



Consolidated Results Presentation

Q4 2017



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PROFITABILITY

- Recurring net income before provisions and consolidated net profit grow by 11.5% and 5.1%, respectively, thanks to the defense of the Net Interest Income.
- Administrative expenses decrease year-on-year 2.9%.

BUSINESS

- Customer funds under management increase by 5.1% year-on-year, mainly due to sight deposits and mutual funds.
- Performing loans break with last year's negative rates, with a growth of 3.4%, due to new financing, over 32%.

RISK MANAGEMENT

- Relevant reduction of NPA, with a 20.2% decrease in non-performing loans and an increase of around 80.0% in sale of foreclosed assets. The sale of the portfolios Escullos and Tango has contributed to this decrease (non-performing loans, writte-offs and foreclosed assets).
- Improvement in NPL ratio of close to 2.62 p.p. y-o-y, reaching 10.82%.

LIQUIDITY

- Comfortable liquidity position: LCR 214.6%, NSFR 112.30%.
- Wholesale funding maturities covered for the coming years, high covered bonds issuance capacity, large volumes of ECB-eligible assets.

CAPITAL

- Solvency up to 13.37% due to eligible capital increase.
- CET1 up to 11.19% (phased-in) and 10.90% (fully-loaded), exceeding the SREP capital requirements, even in fully-loaded terms.

2. Key figures

		(EUR thousands)	31/12/2017	y-o-y	
				Abs.	%
PROFITABILITY AND EFFICIENCY	ROA (%)		0.20%	0.01	
	ROE (%)		2.64%	(0.01)	
	Cost-income ratio (%)		62.85%	0.68	
BUSINESS	Total assets		40,507,329	1,341,247	3.4%
	Customer funds under management		30,067,436	1,472,518	5.1%
	Performing loans to customers		27,693,644	904,715	3.4%
SIZE	Employees		5,586	(450)	(7.5%)
	Branches		1,057	(134)	(11.3%)
RISK MANAGEMENT	NPL ratio (%)		10.82%	(2.62)	
	NPA coverage ratio (%) (*)		44.07%	(0.22)	
LIQUIDITY	LCR (%)		214.62%	(68.38)	
	NSFR (%)		112.30%	(3.24)	
CAPITAL	CET1 ratio (%)		11.19%	(0.17)	
	Capital ratio (%)		13.37%	0.41	
	Risk-weighted assets		23,935,148	865,178	3.8%

(*) If we consider the IFRS 9 impact, the NPA coverage ratio rises to 46.91%.

3. Results (I): P&L



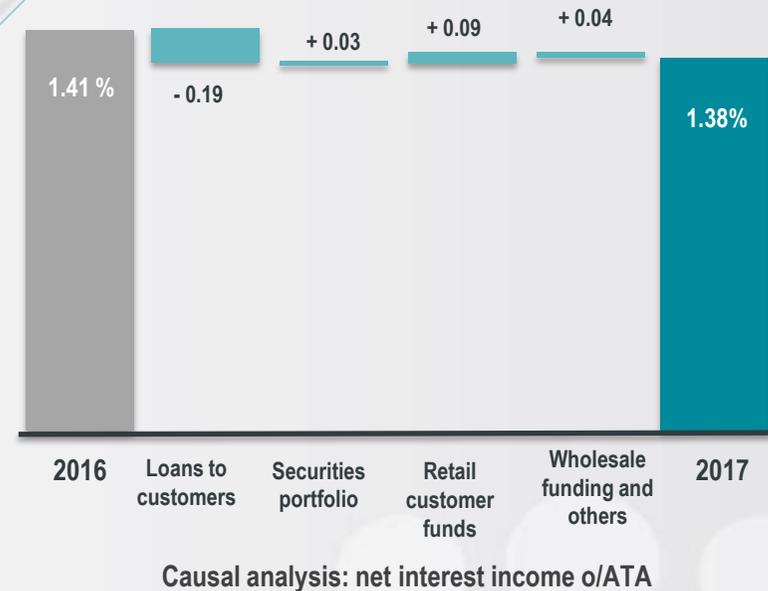
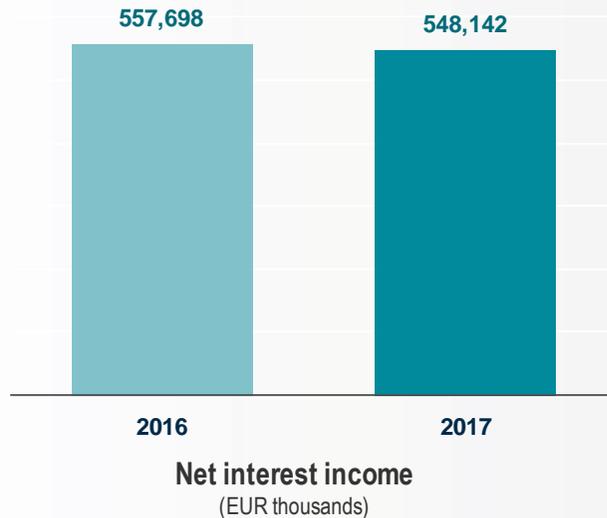
(EUR thousands)

	31/12/2017	o/ ATA	31/12/2016	o/ ATA	Y-o-y	
					Abs.	%
NET INTEREST INCOME	548,142	1.38%	557,698	1.41%	(9,556)	(1.7%)
Net fees and commissions + exchange differences, net	269,217	0.67%	264,216	0.66%	5,001	1.9%
Gains (losses) on financial transactions	153,768	0.39%	186,149	0.47%	(32,381)	(17.4%)
Dividend income	7,919	0.02%	4,909	0.01%	3,010	61.3%
Income from equity-accounted method	23,101	0.06%	15,767	0.04%	7,334	46.5%
Other operating incomes/expenses	(24,590)	(0.06%)	(15,372)	(0.04%)	(9,218)	60.0%
GROSS INCOME	977,557	2.45%	1,013,367	2.56%	(35,810)	(3.5%)
RECURRING GROSS INCOME	859,657	2.16%	850,023	2.15%	9,634	1.1%
Personnel expenses	(340,980)	(0.86%)	(350,625)	(0.89%)	9,645	(2.8%)
Other administrative expenses	(197,437)	(0.50%)	(203,830)	(0.51%)	6,393	(3.1%)
Depreciation and amortisation	(76,001)	(0.19%)	(75,541)	(0.19%)	(460)	0.6%
RECURRING NET INCOME BEFORE PROVISIONS	245,238	1.27%	220,026	1.36%	25,212	11.5%
Impairment losses	(259,746)	(0.65%)	(64,645)	(0.16%)	(195,101)	301.8%
Net provisions + Other losses / gains	(5,586)	(0.01%)	(256,718)	(0.65%)	251,132	(97.8%)
PROFIT BEFORE TAX	97,807	0.25%	62,008	0.16%	35,799	57.7%
CONSOLIDATED NET PROFIT	80,058	0.20%	76,141	0.19%	3,917	5.1%

3. Results (II): Net interest income

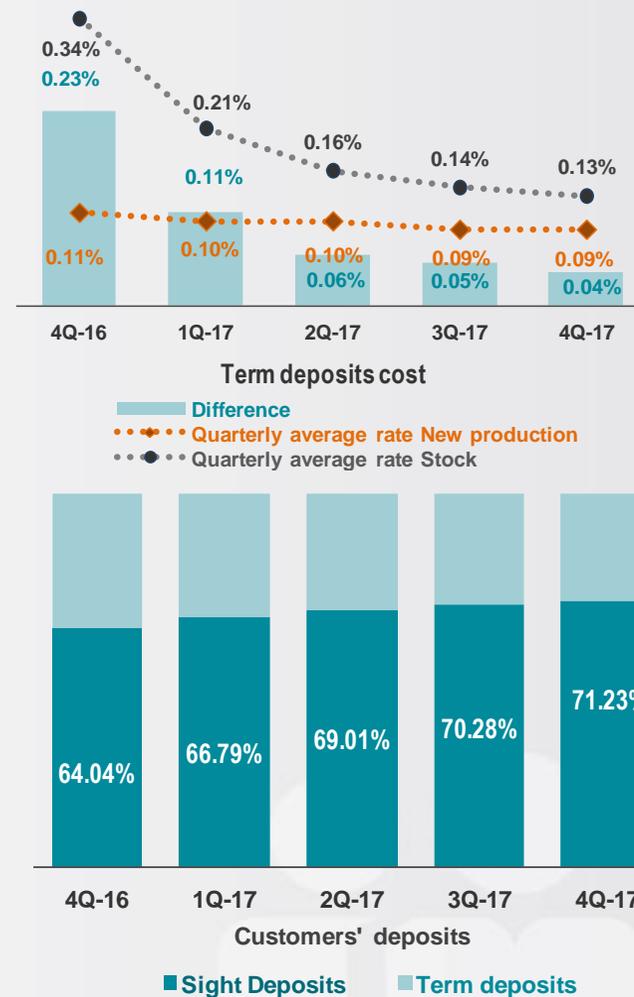
The Net Interest Income decreases only -1,7%, in an environment with interest rates in minimum.

Partly because of Performing Loans growth, with an increase of 32% year-on-year in the new production...



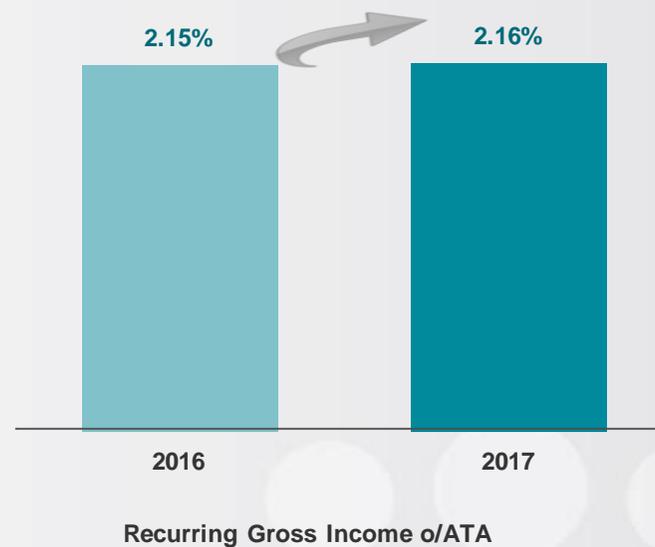
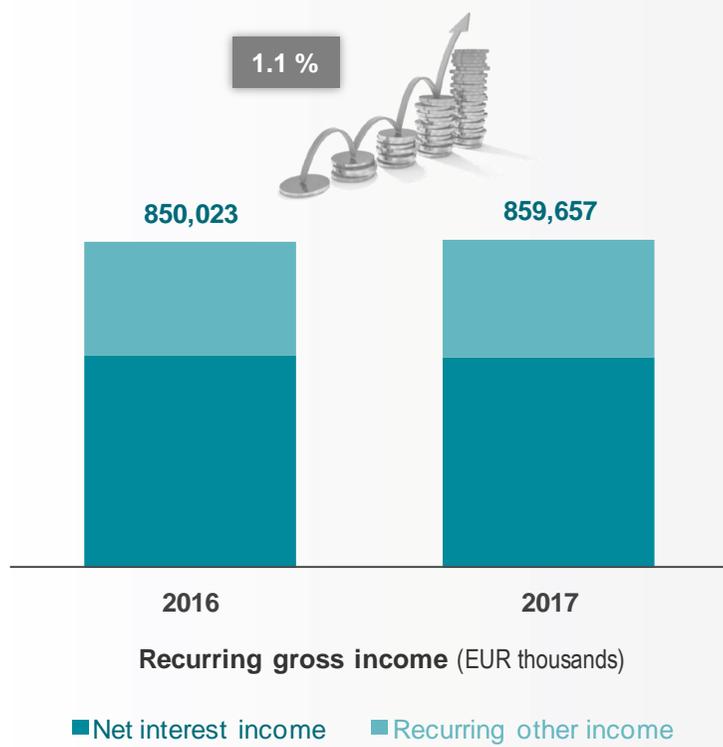
3. Results (III): Average rate of new production

...besides an important saving in financial costs, both by interest rates and structure effect. Sight deposits reach over 71.0% of all deposits



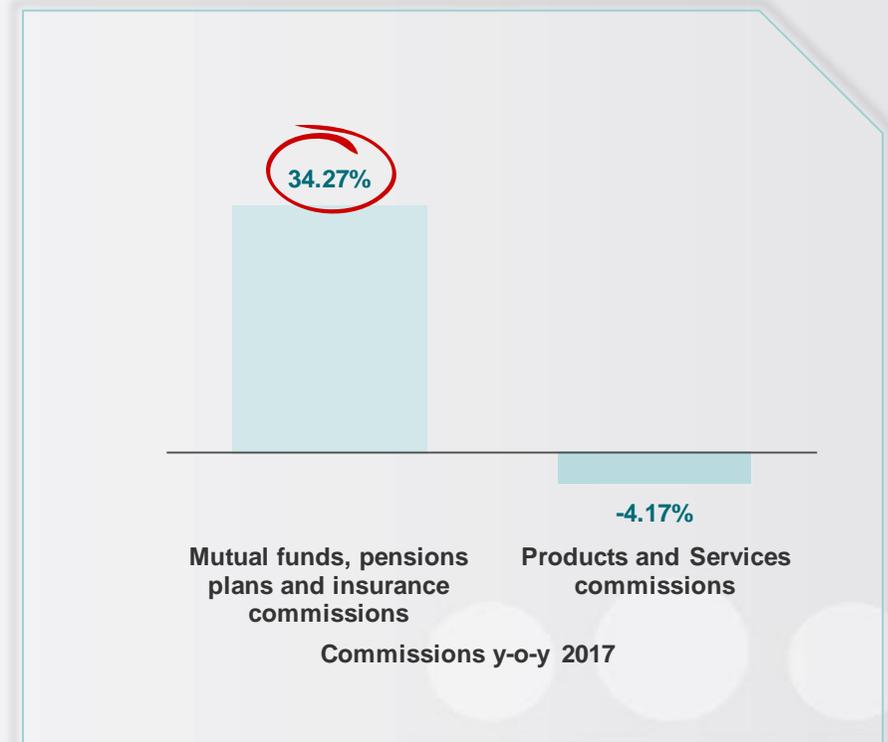
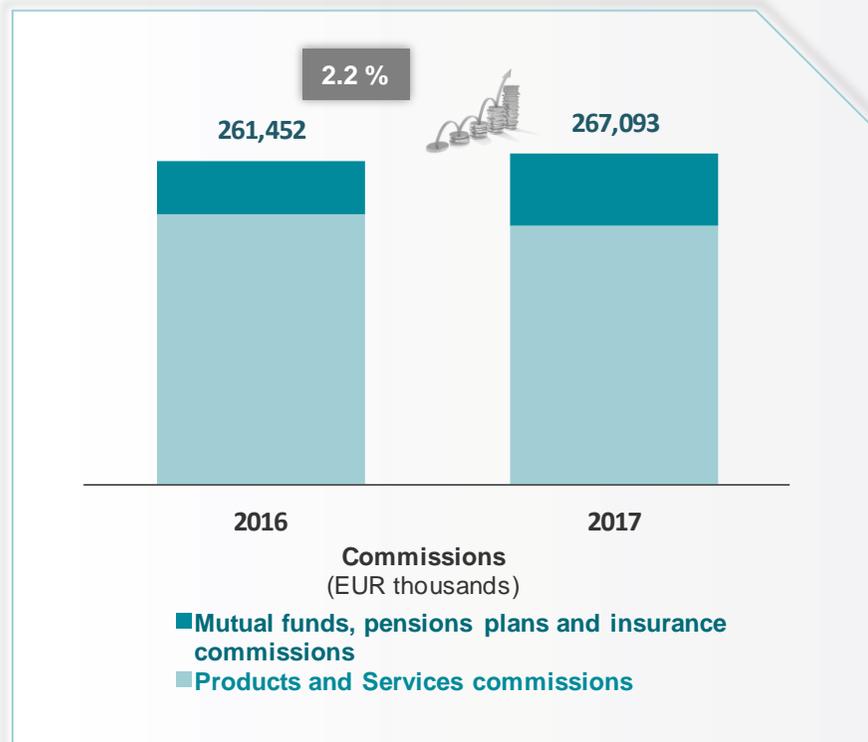
3. Results (IV): Gross income

In this context, Recurring gross income grows by 1.1%, and profitability over ATA by 2.16%



3. Results (V): Commissions

Positive growth rates in Commissions , over 2.0%, thanks to mutual funds, pensions plans, insurances and consumer finance commissions , which grow by 34% year-on-year.



3. Results (VI): Strategic partnerships



- One of the **biggest global insurers** with premiums above €70 bn (2014)
- Present in more than **60 countries** and with ~ **72 mn customers**

- Leader in Spain with ~ 4.5% of the market share and more than **3.4 mn customers**

- **Generali brings expertise in investment management and its dedicating to serving retail customers**
- **Cutting-edge technology** in both IT and quality control, with access to all markets
- **A full range** of insurance and pension products

- **GCC has an extensive network of over 1,000 branches**



- Independent asset management firm with **investment capacity in the traditional and alternative universe**
- Its boutique approach allows it to be a **specialist in customised solutions**. It has more than **€5 bn of assets under management** and advice

- **TREA offers a specialised team with a proven track-record**. It was named best Spanish manager for Eurofunds during the crisis (08-11)
- **Training and support programme for the commercial network**
- **Operational capacity** to develop and manage funds from GCC



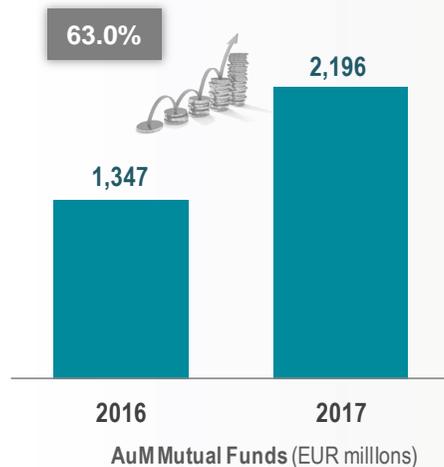
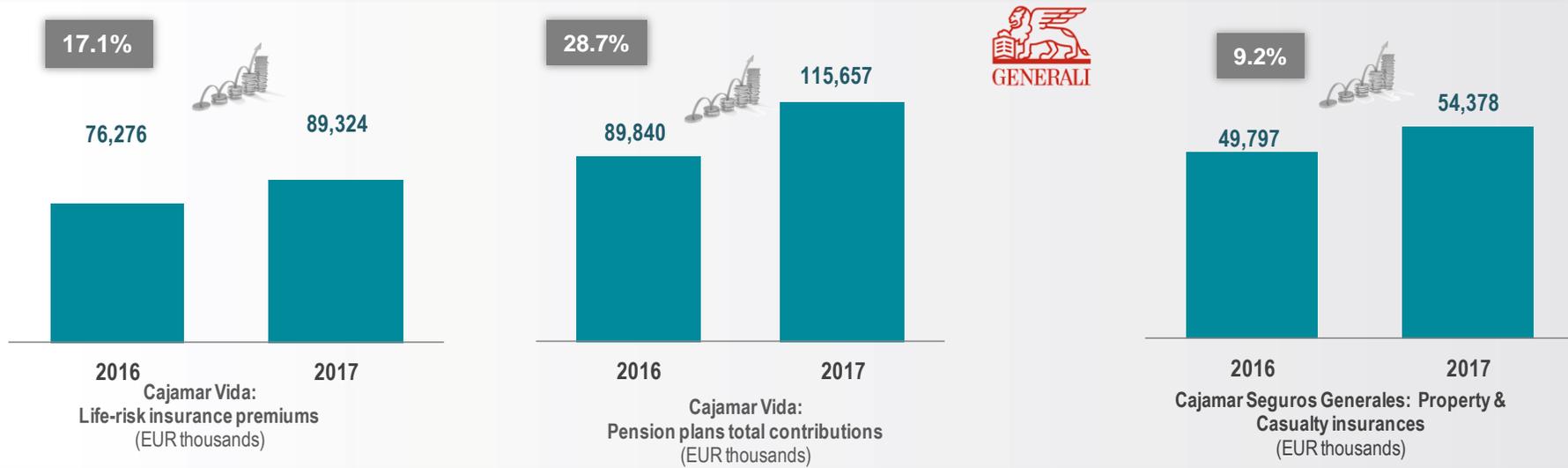
- Specialised in consumer loans **belonging to BNP Paribas Bank**, a leading bank in Europe
- Present in more than **20 countries** and boasting ~ **27 mn customers**

- Leader in Spain, with a **market share of 5.2% and 2.5 mn customers**

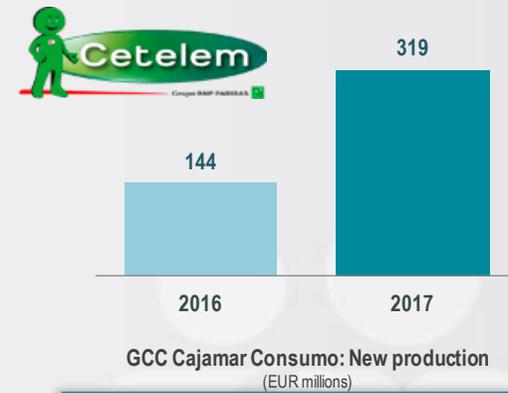
- **Cetelem provides a specialised platform with new tools that are simple, fast and secure**
- **Tools for financing at the point of sale** for our customers' businesses
- Consumer lending through **online channel**

3. Results (VII): Strategic partnerships

Agreement with Generali stimulates the growth of the insurance and pensions plans business



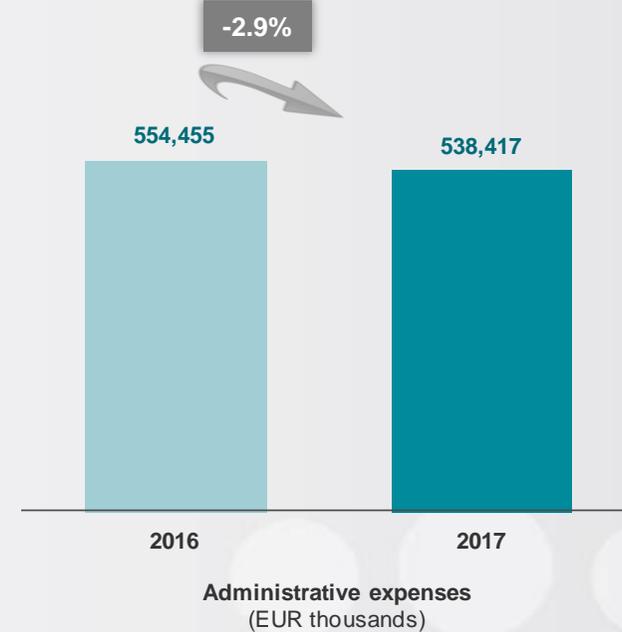
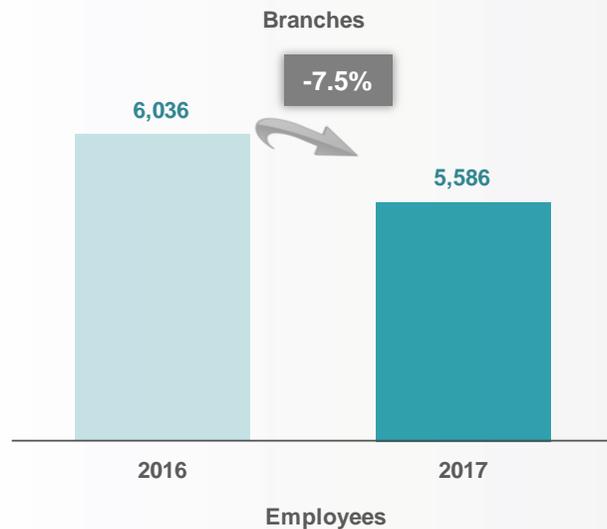
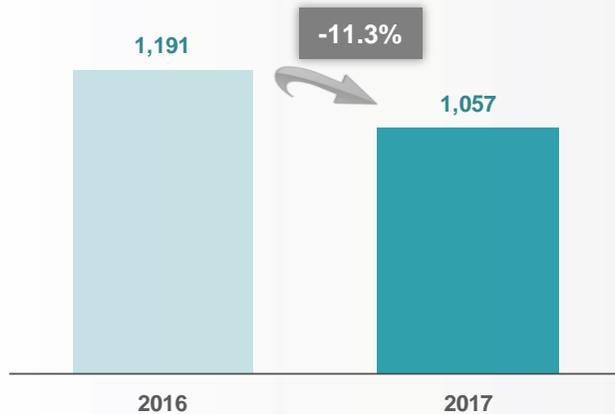
Agreement with TREA Capital has been an important driver of growth in mutual funds assets in GCC



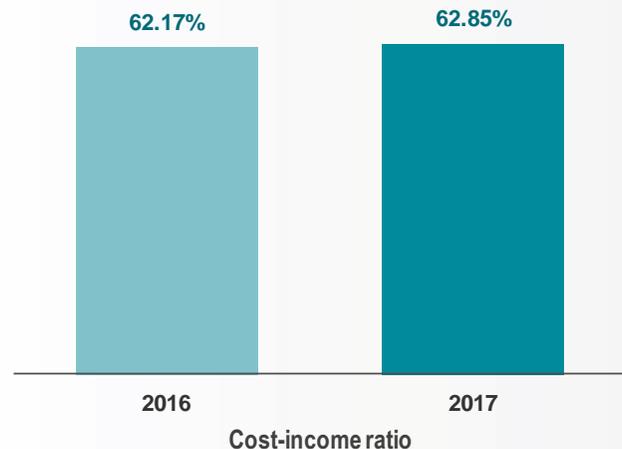
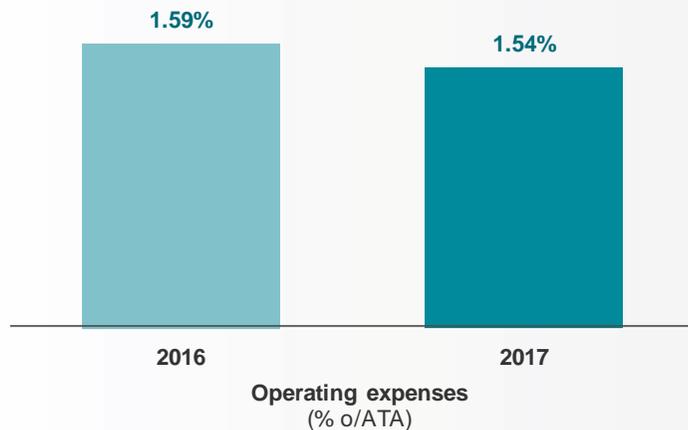
Great boost for consumer finance after the agreement with Cetelem

3. Results (VIII): Total expenses and cost-income ratio

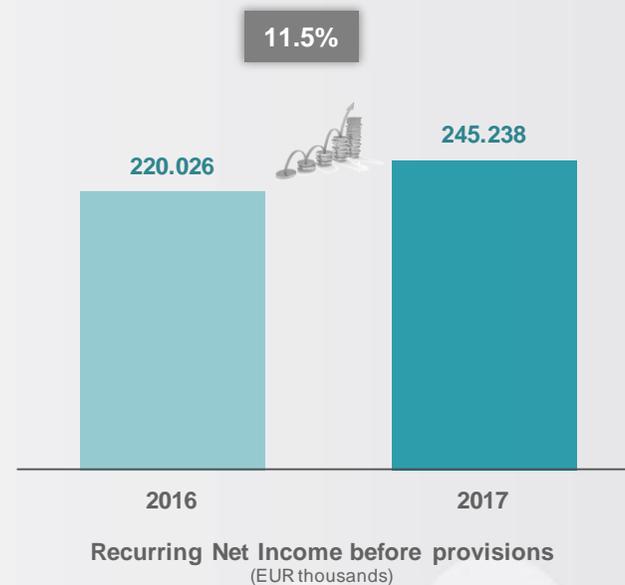
The streamlining of the commercial network, digital transformation and a efficient resources consumption leads to a decrease in administrative expenses of almost 3.0%...



3. Results (IX): Total expenses and cost-income ratio



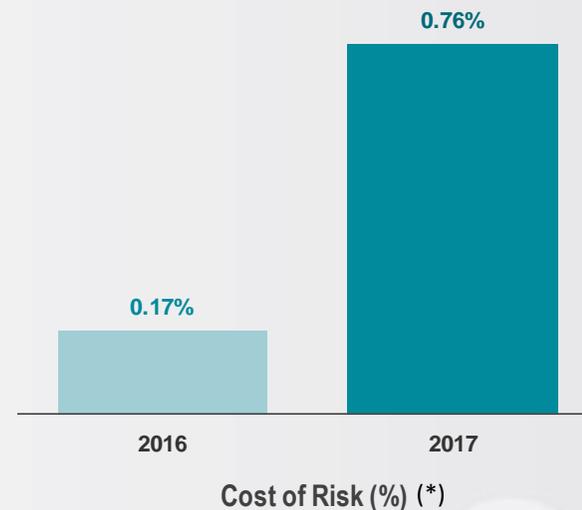
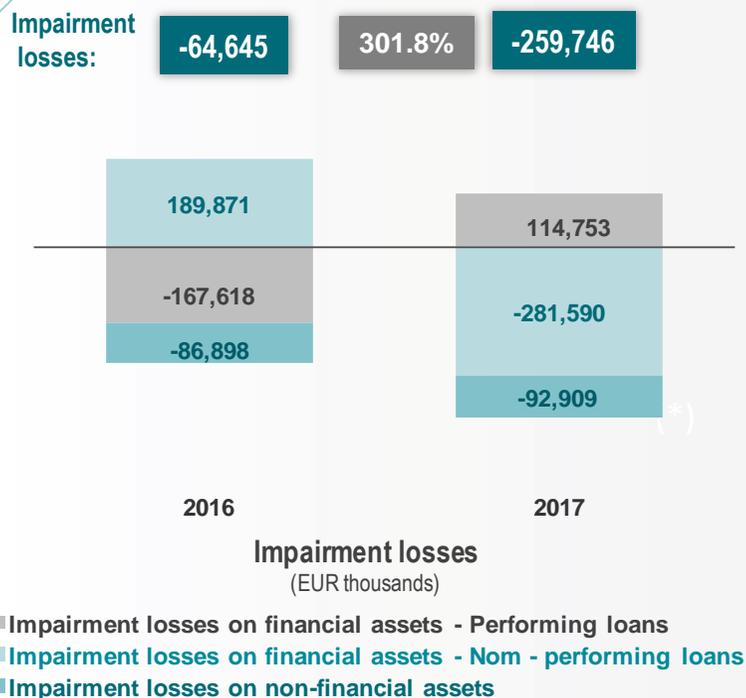
... which result in a progressive decrease of operating expenses over ATA and a grow by 11.5% in Recurring net income before provisions



Cost-income ratio is affected by a year-on-year decrease in extraordinary results

3. Results (X): Impairment losses

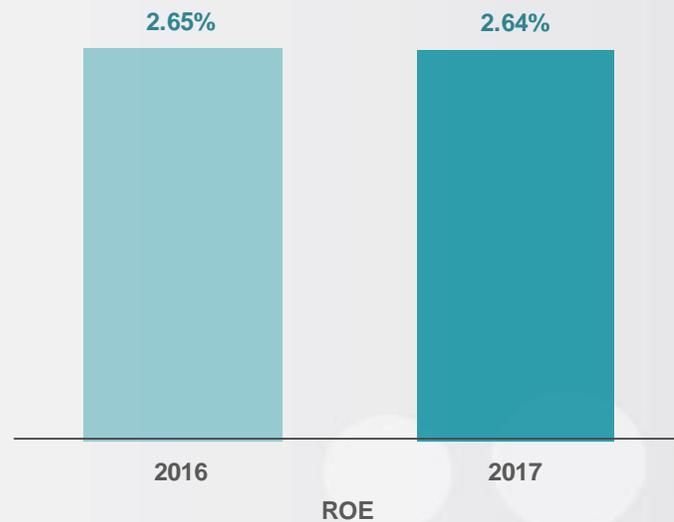
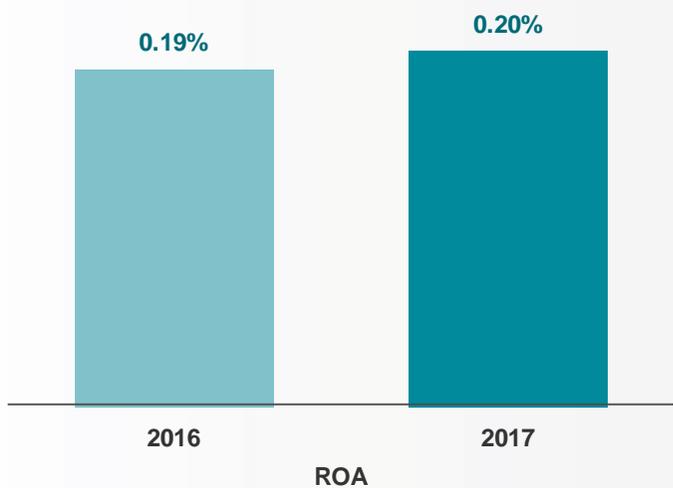
Reinforce in provisions to clean the balance sheet, resulting in an increase in the Cost of Risk



(*) (Impairment losses on loans and advances to customers + Impairment losses on non-financial assets accumulated in the last year, excluding goodwill impairment) / Average of Gross loans and Net foreclosed assets of the last year

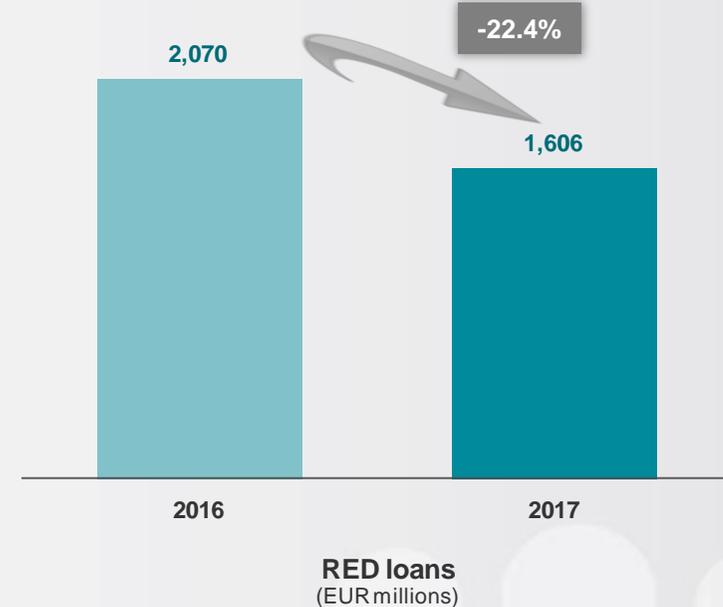
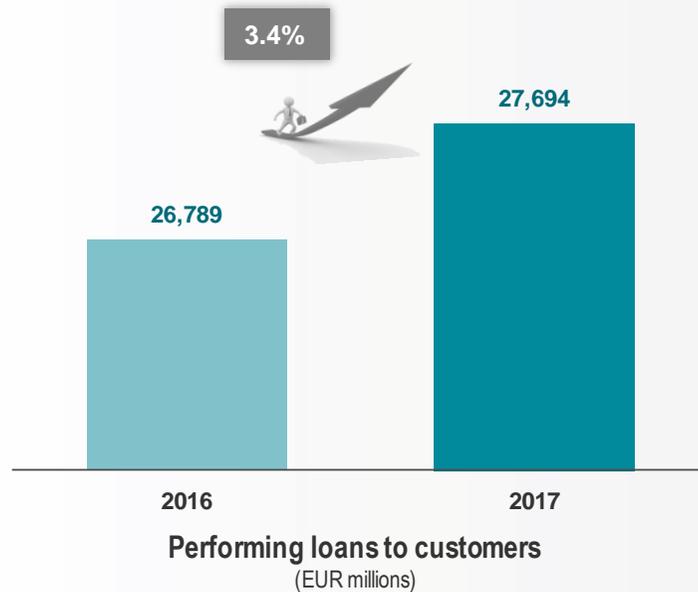
3. Results (XI): Profitability

Keeping year-on-year profitability over ATA



Performing loans reverse the negative trend, growing year-on-year by 3.4%, thanks to SMEs, small business and agri-food segment financing...

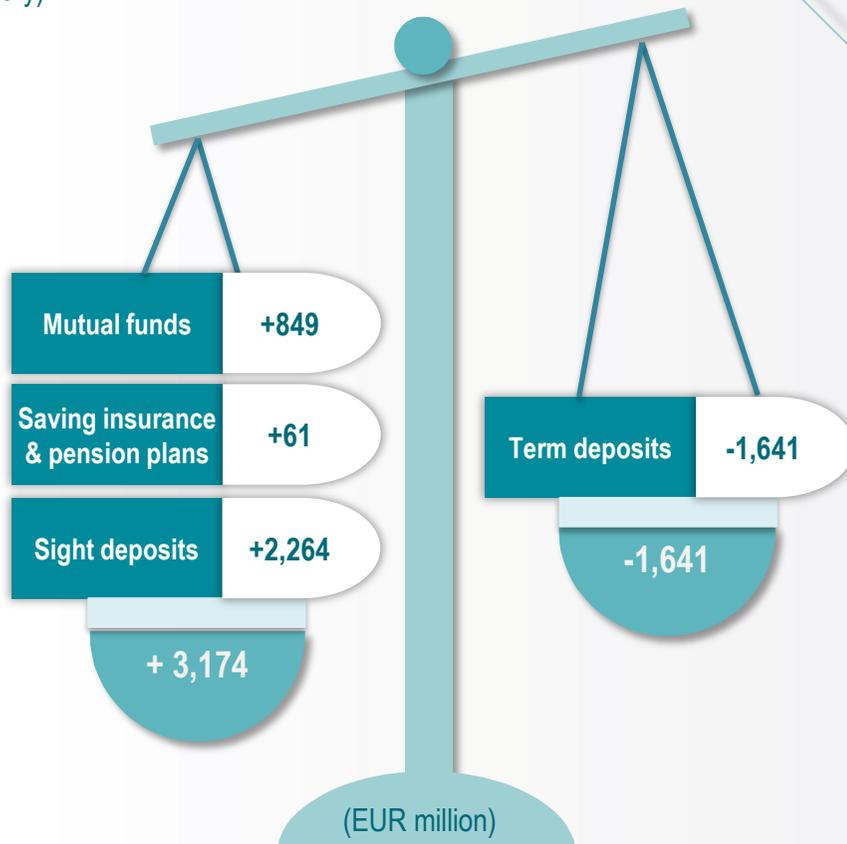
...while RED exposure decrease by 22.4%.



Savings mix shifts from term to sight deposits and disintermediation...

...allowing an increase in Managed customer funds of 5.1%

(y-o-y)



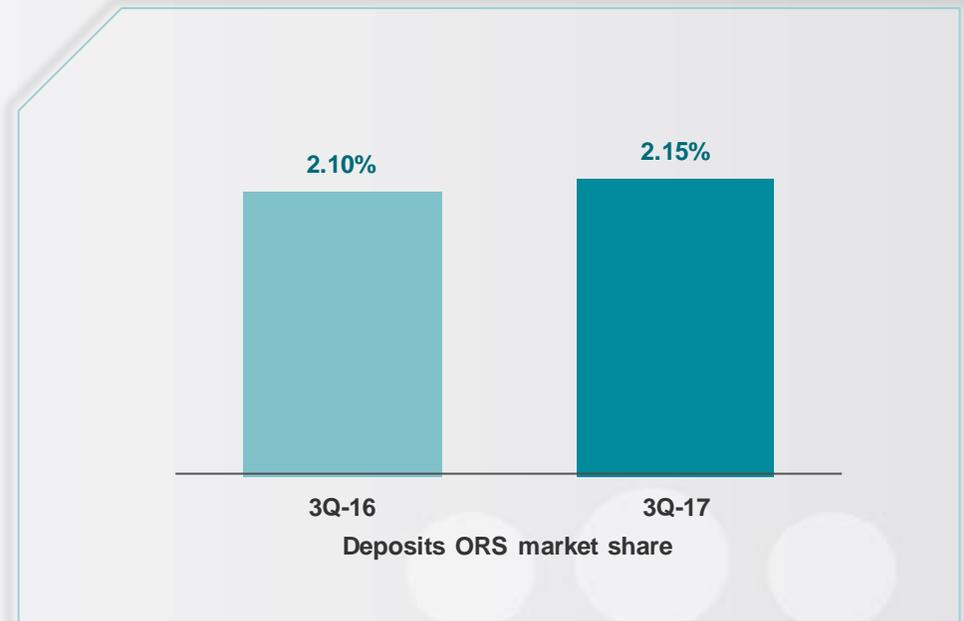
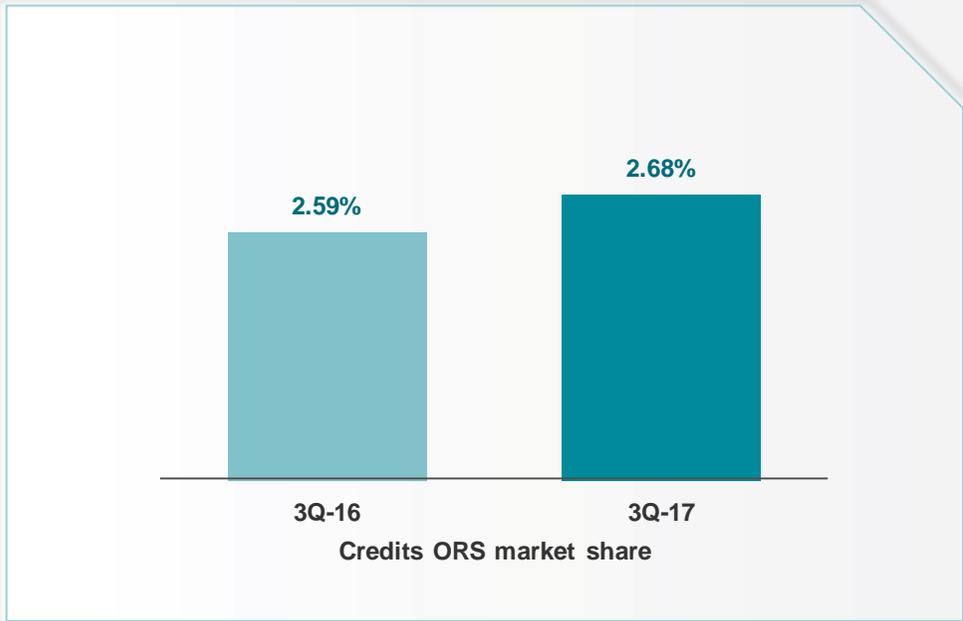
Market shares (at 30/09/2017)



National:

- Deposits ORS: 2.15% (*)
- Credits ORS: 2.68%

GCC boasts a stronger competitive position in the financial sector



(*) Deposits ORS market share includes Online Bank.

In June 2017, GCC among the 15 biggest banking groups, ranking # 11 by business volume and # 10 by gross income



Market shares (at 30/09/2017)

Agro sector market share

Credits: 13.06%

By Region:

- ORS deposits: 16.85%
- ORS credits: 17.24%

Murcia

- ORS deposits: 8.96%
- ORS credits: 7.84%

Auto. Com. of Valencia

- ORS deposits: 6.75%
- ORS credits: 7.31%

Andalusia

- ORS deposits: 3.46%
- ORS credits: 2.77%

Canary Islands

- ORS deposits: 2.68%
- ORS credits: 3.23%

Castilla-León

By Province:

Almería	Castellón	Valencia	Málaga	Valladolid	Palencia
<ul style="list-style-type: none"> • ORS deposits: 50.75% • ORS credits: 43.96% 	<ul style="list-style-type: none"> • ORS deposits: 17.57% • ORS credits: 13.21% 	<ul style="list-style-type: none"> • ORS deposits: 9.73% • ORS credits: 10.02% 	<ul style="list-style-type: none"> • ORS deposits: 8.51% • ORS credits: 6.94% 	<ul style="list-style-type: none"> • ORS deposits: 7.86% • ORS credits: 6.79% 	<ul style="list-style-type: none"> • ORS deposits: 6.95% • ORS credits: 7.32%

Group gains market share both organically and inorganically in a solid agrifood sector with a strong national presence

“Be the leading group in the field of credit unions, **leader in the agrifood sector** and relevant agent of economic development and social progress in the area where it operates ”
GCC Strategic Plan Vision



GCC market share up, despite heightened competition in the sector

Presence of agro-cooperatives in Spain



Strong interrelation of cooperative agents in this sector in Spain

And enhancing the value proposal for ENTERPRISES through a clear positioning, new products, training...

BRAND IMAGE 	NEW PRODUCTS 	HIGH-VALUE SPECIALISED SERVICES 	SPEEDY LOAN APPROVALS 
<ul style="list-style-type: none"> ● Agreement with major players in the business sector in Spain ● Business meetings ● Internationalisation events ● TV programmes about international business ● Participation in main trade fairs 	<ul style="list-style-type: none"> ● Non-recourse factoring (COFACE) ● Credit insurance ● Operating leases ● Flexible payment loans ● Tax finance ● Advances at point of sale 	<ul style="list-style-type: none"> ● International platform ● Platform of business ● Platform of public helps ● Franchises portal 	<ul style="list-style-type: none"> ● Express circuit ● Pre-approved/pre-classified ● Pre-approved loans for intensive agriculture
SPECIFIC TRAINING 	360° SOLUTIONS 	NEW COMMERCIAL STAFF 	SECTOR EXPERIENCE 
<ul style="list-style-type: none"> ● School of financial formation (financing) ● International business training 	<ul style="list-style-type: none"> ● Credinegocio ● Credipyme ● Crediagro ● Agropyme 	<ul style="list-style-type: none"> ● Enterprise manager ● Agrifood business manager 	<ul style="list-style-type: none"> ● Sector events ● Offers for specific sectors ● PIDE

4. Business (VIII)



Keeping confidence of more than 1.4 million members



With presence nearly all around the country



Serving to more than 3.5 million of customers



More than 1 million debit and credit cards



1.5 million engaged customers



1.462 ATM to serve our customers



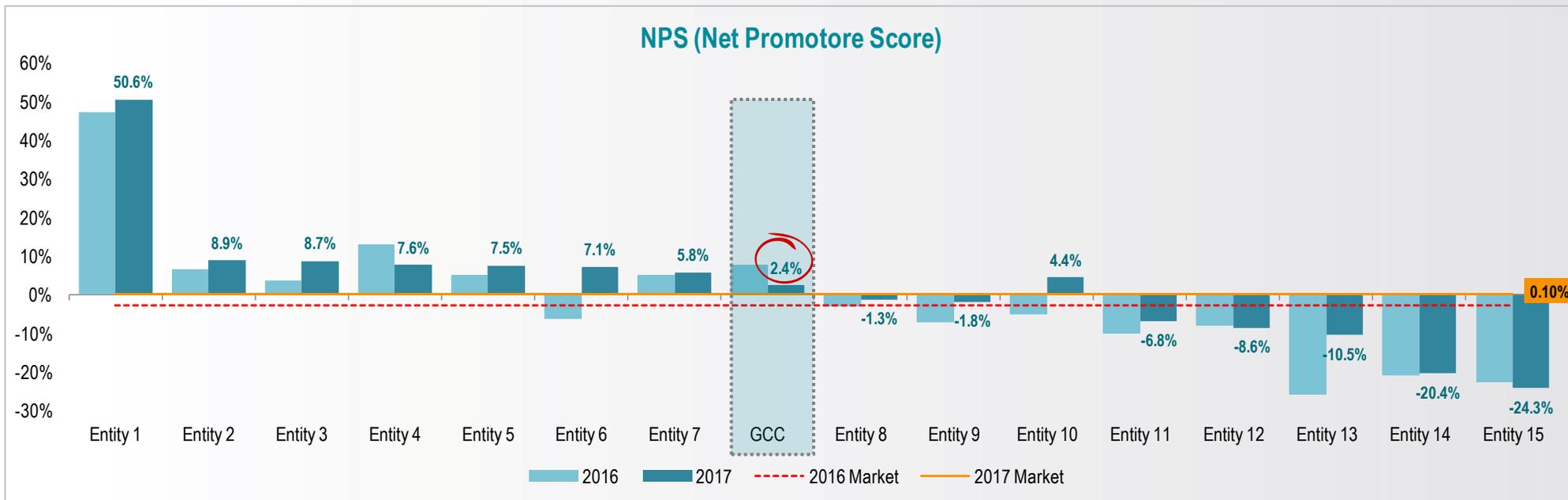
650 thousands online bank customers



More than 50 thousands POS terminals in business

Our customers' valuation puts us again in positions of recommendation over the sector

GCC is 8th in NPS ranking



Note: 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 = % Promoters - % Detractors, generating a score of between -100 and +100.

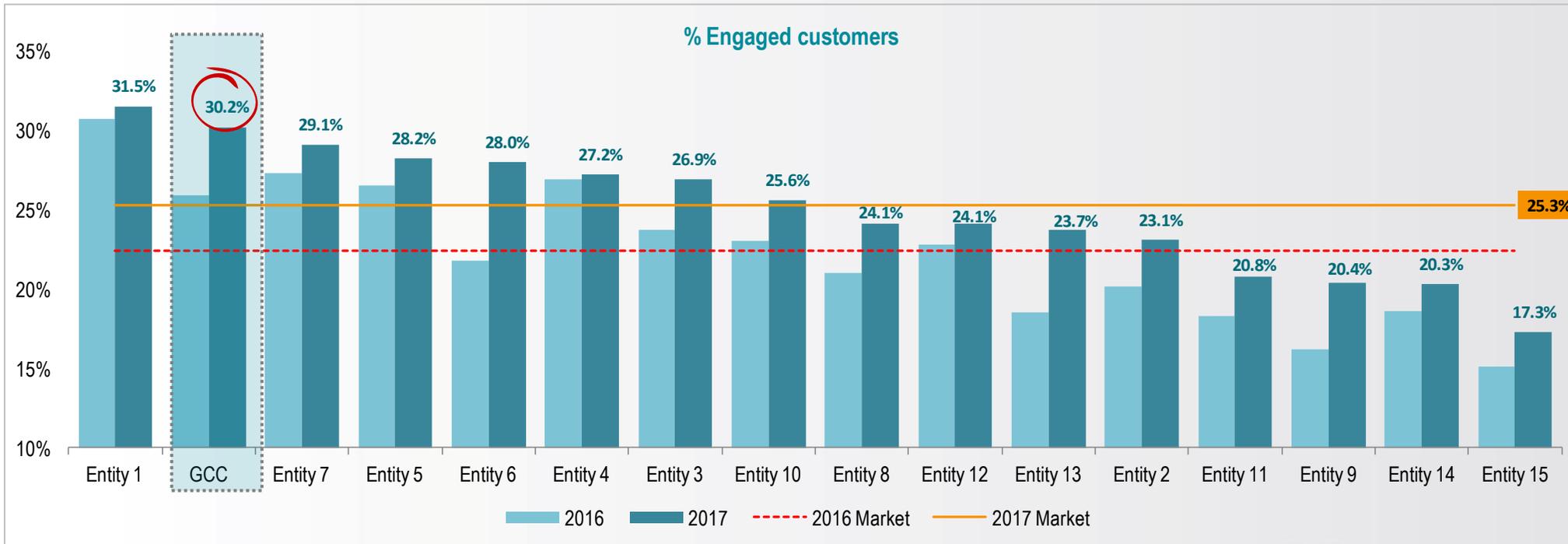
Customer Experience

“Superior customer experience based on **service, knowledge of the customer and local roots/closeness**”

GCC Strategic Plan

Building a unique customer experience which nurtures stronger customer loyalty

GCC is located in 2nd position of engaged customer ranking

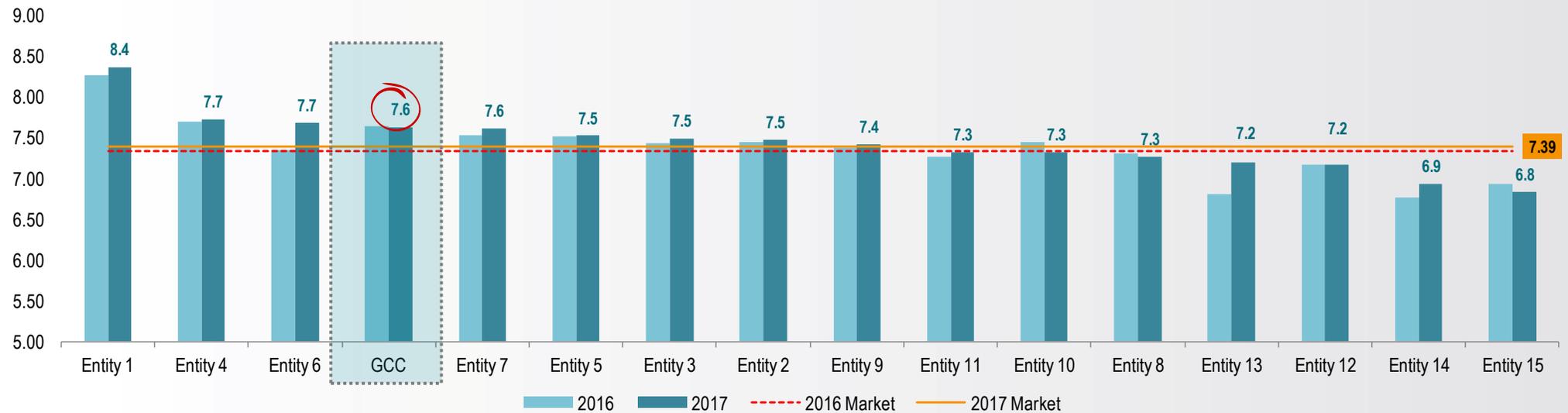


Note: An engaged customer is one who it is certain will repurchase from, continue being a customer of, and recommend GCC, i.e. a customer who has answered these three questions with scores of 9 or 10.

In addition, with a low detection's level of discomfort factors that cause high average satisfaction

GCC is ranked 4th in the global satisfaction ranking with respect to the entity

Satisfaction



Note: Satisfaction is measured in average values and refers to overall satisfaction with respect to the entity.

Highlighting personalized attention and service to our customers through the Manager

GCC is in the 3rd satisfaction ranking sector's position in the sector



Note: Satisfaction is measured in average values and is referred to the satisfaction with respect to the manager. Question: Is there anyone in the entity who is aware of their affairs with the entity? Globally rate your satisfaction with your usual partner in...



GCC's proposal for its digital customers

In response to the new requirements of an increasingly digital society and without losing GCC's essence and knowledge acquired in the relationships established through the branches, **WEFFERENT** is born

Target audience

Digital customers and non-customers

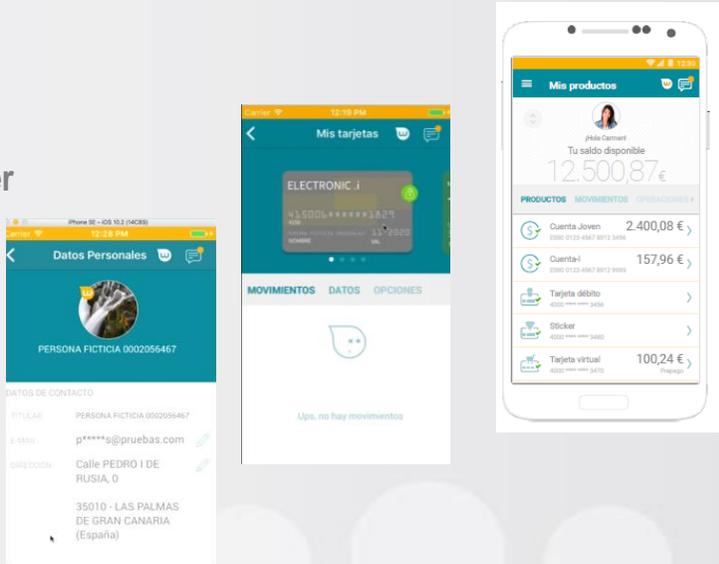
Two levels of service

WFR account: No commissions, free debt card
 WFR customer: WFR account + remote manager



An **easy, powerful, mobile-oriented and totally stand-alone app** has been developed

Enables users to: **consult all their positions, make transfers, pay receipts, share information with other apps, manage cards, make top-ups, receive alerts and notifications.** A personal profile is created with photograph, personal information, contacts and individual fingerprint.



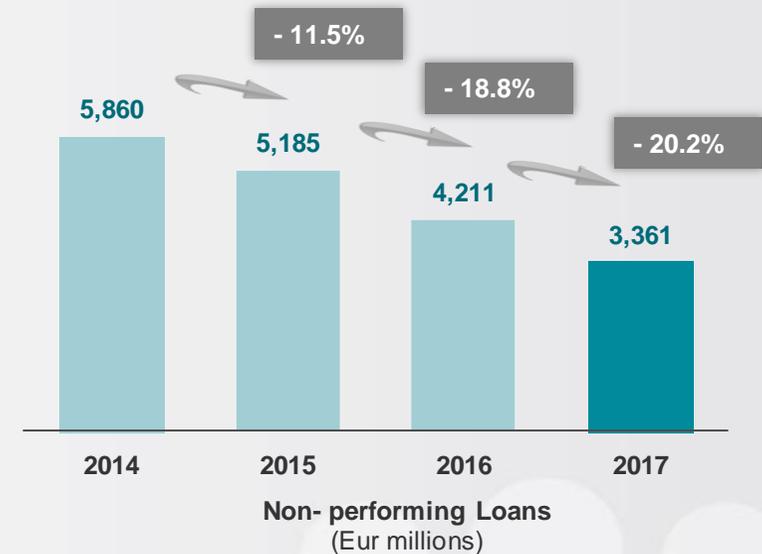
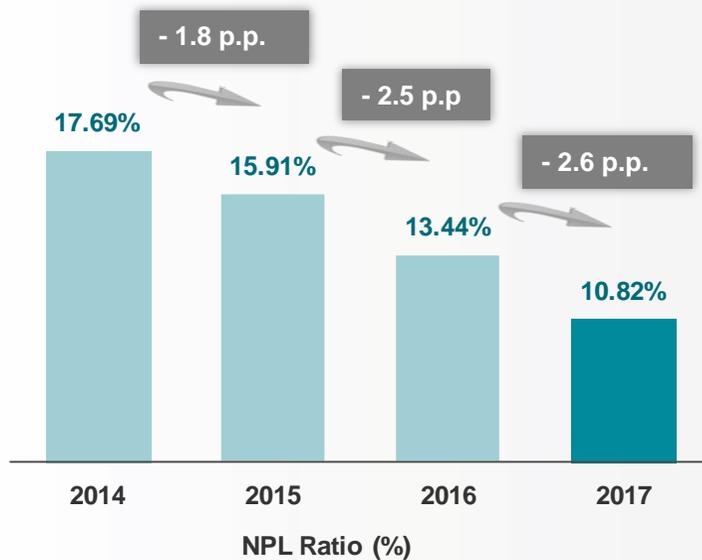
90,000 WFR customers
> Eur 272 million of Bussines
13 remote managers

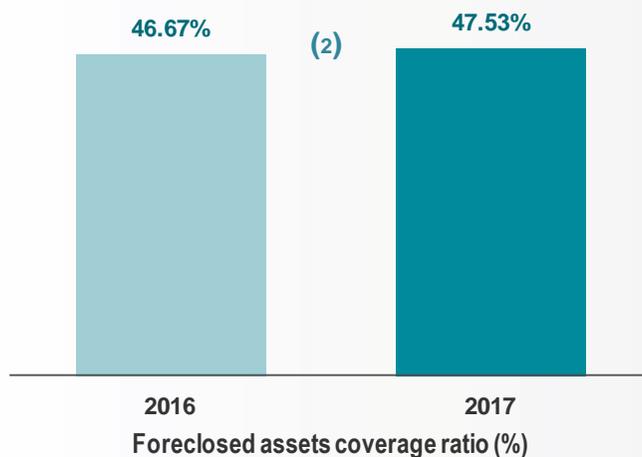
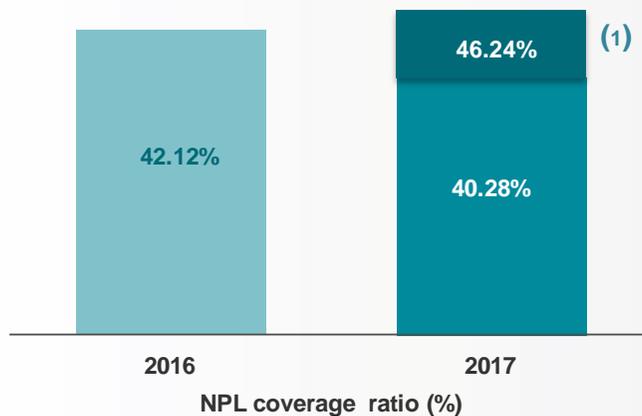


5. Risk management (I)

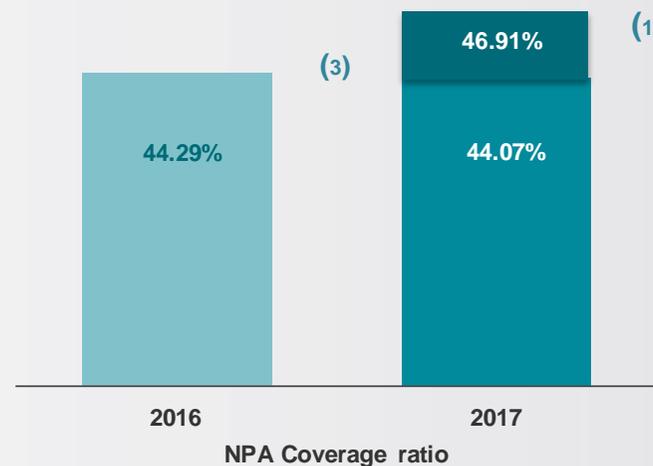
NPL ratio falls down around 6.9 p.p. during the last 3 years, down to 10.82%

... and NPL decrease almost 43% since 2014





NPA Coverage ratio rises after the impact of IFRS 9



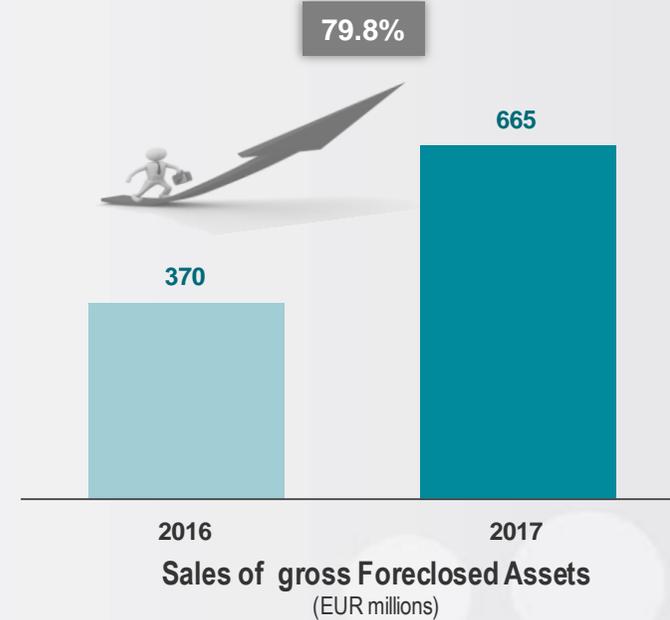
(1) Coverage ratio after the impact of IFRS 9.

Considering write-offs in the foreclosure procedure:

(2) The foreclosed assets coverage ratio stands up to 49.92% in 2016 and 51.57% in 2017.

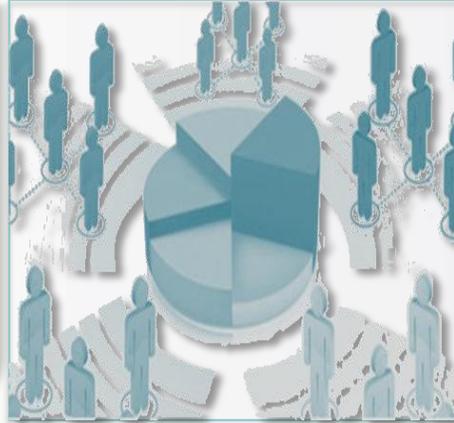
(3) The NPA coverage ratio stands up to 45.96% in 2016 and to 49.13% in 2017.

Commercial management of foreclosed assets also contributes to the NPA's improvement



Sale of NPL, write-offs and foreclosed assets:

ESCULLOS PROJECT



❑ Gross book value:

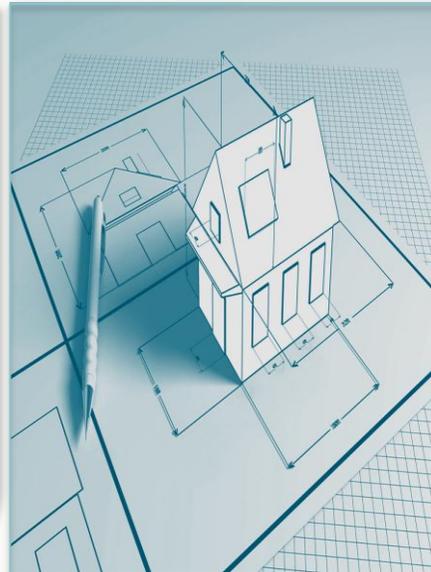
- NPL: *EUR 117 million*
- write-offs: *EUR 49 million*
- Foreclosed assets: *EUR 10 million*

❑ Date:

December 2017

Sale of foreclosed assets:

TANGO PROJECT



1st phase

❑ Gross book value:

EUR 31 million

❑ Date:

December 2017

2nd phase

❑ Gross book value:

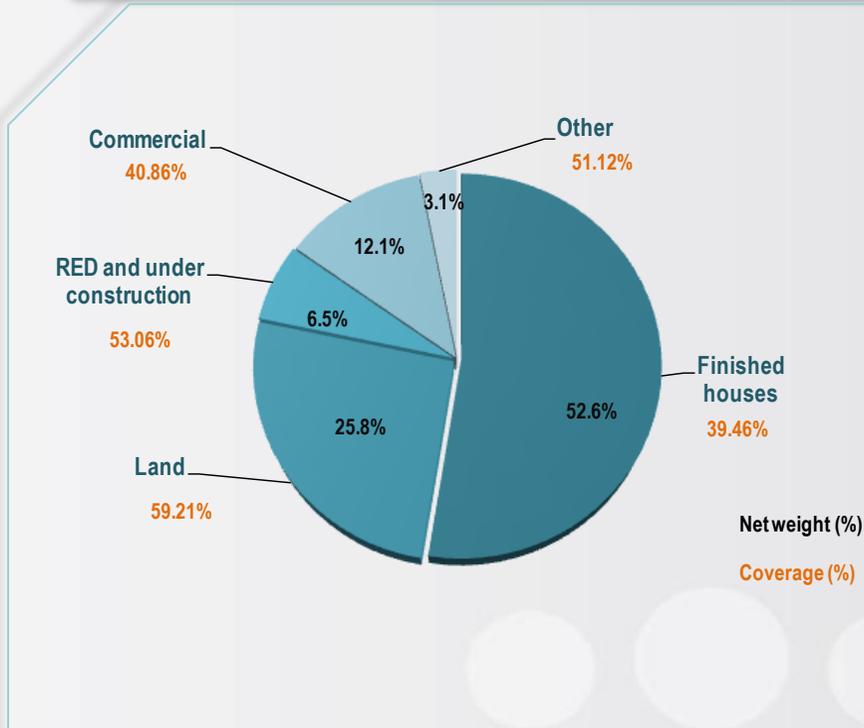
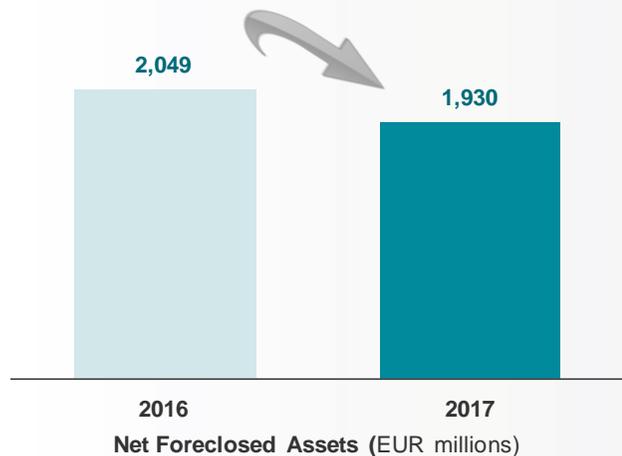
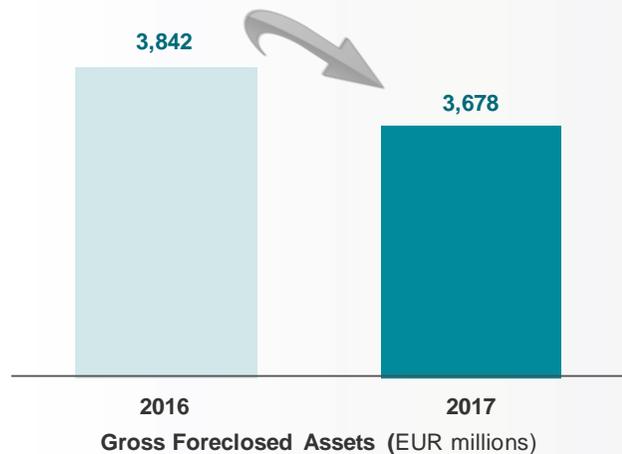
EUR 16 million

❑ Date:

February 2018

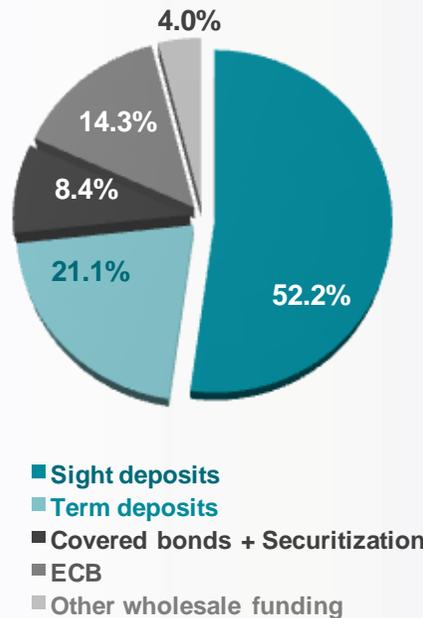
Which means a decrease of 4.3% in foreclosed assets volume and a improvement in coverage over 47%

Distribution of foreclosed assets by assets' tipology according to their net value (and its coverage ratio)

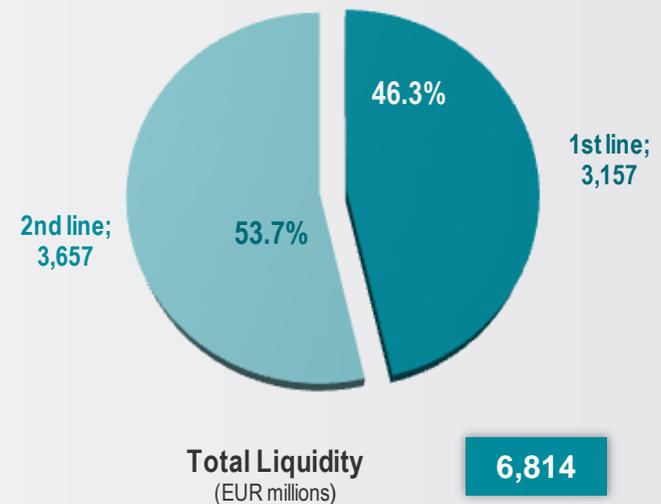


NOTE: Including loan provisions at start of repossession procedure. Does not include write-offs.

Comfortable level of wholesale funding and open access to wholesale markets



High liquid asset generation capacity

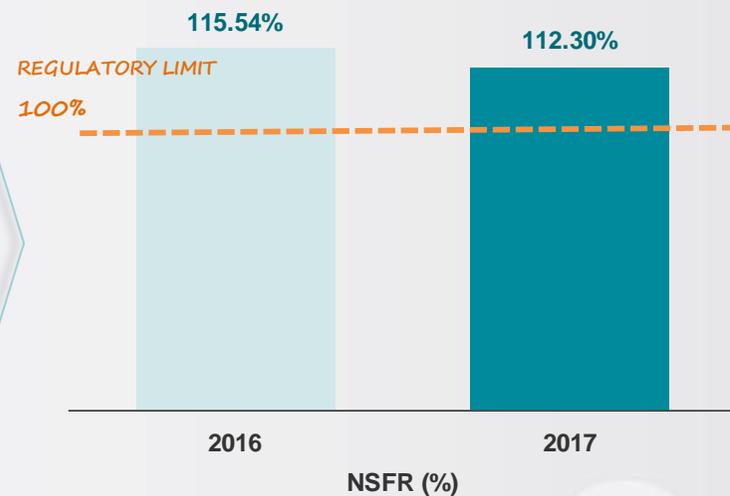
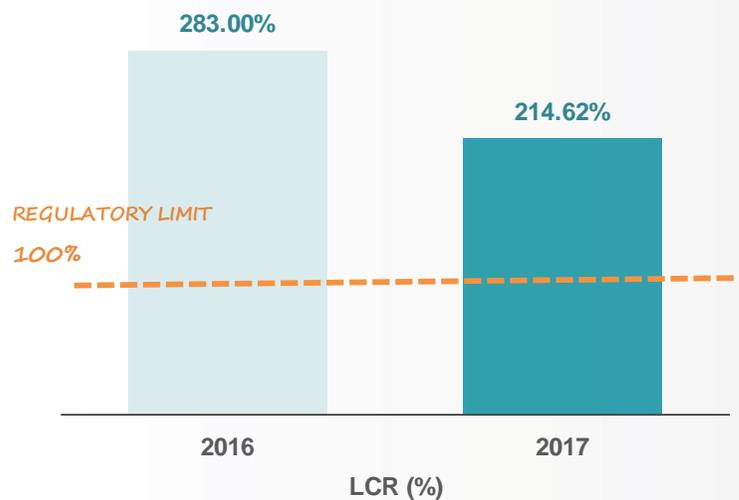


First liquidity line: Cash in central banks and available eligible collateral in central banks

Second liquidity line: Other available securities eligible for the ECB overdraft facilities (not pledged) and covered bond issuance capacity (legal limit: 80%)

Covered bonds/eligible mortgage portfolio: 51.54%

And robust liquidity position, well above regulatory limits



Phase-in

Fully-loaded

Solvent group

Solvency: 13.37%

Solvency: 13.08%

High quality of equity

CET1: 11.19%

CET1: 10.90%

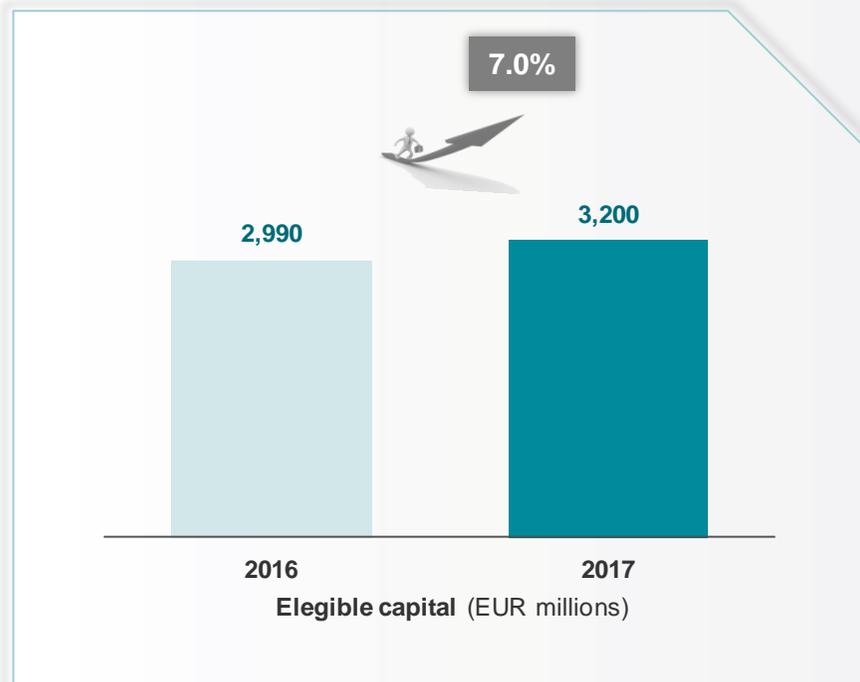
Adequate leverage ratio

6.44%

6.29%

Hight WRA density. Potential to optimize its calculation from standard methods to IRB models

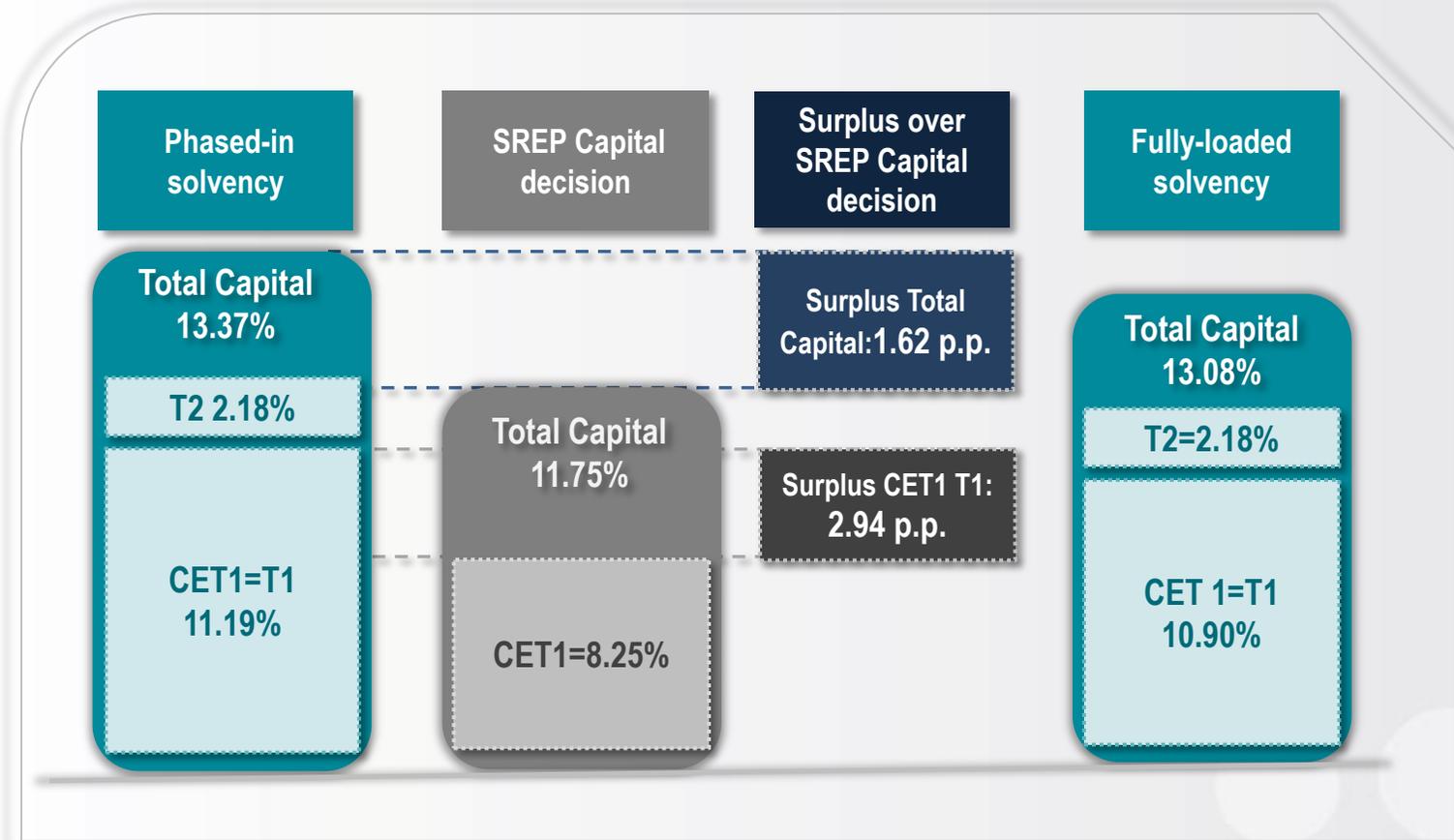
Increase of equity by 7.0% with a solvency improvement



Evolution breakdown of Solvency ratio



High quality of equity, based on capital and reserves



1 Improvement in business volume

- + 5.1 % Δ Customer funds under management
- + 3.4 % Δ Performing loans to customers
- + 32.2 % Δ New financing



2 Growth in off-balance sheet funds

- + 63.0% Increase in mutual funds
- + 27.3% Increase in off-balance sheet funds



3 Improvement in NPA

- Eur 851 million
 - 20.2%
 - 5.8% Decrease in Net foreclosed assets
- } Year-on-year fall in NPLs



4 Comfortable liquidity position

LCR: 214.6%
NSFR: 112.3%



Spain's economy grows by 0.8% in the third quarter

Uptick in domestic demand contributes to economic growth in Spain

	3Q-16	4Q-16	1Q-17	2Q-17	3Q-17
Real GPD (q-o-q, %)	0.7	0.7	0.8	0.9	0.8
Household consumption	0.7	0.4	0.6	0.7	0.7
Expenditure by government	0.5	(0.6)	0.8	0.4	0.4
Gross fixed capital formation	(0.3)	0.8	2.7	0.6	1.3
Construction investment	(0.5)	1.3	2.2	1.0	0.3
Equipment investment	0.2	(0.2)	3.8	(0.1)	2.5
Exports	(0.5)	1.5	3.2	0.1	-
Imports	(1.7)	0.6	4.1	(0.7)	-
Real GPD (y-o-y, %)	3.2	3.0	3.0	3.1	3.1

Robust growth in Spain versus Euro Area

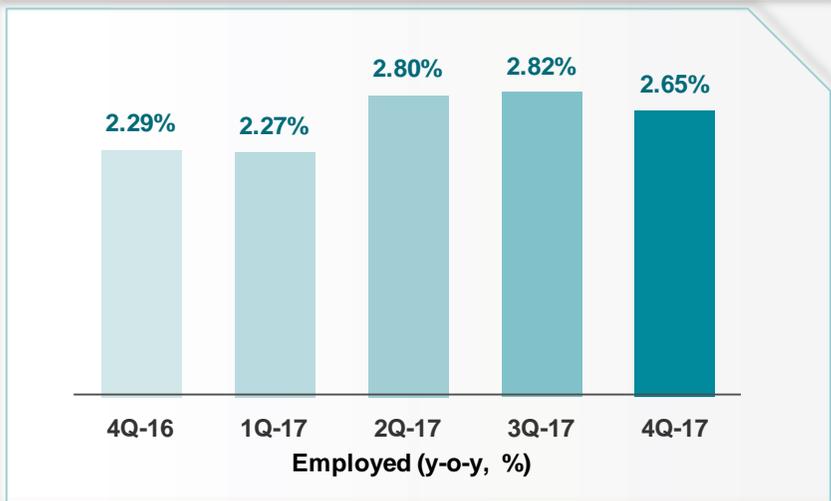


Rate of house price increases rises gradually to 6.7%

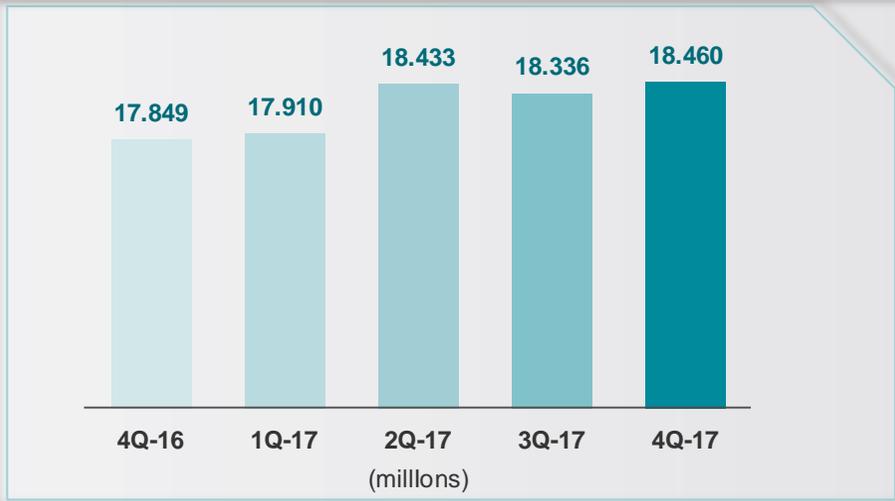


Source: Eurostat and National Statistics Institute (INE)

Employment up by 490,300 in the last 12 months



Year-on-year growth in Social Security-registrations of 3.42%



Unemployment rate reduces until 16.55% versus 18.63% of one year ago



Source: National Statistics Institute (INE)

- **Continuous improvement in job market, with an unemployment rate of 16.55%**, which is beneficial to the current decline in NPLs and is fuelling the housing market, helping drive up foreclosed asset sales.
- Gradual recovery in the **real estate** market.
- **Higher business margin** due to a credit flow increasing to social agents, especially consum and PYMES, and increasing commissions through off-balance sheets resources.
- **Commercial and operational efficiency**: a key objective of financial sector, which may prompt new mergers.
- The **digital transformation** is a must in the banking sector: focusing on new business models, talent management, the customer culture, image of branch networks and brand management, with innovation and technology investment key.
- The sector is awaiting the publication of the final definition of equity and eligible liability requirements for resolution scenarios (**MREL and TLAC regulation**).

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