

Glossary of Alternative Performance Measures Terms

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

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

(IN ALPHABETICAL ORDER)

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

19	Impairment losses	Impairment or (-) reversal of impairment on financial assets not measured at fair value through profit or loss and net gains or loss and net gains or (-) losses on changes + Impairment or (-) reversal of impairment on non-financial assets + Impairment or reversal of impairment of investments in joint ventures or associates (net)
20	Loan to deposits ratio (%)	Net loans to customers / (Customer's deposits + Net issued securitisations + Brokered loans)
21	MREL ratio	Own funds and eligible liabilities/ RWAs
22	Net Interest Income o/ATA (%)	Net interest income / Average total assets
23	Net NPA ratio (%)	(Net non-performing loans + Foreclosed assets (net)) / (Gross loans - Credit losses and impairment + Foreclosed assets (net))
24	Net NPL	Net non-performing loans +net non-performing contingent risks
25	Net NPL ratio (%)	(Net non-performing loans +net non-performing contingent risks) / (Gross loans - Credit losses and impairment + net contingent risks)
26	Non-performing assets (NPA)	Non-performing loans + Foreclosed assets (gross)
27	Non-performing Total risks	Non-performing loans + non-performing contingent risks
28	NPA coverage ratio (%)	(Gross loans coverage + Foreclosed assets coverage) / (Non-performing loans + Foreclosed assets (gross))
29	NPA coverage with debt forgiveness (%)	(Gross loans coverage + Foreclosed assets coverage + debt forgiveness) / (Non-performing loans + Foreclosed assets (gross) + debt forgiveness)
30	NPA ratio (%)	(Non-performing loans + Foreclosed assets (gross)) / (Gross loans+ Foreclosed assets (gross))
31	NPL coverage ratio (%)	Gross loans coverage / Non-performing loans
32	NPL ratio (%)	(Non-performing loans +non-performing contingent risks) / (Gross loans + contingent risks)
33	Off-balance sheet funds	Mutual funds + Pension plans + Saving insurance + Fixed-equity income
34	On-Balance sheet retail funds	Sight deposits + Term deposits + Other funds (repurchase agreements)
35	Operating expenses	Personnel expenses + Other administrative expenses + Depreciation and amortisation
36	Performing Loans	Gross loans – Non-performing loans
37	Performing Loans to customers	Loans to customers (gross) – Non-performing loans
38	Recurring cost-income ratio (%)	Operating expenses / Recurring gross income
39	RED Loans	Real estate development loans
40	REOs	Foreclosed assets + Real Estate investments
41	ROA (%)	Annualisation of the following quotient: Consolidated net profit / Average total assets (average of the end-of-quarter figures since the previous December, inclusive)
42	ROE (%)	Annualisation of the following quotient: Consolidated net profit / Average total equity (average of the end-of-quarter figures since the previous December, inclusive)
43	RORWA (%)	Annualisation of the following quotient: Consolidated net profit / Average risk-weighted assets (average of the end-of-quarter figures since the previous December, inclusive)
44	Texas ratio (%)	(Non-performing total risks (credit institutions included) + gross REOs) / (Total risks coverage + REOs coverage + Total Equity)
45	Total balance sheet funds	Customers' retail funds + Wholesale funding
46	Total impairment losses	Annualization of: (The part of Impairment or (-) reversal of impairment on financial assets not measured at fair value through profit or loss and net gains or (-) losses on changes corresponding to Financial assets at amortised cost + Impairment or (-) reversal of impairment on non-financial assets (excluded the impairment of goodwill) + Impairment losses on non-current assets held for sale)
47	Total lending	Gross Loans - Credit losses and impairment
48	Total risks	Gross loans + Contingent risks
49	Wholesale funds	Bonds and other securities + Subordinated liabilities + Senior debt + Monetary market operations + Deposits from credit institutions + ECB