

Consolidated Results Presentation

Q3 2018

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PROFITABILITY/ EFFICIENCY

- Recurring net income before provisions and consolidated net profit growth of 6.6% and 3.9%, respectively, thanks to the Net Interest Income progress and Operating expenses decrease.
- Cost-income ratio improves 3.3 p.p. y-o-y.

BUSINESS

- Customer funds under management increase by 6.9% year-on-year, mainly due to the progress of Sight deposits (11.9%) and Mutual funds (29.3%).
- Performing loans to customers grow by 4.2%, due to new financing to enterprises, small business and agrifood sector.

RISK MANAGEMENT

- Decrease in non-performing loans of 28.8% and in gross foreclosed assets of 10.2%, due to the dynamism in the sales.
- NPL ratio stands 8.24 %, after an improvement of 3.3 p.p.
- Year-on-year increase in NPA coverage ratio of 0.6 p.p.

LIQUIDITY

- Improvement in the business gap.
- Comfortable liquidity position (LCR 207.24% and NSFR 116.69%) and high covered bonds issuance capacity, large volumes of ECB-eligible assets.

CAPITAL

- Solvency improves 1.39 p.p. from January 1, 2018, up to 14.13%, due to the strengthening of eligible capital and the decrease in RWA.
- CET1 up to 12.40% (phased-in) and 11.45% (fully-loaded), respectively.

2. Key figures

| | | (EUR thousands) | 30/09/2018 | y-o-y | | Annual | |
|-------------------------------------|---------------------------------|-----------------|------------|-----------|--------|-----------|--------|
| | | | | Abs. | % | Abs. | % |
| PROFITABILITY AND EFFICIENCY | ROA (%) | | 0.22% | - | | 0.02 | |
| | ROE (%) | | 3.13% | 0.16 | | 0.49 | |
| | Cost-income ratio (%) | | 58.99% | (3.25) | | (3.86) | |
| BUSINESS | Total assets | | 42,718,227 | 2,808,113 | 7.0% | 2,210,898 | 5.5% |
| | Customer funds under management | | 32,299,226 | 2,072,851 | 6.9% | 2,231,765 | 7.4% |
| | Performing loans to customers | | 28,431,974 | 1,141,770 | 4.2% | 738,330 | 2.7% |
| SIZE | Employees | | 5,540 | (172) | (3.0%) | (46) | (0.8%) |
| | Branches | | 1,029 | (48) | (4.5%) | (28) | (2.6%) |
| RISK MANAGEMENT | NPL ratio (%) | | 8.24% | (3.26) | | (2.29) | |
| | NPA coverage ratio (%) | | 45.54% | 0.63 | | 1.47 | |
| LIQUIDITY | LCR (%) | | 207.24% | (11.35) | | (7.38) | |
| | NSFR (%) | | 116.69% | 1.79 | | 4.39 | |
| CAPITAL (*) | CET1 ratio (%) | | 12.40% | 0.96 | | 1.34 | |
| | Capital ratio (%) | | 14.13% | (0.12) | | 1.39 | |
| | Risk-weighted assets | | 23,092,813 | (685,467) | (2.9%) | (822,293) | (3.4%) |

(*) In order to show comparable figures, solvency ratios in this document referred to 31/12/2017 have been recalculated taking into account the initial impact of entry into force of IFRS9 in January the 1st.

3. Results (I): P&L



P&L

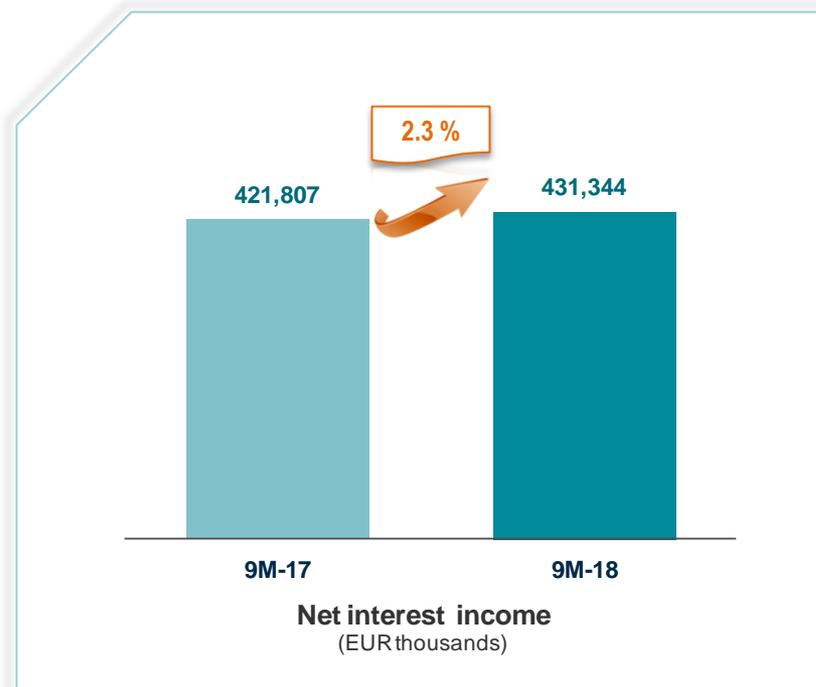
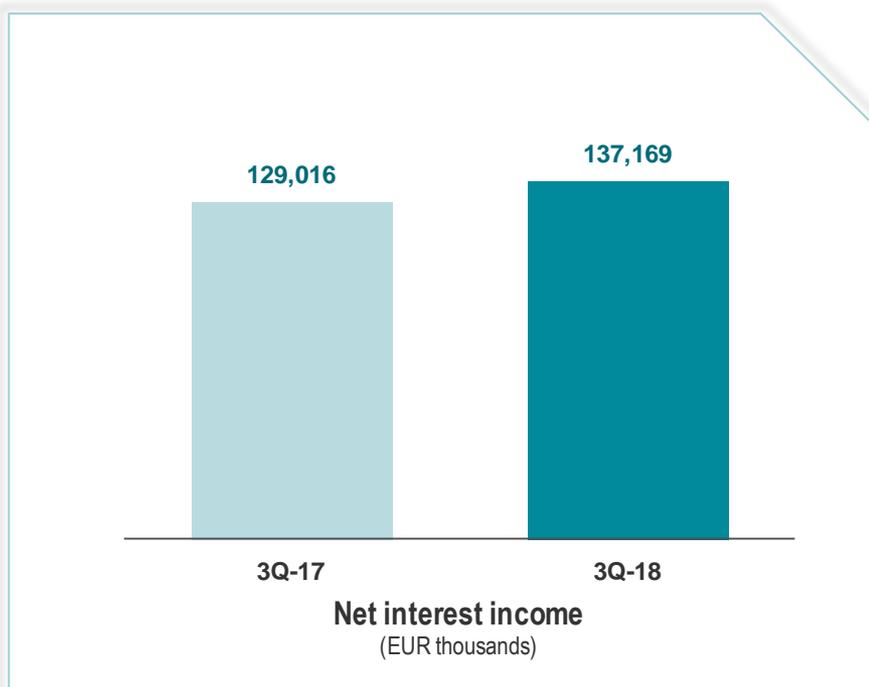
(EUR thousands)

| | 30/09/2018 | o/ ATA | 30/09/2017 | o/ ATA | Y-o-y | |
|--|----------------|--------------|----------------|--------------|-----------------|---------------|
| | | | | | Abs. | % |
| NET INTEREST INCOME | 431,344 | 1.37% | 421,807 | 1.42% | 9,537 | 2.3% |
| Net fees and commissions + exchange differences, net | 197,368 | 0.62% | 196,978 | 0.66% | 390 | 0.2% |
| Gains (losses) on financial transactions | 85,893 | 0.27% | 100,988 | 0.34% | (15,095) | (14.9%) |
| Dividend income | 5,392 | 0.02% | 5,720 | 0.02% | (328) | (5.7%) |
| Income from equity-accounted method | 21,469 | 0.07% | 16,525 | 0.06% | 4,945 | 29.9% |
| Other operating incomes/expenses | (27,114) | (0.09%) | (14,601) | (0.05%) | (12,513) | 85.7% |
| GROSS INCOME | 714,352 | 2.28% | 727,417 | 2.45% | (13,065) | (1.8%) |
| RECURRING GROSS INCOME | 664,421 | 2.12% | 659,802 | 2.22% | 4,619 | 0.7% |
| Personnel expenses | (235,823) | (0.75%) | (252,940) | (0.85%) | 17,117 | (6.8%) |
| Other administrative expenses | (142,697) | (0.45%) | (142,677) | (0.48%) | (21) | - |
| Depreciation and amortisation | (42,884) | (0.14%) | (57,098) | (0.19%) | 14,213 | (24.9%) |
| NET INCOME BEFORE PROVISIONS | 292,947 | 0.93% | 274,703 | 0.93% | 18,244 | 6.6% |
| RECURRING NET INCOME BEFORE PROVISIONS | 243,016 | 0.77% | 207,088 | 0.70% | 35,928 | 17.3% |
| Impairment losses | (95,857) | (0.31%) | (247,107) | (0.83%) | 151,250 | (61.2%) |
| Net provisions + Other losses / gains (*) | (117,097) | (0.37%) | 55,581 | 0.19% | (172,678) | (310.7%) |
| PROFIT BEFORE TAX | 79,994 | 0.25% | 83,177 | 0.28% | (3,183) | (3.8%) |
| Impuesto sobre beneficios | (9,976) | (0.03%) | (15,787) | (0.05%) | 5,811 | (36.8%) |
| CONSOLIDATED NET PROFIT | 70,018 | 0.22% | 67,390 | 0.23% | 2,628 | 3.9% |

(*) Including intangible assets clean-up in 2018.

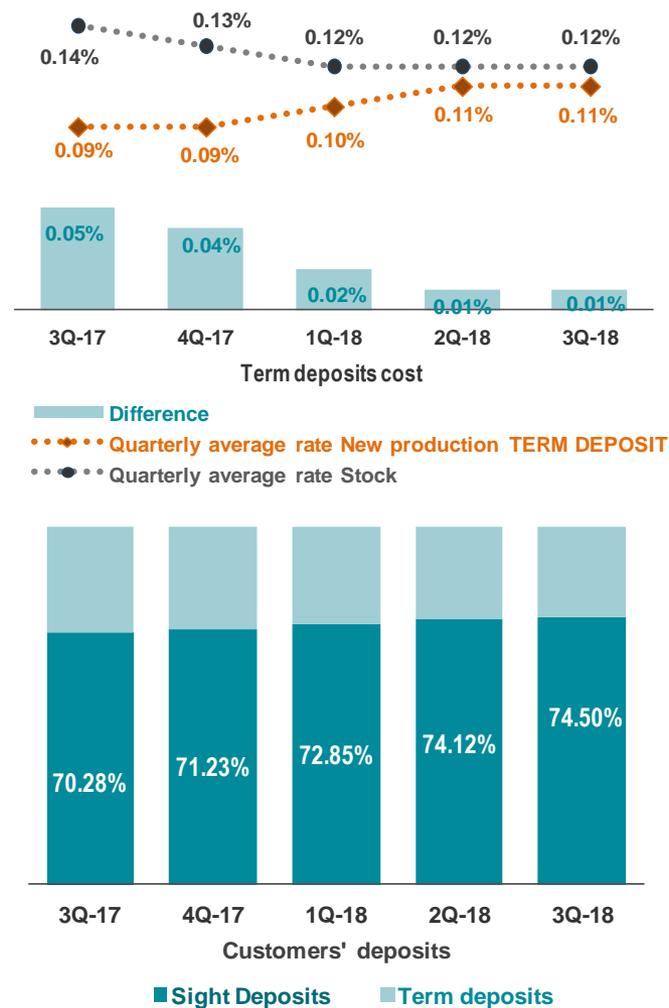
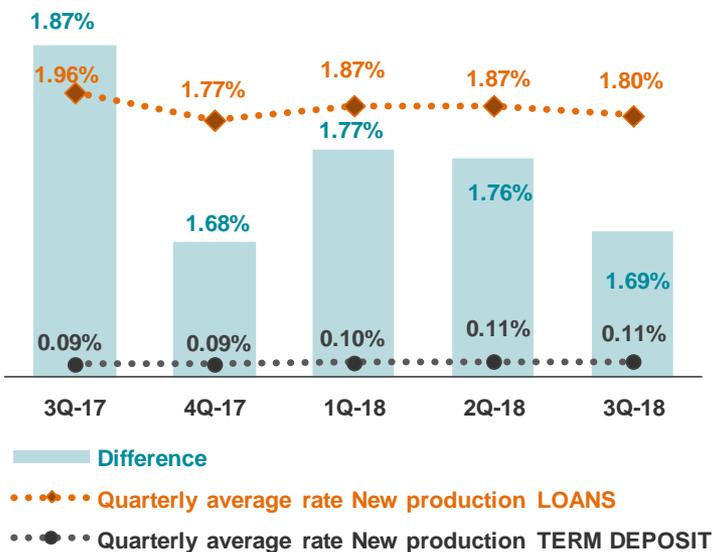
3. Results (II): Net interest income

Year-on-year positive growth of Net Interest Income of 2.3%, in an environment with interest rates in minimum, thanks to Performing Loans growth and the good performance in assets and liabilities management.



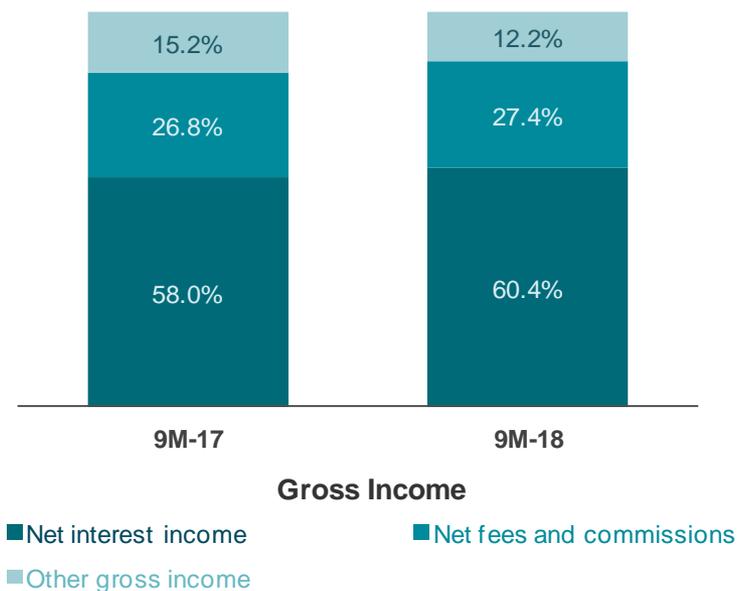
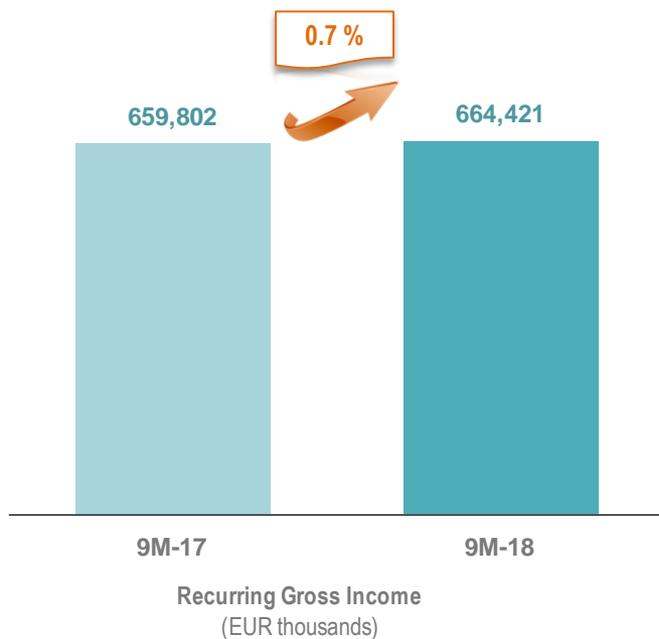
3. Results (III): Average rate of new production

...with a costs saving, due to the increasing weight of sight deposits (75% of Customers' deposits)



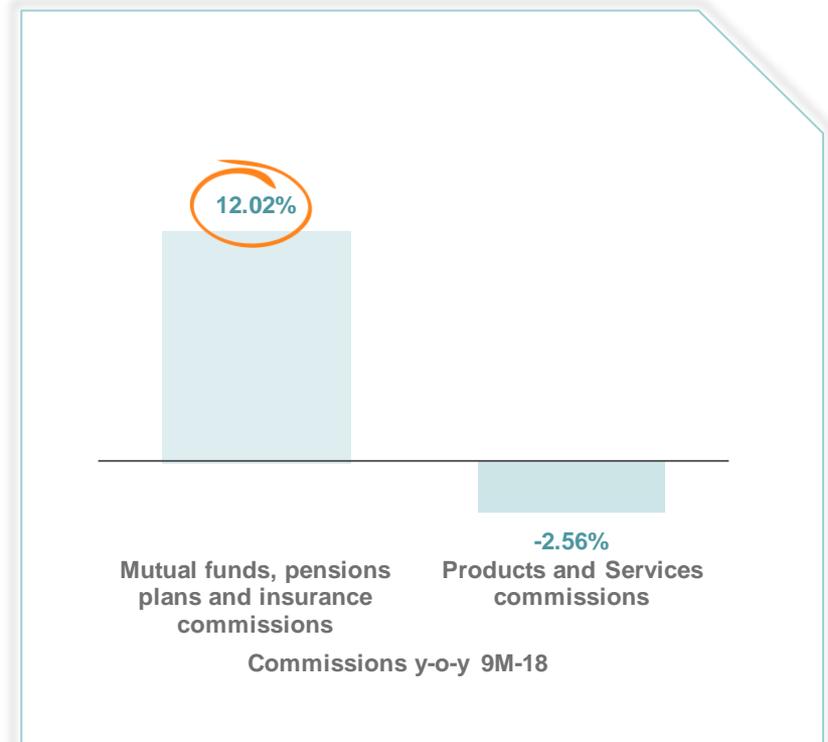
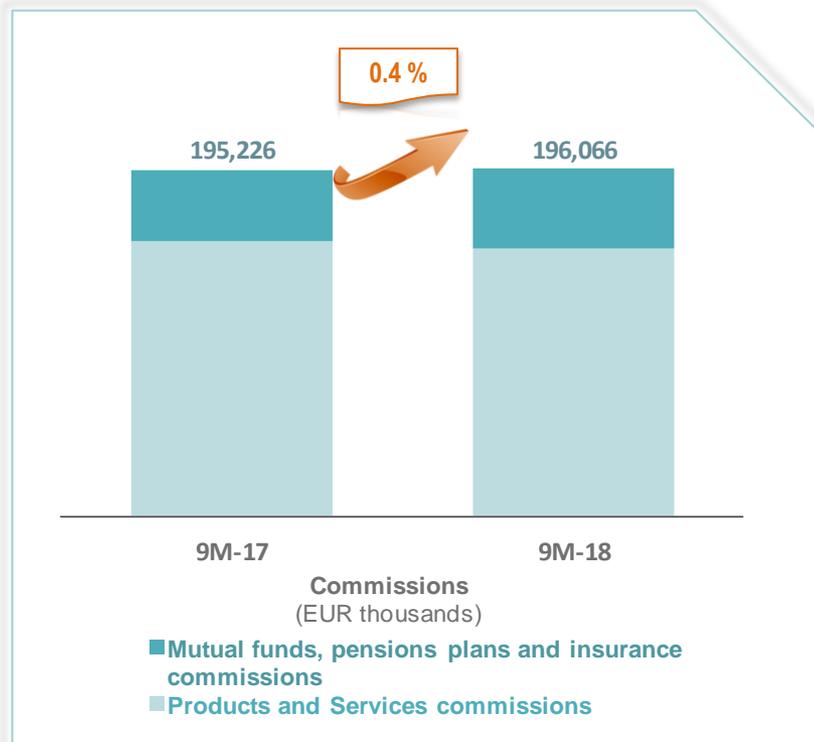
3. Results (IV): Gross income

In this context, Recurring Gross income strengthens slightly



3. Results (V): Commissions

Disintermediation commissions (mutual funds, insurances, pensions plans and consumer finance) allow us to keep a remarkable position compared to the Sector (0,62% over ATA)



3. Results (VI): Strategic partnerships

Grupo Cajamar has strategic partnerships with Generali, Trea Capital and Banco Cetelem



- One of the **biggest global insurers** with premiums above €70 bn.
- Present in more than **60 countries** and with **~ 55 mn customers**.

- Leader in Spain with **~ 3.9%** 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.

- **Grupo Cajamar has an extensive network of over 1,000 branches.**



- Independent asset management firm with **investment capacity in the traditional and alternative universe.**
- **It places in 6th position** in the national ranking of managers in capture of assets 2017.

- **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 (2008-2011)

- **Training and support programme for the commercial network.**
- **Operational capacity** to develop and manage funds from Grupo Cajamar.



- Specialised in consumer loans **belonging to BNP Paribas Bank**, a leading bank in Europe.
- Present in more than **30 countries** and boasting **~ 27 mn customers**.

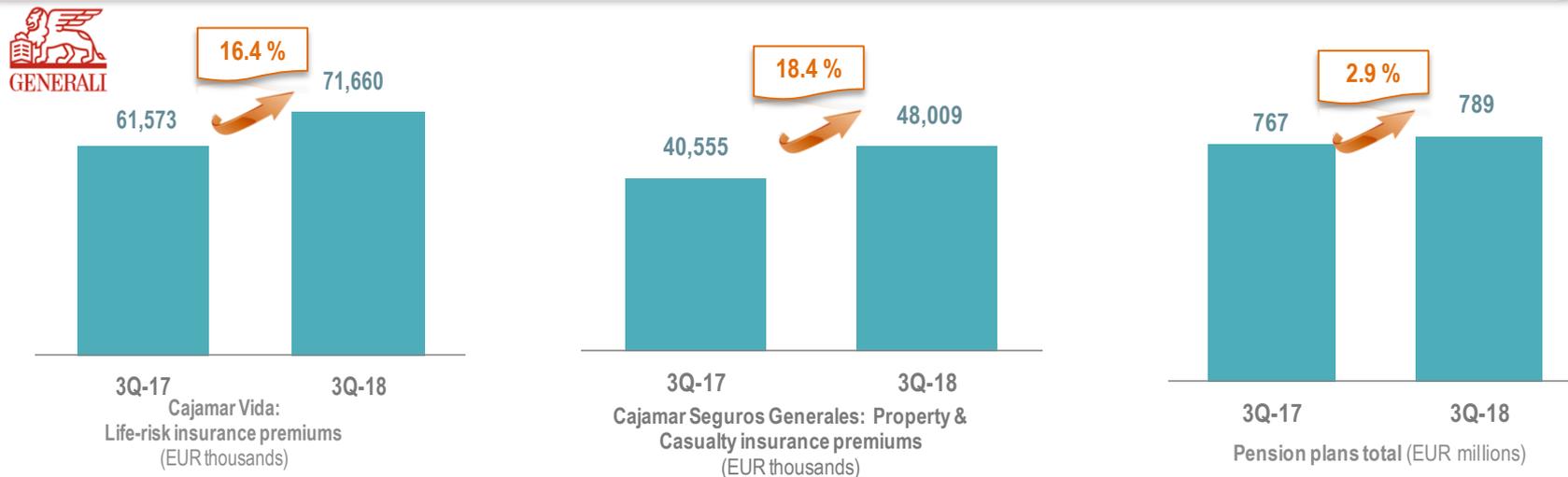
- Leader in Spain, with a **market share of 12.2%** and **2.5 mn customers**.

- **Cetelem provides a specialised platform with new tools that are simple, fast and secure.**

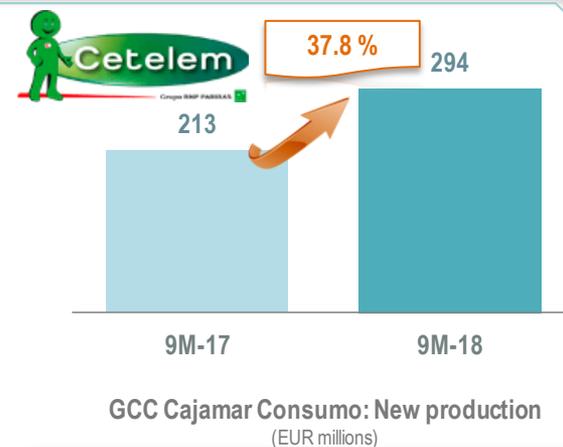
- **Tools for financing at the point of sale** for our customers' businesses.
- Consumer lending through **online channel**.

3. Results (VII): Strategic partnerships

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



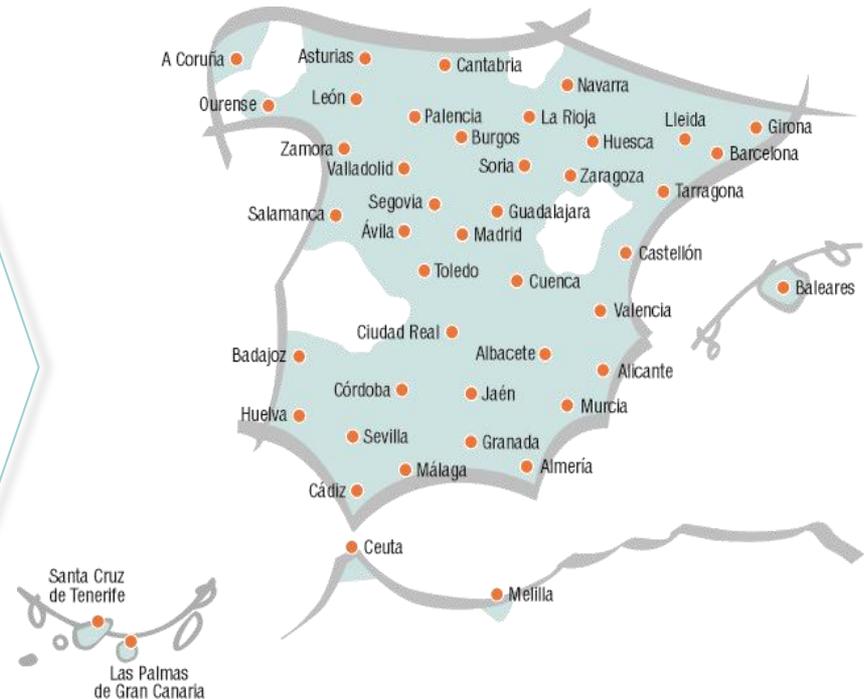
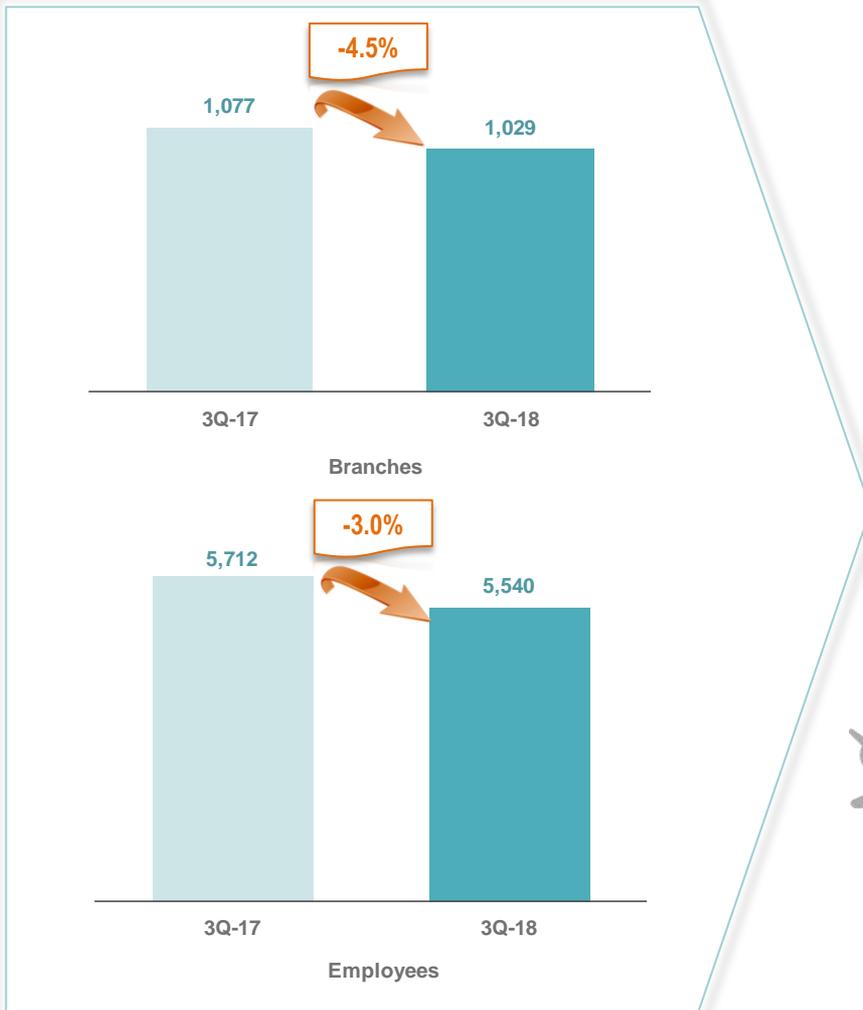
Agreement with TREA has been an important driver of growth in mutual funds assets in Grupo Cajamar



Great boost for consumer finance after the agreement with Cetelem

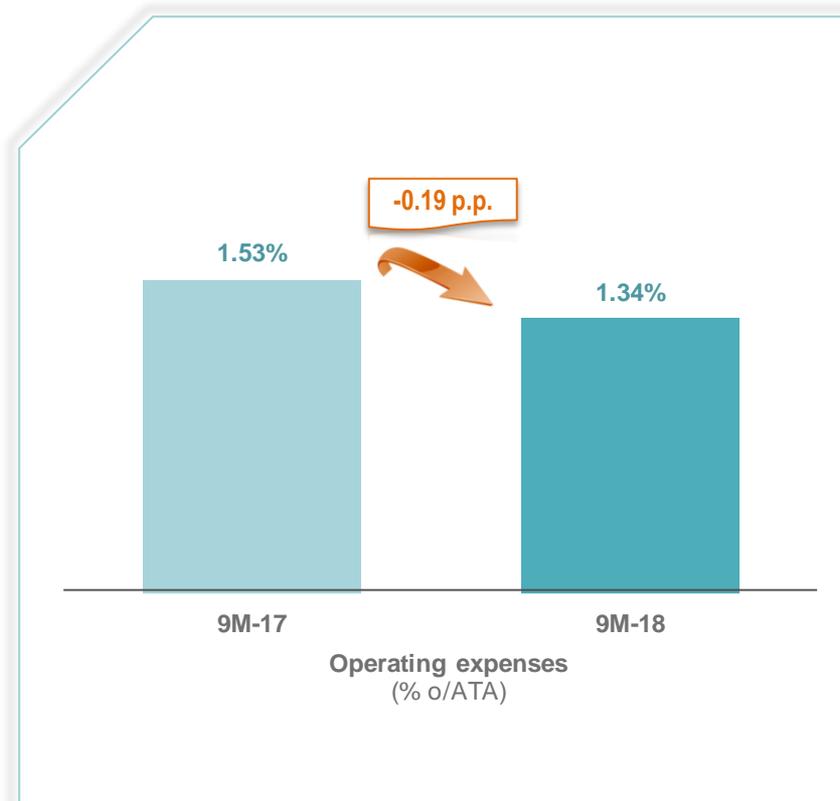
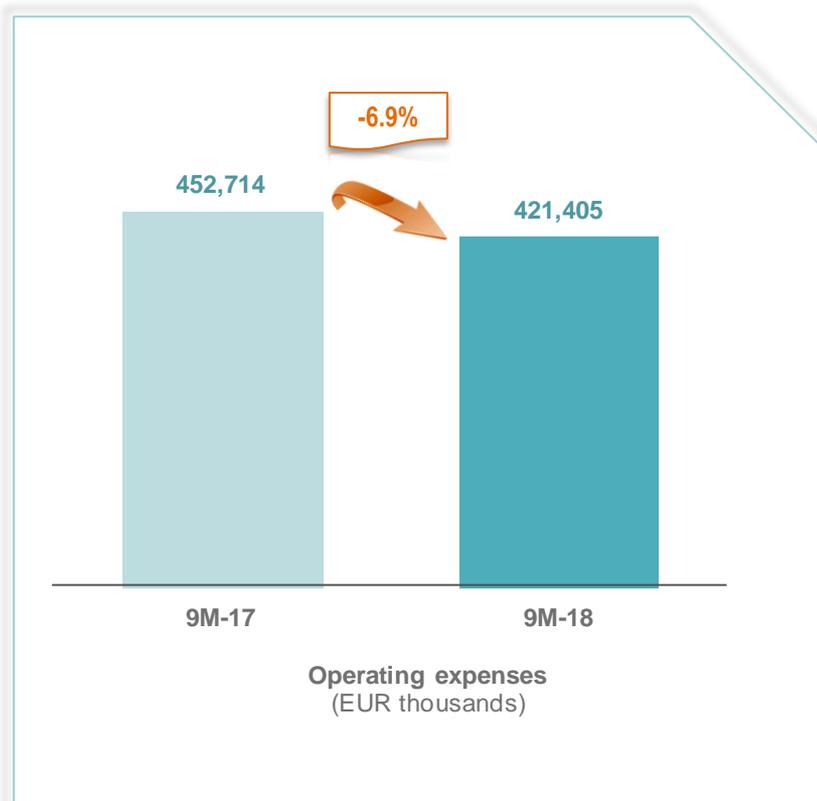
3. Results (VIII): Operating expenses and cost-income ratio

The Group has 5,540 employees providing services in a wide commercial network of 1,029 branches distributed along the country



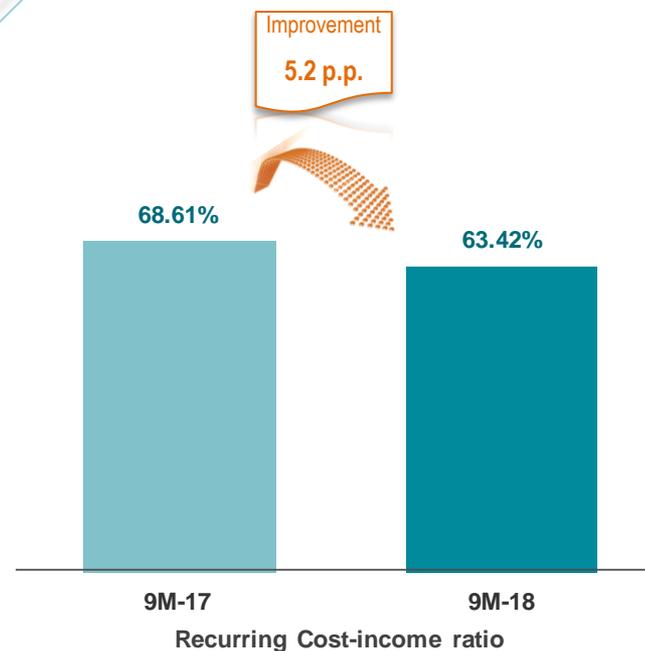
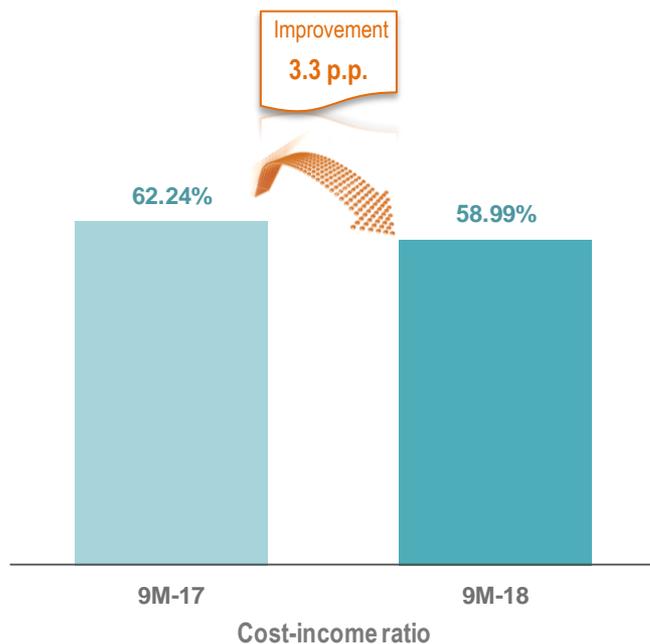
3. Results (IX): Operating expenses and cost-income ratio

The operating expenses decrease 6.9% year-on-year....



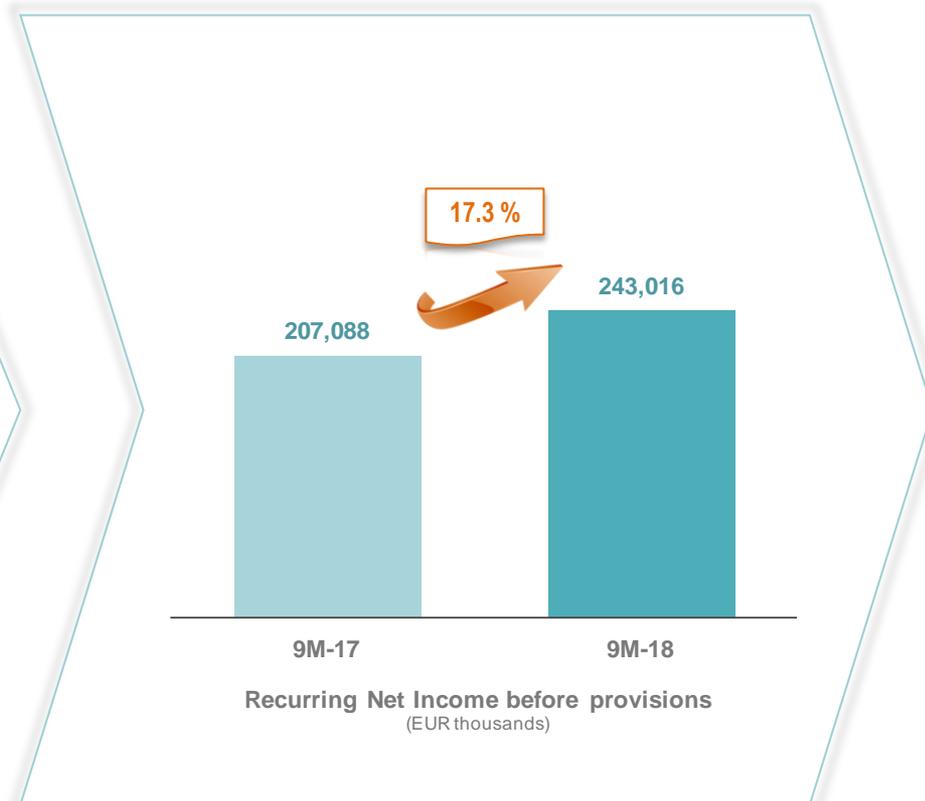
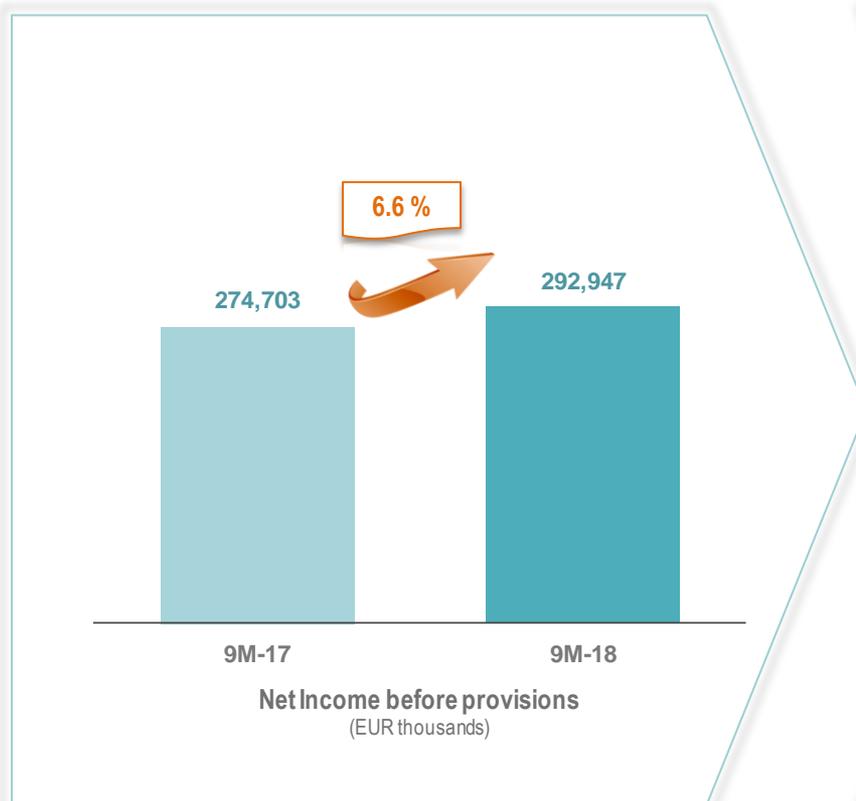
3. Results (X): Operating expenses and cost-income ratio

... resulting in an improvement of cost-income ratio



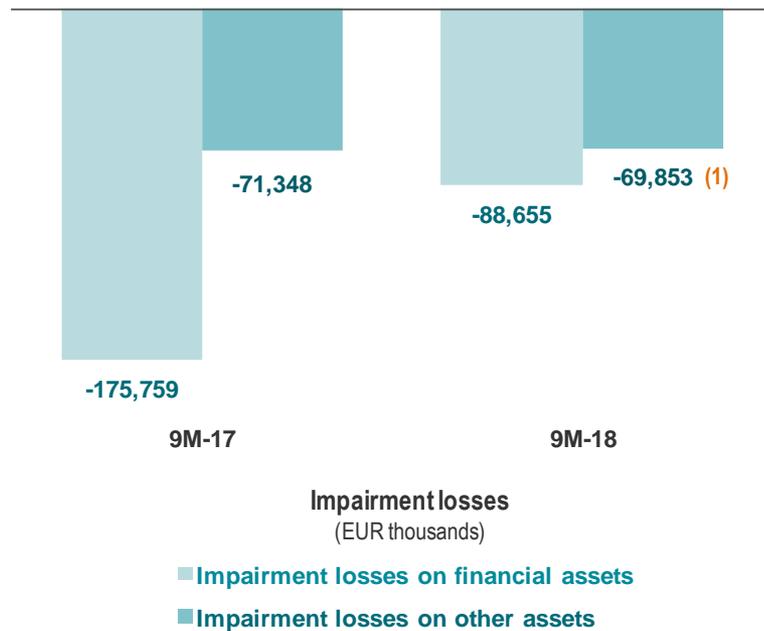
3. Results (XI): Operating expenses and cost-income ratio

... and in an increase of Net Income before provisions of 6.6% and of Recurring Net Income before provisions of 17.3%

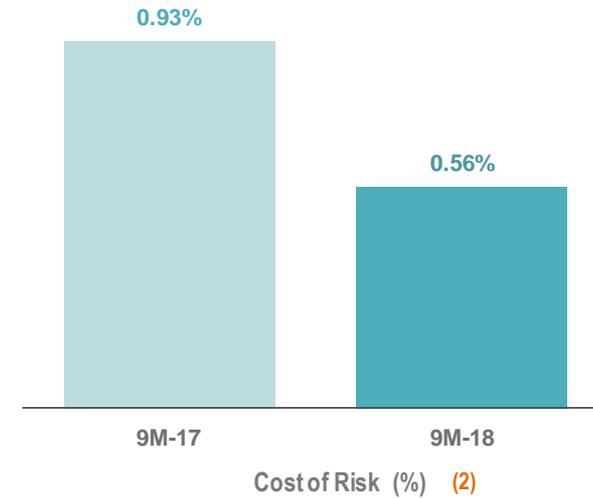


3. Results (XII): Impairment losses

Lower needs of impairment losses and improvement in the cost of risk due to the good evolution of NPA



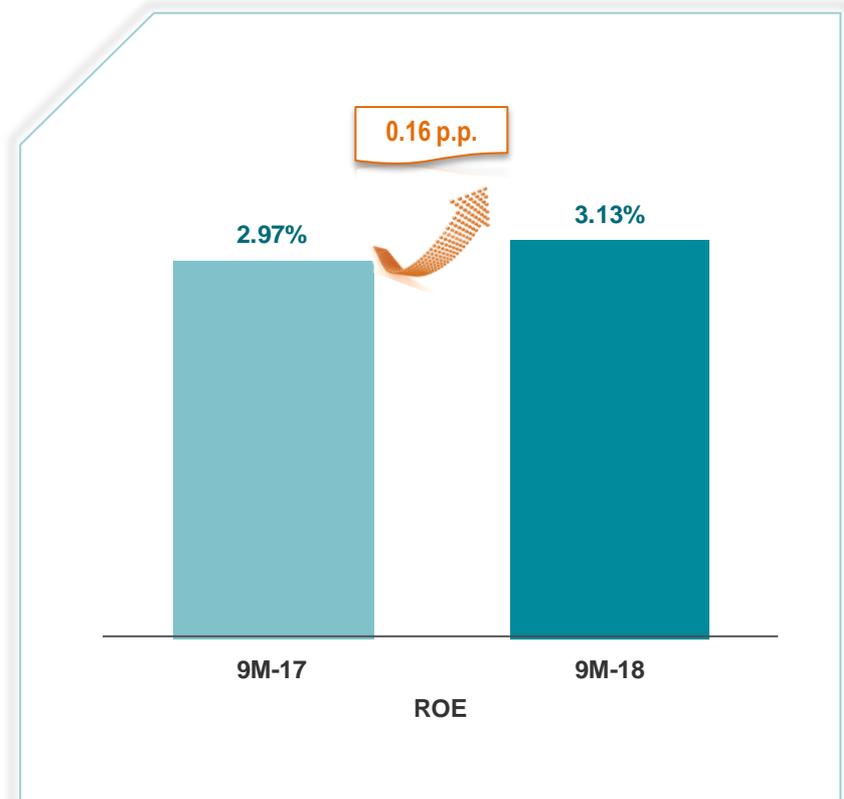
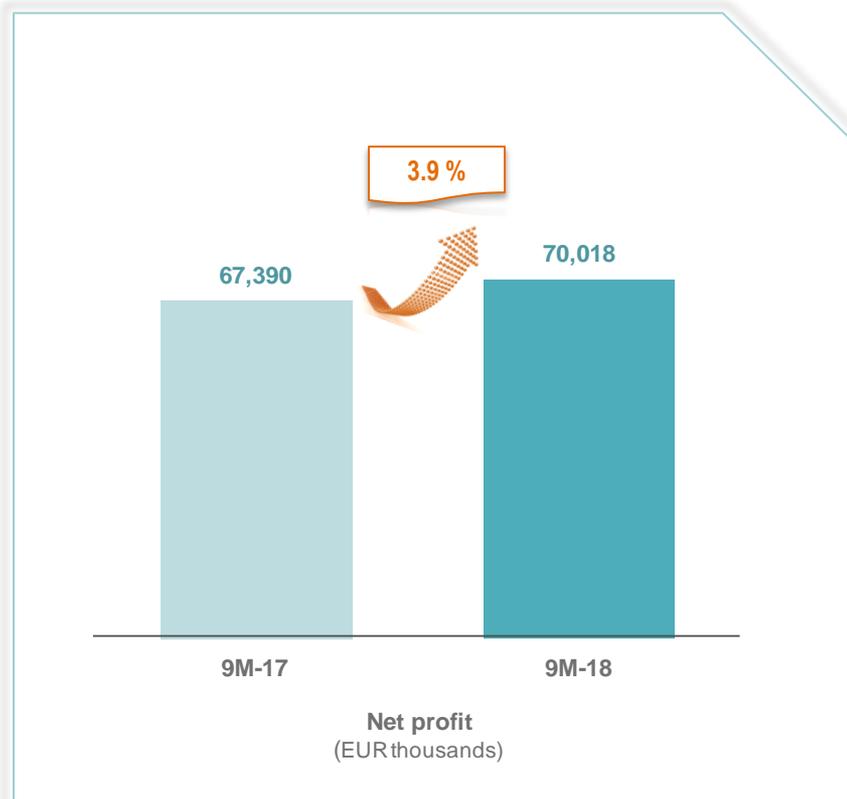
(1) It includes 62,6 millions Euros of intangible asset clean-up.



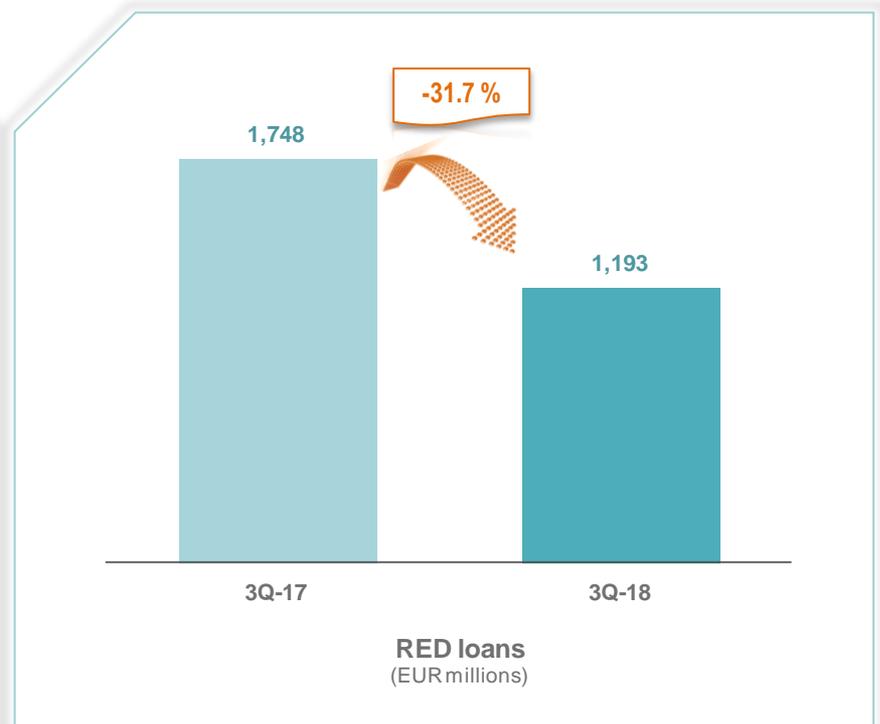
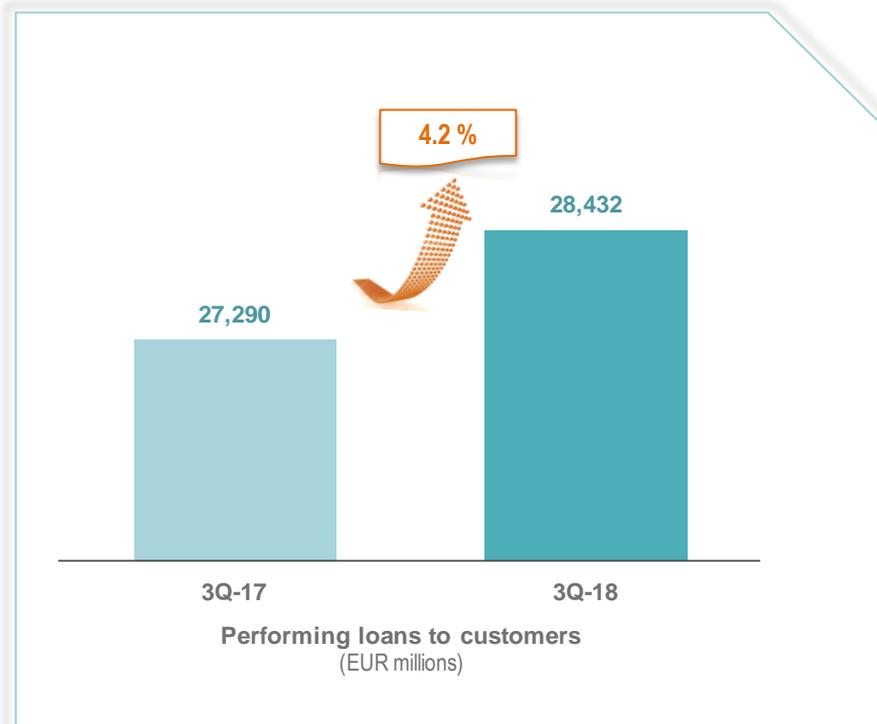
(2) Annualised total impairment losses/ Average Gross Loans and Gross foreclosure assets.

3. Results (XIII): Profitability

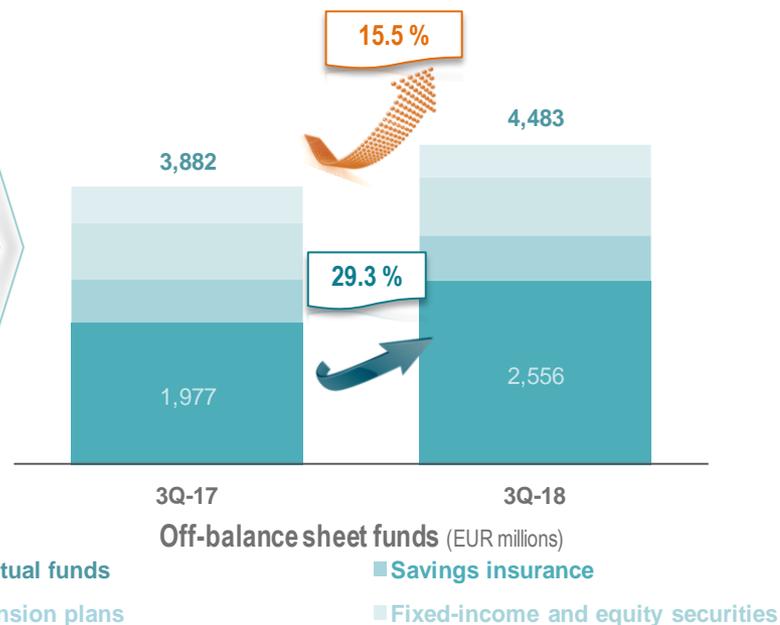
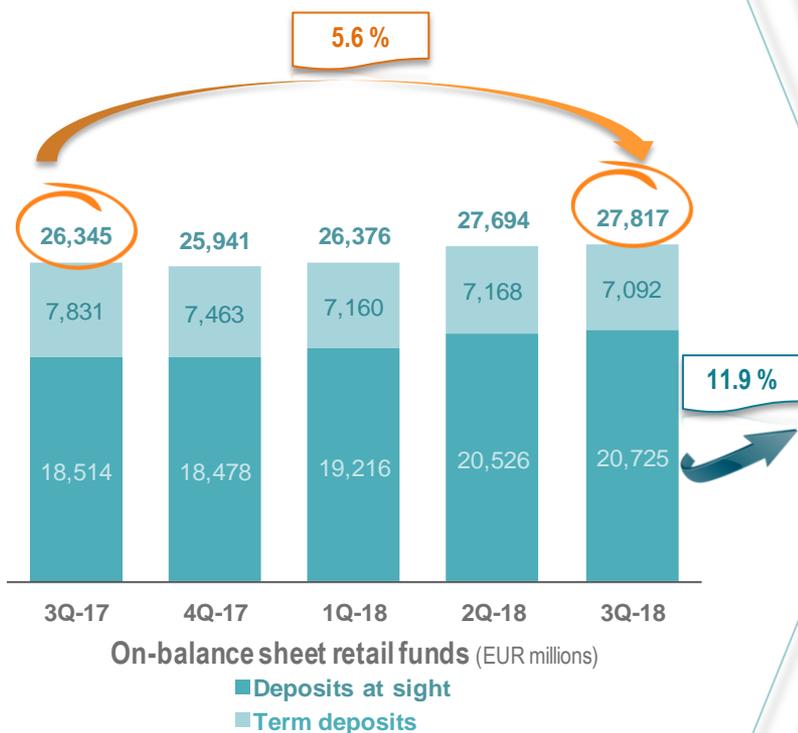
... leading to a growth of the Net profit of 3.9% year-on-year and a progressive improvement in return on equity (ROE)



Increase of Performing loans to customers, whose growth reaches up to 4,2%, based on the financing to enterprises, small business and agrifood sector.

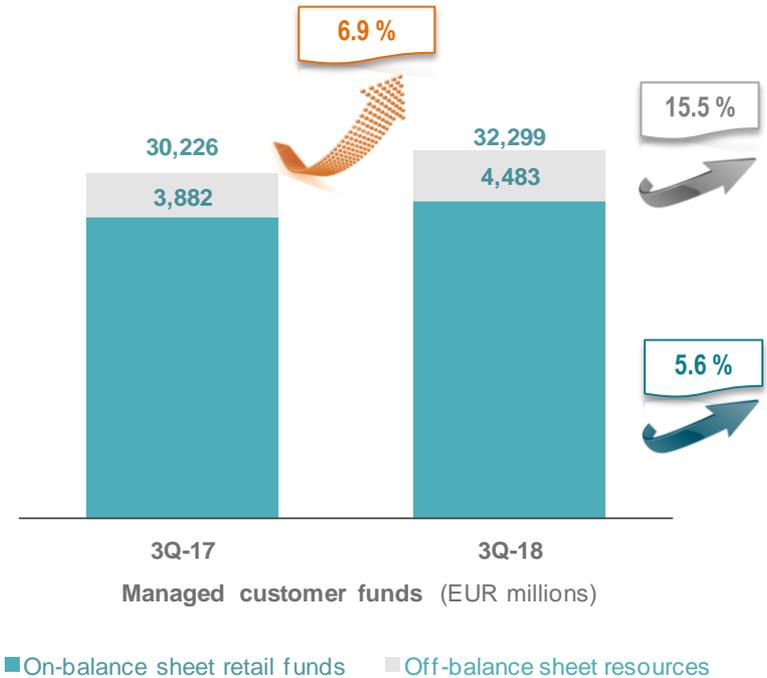
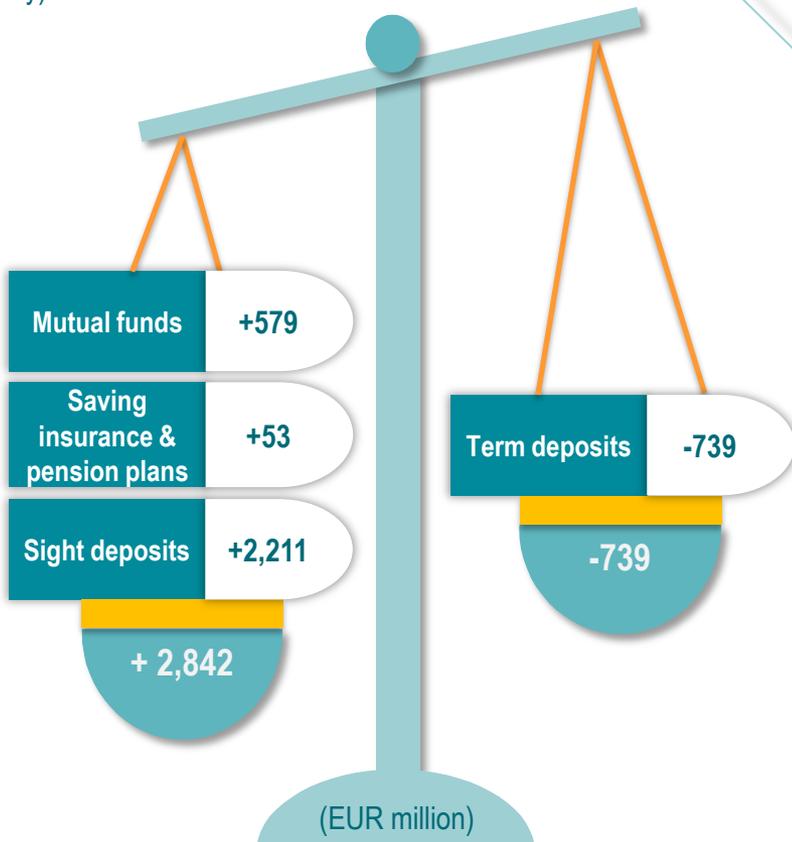


In the current context of interest rates, the increased commercialization of sight deposits and mutual funds raise the growth of On-balance sheet retail funds up to 5.6% and Of-balance sheet funds up to 15.5%



...increasing, one more quarter, Customer funds under management, up to 6.9%

(y-o-y)





Market shares (at 30/06/2018)

National:

- Deposits ORS: 2.21% (*)
- Credits ORS: 2.76%

Grupo Cajamar keeps a strong competitive position in the financial sector

2.13%

2.21%

2Q-17

2Q-18

Deposits ORS market share

2.65%

2.76%

2Q-17

2Q-18

Credits ORS market share

(*) Deposits OSR market share includes Online Bank.

In June 2018, Grupo Cajamar among the 11 biggest banking groups, ranking # 11 by business volume and # 8 by gross income

4. Business (V)



Agro sector market share

Credits: 13.97%

Market shares (at 30/06/2018)

By Region:

| | | | | |
|--|--|---|--|---|
| <ul style="list-style-type: none"> • ORS deposits: 18.15% • ORS credits: 16.56% <p style="font-weight: bold; font-size: 1.2em;">Murcia</p> | <ul style="list-style-type: none"> • ORS deposits: 8.42% • ORS credits: 7.83% <p style="font-weight: bold; font-size: 1.2em;">Auto. Com. of Valencia</p> | <ul style="list-style-type: none"> • ORS deposits: 6.60% • ORS credits: 7.38% <p style="font-weight: bold; font-size: 1.2em;">Andalusia</p> | <ul style="list-style-type: none"> • ORS deposits: 3.35% • ORS credits: 2.91% <p style="font-weight: bold; font-size: 1.2em;">Canary Islands</p> | <ul style="list-style-type: none"> • ORS deposits: 2.74% • ORS credits: 3.52% <p style="font-weight: bold; font-size: 1.2em;">Castilla-León</p> |
|--|--|---|--|---|

By Province:

| | | | | | |
|---|---|---|---|---|---|
| Almería | Castellón | Valencia | Málaga | Valladolid | Palencia |
| <ul style="list-style-type: none"> • ORS deposits: 49.11% • ORS credits: 45.37% | <ul style="list-style-type: none"> • ORS deposits: 16.46% • ORS credits: 14.09% | <ul style="list-style-type: none"> • ORS deposits: 9.58% • ORS credits: 9.84% | <ul style="list-style-type: none"> • ORS deposits: 8.37% • ORS credits: 6.76% | <ul style="list-style-type: none"> • ORS deposits: 7.93% • ORS credits: 7.35% | <ul style="list-style-type: none"> • ORS deposits: 6.78% • ORS credits: 6.94% |

GRUPO CAJAMAR IS THE LEADER IN THE AGRIFOOD SECTOR, ABLE TO OFFER TO ITS CUSTOMERS A COMPLETE FINANCING PACK AND WITH A SPECIALISED KNOWLEDGE

CUSTOMER TRAINING

- **Courses at the cooperative directors' school** and further **specialisation training** activities for improving agro companies.
- Getting **young farmers** through training courses.
- **Publications** for clients:
 - Publications of annual reports about campaigns.
 - Documents with the main agro-indicators by autonomous community.
 - Microdocumentaries on innovative projects.

SPECIALISATION

- Aligning technological agriculture research centres with business lines to provide **customised solutions for each crop**.
- Expertise derived from years of **experience in the sector**, allowing for **expansion into other non- core areas**:
 - Crop calendars, investment requirements, production costs and revenues estimated by crop type.

INNOVATION

- Internal application (Agroup) for meeting agro customers' **borrowing requirements** for performing commercial activity and decision-making in risk granting:
 - Covers 95% of total agricultural production in Spain.
- **Application for customers' use** with specific information about different crops and their scheduling.
- Unification of website for **information and agrifood activities of Cajamar**.
- **High technology's incubator of water**.

ESCUELA DE CONSEJEROS cooperativos



Cajamar's "Las Palmerillas" research centre



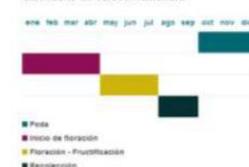
CAJAMAR ADN Agro AGROUp!

Precio medio: Almendra

| Año-Campaña | Precio medio |
|----------------------------------|--------------|
| 2010 | 0,833 €/kg. |
| 2011 | 0,833 €/kg. |
| 2012 | 1,094 €/kg. |
| 2013 | 1,582 €/kg. |
| Promedio 4 últimos años-campañas | 1,088 €/kg. |

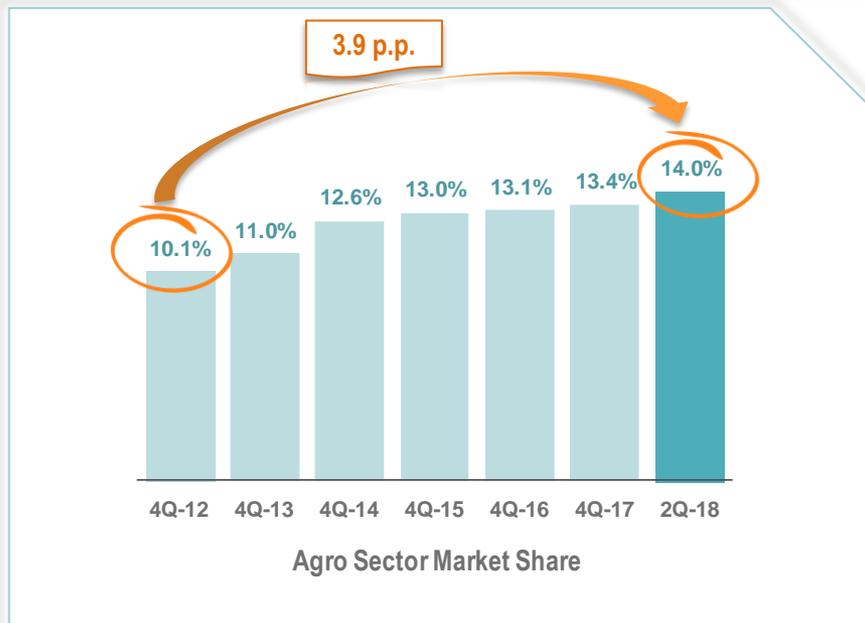
Se ha considerado el primer mes de cada campaña comercial actual.
Fuente de datos: Comisión Consejo Regulador AMN 2013

Calendario de cultivo: Almendra



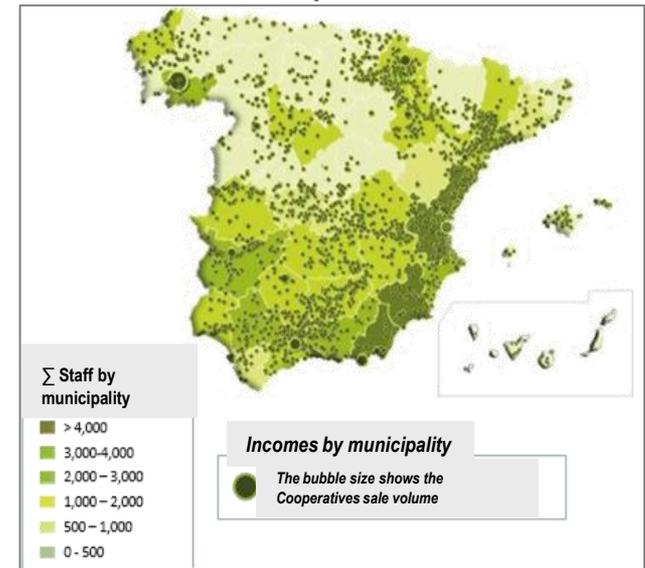
Group gains market share both organically and inorganically in a solid agrifood sector with a strong national presence

“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 ”
 Grupo Cajamar Strategic Plan Vision



Grupo Cajamar 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

Note: Market data June, 2018; Map of cooperatives in 2011
 Source: BDE; DataComex; INE; agro-cooperatives in Spain; Grupo Cajamar analysis

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

| | | | |
|---|---|--|--|
| <p>BRAND IMAGE ✓</p> <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. ● Made-to-measure events (familiar enterprise , entrepreneurship, etc..) ● New Agro Web. | <p>NEW PRODUCTS ✓</p> <ul style="list-style-type: none"> ● Non-recourse factoring (COFACE). ● Credit insurance. ● Operating leases. ● Flexible payment loans. ● Tax finance. ● Advances at point of sale. ● Combicompras. | <p>HIGH-VALUE SPECIALISED SERVICES ✓</p> <ul style="list-style-type: none"> ● International platform. ● Platform of business. ● Platform of public helps. ● Franchises portal. | <p>SPEEDY LOAN APPROVALS ✓</p> <ul style="list-style-type: none"> ● Express circuit. ● Pre-approved/pre-classified. ● Pre-approved loans for intensive agriculture. ● Specialized analysts. ● Customer Journeys. |
| <p>SPECIFIC TRAINING ✓</p> <ul style="list-style-type: none"> ● School of financial formation (financing). ● International business training. ● Specific training (forecasts). ● Social Selling. | <p>NEW COMMERCIAL STAFF ✓</p> <ul style="list-style-type: none"> ● Enterprise manager. ● Agrifood business manager. | <p>SECTOR EXPERIENCE ✓</p> <ul style="list-style-type: none"> ● Sector events. ● Offers for specific sectors. ● PIDE. ● Specialization (Sectors: Chemical, Meat, Hotel manager, Warehouses, Footwear, etc...) | <p>STRATEGIC SEGMENTS ✓</p> <ul style="list-style-type: none"> ● To expand and to extend our strength in Agro Primary to the whole Food-processing chain. ● To develop the bank of non Agro enterprises with focus in enterprises of bigger size. |

Engaged with the territory and the sustainable development

Grupo Cajamar is especially engaged with rural areas and with the economic activities developed in them, with the social structuring of the territories across our financial activity, based on the search of solutions focused on the well-being of families, the support to the small and medium enterprises, and especially, the development of agricultural and food-processing sectors.

We mainly contribute in three different ways to the main local productive systems in Spain:



Financing.

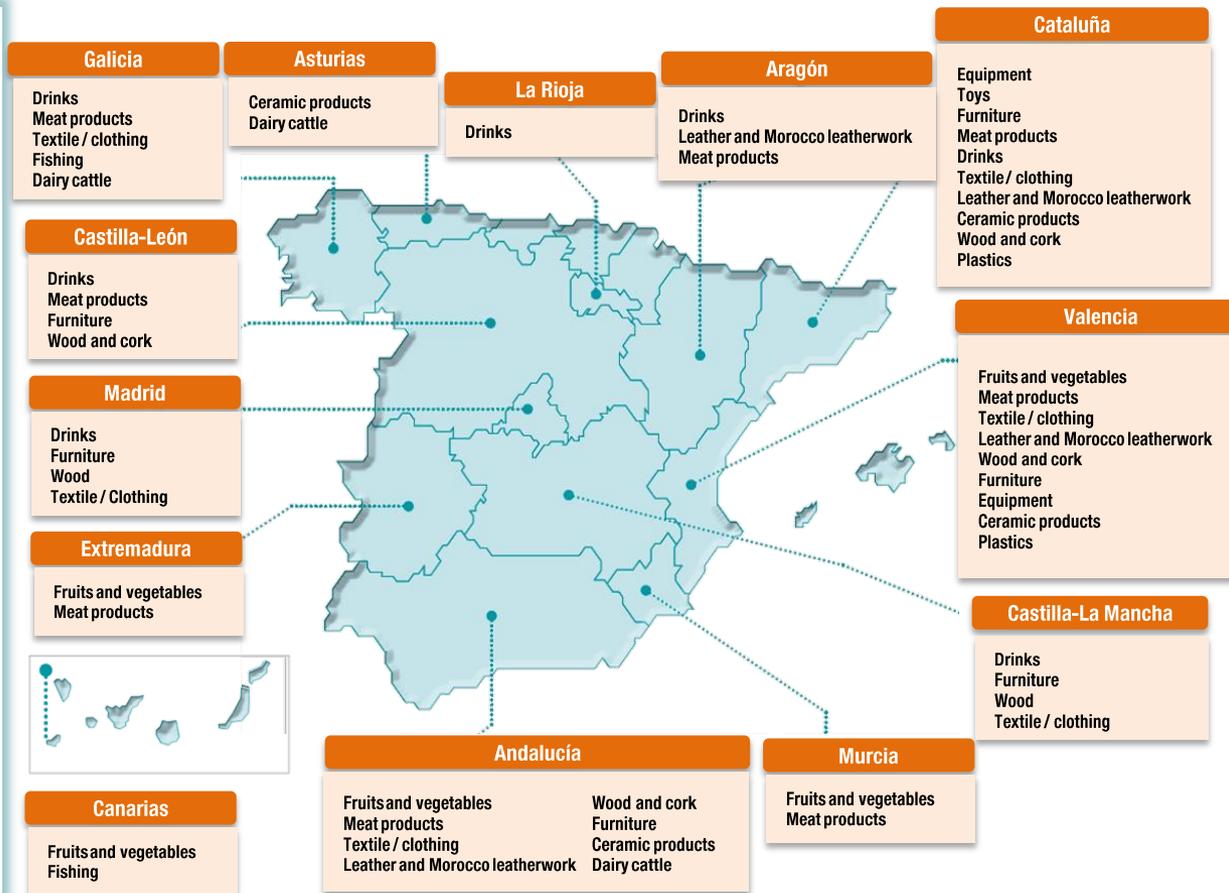


I+D+i and transfer of knowledge thanks to our agricultural experimental centers.



Partnerships with institutions and other local agents for the promotion of efficient ecosystems of production, respectful with the rural areas, allowing to fix population and wealth to the territory.

Productive local systems where Grupo Cajamar is present



Note: There have been included those productive local systems that imply a high managerial concentration. Source: Own elaboration.

4. Business (X)



Keeping confidence of more than 1.43 million members



With presence nearly all around the country



Serving to more than 3.59 million of customers



More than 1.24 million debit and credit cards



1.5 million engaged customers



1.526 ATM to serve our customers



701 thousands online bank customers



More than 53.2 thousands POS terminals in business



Grupo Cajamar proposal for its digital customers

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

Target audience

Digital customers and non-customers or which prefer to do their negotiations in a remote way

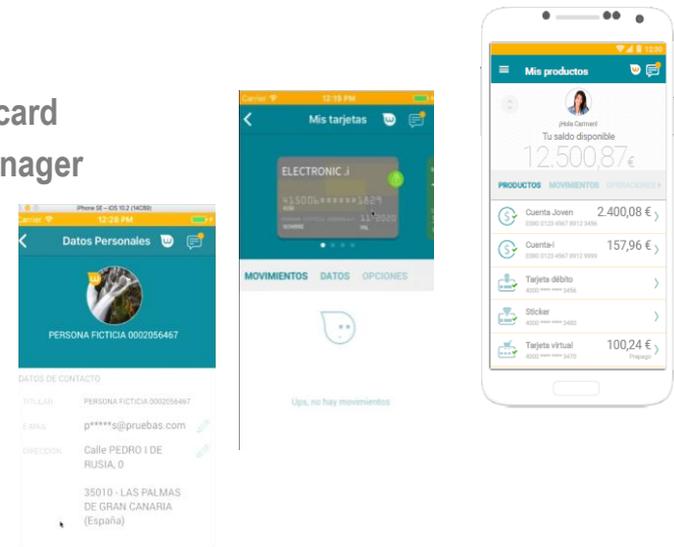
Two levels of service

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 data and positions**, to make **transfers**, to **pay receipts**, to **share information with other apps**, to **manage cards**, to make **top-ups**, to **receive alerts and notifications**. Furthermore, a personal profile is created with photograph, personal information, contacts and individual fingerprint.

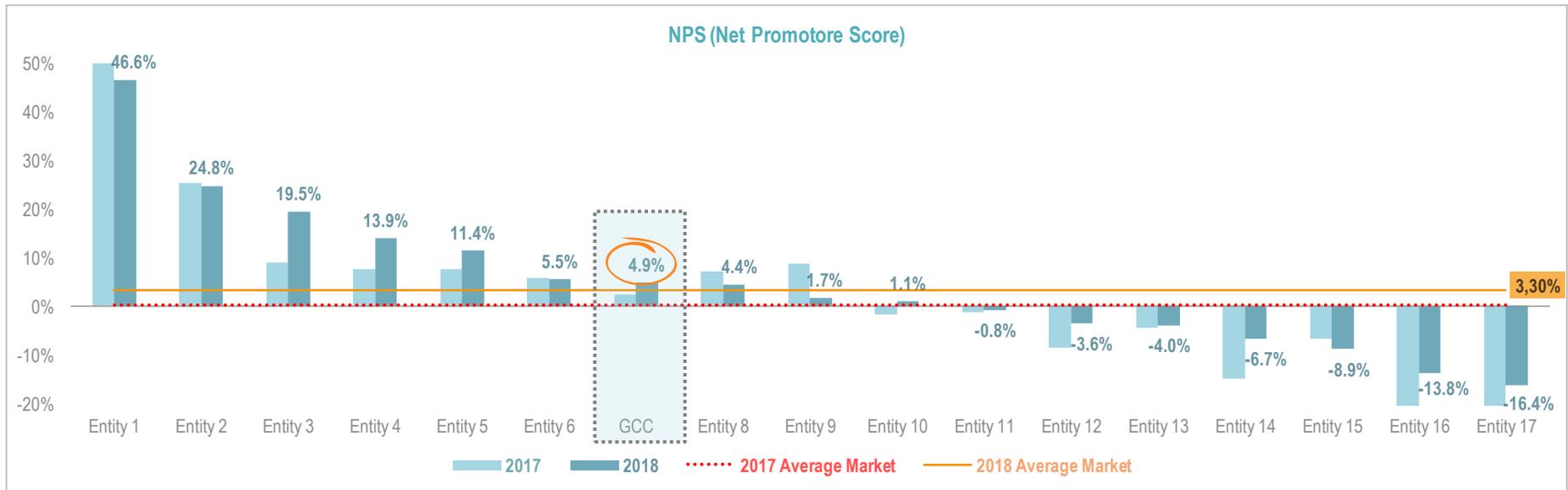


165,836 WFR customers
Eur 626 million of Bussines
22 remote managers



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

Grupo Cajamar is 7th(*) in NPS ranking improving the position regarding the end of 2017



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**”

Grupo Cajamar Strategic Plan

(*) Source: Customer Satisfaction Survey 3Q 2018, STIGA.

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

Grupo Cajamar is ranked 8th(*) in the global satisfaction ranking with respect to the entity



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

(*) Source: Customer Satisfaction Survey 3Q 2018, STIGA.

Highlighting the personalized attention and the service to our customers through the Manager

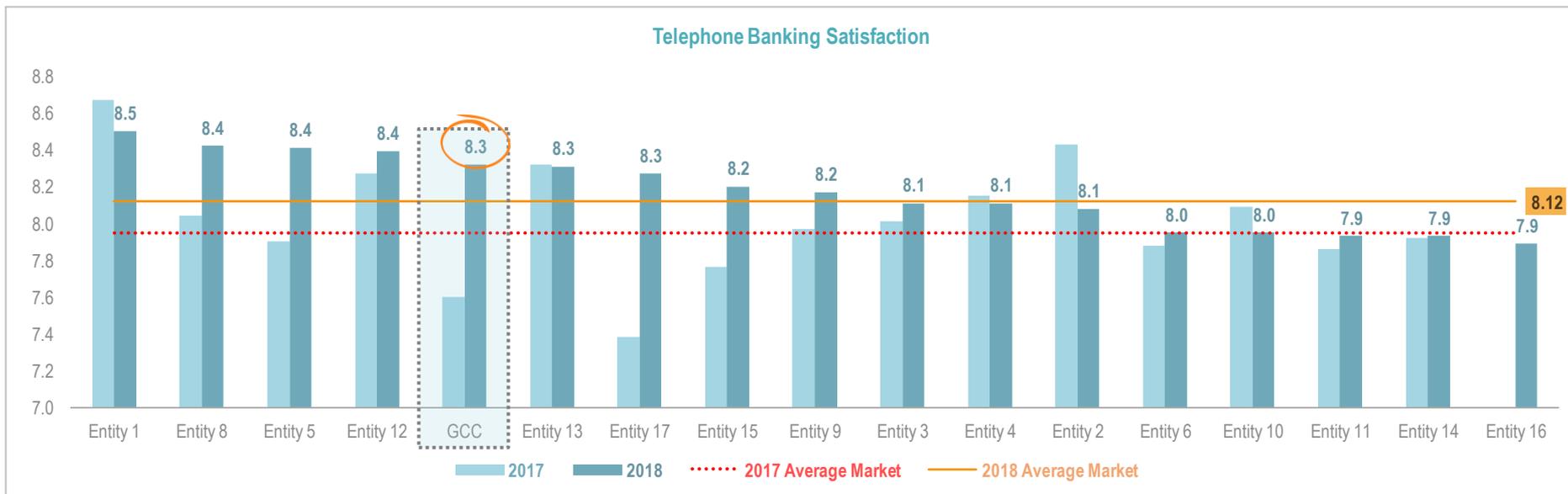
Grupo Cajamar maintains prime positions in the satisfaction expressed by their customers about their manager



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...

(*) Source: Customer Satisfaction Survey 3Q 2018, STIGA.

We continue being among the first ones in the telephone banking satisfaction



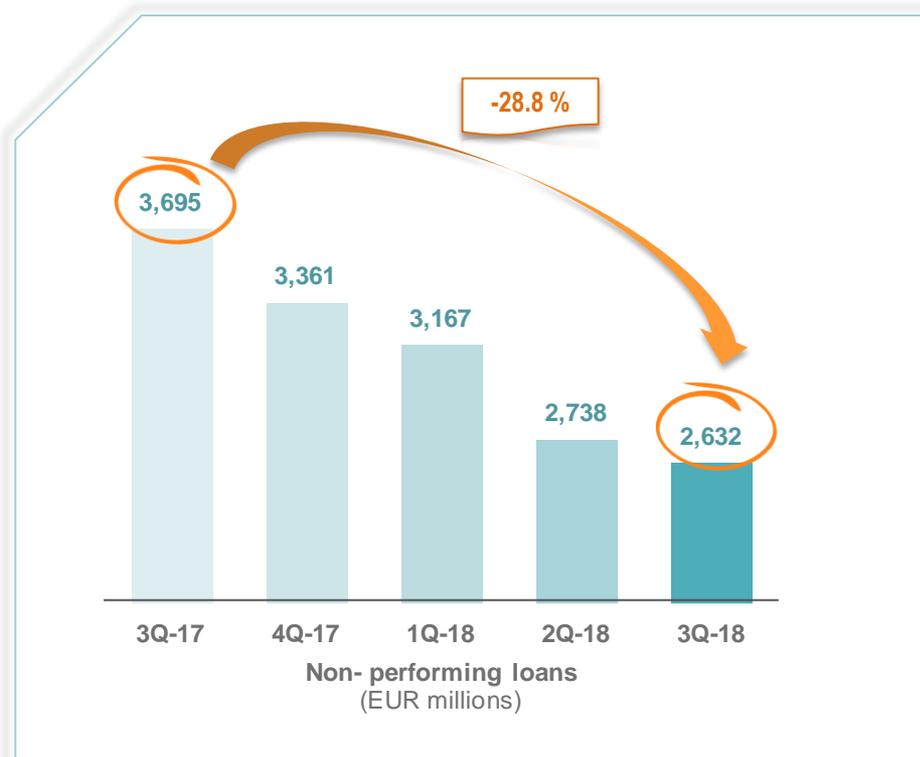
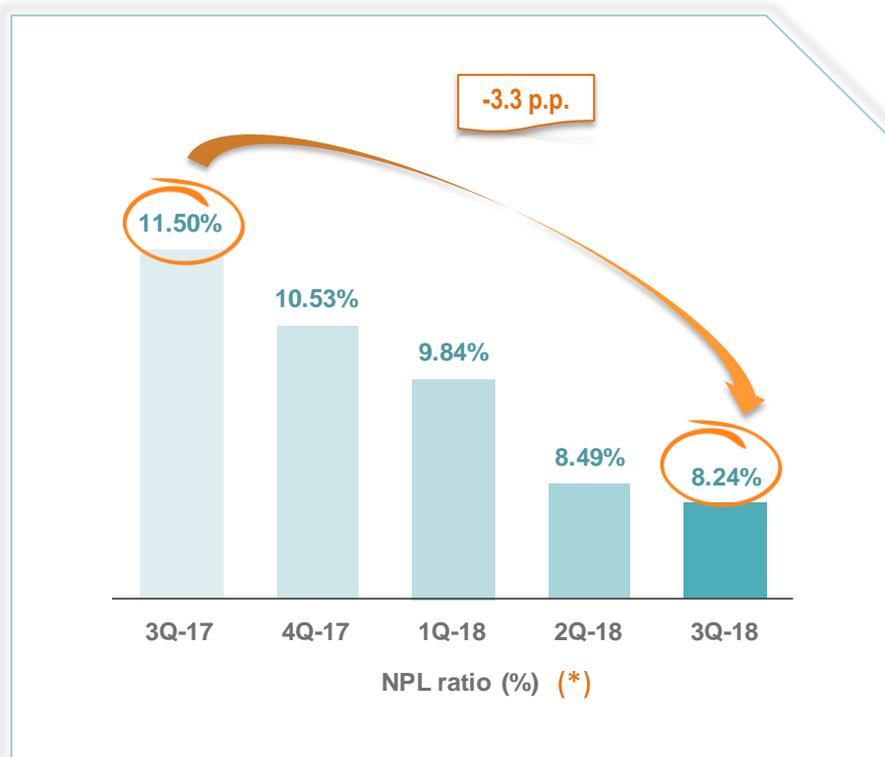
Note: The satisfaction is measured in terms of average values and is related to the satisfaction about telephone banking. Question: In a global way can you value the satisfaction with regard to telephone banking of the Entity...

(*) Source: Customer Satisfaction Survey 3Q 2018, STIGA.

5. Risk management (I)

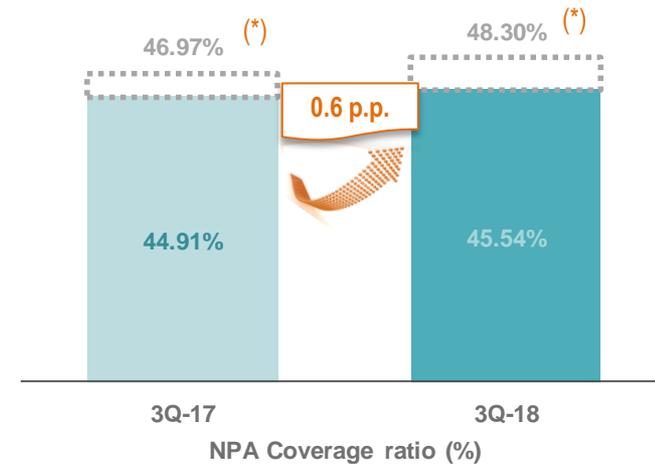
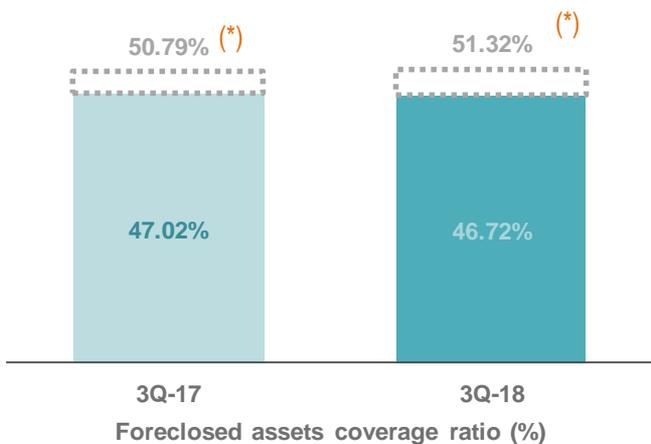
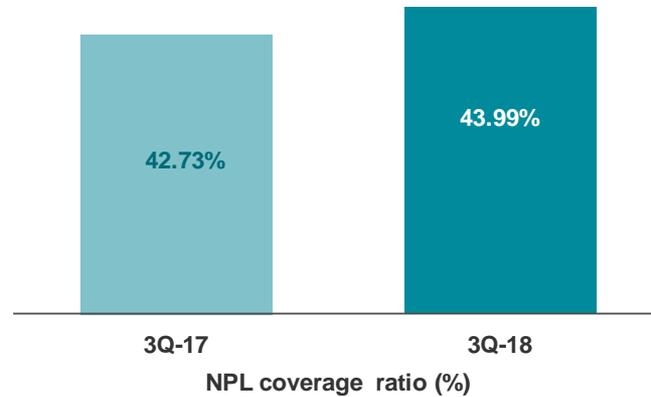
Continuous improvement of NPL ratio, -3.3 p.p. y-o-y, down to 8.24%

... thanks to the impulse of Loans to customers and, especially, to the decrease of NPL volume by 28.8%



(*) $(\text{Non-performing Loans} + \text{Non-performing contingent risks}) / (\text{Gross Loans} + \text{Contingent Risks})$

Year-on-year improvement of NPA Coverage ratio

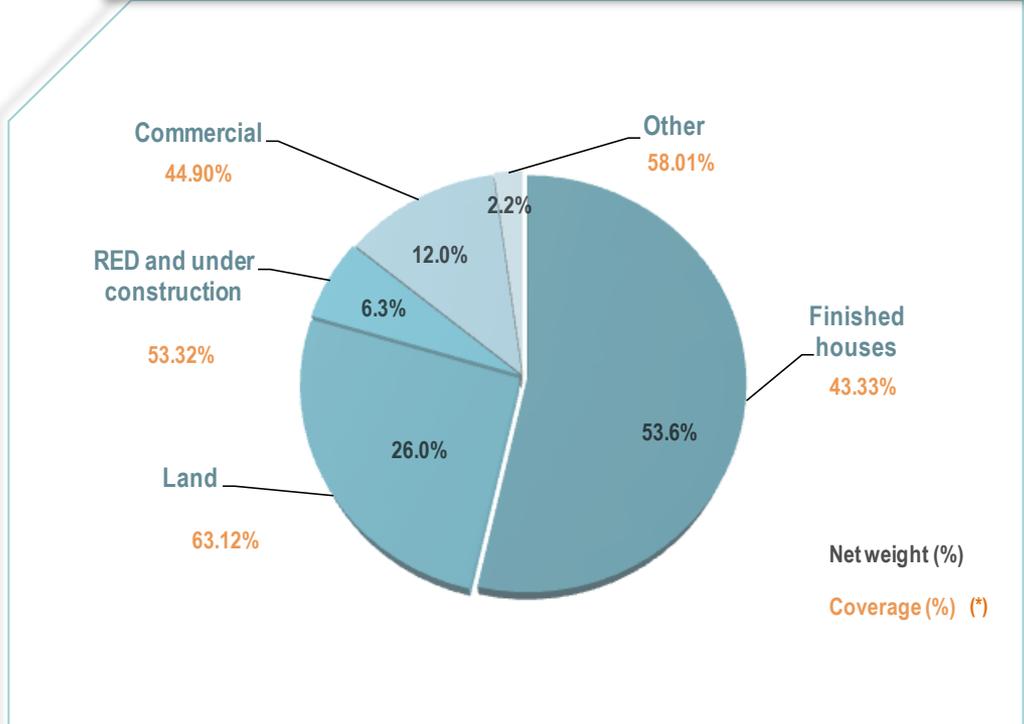
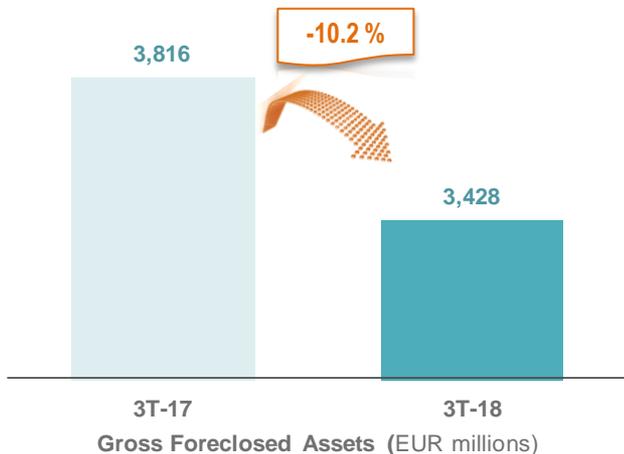
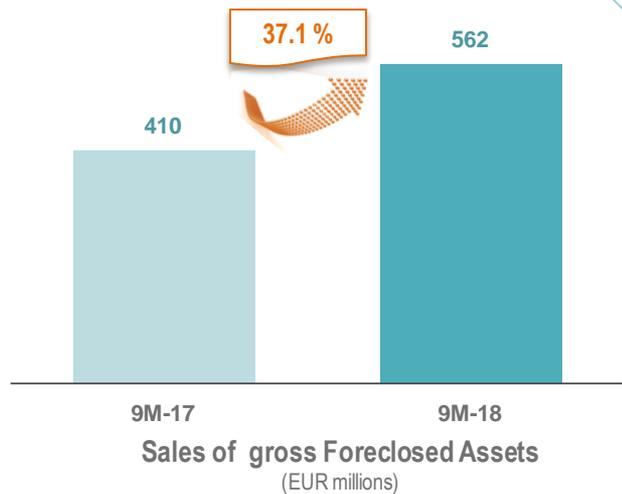


(*) Ratio calculated considering the debt forgiveness in the foreclosure procedure .

5. Risk management (III)

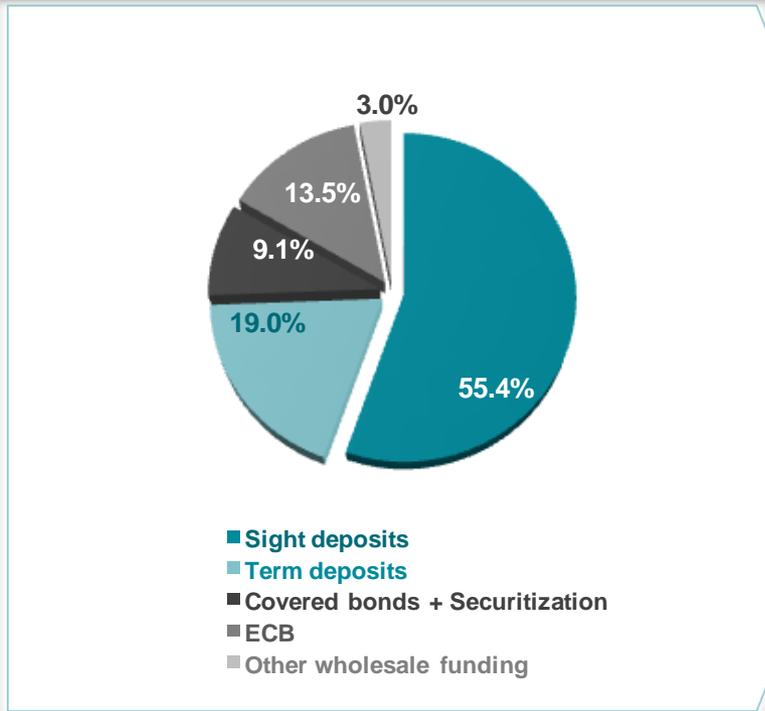
Foreclosed assets reduction of 10.2% once the commercial activity has intensified

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

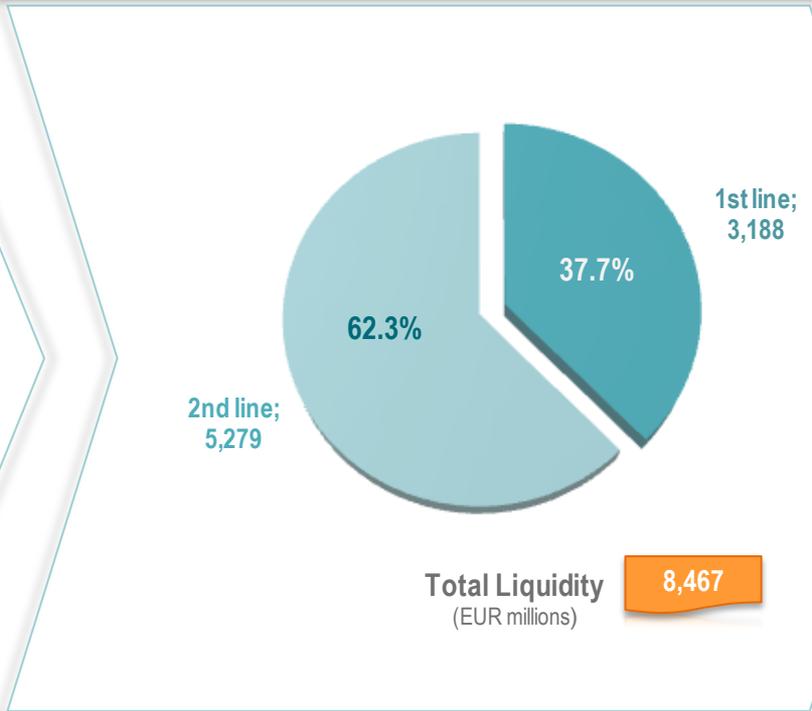


(*) Ratio calculated considering debt forgiveness in the foreclosure procedure .

The improvement in the business gap allows us a comfortable level of wholesale funding and open access to wholesale markets



High liquid asset generation capacity

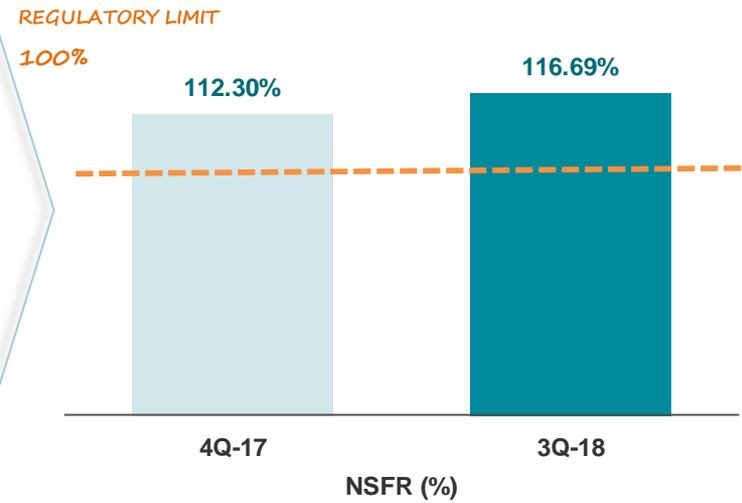
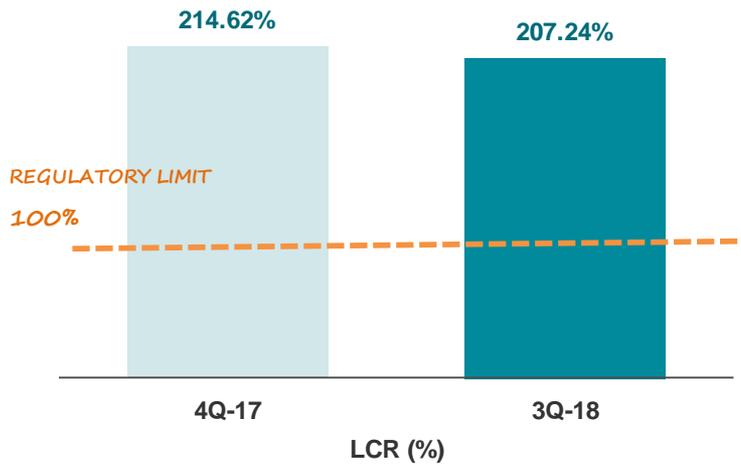


First liquidity line: Cash in central banks and available eligible collateral in central banks

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: 57.19%, after doing an issuance of 500 millions in June

And comfortable liquidity position, well above regulatory limits



Phased-in

Fully-loaded

Solvent group

Solvency: 14.13%

Solvency: 13.18%

High quality of equity

CET1: 12.40%

CET1: 11.45%

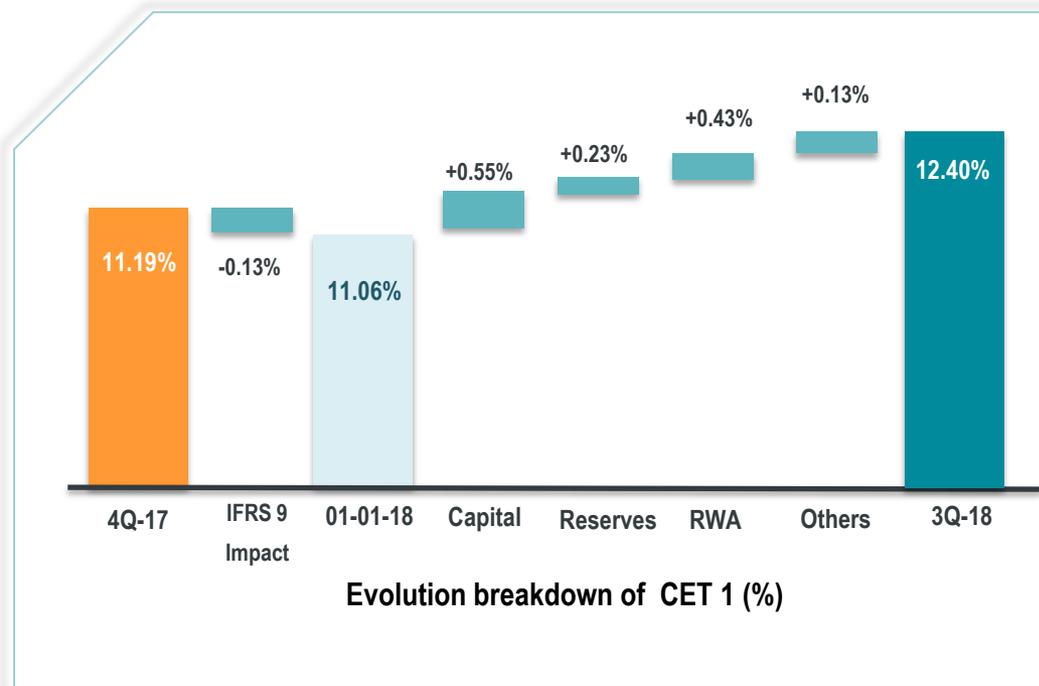
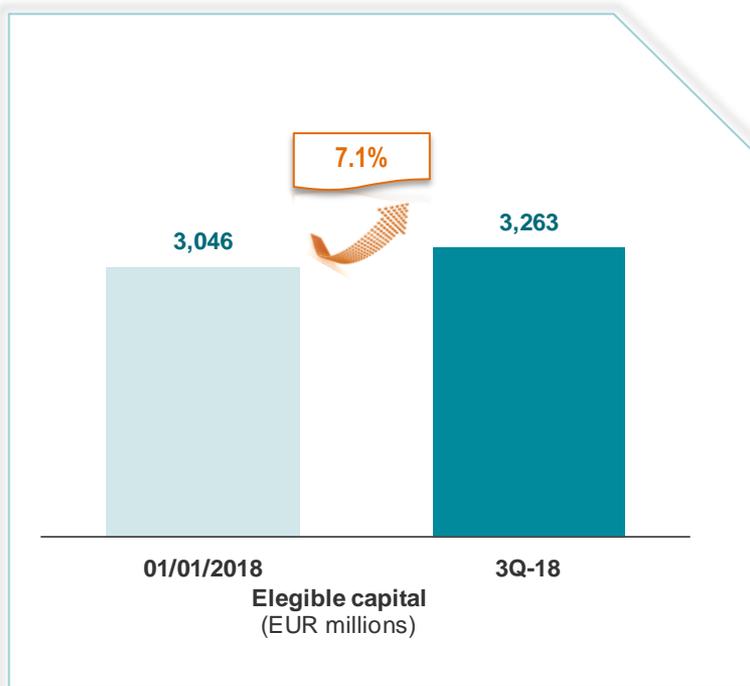
Adequate leverage ratio

6.57%

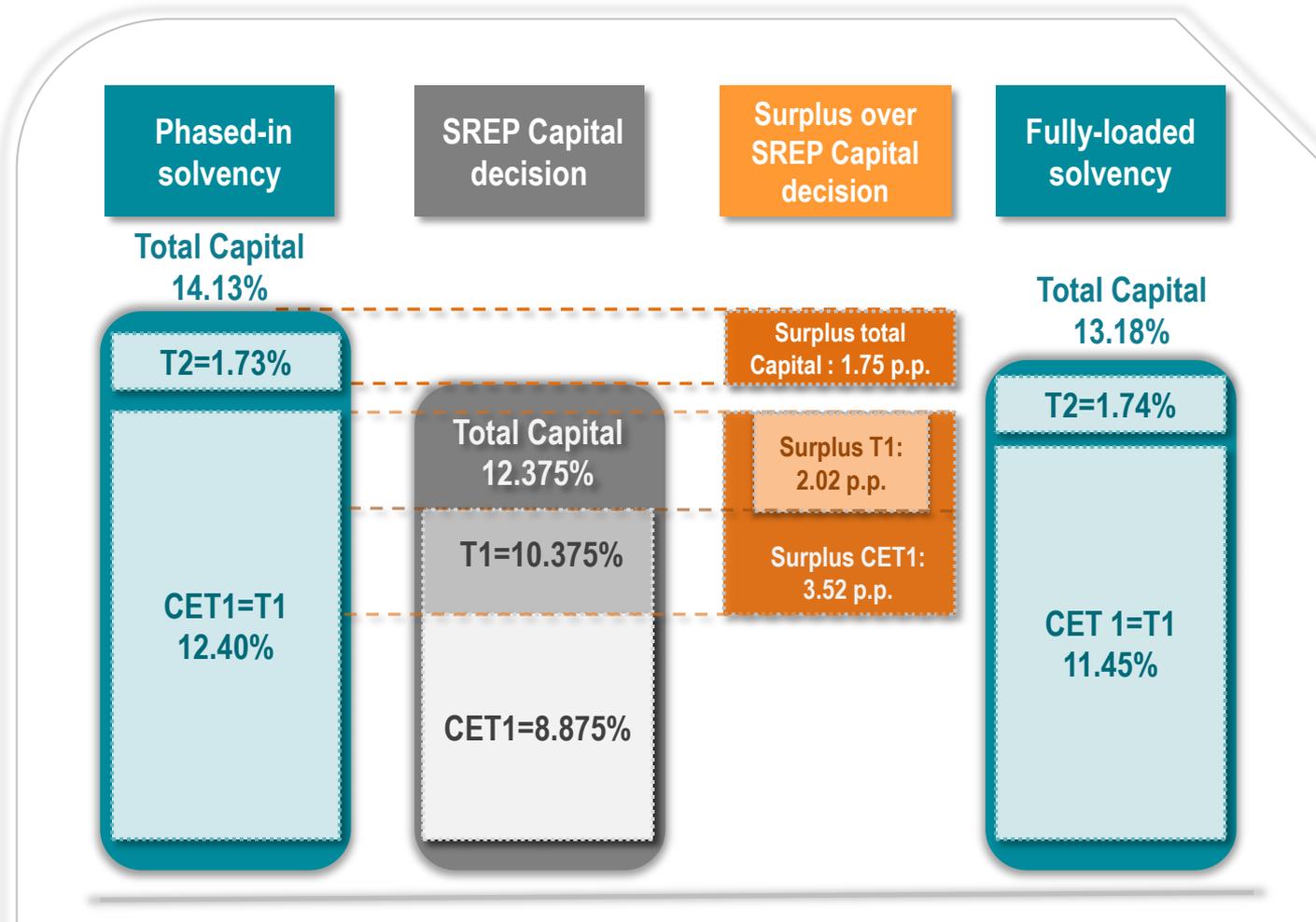
6.08%

High RWA density. Potential to optimize its calculation from standard methods to IRB models

Strengthening of eligible capital, with an increase of 7.1%, and solvency improvement from 01/01/18, after IFRS 9 impact, in compliance with all requirements by ECB



High quality of Equity



8. Conclusions

1

Results and efficiency improvement

| | |
|------------|--------------------------------|
| + 2.3 % | △ Net interest income |
| + 6.6 % | △ Net income before provisions |
| - 6.9 % | ▽ Operating expenses |
| - 3.3 p.p. | ▽ Cost-income ratio |

2

Business volumen increase

| | |
|----------|-----------------------------------|
| + 6.9 % | △ Customer funds under management |
| + 4.2 % | △ Performing loans to customers |
| + 10.4 % | △ New financing |
| + 29.3 % | △ Mutual funds |

3

NPA improvement

| | | |
|------------------|---|------------------------------|
| - 1,063 millions | } | ▽ Non-performing loans |
| - 28.8 % | | |
| + 0.6 p.p. | | △ NPA coverage ratio |
| + 37.1% | | △ Sales of foreclosed assets |

4

Capital

| | |
|-------------|-------------------------------------|
| + 1.39 p.p. | △ Total capital regarding 1/01/2018 |
| + 7.1% | △ Eligible capital |

Spain's economy remains stable by 0.6% in the second quarter

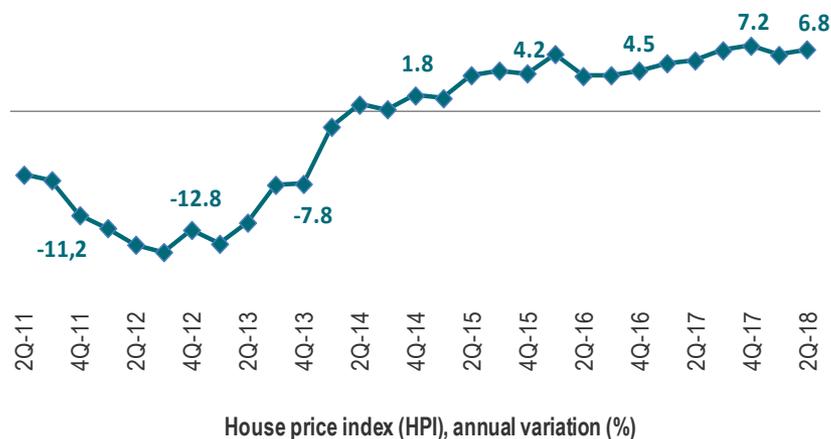
Moderation in the growth of the consumption

| | 2Q-17 | 3Q-17 | 4Q-17 | 1Q-18 | 2Q-18 |
|-------------------------------|------------|------------|------------|------------|------------|
| Real GDP (q-o-q, %) | 0.9 | 0.6 | 0.7 | 0.6 | 0.6 |
| Household consumption | 0.8 | 0.9 | 0.4 | 0.9 | 0.1 |
| Expenditure by government | 0.6 | 0.6 | 0.3 | 0.8 | 0.1 |
| Gross fixed capital formation | (0.2) | 2.3 | 0.6 | 1.1 | 3.5 |
| Construction investment | 1.0 | 1.7 | 0.8 | 2.1 | 2.2 |
| Equipment investment | (2.2) | 3.6 | 0.5 | (0.1) | 6.5 |
| Exports | 1.3 | 0.1 | 1.4 | 0.6 | 0.2 |
| Imports | 0.5 | 1.9 | 0.6 | 1.7 | 1.0 |
| Real GDP (y-o-y, %) | 3.1 | 2.9 | 3.1 | 2.8 | 2.5 |

Robust growth in Spain versus Euro Area



Rate of house price increases rises gradually to 6.8%



Source: Eurostat and National Statistics Institute (INE)

Employment up by 478,800 in the last 12 months



The Social Security-registrations has a y-o-y increase of 2.87%



Unemployment rate 14.55%, 1.83 p.p. smaller than one year ago



Source: Labor, Migration and Social Security Ministry

Source: National Statistics Institute (INE)

- The **year-on-year decrease of unemployment rate** is beneficial to the current decline in NPLs as well as a higher dynamism in foreclosed asset sales.
- Gradual recovery in the **real estate market**.
- **Business margin expansion** due to an increasing credit flow to social agents, especially individual and SMEs, 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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