

2015 RESULTS

March 8th, 2016

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Main Highligths

- - Commercial Activity
- 2015 Results
- Asset Quality, Liquidity and Solvency

Final Remarks



Main Highligths

Increase of Commercial Activity

Mutual Funds AUM: +18.1% YoY

New Lending Production: +51% YoY

Stable SME Loan Stock: -0.3% YoY

Improvement of Asset Quality

Doubtful Loans: -21% YoY

NPL Ratio: 8.95% (-183 b.p. YoY) 12% below sector average

2nd Consecutive quarter of falling in foreclosed assets

Improvement of Recurring Results

Net Profit: €84mm

Fee Income: +5.6% YoY

Operating Expenses:-16.8% YoY (-5.6% recurring expenses)

Total Provisions: -32% YoY

Reinforcement of Solvency

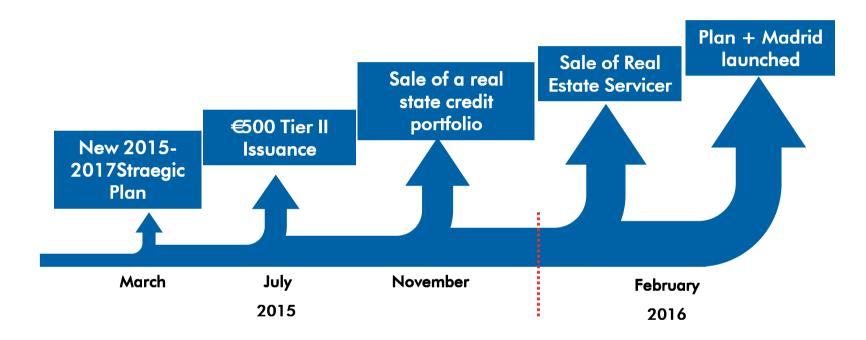
CET1 Phased-In 11.95%, +82 b.p. YoY

270 basis points over SREP requirement

€500mm Tier II issuance



Strategic Milestones in the Last 12 Months



Over the last 12 months, Ibercaja Banco has made strategic progress allowing for an improvement of its solvency, asset quality and commercial approach.



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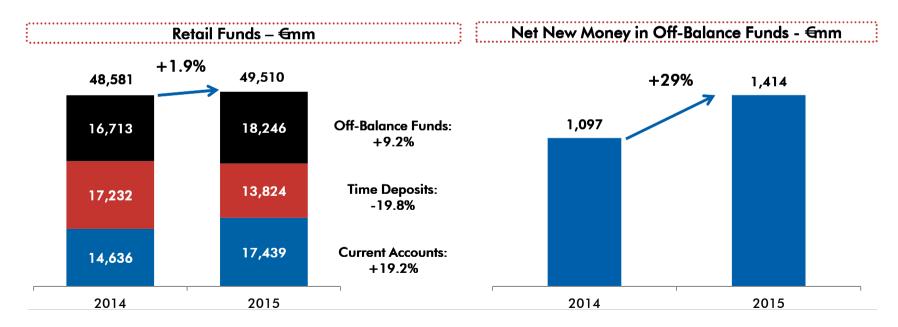
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Retail Funds (1/2)

Total retail funds increase €928mm or 1.9% YoY

- Improvement of retail funds mix: current accounts and off-balance sheet funds represent 72% of total retail funds vs. 65% in 2014.
- Net new money in off balance products exceeds €1,400mm, reaching historic levels for the Bank.

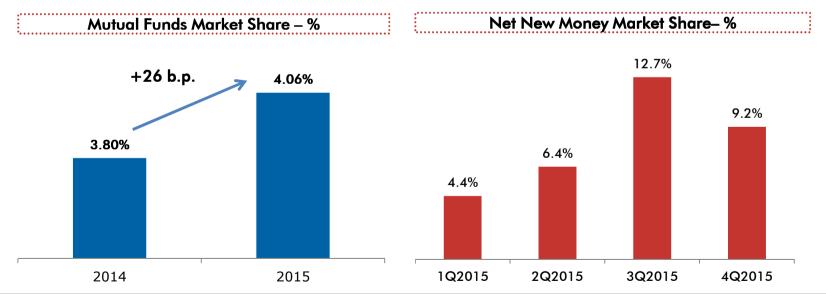




Retail Funds (2/2)

Mutual Funds keep showing a differential performance:

- Over 62,000 clients have subscribed to Ibercaja's managed account services. Assets under management in this service exceed €2.9bn, +136% vs. 2014 and drive the increase in market share.
- 6% of market share in new money in 2015, well above overall AUM market share.



Source: Inverco



Customer Loans (1/3)

- Deleveraging still taking place (-4.5%).
 - Excluding real estate loans, loan portfolio evolution is -2.1% YoY.
 - Loans to non-real estate companies remain stable YoY.

Loan Portfolio Evolution – €mm

	2014	2015	YoY
Loans to Individuals	24,979	23,783	-4.8%
Mortgages	23,685	22,507	-5.0%
Consumer & Others	1,294	1,276	-1.4%
Loans to SME/Corporate	10,016	9,065	-9.5%
Real Estate	3,406	2,473	-27.4%
Non-Real Estate	6,609	6,592	-0.3%
Public Sector & Others	1,066	1,058	-0.7%
Reverse Repo	0	544	n/a
Total Gross Loans	36,061	34,449	-4.5%

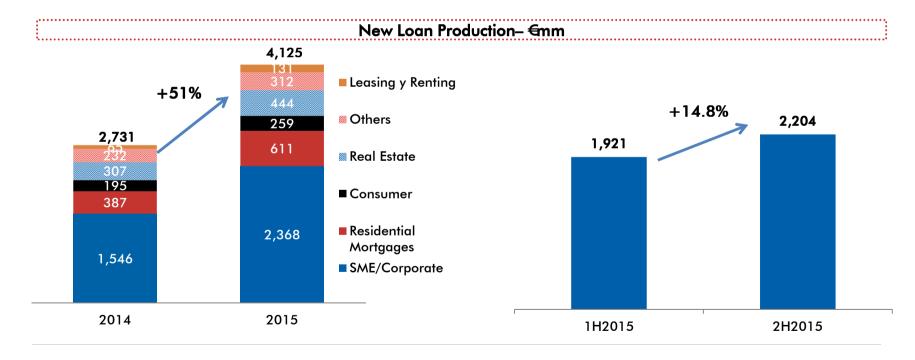
Normal Loans: -2.5%

Doubtful Loans: -21%



Customer Loans (2/3)

- New lending production reaches the €4bn target for 2015 and increases 51% YoY.
 - SME new loan production accounts for 57% of total new lending.
 - New loan production accelerates in the second half of the year.

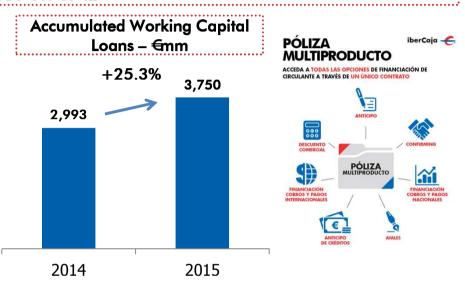




Customer Loans (3/3)

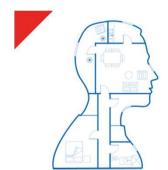
Focus on SME

- Excellent evolution in working capital loans.
- 419 specialised employees in SME. In 2015 there will be more than 500.
- Over 2,700 new SME clients in 2015.



Focus on Mortgages

- New inititatives in mortgage lending, including fixed-rate products.
- 2016 target is to double the new lending production in mortgages.



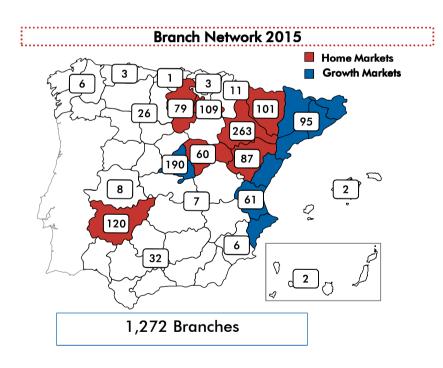






Main Markets Evolution

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



Growth in Madrid and Mediterranean Basin

Account for 80% of grow in retail funds.

Represent 49% of new loan production.

+16.6% in SME loans (reaching €1.7bn).

Home Markets Soundness

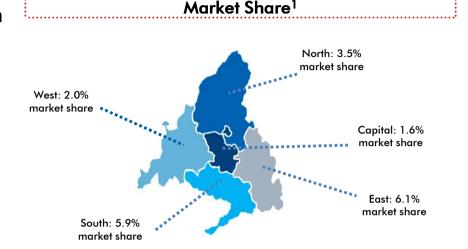
-14% branches reduction in Aragón in 2015 thanks to synergies stemming from the Cajatres acquistion, while increasing retail funds by 0.5% YoY.



Strategic Focus in Madrid: «Plan + Madrid» (1/2)

- Well-established position in Madrid:
 - Madrid represents the second most important market in business volume.
 - ✓ 450,000 clients.
 - ✓ €13.6bn business volume

 - ☑ Proven ability to compete.



Top Markets	Population	Market Share – Branches	Market Share - Business ¹
Móstoles	>200.000	5.4%	6.5%
Leganés	>185.000	6.5%	6.3%
Alcorcón	>170.000	6.2%	5.9%
Torrejón de Ardoz	>130.000	6.3%	6.5%
Coslada y San Fernando de Henares	>130.000	5.2%	7.7%
Parla	>125.000	6.3%	6.4%



¹ Includes Retail banking, personal banking and SME banking with turnover up to €5mm.

Strategic Focus in Madrid: «Plan + Madrid»(2/2)

■ Ibercaja lanuches «Plan + Madrid » to strengthen its positioning in Madrid

Targets:



To increase business volume by €3.7bn¹ until 2020.

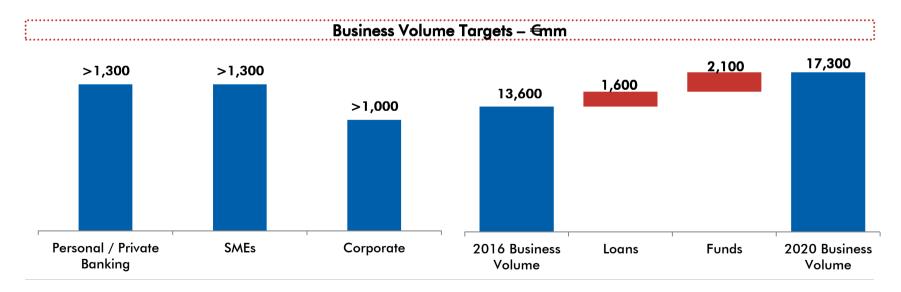
70% business volume growth to come from Personal/Private banking and SMEs.

Investment in resources:

100 new employees.

Create 5 business centers for companies and 4 new branches.

Remodel of 20 branches with new commercial procedures.







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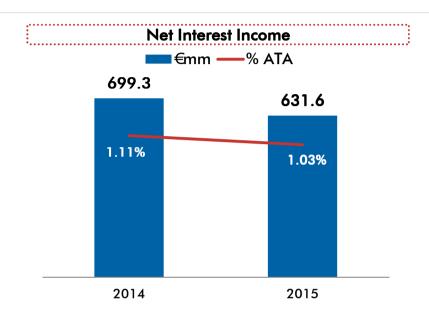


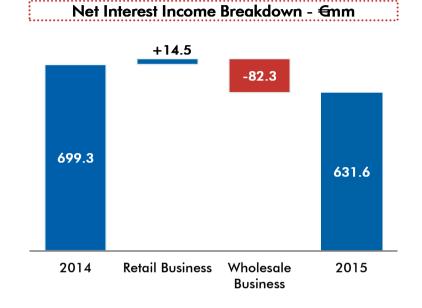
2015 Results

€mm	2014	2015	YoY
Net Interest Income	699.3	631.6	-9.7%
Net Fee Income	315.6	333.2	5.6%
Trading Income	424.9	86.1	-79.7%
Other Operating Inc. / Exp. (Net)	-29.7	-10.0	-66.5%
Gross Operating Income	1,410.2	1,040.8	-26.2%
Operating Costs	-788.9	-656.4	-16.8%
Pre-Provision Profit	621.2	384.5	-38.1%
Total Provisions	-432.2	-293.9	-32.0%
Other Gains and Losses	26.0	27.7	6.3%
Profit Before Taxes	215.1	118.2	-45.0%
Taxes & Minorities	-64.5	-34.1	-47.1%
Net Profit Attributable to Shareholders	150.7	84.1	-44.2%



Net Interest Income





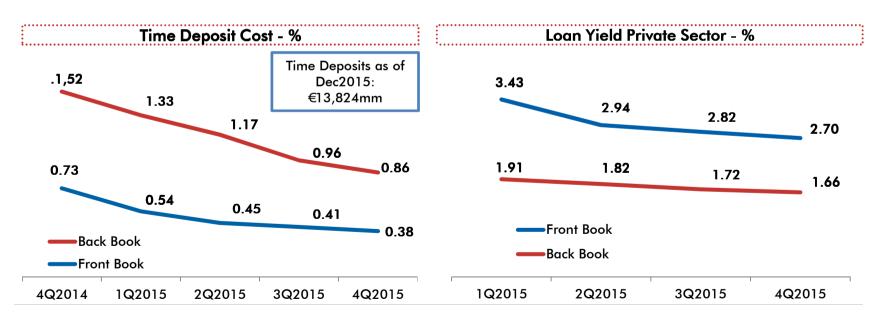
■ Net interest income decreases 9.7% YoY

- Positive growth in retail business revenue thanks to improving customer margin.
- Income reduction in wholesale business mainly related to the reduction of the fixed income portfolio and lower contribution of SAREB bonds.



Customer Margin (1/2)

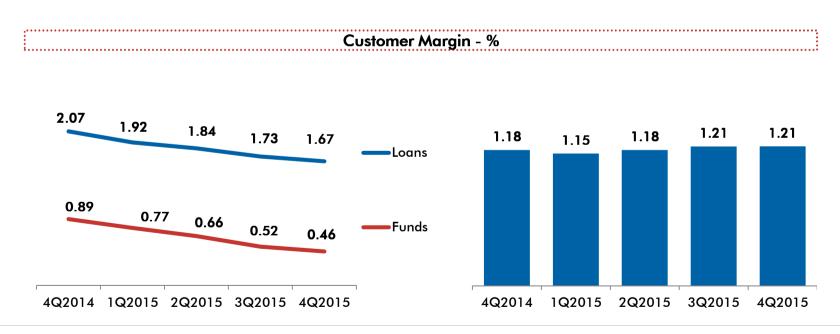
- Cost reduction in the back book of time deposits continues (-66 b.p. in 2015)
 - In December the cost of new time deposits was 0.32 b.p.
 - Potential improvement in the deposit mix: time deposits still represent 44% of total deposits.
- The fall in spreads of new lending has softened during the second half of the year. New loan yields remain significantly above those of the portfolio.





Customer Margin (2/2)

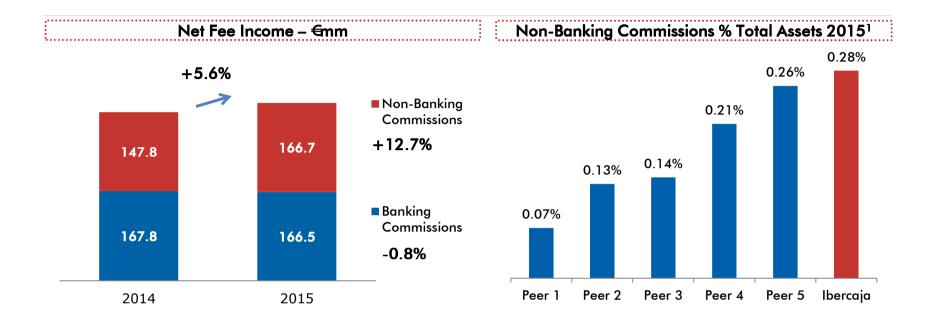
- Customer margin improves 3 basis points YoY.
 - The pressure of falling Euribor in loan portfolio has been fully offset by the reduction in the cost of customer funds.
- Customer margin of new operations¹ stands at 2.3%.



¹ Private sector front book loan yield – front book of time deposits



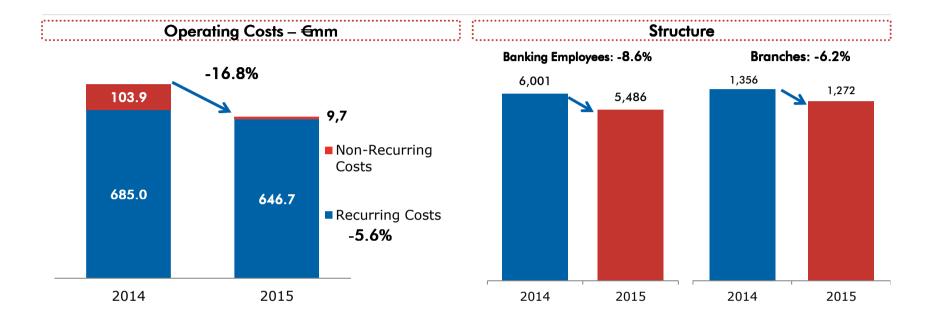
Net Fee Income



- Solid evolution of non-banking commissions (+12.7% YoY) surpassing banking commissions for the first time.
 - Ibercaja Financial Group, 100% owned by Ibercaja Banco, is a differential asset in the Spanish financial sector.



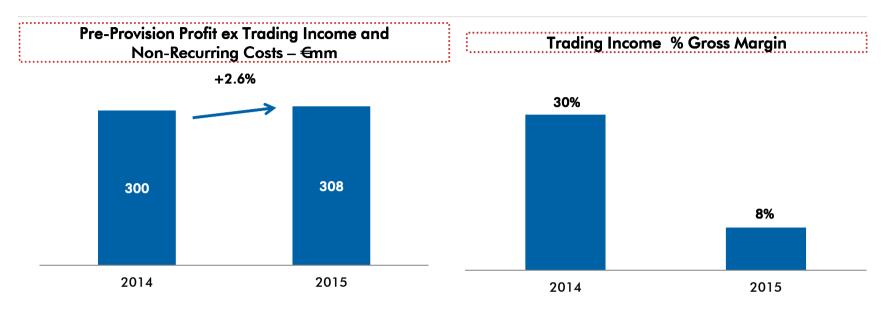
Operating Costs



- Outstanding performance of recurring costs (-5.6% YoY) thanks to the synergies stemming from Cajatres acquisition.
 - Still above the 1% over total assets target (1.1% as of 2015)
 - 80% of the workforce reduction has taken place over the second half of the year. As a consequence personnel costs should decrease by 3% in 2016.



Pre-Provision Profit

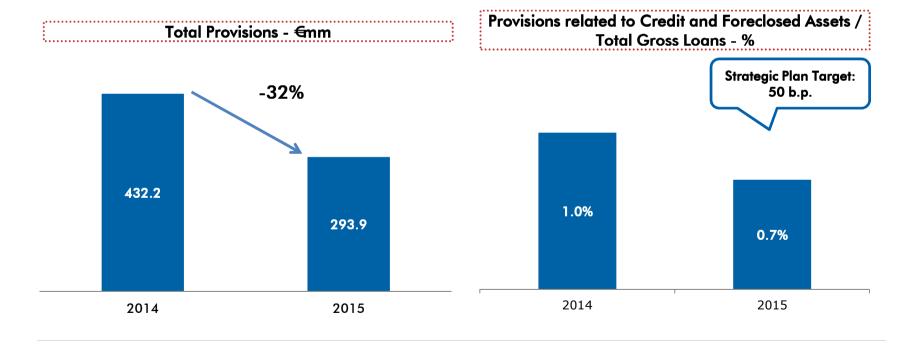


- Pre-provision profit excluding trading income and non-recurring costs increases 2.6% thanks to the growth in net fee income and recurring costs reduction.
 - Reported pre-provision profit decreases 38% due to lower trading income.
 - Ibercaja Banco improves the quality of its results with trading income representing less than 10% of Gross Margin.



Provisions

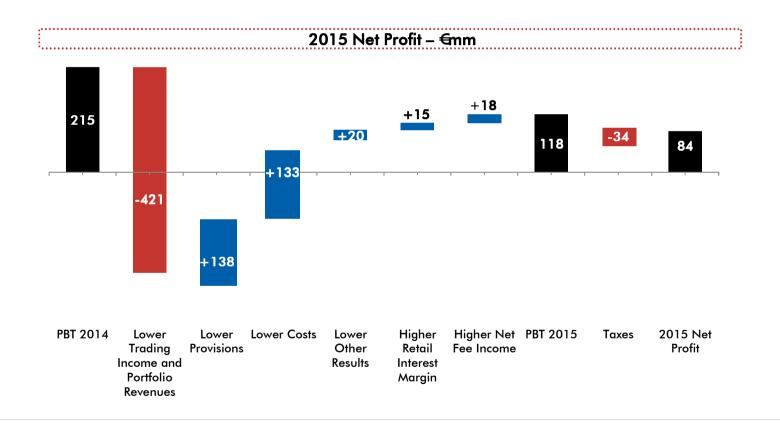
Total provisions plummet 32%, although still above the targets of the 2015-2017 Strategic Plan.





Net Profit

■ Ibercaja Banco achieves a net profit of €34mm with an improvement in the quality of the results due to lower contribution from wholesale business and the advance of the retail business.





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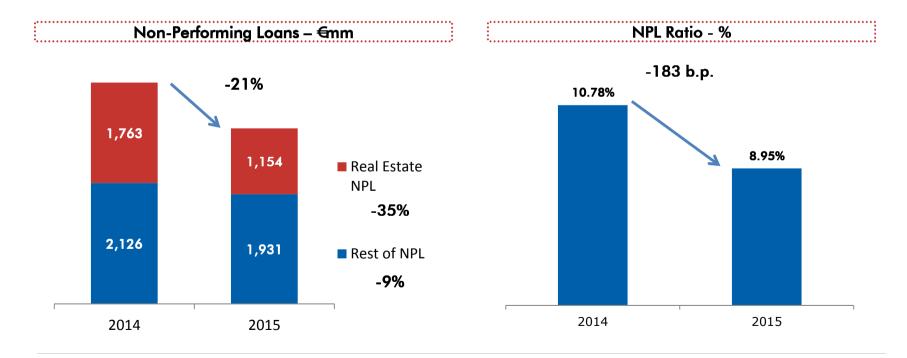
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Asset Quality (1/3)

Solid reduction of non-performing loans:

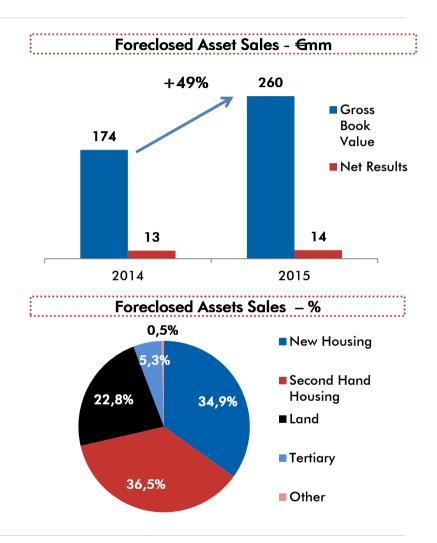
- NPL ratio falls to 8.95%, which is 12% lower than the sector average. Coverage ratio stands at 53.7%
- Gross NPL entries fall 50% in 2015.

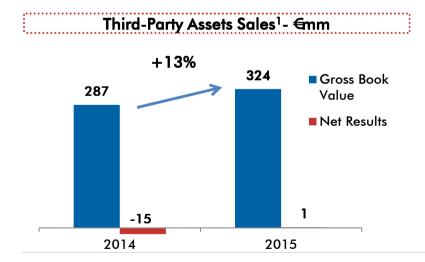




Asset Quality (2/3)

Step up in foreclosed asset and third-party asset sales, with a minimum impact on results.



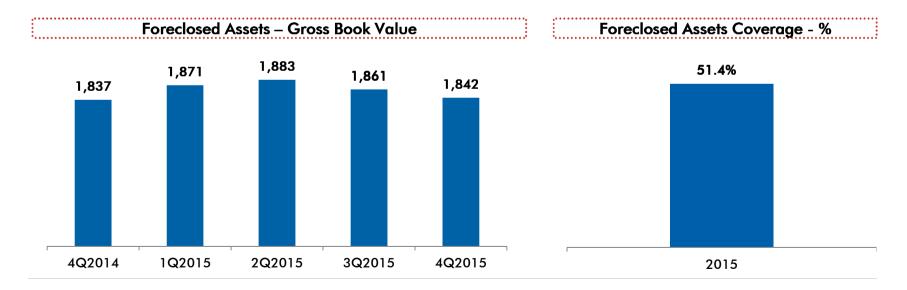


¹ Excluding the impact of Goya transaction



Asset Quality (3/3)

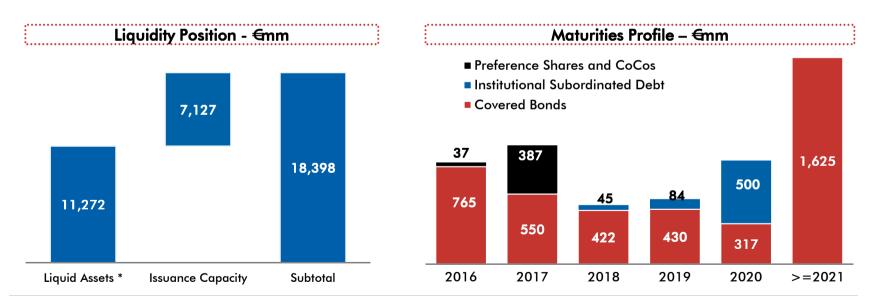
- The improvement in the real estate market and the pickup of asset sales allows for a second consecutive quarter of decreasing stock of foreclosed assets.
 - Last February, Ibercaja announced the sale of its real estate servicer subsidiary (Salduvia) to Aktua. The Bank also signed a long-term strategic alliance with Aktua. With this agreement, Ibercaja seeks to accelerate the offloading of non-performing real estate assets, allowing those resources to be used in new credit transactions.





Liquidity and Solvency (1/3)

- Comfortable liquidity position with over €11.2bn of available liquid assets (19% of total assets).
- LCR and NSFR ratios stand at 242% and 117%, respectively.
- Loan to Deposits ratio stands at 91.3%¹.
- ECB funding: €2.05bn (3.5% TA, €2.7bn YoY), 100% TLTRO.
- No significant concentration in maturities (below 1.6% of total assets every year).



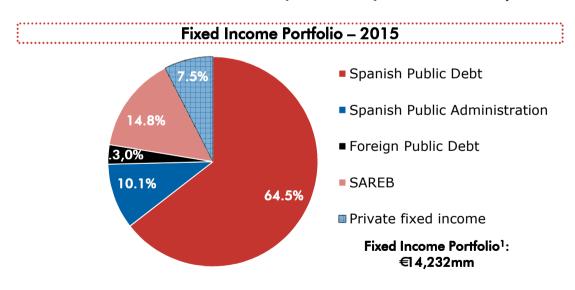
¹ 1 Net Loans ex. securitised loans / Customer deposits ex. repos + retail deposits through Financial Group + Securities distributed through the branch network.



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

Liquidity and Solvency (2/3)

- Fixed income portfolio: Low risk with focus on Spanish sovereign debt and short duration.
 - ✓ Average duration of 3.4 years and unrealised capital gains over €143mm (of which €83mm are AFS).
 - Average yield stands at 1.6%.
- Ibercaja Banco has reduced its fixed income portfolio by 11% in 2015 (- €1,770mm).

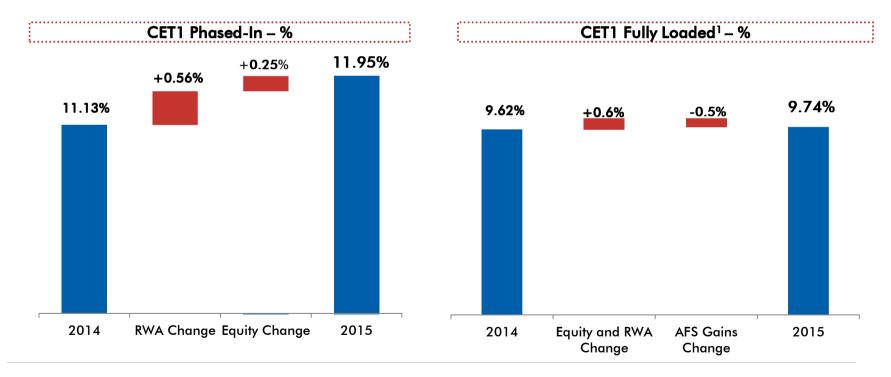


¹ Excluding capital grains from held-to-maturiy portfolio



Liquidity and Solvency (3/3)

- CET1 Phased-In Ratio: 11.95% vs. SREP requirement of 9.25%.
- Total Capital Phased-In Ratio: 14.4%.
- RWA/TA Ratio: 39.9% calculated using the standard methodology.
- Leverage Ratio: 5.2% (Phased-In).



¹ Excluding CoCos, including AFS gains



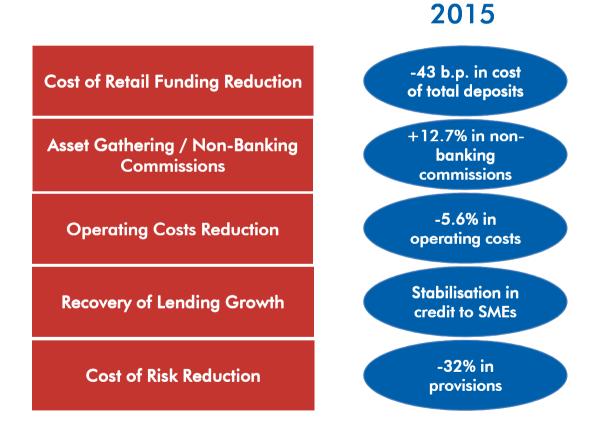
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Final Remarks

Ibercaja's Strategic Plan value drivers show a positive trend already in the first year of its implementation.



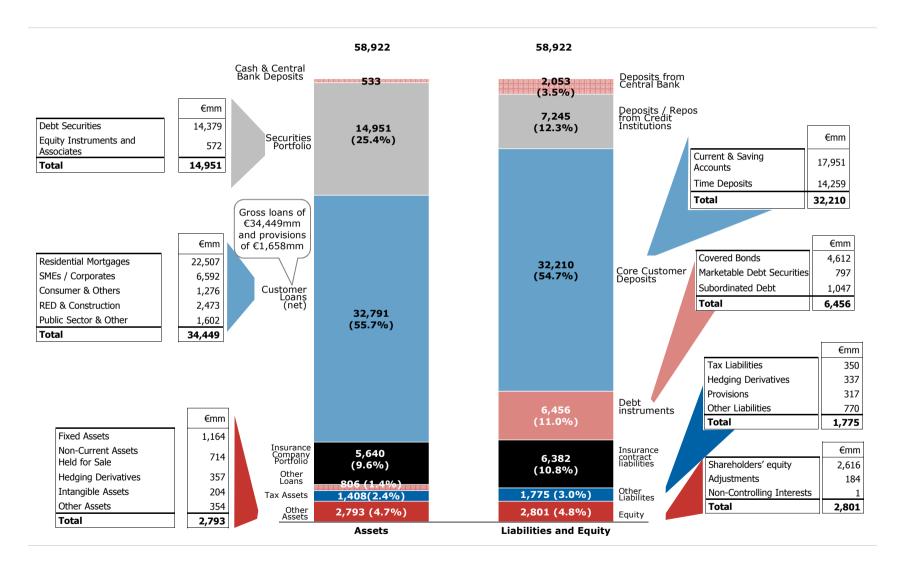




Annex 1: Consolidated Balance Sheet



Consolidated Balance Sheet







Annex 2: Sale of Real Estate Servicer

Sale of Real Estate Servicer

- Last February, Ibercaja announced the sale of its real estate servicer subsidiary (Salduvia) to Aktua. The Bank also signed a long-term strategic alliance with Aktua. This agreement includes:
 - The real estate assets that are currently on Ibercaja's balance sheet
 - Future real estate assets on Ibercaja's balance sheet or on any of its subsidiaries'
 - Marketing of other real estate assets with Ibercaja's funding
- Ibercaja Banco takes advantage of Aktua's sales network, with more than 400 employees across 30 branches around Spain.
- With this agreement, Ibercaja seeks to accelerate the offloading of non-performing real estate assets, allowing those resources to be used in new credit transactions.





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