2018 RESULTS

IBERCAJA OBTAINS A NET PROFIT OF €40.8 MILLION AND REDUCES ITS STOCK OF NPA BY 26%

- **Excluding the expenses of the redundancy plan (-€55.8 million), the impact of the sale of the portfolio of foreclosed assets (-€31 million) and the high effective tax rate (49.5% of profit before taxes), net profit would have reached €117 million.**
- **Recurring revenues stood at €948 million (+2.2% year-on-year), primarily driven by the increase in revenues linked to asset management and bancassurance, which grew 5.3% and account for 36.5% of the Bank's recurring revenues**
- **The asset management and life insurance businesses (€25,519 million of customer funds) already represent 45% of the total stock of customer funds (€57,011 million) improving its relative performance within the sector with a 10 basis-point increase in market share, reaching 4.7%**
- **Ibercaja has granted €5,700 million in new loans (+4.9% year-on-year), being 69% of the total amount granted to companies**
- **In a study conducted by the consultancy STIGA, Ibercaja is placed once again among the best in the sector for the most relevant service quality indicators, reaching the top three within financial institutions in terms of objective quality**
- **Boosted by mobile apps, the digital customer base has increased 33% between 2016 and 2018, with 64% of total operations being done through digital channels**
- **Non-performing assets (doubtful + foreclosed assets) have decreased €1,090 million (-26.4%) with the coverage ratio standing at 51.5% versus 47.9% in the previous year**
- **The CET1 *Phased In* ratio stands at 11.7% and the Total Capital *Phased In* ratio stands at 15.6%, far exceeding SREP 2019 requirements in both cases, while the CET1 *Fully Loaded* stands at 10.5%**
- **After the issuance of €350 million in preference shares (AT1), Ibercaja has fulfilled the hybrid capital buckets allowed by the European regulation**

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Zaragoza, 1st March 2019. - Ibercaja posted net earnings of €40.8 million for 2018. Excluding the expenses of the redundancy plan (-€55.8 million), the impact of the sale of the portfolio of foreclosed assets (-€31 million) and the high effective tax rate (49.5% profit before taxes), net profit would have been €117 million.

In a context of historically low interest rates, fierce competition in the retail market and a transformation of the business model of the sector, thanks to the continued dynamism of activity with customers, not only in funds under management (+1.1%) and its diversification (45% of the total are already mutual funds, pension funds and life insurance products) but also in new loans granted (+4.9% year-on-year).

Recurring revenues stood at €948 million, up 2.2% year-on-year, primarily driven by the increase in revenues linked to asset management and Bancassurance businesses, which grew 5.3% and now account for 36.5% of the Bank's recurring revenues.

Ibercaja reinforces its positioning in asset management and life insurance

Total customer funds managed by Ibercaja stood at €57,011 million in 2018, €617 million more than a year ago, representing a year-on-year growth of 1.1%. The slowdown compared with previous years is due to financial markets performance, meaning a €838 million negative impact due to this reason in 2018. Excluding this impact, customer funds grew 2.6% in the year.

Asset management and live insurance savings continued as the main drivers of customer activity with an overall increase of 1.6% year-on-year standing at €25,519 million and representing 45% of the total customer funds that the Bank manages, being comparatively the most elevated weight in this segment within Spanish retail banking.

The Bank's recognised 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 the demographic forecasts.

With this differential position in asset management and life-savings insurance, the Bank is able to register market shares that are much higher than those of its traditional banking business. Market share was up for investment funds, which gained 7 basis points to stand at 4.8%, pension plans, up 7 basis points (5.8%), and life-savings insurance, which increased by 19 basis points (3.9%).

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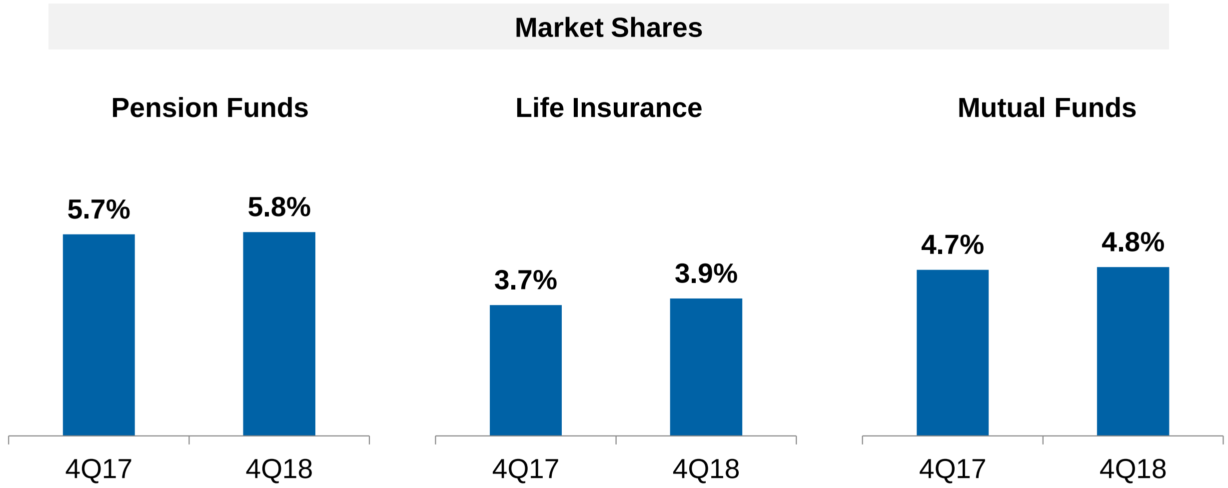


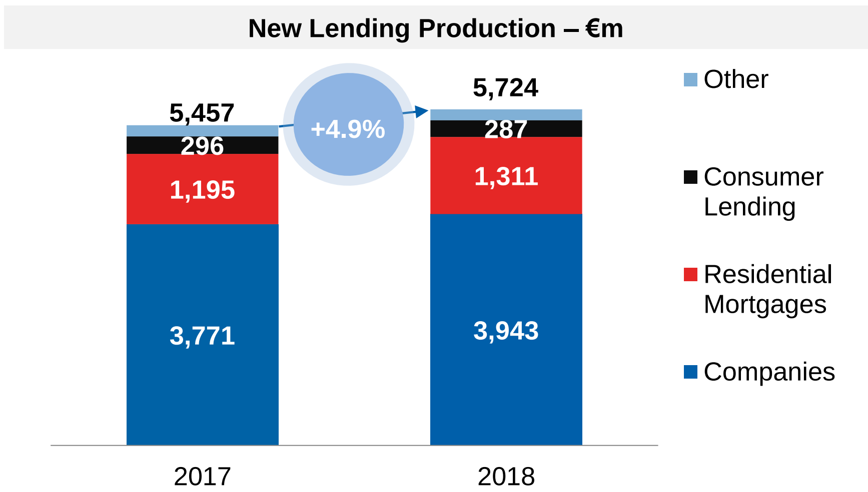
Source: Inverco, ICEA

Risk insurance premiums (life and non-life) also posted a notable performance with a growth of 4.8% to €267 million.

Loans to companies accounted for 69% of the total credit

Ibercaja granted €5,724 million in new credit in 2018, +4.9% year-on-year. The region of Madrid and the Mediterranean Basin represent 49% of these new transactions, proving the Bank's commitment to grow in these areas, the most dynamic ones in the Spanish banking market.

Out of the total amount, 69% (€3,943 million, +4.6% year-on-year) were granted to companies, which reflect the priority the entity has towards this business segment in its 2018-2020 Strategic Plan.



Regarding loans to finance the acquisition of homes, a business line in which the Bank is specialized, total amount granted reached €1,311 million in the year, meaning an increase of +9.7% year-on-year. This dynamism is due, in part, to the financing campaign that the Bank launched in the second quarter of the year,

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with more flexible conditions for accessing interest rate discounts applied to these transactions.

Overall, the amount of outstanding credit risk in normal situation (ex temporary acquisition of assets) decreased by 0.5% year-on-year, a more reduce impact that previous years.

Leadership in service quality and progress in digital transformation

The Bank's historical strategic commitment to quality and customer experience was once again reflected in 2018 in the sector's most relevant service quality indicators. The specialized consultancy STIGA placed Ibercaja within the top three Spanish entities with the highest objective quality levels in its IQUOS ranking and the consultancy's customer surveys ranked Ibercaja managers as the second most appreciated by its customers. According to the NPS (Net Promoter Score) ranking published by FRS INMARK, the Bank has the highest percentage of customers (24%) that would recommend working with the Bank.

The Bank has made further progress in its digital transformation in 2018, supported by its mobile banking app. Ibercaja mobile app users reached 312,000, a 155% increase since 2015, when the Bank started its digitalization project through an alliance with Microsoft. In this same period, digital customers have increased by 33% and the number of operations and transactions via digital channels has reached 64% of the total.

Ibercaja has had digital onboarding available since November 2018, enabling individuals to become bank customers without having to visit an actual branch. A new digital solution for Companies will be launch in 2019 and, on top of that, Ibercaja will reinforce its digital strategy with workplace mobility for all of its specialized managers.

Recurring revenues grow for the second consecutive year

The interest margin has reached €572.2 million, +2% year-on-year. This increase is a consequence of higher revenues from retail activity, +3.2% year-on-year (€12.9 million). The interest margin over average total assets improved 7 basis points, up to 1.09%.

Net fee income has grown 2.5% in the year to €375.6 million, driven by commissions related to asset management and bancassurance businesses (+3.1% year-on-year). This stream of revenues represents 57% of the total fee income. Fees and commissions from banking services have grown 1.8% in 2018.

Recurring revenues (interest margin + fees and commissions) stood at €948 million at the end of 2018, 2.2% more than in 2017, continuing the progressive rise in the profitability of the Bank's retail business for the second straight year.

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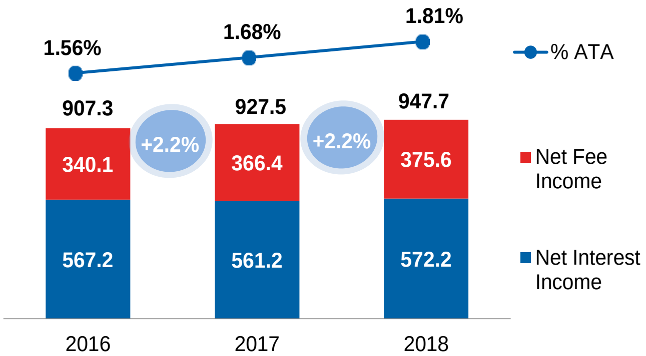
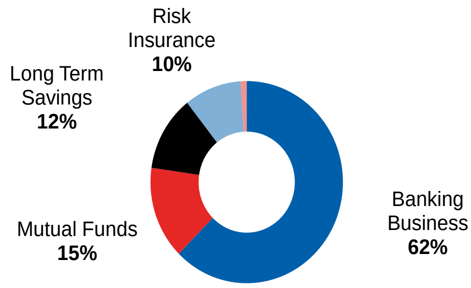
Recurring Revenues – €m



Recurring Revenues Breakdown – % 2018



Operating costs decreased 7% in the year due to the 5.3% decrease in recurring expenses. In June, the Bank concluded the redundancy plan agreed with the majority of worker representatives in 2017. As a result productivity per banking employee has increased 12% since the implementation of the redundancy plan in the second quarter of 2017.

As a result, recurring earnings before provisions (net interest margin + net fee income - recurring operating expenses) have grown 19.3% in 2018 to €334.6 million, beating the 10% increase targeted for 2018. Recurring earnings before provisions as a percentage of average total assets improves by 13 basis points year-on-year.

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 54 basis points, in line with the target of around 50 basis points set for the year.

Three extraordinary factors have affected the €40.8 million in net earnings: execution of the second tranche of the 2017-2018 redundancy plan, -€55.8 million; the result of the sale of the portfolio of foreclosed assets in Project Cierzo, which had a negative effect of €31 million before taxes; and the high effective tax rate, which was 49.5% on earnings before tax.

Excluding these three extraordinary impacts, the net profit would have been €117 million.

Non-performing assets decreased more than €1,000 million

The gross volume of non-performing assets (doubtful + foreclosed) registered a drop of 26.4% (€1,090 million) in the year and stands at €3,042 million at year-end.

The balance of doubtful loans have decreased 11.3% in 2018 (€290 million) and the NPL ratio stands at 6.7%. The stock of foreclosed assets has decreased 51% (€799 million) due to ordinary sales (€333 million) and the execution of the Cierzo wholesale portfolio (€641 million).

Ibercaja coverage ratio for non-performing assets stands at 51.5%, versus 47.9% reported in the fourth quarter of 2017. The reduction in gross non-performing

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assets together with the provisioning effort made over the last years have allowed for a decrease in the Bank's net non-performing exposure of €678 million, representing 31.5% less since the same date last year.

In particular, net exposure to foreclosed assets has been reduced by 53% and stands at €320 million. The weight of net non-performing assets over total assets have decreased to 2.8%, 126 basis points less than a year ago.

Solid solvency and liquidity positions

At the end of 2018, CET 1 solvency ratio (*Phase In*) stands at 11.7% and the total capital ratio (*Phase In*) has risen to 15.6% These capital ratios far exceed the SREP requirements for 2019 (9% and 12.5%, respectively).

In March 2018, the Bank issued €350 million in preferred stock, additional Tier 1 capital (AT1), which has improved the total capital ratio (Phase In) by 150 basis points. This AT1 issuance represents a new step in the process of strengthening the capital structure of Ibercaja which started in July 2015 with the €500 million subordinated debt (Tier II) issuance. Taking into accounts both issuances Ibercaja has fulfilled the hybrid capital buckets allowed by the European regulation.

CET 1 solvency ratio (*Fully Loaded*) at year-end 2018 stands at 10.5%, with a total capital ratio (*Fully Loaded*) of 14.5%.

Available liquid assets permit Ibercaja to have a sound liquidity position, exceeding €10,917 million or 21% of total assets.

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2018 Main Figures

P&L Account

€mm	2017	2018	Var.
Net Interest Income	561,2	572,2	2,0%
Net Fee Income	366,4	375,6	2,5%
Recurring Revenues	**927,5**	**947,7**	**2,2%**
Trading Income	152,5	43,6	-71,4%
Other Operating Inc. / Exp. (Net)	84,2	-24,7	n/a
of which: Depositary agreement and earnout of CASER Strategic Plan	98,5		
Gross Operating Income	**1164,2**	**966,6**	**-17,0%**
Operating Costs	-719,0	-668,8	-7,0%
of which: Recurring Costs	-647,1	-613,1	-5,3%
of which: Redundancy Plan	-71,9	-55,8	-22,4%
Pre-Provision Profit	**445,2**	**297,7**	**-33,1%**
Total Provisions	-264,0	-167,3	-36,6%
Other Gains and Losses	1,5	-49,6	n/a
Profit before Taxes	**182,7**	**80,8**	**-55,8%**
Taxes & Minorities	-44,4	-40,0	-9,8%
Net Profit Attributable to Shareholders	**138,4**	**40,8**	**-70,5%**

Commercial Activity & Balance Sheet

€mm	2017	2018	Var.
Customer Funds	**56.394**	**57.011**	**1,1%**
of which "Core" deposits	31.268	31.492	0,7%
of which Asset Management & Life Insurance	25.126	25.519	1,6%
Gross Lending	**33.451**	**33.724**	**0,8%**
of which performing loans ex REPO	29.905	29.746	-0,5%
of which doubtful loans	2.565	2.275	-11,3%
New Lending Production	**5.457**	**5.724**	**4,9%**
of which companies	3.771	3.943	4,6%
of which residential mortgages	1.195	1.311	9,7%
of which consumer lending	296	287	-2,9%
Total Assets	**53.107**	**52.706**	**-0,8%**

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