

2023

FINANCIAL REPORT

Fourth Quarter 2023

February 6th, 2024

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Main figures

	31/12/2023	30/09/2023	31/12/2022	Y-O-Y		Q-O-Q	
				Abs.	%	Abs.	%
Profit and loss account							
Net interest income	1,063,572	768,735	702,878	360,693	51.3%		
Gross income	1,331,216	968,682	1,069,884	261,332	24.4%		
Pre-provision profit	678,764	482,380	467,179	211,585	45.3%		
Profit before tax	142,316	106,442	68,960	73,355	106.4%		
Consolidated net profit	126,947	93,271	75,737	51,210	67.6%		
Business							
Total assets	60,156,442	60,965,266	62,315,697	(2,159,255)	(3.5%)	(808,824)	(1.3%)
Equity	4,043,494	3,995,949	3,849,766	193,728	5.0%	47,545	1.2%
On-balance sheet retail funds	43,489,930	42,826,605	40,249,522	3,240,408	8.1%	663,325	1.5%
Off-balance sheet funds	8,235,073	7,782,694	6,445,716	1,789,357	27.8%	452,380	5.8%
Performing loans	36,982,418	36,708,273	36,542,757	439,661	1.2%	274,146	0.7%
Risk management							
Gross loans	37,761,091	37,566,962	37,556,636	204,455	0.5%	194,128	0.5%
Contingent risks	1,258,484	1,291,905	1,100,839	157,645	14.3%	(33,421)	(2.6%)
Non-performing loans	778,672	858,690	1,013,879	(235,207)	(23.2%)	(80,018)	(9.3%)
Non-performing contingent risks	4,995	4,970	4,959	36	0.7%	24	0.5%
NPL ratio (%)	2.0%	2.22%	2.64%	(0.63)		(0.21)	
NPL coverage ratio (%)	74.02%	71.28%	68.42%	5.60		2.74	
Texas ratio	30.80%	34.45%	41.20%	(10.40)		(3.65)	
Liquidity							
LTD (%)	82.55%	83.33%	88.07%	(5.52)		(0.78)	
LCR (%)	197.3%	193.09%	148.82%	48.47		4.20	
NSFR (%)	149.6%	150.89%	128.50%	21.07		(1.32)	
Business gap	7,712,347	7,262,008	4,910,847	2,801,500	57.0%	450,339	6.2%
Solvency phased in							
CET1 ratio (%)	13.64%	13.43%	13.50%	0.14		0.22	
Tier 2 ratio (%)	2.36%	2.36%	2.41%	(0.05)		(0.00)	
Capital ratio (%)	16.00%	15.79%	15.91%	0.09		0.21	
Leverage ratio (%)	5.92%	5.80%	5.40%	0.52		0.11	
Solvency fully loaded							
CET1 ratio (%)	13.56%	13.39%	13.25%	0.30		0.17	
Tier 2 ratio (%)	2.36%	2.36%	2.41%	(0.05)		(0.00)	
Capital ratio (%)	15.92%	15.76%	15.67%	0.25		0.16	
Leverage ratio (%)	5.89%	5.79%	5.31%	0.58		0.10	
Profitability and efficiency							
ROA (%)	0.21%	0.20%	0.12%	0.08		0.00	
RORWA (%)	0.50%	0.50%	0.30%	0.20		-	
ROE (%)	3.26%	3.22%	2.05%	1.21		0.04	
Cost-income ratio (%)	49.01%	50.20%	56.33%	(7.32)		(1.19)	
Other data							
Cooperative members	1,706,159	1,694,921	1,659,650	46,509	2.8%	11,238	0.7%
Employees	5,176	5,205	5,213	(37)	(0.7%)	(29)	(0.6%)
Branches	1,002	842	843	159	18.9%	160	19.0%

Key Highlights

Current environment

In the fourth quarter of 2023, the year-on-year change in GDP stood at 2.0%, compared to 1.9% in the previous quarter¹.

For its part, the latest leading indicator of the CPI published by the INE² in January 2024 places its annual variation at 3.4%, which would represent an increase of 0.3% compared to December due to the rise in electricity prices, despite the decrease in fuel costs. The estimated annual rate of change in core inflation decreases to 3.6 per cent.

The Bank of Spain's macroeconomic projections released in December envisage GDP growth in Spain of 2.4% in 2023, 1.6% in 2024 (1.8% in the previous forecast) and 1.9% in 2025 (revised slightly downwards by -0.1 pp compared to the September revision). As for inflation, the CPI is estimated to change by 3.4% in 2023 (revised downwards by 0.2 pp), 3.3% in 2023 (compared to 4.3% in the previous forecast)³ and 2.0% in 2025. Unemployment would rise from 12.1% in 2023 to 11.7% in 2024 and 11.4% in 2025.

Results

The 2023 financial year was notable for the strong growth in the Group's recurring revenues, particularly net interest income, which grew by 51% compared to 2022 (-2% quarter-on-quarter) to €1,064 million, thanks to the repricing of loans to customers and the coverage of the sovereign debt portfolio, which have offset the higher cost of financing.

On the other hand, the results of entities measured by the equity method for the year amounted to €45 million (-1% year-on-year).

Fees and commissions accumulated €271 million up to December, 3% more than in the previous year, with growth in asset, payment methods and financial markets fees, and lower account maintenance fees.

Gains/losses on financial assets amounted to €-2 million for the year, mainly due to the sale of packages of non-performing assets.

Exchange differences, €1 million in the year, are down 82% compared to €6 million in 2022.

Other products and operating expenses stood at -€53 million up to December, 3% more than in 2022, mainly due to the higher contribution to the Education and Promotion Fund.

¹ <https://www.ine.es/dyngs/Prensa/avCNR4T23.htm>

² <https://www.ine.es/dyngs/Prensa/adIPC0124.htm>

³ BdE data: Bank of Spain - Publications - Economic Analysis and Research - Macro Projections - Economic Bulletin - Report on Projections of the Spanish Economy (bde.es)

All in all, gross income for the year amounted to €1,331 million, up 24% year-on-year.

Administrative expenses (€578 million up to December) increased by 9% year-on-year due to both higher personnel costs (+6%) and other general administrative expenses, which increased by 14% due to higher IT expenses.

For its part, the amortization deducts 76 million euros from the income statement, 5% more than in 2022, due to the IT developments undertaken.

As a result, the efficiency ratio improved to 49% (7.3 p.p. year-on-year improvement).

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 amount to €73 million for the year as a whole.

The Group remains committed to strengthening its balance sheet and continuing to improve asset quality, and as a result of this, impairment losses on financial assets have increased by 18% year-on-year, amounting to €258 million up to December, as well as impairment losses on other assets, which accumulated €152 million in the year (45% more than in 2022).

Finally, the net result for the year amounted to 127 million euros, which represents a 68% increase compared to the previous year.

Solvency and MREL

The Group closed the year with a CET1 ratio of 13.64% and a total capital ratio of 16.00% (phased-in), representing an improvement in CET1 of 14 bps compared to the end of the previous year. This improvement is broken down into +43 bps due to the €106 million capital increase, +9 bps due to reserves and earnings (where the increase in reserves has absorbed the calendar effect of IFRS9), 12 bps due to valuation of assets at fair value, -20 bps due to higher deductions, and -30 bps due to an increase in RWA.

The Group has exceeded the MREL target more than a year ahead of the date set by the requirement, closing 2023 with a ratio of 23.02% (including the combined buffer requirement of 2.53%), compared to 20.47% in December 2022, growth generated mainly by the issuance of €650 million of senior preferred debt in September 2023 (which, in addition, it was the first to be carried out in a *green* format under BCC's Sustainable Bond Framework). This ratio is 27 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, a requirement that does not include any subordination requirement.

The MREL ratio expressed in terms of leverage ratio exposure (LRE) stands at 9.99%, 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 increase the buffer above requirement, subject to market conditions.

Liquidity

In the last quarter, the Group has repaid practically all of its central bank financing, with only the last TLTRO maturing in March 2024 remaining for an amount of €949 million (1.6% of total assets). Liquidity continues to evolve favourably, with a year-on-year improvement in the business gap of €2,802 million and greater access to capital markets with the issuance of €650 million of senior preferred debt in September, in addition to the issuance of covered bonds (two issuances in the first quarter of 2023, to which must be added in January 2024 the recent issue of 600 million euros with which Cajamar reopened the Spanish covered bond market).

Customer deposits amounted to €43,490 million, up +8% year-on-year and 2% year-on-quarter thanks to the retail and corporate segments.

This positive performance also allows the loan-to-deposit (LTD) ratio to continue to improve, below 83% (-5.5 percentage points year-on-year change). The LCR liquidity ratio stands at 197% (+48 pp year-on-year improvement) and the net stable funding ratio, NSFR, improves by 21 points in the last 12 months, to 150%.

Asset quality

At the end of 2023, the Group's NPL ratio stood at 2.0%, compared to 3.6% for the sector's business in Spain,⁴ and its net foreclosed assets stood at €325 million (0.5% of total assets). Non-performing loans

(NPLs) fell by 23% year-on-year and 9% in the fourth quarter, while NPL coverage continued to improve to 74%.

Net foreclosed assets fell by 47% year-on-year and 22% in the fourth quarter, supported by higher asset sales, while asset coverage improved to 58%.

As a result, the net non-performing asset ratio improved to 1.4% (compared to 2.5% in 2022) and the Texas ratio to 31%.

Sustainability

In order to achieve the goal of climate neutrality by 2050, the Group has been working on setting its targets for scopes 1 and 2, as well as decarbonisation targets for scope 3. As a direct result of joining the Net-Zero Banking Alliance (NZBA), an initiative promoted by the United Nations through the Environment Programme (UNEP FI), the Group has identified three material sectors in the first phase: oil and gas, steel and energy, establishing specific decarbonisation targets.

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

⁴ Source: BdE, data for credit in Spain as of November 23

from an economic, social and environmental point of view.

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.

In October, the Ministry for the Ecological Transition and the Demographic Challenge (MITECO), through the Spanish Office for Climate Change (OECC), certified the registration of the 'Bosque Cajamar' reforestation project in its Carbon Footprint Register. This inscription is a recognition of the initiative's contribution to preserving the environment and mitigating climate change.

With regard to the group's sustainability ratings, in November 2023 the rating agency Sustainalytics reaffirmed, once again, that the sustainable aspects of Grupo Cooperativo Cajamar are managed efficiently and demonstrate the consistency and solidity of environmental, social and corporate governance (ESG)

risk management. assigning a rating of 9.9 (negligible risk).

Rating

In November 2023, DBRS Morningstar raised Cajamar and BCC's credit rating by one notch to investment grade at BBB(low). This increase, according to the agency, reflects the improvement in the capital position and the progress in reducing non-performing assets (NPAs) in recent years. The rating action also takes into account that profitability levels, while still weak, are expected to strengthen in the coming quarters thanks to strong net interest income combined with a more normalized cost of risk.

For its part, in June 2023, the rating agency S&P Global upgraded the rating of Cajamar and BCC 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.

Financial performance

Funds under management

(EUR Thousands)	31/12/2023	30/09/2023	31/12/2022	y-o-y		q-o-q	
				Abs.	%	Abs.	%
Sight deposits	35,857,417	36,692,711	36,774,053	(916,636)	(2.5%)	(835,294)	(2.3%)
Term deposits	7,632,513	6,133,894	3,475,469	4,157,044	119.6%	1,498,619	24.4%
Customer deposits	43,489,930	42,826,605	40,249,522	3,240,408	8.1%	663,325	1.5%
On-balance sheet retail funds	43,489,930	42,826,605	40,249,522	3,240,408	8.1%	663,325	1.5%
Bonds and other securities *	1,352,341	1,362,315	794,855	557,486	70.1%	(9,974)	(0.7%)
Subordinated liabilities/Senior Preferred Debt	2,277,833	2,275,752	1,613,655	664,178	41.2%	2,081	0.1%
Monetary market operations	3,160,457	2,032,380	4,043,287	(882,830)	(21.8%)	1,128,077	55.5%
Deposits from credit institutions	610,570	534,939	643,970	(33,400)	(5.2%)	75,631	14.1%
ECB	969,302	2,819,829	6,639,329	(5,670,027)	(85.4%)	(1,850,527)	(65.6%)
Wholesale funds	8,370,503	9,025,215	13,735,096	(5,364,593)	(39.1%)	(654,712)	(7.3%)
Total balance sheet funds	51,860,433	51,851,820	53,984,618	(2,124,185)	(3.9%)	8,613	0.0%
Investment funds	5,634,771	5,193,744	4,368,698	1,266,073	29.0%	441,027	8.5%
Pension plans	942,102	928,295	905,533	36,569	4.0%	13,807	1.5%
Savings insurances	470,681	480,437	519,793	(49,112)	(9.4%)	(9,756)	(2.0%)
Fixed-equity income	1,187,519	1,180,218	651,692	535,827	82.2%	7,301	0.6%
Off-balance sheet funds	8,235,073	7,782,694	6,445,716	1,789,357	27.8%	452,380	5.8%
Customer funds under management	51,725,003	50,609,299	46,695,238	5,029,765	10.8%	1,115,705	2.2%
Funds under management	60,095,506	59,634,514	60,430,334	(334,828)	(0.6%)	460,992	0.8%

* Covered bonds, territorial bonds and securitization.

Loans and advances to customers

(EUR Thousands)	31/12/2023	30/09/2023	31/12/2022	y-o-y		q-o-q	
				Abs.	%	Abs.	%
General governments	2,668,642	2,360,058	1,876,215	792,427	42.2%	308,584	13.1%
Other financial corporations	1,588,027	1,562,966	2,051,343	(463,316)	(22.6%)	25,061	1.6%
Non-financial corporations	15,997,156	16,025,053	15,471,439	525,717	3.4%	(27,898)	(0.2%)
Households	16,813,094	16,962,715	17,550,824	(737,730)	(4.2%)	(149,621)	(0.9%)
Loans to customers (gross)	37,066,919	36,910,792	36,949,821	117,098	0.3%	156,126	0.4%
<i>Non-performing loans</i>	778,672	858,690	1,013,879	(235,207)	(23.2%)	(80,018)	(9.3%)
Other loans *	-	-	-	-	-	-	-
Debt securities from customers	694,172	656,170	606,815	87,357	14.4%	38,002	5.8%
Gross loans	37,761,091	37,566,962	37,556,636	204,455	0.5%	194,128	0.5%
Performing loans	36,982,418	36,708,273	36,542,757	439,661	1.2%	274,146	0.7%
<i>Credit losses and impairment</i>	(576,343)	(603,533)	(693,663)	117,320	(16.9%)	27,190	(4.5%)
Total lending	37,184,748	36,963,429	36,862,973	321,775	0.9%	221,318	0.6%
Off-balance sheet risks							
<i>Contingent risks</i>	1,258,484	1,291,905	1,100,839	157,645	14.3%	(33,421)	(2.6%)
<i>of which: non-performing contingent risks</i>	4,995	4,970	4,959	36	0.7%	24	0.5%
Total risks	39,019,575	38,858,867	38,657,475	362,100	0.9%	160,708	0.4%
Non-performing total risks	783,667	863,660	1,018,838	(235,171)	(23.1%)	(79,993)	(9.3%)

* Mainly reverse repurchase agreements

Asset quality

(EUR Thousands)	31/12/2023	30/09/2023	31/12/2022	y-o-y		q-o-q	
				Abs.	%	Abs.	%
Defaulting debtors							
Non-performing total risks	783,667	863,660	1,018,838	(235,171)	(23.1%)	(79,993)	(9.3%)
Total risks	39,019,575	38,858,867	38,657,475	362,100	0.9%	160,708	0.4%
NPL ratio (%)	2.0%	2.22%	2.64%	(0.63)		(0.21)	
Gross loans coverage	576,344	612,055	693,663	(117,319)	(16.9%)	(35,711)	(5.8%)
NPL coverage ratio (%)	74.02%	71.28%	68.42%	5.60		2.74	
Net NPL ratio (%)	0.52%	0.64%	0.84%	(0.32)		(0.12)	
Foreclosed assets							
Foreclosed assets (gross book value)	770,872	862,560	987,828	(216,956)	(22.0%)	(91,687)	(10.6%)
Foreclosed assets coverage	445,804	444,691	379,722	66,082	17.4%	1,112	0.3%
Foreclosed assets (net)	325,069	417,868	608,106	(283,038)	(46.5%)	(92,800)	(22.2%)
Foreclosed assets coverage ratio (%)	57.83%	51.55%	38.44%	19.39		6.28	
NPA ratio (%)	4.02%	4.48%	5.19%	(1.17)		(0.46)	
NPA coverage ratio (%)	65.96%	61.39%	53.62%	12.34		4.57	
Net NPA ratio (%)	1.41%	1.78%	2.48%	(1.07)		(0.37)	

(€ million)	4Q 2022	1Q 2023	2Q 2023	3Q 2023	4Q 2023	Last 4 quarters
NPL inflows	171	93	117	96	136	442
NPL outflows	(253)	(151)	(193)	(117)	(216)	(677)
TOTAL	(82)	(57)	(77)	(22)	(80)	(235)

(EUR Thousands)	31/12/2023	30/09/2023	31/12/2022	y-o-y		q-o-q	
				Abs.	%	Abs.	%
Foreclosed assets (*)							
Foreclosed assets (gross book value)	770,872	862,560	987,828	(216,956)	(22.0%)	(91,687)	(10.6%)
Foreclosed assets coverage	445,804	444,691	379,722	66,082	17.4%	1,112	0.3%
Foreclosed assets (net)	325,069	417,868	608,106	(283,038)	(46.5%)	(92,800)	(22.2%)
Foreclosed assets coverage ratio (%)	57.83%	51.55%	38.44%	19.39		6.28	
By asset type							
Foreclosed assets (gross book value)	770,872	862,560	987,828	(216,956)	(22.0%)	(91,687)	(10.6%)
Residential properties	292,134	333,788	396,052	(103,918)	(26.2%)	(41,654)	(12.5%)
Of which: under construction	74,043	79,419	82,435	(8,392)	(10.2%)	(5,375)	(6.8%)
Commercial properties	475,017	527,889	585,412	(110,395)	(18.9%)	(52,872)	(10.0%)
Of which: countryside land	21,839	24,148	24,173	(2,334)	(9.7%)	(2,309)	(9.6%)
Of which: under construction	602	1,097	1,103	(500)	(45.4%)	(495)	(45.1%)
Of which: urban land	349,372	386,547	412,240	(62,869)	(15.3%)	(37,176)	(9.6%)
Of which: developable land	2,814	3,423	4,224	(1,410)	(33.4%)	(609)	(17.8%)
Others	3,722	883	6,364	(2,643)	(41.5%)	2,839	321.5%
Foreclosed assets (net)	325,069	417,868	608,106	(283,038)	(46.5%)	(92,800)	(22.2%)
Residential properties	158,430	191,820	289,091	(130,662)	(45.2%)	(33,391)	(17.4%)
Of which: under construction	37,322	43,740	58,159	(20,837)	(35.8%)	(6,417)	(14.7%)
Commercial properties	165,129	225,165	312,650	(147,520)	(47.2%)	(60,036)	(26.7%)
Of which: countryside land	11,323	13,459	15,511	(4,188)	(27.0%)	(2,136)	(15.9%)
Of which: under construction	512	648	823	(312)	(37.9%)	(136)	(21.0%)
Of which: urban land	111,752	148,474	195,816	(84,064)	(42.9%)	(36,722)	(24.7%)
Of which: developable land	1,000	1,549	2,335	(1,335)	(57.2%)	(550)	(35.5%)
Others	1,510	883	6,365	(4,856)	(76.3%)	627	71.0%
Coverage (%)	57.83%	51.55%	38.44%	19.39		6.28	
Residential properties	29.38%	27.50%	17.70%	11.68		1.87	
Of which: under construction	29.40%	26.36%	17.14%	12.26		3.04	
Commercial properties	41.02%	36.54%	29.63%	11.39		4.48	
Of which: countryside land	30.41%	28.25%	22.84%	7.56		2.16	
Of which: under construction	9.56%	29.40%	18.20%	(8.64)		(19.84)	
Of which: urban land	41.38%	38.18%	32.31%	9.06		3.20	
Of which: developable land	34.58%	28.46%	24.22%	10.36		6.12	
Others	22.61%	0.00%	0.00%	22.61		22.61	

(*) Quality assets not included

REOs breakdown	31/12/2023	30/09/2023	31/12/2022	y-o-y		q-o-q	
				Abs.	%	Abs.	%
REOs (gross book value)	852,893	943,750	1,068,181	(215,288)	(20.2%)	(90,857)	(9.6%)
Foreclosed assets	770,872	862,560	987,828	(216,956)	(22.0%)	(91,687)	(10.6%)
Quality assets	82,021	81,191	80,353	1,668	2.1%	830	1.0%
REOs (coverage)	488,764	488,103	419,154	69,611	16.6%	662	0.1%
Foreclosed assets	445,804	444,691	379,722	66,082	17.4%	1,112	0.3%
Quality assets	42,961	43,412	39,432	3,529	8.9%	(451)	(1.0%)
REOs (net)	364,128	455,647	649,027	(284,899)	(43.9%)	(91,519)	(20.1%)
Foreclosed assets	325,069	417,868	608,106	(283,038)	(46.5%)	(92,800)	(22.2%)
Quality assets	39,060	37,779	40,921	(1,861)	(4.5%)	1,281	3.4%
REOs (% coverage)	57.31%	51.72%	39.24%	18.07		5.59	
Foreclosed assets	57.83%	51.55%	38.44%	19.39		6.28	
Quality assets	52.38%	53.47%	49.07%	3.30		(1.09)	

(*) Quality assets not included

Results

Consolidated P&L at the end of the period

(EUR Thousands)

	31/12/2023		31/12/2022		y-o-y	
	Abs.	%	Abs.	%	Abs.	%
Interest income	1,876,214	3.04%	844,777	1.38%	1,031,437	122.1%
Interest expenses	(812,643)	(1.32%)	(141,899)	(0.23%)	(670,744)	472.7%
Net interest income	1,063,572	1.72%	702,878	1.15%	360,693	51.3%
Dividend income	4,724	0.01%	3,778	0.01%	945	25.0%
Income from equity-accounted method	45,423	0.07%	42,929	0.07%	2,494	5.8%
Net fees and commissions	271,478	0.44%	264,011	0.43%	7,467	2.8%
Gains (losses) on financial transactions	(1,738)	-	101,919	0.17%	(103,658)	(101.7%)
Exchange differences [gain or (-) loss], net	1,160	-	6,466	0.01%	(5,306)	(82.1%)
Other operating incomes/expenses	(53,402)	(0.09%)	(52,098)	(0.09%)	(1,303)	2.5%
<i>of which: Mandatory transfer to Education and Development Fund</i>	<i>(9,094)</i>	<i>(0.01%)</i>	<i>(4,151)</i>	<i>(0.01%)</i>	<i>(4,944)</i>	<i>119.1%</i>
Gross income	1,331,216	2.16%	1,069,884	1.75%	261,332	24.4%
Administrative expenses	(577,936)	(0.94%)	(531,837)	(0.87%)	(46,100)	8.7%
Personnel expenses	(370,046)	(0.60%)	(349,123)	(0.57%)	(20,923)	6.0%
Other administrative expenses	(207,890)	(0.34%)	(182,714)	(0.30%)	(25,176)	13.8%
Depreciation and amortisation	(74,516)	(0.12%)	(70,869)	(0.12%)	(3,647)	5.1%
Pre-provision profit	678,764	1.10%	467,179	0.76%	211,585	45.3%
Provisions or (-) reversal of provisions	(72,943)	(0.12%)	(23,716)	(0.04%)	(49,227)	207.6%
Impairment losses on financial assets	(258,337)	(0.42%)	(218,511)	(0.36%)	(39,826)	18.2%
Operating income	347,484	0.56%	224,952	0.37%	122,532	54.5%
Impairment losses on non financial assets	(151,581)	(0.25%)	(104,806)	(0.17%)	(46,775)	44.6%
Gains or (-) losses on derecognition of non financial assets, net	(27,163)	(0.04%)	(31,143)	(0.05%)	3,980	(12.8%)
Profit or (-) loss from non-current assets and disposal groups classified as held for sale	(26,424)	(0.04%)	(20,042)	(0.03%)	(6,382)	31.8%
Profit before tax	142,316	0.23%	68,960	0.11%	73,355	106.4%
Tax	(15,368)	(0.02%)	6,777	0.01%	(22,145)	(326.8%)
Consolidated net profit	126,947	0.21%	75,737	0.12%	51,210	67.6%

(*) For information purposes only, the Financial Statements are restated due to the application of IFRS 17 to the Associated Entities, Cajamar Vida S.A. de Seguros y Reaseguros and Cajamar Seguros Generales S.A., as of 31/12/2022.

Quarterly results

(EUR Thousands)

	4Q 2022	1Q 2023	2Q 2023	3Q 2023	4Q 2023	q-o-q	%
Interest income	270,769	348,541	449,887	538,022	539,764	1,742	0.3%
Interest expenses	(64,328)	(140,590)	(188,665)	(238,461)	(244,927)	(6,466)	2.7%
Net interest income	206,441	207,951	261,222	299,561	294,837	(4,724)	(1.6%)
Dividend income	661	912	1,163	1,417	1,232	(185)	(13.1%)
Income from equity-accounted method	11,400	12,547	11,892	10,526	10,457	(69)	(0.7%)
Net fees and commissions	65,613	70,101	65,736	65,909	69,732	3,823	5.8%
Gains (losses) on financial transactions	(29,032)	3,402	(6,612)	(2,024)	3,496	5,520	(272.7%)
Exchange differences [gain or (-) loss], net	(2,388)	888	(383)	304	351	47	15.3%
Other operating incomes/expenses	(14,872)	(14,405)	(7,485)	(13,941)	(17,571)	(3,630)	26.0%
<i>of which: Mandatory transfer to Education Fund</i>	<i>(937)</i>	<i>(974)</i>	<i>(831)</i>	<i>(2,121)</i>	<i>(5,169)</i>	<i>(3,048)</i>	<i>143.7%</i>
Gross income	237,823	281,396	325,534	361,752	362,535	782	0.2%
Administrative expenses	(135,927)	(140,942)	(140,971)	(149,052)	(146,972)	2,080	(1.4%)
Personnel expenses	(89,959)	(93,388)	(93,635)	(94,954)	(88,070)	6,885	(7.3%)
Other administrative expenses	(45,968)	(47,554)	(47,336)	(54,097)	(58,902)	(4,805)	8.9%
Depreciation and amortisation	(18,238)	(18,096)	(18,642)	(18,599)	(19,178)	(579)	3.1%
Pre-provision profit	83,658	122,358	165,921	194,101	196,385	2,283	1.2%
Provisions or (-) reversal of provisions	(15,266)	(14,964)	(30,048)	(10,710)	(17,222)	(6,512)	60.8%
Impairment losses on financial assets	(57,423)	(46,217)	(42,244)	(85,421)	(84,455)	966	(1.1%)
Operating income	10,970	61,177	93,629	97,970	94,708	(3,262)	(3.3%)
Impairment losses on non financial assets	(4,530)	(22,173)	(41,727)	(39,599)	(48,083)	(8,484)	21.4%
Gains or (-) losses on derecognition of non financial assets, net	(12,141)	(5,709)	(6,631)	(8,588)	(6,234)	2,355	(27.4%)
Profit or (-) loss from non-current assets held for sale	(5,002)	(4,033)	(4,447)	(13,427)	(4,518)	8,909	(66.4%)
Profit before tax	(10,703)	29,262	40,824	36,356	35,873	(482)	(1.3%)
Tax	11,843	(5,223)	(5,176)	(2,773)	(2,197)	576	(20.8%)
Consolidated net profit	1,140	24,039	35,649	33,583	33,677	94	0.3%

Solvency and MREL

Solvency (EUR Thousands)		31/12/2023	30/09/2023	31/12/2022	y-o-y		q-o-q	
					Abs.	%	Abs.	%
Phased-in								
Capital		3,533,078	3,518,272	3,426,768	106,309	3.1%	14,805	0.4%
Reserves and results		494,559	457,744	473,964	20,595	4.3%	36,815	8.0%
AFS Surplus/ others		(30,209)	(48,378)	(60,950)	30,741	(50.4%)	18,170	(37.6%)
Capital deductions		(528,995)	(520,688)	(480,178)	(48,816)	10.2%	(8,306)	1.6%
Ordinary tier 1 capital		3,468,433	3,406,949	3,359,605	108,829	3.2%	61,484	1.8%
CET1 ratio (%)		13.64%	13.43%	13.50%	0.14		0.22	
Tier2 capital		599,969	599,972	599,920	49	0.0%	(3)	(0.0%)
Tier 2 ratio (%)		2.36%	2.36%	2.41%	(0.05)		(0.00)	
Eligible capital		4,068,402	4,006,921	3,959,525	108,877	2.7%	61,481	1.5%
Capital ratio (%)		16.00%	15.79%	15.91%	0.09		0.21	
Total risk-weighted assets		25,425,162	25,375,217	24,883,122	542,040	2.2%	49,945	0.2%
Credit risk		23,259,779	23,483,915	22,940,204	319,575	1.4%	(224,136)	(1.0%)
Operational risk		1,895,423	1,607,865	1,607,865	287,558	17.9%	287,558	17.9%
Other risk		269,960	283,437	335,053	(65,093)	(19.4%)	(13,477)	(4.8%)
Fully-loaded								
Capital		3,533,078	3,518,272	3,426,768	106,309	3.1%	14,805	0.4%
Reserves and results		473,651	449,257	410,963	62,688	15.3%	24,394	5.4%
AFS Surplus/ others		(30,209)	(48,378)	(60,950)	30,741	(50.4%)	18,170	(37.6%)
Capital deductions		-	-	-	-	-	-	-
Ordinary tier 1 capital		3,447,525	3,398,462	3,296,604	150,922	4.6%	49,063	1.4%
CET1 ratio (%)		13.56%	13.39%	13.25%	0.30		0.17	
Tier2 capital		599,969	599,972	599,920	49	0.0%	(3)	(0.0%)
Tier 2 ratio (%)		2.36%	2.36%	2.41%	(0.05)		(0.00)	
Eligible capital		4,047,494	3,998,434	3,896,524	150,970	3.9%	49,061	1.2%
Capital ratio (%)		15.92%	15.76%	15.67%	0.25		0.16	
Total risk-weighted assets		25,425,963	25,376,220	24,871,579	554,384	2.2%	49,743	0.2%
Credit risk		23,260,581	23,484,918	22,928,661	331,920	1.4%	(224,337)	(1.0%)
Operational risk		1,895,423	1,607,865	1,607,865	287,558	17.9%	287,558	17.9%
Other risk		269,959	283,437	335,053	(65,094)	(19.4%)	(13,478)	(4.8%)
MREL		31/12/2023	30/09/2023	31/12/2022	Interannual		Trimestral	
					Abs.	%	Abs.	%
Eligible liabilities MREL		5,853,223	5,791,729	5,094,340	758,883	14.90%	61,494	1.06%
Eligible capital		4,068,402	4,006,921	3,959,525	108,877	2.7%	61,481	1.5%
Senior Preferred Debt		1,649,975	1,649,962	999,942	650,033	65.0%	13	0.0%
Other eligible liabilities		134,846	134,846	134,873	(27)	(0.0%)	(1)	(0.0%)
MREL TREA available (%)		23.02%	22.82%	20.47%	2.55		0.20	
Exposure (LRE)		58,602,938	58,702,774	62,203,111	(3,600,173)	(5.8%)	(99,836)	(0.2%)
MREL LRE available (%)		9.99%	9.87%	8.19%	1.80		0.12	

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

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Liquidity

	31/12/2023	30/09/2023	31/12/2022	y-o-y		q-o-q	
				Abs.	Abs.		
LTD (%)	82.55%	83.33%	88.07%	(5.52)	(0.78)		
LCR (%)	197.3%	193.09%	148.82%	48.47	4.20		
NSFR (%)	149.6%	150.89%	128.50%	21.07	(1.32)		

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	Business gap	Difference between the denominator and numerator of the Loan to deposits ratio.
3	Cooperative members	Owners (companies or individuals) of at least one contribution to the equity capital of the credit cooperatives belonging to Grupo Cooperativo Cajamar.
4	Cost of Credit Risk (%)	Total impairment losses annualized for loans and advances / Average Gross Loans.
5	Cost of Risk (%)	Total impairment losses annualized / Average Gross Loans and Foreclosed assets (gross).
6	Cost-income ratio (%)	(Administrative expenses + Amortization and depreciation) / Gross income.
7	Customer funds under management	Customers' deposits + 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)	Real Estate Owned (REOs) excluding quality assets (gross book value).
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 ratio (%)	Foreclosed assets net / (Foreclosed assets net + Gross Loans).
16	Funds under management	Total balance-sheet funds + Off-balance-sheet funds.
17	Gain (losses) on financial transactions	Gain or losses on derecognition of financial assets and liabilities not measured at fair value through profit or loss, net + Gain or losses on financial assets and liabilities held for trading, net + Gain or (-) losses on non-trading financial assets mandatorily at fair value through profit or loss, net + Gain or (-) losses on financial assets and liabilities designated at fair value through profit or loss, net + Gain or losses from hedge accounting, net.
18	Gross Loans	Loans to customers (gross) + Other loans (reverse repurchase agreements) + Debt securities from customers.
19	Impairment losses	Impairment or (-) reversal of impairment on financial assets not measured at fair value through profit or loss and net gains or (-) losses on changes + Impairment or (-) reversal of impairment on non-financial assets + Impairment or (-) reversal of impairment of investments in joint ventures or associates (net).
20	Loan coverage	Impairment allowances of loans and advances + Impairment allowances of other financial assets related to loans and advances financial assets + Impairment allowances of assets in the customer bond portfolio (debt securities).

21	Loan to deposits ratio (%)	Loans to customers (net) / (customer deposits + net issued securitisations + mediation loans + other retail balance sheet resources).
22	Loans to customers (gross)	Loans and advances to customers on the balance sheet - other loans (monetary market transactions through counterparties) - Impairment allowances on loans and customer prepayments - Impairment allowances on other financial assets.
23	MREL ratio (%)	Own funds and eligible liabilities / Risk Weighted Assets.
24	Net non-performing loans (NPL)	Non-performing loans – Gross Loans Coverage.
25	Net NPA ratio (%)	(Non-performing loans - Gross Loans Coverage + Foreclosed assets net) / (Gross loans – Gross Loans Coverage + Foreclosed assets net).
26	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).
27	Non-performing assets (NPA)	Non-performing loans + Foreclosed assets (gross).
28	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).
29	Non-performing total risks	Non-performing loans + non-performing contingent risks.
30	NPA coverage ratio (%)	(Gross loans coverage + Foreclosed assets coverage) / (Non-performing loans + Foreclosed assets (gross)).
31	NPA ratio (gross) (%)	(Non-performing loans + Foreclosed assets gross) / (Gross loans + Foreclosed assets gross).
32	NPL coverage ratio (%)	Gross loans coverage / Non-performing loans.
33	NPL ratio (%)	(Non-performing loans + non-performing contingent risks) / (Gross loans + contingent risks).
34	Off-balance sheet funds	Investment funds + pension plans + savings insurance + fixed-income and equity securities held by customers.
35	On-balance sheet funds	Sight deposits + Term deposits+ Other funds.
36	Performing Loans	Gross loans – Non-performing loans.
37	ROA (%)	Annualization of the following quotient: Consolidated net profit / Average total assets (average of the end-of-quarter figures since the previous December, inclusive).
38	ROE (%)	Annualization of the following quotient: Consolidated net profit / Average total equity (average of the end-of-quarter figures since the previous December, inclusive).
39	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).
40	Sales points	Total branches reported to Bank of Spain (includes part-time branches, or “ventanillas” and excludes financial agencies).
41	Texas ratio (%)	(Non-performing total risks (including non-performing loans from credit institutions) + foreclosed assets(gross)) / (Total risks coverage + foreclosed assets coverage + Total Equity).
42	Total balance sheet funds	On-balance sheet funds + Wholesale funding.
43	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 + Impairment or (-) reversal of impairment on non-financial assets (excluded the impairment of goodwill) + Impairment losses on non-current assets held for sale).
44	Total risks	Gross loans + Contingent risks.
45	Wholesale funds	Bonds and other securities + Subordinated liabilities + Senior debt + Monetary market operations + Deposits from credit institutions + deposits from ECB.

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