1Q2018 RESULTS

May 4th 2018

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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.

[1] Includes AT1 transaction

COMMERCIAL ACTIVITY

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

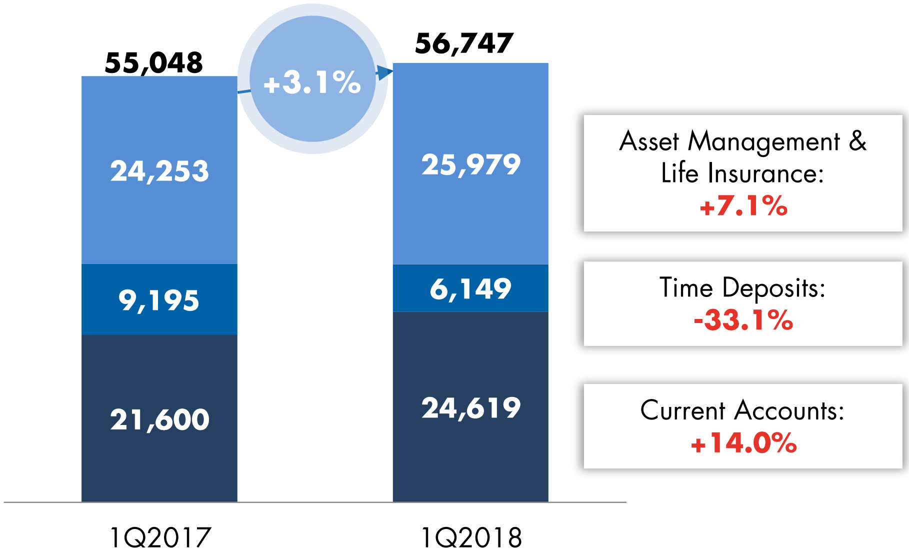
CUSTOMER FUNDS

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

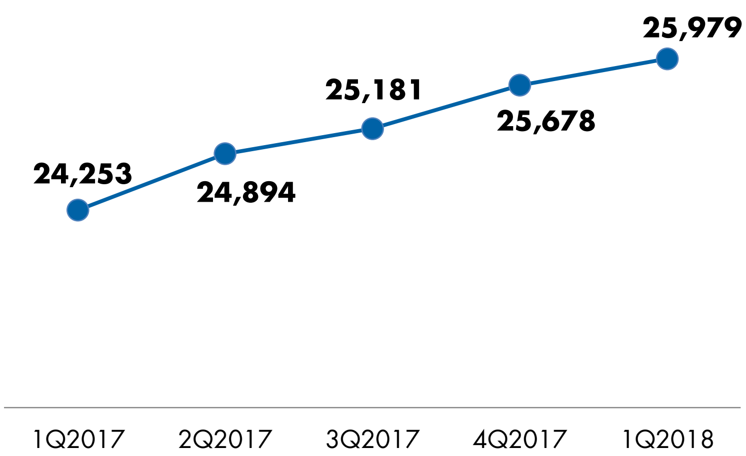
Strong commercial momentum in asset management and life insurance products which grow 7.1% YoY or €1,726mm. This business accounts for 46% of total customer funds.

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

Customer Funds – €mm



Asset Management & Life Insurance – €mm



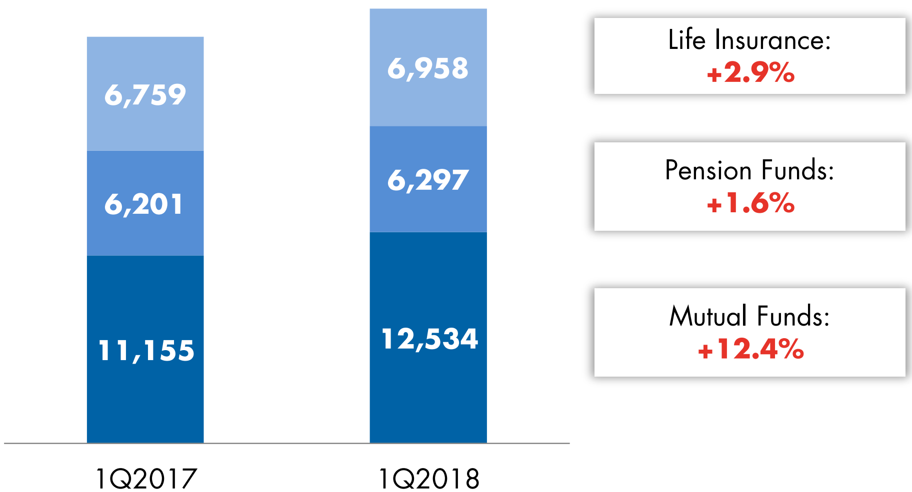
Note: Asset Management includes mutual funds and pension funds

ASSET MANAGEMENT & LIFE INSURANCE

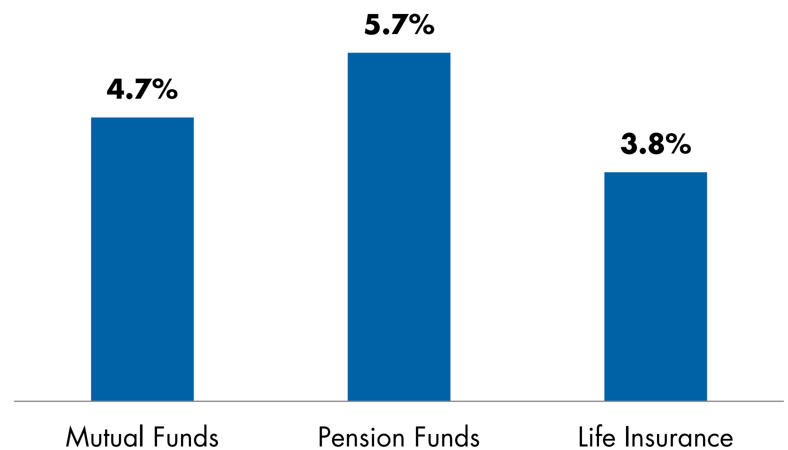
Ibercaja maintains its strong positioning in asset management and life insurance products, with market share well in excess of its banking business position.

- **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



Source: Inverco & ICEA

CUSTOMER LOANS (1/2)

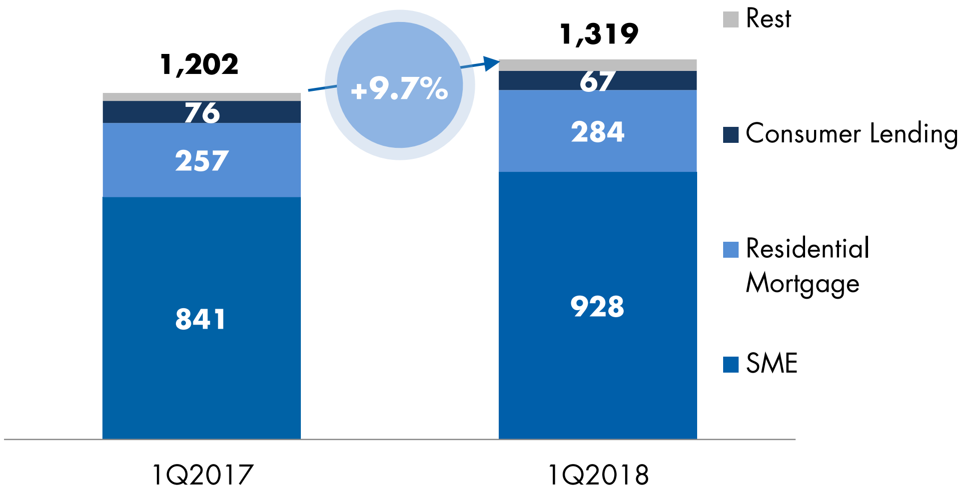
New lending in the quarter reaches €1,319mm, 9.7% more than in 1Q2017.

- **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.**

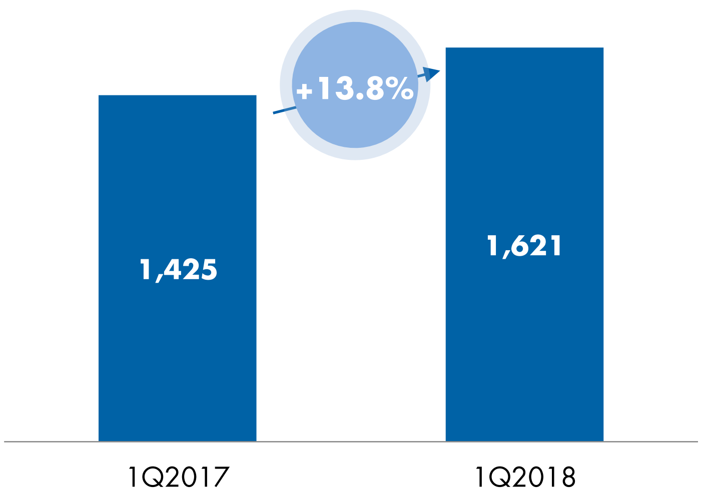
In addition, accumulated working capital financing reaches €1,621mm, +13.8% YoY.

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

New Lending Production[1] – €mm



Accumulated Working Capital Financing – €mm



[1]SME includes new loans to real estate companies and non-real estate companies, and leasing and renting operations.

CUSTOMER LOANS (2/2)

Performing loans ex repo decrease 1.1% YoY

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

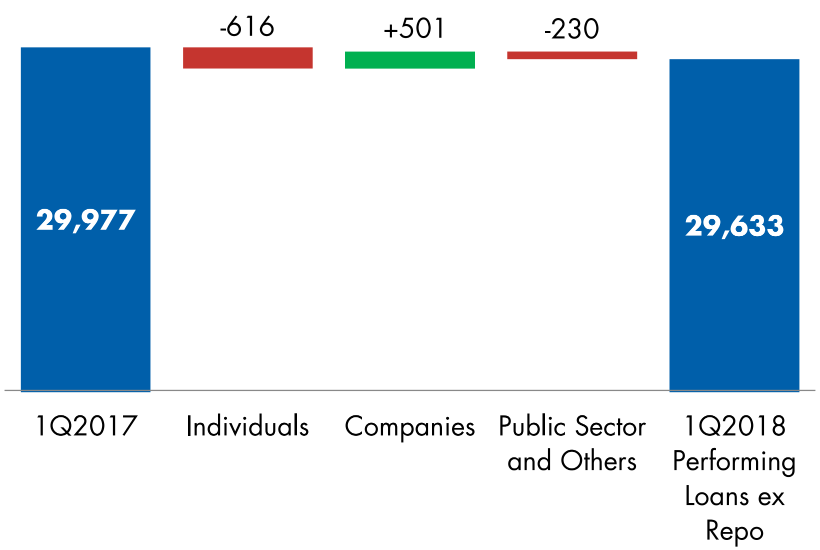
Growth in loans to companies almost offsets the fall in the stock of lending to individuals

- **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



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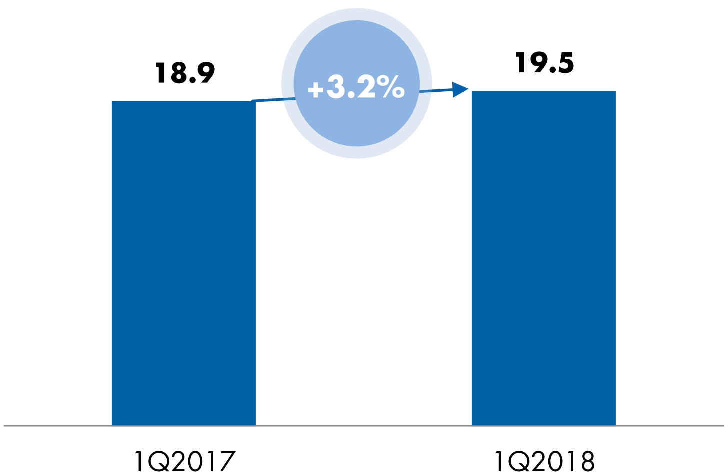
RISK INSURANCE

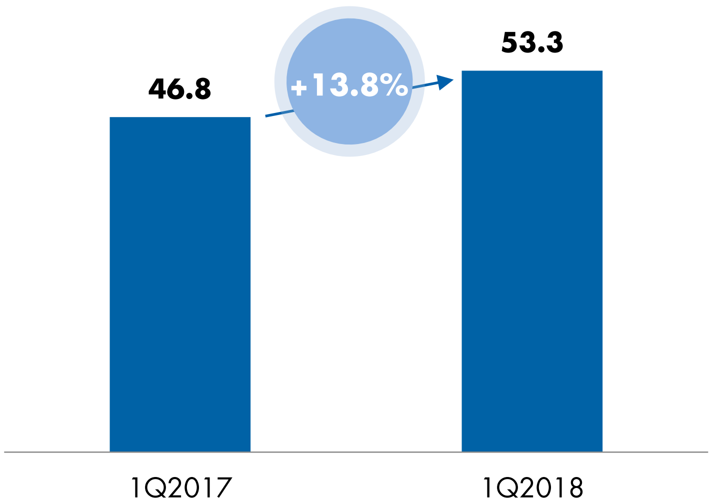
Risk insurance premiums (life risk and non-life[1]) rise 10.8% YoY

- 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 Premiums[1] – €mm



[1] Premiums collected from CASER insurance products

1Q2018 RESULTS

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

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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%**

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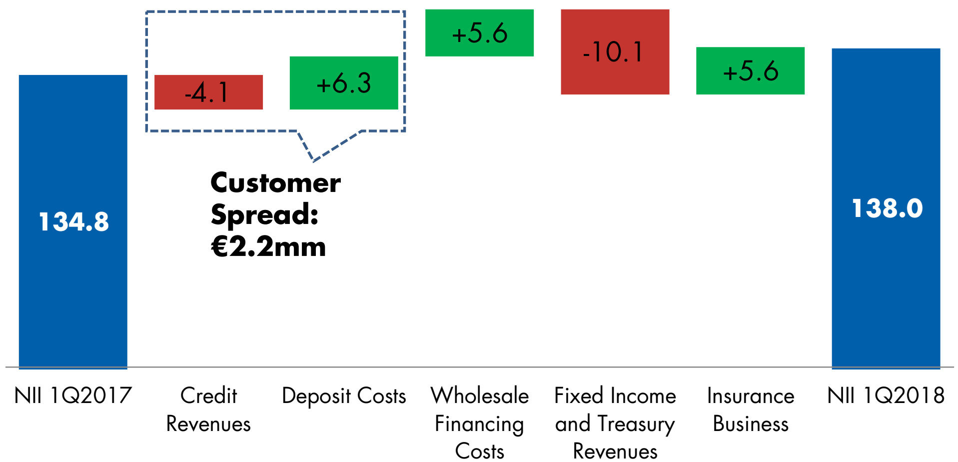
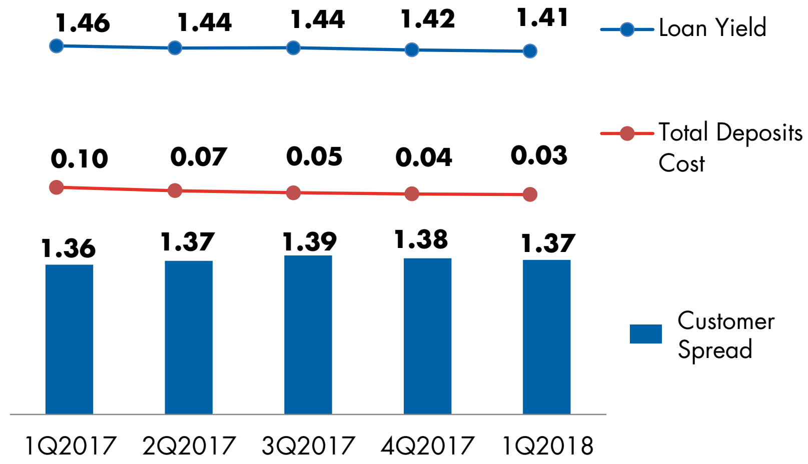
NET INTEREST INCOME

Net Interest Income Breakdown - €mm



Customer Spread - %

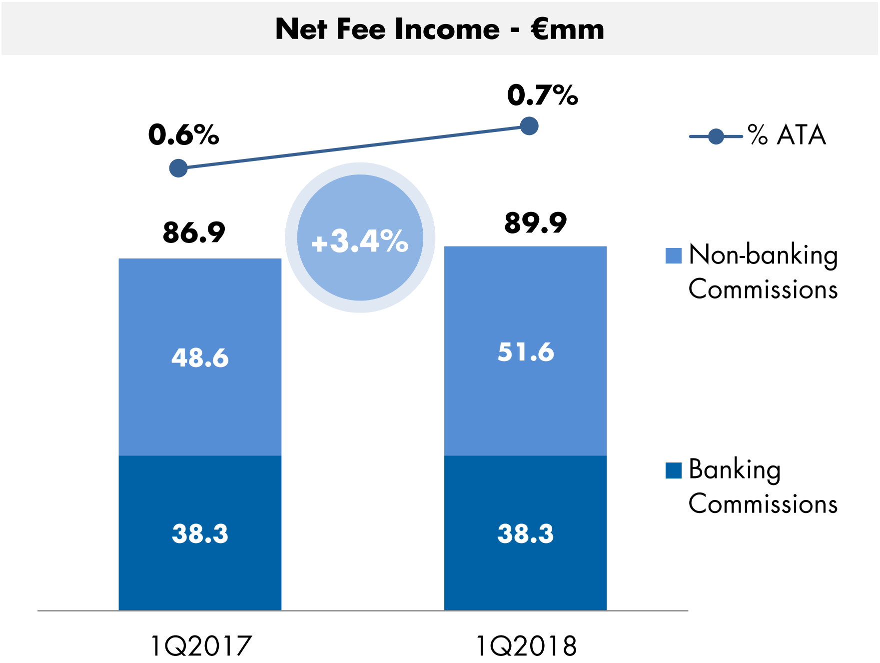


Net interest income grows 2.4% YoY. Net interest income as % of ATA improves 10 b.p. and reaches 1.1%.

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



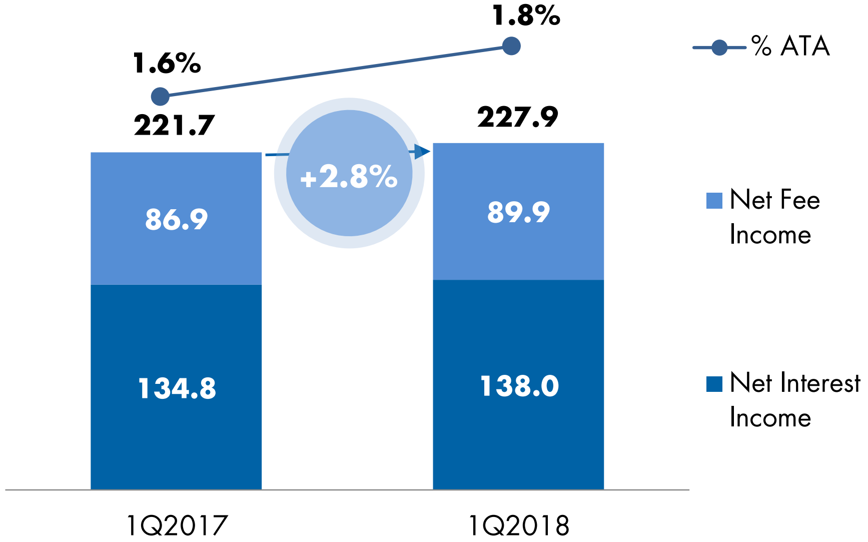
Net fee income grows 3.4% YoY.

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

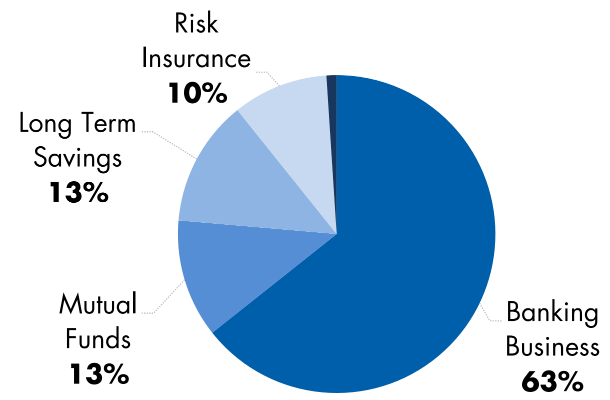
As % of ATA, net fee income improves 7 b.p. YoY and reaches 0.7%.

RECURRING REVENUES

Recurring Revenues - €mm



Recurring Revenues Breakdown – % 1Q2018

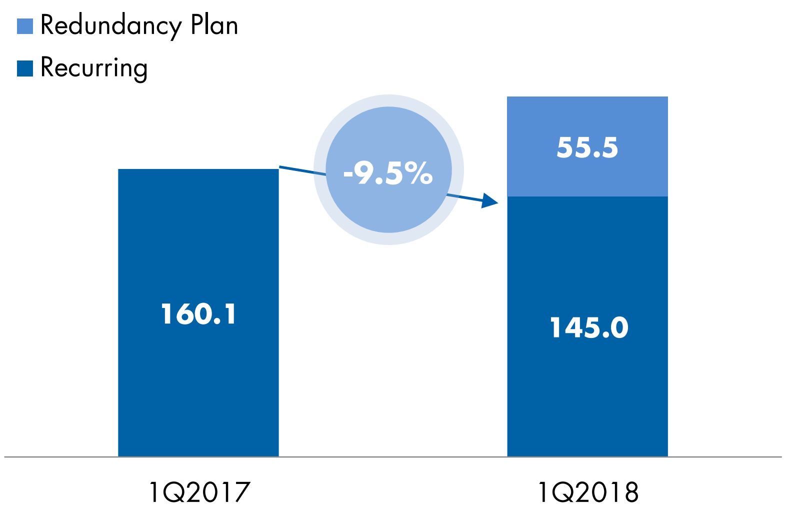


Recurring revenues grow 2.8% YoY and the yield over ATA improves 17 b.p.

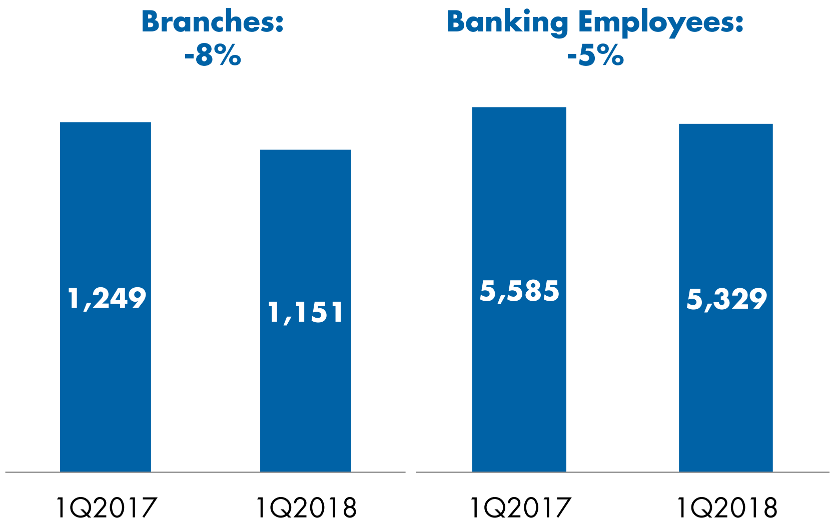
- **Revenues from asset management and bancassurance** grow **9.9% YoY** and account for **36%** of recurring revenues.
- **Revenues from the banking business** remain **stable** (-0.7% YoY).

OPERATING COSTS

Operating Costs – €mm



Structure



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.

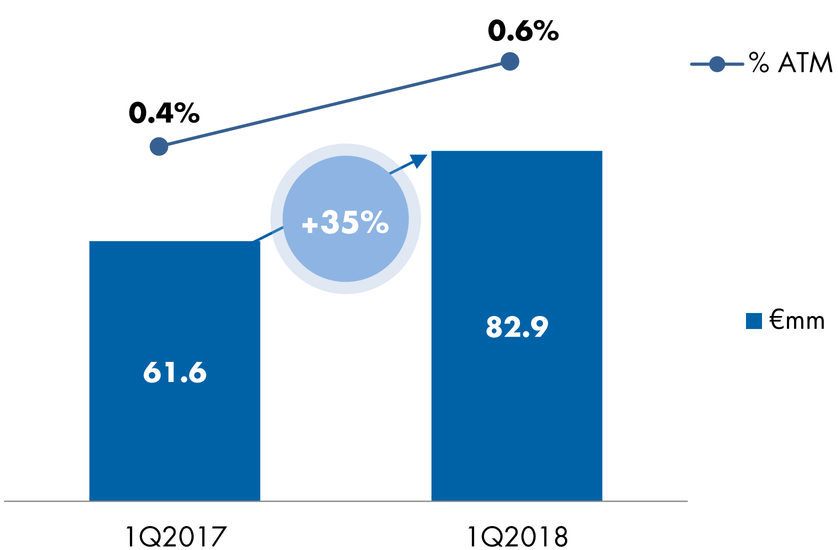
- The fall in recurring costs will moderate through the year to **-2%** as result of the launch of the new projects associated to the 2018-2020 Strategic Plan.

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.**

Recurring Profit before Provisions – €mm

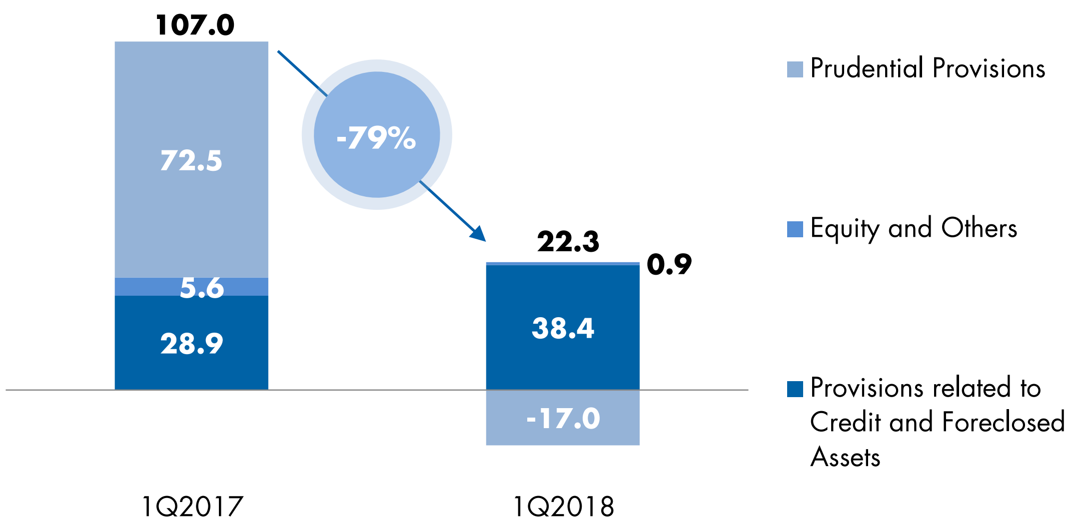


2018 Target

Δ Recurring Profit before Provisions ≈10%

PROVISIONS

Total Provisions - €mm



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.

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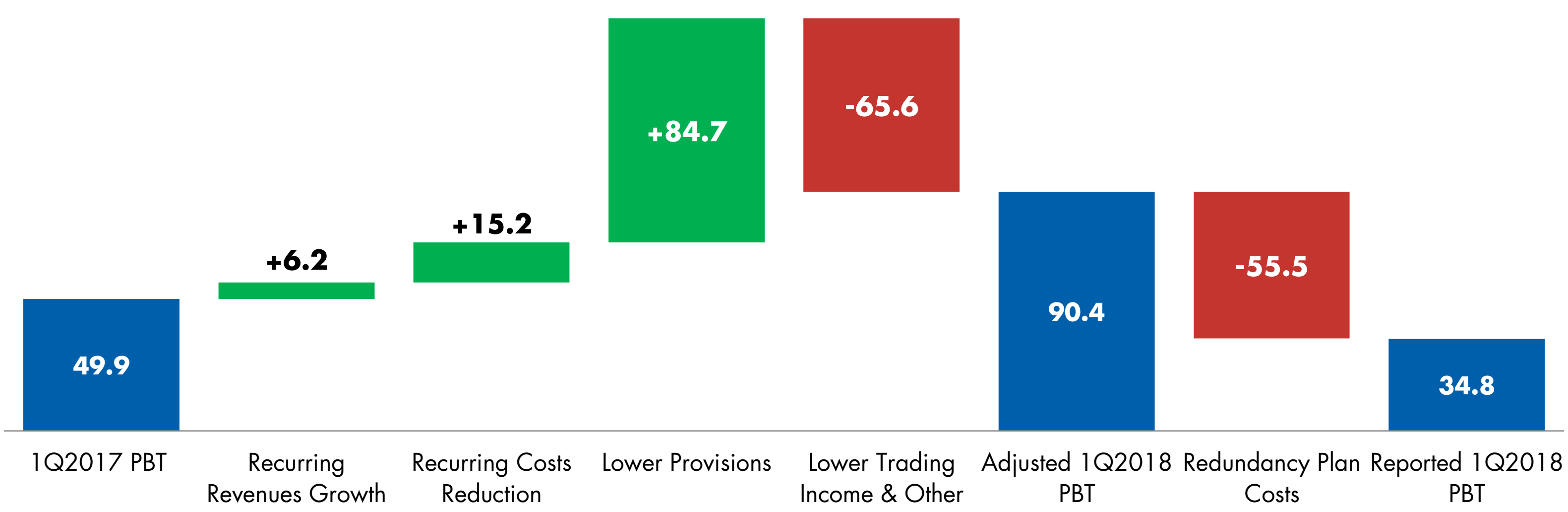
PROFIT BEFORE TAXES

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.

Profit before Taxes Evolution – €mm



ASSET QUALITY, LIQUIDITY AND SOLVENCY

ASSET QUALITY (1/2)

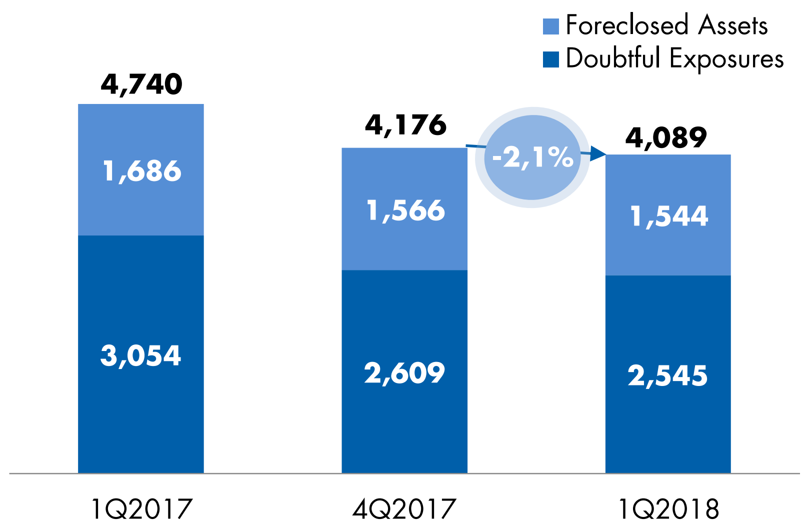
Non-performing assets -doubtful exposures and foreclosed assets- fall 2.1% vs. 2017YE or €86.5mm. NPA ratio decreases 13 b.p. to 11.8%.

- 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**.

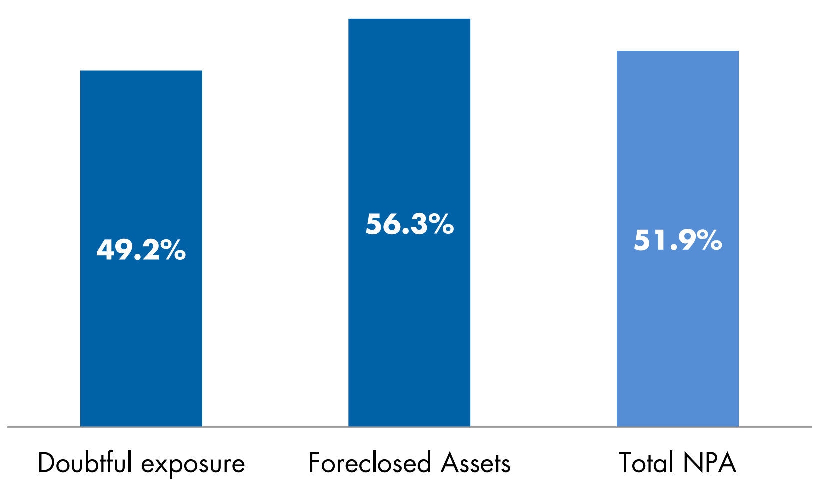
Since 1Q2017, non-performing assets have decreased 13.7% or €651mm.

Post IFRS9 implementation, NPA coverage ratio stands at 52%

Gross Non-performing Assets – €mm



Coverage Ratio – %



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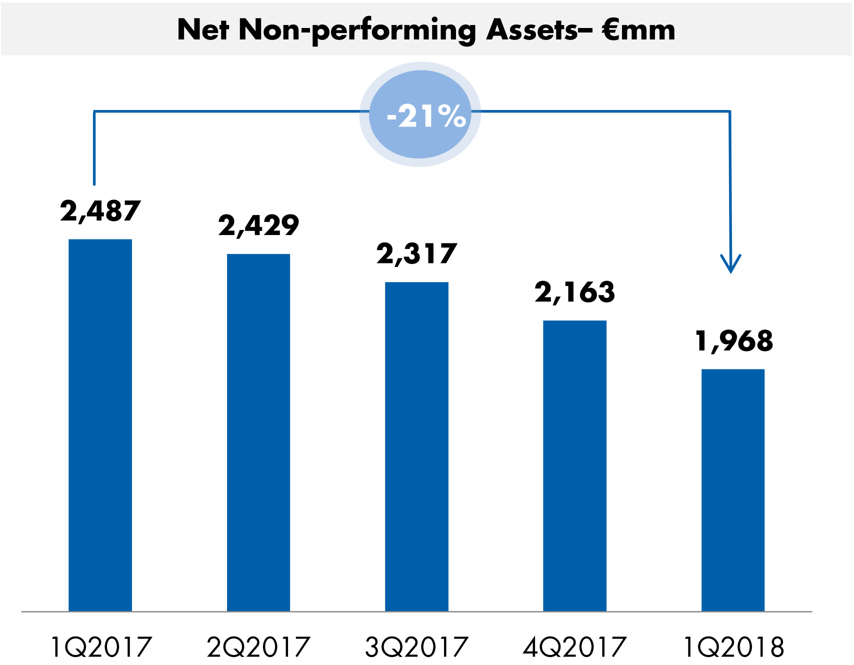
ASSET QUALITY (2/2)

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%**.



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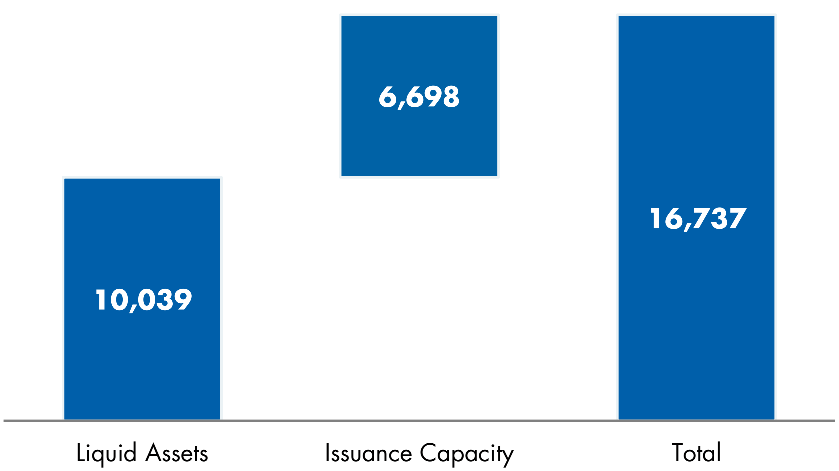
LIQUIDITY AND SOLVENCY (1/5)

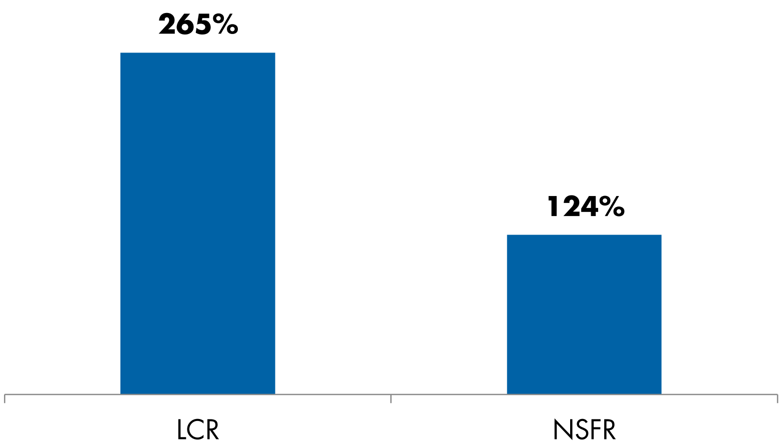
Sound liquidity position:

- **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

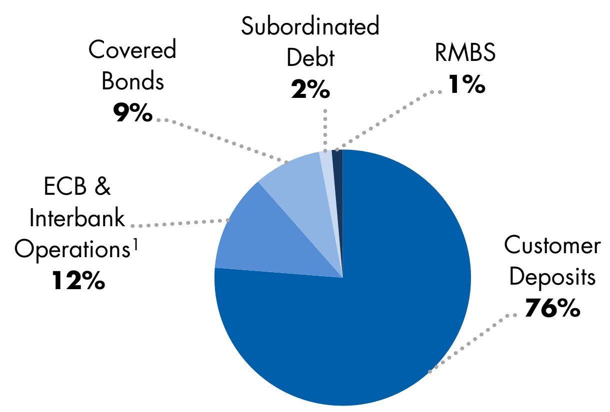


LIQUIDITY AND SOLVENCY (2/5)

Stability in the funding structure of the bank:

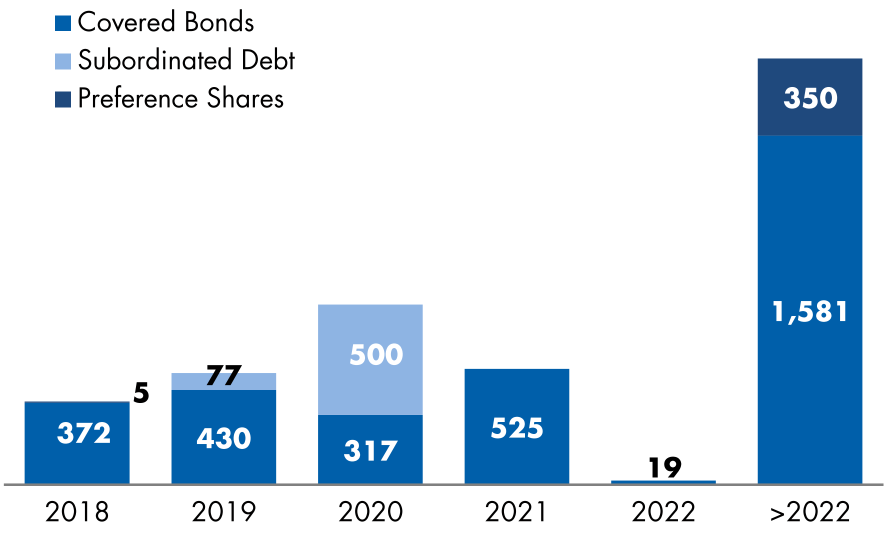
- **Loan to deposits ratio** stands at **96.1%.**
- **Customer deposits** represent **76% of total funding**
- ECB: €3.372mm (6% of total assets), 100% TLTRO II.
- **No significant concentration** in institutional funding **maturities** (<2.0% of total assets every year).

Funding Structure – 1Q2018



Funding: €40,351mm

Maturity Profile[2] – €mm



[1] Includes long term financing from institutional banks such as ICO and EIB.
[2] As of May 2018, it includes AT1 issuance.

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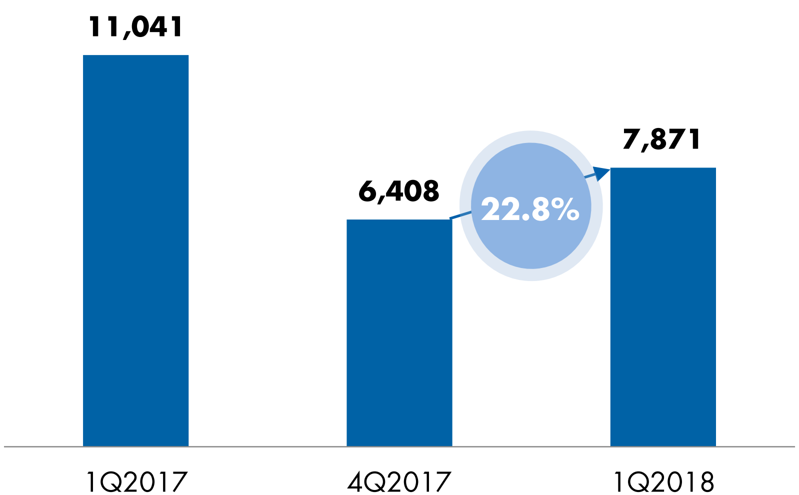
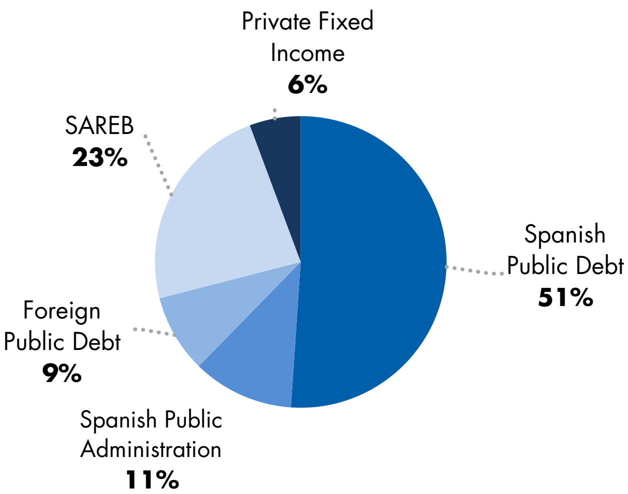
LIQUIDITY AND SOLVENCY (3/5)

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





[1] Includes interest rate swaps

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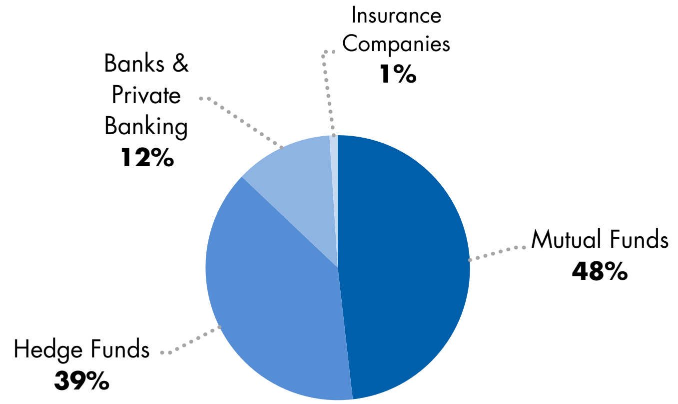
LIQUIDITY AND SOLVENCY (4/5)

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

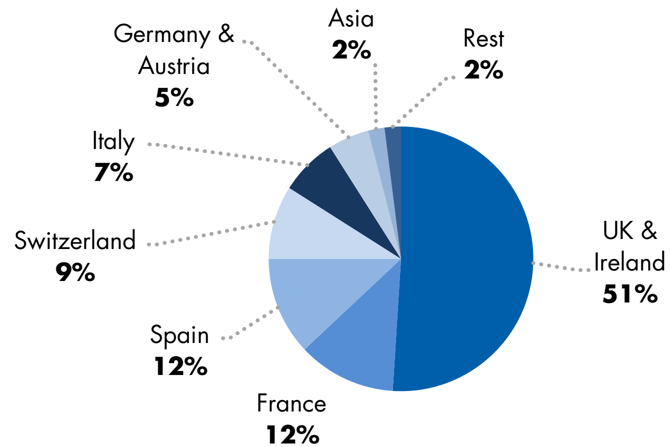
- With this transaction, Ibercaja **completes the AT1 bucket (150 b.p.)** in line with the target set in the 2018-2020 Strategic Plan, and allows for an optimization of the capital structure. Additionally, the Bank increases its bailinable debt (MREL) and improves its leverage ratio.

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



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LIQUIDITY AND SOLVENCY (5/5)

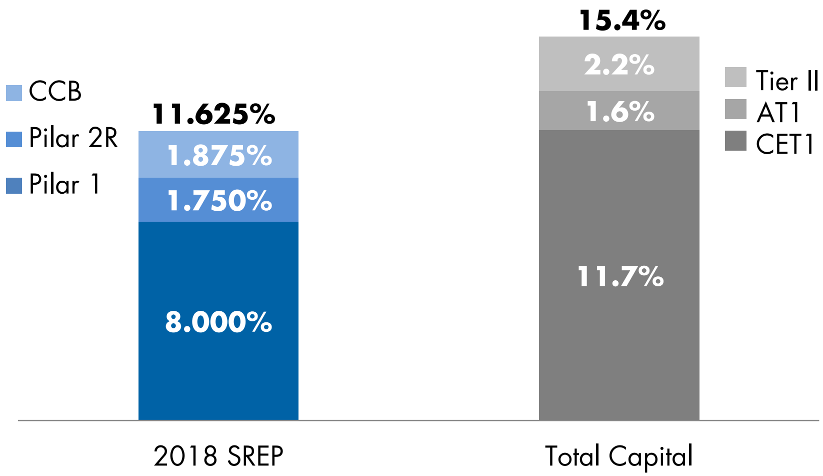
CET1 Fully Loaded ratio improves 16 b.p. and amounts to 10.7% post IFRS9. Total Capital Fully Loaded ratio is 14.5%[1].

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).

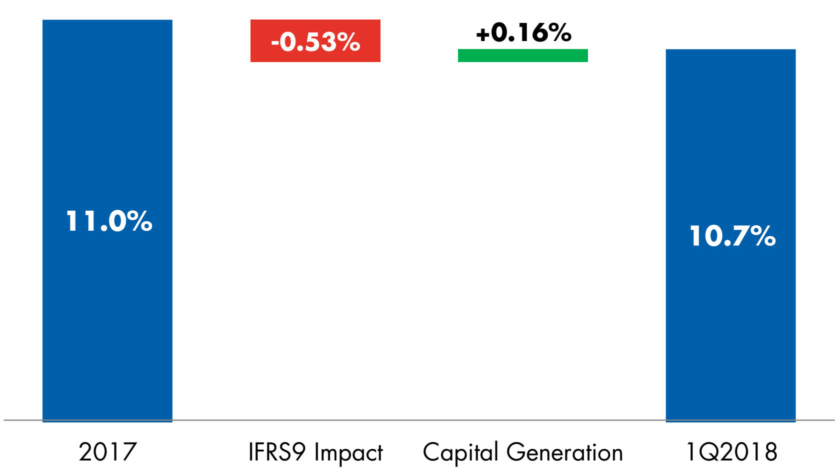
- **RWA/TA ratio** stands at **42.9%** applying standard methodology calculation in all the portfolios.

Fully Loaded Leverage ratio reaches 5.8%[1].

Total Capital Phased In Ratio – 1Q2018



CET1 Fully Loaded Ratio – %



[1] Includes AT1 Issuance

ANNEX 1

CONSOLIDATED BALANCE SHEET

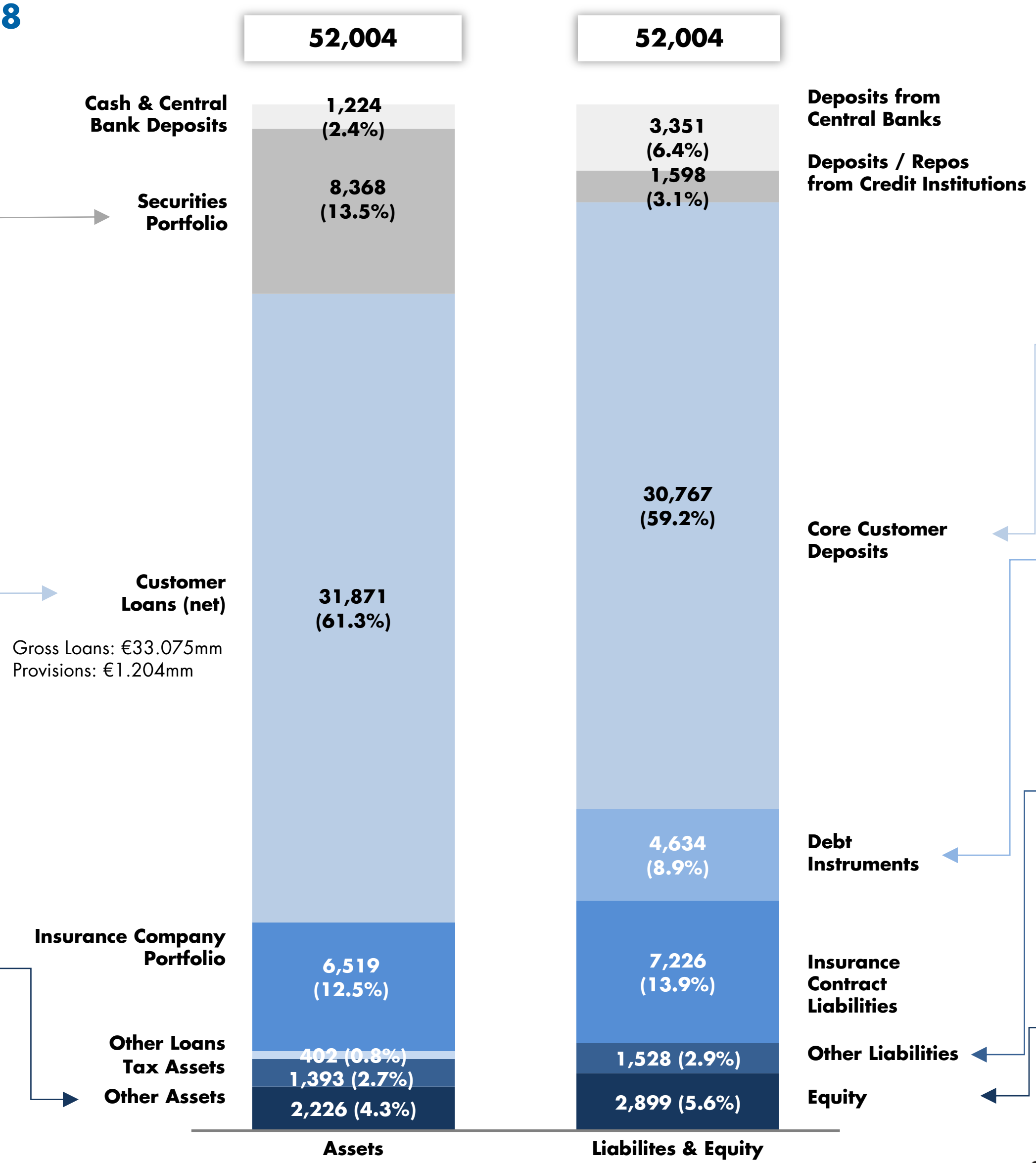
CONSOLIDATED BALANCE SHEET

March 31st, 2018

	€mm
Debt Securities	7,877
Equity Instruments & Associates	492
Total	**8,368**

	€mm
Residential Mortgages	20,887
SMEs / Corporates	7,274
Consumer & Others	1,585
RED & Construction	1,654
Public Sector & Other	1,676
Total Gross Loans	**33,075**

	€mm
Fixed Assets	1,016
Non-Current Assets Held for Sale	558
Hedging Derivatives	183
Intangible Assets	196
Other Assets	272
Total	**2,226**



	€mm
Current & Savings Accounts	24,619
Time Deposits	6,149
Total	**30,767**

	€mm
Covered Bonds	3,439
RMBS	557
Subordinated Debt	638
Total	**4,634**

	€mm
Tax Liabilities	187
Hedging Derivatives	113
Provisions	419
Other Liabilities	810
Total	**1,528**

	€mm
Shareholders' Equity	2,763
Adjustments	136
Non-Controlling Interests	0
Total	**2,899**

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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.

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