CORPORATE PRESENTATION

JANUARY 2017

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OVERVIEW OF IBERCAJA BANCO

INTRODUCTION · SHAREHOLDER STRUCTURE · BANKING BUSINESS · GEOGRAPHICAL POSITIONING · CUSTOMER SERVICE LEVELS

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INTRODUCTION TO IBERCAJA BANCO

9th largest bank in Spain in terms of assets, with market shares of 2.8% in customer loans and 3.0% in customer deposits as of September 2016.

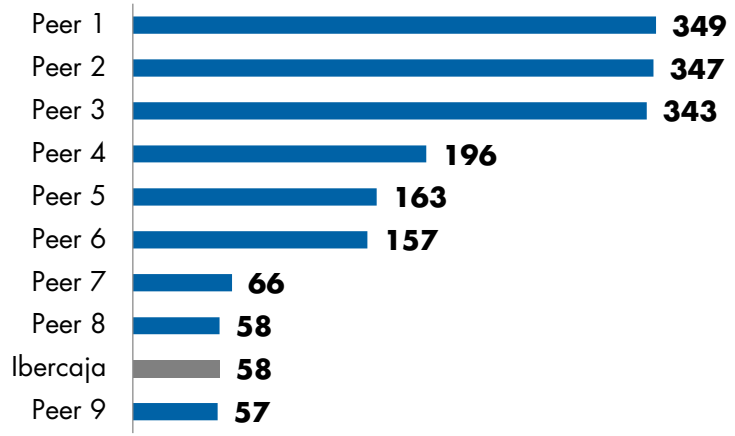
Acquired Banco Grupo Cajatres in July 2013.

6th largest domestic financial entity in asset gathering with €22bn in assets under management and a total market share of 4.4% as of September 2016.

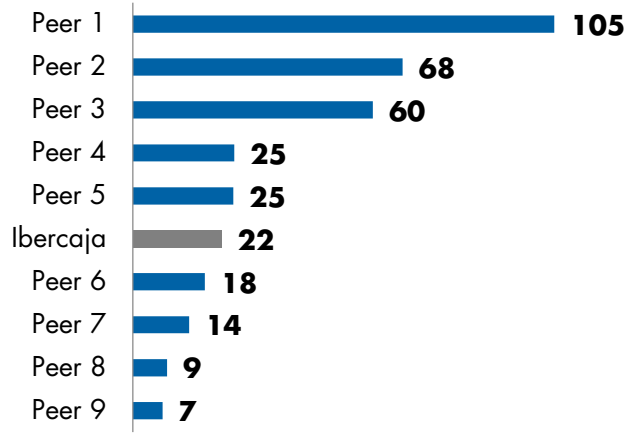
One of the four former savings banks (out of 45) that has not directly received any state aid.

CET1 Phased-In of 12.3% (Sept-16), vs. SREP decision of 7.25%, one of the lowest in Spain, as a result of Ibercaja's low risk profile.

Ranking by Assets – 9M2016 €bn



Ranking by AuM – 9M2016 €bn[1]



Peer group includes Santander Spain, BBVA Spain, Caixabank, Popular, Bankia, Sabadell ex TSB, Bankinter, Unicaja, Kutxabank.
[1] Source: Inverco & ICEA; includes AuM managed by each bank, excludes third-party products

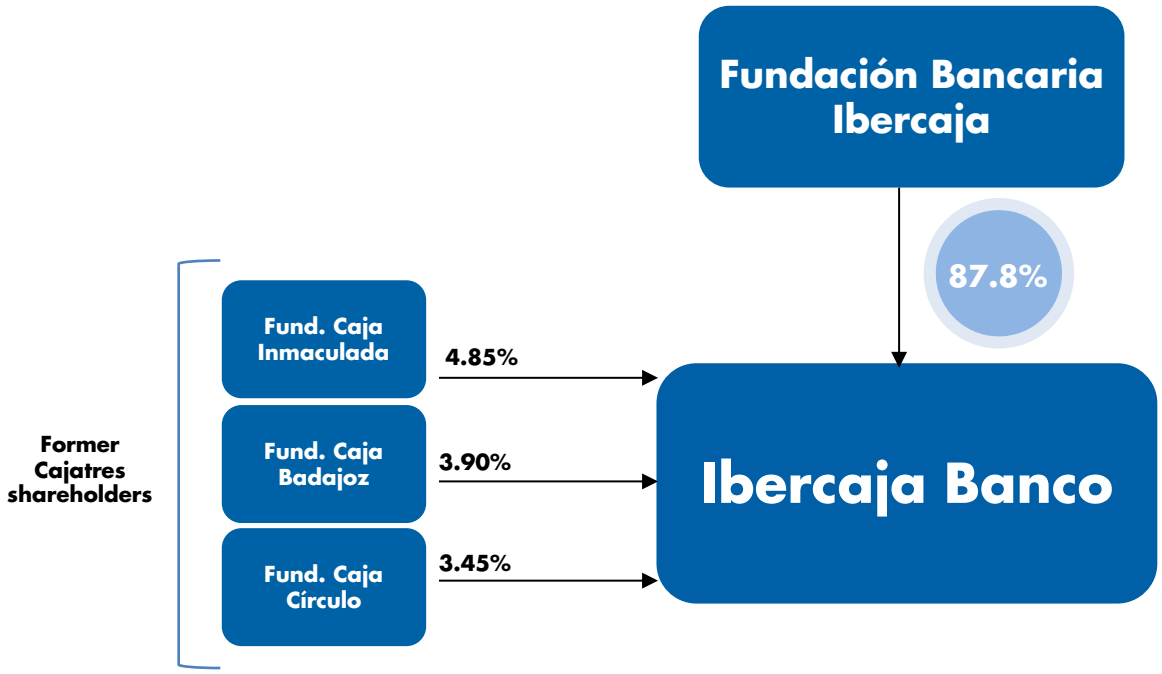
SHAREHOLDER STRUCTURE

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**.

Shareholders' Structure



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BANKING BUSINESS

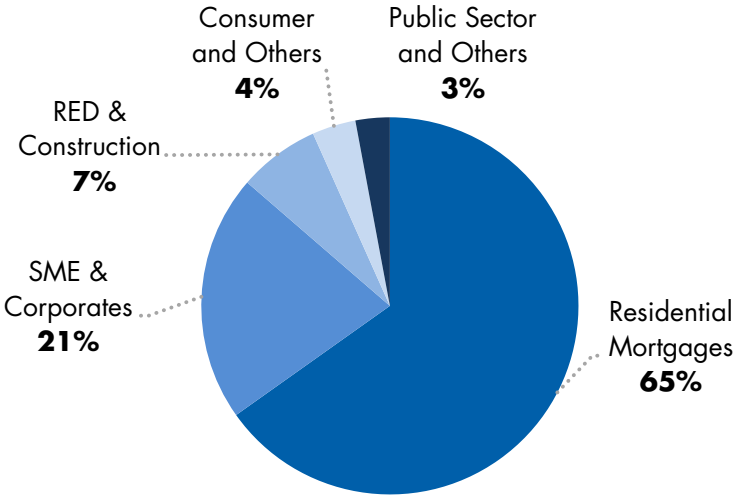
Ibercaja is a pure retail bank.

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:** 78% of customer funds are in current accounts and asset gathering products

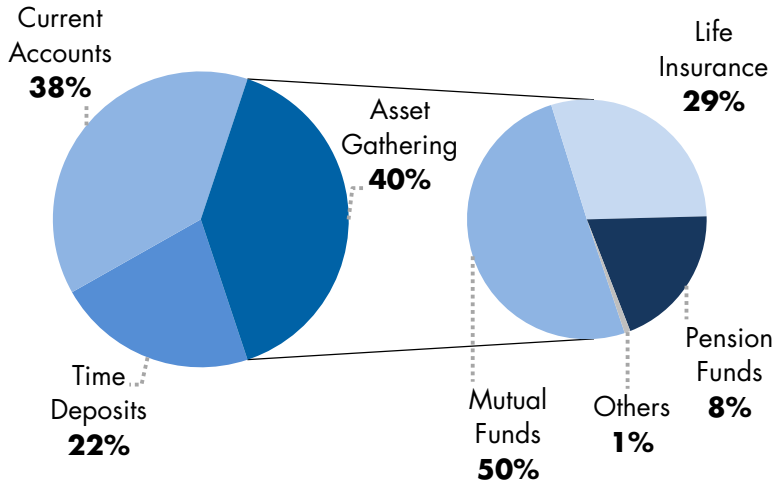
Growing focus in SME's, which already represents 21% of total lending.

Lending Split by Segment –9M2016



Gross loans ex Repo:
€33.6bn

Customer Funds – 9M2016



Retail Customer Funds[1]:
€50.6bn

[1] Retail network distribution.

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GEOGRAPHICAL POSITIONING

Home Markets

Clear leadership in Aragón (c. 40% market share), La Rioja, Guadalajara, Burgos and Badajoz (≈15% market shares). These regions **represent 60% of Ibercaja's business volume.**

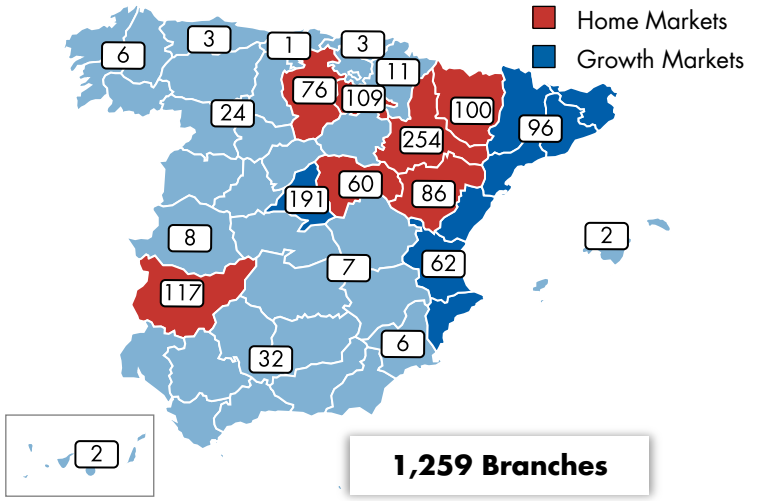
It is a source of stable deposits: LTD of 64% with excess deposits of €7.6bn

Growth Markets

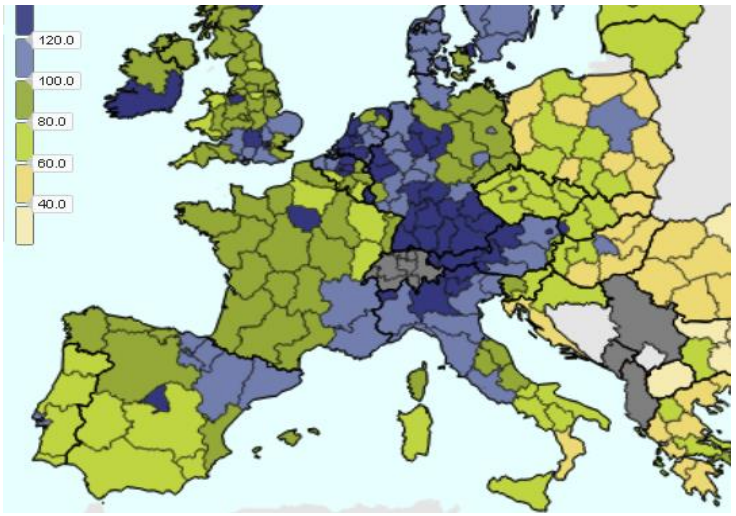
Throughout the 80's and 90's, the bank built a significant presence in **Madrid and the Mediterranean Basin**, key regions of the Spanish economy.

Well established footprint with 349 branches that represent 30% of Ibercaja's business volume.

Branch Network – 9M2016



GDP per Capita – 2014 Average EU28=100[1]



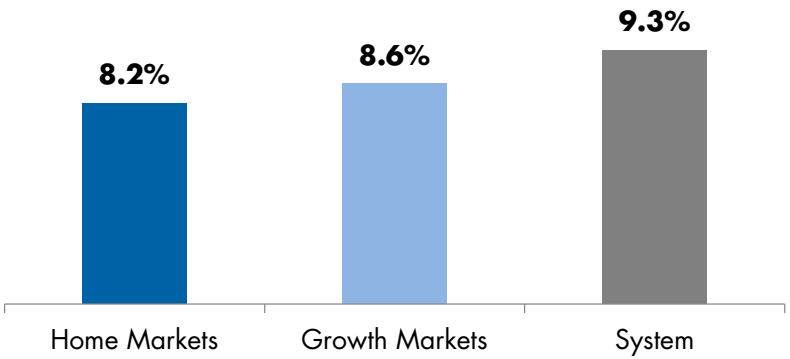
[1] Source: Eurostat

A WELL ESTABLISHED PLATFORM IN KEY REGIONS OF THE SPANISH ECONOMY

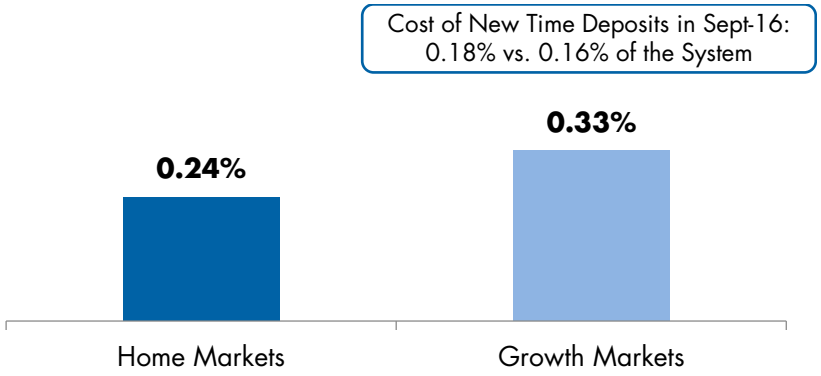
Key banking indicators in our growth regions are similar to those in our home markets.

- Ibercaja has launched **regional strategic plans** to further strengthen its positioning in these markets.

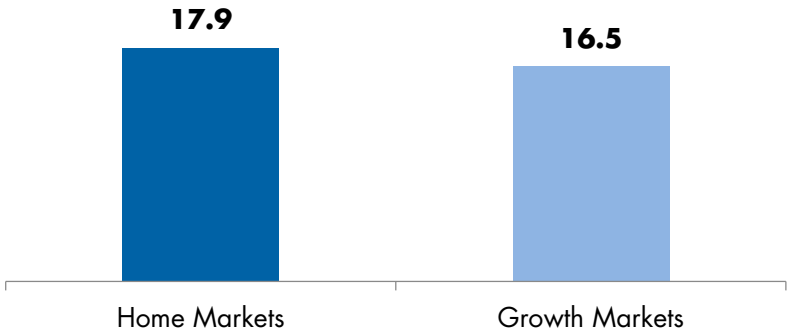
NPL Ratio – 9M2016



Cost of Total Deposits – 9M2016



Business Volume per Employee – 9M2016 €mm

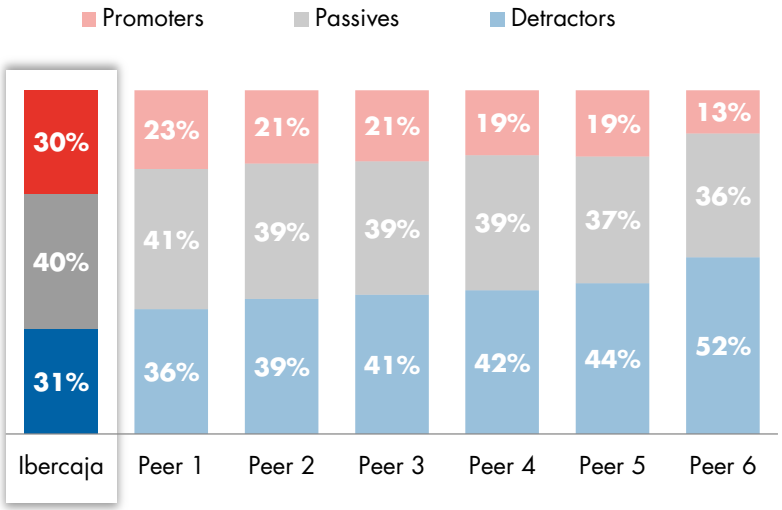


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LEADERSHIP IN CUSTOMER SERVICE LEVELS

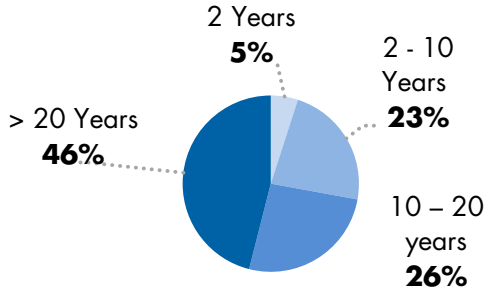
Ibercaja has achieved its position in these markets thanks to a **commercial model that has been certified by third parties and that provides best-in-class customer service levels.**

Net Promoter Score – 2016[1]

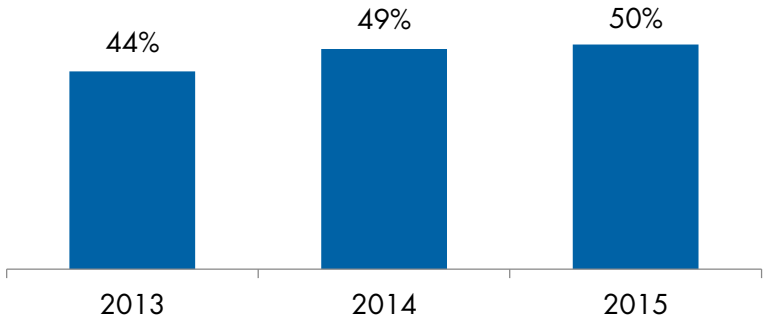


This customer-focused strategy has resulted in **an average customer relationship of 20 years, and high product penetration levels (Avg. No of products/services per client stands at 6.3).**

Average Relationship with Clients[2] - 2015



«Well Linked Clients» [2/3]



[1] Source: FRS INMARK for retail customers; Peers include Santander, Popular, BBVA, Caixabank, Sabadell & Bankia
[2] Individuals
[3] A well linked client has, at least, payroll direct deposit, one saving or financing product, and one active debit/credit card

IBERCAJA'S KEY INVESTMENT HIGHLIGHTS

IBERCAJA FINANCIAL GROUP · CAJATRES ACQUISITION · STRONG FUNDAMENTALS · STRATEGIC PLAN 2015-2017

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IBERCAJA'S KEY INVESTMENT HIGHLIGHTS



1. Ibercaja Financial Group: A Source of Diversified and Recurrent Revenues



2. Cajatres Acquisition: Further Potential for Synergies Generation



3. Strong Fundamentals: Asset Quality, Liquidity, Funding and Solvency



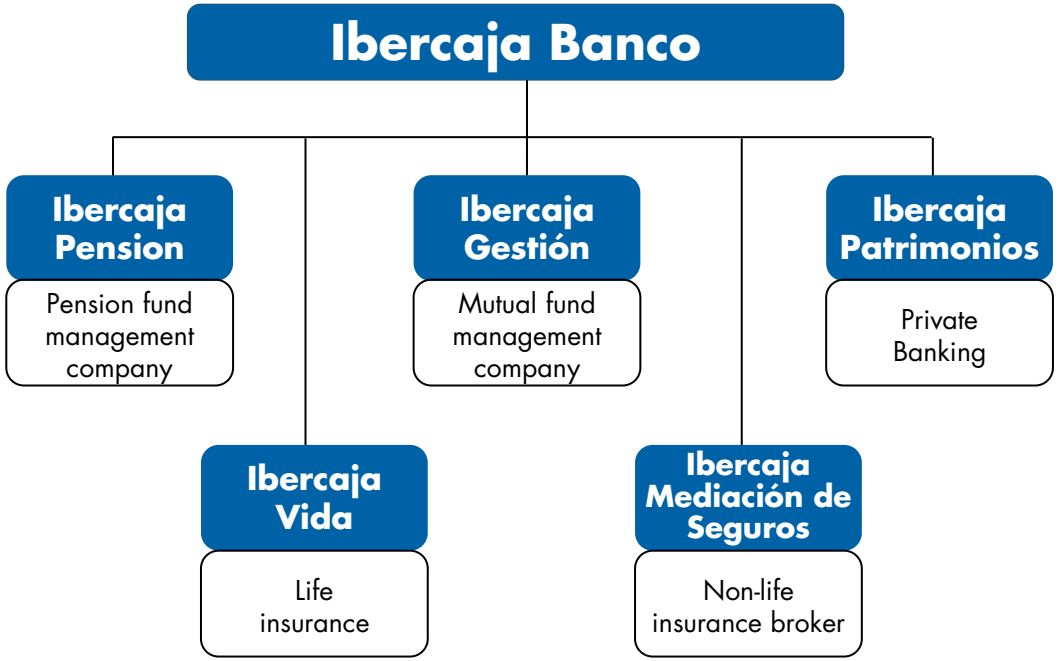
4. Strategic Plan 2015-2017: Improving Recurrent Profitability while Transforming the Bank

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IBERCAJA FINANCIAL GROUP: A SOURCE OF DIVERSIFIED AND RECURRENT REVENUES

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

- ☑ **Established in 1988**
- ☑ **100% Ownership**
- ☑ **Managing over €22bn[1] of assets**
- ☑ **AuM CAGR >11% since 2002**
- ☑ **Gross Margin reached €326mm in 2015**
- ☑ **Significant market share (4.4%)**
- ☑ **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

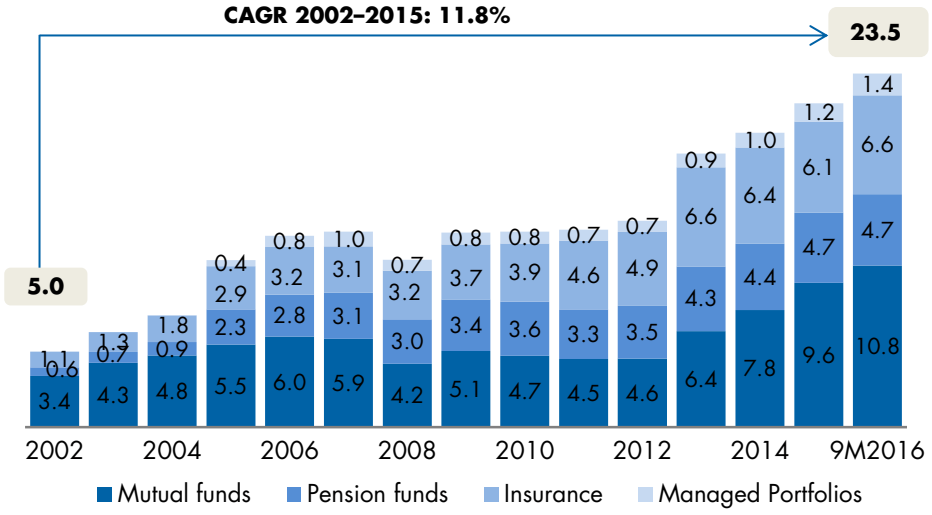
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IBERCAJA FINANCIAL GROUP: A SOURCE OF DIVERSIFIED AND RECURRENT REVENUES

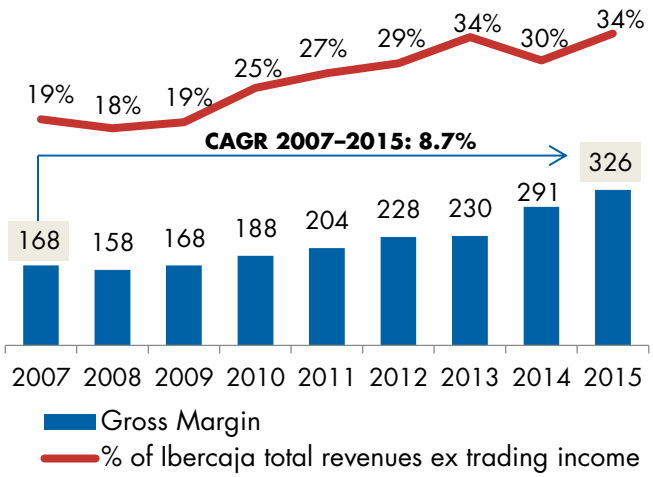
Ibercaja has achieved its positioning in asset gathering thanks to **being one of the first banks in Spain to offer these products which are now fully integrated in the commercial offer of the Bank.**

- Ibercaja Pension was awarded in 2016 as the **best national pension fund manager** in Spain **by "Expansión-Allfunds".**
- Ibercaja has achieved a **10% market share in new entries to mutual funds in 2016.**

Ibercaja AuM Evolution – €bn



Ibercaja Financial Group Gross Margin[1/2] - €mm



1 For the period 2007-2013, only considers Ibercaja Banco standalone
2 Includes accounting gross margins of the companies and distribution fees paid to Ibercaja Banco

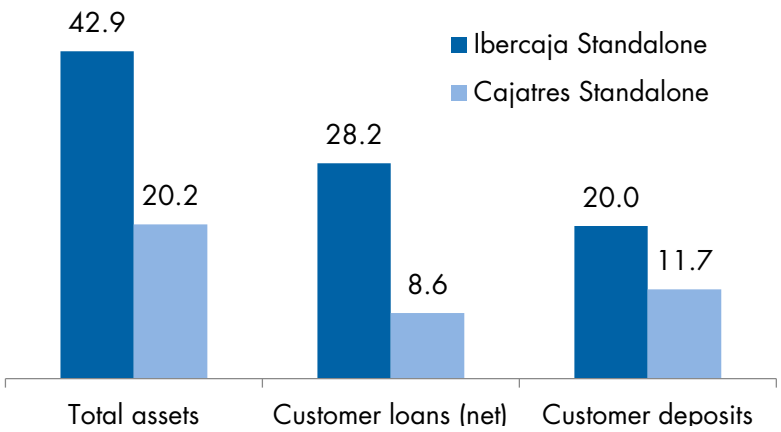
EXTRACTING SYNERGIES FROM CAJATRES ACQUISITION

On July 2013, Ibercaja Banco acquired Cajatres. The legal, commercial and technological integration was fully completed in October 2014.

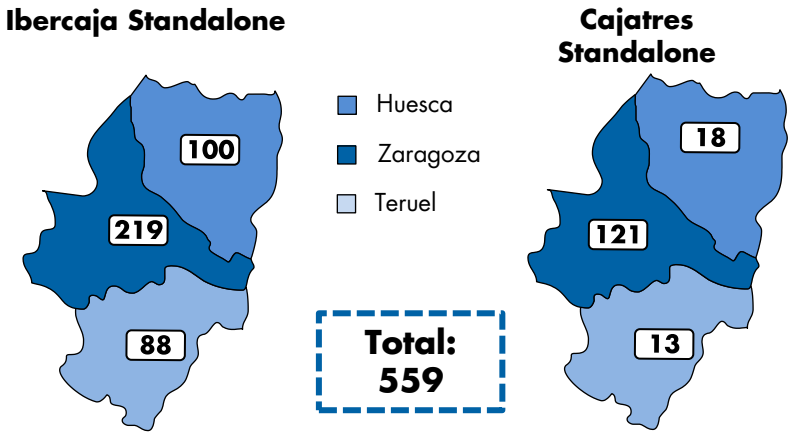
Strategic rationale of the acquisition of Cajatres:

- 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
- The acquisition allowed Ibercaja to **move from 15th to current 9th place** in the Spanish financial system

Balance Sheet 2013 - €bn



Branch Network in Aragón - 2013



EXTRACTING SYNERGIES FROM CAJATRES ACQUISITION

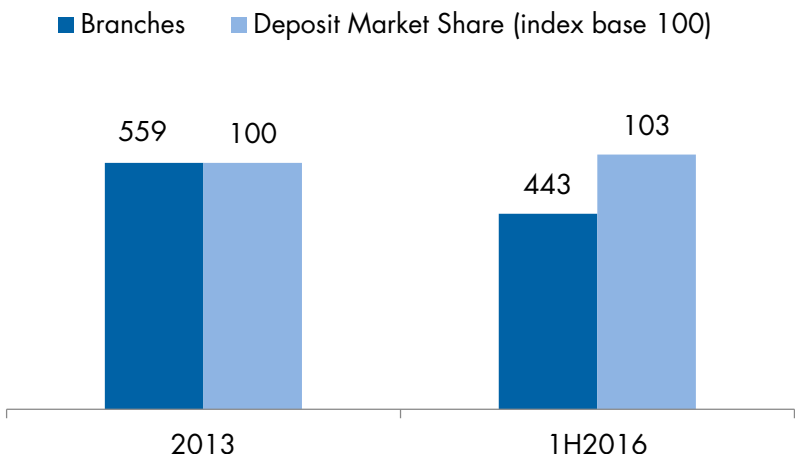
Strong execution of Cajatres integration:

- Ibercaja has been able to **increase its deposit market share in Aragón** despite the strong adjustment of the branch network (-116 branches, representing 76% of acquired branches).
- Implementation of Ibercaja's commercial model in Cajatres is having positive results with **sound improvement in key product penetration levels and client linkage**.

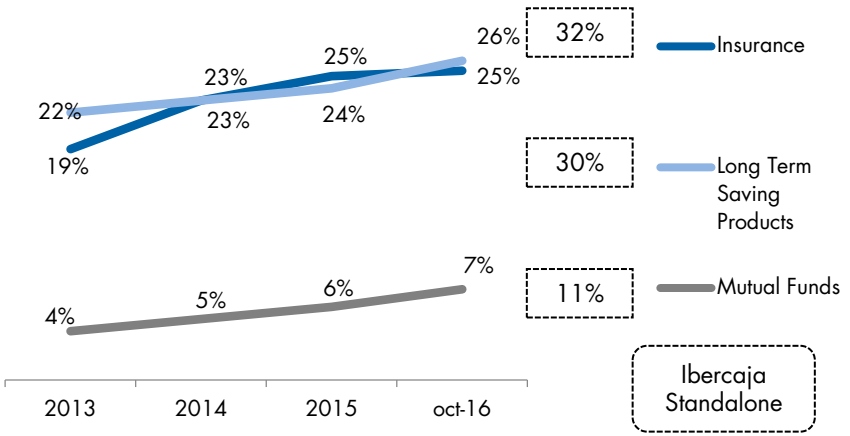
Ibercaja reaffirms its target of reducing its total cost base by €171mm, announced after Cajatres acquisition

- In 2016 Ibercaja will have achieved 70% of total cost reduction[1]

Evolution in Aragón



Product Penetration - Cajatres Standalone

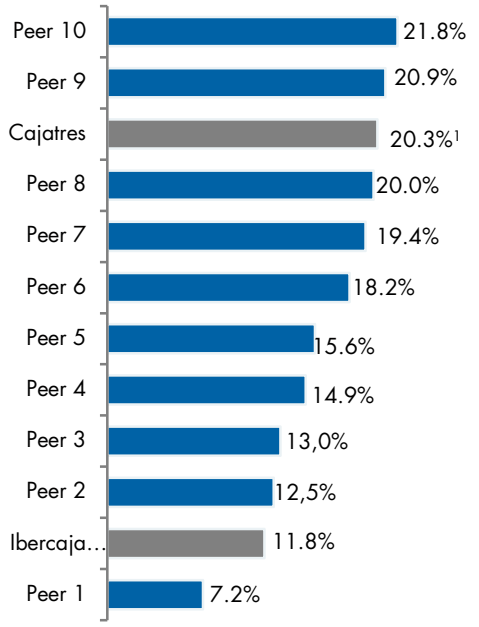


[1] Excluding Aktua agreement costs. In February 2016, Ibercaja announced the sale of its real estate servicer subsidiary (Salduvia) to Aktua. Ibercaja also signed a long-term strategic alliance with Aktua to manage and sale these assets.

STRONG FUNDAMENTALS: LOW RISK PROFILE CERTIFIED BY THIRD PARTIES

Expected loss under OW adverse scenario

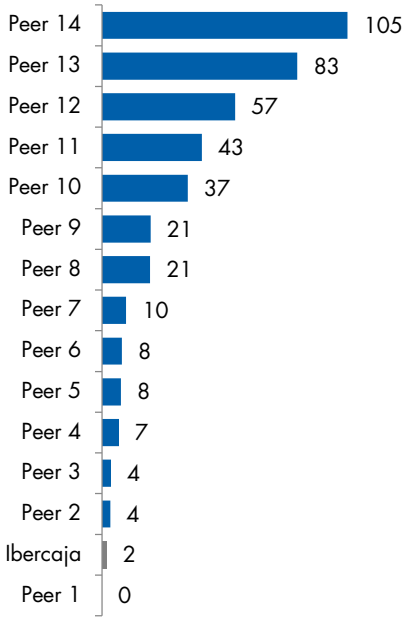
2012



Ibercaja had the 2nd lowest expected loss ratio in the Oliver Wyman stress test adverse scenario

AQR Impact - CET1 b.p.

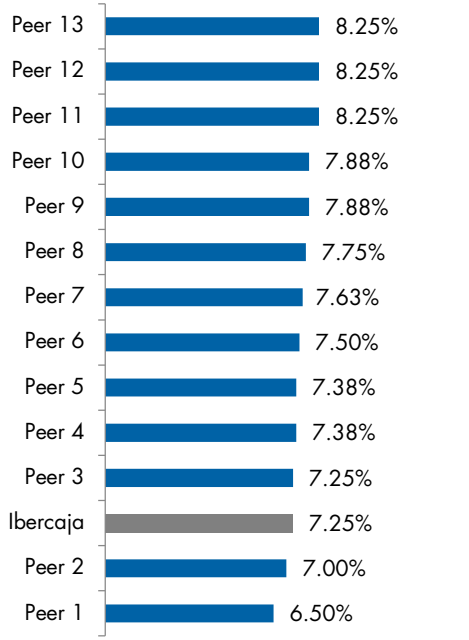
2014



European AQR highlighted the quality of Ibercaja Banco loan portfolio, its high standards of provisioning and its strict policy for categorising and identifying risks within its portfolio.

SREP Decision

2016



SREP requirement of 7.25% is one of the lowest in the Spanish banking system

[1] Before the integration Cajatres transferred to SAREB real estate assets amounting €2.2bn reducing the risk profile of the integration (February 2013)

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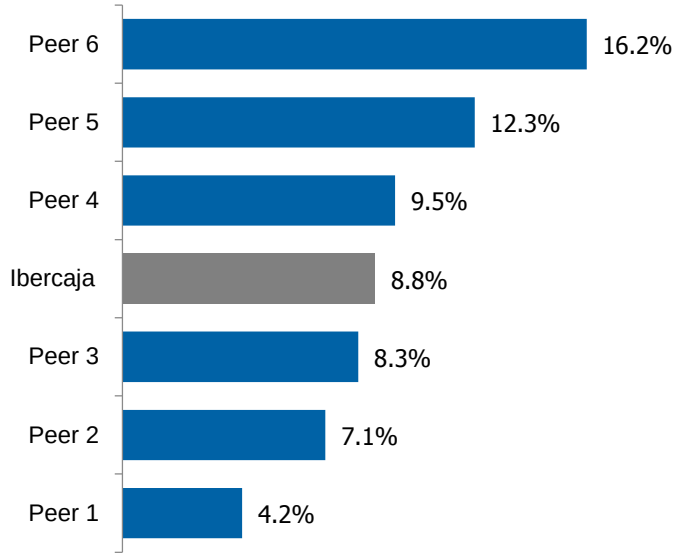
STRONG FUNDAMENTALS: SUPERIOR ASSET QUALITY

NPL ratio of 8.8%, while maintaining a strong coverage level.

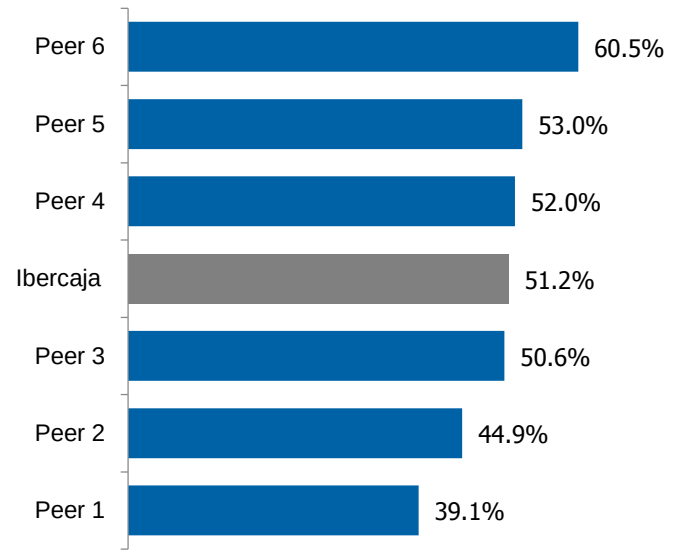
Sound evolution in NPL since launching our strategic plan:

- 22% reduction in doubtful loans (-€871mm) since YE2014
- NPL ratio falls 195 b.p. since YE2014

NPL Ratio – 9M2016



Coverage Ratio – 9M2016



Peer Group includes Caixabank, Popular, Sabadell ex TSB, Bankia, Bankinter and Liberbank
Note: Figures for Popular have not been adjusted for the recent €2.5bn rights issue to increase NPA coverage

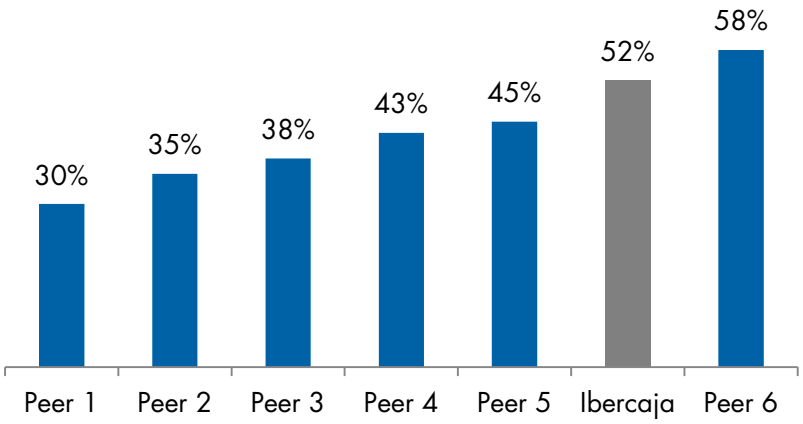
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STRONG FUNDAMENTALS: DECLINING STOCK OF FORECLOSED ASSETS

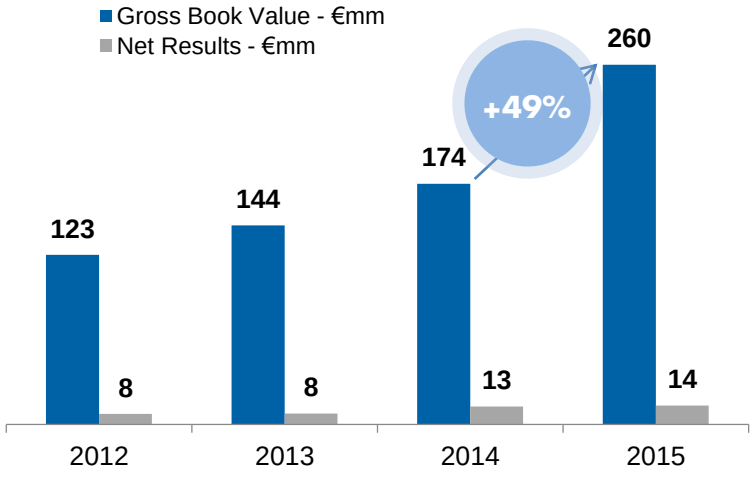
The pickup of asset sales and the reduction in gross entries allows for the reduction of the stock of foreclosed assets. Peak in the stock of foreclosed assets was reached in 2Q2015; 5.1% reduction since then.

- **Foreclosed asset sales rose 49% in 2015**, and +2.6% YoY as of 9M2016.
- In the last 21 months, **Ibercaja has been able to sell over €100mm in land** with no impact in P&L.
- **Coverage ratio stands at 52.5%** as of 9M2016, among the highest in the sector.
- In February 2016 Ibercaja signed a **strategic alliance with Aktua** to further accelerate asset sales

Foreclosed Assets Coverage – 1H2016 [1]



Foreclosed Assets Sales



Information from interim from interim financial statements
Peer Group includes Caixabank, Popular, Sabadell ex TSB, Bankia, Bankinter ex Portugal and Liberbank
Note: Figures for Popular have not been adjusted for the recent €2.5bn rights issue to increase NPA coverage

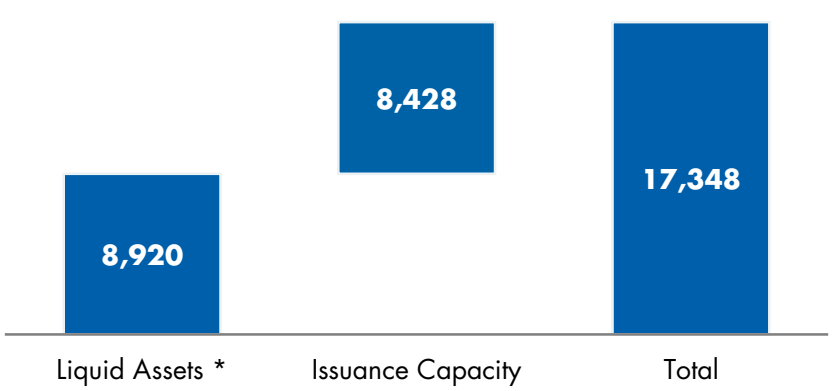
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STRONG FUNDAMENTALS: SOUND LIQUIDITY POSITION

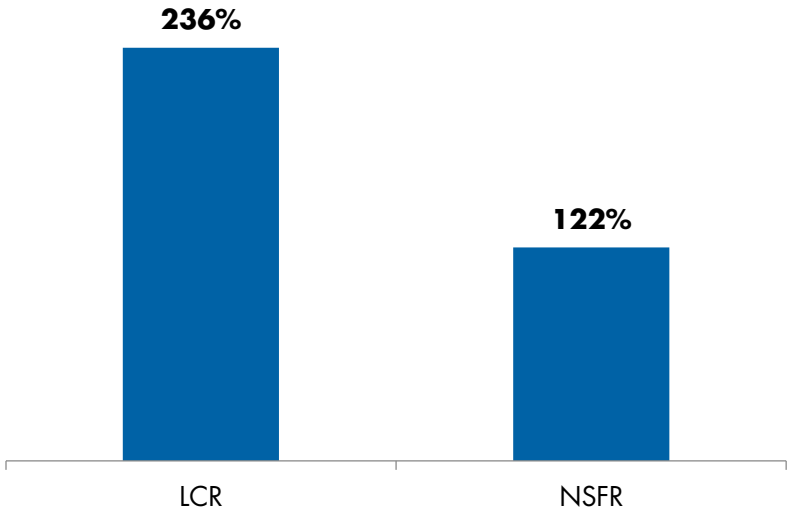
Sound Liquidity Position:

- **Available liquid assets above €8,900mm** (15% of total assets).
- Regulatory liquidity ratios (LCR and NSFR) comfortably above minimum requirements.

Liquidity Position – €mm



Liquidity Ratios – 9M2016



*Liquid assets include unencumbered public debt + available & eligible fixed income assets (after ECB haircut applied)

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STRONG FUNDAMENTALS: SOLID FUNDING STRUCTURE

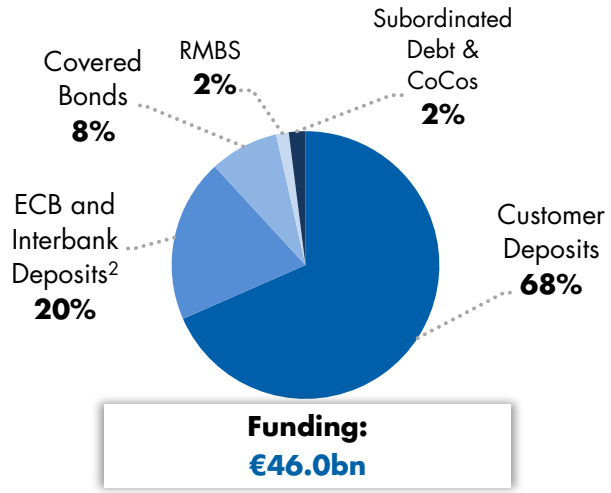
Well diversified funding structure:

- **Loan to deposits** ratio reaches **98.5%**[1].
- **Customer deposits** represent **68% of total funding.**
- ECB: €3.372mm (5.8% of total assets), 100% TLTRO II.
- **No significant concentration** in institutional funding **maturities** (below 1.6% of assets every year).

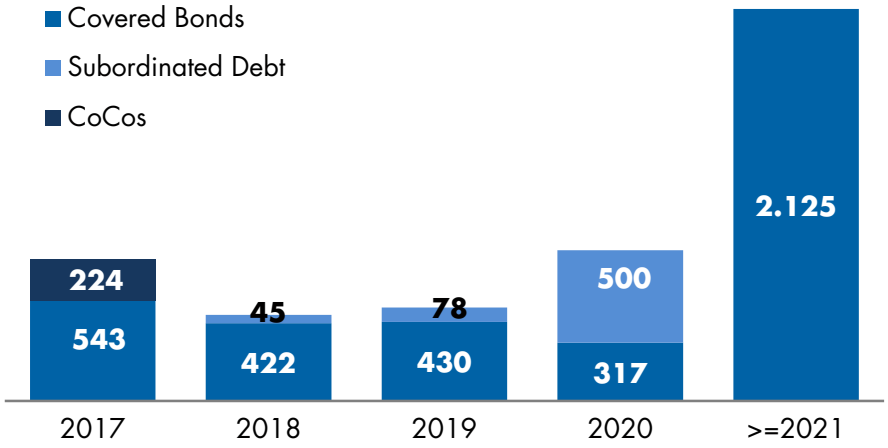
Last October Ibercaja issued €500mm covered bond with a 7 year maturity.

- **Strong demand**, above €1,200mm, led to a **final cost of 34 b.p.,** a historic low for the bank.

Funding Structure – 9M2016



Maturity Profile[3] – €mm



[1]Net Loans ex. securitised loans / Customer deposits ex. repos + Securities distributed through the branch network.
[2] Includes long term financing from institutional banks such as ICO and EIB
[3]As of January 1st including recent covered bond issue and CoCos redemption

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STRONG FUNDAMENTALS: SREP DECISION AND COCOS REDEMPTION

CET1 Phased In ratio reaches 12.3% as of September 2016 vs. SREP requirement of 7.25%.

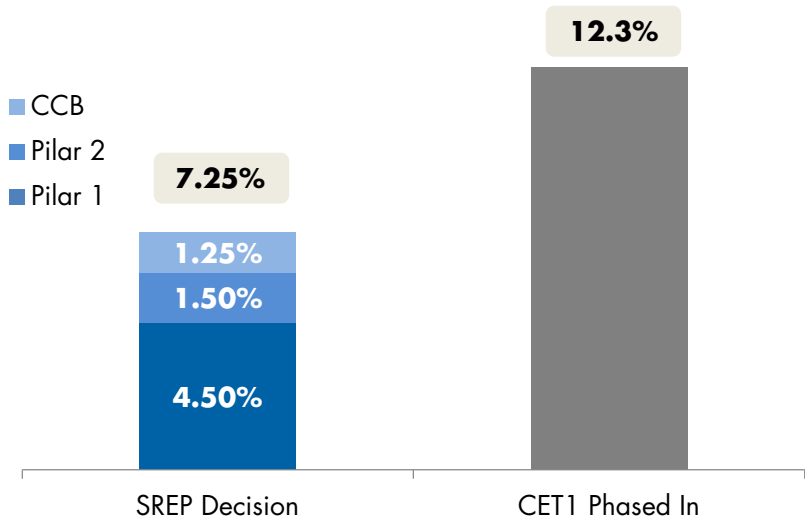
Total Capital ratio is 14.5% vs. SREP requirement of 10.75%.

- **Proven access to capital markets:** On July 2015 Ibercaja Banco completed an **issuance of Tier II debt** totaling €500mm. With this transaction the Bank fulfilled the bucket set by Basel III regulation.

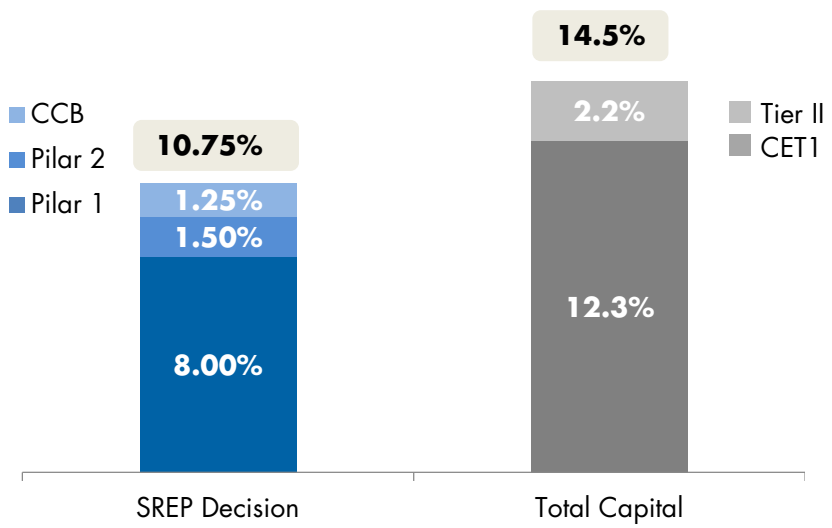
Strong solvency levels has allowed for an early redemption of €163mn of CoCos in December 2016.

- Redemption impact on CET1 phased-in ratio of 70 b.p.[1]

CET1 Phased In – % 9M2016



Total Capital Phased In – % 9M2016



[1] Pro forma as of September 2016

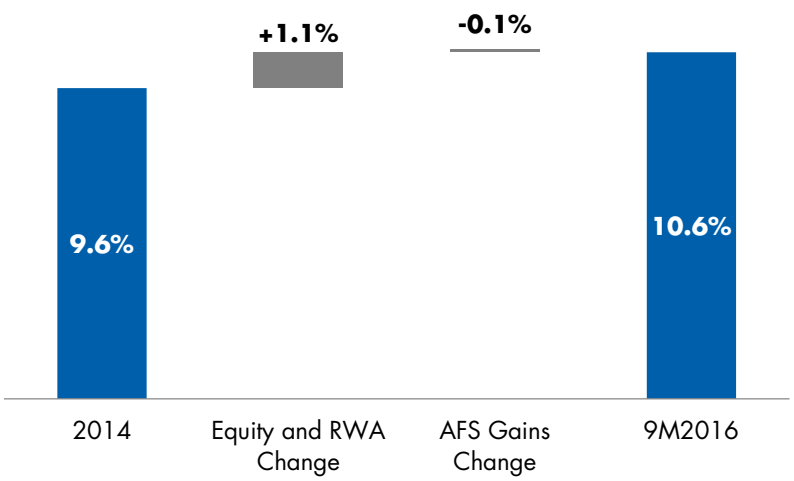
STRONG FUNDAMENTALS: SIGNIFICANT PROGRESS IN CAPITAL GENERATION

CET1 Fully Loaded ratio – ex CoCos – stands at 10.6%.

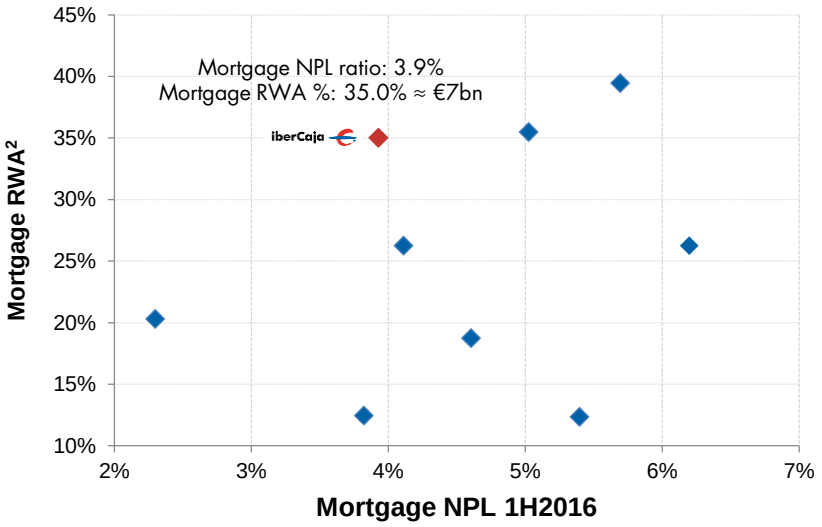
- Sound organic capital generation since launching our strategic plan: +101 b.p. over the last 7 quarters.

Leverage ratio: 5.5% (Phased In).

CET1 Fully Loaded[1] – %



Mortgage RWA % / NPL[2]



[1] Excluding CoCos, including sovereign AFS gains
[2] According to EBA 2016 transparency exercise

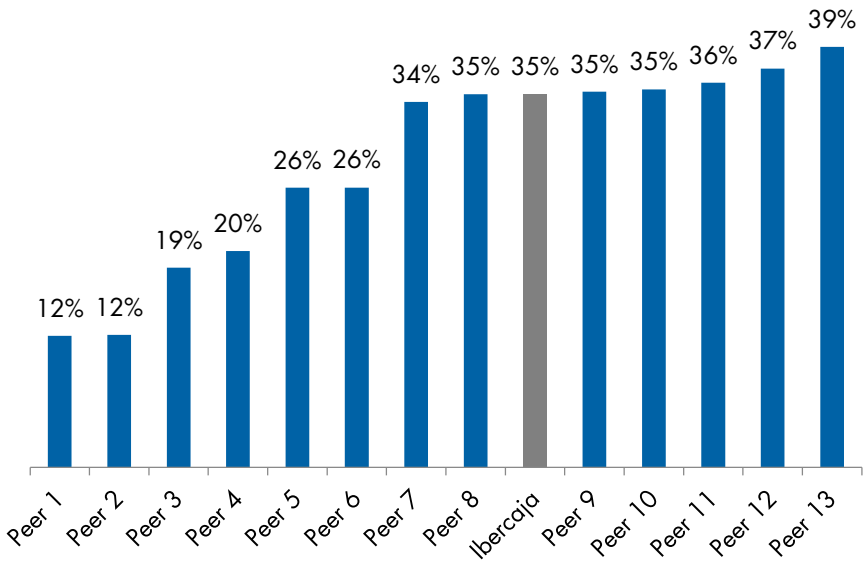
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STRONG FUNDAMENTALS: HIGH RWA DENSITY

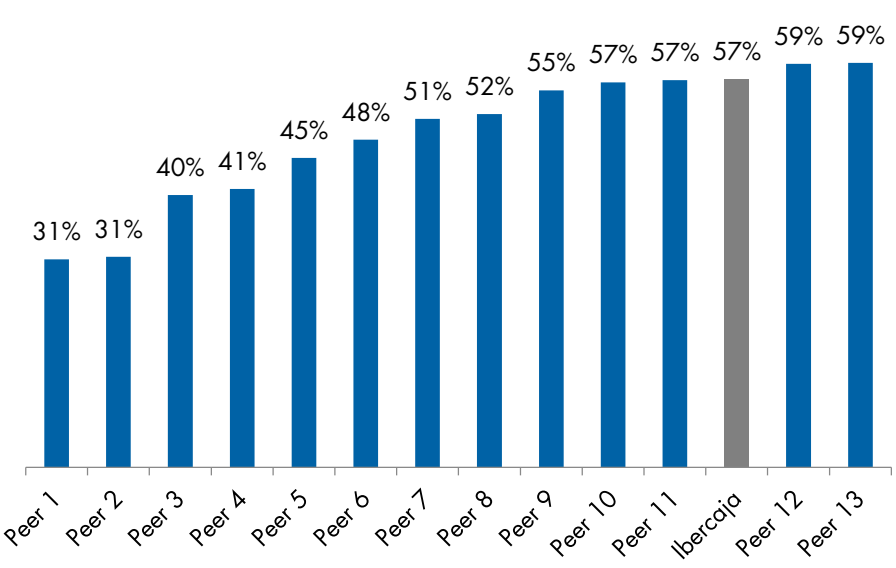
RWA / TA stands at 40%, applying standard methodology calculation. High RWA density, considering Ibercaja business model and asset quality levels.

- Residential mortgage RWA stands at 35%, despite having one of the lowest NPL ratios in the sector.

RWA Residential Mortgages[1] - %



RWA SME Lending[1] - RWA



[1]According to EBA 2016 transparency exercise

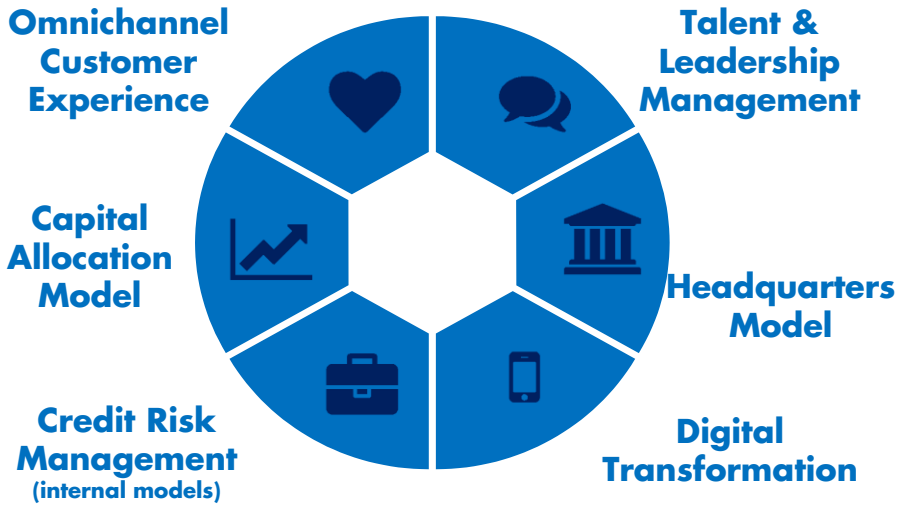
STRATEGIC PLAN 2015-2017: IMPROVING RECURRENT PROFITABILITY WHILE TRANSFORMING THE BANK

Our Strategic Plan 2015-2017 was launched in March 2015 when the management team of Ibercaja Banco was renewed.

Focus on improving recurrent profitability while adapting the bank to a new environment.

Focus on Profitability	
Revenues	1. Personal/Private banking 2. SME banking 3. Cajatres commercial model 4. Bancassurance
Costs	5. Network & Headquarters restructuring
Risk Management	6. NPA reduction

Transforming the Bank





The Strategic Plan is the roadmap to achieve a successful IPO

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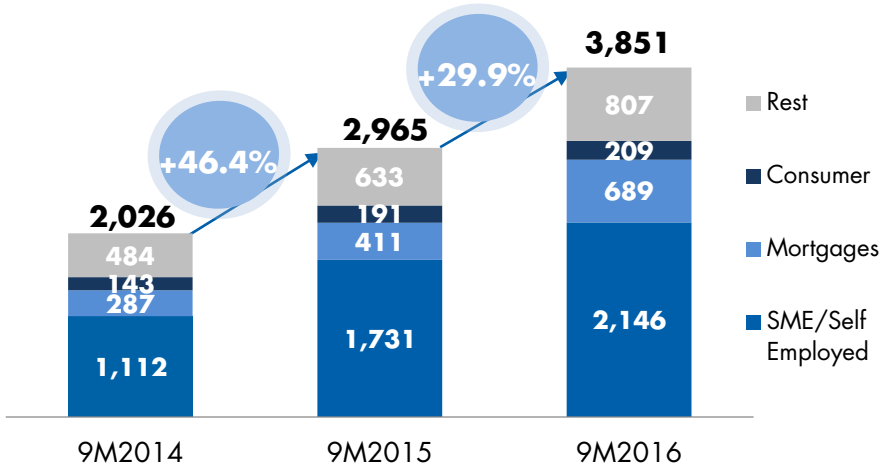
STRATEGIC PLAN 2015-2017: 4 LEVERS TO ACHIEVE A ROTE ABOVE OUR COST OF CAPITAL

1 Stabilization in Net Interest Margin

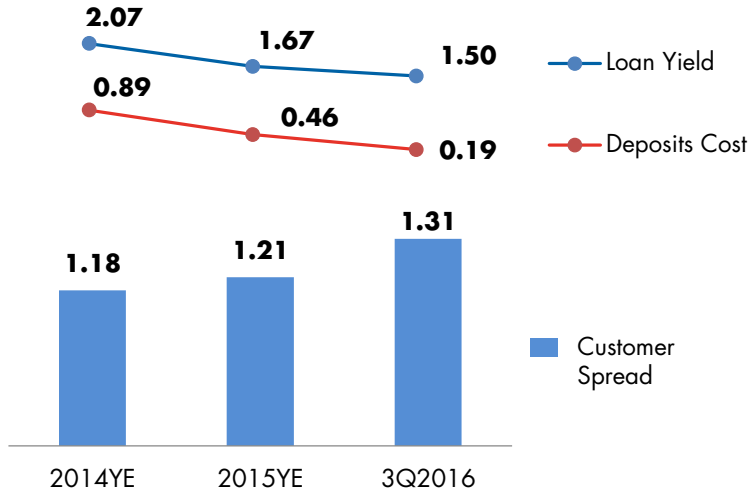
Positive dynamics in new lending and spreads should allow for stabilization of net interest margin in coming quarters:

- New lending continues to show a remarkable growth.
- Stock of performing loans to non-real estate companies grows 13% YoY or €718mm (9M2016).
- Customer spread improves 13 b.p. since 2014 despite falling Euribor.

New Loan Production[1] – €mm



Customer Spread - %



[1] Rest includes leasing, renting, RED and other purposes

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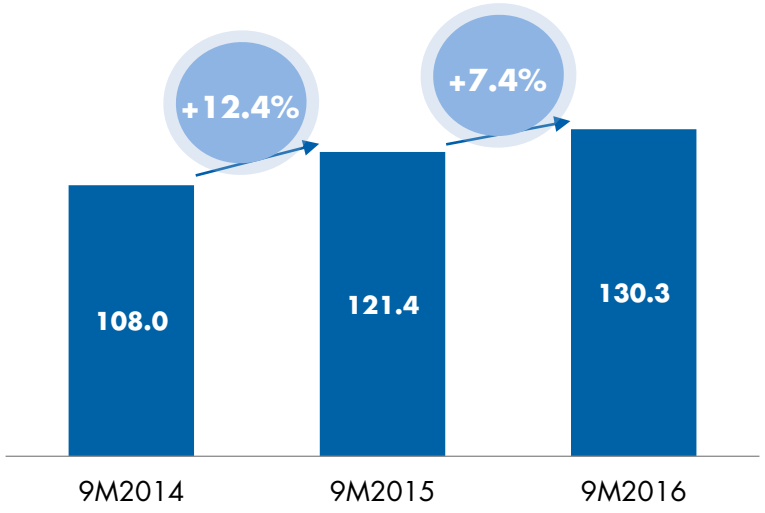
STRATEGIC PLAN 2015-2017: 4 LEVERS TO ACHIEVE A ROTE ABOVE OUR COST OF CAPITAL

2 Growth in Non-Banking Commissions

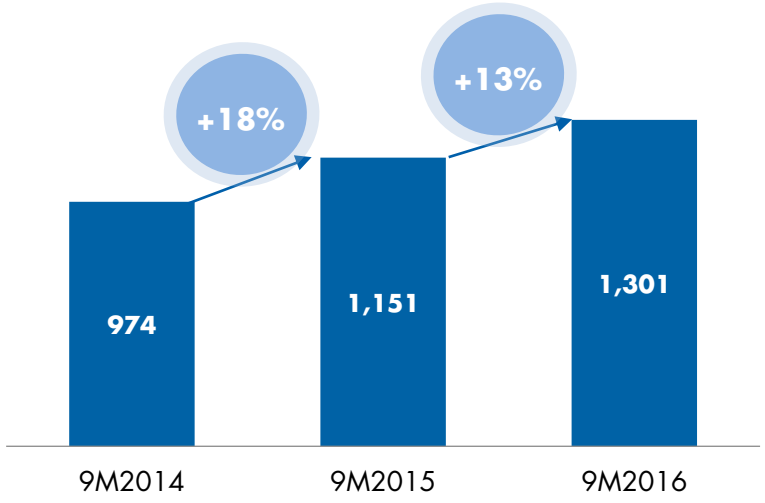
Current interest rate environment should allow for sound growth of AuM[1] and non banking commissions.

- Non-banking commissions represent 53% of total commissions, the highest weight in the sector.

Non Banking Commissions – €mm



AuM Net New Money – €mm



[1] AuM includes mutual funds, pension funds and life insurance products

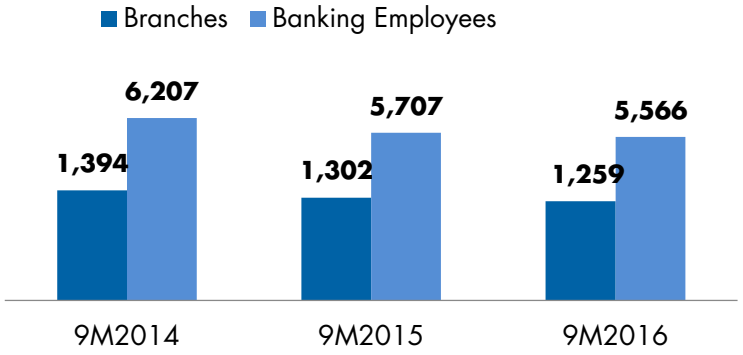
STRATEGIC PLAN 2015-2017: 4 LEVERS TO ACHIEVE A ROTE ABOVE OUR COST OF CAPITAL

3 Operating Costs Reduction

Ibercaja reaffirms its target of reducing its total cost base by €171mm, announced after Cajatres acquisition.

- After a ≈10% structure / cost reduction since 2014, this target represents a 10% additional reduction in coming quarters.

Structure

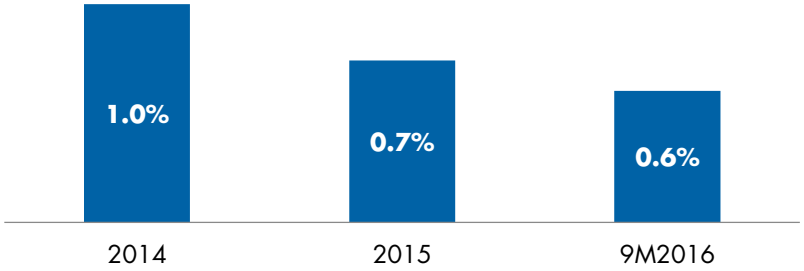


4 Cost of Risk Reduction

Ibercaja targets a cost of risk of 50 b.p.

- As of September 2016 Ibercaja Banco has build up prudential provisions amounting to €116mn.

Provisions Related to Credit and Foreclosed Assets / Total Gross Loans - %



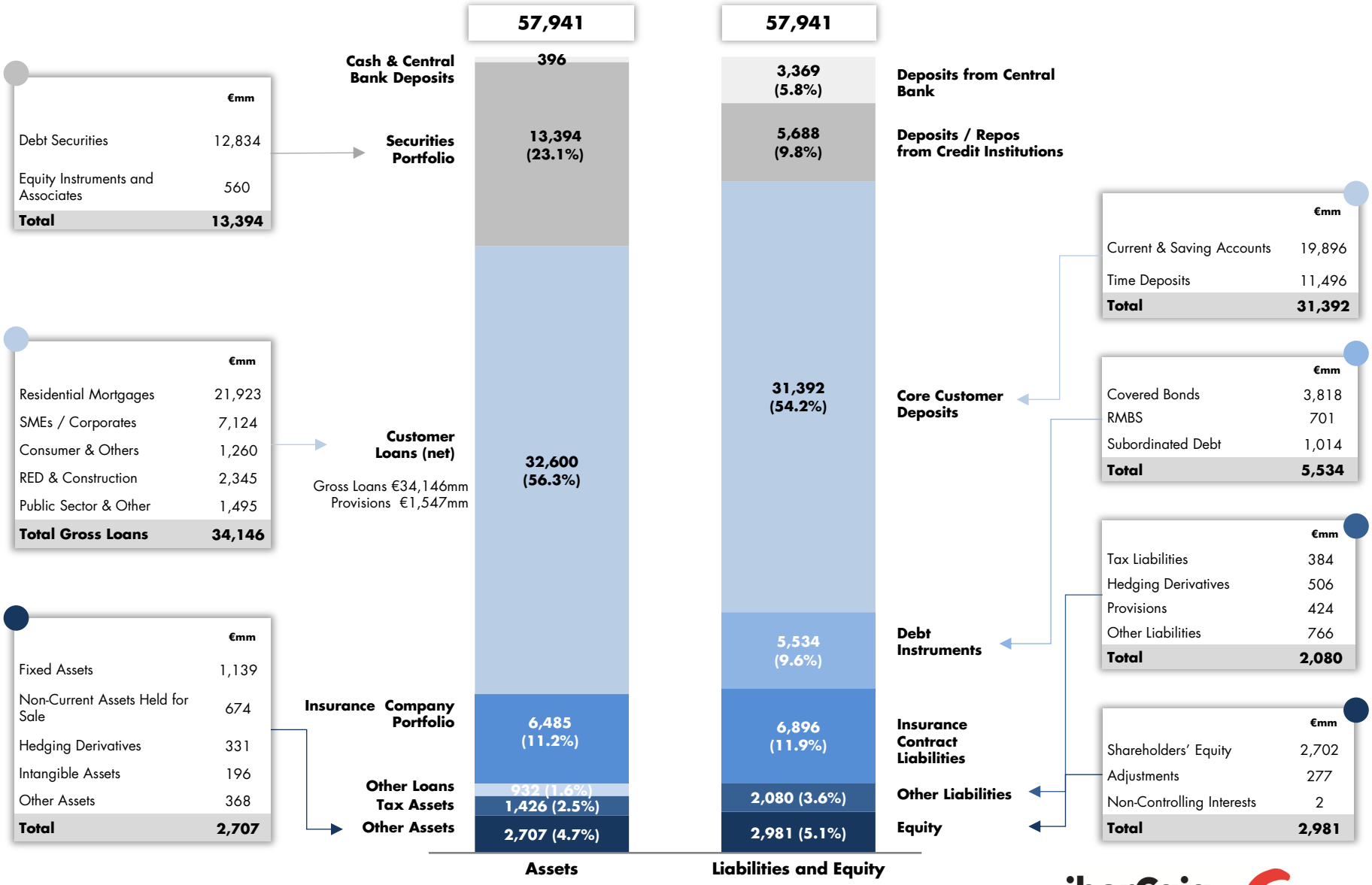
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ANNEX 1

CONSOLIDATED BALANCE SHEET · P&L ACCOUNT

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CONSOLIDATED BALANCE SHEET – September 2016



P&L ACCOUNT

mm€	9M2015	9M2016	YoY
Net Interest Income	**487.3**	**427.3**	**-12.3%**
Net Fee Income	245.1	247.6	1.0%
Trading Income	140.0	148.4	6.0%
Other Operating Inc. / Exp. (Net) *	28.0	80.9	189.4%
Gross Operating Income	**900.4**	**904.3**	**0.4%**
Operating Costs	-473.0	-465.6	-1.6%
Pre-Provision Profit	**427.3**	**438.6**	**2.6%**
Total Provisions	-303.7	-286.8	-5.6%
Other Gains and Losses	22.5	-1. 2	-105.4%
Profit Before Taxes	**146.1**	**150.6**	**3.0%**
Taxes & Minorities	-43.0	-40.8	-5.1%
Net Profit Attributable to Shareholders	**103.1**	**109.8**	**6.4%**

* Other operating results include a net gain of €69.3mm related to the sale of the real estate servicer

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ANNEX 2

STRATEGIC ALLIANCE WITH MICROSOFT

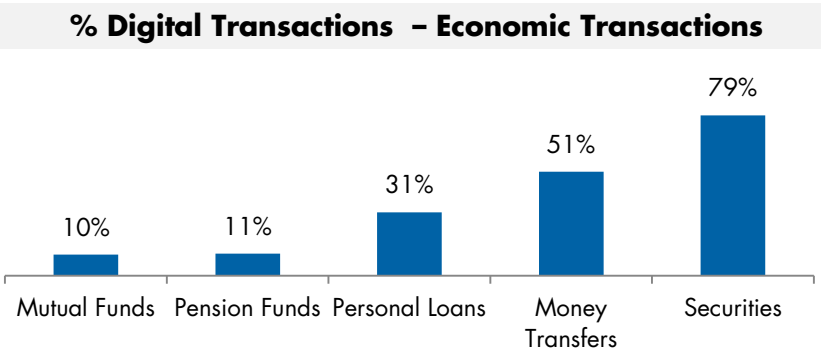
STRATEGIC ALLIANCE WITH MICROSOFT

Ibercaja signed in May 2016 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.



Ibercaja today: (dec-15)



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CONTACT
investors@ibercaja.es

For more information, VISIT OUR WEBSITE:
http://www.ibercaja.com/en/