

Results Presentation

Q3 2019

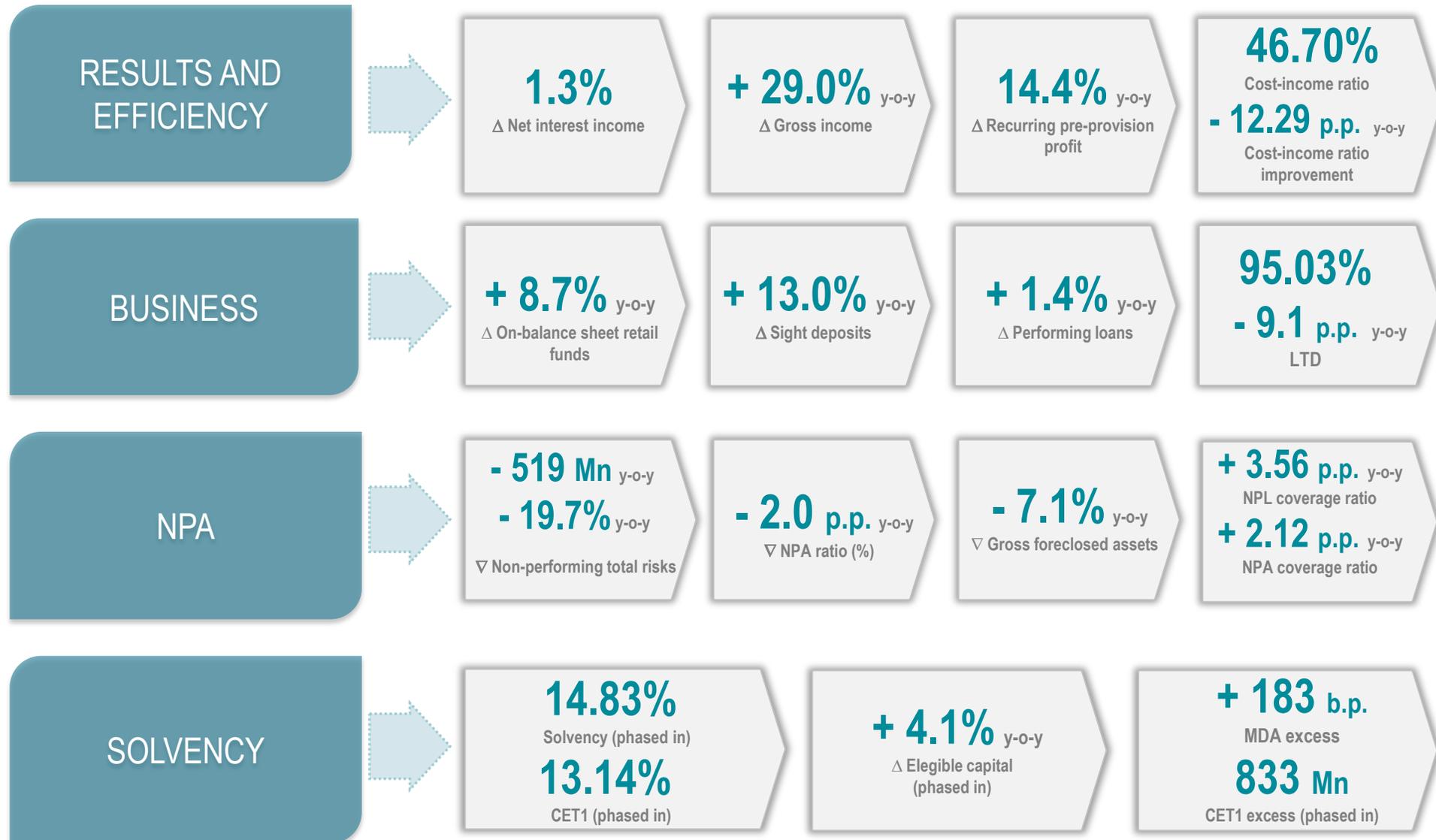
KEY HIGHLIGHTS

**PROFITABILITY
AND EFFICIENCY**

**COMMERCIAL
ACTIVITY AND
DIGITAL
TRANSFORMATION**

**RISKS
MANAGEMENT
AND SOLVENCY**

Improvement in the main business aspects





Profit and Loss Account

(EUR thousands)	30/09/2019		30/09/2018		Y-o-y		31/12/2018	
	o/ ATA	o/ ATA	o/ ATA	o/ ATA	Abs.	%	o/ ATA	o/ ATA
NET INTEREST INCOME	437,102	1.30%	431,344	1.37%	5,758	1.3%	586,041	1.38%
Net fees and commissions + exchange differences, net	184,822	0.55%	197,367	0.62%	(12,545)	(6.4%)	263,227	0.62%
Gains (losses) on financial transactions	296,262	0.88%	85,892	0.27%	210,370	244.9%	78,983	0.19%
Dividend income	6,097	0.02%	5,392	0.02%	705	13.1%	6,622	0.02%
Income from equity-accounted method	23,922	0.07%	21,469	0.07%	2,453	11.4%	30,983	0.07%
Other operating incomes/expenses	(26,811)	(0.08%)	(27,114)	(0.09%)	303	(1.1%)	(31,780)	(0.07%)
GROSS INCOME	921,394	2.75%	714,350	2.28%	207,044	29.0%	934,076	2.20%
RECURRING GROSS INCOME	708,343	2.11%	664,420	2.12%	43,924	6.6%	892,322	2.10%
Personnel expenses	(248,702)	(0.74%)	(235,823)	(0.75%)	(12,879)	5.5%	(320,210)	(0.76%)
Other administrative expenses	(139,434)	(0.42%)	(142,697)	(0.45%)	3,263	(2.3%)	(190,826)	(0.45%)
Depreciation and amortisation	(42,172)	(0.13%)	(42,884)	(0.14%)	712	(1.7%)	(55,279)	(0.13%)
PRE-PROVISION PROFIT	491,086	1.46%	292,946	0.93%	198,140	67.6%	367,761	0.87%
RECURRING PRE-PROVISION PROFIT	278,035	0.83%	243,016	0.77%	35,020	14.4%	326,007	0.77%
Impairment losses	(285,281)	(0.85%)	(95,857)	(0.31%)	(189,424)	197.6%	(150,194)	(0.35%)
Net provisions + Other losses / gains	(93,888)	(0.28%)	(117,097)	(0.37%)	23,209	(19.8%)	(148,463)	(0.35%)
PROFIT BEFORE TAX	111,918	0.33%	79,994	0.25%	31,924	39.9%	69,104	0.16%
Tax	(29,862)	(0.09%)	(9,976)	(0.03%)	(19,886)	199.3%	13,148	0.03%
CONSOLIDATED NET PROFIT	82,056	0.24%	70,018	0.22%	12,038	17.2%	82,252	0.19%

Net interest grows 1.3% in despite unfavourable interest rate environment

▽ **13.5%** y-o-y
Interest expenses

▽ **29.1%** y-o-y
Wholesale funds costs

1.30% o/ATA
Net interest income profitability

ORGANIC GROWTH

△ **8.7%** y-o-y
On-balance sheet retail funds

77.4%
The weight of sight deposits over customers' deposits

△ **1.4%** y-o-y
Performing loans

CUSTOMERS' SPREAD

2018

3Q-2019

Loans profitability

1.94%

1.82%

CUSTOMERS' SPREAD

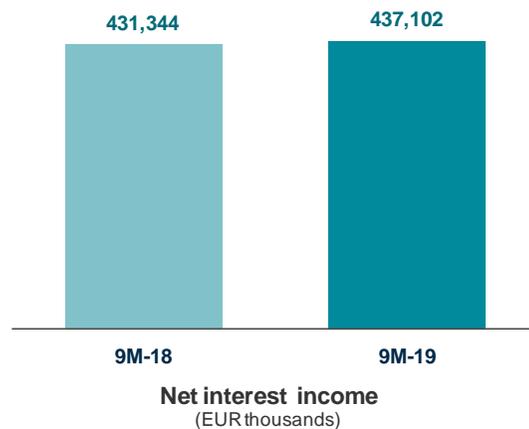
1.85%

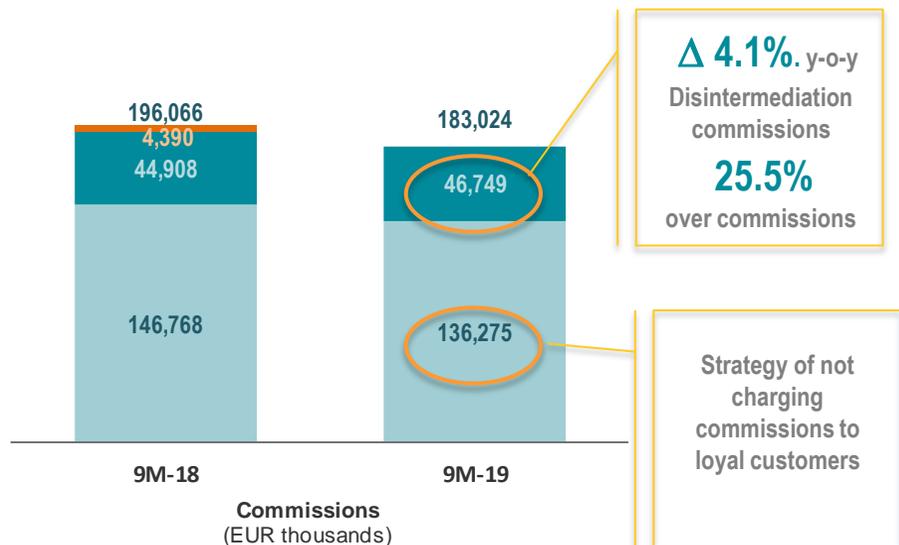
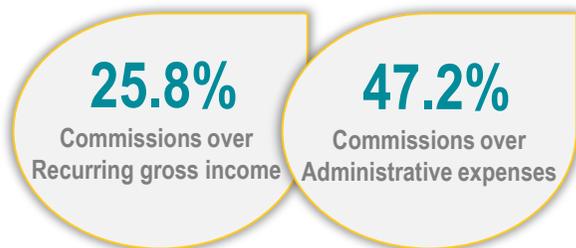
1.72%

Retail resources costs

0.09%

0.10%





- Cecabank depositary commissions
- Mutual funds, pensions plans and insurance commissions
- Products and services commissions

Δ 4.1% y-o-y
Disintermediation commissions
25.5%
over commissions

Strategy of not charging commissions to loyal customers

REINFORCING THE CUSTOMER LOYALTY



INSURANCES

- Δ 18.7% y-o-y
General insurance premiums
- Δ 15.5% y-o-y
Risk-life insurance premiums

Personalised pension plans



Because at each stage of your life, your needs are different.

PENSION PLANS

Δ 2.3% y-o-y
Contributions to pension plans



MUTUAL FUNDS

Δ 5.5% y-o-y
In commissions of management and commercialization



CONSUMER

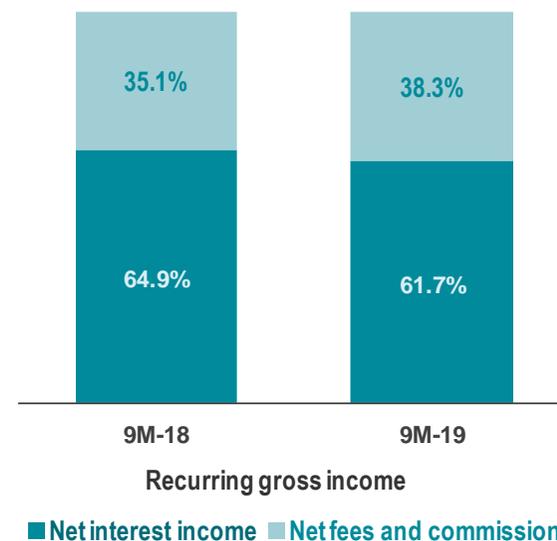
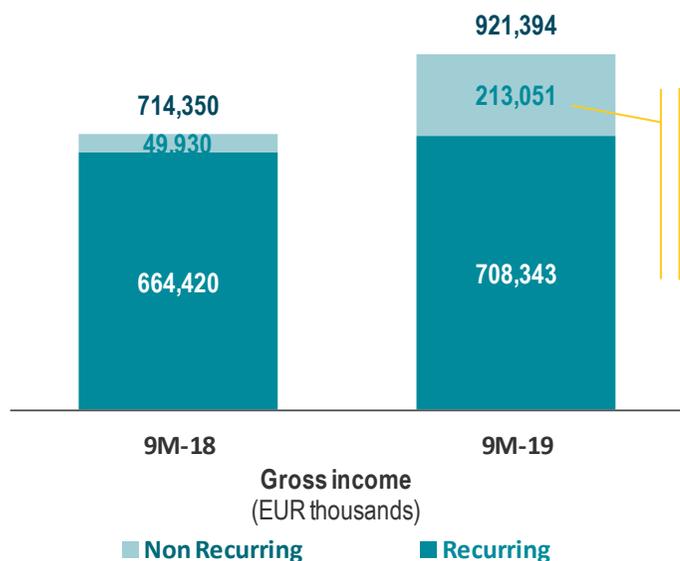
Δ 32.3% y-o-y
Alive risk



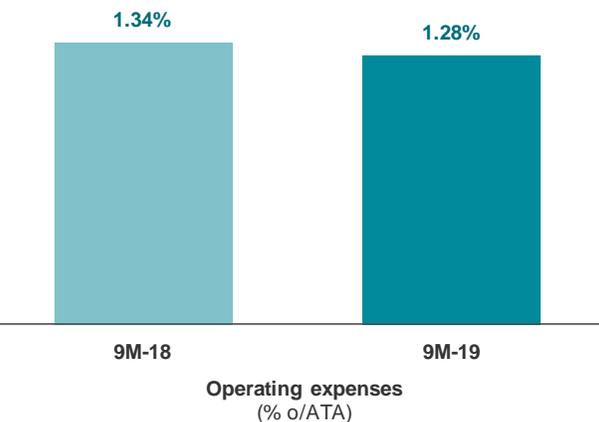
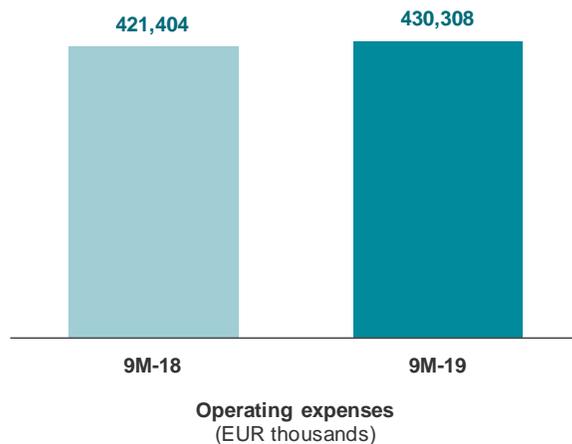
COMMERCE

Δ 11.4% y-o-y
In commissions

Gross income increase of 29.0%, with the help of Gains on financial transactions



Cost-income ratio improvement, due to the slight growth of operating expenses compared to income (2.1% vs 29.0%)



EMPLOYEES

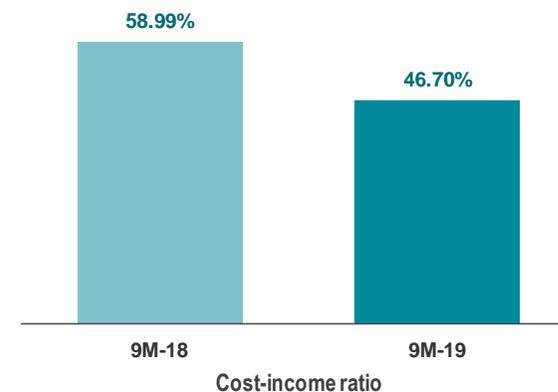
5,486 employees
 ▼ **55** year-on-year



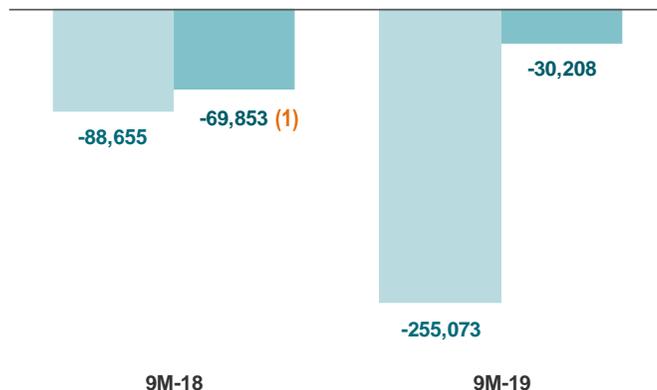
BRANCHES

962 Branches
 ▼ **67** year-on-year

IMPROVEMENT OF COST-INCOME RATIO



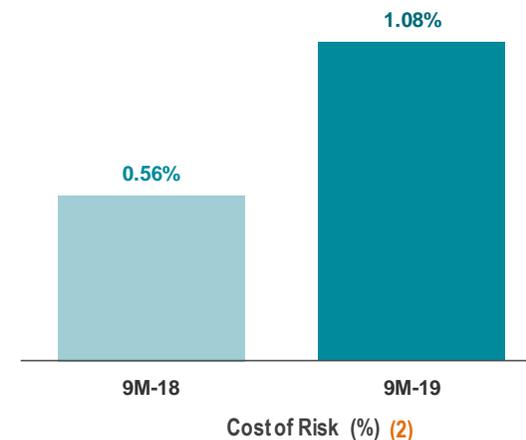
Using an important part of the Result to increase Credit Risk coverage



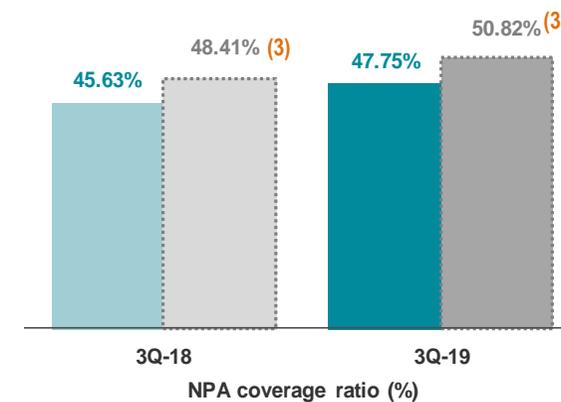
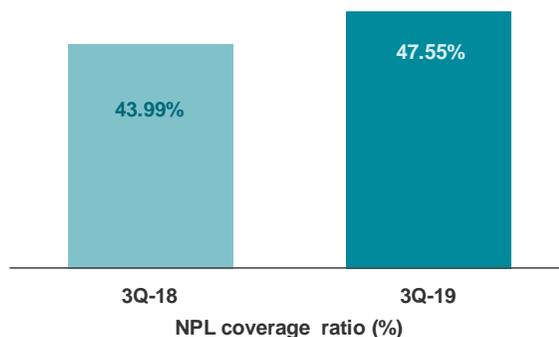
Impairment losses
(EUR thousands)

- Impairment losses on financial assets
- Impairment losses on non financial assets

(1) It has been included 62,6 millions Euros of intangible asset clean-up.

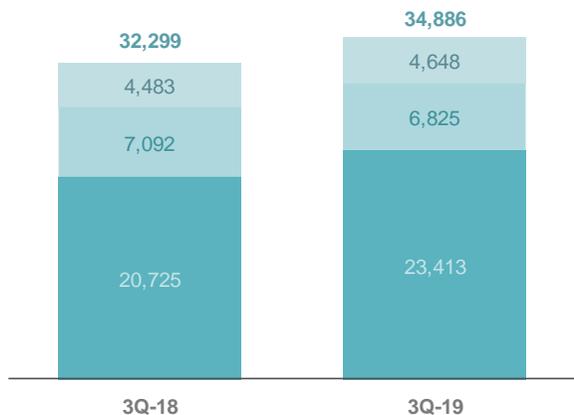


(2) Annualised total impairment losses/ Average Gross Loans and Real estate assets with foreclosed origin.



(3) Data with debt forgiveness in the foreclosure procedure.

Customer funds under management increase 2,587 millions in the last 12 months

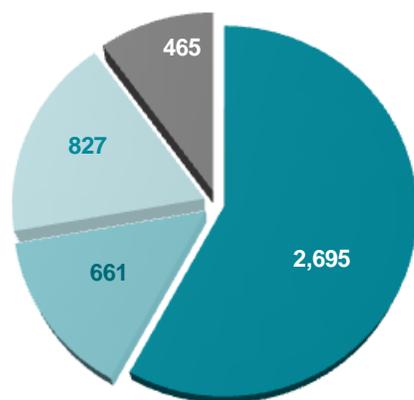
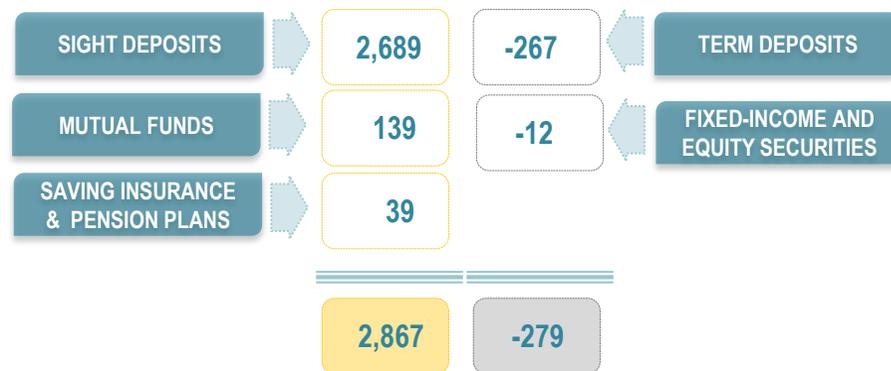


Customers' retail resources + Off-balance sheet resources (EUR millions)

- Sight deposits
- Off-balance sheet resources
- Term deposits



YEAR-ON-YEAR VARIATION RESOURCES



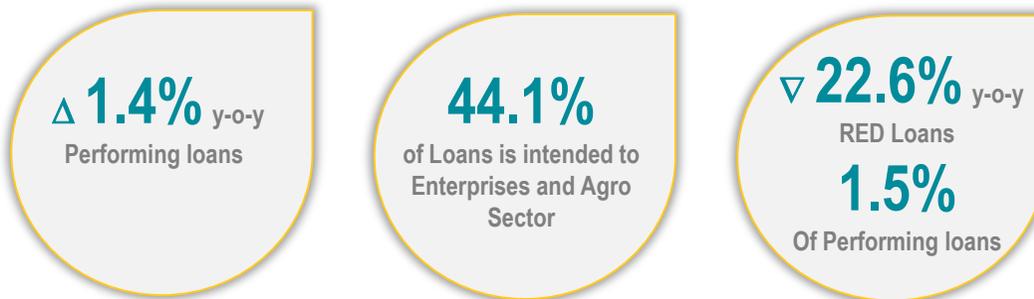
4,648 Mn €

- Mutual funds
- Savings insurance
- Pension plans
- Fixed-income and equity securities

Off-balance sheet funds (EUR millions)



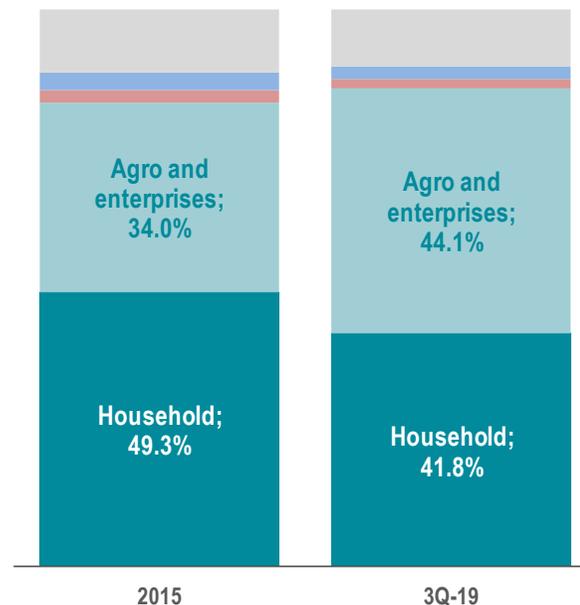
Performing Loans to customers' increase, based on financing to strategic segments: enterprises and agro



Δ 11.0% y-o-y Enterprises credit



Δ 3.2% y-o-y Agro credit



Weight performing loans to customers (%)

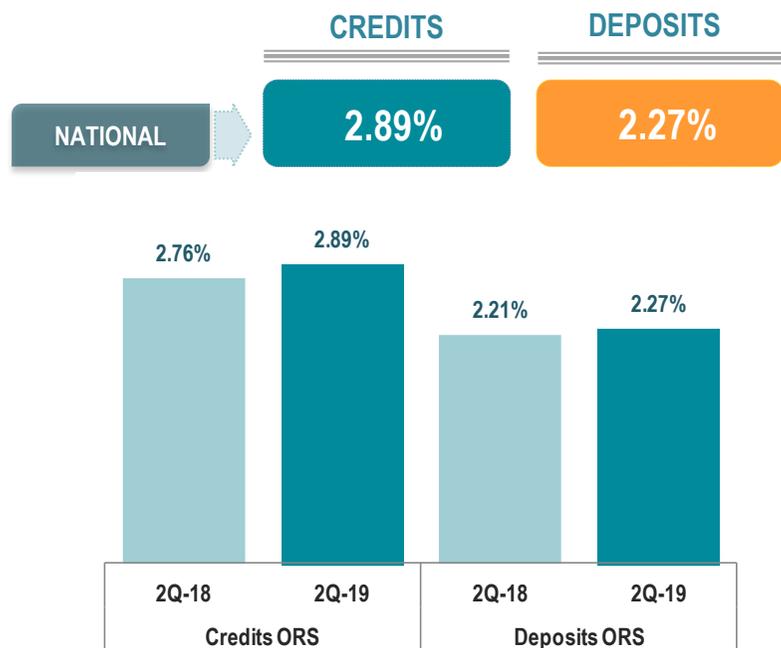
- Financial intermediaries and rest
- Public sector
- RED
- Agro and enterprises
- Household

Grupo Cajamar between the first 11 financial groups in the Sector



Commercial activity and digital transformation

MARKET SHARES (June 2019)



Market shares



- Credit Market Share $\geq 7\%$
- Credit Market Share $> 2\%$ and $< 7\%$
- Credit Market Share $\leq 2\%$

Agro sector market share
Credits: **14.45%**

Sector Ranking (June 2019)
#11^o by BUSINESS
#7^o by GROSS INCOME

Grupo Cajamar is the leader in the agrifood Sector, able to offer to its customers a complete financing pack and a specialised knowledge



AGROUp!



Agro sector market share

Credits: **14.45%**



CUSTOMER TRAINING AND QUALIFICATION

- ✓ Cooperative directors' school.
- ✓ Courses of specialisation training activities for improving agro companies.
- ✓ Publications for customers.



Cajamar's "Las Palmerillas" and "Paiporta" research centres

SPECIALISATION

- ✓ Customised solutions for each crop.
- ✓ Expertise derived from years of experience in the Sector.

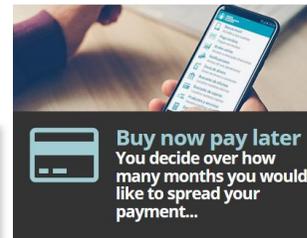


INNOVATION

- ✓ Internal application (Agroup) for meeting agro customers' borrowing requirements.
- ✓ Application for customers' use with specific information about different crops.
- ✓ Unification of website for information and agrifood activities of Cajamar.
- ✓ High technology's incubator of water.



Serving to more than
3.43 Mn of customers



Buy now pay later
You decide over how many months you would like to spread your payment...



Card customisation
Your card will say a lot about you...
[Demo](#) [Galeria](#)

A stock of more than
1.2 Mn of credit and debit cards



Keeping confidence of more than
1.43 Mn of members

More than
64.6 k of STP in commerces



EL CLUB DEL SOCIO

¿Eres socio o miembro? ¡Join the platform now!

Asocia2.0... The Members' Club

YOUR ONLINE PLATFORM FOR DISCOUNTS AND ADVANTAGES

Members of Grupo Cooperativa Cajamar entities can join the Members' Club. Asocia2.0 is an online platform offering exclusive discounts from over 100 leading brands.

Just for being a member of our entity, you can join this Club and enjoy special offers and benefits, discounts on information and services, services, resources and technology among many other sectors.

Increasing the loyalty of our customers



Commercial activity and digital transformation

Loyal customers
1.5 Mn

55% digital customers

360° customers
355 k

Δ **63%** y-o-y
 Δ **6%** y-o-y of business

Wefferent customers
252 k

Δ **43%** y-o-y
 Δ **52%** y-o-y of business
44% customer loyalty high-very high

Customer loyalty
...It will do to increase your business...



THE ACCOUNT THAT GOES WHERE YOU GO

Your Wefferent account is operational through Electronic Banking, Phone Banking, and our ATM network. With absolutely no fees.

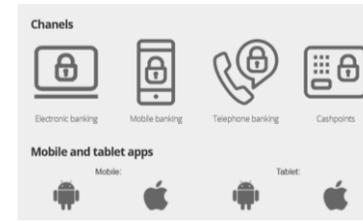
<p>YOUR WEFFERENT ACCOUNT</p> <p>You can set up direct deposit and debit arrangements for your salary, pension, and bills.</p>	<p>YOUR WEFFERENT CARD</p> <p>Your customizable debit card allows you to make up to four monthly debit withdrawals, free of charge* at ATMs other than those linked to the Grupo Cooperativo Cajamar network.</p>	<p>ACCESS TO ELECTRONIC BANKING</p> <p>From your mobile, tablet, computer, and wherever you are.</p>
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* Within Spanish territory and up to 21/01/2019.

DOWNLOAD THE WEFFERENT APP NOW

Your Mobile Banking will change forever. Manage everything, absolutely everything, from your mobile, as quickly, safely and easily as possible.

Progressing in our digitalization strategy



Commercial activity and digital transformation

Choose your mobile banking APP for tablets

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



Digital customers
792 k

Δ 13.0% y-o-y

Grupo Cooperativo Cajamar with Apple Pay.



Online banking customers
497 k

Δ 18.0% y-o-y

Everything you can do at our ATMs

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

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

ATM
1,546

36.4% of the branches have more than one ATM

Our customers satisfaction puts us in positions of recommendation above the Sector



	Grupo Cajamar	RK	2019 Average Market	
NPS (Net Promotore Score)	9.6%	6	4.7%	
Satisfaction	7.55	8	7.50	
Manager Satisfaction	8.53	5	8.43	

Notes:

1. Net Promoter Score is an index measuring the willingness of customers to recommend the company on a scale of 0 to 10. Based on their answers, customers are classified as Promoters (score of 9 and 10) or Detractors (score of between 0 and 6). Therefore, $NPS = \% \text{ Promoters} - \% \text{ Detractors}$, generating a score of between -100 and +100.
2. Satisfaction is measured in average values and refers to overall satisfaction with respect to the entity.
3. Satisfaction is measured in average values and is referred to the satisfaction with respect to the manager.

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

ETHICS, GOVERNANCE AND REPORT

- ✓ It complies with 93 % of listed companies Governance Code.
- ✓ *Integrated reporting / GRI* qualified as “Advanced” (World Agreement of UN).
- ✓ We comply the *Principles of the woman empowerment* (World Agreement of UN).

Corporate governance (*)
53



ENVIRONMENTAL

- ✓ Reference in management of the climate change according to CDP, with rating B (**).
- ✓ Panel's carbon footprint record in the Ministry of Ecological Transition (Stamp “Calculate + Reduce”).
- ✓ Consumption of **electrical energy 100 % of renewable origin**.
- ✓ **Greenhouse gases** (2018): 2.434 t CO₂ e

Environment (*)
53

SOCIAL AREA

- ✓ Social engagement: 7,48 (***) (2nd bank in June 2019)

Human Resources (*)	Human rights (*)	Community engagement (*)
61	59	54

(*) VigeoEiris establishes four levels of implementation of ESG criteria: Weak (0-29); Limited (30-49); Strong (50-59) and Advanced (60-100).

(**) CDP (Carbon Disclosure Project) distinguishes four categories, from the best to the worst performance in carbon footprint management: A (Leadership); B (Management); C (Awareness); D (Disclosure).

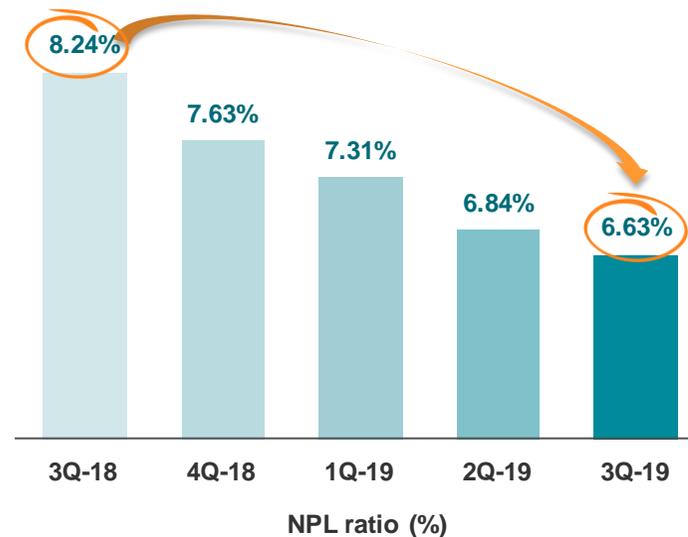
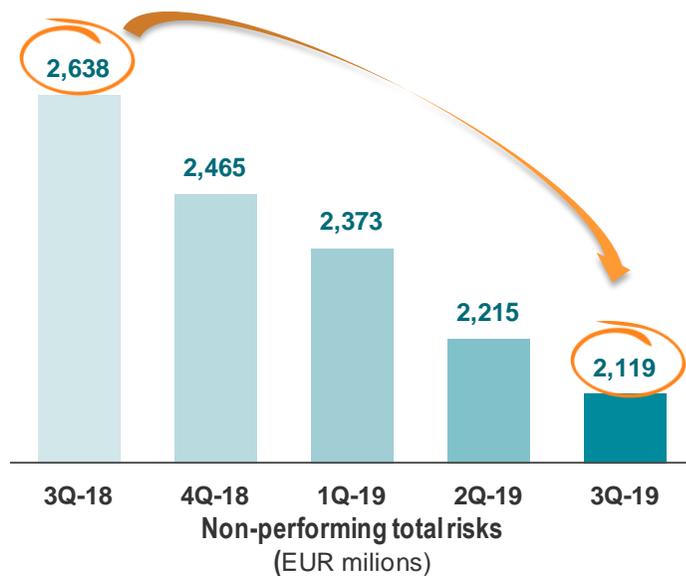
(***) Stiga qualifies this performance between 0 and 10.

Continuous improvement in NPL management



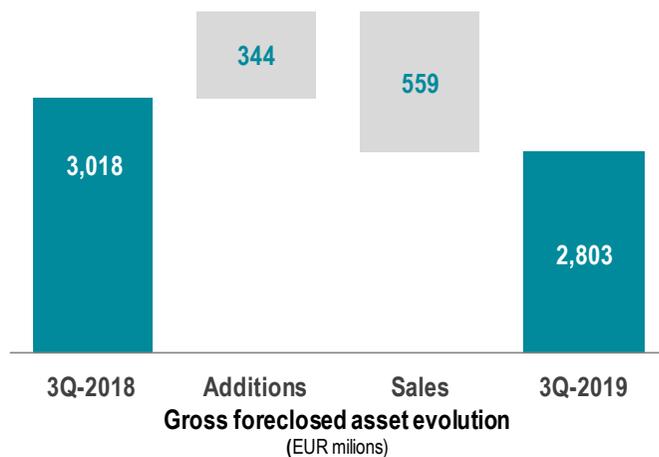
▼ **19.7%** y-o-y
NPL total risks

▼ **1.61 p.p.** y-o-y
NPL ratio (%)

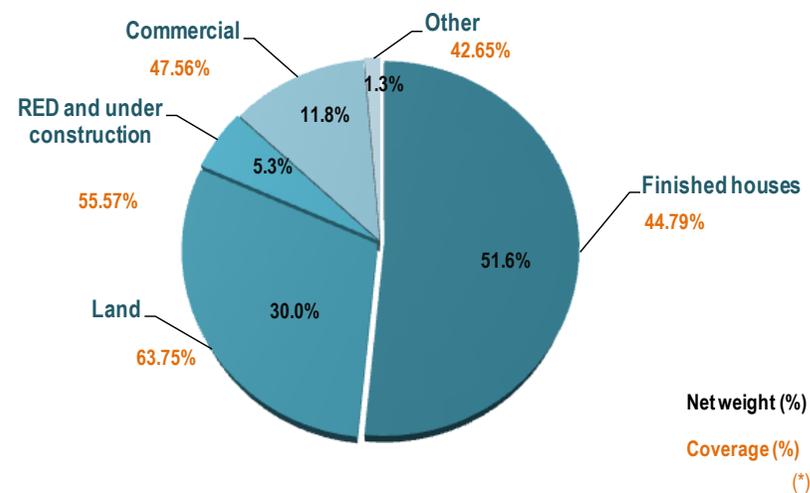
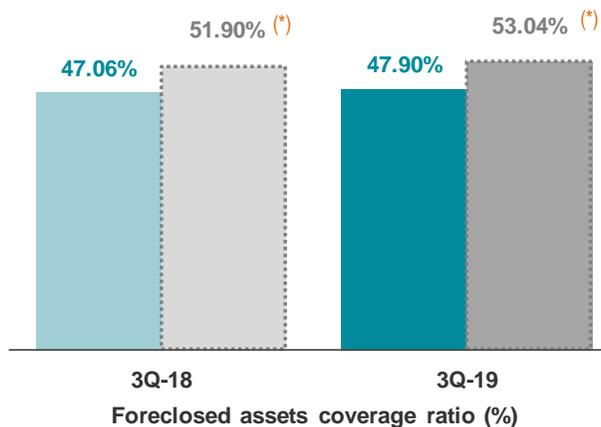




Gradual decrease of foreclosed assets

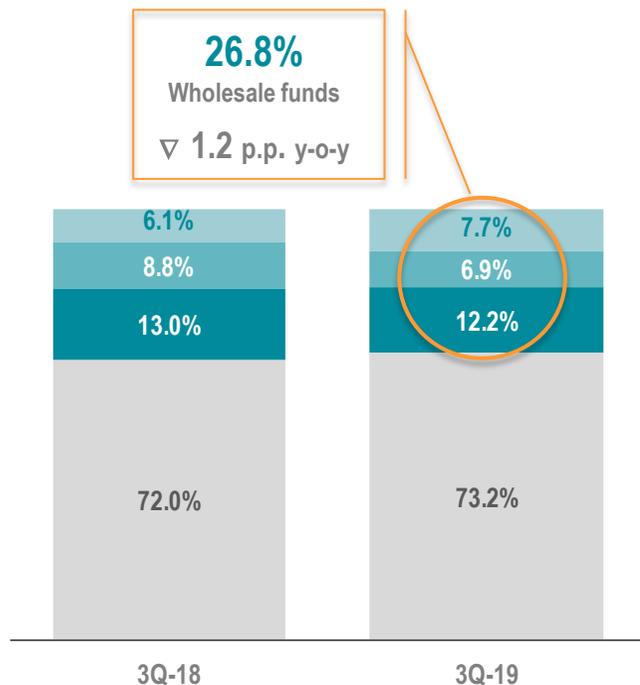
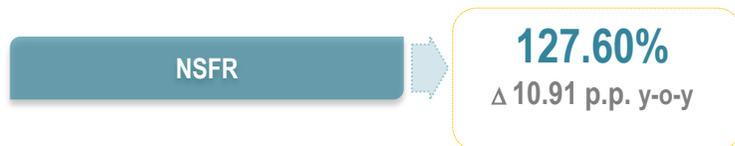
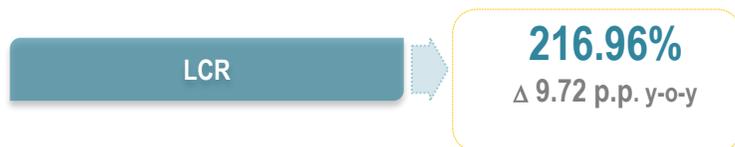


DISTRIBUTION OF FORECLOSED ASSETS BY ASSET TIPOLOGY ACCORDING TO THEIR NET VALUE (AND ITS COVERAGE RATIO)



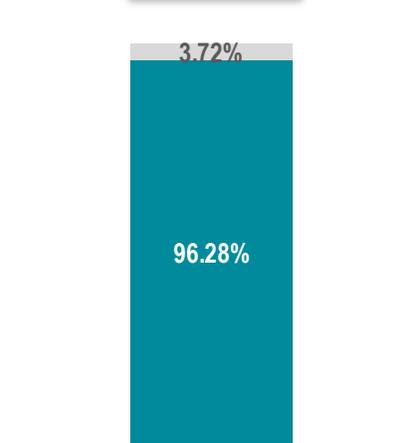
(*) Considering the debt forgiveness in the foreclosure procedure.

Comfortable liquidity position



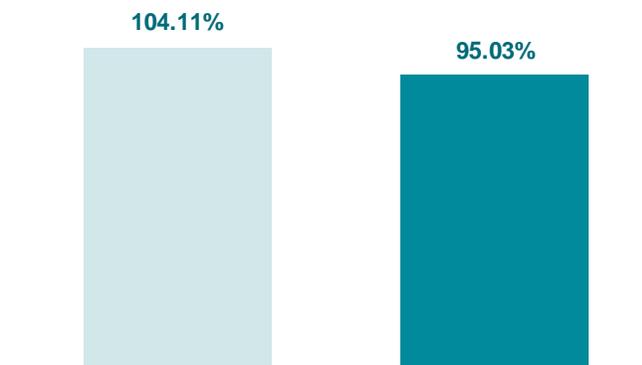
■ Retail
■ Covered bonds + Securitization
■ ECB
■ Other wholesale funding

7,670 Mn €



Available liquid assets
■ Non HQLA ■ HQLA (*)

(*) High quality liquid assets.

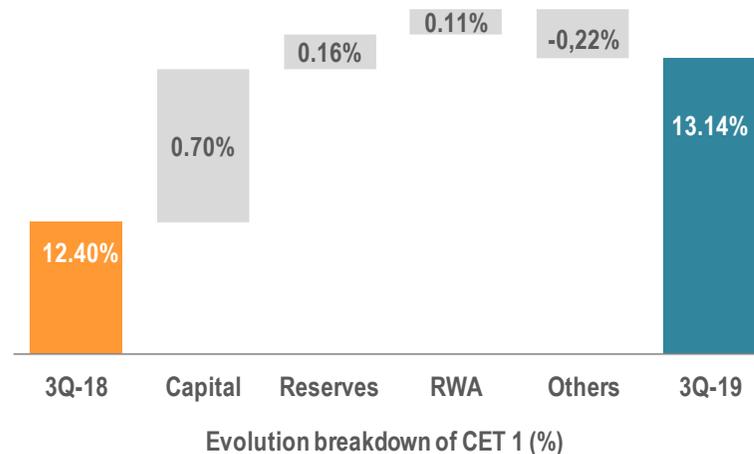
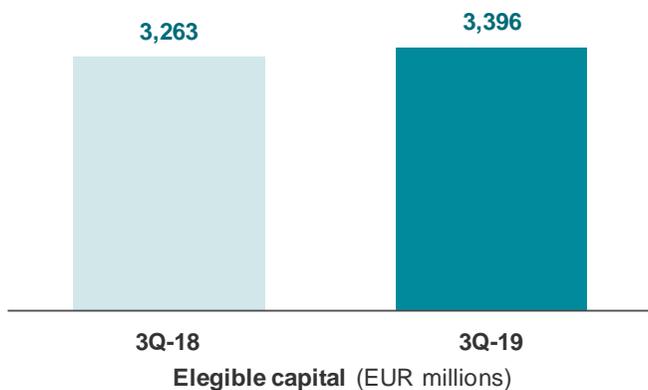


LTD (%)

Solvency improvement. High quality of Equity



PHASED IN:



ADDITIONAL POTENTIAL TO OPTIMIZE ITS CALCULATION FROM STANDARD METHODS TO IRB MODELS

Wide accomplishment of Solvency regulatory requirements



PHASED IN

FULLY LOADED

30/09/19:

Solvency ratio:
14.83%

CET1 ratio:
13.14%

T2 ratio:
1.70%

Leverage ratio:
6.48%

30/09/19:

Solvency ratio:
14.11%

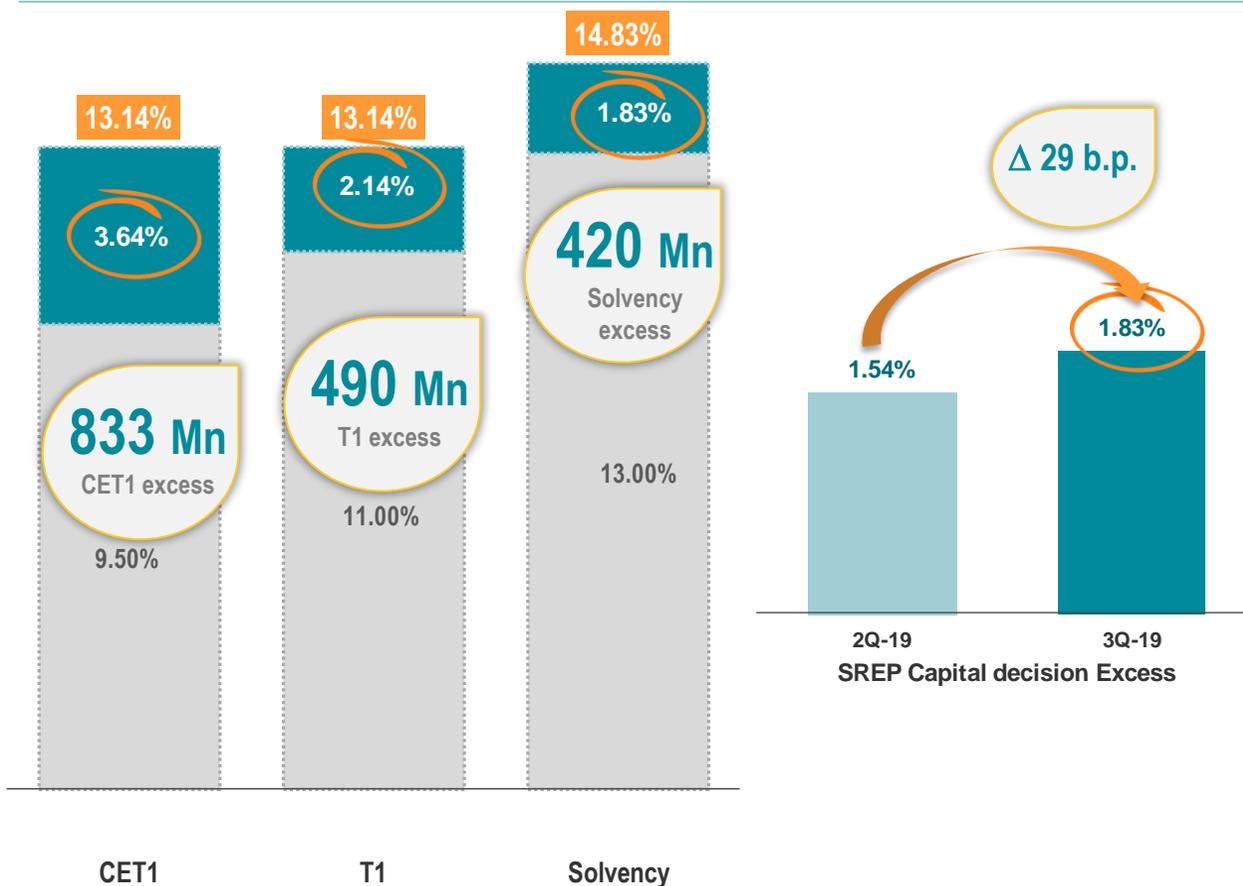
CET1 ratio:
12.41%

T2 ratio:
1.70%

Leverage ratio:
6.13%

The distance to 13% of the total capital requirement of SREP continues improving, being 183 b.p. now, after increasing 29 b.p. in the last quarter

ACCOMPLISHMENT OF REQUERIMENTS (phased in)



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