	–
5) Pollution prevention and control	Turnover:% CapEx:%	–	Facilitating activities: B% (turnover; CapEx)	–
6) Protection and restoration of biodiversity and ecosystems	Turnover:% CapEx:%	–	Facilitating activities: B% (turnover; CapEx)	–

Annex X template of Regulation (EU) 2021/2178

The weighted average value of all investments by insurance or reinsurance undertakings in financing economic activities that are taxonomy-compliant or linked to such activities, relative to the value of total assets covered by the KPI, with the following weightings for investments in companies: Based on turnover:% CapEx:%	5.95% 7.53%	The weighted average value of all investments by insurance or reinsurance undertakings in financing taxonomy-compliant or related economic activities, with the following weightings for investments in companies: Based on turnover: [monetary amount] CapEx: [monetary amount]	174,098, 566.96 220,393,444.18
The percentage of assets covered by the KPI in relation to the total investments of insurance or reinsurance undertakings (total assets under management). Except for investments in sovereign entities. Coverage ratio:%	38.76%	The monetary value of the assets covered by the KPI. Except for investments in sovereign entities. Coverage: [monetary amount]	2,926,142,592.60

Additional and supplementary disclosures: breakdown of the denominator of the KPI			
The percentage of derivatives as a proportion of total assets covered by the key performance indicator. X%	0.33%	The monetary value of derivatives. [monetary amount]	9,690,744.62
The proportion of exposures to financial and non-financial undertakings not subject to Articles 19a and 29a of Directive 2013/34/EU in the total assets covered by the key performance indicator: Non-financial undertakings: Financial undertakings:	27.61% 3.72%	Value of exposures to financial and non-financial undertakings not subject to Articles 19a and 29a of Directive 2013/34/EU: Non-financial companies: [monetary amount] Financial companies: [monetary amount]	807,905,898.52 108,800,248.43
The proportion of exposures to financial and non-financial undertakings from non-EU countries not subject to Articles 19a and 29a of Directive 2013/34/EU in the total assets covered by the key performance indicator: Non-financial undertakings: Financial undertakings:	27.61% 3.72%	Value of exposures to financial and non-financial undertakings from non-EU countries not subject to Articles 19a and 29a of Directive 2013/34/EU: Non-financial companies: [monetary amount] Financial companies: [monetary amount]	807,905,898.52 108,800,248.43
The proportion of exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU in the total assets covered by the key performance indicator: Non-financial undertakings: X% Financial undertakings: X%	41.34% 17.83%	Value of exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU: Non-financial companies: [monetary amount] Financial companies: [monetary amount]	1,209,525,200.10 521,853,044.47
The proportion of exposures to other counterparties and assets in the total assets covered by the key performance indicator: X%	9.17%	Value of exposures to other counterparties and assets: [monetary amount]	268,367,456.47
The proportion of investments by insurance or reinsurance undertakings, other than investments related to life insurance contracts, to finance activities that comply with or are linked to the taxonomy, where the risk of the investment is borne by policyholders: X%	60.3%	Value of investments by insurance or reinsurance undertakings, other than investments related to life insurance contracts, to finance activities that comply with or are linked to the taxonomy, where the risk of the investment is borne by policyholders: [monetary amount]	1,763,135,000.88
The value of all investments to finance economic activities not eligible under the taxonomy as a proportion of the value of total assets covered by the key performance indicator: X%	79.98%	Value of all investments to finance economic activities that are not eligible under the taxonomy: [monetary amount]	2,340,453,692.59
The value of all investments to finance economic activities eligible under the taxonomy, but that are not taxonomy-compliant, as a proportion of the value of total assets covered by the key performance indicator: X%	14.07%	Value of all investments to finance economic activities that are eligible under the taxonomy, but that are not taxonomy-compliant: [monetary amount]	411,590,333.05

Additional and supplementary disclosures: breakdown of the numerator of the KPI			
The proportion of exposures that are taxonomy-compliant in relation to financial and non-financial undertakings subject to Article 19a in the total assets covered by the key performance indicator: Non-financial undertakings: Based on turnover:% CapEx:% Financial undertakings: Based on turnover:% CapEx:%	5.67% 7.23% 0.28% 0.30%	Value of taxonomy-compliant exposures in relation to financial and non-financial undertakings subject to Article 19a: Non-financial undertakings: Based on turnover: [monetary amount] CapEx: [monetary amount] Financial undertakings: Based on turnover: [monetary amount] CapEx: [monetary amount]	165,838,871.67 211,498,556.47 8,259,695.29 8,894,887.71
The proportion of investments by insurance or reinsurance undertakings, other than investments related to life insurance contracts, to finance activities that comply with or are linked to the taxonomy, where the risk of the investment is borne by policyholders: Based on turnover:% CapEx:%	3.36% 5.08%	Value of investments by insurance or reinsurance undertakings, other than investments related to life insurance contracts, to finance activities that comply with or are linked to the taxonomy, where the risk of the investment is borne by policyholders: Based on turnover: [monetary amount] CapEx: [monetary amount]	98,324,185.21 148,556,321.21
The proportion of exposures that are taxonomy-compliant in relation to other counterparties and assets in the total assets covered by the key performance indicator: Based on turnover:% CapEx:%	0.00% 0.00%	The proportion of exposures that are taxonomy-compliant in relation to other counterparties and assets in the total assets covered by the key performance indicator: Based on turnover: [monetary amount] CapEx: [monetary amount]	0.00 0.00

Breakdown of the numerator of the key performance indicator by environmental objective Taxonomy-compliant activities, provided that the assessment of social guarantees and absence of significant harm is positive:				
1) Climate change mitigation	Turnover:% CapEx:%	5.60% 7.15%	Transition activities: A% (turnover; CapEx) Facilitating activities: B% (turnover; CapEx)	0.15% 0.22% 2.76% 3.86%
2) Climate change adaptation	Turnover:% CapEx:%	0.07%	Facilitating activities: B% (turnover; CapEx)	0.00%
3) Sustainable use and protection of water and marine resources	Turnover:% CapEx:%	0.07%	Facilitating activities: B% (turnover; CapEx)	0.00%
4) Transition to a circular economy	Turnover:% CapEx:%	–	Facilitating activities: B% (turnover; CapEx)	–
5) Pollution prevention and control	Turnover:% CapEx:%	–	Facilitating activities: B% (turnover; CapEx)	–
6) Protection and restoration of biodiversity and ecosystems	Turnover:% CapEx:%	–	Facilitating activities: B% (turnover; CapEx)	–

Annex XII template of Regulation (EU) 2022/1214

Activities related to nuclear energy and fossil gas	
Activities related to nuclear energy	
Ibercaja conducts, finances or has exposures to the research, development, demonstration and implementation of innovative electricity generation facilities that produce energy from nuclear processes with minimal fuel cycle waste.	NO
Ibercaja conducts, finances or has exposures to the construction and safe operation of new nuclear facilities to produce electricity or heat for processes, including facilities for urban heating purposes or industrial processes such as hydrogen production, as well as their safety improvements, using the best available technologies.	NO
Ibercaja conducts, finances or has exposures to the safe operation of existing nuclear facilities that produce electricity or heat for processes, including facilities for urban heating or industrial processes such as hydrogen production, using nuclear energy, as well as their safety improvements.	NO
Fossil gas activities	
Ibercaja carries out, finances or has exposures to the construction or operation of electricity generation facilities that produce electricity from fossil gas fuels.	NO
Ibercaja carries out, finances or has exposures to the construction, renovation and operation of combined cooling, heat and power facilities that use fossil gas fuels.	NO
Ibercaja carries out, finances or has exposures to the construction, renovation and operation of combined heat and power facilities that use fossil gas fuels.	NO

2024 Ibercaja Group consolidated KPI

Company	Total revenues (thousands of euros)	Proportion of the Group's total revenues (%)	KPI based on Turnover (%)	KPI based on CAPEX (%)	Consolidated KPI based on Turnover (weighted%)	Consolidated KPI based on CAPEX (weighted%)
Ibercaja Vida	123,869.0	10.32%	5.90%	7.50%	0.61%	0.78%
Ibercaja Gestión and Ibercaja Pensión	236,887.0	19.73%	3.80%	5.00%	0.74%	0.99%
Ibercaja Banco	839,714.0	69.95%	2.70%	2.80%	1.90%	1.96%
Total	**1,200,470.0**	**100.00%**	**12.40%**	**15.40%**	**3.26%**	**3.73%**

Appendix F. Implementation of the Principles for Responsible Banking UNEP-FI

2-1, 2-5, 2-12, 2-23, 3-1, 3-3, 201-2

Principle 1: Alignment	The Bank has a **specific strategic sustainability initiative** within the 2024-2026 "Now Ibercaja" Strategic Plan. Objectives of this line: progress in ESG risk management; leverage business opportunities arising from sustainability; strengthen internal and external sustainability reporting; and reinforce the Bank's reputation. Also, as part of the 2024-26 Strategic Plan, there is a **strategic initiative** focused on **the youth group**. Finally, it is worth highlighting the **Bank's dedication and service to the senior citizen group**. The strategic initiatives described align with our sustainability commitments: the United Nations Principles for Responsible Banking, the 2030 Agenda for Sustainable Development, the 10 principles of the United Nations Global Compact, the Global Reporting Initiative (GRI), the Partnership for Carbon Accounting Financials (PCAF), and the Net Zero Banking Alliance (NZBA).	11.1.1.1 Regulatory context. 11.1.3 Business model, sustainable strategy and value chain. 11.3.3.2 Actions and measures related to customers in the area of sustainability.
Principle 2: Impact and setting targets	Regarding climate, based on its impact analysis, the Bank considers **the main areas affected by the impact of climate risk to be in its mortgage and productive activities portfolios**. Consequently, the Bank has set **decarbonisation targets** for its mortgage portfolio and for relevant sectors of its productive activities portfolio (electricity generation, iron and steel production, commercial real estate, and coal mining). To achieve these targets, Ibercaja has designed an Action Plan and will begin rolling it out in 2024. This **transition plan** is structured around seven pillars: Commercial Actions, Partnerships, Advice on Public Aid, Training, ESG Products, Customer Profile Analysis, and Dissemination. Additionally, it calculates its financed emissions and operational footprint, for which reduction targets are set. In the **social sphere**, also as a result of the impact analysis conducted, Ibercaja believes its **main areas of impact are young people and seniors**, and, in line with its Strategic Plan, it has set a goal for growth in the young customers segment.	11.2.2.2 Objectives related to climate change mitigation and adaptation. 11.2.2.4 Transition plan for climate change mitigation. 11.2.2.6 Parameters related to climate change and energy mitigation and adaptation. 11.2.2.7 Expected financial effects of physical and transition risks. 11.3.3.2 Actions and measures related to customers in the area of sustainability.

Principle 3: Customers and users	The Bank offers a **range of products** in the areas of retail and corporate banking, focused on **supporting sustainable development**. Highlights in strengthening the available range this year include the launch of a new sustainable investment fund, **Ibercaja Horizonte 2027 FI, and an agreement with the company eAgronom** to promote carbon capture in the agri-food sector. It also offers a **comprehensive offering for young people**, both to support them with their major expenses and investments (financing their first home or training loans) and to encourage their short, medium and long-term savings. It also offers specific **services for senior customers**, such as the Pensium service, which facilitates the care of elderly people through rental housing benefits, without losing their property. Finally, it's worth mentioning the initiatives the Bank is implementing in terms of accessibility, such as adapting ATMs or the new Xplora accessible space at the headquarters, which features a NaviLens digital signage system.	11.2.2.4 Transition plan for climate change mitigation. 11.2.2.3 Actions and resources related to climate change mitigation and adaptation. 11.3.3.2 Actions and measures related to customers in the area of sustainability. 11.3.3.3 Accessibility.
Principle 4: Stakeholders	Ibercaja has defined its **value chain** and has a map that identifies its main **stakeholders**: shareholders and investors, customers, employees, suppliers, and society in general. The Bank **communicates with them through several channels** such as periodic surveys, follow-up meetings and specific mailboxes. It is worth noting that, this year, as part of the **double materiality assessment**, a specific consultation was conducted with these stakeholders on the importance of various sustainability topics: climate change; the environment; and company-related factors, such as workers, suppliers and consumers, and business conduct. The results of these consultations have been integrated into the double materiality assessment methodology and have been instrumental in determining the material sustainability topics that the Bank has disclosed in its sustainability report.	11.1.3 Business model, sustainable strategy and value chain. 11.1.4 Double materiality assessment.

Principle 5: Government and culture	The **Board of Directors is ultimately responsible for approving the sustainability strategy** and is assisted by various special committees with expertise on the subject matter in hand. The Strategy Committee is responsible for reporting on and monitoring correct implementation of the sustainability strategy. The **Reputation and Sustainability Department is responsible for proposing and coordinating the implementation of the sustainability strategy**, together with the Sustainability and Reputation Committee, a specialised, executive-level committee chaired by the CEO. At management level, **all areas of the Bank participate actively in the implementation of a sustainability strategy**, which prioritises supervisory and regulatory requirements and is aligned with the UNEP-FI Principles for Responsible Banking. Cross-functional work at Group level is essential for the integration and alignment of strategic objectives in terms of Sustainability. The **Sustainability Policy, approved by the Board of Directors, establishes the framework for the sustainability strategy**.	11.1.2 Governance and internal control of sustainability. 11.2.2.1 Policies related to climate change mitigation and adaptation. 11.3.1.1 Policies, management models, protocols and manuals related to the own workforce and the relationship with workers' representatives. 11.3.1.1 Policies related to affected groups, society and vulnerable groups. 11.3.3.1 General policies regarding customers and users. 11.4.1.1 Corporate culture and policies related to business conduct.
Principle 6: Transparency & Responsibility	The Bank's **corporate website** has a specific section on Sustainability. **ESG risk management** is defined in a specific chapter of the Directors' Report (chapter 6). Appendix A of the Directors' Report has a **mapping of disclosure requirements** with other European disclosure regulations. Appendix B of the Directors' Report shows **how the contents of the report correspond to the requirements of the CSRD and Spanish Law 11/2018**. Appendix C of the Directors' Report shows the 10 **principles of the United Nations Global Compact and how they relate to the ESRS standards.** The Directors' Report has been prepared in accordance with the **GRI Standards** for the period from 1 January to 31 December 2024. Its Appendix D shows the alignment of GRI and ESRS standards. Appendix G of the Directors' Report has an equivalence table of sustainability information and TCFD The Principles for Responsible Banking report, as well as the sustainability information within the Directors' Report, which has been used as a reference, has been verified by Ernst & Young Auditors, S.L.	Appendix A: List of disclosure requirements and their relationship to other European regulations. Appendix B Correspondence of the contents with CSRD standards and Spanish Law 11/2018. Appendix C The 10 Principles of the Global Compact and their correspondence with the ESRS standards. Appendix D Table of alignment between GRI and ESRS. Appendix G Equivalence table with TCFD.

Appendix G. Table of contents of TCFD recommendations and their alignment with ESRS standards

2-12, 2-13, 3-3, 201-2

TCFD building blocks	Ibercaja's involvement	Report chapter	TCFD recommendations	Disclosure requirement
Business model	Ibercaja has developed a **sound sustainability governance model**, with the direct involvement of the **Board of Directors** and the support of the Strategy Committee. Governance is **coordinated through functional areas led by the Brand, Reputation and Sustainability Department**. In 2023, the Board approved the **ESG Risk Governance Policy**, which establishes a model of three lines of defence for managing ESG risks	11.1.2. Governance and internal control of sustainability	Oversight of climate risks and opportunities by the Board	GOV-1, GOV-2
			The role of management in assessing and managing climate risks and opportunities.	GOV-1
Strategy	Ibercaja has identified **short, medium, and long-term climate risks and opportunities**, integrating these aspects into its **financial strategy and planning**. Its **Sustainability Policy, aligned with the SDGs**, responds to European regulations and reinforces its commitment to the environment. The Bank ensures the **resilience of its strategy in the face of climate scenarios**, promoting the transition to a low-carbon economy.	11.1.4. Double materiality assessment	Climate risks and opportunities identified in the short, medium and long term.	IRO-1
		11.1.3. Business model, sustainable strategy and value chain 11.2.2. Climate change	Impact of climate risks and opportunities on the company's business, strategy and financial planning.	SBM-1, E1-1, E1-2, E1-3, E1-4, E1-5, E1-6
	Transition to a low-carbon economy.		Resilience of the Bank's strategy, taking into account different climate scenarios, including a 2°C or lower scenario.	SBM-3, IRO-1, E1-1

TCFD building blocks	Ibercaja's involvement	Chapter of the Directors' Report	TCFD recommendations	Disclosure requirement
Risk management	Ibercaja integrates **climate risk identification, assessment and management processes into its overall risk framework**. Its sustainability strategy includes the **identification, monitoring and management of climate and environmental risks**, aligned with the **Paris Agreement and the European Green Deal**. Through a specialised working group, coordinated by Risk Control and comprised of various departments, Ibercaja identifies potential climate risks and evaluates their impact on the various risk categories, thus ensuring their **integration into the Bank's overall management**.	11.1.4. Double materiality assessment 11.2.2. Climate change 11.4.1. Information on governance and business culture	Processes to identify and assess climate risks.	IRO-1, IRO-2
			Processes to manage climate risks.	E1-2, E1-3, E1-4
			Processes to identify, assess and manage climate-related risks are integrated into the company's overall risk management.	G1
Metrics and targets	Ibercaja establishes **metrics to assess climate risks and opportunities, aligned with its sustainability strategy**. The Bank has set goals such as achieving **scope 1 and 2 emissions neutrality**, achieved by offsetting the emissions, and continues to **expand its offering of sustainable and socially responsible investment (SRI) products**. These objectives and their monitoring are integrated into its **Strategic Plan**.	11.2.2. Climate change	Metrics to assess climate risks and opportunities, aligned with its sustainability strategy and risk management process.	E1-1, E1-4, E1-5, E1-6, E1-7, E1-9
			Scope 1 and 2, and, if applicable, scope 3 greenhouse gas (GHG) emissions and related risks.	E1-6, E1-7, E1-9,
			Objectives used by the company to manage climate-related risks and opportunities, and performance in meeting these objectives.	E1-1, E1-3, E1-4

Appendix H. Independent assurance report

2-5

Independent Limited Assurance Report on the Consolidated Non-Financial Information Statement and the Sustainability Information for the year ended December 31, 2024

IBERCAJA BANCO, S.A. AND ITS SUBSIDIARIES

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INDEPENDENT LIMITED ASSURANCE REPORT ON THE CONSOLIDATED NON-FINANCIAL INFORMATION STATEMENT AND SUSTAINABILITY INFORMATION

(Translation from the original in Spanish.
In case of discrepancy, the Spanish language version prevails.)

To the shareholders of Ibercaja Banco, S.A.:

Conclusion of limited assurance

In accordance with article 49 of the Commercial Code, we have conducted a limited assurance engagement on the Consolidated Non-Financial Information Statement ("NFIS") for the year ended December 31, 2024 of Ibercaja Banco, S.A. (hereinafter, the "Bank") and its subsidiaries, which, together with the Bank, form Ibercaja Group (hereinafter, the "Group"), which is part of the Group's consolidated Management report.

The NFIS contains additional information beyond what is required by prevailing business law in respect of non-financial information, specifically the Sustainability information prepared by the Group for the year ended December 31, 2024 (the "Sustainability information") in accordance with Directive (EU) 2022/2464 of the European Parliament and of the Council, as regards corporate sustainability reporting (the "CSRD"). The Sustainability information was also subject to limited assurance.

In addition to the above, in the preparation of the NFIS the Group has followed other criteria, including the Principles for Responsible Banking, as included in Appendix F "Implementation of the Principles for Responsible Banking UNEP-FI" of the NFIS. In this sense, our work has been limited exclusively to the verification of principles identified in this Appendix.

Based on the procedures we applied and the evidence we obtained, no matter has come to our attention that would cause us to believe that:

a) The Group's NFIS for the year ended 31 December 2024 has not been prepared, in all material respects, in accordance with the contents required by prevailing business law and the criteria established by the European Sustainability Reporting Standards ("ESRS"), as well as other criteria described above, including the selected criteria from the Sustainability Reporting Standards de Global Reporting Initiative (GRI standard), with reference to GRI; and the Principles for Responsible Banking, as explained for each matter in Appendix B "Compliance with Law 11/2018 and ESRS alignment ", Appendix D "Table of alignment between GRI and ESRS" and the Appendix F "Implementation of the Principles for Responsible Banking UNEP-FI" of the NFIS.

b) The Sustainability information, taken as a whole, has not been prepared, in all material respects, in accordance with the sustainability reporting framework applied by the Group and identified in section 11.1.1.1 "Regulatory context" and 11.1.1.3 "Specific circumstances of the Report" of the NFIS, including:

- That the description of the process for identifying the Sustainability information to be disclosed included in section 11.1.4 "Double materiality assessment" is consistent with the process implemented and that it enables the identification of the material information to be disclosed in accordance with the requirements of ESRS.

- Compliance with ESRS.

- Compliance with the disclosure requirements included in subsection 11.2.1 "Taxonomy of the European Union" on the environment in the sustainability information with Article 8 of Regulation (EU) 2020/852 of the European Parliament and of the Council on the establishment of a framework to facilitate sustainable investment.

Basis of conclusion

We have performed our limited assurance engagement in accordance with generally accepted professional standards applicable in Spain and, specifically, with the guidelines contained in the Guidelines 47 (revised) and 56, issued by the Spanish Institute of Chartered Auditors on non-financial information assurance engagements and considering the contents of the note issued by the Spanish Accounting and Auditing Institute (ICAC) on December 18, 2024 (the "generally accepted professional standards").

The procedures in a limited assurance engagement are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in limited assurance engagement is lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our responsibilities under those regulations are further described in the *Practitioner's responsibilities* of our report.

We have complied with the independence and other ethics requirements laid down in the International Code of Ethics for Professional Accountants (including international standards on independence) of the International Ethics Standards Board for Accountants (IESBA), which is based on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior.

Our firm applies the International Standard on Quality Management (ISQM) 1, which requires the firm to design, implement, and monitor a system of quality management that includes policies and procedures covering compliance with its ethics requirements, professional rules and applicable legal and regulatory requirements.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our conclusion.

Directors' responsibilities

The preparation of the NFIS in the Group's consolidated Management report is the responsibility of the Bank´s directors. The NFIS has been prepared in accordance with the content required by prevailing business law and in conformity with the selected ESRS criteria, as well as other criteria, among others the GRI Standards, as reference and the Principles for Responsible Banking described for each matter in Appendix B "Compliance with Law 11/2018 and ESRS alignment ", Appendix D "Table of alignment between GRI and ESRS" and the Appendix F "Implementation of the Principles for Responsible Banking UNEP-FI" of the NFIS.

This responsibility also includes the design, implementation, and maintenance of such internal control as considered necessary to ensure that the NFIS is free of material misstatement, due to fraud or error.

The Bank´s directors are also responsible for defining, implementing, adapting, and maintaining the management systems from which the necessary information for preparing the NFIS is obtained.

In relation to the Sustainability disclosures, the Bank's directors are responsible for developing and implementing a process for identifying the disclosures to be included in the Sustainability information in accordance with the CSRD, the ESRS and Article 8 of Regulation (EU) 2020/852 of the European Parliament and of the Council, of 18 June 2020, and for disclosing information about this process in the Sustainability information in in section 11.1.1.1 "Regulatory context" and 11.1.1.3 "Specific circumstances of the Report". This responsibility includes:

- Understanding the context in which the Group carries out its activities and business relationships, as well as its stakeholders, in relation to the Group's impact on people and the environment.

- Identifying the actual and potential impacts (both negative and positive), as well as risks and opportunities that could affect, or could reasonably be expected to affect, the Group's financial position, financial performance, cash flows, access to financing, or cost of capital in the short, medium or long term.

- Assessing the materiality of the identified impacts, risks and opportunities.

- Making assumptions and estimates that are reasonable under the circumstances.

The Bank's directors are also responsible for the preparation of the Sustainability information, which includes the information identified by the process, in accordance with the sustainability reporting framework used, including compliance with the CSRD, the ESRS, and the disclosure requirements, included in in subsection 11.2.1 "Taxonomy of the European Union" of the section on the environment in the sustainability information with Article 8 of Regulation (EU) 2020/852 as of June 18, 2020 of the European Parliament and of the Council on the establishment of a framework to facilitate sustainable investment.

This responsibility includes:

- Designing, implementing and maintaining such internal control as the directors consider relevant to enable the preparation the Sustainability information that is free from material misstatement, whether due to fraud or error.

- Selecting and applying appropriate methods for the presentation of Sustainability information and the basis of assumptions and estimates that are reasonable, considering the circumstances, about specific disclosures.

Inherent limitations in the preparation of the information

In accordance with ESRS, the Bank's directors are required to prepare forward-looking information on the basis of assumptions and hypothetical assumptions, which must be included in the Sustainability information, about potential future events and possible future actions, if any, that the Group could take. Actual results may differ significantly from estimated results, as the reference is to the future and future events frequently do not occur as expected.

In determining the disclosures in the Sustainability information, the Bank's directors interpret legal and other terms that are not clearly defined and that may be interpreted differently by others, including the legal conformity of such interpretations, which, accordingly, are subject to uncertainty.

Practitioner's responsibilities

Our objectives are to plan and perform the assurance engagement to obtain limited assurance about whether the NFIS and Sustainability information are free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our conclusions. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this information.

As part of a limited assurance engagement, we exercise professional judgment and maintain professional skepticism throughout the engagement. We also:

- Design and perform procedures to assess whether the process for identifying the disclosures to be included in the NFIS and the Sustainability information is consistent with the description of the process followed by the Group and enables, where appropriate, the identification of the material information to be disclosed as required in the ESRS.

- Perform risk procedures, including obtaining an understanding of internal control relevant to the engagement, to identify disclosures where material misstatements are likely to arise, whether due to fraud or error, but not for the purpose of providing a conclusion on the effectiveness of the Group's internal control.

- Design and perform procedures responsive to disclosures in the NFIS and the Sustainability information where material misstatements are likely to arise. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Summary from the work performed

A limited assurance engagement involves performing procedures to obtain evidence as a basis for our conclusions. The nature, timing and extent of procedures selected depend on professional judgment, including the identification of disclosures where material misstatements are likely to arise, whether due to fraud or error, in the NFIS and Sustainability information.

Our work consisted of making inquiries of management and of the Group's various business units and components that participated in the preparation of the NFIS, reviewing the processes used for compiling and validating the information presented in the NFIS and the Sustainability information, and applying certain analytical procedures and test of details on a sample basis:

In relation to the NFIS verification process according to the required by prevailing business law and the criteria of the Sustainability Reporting Standards de Global Reporting Initiative selected:

- Holding meetings with Group personnel to obtain an understanding of the business model, the policies and management approaches applied, and the main risks related to these matters and to gather the information needed to perform the independent assurance work.

- Analyzing the scope, relevance and completeness of the content of the 2024 NFIS based on the materiality assessment performed by the Group and described in section 11.1.4 "Double materiality assessment" of the NFIS, considering the content required in prevailing business law.

- Analyzing the processes used to compile and validate the data presented in the 2024 NFIS.

- Reviewing the disclosures relating to the risks, policies and management approaches applied with respect to the material matters presented in the 2024 NFIS.

- Checking, through sample testing, the information underlying the content of the 2024 NFIS and whether it has been adequately compiled based on data provided by information sources.

For assurance of the Sustainability information:

- Making inquiries of Group personnel:

  - To understand the business model, the policies and management approaches applied and the main risks related to these matters and to gather the information needed to perform the independent assurance work.

  - To know the source of the information used by management (e.g., interaction with stakeholders, business plans and documents on strategy) and review the Group's internal documentation on its process.

- Obtaining, through inquiries of Group personnel, insight into the Bank's processes for gathering, validation, and presenting relevant information for the preparation of its sustainability information.

- Assessing whether the evidence obtained in our procedures on the process implemented by the Group for determining the disclosures to be included in the Sustainability information is consistent with the description of the process included in that information, as well as assessing whether that process implemented by the Group enables identification of the material information to be disclosed in accordance with the requirements of the ESRS.

- Assessing whether all the information identified in the process implemented by the Group for determining the disclosures to be included in the Sustainability information is effectively included.

- Evaluating whether the structure and presentation of the Sustainability information is consistent with ESRS and the rest of the sustainability reporting framework applied by the Group.

- Performing inquiries of relevant personnel and analytical procedures on the disclosures in the Sustainability information, considering those where material misstatements are likely to arise, whether due to fraud or error.

- Performing, as appropriate, substantive procedures through sampling of selected disclosures in the Sustainability information, considering those where material misstatements are likely to arise, whether due to fraud or error.

- Obtaining, as appropriate, reports issued by accredited independent third parties accompanying the consolidated management report in response to the requirements of European regulations and, in relation to such information and in accordance with generally accepted professional standards, verification, exclusively, of the accreditation of the practitioner and that the scope of the report issued corresponds to that required by European regulations.

- Obtaining, as appropriate, the documents containing the information incorporated by reference, the reports issued by auditors or practitioners on such documents and, in accordance with generally accepted professional standards, verification, exclusively, that in the document to which the information incorporated by reference refers, the requirements described in ESRS for the incorporation by reference of information in the Sustainability information are met.

- Obtaining a management letter from the management related to the NFIS.

For assurance of the Principles of Responsible Banking:

- Meetings with Group personnel to obtain an understanding of the business model, risks, policies and management approaches applied.

- Understanding of the information management processes and systems to collect and validate the data submitted in relation to PBR information.

- Reading and testing of information related to the risks, policies and management approaches applied in relation to the information aspects of the PBR.

- Verification, through testing, of the information related to the contents included in the PRB Appendix for fiscal year 2024 and its proper compilation from the data provided by the information sources.

- We have obtained a management representation letter regarding the NFIS and the Sustainability information.

Other information

The Bank's management is responsible for other information. Other information comprises the consolidated financial statements and the rest of the information included in the consolidated management report but does not include either the auditors' report on the consolidated financial statements or the assurance reports issued by accredited independent third parties required by European Union law on specific disclosures contained in the sustainability information and attached to the consolidated management report.

Our assurance report does not cover other information, and we do not express any form of assurance conclusion on it.

Our responsibility in connection with our engagement to assure the Sustainability information is to read the other information identified and consider whether it is materially inconsistent with the Sustainability information or the knowledge we have obtained during the assurance engagement that could indicate material misstatements in the Sustainability information.

ERNST & YOUNG, S.L.

(Signed in the original version in Spanish)

José Carlos Hernández Barrasús

March 6, 2025

INFORME
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The Annual Corporate Governance Report is available at the CNMV and on the Bank's website, under the section “Shareholders and Investors – Corporate Governance and Remuneration Policy”.

Auditor´s report on the “Information Related to the System of Internal Control Over Financial Reporting (ICFR)” of IBERCAJA BANCO, S.A. AND SUBSIDIARIES for the year 2024

Ernst & Young, S.L.
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AUDITOR´S REPORT ON THE "INFORMATION RELATED TO THE SYSTEM OF INTERNAL CONTROL OVER FINANCIAL REPORTING (ICFR)"

Translation of a report and information originally issued in Spanish. In the event of discrepancy, the Spanish-language version prevails

To the Board of Directors of IBERCAJA BANCO, S.A.:

In accordance with the request from the Board of Directors of IBERCAJA BANCO, S.A. (hereinafter the Entity) and our engagement letter dated June 10, 2024, we have performed certain procedures on the "ICFR related information" attached "F. Internal control and risk management systems for financial reporting (ICFR)" of the Annual Corporate Governance Report of IBERCAJA BANCO, S.A., which summarizes the internal control procedures of the Entity in relation to the annual financial information.

The Board of Directors is responsible for adopting the appropriate measures in order to reasonably guarantee the implementation, maintenance and supervision of an adequate internal control system as well as developing improvements to that system and preparing and establishing the content of the accompanying ICFR related information attached.

It should be noted that irrespective of the quality of the design and operability of the internal control system adopted by the Entity in relation to its annual financial information, it can only provide reasonable, rather than absolute assurance with respect to the objectives pursued, due to the inherent limitations to any internal control system.

In the course of our audit work on the financial statements and pursuant to the Technical Auditing Standards, the sole purpose of our assessment of the entity´s internal control was to enable us to establish the nature, timing and extent of the audit procedures to be applied to the Entity´s financial statements. Therefore, our assessment of the internal control performed for the purposes of the audit of the financial statements was not sufficiently extensive to enable us to express a specific opinion on the effectiveness of the internal control over the regulated annual financial information.

For the purpose of issuing this report, we exclusively performed the specific procedures described below and indicated in the Guidelines on the Auditors' report relating to information on the Internal Control over Financial Reporting of Listed Companies, published by the Spanish National Securities Market Commission (CNMV) on its website, which establishes the work to be performed, the minimum scope thereof and the content of this report. Given that the scope of these procedures was limited and substantially less than that of an audit or a review of the internal control system, we do not express an opinion on the effectiveness thereof, or its design or operating effectiveness, in relation to Entity's annual financial information for 2024 described in the ICFR related information attached. Consequently, had we performed additional procedures to those established by the Guidelines mentioned above or had we carried out an audit or a review of the internal control over the regulated annual financial reporting information, other matters might have come to our attention that would have been reported to you.

Likewise, since this special engagement does not constitute an audit of the financial statements in accordance with prevailing audit regulations in Spain, we do not express an audit opinion in the terms provided for therein.

The procedures performed were as follows:

1. Read and understand the information prepared by the Entity in relation to the ICFR - which is provided in the Annual Corporate Governance Report disclosure information included in the Directors' Report- and assess whether such information addresses all the required information which will follow the minimum content detailed in section F, relating to the description of the ICFR, as per the model established by CNMV Circular nº 5/2013 dated June 12, 2013 and subsequent amendments, the most recent one being CNMV Circular 3/2021 of September 28, 2021 (hereinafter, the CNMV Circulars).

2. Make enquiries of personnel in charge of preparing the information described in point 1 above in order to: (i) Obtain an understanding of the process followed in its preparation; (ii) Obtain information which will allow us to assess whether the terminology used is adapted to the definitions provided in the reference framework; (iii) Obtain information on whether the control procedures described are implemented and in use by the Group.

3. Review the explanatory documentation supporting the information described in point 1 above, which should basically include that which is provided directly to those responsible for preparing the ICFR descriptive information. In this respect, the aforementioned documentation includes related reports prepared by the Internal Audit Department, senior management, and other internal and external experts providing support to the Audit and Compliance Committee.

4. Compare the information described in point 1 above with our knowledge of Entity's ICFR obtained as a result of performing the external audit procedures within the framework of the audit of the financial statements.

5. Read the minutes of the meetings held by the Board of Directors, Audit and Compliance Committee and other Entity committees in order to assess the consistency between the ICFR issues addressed therein and the information provided in point 1 above.

6. Obtain the representation letter related to the work performed, duly signed by the personnel in charge of preparing the information discussed in point 1 above.

As a result of the procedures performed, no inconsistencies or issues were observed that might have an impact on ICFR related information.

This report was prepared exclusively within the framework of the requirements stipulated in article 540 of the Consolidated text of the Corporate Enterprises Act and CNMV Circulars on ICFR description in Annual Corporate Governance Reports.

ERNST & YOUNG, S.L.

(Signed on the original version in Spanish)

José Carlos Hernández Barrasús

March 6, 2025

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