9M2015 RESULTS

November 9th, 2015

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Main Highligths

- **Total retail funds increase 1.6% with an outstanding evolution in off-balance funds (+7.2%).**
  - 12.7% market share in net new inflows in mutual funds during 3Q2015.
- **Deleveraging still taking place (-5.2% YoY).**
  - New lending increases 45.5% YoY and is on track to reach the €4Bn target.
- **Sound decline in recurring operating expenses (-3.4% YoY) as synergies from Cajatres acquisition are accelerating.**
  - A 4.9% reduction in headcount and a 4% reduction in branches, year to date. Over 50% of this adjustment has taken place during the 3Q.
- **NPL ratio down 65 basis points YoY to 10.2% with one of the highest coverage ratios in the sector (57.4%).**
  - Project Goya: Ibercaja Banco has signed an agreement to sell a €698mm portfolio of real estate loans. The proforma NPL ratio falls to 9.1% [1]
- **Net profit of €103.1mm.**
- **CET1 Phased-In ratio improves 57 b.p. YTD to 11.7%.**

[1] Proforma ratio considering Project Goya as of September 2015. For more information of this transaction please refer to annex 2.

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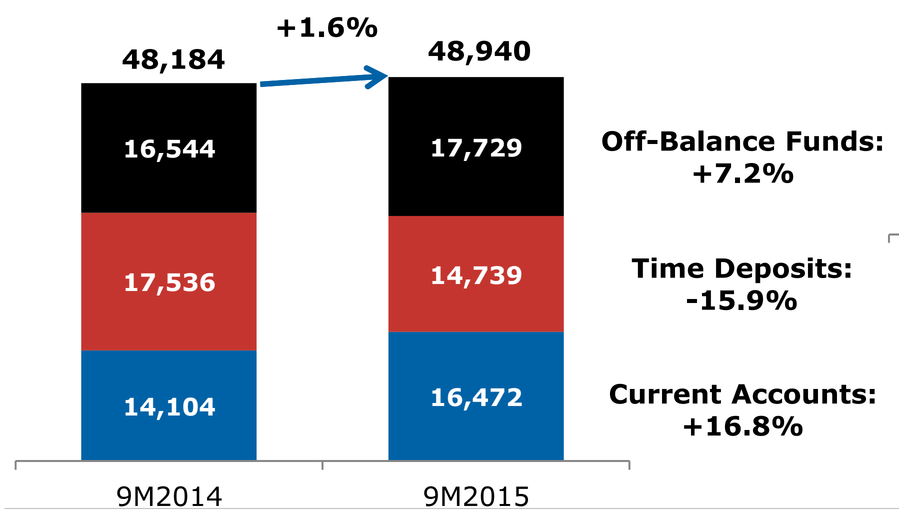
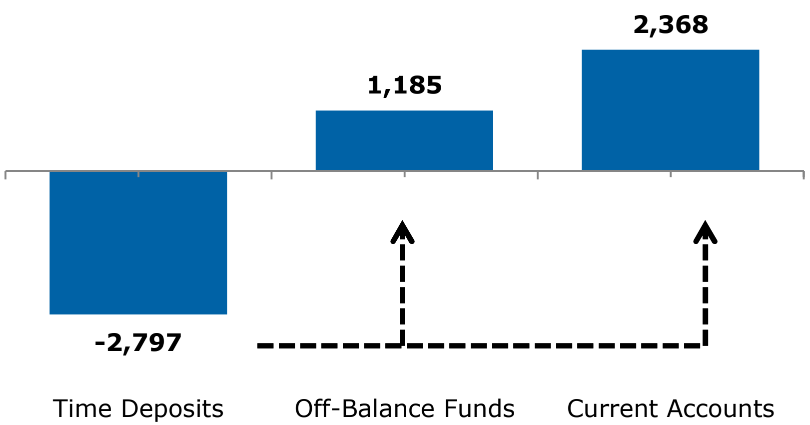
Retail Funds (1/2)

- **Total retail funds increase 1.6% YoY (+€0.8bn).**
  - **Profitable mix:** current accounts and off-balance sheet funds represent 70% of total retail funds vs. 64% in 3Q2015.
  - **Sound increase in off-balance sheet funds (+7.2% YoY)**, especially focused on mutual funds (+16.7% YoY).

Total Retail Funds – €mm

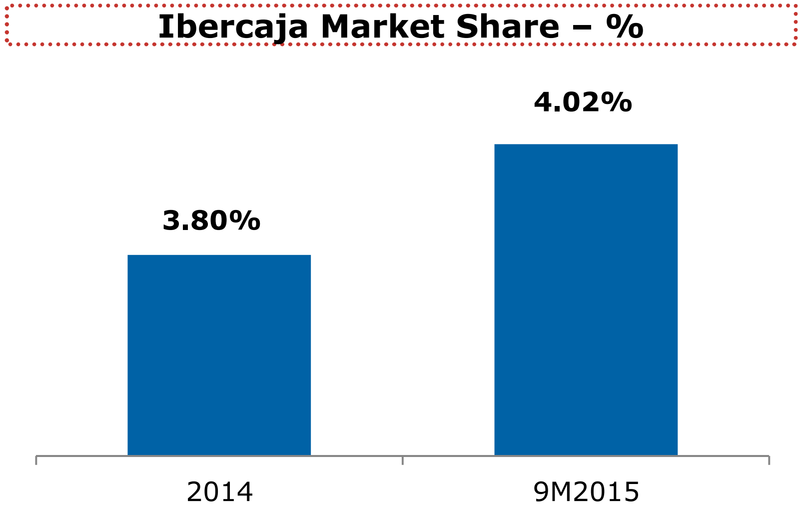


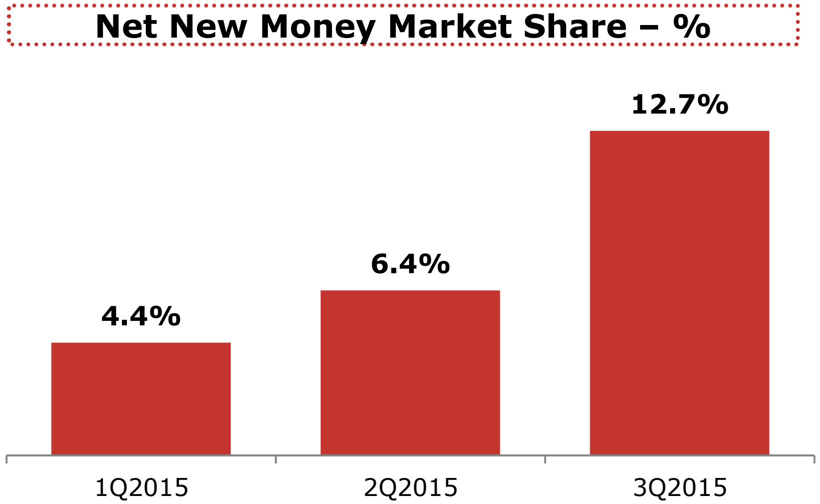
Total Retail Funds Evolution - YoY €mm



Retail Funds (2/2)

- **Outstanding evolution in mutual funds:** Ibercaja Banco reaches a 4.0%[1] market share. Ibercaja Gestión is the 8th largest mutual fund manager[1] in Spain.
  - Market share well in excess of the banking business and growing (+22 b.p. YTD), even in a complicated market environment (12.7% market share in new money during 3Q2015).
  - Improved product mix with fixed income funds already at 47% of total funds vs. 57% in 3Q2014.



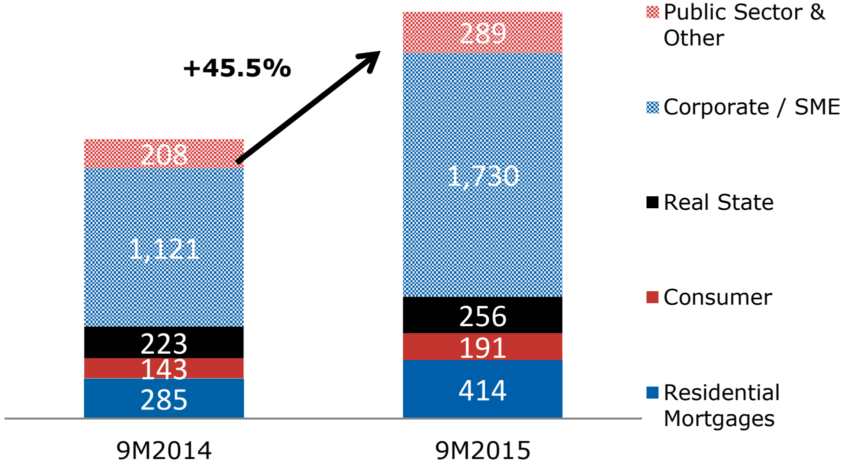


[1] Source: Inverco

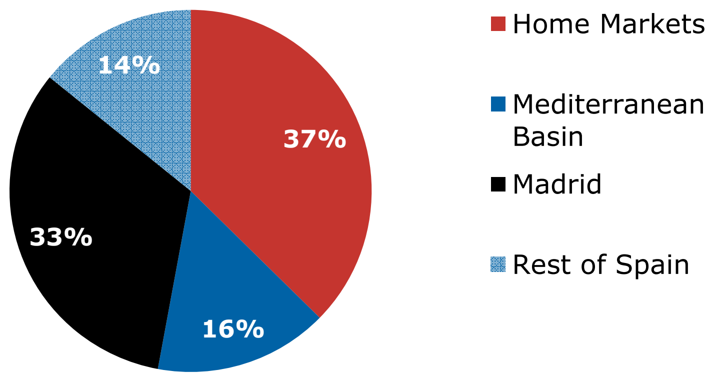
Customer Loans

- **Deleveraging still taking place with a 5.2% YoY fall of customer loans focused on residential mortgages (-5.3%) and the step up in the reduction of real estate loans (-16.3%).**
- **New lending production is on track to achieve the €4bn target for 2015.**
  - New lending production reaches €2.9bn YTD with a 45.5% YoY increase.
  - SME new loan production increases 54.3% YoY, accounting for 60% of total new lending.
  - Mediterranean Basin and Madrid account for 48.5% of total new lending.

New Loan Sector Distribution – €mm



New Loan Geographic Distribution – %



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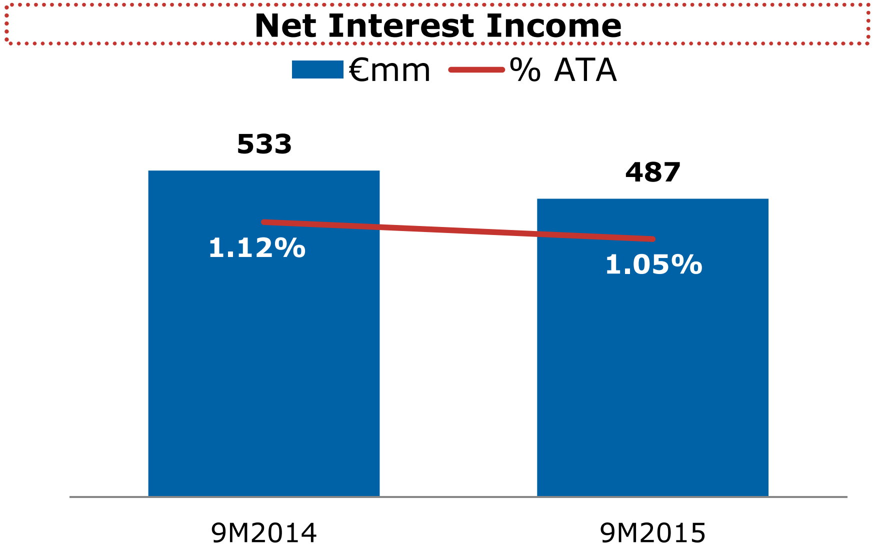
9M2015 Results

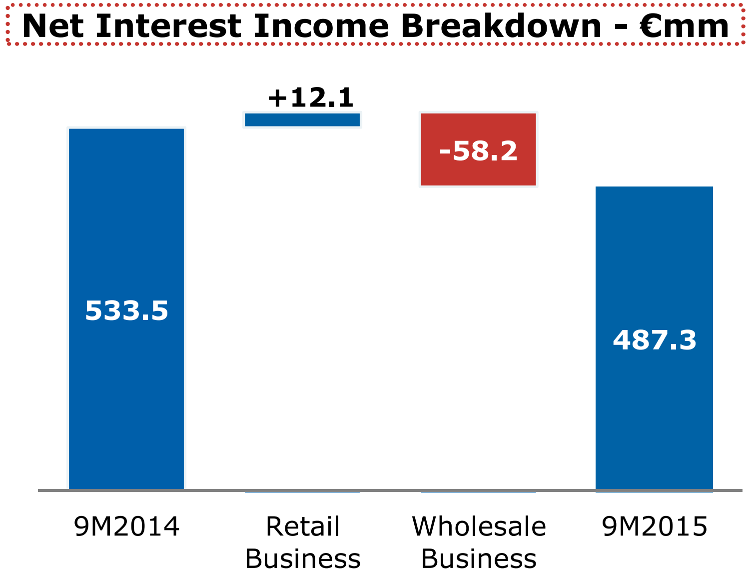
mm€	9M2014	9M2015	YoY	9M14 Non-recurring Items	9M15 Non-recurring Items	Adjusted YoY[1]
Net Interest Income	**533.5**	**487.3**	**-8.6%**			
Net Fee Income	230.7	245.1	6.2%			
Trading Income	435.8	140.0	-67.9%	-380.3	-9.6	
Other Operating Inc. / Exp. (Net)	-0.2	28.0	n/a			
Gross Operating Income	**1,199.8**	**900.4**	**-25.0%**			**8.7%**
Operating Costs	-525.0	-473.0	-9.9%	35.1		-3.4%
Pre Provision Profit	**674.7**	**427.3**	**-36.7%**			**26.8%**
Total Provisions	-157.0	-303.7	93.5%		99.8	29.9%
Other Gains and Losses	20.0	22.5	12.4%			
Profit Before Taxes	**537.8**	**146.1**	**-72.8%**			**22.7%**
Taxes & Minorities	-154.7	-43.0	-72.2%			
Net Profit Attributable to Shareholders	**383.1**	**103.1**	**-73.1%**			**21.5%**

[1] For 2014, it excludes trading gains related to the extraordinary sale of the fixed income portfolio (€380.3mm) and extraordinary expenses for the redundancy plans (€35.1mm in 9M2014). For 9M2015, it excludes the result from the sale of doubtful and written-off loans (€9.6mm) and extraordinary provisions of €99.8mm.

Note: for comparative purposes and due to IFRIC21 application (DGF levies) 9M2014 figures have been restated.

Net Interest Income





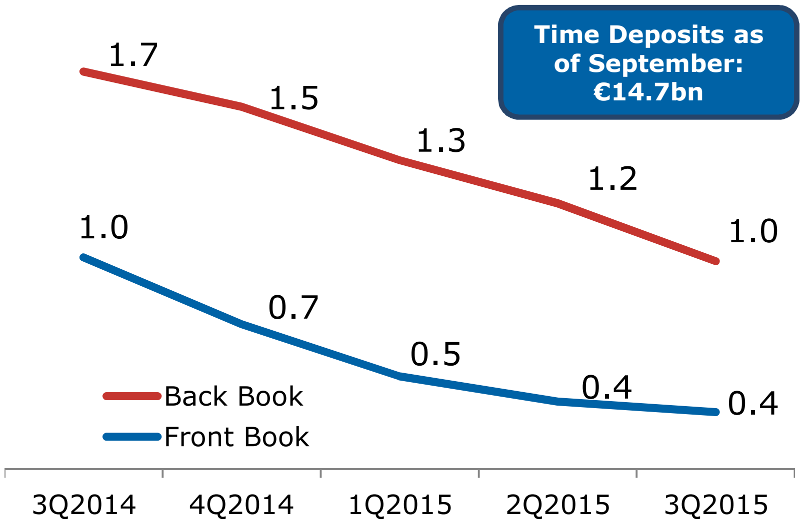
- **Net interest income decreases 8.6% YoY., although the weight of retail business in revenues is increasing.**
  - Positive growth in retail business revenue as deposit cost reduction offsets loan deleveraging and Euribor fixing at historic lows.
  - Income reduction in wholesale business mainly related to the lower contribution of SAREB bonds and the progressive normalisation of the fixed income portfolio.

Margin Evolution (1/2)

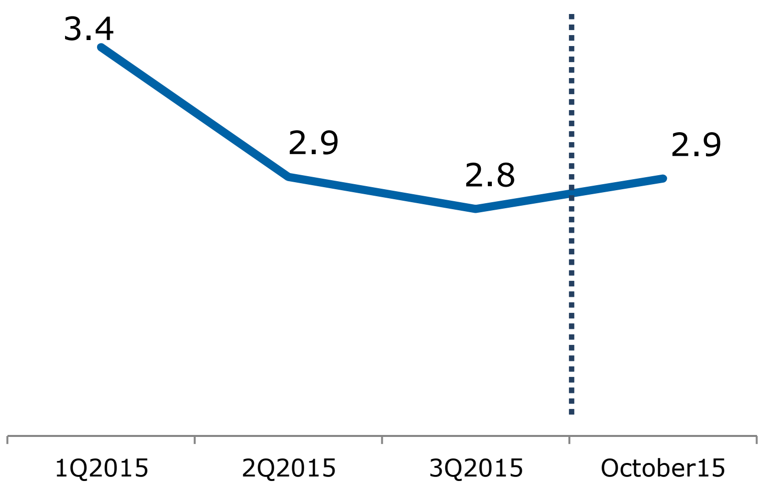
- **Retail funds cost reduction continues in 9M2015 (-46 b.p. YoY).**
  - Significant opportunity to improve retail funding cost in coming quarters as a result of the repricing of time deposits book at current market rates and the expected improvement in the deposit mix (time deposits still represent 47% total deposits).

- **Positive dynamics in loan repricing thanks to an strong new lending mix.**

Time Deposits Cost - %



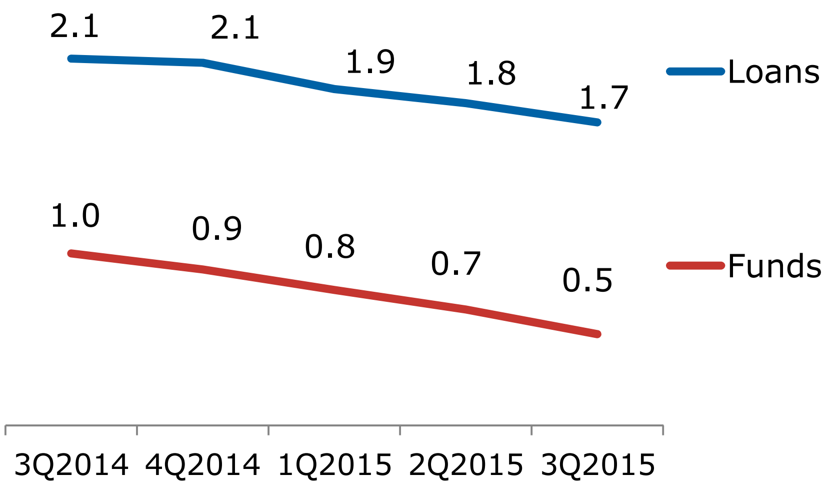
Front Book Loan Yield Private Sector - %



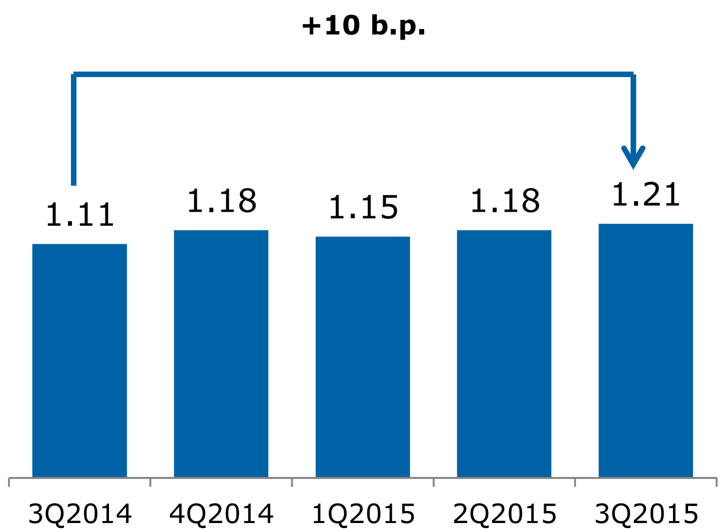
Margin Evolution (2/2)

- **Client margin improves 3 basis points QoQ (+10 b.p. YoY) as cost deposit reduction compensates for the lower loan yield.**
  - Loan yield pressure should ease in coming quarters as the portfolio has been almost fully repriced to lower Euribor and new loan production is accelerating .

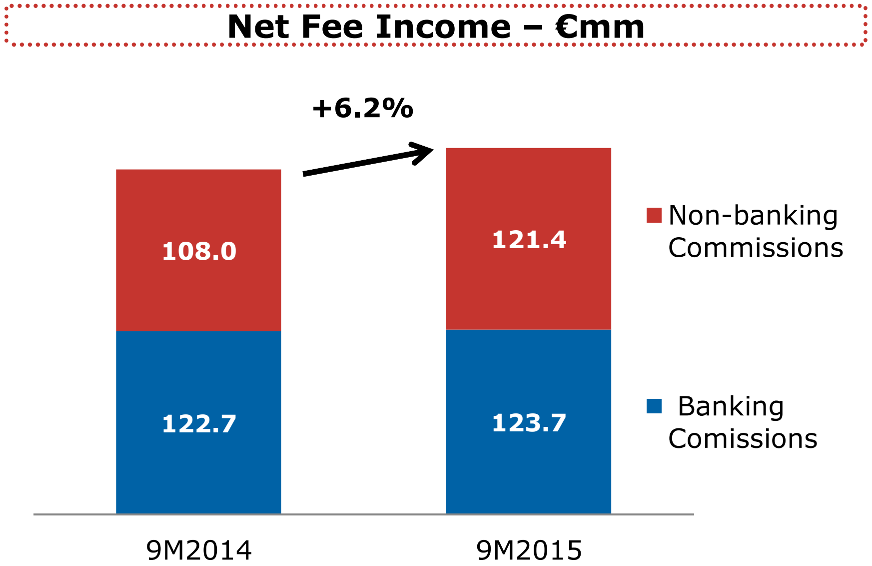
Loan Yield & Deposit Cost - %

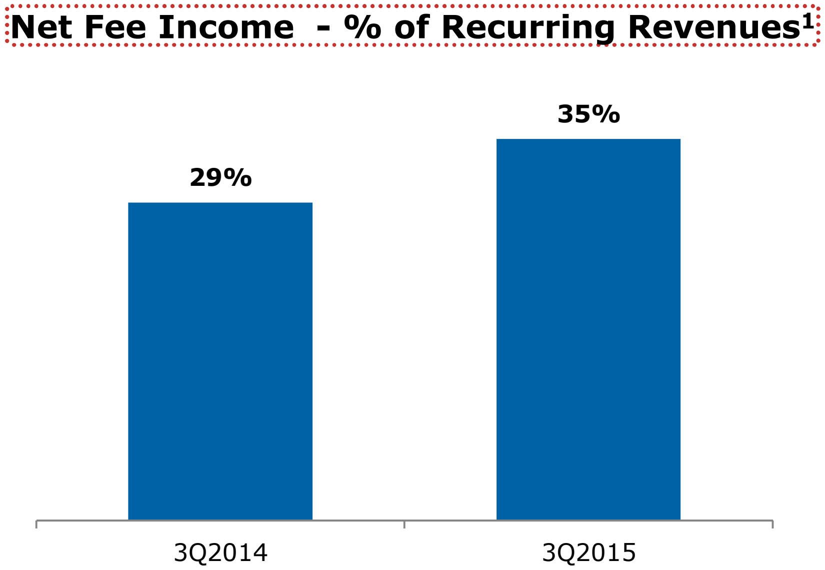


Customer Spread - %



Net Fee Income

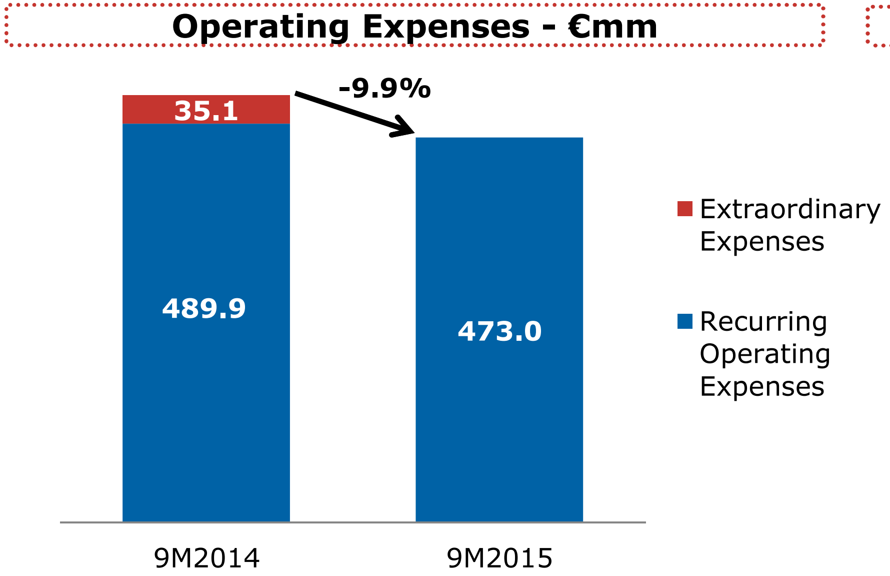


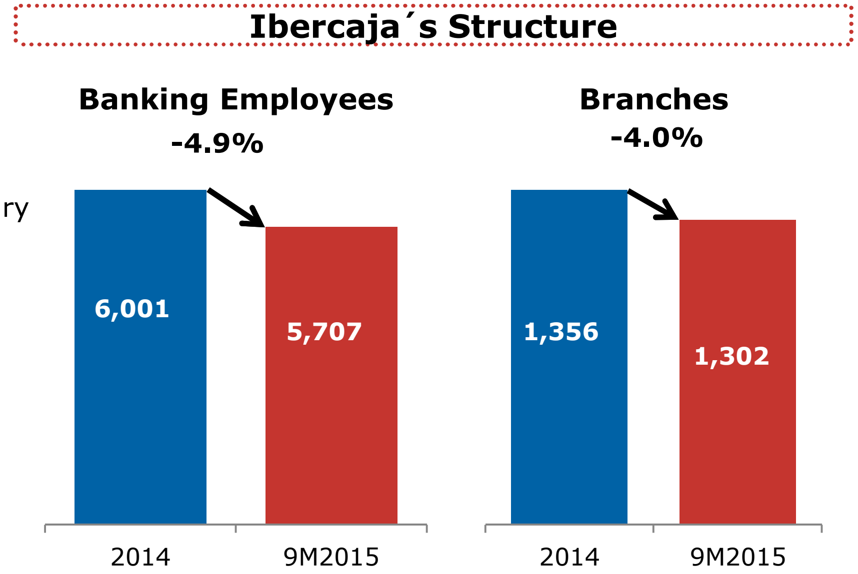


- **Strong growth in non-banking commissions (+12.4%) drive net fee income (+6.2% YoY).**
  - Net fee income are increasing its weight as a % of recurring revenues[1].
- **Banking commissions (+0.8%)** are growing despite regulatory changes in credit cards fees.

[1] Recurring revenues: net interest income + net fee income

Operating Expenses





- **Sound decline in recurring operating expenses (-3.4% YoY) as Cajatres acquisition synergies are accelerating. .**
- **Further operating expenses reduction should be expected over the next 12 months.**
  - A 4.9% reduction in headcount and a 4% reduction in branches, year to date. Over 50% of this adjustment has taken place during the 3Q.
  - Additional 30 branches closures expected before year end.

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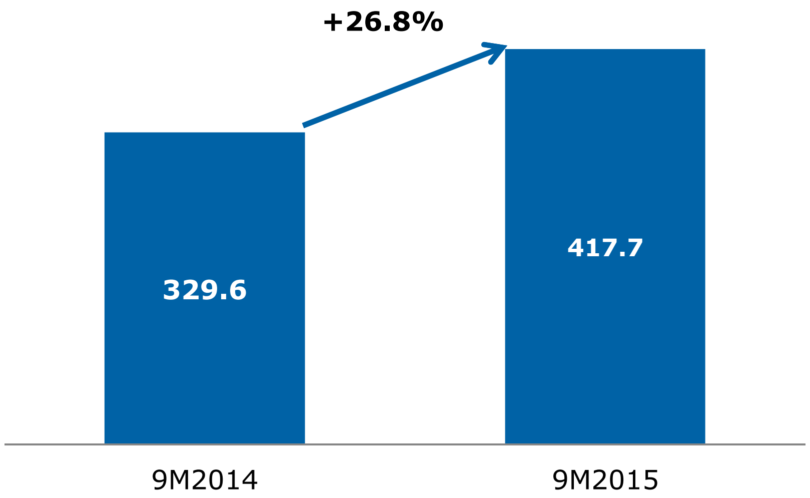
Pre-Provision Profit

Adjusted Pre-Provision Profit[1] - €mm

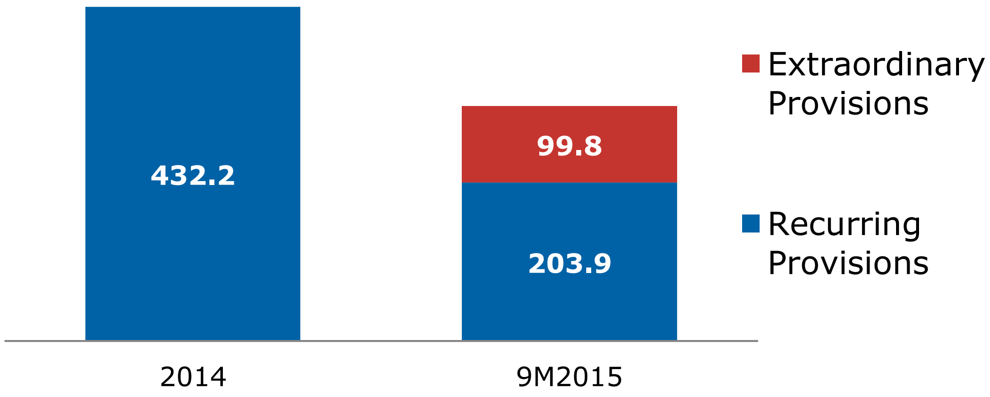


- **Adjusted pre-provision profit[1] increases 26.8% YoY.**
  - Reported pre-provision profit fall (-36.7%) is due to lower extraordinary trading income.

[1] For 2014, it excludes trading gains related to the extraordinary sale of the fixed income portfolio (€380.3mm) and extraordinary expenses for the redundancy plans (€35.1mm in 9M2014). For 9M2015, it excludes the result from the sale of doubtful and written-off loans (€9.6mm).

Provisions and Net Profit

Total Provisions – €mm



- **Total provisions reach €304mm in 9M2015. Ibercaja has increased its provisioning effort with extraordinary provisions of €99.8mm YTD.**
  - Annualised recurring provisions (0.8%) still above normalised levels.
  - Ibercaja targets a 0.5% cost of risk in 2016
- **Reported net profit stands at €103.1mm. Adjusted net profit[1] increases 21.5% YoY.**

[1] For 2014, it excludes trading gains related to the extraordinary sale of the fixed income portfolio (€380.3mm) and extraordinary expenses for the redundancy plans (€35.1mm in 9M2014). For 9M2015, it excludes the result from the sale of doubtful and written-off loans (€9.6mm) and extraordinary provisions of €99.8mm.

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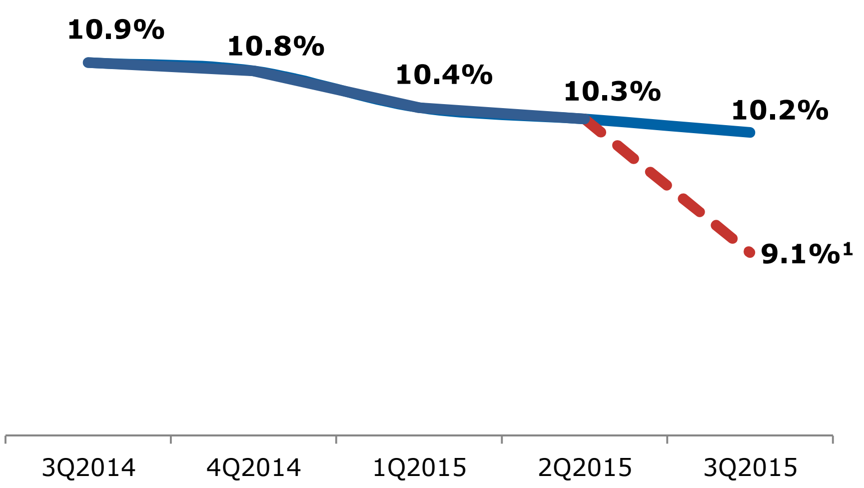
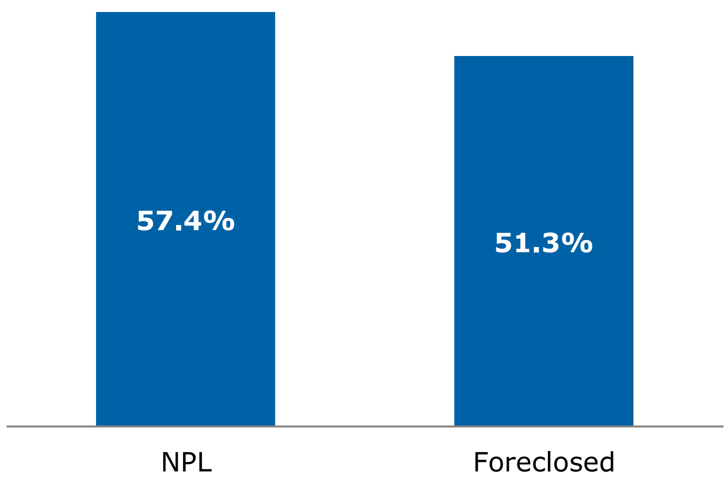
Asset Quality (1/2)

- **NPL ratio down 65 basis points YoY to 10.2% (10.9% in 9M2014).**
  - Including the recent sale of the real state credit portfolio, the proforma NPL ratio falls to 9.1%[1].
  - Mortgage NPL ratio is 3.9%, one of the lowest in the sector.
- **NPL stock down 9.5% YTD (-€379mm).**
- **Ibercaja benefits from one of the highest coverage ratios in the sector.**

NPL Ratio - %



Coverage Ratio - %

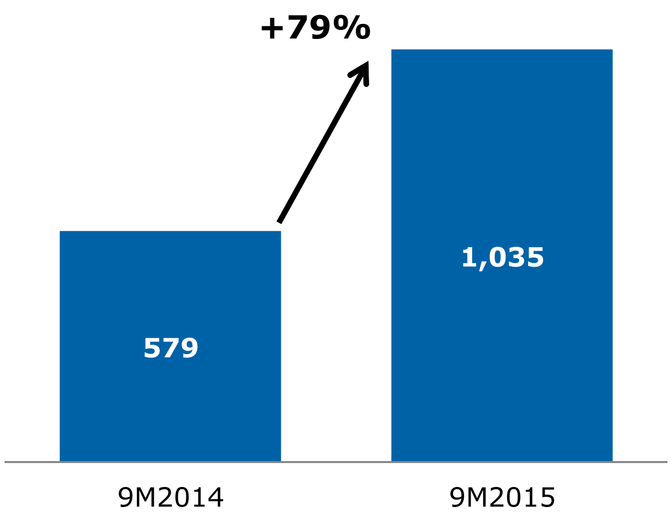


[1] Proforma ratio considering Project Goya as of September 2015.

Asset Quality (2/2)

- **Net stock of foreclosed assets stands at €0.9bn** and remains broadly stable YTD (-€8.9mm vs. 2014).
- **Net positive results in foreclosed asset sales during the period (+€10.3mm).**

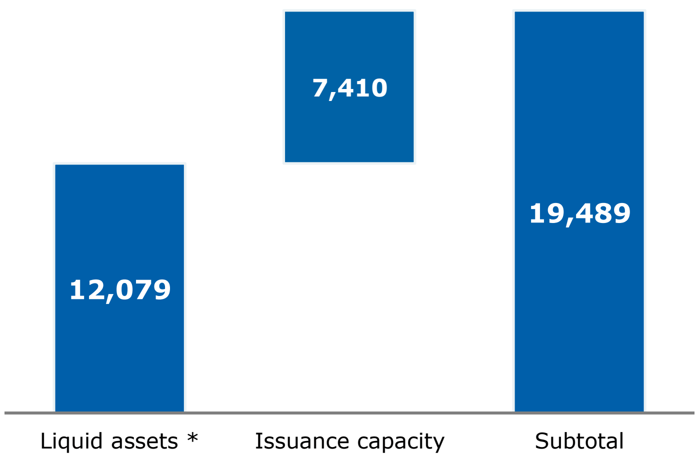
Foreclosed Assets; No. of Units Sold



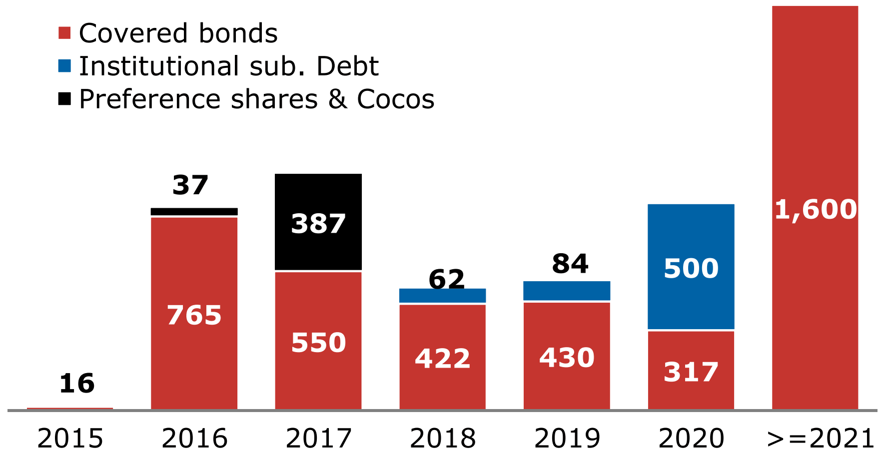
Liquidity and Solvency (1/4)

- **Ibercaja Banco benefits from a comfortable liquidity position** with over €12bn of available liquid assets (20% of total assets).
- **LCR and NSFR ratios stand at 202% and 114% respectively (9M2015).**
- **Loan to Deposits ratio stands at 91%[1].**
- **ECB funding: €2.0bn (3.4% of TA, -€2.7bn YTD), 100% TLTRO.**
- **No relevant maturities left in 2015** and no significant concentration in coming years (below 1.6% of total assets every year).

Liquidity Position - €mm / 9M2015



Maturities Profile - €mm / 9M2015



[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 (after ECB haircut applied)

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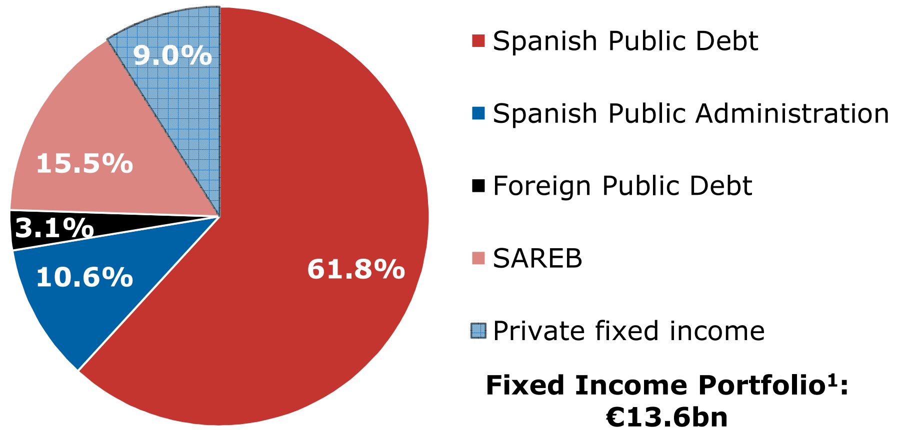
Liquidity and Solvency (2/4)

- **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 €141mm as of September 2015 (of which €66mm are AFS).
  - Average yield stands at 1.7%.
- **Ibercaja Banco has reduced its fixed income portfolio by 15% YTD (-€2.4bn)**

Fixed Income Portfolio – 9M2015

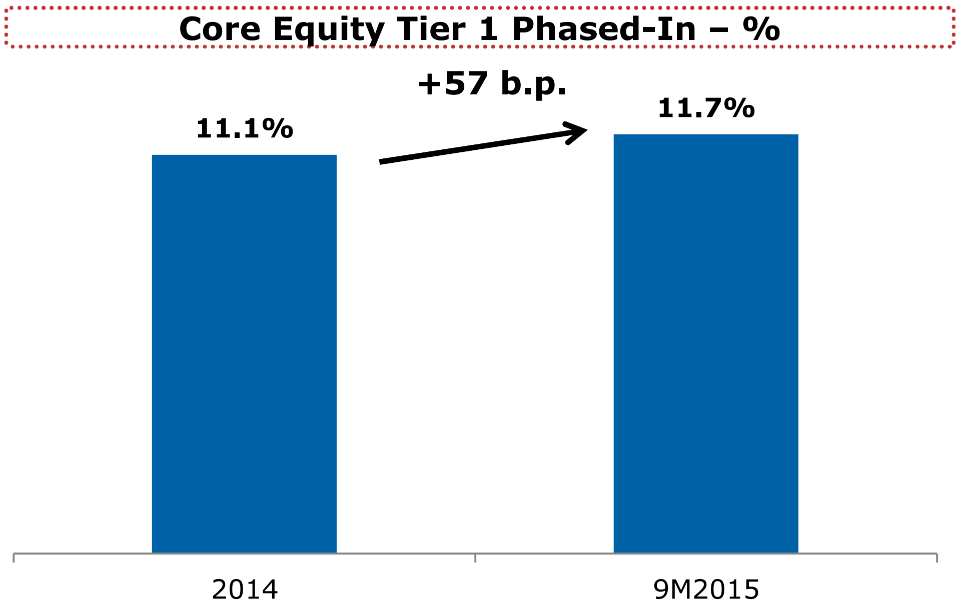


Fixed Income Portfolio[1]: €13.6bn

[1] Excluding capital grains from held-to-maturiy portfolio

Liquidity and Solvency (3/4)

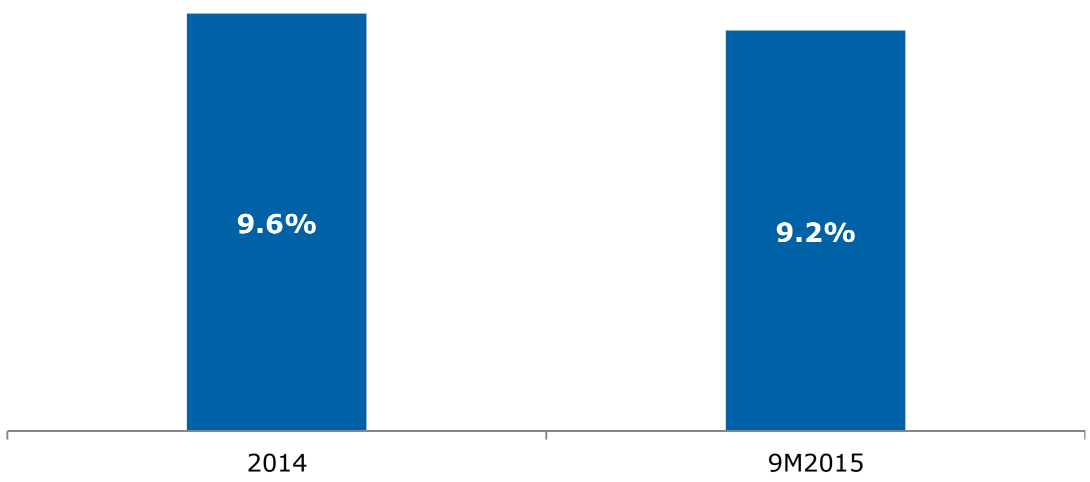
- **CET1 Phased-In ratio: 11.7%**
- **Total Capital Phased-In ratio: 14.2%**
- **RWA/TA at 40.3% calculated under the standardised approach.**
- **Leverage ratio: 5.1% (Phased-In)**



Liquidity and Solvency (4/4)

- **Ibercaja Banco is on track to reach a 10% CET1 Fully Loaded ratio (ex unrealised AFS sovereign gains) and a 13.5% Total Capital ratio by 2017.**
- Ibercaja Banco aims to **build a more diversified and efficient capital structure after the Cajatres integration**. Issuing a Tier 2 security was the first step in the capital roadmap and the next step will be the IPO in any case no later than December 2018.

CET1 Fully Loaded Ratio[1]



[1] Not including CoCos, includes 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.**

Cost of Retail Funding Reduction		Already Ongoing (-46 b.p. YoY)
Asset Gathering / Non-Banking Commissions		Already Ongoing (>10% YoY)
Operating Costs Reduction		Already Ongoing (-3.4% YoY)
Recovery of Lending Growth	New Lending +45.5%	2H2015 - 2018
Cost of Risk Reduction	NPL -9.5% YoY	2016 - 2018

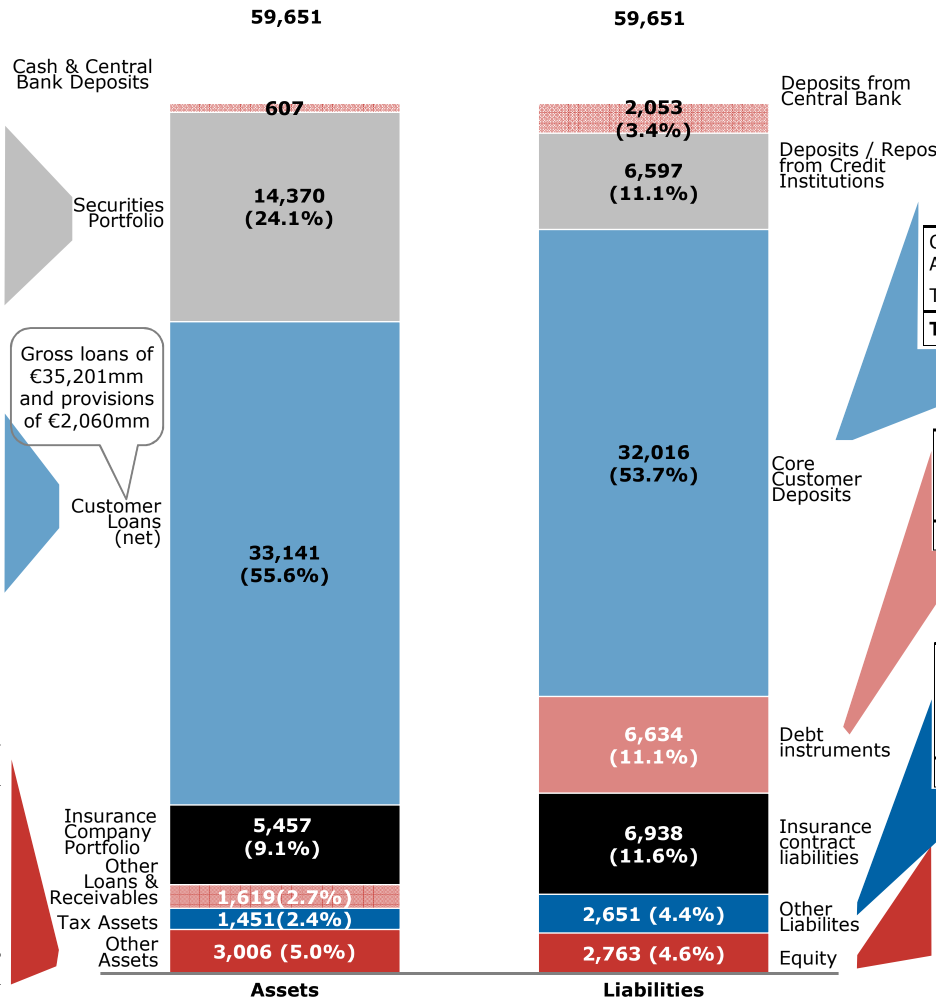
Annex 1: Balance Sheet

Consolidated Balance Sheet – 9M2015

	€mm
Debt Securities	13,760
Equity Instruments and Associates	610
Total	**14,370**

	€mm
Residential Mortgages	22,817
SMEs / Corporates	6,593
Consumer & Others	1,261
RED & Construction	2,954
Public Sector & Other	1,575
Total	**35,201**

	€mm
Fixed Assets	1,180
Non-Current Assets Held for Sale	734
Hedging Derivatives	539
Intangible Assets	205
Other Assets	348
Total	**3,006**



	€mm
Current & Saving Accounts	16,789
Time Deposits	15,226
Total	**32,016**

	€mm
Covered Bonds	4,753
Marketable Debt Securities	824
Subordinated Debt	1,058
Total	**6,634**

	€mm
Tax Liabilities	352
Hedging Derivatives	1,020
Provisions	424
Other Liabilities	854
Total	**2,651**

	€mm
Shareholders' equity	2,622
Adjustments	141
Non-Controlling Interests	0
Total	**2,763**

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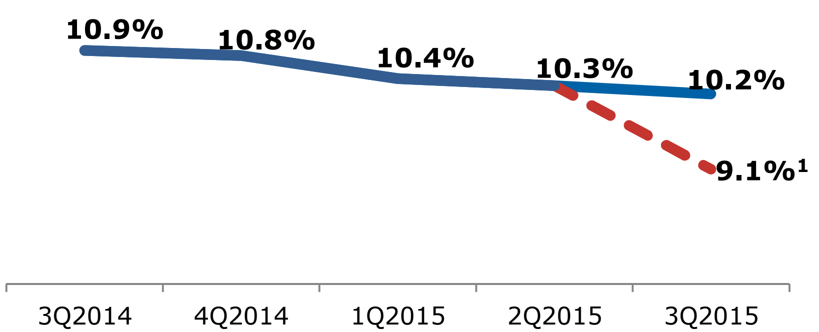
Annex 2: Project Goya

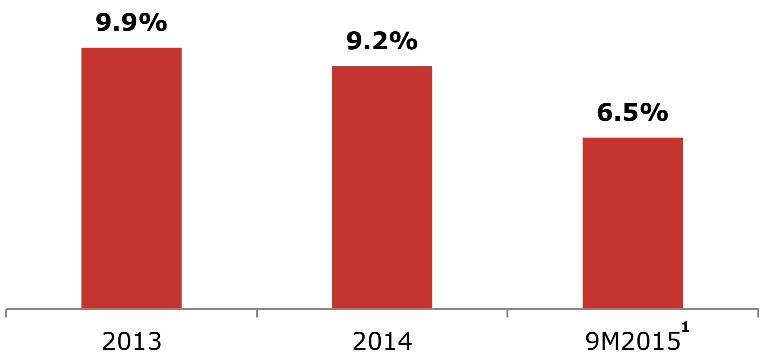
Project Goya

- **Ibercaja Banco has signed an agreement to sell a €698mm portfolio of real estate loans.** The portfolio comprises 428 loans to real estate developers, mostly classified as doubtful. This sale is **another significant step in Ibercaja's 2015-2017 strategic plan.**
- As a result of this operation:
  - NPL ratio will be reduced by 120 b.p., increasing the positive gap in asset quality vs. the sector.
  - Loans to the real state sector will be reduced by 23% and will represent just 6.5% of the total loan portfolio.
  - Improvement in the liquidity position as well as in risk weighted assets, with no material impact on the P&L account considering the portfolio's strong coverage ratio.

NPL Ratio - %



Loan Portolio - Distribution



[1] Proforma considering Project Goya as of September 2015.

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