



**Ibercaja Banco, S.A. and
subsidiaries
(Ibercaja Banco Group)**

Report on limited review of the
Condensed consolidated interim financial statements
for the nine-month period ended September 30, 2019



This version of our report is a free translation of the original, which was prepared in Spanish. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

Report on limited review of the condensed consolidated interim financial statements

To the shareholders of Ibercaja Banco, S.A.:

Introduction

We have reviewed the accompanying condensed consolidated interim financial statements and explanatory notes (hereinafter, the interim consolidated financial information) of Ibercaja Banco, S.A. (hereinafter, the Parent Company) and its subsidiaries (hereinafter, the Group), which comprise the balance sheet as at September 30, 2019, the income statement, the statement of recognised income and expenses, the statement of total changes in equity the statement of cash flows and related notes, all condensed and consolidated, for the nine month period then ended. The parent company's directors are responsible for the preparation and presentation of this interim consolidated financial information in accordance with the International accounting standards (IAS) 34, interim financial information, as adopted by the European Union in order to prepare the interim consolidated financial statements. Our responsibility is to express a conclusion on the aforementioned condensed consolidated interim financial information based on our review.

Scope of the Review

We conducted our limited review in accordance with International Standard on Review Engagements 2410, Review of interim financial information performed by the independent auditor of the Group. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A limited review is substantially less in scope than an audit conducted in accordance with legislation governing the audit practice in Spain and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the accompanying condensed consolidated interim financial information.

Conclusion

Based on our limited review, that cannot be considered as an audit, nothing has come to our attention that causes us to believe that the interim consolidated financial information of the Group for the nine-month period ended September 30, 2019 have not been prepared, in all material respects, in accordance with the International Accounting Standard (IAS) 34, interim financial information, as adopted by the European Union in order to prepare the condensed consolidated interim financial statements.

Emphasis of matter

We draw attention to the accompanying note 2, in which it is mentioned that the condensed consolidated interim financial statements do not include all the information required for a complete consolidated financial statements prepared in accordance with International Financial Reporting Standards, as adopted by the European Union. Therefore, the condensed consolidated interim financial statements should be read together with the consolidated annual accounts for the year ended December 31, 2018. Our conclusion is not affected in respect of this matter.

PricewaterhouseCoopers Auditores, S.L.

Original in Spanish signed by
Julián González Gómez

December 30, 2019

**Ibercaja Banco, S.A. and
subsidiaries
(Ibercaja Banco Group)**

Condensed consolidated interim financial statements at 30 September 2019

**IBERCAJA BANCO, S.A. AND SUBSIDIARIES
(IBERCAJA BANCO GROUP)**

AUTHORISATION FOR ISSUE OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

At its meeting on 30 December 2019 in Zaragoza, pursuant to the prevailing legislation, the Board of Directors of Ibercaja Banco, S.A. resolved to publish and disseminate the condensed consolidated financial statements, comprising the balance sheet at 30 September 2019, the income statement, the statement of recognised income and expense, the statement of total changes in equity, the statement of cash flows and the notes to the financial statements, all condensed and consolidated, and the interim consolidated directors' report for the nine-month period ended on 30 September 2019, which were set forth on official stamped paper and were numbered correlatively. Those documents were approved by means of the Directors' signatures, which appear below.

To the best of our knowledge, the condensed consolidated interim financial statements for the nine-month period ended on 30 September 2019, prepared in accordance with the applicable accounting principles, present fairly the equity, financial position and the results of Ibercaja Banco, S.A. and subsidiaries forming the Ibercaja Banco Group.

SIGNATORIES:

MR JOSÉ LUIS AGUIRRE LOASO
Chairman

MR JESÚS BUENO ARRESE
First Deputy Chairman

MR VÍCTOR IGLESIAS RUIZ
CEO

MR JESÚS BARREIRO SANZ
Non-Director Secretary

**IBERCAJA BANCO, S.A. AND SUBSIDIARIES
(IBERCAJA BANCO GROUP)**

Ms GABRIELA GONZÁLEZ-BUENO LILLO
Member

MR JESÚS SOLCHAGA LOITEGUI
Member

MR EMILIO JIMÉNEZ LABRADOR
Member

MR VICENTE CÓNDOR LÓPEZ
Member

MR FÉLIX LONGÁS LAFUENTE
Member

MR JESÚS TEJEL GIMÉNEZ
Member

MR ENRIQUE ARRUFAT GUERRA
Member

Ms MARÍA PILAR SEGURA BAS
Member

**IBERCAJA BANCO, S.A. AND SUBSIDIARIES
(IBERCAJA BANCO GROUP)**

CONDENSED CONSOLIDATED BALANCE SHEET
AT 30 SEPTEMBER 2019 AND 31 DECEMBER 2018

(Thousands of euros)

ASSETS	Note	30/09/2019	31/12/2018 (*)
Cash and cash balances at central banks and other demand deposits		2.309.428	1.118.206
Financial assets held for trading	5.1	8.282	7.411
<i>Memorandum items: loaned or delivered as collateral with the right to sell or pledge</i>		-	-
Non-trading financial assets mandatorily measured at fair value through profit or loss	5.2	259.080	141.315
<i>Memorandum items: loaned or delivered as collateral with the right to sell or pledge</i>		-	-
Financial assets at fair value through profit or loss	5.1	9.249	9.575
<i>Memorandum items: loaned or delivered as collateral with the right to sell or pledge</i>		-	-
Financial assets at fair value through other comprehensive income	5.3	7.893.283	8.754.640
<i>Memorandum items: loaned or delivered as collateral with the right to sell or pledge</i>		80.438	1.060.771
Financial assets at amortised cost	5.4	39.063.034	39.378.416
<i>Memorandum items: loaned or delivered as collateral with the right to sell or pledge</i>		2.281.714	5.603.706
Derivatives - Hedge accounting		185.180	161.371
Fair value changes of the hedged items in a portfolio with interest rate risk hedging		-	-
Investments in joint ventures and associates		118.725	126.235
Joint ventures		27.669	28.462
Associates		91.056	97.773
Assets under insurance or reinsurance contracts		558	719
Tangible assets	7	979.138	941.991
Property, plant and equipment		697.214	637.704
For own use		629.067	592.611
Assigned under operating lease		68.147	45.093
Investment property		281.924	304.287
Of which: assigned under operating lease		68.381	100.701
<i>Memorandum items: acquired under finance lease</i>		-	-
Intangible assets	8	201.831	203.877
Goodwill		144.934	144.934
Other intangible assets		56.897	58.943
Tax assets		1.371.077	1.383.560
Current tax assets		14.306	18.467
Deferred tax assets		1.356.771	1.365.093
Other assets		193.285	189.833
Inventories		145.319	152.397
Other assets		47.966	37.436
Non-current assets and disposal groups classified as held for sale	6	289.629	288.590
TOTAL ASSETS		52.881.779	52.705.739

(*) Presented for comparison purposes only (Note 2.2).

The accompanying explanatory Notes 1 to 16 are an integral part of the condensed consolidated balance sheet at 30 September 2019.

**IBERCAJA BANCO, S.A. AND SUBSIDIARIES
(IBERCAJA BANCO GROUP)**

CONDENSED CONSOLIDATED BALANCE SHEET
AT 30 SEPTEMBER 2019 AND 31 DECEMBER 2018
(Thousands of euros)

LIABILITIES	Note	30/09/2019	31/12/2018 (*)
Financial liabilities held for trading	9	10.878	8.691
Financial liabilities at fair value through profit or loss		-	-
<i>Memorandum items: subordinated liabilities</i>		-	-
Financial liabilities at amortised cost	9	40.758.869	41.141.636
<i>Memorandum items: subordinated liabilities</i>		<i>502.635</i>	<i>586.614</i>
Derivatives - Hedge accounting		276.497	155.200
Fair value changes of the hedged items in a portfolio with interest rate risk hedging		51.477	24.961
Liabilities under insurance or reinsurance contracts		7.912.699	7.514.769
Provisions	10	314.931	348.811
Pensions and other post-employment defined benefit obligations		124.015	124.265
Other long-term employee remuneration		613	1.931
Lawsuits and litigation for outstanding taxes		9.027	9.027
Commitments and guarantees given		28.931	33.465
Other provisions		152.345	180.123
Tax liabilities		191.088	181.263
Current tax liabilities		312	2.295
Deferred tax liabilities		190.776	178.968
Other liabilities		105.370	170.181
Liabilities within disposal groups classified as held for sale		-	-
TOTAL LIABILITIES		49.621.809	49.545.512

(*) Presented for comparison purposes only (Note 2.2).

The accompanying explanatory Notes 1 to 16 are an integral part of the condensed consolidated balance sheet at 30 September 2019.

**IBERCAJA BANCO, S.A. AND SUBSIDIARIES
(IBERCAJA BANCO GROUP)**

CONDENSED CONSOLIDATED BALANCE SHEET
AT 30 SEPTEMBER 2019 AND 31 DECEMBER 2018
(Thousands of euros)

EQUITY	Note	30/09/2019	31/12/2018 (*)
Shareholders' equity		3.150.437	3.091.665
Capital		214.428	2.144.276
<i>Paid-in capital</i>		214.428	2.144.276
<i>Called-up capital</i>		-	-
<i>Memorandum items: uncalled capital</i>		-	-
Share premium		-	-
Equity instruments issued other than capital		350.000	350.000
<i>Equity component of compound financial instruments</i>		-	-
<i>Other equity instruments issued</i>		350.000	350.000
Other equity items		-	-
Retained earnings		545.482	521.762
Revaluation reserves		3.307	3.313
Other reserves		1.945.795	31.510
<i>Accumulated reserves or losses on investments in jointly-controlled entities and associates</i>		(42.556)	(44.004)
<i>Other</i>		1.988.351	75.514
(Treasury shares)		-	-
Profit attributable to owners of the parent		91.425	40.804
(Interim dividends)		-	-
Other accumulated comprehensive income		109.533	68.562
Items that will not be reclassified to profit or loss		30.691	18.464
<i>Actuarial gains/(losses) on defined benefit pension plans</i>		(17.367)	(17.367)
<i>Non-current assets and disposal groups classified as held for sale</i>		-	-
<i>Share in other income and expense recognised in joint ventures and associates</i>		-	-
<i>Changes in the fair value of equity instruments measured at fair value</i>		-	-
<i>changes through other comprehensive income</i>		48.058	35.831
<i>Ineffectiveness of fair value hedges of equity instruments measured at fair value</i>		-	-
<i>fair value through other comprehensive income</i>		-	-
<i>Changes in the fair value of equity instruments measured at fair value</i>		-	-
<i>through other comprehensive income (hedged item)</i>		-	-
<i>Changes in the fair value of equity instruments measured at fair value</i>		-	-
<i>through other comprehensive income (hedging instrument)</i>		-	-
<i>Changes in the fair value of financial liabilities at fair value through profit or loss</i>		-	-
<i>attributable to changes in credit risk</i>		-	-
Items that may be reclassified to profit or loss		78.842	50.098
<i>Hedges of net investment in foreign operations (effective portion)</i>		-	-
<i>Foreign currency translation</i>		-	-
<i>Hedging derivatives. Cash flow hedge reserve (effective portion)</i>		14.921	9.288
<i>Changes in the fair value of debt instruments measured at fair value</i>		-	-
<i>through other comprehensive income</i>		63.894	40.200
<i>Hedging instruments (undesignated items)</i>		-	-
<i>Non-current assets and disposal groups classified as held for sale</i>		-	-
<i>Share in other income and expense recognised at joint ventures and associates</i>		27	610
Non-controlling interests		-	-
Accumulated other comprehensive income		-	-
Other items		-	-
TOTAL EQUITY	11	3.259.970	3.160.227
TOTAL EQUITY AND LIABILITIES		52.881.779	52.705.739
Memorandum items: off-balance sheet exposures			
Loan commitments given		2.894.627	2.970.560
Financial guarantees granted		79.917	79.289
Other commitments given		857.213	908.335

(*) Presented for comparison purposes only (Note 2.2).

The accompanying explanatory Notes 1 to 16 are an integral part of the condensed consolidated balance sheet at 30 September 2019.

**IBERCAJA BANCO, S.A. AND SUBSIDIARIES
(IBERCAJA BANCO GROUP)**

**CONDENSED CONSOLIDATED INCOME STATEMENTS
FOR THE NINE-MONTH PERIODS
ENDED ON 30 SEPTEMBER 2019 AND 2018**
(Thousands of euros)

	Note	30/09/2019	30/09/2018(*)
Interest income	14.1	500.795	494.539
Financial assets at fair value through other comprehensive income		100.377	109.378
Financial assets at amortised cost		402.060	395.143
Other		(1.642)	(9.982)
(Interest expense)	14.2	85.147	75.371
(Expenses on share capital repayable on demand)		-	-
NET INTEREST INCOME		415.648	419.168
Dividend income	14.3	11.451	10.038
Share of profit of entities accounted for using the equity method		(378)	(856)
Fee and commission income	14.4	299.088	290.910
(Fee and commission expenses)	14.5	12.397	11.978
Gains/(losses) on derecognition of financial assets and liabilities not measured at fair value through profit or loss, net	14.6	19.381	41.540
(Financial assets at amortised cost)		(13.167)	1.870
(Remaining financial assets and liabilities)		32.548	39.670
Gains/(losses) on financial assets and liabilities held for trading, net	14.6	1.046	533
(Reclassification of financial assets from fair value through other comprehensive income)		-	-
(Reclassification of financial assets from amortised cost)		-	-
(Other gains/(losses))		1.046	533
Gains/(losses) on non-trading financial assets valued mandatorily at fair value through profit or loss, net	14.6	(4.441)	(569)
(Reclassification of financial assets from fair value through other comprehensive income)		-	-
(Reclassification of financial assets from amortised cost)		-	-
(Other gains/(losses))		(4.441)	(569)
Gains/(losses) on financial assets and liabilities designated at fair value through profit or loss, net	14.6	462	564
Gains/(losses) from hedge accounting, net	14.6	538	239
Net exchange differences		867	871
Other operating income	14.7	25.005	29.702
(Other operating expenses)	14.8	26.199	35.439
Income from assets covered by insurance and reinsurance contracts		693.044	1.009.895
(Liability expenses covered by insurance or reinsurance contracts)		693.254	1.010.213
GROSS INCOME		729.861	744.405
(Administration expenses)	14.9	389.658	472.703
(Personnel expenses)		268.652	330.248
(Other administration expenses)		121.006	142.455
(Amortisation and depreciation)		51.504	38.472
(Provisions or (-) reversal of provisions)		30.795	(27.732)
(Impairment or (-) reversal of impairment on financial assets not measured at fair value through profit or loss or (-) net gain on change)		101.215	94.383
(Financial assets at fair value through other comprehensive income)		(1.260)	(427)
(Financial assets at amortised cost)		102.475	94.810
(Impairment or (-) reversal of impairment on investments in joint businesses or associates)		-	-
(Impairment or (-) reversal of impairment on non-financial assets)	14.10	512	2.653
(Tangible assets)		(178)	778
(Intangible assets)		-	-
(Other)		690	1.875
Gains/(losses) on derecognition of non-financial assets, net	14.11	(3.258)	(524)
Negative goodwill recognised in profit or loss		-	-
Gains (losses) on non-current assets and disposal groups of items classified as held for sale not qualifying as discontinued operations	14.12	(10.598)	(47.633)
PROFIT/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS		142.321	115.769
(Expense or (-) income from taxes on income from continuing operations)		50.896	43.228
PROFIT/(LOSS) AFTER TAX FROM CONTINUING OPERATIONS		91.425	72.541
Profit/(loss) after tax from discontinued activities		-	-
PROFIT/(LOSS) FOR THE YEAR		91.425	72.541
Attributable to non-controlling interests		-	(7)
Attributable to owners of the parent		91.425	72.548

(*) Presented for comparison purposes only (Note 2.2).

The accompanying explanatory Notes 1 to 16 are an integral part of the condensed consolidated income statement for the nine-month period ended 30 September 2019.

**IBERCAJA BANCO, S.A. AND SUBSIDIARIES
(IBERCAJA BANCO GROUP)**

**CONDENSED CONSOLIDATED STATEMENTS OF RECOGNISED INCOME AND
EXPENSE**
FOR THE NINE-MONTH PERIODS
ENDED ON 30 SEPTEMBER 2019 AND 2018
(Thousands of euros)

	Note	30/09/2019	30/09/2018(*)
PROFIT/(LOSS) FOR THE YEAR		91.425	72.541
OTHER COMPREHENSIVE INCOME		39.271	(61.994)
Items that will not be reclassified to profit or loss		10.526	(20.390)
Actuarial gains/(losses) on defined benefit pension plans		-	-
Non-current assets and disposal groups of items held for sale		-	-
Share in other income and expense recognised in joint ventures and associates		-	-
Changes in the fair value of equity instruments measured at fair value through other comprehensive income		15.037	(29.128)
Gains/(losses) resulting from hedge accounting of equity instruments at fair value through other comprehensive income, net		-	-
<i>Changes in the fair value of equity instruments measured at fair value through other comprehensive income (hedged item)</i>		-	-
<i>Changes in the fair value of equity instruments measured at fair value through other comprehensive income (hedging instrument)</i>		-	-
Changes in fair value of financial liabilities at fair value through profit or loss attributable to changes in credit risk		-	-
Corporation tax relating to items not to be reclassified		(4.511)	8.738
Items that may be reclassified to profit or loss		28.745	(41.604)
Hedges of net investment in foreign operations (effective portion)		-	-
<i>Valuation gains/(losses) taken to equity</i>		-	-
<i>Transferred to the income statement</i>		-	-
<i>Other reclassifications</i>		-	-
Currency translation		-	-
<i>Valuation gains/(losses) taken to equity</i>		-	-
<i>Transferred to the income statement</i>		-	-
<i>Other reclassifications</i>		-	-
Cash flow hedges (effective portion)		8.047	(1.883)
<i>Valuation gains/(losses) taken to equity</i>		8.047	(1.883)
<i>Transferred to the income statement</i>		-	-
<i>Transferred to initial carrying amount of hedge items</i>		-	-
<i>Other reclassifications</i>		-	-
Hedging instruments (undesignated items)		-	-
<i>Valuation gains/(losses) taken to equity</i>		-	-
<i>Transferred to the income statement</i>		-	-
<i>Other reclassifications</i>		-	-
Debt instruments at fair value through other comprehensive income		33.850	(58.746)
<i>Valuation gains/(losses) taken to equity</i>		65.921	(19.076)
<i>Transferred to the income statement</i>	14.6	(32.071)	(39.670)
<i>Other reclassifications</i>		-	-
Non-current assets and disposal groups of items held for sale		-	-
<i>Valuation gains/(losses) taken to equity</i>		-	-
<i>Transferred to the income statement</i>		-	-
<i>Other reclassifications</i>		-	-
Share in other income and expense recognised in joint ventures and associates		(583)	836
Corporation tax relating to items that may be reclassified to profit or loss		(12.569)	18.189
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		130.696	10.547
Attributable to non-controlling interests		-	(7)
Attributable to owners of the parent		130.696	10.554

(*) Presented for comparison purposes only (Note 2.2).

The accompanying explanatory Notes 1 to 16 are an integral part of the condensed consolidated statement of recognised income and expense for the nine-month period ended 30 September 2019.

IBERCAJA BANCO, S.A. AND SUBSIDIARIES
(IBERCAJA BANCO GROUP)

CONDENSED CONSOLIDATED STATEMENT OF TOTAL CHANGES IN EQUITY
FOR THE NINE-MONTH PERIOD
ENDED ON 30 SEPTEMBER 2019
(Thousands of euros)

	Non-controlling interests												Total	
	Capital	Share premium	Equity instruments issued other than capital	Other equity items	Retained earnings	Revaluation reserves	Other reserves	(Treasury shares)	Attributable to owners of the parent	(Interim dividends)	Other accumulated comprehensive income	Other accumulated comprehensive income		Other items
I. Closing balance at 31/12/2018	2.144.276	-	350.000	-	521.762	3.313	31.510	-	40.804	-	68.562	-	-	3.160.227
Effects of error correction	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Effects of changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-
II. Adjusted opening balance	2.144.276	-	350.000	-	521.762	3.313	31.510	-	40.804	-	68.562	-	-	3.160.227
Total comprehensive income for the period	-	-	-	-	-	-	-	-	91.425	-	39.271	-	-	130.696
Other changes in equity	1.929.848	-	-	-	23.720	(6)	1.914.285	-	(40.804)	-	1.700	-	-	(30.953)
Issuance of ordinary shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Issuance of preference shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Issuance of other equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Exercise or maturity of other equity instruments issued	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Conversion of debt into equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital reduction	1.929.848	-	-	-	-	-	1.929.848	-	-	-	-	-	-	-
Dividends (or other shareholder remuneration)	-	-	-	-	(17.500)	-	-	-	-	-	-	-	-	(17.500)
Reclassification of financial instruments from equity to liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reclassification of financial instruments from liabilities to equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers between equity components	-	-	-	-	41.220	(6)	(2.109)	-	(40.804)	-	1.699	-	-	-
Increase/(decrease) in equity due to business combinations	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share-based payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other increases/(decreases) in equity	-	-	-	-	-	-	(13.454)	-	-	-	1	-	-	(13.453)
III. Closing balance at 30/09/2019	214.428	-	350.000	-	545.482	3.307	1.945.795	-	91.425	-	109.533	-	-	3.259.970

The accompanying explanatory Notes 1 to 16 and the Appendices are an integral part of the condensed consolidated statement of total changes in equity at 30 September 2019.

IBERCAJA BANCO, S.A. AND SUBSIDIARIES
(IBERCAJA BANCO GROUP)

CONDENSED CONSOLIDATED STATEMENT OF TOTAL CHANGES IN EQUITY
FOR THE NINE-MONTH PERIOD
ENDED ON 30 SEPTEMBER 2018 (*)
(Thousands of euros)

	Non-controlling interests												Total	
	Capital	Share premium	Equity instruments issued other than capital	Other equity items	Retained earnings	Revaluation reserves	Other reserves	(Treasury shares)	Attributable to owners of the parent	(Interim dividends)	Other accumulated comprehensive income	Other accumulated comprehensive income		Other items
I. Closing balance at 31/12/2017	2.144.276	-	-	-	418.783	3.321	150.168	-	138.367	-	144.077	-	300	2.999.292
Effects of error correction	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Effects of changes in accounting policies	-	-	-	-	-	-	(115.872)	-	-	-	(2.045)	-	-	(117.917)
II. Adjusted opening balance	2.144.276	-	-	-	418.783	3.321	34.296	-	138.367	-	142.032	-	300	2.881.375
Total comprehensive income for the period	-	-	-	-	-	-	-	-	72.548	-	(61.994)	-	(7)	10.547
Other changes in equity	-	-	350.000	-	129.191	(6)	(14.882)	-	(138.367)	-	(3.585)	-	(14)	322.337
Issuance of ordinary shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Issuance of preference shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Issuance of other equity instruments	-	-	350.000	-	-	-	(2.931)	-	-	-	-	-	-	347.069
Exercise or maturity of other equity instruments issued	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Conversion of debt into equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital reduction	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends (or other shareholder remuneration)	-	-	-	-	(17.500)	-	-	-	-	-	-	-	-	(17.500)
Reclassification of financial instruments from equity to liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reclassification of financial instruments from liabilities to equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers between equity components	-	-	-	-	146.691	(6)	(4.722)	-	(138.367)	-	(3.596)	-	-	-
Increase/(decrease) in equity due to business combinations	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share-based payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other increases/(decreases) in equity	-	-	-	-	-	-	(7.229)	-	-	-	11	-	(14)	(7.232)
III. Closing balance at 30/09/2018	2.144.276	-	350.000	-	547.974	3.315	19.414	-	72.548	-	76.453	-	279	3.214.259

The accompanying explanatory Notes 1 to 16 and the Appendices are an integral part of the condensed consolidated statement of total changes in equity at 30 September 2019.

(*) Presented for comparison purposes only (Note 2.2).

**IBERCAJA BANCO, S.A. AND SUBSIDIARIES
(IBERCAJA BANCO GROUP)**

**CONDENSED STATEMENT OF CASH FLOWS
FOR THE NINE-MONTH PERIODS
ENDED ON 30 SEPTEMBER 2019 AND 2018**
(Thousands of euros)

	30/09/2019	30/09/2018(*)
A) CASH FLOWS FROM OPERATING ACTIVITIES	1.295.795	(2.309.687)
Profit/(loss) for the year	91.425	72.541
Adjustments to obtain cash flows from operating activities	120.928	141.467
Amortisation and depreciation	51.504	38.472
Other adjustments	69.424	102.995
Net increase/decrease in operating assets	(811.208)	1.777.743
Financial assets held for trading	871	(2.123)
Non-trading financial assets mandatorily measured at fair value through profit or loss	120.072	(1.889)
Financial assets at fair value through profit or loss	571	(1.102)
Financial assets at fair value through other comprehensive income	(835.994)	177.859
Financial assets at amortised cost	(109.544)	1.656.072
Other operating assets	12.816	(51.074)
Net increase/(decrease) in operating liabilities	95.875	(622.393)
Financial liabilities held for trading	2.187	2.353
Financial liabilities at fair value through profit or loss	-	-
Financial liabilities at amortised cost	(303.937)	(1.054.100)
Other operating liabilities	397.625	429.354
Company tax credit/(payments)	176.359	(123.559)
B) CASH FLOWS FROM INVESTING ACTIVITIES	3.802	44.663
Payments	63.782	101.440
Tangible assets	49.421	44.778
Intangible assets	9.730	4.852
Investments in joint ventures and associates	558	439
Subsidiaries and other business units	-	-
Non-current assets and liabilities classified as held for sale	4.073	51.371
Other payments related to investing activities	-	-
Receipts	67.584	146.103
Tangible assets	31.905	42.423
Intangible assets	424	-
Investments in joint ventures and associates	40	214
Subsidiaries and other business units	-	-
Non-current assets and liabilities classified as held for sale	35.215	103.466
Other receipts related to investing activities	-	-
C) CASH FLOWS FROM FINANCING ACTIVITIES	(117.680)	276.774
Payments	117.680	69.039
Dividends	17.500	17.500
Subordinated liabilities	81.805	45.414
Redemption of own equity instruments	-	-
Acquisition of own equity instruments	-	-
Other payments related to financing activities	18.375	6.125
Receipts	-	345.813
Subordinated liabilities	-	-
Issuance of own equity instruments	-	345.813
Disposal of own equity instruments	-	-
Other receipts related to financing activities	-	-
D) EFFECT OF EXCHANGE RATE FLUCTUATIONS	-	-
E) NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C+D)	1.181.917	(1.988.250)
F) CASH AND CASH EQUIVALENTS AT START OF PERIOD	1.099.290	3.467.597
G) CASH AND CASH EQUIVALENTS AT END OF PERIOD	2.281.207	1.479.347
MEMORANDUM ITEMS		
COMPONENTS OF CASH AND CASH EQUIVALENTS AT END OF PERIOD		
<i>Of which: in the possession of Group companies but not drawable by the Group</i>	-	-
Cash	204.645	203.962
Cash equivalents at central banks	1.878.647	1.077.763
Other financial assets	197.915	197.622
Less: bank overdrafts repayable on demand	-	-

The accompanying explanatory Notes 1 to 16 are an integral part of the condensed consolidated statement of cash flows for the nine-month period ended 30 September 2019.

(*) Presented for comparison purposes only (Note 2.2).

Ibercaja Banco, S.A. and subsidiaries (Ibercaja Banco Group)

Explanatory notes to the condensed consolidated interim financial statements
for the nine-month period
ended on 30 September 2019

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**IBERCAJA BANCO, S.A. AND SUBSIDIARIES
(IBERCAJA BANCO GROUP)**

**EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED INTERIM
FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER
2019**

1. Introduction

Ibercaja Banco, S.A. (hereinafter, Ibercaja Banco, the Bank or the Company), is a credit institution, 87.8% owned by Fundación Bancaria Ibercaja (hereinafter, the Foundation), subject to the rules and regulations issued by the Spanish and European Union economic and monetary authorities.

Ibercaja Banco's registered office is located at Plaza de Basilio Paraiso 2 and it is filed at the Zaragoza Companies Registry in volume 3865, book 0, sheet 1, page Z-52186, entry 1. It is also registered in the Bank of Spain Special Register under number 2085. Its corporate web page (electronic headquarters) is www.ibercaja.es, on which its bylaws and other public information can be viewed.

Its corporate purpose extends to all manner of general banking activities, transactions, business, contracts and services permitted under prevailing law and regulations, including the provision of investment and auxiliary services.

In addition to the operations carried out directly, the Bank is the parent of a group of subsidiaries that engage in various activities and which, together with it, make up the Ibercaja Banco Group (hereinafter, the "Group" or the Ibercaja Banco Group).

Details of the companies composing the Group are presented in Appendix I to the Group's consolidated financial statements at 31 December 2018.

The activities carried on by the Group and the detail of the companies composing it did not change significantly in the first nine months of 2019 (Note 3).

2. Basis of presentation and other information

2.1 Basis of presentation

The condensed consolidated interim financial statements of the Bank and subsidiaries composing the Ibercaja Banco Group for the nine-month period ended 30 September 2019 (hereinafter, interim financial statements) were authorised for issue by the Bank's directors at the meeting of the Board of Directors held on 30 December 2019.

These interim financial statements have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" set out in the International Financial Reporting Standards adopted by the European Union (hereinafter EU-IFRS) and have been prepared from the accounting records kept by the Bank and by the other Group companies. In their preparation, account has been taken of Bank of Spain Circular 4/2017 of 27 November (hereinafter, Circular 4/2017).

Circular 4/2017 on “Public and confidential financial reporting standards and model financial statements of credit institutions”, aims to adapt the accounting system of these entities to the accounting climate arising from the adoption by the European Union of the International Financial Reporting Standards, in order to make this Circular fully compatible with the conceptual framework on which it is based.

The condensed consolidated interim financial statements prepared by the Directors of the Bank, which do not include all the information that would be required by complete consolidated financial statements prepared in accordance with International Financial Reporting Standards, as adopted by the European Union, must be read in conjunction with the consolidated financial statements for the year ended 31 December 2018, prepared in accordance with the principles, accounting standards and measurement criteria applicable in accordance with International Financial Reporting Standards adapted by the European Union and taking into consideration Bank of Spain Circular 4/2017 of 27 November (“Circular 4/2017”) and subsequent amendments, which were authorised for issue on 1 March 2019 and approved by the Annual General Meeting of Shareholders held on 9 April 2019. Consequently, it has not been necessary to repeat or update certain notes or estimates included in the aforementioned consolidated financial statements. Instead, the accompanying selected explanatory notes include an explanation of any events or changes that are significant for the explanation of changes in the consolidated financial position from 31 December 2018 to 30 September 2019.

These interim financial statements, unless stated otherwise, are prepared in thousands of euros from the accounting records kept by the Company and by other entities included in the Group. However, given that the accounting policies and valuation standards used by some of the Group companies may differ from those used in preparing the Group’s condensed consolidated interim financial statements at 30 September 2019. Adjustments and reclassifications have been made as necessary in the consolidation process to make said accounting policies and valuation standards consistent with the EU-IFRS used by the Company.

2.2 Information relating to 2018

Under the regulations in force, the information contained in these explanatory Notes to the consolidated interim financial statements for 2018 is presented exclusively for the purpose of comparison with the information for 2019.

2.3 Accounting principles and policies

In the first nine months of 2019, amendments were made to the accounting regulations applicable to the Group with respect to those applied in the previous period. The changes considered to be most important are listed below.

The mandatory standards, amendments and interpretations for the years commencing on 1 January 2019, which have not resulted in a significant impact for the Group, were as follows:

Standards and Interpretations	Title
IFRS 16	Leases
Amendment to IFRS 9	Prepayment features with negative compensation
IFRIC 23	Uncertainty over company tax treatment
Amendment to IAS 28	Long-term interests in associates and joint ventures
Amendment to IAS 19	Plan amendment, curtailment or settlement
Annual improvements to IFRS	Cycle 2015-2017

Adoption of IFRS 16 “Leases”.

On 1 January 2019, IFRS 16, "Leases", entered into force. IFRS 16 establishes the principles for the recognition, measurement, presentation and disclosure of leases in order to ensure that both lessee and lessor provide relevant information that presents a true and fair view of these transactions. The Group has adopted the amended standard retrospectively since 1 January 2019, without restating the comparative financial statements for 2018, as permitted under the specific transitional provisions of the standard.

The adoption of IFRS 16 has led to changes in the Group's accounting policies for the recognition, measurement, presentation and disclosure of leases.

The main aspects contained in the new regulations and the disclosures relating to the impact of the adoption of IFRS 16 in the Group are as follows:

a) Lease accounting policy

From 1 January 2019, leases are recognised as an asset by right of use and the corresponding liability on the date on which the leased asset is available for use by the group. Each lease payment is allocated between liabilities and finance expense. The interest expense is charged to income over the term of the lease in such a way as to produce a constant periodic interest rate on the remaining balance of the liability for each year. The right-of-use asset is depreciated over the useful life of the asset or the shorter of the two lease terms on a straight-line basis.

Assets and liabilities arising from a lease are initially measured at present value. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including essentially fixed payments), less any lease incentive receivable,
- variable lease payments that depend on an index or rate,
- amounts expected to be paid by the lessee as residual value guarantees,
- the exercise price of a call option if the lessee is reasonably certain that it will exercise that option, and
- lease termination penalty payments, if the term of the lease reflects the lessee's exercise of that option.

Lease payments are discounted using the interest rate implicit in the lease. The discount rate used was determined by the Capital Strategy and Balance Sheet Unit, which calculated a financing curve that approximates the cost of funding the Group through senior debt.

The incremental interest rate is defined as the interest rate that a lessee would have to pay for borrowing, for a term similar to the duration of the lease and with similar security, funds necessary to obtain an asset of similar value to the asset by right of use in a similar economic environment.

Right-of-use assets are measured at cost, which includes the following:

- the amount of the initial valuation of the lease liability,
- any lease payment made on or before the start date less any lease incentive received,
- any initial direct cost and

- restoration costs.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense. Short-term leases are leases with a term less than or equal to 12 months.

b) Recognised effects on the adoption of the standard

With the adoption of IFRS 16, the Group recognised lease liabilities for leases that had previously been classified as "operating leases" under the principles of IAS 17 Leases, in force at 31 December 2018. These liabilities were measured at the present value of the remaining lease payments, discounted using the incremental borrowing rate of the lessee on 1 January 2019. At that date of first application, the weighted average discount rate was 2.54%.

As a result of the entry into force of IFRS 16, the impact of first-time application recognised by the Group relates mainly to the recognition of right-of-use assets amounting to 62 million euros and lease liabilities of the same amount. The impact of the initial application of IFRS 16 on the *Common Equity Tier 1* - CET 1 was 4 bp.

At the date of authorisation for issue of these interim financial statements, there are standards and interpretations issued by the International Accounting Standards Board (IASB) that have not yet entered into force, either because their effective date is subsequent to the date of these interim financial statements or because they have not yet been adopted by the European Union. A description of these standards and interpretations is included in Note 1.11 to the Group's consolidated financial statements at 31 December 2018.

Approved for use in the EU

There are no standards and interpretations that have been approved for application in the EU that have not entered into force because their effective date is later than the date of these interim financial statements.

Not approved for use in the EU

Standards and Interpretations	Title
Amendment to IFRS 10 and IAS 28	Sales or contributions of assets between an investor and its associate/joint venture
IFRS 17 (**)	Insurance contracts
IFRS 14	Regulatory deferral accounts
Amendment to IFRS 3 (*)	Definition of a business
Amendment to IAS 1 and IAS 8 (*)	Definition of "material"

(*) Applicable for financial years beginning on or after 1 January 2020.
 (**) Applicable for financial years beginning on or after 1 January 2021.

The Group is assessing the impact that these standards, amendments and interpretations may have on the consolidated financial statements.

2.4 Estimates made

The interim financial statements for the nine months ended 30 September 2019 contain estimates to quantify some of the assets, liabilities, income, expenditure and commitments disclosed herein. These estimates basically relate to:

- impairment losses on certain assets and the estimate of associated guarantees, particularly with respect to the consideration of the "significant increase in credit risk (SICR)" and "default", as well as the incorporation of forward-looking information,
- The assumptions used in the actuarial calculation of post-employment remuneration liabilities and commitments and other long-term obligations to employees, and those used to calculate liabilities arising under insurance contracts,
- the measurement of goodwill and other intangible assets,
- useful life of tangible and intangible assets,
- the probability of occurrence of those events deemed to be contingent liabilities and, where appropriate, the provisions required to cover such events,
- the fair value of certain financial assets,
- the company tax expense for the nine months ended 30 September 2019 which, in accordance with IAS 34, is recognised in interim periods on the basis of the best estimate of the weighted average tax rate the group expects for its annual period, and the recoverability of deferred tax assets,
- the valuation of investments in joint ventures and associates, and
- the determination of returns from investments in joint ventures and associates.

Although these estimates were made on the basis of the best information available on the events analysed, future events may require them to be modified in the coming years, which would occur in accordance with prevailing regulations, prospectively recognising the effects of the change in estimate in the consolidated financial statements for the years in question.

2.5 Information on the mortgage market

In accordance with Royal Decree 716/2009, of 24 April, whereby certain aspects of Law 2/1981, of 25 March, governing the mortgage market and other rules on the financial mortgage system were developed, and Bank of Spain Circular 3/2010, of 29 June, the Board of Directors approved the "Loan and discount risk management policy and procedure manual" drawn up by the Company to guarantee compliance with legislation governing the mortgage market, including guidance on the following:

- The relationship between the amount of the loan and appraisal value (in accordance with MO ECO/805/2003) of the mortgaged property and the selection of valuation companies authorised by the Bank of Spain.
- The relationship between the debt and the borrower's capacity to generate income, verification of the information provided by the borrower and the borrower's solvency, and the existence of other additional guarantees.
- The balance between the flows deriving from the hedging portfolio and those deriving from the payments due on the instruments issued.

The General Shareholders' Meeting of Ibercaja Banco, S.A. is authorised to issue debentures or other fixed income securities and has empowered the Board of Directors to issue any kind of loans for a maximum amount, including mortgage securities.

Mortgage certificates are issued in accordance with Spanish legislation on the mortgage and securities markets. Under applicable legislation, the volume of mortgage covered bonds issued by an entity and not matured may not exceed 80% of the unamortised principal of all loans and mortgages in the eligible portfolio. The Company's Board of Directors approved a more restrictive limit, and therefore the above percentage of mortgage covered bonds issued may not exceed 65%. At 30 September 2019, the figure was 38.83% (42.28% at 31 December 2018).

Mortgage covered bonds are securities especially guaranteed by the issuer where the entire portfolio of mortgage loans arranged in its favour guarantees compliance with its payment commitments.

The level of overcollateralisation or backing of mortgage covered bonds by the entire eligible mortgage portfolio is 257.52% at 30 September 2019 (236.51% at 31 December 2018).

At that date 99.42% of transactions in the mortgage portfolio have been formalised through loans (99.36% at 31 December 2018). Of these, instalments are collected on a monthly basis for 97.47% (97.29% at 31 December 2018). The operations formalised at variable interest rates are 99.54% of the total (99.52% at 31 December 2018) and of these, 82.68% are tied to Euribor (83.36% at 31 December 2018).

Set out below is information on the mortgage market:

- Information concerning the issue of mortgage covered bonds. Total amount of loans and mortgages pending repayment (irrespective of LTV level and including securitizations written off the balance sheet):

	Thousands of euros	
	Nominal value	
	30/09/2019	31/12/2018
Total loans	23.330.202	24.575.457
Mortgage participations issued	1.186.673	1.342.807
<i>Of which: loans recognised on asset side of balance sheet</i>	<i>1.186.673</i>	<i>1.302.055</i>
Mortgage transfer certificates issued	1.665.226	1.823.997
<i>Of which: loans recognised on asset side of balance sheet</i>	<i>1.665.226</i>	<i>1.802.053</i>
Mortgage loans pledged in guarantee for financing received	-	-
Loans backing mortgage bonds issues and covered bond issues	20.478.303	21.408.653
Non-eligible loans	4.629.595	5.012.268
<i>Fulfil requirements to be eligible except for limit under Article 5.1 of Royal Decree 716/2009</i>	<i>4.091.142</i>	<i>4.248.933</i>
<i>Other non-eligible loans</i>	<i>538.453</i>	<i>763.335</i>
Eligible loans	15.848.708	16.396.385
<i>Loans backing mortgage bond issues</i>	-	-
<i>Loans suitable for backing mortgage bond issues</i>	<i>15.848.708</i>	<i>16.396.385</i>
Non-computable amounts	19.463	25.536
Computable amounts	15.829.245	16.370.849
Memorandum items		
Loans backing mortgage bond issues	-	-

- Information on eligible loans and mortgages:

Thousands of euros					
30/09/2019					
Loan to value (LTV) ratio					
	Less than or equal to 40%	Greater than 40% and less than or equal to 60%	Greater than 60% and less than or equal to 80%	Greater than 80%	Total
Mortgage loans and credits eligible for issuing mortgage bonds and mortgage covered bonds					15.848.708
Residential	4.224.617	6.319.256	4.276.369	-	14.820.242
Other properties	563.398	425.558	39.510		1.028.466

Thousands of euros					
31/12/2018					
Loan to value (LTV) ratio					
	Less than or equal to 40%	Greater than 40% and less than or equal to 60%	Greater than 60% and less than or equal to 80%	Greater than 80%	Total
Mortgage loans and credits eligible for issuing mortgage bonds and mortgage covered bonds					16.396.385
Residential	4.369.429	6.388.295	4.494.184	-	15.251.908
Other properties	644.149	455.999	44.329		1.144.477

- Information concerning the issue of mortgage covered bonds. breakdown of mortgage loans pending repayment:

	Thousands of euros			
	30/09/2019		31/12/2018	
	Loans backing mortgage bonds issues and covered bond issues	Of which: Eligible loans	Loans backing mortgage bonds issues and covered bond issues	Of which: Eligible loans
Total	20.478.303	15.848.708	21.408.653	16.396.385
Origin of operations	20.478.303	15.848.708	21.408.653	16.396.385
Originated by the Entity	13.813.718	10.133.007	14.357.138	10.448.388
Subrogated from other entities	408.876	389.515	444.327	420.161
Other	6.255.709	5.326.186	6.607.188	5.527.836
Currency	20.478.303	15.848.708	21.408.653	16.396.385
Euro	20.476.119	15.848.708	21.406.433	16.396.385
Other currencies	2.184	-	2.220	-
Payment status	20.478.303	15.848.708	21.408.653	16.396.385
Payment normality	19.377.955	15.684.925	19.641.277	16.153.050
Other situations	1.100.348	163.783	1.767.376	243.335
Average residual period to maturity	20.478.303	15.848.708	21.408.653	16.396.385
Up to 10 years	2.822.704	1.943.775	3.285.935	1.962.845
More than 10 years and up to 20 years	7.427.962	6.137.243	7.569.936	6.140.648
More than 20 years and up to 30 years	8.895.112	6.856.077	8.879.369	7.066.727
More than 30 years	1.332.525	911.613	1.673.413	1.226.165
Interest rate	20.478.303	15.848.708	21.408.653	16.396.385
Fixed interest rate	153.766	56.864	255.544	57.477
Variable interest rate	18.842.414	14.628.502	19.446.363	14.945.641
Mixed interest rate	1.482.123	1.163.342	1.706.746	1.393.267
 Holders	20.478.303	15.848.708	21.408.653	16.396.385
Legal entities and individual entrepreneurs (business activities)	3.202.940	1.426.447	3.829.992	1.907.919
<i>Of which: real estate construction and development (including land)</i>	<i>1.384.049</i>	<i>337.873</i>	<i>1.689.779</i>	<i>746.958</i>
Other households	17.275.363	14.422.261	17.578.661	14.488.466
Type of collateral	20.478.303	15.848.708	21.408.653	16.396.385
Finished assets/buildings	19.573.735	15.501.957	20.134.352	16.007.109
Homes	18.779.731	14.984.580	19.215.328	15.470.561
<i>Of which: state-subsidised housing</i>	<i>1.441.302</i>	<i>1.349.026</i>	<i>1.563.662</i>	<i>1.460.017</i>
Offices and commercial premises	401.770	272.801	474.841	286.430
Other buildings and constructions	392.234	244.576	444.183	250.118
Assets/buildings under construction	382.909	197.585	467.236	229.053
Homes	81.263	1.562	141.490	29.518
<i>Of which: state-subsidised housing</i>	<i>3.243</i>	<i>1.224</i>	<i>7.446</i>	<i>1.508</i>
Offices and commercial premises	-	-	-	-
Other buildings and constructions	301.646	196.023	325.746	199.535
Land	521.659	149.166	807.065	160.223
Consolidated urban land	248.054	3.588	487.312	3.966
Other land	273.605	145.578	319.753	156.257

- Nominal value of mortgage covered bonds issued by the Bank:

	Thousands of euros	
	Nominal value	
	30/09/2019	31/12/2018
Mortgage covered bonds	3.900.000	4.650.000
Ibercaja April II 2010	100.000	100.000
Ibercaja March 2012 II	-	750.000
Ibercaja September 2012	800.000	800.000
Ibercaja October 2016	500.000	500.000
Ibercaja September 2017 I	750.000	750.000
Ibercaja September 2017 II	750.000	750.000
Ibercaja December 2018	1.000.000	1.000.000
AYT covered bonds	1.146.771	1.171.771
AYT 8 Single Covered Bond (15 years)	104.634	104.634
AYT 9 Single Covered Bond (15 years)	216.667	216.667
AYT 10 Single Covered Bond (20 years)	341.026	341.026
AYT Global 2021 Single Covered Bond	225.000	225.000
AYT Global 2022 Single Covered Bond Series III	19.444	19.444
AYT Cajas Global 2023 Covered Bond Series X	75.000	75.000
AYT Cajas Global 2027 Covered Bond Series XIII	165.000	165.000
AYT Cajas Global 2019 Covered Bond Series XIV	-	25.000
TDA covered bonds	1.100.000	1.100.000
TDA 5 Single Covered Bond	300.000	300.000
TDA 6 Single Covered Bond	250.000	250.000
TDA 6 Single Covered Bond (Extension)	250.000	250.000
TDA Single Covered Bond Series A4	300.000	300.000

- Information on the residual maturity of mortgage market securities:

	Thousands of euros			
	30/09/2019		31/12/2018	
	Nominal value	Average res. mat. (months)	Nominal value	Average res. mat. (months)
Mortgage bonds issued	-	-	-	-
<i>Of which: recognised under liabilities</i>	-	-	-	-
Mortgage covered bonds issued	6.146.771	-	6.921.771	-
<i>Of which: recognised under liabilities</i>	<i>2.956.771</i>	-	<i>2.971.771</i>	-
Debt securities. Issued through public offering	-	-	-	-
Debt securities. Other issues	3.900.000	-	4.650.000	-
Residual maturity up to one year	900.000	-	1.550.000	-
Residual maturity greater than one year and up to two years	-	-	100.000	-
Residual maturity greater than two years and up to three years	750.000	-	-	-
Residual maturity greater than three years and up to five years	1.250.000	-	1.250.000	-
Residual maturity greater than five years and up to ten years	1.000.000	-	1.750.000	-
Residual maturity greater than ten years	-	-	-	-
Deposits	2.246.771	-	2.271.771	-
Residual maturity up to one year	621.301	-	429.634	-
Residual maturity greater than one year and up to two years	525.000	-	216.667	-
Residual maturity greater than two years and up to three years	-	-	525.000	-
Residual maturity greater than three years and up to five years	94.444	-	94.444	-
Residual maturity greater than five years and up to ten years	1.006.026	-	1.006.026	-
Residual maturity greater than ten years	-	-	-	-
Mortgage participations issued	1.186.673	93	1.302.055	99
Issued through public offering	-	-	-	-
Other issues	1.186.673	93	1.302.055	99
Mortgage transfer certificates issued	1.665.226	108	1.802.053	114
Issued through public offering	-	-	-	-
Other issues	1.665.226	108	1.802.053	114

None of the issues has been made through a public offering and all are denominated in euros. The Bank does not issue mortgage bonds and nor does it have replacement assets assigned to them.

- Information on mortgage loans backing the issue of mortgage bonds (bonos hipotecarios) and secured mortgage covered bonds (cédulas hipotecarias) (eligible and non-eligible):

	Thousands of euros			
	2019		2018	
	Eligible loans	Non-eligible loans	Eligible loans	Non-eligible loans
Opening balance at 1 January	16.396.385	5.012.268	17.389.805	4.713.590
Write-offs in the year	1.269.286	648.364	1.159.683	461.216
Due principal received in cash	564.935	187.652	613.958	132.278
Repaid early	304.119	135.653	401.304	251.302
Subrogated by other entities	1.158	512	2.806	1.556
Other write-offs	399.074	324.547	141.615	76.080
Additions in the year	721.609	265.691	1.046.025	223.755
Originated by the Entity	567.311	231.061	849.563	188.121
Subrogated from other entities	1.341	-	7.186	280
Other additions	152.957	34.630	189.276	35.354
Closing balance at 30 September	15.848.708	4.629.595	17.276.147	4.476.129

- Information on mortgage loans backing the issue of mortgage bonds (bonos hipotecarios) and secured mortgage covered bonds (cédulas hipotecarias). Available balances:

	Thousands of euros	
	30/09/2019	31/12/2018
Total	583.282	155.438
Potentially eligible	560.780	128.186
Non-eligible	22.502	27.252

At 30 September 2019 and 31 December 2018, the Group had no replacement assets in connection with issues of secured mortgage covered bonds and mortgage bonds.

2.6 Key information on exposure to certain risks at the close of the half-yearly financial statements

2.6.1 Financing related to development and real estate activities.

The breakdown of the financing for the real estate construction and development at 30 September 2019 and 31 December 2018 is as follows:

	Thousands of euros							
	Gross carrying amount		Excess of the gross exposure on the maximum recoverable amount of the effective collateral (*)		Accumulated impairment		Net value	
	30/09/2019	31/12/2018	30/09/2019	31/12/2018	30/09/2019	31/12/2018	30/09/2019	31/12/2018
Financing for real estate construction and development (including land) (businesses in Spain)	1.247.243	1.586.107	170.795	430.806	115.095	339.426	1.132.148	1.246.681
Of which: default/non-performing	184.532	600.566	95.823	352.142	108.467	331.647	76.065	268.919
Memorandum items: written-off assets	201.559	254.431	-	-	-	-	-	-

(*) Excess of the gross exposure on the maximum recoverable amount of the effective collateral calculated according to Circular 04/2017. That is, the positive difference between the gross carrying amount of the financial assets and the maximum recoverable amount of the effective collateral.

	Thousands of euros	
	30/09/2019	31/12/2018
Memorandum items: Data from the public consolidated balance sheet		
Total carrying amount of financing granted to customers	32.015.446	32.585.104
Loans to customers, excluding Public Administrations (businesses in Spain) (carrying amount)	30.579.907	31.616.692
Total assets (total businesses) (carrying amount)	52.881.779	52.705.739
Impairment loss and provisions for exposures classified as normal (total businesses)	141.323	163.438

The breakdown of the heading of the financing for the real estate construction and development (including land), on 30 September 2019 and at 31 December 2018 is as follows:

	Thousands of euros	
	Gross carrying amount	
	30/09/2019	31/12/2018
Without real estate collateral	40.451	73.946
With real estate collateral (breakdown as per the type of asset received in collateral)	1.206.792	1.512.161
Buildings and other completed constructions	370.618	437.106
<i>Housing</i>	316.884	386.825
<i>Other</i>	53.734	50.281
Buildings and other constructions under construction	690.658	645.769
<i>Housing</i>	689.646	644.502
<i>Other</i>	1.012	1.267
Land	145.516	429.286
<i>Consolidated urban land</i>	140.141	399.261
<i>Other land</i>	5.375	30.025
Total	1.247.243	1.586.107

At 30 September 2019 and 31 December 2018, the breakdown of loans to households for housing acquisition, is the following:

	Thousands of euros			
	Gross carrying amount		Of which: default/non-performing	
	30/09/2019	31/12/2018	30/09/2019	31/12/2018
Housing acquisition loans	19.432.881	19.916.029	723.708	820.226
Without mortgage loan	233.000	257.738	11.647	27.776
With mortgage loan	19.199.881	19.658.291	712.061	792.450

The breakdown of the loans with mortgage loan to households for housing acquisition according to the percentage that implies the gross carrying amount over the latest appraisal amount (loan to value) on 30 September 2019 and 31 December 2018 is the following:

	Thousands of euros					
	30/09/2019					
	Gross carrying amount based on latest appraisal amount (loan to value)					
	Less than or equal to 40%	Greater than 40% and less than or equal to 60%	Greater than 60% and less than or equal to 80%	Greater than 80% and less than or equal to 100%	Greater than 100%	Total
Gross carrying amount	5.368.763	7.472.702	5.241.089	698.264	419.063	19.199.881
Of which: default/non-performing	61.928	132.317	251.341	124.982	141.493	712.061

	Thousands of euros					
	31/12/2018					
	Gross carrying amount based on latest appraisal amount (loan to value)					
	Less than or equal to 40%	Greater than 40% and less than or equal to 60%	Greater than 60% and less than or equal to 80%	Greater than 80% and less than or equal to 100%	Greater than 100%	Total
Gross amount	5.277.125	7.485.817	5.616.639	789.707	489.003	19.658.291
Of which: default/non-performing	64.351	141.930	265.953	143.146	177.070	792.450

On 30 September 2019, 94% of the housing acquisition loan with real estate collateral has an LTV lower than 80% (93% on 31 December 2018).

2.6.2 Distribution of loans to customers by type of activity

Below is a breakdown of the carrying value of the distribution of customer loans and receivables by subject and activity at 30 September 2019 and 31 December 2018:

Thousands of euros								
30/09/2019								
Total	Of which: real estate collateral	Of which: other collateral	Collateralised loans Carrying amount based on latest available appraisal (loan to value)					
			Less than or equal to 40%	Greater than 40% and less than or equal to 60%	Greater than 60% and less than or equal to 80%	Greater than 80% and less than or equal to 100%	Greater than 100%	
Public administrations	717.840	59.480	-	4.384	19.089	31.790	3.137	1.080
Other financial institutions and individual entrepreneurs (financial business activity)	1.615.519	2.429	1.606.504	1.169	906	355	1.606.503	-
Non-financial companies and individual entrepreneurs (non-financial business activity)	7.811.809	2.867.802	17.858	851.330	732.193	558.550	217.072	526.515
Real estate construction and development (including land)	1.119.820	1.099.856	4	98.125	190.769	273.671	140.650	396.645
Civil engineering	22.363	37	-	37	-	-	-	-
Other purposes	6.669.626	1.767.909	17.854	753.168	541.424	284.879	76.422	129.870
Large corporations	1.133.038	20.235	98	5.167	1.970	6.961	4.872	1.363
SMEs and individual entrepreneurs	5.536.588	1.747.674	17.756	748.001	539.454	277.918	71.550	128.507
Other households	21.152.579	19.919.069	16.618	5.858.627	7.678.839	5.304.251	689.056	404.914
Homes	19.616.888	19.370.170	5.572	5.562.298	7.543.266	5.216.910	667.561	385.707
Consumption	779.393	143.622	7.694	103.248	28.079	14.072	4.109	1.808
Other purposes	756.298	405.277	3.352	193.081	107.494	73.269	17.386	17.399
Total	31.297.747	22.848.780	1.640.980	6.715.510	8.431.027	5.894.946	2.515.768	932.509
Memorandum items: refinancing, refinanced and restructured operations	839.221	771.606	142	137.666	138.144	180.844	125.932	189.162

Thousands of euros								
31/12/2018								
Total	Of which: real estate collateral	Of which: other collateral	Collateralised loans Carrying amount based on latest available appraisal (loan to value)					
			Less than or equal to 40%	Greater than 40% and less than or equal to 60%	Greater than 60% and less than or equal to 80%	Greater than 80% and less than or equal to 100%	Greater than 100%	
Public administrations	248.501	62.310	-	4.744	17.132	37.123	3.311	-
Other financial institutions and individual entrepreneurs (financial business activity)	1.718.978	2.825	1.703.612	976	1.196	498	1.703.767	-
Non-financial companies and individual entrepreneurs (non-financial business activity)	8.230.436	3.181.008	25.248	1.248.452	981.492	622.335	176.553	177.424
Real estate construction and development (including land)	1.236.085	1.190.702	2	404.039	398.298	272.100	60.849	55.418
Civil engineering	22.585	39	-	39	-	-	-	-
Other purposes	6.971.766	1.990.267	25.246	844.374	583.194	350.235	115.704	122.006
Large corporations	1.047.464	17.784	162	8.552	2.663	5.922	83	726
SMEs and individual entrepreneurs	5.924.302	1.972.483	25.084	835.822	580.531	344.313	115.621	121.280
Other households	21.667.278	20.417.059	19.576	5.789.262	7.710.932	5.687.230	781.287	467.924
Homes	20.087.031	19.831.216	4.548	5.477.141	7.559.292	5.594.006	756.809	448.516
Consumption	687.627	141.787	6.522	101.081	28.541	13.985	2.503	2.199
Other purposes	892.620	444.056	8.506	211.040	123.099	79.239	21.975	17.209
Total	31.865.193	23.663.202	1.748.436	7.043.434	8.710.752	6.347.186	2.664.918	645.348
Memorandum items: refinancing, refinanced and restructured operations	1.230.637	1.137.616	728	207.357	203.306	281.508	184.084	262.089

2.6.3 Amount of exposure by activity and geographical area

The carrying amount of exposure classified by business and geographic area are set out below, including loans and advances to entities, debt securities, equity instruments, trading derivatives, hedge derivatives, investments in subsidiaries, joint ventures and associates and guarantees provided.

- Total activity:

	Thousands of euros				
	30/09/2019				
	Spain	Other of the EU	America	Rest of the world	Total
Central banks and credit institutions	3.191.098	335.321	3.697	-	3.530.116
Public administrations	9.863.830	1.114.019	-	-	10.977.849
Central government	8.827.845	1.114.019	-	-	9.941.864
Other public administrations	1.035.985	-	-	-	1.035.985
Other financial companies and individual entrepreneurs (financial business activity)	3.736.952	290.070	12.228	-	4.039.250
Non-financial companies and individual entrepreneurs (non-financial business activity)	9.561.965	1.010.324	21.673	14.720	10.608.682
Real estate construction and development (including land)	1.489.201	-	-	-	1.489.201
Civil engineering	20.281	-	-	2.082	22.363
Other purposes	8.052.483	1.010.324	21.673	12.638	9.097.118
<i>Large corporations</i>	1.628.594	962.538	4.482	11.907	2.607.521
<i>SMEs and individual entrepreneurs</i>	6.423.889	47.786	17.191	731	6.469.597
Other households	21.173.087	72.001	13.611	33.884	21.292.583
Homes	19.504.725	66.943	12.086	33.474	19.617.228
Consumption	776.958	1.080	1.016	339	779.393
Other purposes	891.404	3.978	509	71	895.962
Total	47.526.932	2.821.735	51.209	48.604	50.448.480

	Thousands of euros				
	31/12/2018				
	Spain	Other of the EU	America	Rest of the world	Total
Central banks and credit institutions	2.057.974	118.133	1.880	1.475	2.179.462
Public administrations	10.083.006	1.094.101	75.123	-	11.252.230
Central government	9.191.608	1.094.101	75.123	-	10.360.832
Other public administrations	891.398	-	-	-	891.398
Other financial companies and individual entrepreneurs (financial business activity)	4.002.734	138.814	10.378	369	4.152.295
Non-financial companies and individual entrepreneurs (non-financial business activity)	9.813.417	944.113	42.317	11.386	10.811.233
Real estate construction and development (including land)	1.484.278	-	-	-	1.484.278
Civil engineering	20.427	-	-	2.158	22.585
Other purposes	8.308.712	944.113	42.317	9.228	9.304.370
<i>Large corporations</i>	1.283.012	84.563	24.784	8.283	1.400.642
<i>SMEs and individual entrepreneurs</i>	7.025.700	859.550	17.533	945	7.903.728
Other households	21.784.772	70.775	12.653	36.092	21.904.292
Homes	19.975.000	64.867	11.532	35.634	20.087.033
Consumption	686.092	334	838	363	687.627
Other purposes	1.123.680	5.574	283	95	1.129.632
Total	47.741.903	2.365.936	142.351	49.322	50.299.512

- Activity in Spain:

Thousands of euros									
30/09/2019									
	Aragon	Madrid	Catalonia	Comm. of Valencia	Andalusia	Castilla León	Castilla La Mancha	Other	Total
Central banks and credit institutions	1.007.786	1.997.966	-	4.223	69.083	-	-	112.040	3.191.098
Public administrations	201.514	124.997	10.386	108.717	132.681	26.885	37.905	392.900	9.863.830
Central government (*)	-	-	-	-	-	-	-	-	8.827.845
Other public administrations	201.514	124.997	10.386	108.717	132.681	26.885	37.905	392.900	1.035.985
Other financial institutions and individual entrepreneurs (financial business activity)	49.497	3.664.155	1.170	451	679	700	352	19.948	3.736.952
Non-financial companies and individual entrepreneurs (non-financial business activity)	3.195.407	2.174.078	992.525	622.288	496.260	556.849	287.449	1.237.109	9.561.965
Real estate construction and development (including land)	338.458	723.419	64.071	97.514	78.891	72.356	33.727	80.765	1.489.201
Civil engineering	2.270	17.372	16	-	84	334	-	204	20.280
Other purposes	2.854.679	1.433.287	928.438	524.774	417.285	484.159	253.722	1.156.140	8.052.484
Large corporations	502.281	423.458	216.804	112.723	57.513	67.953	39.333	208.530	1.628.595
SMEs and individual entrepreneurs	2.352.398	1.009.829	711.634	412.051	359.772	416.206	214.389	947.610	6.423.889
Other households	5.708.388	5.332.606	1.983.065	1.808.341	1.347.229	982.083	1.347.966	2.663.409	21.173.087
Homes	4.883.614	5.089.023	1.871.947	1.722.949	1.294.964	898.988	1.272.330	2.470.910	19.504.725
Consumption	300.173	126.362	55.589	44.963	30.229	46.837	42.781	130.024	776.958
Other purposes	524.601	117.221	55.529	40.429	22.036	36.258	32.855	62.475	891.404
Total	10.162.592	13.293.802	2.987.146	2.544.020	2.045.932	1.566.517	1.673.672	4.425.406	47.526.932

(*) The risk pertains to the Central Government and is not allocated by Autonomous Region.

Thousands of euros									
31/12/2018									
	Aragon	Madrid	Catalonia	Comm. of Valencia	Andalusia	Castilla León	Castilla La Mancha	Other	Total
Central banks and credit institutions	1.131.396	813.189	-	10.133	53.931	1	-	49.324	2.057.974
Public administrations	85.981	138.893	11.600	105.221	113.230	77.992	25.694	332.787	10.083.006
Central government (*)	-	-	-	-	-	-	-	-	9.191.608
Other public administrations	85.981	138.893	11.600	105.221	113.230	77.992	25.694	332.787	891.398
Other financial institutions and individual entrepreneurs (financial business activity)	64.099	3.932.896	1.627	523	690	1.450	404	1.045	4.002.734
Non-financial companies and individual entrepreneurs (non-financial business activity)	3.096.939	2.231.105	1.080.140	650.403	550.352	599.254	328.860	1.276.364	9.813.417
Real estate construction and development (including land)	259.582	702.881	77.541	91.984	107.925	77.694	62.689	103.982	1.484.278
Civil engineering	1.554	18.206	24	-	106	303	-	234	20.427
Other purposes	2.835.803	1.510.018	1.002.575	558.419	442.321	521.257	266.171	1.172.148	8.308.712
Large corporations	264.727	331.255	255.494	108.311	61.382	61.393	32.196	168.254	1.283.012
SMEs and individual entrepreneurs	2.571.076	1.178.763	747.081	450.108	380.939	459.864	233.975	1.003.894	7.025.700
Other households	5.985.974	5.412.466	2.010.586	1.856.943	1.380.956	1.019.028	1.386.127	2.732.692	21.784.772
Homes	5.040.146	5.166.208	1.896.720	1.769.598	1.327.314	933.230	1.308.370	2.533.414	19.975.000
Consumption	261.832	111.560	48.071	38.899	26.086	43.746	38.552	117.346	686.092
Other purposes	683.996	134.698	65.795	48.446	27.556	42.052	39.205	81.932	1.123.680
Total	10.364.389	12.528.549	3.103.953	2.623.223	2.099.159	1.697.725	1.741.085	4.392.212	47.741.903

(*) The risk pertains to the Central Government and is not allocated by Autonomous Region.

2.6.4 Assets foreclosed or acquired in payment for debts.

The following is a breakdown regarding foreclosed or acquired real estate assets in payment of debt on 30 September 2019 and 31 December 2018:

Thousands of euros				
30/09/2019				
	Gross carrying amount (*)	Total allowances for impairment losses	Of which: Allowances for impairment losses from the time of the foreclosure	Carrying amount
Real estate assets acquired from loans for real estate construction and development	611.136	(349.491)	(211.752)	261.645
Buildings and other completed constructions	78.341	(32.679)	(17.669)	45.662
<i>Housing</i>	23.448	(10.376)	(5.438)	13.072
<i>Other</i>	54.893	(22.303)	(12.231)	32.590
Buildings and other constructions under construction	10.921	(3.738)	(838)	7.183
<i>Housing</i>	8.490	(2.860)	(732)	5.630
<i>Other</i>	2.431	(878)	(106)	1.553
Land	521.874	(313.074)	(193.245)	208.800
<i>Consolidated urban land</i>	210.146	(121.212)	(68.592)	88.934
<i>Other land</i>	311.728	(191.862)	(124.653)	119.866
Real estate assets acquired in mortgage loans to households for housing acquisition	60.400	(21.945)	(7.791)	38.455
Other foreclosed or received real estate assets in payment of debt	29.367	(16.486)	(5.512)	12.881
	700.903	(387.922)	(225.055)	312.981

(*) Amount before deducting the allowances for impairment loss

Thousands of euros				
31/12/2018				
	Gross carrying amount (*)	Total allowances for impairment losses	Of which: Allowances for impairment losses from the time of the foreclosure	Carrying amount
Real estate assets acquired from loans for real estate construction and development	673.356	(406.690)	(262.762)	266.666
Buildings and other completed constructions	92.165	(37.441)	(20.120)	54.724
<i>Housing</i>	30.743	(13.511)	(6.712)	17.232
<i>Other</i>	61.422	(23.930)	(13.408)	37.492
Buildings and other constructions under construction	10.212	(3.706)	(682)	6.506
<i>Housing</i>	7.782	(2.828)	(576)	4.954
<i>Other</i>	2.430	(878)	(106)	1.552
Land	570.979	(365.543)	(241.960)	205.436
<i>Consolidated urban land</i>	213.594	(129.159)	(72.279)	84.435
<i>Other land</i>	357.385	(236.384)	(169.681)	121.001
Real estate assets acquired in mortgage loans to households for housing acquisition	57.102	(19.790)	(6.705)	37.312
Other foreclosed or received real estate assets in payment of debt	36.509	(20.289)	(6.404)	16.220
	766.967	(446.769)	(275.871)	320.198

(*) Amount before deducting the allowances for impairment loss

2.6.5 Policies for the management of problematic assets

The Group establishes specific policies relating to the management of assets of the real estate sector, affected very specifically by the recent crisis.

These policies are focused on favouring the compliance of the obligations of the borrowers and mitigate the risks to which the Group is exposed. In this sense, alternatives are searched for that allow for the completion and sale of the projects, analysing the renegotiation of the risks if it improves the credit position of the Group and with the basic purpose that the borrower can maintain his/her commercial activity. To do so, they keep in mind the previous experience with the borrower, the apparent willingness of payment and the improvement of the Group in terms of expected loss, seeking to increase the guarantees of the credits and not increase the customer's risk.

Additionally, the Group supports the promoters once the promotions are finished, working together in the management and speeding up of sales.

In the case that the support measurements are not possible or sufficient, other alternatives are searched for such as the granting in payment or the purchase of assets, with legal claim and subsequent acquisition of real estate being the last option.

All assets that become part of the Group's balance sheet are managed seeking their divestment or lease.

To do so, the Group has agreements with third parties or has instrumental companies, specialised in the management of urban projects, sale of real estate and lease of real estate assets. The Group has specific Units to implement these strategies and coordinate the actions of instrumental subsidiaries, the branch office network and the rest of actors involved. Additionally, the Group has the website <https://portalinmobiliario.ibercaja.es> as one of the main tools with which these assets are publicised.

2.6.6 Information concerning refinancing and restructuring

The Group follows a policy aimed at utilising operations refinancing and restructuring as credit risk management instruments which, when implemented prudently and appropriately, contribute to improving risk quality, based on individualised analyses focused on providing economic viability to borrowers that, at some stage of the transaction, undergo transitory difficulties to meeting their payments commitments promptly at the time they fall due. The policy is aimed at:

- Ensuring the economic feasibility of borrowers and operations (grant of interest free periods, increase in timeframes, etc.).
- Improving as far as possible the Entity's risk position through the delivery of additional effective guarantees and the review of existing guarantee.

Acceptance of transactions:

In general, refinancing/restructuring transactions must meet the following requirements:

- Feasibility analysis based on the existence of the customer's intention and capacity to pay which although impaired with respect to inception, should exist under the new conditions.
- Bringing instalments into line with the client's real payment capacity following an up-to-date analysis of the borrower's supporting economic-financial situation.
- Assessment of the borrower's/operation's compliance record.
- Assessment of the effectiveness of existing guarantees and new guarantees to be provided. To this end, the following are considered effective guarantees:
 - Guarantees pledged over cash deposits, listed equity instruments and debt securities.

- Mortgage guarantees over housing, offices and multi-purpose entities and rural properties.
- Personal guarantees (guarantee deposits, new holders etc.) fully covering the guaranteed risk.

Sanctions:

The branch network is not authorised to sanction refinancing or restructuring operations.

This pertains to the units of the Credit Risk Department and the attributions are significantly reduced when the refinancing/restructuring operation required the transaction to be classified as non-performing.

In 2012 Ibercaja adhered to the Code of Good Practice for the viable restructuring of debts secured by mortgages over habitual dwellings governed by Royal Decree 6/2012.

A breakdown of refinancing and restructuring balances at 30 September 2019 and 31 December 2018 can be seen below:

	Thousands of euros			
	30/09/2019		31/12/2018	
	Total	Of which: default/not- performing	Total	Of which: default/not- performing
Gross amount	1.159.438	820.163	1.878.722	1.451.618
Accumulated negative changes in fair value due to credit risk from non-performing exposures	2.231	2.231	2.222	2.222
Allowances for impairment of assets	317.986	288.913	645.863	607.988
Of which: collective	210.684	185.179	286.453	252.714
Of which: individual	107.302	103.734	359.410	355.274
Net amount	839.221	529.019	1.230.637	841.408
Value of the collateral received	1.212.773	839.470	1.878.568	1.399.619
Value of collateral	873.577	608.726	1.358.376	1.015.222
Value of other collateral	339.196	230.744	520.192	384.397

The total carrying amount of the financing granted to customers at 30 September 2019 amounted to 32,015,446 thousand euros (32,585,104 thousands of euros as at 31 December 2018).

The changes in refinanced and restructured operations during the nine-month periods ended 30 September 2019 and 30 September 2018 are shown below:

	Thousands of euros	
	2019	2018
Balance at 1 January	1.878.722	2.500.207
(+) Refinancing and restructuring in the period	55.700	43.951
<i>Memorandum items: impact recognised in the statement of profit and loss for the period</i>		
	12.954	10.409
(-) Debt repayments	174.722	203.167
(-) Foreclosures	22.318	31.600
(-) Derecognitions (reclassification to written-off assets)	23.909	30.833
(+)/(-) Other changes (*)	(554.035)	(143.336)
Balance at 30 September	1.159.438	2.135.222

(*) Includes operations that are no longer classified as refinancing, refinanced or restructured as the requirements for reclassification from performing exposures under special vigilance to performing exposures and operations of this type included in the loan book (explained in Note 5.4.1) have been met.

The breakdown of current balances of refinancing and restructuring as at 30 September 2019 is as follows:

Thousands of euros							
Total							
Unsecured loans		Secured loans				Accumulated impairment or accumulated losses in fair value due to credit risk	Carrying amount
No. of transactions	Gross carrying amount	No. of transactions	Gross carrying amount	Maximum amount of the collateral that can be considered			
				Real estate collateral	Other collateral		
Credit institutions	-	-	-	-	-	-	-
Public administrations	3	1.997	5	2.722	2.060	-	1.055
Other financial companies and individual entrepreneurs (financial business activity)	3	34	1	30	30	-	35
Non-financial companies and individual entrepreneurs (non-financial business activity)	1.592	112.584	1.639	352.548	227.086	56	177.216
<i>Of which: financing for real estate construction and development (including land)</i>	24	14.486	236	162.026	93.380	-	75.864
Other household	3.830	37.260	7.099	652.263	506.662	43	141.911
Total	5.428	151.875	8.744	1.007.563	735.838	99	320.217
Additional information Financing classified as non-current assets and disposal groups of items classified as held for sale	-	-	-	-	-	-	-

Thousands of euros							
Of which: default/non-performing							
Unsecured loans		Secured loans				Accumulated impairment or accumulated losses in fair value due to credit risk	Carrying amount
No. of transactions	Gross carrying amount	No. of transactions	Gross carrying amount	Maximum amount of the collateral that can be considered			
				Real estate collateral	Other collateral		
Credit institutions	-	-	-	-	-	-	-
Public administrations	1	692	2	874	213	-	1.055
Other financial companies and individual entrepreneurs (financial business activity)	3	34	-	-	-	-	34
Non-financial companies and individual entrepreneurs (non-financial business activity)	999	72.601	1.121	264.009	150.848	-	165.355
<i>Of which: financing for real estate construction and development (including land)</i>	20	13.857	198	140.121	72.960	-	74.451
Other household	2.331	25.994	4.791	455.959	335.934	18	124.700
Total	3.334	99.321	5.914	720.842	486.995	18	291.144
Additional information Financing classified as non-current assets and disposal groups of items classified as held for sale	-	-	-	-	-	-	-

The breakdown of current balances of refinancing and restructuring as at 31 December 2018, is as follows:

	Thousands of euros							
	Total							
	Unsecured loans		Secured loans				Accumulated impairment or accumulated losses in fair value due to credit risk	Carrying amount
	No. of transactions	Gross carrying amount	No. of transactions	Gross carrying amount	Maximum amount of the collateral that can be considered			
Real estate collateral					Other collateral			
Credit institutions	-	-	-	-	-	-	-	-
Public administrations	7	3.777	8	4.074	3.473	-	1.056	6.795
Other financial companies and individual entrepreneurs (financial business activity)	6	176	3	132	119	-	157	151
Non-financial companies and individual entrepreneurs (non-financial business activity)	1.833	180.906	2.621	884.404	493.237	324	489.299	576.011
<i>Of which: financing for real estate construction and development (including land)</i>	91	48.074	519	512.212	255.706	-	289.311	270.975
Other households	4.602	42.604	8.247	762.649	598.322	44	157.573	647.680
Total	6.448	227.463	10.879	1.651.259	1.095.151	368	648.085	1.230.637
Additional information Financing classified as non-current assets and disposal groups of items classified as held for sale	-	-	-	-	-	-	-	-

	Thousands of euros							
	Of which: default/non-performing							
	Unsecured loans		Secured loans				Accumulated impairment or accumulated losses in fair value due to credit risk	Carrying amount
	No. of transactions	Gross carrying amount	No. of transactions	Gross carrying amount	Maximum amount of the collateral that can be considered			
Real estate collateral					Other collateral			
Credit institutions	-	-	-	-	-	-	-	-
Public administrations	3	1.941	2	874	273	-	1.056	1.759
Other financial companies and individual entrepreneurs (financial business activity)	4	140	2	99	87	-	154	85
Non-financial companies and individual entrepreneurs (non-financial business activity)	1.158	138.982	1.908	759.598	384.790	172	472.875	425.705
<i>Of which: financing for real estate construction and development (including land)</i>	88	47.274	464	474.087	220.128	-	287.103	234.258
Other households	2.522	27.663	5.379	522.321	389.427	25	136.125	413.859
Total	3.687	168.726	7.291	1.282.892	774.577	197	610.210	841.408
Additional information Financing classified as non-current assets and disposal groups of items classified as held for sale	-	-	-	-	-	-	-	-

The detail of the refinanced or restructured transactions is attached that, after the restructuring or refinancing, have been classified as non-performing during the first nine months of 2019 and during 2018:

	Thousands of euros	
	30/09/2019	31/12/2018
Public administrations	-	-
Other legal persons and individual entrepreneurs	8.760	48.946
<i>Of which: financing for real estate construction and development</i>	784	28.662
Other individuals	17.579	46.986
Total	26.339	95.932

2.6.7 Exposure to sovereign debt

Below, the following information is detailed regarding the exposure to sovereign debt at 30 September 2019 and 31 December 2018:

- Breakdown of the gross amount of the exposure per country:

	Thousands of euros	
	30/09/2019	31/12/2018
Spain	9.860.264	10.071.844
Italy	1.029.586	996.636
Portugal	53.116	75.123
France	23.859	23.887
United States	-	63.802
Other	6.893	9.185
	10.973.718	11.240.477
Of which: from the insurance company	5.480.842	5.113.817

- Breakdown of the gross amount of the exposure per portfolio in which the assets are recorded:

	Thousands of euros	
	30/09/2019	31/12/2018
Financial assets held for trading	-	-
Financial assets at fair value through profit or loss	7.815	6.079
Financial assets at fair value through other comprehensive income	5.572.639	6.380.314
Financial assets at amortised cost	5.393.264	4.854.084
	10.973.718	11.240.477
Of which: from the insurance company	5.480.842	5.113.817

The gross amount shown in the above table corresponds to the maximum credit risk exposure in relation to each financial instrument.

- Breakdown of the term to residual maturity of the exposure per portfolio in which the assets are recorded:

	Thousands of euros					
	30/09/2019					
	Up to 3 months	From 3 months to 1 year	1 to 3 years	3 to 5 years	Over 5 years	Total
Financial assets at fair value through profit or loss	-	-	-	5.657	2.158	7.815
Financial assets at fair value through other comprehensive income	139.565	536.422	1.233.002	813.794	2.849.856	5.572.639
Financial assets at amortised cost	27.772	174.575	290.512	582.472	4.317.933	5.393.264
Total	167.337	710.997	1.523.514	1.401.923	7.169.947	10.973.718
Of which: from the insurance company	139.565	410.472	1.189.822	820.929	2.920.054	5.480.842

	Thousands of euros					
	31/12/2018					
	Up to 3 months	From 3 months to 1 year	1 to 3 years	3 to 5 years	Over 5 years	Total
Financial assets at fair value through profit or loss	-	-	-	1.536	4.543	6.079
Financial assets at fair value through other comprehensive income	23.973	326.052	1.967.645	895.838	3.166.806	6.380.314
Financial assets at amortised cost	121.592	84.226	402.201	309.008	3.937.057	4.854.084
Total	145.565	410.278	2.369.846	1.206.382	7.108.406	11.240.477
of which: from the insurance company	23.973	325.165	1.260.290	791.349	2.713.040	5.113.817

- Other information
 - Fair value. The fair value of instruments in the portfolio of financial assets held for trading, the portfolio of financial assets designated at fair value through profit or loss and the portfolio of financial assets at fair value through other comprehensive income matches the amount indicated above.
 - Note 12 sets out the methodology for measuring the portfolio of financial assets at amortised cost. Except for this portfolio, the remaining fair value associated with sovereign risk is obtained using tier 1 valuation techniques (as described in Note 12).
 - The effect of a variation of 100 basis points in the interest rates would have an effect on the fair value of -6.16% (-6.24% in financial year 2018).

2.7 Other information

Materiality

For the purposes of preparing the interim financial statements as at 30 September 2019, the materiality of the items and information presented has been evaluated on the basis of the figures shown in those interim financial statements and not on the basis of the amounts or balances corresponding to an annual period.

Earnings per share

- Basic earnings per share: is determined by dividing the net profit attributable to the Group for the year by the weighted average number of outstanding shares, excluding the average number of treasury shares held, during that period.
- Diluted earnings per share: for its calculation, both the amount of profit or loss attributable to ordinary shareholders and the weighted average number of shares outstanding, net of treasury shares, are adjusted for all dilutive effects inherent in potential ordinary shares (share options, warrants and convertible debt).

Basic and diluted earnings per share at 30 September 2019 and 2018 are detailed below:

	30/09/2019	30/09/2018
Earnings per share numerator		
Profit/(loss) attributed to the parent (thousands of euros)	91.425	72.548
Adjusted profit (thousands of euros)	91.425	72.548
Earnings per share denominator		
Average weighted number of shares	909.740.624	2.144.275.998
Basic and diluted earnings per share (euros)	0,10	0,03

Information regarding dividends paid

The following is detailed information as at 30 September 2019 and 2018 on dividends paid:

	30/09/2019			30/09/2018		
	€ per share	Amounts (thousands of euros)	No shares to be delivered	€ per share	Amounts (thousands of euros)	No shares to be delivered
Ordinary shares	1,92%	0,02	17.500	0,82%	0,01	17.500
Other shares (no voting rights, callable, etc.)	-	-	-	-	-	-
Total dividends paid	1,92%	0,02	17.500	0,82%	0,01	17.500
a) Dividends charged to income statement	1,92%	0,02	17.500	0,82%	0,01	17.500
b) Dividends charged to reserves or share premium	-	-	-	-	-	-
c) Dividends in kind	-	-	-	-	-	-

Seasonality of operations

Given the nature of the activities and operations carried out by the Group, they are not affected by the seasonality or cyclical factors that may exist in other types of business.

Solvency information

At 30 September 2019, the Ibercaja Banco Group was complying with the minimum solvency ratios (Basel Pillar I) demanded by current regulations, as detailed in the following tables:

	30/09/2019	31/12/2018
Capital ratios		
Eligible common equity tier 1 (thousands of euros) (a)	2.509.642	2.495.554
Additional eligible equity tier 1 (thousands of euros) (b)	350.000	350.000
Eligible equity tier 2 (thousands of euros) (c)	482.800	487.640
Risks (thousands of euros) (d)	20.425.986	21.379.068
Common equity tier 1 ratio (CET 1) (A)=(a)/(d)	12,29%	11,67%
Additional tier 1 capital ratio (AT 1) (B)=(b)/(d)	1,71%	1,64%
Tier 1 capital ratio (Tier 1) (A)+(B)	14,00%	13,31%
Tier 2 capital ratio (Tier 2) (C)=(c)/(d)	2,36%	2,28%
Total capital ratio (A)+(B)+(C)	16,36%	15,59%

	30/09/2019	31/12/2018
Market leverage		
Tier 1 capital (thousands of euros) (a)	2.859.642	2.845.554
Exposure (thousands of euros) (b)	46.023.615	47.133.663
Leverage ratio (a)/(b)	6,21%	6,04%

Pursuant to the requirements established in the CRR, credit institutions must comply at all times with a CET1 ratio of 4.5%, Tier I of 6% and a total solvency ratio of 8%. However, under the new regulatory framework, the regulators may request the entities to maintain additional levels of capital.

Accordingly, the European Central Bank (ECB) notified its decision with respect to the prudent minimum capital requirements for 2019 applicable to Ibercaja Banco, following the supervisory review and evaluation process (SREP).

The decision means that Ibercaja Banco must maintain a phased-in common equity tier 1 (CET1) ratio of 9% and a total capital ratio of 12.50%. This total capital requirement includes the minimum demanded for Pillar 1 (4.5% CET 1 and 8% of total capital), the Pillar 2 requirement (2%) and the capital conservation buffer (2.5%).

At 30 September 2019, Ibercaja Banco's consolidated ratios, CET1 of 12.29% and total capital of 16.36%, stood at 3.29 points and 3.86 points, respectively, above the regulatory requirements established for 2019.

Other events

In the first nine months of 2019, there was no significant events whose nature, amount or impact might significantly affect the Group's assets, liabilities, equity or results, except for those indicated in the different sections of these Notes.

3. Composition of Ibercaja Banco Group

Note 2 to the consolidated financial statements of the Ibercaja Banco Group at 31 December 2018 describes the criteria used by the Group to consider an entity to be a subsidiary, jointly controlled entity or associate, together with the consolidation and measurement methods applied to each of them for the purposes of preparing these consolidated financial statements. Appendices I and II to said consolidate report include a listing of the companies considered to be subsidiaries, jointly controlled entities and associates, respectively, for the purposes of preparing the aforementioned consolidated financial statements, together with certain relevant information thereon available at the date of preparation.

In these interim financial statements at 30 September 2019, the criteria applied to consider a company to be a subsidiary, jointly controlled entity or associate and the consolidation or measurement methods applied to each type of company have not changed with respect to 31 December 2018.

The nine months ended 30 September 2019 saw the following acquisitions or other increases in holdings in subsidiaries, joint ventures and/or investments in associates:

Name of entity (or activity) acquired or merged	Category	Effective date of operation	Cost (net) of combination (a) + (b) (thousands of euros)		% voting rights acquired	% of total voting rights in the entity following acquisition
			Amount (net) paid in acquisition + other costs directly attributable to combination (a)	Fair value of equity instruments issued for acquisition of entity (b)		
Viacajas, S.L.	Associate	25/07/2019	82.175	81.194	0,26%	16,13%

The following is a breakdown of the decrease at 30 September 2019 of holdings in subsidiaries, joint ventures and/or investments in associates or similar operations:

Name of entity (or activity) disposed of, spun off or written off	Category	Effective date of operation	% of voting rights disposed of or written off	% of total voting rights in the entity following disposal	Profit /(loss) generated (thousands of euros)
Ibercaja Global International SICAV	Associate	01/04/2019	46,65%	-	-

4. Segment reporting

The ultimate decision-making body responsible for defining the operating segments is the Group's Management Committee. The Group has concluded that there are no distinct segments, as the results of its activities are not examined on an independent basis by Management, for the following reasons:

- The services provided to customers do not differ significantly from each other, and therefore there is no justification for a differentiated supervision.
- Non-banking activities (not including the marketing of bancassurance products) are immaterial.

The Group carries out all its activity in Spain. The Group therefore considers it has a single geographical segment for operating purposes.

5. Financial assets

5.1. Disclosure of financial assets

The breakdown, by type and category, of the financial assets included in the Bank's balance sheet and in the Group's consolidated balance sheet as at 30 September 2019 and 31 December 2018, is as follows:

Thousands of euros				
30/09/2019				
Financial assets held for trading	Financial assets not held for trading mandatorily measured at fair value through profit or loss	Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income	Financial assets at amortised cost
Derivatives	7.114	-	-	-
Equity instruments	-	-	337.371	-
Debt securities	-	10.350	316.255	6.434.080
Loans and advances	-	14.287	-	32.694.055
Central banks	-	-	-	-
Credit institutions	-	-	-	466.793
Customers	-	14.287	-	32.227.262
BANK TOTAL	7.114	24.637	653.626	39.128.135
Derivatives	8.282	-	-	-
Equity instruments	-	166.758	371.376	-
Debt securities	-	78.035	9.249	6.519.746
Loans and advances	-	14.287	-	32.543.288
Central banks	-	-	-	-
Credit institutions	-	-	-	527.842
Customers	-	14.287	-	32.015.446
GROUP TOTAL	8.282	259.080	9.249	39.063.034

Thousands of euros				
31/12/2018				
Financial assets held for trading	Financial assets not held for trading mandatorily measured at fair value through profit or loss	Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income	Financial assets at amortised cost
Derivatives	5.632	-	-	-
Equity instruments	-	-	314.295	-
Debt securities	-	13.554	1.625.424	6.446.612
Loans and advances	-	19.730	-	33.369.935
Central banks	-	-	-	-
Credit institutions	-	-	-	207.728
Customers	-	19.730	-	33.162.207
BANK TOTAL	5.632	33.284	1.939.719	39.816.547
Derivatives	7.411	-	-	-
Equity instruments	-	38.852	340.000	-
Debt securities	-	82.733	9.575	6.544.456
Loans and advances	-	19.730	-	32.833.960
Central banks	-	-	-	-
Credit institutions	-	-	-	248.856
Customers	-	19.730	-	32.585.104
GROUP TOTAL	7.411	141.315	9.575	39.378.416

5.2. Financial assets not held for trading mandatorily measured at fair value through profit or loss

5.2.1 Breakdown of the balance and maximum credit risk

Below is a breakdown of the financial assets included in this category at 30 September 2019 and 31 December 2018:

	Thousands of euros	
	30/09/2019	31/12/2018
Debt securities	78.035	82.733
<i>Unimpaired assets</i>	78.035	82.733
<i>Impaired assets</i>	-	-
Credits and loans	16.518	21.952
<i>Unimpaired assets</i>	14.287	19.730
<i>Impaired assets</i>	2.231	2.222
Shares	-	400
Ownership interests in Investment Funds	166.758	38.452
Total gross amount	261.311	143.537
(Accumulated negative changes in fair value due to credit risk from non-performing exposures)	(2.231)	(2.222)
Total net amount	259.080	141.315

5.3. Financial assets at fair value through other comprehensive income

5.3.1 Breakdown of the balance and maximum credit risk

Below is a breakdown of the financial assets included in this category at 30 September 2019 and 31 December 2018:

	Thousands of euros	
	30/09/2019	31/12/2018
Debt securities	7.530.642	8.425.514
<i>Unimpaired assets</i>	7.530.642	8.425.514
<i>Impaired assets</i>	-	-
Equity instruments	371.376	340.000
Total gross amount	7.902.018	8.765.514
(Impairment losses)	(8.735)	(10.874)
Total net amount	7.893.283	8.754.640

The entirety of losses from impairment detailed in the table above are related to the hedge against credit risk of debt securities, which are reversible.

In the first nine months of 2019, the Group, on the basis of the latest Business Plan approved by Sociedad de Gestión de Activos procedentes de la Reestructuración Bancaria (SAREB), has decreased the value of the interest it holds in this entity by €7,147 thousand, with a charge to consolidated equity. At 30 September 2019, the decrease in the fair value of this ownership interest amounted to €48,629 thousand and the ownership interest was fully impaired (carrying amount of €7,147 thousand at 31 December 2018).

5.3.2 Credit risk hedges

The movement of the registered impairment losses for the credit risk hedge of the debt securities during the nine-month periods ended 30 September 2019 and 2018 is presented below:

	Thousands of euros	
	30/09/2019	30/09/2018
Opening balance	10.874	3.071
First-time application of IFRS9 9	-	3.688
Transfer charged to profit for the year	4.837	3.358
Reversal of provisions taken to income statement	(6.097)	(3.785)
Amounts used	(1.135)	-
Exchange differences and other movements	256	198
Closing balance	8.735	6.530
Of which:		
- Individually determined	2.077	-
- Collectively determined	6.658	6.530

5.4. Financial assets at amortised cost

5.4.1 Breakdown of the balance and maximum credit risk

Below is a breakdown of the financial assets included in this category at 30 September 2019 and 31 December 2018:

	Thousands of euros	
	30/09/2019	31/12/2018
Debt securities	6.520.090	6.544.728
<i>Unimpaired assets</i>	6.520.090	6.544.728
<i>Impaired assets</i>	-	-
Loans and advances	33.293.260	33.950.668
Credit institutions	527.842	248.856
Customers	32.765.418	33.701.812
<i>Unimpaired assets</i>	31.244.014	31.429.476
<i>Impaired assets</i>	1.521.404	2.272.336
Total gross amount	39.813.350	40.495.396
(Impairment losses)	(750.316)	(1.116.980)
Total net amount	39.063.034	39.378.416

On 27 June 2019, Ibercaja Banco, S.A. entered into a contract for the sale of a book of mostly doubtful loans with a nominal value of 534 million euros to Melf Investment Holding II, S.A.R.L. The negative impact of the operation, 27 million euros, was registered under heading "Net gains or losses derecognised in financial asset and liability accounts not measured at fair value through profit or loss" of the condensed consolidated interim income statement (Note 14.6).

5.4.2 Impaired assets

The financial assets classified as financial assets at amortised cost and considered as impaired owing to their credit risk are shown below as at 30 September 2019 and 31 December 2018

	Thousands of euros	
	30/09/2019	31/12/2018
Resident public administrations	2.759	2.833
Other resident sectors	1.512.652	2.261.753
Other non-resident sectors	5.993	7.750
	1.521.404	2.272.336

5.4.3 Credit risk hedges

The changes in the gross balance of financial assets included in this category in the nine-month periods ended 30 September 2019 and 2018 are presented below:

Thousands of euros				
30/09/2019				
	Stage 1	Stage 2	Stage 3	Total
Gross balance at 1 January	36.671.116	1.551.944	2.272.336	40.495.396
Transfers:	68.930	(106.200)	37.270	-
<i>from stage 1 to stage 2</i>	(451.804)	451.804	-	-
<i>from stage 1 to stage 3</i>	(44.423)	-	44.423	-
<i>from stage 2 to stage 3</i>	-	(93.558)	93.558	-
<i>from stage 3 to stage 2</i>	-	92.666	(92.666)	-
<i>from stage 2 to stage 1</i>	557.112	(557.112)	-	-
<i>from stage 3 to stage 1</i>	8.045	-	(8.045)	-
Increases	8.883.928	137.611	53.589	9.075.128
Decreases	(8.696.859)	(218.524)	(693.682)	(9.609.065)
Transfers to write-offs	-	-	(148.109)	(148.109)
Other movements	-	-	-	-
Gross balance at 30 September	36.927.115	1.364.831	1.521.404	39.813.350

Thousands of euros				
30/09/2018				
	Stage 1	Stage 2	Stage 3	Total
Gross balance at 1 January	33.614.785	2.063.919	2.556.949	38.235.653
Transfers:	96.170	(219.329)	123.159	-
<i>from stage 1 to stage 2</i>	(503.274)	503.274	-	-
<i>from stage 1 to stage 3</i>	(51.907)	-	51.907	-
<i>from stage 2 to stage 3</i>	-	(150.996)	150.996	-
<i>from stage 3 to stage 2</i>	-	74.963	(74.963)	-
<i>from stage 2 to stage 1</i>	646.570	(646.570)	-	-
<i>from stage 3 to stage 1</i>	4.781	-	(4.781)	-
Increases	8.358.930	90.100	50.552	8.499.582
Decreases	(6.375.186)	(227.465)	(224.051)	(6.826.702)
Transfers to write-offs	-	-	(107.796)	(107.796)
Other movements	-	-	-	-
Gross balance at 30 September	35.694.699	1.707.225	2.398.813	39.800.737

The movements are shown below of the impairment value corrections of the nine-month periods ended 30 September 2019 and 2018 and their accumulated value at the start and end of said periods of debt instruments of this portfolio classified as loans and receivables (thousands of euros):

Thousands of euros				
30/09/2019				
	Stage 1	Stage 2	Stage 3	Total
Balance at 1 January	55.379	85.351	976.250	1.116.980
<i>Of which:</i>				
- Individually determined	-	9.171	435.813	444.984
- Collectively determined	55.379	76.180	540.437	671.996
Changes through profit or loss:	(75.325)	44.177	139.164	108.016
Increases in origination	24.594	-	-	24.594
Changes due to changes in credit risk	(81.228)	50.693	132.175	101.640
Changes in calculation method	-	-	-	-
Other	(18.691)	(6.516)	6.989	(18.218)
Changes other than through profit or loss:	72.988	(59.993)	(487.675)	(474.680)
Transfers:	72.988	(59.993)	(12.995)	-
<i>from stage 1 to stage 2</i>	(13.288)	13.288	-	-
<i>from stage 1 to stage 3</i>	(271)	-	271	-
<i>from stage 2 to stage 3</i>	-	(12.810)	12.810	-
<i>from stage 3 to stage 2</i>	-	23.470	(23.470)	-
<i>from stage 2 to stage 1</i>	83.941	(83.941)	-	-
<i>from stage 3 to stage 1</i>	2.606	-	(2.606)	-
Existing provisions utilised	-	-	(464.798)	(464.798)
Other movements	-	-	(9.882)	(9.882)
Balance at 30 September	53.042	69.535	627.739	750.316
<i>Of which:</i>				
- Individually determined	-	8.534	153.204	161.738
- Collectively determined	53.042	61.001	474.535	588.578

Thousands of euros				
30/09/2018				
	Stage 1	Stage 2	Stage 3	Total
Balance at 1 January	58.672	112.704	1.060.363	1.231.739
<i>Of which:</i>				
- Individually determined	-	16.473	535.471	551.944
- Collectively determined	58.672	96.231	524.892	679.795
Changes through profit or loss:	(86.311)	58.665	127.303	99.657
Increases in origination	29.348	-	-	29.348
Changes due to changes in credit risk	(77.315)	65.811	140.365	128.861
Changes in calculation method	-	-	-	-
Other	(38.344)	(7.146)	(13.062)	(58.552)
Changes other than through profit or loss:	84.682	(84.266)	(146.503)	(146.087)
Transfers:	84.682	(84.266)	(416)	-
<i>from stage 1 to stage 2</i>	(13.795)	13.795	-	-
<i>from stage 1 to stage 3</i>	(755)	-	755	-
<i>from stage 2 to stage 3</i>	-	(20.546)	20.546	-
<i>from stage 3 to stage 2</i>	-	18.935	(18.935)	-
<i>from stage 2 to stage 1</i>	96.450	(96.450)	-	-
<i>from stage 3 to stage 1</i>	2.782	-	(2.782)	-
Existing provisions utilised	-	-	(121.469)	(121.469)
Other movements	-	-	(24.618)	(24.618)
Balance at 30 September	57.043	87.103	1.041.163	1.185.309
<i>Of which:</i>				
- Individually determined	-	11.554	479.506	491.060
- Collectively determined	57.043	75.549	561.657	694.249

The detail of the impaired losses by counterparty classes is as follows:

	Thousands of euros	
	30/09/2019	31/12/2018
Resident public administrations	2.247	1.074
Other resident sectors	745.166	1.112.825
Other non-resident sectors	2.903	3.081
	750.316	1.116.980

The various items recognised in the nine-month periods ended 30 September 2019 and 2018 under “Impairment or reversal of impairment of financial assets not measured at fair value through profit or loss - Financial assets at amortised cost” in the consolidated income statements for those years are presented below:

	Thousands of euros	
	30/09/2019	30/09/2018
Impairment losses credited to allowances for assets	108.016	99.657
Recovery of written-off assets	(5.541)	(4.847)
	102.475	94.810

The changes in exposures classified in stage 3 during the nine-month periods ended 30 September 2019 and 2018 are shown below:

	Thousands of euros	
	30/09/2019	30/09/2018
Opening balance	2.272.336	2.556.949
(+) Refinancing and restructuring	58.270	104.561
(+) Other additions of the period	185.230	220.974
(-) Foreclosures	(53.629)	(88.836)
(-) Collections and exits from NPE	(287.625)	(122.025)
(-) Derecognitions (reclassification to written-off assets)	(148.109)	(107.796)
(+)/(-) Other changes	(505.069)	(165.014)
Closing balance	1.521.404	2.398.813

6. **Non-current assets and disposal groups classified as held for sale**

The breakdown of the Group's non-current assets held for sale at 30 September 2019 and 31 December 2018 is shown below by type:

	Thousands of euros	
	30/09/2019	31/12/2018
Tangible assets	289.629	288.590
<i>Of which:</i>		
<i>Foreclosed assets</i>	226.973	225.680
<i>Other assets held for sale</i>	62.656	62.910
Other assets	-	-
	289.629	288.590

At 30 September 2019, the hedges created for total non-current assets held for sale represent 31% (33% at 31 December 2018).

Net provisions made in the first nine months of these years amounted to 10 and 37 million euros, respectively.

7. Tangible assets

For the preparation of the interim financial statements, all assets (such as properties, facilities, furniture, etc.) that were used, following their acquisition, in operations under a lease or for the Group's own use were classified as tangible assets.

At 1 January 2019, as a result of the entry into force of IFRS 16, the present value of the assets under lease rights of use was recognised for an amount of 62 million euros (see Note 2.3).

In addition, in the first nine months of 2019 and 2018, acquisitions of tangible assets amounted to 48 thousand and 47 thousand euros, gross, respectively.

In the first nine months of 2019 and 2018, derecognitions of tangible assets amounted to 48 thousand and 90 thousand euros, gross, respectively, with no individually significant profit or loss from sales.

In the first nine months of the year, 16 thousand euros in impairment losses were recognised on fixed assets for own use and 194 thousand euros in impairment reversal income were recognised on real estate investments (826 thousand euros in impairment losses and 48 thousand euros in impairment reversals, respectively, in the first nine months of 2018) under impairment of non-financial assets of the consolidated interim income statement.

At 30 September 2019 and 2018, the Group had no significant commitments for the purchase of tangible assets.

8. Intangible assets

a) Goodwill

The breakdown of the parties that include the balance of this heading of the consolidated balance as at 30 September 2019 and 2018 is the following:

Company	Thousands of euros	
	30/09/19	31/12/18
Banco Grupo Cajatres, S.A.U.	128.065	128.065
Caja Badajoz Vida y Pensiones, S.A. de Seguros	16.869	16.869
	144.934	144.934

Note 16 of the consolidated financial statements for the year ended on 31 December 2018 contains detailed information on the procedures used by the Group to analyse the potential loss of value of recognised goodwill against its recoverable amount and recognise, as the case may be, impairment.

In accordance with the foregoing, and based on the analysis of available information on the performance of the cash-generating units that might reveal signs of impairment, the Group's directors have concluded that there were losses of value that required recognition of impairment in the first nine months of 2019.

b) Other intangible assets

In the first nine months of 2019 and 2018, there were no impairment losses on intangible assets.

9. Financial liabilities

9.1 Disclosure of financial liabilities

The breakdown, by type and category, of the financial liabilities included in the Bank's balance sheet and in the Group's consolidated balance sheet as at 30 September 2019 and 31 December 2018, is as follows:

Thousands of euros		
30/09/2019		
	Financial liabilities held for trading	Financial liabilities at amortised cost
Derivatives	7.382	-
Short positions	-	-
Deposits	-	39.311.367
Central banks	-	3.331.783
Credit institutions	-	733.045
Customers	-	35.246.539
Debt securities issued	-	1.231.817
Other financial liabilities	-	994.422
BANK TOTAL	7.382	41.537.606
Derivatives	10.878	-
Short positions	-	-
Deposits	-	38.191.063
Central banks	-	3.331.783
Credit institutions	-	731.761
Customers	-	34.127.519
Debt securities issued	-	1.492.912
Other financial liabilities	-	1.074.894
GROUP TOTAL	10.878	40.758.869

Thousands of euros		
31/12/2018		
	Financial liabilities held for trading	Financial liabilities at amortised cost
Derivatives	5.147	-
Short positions	-	-
Deposits	-	40.070.662
Central banks	-	3.341.085
Credit institutions	-	1.236.203
Customers	-	35.493.374
Debt securities issued	-	1.300.189
Other financial liabilities	-	789.602
BANK TOTAL	5.147	42.160.453
Derivatives	8.691	-
Short positions	-	-
Deposits	-	38.658.120
Central banks	-	3.341.085
Credit institutions	-	1.236.219
Customers	-	34.080.816
Debt securities issued	-	1.640.432
Other financial liabilities	-	843.084
GROUP TOTAL	8.691	41.141.636

9.2 Issuance, repurchase or redemption of debt securities

The breakdown of and movements in issues, repurchases or redemptions of debt securities carried out in the nine-month periods ended 30 September 2019 and 2018 is as follows:

	Thousands of euros				Balance at 30/09/2019
	Balance at 01/01/2019	(+) Issues	(-) Repurchases or redemptions	(+/-) Exchange rate and other adjustments	
Debt securities issued in an EU member state that required registration of an information prospectus.	1.640.432	-	(152.094)	4.574	1.492.912
Debt securities issued in an EU member state that did not require registration of an information prospectus.	-	-	-	-	-
Other debt securities issued outside an EU member state	-	-	-	-	-
TOTAL	1.640.432	-	(152.094)	4.574	1.492.912

	Thousands of euros				Balance at 30/09/2018
	Balance at 01/01/2018	(+) Issues	(-) Repurchases or redemptions	(+/-) Exchange rate and other adjustments	
Debt securities issued in an EU member state that required registration of an information prospectus.	1.827.266	-	(174.598)	(7.978)	1.644.690
Debt securities issued in an EU member state that did not require registration of an information prospectus.	-	-	-	-	-
Other debt securities issued outside an EU member state	-	-	-	-	-
TOTAL	1.827.266	-	(174.598)	(7.978)	1.644.690

At 30 September 2019 and 2018 there were no debt securities issued at those dates by associates or third parties (outside the Ibercaja Banco Group) and guaranteed by the Bank or any other entity of the Ibercaja Banco Group.

The list of Ibercaja Banco Group Entities issuing debt is as follows:

Name	Relationship	Country
Ibercaja Banco, S.A.	Parent company	Spain

The credit ratings granted are as follows:

- Ibercaja Banco, S.A.

Company	Date		Short-term		Long-term		Outlook	
	2019	2018	2019	2018	2019	2018	2019	2018
Standard&Poors	April 2019	May 2018	B	B	BB+	BB+	Stable	Positive
Moody's	March 2019	November 2018	NP	NP	Ba3	Ba3	Positive	Stable
Fitch Ratings	March 2019	May 2018	B	B	BB+	BB+	Positive	Positive

There are no issues of debt securities made in the period between the beginning of the financial year and 30 September 2019 and 2018.

The list of repurchases or redemptions of debt securities made between the beginning of the financial year and 30 September 2019 is as follows:

Issue	ISIN code	Date	Repurchase or redemption amount	Interest rate	Market	Guarantees
14 issue of Ibercaja subordinated obligations Preference shares Ibercaja Banco TDA Securitisation Bonds	ES0214954150 ES0114954003 (*)	April 19 January 2019 Jan.-Sept. 2019	76.804	0,55%	AIAF Market	(a)
			5.000	1,81%	AIAF Market	(a)
			70.290	(**)	AIAF Market	(b)
			152.094			

(*) For each bond or promissory note issue made in each programme with the same maturity, a single ISIN code is assigned.

(**) Reference rate (3M EURIBOR) plus the margin applicable to each issue.

Regarding guarantees granted: (a) Equity of Ibercaja Banco and (b) Mortgage portfolio.

In addition, in the first nine months of 2019 there were 750,000 thousand euros of own mortgage bonds maturing.

The list of repurchases or redemptions of debt securities made between the beginning of the previous financial year and 30 September 2018 is as follows:

Issue	ISIN code	Date	Repurchase or redemption amount	Interest rate	Market	Guarantees
13 issue of Ibercaja subordinated obligations Ibercaja Banco TDA Securitisation Bonds	ES0214954135 (*)	April 18 Jan.-Sept. 2018	45.414	0,54%	AIAF Market	(a)
			129.184	(**)	AIAF Market	(b)
			174.598			

(*) For each bond or promissory note issue made in each programme with the same maturity, a single ISIN code is assigned.

(**) Reference rate (3M EURIBOR) plus the margin applicable to each issue.

Regarding guarantees granted: (a) Equity of Ibercaja Banco and (b) Mortgage portfolio.

10. Provisions and contingencies

The provisions recognised in the consolidated balance sheet at 30 September 2019 and 31 December 2018 were as follows:

	Thousands of euros	
	30/09/2019	31/12/2018
Pensions and other post-employment defined benefit obligations	124.015	124.265
Other long term employee remuneration	613	1.931
Lawsuits and litigation for outstanding taxes	9.027	9.027
Commitments and guarantees given	28.931	33.465
Other provisions	152.345	180.123
	314.931	348.811

The item "Other provisions" breaks down as follows:

- A significant portion of the balance relates to the labour cost of redundancy proceedings in 2013, 2014, 2015 and 2017 pending payment (75,350 thousand and 30 thousand euros at 30 September 2019 and 31 December 2018).
- With regard to the possible impact of the refund of the amounts perceived as a result of the application of the so-called interest rate floor clauses, either as a result of the hypothetical cancellation by the courts of the floor clauses, either through the application of Royal Decree Law 1/2017, of 20 January, on measures to protect consumers regarding floor clauses, the Company has reserves to cover a hypothetical legal risk deriving from the potential elimination of the floor clauses in mortgages which would cover, where applicable, the maximum estimated amount of 16 million at 30 September 2019.

Neither the European Court of Justice's judgement published on 21 December 2016 nor Royal Decree-Law 1/2017 (20 January) presuppose or prejudge the validity of the interest rate floor clauses in mortgages granted by the Entity, which does business with a firm commitment to transparent customer relations. The Group has also negotiated agreements declared valid by the Supreme Court, with some of the borrowers of mortgage portfolios that contain interest rate floor clauses. On 26 June and 12 December 2018, a Lower Court requested a preliminary ruling from the Court of Justice of the European Union ("CJEU") based on an apparent conflict between the preliminary ruling of the Spanish Supreme Court that confirms the validity of these amendment agreements and EU legislation on unfair terms in consumer contracts. At the date of these interim financial statements, the Attorney General of the European Union has still not issued the decision on this matter, but is expected to do so shortly. The effect of an unfavourable decision of the CJEU is difficult to quantify beforehand, as it depends on a variety of factors that are not yet clear.

- A preliminary ruling has been submitted to the CJEU that questions the validity, due to supposed lack of transparency, of the agreements on mortgage loans subject to the Mortgage Loan Reference Index (MLRI). This preliminary ruling was presented by a Lower Investigation Court several months after the Spanish Supreme Court established the legal status of these contracts on 14 December 2017. On 10 September 2019, the Attorney General of the European Union declared his judgment on this matter (Judgment of the Attorney General) according to which (i) Directive 93/13 is applicable to the matter of reference and (ii) the national judges should be the competent authority to supervise the transparency of the clause in dispute and verify the following, taking into consideration all the circumstances affecting the signing of the contract at the time of execution, (a) if the agreement establishes a transparent method to calculate the interest rate, thereby allowing the consumer to assess the economic consequences that would affect them based in accurate and intelligible criteria (b) if the agreement meets all the information requirements set forth in national regulations. The Judgment of the Attorney General does not consider whether the MLRI or the clause that includes it in the pertinent loan agreements are, per se, abusive or null. The judgment is not binding for the CJEU and the decision of the CJEU will be issued at a late date. Therefore, to date, the Entity cannot anticipate whether the sentence of the CJEU will confirm the conclusions reached by the Attorney General.
- The remainder of the balance relates to the coverage of other ordinary business risks.

11. **Equity**

In 2019 capital was reduced by 1,929,848 thousand euros in order to set up a restricted voluntary reserve for this amount. This reduction was achieved by reducing the nominal value of all the shares into which the share capital is divided by 90%, and then grouping the number of outstanding shares by exchanging each 10 pre-existing shares of ten euro cents in nominal value for a new share of one euro at nominal value. The reduction in capital affects all the Company's shares equally, and there is no disparity in treatment between them.

In addition, part of the legal reserve has been allocated to the creation of a voluntary reserve of 200 million euros. The legal reserve after the operation amounts to 73 million euros.

Share capital at 30 September 2019 consists of 214,427,597 shares (2,144,275,998 shares at 31 December 2018), with a par value of €1 each, fully subscribed and paid out, of the same class and series. The Bank's shares are represented by bearer certificates.

The shareholders of Ibercaja Banco, S.A. are as follows:

	Thousands of euros	
	30/09/2019	31/12/2018
Fundación Bancaria Ibercaja	87,80%	87,80%
Fundación Caja de Ahorros de la Inmaculada de Aragón	4,85%	4,85%
Cajacírculo Fundación Bancaria	3,45%	3,45%
Fundación Ordinaria Caja de Badajoz	3,90%	3,90%

12. Fair value of financial assets and liabilities

Set out below is the breakdown of the fair value of financial assets and liabilities at 30 September 2019 and 31 December 2018 compared with their carrying amount shown in the balance sheet at that same date. Similarly, a breakdown is provided of fair value according to the system of appraisal (levels 1, 2 and 3):

	Thousands of euros				
	30/09/2019				
	Total balance sheet	Fair value	Fair value hierarchy		
Level 1			Level 2	Level 3	
Cash and cash balances at central banks and other demand deposits	2.309.428	2.309.428	-	2.309.428	-
Financial assets held for trading	8.282	8.282	-	8.282	-
Financial assets not held for trading valued mandatorily at fair value through profit or loss	259.080	259.080	166.758	-	92.322
Financial assets at fair value through profit or loss	9.249	9.249	9.249	-	-
Financial assets at fair value through other comprehensive income	7.893.283	7.893.283	7.496.271	221.294	175.718
Financial assets at amortised cost	39.063.034	42.344.939	4.534.993	2.730.561	35.079.385
Derivatives - Hedge accounting	185.180	185.180	-	185.180	-
Total financial assets	49.727.536	53.009.441	12.207.271	5.454.745	35.347.425
Financial liabilities held for trading	10.878	10.878	-	10.164	714
Financial liabilities at amortised cost	40.758.869	41.428.620	-	41.428.620	-
Derivatives - Hedge accounting	276.497	276.497	-	276.497	-
Total financial liabilities	41.046.244	41.715.995	-	41.715.281	714

	Thousands of euros				
	31/12/2018				
	Total balance sheet	Fair value	Fair value hierarchy		
Level 1			Level 2	Level 3	
Cash and cash balances at central banks and other demand deposits	1.118.206	1.118.206	-	1.118.206	-
Financial assets held for trading	7.411	7.411	-	7.407	4
Financial assets not held for trading mandatorily measured at fair value through profit or loss	141.315	141.315	38.852	-	102.463
Financial assets at fair value through profit or loss	9.575	9.575	9.575	-	-
Financial assets at fair value through other comprehensive income	8.754.640	8.754.640	8.281.432	288.962	184.246
Financial assets at amortised cost	39.378.416	42.230.289	4.509.540	3.737.045	33.983.704
Derivatives - Hedge accounting	161.371	161.371	-	161.371	-
Total financial assets	49.570.934	52.422.807	12.839.399	5.312.991	34.270.417
Financial liabilities held for trading	8.691	8.691	-	8.538	153
Financial liabilities at amortised cost	41.141.636	41.259.598	-	41.259.598	-
Derivatives - Hedge accounting	155.200	155.200	-	155.200	-
Total financial liabilities	41.305.527	41.423.489	-	41.423.336	153

The criteria used to determine fair value have been as follows:

- Level 1: using prices quoted on active markets for financial instruments.
- Level 2: using prices quoted on active markets for similar instruments or other valuation techniques in which all significant inputs are based on directly or indirectly observable market data.
- Level 3: using valuation techniques in which some significant inputs are not based on observable market data.

In particular, the valuation techniques used in levels 2 and 3 and assumptions used to determine fair value have been:

- Debt securities and interest rate swaps: Valuation techniques based on discounted flows using the interest rate curve and the market spread for similar instruments have been used.
- Options: valued by applying models accepted as standard in the market. In those cases where no valuation model is available, they are valued through the quotation provided by counterparties.
- Equity instruments measured at fair value: Generally fair value is determined by discounting the estimated cash flows, which are derived from business plans of the investees, generally for a period of five years, calculating a residual value for the remaining period. These flows have been discounted using market rates and adjusted at the average cost of capital.
- Financial assets at amortised cost – Loans and advances - Customers: The valuation technique used is based on discounting the estimated future cash flows, considering maturity and repricing dates and calculating interest based on the interbank interest rate curve. Additionally, the early amortisation of 5% of the total has been taken into account. This percentage is based on the Group's historical data and is used in internal management.

The impact of a 100 basis point rise in the interbank interest rate curve would bring about a -1.60% reduction in fair value.

In this case, it is estimated that there are no major differences owing to the credit risk between the carrying value and fair value of customer loans since the Group has quantified the level of credit risk provisions for its loan risk portfolio in accordance with applicable accounting legislation and which is considered sufficient to cover that risk. Nonetheless, since there is no market for those financial assets, the amount at which they may be exchanged between interested parties could differ from the net value reflected since the potential acquirer would take into account the expected losses and recorded in accordance with applicable legislation and their best estimates of possible future losses.

- Customer deposits: The valuation technique used has been based on discounting the estimated future cash flows, considering maturity and repricing dates and calculating interest based on the interbank interest rate curve.
- Marketable debt securities and subordinated liabilities: Valued using market prices or spreads for similar instruments.

The reasons why there may be differences between the fair value and carrying value of financial instruments are as follows:

- In the fixed-income instruments issued, the fair value of the instrument varies depending on the trend in market interest rates. The longer the residual life of the instrument, the greater the variation.
- In variable income instruments, fair value may differ from carrying value if margins relative to the reference interest rate have changed since the issuing of the instrument. If margins remain constant, the fair value coincides with the carrying value only on repricing dates. On all other dates, there is an interest rate risk for the flows that have already been calculated.

The Group performs an analysis to assess whether levels of fair value hierarchy in which financial instruments are classified may have changed. If transfers between these levels occur, they are treated as having taken place at the end of the quarter in which they are identified. In the nine-month period ended 30 September 2019 and as at 31 December 2018, there were no financial instruments that were no longer measured under level 2 and 3 criteria and instead measured according to level 1 criteria.

For certain financial instruments (mainly the portfolio of financial assets and liabilities held for trading, the portfolio of non-trading financial assets mandatorily measured at fair value through profit or loss and trading related to financial derivatives), there is a balancing entry in the income statement for fair value changes. Details of the effect on the income statement arising from changes in fair value are as follows, classified on the basis of the hierarchical level of the instrument's fair value:

	Thousands of euros	
	30/09/2019	30/09/2018
Level 1	414	(147)
Level 2	1.195	968
Level 3	(4.466)	(618)
	(2.857)	203

Set out below in the fair value hierarchy of Level 3 fair value, there is a reconciliation of opening balances with the balances in the nine-month periods ended on 30 September 2019 and 2018, separately revealing changes during the year attributable to the following:

	Thousands of euros			
	Financial assets held for trading	Financial assets not held for trading mandatorily measured at fair value through profit or loss	Financial assets at fair value through other comprehensive income	Financial liabilities held for trading
Balance at 1 January 2019	4	102.463	184.246	153
Profit/(loss) recognised in the income statement and/or statement of recognised income and expense	(25)	(4.728)	(7.837)	60
Purchases	27	-	127	654
Sales	-	-	(818)	-
Issues	-	-	-	-
Settlements and maturities	(6)	(5.413)	-	(153)
Transfers from or to Level 3 in or outside the portfolios described	-	-	-	-
Balance at 30 September 2019	-	92.322	175.718	714

Thousands of euros				
	Financial assets held for trading	Financial assets not held for trading mandatorily measured at fair value through profit or loss	Financial assets at fair value through other comprehensive income	Financial liabilities held for trading
Balance at 1 January 2018	1.274	107.714	233.488	2.458
Profit/(loss) recognised in the income statement and/or statement of recognised income and expense	(320)	(631)	(26.398)	(280)
Purchases	-	-	(35)	69
Sales	-	(1)	(16.380)	-
Issues	-	-	-	-
Settlements and maturities	(808)	(4.227)	-	(808)
Transfers from or to Level 3 in or outside the portfolios described	(114)	2.716	-	(1.331)
Balance at 30 September 2018	32	105.571	190.675	108

Financial liabilities and assets held for trading with Level 3 fair values are related, respectively, to embedded derivatives in structured deposits arranged with customers and to derivatives arranged with counterparties to cover the risk of those embedded derivatives. As shown in the table included at the beginning of this Note, the values of both derivatives offset each other since they have the same features and almost the same nominal values. The Company measures both derivatives according to the quotations offered by the counterparty.

As for instruments classified as financial assets at fair value through other comprehensive income, most of the balance corresponds to investments in an insurance company and venture capital funds.

The investment in the insurance company is valued based on estimated future cash flows derived from business forecasts to 2022, a residual value being calculated for the remaining period taking into account a distributable cash flow of €84 million and a growth rate in that cash flow of 0%. These flows have been discounted using market rates and adjusted at the average cost of capital, at a rate of 10.6%.

The fair value of investments in venture capital funds is determined according to the valuations regularly provided by the fund manager. The valuation criteria are generally based on the guidelines set by the EVCA (European Private Equity Venture Capital Association).

Considering the amount of these investments, the Group believes that the changes that would occur in their fair value as a result of reasonably possible changes in the variables that determine the value would not have a significant impact on the results, total assets or equity of the Group.

13. Related party transactions

For the purposes of preparation of these interim financial statements, related parties of the Group, in accordance with Order EHA/3050/2004 of 15 September, are entities in which, either individually or as part of a group acting jointly, or by virtue of covenants or shareholder agreements, the Group exerts or is able to exert significant influence in their financial and operating decision-making, and entities or parties that exert or are able to exert such significant control or influence over the Group.

All significant balances held at 30 September 2019 between consolidated entities, and for the purpose of transactions between them during the nine-month period ended on 30 September 2019, have been eliminated on consolidation.

The Group's transactions with related parties are part of the ordinary course of the Group's activity. Loans granted to related persons or entities (except employees) are approved by the Audit and Compliance Committee of Ibercaja Banco, S.A. pursuant to the credit risk policies approved by the Board of Directors. The terms and conditions of such transactions do not differ from those applicable to customers in accordance with the category of the latter and from those arising from the provisions in the collective agreement for the Bank's employees.

In the nine-month period ended on 30 September 2019, there were no significant transactions compared to the same period of the previous year. However, there were significant changes in receivable balances (-135,482 thousand euros from 31 December 2018) and in payable balances (-76 thousand euros from 31 December 2018) held on the balance sheet with significant shareholders due to tax consolidation.

14. Profit and loss account

14.1. Interest income and similar

The breakdown of interest income and similar of the consolidated income statement heading in the nine-month periods ended 30 September 2019 and 2018, based on the financial instrument portfolios from which the income originates, is as follows:

	Thousands of euros	
	30/09/2019	30/09/2018
Financial assets held for trading	2	3
Non-trading financial assets mandatorily valued at fair value through profit or loss	343	466
Financial assets at fair value through profit or loss	67	130
Financial assets at fair value through other comprehensive income	100.377	109.378
Financial assets at amortised cost	402.060	395.143
Interest rate hedging derivatives	(13.100)	(22.824)
Other assets	529	869
Interest income from liabilities	10.517	11.374
	500.795	494.539

14.2. Interest expense

The breakdown of interest expense income and similar of the consolidated income statement heading in the nine-month periods ended 30 September 2019 and 2018, based on the portfolio from which the income originates, is as follows:

	Thousands of euros	
	30/09/2019	30/09/2018
Financial liabilities at amortised cost	111.693	122.042
Interest rate hedging derivatives	(58.920)	(65.455)
Other liabilities	23.352	15.058
Interest expense from assets	9.022	3.726
	85.147	75.371

14.3. Dividend income

The amount recorded under this heading relates in full to dividends from equity instruments in the portfolio of financial assets at fair value through portfolio other comprehensive income amounting to 11,451 thousand euros at 30 September 2019 (10,038 thousand at 30 September 2018).

14.4. Fee and commission income

Fee and commission income accrued in the nine-month periods ended 30 September 2019 and 2018, classified in accordance with the item generating the fees, is reflected in the following table:

	Thousands of euros	
	30/09/2019	30/09/2018
Contingent risk fees	7.591	7.442
Contingent commitment fees	2.745	2.962
Foreign currency exchange fees	212	231
Collection and payment services fees	87.105	84.076
Securities services fees	42.468	29.550
Non-bank financial product marketing fees	141.467	141.310
Other fees	17.500	25.339
	299.088	290.910

14.5. Fee and commission expenses

Fee and commission expense accrued in the nine-month periods ended 30 September 2019 and 2018, classified in accordance with the item generating the fees, is reflected in the following table:

	Thousands of euros	
	30/09/2019	30/09/2018
Fees and commissions assigned to other entities	5.646	5.192
Fees and commissions paid for securities transactions	1.288	1.508
Other fees	5.463	5.278
	12.397	11.978

14.6. Net gains/(losses) on financial transactions

The breakdown of income from financial transactions of the consolidated income statements for the nine-month periods ended 30 September 2019 and 2018, based on the financial instrument portfolios from which the income originates, is as follows:

	Thousands of euros	
	30/09/2019	30/09/2018
Net gains or losses on the disposal of financial asset and liability accounts not measured at fair value through profit or loss.	19.381	41.540
Financial assets at fair value through other comprehensive income	32.071	39.670
Financial assets at amortised cost	(13.167)	1.870
Financial liabilities at amortised cost	477	-
Other	-	-
Net gains/(losses) on financial assets and liabilities held for trading	1.046	533
Gains/losses on non-trading financial assets mandatorily measured at fair value through profit or loss, net	(4.441)	(569)
Net gains/(losses) on financial assets and liabilities designated at fair value through profit or loss	462	564
Net gain/(loss) from hedge accounting	538	239
Adjustments to hedged instruments (fair value hedge)	154.319	11.119
Hedge derivative (fair value hedge)	(153.781)	(10.880)
	16.986	42.307

14.7. Other operating income

The breakdown of other operating income in the consolidated income statements for the nine-month periods ended 30 September 2019 and 2018 is as follows:

	Thousands of euros	
	30/09/2019	30/09/2018
Income from investment property	4.122	6.861
Income from other operating leases	10.148	5.964
Sales and income from provision of services	3.555	4.713
Other items	7.180	12.164
	25.005	29.702

14.8. Other operating expenses

The breakdown of other operating expense in the consolidated income statements for the nine-month periods ended 30 September 2019 and 2018 is as follows:

	Thousands of euros	
	30/09/2019	30/09/2018
Operating expenses on investment properties	1.597	1.572
Contribution to National Resolution Fund	10.350	11.538
Contribution to Deposit Guarantee Fund	5.256	5.255
Other items	8.996	17.074
	26.199	35.439

14.9. Administration expenses

14.9.1 Personnel expenses

The breakdown of personnel expenses in the nine-month periods ended 30 September 2019 and 2018 is as follows:

	Thousands of euros	
	30/09/2019	30/09/2018
Wages and salaries	202.448	209.280
Social security contributions	52.991	50.256
Contributions to pension funds and insurance policies	12.173	13.870
Severance payments	-	55.500
Other staff costs	1.040	1.342
	268.652	330.248

In May 2017, the Management of Ibercaja and to the representatives of the employees, as part of redundancy programme, reached an agreement in which 590 employees could opt for voluntary redundancy due to age or the closure of the work centre.

The exit of up to a maximum of 65% of these employees occurred gradually up until December 2017. On 28 March 2018, depending on business requirements and in accordance with the progress of the restructuring process, the Board of Directors of Ibercaja Banco approved the implementation of the rest of the outstanding agreed terminations, which were carried out in the first six months of 2018.

This plan incurred personnel expenses of 55,500 thousand euros in the consolidated interim income statement, with a balancing entry under "provisions" on the liability side of the consolidated balance sheet (Note 10).

14.9.2 Other administration expenses

The breakdown of other administrative expenses in the nine-month periods ended 30 September 2019 and 2018 is as follows:

	Thousands of euros	
	30/09/2019	30/09/2018
Buildings, installations and office equipment	21.812	35.517
Equipment maintenance, licences, works and computer software	17.588	16.172
Communications	9.323	12.204
Advertising	4.535	4.215
Charges and taxes	12.059	15.688
Other management and administration expenses	55.689	58.659
	121.006	142.455

14.10. Impairment and reversal of impairment in non-financial assets

The breakdown of impairment losses and reversals of impairment losses on non-financial assets during the nine-month periods ended 30 September 2019 and 2018 is as follows:

	Thousands of euros	
	30/09/2019	30/09/2018
Tangible assets	(178)	778
Property, plant and equipment	16	826
Investment property	(194)	(48)
Intangible assets	-	-
Goodwill	-	-
Other intangible assets	-	-
Other	690	1.875
	512	2.653

14.11. Net gains and losses on derecognition of non-financial assets

The breakdown of net gains and losses on the derecognition of non-financial assets in the nine-month periods ended 30 September 2019 and 2018 is as follows:

	Thousands of euros	
	30/09/2018	30/09/2018
Gains (losses) on disposal of assets not classified as non-current assets held for sale	(3.298)	8.267
Gains/(losses) on disposal of shareholdings	40	(8.787)
Other gains/(losses)	-	(4)
	(3.258)	(524)

14.12. Net gains/(losses) on non-current assets classified as held for sale not qualifying as discontinued operations

The breakdown of net gains and losses on non-current assets and disposal groups of items classified as held for sale not qualifying for discontinued operations in the nine-month periods ended 30 September 2019 and 2018 is as follows:

	Thousands of euros	
	30/09/2019	30/09/2018
Impairment gains/(losses) on other non-current assets for sale	(10.133)	(36.847)
Gains/(losses) on disposal of other non-current assets for sale	(465)	(10.786)
	(10.598)	(47.633)

15. Events after the reporting period

On December 24th, 2019, Ibercaja Banco formalized the sale of a portfolio of doubtful loans with a gross value amounting to 73 million euros and the sale of a portfolio of written off loans with a gross value amounting to 311 million euros. The accounting of these transactions will take place once the effective transmission of risks and benefits of the assets has been materialized.

16. Condensed individual financial statements of Ibercaja Banco, S.A.

The individual condensed balance sheets at 30 September 2019 and 31 December 2018, as well as the individual condensed income statements, the individual condensed statements of recognised income and expense, the individual condensed statements of total changes in equity and the individual condensed cash flow statements of the parent entity for the nine-month periods ended 30 September 2019 and 2018, prepared in accordance with Bank of Spain Circular 4/2017, are presented below.

IBERCAJA BANCO, S.A.
INDIVIDUAL CONDENSED BALANCE SHEETS
AT 30 SEPTEMBER 2019 AND 31 DECEMBER 2018

ASSETS	30/09/2019	31/12/2018 (*)
Cash and cash balances at central banks and other demand deposits	2.108.243	917.825
Financial assets held for trading	7.114	5.632
<i>Memorandum items: loaned or delivered as collateral with the right to sell or pledge</i>	-	-
Non-trading financial assets mandatorily measured at fair value through profit or loss	24.637	33.284
<i>Memorandum items: loaned or delivered as collateral with the right to sell or pledge</i>	-	-
Financial assets at fair value through profit or loss	-	-
<i>Memorandum items: loaned or delivered as collateral with the right to sell or pledge</i>	-	-
Financial assets at fair value through other comprehensive income	653.626	1.939.719
<i>Memorandum items: loaned or delivered as collateral with the right to sell or pledge</i>	192.235	1.060.771
Financial assets at amortised cost	39.128.135	39.816.547
<i>Memorandum items: loaned or delivered as collateral with the right to sell or pledge</i>	2.376.156	5.956.715
Derivatives - Hedge accounting	185.180	161.371
Fair value changes of the hedged items in a portfolio with interest rate risk hedging	-	-
Investments in subsidiaries, joint ventures and associates	1.015.979	759.221
Subsidiaries	917.655	650.949
Joint ventures	38.226	38.226
Associates	60.098	70.046
Tangible assets	778.404	736.446
Property, plant and equipment	550.816	491.318
For own use	550.816	491.318
Assigned under operating lease	-	-
Investment property	227.588	245.128
Of which: assigned under operating lease	42.330	71.842
<i>Memorandum items: acquired under finance lease</i>	-	-
Intangible assets	111.096	122.760
Goodwill	54.428	64.033
Other intangible assets	56.668	58.727
Tax assets	1.336.287	1.387.513
Current tax assets	6.597	7.061
Deferred tax assets	1.329.690	1.380.452
Other assets	229.072	210.566
Insurance contracts linked to pensions	97.238	97.238
Inventories	984	1.083
Other assets	130.850	112.245
Non-current assets and disposal groups classified as held for sale	67.303	68.681
TOTAL ASSETS	45.645.076	46.159.565

(*) Presented for comparison purposes only (Note 2.2).

IBERCAJA BANCO, S.A.
INDIVIDUAL CONDENSED BALANCE SHEETS
AT 30 SEPTEMBER 2019 AND 31 DECEMBER 2018

LIABILITIES	30/09/2019	31/12/2018 (*)
Financial liabilities held for trading	7.382	5.147
Financial liabilities at fair value through profit or loss	-	-
<i>Memorandum items: subordinated liabilities</i>	-	-
Financial liabilities at amortised cost	41.537.606	42.160.453
<i>Memorandum items: subordinated liabilities</i>	502.635	590.619
Derivatives - Hedge accounting	276.497	155.200
Fair value changes of the hedged items in a portfolio with interest rate risk hedging	51.477	24.961
Provisions	292.982	326.811
Pensions and other post-employment defined benefit obligations	103.230	103.479
Other long-term employee remuneration	613	1.931
Lawsuits and litigation for outstanding taxes	6.435	6.435
Commitments and guarantees given	29.151	33.645
Other provisions	153.553	181.321
Tax liabilities	155.577	157.831
Current tax liabilities	-	-
Deferred tax liabilities	155.577	157.831
Other liabilities	122.602	187.133
Liabilities within disposal groups classified as held for sale	-	-
TOTAL LIABILITIES	42.444.123	43.017.536

(*) Presented for comparison purposes only (Note 2.2).

IBERCAJA BANCO, S.A.
INDIVIDUAL CONDENSED BALANCE SHEETS
AT 30 SEPTEMBER 2019 AND 31 DECEMBER 2018

EQUITY	30/09/2019	31/12/2018 (*)
Shareholders' equity	3.132.292	3.080.081
Capital	214.428	2.144.276
<i>Paid-in capital</i>	214.428	2.144.276
<i>Called-up capital</i>	-	-
<i>Memorandum items: uncalled capital</i>	-	-
Share premium	-	-
Equity instruments issued other than capital	350.000	350.000
<i>Equity component of compound financial instruments</i>	-	-
<i>Other equity instruments issued</i>	350.000	350.000
Other equity items	-	-
Retained earnings	507.825	269.545
Revaluation reserves	2.327	2.327
Other reserves	1.973.415	58.153
(Treasury shares)	-	-
Profit/(loss) for the year	84.297	255.780
(Interim dividends)	-	-
Other accumulated comprehensive income	68.661	61.948
Items that will not be reclassified to profit or loss	50.353	41.582
<i>Actuarial gains/(losses) on defined benefit pension plans</i>	2.832	2.832
<i>Non-current assets and disposal groups classified as held for sale</i>	-	-
<i>Changes in the fair value of equity instruments measured at fair value changes through other comprehensive income</i>	47.521	38.750
<i>Ineffectiveness of fair value hedges of equity instruments measured at fair value through other comprehensive income</i>	-	-
<i>Changes in the fair value of equity instruments measured at fair value through other comprehensive income (hedged item)</i>	-	-
<i>Changes in the fair value of equity instruments measured at fair value through other comprehensive income (hedging instrument)</i>	-	-
<i>Changes in the fair value of financial liabilities at fair value through profit or loss attributable to changes in credit risk</i>	-	-
Items that may be reclassified to profit or loss	18.308	20.366
<i>Hedges of net investment in foreign operations (effective portion)</i>	-	-
<i>Foreign currency translation</i>	-	-
<i>Hedging derivatives. Cash flow hedge reserve (effective portion)</i>	14.921	9.288
<i>Changes in the fair value of debt instruments measured at fair value through other comprehensive income</i>	3.387	11.078
<i>Hedging instruments (undesignated items)</i>	-	-
<i>Non-current assets and disposal groups classified as held for sale</i>	-	-
TOTAL EQUITY	3.200.953	3.142.029
TOTAL EQUITY AND LIABILITIES	45.645.076	46.159.565
Memorandum items: off-balance sheet exposures		
Loan commitments given	3.454.546	3.215.623
Financial guarantees granted	82.275	80.285
Other commitments given	861.138	912.239

(*) Presented for comparison purposes only (Note 2.2).

IBERCAJA BANCO, S.A.

**INDIVIDUAL CONDENSED CONSOLIDATED INCOME STATEMENTS FOR
THE NINE-MONTH PERIODS ENDED ON 30 SEPTEMBER 2019 AND 2018**

	2019	2018 (*)
Interest income	399.225	399.174
Financial assets at fair value through other comprehensive income (1)	7.933	16.277
Financial assets at amortised cost (2)	385.036	389.527
Other	6.256	(6.630)
(Interest expense)	80.706	73.827
(Expenses on share capital repayable on demand)	-	-
NET INTEREST INCOME	318.519	325.347
Dividend income	112.174	278.420
Fee and commission income	221.886	210.709
(Fee and commission expenses)	8.121	7.325
Gains/(losses) on derecognition of financial assets and liabilities not measured at fair value through profit or loss, net	16.726	36.968
(Financial assets at amortised cost)	(10.679)	1.870
(Remaining financial assets and liabilities)	27.405	35.098
Gains/(losses) on financial assets and liabilities held for trading, net	1.045	533
(Reclassification of financial assets from fair value through other comprehensive income)	-	-
(Reclassification of financial assets from amortised cost)	-	-
(Other gains/(losses))	1.045	533
Gains/(losses) on non-trading financial assets valued mandatorily at fair value through profit or loss, net	(3.240)	(469)
(Reclassification of financial assets from fair value through other comprehensive income)	-	-
(Reclassification of financial assets from amortised cost)	-	-
(Other gains/(losses))	(3.240)	(469)
Gains/(losses) on financial assets and liabilities at fair value through profit or loss, net	-	-
Gains/(losses) from hedge accounting, net	538	239
Net exchange differences	867	871
Other operating income	35.333	41.108
(Other operating expenses)	21.847	29.967
GROSS INCOME	673.880	856.434
(Administration expenses)	368.639	446.566
(Personnel expenses)	259.954	320.427
(Other administration expenses)	108.685	126.139
(Amortisation and depreciation)	55.913	40.889
(Provisions or (-) reversal of provisions)	30.847	(28.681)
(Impairment or (-) reversal of impairment on financial assets not measured at fair value through profit or loss or (-) net gain on change)	98.231	90.028
(Financial assets at fair value through other comprehensive income)	(256)	(289)
(Financial assets at amortised cost)	98.487	90.317
(Impairment or (-) reversal of impairment on investments in subsidiaries, joint ventures and associates)	(5.162)	12.133
(Impairment or (-) reversal of impairment on non-financial assets)	26	1.687
(Tangible assets)	16	1.629
(Intangible assets)	-	-
(Other)	10	58
Gains/(losses) on derecognition of non-financial assets, net	(4.914)	(2.432)
Negative goodwill recognised in profit or loss	-	-
Profit or (-) loss on non-current assets and disposal groups classified as held for sale not qualifying as discontinued operations	(961)	(14.321)
PROFIT/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	119.511	277.059
Expense or (-) income from taxes on income from continuing operations	35.214	43.374
PROFIT/(LOSS) AFTER TAX FROM CONTINUING OPERATIONS	84.297	233.685
Profit/(loss) after tax from discontinued activities	-	-
PROFIT/(LOSS) FOR THE YEAR	84.297	233.685

(*) Presented for comparison purposes only (Note 2.2).

IBERCAJA BANCO, S.A.
CONDENSED INDIVIDUAL STATEMENTS OF RECOGNISED INCOME AND EXPENSE
FOR THE NINE-MONTH PERIODS
ENDED ON 30 SEPTEMBER 2019 AND 2018

	2019	2018 (*)
PROFIT/(LOSS) FOR THE YEAR	84.297	233.685
OTHER COMPREHENSIVE INCOME	5.012	(43.180)
Items that will not be reclassified to profit or loss	7.069	(19.353)
Actuarial gains/(losses) on defined benefit pension plans	-	-
Non-current assets and disposal groups of items held for sale	-	-
Changes in the fair value of equity instruments measured at fair value through other comprehensive income	10.099	(27.647)
Gains/(losses) resulting from hedge accounting of equity instruments at fair value through other comprehensive income, net	-	-
<i>Changes in the fair value of equity instruments measured at fair value through other comprehensive income (hedged item)</i>	-	-
<i>Changes in the fair value of equity instruments measured at fair value through other comprehensive income (hedging instrument)</i>	-	-
Changes in fair value of financial liabilities at fair value through profit or loss attributable to changes in credit risk	-	-
Corporation tax relating to items not to be reclassified	(3.030)	8.294
Items that may be reclassified to profit or loss	(2.057)	(23.827)
Hedges of net investment in foreign operations (effective portion)	-	-
<i>Valuation gains/(losses) taken to equity</i>	-	-
<i>Transferred to the income statement</i>	-	-
<i>Other reclassifications</i>	-	-
Currency translation	-	-
<i>Valuation gains/(losses) taken to equity</i>	-	-
<i>Transferred to the income statement</i>	-	-
<i>Other reclassifications</i>	-	-
Cash flow hedges (effective portion)	8.047	(1.883)
<i>Valuation gains/(losses) taken to equity</i>	8.047	(1.883)
<i>Transferred to the income statement</i>	-	-
<i>Transferred to initial carrying amount of hedge items</i>	-	-
<i>Other reclassifications</i>	-	-
Hedging instruments (undesignated items)	-	-
<i>Valuation gains/(losses) taken to equity</i>	-	-
<i>Transferred to the income statement</i>	-	-
<i>Other reclassifications</i>	-	-
Debt instruments at fair value through other comprehensive income	(10.986)	(32.156)
<i>Valuation gains/(losses) taken to equity</i>	9.347	2.943
<i>Transferred to the income statement</i>	(20.333)	(35.099)
<i>Other reclassifications</i>	-	-
Non-current assets and disposal groups of items held for sale	-	-
<i>Valuation gains/(losses) taken to equity</i>	-	-
<i>Transferred to the income statement</i>	-	-
<i>Other reclassifications</i>	-	-
Corporation tax relating to items that may be reclassified to profit or loss	882	10.212
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	89.309	190.505

(*) Presented for comparison purposes only (Note 2.2).

IBERCAJA BANCO, S.A.
CONDENSED CONSOLIDATED STATEMENT OF TOTAL CHANGES IN EQUITY
FOR THE NINE-MONTH PERIOD
ENDED ON 30 SEPTEMBER 2019

	Thousands of euros											
	Capital	Share premium	Equity instruments issued other than capital	Other equity items	Retained earnings	Revaluation reserves	Other reserves	(Treasury shares)	Profit of the period	(Interim dividends)	Other accumulated comprehensive income	Total
I. Closing balance at 31/12/2018 (*)	2.144.276	-	350.000	-	269.545	2.327	58.153	-	255.780	-	61.948	3.142.029
Effects of error correction	-	-	-	-	-	-	-	-	-	-	-	-
Effects of changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-	-
II. Adjusted opening balance	2.144.276	-	350.000	-	269.545	2.327	58.153	-	255.780	-	61.948	3.142.029
Total comprehensive income for the period	-	-	-	-	-	-	-	-	84.297	-	5.012	89.309
Other changes in equity	(1.929.848)	-	-	-	238.280	-	1.915.262	-	(255.780)	-	1.701	(30.385)
Issuance of ordinary shares	-	-	-	-	-	-	-	-	-	-	-	-
Issuance of preference shares	-	-	-	-	-	-	-	-	-	-	-	-
Issuance of other equity instruments	-	-	-	-	-	-	-	-	-	-	-	-
Exercise or maturity of other equity instruments issued	-	-	-	-	-	-	-	-	-	-	-	-
Conversion of debt into equity	-	-	-	-	-	-	-	-	-	-	-	-
Capital reduction	(1.929.848)	-	-	-	-	-	1.929.848	-	-	-	-	-
Dividends (or other shareholder remuneration)	-	-	-	-	(17.500)	-	-	-	-	-	-	(17.500)
Purchase of treasury shares	-	-	-	-	-	-	-	-	-	-	-	-
Sale or redemption of treasury shares	-	-	-	-	-	-	-	-	-	-	-	-
Reclassification of financial instruments from equity to liabilities	-	-	-	-	-	-	-	-	-	-	-	-
Reclassification of financial instruments from liabilities to equity	-	-	-	-	-	-	-	-	-	-	-	-
Transfers between equity components	-	-	-	-	255.780	-	(1.701)	-	(255.780)	-	1.701	-
Increase/(decrease) in equity due to business combinations	-	-	-	-	-	-	-	-	-	-	-	-
Share-based payments	-	-	-	-	-	-	-	-	-	-	-	-
Other increases/(decreases) in equity	-	-	-	-	-	-	(12.885)	-	-	-	-	(12.885)
III. Closing balance at 30/09/2019	214.428	-	350.000	-	507.825	2.327	1.973.415	-	84.297	-	68.661	3.200.953

IBERCAJA BANCO, S.A.
CONDENSED CONSOLIDATED STATEMENT OF TOTAL CHANGES IN EQUITY
FOR THE NINE-MONTH PERIOD
ENDED ON 30 SEPTEMBER 2018

	Thousands of euros											
	Capital	Share premium	Equity instruments issued other than capital	Other equity items	Retained earnings	Revaluation reserves	Other reserves	(Treasury shares)	Profit of the period	(Interim dividends)	Other accumulated comprehensive income	Total
I. Closing balance at 31/12/2017 (*)	2.144.276	-	-	-	187.357	2.327	190.981	-	99.688	-	113.550	2.738.179
Effects of error correction	-	-	-	-	-	-	-	-	-	-	-	-
Effects of changes in accounting policies	-	-	-	-	-	-	(114.371)	-	-	-	(2.044)	(116.415)
II. Adjusted opening balance	2.144.276	-	-	-	187.357	2.327	76.610	-	99.688	-	111.506	2.621.764
Total comprehensive income for the period	-	-	-	-	-	-	-	-	233.685	-	(43.180)	190.505
Other changes in equity	-	-	350.000	-	82.188	-	(7.679)	-	(99.688)	-	(3.596)	321.225
Issuance of ordinary shares	-	-	-	-	-	-	-	-	-	-	-	-
Issuance of preference shares	-	-	-	-	-	-	-	-	-	-	-	-
Issuance of other equity instruments	-	-	350.000	-	-	-	(2.931)	-	-	-	-	347.069
Exercise or maturity of other equity instruments issued	-	-	-	-	-	-	-	-	-	-	-	-
Conversion of debt into equity	-	-	-	-	-	-	-	-	-	-	-	-
Capital reduction	-	-	-	-	-	-	-	-	-	-	-	-
Dividends (or other shareholder remuneration)	-	-	-	-	(17.500)	-	-	-	-	-	-	(17.500)
Purchase of treasury shares	-	-	-	-	-	-	-	-	-	-	-	-
Sale or redemption of treasury shares	-	-	-	-	-	-	-	-	-	-	-	-
Reclassification of financial instruments from equity to liabilities	-	-	-	-	-	-	-	-	-	-	-	-
Reclassification of financial instruments from liabilities to equity	-	-	-	-	-	-	-	-	-	-	-	-
Transfers between equity components	-	-	-	-	99.688	-	3.596	-	(99.688)	-	(3.596)	-
Increase/(decrease) in equity due to business combinations	-	-	-	-	-	-	-	-	-	-	-	-
Share-based payments	-	-	-	-	-	-	-	-	-	-	-	-
Other increases/(decreases) in equity	-	-	-	-	-	-	(8.344)	-	-	-	-	(8.344)
III. Closing balance at 30/09/2018 (*)	2.144.276	-	350.000	-	269.545	2.327	68.931	-	233.685	-	64.730	3.133.494

(*) Presented for comparison purposes only (Note 2.2).

IBERCAJA BANCO, S.A.
CONDENSED STATEMENT OF CASH FLOWS
FOR THE NINE-MONTH PERIODS
ENDED ON 30 SEPTEMBER 2019 AND 2018

	Thousands of euros	
	30/09/2019	30/09/2018 (*)
A) CASH FLOWS FROM OPERATING ACTIVITIES (1 + 2 + 3 + 4 + 5)	1.303.836	(2.238.047)
1. Profit of the period	84.297	233.685
2. Adjustments to obtain cash flows from operating activities:	61.054	107.619
(+) Amortisation and depreciation	55.913	40.889
(+/-) Other adjustments	5.141	66.730
3. Net increase/decrease in operating assets:	(1.604.534)	1.179.772
(+/-) Financial assets held for trading	1.482	(3.925)
(+/-) Non-trading financial assets mandatorily valued at fair value through profit or loss	(5.443)	1.162
(+/-) Financial assets at fair value through profit or loss	-	-
(+/-) Financial assets at fair value through other comprehensive income	(1.225.487)	(537.565)
(+/-) Financial assets at amortised cost	(391.503)	1.747.903
(+/-) Other operating assets	16.417	(27.803)
4. Net increase/(decrease) in operating liabilities:	(568.694)	(1.330.669)
(+/-) Financial liabilities held for trading	2.235	(1.197)
(+/-) Financial liabilities at fair value through profit or loss	-	-
(+/-) Financial liabilities at amortised cost	(550.162)	(1.348.918)
(+/-) Other operating liabilities	(20.767)	19.446
5. Company tax credit/(payments)	122.645	(68.910)
B) CASH FLOWS FROM INVESTING ACTIVITIES (1 + 2)	(5.141)	(7.925)
1. Payments:	33.957	52.025
(-) Tangible assets	22.700	13.538
(-) Intangible assets	9.633	4.813
(-) Investments in joint ventures and associates	82	10.469
(-) Subsidiaries and other business units	-	-
(-) Non-current assets and liabilities classified as held for sale	1.542	23.205
(-) Other payments related to investing activities	-	-
2. Receipts:	28.816	44.100
(+) Tangible assets	27.098	11.966
(+) Intangible assets	424	-
(+) Investments in joint ventures and associates	40	822
(+) Subsidiaries and other business units	-	-
(+) Non-current assets and liabilities classified as held for sale	1.254	31.312
(+) Other receipts related to investing activities	-	-
C) CASH FLOWS FROM FINANCING ACTIVITIES (1 + 2)	(117.680)	276.775
1. Payments:	117.680	69.039
(-) Dividends	17.500	17.500
(-) Subordinated liabilities	81.805	45.414
(-) Redemption of own equity instruments	-	-
(-) Acquisition of own equity instruments	-	-
(-) Other payments related to financing activities	18.375	6.125
2. Receipts:	-	345.814
(+) Subordinated liabilities	-	-
(+) Issuance of own equity instruments	-	345.814
(+) Disposal of own equity instruments	-	-
(+) Other receipts related to financing activities	-	-
D) EFFECT OF EXCHANGE RATE FLUCTUATIONS	-	-
E) NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C+D)	1.181.015	(1.969.197)
F) CASH AND CASH EQUIVALENTS AT START OF PERIOD	898.909	3.263.837
G) CASH AND CASH EQUIVALENTS AT END OF PERIOD (E+F)	2.079.924	1.294.640
COMPONENTS OF CASH AND CASH EQUIVALENTS AT END OF PERIOD		
(+) Cash	204.643	203.961
(+) Cash equivalents at central banks	1.878.647	1.077.763
(+) Other financial assets	-	12.916
(-) Less: bank overdrafts repayable on demand	3.366	-
TOTAL CASH AND CASH EQUIVALENTS AT END OF PERIOD	2.079.924	1.294.640

(*) Presented for comparison purposes only (Note 2.2).

