



Limited Review Report on Banco de Crédito Social Cooperativo, S.A.

(Together with the condensed interim consolidated financial statements and the interim consolidated directors' report of Banco de Crédito Social Cooperativo, S.A. and subsidiaries for the six-month period ended 30 June 2022)

(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)



KPMG Auditores, S.L.
Paseo de la Castellana, 259 C
28046 Madrid

Limited Review Report on the Condensed Interim Consolidated Financial Statements

(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

To the Shareholders of Banco de Crédito Social Cooperativo, S.A. commissioned by the Board of Directors

Introduction

We have carried out a limited review of the condensed interim consolidated financial statements of Banco de Crédito Social Cooperativo, S.A. (the "Company") and subsidiaries (together the "Group"), which comprise the balance sheet at 30 June 2022, and statement of profit or loss, statement of recognised income and expense, statement of total changes in equity and cash flow statement for the six-month period then ended, and the explanatory notes thereto (all condensed and consolidated). The Directors of the Company are responsible for the preparation of these condensed interim consolidated financial statements in accordance with International Accounting Standard 34 "Interim Financial Reporting" as adopted by the European Union. Our responsibility is to express a conclusion on these condensed interim consolidated financial statements based on our limited review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A limited review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A limited review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the accompanying condensed interim consolidated financial statements.



(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

Conclusion

Based on our limited review, which can under no circumstances be considered an audit, nothing has come to our attention that causes us to believe that the accompanying condensed interim consolidated financial statements for the six-month period ended 30 June 2022 have not been prepared, in all material respects, in accordance with International Accounting Standard 34 "Interim Financial Reporting", as adopted by the European Union.

Emphasis of Matter

The Company's Directors have prepared these condensed interim consolidated financial statements in accordance with IAS 34, "Interim Financial Reporting", as adopted by the European Union. Consequently, as specified in the accompanying note 2.1, these statements present condensed information and do not include all the disclosures required in complete financial statements. The accompanying condensed interim consolidated financial statements should therefore be read in conjunction with the consolidated annual accounts for the year ended 31 December 2021. This matter does not modify our conclusion.

KPMG Auditores, S.L.

On the Spanish Official Register of Auditors ("ROAC") with No. S0702

(Signed on original in Spanish)

Pedro González Millán

On the Spanish Official Register of Auditors ("ROAC") with No. 20,175

3 August 2022

**BANCO DE CRÉDITO SOCIAL COOPERATIVO, S.A.
AND ENTITIES FORMING GRUPO CAJAMAR
(GRUPO COOPERATIVO CAJAMAR)**

Condensed interim consolidated financial statements and consolidated interim directors' report (30 June 2022)

Free translation from the original in Spanish. In the event of discrepancy, the Spanish -language version prevails



**BANCO DE CRÉDITO SOCIAL COOPERATIVO, S.A.
AND ENTITIES FORMING GRUPO CAJAMAR**

Consolidated balance sheets at
30 June 2022 and 31 December 2021

Assets

		Thousands of Euros	
	Note	30/06/2022	31/12/2021
Cash, cash balances at central banks and other on demand deposits	6	6,474,326	4,978,130
Financial assets held for trading	7.2	1,029	1,131
Derivatives		1,029	1,131
Equity instruments		-	-
Debt securities		-	-
Loans and advances		-	-
<i>Memorandum item: Provided as collateral with right to sell or pledge</i>		-	-
Non-trading financial assets mandatorily at fair value through profit or loss	7.3	541,104	462,547
Equity instruments		4,436	4,119
Debt securities		65,107	108,745
Loans and advances		471,561	349,683
Customers		471,561	349,683
<i>Memorandum item: Provided as collateral with right to sell or pledge</i>		-	-
Financial assets designated at fair value through profit or loss	7.4	-	-
Debt securities		-	-
Loans and advances		-	-
Central banks		-	-
Credit institutions		-	-
Customers		-	-
<i>Memorandum item: Provided as collateral with right to sell or pledge</i>		-	-
Financial assets at fair value through other comprehensive income	7.5	1,662,135	570,206
Equity instruments		133,624	131,254
Debt securities		1,528,511	438,952
Loans and advances		-	-
Central banks		-	-
Credit institutions		-	-
Customers		-	-
<i>Memorandum item: Provided as collateral with right to sell or pledge</i>		900,000	-
Financial assets at amortised cost	7.6	47,724,470	48,561,611
Debt securities		12,196,298	14,599,303
Loans and advances		35,528,172	33,962,308
Central banks		-	-
Credit institutions		638,580	153,432
Customers		34,889,592	33,808,876
<i>Memorandum item: Provided as collateral with right to sell or pledge</i>		7,406,578	6,955,712
Derivatives – hedge accounting	8	2,727,885	606,871
Fair value changes of the hedged items in portfolio hedge of interest rate risk		-	-
Investments in joint ventures and associates	10	95,514	106,383
Joint ventures		-	-
Associates		95,514	106,383
Tangible assets	11	913,702	959,451
Property, plant and equipment		749,098	768,802
For own use		747,004	766,673
Leased out under an operating lease		-	-
Assigned to community projects (<i>Obræ Social</i>) (savings banks and credit co-operatives)		2,094	2,129
Investment property		164,604	190,649
Of which: Leased out under an operating lease		-	-
<i>Memorandum item: acquired under a lease</i>		29,682	32,525
Intangible assets	12	186,986	172,704
Goodwill		-	-
Other intangible assets		186,986	172,704
Tax assets	14	1,157,020	1,159,585
Current tax assets		36,251	49,064
Deferred tax assets		1,120,769	1,110,521
Other assets	15	669,388	779,791
Insurance contracts linked to pensions		-	-
Inventories		572,913	673,633
Rest of other assets		96,475	106,158
Non-current assets and disposal groups of assets classified as held for sale	9	138,464	154,616
TOTAL ASSETS		62,292,023	58,513,026

**BANCO DE CRÉDITO SOCIAL COOPERATIVO, S.A.
AND ENTITIES FORMING GRUPO CAJAMAR**

Consolidated balance sheets at
30 June 2022 and 31 December 2021

Liabilities

	Note	Thousands of Euros	
		30/06/2022	31/12/2021
Financial liabilities held for trading	7.2	904	907
Derivatives		904	907
Short positions		-	-
Deposits		-	-
Debt securities issued		-	-
Other financial liabilities		-	-
Financial liabilities designated at fair value through profit or loss		-	-
Deposits		-	-
Debt securities issued		-	-
Other financial liabilities		-	-
<i>Memorandum item: Subordinated liabilities</i>		-	-
Financial liabilities at amortised cost	7.7	57,768,597	54,246,746
Deposits		52,711,020	50,842,845
Central banks		10,220,843	10,269,833
Credit institutions		755,684	840,295
Customers		41,734,493	39,732,717
Debt securities issued		1,599,690	2,389,123
Other financial liabilities		3,457,887	1,014,778
<i>Memorandum item: Subordinated liabilities</i>		615,827	643,457
Derivatives – hedge accounting	8	140,418	188,706
Fair value changes of the hedged items in portfolio hedge of interest rate risk		-	-
Liabilities under insurance and reinsurance contracts		-	-
Provisions	13	78,858	95,202
Pensions and other defined benefit post-employment obligations		5,626	4,536
Other long-term employee remuneration		887	1,140
Pending legal issues and tax litigation		-	-
Commitments and guarantees given		9,075	7,603
Other provisions		63,270	81,923
Tax liabilities	14	76,693	75,062
Current tax liabilities		24,179	24,712
Deferred tax liabilities		52,514	50,350
Capital repayable on demand		-	-
Other liabilities	15	537,702	327,596
<i>Of which: Community projects (Obra Social) fund (savings banks and credit cooperatives only)</i>	16	<i>7,157</i>	<i>5,124</i>
Liabilities included in disposal groups classified as held for sale		-	-
TOTAL LIABILITIES		58,603,172	54,934,219

**BANCO DE CRÉDITO SOCIAL COOPERATIVO, S.A.
AND ENTITIES FORMING GRUPO CAJAMAR**

Consolidated balance sheets at
30 June 2022 and 31 December 2021

Equity

	Note	Thousands of Euros	
		30/06/2022	31/12/2021
Equity	17	3,756,172	3,594,866
Capital	17	1,059,028	1,059,028
Paid-in capital		1,059,028	1,059,028
Unpaid capital which has been called up		-	-
Memorandum item: Uncalled capital		-	-
Share premium		-	-
Equity instruments issued other than capital	17	3,266,221	3,140,955
Equity component of compound financial instruments		-	-
Other equity instruments issued		3,266,221	3,140,955
Other equity		-	-
Retained earnings	17	288,752	249,225
Revaluation reserves	17	45,395	45,395
Other reserves	17	24,019	23,485
Reserves of entities accounted for using the equity method		31,620	32,626
Other		(7,601)	(9,141)
(-) Treasury shares	17	(977,349)	(977,349)
Profit or loss attributable to owners of the Parent	17	50,106	62,626
(-) Interim dividends	17	-	(8,499)
Accumulated other comprehensive income	19	(67,321)	(16,059)
Items that will not be reclassified to profit or loss		(126)	(3,980)
Actuarial gains or (-) losses on defined benefit pension plans		(6,484)	(6,484)
Non-current assets and disposal groups of assets classified as held for sale		-	-
Changes in the fair value of equity instruments at fair value through other comprehensive income		6,358	2,504
Ineffectiveness of hedges of fair value of equity instruments at fair value through other comprehensive income (330)		-	-
Changes in the fair value of equity instruments at fair value through other comprehensive income [hedged item] (340)		-	-
Changes in the fair value of equity instruments at fair value through other comprehensive income [hedging instrument]		-	-
Changes in the fair value of financial liabilities designated at fair value through profit or loss attributable to changes in credit risk		-	-
Items that may be reclassified to profit or loss		(67,195)	(12,079)
Hedge of net investments in foreign operations [effective portion]		-	-
Foreign currency translation		-	-
Hedging derivatives. Cash flow hedges [effective portion]		(25,483)	(14,349)
Changes in the fair value of debt instruments at fair value through other comprehensive income		(26,270)	(3,188)
Hedging instruments [undesignated items]		-	-
Non-current assets and disposal groups of assets classified as held for sale		-	-
Share of other recognised income and expense of investments in joint ventures and associates		(15,442)	5,458
Minority interests [non-controlling interests]	20	-	-
TOTAL EQUITY		3,688,851	3,578,807
TOTAL EQUITY AND LIABILITIES		62,292,023	58,513,026

**BANCO DE CRÉDITO SOCIAL COOPERATIVO, S.A.
AND ENTITIES FORMING GRUPO CAJAMAR**

Consolidated balance sheets at
30 June 2022 and 31 December 2021

Memorandum accounts

		Thousands of Euros	
	Note	30/06/2022	31/12/2021
MEMORANDUM: OFF-BALANCE SHEET EXPOSURES			
Loan commitments given	21	5,475,858	5,295,409
Financial guarantees given	21	376,013	316,965
Other commitments given	21	1,479,918	882,981
TOTAL MEMORANDUM ACCOUNTS		7,331,789	6,495,355

BANCO DE CRÉDITO SOCIAL COOPERATIVO, S.A.
AND ENTITIES FORMING GRUPO CAJAMAR
Consolidated statements of profit or loss for the six-month periods ended
30 June 2022 and 30 June 2021

Consolidated statements of profit or loss

	Note	Thousands of Euros	
		30/06/2022	30/06/2021
Interest income	25	382,556	403,274
Financial assets at fair value through other comprehensive income		2,397	1,906
Financial assets at amortised cost		391,379	336,011
Other interest income		(11,220)	65,357
(Interest expenses)	25	(53,720)	(43,077)
(Expenses on capital repayable on demand)	25	-	-
A) NET INTEREST INCOME		328,836	360,197
Dividend income	25	2,188	1,005
Share of results of entities accounted for using the equity method	25	23,312	22,019
Fee and commission income	25	158,536	127,917
(Fee and commission expenses)	25	(23,632)	(18,600)
Gains or (-) losses on derecognition of financial assets and liabilities not measured at fair value through profit or loss, net	25	9,111	441,041
Financial assets at amortised cost		4,668	461,595
Other financial assets and liabilities		4,443	(20,554)
Gains or (-) losses on financial assets and liabilities held for trading, net	25	(46)	(76)
Reclassification of financial assets from financial assets at fair value through other comprehensive income	25	-	-
Reclassification of financial assets from financial assets at amortised cost	25	-	-
Other gains or (-) losses	25	(46)	(76)
Gains or (-) losses on non-trading financial assets mandatorily at fair value through profit or loss, net	25	110,742	30,466
Reclassification of financial assets from financial assets at fair value through other comprehensive income	25	-	-
Reclassification of financial assets from financial assets at amortised cost	25	-	-
Other gains or (-) losses	25	110,742	30,466
Gains or (-) losses on financial assets and liabilities designated at fair value through profit or loss, net	25	-	-
Gains or (-) losses from hedge accounting, net	25	282	(1,026)
Exchange differences [gain or (-) loss], net	27	3,629	1,495
Other operating income	25	22,371	17,604
(Other operating expenses)	25	(42,017)	(38,999)
Of which: Mandatory transfers to community projects (Obra Social) funds (savings banks and credit cooperatives only)		(1,866)	(174)
Income from assets under insurance and reinsurance contracts		-	-
(Expenses from liabilities under insurance and reinsurance contracts)		-	-
B) GROSS INCOME		593,312	943,043
(Administrative expenses)	25	(264,606)	(248,457)
(Staff costs)		(172,431)	(159,546)
(Other administrative expenses)		(92,175)	(88,911)
(Amortisation and depreciation)	25	(34,821)	(33,739)
(Provisions or (-) reversal of provisions)	25	(3,360)	(45,368)
Impairment or (-) reversal of impairment and gains or losses on changes in cash flows of financial assets not measured at fair value through profit or loss and net gains or (-) losses on changes	25	(122,313)	(247,733)
Financial assets at fair value through other comprehensive income		-	5
Financial assets at amortised cost		(122,313)	(247,738)
Impairment or (-) reversal of impairment of investments in joint ventures and associates		-	-
Impairment or (-) reversal of impairment on non-financial assets	25	(86,612)	(206,806)
Tangible assets		(18,508)	(13,382)
Intangible assets		-	(54,741)
Other		(68,104)	(138,683)
Gains or (-) losses on derecognition of non-financial assets, net	25	(15,490)	(11,393)
Negative goodwill recognised in profit or loss		-	-
Profit or (-) loss from non-current assets and disposal groups classified as held for sale not qualifying as discontinued operations	25	(10,312)	(54,705)
C) PROFIT OR (-) LOSS BEFORE TAX FROM CONTINUING OPERATIONS		55,798	94,842
Tax expense or (-) income related to profit from continuing operations	14	(5,692)	(37,694)
D) PROFIT OR (-) LOSS AFTER TAX FROM CONTINUING OPERATIONS		50,106	57,148
Profit or (-) loss after tax from discontinued operations		-	-
E) PROFIT FOR THE PERIOD		50,106	57,148
Attributable to minority interests		-	-
Attributable to equity holders of the Parent		50,106	57,148

BANCO DE CRÉDITO SOCIAL COOPERATIVO, S.A.
AND ENTITIES FORMING GRUPO CAJAMAR
Consolidated statements of recognised income and expense for the six-month periods ended
30 June 2022 and 30 June 2021

Consolidated statements of recognised income and expense

	Thousands of Euros	
	30/06/2022	30/06/2021
Profit for the period	50,106	57,148
Other comprehensive income	(51,262)	(14,204)
Items that will not be reclassified to profit or loss	3,854	12,488
Actuarial gains or (-) losses on defined benefit pension plans	-	-
Non-current assets and disposal groups held for sale	-	-
Share of other recognised income and expense of investments in joint ventures and associates	-	-
Changes in the fair value of equity instruments at fair value through other comprehensive income	5,535	17,784
Gains or losses from hedge accounting of equity instruments at fair value through other comprehensive income, net	-	-
Changes in the fair value of equity instruments at fair value through other comprehensive income (hedged item)	-	-
Changes in the fair value of equity instruments at fair value through other comprehensive income (hedging instrument)	-	-
Changes in the fair value of financial liabilities designated at fair value through profit or loss attributable to changes in credit risk	-	-
Income tax relating to items that will not be reclassified	(1,681)	(5,296)
Items that may be reclassified to profit or loss	(55,116)	(26,692)
Hedge of net investments in foreign operations [effective portion]	-	-
Valuation gains or (-) losses taken to equity	-	-
Transferred to profit or loss	-	-
Other reclassifications	-	-
Foreign currency translation	-	-
Translation gains (-) losses taken to equity	-	-
Transferred to profit or loss	-	-
Other reclassifications	-	-
Cash flow hedges [effective portion]	(14,845)	(19,525)
Valuation gains or (-) losses taken to equity	(14,845)	(19,525)
Transferred to profit or loss	-	-
Transferred to initial carrying amount of hedged items	-	-
Other reclassifications	-	-
Hedging instruments [undesignated items]	-	-
Valuation gains or (-) losses taken to equity	-	-
Transferred to profit or loss	-	-
Other reclassifications	-	-
Debt instruments at fair value through other comprehensive income	(30,737)	(10,653)
Valuation gains or (-) losses taken to equity	(30,737)	(10,653)
Transferred to profit or loss	-	-
Other reclassifications	-	-
Non-current assets and disposal groups held for sale	-	-
Valuation gains or (-) losses taken to equity	-	-
Transferred to profit or loss	-	-
Other reclassifications	-	-
Share of other recognised income and expense of investments in joint ventures and associates	(27,867)	(812)
Income tax relating to items that may be reclassified to profit or (-) loss	18,333	4,298
Total comprehensive income for the year	(1,156)	42,944

BANCO DE CRÉDITO SOCIAL COOPERATIVO, S.A.
AND ENTITIES FORMING GRUPO CAJAMAR
Consolidated statements of total changes in equity for the six-month periods ended
30 June 2022 and 30 June 2021

Consolidated statement of total changes in equity at 30 June 2022

	Thousands of Euros													
	Equity													
	Capital	Share premium	Equity instruments issued other than capital	Other equity items	Retained earnings	Revaluation reserves	Other reserves	(-) Treasury shares	Profit or loss attributable to owners of the Parent	(-) Interim dividends	Accumulated other comprehensive income	Minority interests / Accumulated other comprehensive income	Minority interests / Other items	Total
Opening balance at 31 December 2021	1,059,028	-	3,140,955	-	249,225	45,395	23,485	(977,349)	62,626	(8,499)	(16,059)	-	-	3,578,807
Effects of changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Opening balance at 1 January 2022	1,059,028	-	3,140,955	-	249,225	45,395	23,485	(977,349)	62,626	(8,499)	(16,059)	-	-	3,578,807
Total comprehensive income for the year	-	-	-	-	-	-	-	-	50,106	-	(51,262)	-	-	(1,156)
Other changes in equity	-	-	125,266	-	39,527	-	534	-	(62,626)	8,499	-	-	-	111,200
Issuance of ordinary shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Issuance of preference shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Issuance of other equity instruments	-	-	125,266	-	-	-	-	-	-	-	-	-	-	125,266
Exercise or expiration of other equity instruments issued	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Conversion of debt to equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital reduction	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends (or remuneration to shareholders)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of treasury shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale or cancellation of treasury shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reclassification of financial instruments from equity to liability	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reclassification of financial instruments from liability to equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers among components of equity	-	-	-	-	54,127	-	-	-	(62,626)	8,498	-	-	-	-
Increase or (-) decrease in equity as a result of business combinations	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share-based payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other increase or (-) decrease in equity	-	-	-	-	(14,600)	-	534	-	-	-	-	-	-	(14,066)
Of which: discretionary transfer to community (Obra Social) and welfare funds (savings banks and credit cooperatives only)	-	-	-	-	(4,183)	-	-	-	-	-	-	-	-	(4,183)
Closing balance at 30 June 2022	1,059,028	-	3,266,221	-	288,752	45,395	24,019	(977,349)	50,106	-	(67,321)	-	-	3,688,851

BANCO DE CRÉDITO SOCIAL COOPERATIVO, S.A.
AND ENTITIES FORMING GRUPO CAJAMAR
Consolidated statements of total changes in equity for the six-month periods ended
30 June 2022 and 30 June 2021

Consolidated statement of total changes in equity at 30 June 2021

	Thousands of Euros													
	Equity													
	Capital	Share premium	Equity instruments issued other than capital	Other equity items	Retained earnings	Revaluation reserves	Other reserves	(-) Treasury shares	Profit or loss attributable to owners of the Parent	(-) Interim dividends	Accumulated other comprehensive income	Minority interests / Accumulated other comprehensive income	Minority interests / Other items	Total
Opening balance at 31 December 2020	1,059,028	-	2,951,866	-	219,009	45,395	40,949	(977,349)	23,760	-	14,125	-	-	3,376,783
Effects of changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Opening balance at 1 January 2021	1,059,028	-	2,951,866	-	219,009	45,395	40,949	(977,349)	23,760	-	14,125	-	-	3,376,783
Total comprehensive income for the year									57,148		(14,204)	-	-	42,944
Other changes in equity	-	-	101,777	-	30,089	-	(18,259)	-	(23,760)	-	-	-	-	89,847
Issuance of ordinary shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Issuance of preference shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Issuance of other equity instruments	-	-	101,777	-	-	-	-	-	-	-	-	-	-	101,777
Exercise or expiration of other equity instruments issued	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Conversion of debt to equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital reduction	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends (or remuneration to shareholders)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of treasury shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale or cancellation of treasury shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reclassification of financial instruments from equity to liability	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reclassification of financial instruments from liability to equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers among components of equity	-	-	-	-	23,760	-	-	-	(23,760)	-	-	-	-	-
Increase or (-) decrease in equity as a result of business combinations	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share-based payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other increase or (-) decrease in equity	-	-	-	-	6,329	-	(18,259)	-	-	-	-	-	-	(11,930)
Of which: discretionary transfer to community (Obra Social) and welfare funds (savings banks and credit cooperatives only)	-	-	-	-	(3,187)	-	-	-	-	-	-	-	-	(3,187)
Closing balance at 30 June 2021	1,059,028	-	3,053,643	-	249,098	45,395	22,690	(977,349)	57,148	-	(79)	-	-	3,509,574

Consolidated cash flow statements

	Thousands of Euros	
	30/06/2022	30/06/2021
A) CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES	1,432,304	247,271
(+) Profit for the period	50,106	57,148
(+) Adjustments for determining cash flows from operating activities	(1,351,485)	409,044
Amortisation	34,821	33,739
Other adjustments	(1,386,306)	375,305
(-) Net increase or (-) decrease in operating assets	1,050,191	2,653,852
Financial assets held for trading	-	-
Non-trading financial assets mandatorily at fair value through profit or loss	78,557	30,786
Financial assets designated at fair value through profit or loss	-	-
Financial assets at fair value through other comprehensive income	1,822,548	30,628
Financial assets at amortised cost	(778,554)	2,617,026
Other operating assets	(72,360)	(24,588)
(+) Net increase or (-) decrease in operating liabilities	3,798,717	2,483,668
Financial liabilities held for trading	-	-
Financial liabilities designated at fair value through profit or loss	-	-
Financial liabilities at amortised cost	3,601,706	2,380,505
Other operating liabilities	197,011	103,163
(+) Income tax (paid)/received	(14,843)	(48,737)
B) CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES	(18,951)	(21,771)
(-) Payments	164,009	166,467
Tangible assets	130,219	137,129
Intangible assets	20,969	18,398
Investments in joint ventures and associates	-	9,547
Non-current assets and liabilities classified as held for sale	12,821	1,393
Other payments related to investing activities	-	-
(+) Collections	145,058	144,696
Tangible assets	114,018	116,678
Intangible assets	-	-
Investments in joint ventures and associates	12,275	-
Non-current assets and liabilities classified as held for sale	18,765	28,018
Other proceeds related to investing activities	-	-
C) CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES	82,843	373,772
(-) Payments	42,423	-
Dividends	618	-
Subordinated liabilities	41,805	-
Cancellation of own equity instruments	-	-
Purchase of own equity instruments	-	-
Other payments related to financing activities	-	-
(+) Collections	125,266	373,772
Subordinated liabilities	-	271,994
Issuance of own equity instruments	125,266	101,778
Disposal of own equity instruments	-	-
Other proceeds related to financing activities	-	-
D) EFFECT OF EXCHANGE RATES CHANGES	-	-
E) NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C+D)	1,496,196	599,272
F) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD	4,978,130	2,693,743
G) CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	6,474,326	3,293,015

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1. General information

1.1. Nature of the entity

The Parent of Grupo Cooperativo Cajamar (hereinafter, “the Group” or “GCC”) is Banco de Crédito Social Cooperativo, S.A., which is responsible for management and oversight of the Group. It is responsible for laying down the management instructions to be followed by the Group entities and for providing them with support.

Banco de Crédito Social Cooperativo, S.A. is a duly registered private bank governed by the regulations on credit institutions and private banking. On 18 February 2014 it was entered in the Register of Banks and Bankers under code number 0240, with tax ID number A86853140. Its registered office is at Paseo de la Castellana 87, 28046 Madrid (Spain).

Banco de Crédito Social Cooperativo, S.A. was incorporated by the 32 founding shareholders in 2014 under a public deed executed before the Madrid notary Mr. José Enrique Cachón Blanco on 28 January 2014, filed as entry 293 in his records. The deed was also entered as Entry 1, Page M-573805, Folio 131, Volume 31,884 in the Madrid Companies Register on 10 February 2014. The shareholders that granted the deed were given the powers to do so by the Bank of Spain under an authorisation issued on 27 January 2014 by the Directorate General for Financial Regulation and Stability, in the terms laid down in Royal Decree 1245/1995 (repealed on 15 February 2015 by Royal Decree 84/2015, of 13 February 2015, which implements Act 10/2014, of 26 June 2014, on the organisation, supervision and solvency of credit institutions).

In this regard, the Regulatory Agreement, and therefore the incorporation of the new Grupo Cooperativo Cajamar, was executed in a public deed in Madrid on 25 February 2014 before the notary public of said capital city, Mr. José Enrique Cachón Blanco, under number 614 of his record. In this agreement, the signee entities thereof established the regulations governing the consolidable cooperative group of credit institutions, with the Bank forming part of this group as its Parent and as Parent of the Institutional Protection System (IPS). This Group’s status as a consolidable group of credit institutions, and its classification as an IPS, was authorised by the Bank of Spain’s Executive Committee at a meeting on 6 June 2014.

The current wording of the Regulatory Agreement was unanimously approved by the General Assembly of the Members of Grupo Cooperativo Cajamar on 12 December 2018.

The Bank commenced operations on 1 July 2014, by virtue of the provisions of its By-laws and Deed of Incorporation, after obtaining the requisite authorisation from the Bank of Spain’s Executive Committee.

Its current and prevailing By-laws are the result of: i) the execution in a public deed of corporate resolutions on 28 July 2016 before the notary public of Almería, Mr. Lázaro Salas Gallego, under number 978 of his record, which was duly registered as Entry 84, Page M-573805, Section 8, Folio 162, Book 0, Volume 32,439 of the Madrid Companies Register on 16 August 2016; ii) concerning the capital amount and current content of Article 5 of the By-laws, these derive from the execution in a public deed of corporate resolutions on a capital increase and partial amendment of the By-laws on 1 February 2018 before the notary public of Madrid, Mr. José Enrique Cachón Blanco, under number 606 of his record, which was duly registered as Entry 137, Page M-573805, Section 8, Folio 197, Book 0, Volume 36,267 in the Madrid Companies Register on 15 February 2018; and iii) regarding articles 39, 40, 41, 46, 47, 50, 53, 57 and 58 of the By-laws, the content thereof derive from the execution in a public deed of corporate resolutions on 14 November 2019 before the notary public of Almería, Mr. Lázaro Salas Gallego, under number 1,649 of his record, which was duly registered as Entry 219, Page M-573805, Section 8, Folio 69, Book 0, Volume 39,288 on the Madrid Companies Register on 19 December 2019.

As Parent, pursuant to the aforementioned Regulatory Agreement of Grupo Cooperativo Cajamar, the Bank performs all the duties assigned to it in the Group and issues mandatory instructions to all Group entities. It must act, at all times, in adherence to the principles of independence, impartiality, professionalism and technical rigour.

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The Bank is essentially governed by Act 10/2014, of 26 June 2014, on the organisation, supervision and solvency of credit institutions (Spanish Official State Gazette (BOE) 156 of 27 June 2014) and Royal Decree 84/2015, of 13 February 2015, which implements Act 10/2014, of 26 June 2014, on the organisation, supervision and solvency of credit institutions, as well as relevant and supplementary regulations.

At 30 June 2022, the Bank's capital amounted to €1,059,028 thousand, fully subscribed and paid by its 66 shareholders (31 December 2021: €1,059,028 thousand)

Grupo Cooperativo Cajamar

Cooperative groups are incorporated in accordance with Cooperative Act 27/1999, of 16 July 1999, which establishes a wide and flexible general framework through which to channel collaboration between and integration of cooperative societies and particularly, Article 78 of that law which provides for the formation of so-called cooperative groups understood, for the purposes thereof as *"the group formed by several cooperative societies, of whatever class, and the parent of the group that exercises powers or issues mandatory instructions for the grouped cooperatives such that there is decision-making unity within such powers"*.

The aforesaid legislation states that in the event that the parent of the group is not a cooperative society, the general commitments undertaken vis-à-vis the group must be formalised in a public deed. This is the case with Grupo Cooperativo Cajamar.

Likewise, Circular 3/2008, of 22 May 2008, establishes specifically in Rules Two and Fifteen the conditions under which the Bank of Spain will deem there to be an IPS and will authorise the conditions for it.

On the basis of the aforementioned regulations and considerations, the resolution to establish Grupo Cooperativo Cajamar was approved on 25 February 2014 through the signing of the "Grupo Cooperativo Cajamar Regulatory Agreement". Grupo Cooperativo Cajamar has been incorporated for legal purposes as a "cooperative group" in order to strengthen the Members and enable balance sheets to be consolidated and business strategies, management policies and risk control, solvency and liquidity shared.

The contractual agreements entered into by all the Members of Grupo Cooperativo Cajamar state that the Group's Parent is Banco de Crédito Social Cooperativo, S.A. and therefore its Board of Directors is the Group's maximum decision-making body, which entails the senior management and supervision of the Group's activities. The following powers are assigned to it on an exclusive basis: strategic management; external representation; internal coordination; issuance of equity instruments; establishment of risk policies and regulations; control and audit; cash management and coverage of the minimum capital ratio; approval of business plans; defining of commercial, pricing and distribution policies; the geographical expansion policy; defining of technological and information platforms; the personnel policy; defining of the remuneration framework for capital contributions by the savings banks to the Group; and decisions on the distribution and application of results.

The Regulatory Agreement (the current wording of which was unanimously approved by the General Assembly of the Members of Grupo Cooperativo Cajamar on 12 December 2018) stipulates the rights and obligations of Group Members and the competencies delegated by them to the Parent, Banco de Crédito Social Cooperativo, S.A., waiving their own decision-making powers in the Bank's favour to ensure the existence of a single decision-making unit. As Banco de Crédito Social Cooperativo, S.A. oversees and manages the Group's policies and has been granted the necessary powers, its instructions are mandatory for all Grupo Cooperativo Members.

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Under the Regulatory Agreement and also in accordance with the requirements laid down in the aforementioned Circular 3/2008 and Circular 2/2016, amended by Bank of Spain Circular 3/2022 of 30 March, solvency commitments are established which are reciprocal, direct and unconditional. They are designed, on the one hand, to avoid situations of insolvency and, on the other, to assess the Groups' capital requirements on a common basis and set a solvency objective for the Group that all Members undertake to fulfil. Additionally, a mandatory capitalisation plan and/or support plans is/are established for Group Members in the event any of them report a shortfall in funds with respect to the agreed objective.

Similarly, the Regulatory Agreement includes a liquidity commitment and, in the event any members have insufficient liquidity, a liquidity plan and financial assistance plans in order to return to normality.

All of the aforementioned commitments, as well as the pooling of profits and losses, do not represent an obstacle, in accordance with the legislation on which the Regulatory Agreement is based, for each of the Members to retain full legal status; have their own management, administration and governance structures (except where such activities are delegated to the Group's Parent), governing and management bodies, employees and employment framework and brand; and manage their Education and Development Fund.

In addition and pursuant to the Regulatory Agreement, Banco de Crédito Social Cooperativo, S.A. is responsible for monitoring the solvency and liquidity of the Group and all Members, and for agreeing any support measures to be adopted in order to help any Member. In such an event, Banco de Crédito Social Cooperativo, S.A.'s Board of Directors would issue binding instructions aimed at ensuring the solvency and liquidity of the Group and the Members, if so required by the Bank of Spain or the single European supervisor in accordance with prevailing legislation. The entities belonging to Grupo Cooperativo Cajamar – as members – as well as their dates of incorporation approved by their general assemblies and the dates they were authorised to join the Group by the Bank of Spain Executive Committee are detailed as follows:

Entity	Meeting date	Bank of Spain authorisation date
Banco de Crédito Social Cooperativo, S.A	28/01/2014	06/06/2014
Cajamar Caja Rural, Sociedad Cooperativa de Crédito	28/11/2013	06/06/2014
Caixa Rural Altea, Cooperativa de Credit Valenciana	27/11/2013	06/06/2014
Caja Rural San José de Burriana, Coop. de Crédito V.	28/11/2013	06/06/2014
Caixa Rural de Callosa d'En Sarriá, Cooperativa de Crédito Valenciana	28/11/2013	06/06/2014
Caixa Rural San José de Nules, S. Coop. de Crédito V.	28/11/2013	06/06/2014
Caja Rural de Chestre, Sociedad Cooperativa de Crédito	28/11/2013	06/06/2014
Caja Rural de Alginet, S. Coop. de Crédito V.	28/11/2013	06/06/2014
Caja Rural San Jaime De Alquerías Niño Perdido, Coop. de Crédito V.	28/11/2013	06/06/2014
Caja Rural de Villar, Coop. de Crédito V.	28/11/2013	06/06/2014
Caixa Rural San Josep de Vilavella, S. Coop. de Crédito V.	28/11/2013	06/06/2014
Caja Rural San Roque de Almenara, S. Coop. de Crédito V.	28/11/2013	06/06/2014
Caja Rural La Junquera de Chilches, Coop. de Crédito V.	28/11/2013	06/06/2014
Caja Rural San Isidro de Vilafamés, Coop. de Crédito V.	28/11/2013	06/06/2014
Caja Rural Católico Agraria, Coop. de Crédito V.	28/11/2013	06/06/2014
Caixa Rural Sant Vicente Ferrer de la Vall D'Uixo, S. Coop. de Crédit V.	28/11/2013	06/06/2014
Caja de Crédito de Petrel, Caja Rural, Cooperativa de Crédito Valenciana	29/11/2013	06/06/2014
Caixa Rural de Turis, Cooperativa de Crédito Valenciana.	28/11/2013	06/06/2014
Caixa Rural de Torrent, Cooperativa de Crédit Valenciana	28/11/2013	06/06/2014

The fundamental objectives of the Group are to:

- Contribute towards meeting the financial needs of the Members' partners having the legal form of credit cooperatives, with maximum effectiveness, efficiency and robustness, through improved management and use of centralised services, which enable conversion costs to be reduced and margins improved;

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- Define, on a consistent basis, common strategic policies that will guide the actions of the Members, without prejudice to each of their separate legal personalities;
- Act in the market as a reliable operator competing with peers and, with this objective: develop a common brand for the Group with respect to individual brand names; achieve a single rating which recognises the potential of the Group as a financial operator; and achieve a greater presence in the retail and wholesale markets, so that Members may offer new, better and broader services to their partners and customers, and access financing channels;
- Protect the Members' financial stability in order to guarantee their solvency and liquidity without this limiting the obligation that falls to each of them to maintain their own solvency and liquidity, and to comply with the regulations applicable to them;
- Act as sole representative of Members before the regulatory and supervisory bodies and represent and defend, on a coordinated basis, their common interests in any field;
- Establish and coordinate a common internal system of monitoring, audit and control, and diversify the risks inherent in the business of Members; and
- Offer Members' staff a framework for secure, broad and appropriate professional development, based on selection and promotion by merit, by means of comprehensive training aimed at establishing their professional careers.

The Group is governed by principles of solidarity, cooperation and subsidiarity, and at all times the Group's interests take priority over those of its individual Members.

Only Banco de Crédito Social Cooperativo, S.A. and the legally recognised credit cooperatives that have been duly incorporated in accordance with applicable legislation, have received all legally requisite authorisations, and assume the commitments set out in the Regulatory Agreement to both the Group and the other Members, can become Members of Grupo Cooperativo Cajamar.

Members may not cede their position in the Group to any third party, nor the rights and obligations of any nature arising from such membership.

The various aspects and competencies forming part of the Group's Regulatory Agreement are described in the notes to Grupo Cajamar's consolidated financial statements as at and for the year ended 31 December 2021.

1.2. Corporate purpose

The Group's corporate purpose is to engage in all kinds of activities, operations and services in the banking business in general, which are in accordance with applicable law, including the provision of investment services and ancillary services, in the terms laid down in Securities Market regulations. Its corporate purpose includes the following activities:

- Carry out operations of all kinds related to securities and documentary credit, notwithstanding the provisions of legislation governing securities markets and collective investment.
- Carry out credit and surety operations, for both lending and funding purposes, of any class, on its own behalf or for third parties.
- Acquire or transfer for its own account or on commission, shares, bonds and other public or private, national or foreign titles, banknotes and coins of all countries and make public offerings for the acquisition and sale of securities.

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- Receive and place on deposit or in administration, cash, securities and all kinds of shares. The Bank shall not be deemed to be authorised to dispose of the deposits over which it has custody in any manner.
- Carry out all kinds of operations with current accounts, term deposits or any other kind of account.
- Accept and grant administrations, representations, delegations, commissions, agencies or other actions in the interests of those who use the Bank's services.
- Perform all other activities that private banks are allowed to engage in under applicable legislation.

The activities that make up its corporate purpose may be performed wholly or partly indirectly, in any form permitted by law and, in particular, through the ownership of shares or interests in companies whose objects are identical or analogous, accessory or complementary to such activities.

When administrative authorisation or public registration is required for the provision of investment services and ancillary services, such activities may not commence until all administrative requirements have been fulfilled under applicable regulations.

The Credit Cooperatives participating in Grupo Cooperativo have the corporate purpose to serve the financial needs of their partners and third parties, performing the activities of a credit institution. To this end they may carry out any lending or deposit-taking activity, provide banking or quasi-banking services, and perform any investment services or ancillary services that credit institutions are authorised to perform in securities market legislation, prioritising the financial demands of partners. They may lend to non-partners up to the limit legally applicable limits.

1.3. Registered office

The registered office of Grupo Cooperativo Cajamar's Parent is at Paseo de la Castellana 87, 28046 Madrid, Spain, and it may establish branches, agencies and representative offices anywhere in Spanish territory and abroad, in accordance with applicable legislation.

The Parent has various work and operating centres although at present there are no branches open to the public or its clientèle in general. It carries out its activities within the framework of Grupo Cooperativo Cajamar, of which it is the Parent. However, the other Group entities operate a network of branches across the country.

1.4. One-off transactions,

• One-off transactions in the first six months of 2022

- During the first half of financial year 2022, the Group's bancassurance agreement with Generali was novated for the fourth time, based on the mutual interest in continuing with the alliance, with exit options in 2035, while adjusting the flows and the related calculations, so as to rebalance the agreement between the parties. The novation has consolidated a part of the variable price known as the extraordinary accrued variable price, in the amount of €140 million, which is recorded, in accordance with IFRS, under the heading of "Non-trading financial assets mandatorily at fair value through profit or loss" in the accompanying consolidated balance sheet, at a total of €118 million.
- In 2021, Grupo Cooperativo Cajamar signed an investment contract agreement called "Project Jaguar", which consisted of the transfer of a real estate portfolio through the creation of a joint venture (Promontoria Jaguar) between Grupo Cajamar (20%) and a Cerberus Group investment firm (80%). During the first half of 2022 there were further transfers of assets to the aforementioned company, as provided for in the original agreement.

- **One-off transactions during 2021**

- Details of the one-off transactions carried out in 2021 are provided in the consolidated annual accounts for that year.

1.5. Management and impacts of the current economic, social and health situation.

The declaration of the Covid-19 outbreak as a pandemic and the health, economic and social consequences led to increased uncertainty and complexity in preparing estimations. In addition to the accounting criteria set out in IFRS-EU, specific accounting criteria, prepared in accordance with the pronouncements of the EBA and the Bank of Spain, were applied for customers affected by Covid-19.

Grupo Cooperativo Cajamar offered its customers a range of solutions similar to others in the market, in order to continue fulfilling its function as a financier of the real economy, and flexible repayment terms to customers facing temporary hardship due to the pandemic. Control mechanisms have also been bolstered to ensure these measures are prudent from a credit risk perspective. The most significant steps taken include repayment holidays for a specific period of time, which took three different forms:

- **Legal moratoria**, regulated by Royal Decrees 8/2020, 11/2020, 3/2021 (extending the application period and duration of the moratoria) and 8/2021, for individuals and self-employed professionals meeting the exemption criteria stipulated in this legislation.
- **Sector moratoria**, for individuals and self-employed professionals regulated by the Spanish Banking Association (AEB) offering a six or twelve-month principal repayment holiday for loans secured by personal guarantees or mortgage collateral, respectively. These repayment holidays are aligned with the guidelines of the EBA.
- **Bilateral moratoria** comprising other repayment holidays not fulfilling the criteria to be classed as legal or sector moratoria.

Royal 3/2021 extended until 30 March 2021 the legal moratoria period to a maximum of nine months, including where applicable the elapsed period of any moratoria already granted. This amendment has ensured the moratoria are aligned with the moratoria of the European Banking Authority (EBA).

Meanwhile, Royal Decree-Law 8/2021, of 4 May 2021, introduced four types of protection measures for vulnerable homeowners by extending the period during which moratoria on rents are available and the evictions suspended for individuals at risk.

In addition, Russia's invasion of Ukraine has given rise to significant instability and volatility in world markets, as well as an increase in inflation (contributing to further increases in the prices of energy, oil and other commodities, thus further affecting supply chains). With higher commodity prices and additional restrictions in global supply chains, inflation, running above 8.5% both in the United States and in the euro area at the end of June, is expected to remain high in 2022, averaging 6% in both regions.

The main central banks are expected to remain focused on monitoring inflation while implementing their plans to withdraw monetary stimulus. In the United States, the Federal Reserve initiated the process of monetary policy interest rate normalisation in March. In the euro area, the ECB ended the programme of extraordinary purchases designed to deal with the pandemic. In July 2022 the ECB announced an interest rate hike of half a percentage point. The ECB's goal is to bring inflation back to 2% in the medium term. Besides the rate hike, the ECB launched the TPI (Transmission Protection Instrument) to fight uncontrolled risk premia. TPI purchases will focus on public sector securities (tradable securities issued by central and regional governments as well as agencies as defined by the ECB) with residual maturities of one to ten years.

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At the industry level, the energy-intensive industries most dependent on gas and those that use natural gas as an input are the ones that are most sensitive to this new environment. They include aluminium, paper, steel and glass in general, as well as basic chemicals, construction materials and (specifically for gas) fertilizers.

The risks in this economic scenario are therefore linked to inflation and the withdrawal of monetary stimulus, which in turn lead to a rise in interest rates. Although the Group's direct exposure to customers in Russia and Ukraine is considered insignificant, the Group is also monitoring the indirect risk in the sectors concerned, given the implications of rising energy prices and geopolitical tensions, coupled with uncertainty over inflation, supply chain disruptions and depressed demand.

Various measures have been taken from within the Group to reduce the impact the war is likely to have, including reclassifying the country risk of Russia to level 4, that of Ukraine to level 5 and that of Belarus to level 5, reclassifying certain transactions exposures under special monitoring, and blocking and suspending transactions with Russia.

Because of the uncertainty caused by the crisis, the Group decided to supplement the individual and collective estimates of expected losses and the macroeconomic estimates, in accordance with IFRS 9, by estimating additional expected losses on top of those estimated using models based on historical data. Accordingly, during the pandemic the Group recognised €75 million of expected losses for the potential impact on borrowers in the sectors most severely affected by the crisis. This provision has been maintained during the first half of 2022 on the grounds that there are factors interrelated with the current situation.

Details of the loans with moratoriums, by counterparty, and the remaining maturity at 30 June 2022 and 31 December 2021 are as follows:

		Thousands of Euros							
		30 June 2022							
		Gross carrying amount							
Number of debtors		Of which: Subject to mandatory repayment holiday	Of which: Past due - grace period expired	Residual value of amount subject to repayment holiday					
				<= 3 months	> 3 months <= 6 months	> 6 months <= 9 months	> 9 months <= 12 months	> 1 year	
Loans and advances for which a repayment holiday has been offered	10,841	987,633							
Loans and advances subject to repayment holidays as per ABE criteria (granted)	10,712	966,372	852,765	966,372	-	-	-	-	-
Of which: Households		823,012	709,487	823,012	-	-	-	-	-
Of which: Collateralised by residential immovable property		759,558	663,763	759,558	-	-	-	-	-
Of which: Non-financial corporations		143,360	143,278	143,360	-	-	-	-	-
Of which: Small and medium-sized entities (SMEs)		137,751	137,669	137,751	-	-	-	-	-
Of which: Collateralised by immovable property		138,842	138,760	138,842	-	-	-	-	-
		Thousands of Euros							
		31 December 2021							
		Gross carrying amount							
Number of debtors		Of which: Subject to mandatory repayment holiday	Of which: Past due - grace period expired	Residual value of amount subject to repayment holiday					
				<= 3 months	> 3 months <= 6 months	> 6 months <= 9 months	> 9 months <= 12 months	> 1 year	
Loans and advances for which a repayment holiday has been offered	11,019	1,040,694							
Loans and advances subject to repayment holidays as per ABE criteria (granted)	10,833	1,010,752	890,557	1,005,713	2,896	1,372	710	60	-
Of which: Households		860,002	739,892	857,072	787	1,372	710	60	-
Of which: Collateralised by residential immovable property		791,680	691,000	789,894	517	527	681	60	-
Of which: Non-financial corporations		150,750	150,665	148,641	2,109	-	-	-	-
Of which: Small and medium-sized entities (SMEs)		144,789	144,704	142,680	2,109	-	-	-	-
Of which: Collateralised by immovable property		142,469	142,469	142,469	-	-	-	-	-

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At 30 June 2022 the Group has no outstanding loans with a moratorium on repayments. Details of the gross carrying amount (including valuation adjustments) of such loans, associated accumulated impairment and counterparties and accounting classification thereof at 31 December 2021 are provided below:

Thousands of Euros																
31 December 2021																
Gross carrying amount						Accumulated impairment, accumulated negative changes in fair value due to credit risk								Gross carrying amount		
Performing						Non-performing		Performing						Non-performing		Reclassification ns to non- performing exposures
Of which: Exposures with restructuring or refinancing measures		Of which: Instruments with a significant increase in credit risk since initial recognition but not credit impaired (Phase 2)		Of which: Exposures with restructuring or refinancing measures		Of which: Payment unlikely but not past due <=90 days		Of which: Exposures with restructuring or refinancing measures		Of which: Instruments with a significant increase in credit risk since initial recognition but not credit impaired (Phase 2)		Of which: Exposures with restructuring or refinancing measures		Of which: Payment unlikely but not past due or past due <=90 days		
Loans and advances subject to repayment holidays as per ABE criteria	5,039	2,741	792	997	2,298	177	2,298	(932)	(26)	(15)	(16)	(906)	(8)	(906)	2,181	
Of which: Households	2,930	2,741	792	997	189	177	189	(34)	(26)	(15)	(16)	(8)	(8)	(8)	72	
Of which: Collateralised by residential immovable property	1,786	1,620	671	681	166	154	166	(28)	(21)	(13)	(13)	(7)	(7)	(7)	12	
Of which: Non-financial corporations	2,109	-	-	-	2,109	-	2,109	(898)	-	-	-	(898)	-	(898)	2,109	
Of which: Small and medium-sized entities (SMEs)	2,109	-	-	-	2,109	-	2,109	(898)	-	-	-	(898)	-	(898)	2,109	
Of which: Collateralised by commercial immovable property	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	

Loans secured by guarantees from the Spanish Official Credit Institute (ICO) have also been granted. Royal Decree-Law 8/2020, of 17 March 2020, approved a state guarantee facility of up to €100,000 million to help protect jobs and alleviate the economic effects of the health crisis. The guarantees are available to secure loans from financial institutions to facilitate access to credit and liquidity for businesses and self-employed professionals, mitigating the economic and social impact of Covid-19.

Royal Decree-Law 5/2021 was enacted in March 2021 releasing €11,000 million in direct financial aid for businesses to restructure their balance sheets and bolster their capital. This aid is for viable companies in sectors most affected by the pandemic and is designed to channel funds to the entire economy and reduce the risk of overindebtedness that could slow the economic recovery. These measures include more flexible loan terms with public guarantees, enabling the ICO to participate in the refinancing and restructuring agreed by banks with their customers.

On 11 May 2021, the Council of Ministers voted to approve the Code of Best Practices for renegotiating the state-backed loans granted to customers under Royal Decree-Law 5/2021, of 12 March 2021, on extraordinary measures to support the solvency of businesses in response to the Covid-19 pandemic.

This Code of Best Practices envisages mainly three options for borrowers to resolve their financial difficulties caused by Covid-19, provided they meet a number of specific conditions (amount of state aid received, etc.): loan term extensions, conversion of debt to participating loans, and haircuts.

At 30 June 2022 and 31 December 2021 loans and advances secured by public guarantees, by counterparty, are as follows:

Thousands of Euros				
30 June 2022				
	Gross carrying amount		Maximum amount of the guarantee that can be considered	Gross carrying amount
		Of which: Restructured or refinanced	Public guarantees received in connection with the Covid-19 crisis	Reclassifications to non-performing exposures
New loans and advances subject to state guarantee schemes	1,640,176	79,625	1,280,385	12,241
Of which: Households	133,454	-	-	1,167
Of which: Collateralised by residential immovable property	52	-	-	-
Of which: Non-financial corporations	1,504,212	75,455	1,169,997	11,074
Of which: Small and medium-sized entities (SMEs)	1,162,057	-	-	8,913
Of which: Collateralised by immovable property	798	-	-	-

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Thousands of Euros				
31 December 2021				
	Gross carrying amount		Maximum amount of the guarantee that can be considered	Gross carrying amount
		Of which: Restructured or refinanced	Public guarantees received in connection with the Covid-19 crisis	Reclassifications to non-performing exposures
New loans and advances subject to state guarantee schemes	1,761,393	22,667	1,395,158	20,770
Of which: Households	153,157	-	-	1,401
Of which: Collateralised by residential immovable property	47	-	-	-
Of which: Non-financial corporations	1,605,153	20,487	1,267,443	19,309
Of which: Small and medium-sized entities (SMEs)	1,248,268	-	-	16,618
Of which: Collateralised by immovable property	957	-	-	-

The Group has proactively managed the monitoring of its loans and receivables on the basis of its business model which enables any potential difficulties that may arise from the health crisis to be detected. It has therefore established case-by-case monitoring plans for each segment and sector of activity, bolstered by an expert analysis and early warning system that has been put in place.

2. Accounting standards and basis of presentation of the condensed interim consolidated financial statements

2.1. Basis of presentation

The condensed interim consolidated financial statements have been prepared in accordance with the accounting records of each of the companies and credit institutions making up Grupo Cooperativo Cajamar. They include all adjustments and reclassifications necessary to uniformly apply the accounting and presentation criteria, and they are presented in accordance with: International Financial Reporting Standards (IFRS) adopted by the European Union, taking into account Bank of Spain Circular 4/2017, of 27 November 2017 and subsequent amendments thereto; the Spanish Code of Commerce; Royal Decree-Law 1/2010, of 2 July, approving the revised Corporate Enterprises Act, repealing the Spanish Public Limited Companies Act and the Spanish Limited Liabilities Companies Act; Royal Decree 6/2010 on measures to encourage economic recovery and employment, with respect to the legal regime applicable to Institutional Protection Schemes (IPS); and other applicable Spanish legislation, such that they give a fair view of the Group's equity, financial situation and results at 30 June 2022, and the consolidated results of its operations and consolidated cash flows generated during the six-month period ended 30 June 2022.

In preparing the condensed interim consolidated financial statements, the generally accepted accounting principles described in this and the following note have been applied. No mandatory accounting principle or standard that has a significant effect on the condensed interim consolidated financial statements has been omitted.

The Group's 2021 consolidated annual accounts were authorised for issue by the Bank's Directors (at a meeting of its Board on 2 March 2022) in accordance with: International Financial Reporting Standards (IFRS) adopted by the European Union, taking into account Bank of Spain Circular 4/2017 and subsequent amendments thereto; applying the consolidation principles, accounting policies and measurement bases described in the notes to said consolidated annual accounts, such that they give a fair view of the Group's equity and financial situation at 31 December 2021 and of the consolidated results of its operations and consolidated cash flows generated during the financial year then ended.

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The accompanying condensed interim consolidated financial statements have been prepared in accordance with IAS 34, "Interim Financial Reporting", on the preparation of condensed interim financial statements, adopted by the European Union. In accordance with IAS 34, the financial reporting is solely intended to provide an update on the latest complete set of consolidated annual accounts, focusing on new activities, events and circumstances that took place during the first half of the year and not duplicating information previously reported in the latest consolidated annual accounts. The accompanying condensed interim consolidated financial statements do not therefore include all the information required in complete consolidated financial statements prepared in accordance with International Financial Reporting Standards. Consequently, for an appropriate understanding of them, they should be read in conjunction with the Group's consolidated annual accounts for the year ended 31 December 2021, authorised for issue on 2 March 2022.

The accounting policies and methods employed to prepare the condensed interim consolidated financial statements are the same as those used for the 2021 consolidated annual accounts, taking into consideration the standards and interpretations in force during the first six months of 2022. In this respect, new accounting standards came into force during the first six months of 2022 and have therefore been taken into account in preparing the condensed interim consolidated financial statements.

Since 1 January 2022, the following amendments to International Financial Reporting Standards (IFRS), or interpretations of IFRS (IFRIC), took effect:

- **Commission Regulation (EU) 2022/357 as regards IAS 1 and 8**

Amendment to Commission Regulation (EC) No 1126/2008 adopting certain international accounting standards in accordance with Regulation (EC) No 1606/2002 of the European Parliament and of the Council as regards International Accounting Standards 1 and 8.

- **Annual Improvements to IFRS. 2018-2020 Cycle**

Minor amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41.

The entry into force of the above standards has not had a significant impact on the Group.

Similarly, the following amendments to International Financial Reporting Standards (IFRS), or interpretations of IFRS (IFRIC), are scheduled to come into effect in 2022:

- **Provisions, contingent liabilities and contingent assets: Provisions for onerous contracts. Amendments to IAS 37**

The amendment clarifies that the direct cost of fulfilling a contract comprises the incremental costs of fulfilling that contract or an allocation of other costs that relate directly to fulfilling the contract.

- **Amendments to IAS 16**

This amendment prohibits deducting from the cost of an item of PPE any proceeds from selling items produced while making that item of PPE available for its intended use.

- **Reference to the conceptual framework. Amendments to IFRS 3**

This standard is updated to align the definitions of assets and liabilities recognised in a business combination with those in the Conceptual Framework.

The Group evaluated the impact of their application and has decided not to execute the option of early application, if possible, due to the immateriality thereof.

The Group's consolidated annual accounts for 2021 were approved by the General Assembly held on 28 April 2022.

2.2. *Going concern principle*

The information in these condensed interim consolidated financial statements has been prepared on the assumption that the Group will continue as a going concern in the future and therefore the accounting policies have not been applied with the objective of determining the value of equity for the purposes of its full or partial transfer or any hypothetical liquidation.

2.3. *Accrual basis of accounting*

These condensed interim consolidated financial statements have been prepared on the basis of the real flow of goods and services, irrespective of the date of payment or collection.

2.4. *Offset of balances*

Only receivables and payables arising in transactions that, under contract or legislation, provide for possible offset and are to be settled at their net amount, or simultaneously realised and paid, are offset and therefore presented on the consolidated balance sheet at their net amount.

2.5. *Comparative information*

The Board of Directors of Banco de Crédito Social Cooperativo, S.A. presents, for comparative purposes, for each item in the present condensed interim financial statements, in addition to the figures for the six-month period ended 30 June 2022, those relating to 2021.

Unless otherwise stated, these condensed interim consolidated financial statements are presented in thousands of euros.

2.6. *Use of judgements and estimates when preparing the financial statements*

The preparation of these condensed interim consolidated financial statements requires the Group's Board of Directors to use judgements and estimates based on assumptions that affect the application of the accounting policies and standards and the recognised amounts of assets, liabilities, revenues, expenses and commitments. The most significant estimates used in preparing these financial statements are:

- Impairment losses on financial assets.
- The assumptions used in the actuarial calculations to evaluate the liabilities and commitments for post-employment compensation.
- Impairment losses, and the useful life of tangible and intangible assets.
- The fair value of certain financial assets not listed on official secondary markets and variable collection rights from transactions with third parties.
- Losses on future obligations deriving from contingent risks.

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- The reversal period for temporary differences and the recoverability of tax credits for tax loss carryforwards.
- The fair value of certain guarantees linked to the collection of assets.
- Provisions for liabilities classed as probable due to the possibility of meeting payment obligations.

The estimates and assumptions used are based on past experience and on other factors that have been considered the most reasonable at the present time and are reviewed periodically. Nevertheless, possible future events may require these estimates to be modified in coming years, which would be done prospectively, as required by IAS 8, recognising the effects of the change in estimates in the consolidated income statement for the periods concerned.

The declaration of the Covid-19 outbreak as a pandemic and the consequences on health and economic and social order, as well as the current conflict between Russia and Ukraine, have raised uncertainty and the complexity of these estimates. However, the Group has factored the effects of arising from the current situation into the judgements and estimates made.

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2.7. Consolidation principles

These condensed interim consolidated financial statements have been prepared using the full, proportional and equity methods of consolidation, as stipulated in the aforementioned legislation, including the following companies at 30 June 2022 and 31 December 2021:

Company	Domicile	30/06/2022		31/12/2021	
		% shareholding		% shareholding	
		Direct	Indirect (a)	Direct	Indirect (a)
Group companies					
Cajamar Caja Rural, S.C.C.	Plaza de Juan del Águila Molina, 5. Almería.	-	-	-	-
Caixa Rural Sant Vicent Ferrer de la Vall D'Uixo, S.C.C.V.	Plaza del Centro, 4. La Vall D'Uixo. Castellón.	-	-	-	-
Caixa Rural Vila-Real, S.C.C.	Plaza Mayor, 10. Villarreal. Castellón.	-	-	-	-
Caja Rural de Torrent, S.C.C.	Avda. Al Vedat, 3. Torrent. Valencia.	-	-	-	-
Caixa Rural Altea, S.C.C.V.	Pasaje Llaurador, 1. Altea. Alicante.	-	-	-	-
Caixa Rural de Callosa de Sarria, C.C.V.	Avda. Jaume I, 1. Callosa d'en Sarria. Alicante.	-	-	-	-
Caixa Rural Sant Josep de Vilavella, S.C.C.V.	C/ Cova Santa, 11. La Vilavella. Castellón.	-	-	-	-
Caja Rural de Alginet, S.C.C.V.	C/ Valencia, 13. Alginet. Valencia.	-	-	-	-
Caja Rural de Ceste, S.C.C.	Plaza Doctor Cajal, 2. Ceste. Valencia.	-	-	-	-
Caja Rural de Villar, C.C.V.	C/ Las Cruces, 33. Villar del Arzobispo. Valencia.	-	-	-	-
Caja Rural la Junquera de Chilches, C.C.V.	Plaza España, 6. Chilches. Castellón.	-	-	-	-
Caja Rural San Isidro de Vilafamés, C.C.V.	Avda. Barcelo, 6. Vilafames. Castellón.	-	-	-	-
Caja Rural San Jaime de Alquerías Niño Perdido, C.C.V.	C/ Jaime Chicharro, 24. Alquerías del Niño Perdido. Castellón.	-	-	-	-
Caja Rural San Jose de Burriana, C.C.V.	Plaza el Pla, 1. Burriana. Castellón.	-	-	-	-
Caja Rural San José de Nules, S.C.C.V.	C/ Mayor, 66. Nules. Castellón.	-	-	-	-
Caja Rural San Roque de Almenara, S.C.C.V.	C/ Doctor Berenguer, 4. Almenara. Castellón.	-	-	-	-
Caja de Crédito de Petrel, Caja Rural, C.C.V.	C/ San Bartolomé, 2. Petrel. Alicante.	-	-	-	-
Caixa Rural de Turis, C.C.V.	Plaza de la Constitución, 2. Turis. Valencia.	-	-	-	-
Alquileres Alameda 34, S.L. (b)	Paseo Alameda, 34. Valencia.	-	100.00%	-	100.00%
BCC Eurovia Informática, A.I.E.	Avda. De la Innovación, 1 (PITA). Almería.	99.00%	1.00%	99.00%	1.00%
BCC Gestión Integral de Infraestructuras, A.I.E.	Avenida Nuestra Señora de Montserrat, número 11, Almería.	98.00%	2.00%	98.00%	2.00%
BCC Operaciones y Servicios Administrativos, S.L.U. (c)	Plaza 3 de abril, 2. Almería.	-	100.00%	-	100.00%
BCC Recursos Humanos y Contact Center, S.L.U. (c)	Avda. De la Innovación, 1 (PITA). Almería.	-	100.00%	-	100.00%
Cajamar Mediación Op. Banca Seg. Vinculado, S.L.U. (b)	Plaza de Juan del Águila Molina, 5. Almería.	-	100.00%	-	100.00%
Cimenta2 Gestión e Inversiones, S.A.U. (b)	Plaza de Juan del Águila Molina, 5. Almería.	-	100.00%	-	100.00%
Cimentados3, S.A.U.	Plaza de Juan del Águila Molina, 5. Almería.	100.00%	-	100.00%	-
Cimenta Desarrollos Inmobiliarios, S.A.U.	Plaza de Juan del Águila Molina, 5. Almería.	100.00%	-	100.00%	-
Cim-med I, S.A.U.	Paseo de la Castellana, 87. Madrid.	100.00%	-	-	-
Inmuebles Alameda 34, S.L. (b)	Paseo Alameda, 34. Valencia.	-	100.00%	-	100.00%
Plataforma Tierra, S.A.U.	Puerta Purchena, 10. Edificio de las Mariposas. Almería.	100.00%	-	100.00%	-
Sunaria Capital, S.L.U.	Plaza de Juan del Águila Molina, 5. Almería.	100.00%	-	100.00%	-
Associates					
Agrocolor, S.L. (b)	Carretera de Ronda, 11-BJ. Almería.	-	32.37%	-	32.37%
Balsa de Insa, S.L.(d)	C/ de la Lluna, 3. Castellón.	-	24.50%	-	24.50%
Biocolor, S.L. (c)	Carretera de Ronda , 11, 1º. Almería.	-	22.19%	-	22.19%
Cajamar Seguros Generales, S.A. de Seguros y Reaseguros	Plaza de Juan del Águila Molina, 5. Almería.	49.99%	-	49.99%	-
Cajamar Vida, S.A. de Seguros y Reaseguros	Plaza de Juan del Águila Molina, 5. Almería.	49.99%	-	49.99%	-
GCC Consumo Establecimiento Financiero de Crédito, S.A.	Calle Retama nº 3. Madrid.	49.00%	-	49.00%	-
Giesmed Parking, S.L. (b)	Calle Almagro, 3, 5º izquierda. Madrid.	-	20.00%	-	20.00%
Habitat Utiel, S.L. (e)	C/ Pascual y Genil, 17. Valencia	-	25.00%	-	25.00%
Murcia emprende S.C.R., S.A. (b)	C/ Alfaro, 1. Murcia.	-	22.06%	-	22.06%
Parque Científico-Tecnológico de Almería, S.A. (b)	Avda. De la Innovación, 15, Edf Pitágoras (PITA). Almería.	-	30.11%	-	30.11%
Promontoria Jaguar, S.A. (b)	Calle Príncipe de vergara, 112. Madrid	-	20.00%	-	20.00%
Proyecta Ingenio, S.L. (c)	C/ Jesus Durbán Remón, 2, 1º. Almería.	-	24.90%	-	24.90%
Renovables la Unión, S.C.P. (f)	C/ Mar.22. Valencia.	-	40.00%	-	40.00%

(a) Application of control by Banco de Crédito Social Cooperativo, S.A. as the parent of the Group.

(b) Indirect interest through Cajamar Caja Rural, S.C.C.

(c) Indirect interest through Sunaria Capital, S.L.U.

(d) Indirect interest through Caja Rural Vila-Real, S.C.C.

(e) Indirect interest through Cimenta2 Gestión e Inversiones, S.A.U.

(f) Indirect interest through Caja Rural Sant Vicent Ferrer de la Vall D'Uixo, S.C.C.V.

Changes in equity investments during the six-month period ended 30 June 2022 affecting the scope of consolidation are as follows:

Acquisitions or increases in interests in subsidiaries, joint ventures and/or in associates at 31/12/2021						
Name of the acquired or merged entity (or business arm)	Category	Transaction date	Cost (net) of combination (a) + (b) (thousands of euros)		% total voting rights in entity after the acquisition	% total voting rights in entity after the acquisition
			Amount (net) paid for acquisition + other costs directly attributable to the combination (a)	Fair value of equity instruments issued to acquire the entity (b)		
Cim-med I, S.A.U. (1)	Subsidiary	19/01/2022	100	-	100.00%	100.00%
Decrease in interests in subsidiaries, joint ventures and/or investments in associates and similar at 31/12/2021						
Name of the entity (or business arm) disposed of, spun off or derecognised	Category	Transaction date	% of voting rights disposed of or derecognised	% total voting rights in entity after the disposal	Gain/(loss) generated (thousands of euros)	
-	-	-	-	-	-	

(1) Direct increases in participation as a result of the incorporation of the company.

During the six-month period ended 30 June 2022, the Group was a party to the incorporation of Cim-med I, S.A.U.

In 2021 the Group was a party to the incorporation of Plataforma Tierra, S.A.U. and acquired a 20% stake in Promontoria Jaguar, S.A. through the purchase of shares.

3. Accounting policies and criteria applied

The accounting principles and measurement bases used in preparing this condensed interim consolidated financial reporting as at and for the period ended 30 June 2022 are the same as those used to prepare the Group's consolidated annual accounts as at and for the period ended 31 December 2021, which are described in Note 3 to those consolidated annual accounts. The accompanying condensed interim consolidated financial statements were therefore prepared in accordance with the accounting principles and measurement bases set forth in the International Financial Reporting Standards adopted by the European Union (EU-IFRS), taking into consideration Bank of Spain Circular 4/2017, of 27 November 2017, adapting and implementing the EU-IFRS for the sector comprising Spanish credit institutions.

For the purpose of preparing the accompanying condensed interim consolidated financial statements as at and for the period ended 30 June 2022, the materiality of the line items and disclosures presented has been evaluated considering the figures shown in said condensed interim consolidated financial reporting and not the amounts or balances for an entire year.

Information on the allocation of profit or loss, dividends paid and shareholder remuneration

The Parent will pay dividends out of profit for the year or out of its unrestricted reserves.

The earnings of the Group's various credit cooperatives will be allocated to reserves or used to offset prior years' losses (where applicable), fund community projects (*Obra Social*) or remunerate shareholders.

Notes 17.1.6 and 17.1.7 to the accompanying condensed interim consolidated financial statements provide details of the criteria of the Group's Parent for dividend distribution and remuneration on contributions to the capital of the Group's credit cooperatives.

Seasonality of transactions

Given the nature of the Group's most significant activities and transactions, which are primarily those characteristic and typical of financial institutions, it can be confirmed that the Group's operations are not significantly affected by the cyclical or seasonal factors that could affect other types of business.

Extraordinary events

During the six-month period ended 30 June 2022, there were no significant events that were deemed extraordinary due to their nature, amount or impact that had a material effect on the Group's assets, liabilities, equity or results, except those disclosed in the various sections of these notes.

Cash flow statement

The terms used in the cash flow statement have the meanings set out below:

- Cash flows means: inflows and outflows of cash and cash equivalents, the latter being short-term, highly liquid investments subject to low risk of changes in value.
- Operating activities means: typical credit institution activities and other activities that may not be classified as investing or financing activities.
- Investing activities means: the acquisition, sale or other disposal of long-term assets and other investments not included in cash and cash equivalents.
- Financing activities means: activities that result in changes in the size and composition of equity and of liabilities that are not part of operating activities.

Fair value of financial assets

The fair value of “Debt securities” that are listed on active markets is calculated based on the market price. Barring exceptions, for those debt securities that are not listed on an active market the measurement is carried out in accordance with the zero coupon curve through the IRR, adjusted by a spread that will depend on the solvency of the issuer of the securities, specifically on the sector, the remaining term and the rating of the issue. The zero-coupon curve used for each issue will depend on the characteristics of that issue.

“Equity instruments” includes investment funds and other investments listed on active markets that are measured at fair value, i.e. using the market price on the last business day of the year. Those other investments existing at the Group that are not listed on organised markets are measured using the method of discounting future expected cash flows, adjusted to the market yield rate for other securities with similar characteristics.

There are other investments that are measured at cost, i.e. adjusting the Bank’s equity for any unrealised capital gains existing at the measurement date.

The fair values of “Loans and advances” have been brought into line with the present value of the cash flows that will be generated by those instruments by applying market interest rates to each maturity segment and taking into consideration the manner in which the transaction is instrumented, as well as the guarantees in place.

“Hedging derivatives” are measured at fair value using the quoted price, discounted cash flow and other accepted measurement methods.

Fair value of financial liabilities

The Group’s financial liabilities have been measured using the present value of future cash flows generated by those instruments, applying market interest rates.

“Hedging derivatives” are measured at fair value using the method of discounting expected future cash flows updated to the current date.

Measurement of financial instruments at fair value

The Group measures all positions that must be recorded at fair value either based on available market prices for the same instrument or using measurement models that employ observable market variables or, if appropriate, estimate the fair value based on the best information available.

Note 7.1 provides details of consolidated assets and liabilities at fair value of the Group’s financial instruments at 30 June 2022 and 31 December 2021, broken down by class of financial assets and liabilities and the following levels:

- Level 1: Financial instruments whose fair value has been determined, taking into account their listed prices on active markets without making any changes to those prices.

The Group will treat financial instruments for which quoted prices may be directly observable and are accessible as Level-1 financial instruments. In this regard, this category will include all instruments having a Bloomberg (BGN) price or a value in active markets, including the European Stock Exchanges and the AIAF, SENAF and MEFF.

- Level 2: Financial instruments whose fair value has been estimated based on quoted prices on organised markets for similar instruments or through the use of other measurement techniques in which all of the significant inputs are based on market information that is directly or indirectly observable.

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The Group will treat as Level-2 assets any financial instruments measured using information that can be directly observed in the market but that do not fulfil the conditions to be classed as Level-1 assets.

Level-2 assets will include:

- Instruments for which internal or external values may be obtained, based solely on observable market inputs: interest-rate curves, credit risk spreads, yields, implied volatilities, etc. Examples of such external values are Bloomberg's Bval and Bfv tools.
- Instruments for which prices may be obtained for at least two contributors with sufficient market depth, other than the issuer, and that have bid/ask spreads of less than 500 bps.
- Level 3: Instruments whose fair value has been estimated through the use of valuation techniques in which some significant input is not based on observable market data. An input is considered to be significant when it is important to the calculation of fair value as a whole.

The Group will treat instruments the value of which cannot be obtained as described above for the measurement of Level-1 and Level-2 instruments as Level-3 financial instruments.

Level-3 assets are measured applying the following or other similar procedures: Issuer prices, comparable prices. Custodian prices and Internal prices.

4. Errors and changes in accounting estimates and policies

During the six-month period ended 30 June 2022 and up to the date of issue of these condensed interim consolidated financial statements, no material error has occurred that should be disclosed in the condensed interim consolidated financial statements prepared by the Group's Board of Directors.

Where an error relating to one or more years is corrected, the financial statements will indicate, together with the nature of the error:

- The amount of the correction for each of the headings in the financial statements that are affected in each of the years presented for the purposes of comparison;
- The amount of the correction on the opening balance sheet in the earliest year for which information is presented; and
- The circumstances that make retroactive restatement impractical and a description of how and since when the error has been corrected.

The Group will indicate the nature and the amount of any change in an accounting estimate that affects the current year or is expected to affect future years. When it is impractical to make an estimate of the effect in future years, this fact will be disclosed.

5. Risk management policies and objectives

Note 6 of the notes to the consolidated financial statements as at and for the period ended 31 December 2021 includes a description of the various financial risks faced by the Group, deriving from its activity as well as the objectives and policies relating to risk management, assumption, measurement and control, including the strategies and processes, the structure and organisation of the relevant risk management unit and hedging policies, broken down for each of the main types of financial instruments or planned transactions for which accounting hedges are used.

Irrespective of the fact that the General Business Division and General Finance Division perform risk acceptance, monitoring and recovery functions, risks are basically controlled by the General Finance Division.

6. Cash, cash balances at central banks and other demand deposits

The details of this heading on the accompanying consolidated balance sheets at 30 June 2022 and 31 December 2021 are as follows:

	Thousands of Euros	
	30/06/2022	31/12/2021
Cash	322,039	322,778
Cash balances at central banks	6,129,145	4,634,617
Other demand deposits	23,142	20,735
Total	6,474,326	4,978,130

The balance under the heading “Cash balances at central banks” relates to the deposit made to cover the minimum reserve ratio.

The balance of this heading has been considered to be cash or cash equivalents for the purposes of preparing the cash flow statements for the six-month period ended 30 June 2022 and for 2021.

7. Financial instruments

7.1. Breakdown of financial assets and liabilities by nature and category

Details of the carrying amount of the financial assets owned by the Group at 30 June 2022 and 31 December 2021, classified at those dates based on the nature and the category defined in the relevant legislation, are as follows:

	Thousands of Euros				
	30/06/2022				
Financial Assets: Nature/Category	Financial Assets held for trading	Non-trading Financial Assets mandatorily at fair value through profit or loss	Financial Assets designated at fair value through profit or loss	Financial Assets at fair value through other comprehensive income	Financial Assets at amortised cost
Derivatives	1,029	-	-	-	-
Equity instruments	-	4,436	-	133,624	-
Debt securities	-	65,107	-	1,528,511	12,196,298
Loans and advances:	-	471,561	-	-	35,528,172
Central Banks	-	-	-	-	-
Credit Institutions	-	-	-	-	638,580
Customers	-	471,561	-	-	34,889,592
Total	1,029	541,104	-	1,662,135	47,724,470
	31/12/2021				
	31/12/2021				
Derivatives	1,131	-	-	-	-
Equity instruments	-	4,119	-	131,254	-
Debt securities	-	108,745	-	438,952	14,599,303
Loans and advances:	-	349,683	-	-	33,962,308
Central Banks	-	-	-	-	-
Credit Institutions	-	-	-	-	153,432
Customers	-	349,683	-	-	33,808,876
Total	1,131	462,547	-	570,206	48,561,611

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	Thousands of Euros		
	30/06/2022		
Financial Liabilities: Nature/Category	Financial Liabilities held for trading	Financial Liabilities designated at fair value through profit or loss	Financial Liabilities at amortised cost
Derivatives	904	-	-
Short positions	-	-	-
Deposits:			
Central Banks	-	-	10,220,843
Credit Institutions	-	-	755,684
Customers	-	-	41,734,493
Debt securities issued	-	-	1,599,690
Other Financial Liabilities	-	-	3,457,887
Total	904	-	57,768,597

	Thousands of Euros		
	31/12/2021		
Financial Liabilities: Nature/Category	Financial Liabilities held for trading	Financial Liabilities designated at fair value through profit or loss	Financial Liabilities at amortised cost
Derivatives	907	-	-
Short positions	-	-	-
Deposits:			
Central Banks	-	-	10,269,833
Credit Institutions	-	-	840,295
Customers	-	-	39,732,717
Debt securities issued	-	-	2,389,123
Other Financial Liabilities	-	-	1,014,778
Total	907	-	54,246,746

The fair value of the Group's financial assets and liabilities, by nature and counterparty, at 30 June 2022 and 31 December 2021 is as follows:

	Thousands of Euros									
		Fair value hierarchy:			Change in fair value for the period		Accumulated change in fair value before taxes			
30/06/2022	Balance sheet balances.	Of which: Securities at fair value	Level 1	Level 2	Level 3	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets held for trading (Note 7.2)	1,029	1,029	-	1,029	-	147,917	-	-	(65,398)	-
Derivatives	1,029	1,029	-	1,029	-	147,917	-	-	(65,398)	-
Trading financial assets	-	-	-	-	-	-	-	-	-	-
Non-trading financial assets mandatorily at fair value through profit or loss	541,104	541,104	57,020	8,087	475,997	(117)	391	(7,204)	(554)	2,180
Equity instruments	4,436	4,436	-	-	4,436	-	(54)	-	-	2,779
Debt securities	65,107	65,107	57,020	8,087	-	(117)	445	(7,204)	(554)	(600)
Loans and advances	471,561	471,561	-	-	471,561	-	-	-	-	-
Financial assets designated at fair value through profit or loss (Note 7.4)	-	-	-	-	-	-	-	-	-	-
Financial assets at fair value through other comprehensive income (Note 7.5)	1,662,135	1,662,135	1,531,487	219	130,429	-	7,557	(24,305)	-	(22,430)
Equity instruments	133,624	133,624	14,707	-	118,917	-	7,221	(1,088)	-	(9,834)
Debt securities	1,528,511	1,528,511	1,516,780	219	11,512	-	336	(23,217)	-	(12,596)
Non-derivative non-trading financial assets, designated at fair value through profit or loss	-	-	-	-	-	-	-	-	-	-
Non-derivative non-trading financial assets, designated at fair value in equity	-	-	-	-	-	-	-	-	-	-
Derivatives – Hedge accounting (Note 8)	2,727,885	2,727,885	-	2,727,885	-	1,139,764	-	-	1,313,552	-
ASSETS	4,932,153	4,932,153	1,588,507	2,737,220	606,426	1,287,564	7,948	(31,509)	1,247,600	(20,250)
Financial liabilities held for trading (Note 7.2)	904	904	-	904	-	(147,778)	-	-	(100,385)	-
Derivatives	904	904	-	904	-	(147,778)	-	-	(100,385)	-
Trading financial liabilities	-	-	-	-	-	-	-	-	-	-
Financial liabilities designated at fair value through profit or loss (Note 7.4)	-	-	-	-	-	-	-	-	-	-
Derivatives – Hedge accounting (Note 8)	140,418	140,418	-	140,418	-	-	-	-	-	-
LIABILITIES	141,322	141,322	-	141,322	-	(147,778)	-	-	(100,385)	-

	Thousands of Euros									
	Fair value hierarchy:					Change in fair value for the period		Accumulated change in fair value before taxes		
	Balance sheet balances	Of which: Securities at fair value	Level 1	Level 2	Level 3	Level 2	Level 3	Level 1	Level 2	Level 3
31/12/2021										
Financial assets held for trading (Note 7.2)	1,131	1,131	-	1,131	-	58,272	-	-	1,614	-
Derivatives	1,131	1,131	-	1,131	-	58,272	-	-	1,614	-
Trading financial assets	-	-	-	-	-	-	-	-	-	-
Non-trading financial assets mandatorily at fair value through profit or loss	462,547	462,547	100,513	8,232	353,802	164	2	(2,457)	(436)	1,555
Equity instruments	4,119	4,119	-	-	4,119	-	(367)	-	-	2,599
Debt securities	108,745	108,745	100,513	8,232	-	164	369	(2,457)	(436)	(1,044)
Loans and advances	349,683	349,683	-	-	349,683	-	-	-	-	-
Financial assets designated at fair value through profit or loss (Note 7.4)	-	-	-	-	-	-	-	-	-	-
Financial assets at fair value through other comprehensive income (Note 7.5)	570,206	570,206	443,854	214	126,138	1	3,337	5,934	-	(30,326)
Equity instruments	131,254	131,254	16,292	-	114,962	-	9,548	589	-	(17,395)
Debt securities	438,952	438,952	427,562	214	11,176	1	(6,211)	5,345	-	(12,931)
Derivatives – Hedge accounting (Note 8)	606,871	606,871	-	606,871	-	575,056	-	-	603,372	-
ASSETS	1,640,755	1,640,755	544,367	616,448	479,940	633,493	3,339	3,477	604,550	(28,771)
Financial liabilities held for trading (Note 7.2)	907	907	-	907	-	(58,759)	-	-	(83,754)	-
Derivatives	907	907	-	907	-	(58,759)	-	-	(83,754)	-
Trading financial liabilities	-	-	-	-	-	-	-	-	-	-
Financial liabilities designated at fair value through profit or loss (Note 7.4)	-	-	-	-	-	-	-	-	-	-
Derivatives – Hedge accounting (Note 8)	188,706	188,706	-	188,706	-	(73,645)	-	-	73,481	-
LIABILITIES	189,613	189,613	-	189,613	-	(132,404)	-	-	(10,273)	-

There were no significant changes in terms of reclassification between the various levels of the fair value hierarchy during the six-month period ended 30 June 2022 or during 2021.

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A breakdown of financial instruments by time left to maturity at 30 June 2022 and 31 December 2021 is provided below. The maturity dates used in the table are the expected dates of maturity or cancellation, based on the Group's past experience:

30/06/2022

Thousands of Euros										
	On demand	Up to 1 month	From 1 to 3 months	From 3 to 6 months	From 6 months to 1 year	From 1 to 5 years	Over 5 years	Unclassified and undetermined maturity	Valuation adjustments	Total
ASSETS										
Cash, cash balances at central banks and other on demand deposits	6,475,099	-	-	-	-	-	-	-	(773)	6,474,326
Financial assets held for trading	-	-	-	-	324	705	-	-	-	1,029
Derivatives	-	-	-	-	324	705	-	-	-	1,029
Non-trading financial assets mandatorily at fair value through profit or loss	-	-	-	-	-	-	536,668	4,436	-	541,104
Equity instruments	-	-	-	-	-	-	-	4,436	-	4,436
Debt securities	-	-	-	-	-	-	65,107	-	-	65,107
Loans and advances	-	-	-	-	-	-	471,561	-	-	471,561
Customers	-	-	-	-	-	-	471,561	-	-	471,561
Financial assets designated at fair value through profit or loss	-	-	-	-	-	-	-	-	-	-
Financial assets at fair value through other comprehensive income	-	-	-	-	797,695	639,572	94,300	133,624	(3,056)	1,662,135
Equity instruments	-	-	-	-	-	-	-	133,624	-	133,624
Debt securities	-	-	-	-	797,695	639,572	94,300	-	(3,056)	1,528,511
Financial assets at amortised cost	701,084	1,014,304	1,229,265	1,657,671	3,089,831	12,852,738	27,520,198	1,575,147	(1,915,768)	47,724,470
Debt securities	-	2,500	-	7,181	15,293	1,211,942	12,224,235	-	(1,264,853)	12,196,298
Loans and advances	701,084	1,011,804	1,229,265	1,650,490	3,074,538	11,640,796	15,295,963	1,575,147	(650,915)	35,528,172
Credit institutions	-	77,137	-	-	-	10,000	60,006	476,899	14,538	638,580
Customers	701,084	934,667	1,229,265	1,650,490	3,074,538	11,630,796	15,235,957	1,098,248	(665,453)	34,889,592
TOTAL	7,176,183	1,014,304	1,229,265	1,657,671	3,887,850	13,493,015	28,151,166	1,713,207	(1,919,597)	56,403,064
EQUITY AND LIABILITIES										
Financial liabilities held for trading	-	-	-	-	299	605	-	-	-	904
Derivatives	-	-	-	-	299	605	-	-	-	904
Debt securities issued	-	-	-	-	-	-	-	-	-	-
Financial liabilities at amortised cost	37,708,401	3,574,564	966,064	2,714,306	9,215,901	1,490,875	1,619,196	668,799	(189,509)	57,768,597
Deposits	37,708,401	779,637	966,064	2,714,306	8,733,265	1,490,875	525,287	5,839	(212,654)	52,711,020
Central banks	-	-	-	1,833,000	7,649,000	949,000	-	-	(210,157)	10,220,843
Credit institutions	153,274	12,514	21,321	30,238	63,371	349,033	120,310	5,020	603	755,684
Customers	37,555,127	767,123	944,743	851,068	1,020,894	192,842	404,977	819	(3,100)	41,734,493
Debt securities issued	-	-	-	-	482,636	-	1,093,909	-	23,145	1,599,690
Other financial liabilities	-	2,794,927	-	-	-	-	-	662,960	-	3,457,887
Memorandum: subordinated liabilities	-	-	-	-	-	-	597,654	-	18,173	615,827
TOTAL	37,708,401	3,574,564	966,064	2,714,306	9,216,200	1,491,480	1,619,196	668,799	(189,509)	57,769,501

31/12/2021

Thousands of Euros										
	On demand	Up to 1 month	From 1 to 3 months	From 3 to 6 months	From 6 months to 1 year	From 1 to 5 years	Over 5 years	Unclassified and undetermined maturity	Valuation adjustments	Total
ASSETS										
Cash, cash balances at central banks and other on demand deposits	4,978,464	-	-	-	-	-	-	-	(334)	4,978,130
Financial assets held for trading	-	-	-	-	376	755	-	-	-	1,131
Derivatives	-	-	-	-	376	755	-	-	-	1,131
Non-trading financial assets mandatorily at fair value through profit or loss	-	-	-	-	-	-	458,428	4,119	-	462,547
Equity instruments	-	-	-	-	-	-	-	4,119	-	4,119
Debt securities	-	-	-	-	-	-	108,745	-	-	108,745
Loans and advances	-	-	-	-	-	-	349,683	-	-	349,683
Customers	-	-	-	-	-	-	349,683	-	-	349,683
Financial assets designated at fair value through profit or loss	-	-	-	-	-	-	-	-	-	-
Financial assets at fair value through other comprehensive income	-	-	-	-	-	332,338	109,671	131,254	(3,057)	570,206
Equity instruments	-	-	-	-	-	-	-	131,254	-	131,254
Debt securities	-	-	-	-	-	332,338	109,671	-	(3,057)	438,952
Financial assets at amortised cost	866,213	926,150	1,258,772	1,586,165	2,729,923	12,664,994	28,823,381	1,067,554	(1,361,541)	48,561,611
Debt securities	-	38,609	1,297	19,754	9,632	1,195,152	13,888,337	-	(553,478)	14,599,303
Loans and advances	866,213	887,541	1,257,475	1,566,411	2,720,291	11,469,842	14,935,044	1,067,554	(808,063)	33,962,308
Credit institutions	-	45,263	-	-	-	-	10,004	98,160	5	153,432
Customers	866,213	842,278	1,257,475	1,566,411	2,720,291	11,469,842	14,925,040	969,394	(808,068)	33,808,876
TOTAL	5,844,677	926,150	1,258,772	1,586,165	2,730,299	12,998,087	29,391,480	1,202,927	(1,364,932)	54,573,625
EQUITY AND LIABILITIES										
Financial liabilities held for trading	-	-	-	-	275	632	-	-	-	907
Derivatives	-	-	-	-	275	632	-	-	-	907
Financial liabilities designated at fair value through profit or loss	-	-	-	-	-	-	-	-	-	-
Financial liabilities at amortised cost	34,818,146	2,303,232	1,110,704	978,979	3,040,901	9,661,107	1,729,138	741,013	(136,474)	54,246,746
Deposits	34,818,146	1,280,372	1,110,704	978,979	3,040,901	9,176,752	593,424	6,580	(163,013)	50,842,845
Central banks	-	-	-	-	1,833,000	8,598,000	-	-	(161,167)	10,269,833
Credit institutions	171,248	12,455	20,669	30,744	63,947	392,957	142,318	5,317	640	840,295
Customers	34,646,898	1,267,917	1,090,035	948,235	1,143,954	185,795	451,106	1,263	(2,486)	39,732,717
Debt securities issued	-	742,515	-	-	-	484,355	1,135,714	-	26,539	2,389,123
Other financial liabilities	-	280,345	-	-	-	-	-	734,433	-	1,014,778
Memorandum: subordinated liabilities	-	-	-	-	-	-	639,460	-	3,997	643,457
TOTAL	34,818,146	2,303,232	1,110,704	978,979	3,041,176	9,661,739	1,729,138	741,013	(136,474)	54,247,653

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The following table shows the Group's total credit risk net of valuation adjustments at 30 June 2022 and 31 December 2021:

	Thousands of Euros	
	30/06/2022	31/12/2021
Financial assets held for trading	1,029	1,131
Derivatives	1,029	1,131
Loans and advances	-	-
Non-trading financial assets mandatorily at fair value through profit or loss	541,104	462,547
Equity instruments	4,436	4,119
Debt securities	65,107	108,745
Loans and advances	471,561	349,683
Financial assets designated at fair value through profit or loss	-	-
Debt securities	-	-
Loans and advances	-	-
Financial assets at fair value through other comprehensive income	1,662,135	570,206
Equity instruments	133,624	131,254
Debt securities	1,528,511	438,952
Financial assets at amortised cost	47,724,470	48,561,611
Debt securities	12,196,298	14,599,303
Loans and advances	35,528,172	33,962,308
Derivatives	2,727,885	606,871
Total credit risk due to financial assets	52,656,623	50,202,366
Loan commitments given	5,475,858	5,295,409
Financial guarantees given	376,013	316,965
Other commitments given	1,479,918	882,981
Total off-balance sheet exposures	7,331,789	6,495,355
Total maximum exposure to credit risk	59,988,412	56,697,721

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Credit risk concentration by activity, geographical area and counterparty at 30 June 2022 and 31 December 2021 is as follows:

Thousands of Euros					
30/06/2022					
	TOTAL	Spain	Rest of the European Union	America	Rest of the world
Central banks and credit institutions	9,759,126	9,381,849	353,550	20,625	3,102
Public Administrations	14,691,060	6,309,925	8,378,131	-	3,004
Central government	13,194,417	4,830,804	8,360,609	-	3,004
Other Public Administrations	1,496,643	1,479,121	17,522	-	-
Other financial corporations and self-employed individuals (financial business activity)	2,042,527	1,334,899	606,810	11,433	89,385
Non-financial corporations and self-employed individuals (non-financial business activity) (broken down by purpose)	19,027,527	17,754,295	1,015,177	57,714	200,341
Real estate development and construction (including land)	401,846	401,846	-	-	-
Execution of civil works	3,786	3,786	-	-	-
Other purposes	18,621,895	17,348,663	1,015,177	57,714	200,341
Large companies	6,248,036	5,119,424	887,742	54,490	186,380
SMEs and self-employed	12,373,860	12,229,239	127,435	3,224	13,961
Other households (broken down by purpose)	14,530,584	14,274,372	121,851	11,605	122,756
Housing	12,891,470	12,640,751	118,920	11,501	120,298
Consumer	313,172	311,639	848	80	605
Other purposes	1,325,942	1,321,982	2,083	24	1,853
TOTAL	60,050,824	49,055,340	10,475,519	101,377	418,588
31/12/2021					
	TOTAL	Spain	Rest of the European Union	America	Rest of the world
Central banks and credit institutions	5,656,045	5,295,509	353,065	959	6,512
Public Administrations	15,866,685	6,108,973	9,754,689	-	3,023
Central government	14,527,405	4,769,693	9,754,689	-	3,023
Other Public Administrations	1,339,280	1,339,280	-	-	-
Other financial corporations and self-employed individuals (financial business activity)	1,723,947	1,172,530	477,830	4,119	69,468
Non-financial corporations and self-employed individuals (non-financial business activity) (broken down by purpose)	18,567,451	17,356,168	962,568	56,184	192,531
Real estate development and construction (including land)	434,531	434,365	-	-	166
Execution of civil works	4,361	4,361	-	-	-
Other purposes	18,128,559	16,917,442	962,568	56,184	192,365
Large companies	5,913,942	4,743,206	934,370	53,567	182,799
SMEs and self-employed	12,214,617	12,174,236	28,198	2,617	9,566
Other households (broken down by purpose)	14,106,490	13,855,285	114,082	10,877	126,246
Housing	12,827,756	12,580,748	111,924	10,792	124,292
Consumer	319,540	317,976	841	75	648
Other purposes	959,194	956,561	1,317	10	1,306
TOTAL	55,920,618	43,788,465	11,662,234	72,139	397,780

Total risk includes the following balance sheet items: deposits at credit institutions, customer loans, debt securities, capital instruments, trading derivatives, hedging derivatives, investments and contingent exposures, after deducting valuation adjustments for specific hedging operations.

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Thousands of Euros										
30/06/2022										
	TOTAL	Andalusia	Aragón	Asturias	Balearic Islands	Canary Islands	Cantabria	Castilla-La Mancha	Castilla-Leon	Catalonia
Central banks and credit institutions	9,381,849	569,744	29,816	-	710	-	166,125	-	-	40,319
Public Administrations	6,309,925	155,008	5,399	25,025	77,853	132,191	-	90,513	72,670	141,815
Central government	4,830,804	-	-	-	-	-	-	-	-	-
Other Public Administrations	1,479,121	155,008	5,399	25,025	77,853	132,191	-	90,513	72,670	141,815
Other financial corporations and self-employed individuals (financial business activity)	1,334,900	420,888	144	5	914	887	2	209	1,508	19,575
Non-financial corporations and self-employed individuals (non-financial business activity) (broken down by purpose)	17,754,294	4,246,416	289,326	123,955	552,889	743,455	33,852	359,806	1,118,947	1,142,170
Real estate development and construction (including land)	401,848	139,926	80	-	2,562	22,209	40	22,008	9,875	14,402
Execution of civil works	3,796	281	-	-	-	-	-	-	-	-
Other purposes	17,348,662	4,106,229	289,246	123,955	550,327	721,246	33,812	337,798	1,109,072	1,127,767
Large companies	5,119,423	560,296	140,029	89,316	118,116	173,236	5,127	58,857	122,377	549,869
SMEs and self-employed	12,229,239	3,545,933	149,217	34,639	432,211	548,010	28,685	278,941	986,695	577,898
Other households (broken down by purpose)	14,274,371	4,028,886	34,931	16,597	393,520	433,838	11,890	144,460	543,029	1,023,389
Housing	12,640,750	3,691,012	31,903	14,953	355,986	381,661	11,156	131,591	499,705	959,066
Consumer	311,639	94,475	722	592	6,774	16,885	418	3,212	13,579	10,178
Other purposes	1,321,982	341,399	2,308	1,052	30,760	35,292	316	9,657	29,745	54,145
TOTAL	49,055,340	9,418,940	359,616	165,582	1,025,886	1,310,371	211,868	594,988	1,736,154	2,376,268

Thousands of Euros										
31/12/2021										
	TOTAL	Andalusia	Aragón	Asturias	Balearic Islands	Canary Islands	Cantabria	Castilla-La Mancha	Castilla-Leon	Catalonia
Central banks and credit institutions	-	10,214	6,229,569	-	-	248	2,326,106	-	-	-
Public Administrations	-	-	161,596	131,212	232	421,359	-	2,022	62,226	-
Central government	-	-	-	-	-	-	-	-	-	-
Other Public Administrations	-	-	161,596	131,212	232	421,359	-	2,022	62,226	-
Other financial corporations and self-employed individuals (financial business activity)	95	28	852,439	6,971	7	5,343	25,503	1	382	-
Non-financial corporations and self-employed individuals (non-financial business activity) (broken down by purpose)	53,145	300,308	2,182,033	2,406,408	131,575	3,508,005	515,612	32,654	13,738	-
Real estate development and construction (including land)	26	-	37,568	38,035	312	113,768	-	-	1,035	-
Execution of civil works	-	-	3,525	-	-	-	-	-	-	-
Other purposes	53,119	300,308	2,140,941	2,368,373	131,263	3,394,237	515,612	32,654	12,703	-
Large companies	6,409	183,300	1,430,841	463,603	87,155	682,190	431,067	13,353	4,282	-
SMEs and self-employed	46,710	117,008	710,100	1,904,770	44,108	2,712,048	84,546	19,301	8,421	-
Other households (broken down by purpose)	7,129	37,405	796,856	2,561,867	39,657	4,124,920	8,149	8,425	61,423	-
Housing	6,417	34,330	753,467	2,253,415	36,711	3,506,320	7,410	7,721	57,926	-
Consumer	235	817	8,682	58,153	912	94,630	166	208	801	-
Other purposes	477	2,258	34,707	250,299	2,034	523,770	573	496	2,696	-
TOTAL	60,369	347,955	10,222,492	5,106,458	171,471	8,059,875	2,875,372	43,102	137,769	-

Thousands of Euros										
31/12/2021										
	TOTAL	Andalusia	Aragón	Asturias	Balearic Islands	Canary Islands	Cantabria	Castilla-La Mancha	Castilla-Leon	Catalonia
Central banks and credit institutions	5,295,509	152,301	25,267	-	710	-	257,438	-	-	76,992
Public Administrations	6,108,973	177,361	7,016	25,013	5,735	131,764	-	92,140	76,694	86,419
Central government	4,769,693	-	-	-	-	-	-	-	-	-
Other Public Administrations	1,339,280	177,361	7,016	25,013	5,735	131,764	-	92,140	76,694	86,419
Other financial corporations and self-employed individuals (financial business activity)	1,172,530	271,649	167	6	898	878	4	291	1,486	18,345
Non-financial corporations and self-employed individuals (non-financial business activity) (broken down by purpose)	17,356,168	4,431,102	209,553	116,436	535,553	775,061	31,114	308,431	1,095,994	1,032,139
Real estate development and construction (including land)	434,365	161,074	5,594	-	2,374	23,264	42	3,566	10,913	13,983
Execution of civil works	4,361	481	-	-	-	-	-	-	-	-
Other purposes	16,917,442	4,269,547	203,959	116,436	533,179	751,797	31,072	304,865	1,085,481	1,018,156
Large companies	4,743,206	618,069	115,268	84,782	110,537	165,157	4,669	40,332	96,519	486,984
SMEs and self-employed	12,174,236	3,651,478	88,691	31,654	422,642	586,640	26,403	264,533	988,962	531,172
Other households (broken down by purpose)	13,855,285	3,939,613	31,402	13,764	364,652	412,808	11,667	137,088	530,605	1,013,121
Housing	12,580,748	3,585,550	28,667	12,493	335,328	367,624	10,976	126,022	488,583	965,870
Consumer	317,976	96,528	639	579	6,587	17,102	403	3,338	14,059	10,492
Other purposes	966,561	257,535	2,096	692	22,737	28,082	288	7,728	27,963	36,759
TOTAL	43,788,465	8,972,026	273,405	155,219	907,548	1,320,511	300,223	537,950	1,704,779	2,227,016

Thousands of Euros										
31/12/2021										
	TOTAL	Andalusia	Aragón	Asturias	Balearic Islands	Canary Islands	Cantabria	Castilla-La Mancha	Castilla-Leon	Catalonia
Central banks and credit institutions	4,268	11,392	4,653,743	-	-	248	113,150	-	-	-
Public Administrations	-	-	163,033	109,626	245	396,371	1	2,528	65,334	-
Central government	-	-	-	-	-	-	-	-	-	-
Other Public Administrations	-	-	163,033	109,626	245	396,371	1	2,528	65,334	-
Other financial corporations and self-employed individuals (financial business activity)	71	15	839,860	7,683	7	5,217	25,552	-	401	-
Non-financial corporations and self-employed individuals (non-financial business activity) (broken down by purpose)	51,526	293,144	2,090,656	2,357,509	126,768	3,406,303	448,918	30,789	15,172	-
Real estate development and construction (including land)	30	2,032	39,665	43,052	348	127,225	-	-	1,603	-
Execution of civil works	-	-	3,880	-	-	-	-	-	-	-
Other purposes	51,496	291,112	2,047,111	2,314,457	126,420	3,279,078	448,918	30,789	13,569	-
Large companies	9,224	191,904	1,348,803	414,827	84,745	545,929	408,119	12,733	4,605	-
SMEs and self-employed	42,272	99,208	698,308	1,899,630	41,675	2,733,149	40,799	18,056	8,964	-
Other households (broken down by purpose)	6,877	28,429	729,176	2,480,723	34,607	4,044,591	7,597	7,306	61,259	-
Housing	6,077	25,798	685,366	2,295,029	31,927	3,543,435	7,094	6,692	58,217	-
Consumer	201	763	8,741	59,358	920	97,095	146	241	784	-
Other purposes	599	1,868	35,069	126,336	1,760	404,061	357	373	2,258	-
TOTAL	62,742	332,980	8,476,468	4,955,541	161,627	7,852,730	595,218	40,623	142,166	-

Total risk includes the following balance sheet items: deposits at credit institutions, customer loans, debt securities, capital instruments, trading derivatives, hedging derivatives, investments and contingent exposures, after deducting valuation adjustments for specific hedging operations.

Risk is distributed by geographic area based on the location of the Group's customers, and primarily concerns businesses in Spain.

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7.2. Financial assets and liabilities held for trading

Details of this financial asset and liability heading of the accompanying consolidated balance sheet are as follows:

	Thousands of Euros			
	Assets		Liabilities	
	30/06/2022	31/12/2021	30/06/2022	31/12/2021
Derivatives	1,029	1,131	904	907
Equity instruments	-	-	-	-
Debt securities	-	-	-	-
Loans and advances	-	-	-	-
Total	1,029	1,131	904	907

7.2.1. Derivatives

In accordance with the matters indicated in Note 3.1 to the Group's consolidated annual accounts as at and for the period ended 31 December 2021, trading derivatives are classified in the trading portfolio and, as such, are measured at fair value, recording any changes that may arise in their fair value directly on the consolidated statement of profit or loss.

The fair value of trading derivatives on the asset side at 30 June 2022 and 31 December 2021 is €1,029 thousand and €1,131 thousand, respectively, while the fair value of derivatives on the liabilities side is €904 thousand and €907 thousand, respectively.

The fair values of trading derivatives are classified in Level 2 (Notes 7.1) because the valuations are calculated on the basis of observable market inputs. These are mainly interest rate derivatives, whose notional value at 30 June 2022 was €1,169,012 thousand (€1,266,015 thousand at 31 December 2021).

The notional values of financial derivatives registered as "Trading derivatives" at 30 June 2022 and 31 December 2021 are indicated below, in accordance with the various classifications made based on the type of market, type of product, counterparty, remaining term and type of risk:

	Thousands of Euros							
	30/06/2022				31/12/2021			
	Carrying amount		Notional amount		Carrying amount		Notional amount	
	Financial assets held for trading	Financial liabilities held for trading	Total trading	Of which: sold	Financial assets held for trading	Financial liabilities held for trading	Total trading	Of which: sold
Interest rate	1,029	904	1,169,012	9,780	1,131	907	1,266,015	12,552
OTC options	66	66	19,561	9,780	99	99	25,104	12,552
Other OTC	963	838	1,149,451	-	1,032	808	1,240,911	-
Other OTC	-	-	-	-	-	-	-	-
DERIVATIVES	1,029	904	1,169,012	9,780	1,131	907	1,266,015	12,552
Of which: OTC – credit institutions	1,029	-	1,129,827	-	99	809	1,219,435	-
Of which: OTC – others	-	904	39,185	-	1,033	99	46,579	-

7.2.2. Equity instruments

At 30 June 2022 and 31 December 2021 the Group has no positions in this portfolio.

7.2.3. Debt securities

At 30 June 2022 and 31 December 2021 the Group has no positions in this portfolio.

7.2.4. Loans and advances

At 30 June 2022 and 31 December 2021 there were no balances classified under this balance sheet heading.

7.3. Non-trading financial assets mandatorily at fair value through profit or loss

Details of this heading of the accompanying consolidated balance sheet are as follows:

	Thousands of Euros	
	30/06/2022	31/12/2021
Equity instruments	4,436	4,119
Debt securities	65,107	108,745
Loans and advances	471,561	349,683
Total	541,104	462,547

The fair value of assets classified in the “Non-trading financial assets mandatorily at fair value through profit or loss” portfolio is classified in three levels: Level 1 includes all those assets whose valuation prices are obtained from active markets; Level 2 is for assets having prices or valuations based on variables other than those that apply to Level 1 and which are directly or indirectly observable in the market; and Level 3 contains assets whose valuation or valuation price is provided by a third party or calculated internally on the basis of in-house criteria and models (Note 7.1).

7.3.1. Equity instruments

At 30 June 2022 and 31 December 2021 the breakdown of this heading by the issuer’s business sector is as follows:

	Thousands of Euros	
	30/06/2022	31/12/2021
Credit institutions	-	-
Other resident sectors	-	-
Non-residents	4,436	4,119
Total	4,436	4,119

At 30 June 2022 and 31 December 2021 the account “Equity instruments”, breakdown as follows, based on whether or not the shares making up the heading are listed or not, also showing the percentages of the total:

	30/06/2022		31/12/2021	
	Thousands of Euros	% of total	Thousands of Euros	% of total
Listed:	-	-	-	-
Non-listed:	4,436	100.00%	4,119	100.00%
Cost	1,657	37.35%	1,520	36.90%
Valuation adjustments against profit or loss	2,779	62.65%	2,599	63.10%
Total	4,436	100.00%	4,119	100.00%

During the six-month period ended 30 June 2022 there were no significant changes in securities not listed on official markets.

7.3.2. Debt securities

Details of debt securities classified based on the counterparty are as follows:

	Thousands of Euros	
	30/06/2022	31/12/2021
Central banks	-	-
Public administrations	-	-
Credit institutions	57,020	100,513
Other private sectors	8,087	8,232
Non-performing assets	-	-
Total	65,107	108,745

At 30 June 2022 and 31 December 2021 there were no securities pledged to secure transactions

At 30 June 2022 the nominal value of the securities in this portfolio was €71,900 thousand, while their fair value was €65,107 thousand. At 31 December 2021 the nominal value of the securities in this portfolio was €106,183 thousand, while their fair value was €108,745 thousand.

Income from “Debt securities” at 30 June 2022 amounted to €5,252 thousand (€3,302 thousand at 30 June 2021) (Note 25).

The average effective interest rate on debt instruments classified in this portfolio in the Group during the six-month period ended 30 June 2022 was 3.62% (3.95% in 2021).

7.3.3. Loans and advances

At 30 June 2022 this heading includes an amount of €471,561 thousand corresponding to the variable price of the Cajamar Vida, S.A. transaction (€349,683 thousand at 31 December 2021).

In 2004, the Group sold 50% of the capital of Cajamar Vida, S.A. de Seguros y Reaseguros to Generali España, Holding de Entidades de Seguros, S.A., retaining the other 50% of the shares. According to the share sale-purchase agreement, the shares’ overall price, which is to be settled in 15 years, consisted of a fixed price and a variable price that was to be calculated based on the value of the business and the net value of the assets at the time the contract, which has been rolled over several times, expires. Subsequently, to give coverage to agreements reached by the newly configured IPS and branch network, the contract was renegotiated in subsequent years, mainly to modify the determination of the variable price.

In the novation signed on 4 August 2016, the contract was amended to include a fixed, non-revisable Accrued Variable Price. The annual change in the present value of the Accrued Variable Price is recognised under the heading “Gains or (-) losses on non-trading financial assets mandatorily at fair value through profit or loss – Loans and advances”. In the novation signed on 29 March 2022, the contract was amended to include an extraordinary accrued variable price, representing income from recognition of past services and therefore not linked to any plan with a minimum volume of products to be marketed by the Group and its network. The amount recognised in the six-month period ended 30 June 2022 is €118,005 thousand (€29,767 thousand at 30 June 2021) (Note 25).

7.4. Financial assets designated at fair value through profit or loss

At 30 June 2022 and 31 December 2021 there were no balances booked under this balance sheet heading.

7.5. *Financial assets at fair value through other comprehensive income*

Details of this heading of the accompanying consolidated balance sheet are as follows:

	Thousands of Euros	
	30/06/2022	31/12/2021
Debt securities	1,528,511	438,952
Equity instruments	133,624	131,254
Loans and advances	-	-
Total	1,662,135	570,206

The fair value of assets classified in the “Financial assets at fair value through other comprehensive income” portfolio is classified in three levels: Level 1 includes all those assets whose valuation prices are obtained from active markets; Level 2 is for assets having prices or valuations based on variables other than those that apply to Level 1 and which are directly or indirectly observable in the market; and Level 3 contains assets whose valuation or valuation price is provided by a third party or calculated internally on the basis of in-house criteria and models (Note 7.1).

7.5.1. *Debt securities*

Details of debt securities classified based on the counterparty are as follows:

	Thousands of Euros	
	30/06/2022	31/12/2021
Central banks	-	-
Public administrations	1,386,590	302,210
Credit institutions	109,477	96,726
Other private sectors	35,501	43,073
Non-performing assets	-	-
Valuation adjustments:	-	-
Valuation adjustments for impairment	(3,057)	(3,057)
Total	1,528,511	438,952

The average effective interest rate on debt instruments classified in this portfolio in the Group during the six-month period ended 30 June 2022 was 0.3% (0.52% in 2021).

At 30 June 2022 no amount of the balance of “Debt securities” related to “Repurchase agreements” (no amount at 31 December 2021).

The gains or losses on disposal of assets classified as “Financial assets at fair value through other comprehensive income” recognised in profit or loss at 30 June 2022 amounted to €3,632 thousand (30 June 2021: €854 thousand) (Note 25).

At 30 June 2022, the interest accrued on “Debt securities” was €2,397 thousand (30 June 2021: €1,906 thousand) (Note 25).

7.5.2. *Equity instruments*

This heading of the accompanying consolidated balance sheets records the financial instruments issued by other entities, such as shares, contributions and non-voting equity that are considered to be equity instruments by the issuer, except for those companies in which control is exercised, a stake exceeding 20% is held or, if a lower shareholding is held, significant influence is maintained.

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At 30 June 2022 and 31 December 2021 the breakdown of this heading by the issuer's business sector is as follows:

	Thousands of Euros	
	30/06/2022	31/12/2021
Credit institutions	2,952	2,952
Other resident sectors	72,340	67,744
Non-residents	58,333	60,557
Total	133,624	131,253

At 30 June 2022 the cumulative gains or losses on disposal of equity instruments classified as "Financial assets at fair value through other comprehensive income" taken to the Bank's other reserves amounted to a loss of €7,601 thousand (31 December 2021: a loss of €9,141 thousand) (Note 17.2)

Income from "Equity instruments" at 30 June 2022 and at 30 June 2021 amounted to €2,188 thousand and €1,005 thousand, respectively (Note 25).

At 30 June 2022 and 31 December 2021 the account "Equity instruments" breaks down as follows, according to whether the securities are listed or not, showing the percentages of the total:

	30/06/2022		31/12/2021	
	Thousands of Euros	% of total	Thousands of Euros	% of total
Listed:	14,707	11.01%	16,292	12.41%
Cost	15,795	11.82%	15,703	11.96%
Accumulated other comprehensive income	(1,088)	(0.81%)	588	0.45%
Non-listed:	118,917	88.99%	114,962	87.59%
Cost	115,789	86.65%	119,052	90.70%
Accumulated other comprehensive income	3,127	2.34%	(4,091)	(3.12%)
Total	133,624	100.00%	131,253	100.00%

In 2021 the investment held by the Parent in SAREB was written off against reserves, as a result of the reduction of the €11,251 thousand investment to zero following the capital reduction to redress equity. As a result of this process to redress equity, a new contribution of Euros 7,068 thousand was made to Sociedad de Gestión de Activos Procedentes de la Reestructuración Bancaria S.A. (SAREB) which was fully impaired in equity under other comprehensive income.

7.5.3. Loans and advances

At 30 June 2022 and 31 December 2021 there were no balances classified under this balance sheet heading.

7.5.4. Accumulated other comprehensive income

In accordance with the description provided in Note 3.1 to the Group's consolidated annual accounts as at and for the period ended 31 December 2021, the fair value gain or loss on "Financial assets at fair value through other comprehensive income", net of taxes, is recorded in equity under "Accumulated other comprehensive income", which therefore records the changes in fair value net of taxes (Note 19).

Fair value gains or losses on associates after the acquisition date are likewise recognised, net of taxes, under "Accumulated other comprehensive income".

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The details of these changes in the consolidated balance sheets at 30 June 2022 and 31 December 2021 are as follows:

Items that will not be reclassified to profit or loss

	Thousands of Euros	
	30/06/2022	31/12/2021
Changes in the fair value of equity instruments at fair value through other comprehensive income		
Gains/losses	6,359	2,505
Tax effect	14,968	9,433
	(8,609)	(6,928)
Total valuation adjustments	6,359	2,505

Items that will be reclassified to profit or loss

	Thousands of Euros	
	30/06/2022	31/12/2021
Debt instruments at fair value through other comprehensive income		
Gains/losses	(26,270)	(3,188)
Tax effect	(35,811)	(5,074)
	9,541	1,886
Total valuation adjustments	(26,270)	(3,188)

7.6. Financial assets at amortised cost

The composition of this item in the accompanying consolidated balance sheet is as follows:

	Thousands of Euros	
	30/06/2022	31/12/2021
Loans and advances to credit institutions	638,580	153,432
Loans and advances to customers	34,889,592	33,808,876
Debt securities	12,196,298	14,599,303
Total	47,724,470	48,561,611

7.6.1. Loans and advances – Deposits at credit institutions

Details of this account under “Loans and advances” on the consolidated balance sheets according to the instrument type are as follows:

	Thousands of Euros	
	30/06/2022	31/12/2021
Term deposits	91,552	20,006
Hybrid financial assets	-	-
Reverse repurchase agreement	-	-
Non-performing assets	-	-
Other financial assets	532,490	133,421
Valuation adjustments	14,538	5
Valuation adjustments for impairment	(11)	(2)
Accrued interest	720	(1)
Unaccrued transaction costs	16	8
Premium (discount) on acquisition	13,813	-
Total	638,580	153,432

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The movement in impairment losses recognised at 30 June 2022 is as follows:

	Thousands of Euros			
	Valuation adjustments			Total allowance
	Phase 1	Phase 2	Phase 3	
Balance at 31 December 2021	(1)	(1)	-	(2)
Increases due to origination and acquisition	-	-	-	-
Decreases due to derecognitions	-	-	-	-
Changes due to variation in credit risk (net)	-	-	-	-
Changes due to modifications with no derecognitions (net)	-	-	-	-
Changes due to revision of the entity's estimation model (net)	-	-	-	-
Decrease in the valuation adjustment account as a result of delinquent loans written off	-	-	-	-
Other adjustments	(10)	1	-	(9)
Balance at 30 June 2022	(11)	-	-	(11)

The movement in impairment losses recognised at 31 December 2021 is as follows:

	Thousands of Euros			
	Valuation adjustments			Total allowance
	Phase 1	Phase 2	Phase 3	
Balance at 31 December 2020	-	-	(6)	(6)
Increases due to origination and acquisition	-	-	-	-
Decreases due to derecognitions	-	-	-	-
Changes due to variation in credit risk (net)	-	(1)	6	5
Changes due to modifications with no derecognitions (net)	-	-	-	-
Changes due to revision of the entity's estimation model (net)	-	-	-	-
Decrease in the valuation adjustment account as a result of delinquent loans written off	-	-	-	-
Other adjustments	(1)	-	-	(1)
Balance at 31 December 2021	(1)	(1)	-	(2)

7.6.2. Loans and advances - Customer loans

The breakdown of this heading on the accompanying consolidated balance sheets is indicated below, according to the type and status of the loan and the sector in which the counterparty operates:

	Thousands of Euros	
	30/06/2022	31/12/2021
By credit type and status:		
Commercial loans	1,376,707	1,252,206
Secured loans	18,659,935	18,482,953
Other term loans	13,100,907	12,413,323
Finance leases	307,271	314,041
Receivables on demand and others	668,434	556,407
Non-performing assets	1,119,308	1,311,024
Other financial assets:		
Commissions for financial guarantees and other commitments given (Note 21.2) (Note 21.3)	57,851	53,596
Other financial assets	264,632	233,394
Of which in arrears	1,189	900
Valuation adjustments	(665,453)	(808,068)
Total	34,889,592	33,808,876
By sector:		
Public Administrations	1,618,647	1,440,580
Other private sectors:		
Financial corporations	1,186,073	985,369
Non-financial corporations	14,483,087	14,126,698
Households	17,601,785	17,256,229
Total	34,889,592	33,808,876

The heading "Other financial assets – Other assets" includes other balances receivable by the Group for transactions that are not classified as loans, mainly comprising guarantees required to operate in the markets.

The average effective interest rate on debt instruments classified in this portfolio in the Group during the six-month period ended 30 June 2022 was 1.43% (1.61% in 2021).

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Details of loans and advances to customers at 30 June 2022 and 31 December 2021, excluding valuation adjustments, are as follows:

	Thousands of Euros	
	30/06/2022	31/12/2021
Performing exposure	34,434,548	33,305,020
<i>Of which: Watch-list performing exposure</i>	2,679,893	2,692,523
Non-performing exposure	1,119,308	1,311,024
Other assets in arrears	1,189	900
Closing balance	35,555,045	34,616,944

The amount of collateral received to secure loans and advances to customers at 30 June 2022 and 31 December 2021 is as follows:

	Thousands of Euros						
	Maximum amount of collateral or personal guarantee that can be considered						
30/06/2022	Loans collateralised by property		Other collateralised loans				Financial guarantees received
	Residential buildings	Commercial buildings	Cash, deposit, [debt securities issued]	Moveable goods	Equity instruments and Debt securities	Other	
Loans and advances	14,072,160	4,104,889	21,538	2,746	-	1,872	3,286,782
Of which: Other financial corporations	1,944	1,088	83	-	-	-	19,968
Of which: Non-financial corporations	443,912	2,826,343	12,824	2,470	-	1,751	2,633,994
Of which: Small and medium-sized entities	442,490	2,516,304	12,313	1,872	-	1,470	2,178,452
Of which: Business property loans to small and medium-sized entities	332,472	2,516,304	1,838	-	-	-	15,931
Of which: Business property loans to non-financial corporations other than small and medium-sized entities	1,179	310,040	-	-	-	-	361
Of which: Households	13,604,829	1,267,990	8,230	278	-	121	603,731
Of which: Lending for house purchase	12,608,460	168,568	1,631	-	-	38	10,200
Of which: Consumer credit	32	79	1,413	-	-	-	8,741

	Miles de euros						
	Maximum amount of collateral or personal guarantee that can be considered						
31/12/2021	Loans collateralised by property		Other collateralised loans				Financial guarantees received
	Residential buildings	Commercial buildings	Cash, deposit, [debt securities issued]	Moveable goods	Equity instruments and Debt securities	Other	
Loans and advances	13,841,295	4,204,973	23,812	2,823	-	2,031	3,261,560
Of which: Other financial corporations	1,736	874	86	-	-	-	5,420
Of which: Non-financial corporations	458,902	2,891,050	13,675	2,558	-	1,774	2,724,766
Of which: Small and medium-sized entities	457,386	2,577,742	13,141	1,927	-	1,331	2,277,914
Of which: Business property loans to small and medium-sized entities	346,724	2,577,742	1,654	-	-	-	12,471
Of which: Business property loans to non-financial corporations other than small and medium-sized entities	1,380	313,308	-	-	-	-	290
Of which: Households	13,358,141	1,303,426	9,584	265	-	257	525,781
Of which: Lending for house purchase	12,507,989	180,509	2,005	-	-	41	15,335
Of which: Consumer credit	31	86	2,021	-	-	-	10,887

Set out below is a breakdown by counterparty of loans and advances to customers at 30 June 2022 and 31 December 2021, together with details of the amount covered by each of the main guarantees and distribution of secured financing on the basis of the percentage of the carrying amount of financing over the amount of the latest valuation of the guarantee available:

	Thousands of Euros							
30/06/2022	Secured loans, carrying amount based on latest available appraisal (loan to value)							
	Total	Of which: Real estate mortgage secured	Of which: Other collateral	Less than or equal to 40%	Over 40% and equal to or less than 60%	Over 60% and equal to or less than 80%	Over 80% and equal to or less than 100%	Over 100%
Public Administrations	1,602,393	36,506	401	7,924	12,556	3,111	1,578	11,738
Other financial corporations and self-employed individuals (financial business activity)	987,967	8,039	137	2,378	2,887	2,395	321	195
Non-financial corporations and self-employed individuals (non-financial business activity)	17,805,223	4,861,760	167,322	1,819,881	1,650,606	1,010,143	200,561	347,891
Real estate development and construction (including land)	329,980	322,102	1,504	110,890	92,661	64,354	20,945	34,756
Execution of civil works	3,786	3,786	-	20	3,766	-	-	-
Other purposes	17,471,457	4,535,872	165,818	1,708,971	1,554,179	945,789	179,616	313,135
Large companies	5,479,854	342,500	9,921	108,417	122,622	48,656	27,544	45,182
SMEs and self-employed individuals	11,991,603	4,193,372	155,897	1,600,554	1,431,557	897,133	152,072	267,953
Other households	14,494,009	13,545,854	7,626	3,706,757	4,033,610	4,149,030	1,229,386	434,697
Housing	12,891,470	12,862,359	2,016	3,458,257	3,857,152	4,006,850	1,167,958	374,158
Consumer	313,172	149	1,487	52	4	12	1,155	413
Other purposes	1,289,367	683,346	4,123	248,448	176,454	142,168	60,273	60,126
Total	34,889,592	18,452,159	175,486	5,536,940	5,699,659	5,164,679	1,431,846	794,521
Memorandum items:								
Refinancing, refinanced and restructured transactions	1,211,055	906,773	11,977	234,609	258,243	252,432	81,625	91,841

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	Thousands of Euros							
	Secured loans, carrying amount based on latest available appraisal (loan to value)							
	Total	Of which: Real estate mortgage secured	Of which: Other collateral	Less than or equal to 40%	Over 40% and equal to or less than 60%	Over 60% and equal to or less than 80%	Over 80% and equal to or less than 100%	Over 100%
31/12/2021								
Public Administrations	1,420,456	38,127	467	2,657	18,859	3,212	1,702	12,164
Other financial corporations and self-employed individuals (financial business activity)	818,529	8,624	148	2,623	2,939	2,180	684	346
Non-financial corporations and self-employed individuals (non-financial business activity)	17,495,010	5,064,612	170,284	1,833,926	1,718,012	1,067,300	243,169	372,489
Real estate development and construction (including land)	383,306	378,672	1,884	114,812	135,842	71,767	29,610	28,525
Execution of civil works	4,361	4,361	-	26	3,880	-	455	-
Other purposes	17,107,343	4,681,579	168,400	1,719,088	1,578,290	995,533	213,104	343,964
Large companies	5,268,707	348,864	11,360	120,969	130,227	38,195	25,657	45,176
SMEs and self-employed individuals	11,838,636	4,332,715	157,040	1,598,119	1,448,063	957,338	187,447	298,788
Other households	14,074,881	13,241,378	9,125	3,618,899	4,005,741	3,891,474	1,248,191	486,198
Housing	12,827,756	12,795,634	2,466	3,412,381	3,889,912	3,806,167	1,226,614	463,026
Consumer	319,540	160	2,140	54	10	12	1,579	645
Other purposes	927,585	445,584	4,519	206,464	115,819	85,295	19,998	22,527
Total	33,808,876	18,352,741	180,024	5,458,105	5,745,551	4,964,166	1,493,746	871,197
Memorandum items:								
Refinancing, refinanced and restructured transactions	1,331,144	1,067,533	11,903	250,176	307,884	297,161	111,831	112,384

The total exposure includes customer loans net of the impairment provisions recognised to cover specific transactions.

7.6.2.1. Valuation adjustments

Details of valuation adjustments to transactions classified as “Loans and advances – Customer loans” are as follows:

	Thousands of Euros	
	30/06/2022	31/12/2021
Valuation adjustments:		
Impairment allowances	(833,601)	(934,167)
Impairment allowances for other financial assets	(1,132)	(998)
Accrued interest	57,349	53,867
Accumulated changes in fair value not due to credit risk	(3,539)	(793)
Premiums/discounts on acquisition	10,577	(1,075)
Commissions	(53,383)	(57,526)
Transaction costs	158,276	132,624
Total	(665,453)	(808,068)

7.6.2.2. Transfer and derecognition of financial assets

The Group has transferred various assets comprising customer loans. These transfers were recognised as per the policy described in Note 3.5 to the Group's consolidated annual accounts as at and for the period ended 31 December 2021. At 30 June 2022 and 31 December 2021 the outstanding balance of these operations was as follows:

	Thousands of Euros	
	30/06/2022	31/12/2021
Written off the balance sheet:	68,373	94,091
Loans granted to securitisation funds	-	25,046
Other transfers to credit institutions	7,237	7,716
Other transfers	61,136	61,329
Held on the balance sheet:	4,540,216	4,084,481
Loans granted to securitisation funds	4,540,216	4,084,481
Total	4,608,589	4,178,572

The Group has transformed loans into bonds that may be discounted through the assignment of securitisation funds that, while recorded under "Loans and advances", allows financing to be obtained by pledging those items. At 30 June 2022 the Group retained €4,147,258 thousand in securitised bonds relating to the above-mentioned transformations of loans and credit lines (€3,622,908 thousand at 31 December 2021) (Note 7.7.3).

Of the aforementioned €4,147,258 thousand in securitisation bonds existing at 30 June 2022 (€3,622,908 thousand at 31 December 2021), no amount was pledged in the loan agreement including the encumbrance of securities and other assets concluded with the Bank of Spain (Note 7.7.1).

Commissions on securitised assets written off the consolidated balance sheet and which relate to all those securitisations prior to 1 January 2004 are recognised in "Gains or (-) losses on financial assets and liabilities" on the consolidated statement of profit or loss at 30 June 2022 and 30 June 2021 in an amount of €1,029 thousand and €66 thousand, respectively.

The net liability recorded in the balance sheet as a balancing entry for the securitised assets maintained on the balance sheet are classified under "Financial liabilities at amortised cost – Customer deposits" totalling €401,158 thousand and €447,792 thousand during the six-month period ended 30 June 2022 and during 2021, respectively, under the heading "Participation mortgages issued" (Note 7.7.3).

Of the loans and receivables recorded in the balance sheet, the Group has certain balances that have been pledged basically to the securitisations carried out, the issue of mortgage covered bonds as well as the transformations carried out, as follows:

	Thousands of Euros	
	30/06/2022	31/12/2021
Pledged loans and credit facilities		
Securing asset securitisations	4,601,352	4,170,856
Securing mortgage covered bonds and notes	6,246,525	7,174,669
Total	10,847,877	11,345,525

In accordance with the minimum coverage established by legislation governing the issue of mortgage covered bonds, the loans and credit facilities securing these issues have been calculated by applying 125% to the issues in force and they constitute the minimum coverage of the total eligible portfolio for these issues.

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Securitisation arrangements in force at 30 June 2022 and 31 December 2021 to which the Group is party are as follows:

30 June 2022

Thousands of Euros

Identifier	Stake	Origination date	Type of securitisation	Nature	Amount at origination date	Amount of securitised positions at reporting date
TDA19-MIXTO FTA	67.15%	27/02/2004	Multi-assignor	ON-BALANCE SHEET	400,000	27,222
TDA CAJAMAR2 FTA	100.00%	18/05/2005	Other	ON-BALANCE SHEET	1,000,000	106,840
RURAL HIPOTECARIO Global I FTA	54.38%	18/11/2005	Multi-assignor	ON-BALANCE SHEET	588,002	55,614
IM CAJAMAR3 FTA	100.00%	08/03/2006	Other	ON-BALANCE SHEET	1,200,000	177,443
RURAL HIPOTECARIO VIII FTA	33.93%	26/05/2006	Multi-assignor	ON-BALANCE SHEET	371,658	53,564
IM CAJAMAR4 FTA	100.00%	13/09/2006	Other	ON-BALANCE SHEET	1,000,000	188,522
RURAL HIPOTECARIO IX FTA	44.27%	28/03/2007	Multi-assignor	ON-BALANCE SHEET	587,354	121,383
IM CAJAMAR5 FTA	100.00%	12/09/2007	Other	ON-BALANCE SHEET	1,000,000	193,167
IM CAJAMAR6 FTA	100.00%	13/02/2008	Other	ON-BALANCE SHEET	1,949,300	471,569
RURAL HIPOTECARIO X FTA	29.86%	25/06/2008	Multi-assignor	ON-BALANCE SHEET	561,467	130,620
RURAL HIPOTECARIO XI FTA	29.05%	25/02/2009	Multi-assignor	ON-BALANCE SHEET	633,195	176,957
RURAL HIPOTECARIO XII F.T.A.	29.51%	04/11/2009	Multi-assignor	ON-BALANCE SHEET	268,785	75,110
IM BCC CAJAMAR 1, F.T.	100.00%	15/01/2016	Other	ON-BALANCE SHEET	750,000	415,534
IM BCC CAPITAL 1, F.T.	100.00%	14/12/2018	Other	ON-BALANCE SHEET	953,000	289,752
IM BCC CAJAMAR 2, F.T.	100.00%	13/12/2019	Other	ON-BALANCE SHEET	725,000	580,772
IM BCC CAJAMAR PYME 3, F.T.	100.00%	06/04/2021	Other	ON-BALANCE SHEET	1,000,000	669,819
IM BCC CAJAMAR PYME 4, F.T.	100.00%	16/03/2022	Other	ON-BALANCE SHEET	900,000	806,326
					13,887,761	4,540,214

31 December 2021

Thousands of Euros

Identifier	Stake	Origination date	Type of securitisation	Nature	Amount at origination date	Amount of securitised positions at reporting date
TDA18-MIXTO FTA (*)	77.84%	14/11/2003	Multi-assignor	OFF-BALANCE SHEET	330,000	25,046
TDA19-MIXTO FTA	67.09%	27/02/2004	Multi-assignor	ON-BALANCE SHEET	400,000	30,283
TDA CAJAMAR2 FTA	100.00%	18/05/2005	Other	ON-BALANCE SHEET	1,000,000	116,821
RURAL HIPOTECARIO Global I FTA	54.52%	18/11/2005	Multi-assignor	ON-BALANCE SHEET	588,002	61,486
IM CAJAMAR3 FTA	100.00%	08/03/2006	Other	ON-BALANCE SHEET	1,200,000	192,002
RURAL HIPOTECARIO VIII FTA	34.16%	26/05/2006	Multi-assignor	ON-BALANCE SHEET	371,658	57,830
IM CAJAMAR4 FTA	100.00%	13/09/2006	Other	ON-BALANCE SHEET	1,000,000	203,290
RURAL HIPOTECARIO IX FTA	44.19%	28/03/2007	Multi-assignor	ON-BALANCE SHEET	587,354	129,959
IM CAJAMAR5 FTA	100.00%	12/09/2007	Other	ON-BALANCE SHEET	1,000,000	206,724
IM CAJAMAR6 FTA	100.00%	13/02/2008	Other	ON-BALANCE SHEET	1,949,300	502,140
RURAL HIPOTECARIO X FTA	29.88%	25/06/2008	Multi-assignor	ON-BALANCE SHEET	561,467	139,763
RURAL HIPOTECARIO XI FTA	26.02%	25/02/2009	Multi-assignor	ON-BALANCE SHEET	633,194	187,308
RURAL HIPOTECARIO XII F.T.A.	29.51%	04/11/2009	Multi-assignor	ON-BALANCE SHEET	268,787	79,580
IM BCC CAJAMAR 1, F.T.	100.00%	15/01/2016	Other	ON-BALANCE SHEET	750,000	438,300
IM BCC CAPITAL 1, F.T.	100.00%	14/12/2018	Other	ON-BALANCE SHEET	953,000	345,938
IM BCC CAJAMAR 2, F.T.	100.00%	13/12/2019	Other	ON-BALANCE SHEET	725,000	608,022
IM BCC CAJAMAR PYME 3, F.T.	100.00%	06/04/2021	Other	ON-BALANCE SHEET	1,000,000	785,036
					13,317,762	4,109,528

(*) During the first half of 2022, the securitisation fund "TDA 18-MIXTO FTA", originated in November 2003 and recorded off-balance sheet, was cancelled.

7.6.2.3. *Impairment losses on loans and advances – Customer loans*

Details of and changes in impairment losses booked at 30 June 2022 for financial assets at amortised cost are as follows:

	Thousands of Euros			
	Valuation adjustments			Total allowance
	Phase 1	Phase 2	Phase 3	
Balance at 31 December 2021	(121,749)	(115,351)	(697,067)	(934,167)
Increases due to origination and acquisition	(6,158)	(5,036)	(6,446)	(17,640)
Decreases due to derecognitions	3,232	4,410	59,369	67,011
Changes due to variation in credit risk (net)	(11,176)	5,691	(63,990)	(69,475)
Changes due to modifications with no derecognitions (net)	(2)	(388)	486	96
Changes due to revision of the entity's estimation model (net)	-	-	-	-
Decrease in the valuation adjustment account as a result of delinquent loans written off	-	374	120,033	120,407
Other adjustments	63	6	98	167
Balance at 30 June 2022	(135,790)	(110,294)	(587,517)	(833,601)

Changes in gross exposures and impairment during the six-month period ended 30 June 2022 are as follows:

	Thousands of Euros			
	From Phase 1:	From Phase 2:	From Phase 3:	Total
Gross exposure transfers:				
To Phase 1:		427,379	3,214	430,593
To Phase 2:	608,317		32,950	641,267
To Phase 3:	24,230	92,088		116,318
Impairment transfers:				
To Phase 1:		1,149	185	1,334
To Phase 2:	15,485		4,129	19,614
To Phase 3:	6,049	25,167		31,216

Details of and changes in impairment losses booked at 31 December 2021 for financial assets at amortised cost are as follows:

	Thousands of Euros			
	Valuation adjustments			Total allowance
	Phase 1	Phase 2	Phase 3	
Balance at 31 December 2020	(127,158)	(111,235)	(737,952)	(976,345)
Increases due to origination and acquisition	(25,362)	(11,918)	(13,626)	(50,906)
Decreases due to derecognitions	13,542	11,897	116,334	141,773
Changes due to variation in credit risk (net)	17,725	563	(232,749)	(214,461)
Changes due to modifications with no derecognitions (net)	235	(3,139)	3,596	692
Changes due to revision of the entity's estimation model (net)	-	-	-	-
Decrease in the valuation adjustment account as a result of delinquent loans written off	17	94	164,577	164,688
Other adjustments	(748)	(1,613)	2,753	392
Balance at 31 December 2021	(121,749)	(115,351)	(697,067)	(934,167)

Changes in gross exposures and impairment during 2021 are as follows:

	Thousands of Euros			
	From Phase 1:	From Phase 2:	From Phase 3:	Total
Gross exposure transfers:				
To Phase 1:		613,641	3,059	616,700
To Phase 2:	1,191,970		40,710	1,232,680
To Phase 3:	48,419	118,026		166,445
Impairment transfers:				
To Phase 1:		1,902	45	1,947
To Phase 2:	36,834		2,841	39,675
To Phase 3:	13,738	45,607		59,345

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The breakdown of and changes in impairment losses on other financial assets classified within “Loans and advances – Customer loans” at 30 June 2022 is provided below:

	Thousands of Euros		
	Valuation adjustments		
	Phase 1	Phase 2	Phase 3
Balance at 31 December 2021	(247)	-	(751)
Increases due to origination and acquisition	(4)	-	(130)
Decreases due to derecognitions	-	-	-
Changes due to variation in credit risk (net)	-	-	-
Changes due to modifications with no derecognitions (net)	-	-	-
Changes due to revision of the entity's estimation model (net)	-	-	-
Decrease in the valuation adjustment account as a result of delinquent loans written off	-	-	-
Other adjustments	-	-	-
Balance at 30 June 2022	(251)	-	(881)

The breakdown of and changes in impairment losses on other financial assets classified within “Loans and advances – Customer loans” at 31 December 2021 is provided below:

	Thousands of Euros		
	Valuation adjustments		
	Phase 1	Phase 2	Phase 3
Balance at 31 December 2020	(234)	-	(437)
Increases due to origination and acquisition	(13)	-	(314)
Decreases due to derecognitions	-	-	-
Changes due to variation in credit risk (net)	-	-	-
Changes due to modifications with no derecognitions (net)	-	-	-
Changes due to revision of the entity's estimation model (net)	-	-	-
Decrease in the valuation adjustment account as a result of delinquent loans written off	-	-	-
Other adjustments	-	-	-
Balance at 31 December 2021	(247)	-	(751)

7.6.3. Impairment or (-) reversal of impairment and gains or losses on changes in cash flows of financial assets not measured at fair value through profit or loss and net gains or (-) losses on changes – Financial assets at amortised cost

The details of this heading on the consolidated statements of profit or loss at 30 June 2022 and 30 June 2021 are as follows:

	Thousands of Euros	
	30/06/2022	30/06/2021
Charges for the year:	(367,781)	(787,360)
Allowances recognised in profit or loss	(317,459)	(751,268)
Repayments, net of loan losses	(50,322)	(36,092)
Recovery of write-offs	7,209	11,831
Other recoveries	238,421	527,796
Country risk	(178)	(68)
Charges	(197)	(68)
Recoveries	19	-
Total	(122,329)	(247,801)

7.6.4. Debt securities

Details of debt securities classified based on the counterparty are as follows:

	Thousands of Euros	
	30/06/2022	31/12/2021
Central banks	-	-
Public administrations	11,683,698	14,121,736
Credit institutions	69,804	39,198
Other private sectors	445,199	440,787
Non-performing assets	-	-
Valuation adjustments for impairment	(2,403)	(2,418)
Total	12,196,298	14,599,303

At 30 June 2022 and 31 December 2021, the fair value of the securities classified in this portfolio totalled €11,305,344 thousand and €14,213,092 thousand, respectively.

The average effective interest rate on debt instruments classified in this portfolio in the Group during the six-month period ended 30 June 2022 was 1.6% (0.88% in 2021).

This account includes financial assets managed as per a business model designed to generate cash flows comprising principal and interest, holding the assets until maturity or close to maturity.

At 30 June 2022 €1,896,324 thousand of the balance of “Debt securities” was pledged as collateral (31 December 2021: €1,930,361); €7,398,667 thousand was pledged under a loan agreement that encumbers securities and other assets concluded with the Bank of Spain (31 December 2021: €5,471,087 thousand); while €164,183 thousand corresponded to repurchase agreements (31 December 2021: €543,468 thousand).

At 30 June 2022 the return on “Debt securities” was €121,163 thousand (30 June 2021: €64,027 thousand) (Note 25).

In 2021, the Group sold a portfolio of Spanish and Italian public debt securities in this portfolio of €2,371 million and €7,403 million, respectively, posting a gain of €461 million. This sale was made because of the extraordinary instability caused by the pandemic, which had not been envisaged when the Group's capital and liquidity plan was drawn up. The Group considers that these sales are in line with its business model for managing these assets (holding of assets to generate contractual cash flows).

The gain on disposal of these assets recognised in the statement of profit or loss at 30 June 2022 is zero (30 June 2021: €459,738 thousand) (Note 25).

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7.6.5. Information on performing exposures

The classification by days past-due of performing exposures in the loans and receivables portfolio is as follows:

30/06/2022

Thousands of Euros					
Total	Not past due or past due <= 30 days	Past due > 30 days <= 90 days	Of which: Instruments without a significant increase in credit risk since initial recognition (Stage 1) (**)	Of which: Instruments with a significant increase in credit risk since initial recognition but not impaired (Stage 2) (**)	
Loans and advances (*)	35,242,419	34,945,177	297,242	32,522,264	2,682,241
Central banks	-	-	-	-	-
Public Administrations	1,618,643	1,618,643	-	1,616,127	2,516
Credit institutions	638,591	638,591	-	638,591	-
Other financial corporations	1,189,679	1,189,519	160	1,189,037	643
Non-financial corporations	14,396,086	14,312,421	83,665	13,039,358	1,343,609
Of which: Small and medium-sized enterprises	8,851,728	8,772,964	78,764	7,704,864	1,135,759
Of which: Collateralised by commercial immovable property	2,974,865	2,945,618	29,247	2,465,909	504,036
Households	17,399,420	17,186,003	213,417	16,039,151	1,335,473
Of which: Loans collateralised by residential immovable property	13,642,979	13,464,774	178,205	12,612,363	1,015,200
Of which: Consumer credit	312,948	310,483	2,465	296,393	15,942
Total debt instruments at amortised cost	35,242,419	34,945,177	297,242	32,522,264	2,682,241

31/12/2021

Thousands of Euros					
Total	Not past due or past due <= 30 days	Past due > 30 days <= 90 days	Of which: Instruments without a significant increase in credit risk since initial recognition (Stage 1) (**)	Of which: Instruments with a significant increase in credit risk since initial recognition but not impaired (Stage 2) (**)	
Loans and advances (*)	33,585,546	33,265,238	320,308	30,847,669	2,663,869
Central banks	-	-	-	-	-
Public Administrations	1,440,575	1,440,575	-	1,437,955	2,620
Credit institutions	153,428	153,428	-	153,428	6
Other financial corporations	985,325	984,987	338	984,591	734
Non-financial corporations	14,006,448	13,915,003	91,445	12,683,918	1,303,717
Of which: Small and medium-sized enterprises	8,673,054	8,584,112	88,942	7,545,224	1,110,791
Of which: Collateralised by commercial immovable property	3,017,118	2,964,274	52,844	2,462,805	544,069
Households	16,999,770	16,771,245	228,525	15,587,777	1,356,792
Of which: Loans collateralised by residential immovable property	13,369,592	13,176,062	193,530	12,300,880	1,027,742
Of which: Consumer credit	319,666	317,247	2,419	302,322	16,782
Total debt instruments at amortised cost	33,585,546	33,265,238	320,308	30,847,669	2,663,869

(*) Not including cash balances at central banks and other demand deposits.

(**) Included on applying the regulatory measures in connection with the Covid-19 pandemic.

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7.6.6. Information on non-performing exposures

The classification by days past-due of non-performing exposures in the loans and receivables portfolio is as follows:

30/06/2022	Thousands of Euros							
	Total	Unlikely to be paid <= 90 days	Past due > 90 days <= 180 days	Past due > 180 days <= 1 year	Past due > 1 year	Of which: Unpaid	Of which: Impaired instruments (Stage 3)	Collateral received securing non-performing exposures
Central banks	-	-	-	-	-	-	-	-
Public Administrations	492	5	-	-	487	490	492	-
Credit institutions	-	-	-	-	-	-	-	-
Other financial corporations	171	1	14	-	156	171	171	29
Non-financial corporations	530,349	54,760	47,726	81,378	346,485	525,786	530,349	137,893
Of which: Small and medium-sized enterprises	519,444	51,222	45,887	78,858	343,477	514,906	519,444	136,099
Of which: Collateralised by commercial immovable property	259,872	30,020	15,231	23,744	190,877	257,442	259,872	124,292
Households	589,485	53,128	18,948	27,569	489,840	584,579	589,485	251,246
Of which: Loans collateralised by residential immovable property	469,279	48,265	12,708	17,895	390,411	463,383	469,279	227,409
Of which: Consumer credit	7,511	190	598	954	5,769	7,475	7,511	16
Total debt instruments at amortised cost	1,120,497	107,894	66,688	108,947	836,968	1,111,026	1,120,497	389,168

31/12/2021	Thousands of Euros							
	Total	Unlikely to be paid <= 90 days	Past due > 90 days <= 180 days	Past due > 180 days <= 1 year	Past due > 1 year	Of which: Unpaid	Of which: Impaired instruments (Stage 3)	Collateral received securing non-performing exposures
Central banks	-	-	-	-	-	-	-	-
Public Administrations	491	4	-	-	487	487	491	-
Credit institutions	-	-	-	-	-	-	-	-
Other financial corporations	1,293	1,115	15	19	144	177	1,293	25
Non-financial corporations	645,995	72,277	34,374	43,163	496,181	643,817	645,995	177,431
Of which: Small and medium-sized enterprises	634,636	69,186	34,112	40,918	490,420	632,483	634,636	174,528
Of which: Collateralised by commercial immovable property	386,896	40,388	3,238	13,319	329,951	386,683	386,896	162,374
Households	664,145	64,731	14,608	32,704	552,102	660,569	664,145	305,780
Of which: Loans collateralised by residential immovable property	519,511	55,515	8,782	22,687	432,527	514,621	519,511	273,423
Of which: Consumer credit	7,868	172	564	1,127	6,005	7,811	7,868	9
Total debt instruments at amortised cost	1,311,924	138,127	48,997	75,886	1,048,914	1,305,050	1,311,924	483,236

The amount of accumulated finance income accrued on impaired loans to customers and recognised on the consolidated statement of profit or loss before the impairment was recognised stood at €14,552 thousand and €9,108 thousand at 30 June 2022 and 30 June 2021, respectively.

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At 30 June 2022 and 31 December 2021 details of and movements in financial assets at amortised cost classified as non-performing are as follows:

	Thousands of Euros	
	30/06/2022	31/12/2021
Opening balance	1,311,924	1,658,318
Additions	155,925	334,119
Of which: Transactions acquired from third parties	-	17
Disposals	347,352	680,513
Collected in cash	51,059	144,479
Foreclosure or receipt of assets	55,325	135,245
Performing	5,437	13,573
Performing exposures under special monitoring	37,055	76,468
Write-offs	163,116	235,885
Asset transfers	13,059	24,935
Other disposals	22,301	49,928
Closing balance	1,120,497	1,311,924

At 30 June 2022 and 31 December 2021 details of and movements in financial assets at amortised cost classified as write-offs are as follows:

	Thousands of Euros	
	30/06/2022	31/12/2021
Write-offs (a)		
Opening balance	1,795,882	1,561,532
Total additions	211,816	332,420
Use of accumulated impairment balance	120,407	164,689
Direct write-down in profit and loss	52,853	91,888
Contractually callable interest (b)	38,139	74,245
Other items	417	1,599
Total disposals	39,913	98,070
Collection of principal in cash from counterparties	15,686	51,679
Collection of interest in cash from counterparties	281	3,652
Forgiveness	19,999	33,796
Prescription	838	5,787
Foreclosure of tangible assets	-	-
Foreclosure of other assets	-	-
Debt refinancing or restructuring	-	-
Sale	3,109	3,156
Collection from assignees	1,737	300
Final write-off	1,372	2,856
Other items	-	-
Exchange differences	-	-
Closing balance	1,967,785	1,795,882

(a) Amount of additions and disposals during the year recognised under "Write-offs". Therefore does not include final write-offs due to forgiveness or outright sale of debt instruments recognised under assets on the date of forgiveness or sale.

(b) Contractually callable interest on debt instruments classified as write-offs.

7.7. Financial liabilities at amortised cost

Details of this liabilities heading on the accompanying consolidated balance sheets at 30 June 2022 and 31 December 2021 are as follows:

	Thousands of Euros	
	30/06/2022	31/12/2021
Deposits from central banks	10,220,843	10,269,833
Deposits from credit institutions	755,684	840,295
Customer deposits	41,734,493	39,732,717
Debt securities issued	1,599,690	2,389,123
Of which: Subordinated liabilities	615,827	643,457
Other financial liabilities	3,457,887	1,014,778
Total	57,768,597	54,246,746

7.7.1. Deposits from central banks

The balances under this heading on the accompanying consolidated balance sheets at 30 June 2022 and 31 December 2021 are comprised as follows:

	Thousands of Euros	
	30/06/2022	31/12/2021
Bank of Spain	10,431,000	10,431,000
Other central banks	-	-
Valuation adjustments	(210,157)	(161,167)
Total	10,220,843	10,269,833

In accordance with the loan agreement including the pledge of securities and other assets concluded with the Bank of Spain as per the mechanisms that govern the monetary policy for the Eurosystem, the Group has a credit with an approved limit of €15,915,143 thousand (€13,945,980 thousand at 31 December 2021), (Notes 7.5.1, 7.6.4 and 7.7.4.1).

At 30 June 2022 and 31 December 2021, the Group has €10,431,000 thousand of funding from the TLTRO III auctions.

During the six-month period ended 30 June 2022, the Group recognised €48,989 thousand of interest income from drawdowns on the TLTRO III facilities (30 June 2021: €75,107 thousand) under the "Interest income" heading on the statement of profit or loss.

7.7.2. Deposits from credit institutions

Details of this account under "Financial liabilities measured at amortised cost" on the liabilities side of the consolidated balance sheets according to instrument type are as follows:

	Thousands of Euros	
	30/06/2022	31/12/2021
Reciprocal accounts	76	207
Current accounts	153,199	171,041
Term deposits	601,806	668,407
Valuation adjustments:		
Accrued interest	603	640
Total	755,684	840,295

7.7.3. Customer deposits

Details of this account under “Financial liabilities measured at amortised cost” on the liabilities side of the accompanying consolidated balance sheets by counterparty and type of financial instrument are as follows:

	Thousands of Euros	
	30/06/2022	31/12/2021
Repurchase agreements through central counterparties	157,160	544,695
Sight deposits	37,555,127	34,646,898
Term deposits	3,620,482	4,092,192
Participation mortgages issued	401,158	447,792
<i>Cash received</i>	4,554,355	4,076,639
<i>Loans (-)</i>	(5,939)	(5,939)
<i>Debt securities (-)</i>	(4,147,258)	(3,622,908)
Other accounts	3,666	3,626
Valuation adjustments:		
<i>Accrued interest</i>	689	(2,486)
<i>Unaccrued transaction costs</i>	(3,789)	-
<i>Micro-hedging transactions</i>	-	-
Total	41,734,493	39,732,717

The average effective interest rate on customers’ sight and term deposits at the Group during the six-month period ended 30 June 2022 was 0.01% (2021: 0.00%).

7.7.4. Debt securities issued

Details of this heading under “Financial liabilities measured at amortised cost” on the liabilities side of the accompanying consolidated balance sheets are as follows:

	Thousands of Euros	
	30/06/2022	31/12/2021
Marketable debt securities	983,863	1,745,666
Subordinated Liabilities	615,827	643,457
Total	1,599,690	2,389,123

7.7.4.1. Marketable debt securities

Details of this heading on the accompanying consolidated balance sheets by type of financial liability are as follows:

	Thousands of Euros	
	30/06/2022	31/12/2021
Mortgage covered bonds	4,997,220	5,739,735
Other secured bonds	-	350,000
Treasury shares	(4,514,584)	(4,862,865)
Other debt instruments issued	496,255	496,255
Valuation adjustments	4,972	22,541
Total	983,863	1,745,666

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The movement of each type of financial liability during the six-month period ended 30 June 2022 and during 2021, without taking into account valuation adjustments, is as follows:

Thousands of Euros					
30/06/2022					
	Opening balance	Issuances	Repurchases or redemptions	Exchange rate and other adjustments	Closing balance
Debt securities issued in a EU member state that required the registration of a prospectus	1,723,125	1,000,000	(1,744,234)	-	978,891
Of which:					
Promissory notes and trade bills	-	-	-	-	-
Mortgage covered securities	1,226,870	1,000,000	(1,744,234)	-	482,636
Other debt instruments issued	496,255	-	-	-	496,255
31/12/2021					
	Opening balance	Issuances	Repurchases or redemptions	Exchange rate and other adjustments	Closing balance
Debt securities issued in a EU member state that required the registration of a prospectus	1,239,735	1,496,255	(1,012,865)	-	1,723,125
Of which:					
Promissory notes and trade bills	-	-	-	-	-
Mortgage covered securities	1,239,735	1,000,000	(1,012,865)	-	1,226,870
Other debt instruments issued	-	496,255	-	-	496,255

In the six-month period ended 30 June 2022, the Group issued €1,000,000 thousand of covered bonds. It also redeemed €744,234 thousand of covered bonds at maturity and redeemed in full two issues of covered bonds from 2016 and 2017, each in the amount of €500,000 thousand, maturing on 31 January 2022 and 30 June 2022, respectively, both of them fully retained. In 2021 the Group completed security placements of €1,000,000 thousand, fully retained and assigned to replenish collateral in the asset pledge facility with the Bank of Spain. A security placement was also redeemed on expiration for €12,865 thousand.

Details of issues placed and pending maturity under “Mortgage covered securities” at 30 June 2022 are as follows:

Date		Thousands of Euros		Rating	Agency	Interest rate
Issuance	Maturity	Cash	Treasury shares			
15/09/2017	15/09/2024	750,000	(750,000)	AA	S&P	1.15%
07/06/2018	18/06/2023	497,220	(14,584)	AA	S&P	0.88%
07/05/2020	07/05/2025	1,000,000	(1,000,000)	AA	S&P	0.15%
21/12/2020	21/12/2027	750,000	(750,000)	AA	S&P	0.00%
15/07/2021	15/07/2029	1,000,000	(1,000,000)	AH	BBRS	0.10%
17/05/2022	17/05/2032	1,000,000	(1,000,000)	AH	BBRS	2.00%
Total issuances		4,997,220	(4,514,584)			

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Details of issues placed and pending maturity under “Mortgage covered securities” at 31 December 2021 are as follows:

Date		Thousands of Euros		Rating	Agency	Interest rate
Issuance	Maturity	Cash	Treasury shares			
26/01/2015	26/01/2022	742,515	-	AA / AH	Standard & Poor's /DBRS	1.25%
31/01/2017	31/01/2022	500,000	(500,000)	AA	Standard & Poor's	0.85%
14/04/2016	30/06/2022	500,000	(500,000)	AH	DBRS	1.00%
15/09/2017	15/09/2024	750,000	(750,000)	AA	Standard & Poor's	1.15%
07/06/2018	18/06/2023	497,220	(12,865)	AA	Standard & Poor's	0.88%
07/05/2020	07/05/2025	1,000,000	(1,000,000)	AA	Standard & Poor's	0.15%
21/12/2020	21/12/2027	750,000	(750,000)	AA	Standard & Poor's	0.00%
15/07/2021	15/07/2029	1,000,000	(1,000,000)	AH	DBRS	0.10%
Total issuances		5,739,735	(4,512,865)			

Mortgage covered security repurchases are intended to increase the volume of discountable securities that the Group holds in its portfolio, which may be deployed in the context of the implementation of European monetary policy.

The balance of “Other secured bonds” and “Other debt instruments issued” at 30 June 2022 breaks down as follows:

Date		Thousands of Euros		Rating	Agency	Interest rate
Issuance	Maturity	Cash	Treasury shares			
09/09/2021	09/03/2028	496,255	-	BB/BBH	Standard & Poor's / DBRS	1.75%
Issuance		496,255	-			

The balance of “Other secured bonds” and “Other debt instruments issued” at 31 December 2021 breaks down as follows:

Date		Thousands of Euros		Rating	Agency	Interest rate
Issuance	Maturity	Cash	Treasury shares			
09/09/2021	09/03/2028	496,255	-	BB / BBH	Standard & Poor's /DBRS	1.75%
14/03/2017	14/03/2022	350,000	(350,000)	AH	DBRS	0.80%
Issuance		846,255	(350,000)			

In 2021 the Parent issued senior preferred debt amounting to €500 million with a coupon of 1.75% and expiring in March 2028, which is classified as “Other debt instruments issued”. This placement increased the volume of eligible liabilities to comply with the MREL (Note 1.9).

All of the issues were accepted for trading on the AIAF Fixed Income Market.

The interest accrued at 30 June 2022 on debt securities issued amounted to €7,891 thousand (30 June 2021: €7,738 thousand) (Note 25); this interest is included within “Interest expenses” on the accompanying consolidated statement of profit or loss.

At 30 June 2022, €2,603 thousand of the balance of “Debt securities issued” was pledged under a loan agreement that encumbers securities and other assets concluded with the Bank of Spain (31 December 2021: €2,735 thousand) (Note 7.7.1).

7.7.4.2. Subordinated liabilities

This account included under the heading “Financial liabilities at amortised cost” records the amount of financing received, regardless of the manner in which it is instrumented, and which, for the purposes of creditor ranking, is less senior than that owed to common creditors in accordance with the provisions of Act 13/1985, of 25 May 1985, and Royal Decree 1370/1985, of 1 August 1985.

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Details on the accompanying consolidated balance sheet, by type of financial liability and counterparty, are as follows:

	Thousands of Euros	
	30/06/2022	31/12/2021
Subordinated marketable debt securities:	597,654	639,460
Convertible	-	-
Non-convertible	597,654	639,460
Subordinated deposits	-	-
Valuation adjustments	18,173	3,998
Total	615,827	643,458

At 30 June 2022 the Group had one subordinated bond issue, the details of which are as follows:

Date		Thousands of Euros			Rating	Agency	Interest rate	Issuance
Issuance	Maturity	Nominal	Cash	Treasury shares				
27/05/2021	27/11/2031	600,000	597,654	-	B/BBL	Standard & Poor's / DBRS	5.25%	Tier2 Subordinated Fixed Reset Notes due 27 November 2031
Total issuances		600,000	597,654	-				

At 31 December 2021 the Group had several subordinated bonds issuances, the details of which are as follows:

Date		Thousands of Euros			Rating	Agency	Interest rate	Issuance
Issuance	Maturity	Nominal	Cash	Treasury shares				
07/06/2017	07/06/2027	48,600	48,406	(6,600)	B / BBL	Standard & Poor's / DBRS	7.75%	Fixed Rate Reset Subordinated Notes due 7 June 2027
27/05/2021	27/11/2031	600,000	597,654	-	B / BBL	Standard & Poor's / DBRS	5.25%	Tier2 Subordinated Fixed Reset Notes due 27 November 2031
Total issuances		648,600	646,060	(6,600)				

Interest accrued at 30 June 2022 and 30 June 2021 on these subordinated liabilities totalled €17,518 thousand and €16,454 thousand, respectively (Note 25) and they are included under the heading “Interest expenses” on the accompanying consolidated statement of profit or loss.

The Group’s subordinated debt is issued under the European Medium Term Notes (EMTN) programme and is listed on the Irish Stock Exchange. It consists of bonds registered, under English law, and settled through Euroclear and Clearstream.

In May 2021, Banco de Crédito Social Cooperativo, S.A. issued €600 million of Tier 2 subordinated debt with a coupon of 5.25% and expiring on 27 November 2031. Moreover, 83.5% of the other two issues placed by the Bank on the market were repurchased for a total amount of €334.9 million. The gain on this transaction, totalling €21.6 million, is recognised under “Gains or (-) losses on derecognition of financial assets and liabilities not measured at fair value through profit or loss” (Note 25).

7.7.5. Other financial liabilities

All of the financial liabilities recorded in this account on the accompanying consolidated balance sheet are classified as part of the “Financial liabilities at amortised cost” portfolio and therefore they are recognised at amortised cost. This account includes the amount of bonds payable that take the form of financial liabilities not included under other headings.

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Details of other financial liabilities grouped by financial instrument type are as follows:

	Thousands of Euros	
	30/06/2022	31/12/2021
Bonds payable	109,153	139,269
Guarantees received	2,801,864	510,931
Clearing houses	3,826	5,578
Tax collection accounts	403,382	205,185
Special accounts	59,557	55,389
Financial guarantees	19,981	17,770
Other items	60,124	80,656
Total	3,457,887	1,014,778

At 30 June 2022 and 31 December 2021, “Guarantees received” mainly includes the guarantees received from a number of credit institutions, amounting to €2,797,460 thousand and €503,170 thousand, respectively, to mitigate the risk in hedging derivative transactions linked to the portfolio of debt securities at amortised cost.

The liabilities recognised under “Obligations payable” on the accompanying consolidated balance sheet at 30 June 2022 and 31 December 2021 derive from the obligations assumed by the Group in operating leases for remaining lease terms are as follows:

	Thousands of Euros						
	Total Liabilities	Up to 12 Months	Between 12 and 18 Months	Between 18 and 24 Months	Between 24 and 30 Months	Between 30 and 36 Months	Between 36 and 42 Months
Obligations for the right of use:							
Buildings and office premises	29,288	6,573	3,117	3,071	3,120	3,020	3,071
Rest of spaces	1,126	436	145	115	94	83	84
Vehicles	1,351	743	274	140	89	50	30
Computer equipment	1,721	817	-	448	-	456	-
Total	33,486	8,569	3,536	3,774	3,303	3,609	3,185

	Thousands of Euros						
	Total Liabilities	Up to 12 Months	Between 12 and 18 Months	Between 18 and 24 Months	Between 24 and 30 Months	Between 30 and 36 Months	Between 36 and 42 Months
Obligations for the right of use:							
Buildings and office premises	31,608	6,222	3,414	3,099	3,054	3,082	2,985
Rest of spaces	1,538	649	154	148	119	97	91
Vehicles	1,491	708	309	239	120	70	32
Computer equipment	1,869	456	471	(8)	475	(4)	479
Total	36,506	8,035	4,348	3,478	3,768	3,245	3,587

The average discount rate used to determine the obligations payable deriving from operating leases is 3.37% at 30 June 2022 (31 December 2021: 3.48%).

The amount of capitalised rights-of-use in operating leases is given in Note 11.

8. Derivatives – Hedge accounting (asset and liability)

This heading on the accompanying consolidated balance sheets records the hedging instruments carried at fair value in accordance with the explanation provided in Note 3.4 to the Group’s consolidated annual accounts as at and for the period ended 31 December 2021.

At 30 June 2022, the Group had recognised €2,727,885 thousand under assets for the fair value of derivatives (€606,871 thousand at 31 December 2021). On the other hand, the fair value of derivatives on the liabilities side totalled €140,418 thousand at 30 June 2022 and €188,706 thousand at 31 December 2021.

Instruments covered by micro-hedges are as follows:

- Sovereign debt instruments with a fixed-rate coupon; and
- Inflation-linked sovereign debt instruments (linkers) that offer a fixed-rate coupon and a premium on expiration tied to an inflation index.

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The hedging instruments are fixed to floating interest rate swaps in the first case, and inflation derivatives through which the Bank transfers flows received in inflation-linked bonds in exchange for a fixed or variable coupon in the latter case.

Also regarding micro-hedges, in order to hedge the interest rate risk associated with the value of mortgages, the Group has an interest rate swap (IRS) portfolio. This portfolio economically hedges the fair value of a raft of mortgage loans granted to customers at fixed rates against a reference rate, thereby reducing exposure to changes in the fair value of the loans granted as a result of fluctuations in the reference rates. At 30 June 2022 the result of the fair-value adjustment to loans and receivables was €955 thousand, which was fully hedged by the changes in the fair value of the hedging derivatives (31 December 2021: €162 thousand).

The measurement methods used to determine the fair values of derivatives have been the discounting of cash flows method using discount curves and the estimation of interest rate flows, and also for inflation-linked instruments, estimations of inflation (Black) and seasonality parameters linked to inflation.

The fair value of hedging derivatives is classified in Level 2 because the valuations are calculated on the basis of observable market inputs (Note 7.1).

The notional values of financial derivatives recorded under “Derivatives – Hedge accounting” at 30 June 2022 and 31 December 2021 are set out below by counterparty, remaining term and type of risk:

	Thousands of Euros							
	30/06/2022				31/12/2021			
	Carrying amount		Notional amount		Carrying amount		Notional amount	
	Assets	Liabilities	Total hedges	Of which: sold	Assets	Liabilities	Total hedges	Of which: sold
Interest rate	2,724,346	-	9,073,800	-	606,104	76,509	9,073,800	-
Other OTC	2,724,346	-	9,073,800	-	606,104	76,509	9,073,800	-
FAIR VALUE HEDGES	2,724,346	-	9,073,800	-	606,104	76,509	9,073,800	-
Interest rate	-	140,418	400,000	-	-	112,196	400,000	-
OTC options	-	-	-	-	-	-	-	-
Other OTC	-	140,418	400,000	-	-	112,196	400,000	-
Options on organised markets	-	-	-	-	-	-	-	-
Others on organised markets	-	-	-	-	-	-	-	-
CASH FLOW HEDGES	-	140,418	400,000	-	-	112,196	400,000	-
HEDGE OF NET INVESTMENTS IN A FOREIGN OPERATION	-	-	-	-	-	-	-	-
PORTFOLIO FAIR VALUE HEDGES OF INTEREST RATE RISK	3,539	-	20,000	-	767	-	20,000	-
PORTFOLIO CASH FLOW HEDGES OF INTEREST RATE RISK	-	-	-	-	-	-	-	-
DERIVATIVES-HEDGE ACCOUNTING	2,727,885	140,418	9,493,800	-	606,871	188,706	9,493,800	-
Of which: OTC – credit institutions	2,727,885	140,418	9,493,800	-	606,871	188,706	9,493,800	-
Of which: OTC – other financial corporations	-	-	-	-	-	-	-	-
Of which: OTC – others	-	-	-	-	-	-	-	-

9. Non-current assets and disposal groups of assets classified as held for sale

The details of this heading on the accompanying consolidated balance sheets at 30 June 2022 and 31 December 2021 are as follows:

	Thousands of Euros	
	30/06/2022	31/12/2021
Property, plant and equipment for own use	18,807	19,064
Acquisition cost	20,892	21,492
Impairment allowances	(2,085)	(2,428)
Investment property	9,111	9,282
Acquisition cost	15,012	13,849
Accumulated depreciation	(1,471)	(1,392)
Impairment allowances	(4,430)	(3,175)
Property, plant and equipment foreclosed	110,546	126,270
Acquisition cost	161,689	177,723
Accumulated depreciation	(1,713)	(1,774)
Impairment allowances	(49,430)	(49,679)
Total	138,464	154,616

Details of non-current assets held for sale classified by use, without taking into account impairment adjustments, are as follows:

	Thousands of Euros							
	Residential		Industrial		Agriculture		Other	
	30/06/2022	31/12/2021	30/06/2022	31/12/2021	30/06/2022	31/12/2021	30/06/2022	31/12/2021
Tangible assets								
Property, plant and equipment for own use	654	655	20,238	20,837	-	-	-	-
Property, plant and equipment foreclosed	120,509	132,094	8,702	32,945	26,041	6,218	4,724	4,692
Investment property	2,333	2,917	10,197	7,856	-	673	1,011	1,011
Total	123,496	135,666	39,137	61,638	26,041	6,891	5,735	5,703

The fair value of the tangible assets recorded under this heading at 30 June 2022 and 31 December 2021 matches the carrying amount.

10. Investments in joint ventures and associates

This heading on the accompanying consolidated balance sheets refers to the value of investments in associates.

	Thousands of Euros	
	30/06/2022	31/12/2021
Group companies	-	-
Associates	95,514	106,383
Securities held by the entity	95,514	106,383
Valuation adjustments:		
Impairment allowances	-	-
Total	95,514	106,383

The results of entities accounted for using the equity method at 30 June 2022 and 30 June 2021 totalled €23,312 thousand and €22,019 thousand, respectively (Note 25).

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Details of investments in companies accounted for using the equity method on the Group's consolidated balance sheet at 30 June 2022 and at 31 December 2021 are as follows:

	Thousands of Euros	
	30/06/2022	31/12/2021
Cajamar Vida, S.A. de seguros y reaseguros	26,478	29,960
Agrocolor, S.L.	899	1,107
Murcia Emprende, S.C.R., S.A.	854	429
Hábitat Utiel, S.L.	1	1
Giesmed Parking, S.L.	977	1,379
Biocolor, S.L.	377	377
Cajamar Seguros Generales, S.A.	9,049	9,960
GCC Consumo Establecimiento Financiero de Crédito, S.A.	42,316	49,146
Parque de Innovación y Tecnológico de Almería, S.A.	5,590	5,698
Proyecta Ingenio, S.L.	56	75
Renovables la Unión, S.C.P.	84	84
Promontoria Jaguar, S.A.	8,832	8,167
Total	95,514	106,383

At 30 June 2022 and 31 December 2021 there were no balances for profits from the sale of shareholdings pending recognition, due to the financing of the sales.

Grupo Cajamar has signed a bancassurance agreement with Cajamar Seguros Generales to sell insurance.

11. Tangible assets

The details of this heading on the accompanying consolidated balance sheets at 30 June 2022 and 31 December 2021 are as follows:

	Thousands of Euros	
	30/06/2022	31/12/2021
<u>For own use</u>		
Amortised cost		
Computer hardware	37,521	43,632
<i>Of which: Capitalised rights to use in leases</i>	1,913	1,864
Furniture, installations and other	115,587	123,370
<i>Of which: Capitalised rights to use in leases</i>	1,224	1,399
Buildings	542,594	543,519
<i>Of which: Capitalised rights to use in leases</i>	28,286	30,966
Construction in progress	29,428	32,960
Other tangible assets	23,543	23,882
<i>Of which: Capitalised rights to use in leases</i>	588	677
Accumulated impairment	(1,669)	(690)
Total	747,004	766,673
	Thousands of Euros	
	30/06/2022	31/12/2021
<u>For social projects</u>		
Amortised cost		
Furnishings and fixtures	75	81
Constructions	2,019	2,048
Accumulated impairment	-	-
Total	2,094	2,129

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	Thousands of Euros	
	30/06/2022	31/12/2021
Investment property		
Amortised cost		
Furniture, vehicles and other fixtures	1,059	1,126
Buildings	151,699	164,029
Rural properties, land and plots	44,438	56,877
Accumulated impairment	(32,592)	(31,383)
Total	164,604	190,649

12. Intangible assets

The details of this heading on the accompanying consolidated balance sheets at 30 June 2022 and 31 December 2021 are as follows:

	Thousands of Euros	
	30/06/2022	31/12/2021
Computer software	246,942	225,646
Administrative concessions	18,468	18,468
Other intangible assets	1,982	1,736
Total, gross	267,392	245,850
Accumulated amortisation	(74,020)	(66,760)
Impairment losses	(6,386)	(6,386)
Total, net	186,986	172,704

13. Provisions

The details of this heading on the accompanying consolidated balance sheets at 30 June 2022 and 31 December 2021 are as follows:

	Thousands of Euros	
	30/06/2022	31/12/2021
Pensions and other post-employment defined benefit obligations	5,626	4,536
Other long-term employee benefits	887	1,140
Commitments and guarantees given	9,075	7,603
<i>Loan commitments given</i>	3,770	3,644
<i>Financial guarantees given</i>	3,846	2,517
<i>Other commitments given</i>	1,459	1,442
Other provisions	63,270	81,923
Total	78,858	95,202

13.1. Pensions and other post-employment defined benefit obligations and Other long-term employee benefits

The breakdown of the consolidated balance sheet items recognised under assets and liabilities for defined benefit pension commitments is as follows:

	Thousands of Euros	
	30/06/2022	31/12/2021
Other assets – Net pension plan assets	(90)	(98)
Provisions – Provisions for pensions and similar obligations	6,513	5,676

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Details of total income and expenses recognised on the consolidated statements of profit or loss at 30 June 2022 and 30 June 2021 are as follows:

	Thousands of Euros	
	30/06/2022	30/06/2021
Staff expenses – Appropriations to defined benefit plans (Note 25)	(1,078)	(1,123)
Pension fund interest expense (Note 25)	(377)	(336)
Interest income – Yield on plan assets (Note 25)	350	300
Appropriations to pension funds and similar obligations (Note 25)(*)	-	(5)
Accounting income/(expense)	(1,105)	(1,164)

(*) Includes the balances corresponding to payments to retirees, which have no balancing entry under net pension plan assets or provisions for pensions and similar obligations.

The contributions to the external pension plan for defined benefit pension commitments made by the Group at 30 June 2022 and 30 June 2021 totalled €5,873 thousand and €5,640 thousand. They have been recorded under the heading “Staff expenses” on the consolidated statement of profit or loss for those years (Note 25).

No contingent liabilities have arisen as a result of severance payments and/or post-employment benefits for employees.

There are no amounts that have not been recognised on the balance sheet with respect to actuarial gains/(losses), past service costs and unrecognised assets.

13.2. Provisions for commitments and guarantees given

Details of this heading on the consolidated balance sheet and the movements during the six-month period ended 30 June 2022 are as follows:

	Thousands of Euros			
	Valuation adjustments			Total allowance
	Phase 1	Phase 2	Phase 3	
Balance at 31 December 2021	3,255	1,155	3,194	7,604
Increases due to origination and acquisition	735	46	10	791
Decreases due to derecognitions	(135)	(29)	(346)	(510)
Changes due to variation in credit risk (net)	(650)	(344)	2,307	1,313
Changes due to modifications with no derecognitions (net)	18	3	-	21
Changes due to revision of the entity's estimation model (net)	-	-	-	-
Decrease in the valuation adjustment account as a result of delinquent loans writer	-	-	(50)	(50)
Other adjustments	(2)	(1)	(91)	(94)
Balance at 30 June 2022	3,221	830	5,024	9,075

Changes in gross exposures and impairment during 2022 are as follows:

	Thousands of Euros			
	From Phase 1:	From Phase 2:	From Phase 3:	Total
Transfers of commitments and financial guarantees given, gross:				
To Phase 1:		7,527	697	8,224
To Phase 2:	111,264		50	111,314
To Phase 3:	1,452	18,148		19,600
Transfers of provisions:				
To Phase 1:		17	1	18
To Phase 2:	365		-	365
To Phase 3:	865	739		1,604

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Details of this heading on the consolidated balance sheet and movement in 2021 are as follows:

	Thousands of Euros			
	Valuation adjustments			Total allowance
	Phase 1	Phase 2	Phase 3	
Balance at 31 December 2020	5,066	1,658	4,273	10,997
Increases due to origination and acquisition	1,697	406	96	2,199
Decreases due to derecognitions	(734)	(166)	(1,412)	(2,312)
Changes due to variation in credit risk (net)	(2,871)	(772)	279	(3,364)
Changes due to modifications with no derecognitions (net)	73	29	-	102
Changes due to revision of the entity's estimation model (net)	-	-	-	-
Decrease in the valuation adjustment account as a result of delinquent loans written	-	-	(22)	(22)
Other adjustments	24	-	(20)	4
Balance at 31 December 2021	3,255	1,155	3,194	7,604

Changes in gross exposures and impairment during 2021 are as follows:

	Thousands of Euros			
	From Phase 1:	From Phase 2:	From Phase 3:	Total
Transfers of commitments and financial guarantees given, gross:				
To Phase 1:		47,761	2,368	50,129
To Phase 2:	30,167		244	30,411
To Phase 3:	1,443	1,741		3,184
Transfers of provisions:				
To Phase 1:		34	2	36
To Phase 2:	223		-	223
To Phase 3:	377	503		880

This heading includes the amount of provisions created to cover contingent risks, which are understood to be those transactions in which the Group guarantees the obligations of a third party as a result of financial guarantees granted or other agreements, and contingent commitments, which are understood to be irrevocable commitments that could give rise to the recognition of financial assets (Note 21).

13.3. Provisions for legal issues and tax litigation

There are no balances under this heading at 30 June 2022 and 31 December 2021.

13.4. Other provisions

In this account the Group records the various contingencies considered to be probable and they are classified in accordance with three types of risk:

- Market risk, due to the activity carried out by the Group with respect to investments that will probably give rise to contingencies that must be covered.
- Sundry risks, for which provisions have been recorded covering unresolved issues that the Group believes will result in a probable payment.
- Other liabilities, estimating probable payments deriving from the Group's normal activities.

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The changes in this heading on the consolidated balance sheet during the six-month period ended 30 June 2022 and during 2021 were as follows:

	Thousands of Euros			
	Market	Miscellaneous	Other responsibilities	Total
Opening balances 31 December 2020	5,552	8,788	47,466	61,806
Allocations made during the period (Note 25)	4,296	18,861	33,667	56,824
Recovered funds (Note 25)	(296)	(211)	(1,088)	(1,595)
Funds used and other movements	(6,233)	(2,621)	(26,258)	(35,112)
Opening balances 31 December 2021	3,319	24,817	53,787	81,923
Allocations made during the period (Note 25)	121	1,409	3,281	4,811
Recovered funds (Note 25)	(27)	-	(2,861)	(2,888)
Funds used and other movements	(2,475)	(5,767)	(12,334)	(20,576)
Closing balances 30 June 2022	938	20,459	41,873	63,270

In 2013, the Group eliminated the so-called ‘mortgage floors’ on all the mortgages affected by the Spanish Supreme Court judgement of 9 May 2013. Without prejudice to the foregoing, with the aim of covering the contingency related to potential lawsuits in the wake of the recent sentence (21 December 2016) issued by the EU Court of Justice, the Group estimated in prior years the maximum cost deriving from having to reimburse all the interest charges related with the mortgage floor on all the mortgage loans to consumers retrospectively. At 30 June 2022, having evaluated the claims lodged by customers, the provision has been re-estimated and an amount of €97 thousand booked for the year. The payments made to customers and the administrative expenses incurred in managing claims during the period totalled €2,422 thousand. At 30 June 2022 the Group therefore has a provision for this contingency of €930 thousand, which is considered to be sufficient to cover any estimated future claims.

The Group has set aside a provision of €16,598 thousand for sundry risks to cover the self-insurance fund at 30 June 2022 (€16,197 thousand at 31 December 2021).

At 30 June 2022 the Group had no provision for “Other liabilities” (€1,892 thousand at 31 December 2021), to adequately cover the commitments arising from the Collective Merger, Restructuring and Labour Framework Agreement subscribed by the Group’s Management and all the trade union representatives on 27 December 2012. This included a workforce restructuring plan, the most relevant measure of which is a voluntary early retirement plan orientated to those employees who are at least 55 years old (53 years old in the case of those located in the Autonomous Community of Valencia).

In 2015, a restructuring plan was implemented in the Group to manage the surplus workforce, resulting in 227 lay-offs through voluntary measures only, consisting of voluntary redundancies and contract suspensions until June 2016; voluntary mobility measures have also allowed staffing needs to be rebalanced in each of the Bank’s territories. A provision for “Other liabilities” of €4,680 thousand therefore existed at 30 June 2022 (€4,776 thousand at 31 December 2021).

In 2017 the Group recognised a provision for “Other liabilities” to cover the special discretionary paid leave for employees born before 31 December 1963 who have worked for at least three of the last five years. The amount of the provision recorded up to 30 June 2022 was €12,807 thousand (€25,002 thousand at 31 December 2021).

At 30 June 2022 the Group had set aside provisions for “Other liabilities” in connection with several judicial proceedings – likely to give rise to liabilities – totalling €24,230 thousand (31 December 2021: €21,310 thousand).

14. Tax assets and liabilities – Corporate income tax

The breakdown of tax assets and liabilities at 30 June 2022 and 31 December 2021, respectively, is as follows:

	Thousands of Euros			
	Assets		Liabilities	
	30/06/2022	31/12/2021	30/06/2022	31/12/2021
Current taxes	36,251	49,066	24,179	24,712
Deferred taxes	1,120,769	1,110,520	52,514	50,350
For temporary differences:	848,966	838,936	52,514	50,350
Goodwill on the acquisition of assets	414	414	-	-
Impairment losses on assets	76,246	76,246	-	-
Pension funds and other insurance	52,196	52,196	-	-
Unaccrued fees, Bank of Spain Circular 4/2004	210	210	-	-
Early retirement and dismissal fund	6,513	6,513	-	-
Impairment losses on loans	573,674	573,674	5	5
Funds and provisions created	27,398	27,398	-	-
Excess amortisation/depreciation charge	3,720	3,720	-	-
Undervaluations of financial assets at fair value through other comprehensive income	24,292	14,262	-	-
Revaluation of properties	-	-	42,313	42,312
Revaluation of financial assets at fair value through other comprehensive income	-	-	8,879	7,967
Actuarial gains and losses	2,711	2,711	12	12
Fair value of loans and other	61,189	61,189	-	-
Limitation of the deduction of finance expenses	18,339	18,339	-	-
Other	2,064	2,064	1,305	54
Tax loss carryforwards	265,046	264,828	-	-
Tax deductions and credits	6,757	6,757	-	-
	1,157,020	1,159,585	76,693	75,062

The balance under the heading “Tax assets” records the amounts to be recovered over the coming twelve months (“Tax assets – Current”) and the amounts of the taxes to be recovered in future years, including those deriving from tax loss carryforwards or tax credits for deductions or benefits yet to be applied (“Tax assets – Deferred”). The balance under the heading “Tax liabilities” includes the amount of all tax liabilities, making a distinction between current and deferred items, except for any provisions for taxes that are recorded under the heading “Provisions” on the accompanying consolidated balance sheet.

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The movements in the balances of deferred tax assets during the six-month period ended 30 June 2022 and during 2021 are as follows:

	Thousands of Euros			
	Assets		Liabilities	
	30/06/2022	31/12/2021	30/06/2022	31/12/2021
Opening balance	1,110,520	1,099,258	50,350	55,887
Prior year adjustments	-	(1,118)	-	(410)
Corporate income tax for the year				
Impairment losses on assets	-	2,986	-	-
Goodwill	-	(70)	-	-
Pension funds and other insurance	-	(158)	-	-
Impairment losses on financial assets at amortised cost	-	(649)	-	-
Unaccrued fees, Bank of Spain Circular 4/2001	-	(8)	-	-
Funds and provisions created	-	5,404	-	-
Early retirement fund	-	(5)	-	-
Excess amortisation/depreciation charge (Act 16/2012)	-	(1,206)	-	-
Tax loss carryforwards	218	(3,682)	-	-
Deductions and credits	-	(27)	-	-
Revaluation of properties	-	-	-	(586)
Other	-	(139)	-	55
Transfers and other				
Fair value of financial assets at fair value through other comprehensive income	10,030	11,062	2,167	(3,468)
Actuarial gains and losses	-	98	-	(3)
Change in current tax assets and liabilities	-	(221)	-	-
Change in payables to group companies	-	(2)	-	-
Other	1	(1,003)	(3)	(1,125)
Closing balance	1,120,769	1,110,520	52,514	50,350

Banco de Crédito Social Cooperativo, S.A. and the subsidiaries that meet the requirements of corporate income tax regulations to form a tax consolidated group for corporate income tax purposes agreed to apply the special tax consolidation scheme established in Corporate Income Tax Act 27/2014 with effect from 2016. Consequently, the Bank and all the entities in which it holds a direct or indirect ownership interest of at least 75% and a majority of the voting rights form a tax consolidated group for corporate income tax purposes. However, the savings banks in the Group pay income tax separately, as the special tax consolidation regime does not apply between them and Banco de Crédito Cooperativo.

Irrespective of the corporate income tax taken to the statements of profit or loss for the years ended 30 June 2022 and 31 December 2021, the Group has recognised the following amounts in equity (deferred taxes) for the following concepts:

	Thousands of Euros	
	30/06/2022	31/12/2021
Fair value of tangible assets	42,312	42,312
Fair value of financial assets at fair value through other comprehensive income (revaluation)	8,609	7,036
Fair value of financial assets at fair value through other comprehensive income (undervaluation)	(23,182)	(11,885)
Fair value of loans and receivables and other (revaluation)	6	6
Fair value of loans and receivables and other (undervaluation)	(61,196)	(61,196)
Actuarial gains and losses	(2,699)	(2,699)

The movement in the income tax expense for items that may or may not be reclassified to profit or loss in the statement of recognised income and expense was an increase of €16,652 thousand at 30 June 2022 (30 June 2021: a decrease of €998 thousand), relating to the items financial assets designated at fair value through other comprehensive income, actuarial gains on defined benefit pension plans and hedging derivatives – cash flow hedges (effective portion).

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Deferred tax assets corresponding to charges for the impairment of loans and other assets deriving from the potential insolvency of debtors not related to the taxpayer and from transfers or contributions to staff welfare schemes and, if appropriate, early retirement, generated as from 1 January 2016, may be converted into a callable loan (that may be monetisable) with the tax authorities for an amount equal to the tax payable for the tax period in which they are generated in the circumstances stipulated in the relevant legislation.

Further, deferred tax assets corresponding to charges for the impairment of loans and other assets deriving from the potential insolvency of debtors not related to the taxpayer and from transfers or contributions to staff welfare schemes and, if appropriate, early retirement, generated as from 1 January 2016, may be converted into a callable loan with the tax authorities when included to determine the corporate income tax charge or, otherwise, used to determine payment of an annual 'asset charge' of 1.5%. The expense in respect of this 'asset charge' accrued by the Group in the six-month period ended 30 June 2022 amounted to €4,057 thousand (31 December 2021: €8,052 thousand).

Monetisable tax assets at 30 June 2022 were €608,997 thousand (€608,997 thousand at 31 December 2021).

The Group has its books open to inspection for all the years required for the various applicable taxes under prevailing tax legislation.

Due to the different interpretations that may be afforded to the tax rules applicable to the Group's operations, there could be certain contingent tax liabilities which cannot yet be quantified objectively. However, in the opinion of the Group's Board of Directors and its tax advisors, the possibility of such contingent liabilities materialising is remote and in any event, the tax debt which may derive from the same would not have a significant effect on the accompanying condensed interim financial statements.

15. Other assets and liabilities

The details of the balance of these headings in the assets and liabilities sections on the accompanying consolidated balance sheets at 30 June 2022 and 31 December 2021 are as follows:

	Thousands of Euros	
	30/06/2022	31/12/2021
Other assets:		
Prepayments and accrued income	45,726	29,012
Inventories:	572,913	673,633
Amortised cost	985,376	1,089,093
Valuation adjustments for impairment	(412,463)	(415,460)
Other:		
Net pension plan assets (Note 13.1)	90	98
Transactions in transit	2,081	1,127
Other items	48,578	75,922
Total	669,388	779,792
	Thousands of Euros	
	30/06/2022	31/12/2021
Other liabilities:		
Accruals and deferred income	88,797	100,281
Other:		
Transactions in transit	12,661	16,536
Other items	429,087	205,655
Education and Development Fund	7,157	5,124
Total	537,702	327,596

The fair value of the inventories recorded under this heading at 30 June 2022 and 31 December 2021 matches the carrying amount.

16. Education and Development Fund

The constitution of Grupo Cooperativo Cajamar does not restrict responsibility for operating and managing the Education and Development Fund to the Parent's Board of Directors; this responsibility falls to the governing board of each entity forming part of the Group.

The balances related to the Group's Education and Development Fund, at 30 June 2022 and 31 December 2021, break down as follows:

	Thousands of Euros	
	30/06/2022	31/12/2021
Application of the Education and Development Fund: (Note 11)		
Property, plant and equipment:	2,093	2,129
Cost	6,517	6,518
Accumulated depreciation	(4,424)	(4,389)
Other receivables	1	-
Total	2,094	2,129
Education and Development Fund:		
Appropriation:	6,208	4,075
Applied to property, plant and equipment	2,017	2,048
Applied to other investments	76	82
Expenses committed during the year	7,792	6,736
Current year maintenance expenses	(4,349)	(5,595)
Amount not committed	672	804
Other liabilities	949	1,051
Total	7,157	5,126

The budget for expenses and investments of the Education and Development Fund at 30 June 2022 amounted to €7,792 thousand (€6,736 thousand at 31 December 2021).

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17. Equity

Equity on the accompanying consolidated balance sheets at 30 June 2022 and 31 December 2021 breaks down as follows:

	Thousands of Euros	
	30/06/2022	31/12/2021
Capital	1,059,028	1,059,028
Paid up capital	1,059,028	1,059,028
Parent's reserves	26,076	21,859
Non-distributable reserves:	13,359	11,490
Legal reserve	13,359	11,490
Other reserves	12,717	10,369
Voluntary reserves	26,370	25,549
Other reserves	(13,653)	(15,180)
Parent's equity subject to solvency commitment	1,085,104	1,080,887
Equity of the Group's cooperative societies subject to solvency commitment	3,604,530	3,463,497
Equity of Cajamar Caja Rural subject to solvency commitment	3,324,573	3,193,448
Contributions to the capital of Cajamar Caja Rural	3,177,713	3,060,694
Reserves of Cajamar Caja Rural	146,864	132,781
Mandatory reserve fund	26,221	22,351
Revaluation reserves	39,589	39,589
Voluntary reserve fund	70,925	60,712
Other reserves	10,129	10,129
Less: Treasury shares	(4)	(27)
Equity of the rest of the Group's cooperative societies subject to solvency commitment	279,957	270,049
capital contributions to the rest of the Group's cooperative societies	88,564	80,316
Reserves of the rest of the cooperative societies	191,421	189,761
Mandatory reserve fund	181,134	179,810
Revaluation reserves	5,805	5,806
Voluntary reserve fund	4,617	4,285
Other reserves	(135)	(140)
Less: Treasury shares	(28)	(28)
Reserves generated during the consolidation process	(33,873)	(54,972)
Other Consolidable Group Reserves	(3,966)	(3,949)
Reserves of entities accounted for using the equity method	31,620	32,626
Parent's shares (-)	(977,349)	(977,349)
Profit or loss attributable to the Parent	50,106	62,625
Dividends (-)	-	(7,882)
Dividends to Cajamar Caja Rural capital	-	(7,723)
Dividends to the capital of the rest of the Group's rural savings banks	-	(159)
Interim dividends (-)	-	(617)
Items that may be reclassified to profit or loss	(67,195)	(12,079)
Items that may not be reclassified to profit or loss	(126)	(3,980)
Changes in the fair value of equity instruments at fair value through other comprehensive income	6,358	2,504
Actuarial gains or losses on defined benefit pension plans	(6,484)	(6,484)
Total equity	3,688,851	3,578,807

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17.1. Capital:

17.1.1. Parent's capital

At 30 June 2022 and 31 December 2021 the Parent's capital breaks down as follows, by shareholder contribution:

Shareholders that form part of Grupo Cooperativo Cajamar	Percentage ownership	
	30/06/2022	31/12/2021
Cajamar Caja Rural, Sociedad Cooperativa de Crédito	84.87%	84.87%
Caixa Rural de Torrent, Cooperativa de Crédito Valenciana	1.51%	1.51%
Caixa Rural de Altea, Cooperativa de Crédito Valenciana	0.87%	0.87%
Caja Rural San José de Burriana, Sociedad Cooperativa de Crédito	0.73%	0.73%
Caja de Crédito de Petrel, Caja Rural, Cooperativa de Crédito Valenciana	0.63%	0.63%
Caja Rural Católico Agraria, Sociedad Cooperativa de Crédito	0.76%	0.76%
Caja Rural de Callosa d'en Sarriá, Sociedad Cooperativa de Crédito	0.52%	0.52%
Caja Rural San Jaime de Alquerías del Niño Perdido, Sociedad Cooperativa de Crédito	0.39%	0.39%
Caja Rural de Cheste, Sociedad Cooperativa de Crédito	0.34%	0.34%
Caja Rural San José de Nules, Sociedad Cooperativa de Crédito	0.30%	0.30%
Caja Rural de Alginet, Sociedad Cooperativa de Crédito	0.25%	0.25%
Caixa Rural de Turis, Cooperativa de Crédito Valenciana	0.23%	0.23%
Caja Rural Sant Vicente Ferrer de la Vall D'Uixo	0.23%	0.23%
Caja Rural de Villar, Sociedad Cooperativa de Crédito	0.21%	0.21%
Caja Rural San José de Vilavella, Sociedad Cooperativa de Crédito	0.15%	0.15%
Caja Rural San Roque de Almenara, Sociedad Cooperativa de Crédito	0.11%	0.11%
Caja Rural San Isidro de Vilafamés, Sociedad Cooperativa de Crédito	0.09%	0.09%
Caja Rural La Junquera de Chilches, Sociedad Cooperativa de Crédito	0.10%	0.10%
Shareholders that do not form part of Grupo Cooperativo Cajamar		
Caja Rural de Almendralejo, Sociedad Cooperativa de Crédito	1.56%	1.56%
Eurocaja Rural, Sociedad Cooperativa de Crédito (*)	0.09%	0.09%
Caja Rural de Guissona, S. Coop. de Crédito	0.01%	0.01%
Caja Rural de Baena Ntra. Señora de Guadalupe, Sociedad Cooperativa de Crédito Andaluza	0.03%	0.03%
Caja Rural de Utrera, Sociedad Cooperativa Andaluza de Crédito	0.03%	0.03%
Caja Rural de Cañete de las Torres Ntra. Sra. del Campo, Sociedad Cooperativa Andaluza de Crédito	0.03%	0.03%
Caja Rural Ntra. Sra. del Rosario, Sociedad Cooperativa Andaluza de Crédito	0.03%	0.03%
Caja Rural Ntra. Madre del Sol, S. Coop. Andaluza de Crédito	0.03%	0.03%
Caja Rural San José de Almassora, S. Coop. de Crédito	0.09%	0.09%
Caixa Rural de Benicarló, S. Coop. de Crédito	0.09%	0.09%
Caixa Rural Vinaros, S. Coop. de Crédito	0.09%	0.09%
Caixa Rural Les Coves de Vinroma, S. Coop. de Crédito	0.05%	0.05%
Team & Work 5000, SL	2.83%	2.83%
Crédito Agrícola SGPS, SA	0.47%	0.47%
Garunter Locales, SL	0.47%	0.47%
Pepal 2002, SL	0.14%	0.14%
Acor Sociedad Cooperativa General Agropecuaria	0.19%	0.19%
Gespater S.L.	0.28%	0.28%
Publindal, S.L.	0.42%	0.42%
Surister del Arroyo, S.L.	0.19%	0.19%
Grupo Juramenta, S.L.	0.09%	0.09%
Repalmar, S.L.	0.09%	0.09%
Frutas de Guadalentin, S.L.	0.28%	0.28%
Other minority interests [Non-controlling interests]	0.10%	0.10%

(*) Formerly Caja Rural de Castilla - La Mancha

At 30 June 2022 the Parent's capital amounts to €1,059,028 thousand (€1,059,028 thousand at 31 December 2021), made up of 1,059,028 registered shares with a par value of €1 each (1,059,028 registered shares with a par value of €1 each at 31 December 2021). All shares are of the same class and series and are fully subscribed and paid up.

The shares issued by the Bank are the same class for all members of Grupo Cooperativo and the other shareholders. The restrictions on the transfer and/or pledging of shares only apply to the members of Grupo Cooperativo Cajamar by virtue of the Regulatory Agreement. The shareholders that are not members of Grupo Cooperativo may exercise their voting and dividend rights without any restriction.

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Any credit cooperative wishing to join Grupo Cooperativo Cajamar must acquire an interest in the capital of Banco de Crédito Social Cooperativo, S.A.

Group Members may exercise their dividend and voting rights as shareholders of Banco de Crédito Social Cooperativo, S.A., in proportion to their shareholdings. When they exercise said rights, they must safeguard the Group's interests and take into consideration that their holding in the Parent is an instrument for configuring their participation in the Group.

Group Members are required at all times to maintain full ownership of their shares in Banco de Crédito Social Cooperativo, S.A. and any preferential subscription rights they may hold, free of charges and encumbrances and with all relevant dividend and voting rights. Members may only transfer their shares in the Parent to other Members and third parties with the prior consent of the Parent, Banco de Crédito Social Cooperativo, S.A. In this event, an adjustment must be agreed and made to the corporate governance rules included in the Regulatory Agreement of Grupo Cooperativo Cajamar (hereinafter, "the Regulatory Agreement") based on the new percentage holdings in the Parent's capital.

17.1.2. Shares of the Parent (Controlling Company)

The shares held by Group entities in the Parent are recorded under "Treasury shares" in equity. At 30 June 2022 this totalled €977,349 thousand (€977,349 thousand at 31 December 2021), as follows:

	Thousands of Euros	
	30/06/2022	31/12/2021
Cajamar Caja Rural, Sociedad Cooperativa de Crédito	898,842	898,842
Caixa Rural de Torrent, Cooperativa de Crédito Valenciana	15,981	15,981
Caixa Rural de Altea, Cooperativa de Crédito Valenciana	9,242	9,242
Caja Rural San José de Burriana, Sociedad Cooperativa de Crédito	7,714	7,714
Caja de Crédito de Petrel, Caja Rural, Cooperativa de Crédito Valenciana	6,681	6,681
Caja Rural Católico Agraria, Sociedad Cooperativa de Crédito	8,040	8,040
Caja Rural de Callosa d'en Sarrià, Sociedad Cooperativa de Crédito	5,556	5,556
Caja Rural San Jaime de Alquerías del Niño Perdido, Sociedad Cooperativa de Crédito	4,124	4,124
Caja Rural de Cheste, Sociedad Cooperativa de Crédito	3,606	3,606
Caja Rural San José de Nules, Sociedad Cooperativa de Crédito	3,155	3,155
Caja Rural de Alginet, Sociedad Cooperativa de Crédito	2,676	2,676
Caixa Rural de Turís, Cooperativa de Crédito Valenciana	2,413	2,413
Caja Rural Sant Vicente Ferrer de la Vall D'Uixó	2,416	2,416
Caja Rural de Villar, Sociedad Cooperativa de Crédito	2,257	2,257
Caja Rural San José de Vilavella, Sociedad Cooperativa de Crédito	1,536	1,536
Caja Rural San Roque de Almenara, Sociedad Cooperativa de Crédito	1,147	1,147
Caja Rural San Isidro de Vilafamés, Sociedad Cooperativa de Crédito	948	948
Caja Rural La Junquera de Chilches, Sociedad Cooperativa de Crédito	1,017	1,017
Total	977,349	977,349

17.1.3. Contributions to the capital of Group Cooperative Societies

Partners' contributions to the capital of Cajamar Caja Rural, Sociedad Cooperativa de Crédito, amount to €3,177,709 thousand at 30 June 2022 (€3,060,667 thousand at 31 December 2021) and are recognised under "*Equity of the Group's cooperative societies subject to solvency commitment – Equity of Cajamar Caja Rural subject to solvency commitment – Contributions to the capital of Cajamar Caja Rural*".

This Member's minimum capital, under Article 49 of its By-laws, is set at €25,000 thousand, which is variable in character and made up of mandatory contributions of €61. The partners' contributions to the capital of Cajamar Caja Rural, Sociedad Cooperativa de Crédito are attested to in sequentially numbered nominative certificates. The total amount that a single partner can contribute to capital cannot exceed 2.5% in the case of natural persons and 5% for legal persons. At 30 June 2022 the largest contribution equalled 0.16% of capital (0.16% at the end of 2021).

Contributions to capital accrue the interest agreed by the General Assembly, which is subject to the limits established by current legislation.

Capital incorporated by the Credit Cooperatives belonging to the Group amounted to €88,536 thousand at 30 June 2022 (€80,288 thousand at 31 December 2021) and is recorded under "*Equity of the Group's cooperative societies subject to solvency commitment – Equity of the rest of the Group's cooperative societies subject to solvency commitment – Capital contributions to the rest of the Group's cooperative societies*".

At 30 June 2022 the Board of Directors of Grupo Cooperativo Cajamar classified €3,266,221 thousand (€3,140,955 thousand at 31 December 2021) relating to the various capital amounts of the Members of the Cooperative Group, except for the Parent, as Group equity under the heading "Other equity instruments".

At 30 June 2022 and 31 December 2021 the capital of all the Group Credit Cooperatives, in accordance with their respective by-laws, is classified in full under equity in their financial statements.

17.1.4. Share premium

No amounts are recognised under this heading of the consolidated balance sheet at 30 June 2022 and 31 December 2021.

17.1.5. Earnings per share

In accordance with IAS 33, details of the basic and diluted earnings per share of the Parent at 30 June 2022 and at 31 December 2021 are provided below.

Basic earnings per share are calculated by dividing the net profit for the year attributable to the Group by the weighted average number of outstanding shares for the year, excluding treasury shares.

Diluted earnings per share are calculated by dividing the net profit for the year attributable to the Group by the weighted average number of outstanding shares for the year adjusted for the dilution effect, this being the existence of convertible debt instruments and stock options. At 30 June 2022 and at 31 December 2021 the Group has not issued any instruments with a potential dilutive effect.

		Thousands of Euros	
		30/06/2022	31/12/2021
Profit/(loss) attributable to the Parent, net		50,106	62,626
Weighted average number of shares		1,059,028	1,059,028
Basic earnings per share		0.05	0.06
		Thousands of Euros	
		30/06/2022	31/12/2021
Profit/(loss) attributable to the Parent, net		50,106	62,626
Corrections to results due to issuance of convertibles/options		-	-
Adjusted profit/(loss)		50,106	62,626
Weighted average number of shares		1,059,028	1,059,028
Corrections to weighted number of shares due to issuance of convertibles or options		-	-
Adjusted weighted average number of shares		1,059,028	1,059,028
Diluted earnings per share		0.05	0.06

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17.1.6. Parent dividend distribution

At 30 June 2022, the Parent has not paid any dividend out of the profit generated in the six-month period ended 30 June 2022.

On 28 April 2022, the Ordinary General Meeting of Partners of Banco de Crédito Social Cooperativo, S.A. approved the distribution of a dividend out of the remainder of profit for 2021, as follows:

	Dividend paid			
	% of nominal amount	Thousands of shares	Euros per share	Thousands of euros
Ordinary shares:				
Cajamar Caja Rural, S.C.C.	84.87%	898,842	0.008	6,789.93
Caixa Rural de Torrent, C.C.V.	1.51%	15,981	0.008	120.73
Caixa Rural de Altea, C.C.V.	0.87%	9,242	0.008	69.82
Caja Rural San José de Burriana, S.C.C.	0.73%	7,714	0.008	58.27
Caja de Crédito de Petrel Caja Rural, C.C.V.	0.63%	6,681	0.008	50.47
Caja Rural Católico Agraria, S.C.C.	0.76%	8,040	0.008	60.74
Caja Rural de Callosa d'en Sarriá, S.C.C.	0.52%	5,556	0.008	41.97
Caja Rural San Jaime de Alquerías del Niño Perdido, S.C.C.	0.39%	4,124	0.008	31.15
Caja Rural de Cheste, S.C.C.	0.34%	3,606	0.008	27.24
Caja Rural San José de Nules, S.C.C.	0.30%	3,155	0.008	23.83
Caja Rural de Alginet, S.C.C.	0.25%	2,676	0.008	20.21
Caixa Rural de Turis, C.C.V.	0.23%	2,413	0.008	18.23
Caja Rural Sant Vicente Ferrer de la Vall D'Uixo, C.C.V.	0.23%	2,416	0.008	18.25
Caja Rural de Villar, S.C.C.	0.21%	2,257	0.008	17.05
Caja Rural San José de Vilavella, S.C.C.	0.15%	1,536	0.008	11.61
Caja Rural San Roque de Almenara, S.C.C.	0.11%	1,147	0.008	8.66
Caja Rural San Isidro de Vilafamés, S.C.C.	0.09%	948	0.008	7.16
Caja Rural La Junquera de Chilches, C.C.V.	0.10%	1,018	0.008	7.69
Caja Rural de Almendralejo, S.C.C.	1.56%	16,491	0.008	124.57
Eurocaja Rural, Sociedad Cooperativa de Crédito	0.09%	1,000	0.008	7.55
Caixa Rural La Vall San Isidro, C.C.V.	0.00%	9	0.008	0.07
Caja Rural San José de Almassora, S.C.C.	0.09%	1,000	0.008	7.55
Caixa Rural de Benicarló, S.C.C.	0.09%	1,000	0.008	7.55
Caixa Rural Vinaros, S.C.C.	0.09%	1,000	0.008	7.55
Caixa Rural Les Coves de Vinroma, S.C.C.	0.05%	500	0.008	3.78
Caja Rural de Baena Ntra. Señora de Guadalupe, S.C.C.A.	0.03%	300	0.008	2.27
Caja Rural de Utrera, S.C.C.A.	0.03%	300	0.008	2.27
Caja Rural Cañete de las Torres Ntra. Sra. del Campo, S.C.C.A.	0.03%	300	0.008	2.27
Caja Rural Ntra. Sra. del Rosario, S.C.C.A.	0.03%	300	0.008	2.27
Caja Rural Ntra. Madre del Sol, S.C.C.A.	0.03%	300	0.008	2.27
Caja Rural de Guissona, S.C.C.	0.01%	150	0.008	1.13
Team & Work 5000, S.L. (Grupo TREJA)	2.83%	30,000	0.008	226.62
Crédito Agrícola, S.G.P.S., S.A.	0.47%	5,000	0.008	37.77
Garunter Locales, S.L.	0.47%	5,000	0.008	37.77
Pepal 2002, S.L.	0.14%	1,500	0.008	11.33
Acor Sociedad Cooperativa General Agropecuaria	0.19%	2,000	0.008	15.11
Gespater, S.L.	0.28%	3,000	0.008	22.66
Publindal, S.L.	0.42%	4,500	0.008	33.99
Surister del Arroyo, S.L.	0.19%	2,000	0.008	15.11
Grupo Juramenta, SL	0.09%	1,000	0.008	7.55
Rapalmar, SL	0.09%	1,000	0.008	7.55
Frutas del Guadalentín, SL	0.28%	3,000	0.008	22.66
Other minority interests [Non-controlling interests]	0.10%	1,028	0.008	7.77
Total dividends paid	100.00%	1,059,028	0.008	8,000.00
Dividends charged to profit or loss	1	1,059,028	0.008	8,000.00
Dividend charged to reserves or share premium	-	-	-	-
Dividends in kind	-	-	-	-

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The Parent, in accordance with legal requirements, had sufficient funds to distribute these dividends. Details of the liquidity position at the dividend payment date are as follows:

	Thousands of 31/08/2021
Supporting Statement for the Distribution of the Interim Dividend	
1) Profit for the year from January 1	14,960
2) Less	1,496
a) Mandatory application to reserves	1,496
b) Allocated amount to Equity less than capital	-
3) Less interim dividend paid for the period	-
4) Maximum amount distributable (1-2-3)	13,464
Proposed interim dividend	8,000
Financial situation	
Cash	109,192
Deposits at Central Banks	47,695
Available cash balance	156,887
Available cash balance after dividend	148,887

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The breakdown of the interim dividends paid at year-end 2021 was as follows:

31/12/2021

	Dividend paid			
	% of nominal amount	Thousands of shares	Euros per share	Thousands of euros
Ordinary shares:				
Cajamar Caja Rural, S.C.C.	84.87%	898,842	0.008	6,789.93
Caixa Rural de Torrent, C.C.V.	1.51%	15,981	0.008	120.73
Caixa Rural de Altea, C.C.V.	0.87%	9,242	0.008	69.82
Caja Rural San José de Burriana, S.C.C.	0.73%	7,714	0.008	58.27
Caja de Crédito de Petrel Caja Rural, C.C.V.	0.63%	6,681	0.008	50.47
Caja Rural Católico Agraria, S.C.C.	0.76%	8,040	0.008	60.74
Caja Rural de Callosa d'en Sarrià, S.C.C.	0.52%	5,556	0.008	41.97
Caja Rural San Jaime de Alquerías del Niño Perdido, S.C.C.	0.39%	4,124	0.008	31.15
Caja Rural de Cheste, S.C.C.	0.34%	3,606	0.008	27.24
Caja Rural San José de Nules, S.C.C.	0.30%	3,155	0.008	23.83
Caja Rural de Alginet, S.C.C.	0.25%	2,676	0.008	20.21
Caixa Rural de Turís, C.C.V.	0.23%	2,413	0.008	18.23
Caja Rural Sant Vicente Ferrer de la Vall D'Uixo, C.C.V.	0.23%	2,416	0.008	18.25
Caja Rural de Villar, S.C.C.	0.21%	2,257	0.008	17.05
Caja Rural San José de Vilavella, S.C.C.	0.15%	1,536	0.008	11.61
Caja Rural Albalat dels Sorells, S.C.C.	0.00%	-	0.008	-
Caja Rural San Roque de Almenara, S.C.C.	0.11%	1,147	0.008	8.66
Caja Rural San Isidro de Vilafamés, S.C.C.	0.09%	948	0.008	7.16
Caja Rural La Junquera de Chilches, C.C.V.	0.10%	1,018	0.008	7.69
Caja Rural de Almendralejo, S.C.C.	1.56%	16,491	0.008	124.57
Eurocaja Rural, Sociedad Cooperativa de Crédito	0.09%	1,000	0.008	7.55
Caixa Rural La Vall San Isidro, C.C.V.	0.00%	9	0.008	0.07
Caja Rural San José de Almassora, S.C.C.	0.09%	1,000	0.008	7.55
Caixa Rural de Benicarló, S.C.C.	0.09%	1,000	0.008	7.55
Caixa Rural Vinaros, S.C.C.	0.09%	1,000	0.008	7.55
Caixa Rural Les Coves de Vinroma, S.C.C.	0.05%	500	0.008	3.78
Caja Rural de Baena Ntra. Señora de Guadalupe, S.C.C.A.	0.03%	300	0.008	2.27
Caja Rural de Utrera, S.C.C.A.	0.03%	300	0.008	2.27
Caja Rural Cañete de las Torres Ntra. Sra. del Campo, S.C.C.A.	0.03%	300	0.008	2.27
Caja Rural Ntra. Sra. del Rosario, S.C.C.A.	0.03%	300	0.008	2.27
Caja Rural Ntra. Madre del Sol, S.C.C.A.	0.03%	300	0.008	2.27
Caja Rural de Guissona, S.C.C.	0.01%	150	0.008	1.13
Team & Work 5000, S.L. (Grupo TREJA)	2.83%	30,000	0.008	226.62
Crédito Agrícola, S.G.P.S., S.A.	0.47%	5,000	0.008	37.77
Garunter Locales, S.L.	0.47%	5,000	0.008	37.77
Pepal 2002, S.L.	0.14%	1,500	0.008	11.33
Acor Sociedad Cooperativa General Agropecuaria	0.19%	2,000	0.008	15.11
Gespater, S.L.	0.28%	3,000	0.008	22.66
Publindal, S.L.	0.42%	4,500	0.008	33.99
Surister del Arroyo, S.L.	0.19%	2,000	0.008	15.11
Grupo Juramenta, SL	0.09%	1,000	0.008	7.55
Rapalmar, SL	0.09%	1,000	0.008	7.55
Frutas del Guadalentín, SL	0.28%	3,000	0.008	22.66
Other minority interests [Non-controlling interests]	0.10%	1,028	0.008	7.77
Total dividends paid	100.00%	1,059,028	0.008	8,000.00
Dividends charged to profit or loss	1	1,059,028	0.008	8,000.00
Dividend charged to reserves or share premium	-	-	-	-
Dividends in kind	-	-	-	-

17.1.7. Remuneration on contributions to the capital of Credit Cooperatives

The Group's Credit Cooperatives are empowered to determine the remuneration arrangement for the contributions to their own capital in the Group's Parent, Banco de Crédito Social Cooperativo, S.A., which establishes the maximum remuneration for those capital contributions. Complying with this maximum, the Entities are free to establish the rate of compensation that they consider best.

For cases where one or more Group entities do not make a positive contribution to the overall gross profit, the Parent may agree a lower yield on capital than that set as a maximum for the Group in general.

During the six-month period from 1 January 2022 to 30 June 2022, the Group's rural savings banks paid interest of €10,779 thousand on contributions to capital relating to and accrued in the second half of 2021, pursuant to the allocation of their profit. During that same period, a total of €11,136 thousand euros of interest accrued on contributions for financial year 2022. Likewise, during the six-month period from 1 January 2021 to 30 June 2021, the Group's rural savings banks, in accordance with the recommendations issued by the European Central Bank, did not accrue interest on their contributions to capital.

In addition, Members have delegated to Banco de Crédito Social Cooperativo, S.A. the power to determine the distribution or allocation of profit or loss according to the allocation criteria, within the limits set by law and the by-laws. The Governing Boards of the Members put forward their proposals for the appropriation of results in compliance with the criteria in place. Before submitting the proposals to their general assemblies, they must obtain approval from the Parent.

17.2. Retained earnings and reserves

Details of the "Reserves" heading under "Equity" on the accompanying consolidated balance sheets at 30 June 2022 and 31 December 2021 are as follows:

	Thousands of Euros	
	30/06/2022	31/12/2021
Parent's reserves		
Legal and statutory reserve fund	13,359	11,490
Voluntary reserves	26,370	25,549
	39,729	37,039
Reserves of the Group's credit cooperatives		
Mandatory reserve fund	207,354	202,161
Voluntary reserve fund and other reserves	75,542	64,997
	282,896	267,158
Reserves generated during the consolidation process	(33,873)	(54,972)
Total retained earnings	288,752	249,225
Revaluation reserve, Royal Decree-Law 7/1996	180	180
Revaluation reserves generated by IFRS and Bank of Spain Circular 4/2004	45,215	45,215
Total revaluation reserves	45,395	45,395
Reserves of entities accounted for using the equity method	31,620	32,626
Other reserves (Note 7.5.2)	(7,601)	(9,141)
Total other reserves	24,019	23,485
Total	358,166	318,105

17.2.1. Parent's reserves

a) Non-distributable legal reserve

The legal reserve is established in accordance with Article 274 of the Spanish Corporate Enterprises Act, which stipulates that 10% of profits must be transferred to the legal reserve each year until it represents at least 20% of capital. Until the legal reserve exceeds the limit indicated, it may only be used to offset losses in the event that no other sufficient reserves are available.

At 30 June 2022 and 31 December 2021 the Parent recorded €13,359 thousand and €11,490 thousand, respectively, under this account on the accompanying consolidated balance sheet.

b) Voluntary reserves

Voluntary reserves are those unrestricted reserves freely constituted by the Parent that are not required by law.

At 30 June 2022 and 31 December 2021, the Parent's voluntary reserves totalled €26,370 thousand and €25,549 thousand, respectively.

17.2.2. Reserves in Group Credit Cooperatives

Reserves in the Group Credit Cooperatives at 30 June 2022 and 31 December 2021 break down as follows:

Group entity	Thousands of Euros									
	Mandatory		Voluntary		Revaluation		Other		Total reserves	
	30/06/2022	31/12/2021	30/06/2022	31/12/2021	30/06/2022	31/12/2021	30/06/2022	31/12/2021	30/06/2022	31/12/2021
Cajamar Caja Rural, Sociedad Cooperativa de Crédito	26,221	22,351	70,925	60,712	39,589	39,589	10,129	10,129	146,864	132,781
Caixa Rural de Torrent, Cooperativa de Crédito Valenciana	38,690	38,396	992	845	-	-	(143)	(143)	39,539	39,098
Caixa Rural de Altea, Cooperativa de Crédito Valenciana	24,718	24,554	241	241	-	-	-	-	24,959	24,795
Caja Rural San José de Burriana, Sociedad Cooperativa de Crédito	19,061	18,922	236	208	1,762	1,762	-	-	21,059	20,892
Caja de Crédito de Petrel, Caja Rural, Cooperativa de Crédito Valenciana	17,558	17,511	414	368	-	-	54	54	18,026	17,933
Caja Rural Católico Agraria, Sociedad Cooperativa de Crédito	12,214	12,072	-	-	2,611	2,611	115	112	14,940	14,795
Caja Rural de Callosa d'en Sarrià, Sociedad Cooperativa de Crédito	11,236	11,137	1,739	1,700	-	-	-	-	12,975	12,837
Caja Rural San Jaime de Alquerías del Niño Perdido, Sdad Coop de Crédito	9,285	9,220	444	431	-	-	-	-	9,729	9,651
Caja Rural de Cheste, Sociedad Cooperativa de Crédito	9,621	9,558	75	75	-	-	-	-	9,696	9,633
Caja Rural San José de Nules, Sociedad Cooperativa de Crédito	4,770	4,718	56	45	-	-	-	-	4,826	4,763
Caja Rural de Algines, Sociedad Cooperativa de Crédito	6,581	6,532	23	18	-	-	(30)	(30)	6,574	6,520
Caixa Rural de Turis, Cooperativa de Crédito Valenciana	6,729	6,684	89	80	-	-	8	8	6,826	6,772
Caja Rural Sant Vicente Ferrer de la Vall D'Uixó	3,814	3,780	8	8	449	449	63	61	4,334	4,298
Caja Rural de Villar, Sociedad Cooperativa de Crédito	5,447	5,399	66	56	615	615	-	-	6,128	6,070
Caja Rural San José de Vilavella, Sociedad Cooperativa de Crédito	3,874	3,850	107	102	-	-	(202)	(202)	3,779	3,750
Caja Rural San Roque de Almenara, Sociedad Cooperativa de Crédito	2,575	2,553	50	46	368	368	-	-	2,993	2,967
Caja Rural San Isidro de Vilafamés, Sociedad Cooperativa de Crédito	2,402	2,386	20	17	-	-	-	-	2,422	2,403
Caja Rural La Junquera de Chilches, Sociedad Cooperativa de Crédito	2,559	2,538	57	45	-	-	-	-	2,616	2,583
Total reserves	207,355	202,161	75,542	64,997	45,394	45,394	9,994	9,989	338,285	322,541

a) Mandatory Reserve Fund

The Mandatory Reserve Fund has the objective of consolidating and guaranteeing the Group. In accordance with Act 13/1989 on Credit Cooperatives amended by Act 27/1999, 16 July 1999, the allocation to the reserve represents at least 20% of the net surplus.

The Credit Cooperatives' by-laws stipulate that at least 20% of profit each year for Cajamar Caja Rural, Sociedad Cooperativa de Crédito and Caja de Crédito de Petrel, Caja Rural, Cooperativa de Crédito Valenciana will be assigned to the Mandatory Reserve Fund, rising to 50% of the profit each year for the other Member Savings Banks.

b) Revaluation reserves, Royal Decree-Law 7/1996, of 7 June 1996

The balance of this heading showed no movement during the six-month period ended 30 June 2022 or during 2021 and relates exclusively to the account "Revaluation reserve, Royal Decree-Law 7/1996", which derives from the revaluation of some property, plant and equipment in 1996 by the Group.

As from the date on which the balance of the account “Revaluation reserve, Royal Decree-Law 7/1996” has been examined and agreed by the tax authorities or after the three year period for its inspection has elapsed, it may be used to offset losses arising in the current year or previous or future years without accruing tax. This balance may be taken to freely distributable reserves provided that the monetary capital gain has been realised. The capital gain will be deemed to have been realised in respect of the portion relating to the depreciation that has been recognised for accounting purposes or when the revalued assets have been transferred or written off the accounts. If the balance of this account is applied in any manner not permitted by Royal Decree-Law 7/1996, the balance becomes subject to taxation.

In the opinion of the Group’s Board of Directors, once the established period has elapsed, the entire balance of this reserve will be taken to the Voluntary Reserve Fund.

This reserve may be used to increase capital, in which case it will not accrue taxes.

c) Revaluation reserves required under new legislation

The balance of this account relates to the reserve required for the revaluation of property, plant and equipment carried out in accordance with the provisions of IFRS 1, and Transitional Provision One, section B, of Bank of Spain Circular 4/2004, and subsequent amendments, according to which at 1 January 2004 any item included under property, plant and equipment may be measured at fair value, subject to certain conditions.

17.2.3. Reserves of entities accounted for using the equity method

Details of the contribution of reserves in entities accounted for using the equity method at 30 June 2022 and at 31 December 2021 are as follows:

	Thousands of Euros	
	30/06/2022	31/12/2021
Cajamar Vida, S.A. de Seguros y Reaseguros	20,899	21,500
Agrocolor S.L.	1,089	830
Balsa Insa, S.L.	(4,753)	(4,753)
Proyecta Ingenio S.L.	60	(10)
Parque Innovación y Tecnología de Almería, S.A.	(3,655)	(3,675)
Murcia Emprende	(1,078)	(981)
Cajamar Seguros Generales, S.A. de Seguros y Reaseguros	4,530	4,438
Biocolor S.L.	(52)	(98)
GCC Consumo EFC, S.A.	14,503	15,336
Rest of associated entities	76	40
Total	31,620	32,626

18. Solvency

Regulation (EU) 575/2013 of the European Parliament and of the Council of 26 June 2013 (CRR) establishes that credit institutions must retain minimum capital levels of no less than those calculated as per the instructions in this regulation. Compliance with the capital adequacy ratio is at consolidated level, because all of the credit institutions in Grupo Cooperativo are exempt from the requirements stipulated in Regulation (EU) No. 575/2013 of the European Parliament and of the Council, by virtue of the authorisation provided in Article 7 of the regulation.

Furthermore, on 28 June 2021 Regulation (EU) No 2019/876 of the European Parliament and of the Council of 20 May 2019 (“CRR2”) amending the CRR started to be applied.

CRR2 introduces and replaces certain articles in the CRR, including article 92 stipulating the requirements on own funds banks must hold at all times. Specifically, CRR2 establishes a minimum leverage ratio of 3% (article 92.1.d), retaining the CET1, T1 and Total Capita requirements previously determined in CRR in this article.

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The eligible capital and capital requirements of Grupo Cooperativo Cajamar on a phase-in basis at 30 June 2022 and 31 December 2021 break down as follows:

	Thousands of Euros	
	30/06/2022	31/12/2021
Eligible own funds	3,866,947	3,897,271
CET1 Capital	3,267,028	3,297,400
Eligible CET1 instruments	3,721,052	3,705,612
<i>Capital</i>	3,347,900	3,222,634
<i>Reserves from profit or loss</i>	373,152	482,978
Tax credits	(454,024)	(408,212)
TIER 2 Capital	599,919	599,871
Pillar I capital adequacy requirements	1,976,680	1,985,107
Credit risk	1,814,573	1,773,451
Operating risk	128,729	128,729
CVA	29,260	78,680
Securitisations	4,118	4,247
Capital adequacy ratio	15.65%	15.71%
CET1 ratio	13.22%	13.29%

The Group's phased-in Total Capital ratio was 15.65% at 30 June 2022 (31 December 2021: 15.71%) while the phased-in CET1 ratio was 13.22% (31 December 2021: 13.29%), above the supervisor's requirements at that date. On the other hand, the fully-loaded CET 1 ratio stood at 12.98% at 30 June 2022 (12.78% at 31 December 2021) and the fully-loaded Total Capital ratio stood at 15.41% (15.20% at 31 December 2021).

The solvency figures at 30 June 2022 do not include the calculation of the profit for the year nor the capital contributions made in the first half of 2022 for the calculation of RWAs.

On a fully loaded basis, the Total Capital ratio and the CET1 ratio improved in the first half of the year as a result of the increase in capital contributions and the reduction in RWAs for CVA risk due to the switch to bilateral clearing houses for derivatives. This positive effect is partially offset by the increase in the deduction for additional hedges, the non-inclusion of the profit for the first half of the year and the impairment losses on fixed income and equity instruments accounted for against equity. On a phased-in basis, the capital ratios fell slightly, mainly because of the reduction of the IFRS 9 component eligible as CET1, following the timetable specified in Regulation (EU) 2017/2395.

Regulation (EU) 2017/2395 of the European Parliament and of the Council of 12 December 2017 introduced an amendment to the CRR allowing institutions, between 2018 and 2022, to gradually mitigate the negative impact of increasing provisions under the new IFRS 9 on CET1, which resulted in a 78 basis point decrease in the Group's fully-loaded CET1 ratio. Also in response to Covid-19, Regulation (EU) 2020/873 (known as the "CRR quick fix") was enacted, amending certain aspects of this transitional provision and the extent of said treatment.

In this regard, the Group decided to apply this transitional rule and therefore the phased-in capital ratios are calculated taking into account this stipulated transitional treatment and subsequent amendments thereto, while the fully-loaded capital ratios include the full impact of this new accounting standard.

On the other hand, it should be noted, as a relevant event during the period, that the part of the €300 million of subordinated debt in issue that was still listed on the market on the call date (7 June 2022) was repurchased and fully redeemed on that date. This repurchase had no effect on solvency at 30 June 2022, since the €300 million of debt ceased to qualify as Tier 2 capital from 30 June 2021.

The Pillar I and Pillar II capital requirements and the capital conservation buffer for 2022 are the same as those set in 2021: 8.41% – CET1 (4.5% – Pillar I, 2.5% – capital conservation buffer and 1.41% – Pillar II); 10.38% – Tier 1 Capital (6% – Pillar I, 2.5% – capital conservation buffer and 1.88% – Pillar II); and 13% – Total Capital (8% – Pillar I, 2.5% – capital conservation buffer and 2.5% – Pillar II).

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Given the aforesaid, at 30 June 2022 the Group has surplus capital over and above the requirements in the SREP.

Turning to the regulation on resolution, pursuant to Article 12.5 of the Single Resolution Mechanism (SRM) Regulation; Article 44.1 of Act 11/2015 (Credit Institution Recovery and Resolution Act); and Article 23.1.f of Act 13/1994 (Bank of Spain's autonomy), a new notification was received from the Bank of Spain on 5 April 2022 updating the minimum requirements for own funds and eligible liabilities (MREL) established by the Single Resolution Board for Banco de Crédito Social Cooperativo – as the Group's Parent – to be met no later than 1 January 2025.

The MREL was set at 19.79% (22.29% including the capital conservation buffer) of the total risk exposure amount (TREA) and 5.31% of the leverage ratio exposure (LRE), based on the financial and prudential information available at 31 December 2020. In addition, since 1 January 2022 a binding interim objective of 14.03% of TREA (16.53% including the capital conservation buffer) and 5.31% of LRE has been established.

At 30 June 2022, the MREL stood at 18.20% as a percentage of TREA (18.24% at 31 December 2021) and 7.12% as a percentage of LRE (7.51% at 31 December 2021). Both ratios are above the interim objective to be met from 1 January 2022: 16.53% of TREA and 5.31% of LRE.

Finally, the fully loaded leverage ratio stood at 5.08% at 30 June 2022 (5.26% at 31 December 2021), while on a phased-in basis the leverage ratio was 5.17%. This ratio is above the 3% minimum stipulated in article 92.1 d) introducing the CRR2.

19. Accumulated other comprehensive income

The breakdown of valuation adjustments, by Group entity, at 30 June 2022 and 31 December 2021 is as follows:

	Thousands of Euros	
	30/06/2022	31/12/2021
Cajamar Caja Rural, S.C.C.	(10,271)	(10,474)
Banco de Crédito Social Cooperativo, S.A.	(32,828)	(17,194)
Cajamar Vida, S.A. de Seguros y Reaseguros	(14,123)	4,554
Cimenta2 Gestión e Inversiones, S.A.U	(8,596)	6,263
Cajamar Seguros Generales, S.A.	(1,319)	905
Murcia Emprende S.C.R. S.A.	2	7
Caja de Crédito de Petrel, Caja Rural, C.C.V.	(49)	(49)
Caixa Rural de Turis C.C.V.	(30)	(30)
Caja Rural de Alginet, S.C.C.V.	(17)	(17)
Caja Rural San Roque de Almenara, S.C.C.V.	(4)	(4)
Caja Rural San Jaime de Alquerías Niño Perdido, C.C.V.	7	7
Caixa Rural Altea, S.C.C.V.	(27)	(27)
Caja Rural San Jose de Burriana, C.C.V.	30	30
Caixa Rural de Callosa de Sarriá, C.C.V.	(4)	(4)
Caja Rural de Cheste, S.C.C.	(12)	(12)
Caja Rural San José de Nules, S.C.C.V.	1	1
Caja Rural de Torrent, S.C.C.	(74)	(74)
Caja Rural San Isidro de Vilafamés, C.C.V.	(4)	(4)
Caixa Rural Sant Josep de Vilavella, S.C.C.V.	1	1
Caja Rural de Villar, C.C.V.	(6)	(6)
Caixa Rural Sant Vicent Ferrer de la Vall D'Uixo, S.C.C.V.	(18)	(18)
Caixa Rural Vila-Real, S.C.C.	20	87
Total	(67,321)	(16,058)

19.1. Items that will not be reclassified to profit or loss

The balance of this heading mainly comprises changes in the net value of equity instruments in the “Financial assets at fair value through other comprehensive income” portfolio on the accompanying balance sheets, as explained in Note 3.1 to the Group’s consolidated annual accounts as at and for the period ended 31 December 2021, and must be classified as part of the Group’s equity (Note 7.5.4).

Changes during the six-month period ended 30 June 2022 and during 2021 are as follows:

	Thousands of Euros	
	30/06/2022	31/12/2021
Opening balance	(3,979)	(11,487)
Net changes in actuarial gains or (-) losses on defined benefit pension plans	-	(265)
Net changes in the fair value of equity instruments at fair value through other comprehensive income, net	3,853	7,773
Closing balance	(126)	(3,979)

The most significant variation in the heading “Changes in the fair value of equity instruments at fair value through other comprehensive income” during 2021 concern the €11,251 thousand reduction in the capital of Sociedad de Gestión de Activos Procedentes de la Reestructuración Bancaria, S.A. (SAREB) (Note 7.5.2).

19.2. Items that may be reclassified to profit or loss

The details of this heading on the accompanying consolidated balance sheets at 30 June 2022 and 31 December 2021 are as follows:

	Thousands of Euros	
	30/06/2022	31/12/2021
Opening balance	(12,079)	25,613
Net changes in cash flow hedges	(11,134)	(29,261)
Net changes in debt instruments at fair value through other comprehensive income	(23,082)	(6,899)
Net changes in share of other recognised income and expense of investments in subsidiaries, joint ventures and associates	(20,900)	(1,532)
Closing balance	(67,195)	(12,079)

20. Minority interests

No amounts are recognised under this heading of the consolidated balance sheet at 30 June 2022 and 31 December 2021.

21. Commitments, financial guarantees given and other commitments given

21.1. Loan commitments given

This item records the irrevocable commitments to provide financing in accordance with certain pre-established conditions and deadlines. All credit commitments held by the Bank are immediately available.

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Details of “Loan commitments given” at 30 June 2022 and 31 December 2021 grouped by counterparty are as follows, including the limits and outstanding amounts thereof:

	Thousands of Euros	
	30/06/2022	31/12/2021
Drawdowns on loan commitments	5,475,858	5,295,409
Forward forward deposits	-	-
	5,475,858	5,295,409

The coverage for future payments associated with the financial items is recognised in the account “Provisions for commitments and collateral given – Loan commitments given” on the liability side of the balance sheet and totals €3,770 thousand at 30 June 2022 (31 December 2021: €3,644 thousand) (Note 13.2).

The average interest rate offered on these commitments is 1.75% at 30 June 2022 (1.57% in 2021).

21.2. Financial guarantees given

The breakdown of financial guarantees given at 30 June 2022 and 31 December 2021, the nominal values of which are recorded in memorandum accounts, is set out below:

	Thousands of Euros	
	30/06/2022	31/12/2021
Financial guarantees given other than credit derivatives	376,014	316,965
Financial collateral	376,014	316,965
Irrevocable contingent letters of credit	-	-
Other financial guarantees	-	-
Credit derivatives	-	-
Total	376,014	316,965

A significant part of these amounts will mature without any payment obligation arising for the Group and therefore the sum of the balances relating to these commitments cannot be considered as an actual future need for financing or liquidity to be granted to third parties by the Group.

The income obtained from guarantee instruments is recorded under the heading “Fee and commission income – Financial guarantees given” on the consolidated statement of profit or loss and is calculated by applying the rate established in the relevant contract to the nominal amount of the guarantee. The commission yet to accrue at 30 June 2022 and 30 June 2021 totalled €20,174 thousand and €16,946 thousand, respectively.

The present value of future flows yet to be received for these contracts is €19,948 thousand at 30 June 2022 and €17,739 thousand at 31 December 2021.

The coverage for future payments associated with financial items is recognised in the account “Provisions for commitments and collateral given” on the liability side of the balance sheet, and as at 30 June 2022 and 31 December 2021 totalled €3,846 thousand and €2,517 thousand, respectively (Note 13.2).

21.3. Other commitments given

Details of other commitments given at 30 June 2022 and at 31 December 2021 are as follows:

	Thousands of Euros	
	30/06/2022	31/12/2021
Irrevocable documentary credits	45,529	37,593
Other non-financial guarantees	724,860	601,959
Conventional financial asset acquisition agreements	554,005	-
Securities subscribed pending disbursement	58,023	50
Other contingent commitments	97,501	243,378
Total	1,479,917	882,980

The coverage for future payments associated with financial items is recognised in the account “Provisions for commitments and collateral given – Other commitments given” on the liability side of the balance sheet and as at 30 June 2022 and 31 December 2021 totalled €1,459 thousand and €1,441 thousand, respectively (Note 13.2).

The income obtained from guarantee instruments is recorded under the heading “Fee and commission income” on the consolidated statement of profit or loss, and is calculated by applying the rate established in the relevant contract to the nominal amount of the guarantee. The commission yet to accrue at 30 June 2022 totalled €37,156 thousand (€31,183 thousand at 30 June 2021).

The present value of future flows yet to be received for these contracts is €37,904 thousand at 30 June 2022 and €35,859 thousand at 31 December 2021.

22. Transactions with related parties

In the case of risk transactions involving related parties, the Group has developed procedures for the granting, authorisation and monitoring of this type of transactions using transparent criteria included in the *Credit Risk Control and Management Procedures and Policies Manual* (Note 5).

At 30 June 2022 and 31 December 2021 no significant transactions were carried out under non-market conditions with parties related to the Group. Balances generated as a result of transactions with related parties are as follows:

	Thousands of Euros							
	Outstanding balances (balance sheet)							
	Subsidiaries and other entities of the same group		Associates and joint ventures		Key management of the institution or its Parent		Other related parties	
	30/06/2022	31/12/2021	30/06/2022	31/12/2021	30/06/2022	31/12/2021	30/06/2022	31/12/2021
Selected financial assets	-	-	431,017	432,109	4,138	4,204	37,803	35,532
Equity instruments	-	-	95,514	106,365	-	-	5,753	67
Debt securities	-	-	-	-	-	-	-	-
Loans and advances	-	-	335,503	325,744	4,138	4,204	32,050	35,466
Selected financial liabilities	-	-	30,096	33,800	3,490	3,373	32,767	49,818
Deposits	-	-	30,096	33,800	3,490	3,373	32,767	49,818
Debt securities issued	-	-	-	-	-	-	-	-
Nominal amount of loan commitments, financial guarantees and other commitments given	-	-	240,705	124,200	282	401	1,071	1,574
Loan commitments, financial guarantees and other commitments received	-	-	-	-	-	-	-	-
Notional amount of derivatives	-	-	-	-	-	-	-	-
Accumulated impairment and accumulated changes in fair value due to credit risk for non-performing exposures	-	-	-	-	-	-	-	-
Provisions for off-balance sheet exposures	-	-	-	-	-	-	-	-
	Current period (profit or loss)							
Interest income	-	-	1,577	3,305	4	10	152	303
Interest expenses	-	-	-	12	-	4	2	10
Dividend income	-	-	-	-	-	-	-	-
Fee and commission income	-	-	33,856	46,426	1	2	18	31
Fee and commission expenses	-	-	2	2	-	-	-	-
Gains or (-) losses on derecognition of financial assets and liabilities not measured at fair value through profit or loss	-	-	-	-	-	-	-	-
Gains or (-) losses on derecognition of non-financial assets	-	930	-	-	-	-	-	-
Impairment or (-) reversal of impairment of non-performing exposures	-	-	-	-	-	-	-	-
Provisions or (-) reversal of provisions for non-performing exposures	-	-	-	-	-	-	-	-

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23. Directors' remuneration

Remuneration, including all items, accrued to the Board directors and executives of the Group's Parent, Banco de Crédito Social Cooperativo, S.A., for the six-month periods ended 30 June 2022 and 30 June 2021 is as follows:

Thousands of Euros					
30/06/2022					
	Fees-Premiums	Fixed compensation	Social Security expenses	Post-employment benefits	Other remuneration (*)
Board directors	895	800	30	37	157
Executives	-	989	68	78	237
Total	895	1,789	98	115	393
30/06/2021					
	Fees-Premiums	Fixed compensation	Social Security expenses	Post-employment benefits	Other remuneration (*)
Board directors	871	700	20	2,989	43
Executives	-	1,011	71	164	95
Total	871	1,711	90	3,153	139

(*) Variable remuneration, compensation in kind and justified expenses (kilometres).

Directors' remuneration at 30 June 2022 includes the remuneration of nine directors included in the Bank of Spain's Register of Senior Officers (nine at 30 June 2021). Board members' remuneration at 30 June 2022 includes the remuneration of three executive board members (30 June 2021: three executive board members).

The heading "Post-employment benefits" records the payments relating to pension and life insurance premium obligations, regardless of whether or not they are directly attributed to the beneficiary, at 30 June 2022 and 30 June 2021.

Remuneration accrued to the members of the Group's Board of Directors for fees and attendance premiums at 30 June 2022 and 30 June 2021 is as follows:

Thousands of Euros					
30/06/2022					
	Fees	Attendance fees		Fees	Attendance fees
Ms. Marta De Castro Aparicio	79	29		79	28
Mr. Juan Carlos Rico Mateo	19	8		30	13
Mr. Jose Antonio Garcia Perez	19	8		30	14
Mr. Bernabe Sanchez Minguet Martinez	29	19		29	20
Ms. Maria Teresa Vazquez Calo	31	14		31	14
Mr. Antonio Canton Gongora	69	24		69	22
Mr. Manuel Yebra Sola	40	20		40	19
Mr. Luis Rodriguez Gonzalez	78	22		78	22
Mr. Juan Bautista Mir Piqueras	59	8		58	8
Mr. Rafael Garcia Cruz	29	20		29	19
Mr. Antonio José Carranceja Lopez de Ochoa	71	24		71	24
Ms. Ana Nuñez Alvarez	66	13		66	14
Mr. Luis Francisco Fernandez-Revuelta Perez	30	14		30	14
Ms. Maria Lopez Fernandez	26	12		-	-
Mr. Antonio De Parellada Durán	10	5		-	-
	655	240		640	231

At 30 June 2022 the Group had a public liability insurance policy for its directors; the premium paid to the insurance company totals €319 thousand.

24. Quantitative and qualitative information on the mortgage market and reporting transparency

In accordance with Royal Decree 716/2009, of 24 April 2009, implementing Act 2/1981, of 25 March 1981, the Group's Board of Directors declares that explicit procedures and policies are in place covering all the relevant aspects regarding the mortgage market and that those policies and procedures guarantee compliance with applicable legislation.

Aspects regulated by the general credit approval policies include:

- The criteria to consider that a risk is sufficiently guaranteed, depending on the type of guarantee.
- The maximum loan-to-values in relation to the value of the mortgaged properties, depending on their nature.
- The rules for determining a property's value, which include a rule requiring appraisal values to be certified by an appraisal firm officially approved by the Group.
- The criteria that appraisal firms have to fulfil to obtain official approval from the Group.
- The rules for assessing a borrower's ability to pay including, in terms of prudence:
 - Those taking into account eventual increases in instalments due to interest rate rises.
 - Those eliminating the initial easy payment terms included in some kinds of products, such as principal grace periods or stepped repayment options.
- Loan approval limits, which take into account the results of ability-to-pay assessments.
- The necessary documents for processing credit transactions which should include:
 - Information about the capital wealth of the parties in the transaction.
 - Economic and financial information to evaluate borrowers' ability to generate funds.

In the general management and control of liquidity risk policies, rules are in place guaranteeing the existence of enough liquidity to always attend the payment obligations of the Group.

24.1. Information on the mortgage market

The information regarding the special accounting recognition of the mortgage loans and credits issued by the Group as well as the financial instruments and other transactions related to the mortgage market is shown, in accordance with Act 2 /1981, of 25 March 1981, regulating the mortgage market, modified by Act 41/2007, of 7 December 2007, and in accordance with the information required by Royal Decree 716/2009, of 24 April 2009, implementing certain aspects of the mentioned act.

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The nominal and discounted values of the mortgage loans and credits backing the issuance of mortgage covered bonds and securities at 30 June 2022 and 31 December 2021 are as follows:

	Thousands of Euros	
	Nominal amount	
	30/06/2022	31/12/2021
1. Total loans	18,810,300	18,873,912
2. Participation mortgages issued	700,977	771,324
<i>Of which: capitalised loans</i>	<i>700,976</i>	<i>747,936</i>
3. Mortgage transfer certificates issued	2,644,158	2,604,353
<i>Of which: capitalised loans</i>	<i>2,644,158</i>	<i>2,602,669</i>
4. Mortgage loans securing financing received	-	-
5. Loans backing mortgage covered bond and securities (1 - 2 - 3 - 4)	15,465,165	15,498,235
Ineligible loans	3,866,857	3,989,931
Fulfils requirements to be eligible, except the threshold stipulated in article 5.1 of Royal Decree 716/2009	1,233,490	1,394,635
Other ineligible loans	2,633,367	2,595,296
Eligible loans	11,598,308	11,508,304
Loans backing mortgage covered bond issuances	-	-
Loans eligible for backing mortgage covered security issuances	11,598,308	11,508,304
Ineligible amounts	254,674	286,513
Eligible amounts	11,343,634	11,221,791
	Discounted value	
Memorandum		
Loans backing mortgage covered bond issuances	-	-

The nominal value of the available amounts (undrawn committed amounts), of the mortgage loans backing the issuance of mortgage covered bonds and securities, differentiating those which are potentially eligible, at 30 June 2022 and 31 December 2021, is as follows:

	Thousands of Euros	
	Available principals	
	30/06/2022	31/12/2021
Loans backing mortgage covered bonds and security issuances	314,497	272,454
Potentially eligible	101,204	86,842
Ineligible	213,293	185,612

The nominal value of all the ineligible mortgage loans and credits that breach the limits established in Royal Decree 716/2009 (Article 5.1) but do, however, comply with all the other requirements to be eligible, indicated in Article 4 of the royal decree, amounts to €1,233,490 thousand at 30 June 2022 (€1,394,635 thousand at 31 December 2021).

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The disclosures regarding the loans backing the issuance of mortgage covered bonds and securities, specifying those considered eligible, for the years ended 30 June 2022 and 31 December 2021, are as follows:

	Thousands of Euros			
	30/06/2022		31/12/2021	
	Loans backing mortgage bonds and security issuances	Of which: eligible loans	Loans backing mortgage bonds and security issuances	Of which: eligible loans
Total	15,465,165	11,598,308	15,498,235	11,508,304
Origin of the transactions				
Generated by the institution	14,143,889	10,445,730	14,130,810	10,297,929
Subrogated from other institutions	1,201,220	1,073,649	1,254,805	1,130,254
Other	120,056	78,929	112,620	80,121
Currency				
Euro	15,465,165	11,598,308	15,498,235	11,508,304
Other currencies	-	-	-	-
Payment status				
Not past-due	13,872,228	10,604,486	13,779,584	10,539,226
Other status	1,592,937	993,822	1,718,651	969,078
Average residual term				
Up to 10 years	2,705,705	2,217,482	2,877,245	2,268,888
From 10 to 20 years	6,728,285	5,188,990	6,898,186	5,207,188
From 20 to 30 years	5,764,178	4,152,397	5,432,848	3,971,061
Over 30 years	266,997	39,439	289,956	61,167
Interest rate				
Fixed interest rate	2,212,226	1,236,085	1,614,425	904,130
Floating interest rate	9,529,816	7,596,393	10,061,435	7,862,046
Mixed interest rate	3,723,123	2,765,830	3,822,375	2,742,128
Holders				
Legal persons and self-employed (business activities)	4,625,340	3,009,161	5,041,258	3,115,294
Of which: real estate construction and development (including land)	417,858	230,627	535,229	259,860
Other households	10,839,825	8,589,147	10,456,977	8,393,010
Type of collateral				
Completed buildings/assets	13,684,148	10,429,899	13,548,800	10,276,951
Housing	11,395,087	9,026,054	11,153,061	8,873,353
Of which: government-subsidised housing	519,890	407,179	514,824	410,596
Offices and commercial premises	746,292	537,918	815,418	569,146
Other buildings and constructions	1,542,769	865,927	1,580,321	834,452
Buildings/assets under construction	426,393	286,255	453,506	303,092
Housing	272,080	193,350	265,244	193,063
Of which: government-subsidised housing	48	48	52	52
Offices and commercial premises	14,652	12,423	19,385	17,009
Other buildings and constructions	139,661	80,482	168,877	93,020
Land	1,354,624	882,154	1,495,929	928,261
Consolidated urban land	116,098	47,701	126,998	52,180
Other land	1,238,526	834,453	1,368,931	876,081

The following table shows, for the years ended at 30 June 2022 and 31 December 2021, the relationship between the amount of the eligible mortgage loans and credits and the appraisal values comprising the last available valuation of the respective mortgaged properties (loan-to-value, LTV).

	Thousands of Euros					
	30/06/2022					
	Principal drawn down based on the amount of the latest appraisal available (loan to value)					
	LTV <= 40%	40% < LTV <= 60%	60% < LTV	60% < LTV <= 80%	LTV > 80%	TOTAL
Loans eligible for mortgage covered bond and security issuances						11,598,308
Housing	2,351,058	2,971,971		2,555,635	524,142	8,402,806
Other properties	1,465,132	1,243,538	486,832			3,195,502
Miles de euros						
	31/12/2021					
	Principal drawn down based on the amount of the latest appraisal available (loan to value)					
	LTV <= 40%	40% < LTV <= 60%	60% < LTV	60% < LTV <= 80%	LTV > 80%	TOTAL
Loans eligible for mortgage covered bond and security issuances						11,508,304
Housing	2,288,348	2,938,429		2,438,836	539,509	8,205,122
Other properties	1,511,865	1,252,227	539,090			3,303,182

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The movements in the mortgage portfolio backing the issuance of eligible and ineligible mortgage covered bonds and securities is as follows:

		Thousands of Euros	
		Eligible loans	Ineligible loans
Balance at 31 December 2020		11,417,709	3,946,639
Disposals during the period:		1,512,876	1,526,902
Outstanding principal collected in cash		1,298,961	366,546
Early cancellations		35,849	5,766
Subrogations by other institutions		32,265	61,007
Other disposals		145,801	1,093,583
Additions during the period:		1,603,471	1,570,194
Generated by the institution		642,684	1,304,818
Subrogations from other institutions		10,698	41,496
Other additions		950,089	223,880
Balance at 31 December 2021		11,508,304	3,989,931
Disposals during the period:		812,124	1,170,465
Outstanding principal collected in cash		706,156	155,138
Early cancellations		10,866	2,534
Subrogations by other institutions		17,679	48,216
Other disposals		77,423	964,577
Additions during the period:		902,128	1,047,391
Generated by the institution		156,159	903,719
Subrogations from other institutions		2,542	25,497
Other additions		743,427	118,175
Balance at 30 June 2022		11,598,308	3,866,857

The qualitative and quantitative information at 30 June 2022 and 31 December 2021 on the assets received in lieu of payment of debts, broken down by the purpose of the initially granted finance, is provided below:

		Thousands of Euros (*)					
		30 June 2022					
		Gross Debt	Initial impairments (I)	Gross carrying amount	subsequent impairments(II)	Sum impairments (I+II)	Net carrying amount
Real estate assets from financing provided to construction and real estate development companies		1,290,196	(442,611)	847,585	(383,402)	(826,013)	464,183
Completed buildings and other constructions		319,724	(90,654)	229,070	(54,973)	(145,627)	174,097
Housing		214,506	(62,088)	152,418	(28,917)	(91,005)	123,501
Other		105,218	(28,566)	76,652	(26,056)	(54,622)	50,596
Buildings and other constructions under construction		187,194	(69,259)	117,935	(41,166)	(110,425)	76,769
Housing		186,222	(69,079)	117,143	(40,882)	(109,961)	76,261
Other		972	(180)	792	(284)	(464)	508
Land		783,278	(282,698)	500,580	(287,263)	(569,961)	213,317
Consolidated urban land		383,334	(130,611)	252,723	(145,255)	(275,866)	107,468
Other land		399,944	(152,087)	247,857	(142,008)	(294,095)	105,849
Real estate assets from mortgage financing to acquire homes		256,764	(88,537)	168,227	(45,739)	(134,276)	122,488
Other foreclosed real estate assets or those received as payment in lieu of debt		377,382	(122,643)	254,739	(61,433)	(184,076)	193,306
Foreclosed capital instruments or those received as payment in lieu of debt		-	-	-	-	-	-
Capital instruments in entities holding real estate assets that have been foreclosed or received as payment in lieu of debt		-	-	117	(4)	(4)	113
Financing to entities holding real estate assets that have been foreclosed or received as payment in lieu of debt		-	-	-	-	-	-

(*) Includes real estate investments with a gross debt of €205,072 thousand, accumulated impairment of €106,464 thousand and a net carrying amount of €98,607 thousand

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Thousands of Euros (*)						
31 December 2021						
	Gross Debt	Initial impairments (I)	Gross carrying amount	subsequent impairments (II)	Sum impairments (I+II)	Net carrying amount
Real estate assets from financing provided to construction and real estate development companies	1,428,740	(465,732)	963,008	(396,476)	(862,208)	566,532
<i>Completed buildings and other constructions</i>	<i>350,313</i>	<i>(99,230)</i>	<i>251,083</i>	<i>(49,186)</i>	<i>(148,416)</i>	<i>201,897</i>
Housing	237,931	(68,469)	169,462	(26,158)	(94,627)	143,304
Other	112,382	(30,761)	81,621	(23,028)	(53,789)	58,593
<i>Buildings and other constructions under construction</i>	<i>186,064</i>	<i>(72,395)</i>	<i>113,669</i>	<i>(27,912)</i>	<i>(100,307)</i>	<i>85,757</i>
Housing	185,093	(72,215)	112,878	(27,628)	(99,843)	85,250
Other	971	(180)	791	(284)	(464)	507
<i>Land</i>	<i>892,363</i>	<i>(294,107)</i>	<i>598,256</i>	<i>(319,378)</i>	<i>(613,485)</i>	<i>278,878</i>
Consolidated urban land	408,913	(135,851)	273,062	(141,234)	(277,085)	131,828
Other land	483,450	(158,256)	325,194	(178,144)	(336,400)	147,050
Real estate assets from mortgage financing to acquire homes	265,301	(90,004)	175,297	(43,608)	(133,612)	131,689
Other foreclosed real estate assets or those received as payment in lieu of debt	409,328	(134,106)	275,222	(51,384)	(185,490)	223,838
Foreclosed capital instruments or those received as payment in lieu of debt	-	-	-	-	-	-
Capital instruments in entities holding real estate assets that have been foreclosed or received as payment in lieu of debt	-	-	314	(252)	(252)	62
Financing to entities holding real estate assets that have been foreclosed or received as payment in lieu of debt	-	-	-	-	-	-

(*) Includes real estate investments with a gross debt of €235,168 thousand, accumulated impairment of €111,916 thousand and a net carrying amount €123,251 thousand

At 30 June 2022 and 31 December 2021, the real estate assets treated as foreclosed assets for measurement purposes, excluding assets that are being operated or leased, as per articles 175 and 176 of Annex IX of Circular 4/2017, are as follows:

Thousands of Euros						
30 June 2022						
	Gross Debt	Initial impairments (I)	Gross carrying amount	subsequent impairments (II)	Sum impairments (I+II)	Net carrying amount
Real estate assets from financing provided to construction and real estate development companies	1,182,309	(416,679)	765,630	(348,036)	(764,715)	417,594
<i>Completed buildings and other constructions</i>	<i>306,623</i>	<i>(85,964)</i>	<i>220,659</i>	<i>(53,653)</i>	<i>(139,617)</i>	<i>167,006</i>
Housing	209,789	(60,961)	148,828	(28,211)	(89,172)	120,617
Other	96,834	(25,003)	71,831	(25,442)	(50,445)	46,389
<i>Buildings and other constructions under construction</i>	<i>157,053</i>	<i>(63,362)</i>	<i>93,691</i>	<i>(31,455)</i>	<i>(94,817)</i>	<i>62,236</i>
Housing	156,151	(63,194)	92,957	(31,197)	(94,391)	61,760
Other	902	(168)	734	(258)	(426)	476
<i>Land</i>	<i>718,633</i>	<i>(267,353)</i>	<i>451,280</i>	<i>(262,928)</i>	<i>(530,281)</i>	<i>188,352</i>
Consolidated urban land	325,528	(116,686)	208,842	(123,371)	(240,057)	85,471
Other land	393,105	(150,667)	242,438	(139,557)	(290,224)	102,881
Real estate assets from mortgage financing to acquire homes	255,622	(88,064)	167,558	(45,730)	(133,794)	121,828
Other foreclosed real estate assets or those received as payment in lieu of debt	361,715	(117,476)	244,239	(58,816)	(176,292)	185,423
Foreclosed capital instruments or those received as payment in lieu of debt	-	-	-	-	-	-
Capital instruments in entities holding real estate assets that have been foreclosed or received as payment in lieu of debt	-	-	117	(4)	(4)	113
Financing to entities holding real estate assets that have been foreclosed or received as payment in lieu of debt	-	-	-	-	-	-

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	Thousands of Euros					
	31 December 2021					
	Gross Debt	Initial impairments (I)	Gross carrying amount	subsequent impairments(II)	Sum impairments (I+II)	Net carrying amount
Real estate assets from financing provided to construction and real estate development companies	1,308,772	(438,019)	870,753	(353,748)	(791,767)	517,005
Completed buildings and other constructions	335,350	(94,017)	241,333	(47,941)	(141,958)	193,392
Housing	230,865	(66,638)	164,227	(25,463)	(92,101)	138,764
Other	104,485	(27,379)	77,106	(22,478)	(49,857)	54,628
Buildings and other constructions under construction	164,398	(67,125)	97,273	(23,880)	(91,005)	73,393
Housing	163,496	(66,957)	96,539	(23,622)	(90,579)	72,917
Other	902	(168)	734	(258)	(426)	476
Land	809,024	(276,877)	532,147	(281,927)	(558,804)	250,220
Consolidated urban land	339,851	(120,785)	219,066	(112,574)	(233,359)	106,492
Other land	469,173	(156,092)	313,081	(169,353)	(325,445)	143,728
Real estate assets from mortgage financing to acquire homes	263,231	(89,276)	173,955	(43,587)	(132,863)	130,368
Other foreclosed real estate assets or those received as payment in lieu of debt	392,265	(128,551)	263,714	(50,370)	(178,921)	213,344
Foreclosed capital instruments or those received as payment in lieu of debt	-	-	-	-	-	-
Capital instruments in entities holding real estate assets that have been foreclosed or received as payment in lieu of debt	-	-	314	(252)	(252)	62
Financing to entities holding real estate assets that have been foreclosed or received as payment in lieu of debt	-	-	-	-	-	-

The Group has policies and strategies in place to recover the liquidity of this kind of assets, which are detailed in Note 6 to the Group's consolidated annual accounts as at and for the period ended 31 December 2021.

At 30 June 2022 and 31 December 2021 there are no substitute assets subject to mortgage covered security issues.

All of the mortgage security issues have been placed without a public offer. Their aggregate nominal value classified according to their residual maturity date at 30 June 2022 and 31 December 2021 is as follows:

	Thousands of Euros		Years	
	Nominal amount		Average residual term	
	30/06/2022	31/12/2021	30/06/2022	31/12/2021
Mortgage covered bonds issued	-	-		
<i>Of which: recognised under liabilities</i>	-	-		
Mortgage covered securities	5,000,000	5,750,000		
<i>Of which: recognised under liabilities</i>	487,400	1,237,400		
Debt securities. Other issuances	5,000,000	5,750,000		
Residual term up to one year	500,000	1,750,000		
Residual term > 1 year to 2 years	-	500,000		
Residual term > 2 years to 3 years	1,750,000	750,000		
Residual term > 3 years to 5 years	-	1,000,000		
Residual term > 5 year to 10 years	2,750,000	1,750,000		
Residual term > 10 years	-	-		
Participation mortgages issued	700,976	747,936	24	24
Issued through a public offering	-	-	-	-
Other issuances	700,976	747,936	24	24
Mortgage transfer certificates issued	2,644,158	2,602,669	23	23
Issued through a public offering	-	-	-	-
Other issuances	2,644,158	2,602,669	23	23

At 30 June 2022 and 31 December 2021 no mortgage covered bond issues existed.

24.2. Information regarding construction, property development and home purchase financing

The information required by the Bank of Spain, related to reporting transparency regarding construction, real estate and property purchase financing is provided hereon.

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Details of the financing for real estate construction and development as well as the corresponding impairment allowances at 30 June 2022 and 31 December 2021 are as follows:

	Thousands of Euros					
	Gross amount		Excess above the value of collateral		Specific allowance	
	30/06/2022	31/12/2021	30/06/2022	31/12/2021	30/06/2022	31/12/2021
Financing for real estate construction and development (including land)(businesses in Spain)	380,009	509,553	72,477	126,001	(49,918)	(126,131)
Of which: Non-performing	83,734	199,167	37,013	101,110	(46,623)	(120,189)
Memorandum items:						
Assets in default	606,274	518,776				
Thousands of Euros						
			30/06/2022	31/12/2021		
Loans and advances to customers excluding Public Administrations (business in Spain) (carrying amount)			32,965,848	32,102,429		
Total assets (total businesses) (carrying amount)			62,292,023	58,513,026		
Impairment and provisions for performing exposures (total businesses)			(255,857)	(247,234)		

The gross amount, without deducting impairment allowances, of the transactions classified according to the associated guarantees securing the finance at 30 June 2022 and 31 December 2021 breaks down as follows:

	Thousands of Euros	
	30/06/2022	31/12/2021
Not real estate mortgage secured	12,305	10,277
Real estate mortgage secured (broken down by type of asset received as collateral)	367,704	499,276
Completed buildings	216,766	310,298
Housing	150,877	214,141
Other	65,889	96,157
Buildings under construction	60,522	61,218
Housing	57,246	56,219
Other	3,276	4,999
Land	90,416	127,760
Consolidated urban land	55,005	65,976
Other land	35,411	61,784
Total	380,009	509,553

Details of retail loans for home purchases at 30 June 2022 and 31 December 2021 are as follows:

	Thousands of Euros			
	30/06/2022		31/12/2021	
	Gross carrying amount	Of which: Non-performing	Gross carrying amount	Of which: Non-performing
Lending for home purchases	12,350,462	302,938	12,236,053	346,066
Not real estate mortgage secured	23,807	1,069	25,864	1,263
Real estate mortgage secured	12,326,655	301,869	12,210,189	344,803

The Loan to Value (LTV) ranges for the retail mortgage portfolio at 30 June 2022 and 31 December 2021 are as follows:

	Thousands of Euros					
	30/06/2022					
	Loan-to-value ratio based on the latest appraisal (a)					
	LTV ≤ 40%	40% < LTV ≤ 60%	60% < LTV ≤ 80%	80% < LTV ≤ 100%	LTV > 100%	Total
Gross book value	3,073,542	3,662,460	3,887,109	1,215,775	487,769	12,326,655
Of which: Non-performing	19,012	28,511	67,701	57,183	129,462	301,869
	Thousands of Euros					
	31/12/2021					
	Loan-to-value ratio based on the latest appraisal (a)					
	LTV ≤ 40%	40% < LTV ≤ 60%	60% < LTV ≤ 80%	80% < LTV ≤ 100%	LTV > 100%	Total
Gross book value	3,012,979	3,673,696	3,664,305	1,269,104	590,105	12,210,189
Of which: Non-performing	21,071	29,588	79,329	62,142	152,673	344,803

24.3. Disclosures regarding refinanced and restructured transactions

Pursuant to Annex IX of Bank of Spain Circular 4/2017 on credit institutions' financial reporting rules, the Group has established classification criteria for the transactions catalogued as refinanced and/or restructured, such that those transactions will be classified as performing exposures under special monitoring during the probation period until all of the following requirements are met:

- It is highly likely that after an exhaustive review of its equity and financial position, the borrower will fulfil its obligations to the Group in due time and form, i.e. there is an adequate payment plan and new effective collateral is provided.
- At least two years have elapsed since the date the restructuring or refinancing transaction was formally concluded, or if later, since the date of reclassification from the category of non-performing exposures.
- The borrower has paid all accrued instalments of principal and interest since the date on which the restructuring or refinancing transaction was formally concluded or, if later, since the date of reclassification from the category of non-performing exposures.
- The borrower has no other transaction with amounts more than 30 days past due at the probation period.

Consequently, when all the above requirements are met, transactions will no longer be classified as refinancing transactions, refinanced or restructured.

Refinancing transactions, refinanced or restructured classified as performing or performing exposures under special monitoring will be analysed to determine if they need to be reclassified to the category of non-performing exposures. To this end, the Group will consider the following:

- That the transaction is supported by an inadequate payment plan, i.e. when there is repeated failure to comply with the payment plan terms
- That clauses are included that delay the repayment of transactions through regular payments.
- That they involve amounts derecognised from the balance sheet (write-offs) because they are deemed irrecoverable or the rights over them have been extinguished.

The Group will verify the following before reclassifying transactions from the non-performing category to performing exposures under special monitoring:

- That the debtor's equity and financial position has been redressed and that it is expected it will not experience further financial difficulties;
- That at least a year has elapsed since the refinancing or restructuring;
- That the debtor has fully repaid the accrued instalments of principal and interest, thereby reducing the renegotiated principal; and
- That the debtor has no transactions with amounts past due by more than 90 days on the date of reclassification to performing exposures under special monitoring.

The Group's policy is to use transaction refinancing, restructuring, renewal and renegotiation formulae as credit risk management tools which, if used astutely, help mitigate credit risk by means of individual transaction analysis with a view to rendering borrowers and transactions economically viable.

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Details of refinancing transactions, refinanced and restructured at 30 June 2022 and 31 December 2021, according to the content of Bank of Spain Circular 3/2020, of 11 June 2020, and the policies established by the Group are as follows:

30 June 2022

	Thousands of Euros						
	TOTAL						
	Unsecured		Secured				
	Number of transactions	Gross carrying amount	Number of transactions	Gross carrying amount	Maximum amount of the secured that can be considered		Accumulated impairment or losses in fair value due to credit risk
					Real estate mortgage secured	Rest of secured loans	
Credit institutions	-	-	-	-	-	-	-
Public Administrations	4	1,642	1	1,361	988	-	(487)
Other financial corporations and self-employed (financial business activity)	26	457	11	743	667	-	(180)
Non-financial corporations and self-employed (non-financial business activity)	5,200	321,031	3,314	703,886	637,478	1,143	(224,750)
Of which: financing for real estate construction and development (including land)	1	11	206	88,078	76,069	-	(36,095)
Other households	5,388	42,070	5,734	503,053	457,366	66	(137,771)
Total	10,618	365,200	9,060	1,209,044	1,096,499	1,210	(363,188)
ADDITIONAL INFORMATION							
Financing classified as non-current assets and disposal groups classified as held for sale	-	-	-	-	-	-	-
of which: Non-Performing							
	Unsecured		Secured				
	Number of transactions	Gross carrying amount	Number of transactions	Gross carrying amount	Maximum amount of the secured that can be considered		Accumulated impairment or losses in fair value due to credit risk
					Real estate mortgage secured	Rest of secured loans	
Credit institutions	-	-	-	-	-	-	-
Public Administrations	2	487	-	-	-	-	(487)
Other financial corporations and self-employed (financial business activity)	7	70	4	172	96	-	(124)
Non-financial corporations and self-employed (non-financial business activity)	1,595	64,168	1,555	263,110	222,412	29	(184,743)
Of which: financing for real estate construction and development (including land)	-	-	145	63,523	51,666	-	(34,556)
Other households	1,929	15,578	2,434	220,152	187,256	3	(120,678)
Total	3,533	80,304	3,993	483,434	409,764	32	(306,032)
ADDITIONAL INFORMATION							
Financing classified as non-current assets and disposal groups classified as held for sale	-	-	-	-	-	-	-

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31 December 2021

31 December 2021	Thousands of Euros						
TOTAL							
Unsecured			Secured				Accumulated impairment or losses in fair value due to credit risk
Number of transactions	Gross carrying amount	Number of transactions	Gross carrying amount	Maximum amount of the secured that can be considered			
				Real estate mortgage secured	Rest of secured loans		
Credit institutions	-	-	-	-	-	-	-
Public Administrations	4	1,696	1	1,411	988	-	(486)
Other financial corporations and self-employed (financial business activity)	27	464	11	815	745	-	(172)
Non-financial corporations and self-employed (non-financial business activity)	5,787	279,670	4,104	905,341	773,295	1,001	(327,712)
Of which: financing for real estate construction and development (including land)	2	108	319	217,658	161,298	5	(109,191)
Other households	6,042	44,734	6,320	565,950	512,429	104	(140,566)
Total	11,860	326,564	10,436	1,473,517	1,287,457	1,105	(468,936)
ADDITIONAL INFORMATION							
Financing classified as non-current assets and disposal groups classified as held for sale	-	-	-	-	-	-	-
of which: Non-Performing							
Unsecured			Secured				Accumulated impairment or losses in fair value due to credit risk
Number of transactions	Gross carrying amount	Number of transactions	Gross carrying amount	Maximum amount of the secured that can be considered			
				Real estate mortgage secured	Rest of secured loans		
Credit institutions	-	-	-	-	-	-	-
Public Administrations	2	486	-	-	-	-	(486)
Other financial corporations and self-employed (financial business activity)	6	43	4	205	135	-	(121)
Non-financial corporations and self-employed (non-financial business activity)	1,550	68,742	1,850	416,050	311,454	119	(286,260)
Of which: financing for real estate construction and development (including land)	1	96	226	173,302	117,574	5	(106,116)
Other households	1,991	15,353	2,613	247,640	209,248	7	(121,185)
Total	3,549	84,624	4,467	663,895	520,837	126	(408,052)
ADDITIONAL INFORMATION							
Financing classified as non-current assets and disposal groups classified as held for sale	-	-	-	-	-	-	-

Details of transactions classified as doubtful, after being refinanced or restructured, at 30 June 2022 and 31 December 2021 are as follows:

	Thousands of Euros	
	30/06/2022	31/12/2021
Public Administrations	-	-
Financial intermediaries	-	-
Other legal persons and sole proprietors	27,740	27,615
<i>Of which: Financing for construction and property development</i>	1,061	1,235
Other natural persons	13,609	12,109
Total	41,349	39,724

Note 6 to the Group's consolidated annual accounts as at and for the period ended 31 December 2021 provides details of the policies applied by the Group in terms of refinancing and restructuring transactions, showing the measures and criteria used.

25. Breakdown of the consolidated statement of profit or loss

The details of the most significant headings on the consolidated statements of profit or loss at 30 June 2022 and 30 June 2021 are as follows:

- Interest income and Interest expenses**

Details of this heading on the accompanying consolidated statements of profit or loss are as follows:

	Thousands of Euros	
	30/06/2022	30/06/2021
Interest income		
Cash equivalents at credit institutions	720	86
Other loans and advances	271,817	267,470
Debt securities (Note 7.2.3) (Note 7.3.2) (Note 7.5.1) (Note 7.6.4)	128,816	69,235
Non-performing transactions	1,552	5,595
Hedging derivatives	(79,301)	(19,358)
Other assets:		
<i>Yields on pension plan assets (Note 13.1)</i>	350	300
<i>Interest income on liabilities</i>	52,973	77,845
<i>Other</i>	5,629	2,101
Total	382,556	403,274
Interest expense and similar charges		
Sight deposits at credit institutions	(1,036)	(1,669)
Other deposits	(7,985)	(10,512)
Debt securities issued (Note 7.7.4)	(7,891)	(7,738)
Subordinated liabilities (Note 7.7.4.2)	(17,518)	(18,454)
Other liabilities:		
<i>Pension fund interest expense (Note 13.1)</i>	(377)	(336)
<i>Asset interest expenses</i>	(17,885)	(5,263)
<i>Financial costs of liabilities associated with operating lease</i>	(599)	(749)
<i>Other</i>	(429)	(356)
Total	(53,720)	(43,077)

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- Dividend income**

The details of this heading on the consolidated statements of profit or loss at 30 June 2022 and 30 June 2021 are as follows:

	Thousands of Euros	
	30/06/2022	30/06/2021
Equity instruments (Note 7.5.2)	2,188	1,005
Total	2,188	1,005

- Profit/(loss) of entities accounted for using the equity method**

The contribution to profit or loss of entities accounted for using the equity method (Notes 2.7. and 10) on the consolidated statements of profit or loss as at 30 June 2022 and 30 June 2021 is as follows:

	Thousands of Euros	
	30/06/2022	30/06/2021
Cajamar Vida, S.A. de Seguros y Reaseguros	17,989	18,042
Cajamar Seguros Generales, S.A.	1,711	1,228
Agrocolor S.L.	(208)	(100)
Parque de innovación y tecnológico de Almería	(108)	(60)
Murcia emprende, S.C.R., S.A.	431	(50)
Biocolor, S.L.	-	47
Proyecta Ingenio, S.L.	(19)	52
GCC Consumo E.F.C. S.A	2,725	2,851
Giesmed Parking S.L.	31	9
Promontoria Jaguar, S.L	760	-
	23,312	22,019

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- **The headings “Fee and commission income” and “Fee and commission expenses”** on the accompanying consolidated statement of profit or loss show the amount of all fees and commission received and paid by the Group accrued during the year, except for those that form part of the effective interest rate for financial instruments. The criteria followed to take these items to profit or loss are explained in Note 3.16 to the Group’s consolidated annual accounts as at and for the period ended 31 December 2021.

The details of products generating fee and commission income or expenses at 30 June 2022 and 30 June 2021 are as follows:

	Thousands of Euros	
	30/06/2022	30/06/2021
<u>Fee and commission income</u>		
Securities:	645	780
Transfer orders	645	780
Asset management	156	-
Custody [by type of customer]:	580	540
Other	580	540
Payment services	94,264	71,756
Current accounts	43,743	30,721
Credit cards	13,415	10,032
Debit cards and other card payments	24,240	20,433
Transfers and other payment orders	5,000	3,862
Other fee and commission income in relation to payment services	7,866	6,708
Customer resources distributed but not managed [by type of product] (Note 27):	45,824	35,988
Collective investment	19,375	14,413
Insurance products	26,449	21,575
Loan commitments given	5,892	6,344
Financial guarantees given	6,025	5,031
Loans granted	-	1,209
Foreign currency	560	433
Other fee and commission income	4,590	5,836
Total	158,536	127,917
<u>Fee and commission expenses</u>		
Securities	(2,469)	(3,777)
Clearing and settlement	-	-
Asset management	(56)	(28)
Custody	-	-
Payment services	(8,549)	(5,252)
Of which: Debit and credit cards and other cards	(8,521)	(5,225)
Loan administration activities	(9)	(12)
Loan commitments received	-	-
Financial guarantees received	(7,974)	(5,662)
Distribution of products by external providers	(742)	(484)
Other fee and commission expenses	(3,833)	(3,385)
Total	(23,632)	(18,600)

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- Gain and losses on assets and liabilities**

The details of this heading on the consolidated statements of profit or loss at 30 June 2022 and 30 June 2021 are as follows:

	Thousands of Euros	
	30/06/2022	30/06/2021
Gains or losses on derecognition of financial assets and liabilities not measured at fair value through profit or loss, net	9,111	441,041
Financial assets at amortised cost	4,668	461,595
Financial assets at fair value through other comprehensive income	3,632	854
Financial liabilities at amortised cost	811	(21,408)
Gains or losses on financial assets and liabilities held for trading, net	(46)	(76)
Other gains or (-) losses	(46)	(76)
Gains or (-) losses on non-trading financial assets mandatorily at fair value through profit or loss, net	110,742	30,466
Other gains or (-) losses	110,742	30,466
Gains or losses from hedge accounting, net	282	(1,026)
Total	120,089	470,405

- Other operating income**

The details of this heading on the consolidated statements of profit or loss at 30 June 2022 and 30 June 2021 are as follows:

	Thousands of Euros	
	30/06/2022	30/06/2021
Changes in fair value in tangible assets measured using the fair value model	-	-
Investment property	4,135	4,600
Operating leases that are not investment properties	-	-
Other:		
Sales and other revenue from non-financial services rendered	5,802	5,262
Insurance company indemnity	9	86
Other items:		
Other recurring income	5,918	4,863
Other non-recurring income	5,994	1,239
Other items	513	1,554
Income from insurance and reinsurance contracts issued	-	-
Total	22,371	17,604

- Other operating expenses**

Details of this heading on the accompanying consolidated statements of profit or loss are as follows:

	Thousands of Euros	
	30/06/2022	30/06/2021
Mandatory contributions to social projects and funds	(1,866)	(174)
Investment property	(510)	(451)
Operating leases that are not investment properties	-	-
Other charges and contributions	(31,590)	(30,092)
Other:		
Change in inventories – Cost of sales	-	-
Change in inventories – Property overheads	-	-
Other items	(8,051)	(8,282)
Expenses from insurance and reinsurance contracts issued	-	-
Total	(42,017)	(38,999)

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• **Staff expenses**

Details of this heading on the accompanying consolidated statements of profit or loss are as follows:

	Thousands of Euros	
	30/06/2022	30/06/2021
Salaries and bonuses to current personnel	(110,858)	(109,498)
Social Security payments	(39,052)	(37,097)
Appropriations to defined benefit plans (Note 13)	(1,078)	(1,123)
Appropriations to defined contribution plans (Note 13)	(5,873)	(5,640)
Severance indemnities	(536)	(613)
Training expenses	(412)	(143)
Share-based payments	-	-
Other staff expenses	(14,622)	(5,432)
Total	(172,431)	(159,546)

The average number of employees of the Group's credit institutions and of Grupo Cooperativo Cajamar, broken down by gender in accordance with Organic Act 3/2007, of 22 March 2007, is as follows:

	Credit institutions		Grupo Cooperativo Cajamar	
	30/06/2022	30/06/2021	30/06/2022	30/06/2021
Average payroll				
Male	2,589	2,631	3,107	3,114
Female	2,727	2,759	3,127	3,120
Total	5,317	5,390	6,234	6,234

The average number of employees at the Group, broken down by professional category, is as follows:

	30/06/2022		30/06/2021	
	Male	Female	Male	Female
Executives	29	5	34	10
Department heads and graduates	2,366	1,803	2,288	1,622
Administrative officers	533	1,057	611	1,234
Administrative assistants	179	260	180	252
Sundry positions	1	2	1	2
Total	3,107	3,127	3,114	3,120

At 30 June 2022 and 2021 the number of employees at the Group, broken down by professional category, is as follows:

	30/06/2022		30/06/2021	
	Male	Female	Male	Female
Executives	28	5	30	7
Department heads and graduates	2,366	1,799	2,286	1,616
Administrative officers	529	1,054	614	1,242
Administrative assistants	182	267	155	217
Sundry positions	1	1	30	45
Total	3,106	3,126	3,115	3,127

The average number of individuals employed at 30 June 2022 and 30 June 2021 with disabilities equal to or over 33% (or equivalent qualification), by professional category, is as follows:

	30/06/2022		30/06/2021	
	Male	Female	Male	Female
Executives	-	-	-	-
Department heads and graduates	30	23	27	23
Administrative officers	12	29	17	29
Administrative assistants	-	2	-	3
Sundry positions	-	-	-	-
Total	42	54	44	55

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Remuneration in kind granted to the Group's employees in the form of loans at lower than market interest rates as per the collective wage agreement are as follows at 30 June 2022 and 30 June 2021:

	Thousands of Euros	
	30/06/2022	30/06/2021
Loans and advances	621	288
Other remuneration in kind	516	510
Total remuneration in kind	1,137	798

- Other administrative expenses**

Details of this heading on the accompanying consolidated statements of profit or loss are as follows:

	Thousands of Euros	
	30/06/2022	30/06/2021
From property, fixtures and supplies	(12,223)	(13,914)
IT	(22,508)	(18,932)
Communications	(4,092)	(3,621)
Advertising	(2,997)	(2,744)
Court and attorney's fees	(795)	(684)
Technical reports	(5,536)	(4,610)
Surveillance and security carriage services	(2,829)	(2,707)
Insurance and self-insurance premiums	(1,215)	(936)
Governance and control bodies	(1,895)	(1,781)
Entertainment and travel expenses	(932)	(690)
Membership fees	(682)	(1,030)
Passing on of central service expenses to foreign branches	-	-
Subcontracted administrative services	(16,137)	(18,139)
Levies and other taxes:		
On properties	(1,237)	(1,590)
Other	(8,721)	(8,339)
Donations to foundations	-	-
Other expenses	(10,376)	(9,194)
Total	(92,175)	(88,911)

- Amortisation and depreciation**

Details of this heading on the accompanying consolidated statements of profit or loss are as follows:

	Thousands of Euros	
	30/06/2022	30/06/2021
Property, plant and equipment		
For own use (Note 11)		
IT equipment and related fixtures	(7,169)	(6,704)
Furniture, vehicles and other fixtures	(10,875)	(11,283)
Buildings	(4,240)	(4,196)
Other tangible assets	(148)	(160)
Leased out under an operating lease		
Activated rights-of-use on lease agreements (Note 11)	(3,821)	(4,147)
Investment property (Note 11)		
Furniture, vehicles and other fixtures	(113)	(108)
Buildings	(1,773)	(2,312)
Other intangible assets	(6,682)	(4,829)
Total	(34,821)	(33,739)

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- **Provisions or reversal of provisions (net)**

Details of this heading on the accompanying consolidated statements of profit or loss are as follows:

	Thousands of Euros	
	30/06/2022	30/06/2021
Pensions and other post-employment defined benefit obligations (Note 13.1)	-	(5)
Other long-term employee benefits (Note 13.1)	-	-
Pending legal issues and tax litigation	-	28
Commitments and guarantees given	(1,437)	1,123
Loan commitments granted	(91)	953
Financial guarantees granted	(1,329)	(135)
Other commitments granted	(17)	305
Other contingent risks	(17)	305
Other provisions (Note 13.4)	(1,923)	(46,514)
Total	(3,360)	(45,368)

- **Impairment or reversal of impairment of financial assets and other non-financial assets (net)**

Details of this heading on the accompanying consolidated statements of profit or loss are as follows:

	Thousands of Euros	
	30/06/2022	30/06/2021
Financial assets not designated at fair value through profit or loss	(122,313)	(247,733)
Debt securities (Note 7.5.1) (Note 7.6.4)	16	68
Loans and advances (Note 7.6.3)	(122,329)	(247,801)
Investments in subsidiaries, joint ventures and associates (Note 10)	-	-
Total	(122,313)	(247,733)
Non-financial assets	(86,612)	(206,806)
Property, plant and equipment	(703)	4
Investment property (Note 11)	(17,804)	(13,386)
Goodwill (Note 12)	-	(54,741)
Other	(68,105)	(138,683)
Total	(86,612)	(206,806)

- Gains or losses on derecognition of non-financial assets**

Details of this heading on the accompanying consolidated statements of profit or loss are as follows:

	Thousands of Euros	
	30/06/2022	30/06/2021
Gains on disposals		
Property, plant and equipment	126	298
Investment property	642	1,675
Intangible assets	-	243
Other gains	2,195	3,939
Total	2,963	6,155
Losses on disposals		
Property, plant and equipment	(589)	(489)
Investment property	(2,288)	(975)
Intangible assets	(5)	(5,763)
Other losses	(15,571)	(10,321)
Total	(18,453)	(17,548)
Total gains or losses	(15,490)	(11,393)

- Profit or loss from non-current assets and disposal groups classified as held for sale not qualifying as discontinued operations**

Details of this heading on the accompanying consolidated statements of profit or loss are as follows:

	Thousands of Euros	
	30/06/2022	30/06/2021
Gains on disposals		
Property, plant and equipment	8	-
Investment property	32	19
Property, plant and equipment foreclosed	842	1,377
Total	882	1,396
Losses on disposals		
Property, plant and equipment	(9)	(43)
Investment property	(360)	(217)
Property, plant and equipment foreclosed	(5,972)	(3,712)
Total	(6,341)	(3,972)
Impairment losses on non-current assets held for sale (Note 9)	(4,853)	(52,129)
Total gains or losses	(10,312)	(54,705)

26. Segment reporting

- Segmentation by lines of business**

The Group's core business is retail banking. There are no other major lines of business which require, in accordance with applicable legislation, that the Group segment and manage its operations through different business lines.

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- Geographical segmenting**

The Group carries out its activities almost entirely in Spain and the type of customer is similar throughout Spain. Therefore the Group considers that there is a single geographical segment for the entire operation.

27. Other disclosures

Investment services

The details of investment and ancillary services by instrument type, indicating the amount of securities and other managed financial instruments and the fees and commission recorded on the consolidated statements of profit or loss, are as follows:

	Thousands of Euros	
	Customer funds	Fees and commission
30/06/2022		
Brokerage services (products marketed by the Group) (Note 25)		
Collective investment	4,000,241	19,375
Insurance products	1,464,784	26,449
Total	5,465,025	45,824
Deposit of securities owned by third parties (Note 25)		
Debt securities and equity instruments	1,168,259	1,225
Other financial instruments entrusted by third parties	14,499	-
Customer portfolios managed on a discretionary basis	39,883	156
Total	1,222,641	1,381
	Thousands of Euros	
	Customer funds	Fees and commission
30/06/2021		
Brokerage services (products marketed by the Group) (Note 25)		
Collective investment	3,796,874	14,413
Insurance products	1,532,657	21,575
Total	5,329,531	35,988
Deposit of securities owned by third parties (Note 25)		
Debt securities and equity instruments	1,217,046	1,320
Other financial instruments entrusted by third parties	7,247	-
Customer portfolios managed on a discretionary basis	-	-
Total	1,224,293	1,320

Exchange risk

The following table summarises the Group's exposure to exchange risk:

	Thousands of Euros	
	30/06/2022	31/12/2021
Assets		
Cash, cash balances at central banks and other on demand deposits	31,299	13,358
Financial assets at amortised cost	67,076	63,834
Other assets	285	493
Total	98,660	77,685
	Thousands of Euros	
	30/06/2022	31/12/2021
Liabilities		
Financial liabilities at amortised cost	108,722	56,986
Other liabilities	1	-
Total	108,723	56,986
Net Position	(10,063)	20,699

The net amount of exchange differences recognised on the consolidated statement of profit or loss totalled €3,629 thousand at 30 June 2022 (€1,495 thousand at 30 June 2021).

At 30 June 2022 and 31 December 2021 no amount was booked as "Exchange differences" under "Accumulated other comprehensive income" in "Equity".

28. Subsequent events

Irrespective of the disclosures in the notes to the condensed interim consolidated financial statements, from 30 June 2022 to 2 August 2022 – the date on which the accompanying condensed interim consolidated financial statements were authorised for issue by the Group's Board of Directors – there were no significant events that must be disclosed in the notes to the accompanying annual accounts in order for them to give a true and fair view of the Group's consolidated equity, consolidated financial position, consolidated results of operations, consolidated changes in equity and consolidated cash flows.

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Macroeconomic environment

- In 2022, the impact of the pandemic on economic activity and employment since early 2020 was aggravated by the international crisis sparked by the invasion of Ukraine, which has significantly affected commodity supplies and costs, energy markets, international trade and price levels, effectively freezing the anticipated economic recovery.
- Quarter-on-quarter, Spanish GDP grew 0.3% in the first quarter (compared to 2.2% QOQ in the fourth quarter of 2021). Year-on-year, **GDP** grew 6.4% (5.5% in the previous quarter), with domestic demand contributing 3.3 points, 0.5 of a point lower than the previous quarter, while external demand contributed 3.1 points, 1.3 more than in the last quarter of 2021.
- According to ECB projections for the second quarter, the euro area economic recovery is facing difficulties, as the war has seriously undermined confidence and sparked a further escalation in energy and food prices, which, together with the uncertainty surrounding the situation of the pandemic in some part of the world, such as China, has put further pressure on supply chains. Meanwhile, the general easing of pandemic-related restrictions has energised the service sector.
- In June, the annual rate of change in the **CPI** is 10.2%, 1.5 points higher than in May and the highest level since April 1985. This upward trend is attributable mainly to the rise in the prices of fuel and food and non-alcoholic beverages, compared to the stability seen in 2021. The harmonised index of consumer prices (HICP) stands at 10.0%, also 1.5 points higher than in May, exceeding the monetary union average of 8.6%.
- **Average employment as recorded by the social security register**, after crossing the historical threshold of 20 million in April, reached 20.3 million in June, with annual growth of 523,419 people.
- In May, the number of **unemployed** fell below 3 million for the first time since November 2008, reaching 2,880,582 at the end of June, which represents an annual decrease of 225,323, or 7.25% in relative terms.
- The **unemployment rate** rose 0.3 p.p. in the first quarter, to 13.65%, halting the recovery seen in 2021 as the economy started to reopen (16.13% in December 2020).
- **12-month Euribor** has exceeded all forecasts, returning to positive territory for the first time since 2016, with a monthly average of 0.85% in June. **3-month Euribor** is also on an upward trend, though still negative, at -0.24%, compared to -0.56% in January.
- After 11 years without rising and having remained at 0.0% since 2016, the **ECB** has announced the start of interest rate normalisation, with a first rate hike planned for July and the prospect of further rises in September. Meanwhile, the **FED** has increased its benchmark rate three times so far this year, the last time being in June, when it hiked the rate by 0.75%, the biggest increase in 28 years, bringing the rate to 1.75%, compared to 0.25% at the beginning of the year.
- Russia's invasion of Ukraine and the threat of a major energy crisis have further weakened the **Euro**, bringing it closer to parity with the **Dollar**, a situation not seen since 2002.
- In June the **Ibex-35** fell 8.5%, after having risen for several months in a row despite the uncertainty caused by the war and rising prices. The possibility of an economic recession has affected the markets, which until recently were optimistic about inflation and interest rates, especially after the FED and the ECB announced their intention to raise interest rates.

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- The **non-performing loans ratio on loans to other resident sectors reported by deposit-taking institutions** fell to 4.1% in May, slightly below the 4.2% recorded at the end of the previous year, due to the 3.2% decline in the volume of non-performing loans, since lending has been practically flat this year (-0.1%).
- As the economy has slowed under the impact of the war and the inflationary scenario, among other factors, the large **banks** have increased their profits in the first quarter of the year, thanks to lower provisioning and a business recovery after the pandemic. However, the growth has been slower than in the first quarter of the previous year on account of the impact of the merger between Caixabank and Bankia.
- 2022 looks set to be a year of transition for the banking industry, as the increase in the intervention rate announced by the ECB is causing increases in the Euribor, which will boost banks' revenue, although it may also lead to a slight increase in non-performing loans and provisions for credit risks. With the possibility of an economic slowdown on the horizon, household debt service payments and household indebtedness have decreased in recent years, the financial situation of companies in general is good after the pandemic, and economic growth, though lower than initially expected, has also been positive.

Business performance and results

- At the end of the first half of financial year 2022, Grupo Cooperativo Cajamar has made significant progress, especially with respect to non-performing assets, with a steady decrease in the non-performing loans ratio to below 3.0% and a steady improvement in credit risk coverage.
- The faster pace of growth of the main business indicators during the year has been fuelled by recurring income from the banking business, while solvency remains strong, above the supervisor's requirements, thanks to strong capital and adequate profitability.
- **On-balance sheet customer funds** total €41,176 million, following annual growth of €2,436 million (€2,171 million in the first half of 2021), thanks, as in previous years, to the increase in **Demand deposits**, which grew 8.4% (€2,908 million) in the year, more than offsetting the decline in traditional deposits, which have started to decline more slowly in the new scenario of rising interest rates.
- The European economic situation and its impact on stock exchanges has once again had a marked effect on **Off-balance-sheet funds**, especially on the net asset value of investment funds, recording an annual decrease of €393 million, although in year-on-year terms it still shows positive growth of 3.5%.
- Like On-balance sheet customer funds, the rate of growth of **Performing loans and advances to customers** picked up during the year, with an annual increase of €1,294 million, compared to €909 million in the same period of the previous year, reaching a total of €35,075 million, used mainly to finance productive sectors such as agri-food, SMEs and large companies.
- As regards non-performing assets and balance sheet clean-up, the Group achieved new milestones, bringing its **NPL ratio** down to 2.97%, a drop of 0.6 p.p. in the half-year and 1.2 p.p. in the last 12 months, and increasing its **NPL coverage ratio** to 74.5%, compared to 71.3% at the end of the previous year.
- The significant improvement in the NPL ratio in recent years, to below the industry average, is attributable to efficient, proactive NPL management, accelerating the annual rate of decrease of **non-performing loans and advances** to 14.6% (€191 million, compared to €179 million in the first half of 2021).
- Another of the organisation's strategic objectives is to gradually reduce non-performing assets, with **net foreclosed assets** down €117 million in the first half (14.7% in relative terms) and the foreclosed asset coverage ratio up 3.1 p.p., at 60.4%.
- The Group continues to boast a comfortable **liquidity** position, thanks to appropriate asset and liability management. This has enabled it to channel credit to the various economic agents. The **LTD ratio** stands at 83.8%, after improving by 1.9 p.p. in the first half, while the **Business Gap** has increased by €1,120 million, to €6,816 million.
- On 27 January 2022, S&P ratified Grupo Cajamar's credit rating of 'BB-' for long-term debt and 'B' for short-term debt, with a stable outlook. On 23 May 2022, the rating agency DBRS maintained Grupo Cajamar's 'BB (High)' rating for long-term debt and 'R-3' for short-term debt and upgraded the outlook to stable.
- The Group's branch network is made up of 868 **branches** distributed throughout Spain (five fewer than in December 2021), with an **average workforce** of 5,317 employees across all group credit institutions.

- As the number of cooperative **members** who have placed their trust in the Group has risen to more than 1.6 million, the **share capital of the Group** has grown to €3,348 million, up 3.9% compared to December 2021.
- Note 5, **Risk Management Policies and Objectives**, to the condensed interim financial statements and Note 6 to the consolidated annual accounts for 2021 provide a detailed analysis of the situation and management of the Bank's various risks (credit, market, liquidity, interest rate, operational and exchange rate risk) during the six-month period ended 30 June 2022.
- At 30 June 2022, the Group posted **profit for the year** of €50.1 million, safeguarding its members' interests and allowing it to reinforce its solvency and at the same time contribute to local communities and sustainable development through the Education and Development Fund.
- In line with expectations and the strong business performance, the **Gross Margin** contributes €593.3 million to income, although the year-on-year comparison is unfavourable on account of the large volume of extraordinary revenue generated in 2021 in **Gains and losses on financial assets and liabilities**, mainly from the sale of fixed-income portfolios.
- Fees and commissions from the sale of products and services, such as payment services, investment funds and insurance and pension plans, increased in the first six months of the year, driving growth of 23.4% in **Net fee and commission income** and a 5.9% improvement in the **Results of investees or Dividend income**.
- As a result of this significant level of income, with a larger proportion of recurring revenue and a steadily decreasing proportion of expenses in relation to average total assets, the **Cost-to-income ratio** stands at 50.5% and a total of €208.9 million has been allocated to cover **Impairment losses on assets**, thus strengthening credit risk and foreclosed asset coverage.

Solvency

- At the end of June 2022, the **Solvency ratio** stood at 15.65% phased in (15.41% fully loaded), 265 b.p. above the 13.0% SREP requirement. The capital ratios are calculated without including the profit for the year or the capital contributions made in the first half of 2022 in the calculation of RWAs.
- The **CET1 ratio** is 13.22 % (12.98 % fully loaded), demonstrating the high quality of the Group's capital and giving rise to a surplus of €1,188 million above the required minimum of 8.41% specified by the supervisor for the year.
- The Group has **Eligible capital** of €3,867 million, of which €3,267 million is CET1 capital and €600 million is Tier 2 capital, which includes a **subordinated debt issue**.
- At 30 June 2022, **MREL** as a percentage of TREA is 18.20% and MREL as a percentage of LRE is 7.12%, in both cases above the interim targets of 16.53% and 5.31% to be met from 1 January 2022.

Treasury share acquisitions

Grupo Cooperativo Cajamar holds a total of 977,349 thousand treasury shares; this figure has not changed during 2022.

Events after the reporting period

Irrespective of the disclosures above and in the notes to the condensed interim consolidated financial statements, from 30 June 2022 to 2 August 2022 – the date on which the accompanying condensed interim consolidated financial statements were authorised for issue by the Group's Board of Directors – there were no significant events that must be disclosed in the notes to the accompanying annual accounts in order for them to give a true and fair view of the Group's equity, financial position, results of operations, changes in equity and cash flows.

Outlook for the Group

Given the macroeconomic scenario described earlier, Grupo Cooperativo Cajamar has set itself the following objectives:

- Strengthen its position as the leading credit institution both in the cooperative sector in Spain and in the agri-food sector, and as a key agent of economic development and social progress in the areas in which it operates.
- Increase its solvency.
- Ramp up its commercial efforts to progressively pare back its non-performing asset balance.
- Achieve sustained and solvent growth in total volume of funds under management.
- Steadily improve its productivity, profitability and recurring efficiency by being at the vanguard of the digital and technological transformation.
- Exhaustively control administrative expenses.
- Maintain a comfortable liquidity position by efficiently managing its assets and liabilities.

Alternative performance measures glossary

Grupo Cooperativo Cajamar uses in its directors' reports, 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 the Group, which allows for comparison with other entities.

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

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	Measure	Definition and method of calculation
1	Foreclosed assets (net)	Foreclosed assets (gross) – Total provisions for foreclosed assets.
2	Group's share capital	Capital + Equity instruments issued other than capital - Treasury shares.
3	Performing loans to customers	Gross loans and advances to customers less non-performing loans and advances to customers.
4	Gains or (-) losses on financial assets and liabilities	Gains or (-) losses on derecognition of financial assets and liabilities not measured at fair value through profit or loss, net + Gains or (-) losses on financial assets and liabilities held for trading, net + Gains or (-) losses on non-trading financial assets mandatorily at fair value through profit or loss, net + Gains or (-) losses on financial assets and liabilities designated at fair value through profit or loss, net + Gains or (-) losses from hedge accounting, net
5	Business gap	Difference between the numerator and the denominator of the Loan-to-deposit ratio
6	Operating expenses	Staff expenses + Other administrative expenses + depreciation.
7	Gross loans and advances	Gross loans and advances to customers + Other loans and advances (Reverse repurchase agreements) + Debt securities of customers.
8	Impairment losses on assets	Impairment or (-) reversal of impairment and gains or losses on changes in cash flows of 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 on investments in joint ventures and associates.
9	Cost-to-income ratio (%)	Operating expenses / Gross income
10	Loan-to-deposit ratio (%)	Net loans and advances to customers/ (customer deposits + net securitisations issued + intermediary loans and advances + other on-balance-sheet customer funds)
11	Off-balance sheet funds	Investment funds, pension plans, savings insurance, and fixed-income and equity securities held by customers.
12	On-balance sheet customer funds	Demand deposits + Term deposits + Other funds.
13	Members	Owners (natural persons and legal entities) of at least one contribution to the capital of the credit cooperatives belonging to Grupo Cooperativo Cajamar.
14	Foreclosed asset coverage ratio	Foreclosed asset coverage / Foreclosed assets.
15	NPL coverage ratio (%)	Provisions for loans and advances to customers / Non-performing loans.
16	NPL ratio (%)	(Non-performing loans + Non-performing contingent exposures) / (Gross loans and advances to customers + Contingent liabilities).