

Results Presentation

Q4 2019

KEY HIGHLIGHTS

**PROFITABILITY
AND EFFICIENCY**

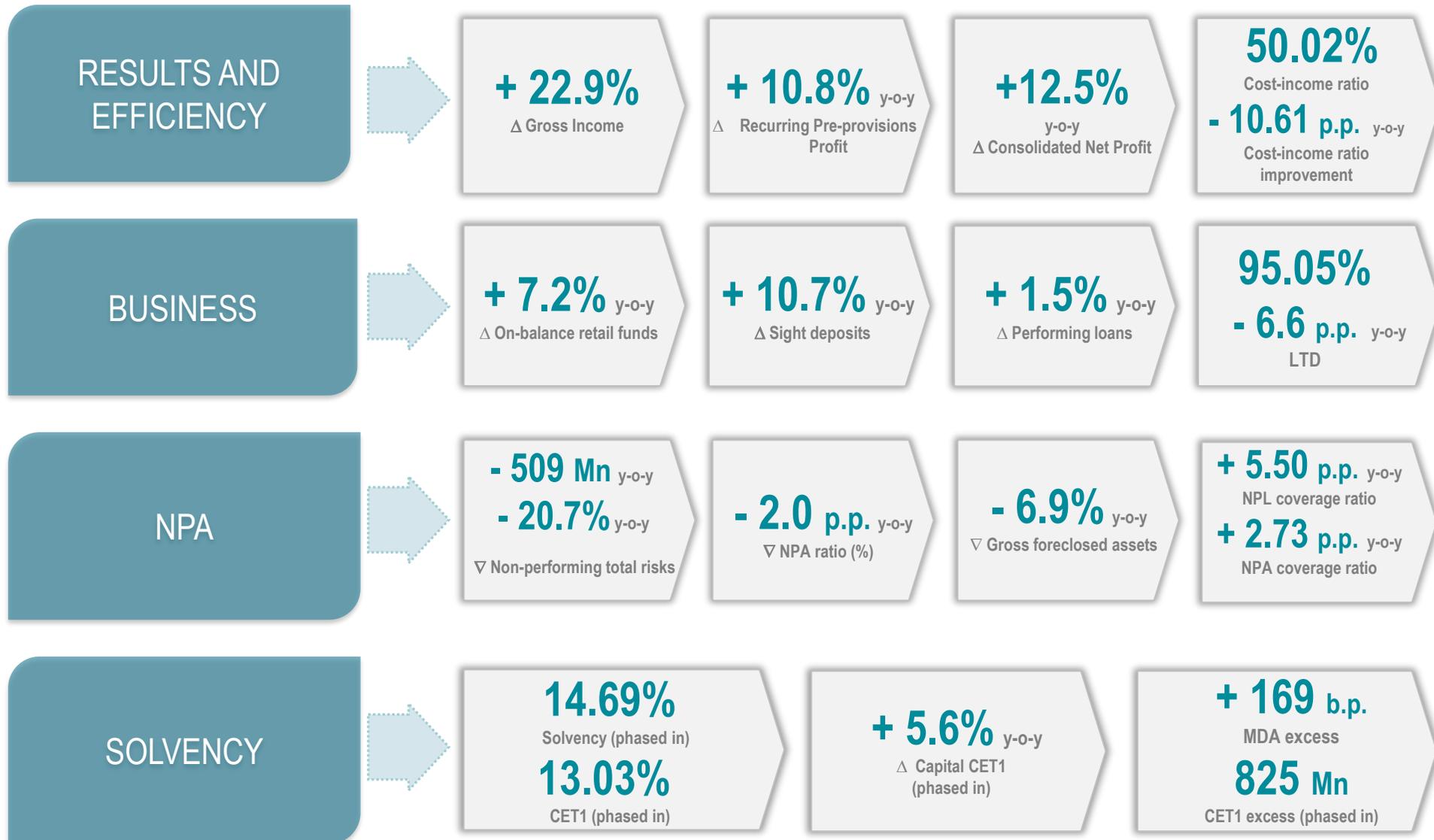
**COMMERCIAL
ACTIVITY AND
DIGITAL
TRANSFORMATION**

**RISKS
MANAGEMENT
AND SOLVENCY**

2019: Margins improvement, business balanced growth, coverage reinforcement, non-performing assets decrease and solvency increase



Key highlights





The consolidated net profit increases by 12,5%

(EUR thousands)	31/12/2019		31/12/2018		Y-o-y	
	o/ ATA		o/ ATA		Abs.	%
NET INTEREST INCOME	589,796	1.30%	586,041	1.38%	3,755	0.6%
Net fees and commissions + exchange differences, net	248,420	0.54%	263,227	0.62%	(14,807)	(5.6%)
Gains (losses) on financial transactions	295,677	0.65%	78,983	0.19%	216,694	274.4%
Dividend income	8,705	0.02%	6,622	0.02%	2,083	31.5%
Income from equity-accounted method	38,435	0.08%	30,983	0.07%	7,452	24.1%
Other operating incomes/expenses	(33,379)	(0.07%)	(31,780)	(0.07%)	(1,599)	5.0%
GROSS INCOME	1,147,654	2.53%	934,076	2.20%	213,578	22.9%
RECURRING GROSS INCOME	935,222	2.06%	892,322	2.10%	42,901	4.8%
Personnel expenses	(331,707)	(0.73%)	(320,210)	(0.76%)	(11,497)	3.6%
Other administrative expenses	(185,566)	(0.41%)	(190,826)	(0.45%)	5,260	(2.8%)
Depreciation and amortisation	(56,840)	(0.13%)	(55,279)	(0.13%)	(1,561)	2.8%
PRE-PROVISION PROFIT	573,542	1.26%	367,761	0.87%	205,781	56.0%
RECURRING PRE-PROVISION PROFIT	361,109	0.80%	326,007	0.77%	35,103	10.8%
Impairment losses	(366,581)	(0.81%)	(150,194)	(0.35%)	(216,387)	144.1%
Net provisions + Other losses / gains	(93,550)	(0.21%)	(148,463)	(0.35%)	54,913	(37.0%)
PROFIT BEFORE TAX	113,412	0.25%	69,104	0.16%	44,308	64.1%
Tax	(20,917)	(0.05%)	13,148	0.03%	(34,065)	(259.1%)
CONSOLIDATED NET PROFIT	92,495	0.20%	82,252	0.19%	10,243	12.5%

Assets and liabilities management drivers Net Interest Income to a higher level than the previous year

▽ **6.6%** y-o-y
Interest Expenses

▽ **23.9%** y-o-y
Wholesale funds costs

1.30% o/ATA
Net Interest Income profitability

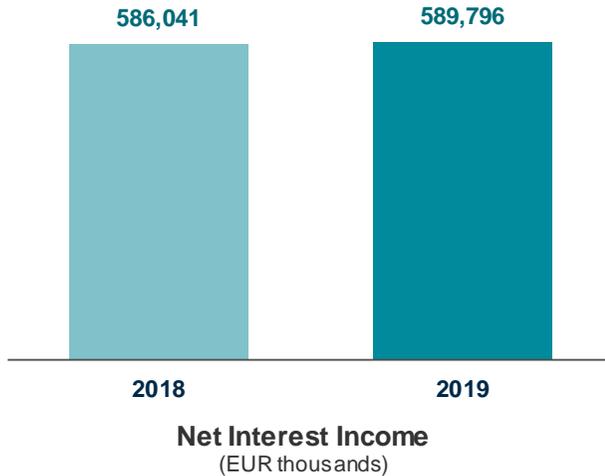
ORGANIC GROWTH

△ **7.2%** y-o-y
On-balance retail funds

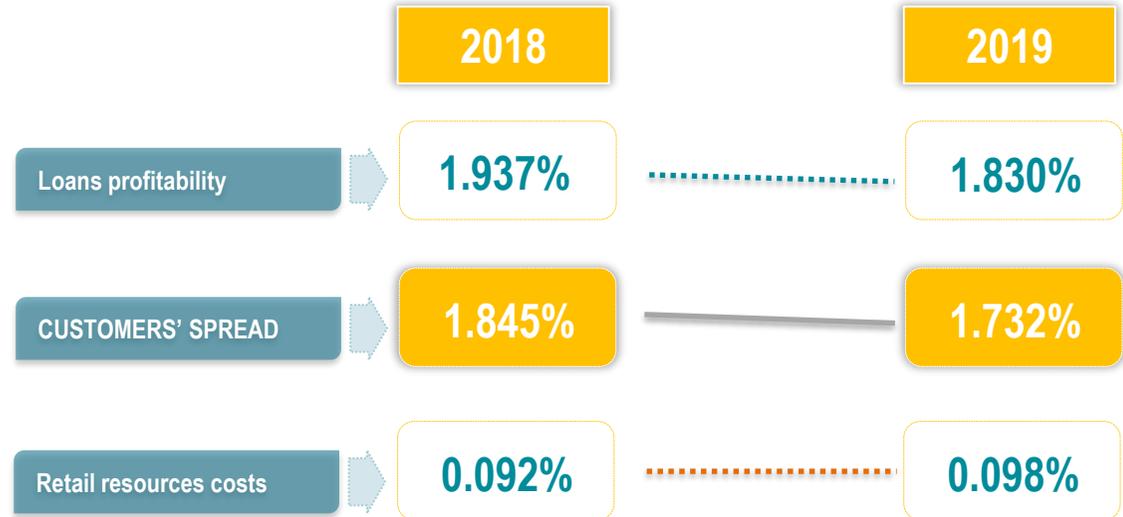
77.8%
Weight of sight deposits over customers' deposits

△ **1.5%** y-o-y
Performing loans

△ **0.6%**



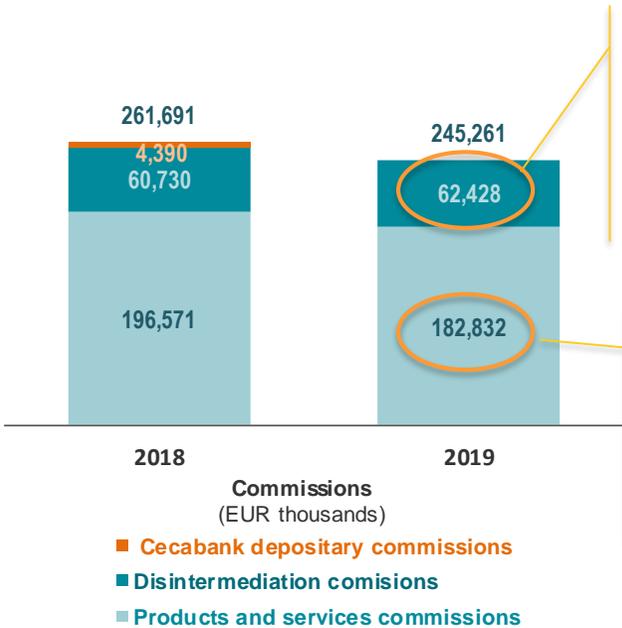
CUSTOMERS' SPREAD



Lower commissions to engaged customers and increase of disintermediation commissions

26.2%
Commissions over Recurring Gross Income

47.4%
Commissions over Administrative Expenses



Δ 2.8%. y-o-y
Disintermediation commissions
25.5%
over commissions

Strategy of not charging commissions to engaged customers

REINFORCING THE CUSTOMER LOYALTY



INSURANCES

Δ 27.9% y-o-y
General insurance premiums

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



PENSION PLANS

Δ 9.1% y-o-y
Contributions to pension plans



MUTUAL FUNDS

Δ 6.3% y-o-y
Management and commercialization fees



CONSUMER

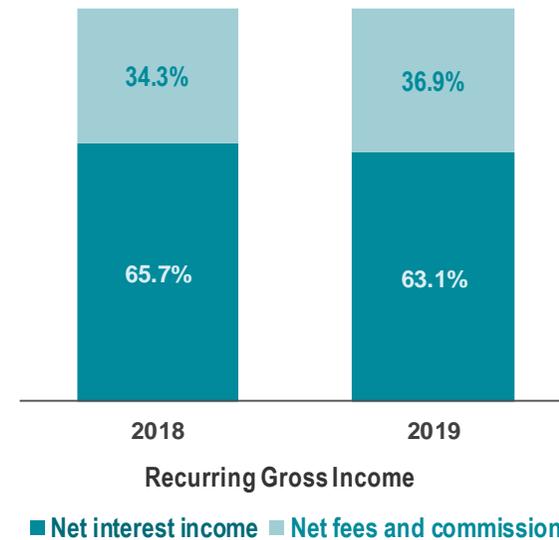
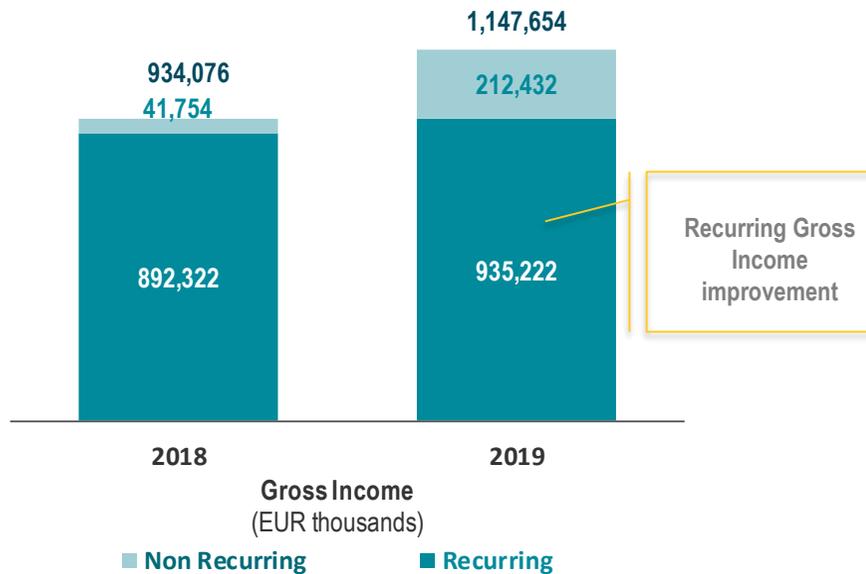
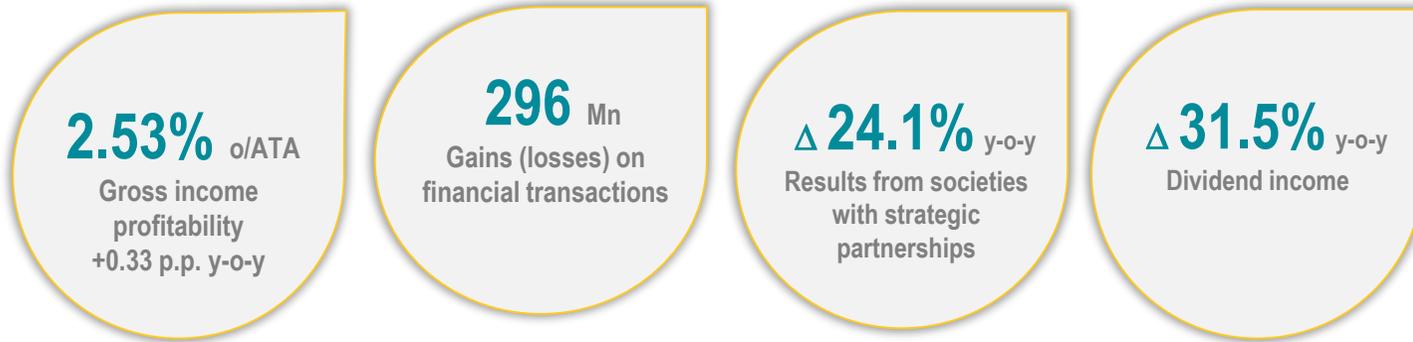
Δ 19.0% y-o-y
Loans



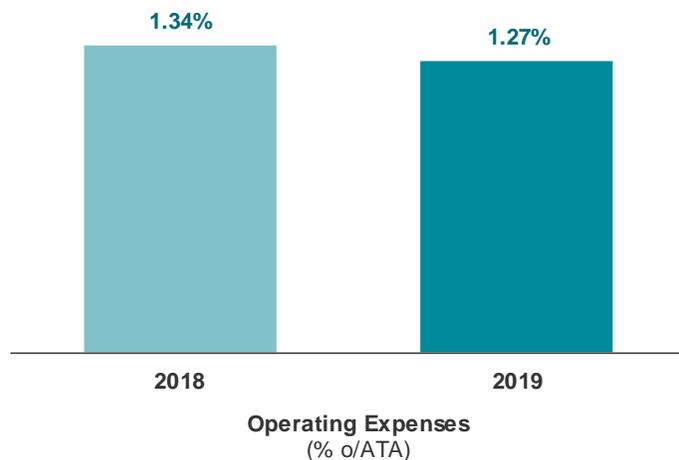
COMMERCE

Δ 11.5% y-o-y
Fees

Gross income amount to € 1,148 million, 22.9% higher than in 2018



Cost-income ratio improvement of 10.6 p.p., 10.8% increase of Recurring Pre-Provisions Profit

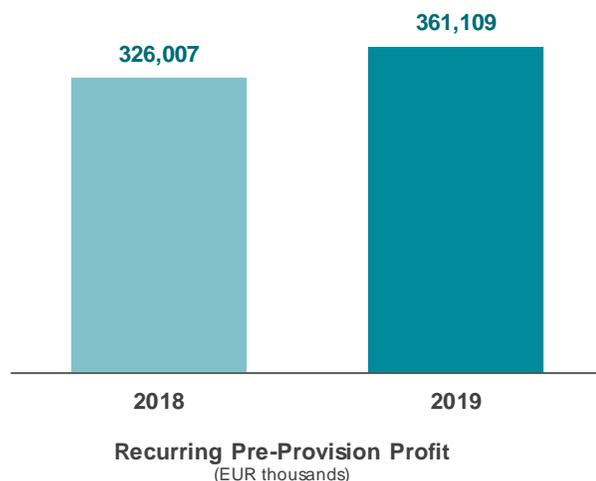


5,483 employees
 ▼ 23 year-on-year

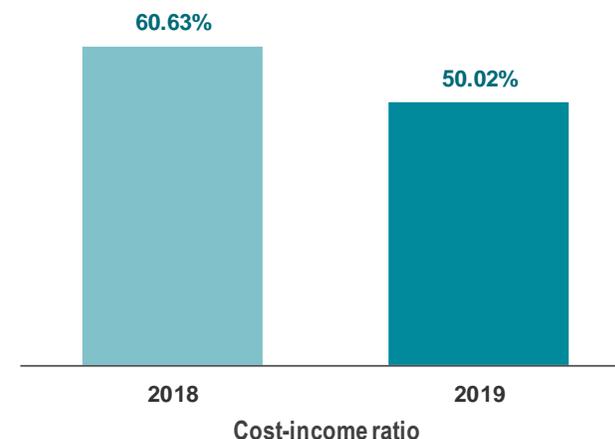


BRANCHES

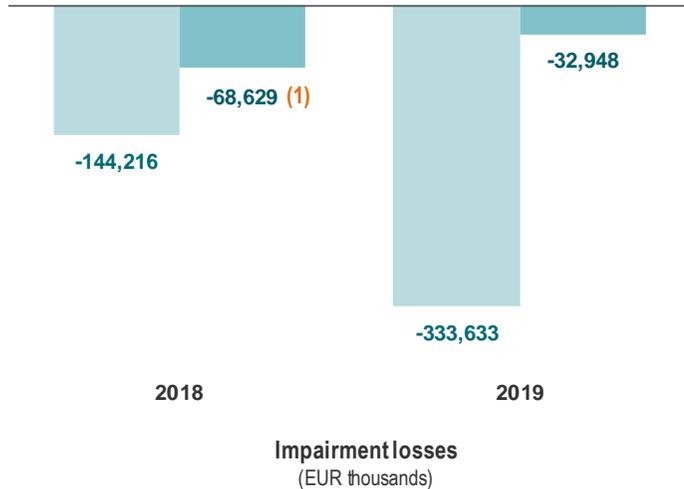
956 Branches
 ▼ 62 year-on-year



IMPROVEMENT OF COST-INCOME RATIO



Using the capital gains generated to strengthen credit risk coverage

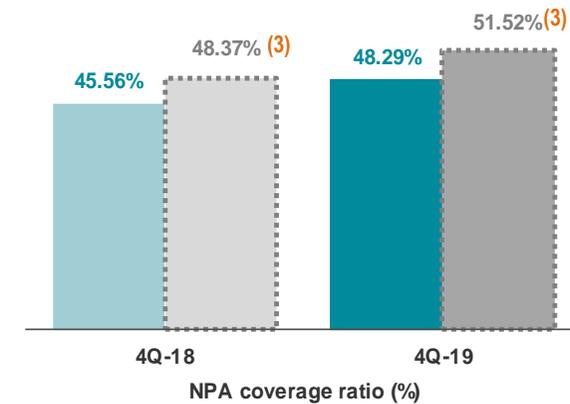
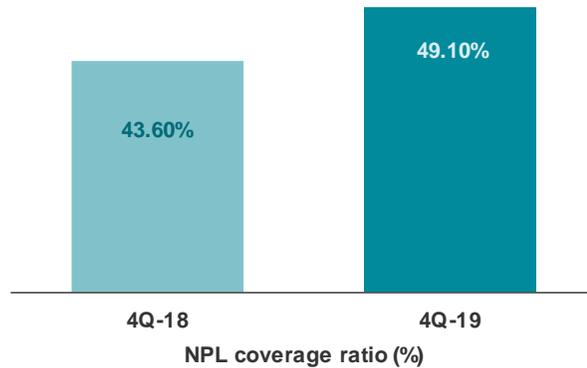


- Impairment losses on financial assets
- Impairment losses on non financial assets

(1) O/w 62.6 Million euros correspond to intangible assets clean-up.

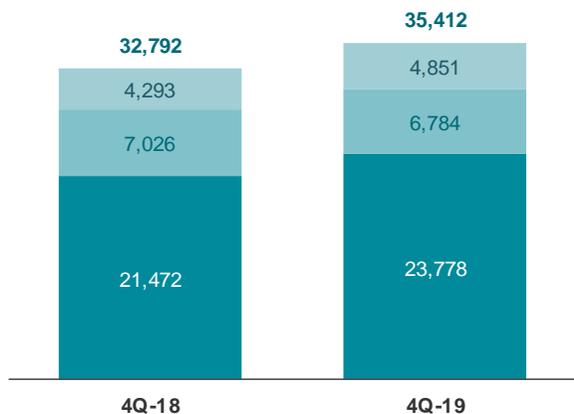


(2) Total impairment losses/ Average Gross Loans and REOs.



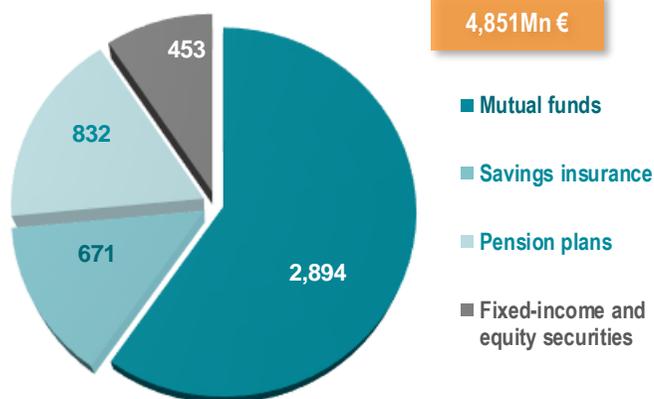
(3) Including debt forgiveness in the foreclosure procedure.

Sight deposits and Mutual funds allow a growth of € 2,620 million de los Customer Funds Under Management (+8.0%)



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

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



Off-balance sheet funds (EUR millions)



YEAR-ON-YEAR VARIATION RESOURCES



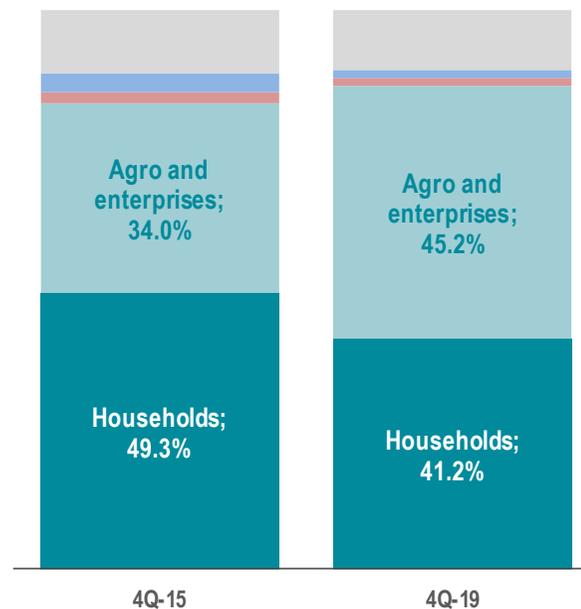
The strategic segments, enterprises and agro sector, represent more than 45% of Performing Loans



Δ **13.0%***
y-o-y
Enterprises credit



Δ **3.9%*** y-o-y
Agro credit



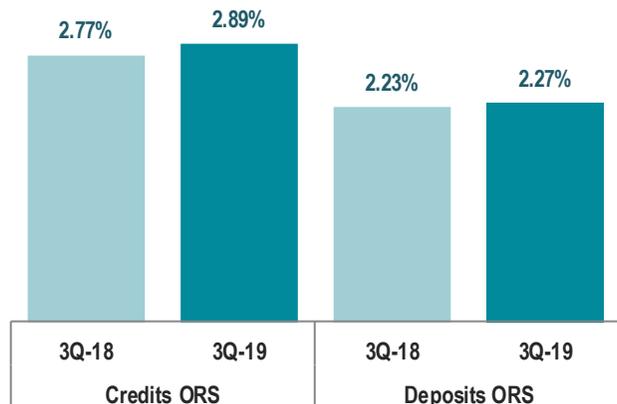
Weight loans to customers (%) *

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

(*) Data referred to Performing loans to customers

Deposits and Credits market share increase

MARKET SHARES (September 2019)



Market shares



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

Agro sector market share

Credits: 14.54%

Sector Ranking (September 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



Agro sector market share

Credits: 14.54%



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.

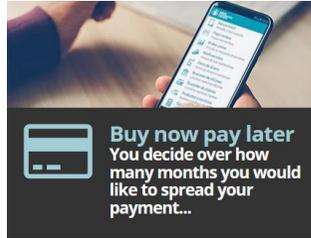


INNOVATION

- ✓ 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 **3.44 Mn** of customers



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

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



Card customisation
Your card will say a lot about you...
Demo Galeria



Keeping confidence of more than **1.43 Mn** of members



STP in commerces more than **58.6 k**



Increasing the loyalty of our customers



Commercial activity and digital transformation

Loyal customers
1.5 Mn

56% digital customers

360° customers
364 k

Δ **51%** y-o-y
 Δ **6%** y-o-y of business

Wefferent customers
288 k

Δ **41%** y-o-y
 Δ **42%** 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 belonging 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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(*) When: Spanish territory and up to 21/01/2019

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Progressing in our digitalization strategy



Commercial activity and digital transformation

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



Digital customers
819 k

Δ 12.1% y-o-y

Grupo Cooperativo Cajamar with Apple Pay.



Online banking customers
541 k

Δ 34.2% 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
1,562

37.8% 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)	7.5%	6	4%	🚩
Satisfaction	7.50	8	7.48	🚩
Manager Satisfaction	7.71	4	7.68	🚩

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.
4. 🚩 Better than the Sector average.

COOPERATIVE BANKING MODEL: people - ideas - places

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

ENVIRONMENTAL

Entity that communicates and manages the climate change according to CDP, with rating B in 2019¹.

Consumption of electrical energy 100% of renewable origin.

Sustainable products for its partners and customers.

Compensation in 2019 of 100% tCO₂ of 2018.

Carbon footprint calculation *in itinere*.

Valoration of the grade of decarbonisation of the risk portfolio and its climate classification (30.15% exposure of the portfolio to climate risks).



SOCIAL

Social engagement: 7.23 (5th bank)².

“Equality in the workplace”.

“Company committed to labour insertion”.

“Socially responsible company with its staff”.

Contribution to technological development and agri-food innovation.

Combating financial exclusion (proximity bank office).

Corporate Volunteering and Financial Education.



GOVERNANCE

Adherence to the UN Principles of Responsible Banking.

Almost all of the total assets managed in Investment Funds, with the manager TREA, includes SRI criteria.

Development of SRI, setting out exclusionary and positive or evaluative criteria.

Undertaking not to finance enterprises and/or projects relating to the activities in question (unwanted links).



NACIONES UNIDAS

(¹) CDP (Carbon Disclosure Project) distinguishes 4 categories, from the best to the worst performance in carbon footprint management: A (Leadership); B (Management); C (Awareness); D (Disclosure).

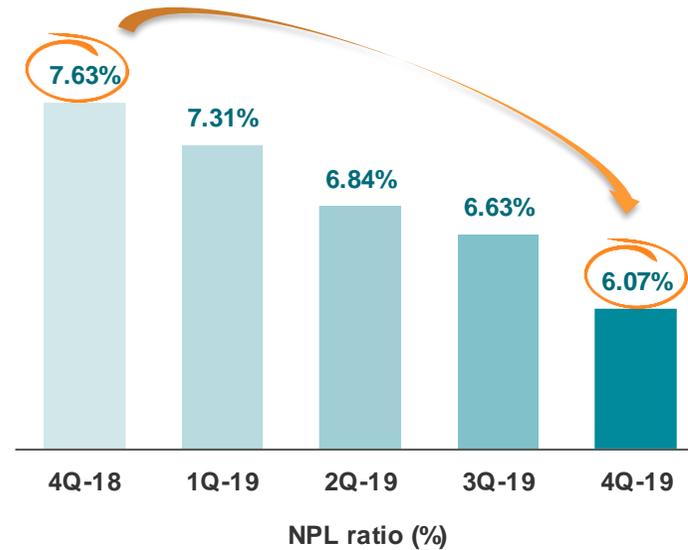
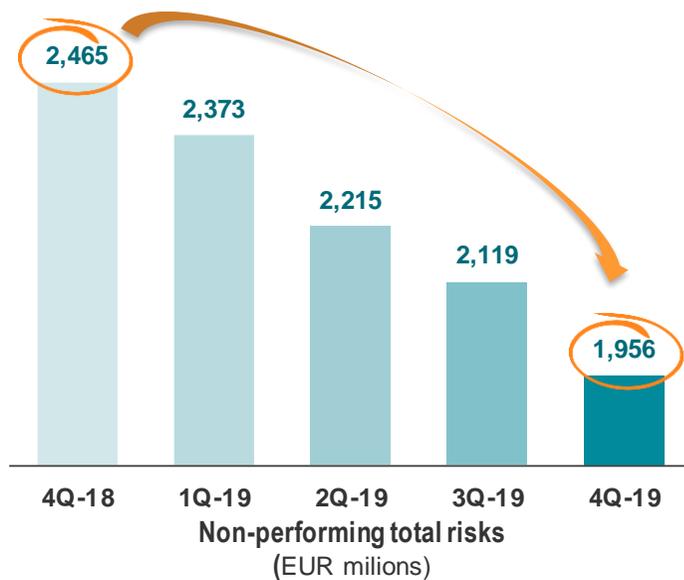
(²) Stiga qualifies this performance between 0 and 10 (2019 result).

Continuous improvement in NPL management

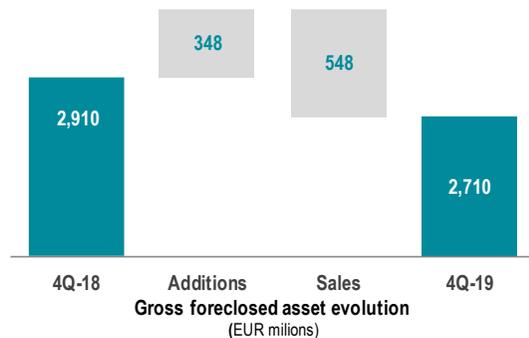


▽ **20.7%** y-o-y
NPL total risks

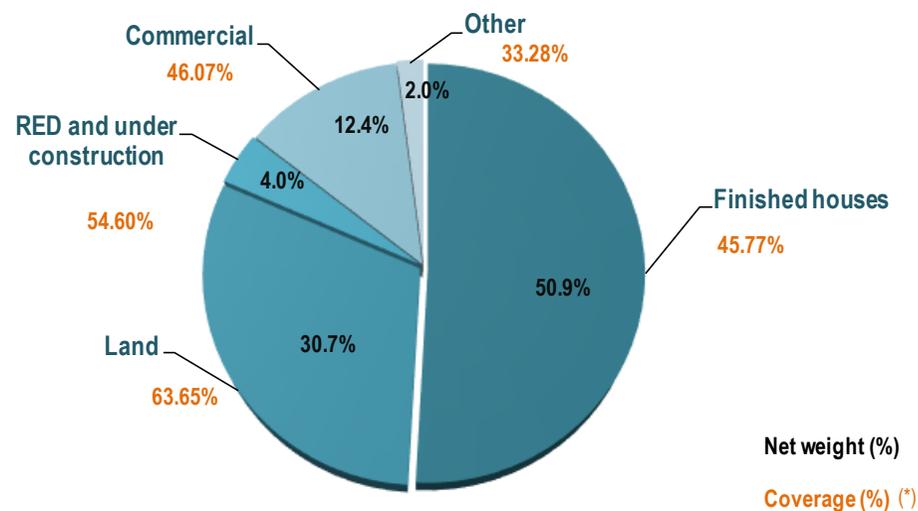
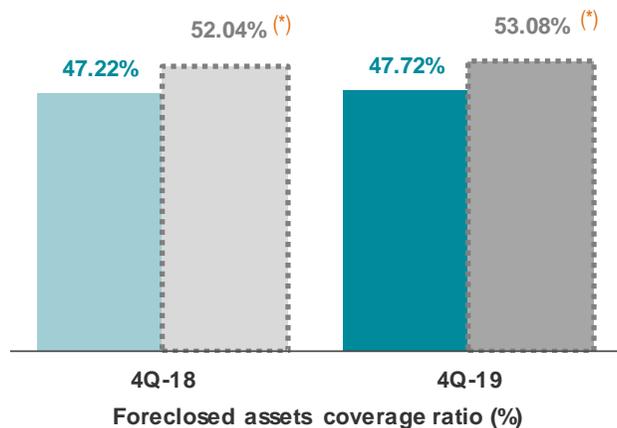
▽ **1.56 p.p.** y-o-y
NPL ratio (%)



Decrease of foreclosed assets and reinforcement of coverages

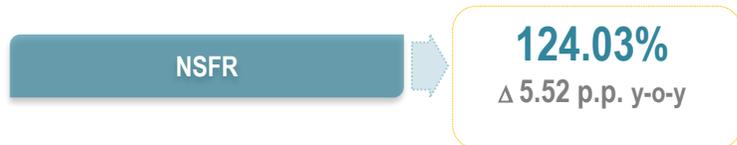
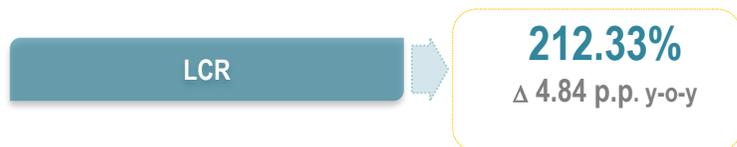


DISTRIBUTION OF FORECLOSED ASSETS BY ASSET TIPOLOGY ACCORDING TO THEIR NET VALUE (AND ITS COVERAGE RATIO)

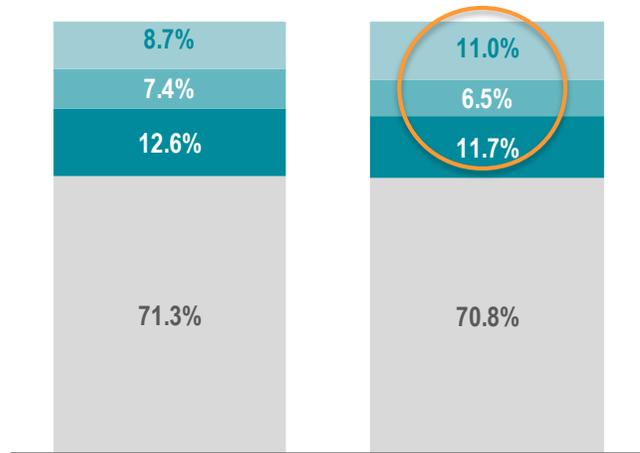


(*) Considering the debt forgiveness in the foreclosure procedure.

Comfortable liquidity position. LtD falls to 95%



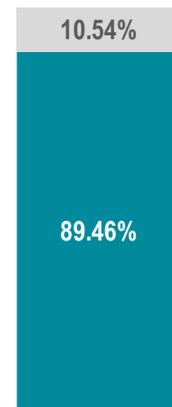
29.2%
Wholesale funds



■ Other wholesale funding
■ ECB

■ Covered bonds + Securitization
■ Retail

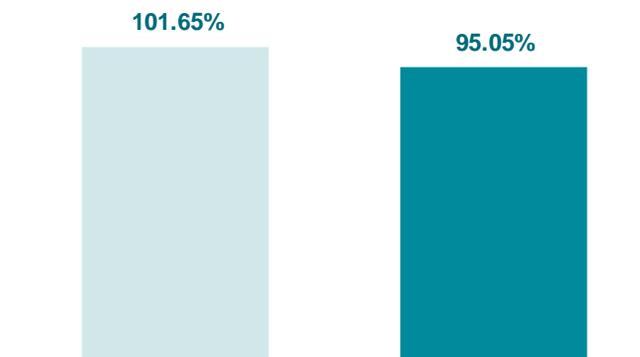
6,174 Mn €



Available liquid assets

■ Non HQLA ■ HQLA (*)

(*) High quality liquid assets.

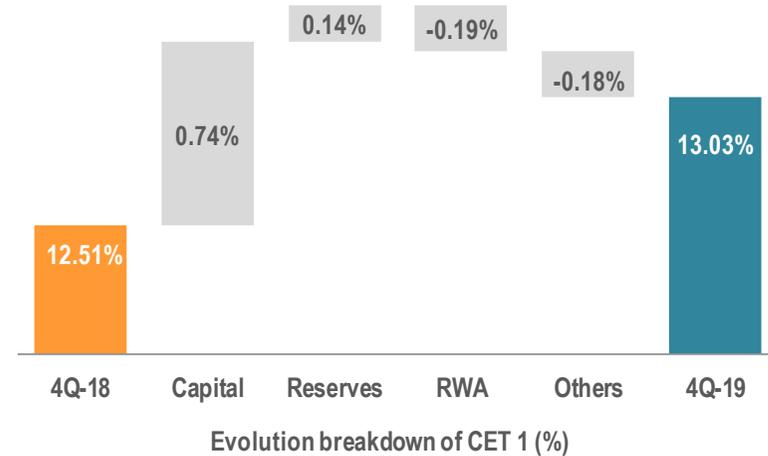
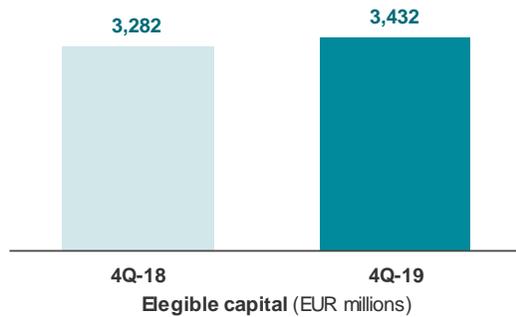


LTD (%)

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



SREP Capital decision excess continues improving, reaching 169 b.p., after an increase of 36 b.p. since this requirement came into effect

PHASED IN

Solvency ratio:
14.69%

CET1 ratio:
13.03%

T2 ratio:
1.66%

Leverage ratio:
6.25%

FULLY LOADED

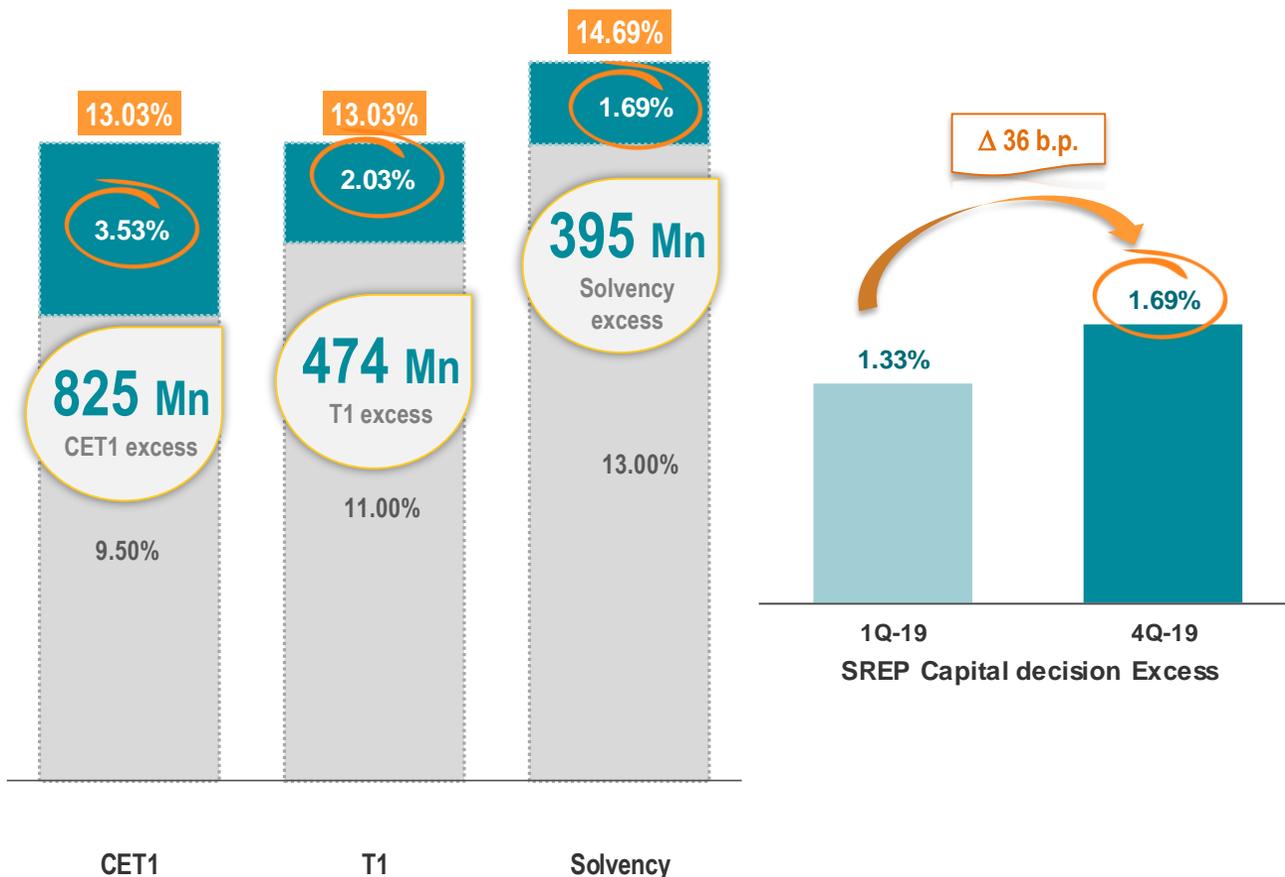
Solvency ratio:
13.98%

CET1 ratio:
12.32%

T2 ratio:
1.67%

Leverage ratio:
5.91%

ACCOMPLISHMENT OF REQUERIMENTS (phased in)



	2019	2022: TARGETS
Non performing loans	1,948 Mn	< 1,000 Mn
NPL ratio	6.07%	< 3 %
Texas ratio	86.71%	< 65 %

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very much.

