

BCC Grupo Cajamar

2Q19 CREDIT UPDATE

8 August 2019

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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)	2Q19	1Q19	2Q18	y-o-y		q-o-q	
				Abs.	%	Abs.	%
Profit and Loss Account							
Net interest income	293,917	148,118	294,174	(257)	(0.1%)		
Gross Income	663,469	236,894	510,921	152,548	29.9%		
Recurring Gross Income	447,541	235,795	459,157	(11,616)	(2.5%)		
Net Income before provisions	375,602	94,567	216,721	158,881	73.3%		
Recurring Net Income before provisions	159,674	93,468	164,957	(5,283)	(3.2%)		
Profit before tax	72,106	23,279	54,117	17,989	33.2%		
Consolidated Net profit	47,010	24,632	45,178	1,832	4.1%		
Attributable Net profit	47,010	24,632	45,178	1,832	4.1%		
Business							
Total Assets	45,334,985	44,358,209	42,815,704	2,519,281	5.9%	976,776	2.2%
Equity	3,200,803	3,138,457	2,962,714	238,089	8.0%	62,346	2.0%
On-balance sheet retail funds	29,799,437	29,183,829	27,694,266	2,105,171	7.6%	615,608	2.1%
Off-balance sheet funds	4,537,637	4,413,163	4,428,907	108,730	2.5%	124,474	2.8%
Performing Loans	29,436,858	29,362,305	28,908,999	527,859	1.8%	74,553	0.3%
Risk management							
Non-performing assets	5,038,430	5,225,065	5,843,310	(804,880)	(13.8%)	(186,635)	(3.6%)
Non-performing assets (net)	2,646,086	2,831,349	3,162,214	(516,128)	(16.3%)	(185,263)	(6.5%)
NPA coverage (%)	47.48%	45.81%	45.90%	1.58		1.67	
Non-performing loans	2,206,339	2,365,311	2,737,582	(531,243)	(19.4%)	(158,972)	(6.7%)
NPL ratio (%)	6.84%	7.31%	8.49%	(1.65)		(0.47)	
NPL coverage ratio (%)	46.91%	44.01%	44.31%	2.60		2.90	
Foreclosed assets (gross)	2,832,091	2,859,754	3,105,728	(273,637)	(8.8%)	(27,663)	(1.0%)
Foreclosed assets (net)	1,474,696	1,507,048	1,636,476	(161,780)	(9.9%)	(32,352)	(2.1%)
Foreclosed assets Coverage ratio (%)	47.93%	47.30%	47.31%	0.62		0.63	
Texas ratio	93.54%	98.28%	107.07%	(13.53)		(4.74)	
Cost of risk	1.25%	0.65%	0.65%	0.60		0.60	

Most significant figures (II)

(EUR Thousands)

	2Q19	1Q19	2Q18	y-o-y		q-o-q	
				Abs.	%	Abs.	%
Liquidity							
LTD (%)	96.96%	99.93%	104.63%	(7.67)		(2.97)	
LCR (%)	217.23%	211.06%	198.64%	18.59		6.17	
NSFR (%)	126.55%	120.64%	116.50%	10.05		5.91	
Solvency phased in							
CET1 ratio (%)	12.86%	12.60%	12.01%	0.85		0.26	
Tier 2 ratio (%)	1.68%	1.73%	1.71%	(0.03)		(0.05)	
Capital ratio (%)	14.54%	14.33%	13.71%	0.83		0.21	
Leverage ratio (%)	6.29%	6.44%	6.45%	(0.16)		(0.15)	
Solvency fully loaded							
CET1 ratio (%)	12.14%	11.88%	11.07%	1.07		0.26	
Tier 2 ratio (%)	1.69%	1.74%	1.71%	(0.02)		(0.05)	
Capital ratio (%)	13.83%	13.62%	12.78%	1.05		0.21	
Leverage ratio (%)	5.94%	6.08%	5.96%	(0.02)		(0.14)	
Profitability and efficiency							
ROA (%)	0.21%	0.23%	0.22%	(0.01)		(0.01)	
RORWA (%)	0.41%	0.43%	0.38%	0.03		(0.02)	
ROE (%)	3.02%	3.22%	3.06%	(0.04)		(0.20)	
Cost-income ratio (%)	43.39%	60.08%	57.58%	(14.19)		(16.69)	
Recurring cost-income ratio (%)	64.32%	60.36%	64.07%	0.25		3.96	
Other data							
Cooperative members	1,428,750	1,428,057	1,434,092	(5,342)	(0.4%)	693	0.05%
Employees	5,486	5,492	5,570	(84)	(1.5%)	(6)	(0.1%)
Branches	964	975	1,036	(72)	(6.9%)	(11)	(1.1%)

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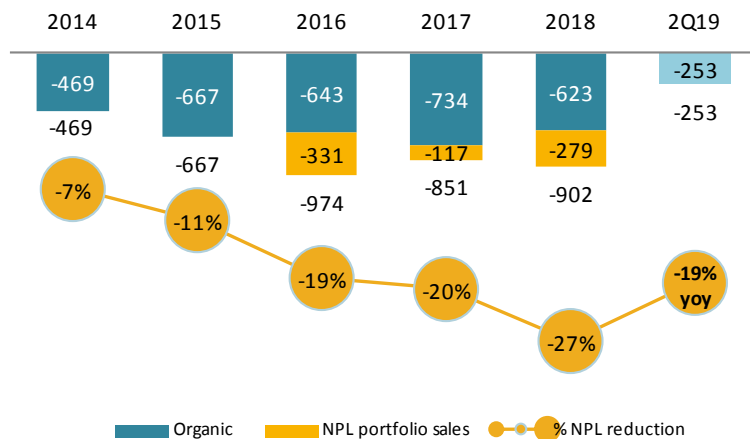
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NPLs: Overview

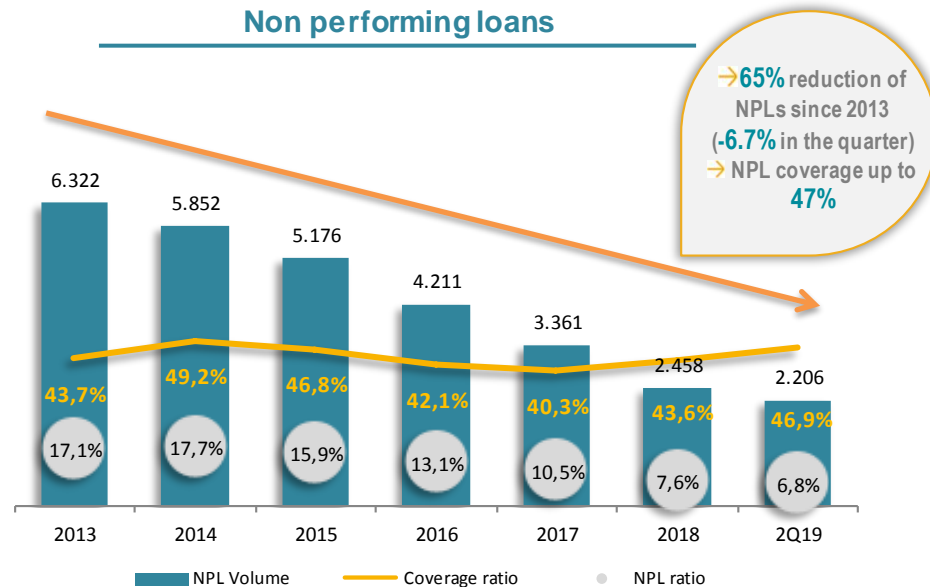
Our track - record



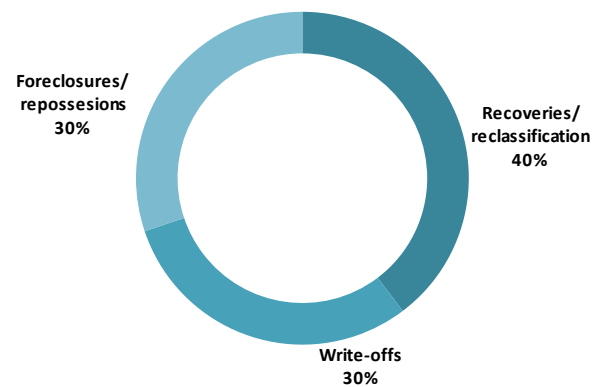
NPL variation q-o-q

NPL evolution	2Q18	3Q18	4Q18	1Q19	2Q19	Last 4 quarters
NPL inflow	98	92	99	101	87	379
NPL outflow	-527	-197	-272	-195	-246	-910
Variation	-430	-106	-173	-94	-159	-531

Non performing loans

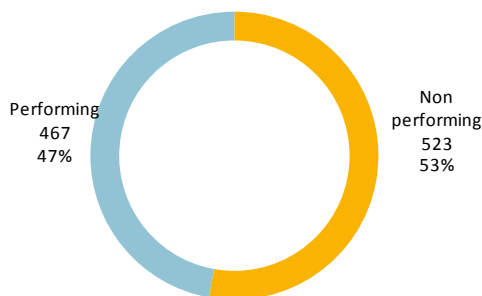


Average NPL outflow (last 12 months)

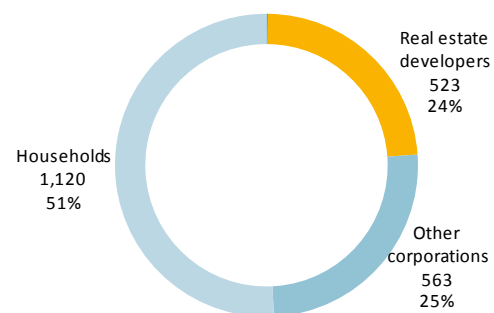


Conservative approach

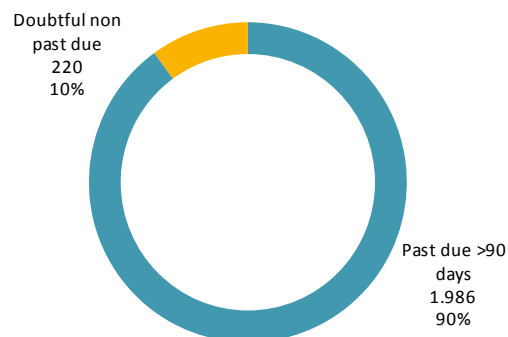
Loans to real estate developers



NPL breakdown by segment



Origin of NPLs



Forborne loans



- RED loans account for only 3% of gross loans (sector average¹ : 10%)
- RED exposure is 991M (aprox. 22% less than 2Q18)

- 10% of NPLs are non past due

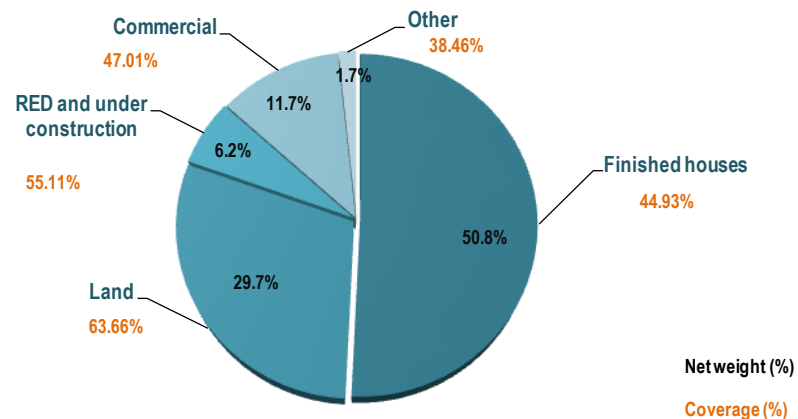
- NPL ratio exRED: 5.4% (sector average¹ : 5.3%)
- 24% of all NPLs are loans to real estate developers
- NPL coverage ratio: 47% (RED NPLs coverage: 52%)

- 72% already in the NPL figure

Figures in EUR million
¹ Figures as of 1Q19. Source: Bank of Spain

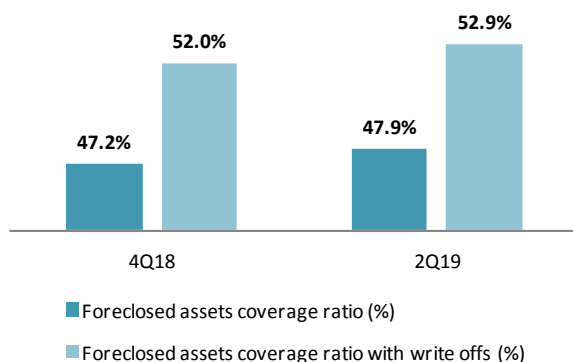
Foreclosed assets: Favorable stock evolution

Foreclosed assets by asset type & coverage



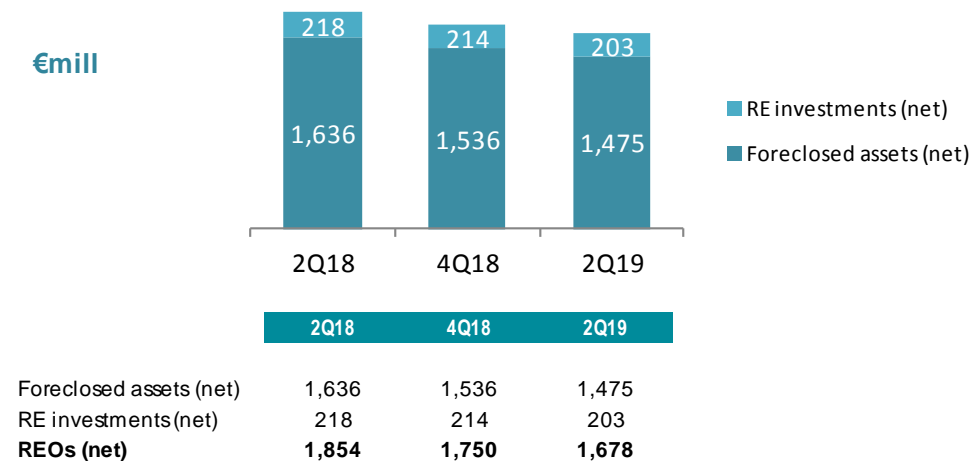
(*) Considering the write-offs in the foreclosure procedure.

Foreclosed assets Coverage



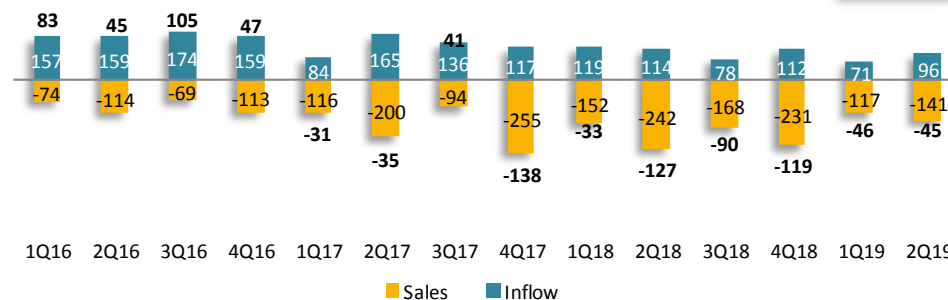
Net REOs

€mill



Quarterly evolution of REOs (gross)

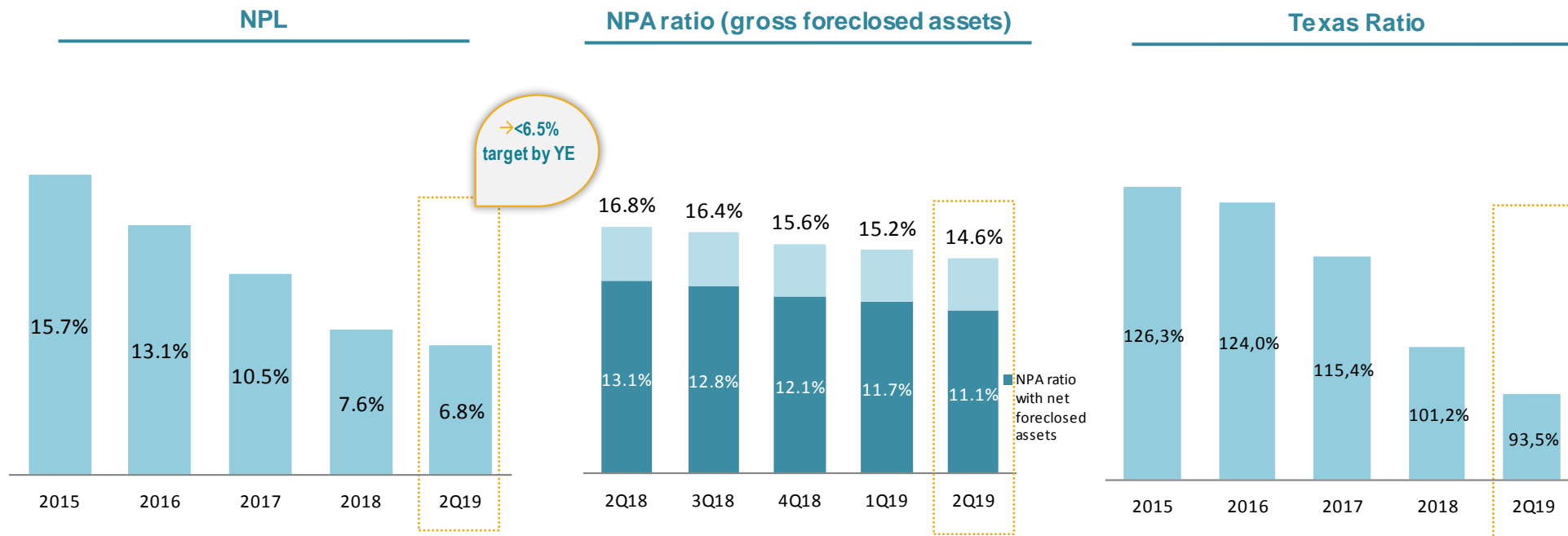
€mill



Inflows have reduced 16% compared to 2Q18

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. The dark column represents the NPA ratio calculated with net foreclosed assets

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

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

- Solvency improves by 105 bps y-o-y in fully loaded terms
- Distance to 13% SREP total capital requirement is 154 bps

PHASED IN	30/06/2018	31/03/2019	30/06/2019	y-o-y	q-o-q
CET1	12.01%	12.60%	12.86%	85 bp	26 bp
T2	1.71%	1.73%	1.68%	-3 bp	-5 bp
Total Capital	13.71%	14.33%	14.54%	83 bp	21 bp

FULLY LOADED	30/06/2018	31/03/2019	30/06/2019	y-o-y	q-o-q
CET1	11.07%	11.88%	12.14%	107 bp	26 bp
T2	1.71%	1.74%	1.69%	-2 bp	-5 bp
Total Capital	13.28%	13.62%	13.83%	105 bp	21 bp

- Capital requirements for 2019: 9.5% CET1 and 13% total capital
- CET1 FL ratios improved by 26 bp q-o-q and 107 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%

Breakdown of CET1 variation

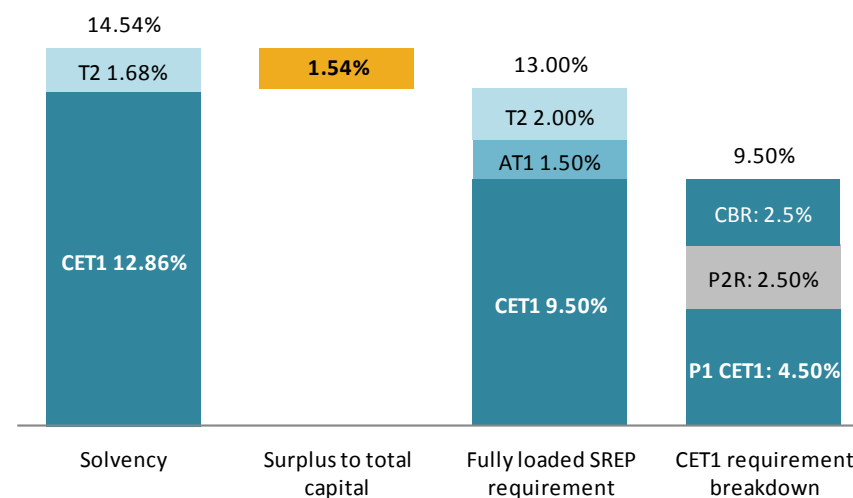
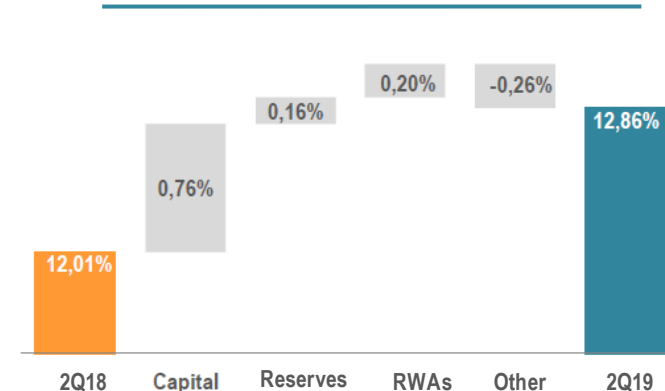


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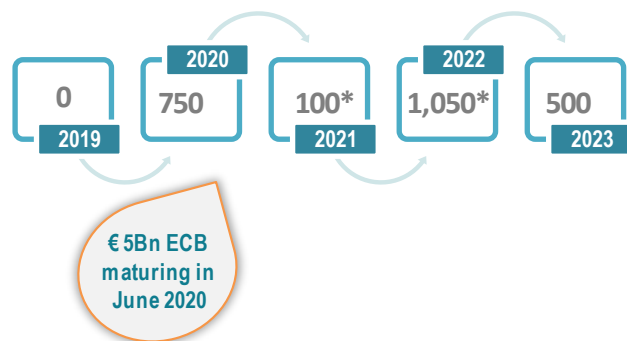
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Liquidity

- 7.6% y-o-y increase in deposits improves business gap
- Manageable upcoming debt maturities

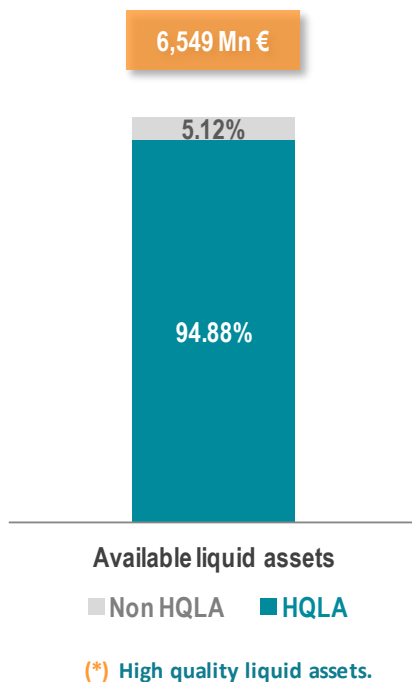
Upcoming debt maturities (EUR mill)



Funding cost (EUR mill)

	Amount	Cost	%
ECB	5,087	-0.4%	47%
Money markets	2,353	-0.3%	22%
Capital markets	3,290	1.8%	31%
TOTAL	10,730	0.3%	100%

Available liquidity



LTD

97.0%
▽ 7.67 p.p.

LCR

217.2%
+ 18.59 p.p.

NSFR

126.6%
+10 p.p.

Covered bonds
/ Eligible mortgage
portfolio

50.3%

Covered bond
issuance capacity

3,099 Mn€

Variations y-o-y

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Business position: loan book

- Growth in performing loans focused on SMEs and Agro while decreasing RED exposure (% 3 GCC vs. 10% sector¹)

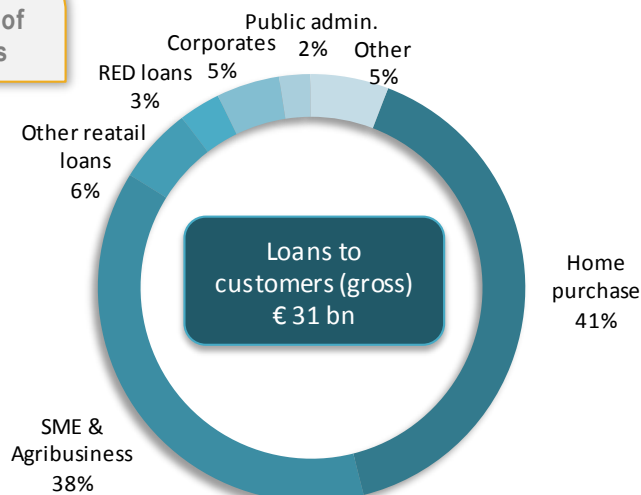
Δ 1.4% yoy
Performing
loans to
customers

75%
of new loans in
2019 granted to
SMEs and Agro

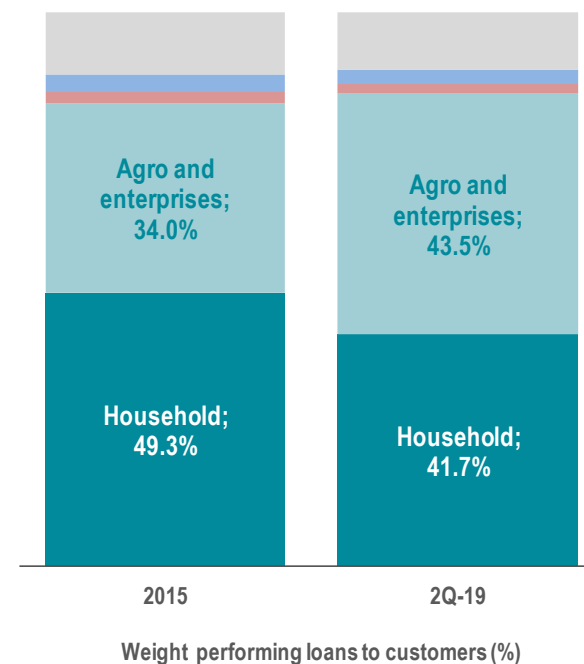
63%
of loans are
secured

Loans to customers (gross)

▽ 22%
Reduction of
RED loans



Breakdown of performing loans to customers



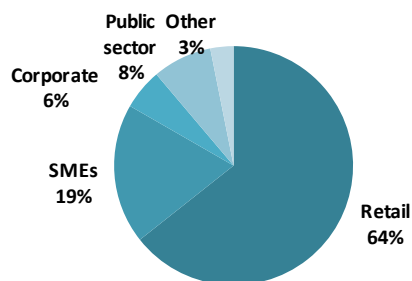
■ Financial intermediaries and rest ■ Public sector
■ RED ■ Agro and enterprises
■ Household

¹ Figures as of 1Q19. Source: Bank of Spain

Business position: customer resources

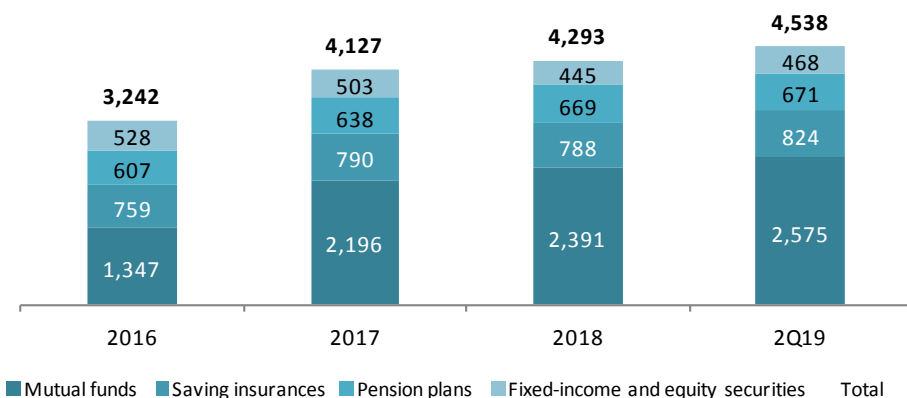
- Growth in deposits from customers and AuM which means an increase in business gap. This leads to an improvement of liquidity ratios.

Deposits by segment

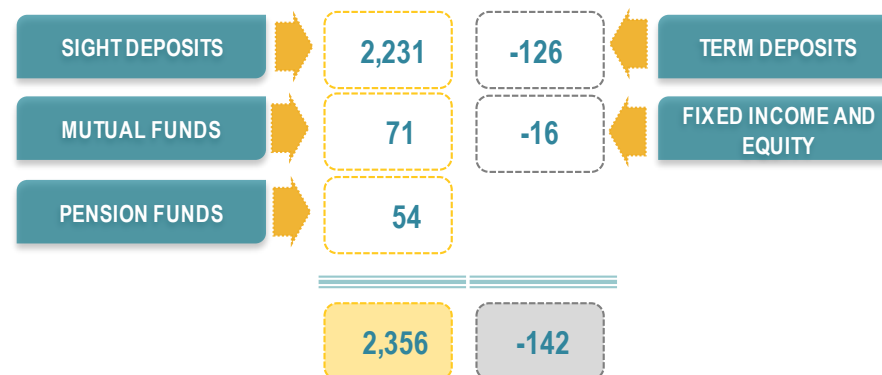


Δ 7.6%
Increase in deposits
(€+2,105 m yoy)

Funds under management



Change of customer funds (y-o-y)



- Off balance sheet AuM increase by 2.5% y-o-y
- Mutual funds increase by +2.8% y-o-y, while sector decreases by -1.3%¹

Figures in EUR million

¹ Source: Inverco

Strategic alliances

→ Impulse of income from strategic partnerships



INSURANCE & PENSION PLANS



Cajamar Vida – Insurance
 Δ 17.9% y-o-y in general assurance premiums

Cajamar Vida – Pension plans
 Δ 3.5% increase in contributions to pension plans

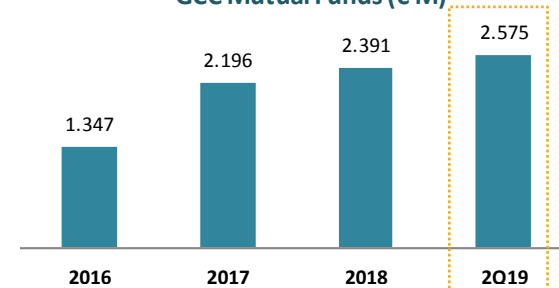


MUTUAL FUNDS



Δ 11.9% in mgmt and marketing comissions
 Δ 2.5% y-o-y AuM Mutual Funds

GCC Mutual Funds (€ M)



CONSUMER



Δ 752 M of total outstanding risk
 Δ 42% y-o-y

GCC Consumer Loans
 Outstanding risk exposure (€ M)

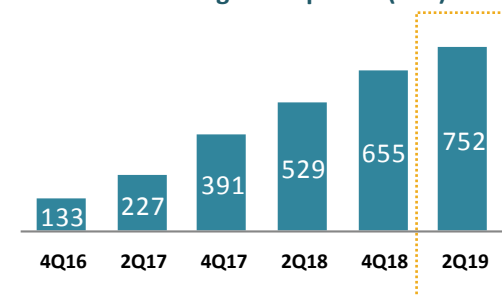


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The past... 2014	The present... 2Q19	The future... 2021
<i>WHERE WE WERE</i>	<i>WHERE WE ARE</i>	<i>WHERE WE WANT TO BE</i>
NPLs €5,852m	NPLs €2,206m	NPLs < €1,300m
NPL Ratio 17.7%	NPL Ratio 6.8%	NPL Ratio < 4%
CET1 11.1%	CET1 12.9%	CET1 > 13.5%

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Balance sheet (I)

(EUR Thousands)

	30/06/2019	31/03/2019	30/06/2018	y-o-y		q-o-q	
				Abs.	%	Abs.	%
Cash, cash balances at central banks and other demand deposits	1,080,923	1,003,976	1,470,541	(389,618)	(26.5%)	76,947	7.7%
Financial assets held for trading	4,339	4,426	2,221	2,118	95.4%	(87)	(2.0%)
Financial assets designated at fair value through profit or loss	301,415	297,183	288,164	13,251	4.6%	4,232	1.4%
<i>Of which:</i>						-	
<i>Loans and advances to Customers</i>	180,751	180,292	155,148	25,603	16.5%	459	0.3%
Financial assets at fair value through other comprehensive income	2,673,003	1,165,181	741,646	1,931,357	260.4%	1,507,822	129.4%
Financial assets at amortised cost	37,233,058	37,854,836	36,178,178	1,054,880	2.9%	(621,778)	(1.6%)
<i>Of which:</i>						-	
<i>Loans and advances to Customers</i>	30,031,013	30,164,726	30,009,780	21,233	0.1%	(133,713)	(0.4%)
Investments in subsidiaries, joint ventures and associates	93,943	83,438	80,911	13,032	16.1%	10,505	12.6%
Tangible assets	1,041,777	1,061,032	1,006,585	35,192	3.5%	(19,255)	(1.8%)
Intangible assets	166,438	162,423	151,211	15,227	10.1%	4,015	2.5%
Tax assets	1,115,349	1,107,275	1,115,792	(443)	(0.0%)	8,074	0.7%
Other assets	1,249,670	1,222,967	1,322,512	(72,842)	(5.5%)	26,703	2.2%
Non-current assets and disposal groups classified as held for sale	375,071	395,471	457,942	(82,871)	(18.1%)	(20,400)	(5.2%)
TOTAL ASSETS	45,334,985	44,358,209	42,815,704	2,519,281	5.9%	976,776	2.2%

Balance sheet (II)

(EUR Thousands)	30/06/2019	31/03/2019	30/06/2018	y-o-y		q-o-q	
				Abs.	%	Abs.	%
Financial liabilities held for trading	2,778	1,916	636	2,142	336.8%	862	45.0%
Financial liabilities measured at amortised cost	41,294,943	40,610,853	39,122,061	2,172,882	5.6%	684,090	1.7%
Of which:						-	
Central Banks deposits	5,024,871	5,029,995	5,045,458	(20,587)	(0.4%)	(5,124)	(0.1%)
Central counterparty deposits	430,206	815,098	808,902	(378,696)	(46.8%)	(384,892)	(47.2%)
Customer deposits	29,799,437	29,183,829	27,694,266	2,105,171	7.6%	615,608	2.1%
Debt securities issued	2,406,308	2,420,686	3,170,754	(764,446)	(24.1%)	(14,378)	(0.6%)
Derivatives – Hedge accounting	108,076	107,110	145,962	(37,886)	(26.0%)	966	0.9%
Provisions	107,347	66,065	89,502	17,845	19.9%	41,282	62.5%
Tax liabilities	81,771	76,797	104,051	(22,280)	(21.4%)	4,974	6.5%
Other liabilities	519,364	351,985	390,302	129,062	33.1%	167,379	47.6%
of which: Welfare funds	6,516	4,424	6,807	(291)	(4.3%)	2,092	47.3%
TOTAL LIABILITIES	42,114,278	41,214,725	39,852,514	2,261,764	5.7%	899,553	2.2%
Equity	3,200,803	3,138,457	2,962,714	238,089	8.0%	62,346	2.0%
Of which:						-	
Capital/Equity instruments issued other than capital/ Treasury shares	2,873,040	2,830,808	2,694,483	178,557	6.6%	42,232	1.5%
Retained earnings/ Revaluation reserves/ Other reserves	281,572	318,677	223,870	57,702	25.8%	(37,105)	(11.6%)
Profit or loss attributable to owners of the parent	47,010	24,632	45,178	1,832	4.1%	22,378	90.8%
(-) Interim dividends	(818)	(35,660)	(817)	(1)	0.1%	34,842	(97.7%)
Accumulated other comprehensive income	19,904	5,027	476	19,428	4081.5%	14,877	295.9%
Minority interests	-	-	-	-	100.0%	-	
TOTAL EQUITY	3,220,707	3,143,484	2,963,190	257,517	8.7%	77,223	2.5%

Consolidated P&L

(EUR Thousands)

	30/06/2019	%ATM	30/06/2018	%ATM	y-o-y	
					Abs.	%
Interest income	350,557	1.59%	357,638	1.73%	(7,081)	(2.0%)
Interest expenses	(56,640)	(0.26%)	(63,464)	(0.31%)	6,824	(10.8%)
NET INTEREST INCOME	293,917	1.33%	294,174	1.42%	(257)	(0.1%)
Dividend income	3,139	0.01%	2,654	0.01%	485	18.3%
Income from equity-accounted method	17,366	0.08%	13,595	0.07%	3,771	27.7%
Net fees and commissions	122,148	0.55%	132,531	0.64%	(10,383)	(7.8%)
Gains (losses) on financial transactions	242,721	1.10%	86,027	0.42%	156,694	182.1%
Exchange differences [gain or (-) loss], net	1,144	0.01%	768	-	376	49.0%
Other operating incomes/expenses	(16,966)	(0.08%)	(18,828)	(0.09%)	1,862	(9.9%)
of which: Mandatory transfer to Education and Development Fund	(2,551)	(0.01%)	(2,490)	(0.01%)	(61)	2.4%
GROSS INCOME	663,469	3.00%	510,921	2.47%	152,548	29.9%
Administrative expenses	(258,875)	(1.17%)	(262,471)	(1.27%)	3,596	(1.4%)
Personnel expenses	(165,472)	(0.75%)	(169,655)	(0.82%)	4,183	(2.5%)
Other administrative expenses	(93,403)	(0.42%)	(92,816)	(0.45%)	(587)	0.6%
Depreciation and amortisation	(28,992)	(0.13%)	(31,729)	(0.15%)	2,737	(8.6%)
NET INCOME BEFORE PROVISIONS	375,602	1.70%	216,721	1.05%	158,881	73.3%
Provisions or (-) reversal of provisions	(61,372)	(0.28%)	(19,731)	(0.10%)	(41,641)	211.0%
Impairment losses on financial assets	(185,637)	(0.84%)	(32,611)	(0.16%)	(153,026)	469.2%
OPERATING INCOME	128,593	0.58%	164,379	0.79%	(35,786)	(21.8%)
Impairment or reversal of impairment of investments in joint ventures or associates (net)	-	-	(22)	-	22	(100.0%)
Impairment losses on non financial assets	(30,857)	(0.14%)	(22,270)	(0.11%)	(8,587)	38.6%
Gains or (-) losses on derecognition of non financial assets, net	(16,676)	(0.08%)	(81,236)	(0.39%)	64,560	(79.5%)
Profit or (-) loss from non-current assets and disposal groups classified as held for sale	(8,955)	(0.04%)	(6,737)	(0.03%)	(2,218)	32.9%
PROFIT BEFORE TAX	72,106	0.33%	54,117	0.26%	17,989	33.2%
Tax	(25,096)	(0.11%)	(8,938)	(0.04%)	(16,158)	180.8%
CONSOLIDATED NET PROFIT	47,010	0.21%	45,178	0.22%	1,832	4.1%

Quarterly P&L

(EUR Thousands)

	2Q18	3Q18	4Q18	1Q19	2Q19	q-o-q	
						Abs.	%
Interest income	176,489	172,619	178,433	176,289	174,268	(2,021)	(1.1%)
Interest expenses	(32,573)	(35,450)	(23,736)	(28,171)	(28,469)	(298)	1.1%
NET INTEREST INCOME	143,915	137,169	154,697	148,118	145,799	(2,319)	(1.6%)
Dividend income	2,411	2,737	1,230	500	2,639	2,139	427.8%
Income from equity-accounted method	6,636	7,874	9,513	8,804	8,562	(242)	(2.7%)
Net fees and commissions	65,853	63,534	65,625	61,051	61,097	46	0.1%
Gains (losses) on financial transactions	47,675	(135)	(6,908)	26,712	216,009	189,297	708.7%
Exchange differences [gain or (-) loss], net	276	534	233	959	185	(774)	(80.7%)
Other operating incomes/expenses	(8,400)	(8,286)	(4,667)	(9,250)	(7,716)	1,534	(16.6%)
of which: Mandatory transfer to Education and Development Fund	(803)	(1,449)	(104)	(1,363)	(1,188)	175	(12.8%)
GROSS INCOME	258,367	203,428	219,724	236,894	426,575	189,681	80.1%
Administrative expenses	(131,746)	(116,049)	(132,514)	(127,572)	(131,303)	(3,731)	2.9%
Personnel expenses	(84,884)	(66,168)	(84,386)	(81,046)	(84,426)	(3,380)	4.2%
Other administrative expenses	(46,861)	(49,881)	(48,128)	(46,526)	(46,877)	(351)	0.8%
Depreciation and amortisation	(11,166)	(11,156)	(12,394)	(14,755)	(14,237)	518	(3.5%)
NET INCOME BEFORE PROVISIONS	115,455	76,223	74,816	94,567	281,035	186,468	197.2%
Provisions or (-) reversal of provisions	(18,110)	(1,567)	(17,257)	(6,174)	(55,198)	(49,024)	794.0%
Impairment losses on financial assets	514	(56,044)	(55,561)	(54,224)	(131,413)	(77,189)	142.4%
OPERATING INCOME	97,859	18,612	1,997	34,169	94,424	60,255	176.3%
Impairment or reversal of impairment of investments in joint ventures or associates (net)	(22)	-	-	-	-	-	-
Impairment losses on non financial assets	(608)	15,090	1,223	(3,997)	(26,860)	(22,863)	572.0%
Gains or (-) losses on derecognition of non financial assets, net	(73,394)	(8,256)	(7,827)	(4,461)	(12,215)	(7,754)	173.8%
Profit or (-) loss from non-current assets and disposal groups classified as held for sale	(1,250)	431	(6,282)	(2,431)	(6,524)	(4,093)	168.4%
PROFIT BEFORE TAX	22,586	25,877	(10,889)	23,279	48,827	25,548	109.7%
Tax	(8,883)	(1,038)	23,124	1,353	(26,449)	(27,802)	(2,054.8%)
CONSOLIDATED NET PROFIT	13,702	24,839	12,235	24,632	22,378	(2,254)	(9.2%)

Asset quality

(EUR Thousands)

	30/06/2019	31/03/2019	30/06/2018	y-o-y		q-o-q	
				Abs.	%	Abs.	%
Non-performing total risks	2,214,663	2,372,564	2,743,610	(528,947)	(19.3%)	(157,901)	(6.7%)
Total risks	32,375,612	32,461,738	32,312,329	63,283	0.2%	(86,126)	(0.3%)
NPL ratio (%)	6.84%	7.31%	8.49%	(1.65)		(0.47)	
Gross loans coverage	(1,034,949)	(1,041,010)	(1,212,930)	177,981	(14.7%)	6,061	(0.6%)
NPL coverage ratio (%)	46.91%	44.01%	44.31%	2.60		2.90	
Foreclosed Assets (gross)	2,832,091	2,859,754	3,105,728	(273,637)	(8.8%)	(27,663)	(1.0%)
Foreclosed Assets Coverage	1,357,395	1,352,706	1,469,252	(111,857)	(7.6%)	4,689	0.3%
Foreclosed assets coverage ratio (%)	47.93%	47.30%	47.31%	0.62		0.63	
Foreclosed assets coverage ratio with debt forgiveness (%)	52.93%	52.14%	52.08%	0.85		0.79	
NPA ratio (%)	14.61%	15.11%	16.81%	(2.20)		(0.50)	
NPA coverage (%)	47.48%	45.81%	45.90%	1.58		1.67	
NPA coverage with debt forgiveness (%)	50.44%	48.65%	48.62%	1.82		1.79	
Coverage breakdown (loan impairments breakdown)							
Total coverage	1,053,568	1,058,662	1,229,668	(176,100)	(14.3%)	(5,094)	(0.5%)
Non-performing coverage	885,259	885,983	1,009,552	(124,293)	(12.3%)	(724)	(0.1%)
Performing coverage	168,309	172,679	220,115	(51,806)	(23.5%)	(4,370)	(2.5%)
NPL breakdown							
Past due >90 days	1,986,443	2,130,682	2,478,859	(492,416)	(19.9%)	(144,239)	(6.8%)
Doubtful non past due	219,896	234,629	258,723	(38,827)	(15.0%)	(14,733)	(6.3%)
Total	2,206,339	2,365,311	2,737,582	(531,243)	(19.4%)	(158,972)	(6.7%)
Of which:							
Forborne loans	1,398,315	1,497,725	1,832,755	(434,440)	(23.7%)	(99,410)	(6.6%)
NPL breakdown by segment							
General governments	168	40	251	(83)	(33.1%)	128	320.0%
Other financial corporations	3,191	728	907	2,284	251.8%	2,463	338.3%
Other corporations	1,082,490	1,188,026	1,420,389	(337,899)	(23.8%)	(105,536)	(8.9%)
Households	1,120,490	1,176,517	1,316,035	(195,545)	(14.9%)	(56,027)	(4.8%)
Total	2,206,339	2,365,311	2,737,582	(531,243)	(19.4%)	(158,972)	(6.7%)
Of which:							
Real estate developers	523,317	570,488	752,566	(229,249)	(30.5%)	(47,171)	(8.3%)
Forborne loans							
Non-performing	1,398,315	1,497,725	1,832,755	(434,440)	(23.7%)	(99,410)	(6.6%)
Performing	542,733	548,714	666,276	(123,543)	(18.5%)	(5,981)	(1.1%)
Total Forborne loans	1,941,048	2,046,439	2,499,031	(557,983)	(22.3%)	(105,391)	(5.1%)
REOs breakdown							
REOs (gross)	3,196,584	3,241,708	3,496,214	(299,630)	(8.6%)	(45,124)	(1.4%)
Foreclosed assets	2,832,091	2,859,754	3,105,728	(273,637)	(8.8%)	(27,663)	(1.0%)
Non-current assets held for sale	602,107	629,077	735,680	(133,573)	(18.2%)	(26,970)	(4.3%)
Inventories	2,229,984	2,230,677	2,370,049	(140,065)	(5.9%)	(693)	(0.0%)
RE Investments	364,493	381,954	390,486	(25,993)	(6.7%)	(17,461)	(4.6%)

Foreclosed assets

Foreclosed assets (*)

(EUR Thousands)

	30/06/2019	31/03/2019	30/06/2018	y-o-y		q-o-q	
				Abs.	%	Abs.	%
Foreclosed assets (gross)	2,832,091	2,859,754	3,105,728	(273,637)	(8.8%)	(27,663)	(1.0%)
Foreclosed assets coverage	(1,357,395)	(1,352,705)	(1,469,252)	111,857	(7.6%)	(4,690)	0.3%
Foreclosed assets (net)	1,474,696	1,507,048	1,636,476	(161,780)	(9.9%)	(32,352)	(2.1%)
Foreclosed assets coverage ratio (%)	47.93%	47.30%	47.31%	0.62		0.63	
Foreclosed assets coverage ratio with write-offs(%)	52.93%	52.14%	52.08%	0.85		0.79	

According to the origin of the Loan

Foreclosed assets (gross)	2,832,091	2,859,754	3,105,728	(273,637)	(8.8%)	(27,663)	(1.0%)
Developers	1,838,601	1,861,650	1,999,307	(160,706)	(8.0%)	(23,049)	(1.2%)
Land	991,358	999,968	1,030,071	(38,713)	(3.8%)	(8,610)	(0.9%)
Finished buildings	670,880	685,421	792,004	(121,124)	(15.3%)	(14,541)	(2.1%)
Under construction	176,363	176,261	177,232	(869)	(0.5%)	102	0.1%
Homes	520,561	546,396	624,588	(104,027)	(16.7%)	(25,834)	(4.7%)
Other	472,929	451,708	481,833	(8,905)	(1.8%)	21,221	4.7%
Foreclosed assets (net)	1,474,696	1,507,048	1,636,476	(161,780)	(9.9%)	(32,352)	(2.1%)
Developers	881,418	908,764	974,872	(93,454)	(9.6%)	(27,346)	(3.0%)
Land	387,892	401,653	401,305	(13,413)	(3.3%)	(13,760)	(3.4%)
Finished buildings	412,483	425,162	494,402	(81,919)	(16.6%)	(12,678)	(3.0%)
Under construction	81,042	81,949	79,165	1,878	2.4%	(907)	(1.1%)
Homes	308,900	326,980	376,048	(67,148)	(17.9%)	(18,081)	(5.5%)
Other	284,378	271,304	285,556	(1,178)	(0.4%)	13,074	4.8%
Coverage (%)	47.93%	47.30%	47.31%	0.62		0.63	
Developers	52.06%	51.19%	51.24%	0.82		0.88	
Land	60.87%	59.83%	61.04%	(0.17)		1.04	
Finished buildings	38.52%	37.97%	37.58%	0.94		0.55	
Under construction	54.05%	53.51%	55.33%	(1.28)		0.54	
Homes	40.66%	40.16%	39.79%	0.87		0.50	
Other	39.87%	39.94%	40.74%	(0.87)		(0.07)	
Coverage with write-offs(%)	52.93%	52.14%	52.08%	0.85		0.79	
Developers	57.08%	56.06%	56.05%	1.03		1.02	
Land	64.64%	63.57%	64.36%	0.27		1.06	
Finished buildings	46.65%	45.66%	45.49%	1.16		0.99	
Under construction	55.80%	55.21%	57.16%	(1.36)		0.58	
Homes	45.25%	44.56%	44.09%	1.16		0.69	
Other	44.81%	44.76%	45.58%	(0.77)		0.05	

(*) RE investments assets are not included.

Solvency

EUR Thousands

Phased in

	30/06/2019	31/03/2019	30/06/2018	y-o-y		q-o-q	
				Abs.	%	Abs.	%
Capital	2,873,040	2,830,809	2,694,484	178,556	6.6%	42,231	1.5%
Reserves	484,822	469,825	447,329	37,493	8.4%	14,997	3.2%
AFS Surplus	(5,397)	(6,952)	994	(6,391)	(643.0%)	1,555	(22.4%)
Capital deductions	(385,817)	(380,079)	(330,527)	(55,290)	16.7%	(5,738)	1.5%
Ordinary Tier 1 Capital	2,966,649	2,913,603	2,812,280	154,369	5.5%	53,046	1.8%
CET1 ratio (%)	12.86%	12.60%	12.01%	0.85		0.26	
Tier2 Capital	388,000	400,000	400,000	(12,000)	(3.0%)	(12,000)	(3.0%)
Tier 2 ratio (%)	1.68%	1.73%	1.71%	(0.03)		(0.05)	
Eligible capital	3,354,649	3,313,603	3,212,280	142,369	4.4%	41,046	1.2%
Capital ratio (%)	14.54%	14.33%	13.71%	0.83		0.21	
Total risk-weighted assets	23,068,389	23,116,849	23,424,252	(355,863)	(1.5%)	(48,460)	(0.2%)
Credit risk	21,482,321	21,543,740	21,935,024	(452,703)	(2.1%)	(61,419)	(0.3%)
Operational risk	1,445,750	1,445,750	1,443,904	1,846	0.1%	-	-
Other risk	140,318	127,359	45,324	94,994	209.6%	12,959	10.2%

Fully-loaded

Capital	2,873,040	2,830,809	2,694,484	178,556	6.6%	42,231	1.5%
Reserves	309,736	294,739	251,608	58,128	23.1%	14,997	5.1%
AFS Surplus	(5,397)	(6,952)	994	(6,391)	(643.0%)	1,555	(22.4%)
Capital deductions	(385,817)	(380,079)	(360,529)	(25,288)	7.0%	(5,738)	1.5%
Ordinary Tier 1 Capital	2,791,562	2,738,517	2,586,557	205,005	7.9%	53,045	1.9%
CET1 ratio (%)	12.14%	11.88%	11.07%	1.07		0.26	
Tier2 Capital	388,000	400,000	400,000	(12,000)	(3.0%)	(12,000)	(3.0%)
Tier 2 ratio (%)	1.69%	1.74%	1.71%	(0.02)		(0.05)	
Eligible capital	3,179,562	3,138,517	2,986,557	193,005	6.5%	41,045	1.3%
Capital ratio (%)	13.83%	13.62%	12.78%	1.05		0.21	
Total risk-weighted assets	22,996,628	23,046,347	23,368,202	(371,574)	(1.6%)	(49,719)	(0.2%)
Credit risk	21,410,560	21,473,238	21,878,974	(468,414)	(2.1%)	(62,678)	(0.3%)
Operational risk	1,445,750	1,445,750	1,443,904	1,846	0.1%	-	-
Other risk	140,318	127,359	45,324	94,994	209.6%	12,959	10.2%

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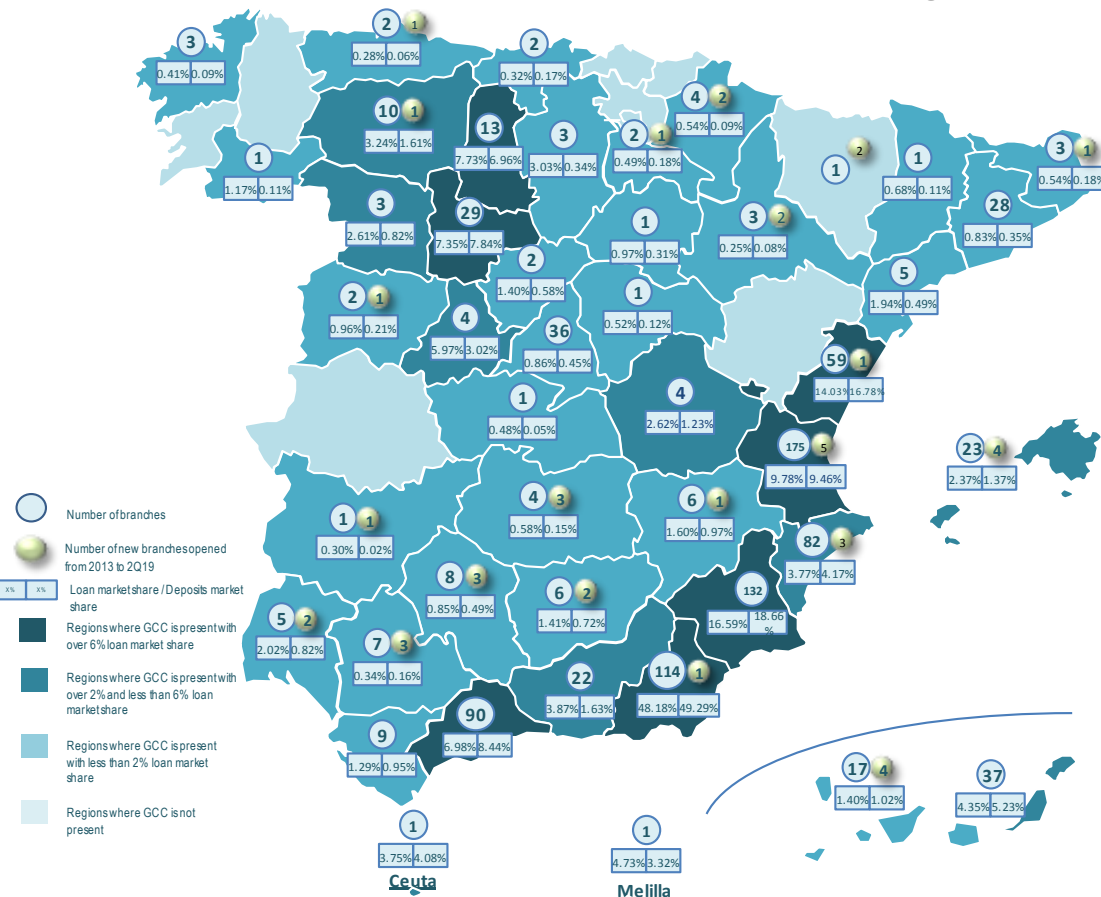
7. Annex:

i. Financials

ii. GCC Corporate Overview

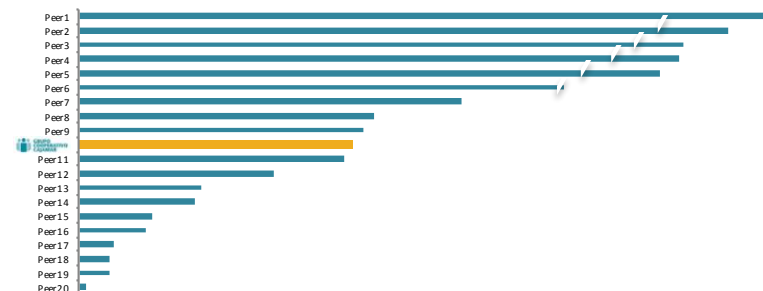
Grupo Cooperativo Cajamar: A cooperative Group with nationwide presence

→ Grupo Cooperativo Cajamar ranks #10 by loans in Spain, and #11 by asset size (€45bn). It has 2.9% of the loan market share, and 14.7% of the agribusiness market share

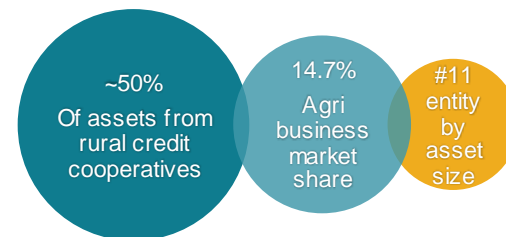


964 branches (+4 openings, -7 closures in 2Q19)

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



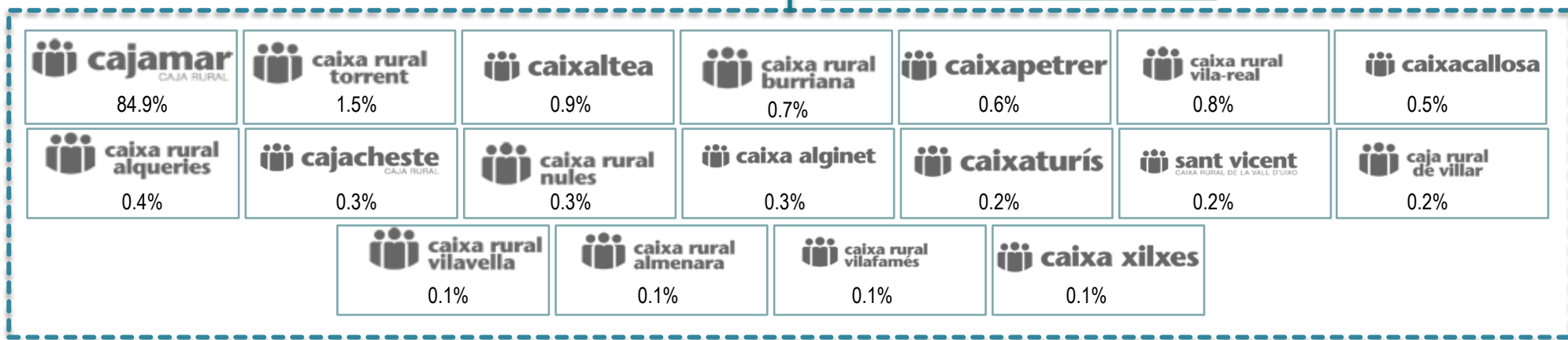
GCC Corporate Structure

- 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 2Q19 **92.3%**



Caixa Albalat merged into Cajamar in 2018

Full institutional presentation at www.bcc.es/en

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