

Caja Rural de Navarra

2023 Investor update



This document must be read together with CRN's Investor Presentation:

<https://www.cajaruraldenavarra.com/en/information-investors>

Agenda

1. Key Financial Highlights December 2023
2. Spain Macro Environment
3. Sustainability Strategy
4. Cover Pool Overview (Q4 2023)





1. Key financial highlights December 2023



CAJA RURAL
DE NAVARRA

1. Key Financial Highlights



1 Continued market share gains* (Navarre's private sector)

- 28.4% in loans
- 31.5% in deposits

2 Strong efficiency and profitability ratios

- Cost-to-income: 32.63%
- RoE: 12.55%

3 Solid liquidity ratios

- LCR: 387.35%
- NSFR: 160.76%

* Data as of Sept 2023

1. Key Financial Highlights (Cont'd)



4 Robust and high quality solvency ratios, well above requirements

- Total Capital ratio (*phased-in*): **24,16%** (of which, 100% CET1)
- SREP requirements:
 - CET1: 7.666%
 - Total Capital: 11.658%
- MREL requirement Final*: **15.59%**

5 Solid and stable ratings

- Deposit rating: Baa1 (stable) by Moody's
- Long- term Issuer Default Rating: BBB+ (stable) by Fitch
- Covered bond program: Aa1 (stable) by Moody's

6 Stable loan book (-3%), coupled with healthy asset quality indicators

- Non performing loans ratio: 2.03%
- NPL coverage ratio: 69.78%
- Total coverage ratio: 128.17%

Loan book by credit quality	
Stage 1	95%
Stage 2	3%
Stage 3	2%

*Final target, calculated as % TREA, excl. CBR. As communicated on 25th April 2023 by Banco de España
Interim target (01/01/2022) 15.17%

2. Spain Macro Environment



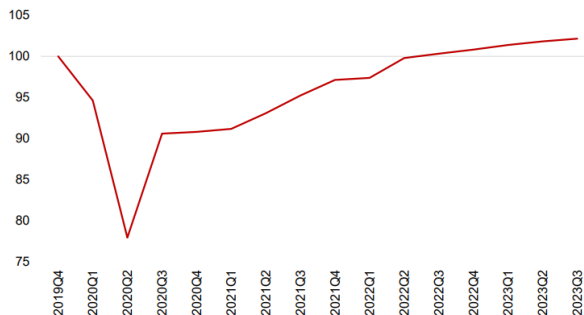
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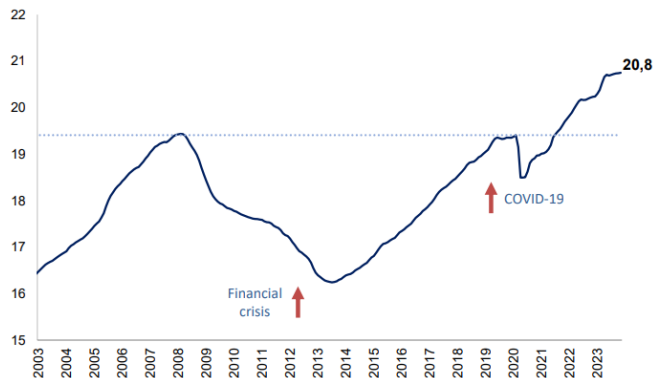
2. Spain Macro Environment

Main Macroeconomic Metrics

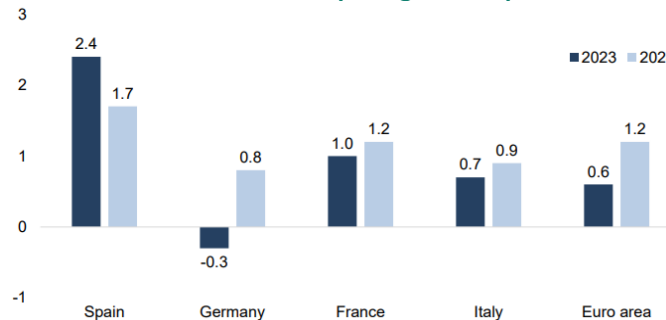
GDP 100 = 4Q 2019



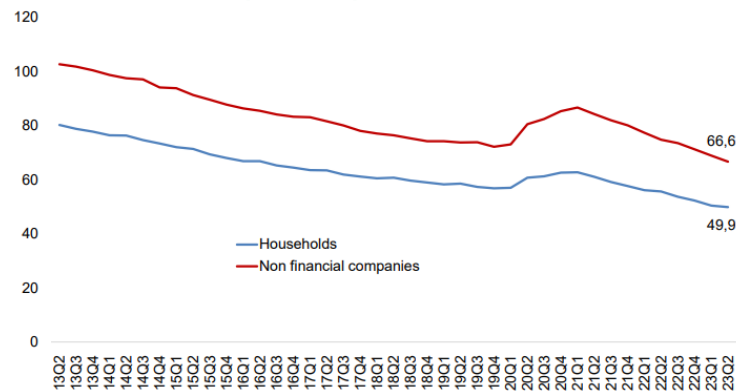
Labour Market – Social Security Affiliation
Millions of persons



Economic Forecast (GDP growth %)



Private Debt (% of GDP)



3. Sustainability Strategy



CAJA RURAL
DE NAVARRA

3. Sustainability Strategy



1 Caja Rural de Navarra (CRN) is among the best ESG performers in the financial sector. Sustainalytics awarded Caja Rural de Navarra an **ESG Risk Rating** score of 9.0 (Negligible Risk) in January 2024.



2 According to the **Sustainalytics Second-Party Opinion**¹ CRN's **Sustainability Bond Framework** is credible and impactful and the Green Bond selection criteria are aligned with the Technical Screening Criteria of the EU Taxonomy.



3 CRN reports¹ annually on its lending activities' sustainability allocation and impact. Caja Rural de Navarra is committed to CO₂ reduction and it is a member of the Energy Efficient Mortgage Label (EEML)², which is aimed at fostering energy efficient mortgages (EEM).



Caja Rural de Navarra created a dedicated department to promote the renewal of buildings to become a key player in the EU project "A Renovation Wave for Europe"³



¹ <https://www.cajaruraldenavarra.com/en/information-investors>

² For details on the Energy Efficient Mortgage Label, see here <https://www.energy-efficient-mortgage-label.org/>

³ https://energy.ec.europa.eu/topics/energy-efficiency/energy-efficient-buildings/renovation-wave_en

3. Sustainability Strategy



Sustainability goals set against the UN Sustainable Development Goals (SDGs)



Sustainable farming



Social housing, public protection housing



Renewable energy
Energy efficiency



Waste management



Education
Economic inclusion



Sustainable forestry



Social inclusion

High-level commitments in terms of sustainability



On 25 September 2015, global leaders adopted a set of 17 global goals to eradicate poverty, protect the planet and ensure prosperity for all as part of a new sustainable development agenda. Each goal includes specific targets to be met in the next 15 years. Caja Rural de Navarra has mapped each of the framework's sustainability lines against the UN SDGs.



COVERED BOND
LABEL

In the interests of transparency, in the case of its mortgage covered bonds, Caja Rural de Navarra publishes quarterly analyses of its loan book data following the standards set by the Covered Bond Label⁸ which guarantees transparency to investors and allows easy comparison of results against other labelled entities. Current issues of sustainable mortgage-backed covered bonds are tagged by the EMF-ECBC with the green leaf kitemark.



In addition, the ESG teams at the head office of German cooperative banking group DZ Bank analysed the full range of sustainability issues affecting Caja Rural de Navarra and awarded it the DZ Bank Sustainability certification with above-average scores in all four areas considered: Economy, Environment, Social and Governance.



Besides adhering to the abovementioned certifications and standards, Caja Rural de Navarra takes part in a range of international initiatives and working groups to develop green finance and to promote energy efficient homes which meet the environmental and social goals set out in the UN Paris Agreement, including stimulating investment and creating employment:

- EeMAP-EEMI ("Energy Efficient Mortgage Action Plan-Energy Efficient Mortgage Initiative")
- Energy efficient mortgage label
- EEFIG (the European Commission "Energy Efficiency Financial Institutions Group")

3. Sustainability Strategy



➤ CRN' Carbon Footprint Reduction Plan

Caja Rural de Navarra (Parent company, financial activity)

- A 5% reduction in carbon footprint by 2024
- A 2% annual reduction in emissions from travel to/from work
- A doubling of the kilometres travelled in electric vehicles in 2022 (vs. 2021)

Caja Rural de Navarra (Subsidiaries)

- A 5% reduction in carbon footprint by 2024 compared to 2022 (scopes 1, 2 and 3)
- A 3% reduction in carbon footprint in 2022 compared to 2021

➤ Other environmental initiatives to reduce waste and consumables

- **On-going replacement of air-conditioning units in branches.** By installing new units with VRV technology, we achieved better results with less electricity usage. Note that new and renovated branches are all rated A for energy and emissions.
- **Replacement of fluorescent lighting with LEDs in branches.** This generates better lighting with less electricity.
- **New signage.** There are plans to change luminous displays, replacing them with lower consumption LED displays.
- Monitoring of guidelines and recommendations in the **carbon footprint reduction plan.**
- **Digitization of branches to eliminate the use of physical paper.** There are plans for the central services departments to digitise the documentation of the remaining departments, which will conclude the digitization of the whole of Caja Rural de Navarra's network.

3. Sustainability Strategy

CRN is among the best performer of its industry according to Sustainalytics ESG Risk Rating

Caja Rural de Navarra SCC

Regional Banks Spain



ESG Risk Rating

9.0

Last Full Update Jan 10, 2024

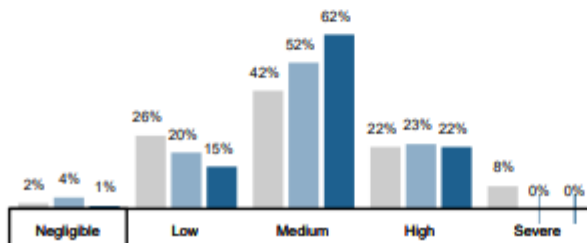
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Momentum

Negligible Risk



ESG Risk Rating
Distribution



ESG Risk Rating Ranking

UNIVERSE	RANK		PERCENTILE	
	(1 st = lowest risk)		(1 st = Top Score)	
Global Universe	183	15904	2nd	
Banks	24	1026	3rd	
INDUSTRY				
Regional Banks	5	489	2nd	
SUBINDUSTRY				



Growth & Stability

Conservative risk metrics,
increasing market shares



Local & Sustainability focus

EU Taxonomy aligned updated
ESG framework



Proven business model

Cooperative structure and
solid profitability and
efficiency ratios



4. Cover Pool Overview Q4 2023

- 4.1 Covered Bonds and Cover Pool
- 4.2 Outstanding Covered Bonds
- 4.3 Cover Pool Overview
- 4.4 Cover Pool Analysis
- 4.5 Residential/Commercial Cover Pool
- 4.6 Residential Cover Pool Analysis
- 4.7 Commercial Cover Pool Analysis

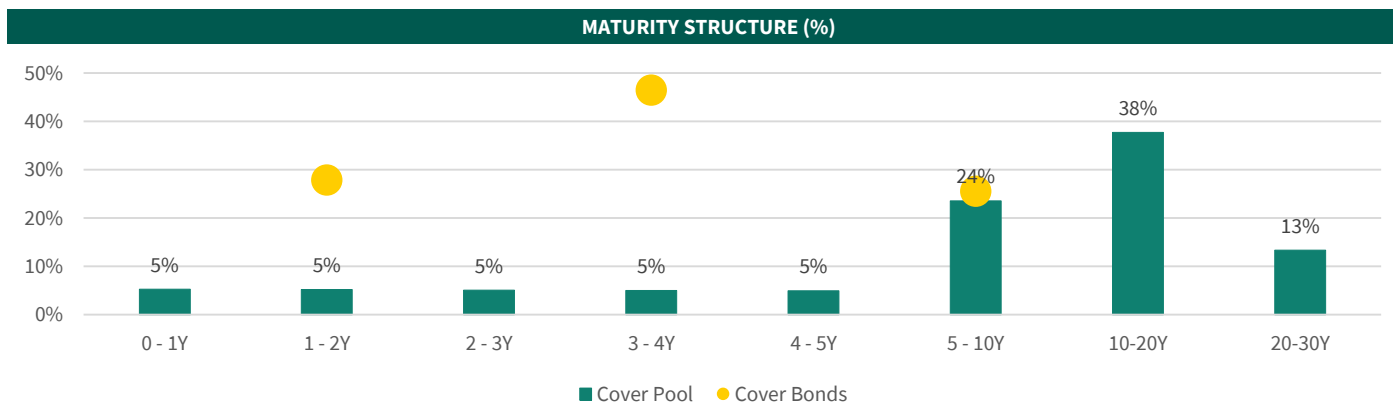
4.1. Covered Bonds & Cover Pool

Outstanding Covered Bonds & Cover Pool



Outstanding covered bonds €2,150M

	Total	Adjusted by excess LTV
Cover Assets	€2,710M	€2,680M
Of which Mortgage loans	€2,690M	€2,660M
Of which Liquidity buffer	€20M	
Substitution Assets	€0M	
Overcollateralization (%) - Legal	5.00%	
Overcollateralization (%) - Voluntary	21.08%	19.69%
Overcollateralization (%) - Total	26.08%	24.69%



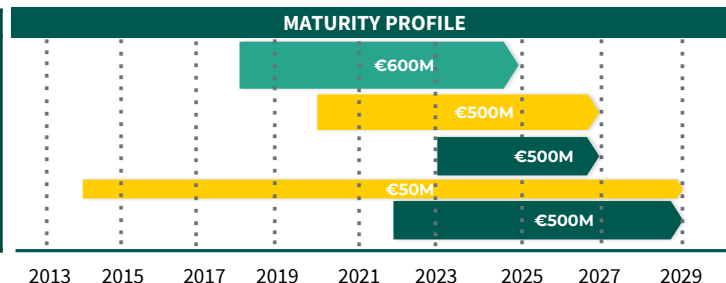
4.2. Outstanding Covered Bonds

Overview



Outstanding covered bonds	€2,150M
Fixed rate covered bonds (%)	100%

	ISIN	AMOUNT	FINANCING	MATURITY	RATING
★ 🌱	ES0415306069	€600M	Public issue	May 2025	Aa1
★	ES0415306085	€500M	Retained issue	Apr 2027	Aa1
★ 🌱	ES0415306101	€500M	Public issue	Apr 2027	Aa1
★	ES0415306028 *	€50M	Private Placement	Feb 2029	Aa1
★ 🌱	ES0415306093	€500M	Public issue	Feb 2029	Aa1



* This Covered Bond has an extendable maturity which, according to article 15 of Royal Decree 24/2021, can be triggered only under certain circumstances (point 2) and with prior authorisation of Banco de España (point 4).

4.3. Cover Pool

Overview

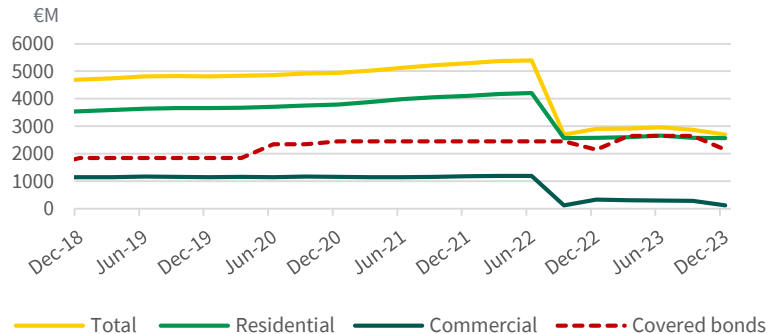


Total primary assets	€2,690M
Number of loans	32,164
Number of borrowers	46,303
Average loan size	€83,656
WA LTV (%)	58%
WA seasoning (months)	84.95
WA remaining maturity (years)	19.66
Average rate (%)	3.30%
Floating rate loans (%)	63.50%
NPL >90 days (Art 178 1b CRR)	0.00%
Other (Art 178 1a CRR)	0.00%
Loans in Euros (%)	100%
Cover Pool Monitor	BEKA FINANCE, S.V., S.A.

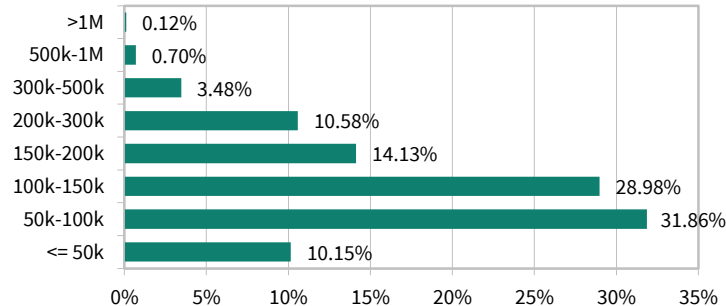
4.4. Cover Pool Analysis



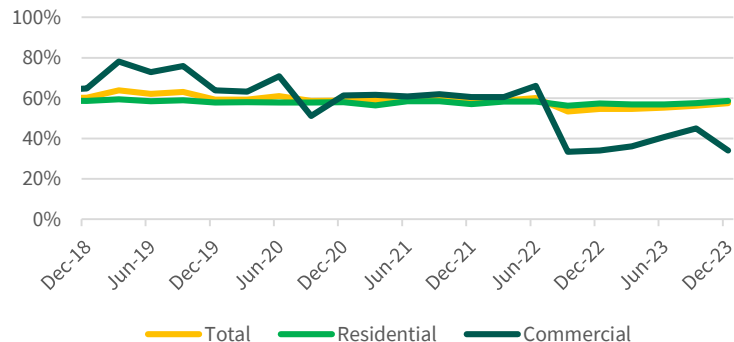
AMOUNT



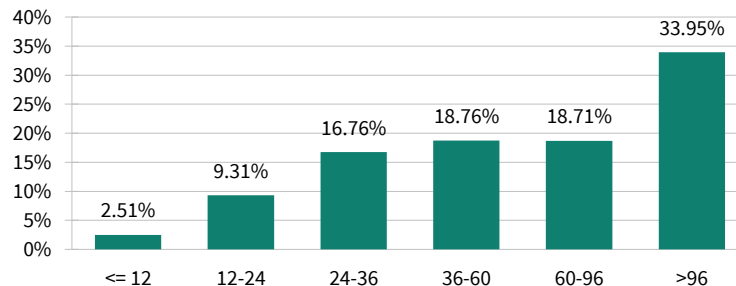
CURRENT LOAN BALANCE¹



LOAN TO VALUE (LTV)



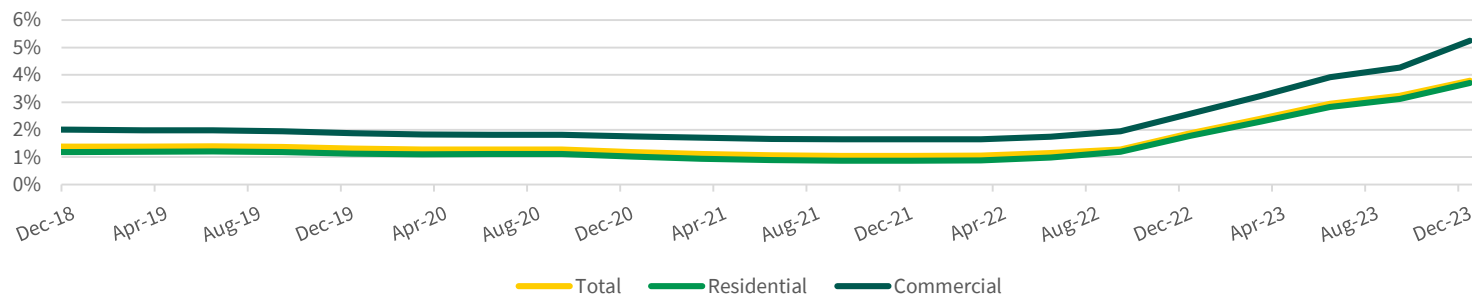
LOAN SEASONING



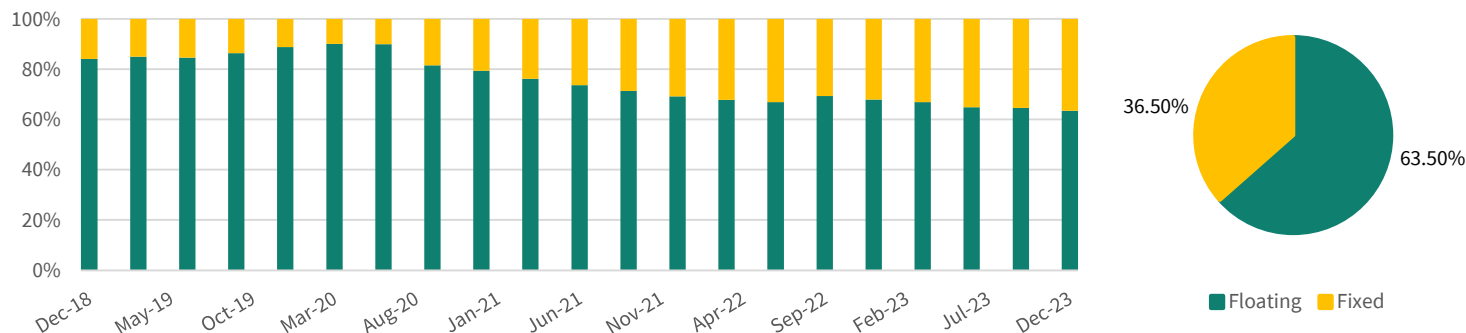
4.4. Cover Pool Analysis



AVERAGE INTEREST RATE



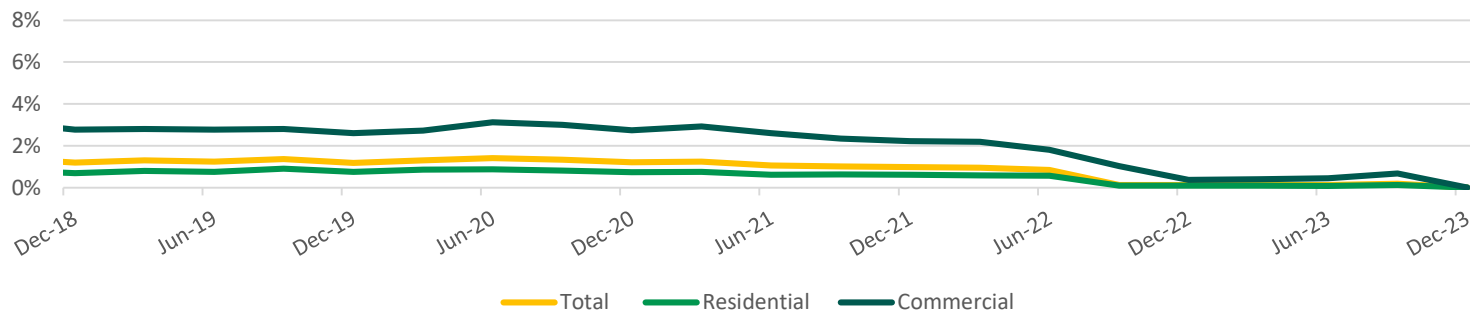
INTEREST RATE TYPE



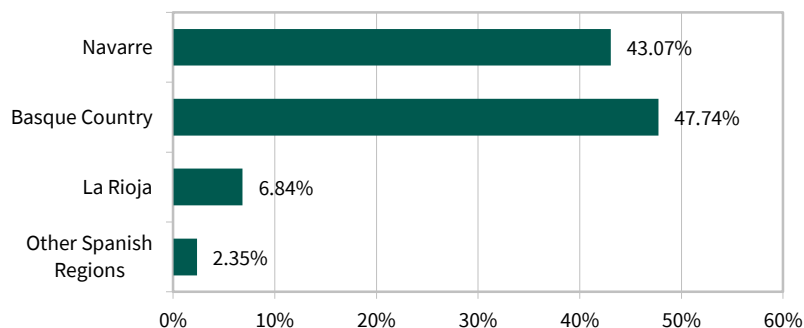
4.4. Cover Pool Analysis



NON PERFORMING LOANS (NPL)



GEOGRAPHICAL DISTRIBUTION





4.5. Residential/Commercial Cover

Poolview

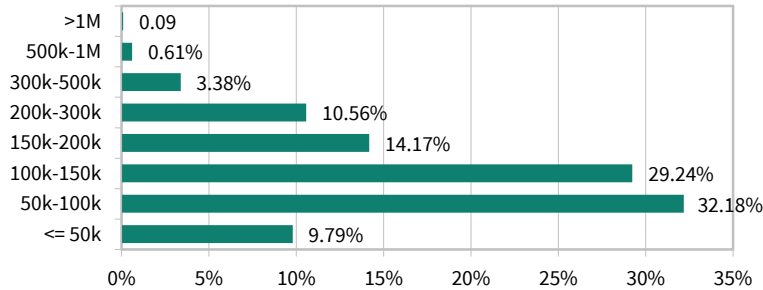
RESIDENTIAL		COMMERCIAL	
Total primary assets	€ 2,569M	Total primary assets	€ 121M
Number of loans	30,428	Number of loans	1,736
Number of borrowers	44,276	Number of borrowers	2,297
Average loan size	€ 84,431	Average loan size	€ 70,078
Interest only loans	0.01%	Interest only loans	0.37%
WA LTV (%)	58.68%	WA LTV (%)	34.09%
WA Seasoning (months)	84.51	WA Seasoning (months)	94.34
WA Remaining Maturity (years)	20.19	WA Remaining Maturity (years)	8.44
WA Rate (%)	3.23%	WA Rate (%)	4.86%
Floating Rate loans (%)	62.61%	Floating Rate loans (%)	82.37%
NPL >90 days (Art 178 1b CRR)	0%	NPL >90 days (Art 178 1b CRR)	0%
Other (Art 178 1a CRR)	0%	Other (Art 178 1a CRR)	0%
10 largest exposures (%)	0.36%	10 largest exposures (%)	7.07%

RESIDENTIAL GEOGRAPHICAL DISTRIBUTION		COMMERCIAL GEOGRAPHICAL DISTRIBUTION	
Navarre	43.02%	Navarre	44.05%
Basque Country	48.08%	Basque Country	40.63%
La Rioja	6.62%	La Rioja	11.39%
Other Spanish regions	2.27%	Other Spanish regions	3.92%

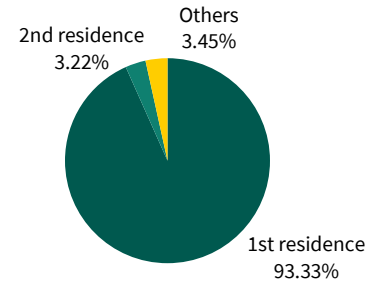
4.6. Residential Cover Pool Analysis



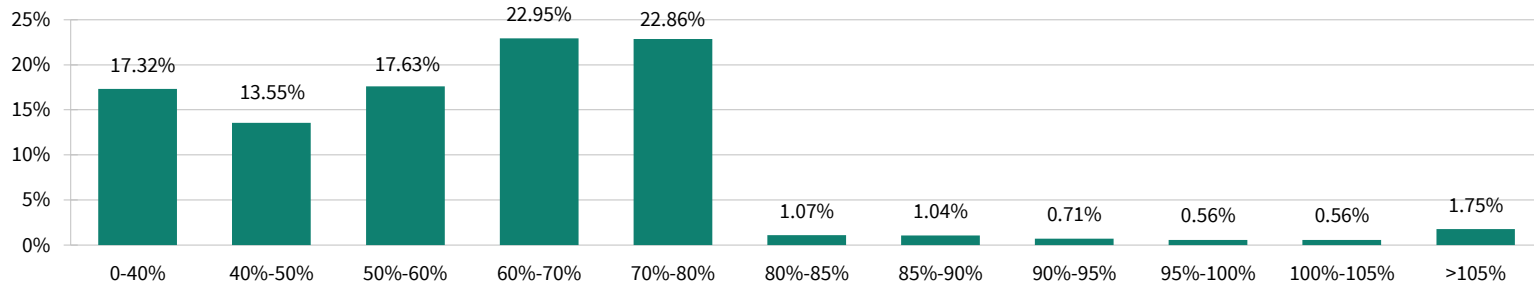
RESIDENTIAL LOAN BALANCE ¹



RESIDENTIAL BREAKDOWN BY PROPERTY TYPE ²



RESIDENTIAL BREAKDOWN BY LTV



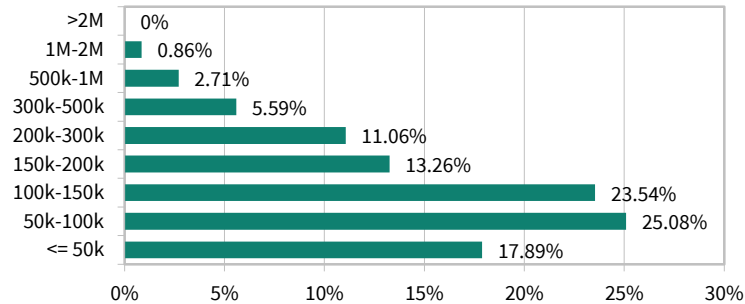
¹ Current Loan Balance calculated on a WA basis

² Category "Others" includes housing

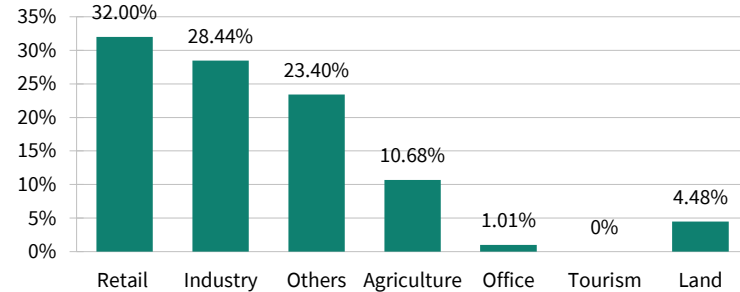
4.7. Commercial Cover Pool Analysis



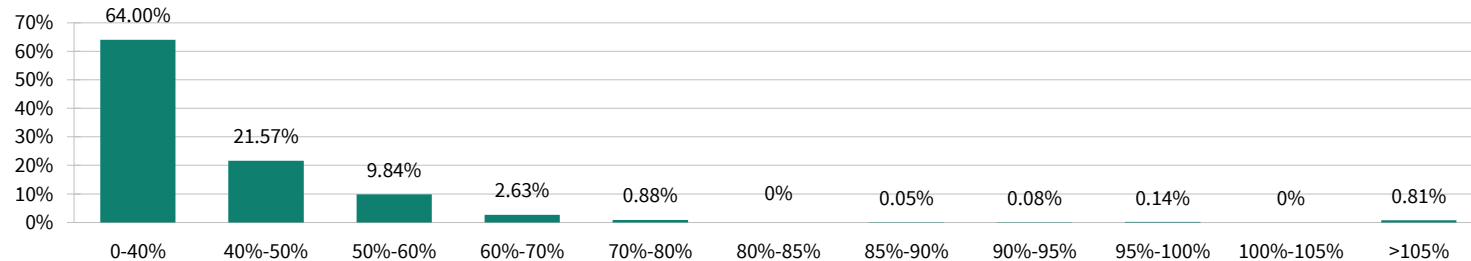
COMMERCIAL LOAN BALANCE¹



COMMERCIAL BREAKDOWN BY PROPERTY TYPE²



COMMERCIAL BREAKDOWN BY LTV



¹ Current Loan Balance calculated on a WA basis

² Category "Others" includes housing

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Contacts



Headquarters

Caja Rural de Navarra

Plaza de los Fueros,1

31003 Pamplona

Navarre - Spain

Tel: +34 948 168100

www.cajaruraldenavarra.com

Investor Relations: investor.relations@crnavarra.com

Miguel García de Eulate Martín-Moro

Head of Treasury and Capital Markets

Tel: +34 948 168198

E-mail: miguel.garciadeeulate@cajarural.com

Beatriz Fernández de Arcaya Rotellar

Capital Markets - Investor Relations

Tel: +34 948 168281

E-mail: beatriz.fernandezdearcaya@cajarural.com



Thank you

