

# BCC Grupo Cajamar

3Q20 CREDIT UPDATE

5 November 2020

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

# Table of Contents

---

---

## 1. Key Highlights

## 2. Asset Quality

## 3. Solvency

## 4. Liquidity

## 5. Business & Results

## 6. Conclusions

## 7. Annex:

- Financials
- Grupo Cajamar Corporate Overview

# Response to impact of COVID-19 on business, asset quality, solvency and liquidity metrics

## COVID-19 IMPLICATIONS



- Strong recovery in the 3Q20 of the Spanish economy after lockdown (+16.7% GDP q-o-q).
- Proactive use of COVID supportive measures: legal moratorium up to 825 Mn€ (2,5% over loan book) and other financial solutions up to 2,379 Mn€, incl. sectorial moratorium (7,1% over loan book) of which 74% has the ICO related guarantee.
- Total cost of risk of 1.16% which includes 75Mn€ of COVID provisions of 2Q20 that represent 0.28% of the ratio. Trading income generated in the 2Q20 was allocated to provisions.
- BCC is taking a range of actions to anticipate to any credit deterioration caused by COVID-19. In terms of impacts: 7% of the loan book could be subject to a high impact of COVID-19, 17% to a medium impact and 76% to a low impact.

## SOLID COMMERCIAL ACTIVITY



- Increase in performing loans despite the crisis (+9.3% y-o-y, +2.5% q-o-q). High exposure to better performing segments (>18% of loan book in agro, 38% in mortgages) and low exposure to more vulnerable segments (leisure: 0.7% of the loan book, hotels & restaurants 4%, passenger transportation 0.7%).
- Ongoing evolution of the loan book towards corporates and agro (tighter credit spreads but higher risk quality) in detriment of small business and self-employed.
- Increase of customer deposits (+15.4% y-o-y, +4.7% q-o-q) and AuM (+2.7% y-o-y, +2.5% q-o-q) mainly driven by an increase in Mutual Funds (+7% y-o-y, +4.6% q-o-q) and Pension Plans (+1.9% y-o-y, +2.1% q-o-q).

## CONTINUING TO IMPROVE KEY METRICS



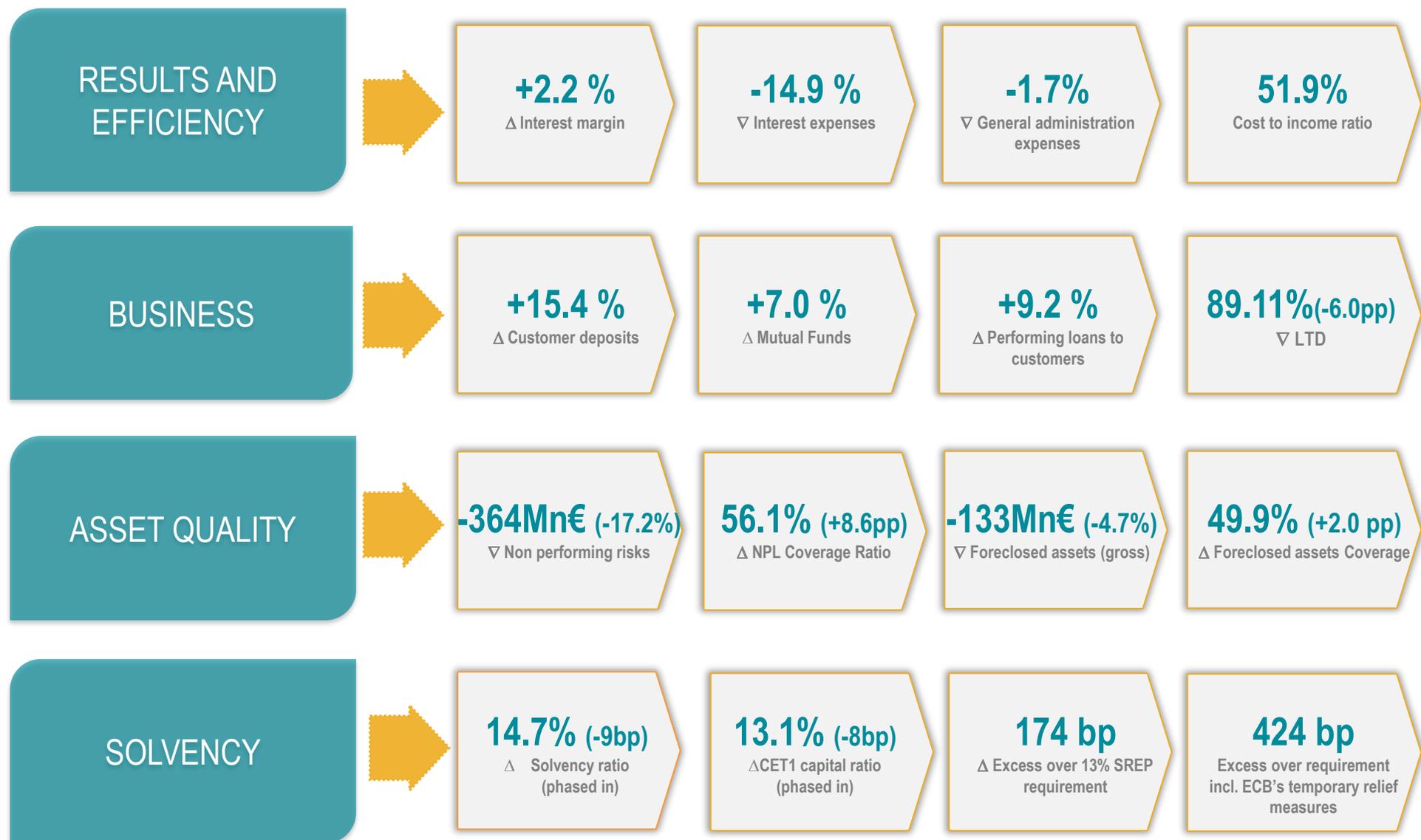
- Strengthened asset quality:
  - Increased NPL coverage up to 56.1% (+ 8.6% y-o-y, +0.5% q-o-q, having exceeded > 50% target)
  - Consistent NPL reduction (-17.3% y-o-y, -3.3% q-o-q), reaching a NPL ratio of 5.1%, even under COVID-19 circumstances. Significant reduction of REOs inflows, but still low outflows due to RE market uncertainty.
- Improved solvency: phased-in capital ratio at 14.74% (-9 bps y-o-y, +14 bps q-o-q). Distance to 13% SREP requirement of 174 bps (+14 bps q-o-q), up to 424 bps with ECB's temporary relief measures.
- Strong liquidity position: ratios well above requirements (LCR at 211%, NSFR at 127% and LTD at 89%).

## RESILIENT CORE BUSINESS



- Increase of NII by 2.2% y-o-y, supported by loan book growth and cheaper wholesale funding.
- Growth of commissions by +6.7% q-o-q due to the recovery of activity after lockdown.
- Admin expenses down by 2% y-o-y, with 926 branches (-36 y-o-y) and 5,465 employees (-21 y-o-y).
- All pre-provisioning income generated in the 3Q20 has been devoted to enhance coverage, leading to a close to zero result after taxes. This strategy is expected to continue in the following quarter.

## 3Q20: Ongoing improvement in asset quality, business and solvency y-o-y, and stable margins



# Most significant figures (I)

(EUR Thousands)

	30/09/2020	30/06/2020	30/09/2019	y-o-y		q-o-q	
				Abs.	%	Abs.	%
<b>Profit and Loss Account</b>							
Net interest income	446,696	295,069	437,102	9,594	2.2%		
Gross Income	823,533	611,050	921,394	(97,861)	(10.6%)		
Recurring Gross Income	698,098	494,201	708,343	(10,245)	(1.4%)		
Pre-provision Profit	396,132	328,684	491,086	(94,954)	(19.3%)		
Recurring Pre-provision Profit	270,697	211,835	278,035	(7,338)	(2.6%)		
Profit before tax	28,949	28,872	111,918	(82,969)	(74.1%)		
Consolidated Net profit	14,586	18,247	82,056	(67,470)	(82.2%)		
<b>Business</b>							
Total Assets	52,690,201	52,725,077	45,620,963	7,069,238	15.5%	(34,876)	(0.1%)
Equity	3,363,874	3,362,903	3,237,432	126,442	3.9%	971	0.0%
On-balance sheet retail funds	34,892,998	33,339,582	30,238,231	4,654,767	15.4%	1,553,416	4.7%
Off-balance sheet funds	4,772,330	4,655,023	4,648,220	124,110	2.7%	117,307	2.5%
Performing Loans	31,845,381	31,082,845	29,123,307	2,722,074	9.3%	762,536	2.5%
<b>Risk management</b>							
Non-performing assets (gross)	4,414,966	4,506,035	4,913,766	(498,801)	(10.2%)	(91,070)	(2.0%)
Non-performing assets (net)	2,104,889	2,181,522	2,567,577	(462,689)	(18.0%)	(76,634)	(3.5%)
NPA coverage (%)	52.32%	51.59%	47.75%	4.6		0.7	
Non-performing loans	1,745,142	1,805,440	2,111,093	(365,951)	(17.3%)	(60,298)	(3.3%)
NPL ratio (%)	5.11%	5.39%	6.63%	(1.5)		(0.28)	
NPL coverage ratio (%)	56.11%	55.65%	47.55%	8.6		0.5	
Foreclosed assets (gross)	2,669,824	2,700,595	2,802,673	(132,850)	(4.7%)	(30,772)	(1.1%)
Foreclosed assets (net)	1,338,944	1,380,890	1,460,205	(121,262)	(8.3%)	(41,947)	(3.0%)
Foreclosed assets Coverage ratio (%)	49.85%	48.87%	47.90%	2.0		1.0	
Texas ratio	81.72%	82.77%		81.7		(1.05)	
Cost of risk	1.16%	1.39%	1.08%	0.08		(0.23)	

## Most significant figures (II)

(EUR Thousands)	30/09/2020	30/06/2020	30/09/2019	y-o-y		q-o-q	
				Abs.	%	Abs.	%
<b>Liquidity</b>							
LTD (%)	89.11%	90.93%	95.03%	(5.9)		(1.8)	
LCR (%)	210.65%	258.98%	216.96%	(6.3)		(48.3)	
NSFR (%)	127.18%	126.67%	127.60%	(0.4)		0.5	
<b>Solvency phased in</b>							
CET1 ratio (%)	13.06%	12.94%	13.14%	(0.08)		0.12	
Tier 2 ratio (%)	1.68%	1.66%	1.70%	(0.01)		0.02	
Capital ratio (%)	14.74%	14.60%	14.83%	(0.09)		0.14	
Leverage ratio (%)	5.54%	5.55%	6.44%	(0.90)		(0.01)	
<b>Solvency fully loaded</b>							
CET1 ratio (%)	12.46%	12.35%	12.41%	0.05		0.12	
Tier 2 ratio (%)	1.69%	1.67%	1.70%	(0.01)		0.02	
Capital ratio (%)	14.15%	14.01%	14.11%	0.04		0.14	
Leverage ratio (%)	5.29%	5.30%	6.09%	(0.79)		(0.01)	
<b>Profitability and efficiency</b>							
ROA (%)	0.04%	0.07%	0.24%	(0.2)		(0.0)	
RORWA (%)	0.08%	0.16%	0.48%	(0.4)		(0.1)	
ROE (%)	0.58%	1.10%	3.46%	(2.9)		(0.5)	
Cost-income ratio (%)	51.90%	46.21%	46.70%	5.2		5.7	
Recurring cost-income ratio (%)	61.22%	57.14%	60.75%	0.5		4.1	
<b>Other data</b>							
Cooperative members	1,448,337	1,440,626	1,428,500	19,837	1.4%	7,711	0.5%
Employees	5,465	5,448	5,486	(21)	(0.4%)	17	0.3%
Branches	926	930	962	(36)	(3.7%)	(4)	(0.4%)

# Table of Contents

---

---

## 1. Key Highlights

## 2. Asset Quality

## 3. Solvency

## 4. Liquidity

## 5. Business & Results

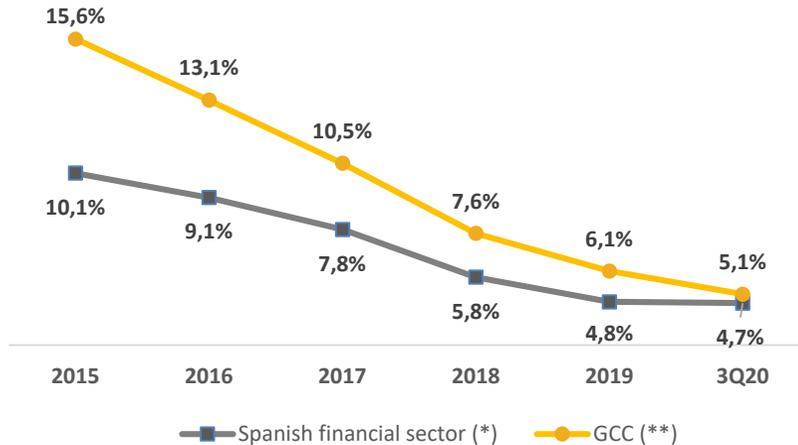
## 6. Conclusions

## 7. Annex:

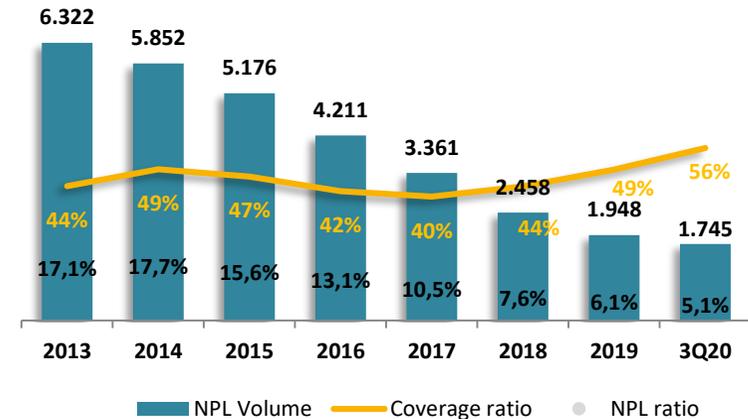
- Financials
- Grupo Cajamar Corporate Overview

# Asset Quality: Proven track record on reducing NPLs

## NPL ratio: Reducing the gap with the sector



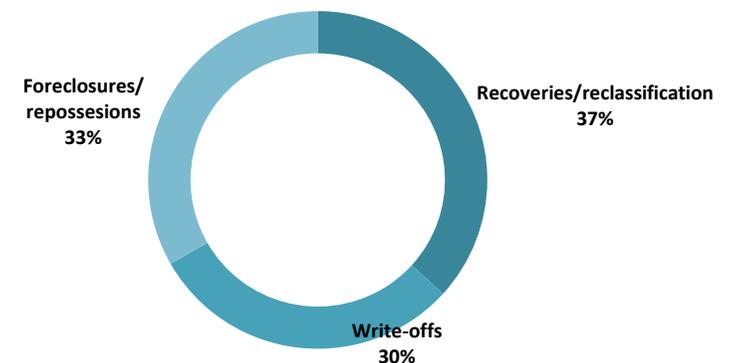
## Non performing loans



## NPL variation q-o-q

NPL evolution	3Q19	4Q19	1Q20	2Q20	3Q20	Last 4 quarters
NPL inflow	93	100	80	65	58	303
NPL outflow	-189	-263	-136	-153	-118	-669
Variation	-95	-163	-55	-87	-60	-366

## Average NPL outflow (last 12 months)

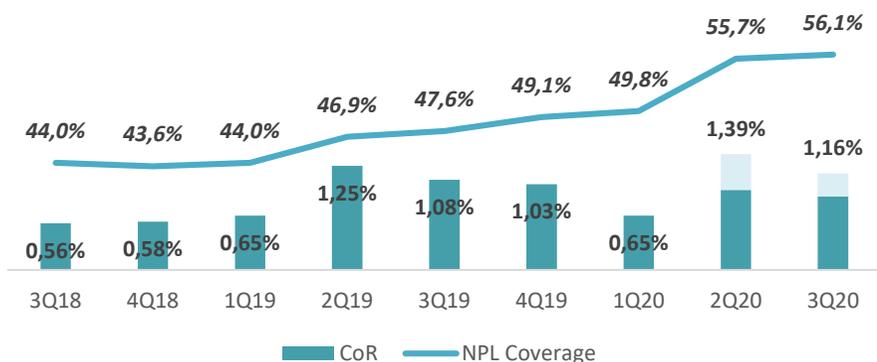


Figures in EUR million  
 (\*) Figures as of August 2020. Source: Bank of Spain for business in Spain  
 (\*\*) GCC figure as of September 2020

# NPL management

→ BCC's focus has always been on reinforcing asset quality, being able to reach a NPL Coverage ratio of 56% as of 3Q20. BCC has a low percentage of exposures in Stage 2, which means a lower risk of asset quality deterioration in the future.

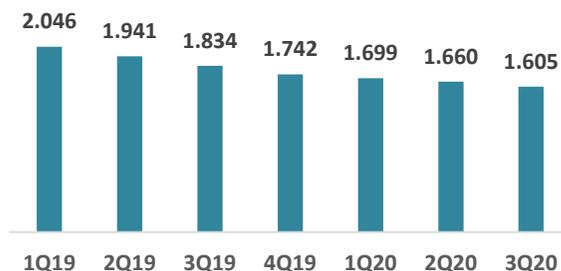
## Evolution of cost of risk and NPL coverage (1)



## Evolution of stages

	3Q20		2Q20	1Q20	4Q19	q-o-q	ytd
Risks	34,179	% of total	33,376	32,629	32,060	2.41%	6.61%
Stage 1	30,910	91%	29,907	29,064	28,422	3.4%	8.8%
Stage 2	1,505	4%	1,655	1,665	1,683	-9.1%	-10.6%
Stage 3	1,755	5%	1,813	1,901	1,956	-3.2%	-10.3%

## Evolution of forborne loans



## Breakdown of ratios by segment

	Gross loans	NPL	NPL ratio	Coverage ratio	Coverage + Collateral (2)
Home purchase	12,450	498	4%	51%	171%
Small SMEs	4,513	388	9%	48%	155%
Corporate SMEs	2,140	96	4%	57%	162%
Agrobusiness	5,926	220	4%	56%	169%
Other retail loans	1,624	160	10%	49%	170%
RED loans	780	365	47%	51%	133%
Big corporates	3,424	10	0%	>100%	>100%
Public admin.	718	1	0%	0%	0%
Other	1,547	9	1%	>100%	>100%
<b>TOTAL</b>	<b>33,121</b>	<b>1,745</b>	<b>5%</b>	<b>56.1%</b>	<b>165%</b>

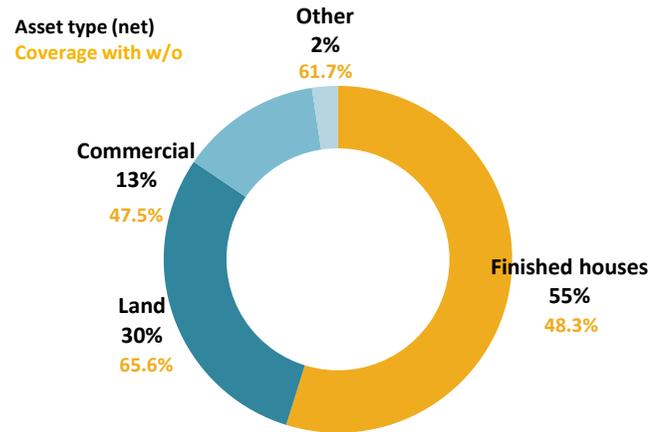
→ Consistent q-o-q reduction (-22% since 1Q19)

→ 65% already in the NPL Figure

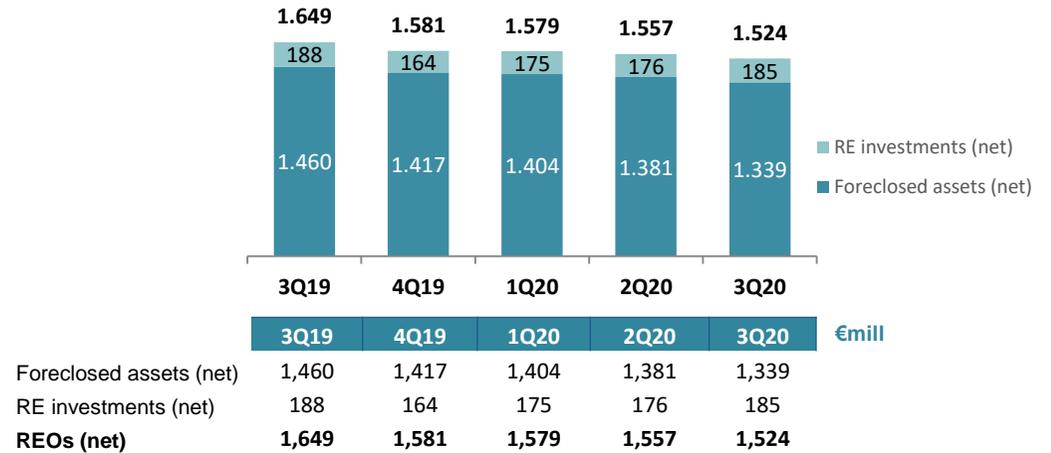
Figures in EUR million

# Foreclosed assets: y-o-y reduction despite the COVID-19 impact on real estate activity

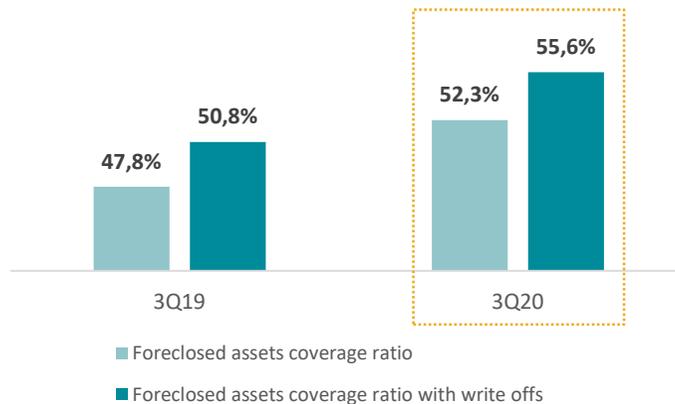
## Foreclosed assets by asset type & coverage



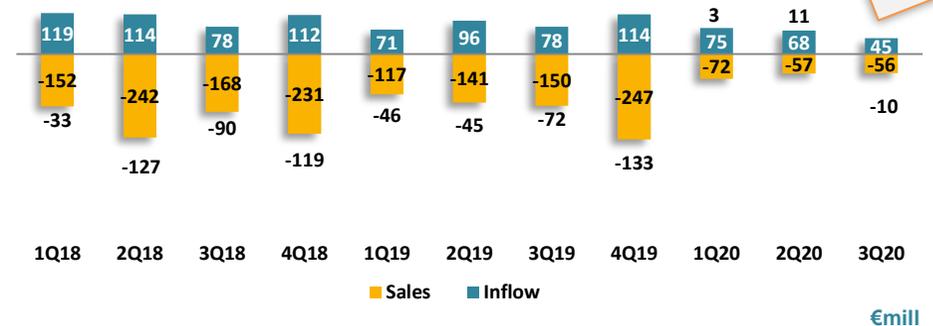
## Net REOs



## Foreclosed assets Coverage



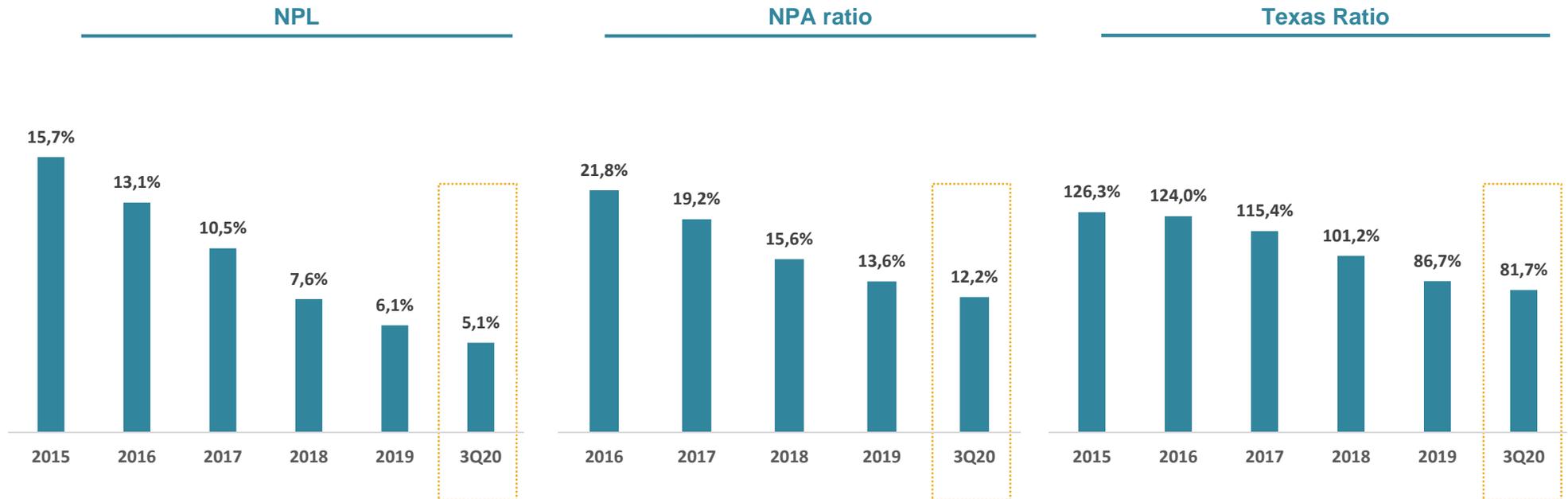
## Quarterly evolution of REOs (gross)



Lowest REOs inflows as of 3Q20 compared to previous quarters

## Strong track-record in improvement of asset quality

→ BCC has strengthened its balance sheet to face COVID-19 crisis from a better position, improving all its ratios consistently over the past years.



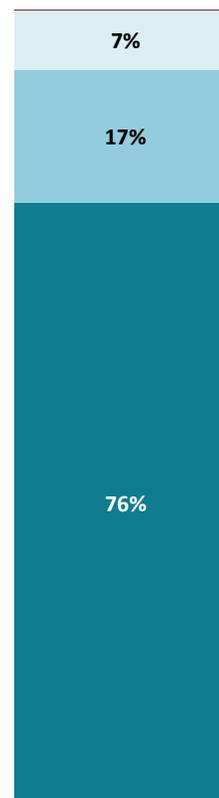
(1) NPA ratio is calculated with gross foreclosed assets.

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

## Impact of COVID-19 on the loan book

- BCC has a low relative exposure to the most vulnerable sectors to COVID-19.
- Just 7% of the total loan book could be exposed to a high impact due to the pandemic.

Breakdown by segment	%
Agriculture, livestock & fishing	11.2%
Mining	0.2%
Manufacturing	8.9%
<i>Of which:</i>	
Food, beverages & tobacco	3.7%
Chemical&farmaceutical	0.6%
Other	4.6%
Energy, water and waste disposal	1.0%
Building	5.5%
Commerce and repairing	10.0%
<i>Of which:</i>	
Food, beverages,tobacco, chemical & farmaceutical	5.0%
Other	5.0%
Transportation, storage and communications	3.1%
<i>Of which:</i>	
Transport and storage of goods	1.8%
Urban and railway passenger transportation	0.3%
Other passenger transportation	0.4%
Other	0.6%
Hotels&Restaurants	4.0%
Information and communications	1.6%
Financial and insurance	3.6%
Real estate, administrative and other professional activities	6.1%
Other services	4.2%
<i>Of which:</i>	
Leisure	0.7%
Other	3.5%
Individuals	35.4%
Other (public sector and other financials)	5.3%
<b>Gross loans to customers</b>	<b>100%</b>



**HIGH IMPACT:** Sectors like leisure, passenger transportation, hospitality, sports clothing, beauty centers, childcare, have been more damaged during the crisis and will not recover lost revenues.

**MEDIUM IMPACT:** Sectors like residential building, retail distribution (excl. clothing and food), maintenance of vehicles and buildings, which could recover at least part of their revenue.

**LOW IMPACT:** Sectors like agro, health, pharma, mortgage loans with 1st residence, public workers, energy, water, among others, are able to endure the crisis.

■ Low impact ■ Medium impact ■ High impact

## COVID – 19 support measures

- BCC has proactively make use of all COVID-19 aid instruments available to support its customers.
- BCC is one of the Spanish entities with the lowest percentages of moratoria over total loans and of moratoria clasified in stage 2 and 3.

### Customer support measures as of Sep20

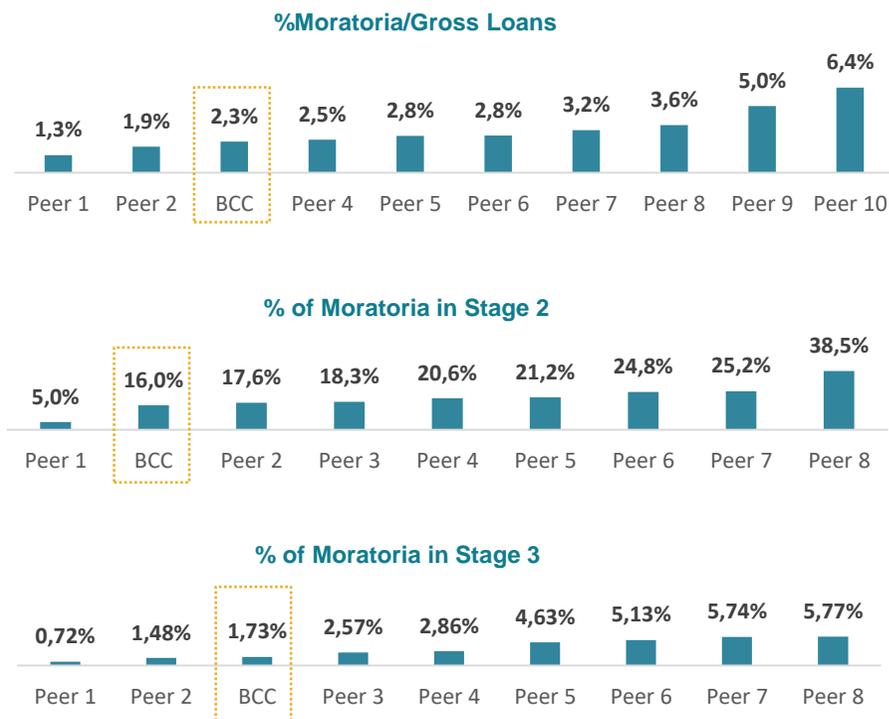
#### → Total COVID-19 financing:

- **Legal Moratoria: 825 Mn€** (2.5% over loan book and 6.4% over mortgage portfolio).
- **Other financial measures (inc. Sectorial Moratoria): 2.379 Mn** (7.1% over loan book), 74% of which is guaranteed by the State.  
The new COVID-19 financing excluding the novation from legal to sectorial moratorium is 1,879Mn€ (5.6% over total loan book).
- **Stages by 3Q20:** 11% of total moratoria clasified in Stage 2 and 1.3% clasified in Stage 3.

#### →ICO Guarantee Lines:

- **ICO lines:** Loans granted under this scheme amount to €1,764 Mn€.

### Moratoria comparison between Spanish peers as of Jun20 (\*)



\*Source: Jun20 entities' presentations and Pilar III reports

# Table of Contents

---

---

1. Key Highlights

2. Asset Quality

3. Solvency

4. Liquidity

5. Business & Results

6. Conclusions

7. Annex:

- Financials
- Grupo Cajamar Corporate Overview

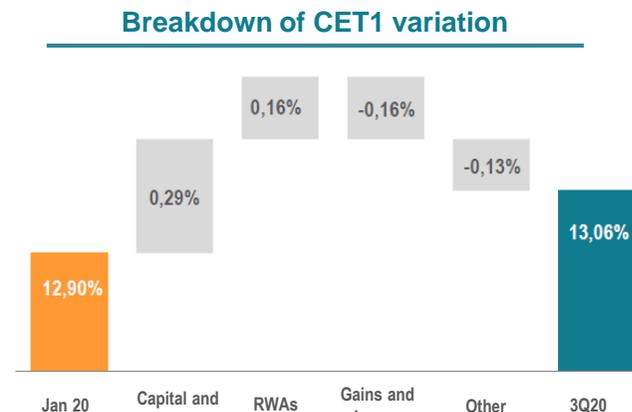
## 14 basis points of capital (phased in) generated in the last quarter

- Solvency improves by +14 bps q-o-q and +4 bps y-o-y in fully-loaded terms
- Distance to 10.5% capital requirement (considering ECB temporary relief measures) is 424 bps

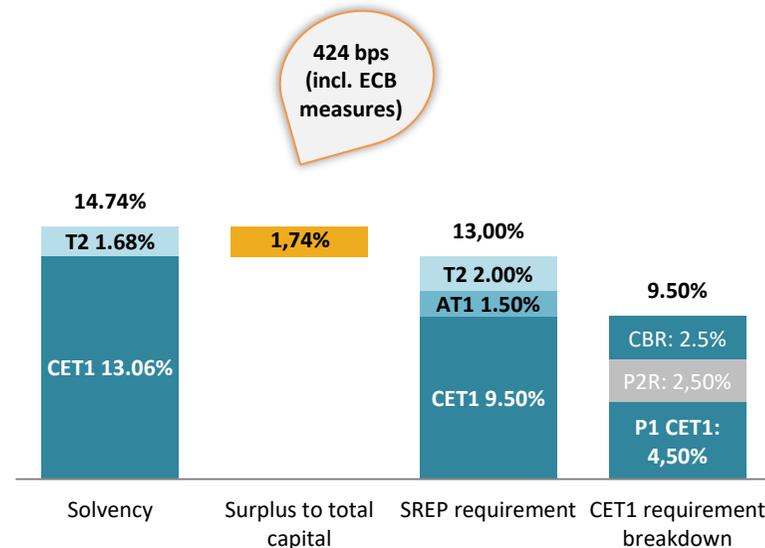
PHASED IN	30/09/2019	30/06/2020	30/09/2020	y-o-y	q-o-q
CET1	13.14%	12.94%	<b>13.06%</b>	-8 pb	12 pb
T2	1.70%	1.66%	<b>1.68%</b>	-2 pb	2 pb
Total Capital	14.83%	14.60%	<b>14.74%</b>	-9 pb	14 pb

FULLY LOADED	30/09/2019	30/06/2020	30/09/2020	y-o-y	q-o-q
CET1	12.41%	12.35%	<b>12.46%</b>	5 pb	11 pb
T2	1.70%	1.67%	<b>1.69%</b>	-1 pb	2 pb
Total Capital	14.11%	14.01%	<b>14.15%</b>	4 pb	14 pb



- BCC received its 2020 **SREP capital requirements** in December 2019: **9.50% of CET1** and **13% of total capital**. **P2R for 2020** remains unchanged at **2.50%**.
- No plans for T2 or SNP issuances in 2020 unless very supportive market conditions. **MREL requirement of 21.76% of RWAs** <sup>(1)</sup>, equivalent to 11.42% of TLOF, of which 8.66% must be met with subordinated instruments (already covered with current figures) with an allowance of 2.2% of the total exposure, expected to be complied with by January 2024.



# Table of Contents

---

---

1. Key Highlights

2. Asset Quality

3. Solvency

4. Liquidity

5. Business & Results

6. Conclusions

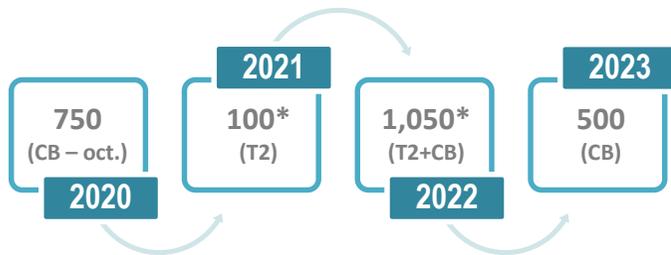
7. Annex:

- Financials
- Grupo Cajamar Corporate Overview

# Liquidity

- TLTRO III usage for the maximum amount of €9.5bn for opportunistic reasons.
- Manageable upcoming debt maturities.

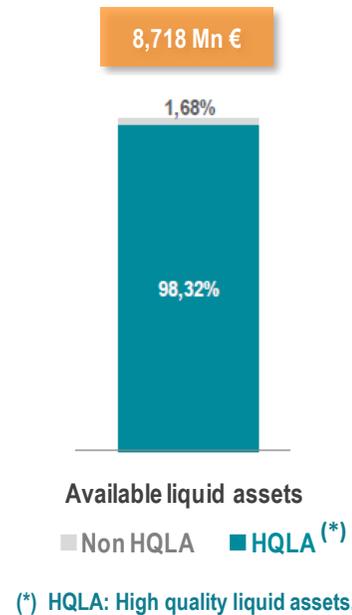
## Upcoming debt maturities (EUR mill)



## Funding cost (EUR mill)

	Amount	Cost	%
TLTRO III	9,482	-1.0%	75%
Monetary markets	100	-0.3%	1%
Capital markets	3,009	1.8%	24%
<b>TOTAL</b>	<b>12,591</b>	<b>-0.3%</b>	<b>100%</b>

## Available liquidity



(\*) Variations y-o-y

# Table of Contents

---

---

1. Key Highlights

2. Asset Quality

3. Solvency

4. Liquidity

5. Business & Results

6. Conclusions

7. Annex:

- Financials
- Grupo Cajamar Corporate Overview

# Profit and Loss Account

	30/09/2020	%ATM	30/09/2019	%ATM	y-o-y		31/12/2019	%ATM
					Abs.	%		
Interest income	519,539	1.38%	522,691	1.56%	(3,152)	(0.6%)	704,293	1.55%
Interest expenses	(72,843)	(0.19%)	(85,589)	(0.26%)	12,746	(14.9%)	(114,497)	(0.25%)
<b>NET INTEREST INCOME</b>	<b>446,696</b>	<b>1.19%</b>	<b>437,102</b>	<b>1.30%</b>	<b>9,594</b>	<b>2.2%</b>	<b>589,796</b>	<b>1.30%</b>
Dividend income	5,922	0.02%	6,097	0.02%	(175)	(2.9%)	8,705	0.02%
Income from equity-accounted method	25,451	0.07%	23,922	0.07%	1,529	6.4%	38,435	0.08%
Net fees and commissions	169,535	0.45%	183,024	0.55%	(13,489)	(7.4%)	245,260	0.54%
Gains (losses) on financial transactions	205,935	0.55%	296,262	0.88%	(90,327)	(30.5%)	295,677	0.65%
Exchange differences [gain or (-) loss], net	1,074	-	1,798	0.01%	(724)	(40.3%)	3,160	0.01%
Other operating incomes/expenses	(31,080)	(0.08%)	(26,811)	(0.08%)	(4,269)	15.9%	(33,379)	(0.07%)
of which: Mandatory transfer to Education and Development Fund	(1,231)	-	(3,814)	(0.01%)	2,583	(67.7%)	(3,803)	(0.01%)
<b>GROSS INCOME</b>	<b>823,533</b>	<b>2.19%</b>	<b>921,394</b>	<b>2.75%</b>	<b>(97,861)</b>	<b>(10.6%)</b>	<b>1,147,654</b>	<b>2.53%</b>
Administrative expenses	(381,553)	(1.01%)	(388,136)	(1.16%)	6,583	(1.7%)	(517,272)	(1.14%)
Personnel expenses	(244,202)	(0.65%)	(248,702)	(0.74%)	4,500	(1.8%)	(331,706)	(0.73%)
Other administrative expenses	(137,350)	(0.37%)	(139,434)	(0.42%)	2,084	(1.5%)	(185,566)	(0.41%)
Depreciation and amortisation	(45,849)	(0.12%)	(42,172)	(0.13%)	(3,677)	8.7%	(56,840)	(0.13%)
<b>PRE-PROVISION PROFIT</b>	<b>396,132</b>	<b>1.05%</b>	<b>491,086</b>	<b>1.46%</b>	<b>(94,954)</b>	<b>(19.3%)</b>	<b>573,542</b>	<b>1.26%</b>
Provisions or (-) reversal of provisions	(31,866)	(0.08%)	(61,043)	(0.18%)	29,177	(47.8%)	(53,362)	(0.12%)
Impairment losses on financial assets	(244,524)	(0.65%)	(255,073)	(0.76%)	10,549	(4.1%)	(333,633)	(0.74%)
<b>OPERATING INCOME</b>	<b>119,742</b>	<b>0.32%</b>	<b>174,970</b>	<b>0.52%</b>	<b>(55,228)</b>	<b>(31.6%)</b>	<b>186,547</b>	<b>0.41%</b>
Impairment or reversal of investments in joint ventures or associates (net)	-	-	-	-	-	-	-	-
Impairment losses on non financial assets	(61,376)	(0.16%)	(30,208)	(0.09%)	(31,168)	103.2%	(32,947)	(0.07%)
Gains or (-) losses on derecognition of non financial assets, net	(15,047)	(0.04%)	(23,066)	(0.07%)	8,019	(34.8%)	(27,338)	(0.06%)
Profit or (-) loss from non-current assets&disposal groups at held for sale	(14,369)	(0.04%)	(9,779)	(0.03%)	(4,590)	46.9%	(12,850)	(0.03%)
<b>PROFIT BEFORE TAX</b>	<b>28,949</b>	<b>0.08%</b>	<b>111,918</b>	<b>0.33%</b>	<b>(82,969)</b>	<b>(74.1%)</b>	<b>113,412</b>	<b>0.25%</b>
Tax	(14,363)	(0.04%)	(29,862)	(0.09%)	15,499	(51.9%)	(20,917)	(0.05%)
<b>CONSOLIDATED NET PROFIT</b>	<b>14,586</b>	<b>0.04%</b>	<b>82,056</b>	<b>0.24%</b>	<b>(67,470)</b>	<b>(82.2%)</b>	<b>92,495</b>	<b>0.20%</b>

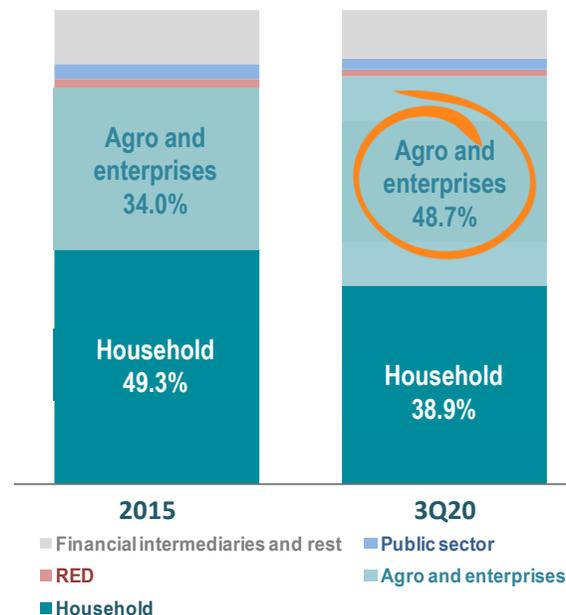
## Business position: loan book growth thanks to strengthen strategic segments such as agro

- Growth in performing loans (+2.5% q-o-q, +9.2% y-o-y), focused on Enterprises and Agro while decreasing RED exposure (only 2.4% of total loan book).
- Evolution of GDP y-o-y (\*):
  - 2Q20: Total -21.5%, while Agro +6.3%
  - 3Q20: Total -8.7%, while Agro +5.0%

### Loans to customers 3Q20

	Gross loans	y-o-y	% of gross loans
Home purchase	12,450	-1.2%	38%
Small SMEs	4,513	1.0%	14%
Corporate SMEs	2,140	17.6%	6%
Agrobusiness	5,926	8.5%	18%
Other retail loans	1,624	-5.4%	5%
RED loans	780	-16.0%	2%
Big corporates	3,424	93.1%	10%
Public admin.	718	6.9%	2%
Other	1547	9.7%	5%
<b>TOTAL</b>	<b>33,121</b>	<b>7.4%</b>	<b>100%</b>

### Evolution of performing loan mix



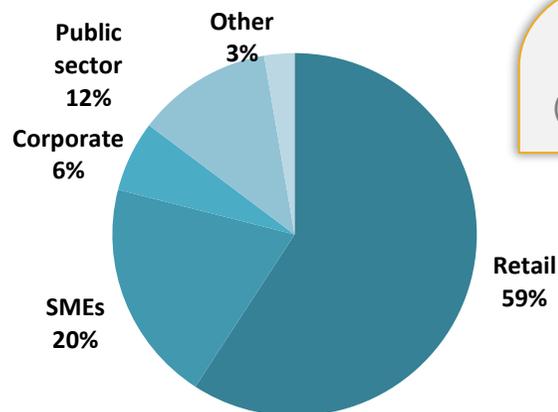
## Business position: significant increase in customer resources despite the sanitary crisis

- Growth in deposits from customers implies an improvement in business gap. This leads to an increase of liquidity ratios.
- The cost of front book deposits stands at 1 bp as of September 2020

### Change of deposits by segment

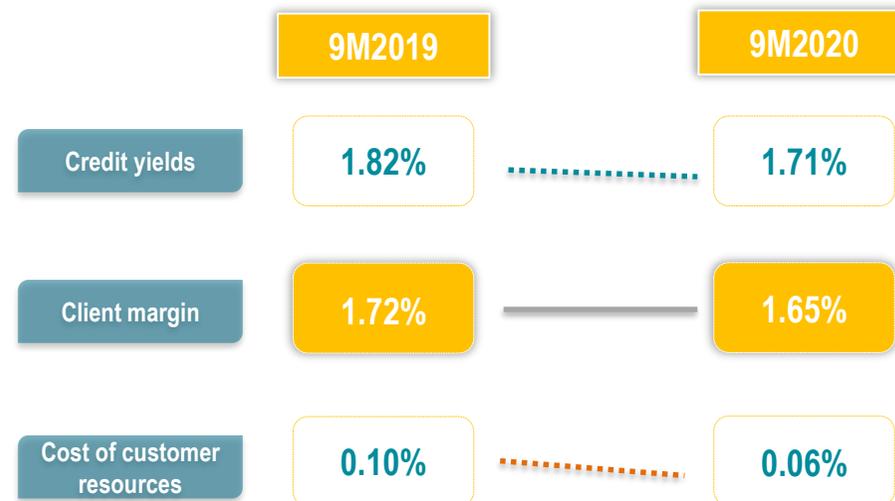
	3Q19	2Q20	3Q20	q-o-q	%	y-o-y	%
Retail	19,022	20,413	20,645	232	1.1%	1,623	8.5%
SMEs	5,561	6,946	6,914	-32	-0.5%	1,353	24.3%
Corporates	1,644	2,031	2,199	167	8.2%	554	33.7%
Public Sector	3,119	3,128	4,199	1,072	34.3%	1,080	34.6%
Other	891	822	936	115	13.9%	45	5.0%
<b>Total</b>	<b>30,238</b>	<b>33,340</b>	<b>34,893</b>	<b>1,553</b>	<b>4.7%</b>	<b>4,655</b>	<b>15.4%</b>

### Deposits by segment



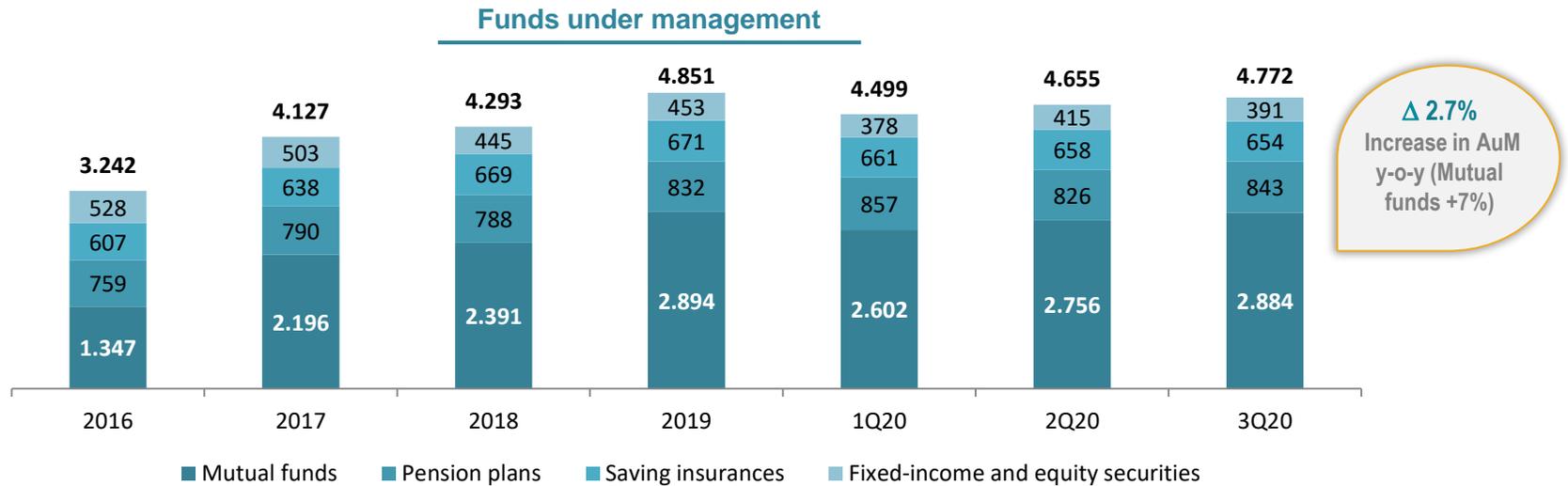
Δ 15%  
Increase in deposits  
(€+4,655 yoy)

### Credit yield vs deposits (back book)

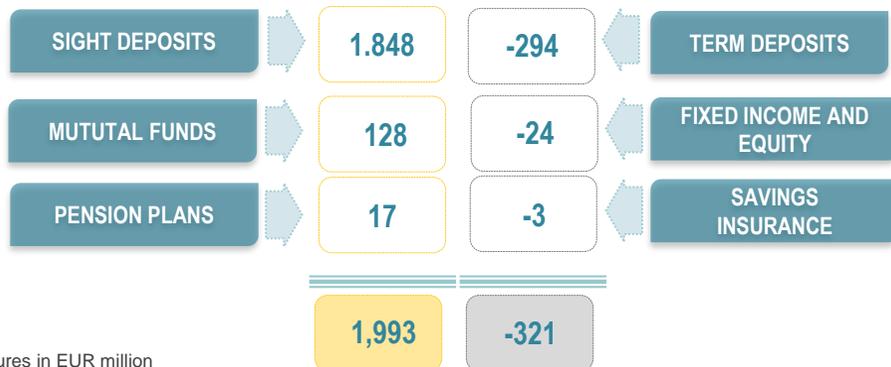


# Business position: solid increase in AuM business in the quarter

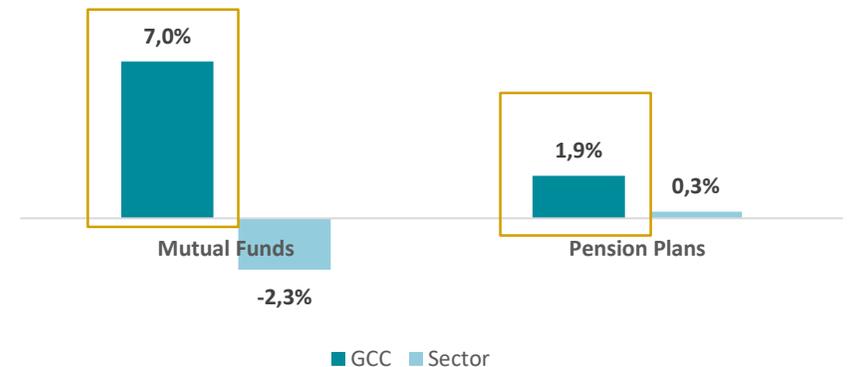
→ Good performance of AuM in the quarter, particularly Mutual Funds (+5% q-o-q, +7% y-o-y).



### Change of customer funds (q-o-q)



### Funds and pension plans: y-o-y comparison with the sector <sup>(1)</sup>



Figures in EUR million  
<sup>1</sup> Source: Inverco last 12 months variation

# Impulse of digital customers

- Increase of digital customers during the crisis, being able to reach traditional offline customers.
- BCC has been able to provide excellent service levels and ad hoc financial solutions to all clients.

## Choose your mobile banking APP for tablets

Access all online banking services with the comfort and ease of viewing offered by a tablet.



Digital customers  
**905 k**

**Δ 14.3% y-o-y**

Grupo Cooperativo Cajamar with Apple Pay.



Online banking customers  
**687 k**

**Δ 38.2% y-o-y**

## Everything you can do at our ATMs

Withdrawing cash or checking your account movements are the most regular operations at ATMs, but you can also carry out other operations 24 hours a day:

	<b>Paying in money and cash drops</b>		<b>Transfers</b>
	<b>Top-ups: Prepaid cards and mobiles</b>		<b>Pension advance</b>
	<b>Credit card operations</b> Check next card payment. Manage credit. Spread payment		<b>Other transactions</b> NFC. Without bank books. Accessible Menu

ATM  
**1,693**

**42%** of the branches have more than one ATM

# Table of Contents

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1. Key Highlights

2. Asset Quality

3. Solvency

4. Liquidity

5. Business & Results

6. Conclusions

7. Annex:

- Financials
- Grupo Cajamar Corporate Overview

## The past... 2014

### WHERE WE WERE

NPLs	€5,852m
NPL Ratio	17.7%
Texas Ratio	128%

## The present... 3Q20

### WHERE WE ARE

NPLs	€1,745m
NPL Ratio	5.1%
Texas ratio	81.72%

## The future...

### WHERE WE WANT TO BE

- Continue strengthening Balance Sheet and Solvency
- Support and protect our customers/stakeholders
- Targets under review subject to macro evolution due to COVID-19 crisis

# Table of Contents

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## 1. Key Highlights

## 2. Asset Quality

## 3. Solvency

## 4. Liquidity

## 5. Business & Results

## 6. Conclusions

## 7. Annex:

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# Balance sheet (I)

	30/09/2020	30/06/2020	30/09/2019	y-o-y		q-o-q	
				Abs.	%	Abs.	%
Cash, cash balances at central banks and other demand deposits	2,190,540	3,427,419	491,207	1,699,333	346.0%	(1,236,879)	(36.1%)
Financial assets held for trading	2,936	5,158	5,978	(3,042)	(50.9%)	(2,222)	(43.1%)
Financial assets designated compulsorily at fair value through profit or loss	429,920	-	-	429,920	100.0%	-	-
<i>Of which:</i>							
<i>Loans and advances to Customers</i>	316,947	-	-	316,947	100.0%	-	-
Financial assets designated at fair value through profit or loss	-	424,817	356,283	(356,283)	(100.0%)	(424,817)	(100.0%)
<i>Of which:</i>							
<i>Loans and advances to Customers</i>	-	316,369	235,552	(235,552)	(100.0%)	(316,369)	(100.0%)
Financial assets at fair value through other comprehensive income	2,498,634	5,886,466	2,536,185	(37,551)	(1.5%)	(3,387,832)	(57.6%)
Financial assets at amortised cost	43,614,974	39,039,795	38,228,688	5,386,286	14.1%	4,575,179	11.7%
<i>Of which:</i>							
<i>Loans and advances to Customers</i>	31,825,024	31,107,380	29,607,031	2,217,993	7.5%	717,644	2.3%
Derivates – Hedge Accounting	-	-	-	-	-	-	-
Investments in subsidiaries, joint ventures and associates	115,877	106,511	101,591	14,286	14.1%	9,366	8.8%
Tangible assets	1,024,490	1,021,995	1,025,252	(762)	(0.1%)	2,495	0.2%
Intangible assets	190,753	187,050	171,252	19,501	11.4%	3,703	2.0%
Tax assets	1,136,378	1,129,472	1,127,192	9,186	0.8%	6,906	0.6%
Other assets	1,160,436	1,162,852	1,207,857	(47,421)	(3.9%)	(2,416)	(0.2%)
Non-current assets and disposal groups classified as held for sale	325,263	333,543	369,479	(44,216)	(12.0%)	(8,280)	(2.5%)
<b>TOTAL ASSETS</b>	<b>52,690,201</b>	<b>52,725,077</b>	<b>45,620,963</b>	<b>7,069,238</b>	<b>15.5%</b>	<b>(34,876)</b>	<b>(0.1%)</b>

## Balance sheet (II)

(EUR Thousands)	30/09/2020	30/06/2020	30/09/2019	y-o-y		q-o-q	
				Abs.	%	Abs.	%
Financial liabilities held for trading	2,504	3,047	3,469	(965)	(27.8%)	(543)	(17.8%)
Financial liabilities measured at amortised cost	48,611,447	48,709,996	41,767,600	6,843,847	16.4%	(98,549)	(0.2%)
<i>Of which:</i>						-	
<i>Central Banks deposits</i>	9,461,705	9,473,896	5,019,695	4,442,010	88.5%	(12,191)	(0.1%)
<i>Central counterparty deposits</i>	-	636,420	334,279	(334,279)	(100.0%)	(636,420)	(100.0%)
<i>Customer deposits</i>	34,892,998	33,339,582	30,238,231	4,654,767	15.4%	1,553,416	4.7%
<i>Debt securities issued</i>	2,412,897	2,398,973	2,414,801	(1,904)	(0.1%)	13,924	0.6%
Derivatives – Hedge accounting	174,479	81,190	107,247	67,232	62.7%	93,289	114.9%
Provisions	80,365	88,106	97,941	(17,576)	(17.9%)	(7,741)	(8.8%)
Tax liabilities	72,897	86,722	73,067	(170)	(0.2%)	(13,825)	(15.9%)
Other liabilities	400,356	401,783	307,334	93,022	30.3%	(1,427)	(0.4%)
<i>of which: Welfare funds</i>	8,288	10,965	5,706	2,582	45.3%	(2,677)	(24.4%)
<b>TOTAL LIABILITIES</b>	<b>49,342,048</b>	<b>49,370,844</b>	<b>42,356,658</b>	<b>6,985,390</b>	<b>16.5%</b>	<b>(28,796)</b>	<b>(0.1%)</b>
Equity	3,363,874	3,362,903	3,237,432	126,442	3.9%	971	0.0%
<i>Of which:</i>						-	
<i>Capital / Equity instruments issued other than capital / Treasury shares</i>	3,014,107	3,010,007	2,893,310	120,797	4.2%	4,100	0.1%
<i>Retained earnings / Revaluation reserves / Other reserves</i>	335,181	334,993	280,897	54,284	19.3%	188	0.1%
<i>Profit or loss attributable to owners of the parent</i>	14,586	18,247	82,056	(67,470)	(82.2%)	(3,661)	(20.1%)
<i>(-) Interim dividends</i>	-	(344)	(18,831)	18,831	(100.0%)	344	(100.0%)
Accumulated other comprehensive income	(15,722)	(8,670)	26,874	(42,596)	(158.5%)	(7,052)	81.3%
Minority interests	-	-	-	-	-	-	-
<b>TOTAL EQUITY</b>	<b>3,348,152</b>	<b>3,354,234</b>	<b>3,264,305</b>	<b>83,847</b>	<b>2.6%</b>	<b>(6,082)</b>	<b>(0.2%)</b>

# Consolidated P&L

(EUR Thousands)	30/09/2020	%ATM	30/09/2019	%ATM	y-o-y	
					Abs.	%
Interest income	519,539	1.38%	522,691	1.56%	(3,152)	(0.60%)
Interest expenses	(72,843)	(0.19%)	(85,589)	(0.26%)	12,746	(14.89%)
<b>NET INTEREST INCOME</b>	<b>446,696</b>	<b>1.19%</b>	<b>437,102</b>	<b>1.30%</b>	<b>9,594</b>	<b>2.19%</b>
Dividend income	5,922	0.02%	6,097	0.02%	(175)	-2.87%
Income from equity-accounted method	25,451	0.07%	23,922	0.07%	1,529	6.39%
Net fees and commissions	169,535	0.45%	183,024	0.55%	(13,489)	(7.37%)
Gains (losses) on financial transactions	205,935	0.55%	296,262	0.88%	(90,327)	(30.49%)
Exchange differences [gain or (-) loss], net	1,074	-	1,798	0.01%	(724)	(40.25%)
Other operating incomes/expenses	(31,080)	(0.08%)	(26,811)	(0.08%)	(4,269)	15.92%
of which: Mandatory transfer to Education and Development Fund	(1,231)	-	(3,814)	(0.01%)	2,583	(67.72%)
<b>GROSS INCOME</b>	<b>823,533</b>	<b>2.19%</b>	<b>921,394</b>	<b>2.75%</b>	<b>(97,861)</b>	<b>(10.62%)</b>
Administrative expenses	(381,553)	(1.01%)	(388,136)	(1.16%)	6,583	(1.70%)
Personnel expenses	(244,202)	(0.65%)	(248,702)	(0.74%)	4,500	(1.81%)
Other administrative expenses	(137,350)	(0.37%)	(139,434)	(0.42%)	2,084	(1.49%)
Depreciation and amortisation	(45,849)	(0.12%)	(42,172)	(0.13%)	(3,677)	8.72%
<b>PRE-PROVISION PROFIT</b>	<b>396,132</b>	<b>1.05%</b>	<b>491,086</b>	<b>1.46%</b>	<b>(94,954)</b>	<b>(19.34%)</b>
Provisions or (-) reversal of provisions	(31,866)	(0.08%)	(61,043)	(0.18%)	29,177	(47.80%)
Impairment losses on financial assets	(244,524)	(0.65%)	(255,073)	(0.76%)	10,549	(4.14%)
<b>OPERATING INCOME</b>	<b>119,742</b>	<b>0.32%</b>	<b>174,970</b>	<b>0.52%</b>	<b>(55,228)</b>	<b>(31.56%)</b>
Impairment or reversal of impairment of investments in joint ventures or associates (net)	-	-	-	-	-	-
Impairment losses on non financial assets	(61,376)	(0.16%)	(30,208)	(0.09%)	(31,168)	103.18%
Gains or (-) losses on derecognition of non financial assets, net	(15,047)	(0.04%)	(23,066)	(0.07%)	8,019	(34.76%)
Profit or (-) loss from non-current assets and disposal groups classified as held for sale	(14,369)	(0.04%)	(9,779)	(0.03%)	(4,590)	46.93%
<b>PROFIT BEFORE TAX</b>	<b>28,949</b>	<b>0.08%</b>	<b>111,918</b>	<b>0.33%</b>	<b>(82,969)</b>	<b>(74.13%)</b>
Tax	(14,363)	(0.04%)	(29,862)	(0.09%)	15,499	(51.90%)
<b>CONSOLIDATED NET PROFIT</b>	<b>14,586</b>	<b>0.04%</b>	<b>82,056</b>	<b>0.24%</b>	<b>(67,470)</b>	<b>(82.22%)</b>

# Quarterly P&L

(EUR Thousands)	3Q19	4Q19	1Q20	2Q20	3Q20	q-o-q	
						Abs.	%
Interest income	172,134	181,602	172,376	171,714	175,449	3,735	2.2%
Interest expenses	(28,949)	(28,908)	(24,720)	(24,301)	(23,822)	479	(2.0%)
<b>NET INTEREST INCOME</b>	<b>143,185</b>	<b>152,694</b>	<b>147,656</b>	<b>147,413</b>	<b>151,627</b>	<b>4,214</b>	<b>2.9%</b>
Dividend income	2,958	2,608	855	1,960	3,107	1,147	58.5%
Income from equity-accounted method	6,556	14,513	6,937	10,618	7,896	(2,721)	(25.6%)
Net fees and commissions	60,876	62,236	63,322	51,388	54,825	3,438	6.7%
Gains (losses) on financial transactions	53,541	(585)	16,669	180,041	9,225	(170,816)	(94.9%)
Exchange differences [gain or (-) loss], net	654	1,362	(243)	662	656	(6)	(0.9%)
Other operating incomes/expenses	(9,845)	(6,568)	(4,094)	(12,133)	(14,853)	(2,720)	22.4%
of which: Mandatory transfer to Education and Development Fund	(1,263)	11	(621)	(11)	(599)	(588)	5,345.2%
<b>GROSS INCOME</b>	<b>257,925</b>	<b>226,260</b>	<b>231,102</b>	<b>379,948</b>	<b>212,483</b>	<b>(167,464)</b>	<b>(44.1%)</b>
Administrative expenses	(129,261)	(129,136)	(128,892)	(123,705)	(128,956)	(5,251)	4.2%
Personnel expenses	(83,230)	(83,004)	(82,857)	(80,315)	(81,031)	(716)	0.9%
Other administrative expenses	(46,031)	(46,132)	(46,036)	(43,389)	(47,925)	(4,536)	10.5%
Depreciation and amortisation	(13,180)	(14,668)	(14,585)	(15,184)	(16,080)	(897)	5.9%
<b>PRE-PROVISION PROFIT</b>	<b>115,484</b>	<b>82,456</b>	<b>87,625</b>	<b>241,059</b>	<b>67,448</b>	<b>(173,612)</b>	<b>(72.0%)</b>
Provisions or (-) reversal of provisions	329	7,681	(1,658)	(27,907)	(2,301)	25,605	(91.8%)
Impairment losses on financial assets	(69,436)	(78,560)	(57,003)	(151,372)	(36,149)	115,224	(76.1%)
<b>OPERATING INCOME</b>	<b>46,377</b>	<b>11,577</b>	<b>28,964</b>	<b>61,780</b>	<b>28,998</b>	<b>(32,783)</b>	<b>(53.1%)</b>
Impairment /reversal of impairment of investments in joint ventures or associates (net)	-	-	-	-	-	-	#DIV/0!
Impairment losses on non financial assets	649	(2,739)	(1,002)	(31,384)	(28,990)	2,395	(7.6%)
Gains or (-) losses on derecognition of non financial assets, net	(6,390)	(4,272)	(6,407)	(10,652)	2,012	12,665	(118.9%)
Profit or (-) loss of non-current assets and disposal groups classified as held for sale	(824)	(3,071)	(2,931)	(9,495)	(1,943)	7,552	(79.5%)
<b>PROFIT BEFORE TAX</b>	<b>39,812</b>	<b>1,494</b>	<b>18,624</b>	<b>10,248</b>	<b>77</b>	<b>(10,171)</b>	<b>(99.2%)</b>
Tax	(4,766)	8,945	(1,363)	(9,262)	(3,737)	5,525	(59.6%)
<b>CONSOLIDATED NET PROFIT</b>	<b>35,046</b>	<b>10,439</b>	<b>17,261</b>	<b>986</b>	<b>(3,660)</b>	<b>(4,646)</b>	<b>(471.3%)</b>

# Asset quality

(EUR Thousands)

	30/09/2020	30/06/2020	30/09/2019	y-o-y		q-o-q	
				Abs.	%	Abs.	%
<b>Non-performing total risks</b>	1,754,810	1,813,225	2,119,104	(364,294)	(17.2%)	(58,415)	(3.2%)
<b>Total risks</b>	34,334,908	33,638,425	31,954,744	2,380,164	7.4%	696,483	2.1%
<b>NPL ratio (%)</b>	5.11%	5.39%	6.63%	(1.52)		(0.28)	
Gross loans coverage	979,197	1,004,808	1,003,721	(24,524)	(2.4%)	(25,611)	(2.5%)
<b>NPL coverage ratio (%)</b>	56.11%	55.65%	47.55%	8.56		0.46	
Foreclosed Assets (gross)	2,669,824	2,700,595	2,802,673	(132,850)	(4.7%)	(30,772)	(1.1%)
Foreclosed Assets Coverage	1,330,880	1,319,705	1,342,468	(11,588)	(0.9%)	11,175	0.8%
<b>Foreclosed assets coverage ratio (%)</b>	49.85%	48.87%	47.90%	1.95		0.98	
<b>Foreclosed assets coverage ratio with debt forgiveness (%)</b>	55.27%	54.34%	53.04%	2.23		0.93	
<b>NPA ratio (%)</b>	12.18%	12.66%	14.44%	(2.26)		(0.48)	
<b>NPA coverage (%)</b>	52.32%	51.59%	47.75%	4.57		0.73	
<b>NPA coverage with debt forgiveness (%)</b>	55.58%	54.83%	50.82%	4.76		0.75	
<b>Coverage breakdown (loan impairments breakdown)</b>							
<b>Total coverage</b>	992,750	1,019,062	1,020,632	(27,882)	(2.7%)	(26,312)	(2.6%)
Non-performing coverage	735,625	749,491	844,031	(108,406)	(12.8%)	(13,866)	(1.9%)
Performing coverage	257,126	269,571	176,602	80,524	45.6%	(12,445)	(4.6%)
<b>NPL breakdown</b>							
Past due >90 days	1,604,436	1,652,133	1,889,847	(285,411)	(15.1%)	(47,697)	(2.9%)
Doubtful non past due	140,706	153,307	221,246	(80,540)	(36.4%)	(12,601)	(8.2%)
<b>Total</b>	1,745,142	1,805,440	2,111,093	(365,951)	(17.3%)	(60,298)	(3.3%)
<i>Of which:</i>							
<i>Forborne loans</i>	1,050,696	1,093,056	1,313,940	(263,244)	(20.0%)	(42,360)	(3.9%)
<b>NPL breakdown by segment</b>							
General governments	513	1	168	345	205.4%	512	51200.0%
Other financial corporations	1,633	1,708	1,821	(188)	(10.3%)	(75)	(4.4%)
Other corporations	847,703	856,905	1,023,205	(175,502)	(17.2%)	(9,202)	(1.1%)
Households	895,293	946,826	1,085,899	(190,606)	(17.6%)	(51,533)	(5.4%)
<b>Total</b>	1,745,142	1,805,440	2,111,093	(365,951)	(17.3%)	(60,298)	(3.3%)
<i>Of which:</i>							
<i>Real estate developers</i>	365,473	357,675	487,073	(121,600)	(25.0%)	7,798	2.2%
<b>Forborne loans</b>							
Non-performing	1,050,696	1,093,056	1,313,940	(263,244)	(20.0%)	(42,360)	(3.9%)
Performing	554,445	567,180	520,243	34,202	6.6%	(12,735)	(2.2%)
<b>Total Forborne loans</b>	1,605,141	1,660,236	1,834,183	(229,042)	(12.5%)	(55,095)	(3.3%)
<b>REOs breakdown</b>							
<b>REOs (gross)</b>	2,995,233	3,005,578	3,124,756	(129,523)	(4.1%)	(10,345)	(0.3%)
<b>Foreclosed assets</b>	2,669,824	2,700,595	2,802,673	(132,850)	(4.7%)	(30,772)	(1.1%)
Non-current assets held for sale	519,264	531,266	586,193	(66,930)	(11.4%)	(12,002)	(2.3%)
Inventories	2,150,560	2,169,330	2,216,480	(65,920)	(3.0%)	(18,770)	(0.9%)
<b>RE Investments</b>	325,410	304,983	322,083	3,327	1.0%	20,427	6.7%

# Foreclosed assets

Foreclosed assets <sup>(1)</sup> (Thousand €)	30/09/2020	30/06/2020	30/09/2019	y-o-y		q-o-q	
				Abs.	%	Abs.	%
Foreclosed assets (gross)	2,669,824	2,700,595	2,802,673	(132,850)	(4.7%)	(30,772)	(1.1%)
Foreclosed assets coverage	(1,330,880)	(1,319,705)	(1,342,468)	11,588	(0.9%)	(11,175)	0.8%
Foreclosed assets (net)	1,338,944	1,380,890	1,460,205	(121,262)	(8.3%)	(41,947)	(3.0%)
<b>Coverage ratio (%)</b>	<b>49.85%</b>	<b>48.87%</b>	<b>47.90%</b>	<b>1.95</b>		<b>0.98</b>	
Coverage ratio with w/o (%)	55.27%	54.34%	53.04%	2.23		0.93	
<b>Foreclosed assets (gross)</b>	<b>2,669,824</b>	<b>2,700,595</b>	<b>2,802,673</b>	<b>(132,850)</b>	<b>(4.7%)</b>	<b>(30,772)</b>	<b>(1.1%)</b>
<b>Residential properties</b>	<b>1,255,064</b>	<b>1,278,998</b>	<b>1,370,926</b>	<b>(115,862)</b>	<b>(8.5%)</b>	<b>(23,934)</b>	<b>(1.9%)</b>
Of which: under construction	229,919	233,812	175,371	54,549	31.1%	(3,893)	(1.7%)
<b>Commercial properties</b>	<b>1,403,232</b>	<b>1,405,241</b>	<b>1,410,452</b>	<b>(7,220)</b>	<b>(0.5%)</b>	<b>(2,009)</b>	<b>(0.1%)</b>
Of which: countryside land	49,629	50,312	55,471	(5,843)	(10.5%)	(683)	(1.4%)
Of which: under construction	2,355	2,694	2,168	187	8.6%	(339)	(12.6%)
Of which: urban land	1,039,673	1,039,700	1,027,666	12,006	1.2%	(27)	(0.0%)
Of which: developable land	10,132	10,218	8,911	1,221	13.7%	(86)	(0.8%)
Of which: warehouses and premises	301,444	302,317	316,236	(14,792)	(4.9%)	(874)	(0.3%)
<b>Other</b>	<b>11,528</b>	<b>16,356</b>	<b>21,295</b>	<b>(9,768)</b>	<b>(45.9%)</b>	<b>(4,828)</b>	<b>(29.5%)</b>
<b>Foreclosed assets (net)</b>	<b>1,338,944</b>	<b>1,380,890</b>	<b>1,460,205</b>	<b>(121,262)</b>	<b>(8.3%)</b>	<b>(41,947)</b>	<b>(3.0%)</b>
<b>Residential properties</b>	<b>733,690</b>	<b>753,394</b>	<b>825,410</b>	<b>(91,721)</b>	<b>(11.1%)</b>	<b>(19,704)</b>	<b>(2.6%)</b>
Of which: under construction	110,544	112,739	81,269	29,276	36.0%	(2,195)	(1.9%)
<b>Commercial properties</b>	<b>598,829</b>	<b>616,579</b>	<b>622,001</b>	<b>(23,173)</b>	<b>(3.7%)</b>	<b>(17,750)</b>	<b>(2.9%)</b>
Of which: countryside land	22,399	23,708	18,538	3,860	20.8%	(1,309)	(5.5%)
Of which: under construction	1,046	1,159	870	175	20.2%	(113)	(9.7%)
Of which: urban land	397,583	414,206	417,980	(20,397)	(4.9%)	(16,623)	(4.0%)
Of which: developable land	2,850	2,929	1,808	1,041	57.6%	(80)	(2.7%)
Of which: warehouses and premises	174,951	174,577	182,804	(7,853)	(4.5%)	374	0.2%
<b>Other</b>	<b>6,425</b>	<b>10,918</b>	<b>12,794</b>	<b>(6,368)</b>	<b>(49.8%)</b>	<b>(4,492)</b>	<b>(41.1%)</b>
<b>Coverage (%)</b>	<b>49.85%</b>	<b>48.87%</b>	<b>47.90%</b>	<b>1.95</b>		<b>1.0</b>	
<b>Residential properties</b>	<b>41.54%</b>	<b>41.10%</b>	<b>39.79%</b>	<b>1.75</b>		<b>0.4</b>	
Of which: under construction	51.92%	51.78%	53.66%	(1.74)		0.1	
<b>Commercial properties</b>	<b>57.33%</b>	<b>56.12%</b>	<b>55.90%</b>	<b>1.42</b>		<b>1.2</b>	
Of which: countryside land	54.87%	52.88%	66.58%	(11.71)		2.0	
Of which: under construction	55.60%	57.00%	59.85%	(4.25)		(1.4)	
Of which: urban land	61.76%	60.16%	59.33%	2.43		1.6	
Of which: developable land	71.87%	71.33%	79.71%	(7.83)		0.5	
Of which: warehouses and premises	41.96%	42.25%	42.19%	(0.23)		(0.3)	
<b>Other</b>	<b>44.26%</b>	<b>33.25%</b>	<b>39.92%</b>	<b>4.34</b>		<b>11.0</b>	

# Solvency

EUR Thousands	30/09/2020	30/06/2020	30/09/2019	y-o-y		q-o-q	
				Abs.	%	Abs.	%
<b>Phased in</b>							
Capital	3,014,107	3,010,007	2,893,310	120,796	4.2%	4,100	0.1%
Reserves	479,385	478,248	509,670	(30,285)	(5.9%)	1,137	0.2%
AFS Surplus	(49,886)	(48,011)	3,597	(53,483)	(1486.7%)	(1,875)	3.9%
Capital deductions	(429,862)	(421,160)	(398,705)	(31,157)	7.8%	(8,702)	2.1%
<b>Ordinary Tier 1 Capital</b>	<b>3,013,745</b>	<b>3,019,085</b>	<b>3,007,873</b>	<b>5,872</b>	<b>0.2%</b>	<b>(5,340)</b>	<b>-0.2%</b>
<b>CET1 ratio (%)</b>	<b>13.06%</b>	<b>12.94%</b>	<b>13.14%</b>	<b>(0.08)</b>		<b>0.12</b>	
<b>Tier2 Capital</b>	<b>388,000</b>	<b>388,000</b>	<b>388,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Tier 2 ratio (%)</b>	<b>1.68%</b>	<b>1.66%</b>	<b>1.70%</b>	<b>(0.01)</b>		<b>0.02</b>	
<b>Eligible capital</b>	<b>3,401,745</b>	<b>3,407,085</b>	<b>3,395,873</b>	<b>5,872</b>	<b>0.2%</b>	<b>5,872</b>	<b>0.2%</b>
<b>Capital ratio (%)</b>	<b>14.74%</b>	<b>14.60%</b>	<b>14.83%</b>	<b>(0.09)</b>		<b>0.14</b>	
<b>Total risk-weighted assets</b>	<b>23,073,980</b>	<b>23,335,545</b>	<b>22,891,111</b>	<b>182,869</b>	<b>0.8%</b>	<b>(261,565)</b>	<b>(1.1%)</b>
Credit risk	21,422,230	21,699,209	21,323,145	99,085	0.5%	(276,979)	(1.3%)
Operational risk	1,522,646	1,522,646	1,445,750	76,896	5.3%	-	-
Other risk	129,104	113,690	122,216	6,888	5.6%	15,414	13.6%
<b>Fully-loaded</b>							
Capital	3,014,107	3,010,007	2,893,310	120,796	4.2%	4,100	0.1%
Reserves	335,197	334,059	334,584	613	0.2%	1,137	0.3%
AFS Surplus	(49,886)	(48,011)	3,597	(53,483)	(1486.7%)	(1,875)	3.9%
Capital deductions	(429,862)	(421,160)	(398,705)	(31,157)	7.8%	(8,702)	2.1%
<b>Ordinary Tier 1 Capital</b>	<b>2,869,556</b>	<b>2,874,896</b>	<b>2,832,787</b>	<b>36,769</b>	<b>1.3%</b>	<b>(5,340)</b>	<b>-0.2%</b>
<b>CET1 ratio (%)</b>	<b>12.46%</b>	<b>12.35%</b>	<b>12.41%</b>	<b>0.05</b>		<b>0.12</b>	
<b>Tier2 Capital</b>	<b>388,000</b>	<b>388,000</b>	<b>388,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Tier 2 ratio (%)</b>	<b>1.69%</b>	<b>1.67%</b>	<b>1.70%</b>	<b>(0.01)</b>		<b>0.02</b>	
<b>Eligible capital</b>	<b>3,257,556</b>	<b>3,262,896</b>	<b>3,220,787</b>	<b>36,769</b>	<b>1.1%</b>	<b>5,872</b>	<b>0.2%</b>
<b>Capital ratio (%)</b>	<b>14.15%</b>	<b>14.01%</b>	<b>14.11%</b>	<b>0.04</b>		<b>0.14</b>	
<b>Total risk-weighted assets</b>	<b>23,022,747</b>	<b>23,284,175</b>	<b>22,820,209</b>	<b>202,538</b>	<b>0.9%</b>	<b>(261,428)</b>	<b>(1.1%)</b>
Credit risk	21,370,997	21,647,839	21,252,242	118,755	0.6%	(276,842)	(1.3%)
Operational risk	1,522,646	1,522,646	1,445,750	76,896	5.3%	-	-
Other risk	129,104	113,690	122,217	6,887	5.6%	15,414	13.6%

# Loans and advances to customers

(EUR Thousands)	30/09/2020	30/06/2020	30/09/2019	y-o-y		q-o-q	
				Abs.	%	Abs.	%
General governments	925,942	639,526	705,182	220,760	31.3%	286,416	44.8%
Other financial corporations	1,304,452	1,322,345	1,115,125	189,327	17.0%	(17,893)	(1.4%)
Non-financial corporations	13,403,072	12,886,468	11,359,543	2,043,529	18.0%	516,604	4.0%
Households	17,487,702	17,580,221	17,666,455	(178,753)	(1.0%)	(92,519)	(0.5%)
<b>Loans to customers (gross)</b>	<b>33,121,168</b>	<b>32,428,560</b>	<b>30,846,305</b>	<b>2,274,863</b>	<b>7.4%</b>	<b>692,608</b>	<b>2.1%</b>
<i>Of which:</i>						-	
<i>Real estate developers</i>	<b>780,077</b>	<b>785,832</b>	<b>923,343</b>	(143,266)	(15.5%)	(5,755)	(0.7%)
<i>Performing loans to customers</i>	<b>31,376,026</b>	<b>30,623,120</b>	<b>28,735,212</b>	2,640,814	9.2%	752,906	2.5%
<i>Non-performing loans</i>	<b>1,745,142</b>	<b>1,805,440</b>	<b>2,111,093</b>	(365,951)	(17.3%)	(60,298)	(3.3%)
<b>Other loans *</b>	-	-	-	-	-		
<b>Debt securities from customers</b>	<b>469,355</b>	<b>459,725</b>	<b>388,095</b>	<b>81,260</b>	<b>20.9%</b>	<b>9,630</b>	<b>2.1%</b>
<b>Gross Loans</b>	<b>33,590,523</b>	<b>32,888,285</b>	<b>31,234,400</b>	<b>2,356,123</b>	<b>7.5%</b>	<b>702,238</b>	<b>2.1%</b>
<b>Performing Loans</b>	<b>31,845,381</b>	<b>31,082,845</b>	<b>29,123,307</b>	<b>2,722,074</b>	<b>9.3%</b>	<b>762,536</b>	<b>2.5%</b>
<i>Credit losses and impairment</i>	(979,197)	(1,004,808)	(1,003,721)	24,524	(2.4%)	25,611	(2.5%)
<b>Total lending</b>	<b>32,611,326</b>	<b>31,883,474</b>	<b>30,230,678</b>	<b>2,380,648</b>	<b>7.9%</b>	<b>727,852</b>	<b>2.3%</b>
						0	
<b>Off-balance sheet risks</b>							
<i>Contingent risks</i>	<b>744,385</b>	<b>750,140</b>	<b>720,344</b>	24,041	3.3%	(5,755)	(0.8%)
<i>of which: non-performing contingent risks</i>	<b>9,668</b>	<b>7,785</b>	<b>8,011</b>	1,657	20.7%	1,883	24.2%
<b>Total risks</b>	<b>34,334,908</b>	<b>33,638,425</b>	<b>31,954,744</b>	<b>2,380,164</b>	<b>7.4%</b>	<b>696,483</b>	<b>2.1%</b>
<b>Non-performing total risks</b>	<b>1,754,810</b>	<b>1,813,225</b>	<b>2,119,104</b>	<b>(364,294)</b>	<b>(17.2%)</b>	<b>(58,415)</b>	<b>(3.2%)</b>

\* Mainly reverse repurchase agreements

# Funds under management

	30/09/2020	30/06/2020	30/09/2019	y-o-y		q-o-q	
				Abs.	%	Abs.	%
Sight deposits	29,303,876	27,455,991	23,413,488	5,890,388	25.2%	1,847,885	6.7%
Term deposits	5,589,122	5,883,591	6,824,743	(1,235,621)	(18.1%)	(294,469)	(5.0%)
<b>Customer deposits</b>	<b>34,892,998</b>	<b>33,339,582</b>	<b>30,238,231</b>	<b>4,654,767</b>	<b>15.4%</b>	<b>1,553,416</b>	<b>4.7%</b>
<b>On-balance sheet retail funds</b>	<b>34,892,998</b>	<b>33,339,582</b>	<b>30,238,231</b>	<b>4,654,767</b>	<b>15.4%</b>	<b>1,553,416</b>	<b>4.7%</b>
Bonds and other securities *	2,644,669	2,715,461	2,854,286	(209,617)	(7.3%)	(70,792)	(2.6%)
Subordinated liabilities	401,715	393,847	406,671	(4,956)	(1.2%)	7,868	2.0%
Central counterparty deposits	99,982	1,486,416	2,154,098	(2,054,116)	(95.4%)	(1,386,434)	(93.3%)
Financial institutions	730,274	745,130	612,724	117,550	19.2%	(14,856)	(2.0%)
ECB	9,461,705	9,473,896	5,019,695	4,442,010	88.5%	(12,191)	(0.1%)
<b>Wholesale funds</b>	<b>13,338,345</b>	<b>14,814,750</b>	<b>11,047,474</b>	<b>2,290,871</b>	<b>20.7%</b>	<b>(1,476,405)</b>	<b>(10.0%)</b>
<b>Total balance sheet funds</b>	<b>48,231,343</b>	<b>48,154,332</b>	<b>41,285,705</b>	<b>6,945,638</b>	<b>16.8%</b>	<b>77,011</b>	<b>0.2%</b>
Mutual funds	2,883,940	2,756,411	2,694,782	189,158	7.0%	127,529	4.6%
Pension plans	842,788	825,847	827,300	15,488	1.9%	16,941	2.1%
Savings insurances	654,311	657,790	661,056	(6,745)	(1.0%)	(3,479)	(0.5%)
Fixed-equity income	391,291	414,975	465,083	(73,792)	(15.9%)	(23,684)	(5.7%)
<b>Off-balance sheet funds</b>	<b>4,772,330</b>	<b>4,655,023</b>	<b>4,648,220</b>	<b>124,110</b>	<b>2.7%</b>	<b>117,307</b>	<b>2.5%</b>
<b>Customer funds under mgmt</b>	<b>39,665,328</b>	<b>37,994,605</b>	<b>34,886,451</b>	<b>4,778,877</b>	<b>13.7%</b>	<b>1,670,723</b>	<b>4.4%</b>
<b>Funds under management</b>	<b>53,003,673</b>	<b>52,809,355</b>	<b>45,933,925</b>	<b>7,069,748</b>	<b>15.4%</b>	<b>194,318</b>	<b>0.4%</b>

\* Covered bonds, territorial bonds and securitization

## Quarterly Yields and Costs

	30/09/2020				30/06/2020				30/09/2019			
	Average balance	Distribution (%)	Income or expense	Average rate (%)	Average balance	Distribution (%)	Income or expense	Average rate (%)	Average balance	Distribution (%)	Income or expense	Average rate (%)
Financial system	2,707,948	5.39%	38	0.00%	2,778,934	5.62%	37	0.00%	1,281,887	2.86%	107	0.01%
Loans to customers (gross) <sup>(a)</sup>	32,047,846	63.78%	409,944	1.71%	31,690,072	64.10%	273,129	1.73%	31,137,977	69.43%	423,541	1.82%
Securities portfolio	12,186,355	24.25%	76,380	0.84%	11,653,817	23.57%	51,175	0.88%	9,196,011	20.50%	75,276	1.09%
Other assets	3,309,084	6.59%	1,722	0.07%	3,315,422	6.71%	1,162	0.07%	3,232,366	7.21%	1,995	0.08%
<b>Total earning assets <sup>(b)</sup></b>	<b>50,251,233</b>	<b>100.00%</b>	<b>488,083</b>	<b>1.30%</b>	<b>49,438,244</b>	<b>100.00%</b>	<b>325,503</b>	<b>1.32%</b>	<b>44,848,241</b>	<b>100.00%</b>	<b>500,918</b>	<b>1.49%</b>
Customer deposits <sup>(c)</sup>	32,609,298	64.89%	13,634	0.06%	31,848,064	64.42%	9,492	0.06%	29,430,038	65.62%	21,045	0.10%
<i>Sight deposits</i>	26,426,770	52.59%	10,696	0.05%	25,467,735	51.51%	7,189	0.06%	22,405,924	49.96%	14,571	0.09%
<i>Term deposits</i>	6,182,528	12.30%	2,938	0.06%	6,380,330	12.91%	2,303	0.07%	7,024,114	15.66%	6,474	0.12%
Wholesale funds	13,278,915	26.43%	21,140	0.21%	13,259,105	26.82%	16,740	0.25%	11,143,837	24.85%	36,517	0.44%
Other funds	1,031,370	2.05%	6,613	0.86%	1,004,925	2.03%	4,202	0.84%	1,100,443	2.45%	6,254	0.76%
Equity	3,331,651	6.63%	-	-	3,326,150	6.73%	-	-	3,173,923	7.08%	-	-
<b>Total funds <sup>(d)</sup></b>	<b>50,251,233</b>	<b>100.00%</b>	<b>41,387</b>	<b>0.11%</b>	<b>49,438,244</b>	<b>100.00%</b>	<b>30,434</b>	<b>0.12%</b>	<b>44,848,241</b>	<b>100.00%</b>	<b>63,816</b>	<b>0.19%</b>
<b>Customers' spread <sup>(a)-(c)</sup></b>				<b>1.65</b>				<b>1.67</b>				<b>1.72</b>
<b>NII o/ATA <sup>(b)-(d)</sup></b>			<b>446,696</b>	<b>1.19</b>			<b>295,069</b>	<b>1.20</b>			<b>437,102</b>	<b>1.30</b>

# Table of Contents

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## 1. Key Highlights

## 2. Asset Quality

## 3. Solvency

## 4. Liquidity

## 5. Business & Results

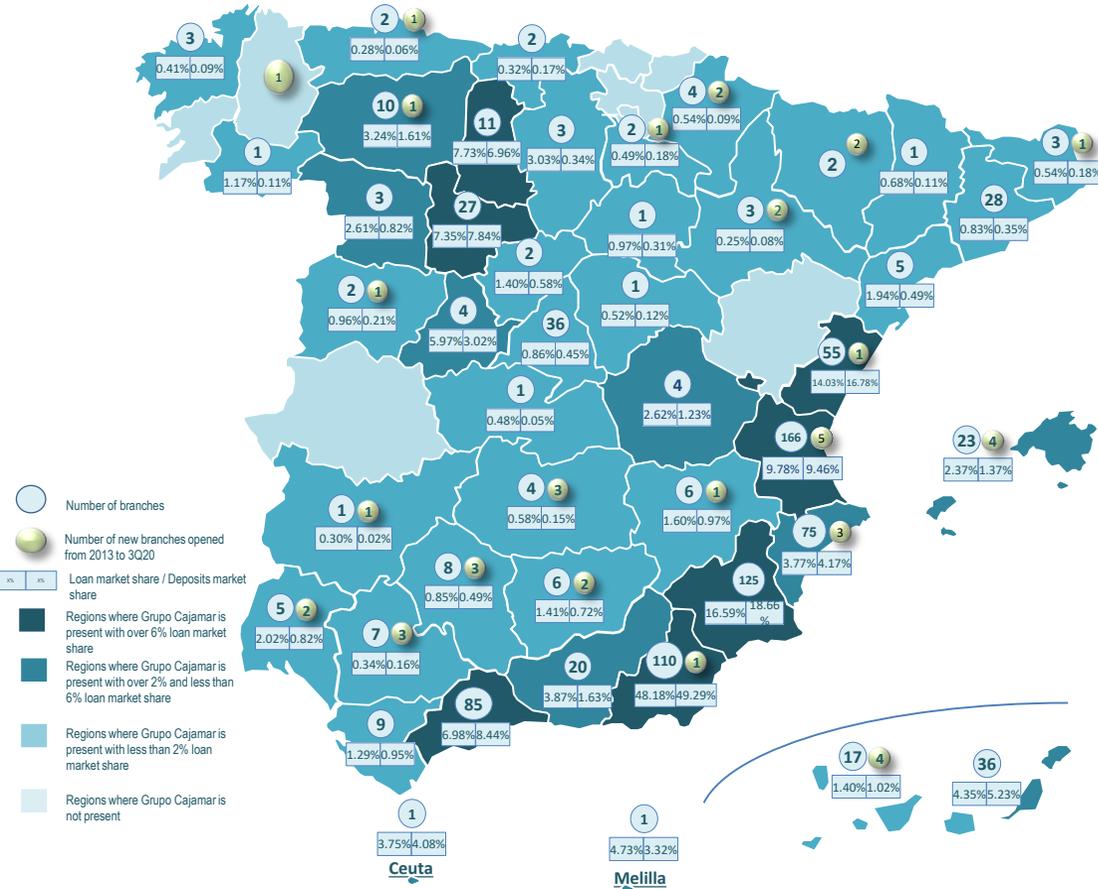
## 6. Conclusions

## 7. Annex:

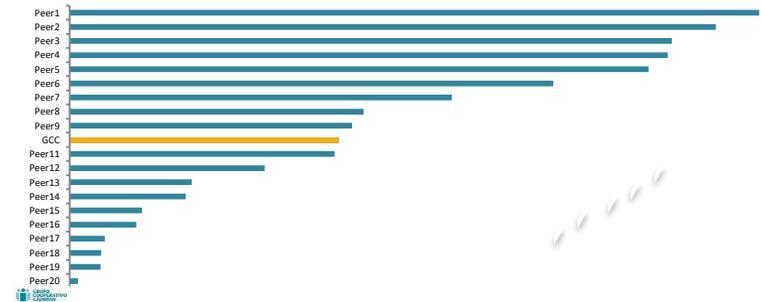
- Financials
- Grupo Cajamar Corporate Overview

# Grupo Cooperativo Cajamar: A cooperative Group with nationwide presence

→ The Group ranks #10 by loans in Spain, and #11 by asset size (€53bn). It has 2.9% of the loan market share, and >14% of the agribusiness market share

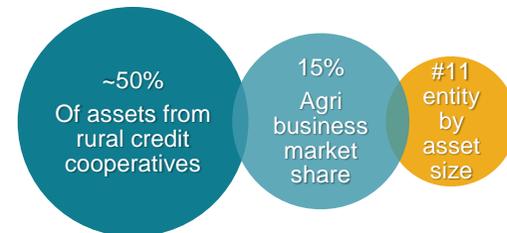


## Gross loans in Spain



→ **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.**

→ **BCC's is opening branches on strategic locations in which it did not have presence.**



926 branches (4 openings, -34 closures during 2020)

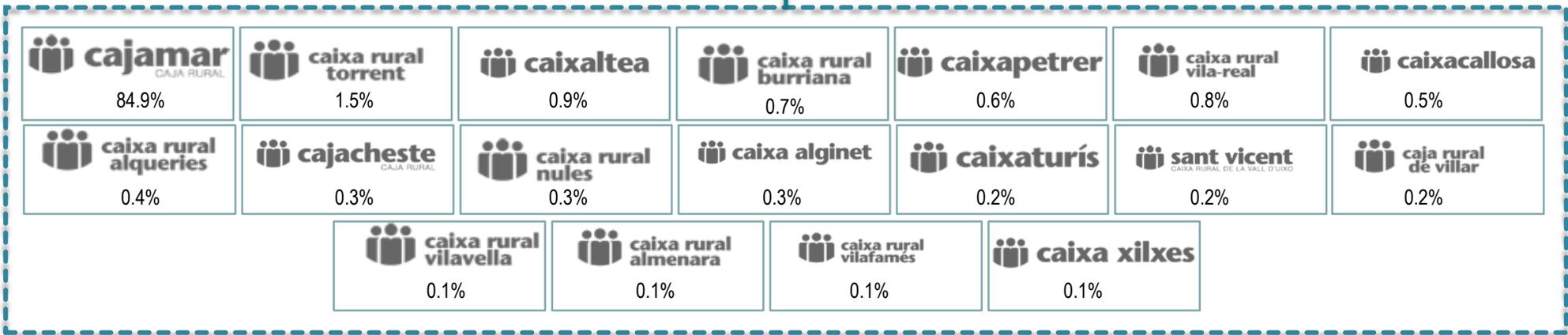
# Grupo Cajamar Corporate Structure

- 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 Grupo Cajamar and 8% by external shareholders



% of shareholding in BCC as of 3Q20: 92.3%



Caixa Albalat merged into Cajamar in 2018

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

## COOPERATIVE BANKING MODEL: people - ideas - places

### ESG CRITERIA IMPLEMENTATION (ENVIRONMENTAL, SOCIAL AND GOVERNANCE) IN GRUPO COOPERATIVO CAJAMAR

#### ENVIRONMENTAL

**Risk portfolio carbonisation (%)**: to carbon leakage risk (11.8%) ▽ 0.09 p.p.; to at least one physical risk factor (16.3%) ▽ 1.15 p.p.; and associated with mitigation activities (23.2%) ▽ 1.78 p.p.

**Renewable** origin of 100% of **electrical energy consumed**.  
Group's adherence to the project RE100.

**Ecoefficiency plan 2021-2023**.

**Sustainable products** for its partners and customers.

**Compensation in 1H, 2020 of 2,683 t de CO<sub>2</sub>** of 2019.

**Entity that communicates and manages the climate change** according to CDP, with rating B in 2019.



#### SOCIAL

- **COVID19**: The Entity promotes the 'Home Bank' to bring money to seniors to their home.
- **COVID19**: New corporate volunteering program aimed at third-age people.

#### ENTITY, EMPLOYEES AND THIRD SECTOR:

- **COVID19**: Our Entity promotes a pioneering alliance among *third sector* organizations to support the most vulnerable to Covid19.
- The **Solidarity Team** allocates its semi-annual funds to two projects. One assists women with breast cancer. And another for socially vulnerable minors with physical and intellectual disabilities.



#### GOVERNANCE

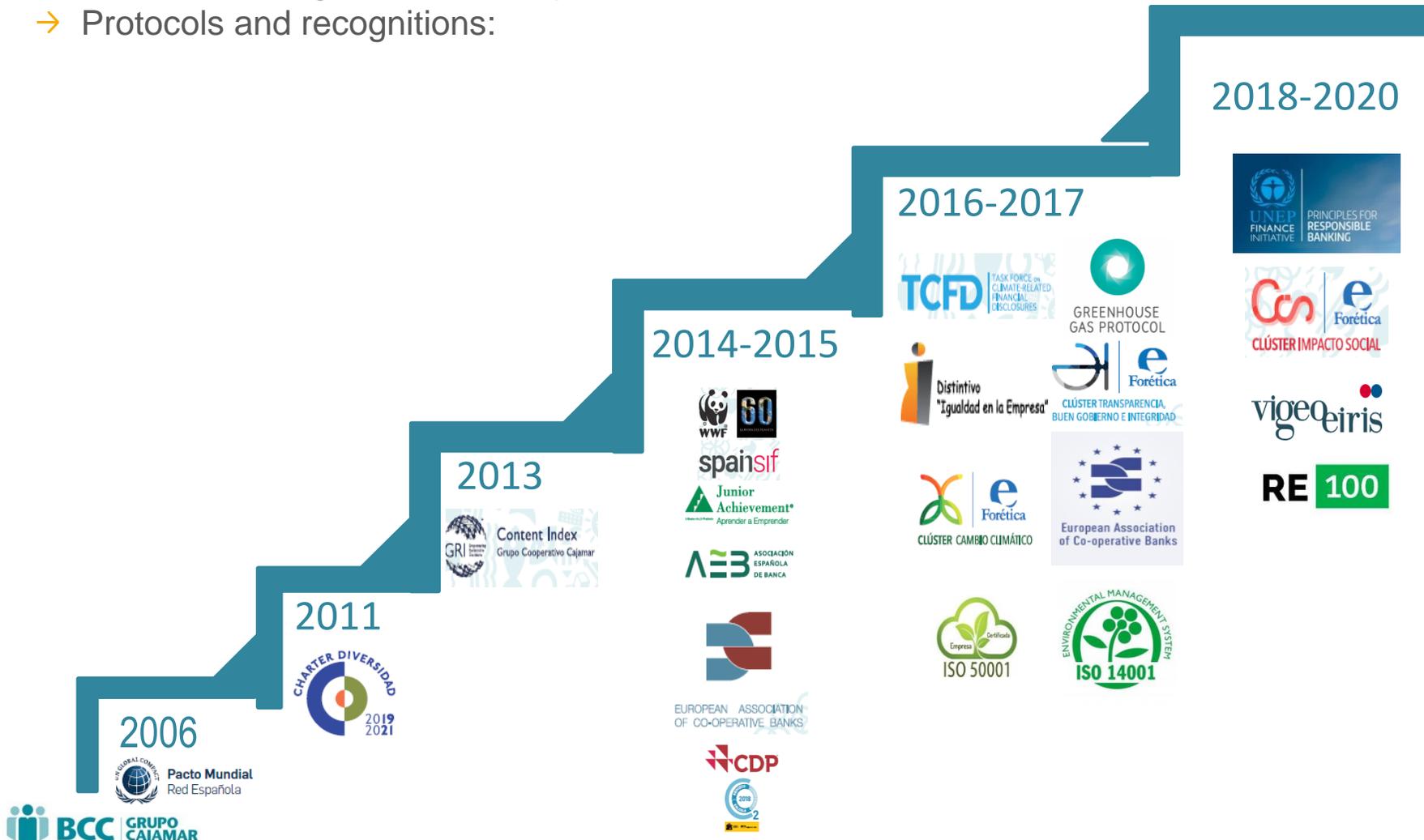
#### COVID19:

- The Entity joins the *Manifiesto for a green recovery* of Spain.
- The Entity is committed to equality by joining the Global Compact *Target Gender Equality* initiative.
- The Entity, with the Spanish Global Compact Network, has continued its pioneering initiative of training its suppliers throughout the approval process.



# A deeply-ingrained commitment with sustainability

- We combine economic-financial interests with ESG criteria, following a Socially Responsible Investing approach. The concept of sustainability as a key element of our activity is crucial in our decision-making in all areas of performance. The latest adhesion has been to RE 100.
- Protocols and recognitions:



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