

# BCC Grupo Cajamar

## 1Q19 CREDIT UPDATE

7 May 2019

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## 1. Key Highlights and Targets

## 2. Asset Quality

## 3. Solvency

## 4. Liquidity

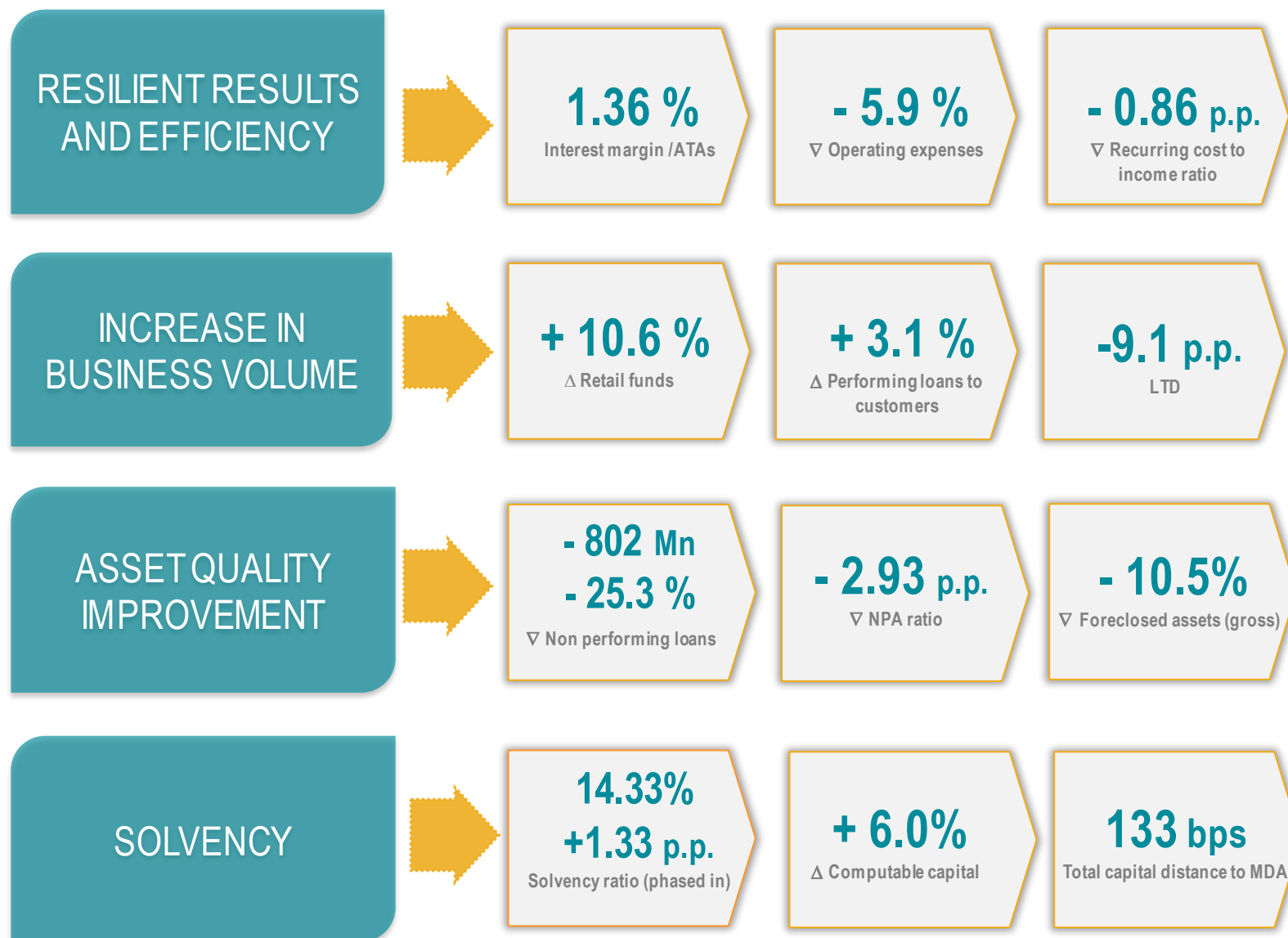
## 5. Business & Results

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



# Most significant figures (I)

(EUR Thousands)

(EUR Thousands)	1Q19	4Q18	1Q18	y-o-y		q-o-q	
				Abs.	%	Abs.	%
Profit and Loss Account							
Net interest income	148,118	154,697	150,260	(2,142)	(1.4%)	(6,579)	(4.3%)
Gross Income	236,894	219,724	252,558	(15,664)	(6.2%)	17,170	7.8%
Recurring Gross Income	235,795	227,900	247,119	(11,324)	(4.6%)	7,896	3.5%
Net Income before provisions	94,567	74,814	101,270	(6,703)	(6.6%)	19,751	26.4%
Recurring Net Income before provisions	93,468	82,990	95,830	(2,362)	(2.5%)	(10,478)	12.6%
Profit before tax	23,279	(10,890)	31,531	(8,252)	(26.2%)	34,168	(313%)
Consolidated Net profit	24,632	12,234	31,476	(6,844)	(21.7%)	12,397	101.3%
Attributable Net profit	24,632	12,234	31,476	(6,844)	(21.7%)	12,397	101.3%
Business							
Total Assets	44,358,209	44,078,805	41,857,368	2,500,841	6.0%	279,404	0.6%
Equity	3,138,457	3,075,759	2,916,797	221,660	7.6%	62,698	2.0%
On-balance sheet retail funds	29,183,829	28,498,653	26,375,844	2,807,985	10.6%	685,176	2.4%
Off-balance sheet funds	4,413,163	4,293,159	4,341,743	71,420	1.6%	120,004	2.8%
Performing Loans	29,362,305	29,126,028	28,412,853	949,452	3.3%	236,277	0.8%
Risk management							
Gross non-performing assets	5,627,822	5,767,707	6,811,851	(1,184,029)	(17.4%)	(139,885)	(2.4%)
Net non-performing assets	3,055,481	3,144,051	3,607,190	(551,709)	(15.3%)	(88,571)	(2.8%)
NPA coverage (%)	45.71%	45.49%	47.06%	(1.35)		0.22	
Non-performing loans	2,365,311	2,458,961	3,167,197	(801,886)	(25.3%)	(93,650)	(3.8%)
NPL ratio (%)	7.31%	7.63%	9.84%	(2.53)		(0.32)	
NPL coverage ratio (%)	44.01%	43.60%	46.60%	(2.59)		0.41	
Foreclosed assets (gross)	3,262,511	3,308,746	3,644,654	(382,143)	(10.5%)	(46,235)	(1.4%)
Foreclosed assets (net)	1,731,180	1,757,123	1,914,853	(183,673)	(9.6%)	(25,943)	(1.5%)
Foreclosed assets Coverage ratio (%)	46.94%	46.89%	47.46%	(0.52)		0.04	
Tex as ratio	95.45%	97.47%	107.44%	(11.99)		(2.02)	
Cost of risk	0.60%	0.58%	0.62%	(0.04)		0.02	

## Most significant figures (II)

(EUR Thousands)

	31/03/2019	31/12/2018	31/03/2018	y-o-y		q-o-q	
				Abs.	%	Abs.	%
<b>Liquidity</b>							
LTD (%)	99.93%	101.65%	108.99%	(9.06)		(1.72)	
LCR (%) *	211.06%	207.49%	192.04%	19.02		3.57	
NSFR (%)	120.64%	118.51%	112.14%	8.50		2.13	
Business Gap position	19,971	(491,371)	(2,461,456)	2,481,427	(100.8%)	511,342	(104.1%)
<b>Solvency phased in (*)</b>							
CET1 ratio (%)	12.60%	12.51%	11.34%	1.26		0.09	
Tier 2 ratio (%)	1.73%	1.74%	1.66%	0.07		(0.01)	
Capital ratio (%)	14.33%	14.25%	13.00%	1.33		0.08	
Leverage ratio (%)	6.44%	6.39%	5.87%	0.57		0.05	
<b>Solvency fully loaded (*)</b>							
CET1 ratio (%)	11.88%	11.54%	10.48%	1.40		0.34	
Tier 2 ratio (%)	1.74%	1.74%	1.68%	0.06		(0.01)	
Capital ratio (%)	13.62%	13.28%	12.17%	1.45		0.34	
Leverage ratio (%)	6.08%	5.89%	5.81%	0.27		0.19	
<b>Profitability and efficiency</b>							
ROA (%)	0.23%	0.19%	0.31%	(0.08)		0.03	
RORWA (%)	0.43%	0.35%	0.53%	(0.10)		0.08	
ROE (%)	3.22%	2.74%	4.27%	(1.05)		0.48	
Cost-income ratio (%)	60.08%	60.63%	59.90%	0.18		(0.55)	
Recurring cost-income ratio (%)	60.36%	63.47%	61.22%	(0.86)		(3.11)	
<b>Other data</b>							
Cooperative members	1,428,057	1,436,237	1,422,864	5,193	0.4%	(8,180)	(0.6%)
Employees	5,492	5,506	5,584	(92)	(1.6%)	(14)	(0.3%)
Branches	975	1,018	1,046	(71)	(6.8%)	(43)	(4.2%)

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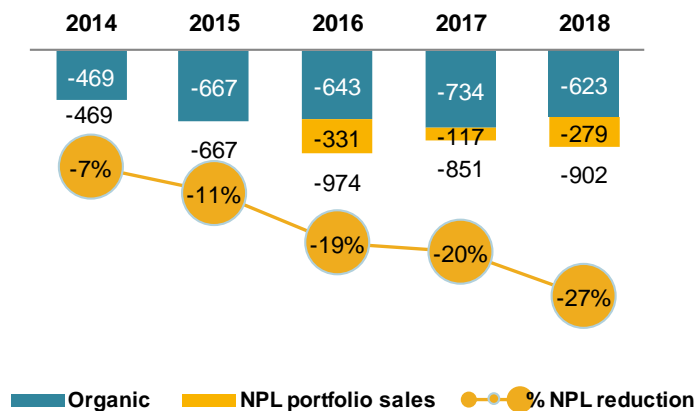
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# NPL overview

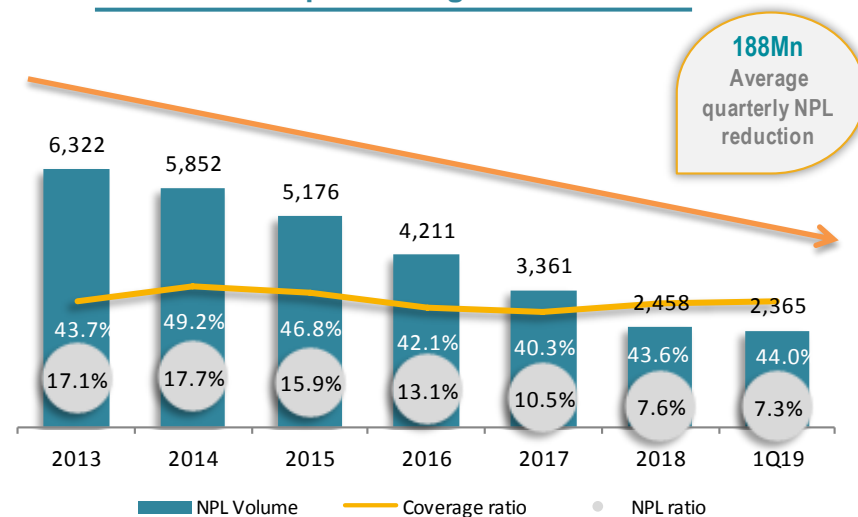
## Our track - record



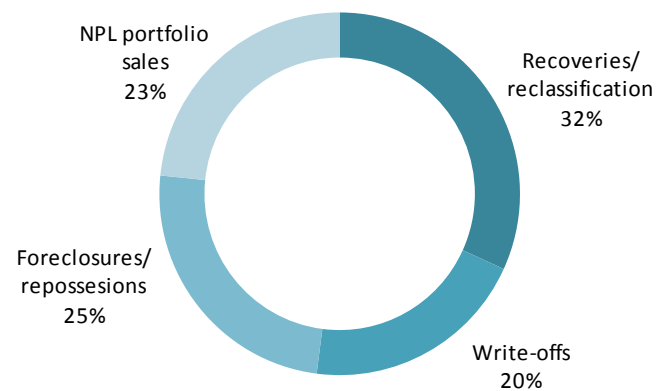
## NPL variation q-o-q

NPLs	1Q18	2Q18	3Q18	4Q18	1Q19	Last 4 quarters
Inflows	104	98	92	99	101	390
Outflows	-297	-527	-197	-272	-195	-1.191
<b>Variation</b>	<b>-193</b>	<b>-430</b>	<b>-106</b>	<b>-173</b>	<b>-94</b>	<b>-802</b>

## Non performing loans

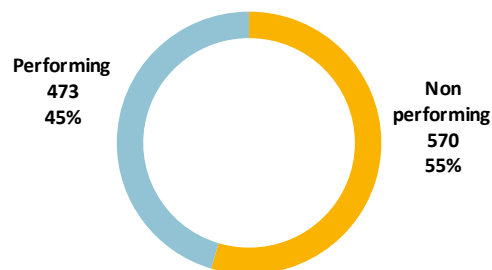


## Average NPL outflow (last 12 months)

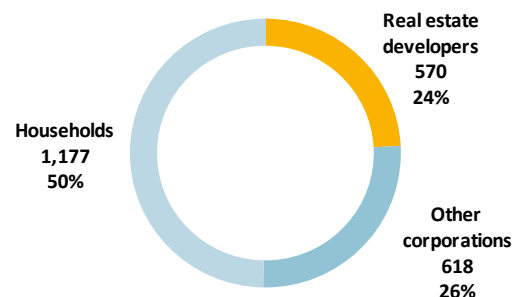


# Conservative approach

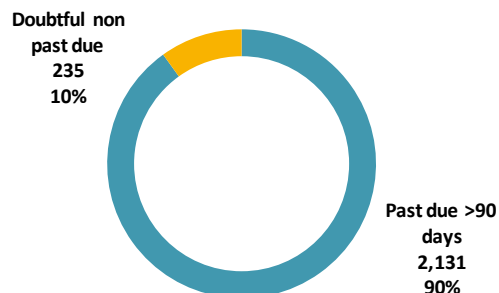
## Loans to real estate developers



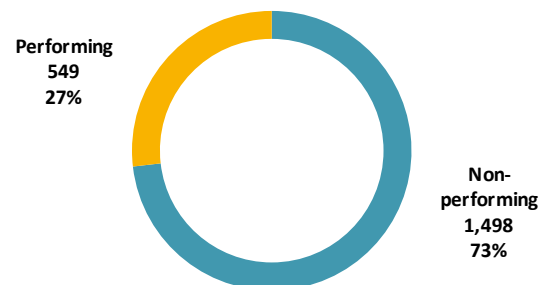
## NPL breakdown by segment



## Origin of NPLs



## Forborne loans



- RED loans account for only 3% of gross loans
- 55% classified as NPLs<sup>1</sup> (approx. 23% less than 1Q18)
- RED exposure is 1,04bn (approx. 31% less than 1Q18)

- 10% of NPLs are non past due

- 24% of all NPLs are loans to real estate developers
- NPL ratio exRED: 5.7%
- Coverage ratio 44.01% → but RED segment has the highest coverage

- 73% already in the NPL figure

Figures in EUR million

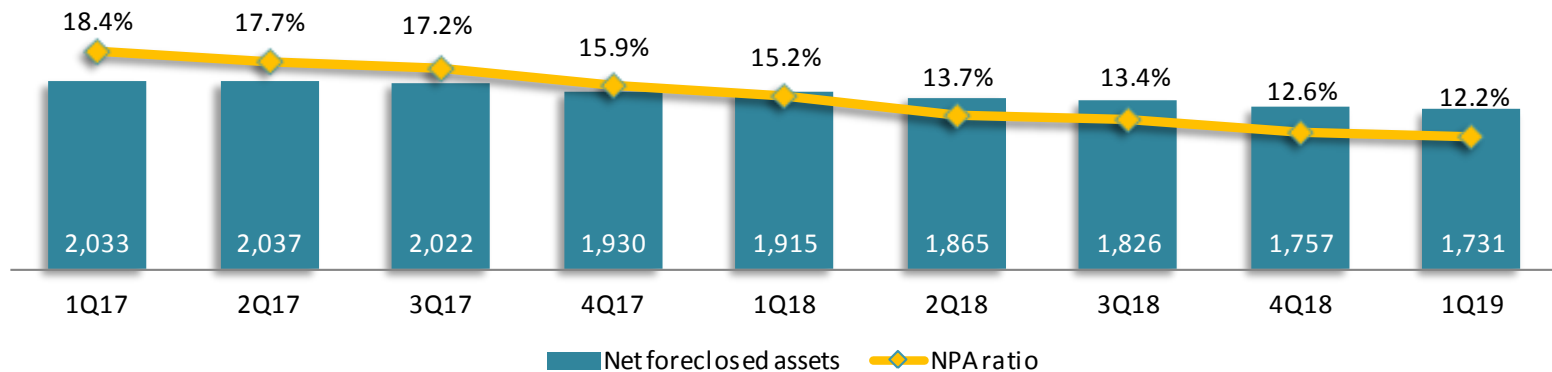
<sup>1</sup> Average financial sector: 11% Source: Bank of Spain



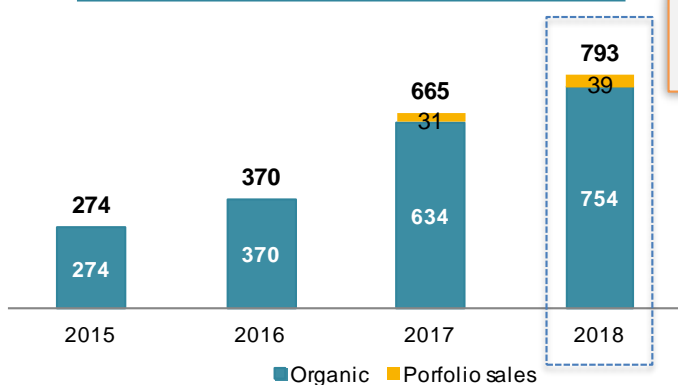
## Foreclosed assets: Favorable stock evolution

→ The stock of foreclosed assets continues the downward trend that started in 1Q17

Net Foreclosed assets & NPA ratio



Our track-record (gross)



Foreclosed assets sales mainly through commercial network

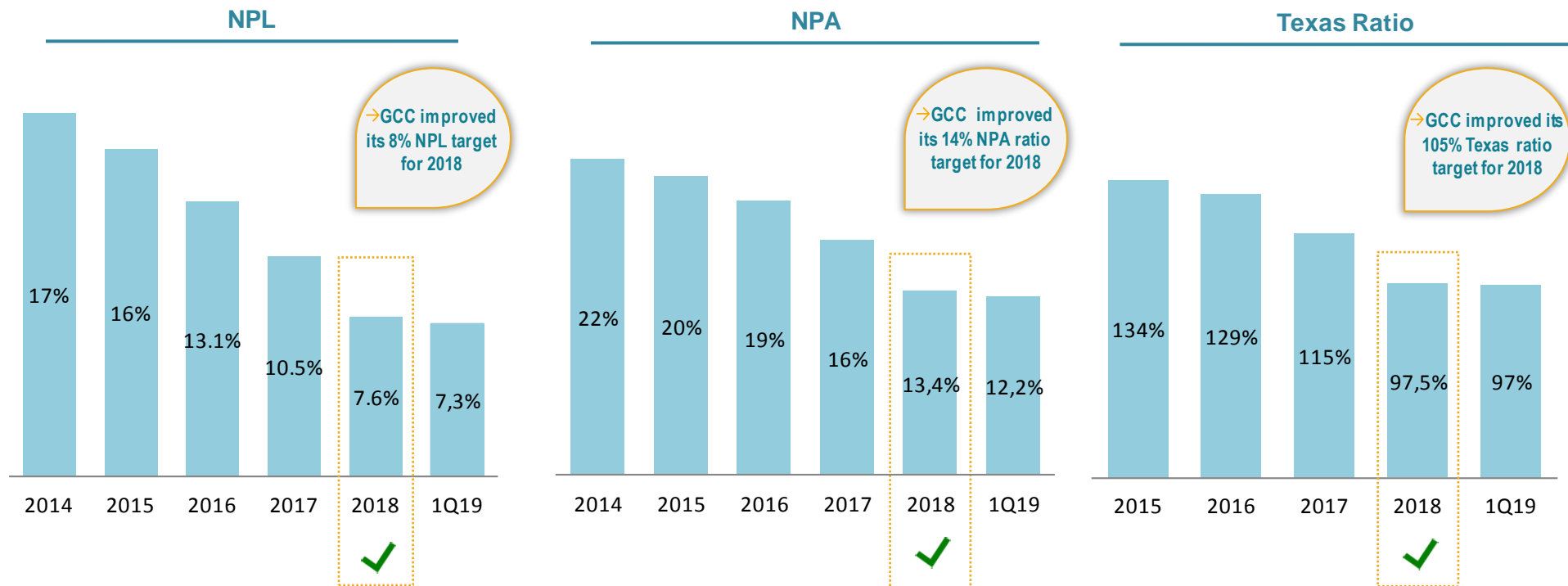
Quarterly evolution of foreclosed assets (gross)



Inflows highest reduction since 1Q16

## Asset quality targets have been achieved

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



(\*) NPA ratio = (Non-performing loans + Foreclosed assets (net)) / (Gross loans + Foreclosed assets (net))  
 (\*) Texas ratio = (Gross non-performing assets + Doubtful contingent liabilities) / (NPA coverage + Total capital)

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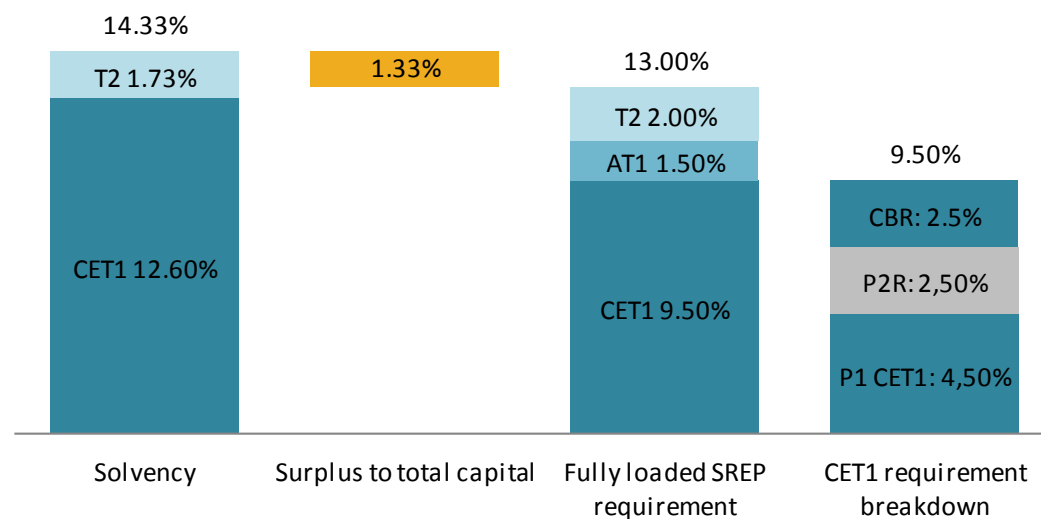
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## 133 basis points of capital generated in the last 12 months

→ Solvency improves by 133 bps y-o-y. Distance to 13% SREP total capital requirement, is 133 basis points

PHASED IN	31/03/2018	31/12/2018	31/03/2019	y-o-y	q-o-q
CET1	11.34%	12.51%	<b>12.60%</b>	126 bp	9 bp
T2	1.66%	1.74%	<b>1.73%</b>	7 bp	-1 bp
<b>Total Capital</b>	<b>13.00%</b>	<b>14.25%</b>	<b>14.33%</b>	<b>133 bp</b>	<b>8 bp</b>

FULLY LOADED	31/03/2018	31/12/2018	31/03/2019	y-o-y	q-o-q
CET1	10.48%	11.54%	<b>11.88%</b>	140 bp	34 bp
T2	1.68%	1.74%	<b>1.74%</b>	6 bp	0 bp
<b>Total Capital</b>	<b>12.17%</b>	<b>13.28%</b>	<b>13.62%</b>	<b>145 bp</b>	<b>34 bp</b>



- P2R for 2018 stands at 2.50%. P2R for 2019 remains unchanged at 2.50%
- Capital requirements for 2019: 9.5% CET1 and 13% total capital
- Despite full deduction of DTAs in Jan 1<sup>st</sup> 2019, plus the introduction of IFRS 16, CET1 ratios improved by 9 bp (PI) or 34 bp (FL) q-o-q
- No plans for T2 or SNP issuances in 2019

# Targets and levers to increase capital

## Solvency targets for 2019:

- CET1 > 12% and total capital > 14% ✓
- Revised up to CET1 > 12.50% and total capital > 14.50%

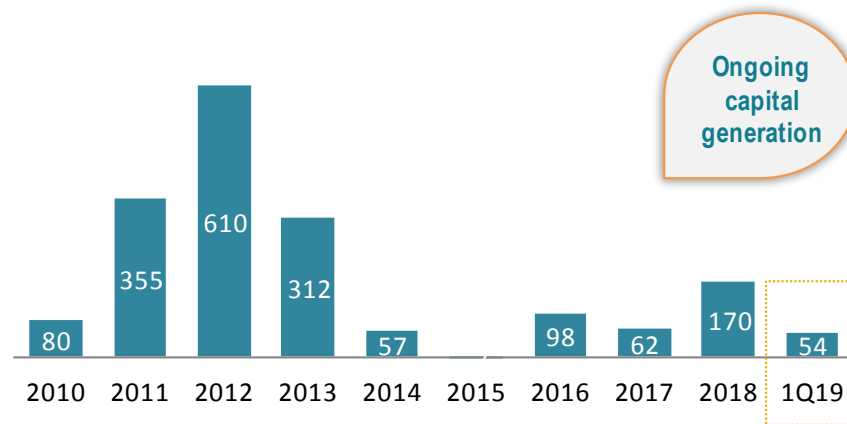
## Levers to increase capital:

- RWAs reduction: IRB migration and replicable securitization
- Organic capital generation

Breakdown of CET1 variation



Increase in cooperative capital



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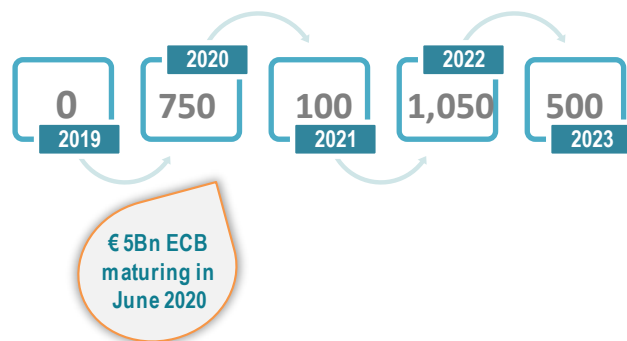
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# Liquidity

- 10.6% y-o-y increase in deposits improves business gap
- Manageable upcoming debt maturities

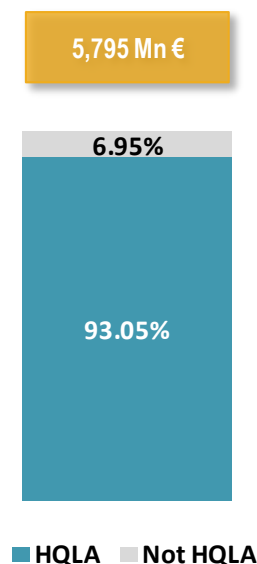
## Upcoming debt maturities (EUR mill)



## Funding cost (EUR mill)

	Amount	Cost	%
ECB	5,087	-0.4%	48%
Money markets	2,074	-0.4%	20%
Capital markets	3,340	1.8%	32%
<b>TOTAL</b>	<b>10,501</b>	<b>0.28%</b>	<b>100%</b>

## Available liquidity



LTD

**99.93%**  
▽9.06 p.p.

LCR

**211.06%**  
+ 19.2 p.p.

NSFR

**120.64%**  
+ 8.50 p.p.

Covered bonds  
/ Eligible mortgage  
portfolio

**49.73%**

Covered bond  
issuance capacity

**3,196 Mn€**

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## Business position

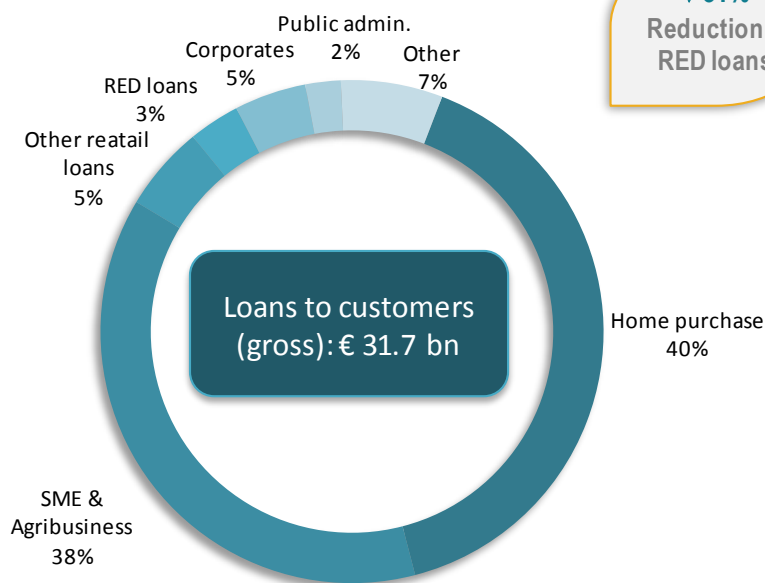
- Growth in performing loans and deposits from customers, while reducing NPLs (€ -802m)
- Increase in loans to SMEs and Agro and decrease in RED exposure (3% GCC vs. 11% sector)

Δ 3.3%  
Performing  
loans  
(€ +949m)

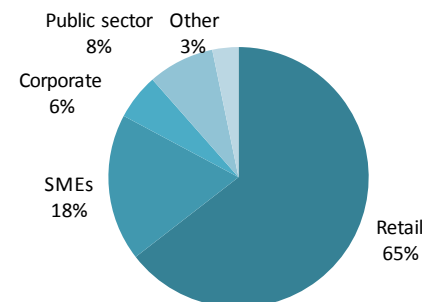
73%  
of new loans in  
2019 granted to  
SMEs and Agro

63%  
of loans are  
secured

### Loans to customers (gross)

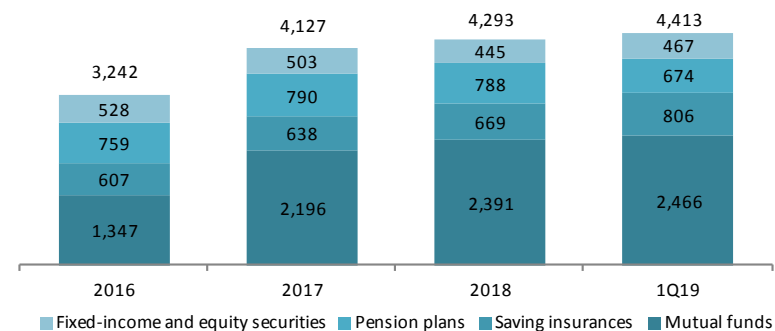


### Deposits by segment



Δ 11%  
Increase in  
deposits  
(+2,808 myoy)

### Funds under management



- Off balance sheet AuM increase by 1.6% y-o-y
- Mutual funds increase by 2.7% y-o-y, while sector decreases by -1%<sup>(1)</sup>

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

# Strategic alliances

→ Impulse of incomes from strategic partnerships (+34% of the entities' results)



INSURANCE & PENSION PLANS



## Cajamar Vida – Insurance

**6th** position in the ranking of life –risk insurance premiums (**19% increase y-o-y**) and market share of bancassurance (3.7%) out of 27 participants(\*)

## Cajamar Vida – Pension plans

**14th** position in the ranking of pension plans in terms of contracts (**3.1% y-o-y increase**) and funds owned (\*\*)

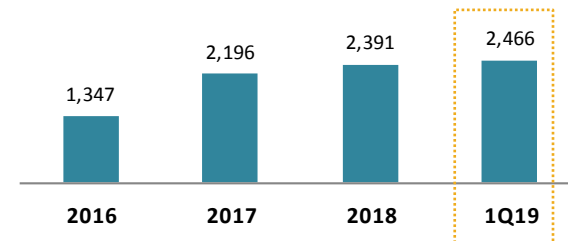


MUTUAL FUNDS



Δ**31.3%** in mgment and marketing comissions  
Δ **2.7%** y-o-y AuM Mutual Funds

GCC Mutual Funds(€ M)

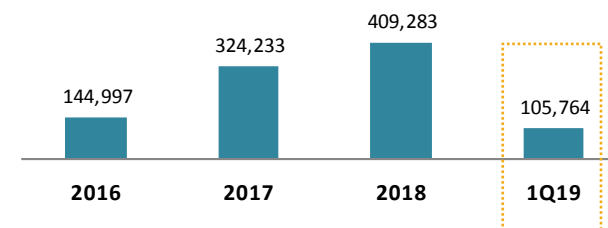


CONSUMER



Δ**3.6%** new production  
Δ **6.2%** loan production q-o-q

GCC Consumo -Loan Production (€ M)



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## Conclusions

The past... 2014	The present... 1Q19	The future... 2020
<i>WHERE WE WERE</i>	<i>WHERE WE ARE</i>	<i>WHERE WE WANT TO BE</i>
NPLs            €5,852m	NPLs            €2,365m	NPLs            < €1,500m
NPL Ratio      17.7%	NPL Ratio      7.3%	NPL Ratio      < 5%
NPA Ratio      22.7%	NPA Ratio      12.2%	NPA Ratio      <10%
CET1            11.1%	CET1            12.6%	CET1            > 12.5%

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# Balance sheet (I)

(EUR Thousands)

	31/03/2019	31/12/2018	31/03/2018	y-o-y		q-o-q	
				Abs.	%	Abs.	%
Cash, cash balances at central banks and other demand deposits	1,003,976	1,420,637	683,864	320,112	46.8%	(416,661)	(29.3%)
Financial assets held for trading	4,426	1,621	1,986	2,440	122.9%	2,805	173.0%
Financial assets designated at fair value through profit or loss	297,183	269,913	294,785	2,398	0.8%	-	100.0%
<i>Of which:</i>						27,270	10.1%
<i>Loans and advances to Customers</i>	180,292	155,920	154,690	25,602	16.6%		
Financial assets at fair value through other comprehensive income	1,165,181	606,847	400,632	764,549	190.8%	24,372	15.6%
Financial assets at amortised cost	37,854,836	37,741,263	36,080,715	1,774,121	4.9%	558,334	92.0%
<i>Of which:</i>						113,573	0.3%
<i>Loans and advances to Customers</i>	30,164,726	30,048,559	29,674,168	490,558	1.7%		
Derivatives – Hedge accounting	-	-	-	-	100.0%	116,167	0.4%
Investments in subsidiaries, joint ventures and associates	83,438	97,426	71,190	12,248	17.2%	-	-
Tangible assets	1,061,032	999,629	993,911	67,121	6.8%	-	-
Intangible assets	162,423	161,793	211,274	(48,851)	(23.1%)	(13,988)	(14.4%)
Tax assets	1,107,275	1,132,246	1,110,583	(3,308)	(0.3%)	-	-
Other assets	1,222,967	1,241,317	1,545,516	(322,549)	(20.9%)	61,403	6.1%
Non-current assets and disposal groups classified as held for sale	395,471	406,113	462,910	(67,439)	(14.6%)	630	0.4%
<b>TOTAL ASSETS</b>	<b>44,358,209</b>	<b>44,078,805</b>	<b>41,857,368</b>	<b>2,500,841</b>	<b>6.0%</b>	<b>(24,971)</b>	<b>(2.2%)</b>

## Balance sheet (II)

(EUR Thousands)

	31/03/2019	31/12/2018	31/03/2018	y-o-y		q-o-q	
				Abs.	%	Abs.	%
Financial liabilities held for trading	1,916	43	394	1,522	386.3%	1,873	435.8%
Financial liabilities measured at amortised cost	40,610,853	40,394,174	38,398,963	2,211,890	5.8%	216,679	0.5%
Of which:							
Central Banks deposits	5,029,995	5,035,069	5,050,604	(20,609)	(0.4%)	(5,074)	(0.1%)
Central counterparty deposits	815,098	1,072,408	2,271,801	(1,456,703)	(64.1%)	(257,310)	(24.0%)
Customer deposits	29,183,829	28,498,653	26,375,844	2,807,985	10.6%	685,176	2.4%
Debt securities issued	2,420,686	2,416,041	2,676,490	(255,804)	(9.6%)	4,645	0.2%
Derivatives – Hedge accounting	107,110	123,754	15,701	91,409	582.2%	(16,644)	(13.4%)
Provisions	66,065	71,405	88,770	(22,705)	(25.6%)	(5,340)	(7.5%)
Tax liabilities	76,797	77,368	96,789	(19,992)	(20.7%)	(571)	(0.7%)
Other liabilities	351,985	344,865	334,921	17,064	5.1%	7,120	2.1%
of which: Welfare funds	4,424	4,905	4,374	50	1.1%	(481)	(9.8%)
<b>TOTAL LIABILITIES</b>	<b>41,214,725</b>	<b>41,011,609</b>	<b>38,935,539</b>	<b>2,279,186</b>	<b>5.9%</b>	<b>203,116</b>	<b>0.5%</b>
Equity	3,138,457	3,075,759	2,916,797	221,660	7.6%	62,698	2.0%
Of which:							
Capital / Equity instruments issued other than capital / Treasury shares	2,830,808	2,776,579	2,659,605	171,203	6.4%	54,229	2.0%
Retained earnings / Revaluation reserves / Other reserves	318,677	235,011	259,853	58,824	22.6%	83,666	35.6%
Profit or loss attributable to owners of the parent	24,632	82,252	31,476	(6,844)	(21.7%)	(57,620)	(70.1%)
(-) Interim dividends	(35,660)	(18,083)	(34,137)	(1,523)	4.5%	(17,577)	97.2%
Accumulated other comprehensive income	5,027	(8,563)	5,032	(5)	(0.1%)	13,590	(158.7%)
Minority interests	-	-	-	-	100.0%	-	-
<b>TOTAL EQUITY</b>	<b>3,143,484</b>	<b>3,067,196</b>	<b>2,921,829</b>	<b>221,655</b>	<b>7.6%</b>	<b>76,288</b>	<b>2.5%</b>

# Consolidated P&L

(EUR Thousands)

	31/03/2019	%ATA	31/03/2018	%ATA	y-o-y	
					Abs.	%
Interest income	176,289	1.62%	181,150	1.78%	(4,861)	(2.7%)
Interest expenses	(28,171)	(0.26%)	(30,890)	(0.30%)	2,719	(8.8%)
<b>NET INTEREST INCOME</b>	<b>148,118</b>	<b>1.36%</b>	<b>150,260</b>	<b>1.48%</b>	<b>(2,142)</b>	<b>(1.4%)</b>
Dividend income	500	0.00%	243	0.00%	257	105.8%
Income from equity-accounted method	8,804	0.08%	6,959	0.07%	1,845	26.5%
Net fees and commissions	61,051	0.56%	66,679	0.66%	(5,628)	(8.4%)
Gains (losses) on financial transactions	26,712	0.24%	38,353	0.38%	(11,641)	(30.4%)
Exchange differences [gain or (-) loss], net	959	0.01%	492	-	467	94.9%
Other operating incomes/expenses	(9,250)	(0.08%)	(10,428)	(0.10%)	1,178	(11.3%)
of which: Mandatory transfer to Education and Development Fund	(1,363)	(0.01%)	(1,687)	(0.02%)	324	(19.2%)
<b>GROSS INCOME</b>	<b>236,894</b>	<b>2.17%</b>	<b>252,558</b>	<b>2.49%</b>	<b>(15,664)</b>	<b>(6.2%)</b>
Administrative expenses	(127,572)	(1.17%)	(130,725)	(1.29%)	3,153	(2.4%)
Personnel expenses	(81,046)	(0.74%)	(84,771)	(0.83%)	3,725	(4.4%)
Other administrative expenses	(46,526)	(0.43%)	(45,955)	(0.45%)	(571)	1.2%
Depreciation and amortisation	(14,755)	(0.14%)	(20,563)	(0.20%)	5,808	(28.2%)
<b>NET INCOME BEFORE PROVISIONS</b>	<b>94,567</b>	<b>0.87%</b>	<b>101,270</b>	<b>1.00%</b>	<b>(6,703)</b>	<b>(6.6%)</b>
Provisions or (-) reversal of provisions	(6,174)	(0.06%)	(1,621)	(0.02%)	(4,553)	280.9%
Impairment losses on financial assets	(54,224)	(0.50%)	(33,125)	(0.33%)	(21,099)	63.7%
<b>OPERATING INCOME</b>	<b>34,169</b>	<b>0.31%</b>	<b>66,524</b>	<b>0.66%</b>	<b>(32,355)</b>	<b>(48.6%)</b>
Impairment or reversal of impairment of investments in joint ventures or associates (net)	-	-	-	-	-	-
Impairment losses on non financial assets	(3,997)	(0.04%)	(21,662)	(0.21%)	17,665	(81.5%)
Gains or (-) losses on derecognition of non financial assets, net	(4,461)	(0.04%)	(7,842)	(0.08%)	3,381	(43.1%)
Profit or (-) loss from non-current assets and disposal groups classified as held for sale	(2,431)	(0.02%)	(5,488)	(0.05%)	3,057	(55.7%)
<b>PROFIT BEFORE TAX</b>	<b>23,279</b>	<b>0.21%</b>	<b>31,531</b>	<b>0.31%</b>	<b>(8,252)</b>	<b>(26.2%)</b>
Tax	1,353	0.01%	(55)	-	1,408	(2560.0%)
<b>CONSOLIDATED NET PROFIT</b>	<b>24,632</b>	<b>0.23%</b>	<b>31,476</b>	<b>0.31%</b>	<b>(6,844)</b>	<b>(21.7%)</b>



# Quarterly P&L

(EUR Thousands)

	1Q18	2Q18	3Q18	4Q18	1Q19	q-o-q	
						Abs.	%
Interest income	181.150	176.489	172.619	178.433	176.289	(2.144)	(1,2%)
Interest expenses	(30.890)	(32.573)	(35.450)	(23.736)	(28.171)	(4.435)	18,7%
<b>NET INTEREST INCOME</b>	<b>150.259</b>	<b>143.915</b>	<b>137.169</b>	<b>154.697</b>	<b>148.118</b>	<b>(6.579)</b>	<b>(4,3%)</b>
Dividend income	243	2.411	2.737	1.230	500	(730)	(59,4%)
Income from equity-accounted method	6.959	6.636	7.874	9.513	8.804	(709)	(7,5%)
Net fees and commissions	66.679	65.853	63.534	65.625	61.051	(4.574)	(7,0%)
Gains (losses) on financial transactions	38.352	47.675	(135)	(6.908)	26.712	33.620	(486,7%)
Ex change differences [gain or (-) loss], net	492	276	534	233	959	726	312,1%
Other operating incomes/expenses	(10.428)	(8.400)	(8.286)	(4.667)	(9.250)	(4.583)	98,2%
o/w: Mandatory transfer to Education and Development Fund	(1.687)	(803)	(1.449)	(104)	(1.363)	(1.259)	1.210,1%
<b>GROSS INCOME</b>	<b>252.557</b>	<b>258.367</b>	<b>203.428</b>	<b>219.724</b>	<b>236.894</b>	<b>17.170</b>	<b>7,8%</b>
Administrative expenses	(130.725)	(131.746)	(116.049)	(132.514)	(127.572)	4.942	(3,7%)
Personnel expenses	(84.771)	(84.884)	(66.168)	(84.386)	(81.046)	3.340	(4,0%)
Other administrative expenses	(45.955)	(46.861)	(49.881)	(48.128)	(46.526)	1.602	(3,3%)
Depreciation and amortisation	(20.563)	(11.166)	(11.156)	(12.394)	(14.755)	(2.361)	19,0%
<b>NET INCOME BEFORE PROVISIONS</b>	<b>101.269</b>	<b>115.455</b>	<b>76.223</b>	<b>74.816</b>	<b>94.567</b>	<b>19.751</b>	<b>26,4%</b>
Provisions or (-) reversal of provisions	(1.621)	(18.110)	(1.567)	(17.257)	(6.174)	11.083	(64,2%)
Impairment losses on financial assets	(33.125)	514	(56.044)	(55.561)	(54.224)	1.337	(2,4%)
<b>OPERATING INCOME</b>	<b>66.523</b>	<b>97.859</b>	<b>18.612</b>	<b>1.997</b>	<b>34.169</b>	<b>32.172</b>	<b>1.611,1%</b>
Impairment or reversal of impt. of investments in JV or associates (net)	-	(22)	-	-	-	-	-
Impairment losses on non financial assets	(21.662)	(608)	15.090	1.223	(3.997)	(5.220)	(426,7%)
Gains or (-) losses on derecognition of non financial assets, net	(7.842)	(73.394)	(8.256)	(7.827)	(4.461)	3.366	(43,0%)
Profit or (-) loss from non-current assets	(5.488)	(1.250)	431	(6.282)	(2.431)	3.851	(61,3%)
<b>PROFIT BEFORE TAX</b>	<b>31.531</b>	<b>22.586</b>	<b>25.877</b>	<b>(10.889)</b>	<b>23.279</b>	<b>34.168</b>	<b>(313,8%)</b>
Tax	(55)	(8.883)	(1.038)	23.124	1.353	(21.771)	(94,1%)
<b>CONSOLIDATED NET PROFIT</b>	<b>31.476</b>	<b>13.702</b>	<b>24.839</b>	<b>12.235</b>	<b>24.632</b>	<b>12.397</b>	<b>101,3%</b>

# Asset quality

(EUR Thousands)

	31/03/2019	31/12/2018	31/03/2018	y-o-y		q-o-q	
				Abs.	%	Abs.	%
<b>Non-performing total risks</b>	2,372,564	2,465,218	3,172,997	(800,433)	(25.2%)	(92,654)	(3.8%)
<b>Total risks</b>	32,461,738	32,313,408	32,241,248	220,490	0.7%	148,330	0.5%
<b>NPL ratio (%)</b>	7.31%	7.63%	9.84%	(2.53)		(0.32)	
Gross loans coverage	(1,041,010)	(1,072,032)	(1,475,946)	434,936	(29.5%)	31,022	(2.9%)
<b>NPL coverage ratio (%)</b>	44.01%	43.60%	46.60%	(2.59)		0.41	
Foreclosed Assets (gross)	3,262,511	3,308,746	3,644,654	(382,143)	(10.5%)	(46,235)	(1.4%)
Foreclosed Assets (net)	1,731,180	1,757,123	1,914,853	(183,673)	(9.6%)	(25,943)	(1.5%)
<b>Foreclosed assets coverage ratio (%)</b>	46.94%	46.89%	47.46%	(0.52)		0.04	
<b>Foreclosed assets coverage ratio with debt forgiveness (%)</b>	51.64%	51.51%	51.63%	0.01		0.13	
<b>NPA ratio (%)</b>	12.24%	12.64%	15.17%	(2.93)		(0.40)	
<b>NPA coverage (%)</b>	45.71%	45.49%	47.06%	(1.35)		0.22	
<b>NPA coverage with debt forgiveness (%)</b>	48.61%	48.31%	49.39%	(0.78)		0.30	
<b>Coverage breakdown (loan impairments breakdown)</b>							
<b>Total coverage</b>	1,058,662	1,088,713	1,493,978	(435,316)	(29.1%)	(30,051)	(2.8%)
Non-performing coverage	885,983	907,603	1,235,059	(349,076)	(28.3%)	(21,620)	(2.4%)
Performing coverage	172,679	181,111	258,920	(86,241)	(33.3%)	(8,432)	(4.7%)
<b>NPL breakdown</b>							
Past due >90 days	2,130,682	2,217,261	2,889,794	(759,112)	(26.3%)	(86,579)	(3.9%)
Doubtful non past due	234,629	241,700	277,403	(42,774)	(15.4%)	(7,071)	(2.9%)
<b>Total</b>	2,365,311	2,458,961	3,167,197	(801,886)	(25.3%)	(93,650)	(3.8%)
Of which:							
Forborne loans	1,497,725	1,570,691	2,161,955	(664,230)	(30.7%)	(72,966)	(4.6%)
<b>NPL breakdown by segment</b>							
General governments	40	40	436	(396)	(90.8%)	-	-
Other financial corporations	728	904	911	(183)	(20.1%)	(176)	(19.5%)
Other corporations	1,188,026	1,241,435	1,799,059	(611,033)	(34.0%)	(53,409)	(4.3%)
Households	1,176,517	1,216,582	1,366,791	(190,274)	(13.9%)	(40,065)	(3.3%)
<b>Total</b>	2,365,311	2,458,961	3,167,197	(801,886)	(25.3%)	(93,650)	(3.8%)
Of which:							
Real estate developers	570,488	602,169	1,007,286	(436,798)	(43.4%)	(31,681)	(5.3%)
<b>Forborne loans</b>							
Non-performing	1,497,725	1,570,691	2,161,955	(664,230)	(30.7%)	(72,966)	(4.6%)
Performing	548,714	590,359	730,039	(181,325)	(24.8%)	(41,645)	(7.1%)
<b>Total Forborne loans</b>	2,046,439	2,161,050	2,891,994	(845,555)	(29.2%)	(114,611)	(5.3%)

# Solvency

## Phased in

(EUR Thousands)

	31/03/2019	31/12/2018	31/03/2018	y-o-y		q-o-q	
				Abs.	%	Abs.	%
Capital	2,830,809	2,776,579	2,659,605	171,204	6.4%	54,230	2.0%
Reserves	469,825	475,045	450,928	18,897	4.2%	(5,220)	(1.1%)
AFS Surplus	(6,952)	(22,311)	5,032	(11,984)	(238.2%)	15,359	(68.8%)
Capital deductions	(380,079)	(347,264)	(390,526)	10,447	(2.7%)	(32,815)	9.4%
<b>Ordinary Tier 1 Capital</b>	<b>2,913,603</b>	<b>2,882,049</b>	<b>2,725,038</b>	<b>188,565</b>	<b>6.9%</b>	<b>31,554</b>	<b>1.1%</b>
<b>CET1 ratio (%)</b>	<b>12.60%</b>	<b>12.51%</b>	<b>11.34%</b>	<b>1.26</b>		<b>0.09</b>	
<b>Tier2 Capital</b>	<b>400,000</b>	<b>400,000</b>	<b>400,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Tier 2 ratio (%)</b>	<b>1.73%</b>	<b>1.74%</b>	<b>1.66%</b>	<b>0.07</b>		<b>(0.01)</b>	
<b>Eligible capital</b>	<b>3,313,603</b>	<b>3,282,049</b>	<b>3,125,038</b>	<b>188,565</b>	<b>6.0%</b>	<b>31,554</b>	<b>1.0%</b>
<b>Capital ratio (%)</b>	<b>14.33%</b>	<b>14.25%</b>	<b>13.00%</b>	<b>1.33</b>		<b>0.08</b>	
<b>Total risk-weighted assets</b>	<b>23,116,849</b>	<b>23,033,114</b>	<b>24,034,285</b>	<b>(917,436)</b>	<b>(3.8%)</b>	<b>83,735</b>	<b>0.4%</b>
Credit risk	21,543,740	21,474,160	22,538,330	(994,590)	(4.4%)	69,580	0.3%
Operational risk	1,445,750	1,445,750	1,443,904	1,846	0.1%	-	-
Other risk	127,359	113,204	52,051	75,308	144.7%	14,155	12.5%

## Fully-loaded

(EUR Thousands)

Capital	2,830,809	2,776,579	2,659,605	171,204	6.4%	54,230	2.0%
Reserves	294,739	279,360	245,506	49,233	20.1%	15,379	5.5%
AFS Surplus	(6,952)	(22,311)	5,032	(11,984)	(238.2%)	15,359	(68.8%)
Capital deductions	(380,079)	(388,387)	(420,027)	39,948	(9.5%)	8,308	(2.1%)
<b>Ordinary Tier 1 Capital</b>	<b>2,738,517</b>	<b>2,645,242</b>	<b>2,490,116</b>	<b>248,401</b>	<b>10.0%</b>	<b>93,275</b>	<b>3.5%</b>
<b>CET1 ratio (%)</b>	<b>11.88%</b>	<b>11.54%</b>	<b>10.48%</b>	<b>1.40</b>		<b>0.34</b>	
<b>Tier2 Capital</b>	<b>400,000</b>	<b>400,000</b>	<b>400,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Tier 2 ratio (%)</b>	<b>1.74%</b>	<b>1.74%</b>	<b>1.68%</b>	<b>0.06</b>		<b>(0.01)</b>	
<b>Eligible capital</b>	<b>3,138,517</b>	<b>3,045,242</b>	<b>2,890,116</b>	<b>248,401</b>	<b>8.6%</b>	<b>93,275</b>	<b>3.1%</b>
<b>Capital ratio (%)</b>	<b>13.62%</b>	<b>13.28%</b>	<b>12.17%</b>	<b>1.45</b>		<b>0.34</b>	
<b>Total risk-weighted assets</b>	<b>23,046,347</b>	<b>22,924,929</b>	<b>23,750,097</b>	<b>(703,750)</b>	<b>(3.0%)</b>	<b>121,418</b>	<b>0.5%</b>
Credit risk	21,473,238	21,365,974	22,254,141	(780,903)	(3.5%)	107,264	0.5%
Operational risk	1,445,750	1,445,750	1,443,904	1,846	0.1%	-	-
Other risk	127,359	113,205	52,052	75,307	144.7%	14,154	12.5%

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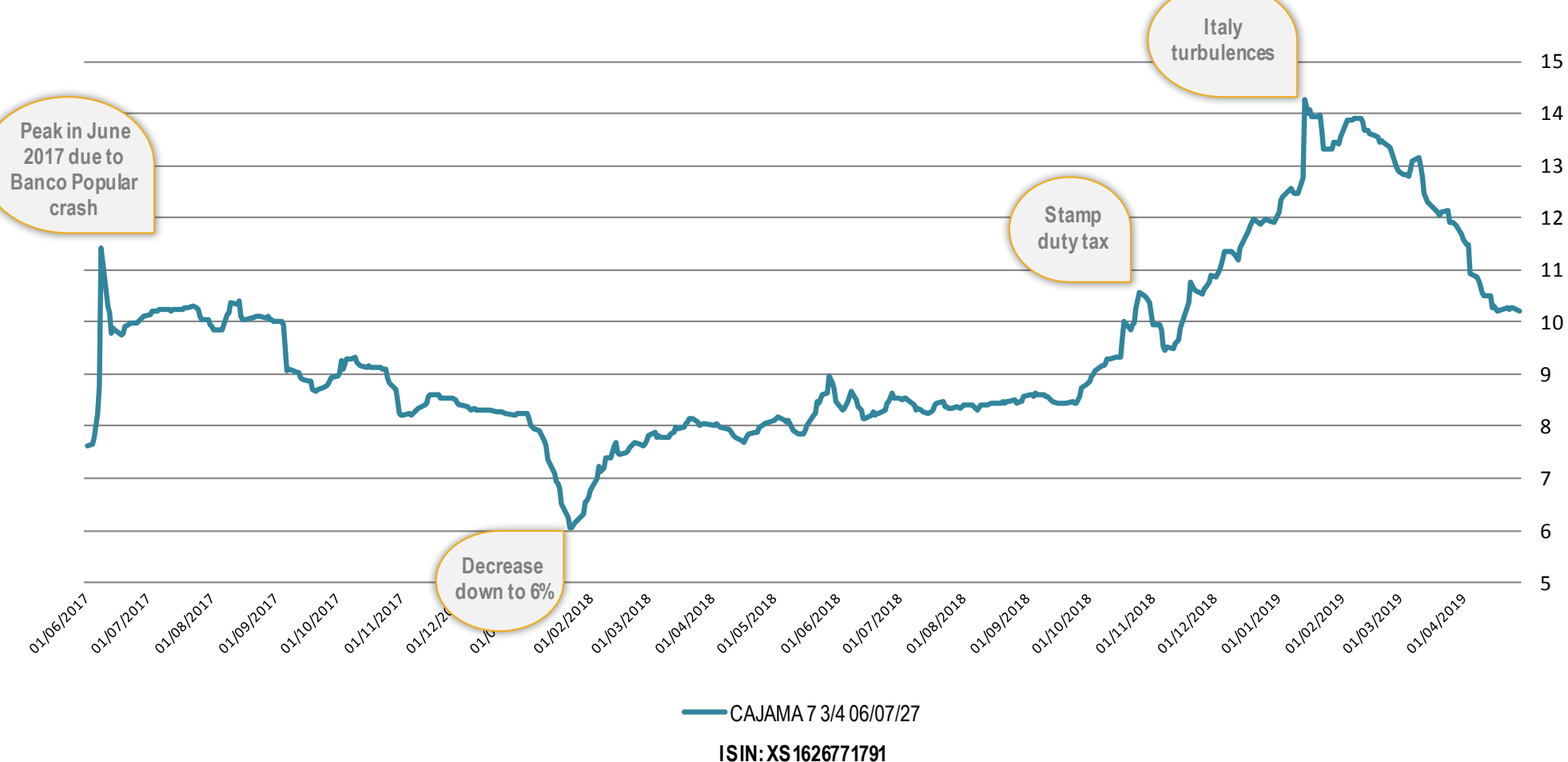
### i. Financials

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## Our June 2017 € 300 MM T2 performance YTD

### YTC (Mid)



Data as of June 2, 2017 to April 29, 2019.  
Source: Bloomberg

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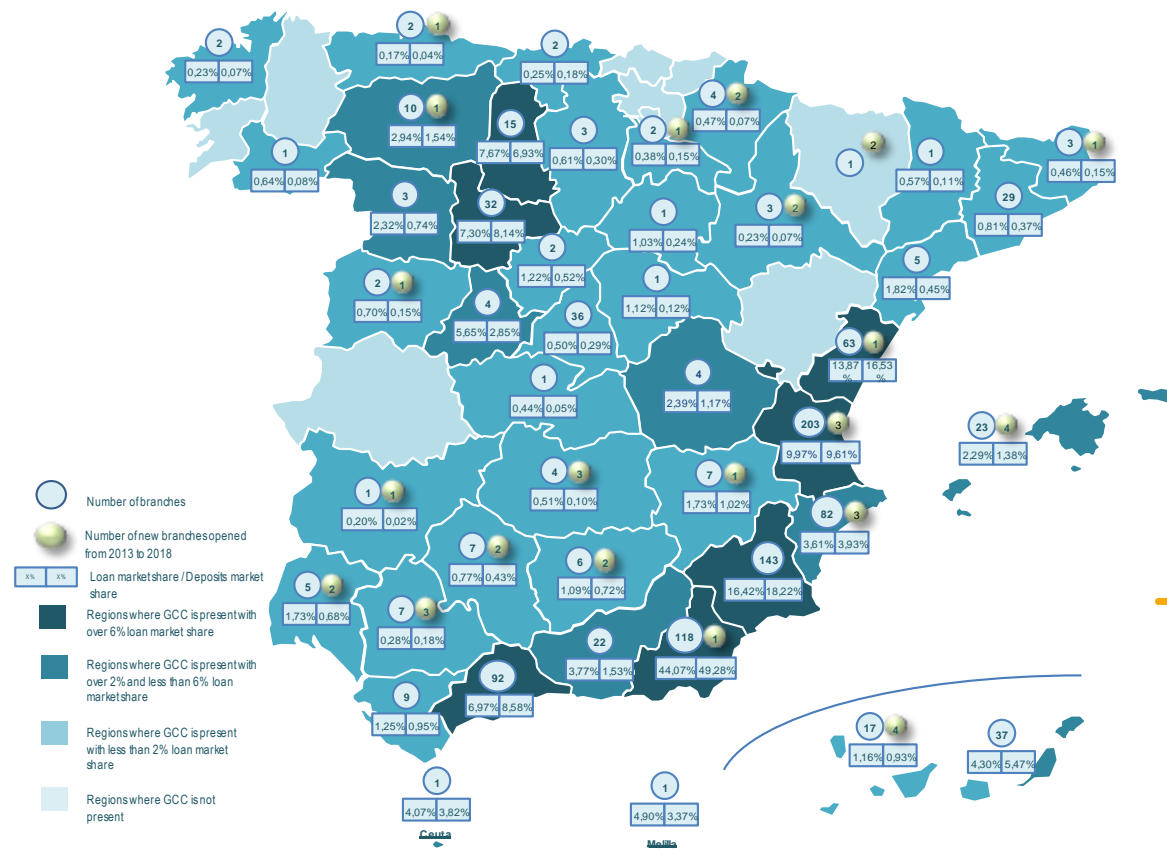
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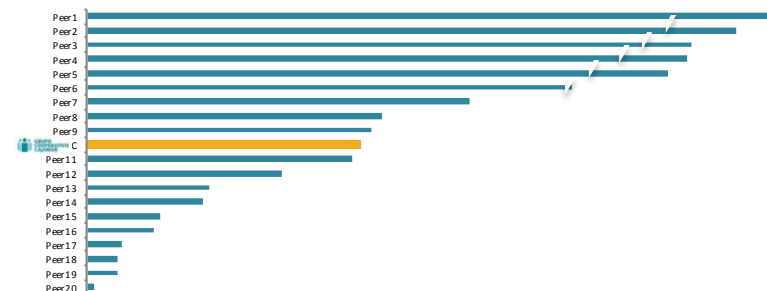
# Grupo Cooperativo Cajamar: A cooperative Group with nationwide presence

→ Grupo Cooperativo Cajamar ranks #10 by loans in Spain, and is the 11th entity by asset size (EUR44bn). It has 2.77% of the loan market share, and 14.63% of the agribusiness market share



2019: 975 branches (+1 openings, -43 closures)

## 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

50%  
Of total loans  
from rural  
credit  
cooperatives

14.63%  
Agri  
business  
market  
share

#11  
entity  
by  
asset  
size

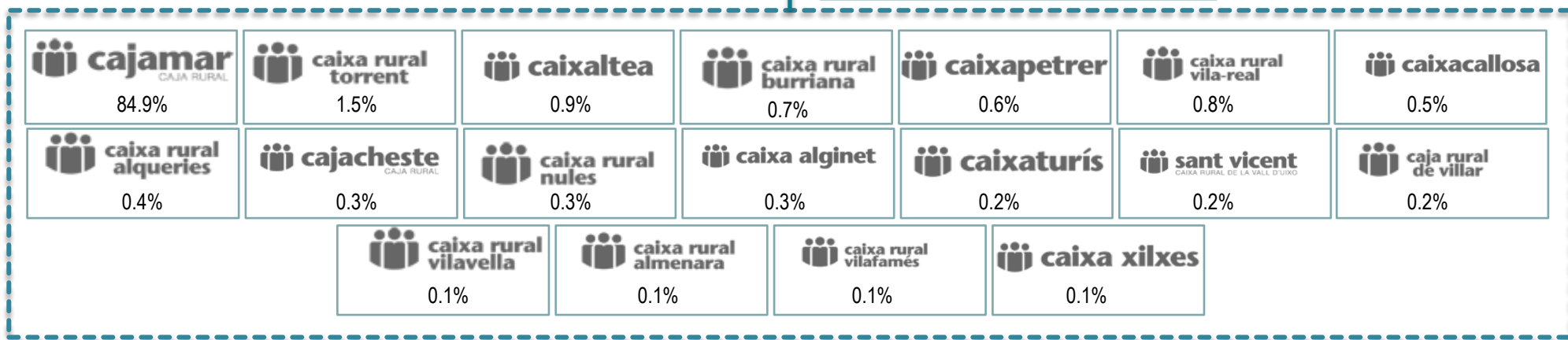
# GCC Corporate Structure

- 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 4Q18 **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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