Press Release
07/05/2019

1Q2019 RESULTS

IBERCAJA OBTAINS A NET PROFIT OF €56.8 MILLION AND GENERATES 25 OF CAPITAL DURING THE QUARTER

- **CET1 Fully Loaded ratio improves 25 basis points during the quarter and reaches 10.8%; In phased in terms, CET1 and Total Capital ratios stand at 11.7% and 15.6%, respectively, far exceeding SREP requirements for 2019 in both cases**
- **Customer funds grow 2.9% year-on-year and reach 57,083 million euros, driven mainly by asset management and life insurance products which grow 4.1% year-on-year and account for 45.8% of total customer funds**
- **Recurring revenues grow 2.6% year-on-year, primarily driven by the increase in revenues linked to asset management and bancassurance, which rise 3.2% and account for 36.3% of the Bank's recurring revenues**
- **The launch of "Cuenta Vamos" is a commercial success with 20,000 accounts signed since November**
- **New lending reaches 1,051 million euros, of which 69% have been granted to companies; Madrid & Mediterranean Basin account for 49% of new operations, in line with the growth strategy that the Company is pursuing in these markets**
- **Non-performing assets (doubtful + foreclosed assets) decrease 1,063 million euros, which represents a 26.3% year-on-year reduction with the coverage ratio standing at 52.6% vs. 51.4% in the previous year**

Zaragoza, May 7th 2019 - Ibercaja posted net profit of 56.8 million euros for the first quarter of 2019 thanks to the ongoing dynamism of activity with customers and the lack of extraordinary expenses. The net profit of the quarter represents 2,5x the amount achieved the first quarter of 2018.

In a context of historically low interest rates and strong competition in the sector, thanks to the continued dynamism of the activity with customers, especially in customer funds (+2.9% year-on-year) and their diversification (45.8% of the total are mutual funds, pension funds and life insurance products).

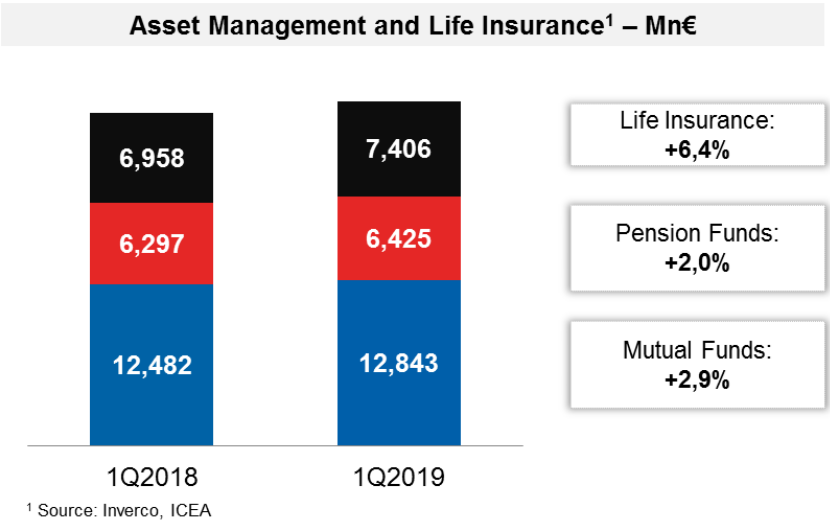
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Recurring revenues stand at 233.7 million euros, representing an increase of 2.6%, primarily driven by the increase in revenues linked to asset management and bancassurance businesses, which grew 3.2% and now account for 36.3% of the Bank's recurring revenues.

Continuous growth in asset management and life insurance products

As of March 2019, total customer funds managed by Ibercaja stood at 57,803 million euros, 1,637 million euros more than a year ago, representing a year-on-year growth of 2.9%.

During the first three months of 2019, Ibercaja has been able to increase its activity and its market share in asset management and life insurance products. The evolution in mutual funds is outstanding with assets growing 2.9% which represent a 18 basis points increase in market share which reaches 4.8%. Pension plans grow 2.0% and Ibercaja's market share stands at 5.8% (+8 basis points). Life insurance products grow 6.5% and Ibercaja reaches a market share of 3.9% (+10 basis points).



All in all, these products have grown 4.1% year on year (1,045 million euros) and amount to 26,499 million euros. The weight of these products in total customer funds stands at 45.8%, and is the highest weighting among Spanish retail banks.

The Bank's recognized advisory capabilities, together with the products and quality in the management of the Financial Group's companies, constitutes a relevant competitive advantage in the current scenario of low interest rates and the potential development of long-term financial savings in Spain over the next few years, taken into account demographic forecasts.

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In November 2018, Ibercaja launched "Cuenta Vamos" a new payroll account with the aim of increasing the number of customers. The account offers an attractive remuneration. Additionally, the account can be opened through Ibercaja's digital onboarding process. As a result since its announcement, Ibercaja has signed 20,000 new accounts. With this account, Ibercaja benefits from high cross selling levels as the customer needs to bring its payroll, direct debits and the use of a payment card.

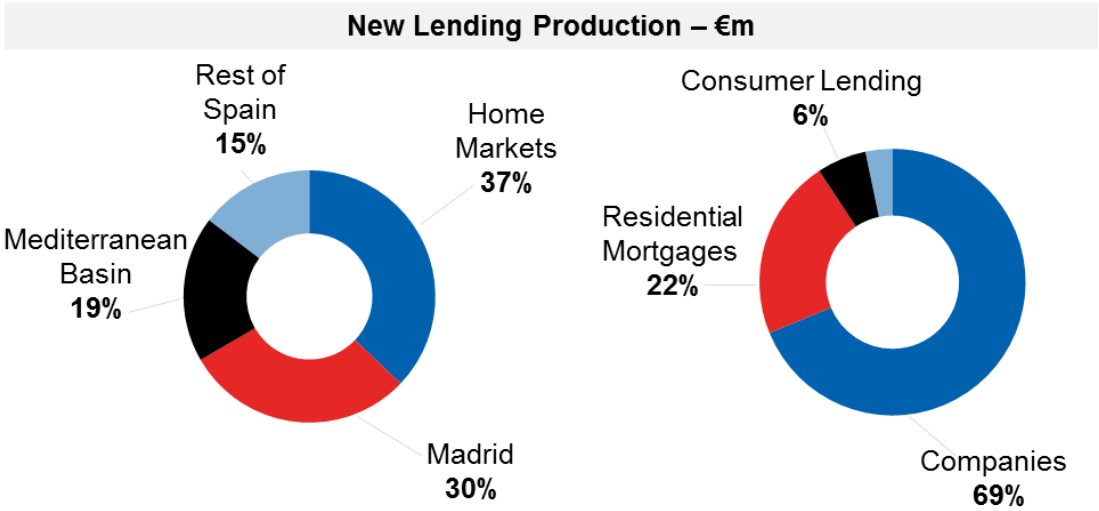
Loans to companies accounted for 69% of the total credit

Ibercaja has granted 1,051 million euros in new loans during the first quarter of 2019. Madrid & Mediterranean Basin account for 49% of the new operations, in line with the growth strategy that the Company is pursuing in these markets, which are the most dynamics in the Spanish economy.

Companies account for 69% of new lending (723 million euros), which are a key segment in the 2018-2020 Strategic Plan.

Furthermore, accumulate working capital financing in the quarter has grown by 12.6% year-on-year, to 1,800 million euros.

Overall, the amount of performing loans (excluding temporary acquisition of assets) falls by 1.2% year-on-year. It is worth highlighting the increase in loans to companies, which grow 2.6% year-on-year.



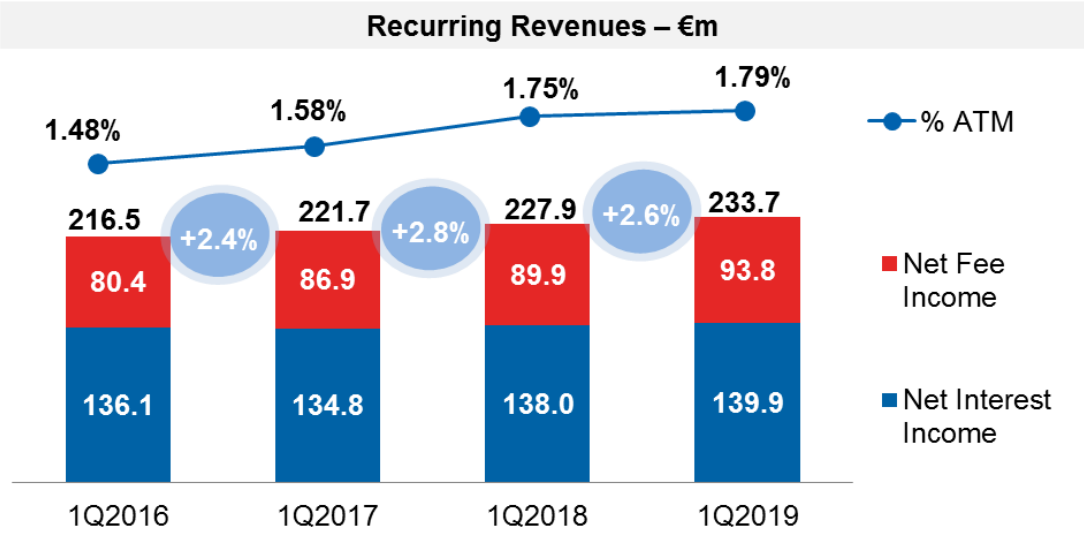
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Recurring revenues grow for a third year in a row

Net interest margin reaches 139.9 million euros, a 1.4% year-on-year increase. This increase is result of higher revenues from the retail activity, which grow 3.9% year-on-year (€4 million).

Net fee income rises 4.4% year-on-year to 93.8 million euros, driven by commissions related to asset management and bancassurance businesses (+11.8% year on year). This source of revenues represents 61% of total fee income. Fees and commissions from banking services decrease 5.4% vs. the first quarter of 2018.

As a result, recurring revenues (net interest margin + net fee income) reaches 233.7 million euros, a 2.6% increase vs. the first quarter of 2018. Ibercaja has been able to increase its recurring revenues for a third year in a row. Revenues linked to asset management and bancassurance rise 3.2% year-on-year and account for 36.3% of the Bank's recurring revenues. As percentage of average total assets, recurring revenues have improved 4 basis points reaching 1.79%.



Total operating costs fall 26.9% year-on-year after the extraordinary costs of the first quarter of 2018. In that quarter, the Bank registered a 55.5 million euros expense related to the redundancy plan agreed with the majority of worker representatives in 2017.

As a result, Ibercaja doubles its profit before provisions in 1Q2019 which reaches 118.3 million euros. Meanwhile, recurring profit before provisions (net interest margin + net fee income - recurring operating expenses) grows 5.2% year on year to 87.2 million euros. Recurring earnings before

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provisions as a percentage of average total assets improves by 3 basis points year-on year-to 0.67%.

The improvement in the economic situation, the active management of the irregular investment being carried out by the Bank and the levels of coverage achieved, thanks to the provisioning effort made in previous years, allow the cost of risk to stand at 46 basis points.

The ongoing dynamism of activity with customers and the lack of extraordinary expenses allow Ibercaja to post net profit of 56.8 million euros for the first quarter of 2019. The net profit of the quarter represents 2,5x the amount achieved the first quarter of 2018.

Reduction in the stock of non-performing assets and increase in the coverage ratio

Non-performing assets (doubtful + foreclosed assets) decrease 26.3% year-on-year (1,063 million euros). As of March 2019, the stock of non-performing assets stands at 2,982 million euros.

The balance of doubtful loans falls 11.5% year-on-year (289 million euros) and the NPL ratio stands at 6.7% (85 basis points lower than a year ago). The stock of foreclosed assets plummets 50% (774 million euros).

Ibercaja coverage ratio for non-performing assets stands at 52.6% which represents a 118 basis points increase vs. the first quarter of 2018. The reduction in gross non-performing assets together with the provisioning effort made over the last year have allowed for a decrease in the Bank's net non-performing exposure of 551 million euros, which represents a 28.1% year-on-year reduction.

The weight of net non-performing assets over total assets have decreased to 2.7%, 107 basis points less than a year ago.

Sound capital generation during the quarter

As a result of the strong capital generation during the quarter, CET1 Fully Loaded ratio improves 25 basis points during the quarter and reaches 10.8% as of March 2019. Total Capital fully loaded ratio reaches 14.7%.

In Phased In terms, CET1 and Total Capital ratios stand at 11.7% and 15.6% respectively, far exceeding SREP requirements for 2019 in both cases (9% and 12.5%, respectively).

Available liquid assets stand at €10,703 million euros or 20.5% of total assets giving Ibercaja a strong liquidity position.

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1Q2019 Main Figures

P&L Account

€mm	1Q2018	1Q2019	Var.
Net Interest Income	138,0	139,9	1,4%
Net Fee Income	89,9	93,8	4,4%
Recurring Revenues	**227,9**	**233,7**	**2,6%**
Trading Income	25,0	18,6	-25,6%
Other Operating Inc. / Exp. (Net)	5,7	12,5	118,5%
Gross Operating Income	**258,6**	**264,9**	**2,4%**
Operating Costs	-200,5	-146,5	-26,9%
of which: Recurring Costs	-145,0	-146,5	1,1%
of which: Redundancy Plan	-55,5	0,0	n/a
Pre-Provision Profit	**58,1**	**118,3**	**103,5%**
Total Provisions	-26,5	-39,3	48,6%
Other Gains and Losses	3,2	1,1	-64,0%
Profit before Taxes	**34,9**	**80,2**	**130,0%**
Taxes & Minorities	-12,3	-23,4	90,2%
Net Profit Attributable to Shareholders	**22,6**	**56,8**	**151,7%**

Commercial Activity & Balance Sheet

€mm	1T2018	1T2019	Var.
Customer Funds	**56.166**	**57.803**	**2,9%**
of which "Core" deposits	30.762	31.354	1,9%
of which Asset Management & Life Insurance	25.404	26.449	4,1%
Gross Lending	**33.082**	**32.991**	**-0,3%**
of which performing loans ex REPO	29.639	29.289	-1,2%
of which doubtful loans	2.501	2.212	-11,5%
Total Assets	**52.004**	**52.244**	**0,5%**

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