

1Q2018 RESULTS

May 4th 2018

DISCLAIMER

This presentation on no account should be considered as a (i) service of financial analysis, (ii) investment recommendation (iii) or advice of any type, (iv) nor does it aim to offer any kind of financial product or service. The information contained in this presentation is general and does not reveal all the risks or other material factors. Before entering into any transaction, potential investors must ensure that they fully understand the terms of the securities/transactions and the risks inherent in them, considering (i) the information submitted to the Comisión Nacional del Mercado de Valores www.cnmv.es (not the information contained in this presentation) and (ii) having taken appropriate professional or other advice.

Ibercaja Banco cautions that this presentation might contain forward-looking statements. While these statements represent our judgement and future expectations concerning the development of our business, a number of risks, uncertainties and other important factors could cause actual developments and results that differ materially from our expectations. It is expressly remarked here that no information herein contained should be taken as a guarantee of future performance or results.

The content in this presentation is regulated by the Spanish law applicable at time of writing, and it is not addressed to any person or legal entity located in any other jurisdiction (particularly USA or UK). For this reason it may not necessarily comply with the prevailing rules or legal requirements as required in other jurisdictions.

Neither Ibercaja nor other persons shall be liable for any direct, indirect, special, incidental, consequential, punitive or exemplary damages, including lost profits arising in any way from the information contained in this communication.

Any price(s) or value(s) are provided as of the date or time indicated and no representation is made that any trade can be executed at these prices or values. In addition, Ibercaja has no obligation to update any information contained herein.

This marketing communication is not intended for distribution to any kind of investors in the U.S.A., nor retail clients in the UK under any circumstances. Information set out on the presentation has come from a variety of sources, which Ibercaja considers to be reliable and have been chosen by Ibercaja with due diligence and reasonable care. Ibercaja does not provide any guarantee or warranty in respect of the accuracy, completeness, up-to-datedness', or quality as well as the availability at any time of the data and other information provided on the presentation. Any views, statements or representations provided for on this presentation do not necessarily reflect the opinion of Ibercaja.

Under no circumstances, including negligence, shall Ibercaja be liable for any DIRECT, INDIRECT, INCIDENTAL, SPECIAL or CONSEQUENTIAL DAMAGES, or LOST PROFITS that result from the reliance by a recipient on any information obtained from this presentation.

TABLE OF CONTENTS

MAIN HIGHLIGHTS	4
COMMERCIAL ACTIVITY	7
1Q2018 RESULTS	13
ASSET QUALITY, LIQUIDITY AND SOLVENCY	22
ANNEX 1. Consolidated Balance Sheet	30
ANNEX 2. Glossary	32

MAIN HIGHLIGHTS

COMMERCIAL ACTIVITY · RESULTS · ASSET QUALITY · SOLVENCY

MAIN HIGHLIGHTS

COMMERCIAL ACTIVITY

- » **Customer funds** rise **3.1% YoY** or €1,698mm.
- » **Asset management and life insurance products** increase **7.1% YoY** or €1,726mm.
- » **Ibercaja Pensión** awarded as Best Pension Fund Management Company by **Expansion AllFunds** (3 years in a row).
- » **New lending** grows **9.7% YoY**. **Performing loans ex public sector** decrease **0.4% YoY**.
- » **Risk insurance premiums** rise **10.8% YoY**.

RESULTS

- » Following the trend initiated in 2017, **recurring revenues** rise **2.8% YoY**.
- » Ibercaja Banco has recorded **extraordinary expenses** amounting to **€55.5mm** related to the second tranche of the redundancy plan approved in May 2017. **Recurring costs** fall **9.5% YoY**.
- » **Recurring profits before provisions** increase **35% YoY**.
- » **Total provisions** drop **79% YoY**. **Cost of risk** stands at **44 b.p.**
- » **Profit before taxes excluding the redundancy plan cost** grows **81% YoY**.
- » Ibercaja Banco **net profit** stands at **€22.6mm**.

MAIN HIGHLIGHTS

ASSET QUALITY

- » **Non-performing assets** -doubtful exposures and foreclosed assets- fall **2.1%** vs. 2017YE or €86.5mm. **Non-performing assets ratio** drops 13 b.p. to **11.8%**. Since 1Q2017, **non-performing assets** decrease **13.7%** or €651mm and the non-performing assets ratio drops 148 b.p.
- » **Coverage ratio of non-performing assets** stands at **52%**.

SOLVENCY

- » Ibercaja Banco has completed a **preferred securities transaction (AT1)** for a nominal value of **€350mm**, fulfilling its AT1 capital bucket.
- » **CET1 Fully Loaded ratio** improves 16 b.p. in the quarter and reaches **10.7%** post IFRS9. **Total Capital Fully Loaded ratio** stands at **14.5%¹**.
- » **CET1 Phased In ratio** stands at **11.7%** and **Total Capital Phased In ratio** at **15.4%¹**, significantly above 2018 SREP requirements.

COMMERCIAL ACTIVITY

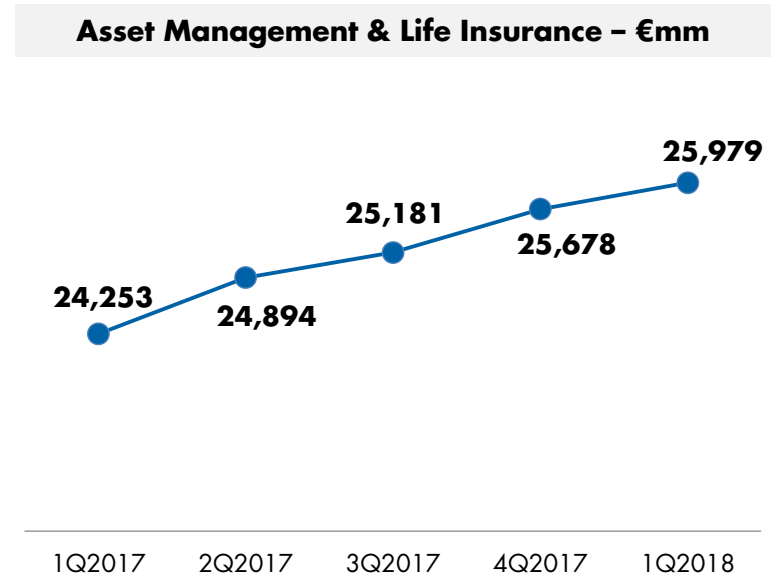
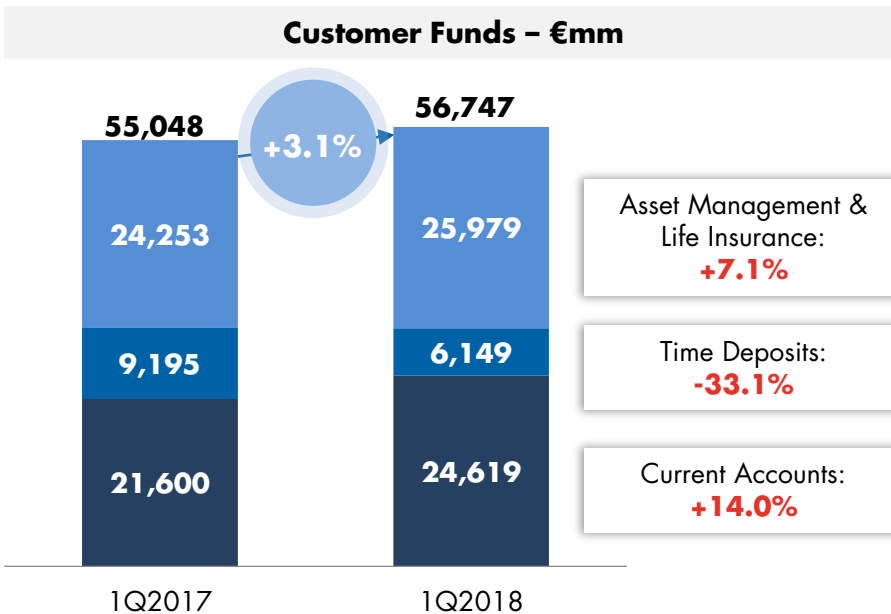
CUSTOMER FUNDS · ASSET MANAGEMENT & LIFE INSURANCE · CUSTOMER LOANS · RISK
INSURANCE

CUSTOMER FUNDS

Customer funds rise 3.1% YoY or €1,698mm.

Strong commercial momentum in asset management and life insurance products which grow 7.1% YoY or €1,726mm. This business accounts for 46% of total customer funds.

Current accounts continue to increase and represent for 80% of total deposits.

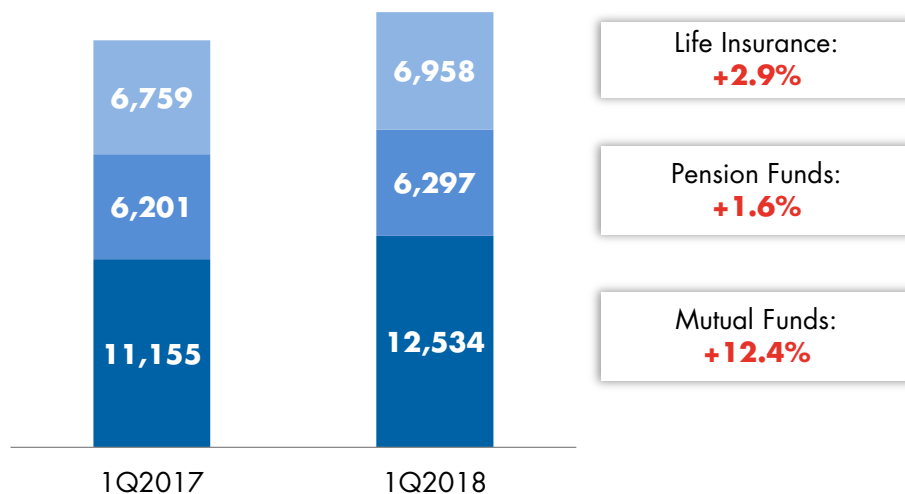


ASSET MANAGEMENT & LIFE INSURANCE

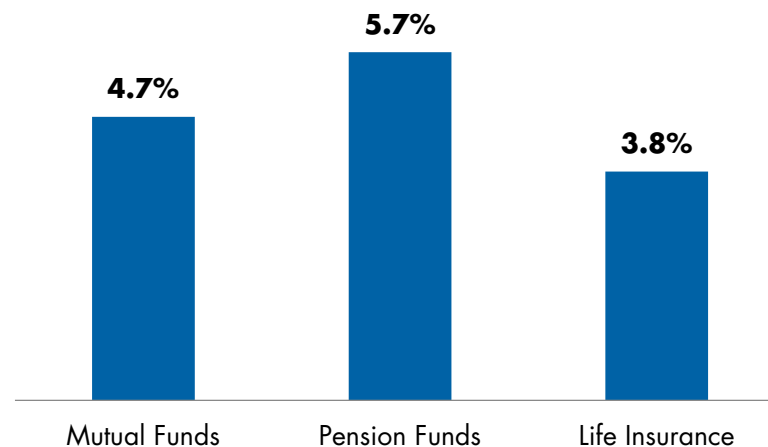
Ibercaja maintains its strong positioning in asset management and life insurance products, with market share well in excess of its banking business position.

- **Mutual Funds** lead the growth, and rise **12.4% YoY**.
- **Life insurance and pension funds** increase **2.9% YoY** and **1.6% YoY**, respectively.
- **Ibercaja Pensión** has been awarded as the best pension fund management company by **Expansion AllFunds** (3 years in a row)

Asset Management & Life Insurance – €mm



Market Share - % 1Q2018



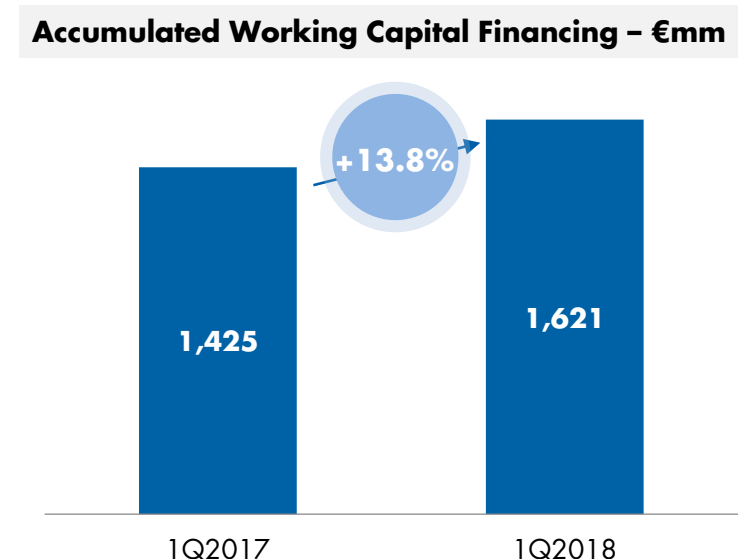
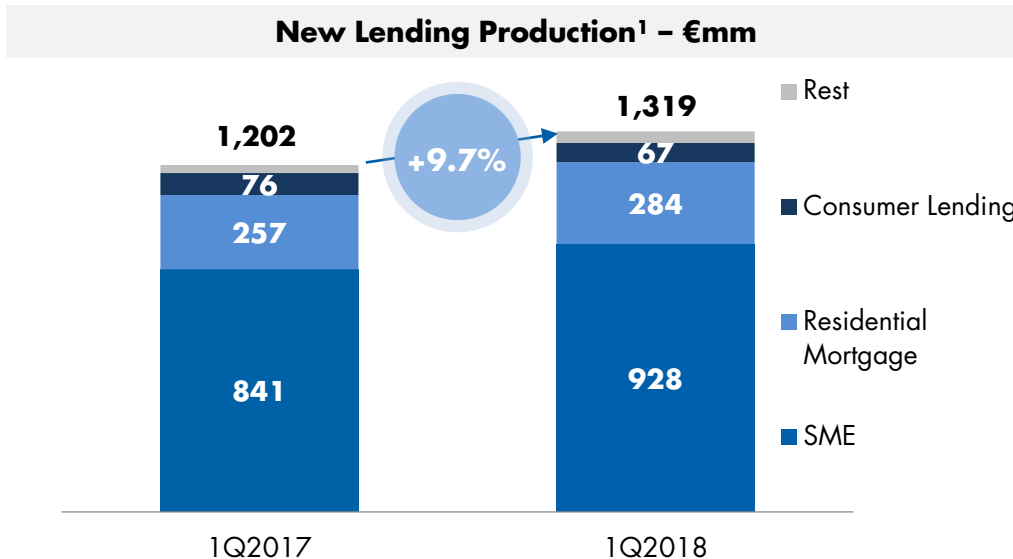
CUSTOMER LOANS (1/2)

New lending in the quarter reaches €1,319mm, 9.7% more than in 1Q2017.

- **New lending to SMEs** rises **10.3% YoY** with a strong evolution in **leasing and renting (+43% YoY)** and **real estate lending (+35% YoY)**.
- **Mortgage granting** grows **10.3% YoY**.

In addition, accumulated working capital financing reaches €1,621mm, +13.8% YoY.

- **International trade financing** rise **20.3% YoY**.



CUSTOMER LOANS (2/2)

Performing loans ex repo decrease 1.1% YoY

- **Performing loans to companies** rise **7.2% YoY** or €501mm.

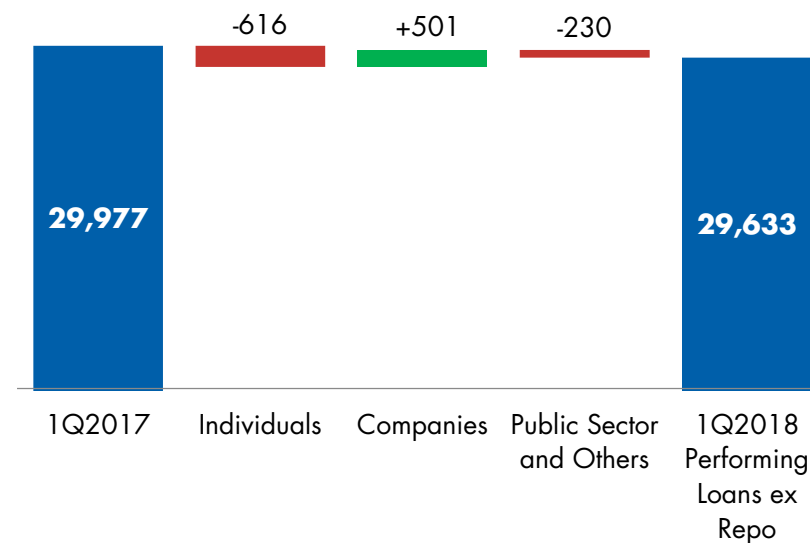
Growth in loans to companies almost offsets the fall in the stock of lending to individuals

- **Excluding public sector loans** (which fall 24.0% YoY), performing loans decrease **0.4% YoY**.

Lending Stock - €mm

	1Q2017	1Q2018	YoY.
Loans to Individuals	22,056	21,440	-2.8%
Mortgages	20,809	20,090	-3.5%
Consumer and Others	1,274	1,350	8.3%
Loans to Companies	6,964	7,466	7.2%
Real Estate Companies	911	946	3.8%
Non-Real Estate Companies	6,053	6,519	7.7%
Public Sector and Others	957	727	-24.0%
Performing Loans ex Repo	29,977	29,633	-1.1%
Repo	993	941	-5.2%
Doubtful Loans	3,007	2,501	-16.8%
Total Gross Loans	33,977	33,075	-2.7%

Lending Stock Variation - €mm

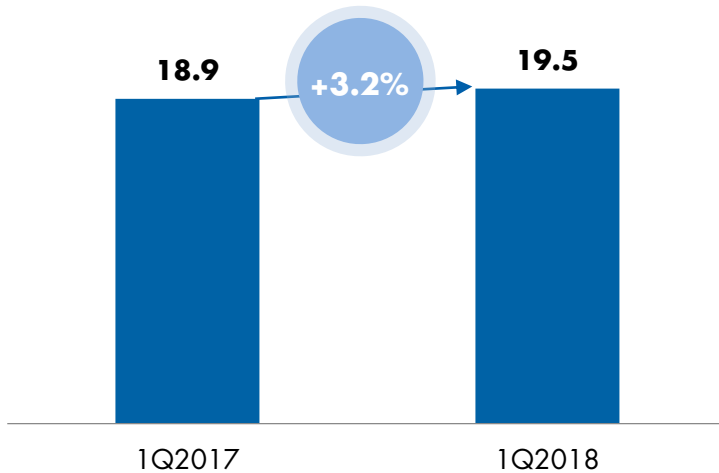


RISK INSURANCE

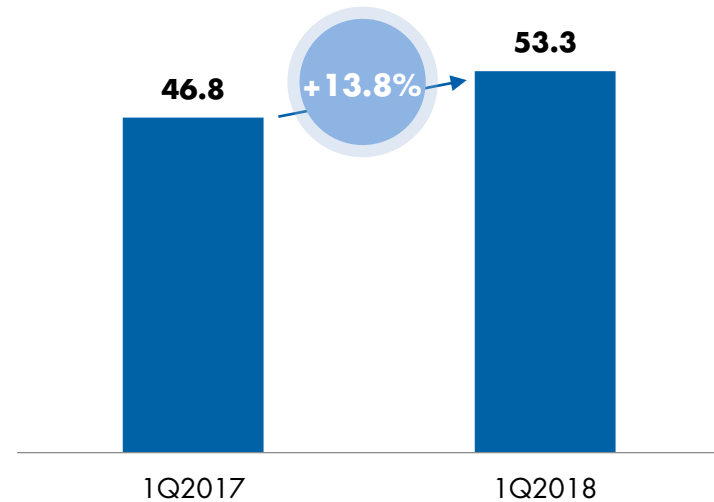
Risk insurance premiums (life risk and non-life¹) rise 10.8% YoY

- Growth in non-life risk insurance is driven by a remarkable progress in **agricultural (+91.9% YoY)**, **payment protection (+88.6% YoY)** and **civil liability (+28.5% YoY)** policies.

Life Risk Insurance Premiums – €mm



Non-life Risk Insurance Premiums¹ – €mm



1Q2018 RESULTS

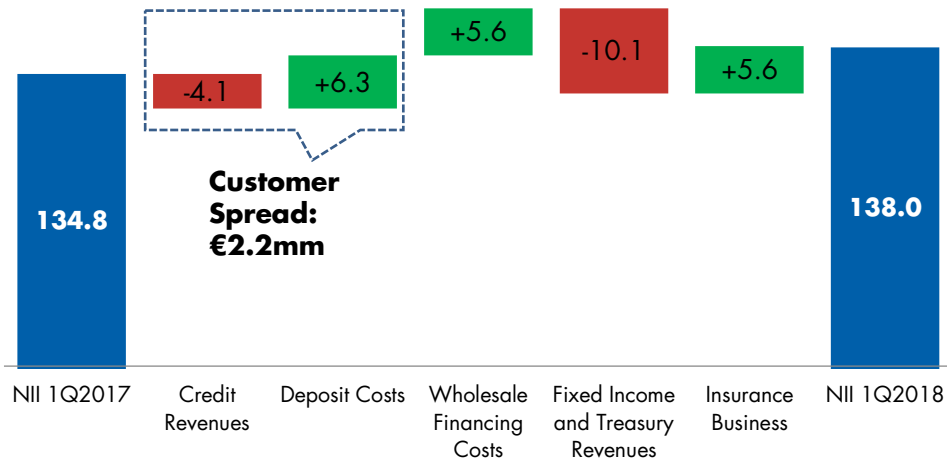
P&L ACCOUNT · NET INTEREST INCOME · NET FEE INCOME · RECURRING REVENUES ·
OPERATING COSTS · RECURRING PROFITS BEFORE PROVISIONS · PROVISIONS · PROFIT
BEFORE TAXES

P&L ACCOUNT

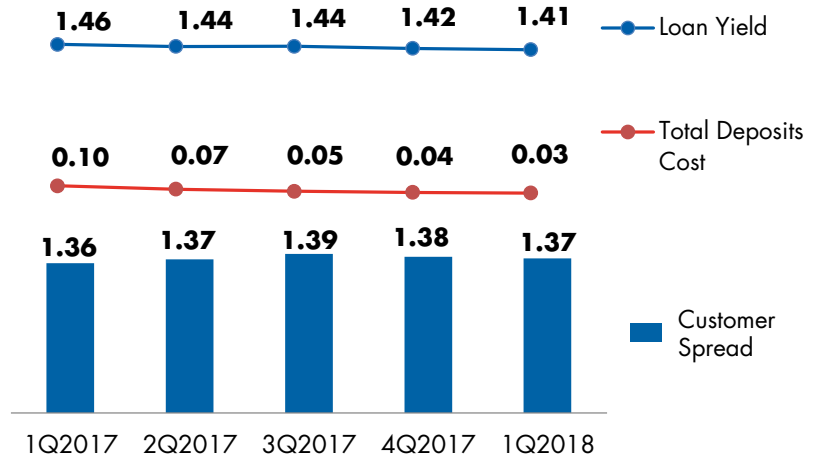
€mm	1Q2017	1Q2018	YoY
Net Interest Income	134.8	138.0	2.4%
Net Fee Income	86.9	89.9	3.4%
Trading Income	76.0	25.0	-67.1%
Other Operating Inc. / Exp. (Net)	12.3	5.7	-53.2%
Gross Operating Income	310.0	258.6	-16.6%
Operating Costs	-160.1	-200.5	25.2%
of which: Recurring Costs	-160.1	-145.0	-9.5%
of which: Redundancy Plan		-55.5	
Pre-Provision Profit	149.8	58.1	-61.2%
Total Provisions	-107.0	-22.3	-79.1%
Other Gains and Losses	7.1	-1.0	n/a
Profit before Taxes	49.9	34.9	-30.1%
Taxes & Minorities	-12.2	-12.3	1.1%
Net Profit Attributable to Shareholders	37.7	22.6	-40.2%
Profit before Taxes excluding Redundancy Plan	49.9	90.4	81.1%

NET INTEREST INCOME

Net Interest Income Breakdown - €mm



Customer Spread - %

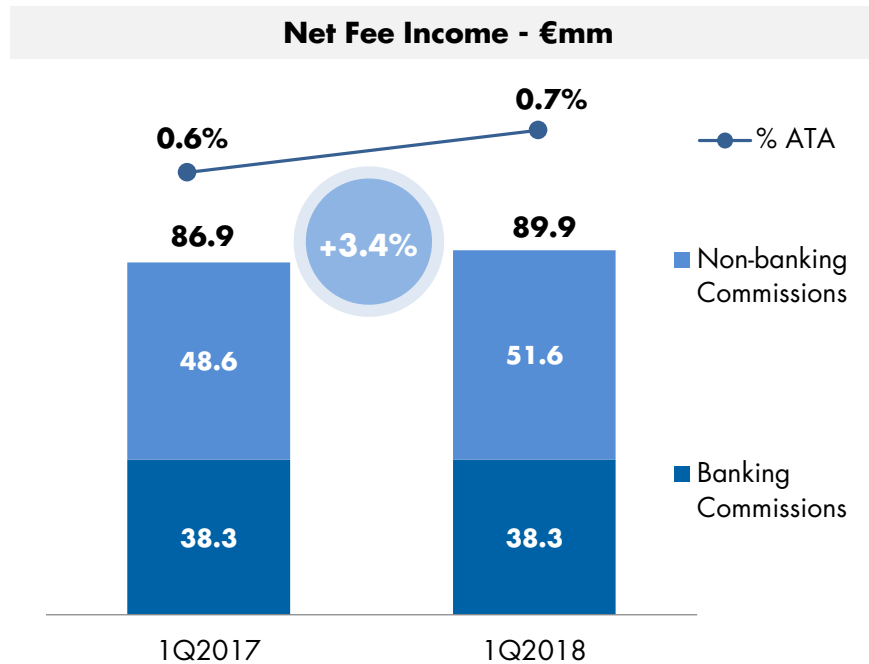


Net interest income grows 2.4% YoY. Net interest income as % of ATA improves 10 b.p. and reaches 1.1%.

Stability in customer spread.

- Yield of the **new lending operations** stands at **2.4%**.
- Cost of **new time deposits** stands at **4 b.p.** vs. 7 b.p. of the back book.

NET FEE INCOME



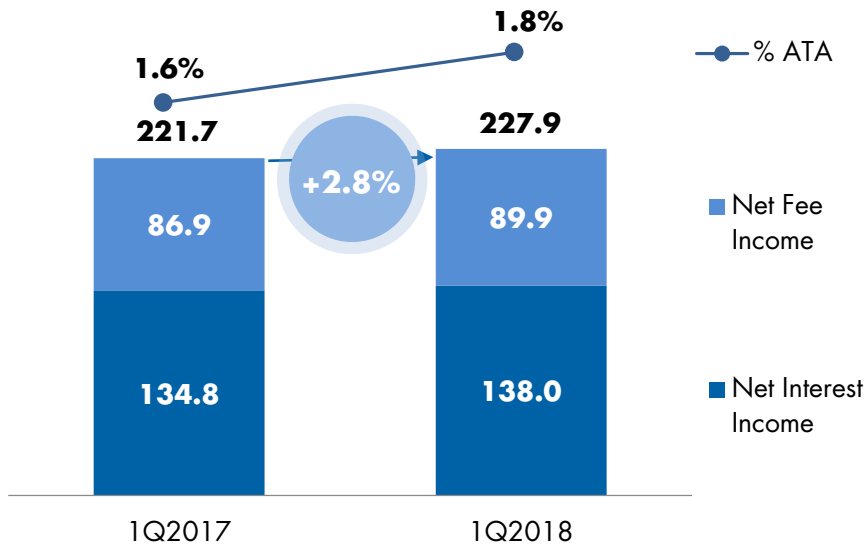
Net fee income grows 3.4% YoY.

- **Non-banking commissions** (mutual funds, risk insurance and pension funds) rise **6.1% YoY**.
- **Banking commissions** remain **stable**.

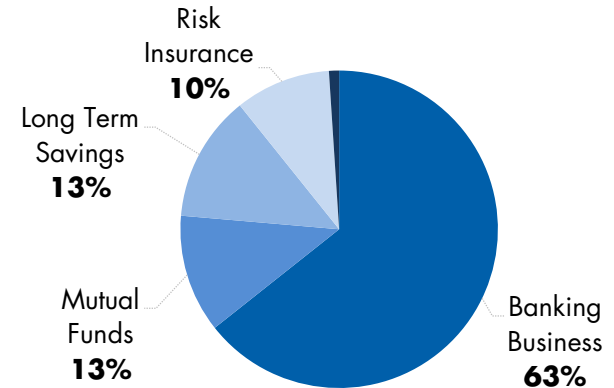
As % of ATA, net fee income improves 7 b.p. YoY and reaches 0.7%.

RECURRING REVENUES

Recurring Revenues - €mm



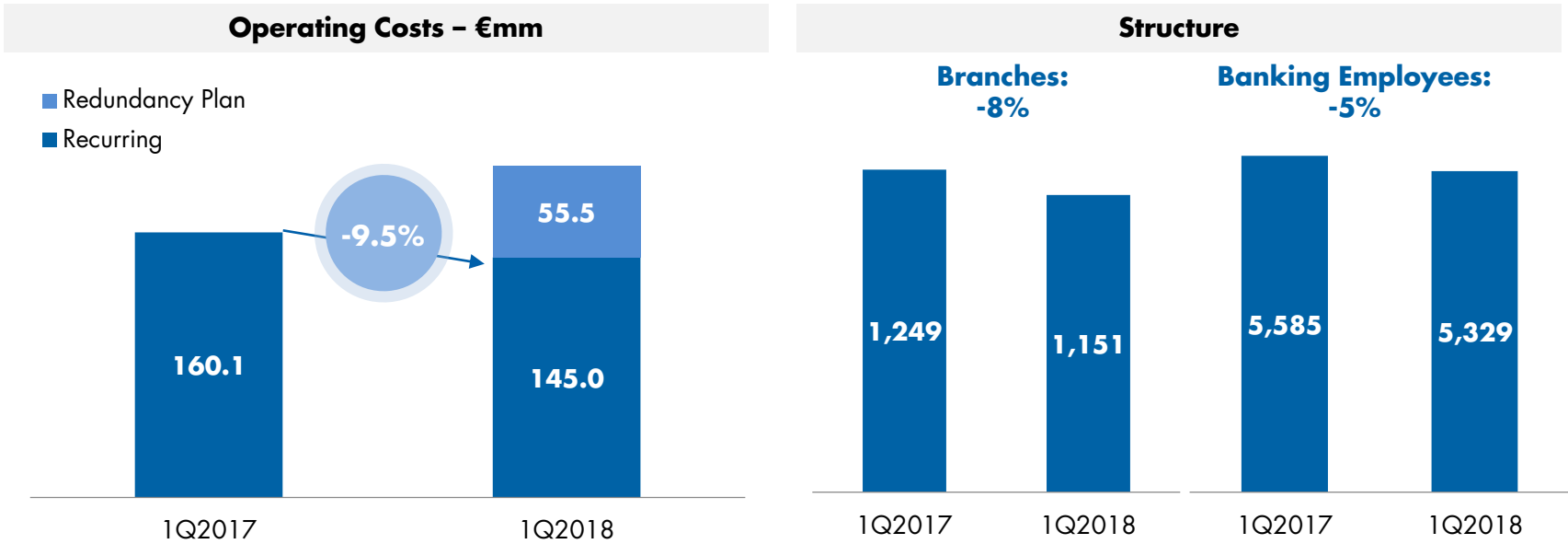
Recurring Revenues Breakdown - % 1Q2018



Recurring revenues grow 2.8% YoY and the yield over ATA improves 17 b.p.

- **Revenues from asset management and bancassurance** grow **9.9% YoY** and account for **36%** of recurring revenues.
- **Revenues from the banking business** remain **stable** (-0.7% YoY).

OPERATING COSTS



Total operating costs grow 25.2% YoY. Ibercaja Banco has recorded extraordinary expenses amounting to €55.5mm related to the second tranche of the redundancy plan approved in May 2017.

- The second tranche will allow Ibercaja to reduce its workforce by **244 employees** up to June 2018.

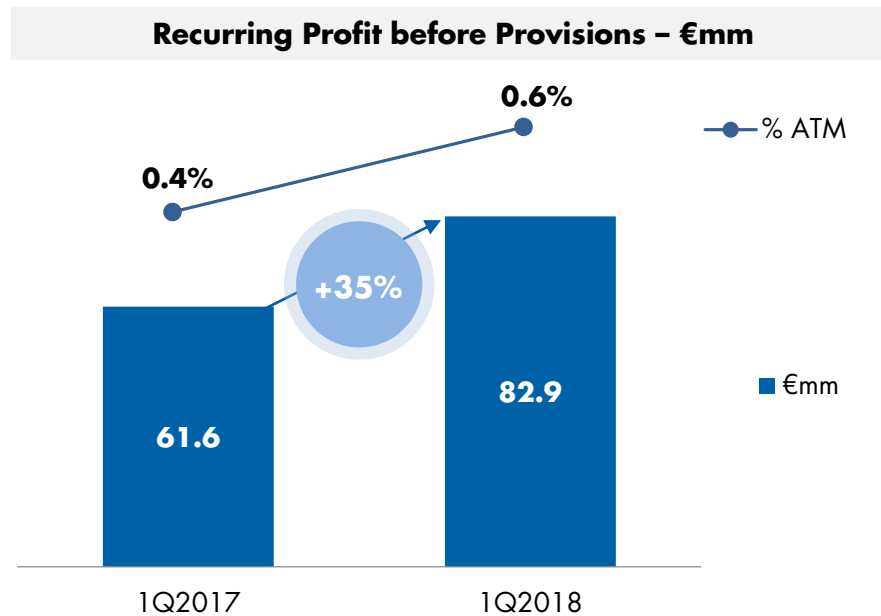
Recurring costs drop 9.5% YoY.

- The fall in recurring costs will moderate through the year to **-2%** as result of the launch of the new projects associated to the 2018-2020 Strategic Plan.

RECURRING PROFIT BEFORE PROVISIONS

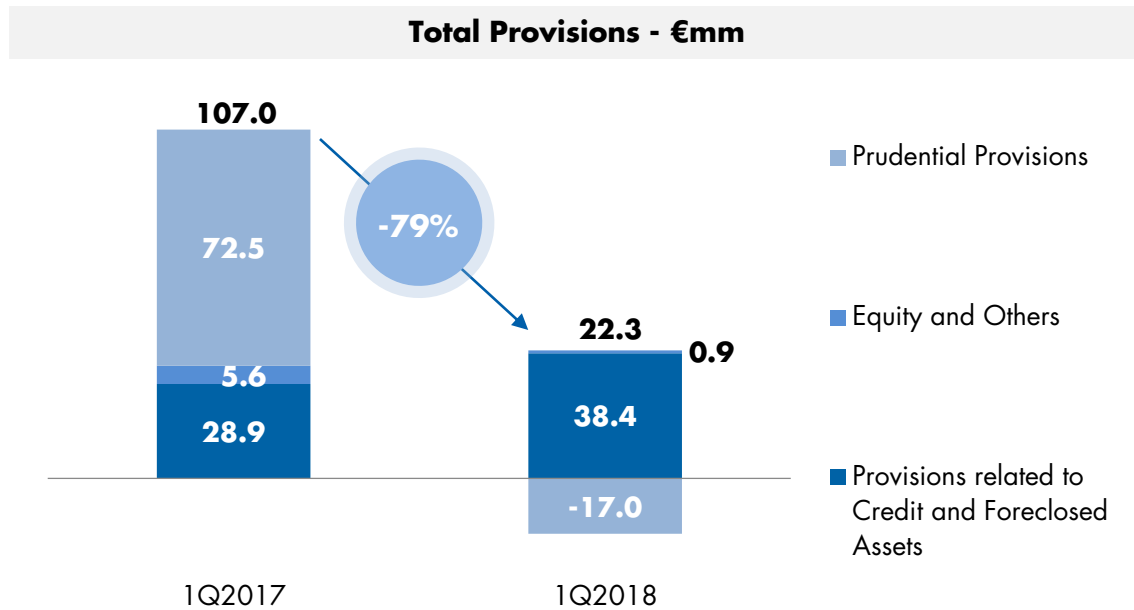
Recurring profit before provisions grows 35% YoY. Recurring profit before provisions as % ATA improves 20 b.p.

- **Recurring revenues** rise **2.8% YoY**.
- **Recurring costs** decrease **9.5% YoY**.



 **2018 Target**
Δ Recurring Profit before Provisions ≈10%

PROVISIONS



Total provisions plummet 79% YoY.

Provisions related to credit and foreclosed assets rise 33.1% YoY.

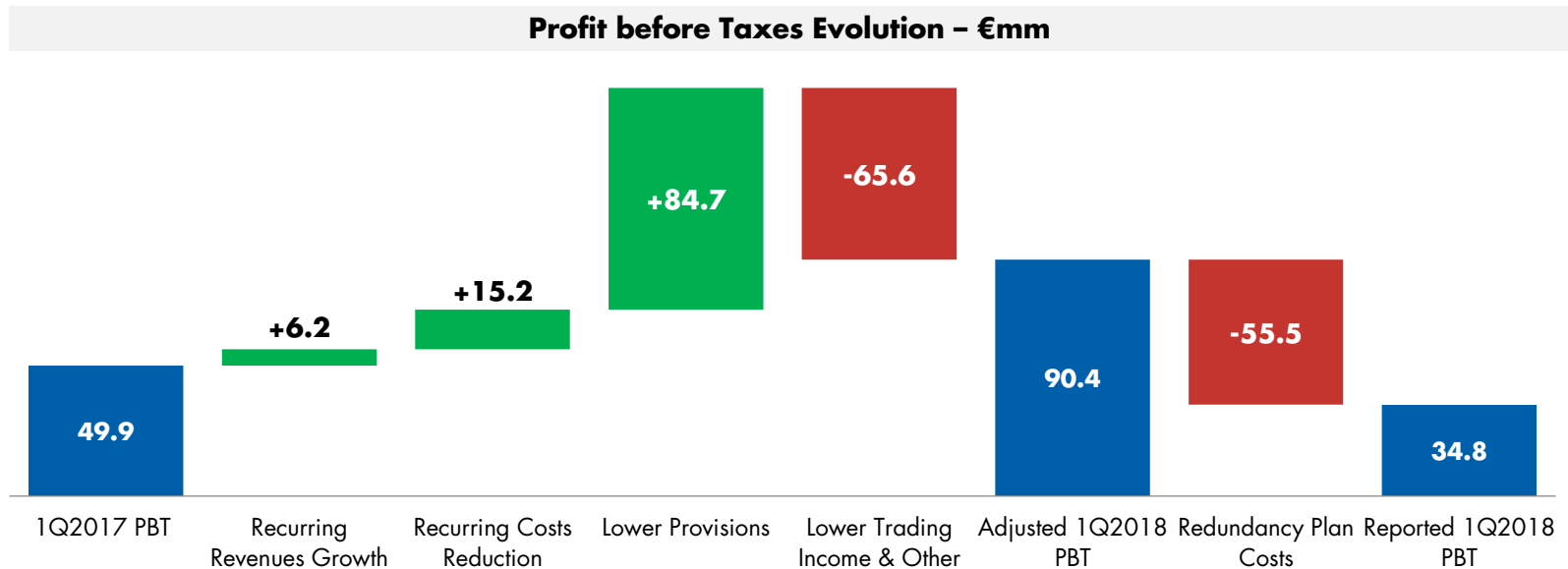
- **Cost of risk** stands at **44 b.p.** in line with the 2018 target of ≈ 50 b.p.

PROFIT BEFORE TAXES

The impact of extraordinary expenses related to the redundancy plan drags out profits generation.

- Profit before taxes excluding the redundancy plan cost grows **81%** vs. 1Q2017.

Growing recurring revenues and falling operating costs and total provisions account for a **€106mm** improvement in profit before taxes.



ASSET QUALITY, LIQUIDITY AND SOLVENCY

ASSET QUALITY (1/2)

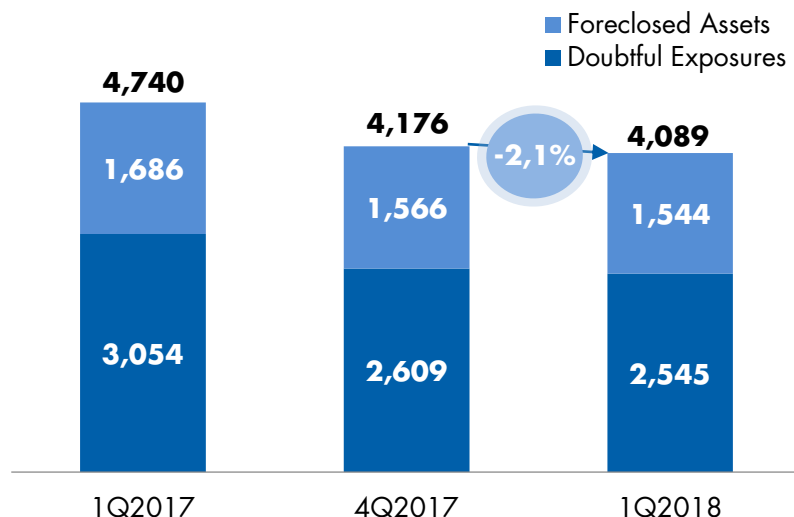
Non-performing assets -doubtful exposures and foreclosed assets- fall 2.1% vs. 2017YE or €86.5mm. NPA ratio decreases 13 b.p. to 11.8%.

- Stock of **doubtful exposures** decreases **2.5%** or €65mm. **NPL ratio** stands at **7.6%**.
- Stock of **foreclosed assets** drops **1.4%** or €22mm. Quarterly foreclosed asset sales amount to €68mm (-13% YoY) and Ibercaja releases **€5mm** of provisions. Land sales over the period amount to **€17mm**.

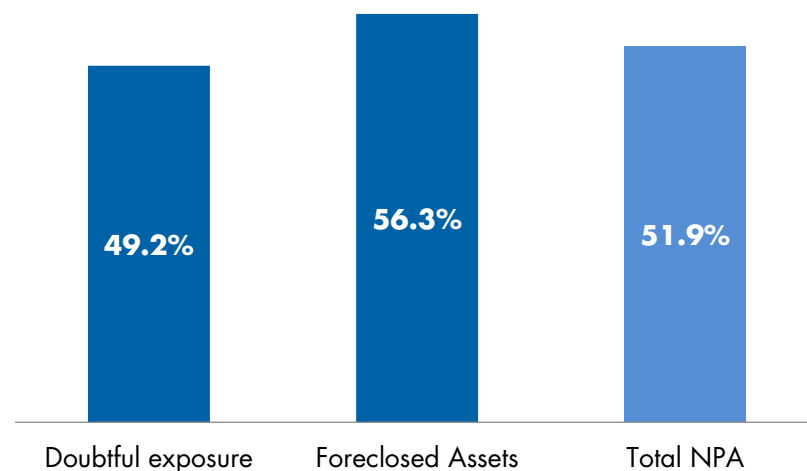
Since 1Q2017, non-performing assets have decreased 13.7% or €651mm.

Post IFRS9 implementation, NPA coverage ratio stands at 52%

Gross Non-performing Assets – €mm



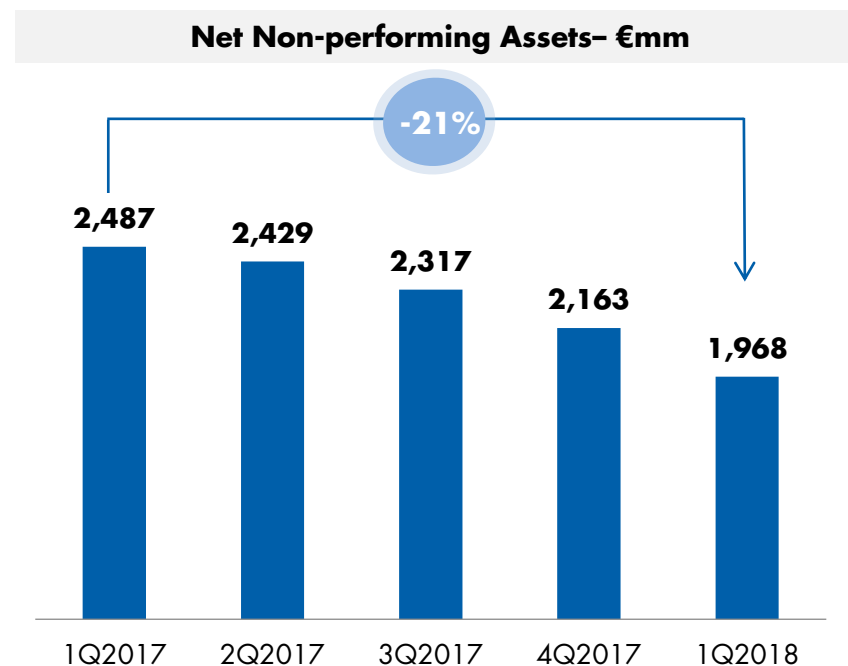
Coverage Ratio – %



ASSET QUALITY (2/2)

Post IFRS9 implementation, net non-performing assets decrease €195mm vs. 2017YE or 9%.

- Since **1Q2017**, as a result of the gross NPA reduction and the provisioning effort, net non-performing assets have fallen **€519mm** or **21%**.

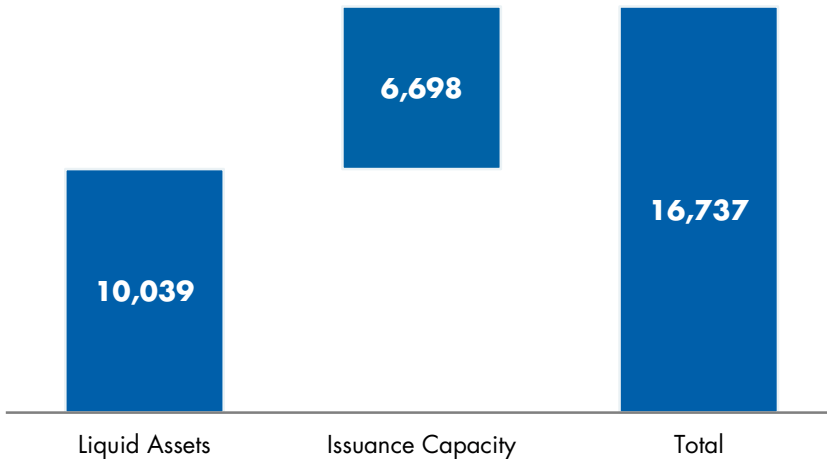


LIQUIDITY AND SOLVENCY (1/5)

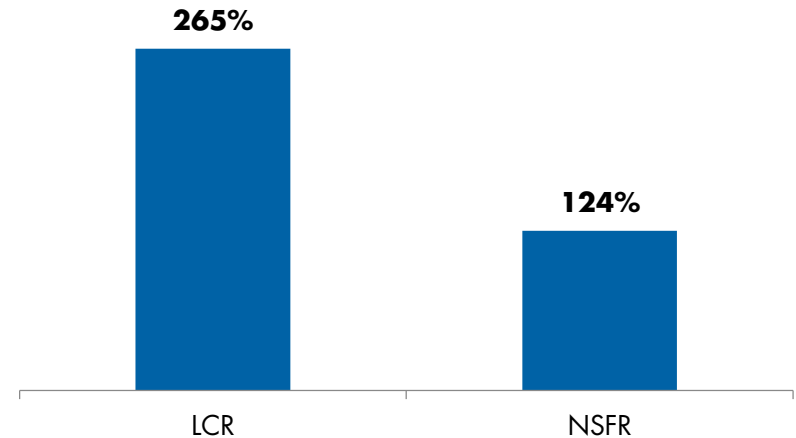
Sound liquidity position:

- **Available liquid assets** amount to **€10,039mm** (19% of total assets), while the covered bond issuance capacity stands at €6,698mm. As a result, Ibercaja Banco has an **available liquidity position** that surpasses **€16,700mm, or 32% of total assets**.
- Regulatory liquidity and funding ratios (LCR and NSFR) stand comfortably above minimum requirements.

Liquidity Position – €mm€



Liquidity and Long Term Funding Ratios – 1Q2018

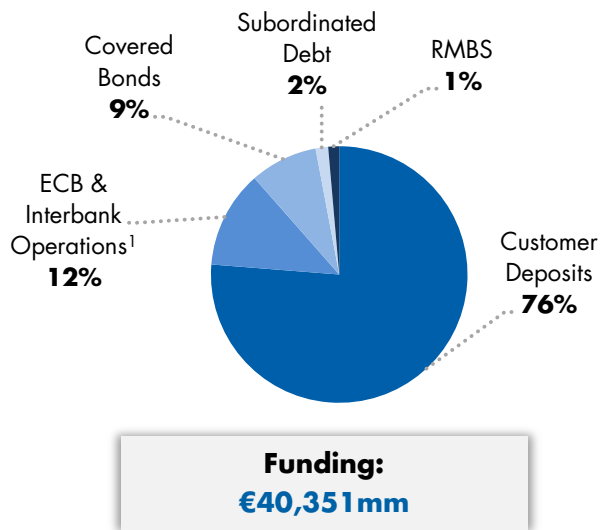


LIQUIDITY AND SOLVENCY (2/5)

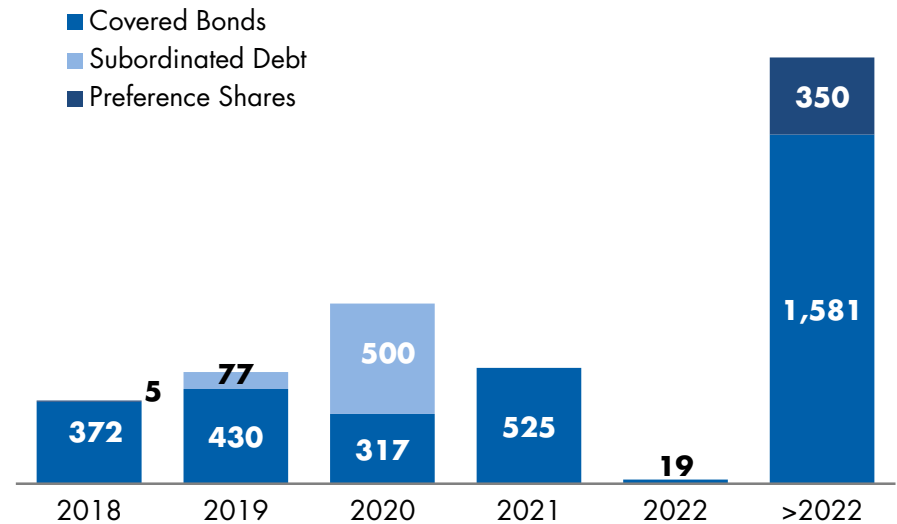
Stability in the funding structure of the bank:

- **Loan to deposits ratio** stands at **96.1%**.
- **Customer deposits** represent **76% of total funding**
- ECB: €3.372mm (6% of total assets), 100% TLTRO II.
- **No significant concentration** in institutional funding **maturities** (<2.0% of total assets every year).

Funding Structure – 1Q2018



Maturity Profile² – €mm



¹ Includes long term financing from institutional banks such as ICO and EIB.

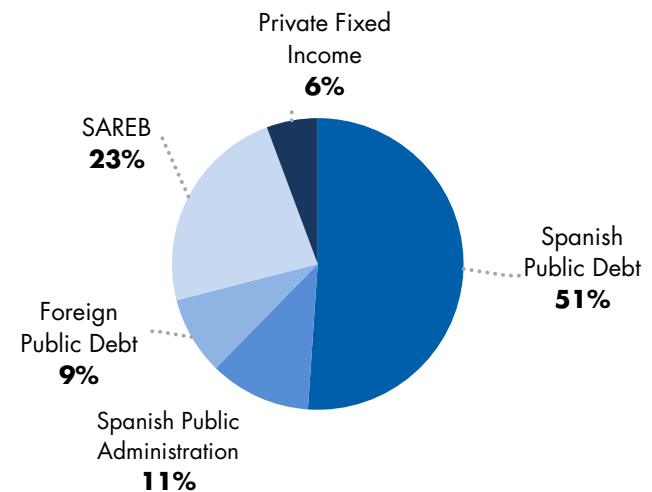
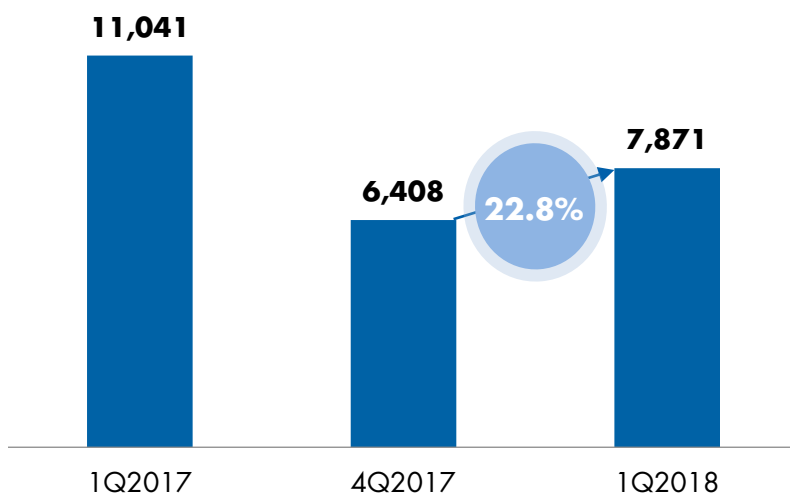
² As of May 2018, it includes AT1 issuance.

LIQUIDITY AND SOLVENCY (3/5)

The ALCO portfolio has a low risk profile, mainly composed of Spanish sovereign debt.

- **Average duration** of **4,2 years**¹.
- **Average yield** stands at **1.3%** ex SAREB (1% including SAREB bonds).
- **80%** of the portfolio accounted as **amortized cost**.

Fixed Income Portfolio – €mm



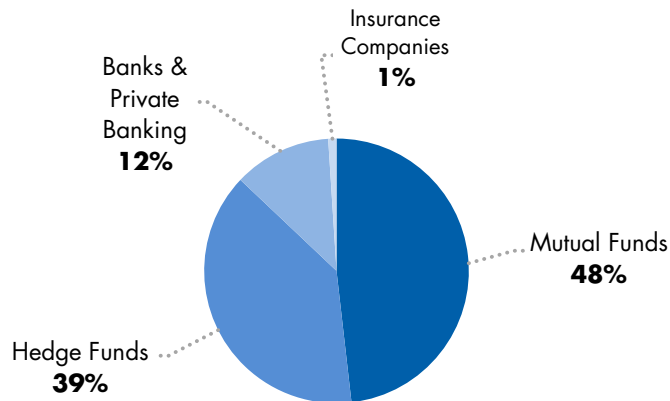
LIQUIDITY AND SOLVENCY (4/5)

Last March, Ibercaja Banco completed a preferred securities transaction (AT1) for a nominal value of €350mm.

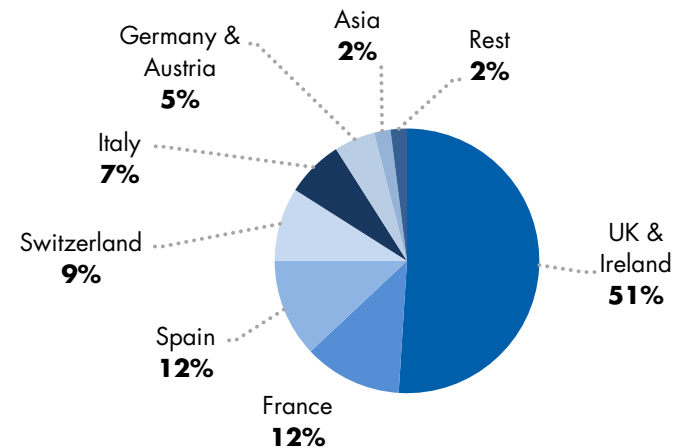
- With this transaction, Ibercaja **completes the AT1 bucket (150 b.p.)** in line with the target set in the 2018-2020 Strategic Plan, and allows for an optimization of the capital structure. Additionally, the Bank increases its bailinable debt (MREL) and improves its leverage ratio.

Investor demand reached €1,000mm or 2.9x nominal value of the transaction, which allowed Ibercaja to reduce the coupon to 7.0%. 88% of the demand came from international investors.

Investor Breakdown



Geographical Distribution



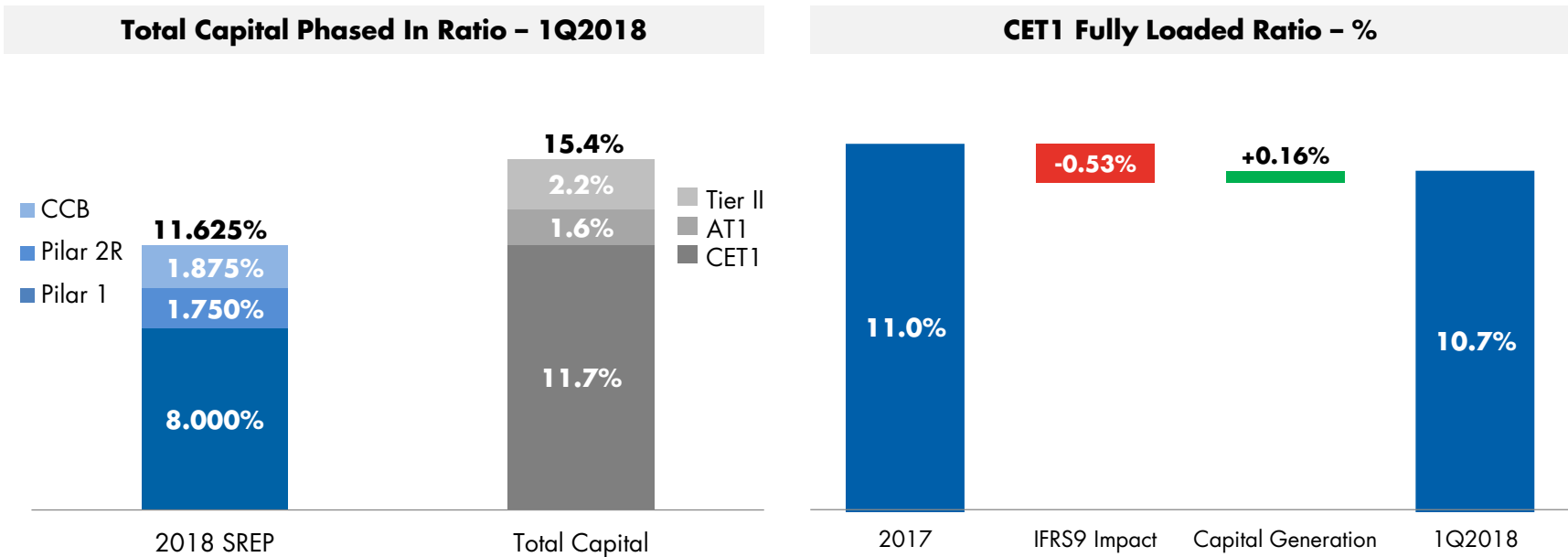
LIQUIDITY AND SOLVENCY (5/5)

CET1 Fully Loaded ratio improves 16 b.p. and amounts to 10.7% post IFRS9. Total Capital Fully Loaded ratio is 14.5%¹.

CET1 Phased In ratio stands at 11.7% and Total Capital Phased In ratio at 15.4%¹, levels which are significantly above SREP requirements (8.125% and 11.625% respectively).

- **RWA/TA ratio** stands at **42.9%** applying standard methodology calculation in all the portfolios.

Fully Loaded Leverage ratio reaches 5.8%¹.

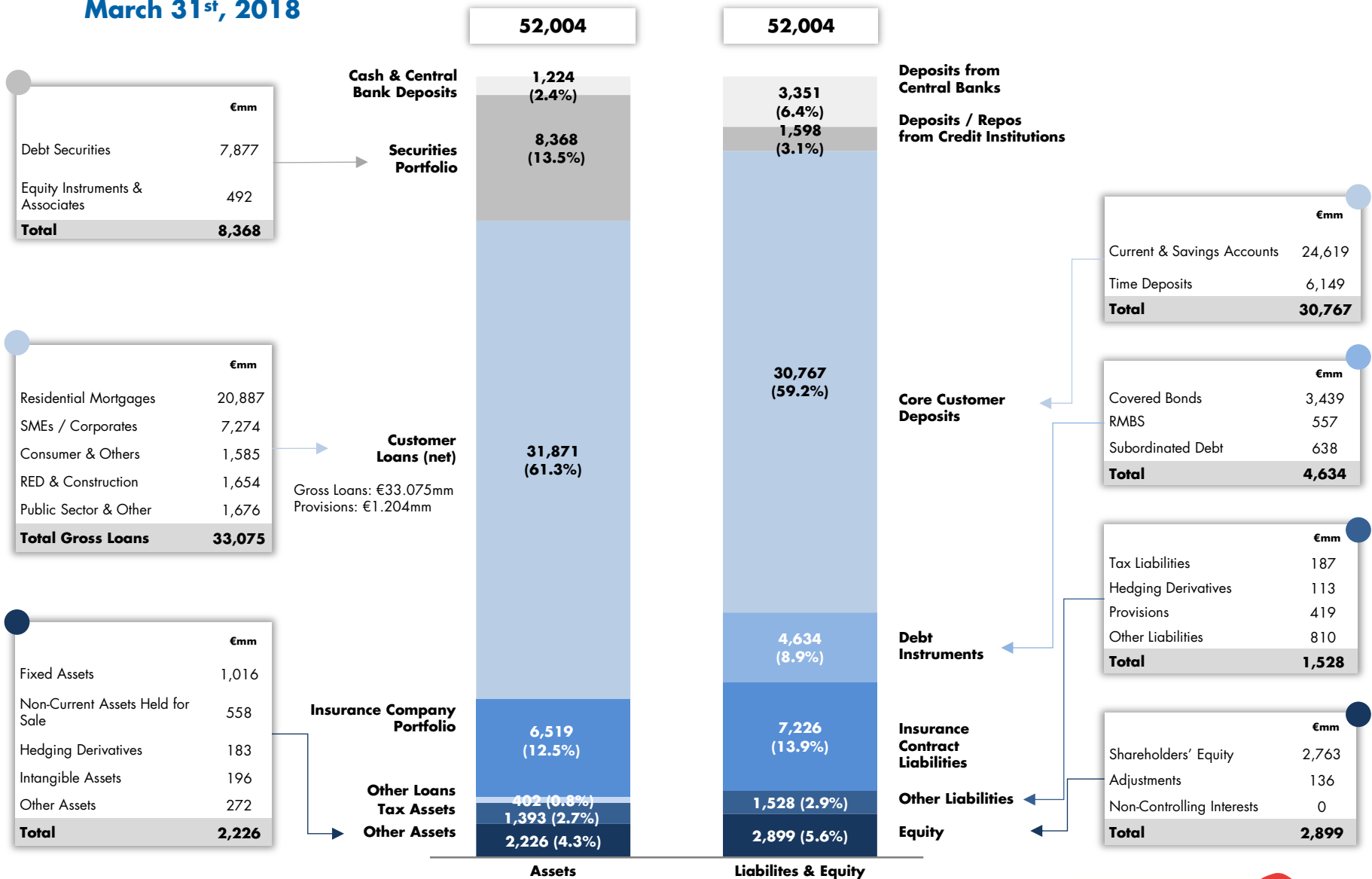


ANNEX 1

CONSOLIDATED BALANCE SHEET

CONSOLIDATED BALANCE SHEET

March 31st, 2018



ANNEX 2

GLOSSARY

GLOSSARY

Ratio / APM	Definition
Customer Spread	Difference between the average yield on the loan portfolio and the cost of retail deposits.
Recurring Revenues	Net interest income plus net fee and commission income plus net exchange differences.
Recurring Costs	Total operating expenses (administration expenses plus amortisation and depreciation) minus extraordinary expenses (redundancy plan expenses).
Recurring profit before provisions:	Recurring revenues minus recurring costs.
NPL ratio	Doubtful balances in loans and advances to customers divided by gross loans and advances to customers.
Coverage for total doubtful risk	Relationship between total asset impairment losses and provisions for risks and contingent commitments and doubtful risks.
Coverage ratio of foreclosed assets	Value adjustments for impairment losses on foreclosed assets divided by gross value of foreclosed assets.
NPA Ratio	Gross non-performing assets (total non-performing risks plus gross foreclosed assets) divided by gross loans and advances to customers plus the gross foreclosed assets.
NPA Ratio Coverage	Accumulated impairment of foreclosed assets plus impairment losses on loans and advances to customers (excluding provisions related to clauses which set a minimum interest rate for mortgages) divided by gross non-performing assets (non-performing loans plus gross foreclosed assets).
Cost of Risk	Percentage of write-downs associated with credit risk and real estate in relation to gross loans and advances to customers plus gross foreclosed assets.
Liquid Assets % Total Assets	Total liquid assets divided by total assets. Liquid assets include unencumbered public debt + available & eligible fixed income assets (after ECB haircut applied).
LTD Ratio	Net loans (excluding securitisation liabilities) divided by customer deposits, promissory notes and subordinated liabilities (excluding individual mortgage bonds, temporary transfers of assets, wholesaler promissory notes, wholesale subordinated debt and preferred shares).
NSFR Ratio	Amount of available stable funding relative to the amount of required stable funding.
LCR Ratio	High quality liquid assets divided by net outflows during the following 30 days.



CONTACT

investors@ibercaja.es

For more information, VISIT OUR WEBSITE:

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