

2017 RESULTS

MARCH 2nd 2018

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MAIN HIGHLIGHTS

COMMERCIAL ACTIVITY · RESULTS · ASSET QUALITY · SOLVENCY

MAIN HIGHLIGHTS

COMMERCIAL ACTIVITY

- » **Customer funds** rise **4.0% YoY** or €2,193mm.
- » **AuM and life insurance products** grow **9.8% YoY** or €2,293mm and account for 45% of total customer funds. Ibercaja Banco achieves a historic year in mutual funds, with record figures in net new money (€1,787mm. +22%) and in assets under management (>€12,000mm, +19%).
- » **New lending** increases **4.6% YoY** reaching €5,452mm. **Performing loans to non-public sector** fall **0.5% YoY**.
- » Ibercaja has achieved a **€18.3mm earn-out** from CASER after reaching the targets set in the Strategic Plan for the period 2013-2017.

RESULTS

- » **Recurring revenues** -net interest income + net fee income- reach a turning point and rise **2.2% YoY**.
- » **Recurring expenses** fall **0.8% YoY**.
- » **Recurring profits before provisions** rise **9.9% YoY**.
- » **Total provisions** drop **36.1% YoY**.
- » Ibercaja Banco **net profit** stands at **€138.4mm**, 3.2% lower than the results achieved in 2016.

MAIN HIGHLIGHTS

ASSET QUALITY

- » **Non-performing assets** -doubtful exposures and foreclosed assets- fall **13.6% YoY** or €659mm. **NPL ratio** falls to **7.7%** (-125 b.p. vs. 2016). **NPA ratio** falls **150 b.p.** to 11.9%.
- » **Coverage ratio** of non-performing assets stands at **48%**, showing a quarterly improvement of 200 b.p.
- » **Foreclosed assets sales** rise **9.5% YoY** reaching €313mm. The bank releases €20mm of provisions as a result of these sales.

SOLVENCY

- » **CET1 Fully Loaded** improves 39 b.p. QoQ to **11.0%**. The ratio rises **87 b.p. YoY.**
- » **CET1 Phased In** stands at **11.7%** and **Total Capital Phased In** reaches **13.9%**, significantly above 2018 SREP requirements.

COMMERCIAL ACTIVITY

BANKING BUSINESS · MUTUAL FUNDS · LONG TERM SAVINGS PRODUCTS ·
BANCASSURANCE · DIGITAL TRANSFORMATION

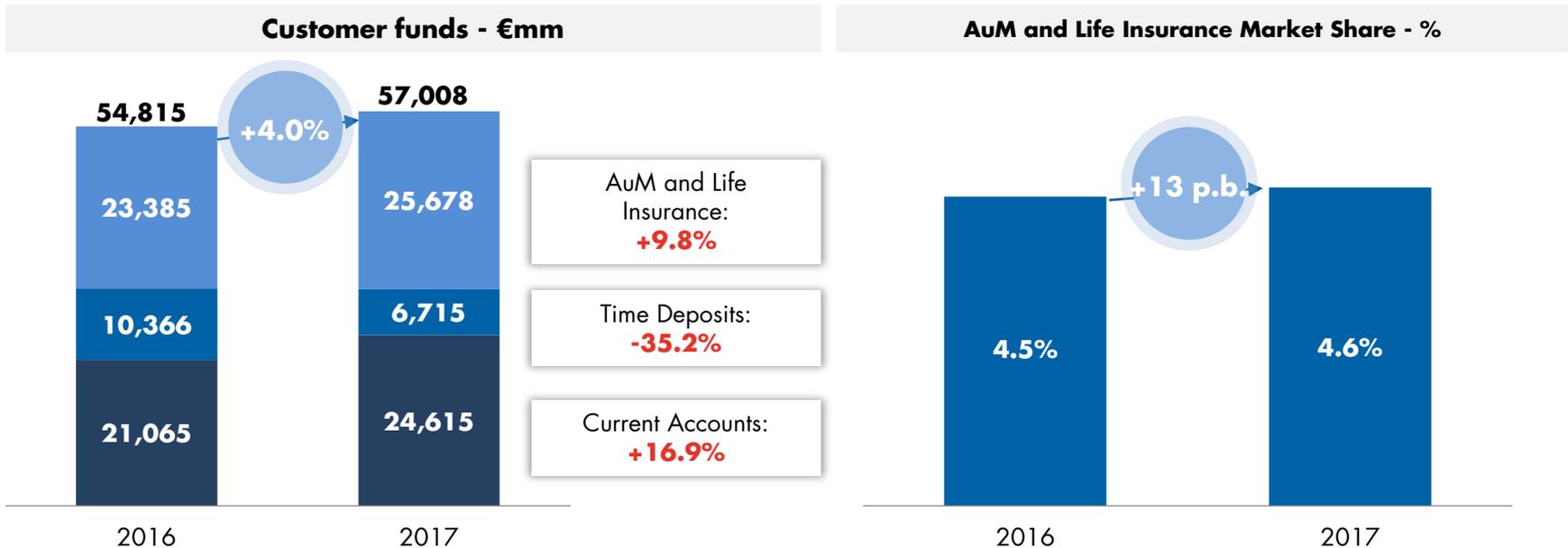
BANKING BUSINESS: CUSTOMER FUNDS

Customer funds rise 4.0% YoY or €2,193mm.

AuM and life insurance products grow 9.8% YoY or €2,293mm and account for 45% of total customer funds.

- **AuM and Life Insurance market share** improves 13 b.p. reaching **4.6%**.

Current accounts increase 16.9% YoY, representing 79% of total customer deposits.



BANKING BUSINESS: CUSTOMER LOANS (1/2)

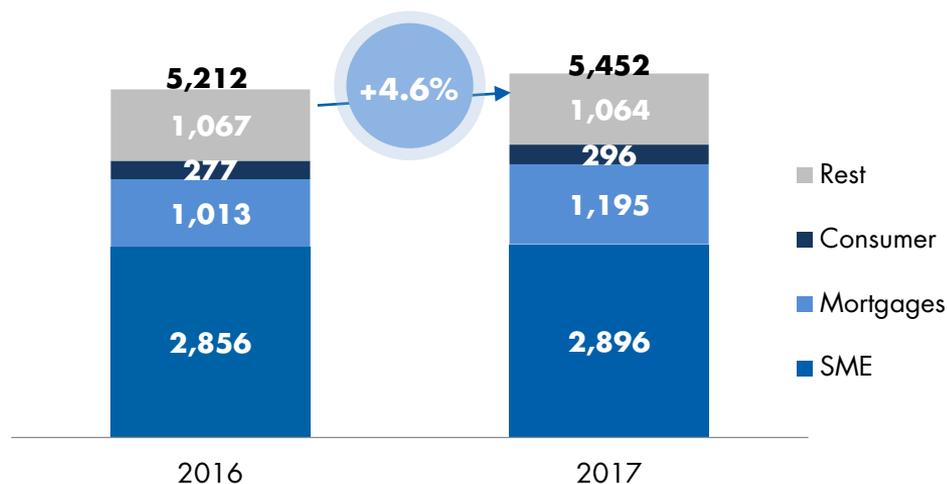
New lending reaches €5,452mm, 4.6% higher than previous year.

- **Mortgage granting** grows **18.0% YoY** reaching €1,195mm.
- **New lending in Madrid and Mediterranean Basin** increases **7.9% YoY** and account for **50%** of total new lending of the year.

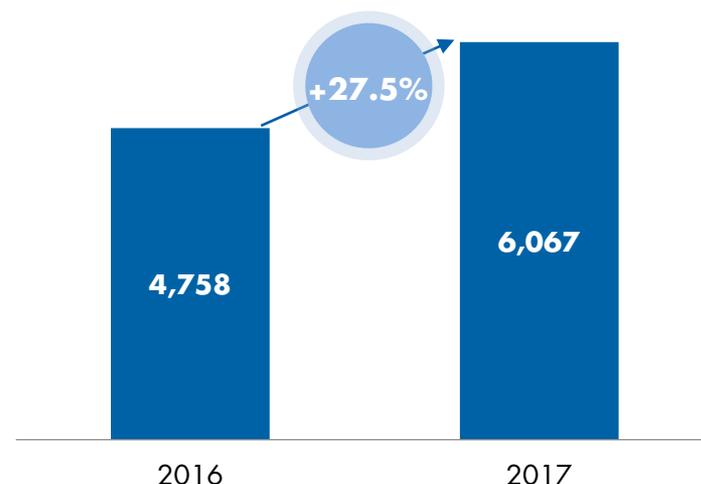
In addition, accumulated working capital financing exceeds €6,000mm, +27.5% YoY.

- **International trade financing** rise **40% YoY**.

New Lending Production¹ - €mm



Accumulated Working Capital Financing - €mm



BANKING BUSINESS: CUSTOMER LOANS (2/2)

Performing loans ex repos decrease 1.3% YoY.

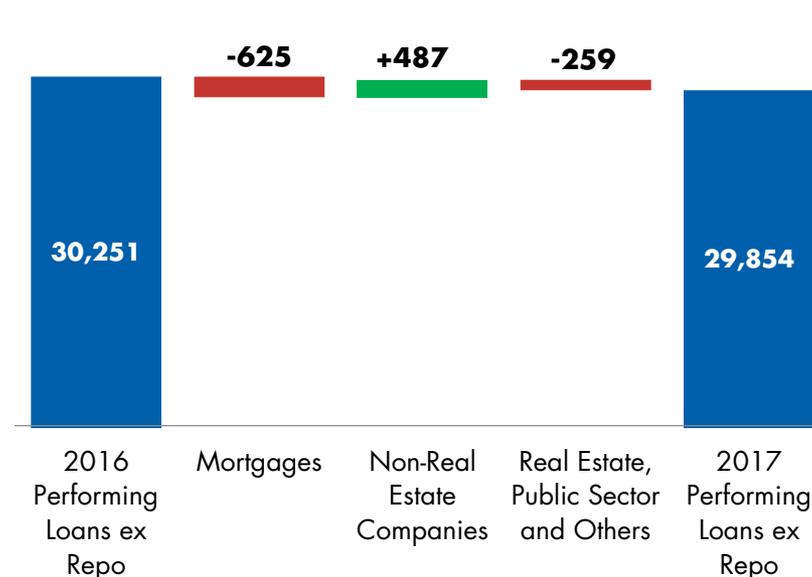
- Performing loans to non-real estate companies rise 8.4% YoY or €511mm.

Growth in loans to non-real state companies almost offsets the reduction in the stock of residential mortgages. Excluding public sector loans, performing loans fall 0.5%.

Lending Stock - €mm

	2016	2017	Var.
Loans to Individuals	22,278	21,653	-2.8%
Mortgages	21,004	20,398	-2.9%
Consumer and Others	1,274	1,255	-1.5%
Loans to Companies	6,979	7,466	7.0%
Real Estate Companies	909	884	-2.7%
Non-Real Estate Companies	6,070	6,582	8.4%
Public Sector and Others	994	735	-26.1%
Performing Loans ex Repo	30,251	29,854	-1.3%
Repo	985	981	-0.4%
Doubtful Loans	3,061	2,565	-16.2%
Total Gross Loans	34,297	33,399	-2.6%

Lending Stock Variation - €mm

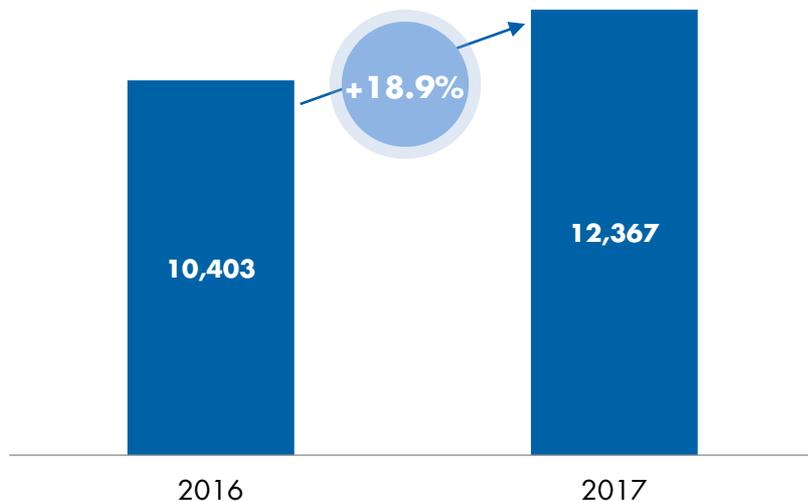


MUTUAL FUNDS

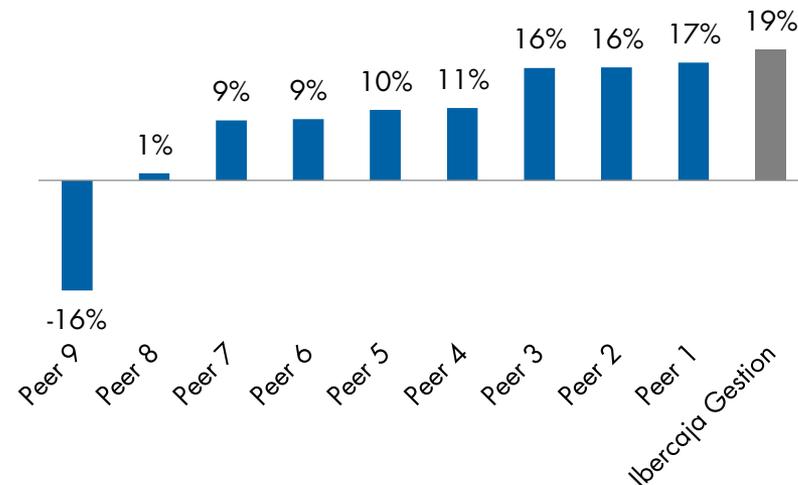
Ibercaja Banco sets a new record in mutual funds:

- **Net new money** reach €1,787mm, a **22%** increase vs. 2016.
- **Assets under management** of Ibercaja Gestión, Ibercaja Banco's fund management company, grow **18.9% YoY**. AuM exceed **€12,000mm** for the first time. Ibercaja Gestión is the fastest growing asset manager among the ten largest fund management companies of the country.
- Ibercaja Banco **market share in mutual funds** stands at **4.7%**, **27 b.p.** higher YoY.

Ibercaja Gestión Assets under Management - €mm



Top 10 Assets Managers in Spain – AuM YoY



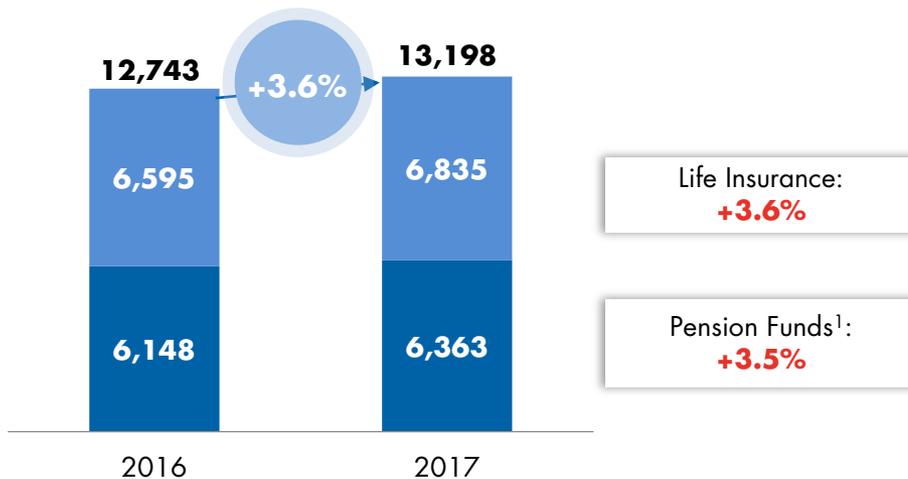
LONG TERM SAVINGS PRODUCTS: LIFE INSURANCE AND PENSION FUNDS

Pension funds & life insurance products rise 3.6% YoY.

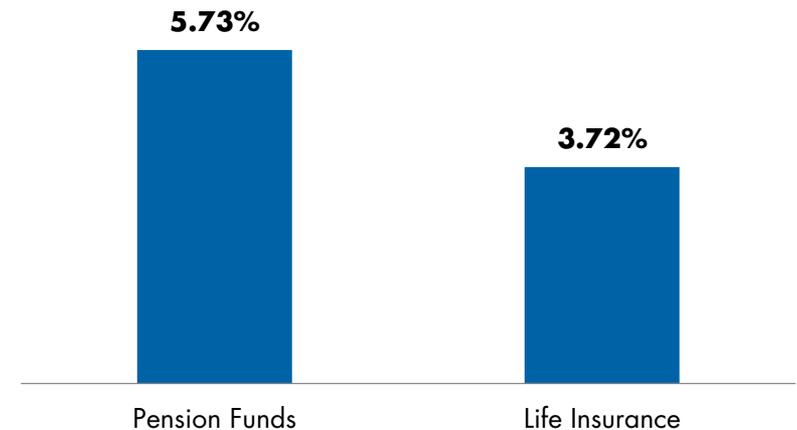
- **Individual pension plans** grow **7.9% YoY**, thanks to 17% YoY increase in gross contributions and transfers from customers. In this regard, the Entity has improved two positions in the national ranking in terms of market share (8th).
- **Provisions of systematic savings plans** increase **16% YoY**, and drive the growth in life insurance products.

Ibercaja Banco consolidates its market share in these segments, which stands significantly above its banking business market share.

Long Term Savings - €mm



Market Share - %2017



RISK INSURANCE

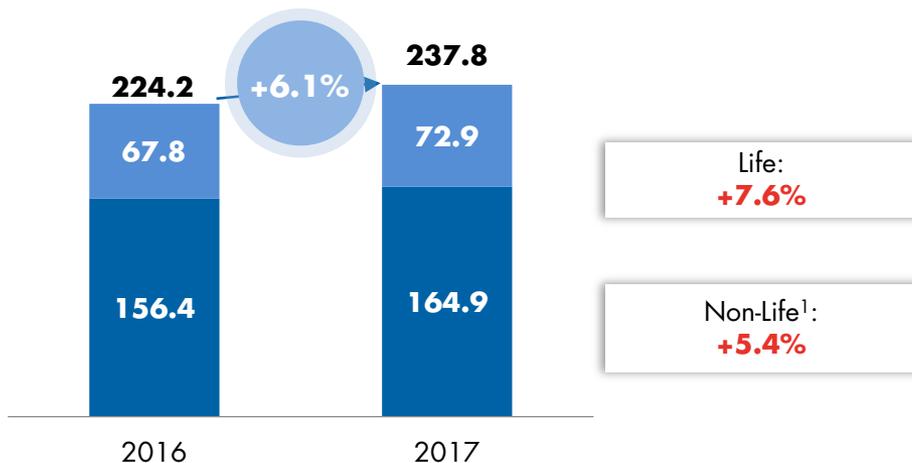
Risk insurance premiums (life risk and non-life¹) rise **6.1% YoY**.

- Remarkable progress in **health (+8.9%)** and **car (+8.1%)** insurance policies.

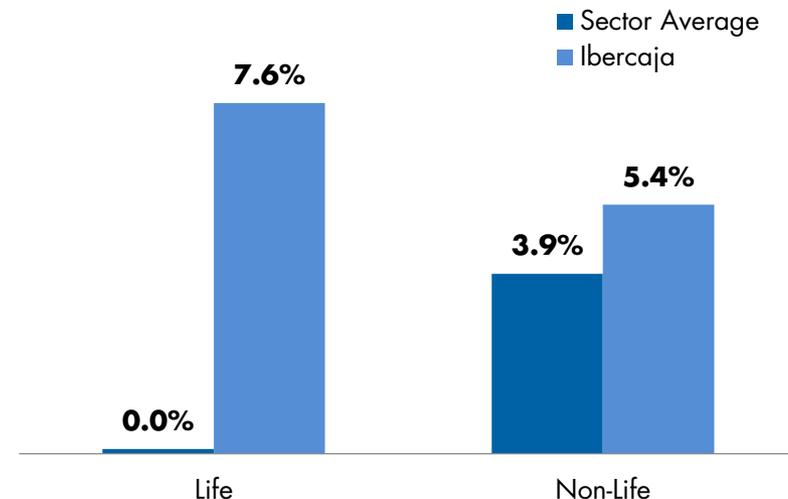
Ibercaja's growth in these products stands above the sector.

The bank has achieved a **€18.3mm** earn-out from CASER. Ibercaja has reached all the targets set in the Strategic Plan for the period 2013-2017.

Risk Insurance Premiums - €mm



Sector Performance - YoY



DIGITAL TRANSFORMATION

After a complete upgrade in 2016, Ibercaja's App has registered new improvements and shows a strong reception among users:

- Number of users has grown **62%** vs. 2016.
- It is the App with **best evolution in the sector in 2017** and ranks **4th** when considering 2017 user reviews¹.
- A **Personal Finance Management** service has been included this year in collaboration with Meniga, a Icelandic Fintech company. 

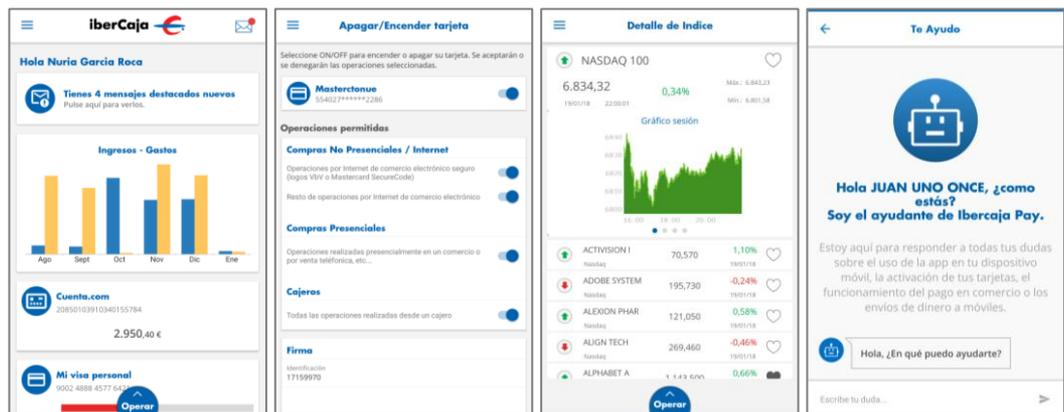
The Bank has also launched Ibercaja Pay which brings together all the bank payment services:

- This App enables payments in **physical stores** and **P2P transactions**. It includes a **chatbot** to help the users of the App.

Ibercaja App Users



Ibercaja App and Ibercaja Pay



2017 RESULTS

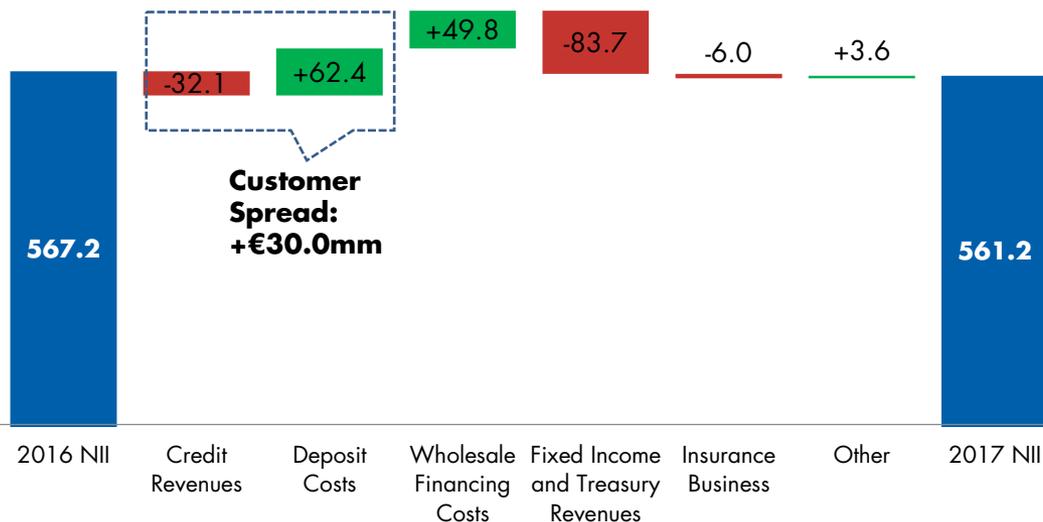
P&L ACCOUNT · NET INTEREST INCOME · CUSTOMER SPREAD · NET FEE INCOME ·
RECURRING REVENUES · OTHER OPERATING RESULTS · OPERATING COSTS · RECURRING
PROFITS BEFORE PROVISIONS · PROVISIONS

P&L ACCOUNT

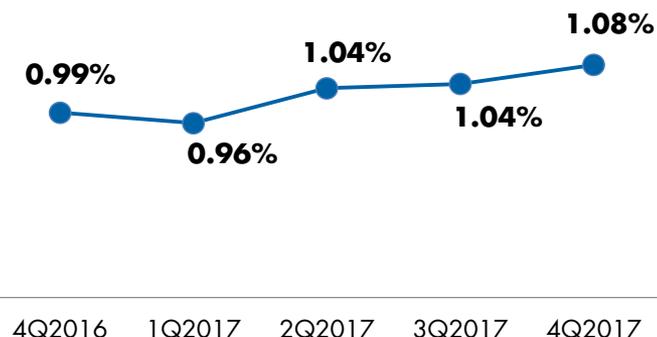
€mm	2016	2017	YoY
Net Interest Income	567.2	561.2	-1.1%
Net Fee Income	340.1	366.4	7.7%
Trading Income	169.5	152.5	-10.0%
Other Operating Inc. / Exp. (Net)	53.0	84.2	+58.8%
of which: net gain from sale of the real estate servicer	69.3		
of which: Deposit agreement and compliance of CASER Strategic Plan		98.5	
Gross Operating Income	1,129.8	1,164.2	3.0%
Operating Costs	-652.2	-719.0	10.2%
of which: 2017 redundancy plan		-71.9	
Pre-Provision Profit	477.6	445.2	-6.8%
Total Provisions	-413.1	-264.0	-36.1%
Other Gains and Losses	6.3	1.5	-76.4%
Profit before Taxes	70.8	182.7	158.2%
Taxes & Minorities	72.1	-44.4	n/a
Net Profit Attributable to Shareholders	142.9	138.4	-3.2%

NET INTEREST INCOME

Net Interest Income Breakdown - €mm



Net Interest Income - % ATA

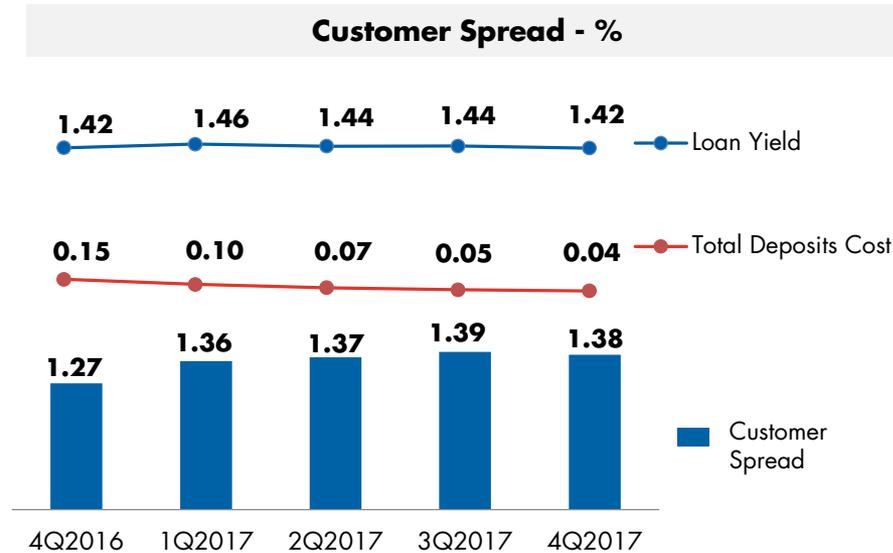


Net interest income falls 1.1% YoY.

- **Customer spread** rises **€30mm** thanks to the fall in deposits costs.
- **Wholesale financing costs** decrease **€50mm** after CoCos repayment.
- **Fixed income portfolio revenue** drop **50% YoY**. In the last quarter of the year, these revenues represent just 10% of interest income of the Bank. The fixed income portfolio has been reduced by 45.2% vs. 2016.

In quarterly terms, net interest income improves 2.2% vs 4Q2016. Net interest income as % of ATA reaches 1.08%.

CUSTOMER SPREAD

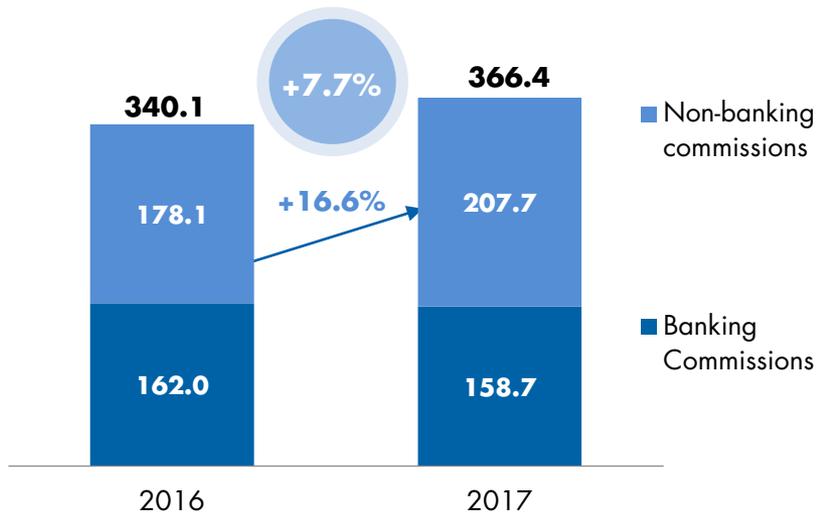


Customer spread improves 11 b.p. vs. 4Q2016.

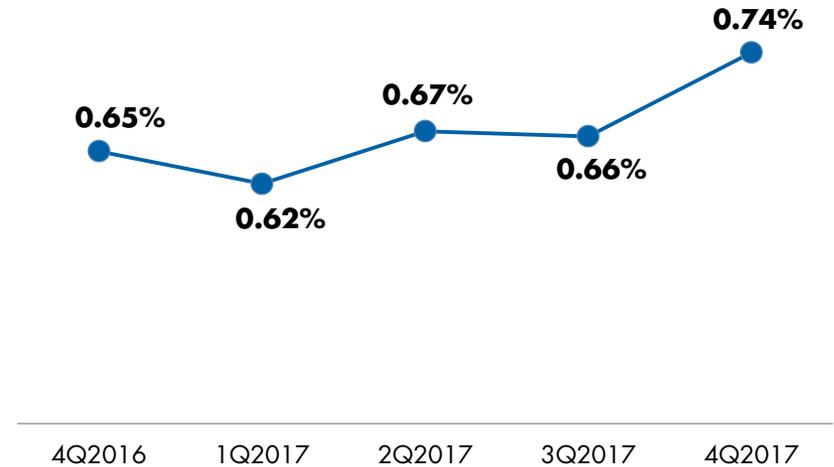
- **Loan yield** remains **stable at 1.4%** thanks to the yield of the new operations (2.4% in 4Q2017) that offsets falling Euribor (-11 b.p. YoY).
- **Total deposits cost fall 11 b.p.** thanks to the increase of current accounts as % of total deposits (79% total customer deposits) and the decline in front book time deposits cost. Cost of new time deposits stands at 5 b.p. vs. 9 p.b. of the back book.

NET FEE INCOME

Net Fee Income - €mm



Net Fee Income - % ATA

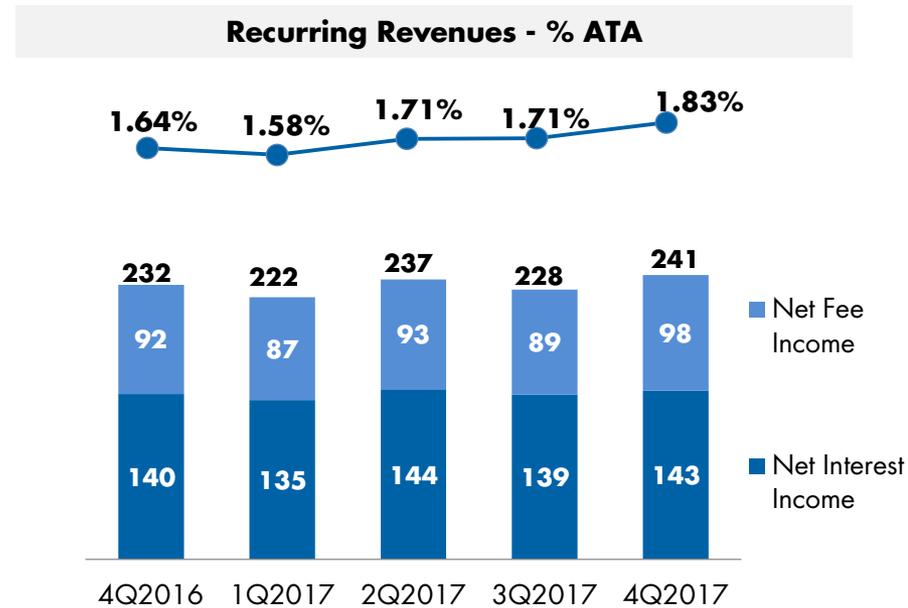
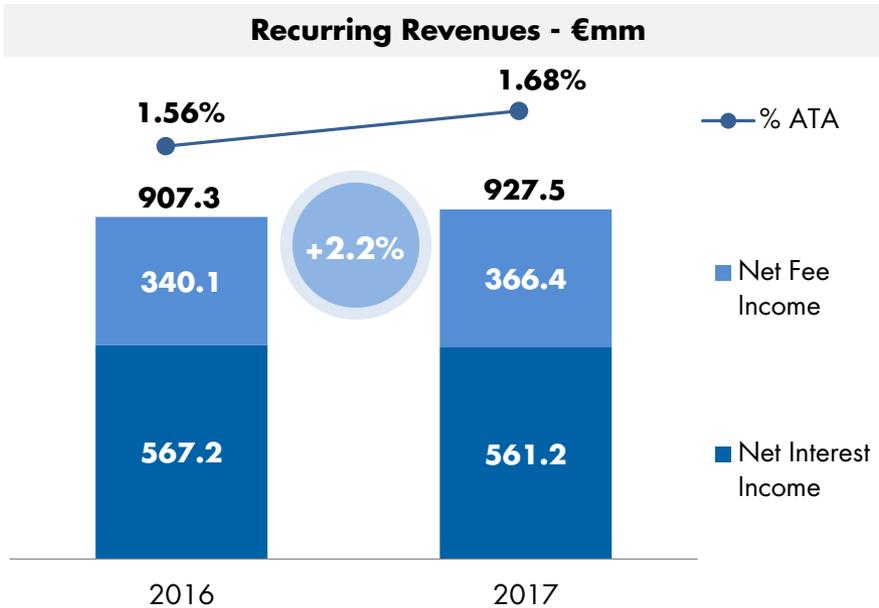


Net fee income grows 7.7% YoY.

- **Non-banking commissions** (mutual funds, risk insurance and pension funds) rise **16.6% YoY**. These commissions account for 57% of total commissions. **Mutual funds commissions** increase **21.3% YoY**.
- **Banking commissions** fall **2.0% YoY**.

In quarterly terms, net fee income grows 5.8% vs. 4Q2016. As % of ATA, net fee income improves 9 b.p. YoY.

RECURRING REVENUES (1/2)

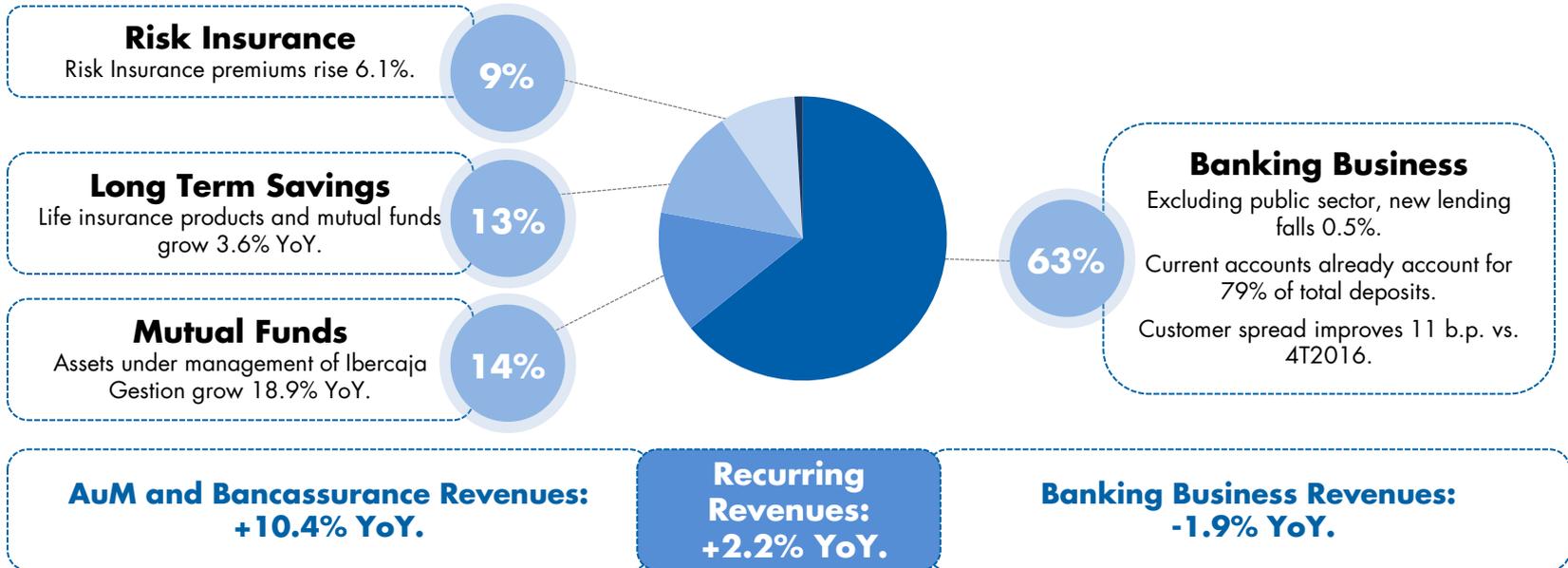


In 2017 Ibercaja Banco has reached a turning point in recurring revenues:

- In **annual terms**, recurring revenues grow **2.2% YoY**, and the yield over ATA improves **12 b.p.**
- In **quarterly terms**, recurring revenues rise **3.6% vs 4Q2016** and the yield over **ATA** improves **19 b.p.**

RECURRING REVENUES (2/2)

Contribution to Recurring Revenues (Net Interest Income + Net Fee Income) – % 2017



After the reduction registered in 2015 and 2016, stronger commercial activity and revenues diversification in asset gathering and bancassurance (Ibercaja Financial Group, 100% owned) allow for recurring revenues of the bank to reach an turning point in 2017.



OTHER OPERATING PROFITS

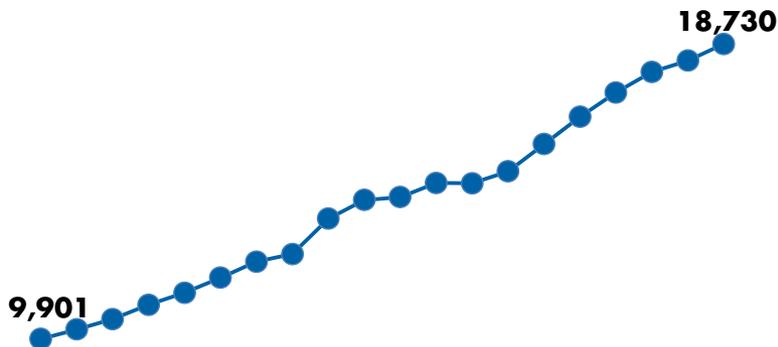
Accumulated Technical Results from CASER Alliance



Accumulated Technical Results Vs. Target: 137%



Managed Volume Ibercaja Gestión and Ibercaja Pensión - €mm



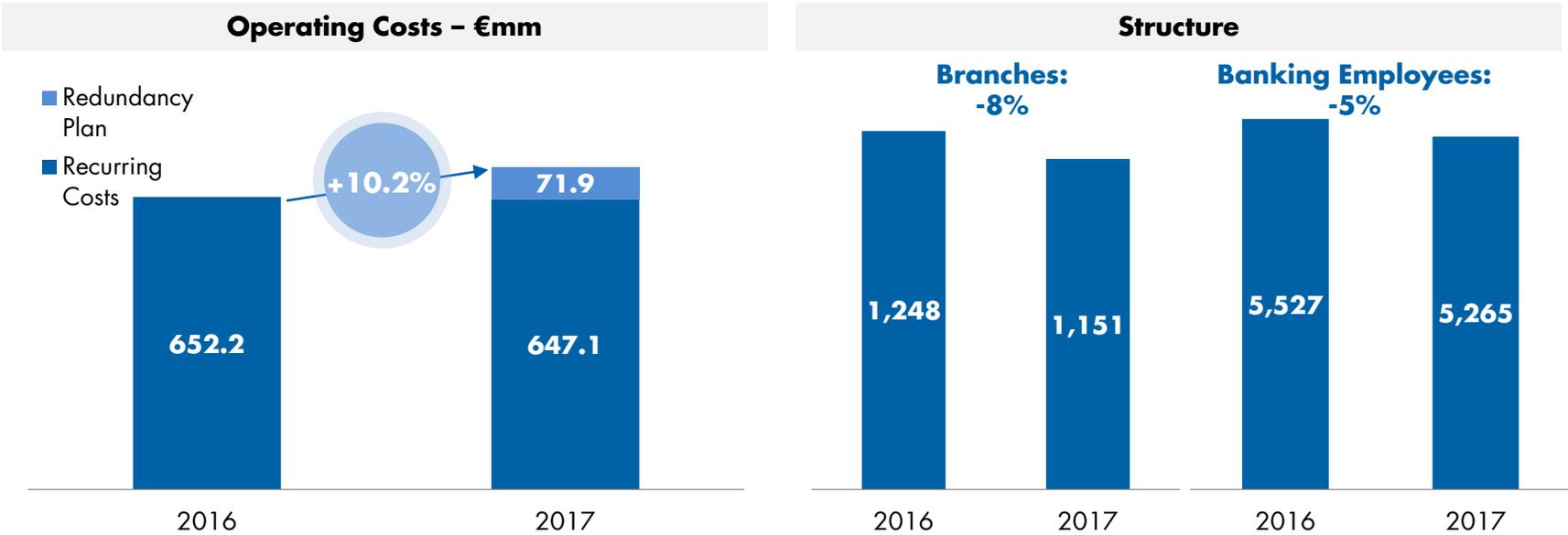
In 4Q2017 quarter, Ibercaja Banco has registered extraordinary results totalling €98.5mm:

- **Achieved targets CASER alliance:** in 2012, Ibercaja reached an exclusive distribution agreement with CASER for non-life insurance products. Ibercaja has thoroughly met the targets set for the first 5 years. As a result, the bank has achieved a €18.3mm earn-out.
- **Depository agreement:** Ibercaja Group and Cecabank have reached an agreement whereby Cecabank will continue to act as the depository of the mutual funds, SICAVs and individual pension funds of Ibercaja Group. Ibercaja has received for this agreement **€80.2mm**.

Ibercaja has allocated these extraordinary results to further strengthen its coverage and solvency ratios.

1Q2013 4Q2013 3Q2014 2Q2015 1Q2016 4Q2016 3Q2017

OPERATING COSTS



Operating costs grow 10.2% YoY due to non-recurring costs related to the first tranche of the redundancy plan announced in May. The agreement will allow Ibercaja to reduce its costs up to 11%.

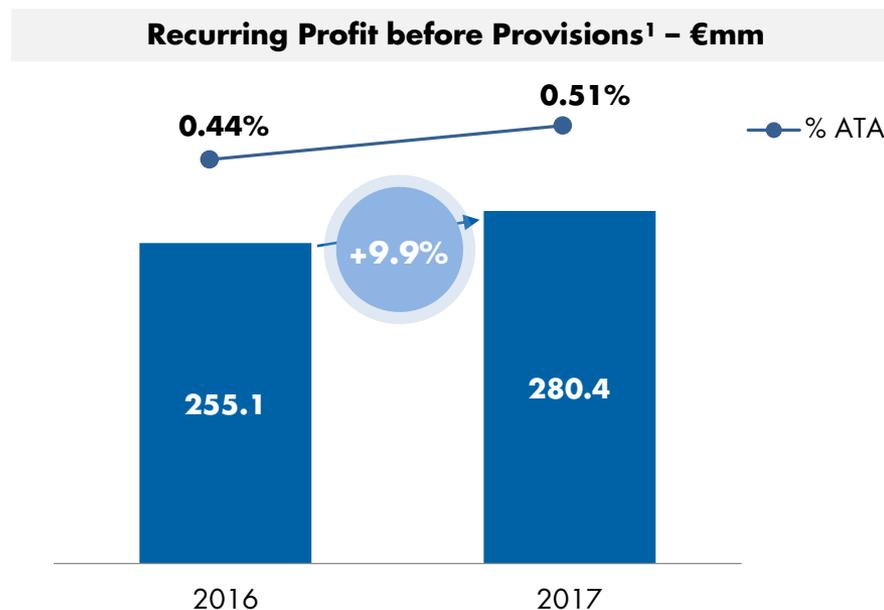
Recurring costs fall 0.8% in line with the target set by the company. Ibercaja Banco has started to implement the adjustment measures:

- The branch network has been reduced by **97 branches**, which represents **8% of the network**.
- Workforce has been reduced by **262 employees**, representing **5% of total employees**.

RECURRING PROFIT BEFORE PROVISIONS

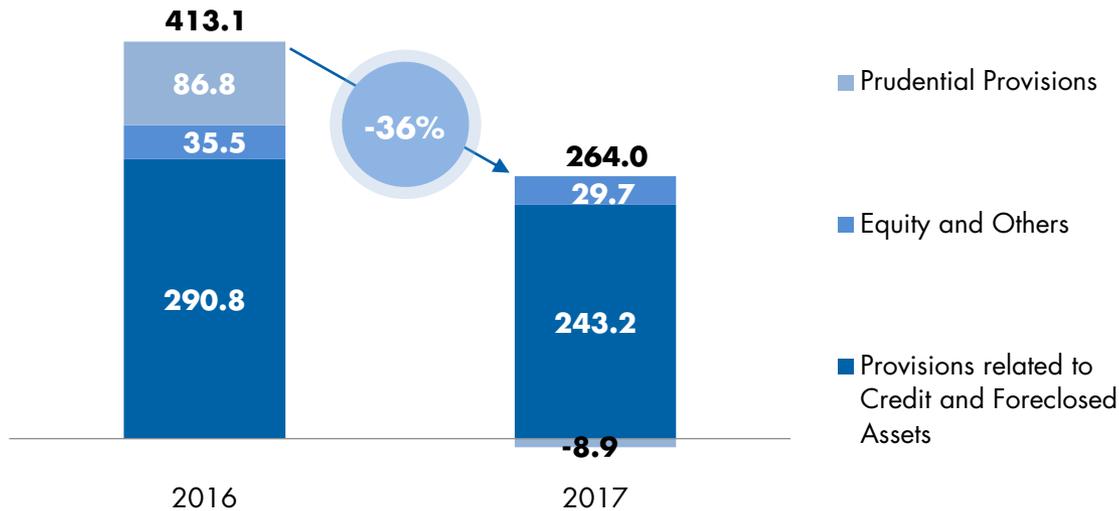
Recurring profit before provisions¹ grows 9.9% up to €280,4mm. Recurring profit before provisions as % ATA improves 7 b.p.

- **Recurring revenues** increase **2.2% YoY**.
- **Recurring costs** drop **0.8% YoY**.



PROVISIONS

Total Provisions – €mm



NPA Coverage Ratio – %



Total provisions plummet 36% YoY.

Provisions related to credit and foreclosed assets fall 16.4% YoY.

- **Cost of risk** stands at **70 b.p.**, higher than the target for the year. Ibercaja has allocated extraordinary profits of the quarter to strengthen its **NPA coverage ratio** by **200 b.p.**

2017 GUIDANCE

Ibercaja Banco has reached its targets in terms of recurring revenues growth and recurring costs reduction.

Cost of risk stands above the target for the year. Ibercaja has allocated extraordinary profits of the quarter to strengthen its NPA coverage ratio.

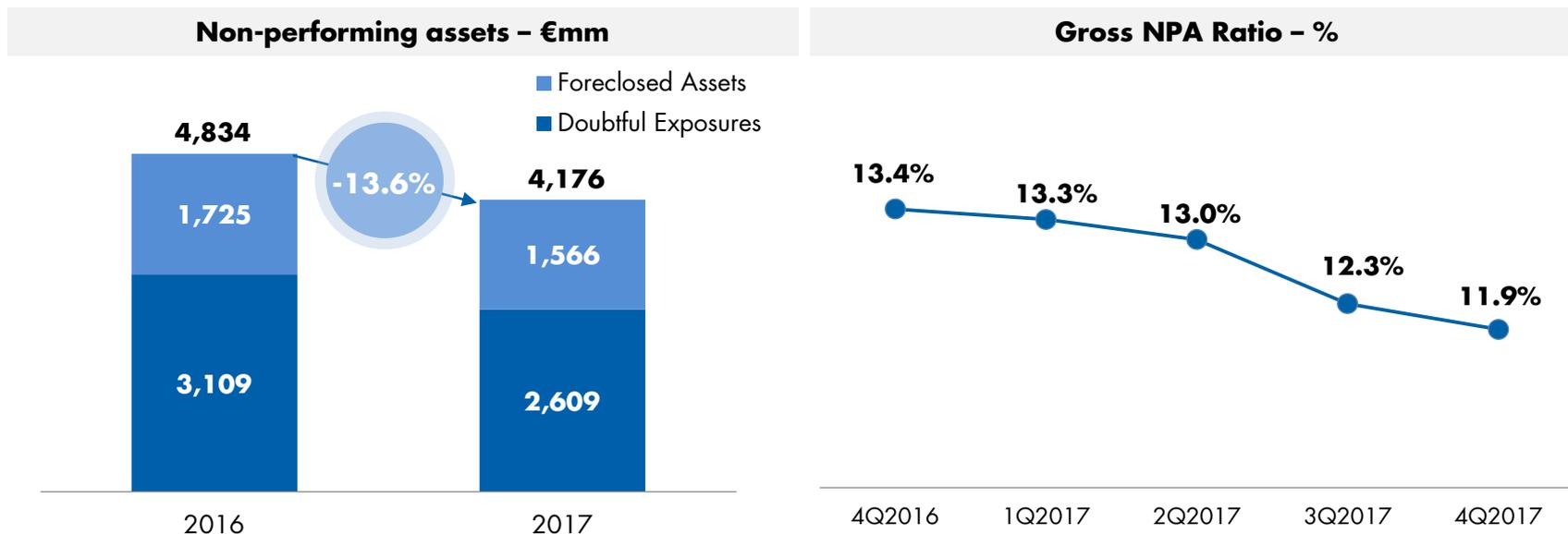
	Recurring Revenues (Net Interest Income +Net Fee Income)	Recurring Costs	Cost of Risk
	>0% YoY	≈0 YoY	< 50 b.p.
	 +2.2% YoY	 -0.8% YoY	 70 b.p.
	Recurring profit before provisions rises 9.9%		Extraordinary profits allocated to improve coverage ratios

ASSET QUALITY, LIQUIDITY AND SOLVENCY

ASSET QUALITY (1/3)

Non-performing assets -doubtful exposures and foreclosed assets- fall 13.6% YoY or €659mm. NPA ratio¹ falls 150 b.p. to 11.9%.

- **Doubtful exposures** decrease **16.1% YoY** or €500mm. NPL ratio falls to 7.7%, -125 b.p. lower than in 2016.
- **Stock of foreclosed assets** drops **9.2%** or €159mm.



ASSET QUALITY (2/3)

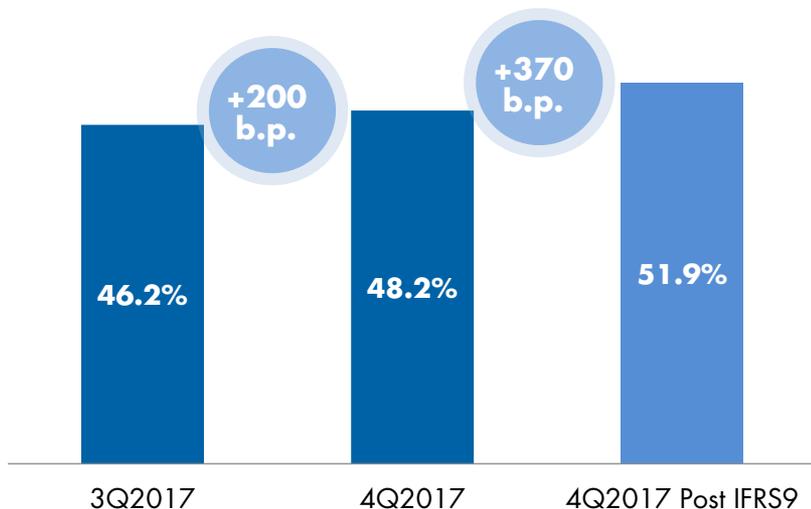
Coverage ratio of non-performing assets stands at 48.2%, 200 b.p. more than 3Q2017.

- **Doubtful exposure** coverage ratio stands at **43%**. **Residential mortgage** doubtful loans account for **34%** of NPL vs. 24% of the sector.
- **Foreclosed assets** coverage ratio is **57%**. **Land coverage ratio** stands at **65%**

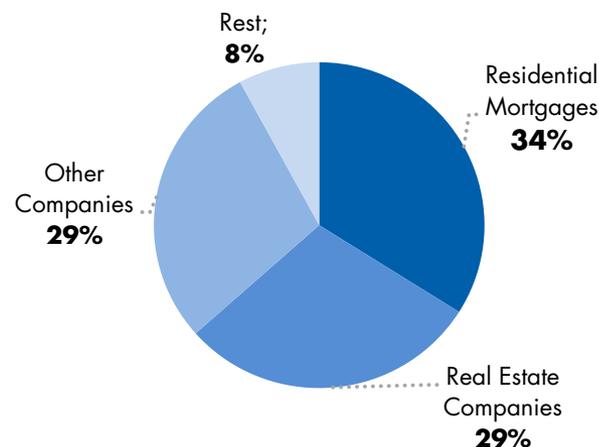
Post IFRS9 implementation (€153mm of new provisions), NPA coverage ratio stands at 52%

- Doubtful exposure coverage ratio stands at **49% post IFRS**.

NPA Coverage Ratio - %



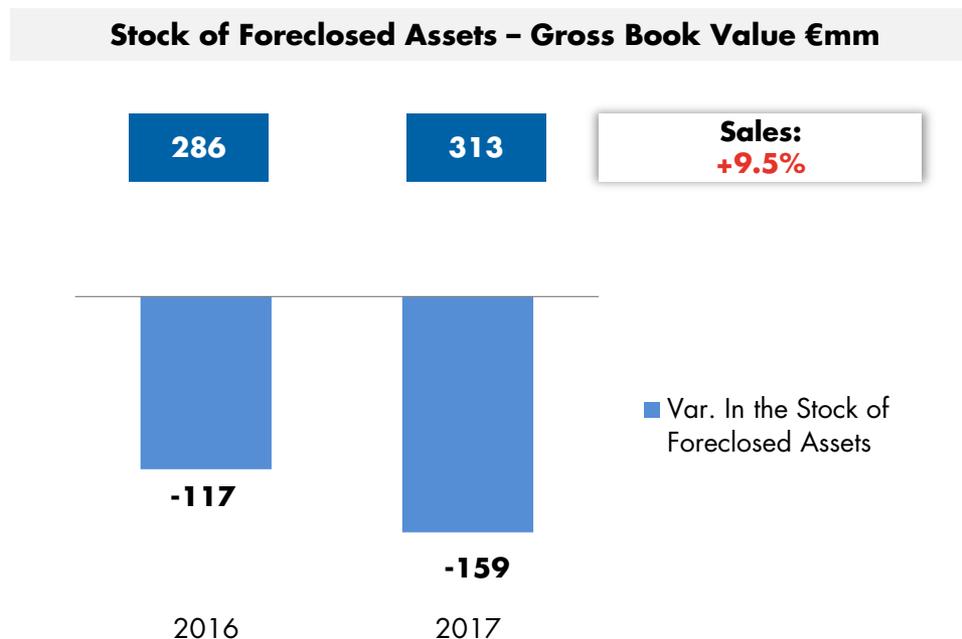
Doubtful Loans Breakdown - 2017



ASSET QUALITY (3/3)

Strong acceleration in the reduction of the stock of foreclosed assets due to the increase in sales 9.5% YoY, and the reduction in entries 15% YoY.

- Ibercaja Banco releases **€20mm of provisions** thanks to the strong coverage levels reached.
- **Land sales** amount to **€94mm** in 2017, +35% YoY with a provision release of **€14.5mm**.

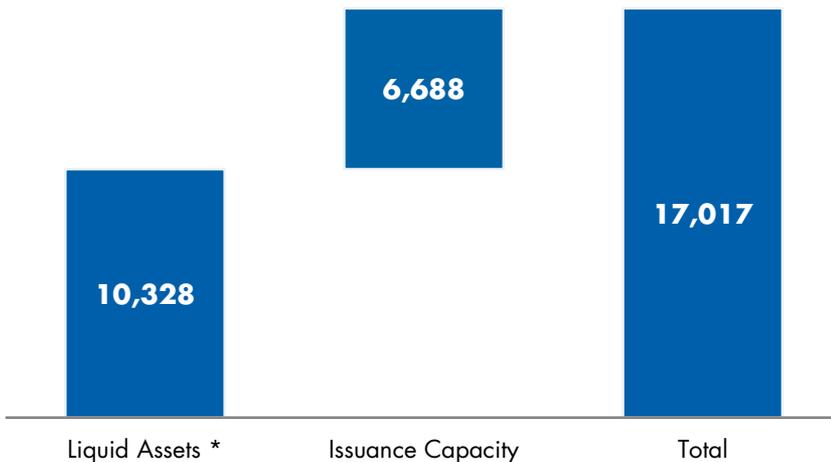


LIQUIDITY AND SOLVENCY (1/4)

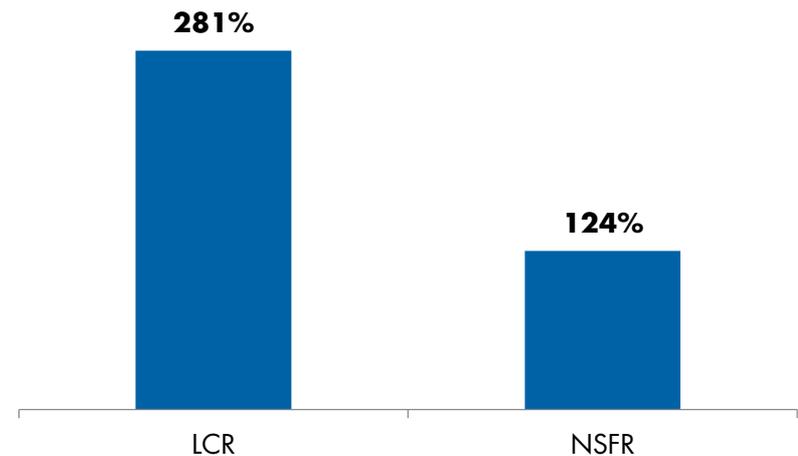
Sound liquidity position:

- **Available liquid assets** exceed **€10,328mm** (19% of total assets), while the covered bond issuance capacity stands at €6,688mm. As a result, Ibercaja Banco has an **available liquidity position that surpasses €17,000mm, or 32% of total assets.**
- Regulatory liquidity and funding ratios (LCR and NSFR) stand comfortably above minimum requirements.

Liquidity Position – €mm



Liquidity and Funding Ratios – 2017

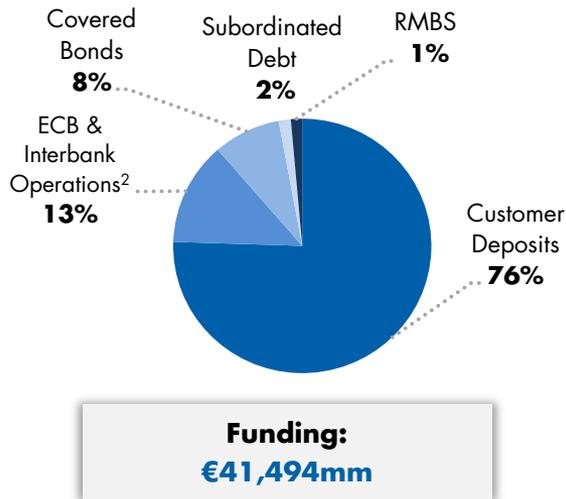


LIQUIDITY AND SOLVENCY (2/4)

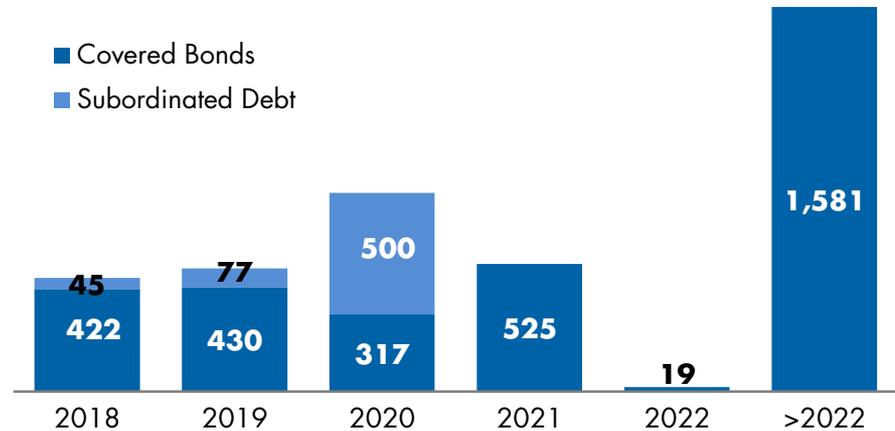
No changes in the funding structure of the bank:

- **Loan to deposits ratio** stands at **96.3%**¹.
- **Customer deposits** represent **76% of total funding** vs 69% in 2016.
- ECB: €3,372mm (6% of total assets), 100% TLTRO II.
- **No significant concentration** in institutional funding in **maturities** (<2.0% of assets every year).

Funding Structure -2017



Maturity Profile - €mm



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

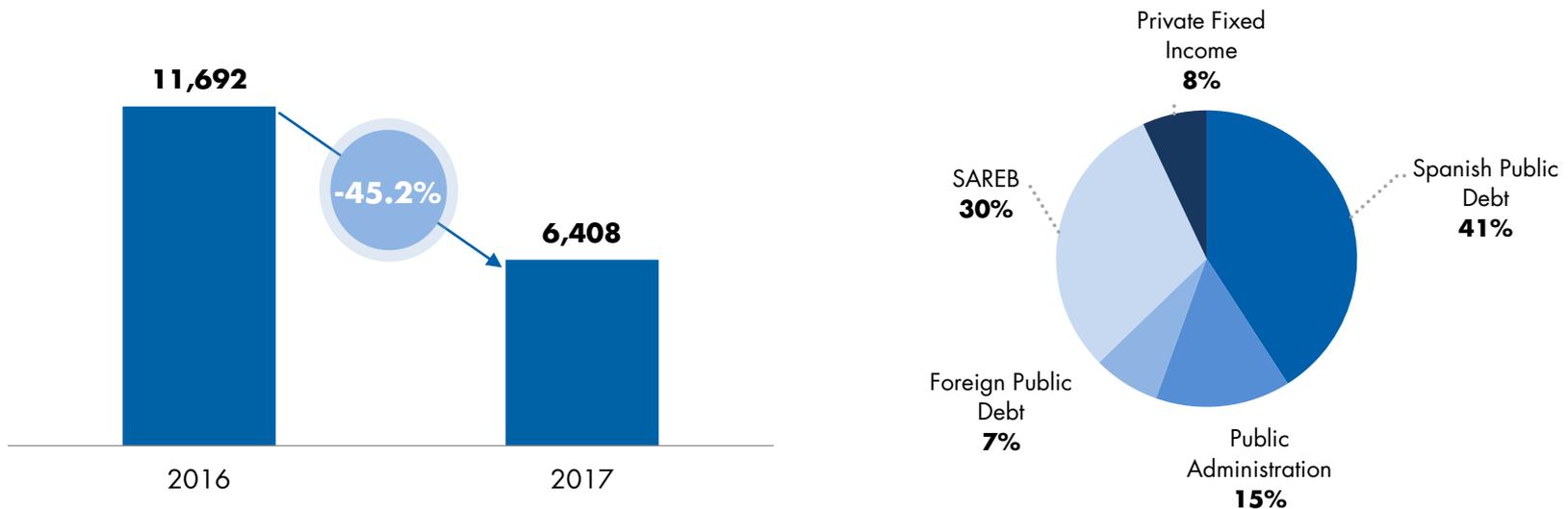
² Includes long term financing from institutional banks such as ICO and EIB.

LIQUIDITY AND SOLVENCY (3/4)

Fixed income portfolio falls 45.2% YoY. The portfolio has a low risk profile with substantial weight of Spanish sovereign debt.

- **Average duration** of **3.4 years**¹.
- **Average yield** stands at **1.4%** ex SAREB (0.9% including SAREB bonds).

Fixed Income Portfolio – €mm



LIQUIDITY AND SOLVENCY (4/4)

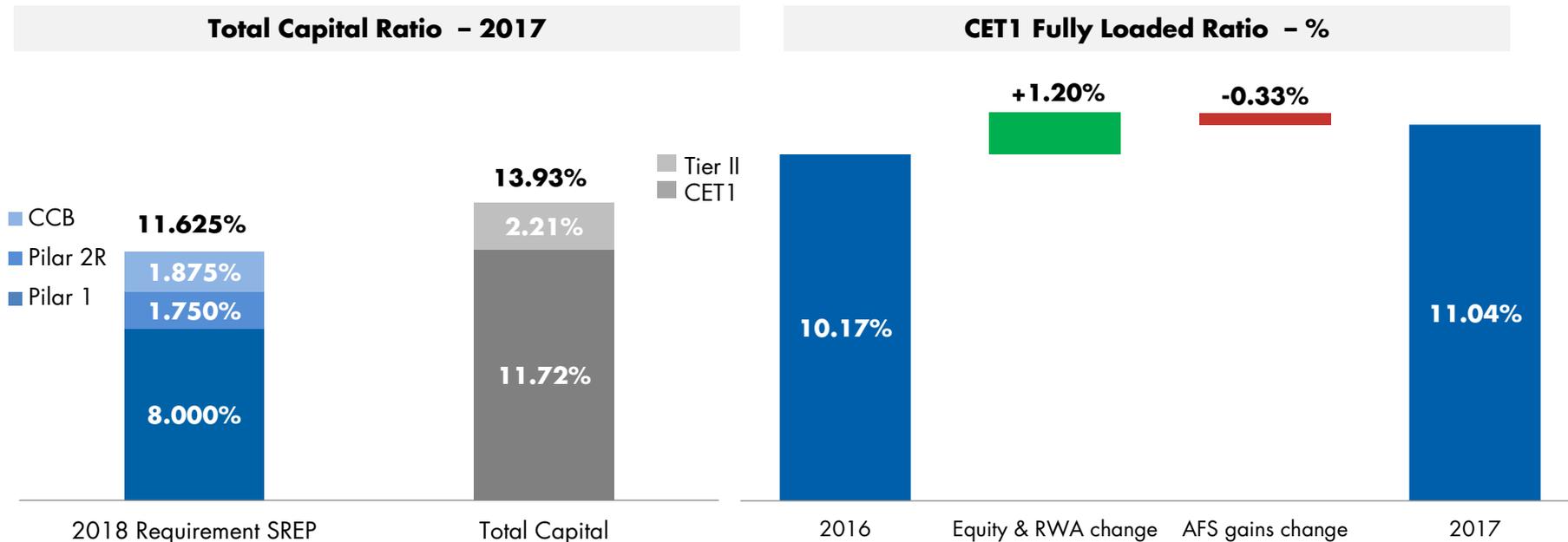
CET1 Phased In ratio stands at 11.7% and Total Phased In ratio reaches 13.9%, significantly above SREP requirements (8.125% and 11.625% respectively).

- **RWA / TA** ratio stands at **41.9%** applying **standard methodology** calculation for every portfolio.

Leverage Phased In ratio reaches 5.4%.

CET1 Fully Loaded ratio improves this quarter 39 b.p. to 11.0%, +87 b.p. YoY.

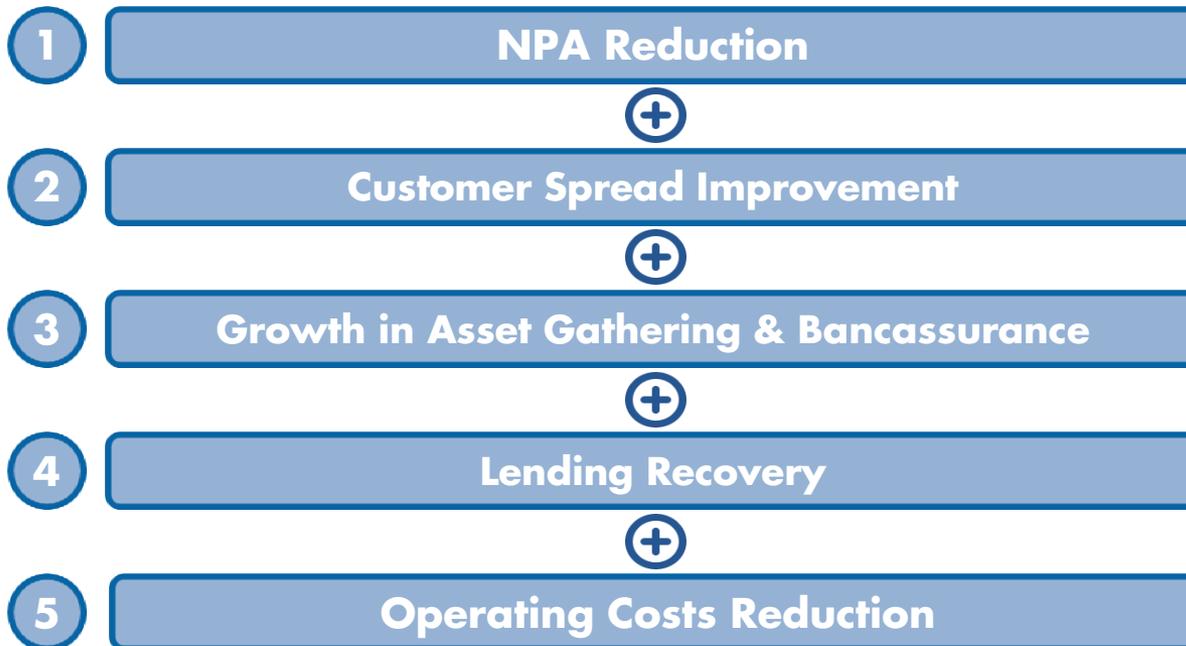
- **IFRS9** implementation will mean an impact of **-53 b.p.**



PLAN+ 2015-2017 RESULTS ANALYSIS

STRATEGIC LEVERS TO IMPROVE PROFITABILITY AND SOLVENCY

Over the last 3 years, Ibercaja Banco has been working on 5 strategic levers to improve its profitability and its solvency.



1

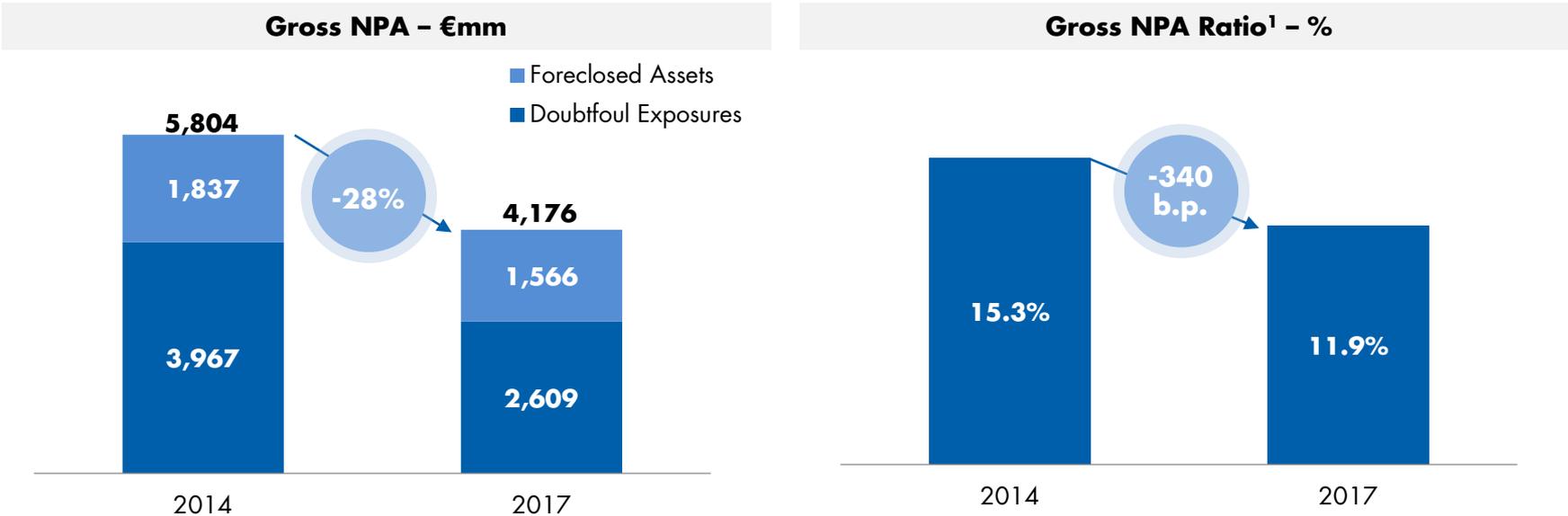
SIGNIFICANT ACCELERATION IN NPA REDUCTION

Since 2014 Ibercaja has reduced its non-performing assets by 28% or €1,629mm.

- **Doubtful exposure** falls **34.2%** or €1,358mm. Stock of **foreclosed assets** drops **14.7%** or €271mm.
- **NPA ratio¹** has improved **340 b.p.** since 2014.

Over this period the main focus has been to reduce the real estate exposure

- Ibercaja has carried two wholesale transactions, **Fleta and Goya**, which have allowed for a €1,100mm reduction in the stock of doubtful real estate loans.
- **Foreclosed assets sales** have totalised **€859mm** over the 3 years. Ibercaja has released provisions for an amount close to €50mm. Accumulated land sales stand at €224mm.



¹ Non-performing Assets Ratio = (Doubtful Exposures + Gross Foreclosed Assets) / (Gross Loans + Gross Foreclosed Assets)

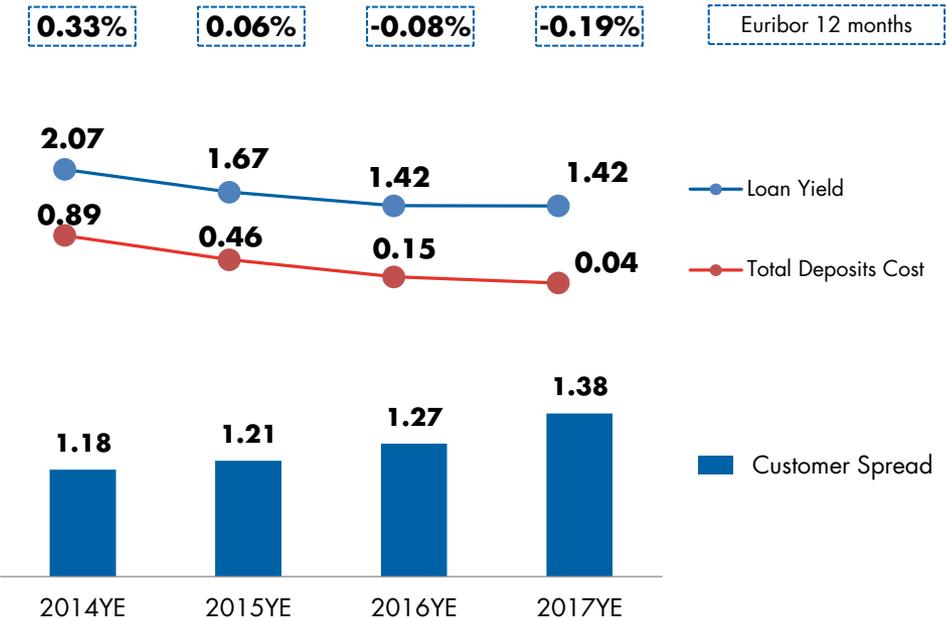
2

REDUCTION IN DEPOSITS COST DRIVES CUSTOMER SPREAD IMPROVEMENT

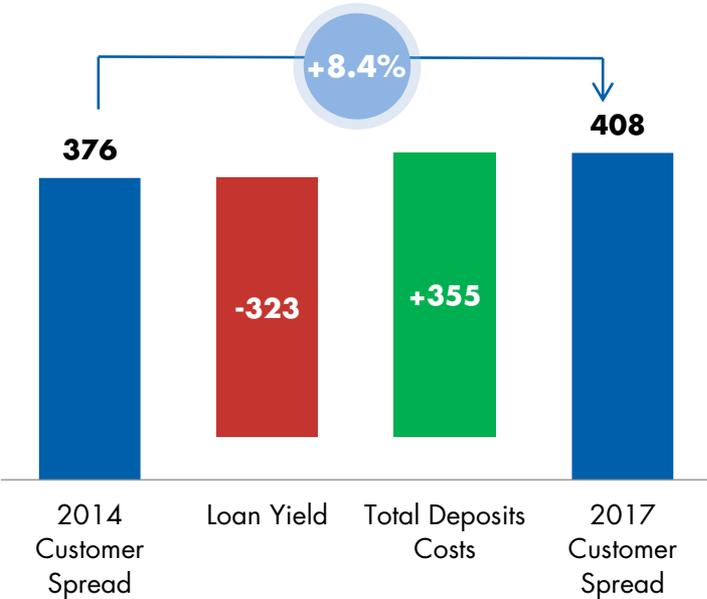
Despite current falling lending volumes and negative interest rates, Ibercaja's customer spread has grown since 2014 thanks to the reduction in the cost of retail deposits.

- Ibercaja's customer spread has grown **20 p.b.** since 2014 year end. This represents a **€32mm** improvement vs. 2014, a 8.4% growth.

Customer Spread - %



Customer Spread Evolution - €mm



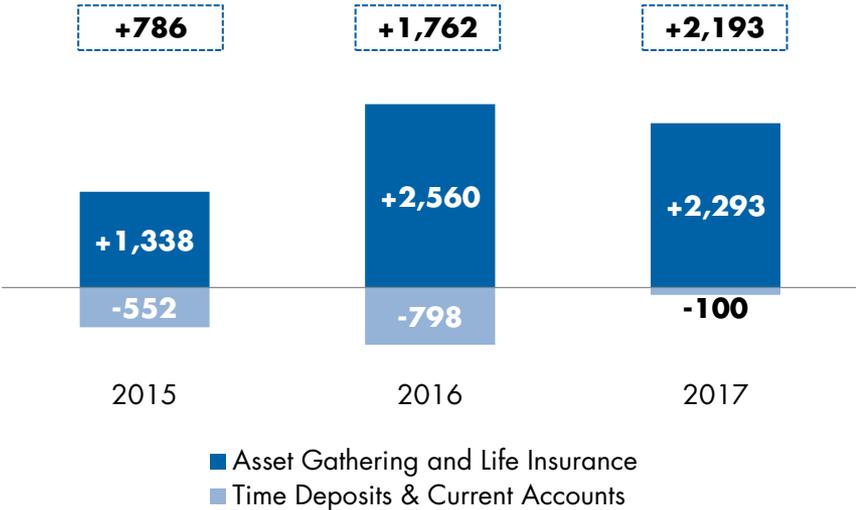
3

COMPETITIVE ADVANTAGE IN ASSET GATHERING

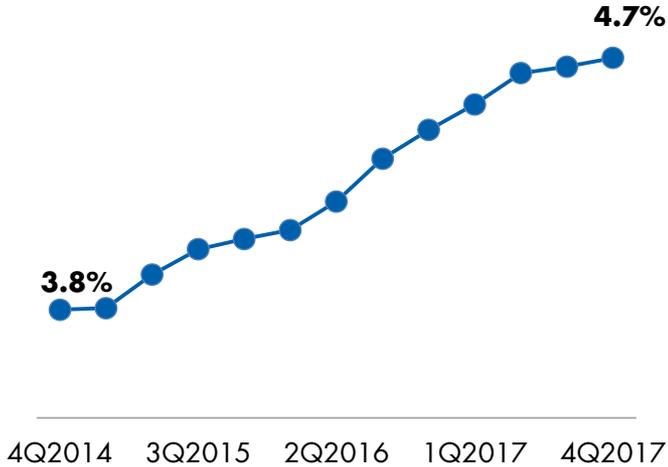
Total customers funds have grown 9% or €4,700mm since 2014.

- Ibercaja has further strengthened its historic positioning in **asset gathering and life insurance products**, which has grown **€6,191mm** (+30%) over the period. This business already represents 45% of total customers funds, the highest level among our domestic peers. **AuM and life insurance market share** stands at **4.6%**, +40 b.p. since 2014. .
- Mutual funds** lead the growth in asset gathering business. Total AuM rise 68% vs. 2014 or **€5,023mm** and Ibercaja’s market share improves 93 b.p. Net new money totals **€4,750mm**. Ibercaja has achieved a **7.9%** market share in net new money in Spain in the last 3 years.

Total Customers Funds Evolution – €mm



Mutual Funds Market Share - %



¹ Excludes the impact of the cancelation of Ibercaja’s employees pension plan insurance
Source: Inverco & ICEA

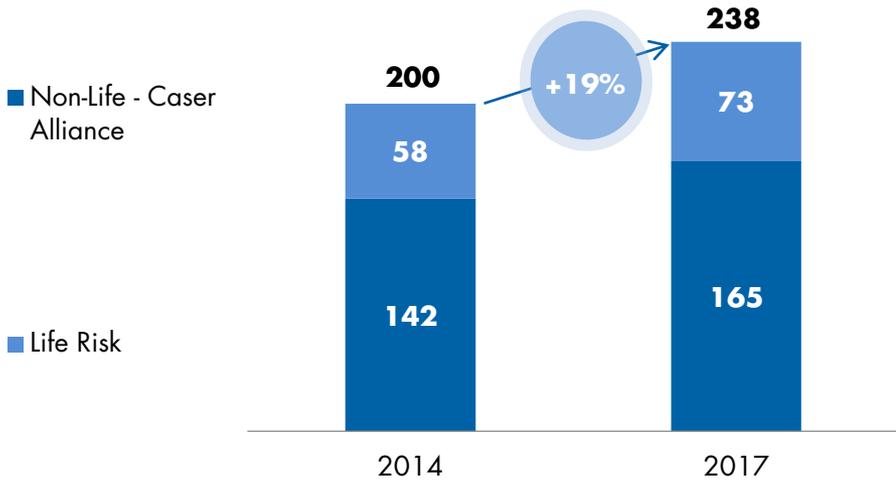
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STRONG COMMERCIAL MOMENTUM IN BANCASSURANCE

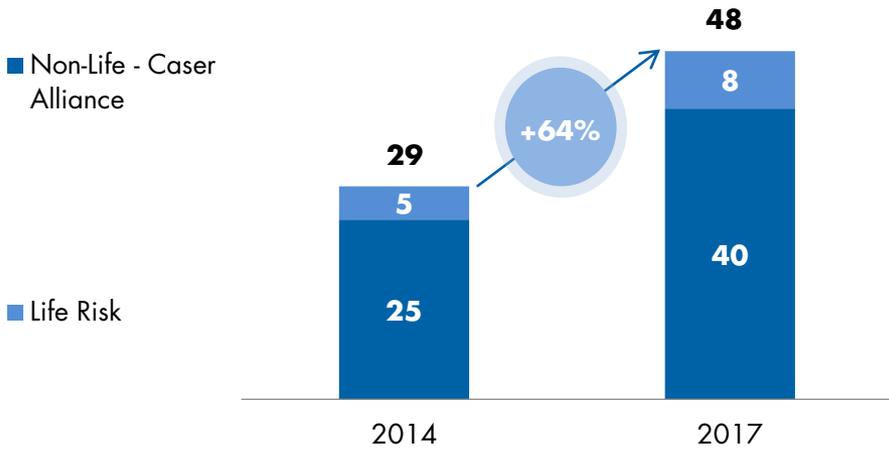
Strong momentum in life risk and non-life insurance products distribution which have reached record levels:

- Risk insurance premiums (life risk and non-life¹) have increased **18.9% since 2014** or €38mm.
- Premiums from new production have reached historic levels, with a **64% rise vs. 2014**.
- Ibercaja has reached the targets set in the **strategic alliance with Caser** for the period 2013-2017.

Risk Insurance Premiums – €mm



Premiums from New Production – €mm



¹ Premiums collected from CASER insurance products

4

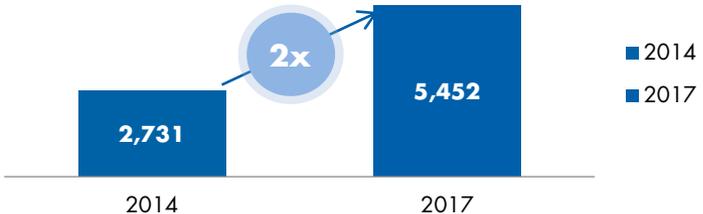
STOCK OF PERFORMING LOANS HAS ALMOST STABILISED

Over the last three years, Ibercaja Banco has doubled the amount of loans granted as well as the working capital financed.

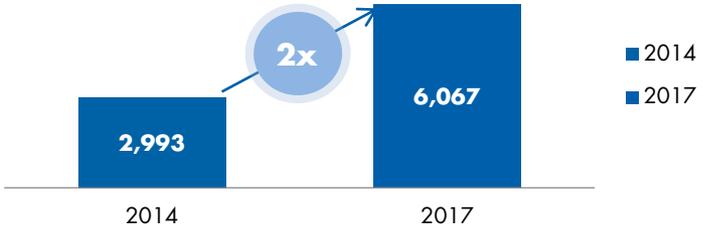
- Strong commercial focus in **SME lending** (55% of the new lending production) and in our **Growth Markets** (Madrid and Mediterranean basin account for 50% of the new lending production since 2014).

The deleveraging process in the stock of performing loans has markedly improved since 2014 from -6% to -1% and it should reach a turning point in 2018.

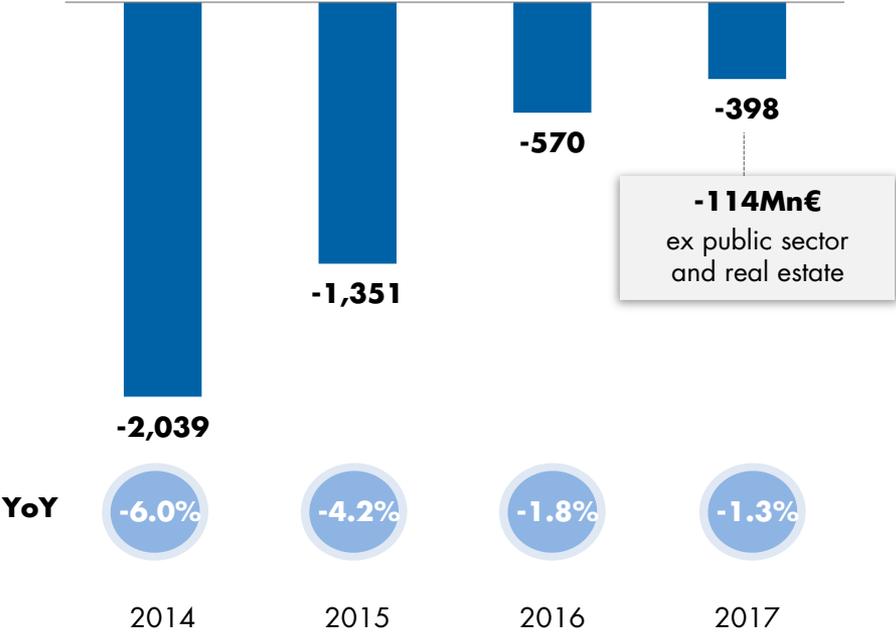
New Lending Production – €mm



Accumulated Working Capital Financing – €mm



Stock of Performing Loans Evolution – €mm



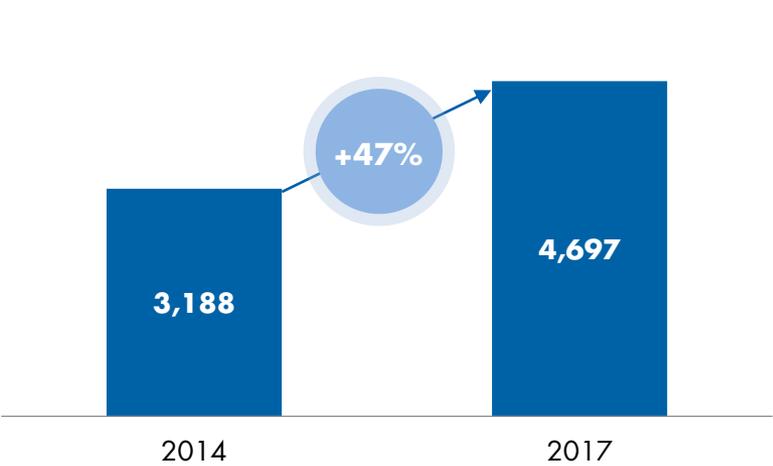
OUTSTANDING EVOLUTION IN SME LENDING

Ibercaja's SME Project, which is run by 506 full time specialised employees, represents more than 80% of the growth in loans to non-real estate companies.

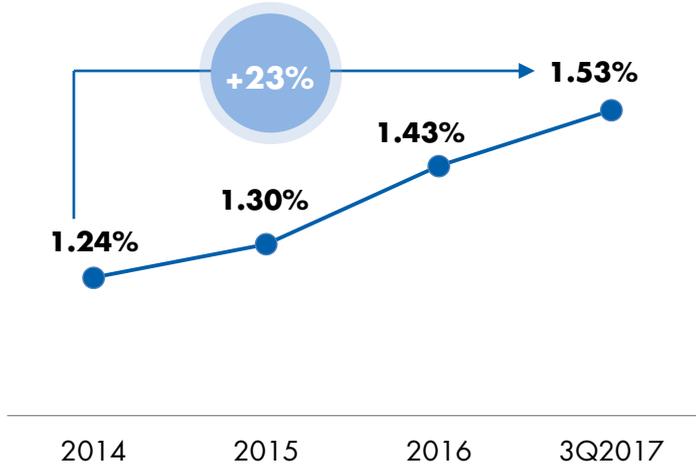
This project has achieved a 47% growth in the stock of performing loans (€1,500mm).

- Lending in **Madrid and Mediterranean Basin** has risen **93%** since 2014 or €1,000mm.
- Ibercaja Banco accomplishes a **29 b.p. market share gain** in performing lending to non real estate companies (Dec-14 vs. Sept17)

SME Project Performing Loans – €mm



Non Real Estate Companies Lending Market Share



Source: Bank of Spain
 Note: SME project is focused on companies with turnover of €1mm to €200mm. It excludes loans to self employed, institutions and small retailers

5

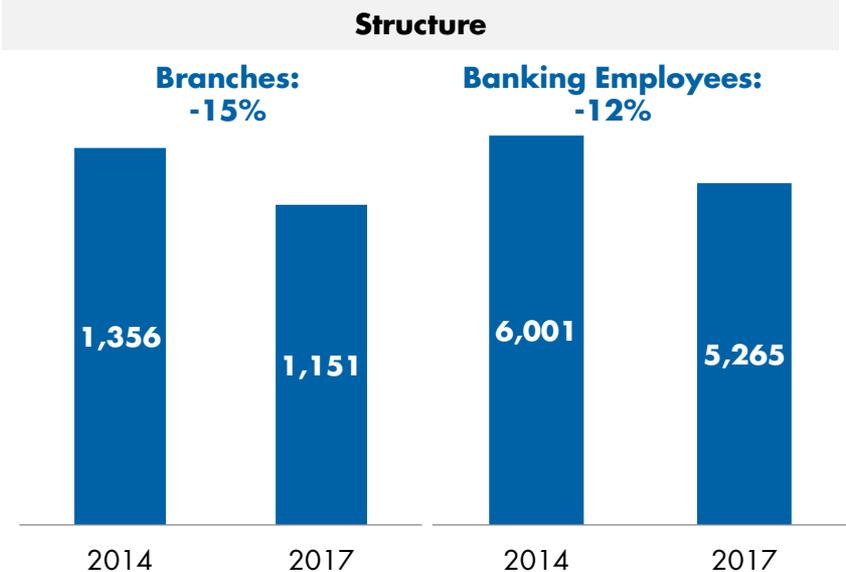
ROBUST ADJUSTMENT IN THE COST BASE AND IMPROVEMENT IN PRODUCTIVITY LEVELS

Recurring cost base has fallen 5.5% since 2014

- Since 2014, the number of **branches** have been reduced by **15%** (-205) and the **workforce** by **12%** (736 employees). 80% of the adjustment has taken place in our home markets.

Business volume per branch employee rises 15% since 2014 and reaches €19.5mm.

The implementation of adjustment measures will allow for an additional cost reduction in coming quarters.



IBERCAJA HAS BUILT THE FOUNDATIONS FOR IMPROVING ITS RECURRING PROFITABILITY

A
Stabilisation and better quality of recurring revenues

B
Increase in operating leverage

C
Provisioning effort and NPA Reduction

D
Continuous improvement in solvency

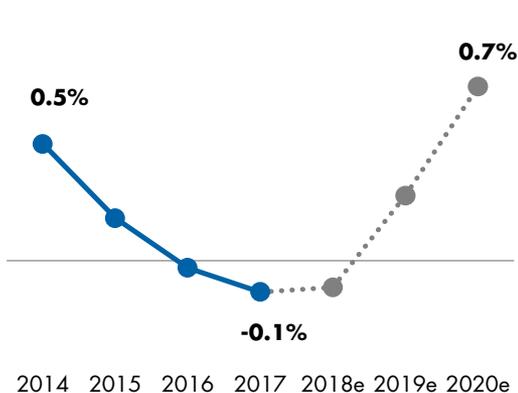
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MAIN NEGATIVE IMPACTS IN NET INTEREST INCOME IN THE LAST 3 YEARS ARE COMING TO AN END IN 2018

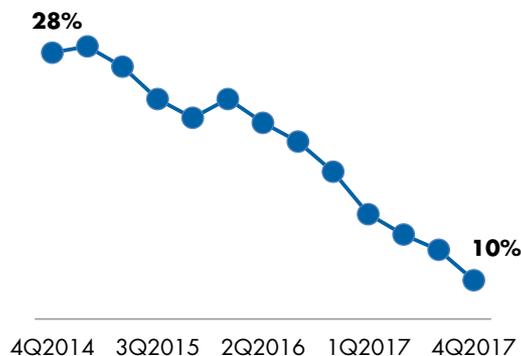
The fall in Ibercaja's net interest income over the last 3 years is explained by factors that are coming to an end in 2018:

- Average **Euribor** 12 months has fallen 60 b.p. since 2014. Current forward curve shows an improvement, especially after 2019.
- **Fixed income portfolio contribution has been normalised** (The portfolio has been reduced by more than 60% or €9,600mm since 2014). Ibercaja's reliance on the fixed income portfolio revenues is one of the lowest of the sector.
- **Deleveraging process in the stock of performing loans** has markedly improved from -6% in 2014 to -1% in 2017.

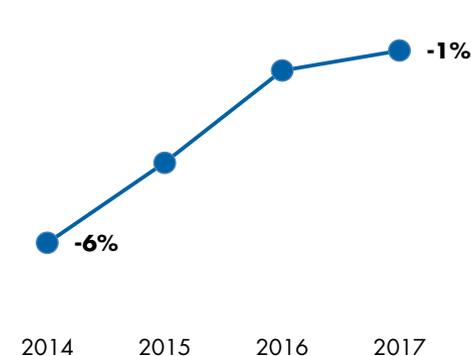
Average Euribor 12 months



Fixed income portfolio % Financial Income



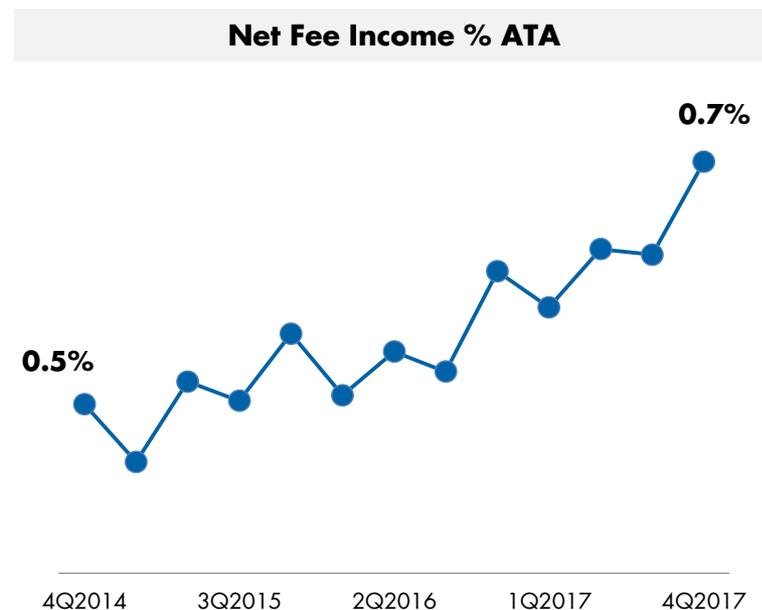
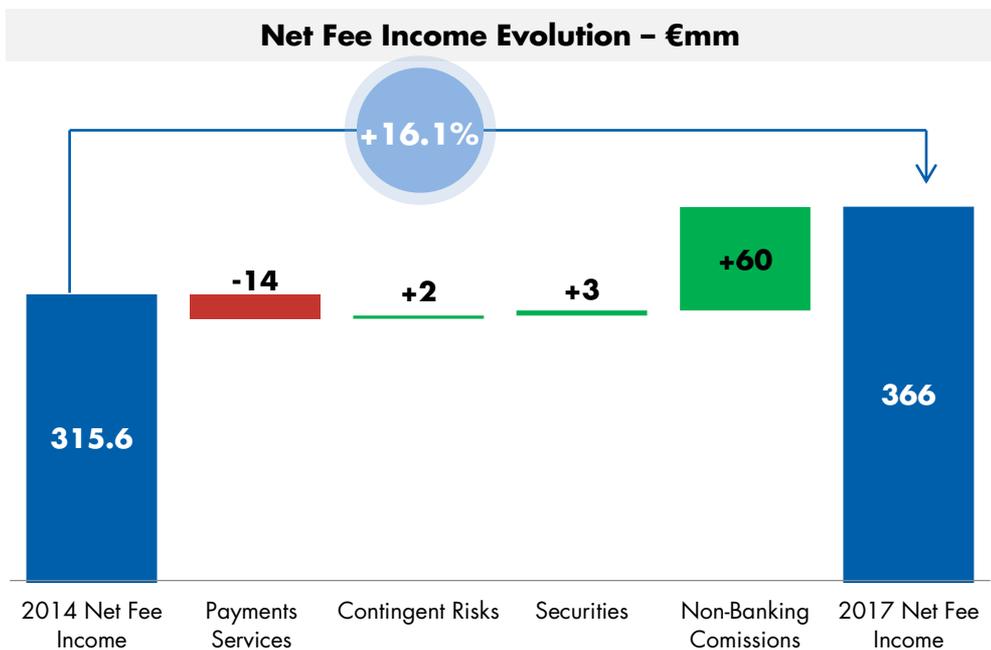
Stock of Performing Loans Evolution



A OUTSTANDING EVOLUTION IN NET FEE INCOME

The sound evolution of non-banking commissions (mutual funds, pension funds & risk insurance) drives Ibercajas's net fee income growth, which has risen 16% since 2014 or €51mm.

- **Non-banking commissions** rise **40%** over the period and account for 57% of total commissions.
- **Net fee income as % of ATA** has risen **20 b.p.** since 2014.



A

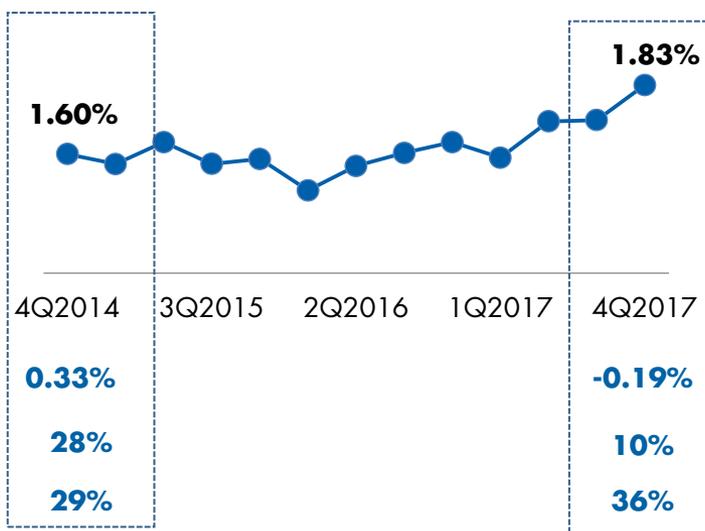
IBERCAJA HAS STABILISED AND SIGNIFICANTLY IMPROVED THE QUALITY OF ITS REVENUES

In 2017, Ibercaja has increased its recurring revenues (net interest income + net fee income) by 2% or €20mm:

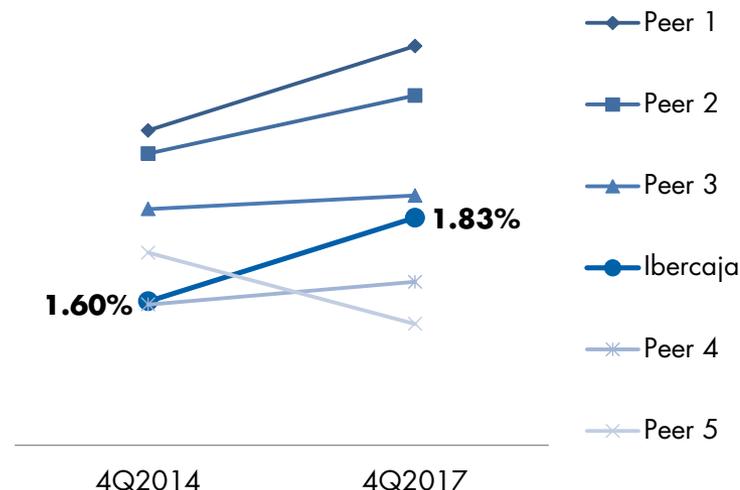
- **Recurring revenues as % of ATA** improve **23 b.p.** and reach **1.8%** despite falling Euribor levels and the reduction in Ibercaja's reliance on the **fixed income portfolio revenues** which today stand as one of the lowest of the sector.
- **Ibercaja Financial Group contribution** to recurring revenues stands at **36%** vs. 29% in 2014.

In 2018 recurring revenues will maintain the positive trend initiated this year.

Recurring Revenues – % ATA



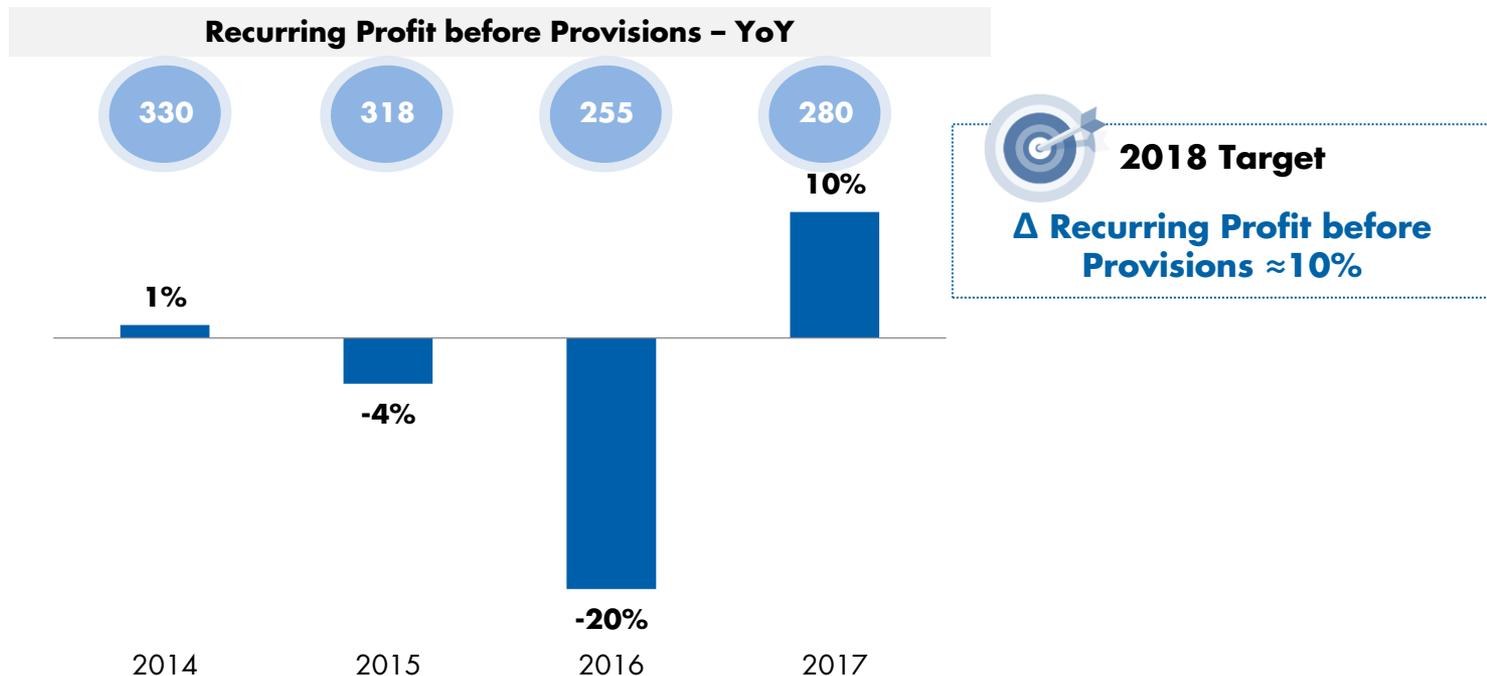
Net Interest Income + Net Fee Income – % ATA



B OPERATING LEVERAGE HAS INCREASED

The diversification of revenues (Ibercaja's Financial Group), together with cost reduction measures, allow Ibercaja to rise its recurring profit before provisions¹ by 10% in 2017.

These positive trends will continue in 2018 and will allow Ibercaja to further increase its operating leverage.



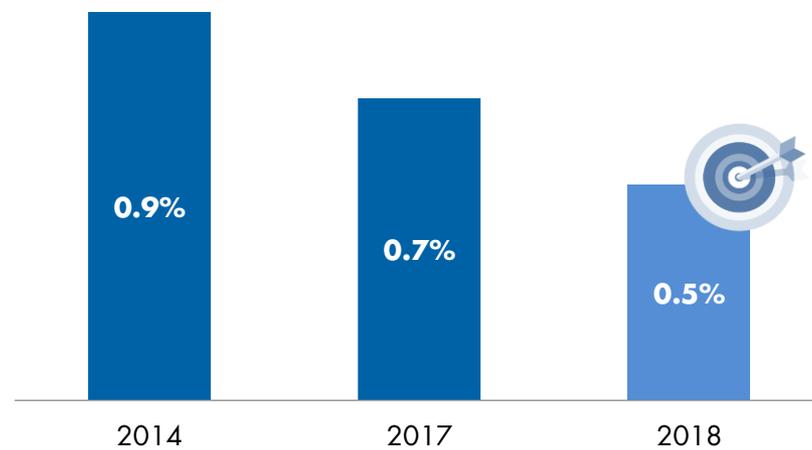
C PROVISIONING EFFORT AND NPA REDUCTION

The strong provisioning effort over the last 3 years, together with the coverage ratios reached in 4Q2017, should favour a reduction in the cost of risk in 2018.

Coverage Ratio - %



Provisions - €mm

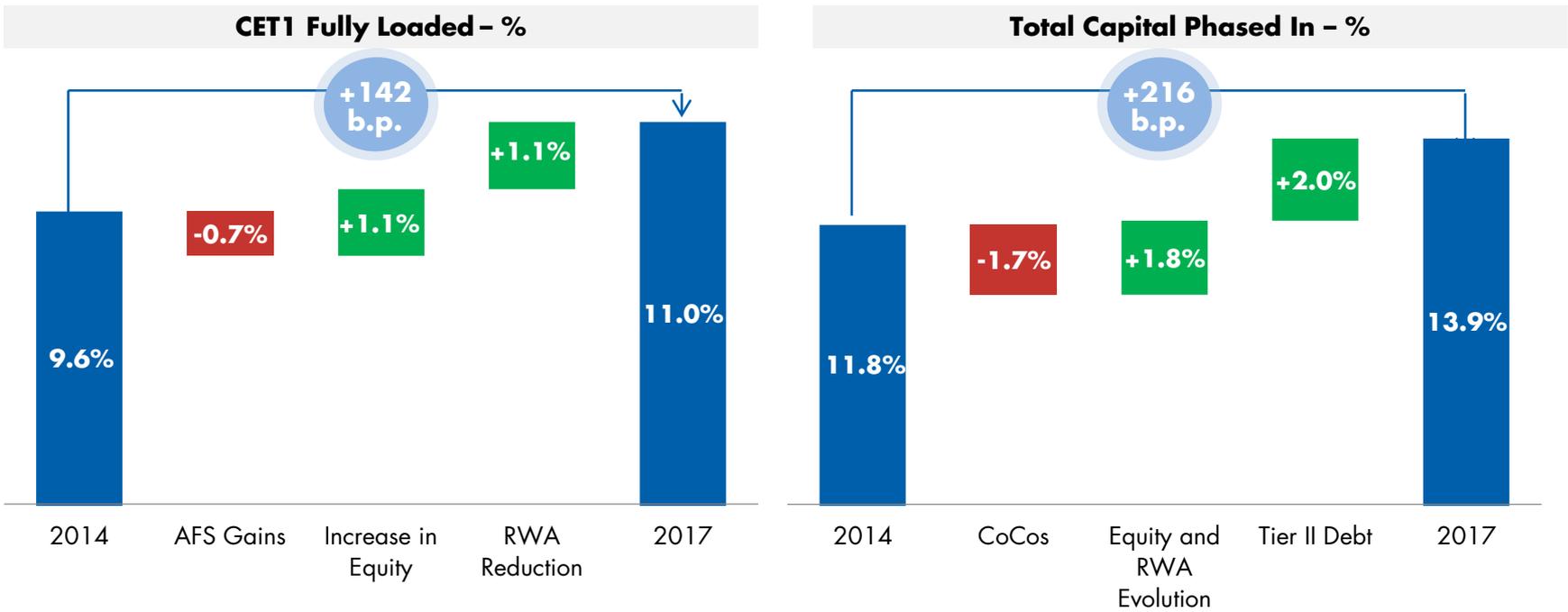


CONTINUOUS IMPROVEMENT IN SOLVENCY

CET1 Fully Loaded ratio reaches 11% vs. 10% target. Even considering IFRS9 impact, the ratio stands 50 b.p. above target.

- Ibercaja has generated **142 b.p. of CET1** thanks to profit generation (€365mm) and the reduction in RWA (-10% since 2014).

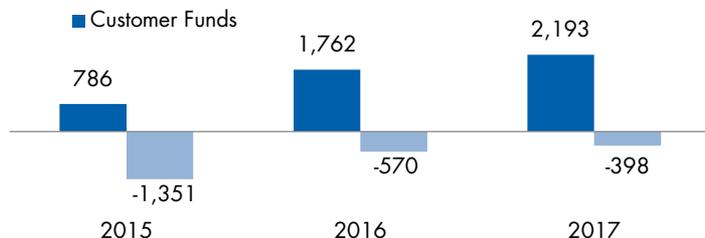
Additionally, Ibercaja has redeemed €407mm of CoCos and has issued €500mm of Tier II debt, with Total Capital standing at 13.9%



CONCLUSION: IBERCAJA IS TODAY A MORE SOLID BANK THAN IN 2014

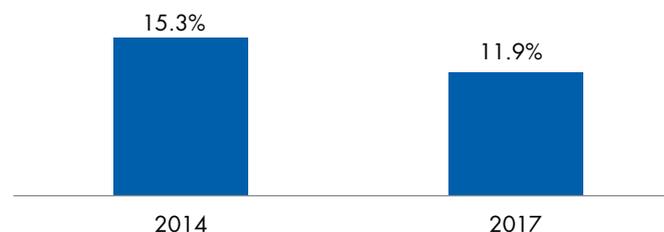
Commercial Activity: Ibercaja has reached historic levels of activity in asset gathering and bancassurance business. The stock of performing loans is about to stabilise thanks to the strong growth in SME lending.

Business Volume Evolution – €mm



Asset Quality: The stock of NPA has decreased significantly (-28%) with a strong reduction in the real estate exposure.

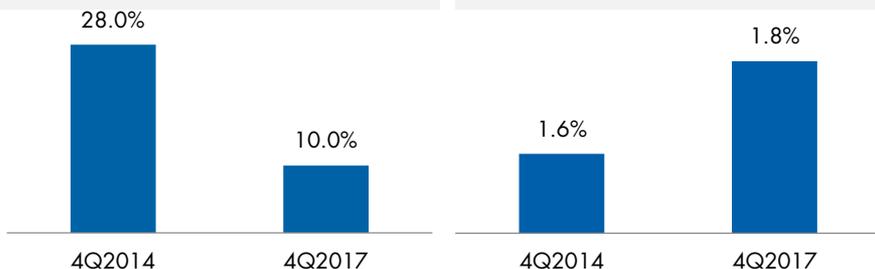
NPA Ratio - %



Profitability: The weight of the fixed income portfolio in revenues has been normalised. The diversification of revenues is allowing Ibercaja to improve its profitability.

Fixed Income % Interest Income

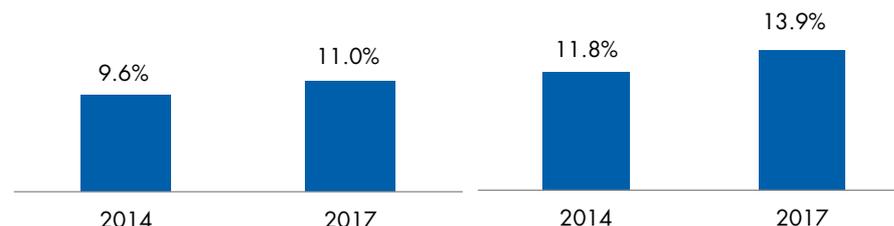
Net Interest Income + Net Fee Income % ATA



Solvency: CET1 Fully Loaded ratio has improved more than 140 b.p. Ibercaja has redeemed Cajatres Cocos and has issued €500mm of Tier II Debt.

CET1 Fully Loaded - %

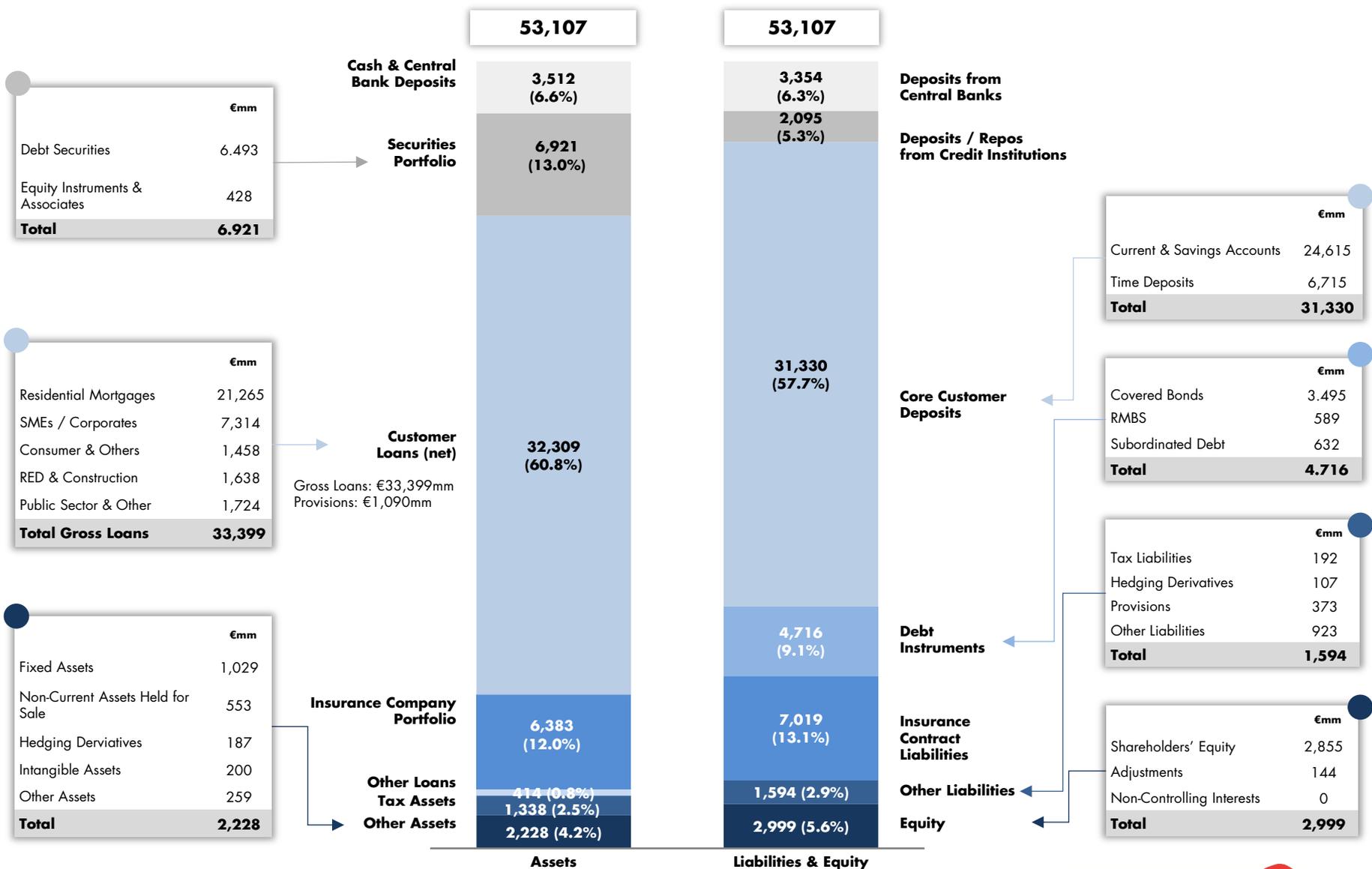
Total Capital Phased In - %



ANNEX 1

CONSOLIDATED BALANCE SHEET

CONSOLIDATED BALANCE SHEET





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For more information, VISIT OUR WEBSITE:

<http://www.ibercaja.com/>