2022

FINANCIAL REPORT
Third Quarter 2022

7 November 2022

Contents

Main figures

(EUR Thousands)	30/09/2022	30/06/2022	30/09/2021	y-o-y		q-o-q	
				Abs.	%	Abs.	%
Profit and Loss Account							
Net interest income	496,437	328,836	519,552	(23,115)	(4.4%)		
Gross Income	836,324	593,312	1,155,768	(319,444)	(27.6%)		
Net Income before provisions	387,784	293,885	728,828	(341,044)	(46.8%)		
Profit before tax	83,928	55,798	96,443	(12,516)	(13.0%)		
Consolidated Net profit	78,862	50,106	62,320	16,542	26.5%		
Business							
Total Assets	63,273,138	62,292,023	57,594,049	5,679,089	9.9%	981,115	1.6%
Equity	3,813,171	3,756,172	3,541,672	271,499	7.7%	56,999	1.5%
On-balance sheet retail funds	40,851,217	41,176,228	38,351,887	2,499,330	6.5%	(325,011)	(0.8%)
Off-balance sheet funds	6,161,068	6,011,685	6,114,422	46,646	0.8%	149,383	2.5%
Performing Loans	35,581,816	35,601,482	33,629,529	1,952,287	5.8%	(19,666)	(0.1%)
Gross loans	36,677,596	36,721,979	35,035,801	1,641,795	4.7%	(44,383)	(0.1%)
Risk management							
Gross NPA ratio (%)	7.21%	7.39%	10.02%	(2.81)		(0.18)	
Net NPA ratio (%)	2.58%	2.64%	3.93%	(1.35)		(0.06)	
NPA coverage (%)	65.93%	65.94%	63.23%	2.70		(0.01)	
Non-performing loans	1,095,780	1,120,497	1,406,272	(310,492)	(22.1%)	(24,717)	(2.2%)
NPL ratio (%) (gross)	2.91%	2.97%	3.92%	(1.01)		(0.06)	
NPL ratio (%) (net)	0.79%	0.77%	1.07%	(0.28)		0.02	
NPL coverage ratio (%)	73.22%	74.50%	73.31%	(0.09)		(1.28)	
Foreclosed assets (gross)	1,668,806	1,719,267	2,338,532	(669,726)	(28.6%)	(50,461)	(2.9%)
Foreclosed assets (net)	648,585	681,370	1,001,598	(353,012)	(35.2%)	(32,784)	(4.8%)
Foreclosed assets Coverage ratio (%)	61.13%	60.37%	57.17%	3.96		0.77	
Texas ratio	52.30%	53.67%	67.16%	(14.86)		(1.37)	
Liquidity							
LTD (%)	84.51%	83.84%	84.90%	(0.39)		0.67	
LCR (%)	160.90%	189.16%	252.25%	(91.35)		(28.26)	
NSFR (%)	139.03%	132.81%	138.96%	0.07		6.22	
Commercial Gap position	6,477,719	6,815,856	5,964,502	513,217	8.6%	(338,137)	(5.0%)
Solvency phased In							
CET1 ratio (%)	13.12%	13.22%	13.31%	(0.19)		(0.10)	
Tier 2 ratio (%)	2.40%	2.43%	2.44%	(0.04)		(0.03)	
Capital ratio (%)	15.52%	15.65%	15.74%	(0.22)		(0.13)	
Leverage ratio (%)	5.10%	5.17%	5.53%	(0.44)		(0.08)	
Solvency fully loaded							
CET1 ratio (%)	12.89%	12.98%	12.68%	0.21		(0.09)	
Tier 2 ratio (%)	2.40%	2.43%	2.44%	(0.04)		(0.03)	
Capital ratio (%)	15.29%	15.41%	15.12%	0.17		(0.12)	
Leverage ratio (%)	5.01%	5.08%	5.28%	(0.27)		(0.07)	
MREL							
MREL ratio over TREA (%) (incl. 2.5% CBR)	20.06%	18.20%	18.30%	1.76		1.86	
MREL over LRE (%)	7.79%	7.12%	7.61%	0.18		0.67	
Profitability and efficiency							
ROA (%)	0.17%	0.17%	0.15%	0.02		0.00	
RORWA (%)	0.42%	0.41%	0.35%	0.07		0.01	
ROE (%)	2.88%	2.78%	2.41%	0.47		0.10	
Cost-income ratio (%)	53.63%	50.47%	36.94%	16.69		3.16	
Other data							
Cooperative members	1,630,923	1,608,498	1,529,430	101,493	6.6%	22,425	1.4%
Employees	5,254	5,264	5,330	(76)	(1.4%)	(10)	(0.2%)
Branches	868	868	898	(30)	(3.3%)	-	-

Key Highlights

Current environment

In the third quarter the GDP variation stands at 3.8% compared to the 6.8% of the previous quarter. Despite the positive activity indicator in June, the energetic crisis in Europe as a result of the war in Ukraine, has affected growth and has increased the inflationary pressure, which has led to a response from the ECB through a monetary policy tightening.

The Bank of Spain (BoS) in its macroeconomic projections for 2022-2024, released in October, increased its inflation expectations for all the period in comparison to its previous projections (8.7% for 2022, 5.6% for 2023 and 1.9% for 2024) and modified upwards the GDP growth for 2022 and 2024, reducing that for 2023 (4.5% for 2022, 1.4% for 2023 and 2.9% for 2024). Forecasted unemployment rate is 12.8% in 2022, 12.9% in 2023 and 12.4% in 2024. The uncertainty about these projections is, however, very high due to factors such as energy costs, inflation, evolution of savings and economic activity, among others.

FUNCAS released in September this year its Forecast Panel for 2022 and 2023, in which it established a GDP growth of 4.2% and 1.9% for 2022 and 2023, respectively, and an annual average inflation of 8.6% and 3.8% for the mentioned years[1].

Results

The strong upturn in **interest income** from gross loans (+9% q-o-q), as well as from the securities portfolio (+31% q-o-q) due to the rates hike, have made it possible to offset the impact of the withdrawal of the extraordinary 50 bps stimulus applied to the special financing operations of the European Central Bank (TLTRO3) until June 2022. In this way, the **net interest margin** in the quarter remains constant compared to the previous quarter, at 168 million euros. Excluding the income from ECB financing through TLTRO3 operations, net interest income grew by 6.7% y-o-y and 14.5% compared to the previous quarter. Most of the loan portfolio is at floating rate or with a short-term maturity (approximately 80%) and, likewise, two-thirds of the ALCO portfolio has a short-term maturity or is indexed to Euribor 6m (through hedging derivatives), which allows the interest margin to benefit from rate increases. This effect can be seen in the third quarter of this year and is expected to be more pronounced in the coming quarters.

Dividend income accumulated up to September is 3.1 million euros (+16.8% year-on-year).

1 Source: Funcas https://www.funcas.es/textointegro/panel-de-previsiones-de-la-economia-espanola-septiembre-2022/

Results from entities valued by the equity method until September amounted to 36 million euros (+11.2% y-o-y) thanks to the good performance of these entities, being Cajamar Vida the one contributing with the highest value.

Commissions in the first nine months of the year (198 million euros) have also experienced a strong year-on-year growth (+19.6%) thanks to commissions on liabilities (+30% y-o-y), means of payment (+15%), assets (+16%), insurance and pension plans (+13%) and financial markets (mainly investment funds) (+22%), among others.

Gains/losses on financial assets amounted to 131 million euros up to September, of which 11 million were generated in the third quarter, mainly due to the positive result from the sale of the *Ostende* written-off loans portfolio (with a gross book value of 703 million euros).

Exchange differences, which total 8.9 million euros in the first nine months of the year, represent an increase of 274.5% compared to the same period in 2021.

Other operating expenses subtracts 37.2 million euros from the income statement until September and includes contributions to the Deposit Guarantee Fund and the Single Resolution Fund (which have increased by 12% y-o-y), as well as contributions to the Education and Promotion Fund.

All in all, the accumulated **gross margin** so far this year amounts to 836 million euros, which represents a 28% decrease compared to the first nine months of 2021. Excluding **gains/losses on financial assets and liabilities**, the gross margin grew by 2.4% y-o-y.

Personnel expenses (259 million euros until September) increased by 0.8% y-o-y considering in homogeneous terms the variable remuneration for 2021.

Other general administrative expenses grew by 1.5% y-o-y, although they were lower, -6.3%, in q-o-q terms.

Amortization subtracts 53 million euros from the income statement until September, 3.5% more compared to the same period of 2021, due to the entry into production of the new Banking Core.

With all this, the **efficiency ratio** stood at 53.6% at the end of the third quarter (+16.7 p.p y-o-y, +3.2 p.p q-o-q).

Provisions stood at 8.5 million until September. **Impairment losses on financial assets** amounted to 161 million euros in the first nine months of the year, 45% less than in the same period of the previous year.

Impairment of other assets have also significantly reduced compared to the previous year (-50.8%) and total 100 million euros in the first nine months of the year.

With all this, **the consolidated net profit** for the nine months of the year amounts to 79 million euros, which represents a 26.5% growth compared to the same period of the previous year.

Solvency and MREL

The Group ended the third quarter of the year with a **CET1 ratio** of 13.12% and a **Total Capital ratio** of 15.52% (phased-in), which represents a slight reduction in the quarter of 10 bps in CET1, continuing well above the SREP regulatory requirement (which is a minimum of 13% of total capital).

The breakdown of year-on-year change in the CET1 ratio (-19 bps) is the following: +92 bps due to increase in capital, -39 bps due to reduction in reserves, mainly as a result of IFRS9 calendar effect, -25 bps from the valuation of assets at fair value, -26 bps due to higher deductions and -21 bps from an increase in RWAs (mainly due to credit risk, partially offset by a reduction in RWAs due to other risks).

As for the Group's **MREL ratio,** the issue of 500 million euros of senior preferred debt in September (which was the first in a social format under BCC's Sustainable Bond Framework), has allowed the ratio to raise by 176 bps year-on-year (186 bps quarterly) to 20.06%, comfortably above the intermediate requirement established for January 2022 (16.53%[2]) and allowing it to go practically one year ahead of the linear growth expectations until the date of compliance of the final binding target (22.29% on January 1, 2025, and which does not include any subordination requirement).

The MREL ratio expressed in terms of leverage (LRE) stands at 7.79%, well above the requirement (5.31%, due both on January 1, 2022 and January 1, 2025). Thus, BCC has a long horizon (two years) to build the final volume of eligible liabilities, for which additional issuance needs are estimated at between 500 and 600 million euros.

Liquidity

Customer deposits have grown up to 40,851 million euros (+6.5% y-o-y) and decreased slightly in quarterly terms (-0.8%, mainly due to public administrations).

With this, the **loan to deposits (LTD) ratio** closed at 84.5% (+0.7 p.p on a quarterly basis and -0.4 p.p on a yearly basis) and the **business gap** increased by 513 million euros in the last twelve months, up to 6,478 million euros.

Available liquidity amounts to 12,023 million euros, including both high-quality liquid assets (HQLA) and other available discountable liquid assets and deposits in central banks. Moreover, the Group has **additional issuance capacity** of €2.4 billion under Cajamar's new mortgage bond program, adapted to the new RDL 24/2021, a volume that is expected to increase in the coming quarters with the progressive incorporation of assets to the cover pool

[2] Unless otherwise stated, all figures relating to MREL expressed on RWAs and including 2.5% CBR

(particularly, that relating to the public sector covered bond program).

Regulatory liquidity ratios far exceed requirements, reaching an LCR of 161% and an NSFR of 139%.

In relation to the **financing from the ECB**, the Group made use of the maximum available volume for TLTRO3, which amounts to 10,431 million euros (in four provisions with maturities between December 2022 and March 2024). At the same time, it has 5,018 million euros in deposits with central banks in the asset side, with which the net position is 5,413 million euros borrowed.

Asset quality

Despite the current situation, the Group has continued to improve its asset quality, reducing quarter after quarter both the volume of non-performing loans and foreclosed assets, while maintaining a high level of coverage. Thus, the **non-performing loan ratio** fell to 2.91% (-101 bps y-o-y and -6 bps q-o-q), consolidating its position, for more than a year, below the **average NPL ratio for the sector**[3], which represents a drop in non-performing loans to 1,096 million euros in gross terms (-22.1% y-o-y, -2.2% quarterly). Regarding **NPL coverage ratio**, despite having slightly decreased, it is still at very high levels (73.2%). With all this, the **net NPL ratio** stands at 0.8%, a similar level to the previous quarter and improving compared to the 1.07% of the same period last year.

Foreclosed assets have continued its downward trend, reaching 649 million euros in net terms, which means a significant year-on-year and quarterly reduction (-35.2% and -4.8%, respectively). **The foreclosed assets coverage** has increased this quarter to 61.1%, which represents an increase of 4 p.p. year-on-year and 0.8 p.p. quarter-on-quarter (coverage ratio that increases to 65.7% if considering debt forgiveness).

With all this, **the gross NPA ratio** for the quarter continues to improve to 7.21% (-2.8% y-o-y, -0.2% q-o-q) with a **NPA coverage** up to 65.9% compared to 63.2% from the third quarter 2021 and practically at the same level as the second quarter of this year. As a result, the **net NPA ratio** fell to 2.58% (-1.35% y-o-y and -0.06% q-o-q).

The **Texas ratio** stands at 52.3%, improving 1.4 p.p. in the quarter and 14.9 points in the last twelve months.

Regarding the financing granted in the context of **COVID-19**, as of September 2022 **moratorium** have already expired, as well as the grace period of the **state-guaranteed loans**, with no significant deterioration in the affected portfolios.

[3] Source: BoS credit data as of August 2022

Sustainability

This quarter the Group has completed its adherence to the **Net Zero Banking Alliance (NZBA)** initiative, within the framework of the United Nations Environment Program Financial Initiative (UNEP FI). In addition, through its adherence to this and the **SBTi** initiative, it has defined its intermediate decarbonization objectives based on science, with the target of achieving climate neutrality in 2050, as established in the Paris Agreement. The Group measures its carbon footprint, including financed emissions (scope 3, category 15) through the PCAF methodology (Partnership for Carbon Accounting Financials), offseting its direct emissions since 2018 and and guaranteeing that all its electrical energy consumption comes from renewable sources.

The Group continues to implement its **Sustainable Finance Master Plan** (which started in 2021), incorporating, among others, the process of collecting extra-financial information in origination of credit operations, the incorporation of ESG indicators for the entire entity's incentives, the inclusion of new indicators of sustainability in the Risk Appetite Framework or the development of a model that contemplates the cost of decarbonizing borrowers to identify its paying capabilities.

All credit transactions over 3 million euros include ESG criteria in their risk analysis. In addition, the Group has a framework of undesired links, related to controversial operations or sectors due to environmental or ethical issues.

In September 2022, the Group has issued an inaugural social bond under its **Sustainable Bond Framework**, approved by the Board of Directors of BCC and has received a Second Party Opinion Report (SPO) by V.E. (now part of Moody's) having obtained the highest rating. The proceeds will finance social economy projects (like cooperatives) and/or developed in low economic performance territories.

As a result of its cooperative base, the Group has always been linked to the territories in which it is established, facilitating access to financial services in its area of activity and promoting social economy and sustainable local development. Contributing to this development, among others, are the two research centers in Almería Valencia and its two pioneering initiatives **Plataforma Tierra** (aiming for the digitization of the agri-food sector) and **Cajamar Innova** (an incubator and accelerator of start-up companies related to water high technology).

Regarding ratings the Group has, **Sustainalytics** provided in October 2021 an ESG rating of 8.4 (negligible risk), ranking first in the diversified banking sub-industry (1/ 405) and one of the first in the banking industry (14/1038) internationally. Also, **Vigeo Eiris** gave the Group a score of 62/100, with a rating of "Advanced" and holding one of the top positions in the sector ranking (4/96).

The Group is adhered to a significant number of initiatives in the environmental, social and governance fields, among which, the following should be highlighted: United Nations Principles for Responsible Banking; Task Force on Climate-related Financial Disclosures (TCFD); CDP; Global Reporting Initiative; United Nations Global Compact; Science Based Targets (SBTi); NZBA; European Climate Pact pledge; Target Gender Equality; Women's Empowerment Principles; Charter Diversity; Great Place to Work; Forética Social Impact Cluster; Forética Climate Change Cluster; Forética Transparency, Good Governance and Integrity Cluster; European Association of Co-operative Banks; Spainsif and RE100.

Rating

The two issuers within Grupo Cooperativo Cajamar, Cajamar and Banco de Crédito Social Cooperativo (BCC), have credit ratings from the **agencies S&P Global and DBRS Morningstar.**

In May, **DBRS Morningstar** affirmed the rating at **BB (high)** and improved its **trend to stable** (previously negative due to the COVID crisis), reflecting that the impact of COVID on the Group has been less than initially anticipated, highlighting the reduction of NPAs and the solidity of the franchise, especially in the agricultural sector and the regions of Almería and Valencia.

In July **S&P Global** affirmed the **BB rating** and improved its Outlook **from stable to positive.** The Agency highlighted that the Group had been able to significantly reduce the stock of NPAs and indicated that the positive outlook reflects that the rating could improve in the next 12 months if profitability improves despite inflationary pressure, preserving, at the same time, the improvement in asset quality and financial profile.

Financial performance

Funds under management

(EUR Thousands)	30/09/2022	30/06/2022	30/09/2021	y-o-y Abs.	y-o-y %	q-o-q Abs.	q-o-q %
Sight deposits	37,431,530	37,551,703	33,906,123	3,525,407	10.4%	(120,173)	(0.3%)
Term deposits	3,419,687	3,624,525	4,445,764	(1,026,077)	(23.1%)	(204,838)	(5.7%)
Customer deposits	**40,851,217**	**41,176,228**	**38,351,887**	**2,499,330**	**6.5%**	**(325,011)**	**(0.8%)**
On-balance sheet retail funds	**40,851,217**	**41,176,228**	**38,351,887**	**2,499,330**	**6.5%**	**(325,011)**	**(0.8%)**
Bonds and other securities *	816,934	886,191	1,751,610	(934,676)	(53.4%)	(69,257)	(7.8%)
Subordinated liabilities	1,625,021	1,114,833	1,167,552	457,469	39.2%	510,188	45.8%
Central counterparty deposits	513,000	156,931	-	513,000	100.0%	356,069	226.9%
Financial institutions	970,382	755,684	812,675	157,707	19.4%	214,698	28.4%
ECB	10,219,755	10,220,843	10,296,517	(76,762)	(0.7%)	(1,088)	(0.0%)
Wholesale funds	**14,145,092**	**13,134,482**	**14,028,354**	**116,738**	**0.8%**	**1,010,610**	**7.7%**
Total balance sheet funds	**54,996,309**	**54,310,710**	**52,380,241**	**2,616,068**	**5.0%**	**685,599**	**1.3%**
Mutual funds	4,229,115	4,000,241	4,095,534	133,581	3.3%	228,874	5.7%
Pension plans	908,274	926,594	935,229	(26,955)	(2.9%)	(18,320)	(2.0%)
Savings insurances	528,784	538,190	593,802	(65,018)	(10.9%)	(9,406)	(1.7%)
Fixed-equity income	494,895	546,660	489,857	5,038	1.0%	(51,765)	(9.5%)
Off-balance sheet funds	**6,161,068**	**6,011,685**	**6,114,422**	**46,646**	**0.8%**	**149,383**	**2.5%**
Customer funds under mgment	**47,012,285**	**47,187,913**	**44,466,309**	**2,545,976**	**5.7%**	**(175,628)**	**(0.4%)**
Funds under management	**61,157,377**	**60,322,395**	**58,494,663**	**2,662,714**	**4.6%**	**834,982**	**1.4%**

* Covered bonds, territorial bonds and securitization.

Loans and advances to customers

(EUR Thousands)	30/09/2022	30/06/2022	30/09/2021	y-o-y Abs.	y-o-y %	q-o-q Abs.	q-o-q %
General governments	1,630,283	1,619,134	1,584,181	46,102	2.9%	11,149	0.7%
Other financial corporations	1,685,134	1,661,136	1,179,974	505,160	42.8%	23,998	1.4%
Non-financial corporations	15,005,207	14,926,884	14,227,103	778,104	5.5%	78,323	0.5%
Households	17,810,277	17,988,731	17,584,010	226,267	1.3%	(178,454)	(1.0%)
Loans to customers (gross)	**36,130,901**	**36,195,885**	**34,575,268**	**1,555,633**	**4.5%**	**(64,984)**	**(0.2%)**
Of which:							
Real estate developers	460,818	467,015	648,849	(188,031)	(29.0%)	(6,197)	(1.3%)
Performing loans to customers	35,035,121	35,075,388	33,168,996	1,866,125	5.6%	(40,267)	(0.1%)
Non-performing loans	1,095,780	1,120,497	1,406,272	(310,492)	(22.1%)	(24,717)	(2.2%)
*Other loans**	-	-	-	-	-	-	-
Debt securities from customers	**546,695**	**526,094**	**460,533**	**86,162**	**18.7%**	**20,601**	**3.9%**
Gross Loans	**36,677,596**	**36,721,979**	**35,035,801**	**1,641,795**	**4.7%**	**(44,383)**	**(0.1%)**
Performing Loans	**35,581,816**	**35,601,482**	**33,629,529**	**1,952,287**	**5.8%**	**(19,666)**	**(0.1%)**
Credit losses and impairment	(802,363)	(834,733)	(1,030,901)	228,538	(22.2%)	32,370	(3.9%)
Total lending	**35,875,234**	**35,887,247**	**34,004,903**	**1,870,331**	**5.5%**	**(12,013)**	**(0.0%)**
Off-balance sheet risks							
Contingent risks	1,129,973	1,146,402	964,160	165,813	17.2%	(16,429)	(1.4%)
of which: non-performing contingent risks	4,767	5,111	4,995	(228)	(4.6%)	(344)	(6.7%)
Total risks	**37,807,569**	**37,868,381**	**35,999,961**	**1,807,608**	**5.0%**	**(60,812)**	**(0.2%)**
Non-performing total risks	**1,100,547**	**1,125,608**	**1,411,267**	**(310,720)**	**(22.0%)**	**(25,061)**	**(2.2%)**

Asset quality

Defaulting debtors (EUR Thousands)	30/09/2022	30/06/2022	30/09/2021	y-o-y Abs.	y-o-y %	q-o-q Abs.	q-o-q %
Non-performing total risks	1,100,547	1,125,608	1,411,267	(310,720)	(22.0%)	(25,061)	(2.2%)
Total risks	37,807,569	37,868,381	35,999,961	1,807,608	5.0%	(60,812)	(0.2%)
NPL ratio (%)	2.91%	2.97%	3.92%	(1.01)		(0.06)	
Gross loans coverage	802,363	834,744	1,030,904	(228,541)	(22.2%)	(32,381)	(3.9%)
NPL coverage ratio (%)	73.22%	74.50%	73.31%	(0.09)		(1.28)	
Net NPL ratio	0.79%	0.77%	1.07%	(0.28)		0.02	
Foreclosed Assets (gross)	1,668,806	1,719,267	2,338,532	(669,726)	(28.6%)	(50,461)	(2.9%)
Foreclosed Assets Coverage	1,020,221	1,037,898	1,336,934	(316,713)	(23.7%)	(17,677)	(1.7%)
Foreclosed Assets (net)	648,585	681,370	1,001,598	(353,012)	(35.2%)	(32,784)	(4.8%)
Foreclosed assets coverage ratio (%)	61.13%	60.37%	57.17%	3.96		0.77	
Foreclosed assets coverage ratio with debt forgiveness (%)	65.74%	64.82%	61.77%	3.97		0.93	
NPA ratio (%)	7.21%	7.39%	10.02%	(2.81)		(0.18)	
NPA coverage (%)	65.93%	65.94%	63.23%	2.70		(0.01)	
NPA coverage with debt forgiveness (%)	68.49%	68.36%	65.80%	2.69		0.13	
Net NPA ratio (%)	2.58%	2.64%	3.93%	(1.35)		(0.06)	

Foreclosed assets (*)

	30/09/2022	30/06/2022	30/09/2021	y-o-y Abs.	y-o-y %	q-o-q Abs.	q-o-q %
Foreclosed assets (gross)	1,668,806	1,719,267	2,338,532	(669,726)	(28.6%)	(50,461)	(2.9%)
Residential assets	626,970	660,279	1,036,932	(409,962)	(39.5%)	(33,309)	(5.0%)
Of which: under construction	178,910	188,174	203,208	(24,298)	(12.0%)	(9,264)	(4.9%)
Commercial assets	1,025,573	1,051,239	1,292,844	(267,272)	(20.7%)	(25,667)	(2.4%)
Of which: rustic land	37,591	36,977	41,286	(3,695)	(9.0%)	614	1.7%
Of which: under construction	1,290	1,358	1,887	(598)	(31.7%)	(69)	(5.1%)
Of which: urban land	775,898	795,148	961,711	(185,812)	(19.3%)	(19,250)	(2.4%)
Of which: developable land	7,340	7,429	10,074	(2,733)	(27.1%)	(89)	(1.2%)
Of which: warehouses	203,454	210,327	277,887	(74,433)	(26.8%)	(6,873)	(3.3%)
Other	16,263	7,749	8,756	7,508	85.7%	8,514	109.9%
Foreclosed assets (net)	648,585	681,370	1,001,598	(353,012)	(35.2%)	(32,784)	(4.8%)
Residential assets	295,631	323,933	507,625	(211,994)	(41.8%)	(28,302)	(8.7%)
Of which: under construction	70,335	77,298	95,071	(24,736)	(26.0%)	(6,963)	(9.0%)
Commercial assets	342,588	351,959	489,200	(146,612)	(30.0%)	(9,370)	(2.7%)
Of which: rustic land	14,722	14,631	19,281	(4,559)	(23.6%)	91	0.6%
Of which: under construction	695	727	1,101	(406)	(36.9%)	(32)	(4.3%)
Of which: urban land	221,206	224,560	323,296	(102,089)	(31.6%)	(3,354)	(1.5%)
Of which: developable land	2,267	2,328	2,821	(554)	(19.6%)	(61)	(2.6%)
Of which: warehouses	103,698	109,713	142,702	(39,004)	(27.3%)	(6,015)	(5.5%)
Other	10,366	5,478	4,772	5,593	117.2%	4,888	89.2%
Coverage (%)	61.13%	60.37%	57.17%	3.96		0.77	
Residential assets	52.85%	50.94%	51.05%	1.80		1.91	
Of which: under construction	60.69%	58.92%	53.21%	7.47		1.76	
Commercial assets	66.60%	66.52%	62.16%	4.43		0.08	
Of which: rustic land	60.84%	60.43%	53.30%	7.54		0.40	
Of which: under construction	46.09%	46.49%	41.65%	4.44		(0.40)	
Of which: urban land	71.49%	71.76%	66.38%	5.11		(0.27)	
Of which: developable land	69.11%	68.67%	72.00%	(2.88)		0.45	
Of which: warehouses	49.03%	47.84%	48.65%	0.38		1.19	
Other	36.26%	29.31%	45.50%	(9.23)		6.95	

(*) RE Investments not included.

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Financial report
Third quarter 2022

REOs breakdown	30/09/2022	30/06/2022	30/09/2021	y-o-y		q-o-q	
				Abs.	%	Abs.	%
REOs (gross)	**1,868,920**	**1,924,338**	**2,660,743**	**(791,823)**	**(29.8%)**	**(55,418)**	**(2.9%)**
Foreclosed assets	**1,668,806**	**1,719,267**	**2,338,532**	**(669,726)**	**(28.6%)**	**(50,461)**	**(2.9%)**
Non-current assets held for sale	235,881	248,284	429,032	(193,151)	(45.0%)	(12,403)	(5.0%)
Inventories	1,432,925	1,470,983	1,909,499	(476,574)	(25.0%)	(38,058)	(2.6%)
RE Investments	**200,114**	**205,071**	**322,211**	**(122,097)**	**(37.9%)**	**(4,957)**	**(2.4%)**
REOs (net)	**744,336**	**779,977**	**1,173,035**	**(428,699)**	**(36.5%)**	**(35,641)**	**(4.6%)**
Foreclosed assets	**648,585**	**681,370**	**1,001,598**	**(353,012)**	**(35.2%)**	**(32,784)**	**(4.8%)**
Non-current assets held for sale	103,637	110,371	185,752	(82,114)	(44.2%)	(6,734)	(6.1%)
Inventories	544,948	570,998	815,846	(270,898)	(33.2%)	(26,050)	(4.6%)
RE Investments	**95,751**	**98,607**	**171,437**	**(75,687)**	**(44.1%)**	**(2,857)**	**(2.9%)**
REOs (% coverage)	**60.17%**	**59.47%**	**55.91%**	**4.26**		**0.71**	
Foreclosed assets	**61.13%**	**60.37%**	**57.17%**	**3.96**		**0.77**	
Non-current assets held for sale	56.06%	55.55%	56.70%	(0.64)		0.52	
Inventories	61.97%	61.18%	57.27%	4.70		0.79	
RE Investments	**52.15%**	**51.92%**	**46.79%**	**5.36**		**0.24**	

NPL evolution	3Q21	4Q21	1Q22	2Q22	3Q22	Last 4 quarters
Inflows	64	106	86	66	94	353
Outflows	(137)	(201)	(210)	(134)	(119)	(663)
Variation	**(73)**	**(94)**	**(124)**	**(68)**	**(25)**	**(311)**

Million euros, gross

REOs evolution	3Q21	4Q21	1Q22	2Q22	3Q22	Last 4 quarters
Inflows	40	64	48	39	42	193
Outflows	(156)	(621)	(128)	(139)	(98)	(985)
Variation	**(116)**	**(557)**	(80)	(99)	(55)	(791)

Million euros, gross

Results

Consolidated P&L at the end of the period

(EUR Thousands)	30/09/2022	%ATM	30/09/2021	%ATM	y-o-y Abs.	y-o-y %.
Interest income	574,008	1.26%	585,677	1.41%	(11,669)	(2.0%)
Interest expenses	(77,570)	(0.17%)	(66,125)	(0.16%)	(11,446)	17.3%
NET INTEREST INCOME	**496,437**	**1.09%**	**519,552**	**1.25%**	**(23,115)**	**(4.4%)**
Dividend income	3,118	0.01%	2,670	0.01%	448	16.8%
Income from equity-accounted method	35,794	0.08%	32,178	0.08%	3,615	11.2%
Net fees and commissions	198,398	0.44%	165,890	0.40%	32,508	19.6%
Gains (losses) on financial transactions	130,951	0.29%	466,811	1.12%	(335,859)	(71.9%)
Exchange differences [gain or (-) loss], net	8,854	0.02%	2,364	0.01%	6,490	274.6%
Other operating incomes/expenses	(37,228)	(0.08%)	(33,696)	(0.08%)	(3,532)	10.5%
of which: Transfer to Education/Depment Fund	*(3,213)*	*(0.01%)*	*(318)*	-	*(2,895)*	*909.7%*
GROSS INCOME	**836,324**	**1.83%**	**1,155,768**	**2.78%**	**(319,444)**	**(27.6%)**
Administrative expenses	(395,909)	(0.87%)	(376,108)	(0.90%)	(19,802)	5.3%
Personnel expenses	(259,164)	(0.57%)	(241,365)	(0.58%)	(17,799)	7.4%
Other administrative expenses	(136,746)	(0.30%)	(134,743)	(0.32%)	(2,003)	1.5%
Depreciation and amortisation	(52,631)	(0.12%)	(50,833)	(0.12%)	(1,798)	3.5%
PRE-PROVISION PROFIT	**387,784**	**0.85%**	**728,828**	**1.75%**	**(341,044)**	**(46.8%)**
Provisions or (-) reversal of provisions	(8,450)	(0.02%)	(52,032)	(0.13%)	43,582	(83.8%)
Impairment losses on financial assets	(161,089)	(0.35%)	(292,289)	(0.70%)	131,200	(44.9%)
OPERATING INCOME	**218,245**	**0.48%**	**384,507**	**0.92%**	**(166,262)**	**(43.2%)**
Impairment losses on non financial assets	(100,276)	(0.22%)	(203,844)	(0.49%)	103,568	(50.8%)
Gains or (-) losses on derecognition of non financial assets	(19,002)	(0.04%)	(27,523)	(0.07%)	8,521	(31.0%)
Profit or (-) loss from non-current assets	(15,040)	(0.03%)	(56,697)	(0.14%)	41,657	(73.5%)
PROFIT BEFORE TAX	**83,928**	**0.18%**	**96,443**	**0.23%**	**(12,516)**	**(13.0%)**
Tax	(5,066)	(0.01%)	(34,123)	(0.08%)	29,058	(85.2%)
CONSOLIDATED NET PROFIT	**78,862**	**0.17%**	**62,320**	**0.15%**	**16,542**	**26.5%**

Quarterly results

(EUR Thousands)	3Q22	2Q22	1Q22	4Q21	3Q21	q-o-q Abs.	q-o-q %.
Interest income	191,452	191,776	190,779	177,681	182,403	(324)	(0.2%)
Interest expenses	(23,851)	(24,140)	(29,580)	(24,819)	(23,048)	289	(1.2%)
NET INTEREST INCOME	**167,601**	**167,636**	**161,199**	**152,862**	**159,355**	**(35)**	**(0.0%)**
Dividend income	930	1,332	856	1,255	1,665	(402)	(30.2%)
Income from equity-accounted method	12,481	9,954	13,358	12,295	10,160	2,527	25.4%
Net fees and commissions	63,495	67,626	67,277	58,712	56,573	(4,132)	(6.1%)
Gains (losses) on financial transactions	10,862	(118)	120,208	(242)	(3,595)	10,980	(9266.4%)
Exchange differences [gain or (-) loss], net	5,225	2,597	1,033	1,453	869	2,628	101.2%
Other operating incomes/expenses	(17,581)	(14,085)	(5,562)	(11,368)	(12,302)	(3,496)	24.8%
of which:Transfer to EDF	*(1,348)*	*(1,274)*	*(591)*	*(1,895)*	*(144)*	*(73)*	*5.8%*
GROSS INCOME	**243,013**	**234,941**	**358,370**	**214,968**	**212,725**	**8,071**	**3.4%**
Administrative expenses	(131,304)	(133,641)	(130,965)	(149,888)	(127,651)	2,337	(1.7%)
Personnel expenses	(86,732)	(86,065)	(86,366)	(104,054)	(81,819)	(667)	0.8%
Other administrative expenses	(44,571)	(47,575)	(44,599)	(45,834)	(45,831)	3,004	(6.3%)
Depreciation and amortisation	(17,809)	(17,604)	(17,218)	(17,417)	(17,093)	(206)	1.2%
PRE-PROVISION PROFIT	**93,900**	**83,697**	**210,187**	**47,662**	**67,981**	**10,202**	**12.2%**
Provisions or (-) reversal of provisions	(5,090)	3,198	(6,558)	925	(6,665)	(8,288)	(259.2%)
Impairment losses on financial assets	(38,776)	(35,112)	(87,200)	(14,894)	(44,555)	(3,664)	10.4%
OPERATING INCOME	**50,034**	**51,783**	**116,429**	**33,693**	**16,761**	**(1,749)**	**(3.4%)**
Impairment losses on non financial assets	(13,664)	(19,486)	(67,126)	(17,732)	2,962	5,822	(29.9%)
Gains on derecognition of non fin assets	(3,511)	(6,449)	(9,042)	(24,466)	(16,130)	2,937	(45.5%)
Profit or (-) loss from non-current assets	(4,729)	(2,937)	(7,374)	(10,123)	(1,992)	(1,792)	61.0%
PROFIT BEFORE TAX	**28,129**	**22,910**	**32,888**	**(18,628)**	**1,602**	**5,219**	**22.8%**
Tax	626	(2,295)	(3,397)	18,934	3,570	2,921	(127.3%)
CONSOLIDATED NET PROFIT	**28,755**	**20,616**	**29,491**	**306**	**5,172**	**8,140**	**39.5%**

Solvency

Phased in (EUR Thousands)	30/09/2022	30/06/2022	30/09/2021	y-o-y Abs.	y-o-y %	q-o-q Abs.	q-o-q %
Capital	3,388,645	3,347,900	3,162,407	226,239	7.2%	40,745	1.2%
Reserves	416,283	420,159	513,027	(96,744)	(18.9%)	(3,876)	(0.9%)
AFS Surplus	(62,569)	(47,007)	(1,863)	(60,707)	3258.9%	(15,562)	33.1%
Capital deductions	(459,573)	(454,024)	(395,409)	(64,164)	16.2%	(5,549)	1.2%
Ordinary Tier 1 Capital	**3,282,786**	**3,267,029**	**3,278,162**	**4,624**	**0.1%**	**15,758**	**0.5%**
CET1 ratio (%)	**13.12%**	**13.22%**	**13.31%**	**(0.19)**		**(0.10)**	
Tier2 Capital	**599,921**	**599,919**	**599,873**	**48**	**0.0%**	**2**	**0.0%**
Tier 2 ratio (%)	**2.40%**	**2.43%**	**2.44%**	**(0.04)**		**(0.03)**	
Eligible capital	**3,882,707**	**3,866,947**	**3,878,035**	**4,672**	**0.1%**	**15,759**	**0.4%**
Capital ratio (%)	**15.52%**	**15.65%**	**15.74%**	**(0.22)**		**(0.13)**	
Total RWAs	**25,018,979**	**24,708,512**	**24,635,367**	**383,612**	**1.6%**	**310,467**	**1.3%**
Credit risk	22,995,777	22,682,168	21,907,787	1,087,990	5.0%	313,609	1.4%
Operational risk	1,609,118	1,609,118	1,557,390	51,728	3.3%	-	-
Other risk	414,084	417,226	1,170,190	(756,106)	(64.6%)	(3,142)	(0.8%)
Fully loaded (EUR Thousands)							
Capital	3,388,645	3,347,900	3,162,407	226,239	7.2%	40,745	1.2%
Reserves	357,617	358,165	354,882	2,735	0.8%	(549)	(0.2%)
AFS Surplus	(62,569)	(47,007)	(1,863)	(60,707)	3258.9%	(15,562)	33.1%
Capital deductions	(459,573)	(454,024)	(395,409)	(64,164)	16.2%	(5,549)	1.2%
Ordinary Tier 1 Capital	**3,224,120**	**3,205,035**	**3,120,017**	**104,103**	**3.3%**	**19,085**	**0.6%**
CET1 ratio (%)	**12.89%**	**12.98%**	**12.68%**	**0.21**		**(0.09)**	
Tier2 Capital	**599,921**	**599,919**	**599,873**	**48**	**0.0%**	**2**	**0.0%**
Tier 2 ratio (%)	**2.40%**	**2.43%**	**2.44%**	**(0.04)**		**(0.03)**	
Eligible capital	**3,824,041**	**3,804,954**	**3,719,890**	**104,151**	**2.8%**	**19,086**	**0.5%**
Capital ratio (%)	**15.29%**	**15.41%**	**15.12%**	**0.17**		**(0.12)**	
Total RWAs	**25,006,680**	**24,695,413**	**24,597,739**	**408,941**	**1.7%**	**311,267**	**1.3%**
Credit risk	22,983,479	22,669,069	21,870,159	1,113,320	5.1%	314,410	1.4%
Operational risk	1,609,118	1,609,118	1,557,390	51,728	3.3%	-	-
Other risk	414,083	417,226	1,170,190	(756,107)	(64.6%)	(3,143)	(0.8%)

(*) Reserves and results (phased in): include IFRS9

MREL	30/09/2022	30/06/2022	30/09/2021	y- o -y Abs.	y- o -y %	q- o -q Abs.	q- o -q %
Eligible liabilities MREL	**5,017,560**	**4,496,822**	**4,507,897**	**509,663**	**11.31%**	**520,738**	**11.58%**
Eligible capital	**3,882,707**	**3,866,948**	**3,878,035**	**4,672**	**0.1%**	**15,759**	**0.4%**
Senior Preferred Debt	**999,942**	**499,941**	**499,930**	**500,012**	**100.0%**	**500,001**	**100.0%**
Other eligible liabilities	**134,912**	**129,934**	**129,932**	**4,980**	**3.8%**	**4,978**	**3.8%**
MREL TREA available (%)	**20.06%**	**18.20%**	**18.30%**	**1.76**		**1.86**	
Exposure (LRE)	**64,413,718**	**63,155,688**	**59,261,228**	**5,152,490**	**8.7%**	**1,258,030**	**2.0%**
MREL LRE available (%)	**7.79%**	**7.12%**	**7.61%**	**0.18**		**0.67**	

(*) Reserves and results (phased in):
include IFRS9

Liquidity

	3Q22	2Q22	3Q21	y-o-y	q-o-q
				Abs.	Abs.
LTD (%)	84.51%	83.84%	84.90%	(0.39)	0.67
LCR (%)	160.90%	189.16%	252.25%	(91.35)	(28.26)
NSFR (%)	139.03%	132.81%	138.96%	(0.07)	(6.22)

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 (ATAs)	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 denominator and numerator 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 (%)	Total impairment losses annualized / Average Gross Loans and REOs
6	Credit Cost of Risk (%)	Total impairment losses annualized of loans and advances financial assets / Average Gross Loans
7	Cost-income ratio (%)	Operating Expenses / Gross income
8	Customer funds under management	On-balance sheet funds + Off-balance sheet funds
9	Customers' deposits	Sight deposits + Term deposits
10	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)
11	Debt securities from customers	Portfolio of senior debt securities of big enterprises.
12	Employees	SIP's total employees, excluding temporary and pre-retired employees
13	Foreclosed assets (gross)	REOs excluding RE investments.
14	Foreclosed assets (net)	Foreclosed assets (gross) – Total foreclosed assets coverage
15	Foreclosed assets coverage ratio (%)	Foreclosed assets coverage / Foreclosed assets (gross)
16	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)
17	Foreclosed assets ratio (%)	Foreclosed assets net / (Foreclosed assets net + Gross Loans)
18	Funds under management	Total balance-sheet funds + Off-balance-sheet funds
19	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
20	Gross Loans	Loans to customers (gross) + Other loans (reverse repurchase agreements) + Debt securities from customers

21	Gross loans coverage	Impairment losses on loans and customer prepayment + Impairment losses on other financial assets + Impairment adjustments on deposits at credit institutions
22	Impairment losses	Impairment or (-) reversal of impairment on financial assets not measured at fair value through profit 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)
23	Loan to deposits ratio (%)	Net loans to customers / (Customer's deposits + Net issued securitisations + Brokered loans + Other on balance sheet customer funds)
24	MREL (%)	Own funds and eligible liabilities / Risk Weighted Assets
25	Net Interest Income o/ATA (%)	Net interest income / Average total assets
26	Net NPA ratio (%)	(Net non-performing loans + Foreclosed assets net) / (Gross loans – Gross Loans Coverage + Foreclosed assets net)
27	Net non-performing loans (NPL)	Non-performing loans – Gross Loans Coverage
28	Net NPL ratio (%)	(Net non-performing loans + Non-performing contingent risks- – Coverage of contingent risks)/ (Gross loans - Gross Loans Coverage + Contingent risks – Coverage of contingent risks)
29	Non-performing assets (NPA)	Non-performing loans + Foreclosed assets (gross)
30	Non-performing total risks	Non-performing loans + non-performing contingent risks
31	NPA coverage ratio (%)	(Gross loans coverage + Foreclosed assets coverage) / (Non-performing loans + Foreclosed assets (gross))
32	NPA coverage with debt forgiveness (%)	(Gross loans coverage + Foreclosed assets coverage + debt forgiveness) / (non-performing loans + Foreclosed assets (gross) + debt forgiveness)
33	NPA ratio (%)	(Non-performing loans + Foreclosed assets gross) / (Gross loans + Foreclosed assets gross)
34	NPL coverage ratio (%)	Gross loans coverage / Non-performing loans
35	NPL ratio (%)	(Non-performing loans + non-performing contingent risks) / (Gross loans + contingent risks)
36	Off-balance sheet funds	Mutual funds + Pension plans + Saving insurance + Fixed-income and equity held by customers
37	On-balance sheet funds	Sight deposits + Term deposits+ Other funds
38	Operating expenses	Personnel expenses + Other administrative expenses + Amortization
39	Performing Loans	Gross loans – Non-performing loans
40	Performing Loans to customers	Loans to customers (gross) – Non-performing loans
41	Recurring cost-income ratio (%)	Operating expenses / Recurring gross income
42	RED Loans	Real estate development outstanding amount
43	REOs	Foreclosed assets + Real Estate Investments
44	ROA (%)	Annualization of the following quotient: Consolidated net profit / Average total assets (average of the end-of-quarter figures since the previous December, inclusive)
45	ROE (%)	Annualization of the following quotient: Consolidated net profit / Average total equity (average of the end-of-quarter figures since the previous December, inclusive)
46	RORWA (%)	Annualization of the following quotient: Consolidated net profit / Average risk-weighted assets (average of the end-of-quarter figures since the previous December, inclusive)
47	Texas ratio (%)	(Non-performing total risks (including non-performing loans from credit institutions) + gross REOs) / (Total risks coverage + REOs coverage + Total Equity).
48	Total balance sheet funds	On-balance sheet funds + Wholesale funding
49	Total impairment losses annualized	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).
50	Total lending	Gross loans – Credit losses and impairment
51	Total risks	Gross loans + Contingent risks
52	Wholesale funds	Bonds and other securities + Subordinated liabilities + Senior debt + Monetary market operations + Deposits from credit institutions + ECB

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