

# BCC Grupo Cajamar

3Q19 CREDIT UPDATE

8 November 2019

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[www.bcc.es/en/informacion-para-inversores](http://www.bcc.es/en/informacion-para-inversores)

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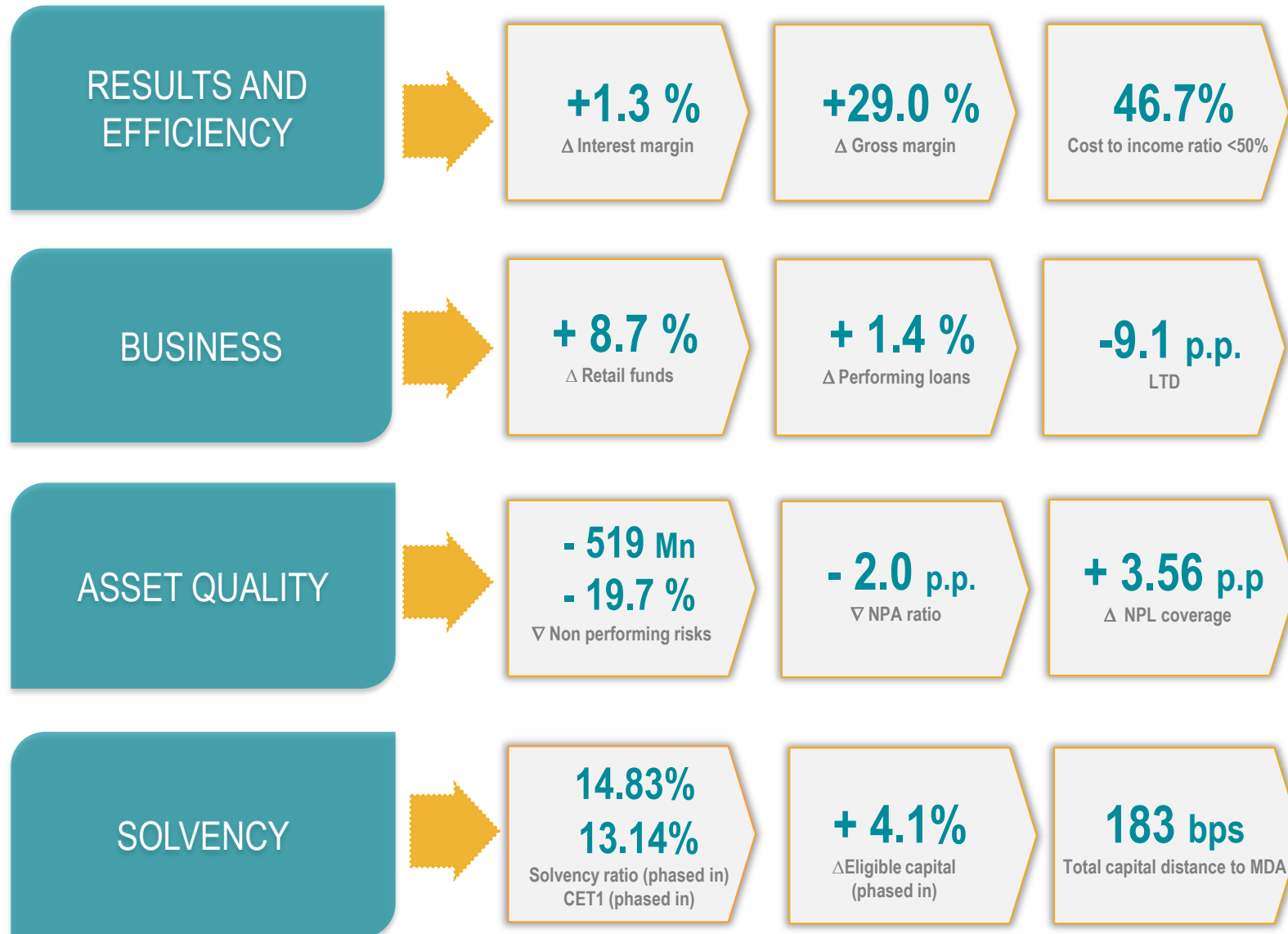
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- ii. GCC Corporate Overview

## 2019: Relevant improvement in asset quality, business, solvency and recurring margins y-o-y



# Most significant figures (I)

(EUR Thousands)

	30/09/2019	30/06/2019	30/09/2018	y-o-y		q-o-q	
				Abs.	%	Abs.	%
<b>Profit and Loss Account</b>							
Net interest income	437,102	293,917	431,344	5,758	1.3%		
Gross Income	921,394	663,469	714,350	207,044	29.0%		
Recurring Gross Income	708,343	447,541	664,420	43,924	6.6%		
Net Income before provisions	491,086	375,602	292,946	198,140	67.6%		
Recurring Net Income before provisions	278,035	159,674	243,016	35,020	14.4%		
Profit before tax	111,918	72,106	79,994	31,924	39.9%		
Consolidated Net profit	82,056	47,010	70,018	12,038	17.2%		
Attributable Net profit	82,056	47,010	70,018	12,038	17.2%		
<b>Business</b>							
Total Assets	45,620,963	45,334,985	42,718,227	2,902,736	6.8%	285,978	0.6%
Equity	3,237,432	3,200,803	3,019,108	218,324	7.2%	36,629	1.1%
On-balance sheet retail funds	30,238,231	29,799,437	27,816,578	2,421,653	8.7%	438,794	1.5%
Off-balance sheet funds	4,648,220	4,537,637	4,482,648	165,572	3.7%	110,583	2.4%
Performing Loans	29,123,307	29,436,858	28,710,305	413,002	1.4%	(313,551)	(1.1%)
<b>Risk management</b>							
Non-performing assets	4,913,766	5,038,430	5,649,915	(736,148)	(13.0%)	(124,664)	(2.5%)
Non-performing assets (net)	2,567,577	2,646,086	3,072,772	(505,194)	(16.4%)	(78,509)	(3.0%)
NPA coverage (%)	47.75%	47.48%	45.63%	2.12		0.27	
Non-performing loans	2,111,093	2,206,339	2,632,027	(520,934)	(19.8%)	(95,246)	(4.3%)
NPL ratio (%)	6.63%	6.84%	8.24%	(1.61)		(0.21)	
NPL coverage ratio (%)	47.55%	46.91%	43.99%	3.56		0.64	
Foreclosed assets (gross)	2,802,673	2,832,091	3,017,888	(215,214)	(7.1%)	(29,418)	(1.0%)
Foreclosed assets (net)	1,460,205	1,474,696	1,597,567	(137,361)	(8.6%)	(14,491)	(1.0%)
Foreclosed assets Coverage ratio (%)	47.90%	47.93%	47.06%	0.84		(0.03)	
Texas ratio	91.02%	93.54%	104.84%	(13.82)		(2.52)	
Cost of risk	1.08%	1.25%	0.56%	0.52		(0.17)	

## Most significant figures (II)

(EUR Thousands)	3Q19	2Q19	3Q18	y-o-y		q-o-q	
				Abs.	%	Abs.	%
<b>Liquidity</b>							
LTD (%)	95.03%	96.96%	104.11%	(9.08)		(1.93)	
LCR (%)	216.96%	217.23%	207.24%	9.72		(0.27)	
NSFR (%)	127.60%	126.55%	116.69%	10.91		1.05	
<b>Solvency phased in</b>							
CET1 ratio (%)	13.14%	12.86%	12.40%	0.74		0.28	
Tier 2 ratio (%)	1.70%	1.68%	1.73%	(0.04)		0.01	
Capital ratio (%)	14.83%	14.54%	14.13%	0.70		0.29	
Leverage ratio (%)	6.48%	6.29%	6.57%	(0.09)		0.19	
<b>Solvency fully loaded</b>							
CET1 ratio (%)	12.41%	12.14%	11.45%	0.96		0.27	
Tier 2 ratio (%)	1.70%	1.69%	1.74%	(0.04)		0.01	
Capital ratio (%)	14.11%	13.83%	13.18%	0.93		0.28	
Leverage ratio (%)	6.13%	5.94%	6.08%	0.05		0.19	
<b>Profitability and efficiency</b>							
ROA (%)	0.24%	0.21%	0.22%	0.02		0.03	
RORWA (%)	0.48%	0.41%	0.40%	0.08		0.07	
ROE (%)	3.46%	3.02%	3.13%	0.33		0.44	
Cost-income ratio (%)	46.70%	43.39%	58.99%	(12.29)		3.31	
Recurring cost-income ratio (%)	60.75%	64.32%	63.42%	(2.67)		(3.57)	
<b>Other data</b>							
Cooperative members	1,428,500	1,428,750	1,434,679	(6,179)	(0.4%)	(250)	(0.0%)
Employees	5,486	5,486	5,541	(55)	(1.0%)	-	-
Branches	962	964	1,029	(67)	(6.5%)	(2)	(0.2%)

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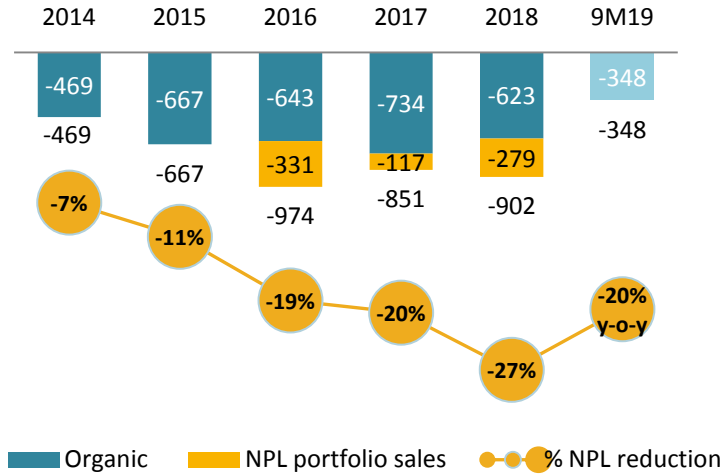
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# NPLs: Overview

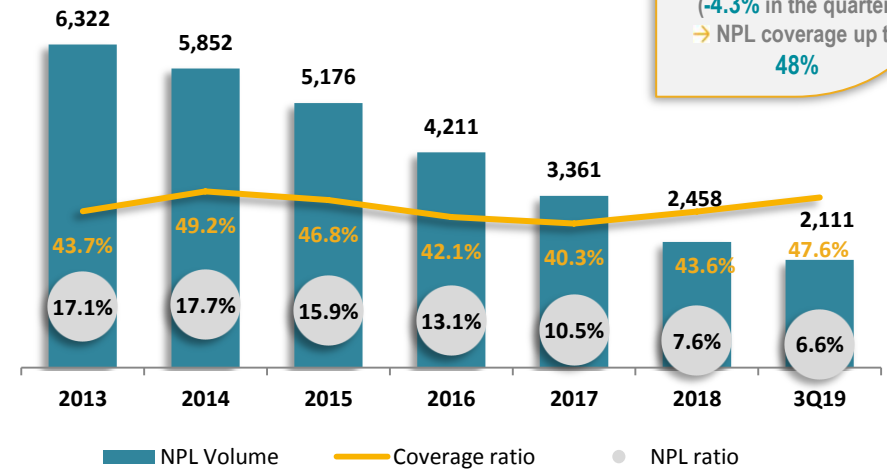
## Our track - record



## NPL variation q-o-q

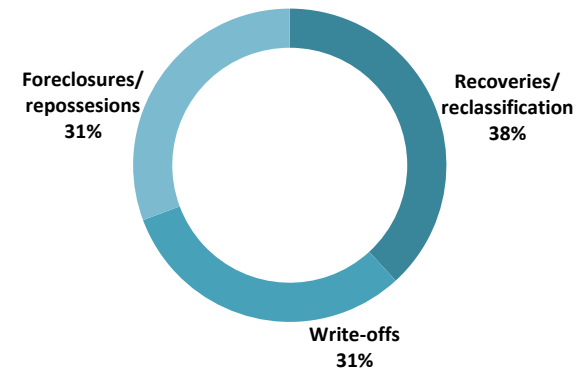
NPL evolution	3Q18	4Q18	1Q19	2Q19	3Q19	Last 4 quarters
NPL inflow	92	99	101	87	93	381
NPL outflow	-197	-272	-195	-246	-189	-902
Variation	-106	-173	-94	-159	-95	-521

## Non performing loans



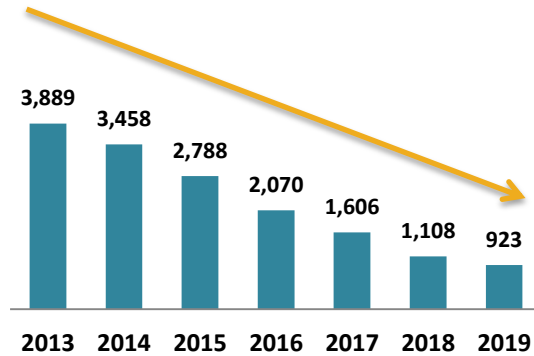
→ 67% reduction of NPLs since 2013 (-4.3% in the quarter)  
→ NPL coverage up to 48%

## Average NPL outflow (last 12 months)



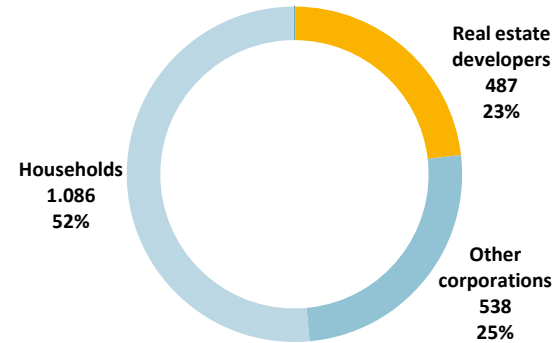
# Conservative approach

## Loans to real estate developers



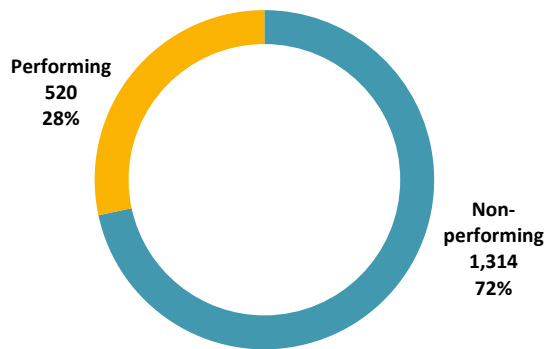
- RED loans account for only 3% of gross loans (sector average<sup>1</sup>: 9%)
- RED exposure is 923M (aprox. 23% less than 3Q18)

## NPL breakdown by segment



- NPL ratio exRED: 5.3% (sector average<sup>1</sup>: 5.0%)
- 23% of all NPLs are loans to real estate developers
- NPL coverage ratio: 47.55% (RED NPLs coverage: 53%)

## Forborne loans



→ 72% already in the NPL Figure

## Breakdown of ratios by segment

	Gross loans to customers	% of loans	NPL Ratio	Coverage Ratio
General governments	705	2%	0%	-
Other financial corps.	1,115	4%	0%	-
Other corporations	10,436	34%	5%	50%
Households + Other Retail	17,666	57%	6%	45%
Real estate developers	923	3%	53%	53%
<b>Total</b>	<b>30,846</b>		<b>6.6%</b>	<b>47.6%</b>

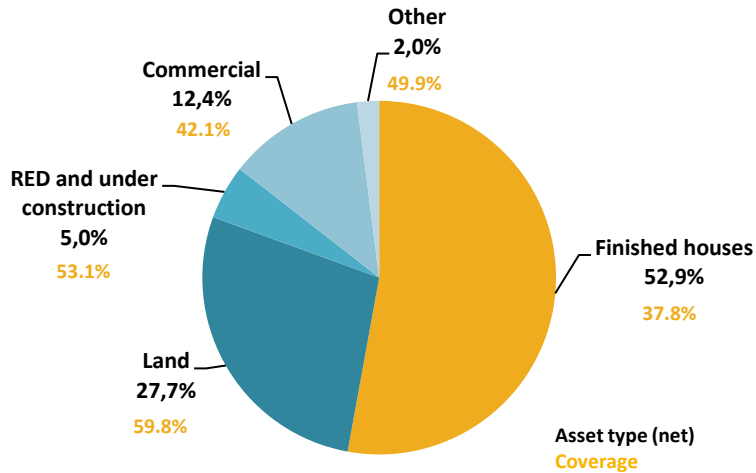
→ Adequate coverage by portfolio

Figures in EUR million  
<sup>1</sup> Figures as of 2Q19. Source: Bank of Spain

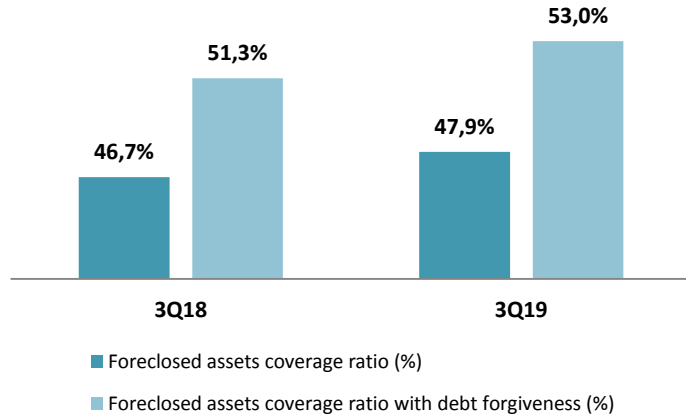


# Foreclosed assets: Favorable stock evolution

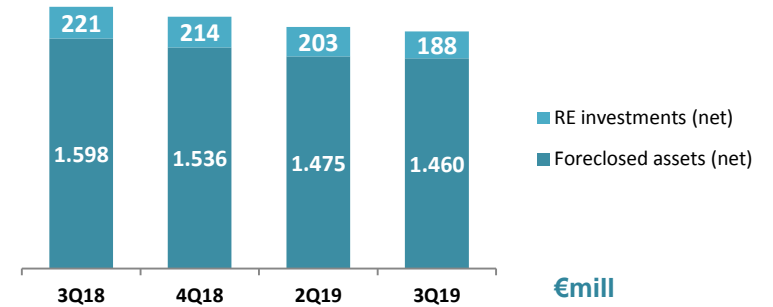
## Foreclosed assets by asset type & coverage



## Foreclosed assets Coverage

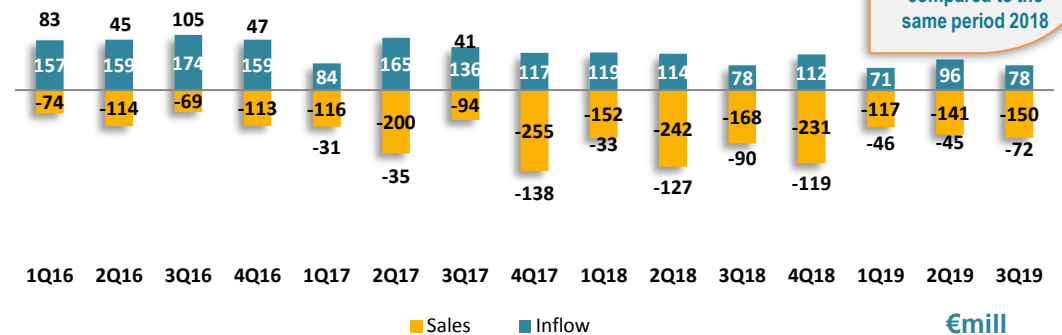


## Net REOs



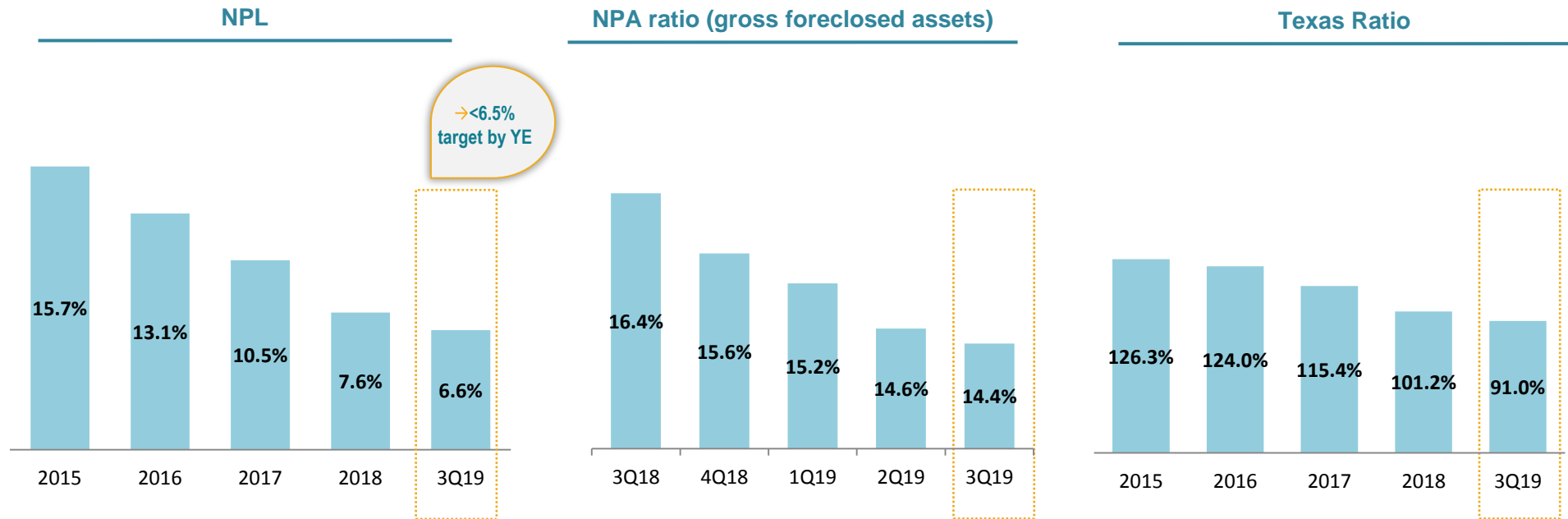
	3Q18	4Q18	2Q19	3Q19
Foreclosed assets (net)	1,598	1,536	1,475	1,460
RE investments (net)	221	214	203	188
REOs (net)	1,819	1,750	1,678	1,649

## Quarterly evolution of REOs (gross)



## Strong track-record in improvement of asset quality

→ A proven track-record in NPL reduction to converge to the average of the sector



(1) NPA ratio is calculated with gross foreclosed assets.

(2) Texas ratio = (Non performing total risks + gross REOs) / (Gross loans coverage + REOs coverage + Total equity)

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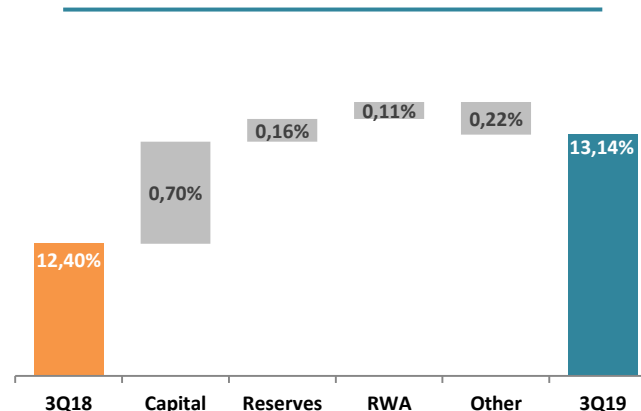
## 93 basis points of capital (fully loaded) generated in the last 12 months

- Solvency improves by 93 bps y-o-y in fully loaded terms
- Distance to 13% SREP total capital requirement is 183 bps

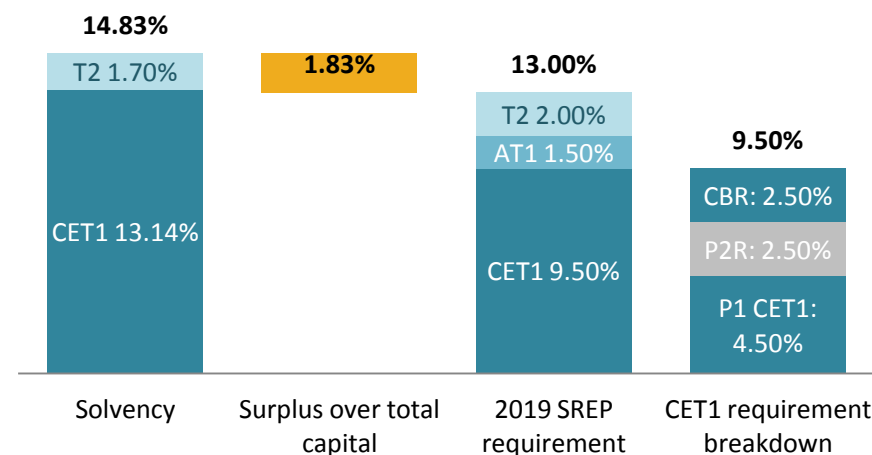
PHASED IN	30/09/2018	30/06/2019	30/09/2019	y-o-y	q-o-q
CET1	12.40%	12.86%	<b>13.14%</b>	74 pb	28 pb
T2	1.73%	1.68%	<b>1.70%</b>	-4 pb	1 pb
<b>Total Capital</b>	14.13%	14.54%	<b>14.83%</b>	70 pb	29 pb

FULLY LOADED	30/09/2018	30/06/2019	30/09/2019	y-o-y	q-o-q
CET1	11.45%	12.14%	<b>12.41%</b>	96 pb	27 pb
T2	1.74%	1.69%	<b>1.70%</b>	-4 pb	1 pb
<b>Total Capital</b>	13.18%	13.83%	<b>14.11%</b>	93 pb	28 pb

### Breakdown of CET1 variation



- Capital requirements for 2019: 9.5% CET1 and 13% total capital
- CET1 FL ratios improved by 27 bp q-o-q and 96 bps y-o-y. GCC is one of the entities with the highest CET1 FL increase among its peers
- No plans for T2 or SNP issuances in 2019. MREL requirement of 21.68% of RWAs to be complied with by 2023
- P2R for 2019 remains unchanged at 2.50%



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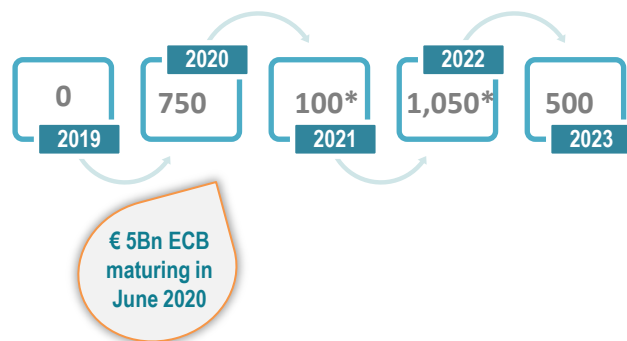
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# Liquidity

- 8.7% y-o-y increase in deposits improves business gap
- Manageable upcoming debt maturities

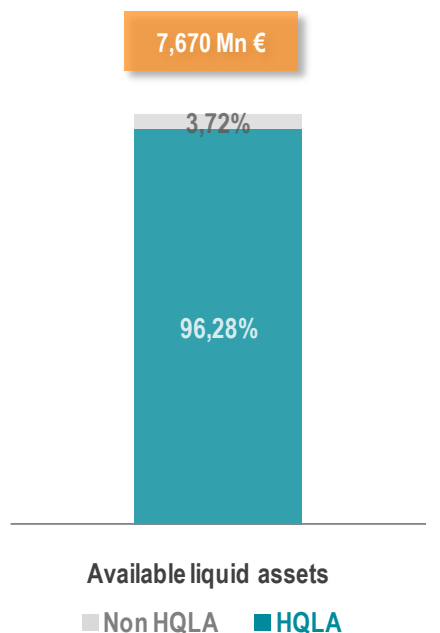
## Upcoming debt maturities (EUR mill)



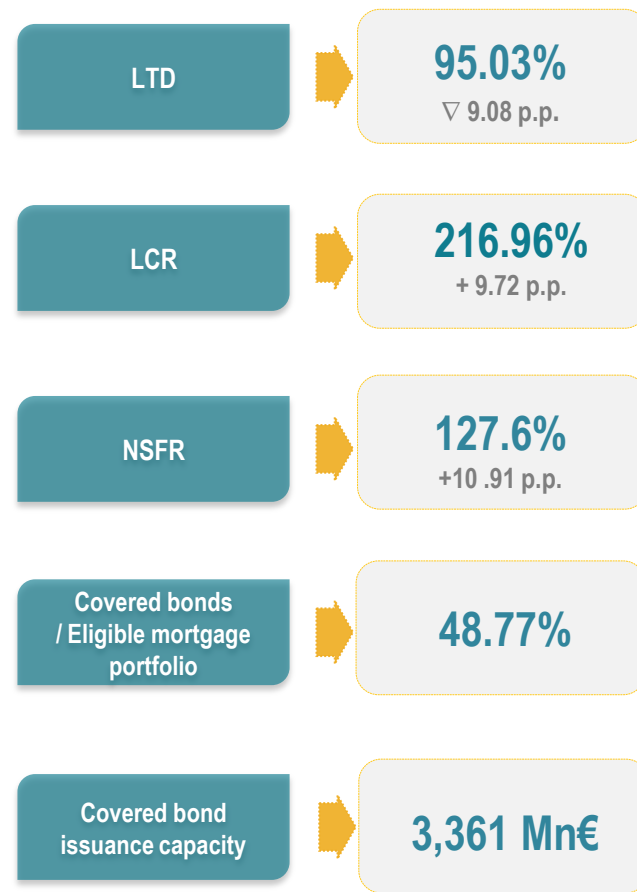
## Funding cost (EUR mill)

	Amount	Cost	%
ECB	5,087	-0.40%	47.4%
Repo & Interbank deposits	2,352	-0.34%	21.9%
Capital markets	3,289	1.84%	30.7%
<b>TOTAL</b>	<b>10,729</b>	<b>0.30%</b>	<b>100%</b>

## Available liquidity



(\*) High quality liquid assets.



(\*) Variations y-o-y

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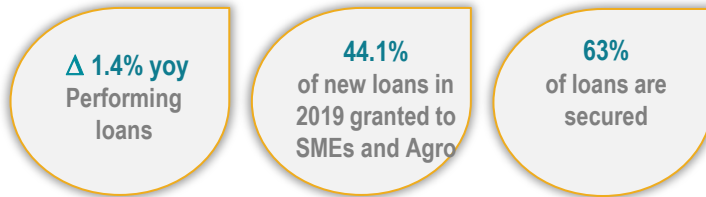
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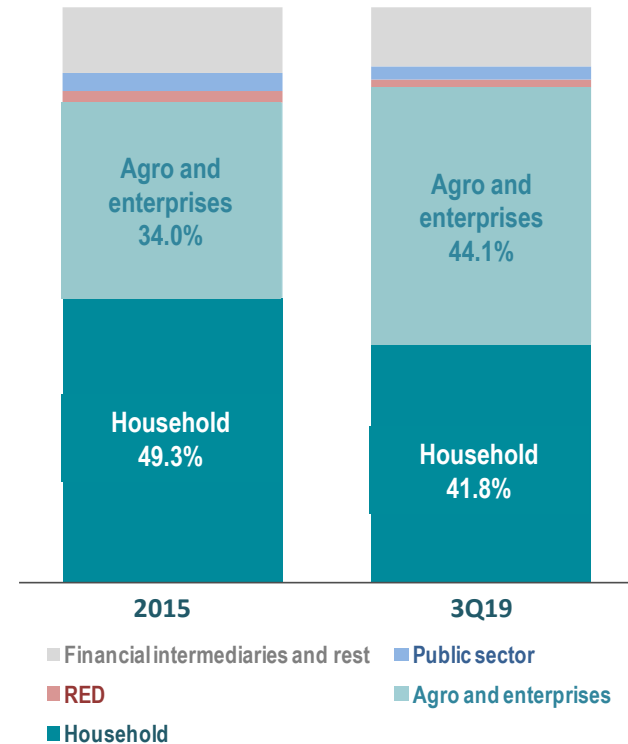
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# Business position: loan book

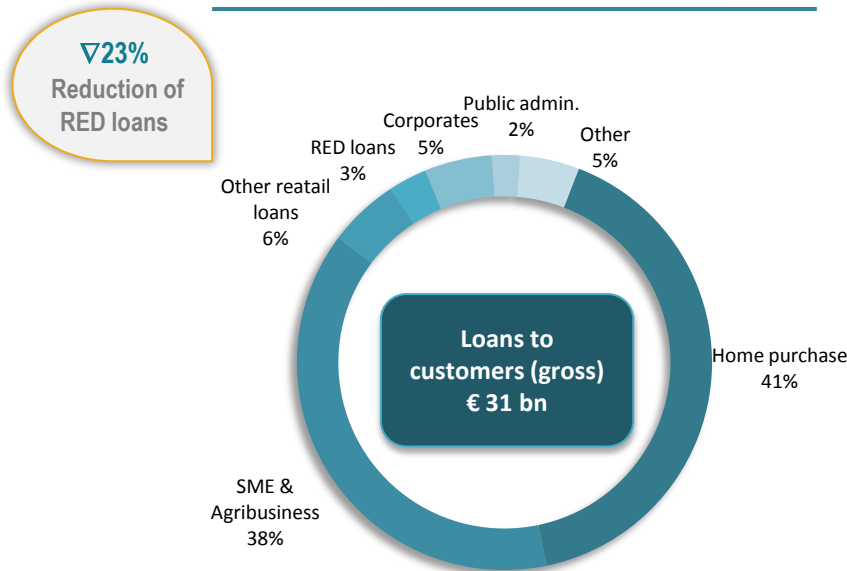
→ Growth in performing loans focused on SMEs and Agro while decreasing RED exposure (3% GCC vs. 9% sector<sup>1</sup>)



## Breakdown of performing loans to customers



## Loans to customers 3Q19



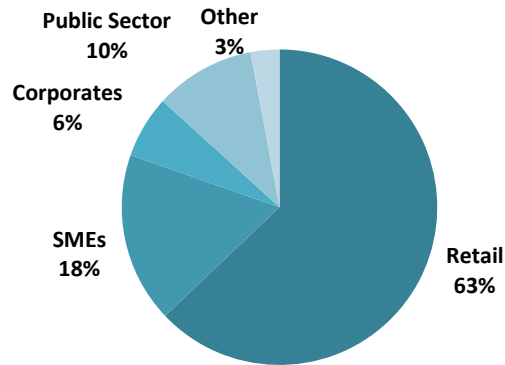
<sup>1</sup> Figures as of 2Q19. Source: Bank of Spain



# Business position: customer resources

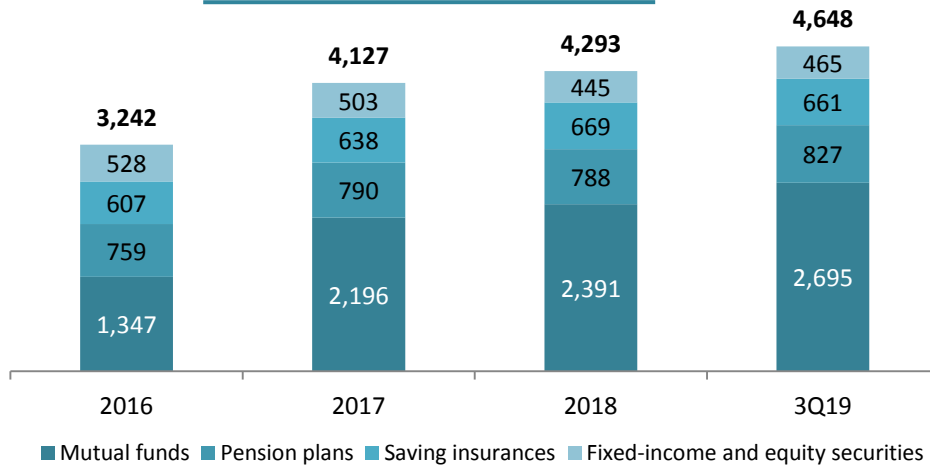
→ Growth in deposits from customers and AuM which means an increase in business gap. This leads to an improvement of liquidity ratios.

Deposits by segment

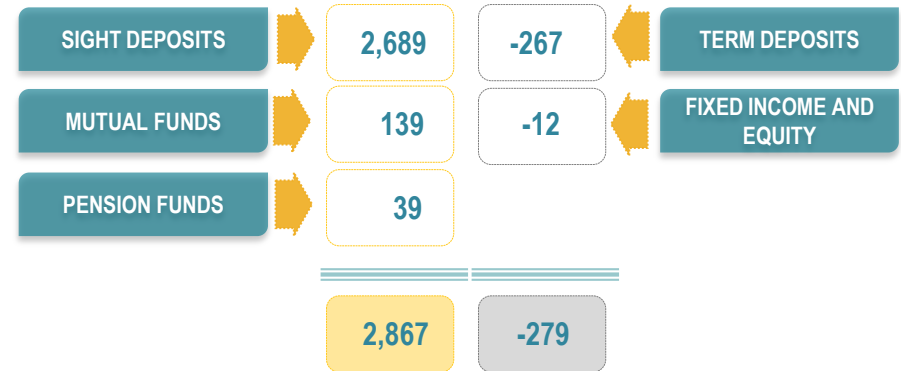


Δ 8.7%  
Increase in deposits  
(€+2,422 m yoy)

Funds under management



Change of customer funds (y-o-y)



- Off balance sheet AuM increase by 3.7% y-o-y
- Mutual funds increase by +5.4% y-o-y, while sector decreases by -0.77%<sup>1</sup>

Figures in EUR million  
<sup>1</sup>Source: Inverco

# Strategic alliances

→ Impulse of income from strategic partnerships



INSURANCE & PENSION PLANS



**Cajamar Seguros Generales – General insurance**  
 $\Delta$  18.7% y-o-y in general assurance premiums

**Cajamar Vida – Life insurance**  
 $\Delta$  15.5% y-o-y in life assurance premiums

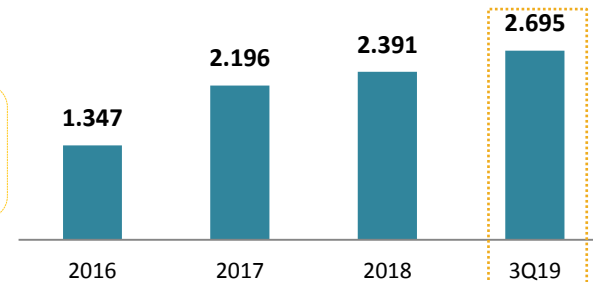


MUTUAL FUNDS



$\Delta$  5.5% y-o-y in mgment and marketing comissions  
 $\Delta$  5.4% y-o-y in Mutual Funds

GCC Mutual Funds (€ M)

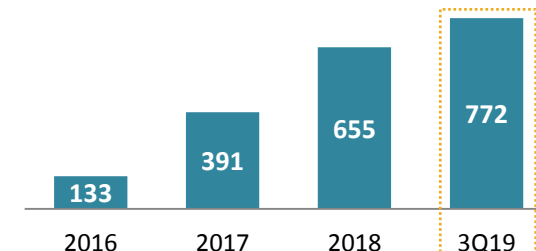


CONSUMER



$\Delta$  772 M of total outstanding risk  
 $\Delta$  32.2% y-o-y of consumer loans exposure

GCC Consumer Loans Outstanding risk exposure (€ M)



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<b>The past... 2014</b>	<b>The present... 3Q19</b>	<b>The future... 2021</b>
<i>WHERE WE WERE</i>	<i>WHERE WE ARE</i>	<i>WHERE WE WANT TO BE</i>
NPLs            €5,852m	NPLs            €2,111m	NPLs            < €1,300m
NPL Ratio      17.7%	NPL Ratio      6.6%	NPL Ratio      < 4%
CET1            11.1%	CET1            13.14%	CET1            > 13.5%

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# Balance sheet (I)

(EUR Thousands)	30/09/2019	30/06/2019	30/09/2018	y-o-y		q-o-q	
				Abs.	%	Abs.	%
Cash, cash balances at central banks and other demand deposits	491,207	1,080,923	1,152,476	(661,269)	(57.4%)	(589,716)	(54.6%)
Financial assets held for trading	5,978	4,339	2,775	3,203	115.4%	1,639	37.8%
Financial assets designated at fair value through profit or loss	356,283	301,415	277,893	78,390	28.2%	54,868	18.2%
<i>Of which:</i>							
<i>Loans and advances to Customers</i>	235,552	180,751	155,607	79,945	51.4%	54,801	30.3%
Financial assets at fair value through other comprehensive income	2,536,185	2,673,003	724,015	1,812,170	250.3%	(136,818)	(5.1%)
Financial assets at amortised cost	38,228,688	37,233,058	36,455,602	1,773,086	4.9%	995,630	2.7%
<i>Of which:</i>							
<i>Loans and advances to Customers</i>	29,607,031	30,031,013	29,751,572	(144,541)	(0.5%)	(423,982)	(1.4%)
Investments in subsidiaries, joint ventures and associates	101,591	93,943	88,334	13,257	15.0%	7,648	8.1%
Tangible assets	1,025,252	1,041,777	995,433	29,819	3.0%	(16,525)	(1.6%)
Intangible assets	171,252	166,438	156,147	15,105	9.7%	4,814	2.9%
Tax assets	1,127,192	1,115,349	1,122,592	4,600	0.4%	11,843	1.1%
Other assets	1,207,857	1,249,670	1,303,845	(95,988)	(7.4%)	(41,813)	(3.3%)
Non-current assets and disposal groups classified as held for sale	369,479	375,071	439,115	(69,636)	(15.9%)	(5,592)	(1.5%)
<b>TOTAL ASSETS</b>	<b>45,620,963</b>	<b>45,334,985</b>	<b>42,718,227</b>	<b>2,902,736</b>	<b>6.8%</b>	<b>285,978</b>	<b>0.6%</b>

## Balance sheet (II)

(EUR Thousands)	30/09/2019	30/06/2019	30/09/2018	y-o-y		q-o-q	
				Abs.	%	Abs.	%
Financial liabilities held for trading	3,469	2,778	1,176	2,293	195.0%	691	24.9%
Financial liabilities measured at amortised cost	41,767,600	41,294,943	38,992,949	2,774,651	7.1%	472,657	1.1%
<i>Of which:</i>						-	-
<i>Central Banks deposits</i>	5,019,695	5,024,871	5,040,261	(20,566)	(0.4%)	(5,176)	(0.1%)
<i>Central counterparty deposits</i>	334,279	430,206	711,243	(376,964)	(53.0%)	(95,927)	(22.3%)
<i>Customer deposits</i>	30,238,231	29,799,437	27,816,578	2,421,653	8.7%	438,794	1.5%
<i>Debt securities issued</i>	2,414,801	2,406,308	3,192,226	(777,425)	(24.4%)	8,493	0.4%
Derivatives – Hedge accounting	107,247	108,076	141,554	(34,307)	(24.2%)	(829)	(0.8%)
Provisions	97,941	107,347	74,360	23,581	31.7%	(9,406)	(8.8%)
Tax liabilities	73,067	81,771	84,948	(11,881)	(14.0%)	(8,704)	(10.6%)
Other liabilities	307,334	519,364	412,549	(105,215)	(25.5%)	(212,030)	(40.8%)
<i>of which: Welfare funds</i>	5,706	6,516	6,062	(356)	(5.9%)	(810)	(12.4%)
<b>TOTAL LIABILITIES</b>	<b>42,356,658</b>	<b>42,114,278</b>	<b>39,707,536</b>	<b>2,649,122</b>	<b>6.7%</b>	<b>242,380</b>	<b>0.6%</b>
Equity	3,237,432	3,200,803	3,019,108	218,324	7.2%	36,629	1.1%
<i>Of which:</i>							
<i>Capital / Equity instruments issued other than capital / Treasury shares</i>	2,893,310	2,873,040	2,732,751	160,559	5.9%	20,270	0.7%
<i>Retained earnings / Revaluation reserves / Other reserves</i>	280,897	281,572	234,419	46,478	19.8%	(675)	(0.2%)
<i>Profit or loss attributable to owners of the parent</i>	82,056	47,010	70,018	12,038	17.2%	35,046	74.6%
<i>(-) Interim dividends</i>	(18,831)	(818)	(18,080)	(751)	4.2%	(18,013)	2202.1%
Accumulated other comprehensive income	26,874	19,904	(8,417)	35,291	(419.3%)	6,970	35.0%
Minority interests	-	-	-	-	-	-	-
<b>TOTAL EQUITY</b>	<b>3,264,305</b>	<b>3,220,707</b>	<b>3,010,691</b>	<b>253,614</b>	<b>8.4%</b>	<b>43,598</b>	<b>1.4%</b>

# Consolidated P&L

(EUR Thousands)

	30/09/2019	%ATM	30/09/2018	%ATM	y-o-y	
					Abs.	%
Interest income	522,691	1.56%	530,258	1.69%	(7,567)	(1.4%)
Interest expenses	(85,589)	(0.26%)	(98,914)	(0.32%)	13,325	(13.5%)
<b>NET INTEREST INCOME</b>	<b>437,102</b>	<b>1.30%</b>	<b>431,344</b>	<b>1.37%</b>	<b>5,758</b>	<b>1.3%</b>
Dividend income	6,097	0.02%	5,392	0.02%	705	13.1%
Income from equity-accounted method	23,922	0.07%	21,469	0.07%	2,453	11.4%
Net fees and commissions	183,024	0.55%	196,065	0.62%	(13,041)	(6.7%)
Gains (losses) on financial transactions	296,262	0.88%	85,892	0.27%	210,370	244.9%
Exchange differences [gain or (-) loss], net	1,798	0.01%	1,302	-	496	38.1%
Other operating incomes/expenses	(26,811)	(0.08%)	(27,114)	(0.09%)	303	(1.1%)
of which: Mandatory transfer to Education and Development Fund	(3,814)	(0.01%)	(3,939)	(0.01%)	125	(3.2%)
<b>GROSS INCOME</b>	<b>921,394</b>	<b>2.75%</b>	<b>714,350</b>	<b>2.28%</b>	<b>207,044</b>	<b>29.0%</b>
Administrative expenses	(388,136)	(1.16%)	(378,520)	(1.21%)	(9,616)	2.5%
Personnel expenses	(248,702)	(0.74%)	(235,823)	(0.75%)	(12,879)	5.5%
Other administrative expenses	(139,434)	(0.42%)	(142,697)	(0.45%)	3,263	(2.3%)
Depreciation and amortisation	(42,172)	(0.13%)	(42,884)	(0.14%)	712	(1.7%)
<b>NET INCOME BEFORE PROVISIONS</b>	<b>491,086</b>	<b>1.46%</b>	<b>292,946</b>	<b>0.93%</b>	<b>198,140</b>	<b>67.6%</b>
Provisions or (-) reversal of provisions	(61,043)	(0.18%)	(21,298)	(0.07%)	(39,745)	186.6%
Impairment losses on financial assets	(255,073)	(0.76%)	(88,655)	(0.28%)	(166,418)	187.7%
<b>OPERATING INCOME</b>	<b>174,970</b>	<b>0.52%</b>	<b>182,993</b>	<b>0.58%</b>	<b>(8,023)</b>	<b>(4.4%)</b>
Impairment or reversal of impairment of investments in joint ventures or associates (net)	-	-	(22)	-	22	(100.0%)
Impairment losses on non financial assets	(30,208)	(0.09%)	(7,180)	(0.02%)	(23,028)	320.7%
Gains or (-) losses on derecognition of non financial assets, net	(23,066)	(0.07%)	(89,493)	(0.29%)	66,427	(74.2%)
Profit or (-) loss from non-current assets and disposal groups classified as held for sale	(9,779)	(0.03%)	(6,306)	(0.02%)	(3,473)	55.1%
<b>PROFIT BEFORE TAX</b>	<b>111,918</b>	<b>0.33%</b>	<b>79,994</b>	<b>0.25%</b>	<b>31,924</b>	<b>39.9%</b>
Tax	(29,862)	(0.09%)	(9,976)	(0.03%)	(19,886)	199.3%
<b>CONSOLIDATED NET PROFIT</b>	<b>82,056</b>	<b>0.24%</b>	<b>70,018</b>	<b>0.22%</b>	<b>12,038</b>	<b>17.2%</b>



# Quarterly P&L

(EUR Thousands)	3Q18	4Q18	1Q19	2Q19	3Q19	q-o-q	
						Abs.	%
Interest income	172,619	178,433	176,289	174,268	172,134	(2,134)	(1.2%)
Interest expenses	(35,450)	(23,736)	(28,171)	(28,469)	(28,949)	(480)	1.7%
<b>NET INTEREST INCOME</b>	<b>137,169</b>	<b>154,697</b>	<b>148,118</b>	<b>145,799</b>	<b>143,185</b>	<b>(2,614)</b>	<b>(1.8%)</b>
Dividend income	2,737	1,230	500	2,639	2,958	319	12.1%
Income from equity-accounted method	7,874	9,513	8,804	8,562	6,556	(2,006)	(23.4%)
Net fees and commissions	63,534	65,625	61,051	61,097	60,876	(221)	(0.4%)
Gains (losses) on financial transactions	(135)	(6,908)	26,712	216,009	53,541	(162,468)	(75.2%)
Exchange differences [gain or (-) loss], net	534	233	959	185	654	469	253.5%
Other operating incomes/expenses	(8,286)	(4,667)	(9,250)	(7,716)	(9,845)	(2,129)	27.6%
of which: Mandatory transfer to Education and Development Fund	(1,449)	(104)	(1,363)	(1,188)	(1,263)	(75)	6.3%
<b>GROSS INCOME</b>	<b>203,428</b>	<b>219,724</b>	<b>236,894</b>	<b>426,575</b>	<b>257,925</b>	<b>(168,650)</b>	<b>(39.5%)</b>
Administrative expenses	(116,049)	(132,514)	(127,572)	(131,303)	(129,261)	2,042	(1.6%)
Personnel expenses	(66,168)	(84,386)	(81,046)	(84,426)	(83,230)	1,196	(1.4%)
Other administrative expenses	(49,881)	(48,128)	(46,526)	(46,877)	(46,031)	846	(1.8%)
Depreciation and amortisation	(11,156)	(12,394)	(14,755)	(14,237)	(13,180)	1,057	(7.4%)
<b>NET INCOME BEFORE PROVISIONS</b>	<b>76,223</b>	<b>74,816</b>	<b>94,567</b>	<b>281,035</b>	<b>115,484</b>	<b>(165,551)</b>	<b>(58.9%)</b>
Provisions or (-) reversal of provisions	(1,567)	(17,257)	(6,174)	(55,198)	329	55,527	(100.6%)
Impairment losses on financial assets	(56,044)	(55,561)	(54,224)	(131,413)	(69,436)	61,977	(47.2%)
<b>OPERATING INCOME</b>	<b>18,612</b>	<b>1,997</b>	<b>34,169</b>	<b>94,424</b>	<b>46,377</b>	<b>(48,047)</b>	<b>(50.9%)</b>
Impairment /reversal of impairment of investments in joint ventures or associates (net)	-	-	-	-	-	-	-
Impairment losses on non financial assets	15,090	1,223	(3,997)	(26,860)	649	27,509	(102.4%)
Gains or (-) losses on derecognition of non financial assets, net	(8,256)	(7,827)	(4,461)	(12,215)	(6,390)	5,825	(47.7%)
Profit or (-) loss of non-current assets and disposal groups classified as held for sale	431	(6,282)	(2,431)	(6,524)	(824)	5,700	(87.4%)
<b>PROFIT BEFORE TAX</b>	<b>25,877</b>	<b>(10,889)</b>	<b>23,279</b>	<b>48,827</b>	<b>39,812</b>	<b>(9,015)</b>	<b>(18.5%)</b>
Tax	(1,038)	23,124	1,353	(26,449)	(4,766)	21,683	(82.0%)
<b>CONSOLIDATED NET PROFIT</b>	<b>24,839</b>	<b>12,235</b>	<b>24,632</b>	<b>22,378</b>	<b>35,046</b>	<b>12,668</b>	<b>56.6%</b>

# Asset quality

(EUR Thousands)

	30/09/2019	30/06/2019	30/09/2018	y-o-y		q-o-q	
				Abs.	%	Abs.	%
<b>Non-performing total risks</b>	<b>2,119,104</b>	<b>2,214,663</b>	<b>2,637,941</b>	<b>(518,837)</b>	<b>(19.7%)</b>	<b>(95,559)</b>	<b>(4.3%)</b>
<b>Total risks</b>	<b>31,954,744</b>	<b>32,375,612</b>	<b>32,030,385</b>	<b>(75,641)</b>	<b>(0.2%)</b>	<b>(420,868)</b>	<b>(1.3%)</b>
<b>NPL ratio (%)</b>	<b>6.63%</b>	<b>6.84%</b>	<b>8.24%</b>	<b>(1.61)</b>		<b>(0.21)</b>	
Gross loans coverage	1,003,721	1,034,949	1,157,908	(154,187)	(13.3%)	(31,228)	(3.0%)
<b>NPL coverage ratio (%)</b>	<b>47.55%</b>	<b>46.91%</b>	<b>43.99%</b>	<b>3.56</b>		<b>0.64</b>	
Foreclosed Assets (gross)	2,802,673	2,832,091	3,017,888	(215,214)	(7.1%)	(29,418)	(1.0%)
Foreclosed Assets Coverage	1,342,468	1,357,395	1,420,321	(77,853)	(5.5%)	(14,927)	(1.1%)
<b>Foreclosed assets coverage ratio (%)</b>	<b>47.90%</b>	<b>47.93%</b>	<b>47.06%</b>	<b>0.84</b>		<b>(0.03)</b>	
Foreclosed assets coverage ratio with debt forgiveness (%)	53.04%	52.93%	51.90%	1.14		0.11	
<b>NPA ratio (%)</b>	<b>14.44%</b>	<b>14.61%</b>	<b>16.44%</b>	<b>(2.00)</b>		<b>(0.17)</b>	
<b>NPA coverage (%)</b>	<b>47.75%</b>	<b>47.48%</b>	<b>45.63%</b>	<b>2.12</b>		<b>0.27</b>	
<b>NPA coverage with debt forgiveness (%)</b>	<b>50.82%</b>	<b>50.44%</b>	<b>48.41%</b>	<b>2.41</b>		<b>0.38</b>	
<b>Coverage breakdown (loan impairments breakdown)</b>							
<b>Total coverage</b>	<b>1,020,632</b>	<b>1,053,568</b>	<b>1,174,379</b>	<b>(153,747)</b>	<b>(13.1%)</b>	<b>(32,936)</b>	<b>(3.1%)</b>
Non-performing coverage	844,031	885,259	970,768	(126,737)	(13.1%)	(41,228)	(4.7%)
Performing coverage	176,602	168,309	203,612	(27,010)	(13.3%)	8,293	4.9%
<b>NPL breakdown</b>							
Past due >90 days	1,889,847	1,986,443	2,383,817	(493,970)	(20.7%)	(96,596)	(4.9%)
Doubtful non past due	221,246	219,896	248,210	(26,964)	(10.9%)	1,350	0.6%
<b>Total</b>	<b>2,111,093</b>	<b>2,206,339</b>	<b>2,632,027</b>	<b>(520,934)</b>	<b>(19.8%)</b>	<b>(95,246)</b>	<b>(4.3%)</b>
<i>Of which:</i>							
Forborne loans	1,313,940	1,398,315	1,728,475	(414,535)	(24.0%)	(84,375)	(6.0%)
<b>NPL breakdown by segment</b>							
General governments	168	168	250	(82)	(32.8%)	-	-
Other financial corporations	1,821	3,191	897	924	103.0%	(1,370)	(42.9%)
Other corporations	1,023,205	1,082,490	1,354,223	(331,018)	(24.4%)	(59,285)	(5.5%)
Households	1,085,899	1,120,490	1,276,657	(190,758)	(14.9%)	(34,591)	(3.1%)
<b>Total</b>	<b>2,111,093</b>	<b>2,206,339</b>	<b>2,632,027</b>	<b>(520,934)</b>	<b>(19.8%)</b>	<b>(95,246)</b>	<b>(4.3%)</b>
<i>Of which:</i>							
Real estate developers	487,073	523,317	687,258	(200,185)	(29.1%)	(36,244)	(6.9%)
<b>Forborne loans</b>							
Non-performing	1,313,940	1,398,315	1,728,475	(414,535)	(24.0%)	(84,375)	(6.0%)
Performing	520,243	542,733	621,731	(101,488)	(16.3%)	(22,490)	(4.1%)
<b>Total Forborne loans</b>	<b>1,834,183</b>	<b>1,941,048</b>	<b>2,350,206</b>	<b>(516,023)</b>	<b>(22.0%)</b>	<b>(106,865)</b>	<b>(5.5%)</b>
<b>REOs breakdown</b>							
<b>REOs (gross)</b>	<b>3,124,756</b>	<b>3,196,584</b>	<b>3,406,566</b>	<b>(281,809)</b>	<b>(8.3%)</b>	<b>(71,828)</b>	<b>(2.2%)</b>
<b>Foreclosed assets</b>	<b>2,802,673</b>	<b>2,832,091</b>	<b>3,017,888</b>	<b>(215,214)</b>	<b>(7.1%)</b>	<b>(29,418)</b>	<b>(1.0%)</b>
Non-current assets held for sale	586,193	602,107	698,778	(112,585)	(16.1%)	(15,914)	(2.6%)
Inventories	2,216,480	2,229,984	2,319,110	(102,630)	(4.4%)	(13,504)	(0.6%)
<b>RE Investments</b>	<b>322,083</b>	<b>364,493</b>	<b>388,678</b>	<b>(66,595)</b>	<b>(17.1%)</b>	<b>(42,410)</b>	<b>(11.6%)</b>

# Foreclosed assets

## Foreclosed assets (\*)

(EUR Thousands)

	30/09/2019	30/06/2019	30/09/2018	y-o-y		q-o-q	
				Abs.	%	Abs.	%
Foreclosed assets (gross)	2,802,673	2,832,091	3,017,888	(215,214)	(7.1%)	(29,418)	(1.0%)
Foreclosed assets coverage	(1,342,468)	(1,357,395)	(1,420,321)	77,853	(5.5%)	14,927	(1.1%)
Foreclosed assets (net)	1,460,205	1,474,696	1,597,567	(137,362)	(8.6%)	(14,491)	(1.0%)
Foreclosed assets coverage ratio (%)	47.90%	47.93%	47.06%	0.84		(0.03)	
Foreclosed assets coverage ratio with write-offs(%)	53.04%	52.93%	51.90%	1.14		0.11	

## According to the origin of the Loan

<b>Foreclosed assets (gross)</b>	<b>2,802,673</b>	<b>2,832,091</b>	<b>3,017,888</b>	<b>(215,214)</b>	<b>(7.1%)</b>	<b>(29,418)</b>	<b>(1.0%)</b>
Developers	1,820,461	1,838,601	1,944,826	(124,365)	(6.4%)	(18,140)	(1.0%)
Land	995,282	991,358	1,016,363	(21,080)	(2.1%)	3,924	0.4%
Finished buildings	650,644	670,880	749,574	(98,930)	(13.2%)	(20,236)	(3.0%)
Under construction	174,534	176,363	178,889	(4,354)	(2.4%)	(1,829)	(1.0%)
Homes	503,669	520,561	607,100	(103,430)	(17.0%)	(16,892)	(3.2%)
Other	478,544	472,929	465,962	12,581	2.7%	5,615	1.2%
<b>Foreclosed assets (net)</b>	<b>1,460,205</b>	<b>1,474,696</b>	<b>1,597,567</b>	<b>(137,362)</b>	<b>(8.6%)</b>	<b>(14,491)</b>	<b>(1.0%)</b>
Developers	873,965	881,418	948,141	(74,176)	(7.8%)	(7,453)	(0.8%)
Land	389,390	387,892	395,187	(5,797)	(1.5%)	1,497	0.4%
Finished buildings	403,685	412,483	469,332	(65,648)	(14.0%)	(8,799)	(2.1%)
Under construction	80,890	81,042	83,622	(2,731)	(3.3%)	(152)	(0.2%)
Homes	301,426	308,900	368,909	(67,483)	(18.3%)	(7,474)	(2.4%)
Other	284,814	284,378	280,517	4,297	1.5%	436	0.2%
<b>Coverage (%)</b>	<b>47.90%</b>	<b>47.93%</b>	<b>47.06%</b>	<b>0.84</b>		<b>(0.03)</b>	
Developers	51.99%	52.06%	51.25%	0.74		(0.07)	
Land	60.88%	60.87%	61.12%	(0.24)		0.00	
Finished buildings	37.96%	38.52%	37.39%	0.57		(0.56)	
Under construction	53.65%	54.05%	53.25%	0.40		(0.39)	
Homes	40.15%	40.66%	39.23%	0.92		(0.51)	
Other	40.48%	39.87%	39.80%	0.68		0.61	
<b>Coverage with write-offs(%)</b>	<b>53.04%</b>	<b>52.93%</b>	<b>51.90%</b>	<b>1.14</b>		<b>0.11</b>	
Developers	57.08%	57.08%	56.07%	1.02		0.01	
Land	64.67%	64.64%	64.64%	0.03		0.03	
Finished buildings	46.24%	46.65%	45.08%	1.16		(0.42)	
Under construction	55.93%	55.80%	55.06%	0.87		0.13	
Homes	44.89%	45.25%	43.70%	1.19		(0.37)	
Other	45.84%	44.81%	44.78%	1.06		1.04	

(\*) RE investments assets are not included.

# Solvency

EUR Thousands	30/09/2019	30/06/2019	30/09/2018	y-o-y		q-o-q	
				Abs.	%	Abs.	%
<b>Phased in</b>							
Capital	2,893,310	2,873,040	2,732,751	160,559	5.9%	20,270	0.7%
Reserves	509,671	484,822	473,351	36,320	7.7%	24,849	5.1%
AFS Surplus	3,597	(5,397)	(8,042)	11,639	(144.7%)	8,994	(166.6%)
Capital deductions	(398,705)	(385,817)	(335,261)	(63,444)	18.9%	(12,888)	3.3%
<b>Ordinary Tier 1 Capital</b>	<b>3,007,873</b>	<b>2,966,649</b>	<b>2,862,799</b>	<b>145,074</b>	<b>5.1%</b>	<b>41,224</b>	<b>1.4%</b>
<b>CET1 ratio (%)</b>	<b>13.14%</b>	<b>12.86%</b>	<b>12.40%</b>	<b>0.74</b>		<b>0.28</b>	
<b>Tier2 Capital</b>	<b>388,000</b>	<b>388,000</b>	<b>400,000</b>	<b>(12,000)</b>	<b>(3.0%)</b>	<b>-</b>	<b>-</b>
<b>Tier 2 ratio (%)</b>	<b>1.70%</b>	<b>1.68%</b>	<b>1.73%</b>	<b>(0.04)</b>		<b>0.01</b>	
<b>Eligible capital</b>	<b>3,395,873</b>	<b>3,354,649</b>	<b>3,262,799</b>	<b>133,074</b>	<b>4.1%</b>	<b>41,224</b>	<b>1.2%</b>
<b>Capital ratio (%)</b>	<b>14.83%</b>	<b>14.54%</b>	<b>14.13%</b>	<b>0.70</b>		<b>0.29</b>	
<b>Total risk-weighted assets</b>	<b>22,891,111</b>	<b>23,068,389</b>	<b>23,092,813</b>	<b>(201,702)</b>	<b>(0.9%)</b>	<b>(177,278)</b>	<b>(0.8%)</b>
Credit risk	21,323,145	21,482,321	21,604,909	(281,764)	(1.3%)	(159,176)	(0.7%)
Operational risk	1,445,750	1,445,750	1,443,904	1,846	0.1%	-	-
Other risk	122,216	140,318	44,000	78,216	177.8%	(18,102)	(12.9%)
<b>Fully-loaded</b>							
Capital	2,893,310	2,873,040	2,732,751	160,559	5.9%	20,270	0.7%
Reserves	334,585	309,736	277,666	56,919	20.5%	24,849	8.0%
AFS Surplus	3,597	(5,397)	(8,042)	11,639	(144.7%)	8,994	(166.6%)
Capital deductions	(398,705)	(385,817)	(365,439)	(33,266)	9.1%	(12,888)	3.3%
<b>Ordinary Tier 1 Capital</b>	<b>2,832,787</b>	<b>2,791,562</b>	<b>2,636,936</b>	<b>195,851</b>	<b>7.4%</b>	<b>41,225</b>	<b>1.5%</b>
<b>CET1 ratio (%)</b>	<b>12.41%</b>	<b>12.14%</b>	<b>11.45%</b>	<b>0.96</b>		<b>0.27</b>	
<b>Tier2 Capital</b>	<b>388,000</b>	<b>388,000</b>	<b>400,000</b>	<b>(12,000)</b>	<b>(3.0%)</b>	<b>-</b>	<b>-</b>
<b>Tier 2 ratio (%)</b>	<b>1.70%</b>	<b>1.69%</b>	<b>1.74%</b>	<b>(0.04)</b>		<b>0.01</b>	
<b>Eligible capital</b>	<b>3,220,787</b>	<b>3,179,562</b>	<b>3,036,936</b>	<b>183,851</b>	<b>6.1%</b>	<b>41,225</b>	<b>1.3%</b>
<b>Capital ratio (%)</b>	<b>14.11%</b>	<b>13.83%</b>	<b>13.18%</b>	<b>0.93</b>		<b>0.28</b>	
<b>Total risk-weighted assets</b>	<b>22,820,209</b>	<b>22,996,628</b>	<b>23,036,840</b>	<b>(216,631)</b>	<b>(0.9%)</b>	<b>(176,419)</b>	<b>(0.8%)</b>
Credit risk	21,252,242	21,410,560	21,548,937	(296,695)	(1.4%)	(158,318)	(0.7%)
Operational risk	1,445,750	1,445,750	1,443,904	1,846	0.1%	-	-
Other risk	122,217	140,318	43,999	78,218	177.8%	(18,101)	

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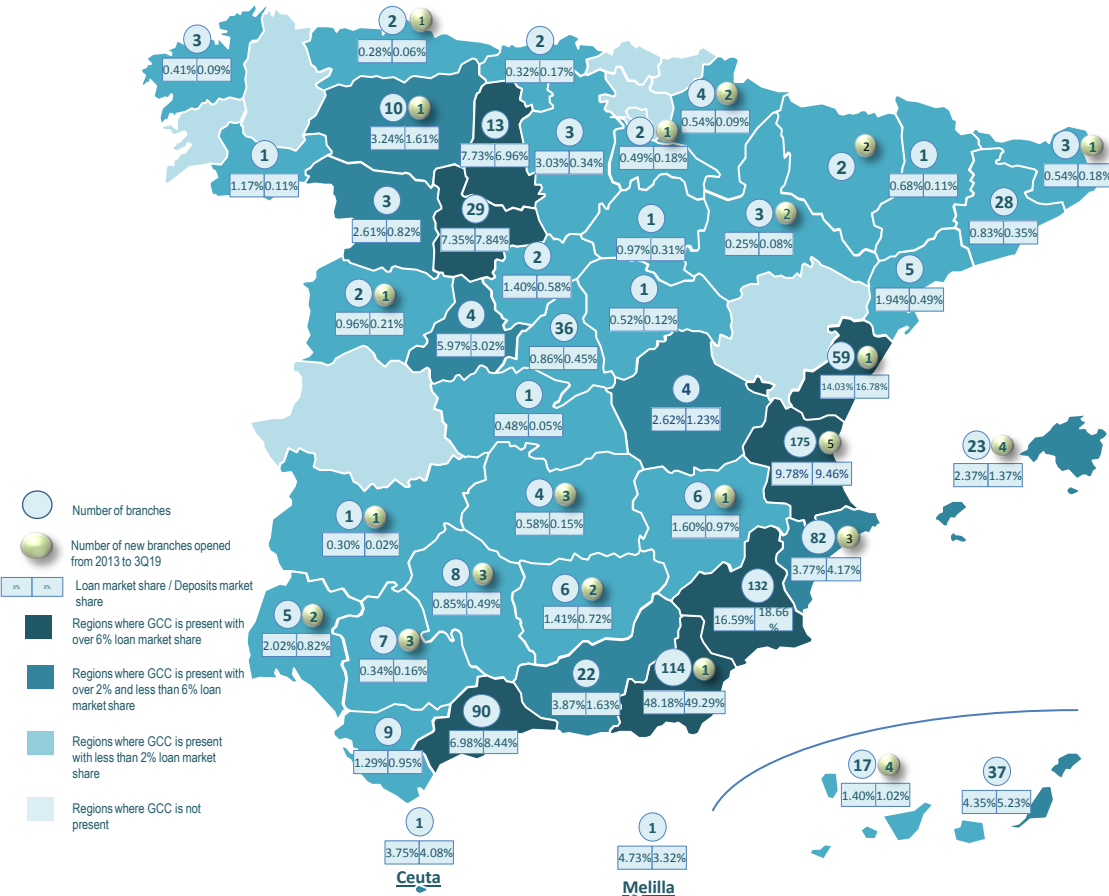
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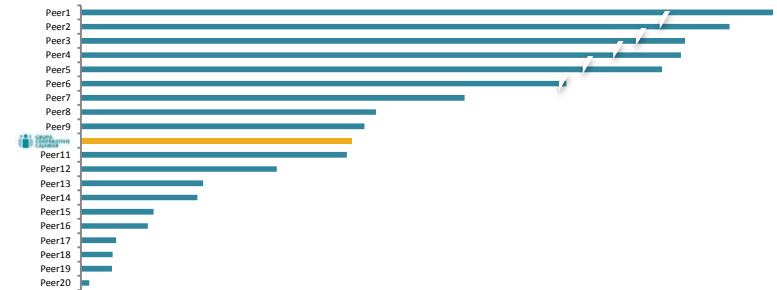
# Grupo Cooperativo Cajamar: A cooperative Group with nationwide presence

→ Grupo Cooperativo Cajamar ranks #11 by loans in Spain, and #11 by asset size (€46bn). It has 2.9% of the loan market share, and 14.45% of the agribusiness market share



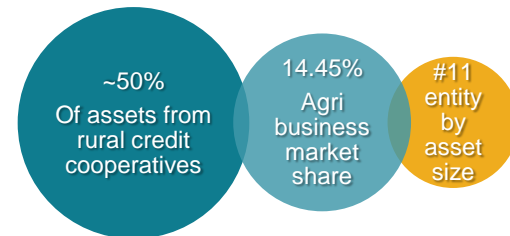
**962 branches (+4 openings, -8 closures in 2019)**

## Gross loans in Spain



→ **Strong presence along mediterranean coast and also some areas in Castilla-León and the Islands...**

As a result of a number of mergers of credit cooperatives over the last years



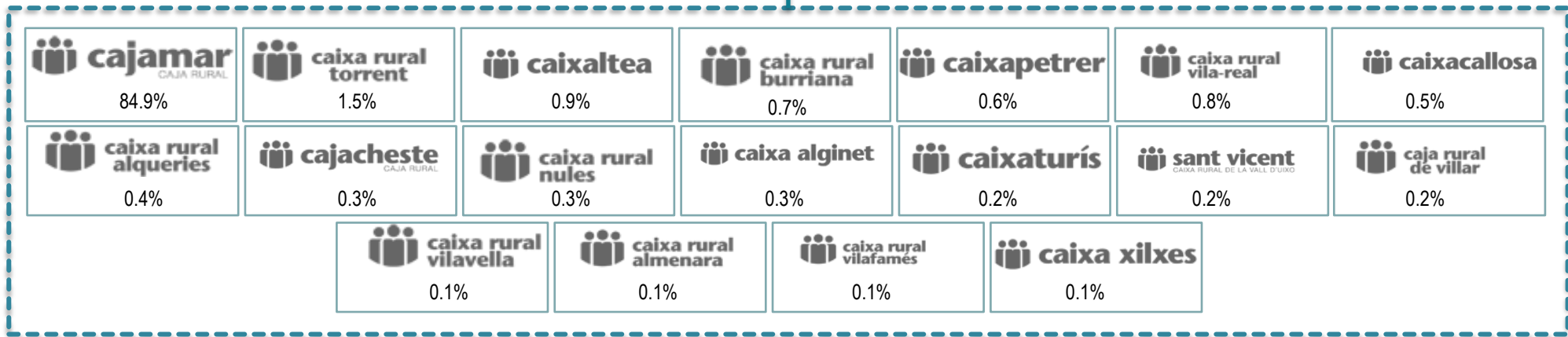
# GCC Corporate Structure

- 1 bank + 18 credit cooperatives, being BCC the parent company of the Group. Supervised by ECB as a Group, through BCC.
- Operating as an Institutional Protection Scheme with full P&L pooling and balance sheet consolidation, where control and management are sited at BCC, operating as one entity in terms strategy, solvency, risk mgmt., liquidity and profits.
- BCC will be the issuer of senior debt and hybrid capital. Covered bonds and ABS to be issued by Cajamar, where the collateral is booked

BCC is owned 92% by credit coops of GCC and 8% by external shareholders



% of shareholding in BCC as of 3Q19 **92.3%**



Caixa Albalat merged into Cajamar in 2018

Full institutional presentation at [www.bcc.es/en](http://www.bcc.es/en)

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