2014 Full Year Results

GRUPO IBERCAJA ACHIEVES A NET PROFIT OF €151 MILLION IN 2014, AFTER THE INTEGRATION OF CAJA3.

- The Group obtains €151 million and strengthens its CET1 ratio, 11.13%.
- Retail customer funds experience a significant evolution and increase 4.12%.
- The asset management company grows 10%, especially highlighting the progress of mutual funds, which experienced an increase of 18.82%.
- The bank's operating income raised 7.33% y/y, due to margin improvement, revenue from off-balance sheet funds and a decrease in recurrent expenses.
- Doubtful assets fall for the first time since 2008.
- The NPL ratio, at 10.78%, is 15% lower than the sector average.
- Ibercaja is among the financial entities with the highest NPL coverage ratios within the financial sector.
- Properties sales grow 20% and generate profits.
- The bank maintains a comfortable liquidity position (20.51% of the balance sheet) and an adequate funding structure and maturity profile.
- Ibercaja consolidates as the eighth banking group, as the integration with Caja3 is concluded.

Grupo Ibercaja achieved in 2014 a net profit of €151 million, a result that contrasts very favorably with that of a year earlier, and marks the closing of a key year in the history of the Bank, after the full integration of Caja3, the transformation of the shareholders into banking foundations (formerly savings

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banks), and overcoming the ECB stress tests, as well as joining the Single Supervisory Mechanism.

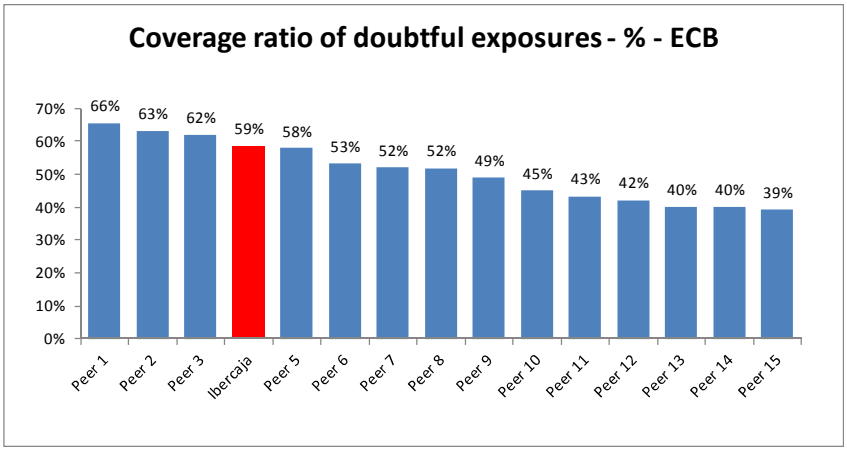
Regarding retail activity, and once the Bank has become the eighth banking group in Spain, 2014 has been a year in which Ibercaja has undergone a major evolution in customer resources, which grew by 4.1%, bolstered by the growth of the Financial Group, which consolidates its leadership with a growth of 10%. Moreover, Ibercaja has been able to contain the NPL ratio below the sector average, along with a coverage ratio of 58% -among the highest ratios in the industry-, and a solvency ratio (CET1) that increased to 11.13%, with an improvement of 106 basis points y/y. Among the milestones of the year, it is worth highlighting the bank's operating income, which raised 7.3%.

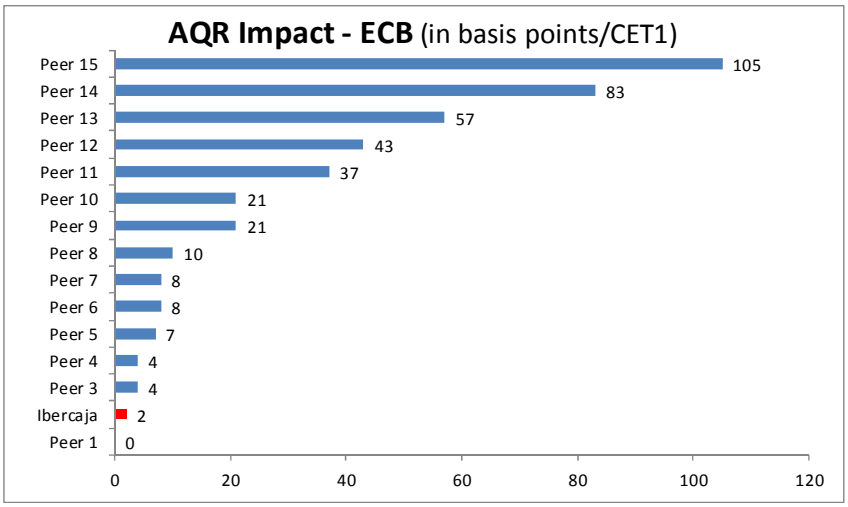
2014, a historic year for Ibercaja

There is no doubt that 2014 has been a historic year for Ibercaja, in which the integration with Caja3 was completed, which marked an intense process that strengthened the Bank. The Group has become the eighth entity of the Spanish banking system, improving its position in the national field, and consolidating its privileged position in its traditional markets. It reached a volume of activity close to €100 billion and 3 million customers.

Furthermore, Ibercaja successfully passed the Asset Quality Review and the Stress Tests conducted by the European Central Bank, before it assumed supervisory powers. The asset quality analysis has highlighted the quality of the loan portfolio of Ibercaja, the high level of provisions reached to cover riskier assets and the rigorous criteria of asset classification and identification of risks. In these stress tests, Ibercaja stood out for the reliability of the data presented and the strength of the capital position given the two hypothetical macroeconomic scenarios analyzed. The solvency ratio exceeded the minimum requirements by more than two percentage points, representing a capital surplus of more than €650 million, taking into account the assumptions made to outline those scenarios.

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At the corporate level, throughout the year, the shareholders of Ibercaja Banco became Foundations: Fundación Bancaria Ibercaja, with a stake of 87.80%; Fundación Caja Inmaculada (4.85%); Fundación Caja Badajoz (3.90%); and Fundación Bancaria Caja Círculo (3.45%).

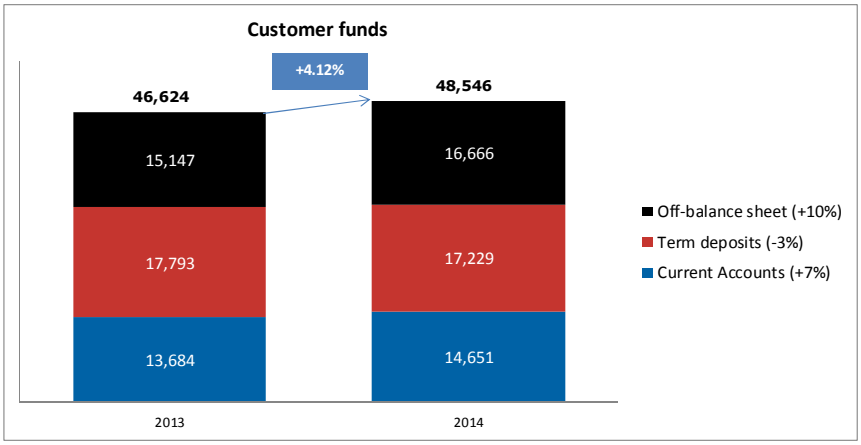
2015-2017 Strategic Plan and a renewed executive management team

With such strong levers, Ibercaja faces 2015 with renewed approaches. Therefore, Ibercaja has designed the 2015-2017 Strategic Plan, which embodies the projects and actions to be taken to achieve a more profitable and capitalized business, able to compete successfully in an increasingly demanding market, and attract investor interest before the required IPO by 2018, according to the legislation.

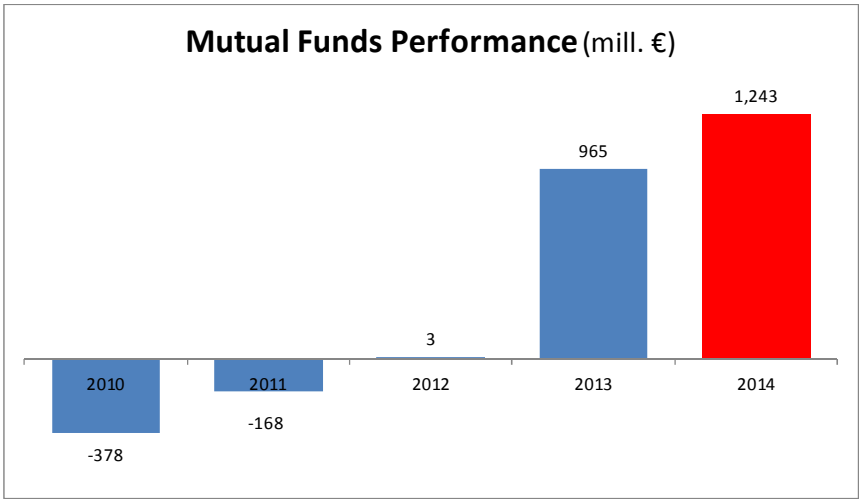
To command this new period, Victor Iglesias was appointed as the new CEO of Ibercaja at the beginning of 2015, replacing José Luis Aguirre. Furthermore, a renewed executive management team, formed by accredited professionals that combine experience and youth, and already had relevant roles within the Bank.

Customer funds grow by 4.12%

In this context, Ibercaja experienced a turnaround in the trend of its banking activity, linked to the economic cycle, with signs of recovery. Thus, customer funds amounted to €48,547 million, increasing by 4.12% y/y, which represents an improvement in the market share of 7 basis points, to 3.57%.



Especially important is the growth of the Asset Management Company, which increased 10.03%, especially in mutual funds, which grew by 18.82%. It is worth highlighting that a pioneering initiative of Ibercaja (the active portfolio management agreements of mutual funds) has gathered a categorical success and has more than doubled its activity. In turn, the increase in pension plans was 8.2%.



The good performance of disintermediation products pushes the Group's market share in mutual funds to 3.95%, while the market share in pension plans and bancassurance is 5.85% and 4.07%, respectively, consolidating Ibercaja in the fifth place of the sectorial ranking of both businesses.

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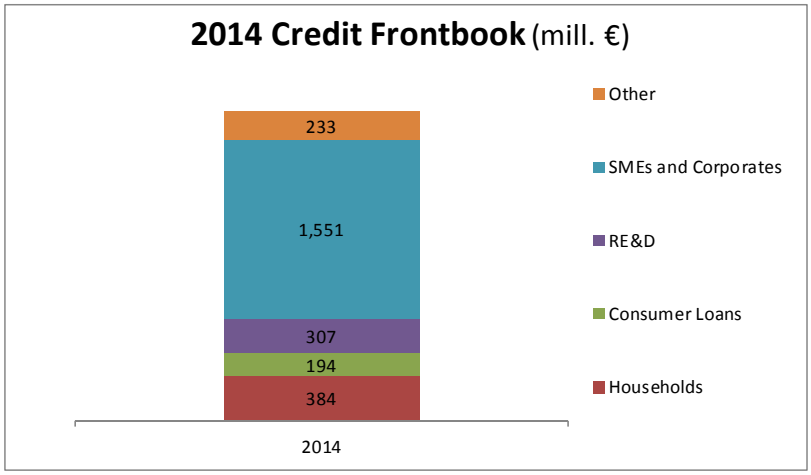
In personal banking, a strategic bid made by Ibercaja, the number of customers increased 7.2% and the customer average balance raised 5.2%, thanks to a powerful network of a specialized sales team, which has increased 15% in size during the last year, to 246 professionals.

Bid on the SME business

Customer loans, a portfolio that amounts to €36,061 million, were affected by the general trend towards deleveraging of household and corporate credit. There has been a gradual increase in the credit demand, a trend that is expected to be consolidated in 2015.

In 2014, the front book reached €2,669 million, and nearly 60% has been formalized with SMEs. Precisely, the Group aims to strengthen its relationship with the business network. To do this, the Bank is developing a new comprehensive model.

This year, and according to the turning point already experienced in demand, Ibercaja has set a target for 2015 to increase lending more than 50% to €4,000 million.



Turning point in Non-Performing Loans

During the year, there was also a very significant change in the trend of delinquencies which, for the first time since 2008, started to decline. Doubtful assets were reduced by €118 million, to an NPL ratio of 10.78%, which is 15% lower than the sector average. By segment, credit to households for house purchase (the largest segment in the portfolio) has a 3.95% delinquency rate. Excluding the real estate activity, the NPL ratio is 6.66%.

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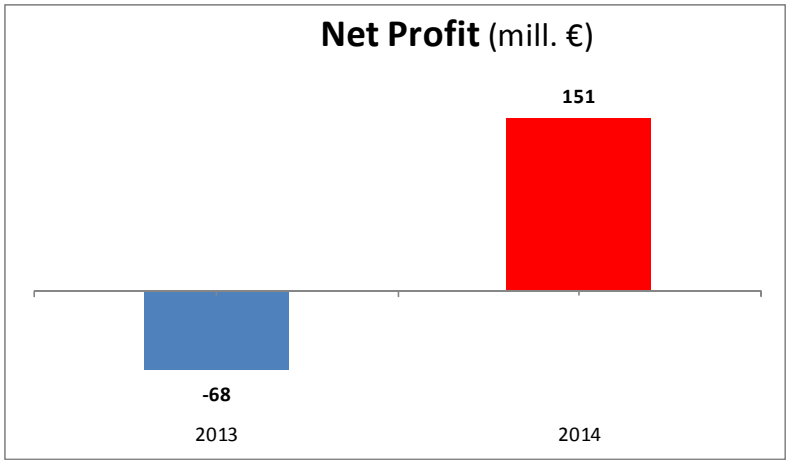
In addition to the control of delinquency, Ibercaja has a coverage ratio of non-performing assets of 57.56%, one of the highest in the system, which reflects the effort made with provisions in recent years.

Regarding Real Estate & Development risk, credit and real estate assets to this segment was reduced by 9.52% in the year, and the Bank has made a great effort marketing and selling households.

This joint effort of the Branch Network and the Property Management Unit brings the number of properties sold a 20% higher than in 2013. 3,490 units were traded, of which 1,030 were own property, with a positive result.

Ability to generate results

The Group obtains a net profit of €151 million, as a result of an improvement in the customer margin, an increase in the revenues generated by off-balance sheet funds (mutual funds, pension plans and insurance) and a contraction of costs. At the same time, extraordinary results from financial transactions strengthened both the coverage ratio and the equity of the Bank.



Net interest income amounts to €699 million. At constant perimeter, the annual change is -2.20%. Income from loans has fallen due to a decrease in volumes and in the average profitability (affected by falling interest rates), especially from mortgage loans linked to Euribor.

Net fees and foreign exchange differences, €316 million, grow 4.52% y/y. Fees arising from the provision of banking services fell by 1.89%, while those originated in asset management are up 12.66%, due to the increase in assets under management in mutual funds, pension plans and life insurance.

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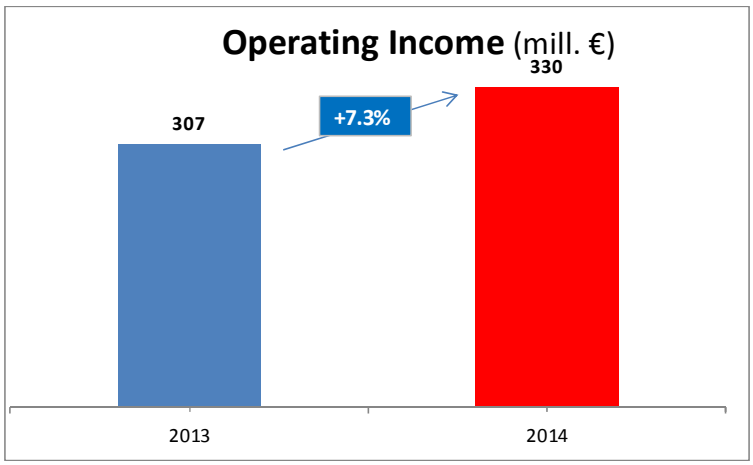
The evolution from net interest income and the results coming from the good performance of fees and financial transactions make the gross margin total €1,410 million.

Regarding operating expenses, which amount to €789 million, synergies from the integration are being achieved, and recurring expenses fall more than 3%. Exceptionally, steps are being taken to optimize the structure and gain competitiveness, once the integration with Caja3 has been completed.

Throughout 2014, Ibercaja has downsized the branch network, removing low-profit branches and merging others closely located to avoid duplication, and has gone from 1,407 branches to 1,356. It has also executed a second voluntary redundancy plan, which downsized the workforce to 6,420 employees, from 6,927 in 2013.

Concerning the acquisition of Caja3, all its operations have been transferred to the technology platform of Ibercaja and the procurement management has been unified. These measures reduce the costs and generate economies of scale. At the commercial level, the adoption of Ibercaja business model is leading to revenue synergies that will be realized in full in the medium term. At the organizational level, a restructuring process of the Financial and Real Estate Group has been addressed, by integrating some constituent companies and transferring their business to others.

The banking operating income, which reflects the evolution of the ordinary business of the Group (net interest income, fees and recurring expenses, at constant perimeter), improved by 7.3% to €330 million. This figure, along with other revenues and costs of the year, leads to a profit before write-downs of €647 million.



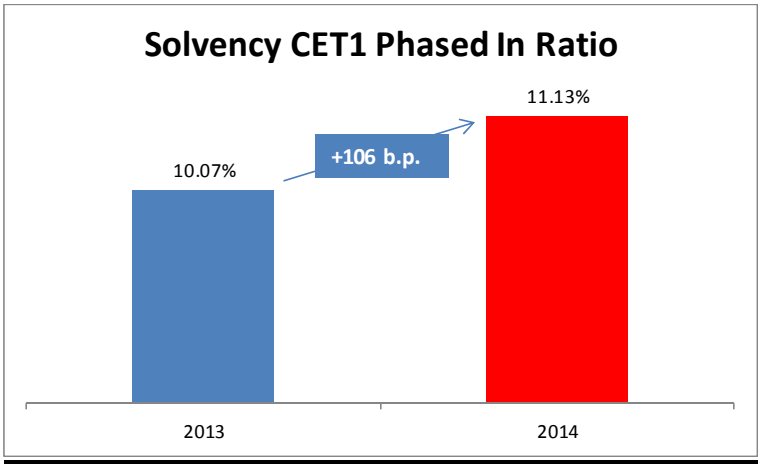
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During the year, Ibercaja has made provisions of €433 million to strengthen the coverage ratio of credit and equity instruments. These provisions represent an amount 25% lower than a year ago, in comparable terms.

Consequently, profits before tax amounted to €215 million, and the net profit amounted to €151 million.

Strengthened capital position and increased liquidity

Throughout the year, one of the key objectives of the Bank has been to strengthen its solvency. Thus, CET1 ratio improved to 11.13%, representing an increase of 106 basis points y/y. The total amount of equity of the Group reached €2,905 million.



The Group has a comfortable liquidity position. The volume of liquid assets at year-end amounted to €12,785 million (20.51% of total assets), which represents a significant increase during the year.

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GRUPO IBERCAJA BANCO CONSOLIDATED RESULTS

(€ millions and %)	4Q2014	4Q2013	y/y mill. €	y/y %
Net Interest Income	**699**	**592**	**107**	**18.09**
Return on equity instruments	12	9	3	33.06
Net fee income	316	265	51	19.23
Return on financial operations	425	136	289	211.94
Other operating income	-42	-106	65	60.88
Gross Margin	**1,410**	**896**	**514**	**57.41**
Operating expenses	789	612	177	28.95
Other gains and losses	26	14	13	92.54
Pre Provision Profit	**647**	**298**	**350**	**117.52**
Total provisions	432	421	11	2.54
Profit Before Taxes	**215**	**-124**	**339**	**273.64**
Taxes	64	-54	119	218.51
Consolidated Net Profit	**151**	**-70**	**220**	**316.70**
Net Profit Attributable to Shareholders	**151**	**-68**	**218**	**322.58**

Note: The P&L account includes 6 months of Caja3 and takes into account the impact of the CINIIF21 International Accounting Standard related to the contribution to the DGF

MOST RELEVANT BUSINESS FIGURES

(millones de euros y %)	**4Q2014**	**4Q2013**	**y/y %**
Total retail funds	**48,547**	**46,625**	**4.12**
On-balance sheet retail funds	**31,880**	**31,476**	**1.28**
Off-balance sheet retail funds	**16,667**	**15,148**	**10.03**
Gross Customer Loans*	**36,061**	**38,217**	**-5.64**
Total Assets	**62,322**	**63,149**	**-1.31**

* Excluding repos

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