2014 RESULTS

April, 2015

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Results Highligths (1/2)

- **Total retail funds grow 4.1% in the year.** Ibercaja's market share improves 7 basis points to 3.57%. **Ibercaja Financial Group consolidates its 5th position in the market with a 10% increase in funds.**
- Deleveraging still taking place with a 5.6% fall in customer loans, in line with the sector. **Clear positive signs in new loan production. New lending reaches €2,669mm, Corporate/SME account for 58% of total.**
- **NPL ratio of 10.78%.** Ibercaja NPL ratio is 15% lower than the sector while maintaining **one of the highest coverage levels**. NPL assets decrease 3% YoY or €118mm, marking the first year since the beginning of the crisis with reduction in NPL.
- **Liquid assets stood at over €12,700mm which represents 20% of the total assets.**
- **CET1 Phased-In ratio improves 106 b.p. to 11.13%[1]. CET1 Fully Loaded ratio is 9.62%[2].**
- **Ibercaja returns to positive net profit (€151mm) after strong provisioning effort in the last two years.**

[1] Including €407mm CoCos;not including unrealized AFS gains
[2] Not including CoCos; including unrealized AFS gains

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Results Highligths (2/2)

- **Other highlights**:

  - **Caja 3 integration fully completed.**
  - European **AQR** highlighted the quality of Ibercaja Banco loan portfolio, its high standards of provisioning and its strict policy for categorising and identifying risks within its portfolio.
  - Since November, **ECB** to supervise banks in the Euro Area. This move is a key part of the Banking Union.
  - **New management team and approval of 2015-2017 Strategic Plan.**

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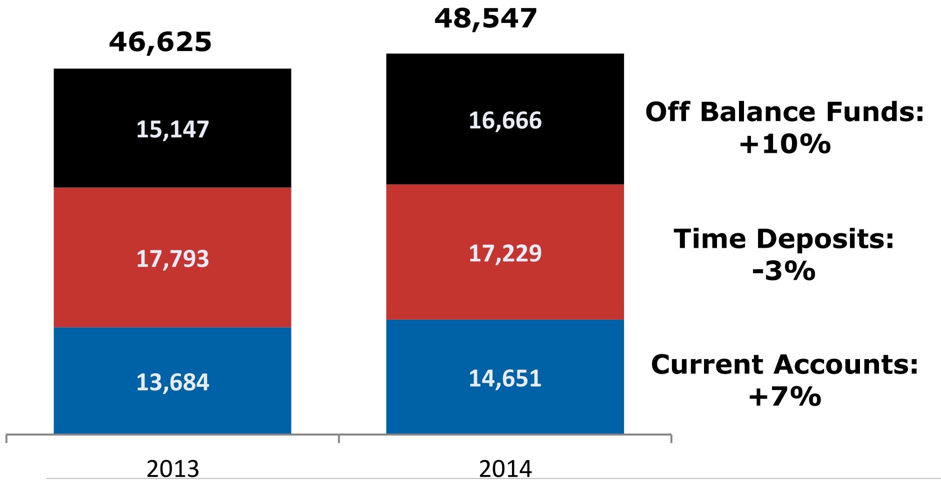
- Results Highligths
- **Commercial Activity**
- Asset Quality, Liquidity and Solvency
- 2014 Results

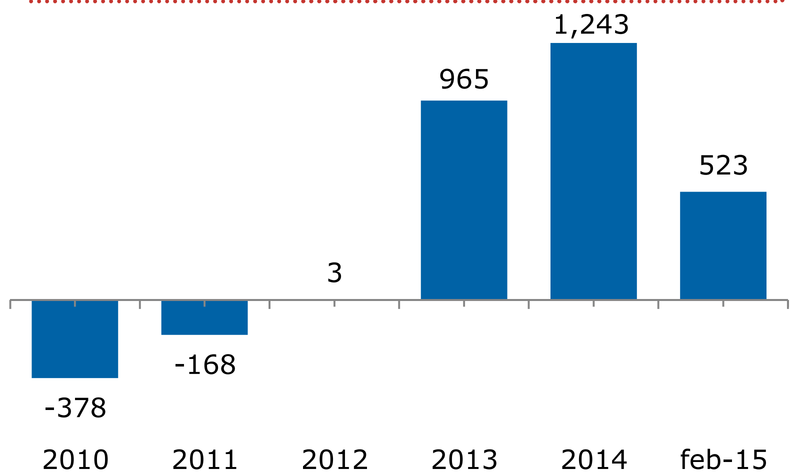
Retail Funds

- **Total retail funds grow 4.1% in the year.** Ibercaja's market share improves 7 basis points to 3.57%.
  - **Profitable retail funds mix** with a high share of current accounts and off-balance sheet funds. These two items represent 64.5% of total retail funds vs. 61.8% last year.
  - **Ibercaja Financial Group consolidates its 5th position in the market** with a 10% increase in funds. Strong growth in mutual funds (+18.8%) and pension funds (+8.2%)

Total Retail Runds – mm€



Mutual Funds Growth Evolution – mm€[1]

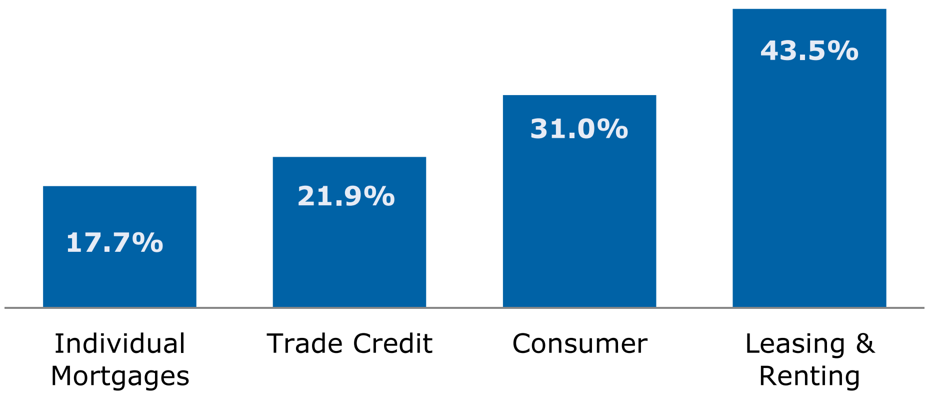


[1] Ibercaja Gestión

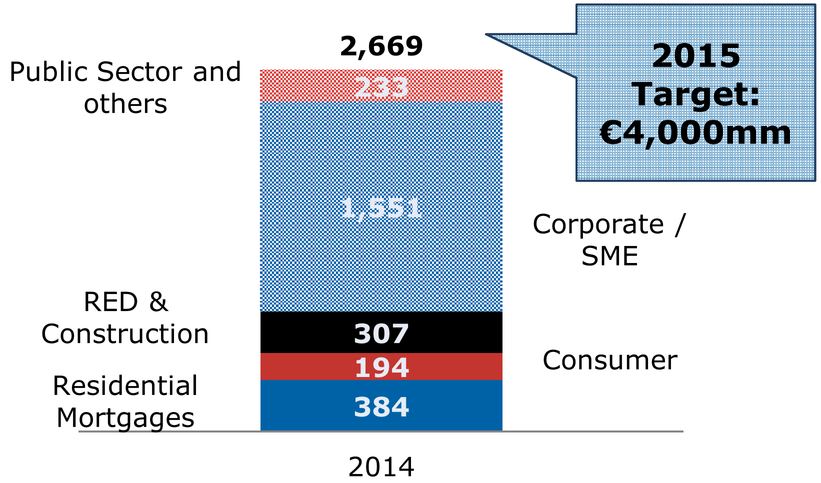
Customer Loans

- **Deleveraging still taking place with a 5.6% fall in customer loans, in line with the sector.**
- **Clear positive signs in new loan production**
  - New lending reaches €2,669mm, Corporate/SME account for 58% of total.
  - 42% of the new loan production comes from our growth markets (Madrid + Mediterranean Basin). Ibercaja home regions represent 45% of the new loan production.

New Lending Increase 2014[1]– %



New Lending – mm€



[1] Increase in new loan production for Ibercaja Standalone

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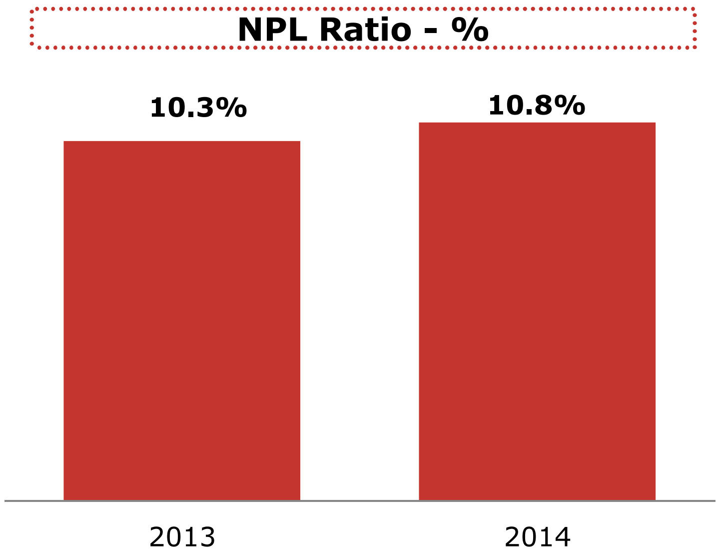
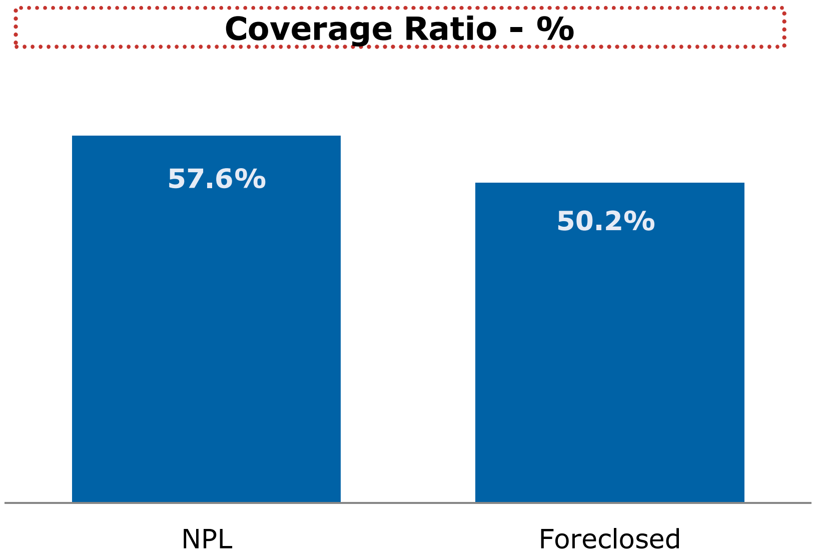
Asset Quality (1/3)

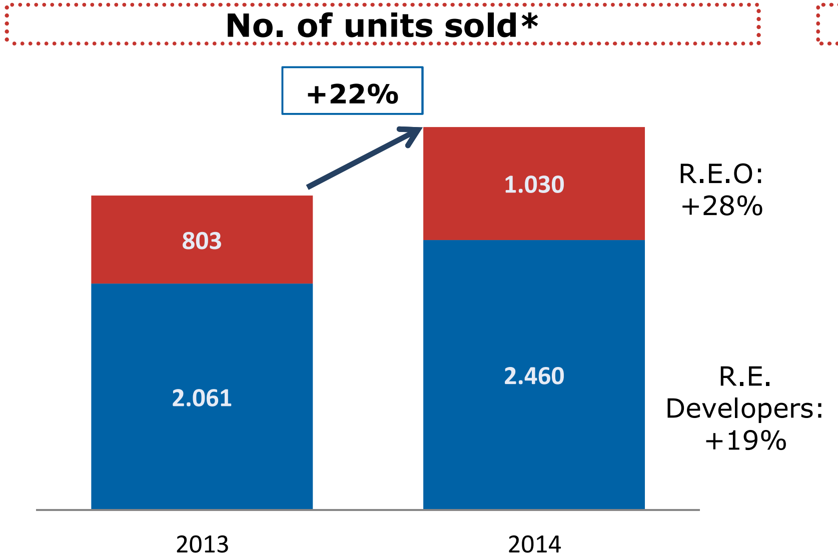
- **NPL ratio of 10.78%.** Ibercaja NPL ratio is 15% lower than the sector while maintaining one of the highest coverage levels.
  - Mortgage NPL ratio is 3.8%, one of the lowest in the Spanish financial sector
- NPL assets decrease 3% YoY or €118mm, marking the first year since the beginning of the crisis with reduction in NPL.

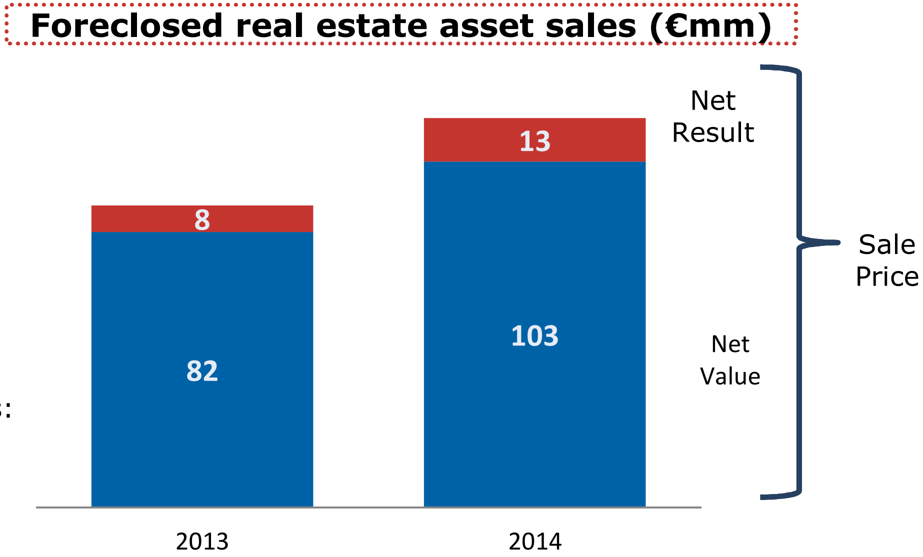




Asset Quality (2/3)

- **Real estate sales (owned and from third parties) rise 22% YoY. to 3,490 units.**
  - Sales of foreclosed assets have so far resulted in recovery of provisions (€13mm).

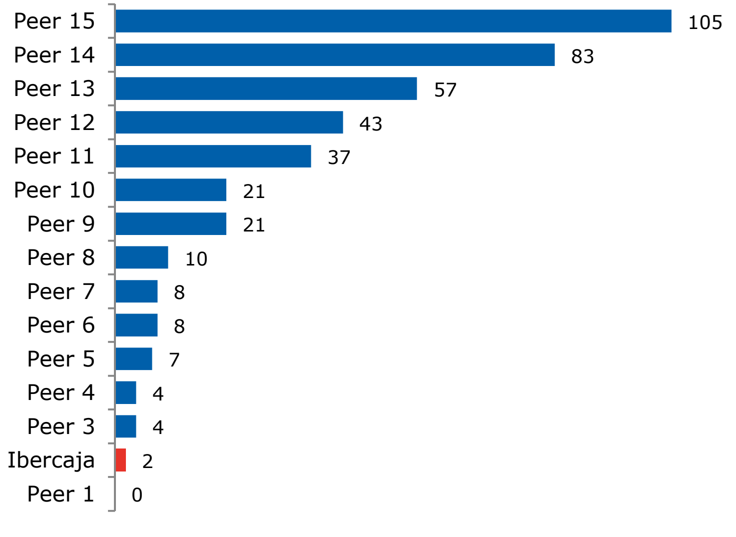




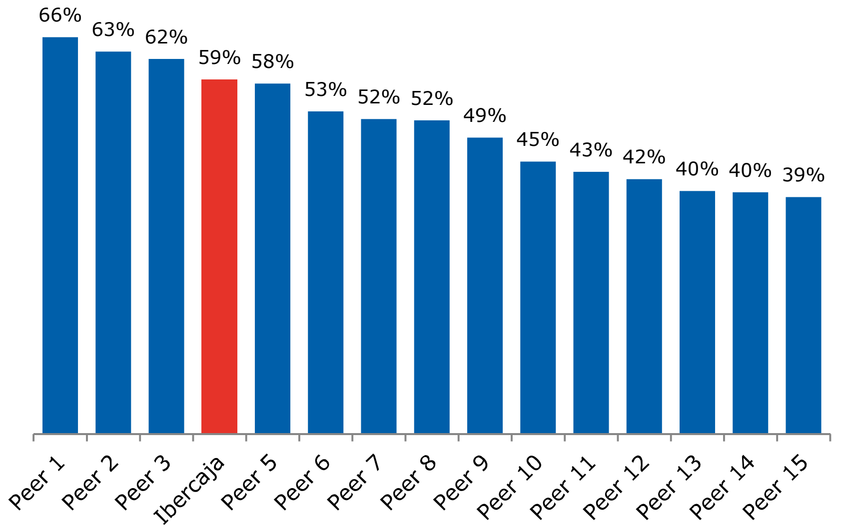
Asset Quality (3/3)

- **European AQR highlighted the quality of Ibercaja Banco loan portfolio, its high standards of provisioning and its strict policy for categorising and identifying risks within its portfolio.**
  - AQR additional provisions were irrelevant and accounted for net €4.9mm, or 0.05% of the revised portfolio. This meant a CET1 ratio adjustment of just 2 b.p., being the average adjustment for the Spanish sector of 14 b.p.
  - Ibercaja has one of the highest provisioning levels in the Spanish financial sector.

AQR Impact - CET1 b.p.



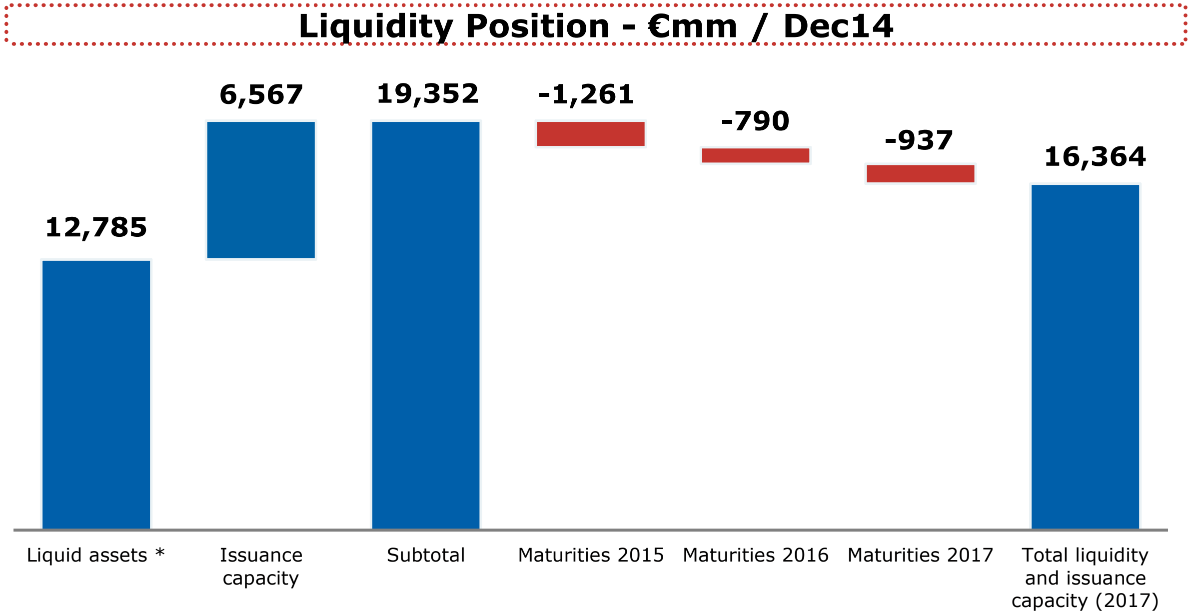
Coverage Ratio



Source: ECB/EBA

Liquidity and Solvency (1/4)

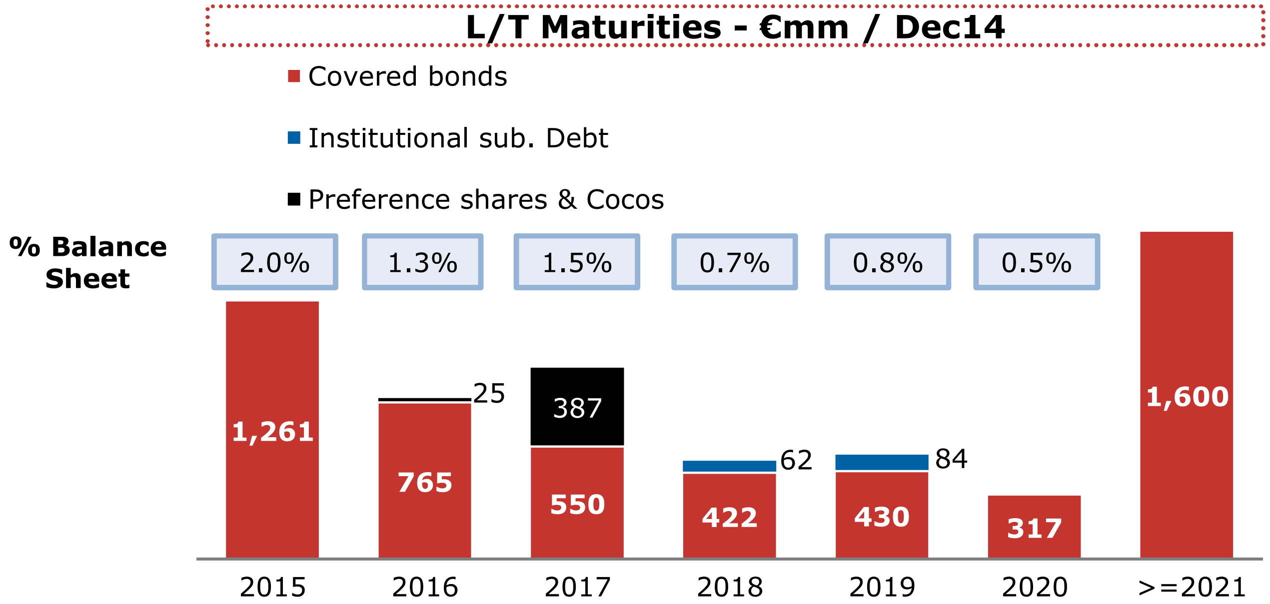
- **Ibercaja Banco benefits from a comfortable liquidity position.**
  - Liquid assets stood at over €12,700mm, which represent 20% of the total assets.
- **LCR and NSFR of 424% and 109% respectively.**
- **The LTD ratio stands at 91%.**



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

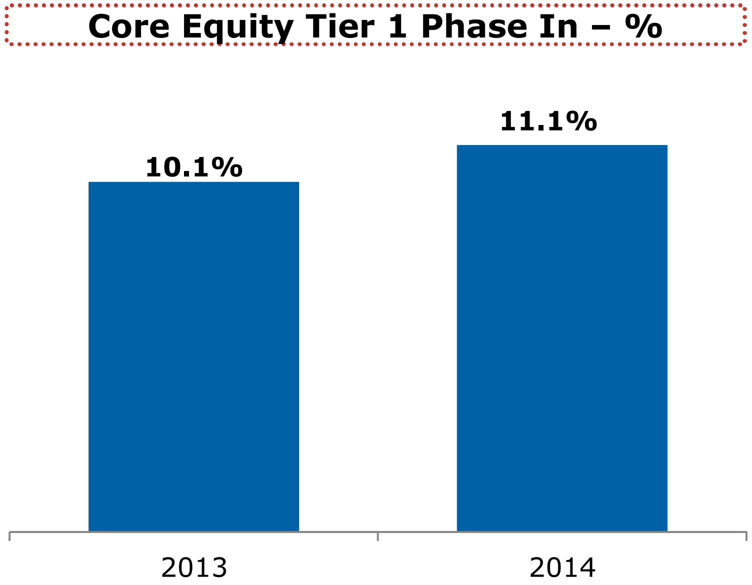
Liquidity and Solvency (2/4)

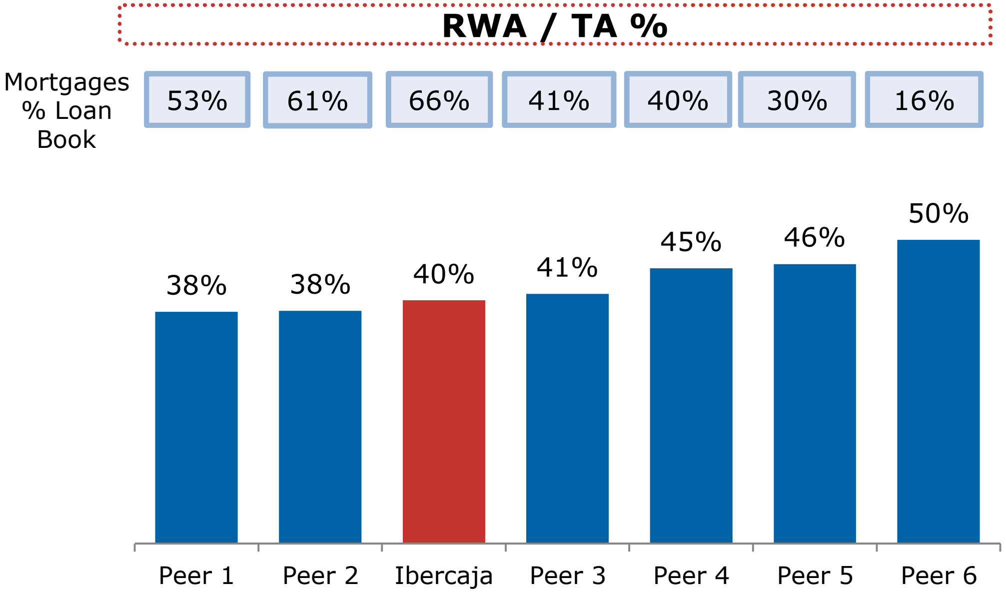
- **Maturities are well diversified, with no significant concentration.**
- Short-term funding 100% collateralised.



Liquidity and Solvency (3/4)

- **CET1 Phase-In ratio: 11.13%[1] (Dec14).**
- **CET1 Fully Loaded ratio: 9.62%[2] (Dec14).**
- **High density of RWA (standardised approach)**





[1] Including €407mm CoCos;not including unrealized AFS gains
[2] Not including CoCos; including unrealized AFS gains

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Liquidity and Solvency (4/4)

Solvency – ECB Stress Test		
	Base Scenario	**Adverse Scenario**
CET 1 phased-in (CRDIV/CRR Dec-13)	10.03%	10.03%
AQR Impact	**-2 b.p.**	**-2 b.p.**
Capital ratio after AQR	10.01%	10.01%
Stress Test Impact	**+56 b.p.**	**-213 b.p.**
CET 1 phased-in (CRDIV/CRR dec-16)	10.57%	7.88%
Capital surplus (€mm)	**694**	**657**

- **Ibercaja, under both scenarios, had a capital ratio that exceeded in more than two percentage points the minimum requirements, being such excess superior to €600mm of equity.**

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2014 Results

mm€	2013[1]	2014	Var. i.a.
Net Interest Income	**715**	**699**	**-2.2%**
Net Fee Income	302	316	4.5%
Trading Income	228	425	86.7%
Other Operating Inc. / Exp. (Net)	-91	-30	-67.3%
Gross Operating Income	**1,154**	**1,410**	**22.2%**
Operating Costs	-730	-789	8.0%
Pre Provision Profit	**424**	**621**	**46.7%**
Total Provisions	-572	-432	-24.8%
Other Gains and Losses	23	26	11.7%
Profit Before Taxes	**-125**	**215**	**n/a**
Taxes & Minorities	62	-64	n/a
Net Profit Attributable to Shareholders	**-63**	**151**	**n/a**

[1] Pro-forma information for comparison purposes, includes 12 months for Cajatres and DGF effect

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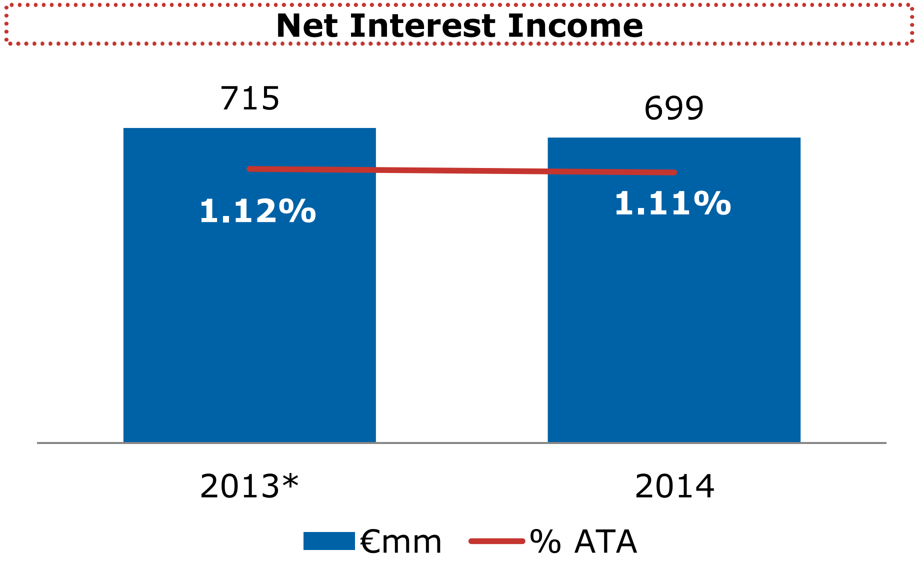
Net Interest Income



- **Net interest income has stabilised during the year.** The deposit cost reduction is offset by lower Euribor and deleveraging.

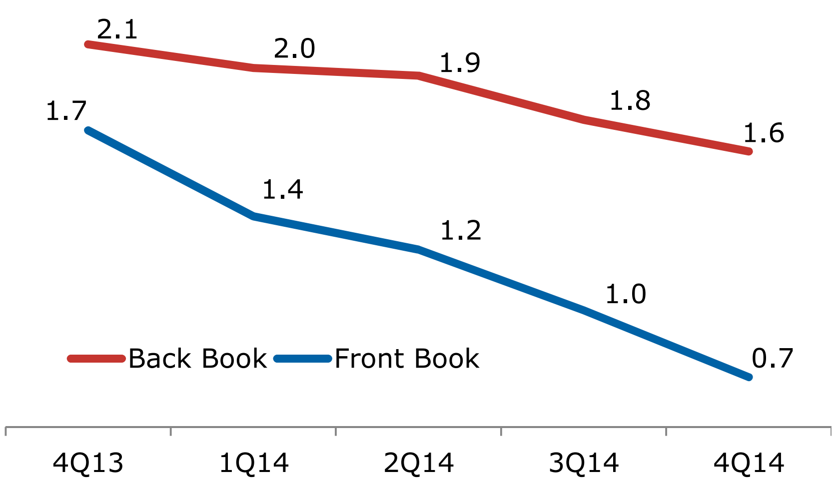
* Pro-forma information for comparison purposes,

Margin Evolution (1/2)

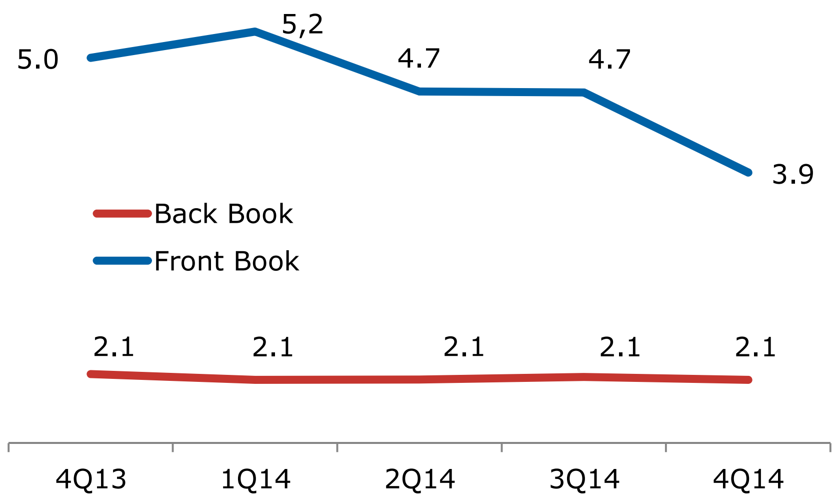
- **The repricing of time deposits represents a significant revenue opportunity for the next 12 months.**
  - In March 2015, cost of new time deposits has fallen below 0.5%

- **Loan pricing for new operations is significantly above the current portfolio.**
  - Back book loan yield has remained stable in spite of falling Euribor

Time Deposits Cost - %



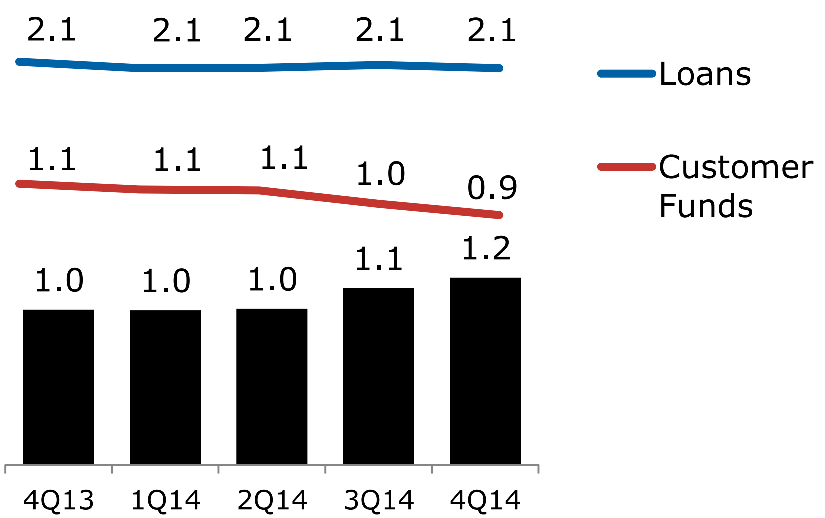
Loan Yield - %



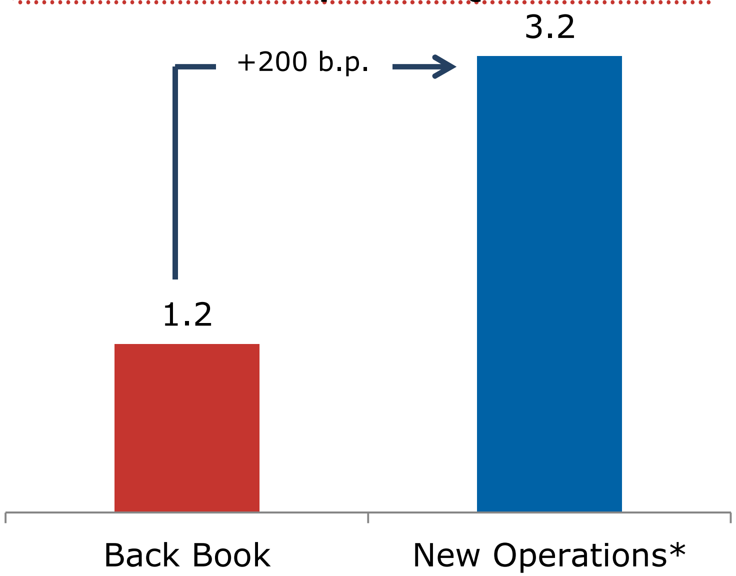
Margin Evolution (2/2)

- **Customer spread has turned the corner.** The reduction in time deposits costs is the main driver for the 20 basis points improvement.
- New operations have a significant higher customer spread and will positively impact the NII in coming quarters

Customer Spread - %



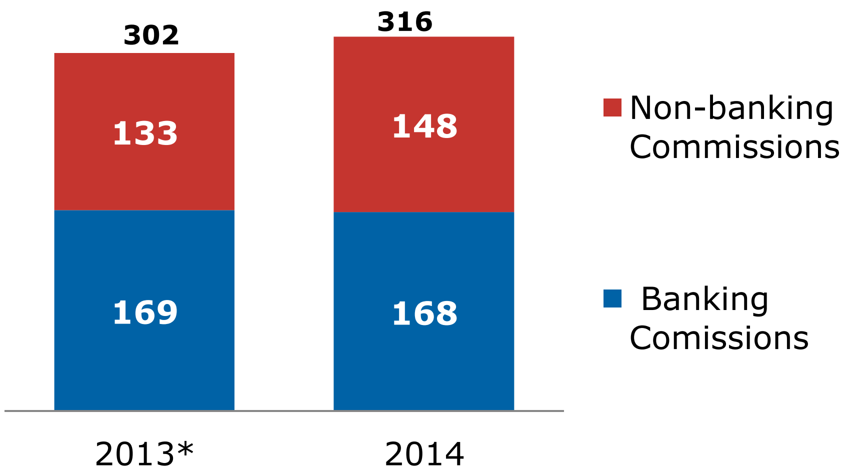
Customer Spread 4Q14 – %



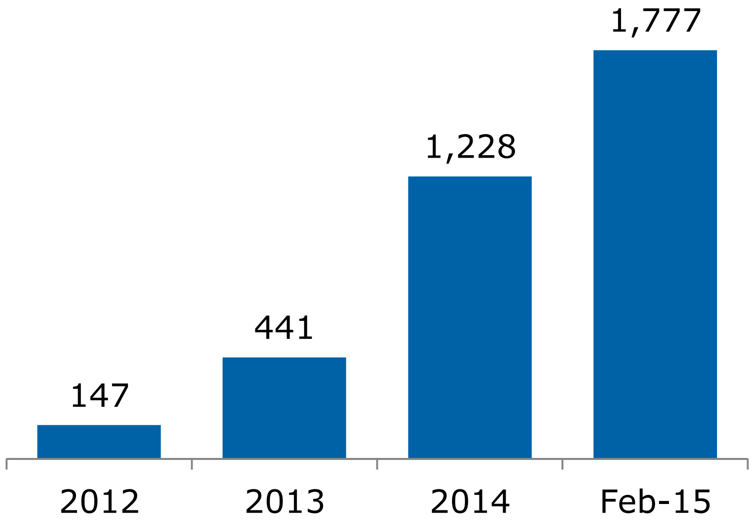
* Loan yield – time deposit cost for new operations in the quarter

Net Fee Income

Net Fee Income – €mm



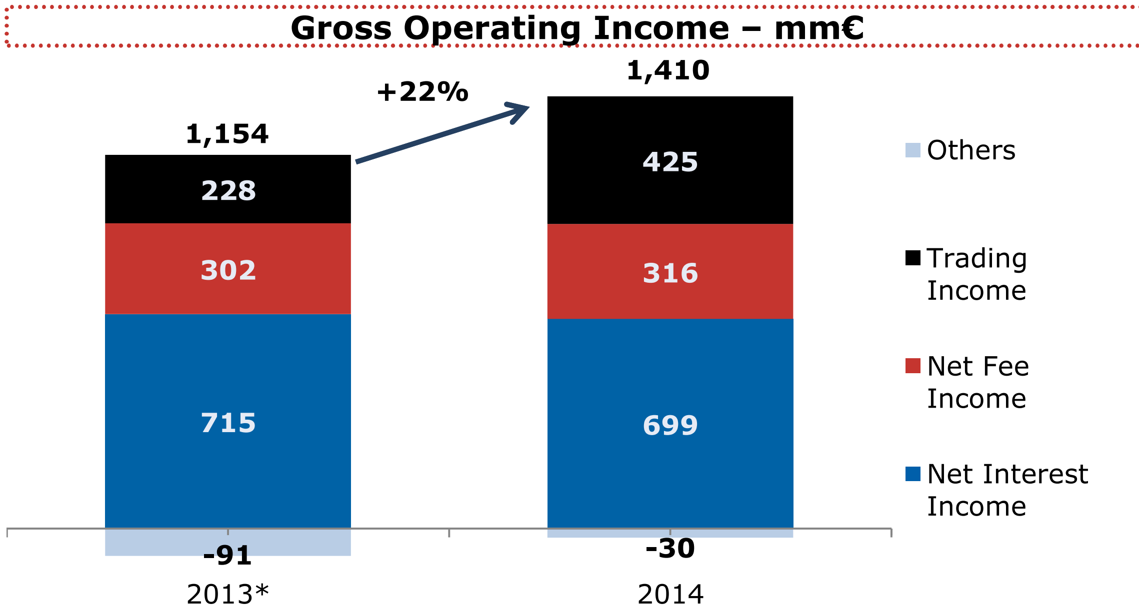
Managed Accounts - €mm volume



- **Sound growth in net fee income (+4.5% YoY)** driven by non banking commissions (+11.5%).
- Banking commissions (-1%) are affected by lower activity levels and regulation changes.

* Pro-forma information for comparison purposes,

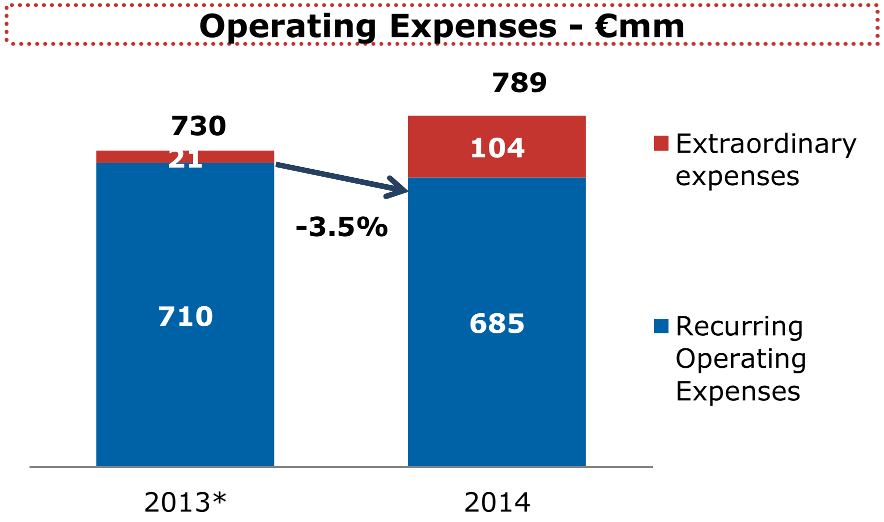
Gross Operating Income

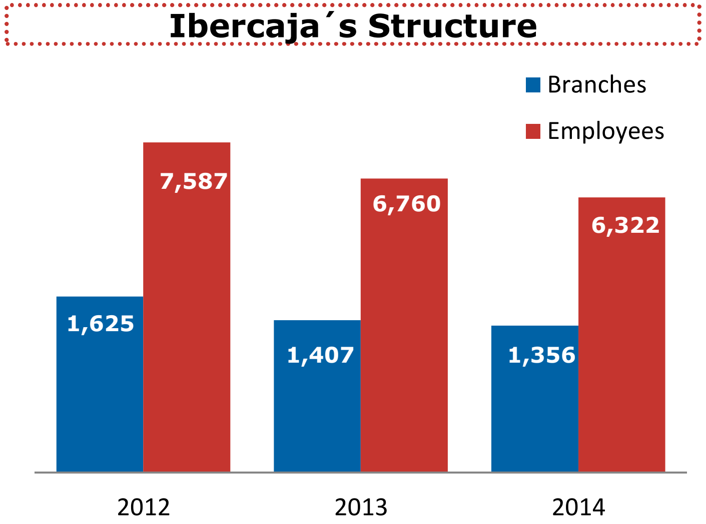


- **Strong growth in Gross Operating Income (+22% YoY) due to:**
  - Trading income of €425mm, related to ALCO portfolio sale in June. The results of the sale has been allocated to a new redundancy program and to increase the provisioning levels.
  - Good performance in net fee income.
  - The extraordinary payment to DGF in 2013 (€55mm included in “others”).

* Pro-forma information for comparison purposes,

Operating Expenses

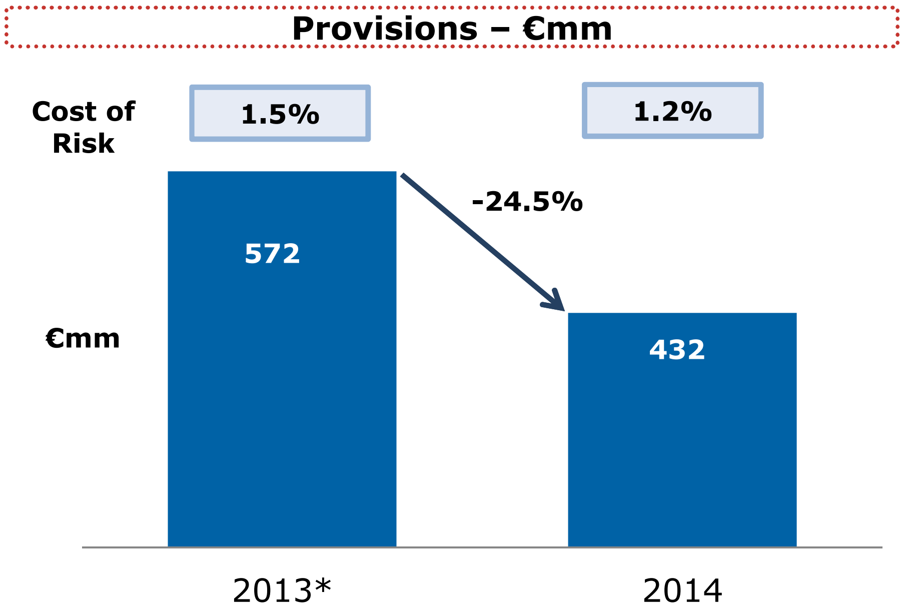




- Total operating expenses increase 8% YoY. Excluding extraordinary items, **total operating expenses drop 3.5%.**
- Since 2012, **a 17% reduction in headcount/branches has already been implemented.**
  - Extraordinary expenses in 2014 already include the new redundancy plan expected to be approved in 1H2015 (up to 375 employees).

* Pro-forma information for comparison purposes,

Provisions and Net Profit



- **Total provisions fall 24.5% to €432mm.**
  - Cost of risk of 1.2% is above normalised levels due to extraordinary provisions in the 4th quarter.
- **Ibercaja returns to positive net profit (€151mm) after strong provisioning effort in the last two years.**
- **Net Profit completely aimed to reinforcing solvency ratios.**

* Pro-forma information for comparison purposes

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