

# Caja Rural de Castilla La Mancha, Sociedad Cooperativa de Credito

## Update

### Ratings

#### Foreign Currency

Long-Term IDR	BBB
Short-Term IDR	F3

Viability Rating	bbb
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Support Rating	5
Support Rating Floor	NF

#### Sovereign Risk

Long-Term Foreign-Currency IDR	A-
Long-Term Local-Currency IDR	A-

### Outlooks

Long-Term Foreign-Currency IDR	Stable
Sovereign Long-Term Foreign-Currency IDR	Stable
Sovereign Long-Term Local-Currency IDR	Stable

### Financial Data

#### Caja Rural de Castilla La Mancha, Sociedad Cooperativa de Credito

	30 Jun 17	31 Dec 16
Total assets (USDm)	8,029	7,471
Total assets (EURm)	7,036	7,099
Total equity (EURm)	437	431
Pre-impairment operating profit (EURm)	31	31
Operating profit (EURm)	29	31
Net income (EURm)	13	21
Pre-impairment operating ROAA (%)	0.9	0.9
Operating ROAA (%)	0.8	0.8
Operating ROAE (%)	13.3	7.1
Fitch Core Capital/weighted risks (%)	15.5	17.1
Common equity Tier 1 ratio (%)	14.0	16.0

### Key Rating Drivers

**Asset Quality and Capitalisation:** The ratings of Caja Rural de Castilla La Mancha, Sociedad Cooperativa de Credito (CRCLM) are supported by its significantly better-than-sector average asset-quality metrics, conservative underwriting standards, satisfactory loss-absorption capacity, and adequate funding and liquidity. They also factor in its weak banking profitability because of its sizeable low-yielding retail mortgage portfolio, above peers' market risk exposure, its sound provincial but geographically concentrated franchise and small equity size.

**Geographically Concentrated Business:** CRCLM is the fourth-largest credit cooperative in Spain with a meaningful presence in its home province of Toledo and its neighbouring areas, where the bank's operations are concentrated. Its national market share is very small.

**Better-than-Sector Asset Quality:** CRCLM's exceptionally well-performing residential mortgage loans and its limited exposure to real-estate developers amid its prudent stance towards credit risk support its better-than-sector asset-quality metrics, which have also benefitted from high-quality loan portfolio acquisitions. The problem assets ratio, which includes foreclosed assets, was 4% at end-June 2017.

**Satisfactory Capital Buffers:** Risk-weighted capital ratios are sound, as reflected in the bank's Fitch Core Capital ratio of 15.5% at end-June 2017. Capital at risk from unreserved problem assets was low at 7%, benefitting from non-performing loans being fully covered by reserves. This mitigates the small size of the bank's equity.

**Large Securities Portfolio:** CRCLM's larger than peers' securities portfolio is funded through a mix of short- and long-term liabilities. This enables the bank to generate carry-trade income and compensate for its low-margin residential mortgage business, but exposes it to market risk.

**Low Core Banking Profitability:** We expect CRCLM to continue undertaking some carry-trade activities to support its weak core banking profitability. The latter should benefit from further commission income growth and cost-efficiency measures, but any material improvement in its core banking profitability is unlikely in a low-interest-rate environment.

**Stable Funding, Sound Liquidity:** CRCLM's ample and granular retail deposit base fully funds its loan book. The bank also makes a large use of wholesale funding (about a third total funding at end-June 2017) mostly in the form of repos, covered bonds and ECB funding to fund carry-trade activities. The bank's liquidity position is comfortable with a sizeable stock of unencumbered ECB-eligible liquid assets.

### Rating Sensitivities

**Improved Earnings, Larger Equity Base:** An upgrade would be contingent on an increase in the bank's equity base, combined with meaningful improvements to core banking earnings, increased business diversification and diminished exposure to market risk.

**Downward Pressure Unlikely:** While not expected by Fitch Ratings, a downgrade could be triggered by an unexpected deterioration in asset quality, increased market risk appetite as a measure to offset low margins in its core banking business or a reduction in capitalisation.

### Related Research

Caja Rural de Castilla La Mancha, Sociedad Cooperativa de Credito - Ratings Navigator (October 2017)

### Analysts

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**Caja Rural de Castilla La Mancha, Sociedad Cooperativa de Credito**  
**Income Statement**

	30 Jun 2017			31 Dec 2016		31 Dec 2015		31 Dec 2014	
	6 Months - Interim USDm Audited - Report Not Seen	6 Months - Interim EURm Audited - Report Not Seen	As % of Earning Assets	Year End EURm Audited - Unqualified	As % of Earning Assets	Year End EURm Audited - Unqualified	As % of Earning Assets	Year End EURm Audited - Unqualified	As % of Earning Assets
1. Interest Income on Loans	38.6	33.8	1.12	67.2	0.99	75.0	1.06	80.8	1.25
2. Other Interest Income	21.1	18.5	0.61	48.3	0.71	48.7	0.69	63.7	0.99
3. Dividend Income	0.7	0.6	0.02	0.0	0.00	0.1	0.00	0.4	0.01
<b>4. Gross Interest and Dividend Income</b>	<b>60.4</b>	<b>52.9</b>	<b>1.75</b>	<b>115.5</b>	<b>1.70</b>	<b>123.8</b>	<b>1.75</b>	<b>144.9</b>	<b>2.25</b>
5. Interest Expense on Customer Deposits	3.5	3.1	0.10	17.4	0.26	30.2	0.43	45.2	0.70
6. Other Interest Expense	6.6	5.8	0.19	12.5	0.18	6.9	0.10	9.7	0.15
<b>7. Total Interest Expense</b>	<b>10.2</b>	<b>8.9</b>	<b>0.29</b>	<b>29.9</b>	<b>0.44</b>	<b>37.1</b>	<b>0.53</b>	<b>54.9</b>	<b>0.85</b>
<b>8. Net Interest Income</b>	<b>50.2</b>	<b>44.0</b>	<b>1.46</b>	<b>85.6</b>	<b>1.26</b>	<b>86.7</b>	<b>1.23</b>	<b>90.0</b>	<b>1.40</b>
9. Net Gains (Losses) on Trading and Derivatives	(0.1)	(0.1)	(0.00)	(0.1)	(0.00)	(0.6)	(0.01)	n.a.	-
10. Net Gains (Losses) on Other Securities	4.9	4.3	0.14	5.3	0.08	10.1	0.14	24.9	0.39
11. Net Gains (Losses) on Assets at FV through Income Statement	n.a.	n.a.	-	0.7	0.01	(2.6)	(0.04)	(8.1)	(0.13)
12. Net Insurance Income	n.a.	n.a.	-	0.0	0.00	n.a.	-	n.a.	-
13. Net Fees and Commissions	19.7	17.3	0.57	28.4	0.42	22.4	0.32	18.7	0.27
14. Other Operating Income	(0.8)	(0.7)	(0.02)	(4.2)	(0.06)	(2.4)	(0.03)	(4.4)	(0.07)
<b>15. Total Non-Interest Operating Income</b>	<b>23.7</b>	<b>20.8</b>	<b>0.69</b>	<b>30.1</b>	<b>0.44</b>	<b>26.9</b>	<b>0.38</b>	<b>31.1</b>	<b>0.48</b>
16. Personnel Expenses	24.2	21.2	0.70	44.3	0.65	40.8	0.58	36.7	0.57
17. Other Operating Expenses	14.7	12.9	0.43	36.3	0.53	30.0	0.43	35.5	0.55
<b>18. Total Non-Interest Expenses</b>	<b>38.9</b>	<b>34.1</b>	<b>1.13</b>	<b>80.6</b>	<b>1.18</b>	<b>70.8</b>	<b>1.00</b>	<b>72.2</b>	<b>1.12</b>
19. Equity-accounted Profit/ Loss - Operating	n.a.	n.a.	-	0.0	0.00	0.0	0.00	n.a.	-
<b>20. Pre-impairment Operating Profit</b>	<b>35.0</b>	<b>30.7</b>	<b>1.02</b>	<b>35.1</b>	<b>0.52</b>	<b>42.8</b>	<b>0.61</b>	<b>48.9</b>	<b>0.76</b>
21. Loan Impairment Charge	2.3	2.0	0.07	5.0	0.07	7.1	0.10	23.4	0.36
22. Securities and Other Credit Impairment Charges	0.1	0.1	0.00	(0.6)	(0.01)	(0.2)	(0.00)	0.9	0.01
<b>23. Operating Profit</b>	<b>32.6</b>	<b>28.6</b>	<b>0.95</b>	<b>30.7</b>	<b>0.45</b>	<b>35.9</b>	<b>0.51</b>	<b>24.6</b>	<b>0.38</b>
24. Equity-accounted Profit/ Loss - Non-operating	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
25. Non-recurring Income	n.a.	n.a.	-	0.0	0.00	n.a.	-	5.4	0.08
26. Non-recurring Expense	n.a.	n.a.	-	0.1	0.00	n.a.	-	n.a.	-
27. Change in Fair Value of Own Debt	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
28. Other Non-operating Income and Expenses	(15.1)	(13.2)	(0.44)	(4.0)	(0.06)	(4.8)	(0.07)	(10.9)	(0.17)
<b>29. Pre-tax Profit</b>	<b>17.6</b>	<b>15.4</b>	<b>0.51</b>	<b>26.6</b>	<b>0.39</b>	<b>31.1</b>	<b>0.44</b>	<b>19.1</b>	<b>0.30</b>
30. Tax expense	2.7	2.4	0.08	4.1	0.06	9.5	0.13	0.2	0.00
31. Profit/Loss from Discontinued Operations	n.a.	n.a.	-	0.0	0.00	0.0	0.00	n.a.	-
<b>32. Net Income</b>	<b>14.8</b>	<b>13.0</b>	<b>0.43</b>	<b>22.5</b>	<b>0.33</b>	<b>21.6</b>	<b>0.31</b>	<b>18.9</b>	<b>0.29</b>
33. Change in Value of AFS Investments	n.a.	n.a.	-	(8.8)	(0.13)	(26.0)	(0.37)	n.a.	-
34. Revaluation of Fixed Assets	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
35. Currency Translation Differences	n.a.	n.a.	-	0.0	0.00	n.a.	-	n.a.	-
36. Remaining OCI Gains/(losses)	n.a.	n.a.	-	2.3	0.03	6.4	0.09	n.a.	-
<b>37. Fitch Comprehensive Income</b>	<b>14.8</b>	<b>13.0</b>	<b>0.43</b>	<b>16.0</b>	<b>0.24</b>	<b>2.0</b>	<b>0.03</b>	<b>18.9</b>	<b>0.29</b>
38. Memo: Profit Allocation to Non-controlling Interests	n.a.	n.a.	-	0.0	0.00	0.0	0.00	n.a.	-
39. Memo: Net Income after Allocation to Non-controlling Interests	14.8	13.0	0.43	22.5	0.33	21.6	0.31	18.9	0.29
40. Memo: Common Dividends Relating to the Period	n.a.	n.a.	-	3.3	0.05	3.0	0.04	2.9	0.05
41. Memo: Preferred Dividends Related to the Period	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-

Exchange rate

USD1 = EUR0.8763

USD1 = EUR0.9487

USD1 = EUR0.9185

USD1 = EUR0.8237

**Related Criteria**

[Global Bank Rating Criteria](#)  
(November 2016)

**Caja Rural de Castilla La Mancha, Sociedad Cooperativa de Credito**  
**Balance Sheet**

	30 Jun 2017		31 Dec 2016		31 Dec 2015		31 Dec 2014		
	6 Months - Interim USDm	6 Months - Interim EURm	As % of Assets	Year End EURm	As % of Assets	Year End EURm	As % of Assets	Year End EURm	As % of Assets
<b>Assets</b>									
<b>A. Loans</b>									
1. Residential Mortgage Loans	2,370.1	2,076.9	29.52	2,002.9	28.23	1,950.1	26.53	n.a.	-
2. Other Mortgage Loans	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Other Consumer/ Retail Loans	222.4	194.9	2.77	207.0	2.92	231.2	3.14	n.a.	-
4. Corporate & Commercial Loans	915.6	802.3	11.40	659.2	9.29	801.9	10.91	n.a.	-
5. Other Loans	211.9	185.7	2.64	310.6	4.38	8.2	0.11	2,890.6	43.34
6. Less: Reserves for Impaired Loans	114.2	100.1	1.42	101.7	1.43	104.0	1.41	105.7	1.58
<b>7. Net Loans</b>	<b>3,605.7</b>	<b>3,159.7</b>	<b>44.91</b>	<b>3,078.0</b>	<b>43.39</b>	<b>2,887.4</b>	<b>39.28</b>	<b>2,784.9</b>	<b>41.76</b>
<b>8. Gross Loans</b>	<b>3,720.0</b>	<b>3,259.8</b>	<b>46.33</b>	<b>3,179.7</b>	<b>44.82</b>	<b>2,991.4</b>	<b>40.69</b>	<b>2,890.6</b>	<b>43.34</b>
9. Memo: Impaired Loans included above	112.3	98.4	1.40	100.9	1.42	94.8	1.29	96.7	1.45
10. Memo: Loans at Fair Value included above	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
<b>B. Other Earning Assets</b>									
1. Loans and Advances to Banks	94.5	82.8	1.18	416.4	5.87	1,328.5	18.07	1,348.2	20.22
2. Reverse Repos and Cash Collateral	21.0	18.4	0.26	19.2	0.27	19.3	0.26	19.7	0.30
3. Trading Securities and at FV through Income	62.0	54.3	0.77	54.5	0.77	52.5	0.71	45.4	0.68
4. Derivatives	0.5	0.4	0.01	0.5	0.01	0.3	0.00	0.3	0.00
5. Available for Sale Securities	1,924.9	1,686.8	23.98	2,182.7	30.77	2,291.2	31.17	2,192.6	32.88
6. Held to Maturity Securities	1,241.9	1,088.3	15.47	1,056.3	14.89	479.4	6.52	40.0	0.60
7. Equity Investments in Associates	n.a.	n.a.	-	0.0	0.00	n.a.	-	n.a.	-
8. Other Securities	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
<b>9. Total Securities</b>	<b>3,250.3</b>	<b>2,848.2</b>	<b>40.48</b>	<b>3,313.2</b>	<b>46.71</b>	<b>2,842.7</b>	<b>38.67</b>	<b>2,298.0</b>	<b>34.46</b>
10. Memo: Government Securities included Above	1,598.5	1,400.8	19.91	2,108.2	29.72	1,685.9	22.93	1,459.3	21.88
11. Memo: Total Securities Pledged	n.a.	n.a.	-	0.0	0.00	326.3	4.44	n.a.	-
12. Investments in Property	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
13. Insurance Assets	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
14. Other Earning Assets	n.a.	n.a.	-	0.0	0.00	0.0	0.00	10.9	0.16
<b>15. Total Earning Assets</b>	<b>6,950.5</b>	<b>6,090.7</b>	<b>86.57</b>	<b>6,807.6</b>	<b>95.97</b>	<b>7,058.6</b>	<b>96.01</b>	<b>6,442.0</b>	<b>96.60</b>
<b>C. Non-Earning Assets</b>									
1. Cash and Due From Banks	944.2	827.4	11.76	169.9	2.40	164.1	2.23	120.2	1.80
2. Memo: Mandatory Reserves included above	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Foreclosed Real Estate	36.1	31.6	0.45	24.8	0.35	27.3	0.37	15.7	0.24
4. Fixed Assets	51.2	44.9	0.64	44.3	0.62	43.5	0.59	41.7	0.63
5. Goodwill	n.a.	n.a.	-	0.0	0.00	n.a.	-	n.a.	-
6. Other Intangibles	0.6	0.5	0.01	0.6	0.01	0.8	0.01	1.1	0.02
7. Current Tax Assets	2.7	2.4	0.03	0.9	0.01	4.2	0.06	2.5	0.04
8. Deferred Tax Assets	36.7	32.2	0.46	32.2	0.45	31.7	0.43	31.2	0.47
9. Discontinued Operations	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
10. Other Assets	6.6	5.8	0.08	13.5	0.19	21.5	0.29	14.6	0.22
<b>11. Total Assets</b>	<b>8,028.6</b>	<b>7,035.5</b>	<b>100.00</b>	<b>7,093.8</b>	<b>100.00</b>	<b>7,351.7</b>	<b>100.00</b>	<b>6,669.0</b>	<b>100.00</b>
<b>Liabilities and Equity</b>									
<b>D. Interest-Bearing Liabilities</b>									
1. Customer Deposits - Current	973.5	853.1	12.13	919.4	12.96	701.4	9.54	1,638.8	24.57
2. Customer Deposits - Savings	1,660.8	1,455.4	20.69	1,421.8	20.04	1,192.5	16.22	n.a.	-
3. Customer Deposits - Term	2,407.1	2,109.3	29.98	2,115.4	29.82	2,464.9	33.53	2,295.3	34.42
<b>4. Total Customer Deposits</b>	<b>5,041.4</b>	<b>4,417.8</b>	<b>62.79</b>	<b>4,456.6</b>	<b>62.82</b>	<b>4,358.8</b>	<b>59.29</b>	<b>3,934.1</b>	<b>58.99</b>
5. Deposits from Banks	147.7	129.4	1.84	123.0	1.73	123.7	1.68	135.6	2.03
6. Repos and Cash Collateral	817.9	716.7	10.19	767.7	10.82	852.0	11.59	1,214.5	18.21
7. Commercial Paper and Short-term Borrowings	n.a.	n.a.	-	0.0	0.00	n.a.	-	n.a.	-
<b>8. Total Money Market and Short-term Funding</b>	<b>6,007.0</b>	<b>5,263.9</b>	<b>74.82</b>	<b>5,347.3</b>	<b>75.38</b>	<b>5,334.5</b>	<b>72.56</b>	<b>5,284.2</b>	<b>79.24</b>
9. Senior Unsecured Debt (original maturity > 1 year)	n.a.	n.a.	-	0.0	0.00	0.0	0.00	n.a.	-
10. Subordinated Borrowing	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
11. Covered Bonds	1,141.2	1,000.0	14.21	999.7	14.09	498.1	6.78	n.a.	-
12. Other Long-term Funding	251.1	220.0	3.13	220.0	3.10	1,055.0	14.35	912.1	13.68
<b>13. Total LT Funding (original maturity &gt; 1 year)</b>	<b>1,392.2</b>	<b>1,220.0</b>	<b>17.34</b>	<b>1,219.7</b>	<b>17.19</b>	<b>1,553.1</b>	<b>21.13</b>	<b>912.1</b>	<b>13.68</b>
14. Derivatives	5.9	5.2	0.07	5.4	0.08	n.a.	-	n.a.	-
15. Trading Liabilities	n.a.	n.a.	-	0.0	0.00	n.a.	-	n.a.	-
<b>16. Total Funding</b>	<b>7,405.1</b>	<b>6,489.1</b>	<b>92.23</b>	<b>6,572.4</b>	<b>92.65</b>	<b>6,887.6</b>	<b>93.69</b>	<b>6,196.3</b>	<b>92.91</b>
<b>E. Non-Interest Bearing Liabilities</b>									
1. Fair Value Portion of Debt	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
2. Credit impairment reserves	2.4	2.1	0.03	0.8	0.01	1.7	0.02	1.6	0.02
3. Reserves for Pensions and Other	20.9	18.3	0.26	14.9	0.21	5.1	0.07	6.6	0.10
4. Current Tax Liabilities	2.1	1.8	0.03	2.0	0.03	1.8	0.02	0.2	0.00
5. Deferred Tax Liabilities	18.9	16.6	0.24	18.8	0.27	21.0	0.29	27.5	0.41
6. Other Deferred Liabilities	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
7. Discontinued Operations	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
8. Insurance Liabilities	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
9. Other Liabilities	80.7	70.7	1.00	51.2	0.72	52.0	0.71	53.3	0.80
<b>10. Total Liabilities</b>	<b>7,530.1</b>	<b>6,598.6</b>	<b>93.79</b>	<b>6,660.1</b>	<b>93.89</b>	<b>6,969.2</b>	<b>94.80</b>	<b>6,285.5</b>	<b>94.25</b>
<b>F. Hybrid Capital</b>									
1. Pref. Shares and Hybrid Capital accounted for as Debt	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
2. Pref. Shares and Hybrid Capital accounted for as Equity	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
<b>G. Equity</b>									
1. Common Equity	458.2	401.5	5.71	391.9	5.52	332.0	4.52	313.6	4.70
2. Non-controlling Interest	n.a.	n.a.	-	0.0	0.00	2.2	0.03	2.0	0.03
3. Securities Revaluation Reserves	40.1	35.1	0.50	41.4	0.58	48.0	0.65	67.5	1.01
4. Foreign Exchange Revaluation Reserves	n.a.	n.a.	-	0.0	0.00	0.0	0.00	0.2	0.00
5. Fixed Asset Revaluations and Other Accumulated OCI	0.3	0.3	0.00	0.4	0.01	0.3	0.00	0.2	0.00
<b>6. Total Equity</b>	<b>498.6</b>	<b>436.9</b>	<b>6.21</b>	<b>433.7</b>	<b>6.11</b>	<b>382.5</b>	<b>5.20</b>	<b>383.5</b>	<b>5.75</b>
<b>7. Total Liabilities and Equity</b>	<b>8,028.6</b>	<b>7,035.5</b>	<b>100.00</b>	<b>7,093.8</b>	<b>100.00</b>	<b>7,351.7</b>	<b>100.00</b>	<b>6,669.0</b>	<b>100.00</b>
8. Memo: Fitch Core Capital	498.0	436.4	6.20	433.1	6.11	373.8	5.08	382.4	5.73

Exchange rate

USD1 = EUR0.8763

USD1 = EUR0.9487

USD1 = EUR0.9185

USD1 = EUR0.8237

## Caja Rural de Castilla La Mancha, Sociedad Cooperativa de Credito Summary Analytics

	30 Jun 2017 6 Months - Interim	31 Dec 2016 Year End	31 Dec 2015 Year End	31 Dec 2014 Year End
<b>A. Interest Ratios</b>				
1. Interest Income on Loans/ Average Gross Loans	2.12	2.17	2.54	3.14
2. Interest Expense on Customer Deposits/ Average Customer Deposits	0.14	0.40	0.75	1.16
3. Interest Income/ Average Earning Assets	1.65	1.65	1.90	2.51
4. Interest Expense/ Average Interest-bearing Liabilities	0.27	0.44	0.59	0.99
5. Net Interest Income/ Average Earning Assets	1.38	1.22	1.33	1.56
6. Net Int. Inc Less Loan Impairment Charges/ Av. Earning Assets	1.31	1.15	1.22	1.15
7. Net Interest Inc Less Preferred Stock Dividend/ Average Earning Assets	1.38	1.22	1.33	1.56
<b>B. Other Operating Profitability Ratios</b>				
1. Non-Interest Income/ Gross Revenues	32.10	26.02	23.68	25.68
2. Non-Interest Expense/ Gross Revenues	52.62	69.66	62.32	59.62
3. Non-Interest Expense/ Average Assets	0.97	1.10	1.05	1.21
4. Pre-impairment Op. Profit/ Average Equity	14.22	8.68	11.25	13.28
5. Pre-impairment Op. Profit/ Average Total Assets	0.88	0.48	0.63	0.82
6. Loans and securities impairment charges/ Pre-impairment Op. Profit	6.84	12.54	16.12	49.69
7. Operating Profit/ Average Equity	13.25	7.59	9.43	6.68
8. Operating Profit/ Average Total Assets	0.82	0.42	0.53	0.41
9. Operating Profit / Risk Weighted Assets	2.04	1.26	1.45	0.97
<b>C. Other Profitability Ratios</b>				
1. Net Income/ Average Total Equity	6.02	5.56	5.68	5.13
2. Net Income/ Average Total Assets	0.37	0.31	0.32	0.32
3. Fitch Comprehensive Income/ Average Total Equity	6.02	3.96	0.53	5.13
4. Fitch Comprehensive Income/ Average Total Assets	0.37	0.22	0.03	0.32
5. Taxes/ Pre-tax Profit	15.58	15.41	30.55	1.05
6. Net Income/ Risk Weighted Assets	0.93	0.92	0.87	0.75
<b>D. Capitalization</b>				
1. FCC/FCC-Adjusted Risk Weighted Assets	15.46	17.74	15.07	15.11
2. Tangible Common Equity/ Tangible Assets	6.20	6.11	5.09	5.73
3. Tier 1 Regulatory Capital Ratio	13.95	15.95	13.58	12.20
4. Total Regulatory Capital Ratio	14.84	16.92	14.58	13.10
5. Common Equity Tier 1 Capital Ratio	13.95	15.95	13.58	12.20
6. Equity/ Total Assets	6.21	6.11	5.20	5.75
7. Cash Dividends Paid & Declared/ Net Income	n.a.	14.67	13.89	15.34
8. Internal Capital Generation	6.00	4.43	4.86	4.17
<b>E. Loan Quality</b>				
1. Growth of Total Assets	(0.82)	(3.51)	10.24	21.81
2. Growth of Gross Loans	2.52	6.29	3.49	17.23
3. Impaired Loans/ Gross Loans	3.02	3.17	3.17	3.35
4. Reserves for Impaired Loans/ Gross Loans	3.07	3.20	3.48	3.66
5. Reserves for Impaired Loans/ Impaired Loans	101.73	100.79	109.70	109.31
6. Impaired loans less Reserves for Impaired Loans/ Fitch Core Capital	(0.39)	(0.18)	(2.46)	(2.35)
7. Impaired Loans less Reserves for Impaired Loans/ Equity	(0.39)	(0.18)	(2.41)	(2.35)
8. Loan Impairment Charges/ Average Gross Loans	0.13	0.16	0.24	0.91
9. Net Charge-offs/ Average Gross Loans	n.a.	n.a.	0.23	0.34
10. Impaired Loans + Foreclosed Assets/ Gross Loans + Foreclosed Assets	3.95	3.92	4.04	3.87
<b>F. Funding and Liquidity</b>				
1. Loans/ Customer Deposits	73.79	71.35	68.63	73.48
2. Interbank Assets/ Interbank Liabilities	63.99	338.54	1,073.97	994.25
3. Customer Deposits/ Total Funding (excluding derivatives)	68.13	67.86	63.28	63.49
4. Liquidity Coverage Ratio	661.90	1,132.90	1,053.20	n.a.
5. Net Stable Funding Ratio	n.a.	n.a.	n.a.	n.a.

**Caja Rural de Castilla La Mancha, Sociedad Cooperativa de Credito**  
**Reference Data**

	30 Jun 2017		31 Dec 2016		31 Dec 2015		31 Dec 2014		
	6 Months - Interim USDm	6 Months - Interim EURm	As % of Assets	Year End EURm	As % of Assets	Year End EURm	As % of Assets	Year End EURm	As % of Assets
<b>A. Off-Balance Sheet Items</b>									
1. Managed Securitized Assets Reported Off-Balance Sheet	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
2. Other off-balance sheet exposure to securitizations	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Guarantees	342.7	300.3	4.27	97.2	1.37	102.4	1.39	101.2	1.52
4. Acceptances and documentary credits reported off-balance sheet	n.a.	n.a.	-	n.a.	-	n.a.	-	0.1	0.00
5. Committed Credit Lines	461.5	404.4	5.75	348.8	4.92	342.5	4.66	328.5	4.93
7. Other Off-Balance Sheet items	n.a.	n.a.	-	221.5	3.12	285.5	3.88	109.8	1.65
8. Total Assets under Management	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
<b>B. Average Balance Sheet</b>									
Average Loans	3,674.3	3,219.8	45.77	3,102.7	43.74	2,954.5	40.19	2,575.3	38.62
Average Earning Assets	7,359.6	6,449.2	91.67	7,016.2	98.91	6,528.8	88.81	5,781.0	86.68
Average Assets	8,062.0	7,064.7	100.42	7,306.0	102.99	6,744.2	91.74	5,978.2	89.64
Average Managed Securitized Assets (OBS)	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Average Interest-Bearing Liabilities	7,452.7	6,530.8	92.83	6,810.8	96.01	6,270.6	85.29	5,521.1	82.79
Average Common equity	452.7	396.7	5.64	354.9	5.00	319.2	4.34	308.1	4.62
Average Equity	496.7	435.3	6.19	404.4	5.70	380.6	5.18	368.2	5.52
Average Customer Deposits	5,063.6	4,437.2	63.07	4,397.4	61.99	4,030.0	54.82	3,894.9	58.40
<b>C. Maturities</b>									
<b>Asset Maturities:</b>									
Loans & Advances < 3 months	n.a.	n.a.	-	166.3	2.34	154.3	2.10	n.a.	-
Loans & Advances 3 - 12 Months	n.a.	n.a.	-	337.8	4.76	291.0	3.96	n.a.	-
Loans and Advances 1 - 5 Years	n.a.	n.a.	-	899.5	12.68	811.8	11.04	n.a.	-
Loans & Advances > 5 years	n.a.	n.a.	-	1,674.4	23.60	1,630.3	22.18	n.a.	-
Debt Securities < 3 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Debt Securities 3 - 12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Debt Securities 1 - 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Debt Securities > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Loans & Advances to Banks < 3 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Loans & Advances to Banks 3 - 12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Loans & Advances to Banks 1 - 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Loans & Advances to Banks > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
<b>Liability Maturities:</b>									
Retail Deposits < 3 months	n.a.	n.a.	-	2,906.8	40.98	2,815.2	38.29	n.a.	-
Retail Deposits 3 - 12 Months	n.a.	n.a.	-	1,475.2	20.80	2,080.6	28.30	n.a.	-
Retail Deposits 1 - 5 Years	n.a.	n.a.	-	74.6	1.05	73.2	1.00	n.a.	-
Retail Deposits > 5 Years	n.a.	n.a.	-	0.0	0.00	1.6	0.02	n.a.	-
Other Deposits < 3 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Other Deposits 3 - 12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Other Deposits 1 - 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Other Deposits > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Deposits from Banks < 3 Months	n.a.	n.a.	-	885.9	12.49	1,411.7	19.20	n.a.	-
Deposits from Banks 3 - 12 Months	n.a.	n.a.	-	0.0	0.00	0.0	0.00	n.a.	-
Deposits from Banks 1 - 5 Years	n.a.	n.a.	-	201.3	2.84	0.0	0.00	n.a.	-
Deposits from Banks > 5 Years	n.a.	n.a.	-	4.5	0.06	7.2	0.10	n.a.	-
Senior Debt Maturing < 3 months	n.a.	n.a.	-	0.0	0.00	0.0	0.00	n.a.	-
Senior Debt Maturing 3-12 Months	n.a.	n.a.	-	0.0	0.00	0.0	0.00	n.a.	-
Senior Debt Maturing 1 - 5 Years	n.a.	n.a.	-	500.0	7.05	0.0	0.00	n.a.	-
Senior Debt Maturing > 5 Years	n.a.	n.a.	-	499.7	7.04	498.1	6.78	n.a.	-
Total Senior Debt on Balance Sheet	n.a.	n.a.	-	999.7	14.09	498.1	6.78	n.a.	-
Fair Value Portion of Senior Debt	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Subordinated Debt Maturing < 3 months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Subordinated Debt Maturing 3-12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Subordinated Debt Maturing 1-5 Year	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Subordinated Debt Maturing > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Total Subordinated Debt on Balance Sheet	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Fair Value Portion of Subordinated Debt	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
<b>D. Risk Weighted Assets</b>									
1. Risk Weighted Assets	3,222.1	2,823.5	40.13	2,441.4	34.42	2,479.8	33.73	2,530.8	37.95
2. Fitch Core Capital Adjustments for Insurance and Securitisation Risk Weighted Assets	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Fitch Core Capital Adjusted Risk Weighted Assets	3,222.1	2,823.5	40.13	2,441.4	34.42	2,479.8	33.73	2,530.8	37.95
4. Other Fitch Adjustments to Risk Weighted Assets	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
5. Fitch Adjusted Risk Weighted Assets	3,222.1	2,823.5	40.13	2,441.4	34.42	2,479.8	33.73	2,530.8	37.95
<b>E. Equity Reconciliation</b>									
1. Equity	498.6	436.9	6.21	433.7	6.11	382.5	5.20	383.5	5.75
2. Add: Pref. Shares and Hybrid Capital accounted for as Equity	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Add: Other Adjustments	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
4. Published Equity	n.a.	n.a.	-	433.7	6.11	382.5	5.20	383.5	5.75
<b>F. Fitch Core Capital Reconciliation</b>									
1. Total Equity as reported (including non-controlling interests)	498.6	436.9	6.21	433.7	6.11	382.5	5.20	383.5	5.75
2. Fair value effect incl in own debt/borrowings at fv on the B/S- CC only	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
3. Non-loss-absorbing non-controlling interests	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
4. Goodwill	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
5. Other intangibles	0.6	0.5	0.01	0.6	0.01	0.8	0.01	1.1	0.02
6. Deferred tax assets deduction	0.0	0.0	0.00	0.0	0.00	7.9	0.11	0.0	0.00
7. Net asset value of insurance subsidiaries	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
8. First loss tranches of off-balance sheet securitizations	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
<b>9. Fitch Core Capital</b>	<b>498.0</b>	<b>436.4</b>	<b>6.20</b>	<b>433.1</b>	<b>6.11</b>	<b>373.8</b>	<b>5.08</b>	<b>382.4</b>	<b>5.73</b>

Exchange Rate USD1 = EUR0.8763 USD1 = EUR0.9487 USD1 = EUR0.9185 USD1 = EUR0.8237

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