

Results Presentation

Q2 2019

KEY HIGHLIGHTS

**PROFITABILITY
AND EFFICIENCY**

**COMMERCIAL
ACTIVITY AND
DIGITAL
TRANSFORMATION**

**RISKS
MANAGEMENT
AND SOLVENCY**

RESULTS AND EFFICIENCY

1.33%

Net interest income o/ATA

+ 29.9% y-o-y

Δ Gross income

- 2.2% y-o-y

▽ Operating expenses

43.39%

Cost-income ratio

- 14.19 p.p. y-o-y

Cost-income ratio improvement

BUSINESS

+ 7.6% y-o-y

Δ On-balance sheet retail fund

+ 10.9% y-o-y

Δ Sight deposit

+ 1.4% y-o-y

Δ Performing loans to customer

96.96%

- 7.7 p.p. y-o-y LTD

NPA

- 529 Mn y-o-y

- 19.3% y-o-y

▽ Non-performing total risks

- 2.20 p.p. y-o-y

▽ NPA ratio (%)

- 8.8% y-o-y

▽ Foreclosed assets

+ 3.31 p.p. a.

NPL coverage ratio

+ 1.92 p.p. a.

NPA coverage ratio

SOLVENCY

14.54%

Solvency (phased in)

12.86%

CET1 (phased in)

+ 4.4% y-o-y

Δ Eligible capital (phased in)

+ 154 b.p.

MDA excess

775 Mn

CET1 excess (phased in)



Profit and Loss Account

(EUR thousands)	30/06/2019	o/ ATA	30/06/2018	o/ ATA	Y-o-y		31/12/2018	o/ ATA
					Abs.	%		
NET INTEREST INCOME	293,917	1.33%	294,174	1.42%	(257)	(0.1%)	586,041	1.38%
Net fees and commissions + exchange differences, net	123,292	0.55%	133,299	0.64%	(10,007)	(7.5%)	263,227	0.62%
Gains (losses) on financial transactions	242,721	1.10%	86,027	0.42%	156,694	182.1%	78,983	0.19%
Dividend income	3,139	0.01%	2,654	0.01%	485	18.3%	6,622	0.02%
Income from equity-accounted method	17,366	0.08%	13,595	0.07%	3,771	27.7%	30,983	0.07%
Other operating incomes/expenses	(16,966)	(0.08%)	(18,828)	(0.09%)	1,862	(9.9%)	(31,780)	(0.07%)
GROSS INCOME	663,469	3.00%	510,921	2.47%	152,548	29.9%	934,076	2.20%
RECURRING GROSS INCOME	447,541	2.02%	459,157	2.22%	(11,616)	(2.5%)	892,322	2.10%
Personnel expenses	(165,472)	(0.75%)	(169,655)	(0.82%)	4,183	(2.5%)	(320,210)	(0.76%)
Other administrative expenses	(93,403)	(0.42%)	(92,816)	(0.45%)	(587)	0.6%	(190,826)	(0.45%)
Depreciation and amortisation	(28,992)	(0.13%)	(31,729)	(0.15%)	2,737	(8.6%)	(55,279)	(0.13%)
PRE-PROVISION PROFIT	375,602	1.70%	216,721	1.05%	158,881	73.3%	367,761	0.87%
RECURRING PRE-PROVISION PROFIT	159,674	0.72%	164,957	0.80%	(5,283)	(3.2%)	326,007	0.77%
Impairment losses	(216,494)	(0.98%)	(54,903)	(0.27%)	(161,591)	294.3%	(150,194)	(0.35%)
Net provisions + Other losses / gains (*)	(87,003)	(0.39%)	(107,704)	(0.52%)	20,701	(19.2%)	(148,463)	(0.35%)
PROFIT BEFORE TAX	72,106	0.33%	54,117	0.26%	17,989	33.2%	69,104	0.16%
Tax	(25,096)	(0.11%)	(8,938)	(0.04%)	(16,158)	180.8%	13,148	0.03%
CONSOLIDATED NET PROFIT	47,010	0.21%	45,178	0.22%	1,832	4.1%	82,252	0.19%

(*) In 2018 it has been included the intangible asset clean-up.

Net interest income sustained in a unfavourable environment of interest rates

▽ **10.8%** y-o-y
Interest expenses

▽ **18.4%** y-o-y
Wholesale funds costs

1.33% o/ATA
Net interest income profitability

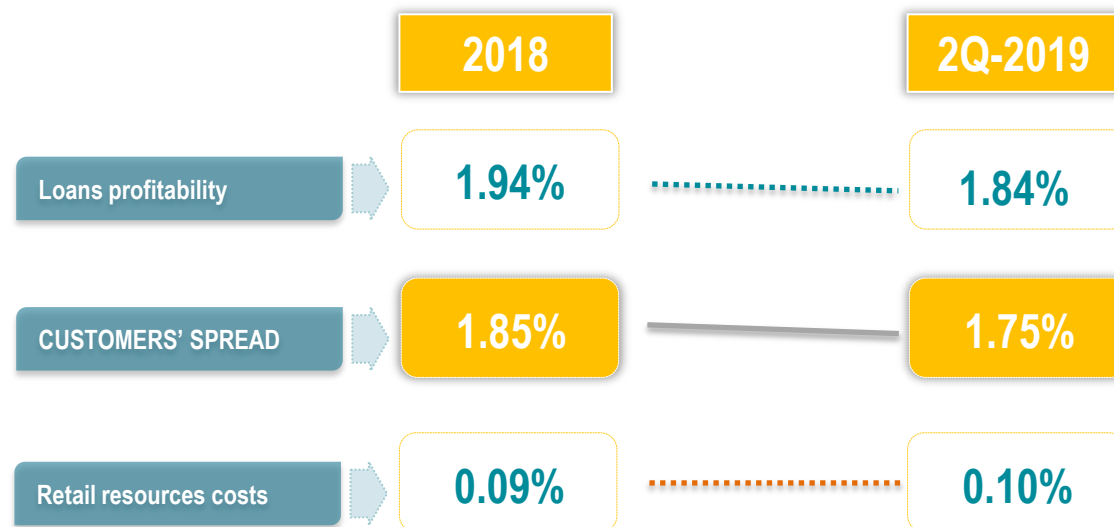
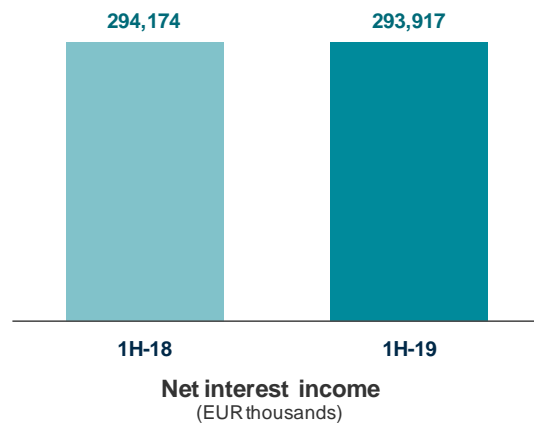
△ **7.6%** y-o-y
On-balance sheet retail funds

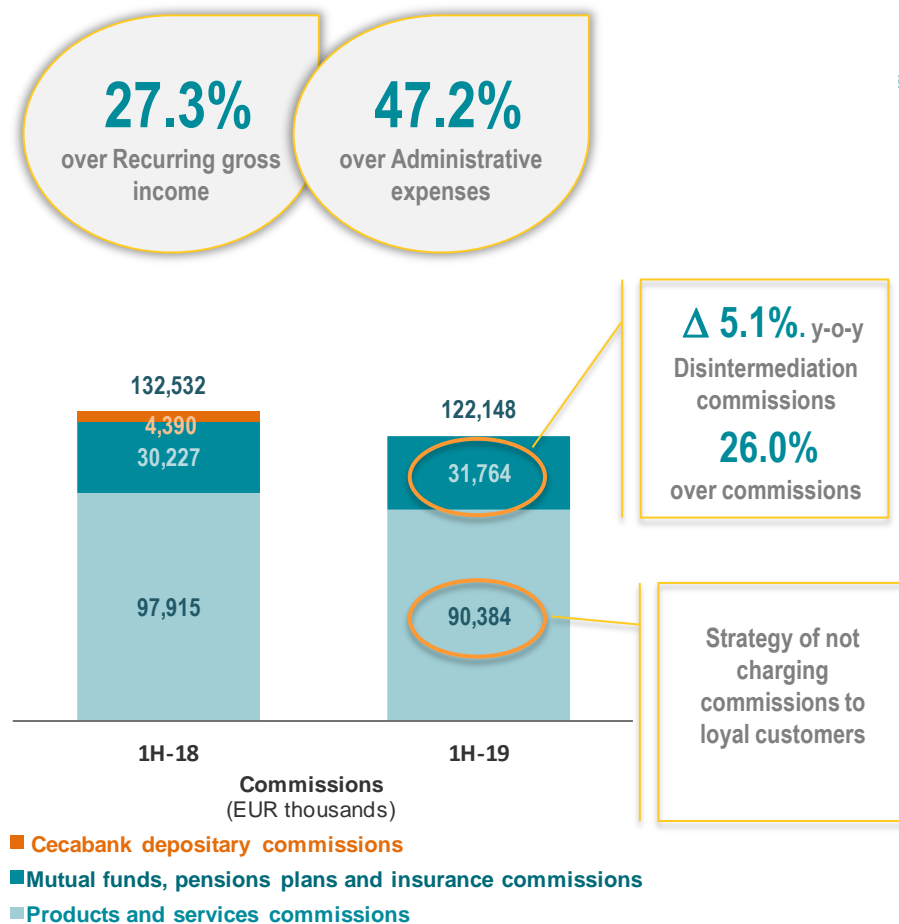
76.4%
The weight of sight deposits over customers' deposits

△ **1.4%** y-o-y
Performing loans to customers

ORGANIC GROWTH

CUSTOMERS' SPREAD





REINFORCING THE CUSTOMER LOYALTY



INSURANCES

Δ **17.9%** y-o-y
General insurance premiums

Δ **16.6%** y-o-y
Risk-life insurance premiums

Personalised pension plans



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

PENSION PLANS

Δ **3.5%** y-o-y
Contributions to pension plans



MUTUAL FUNDS

Δ **11.9%** y-o-y
In commissions of management and commercialization



CONSUMER

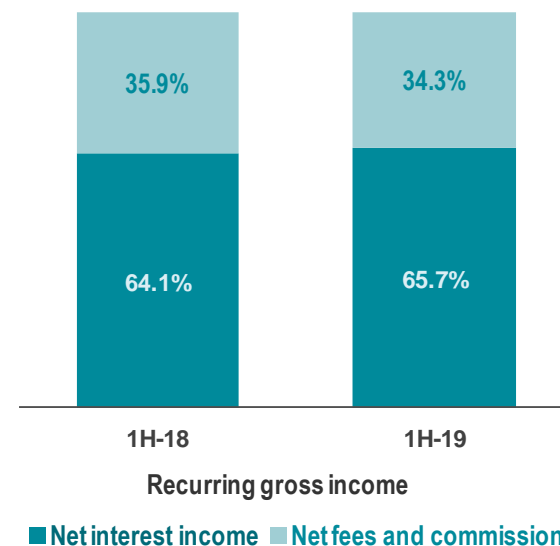
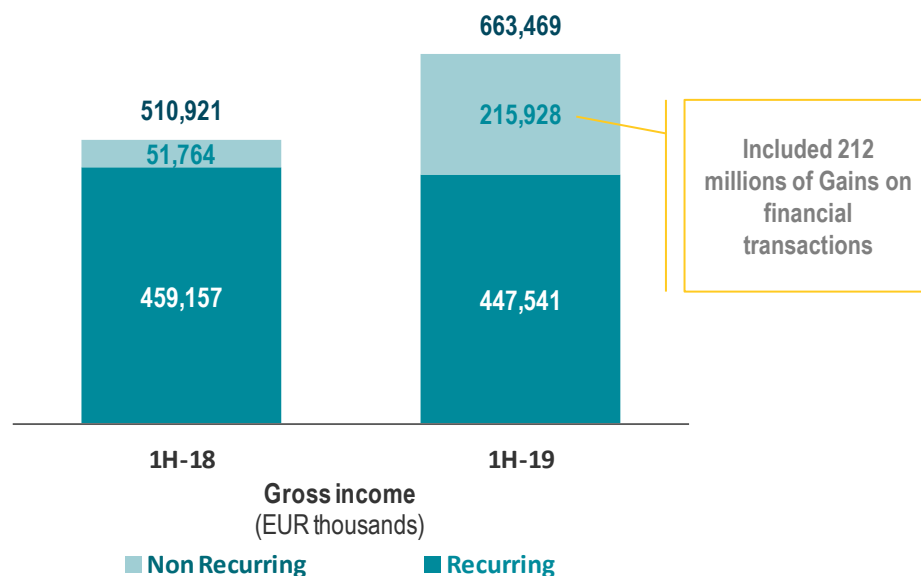
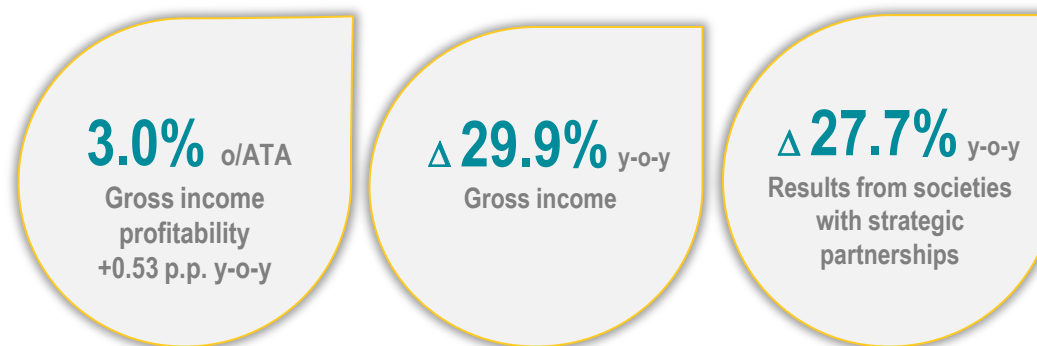
Δ **42.2%** y-o-y
Alive risk



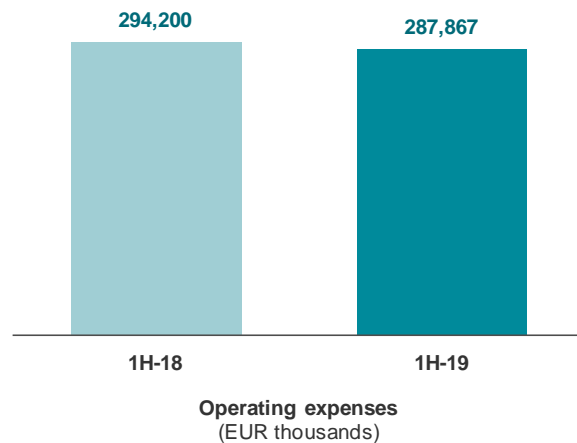
COMMERCE

Δ **12.1%** y-o-y
In commissions

Gross income increase of 29.9%, with the help of Gains on financial transactions



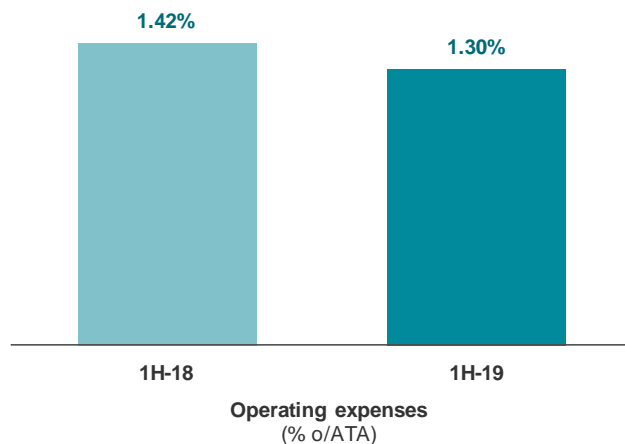
Operating expenses decrease 2.2% year-on-year and contribute to an improvement of cost-income ratio



5,486 employees
 ▼ 84 year-on-year

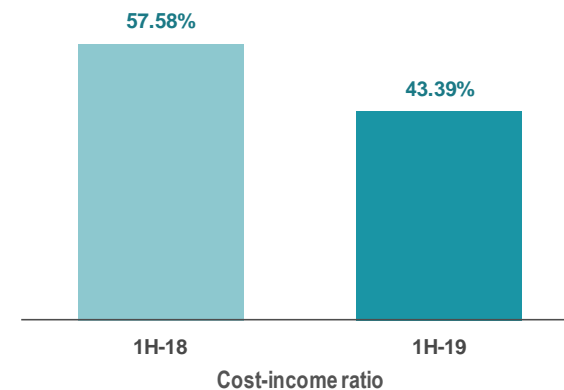


964 Branches
 ▼ 72 year-on-year

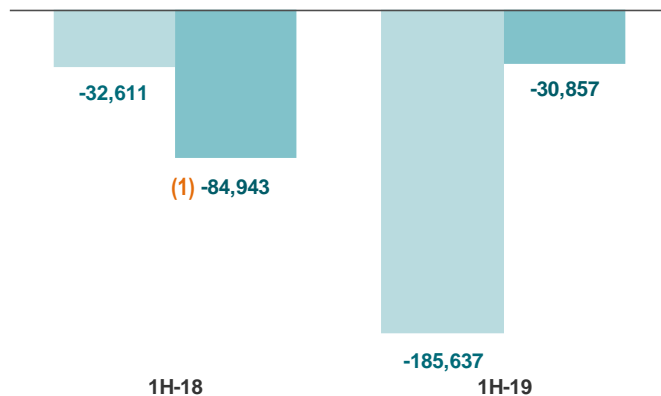


The dynamism of incomes and the containment of operating expenses...

ALLOW AN IMPROVEMENT OF COST-INCOME RATIO



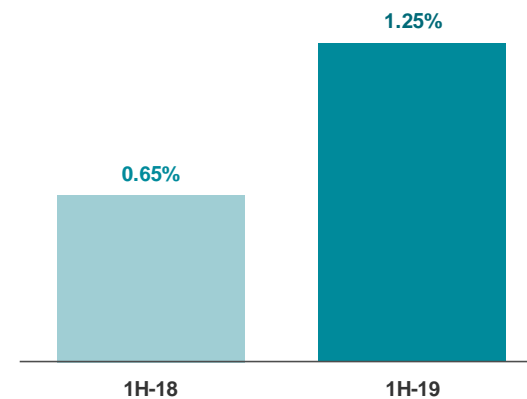
Using an important part of the Result to strengthen the Credit Risk coverage



Impairment losses
(EUR thousands)

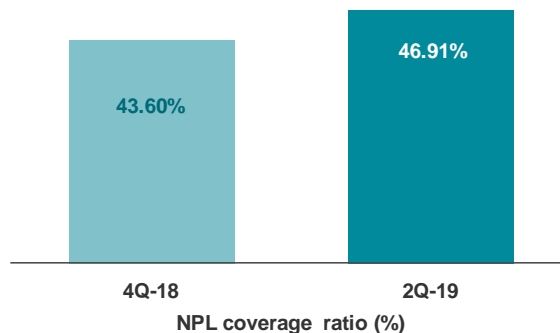
- Impairment losses on financial assets
- Impairment losses on non financial assets

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

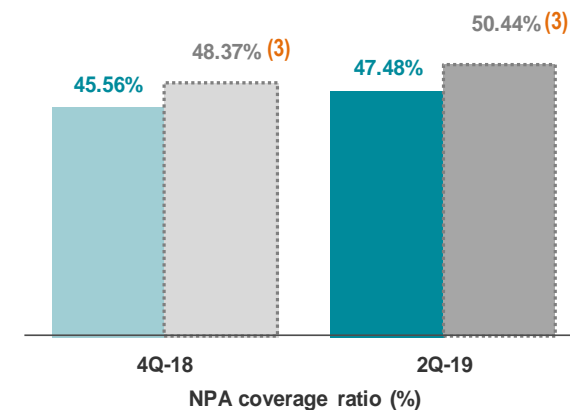


Cost of Risk (%) (2)

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



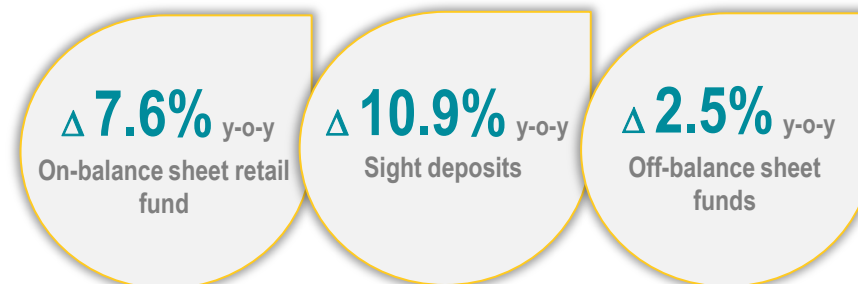
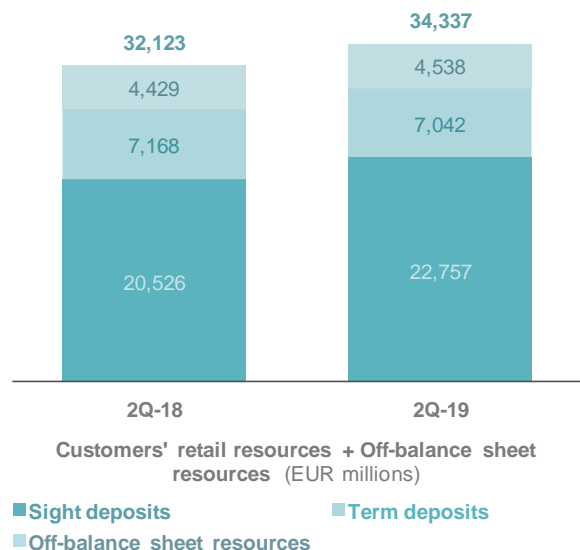
NPL coverage ratio (%)



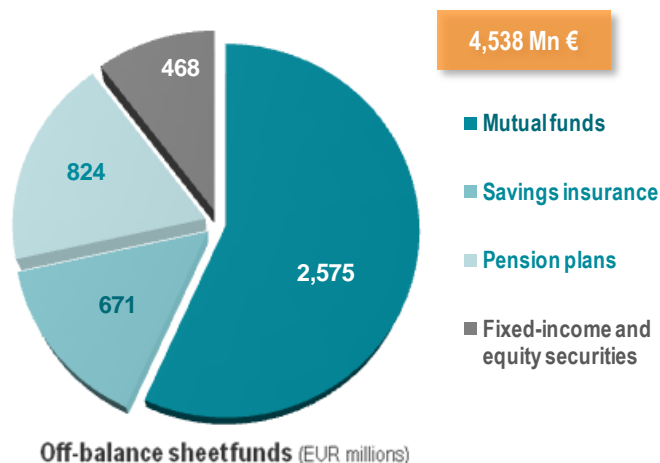
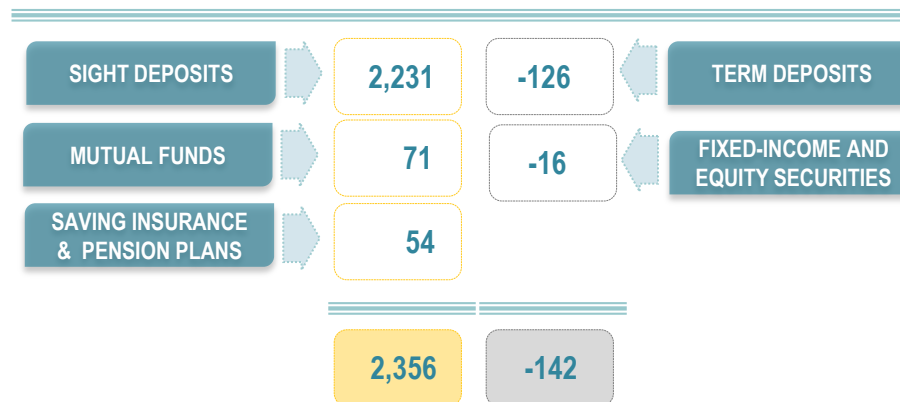
NPA coverage ratio (%)

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

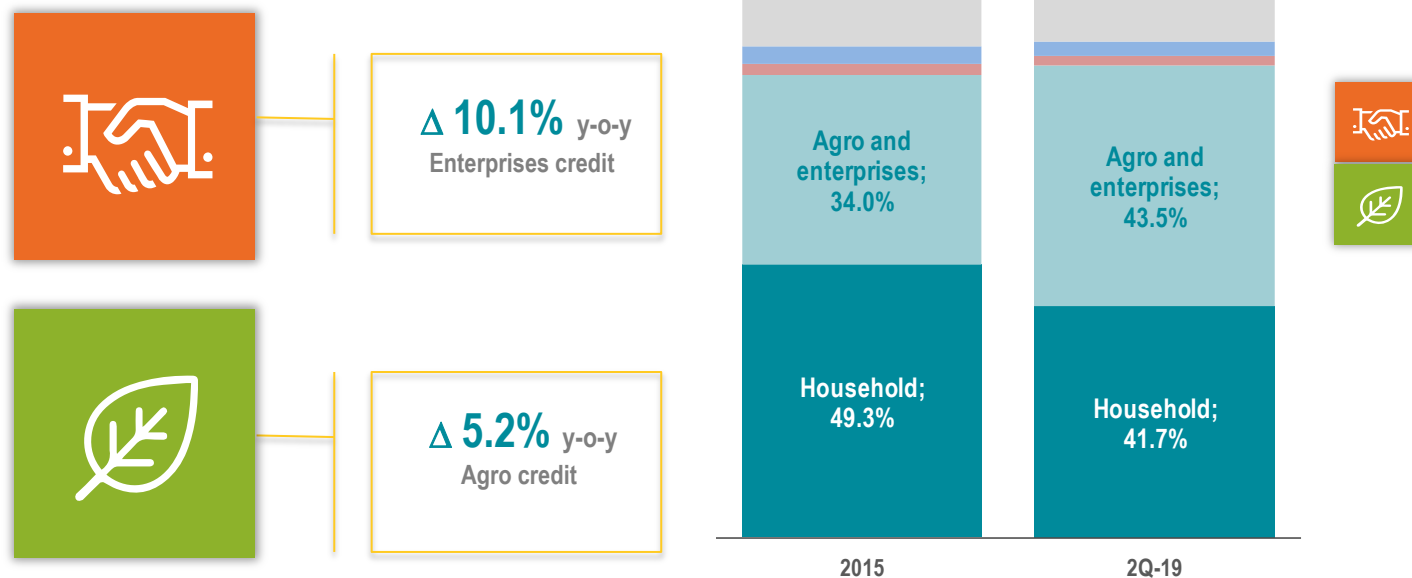
Customer funds under management increase 2,214 millions in the last 12 months



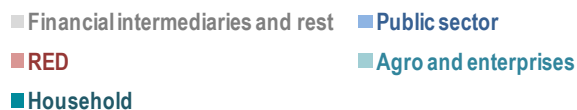
YEAR-ON-YEAR VARIATION RESOURCES



Positive increase in Performing Loans to customers promoted by financing to strategic segments: enterprises and agro

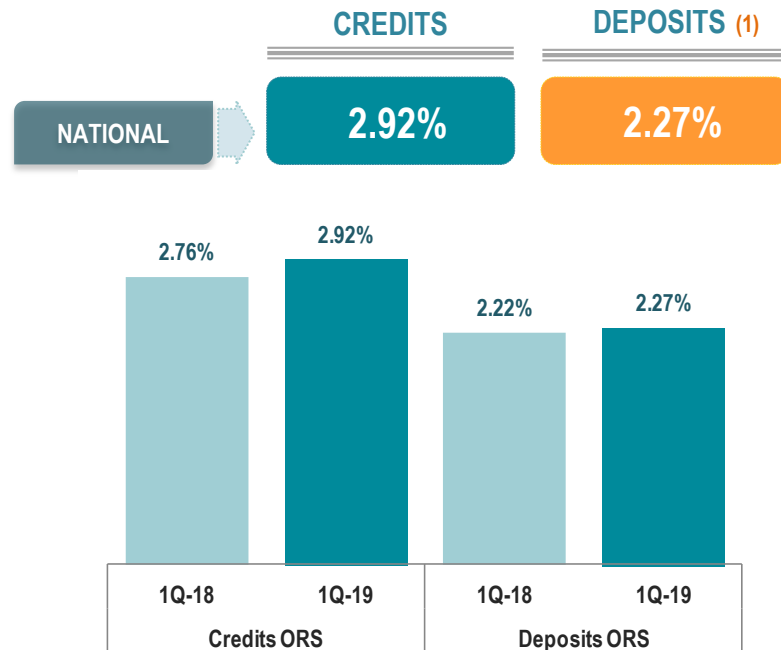


Weight performing loans to customers (%)

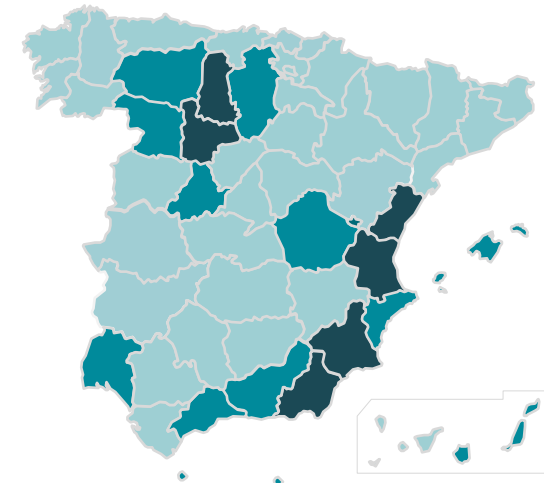


Grupo Cajamar is placed between the first 11 financial groups in the Sector

MARKET SHARES (March 2019)



Market shares



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



Agro sector market share

Credits: 14.71%



Sector Ranking

#11°

by BUSINESS

#11°

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: 14.71%



CUSTOMER TRAINING AND QUALIFICATION

- ✓ Courses at the 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.



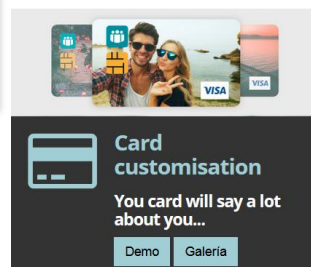
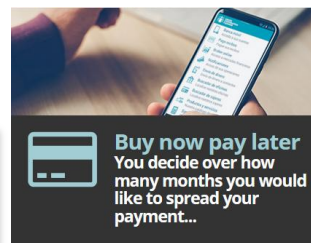
INNOVATION

- ✓ 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.

Enhancing our commercial activity



Serving to more than
3.41 Mn of customers

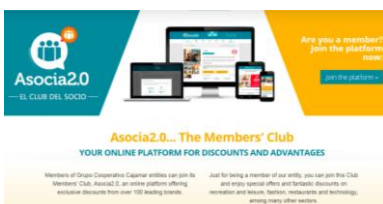


A stock of more than
1.1 Mn of credit and debit cards



Keeping confidence of more than
1.43 Mn of members

More than
57.0 k of STP in commerces



Increasing the loyalty of our customers



Commercial activity and digital transformation

Loyal customers
1.5 Mn

53% digital customers

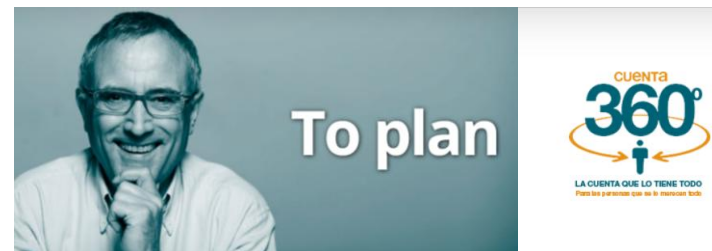
360° customers
345 k

Δ 71% y-o-y
Δ 6% y-o-y of business

Wefferent customers
224 k

Δ 43% y-o-y
Δ 53% y-o-y of business
43% 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.

YOUR WEFFERENT ACCOUNT

You can set up direct deposit and debit arrangements for your salary, pension, and bills.

YOUR WEFFERENT CARD

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.

ACCESS TO ELECTRONIC BANKING

From your mobile, tablet, computer, and wherever you are.

* 10000 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
776 k

Δ 11.8% y-o-y

Grupo Cooperativo Cajamar with Apple Pay.



Online banking customers
455 k

Δ 17.2% 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
1,534

35.3% of the branches have more than one ATM

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

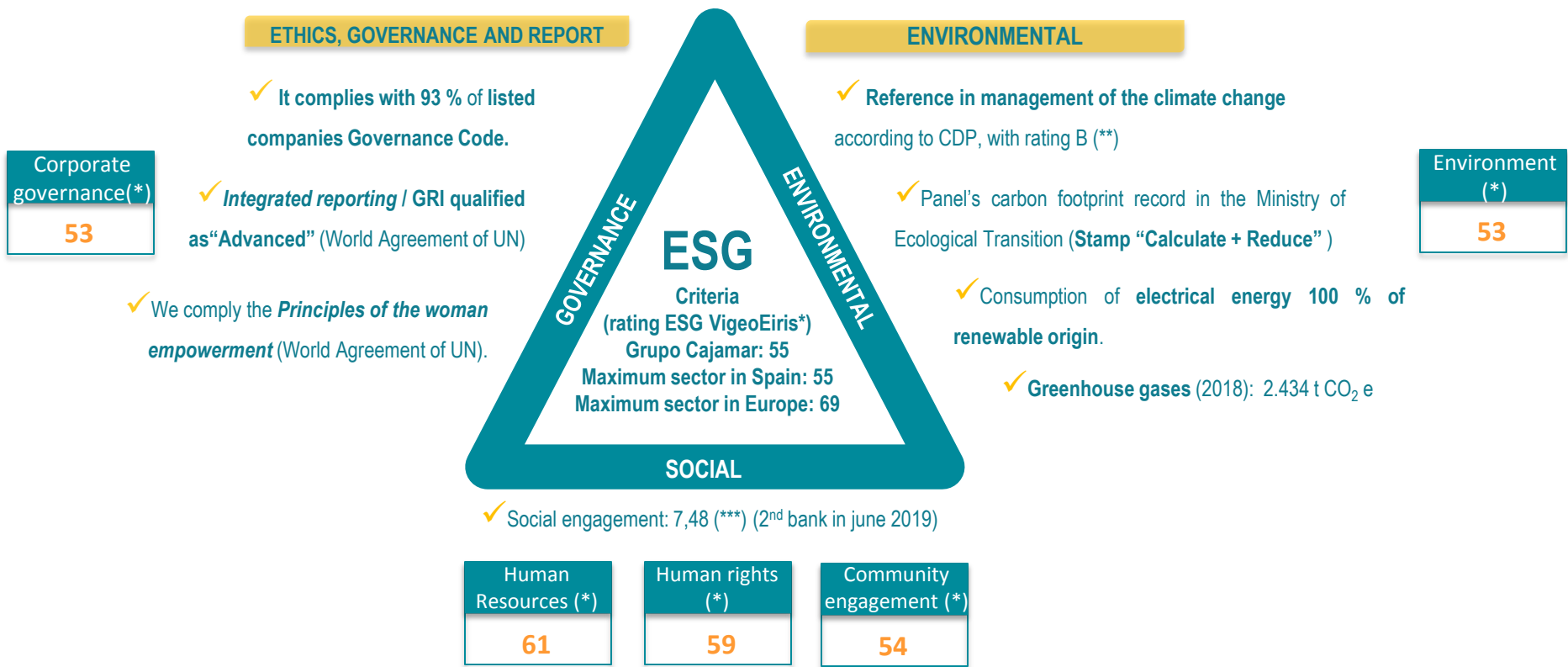


	Grupo Cajamar	RK	2019 Average Market	
NPS (Net Promotore Score)	8.5%	5	2.9%	
Satisfaction	7.59	6	7.45	
Manager Satisfaction	8.62	1	8.38	

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



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

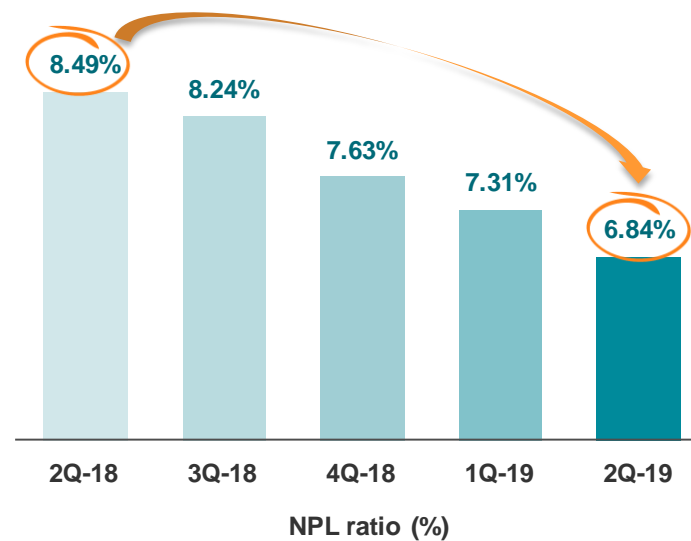
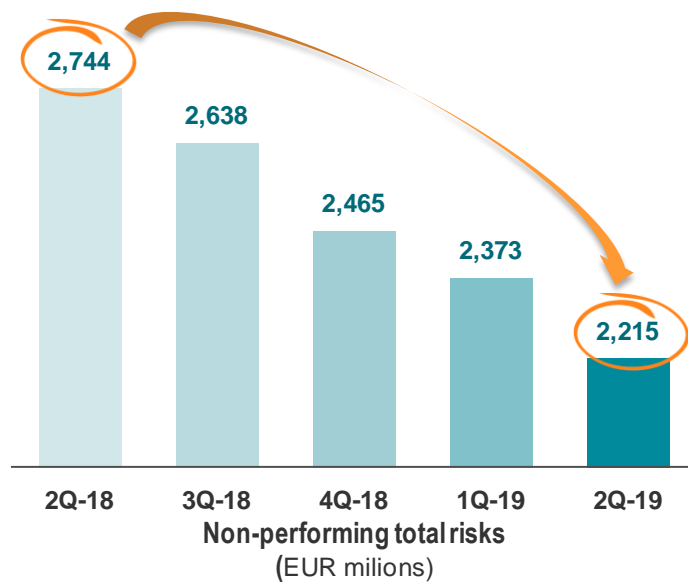
Continuous improvement in NPL management



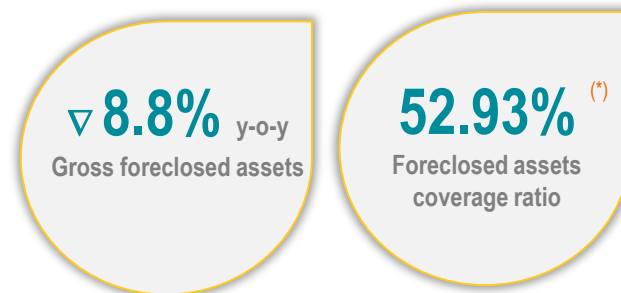
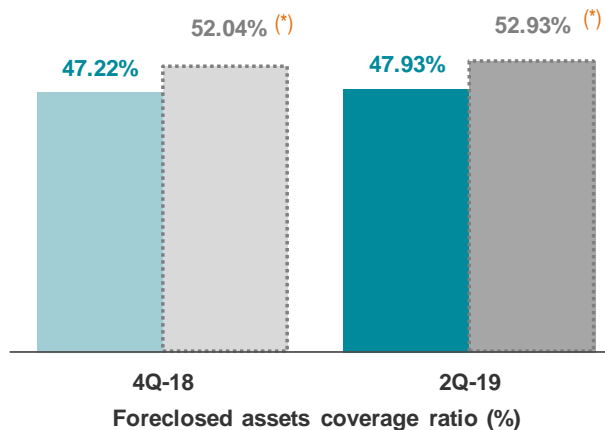
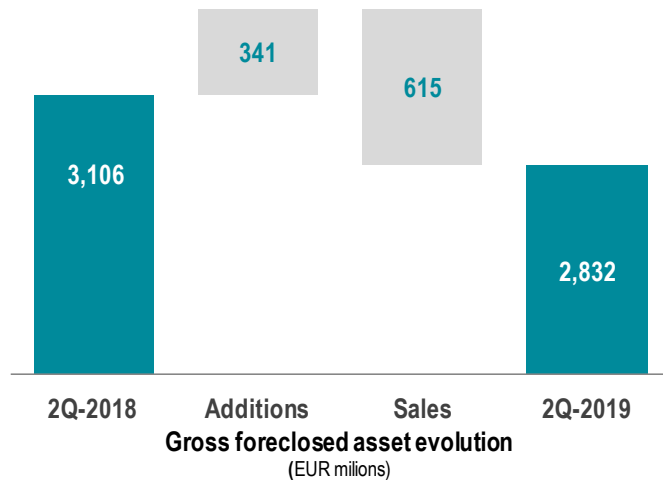
Risks management and solvency

▽ **19.3%** y-o-y
NPL total risks

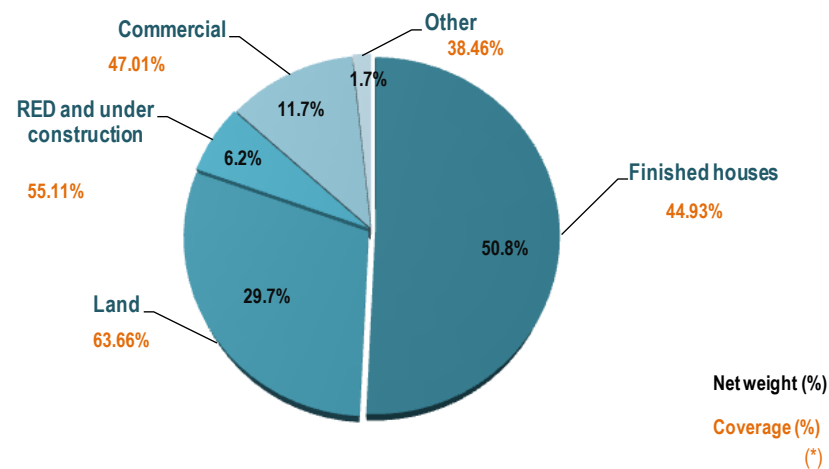
▽ **1.65 p.p.** y-o-y
NPL ratio (%)



Gradual decrease of foreclosed assets



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

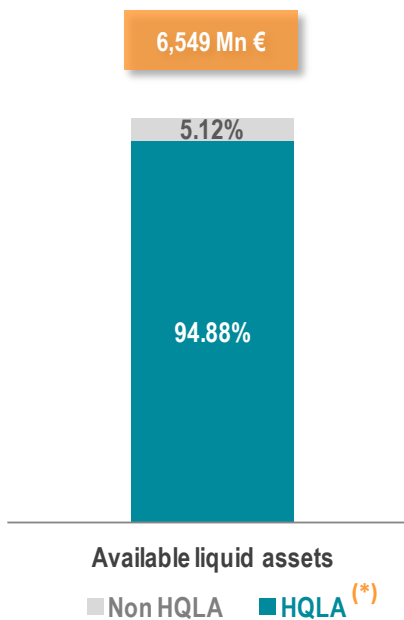
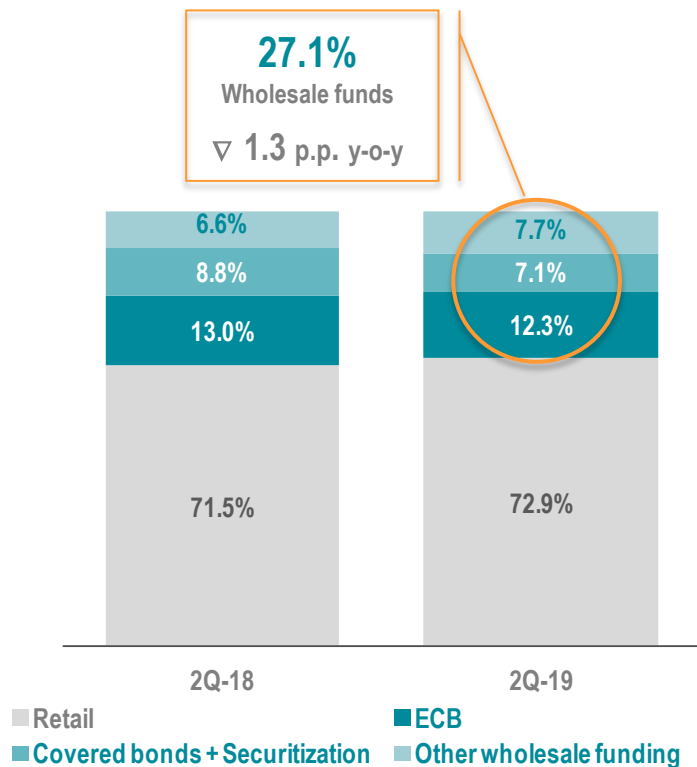
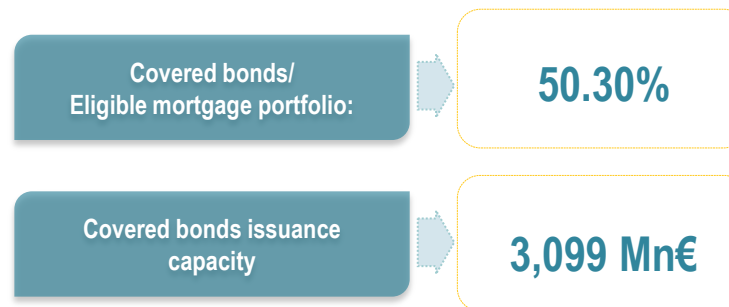
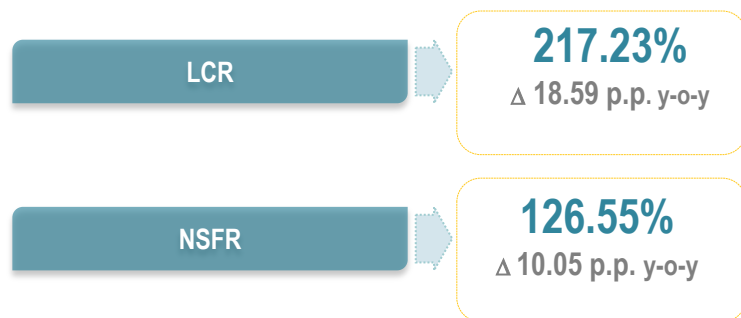


(*) Considering the debt forgiveness in the foreclosure procedure.

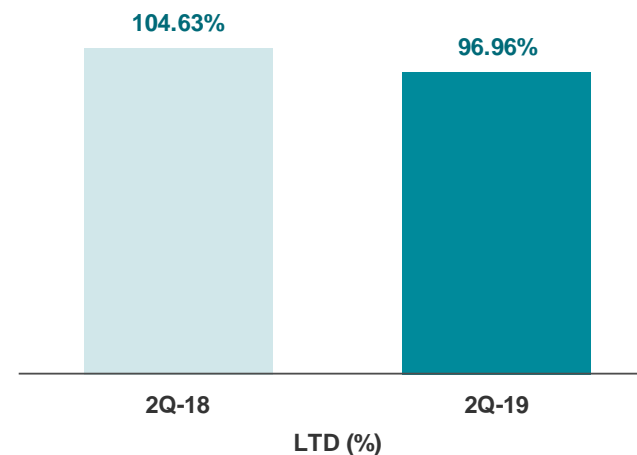
Comfortable liquidity position



Risks management and solvency



(*) High quality liquid assets.



PHASED IN:

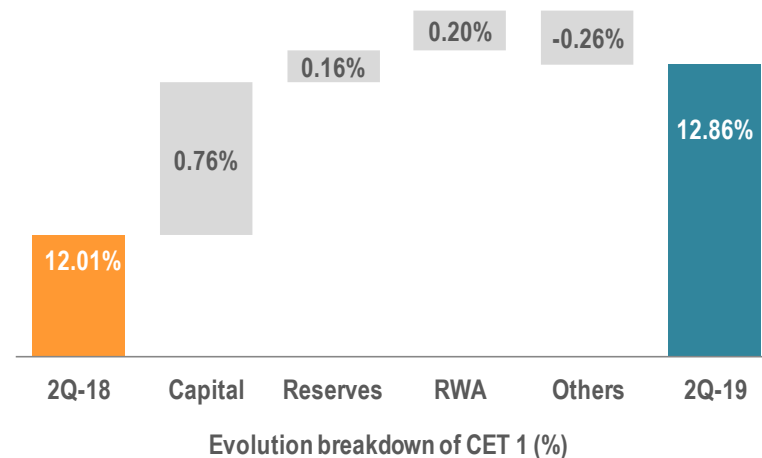
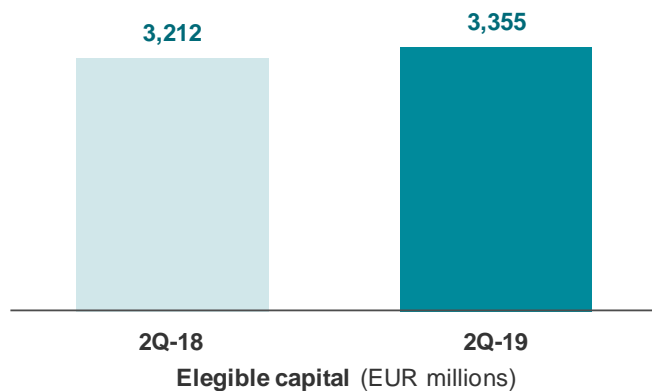
Δ **4.4%** y-o-y
Elegible capital

Δ **5.5%** y-o-y
Capital CET 1

▽ **1.5%** y-o-y
RWA

Δ **0.83 p.p.** y-o-y
Solvency

Δ **0.85 p.p.** y-o-y
CET 1



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

Wide accomplishment of Solvency regulatory requirements



Risks management and solvency

PHASED IN

FULLY LOADED

30/06/19:

Solvency ratio:
14.54%

CET1 ratio:
12.86%

T2 ratio:
1.68%

Leverage ratio:
6.29%

30/06/19:

Solvency ratio:
13.83%

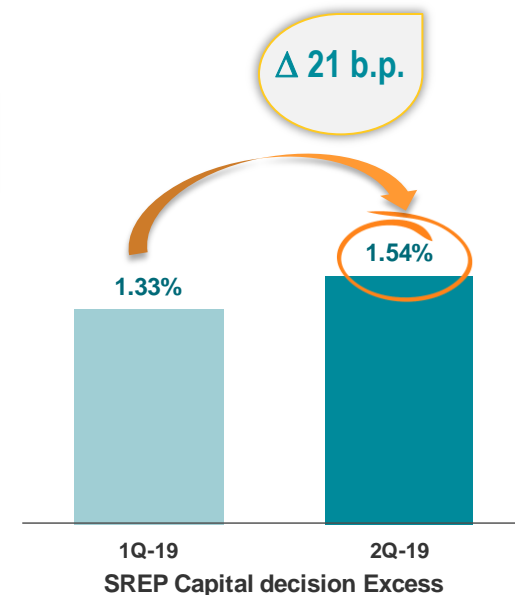
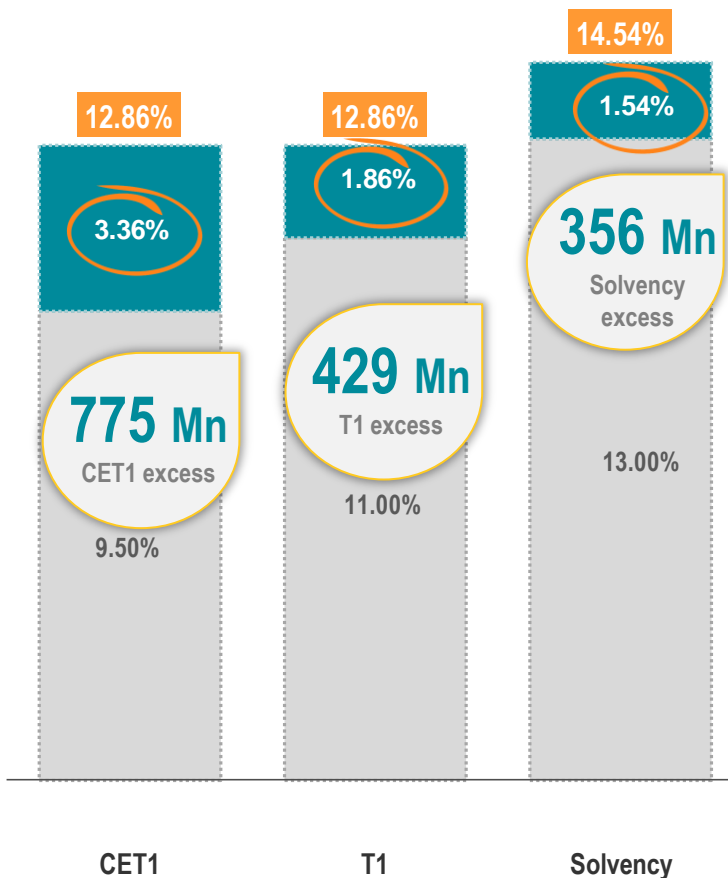
CET1 ratio:
12.14%

T2 ratio:
1.69%

Leverage ratio:
5.94%

The distance to 13% of the total capital requirement of SREP continues improving, being 154 b.p. now, after improving 21 b.p. in the last quarter

ACCOMPLISHMENT OF REQUERIMENTS (phased in)



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