FINANCIAL REPORT

Fourth quarter 2020

5 February 2021

Contents

Most significant figures

	31/12/2020	30/09/2020	31/12/2019	y-o-y Abs.	y-o-y %	q-o-q Abs.	q-o-q %
Profit and Loss Account							
Net interest income	607,432	446,696	589,796	17,636	3.0%		
Gross Income	1,049,167	823,533	1,147,654	(98,487)	(8.6%)		
Recurring Gross Income	914,385	698,098	935,222	(20,837)	(2.2%)		
Pre-Provision Profit	475,095	396,132	573,542	(98,447)	(17.2%)		
Recurring Pre-Provision Profit	340,314	270,697	361,110	(20,796)	(5.8%)		
Profit before tax	23,085	28,949	113,412	(90,327)	(79.6%)		
Consolidated Net profit	23,760	14,586	92,495	(68,735)	(74.3%)		
Business							
Total Assets	53,617,061	52,690,201	47,406,455	6,210,606	13.1%	926,860	1.8%
Equity	3,362,657	3,363,874	3,304,672	57,985	1.8%	(1,217)	(0.0%)
On-balance sheet retail funds	35,255,352	34,892,998	30,561,447	4,693,905	15.4%	362,354	1.0%
Off-balance sheet funds	5,056,227	4,772,330	4,850,569	205,658	4.2%	283,897	5.9%
Performing Loans	32,545,818	31,845,381	29,574,566	2,971,252	10.0%	700,437	2.2%
Risk management							
Non-performing assets	4,261,865	4,414,966	4,657,612	(395,747)	(8.5%)	(153,101)	(3.5%)
Non-performing assets (net)	1,983,569	2,104,889	2,408,222	(424,653)	(17.6%)	(121,319)	(5.8%)
NPA coverage (%)	53.46%	52.32%	48.29%	5.17		1.14	
Non-performing loans	1,658,306	1,745,142	1,948,076	(289,770)	(14.9%)	(86,836)	(5.0%)
NPL ratio (%)	4.77%	5.11%	6.07%	(1.30)		(0.34)	
NPL coverage ratio (%)	58.92%	56.11%	49.10%	9.82		2.81	
Foreclosed assets (gross)	2,603,559	2,669,824	2,709,536	(105,977)	(3.9%)	(66,265)	(2.5%)
Foreclosed assets (net)	1,302,277	1,338,944	1,416,670	(114,393)	(8.1%)	(36,666)	(2.7%)
Foreclosed assets Coverage ratio (%)	49.98%	49.85%	47.72%	2.27		0.13	
Texas ratio	79.27%	81.72%	86.71%	(7.44)		(2.45)	
Cost of risk	1.06%	1.16%	1.03%	0.03		-0.1	
Liquidity							
LTD (%)	89.92%	89.11%	95.05%	(5.13)		0.81	
LCR (%)	235.23%	210.65%	212.33%	22.90		24.58	
NSFR (%)	128.57%	127.18%	124.03%	4.54		1.39	
Business gap	3,672,320	3,929,222	1,569,745	2,102,575	133.9%	(256,902)	(6.5%)
Solvency phased in							
CET1 ratio (%)	13.79%	13.06%	13.03%	0.76		0.73	
Tier 2 ratio (%)	1.70%	1.68%	1.66%	0.04		0.02	
Capital ratio (%)	15.49%	14.74%	14.69%	0.80		0.75	
Leverage ratio (%)	5.71%	5.54%	6.25%	(0.54)		0.17	
Solvency fully loaded							
CET1 ratio (%)	13.06%	12.46%	12.32%	0.74		0.60	
Tier 2 ratio (%)	1.71%	1.69%	1.67%	0.04		0.02	
Capital ratio (%)	14.77%	14.15%	13.98%	0.79		0.62	
Levarage ratio (%)	5.41%	5.29%	5.91%	(0.50)		0.12	
Profitability and efficiency							
ROA (%)	0.05%	0.04%	0.20%	(0.16)		0.01	
RORWA (%)	0.10%	0.08%	0.40%	(0.30)		0.02	
ROE (%)	0.71%	0.58%	2.89%	(2.18)		0.13	
Cost-income ratio (%)	54.72%	51.90%	50.02%	4.70		2.82	
Recurring cost-income ratio (%)	62.78%	61.22%	61.39%	1.39		1.56	
Other data							
Cooperative members	1,459,536	1,448,337	1,430,086	29,450	2.1%	11,199	0.8%
Employees	5,406	5,465	5,483	(77)	(1.4%)	(59)	(1.1%)
Branches	910	926	956	(46)	(4.8%)	(16)	(1.7%)

Highlights

Current situation

The COVID-19 health crisis and the lockdown and activity restrictions that have been implemented since the beginning of the State of Alarm to stop the evolution of the pandemic, have had a very severe impact on the economy worldwide and specifically on the Spanish economy that has suffered a significant contraction from which it is gradually recovering.

The impact of the pandemic on the economic activity was very aggressive in the second quarter of the year as a consequence of the total lockdown of the population, resulting in a decline of 17.9% in the Spanish GDP q-o-q in terms of volume (-21.6% y-o-y)[1], situation that reversed in the third quarter of the year with an increase of 16.4% q-o-q (although still negative on a y-o-y basis at -9%). According to the preliminary data published by the National Statistics Institute (INE) for the fourth quarter of the year, Spanish GDP has increased by 0.4% on a quarterly basis (-9.1% y-o-y).

However, not all economic sectors have shown an equal vulnerability to the COVID-19 crisis, being the agro sector the one being least affected, with a positive GDP variation even in the hardest quarters of the year (+ 6.5% and + 3.7% y-o-y in the second and third quarters respectively), standing at 8.7% y-o-y this last quarter 2020. These figures are particularly relevant for Grupo Cooperativo Cajamar since it has a strengthened position in the agro sector (> 15% market share in Spain and with the highest percentage of agro sector in its loan book among its peers[2]), which provides relative protection regarding the pandemic crisis.

The fourth quarter GDP y-o-y fall of -9.1% of the Spanish economy, a decrease that in terms of volume by aggregation of the four quarters reaches -11%, is in line with the macro expectations released by the Bank of Spain[3] and by the ECB for its central scenario (-11.1% for 2020), and by the IMF[4] (-12.8%).

The forecasts for the next few years released by the different public institutions anticipate a gradual recovery of the economy, which could be affected by the epidemiological evolution, the containment measures implemented, the vaccination rollout, and the effectiveness of the economic support measures that governments are implementing. The Bank of Spain updated in December 2020 its macroeconomic perspectives, improving those published in September and differentiating between three scenarios: (i) Soft scenario, foreseeing a GDP recovery of 8.6% in 2021 and 4.8% in 2022; (ii) Central scenario, with a GDP recovery of 6.8% in 2021 and 4.2% in 2022; and (iii) Severe scenario with a GDP recovery of 4.2% in 2021 and 3.9% in 2022.

[1] Source: INE, National Statistics Institute: Second Quarter 2020 (23 September 2020)

[2] Source: EBA Transparency Exercise 2020

[3] Source: Bank of Spain, Macroeconomic Projections (December 2020): https://www.bde.es/bde/es/areas/analisis-economi/analisis-economi/proyecciones-mac/Proyecciones_macroeconomicas.html

[4] Source: IMF, World Economy Growth Projections (January 2021): https://www.imf.org/es/Publications/WEO/Issues/2021/01/26/2021-world-economic-outlook-update

The IMF also released in January this year its GDP perspectives for the upcoming years, foreseeing a recovery 4.2% y-o-y for the Euro Zone in 2021 and 5.9% for Spain (lower than the previous forecasts published in its October 2020 report).

Regarding the employment indicators forecast, Bank of Spain foresees an increase in the unemployment rate in 2021 (in a range between 17.1% in its mild scenario to 20.5% in its severe scenario) with a significant recovery in 2022 (in the range of 14% in the mild scenario to 18% in the severe scenario), higher figures in comparison to the ECB's unemployment rate expectations for the Euro Zone.

Grupo Cooperativo Cajamar uses these macroeconomic perspectives released by the different organizations to prepare its projections for management purposes.

Throughout these months, the different public institutions have been implementing measures to help financial institutions to finance the real economy and, in this way, try to alleviate the harmful effects of this health crisis. Among others, it is worth highlighting: the public aid on loans (ICO guarantees), as well as the legal and sectorial moratoria, the latest improvement of the conditions of the TLTRO III that were updated in the ECB's December meeting, the maintenance of the temporary permission by the Single Supervisory Mechanism to operate below the capital and liquidity requirements, as well as the flexibility provided by the European Banking Authority and the Bank of Spain for financial entities regarding the accounting classification for exposures that have received financial aid in the framework of COVID-19.

Since the beginning of the crisis, the Group has been providing financing to corporates and households, using both the legal and sectorial moratoria on mortgage and consumer loans, as well as the ICO guarantee lines. In this way, over 33,800 financing operations have been formalized for individuals, self-employed and corporates for a total amount of 2,824 million euros, of which 986 million euros corresponds to moratoria (of which 91% is legal moratoria, remaining 582 million euros outstanding as of December 2020) and the rest corresponds mainly to state guarantee loans (91% to SMEs and corporates). This represents approximately 7% of the Group's total gross loans.

Asset Quality

Grupo Cooperativo Cajamar manages the monitorization of its credit risks in a proactive and detailed manner, monitorization that has been especially reinforced as a result of the health crisis. Its cooperative banking model and customers' proximity allow the Group to detect any potential difficulty at an early stage and search for solutions.

This proactivity has allowed that, since 2013 in which the NPL ratio stood over 17% as a result of the merger with Ruralcaja (carried out without any public aid nor transfer of assets to SAREB) and the impact of the real estate crisis, the non-performing loans have consistently reduced every quarter.

Since June 2020 and as a complement to its asset quality management, the Group has put in place a Covid Monitoring Plan to anticipate to any difficulty that may arise as a result of the health crisis. The Plan consists of identifying and analyzing, within the corporate and individuals portfolios, the perimeter of clients that could potentially be most affected, arranging plans to monitor them on an individual basis and establishing mitigating measures. This Covid Monitoring Plan starts by analyzing all segments and activity sectors, and it is complemented with an early warning system, the knowledge and proximity to the client through the branch network and an expert analysis that includes an individual review for all operations over € 20,000 which are considered to be high risk. The result of the analysis is updated monthly, and the monitoring of the mitigation actions is carried out through real time dashboards and specific reporting to management teams and Senior Management. Those borrowers in which potential vulnerabilities are detected are reclassified as risks “under special monitoring” with all its consequences.

After the loan portfolio analysis, based on its classification by NACEs, it is calculated that 7% of the portfolio would have high risk, 16% medium risk and 77% low risk. However, after the expert analysis of the Covid Monitoring Plan aforementioned, the exposure to high risk would be even lower.

Regarding the fourth quarter’s figures, the Group has managed to continue reducing its non-performing loans by 15% y-o-y (-5% in the quarter), lowering the NPL ratio to 4.8% compared to 5.1% of the previous quarter (0.3 p.p of quarterly improvement, -1.3 p.p y-o-y), and further reducing the distance to the sector average (NPL ratio of 4.6% for the sector average as of November 2020).

Under these circumstances, BCC has reviewed its asset quality targets, establishing that its NPL ratio will reach a peak close to 6% between 2021 and 2022, recovering by 2023 to levels around 4.5%. These targets are based on an organic reduction and do not consider any potential portfolio sale.

On the other hand, performing loans have increased to 32,546 million euros (+10% y-o-y, which means an increase of 2,971 million euros, and +2.2% quarterly with an increase of 700 million euros), with focus on larger corporates and the agrobusiness.

Likewise, the coverage of non-performing loans has continued to improve in the fourth quarter of the year to 58.9% compared to 56.1% in September 2020, (+2.8 pp in the quarter, +9.8 pp compared to the fourth quarter of the previous year) and reaching the average level of the sector.

GCC maintains its strategy of allocating any non-recurring result generated to strengthening coverage. The increase in provisions thanks to capital gains generated from the fixed income portfolio sales (134 million euros in the year), implied an increase in the cost of risk of the second quarter to 1.39%, thus placing December’s at a level of 1.06% (+3 bps y-o-y, -10 bps quarterly). This cost of risk includes the COVID provisions for an amount of 75 million euros made in the second quarter of the year. The entity will continue to allocate any non-recurring income to strengthen the balance sheet, even after having reached a NPL and coverage ratios which are in line to the sector average and it expects to normalize its Cost of Risk around 60 bps in 2022. During the first quarter of 2021, the Group generated more than 460 million euros of non-recurring results from the sale of fixed income portfolios that will be used to increase the coverage of non-performing assets and strengthen the balance sheet. The impact of this result is not included in the year-end figures but will be reflected at the end of 1Q21.

Regarding foreclosed assets, it should be noted that inflows have significantly reduced to 49 million euros during the fourth quarter and 237 million euros accumulated in the year (a 34% reduction in inflows compared to the previous year). These inflows have been comfortably offset by the accumulated outflows during the year, which have reached an amount of 285 million euros (representing a reduction of 57% compared to 2019). This slowdown in the outflows of foreclosed assets is mainly a consequence of the lack of confidence in the real estate market and the risks caused by the pandemic that has hindered commercial activity.

The coverage of foreclosed assets increased significantly compared to the previous quarter to 50.0% (55.4% including write-offs), which implies an increase of around 2 points in the year. Similarly, the NPA coverage stands at 53.5%, improving by 5 points compared to December 2019.

Solvency

The Group has a strengthened solvency with ratios that have favorably evolved both on a yearly and quarterly basis, with a comfortable distance to MDA.

At the end of the year, the total phased in capital ratio stood at 15.49% (14.77% fully loaded) with an improvement of 75 bps in the quarter and 80 bps compared to the same period last year. The Group's target is to maintain the phased in solvency ratio above 15% at all times.

The CET1 phased in ratio stood at 13.79% (13.06% fully loaded), with an improvement of 73 bps in the quarter and 76 bps in the year. The improvement in CET1 during the year is thanks to the following factors, part of which have been implemented in the last quarter of the year: 32 bps y-o-y due to the reduction in risk-weighted assets (thanks to the State guarantees within the context of COVID-19 financing, and also to the application in the second quarter of the year of the SMEs reducing factor which had an impact of 18 bps on CET1), 34 bps due to the increase in capital and reserves (including the application, in the fourth quarter of the year, of the IFRS9 dynamic approach, which has had a positive impact of 14 bps that has offset the -13 bps of the IFRS9 calendar effect on January 1, 2020), 12 bps thanks to lower deductions (mainly due to the treatment of intangibles from the fourth quarter, with an impact of 17 bps) and the remaining -3 bps are due to the impact of the revaluation of financial assets (although this factor improves significantly in the last quarter).

The ECB has notified that the Group’s capital requirements for 2020 will also apply for this year 2021, maintaining a capital requirement of 13%. The distance to SREP stands at 249 bps, which rises to 499 bps considering the temporary and extraordinary ECB measures for the sector, such as the temporary elimination of the capital conservation buffer of 250 bps.

The ECB extended to all financial entities its recommendation on the suspension of dividends' distribution, at least until September 2021. The Group will follow at all times the recommendation of the Supervisor.

GCC received in June 2020 from the Bank of Spain the formal notification of the MREL requirement on a consolidated basis, determined by the SRB. Based on this latest update and on the financial and prudential information available as of 31st December 2018, GCC must reach an MREL of 11.42% in terms of total liabilities and own funds (TLOF) equivalent to 21.76% in terms of RWAs, of which 8.66% (16.50% in terms of RWAs) must be covered with subordinated instruments. This requirement can be met with non-subordinated instruments up to 2.2% of the total risk exposure.

Under these parameters and in accordance with the Group's projections, the MREL issuance needs are estimated at around 1,500 million euros, with a preliminary compliance date in January 2024. The Group is waiting to receive during the first quarter of the year, the updated MREL requirement, which could incorporate an interim requirement for January 2022, as well as knowing if the compliance date is maintained or postponed from January 2024.

Based on current MREL needs forecast, the Group has planned to issue MREL debt at a rate of 500 million euros per year, depending on the requirements that are finally communicated.

Liquidity

Customer deposits experienced a positive evolution (+15.4% y-o-y), a trend that continued in the fourth quarter of the year with an increase of 362 million euros (1% more than at the end of the previous quarter). This tendency enables the LTD ratio to stand at 89.9% (compared to 95.1% in the fourth quarter of 2019) and improve the business gap to 3,672 million euros (+2,103 million euros in y-o-y terms).

Also, off-balance sheet funds continue to improve significantly compared to the falls generated as a result of COVID-19 during the state of alarm and have increased by 6% q-o-q reaching 5,056 million euros. Particularly significant is the improvement in mutual funds with an increase of 8.3% in the quarter (+ 8% y-o-y), motivated by the increase in net asset values and the new inflows from investors, as a result of the better macroeconomic perspectives. In fact, off-balance-sheet funds are expected to grow above 15% by 2021 and 18% by 2022.

Thus, the liquidity position continues to be comfortable and improving on y-o-y terms, based on a solid and diversified customer base, with regulatory ratios well above requirements (LCR 235%, +23 pp y-o-y, NSFR 129%, +5 pp y-o-y).

The Group received financing from the ECB's TLTRO III for the maximum amount possible arranged through three dispositions with maturities between December 2022 and June 2023, reaching 9,482 million euros. However, at its December 2020 meeting, the ECB modified the conditions of the TLTRO III, extending the favorable conditions for the period between June 2021 and June 2022. During this period, the applicable interest rate to these operations will be 50 bps lower than the deposit facility rate (currently -0.50%, meaning that the final rate during that period would be -1% with current reference rates), provided that the minimum borrowing threshold is met. In addition, the maximum amount was increased from 50% to 55% of these eligible loans. To allow entities to access easily these measures, there will be three new TLTRO III auctions in June, September and December 2021 (with 3 years maturity). By raising the threshold from which to borrow from 50% to 55% of the eligible loan portfolio as of 28/02/2019, the Group intends to go for additional 949 million euros to the TLTRO III auction, with the aim of receiving the maximum remuneration of -1.0% during the established period. However, this additional remuneration of 50 bps will not be considered until the 1Q21 results when the Group will be able to confirm that it complies with the minimum growth of the eligible loans threshold (0%) to access the mentioned remuneration.

The Group has 8,027 million euros of available high-quality liquid assets (HQLA), as well as 3,104 million euros of additional capacity to issue covered bonds. In December 2020, the Group issued a retained covered bond of 750 million euros, with the aim of increasing the collateral at the ECB. This covered bond was assigned a credit rating of AA by S&P.

Regarding potential issues during 2021, it should be noted that the Group has two outstanding subordinated debt issues in the market: € 100 million T2 CAJAMA 9 with a call date in November 2021 and € 300 million T2 CAJAMA 7 ¾ with a call date in June 2022. The Group is outlining the final details of its refinancing/issuance strategy, due to the proximity to the call dates, with the aim of taking advantage of any issuance window in the market and efficiently managing the refinancing of both issuances with a single larger issuance (benchmark) and therefore more liquid. Likewise, and in accordance with the current MREL requirements, BCC is considering the possibility of issuing MREL eligible debt through three issuances according to the calendar that is to be communicated to the Group.

Results

Net interest income has increased in the fourth quarter, compared to the previous quarter, reaching 161 million euros (+6% q-o-q). Net interest margin accumulated in the year reached 607 million euros, implying a growth of 3% compared to the previous year. These q-o-q and y-o-y increases are mainly motivated by the decrease in the cost of both retail and wholesale funding, a decrease that has been able to offset the negative effect of low interest rates on the loan portfolio.

Net commissions experienced a quarterly growth of 1.1% thanks to the recovery of activity after lockdown, especially thanks to the boost of commissions from insurance and pension plans (+ 8% q-o-q) and mutual funds (+23% q-o-q). Regarding the y-o-y variation, the commissions accumulated up to December decreased by 8.3% y-o-y to 225 million euros as a result of the lower activity caused by the pandemic, which was especially relevant during the second quarter of the year, the exemptions on financial services granted by entities to help clients face the COVID crisis, the decrease of commissions coming from overdrafts and defaults thanks to the drop in delinquencies, and the higher costs of the ICO guarantee commissions.

On the other hand, accumulated gains on financial transactions up to December stood at 216 million euros, mainly due to the extraordinary profits generated in the second quarter of the year from the fixed income portfolios sales and the improvement in the valuation of the portfolio designated at fair value through profit or loss.

“Other operating income and expenses” deducts 11 million euros more than in 2019 from the P&L, of which the majority corresponds to regulatory expenses like the contribution to the Deposit Fund Guarantee and the Single Resolution Fund (which implies an increase in expenses of 7 million euros).

As a consequence of the above, the gross margin for the quarter reached 226 million euros (+ 6.2% q-o-q), 1,049 million euros accumulated at the end of December (-8.6% y-o-y).

It is worth mentioning the containment of the administration expenses, thanks to the reduction of 1.3% in personnel expenses and 1% in other general administration expenses, leading to an efficiency ratio in the quarter of 54.72%. The accumulated pre-provision profit for the year reached 475 million euros (-17.2% y-o-y, + 17.1% q-o-q).

Up to now, the Group has decided to make provisions specifically to deal with COVID-19 of 75 million euros allocated in the second quarter of the year, which leads to a cost of risk of 1.06%. Without taking these provisions into account, the cost of risk would be 85 bps, still higher than the sector average as the strategy is to allocate any non-recurring income to strengthening coverage. The target of having a coverage ratio above 50% for 2020 was surpassed, standing at 59% in the fourth quarter, already in line with peers. Although the cost of risk will continue to be high as a result of the crisis, the Group is confident that it will stabilize around 60 bps in 2022.

During the fourth quarter, practically all the operating margin was used to improve coverage. As a consequence, the accumulated result for the year decreased by -74% y-o-y to 24 million euros.

Streamlining

Grupo Cooperativo Cajamar ended the quarter with a network of 910 branches (46 branches less than a year ago). During the year, Grupo Cooperativo Cajamar opened 8 new offices, with a special focus on provinces where it had little or no presence, such as Álava, Cáceres or Lugo. The workforce stands at 5,406 employees, 77 less than a year ago.

Rating

On the 26^{th} of November 2020, S&P Global Ratings and DBRS Morningstar started to assign credit ratings to Cajamar and BCC, the two entities of Grupo Cooperativo Cajamar that have debt instruments issued in the market. The long-term rating assigned by S&P has been BB, with a stable outlook, and BB (high) with a negative outlook in the case of DBRS. On the other hand, in January 2021 it was communicated the decision of not renewing the contractual agreement with Fitch Ratings, who announced the withdrawal of the rating and its update on the 20th January 2021, affirming the long-term rating at BB- and the short-term rating at B, and revising the Outlook from negative to stable.

Thanks to this change, the group goes from having a single rating agency to having two, expanding the coverage and information available for the market.

Sustainability

Grupo Cooperativo Cajamar is known for its social cooperative-based nature, its mission and vision, its ethical management system and its conviction around the promotion of the social economy as a socio-economic model that aims to put the financial resources at the service of people and ideas.

Grupo Cooperativo Cajamar carries out I+D+I projects in agro-sustainability, food and health, bio-economy and greenhouse technology and transfers knowledge to companies, farmers, professionals and researchers, through its experimental centers in Almería and Valencia. In December the Group put in place the "Ground Platform" (www.plataformatierra.es), which is an internet website that provides provide differential digital services to this sector.

The Group is committed to socially responsible investment through the establishment of exclusion criteria or unwanted relationships, while having also positive criteria.

In August, Sustainalytics rating agency assigned Grupo Cooperativo Cajamar an ESG rating of 13.7 (within the low risk range), which positioned the Group as the 2nd best rating in the world, in the diversified banking sub-industry (retail). The rating obtained is the best among the main Spanish banks and the second-best rating globally, referring to the diversified retail banking sub-industry among the 378 entities evaluated. Within the banking group at a global level, in which 948 entities participate, it would be ranked twenty-ninth. Within the score classification by subject, it has an insignificant risk in product governance and human capital and a low risk in privacy and data security, business ethics and ESG-Finance integration.

The international organization 'Carbon Disclosure Project' (CDP) has placed the Group in the 'Leadership' category with an A- valuation, which places it among the leading companies in managing the carbon footprint and risks derived from climate change. This assessment leads the Group above the average for the financial sector (B), Europe (C) and the world average (C).

In December, the Board of Directors approved the inclusion in the Risk Apetite Framework (RAF) of two climate indicators: The Concentration indicator in Carbon-Intensive sectors (CIC) and the Concentration indicator in sectors according to Environmental Risks (CRA).

Within the scope of its Sustainability Policy, the Board of Directors of Banco de Crédito Social Cooperativo has approved the frameworks for future bond issuances with positive environmental or social criteria, commonly known as 'green bonds' and 'social bonds'. This is debt, issued by public or private institutions, from which funds will be allocated to the financing or refinancing projects or assets that are sustainable from an environmental and social point of view.

The Group has a supplier approval process and 100% of the approved suppliers have already committed to comply with the Principles of the Global Compact.

Grupo Cooperativo Cajamar has attached to a significant number of initiatives and protocols, which include:

- Principles for Responsible Banking of the United Nations
- Carbon Disclosure Project
- Climate Change Cluster
- Transparency, Governance and Integrity Cluster
- Social Impact Cluster of Forética
- Global Reporting Initiative of Forética
- United Nations Global Compact of Forética
- Women’s Empowerment Principles
- Charter Diversity
- European Association of Co-operative Banks
- SpainSIF
- Task Force on Climate-related Financial Disclosures
- RE100

Financial performance

Funds under management

(EUR Thousands)	31/12/2020	30/09/2020	31/12/2019	y-o-y Abs.	y-o-y %	q-o-q Abs.	q-o-q %
Sight deposits	29,707,433	29,303,876	23,777,663	5,929,770	24.9%	403,557	1.4%
Term deposits	5,547,919	5,589,122	6,783,784	(1,235,865)	(18.2%)	(41,203)	(0.7%)
Customer deposits	**35,255,352**	**34,892,998**	**30,561,447**	**4,693,905**	**15.4%**	**362,354**	**1.0%**
On-balance sheet retail funds	**35,255,352**	**34,892,998**	**30,561,447**	**4,693,905**	**15.4%**	**362,354**	**1.0%**
Bonds and other securities *	1,857,989	2,644,669	2,800,005	(942,016)	(33.6%)	(786,680)	(29.7%)
Subordinated liabilities	400,621	401,715	402,547	(1,926)	(0.5%)	(1,094)	(0.3%)
Central counterparty deposits	1,381,189	99,982	3,714,853	(2,333,664)	(62.8%)	1,281,207	1281.4%
Financial institutions	764,014	730,274	631,400	132,614	21.0%	33,740	4.6%
ECB	9,449,530	9,461,705	5,040,280	4,409,250	87.5%	(12,175)	(0.1%)
Wholesale funds	**13,853,343**	**13,338,345**	**12,589,085**	**1,264,258**	**10.0%**	**514,998**	**3.9%**
Total balance sheet funds	**49,108,695**	**48,231,343**	**43,150,532**	**5,958,163**	**13.8%**	**877,352**	**1.8%**
Mutual funds	3,122,216	2,883,940	2,893,771	228,445	7.9%	238,276	8.3%
Pension plans	875,176	842,788	832,230	42,946	5.2%	32,388	3.8%
Savings insurances	629,182	654,311	671,219	(42,037)	(6.3%)	(25,129)	(3.8%)
Fixed-equity income	429,654	391,291	453,348	(23,694)	(5.2%)	38,363	9.8%
Off-balance sheet funds	**5,056,227**	**4,772,330**	**4,850,569**	**205,658**	**4.2%**	**283,897**	**5.9%**
Customer funds under mgment	**40,311,579**	**39,665,328**	**35,412,016**	**4,899,563**	**13.8%**	**646,251**	**1.6%**
Funds under management	**54,164,922**	**53,003,673**	**48,001,101**	**6,163,821**	**12.8%**	**1,161,249**	**2.2%**

* Covered bonds, territorial bonds and securitization.

Loans and advances to customers

(EUR Thousands)	31/12/2020	30/09/2020	31/12/2019	y-o-y Abs.	y-o-y %	q-o-q Abs.	q-o-q %
General governments	924,492	925,942	469,029	455,463	97.1%	(1,450)	(0.2%)
Other financial corporations	1,354,289	1,304,452	1,157,366	196,923	17.0%	49,837	3.8%
Non-financial corporations	13,945,984	13,403,072	11,838,272	2,107,712	17.8%	542,912	4.1%
Households	17,505,471	17,487,702	17,657,433	(151,962)	(0.9%)	17,769	0.1%
Loans to customers (gross)	**33,730,236**	**33,121,168**	**31,122,100**	**2,608,136**	**8.4%**	**609,068**	**1.8%**
Of which:							
Real estate developers	753,508	780,077	852,469	(98,961)	(11.6%)	(26,569)	(3.4%)
Performing loans to customers	32,071,930	31,376,026	29,174,024	2,897,906	9.9%	695,904	2.2%
Non-performing loans	1,658,306	1,745,142	1,948,076	(289,770)	(14.9%)	(86,836)	(5.0%)
Other loans *	-	-	-	-	-	-	-
Debt securities from customers	**473,888**	**469,355**	**400,542**	**73,346**	**18.3%**	**4,533**	**1.0%**
Gross Loans	**34,204,124**	**33,590,523**	**31,522,642**	**2,681,482**	**8.5%**	**613,601**	**1.8%**
Performing Loans	**32,545,818**	**31,845,381**	**29,574,566**	**2,971,252**	**10.0%**	**700,437**	**2.2%**
Credit losses and impairment	(977,014)	(979,197)	(956,524)	(20,490)	2.1%	2,183	(0.2%)
Total lending	**33,227,107**	**32,611,326**	**30,566,118**	**2,660,989**	**8.7%**	**615,781**	**1.9%**
Off-balance sheet risks							
Contingent risks	757,315	744,385	706,355	50,960	7.2%	12,930	1.7%
of which: non-perfoming contingent risks	8,570	9,668	7,862	708	9.0%	(1,098)	(11.4%)
Total risks	**34,961,439**	**34,334,908**	**32,228,997**	**2,732,442**	**8.5%**	**626,531**	**1.8%**
Non-performing total risks	**1,666,876**	**1,754,810**	**1,955,938**	**(289,062)**	**(14.8%)**	**(87,934)**	**(5.0%)**

* Mainly reverse repurchase agreements

Asset quality

Defaulting debtors (EUR Thousands)	31/12/2020	30/09/2020	31/12/2019	y-o-y Abs.	y-o-y %	q-o-q Abs.	q-o-q %
Non-performing total risks	1,666,876	1,754,810	1,955,938	(289,062)	(14.8%)	(87,934)	(5.0%)
Total risks	34,961,439	34,334,908	32,228,997	2,732,442	8.5%	626,531	1.8%
NPL ratio (%)	4.77%	5.11%	6.07%	(1.30)		(0.34)	
Gross loans coverage	977,020	979,197	956,524	20,496	2.1%	(2,177)	(0.2%)
NPL coverage ratio (%)	58.92%	56.11%	49.10%	9.82		2.81	
Foreclosed Assets (gross)	2,603,559	2,669,824	2,709,536	(105,977)	(3.9%)	(66,265)	(2.5%)
Foreclosed Assets Coverage	1,301,282	1,330,880	1,292,866	8,416	0.7%	(29,599)	(2.2%)
Foreclosed assets coverage ratio (%)	49.98%	49.85%	47.72%	2.27		0.13	
Foreclosed assets coverage with w/o	55.41%	55.27%	53.08%	2.33		0.14	
NPA ratio (%)	11.58%	12.18%	13.61%	(2.03)		(0.60)	
NPA coverage (%)	53.46%	52.32%	48.29%	5.17		1.14	
NPA coverage with w/o (%)	56.68%	55.58%	51.52%	5.16		1.10	

Foreclosed assets (*)

	31/12/2020	30/09/2020	31/12/2019	y-o-y Abs.	y-o-y %	q-o-q Abs.	q-o-q %
Foreclosed assets (gross)	2,603,559	2,669,824	2,709,536	(105,977)	(3.9%)	(66,265)	(2.5%)
Residential assets	1,209,392	1,255,064	1,289,997	(80,605)	(6.2%)	(45,672)	(3.6%)
Of which: under construction	225,801	229,919	218,587	7,214	3.3%	(4,118)	(1.8%)
Commercial assets	1,385,299	1,403,232	1,389,947	(4,647)	(0.3%)	(17,933)	(1.3%)
Of which: rustic land	45,899	49,629	58,310	(12,411)	(21.3%)	(3,729)	(7.5%)
Of which: under construction	2,415	2,355	2,168	248	11.4%	60	2.6%
Of which: urban land	1,036,095	1,039,673	1,009,264	26,830	2.7%	(3,578)	(0.3%)
Of which: developable land	9,972	10,132	9,833	139	1.4%	(160)	(1.6%)
Of which: warehouses	290,917	301,444	310,371	(19,454)	(6.3%)	(10,527)	(3.5%)
Other	8,868	11,528	29,593	(20,725)	(70.0%)	(2,660)	(23.1%)
Foreclosed assets (net)	1,302,277	1,338,944	1,416,670	(114,393)	(8.1%)	(36,666)	(2.7%)
Residential assets	704,714	733,690	773,983	(69,269)	(8.9%)	(28,976)	(3.9%)
Of which: under construction	106,581	110,544	107,183	(602)	(0.6%)	(3,964)	(3.6%)
Commercial assets	591,946	598,829	621,169	(29,223)	(4.7%)	(6,882)	(1.1%)
Of which: rustic land	20,980	22,399	22,773	(1,793)	(7.9%)	(1,419)	(6.3%)
Of which: under construction	1,069	1,046	953	116	12.2%	23	2.2%
Of which: urban land	396,127	397,583	410,242	(14,114)	(3.4%)	(1,456)	(0.4%)
Of which: developable land	2,793	2,850	2,175	617	28.4%	(57)	(2.0%)
Of which: warehouses	170,977	174,951	185,027	(14,049)	(7.6%)	(3,974)	(2.3%)
Other	5,618	6,425	21,518	(15,900)	(73.9%)	(808)	(12.6%)
Coverage (%)	49.98%	49.85%	47.72%	2.27		0.13	
Residential assets	41.73%	41.54%	40.00%	1.73		0.19	
Of which: under construction	52.80%	51.92%	50.97%	1.83		0.88	
Commercial assets	57.27%	57.33%	55.31%	1.96		(0.06)	
Of which: rustic land	54.29%	54.87%	60.95%	(6.65)		(0.58)	
Of which: under construction	55.75%	55.60%	56.03%	(0.29)		0.15	
Of which: urban land	61.77%	61.76%	59.35%	2.41		0.01	
Of which: developable land	72.00%	71.87%	77.88%	(5.88)		0.12	
Of which: warehouses	41.23%	41.96%	40.39%	0.84		(0.73)	
Other	36.65%	44.26%	27.29%	9.37		(7.61)	

(*) RE Investments not included.

REOs breakdown	31/12/2020	30/09/2020	31/12/2019	y-o-y Abs.	y-o-y %	q-o-q Abs.	q-o-q %
REOs (gross)	**2,944,384**	**2,995,233**	**2,991,714**	**(47,330)**	**(1.6%)**	**(50,849)**	**(1.7%)**
Foreclosed assets	**2,603,559**	**2,669,824**	**2,709,536**	**(105,977)**	**(3.9%)**	**(66,265)**	**(2.5%)**
Non-current assets held for sale	501,822	519,264	549,671	(47,849)	(8.7%)	(17,441)	(3.4%)
Inventories	2,101,737	2,150,560	2,159,865	(58,128)	(2.7%)	(48,823)	(2.3%)
RE Investments	**340,825**	**325,410**	**282,178**	**58,647**	**20.8%**	**15,415**	**4.7%**
REOs (net)	**1,497,535**	**1,523,858**	**1,580,946**	**(83,411)**	**(5.3%)**	**(26,323)**	**(1.7%)**
Foreclosed assets	**1,302,277**	**1,338,944**	**1,416,670**	**(114,393)**	**(8.1%)**	**(36,666)**	**(2.7%)**
Non-current assets held for sale	271,171	282,108	309,765	(38,594)	(12.5%)	(10,937)	(3.9%)
Inventories	1,031,107	1,056,836	1,106,905	(75,798)	(6.8%)	(25,729)	(2.4%)
RE Investments	**195,258**	**184,915**	**164,276**	**30,982**	**18.9%**	**10,343**	**5.6%**
REOs (% coverage)	**49.14%**	**49.12%**	**47.16%**	**1.98**		**0.02**	
Foreclosed assets	**49.98%**	**49.85%**	**47.72%**	**2.27**		**0.13**	
Non-current assets held for sale	45.96%	45.67%	43.65%	2.32		0.29	
Inventories	50.94%	50.86%	48.75%	2.19		0.08	
RE Investments	**42.71%**	**43.17%**	**41.78%**	**0.93**		**(0.46)**	

NPL evolution	4Q19	1Q20	2Q20	3Q20	4Q20	Last 4 quarters
Inflows	100	80	65	58	60	264
Outflows	-263	-136	-153	-118	-147	-554
Variation	**-163**	**-55**	**-87**	**-60**	**-87**	**-290**

REOs evolution	4Q19	1Q20	2Q20	3Q20	4Q20	Last 4 quarters
Inflows	114	75	68	45	49	237
Outflows	-247	-72	-57	-56	-100	-285
Variation	**-133**	**3**	**11**	**-10**	**-51**	**-47**

Results

Consolidated P&L at year end

(Datos en miles de €)	31/12/2020	%ATM	31/12/2019	%ATA	y-o-y Abs.	y-o-y %
Interest income	700,149	1.37%	704,293	1.55%	(4,144)	(0.6%)
Interest expenses	(92,718)	(0.18%)	(114,497)	(0.25%)	21,779	(19.0%)
NET INTEREST INCOME	**607,432**	**1.19%**	**589,796**	**1.30%**	**17,636**	**3.0%**
Dividend income	8,878	0.02%	8,705	0.02%	173	2.0%
Income from equity-accounted method	34,839	0.07%	38,435	0.08%	(3,596)	(9.4%)
Net fees and commissions	224,984	0.44%	245,260	0.54%	(20,276)	(8.3%)
Gains (losses) on financial transactions	215,542	0.42%	295,677	0.65%	(80,135)	(27.1%)
Exchange differences [gain or (-) loss], net	1,530	-	3,160	0.01%	(1,630)	(51.6%)
Other operating incomes/expenses	(44,038)	(0.09%)	(33,379)	(0.07%)	(10,659)	31.9%
of which: Transfer to Education/Devpment Fund	(1,353)	-	(3,803)	(0.01%)	2,450	(64.4%)
GROSS INCOME	**1,049,167**	**2.06%**	**1,147,654**	**2.53%**	**(98,487)**	**(8.6%)**
Administrative expenses	(511,049)	(1.00%)	(517,272)	(1.14%)	6,223	(1.2%)
Personnel expenses	(327,368)	(0.64%)	(331,706)	(0.73%)	4,338	(1.3%)
Other administrative expenses	(183,681)	(0.36%)	(185,566)	(0.41%)	1,885	(1.0%)
Depreciation and amortisation	(63,022)	(0.12%)	(56,840)	(0.13%)	(6,182)	10.9%
PRE-PROVISION PROFIT	**475,095**	**0.93%**	**573,542**	**1.26%**	**(98,447)**	**(17.2%)**
Provisions or (-) reversal of provisions	(42,331)	(0.08%)	(53,362)	(0.12%)	11,031	(20.7%)
Impairment losses on financial assets	(310,982)	(0.61%)	(333,633)	(0.74%)	22,651	(6.8%)
OPERATING INCOME	**121,782**	**0.24%**	**186,547**	**0.41%**	**(64,765)**	**(34.7%)**
Impairment or reversal of investments in associates (net)	-	-	-	-	-	-
Impairment losses on non financial assets	(67,262)	(0.13%)	(32,947)	(0.07%)	(34,315)	104.2%
Gains or (-) losses on derecognition of non financial assets	(14,188)	(0.03%)	(27,338)	(0.06%)	13,150	(48.1%)
Profit or (-) loss from non-current assets	(17,247)	(0.03%)	(12,850)	(0.03%)	(4,397)	34.2%
PROFIT BEFORE TAX	**23,085**	**0.05%**	**113,412**	**0.25%**	**(90,327)**	**(79.6%)**
Tax	675	-	(20,917)	(0.05%)	21,592	(103.2%)
CONSOLIDATED NET PROFIT	**23,760**	**0.05%**	**92,495**	**0.20%**	**(68,735)**	**(74.3%)**

Quarterly results

(Datos en miles de €)	4Q20	3Q20	2Q20	1Q20	4Q19	q-o-q Abs.	q-o-q %
Interest income	180,610	175,449	171,714	172,376	181,602	5,161	2.9%
Interest expenses	(19,875)	(23,822)	(24,301)	(24,720)	(28,908)	3,947	(16.6%)
NET INTEREST INCOME	**160,736**	**151,627**	**147,413**	**147,656**	**152,694**	**9,108**	**6.0%**
Dividend income	2,956	3,107	1,960	855	2,608	(152)	(4.9%)
Income from equity-accounted method	9,388	7,896	10,618	6,937	14,513	1,492	18.9%
Net fees and commissions	55,449	54,825	51,388	63,322	62,236	624	1.1%
Gains (losses) on financial transactions	9,607	9,225	180,041	16,669	(585)	382	4.1%
Exchange differences [gain or (-) loss], net	456	656	662	(243)	1,362	(200)	(30.4%)
Other operating incomes/expenses	(12,958)	(14,853)	(12,133)	(4,094)	(6,568)	1,895	(12.8%)
of which:Transfer to EDF	*(122)*	*(599)*	*(11)*	*(621)*	*11*	*478*	*(79.7%)*
GROSS INCOME	**225,634**	**212,483**	**379,948**	**231,102**	**226,260**	**13,150**	**6.2%**
Administrative expenses	(129,497)	(128,956)	(123,705)	(128,892)	(129,136)	(541)	0.4%
Personnel expenses	(83,166)	(81,031)	(80,315)	(82,857)	(83,004)	(2,135)	2.6%
Other administrative expenses	(46,331)	(47,925)	(43,389)	(46,036)	(46,132)	1,594	(3.3%)
Depreciation and amortisation	(17,173)	(16,080)	(15,184)	(14,585)	(14,668)	(1,093)	6.8%
PRE-PROVISION PROFIT	**78,964**	**67,448**	**241,059**	**87,625**	**82,456**	**11,516**	**17.1%**
Provisions or (-) reversal of provisions	(10,465)	(2,301)	(27,907)	(1,658)	7,681	(8,164)	354.8%
Impairment losses on financial assets	(66,458)	(36,149)	(151,372)	(57,003)	(78,560)	(30,309)	83.8%
OPERATING INCOME	**2,040**	**28,998**	**61,780**	**28,964**	**11,577**	**(26,957)**	**(93.0%)**
Impairment of investments in or associates (net)	-	-	-	-	-	-	-
Impairment losses on non financial assets	(5,886)	(28,990)	(31,384)	(1,002)	(2,739)	23,104	(79.7%)
Gains on derecognition of non financial assets	859	2,012	(10,652)	(6,407)	(4,272)	(1,153)	(57.3%)
Profit or (-) loss from non-current assets	(2,879)	(1,943)	(9,495)	(2,931)	(3,071)	(936)	48.2%
PROFIT BEFORE TAX	**(5,865)**	**77**	**10,248**	**18,624**	**1,494**	**(5,942)**	**-**
Tax	15,038	(3,737)	(9,262)	(1,363)	8,945	18,776	-
CONSOLIDATED NET PROFIT	**9,174**	**(3,660)**	**986**	**17,261**	**10,439**	**12,834**	**-**

Solvency

Phased in (EUR Thousands)	31/12/2020	30/09/2020	31/12/2019	y-o-y Abs.	y-o-y %	q-o-q Abs.	q-o-q %
Capital	3,033,545	3,014,107	2,947,594	85,951	2.9%	19,438	0.6%
Reserves	501,870	479,385	508,321	(6,451)	(1.3%)	22,485	4.7%
AFS Surplus	(3,825)	(49,886)	3,382	(7,207)	(213.1%)	46,061	(92.3%)
Capital deductions	(386,185)	(429,862)	(415,124)	28,939	(7.0%)	43,677	(10.2%)
Ordinary Tier 1 Capital	**3,145,405**	**3,013,745**	**3,044,173**	**101,232**	**3.3%**	**131,660**	**4.4%**
CET1 ratio (%)	**13.79%**	**13.06%**	**13.03%**	**0.76**		**0.73**	
Tier2 Capital	**388,000**	**388,000**	**388,000**	**-**	**-**	**-**	**-**
Tier 2 ratio (%)	**1.70%**	**1.68%**	**1.66%**	**0.04**		**0.02**	
Eligible capital	**3,533,405**	**3,401,745**	**3,432,173**	**101,232**	**2.9%**	**131,660**	**3.9%**
Capital ratio (%)	**15.49%**	**14.74%**	**14.69%**	**0.80**		**0.75**	
Total RWAs	**22,812,260**	**23,073,980**	**23,357,888**	**(545,628)**	**(2.3%)**	**(261,720)**	**(1.1%)**
Credit risk	21,124,124	21,422,230	21,693,601	(569,477)	(2.6%)	(298,106)	(1.4%)
Operational risk	1,557,390	1,522,646	1,522,646	34,744	2.3%	34,744	2.3%
Other risk	130,746	129,104	141,641	(10,895)	(7.7%)	1,642	1.3%
Fully-loaded (EUR Thousands)							
Capital	3,033,545	3,014,107	2,947,594	85,951	2.9%	19,438	0.6%
Reserves	325,925	335,197	333,234	(7,309)	(2.2%)	(9,271)	(2.8%)
AFS Surplus	(3,825)	(49,886)	3,382	(7,207)	(213.1%)	46,061	(92.3%)
Capital deductions	(386,185)	(429,862)	(415,124)	28,939	(7.0%)	43,677	(10.2%)
Ordinary Tier 1 Capital	**2,969,460**	**2,869,556**	**2,869,086**	**100,374**	**3.5%**	**99,904**	**3.5%**
CET1 ratio (%)	**13.06%**	**12.46%**	**12.32%**	**0.74**		**0.60**	
Tier2 Capital	**388,000**	**388,000**	**388,000**	**-**	**-**	**-**	**-**
Tier 2 ratio (%)	**1.71%**	**1.69%**	**1.67%**	**0.04**		**0.02**	
Eligible capital	**3,357,460**	**3,257,556**	**3,257,086**	**100,374**	**3.1%**	**99,904**	**3.1%**
Capital ratio (%)	**14.77%**	**14.15%**	**13.98%**	**0.79**		**0.62**	
Total RWAs	**22,733,182**	**23,022,747**	**23,291,332**	**(558,150)**	**(2.4%)**	**(289,565)**	**(1.3%)**
Credit risk	21,045,046	21,370,997	21,627,044	(581,998)	(2.7%)	(325,951)	(1.5%)
Operational risk	1,557,390	1,522,646	1,522,646	34,744	2.3%	34,744	2.3%
Other risk	130,746	129,104	141,642	(10,896)	(7.7%)	1,642	1.3%

Liquidity

	4Q20	3Q20	4Q19	y-o-y	q-o-q
LTD(%)	89.92%	89.11%	95.05%	(5.13)	0.81
LCR(%)	235.23%	210.65%	212.33%	22.90	24.58
NSFR(%)	128.57%	127.18%	124.03%	4.54	1.39

Glossary of terms on alternative performance measures

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	Gross Loans	Loans to customers (gross) + Other loans (reverse repurchase agreements) + Debt securities from customers
18	Impairment losses	Impairment or (-) reversal of impairment on financial assets not measured at fair value through profit or loss + Impairment or (-) reversal of impairment on non-financial assets + Impairment or reversal of impairment of investments in joint ventures or associates (net)
19	Loan to deposits ratio (%)	Net loans to customers / (Customer’s deposits + Net issued securitisations + Brokered loans)
20	Net Interest Income o/ATA (%)	Net interest income / Average total assets
21	Non-performing assets (NPA)	Non-performing loans + Foreclosed assets (gross)
22	Non-performing Total risks	Non-performing loans + non-performing contingent risks
23	NPA coverage ratio (%)	(Gross loans coverage + Foreclosed assets coverage) / (Non-performing loans + Foreclosed assets (gross))
24	NPA coverage with debt forgiveness (%)	(Gross loans coverage + Foreclosed assets coverage + debt forgiveness) / (Non-performing loans + Foreclosed assets (gross) + debt forgiveness)

	Measure	Definition and calculation
26	NPL coverage ratio (%)	Gross loans coverage / Non-performing loans
25	NPA ratio (%)	(Non-performing loans + Foreclosed assets (gross)) / (Gross loans + Foreclosed assets (gross))
27	NPL ratio (%)	(Non-performing loans +non-performing contingent risks) / (Gross loans + contingent risks)
28	Off-balance sheet funds	Mutual funds + Pension plans + Saving insurance + Fixed-equity income
29	On-Balance sheet retail funds	Sight deposits + Term deposits + Other funds (repurchase agreements)
30	Operating expenses	Personnel expenses + Other administrative expenses + Depreciation and amortisation
31	Performing Loans	Gross loans – Non-performing loans
32	Performing Loans to customers	Loans to customers (gross) – Non-performing loans
33	Recurring cost-income ratio (%)	Operating expenses / Recurring gross income
34	Recurring Gross Income	Gross income without extraordinary results included in Gains (losses) on financial transactions and without mandatory transfers to the Education and Development Fund included in Other operating income/expenses
35	Recurring Pre-Provision Profit	Recurring gross income – Operating expenses
36	RED Loans	Real estate development loans
37	REOs	Foreclosed assets + Real Estate investments
38	ROA (%)	Annualisation of the following quotient: Consolidated net profit / Average total assets (average of the end-of-quarter figures since the previous December, inclusive)
39	ROE (%)	Annualisation of the following quotient: Consolidated net profit / Average total equity (average of the end-of-quarter figures since the previous December, inclusive)
40	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)
41	Texas ratio (%)	(Non performing total risks + gross REOs) / (Gross loans coverage + REOs coverage + Total equity)
42	Total balance sheet funds	Customers' retail funds + Wholesale funding
43	Total lending	Gross Loans - Credit losses and impairment
44	Total risks	Gross loans + Contingent risks
45	Wholesale funds	Bonds and other securities + Subordinated liabilities + Monetary market operations + Deposits from credit institutions + ECB
46	REOs	Sum of Foreclosed Assets and Real Estate Investments

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