

1Q 2015 RESULTS

May 13, 2015

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Results Highligths

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Results Highligths

- Total retail funds increase 3.9% YoY with a profitable mix. Strong growth in current accounts and off-balance funds.
- Deleveraging still taking place (-5.6% YoY), but solid signs in new loan production (+27.8% YoY) with a special focus in SME (64% of new production).
- Net profit of €42,6mm (+6% YoY). Deposit cost reduction, non banking commissions (+10.7% YoY) and a strong decrease in operating expenses (-9.4% YoY) drive the P&L account.
- NPL ratio down to 10.4% with one of the highest coverage ratios in the sector (56.7%). NPL decrease 7.4% YoY (€294mm).
- Available liquid assets stand at over €12,900mm and represent 21% of total assets.
- CET1 Phased-In ratio improves to 11.5%. CET1 Fully Loaded¹ ratio is 10.3%.



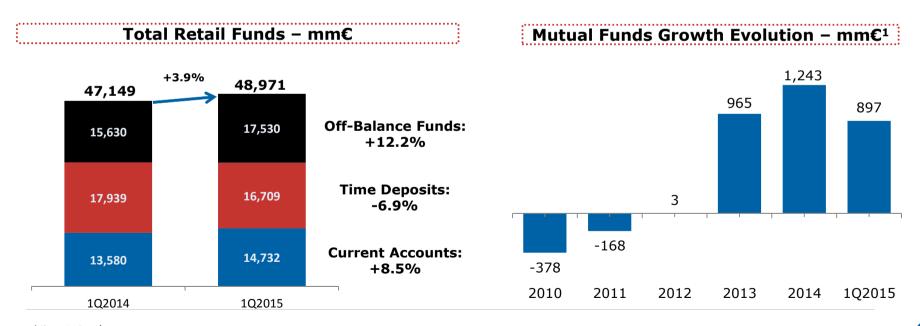
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Retail Funds

- Total retail funds increase 3.9% YoY with highly positive trends:
 - **Profitable mix:** current accounts and off-balance sheet funds represent 65.9% of total retail funds vs. 62% in 1Q2014.
 - **Strong increase in off-balance funds (+12.2%)**, focused in mutual funds (+24.5%) and pension funds (+8.9%).

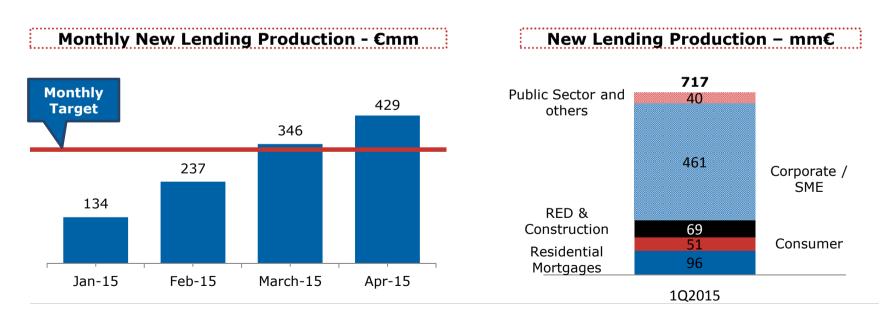


¹ Ibercaja Gestión



Customer Loans

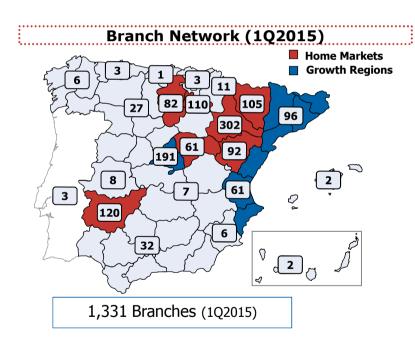
- Deleveraging still taking place with a 5.6% YoY fall, but with solid signs in new loan production:
 - New lending production reaches €717mm (27.8% YoY).
 - SME new loan production increases 41.9% YoY and accounts for 64% of total new portfolio.
 - Ibercaja Banco's target of €4,000mm new loan production in 2015 is on track.





Main Markets Evolution

Ibercaja Banco's early expansion into Madrid and the Mediterranean Basin (Growth Regions) has resulted in a well established footprint outside the bank's Home Markets. These regions represent close to 30% of Ibercaja Banco's business volume.



- Recent trends in the Growth Regions are positive:
 - New loan production grows 73.8% YoY and represents 46% of total production in the quarter.
 - Total retail funds increase 9.1% YoY.
- In Aragón, Cajatres integration synergies are materialising while maintaining the strong market share:
 - 23 additional branch closures in Aragon during 1Q2015.
 - Customer funds increase 2.1% YoY.



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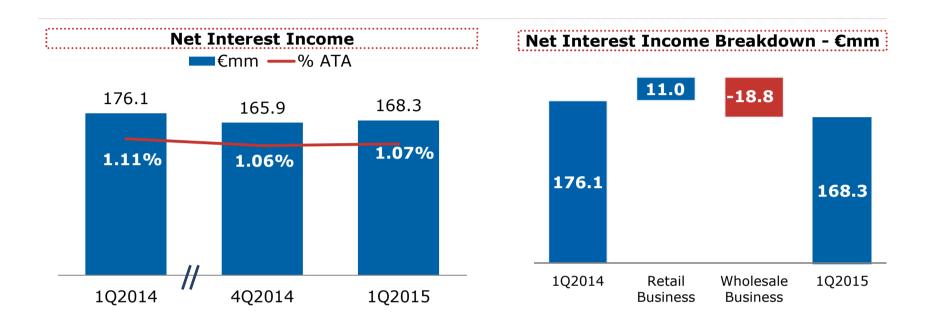
1Q2015 Results

mm€	1Q2014	1Q2015	YoY
Net Interest Income	176.1	168.3	-4.4%
Net Fee Income	74.4	77.4	3.9%
Trading Income	12.0	22.6	89.3%
Other Operating Inc. / Exp. (Net)	-0.7	10.4	n.a.
Gross Operating Income	261.8	278.7	6.4%
Operating Costs	-159.2	-144.3	-9.4%
Pre Provision Profit	102.6	134.4	31.0%
Total Provisions	-48.6	-76.3	57.2%
Other Gains and Losses	3.1	2.0	-37.1%
Profit Before Taxes	57.2	60.0	5.0%
Taxes & Minorities	-16.9	-17.5	3.1%
Net Profit Attributable to Shareholders	40.2	42.6	6.0%

Note: for comparative purposes and due to IFRIC21 application (DGF levies) 1Q2014 figures have been restated.



Net Interest Income



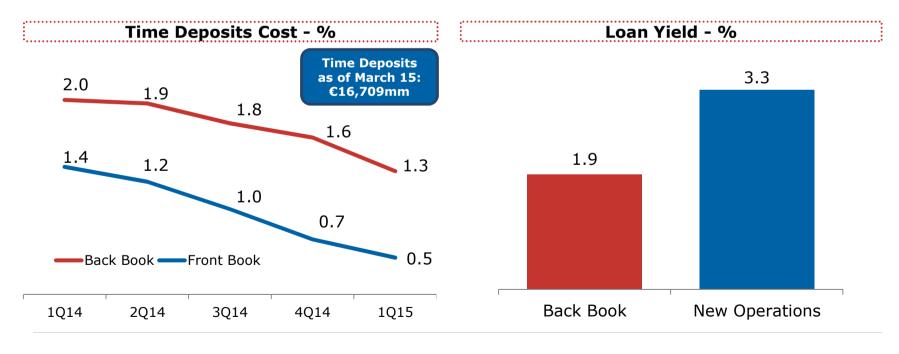
■ Net interest margin down 4.4% YoY but increases 1.4% QoQ.

- Positive evolution in retail business: the cost reduction in funds offsets lower Euribor and loan deleveraging.
- Income reduction in wholesale business mainly related to lower contribution of SAREB bonds.



Margin Evolution (1/2)

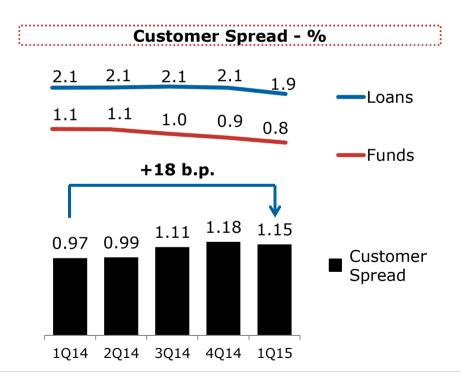
- Retail funds cost reduction continues in 1Q2015.
 - In April 2015, cost of new time deposits has fallen to 0.45%.
- Loan pricing for new operations is significantly above current portfolio.





Margin Evolution (2/2)

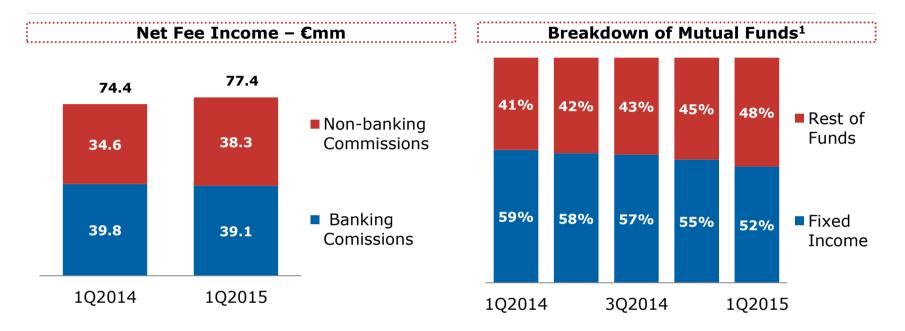
- Customer spread down in the quarter due to Euribor at historic lows.
- Customer spread in new operations (2.8%)* significantly above back book margins, which will drive NII improvement in coming quarters.



^{*} Loan yield – time deposit cost for new operations in the quarter



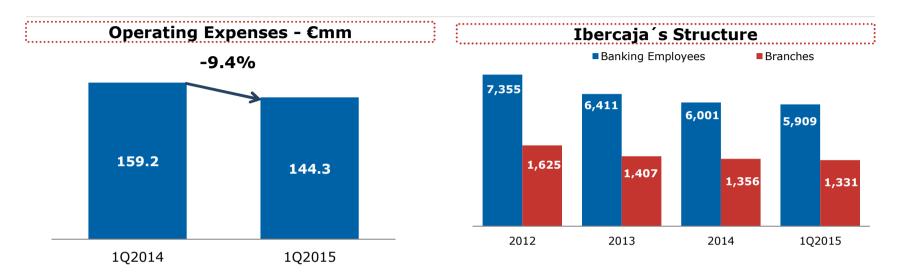
Net Fee Income



- Sound growth in net fee income (+3.9% YoY) driven by non-banking commissions (+10.7%).
 - AuM growth and an improved product mix increase the non-banking commissions.
- Banking commissions (-1.9%) are affected by regulatory changes in credit cards fees.



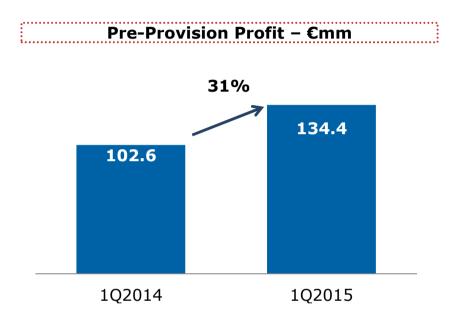
Operating Expenses



- Strong decline in operating expenses (9.4% YoY) after Cajatres integration.
 - Figure 1. Efficiency ratio ex-trading income improves significantly to 56.4%.
- 1.5% reduction in headcount and branches during the quarter.
 - A new redundancy plan approved in April 2015 with further reduction of up to 350 employees (close to 6% of total banking employees). The cost of this plan was already accounted for in 4Q2014.



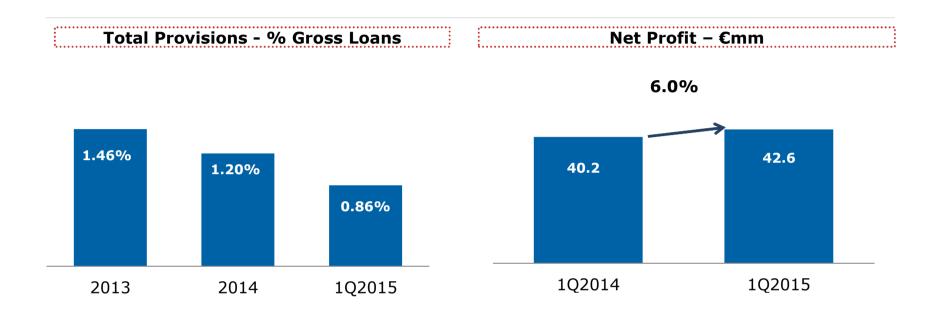
Pre-Provision Profit



■ Deposit cost reduction (-32 basis points), non banking commissions (+10.7%) and a strong decrease in operating expenses (-9.4%) allow for a 31% increase of the pre-provision profit.



Provisions and Net Profit



- **■** Total provisions reach €76.3mm.
 - Annualised provisions stand at 0.86% of gross loans, below 1.20% in 2014, but still above normalised levels.
 - Ibercaja targets a 0.5% cost of risk in 2016
- Ibercaja Banco reaches a net profit of €42.6mm.



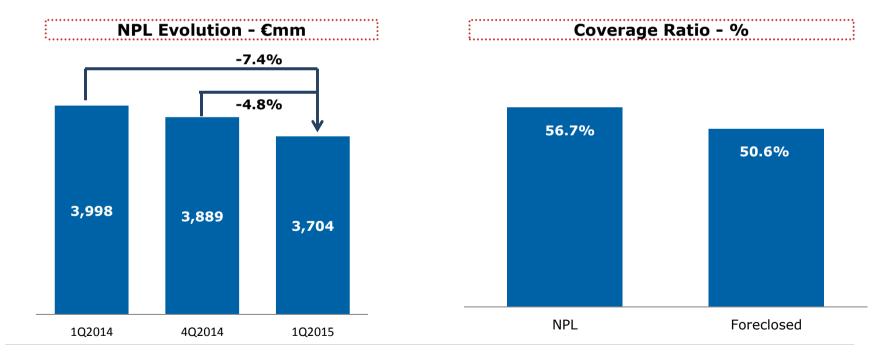
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Asset Quality (1/2)

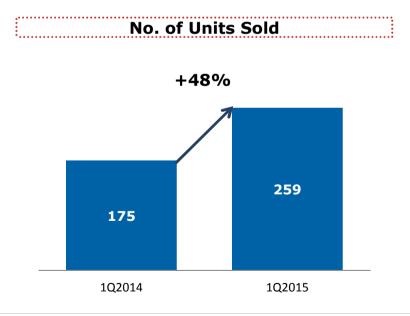
- NPL ratio down to 10.4% (10.8% in 2014). Ibercaja NPL ratio is 18% lower than the sector while maintaining one of the highest coverage levels.
 - Non-real estate NPL ratio is 6.3% and residential mortgage NPL ratio is 3.9%, one of the lowest in the sector.
- NPL assets down 7.4% YoY (€294mm).





Asset Quality (2/2)

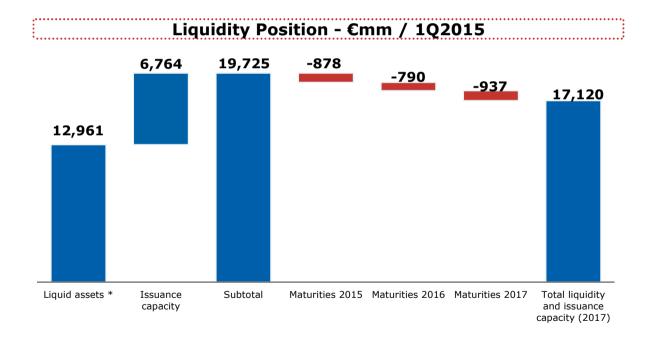
- Strong increase in foreclosed assets sales allows for a broadly stable stock of foreclosed assets (+€8mm vs. 4Q2014).
- Slight positive results (€2mm) even considering price reduction to accelerate sales.
 - Assets 100% sold through our branch network.





Liquidity and Solvency (1/4)

- Ibercaja Banco benefits from a comfortable liquidity position.
 - ✓ Available liquid assets stand at over €12,900mm (20.7% of total assets).
- Loan to Deposits ratio stands at 92%¹.



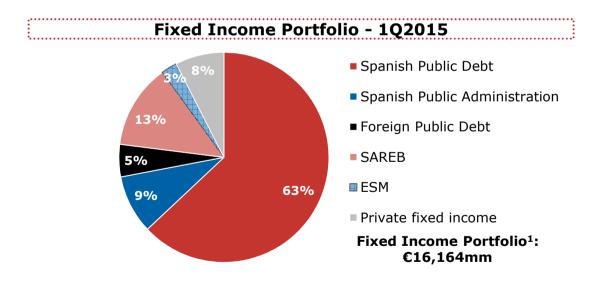
¹ Net Loans ex. securitised loans / Customer deposits ex. repos + retail deposits through Financial Group + Securities distributed through the branch network.



^{*} Liquid assets include unencumbered public debt + available & eligible fixed income assets (ECB haircut applied)

Liquidity and Solvency (2/4)

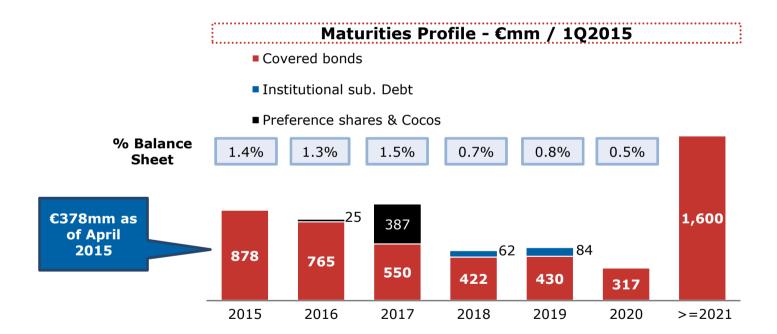
- Fixed income portfolio: Low risk with focus on Spanish sovereign debt and a low duration.
 - Average duration of 3.2 years and unrealised capital gains over €430mm as of March 2015.
 - Average yield stands at 2.1%.





Liquidity and Solvency (3/4)

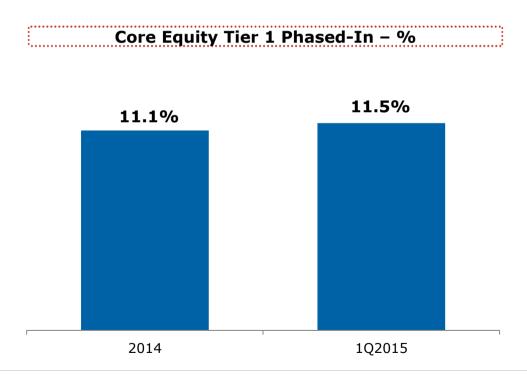
- **■** ECB funding: €2.7bn (4.3% total assets), of which TLTRO €1.2bn.
- Well diversified maturities, with no significant concentration.





Liquidity and Solvency (4/4)

- CET1 Phased-In ratio: 11.5%
- CET1 Fully Loaded ratio: 10.3%¹
- 100% standardised approach.



¹ Not including CoCos; including unrealised AFS gains



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Final Remarks

■ Ibercaja's Business Plan value drivers are gathering speed and will boost the P&L account in coming quarters.



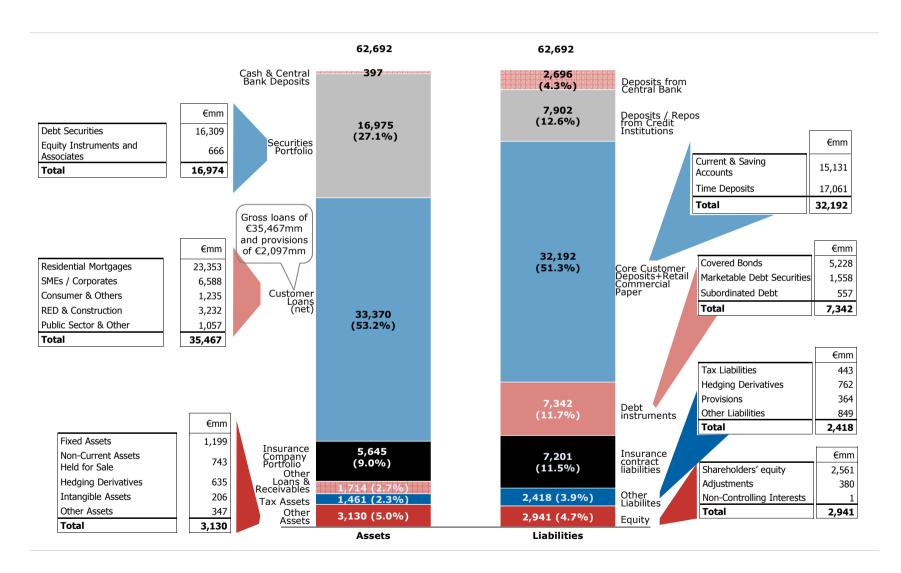




Annex 1: Balance Sheet



Consolidated Balance Sheet







For more information, please visit our Website: www.ibercaja.es/investors

Contact us: investors@ibercaja.es

