BCC | BANCO DE CRÉDITO COOPERATIVO

Latest Results
GRUPO COOPERATIVO CAJAMAR

Third Quarter, 2014

Índex

BCC | BANCO DE CRÉDITO COOPERATIVO

During the first quarter of the year has finished the constitution of the **Banco de Crédito Cooperativo (BCC), that has begun its activity on June 1, turning into new head-board of the Group.**

Head -board of the group:

BCC

- cajamar CAJA RURAL
- CAIXA RURAL D'ALGINET
- Caixa Rural Almenara
- caixalqueries
- CAIXALTEA
- burriana
- caixacallosa (Caixa Rural de Callosa d'en Sarrià)
- CAJA RURAL DE CHESTE
- CAIXA RURAL NULES
- Caixapetrer
- caixa Sant Vicent
- CAIXA RURAL TORRENT
- caixaturís
- CAJA RURAL DE VILLAR
- Caixa Rural Vilafamés
- CAIXA RURAL VILA-REAL
- CAIXA RURAL VILAVELLA
- CAIXA RURAL XILXES
- Caixa Albalat

Besides 19 members of the Grupo Cooperativo Cajamar, the **BCC has, as shareholders, the following 13 rural credit cooperatives:**

BCC' shareholders:

- CAIXALMASSORA
- CAIXAGUISSONA
- Caixa Benicarló CAIXA RURAL
- CAIXA RURAL LA VALL
- caixa vinaròs
- CAJA RURAL CASTILLA-LA MANCHA
- CAIXA RURAL LES COVES

Solventia

- cajalmendralejo
- CAJA RURAL DE ADAMUZ
- CAJA RURAL DE UTRERA
- CAJA RURAL DE BAENA
- CAJA RURAL DE CAÑETE
- CAJA RURAL NUEVA CARTEYA

GRUPO COOPERATIVO CAJAMAR

2 Executive Summary (I)

- The Grupo Cooperativo Cajamar at 30/09/2014 strengthens its leadership in the credit cooperatives sector, with almost **4 million customers** and **1,4 million shareholders,** who have to their disposition **6.507 professional** employees that offer their services in a wide commercial network of **1.316 branches,** distributed practically by the whole national territory, in **41 provinces** and **2 autonomous cities.**

- The Group, with vocation of **retail banking**, offers its products and financial advice preferably to its **strategic segments**: families, autonomous, professionals, SMEs and specially, to the agro-food sector and of social economy.

- The **European Central Bank** (ECB), in collaboration with the **European Banking Authority**, has re-evaluated the solvency of the banking sector and its resilience to adverse economic scenarios, in order to restore confidence in the system and reactivate credit before becoming in the single banking supervisor. The Grupo Cooperativo Cajamar is the only credit union in Spain has participated in this process, having passed this test comfortably, and is accredited by both solvency and financial strength by the ECB. The Group has passed these tests, with a **CET1 ratio of 7.99%,** 2.49 p.p. higher than the 5.5% set under the **adverse scene**, and **CET1 ratio of 10.17%,** compared with 8% reference value set as in the **based scene**, all without public aid.

- The Grupo Cooperativo Cajamar has, at the end of third quarter, a **BIS Ratio of 12,84 %**, 1,56 p.p. of growth during the year, due to, principally, the impulse of the computable Capital and the improvement of the **CET 1 Capital** of 0,59p.p., increasing the ratio up to **11,59 %.**

2 Executive Summary (II)

- The **total Balance sheet** of the Group is €38.1949 millions and the **Balance Sheet Resources** ascend to €32.514 millions, after increasing the **Customer Deposits** €739 millions during this year and falling the needs of Wholesale Resources.

- Like the previous trimester happened, the **Gross Loans** of the Group continues descending, placing in €34.080 millions, at the end of September, because of the fall of the operations of the monetary market (-61,3 %) and the proactive management of the **Doubtful assets**, descending €447 millions in the first nine months of the year, and an improvement in the **Non Performing Loan Ratio** relative to the previous quarter.

- The diversification of the financing sources has favored the maintenance of a good position of **Liquidity** (with an effective liquidity up to €6.827 millions), that allows the Group to face his commitments of payment so much to shortly like in the long term. Besides an improvement is stated in the liquidity of the Group, across the **ratio LTD (Loans to Deposits)** that gets down 4,2 p.p. during this year, placed in 108,2 %.

- The control of the origination prices of the term deposits, the minor needs of wholesale resources, as well as the positive contribution of the net fees and commissions and the Gains on financial transactions, contribute to get a **Gross Income** of €1.032 million, 202 million superior to the obtained in September, 2013.

- The increase of the incomes and the politics of containment of administration expenses, as well as the optimization of the commercial net of branches, allows to improve the **Cost-income ratio** of the Group 8,79 p.p., **41,96%** at 30/09/14.

- At the end of the third quarter of 2014 the Group has obtained a **Consolidated Net Profit of €90,2 millions**, 62,8% higher than September 2013, that allow improve the Solvency and Coverage of Loan.

3 Key figures

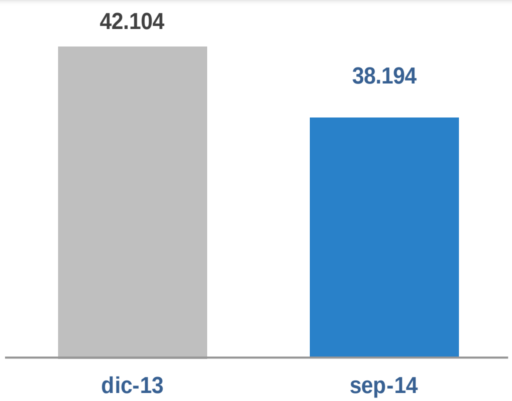
(EUR thousands)

BUSINESS	30/09/2014	31/12/2013	Annual var. Abs.	Annual var. %
Loans	31.191.649	34.047.613	(2.855.964)	(8,4%)
Customers deposits	28.960.413	29.106.828	(146.415)	(0,5%)
Equity	2.861.260	2.766.706	94.555	3,4%
Total assets	38.193.888	42.104.468	(3.910.580)	(9,3%)

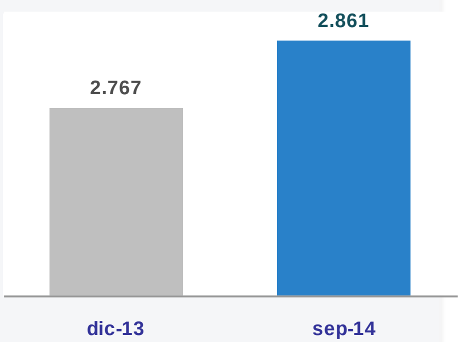
RESULTS AND EFFICIENCY	30/09/2014	30/09/2013	Y-o-Y var. Abs.	Y-o-Y var. %
Net interest income	398.345	495.643	(97.298)	(19,6%)
Gross income	1.031.969	829.519	202.450	24,4%
Operating income	598.944	408.567	190.377	46,6%
Consolidated net profit	90.176	55.393	34.783	62,8%
Efficiency	41,96%	50,75%	(8,79)	

OTHER DATA	30/09/2014	31/12/2013	Annual var. Abs.	Annual var. %
Employees	6.507	6.616	(109)	(1,6%)
Branches	1.316	1.349	(33)	(2,4%)
Shareholders	1.374.442	1.328.227	46.215	3,5%

Total assets (EUR millions)



Equity (EUR millions)



4 Balance sheet

BCC BANCO DE CRÉDITO COOPERATIVO

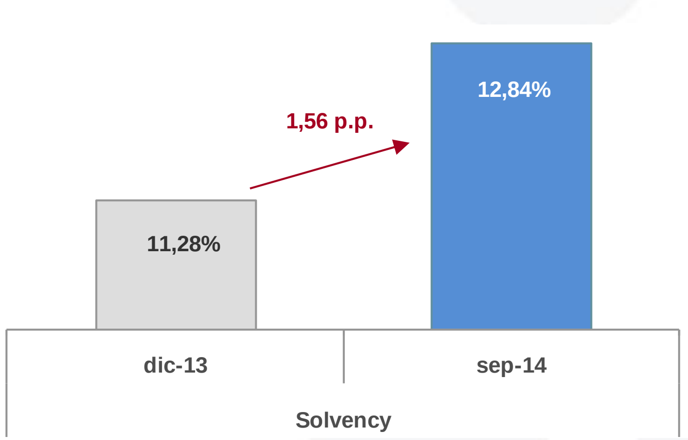
(EUR thousands)	30/09/2014	31/12/2013	Annual Var.	
			Abs.	%
Cash and deposits in Central Banks	587.678	498.759	88.919	17,8%
Trading portfolio	372	608	(236)	(38,8%)
Other financial assets at fair value with changes on P&L	46.135	19.136	26.999	141,1%
Available-for-sale financial assets	1.773.772	3.208.204	(1.434.432)	(44,7%)
Credit investments	31.686.400	34.530.994	(2.844.594)	(8,2%)
Of which:				
Loans to customers	*31.191.649*	*34.047.613*	*(2.855.964)*	*(8,4%)*
Investment portfolio to maturity	18.981	38.741	(19.761)	(51,0%)
Hedge derivatives	112.492	127.043	(14.551)	(11,5%)
Not current assets on sale	421.950	394.448	27.502	7,0%
Investment in associated companies	58.961	54.633	4.329	7,9%
Property, plant and equipment	887.455	887.759	(304)	(0,0%)
Intangible assets	318.624	336.058	(17.434)	(5,2%)
Fiscal assets	942.154	923.975	18.179	2,0%
Other assets	1.338.914	1.084.111	254.803	23,5%
TOTAL ASSETS	**38.193.888**	**42.104.468**	**(3.910.581)**	**(9,3%)**
Trading portfolio	350	58.258	(57.908)	(99,4%)
Financial liabilities at amortised cost	34.709.185	38.797.639	(4.088.454)	(10,5%)
Of which:				
Central Banks	*1.623.129*	*4.665.282*	*(3.042.153)*	*(65,2%)*
Customers deposits	*28.960.413*	*29.106.828*	*(146.415)*	*(0,5%)*
Hedge derivatives	4.873	7.251	(2.378)	(32,8%)
Provisions	106.872	105.431	1.441	1,4%
Fiscal liabilities	120.068	116.710	3.358	2,9%
Other liabilities	364.246	242.078	122.168	50,5%
Equity	2.861.260	2.766.706	94.555	3,4%
Of which:				
Capital / Other capital instruments	*2.391.040*	*2.341.297*	*49.743*	*2,1%*
Reserves	*424.033*	*418.256*	*5.777*	*1,4%*
Valuation adjustments	26.407	9.775	16.632	170,1%
Minority interest	625	620	5	0,8%
TOTAL LIABILITIES AND EQUITY	**38.193.888**	**42.104.468**	**(3.910.580)**	**(9,3%)**

GRUPO COOPERATIVO CAJAMAR

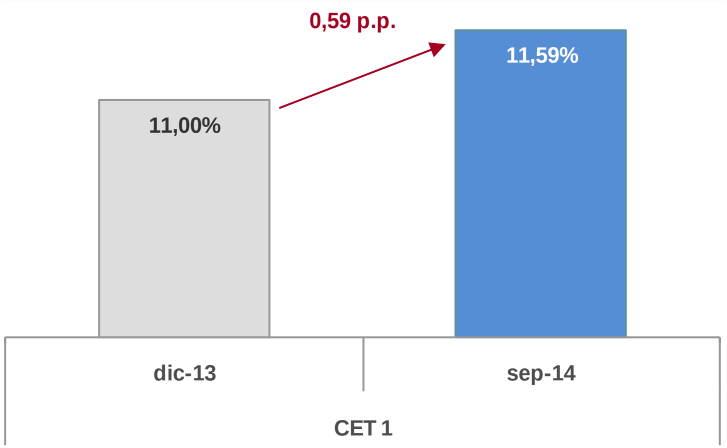
(EUR thousands)

	30/09/2014	31/12/2013	Annual var. Abs.	Annual var. %
BIS ratio	12,84%	11,28%	1,56	
CET 1 Capital = Tier 1	11,59%	11,00%	0,59	
Computable capital	2.821.813	2.485.134	336.678	13,5%
Computable capital surplus	1.064.345	723.294	341.051	47,2%

Solvency (%)



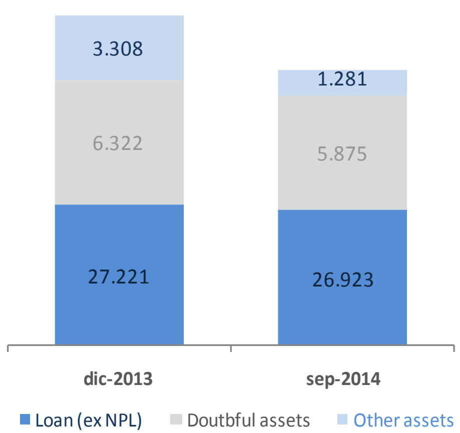
CET1 (%)



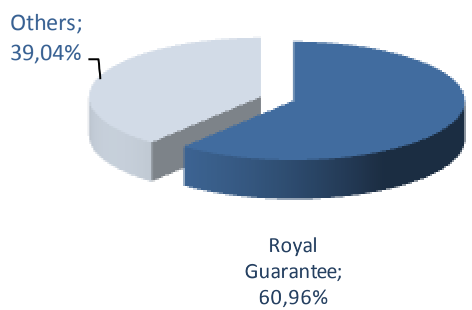
(EUR thousands)

LOANS TO CUSTOMERS	30/09/2014	31/12/2013	Annual var. Abs.	Annual var. %
Loans to Public Sector	846.839	782.246	64.593	8,3%
Loans to other resident Sector	25.898.752	26.244.720	(345.967)	(1,3%)
Loans to other non resident Sector	177.643	194.225	(16.582)	(8,5%)
Non performing loans	5.875.142	6.321.675	(446.533)	(7,1%)
Other financial assets	1.281.204	3.308.216	(2.027.012)	(61,3%)
GROSS LOANS	**34.079.581**	**36.851.082**	**(2.771.501)**	**(7,5%)**
Valuation adjustments	(2.887.931)	(2.803.469)	(84.463)	3,0%
Loans to customers	**31.191.649**	**34.047.613**	**(2.855.964)**	**(8,4%)**
NPL ratio	**17,24%**	**17,15%**	**0,08**	
Coverage ratio	**48,36%**	**43,64%**	**4,72**	

Loans to customer (gross)



Loans

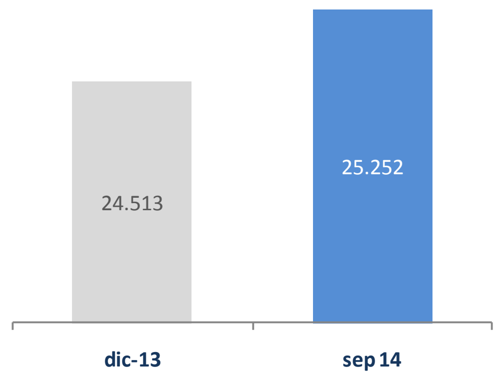


7 Balance sheet Resources

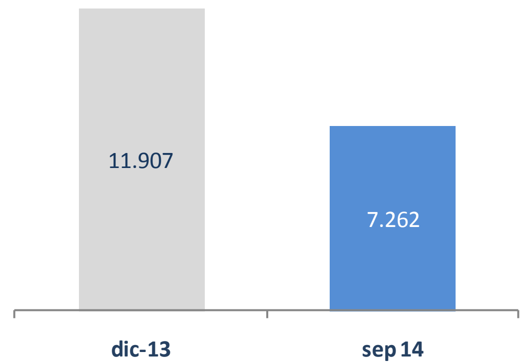
(EUR thousands)

DEPOSITS	30/09/2014	31/12/2013	Annual var. Abs.	Annual var. %
(a) Public Sector	1.593.639	1.046.233	547.406	52,3%
(b) Other resident Sector	23.392.077	23.213.922	178.154	0,8%
(c) Other non resident Sector	265.987	252.813	13.174	5,2%
Total (a)+(b)+(c)	**25.251.703**	**24.512.968**	**738.735**	**3,0%**
Customers deposits	28.960.413	29.106.828	(146.415)	(0,5%)
Debits represented by marketable securities	2.049.991	2.018.996	30.995	1,5%
Subordinated liabilities	131.419	127.019	4.400	3,5%
Wholesale Issues	**7.261.820**	**11.907.363**	**(4.645.543)**	**(39,0%)**
Balance sheet Resources	**32.513.523**	**36.420.331**	**(3.906.808)**	**(10,7%)**

Customers Resources

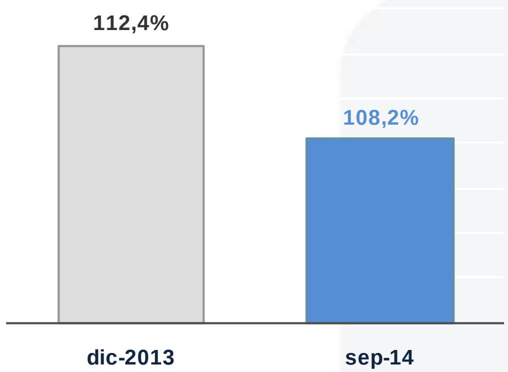


Wholesale Resources

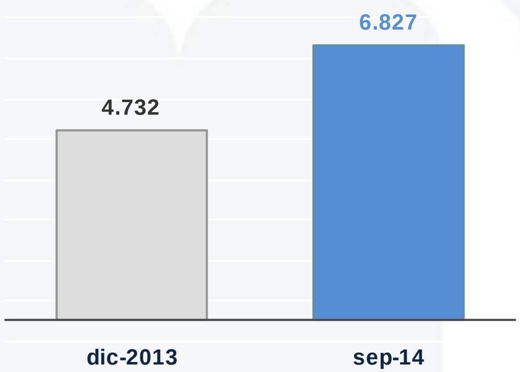


	30/09/2014	Internal limit
Ratio liquidity profile (RPL in spanish)	15,88%	> 4%
Ratio of wholesale short-term financing	0,00%	< 100%

Loans to Deposits



Effective Liquity
(EUR millions)



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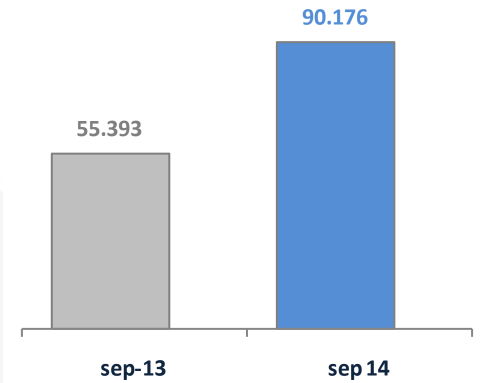
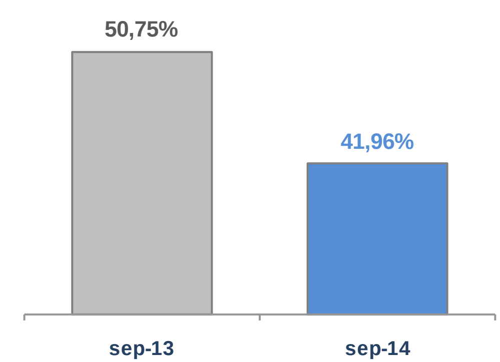
(EUR thousands)

PROFIT & LOSS ACCOUNT	30/09/2014	30/09/2013	Y-o-Y variation Abs.	%
Interest and related income	726.551	926.240	(199.689)	(21,6%)
Interest and related charges	(328.206)	(430.597)	102.391	(23,8%)
NET INTEREST INCOME	**398.345**	**495.643**	**(97.298)**	**(19,6%)**
Dividends	2.437	1.824	613	33,6%
Income from equity-accounted method	10.646	8.744	1.902	21,8%
Net fees and commissions	205.685	197.712	7.973	4,0%
Gains (losses) on financial transactions	338.594	146.181	192.413	131,6%
Foreign exchange (net)	1.752	1.465	287	19,6%
Other operating income/expenses	74.510	(22.049)	96.559	(437,9%)
GROSS INCOME	**1.031.969**	**829.519**	**202.450**	**24,4%**
General administrative expenses	(374.227)	(361.179)	(13.049)	3,6%
Personnel expenses	(257.925)	(261.189)	3.264	(1,2%)
Other general administrative expenses	(116.303)	(99.990)	(16.313)	16,3%
Depreciation and amortisation	(58.798)	(59.774)	976	(1,6%)
NET INCOME BEFORE PROVISIONS	**598.944**	**408.567**	**190.377**	**46,6%**
Provisions	(11.966)	(71.532)	59.566	(83,3%)
Net loan-loss provisions	(468.409)	(211.210)	(257.199)	121,8%
Impairment losses on other assets	(117.912)	(51.022)	(66.890)	131,1%
Other gains (losses)	117.834	(20.118)	137.952	(685,7%)
PROFIT BEFORE TAX	**118.491**	**54.684**	**63.807**	**116,7%**
Income tax	(17.082)	1.396	(18.478)	(1323,5%)
Obligatory endowment to the Fund of Education and	(11.233)	(687)	(10.546)	1534,8%
CONSOLIDATED NET PROFIT	**90.176**	**55.393**	**34.783**	**62,8%**

Net profit
(EUR thousands)



Cost-Income Ratio (%)

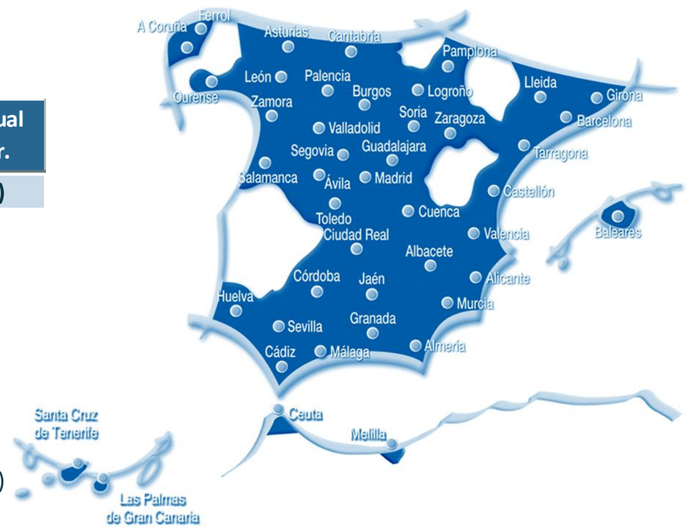


GRUPO COOPERATIVO CAJAMAR

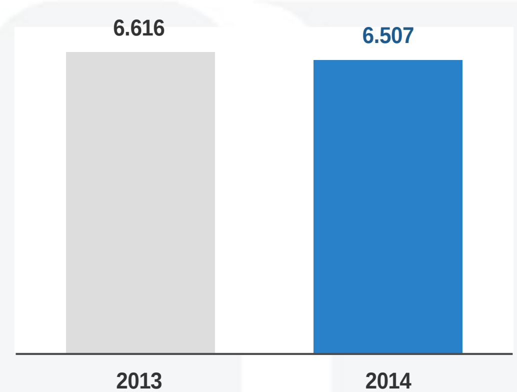
10 Network of branches and employees

30/09/2014	GCC	Annual Var.
ANDALUCIA	**373**	**(3)**
ALMERÍA	190	(2)
CÁDIZ	12	-
CÓRDOBA	5	-
GRANADA	23	-
HUELVA	4	1
JAÉN	5	1
MÁLAGA	130	(3)
SEVILLA	4	-
ARAGÓN	**1**	**-**
ZARAGOZA	1	-
PRINCIPADO DE ASTURIAS	**1**	**-**
ISLAS BALEARES	**26**	**1**
ISLAS CANARIAS	**66**	**-**
LAS PALMAS	50	-
SANTA CRUZ DE TENERIFE	16	-
CANTABRIA	**2**	**-**
CASTILLA-LA MANCHA	**18**	**(1)**
ALBACETE	7	-
CUENCA	8	(1)
GUADALAJARA	1	-
TOLEDO	1	-
CIUDAD REAL	1	-

30/09/2014	GCC	Annual Var.
CASTILLA Y LEON	**93**	**(1)**
AVILA	6	-
BURGOS	3	-
LEÓN	11	-
PALENCIA	18	-
SALAMANCA	1	-
SEGOVIA	2	-
SORIA	1	-
VALLADOLID	48	(1)
ZAMORA	3	-
CATALUÑA	**44**	**(5)**
BARCELONA	35	(4)
GERONA	2	-
LÉRIDA	1	-
TARRAGONA	6	(1)
CDAD. VALENCIANA	**470**	**(16)**
ALICANTE	110	(2)
CASTELLÓN	98	(3)
VALENCIA	262	(11)
GALICIA	**3**	**-**
LA CORUÑA	2	-
ORENSE	1	-
LA RIOJA	**2**	**-**
CDAD. DE MADRID	**38**	**-**
REGION DE MURCIA	**175**	**(8)**
CDAD. FORAL DE NAVARRA	**2**	**-**
CEUTA	**1**	**-**
MELILLA	**1**	**-**
BRANCHES	**1.316**	**(33)**



Employees



(*) Includes only the employees of the rural credit cooperatives wich form the Group in every date

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