

INVESTOR PRESENTATION

May 2016

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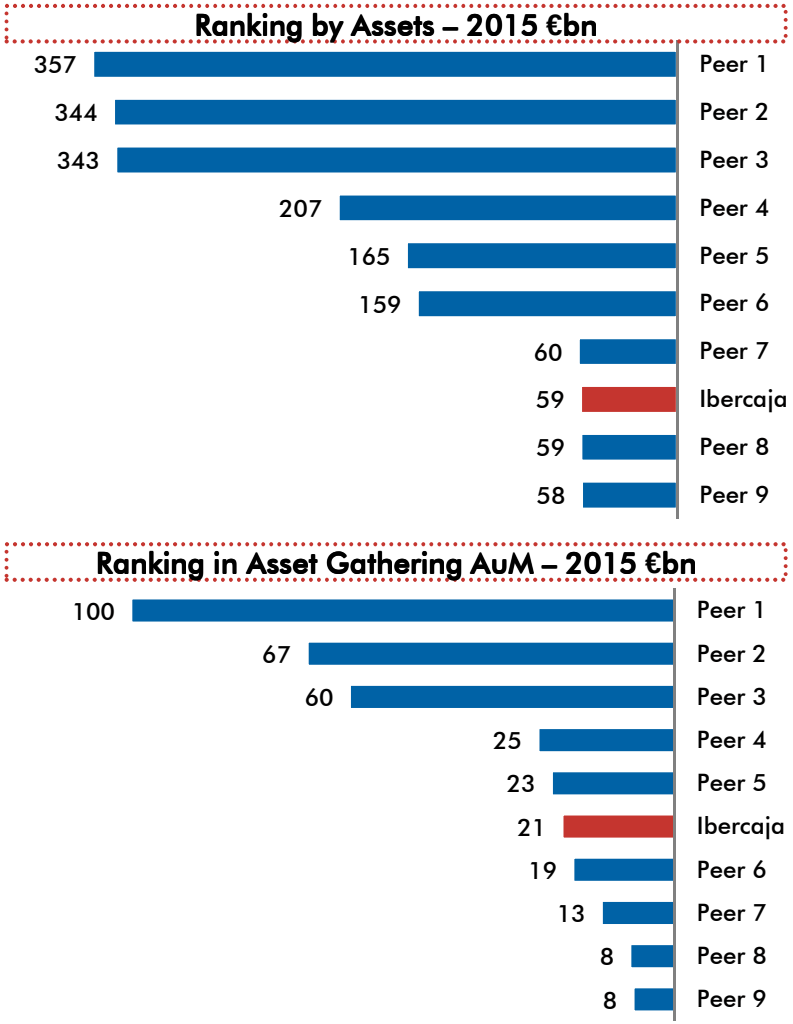
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- Overview of Ibercaja Banco
- Update on our Strategic Plan

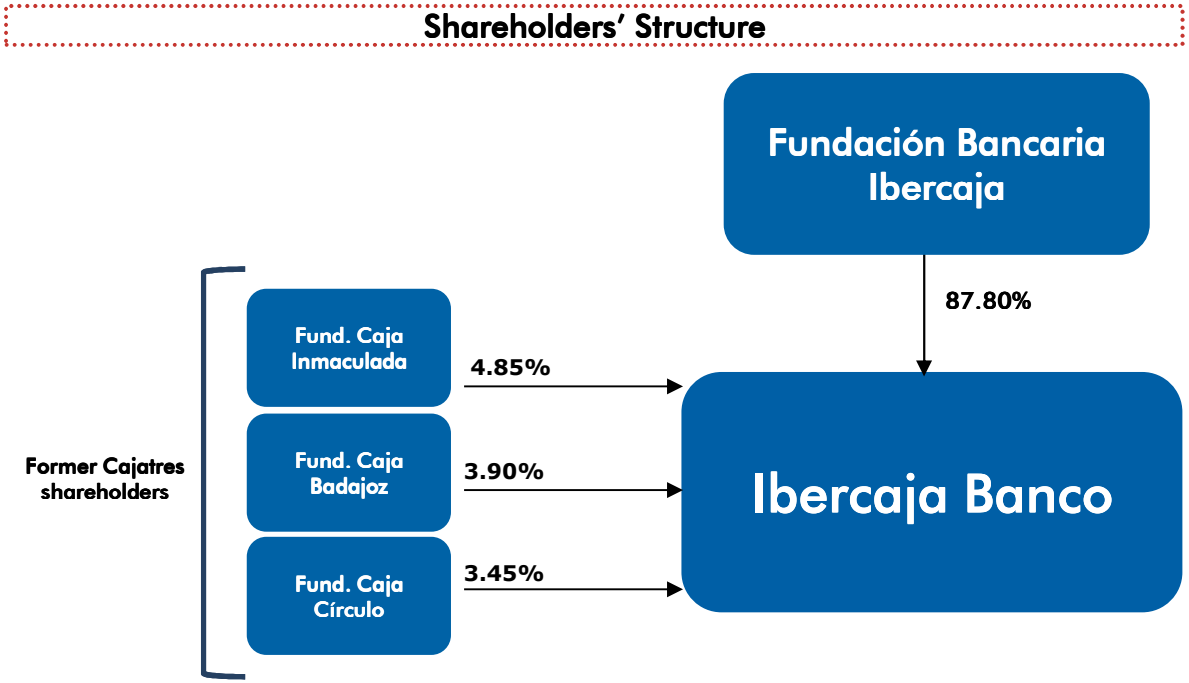
Overview of Ibercaja Banco

- 8th largest bank in Spain in terms of assets, with market shares of 2.6% in customer loans and 3.2% in customer deposits.
- Acquired Banco Grupo Cajatres in July 2013.
- 6th largest domestic financial entity in asset gathering with €21bn in assets under management and a total market share of 4.3%.
- One of the four former savings banks (out of 45) that has not directly received any state aid.
- CET1 Phased-In of 11.9%, vs. SREP decision of 9.25%



Shareholder Structure

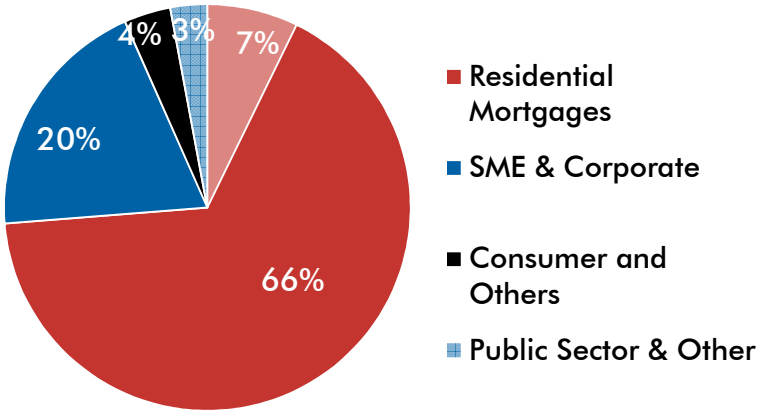
- The main shareholder of the bank, Ibercaja, became a banking foundation in June 2014.
- By law, the Fundación Bancaria Ibercaja's stake in the Bank will have to be at least below 50% by February 2020.
- Our target is to be a listed company no later than December 2018.



Banking Business

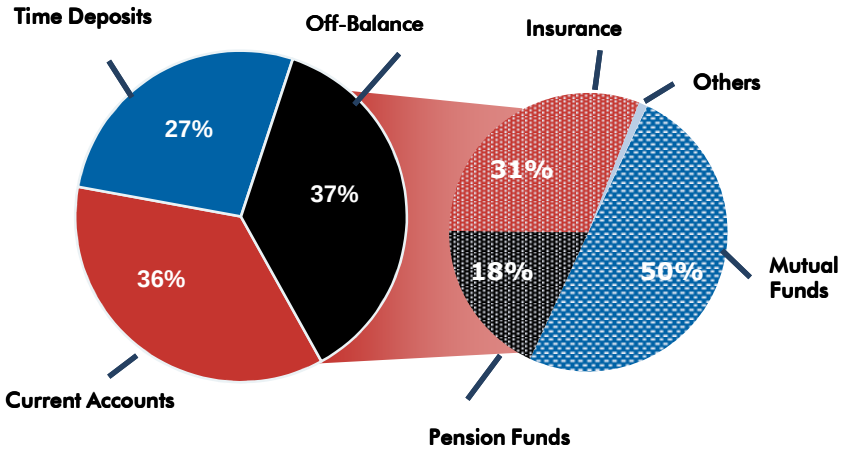
- **Ibercaja is a pure retail bank.**
- **Specialist in first home retail mortgages and asset gathering.**
  - One of the highest quality mortgage portfolio in the sector
  - Profitable and stable retail funds mix: 73% of customer funds are in current accounts and off-balance products

Lending Split by Segment (1Q2016)



Gross loans ex REPO: €33.4bn

Customer Funds (1Q2016) [1]



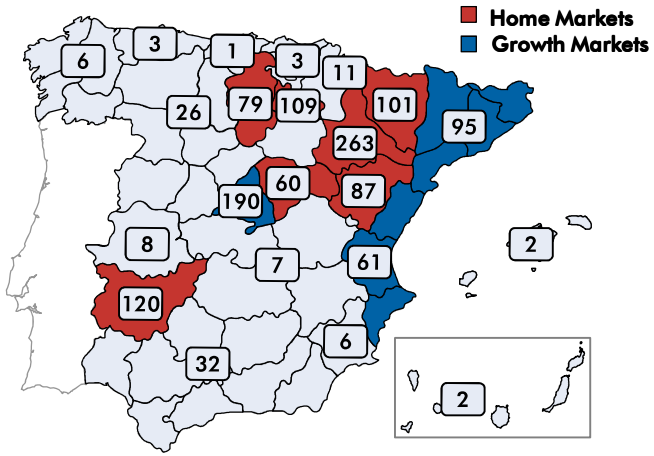
Retail Customer Funds : €49.4bn

[1] Commercial network distribution

Positioning in the Spanish Market

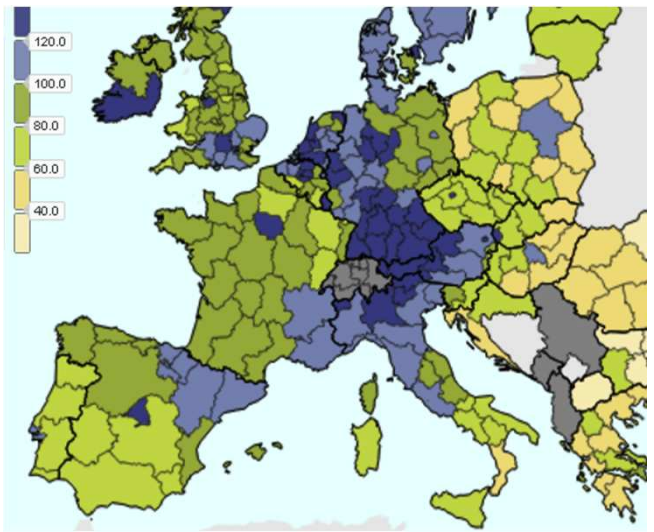
- Clear leadership in the **Home Markets** of Aragón (c. 40% market share), La Rioja, Guadalajara, Burgos and Badajoz (≈15% market shares). **These markets represent 60% of Ibercaja's business volume.**
- Throughout the 80's and 90's, the bank built a significant presence in key regions of the Spanish economy such as **Madrid and the Mediterranean Basin** (Cataluña and Comunidad Valenciana), with 190 and 156 branches, respectively. This early expansion has resulted in a well established footprint in the wealthiest regions of the Spanish economy that **represent 30% of Ibercaja's business volume.**
- Nationwide distribution network of 1,272 branches with 5,500 employees (dec-15).

Branch Network 2015



1,272 Branches

GDP per Capita 2014 Average EU28=100[1]



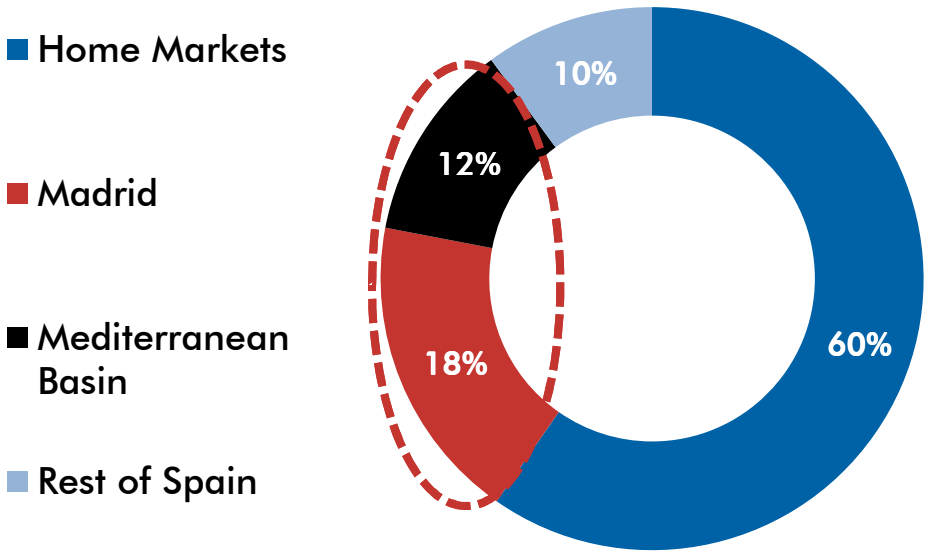
[1] Source: Eurostat

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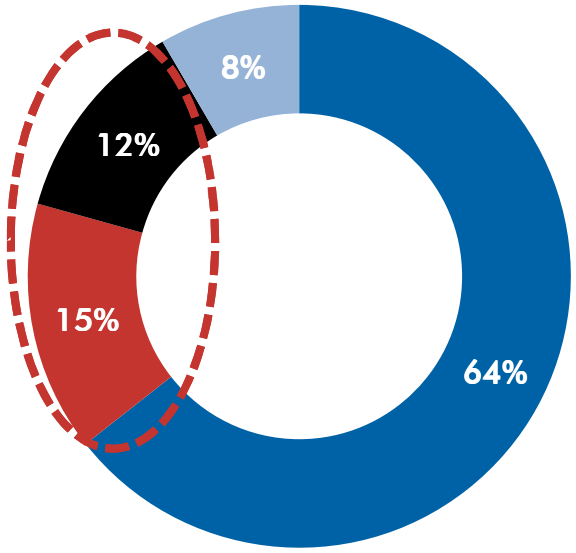
Well Established Presence in our Core Markets

- **Attractive geographical position**: Leadership in home markets and relevant growth potential in the wealthiest regions of the Spanish economy.

Distribution by Business Volume (%)[1]



Distribution by Branches (%)



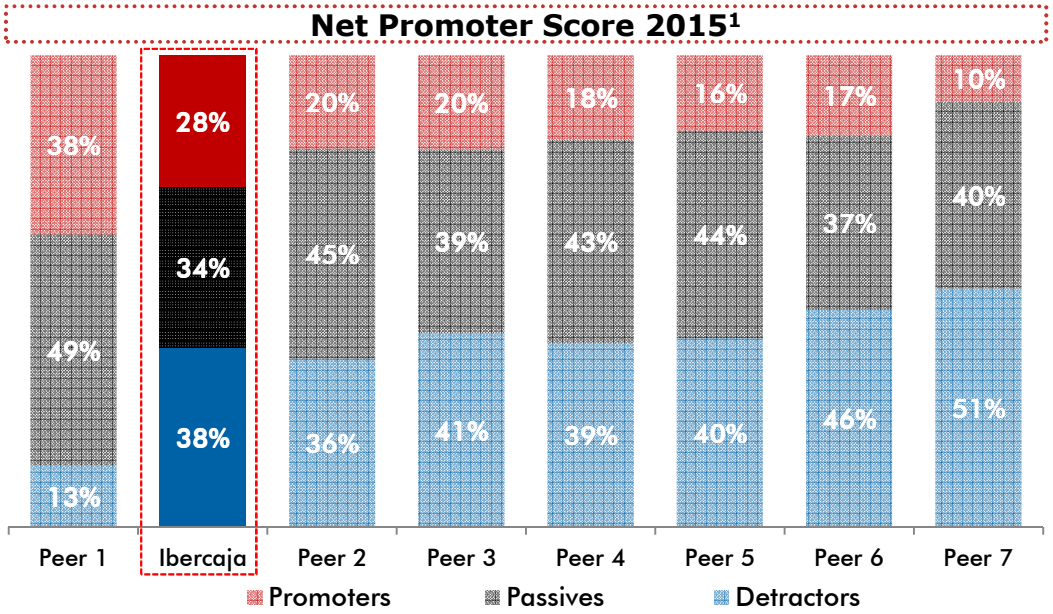
Growth Markets: Madrid and the Mediterranean Basin represent ≈30% of Ibercaja business volume and branches

[1] Defined as the sum of customer loans, retail customer deposits and off-balance sheet customer funds. Commercial network distribution
Note: Home Markets consist of Aragón, La Rioja, Guadalajara, Burgos and Badajoz; Mediterranean Basin consists of Cataluña and Comunidad Valenciana

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Best-in-Class Customer Service Levels

- Ibercaja has achieved its position in these markets thanks to a commercial model that has been certified by third parties and that provides best-in-class customer service levels



- In 2007 Ibercaja was awarded with the stamp for the European Foundation for Quality Management (EFQM) where it has achieved the 500+ mark
- Only 3 more banks in Spain are entitled with this distinction: Sabadell (2006), Caixabank (2012) & Santander (2015)

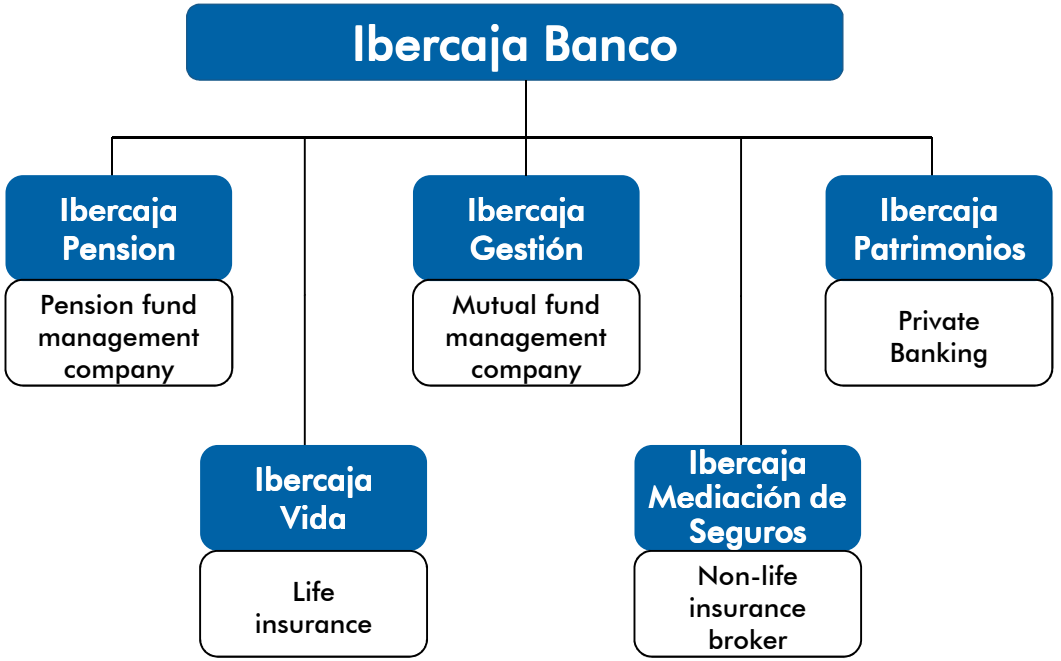
- In 2012, Ibercaja was the first Spanish bank certified by the Spanish Association for Standardization and Certification (AENOR) for its excellence in personal banking advisory
- Only 1 more bank in Spain is entitled with this distinction: Caixabank (2013)

[1] Source: FRS INMARK for retail customers; Peers include ING, Santander, Popular, BBVA, Caixabank, Sabadell & Bankia

Ibercaja Financial Group (1/3)

- Ibercaja Financial Group consists of a group of companies specialized in mutual funds, savings and pension plans, bancassurance, private banking, renting and leasing

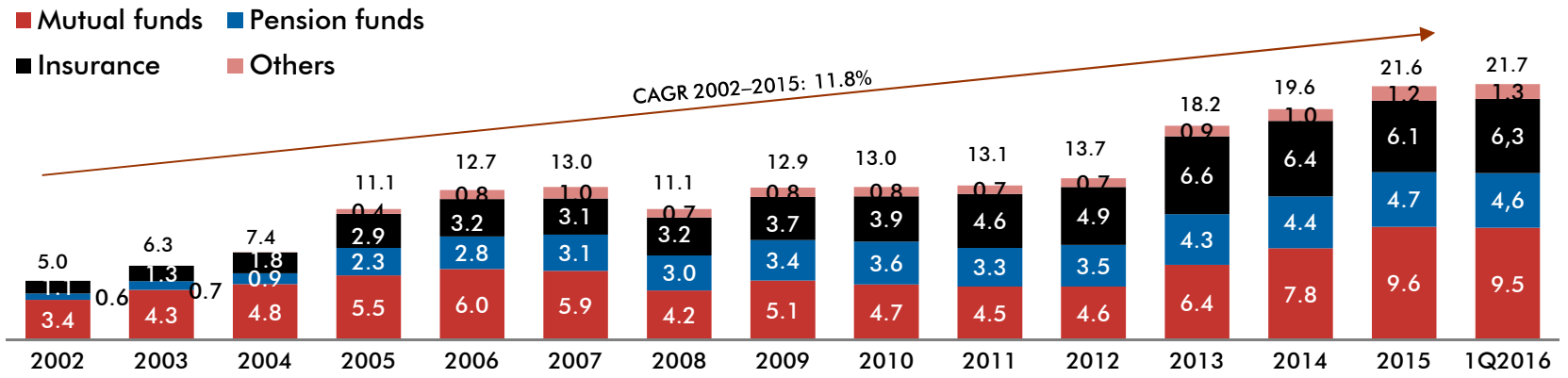
- ☑ **Established in 1988**
- ☑ **100% Ownership**
- ☑ **Managing over €21bn[1] of assets**
- ☑ **AuM CAGR >11% since 2002**
- ☑ **Market share well in excess of the banking business**
- ☑ **Highly valuable in current environment of low interest rates and high volatility**



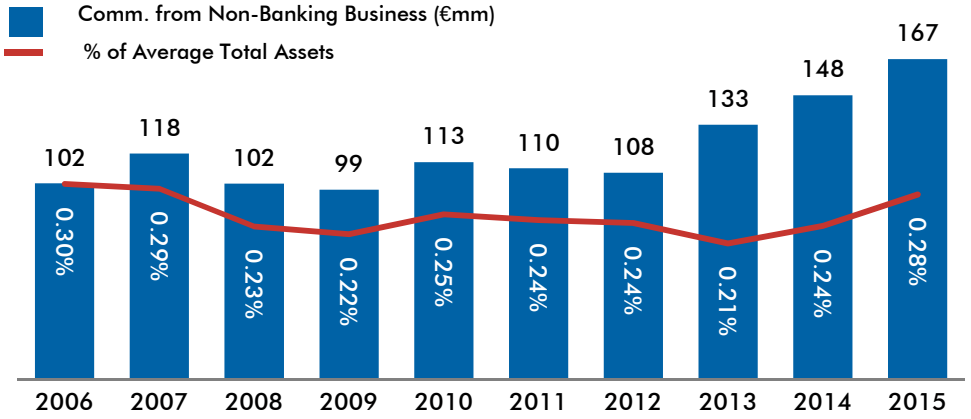
[1] Mutual Funds, Pension Funds and Insurance Products managed or intermediated by Ibercaja

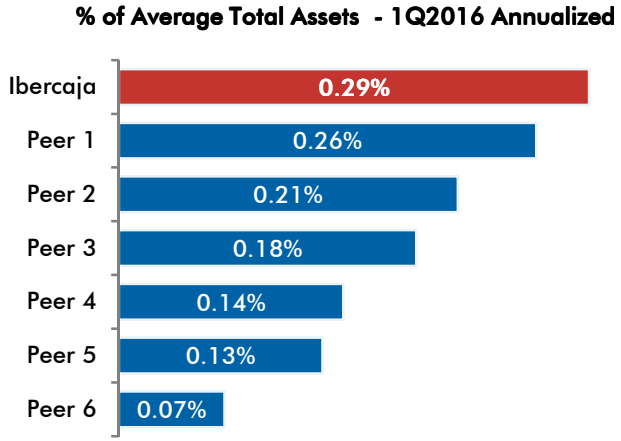
Ibercaja Financial Group (2/3)

Ibercaja AuM Evolution (€bn)



Commissions from Non-Banking Business





Peer Group includes Bankinter, Caixabank, Sabadell ex TSB, Bankia, Liberbank & Popular

Ibercaja Financial Group (3/3)

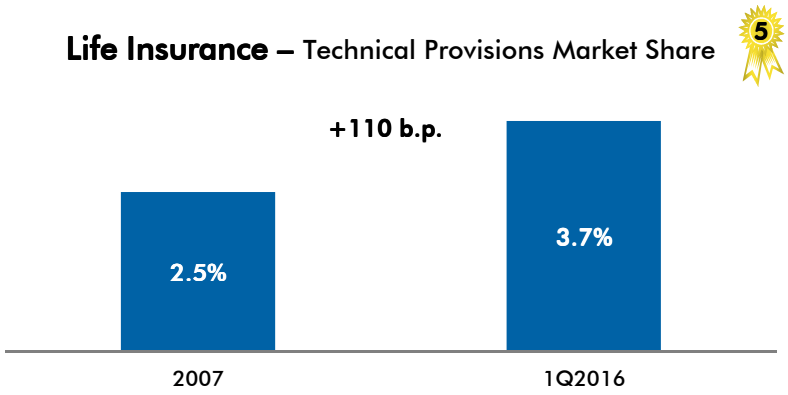
Insurance

- 5th largest Life Insurance Company (3.7% market share)
- Non-life insurance broker: Exclusive distribution agreement with Caser (€144mm premiums in 2015, +7% YoY)

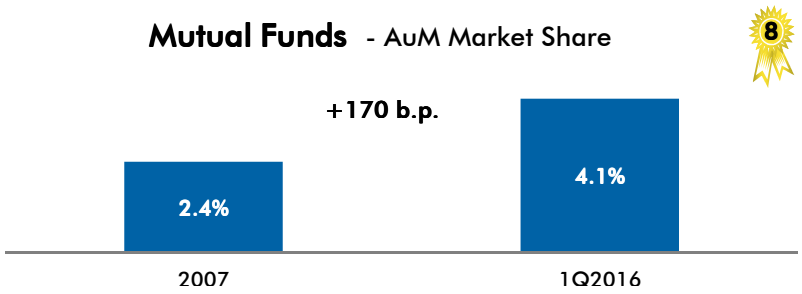
Asset Management

- 8th largest Mutual Fund Manager (4.1% market share)
- 5th largest Pension Fund Manager (5.7% market share)
- 3rd largest manager of company pension schemes (11.4% market share)

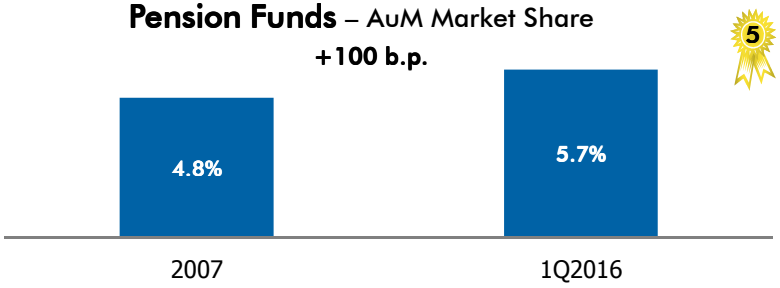
Life Insurance – Technical Provisions Market Share



Mutual Funds - AuM Market Share



Pension Funds – AuM Market Share

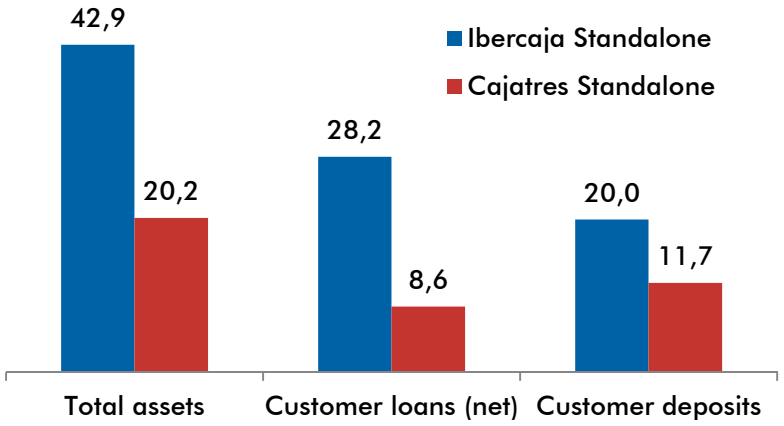


Source: Company information, ICEA, Inverco

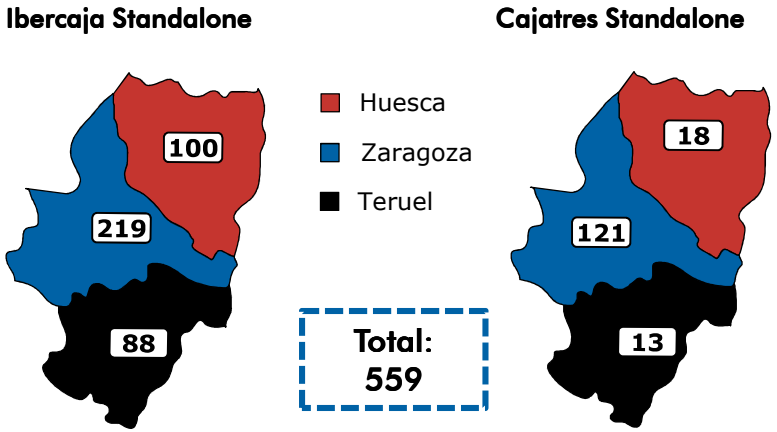
Cajatres Acquisition (1/2)

- On July 2013, Ibercaja Banco acquired Cajatres. The legal, commercial and technological integration was fully completed on October 2014.
- **Strategic rationale of the acquisition of Cajatres:**
  - Cajatres was the **2nd player in Aragón** with a market share of c. 15%, allowing Ibercaja to reach an undisputable leadership, with a combined market share of 40%.
  - **Strong cost and revenue synergies potential** due to a large geographic overlap in branches in Aragón and the implementation of Ibercaja's commercial best practices.
  - Cajatres acquisition allowed Ibercaja to move from 15th to **today's 8th place in the Spanish financial system.**

Balance Sheet 2013 - €bn



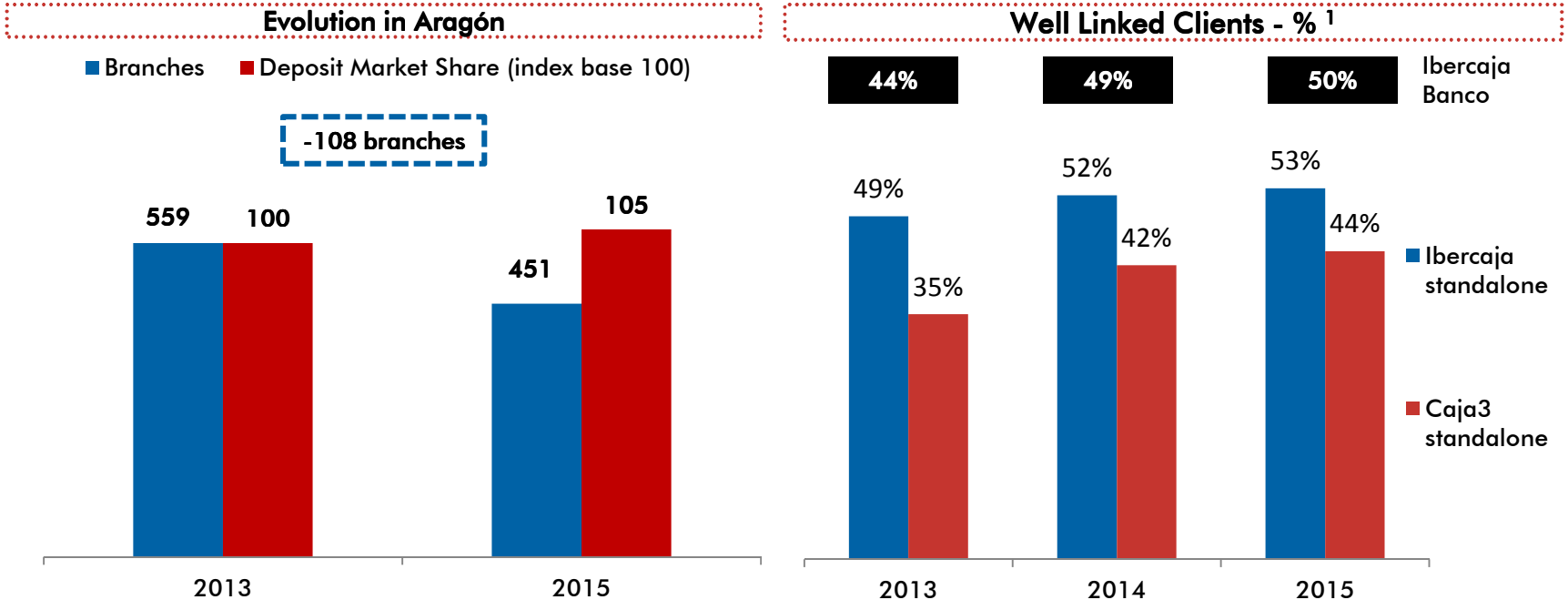
Branch Network in Aragón - 2013



Cajatres Acquisition (2/2)

Strong execution of Cajatres integration:

- Ibercaja has been able to increase its deposit market share in Aragón despite the strong adjustment of the branch network (-108 branches, -19.3% since 2013).
- Implementation of Ibercaja's commercial model in Cajatres is having positive results with sound improvement in key product penetration levels and client linkage.

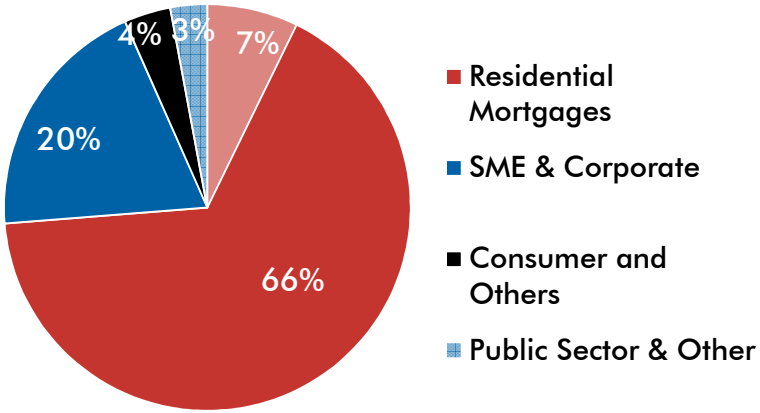


[1] A well linked client has, at least, payroll direct deposit, one saving or financing product, and one active credit card.

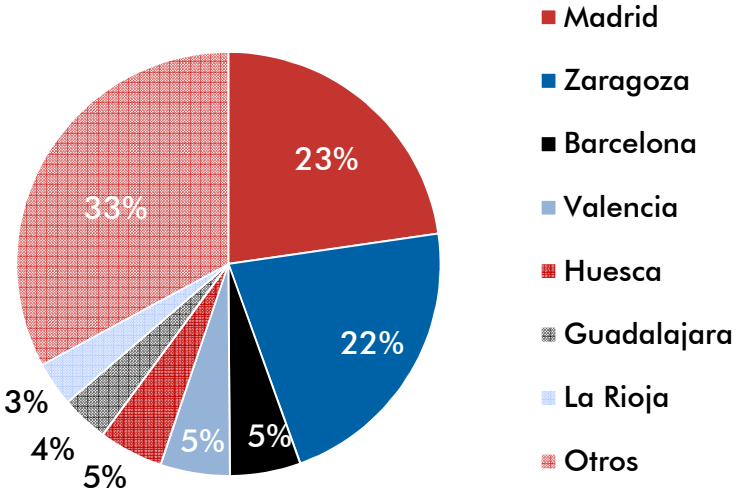
Fundamentals: Asset Quality (1/3)

- **High exposure to residential mortgages,** 66% of total lending portfolio, of which second home mortgages represent less than 7%
- **Highly collateralized portfolio (84%)**
- **High granularity**: 20 biggest borrowers represent less than 3,5% of lending to the private sector.

Lending Split by Segment (1Q2016)



Lending Split by Provinces (Dec 2015)

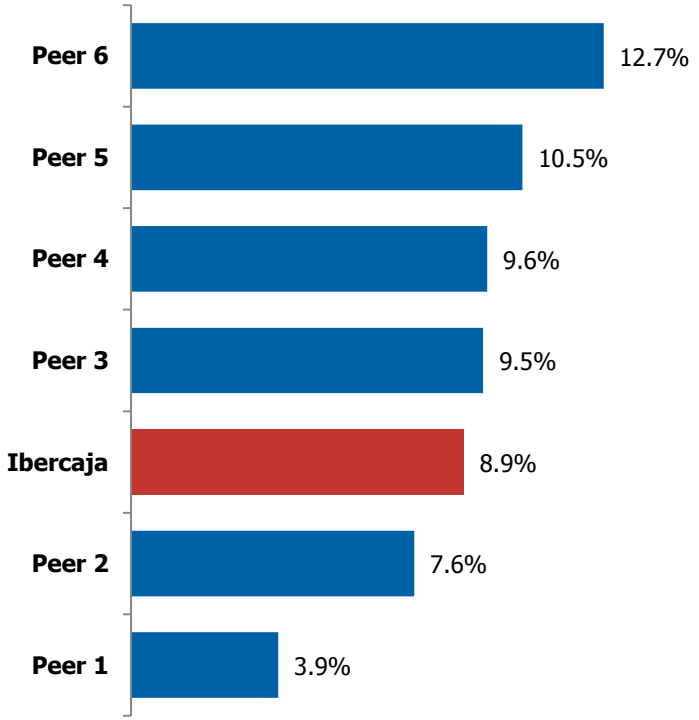


Gross loans ex REPO: €33.4bn

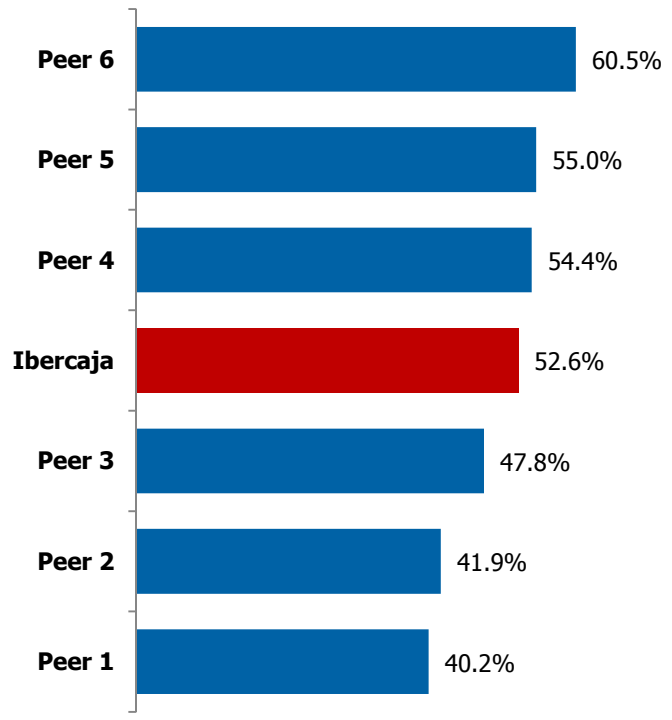
Fundamentals: Asset Quality (2/3)

- **Ibercaja has consistently outperformed the sector in terms of asset quality.** Ibercaja NPL ratio is 11% lower than the sector while maintaining a strong coverage level.

NPL Ratio – 1Q2016



Coverage Ratio – 1Q2016

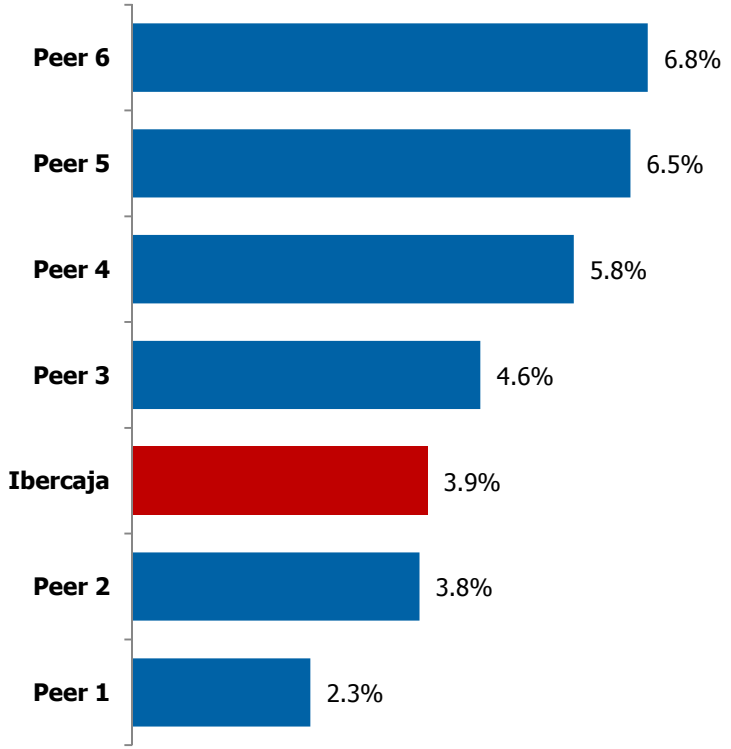


Peer Group includes Caixabank, Popular, Sabadell ex TSB, Bankia, Bankinter and Liberbank ex APS

Fundamentals: Asset Quality (3/3)

- **Outstanding quality of the residential mortgage portfolio**
  - Residential mortgage NPL ratio of 3.9%, 17% below sector average of 4.7% (Dec. 2015).

Mortgages NPL Ratio – 2015



- Ibercaja has maintained high standards of credit underwriting throughout the cycle…
  - Strong control of LTV: 93% of mortgages with a LTV<80% (average LTV: 55.8%)
  - High granularity: Average mortgage at inception since 2003: €118,000
  - Family involvement in a significant percentage of the mortgage portfolio (18,5%)
  - In October 2007, Ibercaja further tightened its underwriting standards. Since then, the NPL ratio for new mortgages is 1.65%
- …avoiding the riskier segments of the mortgage market
  - Mortgages to foreigners (<3.5%)
  - Mortgages originated by brokers (<4%)
  - Second home mortgages (<7%)

Overlap

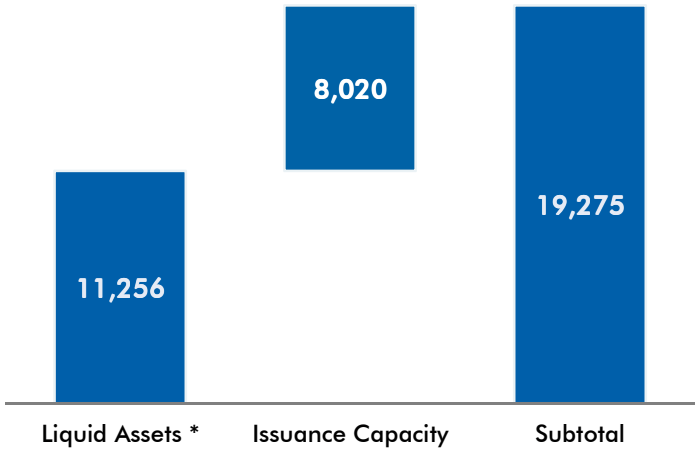
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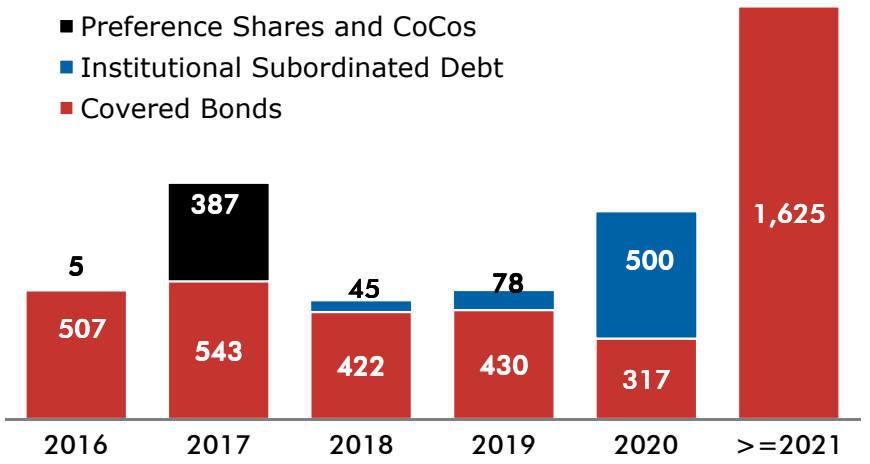
Fundamentals: Liquidity and Solvency (1/2)

- **Comfortable liquidity position (1Q2016):**
  - More than €11,200mm of available liquid assets (19% of total assets)
  - LCR and NSFR stand at 213% and 116%, respectively
  - Loan to deposits ratio stands at 96%[1]
  - ECB funding: €2,051mm (3.5% TA), 100% TLTRO

Liquidity Position - €mm 1Q2016



Maturity Profile – €mm 1Q2016



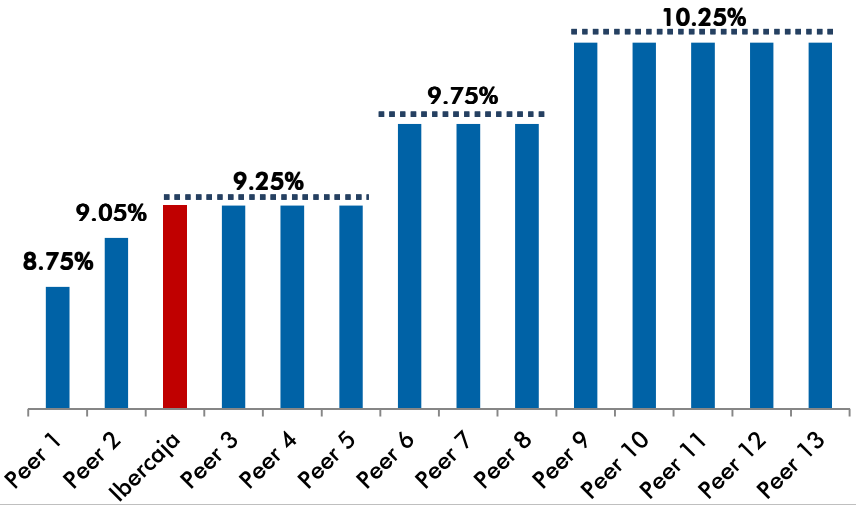
[1] 1 Net Loans ex. securitised loans / Customer deposits ex. repos + Securities distributed through the branch network.
* Liquid assets include unencumbered public debt + available & eligible fixed income assets (after ECB haircut applied)

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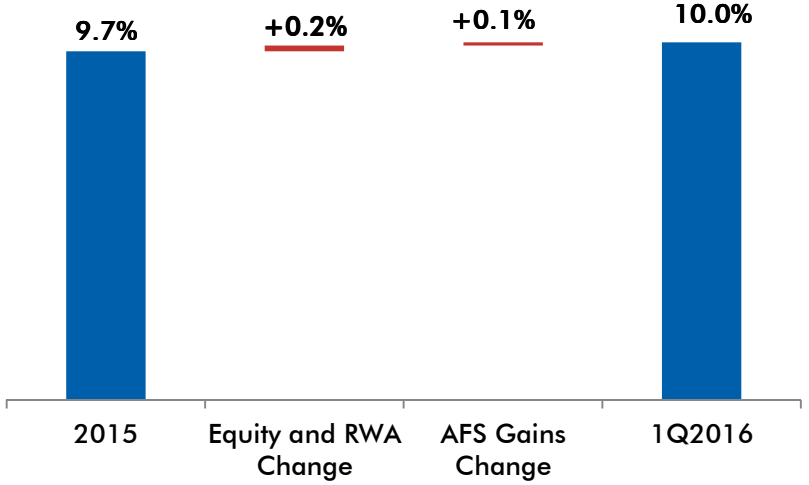
Fundamentals: Liquidity and Solvency (2/2)

- **CET1 Phased-In Ratio: 11.9%** (1Q2016).
  - SREP Requirement of 9.25%, among the lowest in Spain
  - Amortization of €20mm CoCos coming from Cajatres acquisition (March 2016)
- **Total Capital Phased-In Ratio: 14.2%** (1Q2016).
  - Tier II bucket already fulfilled after €500mm Tier II debt issuance
- **RWA/TA Ratio: 40.5% calculated using the standard methodology.**
- **Leverage Ratio: 5.3% (Phased-In).**

SREP Decision – Spanish Banks



CET1 Fully Loaded [1] – % 1Q2016



[1] Excluding CoCos, including AFS gains

Strategic Plan 2015-2017:10 Global Targets

 Solvency	CET1 (fully loaded)	10%
	Total Capital (fully loaded)	13.5%
 Profitability	ROTE (2018)	10%
	Cost to Income Ratio ex Trading Income (2018)	<50%
 Leverage	Loan to Deposits Ratio	100%
 Asset Quality	NPL/ NPA Ratio vs. Competitors	-25%
	Cost of Risk	50 b.p.
 Market Position	Market Share (Business Volume)	10 b.p. / p.a.
	Reputation Ranking	Top 3
	Service Quality Ranking	Top 3

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In Summary: Ibercaja's Key Investment Highlights



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- Overview of Ibercaja Banco
- Update on our Strategic Plan

12 months ago...

10 Global Targets

PLAN+

Solvency	CET1 (fully loaded)	10%
	Total Capital	13.5%
Profitability	ROTE (2018)	10%
	Cost to Income Ratio ex Trading Income (2018)	50%
Leverage	Loan to Deposits Ratio	100%
Asset Quality	NPL/ NPA Ratio vs. Competitors	-25%
	Cost of Risk	50 p.b.
Market Position	Market Share (Business Volume)	10 b.p. / p.a.
	Reputation Ranking	Top 3
	Service Quality Ranking	Top 3

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Strategic Plan 2015-2017 Main Value Drivers

- Ibercaja's Business Plan includes 5 main value drivers that will boost the P&L account in coming quarters



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Update on our Strategic Plan

Asset Quality

- ✓ 22% reduction in doubtful loans since Dec-14
- ✓ Second biggest reduction in problematic real estate loans among main Spanish banks in 2015
- ✓ Remarkable acceleration in foreclosed asset sales

Solvency

- ✓ Sound organic capital generation: +70 b.p. over the last 5 quarters
- ✓ Placement of Tier II debt totalling €500mm. Tier II bucket already fulfilled
- ✓ SREP decision: 9.25% vs. 11.9% CET1 Phased-In

Positioning

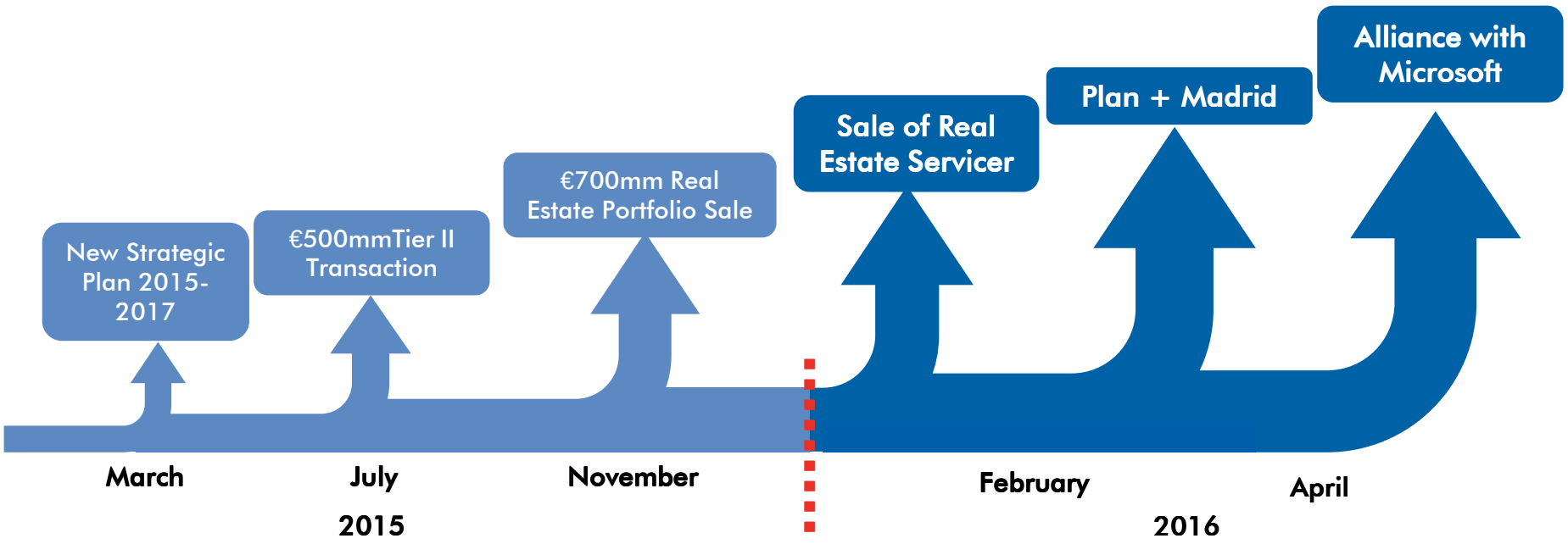
- ✓ Ibercaja Gestión becomes the 8th largest mutual fund manager in Spain (29 b.p. market share gain since 2014)
- ✓ Ibercaja Pension: *"Expansión-Allfunds"* award to the best pension fund manager in Spain
- ✓ Ibercaja launches «Plan + Madrid» to strengthen its positioning in Madrid
- ✓ Strategic agreement with Microsoft to develop the bank's digital transformation process

Profitability

- ✓ Continuous progress in total cost reduction (funding, operating, risk)
- ✓ New lending production accelerates according to plan
- ✓ Outstanding evolution in non-banking commissions, outpacing expected evolution

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Key Milestones

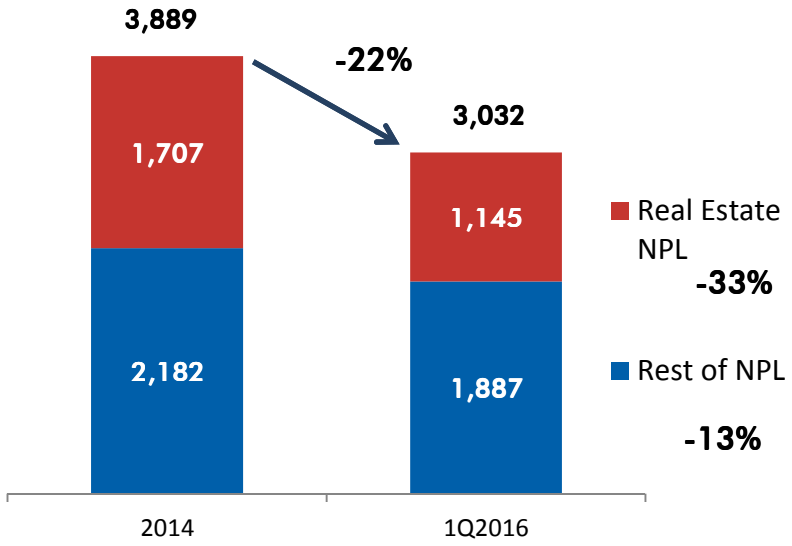


- Ibercaja Banco keeps progressing with its Strategic Plan to reinforce its solvency and asset quality, as well as to boost its commercial position.

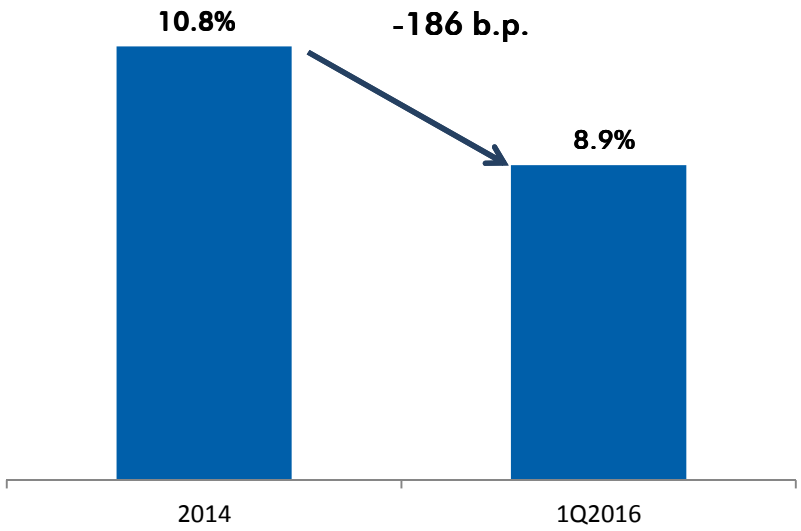
NPL ratio continues its trend downwards

- Significant progress achieved since launching our strategic plan:
  - 22% reduction in doubtful loans
  - NPL ratio falls 186 b.p., 11% below sector average
  - Gross NPL entries fall 50% in 2015
  - Coverage ratio of 52,6%

Non-performing Loans – €mm



NPL Ratio - %

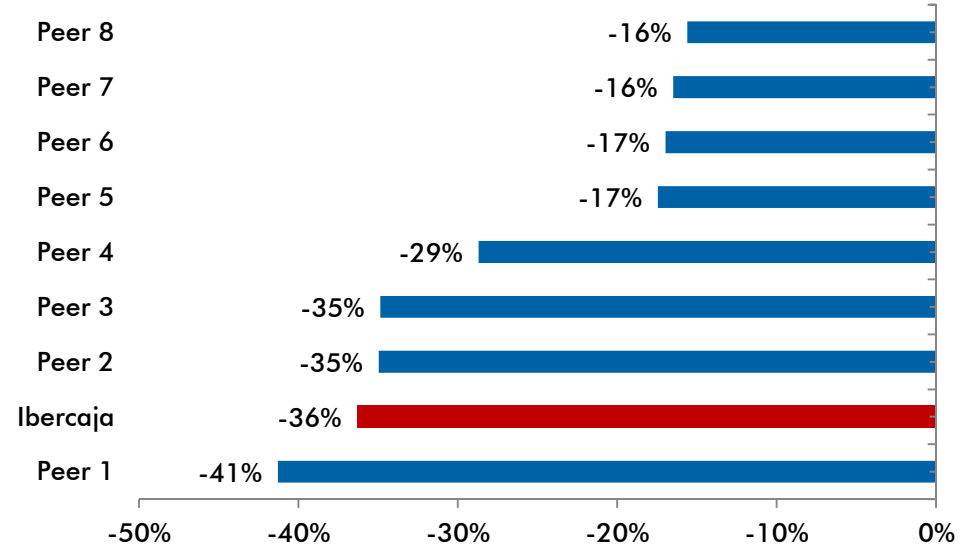


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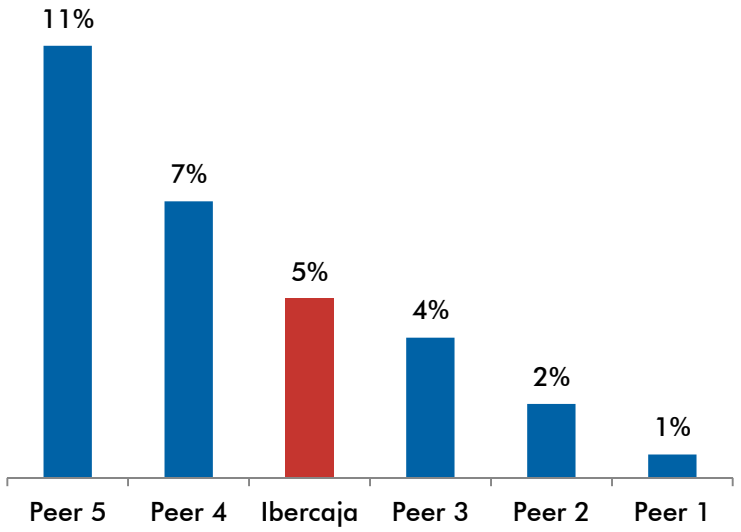
"Goya" transaction

- Ibercaja sold €698mm of real estate loans in November 2015. The portfolio was made up of 428 loans to real estate developers, mostly classified as doubtful.
  - One of the biggest transaction in Spain in 2015, both in absolute terms and in relative to Ibercaja balance sheet size
- This transaction has allowed Ibercaja to achieve the second biggest reduction in problematic real estate loans among biggest Spanish banks.

Reduction in problematic real estate loans - 2015 [1]



Net Real Estate Loans % Loans - 2015[2]



[1] Information from annual accounts. Includes doubtful loans and substandard loans. Peers include Bankinter, BBVA Spain, Popular, Liberbank, Santander Spain, Bankia, Sabadell & Caixabank.

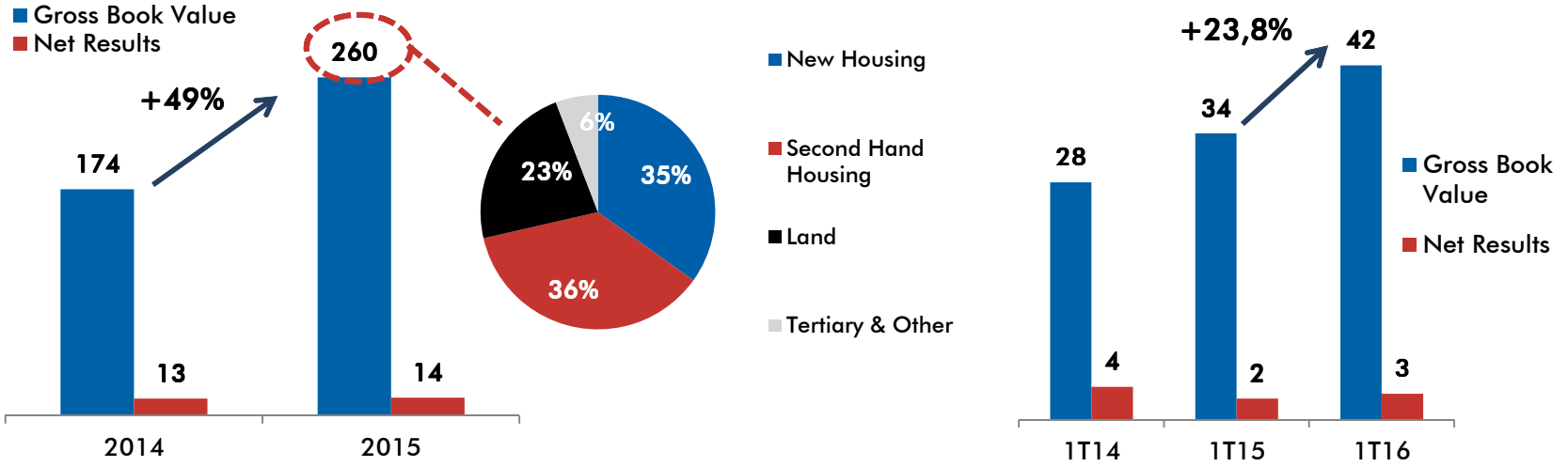
[2] Information from annual accounts. Includes Popular, Liberbank ex APS, Caixabank, Bankinter & Bankia

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Remarkable acceleration in asset sales…

- **Foreclosed asset sales grew by 49% YoY in 2015 thanks to the strong coverage levels reached and the market recovery.**
  - In 2015, Ibercaja Banco was able to sell over 60Mn€ in land with no impact in P&L
- **Further acceleration in 2016, with a 23,8% increase YoY.**
  - Seasonality: 1Q sales typically account for 15% of yearly sales

Foreclosed Assets Sales

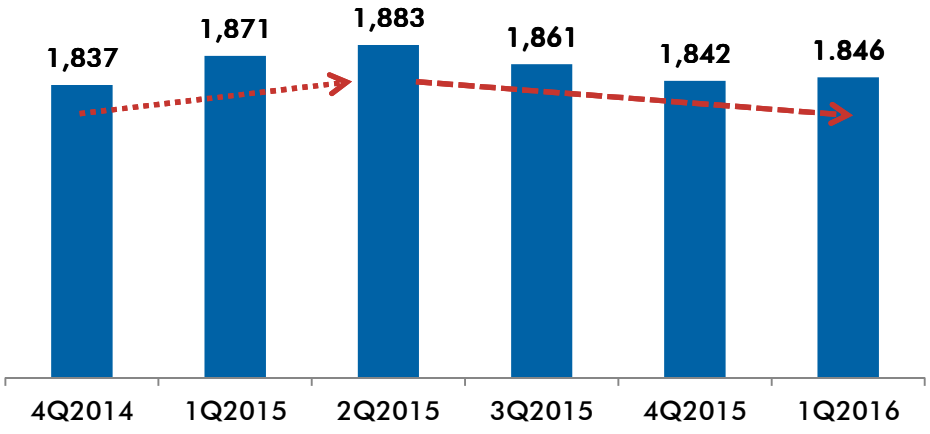


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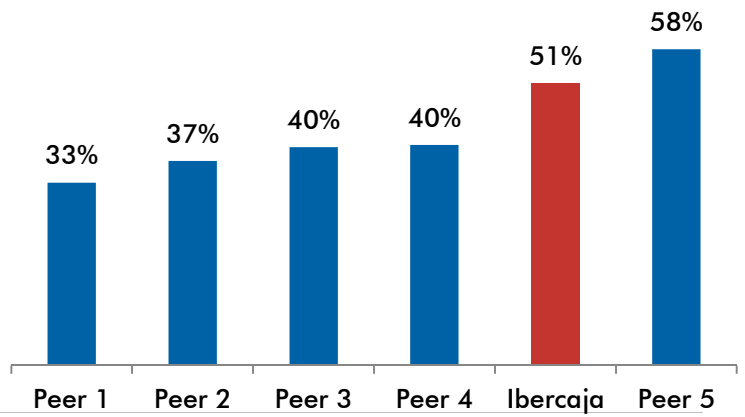
...has lead to a stabilization in the stock of foreclosed assets

- **The pickup of asset sales allows for a stabilization of the stock of foreclosed assets.**
  - Peak reached in 2Q2015; 2% reduction since then.
  - Coverage ratio stands at 51,7% as of 1Q2016, among the highest in the sector

Stock of Foreclosed Assets – Gross Book Value



Foreclosed Assets Coverage - % 2015[1]



[1] Information from annual accounts. Includes Popular, Liberbank ex APS, Caixabank, Bankinter & Bankia

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Sale of real estate servicer

- In February 2016, Ibercaja announced a long-term strategic alliance with Aktua that included the **sale of its real estate servicer subsidiary (Salduvia)**. This agreement includes
  - Management and sale of current and future foreclosed assets on Ibercaja's balance sheet or on any of its subsidiaries.
  - Assistance with Ibercaja's third party asset sales
  - Right to grant mortgages to Aktua retail clients
- Ibercaja Banco takes advantage of Aktua's sales network, with more than 400 employees in Spain.
- With this agreement, Ibercaja seeks to accelerate the offloading of non-performing real estate assets and to focus the organization on its traditional business.
- **The transaction amounts to €70mm, with a gross gain of €69.3mm booked in March 2016.**

Aktua is a leading multi-client servicer offering end-to-end services across the entire NPL (non-performing loans) and REO (real estate owned assets) servicing value chain in Spain.

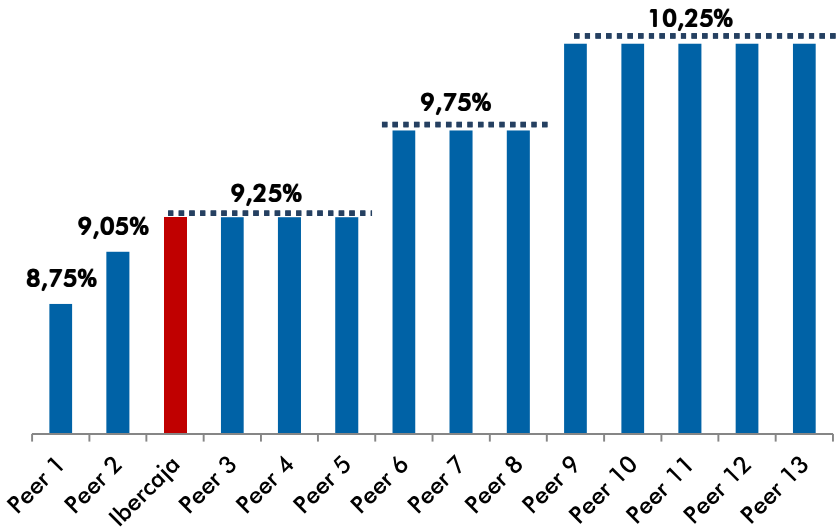
On track to reach our target of CET1 fully loaded of 10%

- **CET1 Fully Loaded stands at 10%**
  - Sound organic capital generation: +70 b.p. of over the last 5 quarters.
  - Higher quality: AFS gains represent 62 b.p. (vs. 95 b.p in 4Q2014)
- **SREP requirement of 9.25% vs. CET1 Phased-In of 11.9%**

CET1 Fully Loaded [1]– %



SREP Decision



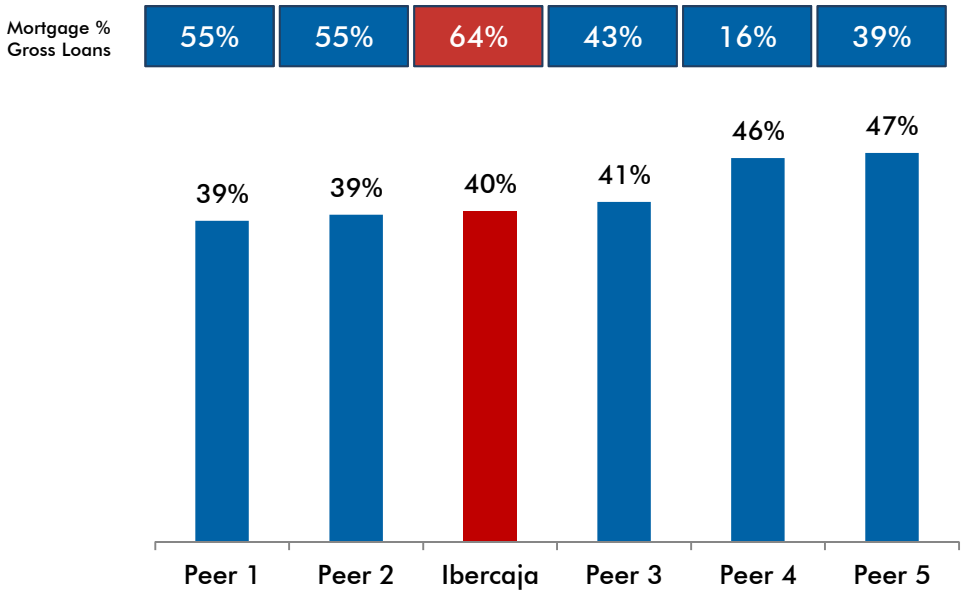
[1] Excluding CoCos, including AFS gains

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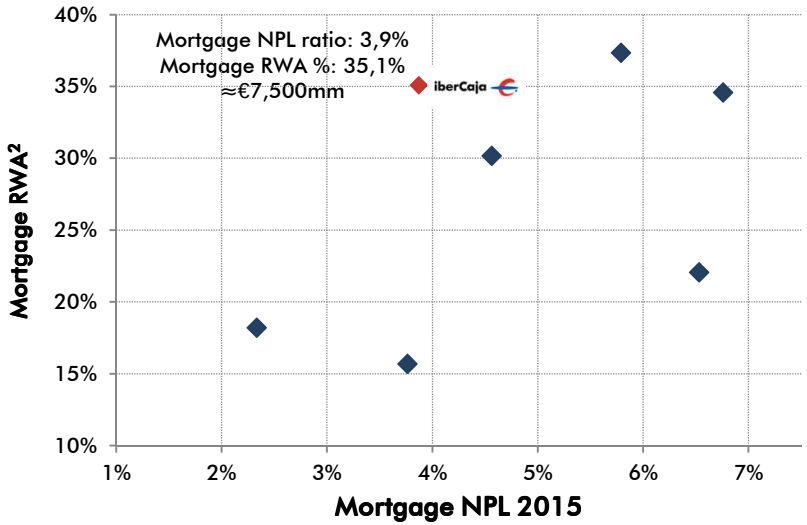
High RWA density

- **RWA/AT stands at 40%, calculated using the standard methodology.→ High RWA density, considering Ibercaja business model and asset quality levels.**
  - Residential mortgage RWA stands at 35%, despite having one of the lowest NPL ratios in the sector

RWA / Total Assets[1]



Mortgage RWA % / NPL[3]

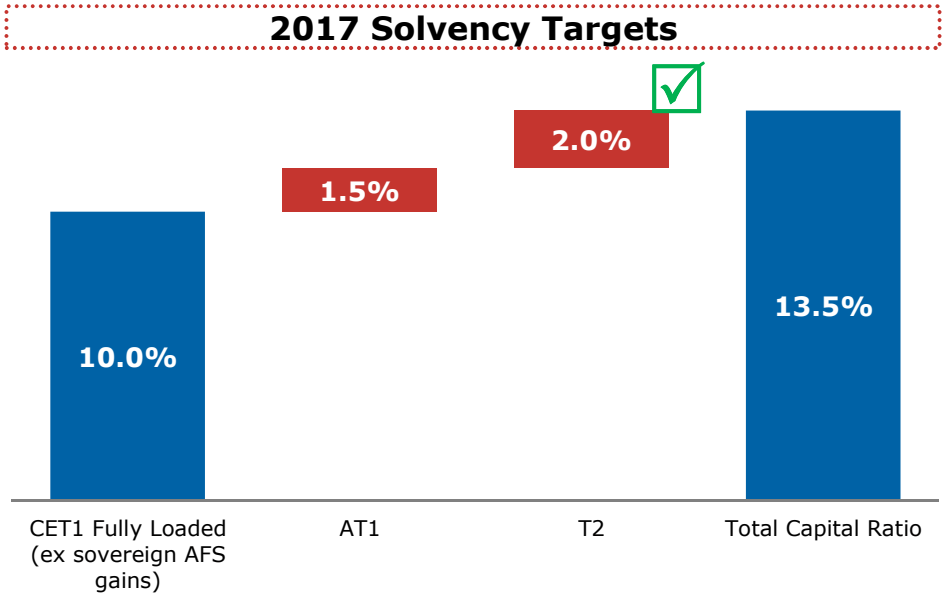


[1] Peer group includes Liberbank, Bankia, Caixabank, Popular & Bankinter
[2] According to the 2015 EU-wide transparency exercise
[3] Peer group includes Liberbank, Bankia, Caixabank, Popular, Sabadell & Bankinter

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Tier II transaction

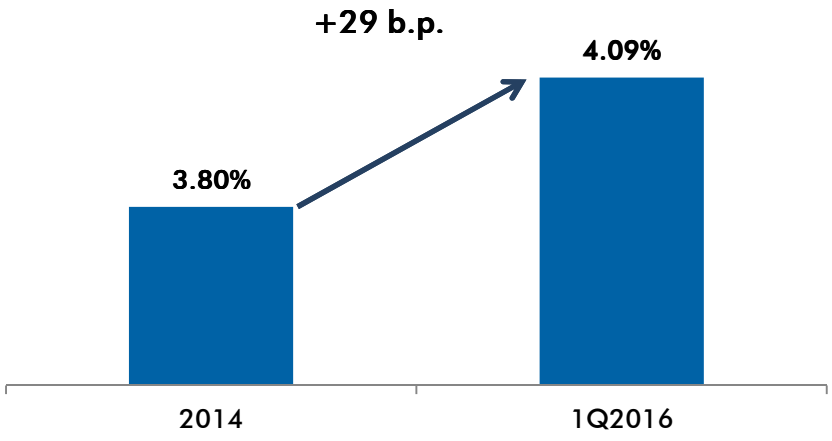
- On July 2015 Ibercaja Banco completed an **issuance of Tier II debt totalling €500mm.** The transaction represented 200 basis points of Tier II capital, fulfilling the bucket set by Basel III regulation.
  - Issuing a Tier 2 security was the first step towards building a more diversified and efficient capital structure after Cajatres integration.
- Ibercaja Banco is on track to reach a 10% CET1 Fully Loaded ratio (ex AFS sovereign gains) and a 13.5% Total Capital ratio by 2017.



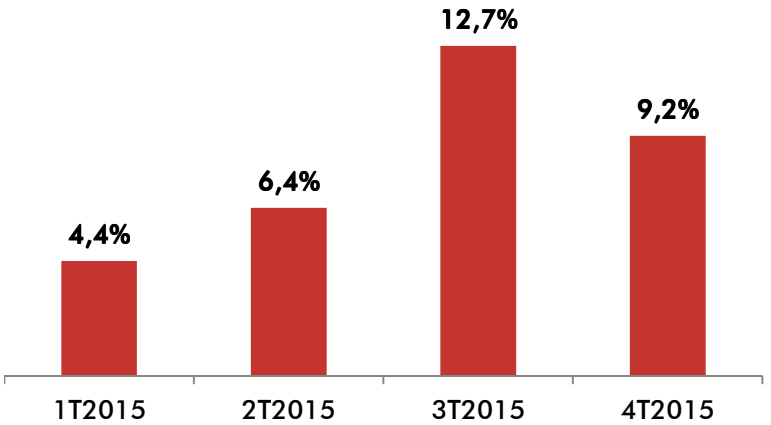
1 Outstanding evolution in asset gathering

- **Mutual funds keep showing a differential performance:**
  - Ibercaja Gestión becomes the 8th largest mutual fund manager in Spain
  - 6% market share in net new money in 2015, well above overall AUM market share
  - Improved product mix: fixed income funds stand at 47% of total funds (55% in 4Q2014)
  - Over 64,000 clients have subscribed to Ibercaja's managed account services. Assets under management in this service reach €3.0bn, +142% vs. 2014
- **Ibercaja Pension: *"Expansión-Allfunds"* award to the best pension fund manager in Spain**

Mutual Funds Market Share – %



Net New Money Market Share – %

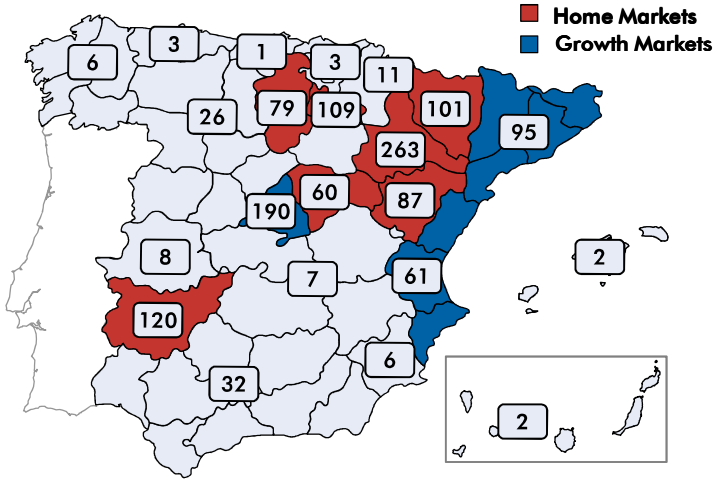


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2 Strong evolution in our *growth markets*

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

Branch Network 2015



1,272 Branches

Strong leadership in Home Markets

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

Growth in Madrid and Mediterranean Basin

Account for 80% of growth in retail funds.

Represent 49% of new loan production.

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

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2 «Plan + Madrid» (1/2)

- **Well-established position in Madrid:**

☑ Madrid is the second most important market in term of business volume.

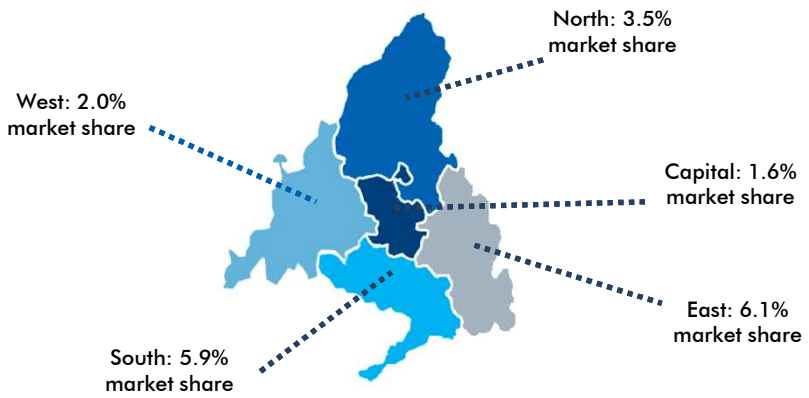
☑ 450,000 clients.

☑ €13.6bn business volume

☑ 789 employees and 190 branches.

☑ Proven ability to compete.

Market Share[1]



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

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

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2 «Plan + Madrid» (2/2)

- **Ibercaja launches «Plan + Madrid »** to strengthen its positioning in Madrid

Targets:



To increase business volume by €3.7bn[1] until 2020.

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

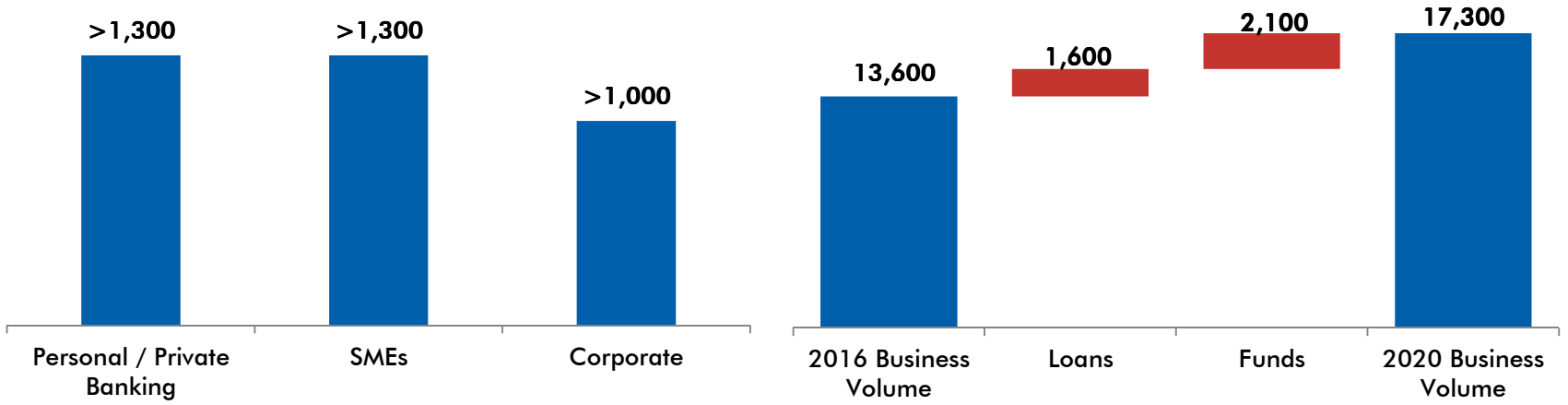
Investment in resources:

100 new employees.

Create 5 business centers for companies and 4 new branches.

Remodelling of 20 branches with new commercial procedures.

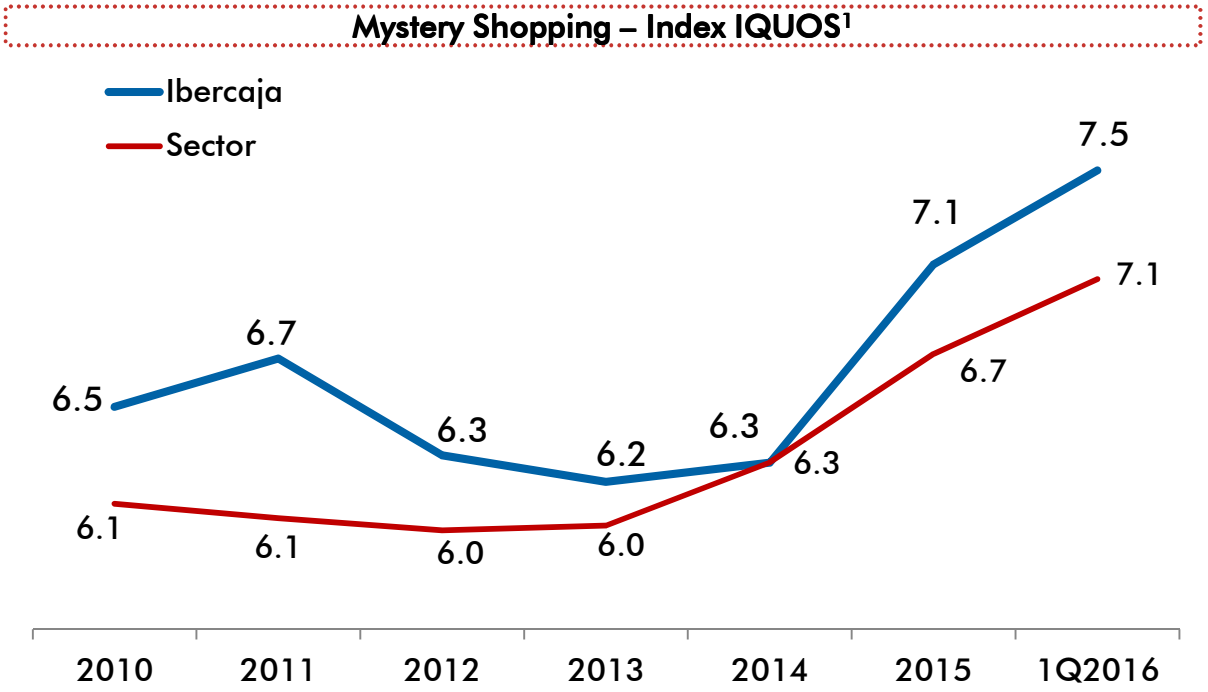
Business Volume Targets – €mm



[1]Retail banking, Personal Banking, SMES and Corporates with turnover up to €200mm.

3 Revenue synergies from Cajatres acquisition are materializing

- After completing IT integration (oct-14) and implementing its commercial model in Cajatres branch network, Ibercaja has recovered its strong metrics in service levels.



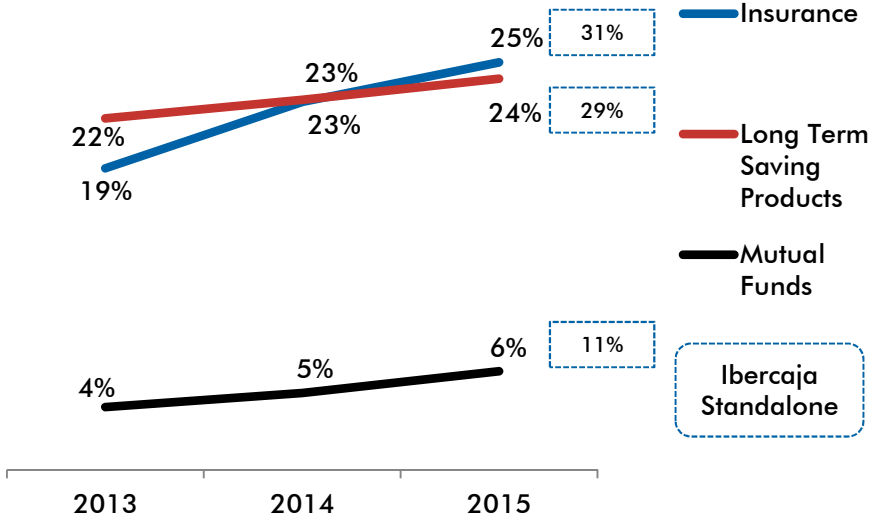
2nd best evolution in the sector in 2015

[1] Source: STIGA. Independt consultancy firm

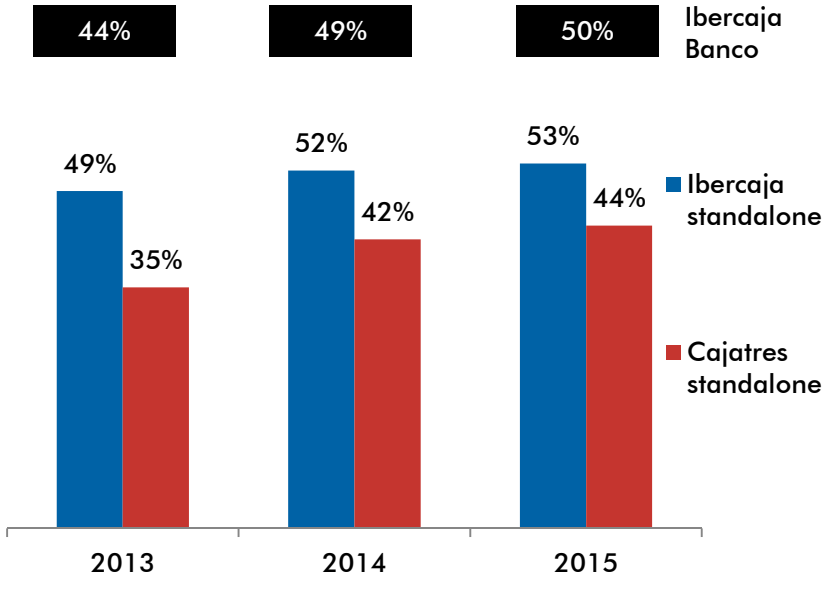
3 Revenue synergies from Cajatres acquisition are materializing

- **This strong commercial focus has resulted in a sound improvement in key product penetration levels and client linkage.**
  - Further positive evolution expected as penetration levels are still well below those of Ibercaja

Product Penetration - Cajatres Standalone



Well Linked Clients - %[1]

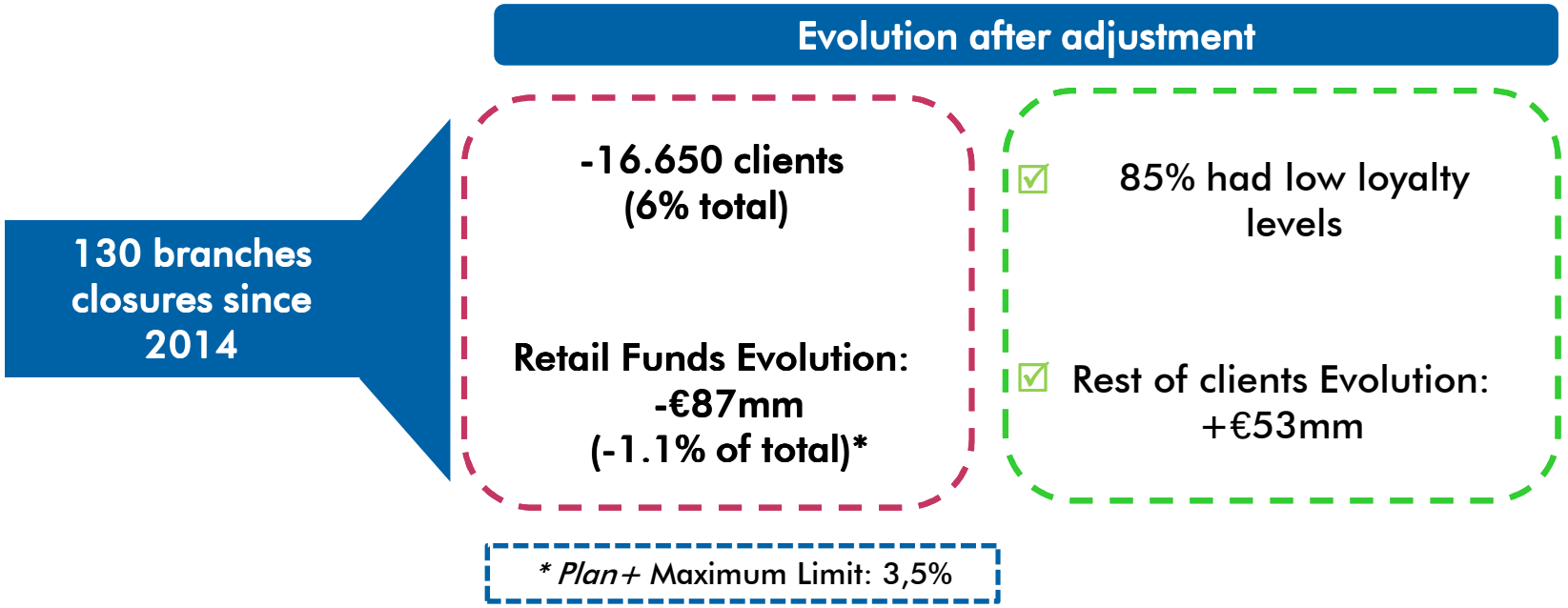


[1] A well linked client has, at least, payroll direct deposit, one saving or financing product, and one active credit card.

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3 Revenue synergies from Cajatres acquisition are materializing

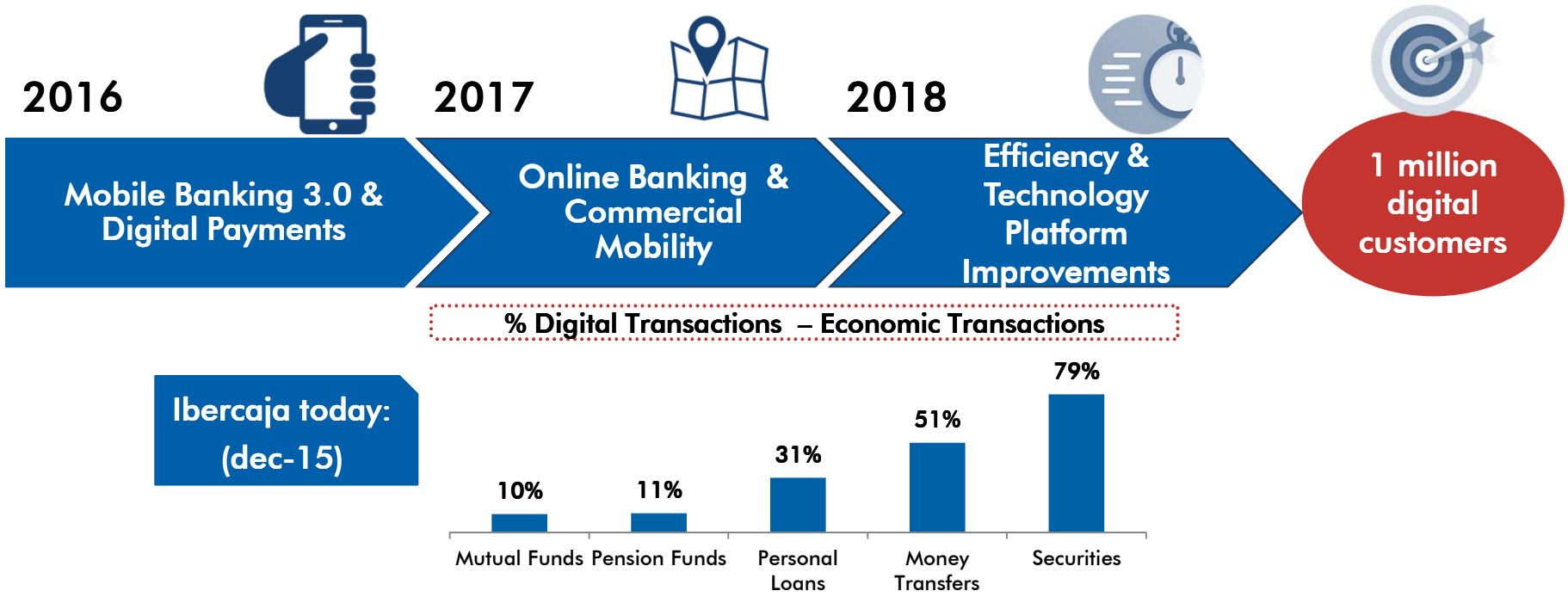
- **Ibercaja's strong commercial model has allowed to keep a stable client base as well as deposits volume despite a relevant adjustment in the branch network.**



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4 Strategic alliance with Microsoft

- Ibercaja has signed a strategic agreement with Microsoft to develop the bank's **digital transformation** process.
- This agreement, that initially extends until 2018, focuses on the three main areas of digital transformation: customer experience, efficiency and internal processes, and business model, products and services.



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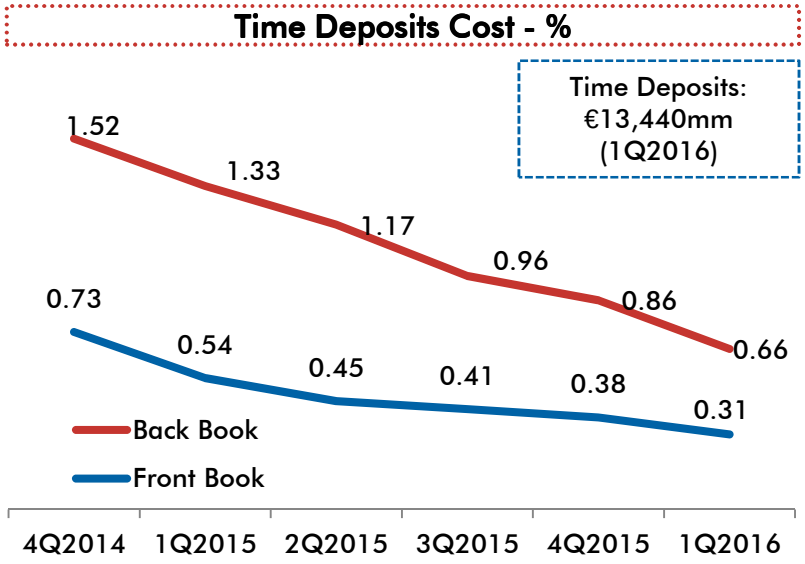
Profitability

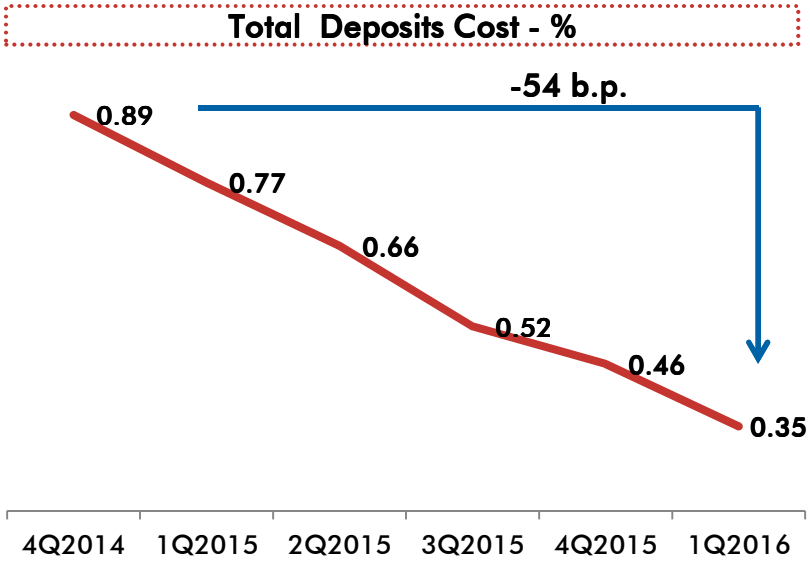
- **Ibercaja's Business Plan value drivers are gathering speed and will improve the P&L in coming quarters.**

Cost of Retail Funding Reduction	Total deposit cost reduction since 2014: -54 b.p.
Recovery of Lending Growth	New lending production reached the €4bn target for 2015; +22.1% YoY in 1Q2016
Asset Gathering / Non-Banking Commissions	Double-digit growth in non-banking commissions (+12.8% YoY in 2015, +11.5% YoY in 1Q2016)
Operating Costs Reduction	Since Cajatres acquisition, Ibercaja's structure has been reduced by over 20% and recurring cost have decrease 15%.
Cost of Risk Reduction	Cost of risk related to credit and foreclosed assets has fallen by 28 b.p. since 2014

1 Cost of retail funding reduction…

- **Cost of retail funding reduction has been one the major focus over the last quarters.** Since 2014, total deposit cost reduction has amounted to -54 b.p. thanks to:
  - Time deposits back book cost has been reduced by 86 b.p.
  - Current accounts weight has increased to 57% of total deposits (vs. 46% in 4Q2014)
- **Further progress should be expected over the next quarters**
  - Cost of new term deposits already at 0.25% in April.

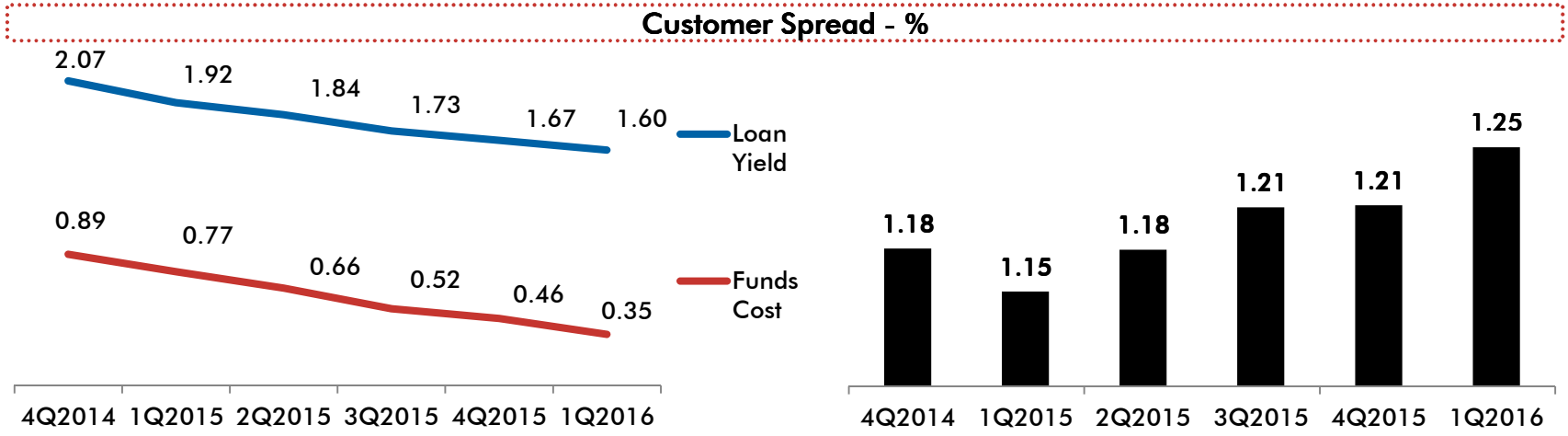




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1 … drives the increase in customer spread

- **Since 2014, customer spread has improved by 7 b.p.**
  - The deposit cost reduction (-54 b.p.) has offset the negative impact of falling yields (-47 b.p) due to Euribor repricing.



Customer spread should continue improving

☑ Time deposits repricing at current rates will mean an additional 15 b.p. reduction in total deposit cost (total deposit base €31,205mm).

☑ With the current Euribor curve, credit repricing impact will be more moderate in coming quarters

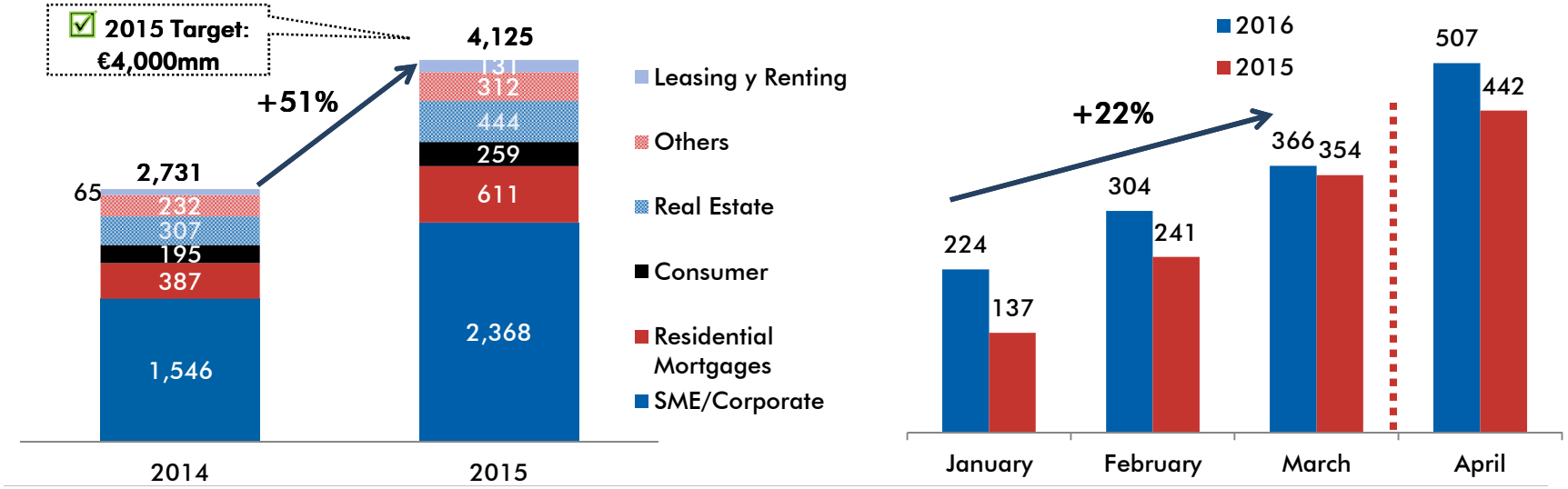
☑ Loan front book at higher rates than back book (2.7% vs. 1.6%)

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2 Recovery of lending growth…

- **New lending production reached the €4bn target for 2015 (51% YoY)**
  - New lending production continues to grow in 1Q2016 (+22.1% vs. 1Q2015):
  - Growth Regions[1] and SMEs account for 48% / 57% respectively of new production since 2014, in line with our strategic plan.
- **Current new lending production should allow for a stabilisation in the stock of performing loans already in 2Q2016.**
  - In 1Q2016 performing loans to non-real estate companies already grew by 2.5% YoY and consumer credit stabilized

New Loan Production– €mm



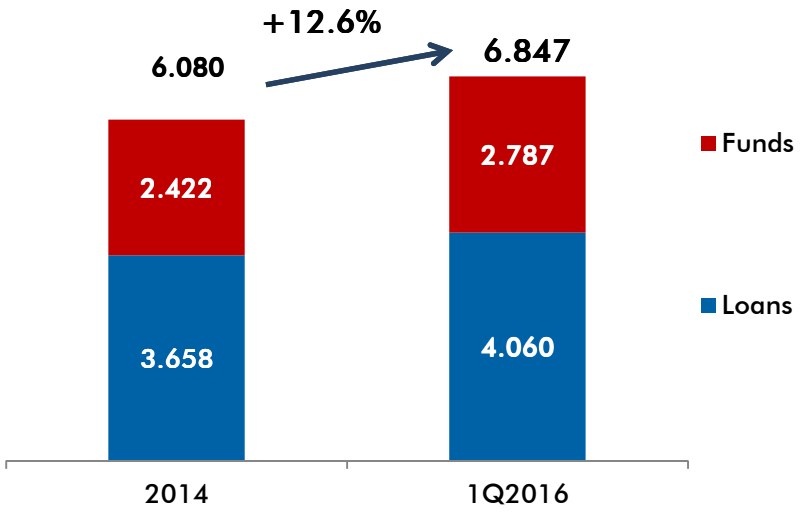
[1] Madrid and Mediterranean Basin

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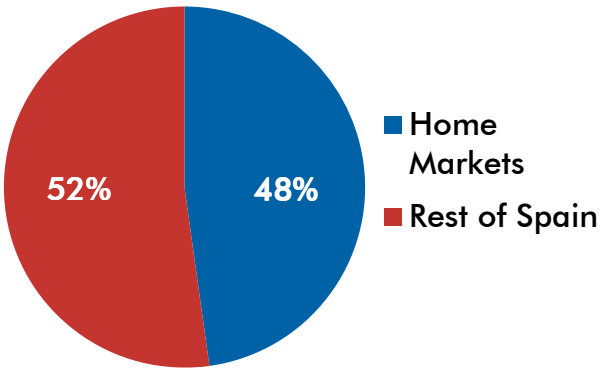
2 …with a special focus in SMEs

- **Ibercaja has continued to develop its SME strategic project[1]**
  - More than 3.300 new SME clients since 2015
  - 495 specialized employees in SME banking (+160 vs. 2014)
  - 83% of new lending in 2015 was granted to already linked clients
  - Excellent evolution in working capital financing: €3.600mm, +25% YoY in 2015 (+15% in 1Q2016)

Busines Volume – Mn€



Geographical Distribution – Loan portfolio



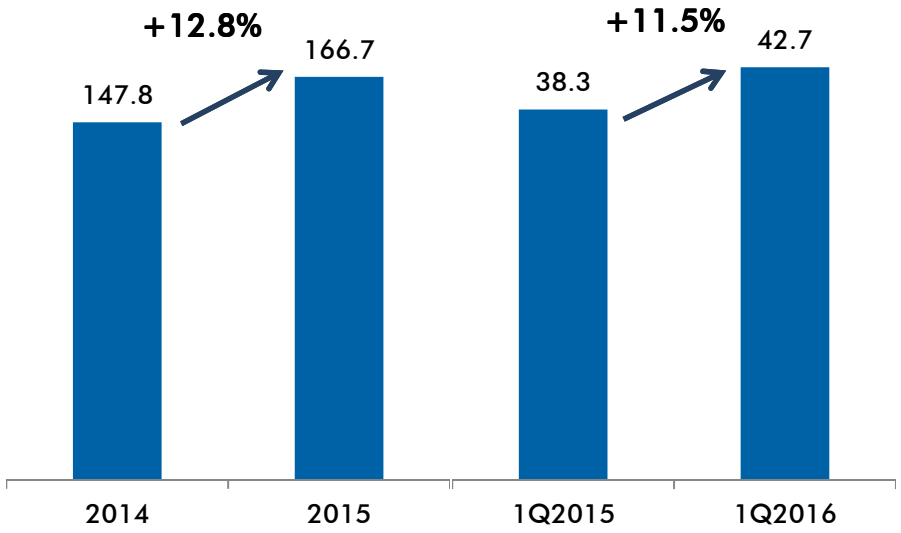
1 SME project includes SMEs with turnover of at least €0.3mm. Excludes companies from the real estate sector and the retail sector

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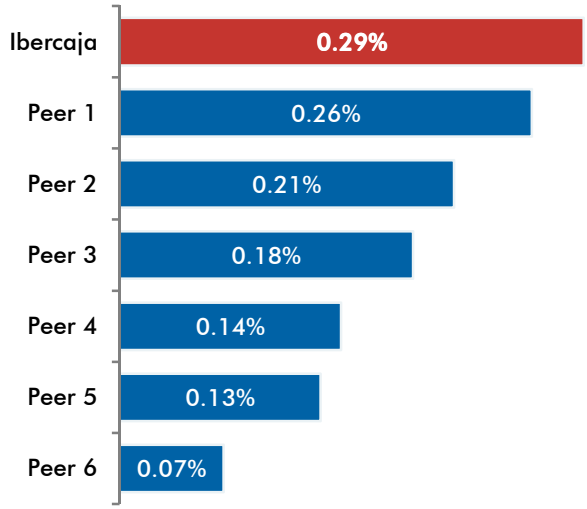
3 Double-digit growth in non-banking commissions

- **Exceptional evolution in non banking commissions, exceeding banking commissions for the first time, thanks to:**
  - Strong increase in assets under management (+9.1% since 4Q2014)
  - Improved product mix

Non-Banking Commissions



% of Average Total Assets - 1Q2016 Annualized[1]

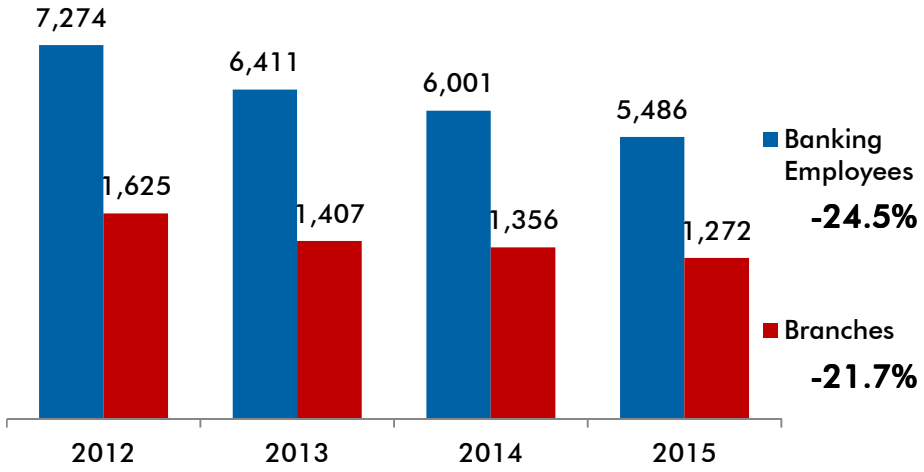


[1]Peer Group includes Bankinter, Caixabank, Sabadell ex TSB, Bankia, Liberbank & Popular

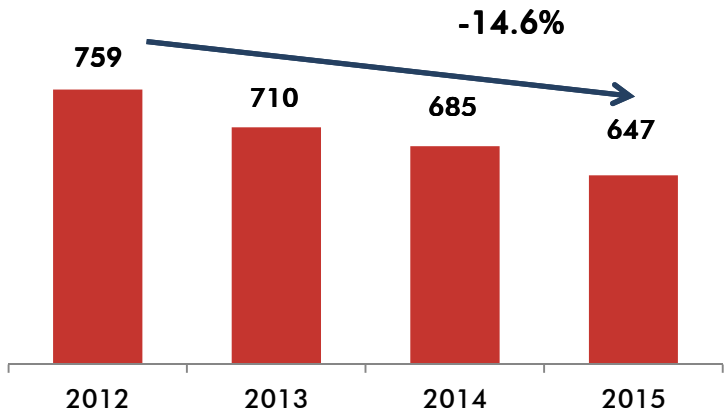
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4 Continuous operating costs reduction

Ibercaja's Structure



Recurring Costs - €mm

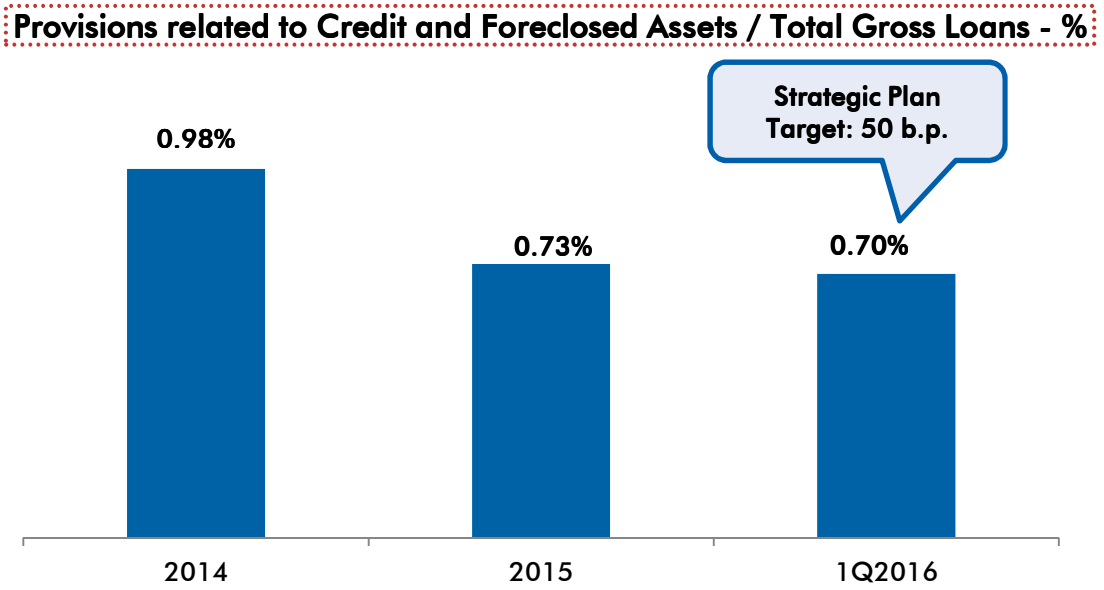


- **Since Cajatres acquisition, Ibercaja's structure has been reduced by more than 20% and recurring costs have decreased by 15%.**
  - Still above the 1% over total assets target (1.1% as of 2015)
- **The cost base will remain stable in 2016, absorbing the increase in costs related to the agreement with Aktua, thanks to:**
  - Decrease in personnel cost of 3%
  - 22 branch closures until June, already approved
- **70% of cost synergies from Cajatres acquisition will have been captured at the YE2016.**

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5 Progressive reduction in the cost of risk

- **Since 2014, cost of risk related to credit and foreclosed assets has fallen by 28 b.p. but is still above the target set on the Strategic Plan.**
  - In 2015, cost of risk related to real estate and foreclosed assets represented around 40% of total provisions.

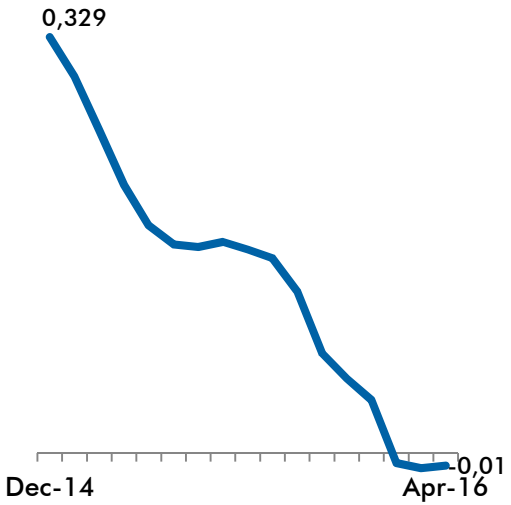


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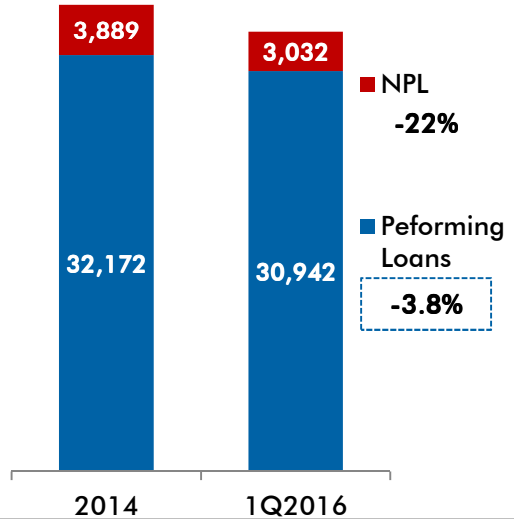
6 Negative Impacts to P&L…

- **Several negative impacts have limited further progress in the P&L in recent quarters:**
  - Falling Euribor: -33 b.p. since 2014
  - Deleveraging: delayed turning point for the loan portfolio
  - Lower contribution from fixed income portfolio due to lower volume (-15.8% or €-2,530mm) and the repricing of the SAREB bonds (15% of the portfolio) to 0.1%
- **These negative impacts should come to an end in coming quarters.**

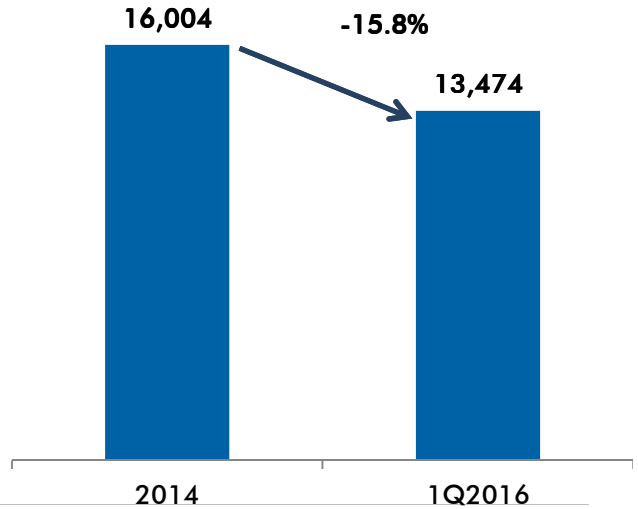
Euribor (12 months)



Credit Portfolio - €mm



Fixed Income Portfolio - €mm



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7 2016 Guidance

Gradual Stabilisation of Net Interest Income

Off-balance sheet funds growth

Improvement of results expected over the next quarters

Flat cost base (including Aktua agreement)

Step up in non-performing assets sales

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7 2016 Guidance

Gradual Stabilisation of Net Interest Income

- ✓ Stabilisation in performing loan portfolio
- ✓ Lower Euribor impact.
- ✓ Front book margin higher than back book
- ✓ Slower decrease in wholesale business

Off-balance sheet funds growth

- ✓ Markets improvement → Net new money in mutual funds in April > €45mm

Flat cost base (including Aktua agreement)

- ✓ Decrease in personnel cost of 3%
- ✓ 22 branch closures until June

Step up in non-performing assets sales

- ✓ Higher voluntary provisions
- ✓ NPL and foreclosed assets coverage ratio > 50%
- ✓ Potential portfolio sales

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8 Improving our structural profitability

	Banking Business	Asset Gathering	Real Estate Exposure
Our Ambition:	Evolve to a more profitable business.	Maintain current outperformance and strong profitability	Reduce provisions and risked weighted assets
Our Strengths:	Attractive geographical diversification Loyal customer base	Robust track record 100% Ownership	Strong Coverage Levels
Drivers:	✓ Improving customers spreads ✓ Recovery of Lending Growth: SME Project ✓ Cross selling	✓ Further AuM growth ✓ Improving product mix ✓ Personal and private banking ✓ Bancassurance	✓ Market improvement ✓ Lower gross new entries ✓ Alliance with Aktua ✓ Portfolio sales
	✓ Madrid and Mediterranean basin ✓ Cost reduction ✓ Revenue synergies from Cajatres		

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Annex 1: Corporate Governance

Corporate Governance (1/4)

Board of Directors

- 11 members, 3 independents
- According to the bylaws, the Board of Directors would have between 5-15 members
- The Board will:
  - Approve key corporate policies and strategies as well as monitor its implementation
  - Establish and monitor the Group's information and risk control systems
  - Prepare the Group and individual consolidated accounts
  - Appoint and remove of CEO

Name	Title	Type
Mr. Amado Franco Lahoz	Chairman	Shareholder Appointed
Mr. José Luis Aguirre Loaso	First Vice Chairman	Shareholder Appointed
Mr. José Ignacio Mijangos Linaza	Second Vice Chairman	Shareholder Appointed
Mr. Víctor Iglesias Ruiz	CEO	Executive
Mr. Jesús Barreiro Sanz	Secretary (Director)	Shareholder Appointed
Mr. Jesús Bueno Arrese	Member	Shareholder Appointed
Mrs. Gabriela González-Bueno Lillo	Member	Independent
Mr. Jesús Solchaga Loitegui	Member	Independent
Mr. Juan María Pemán Gavín	Member	Shareholder Appointed
Mr. Francisco Manuel García Peña	Member	Shareholder Appointed
Mr. Vicente Cóndor López	Member	Independent

Corporate Governance (2/4)

Other Committees

- **Audit and Compliance Committee.** 4 members, 2 independent (being the Chairman one of them). Its main powers, among others, are (i) to monitor the effectiveness of internal control, internal audit and risk management systems; (ii) monitor the preparation and presentation of regulated financial information (iii) issue annually, prior to the issuance of the audit report, a report stating an opinion about the independence of the auditor or the audit firm.
- **Appointments Committee**. 4 members, 2 independent (being the Chairman one of them). It is entrusted with general powers to propose and report to the Board of Directors or the Shareholders meeting about any matters regarding appointments and terminations of Board members.
- **Compensation Committee**. 4 members, 2 independent (being the Chairman one of them). It is entrusted with general powers to propose and report to the Board of Directors about any matters regarding compensations.
- **Large Exposures and Solvency Committee.** 3 members, 1 independent (Chairman). Its main powers, among others, are: (i) proposing to the Board of Directors setting limits by type of risk and business; (ii) reporting, prior to its approval by the Board, the Risk Appetite Framework ("RAF") and the Risk Appetite Statement ("RAS") of Ibercaja Banco (iii) analysing and evaluating the risk management (including tax risk) policies of the Group in terms of risk profile (expected loss) and (iv) proposing measures it deems appropriate in order to strengthen the solvency of the Company, reporting on the Capital Adequacy Policy.
- **Strategy Committee.** 4 members, 2 independent. It focuses on reporting to the Board about the strategic policy of Ibercaja Banco, ensuring that there is a specific organisation for its implementation.

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Corporate Governance (3/4)

Board of Trustees of Fundación Bancaria Ibercaja

- The main Governing Body of Fundación Bancaria Ibercaja is a Board of Trustees (*Patronato*). Fundación Bancaria Ibercaja has elaborated a protocol on the management of its participation in Ibercaja Banco. Such protocol, approved by the Bank of Spain, establishes:
  - The strategic basic criteria which governs the management of the participation of the Fundación Bancaria Ibercaja in Ibercaja Banco;
  - The relationship between Fundación Bancaria Ibercaja and the governing bodies of Ibercaja Banco;
  - General criteria ruling transactions between the Fundación Bancaria Ibercaja and Ibercaja Banco and mechanisms to avoid potential conflicts of interests;
  - Flows of information allowing the Fundación Bancaria Ibercaja and Ibercaja Banco to prepare their respective financial statements and to comply with their reporting obligations;
  - Principles of a potential cooperation of the Fundación Bancaria Ibercaja and Ibercaja Banco on corporate responsibility issues.

Corporate Governance (4/4)

Board of Trustees of Fundación Bancaria Ibercaja

Name	Title	Representation Group
Mr. Honorio Romero Herrero	Chairman	Founding Entity*
Mr. Enrique Arrufat Guerra	Trustee	People with financial knowledge and experience
Mrs. Pilar de Yarza Monpeón	Trustee	Founding Entity*
Mr. Santiago Marraco Solana	Trustee	Entities that represent collective interests
Mr. Juan Francisco Sáenz de Buruaga y Marco	Trustee	Entities that represent collective interests
Mr. Juan Ramón Fabre Marqués	Trustee	Entities that represent collective interests
Mr. David Villacampa Gómez	Trustee	People with financial knowledge and experience
Ms. Eugenio Nadal Reimat	Trustee	People with financial knowledge and experience
Mr. Fernando Vicente Thomas	Trustee	People with financial knowledge and experience
Mrs. Maria Pilar Segura Bas	Trustee	People with financial knowledge and experience
Mr. Francisco Javier Palomar Gómez	Trustee	People with financial knowledge and experience
Mr. José Luis Morales Paules	Trustee	People with financial knowledge and experience
Mr. Jaime Jesús Sanaú Villaroya	Trustee	Renowned people in matters related to social welfare
Mr. Domingo Buesa Conde	Trustee	Renowned people in matters related to social welfare
Mr. José Luis Aguirre Loaso	Secretary (not a trustee)	-
Mr. Jesús Barreiro Sanz	Vicesecretary (not a trustee)	-
Mr. José Luis Rodrigo Molla	Chief Executive (not a trustee)	

**Real y Excelentísima Sociedad Económica Aragonesa de Amigos del País*



For more information, please visit our Website:
http://www.ibercaja.es/informacioncorporativa/en/

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