BCC Grupo Cajamar

4Q18 CREDIT UPDATE

8 February 2019

✉: ir@bcc.es

www.bcc.es/en/informacion-para-inversores

Table of Contents

2018: Relevant improvement in asset quality, business, solvency and recurring margins

IMPROVEMENT IN RESULTS AND EFFICIENCY

- **+ 6.9 %** — ∆ Interest margin
- **- 7.8 %** — ∇ Operating expenses
- **+ 32.9 %** — ∆ Recurring net income before provisions
- **- 2.2 p.p.** — ∇ Cost to income ratio

INCREASE IN BUSINESS VOLUME

- **+ 9.9 %** — ∆ Retail funds
- **+ 4.1 %** — ∆ Performing loans to customers
- **+ 6.6 %** — ∆ New financing
- **+ 8.9 %** — ∆ Mutual funds

ASSET QUALITY IMPROVEMENT

- **- 902 Mn** / **- 26.8 %** — ∇ Non performing loans
- **- 3.27 p.p.** — ∇ NPA ratio
- **+ 19.3%** — ∆ Foreclosed assets sales

SOLVENCY

- **14.25%** / **1.52 p.p.** — Solvency ratio (phased in) and ∆ compared to 01/01/2018
- **+ 7.8%** — ∆ Computable capital
- **839 Mn** — CET1 excess

Variation year on year

2018: Key Highlights

Solvency

Solvency ratio improves on the back of higher eligible capital, lower deductions and decrease of RWA

GCC Phased in	
CET1	12.52% (+145bp vs. 1/1/18)
Solvency	14.25% (+152bp vs. 1/1/18)

Other results:
- *Net profit for the period is €82 million (+2.7% y-o-y), bringing the cost-income ratio down to 60.6% (-222 bps y-o-y)*

Asset Quality

Improved asset quality thanks to the management of NPL (-27% y-o-y) and stronger sales of foreclosed assets (+19% y-o-y)

Breakdown	
NPL ratio	7.6%
Foreclosed assets (net)	€1,757 mill (-9% yoy)

Project Galleon:
- *Sale of a €279 mill portfolio of NPLs in 2Q18*

Foreclosed assets:
- *€793mill gross sales (22% of the stock at Dec2017, most of them through the commercial network)*

Liquidity

Strong liquidity ratios and improved funding gap thanks to a 9.9% increase of customer deposits

Liquidity ratios	
LCR	207.5%
NSFR	118.5%
LTD	101.7%

Debt instruments:
- *€500mill covered bond and IM BCC Capital 1 securitization issued in 2018*
- *No upcoming maturities in 2019*

Most significant figures (I)

(EUR Thousands)	31/12/2018	30/09/2018	31/12/2017	y-o-y		q-o-q	
				Abs.	%	Abs.	%
Profit and Loss Account							
Net interest income	586,041	431,344	548,142	37,899	6.9%		
Gross Income	934,076	714,352	977,558	(43,482)	(4.4%)		
Recurring Gross Income	892,320	664,421	859,657	32,663	3.8%		
Net Income before provisions	367,763	292,947	363,139	4,623	1.3%		
Recurring Net Income before provisions	326,007	243,016	245,239	80,768	32.9%		
Profit before tax	69,104	79,994	97,808	(28,703)	(29.3%)		
Consolidated Net profit	82,252	70,018	80,058	2,195	2.7%		
Attributable Net profit	82,252	70,018	80,058	2,195	2.7%		
Business							
Total Assets	44,078,805	42,718,227	40,507,329	3,571,476	8.8%	1,360,578	3.2%
Equity	3,075,758	3,019,108	3,052,262	23,496	0.8%	56,650	1.9%
On-balance sheet retail funds	28,498,653	27,816,578	25,940,894	2,557,759	9.9%	682,075	2.5%
Off-balance sheet funds	4,293,159	4,482,648	4,126,567	166,592	4.0%	(189,489)	(4.2%)
Performing Loans	29,126,027	28,710,305	27,968,427	1,157,600	4.1%	415,722	1.4%
Risk management							
Gross non-performing assets	5,767,707	6,059,610	7,038,527	(1,270,820)	(18.1%)	(291,903)	(4.8%)
Net non-performing assets	3,144,051	3,301,266	3,938,827	(794,776)	(20.2%)	(157,215)	(4.8%)
NPA coverage (%)	45.49%	45.54%	44.07%	1.42		(0.05)	
Non-performing loans	2,458,961	2,632,027	3,360,590	(901,629)	(26.8%)	(173,066)	(6.6%)
NPL ratio (%)	7.63%	8.24%	10.53%	(2.90)		(0.61)	
NPL coverage ratio (%)	43.60%	43.99%	40.28%	3.32		(0.39)	
Foreclosed assets (gross)	3,308,746	3,427,583	3,677,937	(369,191)	(10.0%)	(118,837)	(3.5%)
Foreclosed assets (net)	1,757,123	1,826,061	1,929,686	(172,563)	(8.9%)	(68,938)	(3.8%)
Foreclosed assets Coverage ratio (%)	46.89%	46.72%	47.53%	(0.64)		0.17	
Texas ratio	97.47%	100.46%	114.97%	(17.50)		(2.99)	
Cost of risk	0.58%	0.56%	0.76%	(0.18)		0.02	

Most significant figures (II)

(EUR Thousands)	31/12/2018	30/09/2018	31/12/2017	y-o-y Abs.	y-o-y %	q-o-q Abs.	q-o-q %
Liquidity							
LTD (%)	101.65%	104.11%	110.08%	(8.43)		(2.46)	
LCR (%) *	207.49%	207.24%	214.62%	(7.13)		0.25	
NSFR (%)	118.51%	116.69%	112.30%	6.21		1.82	
Commercial Gap position	(491,363)	(1,181,246)	(2,719,240)	2,227,877	(81.9%)	689,883	(58.4%)
Solvency phased in (*)							
CET1 ratio (%)	12.52%	12.40%	11.19%	1.45		0.12	
Tier 2 ratio (%)	1.74%	1.73%	2.18%	0.06		0.01	
Capital ratio (%)	14.25%	14.13%	13.37%	1.52		0.12	
Leverage ratio (%)	6.39%	6.57%	6.44%	(0.05)		(0.18)	
Solvency fully loaded (*)							
CET1 ratio (%)	11.54%	11.45%	10.90%	1.39		0.09	
Tier 2 ratio (%)	1.74%	1.74%	2.18%	0.07		0.00	
Capital ratio (%)	13.29%	13.18%	13.08%	1.46		0.11	
Levarage ratio (%)	5.89%	6.08%	6.29%	(0.40)		(0.19)	
Profitability and efficiency							
ROA (%)	0.19%	0.22%	0.20%	(0.01)		(0.03)	
RORWA (%)	0.35%	0.40%	0.34%	0.01		(0.05)	
ROE (%)	2.74%	3.13%	2.64%	0.10		(0.39)	
Cost-income ratio (%)	60.63%	58.99%	62.85%	(2.22)		1.64	
Recurring cost-income ratio (%)	63.47%	63.42%	71.47%	(8.00)		0.05	
Other data							
Cooperative members	1,436,237	1,434,679	1,433,980	2,257	0.2%	1,558	0.1%
Employees	5,506	5,540	5,586	(80)	(1.4%)	(34)	(0.6%)
Branches	1,018	1,029	1,057	(39)	(3.7%)	(11)	(1.1%)

* Annual variation from 01/01/2018

Supervisory Banking Statistics Highlights

Comparison of 109 banks´ key indicators from the SSM Supervisory Banking Statistics for the 3Q18. Institutions are classified as follows:

- 21 banks with significant domestic exposure (those with domestic exposure more than 95% of total debt securities and loans and advances)
- 44 banks wth asset size between €30bn and €100bn
- 12 spanish banks

	GCC (4Q18)	Banks with significant domestic exposure(3Q18)	Banks with asset size between €30bn and €100 bn (3Q18)	Spain (3Q18)	SSM average (3Q18)
Asset quality					
NPL ratio	7.6%	10.3%	9.1%	4.1%	4.2%
Solvency					
CET1 (transitional)	12.5%	15.4%	17.1%	11.8%	14.2%
Leverage ratio (transitional)	6.4%	6.7%	7.6%	5.6%	5.3%
RWA density (RWA / total assets)	52.3%	45.2%	44.7%	43.9%	36.4%
Liquidity					
LCR	207.5%	165.6%	169.2%	153.9%	140.9%
Performance					
Cost-income ratio	60.6%	69.7%	58.3%	51.9%	65.1%

* Source: *SSM Supervisory Banking Stastitics as of 3Q18*

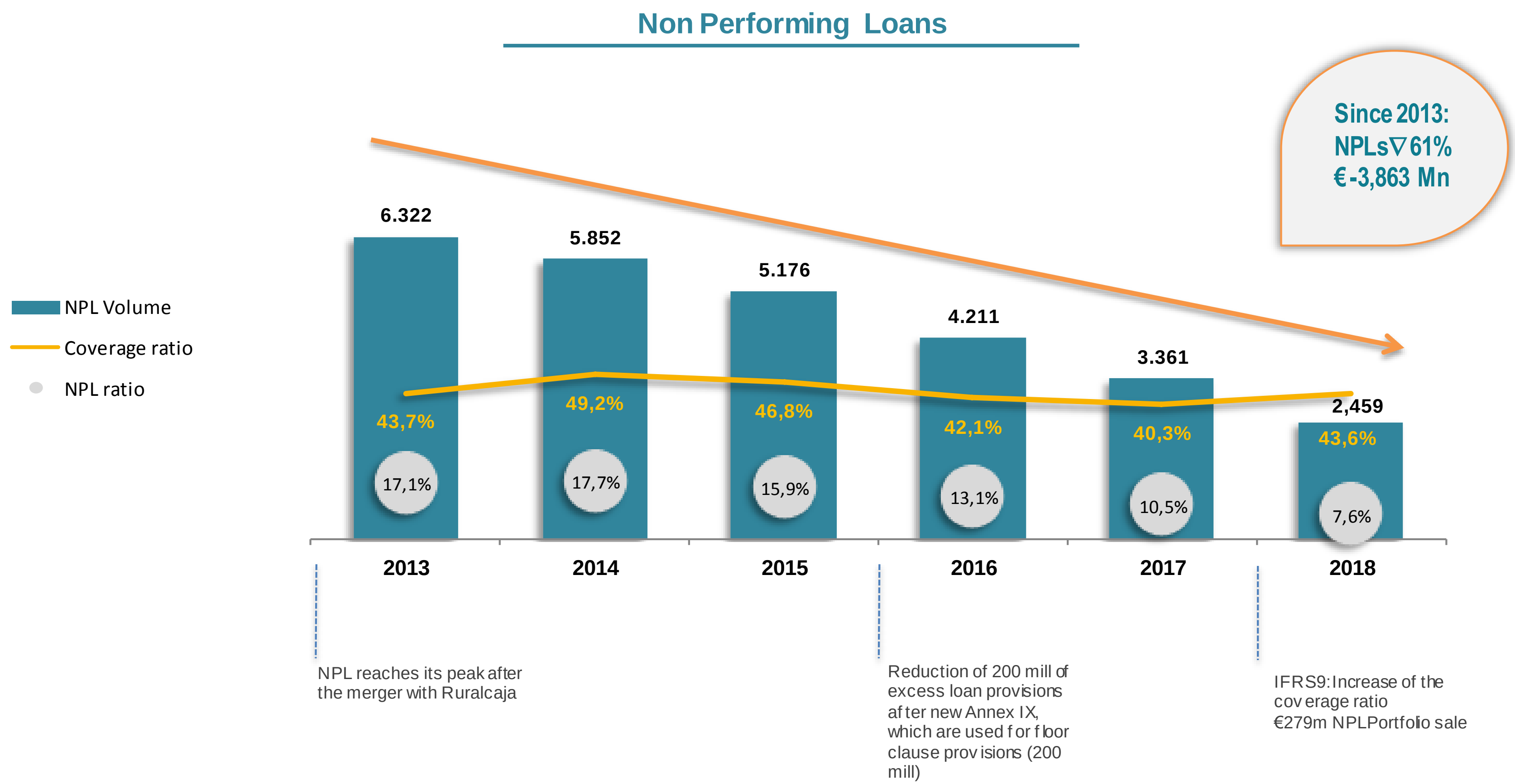
Our evolution

The past… 2014		The present… 2018		The future… 2020	
WHERE WE WERE		*WHERE WE ARE*		*WHERE WE WANT TO BE*	
NPLs	€5,852m	NPLs	€2,459m	NPLs	< €1,500m
NPL Ratio	17.7%	NPL Ratio	7.6%	NPL Ratio	< 5%
NPA Ratio	22.7%	NPA Ratio	12.6%	NPA Ratio	<10%
CET1	11.1%	CET1	12.5%	CET1	> 12.5%

Table of Contents

Evolution of asset quality

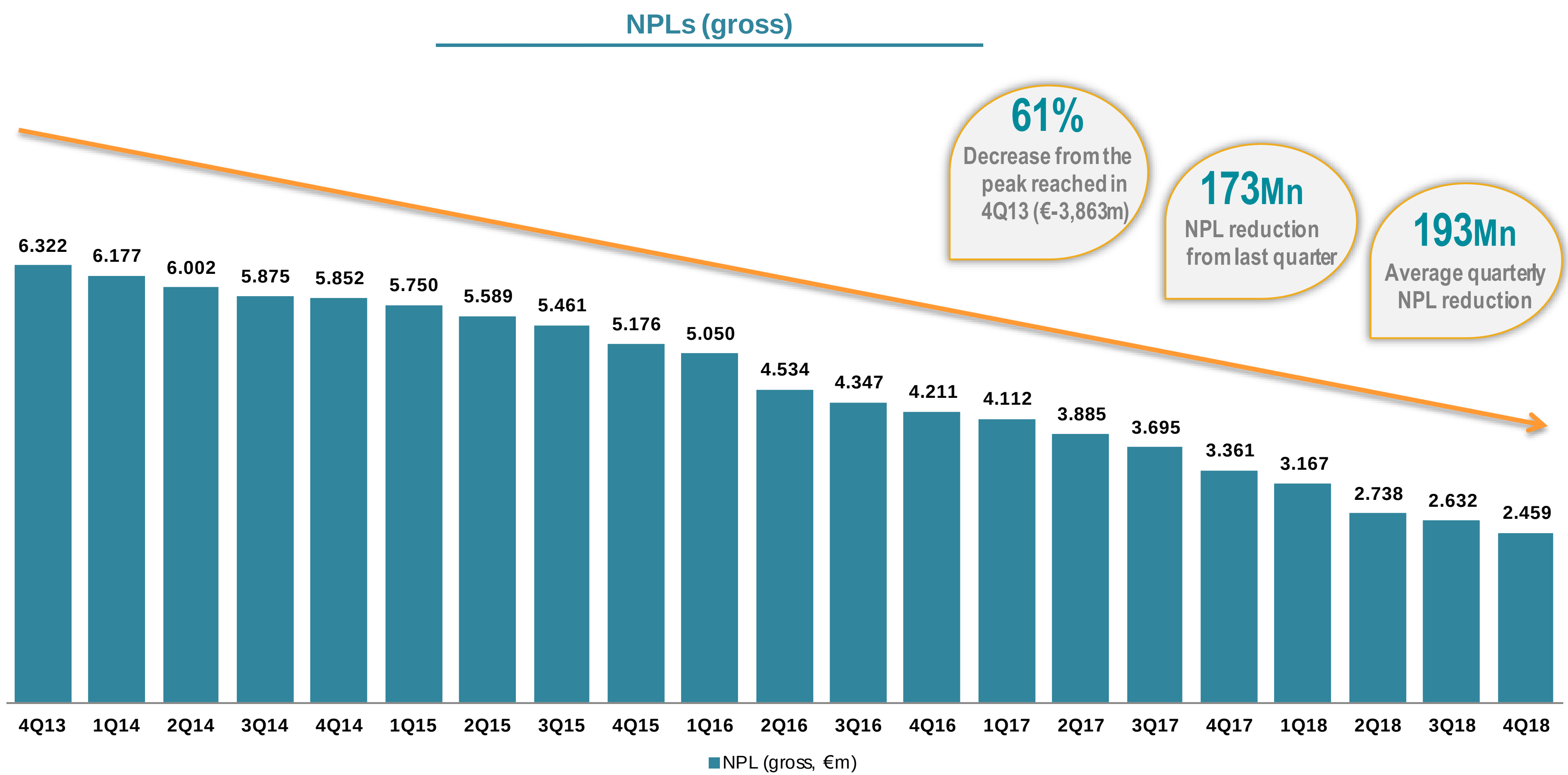
→ Significant improvement in asset quality, without any public aid



(*) NPL ratio form 2016 onwards: (Non-performing loans + non-performing contingent risks) / (Gross loans + contingent risks)

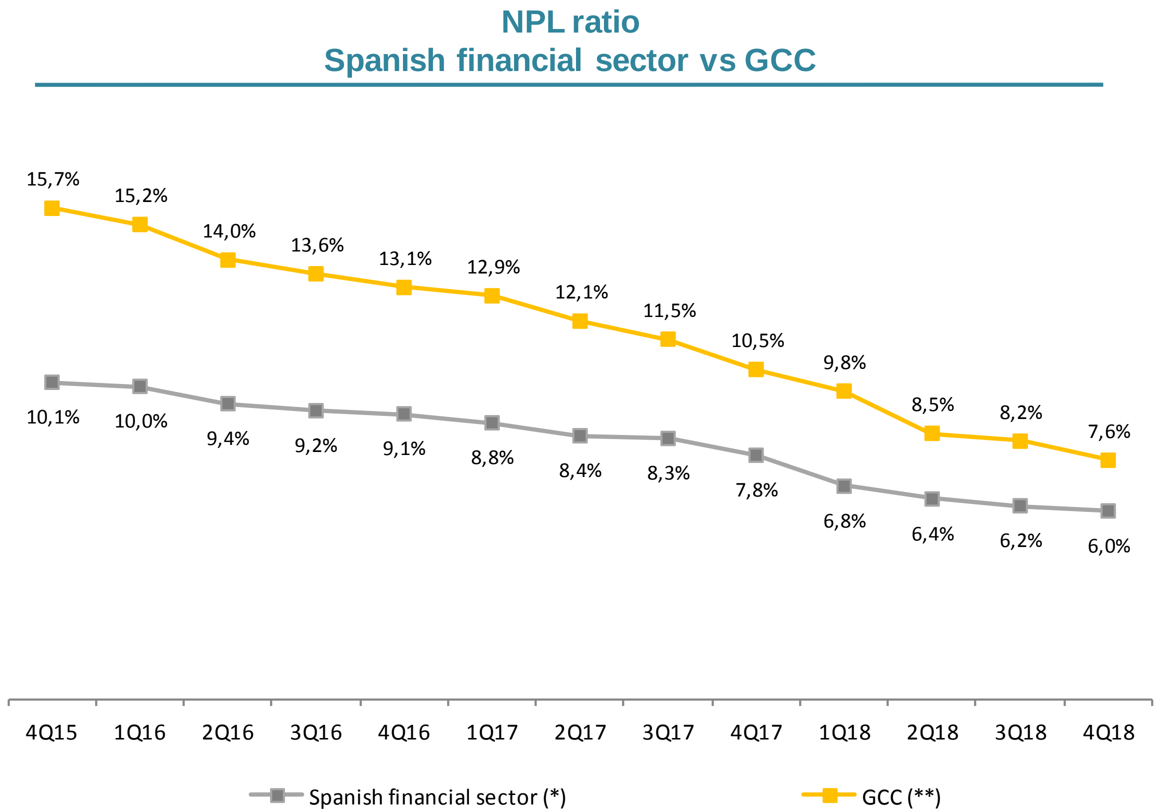
NPL reduction track record

→ Proven track record in management of NPL: 20 consecutive quarters consistent reduction of problem loans



Converging to the sector average

→ One of the banks in Spain with the strongest NPL reduction, narrowing the gap to the sector

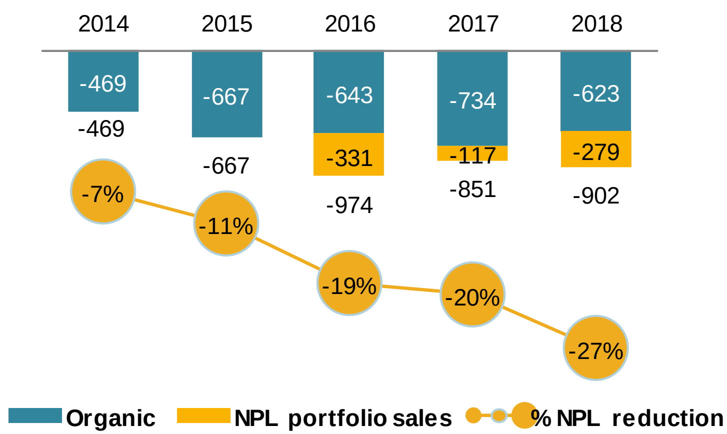


(*) Source: Bank of Spain, NPL ratio of resident private sector. Data of 4Q18 as of Nov 2018
(**) GCC NPL: (Non-performing loans + non-performing contingent risks) / (Gross loans + contingent risks)

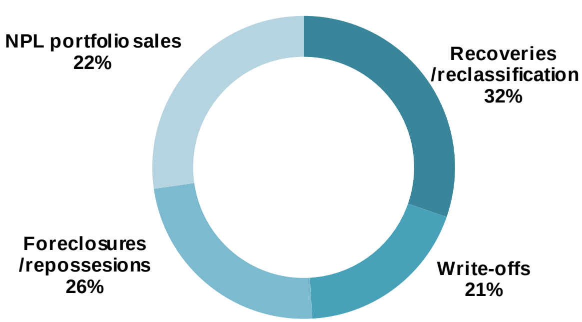
Overview and targets

- 7.6% NPL ratio outperforms 8.5% target set at the beginning the year
- Solid organic reduction supported by portfolio sales

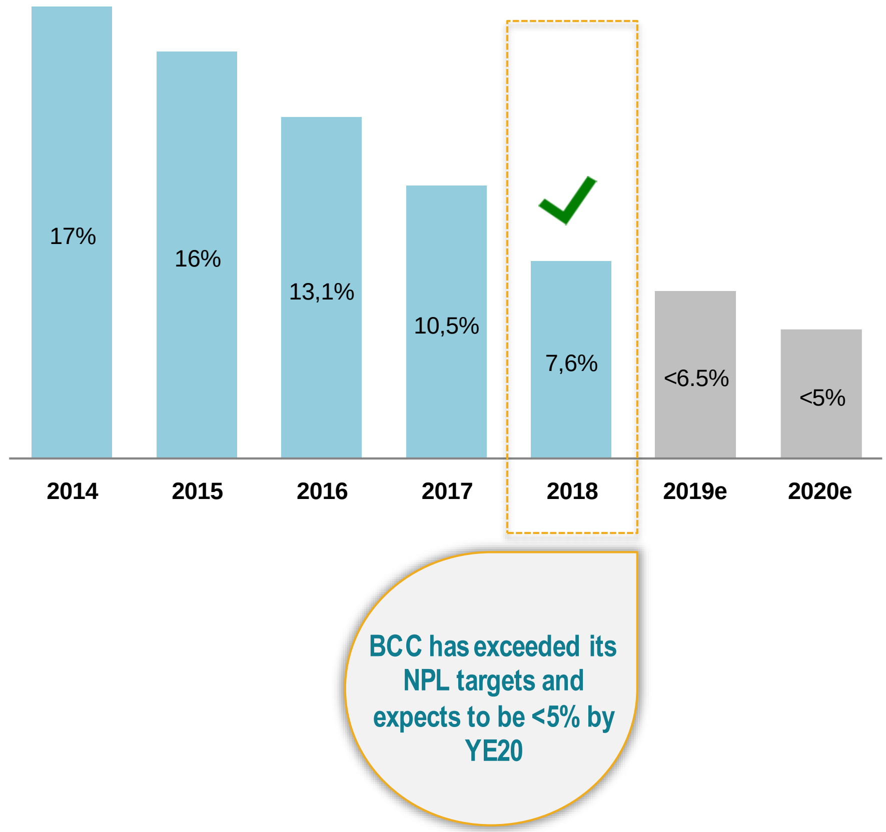
Our track-record…



Average NPL outflow 2018



…Our NPL ratio targets



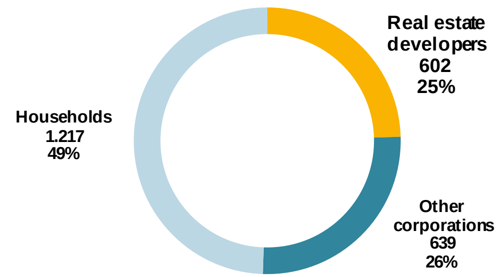
Conservative approach

→ High recognition of NPLs in developers and forborne loans

- RED loans account for only 3% of gross loans
- 54% classified as NPLs[1] (aprox. 6% less than 3Q18)
- RED exposure is 1,1bn (aprox. 7% less than 3Q18)

Loans to real estate developers

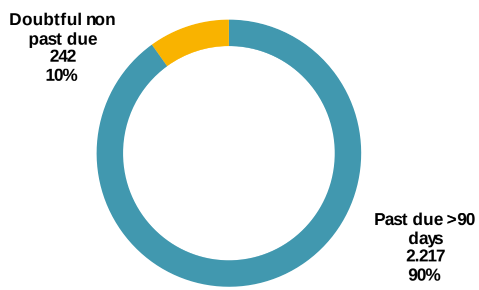
NPL breakdown by segment



- 25% of all NPLs are loans to real estate developers
- NPL ratio exRED: 6.0% (sector 5.6%)
- Coverage ratio 44.7% → but RED segment has the highest coverage

- → 10% of NPLs are non past due

Origin of NPLs



Forborne loans

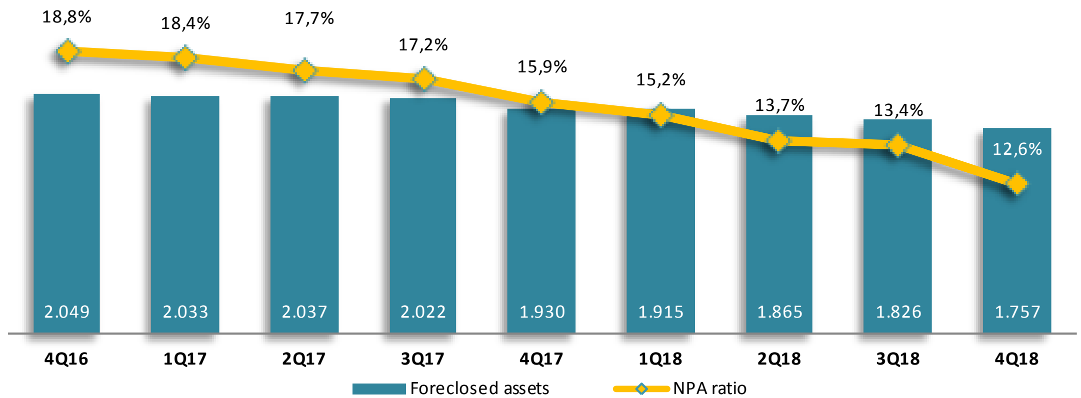
- → 73% already in the NPL figure

Figures in EUR million
[1] Average financial sector: 11% Source: Bank of Spain.

Foreclosed assets: Favourable stock evolution

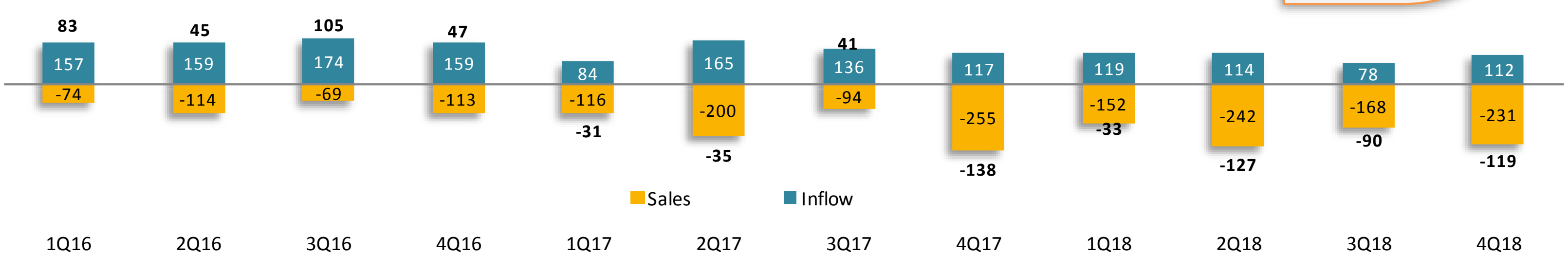
→ The stock of foreclosed assets continues the downward trend that started in 1Q17
  → Higher sales (+19% y-o-y), accounting for 22% of the stock
  → Lower entries (-16% y-o-y)

Net Foreclosed assets & NPA ratio



Quarterly evolution of foreclosed assets (gross)

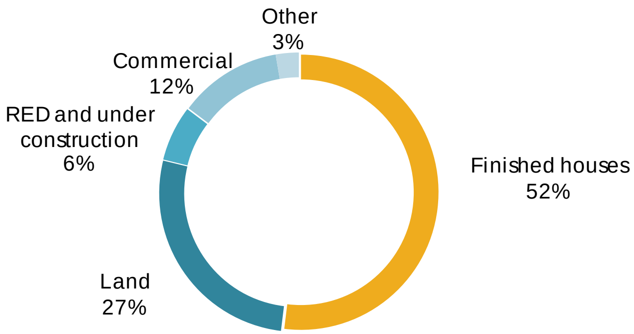
Stock decreasing since 1Q2017



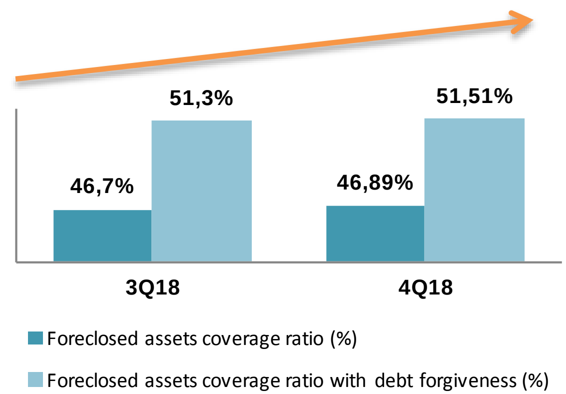
Foreclosed assets: Coverage levels

→ Good porfolio mix in terms of high proportion of finished dwellings and low proportion of land
→ Adequate coverage by asset class

Stock of foreclosed assets (net)



Foreclosed assets coverage ratio



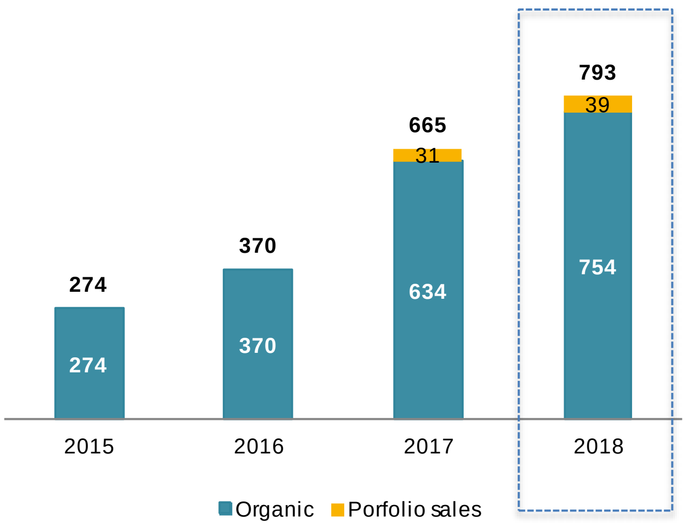
Foreclosed assets	Gross	Net	Coverage	Coverage with write-offs
Asset class	**3.308.744**	**1.757.123**	**47%**	**52%**
Finished houses	1.468.729	912.664	38%	44%
Land	1.146.946	471.809	59%	62.5%
RED and under construction	231.896	113.582	51%	53%
Commercial	358.464	211.899	41%	46%
Other	102.709	47.169	54%	54%

BCC has a low proportion of land compared to its peers (asset class that normally has the highest coverage)

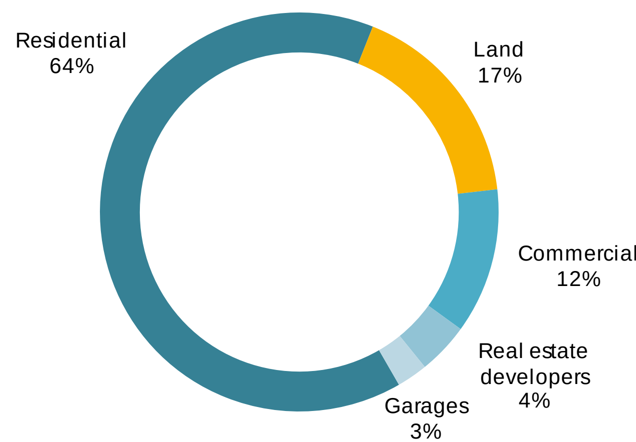
Increase of sales of foreclosed assets, 22% of the initial stock for the period

- 22% of the existing portfolio at Dec 2017 sold during 2018
- Sales increase by 19%, mostly through commercial network

Gross sales (EUR mill)



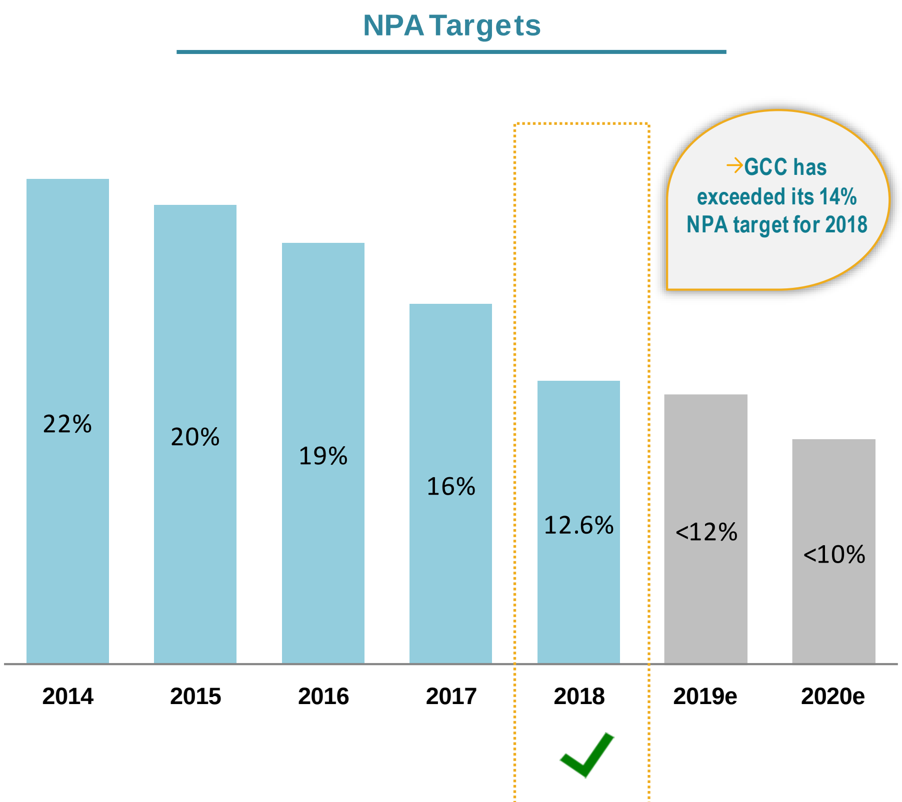
Foreclosed assets sales (by sale price)

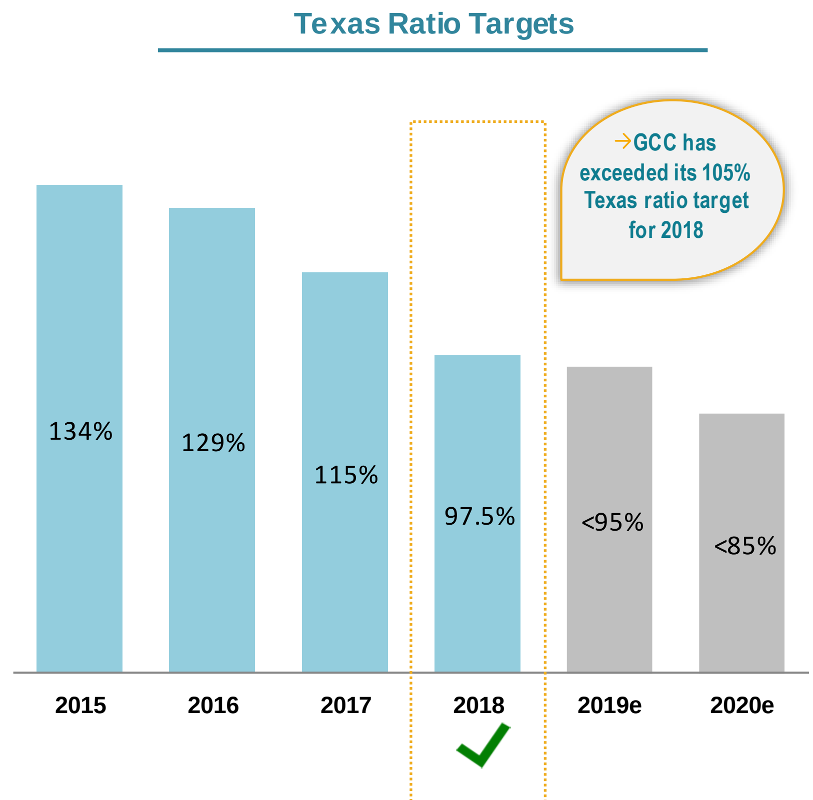


- Sales of foreclosed assets include the **Tango 1 portfolio** in 4Q17 (€47m gross of which 31 booked in 2017), accounting for 5% of total sales in 2017. Also, **Tango 2 portfolio** was sold in 1Q18 accounting for €23m in 2018 total sales while **Galleon portfolio**, which was sold in 2Q18, accounted for €10m of total sales
- Good market environment and a well trained branch network allow for increased sales

Asset quality targets for 2018 have been achieved

→ A proven track-record in NPL reduction as a basis for ambitious yet attainable asset quality metrics targets





(*) 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)

Table of Contents

152 basis points of capital generated from January 1

- €170m capital increase in 2018
- Solvency improves by 152 bps from Jan 1, offseting IFRS9 impact

PHASED IN	31/12/2017	01/01/2018	31/12/2018	Change from 01/01/2018	Proforma 01/01/2019
CET1	11.19%	11.06%	12.52%	145 bp	12.39%
T2	2.18%	1.67%	1.74%	6 bp	1.74%
Total Capital	13.37%	12.74%	14.25%	152 bp	14.12%

FULLY LOADED	31/12/2017	01/01/2018	31/12/2018	Change from 01/01/2018
CET1	10.90%	10.15%	11.54%	139bp
T2	2.18%	1.68%	1.74%	7 bp
Total Capital	13.08%	11.83%	13.29%	146 bp

Impact on CET1 absorbed:

The full negative impact on CET1 following IFRS9 was absorbed in 2018, both phased in (13 bp) and fully loaded (75 bp)

Generic provision ceased counting as Tier2:

From January 1st 2018 the generic provision stopped counting as Tier 2 capital (51bp impact impact on T2)

*Proforma 2019: Fully Basel III + Phased IFRS9 ratios

188 bps distance to 2018 SREP requirements

→ We have closed 2018 with a 188 bps buffer to total capital SREP requirement

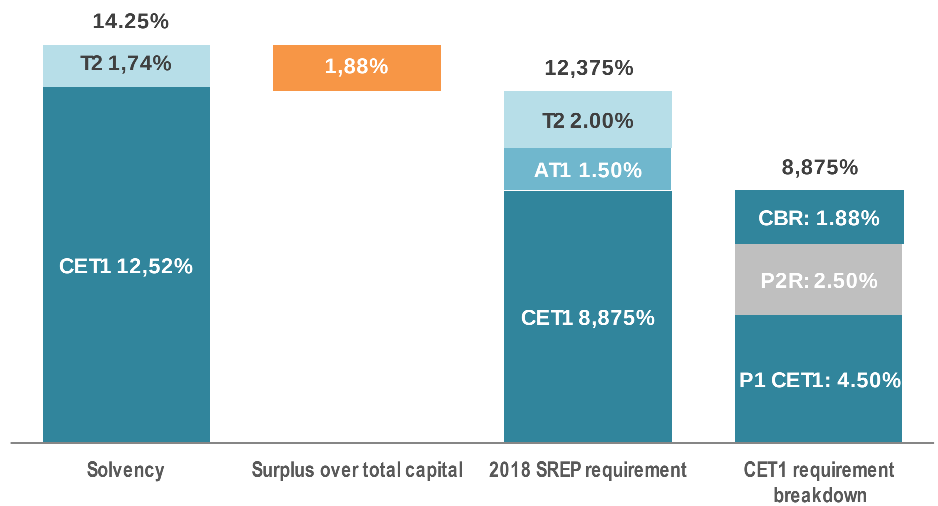
- P2R for 2018 stands at 2.50%. **P2R for 2019 remains unchanged at 2.50%**
- SREP requirements for 2018: 8,875% CET1 and 12,375% Total Capital[1]
- **Capital requirements for 2019: 9.5% CET1 and 13% total capital: proforma distance to SREP at January 1st: +112bps (over total capital)**

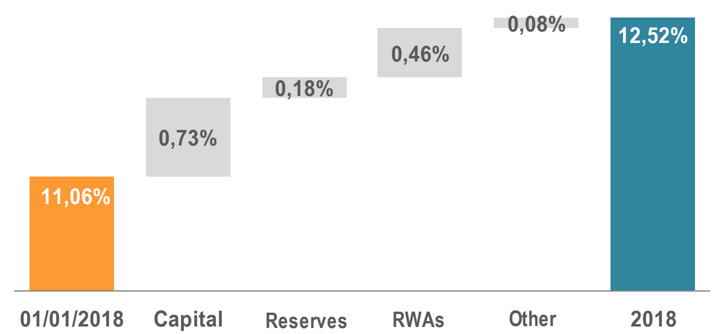
(EUR Thousands)

Phased in	31/12/2018
Capital	2,776,579
Reserves	461,394
AFS Surplus	(8,563)
Minority	-
Capital deductions	(346,691)
Ordinary Tier 1 Capital	**2,882,719**
CET 1 ratio (%)	**12,52%**
Tier2 Capital	**400,000**
Tier 2 ratio (%)	**1.74%**
Computable capital	**3,282,719**
Capital ratio (%)	**14.25%**
Total risk-weighted assets (a) + (b) + (c)	**23,033,114**
RWA/total assets	**52.25%**
Max T2 bucket (2%)	460,632
Max AT1 bucket (1,5%)	345,474

CET1 deductions:
- Intangible €-161m
- DTAs € -180m
- Other € -5m

High RWA density from use of standard approach (work towards IRB migration in progress)





Breakdown of CET1 variation

[1] Final 2019 SREP requirements expected to be received in February 2019

Targets and levers to increase capital

→ The baseline scenario is to keep solvency levels above requirements based on organic capital generation, but there are levers to increase the buffer to SREP

→ **Targets for 2019:**

- → CET1>12% ✓ *revised up to 12.50%*
- → Total Capital>14% ✓ *revised up to 14.50%*

Levers to continue building capital:

→ ABS +38 bps ✓ → CCF Calibration ✓ → IRB Migration (ongoing)	**RWAs reduction +46 bps in 2018**	**Organic capital generation +91 bps in 2018**	→ +73 bps Capital → +18 bps Reserves ✓
→ Subject to market conditions → Cost sentitive	**T2 issuance by 2021 +26 bps**	**Management of capital deductions +27 bps in 2018**	→ Early amortization of intangible assets generated by the merger with Ruralcaja ✓

New cash securitisation for capital relief: IM BCC Capital 1

→ IM BCC Capital 1 is a cash securitisation of a portfolio of €953m of loans to SMEs and self-employed borrowers originated by Cajamar, in order to achieve capital relief **(+38bps CET1)**

→ It has been the first cash securitization for capital relief of a non IRB entity in Spain

→ The transaction issued Class A – E notes for a total amount of 972 m:

Tranche	Rating (DBRS/Fitch)	Amount	Status	Buyer
A	AA/AAA	283,40	Sold	**ICO**
A	AA/AAA	285,00	Retained	**Cajamar (gtee FEI)**
A	AA/AAA	34,30	Retained	**Cajamar (gtee BEI-FEI)**
B	BBB/BBB+	226,34	Retained	**Cajamar (gtee BEI-FEI)**
C	BB/BB+	64,33	Retained	**Cajamar (gtee BEI-FEI)**
D	NR/CCC	59,60	Sold	**Private Investor**
E	NR/NR	19,06	Sold	**Private Investor**
Total		**972,03**		

Conclusions of the transaction

01

Generation of+38 bps CET1, c. EUR 362M cash and EUR 561M of colateral

02

Retained bonds are eligible as collateral for ECB: Increase of collateral to execute other transactions, reducing asset encumbrance

03

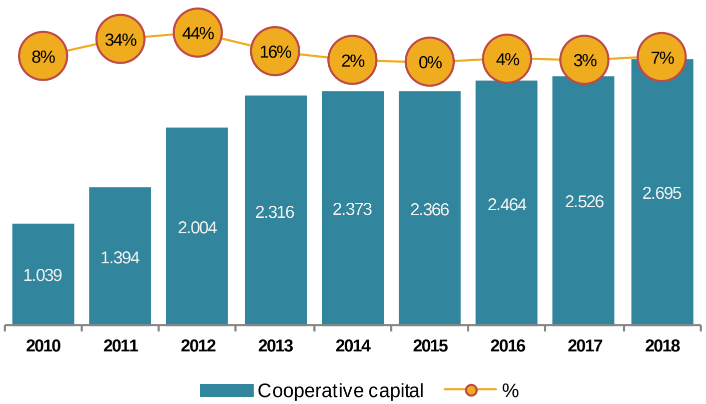
Sold bonds increase cash liquidity

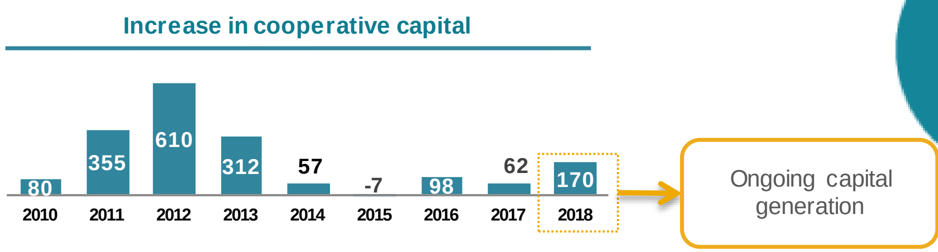
Capital

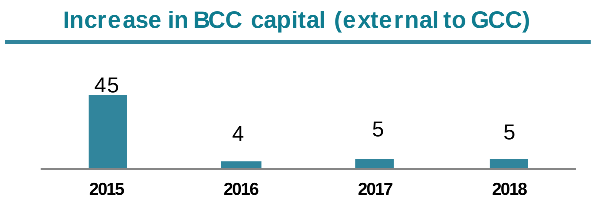
→ **More than 45 external shareholders of BCC**

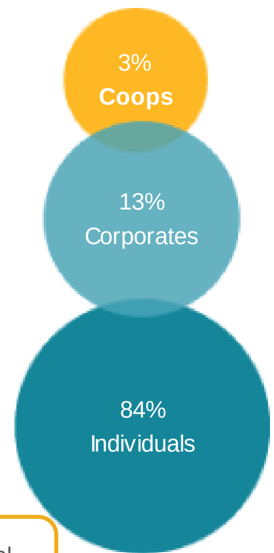
→ **More than 1,430,000 cooperative members**

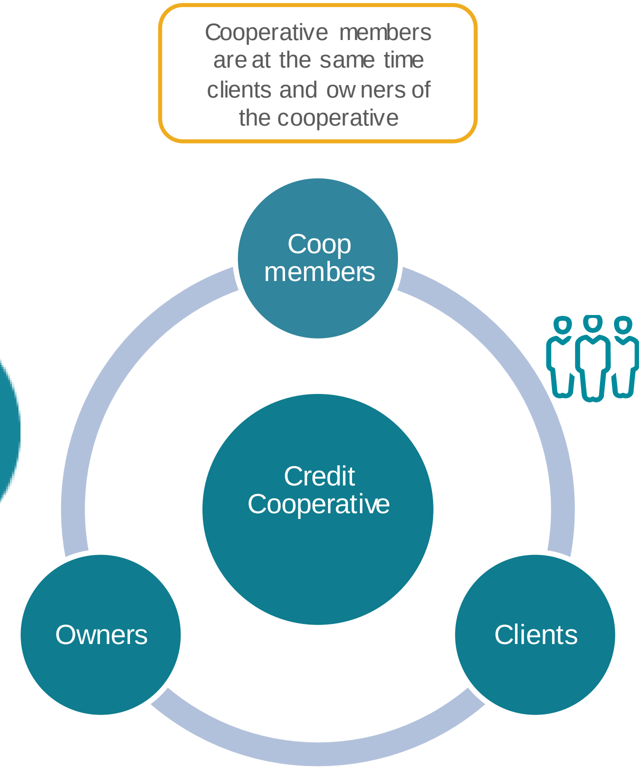
Cooperative capital can increase with new incoming members or existing ones increasing their share in the cooperative. Fully MIFID compliant







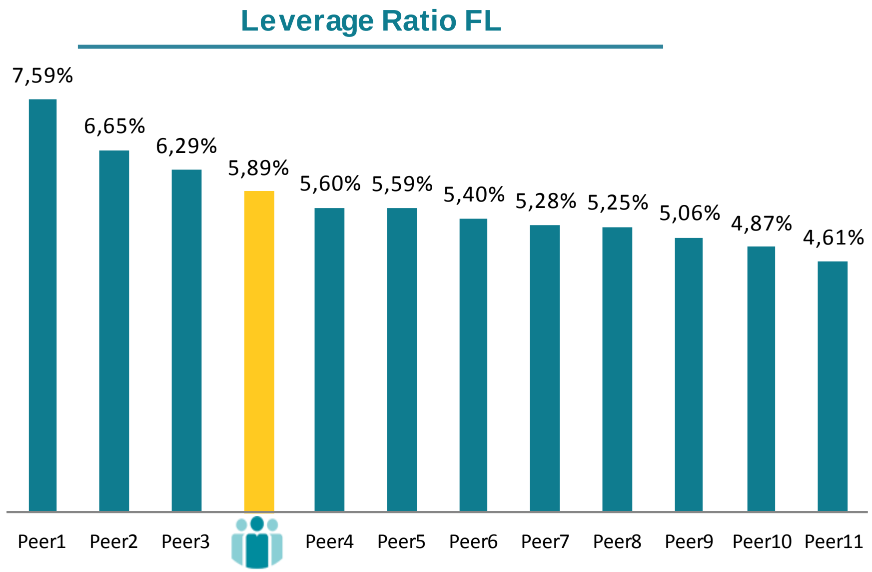


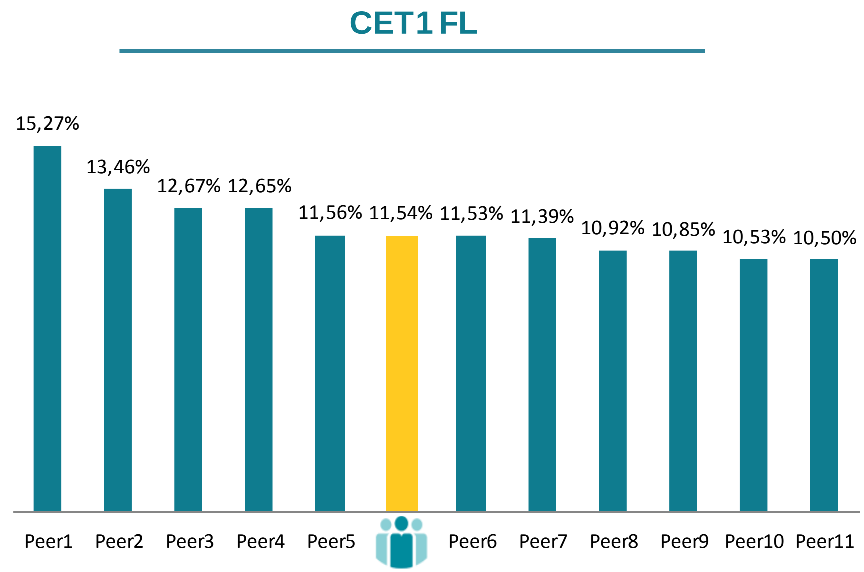


Figures in Eur million

Peer comparison

→Sound solvency position both in terms of CET1 and leverage ratio





- → BCC has a confortable position above the 3% level required and also in comparison to its peers. The leverage ratio is calculated as capital measure over exposure measure (on-balance sheet exposures, off-balance sheet exposures, derivatives and SFT).

- → Spanish banks have strengthened their capital structure. In terms of CET1 FL, BCC has a sound position among its peers with a level of CET1 of 11.54% fully-loaded and 12.39% fully-phased[1]

Source: EBA Transparency Exercise 2018. Figures as of June 2018, except for BCC which is YE18. [1] Basel III fully loaded, IFRS9 phased in

Table of Contents

Liquidity

- 9.9% y-o-y increase in deposits improves business gap
- Manageable upcoming debt maturities
- Maximum expected impact on NSFR c.10% if TLTRO is not renewed (june 2020)

Upcoming debt maturities (EUR mill)

2019	2020	2021	2022	2023
0	750	100	1,050	500

Available liquidity

Funding cost (EUR mill)

	Amount	Cost	%
ECB	5,087	-0.4%	46%
Money markets	2,562	-0.4%	23%
Capital markets	3,385	1.8%	31%
TOTAL	**11,033**	**0.28%**	**100%**

LTD	101.65% ∇8.43 p.p.
LCR	207.49% + 7.13 p.p.
NSFR	118.51% + 6.21 p.p.
Covered bonds / Eligible mortgage portfolio	50.45%
Covered bond issuance capacity	3,075 Mn€

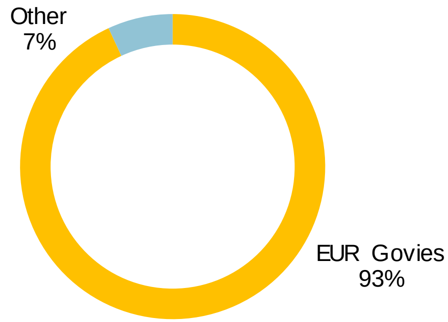
Figures in Eur million as of 4Q18. Maturity of Tier2 debt is represented by its call date. Excluding €5bn TLTRO II with maturity in June 2020.

ALCO Portfolio

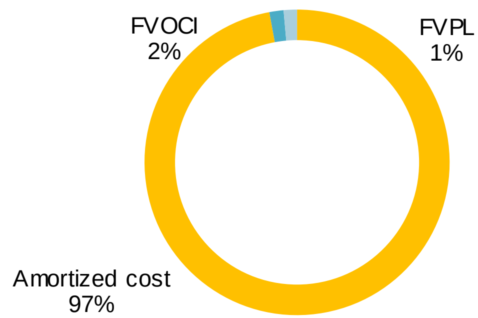
→ Size of ALCO portfolio is 7.3 bn, mostly european govies (Spain, Italy and Portugal) at amortized cost

→ The ALCO portfolio comprises mostly european government bonds

Composition



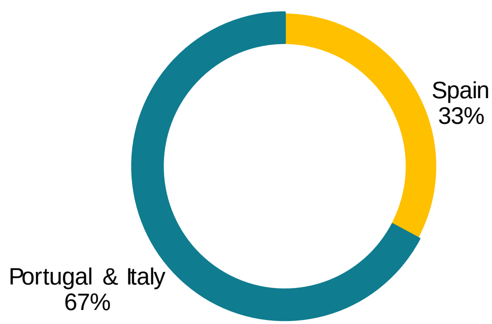
Accounting



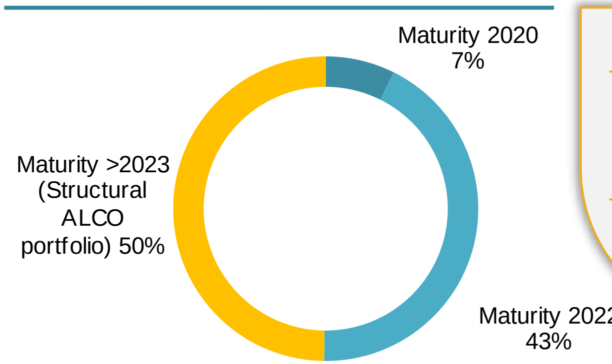
→ 97% of the portfolio is at amortized cost, without impact on capital

→ Government bonds from Spain, Italy and Portugal

Geographical distribution



Maturities



→ 50% is the structural ALCO portfolio: HQLA for LCR purposes with maturity >2023

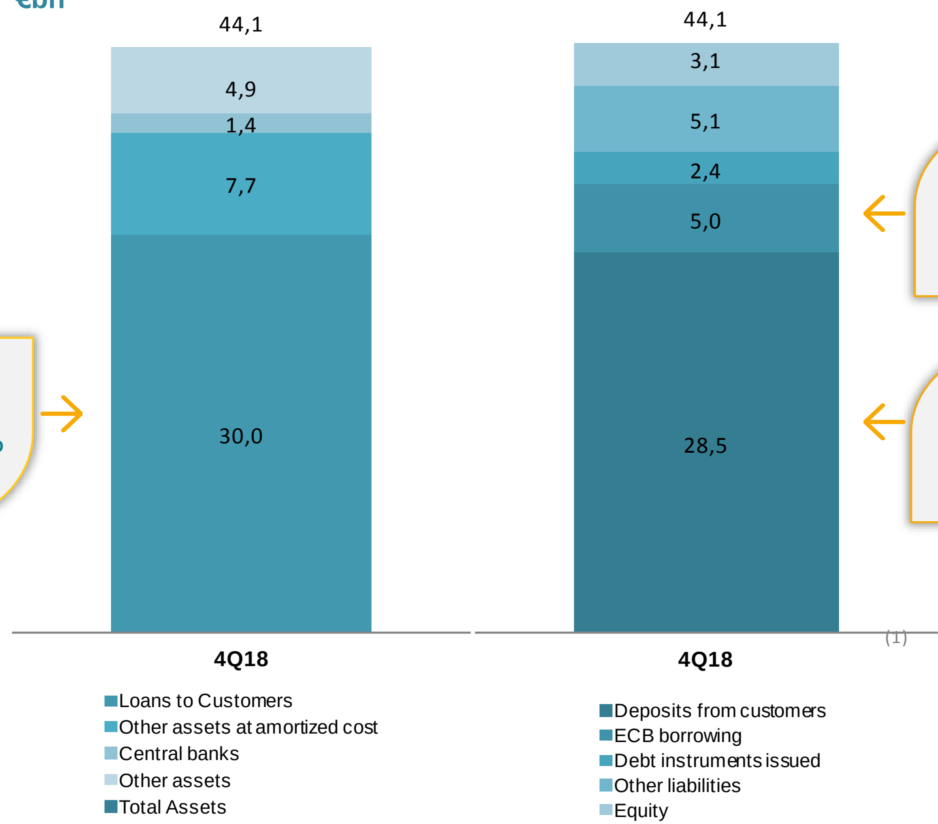
→ 50% with maturity beween 2020 and 2022

Table of Contents

Business position

→ Growth in performing loans and deposits from customers, while reducing NPLs

Total Assets | Total Liabilities & Equity

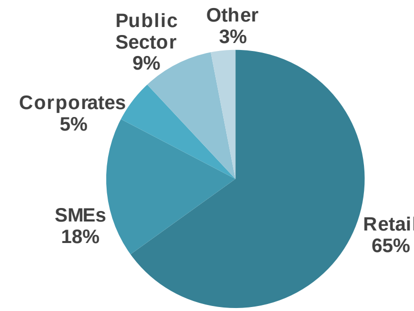


€ - 902m NPLs
€ + 1,123m performing loans to customers

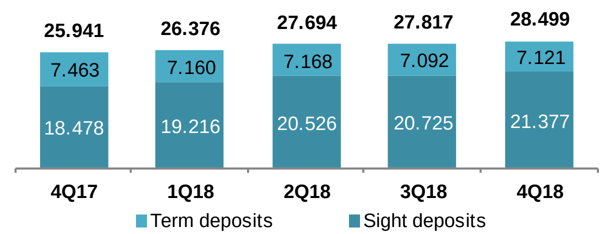
Opportunistic use of ECB borrowing

+€2,558m (+9.9%)

Deposits by segment



Increase in deposits: +10% y-o-y



→ **Sound leverage position, with commercial activity almost fully funded with retail deposits**

(1) Customer deposits data includes ABS securities

A retail and commercial bank with Agrifood DNA

→A loan book that evolves by reducing REDs and increasing Agro and SMEs.

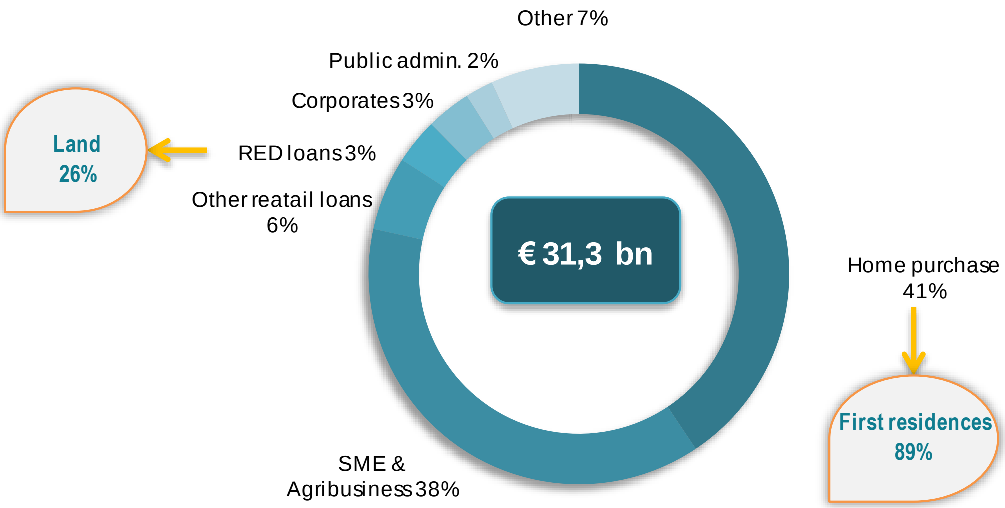
Δ 4.1% Performing retail loans

38% Of loans dedicated to SMEs and Agro

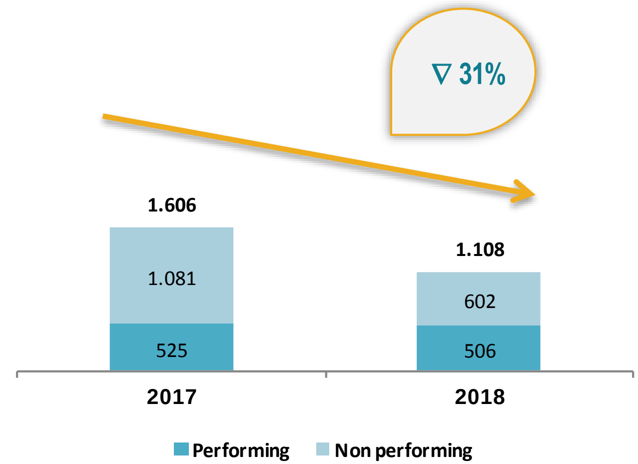
63% New loans to SMEs and Agro

∇ 31% RED loans
1.8% Performing loans

Loans to customers (gross)



Reduction of RED exposure (EUR mill)



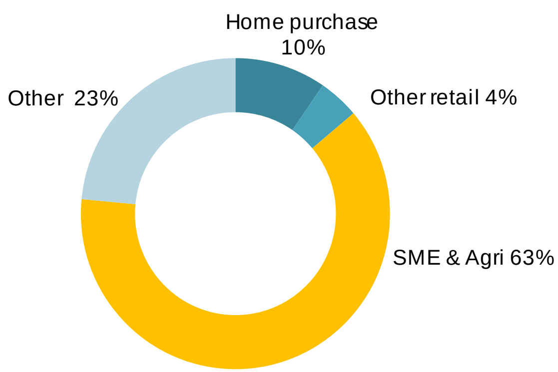
High level of collaterals (64% of loans are secured) and lower RED exposure (3% in GCC vs 11% of the sector in Spain [1])

[1] Source: Boletín Estadístico de Banco de España (Data as of **2Q18**)

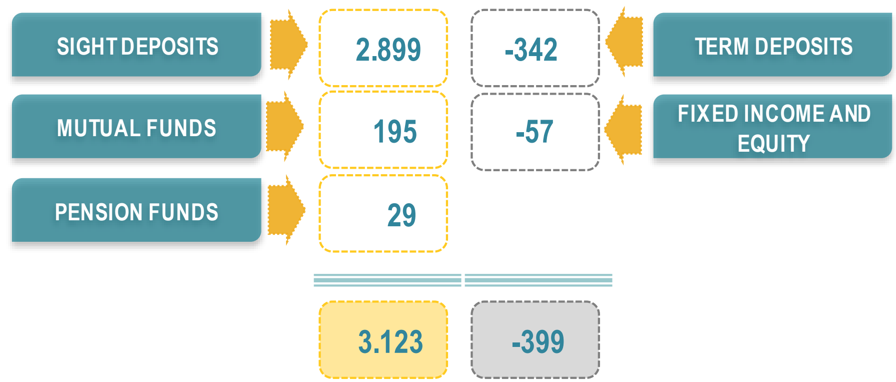
Evolution of the business mix

→ New loans focused on SME&Agri, lowering the weight of retail mortgages.
→ Term deposits transfer to sight deposits and off balance sheet products (especially mutual funds)

New Loans



Change of customer funds (y-o-y)



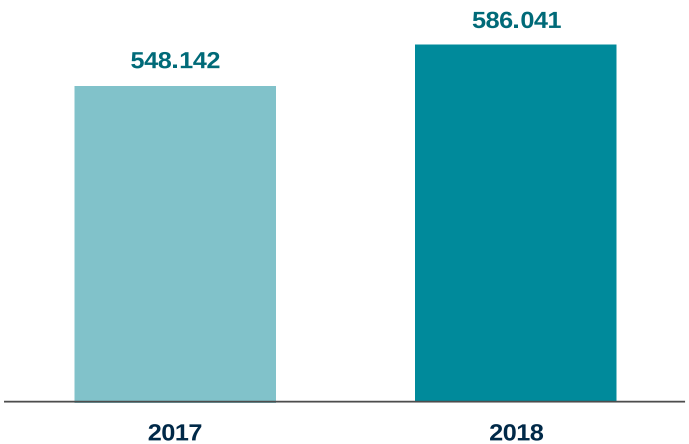
→ Retail mortgage outstanding amount is around 12 bn

→ Mutual Funds grow rapidly, 8.9% y-o-y while sector falls -1.9%

Consolidated P&L

(EUR Thousands)	31/12/2018	%ATA	31/12/2017	%ATA	y-o-y Abs.	y-o-y %
Interest income	708,691	1.67%	670,865	1.68%	37,826	5.6%
Interest expenses	(122,650)	(0.29%)	(122,723)	(0.31%)	72	(0.1%)
NET INTEREST INCOME	**586,041**	**1.38%**	**548,142**	**1.38%**	**37,899**	**6.9%**
Dividend income	6,622	0.02%	7,919	0.02%	(1,298)	(16.4%)
Income from equity-accounted method	30,983	0.07%	23,101	0.06%	7,882	34.1%
Net fees and commissions	261,691	0.62%	267,093	0.67%	(5,402)	(2.0%)
Gains (losses) on financial transactions	78,985	0.19%	153,768	0.39%	(74,783)	(48.6%)
Exchange differences [gain or (-) loss], net	1,535	-	2,124	0.01%	(589)	(27.7%)
Other operating incomes/expenses	(31,781)	(0.07%)	(24,590)	(0.06%)	(7,190)	29.2%
of which: Mandatory transfer to Education and Development Fund	(4,043)	(0.01%)	(2,372)	(0.01%)	(1,671)	70.5%
GROSS INCOME	**934,076**	**2.20%**	**977,558**	**2.45%**	**(43,482)**	**(4.4%)**
Administrative expenses	(511,034)	(1.21%)	(538,417)	(1.35%)	27,382	(5.1%)
Personnel expenses	(320,209)	(0.76%)	(340,980)	(0.86%)	20,771	(6.1%)
Other administrative expenses	(190,826)	(0.45%)	(197,437)	(0.50%)	6,611	(3.3%)
Depreciation and amortisation	(55,279)	(0.13%)	(76,001)	(0.19%)	20,723	(27.3%)
NET INCOME BEFORE PROVISIONS	**367,763**	**0.87%**	**363,139**	**0.91%**	**4,623**	**1.3%**
Provisions or (-) reversal of provisions	(38,555)	(0.09%)	41,988	0.11%	(80,543)	(191.8%)
Impairment losses on financial assets	(144,216)	(0.34%)	(166,837)	(0.42%)	22,620	(13.6%)
OPERATING INCOME	**184,991**	**0.44%**	**238,291**	**0.60%**	**(53,300)**	**(22.4%)**
Impairment or reversal of impairment of investments in joint ventures or associates (net)	(22)	-	(2)	-	(20)	883.3%
Impairment losses on non financial assets	(5,956)	(0.01%)	(92,907)	(0.23%)	86,951	(93.6%)
Gains or (-) losses on derecognition of non financial assets, net	(97,320)	(0.23%)	(23,520)	(0.06%)	(73,800)	313.8%
Profit or (-) loss from non-current assets and disposal groups classified as held for sale	(12,588)	(0.03%)	(24,054)	(0.06%)	11,466	(47.7%)
PROFIT BEFORE TAX	**69,104**	**0.16%**	**97,808**	**0.25%**	**(28,703)**	**(29.3%)**
Tax	13,148	0.03%	(17,750)	(0.04%)	30,898	(174.1%)
CONSOLIDATED NET PROFIT	**82,252**	**0.19%**	**80,058**	**0.20%**	**2,195**	**2.7%**

Positive interest margin increase of 6.9% y-o-y



Interest Margin
(Thousand €)

Organic Growth

+ 9.9 %
∆ Retail funds

75 %
Increase in sight deposits which means a reduction in costsn

+ 4.1 %
∆ Performing loans to customers

Improvement in client margins

2017	2018
	1.94% Profitability
1.90%	
1.79%	1.85% Client Margin
0.11%	0.09% Retail funds cost

∆ 5.6%
Financial income

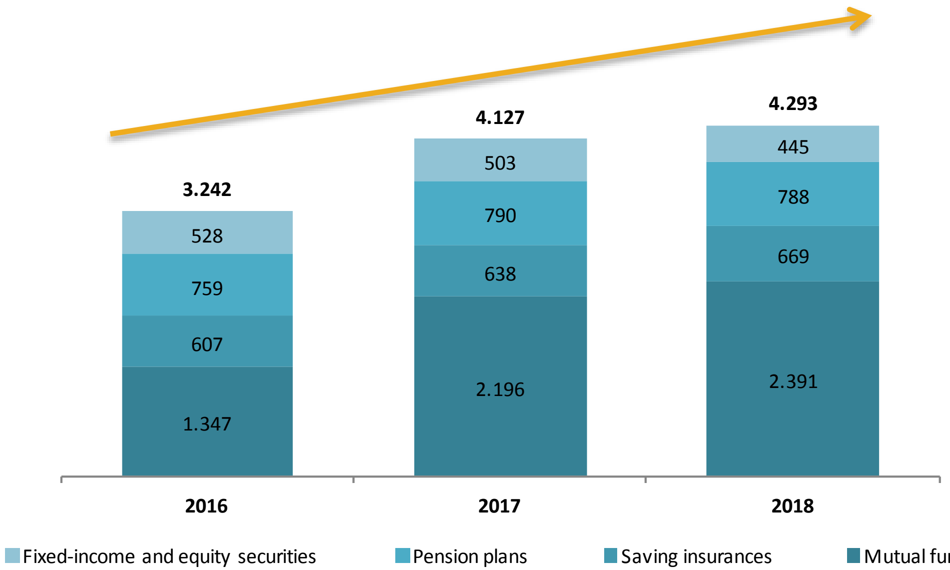
∇11.2%
Retail funds cost

1.38% s/MTAs
Profitability interest margin

Acceleration of fee-generating products

- Changing the mix towards higher value added services
- Fees and commissions related to collection and payment services fall slightly due to:
  - (i) providing better conditions in favour of engaged clients and those with the 360º account, (ii) the increase of digital clients, (iii) the return to coop members and (iv) the reduction of admin fees caused by a decrease of non performing debtors
- These fees are being replaced by commissions related insurance, investment and pension funds.

Off-balance business (AuM in EUR million)



- Off balance sheet AuM increase by 4% y-o-y
- Mutual funds increase by 9% y-o-y, while sector decreases by -1.9%[1]

FEES AND COMMISSIONS BREAKDOWN

EUR million	2015	2016	2017	2018
Collection and payment services	185	188	**182**	178
Non-banking fees	35	41	**53**	54
Contingent risk	10	11	**10**	30
Contingent commitments	11	13	**13**	11
FX trades	1	1	**1**	9
Securities	3	2	**3**	2
Other	32	22	**28**	1
Fees and commissions received	**277**	**278**	**290**	**286**
Fees and commissions paid	**-15**	**-17**	**-23**	**-24**
Net fees and commissions	**262**	**261**	**267**	**262**

BCC GRUPO CAJAMAR

[1] Source: Inverco.

Digitalization

→ Focus on increasing and consolidating engagement of the client base

Engaged clients (1)
1,5 Mn

47% are digital clients

360º account clients
179 k

∆ 58% interanual
∆ 50% Business volume

Wefferent account clients
169 k

∆ 56% interanual
∆ 52% Business volume

Wefferent App + online account
For digital clients.
Online transactions + Remote customer managers

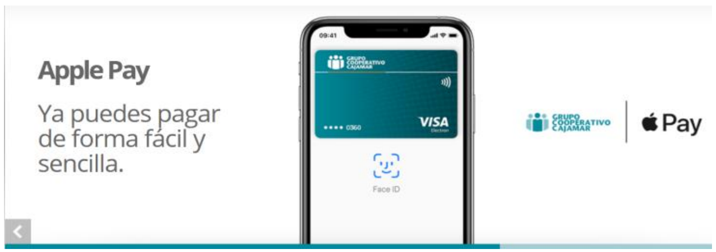
[1] Clients who have made at least one online transaction in the last 3 months

Digitalization

→ The improvement in digital transformation will allow for improved results, cost reduction and increased efficiency

Digital clients
731 k

∆ 11% y-o-y



Mobile bank clients
404 k

∆61% interanual

* Available for all smartphones

ATMs installed
1,516

Full equiped and accesible to all clients

Table of Contents

Conclusions

1

NPAs

Major focus on managing NPAs reduction and increase coverage

2

Solvency

Solvency ratios improve due to the increase of eligible capital, lower deductions and RWAs (ABS securitization)

3

Business Mix

Resilient performance in core banking business despite the low interest rate environment. Well positioned towards a rates increase scenario

Our Strategic Priorities

Clean up

the balance sheet, reducing non performing assets.

Consolidate

the technological and operating transformation.

Evolve

to grow in lending to corporates, and diversify segments and sectors, including SME and agribusiness.

Table of Contents

Balance sheet (I)

(EUR Thousands)	31/12/2018	30/09/2018	31/12/2017	y-o-y		q-o-q	
				Abs.	%	Abs.	%
Cash, cash balances at central banks and other demand deposits	1,420,637	1,152,476	1,083,920	336,717	31.1%	268,161	23.3%
Financial assets held for trading	1,620	2,775	2,142	(522)	(24.4%)	(1,155)	(41.6%)
Financial assets designated at fair value through profit or loss	269,913	277,893	123,733	146,180	118.1%	(7,980)	(2.9%)
Of which:							
Loans and advances to Customers	155,920	155,607	123,733	32,187	26.0%	313	0.2%
Financial assets at fair value through other comprehensive income	606,846	724,015	4,895,235	(4,288,389)	(87.6%)	(117,169)	(16.2%)
Financial assets at amortised cost	37,741,263	36,455,602	30,011,204	7,730,059	25.8%	1,285,661	3.5%
Of which:							
Loans and advances to Customers	30,048,558	29,751,572	29,579,017	469,541	1.6%	296,986	1.0%
Derivatives – Hedge accounting	-	-	-	-	100.0%		
Investments in subsidaries, joint ventures and associates	97,426	88,334	93,219	4,207	4.5%	9,092	10.3%
Tangible assets	999,629	995,433	1,002,326	(2,697)	(0.3%)	4,196	0.4%
Intangible assets	161,793	156,147	221,026	(59,233)	(26.8%)	5,646	3.6%
Tax assets	1,132,246	1,122,592	1,052,749	79,497	7.6%	9,654	0.9%
Other assets	1,241,317	1,303,845	1,539,894	(298,577)	(19.4%)	(62,528)	(4.8%)
Non-current assets and disposal groups classified as held for sale	406,113	439,115	481,881	(75,768)	(15.7%)	(33,002)	(7.5%)
TOTAL ASSETS	**44,078,805**	**42,718,227**	**40,507,329**	**3,571,476**	**8.8%**	**1,360,578**	**3.2%**

Balance sheet (II)

(EUR Thousands)	31/12/2018	30/09/2018	31/12/2017	y-o-y		q-o-q	
				Abs.	%	Abs.	%
Financial liabilities held for trading	43	1,176	532	(489)	(91.9%)	(1,133)	(96.3%)
Financial liabilities measured at amortised cost	40,394,174	38,992,949	36,657,371	3,736,803	10.2%	1,401,225	3.6%
Of which:							
Central Banks deposits	5,035,069	5,040,261	5,055,698	(20,629)	(0.4%)	(5,192)	(0.1%)
Central counterparty deposits	1,072,408	711,243	998,148	74,260	7.4%	361,165	50.8%
Customer deposits	28,498,653	27,816,578	25,940,894	2,557,759	9.9%	682,075	2.5%
Debt securities issued	*2,416,041*	*3,192,226*	*2,666,045*	(250,004)	(9.4%)	(776,185)	(24.3%)
Derivatives – Hedge accounting	123,754	141,554	48	123,706	257720.8%	(17,800)	(12.6%)
Provisions	71,405	74,360	114,211	(42,806)	(37.5%)	(2,955)	(4.0%)
Tax liabilities	77,368	84,948	108,998	(31,630)	(29.0%)	(7,580)	(8.9%)
Other liabilities	344,865	412,549	572,342	(227,477)	(39.7%)	(67,684)	(16.4%)
of which: Welfare funds	4,905	6,062	4,962	(57)	(1.1%)	(1,157)	(19.1%)
TOTAL LIABILITIES	**41,011,609**	**39,707,536**	**37,453,501**	**3,558,108**	**9.5%**	**1,304,073**	**3.3%**
Equity	3,075,758	3,019,108	3,052,262	23,496	0.8%	56,650	1.9%
Of which:							
Capital / Equity instruments issued other than capital / Treasury shares	2,776,579	2,732,751	2,602,380	174,199	6.7%	43,828	1.6%
Retained earnings / Revaluation reserves / Other reserves	235,011	234,419	387,604	(152,593)	(39.4%)	592	0.3%
Profit or loss attributable to owners of the parent	82,252	70,018	80,058	2,194	2.7%	12,234	17.5%
(-) Interim dividends	(18,083)	(18,080)	(17,779)	(304)	1.7%	(3)	0.0%
Accumulated other comprehensive income	(8,563)	(8,417)	1,565	(10,128)	(647.2%)	(146)	1.7%
Minority interests	-	-	-	-	100.0%		
TOTAL EQUITY	**3,067,195**	**3,010,691**	**3,053,828**	**13,367**	**0.4%**	**56,504**	**1.9%**

Consolidated P&L

(EUR Thousands)	31/12/2018	%ATA	31/12/2017	%ATA	y-o-y Abs.	y-o-y %
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Tax	13,148	0.03%	(17,750)	(0.04%)	30,898	(174.1%)
CONSOLIDATED NET PROFIT	**82,252**	**0.19%**	**80,058**	**0.20%**	**2,195**	**2.7%**

Quarterly P&L

(EUR Thousands)	4Q17	1Q18	2Q18	3Q18	4Q18	q-o-q Abs.	q-o-q %
Interest income	161,657	181,150	176,489	172,619	178,433	5,814	3.4%
Interest expenses	(35,322)	(30,890)	(32,573)	(35,450)	(23,736)	11,714	(33.0%)
NET INTEREST INCOME	**126,335**	**150,259**	**143,915**	**137,169**	**154,697**	**17,528**	**12.8%**
Dividend income	2,200	243	2,411	2,737	1,230	(1,507)	(55.1%)
Income from equity-accounted method	6,576	6,959	6,636	7,874	9,513	1,639	20.8%
Net fees and commissions	71,867	66,679	65,853	63,534	65,625	2,091	3.3%
Gains (losses) on financial transactions	52,780	38,352	47,675	(135)	(6,908)	(6,773)	5,024.4%
Exchange differences [gain or (-) loss], net	372	492	276	534	233	(301)	(56.4%)
Other operating incomes/expenses	(9,989)	(10,428)	(8,400)	(8,286)	(4,667)	3,619	(43.7%)
o/w: Mandatory transfer to Education and Development Fund	205	(1,687)	(803)	(1,449)	(104)	1,345	(92.8%)
GROSS INCOME	**250,141**	**252,557**	**258,367**	**203,428**	**219,724**	**16,296**	**8.0%**
Administrative expenses	(142,800)	(130,725)	(131,746)	(116,049)	(132,514)	(16,465)	14.2%
Personnel expenses	(88,040)	(84,771)	(84,884)	(66,168)	(84,386)	(18,218)	27.5%
Other administrative expenses	(54,760)	(45,955)	(46,861)	(49,881)	(48,128)	1,753	(3.5%)
Depreciation and amortisation	(18,904)	(20,563)	(11,166)	(11,156)	(12,394)	(1,239)	11.1%
NET INCOME BEFORE PROVISIONS	**88,436**	**101,269**	**115,455**	**76,223**	**74,816**	**(1,408)**	**(1.8%)**
Provisions or (-) reversal of provisions	(40,662)	(1,621)	(18,110)	(1,567)	(17,257)	(15,690)	1,001.0%
Impairment losses on financial assets	8,923	(33,125)	514	(56,044)	(55,561)	483	(0.9%)
OPERATING INCOME	**56,697**	**66,523**	**97,859**	**18,612**	**1,997**	**(16,615)**	**(89.3%)**
Impairment or reversal of impairment of investments in joint ventures or associates (net)	-	-	(22)	-	-	-	
Impairment losses on non financial assets	(21,561)	(21,662)	(608)	15,090	1,223	(13,867)	(91.9%)
Gains or (-) losses on derecognition of non financial assets, net	(8,947)	(7,842)	(73,394)	(8,256)	(7,827)	429	(5.2%)
Profit or (-) loss from non-current assets	(11,558)	(5,488)	(1,250)	431	(6,282)	(6,714)	(1,556.4%)
PROFIT BEFORE TAX	**14,631**	**31,531**	**22,586**	**25,877**	**(10,889)**	**(36,766)**	**(142.1%)**
Tax	(1,962)	(55)	(8,883)	(1,038)	23,124	24,162	(2,328.0%)
CONSOLIDATED NET PROFIT	**12,668**	**31,476**	**13,702**	**24,839**	**12,235**	**(12,605)**	**(50.7%)**

Funds managed

(EUR Thousands)	31/12/2018	30/09/2018	31/12/2017	y-o-y		q-o-q	
				Abs.	%	Abs.	%
Sight deposits	21,377,235	20,724,778	18,477,886	2,899,349	15.7%	652,457	3.1%
Term deposits	7,121,418	7,091,800	7,463,008	(341,590)	(4.6%)	29,618	0.4%
Customer deposits	**28,498,653**	**27,816,578**	**25,940,894**	**2,557,759**	**9.9%**	**682,075**	**2.5%**
On-balance sheet retail funds	**28,498,653**	**27,816,578**	**25,940,894**	**2,557,759**	**9.9%**	**682,075**	**2.5%**
Bonds and other securities *	2,962,548	3,418,604	2,959,370	3,178	0.1%	(456,056)	(13.3%)
Subordinated liabilities	412,364	413,227	412,171	193	0.0%	(863)	(0.2%)
Central counterparty deposits	1,072,408	711,243	998,148	74,260	7.4%	361,165	50.8%
ECB	5,035,069	5,040,261	5,055,698	(20,629)	(0.4%)	(5,192)	(0.1%)
Wholesale funds	**9,482,389**	**9,583,335**	**9,425,387**	**57,002**	**0.6%**	**(100,946)**	**(1.1%)**
Total balance sheet funds	**37,981,042**	**37,399,913**	**35,366,281**	**2,614,761**	**7.4%**	**581,129**	**1.6%**
Mutual funds	2,391,135	2,556,166	2,196,249	194,886	8.9%	(165,031)	(6.5%)
Pension plans	787,634	789,448	790,191	(2,557)	(0.3%)	(1,814)	(0.2%)
Savings insurances	668,895	659,596	637,625	31,270	4.9%	9,299	1.4%
Fixed-equity income	445,495	477,438	502,502	(57,007)	(11.3%)	(31,943)	(6.7%)
Off-balance sheet funds	**4,293,159**	**4,482,648**	**4,126,567**	**166,592**	**4.0%**	**(189,489)**	**(4.2%)**
Customer funds under management	**32,791,812**	**32,299,226**	**30,067,461**	**2,724,351**	**9.1%**	**492,586**	**1.5%**
Funds under management	**42,274,201**	**41,882,561**	**39,492,848**	**2,781,353**	**7.0%**	**391,640**	**0.9%**

* Covered bonds, territorial bonds and securitization.

Loans and advances to customers

(EUR Thousands)	31/12/2018	30/09/2018	31/12/2017	y-o-y		q-o-q	
				Abs.	%	Abs.	%
General governments	715,007	789,455	783,290	(68,283)	(8.7%)	(74,448)	(9.4%)
Other financial corporations	1,137,673	916,606	646,487	491,186	76.0%	221,067	24.1%
Non-financial corporations	11,268,911	11,089,257	10,954,820	314,091	2.9%	179,654	1.6%
Households	18,154,919	18,268,683	18,669,637	(514,718)	(2.8%)	(113,764)	(0.6%)
Loans to customers (gross)	**31,276,510**	**31,064,001**	**31,054,234**	**222,276**	**0.7%**	**212,509**	**0.7%**
Of which:							
Real estate developers	**1,108,230**	**1,192,800**	**1,605,970**	(497,740)	(31.0%)	(84,570)	(7.1%)
Performing loans to customers	**28,817,549**	**28,431,974**	**27,693,644**	1,123,905	4.1%	385,575	1.4%
Non-performing loans	**2,458,961**	**2,632,027**	**3,360,590**	(901,629)	(26.8%)	(173,066)	(6.6%)
Debt securities from customers	**308,478**	**278,331**	**274,783**	**33,695**	**12.3%**	**30,147**	**10.8%**
Gross Loans	**31,584,988**	**31,342,332**	**31,329,017**	**255,971**	**0.8%**	**242,656**	**0.8%**
Performing Loans	**29,126,027**	**28,710,305**	**27,968,427**	**1,157,600**	**4.1%**	**415,722**	**1.4%**
Credit losses and impairment	**(1,072,033)**	**(1,156,822)**	**(1,351,449)**	279,416	(20.7%)	84,789	(7.3%)
Total lending	**30,512,956**	**30,185,510**	**29,977,533**	**535,423**	**1.8%**	**327,446**	**1.1%**
Off-balance sheet risks							
Contingent risks	**728,419**	**688,053**	**650,724**	77,695	11.9%	40,366	5.9%
of which: non-performing contingent risks	**6,257**	**5,914**	**7,402**	(1,145)	(15.5%)	343	5.8%
Total risks	**32,313,407**	**32,030,385**	**31,979,741**	**333,666**	**1.0%**	**283,022**	**0.9%**
Non-performing total risks	**2,465,218**	**2,637,941**	**3,367,992**	**(902,774)**	**(26.8%)**	**(172,723)**	**(6.5%)**

Asset quality

(EUR Thousands)	31/12/2018	30/09/2018	31/12/2017	y-o-y		q-o-q	
				Abs.	%	Abs.	%
Defaulting debtors							
Non-performing total risks	**2,465,218**	**2,637,941**	**3,367,992**	**(902,774)**	**(26.8%)**	**(172,723)**	**(6.5%)**
Total risks	**32,313,407**	**32,030,385**	**31,979,741**	**333,666**	**1.0%**	**283,022**	**0.9%**
NPL ratio (%)	**7.63%**	**8.24%**	**10.53%**	**(2.90)**		**(0.61)**	
Gross loans coverage	(1,072,033)	(1,157,908)	(1,353,603)	281,570	(20.8%)	85,875	(7.4%)
NPL coverage ratio (%)	**43.60%**	**43.99%**	**40.28%**	**3.32**		**(0.39)**	
Foreclosed Assets (gross)	3,308,746	3,427,583	3,677,937	(369,191)	(10.0%)	(118,837)	(3.5%)
Foreclosed Assets (net)	1,757,123	1,826,061	1,929,686	(172,563)	(8.9%)	(68,938)	(3.8%)
Foreclosed assets coverage ratio (%)	**46.89%**	**46.72%**	**47.53%**	**(0.64)**		**0.17**	
Foreclosed assets coverage ratio with debt forgiveness (%)	**51.51%**	**51.32%**	**51.57%**	**(0.06)**		**0.19**	
NPA ratio (%)	**12.64%**	**13.44%**	**15.91%**	**(3.27)**		**(0.80)**	
NPA coverage (%)	**45.49%**	**45.54%**	**44.07%**	**1.42**		**(0.05)**	
NPA coverage with debt forgiveness (%)	**48.31%**	**48.30%**	**46.41%**	**1.90**		**0.01**	
Coverage breakdown (loan impairments breakdown)							
Total coverage	**1,088,714**	**1,174,379**	**1,370,065**	**(281,351)**	**(20.5%)**	**(85,665)**	**(7.3%)**
Non-performing coverage	907,603	970,768	1,184,174	(276,571)	(23.4%)	(63,165)	(6.5%)
Performing coverage	181,109	203,612	185,891	(4,780)	(2.6%)	(22,503)	(11.1%)
NPL breakdown							
Past due >90 days	2,217,261	2,383,817	3,023,404	(806,143)	(26.7%)	(166,556)	(7.0%)
Doubtful non past due	241,700	248,210	337,186	(95,486)	(28.3%)	(6,510)	(2.6%)
Total	**2,458,961**	**2,632,027**	**3,360,590**	**(901,629)**	**(26.8%)**	**(173,066)**	**(6.6%)**
Of which:							
Forborne loans	1,570,691	1,728,475	2,302,142	(731,451)	(31.8%)	(157,784)	(9.1%)
NPL breakdown by segment							
General governments	40	250	2,105	(2,065)	(98.1%)	(210)	(84.0%)
Other financial corporations	904	897	694	210	30.3%	7	0.8%
Other corporations	1,241,435	1,354,223	1,927,318	(685,883)	(35.6%)	(112,788)	(8.3%)
Households	1,216,582	1,276,657	1,430,473	(213,891)	(15.0%)	(60,075)	(4.7%)
Total	**2,458,961**	**2,632,027**	**3,360,590**	**(901,629)**	**(26.8%)**	**(173,066)**	**(6.6%)**
Of which:							
Real estate developers	602,169	687,258	1,081,191	(479,022)	(44.3%)	(85,089)	(12.4%)
Forborne loans							
Non-performing	1,570,691	1,728,475	2,302,142	(731,451)	(31.8%)	(157,784)	(9.1%)
Performing	590,359	621,731	760,905	(170,546)	(22.4%)	(31,372)	(5.0%)
Total Forborne loans	**2,161,050**	**2,350,206**	**3,063,047**	**(901,997)**	**(29.4%)**	**(189,156)**	**(8.0%)**

Foreclosed assets: Breakdown by origin of the loan

(EUR Thousands)	31/12/2018	30/09/2018	31/12/2017	y-o-y Abs.	y-o-y %	q-o-q Abs.	q-o-q %
Foreclosed Assets (gross)	3,308,746	3,427,583	3,677,937	(369,191)	(10.0%)	(118,837)	(3.5%)
Coverage	(1,551,622)	(1,601,521)	(1,748,250)	196,628	(11.2%)	49,899	(3.1%)
Foreclosed Assets (net)	1,757,123	1,826,061	1,929,686	(172,563)	(8.9%)	(68,938)	(3.8%)
Foreclosed assets coverage ratio (%)	46.89%	46.72%	47.53%	(0.64)		0.17	
Foreclosed assets coverage ratio with debt forgiveness (%)	51.51%	51.32%	51.57%	(0.06)		0.19	
Foreclosed assets according to the origin of the Loan							
Foreclosed assets (gross)	3,308,746	3,427,583	3,677,937	(369,191)	(10.0%)	(118,837)	(3.5%)
Developers	2,052,860	2,118,725	2,321,201	(268,341)	(11.6%)	(65,865)	(3.1%)
Land	1,032,742	1,055,672	1,103,685	(70,943)	(6.4%)	(22,930)	(2.2%)
Finished buildings	842,747	884,164	1,021,140	(178,394)	(17.5%)	(41,417)	(4.7%)
Under construction	177,371	178,889	196,376	(19,005)	(9.7%)	(1,517)	(0.8%)
Homes	665,754	703,120	704,224	(38,470)	(5.5%)	(37,366)	(5.3%)
Other	590,132	605,738	652,512	(62,380)	(9.6%)	(15,606)	(2.6%)
Foreclosed assets (net)	1,757,123	1,826,061	1,929,686	(172,563)	(8.9%)	(68,938)	(3.8%)
Developers	1,008,094	1,037,161	1,141,733	(133,639)	(11.7%)	(29,068)	(2.8%)
Land	411,169	410,955	437,219	(26,051)	(6.0%)	213	0.1%
Finished buildings	513,266	542,584	615,497	(102,231)	(16.6%)	(29,318)	(5.4%)
Under construction	83,659	83,622	89,016	(5,357)	(6.0%)	37	0.0%
Homes	399,744	428,662	406,464	(6,720)	(1.7%)	(28,918)	(6.7%)
Other	349,286	360,238	381,490	(32,204)	(8.4%)	(10,952)	(3.0%)
Coverage (%)	46.89%	46.72%	47.53%	(0.64)		0.17	
Developers	50.89%	51.05%	50.81%	0.08		(0.15)	
Land	60.19%	61.07%	60.39%	(0.20)		(0.88)	
Finished buildings	39.10%	38.63%	39.72%	(0.63)		0.46	
Under construction	52.83%	53.25%	54.67%	(1.84)		(0.42)	
Homes	39.96%	39.03%	42.28%	(2.33)		0.92	
Other	40.81%	40.53%	41.54%	(0.72)		0.28	
Coverage with debt forgiveness (%)	51.51%	51.32%	51.57%	(0.06)		0.19	
Developers	55.51%	55.64%	55.00%	0.52		(0.13)	
Land	63.69%	64.48%	63.51%	0.18		(0.79)	
Finished buildings	45.90%	45.49%	45.84%	0.06		0.41	
Under construction	54.77%	55.06%	56.00%	(1.24)		(0.29)	
Homes	44.56%	43.56%	45.82%	(1.27)		0.99	
Other	45.15%	44.84%	45.31%	(0.16)		0.31	

Foreclosed assets: Breakdown by asset type

(EUR Thousands)	31/12/2018	30/09/2018	31/12/2017	y-o-y		q-o-q	
				Abs.	%	Abs.	%
Foreclosed Assets (gross)	3,308,746	3,427,583	3,677,937	(369,191)	(10.0%)	(118,837)	(3.5%)
Coverage	(1,551,622)	(1,601,521)	(1,748,250)	196,628	(11.2%)	49,899	(3.1%)
Foreclosed Assets (net)	1,757,123	1,826,061	1,929,686	(172,563)	(8.9%)	(68,938)	(3.8%)
Foreclosed assets coverage ratio (%)	46.89%	46.72%	47.53%	(0.64)		0.17	
Foreclosed assets coverage ratio with debt forgiveness (%)	51.51%	51.32%	51.57%	(0.06)		0.19	
Foreclosed assets by asset type							
Foreclosed assets (gross)	3,308,746	3,427,583	3,677,937	(369,191)	(10.0%)	(118,837)	(3.5%)
Finished houses	1,468,729	1,556,795	1,675,314	(206,584)	(12.3%)	(88,066)	(5.7%)
Lands	1,146,946	1,177,042	1,218,675	(71,729)	(5.9%)	(30,096)	(2.6%)
RED and under construction	231,896	234,784	268,433	(36,538)	(13.6%)	(2,888)	(1.2%)
Commercial	358,464	365,069	394,147	(35,682)	(9.1%)	(6,604)	(1.8%)
Other	102,709	93,893	121,367	(18,658)	(15.4%)	8,817	9.4%
Coverage	(1,551,622)	(1,601,521)	(1,748,250)	196,628	(11.2%)	49,899	(3.1%)
Finished houses	(556,065)	(578,764)	(661,121)	105,056	(15.9%)	22,699	(3.9%)
Lands	(675,137)	(701,680)	(721,593)	46,455	(6.4%)	26,542	(3.8%)
RED and under construction	(118,314)	(120,163)	(142,438)	24,124	(16.9%)	1,848	(1.5%)
Commercial	(146,565)	(146,659)	(161,057)	14,492	(9.0%)	94	(0.1%)
Other	(55,541)	(54,256)	(62,041)	6,500	(10.5%)	(1,284)	2.4%
Foreclosed assets (net)	1,757,123	1,826,061	1,929,686	(172,563)	(8.9%)	(68,938)	(3.8%)
Finished houses	912,664	978,031	1,014,193	(101,529)	(10.0%)	(65,367)	(6.7%)
Lands	471,809	475,362	497,083	(25,274)	(5.1%)	(3,553)	(0.7%)
RED and under construction	113,582	114,621	125,995	(12,413)	(9.9%)	(1,039)	(0.9%)
Commercial	211,899	218,410	233,089	(21,190)	(9.1%)	(6,511)	(3.0%)
Other	47,169	39,637	59,326	(12,157)	(20.5%)	7,532	19.0%
Coverage (%)	46.89%	46.72%	47.53%	(0.64)		0.17	
Finished houses	37.86%	37.18%	39.46%	(1.60)		0.68	
Lands	58.86%	59.61%	59.21%	(0.35)		(0.75)	
RED and under construction	51.02%	51.18%	53.06%	(2.04)		(0.16)	
Commercial	40.89%	40.17%	40.86%	0.02		0.71	
Other	54.08%	57.79%	51.12%	2.96		(3.71)	
Coverage with debt forgiveness (%)	51.51%	51.32%	51.57%	(0.06)		0.19	
Finished houses	44.06%	43.33%	44.72%	(0.66)		0.73	
Lands	62.45%	63.12%	62.41%	0.04		(0.67)	
RED and under construction	53.24%	53.32%	54.73%	(1.50)		(0.08)	
Commercial	45.59%	44.90%	45.49%	0.10		0.69	
Other	54.42%	58.01%	51.35%	3.07		(3.59)	

Solvency

Phased in	31/12/2018	30/09/2018	01/01/2018	y-o-y (*)		q-o-q	
				Abs.	%	Abs.	%
(EUR Thousands)							
Capital	2,776,579	2,732,751	2,602,380	174,199	6.7%	43,828	1,6%
Reserves	461.394	473,726	419,113	42.281	10.1%	(12.332)	(2,6%)
AFS Surplus	(8,563)	(8,417)	20,215	(28,778)	(142.4%)	(146)	1,7%
Capital deductions	(346,691)	(335,261)	(395,753)	49,062	(12.4%)	(11,430)	3,4%
Ordinary Tier 1 Capital	**2,882,719**	**2,862,799**	**2,645,956**	**236.763**	**8.9%**	**19.920**	**0,7%**
CET1 ratio (%)	**12.52%**	**12.40%**	**11.06%**	**1.45**		**0.12**	
Tier2 Capital	**400,000**	**400,000**	**400,000**	**-**	**-**	**-**	**-**
Tier 2 ratio (%)	**1.74%**	**1.73%**	**1.67%**	**0.06**		**0.01**	
Eligible capital	**3,282,719**	**3,262,799**	**3,045,956**	**236.763**	**7.8%**	**19.920**	**0,6%**
Capital ratio (%)	**14.25%**	**14.13%**	**12.74%**	**1.52**		**0.12**	
Total risk-weighted assets	**23.033.114**	**23,092,813**	**23.915.106**	**(881.992)**	**(3,7%)**	**(59.699)**	**(0,3%)**
Credit risk	21.474.160	21,604,909	22.418.503	(944.343)	(4,2%)	(130.749)	(0,6%)
Operational risk	1.445.750	1,443,904	1.443.904	1.846	0,1%	1.846	0,1%
Other risk	113.204	44,000	52.700	60.504	114,8%	69.204	157,3%

Fully-loaded

(EUR Thousands)	31/12/2018	30/09/2018	01/01/2018	y-o-y Abs.	y-o-y %	q-o-q Abs.	q-o-q %
Capital	2.776.579	2,732,751	2,602,380	174.199	6,7%	43.828	1,6%
Reserves	265.710	278,041	223,392	42.318	18,9%	(12.331)	(4,4%)
AFS Surplus	(8.563)	(8,417)	20,215	(28.778)	(142,4%)	(146)	1,7%
Capital deductions	(387.758)	(365,439)	(427,796)	40.038	(9,4%)	(22.319)	6,1%
Ordinary Tier 1 Capital	**2.645.968**	**2,636,936**	**2,418,192**	**227.776**	**9,4%**	**9.032**	**0,3%**
CET1 ratio (%)	**11,54%**	**11.45%**	**10.15%**	**1,39**		**0,09**	
Tier2 Capital	**400,000**	**400,000**	**400,000**	**-**	**-**	**-**	**-**
Tier 2 ratio (%)	**1.74%**	**1.74%**	**1.68%**	**0.07**		**-**	
Eligible capital	**3.045.968**	**3,036,936**	**2,818,192**	**228,867**	**8.1%**	**9.032**	**0,3%**
Capital ratio (%)	**13,29%**	**13.18%**	**11.83%**	**1.46**		**0,11**	
Total risk-weighted assets	**22.925.077**	**23,036,840**	**23,825,239**	**(900.162)**	**(3,8%)**	**(111.763)**	**(0,5%)**
Credit risk	21.366.122	21,548,937	22,328,635	(962.513)	(4,3%)	(182.815)	(0,8%)
Operational risk	1.445.750	1,443,904	1,443,904	1.846	0,1%	1.846	0,1%
Other risk	113.205	43,999	52,700	60.505	114,8%	69.206	157,3%

* y-o-y from 01/01/2018

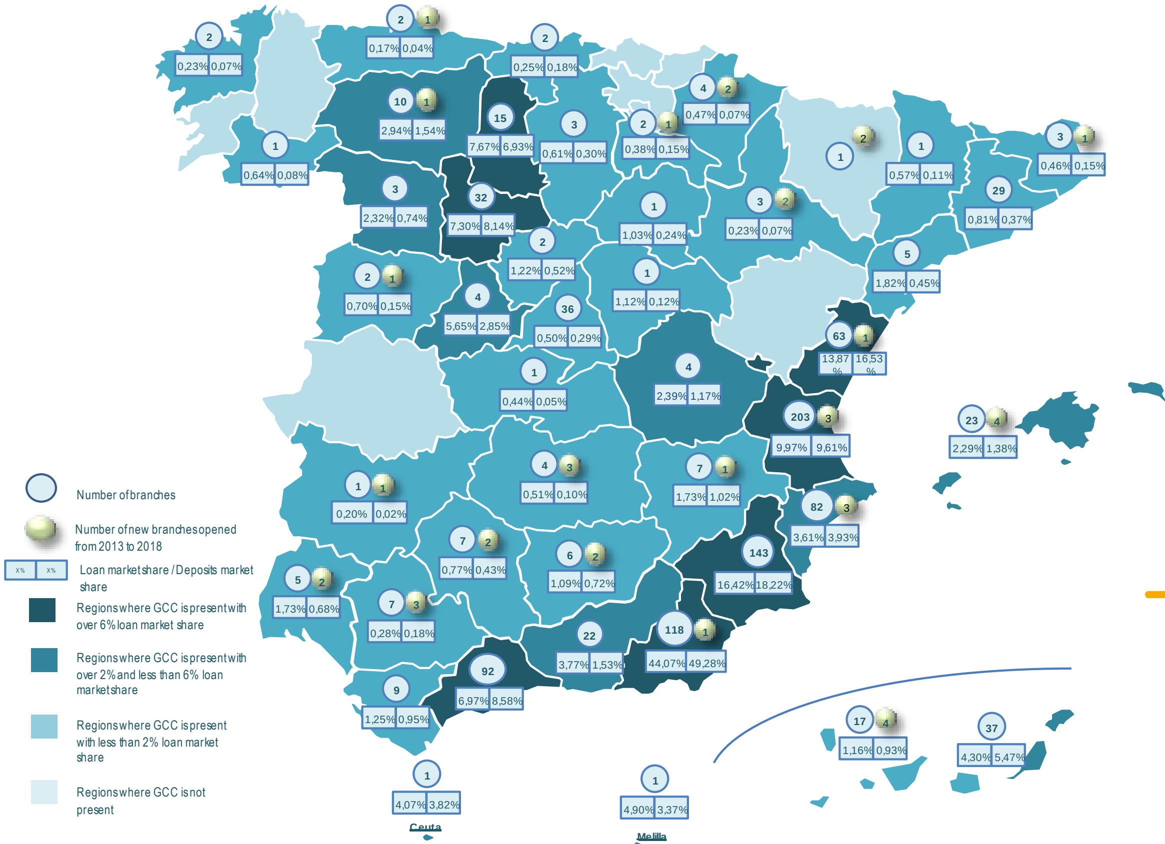
Quarterly Yields & Costs

(EUR Thousands and annualised rates)	31/12/2018				30/09/2018				31/12/2017			
	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	1,523,006	3.59%	385	0.03%	1,489,816	3.55%	326	0.03%	1,251,216	3.14%	464	0.04%
Loans to customers (gross)[(a)]	31,173,727	73.53%	603,769	1.94%	31,148,031	74.21%	457,817	1.97%	31,126,620	78.16%	592,507	1.90%
Securities portfolio	6,498,413	15.33%	76,116	1.17%	6,130,581	14.61%	50,175	1.09%	4,457,007	11.19%	39,349	0.88%
Other assets	3,200,342	7.55%	28,422	0.89%	3,206,229	7.64%	21,940	0.91%	2,989,210	7.51%	38,545	1.29%
Total earning assets [(b)]	42,395,487	100.00%	708,691	1.67%	41,974,657	100.00%	530,258	1.69%	39,824,053	100.00%	670,865	1.68%
Financial system	1,217,162	2.87%	5,324	0.44%	1,022,842	2.44%	4,062	0.53%	730,645	1.83%	8,349	1.14%
Customer deposits [(c)]	27,265,247	64.31%	25,025	0.09%	26,956,896	64.22%	18,607	0.09%	25,922,507	65.09%	28,196	0.11%
Sight deposits	*20,064,377*	*47.33%*	*16,441*	*0.08%*	*19,736,163*	*47.02%*	*12,175*	*0.08%*	*17,705,439*	*44.46%*	*14,891*	*0.08%*
Term deposits	*7,200,870*	*16.98%*	*8,584*	*0.12%*	*7,220,733*	*17.20%*	*6,432*	*0.12%*	*8,217,069*	*20.63%*	*13,305*	*0.16%*
Wholesale funds	9,771,944	*23.05%*	*85,202*	*0.87%*	9,844,333	*23.45%*	*69,471*	*0.94%*	8,842,761	*22.20%*	*83,604*	*0.95%*
Other funds	1,137,787	*2.68%*	*7,099*	*0.62%*	1,163,203	*2.77%*	*6,775*	*0.78%*	1,293,862	*3.25%*	*2,573*	*0.20%*
Equity	3,003,347	7.08%	0	-	2,987,385	7.12%	0	-	3,034,277	7.62%	0	-
Total funds [(d)]	42,395,487	100.00%	122,650	0.29%	41,974,657	100.00%	98,914	0.32%	39,824,053	100.00%	122,723	0.31%
Customers' spread [(a)-(c)]				1.85				1.87				1.79
NII o/ATA [(b)-(d)]			586,041	1.38			431,344	1.37			548,142	1.38

BCC GRUPO CAJAMAR

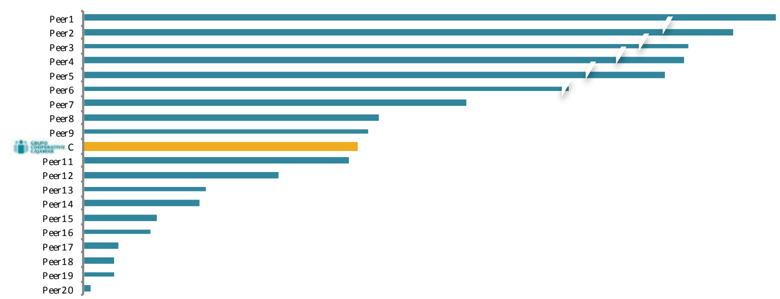
Grupo Cooperativo Cajamar: A cooperative Group with nationwide presence

→ Grupo Cooperativo Cajamar ranks #10 by loans in Spain, and is the11th entity by asset size (EUR43bn). It has 2.68% of the loan market share, and 14% of the agribusiness market share



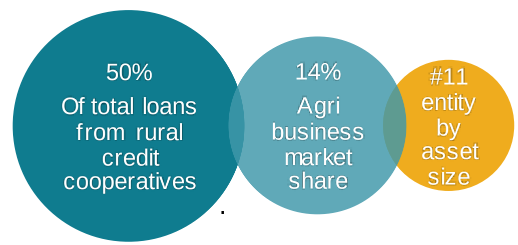
2018: 1,018 branches (+5 openings, -44 closures)

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



Data as of 4Q18 except for Market Share and Entities Ranking (2Q18)

Grupo Cooperativo Cajamar: A consolidation story

→ Cajamar has it origins in the 1960s. It has integrated a number of cooperatives over the years. Grupo Cooperativo Cajamar is supervised by ECB on a consolidated basis. It is an Institutional Protection Scheme and has BCC as head entity

2009
Creation of IPS Grupo Cooperativo Cajamar (first IPS established in Spain), led by Cajamar(1), with new entities :

2009 – 2012
Incorporation of 8 entities to the Group

2010
Creation of the **IPS Cajas Rurales del Mediterráneo (CRM) with 15 entities** led by **RuralCaja** including

2012
Cajamar and Ruralcaja merge to form Cajas Rurales Unidas (CRU), as well both IPS GCC and CRM integrate into a single Group lead by CRU(2)

2014
Creation of **Banco de Crédito Cooperativo (BCC),** new head of the Group.
Grupo Cooperativo Cajamar is a consolidating Group with mutualization of P&L and cross-guarantee mechanism for solvency and liquidity.
Another 13 Credit Cooperatives, outside the Group, become shareholders of BCC.
Cajamar's central office (>800 FTEs) is transferred to BCC, which provides central services to all the Group

2015
Change of social name of Cajas Rurales Unidas (CRU) to **Cajamar**, and of Grupo Cajas Rurales Unidas to **Grupo Cajamar.**

TREA becomes shareholder of BCC

2016
New logo and brand image of Grupo Cooperativo Cajamar and entities of the Grupo

Source: Companies Annual Reports and UNACC.

1) After the creation of GCC IPS there where additional mergers into Cajamar: C.R. Baleares (2010), Cajacampo (2011) and C.R.Castellón (2012).
2) After the creation of CRU there has been additional mergers into CRU during 2013: Credit Valencia, C.R. Casinos and C.R. Canarias.
3) Commercial name remained as Grupo Cooperativo Cajamar.
4) As of June 2012.

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

BCC

Own funds as of 4Q18: €1bn

% of shareholding in BCC as of 4Q18 **92.3%**

cajamar CAJA RURAL 84.9%	caixa rural torrent 1.5%	caixaltea 0.9%	caixa rural burriana 0.7%	caixapetrer 0.6%	caixa rural vila-real 0.8%	caixacallosa 0.5%
caixa rural alqueries 0.4%	cajacheste CAJA RURAL 0.3%	caixa rural nules 0.3%	caixa alginet 0.3%	caixaturís 0.2%	sant vicent CAIXA RURAL DE LA VALL D'UIXO 0.2%	caja rural de villar 0.2%
caixa rural vilavella 0.1%	caixa rural almenara 0.1%	caixa rural vilafamés 0.1%	caixa xilxes 0.1%			

Caixa Albalat merged into Cajamar in 2018

Full institutional presentation at www.bcc.es/en

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