2023

FINANCIAL REPORT
Third Quarter 2023

6 November 2023

Contents

Main figures

Most significant figures (EUR Thousands)	30/09/2023	30/06/2023	30/09/2022	y-o-y Abs.	y-o-y %	q-o-q Abs.	q-o-q %
Profit and loss account							
Net interest income	768,735	469,174	496,437	272,297	54.9%		
Gross income	968,682	606,930	836,324	132,357	15.8%		
Pre-provision profit	482,380	288,278	387,784	94,595	24.4%		
Profit before tax	106,442	70,087	83,928	22,515	26.8%		
Consolidated net profit	93,271	59,688	78,862	14,409	18.3%		
Attributable net profit	93,271	59,688	78,862	14,409	18.3%		
Business							
Total assets	60,965,266	61,975,200	63,273,138	(2,307,872)	(3.6%)	(1,009,934)	(1.6%)
Equity	3,995,949	3,968,476	3,813,171	182,778	4.8%	27,473	0.7%
On-balance sheet retail funds	42,826,605	42,234,574	40,851,217	1,975,388	4.8%	592,031	1.4%
Off-balance sheet funds	7,782,694	7,585,127	6,161,068	1,621,626	26.3%	197,567	2.6%
Performing loans	36,708,273	37,481,721	35,581,817	1,126,456	3.2%	(773,448)	(2.1%)
Risk management							
Gross loans	37,566,962	38,361,953	36,677,597	889,365	2.4%	(794,991)	(2.1%)
Contingent risks	1,291,905	1,214,746	1,129,973	161,932	14.3%	77,159	6.4%
Non-performing loans	858,690	880,232	1,095,780	(237,090)	(21.6%)	(21,542)	(2.4%)
Non-performing contingent risks	4,970	5,097	4,767	203	4.3%	(127)	(2.5%)
NPL ratio (%)	2.22%	2.24%	2.91%	(0.69)		(0.02)	
NPL coverage ratio (%)	71.28%	69.03%	73.22%	(1.94)		2.25	
Texas ratio	35.76%	37.46%	46.23%	(10.47)		(1.70)	
Liquidity							
LTD (%)	83.33%	86.18%	84.51%	(1.18)		(2.85)	
LCR (%)	193.1%	195.95%	160.90%	32.19		(2.86)	
NSFR (%)	150.89%	139.31%	139.03%	11.86		11.58	
Business gap	7,262,008	5,948,764	6,477,719	784,289	12.1%	1,313,244	22.1%
Solvency phased in							
CET1 ratio (%)	13.43%	13.34%	13.12%	0.31		0.09	
Tier 2 ratio (%)	2.36%	2.37%	2.40%	(0.03)		(0.00)	
Capital ratio (%)	15.79%	15.70%	15.52%	0.27		0.09	
Leverage ratio (%)	5.80%	5.56%	5.10%	0.71		0.24	
Solvency fully loaded							
CET1 ratio (%)	13.39%	13.29%	12.89%	0.50		0.10	
Tier 2 ratio (%)	2.36%	2.37%	2.40%	(0.03)		(0.00)	
Capital ratio (%)	15.76%	15.66%	15.29%	0.46		0.10	
Leverage ratio (%)	5.79%	5.54%	5.01%	0.78		0.25	
Profitability and efficiency							
ROA (%)	0.20%	0.19%	0.17%	0.03		0.01	
RORWA (%)	0.50%	0.48%	0.42%	0.08		0.02	
ROE (%)	3.22%	3.13%	2.88%	0.34		0.09	
Cost-income ratio (%)	50.20%	52.50%	53.63%	(3.43)		(2.30)	
Recurring cost-income ratio (%)	49.34%	51.49%	63.21%	(13.87)		(2.15)	
Other data							
Cooperative members	1,694,921	1,684,589	1,630,923	63,998	3.9%	10,332	0.6%
Employees	5,205	5,204	5,254	(49)	(0.9%)	1	0.0%
Branches	842	844	868	(26)	(3.0%)	(2)	(0.2%)

Key Highlights

Current environment

In the third quarter of 2023, the year-on-year change in GDP stood at 1.8%, compared to 2.0% in the previous quarter.[1] In September, the Bank of Spain revised its growth forecasts for 2024 and 2025 slightly downwards, in a context of tightening financial conditions, worsening external economic context and a rebound in energy prices.

For its part, the latest leading indicator of the CPI published by the INE[2] in October places its annual variation at 3.5%, mainly due to the upward effect of electricity, although fuel prices fell and food and non-alcoholic beverages slowed down, while the annual rate of the leading indicator of core inflation decreased to 5.2%.

The tightening of monetary policy led the ECB to raise interest rates by 25 bps in July and another 25 bps at its September meeting, bringing the deposit facility rate to 4.00%.

The Bank of Spain's macroeconomic projections prepared in September envisage GDP growth in Spain of 2.3% in 2023, 1.8% in 2024 (2.2% in the previous forecast) and 2.0% in 2025 (revised slightly downwards by -0.1 pp compared to the June revision). Regarding inflation, the CPI is estimated to change by 3.6% in 2023 (revised upwards by 0.4 pp), 4.3% in 2023 (compared to 3.6% in the previous forecast) and 1.8% in 2025. Unemployment would decrease from 12.9% in 2022 to 12.0% in 2023 and 11.5% in 2024.

Results

GCC's net interest income up to September grew by 55% compared to the same period of the previous year (15% quarter-on-quarter) to €769 million, thanks to the repricing of loans to customers and the coverage of the sovereign debt portfolio, which have offset the higher cost of wholesale financing and the increase in the cost of deposits.

On the other hand, the results of entities valued by the equity method up to September amounted to €35 million (-2.3% year-on-year).

Fees and commissions in the first three quarters of the year amounted to €202 million, 1.7% more than in the same period of the previous year, with higher income from fees and commissions in assets, insurance and financial markets.

Gains/losses on financial assets amounted to €-5 million for the year, mainly due to the sale of a package of non-performing assets.

Other operating products and expenses stood at €-36 million up to September, 3.8% less than in the first nine months of 2022, mainly due to lower contributions to

[1] https://www.ine.es/daco/daco42/daco4214/cntr0323a.pdf

[2] https://www.ine.es/daco/daco42/daco421/ipcia1023.pdf

the Deposit Guarantee Fund and the Single Resolution Fund.

As a result, gross income amounted to €969 million, up 15.8% year-on-year, while recurring gross income was €986 million, up 38.9% compared to the same period last year.

Administrative expenses (€431 million up to September) increased by 8.9% year-on-year due to the collective agreement for salary increases, higher social security and pension contribution expenses, and higher IT expenses.

For its part, amortization deducts €55 million from the income statement, 5.1% more than in the same period of 2022, due to IT developments undertaken.

As a result, the efficiency ratio improved to 50.2% (+3.4 p.p. year-on-year), and the recurring efficiency ratio improved by 14 pp in the last 12 months to 49.3%.

The Group has agreed in 2023 on a voluntary early retirement plan, to which 161 workers have joined, for which a provision of 36 million euros has been made for the year. As a result, provisions amounted to €56 million up to September.

Impairment losses on financial assets amounted to €174 million in the first nine months of the year, 8% more than the previous year, while impairment losses on other assets increased by 3% to €103 million.

Finally, net profit up to September amounted to €93 million, representing an 18% increase compared to the same period last year.

Solvency and MREL

The Group closed the third quarter of the year with a CET1 ratio of 13.43% and a Total Capital ratio of 15.79% (phased-in), representing a CET1 improvement of 31 bps compared to the end of September of the previous year. This improvement is broken down into +52 bps due to the €130 million capital increase, +13 bps from reserves and earnings (where the increase in reserves has absorbed the calendar effect of IFRS9), 9 bps from valuation of assets at fair value, -24 bps from higher deductions, and -19 bps from an increase in RWA.

The Group has achieved the MREL target fifteen months ahead of the date set by the requirement, closing September with a ratio of 22.82% (including the combined buffer requirement of 2.53%), compared to 20.06% in September of the previous year, growth generated mainly by the issuance of €650 million of senior preferred debt in September 2023 (which was the first to be carried out in a green format under BCC's Sustainable Bond Framework). This ratio is 7 bps higher than the final binding target of 22.75% on TREA (including 2.53% of the combined capital buffer), to be met on 1 January 2025. This requirement does not include any subordination requirements.

The MREL ratio expressed in terms of leverage ratio exposure (LRE) stands at 9.87%, well above the requirement (5.36%, to be met by January 1, 2025).

The Group's financing plan contemplates a new issuance of MREL-eligible debt in 2024 to build a buffer to the requirement.

Liquidity

The Group has continued to reduce the volume of central bank deposits, decreasing the amount by €2,198 million in the quarter, leaving a balance sheet of €2,820 million (of which €949 million are TLTROs maturing in March 2024). Liquidity continues to evolve favourably, with a year-on-year improvement in the business gap of €784 million, the issuance of €650 million of senior preferred debt in September, on top of the two issuances of covered bonds in the first quarter of the year (an issuance of €750 million in the wholesale market plus a private placement of another €350 million with the European Investment Bank).

Customer deposits amounted to €42,827 million, up +4.8% year-on-year and 1.4% in the quarter thanks to the SME, retail and public sector segments.

This positive performance also allows the loan-to-deposit (LTD) ratio to continue to improve to 83% (-1.2 percentage points year-on-year change). The regulatory liquidity ratio stands at 193% (+32 pp year-on-year improvement) and the net stable funding ratio, NSFR, has improved by 12 points in the last 12 months, to 151%.

Asset quality

The Group continued to improve its asset quality in the third quarter, reducing both non-performing and foreclosed assets and maintaining its NPL ratio below the sector average (2.2% in the case of GCC compared to 3.6% for the sector's business in Spain). Non-performing assets in lending fell to €859 million in gross terms (-21% year-on-year, -8% quarter-on-quarter), implying an improvement in the NPL ratio of 73 bps year-on-year and 26 bps quarter-on-quarter. The coverage ratio stood at 69% at the end of June, bringing the net NPL ratio to 0.70%.

The Group continues to reduce foreclosed assets to €418 million in net terms (-40% year-on-year and -15% in the quarter), with coverage increasing to 52% (12.4 pp year-on-year and 6 pp quarter-on-quarter).

As a result, the gross non-performing asset ratio continued to improve to 4.5% in September (-1.4 pp year-on-year, -0.6 pp quarter-on-quarter) with coverage ratio increasing to 62%. As a result, the net non-performing assets ratio fell to 1.9% (-0.7 pp year-on-year and -6 pp quarter-on-quarter).

For its part, the Texas ratio improved to 36% (-11 points in the year and -2 points in the quarter).

Sustainability

To achieve the goal of climate neutrality by 2050, the Group is working on setting its targets with respect to scopes 1 and 2, as well as on the decarbonisation targets corresponding to scope 3, in line with its adherence to the Science Based Targets (SBTi) initiatives, and the most recent in 2022, the Net-Zero Banking Alliance (NZBA).

The Group has been measuring its carbon footprint since 2014, offsetting its direct emissions since 2018 and ensuring that all its electricity consumption comes from renewable sources. In 2022, for the second consecutive year, the Group calculated its financed emissions (scope 3, category 15) using the PCAF (Partnership for Carbon Accounting Financials) methodology as a reference.

The Group continues to make progress on its Sustainable Finance Master Plan, which began in 2021, to facilitate its adaptation to the European Union's regulatory expectations on the integration of ESG risks, and also to facilitate its incorporation into the organization given its transversal nature. This plan includes, among other measures, collecting extra-financial information from the client related to sustainability in the origination of financing operations, including ESG indicators and those related to the reduction of the carbon footprint in the incentives of the entire entity, incorporating new sustainability indicators in the Risk Appetite Framework and carrying out the materiality analysis that includes the potential impact of the climate factor on the traditional risks.

Likewise, ESG criteria related to financing proposals for significant amounts and/or for clients who are required to prepare Non-Financial Information Statements and for clients with relevant activities are incorporated into the risk analysis.

In July 2023, the Group updated and published its Sustainable Bond Framework, having obtained a 'Very Good' rating in its Second Opinion Report (SPO). This update includes new categories that include the remaining environmental objectives of the EU Taxonomy. Following this publication, the Group has successfully carried out its first green bond issuance for €650M, keeping outstanding the €500M social bond issue made in 2022.

The Cajamar Innova initiative (incubator and accelerator of high-tech water start-ups) has been awarded the 'Gold Star' award in the 'Europe Feels 2023' category by the Directorate-General for European Funds of the Ministry of Finance and Public Service for its commitment to the use and transfer of technology applied to the optimisation of water resources to promote more sustainable development from an economic point of view. social and environmental.

Reinforcing its support for the promotion of biodiversity, in 2023 the Group has joined the renewed Spanish Business and Biodiversity Initiative, and together with 18 other companies, has signed the new Pact for Biodiversity and Natural Capital, thus supporting the objectives of the Kunming-Montreal Global Biodiversity Framework.

Ratings

In June, S&P Global upgraded Cajamar and BCC's rating by one notch, placing it at BB+ with a stable outlook. In its note, S&P Global anticipates GCC to continue to improve revenue generation and efficiency, noting the reduction of troubled assets and the strengthening of the Group's capital base.

For its part, the rating granted by DBRS Morningstar continues at BB(high) with *a positive trend*, a rating that was granted in December 2022 and in which the agency reflected the increase in the Group's capital position, the progress in the NPA reduction strategy over the last few years, the return to pre-COVID profitability levels, the strength of the franchise in Spain with its exposure to the agricultural sector, especially in Almeria and Valencia, which provides the Group with a stable deposit base.

Financial performance

Funds under management

(EUR Thousands)	30/09/2023	30/06/2023	30/09/2022	y- o -y		q-o-q	
				Abs.	%	Abs.	%
Sight deposits	36,692,711	37,055,724	37,431,530	(738,819)	(2.0%)	(363,013)	(1.0%)
Term deposits	6,133,894	5,178,850	3,419,687	2,714,207	79.4%	955,044	18.4%
Customer deposits	**42,826,605**	**42,234,574**	**40,851,217**	**1,975,388**	**4.8%**	**592,031**	**1.4%**
On-balance sheet retail funds	**42,826,605**	**42,234,574**	**40,851,217**	**1,975,388**	**4.8%**	**592,031**	**1.4%**
Bonds and other securities *	1,362,315	1,410,037	816,934	545,381	66.8%	(47,722)	(3.4%)
Subordinated liabilities/Senior Preferred Debt	2,275,752	1,639,210	1,625,021	650,731	40.0%	636,542	38.8%
Monetary market operations	2,032,380	2,196,190	513,000	1,519,380	296.2%	(163,810)	(7.5%)
Deposits from credit institutions	534,939	574,463	970,382	(435,443)	(44.9%)	(39,524)	(6.9%)
ECB	2,819,829	5,017,826	10,219,755	(7,399,926)	(72.4%)	(2,197,997)	(43.8%)
Wholesale funds	**9,025,215**	**10,837,726**	**14,145,092**	**(5,119,877)**	**(36.2%)**	**(1,812,511)**	**(16.7%)**
Total balance sheet funds	**51,851,820**	**53,072,300**	**54,996,309**	**(3,144,489)**	**(5.7%)**	**(1,220,480)**	**(2.3%)**
Investment funds	5,193,744	4,963,321	4,229,115	964,629	22.8%	230,423	4.6%
Pension plans	928,295	913,858	908,274	20,021	2.2%	14,437	1.6%
Savings insurances	480,437	491,744	528,784	(48,347)	(9.1%)	(11,307)	(2.3%)
Fixed-equity income	1,180,218	1,216,204	494,895	685,323	138.5%	(35,986)	(3.0%)
Off-balance sheet funds	**7,782,694**	**7,585,127**	**6,161,068**	**1,621,626**	**26.3%**	**197,567**	**2.6%**
Customer funds under management	**50,609,299**	**49,819,701**	**47,012,285**	**3,597,014**	**7.7%**	**789,598**	**1.6%**
Funds under management	**59,634,514**	**60,657,427**	**61,157,377**	**(1,522,863)**	**(2.5%)**	**(1,022,913)**	**(1.7%)**

* Covered bonds, territorial bonds and securitization.

Loans and advances to customers

(EUR Thousands)	30/09/2023	30/06/2023	30/09/2022	y- o -y		q-o-q	
				Abs.	%	Abs.	%
General governments	2,360,058	2,623,238	1,630,283	729,775	44.8%	(263,180)	(10.0%)
Other financial corporations	1,562,966	1,749,026	1,685,134	(122,168)	(7.2%)	(186,060)	(10.6%)
Non-financial corporations	16,025,053	15,937,914	15,005,207	1,019,846	6.8%	87,139	0.5%
Households	16,962,715	17,404,205	17,810,278	(847,563)	(4.8%)	(441,490)	(2.5%)
Loans to customers (gross)	**36,910,792**	**37,714,383**	**36,130,902**	**779,890**	**2.2%**	**(803,591)**	**(2.1%)**
Non-performing loans	858,690	880,232	1,095,780	(237,090)	(21.6%)	(21,542)	(2.4%)
Other loans *	-	-	-	-	-	-	-
Debt securities from customers	**656,170**	**647,570**	**546,695**	**109,475**	**20.0%**	**8,600**	**1.3%**
Gross loans	**37,566,962**	**38,361,953**	**36,677,597**	**889,365**	**2.4%**	**(794,991)**	**(2.1%)**
Performing loans	**36,708,273**	**37,481,721**	**35,581,817**	**1,126,456**	**3.2%**	**(773,448)**	**(2.1%)**
Credit losses and impairment	(603,533)	(605,049)	(802,363)	198,830	(24.8%)	1,516	(0.3%)
Total lending	**36,963,429**	**37,756,904**	**35,875,234**	**1,088,195**	**3.0%**	**(793,475)**	**(2.1%)**
Off-balance sheet risks							
Contingent risks	1,291,905	1,214,746	1,129,973	161,932	14.3%	77,159	6.4%
of which: non-performing contingent risks	4,970	5,097	4,767	203	4.3%	(127)	(2.5%)
Total risks	**38,858,867**	**39,576,699**	**37,807,570**	**1,051,297**	**2.8%**	**(717,832)**	**(1.8%)**
Non-performing total risks	**863,660**	**885,329**	**1,100,547**	**(236,887)**	**(21.5%)**	**(21,669)**	**(2.4%)**

* Mainly reverse repurchase agreements

Asset quality

(EUR Thousands)	30/09/2023	30/06/2023	30/09/2022	y-o-y		q-o-q	
				Abs.	%	Abs.	%
Defaulting debtors							
Non-performing total risks	863,660	885,329	1,100,547	(236,887)	(21.5%)	(21,669)	(2.4%)
Total risks	38,858,867	39,576,699	37,807,570	1,051,297	2.8%	(717,832)	(1.8%)
NPL ratio (%)	2.22%	2.24%	2.91%	(0.69)		(0.02)	
Gross loans coverage	612,055	607,585	802,363	(190,308)	(23.7%)	4,470	0.7%
NPL coverage ratio (%)	71.28%	69.03%	73.22%	(1.94)		2.25	
Net NPL ratio (%)	0.64%	0.70%	0.79%	(0.15)		(0.06)	
Foreclosed assets *							
Foreclosed assets (gross book value)	862,560	900,552	1,141,595	(279,035)	(24.4%)	(37,992)	(4.2%)
Foreclosed assets coverage	444,691	410,612	446,980	(2,289)	(0.5%)	34,079	8.3%
Foreclosed assets (net)	417,868	489,940	694,614	(276,746)	(39.8%)	(72,071)	(14.7%)
Foreclosed assets coverage ratio (%)	51.55%	45.60%	39.15%	12.40		5.96	
NPA ratio (%)	4.48%	4.54%	5.92%	(1.44)		(0.06)	
NPA coverage ratio (%)	61.39%	57.18%	55.84%	5.55		4.21	
Net NPA ratio (%)	1.78%	1.99%	2.70%	(0.92)		(0.21)	

(*) Quality assets not included

	3Q 2022	4Q 2022	1Q 2023	2Q 2023	3Q 2023	Last 4 quarters
NPL Inflow	94	171	93	117	**96**	478
NPL Outflow	(119)	(253)	(151)	(193)	**(117)**	(715)
TOTAL	(25)	(82)	(57)	(77)	(22)	(237)

Foreclosed assets (*) (EUR Thousands)	30/09/2023	30/06/2023	30/09/2022	Interanual		Trimestral	
				Abs.	%	Abs.	%
Foreclosed assets (gross book value)	**862,560**	**900,552**	**1,141,595**	**(279,035)**	**(24.4%)**	**(37,992)**	**(4.2%)**
Foreclosed assets coverage	444,691	410,612	446,980	(2,289)	(0.5%)	34,079	8.3%
Foreclosed assets (net)	**417,868**	**489,940**	**694,614**	**(276,746)**	**(39.8%)**	**(72,071)**	**(14.7%)**
Foreclosed assets coverage ratio (%)	51.55%	45.60%	39.15%	12.40		5.96	
By asset type							
Foreclosed assets (gross book value)	862,560	900,552	1,141,595	(279,035)	(24.4%)	(37,992)	(4.2%)
Residential properties	**333,788**	**354,793**	**476,239**	**(142,451)**	**(29.9%)**	**(21,006)**	**(5.9%)**
Of which: under construction	79,419	83,473	95,152	(15,734)	(16.5%)	(4,055)	(4.9%)
Commercial properties	**527,889**	**544,264**	**654,990**	**(127,101)**	**(19.4%)**	**(16,375)**	**(3.0%)**
Of which: countryside land	24,148	23,121	24,652	(504)	(2.0%)	1,027	4.4%
Of which: under construction	1,097	1,097	953	145	15.2%	(0)	(0.0%)
Of which: urban land	386,547	393,538	467,759	(81,212)	(17.4%)	(6,991)	(1.8%)
Of which: developable land	3,423	3,817	4,283	(860)	(20.1%)	(394)	(10.3%)
Others	**883**	**1,494**	**10,366**	**(9,483)**	**(91.5%)**	**(611)**	**(40.9%)**
Foreclosed assets (net)	417,868	489,940	694,614	(276,746)	(39.8%)	(72,071)	(14.7%)
Residential properties	**191,820**	**240,674**	**345,955**	**(154,134)**	**(44.6%)**	**(48,853)**	**(20.3%)**
Of which: under construction	43,740	55,380	61,367	(17,627)	(28.7%)	(11,640)	(21.0%)
Commercial properties	**225,165**	**247,772**	**338,294**	**(113,129)**	**(33.4%)**	**(22,607)**	**(9.1%)**
Of which: countryside land	13,459	13,592	16,452	(2,993)	(18.2%)	(133)	(1.0%)
Of which: under construction	648	714	695	(47)	(6.8%)	(66)	(9.3%)
Of which: urban land	148,474	163,244	203,770	(55,296)	(27.1%)	(14,771)	(9.0%)
Of which: developable land	1,549	1,790	2,620	(1,071)	(40.9%)	(240)	(13.4%)
Others	**883**	**1,494**	**10,366**	**(9,483)**	**(91.5%)**	**(611)**	**(40.9%)**
Coverage (%)	51.55%	45.60%	39.15%	12.40		5.96	
Residential properties	**27.50%**	**20.89%**	**27.36%**	**0.15**		**6.61**	
Of which: under construction	26.36%	19.71%	35.51%	(9.15)		6.64	
Commercial properties	**36.54%**	**34.47%**	**48.35%**	**(11.81)**		**2.07**	
Of which: countryside land	28.25%	25.09%	33.26%	(5.02)		3.16	
Of which: under construction	29.40%	25.07%	27.04%	2.37		4.34	
Of which: urban land	38.18%	36.09%	56.44%	(18.26)		2.08	
Of which: developable land	28.46%	28.28%	38.82%	(10.36)		0.18	
Others	**0.00%**	**0.00%**	**0.00%**	**-**		**-**	

(*) Quality assets not included

(EUR Thousands)	30/09/2023	30/06/2023	30/09/2022	y- o -y		q- o -q	
				Abs.	%	Abs.	%
REOs breakdown							
REOs (gross book value)	943,750	983,521	1,228,108	(284,358)	(23.2%)	(39,771)	(4.0%)
Foreclosed assets	862,560	900,552	1,141,595	(279,035)	(24.4%)	(37,992)	(4.2%)
Quality assets	81,191	82,969	86,513	(5,323)	(6.2%)	(1,779)	(2.1%)
REOs (coverage)	488,103	455,536	483,772	4,331	0.9%	32,566	7.1%
Foreclosed assets	444,691	410,612	446,980	(2,289)	(0.5%)	34,079	8.3%
Quality assets	43,412	44,924	36,792	6,620	18.0%	(1,513)	(3.4%)
REOs (net)	455,647	527,985	744,336	(288,689)	(38.8%)	(72,337)	(13.7%)
Foreclosed assets	417,868	489,940	694,614	(276,746)	(39.8%)	(72,071)	(14.7%)
Quality assets	37,779	38,045	49,721	(11,942)	(24.0%)	(266)	(0.7%)
REOs (% coverage)	51.72%	46.32%	39.39%	12.33		5.40	
Foreclosed assets	51.55%	45.60%	39.15%	12.40		5.96	
Quality assets	53.47%	54.15%	42.53%	10.94		(0.68)	

(*) Quality assets not included

Results

Consolidated P&L at the end of the period

(EUR Thousands)	30/09/2023	%ATA	30/09/2022	%ATA	y-o-y Abs.	y-o-y %
Interest income	1,336,450	2.88%	574,008	1.26%	762,443	132.8%
Interest expenses	(567,716)	(1.22%)	(77,570)	(0.17%)	(490,146)	631.9%
Net interest income	**768,735**	**1.66%**	**496,437**	**1.09%**	**272,297**	**54.9%**
Dividend income	3,492	0.01%	3,118	0.01%	374	12.0%
Income from equity-accounted method	34,966	0.08%	35,794	0.08%	(828)	(2.3%)
Net fees and commissions	201,746	0.43%	198,398	0.44%	3,348	1.7%
Gains (losses) on financial transactions	(5,235)	(0.01%)	130,951	0.29%	(136,186)	(104.0%)
Exchange differences [gain or (-) loss], net	809	-	8,854	0.02%	(8,045)	(90.9%)
Other operating incomes/expenses	(35,831)	(0.08%)	(37,228)	(0.08%)	1,397	(3.8%)
of which: Mandatory transfer to Education and Development Fund	*(3,926)*	*(0.01%)*	*(3,213)*	*(0.01%)*	*(713)*	*22.2%*
Gross income	**968,682**	**2.09%**	**836,324**	**1.83%**	**132,357**	**15.8%**
Administrative expenses	(430,964)	(0.93%)	(395,909)	(0.87%)	(35,055)	8.9%
Personnel expenses	(281,977)	(0.61%)	(259,164)	(0.57%)	(22,813)	8.8%
Other administrative expenses	(148,988)	(0.32%)	(136,746)	(0.30%)	(12,242)	9.0%
Depreciation and amortisation	(55,338)	(0.12%)	(52,631)	(0.12%)	(2,707)	5.1%
Pre-provision profit	**482,380**	**1.04%**	**387,784**	**0.85%**	**94,595**	**24.4%**
Provisions or (-) reversal of provisions	(55,722)	(0.12%)	(8,450)	(0.02%)	(47,271)	559.4%
Impairment losses on financial assets	(173,882)	(0.37%)	(161,089)	(0.35%)	(12,794)	7.9%
Operating income	**252,776**	**0.54%**	**218,245**	**0.48%**	**34,531**	**15.8%**
Impairment losses on non financial assets	(103,499)	(0.22%)	(100,276)	(0.22%)	(3,223)	3.2%
Gains or (-) losses on derecognition of non financial assets, net	(20,929)	(0.05%)	(19,002)	(0.04%)	(1,927)	10.1%
Profit or (-) loss from non-current assets	(21,906)	(0.05%)	(15,040)	(0.03%)	(6,866)	45.7%
Profit before tax	**106,442**	**0.23%**	**83,928**	**0.18%**	**22,515**	**26.8%**
Tax	(13,171)	(0.03%)	(5,066)	(0.01%)	(8,106)	160.0%
Consolidated net profit	**93,271**	**0.20%**	**78,862**	**0.17%**	**14,409**	**18.3%**

Quarterly results

(EUR Thousands)	3Q 2022	4Q 2022	1Q 2023	2Q 2023	3Q 2023	q-o-q	%
Interest income	191,452	270,769	348,541	449,887	538,022	88,135	19.59%
Interest expenses	(23,851)	(64,328)	(140,590)	(188,665)	(238,461)	(49,796)	26.39%
Net interest income	**167,601**	**206,441**	**207,951**	**261,222**	**299,561**	**38,338**	**14.68%**
Dividend income	930	661	912	1,163	1,417	254	21.87%
Income from equity-accounted method	12,481	11,400	12,547	11,892	10,526	(1,366)	(11.49%)
Net fees and commissions	63,495	65,613	70,101	65,736	65,909	173	0.26%
Gains (losses) on financial transactions	10,862	(29,032)	3,402	(6,612)	(2,024)	4,588	(69.39%)
Exchange differences [gain or (-) loss], net	5,225	(2,388)	888	(383)	304	687	(179.41%)
Other operating incomes/expenses	(17,581)	(14,872)	(14,405)	(7,485)	(13,941)	(6,457)	86.27%
of which: Mandatory transfer to Education Fund	*(1,348)*	*(937)*	*(974)*	*(831)*	*(2,121)*	*(1,290)*	*155.15%*
Gross income	**243,012**	**237,823**	**281,396**	**325,534**	**361,752**	**36,218**	**11.13%**
Administrative expenses	(131,304)	(135,927)	(140,942)	(140,971)	(149,052)	(8,081)	5.73%
Personnel expenses	(86,732)	(89,959)	(93,388)	(93,635)	(94,954)	(1,320)	1.41%
Other administrative expenses	(44,571)	(45,968)	(47,554)	(47,336)	(54,097)	(6,761)	14.28%
Depreciation and amortisation	(17,809)	(18,238)	(18,096)	(18,642)	(18,599)	43	(0.23%)
Pre-provision profit	**93,899**	**83,658**	**122,358**	**165,921**	**194,101**	**28,181**	**16.98%**
Provisions or (-) reversal of provisions	(5,090)	(15,266)	(14,964)	(30,048)	(10,710)	19,338	(64.36%)
Impairment losses on financial assets	(38,776)	(57,423)	(46,217)	(42,244)	(85,421)	(43,178)	102.21%
Operating income	**50,033**	**10,970**	**61,177**	**93,629**	**97,970**	**4,341**	**4.64%**
Impairment losses on non financial assets	(13,664)	(4,530)	(22,173)	(41,727)	(39,599)	2,128	(5.10%)
Gains or (-) losses on derecognition of non financial assets	(3,511)	(12,141)	(5,709)	(6,631)	(8,588)	(1,957)	29.52%
Profit or (-) loss from non-current assets	(4,728)	(5,002)	(4,033)	(4,447)	(13,427)	(8,980)	201.96%
Profit before tax	**28,129**	**(10,703)**	**29,262**	**40,824**	**36,356**	**(4,469)**	**(10.95%)**
Tax	626	11,843	(5,223)	(5,176)	(2,773)	2,403	(46.43%)
Consolidated net profit	**28,755**	**1,140**	**24,039**	**35,649**	**33,583**	**(2,066)**	**(5.79%)**

Solvency and MREL

(Datos en miles de €)

Phased-in	30/09/2023	30/06/2023	30/09/2022	y- o -y Abs.	y- o -y %	q-o-q Abs.	q-o-q %
Capital	3,518,272	3,496,815	3,388,645	129,627	3.8%	21,457	0.6%
Reserves and results	457,744	444,021	416,283	41,461	10.0%	13,723	3.1%
AFS Surplus/ others	(48,378)	(51,926)	(62,569)	14,191	(22.7%)	3,548	(6.8%)
Capital deductions	(520,688)	(508,341)	(459,573)	(61,116)	13.3%	(12,347)	2.4%
Ordinary tier 1 capital	**3,406,949**	**3,380,568**	**3,282,786**	**124,163**	**3.8%**	**26,381**	**0.8%**
CET1 ratio (%)	**13.43%**	**13.34%**	**13.12%**	**0.31**		**0.09**	
Tier2 capital	**599,972**	**599,977**	**599,921**	**51**	**0.0%**	**(5)**	**(0.0%)**
Tier 2 ratio (%)	**2.36%**	**2.37%**	**2.40%**	**(0.03)**		**(0.00)**	
Eligible capital	**4,006,921**	**3,980,546**	**3,882,707**	**124,214**	**3.2%**	**26,375**	**0.7%**
Capital ratio (%)	**15.79%**	**15.70%**	**15.52%**	**0.27**		**0.09**	
Total risk-weighted assets	**25,375,217**	**25,348,375**	**25,018,979**	**356,238**	**1.4%**	**26,842**	**0.1%**
Credit risk	23,483,915	23,434,888	22,995,777	488,138	2.1%	49,027	0.2%
Operational risk	1,607,865	1,607,865	1,609,118	(1,253)	(0.1%)	-	-
Other risk	283,437	305,622	414,084	(130,647)	(31.6%)	(22,185)	(7.3%)

Fully-loaded	30/09/2023	30/06/2023	30/09/2022	y- o -y Abs.	y- o -y %	q-o-q Abs.	q-o-q %
Capital	3,518,272	3,496,815	3,388,645	129,627	3.8%	21,457	0.6%
Reserves and results	449,257	432,722	357,617	91,640	25.6%	16,535	3.8%
AFS Surplus/ others	(48,378)	(51,926)	(62,569)	14,191	(22.7%)	3,548	(6.8%)
Capital deductions	(520,688)	(508,341)	(459,573)	(61,116)	13.3%	(12,347)	2.4%
Ordinary tier 1 capital	**3,398,462**	**3,369,269**	**3,224,120**	**174,342**	**5.4%**	**29,193**	**0.9%**
CET1 ratio (%)	**13.39%**	**13.29%**	**12.89%**	**0.50**		**0.10**	
Tier2 capital	**599,972**	**599,977**	**599,921**	**51**	**0.0%**	**(5)**	**(0.0%)**
Tier 2 ratio (%)	**2.36%**	**2.37%**	**2.40%**	**(0.03)**		**(0.00)**	
Eligible capital	**3,998,434**	**3,969,247**	**3,824,041**	**174,393**	**4.6%**	**29,187**	**0.7%**
Capital ratio (%)	**15.76%**	**15.66%**	**15.29%**	**0.46**		**0.10**	
Total risk-weighted assets	**25,376,220**	**25,349,114**	**25,006,680**	**369,540**	**1.5%**	**27,106**	**0.1%**
Credit risk	23,484,918	23,435,628	22,983,479	501,439	2.2%	49,290	0.2%
Operational risk	1,607,865	1,607,865	1,609,118	(1,253)	(0.1%)	-	-
Other risk	283,437	305,621	414,083	(130,646)	(31.6%)	(22,184)	(7.3%)

MREL	30/09/2023	30/06/2023	30/09/2022	Interanual Abs.	Interanual %	Trimestral Abs.	Trimestral %
MREL Eligible liabilities	**5,791,729**	**5,115,363**	**5,017,560**	**774,169**	**15.43%**	**676,366**	**13.22%**
Eligible capital	**4,006,921**	**3,980,546**	**3,882,707**	**124,214**	**3.2%**	**26,375**	**0.7%**
Senior Preferred Debt	**1,649,962**	**999,968**	**999,942**	**650,020**	**65.0%**	**649,994**	**65.0%**
Other eligible liabilities	**134,846**	**134,849**	**134,912**	**(65)**	**(0.0%)**	**(3)**	**(0.0%)**
MREL TREA available (%)	**22.82%**	**20.18%**	**20.06%**	**2.76**		**2.64**	
Exposure (LRE)	**58,702,774**	**60,813,111**	**64,413,718**	**(5,710,944)**	**(8.9%)**	**(2,110,337)**	**(3.5%)**
MREL LRE available (%)	**9.87%**	**8.41%**	**7.79%**	**2.08**		**1.46**	

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

Liquidity

	30/09/2023	30/06/2023	30/09/2022	y-o-y	q-o-q
LTD (%)	83.33%	86.18%	84.51%	(1.18)	(2.85)
LCR (%)	193.1%	195.95%	160.90%	32.19	(2.86)
NSFR (%)	150.89%	139.31%	139.03%	11.86	11.58

Glossary of 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 (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 (companies or individuals) of at least one contribution to the equity capital of the credit cooperatives belonging to Grupo Cooperativo Cajamar.
5	Cost of Credit Risk (%)	Total impairment losses annualized for loans and advances / Average Gross Loans.
6	Cost of Risk (%)	Total impairment losses annualized / Average Gross Loans and REOs.
7	Cost-income ratio (%)	Operating Expenses / Gross income.
8	Customer funds under management	Customers' deposits + 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 quality assets (gross book value).
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 ratio (%)	Foreclosed assets net / (Foreclosed assets net + Gross Loans).
17	Funds under management	Total balance-sheet funds + Off-balance-sheet funds.
18	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.
19	Gross income without gains (losses) on financial transactions	Gross income - Gain (losses) on financial transactions.
20	Gross Loans	Loans to customers (gross) + Other loans (reverse repurchase agreements) + Debt securities from customers.
21	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).
22	Loan coverage	Allowances for impairment of loans and advances + Allowances for impairment of other financial assets related to loans and advances financial assets + Allowances for impairment of assets in the customer bond portfolio (debt securities).
23	Loan to deposits ratio (%)	Loans to customers (net) / (customer deposits + net issued securitisations + mediation loans + other retail balance sheet resources).
24	Loans to customers (gross)	Loans and advances to customers - other loans (monetary market transactions through counterparties) + Financial assets designated at fair value through profit and loss (Loans and advances) - Impairment losses on loans and customer prepayments - Impairment losses on other financial assets.
25	MREL ratio (%)	Own funds and eligible liabilities / Risk Weighted Assets.
26	Net Interest Income o/ATA (%)	Net interest income / Average total assets.

27	Net non-performing loans (NPL)	Non-performing loans – Gross Loans Coverage.
28	Net NPA ratio (%)	(Non-performing loans - Gross Loans Coverage + Foreclosed assets net) / (Gross loans – Gross Loans Coverage + Foreclosed assets net).
29	Net NPL ratio (%)	(Non-performing loans - Gross Loans Coverage + Non-performing contingent risks- – Coverage of contingent risks)/ (Gross loans - Gross Loans Coverage + Contingent risks – Coverage of contingent risks).
30	Non-performing assets (NPA)	Non-performing loans + Foreclosed assets (gross).
31	Non-performing loans	Non-performing loans and advances to customers and other non-performing financial assets related to loans and advances to customers + Non-performing assets in the portfolio of customer bonds (debt securities).
32	Non-performing total risks	Non-performing loans + non-performing contingent risks.
33	NPA coverage ratio (%)	(Gross loans coverage + Foreclosed assets coverage) / (Non-performing loans + Foreclosed assets (gross)).
34	NPA ratio (gross) (%)	(Non-performing loans + Foreclosed assets gross) / (Gross loans + Foreclosed assets gross).
35	NPL coverage ratio (%)	Gross loans coverage / Non-performing loans.
36	NPL ratio (%)	(Non-performing loans + non-performing contingent risks) / (Gross loans + contingent risks).
37	Off-balance sheet funds	Investment funds + pension plans + savings insurance + fixed-income and equity securities held by customers.
38	On-balance sheet funds	Sight deposits + Term deposits+ Other funds.
39	Operating expenses	Personnel expenses + Other administrative expenses + Depreciation and Amortization.
40	Performing Loans	Gross loans – Non-performing loans.
41	Recurring cost-income ratio (%)	Operating expenses / Recurring gross income.
42	Recurring gross income	Gross income - Extraordinary results included in Gains (losses) on financial transactions - Mandatory transfers to the Education and Development Fund included in Other Operating income/expenses.
43	RED Loans	Real estate development outstanding amount.
44	REOs	Foreclosed assets + quality assets.
45	ROA (%)	Annualization of the following quotient: Consolidated net profit / Average total assets (average of the end-of-quarter figures since the previous December, inclusive).
46	ROE (%)	Annualization of the following quotient: Consolidated net profit / Average total equity (average of the end-of-quarter figures since the previous December, inclusive).
47	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).
48	Texas ratio (%)	(Non-performing total risks (including non-performing loans from credit institutions) + gross REOs) / (Total risks coverage + REOs coverage + Total Equity).
49	Total balance sheet funds	On-balance sheet funds + Wholesale funding.
50	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).
51	Total lending	Gross loans – Credit losses and impairment.
52	Total risks	Gross loans + Contingent risks.
53	Wholesale funds	Bonds and other securities + Subordinated liabilities + Senior debt + Monetary market operations + Deposits from credit institutions + deposits from ECB.

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This Report contains financial information derived from Grupo Cooperativo Cajamar’s unaudited financial statements for 2022 and first, second and third quarters 2023. None of this financial information has been audited by the external auditors. The financial information has been prepared in accordance with International Financial Reporting Standards (IFRS) and Grupo Cooperativo Cajamar’s internal accounting criteria so as to present fairly the nature of its business. Those criteria are not subject to any regulation and may include estimates and subjective valuations which, if a different methodology were used, could result in significant differences in the information presented.

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