

FINANCIAL REPORT

First quarter 2020

6 May 2020

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Most significant figures

	31/03/2020	31/12/2019	31/03/2019	y-o-y		q-o-q	
				Abs.	%	Abs.	%
Profit and Loss Account							
Net interest income	147,656	589,796	148,118	(462)	(0.3%)		
Gross Income	231,102	1,147,654	236,894	(5,792)	(2.4%)		
Recurring Gross Income	254,683	935,222	235,795	18,888	8.0%		
Net Income before provisions	87,625	573,542	94,567	(6,942)	(7.3%)		
Recurring Net Income before provisions	111,205	361,109	93,468	17,737	19.0%		
Profit before tax	18,624	113,412	23,279	(4,655)	(20.0%)		
Consolidated Net profit	17,261	92,495	24,632	(7,371)	(29.9%)		
Attributable Net profit	17,261	92,495	24,632	(7,371)	(29.9%)		
Business							
Total Assets	48,183,200	47,406,455	44,358,209	3,824,991	8.6%	776,745	1.6%
Equity	3,338,257	3,304,672	3,138,457	199,800	6.4%	33,585	1.0%
On-balance sheet retail funds	31,643,164	30,561,447	29,183,829	2,459,335	8.4%	1,081,717	3.5%
Off-balance sheet funds	4,498,734	4,850,569	4,413,163	85,571	1.9%	(351,835)	(7.3%)
Performing Loans	30,013,962	29,574,566	29,362,305	651,657	2.2%	439,396	1.5%
Risk management							
Non-performing assets	4,588,208	4,657,612	5,225,065	(636,857)	(12.2%)	(69,404)	(1.5%)
Non-performing assets (net)	2,353,850	2,408,222	2,831,349	(477,499)	(16.9%)	(54,372)	(2.3%)
NPA coverage (%)	48.70%	48.29%	45.81%	2.89		0.41	
Non-performing loans	1,892,853	1,948,076	2,365,311	(472,458)	(20.0%)	(55,223)	(2.8%)
NPL ratio (%)	5.82%	6.07%	7.31%	(1.49)		(0.25)	
NPL coverage ratio (%)	49.80%	49.10%	44.01%	5.79		0.70	
Foreclosed assets (gross)	2,695,355	2,709,536	2,859,754	(164,399)	(5.7%)	(14,181)	(0.5%)
Foreclosed assets (net)	1,403,550	1,416,670	1,507,048	(103,498)	(6.9%)	(13,120)	(0.9%)
Foreclosed assets Coverage ratio (%)	47.93%	47.72%	47.30%	0.63		0.21	
Texas ratio	86.35%	86.71%	98.28%	(11.93)		(0.36)	
Cost of risk	0.65%	1.03%	0.65%	-		(0.38)	
Liquidity							
LTD (%)	93.11%	95.05%	99.93%	(6.82)		(1.94)	
LCR (%)	242.21%	212.33%	211.06%	31.15		29.88	
NSFR (%)	132.68%	124.03%	120.64%	12.04		8.65	
Business gap	2,263,654	1,569,744	19,971	2,243,683	11234%	693,910	44.2%
Solvency phased in							
CET1 ratio (%)	12.75%	13.03%	12.60%	0.14		(0.29)	
Tier 2 ratio (%)	1.66%	1.66%	1.73%	(0.07)		(0.00)	
Capital ratio (%)	14.40%	14.69%	14.33%	0.07		(0.29)	
Leverage ratio (%)	6.02%	6.25%	6.44%	(0.42)		(0.23)	
Solvency fully loaded							
CET1 ratio (%)	12.16%	12.32%	11.88%	0.27		(0.16)	
Tier 2 ratio (%)	1.66%	1.67%	1.74%	(0.07)		(0.00)	
Capital ratio (%)	13.82%	13.98%	13.62%	0.20		(0.16)	
Leverage ratio (%)	5.74%	5.91%	6.08%	(0.34)		(0.17)	
Profitability and efficiency							
ROA (%)	0.15%	0.20%	0.23%	(0.08)		(0.06)	
RORWA (%)	0.30%	0.40%	0.43%	(0.13)		(0.10)	
ROE (%)	2.10%	2.89%	3.22%	(1.12)		(0.79)	
Cost-income ratio (%)	62.08%	50.02%	60.08%	2.00		12.06	
Recurring cost-income ratio (%)	56.34%	61.39%	60.36%	(4.02)		(5.05)	
Other data							
Cooperative members	1,434,758	1,430,086	1,428,057	6,701	0.5%	4,672	0.3%
Employees	5,450	5,483	5,492	(42)	(0.8%)	(33)	(0.6%)
Branches	933	956	975	(42)	(4.3%)	(23)	(2.4%)

Highlights

Response to the COVID-19 crisis

The COVID-19 crisis is negatively affecting the global economy and our country's in particular. The latest GDP data for the first quarter of the year, published on April 30, showed the following figures: -3.8% quarterly reduction in the Euro area and -5.2% in Spain. Overall, all sectors of the Spanish economy have been adversely affected in the quarter with diverse impacts, according to the data published by the INE¹:

- The most affected sectors are: artistic, recreational and other services activities (-11.2%); trade, transport and hospitality (-10.9%); and professional, scientific and other activities (-8.0%).
- The least affected sectors are: financial and insurance activities (+1.0%); public administration, education and health (+0.8%); agriculture, livestock, forestry and fisheries (-1.4%).

As a result, Grupo Cooperativo Cajamar is reviewing its projections and objectives to adapt them to this scenario with a still very uncertain future.

The Group has many competitive advantages that improve its relative position to face this difficult situation. Although it has a 2.9% market share in terms of loans in Spain, it has a leading and differentiated position in the agri-food sector, with a 15% market share. The agrobusiness segment is more stable and countercyclical than other sectors

that are being more impacted by this crisis. The Group has also presence in certain geographical areas of Spain that have been less affected by the pandemic (Andalusia, Mediterranean Arch and the islands). Its presence in the most affected areas, such as Madrid or Barcelona, is very small (3.8% and 2.9%, respectively, of the total number of branches as of December 2019).

Based on the classification of its credit portfolio, Grupo Cajamar estimates that approximately 7% of it is exposed to a high risk arising from this crisis (loss of non-recoverable income: hospitality, leisure, textile, passenger transport, aesthetic centers, etc.), 17% exposed to a medium risk (income that can be recovered at least in part after the alarm period : residential construction, non-textile or agro-related retail, maintenance, etc.), and 76% of the portfolio could deal with the crisis with zero or low impact (agro, healthcare and pharmaceutical business, public sector, energy, water and waste management, etc.)

To face this crisis, Grupo Cooperativo Cajamar has launched a COVID19 response plan, providing families and businesses with all the necessary measures to protect them and mitigate the economic impact of this exceptional situation. This Plan has put in value the technological and human capabilities of Grupo Cooperativo Cajamar, where its digital banking and remote banking solutions

¹ INE: <https://ine.es/daco/daco42/daco4214/cntr0120a.pdf>

have been ideal to maintain the relationship with our customers.

The following measures can be highlighted:

For private customers:

- ✓ Advance payment of pensions and unemployment benefits
- ✓ Access to mortgage and non-mortgage moratorium
- ✓ Ability to make liquid consolidated fees for pension plans for vulnerable clients
- ✓ Financing benefits under special conditions: E.R.T.E (temporary layoffs) advance payment at no cost, technological equipment for remote working, tax payments (Credirenta) or tax returns (Credianticipo), deferral of up to three payments of rented foreclosed assets at no cost.
- ✓ Impulse of online banking

For Corporates, SMEs and Self-employed individuals:

- ✓ Special financing conditions to provide liquidity to businesses and self-employed individuals which consist on deferring capital payments (up to 12 months) and Term (up to 5 years).
- ✓ Flexibilization of deadlines and conditions on certain products.
- ✓ Supporting businesses in their remote management
- ✓ Availability of the personal assistance through electronic banking
- ✓ Special financing for the different agro sectors affected by the crisis and extension

of the deadline to request CAP aid in the agro sector.

- ✓ Extension of deadlines for international businesses.
- ✓ Advancement of pension payments and unemployment benefits

Regarding social initiatives:

- ✓ Collaboration with the SICNOVA platform through which 105,000 face visors have been donated to healthcare personnel.
- ✓ Collaboration in manufacturing and distributing waterproof robes for healthcare personnel (3,000 robes per week).
- ✓ Economic contributions to the Spanish Red Cross Institution focused on attending vulnerable groups that suffer from coronavirus.
- ✓ Internal campaign to finance projects related to COVID19 emergency.
- ✓ HAZLOPOSIBLE Foundation with the Forgood.es initiative.

Operational adaptation:

- ✓ Employee protection: cancellation of ordinary activity (displacements, meetings, events and training activities), personnel protection measures (use of gloves, hydroalcoholic gel, masks, visors), reinforcement of cleaning services.
- ✓ Implementation of telework: 85% in Central Services, 50% in the Commercial Network, grant acquisition of computer equipment and measures to reconcile work-life balance.
- ✓ Guarantee of business continuity: essential services in the branch network, reductions of opening hours, concentration of

branches in locations with several seats with additional protection measures and limitation regarding distance for employees and customers.

- ✓ Job maintenance commitment

Solvency

At the end of the first quarter 2020, Grupo Cooperativo Cajamar has a CET1 phased in ratio of 12.75% (12.16% fully loaded) , improving 14 bps compared to the same quarter last year: +65 bps coming from an increase in capital, +20 pbs from reserves, -13 bps from the calendar effect of IFRS9, -16 bps coming from the increase of RWAs and -42 bps from the rest of the effects (specially from latent losses of assets valued at fair value, due to the market deterioration in March as a consequence of COVID-19). The phased in solvency ratio stands at 14.40% (+0.07% y-o-y and -0.29% in the quarter), equivalent to 13.82% fully loaded (+0.20% y-o-y, -0.16% q-o-q). This valuation effect on portfolios at fair value has been the main driver for the q-o-q decrease in solvency ratios.

BCC received authorization from the ECB to be able to buy back up to a maximum of 3% of the T2 bonds issued for market making purposes. BCC has issued 400 million euros in two subordinated debt issuances. That authorization implies that the maximum amount of the buyback allowance deducts entirely from the eligible capital, with an additional impact of 5 bps y-o-y.

In any case, solvency ratio stood 140 bps above SREP requirement for 2020, which increases to 390 bps in case ECB's extraordinary measures for the financial sector are considered, such as the waiver to comply with the 250 bps of capital conservation

buffer. These measures are introduced as a consequence of the COVID-19 crisis in order to provide with liquidity and financing options to the real economy.

Liquidity

Customer deposits continue improving (8.4% y-o-y), tendency that accelerates in the first quarter of the year, with an increase of €1,082Mn (+3.5% compared to the last quarter 2019). This tendency allows the LTD ratio to stand at 93.1% (improving from the 95.1% of the previous quarter and from the 99.3% in the first quarter 2019) and the business gap to reach €2,264 million in the quarter (+2.244 y-o-y). In this way, the Group maintains a sound liquidity position with a y-o-y improvement, based on a granular and solid customer base, with liquidity ratios well above requirements (LCR 242.21%, -31.15 pp y-o-y, NSFR 132.68%, + 12.04 pp y-o-y).

Up to quarter end, the Group has early amortized €3.073Mn of the TLTRO2 (which had an initial maturity in June 2020), having refinanced it through two dispositions of the new series of the TLTRO3 maturing in three years, for a total amount of €3,666Mn. The outstanding amount of the TLTRO2 (€2,014Mn), as well as the €750Mn Covered Bond maturing in October 2020, are expected to be refinanced by additional dispositions of the TLTRO3. Due to the new improved conditions of the TLTRO3 (expected to be -100 bps from June 2020 to June 2021 and limit increased to 50% of eligible loans), BCC would have the capability to take additional €4,395Mn compared to the amount disposed of the TLTRO2. The usage of ECB's facilities will be with the aim of optimizing resources and maximizing financial margins.

The Group has €6,307Mn eligible unencumbered high quality liquidity assets (HQLAs) in its ALCO portfolio and € 3,640 million of additional capacity to issue covered bonds.

Under these circumstances, BCC does not contemplate to do any issuance in the wholesale market in 2020.

Asset Quality

GCC has been able to continue improving its asset quality, reducing non-performing risks by 19,9% y-o-y (-2.8% in the quarter), reducing the NPL ratio to 5.82% compared to the 6.07% last quarter (1.49 pp y-o-y improvement), and reducing the gap with the sector average. The NPL coverage ratio also improves in the first quarter, standing at 49.8% (49.1% in December 2019, increasing 5.79 pp in the last 12 months). This improvement allows Grupo Cooperativo Cajamar to be in a much strengthen position to face this COVID-19 crisis (in comparison with the previous crisis).

Sales of foreclosed assets, despite having reduced in the first quarter 2020 in comparison with previous quarters, have allowed the Group to absorb the inflows of new assets, reducing the net figure of foreclosed assets in €13Mn in the quarter and €103Mn in the last 12 months (-6.9%), coming to a net amount of €1,404Mn by the end of the quarter. In March, the reduction tendency has significantly slowed down as of the new economic environment and the lockdown situation. This slowdown in the sale of foreclosed assets will, with a high probability, continue in the following quarters.

Coverage of foreclosed assets slightly increases compared to the previous quarter, standing at

47.9% (53.4% factoring in write offs in the foreclosure procedure).

Profit for the quarter

Net interest income, as of the first quarter 2020, stands at €148Mn, which means a decrease of 0.3% compared to the first quarter last year. Net fees and commissions income grow 3.7% y-o-y, standing at €63Mn. Meanwhile, results on financial transactions have reached €17 million accumulated in the year, 37.6% less than the first quarter last year, because of the market conditions due to COVID-19 crisis. Therefore, gross margin stands at €231Mn at the end of the quarter (-2.4% y-o-y). Nevertheless, recurring gross margin stands at €255Mn (+8% y-o-y).

Operating expenses (personnel expenses and other general administration expenses) grow slightly by 1% y-o-y, while amortization and depreciation reduce by 1.2% y-o-y. Cost income ratio stands at 62.1% (60.1% in March 2019), while recurring cost-income ratio improves to 56.4% (60.4% in March 2019).

Pre-provision profit amounts to €88 Mn at the end of March (-7.3 % y-o-y) and the recurring pre-provision profit at €111Mn (+19% y-o-y), allowing the Group to allocate 5% more funds on loan loss provisions, which has implied an improvement of non-performing assets coverage and the cost of risk stand at 65 bps.

Profit before taxes at the end of March totals €19 million (- 20% y-o-y) and net profit amounts 17 million euro (-30% y-o-y).

Streamlining

Grupo Cooperativo Cajamar ends the quarter with a network of 933 branches, 42 less than the first quarter 2019. The workforce stands at 5,450 employees, 42 less than the first quarter of the previous year.

Sustainability

Grupo Cooperativo Cajamar is known for its social cooperative-based nature, its mission and vision, its ethical management system and its conviction around the promotion of the social economy as a socio-economic model that aims to put the financial resources at the service of society. The Group offers a wide range of products and services aimed at supporting families and local production systems.

Grupo Cajamar carries out I+D+I projects in agro-sustainability, food and health, bio-economy and greenhouse technology and transfers knowledge to companies, farmers, professionals and researchers, through its experimental centers in Almería and Valencia. The Group is committed to socially responsible investment through the establishment of exclusion criteria or unwanted linkages, while having also positive criteria.

Funds already comply with the Socially Responsible Investment requirements in a 98% of the total funds managed.

Regarding the environmental commitment of the Group (included in its Environmental Policy), 100%

of the energy used by the Group comes from green energy and 100% of the CO2 tons calculated and emitted have already been compensated.

The Group has a supplier approval process and 100% of the approved suppliers have already committed to comply with the Principles of the Global Compact.

Grupo Cooperativo Cajamar has attached to a significant number of initiatives and protocols, which include:

- Principles for Responsible Banking of the United Nations
- Carbon Disclosure Project
- Climate Change Cluster
- Transparency, Governance and Integrity Cluster
- Social Impact Cluster of Forética
- Global Reporting Initiative of Forética
- United Nations Global Compact of Forética
- Women's Empowerment Principles
- Charter Diversity
- European Association of Co-operative Banks
- SpainSIF

The Group is also following the instructions of Task Force on Climate-related Financial Disclosures.

Grupo Cajamar has launched different green product lines and collaboration and financing lines to support its customers' energy efficiency.

Financial performance

Funds under management

(EUR Thousands)	31/03/2020	31/12/2019	31/03/2019	y-o-y		q-o-q	
				Abs.	%	Abs.	%
Sight deposits	25,169,550	23,777,663	21,980,451	3,189,099	14.5%	1,391,887	5.9%
Term deposits	6,473,614	6,783,784	7,203,378	(729,764)	(10.1%)	(310,170)	(4.6%)
Customer deposits	31,643,164	30,561,447	29,183,829	2,459,335	8.4%	1,081,717	3.5%
On-balance sheet retail funds	31,643,164	30,561,447	29,183,829	2,459,335	8.4%	1,081,717	3.5%
Bonds and other securities *	2,748,806	2,800,004	2,940,237	(191,431)	(6.5%)	(51,199)	(1.8%)
Subordinated liabilities	410,702	402,547	420,406	(9,704)	(2.3%)	8,155	2.0%
Central counterparty deposits	2,821,114	3,714,853	2,072,522	748,592	36.1%	(893,739)	(24.1%)
Financial institutions	746,445	631,400	537,178	209,267	39.0%	115,045	18.2%
ECB	5,646,412	5,040,280	5,029,995	616,417	12.3%	606,132	12.0%
Wholesale funds	12,373,479	12,589,084	11,000,338	1,373,141	12.5%	(215,606)	(1.7%)
Total balance sheet funds	44,016,643	43,150,531	40,184,167	3,832,476	9.5%	866,111	2.0%
Mutual funds	2,602,384	2,893,771	2,466,437	135,947	5.5%	(291,387)	(10.1%)
Pension plans	857,221	832,230	806,087	51,134	6.3%	24,991	3.0%
Savings insurances	660,922	671,219	674,134	(13,212)	(2.0%)	(10,297)	(1.5%)
Fixed-equity income	378,207	453,348	466,506	(88,299)	(18.9%)	(75,141)	(16.6%)
Off-balance sheet funds	4,498,734	4,850,569	4,413,163	85,571	1.9%	(351,835)	(7.3%)
Customer funds under mgment	36,141,898	35,412,016	33,596,992	2,544,906	7.6%	729,882	2.1%
Funds under management	48,515,377	48,001,100	44,597,330	3,918,047	8.8%	514,276	1.1%

* Covered bonds, territorial bonds and securitization.

Loans and advances to customers

(EUR Thousands)	31/03/2020	31/12/2019	31/03/2019	y-o-y		q-o-q	
				Abs.	%	Abs.	%
General governments	598,579	469,030	754,508	(155,929)	(20.7%)	129,550	27.6%
Other financial corporations	1,259,375	1,157,366	1,200,747	58,628	4.9%	102,009	8.8%
Non-financial corporations	11,982,748	11,838,270	11,536,683	446,065	3.9%	144,476	1.2%
Households	17,678,853	17,657,434	17,895,094	(216,241)	(1.2%)	21,420	0.1%
Loans to customers (gross)	31,519,555	31,122,100	31,387,032	132,523	0.4%	397,455	1.3%
<i>Of which:</i>							
Real estate developers	832,509	852,469	1,043,445	(210,936)	(20.2%)	(19,960)	(2.3%)
Performing loans to customers	29,626,702	29,174,024	29,021,721	604,981	2.1%	452,678	1.6%
Non-performing loans	1,892,853	1,948,076	2,365,311	(472,458)	(20.0%)	(55,223)	(2.8%)
Other loans *	-	-	-	-	-	-	-
Debt securities from customers	387,260	400,542	340,584	46,676	13.7%	(13,282)	(3.3%)
Gross Loans	31,906,815	31,522,642	31,727,616	179,199	0.6%	384,173	1.2%
Performing Loans	30,013,962	29,574,566	29,362,305	651,657	2.2%	439,396	1.5%
<i>Credit losses and impairment</i>	<i>(942,553)</i>	<i>(956,524)</i>	<i>(1,041,010)</i>	<i>98,457</i>	<i>(9.5%)</i>	<i>13,971</i>	<i>(1.5%)</i>
Total lending	30,964,263	30,566,117	30,686,605	277,658	0.9%	398,145	1.3%
Off-balance sheet risks							
Contingent risks	740,107	706,355	734,122	5,985	0.8%	33,752	4.8%
<i>of which: non-performing contingent risks</i>	<i>7,785</i>	<i>7,862</i>	<i>7,253</i>	<i>532</i>	<i>7.3%</i>	<i>(77)</i>	<i>(1.0%)</i>
Total risks	32,646,922	32,228,997	32,461,738	185,184	0.6%	417,925	1.3%
Non-performing total risks	1,900,638	1,955,938	2,372,564	(471,926)	(19.9%)	(55,300)	(2.8%)

* Mainly reverse repurchase agreements

Asset quality

Foreclosed assets (*) (Thousand €)	31/03/2020	31/12/2019	31/03/2019	y-o-y		q-o-q	
				Abs.	%	Abs.	%
Non-performing total risks	1,900,638	1,955,938	2,372,564	(471,926)	(19.9%)	(55,300)	(2.8%)
Total risks	32,646,922	32,228,997	32,461,738	185,184	0.6%	417,925	1.3%
NPL ratio (%)	5.82%	6.07%	7.31%	(1.49)		(0.25)	
Gross loans coverage	942,553	956,524	1,041,010	(98,457)	(9.5%)	(13,971)	(1.5%)
NPL coverage ratio (%)	49.80%	49.10%	44.01%	5.79		0.70	
Foreclosed Assets (gross)	2,695,355	2,709,536	2,859,754	(164,399)	(5.7%)	(14,181)	(0.5%)
Foreclosed Assets Coverage	1,291,805	1,292,866	1,352,705	(60,900)	(4.5%)	(1,061)	(0.1%)
Foreclosed assets coverage ratio (%)	47.93%	47.72%	47.30%	0.63		0.21	
Foreclosed assets coverage with w/o	53.42%	53.08%	52.14%	1.28		0.34	
NPA ratio (%)	13.26%	13.61%	15.11%	(1.85)		(0.35)	
NPA coverage (%)	48.70%	48.29%	45.81%	2.89		0.41	
NPA coverage with w/o (%)	52.02%	51.52%	48.65%	3.37		0.50	
Foreclosed assets (gross)	2,695,355	2,709,536	2,859,754	(164,399)	(5.7%)	(14,181)	(0.5%)
Foreclosed assets coverage	(1,291,805)	(1,292,866)	(1,352,705)	60,900	(4.5%)	1,061	(0.1%)
Foreclosed assets (net)	1,403,550	1,416,670	1,507,048	(103,498)	(6.9%)	(13,120)	(0.9%)
Coverage ratio (%)	47.93%	47.72%	47.30%	0.63		0.21	
Coverage ratio with w/o (%)	53.42%	53.08%	52.14%	1.27		0.33	
Foreclosed assets (gross)	2,695,355	2,709,536	2,859,754	(164,399)	(5.7%)	(14,181)	(0.5%)
Residential properties	1,281,170	1,289,997	1,435,510	(154,340)	(10.8%)	(8,827)	(0.7%)
Of which: under construction	225,228	218,587	176,825	48,403	27.4%	6,641	3.0%
Commercial properties	1,405,684	1,389,947	1,411,686	(6,002)	(0.4%)	15,738	1.1%
Of which: countryside land	59,081	58,310	55,658	3,423	6.2%	770	1.3%
Of which: under construction	2,168	2,168	2,168	-	-	-	-
Of which: urban land	1,026,765	1,009,264	1,036,159	(9,394)	(0.9%)	17,500	1.7%
Of which: developable land	9,893	9,833	8,947	946	10.6%	60	0.6%
Of which: warehouses/premises	317,671	320,204	317,702	(31)	(0.0%)	(2,533)	(0.8%)
Other	8,501	29,593	12,558	(4,057)	(32.3%)	(21,092)	(71.3%)
Foreclosed assets (net)	1,403,550	1,416,670	1,507,048	(103,498)	(6.9%)	(13,120)	(0.9%)
Residential properties	771,001	773,983	861,652	(90,650)	(10.5%)	(2,982)	(0.4%)
Of which: under construction	110,407	107,183	82,218	28,189	34.3%	3,225	3.0%
Commercial properties	627,708	621,169	638,019	(10,312)	(1.6%)	6,538	1.1%
Of which: countryside land	23,947	22,773	21,501	2,446	11.4%	1,175	5.2%
Of which: under construction	953	953	938	15	1.6%	-	-
Of which: urban land	417,446	410,242	430,658	(13,212)	(3.1%)	7,204	1.8%
Of which: developable land	2,241	2,175	2,794	(553)	(19.8%)	66	3.0%
Of which: warehouses/premises	183,120	187,202	184,922	(1,802)	(1.0%)	(4,082)	(2.2%)
Other	4,841	21,518	7,377	(2,536)	(34.4%)	(16,677)	(77.5%)
Coverage (%)	47.93%	47.72%	47.30%	0.63		0.21	
Residential properties	39.82%	40.00%	39.98%	(0.16)		(0.18)	
Of which: under construction	50.98%	50.97%	53.50%	(2.52)		0.01	
Commercial properties	55.35%	55.31%	54.80%	0.54		0.04	
Of which: countryside land	59.47%	60.95%	61.37%	(1.90)		(1.48)	
Of which: under construction	56.03%	56.03%	56.72%	(0.69)		-	
Of which: urban land	59.34%	59.35%	58.44%	0.91		(0.01)	
Of which: developable land	77.34%	77.88%	68.77%	8.57		(0.53)	
Of which: warehouses/premises	42.36%	41.54%	41.79%	0.56		0.82	
Other	43.05%	27.29%	41.25%	1.80		15.77	
Coverage with write offs (%)	53.42%	53.08%	52.14%	1.27		0.33	
Residential properties	46.66%	46.60%	45.65%	1.01		0.06	
Of which: under construction	108.42%	108.11%	116.62%	(8.20)		0.32	
Commercial properties	59.74%	59.67%	58.86%	0.87		0.06	
Of which: countryside land	65.05%	66.75%	65.65%	(0.60)		(1.70)	
Of which: under construction	56.41%	56.41%	57.10%	(0.68)		-	
Of which: urban land	63.29%	63.22%	62.20%	1.09		0.06	
Of which: developable land	82.22%	82.66%	75.89%	6.33		(0.44)	
Of which: warehouses/premises	45.92%	45.84%	45.69%	0.23		0.08	
Other	43.05%	27.29%	41.25%	1.80		15.77	

(*) RE investments not included

REOs breakdown	31/03/2020	31/12/2019	31/03/2019	y- o -y		q-o-q	
				Abs.	%	Abs.	%
REOs (gross)	2,994,466	2,991,714	3,241,708	(247,242)	(7.6%)	2,751	0.1%
Foreclosed assets	2,695,355	2,709,536	2,859,754	(164,399)	(5.7%)	(14,181)	(0.5%)
Non-current assets held for sale	536,704	549,671	629,077	(92,373)	(14.7%)	(12,967)	(2.4%)
Inventories	2,158,651	2,159,865	2,230,677	(72,025)	(3.2%)	(1,214)	(0.1%)
RE Investments	299,111	282,178	381,954	(82,844)	(21.7%)	16,932	6.0%
REOs (coverage)	1,415,806	1,410,768	1,517,729	(101,924)	(6.7%)	5,037	0.4%
Foreclosed assets	1,291,805	1,292,866	1,352,705	(60,900)	(4.5%)	(1,061)	(0.1%)
Non-current assets held for sale	236,564	239,906	276,368	(39,803)	(14.4%)	(3,341)	(1.4%)
Inventories	1,055,240	1,052,960	1,076,338	(21,097)	(2.0%)	2,281	0.2%
RE Investments	124,001	117,903	165,024	(41,023)	(24.9%)	6,098	5.2%
REOs (% coverage)	47.28%	47.16%	46.82%	0.46		0.12	
Foreclosed assets	47.93%	47.72%	47.30%	0.63		0.21	
Non-current assets held for sale	44.08%	43.65%	43.93%	0.15		0.43	
Inventories	48.88%	48.75%	48.25%	0.63		0.13	
RE Investments	41.46%	41.78%	43.21%	(1.75)		(0.33)	

REOs	1Q19	2Q19	3Q19	4Q19	1Q20	Last 4 quarters
Inflow	71	96	78	114	75	364
Sales	-117	-141	-150	-247	-72	-611
Variation	-46	-45	-72	-133	3	-247

NPL evolution	1Q19	2Q19	3Q19	4Q19	1Q20	Last 4 quarters
NPL inflow	101	87	93	100	80	361
NPL outflow	-195	-246	-189	-263	-136	-833
Variation	-94	-159	-95	-163	-55	-472

Results

Consolidated P&L at quarter end

(EUR Thousands)	31/03/2020	%ATM	31/03/2019	%ATM	y-o-y	
					Abs.	%
Interest income	172,376	1.45%	176,289	1.62%	(3,913)	(2.2%)
Interest expenses	(24,720)	(0.21%)	(28,171)	(0.26%)	3,451	(12.3%)
NET INTEREST INCOME	147,656	1.24%	148,118	1.36%	(462)	(0.3%)
Dividend income	855	0.01%	500	0.00%	355	71.0%
Income from equity-accounted method	6,937	0.06%	8,804	0.08%	(1,867)	(21.2%)
Net fees and commissions	63,322	0.53%	61,051	0.56%	2,271	3.7%
Gains (losses) on financial transactions	16,669	0.14%	26,712	0.24%	(10,043)	(37.6%)
Exchange differences [gain or (-) loss], net	(243)	-	959	0.01%	(1,202)	(125.3%)
Other operating incomes/expenses	(4,094)	(0.03%)	(9,250)	(0.08%)	5,156	(55.7%)
of which: Transfer to Education/Devpment Fund	(621)	(0.01%)	(1,363)	(0.01%)	742	(54.4%)
GROSS INCOME	231,102	1.94%	236,894	2.17%	(5,792)	(2.4%)
Administrative expenses	(128,892)	(1.08%)	(127,572)	(1.17%)	(1,320)	1.0%
Personnel expenses	(82,857)	(0.70%)	(81,046)	(0.74%)	(1,811)	2.2%
Other administrative expenses	(46,036)	(0.39%)	(46,526)	(0.43%)	490	(1.1%)
Depreciation and amortisation	(14,585)	(0.12%)	(14,755)	(0.14%)	170	(1.2%)
NET INCOME BEFORE PROVISIONS	87,625	0.74%	94,567	0.87%	(6,942)	(7.3%)
Provisions or (-) reversal of provisions	(1,658)	(0.01%)	(6,174)	(0.06%)	4,516	(73.1%)
Impairment losses on financial assets	(57,003)	(0.48%)	(54,224)	(0.50%)	(2,779)	5.1%
OPERATING INCOME	28,964	0.24%	34,169	0.31%	(5,205)	(15.2%)
Impairment or reversal of investments in associates (net)	-	-	-	-	-	-
Impairment losses on non financial assets	(1,002)	(0.01%)	(3,997)	(0.04%)	2,995	(74.9%)
Gains or (-) losses on derecognition of non financial assets	(6,407)	(0.05%)	(4,461)	(0.04%)	(1,946)	43.6%
Profit or (-) loss from non-current assets	(2,931)	(0.02%)	(2,431)	(0.02%)	(500)	20.6%
PROFIT BEFORE TAX	18,624	0.16%	23,279	0.21%	(4,655)	(20.0%)
Tax	(1,363)	(0.01%)	1,353	0.01%	(2,716)	(200.7%)
CONSOLIDATED NET PROFIT	17,261	0.15%	24,632	0.23%	(7,371)	(29.9%)

Quarterly results

(EUR Thousands)	1T19	2T19	3T19	4T19	1T20	q-o-q	
						Abs.	%
Interest income	176,289	174,268	172,134	181,602	172,376	(9,226)	(5.1%)
Interest expenses	(28,171)	(28,469)	(28,949)	(28,908)	(24,720)	4,188	(14.5%)
NET INTEREST INCOME	148,118	145,799	143,185	152,694	147,656	(5,038)	(3.3%)
Dividend income	500	2,639	2,958	2,608	855	(1,753)	(67.2%)
Income from equity-accounted method	8,804	8,562	6,556	14,513	6,937	(7,576)	(52.2%)
Net fees and commissions	61,051	61,097	60,876	62,236	63,322	1,086	1.7%
Gains (losses) on financial transactions	26,712	216,009	53,541	(585)	16,669	17,254	(2,949.4%)
Exchange differences [gain or (-) loss], net	959	185	654	1,362	(243)	(1,605)	(117.8%)
Other operating incomes/expenses	(9,250)	(7,716)	(9,845)	(6,568)	(4,094)	2,474	(37.7%)
of which: Mandatory transfer to Education and Devlp. Fund	(1,363)	(1,188)	(1,263)	11	(621)	(632)	(5,745.5%)
GROSS INCOME	236,894	426,575	257,925	226,260	231,102	4,842	2.1%
Administrative expenses	(127,572)	(131,303)	(129,261)	(129,136)	(128,892)	244	(0.2%)
Personnel expenses	(81,046)	(84,426)	(83,230)	(83,004)	(82,857)	147	(0.2%)
Other administrative expenses	(46,526)	(46,877)	(46,031)	(46,132)	(46,036)	96	(0.2%)
Depreciation and amortisation	(14,755)	(14,237)	(13,180)	(14,668)	(14,585)	83	(0.6%)
NET INCOME BEFORE PROVISIONS	94,567	281,035	115,484	82,456	87,625	5,169	6.3%
Provisions or (-) reversal of provisions	(6,174)	(55,198)	329	7,681	(1,658)	(9,339)	(121.6%)
Impairment losses on financial assets	(54,224)	(131,413)	(69,436)	(78,560)	(57,003)	21,557	(27.4%)
OPERATING INCOME	34,169	94,424	46,377	11,577	28,964	17,387	150.2%
Impairment or reversal of investments in or associates (net)	-	-	-	-	-	-	-
Impairment losses on non financial assets	(3,997)	(26,860)	649	(2,739)	(1,002)	1,737	(63.4%)
Gains or (-) losses on derecognition of non financial assets	(4,461)	(12,215)	(6,390)	(4,272)	(6,407)	(2,135)	50.0%
Profit or (-) loss from non-current assets	(2,431)	(6,524)	(824)	(3,071)	(2,931)	140	(4.6%)
PROFIT BEFORE TAX	23,279	48,827	39,812	1,494	18,624	17,130	1,146.6%
Tax	1,353	(26,449)	(4,766)	8,945	(1,363)	(10,308)	(115.2%)
CONSOLIDATED NET PROFIT	24,632	22,378	35,046	10,439	17,261	6,822	65.4%

Solvency

Phased in (EUR Thousands)	31/03/2020	31/12/2019	31/03/2019	y-o-y		q-o-q	
				Abs.	%	Abs.	%
Capital	2,981,886	2,947,594	2,830,809	151,077	5.3%	34,292	1.2%
Reserves	485,658	508,321	469,825	15,833	3.4%	(22,663)	(4.5%)
AFS Surplus	(69,983)	3,382	(6,952)	(63,031)	906.7%	(73,365)	(2169.3%)
Capital deductions	(413,879)	(415,124)	(380,079)	(33,800)	8.9%	1,245	(0.3%)
Ordinary Tier 1 Capital	2,983,683	3,044,173	2,913,603	70,080	2.4%	(60,490)	(2.0%)
CET1 ratio (%)	12.75%	13.03%	12.60%	0.14		(0.29)	
Tier2 Capital	388,000	388,000	400,000	(12,000)	(3.0%)	-	-
Tier 2 ratio (%)	1.66%	1.66%	1.73%	(0.07)		(0.00)	
Eligible capital	3,371,683	3,432,173	3,313,603	58,080	1.8%	(60,490)	(1.8%)
Capital ratio (%)	14.40%	14.69%	14.33%	0.07		(0.29)	
Total RWAs	23,409,811	23,357,888	23,116,849	292,962	1.3%	51,923	0.2%
Credit risk	21,760,398	21,693,601	21,543,740	216,658	1.0%	66,797	0.3%
Operational risk	1,522,646	1,522,646	1,445,750	76,896	5.3%	-	-
Other risk	126,767	141,641	127,359	(592)	(0.5%)	(14,874)	(10.5%)
Fully-loaded							
(EUR Thousands)							
Capital	2,981,886	2,947,594	2,830,809	151,077	5.3%	34,292	1.2%
Reserves	341,470	333,234	294,739	46,731	15.9%	8,236	2.5%
AFS Surplus	(69,983)	3,382	(6,952)	(63,031)	906.7%	(73,365)	(2169.3%)
Capital deductions	(413,879)	(415,124)	(380,079)	(33,800)	8.9%	1,245	(0.3%)
Ordinary Tier 1 Capital	2,839,494	2,869,086	2,738,517	100,977	3.7%	(29,592)	(1.0%)
CET1 ratio (%)	12.16%	12.32%	11.88%	0.27		(0.16)	
Tier2 Capital	388,000	388,000	400,000	(12,000)	(3.0%)	-	-
Tier 2 ratio (%)	1.66%	1.67%	1.74%	(0.07)		(0.00)	
Eligible capital	3,227,494	3,257,086	3,138,517	88,977	2.8%	(29,592)	(0.9%)
Capital ratio (%)	13.82%	13.98%	13.62%	0.20		(0.16)	
Total RWAs	23,357,469	23,291,332	23,046,347	311,122	1.3%	66,137	0.3%
Credit risk	21,708,057	21,627,044	21,473,238	234,819	1.1%	81,013	0.4%
Operational risk	1,522,646	1,522,646	1,445,750	76,896	5.3%	-	-
Other risk	126,766	141,642	127,359	(593)	(0.5%)	(14,876)	(10.5%)

Liquidity

	1Q20	4Q19	1Q19	y-o-y	q-o-q
LTD(%)	93,11%	95,05%	99,93%	(6.82)	(1.94)
LCR(%)	242,21%	212,33%	211,06%	31.15	29.88
NSFR(%)	132,68%	124,03%	120,64%	12.04	8.65

Glossary of terms on alternative performance measures

Grupo Cooperativo Cajamar uses in its quarterly results presentations published on its website, issue prospectuses, presentations to investors and internally in its business monitoring reports, business indicators as per the applicable accounting standards (IFRS), although it also uses additional, unaudited measures commonly used in the banking sector (Alternative Performance Measures or APMs), as indicators about the business and the economic-financial position of Grupo Cooperativo Cajamar, which allows for comparison with other entities.

These measures (APMs) are calculated in accordance with the European Securities and Markets Authority Guidelines (ESMA/2015/1415es, of 5 October 2015), to facilitate the reporting transparency for the protection of investors in the European Union. The measures used by Grupo Cooperativo Cajamar and their definitions are given below:

(IN ALPHABETICAL ORDER)

Measure	Definition and calculation
1 Average Total Assets (ATA)	Average of the end-of-quarter figures since the previous December, inclusive.
2 Branches	Total branches reported to Bank of Spain (includes part-time branches, or "ventanillas", and excludes financial agencies).
3 Business gap	Difference between the numerator and the denominator of the Loan To Deposits ratio.
4 Cooperative members	Owners of at least one contribution to the equity capital of the credit cooperatives (both companies and individuals).
5 Cost of Risk (%)	Annualised total impairment losses/ Average Gross Loans and REOs.
6 Cost-income ratio (%)	(Administrative expenses + Depreciation and amortisation) / Gross income.
7 Customer funds under management	On-Balance sheet retail funds + Off-balance sheet funds
8 Customers' deposits	Sight deposits + Term deposits
9 Customers' spread (%)	Calculated as the difference between the Average revenue of loans to customers gross and the Average cost of customer deposits (sight deposits and term deposits)
10 Debt securities from customers	Portfolio of Senior debt securities of big enterprises.
11 Employees	SIP's total employees, excluding temporary and pre-retired employees
12 Foreclosed assets (gross)	REOs excluding RE investments.
13 Foreclosed assets (net)	Foreclosed assets (gross) – Total foreclosed assets coverage
14 Foreclosed assets coverage ratio (%)	Foreclosed assets coverage / Foreclosed assets (gross)
15 Foreclosed assets coverage ratio with debt forgiveness (%)	Foreclosed assets coverage (including debt forgiveness in the foreclosure procedure)/ Foreclosed assets (gross) (including debt forgiveness in the foreclosure procedure)
16 Funds under management	Total balance sheet funds + Off-balance-sheet funds
17 Gross Loans	Loans to customers (gross) + Other loans (reverse repurchase agreements) + Debt securities from customers
18 Impairment losses	Impairment or (-) reversal of impairment on financial assets not measured at fair value through profit or loss + Impairment or (-) reversal of impairment on non-financial assets + Impairment or reversal of impairment of investments in joint ventures or associates (net)
19 Loan to deposits ratio (%)	Net loans to customers / (Customer's deposits + Net issued securitisations + Brokered loans)
20 Net Interest Income o/ATA (%)	Net interest income / Average total assets
21 Non-performing assets (NPA)	Non-performing loans + Foreclosed assets (gross)
22 Non-performing Total risks	Non-performing loans + non-performing contingent risks
23 NPA coverage ratio (%)	(Gross loans coverage + Foreclosed assets coverage) / (Non-performing loans + Foreclosed assets (gross))
24 NPA coverage with debt forgiveness (%)	(Gross loans coverage + Foreclosed assets coverage + debt forgiveness) / (Non-performing loans + Foreclosed assets (gross) + debt forgiveness)
26 NPL coverage ratio (%)	Gross loans coverage / Non-performing loans
25 NPA ratio (%)	(Non-performing loans + Foreclosed assets (gross)) / (Gross loans+ Foreclosed assets (gross))

Measure	Definition and calculation
27 NPL ratio (%)	(Non-performing loans + non-performing contingent risks) / (Gross loans + contingent risks)
28 Off-balance sheet funds	Mutual funds + Pension plans + Saving insurance + Fixed-equity income
29 On-Balance sheet retail funds	Sight deposits + Term deposits + Other funds (repurchase agreements)
30 Operating expenses	Personnel expenses + Other administrative expenses + Depreciation and amortisation
31 Performing Loans	Gross loans – Non-performing loans
32 Performing Loans to customers	Loans to customers (gross) – Non-performing loans
33 Recurring cost-income ratio (%)	Operating expenses / Recurring gross income
34 Recurring Gross Income	Gross income without extraordinary results included in Gains (losses) on financial transactions and without mandatory transfers to the Education and Development Fund included in Other operating income/expenses
35 Recurring Net Income before provisions	Recurring gross income – Operating expenses
36 RED Loans	Real estate development loans
37 REOs	Foreclosed assets + Real Estate investments
38 ROA (%)	Annualisation of the following quotient: Consolidated net profit / Average total assets (average of the end-of-quarter figures since the previous December, inclusive)
39 ROE (%)	Annualisation of the following quotient: Consolidated net profit / Average total equity (average of the end-of-quarter figures since the previous December, inclusive)
40 RORWA (%)	Annualisation of the following quotient: Consolidated net profit / Average risk-weighted assets (average of the end-of-quarter figures since the previous December, inclusive)
41 Texas ratio (%)	(Non performing total risks + gross REOs) / (Gross loans coverage + REOs coverage + Total equity)
42 Total balance sheet funds	Customers' retail funds + Wholesale funding
43 Total lending	Gross Loans - Credit losses and impairment
44 Total risks	Gross loans + Contingent risks
45 Wholesale funds	Bonds and other securities + Subordinated liabilities + Monetary market operations + Deposits from credit institutions + ECB
46 REOs	Sum of Foreclosed Assets and Real Estate Investments

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This Report contains financial information derived from Grupo Cooperativo Cajamar's unaudited financial statements for the first quarter 2020 and the first, second, third and fourth quarters 2019. None of this financial information has been audited by the external auditors. The financial information has been prepared in accordance with International Financial Reporting Standards (IFRS) and Grupo Cooperativo Cajamar's internal accounting criteria so as to present fairly the nature of its business. Those criteria are not subject to any regulation and may include estimates and subjective valuations which, if a different methodology were used, could result in significant differences in the information presented.

In addition to the financial information prepared in accordance with International Financial Reporting Standards (IFRS), this Report includes Alternative Performance Measures (APMs), as defined in the Guidelines on Alternative Performance Measures published on 5 October 2015 by the European Securities and Markets Authority (ESMA/2015/1415es). These APMs are based on Grupo Cooperativo Cajamar's financial statements but are not defined or specified within the applicable financial reporting framework and so have not been audited and are not fully auditable. APMs are used to provide a better understanding of Grupo Cooperativo Cajamar's financial performance but must be regarded as additional information. On no account are they a substitute for the financial statements prepared in accordance with IFRS. Moreover, the way in which Grupo Cooperativo Cajamar defines and calculates its APMs may differ from the way they are defined and calculated by other entities that use similar measures, so these APMs may not be comparable between entities. For a fuller understanding of the APMs used in this Report, see the previous section, "Alternative Performance Measures Glossary".

Market and competitive position data in the Report has generally been obtained from industry publications and surveys or studies conducted by third-party sources. Peer firm information presented herein has been taken from peer firm public reports, though none of them is referred to by name. There are limitations with respect to the availability, accuracy, completeness and comparability of such data. Grupo Cooperativo Cajamar has not independently verified such data and can provide no assurance as to its accuracy or completeness. Certain statements in the Report regarding the market and competitive position data are based on internal analyses by the Group, which involve certain assumptions and estimates. These internal analyses have not been verified by any independent source and there can be no assurance that the assumptions or estimates are accurate. Accordingly, undue reliance should not be placed on any of the industry, market or Grupo Cooperativo Cajamar competitive position data contained in the Report.

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